

ERRATA TO THE REPORT OF THE COMPTROLLER AND
AUDITOR GENERAL OF INDIA FOR THE YEAR 1979-80
(CIVIL)— GOVERNMENT OF TAMIL NADU

Page number	Reference	For	Read
(1)	(2)	(3)	(4)
3	Last line—figure under column 3	9,44 85	9,44.85
22	Paragraph 1.13— Sixth line of the paragraph 12th line of the paragraph	(Rs. 7.20 crores), Navigation- Drainage	(Rs. 7.20 crores) Navigation, Drainage
	Paragraph 1.14— Second line of the para	are	is
23	Year in the last column of the table under (ii) Loans and advances by the State Government	1979	1979—80
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27	Column 5 against S. No. 2 First line of the narration under S.No. 3	2,19,649 State	+2,19,649 States
30	First line of the narration under S. No. 11	Shorfall	Shortfall
31	Last line of the page	account	account
32	Column 5 against S.No. 11 First of the narration under S.No. 10	6,13 59 Savings	6,13.59 Saving
33	Second line of the narration under S. No. 14.	Supplmen- tary	Supple- mentary
37	Heading of the column (2) of the table under sub-paragraph (iv) (c) of para- graph 2.4.	Total	Total
39	Column (2) against S.No. 4	282.B.C.A.	282. B.A C

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43	Paragraph 2.6—Ninth line of the paragraph	Co-operative	Co-operative
44	Column (3) of the table against grant No. 38	() 2.61	(—) 2.61
49	Heading of column (3) of the table (4th and 5th lines)	established	established
62	Sub-paragraph I(ii) (a) under paragraph 3.5.2—third line of the sub-paragraph	per	per
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69	Third line of the second paragraph under column 4 against S.No. 1	in	is
79	Sub-paragraph 4(i) under paragraph 3.9.9—Sixth line of the sub-paragraph	(Jure 1980)	(June 1980)
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91	Sub-paragraph (iii) under paragraph 3.12.7—Eighth line of the sub-paragraph.	divison	division
93	Sub-paragraph (iv) (a) under paragraph 3.12.9—		
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97	Third line of paragraph 3.14.3	Officers	offices
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129	Third line of the fourth sub-paragraph in the page	(November 1980	(November 1980)
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141	Third line of the sub-paragraph (i) under paragraph 5	undertaking	under-takings
142	S. No. 6 of the table in the page— Column 1.	DIVISION	DIVI-SIONS
149	First line below the table in the page	Non-receipt	Non-receipt
156	Last line of the page	Rs. 0.8 lakh.	Rs. 0.89 lakh
158	Second line of the second sub-paragraph of paragraph 6.9	contonment.	cantonment.
160	S. No. 5 of the table in the page— Column 1	Calcutta University	Calcutta University,
165	Column 2 of the first table in the page against Erode	1,06 00	1,06.00

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167	Last line of paragraph 6.13.6	implemeen- ted	imple- mented
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169	First line of paragraph 6.14	Rs. 1 50 lakhs	Rs. 1.50 lakhs.
176	Second line of the third paragraph in the page	observa- tions	observa- tion
177	Column (1) of the first table in the page against S. No. 5	Family Welfare	Family Welfare
185	Column (2) of the second table in the page against S. No. 1—third line	cash stores	cash/ stores
187	First line of the narration under A. General Services—Organs of State	(Rs. 3 96 crores)	(Rs. 3.96 crores)
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**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

FOR THE YEAR

1979 - 80

(CIVIL)

GOVERNMENT OF TAMIL NADU

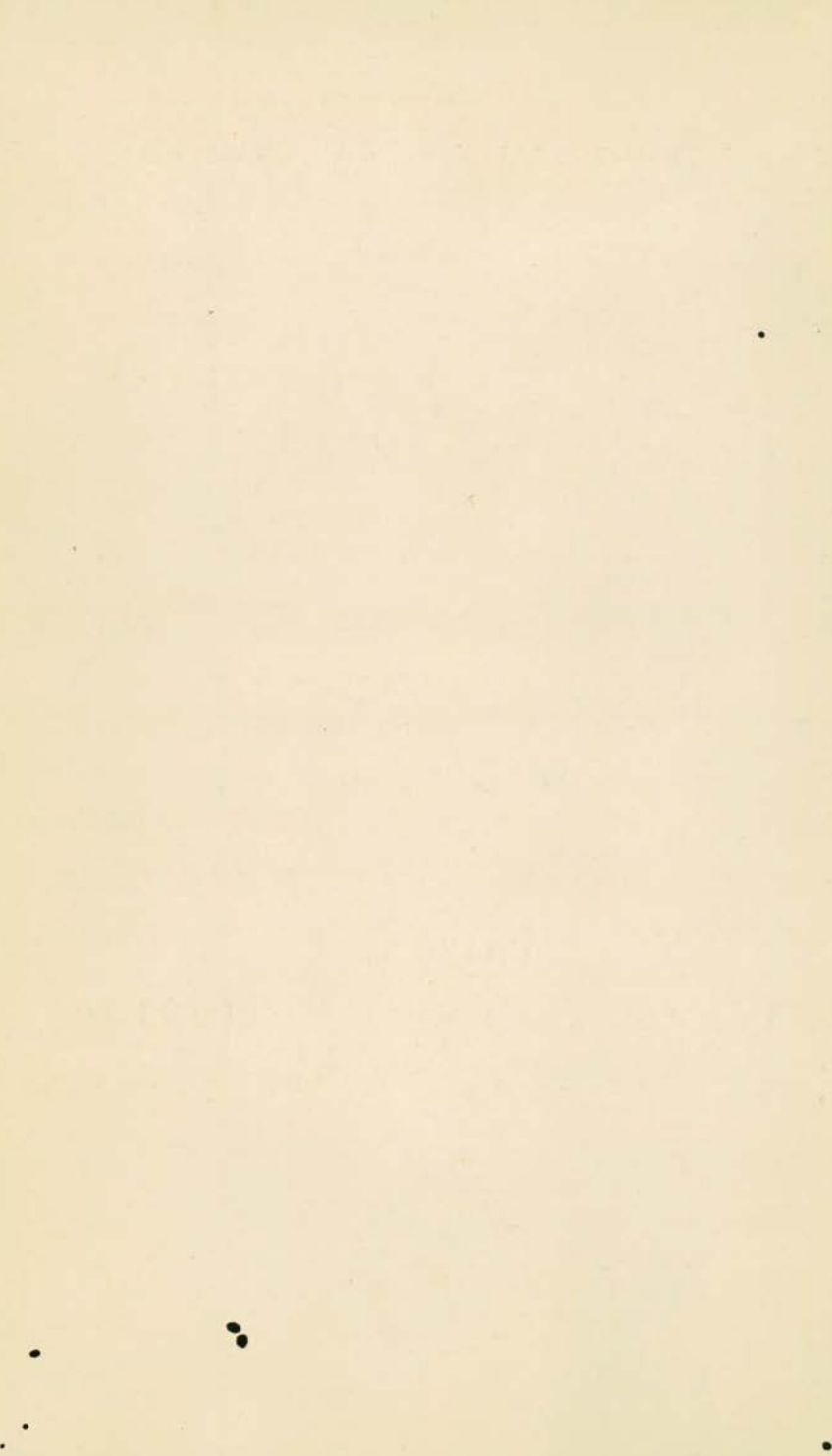


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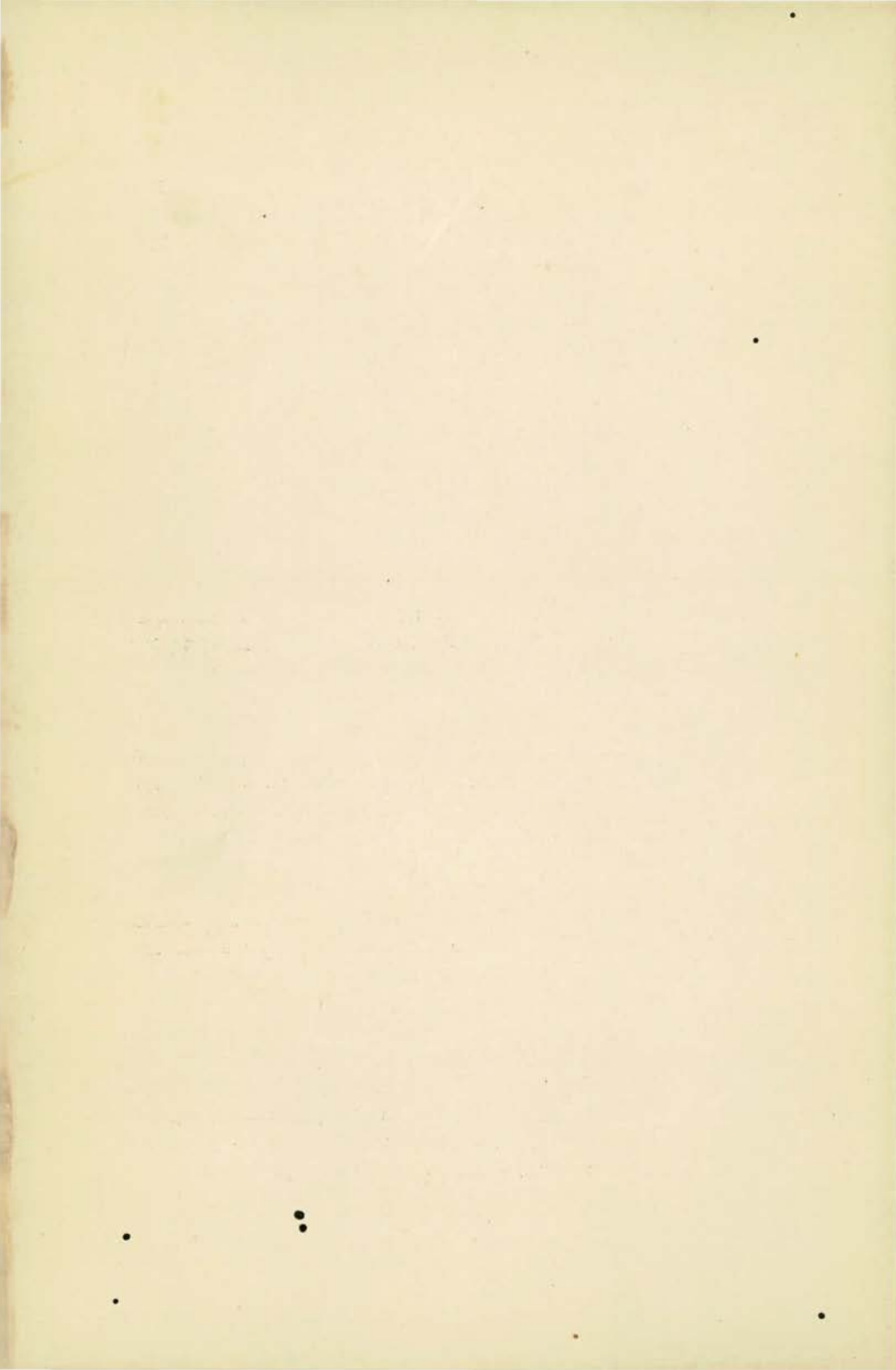
PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1979-80 together with other points arising from audit of the financial transactions of the Government of Tamil Nadu. It also includes certain points of interest arising from the Finance Accounts for the year 1979-80.

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

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1979-80 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 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 by the departments/bodies/authorities concerned.



CHAPTER I GENERAL

1.1. Summary of transactions

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

(1)	1978—79 (2)	1979—80 (3)
	(in crores of rupees)	
1. Revenue—		
Revenue receipts	8,01.48	9,44.85
Revenue expenditure	7,53.51	8,49.55
Revenue surplus (+)	<u>+47.97</u>	<u>+95.30</u>
2. Public Debt—		
Internal Debt of the State Government (net) Increase (+)	+15.59	+21.17
Loans and Advances from the Central Government (net) Increase(+)	+1,22.03	+91.76
Total Public Debt (net) Increase (+) ..	<u>+1,37.62</u>	<u>+1,12.93</u>
3. Loans and Advances by the State Government (net) Increase (—)	—1,21.72	—1,72.17
4. Contingency Fund (net) Receipts (+)/Payments (—)	—0.56	+0.56
5. Public Account (net) Receipts (+)/Payments (—) ..	—1.31	+24.89
6. Capital expenditure (net) Increase(—)	—58.34	—67.59
Net surplus (+)/deficit (—)	<u>+3.66</u>	<u>—6.08</u>
Opening balance	—5.41	—1.75
Net surplus (+)/deficit (—) as above ..	<u>+3.66</u>	<u>—6.08</u>
Closing cash balance	—1.75	—7.83(A)

(A) There was a difference of Rs.—10,16.09 lakhs between the figure reflected in the accounts (Rs.—6,15.71 lakhs) and that intimated by the Reserve Bank (Rs. 4,00.38 lakhs) regarding "Deposits with Reserve Bank" included in the cash balance. The difference to the extent of (Rs.—7,41.90 lakhs) has since been reconciled. The remaining difference (Rs.—2,74.19 lakhs) is under reconciliation (November 1980).

1.2. Revenue surplus/deficit

(a) *Revenue receipts.*—The actuals of the revenue receipts of the State Government for 1979-80 as compared with (a) the budget estimates and (b) the budget estimates *plus* additional taxation during the year along with the corresponding figures for 1977-78 and 1978-79 are shown below :—

Year	Budget	Budget plus additional taxation	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1977-78	.. 6,33.24	6,33.24	6,82.05	+48.81	8
1978-79	.. 6,80.08	6,80.08	8,01.48	+1,21.40	18
1979-80	.. 8,49.83	8,49.83	9,44.85	+95.02	11

(b) *Expenditure on revenue account.*—The expenditure on revenue account as compared with (a) the budget estimates and (b) the budget estimates plus supplementary grants with the corresponding figures for 1977-78 and 1978-79 is shown below :—

Year	Budget	Budget plus supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1977-78	.. 6,63.40	7,41.74	7,06.12	-35.62	5
1978-79	.. 7,26.76	8,02.85	7,53.51	-49.34	6
1979-80	.. 8,49.25	9,36.19	8,49.55	-86.64	9

(c) The year ended with a revenue surplus of Rs. 95.30 crores against the surplus of Rs. 0.58 crore anticipated in the budget.

1.3. Revenue receipts

The revenue receipts during 1979-80 (Rs. 9,44.85 crores) increased by Rs. 1,43.37 crores over those in 1978-79 (Rs. 8,01.48 crores). The increase (counterbalanced by decrease under certain heads) compared to 1978-79 is analysed below :—

(1)	(2)	(3)	Amount of Increase (+)/de- crease (-) (4)
		(in crores of rupees)	
(a) Tax Revenue—			
(i) Taxes on income other than Corporation Tax	56.11	69.62	+13.51
(ii) Taxes on Agricultural Income ..	10.32	6.83	—3.49
(iii) Land Revenue	6.85	8.08	+1.23
(iv) Stamps and Registration Fees ..	35.10	39.12	+4.02
(v) Estate Duty	0.83	1.21	+0.38
(vi) Taxes on Immovable Property other than Agricultural land	2.00	1.99	—0.01
(vii) State Excise	3.33	5.18	+1.85
(viii) Sales Tax	2,93.52	3,24.78	+31.26
(ix) Taxes on Vehicles	57.11	68.57	+11.46
(x) Taxes on Duties and Electricity ..	12.61	3.66	—8.95
(xi) Other Taxes and Duties on Commodities and Services	26.54	28.16	+1.62
	5,04.32	5,57.20	+52.88
(b) Non-tax Revenue	1,23.13	1,21.78	—1.35
(c) Grants and contributions—			
(i) Grants from Central Government—			
A. Non-Plan Grants	4.01	16.56	+12.55
B. Grants for State Plan Schemes ..	48.88	36.70	—12.18
C. Grants for Central Plan Schemes ..	10.28	7.24	—3.04
D. Grants for Centrally Sponsored Schemes	19.25	13.24	—6.01
(ii) State's share of Union Excise Duties	91.61	1,92.13	+1,00.52
Total ..	1,74.03	2,65.87	+91.84
Total Revenue Receipts	8,01.48	9,44.85	+1,43.37

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 Tamil Nadu.

1.4. Expenditure on revenue account

(i) The following table compares the expenditure on revenue account during 1979-80 under the broad headings with the provision of funds made thereunder (and also with the expenditure during 1978-79 within brackets):—

<i>Head of expenditure</i>	<i>Budget estimate</i>	<i>Budget plus supplementary</i>	<i>Actuals</i>	<i>Variation between columns (4) and (3)</i>
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
A—Plan				
A. General Services	0.19	0.19	0.05 (0.78)	—0.14
B. Social and Community Services	68.75	74.01	53.54 (62.48)	—20.47
C. Economic Services				
(i) General Economic Services	3.36	8.02	7.52 (5.08)	—0.50
(ii) Agriculture and Allied Services	35.20	45.97	34.57 (38.46)	—11.40
(iii) Industry and Minerals	11.24	12.40	9.50 (10.03)	— 2.90
(iv) Water and Power Development	1.42	4.29	1.62 (9.93)	—2.67
(v) Transport and Communications	7.57	11.51	12.52 (20.79)	+1.01
Total—C	58.79	82.19	65.73 (84.29)	—16.46
Total—Plan	1,27.73	1,56.39	1,19.32 (1,47.55)	—37.07

<i>Head of expenditure</i>	<i>Budget estimate</i>	<i>Budget plus supplementary</i>	<i>Actuals</i>	<i>Variation between columns (4) and (3)</i>
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
B—Non-Plan				
A. General Services ..	2,53.20	2,67.68	2,31.56 (2,02.48)	—36.12
B. Social and Community Services	2,95.42	3,05.53	3,02.01 (2,59.16)	—3.52
C. Economic Services ..				
(i) General Economic Services	10.19	11.34	10.94 (9.27)	—0.40
(ii) Agriculture and Allied Services	69.55	77.87	68.24 (61.46)!	—9.63
(iii) Industry and Minerals	7.56	7.73	7.82 (6.78)	+0.09
(iv) Water and Power Development	40.27	43.47	47.33 (31.60)	+3.86
(v) Transport and Communications	22.64	38.49	37.04 (15.25)	—1.45
Total—C ..	1,50.21	1,78.90	1,71.37 (1,24.36)	—7.53
D. Grants-in-aid and Contributions	22.69	27.69	25.29 (19.96)	—2.40
Total—Non-Plan ..	7,21.52	7,79.80	7,30.23 (6,05.96)	—49.57

(ii) Significant variation in expenditure during 1979-80 over the previous year under the broad sectors are analysed in Appendix I.

1.5. Expenditure on capital account

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

Year	Budget	Budget plus supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1977-78 ..	62.88	86.11	40.53	-45.58	53
1978-79 ..	63.45	89.33	58.34	-30.99	35
1979-80 ..	72.25	96.16	67.59	-28.57	30

The major items of shortfall in capital expenditure under Plan are dealt with in paragraph 1.13 under Plan Performance.

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

Head of expenditure	Budget estimate	Budget plus supplementary	Actuals	Variation between columns (4) and (3)
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				

A—Plan

Capital account of —

A. General Services ..	0.74	0.74	0.85 (0.64)	+0.11
B. Social and Community Services	9.46	10.19	9.75 (6.63)	-0.44

<i>Head of expenditure</i>	<i>Budget estimate</i>	<i>Budget plus supplementary</i>	<i>Actuals</i>	<i>Variation between columns (4) and (3)</i>
(1)	(2)	(3)	(4)	(5)

(in crores of rupees)

A—Plan—concl'd.

C. Economic Services—

(i) General Economic Services	2.73	13.74	13.69 (10.40)	—0.05
(ii) Agriculture and Allied Services	7.38	8.98	9.53 (5.62)	+0.55
(iii) Industry and Minerals	5.11	7.49	6.86 (7.40)	—0.63
(iv) Water and Power Development	27.01	27.10	16.67 (17.57)	—10.43
(v) Transport and Communications	11.40	16.83	12.40 (8.82)	—4.43
Total—C ..	53.63	74.14	59.15 (49.81)	—14.99
Total—Plan ..	63.83	85.07	69.75 (57.08)	—15.32

B—Non-Plan

Capital account of—

A. General Services ..	2.17	2.28	0.37 (0.47)	—1.91
B. Social and Community Services	1.82	2.69	1.99 (0.28)	—0.70
C. Economic Services—				
(i) General Economic Services	—3.27	—3.02	—6.07 (—0.01)	—3.05
(ii) Agriculture and Allied Services	5.24	5.24	—0.72 (—2.48)	—5.96
(iii) Industry and Minerals	..	0.97	—0.40 (1.23)	—1.37

<i>Head of expenditure</i>	<i>Budget estimate</i>	<i>Budget plus supplementary</i>	<i>Actuals</i>	<i>Variation between columns (4) and (3)</i>	
(1)	(2)	(3)	(4)	(5)	
(in crores of rupees)					
(iv) Water and Power Development		2.41	2.41	2.13 (1.93)	-0.28
(v) Transport and Communications		0.05	0.52	0.54 (-0.16)	+0.02
Total—C ..		4.43	6.12	-4.52 (0.51)	-10.64
Total—Non-Plan ..		8.42	11.09	-2.16 (1.26)	-13.25

(iii) 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 the State Government

(i) The actuals of disbursements of loans and advances by the State Government for 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 :—

<i>Year</i>	<i>Budget</i>	<i>Budget plus supplementary</i>	<i>Actuals</i>	<i>Variation between columns (4) and (3)</i>	
				<i>Amount</i>	<i>Percentage</i>
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1977-78 ..	74.93	1,89.12	1,73.34	-15.78	8
1978-79 ..	86.83	1,99.47	1,98.60	-0.87	..
1979-80 ..	1,14.44	2,49.09	2,52.51	+3.42	1

There was increase mainly under, Loans to Government Servants (Rs. 9,33.76 lakhs), Ports, Light houses and Shipping (Rs. 1,59.99 lakhs) and Roads and Bridges (Rs. 96.08 lakhs), counterbalanced by decrease mainly under Social Security and Welfare (Rs. 4,76.02 lakhs), Industrial Research and Development (Rs. 2,35.06 lakhs) and Food (Rs. 1,25.91 lakhs).

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

Year	Budget	Actuals	Variation between columns (3) and (2)	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
1977-78 ..	24.07	51.21	+27.14	113
1978-79 ..	54.36	76.87	+22.51	41
1979-80 ..	34.50	80.34	+45.84	133

The increase in recoveries was mainly under Public Health, Sanitation and Water Supply (Rs. 2.45 crores), Co-operation (Rs. 12.99 crores), Agriculture (Rs. 4.36 crores), Food (Rs. 10.00 crores), Industrial Research and Development (Rs. 3.49 crores), Loans to Government Servants (Rs. 4.90 crores) and Miscellaneous Loans (Rs. 2.41 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	
	Outstanding balance on 1st April 1977	Loans disbursed	Loans recovered	Outstanding balance on 31st March/1st April 1978	Loans disbursed
(1)	(2)	(3)	(4)	(5)	(6)
	(in crores of rupees)				
(i) Loans for Social and Community Services	1,29.09	32.52	6.41	1,55.20	39.16
(ii) Loans for Economic Services—					
(a) General Economic Services	31.16	21.76	3.91	48.99*	39.43
(b) Agriculture and Allied Services	51.32	47.21	20.16	78.39*	23.80
(c) Industry and Minerals	39.62	8.98	3.74	44.86	12.86
(d) Water and Power Development	2,86.58	38.45	3.00	3,22.03	60.85
(e) Transport and Communications	18.33	9.26	2.85	24.74	4.00
Total—(ii) ..	4,27.01	1,25.66	33.66	5,19.01	1,40.94
(iii) Loans to Government Servants	12.90	12.33	10.26	14.97	15.85
(iv) Loans for miscellaneous purposes	20.87	2.83	0.88	22.82	2.65
Total ..	5,89.87	1,73.34	51.21	7,12.00	1,98.60

* Includes *pro forma*

1978-79	1979-80			<i>Outstanding balance on 31st March 1980</i>
<i>Loans recovered</i>	<i>Outstanding balance on 31st March/ 1st April 1979</i>	<i>Loans disbursed</i>	<i>Loans recovered</i>	
(7)	(8)	(9)	(10)	(11)
(In crores of rupees)				
₹13.87	1,80.49	39.54	10.45	2,09.58
13.82	74.60	72.97	15.81	1,31.76
10.96	₹91.23	2.51	24.14	69.60
10.27	47.45	14.03	7.04	54.44
7.00	3,77.67*	78.11	..	4,55.78
2.75	25.99	20.08	3.30	42.77
44.80	6,16.94*	1,87.70	50.29	7,54.35
12.37	18.45	23.81	16.97	25.29
5.83	₹19.64	1.46	2.63	18.47
<u>76.87</u>	<u>8,35.52*</u>	<u>2,52.51</u>	<u>80.34</u>	<u>10,07.69</u>

corrections.

Further details are given in Statement Nos. 5 and 18 of Finance Accounts 1979-80.

(iv) *Recoveries in arrears*.—(a) Loans and advances, the detailed accounts of which are maintained by the Audit Office (amount outstanding as on 31st March 1980: Rs. 83.30 crores).

(i) In respect of this category of loans, recovery of Rs. 4,04.96 lakhs was pending at the end of March 1980. The particulars of amounts overdue loan-wise are given in Appendix III.

(ii) The arrears in respect of receipt of certificates of acceptance of balances as at the end of 31st March 1980 were as follows:—

(1)	(2) Number of certificates	Balance of loans as on 31st March 1980 (3) (in lakhs of rupees)	Year to which the outstanding certificates pertain (4)
Municipalities	2,289	35,97.80	1979-80
Panchayats	1,291	8,45.94	1979-80

(b) Loans and advances, the detailed accounts of which are maintained by the departmental officers (amount outstanding on 31st March 1980: Rs. 9,24.39 crores).

(i) The break-up of the outstanding of Rs. 9,24.39 crores is as under:—

	(in crores of rupees)
Loans for Power Projects	4,55.76
Loans for Co-operation	1,31.76
Loans for Public Health, Sanitation and Water Supply	52.10
Loans for Housing	46.04
Loans for Food	40.75
Loans for Industrial Research and Development ..	32.18
Loans for Social Security and Welfare	31.59
Loans to Government Servants	25.29
Loans for Road and Water Transport Services ..	24.22
Loans for Agriculture	16.26
Loans for miscellaneous purposes	68.44
Total	9,24.39

The arrears position could not be indicated as the necessary information has not been furnished by the departmental officers as mentioned below :—

The annual statements due in the Audit Office every June showing the arrears in recovery of principal and interest were not received from many departmental officers as they had not reconciled their balances with the accounts figures from 1957-58. The matter was brought to the special notice of Government and reconciliation up to 31st March 1974 is in progress.

(ii) *Loans and advances to local bodies.*—The Examiner of Local Fund Accounts audits the accounts of local bodies and furnishes to Audit a consolidated certificate along with a statement showing irregularities such as non-utilisation of loans. Certain important irregularities such as non-utilisation of loans and utilisation of loans for unauthorised purposes noticed by the Examiner for 1978-79 are mentioned in Appendix IV.

(iii) The detailed accounts of advances to cultivators are maintained in the offices of the Tahsildars and Collectors. Recovery of loans granted by officers of development departments has also been entrusted to the Tahsildars. A test check by Audit in 1979-80 of the accounts of loans maintained in these offices indicated the following position:—

	<i>Amount</i>
	(in lakhs of rupees)
(1)	(2)*
1. Alleged misappropriation by village officers ..	0.24
2. Non-recovery of loans ordered for summary recovery	14.14
3. Irregular sanction of loans	2.45
4. Omission to verify utilisation of loans	62.81

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

The sources from which capital expenditure (Rs. 67.59 crores) and the net expenditure under "Loans and Advances" by the State Government (Rs. 1,72.17 crores) during 1979-80 were met are shown below:—

	(in crores of rupees)
I. Revenue Surplus	+ 95.30
II. Net additions to—	
(i) Internal Debt of the State Government	+ 21.17
(ii) Loans from Government of India	+ 91.76
(iii) Small Savings, Provident Funds, etc.	+ 10.57
III. Sinking Funds and Reserve Funds	+16.30
IV. Net Increase under Deposits and Advances	+3.26
V. Net effect of transactions under—	
(i) Suspense and Miscellaneous	—5.94
(ii) Remittances	+0.75
VI. Investments and cash balances	+6.03
VII. Amount transferred to Contingency Fund	+0.56
Net amount available for expenditure	2,39.76

1.8. Debt position

Public Debt.—The total public debt of Government increased by Rs. 1,12.93 crores in 1979-80 as shown below :—

(1)	Receipts during the year (2)	Repayments during the year (3)	Net increase + (4)
	(in crores of rupees)		
1. Internal debt of the State Government	88.47	67.30	+21.17
2. Loans and Advances from the Central Government	1,56.31	64.55	+91.76
Total ..	2,44.78	1,31.85	+1,12.93

The outstanding public debt at the end of 1979-80 was Rs. 12,12.25 crores. An analysis of the debt compared with the corresponding figures for the preceding two years is given below :—

(1)	<i>Total public debt on 31st March</i>		
	1978 (2)	1979 (3)	1980 (4)
	(in crores of rupees)		
1. Internal debt of the State Government	3,04.65	3,20.24	3,41.41
2. Loans and Advances from the Central Government	6,57.05	7,79.08	8,70.84
Total] ..	9,61.70	10,99.32	12,12.25

Under the Andhra State Act, 1953, the outstanding public debt of the composite Madras State on 30th September 1953 was allocable among the successor States in the ratio of capital expenditure incurred in the respective areas. Pending determination of the capital expenditure in the respective areas, the liability was provisionally shared in the population ratio.

Similarly, on the reorganisation of States, the outstanding public debt of Madras State on 31st October 1956, which was to be allocated among the successor States in the ratio of capital expenditure in the respective areas, under the States Reorganisation Act, 1956, was also shared provisionally in the population ratio pending determination of the ratio of capital expenditure.

(a) *Permanent Debt.*—During the year, a loan of Rs. 31.07 crores carrying 6½ per cent interest (redeemable at par in 1989) was raised. Land ceiling compensation bonds of Rs. 0.04 crore were also issued during the year; these are repayable in ten annual instalments and carry 4 per cent interest. Repayments against the bonds during the year were Rs. 0.57 crore.

(b) *Ways and means advances and overdrafts from the Reserve Bank of India.*—Under an agreement with the Reserve Bank of India, Government of Tamil Nadu have to maintain with the Bank a minimum balance of Rs. 1,10 lakhs on all the days. If the cash balance falls below the agreed minimum, the deficiency is made good either by selling Treasury Bills or by taking ordinary ways and means advances from the Bank. These are limited to a maximum of Rs. 22,00 lakhs (with effect from 1st October 1978). In addition, special ways and means advances not exceeding Rs. 11,00 lakhs are also made available whenever necessary. If even after the maximum advance is given, there is a shortfall in the minimum cash balance, the shortfall is left uncovered. Overdrafts are given by the Bank, if the State has a minus balance after availing of the maximum advance.

Interest is payable on the advances, shortfalls and overdrafts. The advances carry interest at one per cent below the Bank Rate for the first 90 days, one per cent above the Bank Rate beyond 90 days and up to 180 days and two per cent above the Bank Rate beyond 180 days. The

Bank charges interest on the shortfalls in the minimum balance at one per cent below the Bank Rate and on overdrafts at the Bank Rate up to and including the seventh day and at 3 per cent above the Bank Rate thereafter.

During the year, the balance of the State Government with the Reserve Bank of India fell short of the agreed minimum on six days. The deficiency was made good by taking ways and means advances. The total amount of advances obtained during the year was Rs. 50.66 crores. Out of this amount, Rs. 44.30 crores were repaid leaving a balance of Rs. 6.36 crores as on 31st March 1980 which were repaid in April 1980.

The interest paid to the Bank on the ways and means advances and shortfalls during the year 1979-80 was Rs. 9.82 lakhs.

(c) *Loans from Government of India*.—The balance of Rs. 8,70.84 crores outstanding on 31st March 1980 formed 72 per cent of the total public debt (Rs. 12,12.25 crores).

1.9. Other debt and obligations

In addition to public debt, small savings, provident funds, etc., balances at the credit of certain earmarked and other funds and certain deposits to the extent to which they have not been invested, but are merged with the cash balance also constitute liability of Government. The amounts of such liability at the end of 1977-78, 1978-79 and 1979-80 are given below :—

(1)	Liability on 31st March		
	1978 (2)	1979 (3)	1980 (4)
	(in crores of rupees)		
Small Savings, Provident Funds, etc.	77.65	68.53	79.10
Interest-bearing obligations (such as, depreciation reserve funds of commercial undertakings, other deposits, etc.)	57.74	63.52	61.77
Non-interest bearing obligations (such as, deposits of local funds, civil deposits, earmarked funds, etc.)	1,68.79	1,40.66	1,62.78
Total	3,04.18	2,72.71	3,03.65

1.10. Service of debt

The net burden of interest charges on debt and other obligations on revenue is given below:—

	1977—78	1978—79	1979—80
(1)	(2)	(3)	(4)
	(in crores of rupees)		
Public debt outstanding at the end of the year	9,61.70	10,99.32	12,12.25
Small Savings, Provident Funds, etc., and other obligations at the end of the year	3,04.18	2,72.71	3,03.65
(i) Interest paid by Government—			
(a) On public debt and small savings, provident funds, etc.	50.43	58.39	54.45
(b) Other obligations	2.96	3.38	[4.53
Total	53.39	61.77	58.98
(ii) Deduct—			
(a) Interest on loans and advances given by Government	15.31	20.45	20.80
(b) Interest realised on investment and cash balances	1.55	2.54	3.37
(iii) Net amount of interest charges	36.53	38.78	34.81
Percentage of gross interest	7.83	7.71	6.24
[item (i) to total revenue receipts]			
Percentage of net interest	5.36	4.84	3.68
[item (iii) to total revenue receipts]			

There were in addition, certain other receipts and adjustments totalling Rs. 14.30 crores such as interest received from commercial departments. If these are also taken into account, the net burden of interest on the revenue would be Rs. 20.51 crores working out to 2.17 per cent of the revenue.

The State Government also received during the year Rs. 1,14.11 lakhs as dividend on investments in commercial undertakings, etc.

1.11. Guarantees

(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 No. 6 of the Finance Accounts, 1979-80):—

<i>Body on whose behalf guarantee was given</i>	<i>Maximum amount guaranteed</i>	<i>Sums guaranteed outstanding on 31st March 1980</i>
(1)	(2)	(3)
(in crores of rupees)		
Statutory Corporations and Boards ..	3,36.30	2,32.69
Government Companies	1,15.23	62.99
Co-operative Institutions	3,63.43	2 43.42
Joint Stock Companies	0.07	..
Other Institutions	2.52	1.40

(ii) The maximum amounts guaranteed and the sums outstanding to end of March 1980 indicated above include the guarantees given by Government on behalf of certain statutory corporations/boards under the provisions of various statutes as mentioned below:—

(1)	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1980
	(2)	(3)
	(in crores of rupees)	
Tamil Nadu Electricity Board	2,85.05	2,00.90
Tamil Nadu Housing Board	44.05	26.57
Madras City Municipal Corporation	*	*
Tamil Nadu Slum Clearance Board	5.20	3.45
Madras Metropolitan Development Authority	2.00	1.77

(iii) In consideration of the guarantee given by the Government, the institutions are, in some cases, required to pay guarantee commission. In the following cases, the guarantee commission was in arrears as on 31st March 1980:—

	RS.
Tamil Nadu Industrial Development Corporation	89,546
Tamil Nadu Small Industries Corporation Limited	1,59,000
Tamil Nadu Cements Corporation Limited	4,985
Poompuhar Shipping Corporation	1,79,184
Pallavan Transport Corporation Limited (Metro)	6,666
Pandiyan Roadways Corporation Limited	580

* Information not received.

(iv) Particulars of amounts paid by the State Government during the last five years in pursuance of guarantees are given below :—

Year (1)	Payments on behalf of	
	Ryots (2)	Others (3)
	(in lakhs of rupees)	
1975—76	..	13.96
1976—77	0.71	7.00
1977—78	0.48	5.09
1978—79	0.96	1,12.00
1979—80	*	*

1.12. Investments

In 1979-80, Government invested Rs. 28.74 crores in one Statutory Corporation (Rs. 0.20 crore), 25 Government Companies (Rs. 13.67 crores), 2 Joint Stock Companies (Rs. 1.23 crores) and 101 Co-operative Institutions (Rs. 13.64 crores).

The total investment of Government in the share capital and debentures of different concerns at the end of 1979-80 was Rs. 1,87.39 crores. Dividend/interest received therefrom during 1979-80 was Rs. 84.06 lakhs (0.45 per cent) as indicated below :—

Categories of bodies (1)	Investment				Dividend/ interest received during the year with percentage of return on cumulative investment in brackets • (6)
	During 1979—80		To end of 1979—80		
	Number of concerns	Amount	Number of concerns	Amount	
	(2)	(3)	(4)	(5)	(6)
	(amounts in lakhs of rupees)				
(i) Statutory Corporation ..	1	20.00	1	1,45.50	..
(ii) Government Companies	25	13,66.58	51	1,00,11.90	28.83 (0.29)
(iii) Joint Stock Companies	2	1,22.87	9	1,99.44	0.16 (0.08)
(iv) Co-operative Institutions	101	13,64.31	5,669	83,82.47	55.07 (0.66)
Total ..	129	28,73.76	5,730	1,87,39.31	84.06 (0.45)

* Information not received.

1.13. Plan Performance

Against the total provision of Rs. 1,56.39 crores, under Revenue and Rs. 85.07 crores under Capital for Plan schemes during 1979-80, expenditure of Rs. 1,19.32 crores and Rs. 69.75 crores respectively was incurred. The shortfall was 24 per cent under Revenue and 18 per cent under Capital. The major areas of shortfall in the revenue expenditure were Public Health, Sanitation and Water Supply (Rs. 7.20 crores) Social Security and Welfare (Rs. 3.78 crores), Medical (Rs. 3.75 crores), Education (Rs. 3.47 crores), Agriculture and Allied Services (Rs. 5.53 crores under Agriculture) and Industry and Minerals (Rs. 4.55 crores under Village and Small Industries). Under the Capital expenditure the shortfall occurred mainly under Water and Power Development (Rs.10.91 crores under Irrigation, Navigation—Drainage and Flood Control Projects). Details are given in Appendix V.

1.14. Growth of non-plan expenditure

The non-plan expenditure during the three years 1977-78 to 1979-80 are given below (with percentage of increase over the previous year in brackets).

(i) Revenue Account

Sector (1)	1977—78	1978—79		1979—80	
	(2)	(3)	(4)	(5)	(6)
		(in lakhs of rupees)			
A. General Services	1,98,03.39	2,02,47.92	(2.24)	2,31,54.93	(14.35)
B. Social and Community Services	2,48,96.63	2,59,15.89	(4.09)	3,02,01.03	(16.53)
C. Economic Services	1,23,43.10	1,24,36.19	(0.75)	1,71,37.25	(37.80)
D. Grants-in-aid and Contributions	19,20.34	19,95.84	(3.93)	25,29.31	(26.72)
Total	5,89,63.46	6,05,95.84	(2.76)	7,30,22.52	(20.50)

The major components of non-plan expenditure on revenue account were (a) salaries and travel expenses under sectors A, B and C

and (b) Grants-in-aid under sectors B and C, as indicated below (with percentage of increase over the previous year in brackets).

Sector	1977-78		1978-79		1979-80	
	Expenditure (in lakhs of rupees)	Percentage to total expenditure	Expenditure (in lakhs of rupees)	Percentage to total expenditure	Expenditure (in lakhs of rupees)	Percentage to total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>(a) Salaries and travel expenses</i>						
A. General Services	70,33.10	35.51	78,95.69 (12.26)	38.99	84,34.53 (6.82)	36.42
B. Social and Community Services	78,91.88	31.69	1,05,71.50 (33.95)	40.79	1,00,02.34	33.11
C. Economic Services	36,20.58	29.33	39,87.64 (10.13)	32.06	46,57.38 (16.79)	27.17
<i>(b) Grants-in-aid</i>						
B. Social and Community Services	1,24,80.95	50.13	1,23,23.78	47.55	1,33,82.56 (8.59)	44.31
C. Economic Services	39,09.39	31.67	37,51.16	30.16	49,53.33 (32.04)	28.90

(ii) Loans and advances by the State Government

Category	1977-78	1978-79	1979
	(in lakhs of rupees)		
Loans for Social and Community Services ..	12,61.34	20,35.14 (61.34)	17,56.76
Loans for General Economic Services ..	13,37.27	33,43.20 (150.00)	65,00.48 (94.43)
Loans for Agriculture and Allied Services ..	45,05.64	21,65.88	1,04.66
Loans for Industry and Minerals	3,97.78	8,38.55 (110.80)	8,34.71
Loans for Water and Power Development ..	36,35.00	60,12.85 (65.41)	77,58.29 (29.02)
Loans for Transport and Communication Services	6,93.81	1,43.03	8,89.41 (521.83)
Loans to Government Servants and Miscellaneous Loans	13,10.86	16,07.63 (22.63)	21,34.59 (32.77)
Total ..	1,31,41.70	1,61,46.28 (22.86)	1,99,78.90 (23.73)

In 1978-79, increases over the previous year occurred mainly under Co-operation (Rs. 20.06 crores) and Power Projects (Rs. 23.78 crores), offset by decrease mainly under Food (Rs. 25.00 crores). In 1979-80 also, increases over the previous year were mainly under Co-operation (Rs. 31.57 crores) and Power Projects (Rs. 17.45 crores), offset by decrease mainly under Food (Rs. 19.26 crores).

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

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

(1)	Grants/ Charged appropri- ations (2)	Expendi- ture (3)	Saving (4)	Per- centage (5)	
(in crores of rupees)					
<i>Voted—</i>					
Original	9,71.48	12,16.40	11,12.47	1,03.93	9
Supplementary ..	2,44.92				
<i>Charged—</i>					
Original	2,65.17	2,65.75	2,23.15	42.60	16
Supplementary ..	0.58				
Total	14,82.15	13,35.62	1,46.53	10	

The overall saving of Rs. 1,46.53 crores was the result of saving of Rs. 1,58.16 crores in fifty grants (Rs. 1,14.50 crores) and thirty-six charged appropriations (Rs. 43.66 crores) partly offset by excess of Rs. 11.63 crores in eight grants (Rs. 10.57 crores) and three charged appropriations (Rs. 1.06 crores).

(b) Further details are given below :—

(1)	Revenue (2)	Capital (3)	Loans and Advances (4)	Public Debt (5)	Total (6)
(in crores of rupees)					
<i>Authorised to be spent (grants and charged appropriations)</i>					
Original	8,76.22	83.10	1,14.44	1,62.89	12,36.65
Supplementary	86.94	23.91	1,34.65	..	2,45.50
Total ..	9,63.16	1,07.01	2,49.09	1,62.89	14,82.15
<i>Actual expenditure (grants and charged appropriations)</i>					
ortfall	8,72.91	78.35	2,52.51	1,31.85	13,35.62
	90.25	28.66	—3.42	31.04	1,46.53

2.2. Excess over grants/charged appropriations requiring regularisation

(a) Grants.—The excess of Rs. 10.57 crores in the following eight grants requires regularisation under Article 205 of the Constitution :—

<i>Serial number</i>	<i>Number and name of grant</i>	<i>Total grant</i>	<i>Expenditure</i>	<i>Excess</i>
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	RS.
1.	3. Motor Vehicles Acts—Administration	1,65,72,000	1,72,08,187	+6,36,187
		Reasons for the excess have not been communicated (January 1981).		
2.	8. Elections ..	3,69,24,000	4,30,21,348	+60,97,348
		Excess was mainly due to sanction of temporary advance at the end of the financial year to Collectors for payment of printing charges to private printers (Rs. 24.10 lakhs) and more expenditure on travel expenses and other charges than assessed.		
3.	33. Housing ..	9,65,95,000	10,66,93,209	+1,00,98,209
		Excess was mainly due to sanction of more grants for slum clearance.		
4.	36. Irrigation ..	28,90,86,000	29,47,37,397	+56,51,397
		Excess was mainly due to the actual <i>pro rata</i> adjustment towards interest charges, establishment/tools and plant charges under the respective project minor heads exceeding the provision made in the Budget Estimates.		
5.	40. Road Transport Services and Shipping	1,87,26,000	5,53,71,026	+3,66,45,026

Reasons for the excess have not been communicated (January 1981).

<i>Serial number</i>	<i>Number and name of grant</i>	<i>Total grant</i>	<i>Expenditure</i>	<i>Excess</i>
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	RS.
6.	41. Relief on account of Natural Calamities	1,10,94,000	1,91,45,596	+ 80,51,596

Reasons for the excess have not been communicated (January 1981).

7.	57. Miscellaneous Capital Outlay	19,19,00,000	19,62,11,642	+ 43,11,642
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Reasons for the excess have not been communicated (January 1981).

8.	58. Loans and Advances by the State Government	2,49,08,97,000	2,52,51,10,453	+ 3,42,13,453
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Bulk of the excess occurred under (i) "766. C.AE. Advances for relief of distress caused by natural calamities" (Rs. 6,16.90 lakhs), (ii) "722. C.AD.I.AE. Block Loans by converting past outstandings and interest" (Rs. 1,51.61 lakhs) and (iii) "735. C. AB. I. AA. Loans to Statutory Corporations, Boards and Government Companies" (Rs. 1,59.99 lakhs), partly offset by savings under (a) "688. C. AD IV.

XC. Loans to Other Parties—Controlled by Government Revenue Department” (Rs. 4,48.80 lakhs) and (b) “720. C. AC. I. AC. Loans to Statutory Corporations, Boards and Government Companies—Controlled by the Secretary to Government, Industries Department”. Reasons for the excess under item (i) have not been communicated (January 1981). The excess under item (ii) was due to a post-budget decision to convert all loans and advances with accrued interest to end of March 1979 due from the Southern Structurals Limited as a block loan and under item (iii) due to sanction of ways and means advance to Poompuhar Shipping Corporation for its fleet expansion programme.

(b) *Charged appropriations.*—Excess of Rs. 1,06.06 lakhs over charged appropriations in the following three cases requires regularisation :—

Serial number	Number and name of appropriation	Total appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	RS.
1.	3. Motor Vehicles Acts—Administration	,48,000	75,524	+ 27,524
	Reasons for the excess have not been communicated (January 1981).			
2.	40. Road Transport Services and Shipping	18,59,000	20,78,649	2,19,649
	Reasons for the excess have not been communicated (January 1981).			
3.	42. Pensions and other Retirement Benefits	38,58,000	1,42,16,665	+ 1,03,58,665

Excess was mainly due to payment of more pensions to other State under the provision of the Andhra State Act, 1953 and the States Re-organisation Act, 1956.

2.3. Supplementary grants/Charged appropriations

The supplementary provision of Rs. 2,45.50 crores (20 per cent of the original provision) was obtained under fifty-six grants (Rs. 2,44.92 crores) and fourteen charged appropriations (Rs. 0.58 crore). The details of significant cases of unnecessary, excessive and inadequate supplementary grants/charged appropriations are given below :—

(i) *Unnecessary supplementary grants.*—In the following cases, the supplementary grants (exceeding Rs. 10.00 lakhs each) of Rs. 22,05.66 lakhs remained unutilised, as the expenditure did not come up even to the original provision.

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(in lakhs of rupees)			
1.	11. District Administration	19,13.36	42.27	18,74.60	81.03
	Reasons for the shortfall have not been communicated				(January 1981).
2.	15. Police	38,59.84	1,69.80	36,84.01	3,45.63
	Reasons for the shortfall have not been communicated				(January 1981).
3.	16. Fire Services	2,88.39	11.85	2,88.11	12.13
	Shortfall was stated to be mainly due to the opening of lesser number of fire stations than anticipated and also based on actual requirements.				
4.	17. Education	2,08,53.13	4,74.32	2,00,38.33	12,89.12
	Reasons for the shortfall have not been communicated				(January 1981).
5.	18. Medical	54,59.99	2,66.59	53,35.63	3,90.95

Shortfall was mainly due to (i) non-filling up of posts and belated appointment of staff, (ii) late sanction of the schemes under "Opening of Special Department in the District and Taluk Headquarters Hospitals" (Rs. 35.03 lakhs) and "Improvements to Teaching Hospitals" (Rs. 40.83 lakhs).

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(in lakhs of rupees)

6. 28.	Community Development Projects, etc.	40,89.64	7,84.31	39,52.24	9,21.71
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Shortfall was partly due to elections to panchayats not having been conducted. Reasons for the bulk of the savings have not been communicated (January 1981).

7. 31.	Welfare of Scheduled Tribes and Castes, etc.	18,46.54	1,12.41	15,46.55	4,12.40
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Shortfall was mainly due to not making payment to the Tamil Nadu Electricity Board for electrification of Harijan colonies as they had already been electrified and (ii) bills presented at the treasuries not paid due to strike by treasuries and accounts staff.

8. 43.	Miscellaneous	45,33.15	11.68	30,34.52	15,10.31
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Shortfall was mainly due to surrender of lump sum provision made in the Budget for anticipated mid-year increase in expenditure. Surrender of the entire lump sum provision was made in 1976-77, 1977-78 and 1978-79 also.

9. 46.	Compensation and Assignments	15,59.79	1,93.27	15,18.53	2,34.53
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Reasons for the shortfall have not been communicated (January 1981).

10. 53.	Capital Outlay on Public Works—Buildings	12,67.69	28.62	10,70.07	2,26.24
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Shortfall was attributed mainly to administrative sanction not being issued and tenders not being finalised.

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
					(in lakhs of rupees)
11.	54. Capital Outlay on Roads and Bridges	10,55.03	29.92	9,37.62	1,47.33

Shortfall was attributed mainly to (i) technical and administrative reasons, (ii) materials not being available and (iii) litigation in land acquisition cases.

12.	56. Capital Outlay on Forests	5,34.73	80.62	5,18.48	96.87
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Reasons for the bulk of the saving have not been communicated (January 1981).

(ii) *Excessive supplementary grants.*—In the following cases, the supplementary grants (exceeding Rs. 10.00 lakhs each) proved excessive by more than Rs. 10.00 lakhs each; against the supplementary grant of Rs. 37,82.46 lakhs, Rs. 20, 03.69 lakhs were actually utilised.

1.	1. Land Revenue ..	4,87.29	71.91	5,20.03	39.17
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Savings were mainly due to diversion of funds from other heads for (i) opening of separate accounts for Photo Zinco Press (Rs. 9.73 lakhs) and (ii) diversion of staff for updating of the Registry (Rs. 7.92 lakhs) for which funds were also provided in the Supplementary Estimates.

2.	2. State Excise Department	75.30	35.39	78.93	31.76
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Shortfall was mainly due to delay in filing suits against ex-toddy and arrack renters, for which Rs. 27 lakhs were provided in the Supplementary Estimates.

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(in lakhs of rupees)

3.	9. Heads of State, Ministers and Headquarters Staff	14,49.98	1,81.04	15,24.63	1,06.39
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Shortfall was stated to be mainly due to (i) surrender of posts, (ii) new vehicles not purchased, (iii) compensation not paid as the land owners had gone on appeal and (iv) ineligibility to this scheme of areas covered by Small/Marginal Farmers' Development Agency.

4.	20. Agriculture ..	44,04.65	11,45.98	49,07.74	6,42.89
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Reasons for the bulk of the saving have not been communicated (January 1981).

5.	21. Fisheries	2,44.02	55.77	2,67.80	31.99
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Shortfall was partly due to less procurement of chanks than programmed on account of turbidity of water.

6.	22. Animal Husbandry	11,65.73	1,67.69	12,07.29	1,26.13
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Shortfall was mainly due to (i) not finalising the location for the schemes under 'Revival of Cattle Development Project' (Rs. 18.81 lakhs) and (ii) less payment of grants to Tamil Nadu Agricultural University for veterinary education, research and training, based on actual requirements.

7.	23. Co-operation ..	7,26.25	5,06.58	11,57.51	75.32
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Shortfall was attributed mainly to funds not drawn on account of strike by the treasuries and accounts staff.

8.	26. Handlooms and Textiles	5,13.53	1,16.92	5,68.98	61.47
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Shortfall was stated to be mainly due to (i) bills not encashed on account of strike in treasuries (Rs. 45.28 lakhs) and

(ii) provision made for the Co-operative Handloom Weavers' Saving and Security Scheme not being utilised due to late issue of sanction of the scheme by Government (Rs. 20.00 lakhs).

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(in lakhs of rupees)

9.	30. Social Welfare ..	6,94.56	93.89	7,02.10	86.35
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Shortfall was attributed mainly to surrender of funds based on latest assessment reported by the District Collectors under the scheme, 'Payment of old age pensions to physically handicapped destitutes and destitute widows' (Rs. 19.17 lakhs). Saving was also due to belated supply of CARE food and delayed starting of child welfare centres due to belated receipt of Government sanction (Rs. 7.13 lakhs). Reasons for the saving of Rs. 19.36 lakhs under 'Tamil Nadu Nutrition Project' have not been communicated (January 1981).

10.	38. Public Works- Establishment and Tools and Plant	7,20.85	3,32.61	9,79.78	73.68
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Reasons for the shortfall have not been communicated (January 1981).

11.	45. Forest Department	5,41.90	1,07.45	6,13.59	35.76
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Savings (Rs. 17.86 lakhs) was due to belated employment of staff and non-execution of works, etc., for shifting the Zoo to Vandalur. Reasons for the remaining saving have not been communicated (January 1981).

12.	47. Information, Tourism and Film Technology	1,43.16	1,02.10	2,13.89	31.37
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Shortfall was mainly due to surrender of funds based on actual requirements.

13.	51. Capital Outlay on Industrial Develop- ment	5,39.39	3,12.69	6,71.35	1,80.73
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Shortfall was mainly due to surrender of funds provided for payment towards share capital assistance to the Southern Structurals Limited due to delay in getting the concurrence of Government of India for conversion of the amount into equity.

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
14.	55. Capital Outlay on Road Transport Services and Shipping	57.53	5,52.44	3,54.21	2,55.76

Saving was due to provision for subsidies made erroneously under 'Capital' instead of under 'Revenue' in the Supplementary Estimates.

(iii) *Inadequate supplementary grant.*—In the following cases, supplementary grant of Rs. 1,60,69.22 lakhs proved inadequate and the final uncovered excess (reasons mentioned in paragraph 2.2.) was Rs. 10,57.04 lakhs.

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)
		(in lakhs of rupees)			
1.	3. Motor Vehicles Acts—Administration	1,55.25	10.47	1,72.08	6.36
2.	8. Elections	21.76	3,47.48	4,30.21	60.97
3.	33. Housing	9,65.92	0.03	10,66.93	1,00.98
4.	36. Irrigation	22,56.83	6,34.03	29,47.37	56.51
5.	40. Road Transport Services and Shipping	39.56	1,47.70	5,53.71	3,66.45
6.	41. Relief on account of Natural Calamities	6.86	1,04.08	1,91.46	80.52
7.	57. Miscellaneous Capital Outlay	5,59.02	13,59.98	19,62.12	43.12
8.	58. Loans and Advances by the State Government	1,14,43.52	1,34,65.45	2,52,51.10	3,42.13

2.4. Unutilised provision

(i) Rupees 1,58.16 crores remained unutilised in fifty grants (Rs. 1,14.50 crores) and thirty-six charged appropriations (Rs. 43.66 crores).

(ii) In twenty-two grants and two charged appropriations, the saving (more than Rs. 25.00 lakhs in each case) was more than 10 per cent of the provision. The details of the grants and charged appropriations are given in Appendix VI.

(iii) Details of budget provision and utilisation thereof under the various sectors/sub-sectors during the years 1978-79 and 1979-80 are given below :—

Sector/Sub-sector	Budget provision	1978-79		
		Expenditure	Excess (+) / short-fall(-)	Percentage
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
A. General Services	2,41.90	2,04.37	—37.53	16
B. Social and Community Services	3,38.68	3,28.55	—10.13	3
C. Economic Services—				
General Economic Services	29.44	24.74	—4.70	16
Agriculture and Allied Services	1,15.79	1,03.06	—12.73	11
Industry and Minerals ..	24.70	25.44	+0.74	3
Water and Power Development	66.47	61.03	—5.44	8
Transport and Communications	53.65	44.70	—8.95	17
Total—C ..	2,90.05	2,58.97	—31.08	11
D. Grants-in-aid and Contributions	21.55	19.96	—1.59	7
Total (A+B+C+D) ..	8,92.18	8,11.85	—80.33	9

1979—80.

<i>Budget provision</i>	<i>Expenditure</i>	<i>Short-fall(—)</i>	<i>Percentage</i>
(6)	(7)	(8)	(9)
(in crores of rupees)			
2,70.89	2,32.83	—38.06	14
3,92.42	3,67.29	—25.13	6
30.08	26.08	—4.00	13
1,38.06	1,11.62	—26.44	19
28.59	23.78	—4.81	17
77.27	67.75	—9.52	12
67.35	62.50	—4.85	7
3,41.35	2,91.73	—49.62	15
27.69	25.29	—2.40	9
10,32.35	9,17.14	—1,15.21	11

There was shortfall in utilisation of the provisions (ranging from 3 per cent to 19 per cent) under all sectors/sub-sectors in both the years except the sub-sector "Industries and Minerals" during 1978-79.

(iv) A case study of schemes where there was marked under utilisation of funds provided in the Budget Estimates for 1979-80 disclosed the following :—

(a) *Grant No. 19—Public Health*

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
		(in lakhs of rupees)
281. Family Welfare —A.F. Compensation—Schemes in the Five Year Plan—III. Centrally sponsored— S.D.—Vasectomy	1,74.28	1,21.38

Under the Family Welfare Programme, in May 1978, Government of India fixed a target of 2,76,000 sterilisation operations for Tamil Nadu during 1978-79. In December 1978, Government made a provision of Rs. 1,74.28 lakhs in the Budget Estimates for the programme. In September 1979, Government sanctioned incurring of expenditure on 3.5 lakh sterilisation operations and on organising small and intensive camps. The programme was implemented in the middle of 1979-80. Appreciable progress could not be achieved due to belated implementation and diversion of field staff for relief works connected with natural calamities during November-December 1979. Based on the trend of low rate of performance, the department revised the provision to Rs. 52.90 lakhs and surrendered the balance of Rs.1,21.38 lakhs.

(b) *Grant No. 31—Welfare of the Scheduled Tribes and Castes, etc.*

288. A.F. IV. XA. Development of primitive tribes	40	40
288. AF. IV. XB. Dispersed Tribal groups	10	10

The above mentioned two schemes were to be implemented with assistance from Government of India. Project reports for implementation of the schemes in the seven districts (Octacamund, Madurai, Kanyakumari, Tirurelveli, Ramanathapuram, Chengalpattu and Coimbatore) were to be sent before 31st March 1978 by the State Government to Government of India for clearance. However, reports in respect of two districts (Kanyakumari and Tirunelveli) were sent in May 1978 and October 1978 respectively and in anticipation of the clearance of the projects, provision was made in the budget estimates. In January 1979, Government of India desired project reports to be prepared community-wise and issued (May 1979) fresh guidelines.

Accordingly, fresh project reports in respect of the two districts (Kanyakumari and Tirurelveli) and also project reports for three more districts (Madurai, Ramanathapuram and Chengalpattu) were sent to Government of India in December 1979.

The entire provision made in the Budget Estimates (Rs. 50.00 lakhs for both the schemes) had to be surrendered, as the clearance had not been received from Government of India.

(c) Grant No. 58—Loans and Advances by the State Government.

Head of Account	Total grant	Surrender
(1)	(2)	(3)
(in lakhs of rupees)		
(i) 682. AC. II. JE. Loans for augmentation of water supply	1,94.78	1,09.16

For augmenting water supply to Madras City, Rs. 1,94.78 lakhs were provided in the Budget Estimates for 1979-80 for payment as loan to Madras Water Supply and Sewerage Board, on an *ad hoc* basis as per the figures furnished by the Board. However, Rs. 1,09.16 lakhs were surrendered in March 1980. The Madras Water Supply and Sewerage Board stated (August 1980) that while framing the budget estimates for 1979-80, a clear idea of composition of projects between water supply and sewerage was not known, with the result that more provision had been made for water supply and that certain water supply schemes under World Bank Project had not been executed in full due to delay in finalisation of contracts. Details of the schemes proposed for imple-

mentation during 1979-80 and schemes not implemented were not, however, made available by the department.

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
(in lakhs of rupees)		
(ii) 684. C.AA. II. JH. Loans for setting up a market complex at Koyambedu	75.00	55.00

Rupees 75.00 lakhs were provided for payment as loan to Madras Metropolitan Development Agency for the development of a wholesale market at Koyambedu.

However, Rs. 20.00 lakhs only were paid in March 1980 and the balance was surrendered, as actual construction work was not commenced (March 1980) due to delay in finalisation of the project report by the Madras Metropolitan Development Agency.

(v) Some of the major schemes where the provision remained substantially/wholly unutilised, other than those mentioned in paragraphs 2.3. and 2.4(iv) are shown below:—

<i>Serial number</i>	<i>Grant number and head/scheme</i>	<i>Provision</i>	<i>Saving and its percentage</i>	<i>Reasons for saving and remarks</i>
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				

1. 15. Police—

(a) 255. A.AD. I. AH. Modernisation of Police with assistance from Government of India	41.92	33.69 (80)	Reasons for the saving have not been communicated (January 1981).
(b) 255. A.AM. I.AH. Modernisation of Police with assistance from Government of India			

Serial number	Grant number and head scheme	provision	Saving and its percentage	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
2.	17. Education—			
	(a) 277. D.AC. II. JA. Assistance to Higher Secondary Schools	3,14.37	1,66.31 (53)	Saving of Rs.76.60 lakhs was attributed to non-receipt of claims from the Managements of Non-Government Higher Secondary Schools for payment of final grants. Reasons for the remaining saving have not been communicated (January 1981).
	(b) 277. D.AC. II. JB. Assistance to Local Body Higher Secondary Schools	55.99	49.66 (89)	Saving was due to less requirements pending decision of Government on quantum of assistance and non-receipt of application from local bodies for final grants.
3.	18. Medical—			
	280. A.AD. II. JB. Training of Nurses	27.90	27.53 (99)	Saving was attributed to late sanction of the scheme.
4.	19. Public Health—			
	282. B.AC. IV. XA. Accelerated Rural Water Supply Scheme	10,00.00	7,83.00 (78)	Saving was due to restricted financial assistance by Government of India.
	282. B. C.A III. SB. Accelerated Rural Water Supply Scheme			
5.	20. Agriculture—			
	(a) 305. AV. IV. XW. Integrated Rural Development Programme—Schemes in Drought Prone Area Programme Blocks	3,37.51	2,06.26 (61)	Reasons for the saving have not been communicated (January 1981).
	305. AV. VI. U.R. Integrated Rural Development Programme—Schemes in Drought Prone Area Programme Blocks			

Serial number	Grant number and head/scheme	Provision	Saving and its percentage	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
(b)	305. AH. II. JD. Increasing the production of oil-seeds	1,46.16	74.10 (51)	Saving was due to non-achievement of targets in the procurement of oil-seeds.
(c)	305. AV. IV. XF. Dairy Development	1,05.00	65.29 (62)	Reasons for the saving have not been communicated (January 1981).
	305. AV. VI. UJ. Dairy Development	..		
(d)	337. AF. I. AO. Transfer to Sugarcane Cess Fund	75.00	54.00 (72)	Reasons for the saving have not been communicated (January 1981).
	337. AN. I. AF. Transfer to Sugarcane Cess Fund	..		
6. 24. Industries—				
(a)	321. A. C. II. KB. Assistance for setting up Industries in Backward Areas	1,00.00	1,00.00 (100)	Reasons for the saving have not been communicated (January 1981).
(b)	321. AC. III. SH. Subsidy for New Industries in Backward Areas	2,00.00	1,59.70 (80)	Reasons for the saving have not been communicated (January 1981).
	321. AC. III. SJ. Subsidy for New Industries in Backward Areas.	..		
(c)	320. B. AA. II. JA. Acquisition of land for Salem Steel Plant in Tamil Nadu	37.00	36.98 (100)	Saving was due to land acquisition cases pending in courts.
7. 26. Handlooms and Textiles—				
	321. AD. IV. XB. Setting up of Intensive Handloom Development Project	33.87	28.21 (83)	Reasons have not been communicated (January 1981).
	321. AD. III. SC. Setting up of Intensive Handloom Development Project	..		

Serial number	Grant number and head scheme	Provision	Saving and its percentage	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
8. 34. Urban Development—				
	284. A. AB. II. JD. Grants to Madurai Corporation for environmental improvement of slums	50.00	50.0) (100)	Reasons for the saving have not been communicated (January 1981).
9. 36. Irrigation—				
(a)	305. AV. IV. KN. Irrigation	1,10.00	63.25 (58)	Provision was originally made under head (a) but the expenditure classified under head (b). Reasons for the saving have not been communicated (January 1981).
(b)	305. AV. VI. UE. Irrigation	..		
10. 36. Irrigation—				
	333. A. AK. I. AC. Accelerated Repair Programme	44.88	34.03 (76)	Saving was mainly due to not taking up special repairs to Adappan P. llam system of providing silt re-jector for grand anicut canal and repairs to side revetments.
11. 50. Capital Outlay on Agriculture—				
	505. A.AC. I. AA. Purchase and Distribution of Chemical Fertilisers	10,18.20	8,73.84 (86)	Saving was stated to be mainly due to (i) Surrender of <i>ad hoc</i> provision for buffer stock of urea to be held by Food Corporation of India, as no buffer stocks were built (Rs. 5,45.55 lakhs) and (ii) liabilities of the previous years not adjusted by the department (Rs.3,06.26 lakhs).

<i>Serial number</i>	<i>Grant number and head/scheme</i>	<i>Provision</i>	<i>Saving and its percentage</i>	<i>Reasons for saving and remarks.</i>
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
12. 52.	Capital Outlay on Irrigation—			
	533. A. AD. II. JA. Lump sum provision for new schemes	1,00.00	1,00.00 (100)	Saving of the entire provision was due to not taking up the new schemes.

2.5. Advances from Contingency Fund

A Contingency Fund of Rs. 30 crores has been placed at the disposal of Government to meet unforeseen expenditure pending authorisation by the State Legislature.

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

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

One hundred and fifty-one sanctions were issued during 1979-80 amounting Rs. 19,68.95 lakhs from the Contingency Fund.

It was noticed that—

(i) Fifty-one sanctions for Rs. 5,81.16 lakhs were neither operated nor cancelled ;

(ii) One sanction for Rs. 2.04 lakhs was not operated and was subsequently cancelled ; and

(iii) The actual expenditure (Rs. 58.30 lakhs) against 39 sanctions (Rs. 3,12.27 lakhs) was less than 50 per cent of the amount sanctioned.

2.6. Expenditure on New Service

According to Rules, expenditure on a 'New Service' or a 'New Instrument of Service' not contemplated in the Budget Estimates for the year, can be incurred only after sanction by Government of an advance from the Contingency Fund pending authorisation of funds by the Legislature. In March 1980, Government sanctioned a subsidy of Rs. 3,83 lakhs to four State Transport Corporations for the purpose of replacement of old buses and investments of Rs. 2,00 lakhs towards additional share capital of the Tamil Nadu Handloom Weavers' Co-operative Society Limited for enhancement of its borrowing power and provision of increased market support to the Primary Weavers' Co-operative Societies affiliated to it, and Rs. 75 lakhs in the share capital of Pandian Roadways Corporation Limited for strengthening its equity base. In March 1980, expenditure on these 'New Service'/'New Instrument of Service' was incurred without getting an advance from the Contingency Fund or obtaining authorisation of the Legislature through a Supplementary Grant.

The matter was reported to Government in November 1980. Government accepted (January 1981) the position in regard to the subsidy of Rs. 3,83 lakhs; as regards other items, their final reply is awaited.

2.7. Non-receipt of explanations for savings/excesses

After the close of each financial year, the detailed appropriation accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the controlling officers requiring them to explain significant variations under the heads. Out of 492 heads, the explanations for variations were not received (December 1980) in 274 cases (56 per cent).

2.8. Shortfall/excess in recoveries

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the budget estimates. During 1979-80, such recoveries were anticipated at Rs. 37.82 crores; actual recoveries

during the year were Rs. 34.12 crores. Some of the important cases of shortfall/excess as compared to estimates are detailed below:—

Number and name of grant	Estimated recovery	Amount of excess(+)/shortfall (—) as compared to estimates	Reasons for the excess/shortfall
(1)	(2)	(3)	(4)
(in crores of rupees)			
33. Housing	4.87	(—)4.87	Due to non-adjustment under "Deduct—Amount met from the Urban Development Fund" for want of details of expenditure from the Government of Tamil Nadu.
38. Public Works—Establishment and Tools and Plant	7.21	()2.61	Mainly due to adjustment of less amount under "Deduct—Establishment charges transferred on percentage basis to various capital major heads".
39. Roads and Bridges ..	6.34	(+)4.02	Mainly due to adjustment of recoveries under "Amount met from Famine Relief Fund" for which estimate was not made in the budget.
41. Relief on account of Natural Calamities	..	(+)1.86	Mainly due to adjustment of recoveries under "Amount met from Famine Relief Fund" for which estimate was not made in the budget.
50. Capital Outlay on Agriculture	5.01	(—)2.79	Mainly due to less receipts from sale of chemical fertilizers.
57. Miscellaneous Capital Outlay	3.67	(+)2.99	Mainly due to (i) more repayment of share capital by Co-operative Institutions than anticipated, reasons for which have not been communicated (Rs. 2.56 crores), and (ii) conversion of share capital into loans to fishermen's co-operatives (Rs. 0.41 crore).

2.9. Reconciliation of departmental figures

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

The number of controlling officers, who did not reconcile their figures and the amounts involved, are indicated below year-wise:—

Year	Number of controlling officers who did not reconcile their figures	Amount not reconciled
(1)	(2)	(3)
		(in lakhs of rupees)
1971-72 and earlier years	20	1,56.67
1972-73	3	6.51
1973-74	2	6.37
1974-75	10	17,49.42
1975-76	12	11,11.82
1976-77	10	17,23.11
1977-78	13	11,91.08
1978-79	34	95,36.86
1979-80	82	3,98,24.76
Total	186	5,53,06.60

In respect of the following departments, large amounts remain unreconciled during 1979-80:—

Department	Amount not reconciled
(1)	(2)
	(in lakhs of rupees)
Education	1,64,60.92
Social Welfare	55,68.30
Revenue	41,37.19
Medical and Public Health	33,68.48
Home	27,13.38
Co-operation	14,54.75
Industries	14,20.76

2.10. Withdrawal of funds in advance of requirements

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

2.10.1. Under the scheme of construction of women teachers' quarters by panchayat unions, grants are payable to them on post-execution basis at 100 per cent of the cost of construction subject to a ceiling of Rs. 5,800 per quarter. A sum of Rs. 1.39 lakhs was allotted to Coimbatore District by the Director of Rural Development in March 1979 for completing incomplete women teachers' quarters. However, this amount was paid by the Collector on 31st March 1979 to 16 panchayat unions for taking up construction of 24 quarters. In 11 panchayat unions, the council's approval to construct the quarters (16 quarters-Grant: Rs. 0.93 lakh) was obtained between April 1979 and April 1980. Details in respect of five panchayat unions are awaited (August 1980).

As the panchayat unions were eligible for the grant only after completion of the work, the amount of Rs. 1.39 lakhs paid to them even before they resolved to take up the construction was with a view to avoid lapse of grant.

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

SOCIAL WELFARE DEPARTMENT

2.10.2. In 1978-79, a provision of rupees one lakh was made for award of gold medals and cash grant to inter-caste married couples under a scheme of 'Awards for Inter-caste Marriages'. The department obtained quotation (24th March 1979) from a single firm for purchase of gold medals to be awarded under this scheme and placed orders (27th March 1979) on it for supply of 100 medals at a total cost of Rs. 0.79 lakh. The firm required a delivery period of 12 weeks from the date of order (27th March 1979) and also payment in cash or cheque at the time of supply of medals. Nevertheless, on 26th March 1979, the department approached the Government for sanction of a temporary advance of Rs. 78,800 for payment of a portion as advance to the firm. The temporary advance was sanctioned by Government on 30th March 1979 and the amount was drawn on 31st March 1979. But no advance payment was made to the firm. The medals were supplied by the firm on 27th June 1979 and the payment was made to the firm only on 3rd July 1979.

During the period from April to 1979 to July 1979, the amount was kept in cash chest with the department and a portion of it (ranging from Rs. 3,100 to Rs. 18,000) was temporarily diverted for other purposes such as payments of tour advances to staff.

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

HEALTH AND FAMILY WELFARE DEPARTMENT

2.10.3. On 31st March 1979, the Superintendent, Government Headquarters Hospital, Nagercoil, Kanyakumari District drew from treasury Rs. 0.98 lakh towards 90 per cent cost of one 100 MA X-ray unit. The suppliers, firm 'A', on whom the order was placed in March 1979 despatched the unit in May 1979 and the bank draft was sent to them in June 1979.

In order to avoid lapse of funds, drawal of money without proof of despatch of the material was irregular.

The matter was reported to Government in September 1980. Government replied (January 1981) that the amount was drawn and kept ready assuming that the firm would despatch the X-ray plant before 31st March 1979.

CHAPTER III

CIVIL DEPARTMENTS

AGRICULTURE DEPARTMENT

3.1. Sewage and Sullage Utilisation Scheme

3.1.1. During the Fifth Five Year Plan period, Government of India launched a scheme for the utilisation of sewage/sullage. The object of the scheme was to exploit the plant nutrients and irrigational potential of the sewage and sullage to raise a fodder farm and at the same time ensuring cleanliness of cities/towns by scientific disposal of the sewage. In Tamil Nadu, Government of India approved (February 1977) the implementation of sewage/sullage utilisation schemes in ten municipalities during 1976-77 at a total cost not exceeding Rs. 1,32.19 lakhs with 33 per cent subsidy on capital outlay. The works under this scheme are certain components* of the main drainage scheme of the local body financed by Life Insurance Corporation of India and the State Government.

3.1.2. In Tamil Nadu, the Inspector of Municipalities administers the scheme and the Chief Engineer, Tamil Nadu Water Supply and Drainage Board (TWAD) is the executing agency for the works including land acquisition. Grants totalling Rs. 41.23 lakhs (towards 33 per cent subsidy) have been received by the State Government from Government of India to end of March 1980

3.1.3. A test check of the records relating to the scheme in the offices of (i) the Inspector of Municipalities, Madras (ii) the Chief Engineer, TWAD Board, Madras and (iii) the Executive Engineers of six divisions (out of eight divisions) during April 1980 to August 1980 disclosed the following points:—

(i) In the scheme proposed by the Chief Engineer, TWAD Board in February 1976 and approved by Government of India, fodder farms were to be raised over an area of 13,461 acres and the cost of the scheme was indicated as not exceeding Rs. 1,000 per acre, the norm fixed by Government of India for the scheme.

*COMPONENTS: Laying of connecting sewers, pumping, laying of raising mains, distribution channels and tube wells for diluting the sewage, etc.

The table below would indicate the area of sewage farms contemplated in the proposals sent to Government of India (based on which the Government of India grant has been drawn), the extent of land provided in the detailed estimates subsequently drawn up by the department and the land actually acquired.

<i>Serial number</i>	<i>Name of Municipality</i>	<i>Area of sewage farm to be established as intimated to Government of India</i>	<i>Estimated area of sewage farm</i>	<i>Actually acquired</i>
(1)	(2)	(3)	(4)	(5)
		(in acres)		
1.	Kancheepuram	852	114	112
2.	Tiruvottiyur	600	175	169
3.	Tiruchirappalli	3,180	572	319
4.	Mannargudi	180	13	7
5.	Tuticorin	2,625	500	Nil
6.	Tirunelveli	1,500	211	Nil
7.	Madurai Corporation	900	275	135
8.	Coimbatore	2,892	180	179
9.	Periakulam	210	75	70
10.	Chidambaram	522	65	63
		13,461	2,180	1,054

A scrutiny of the estimates for the works showed that the provision for acquisition of land for farming is only to an extent of 2,180 acres; this represents the maximum area that could be irrigated using the sewage available from the ultimate population in the ten municipal areas based on the norm that one mgd. of sewage could irrigate 50 acres of land as against the norm of 300 acres per mgd. adopted while obtaining the sanction of Government of India for the scheme. There are no proposals to acquire any more land. Accordingly, the cost per acre benefited would work out to Rs. 6,064 against the norm of Rs. 1,000 per acre stipulated by Government of India.

(ii) Though Government of India had laid down that the scheme should be completed and commissioned within a two year period ending 31st March 1979, the work remained to be completed (December 1979) in six municipalities (the quantum of work remaining to be completed ranged from 45 to 65 per cent).

Even after two years reckoned from the due date for completion of this scheme, out of the estimated area of 2,180 acres proposed for farming, only 1,054 acres have been acquired in eight municipalities. In respect of Tuticorin and Tirunelveli Municipalities, no land has been acquired so far. In Tuticorin Municipality, the land acquisition proceedings are in the notification stage. In Tirunelveli Municipality the land acquisition proposals have been stalled as a major portion of the land was attracted by the Land Ceiling Act and has to be specially exempted by the Authorised Officer for Land Reforms. The land acquisition special staff had been disbanded with effect from 1st March 1980. The expenditure on staff was Rs. 0.84 lakh.

(iii) In the four municipalities of Kancheepuram, Mannargudi, Periakulam and Chidambaram where the scheme had been completed (cost of components covered under this scheme: Rs. 16.99 lakhs) and taken over by the respective municipalities, the area cultivated to end of March 1980 and reasons for shortfall are indicated below :—

<i>Municipality</i>	<i>Area acquired</i>	<i>Area cultivated</i>	<i>Reason for shortfall</i>
(1)	(2)	(3)	(4)
	(in acres)		
Kancheepuram	112	4	Ground to be levelled and made fit. Inadequate inflow of sewage.
Mannargudi	7	..	No inflow of sewage.
Periakulam	70	11	Inadequate inflow of sewage.
Chidambaram	63	3	Inadequate inflow of sewage.
	252	18	(7 per cent of area acquired)

Sewage, the input for raising the fodder farm, is dependent on the number of house connections obtained in the main drainage scheme. This has not materialised. The work of house connections involves two stages, viz., conveying the disposals inside the house through house sewers up to the house border line and thereafter connecting them to the road sewers. Under the Madras District Municipalities Act, 1920, the expenses on both the items of work are to be borne by the house owner.

The following table shows the particulars of the house service connections availed of by the owners in respect of the four completed schemes.

<i>Serial number</i>	<i>Name of Municipality</i>	<i>*Number of service connections put up from house border line to ground sewer</i>	<i>Number of connections actually availed of by house owners by putting up house sewers</i>
(1)	(2)	(3)	(4)
1.	Kancheepuram	14,030	1,543
2.	Mannargudi	589	163
3.	Periakulam	2,562	219
4.	Chidambaram	4,630	1,119
		21,811	3,044

In the four municipalities where the scheme had been completed and handed over to the municipalities the house connections availed of worked out to 14 per cent. In respect of schemes to be fully completed no house has put up the house sewer with the result that no service

* The work is executed by TWAD Board (pending recovery of cost from the house owners) as part of the estimates for drainage works before handing over to the municipality.

connection has been availed of. The very poor progress in owners taking house service connections is stated to be due to their reluctance or inability to incur the expenditure involved.

(iv) The scheme in two municipalities (Manrargudi and Chidambaram) which were already completed during the Fourth Five Year Plan period were included by the State Government for purposes of central assistance contrary to the conditions of the grant that works taken up during the Fifth Five Year Plan alone were eligible for central assistance. The municipality had previously completed the schemes with 50 per cent as state subsidy and 50 per cent as loan. Due to the funds being granted to these two municipalities who had already completed the schemes, other municipalities were deprived of the benefits of the scheme. The central grant of Rs. 2.26 lakhs (Manrargudi : Rs. 0.55 lakh; Chidambaram : Rs. 1.71 lakhs) has not been remitted back (August 1980) by the two municipalities in view of their difficult financial position.

3.1.4. *Summing up.*—The following main points emerge:—

(i) Though it was proposed to Government of India that an area of 13,461 acres would be benefited under this scheme, an area of 2,180 acres only was included for acquisition in the estimates as being the maximum area that could be developed as fodder farm with the available sewage. Out of this, an area of 1,054 acres only has been acquired so far in eight municipalities. The cost per acre of farms has gone up from the norm of Rs. 1,000 prescribed by Government of India to Rs. 6,064 due to reduced acreage.

(ii) Though the scheme was targeted to be completed and commissioned by 31st March 1979, it is yet to be completed in six municipalities (August 1980) mainly due to delay in acquisition of land for farming and in the execution of the works.

(iii) The area cultivated in the farms in the four completed schemes was only 18 acres (7 per cent of the area acquired) due to inadequate sewage. This was reportedly due to the reluctance of the house owners to incur expenditure on individual house services to link up with the main sewer line provided under the scheme.

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

3.2. Scheme for the eradication of 'Bunchy Top' disease in banana plantations in Lower Palani Hills.

3.2.1. *Introductory*.—In the Lower Palani Hills of Kodaikanal, the hill variety of banana is grown as a mixed crop with coffee over an area of 36,000 acres, the banana plants providing the necessary shade to the coffee plants. The banana plantations were affected by a disease known as 'Bunchy Top', which progressively dwarfed the plants and rendered them barren. In September 1976, Government sanctioned a trial scheme (cost: Rs. 18.28 lakhs) to eradicate the bunchy top disease affecting the banana crop in a contiguous block of 10,000 acres out of the total affected area of 36,000 acres, for a period of one year, as a Central sector scheme under the Western Ghats Development Programme. After working the trial scheme for 7 months from 1st October 1976, the scheme was extended in May 1977 to the entire affected area of 36,000 acres at a total cost of Rs. 35.93 lakhs without further additional staff.

3.2.2. The total expenditure incurred on the scheme till it was wound up in July 1979 was Rs. 31.75* lakhs (salaries: Rs. 9.46 lakhs; other expenditure on inputs like fertilisers and pesticides sold to farmers at subsidised rates: Rs. 22.29 lakhs). Rupees 12.58 lakhs were realised by way of sale of inputs to farmers at subsidised rates through department. The records relating to the scheme at the office of the Deputy Director of Horticulture, Dindigul were best checked during July-August 1980 and the following points were noticed:—

(a) *Coverage*.—(i) As the disease was spread through flight and wind in the hilly region, the areas treated stood the risk of catching the disease again, unless all the plantations were simultaneously tackled. The department did not take up the entire affected area for treatment but covered it piecemeal. The implementation of the programme in the first year of operation was restricted to the holdings belonging to small farmers included in a block of 10,000 acres. Subsequently, from 1st April 1977, it was made applicable to an area of 8,355 acres which was reported by the Director of Agriculture, after a "quick survey" as representing the total plantation area owned by small farmers lying within the total of 36,000 acres. From 1st April 1978, a further 6,365 acres, representing the holdings of big farmers, were brought within the ambit of the programme.

*The details of assistance received from Government of India are not separately available.

Details of the area under banana selected for treatment and area actually tackled in the first, second and third year of operation out of the total affected area of 36,000 acres are given below :—

	Targeted area for treat- ment	Area actually tackled
	(in acres)	
(1)	(2)	(3)
I Year-small farmers (1976—77)	3,490	2,137
II Year-small farmers (1977—78)	8,355	3,655
III Year—small farmers (1978—79) Big farmers	8,355 6,365	N.A. N.A.

N.A.—Not Available.

The shortfall in area covered was due to inadequate stocking of inputs as mentioned below:—

(b) *Inputs.*—(i) Though the inputs like pesticide and fertiliser were to be supplied departmentally at subsidised rates, adequate inputs were not stocked and made available to the farmers over the years.

A table showing the requirement of inputs for the targeted area (fertilisers and chemicals) the quantity actually purchased and distributed under the scheme is given below :—

Year	Input	Requirement	Quantity purchased	Quantity distributed
(1)	(2)	(3)	(4)	(5)
1st October 1976 to	Fertiliser	349 tonnes	215 tonnes	215 tonnes
31st March 1977	Chemicals	5,235 litres	2,875 litres	705 litres
1st April 1977 to	Fertiliser	1,456 tonnes	534 tonnes	534 tonnes
31st March 1978	Chemicals	24,456 litres	3,541 litres	3,534 litres
1st April 1978 to	Fertiliser	Nil	Nil	Nil
31st March 1979	Chemicals	22,148 litres	5,430 litres	8,033 litres
1st April 1979 to	Fertiliser	Nil	Nil	Nil
31st July 1979	Chemicals	7,383 litres	1,223 litres	82 litres
Total ..	Fertilisers	1,805 tonnes	749 tonnes	749 tonnes
	Chemicals	59,222 litres	13,069 litres	12,354 litres

Though there was adequate budget provision (Rs. 42.96 lakhs) for the supply of inputs for the period of the scheme from 1st October 1976 to 31st July 1979, the required quantity of inputs was not purchased and

made available to the farmers (value of purchase : Rs. 22.29 lakhs). Further, even though the scheme was implemented with effect from 1st October 1976, the first consignment of chemicals was received for distribution in December 1976 and the bulk of the chemicals and the mechanical sprayers necessary to mount full scale operations were received in March 1977 only.

(ii) The programme envisaged the systematic spraying of pesticides at 21 day cycle and simultaneous application of fertilisers at half-yearly intervals to invigorate the plants. However, the department discontinued the stocking and supply of the fertilisers from 1st April 1978 on the ground that there were complaints regarding malpractices in the departmental distribution and misuse of fertilisers by the farmers.

(iii) A total quantity of 13,069 litres of pesticides was purchased for the programme and a quantity of 12,354 litres was reported to have been distributed to farmers at subsidised rates. Verification in audit of the depot stock registers showed that only a quantity of 9,847.900 litres of pesticides was distributed. The department's clarification for the difference in the quantity is awaited.

(c) *Implementation.*—(i) A test check of the records relating to the spraying operations in respect of 1,438 farmers during October 1976 to September 1977 showed that the periodicity in the spraying operations was not kept up as may be seen from the following table :—

<i>Number of farmers</i>	<i>Area owned</i>	<i>Number of spraying actually done against 15 sprayings preferred</i>
(1)	(2) (in acres)	(3)
7	18.29	8
22	67.30	7
27	73.32	6
63	178.37	5
154	414.77	4
214	614.42	3
257	789.96	2
354	1,211.82	1
340	912.41	Nil
Total ..	1,438	4,280.66

(ii) Effective clump removal was an integral part of the programme. Once affected, the plant has to be destroyed as neighbouring good plants would be infected. During the first year and a half, the department had not maintained any records to show the number of clumps removed, treated and destroyed. In the absence of this record, the action taken by the department could not be ascertained. During 1978-79, Government provided Rs. 5 lakhs as subsidy for the purpose of removal of affected clumps. However only 13,020 acres were covered incurring an expenditure of Rs. 2.30 lakhs and Rs. 2.70 lakhs were allowed to lapse. Many farmers did not avail of the subsidy as clump removal work, including cost of kerosene and weedicide, was costlier than the 50 paise subsidy allowed.

(iii) The headquarters of the Special District Agricultural Officer (Bunchy Top) was fixed at Kodaikanal though no banana crop was cultivated around Kodaikanal. The Co-ordination Committee on Eradication of Bunchy Top Disease in Hill banana recommended (September 1976) that the headquarters be shifted to Batlagundu, a central place, to secure effective supervision of the programme by the field officers and to have better farmer contact. However, the change was effected only on 1st April 1979, just four months before the closure of the scheme (July 1979).

(iv) It was suggested by the Co-ordination Committee (August 1977) that a random check of the fields of growers availing the subsidy should be conducted, 25 per cent by the Deputy Agricultural Officers and 10 per cent by the District Agricultural Officers. A test check in audit of the field register of Demonstration Assistants showed no evidence of such random check by the supervising officials.

(v) In order to pursue the programme vigorously, Government issued a notification in September 1976 under the Tamil Nadu Agricultural Pests and Diseases Act, 1919, declaring—

(a) 'Bunchy Top' disease in banana in Madurai District as a plant disease;

(b) the Extension Officers of the Panchayat Unions in Madurai and all the Deputy Agricultural Officers (Banana Development Programme) in Madurai District as inspecting officers; and

(c) empowering the inspecting officers to notify individual growers to remove and destroy the affected plants within a stipulated time.

Further, under Section 7 of the Act, inspecting officers were empowered, in case of failure on the part of the growers to comply with his notice, to undertake remedial and preventive measure departmentally at owners' risk and expense.

However, no notice was issued for the period of one year from the date of commencement of the programme as the officers of the Bunchy Top Scheme were not specifically named in the notification. Commencing from October 1977, 2,911 notices were issued to end of March 1978 against 5,588 affected growers. Departmental removal and destruction of affected clumps did not take place at any time. Even in cases where notices had been issued for clump removal, no further action was taken as the officers were awaiting the issue of separate draft rules by Government and were pressing the Director of Agriculture for the purpose. Only in January 1979 (six months prior to the closure of the scheme) was it clarified by the Director of Agriculture that no separate rules were necessary and that the Tamil Nadu Agricultural Pests and Diseases Act, 1919, was sufficient to cover all matters.

3.2.3. *Import of the Scheme.*—As could be seen from the preceding comments, the scheme had not been properly planned and implemented. The scheme was wound up in July 1979 as the expenditure incurred (net : Rs. 19.17 lakhs) had not been fruitful. According to a recent evaluation (July 1980) by the Deputy Director of Horticulture, banana cultivation, as a mixed crop, exists over an area of 12,500 acres, and even here Bunchy Top disease is prevalent in 5 to 25 per cent of the acreage. In the remaining areas, i.e., 23,500 acres (banana and coffee) the banana cultivation has been completely wiped out. In the absence of a continuing programme, the surviving banana plantations also stand the threat of extinction, exposed as they are to the wind which carries the virus-bearing aphid from plant to plant in the hilly terrain.

3.2.4. *Summing up.*—The following are the main points:—

The programme for eradication of the Bunchy Top disease in banana plantations did not achieve the objective of wiping out the disease even after incurring a net expenditure of Rs. 19.17 lakhs. The scheme has been wound up without alternative remedial measures.

There was no adequate planning while taking up the scheme; the entire area was not taken up for treatment even at the initial stage even though it was known that piecemeal tackling of the problem would not

yield beneficial results. Inputs (pesticides and fertilisers) were not stocked adequately and made available to the farmers and the prescribed cycle of spraying was not kept up.

Clump removal work *i.e.*, destruction of affected plant which formed an integral part of the eradication work was not effectively pursued. The Tamil Nadu Agricultural Pests and Diseases Act, 1919, which was specially made applicable to the programme areas by Government through a notification issued in September 1976 to facilitate clump removal was not invoked by the department under a misapprehension of the scope of the notification.

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

3.3 Delay in Commissioning of cold storage plant

A case of delay in commissioning of cold storage plant due to defective planning is mentioned below :—

<i>Name of facility</i>	<i>Amount and date of sanction</i>	<i>Expenditure incurred and date</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)
Cold storage at Uthagamandalam under the Nilgiris Agricultural Development Project for preservation of potato, cabbage and other vegetables	Rs. 4.93 lakhs for building (April 1973) Rs. 8 lakhs for cold storage plant (June 1975)	Rs. 4.79 lakhs for building (October 1974) Rs. 6.31 lakhs for cold storage plant	In November 1971, Government accorded administrative approval for the scheme and called for detailed plans and estimates. In September 1972, the department submitted plans and estimates for the building without any provision for cold storage plants. The building was ready by November 1974. Work of erection of the cold storage plant was completed in August 1978. Power supply was obtained in December 1979. The plant, tested in July 1980 and taken possession of by the project authorities in October 1980, has not been commissioned pending posting of staff to run it. The case was reported to Government in September 1980. Government stated (November 1980) that

<i>Name of facility</i>	<i>Amount and date of sanction</i>	<i>Expenditure incurred and date</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)
			Rs. 8 lakhs towards cost of cold storage released by Government of India during 1975 were made available to the Public Works Department in August 1976. The delay in erection of cold storage plant is stated to have been caused by delays in deciding the capacity of the plant, finalising tenders, procuring requisite licence and certificates from the Central Excise authorities and getting power supply. Proposals for sanction of staff to run the plant were awaited from the Director of Horticulture and Plantation Crops.

FORESTS AND FISHERIES DEPARTMENT

3.4. Collection of latex in Government Rubber Plantations

3.4.1. In the Government Rubber Plantations (Kanyakumari District), tappers are engaged for collecting the latex from the rubber trees. The wages payable to them are calculated on the basis of the dry rubber content in the latex collected by them. The dry rubber content is measured through an instrument called 'Metrolac'. The latex collected by the tappers is pooled and transported to the factory in drums. Part of the latex undergoes a natural process of drying and becomes what is called pre-coagulated lump. At the factory, the dry rubber content of each drum of latex is determined again and taken as receipts in the factory.

3.4.2. During the years 1978-79 and 1979-80, the department paid for 27,04,853 kg. of dry rubber weight at the collection points while the factories acknowledged 22,60,757 kg. only in the form of latex (20,85,838 kg.) and pre-coagulated lump (1,74,919 kg.). Even after allowing for loss in weight due to the natural coagulation of the latex into pre-coagulated lump adopting percentages indicated by the department there was a net shortage of 3,85,789 kg. between the dry rubber weight for which wages had been paid at the collection

points and the dry rubber weight acknowledged by the factory. The wages paid in respect of rubber weight, not acknowledged by the factory, amount to Rs. 3.54 lakhs.

3.4.3. The department attributed the shortage to,

- (i) Evaporation and spilling;
- (ii) Error up to 10-12 per cent in metrolac readings due to coagulation of latex hour by hour;
- (iii) Variations between spring balance used at collection points and platform scale used at the factory; and
- (iv) Beating of the latex by the labourers while diluting it, producing air bubbles which result in the 'metrolac' giving higher reading.

No norms have been fixed for the permissible variation in dry rubber weight. The possibility of loss of latex between the collection points and the factory cannot also be ruled out as the reduction in the weight of dry rubber content received in the form of latex and pre-coagulated lump at the factory *vis-a-vis* those paid for at collection points varied between 6 per cent and 24 per cent in 1978-79 whereas it was between 13 per cent and 15 per cent in 1979-80.

The matter was reported to Government in September 1980. Final reply is awaited (February 1981).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.5. Implementation of Prevention of Food Adulteration Act, 1954

3.5.1. *Introductory.*—To prevent adulteration of food stuffs Government of India enacted "The Prevention of Food Adulteration Act, 1954" which came into force on 1st June 1955. In exercise of the powers conferred under the Act, the Government of Tamil Nadu passed the Tamil Nadu Prevention of Food Adulteration Rules, 1960, which came into force from 1st July 1961. The object of the law is to curb sale of articles of food, primary or processed, that are not pure, or the purity of which falls below the prescribed standard. The samples drawn from vendors, or any person selling the articles are to be analysed for their purity in authorised Government or Corporation laboratories and on the basis of their report, prosecutions are to be launched against the offenders.

The Director of Public Health and Preventive Medicine is declared as "State Food Health Authority" and is in charge of administration and enforcement of the Act in the State. The Health Officers of the Corporation of Madurai and Madras, Medical Officers of Primary Health Centres and the executive authorities of local bodies were declared as "Local Health Authorities" for the purpose of the Act. The Sanitary Inspectors/Health Inspectors of the various local bodies, etc., are acting as part time Food Inspectors.

Six Government food laboratories at Guindy, Coimbatore, Thanjavur, Madurai, Palayamkottai and Salem and the Corporation laboratory at Madras are doing the analysis work. A combined food and drug testing laboratory at a cost of Rs. 13.12 lakhs with modern equipment has also been established (1977) at Madras with full central assistance. A food cell with a Health Officer is functioning at headquarters generally to co-ordinate and supervise the working of the Food Inspectors.

For the implementation of the Act, an expenditure of Rs. 40.82 lakhs (Non-Plan) and Rs. 15.21 lakhs (Plan) was incurred during the period 1974-75 to 1979-80. Rupees 4.50 lakhs were received as central assistance for purchase of additional equipment in the food laboratories at Guindy, Coimbatore and the Corporation laboratory at Madras to end of March 1980.

The records relating to the implementation of the scheme were test checked at the offices of the Director of Public Health and Preventive Medicine, Madras, the Government Analyst, Guindy and in the offices of the Public Analyst, Food Laboratory, Thanjavur, Madurai, Salem and Palayamkottai during May 1980 to August 1980.

3.5.2. The important points noticed are mentioned below :—

I. *Coverage*.—According to rule 9 of the Tamil Nadu Prevention of Food Adulteration Rules, 1960, the State Government fixed the monthly quota of samples to be taken and sent for analysis by a Food Inspector for a local area. It was also emphasised that the drawing of samples should be evenly spread over all the period of the year, should relate to all commodities and be from diverse trading and manufacturing points.

(i) The quota of samples to be drawn was fixed for each local body from time to time from 1964 onwards. The quota was not revised, commensurate with the increase in population and volume of trade over

the years. The average of the quota fixed worked out to four samples per month for each Panchayet Union and nine for each Municipality. Even this prescribed quota has not been analysed.

(ii) A table showing the quota of samples to be drawn and the number of samples actually drawn for the years 1977 to 1979* is given below for the State as a whole and for the City of Madras separately.

				<i>Number of samples fixed as quota for a year</i>	<i>Number of samples actually drawn for analysis</i>	<i>Percen- tage of samples drawn to that fixed</i>	<i>Percen- tage of defi- ciency</i>
	(1)			(2)	(3)	(4)	(5)
(A) State							
1977	24,396	23,301	96	4
1978	25,344	18,064	71	29
1979	25,956	17,556	68	32
(B) City of Madras							
1977	4,320	3,992	92	8
1978	4,320	1,305	30	70
1979	4,320	696	16	84

It may be seen that:

(a) the number of samples drawn and analysed have dwindled from 1977 onwards. The deficiency ranges from 4 per cent (1977) to 32 per cent in 1979, for the State and from 8 per cent to 84 per cent for the City of Madras.

(b) Though the establishment of regional laboratories in 1975 at Madurai and Thanjavur and two more at Palayamkottai (1977) and Salem (1978) was to increase the number of samples to be drawn and also to cover more rural areas, the objective had not been achieved. Prior to the establishment of the four regional food laboratories, the food laboratory at Guindy was covering the entire State except the two districts of Coimbatore and Nilgiris which were attended to by the laboratory at Coimbatore. With the formation of the food laboratories

*Calendar years.

at Madurai and Thanjavur the analysis work relating to Madurai District (excluding Madurai Corporation) and that of South Arcot District was transferred to these new laboratories. The laboratory at Guindy still (August 1980) deals with the work relating to 10 districts and of Madurai Corporation, while the laboratory at Coimbatore is attending to two districts and the new laboratories at Madurai and Thanjavur districts to one district each. Thus, the work is not evenly distributed among the laboratories which have comparable facilities. In the Guindy laboratory, the number of samples analysed had decreased from 17,336 in 1976 to 10,447 in 1979, though the work relating to two districts (South Arcot and Madurai with total samples of 2,238) only was removed from it.

Food laboratory at Salem has not started any analysis work since its inception in 1978 as the post of Public Analyst was not filled up and for want of equipment and chemicals. Expenditure up to August 1980 was Rs. 1.58 lakhs (salary : Rs. 0.55 lakh, equipment : Rs. 1.03 lakh).

(iii) Though the Act was applicable to the entire State and came into force from 1st June 1955, the rural areas were covered only partially as indicated below :—

	<i>Total Number of bodies</i>	<i>Number of local bodies imple- menting the Act</i>	<i>Percen- tage of (3) to (2)</i>
(1)	(2)	(3)	(4)
Corporation	2	2	100
Municipalities	107	167	100
Panchayat Unions	374	55	15
Town Panchayats	617	248	40
Total	1,100	412	

In the rural areas (Panchayat Unions and Town Panchayats) the implementation of the Act covers only 31 per cent. The low percentage is stated to be due to lack of adequate laboratory facilities.

(iv) The Committee constituted by Government of India in 1965 had stressed the importance of drawing samples at the manufacturing point and at the premises of wholesalers to tackle the problem at source. Details showing industries manufacturing food articles (processed food, canned food, etc.) and the number of samples drawn from them are given below:—

Year	1976	1977	1978	1979
Number of manufacturers and wholesalers	2,023	2,144	2,122	2,122
Number of samples drawn and analysed.	N.A.	131	121	133

N.A.—Not Available.

It may be seen that the monthly quota of samples drawn from manufacturers works out to only 0.5 per cent of the units functioning. Particulars of the manufacturing units checked and due for checking and the category-wise distribution of food manufacturers and wholesalers are not available with the department.

There was no evidence of samples drawn for analysis from food catering units like hotels, restaurants, etc.

II. *Prosecutions and acquittals.*—(i) The amendment of the Act in 1976 effected changes in the administration of the Act, and the prosecution procedures, and prescribed deterrent penalties like minimum imprisonment of six months and a fine of Rs. 1,000 to curb adulteration. The table below shows the number of prosecutions launched, convictions obtained, etc., in six years ended 1979.

	1974	1975	1976	1977	1978	1979
1. Number of prosecutions launched	4,771	2,770	6,276	6,788	5,249	2,458
2. Convictions*	4,128	2,368	5,361	5,913	2,365	1,043
3. Acquittals*	41	70	156	847	1,225	874
4. **Number of cases appealed against the acquittals	15	7	18	160	210	170
5. † Percentage of acquittals to prosecutions	1	3	3	12	23	35

* The figures against convictions and acquittals represent the number of convictions and acquittals secured during the year.

** The information regarding the number of appeal cases pending in the High Court is not available with the State Level Health Authority.

† The receipts realised by way of fines were falling from 1977 onwards due to increase in acquittals—Rs. 14.27 lakhs in 1977, Rs. 8.16 lakhs in 1978 and Rs. 4.38 lakhs in 1979.

(ii) A test check of the reasons for acquittals relating to the major food laboratory at Guindy was conducted and the results are tabulated hereunder :—

	1977	1978	1979
1. Failure to give notice to vendors under Section 13(2) about the result of analysis within ten days	141	172	77
2. Non-observance of rules 18,20 and 22 under the Act	285	300	358
3. Delay in filing charge sheet after obtaining copies of judgment	Nil	32	44
4. Delay in notification of Local Health Authority by Government	49	15	24
5. Other procedural lapses	220	Nil	69
Total acquittals	695	519	572

A scrutiny of the acquitted cases in the laboratory showed that the issue of adulteration had not been contested by the parties and the cases have been struck down by the courts on grounds of non-observance of the correct rules and procedures while drawing the samples and failure to observe statutory time limits. Under the Prevention of Food Adulteration (Amendment) Act, 1976, only officers nominated under the Act as Local (Health) Authorities can administer the Act in the local areas. Though the amended Act came into force in the State from 1st April 1976, the notification by the State Government was issued only on 19th October 1976. Eighty eight cases instituted by Food Inspectors during the interval were struck down by courts as wanting in authority.

(iii) To reduce the delays in the courts as well as to reduce the frequent attendance of the Food Inspectors in the Courts, the Act was amended in 1976 providing for summary trial of offences. Government of India also impressed on all the States (March 1976) that as far as possible cases should be fixed for summary trial to secure speedy justice. This Section has not been used in the State.

III. *Food Inspectors*.—(i) The Committee referred to earlier had recommended in 1965 against the combination of duties of Sanitary Inspector and Food Inspector, as it resulted in improper and inefficient

implementation of the Act. The Food Inspectors in Tamil Nadu continue to combine in them the functions of Sanitary and Food Inspectors

The Committee had also recommended appointment of at least one Food Inspector (whole time) for each urban/rural area having a population of 0.50 lakh. The requirements of whole time Food Inspectors with reference to the latest population data in the State is 934 whereas the present strength is 823 Inspectors (part time).

IV. *Other points of interest.*—Government of India sanctioned in 1976 as a centrally sponsored scheme, the establishment of a new combined food and drug testing laboratory in the State in the Fifth Five Year Plan and for the purpose sanctioned the following sums on full grant basis.

For putting up of building	..	Rs. 18.68 lakhs (ceiling)
For purchase of specified equipment for the laboratory		Rs. 3.65 lakhs

Based on actual expenditure, a sum of Rs. 12.50 lakhs had been received as Central grant. The construction of the laboratory at Madras was completed and handed over to the department on 7th December 1976 (ground floor for 7,000 sq. ft.) and on 7th September 1977 (first and second floors for 14,000 sq. ft). The expenditure on construction and equipment was Rs. 13.12 lakhs.

Even after 2½ years, the work of analysis of food samples in the laboratory had not commenced. The posts of Government Analyst, Senior/Junior Analysts, Technical Assistant have not been filled up, pending issue of *ad hoc* rules and selection of personnel. Four chemists attached to the existing laboratory at Guindy, had been diverted to the chemical laboratory in first floor and they attend to drug sampling work only from February 1980.

3.5.3. Summing up

The main points noticed are:—

(i) Even after 25 years, the Act has not been implemented in 69 per cent of the rural areas in the State.

(ii) The quota of samples to be analysed fixed from 1964 onwards has not been revised in time with the increase in population and volume of trade. There has been shortfall in covering the prescribed quota.

There is a decline in the coverage (drawing of the prescribed quota of samples and analysis) over the period 1977 to 1979 (short fall being 32 per cent for the State and 84 per cent for the City of Madras in 1979).

(iii) A large number of cases of adulteration escaped punishment due to the failure of the department to follow the correct procedures and observe the time limit prescribed in the Act (percentage of acquittals to prosecution being 35 in 1979).

(iv) The food laboratory at Salem has not started any analysis work since its inception in 1978 as the post of Public Analyst was not filled up and for want of equipment and chemicals. Expenditure up to August 1980 was Rs. 1.58 lakhs (salary : Rs. 0.55 lakh; equipments : Rs. 1.03 lakhs). A combined food and drug testing laboratory established in 1977 at Madras (cost: Rs. 13.12 lakhs) is yet to be commissioned for food analysis work.

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

3.6. Unutilised buildings and delay in extending medical facilities

Certain instances of buildings constructed and not put to use are mentioned below :—

<i>Particulars of building</i>	<i>Cost and date of completion of construction</i>	<i>Remarks</i>
(1)	(2)	(3)
1. Additional ward for 150 beds in the Arignar Anna Memorial Cancer Hospital, Kancheepuram	Rs. 18.20 lakhs (November 1977)	The department stated (June 1980) that the building was not taken over from the Public Works Department as the staff for the additional beds are not in position. The department has not sent any proposal to Government for sanction of staff (September 1980).
2. Four storeyed building for 150 beds in the Government Hospital for Women and Children, Madras	Rs. 14.07 lakhs (October 1977)	Out of the four floors, the three upper floors remain unoccupied as the staff sanctioned by Government in January 1980 for the 150 bed ward have not been appointed in full by the department (August 1980). Out of a total complement of 53 posts sanctioned, 43 posts are yet to be filled up.

<i>Particulars of building</i>	<i>Cost and date of completion of construction</i>	<i>Remarks</i>
(1)	(2)	(3)
3. Building for B. Pharmacy Course in Chengalpattu Medical College, Chengalpattu	Rs. 7.49 lakhs (March 1979)	B. Pharmacy Course (I year) was started in the Chengalpattu Medical College in 1974-75 utilising the existing facilities in the College. The teaching staff for the course (II, III and IV years) and equipment were transferred to the College from the Madras Medical College, Madras in August 1975. In September 1976, Government ordered the re-transfer of the B. Pharmacy Course to the Madras Medical College based on the representation of the students, who complained of deficiency in the number of teachers, staff and lack of laboratory equipment facilities. The re-transfer was effected in November 1976. The building for the pharmacy course for Chengalpattu Medical College continue to remain unused from March 1979 (December 1980).

The cases were reported to Government in August-September 1980; their reply is awaited (February 1981).

3.7. Delay in commissioning of facilities in hospitals

Mention of non-utilisation of steam laundry since its inception in a Government Hospital was made in paragraph 41 of the Report of the Comptroller and Auditor General of India for 1970-71. In its eleventh report (Fifth Assembly) presented to the Assembly on 20th April 1974 the Public Accounts Committee had recommended that "in the execution of works of this type, there should be proper co-ordination at all levels between the departments concerned. Every effort should be made to assess in minute detail the equipment and devices that are necessary so that they could be provided even during construction".

Three more instances of delay in commissioning facilities (2 steam laundries and 1 cobalt therapy unit) in hospitals due to lack of timely action and co-ordination are given below:-

Name of institution	Description of facility and date of sanction	Expenditure incurred	Remarks
(1)	(2)	(3)	(4)
1. Kilpauk Medical College Hospital, Madras	Steam laundry Building (June 1971)	Rs. 0.49 lakh (March 1976); Equipment Rs. 1.76 lakhs (May 1974)	Sanction accorded by Government in June 1971 was based on a rough cost estimate prepared by the Public Works Department in August 1964. The building was completed in March 1976 and the laundry equipment was installed in the building in June 1977. The steam laundry was not taken over by the hospital authorities as separate room for receipt of linen, Head Nurses' room, secure area for drying the linen and drainage facilities had not been provided. This omission was pointed out by the Dean of the hospital in June 1978, i.e., after completion of the building. Plans and estimates for Rs. 1 lakh for providing the required facilities were forwarded to Government by the Medical Education Department in January 1980. Orders of Government are awaited (December 1980). The laundry has not been commissioned.
2. Institute of Child Health and Hospital for Children, Madras	Steam laundry equipment building (March 1972) (September 1973)	Building Rs. 5.49 lakhs (August 1976) some items of equipment Rs. 2.23 lakhs (August 1980)	The matter was reported to Government in September 1980; their reply in awaited (February 1981). Revised sanction of Government for putting up of a permanent building at a cost of Rs. 6.25 lakhs in lieu of the temporary structure originally proposed was obtained in May 1975. The building was completed in August 1976. As the cost of equipment had escalated in the meantime, revised sanction for Rs. 5.50 lakhs for their purchase was obtained in April 1980. Purchase of

Name of Institution	Description of facility and date of sanction	Expenditure incurred	Remarks
(1)	(2)	(3)	(4)
			all the equipment and their installation had not been completed (August 1980).
			Government accepted (January 1981) the facts.
3. Barnard Institute of Radiology and Cancer, Government General Hospital, Madras	Cobalt therapy unit (June 1975)	Cobalt therapy machine Rs. 2.08 lakhs (May 1976); Two collimators Rs. 0.42 lakh (December 1977); Cobalt therapy source Rs. 1.42 lakhs (May 1979); Remodelling of building Rs. 0.69 lakh (June 1979)	A Cobalt therapy unit with accessories which was acquired between May 1976 and May 1979 for Rs. 3.92 lakhs and the building remodelled for the purpose in June 1979 at a cost of Rs. 0.69 lakh in the Barnard Institute of Radiology and Cancer, Government General Hospital, Madras have not been put to use in the absence of necessary staff (proposals sent to Government in December 1979) and air conditioning (proposals yet to be sent). Though Government sanction for installation of cobalt therapy unit for providing quick cobalt therapy treatment to cancer patients was accorded in June 1975, cancer patients still go without timely cobalt therapy treatment (August 1980) as the period of wait to get treatment from the only machine available in the institute is stated to be three to four weeks.
			Government stated (January 1981) that in respect of air conditioning the revised estimate is awaited, that the staff proposals are under correspondence with the Director of Medical Education and that the unit will be utilised after these two items are finalised and staff appointed.

3.8. Idle equipment

Two cases of equipment remaining idle for considerable time in medical colleges are given below :—

<i>Name of Institution</i>	<i>Particulars of equipment with cost</i>	<i>Remarks</i>
(1)	(2)	(3)
1. Chengalpattu Medical College, Chengalpattu	Two gas tanks (10,000 cft. and 2,000 cft.). One kerosene tank (4,500 litres) and four gas producers of gas plant Rs. 1.22 lakhs	The gas plant comprising 4 gas tanks of capacity 10,000cft., 5,000 cft., 2,500 cft., and 1,500 cft., 2 kerosene tanks of capacity 4,500 litres and 600 litres and 8 gas producers was installed in September 1969 at a cost of Rs. 4.14 lakhs. The gas plant was intended to provide gas to the laboratories of the College and to the Hospital kitchen. Since commissioning, the items of equipment mentioned in column 2 are idle, as pipe line had not been laid from the gas plant to the hospital as originally proposed, for which reasons are awaited from the department. The 10,000 cft., gas tank (cost; Rs. 0.35 lakh) has become corroded due to exposure to elements.
2. Madurai Medical College, Madurai	Medicorspirograph Rs. 0.58 lakh	The equipment was purchased in June 1972 and installed in October 1972 (guarantee up to June 1973) for testing lung infection in patients suffering from pulmonary diseases. It went out of order some time in 1973 and has not been repaired and brought to use since then. The supplier who was addressed in December 1974 to carry out the repairs declined (April 1975) stating that his pending bill for Rs. 1,146 towards installation charges should be settled first.

The department addressed Government in November 1976 for sanction, as the main sanction for purchase of the spirograph accorded in April 1971 did not cover the installation charges.

The cases were reported to Government in October 1980; their reply is awaited (February 1981).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.9. Integrated Urban Development of Metropolitan Cities and areas of National Importance (IUDP)

3.9.1. *Introduction.*—“Integrated Urban Development in Metropolitan Cities and Areas of National Importance” (IUDP) was introduced in 1974—75 as a centrally sponsored scheme to supplement the efforts of the State Government in the development of metropolitan cities and areas of national importance. The scheme aimed at covering major sectors of urban development such as water supply, drainage and sewerage including garbage disposal, sites and services and road development, etc. In the period from 1974-75 to 1978-79, the Government of India extended central assistance in the form of loans to the State Government for the various IUDP schemes.

3.9.2. Details of central loan assistance received by the Government of Tamil Nadu for these schemes during the Fifth Five Year Plan period were :—

	(in lakhs of rupees).
(i) Veeranam project for water supply to Madras City	2,00 (1974-75)
(ii) Development of Madras ..	11,35 (1975-79)
(iii) Development of Madurai ..	1,09 (1977-79)
(iv) Development of Coimbatore	1,46 (1977-78)
Total ..	15,90

The programme was discontinued from 1979-80 as the National Development Council decided to discourage the expansion of the metropolitan cities. The State Governments were to complete the on-going works with their own funds after 1978-79.

3.9.3. *Implementation.*—1. Government of Tamil Nadu entrusted the planning co-ordination and monitoring of the execution of the IUDP to the Madras Metropolitan Development Authority*, Madras (MMDA) for Madras city and to the Director of Town and Country Planning (DTP) in respect of Madurai and Coimbatore. The actual execution of the several schemes was entrusted to various agencies like

* Madras Metropolitan Development Authority was initially set up as an *ad hoc* body in 1972 and had assumed statutory status in 1974.

Tamil Nadu Housing Board (TNHB), Madras Metropolitan Water Supply and Sewerage Board (MMWSSB), Tamil Nadu Water Supply and Drainage Board (TWAD), Madras Municipal Corporation (MC), Department of Highways and Rural Works (DHRW), Public Works Department (PWD) and MMDA.

2. Besides new schemes, several on-going schemes also were included in the IUDP in Madras. In all, 32 on-going schemes and 85 new schemes were taken up for completion by March 1979 and March 1980 respectively. Out of these, only 18 on-going schemes and 32 new schemes were completed by the prescribed date. The remaining 67 schemes are expected to be completed by September 1981. Details are given below :—

Sector of activity	Implementing Agency	Number of schemes	Total estimated cost	Expenditure	
				To end of March 1979	To end of March 1980
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
(a) Madras—IUDP					
Sites and Services ..	TNHB	3	9,32.88	3,81.22	6,67.56
Water Supply and Sewerage ..	MMWSSB	14	11,25.00	8.19	1,27.33
		17	18,20.16	13,90.30	15,77.28
	TWAD	11	8,24.13	4,36.45	6,37.70
Storm Water Drainage ..	MC	2	84.45	29.00	50.72
Area Development ..	MMDA (TNHB and TWAD)	3	6,12.00	3,11.06	3,97.91
Roads	DHRW	7	7,18.68	2,84.09	4,81.68
		16	2,43.24	77.12	1,24.34
	MC	14	2,20.40	1,07.77	1,64.25
		14	3,04.67	1,67.25	2,29.92
Total (a)	..	101	68,85.61	31,92.45	44,58.69
(b) Coimbatore					
Water Supply and Sewerage	TWAD	2	2,12.57	5.50	1,36.40
Development and Housing	TNHB	3	1,71.07	34.78	1,21.56
Construction of commercial complex	PWD	2	40.00	Nil	15.93
Total (b)	..	7	4,23.64	40.28	2,73.89

Sector of activity	Implementing Agency	Number of schemes	Total estimated cost	Expenditure	
				To end of March 1979	To end of March 1980
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
(c) Madurai					
Water Supply and Sewerage	TWAD	4	84.35	10.54	61.82
Development and Housing	TNHB	1	4,25.00	1,63.00	1,63.00
Construction of Commercial Complex	PWD	2	53.00	Nil	16.35
Provision of pedestrian side walks and hand rails in important roads	DHRW	2	13.40	Nil	7.09
Total (c)	..	9	5,75.75	1,73.54	2,48.26
Grand total (a), (b) and (c)		117	78,85.00	34,06.27	49,80.84

The progress in execution of the works was slow due to, among other things, delay in acquisition of land, wrong choice of tank beds as sites for development, deposit works entrusted to other agencies not started, poor response to tenders, etc. Cases of delays in individual schemes as noted in test audit are given in paragraphs 3.9.7, 3.9.8, 3.9.9 and 3.9.10.

3.9.4. Only TWAD, Department of Highways and Rural Works and PWD are audited by the Accountant General. The other agencies are audited by the Examiner, Local Fund Accounts. Out of the total expenditure of Rs. 49.81 crores incurred on IUDP schemes (Central assistance : Rs. 13.90 crores) to end of March 1980, a sum of Rs. 14.81 crores only (Madras: Rs. 12.44 crores; Madurai: Rs. 0.85 crore and Coimbatore : Rs. 1.52 crores) has been incurred by agencies which are under the audit of the Accountant General. Points noticed during a test check (January 1980 to June 1980) of records of Government departments and DHRW and TWAD Divisions and the records with the sanctioning authorities are given in the following paragraphs.

3.9.5. Though Government of India had pointed out in their guidelines (August 1978) that emphasis on acquisition of new land for development tended to shift attention and action from the critical problems in the existing urban areas, the IUDP programme in Madurai

consisted mainly in developing a new area. Out of Rs. 2,66.85 lakhs released for this town, a sum of Rs. 1.63 lakhs had been spent during 1978-79 for acquisition of land.

3.9.6. *Utilisation certificates.*—1. The certificate for Rs. 2 crores received in March 1975 for the Veeranam project was furnished by the State Government to Government of India in June 1980. It was noticed in audit that a sum of Rs. 4.48 crores out of Rs. 26.69 crores (paid to TWAD till March 1976 for the project) remained unutilised as at end of March 1979. Government directed (April 1980) the TWAD to remit to Government Rs. 4.81 crores reported by TWAD in October 1979 as lying unspent with them. The amount has not yet been remitted (December 1980). The expenditure on the project intended to supply water to Madras city was infructuous as brought out in the Report of the Comptroller and Auditor General of India for the year 1974-75 (Civil), Government of Tamil Nadu and the sixth report of the Committee on Public Undertakings (1977-79) presented to the Legislature on 29th March 1979.

2. In respect of Madurai and Coimbatore (Rs. 2.55 crores), the certificate indicated that the assistance had been released in full. The certificates were not accepted by the Central Government and the State Government were asked to furnish a certificate after utilisation. The certificates had not yet been furnished (October 1980).

3. The departmental records did not indicate the nature of checks exercised by the department on the data furnished by the implementing agencies for issuing the utilisation certificates. Information called for in audit is awaited from Government (December 1980). As already mentioned, about 70 per cent of the expenditure has been incurred by agencies whose accounts are not audited by the Accountant General.

3.9.7. *Sites and Services—executed by the Tamil Nadu* Housing Board.*—1. The scheme envisaged development of three sites (Arumbakkam, Villivakkam and Kodungaiyur) on the outskirts of the Madras city covering an area of 175 hectares (420 acres) and provision of residential, commercial and industrial plots, community facilities and core housing units* with self-help building materials, mainly intended for the economically weaker sections (EWS) of society. The schemes were

*These are developed plots with minimum facilities of a bath and flush-out latrine provided.

estimated to cost Rs. 9,32.88 lakhs (land and development: Rs. 5,35.94 lakhs and construction: Rs. 3,96.94 lakhs) and scheduled to be completed by the end of March 1980. The estimates had been revised to Rs. 12,56.28 lakhs (March 1980) and sent to MMDA for concurrence (July 1980). The State Government had paid a sum of Rs. 6.95 lakhs to end of March 1980 to the Board as outright grant and the expenditure on the schemes to end of March 1980 was Rs. 6,67.56 lakhs.

2. *Arumbakkam*.—(a) As at end of May 1980, 1,699 EWS core units had been completed (proposal: 1,849 units), out of which 1,371 had been handed over to the allottees, 131 of whom had occupied the units and 137 others had taken up construction for expansion of the core units. 605 plots (proposal: 650) had been developed by that date and 453 of them had been handed over to allottees of low-income and middle-income groups.

(b) Items of work pending completion at end of March 1980 were, laying of electrical cables (TNEB), road drain works and installation of pumping system (MC), sewage pumping station and mains (MMWSSB) and street lighting (MC). Formation of an approach road to the scheme area (and consequently occupation/construction by allottees) was being delayed due to encroachment on 1.39 hectares out of 2.85 hectares of lands required for the formation (June 1980). Work on a drainage channel to serve the scheme area, entrusted to the Corporation of Madras, had not been taken up (March 1980) by the Corporation due to paucity of allotted funds.

3. *Kodungaiyur*.—(a) The scheme was proposed to be implemented in two zones. Work in Zone I (135 acres) had not started (June 1980) as the lands (an irrigation tank bed) were not handed over due to Government not taking a decision in this regard for the past three years.

(b) The estimates for the scheme had been revised in March 1980 from Rs. 4,54.42 lakhs to Rs. 6,94.36 lakhs. The expenditure on the scheme to end of March 1980 was Rs. 2, 83.79 lakhs. The revision in the estimate was attributed to provision for increased cost of land and material, provision for filling the area up to maximum flood level, provision for distribution of electricity (Rs. 47.41 lakhs) and water supply to houses, provision for a drainage channel (Rs. 35 lakhs) and provision for a bridge to form a link with trunk road (Rs. 13.26 lakhs).

The reasons for not including these essential items even in the original estimate have not been stated. The work in Zone II, initially targeted for completion by March 1980, is now expected to be completed by September 1981.

4. *Villivakkam*.—(a) This scheme proposed for development in three phases at a cost of Rs. 2,94.26 lakhs (March 1977) is now estimated to cost Rs. 3,99.65 lakhs (March 1980). The reasons adduced by the Board for the escalation in cost were, acquisition of more lands and at higher rates (Rs. 28.87 lakhs), forming a bund in the tank area and baling out flood waters (Rs. 4.20 lakhs), provision of Rs. 62.36 lakhs for distribution of electric power, three channels and five culverts for avoiding flooding, water supply to houses and off-site sewerage (all these items were not included in the original estimate) and increased cost of provision for onsite sewerage, on-plot development and community facilities (Rs. 34.20 lakhs). As at end of March 1980, the total expenditure on the three phases was Rs. 2,03.75 lakhs.

(b) Works on the various components of the scheme, commenced in 1977-78 and scheduled to be completed by March 1980, are now expected to be completed by September 1981. Work on phase III had not yet commenced (June 1980) as the lands had not been made available by the Revenue Department though a sum of Rs. 30.81 lakhs had been deposited with them during August 1977—June 1979 for acquisition of lands for the three phases.

5. The Board attributed (February 1980) the slow progress of work to wrong selection by MMDA of tank beds as sites in Villivakkam and Kodungaiyur areas, delay in earth-filling, water stagnation in scheme area during rainy season and poor response to tender calls.

6. The sale prices of the plots per square metre worked out on the basis of the revised estimates increased as indicated below :—

Sale price for square metre	<i>Kodungaiyur</i>		<i>Villivakkam</i>		
	<i>Zone I</i>	<i>Zone II</i>	<i>Phase I</i>	<i>Phase II</i>	<i>Phase III</i>
(1)	(2)	(3)	(4)	(5)	(6)
As per original estimate (Rs.)	30.45	30.74	35.70	35.70	35.70
As per revised estimate (Rs.)	48.43	57.21	46.79	70.65	68.12
Percentage of increase in cost	59	86	31	98	91

These prices were exclusive of the cost of distribution of electricity which worked out to Rs. 8 per unit area.

3.9.8. *Water Supply and Sewerage Schemes—executed by the TWAD Board—Tiruvottiyur Drainage scheme.*—Original estimate for this work (Rs. 85.34 lakhs—September 1972) was revised in September 1975 and March 1979. Proposals for a further revision (July 1979) to Rs. 1,77.07 lakhs were submitted to Government in June 1980 and their approval is awaited. The work commenced in 1975-76 had not yet been completed though Rs. 1,11.53 lakhs had been spent on the scheme to end of March 1980. The revision of the estimate to Rs. 1,77.07 lakhs was attributed to increase in cost of materials, labour and equipment (Rs. 62.5 lakhs), revision of alignment due to under water conditions, baling out of water caused by high water table, acquisition of lands for sewage disposal (Rs. 17 lakhs) instead of letting out the sewage into the sea, provision of two culverts across railway lines caused by change in alignment (Rs. 7.7 lakhs) and construction of a bridge across the Buckingham canal by MMWSSB (Rs. 1.8 lakhs).

3.9.9. *Road and Traffic Improvements—executed by Madras Corporation and Department of Highways and Rural Works.*—1. Of the twenty eight works* undertaken by the Corporation of Madras, as at end of March 1980, eight works (estimate: Rs. 1,09.77 lakhs) were completed (expenditure: Rs. 98.24 lakhs), twelve (estimate: Rs. 2,11.62 lakhs) were nearing completion (expenditure: Rs. 1,69.40 lakhs), six (estimate: Rs. 1,84.39 lakhs) were in progress (expenditure: Rs. 66.99 lakhs), two works (estimate: Rs. 2.46 lakhs) were dropped and an expenditure of Rs. 57.30 lakhs (estimate: Rs. 34.27 lakhs) had been incurred towards advance payments to TNEB, Telephones Department, etc., for shifting of wires and cables. In respect of the advance payment of Rs. 57.30 lakhs, the Corporation has not obtained details of works executed by the agencies nor has it received any accounts for the deposits made (June 1980).

2. The Highways and Rural Works Department has not received any progress report or accounts for the sum of Rs. 49.72 lakhs (June 1979 and March 1980) deposited with the Corporation of Madras for the works relating to lighting of intersections, traffic engineering improvements and parking reorganisations.

3. While none of the eighteen road and bridges works (estimate: Rs. 2,89.16 lakhs—expenditure to end of March 1980: Rs. 1,34.23 lakhs mainly on materials) undertaken by the Highways Department

*Improvements to existing roads in the city.

has been completed (June 1980), work in respect of six of them, sanctioned in March 1978 and March 1979, has not been commenced (June 1980) due to delay in land acquisition, poor response to tender calls, claims to ownership of lands on which works were taken up, etc. The expenditure on these works to end of March 1980 was Rs. 50.82 lakhs (land acquisition, materials and contingencies) against total estimate of Rs. 1,37.83 lakhs.

4. *Inner Ring Road*.—The work was sanctioned by Government in June 1977 at a cost of Rs. 2,48 lakhs; expenditure to end of March 1980 was Rs. 1,72.40 lakhs.

(i) Out of the eight reaches into which the road work was split up, work on two reaches had been completed, work on two other reaches are nearing completion and work on the other four reaches had not been taken up (June 1980). Ancillary works of construction of rotaries (traffic islands), bridge, lighting and installation of signals at intersections are also to be taken up (June 1980). Delay in final decision on negotiations (during the past three years) with TNHB to make over its claim over lands in the four reaches in favour of the department was stated to be the reason for not taking up the work on these reaches. The objective of providing a byepass for relieving congestion on the arterial roads and providing a pucca road for the residential and industrial areas has not yet been achieved.

(ii) It was also noticed in audit that, in respect of works taken up in three reaches, the lowest and the next higher tender rates for all the three reaches in the first call (August 1977) were Rs. 30.97 lakhs and Rs. 36.59 lakhs respectively. These offers were rejected on grounds of speculative and erratic rates. The lowest tender rates in the second call (December 1977) for Rs. 35.73 lakhs were accepted in February 1978, resulting in extra expenditure of Rs. 4.76 lakhs.

3.9.10. *Area Development—executed by MMDA*.—1. “Maraimalai Nagar new town” and “Manali Urban Node”, on the outskirts of the Madras city, are being developed by MMDA for dispersal of population to relieve congestion in Madras city. The execution of the development works (mainly development of plots for allotment) has been entrusted by MMDA to TNHB and TWAD. The State Government had paid MMDA a total sum of Rs. 3,13 lakhs (grants: Rs. 1,80 lakhs and loan: Rs. 1,33 lakhs) during the period from 1973-74 to 1979-80 for these works. In addition, a loan of Rs. 3,00 lakhs had been paid to MMDA by the State Government during 1978-79 (Rs. 2,00 lakhs) and 1979-80

(Rs. 1,00 lakhs) for implementing the water supply scheme to Maraimalai Nagar (M.M. Nagar) from Palar river. As against the total estimated cost (excluding land acquisition but including the water supply scheme) of Rs. 8,61.97 lakhs for the development of these two areas and Rs. 6,13 lakhs received from Government, MMDA had deposited with the two agencies a sum of Rs. 4,26.53 lakhs to end of March 1980, the expenditure incurred there against up to that period being Rs. 4,03.74 lakhs. MMDA had also made advance payment of Rs. 48.55 lakhs for land acquisition. Details of the plots developed, the plots allotted under the various categories and land use statements are given in Appendix VII.

2. The schemes taken up in 1973-74 and scheduled for completion in March 1979 are now expected to be completed in March 1981. Out of an area of 1,96.81 acres intended for development as residential plots, an extent of 107.11 acres has been developed into 2,822 plots at the end of March 1980. Out of 1,238 plots available for allottees, 380 were allotted by March 1980. The allotment to weaker sections was poor (27 against 556 available for allotment). The reasons for not allotting the available plots especially to the weaker sections are awaited (December 1980).

3. An area of 27 acres allotted (June 1979) to SIDCO (at the rate of Rs. 20,000 per acre) for development of an industrial estate had not yet been taken over by SIDCO or paid for (May 1980).

3.9.11. *Summing up.*—The following are the main points that emerge:—

(i) Out of the 117 schemes taken up, only 50 schemes have been completed at the end of March 1980. The remaining schemes are expected to be completed by September 1981.

(ii) Certificates of utilisation of assistance for Madras, Madurai and Coimbatore (Rs. 13.90 crores) were not in the form prescribed by the Government of India.

(iii) Sizeable expenditure was on acquisition of new lands.

(iv) The progress in execution of the works was slow due to various administrative and technical reasons.

(v) Escalation in cost of schemes due to delays resulted in increase in sale price of plots ranging from 31 to 98 per cent.

(vi) Allocation as well as occupation of plots intended for weaker sections of society was slow.

(vii) In the two new areas developed (Manali and Maraimalai Nagar), out of 1,238 plots available for allotment, only 380 were allotted

by March 1980 and the allotment to weaker sections was poor (27 against 556 available).

The points mentioned above were reported to Government in August 1980. Their final reply is awaited (February 1981).

INDUSTRIES DEPARTMENT

3.10. Land not utilised

Mention was made in paragraph 42 of the Report of the Comptroller and Auditor General of India for the year 1969-70 of land acquired for industrial estates during 1961-66 not being utilised. Another such case is reported below.

In October-November 1969, 463.55 acres of land (cost : Rs. 12.84 lakhs) was acquired at Manali Village (Chengalpattu District) to establish a Developed Plots Estate. The department took over the land in September 1970. As the lands were low lying and the cost of developing them would be large, Government ordered (October 1973) that the land must be leased out, or assigned, to some major industries. Accordingly, two plots of 58.93 acres and 10.05 acres (cost : Rs. 1.91 lakhs) were allotted to two major industrialists. Proposals to allot four other plots totalling 100.93 acres were submitted by the department to Government during the period September 1978 to March 1980. The matter is still under consideration of Government (December 1980) 394.57 acres of land (cost : Rs. 10.93 lakhs) acquired in 1970 are yet to be utilised.

Expenditure of Rs. 0.23 lakh was incurred by the department up to May 1980 towards the salary of a watchman employed from September 1970 for keeping watch against encroachments in the land

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

3.11. Working of Government Scientific Glass Training Centre, Guindy

The Scientific Glass Training Centre, Guindy was established in 1949 to train candidates in the manufacture of table blown scientific glass apparatus. Government sanctioned (September 1969) the scheme for expansion of the Scientific Glass Training Centre, Guindy to manufacture new items like sintered ware, glass to metal seals, spherical joints, pilot plants and complete assemblies. The scheme contemplated a saving in foreign exchange of at least Rs. 5 lakhs when the unit went into full production.

A sum of Rs. 8.16 lakhs was expended on the training scheme for the period from 1970-71 to 1979-80. The receipt *vis-a-vis* expenditure on the training-cum-production unit for the above period is indicated below:—

Year	Expenditure		Receipts
	Recurring	Non-recurring	
(1)	(2)	(3)	(4)
	(in lakhs of rupees)		
1970—71	1.19	1.66	0.99
1971—72	1.37	1.44	0.98
1972—73	1.50	1.75	1.31
1973—74	1.62	2.76	1.41
1974—75	2.23	1.35	1.03
1975—76	2.49	3.36	0.95
1976—77	2.60	2.63	2.09
1977—78	2.66	1.17	1.72
1978—79	2.76	4.26	1.98
1979—80	3.74	2.13	3.00

The following points were noticed :—

(i) While target for sales was fixed for every year, target for production was fixed for the two years 1977-78 and 1978-79 only. The figures for production and sales for the years 1974-75 to 1979-80 were as follows :—

Year	Production		Sales		Loss
	Target fixed	Achievement	Target fixed	Achievement	
(1)	(2)	(3)	(4)	(5)	(6)
	(in lakhs of rupees)				
1974—75		1.83	2.50	1.14	2.62
1975—76		1.24	2.00	1.71	1.31
1976—77		2.79	6.00	1.60	1.03
1977—78	4.76	2.66	2.00	2.59	1.79
1978—79	5.12	3.56	5.00	3.45	N.A.
1979—80		3.14	5.50	3.11	N.A.

N.A.—Not Available

The targets for production were not achieved in any year. In the case of sales the target was achieved in only one year.

The loss was attributed by the department to:—

(a) Not posting proper supervisory staff when production work was taken up in 1972. The posts of production Assistants (2 posts), Foreman, Grade I (2 posts) and Glass Blowers Grade I, II, III (2, 4 and 6 posts) and skilled workers Grade I and II (5 and 4 posts) exclusively sanctioned for the production scheme were not filled up (July 1980).

(b) Lack of co-operation from the staff of training programme who were saddled with additional responsibility of supervising the production wing.

(ii) None of the new items like sintered ware, glass to metal seals, spherical joints and pilot plants contemplated for production in the expansion programme, was manufactured in the unit. Consequently, the contemplated savings in foreign exchange have not been realised.

(iii) Out of three equipment imported at a cost of Rs. 1.31 lakhs, glass cutting working lathe costing Rs. 0.57 lakh (approximately) was not put to use so far, since its receipt in February 1976. The department stated (September 1980) that the lathe was not necessary for executing bulk orders received from schools for scientific apparatus. Further, the sophisticated equipment could not be entrusted to workers as the unit was having labour problems.

(iv) The register showing work-in-progress was not maintained prior to 1979-80. Only the job order register was maintained. The job order register revealed that the orders executed by the unit each year had been going down. The number of orders received by the department was also going down. The department had not analysed the reasons for the decline in the number of fresh orders and taken steps to improve the working of the unit.

(v) Rupees 2.71 lakhs were due from Government departments, Corporations, local bodies and private firms for supplies made during 1970-71 to 1978-79 (April 1980).

Though the unit enjoyed the monopoly of supply to all departments of Government, in view of the specific orders of Government in this regard, it continued to incur loss year after year.

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

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

3.12. Food for Work Programme

3.12.1. *Introductory.*—With a view to build up rural infrastructure and provide useful employment to the unemployed in the villages by utilising the surplus stock of foodgrains, Government of India launched (April 1977) a special scheme—“Food for Work Programme”—in several States in India. Government of Tamil Nadu implemented the programme from 1979-80 and proposed an additional outlay of Rs. 9,72 lakhs by issue of rice as wages on works covered by the programme over and above the budget provision of Rs. 39,81 lakhs made during 1979-80 for the works.

3.12.2. *Organisation.*—The implementation of the programme was entrusted to the Heads of Departments concerned. The departments utilised the existing machinery for implementing the programme and did not set up any separate organisation. Steering committees at State and district level were formed to co-ordinate the programme.

3.12.3. *Allotment and utilisation of food grains.*—Government of India allotted 73,000 tonnes of rice to the State Government. Instead of obtaining the supply of foodgrains from the Food Corporation of India, the State Government proposed diversion of supplies from the Tamil Nadu Civil Supplies Corporation (TNCSC) out of the one lakh tonnes of rice set apart for supply to the Central pool. This deviation was approved by Government of India. Even though the State Government issued orders to TNCSC to release the entire allotment of 73,000 tonnes before 31st March 1980, only 63,359 tonnes were actually supplied by the TNCSC. The shortfall in supply (9,641 tonnes) was due to non-availability of adequate stock with the TNCSC. Department-wise

particulars of quantity of rice received and utilised, number of works taken up and completed, number of mandays generated and value of work done during 1979-80 as furnished by the departments are given below:—

Serial number and name of department	Quantity of rice received	Quantity utilised	Number of works taken up	Number of works completed	Value of works done (in lakhs of rupees)	Number of mandays generated (in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(in tonnes)					
1. Rural Development	58,372	50,636	43,199	32,904	9,20.77	1,42.05
2. Highways ..	3,954	3,892	2,107	1,194	97.84	13.61
3. Public Works	128	122	107	34	5.52	0.34
4. Forest ..	677	635	1,281	1,144	17.67	3.59
5. Agriculture (Engineering)	228	224	829	554	3.92	0.65
Total ..	63,359	55,509	47,523	35,830	10,45.72*	1,60.24

The Tamil Nadu Civil Supplies Corporation had old stock of 69,550 tonnes of parboiled rice out of the grain allotted to the State in 1977 for drought relief works. When the State Government requested (September 1978) Government of India to take back the unutilised stock, the latter directed the Food Corporation of India (FCI) to inspect the stock and then take it over. The FCI inspected the stock and took over only 4,636 tonnes which was in good condition. The TNCSC issued instructions to their regional offices (July 1979 to September 1979 and February 1980) to release rice for "Food for Work Programme" from the old stock (rejected by FCI), though the State Government ordered (April 1979) that only good quality rice fit for human consumption should be released for this programme. During test check in audit, it was noticed that the TNCSC issued 14,373 tonnes of the rice rejected by the FCI (cost: Rs. 2.16 crores) for utilisation under Food for Work Programme.

3.12.4. *Employment generated.*—No targets were fixed for generation of employment in mandays in respect of works covered by the budget provision and also those carried out under the Food for Work Programme.

* Includes cash component of Rs. 1,80.33 lakhs.

the mandays of employment generated under the Food for Work Programme as indicated in the table at paragraph 3.12.3 were based on the progress reports received from the field offices. The correctness of computation of mandays could not be verified in the case of the blocks in Madurai District as muster rolls were not available/maintained and also in cases where the works were entrusted to contractors-*vide* paragraphs 3.12.6 (iii) and 3.12.7. (iii).

According to the guidelines issued by Government of India, the State Government was to show clearly that the expenditure on existing Plan and Non-Plan schemes, new items of capital works and the maintenance of public works, as the case may be, has been augmented to the extent of the amount of additional resources made available in the shape of foodgrains, calculated at prescribed rates. In case the total expenditure during a particular year is only equal to, or less than, the provision which exists in respect of works undertaken under this programme, the value of foodgrains released under this programme is recoverable from the State Government.

The additional outlay of Rs. 9,72 lakhs proposed by Government during 1979-80 was not actually provided in the State Budget. The expenditure incurred under the scheme was not also reflected in the accounts as neither the cost of foodgrains issued to works nor the value of foodgrains received from Government of India as grant was incorporated in the accounts in 1979-80. Government stated (September 1980) that the accounting procedure for the programme was finalised only recently and that necessary budgetary provision would be made in the revised estimate for 1980-81.

3.12.5. Specific points noticed in test check in audit of selected offices/divisions are given in the succeeding paragraphs.

3.12.6. *Rural Development Department.*—The programme was implemented by this department in all the 15 districts (except Madras City) comprising 374 blocks. The test check by Audit during April—July 1980 covered 75 blocks in 4 districts (Chengalpattu, Ramanathapuram, Madurai and North Arcot) and disclosed the following points :—

(i) (a) Under the modified guidelines issued by Government of India (April 1977), foodgrains supplied under "Food for Work Programme" can be utilised for 'Plan' and 'Non-Plan' works for which

there is provision in the State budget, the object being that the budgetary provisions expand and a larger programme becomes possible. No new scheme under a different nomenclature or a different objective, was to be taken up without the approval of Government of India. The maintenance of minor irrigation sources such as tanks and 'ooranies' having an ayacut of less than 10 acres, as well as roads and streets within the panchayat is to be done by the panchayats out of their own funds. These works are not provided for in the State budget and hence these works are not covered by the programme. However, in the four districts test checked 82 irrigation works (cost: Rs. 1.81 lakhs) and the laying and maintenance of 4,295 panchayat streets and coranics (cost : Rs. 80.09 lakhs) were executed under the programme.

(b) The guidelines by Government of India laid down that the programme should not be extended to urban areas. The State Government also issued instructions (April 1979) to this effect. In Madurai and Thanjavur districts, 302 tonnes of rice (value : Rs. 4.53 lakhs) were issued to town municipalities (August 1979).

(ii) Out of Rs. 9.21 crores being the value of work done in the Rural Development Department, Rs. 7.94 crores is the value of food-grains issued to the works; the cash component is Rs. 1.27 crores which includes wages in cash also (the break up is not available). The nature of works taken under the programme broadly fell under three categories, viz.—

(1) Formation and improvement to village roads and streets mostly involving earth work without material component.

(2) Desilting and deepening of minor irrigation tanks, village ponds, etc., involving only earth work.

(3) Annual maintenance of school and panchayat buildings mostly involving white washing.

In three districts (Ramanathapuram, Chengalpattu and North Arcot), irrigation works such as desilting and deepening of minor irrigation tanks were executed under this programme, after the onset of the north east monsoon, during the period September 1979 to December 1979. Rain-fall statistics available with the department disclosed widespread rains

during this period in these three districts. The districts were declared as "flood affected areas" and flood relief operations were being undertaken. During this period, 504 works of desilting and deepening of minor irrigation tanks at a cost of Rs. 9.11 lakhs were reported to have been done when most of the area was inundated; of these, measurements and check measurements for 148 works (cost : Rs. 3.44 lakhs) were reported to have been taken in January 1980 and February 1980.

In the four districts test checked, road works involving collection and spreading of earth were executed at a cost of Rs. 59.95 lakhs (being the value of foodgrains; there was no cash component). Most of these were re-formation of roads already formed under other programmes such as "flood relief", "drought relief", etc. Top soling and culverts were not provided to ensure the durability of the assets. In this case also, spreading of earth in these road works was done, after the onset of monsoon, in the months September to December 1979.

(iii) (a) The instructions issued by Government of India (March 1979) banned the distribution of foodgrains to labourers through contractors or middlemen. In Madurai District, the entire quantity of foodgrains (7,477 tonnes; value : Rs. 1,12.16 lakhs) in respect of 4,932 works was distributed through contractors. No procedure was laid down for the issue of foodgrains to the contractors, the distribution of foodgrains to the labourers, maintenance of muster rolls, etc. In one panchayat union (Thoppampatti) in this district, 474 tonnes of rice were issued to 35 contractors for 258 works in the period June 1979 to January 1980. Acquittances were produced only for 29 works of 49 works for which measurement books were produced. In the remaining 209 works neither measurement books nor acquittances were produced. It was stated by the department (June 1980) that measurements were being recorded.

(b) In two other blocks in the same district (Nilakottai and Sedapatti) where the total quantity of rice distributed to contractors was 458 tonnes (value: Rs. 6.96 lakhs), details such as the acquittances indicating the number and names of labourers employed, days of execution of work, quantity of rice distributed to each, etc., were not available. In all these cases, works were stated to have been executed and completed in October and November 1979; in five of these works a quantity of 57.93 tonnes of rice was issued in June 1980. [In July 1980, complaints were received from the villagers alleging malpractices in the issue of rice for works claimed to have been executed under Food for Work Programme.

A complaint regarding one of these works was referred by the Collector to the concerned Divisional Development Officer (DDO) for investigation and report. After inspecting the entire length of the supply channel, the DDO reported (August 1980) that there was no sign of any work having been carried out in the supply channel, though measurements had been recorded in the measurement books. This case is under investigation by the Vigilance Cell of the Police Department (June 1980).

(iv) In North Arcot District, there was a complaint that 822 bags of rice (value : Rs. 1.23 lakhs) issued under the programme in Thimiri block were clandestinely removed and sold in the open market. Nominal muster rolls were not produced as evidence of execution of works. The case has been handed over to the Vigilance Branch (June 1980).

(v) Several instances of delays in payment of wages (in kind), ranging from one month to six months, were noticed. In Kamudhi Panchayat Union of Ramanathapuram District, where 431 works were taken up for departmental execution in July 1979 and completed in December 1979, 20.77 tonnes of rice (value : Rs. 0.31 lakh) were issued to labourers only during January—March 1980; 118 tonnes were issued in April 1980 and 249 tonnes still remain to be issued to the labourers (July 1980). In Tiruvadanai Panchayat Union, 63.49 tonnes of rice were issued to the labourers during the period April—June 1980 for works taken up in July 1979 and completed in December 1979. In such cases of belated issues, single consolidated undated acknowledgments were obtained from the workers for the entire quantity supplied over a period of time.

(vi) In computing the foodgrain component of wages, in Ramanathapuram, Chengalpattu and North Arcot districts, the executing departments adopted a uniform rate of Rs. 1.60 per kg., which was higher than the issue price fixed by Government of India (Rs. 1.35 per kg. for 'coarse' variety and Rs. 1.50 per kg. for medium variety of rice up to 24th October 1979 and a pooled average rate of Rs. 1.50 per kg. thereafter) with the result that the labourers were underpaid. The erosion in the wages paid to the labourers in these districts on this account was Rs. 9.64 lakhs (cash equivalent of 2,577 tonnes of 'coarse' rice and 4,484 tonnes of 'medium' rice).

(vii) In Madurai District, 6 lakhs gunnies (value: Rs. 3.60 lakhs approximately) were retained by the contractors to whom food grains were issued. Field officers stated that the gunny bags were not got back due to want of clear instructions.

(viii) For reimbursement of cost of rice supplied by the TNCSC for this programme, Government of India agreed to pay at Rs. 135 per quintal for coarse variety and at Rs. 150 per quintal for medium variety of rice. This classification was in force up to 24th October 1979. Thereafter, both the varieties were pooled and reclassified as "common" variety, and Government of India agreed to pay at Rs. 150 per quintal. 3,043 tonnes of 'coarse' rice supplied up to 24th October 1979 in five districts (Ramanathapuram, Madurai, Chengalpattu, North Arcot and Coimbatore), was treated as "common" variety and reimbursement claimed from Government of India. The extra amount reimbursed to TNCSC on this account was Rs. 4.56 lakhs. The State Government could have noticed the excess claim, while scrutinising the bills sent by TNCSC and passing them on to Government of India for reimbursement.

(ix) In five districts (Madurai, Ramanathapuram, Tiruchirappalli, Coimbatore and Nilgiris), for 3,617 tonnes of food grains supplied by the TNCSC to the Collectors during April 1980, advance acknowledgements were obtained from the Collectors in March 1980 itself and reimbursement of Rs. 54.98 lakhs obtained by the TNCSC from Government of India.

(x) Of the four districts test checked, in North Arcot District, 20 tonnes of food grains (value: Rs. 0.30 lakh) were not actually supplied by the TNCSC which had got reimbursement from Government of India for this quantity. The office copies of the bills for reimbursement claimed from Government of India were not available in the other three districts.

3.12.7. *Public Works, Highways, Forest and Agricultural Engineering Departments.*—Test check conducted by Audit in May—July 1980 of the implementation of the programme by these four departments covered 19 offices (Highways and Rural Works: 11 divisions; Public Works: 2 divisions; Forest: 5 divisions; Agricultural Engineering: 1 division) in nine districts (North Arcot, Dharmapuri, Salem, Periyar, Coimbatore, Kanyakumari, Tirunelveli, Ramanathapuram and Nilgiris).

(i) The works undertaken by these departments were mainly maintenance of existing roads, special repairs to roads, desilting of channels, tanks, maintenance of existing forest plantations, etc. No new work was undertaken by them.

(ii) Rice was distributed to persons already employed in regular time scales of pay on these works, e.g., regular work charged establishment, gang mazdoors, road inspectors and plot watchers. Distribution of the rice issued under 'Food for Work Programme' to persons already employed in the department frustrated the basic objective of generating additional employment.

(iii) Contrary to Government of India instructions, in several cases, the departments were executing the works through contractors and the rice lifted under the programme was issued to the contractors for distribution to the labourers employed by them. In 15 divisions (Highways and Rural Works : 8 divisions; Public Works : 2 divisions and Forest : 5 divisions), 566.917 tonnes of rice (Rs. 8.50 lakhs) were issued to contractors and in four of these divisions (Highways and Rural Works : 2 divisions; Public Works : 1 division and Forest : 1 division) almost the entire quantity (300.638 tonnes out of 306.434 tonnes) was issued to contractors for distribution to labourers employed by them. However, there was no evidence of this being distributed by them to labourers nor of any check by department to satisfy themselves that the rice issued under the 'Food for Work Programme' was actually distributed by contractors to labourers. No muster rolls were maintained by the contractors.

(iv) In Tirunelveli Highways Division, rice valued at Rs. 2.04 lakhs issued to contractors was utilised for carrying out the normal budgeted works of the division and there was no 'additionality' as envisaged under this programme.

(v) Rice issued in Tirunelveli and North Arcot Districts was reported to be of inferior or bad quality, worm infested and emitting bad odour and the labourers were reported to have protested against its issue, or did not accept rice and demanded wages in cash.

(vi) In ten divisions (Highways and Rural Works : 5 divisions; Public Works: 1 division and Forest : 4 divisions) for purposes of computing the wages to be paid to the labourers the cost of rice adopted

ranged from Rs. 1.60 to Rs. 1.90 per kg. even though Government of India had instructed that the cost was to be fixed at Rs 1.50 per kg. Under this system, the real wages to the labourers were much less (Rs 0.70 lakh).

(vii) In Sathur Highways Division, 52.752 tonnes of rice (Rs 0.79 lakh) were issued *in lieu* of charges for transportation of gravel, metal, etc., though according to the orders of Government of India rice was to be used only as a component of wage and was not permissible for material portion in works.

3.12.8. *Monitoring.*—According to the guidelines issued by Government of India, steering committees were to be constituted at the State and the district level to plan and review the implementation of the programme in all its aspects besides ensuring proper distribution of foodgrains. The Committees were to meet at least once in a month. To ensure that the physical assets created under the programme were of durable nature, inspection parties of district officials were required to be formed in each district which were to send monthly reports on works inspected by them to the district level steering committees. The steering committee at State level met only twice during 1979-80; district level committees met twice in 2 districts, once in four districts and did not meet at all in 2 districts. Information is awaited in respect of the remaining seven districts. No inspection parties of districts officials were constituted for inspection and reporting on the progress of works to the district level steering committees.

3.12.9. *Summing up.*—(i) The State Government ordered (April 1979) that only good quality rice fit for human consumption should be released for this programme. But the TNCSC issued to this programme a quantity of 14,373 tonnes (cost : Rs. 21.56 lakhs) from its old stock (unutilised balance of the rice allotted by Government of India to Tamil Nadu in 1977 for drought relief works, to be taken back by Government of India, but rejected by FCI on grounds of quality).

(ii) No targets were fixed for generation of employment in mandays under this programme. The correctness of mandays generated, as reported by the field officers, could not be checked in the cases of blocks in Madurai District and in cases where the works were entrusted to contractors, as muster rolls were not available or maintained.

(iii) No provision was made in the State budget for 1979-80 for the additional outlay proposed under this programme and no adjustments were carried out in the accounts for 1979-80 to reflect the receipt from Government of India by way of grains and expenditure on works under this programme, with the result that additionality could not be verified.

(iv) (a) 502 tonnes of rice valued at Rs. 4.53 lakhs were issued to town municipalities; one of the objectives of the schemes, viz., generation of additional employment for the rural unemployed and creation of infrastructure for rural development had not been achieved to this extent, as the rice had been used for works in urban areas.

(b) 4,377 panchayat works at a cost of Rs. 81.90 lakhs not provided in the State budget, were executed under this programme in violation of the guidelines issued by Government of India that works for which there could be no provision in the State budget should not be taken up under this programme. To this extent, there was no additionality to the provision in the State budget.

(v) 504 works of desilting and deepening of minor irrigation tanks at a cost of Rs. 9.11 lakhs were reported to have been done in three districts during September 1979 to December 1979 when most of the area was inundated due to wide spread rains. In four districts, earthen roads were formed at a cost of Rs. 59.95 lakhs (being the value of food grains) without providing for top-soling and culverts to make the assets durable. These works were also reported to have been done after the onset of monsoon in the months of September 1979 to December 1979.

(vi) 8,044 tonnes of rice valued at Rs. 1,20.66 lakhs were issued under this programme to contractors in violation of the guideline prohibiting distribution of foodgrains to labourers through contractors. The issue of foodgrains to labourers could not be verified in these cases, as no procedure was evolved for distribution by contractors and acknowledgements of labourers and muster rolls were either not maintained or not produced.

(vii) No evaluation study of the impact of the programme has so far been conducted either by the Government of Tamil Nadu or any other independent agency.

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

3.13. Local irrigation grants

3.13.1. In April 1960, a scheme of assistance to panchayat unions through a special annual grant styled as "Local Irrigation Grant" was introduced to enable the panchayat unions to protect and maintain minor irrigation tanks. The grant was subject to a minimum of Rs.1.50 and maximum of Rs. 2.50 for every acre irrigated from these sources. As the rate did not take into account the upward revisions of schedule of rates from time to time, Government decided (1964) that the grant should be based on the annual needs. Accordingly, a programme for maintenance in respect of all the minor irrigation sources in each panchayat union is being drawn up adopting a five year cycle commencing from 1964-65. Funds are provided each year with reference to the estimates covering all the required items of repairs coming up during the year in the five year cycle. Rupees 1,47.27 lakhs were paid as grants during the period 1975-76 to 1979-80.

3.13.2. The following points were noticed during the test check of the grants by Audit in the four districts of Chengalpattu, North Arcot, Madurai and Ramanathapuram in April—July 1980.

1. According to the instructions issued (January 1971) by Government, the funds required for maintenance of tanks as per cycle system each year are to be assessed by each block on the basis of estimates drawn up by technical officers. However, in the three districts of Chengalpattu, North Arcot and Ramanathapuram 21 blocks based their requirements of funds during the years 1976-77 to 1979-80 on the basis of figures in the revised estimates of the preceding year and did not work out the actual needs for the particular year with reference to the programme for five years. In two of the seven blocks test checked in Madurai District, the requirements were worked out at a flat rate of Rs. 3,000 per tank.

2. The allotment of funds to the blocks was not based on the requirements reported by them but was made on an *ad hoc* basis.

(a) The allotment for Chengalpattu District for 1979-80 was Rs. 3,50,000 as against the estimated requirement of Rs. 6,29,300.

(b) No grants were given to Kanyakumari District during any of the four years (1976-77 to 1979-80) although it ranked ninth out of the 14 districts in respect of the total number of minor irrigation sources.

c. Fifteen out of the 32 blocks in Ramana(hapuram) District were not given any grants during 1977-78, though their requirements were Rs. 2.17 lakhs.

3. In 23 blocks of the four districts test checked, out of 2,149 tanks due for maintenance during the four years 1976-77 to 1979-80 only 722 were taken up and completed, a short fall of 62 per cent. The extent of shortfall block-wise ranged from 7 to 90 per cent.

The number of tanks falling due for maintenance funds required therefor, funds provided and the number of tanks actually maintained in each of the seven blocks in Madurai District in the years 1976-77 to 1979-80 are given in Appendix VIII. As against the total requirements of Rs. 16.70 lakhs in respect of 803 tanks due for maintenance during the four years, 1976-77 to 1979-80, Rs. 5.42 lakhs were provided, with the result that only 253 tanks were maintained.

The shortfall was attributed by the department to inadequate funds. However, it was also due to incorrect estimation of requirements of funds by the blocks without reference to actual needs and *ad hoc* allotment of funds as mentioned in paragraphs 3.13.2 (1) and 3.13.2 (2).

4. In June 1971, Government ordered that the maintenance of minor irrigation sources with an ayacut of 10 acres and less or 100 acres and above is to be done by the local panchyats and the Public Works Department respectively and would not be eligible for the local irrigation grant. But in 12 blocks, 82 works on tanks with ayacuts of less than 10 acres were carried out by the panchayat unions with Government grant during 1976-77 to 1979-80 involving an expenditure of Rs. 1.82 lakhs.

5. In 72 blocks in four districts test checked, the expenditure (Rs. 9.41 lakhs) incurred was less than the grants (Rs. 22.74 lakhs) received during the four years 1976-77 to 1979-80; the amounts remaining unutilised (Rs. 13.33 lakhs) ranged between 53 and 72 per cent.

6. According to the orders (September 1966) issued by the Board of Revenue, panchayat union councils are required to levy an annual fee from all the registered holders of lands served by irrigation works and the proceeds are to be spent on the maintenance or repairs of the irrigation works. This fee was not levied by any panchayat union. In October 1978, while considering the recommendation of the National Commission on Agriculture, Government agreed with the Commission

that the panchayat unions which were responsible for the maintenance of the tanks should raise sufficient financial resources through water charges for satisfactorily maintaining the tanks. However, no attempts have been made so far to collect any fee or raise any water rate to augment the finances of the panchayat unions and for better maintenance of the tanks under their control.

7. As at the end of March 1979, there were 23,761 minor irrigation sources with a total ayacut of 3,28,076 hectares under the control of panchayat unions. Information regarding the actual area irrigated was not available with the department as there was no follow-up to ascertain the extent to which the tanks actually served the ayacutdars. Due to lack of follow-up action it was not possible to ascertain the impact of maintenance deficiencies mentioned earlier on the irrigation from these tanks.

3.13.3. *Summing up.*—1. The requirements of funds for maintenance of irrigation tanks were not assessed by the blocks on the basis of estimates drawn by technical officers; 21 blocks based their requirements for the years 1976-77 to 1979-80 on the basis of figures in the revised estimates of the preceding years and two blocks worked out their requirements at a flat rate of Rs. 3,000 per tank.

2. The allotment of funds to the blocks was not based on their requirements, but was made on an *ad hoc* basis. No grants were given to the blocks in Kanyakumari District during the years 1976-77 to 1979-80, though they had 1,480 minor irrigation tanks under their control; fifteen out of 32 blocks in Ramanathapuram District were not given any grant though their requirements were Rs. 2.17 lakhs. The blocks in Chengalpattu District were allotted Rs. 3.50 lakhs in 1979-80 against the estimated requirement of Rs. 6.29 lakhs.

3. There was considerable shortfall in the number of tanks maintained each year; in 23 blocks in four districts, only 722 tanks were taken up as against 2,149 tanks due for maintenance during the four years 1976-77 to 1979-80.

4. The grants sanctioned to the blocks were not utilised in full in a number of cases; in 72 blocks in four districts, only Rs. 9.41 lakhs were spent out of grants of Rs. 22.74 lakhs received during the four years, 1976-77 to 1979-80.

5. Information regarding the actual area irrigated by each tank was not available with the department. There was neither the machinery nor any follow up action to ascertain the extent to which the tanks actually served the ayacuts with the result that the impact of the deficiencies on the maintenance of the tanks on irrigation facilities could not be assessed.

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

SOCIAL WELFARE DEPARTMENT

3.14. Loan Scholarship scheme

3.14.1. In February 1972, Government sanctioned a scheme for providing financial assistance, by way of interest-free loans, ranging from Rs. 900 to Rs. 1,750 per annum, to the students belonging to Scheduled Castes and Scheduled Tribes pursuing Degree or Post Graduate Courses in Medicine, Engineering, Technology, Agricultural Science, Veterinary Science or Research and Post Graduate courses in Arts and Science. Assistance is admissible to students who are eligible for the award of post-matric scholarship under State/Government of India regulations and whose pecuniary circumstances are such that they are not able to meet the full expenditure for pursuing their courses of study. In March 1974, this scheme was extended to students pursuing Degree Courses in Arts and Science also, from the academic year 1974-75.

3.14.2. During the period 1974-75 to 1979-80, 17,819 students were assisted under the scheme and Rs. 94.90 lakhs were disbursed.

3.14.3. A test check conducted in May/June 1980 of the accounts and other records maintained by the Directorate of Harijan and Tribal Welfare and in 7 District Harijan Welfare Officers for the period from 1974-75 to 1979-80 disclosed the following points :—

(a) *Irregular payments.*—(i) If a student is in receipt of another scholarship or financial assistance that is also taken into consideration while determining the amount of loan. If the value of other scholarships/assistance is more than half of the rate admissible under this scheme

of loan scholarship, the candidate has to choose between the two. A test check of loan scholarship applications relating to the years 1978—79 and 1979—80 with the corresponding Government of India scholarship disbursement registers in six districts showed that Rs. 12.40 lakhs were disbursed as loan scholarship to 1,830 students, though they were in receipt of Government of India scholarship (Rs. 16.08 lakhs) exceeding half of the rate of loan scholarship. The department has not stated how the loan scholarship was paid in these cases:

(ii) Under the scheme, loan scholarships are to be granted only after the students execute an agreement in the prescribed form agreeing to abide by the terms and conditions of the award and to repay the loan in instalments depending upon their income. In the period 1974—75 to 1979—80, loan scholarships (amount : Rs. 15.30 lakhs) were paid in 2,254 cases without obtaining agreements from the students.

(b) *Scholarship not drawn for the full course of study.*—Once awarded at one stage to a scholar, the scholarship is tenable from the start to the completion of the study and is renewable from year to year subject to satisfactory progress, good conduct, regularity in attendance and promotion to the next higher class. 897 scholars in six districts had been granted loan scholarship (Rs. 7.65 lakhs) which did not extend up to their final year of study. The departmental records did not indicate whether these loanees had discontinued their studies.

(c) *Accounting of scholarship payments.*—A test check of the accounting of scholarship payments in 10,544 cases granted in the years 1974—75 to 1979—80 disclosed the following :—

(1) *Maintenance of loan ledgers.*—(1) Posting of loan ledgers was in arrears (June 1980) for the years 1978—79 and 1979—80 in three districts and for 1979—80 in one district.

(2) Employment details of loanees and amount of instalment for recovery of loans and date from which recoveries became due were not noted in any case.

(3) Postings of disbursements of loan in the ledgers had not been reconciled and agreed with the actual payment to prove their correctness.

(ii) *Want of stamped acknowledgments.*—The District Harijan Welfare Officers remit the amounts of loan scholarships to the heads of the institutions concerned for disbursement to the students. Acknowledgments of the students were still due (June 1980) in respect of payments made to 2,837 scholars during 1974—75 to 1979—80 (amount : Rs. 20.40 lakhs).

(iii) *Recovery of loans.*—(1) *Transfer of loan records.*—The District Harijan Welfare Offices are required to handover extracts of loan ledgers, agreements, etc., to the tahsildars concerned as soon as the course of study is over for recovery of the loans. In the 7 districts selected for test check, 4,510 cases covering an amount of Rs. 48.29 lakhs were pending (June 1980) transfer to the tahsildars.

(2) *Arrears of overdue instalments.*—Repayment of loan is to start one year after the scholar begins to earn income or 3 years after the termination of scholarship, whichever is earlier. Under the agreement executed by the scholars, they have to furnish to the Directorate and to the district offices concerned full details of their employment/practice/business started including subsequent changes and repay the loan in monthly instalments related to their income, subject to a minimum rate of Rs. 25 per month whether or not they earn an income during any period after the repayment has fallen due. Failure to pay any instalment within one month after the due date attracts penal interest (6 per cent per annum) and the amount due is recoverable as an arrear of land revenue.

During test check it was noticed that 702 scholars whose loan scholarships (amount : Rs. 4.49 lakhs) terminated more than 3 years ago (1975—76) defaulted in repayment. These loanees had not furnished (June 1980) either to the Directorate or to the district offices details of their employment to enable the department to raise demands for recovery. No action had also been taken by the department (June 1980) to obtain the details of employment from these loanees to work out the amount due by them. Consequently, the demand, collection and balance statements in respect of such cases had not (June 1980) been prepared. Based on the minimum rate of Rs. 25 per month per scholar, the arrears overdue from these scholars as on 31st March 1980 amounted to Rs. 2.82 lakhs (excluding penal interest)

The impact of the loan scholarship scheme has not been evaluated by the department. The department had no information regarding

(i) the number of scholars who had actually taken the degree/post-graduate diploma, etc., after getting assistance under the scheme and

(ii) the number of scholars who had been gainfully employed after completing the course of study.

3.14.4. *summing up*—The main points noticed in audit are :

(i) Payments (Rs. 12.40 lakhs) were made in 1,830 ineligible cases.

(ii) 897 students were granted scholarships (amount : Rs. 7.75 lakhs) which did not extend up to their final year of study. The departmental records did not indicate whether these students had discontinued their studies.

(iii) Rupees 15.30 lakhs were paid to 2,254 students between 1974—75 and 1979—80 without obtaining agreements from them.

(iv) Stamped acknowledgments were due in 2,837 cases (Rs. 20.40 lakhs) in respect of payments made between 1974—75 and 1979—80.

(v) Loan records were not transferred to tahsildars for effecting recovery of loans in 4,510 cases (total scholarship amount paid : Rs. 48.29 lakhs) where the course of study was over.

(vi) 702 students, whose loan scholarships (amount : Rs. 4.49 lakhs) terminated more than 3 years ago, defaulted in repayment of loan (minimum of overdues Rs. 2.82 lakhs as on 31st March 1980).

(vii) The department had not evaluated the impact of the scheme ; it did not have information as to the number of scholars who completed the courses after getting assistance under the scheme and who were gainfully employed, after completing the courses.

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

GENERAL

3.15. Misappropriation, losses, etc.

Cases of misappropriation of Government money reported to Audit to end of March 1980 and on which final action was pending at the end of September 1980 were as follows :—

	Number of cases	Amount (in lakhs of rupees)
Cases reported to end of March 1979 and outstanding at the end of September 1979	455	50.20
Cases reported during the period April 1979 to March 1980	79	4.21
Total	534	54.41
Cases closed during the period October 1979 to September 1980	59	2.37
Cases outstanding at the end of September 1980	475	52.04

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

In addition, 3,933 cases (Rs. 7,11.91 lakhs) of shortages and theft/loss of stores, damages to vehicles, properties, etc., reported to Audit up to March 1980 were pending finalisation as on 30th September 1980. Of these, 3,375 cases (Rs. 6,53.35 lakhs) related to the Public Works Department, 463 cases (Rs. 33.27 lakhs) related to the Agriculture Department and 36 cases (Rs. 3.29 lakhs) related to the Health and Family Welfare Department. Department-wise and year-wise analysis of these cases is given in Appendix X.

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

Certain miscellaneous irregularities, writes-off of losses, etc., are mentioned in Appendix XI.

CHAPTER IV

WORKS EXPENDITURE

PUBLIC WORKS DEPARTMENT

4.1. Marudhanadhi Reservoir Scheme

4.1.1. *Introductory*.—The river Marudhanadhi originates in the southern slopes of Palani hills (Madurai District) and joins the river Manjalar, a tributary of Vaigai river. The Marudhanadhi reservoir scheme envisaged the formation of a reservoir of capacity 150 mcft. to provide irrigation to a new ayacut of 2,250 acres and to stabilise an ayacut of 2,283 acres, besides bridging a gap of 73 acres. Under the scheme, a surplus weir was to be constructed on the right flank followed by an earth dam in the river bed. Two contour canals each about 5 km. long were also to be constructed on either side of the reservoir to irrigate the new ayacut.

The scheme was technically cleared by the Planning Commission in September 1971 and sanctioned by the State Government in January 1972 at a cost of Rs. 99 lakhs. The estimate was technically sanctioned (March 1972) by the Chief Engineer (Irrigation) for Rs. 1,08.90 lakhs. The Chief Engineer submitted (May 1975) a revised estimate for Rs. 3,20 lakhs to Government; approval of Government is awaited (November 1980). The scheme scheduled to be completed by April 1974 was completed in March 1979; water was let out for irrigation on 30th November 1979. The expenditure on the scheme is Rs. 3,75.95 lakhs (November 1980).

4.1.2. The steep increase in the cost of the scheme was mainly due to the following reasons:—

(i) *Escalation in prices and wages (Rs. 55.41 lakhs)*.—Work on the scheme sanctioned in January 1972 gained momentum only after the formation of a special division in October 1974, as the two special sub-divisions formed earlier in January 1973 and July 1974 attended only to the preliminary works. During the intervening period there had been an increase in cost of labour by 45 per cent and cost of materials by 48 per cent involving about Rs. 34.56 lakhs.

(ii) Increase in cost of land (Rs. 22.19 lakhs).

(iii) *Change in scope of the scheme (Rs. 27.80 lakhs)*.—(a) At the time of preparation of the original estimate in 1967, the yield at the reservoir site was not computed with reference to gaugings at the site, but

estimated to be 433 mcft. with reference to rainfall particulars of the Kodaikanal rainfall station. Subsequently, in the course of a joint inspection (August 1974) of the site by the Secretary to Government, Public Works Department, Chief Engineer (Irrigation) and the Collector of Madurai, it was decided to enlarge the scope of the scheme and to explore the possibility of raising the height of the dam. Further investigation was made and the yield at the reservoir site was worked out to be 718 mcft. with reference to the rainfall particulars recorded from 1959 in a private estate situated at the top of the hill adjoining the reservoir site. On this basis, the full reservoir level of the dam was raised by four feet (cost: Rs. 8.88 lakhs) thereby increasing the storage capacity to 188.50 mcft. and the inflow to be impounded to 566 mcft. in three fillings.

(b) Consequent on the increase in the impoundable flow, the Chief Engineer proposed to increase the ayacut by about 1,450 acres by extending the canals from 5 to 10 km. He also proposed to line the canals to reduce seepage losses. Approval to these proposals included in the revised estimate sent to Government in May 1975 is awaited (November 1980). Meanwhile, the work was executed according to the revised design.

During execution it was found (1978) that garden lands of coconut and mango were interspersed with the wet ayacut and had to be included in the ayacut of the scheme although this was not originally contemplated. Consequently the new ayacut originally approved by Government as 2,250 acres wet and revised to 3,700 acres wet at the revised estimate stage has been finally localised as 3,033 acres wet and 1,097 acres garden land. Approval of Government thereto is awaited (November 1980).

Before the final pattern and extent of ayacut could emerge, the construction of sluices was proceeded with. Consequent on the changes made in the ayacut it was found that four sluices and one regulator cum outlet constructed at a cost of Rs. 0.24 lakh were in excess of requirement rendering the expenditure infructuous; moreover, the existence of the sluices may also encourage unauthorised drawal of water and consequent loss of revenue.

(iv) *Changes in design (Rs. 63.67 lakhs).*—During execution, the maximum flood discharge was revised from 6,763 cusecs to 14,830 cusecs on the basis of rainfall statements recorded in an adjacent private estate.

Consequently a spillway with shutter arrangements had to be constructed instead of the surplus weir originally proposed (estimated cost: Rs. 9.20 lakhs) resulting in increase in cost by Rs. 63.67 lakhs.

(v) *Inadequate provision (Rs. 16.60 lakhs).*—In the original estimate Rs. 0.41 lakh were provided for buildings on the assumption that buildings available at the site of Manjalar Dam, then under execution, could be used for the scheme. These buildings were not, however, available and additional buildings had to be constructed at an estimated cost of Rs. 6.10 lakhs. The approach road, which was expected to be formed by the local panchayat union, had to be laid under the scheme at a cost of Rs. 6.67 lakhs.

(vi) Additional items of works (Rs. 10.33 lakhs).

(vii) Proportionate increase in direct charges like establishment charges (which increased from Rs. 9.16 lakhs to Rs. 23.26 lakhs), Tools and Plant, pensionary charges, etc. (Rs. 25.00 lakhs).

The major changes in the design and scope of the scheme would indicate that initial investigation was not adequate resulting in (i) the department having to increase the storage capacity of the reservoir by 25 per cent and the length of canals by 100 per cent during execution and (ii) the revision of the design of surplus arrangements increasing the cost to eight times. As a result of the inadequate preliminary survey of the ayacut to be benefited, both at the time of preparation of the original estimate and the revised estimate, garden lands had to be brought within the scope of the scheme six years after commencing work on the scheme deviating from the cropping pattern approved by Government for the scheme (one crop of paddy followed by a commercial crop of groundnut, cholam or pulses).

The project has been completed without obtaining prior approval of Government to the major changes and to the revised estimate costing more than thrice the cost of the original estimate. The revised financial return of the scheme has not been worked out (The return as per the sanctioned scheme was 0.266 per cent). It may be mentioned that the need for obtaining revised administrative approval of Government in such cases had been reiterated by the Committee on Public Accounts for the year 1969—70 in its recommendation presented to the Assembly on 26th March 1970.

4.1.3. The following points were also noticed in the course of audit:—

(a) The work of formation of earth dam was split up into eight reaches for purpose of execution. Two of the reaches were entrusted (March 1974) to contractor 'A' on the basis of tenders and two separate agreements executed for Rs. 5.46 lakhs and Rs. 5.56 lakhs. Cases of avoidable expenditure (Rs. 0.68 lakh), excess/extra payments (Rs. 1.12 lakhs), failure to enforce penalty (Rs. 0.54 lakh) and defective work (Rs. 0.14 lakh), totalling Rs. 2.48 lakhs, were noticed in respect of the work entrusted to contractor 'A' and the spillway work entrusted to contractor 'B' vide details indicated in Appendix XII.

(b) (i) The formation of earth dam in the two reaches entrusted to contractor 'A' was commenced in March 1974 and completed in June 1976. Earthwork in the remaining six reaches was done through departmental heavy machinery (scrapers, dozers and rollers) acquired for the purpose mostly from other divisions with a view "to facilitate early completion of work". Most of the machines were, however, defective (vide comment in succeeding sub-paragraph) with the result that the work which commenced in October 1974 was completed only in July 1977. As against the unit rate of Rs. 49 per 10M³ paid for the earth work with 0 to 1 km. lead done by the contractor, the unit rate for the work done through departmental machinery worked out to Rs. 81.27 per 10 M³. The use of heavy machinery resulted in an extra expenditure of about Rs. 11.14 lakhs besides an expenditure of Rs. 3.88 lakhs on construction of quarters for the crew even though the objective of early completion was not achieved.

(ii) During 1973—76, the division acquired eleven heavy machines for the earth dam work. Six of the machines were obtained on transfer from Kodagannur division and Ghatana project division at a cost of Rs. 22.96 lakhs. Before acquisition, their condition and capacity for beneficial use in the project were not assessed. Rupees 13.08 lakhs were spent on their maintenance and Rs. 2.27 lakhs on special repairs. The six machines worked only for 1,267 hours as against 24,330 hours for which they were expected to work. On the completion of the earth dam in July 1977, all the 11 machines (transfer value: Rs. 21.93 lakhs) were rendered surplus and were transferred to Tamil Nadu Public Works Engineering Corporation Limited in July 1979. Their cost is yet to be realised from the Corporation (June 1980). Between July 1977 and July 1979, an expenditure of Rs. 1.04 lakhs was incurred on maintenance of the idle machinery.

A Komatsu dozer (cost: Rs. 0.96 lakh) acquired from another division in May 1973 was diverted immediately thereafter to work in Buckingham Canal Division, Madras. Major parts of the dozer were reported (December 1976) to have become rusted as the dozer was lying at the sea-shore. The dozer was transferred to the Tamil Nadu Public Works Engineering Corporation Limited in April 1979. The Corporation has assessed its value at Rs. 0.25* lakh involving a loss of Rs. 0.71 lakh to the project where it was not used at all.

(c) As per guidelines issued by the Chief Engineer (Irrigation), no lining is necessary in canal reaches where hard rock is met with and only the crevices and joints are to be filled with cement mortar and undulations plastered. However, in several hard rock reaches, lining was done at a cost of Rs. 1.19 lakhs.

(d) During 1975—76, the division purchased spare parts for heavy machinery from two Madras firms at a total cost of Rs. 14.14 lakhs. The spares were not purchased from the authorised supplier (a public sector firm) nor were tenders invited. Under the rules, the system of open tenders has to be resorted to for purchases exceeding Rs. 5,000. The purchases were effected piecemeal mostly from the two Madras firms and in 55 cases involving Rs. 9.20 lakhs the cost exceeded Rs. 5,000 each. Spares costing Rs. 2.14 lakhs were found to be non-standard and unsuitable to the machines at the time of actual fitting; these are lying with the scheme unused (June 1980).

The division also took over 4,603 items of spares (value: Rs. 10.51 lakhs) from Pilavakkal project (Ramanathapuram District) on its completion in September 1976 of which only 83 items were used in the scheme. When the scheme was completed in March 1979, the division held a reserve stock of Rs. 29.42 lakhs in December 1979 including machinery spares of value Rs. 22.23 lakhs mainly as a result of acquisition of spares without proper assessment of their requirements; spares valued at Rs. 20.47 lakhs were transferred (June 1980) to the Tamil Nadu Public Works Engineering Corporation; the amount is yet to be realised (November 1980).

* The cost is yet to be realised (June 1980).

4.1.4. *To sum up*—(i) The cost of the scheme recorded a steep increase of over three times from Rs. 99 lakhs to Rs. 320 lakhs. Major changes in the design and scope of the scheme alone involved an increase of about Rs. 91.47 lakhs. During execution, the storage capacity of the reservoir was increased by 25 per cent and the length of canals was doubled; the design of surplus arrangements was revised increasing the cost to eight times. These changes indicate inadequate initial investigation. As a result of inadequate preliminary survey of the ayacut to be benefited, the extent and pattern of ayacut was revised six years after commencing work on the scheme rendering some part of the work done surplus to requirements. The scheme was proceeded with and completed without prior approval of Government to the changes. The revised estimate is also yet to be approved (November 1980).

(ii) The scheme expected to be completed in two years was completed after seven years. This resulted in the escalation in cost by about Rs. 55.41 lakhs besides postponement of benefits of irrigation.

(iii) Departmental execution of part of the earth dam through defective machinery resulted in an extra expenditure of Rs. 11.14 lakhs besides an expenditure of Rs. 3.88 lakhs on quarters for the crew. The machines remained idle between July 1977 and July 1979 when they were transferred to Tamil Nadu Public Works Engineering Corporation Limited. The cost of about Rs. 21.93 lakhs is yet to be realised (June 1980). An expenditure of Rs. 1.04 lakhs was incurred on their maintenance during the idle period. Six of the machines were obtained from other projects without assessing their condition. Despite spending Rs. 15.35 lakhs on their maintenance and repairs, these worked only for 1,267 hours as against 24,330 hours for which they were expected to work.

(iv) The canals were lined even in hard rock reaches not requiring lining, at a cost of Rs. 1.19 lakhs.

(v) Test check in audit disclosed two cases of avoidable expenditure (Rs. 0.68 lakh), four cases of excess/extra payment (Rs. 1.12 lakhs), one case of failure to enforce penalty (Rs. 0.54 lakh) and one case of defective work (Rs. 0.14 lakh).

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

4.2. Chinnar Reservoir Scheme

4.2.1. In September 1970, Government sanctioned the formation of a reservoir of 500 mcft. capacity across the river Chinnar, a tributary of Cauvery at a cost of Rs. 1,07.50 lakhs. The scheme was expected to benefit 1,874 acres of new ayacut besides stabilising the existing ayacut of 2,626 acres.

The estimate for the scheme was technically sanctioned by the Chief Engineer (Irrigation) for Rs. 1,18.25 lakhs in March 1971. A revised estimate for Rs. 2,03.70 lakhs was sanctioned by Government in December 1978. The actual expenditure to end of November 1980 was Rs. 2,20.98 lakhs. Work on the project was commenced in January 1971 and was to be completed in 3 years that is by January 1974; it was actually completed after more than six years in October 1977 except the excavation of field bothies which were completed for 1,520 acres in October 1980. However, the ayacut for the remaining 354 acres to be irrigated through Jerthalav tank is yet to be identified (October 1980). Water was first let out for irrigation in August 1978.

4.2.2. The preliminary investigation for the project had been inadequate as evidenced by the major changes in design effected during execution as indicated below :—

(i) The alignment of the earth dam was shifted by about 500 feet upstream where higher ground contour was met with, on the suggestion (February 1971) of the Consulting Engineer to Government.

(ii) The surplus regulator was originally proposed to be located at the left flank with three vents of size 20' x 7.5' to pass a maximum flood discharge of 20,040 cusecs. Due to poor soil conditions at foundation level in the left flank, the location was shifted to right flank resulting in an extra cost of Rs. 21.50 lakhs. Besides, the design was revised (December 1971) with three vents of size 40' x 15' to discharge 27,200 cusecs. While the original proposal did not involve construction of drops,* the revised location necessitated the construction of three drops for formation of surplus course. As against the original estimated cost of Rs. 30 lakhs, the revised estimated cost of surplus arrangements was Rs. 65.44 lakhs and the actual expenditure Rs. 74.60 lakhs.

* Drops are masonry structures built in channel course to avoid steep fall in a particular place.

(iii) The location of the head sluice was shifted from L.S. 360 M to 210 M necessitating the construction of a canal syphon across the surplus course (additional cost : Rs. 1.03 lakhs).

Before sanctioning the revised estimate Government sought the views of Public Works Panel. The Convenor of the Panel reported (June 1977) to Government that:

(i) the excess due to escalation in prices was Rs. 66.04 lakhs of which Rs. 10.10 lakhs could have been avoided;

(ii) the excess due to inadequate investigation was Rs. 57.34 lakhs all of which could have been foreseen. While change in designs accounted for Rs. 14 lakhs, omission to identify new items (which had come in during execution) at the time of investigation and omission to forecast actual soil conditions accounted for the remaining excess of Rs. 43.34 lakhs.

According to the Panel, the correct cost of the properly investigated project in 1967 (when the estimate was prepared) would have been Rs. 1,32.80 lakhs only and allowing for unavoidable escalation (Rs. 30.17 lakhs) the project could have been completed at a cost of Rs. 1,62.97 lakhs.

When approving (December 1978) the revised estimate, Government also observed that the inadequate investigation had "resulted in a notional loss of Rs. 57 lakhs".

4.2.3. The following points were noticed in audit:—

(i) Before finalising the design and location of the surplus regulator in December 1971, removal of top soil, formation of cut off/key trenches and toe filter were completed for the entire length of the earth dam from L.S. 0 to 408M; formation of earth dam with departmental machinery had also been completed up to 666 M level for the reach 0 to 380 M. With the location of surplus regulator at L.S. 365 M—405 M, the work already done in the reach for a value of about Rs. 0.74 lakh became infructuous and could have been avoided, had a timely decision been taken on the location of the surplus regulator.

(ii) During execution, the Chief Engineer ordered (November 1974) the reduction in the length of drop III from 108.2 to 74 M on the basis of model studies. Meanwhile, excavation for foundation of the body wall had already been completed for the original length of 108.2M. Consequently, the designs of the wings, abutment and retaining walls had to be changed involving larger quantity of masonry work. The expenditure on the extra excavation and masonry work which was avoidable worked out to about Rs. 0.49 lakh.

(iii) For the construction of Drops I and III, supplemental agreements were concluded (January 1975) with the contractors for the main work for the conveyance of earth/rock required for the work with a lead of 1 km. The contractors were paid Rs. 3.26 lakhs for the work. The conveyance was done by departmental lorries/dumpers for which a hire charge of Rs. 1.53 lakhs was recovered. Thus, the contractor had to do only the loading and unloading for which they were paid Rs. 1.73 lakhs. The procedure adopted resulted in an unintended benefit of Rs. 0.83 lakh to the contractors as the payment admissible for loading and unloading work was Rs. 0.90 lakh only.

(iv) On the completion of the project work, three scrapers and two dozers were rendered surplus from September 1976. These were ultimately transferred to the Tamil Nadu Public Works Engineering Corporation in December 1978 -February 1979. Earlier these were mostly idle except for a few months when lent to other divisions/departments. The expenditure on maintenance for the idle period amounted to Rs. 1.79 lakhs including Rs. 1.03 lakhs on the salary of the crew.

(v) Out of 159 buildings (residential buildings: 150; non-residential buildings: 9) constructed for the project, 75 buildings have remained vacant (November 1980) from September 1976 when Chinrar Reservoir Project division was closed.

4.2.4. *Summing up.*—The following main points emerge:—

(i) Work on the project was commenced in January 1971 and was expected to be completed in three years. While the major portion of the work was completed by October 1977, that relating to excavation of field bothies for 1,520 acres out of the new ayacut of 1,874 acres was completed only by October 1980. The ayacut for the remaining 354 acres has not been identified (October 1980) resulting in the postponement of benefits of irrigation.

(ii) As a result of inadequate investigation and delay in execution, the estimated cost rose steeply from Rs. 1,18.25 lakhs to Rs. 2,03.70 lakhs. Government held (December 1978) that the inadequate investigation had resulted in a notional loss of Rs. 57 lakhs.

(iii) Test check in audit disclosed cases of avoidable expenditure (Rs. 1.23 lakhs) and a case of unintended benefit (Rs. 0.83 lakh) to contractors. It was also noticed that crew charges (Rs. 1.03 lakhs) were incurred on idle machinery and 75 out of 159 buildings constructed for the project are lying vacant since September 1976 (November 1980).

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

4.3. Gunderipallam Reservoir Scheme

4.3.1. The scheme envisaged the formation of a reservoir with a capacity of 108 mcf. across Gunderipallam, a tributary of Bhavani river, to benefit a new ayacut of 1,136 acres under single wet crop. An earth dam (2,100 feet long) was to be constructed and two channels (6.92 km. and 5.82 km. long) excavated on either side of the reservoir.

The scheme was sanctioned by Government in January 1974 at a cost of Rs. 46 lakhs. Technical sanction was accorded (January 1974) by the Chief Engineer (Irrigation) for Rs. 50.60 lakhs. The Chief Engineer submitted (December 1978) a revised estimate for the scheme for Rs. 1,53.65 lakhs. Approval of Government is awaited (November 1980). Meanwhile, the work has been completed (February 1980), the expenditure incurred up to October 1980 being Rs. 1,38.55 lakhs.

4.3.2. The initial investigation for the project was inadequate as evidenced by the major changes made in designs of the component works during execution as indicated below :—

(i) In the original estimate the profile of earth dam adopted was based on that of Mottai Reservoir (Tirunelveli District). The profile was changed to suit the soil available in the area involving increase in earthwork and other materials. The lead for earthwork also increased since suitable earth could not be procured in the water spread area as originally contemplated (extra cost : Rs. 34.91 lakhs).

(ii) The location of the surplus weir was changed from right flank to left flank and the length of the weir also increased to improve the functioning of the reservoir (extra cost: Rs. 5.50 lakhs).

(iii) The design of surplus course, drops and drop cum syphon was changed on the basis of model studies and in view of the tentative provision made in the original estimate for drops (extra cost: Rs. 13.70 lakhs).

(iv) The design of the sluices was changed providing for steel shutters with worm gear hoisting arrangement and emergency gates instead of the simple screw gearing shutters originally proposed; the provision in the original estimate was stated to be nominal and tentative (extra cost: Rs. 8 lakhs).

The changes in design and scope of the scheme, mentioned above, the increase in cost of land acquired (Rs. 1.76 lakhs), inadequate provisions (Rs. 19.17 lakhs) and increase in cost of labour and material (Rs. 6.18 lakhs) mainly contributed to the increase in cost of the scheme.

When it was found that the cost of the scheme would rise steeply due to price escalation and changes in design of component works, the scope of the scheme was changed* (August 1976) by the Chief Engineer (Irrigation) at an extra cost of Rs. 10.67 lakhs, without consulting the Director of Agriculture and without obtaining approval of Government, to provide irrigation to dry crops to bring more area (2,272 acres) under irrigation than the target (1,136 acres) fixed in the approved estimate. The revised cost benefit ratio is awaited from the Director of Statistics (November 1980).

The changes in the design and scope of the scheme contributed to delay in completion of the scheme as the design of the sluices was approved by the Chief Engineer in May 1975 and the location of the surplus weir on the left flank was decided upon only in November 1976 whereas work on the scheme had commenced in April 1974. The proposals for realigning the channels consequent on the change in the scope of the scheme were submitted by the division in April 1977 and finally approved by the Chief Engineer in August 1978. The scheme expected to be completed in three years by April 1977 took six years for completion by February 1980.

* (i) Increase in the length of canal and number of cross masonry works.

(ii) Change in alignment.

(iii) Excavation of branch canal under left side main canal and distributary under right side main canal.

4.3.3. The work of formation of earth dam was split up into several reaches and executed through various contractors during 1975-78. According to the instructions (April 1975) of Chief Engineer (General) as subsequently clarified, the quantity of earthwork arrived at on the basis of levels of bund formed, should be compared with the pit measurements after allowing 15 per cent of compaction and lesser of the two quantities should form the basis for payment. Payments were, however, made for the pit measurement quantity of 4,39,926 M³ without restricting it to the level measurement quantity plus allowance for compaction which worked out to 4,11,579 M³ resulting in an excess payment of Rs. 2.50 lak.

4.3.4. The surplus arrangements were originally designed to discharge a maximum flood of 6,439 cusecs. With reference to the flows during 1972 floods, the design of the surplus weir was modified for a discharge of 10,500 cusecs. During November 1978, there was a heavy discharge of 33,370 cusecs through the surplus weir resulting in damages to surplus weir, surplus course and crops which were repaired at a cost of Rs. 2.14 lakhs. The department does not propose to carry out any modification to the surplus arrangements "as such unprecedented floods are generally repeated after many decades", although the guidelines issued (September 1972) by Central Water Commission provide that design flood should be adopted with reference to "one in hundred years flood".

4.3.5. Water was impounded in the reservoir from October 1977. Water was not released for irrigation during 1977-78 and 1978-79 due to delay in excavation of the channels, distributerries and field bothies. Work on the channels and distributaries, which was delayed due to the delay in finalisation of the alignment, was completed only in July 1979.

4.3.6. *Summing up.*—(i) Major changes in the design and scope of the scheme had to be effected during execution due to inadequate initial investigation; consequently, the scheme expected to be completed in three years took six years for completion besides resulting in steep increase in the estimated cost from Rs. 46 lakhs to Rs. 1,53.65 lakhs for which approval of Government is yet to be obtained (November 1980).

(ii) In view of the increase in cost of the scheme during execution the cropping pattern was changed (cost of structural changes: Rs. 10.67 lakhs) from wet to dry crops so as to bring more area under irrigation; this change in the cropping pattern was done without obtaining the approval of the Director of Agriculture and Government.

(iii) Though water was impounded in the reservoir from October 1977, the ayacut was not fully benefited due to the delay in excavation of channels, distributaries and field bothies.

(iv) The department does not propose to carry out any modification to the surplus arrangements even though the maximum flood discharge had exceeded the designed discharge by more than 200 per cent.

(v) Test check in audit disclosed over payment of Rs. 2.50 lakhs to the contractors.

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

4.4. Varattupallam Reservoir Scheme

4.4.1. The scheme envisaged the formation of a reservoir of capacity 139 mcft. across Varattupallam, a minor tributary of Bhevani river. An earth dam (5,290 feet long) was to be constructed and a main canal bifurcating into two channels was to be excavated for a total length of 6.49 km. The scheme was expected to benefit a new ayacut of 1,672 acres besides stabilising the supply to the existing ayacut of 670 acres and bridging a gap of 133 acres relating to two tanks.

The scheme was sanctioned by Government in January 1974 at a cost of Rs. 60 lakhs; technical sanction was accorded (January 1974) by the Chief Engineer for Rs. 66 lakhs. Work on the scheme was commenced in August 1974. A revised estimate was sent by the Chief Engineer to Government in April 1979 for Rs. 1,80 lakhs. Approval of Government is awaited (November 1980). An expenditure of Rs. 1,69.89 lakhs has been incurred on the scheme (October 1980).

4.4.2. According to the Project Report, the new area to be irrigated will have a single crop of paddy in view of the suitability of the soil which was clayey loam and red earth mixed with clay. When the scheme was under execution, the Chief Engineer sought (May 1976) the approval of Government to revise the scope of the scheme to provide irrigation for raising dry crops in 2,924 acres of new ayacut (instead of wet crops over an area of 1,672 acres) on the ground that, (i) in course of time it will become inevitable to supply water to a larger area; (ii) the cropping

pattern in vogue was to raise dry crops for which the soil was suitable; (iii) the cost of the scheme has increased and the benefit cost ratio will be very poor (0.56 : 1*) if it is worked out for wet cultivation. Approval of Government to the change in scope is awaited (March 1980). Meanwhile, the scheme has been executed on the basis of the revised cropping pattern, involving an additional** expenditure of Rs. 11.93 lakhs. The following major changes in the design of the component works of the scheme were also made by the Chief Engineer.

(i) The original design of the earth dam was reportedly based on that of Mottai Reservoir scheme (Tirunelveli District). This had to be changed to suit the type of soil available in the area (additional cost : Rs. 38.51 lakhs).

(ii) Change in design of surplus arrangements (additional cost: Rs. 15.05 lakhs) to discharge a maximum flood of 10,040 cusecs as against 7,688 contemplated originally.

(iii) Construction of a sluice with steel shutters, emergency gates and hoisting arrangements instead of plug hole tank sluice originally proposed (additional cost : Rs. 3.18 lakhs).

The changes in the design and scope of the scheme would indicate inadequate initial investigation. These changes together with the increase in cost of land (Rs. 2.33 lakhs) and escalation in cost of labour and materials (Rs. 21.50 lakhs) mainly contributed to the threefold increase in cost of the scheme.

The changes in the design and scope of the scheme contributed to delay in completion of the scheme as well; the designs of the earth dam and the right side surplus arrangements were approved by the Chief Engineer in June 1975 and May 1976; the design of left side surplus arrangements was approved in February 1977. Due to the change contemplated in the cropping pattern the alignment of the main canal could be finalised and work taken up only in 1976—77. Consequently, the scheme commenced in August 1974 and expected to be completed in three years time was completed after about five years in June 1979,

* The benefit cost ratio as per sanctioned estimate was 1.66 : 1

** This was on account of increase in length of canal and increase in number of cross masonry works like pipe sluices, regulator and drops.

except for excavation of distributary II for a 269 metres reach and construction of one drop and two sluices in the reach which are held up since May 1978 due to objections raised by land owners. Besides, the ryots had excavated field bothies only for 2,080 acres out of the total new ayacut of 2,924 acres (June 1980).

4.4.3. Water was impounded in the reservoir from October 1976 when earth dam was completed. However, water was not released for irrigation during 1976, 1977 and 1978 due to delay in excavation of main canal, distributaries and field bothies.

4.4.4. *Summing up.*—The main points noticed are:—

(i) The project commenced in August 1974 and expected to be completed in three years was completed in about five years in June 1979. The ayacut did not derive the benefits of irrigation during the years 1976, 1977 and 1978 even though water was impounded in October 1976 as distributaries and field bothies were not ready. The delay was mainly due to changes in design and scope of the scheme; the cropping pattern was changed from wet to dry without obtaining the approval of Government.

(ii) The estimate recorded a threefold increase from Rs.60 lakhs to Rs. 1,80 lakhs for which approval of Government is yet to be obtained (November 1980). The steep increase was attributable to changes in design resulting from inadequate investigation, change in the scope of the scheme and escalation in cost of the labour and materials.

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

4.5. Minor Irrigation Projects

4.5.1. Minor irrigation projects are undertaken as quick yielding programmes, short gestation periods and low investments being the principal factors in their favour. Test check conducted in audit of some of these projects in seven districts in the State disclosed that these objects were not achieved mainly due to unrealistic estimation, delay in acquisition of land, increase of costs over prolonged periods of execution and delay in excavation of field bothies as brought out in the succeeding paragraphs.

4.5.2. *Formation of a tank near Murali Village.*—In July 1970, Government sanctioned the formation of a new tank across a jungle stream near Murali Village (Periyar District) at a cost of Rs. 4.60 lakhs. The scheme was intended to provide irrigation to 121 acres of new ayacut besides benefiting 96 acres of land under well irrigation. The estimate was technically sanctioned by the Chief Engineer (Irrigation) for Rs. 5.06 lakhs in August 1970. The work was commenced January 1971 and the tank was formed by March 1975; but the field bothies were not taken up.

As the extent of land benefited under each of the two field bothies was less than 150 acres up to which only field bothies could be excavated by the department under the existing orders of Government, the ryots were asked (June 1972) to excavate the field bothies. The ryots requested (June 1972) the department to excavate the field bothies and recover the cost from them. Work on the field bothies was commenced three and a half years later in January 1976 and the right side field bothy was completed* in February 1979. The left side field bothy was completed in April 1979 except for a length of 400 meters at the tail end which is held up due to delay in land acquisition. While the ayacut (108 acres) under right side field bothy is reported to be under cultivation, the ayacut (109 acres) under left side field bothy has not been benefited (June 1980).

Within two and a half years of completion of the main work (March 1975) the rear slope of the bund slid (October 1977) and was eroded. This was attributed to poor retentive quality of earth. Earlier, the Executive Engineer, Bhavanisagar division had observed (November 1975) that the bund was too steep without adequate cover over hydraulic gradient. It was also reported (October 1977) by the Executive Engineer that the surplus channel designed for 1/100 gradient was found to have a gradient of 0.18/100 only. The defects were rectified (March 1978) at a cost of Rs. 0.79 lakh. The department has not taken action to fix responsibility for the defective works.

The estimate was revised (June 1974) by the Chief Engineer to Rs. 7.03 lakhs and revised sanction was accorded by Government in May 1975. The expenditure up to March 1980 was Rs. 7.04 lakhs. The

* The expenditure of Rs. 0.43 lakh incurred on the excavation of the field bothies is yet to be recovered (June 1980) from the beneficiaries.

increase in cost was mainly due to increase in earthwork for forming the bund and diversion channel (Rs. 2.02 lakhs). Government have observed (May 1975) that the original estimate was prepared in a perfunctory manner and instructed that responsibility be fixed for the defective investigation. Details of action taken on the instructions are awaited (November 1980) from the department.

The work commenced in January 1971 has not been completed even after nine years. Due to the delay of three and a half years in taking up the excavation of field channels, only 50 per cent of the ayacut has been benefited. The cost of the work also increased by about 58 per cent due to defective initial investigation.

4.5.3. *Formation of a tank across Goonampallam.*—In December 1970, Government sanctioned the formation of a new tank across Goonampallam (a jungle stream) at a cost of Rs. 7.27 lakhs to provide irrigation to 403 acres of land. Estimate for the work was technically sanctioned (May 1971) by the Chief Engineer (Irrigation) for Rs. 7.62 lakhs. The work was entrusted (September 1971) to a contractor on the basis of tenders for Rs. 5.33 lakhs. As per agreement with the contractor, the work was to be completed by May 1973. By January 1974, the contractor completed only part of the work valued at Rs. 0.97 lakh and did not proceed further though he was given extension of time up to 30th June 1974 by the department. The agreement was terminated (May 1978) forfeiting the security deposit of Rs. 0.26 lakh.

A revised estimate for the work for Rs. 10.90 lakhs was sanctioned by Government in February 1979. The increase in cost was mainly due to : (i) non-availability of suitable soil to the required extent within 1 k.m. lead for the formation of the bund as originally provided for (attributed to defective investigation) and consequent increase in lead to 3 k.m. (extra cost : Rs. 1.09 lakhs) ; and (ii) increase in the cost of labour and material (Rs. 1.64 lakhs).

Within a year, the revised estimate of Rs. 10.90 lakhs was again revised on the ground that the villagers had represented for inclusion of additional ayacut on the left side. The second revised estimate for Rs. 20.50 lakhs providing for a separate branch channel to irrigate an additional ayacut of 65 acres was submitted by the Chief Engineer to

Government in February 1980. The 88 per cent increase in cost within a year was attributed mainly to, (i) adoption of agreement rates of the original contractor in the first revised estimate instead of the rates as per schedule of rates (Rs. 6.08 lakhs); (ii) provision of a core wall in LS. 100 to 127 metres of the bund (Rs. 1.39 lakhs); (iii) cost of the new branch channel (Rs. 0.38 lakh) and (iv) increased cost of land acquisition (Rs. 0.66 lakh).

The estimate was revised for a third time in August 1980 to Rs. 26 lakhs and was submitted to Government adopting the schedule of rates for 1980—81. Sanction of Government is awaited (December 1980).

At the revised cost, the scheme would be uneconomical as the cost per tonne of additional foodgrains would work out to Rs. 7,123 as against the original cost of Rs. 2,320 and the ceiling of Rs. 3,500 fixed for the district.

The work sanctioned in 1970 and commenced in 1972 remains suspended from January 1974 (December 1980), resulting in the expenditure of Rs. 4.90 lakhs already incurred serving no purpose.

4.5.4. Restoration of Rengappanaicken tank.—In January 1970, Government sanctioned the restoration of Rengappanaicken tank at a cost of Rs. 3 lakhs. The estimate was technically sanctioned by the Chief Engineer (Irrigation) in April 1970 for Rs. 3 lakhs. The tank was to be restored across a jungle stream with storage capacity of 12.67 mcf. The anticipated yield from the catchment area of the jungle stream having a mean monsoon rainfall of 26.24" (as per rainfall readings at Krishnagiri) was 56 mcf. The tank was expected to provide irrigation to 187 acres of land. The work was commenced in July 1970 and completed in November 1972 at a cost of Rs. 6.01 lakhs. The increase in cost was mainly due to increase in the cost of acquisition of land (Rs. 2.02 lakhs). The revised sanction of Government is yet to be obtained (May 1980).

It was reported (June 1979) by the Executive Engineer, Dharmapuri Division that the tank did not receive full supply since the completion of the restoration work. Up to 1979-80 an ayacut of only 61.46 acres was reported to have been benefited. The ryots have not constructed

the field channels due to inadequate storage in the tank. The specific reasons for the poor storage of water *vis-a-vis* the yield anticipated in the scheme report have not been investigated by the department.

Only one third of the targeted ayacut has been benefited even after eight years of completion of the scheme

Government accepted (December 1980) the facts.

4.5.5. *Restoration of Bikkanahalli Tank.*—In May 1965, Government sanctioned the restoration of Bikkanahalli Tank at a cost of Rs. 3.90 lakhs to benefit an ayacut of 226.50 acres. The estimate for the work was technically sanctioned by the Chief Engineer (Irrigation) during 1965—66 for Rs. 4.29 lakhs. The work was commenced in November 1965 and completed in February 1972 at a cost of Rs. 5.09 lakhs.

Against the targeted ayacut of 226.50 acres, the ayacut benefited up to 1979-80 was reported to be 66.81 acres. The shortfall was attributed to silting up of the tank sluice. Because of difficulties in removing the silt from the tank sluice, water is being drawn for irrigation on a limited scale through hose pipes serving as syphon. The department proposed (August 1979) to provide some more hose pipes of bigger diameter to syphon enough water to meet the requirements of the entire ayacut. Further remedial measures like changes in shutter arrangements for the sluices were also proposed (August 1979). The outcome of these proposals is awaited (June 1980). Meanwhile 70 per cent of the ayacut has not derived any benefit from the work even after eight years of its completion.

It was noticed in audit that even when the work was under execution the problem of heavy silting was anticipated by the Forest Department which had suggested (February 1968) adoption of preventive measures like the construction of check dams. These suggestions were not acted upon for reasons not on record.

4.5.6. *Formation of a tank across Pudukulam Kombaiyar.*—The formation of a new tank across Pudukulam Kombaiyar (a jungle stream) near Dharmathupatti Village was sanctioned by Government in March 1973 at a cost of Rs. 9.60 lakhs. The tank was expected to provide irrigation to 293 acres of new ayacut. The estimate was technically

sanctioned (March 1973) by the Chief Engineer (Irrigation) for Rs. 10.56 lakhs. The work was commenced in September 1973 and completed in June 1978 at a cost of Rs. 19.76 lakhs. Government sanctioned the revised estimate for Rs. 21.85 lakhs in December 1979.

The increase in cost by more than 100 per cent was attributed to, (i) higher cost of execution of part of the work departmentally through machinery (Rs. 5.67 lakhs) when the contractor demanded higher rate resulting in termination of his agreement at that stage ; (ii) escalation in cost (Rs. 0.35 lakh) ; (iii) acquisition of machinery (Rs. 2.12 lakhs) ; and (iv) changes in design, new items and inadequate provision (Rs. 1.58 lakhs).

Though the work was completed in June 1978, the ayacut has not been developed (November 1980) due to non-excavation of field bothies by the ryots.

4.5.7. Formation of a new tank near Chittirampatti.—The formation of a new tank near Chittirampatti Village (Tirunelveli District) to benefit 294 acres of lands was one of the schemes sanctioned (May 1976) by Government to provide relief to the drought affected areas of the district. The work estimated to cost Rs. 5.88 lakhs was commenced in July 1976 and completed in September 1977 at a cost of Rs. 7.66 lakhs. Government approved the revised estimate for the work for Rs. 6.72 lakhs in February 1978.

Even three years after completion of the work, the ayacut has not been benefited due to non-excavation of field bothies by the ryots (June 1980).

4.5.8. Formation of a tank across Kallar.—The formation of a new tank across Kallar (a jungle stream) near Ammapalayam Village was sanctioned by Government in October 1969 at a cost of Rs. 8.93 lakhs. The work was intended to provide wet irrigation to 312 acres of land and benefit 114 acres by pond effect.* The work (technically sanctioned for Rs. 8.93 lakhs) was commenced in June 1970 and all works except excavation of branch channels were completed by February 1974. Work on the branch channels was held up due to delay in land acquisition for which proposals were sent by the Executive Engineer, Salem Division only in May 1973. After obtaining the consent of the land owners

* When water is stored in a tank water table in the wells in the adjoining areas also goes up.

(November 1976), the work was taken up in 1977 and completed in November 1978. The total expenditure on the scheme was Rs. 11.10 lakhs.

The increase in the overall cost was mainly due to increase in top width of the bund, provision of clay blanket in deep bed portions and clearance of jungle at bund site and in borrow pit areas not included in the earlier estimate. Approval of Government has not been obtained (June 1980) for the revised cost.

Out of the targeted ayacut of 312 acres through direct supply of water, the ayacut benefited was reported to be only 130 acres. The shortfall was due to unauthorised tapping of water and a dispute regarding the ayacut lands to be benefited which is yet to be settled. The extent of ayacut benefited by pond effect has not been assessed so far (June 1980).

The scheme sanctioned in 1969 was completed after nine years in November 1978, mainly due to delay in sending the land acquisition proposals to the Revenue Department and delay in land acquisition. Even after completion, 58 percent of the ayacut has not been benefited (November 1980) due to dispute over the ayacut to be irrigated.

4.5.9. *Formation of a tank near Melacholankuppam.*—The formation of a new tank across two jungle streams near Melacholankuppam was sanctioned by Government in March 1971 at a cost of Rs. 10.64 lakhs, to irrigate 590 acres of land. The estimate was technically sanctioned (1971-72) by the Chief Engineer (Irrigation) for Rs. 11.70 lakhs. The work was commenced in September 1971 and completed in September 1977, after six years, at a cost of Rs. 21.50 lakhs (April 1980).

Government sanctioned (August 1980) a revised estimate for Rs. 20 lakhs. The steep increase in cost was due to (i) defective investigation which necessitated increase in length of the bund from 5,100 to 5,300 feet and raising the Full Tank Level of the tank by 2.5 feet during execution (Rs. 0.79 lakh); (ii) escalation in costs (Rs. 5.48 lakhs); and (iii) use of earth moving machinery for formation of the bund (Rs. 2.69 lakhs).

Since the completion of the work in September 1977, only 154.17 acres of ayacut are reported to have been developed (June 1980) as against the targeted ayacut of 590 acres. Seventy four per cent of the ayacut is yet to derive the benefits of irrigation contemplated under the scheme. The reasons for the shortfall are awaited (December 1980).

4.5.10. *Restoration of Nallur Tank.*—The restoration of the abandoned Nallur tank in Nallur Village at a cost of Rs. 7.90 lakhs was sanctioned by Government in December 1973 to provide irrigation to 458 acres of land. The estimate was technically sanctioned by the Chief Engineer (Irrigation) in December 1973 for Rs. 8.69 lakhs. Government approved a revised estimate in August 1976 for Rs. 10.75 lakhs based on 1974—75 schedule of rates as the earlier estimated cost had been based on 1970—71 schedule of rates.

The work was entrusted to four successive contractors terminating the earlier agreements on account of slow progress in two cases and unwillingness of the contractor to resume work after the department stopped (June 1976) the work for want of funds in one case. Rules provide that execution of works under piece work system (which does not stipulate time limit for completion) should be confined to works costing up to Rs. 2,500 only. Though the value of the work exceeded Rs. 2,500 the agreements with the various contractors were concluded in 'piece work form' instead of 'lumpsum form' where time is the essence of the contract. Consequently, the department could not ensure completion of the work as per stipulated dates and could not also recover the extra expenditure of Rs. 0.54 lakh (after taking into account the security deposit of Rs. 21,900 forfeited from two of the contractors) incurred by Government in executing the balance of work through other contractors at higher cost. During execution, the department omitted the construction of the revetment to the bund, formation of two diversion roads and consolidation by power roller from the scope of the work with a view to effect economy in cost. However, the expenditure on the work up to February 1980 was Rs. 12.76 lakhs as against the revised estimate for Rs. 10.75 lakhs approved by Government in August 1976. The work is yet to be completed (March 1980).

The following points were also noticed in audit:—

(i) Compared to the cost of Rs. 3.59 lakhs for the land acquired for the work, the cost of land acquisition establishment was high and amounted to Rs. 2.71 lakhs (75 per cent of the cost of land) for which reasons are awaited (November 1980).

(ii) During the floods in November 1977, portions of the incomplete bund and rocktoe filters were washed away and had to be restored at a cost of Rs. 1.88 lakhs. The damages could have possibly been avoided had the work not been stopped in June 1976 for want of funds but had been completed to the full height in all respects as scheduled.

The scheme sanctioned in December 1973 has not been completed even after more than six years resulting in postponement of the benefits anticipated under the scheme.

The points mentioned above were reported to Government in August-September 1980; no reply has been received except in respect of subparagraphs 4.5.2 and 4.5.4 (February 1981).

**PUBLIC WORKS DEPARTMENT/TRANSPORT
DEPARTMENT**

4.6. Cash Settlement Suspense Accounts

For services rendered or supplies made by one division to another, the expenditure incurred by the originating division is accounted for under a suspense head called "Cash Settlement Suspense Account" pending settlement of the claim by the receiving division. The settlement is to be done either by cheque or demand draft within 10 days of receipt of the claim.

Six thousand thirty six claims for Rs. 3,53.46 lakhs raised up to end of March 1980 by 127 divisions of Public Works Department and 86 divisions of Transport (Highways and Rural Works) Department against other divisions were pending settlement at the end of the July 1980 as under :—

Period	Transport (Highways and Rural Works Department)		Public Works Department		Total	
	Number of claims	Amount (amounts in lakhs)	Number of claims	Amount of rupees	Number of claims	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Up to						
1974-75 ..	539	23.13	293	21.59	832	44.72
1975-76 ..	154	6.71	68	5.31	222	12.02
1976-77 ..	281	16.28	102	2.36	383	18.64
1977-78 ..	352	13.26	102	5.75	454	19.01
1978-79 ..	620	27.81	182	8.31	802	36.12
1979-80 ..	2,103	77.66	1,240	83.88	3,343	1,61.54
Year-wise details not available (10 Public Works Divisions and 16 Highways and Rural Works Divisions)		28.79		32.62		61.41
Total ..	4,049	1,93.64	1,987	1,59.82	6,036	3,53.46

The following points were noticed during test check in audit of the accounts of 36 divisions:—

(i) One thousand one hundred and fifty claims for Rs. 74.05 lakhs raised by two Transport and Machinery divisions during 1967—68 to 1979—80 are kept pending by responding divisions for want of sanction to estimates.

(ii) Fifteen claims for Rs. 1.00 lakh remain without settlement in two divisions for want of provision in the sanctioned estimates.

(iii) Six claims for Rs. 0.33 lakh have not been settled by five divisions as the materials could not be traced.

(iv) Intimations of claims for Rs. 0.75 lakh towards cost of supplies or services rendered to other divisions during 1971-72 to 1979-80 have not been sent by four divisions.

(v) In eight divisions, details of claims are not available for Rs. 11.60 lakhs debited to cash settlement suspense account.

(vi) In three divisions, no action has been taken in respect of 51 claims (value: Rs. 3.75 lakhs) returned by other divisions unaccepted. The claims relate to the period 1970-71 to 1979-80.

(vii) A claim towards the cost of a road roller raised by a Public Works Division in 1966 against a Highways Division remains to be settled as the roller is reported to be not traceable.

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

TRANSPORT (HIGHWAYS AND RURAL WORKS) DEPARTMENT

4.7. Bridge remaining unused without approach road

In August 1974, Government sanctioned the construction of a bridge at km. 9/6 of Ambasamudram—Papanasam road (Tirunelveli District) *in lieu* of the existing bridge which was very old and weak, at a cost of Rs. 1.50 lakhs. The work was commenced in August 1975 and completed in February 1978 except the formation of 120.50 metres of the approach road from the Vikramasingapuram side. Work on this portion of the road is held up (December 1980) due to delay in land acquisition, proposals for which were sent to the Revenue Department in July 1975.

The bridge constructed at a cost of Rs. 1.56 lakhs remains unused (December 1980) for over two years due to non-completion of the approach road.

The matter was reported to Government in August 1980. Government stated (December 1980) that the land acquisition was being expedited.

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD

4.8. Rural Water Supply Schemes

4.8.1. *Introductory.*—From 1950, water supply schemes were being implemented under different programmes, by Government departments and through local bodies assisted with 75 per cent grant from Government, to provide protected, potable and perennial drinking water to the rural population. In April 1971, the Tamil Nadu Water Supply and Drainage Board (TWAD Board) was formed to execute water supply schemes as deposit works out of funds placed at its disposal by Government or local bodies. Besides, the Director of Rural Development executed the works out of local works grants to panchayat union councils and the Director of Harijan Welfare in the Harijan colonies.

The Government of India assisted the State Government with specific grants for the Accelerated Rural Water Supply Programme and Drought Relief Programme Works. Central assistance for the Minimum Needs Programme (undertaken from 1974—75 including among other items the rural water supply schemes) was in the form of “block grants” with no separate assistance for water supply schemes.

The total expenditure on the rural water supply schemes up to March 1980 was Rs. 63.29 crores. Specific grants received from Government of India amounted to Rs. 13.24 crores.

The implementation of the scheme was test checked in audit during March 1980 to July 1980 with reference to the records in the offices of the TWAD Board, Chief Engineer, 14 divisional officers and 12 district Collectors. The points noticed are mentioned in succeeding paragraphs.

4.8.2. *Utilisation of funds.*—As at the end of March 1980, the total unspent balance with the TWAD Board out of grants received from the Government amounted to Rs. 4,44.58 lakhs.

Till 1977-78, the TWAD Board did not maintain detailed accounts of expenditure in respect of each programme. Though the expenditure was booked separately from 1978-79 onwards, the exact expenditure under 'Minimum Needs Programme' and 'Accelerated Rural Water Supply Programme' could not be ascertained from the accounts due to incorrect classification and as the works accounts were incomplete. Hence, the relative shares of unspent grants pertaining to the Government of India and the State Government could not be assessed. There were large variations between the expenditure figures furnished to Government of India and the accounts of the Board as indicated below:—

Year (1)	Expenditure as per progress reports (2) (in lakhs of rupees)	Accounts figures (3)
1978-79	4,89.05	20.35
1979-80	4,63.69	4,23.64

The large difference in 1978-79 was due to the classification of bulk of the expenditure under the head "other schemes". The amount actually misclassified had not been assessed and adjusted (October 1980).

Both the State and Central Governments did not insist on the Board furnishing utilisation certificates/audited statement of expenditure for regulating future grants taking into account the unutilised amounts.

4.8.3. *Survey to identify problem villages and coverage.*—A Survey conducted in 1972 identified 2,585 'Problem' *villages for priority coverage with central assistance.

In 1976, the Evaluation and Applied Research Department of the State Government studied the impact of the programme in a representative sample survey in six districts and reported as follows :—

(i) The nature and magnitude of the problem had not been assessed properly; there was no systematic survey of villages and detailed analysis of the problem and preliminary investigations conducted for classification of villages were not carried out properly.

(ii) The sphere of activity or the areas of operation of the TWAD Board and the panchayat union councils, who were also executing water supply schemes under 'Local Works Grants', were not clearly

* Not having an assured source of supply within 1.6 km. or lying in cholera endemic or guinea-worm infested areas are containing excessive fluorides, iron or salinity or having inadequate arrangements for water supply to weaker sections of Society.

defined. Both the TWAD Board and the Director of Rural Development executed schemes depending on exigencies and circumstances. There was no co-ordination.

The conclusion of the Evaluation and Applied Research Department was that "many a time, villages where there was no problem have also been chosen for creating capital assets".

On the basis of the findings of the Evaluation and Applied Research Department and representations from local bodies, a fresh survey was undertaken by the Board in November—December 1976, taking a 'habitation' (a cluster of houses with a minimum population of 100 and away from the next habitation by more than 250 metres) as a unit for supply of drinking water, the term 'village' being vague. The data collected was computerised and the results were classified as indicated below:—

Type	Definition	Number of habitations
I	Habitations with no source within the habitations	3,454
II	Habitations where source yields only non-potable water	1,966
III	Habitations where water is potable but source is not perennial	6,487
IV	Habitations where water is potable and perennial but the source is privately owned or unprotected	4,955
V	Habitations where there is no good source within the habitations but an alternative good source is available within 1 km.	1,107
VI	Habitations where there is good source available	29,106
	Total	47,075

Types I to IV did not have alternative source within 1 km. and these corresponded to the "problem villages" in the earlier survey. The number of such "problem" habitations was assessed at 16,862 (corresponding to about 8,000 villages). District-wise status books indicating types of classification were prepared and supplied to the district Collectors.

In August 1977, Government ordered that highest priority should be given to Types I and II habitations and directed *inter alia* that,

(a) The works should be executed on the basis of priority lists given by the Collectors;

(b) Changes made by the field officers in classification, as well as the fact of completion of each scheme, should be reported to the TWAD Board; and

(c) Works in habitations other than in types I and II should be taken up only in extraordinary circumstances with the approval of the TWAD Board;

(d) With the help of the field officers of the TWAD divisions the Collector would decide, with reference to the financial allotment available, the works in types I and II to be executed by the panchayat union councils and by the Harijan Welfare Department. If the works involved deep drilling, the bore wells would be drilled by the TWAD Board and the ancillary works would be executed by the agency concerned.

With the reclassification of habitations into six types, the TWAD Board concentrated its efforts on types I and II habitations during the years 1977-78 to 1979-80. The time limit for completion of works in habitations of types I and II, viz., 30th August 1978, was not kept up by the TWAD Board and was extended by Government up to 31st March 1980 initially and again (August 1980) up to 31st December 1980. As at the end of March 1980, out of 5,420 habitations in these types, only 3,387 had been covered. The field officers stated that the delay was due to pipes not supplied and delayed supply of M.S. rods by the suppliers.

After the survey in 1976, 637 additions to the original list and 3,014 changes in classification from one type to another were made, but it was only in 2,195 cases that proposals in the prescribed questionnaire were sent by the field officers to the TWAD Board for approval. The large number of changes and additions would indicate that the 1976 survey had also not been done properly.

None of the executing agencies sent the report of completion to the TWAD Board in the prescribed form and hence it could not keep the status books up-to-date. The TWAD Board stated (November 1980) that data on completed schemes was being collected for updating the status books and that the changes in the classification would be approved on receipt of proposals from the Executive Engineers.

From 1977-78, works in habitations in types I and II were to be taken up on priority basis. During the three years 1977-78 to 1979-80 Rs. 59.13 lakhs were spent/committed by panchayat unions to works in habitations which had lower priority than types I and II and which did not correspond to problem villages, obviously to use the Government grants. Thus other needy priority areas could not get the use of these funds.

4.8.4. *Delay in completion of Comprehensive Water Supply Schemes.*— Particulars of Comprehensive Water Supply Schemes (each scheme covering 2 or more habitations) sanctioned and taken up for execution in the period 1976-77 to 1979-80 and pending completion at the end of March 1980 are furnished below:—

Particulars (1)	Number (2)	Cost (3) (in lakhs of rupees)
(i) Number of schemes sanctioned	139	
(ii) Number of schemes yet to be taken up	10	
(iii) Number of schemes taken up	129	12,68.46*
(iv) Number of schemes completed	36	2,03.18
(v) Number of schemes pending over 2 years	36	2,07.80 (15 works)
Over 1 year	43	90.17 (29 works)
(vi) Number of schemes held up due to Public objections	9	1,76.32 (8 schemes)

The works were normally due for completion within a period of one year. The delay in completion was attributed by the field officers to the following reasons:—

- (i) public objections;
- (ii) materials not available;
- (iii) slow progress of works by contractors; and
- (iv) damages to works by floods.

The public objections were that large scale pumping would bring down the water table and affect irrigation wells. Legal proceedings instituted by interested parties in seven cases were pending in courts. There was no evidence of this aspect having been considered by the TWAD Board in consultation with the Collectors of the districts concerned before sanctioning the schemes.

On a reference from the Managing Director, seeking instructions, Government stated (December 1979) that general guidelines could not be issued in cases of public objections to the schemes and that the Collectors concerned might be consulted in each case before executing such work, as the Collectors would be in a better position to resolve the difficulties arising out of such objections.

* Estimated cost.

4.8.5. *Delay in bringing the schemes to beneficial use.*—There was considerable delay in bringing the schemes to beneficial use after completion of bore wells due to various reasons as detailed below:—

Particulars	Period of delay		Reasons
	Over 6 months	over 3 months	
1. Hand pump not fixed	93 (2 districts)	36 (3 districts)	Delay in supply of hand pumps/ power pumps by the Central Purchase and Stores Organisation, non-availability of M.S. rods for overhead tanks and power cut imposed from April 1980 to June 1980.
2. Power pump not fixed	89 (4 districts)	68 (6 districts)	
3. Overhead tanks not constructed	196 (7 districts)	61 (5 districts)	
4. Electric supply not given	203 (6 districts)	130 (4 districts)	

Cost of these schemes could not be ascertained during audit as the works accounts were incomplete. The information called for from the Board is awaited (November 1980).

4.8.6. *Testing water for potability.*—Chemical and bacteriological analysis is necessary to ensure the quality of drinking water. Chemical analysis was conducted only from 1977 and that too not in all cases. In 8 districts, only 1,929 samples were tested out of 5,972. There was no arrangement to periodically monitor the quality of water.

In order to assess the quality of water and its reliability, it was proposed to test samples from 100 deep bore wells in Chengalpattu District for one year, after collecting and analysing samples six times in a year. The scheme (cost: Rs. 1.80 lakhs) was being implemented by the TWAD Board in consultation with the King Institute, Guindy and the Public Health Engineering Department of the College of Engineering, Guindy. The TWAD Board had so far collected and analysed samples only twice. The final report of the pilot studies conducted due in April 1980 is awaited (October 1980).

4.8.7. *Yield test.*—The yield test for the bore wells was being conducted only from 1977-78. The test was done only after drilling the bore wells and not at periodical intervals subsequently. The TWAD Board stated (November 1980) that available supply would be utilised by the local bodies and it was not possible to make periodical tests in the case of large number of hand pumps under the control of the TWAD Board. In 82 out of 1,404 bore wells sunk during 1977-78 to 1979-80

in six districts, the yield was less than 2 gallons per minute per well which was the minimum essential for satisfactory working of a hand pump. Information was also not available with the TWAD Board regarding the number of wells which had gone dry in each summer.

4.8.8. *Technical sanction and Completion reports.*—(a) 9,203 works taken up in 9 divisions in the period 1974—75 to 1979—80, 5,343 had been executed without technically sanctioned estimates.

(b) Accounts of 14,222 works completed in 12 districts in the period 1974—75 to 1979—80 had not been closed (July 1980). This was mainly due to incomplete initial records in the divisions and Works Registers not being posted as Works Abstracts were not maintained. The actual cost of completed works and value of materials issued to works, but not used, could not be ascertained.

4.8.9. *Operation and maintenance*

(a) *Hand pumps*—Under Section 63 of the Tamil Nadu Panchayats Act, 1958 the Panchayats are to provide and maintain the water supply works, within the limits of their funds. Government entrusted (August 1976) the maintenance of hand pumps to the TWAD Board, as the pumps were not maintained satisfactorily by the local bodies. A three tier system was evolved which envisaged:—

(i) a village level caretaker responsible to keep the installation trouble free and report failures;

(ii) a block level mechanic with some tools for every 100 pumps to enable him to attend to repairs in the top-head mechanism; and

(iii) a mobile maintenance team with an Assistant Engineer, a fitter, and a helper for every 1,000 hand pumps to attend to other repairs.

A pick up van was also provided for each team. Out of 41,800 hand pumps in the State including about 25,000 shallow bore wells in deltaic areas, the TWAD Board had taken over 22,050 hand pumps in all the districts including 3,980 shallow bore wells of more than 50 feet depth in three districts. No information was available whether the remaining 19,750 pumps were working and/or were maintained by any agency.

Two hundred and forty five fitters had been appointed. Seventeen mobile teams had been formed for the entire State as against 22 as per norms and provided with vans. In two districts, caretakers had not been selected for 523 hand pumps.

As per the details furnished by the field officers in 12 districts, as on 31st March 1980, 960 hand pumps were under repair including 15 for over one year. Alternative arrangements were not made during the periods the pumps were under repair.

There were wide variations in the figures of the number of pumps under repair as reported by the field officers to the Chief Engineer of the TWAD Board monthly, and the number furnished by the panchayat union councils to the Collectors. Two sets of figures in respect of one district for which details are available are furnished below :—

	<i>As per division figures</i>	<i>As per Collector's figures</i>
Number of hand pumps under repair as at the end of February 1980	83	383

The specific reasons for the differences are to be analysed by the TWAD Board.

(b) *Power Pumps*.—As in March 1980, there were 10,570 power pumps in the State. In January 1978, Government ordered that maintenance of power pumps might be taken over by the TWAD Board from 1st April 1978 as an experimental measure in three districts. As per details furnished by the TWAD Board, out of 2,992 pumps in the three districts, the TWAD Board took over 2,784 pumps from the local bodies, of which 871 pumps (31 per cent) were under repair and 208 pumps were not taken over as parts of pumpsets were reported to be missing.

The orders of Government stipulated recovery by the TWAD Board of annual charges for ordinary maintenance at fixed rates of Rs. 200, Rs. 500 and Rs. 1,000 per annum for centrifugal, jet and submersible pumpsets respectively, and the actual cost of major repairs from the panchayat union councils. Rupees 15.41 lakhs due for recovery for the year 1978—79 from the panchayat union councils in three districts had not been recovered (November 1980). The amount due for 1979—80 had not been worked out by the TWAD Board (July 1980).

The scheme was extended to other districts with effect from 1st January 1980. Out of 6,336 power pumps in 8 of the remaining districts, 3,700 pumps had been taken over of which 855 pumps were under repair (June 1980).

Substitute pumpsets for the pumps taken out for repairs were not provided by the TWAD Board during the breakdown periods.

(c) *Comprehensive Water Supply Schemes.*—Comprehensive water supply schemes covering two or more habitations were taken up from 1976 by the TWAD Board with water source at a distance, in areas where the ground water was not potable due to salinity or other reasons. According to the policy of Government, the completed schemes are to be handed over to the local bodies for maintenance. Thirty six schemes had been completed in the period 1977 to 1980. While 25 schemes costing less than Rs. 2 lakhs had been handed over to the panchayat unions for maintenance, only 4 of the 11 schemes costing more than Rs. 2 lakhs each had been handed over to the panchayat unions concerned for maintenance. Forty eight schemes costing more than Rs. 2 lakhs each (total cost:Rs. 11,20.40 lakhs) were under progress in February 1979. The TWAD Board suggested to Government in February 1979 that the schemes costing more than Rs. 2 lakhs each be entrusted to the TWAD Board for operation and maintenance, in view of the expertise available with the TWAD Board for day to day operation and maintenance of the schemes. Funds required for the purpose including centage, were required to be placed at the disposal of the TWAD Board in advance, the charges being recovered from Government grants payable to local bodies. Orders of Government were awaited (November 1980).

4.8.10. *Recovery of contribution from panchayat union councils.*—(a) With a view to augmenting the finances of the TWAD Board for execution of Rural Water Supply Programme, Government introduced (July 1977) with effect from 1st April 1977 a scheme to collect contributions from panchayats and panchayat union councils for works in scarcity and endemic areas, and prescribed a sliding scale of contribution varying from 20 to 50 per cent according to the financial status of the panchayat union councils. Government clarified in April 1978 that the works could be taken up by the TWAD Board in anticipation of contribution from panchayat union councils. The amounts were recoverable by the TWAD Board in instalments not exceeding three. The total amount of contributions due at the end of March 1979 tentatively worked out to Rs. 5,99.22 lakhs.

(b) According to the orders issued by Government in August 1976, the full cost of maintenance was to be initially met by the TWAD Board and subsidised by Government, the percentage of subsidy varying from 25 to 90 of the cost, according to the financial status of the panchayat

union councils. The remaining cost was to be met by the panchayat union councils. The subsidy was payable by Government to the TWAD Board after check of the statements of expenditure furnished by the TWAD Board to the Director of Rural Development.

As the procedure for the recovery of the share of cost from the panchayat union councils had not been decided, no recovery had been effected from them. The TWAD Board had also not raised demands against them. Pending check by Directorate of Rural Development of the panchayat union-wise statement of expenditure furnished by the TWAD Board, Government released advance subsidy to the TWAD Board every year. Advance subsidy of Rs. 41.40 lakhs and Rs. 37.73 lakhs was released by Government to end of 1978-79 and for 1979-80 respectively. To end of March 1979, the TWAD Board had incurred an expenditure of Rs. 84.26 lakhs of which Rs. 32.13 lakhs was the share of panchayat union councils and remained to be recovered from them. The share due from the panchayat union councils in respect of 1979-80 is yet to be worked out (November 1980).

4.8.11. *Performance of rigs.*—The TWAD Board had 65 drilling rigs (16 rigs gifted by UNICEF; cost of 49 rigs : Rs. 2,56.96 lakhs). The rigs were expected to work 240 days in a year at the rate of 8 hours per day. From the particulars collected from 9 divisions, the percentage of non-utilisation varied from 60 to 72 during the three years 1977 to 1980.

<i>Year</i>	<i>Number of rigs</i>	<i>Total number of days as per the norms.*</i>	<i>Number of days worked</i>	<i>Percentage of non-utilisation§</i>
(1)	(2)	(3)	(4)	(5)
1977	23	3,579	1,479	60
1978	29	4,390	1,485	66
1979	34	5,956	1,893	68
1980 (up to March)	22	1,240	343	72

*In respect of rigs which worked for part of a year in a division, the days have been computed proportionately.

§ Details regarding break-up of the non-utilisation period into days when the machinery were under repair and the remaining days when the machinery were not used due to lack of work are awaited (November 1980).

The return prescribed for the performance of rigs was not received or insisted from the divisions regularly and no review of the performance of drilling rigs was made by the Chief Engineer. The TWAD Board stated (November 1980) that the present organisational set up for control and supervision of rigs was under review to streamline the functional and operational efficiency of rigs.

In 7 divisions test checked, the TWAD Board had engaged private rigs for sinking of bore wells at a cost of Rs. 70.54 lakhs during the period 1977—78 to 1979—80 mainly because the TWAD Board's rigs were not available. The specific reasons for resorting to private rigs when departmental rigs were available have to be analysed by the TWAD Board.

4.8.12. *Delay in recovery of advance paid.*—Two firms were engaged in April 1976 to drill bore wells in Salem District without entering into an agreement. The work commenced in May 1976 and was completed in August 1976. A sum of Rs. 6.33 lakhs was paid as advance to the two firms between July 1975 and September 1976. The value of the work done amounted to Rs. 4.64 lakhs. The balance of Rs. 1.69 lakhs remained to be recovered. In the absence of specific written agreement and terms and conditions governing the mode of payment, the final bill (claim preferred in January 1977) had not been settled by the Divisional Officer (October 1980).

4.8.13. *Summing up.*—(i) The evaluation of the scheme made in 1976 indicated several shortcomings in preliminary survey, detailed investigation, co-ordination among agencies and coverage. Fresh survey conducted in 1976 on scientific classification of problem areas was also defective in that 3,014 changes and 637 additions were made to the lists. Status books were not updated with reference to the completed works.

(ii) Physical targets for covering 5,420 type I and II habitations were not achieved even by 31st March 1980. 2,033 habitations (37.5 per cent) remained to be covered.

(iii) There was considerable delay in bringing the schemes to beneficial use due to various reasons like not fixing hand and power pumps, not constructing overhead tanks and not energising pumpsets. Out of 129 comprehensive water supply schemes taken up for execution during 1976-77 to 1979-80, 79 schemes were pending completion for more than one year. Nine schemes (expenditure : Rs. 1,76.32 lakhs) were held up due to public objections with no prospect of early resumption of work.

(iv) Till 1976—77, there was no analysis of water samples from the bore wells. Chemical analysis of water was started only from 1977. Bacteriological analysis is yet to be taken up (November 1980).

(v) About 20,000 hand pumps had not been taken over by the TWAD Board for maintenance. No information was available as to the condition of these pumps.

(vi) Rupees 5,99.22 lakhs and Rs. 32.13 lakhs being the panchayat union share of contribution for works undertaken by the TWAD Board and for maintenance respectively up to March 1979 were pending recovery (November 1980).

(vii) The rigs in possession of the TWAD Board were heavily underutilised, the percentage ranging from 60 to 72 during 1977 to 1980. Private rigs were hired at a cost of Rs. 70.54 lakhs during this period.

4.9. Thuraiyur Water Supply Scheme

4.9.1. The existing piped water supply scheme in Thuraiyur Municipality (Tiruchirappalli District) was executed in 1961 by the Public Health Engineering Department with Kasiikulam tank (within town limits) as the source. The scheme (cost : Rs. 1.83 lakhs) was designed for a supply of 4.05 lakh litres of water per day through public fountains. As the water level in the tank was going down, the Tamil Nadu Water Supply and Drainage Board formulated (August 1971) a comprehensive scheme for the supply of 28 lakh litres of water per day at a cost of Rs. 56.90 lakhs. Under the scheme, water was to be tapped from the Ayyar river near Pulianchelai village 28 km. away from the town at a point above the waterspread area of a reservoir proposed to be constructed by the Public Works Department. Government sanctioned (February 1972) stage I of the scheme consisting of treatment works, clear water main and distribution system (5 km out of a total of 15 km) for part of the town at a cost of Rs. 39 lakhs.

The cost of the scheme was to be met by the Municipality by obtaining loans from Life Insurance Corporation of India and State Government.

4.9.2. The following points were noticed in audit in implementation of the scheme :—

(i) The headworks, without which the scheme could not function were not included in stage I taken up for execution. The reservoir across the Ayyar river has not yet been sanctioned by Government. By January 1976, the entire distribution system and the two service reser-

voirs were completed though the sanction covered only part of the distribution system.

(ii) Prior concurrence of Public Works Department was not obtained for tapping the water from the Ayyar river before sanctioning the scheme or before commencing the work in January 1973. During execution, it was found that the flow in the river was not sufficient. As against 1.4 cusecs of water required for the scheme, the flow during 1975 was 0 to 0.3 cusecs for two months and less than 1.4 cusecs for four months. The local agriculturists also objected to the scheme. The Chief Engineer (Irrigation) whose concurrence was sought (July 1976) by the Chief Engineer, Tamil Nadu Water Supply and Drainage Board for tapping the water for the scheme expressed (May 1977) the view that the scheme will result in the diversion of the entire lean flow from February to June which would be detrimental to existing irrigation and riparian rights. Alternative schemes were expected to cost Rs. 80 to Rs. 100 lakhs and could not be proceeded with.

Meanwhile, as temporary source of water, the Municipality put up (1974—75) four bore wells with pumping arrangements to tide over the water scarcity due to drought conditions at a cost of Rs. 1.58 lakhs. One more bore well was put up (July 1975) by the Board under Rural Water Supply Scheme. Besides, the Board made temporary arrangements to augment the supply by replacing existing pumpsets in the bore wells by higher duty pumpsets, laying conveying main from bore wells to the service reservoirs and putting up three more bore wells. These arrangements expected to increase the supply from 5.6 to 11.25 lakh litres per day were completed in January 1978 at a cost of Rs. 1.91 lakhs. The total expenditure on the scheme amounted to Rs. 12.79 lakhs (October 1980). The yield achieved ranged from 5.50 lakh litres per day to 9.55 lakh litres per day during 1979. While the Board decided (June 1978) to treat the scheme as completed "for the present" the Municipality did not agree to take over the scheme and insisted on completion of the scheme as per original proposals; the Board continues to maintain (August 1980) the distribution system and service reservoir (estimated cost of maintenance : Rs. 0.10 lakh per annum).

Out of the two service reservoirs and distribution system put up under the comprehensive scheme at a cost of Rs. 8.94 lakhs, only one reservoir and part of the distribution system are in use (August 1980).

(iii) The Chief Water Analyst to Government observed (December 1979) that the water from the bore wells was very hard, mineralised and not suitable for human consumption as protected water; the sites of the sources did not also satisfy the normal public health requirements. It was noticed in audit that the unsuitability of the water was known to the Board even before taking up the temporary arrangements.

(iv) Between 1971—72 and 1975—76 the Municipality obtained a loan of R. 35.50 lakhs from Life Insurance Corporation (Rs. 29.67 lakhs) and Government (Rs. 5.83 lakhs) and deposited the amount with the Board. Due to the foreclosure of the scheme in the absence of alternative source of water, the Board refunded Rs. 22.53 lakhs to Life Insurance Corporation (Rs. 21.01 lakhs) and Government (Rs. 1.52 lakhs) in May 1979 and October 1979 respectively. The interest of Rs. 6.93 lakhs on the unutilised portion of the loan was borne by the Board.

Due to defective investigation of the source of water and the failure to consult Public Works Department, the scheme sanctioned with a view to supply of 28 lakh litres of water per day to the residents of the town has succeeded in the supply of 9.55 lakh litres of water only per day through temporary arrangements for water source and the water supplied is unfit for human consumption. The facilities of service reservoir and distribution system set up at a cost of Rs. 8.94 lakhs remain largely unproductive and the scheme had to be given up mid-way after incurring an expenditure of Rs. 12.79 lakhs.

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

4.10. Kallakurichi Water Supply Scheme

In July 1968, Government sanctioned a scheme for water supply from the river Gomuki to Kallakurichi Town Panchayat at a cost of Rs. 9.99 lakhs. The scheme was based on investigation carried out by the Public Health Engineering Department during 1961—62 and envisaged the supply of 4 lakh gallons per day. Under the scheme, the water was to be abstracted from the sandy aquifer zone in the river by constructing an infiltration well, a manhole well and a gallery and pumped over a distance of 1.5 km. to the service reservoir in the town for further distribution.

The scheme was to be financed by loans from Life Insurance Corporation and Government and executed by the department (Tamil Nadu Water Supply and Drainage Board from April 1971) as a deposit work on behalf of the Panchayat.

The work was commenced in 1969 and pilot water supply given in July 1971. The work was completed in January 1974 at a cost of Rs. 11.15 lakhs. The yield obtained did not exceed 1.55 lakh gallons per day by 1976 against the target of 4 lakh gallons per day, despite sinking an additional infiltration well (1974) and deepening it further (1976). The shortfall in yield was attributed (January 1978) by the Chief Engineer, Tamil Nadu Water Supply and Drainage Board to (i) regulation of flow in the Gomuki river from the dam constructed on the upstream side of the head works in 1966 and (ii) inadequate rainfall. The Gomuki dam had been completed even before work on the Killakurichi scheme commenced and the department should have taken into account the effect of the operation of the dam on the yield of water available for the scheme. The reasons for not doing so are not stated by the department (November 1980).

An alternative scheme to augment the supply with river Manimuthar as source was estimated (July 1979) to cost Rs. 31.40 lakhs. This did not meet with approval from the Panchayat which has taken steps (May 1980) to sink a well in Peria Eri, an irrigation tank.

The infiltration gallery (cost : Rs. 1.04 lakhs) and one of the wells (cost: Rs. 0.15 lakh) were damaged during the floods in November 1977 and have not functioned thereafter (November 1980).

The scheme completed in 1974 at a cost of Rs. 11.15 lakhs is thus unable to meet more than 7.5 per cent of the targeted water supply.

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

CHAPTER V

STORES AND STOCK

5. Synopsis of stores and stock accounts

(i) A synopsis of the important stores and stock accounts for 1979-80 (other than those relating to Government commercial and quasi-commercial departments/undertaking, etc.) to the extent received is given below:—

A. WORKS DEPARTMENT

<i>Department and stores</i>	<i>Balance on 1st April 1979</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance on 31st March 1980</i>
(1)	(2)	(3)	(4)	(5)
	(in lakhs of rupees)			
1. GENERAL—				
Building materials	3.26	33.37	25.44	11.19
Metal	0.12	..	..	0.12
Fuel	0.14	..	..	0.14
Miscellaneous stores ..	18.23	-0.01	0.11	18.11
2. IRRIGATION—				
Building materials ..	17.83	55.62	44.54	28.91
Metal	74.63	9.28	4.64	79.27
Fuel	-2.14	4.07	3.89	-1.96(a)
Miscellaneous stores ..	1,28.80	7.14	29.13	1,06.81
3. HIGHWAYS AND RURAL WORKS—				
Miscellaneous stores ..	1,28.54	1,16.77	1,24.77	1,20.54
4. PARAMBIKULAM ALIYAR PROJECT—				
Building materials	-0.01	6.77	6.76	..
Metal	-5.54	-0.16	1.86	-7.56(a)
Fuel	-0.27	0.63	0.61	-0.25(a)
Miscellaneous stores ..	10.62	-0.47	6.02	4.13

(a) Minus balance is due to non-adjustment during 1979-80 of the difference in book value consequent on the upward revision of issue rates during the year.

<i>Department and stores</i>	<i>Balance on 1st April 1979</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance on 31st March 1980</i>
(1)	(2)	(3)	(4)	(5)
	(in lakhs of rupees)			
5. PERIYAR IMPROVEMENT SCHEME—				
Building materials	39.80	85.17	96.71	28.26
Metal	0.60	16.65	0.98	16.27
Fuel	0.10	2.97	2.94	0.13
Miscellaneous stores ..	3.48	13.19	5.02	11.65
6. GROUND WATER DIVISION—				
Building materials	0.01	..	..	0.01
Fuel	0.13	..	0.13	..
Miscellaneous stores ..	6.97	19.16	19.63	6.50
7. INDUSTRIES—				
Building materials	2.13	2.73	2.38	2.48
Metal	-1.25	2.83	2.57	-0.99(a)
Miscellaneous stores ..	7.73	0.18	2.64	5.27

(ii) Under the rules, divisions are required to conduct a special review of balances of stock and other suspense accounts every year early in March and forward to Audit by the end of May an annual certificate of balance. These certificates have not been received (October 1980) from one out of 189 divisions for 1978—79 and 95 out of 217 divisions for 1979—80.

PUBLIC WORKS DEPARTMENT

(iii) *Purchase of pumpsets.*—Between March 1979 and April 1980, 71 one horse power pumpsets and 29 deepwell jet and centrifugal pumpsets with motors of different horse power were purchased by the Executive Engineer, Buildings Division II, Madras for use in 31 cyclone shelters and in other building works at a total cost of Rs. 5.68 lakhs. The pump sets were purchased from six dealers on various dates on the basis of 62 limited tenders. The rates paid were 102.24 to 257.14 per cent higher than the prevailing market rates as reported (April 1980) by the Superintending Engineer,

(a) Minus balance is due to non-adjustment during 1979—80 of the difference in book value consequent on the upward revision of issue rates during the year.

Special Building Circle, Madras and the rates for similar pumpsets purchased by the Electrical Engineer, Public Works Department, resulting in an avoidable extra expenditure of about Rs. 3.21 lakhs to Government.

It was noticed (February 1980) in audit that open tenders were not called for in this case as required under the rules in respect of purchases of stores in excess of Rs. 10,000 in value. Even the limited tenders called for by the Executive Engineer were restricted to dealers and no offer was sought from any manufacturer despite the magnitude of the purchase.

The Executive Engineer concerned has been placed (April 1980) under suspension by the State Government.

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

TRANSPORT DEPARTMENT

(iv) *Drawal of funds in advance of requirements and locking up of funds in bitumen purchase.*—The normal procedure for procurement of bitumen by the Highways and Rural Works Divisions is to indent on the petroleum companies on rate contract entered into by the Director General of Supplies and Disposals (DGS and D). Payments for bitumen received are to be made by the Pay and Accounts Officer, Ministry of Works (Government of India) and adjusted in the accounts of the divisions through the Accountant General.

In March 1978, two rural roads divisions paid Rs. 9.24 lakhs as advance payments to two Oil Companies for 840 tonnes of bitumen outside the DGS and D rate contract, but under the same terms. The drawal of funds in advance of requirements was in violation of the financial rules and the prescribed procedure of obtaining the supplies through the DGS and D rate contracts. Even though no supply was made against the advance payment, further advance payment of Rs. 30.44 lakhs was made in March 1979 by five divisions (including the two divisions which made the payment in March 1978) for supply of 2,851 tonnes of bitumen. Till July 1980, the Oil Companies had supplied only 998 tonnes of bitumen (value : Rs. 11.11 lakhs). Advances of Rs. 5.65 lakhs paid in March 1978 and Rs. 22.92 lakhs paid in March 1979 were outstanding.

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

B. CIVIL DEPARTMENTS

<i>Department and stores</i>	<i>Balance on 1st April 1979</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance on 31st March 1980</i>
(1)	(2)	(3)	(4)	(5)
	(in lakhs of rupees)			
8. REVENUE—				
Madras Taluk Treasury and other depots—				
Stamps	1,07,77.25(b)	21,66.86	51,79.62	77,64.49
9. AGRICULTURE—				
Seeds and plants	2,49.01	9,00.61	8,66.36	2,83.26
Manures	13.36	37.17	41.10	9.43
Chemicals	1,80.60	6,24.05	6,16.55	1,88.10
Cattle feed	0.69	2.86	2.74	0.81
Miscellaneous	1,25.98	96.21	1,13.64	1,08.55
10. HEALTH AND FAMILY WELFARE—				
Employees' State Insurance Dispensaries—				
Medicines, drugs and dressings	1,06.79	3,91.23	3,67.46	1,30.56
Miscellaneous stores .. (diet articles, etc.)	5.47	21.42	19.97	6.92
11. POLICE—				
Clothing and equipment ..	68.74 (c)	81.53	75.41	74.86
Arms and ammunitions ..	1,20.26	6.16	8.07	1,18.35
Miscellaneous	1,90.98	94.17	77.86	2,07.29
12. PUBLIC (INFORMATION AND PUBLIC RELATIONS)—				
Tamil Nadu Films Division (Production Wing)—				
Raw materials	3.82	10.76	11.93	2.65
Secretariat—				
Photographic materials ..	0.05(c)	0.48	0.44	0.09
Press stores	4.55	13.47	11.78	6.24

(b) Differs from the closing balance shown in the Report for the year 1978-79 due to adoption of correct figures after check.

(c) Differs from the closing balance shown in the Report for the year 1978-79 due to rectification of an error by the department.

<i>Department and stores</i>	<i>Balance on 1st April 1979</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance on 31st March 1980</i>
(1)	(2)	(3)	(4)	(5)
	(in lakhs of rupees)			
13. DIRECTOR OF CORRECTIONAL ADMINISTRATION—				
Ration articles	1.23	32.10	32.25	1.08
Clothing and bedding ..	1.11	3.15	3.32	0.94
Medicines	0.36	0.64	0.58	0.42
Manufactory—				
Raw materials	2.22	3.47	3.63	2.06
Manufactured articles ..	1.08	4.37	4.21	1.24
14. GOVERNMENT PRESS—				
Paper	25.80	2,66.19	2,67.40	24.59
	(d)			
Binding materials and consumable stores	13.27	31.98	25.13	20.12
	(c)			
15. STATIONERY OFFICE—				
Stationery stores, etc. ..	77.27	4,65.85	4,01.88	1,41.24
16. JAILS—				
Maintenance—				
Ration articles	5.09	2,08.44	2,06.89	6.64
Medicines	4.24	9.03	7.97	5.30
Clothing and bedding ..	4.03	8.02	5.61	6.44
Manufactory—				
Raw materials	23.16	93.37	81.43	35.10
	(e)			
Manufactured articles ..	16.87	1,46.29	1,43.87	12.29
	(e)			

(c) Differs from the closing balance shown in the Report for the year 1978-79 due to rectification of an error by the department.

(d) Differs from the closing balance shown in the Report for the year 1978-79 due to inclusion of paper valued at Rs. 0.33 lakh issued to other departments.

(e) Differs from the closing balance shown in the Report for the year 1978-79 due to revision of figures by the department, pending reconciliation.

The annual stores accounts have not been received (October 1980) from the following departments :—

1. Agriculture (Animal Husbandry).
2. Health and Family Welfare (Medical Education, Director of Public Health and Preventive Medicine, Director of Indian Medicine and other Medical Institutions).
3. Forests and Fisheries (Forests).
4. Revenue [Madras Stamp Office (Stamps) and Madras Taluk Treasury and other depots (opium)].

The stores accounts of Director of Public Health and Preventive Medicine have not yet been received (September 1980) for 1977—78 and 1978—79 also. There was a delay of over five months in the receipt of stores accounts for 1978—79 of Agriculture Department (other than Animal Husbandry) and Employees' State Insurance Dispensaries.

CHAPTER VI
FINANCIAL ASSISTANCE TO LOCAL BODIES
AND OTHERS

6.1. General

This chapter deals with,

- (i) results of audit of bodies and authorities substantially financed by grants and/or loans;
- (ii) scrutiny of procedure for watching fulfilment of conditions governing grants or loans paid for a specific purpose;
- (iii) results of audit of accounts of statutory boards;
- (iv) financial assistance to Co-operative Societies; and
- (v) other important points noticed in connection with the sanction of grants/loans.

6.2. Grants

In 1979-80, Rs. 2,45.35 crores were paid as grants to statutory bodies (like Universities, Khadi and Village Industries Board, Municipalities and Panchayat Unions) and other institutions including Co-operative Societies. An analysis of the grants paid is given below :—

(1)	<i>Grants to Statutory bodies</i> (2)	<i>Grants to other institutions</i> (3)
	(in crores of rupees)	
Agriculture, Fisheries and Animal Husbandry ..	6.02	4.55
Co-operation	7.13	..
Education	78.67	59.66
Health and Family Welfare	4.63	0.86
Housing and Urban Development	8.75	..
Industries	0.21	7.46
Medical	0.75	0.38
Public Works	31.23	..
Rural Development and Local Administration	21.46	..
Others	7.81	5.78
Total	1,66.66	78.69

Some of the important irregularities in utilisation of grants noticed by the Examiner of Local Fund Accounts for the year 1978-79 are given below:—

<i>Nature of irregularities</i>	<i>Number of cases</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
(i) Inadmissible grants	179	15.48
(ii) Grants unutilised	209	24.83
(iii) Grants overdrawn	540	2,52.50
(iv) Amounts held under observation for want of details of expenditure and non-production of records	179	46.55

Out of Rs. 5,69.33 lakhs ordered (to end of March 1980) for summary recovery by the Examiner of Local Fund Accounts in respect of irregularities noticed by him for the period up to 1976-77 in the audit of accounts of municipal councils, town panchayats and panchayat union councils, Rs. 5,05.79 lakhs were recovered or settled, leaving a balance of Rs. 63.54 lakhs outstanding as on 31st March 1980.

6.3. Utilisation certificates

Under the financial rules, in all cases in which conditions are attached to grants, utilisation certificates that the grants have been utilised for the purpose for which they were paid are required to be furnished by the departmental officers to the Accountant General within a reasonable time.

At the end of September 1980, 102 certificates for Rs. 8,95.53 lakhs were awaited for grants paid up to 30th September 1978. Department-wise and year-wise details of certificates outstanding on 30th September 1980 are given in Appendix XIII.

Utilisation certificates have not been received although considerable time has passed after the grants were paid. In the absence of certificates, it is not possible to state even in a broad way that the recipients spent the grants for the purpose or purposes for which these were given.

SECTION I

6.4. Bodies and authorities substantially financed by Government grants and loans

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, receipts and expenditure of bodies and authorities substantially financed by grants or loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General.

For this purpose, a body/authority is deemed to be substantially financed if the aggregate grant or loan to it in a financial year is not less than Rs. 5 lakhs and the amount of such grant or loan is not less than 75 per cent of the total expenditure of that body/authority. The table below indicates the number of bodies/authorities which received grants/loans of not less than Rs. 5 lakhs and from whom the accounts were not received (November 1980) to determine the applicability of Section 14.

Year	<i>Number of bodies/ authorities which received grants / loans of not less than Rs. 5 lakhs in a year</i>	<i>Number of bodies/ authorities from which accounts are due</i>
(1)	(2)	(3)
1975—76	414	1
1976—77	461	8
1977—78	486*	11
1978—79	330*	94

Non-receipt of annual accounts was reported to Government in the concerned departments (September 1980).

Important points noticed during audit under Section 14 are given in the succeeding paragraphs.

* Differs from the figures shown in the Audit Report for 1978-79 due to belated receipt of details from the departments.

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

6.5 Assistance to panchayat unions

There are 374 panchayat unions in the State. Of the panchayat unions liable to be audited under Section 14, local audit conducted during 1979-80 covered the accounts of the following panchayat unions and years of account:—

<i>Year of account</i>	<i>Number of panchayat unions audited</i>
(1)	(2)
1974—75	12
1975—76	21
1976—77	80
1977—78	73
1978—79	44

A. REVENUE

(i) *Loss of revenue due to non-collection of local cess and local cess surcharge*—According to the Tamil Nadu Minor Mineral Concession Rules, 1959, public auction of quarrying rights is to be conducted by the tahsildar having jurisdiction over the area and the lease amount realised is payable to the panchayat union council. Local cess at the rate prescribed by Government and local cess surcharge at the rates prescribed by the panchayat union council are to be levied on the lease amount and paid to the panchayat union. A matching grant on the local cess surcharge is also payable by Government to the panchayat union.

During local audit of the accounts of the Panchayat Union Council, Rajakkamangalam, it was noticed (May 1980) that the public auction of the stone quarry measuring about 2.18 acres at Vadaseri Village, under the jurisdiction of the panchayat union, for the years 1972-73 to 1979-80 was not conducted by the tahsildar, but by the Commissioner of the Panchayat Union himself. The Union recovered only the lease amount payable by the contractor and did not collect the local cess and local cess surcharge on the lease amount. This resulted in a loss of revenue of Rs. 1.22 lakhs to the Panchayat Union during the

years 1972-73 to 1979-80. As local cess and local cess surcharge were not collected, the Panchayat Union had also to forgo an amount of Rs. 1.91 lakhs by way of local cess surcharge matching grant payable by Government.

(ii) *Quarry receipts not realised from the Revenue Department.*— The Tamil Nadu Minor Mineral Concession Rules, 1959, as amended in 1963, provide for credit being afforded to panchayat union funds, of proceeds from issue of permits and by sale of lease rights for quarrying of ordinary sand, ordinary clay, building stones and gravel from Government lands. The leasing is done by the Revenue Department and sale proceeds credited to panchayat unions.

During audit conducted between May 1979 and July 1980, it was noticed that lease amounts totalling Rs. 1.91 lakhs relating to fasli years 1379 to 1389 (July 1969 to June 1980) collected by the Revenue Department from quarries lying within the jurisdiction of ten panchayat unions were yet (August 1980) to be credited to the panchayat union funds.

(iii) *Loss of revenue due to omission to auction ferry rights.*— Under the Tamil Nadu Panchayats Act, 1958, the control over all water courses within the panchayat union limits vests with the Union and the income from the ferries shall be credited to the general funds of the union. For this purpose, the ferries should be notified as “public ferries” and their management should be assigned to the panchayat union under the provisions of the Tamil Nadu Canals and Public Ferries Act, 1890.

Two ferries plying in the area abutting the Cauvery river near Hogenakkal, one at Kothikal and the other at Mamarathukkadavu, were handed over by the erstwhile Salem District Board to the Pennagaram Panchayat Union on 13th April 1961. Until April/June 1978, no action was taken by the Panchayat Union to get these ferries notified by Government and have their management assigned to them. The ferries were finally notified as “public ferries” only in May 1979.

The ferry rights were auctioned for the first time by the Panchayat Union for the year 1979-80 for a sum of Rs. 14,331. Failure to take timely action to get the ferries notified and to have their management vested in the Union resulted in an estimated loss of revenue of about Rs. 1.12 lakhs to the Union for the period from 1971-72 to 1978-79.

(iv) *Loss in the lease of tolls.*—Government ordered (May 1970) that the right to collect the tolls in respect of bridges should be leased to panchayat unions and the lease amounts fixed for a three year period with reference to the amounts realised during the previous three year lease period. The panchayat unions are to sell the right by public auction.

The amount payable by the Panchayat Union, Kandamangalam to Government towards the right to collect the tolls in respect of a bridge at Vikravandi Lower Anicut Road for the year 1977-78 was fixed at Rs. 2.48 lakhs being the average of collections for the previous block of three years.

The Panchayat Union did not auction the right to collect the tolls for 1977-78 but gave it to the lessee holding that right for 1976-77. The amount specified for 1977-78 was Rs. 1.98 lakhs only against Rs. 2.63 lakhs for the previous year. The Union paid to Government a lease amount of only Rs. 1.69 lakhs. The request of the panchayat union for payment of Rs. 1.69 lakhs as the lease amount for 1977-78 was turned down by Government (May 1978) with directions (i) to pay the balance of Rs. 0.79 lakh to Government and (ii) to suitably revise the agreement and to collect Rs. 0.50 lakh from the sub-lessee to bring up the amount of lease to Rs. 2.48 lakhs fixed by Government.

The Panchayat Union is yet (May 1980) to take action to realise Rs. 0.50 lakh from the sub-lessee and to remit the balance of Rs. 0.79 lakh to Government.

In the context of leasing the right for 1977-78 without auction for Rs. 1.98 lakhs it may be mentioned that the lease amounts secured by the Panchayat Union by public auction showed an increasing trend from Rs. 2.29 lakhs in 1974-75 to Rs. 2.51 lakhs in 1975-76 and Rs. 2.63 lakhs in 1976-77. The right to collect tolls during 1978-79 was auctioned to the same sub-lessee for Rs. 2.71 lakhs.

(v) *Non-recovery of contribution from temples towards provision of sanitary arrangements.*—Under the Tamil Nadu Panchayats Act, 1958, during festivals in temples notified by Government, the concerned panchayat union has to provide facilities for (i) prevention of epidemics; (ii) prevention of food adulteration; (iii) protected water supply; (iv) lighting; (v) accommodation and (vi) public convenience, conservancy, etc. The temple authorities are to pay contribution at

rates to be fixed by the Collector (which could be up to a maximum of 50 per cent of the net expenditure after deducting the income derived by the panchayat union and attributed to the festival).

A test check of the accounts of the Panchayat Union, Ellapuram (November 1975) showed that the Panchayat Union had been incurring expenditure from 1968-69 on sanitary arrangements during the festivals of the local temple but the rate of contribution due from the temple had not been fixed by the Collector, Chingleput. This had been pointed out to the department in December 1975. Nevertheless, the subsequent audit in March 1980 showed that the rate of contribution was yet to be fixed by the Collector. The Panchayat Union, Ellapuram had incurred a net expenditure of Rs. 1.25 lakhs from 1968-69 to 1979-80; the contribution recoverable from the temple authorities based on the maximum rate of 50 per cent of the net expenditure works out to Rs. 0.63 lakh.

(vi) *Market rent not realised.*—Under the Tamil Nadu Panchayats Act, 1958, the panchayat union councils are empowered to collect rent from stalls located in public markets. The rental dues have to be collected in time—at any rate before the expiry of the lease period. In three panchayat unions, an amount of Rs. 0.63 lakh is pending collection (August 1980) even after the expiry of the period of lease as shown below :—

Name of panchayat union council	Period	Amount pending realisation
(1)	(2)	(3)
		(in rupees)
1. Usilampatti	1967—68	20,685
	to	
	1978—79	
2. Krishnarayapuram	1966—67	41,473
	to	
	1978—79	
3. Manapparai	1967—68	605
	to	
	1975—76	
		<hr/> 62,763 <hr/>

B. VILLAGE WORKS GRANTS

(i) *Delay in completion of works.*—In eight panchayat unions, six link roads, seven school buildings and three open wells taken up under village works programme between 1972-73 and 1977-78 remained incomplete (August 1980) *vide* details in Appendix XIV. These works were to have been completed within three to six months from the date of their commencement. The delay was generally due to default by the contractors but the panchayat unions did not enforce the penal provisions of the contract for which reasons are awaited. The expenditure incurred on these works (Rs. 2.68 lakhs) has thus not been of any benefit to the community.

(ii) *Non-commissioning of ground level reservoirs and overhead tanks.*—Under the rural water supply scheme of the "Village Works Programme", construction of ground level reservoirs and overhead tanks is undertaken by panchayat unions with Government assistance. In thirteen panchayat unions, seven ground level reservoirs constructed at a cost of Rs. 0.86 lakh and eleven overhead tanks constructed at a cost of Rs. 1.99 lakhs had not been commissioned and put to beneficial use for want of electric supply. In nine of these cases, civil works had been completed between January 1977 and September 1979 (*vide* details in Appendices XV and XVI) and in one case in January 1974. The extent of delay in commissioning these tanks thus ranged from eleven months to six years.

C. ELEMENTARY EDUCATION

Women teachers' quarters lying vacant.—Mention was made in paragraph 6.5. C of the Report of the Comptroller and Auditor General of India for the year 1978-79 of the quarters for women teachers remaining unoccupied for a long time. Test check of accounts of panchayat unions during 1979-80 disclosed that in six other panchayat unions, nineteen quarters constructed at a cost of Rs. 1.48 lakhs remained unoccupied for periods ranging from two to sixteen years from the date of completion.

Among the reasons given for these lying vacant were that women teachers were not posted in the area and major repairs to be carried out to the quarters (*vide* details in Appendix XVII).

D. MISCELLANEOUS

(i) *Excess reimbursement of travelling allowance.*—Government ordered (May 1977) that expenditure incurred by panchayat unions on travelling allowance of their staff engaged on family planning work would be reimbursed.

Pending availability of details of actual expenditure incurred by seven panchayat unions towards travelling allowance of their staff engaged on family planning work, a total amount of Rs. 1.63 lakhs was credited on 31st March 1978 by the Collector of Kanyakumari District to the accounts of these panchayat unions. However, the actual expenditure incurred and reimbursable up to 31st March 1978 was only Rs. 0.33 lakh. Of the balance of Rs. 1.30 lakhs credited in excess to these panchayat unions, an amount of Rs. 1.15 lakhs is yet (November 1980) to be refunded to the State funds.

(ii) *Idle machinery.*—(a) In twenty panchayat unions, agricultural implements and plant protection equipment purchased at a cost of Rs. 3.33 lakhs during 1961-1978 were lying idle for periods ranging from one to ten years (between 1969-70 and 1978-79) reportedly for lack of demand. No action was taken to dispose of these items.

(b) In eleven panchayat unions, power drills for sinking and deepening of wells purchased at a cost of Rs. 1.39 lakhs during the period 1967 to 1971 were remaining idle for periods ranging from one to nine years (between 1970-71 and 1978-79).

(iii) *Working of village industries.*—In twenty-three panchayat unions a total sum of Rs. 9.73 lakhs being the value of articles manufactured by village industries units and sold on credit to institutions/individuals was pending recovery for periods ranging from one to fourteen years. Of these, in seven panchayat unions, the amount pending recovery was more than Rs. 50,000 each. Detailed break up of the dues between Government departments and private parties is awaited from the department (December 1980).

(iv) *Unproductive expenditure.*—One power drill was purchased by the Panchayat Union, Sholavaram in October 1967 at a cost of Rs. 23,628 (Government grant: Rs. 5,754) for sinking borewells. The equipment was used only for 323 days during the period October 1967 to January 1975. It was completely idle from February 1975 and reported to be under major repairs since June 1975. At the instance of the Local Fund Audit Department, Government ratified (October 1976) an expenditure of Rs. 0.14 lakh on the pay and allowances of the power drill

operator when the plant was idle during the years 1967-68 and 1970-71 to 1972-73.

In September 1975, the Panchayat Union resolved to dispose of the power drill by public auction and to abolish the post of the power drill operator ; but the post is being continued and no auction has been held. As the power drill has not at all been used since February 1975, the expenditure on the operator's salary (Rs. 0.39 lakh from February 1975 to June 1980) is unproductive.

E. GENERAL

Common types of irregularities noticed in the audit of panchayat union councils are mentioned in Appendix XVIII.

The points mentioned above were reported to Government in August and September 1980; their reply is awaited (February 1981).

SECTION II

6.6. Grants or loans for specific purposes

Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, prescribes that where a grant or loan is given from the Consolidated Fund for any specific purpose, the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authority satisfies itself as to the fulfilment of the conditions subject to which such grants or loans were given. Important points noticed as a result of the scrutiny conducted under Section 15 (1) of the Act are given in the succeeding paragraphs.

AGRICULTURE DEPARTMENT

6.7. Grants and loans regulated by the Director of Animal Husbandry

Short demand of interest.—Under the Hill Area Development Programme for the Nilgiris District, four sheep breeders co-operative societies were formed for financing sheep units of the members. Each unit was to consist of 12 ewes and one ram. The entire cost of Rs. 2,000 per unit was to be treated as loan (from Government to the members through the society) recoverable in four instalments carrying a simple interest of 9 per cent per annum. A subsidy of Rs. 500 was to be given to each breeder and was to be adjusted against the fourth and final instalment of repayment of loan.

It was noticed during the audit of the accounts of the Assistant Director of Animal Husbandry, Uthagamandalam that interest was calculated and demanded wrongly excluding the portion to be adjusted against the subsidy. The interest forgone would amount to Rs. 0.8 lakh.

When the matter was referred to Government in June 1980, Government stated (August 1980) that due to a mistake in the wording of the agreement entered into with the loanees, it was not possible to demand interest as required under the scheme. The action taken to fix responsibility for the mistake has not been indicated.

CO-OPERATION DEPARTMENT

6.8. Grants and loans sanctioned/regulated by the Registrar of Co-operative Societies

Assistance for construction of godowns.—Financial assistance given in the form of loan and subsidy to the following co-operative societies for construction of godowns remained unutilised (August 1980). The amounts were not remitted back to Government, though according to the terms and conditions governing the financial assistance, the whole amount together with interest on the loan portion was to be refunded to Government, if the construction of godowns was not completed within twelve months from the date of disbursement of loan-subsidy. The amounts were kept in the account of the Superintending Engineer (Construction) of the Co-operative Department, with the Central Co-operative banks. The loan and subsidy amounts had been disbursed to the Co-operative Societies in advance of requirements.

<i>Serial number and name of the institution</i>	<i>Amount and month of payment</i>	<i>Remarks</i>
(1)	(2)	(3)
1. The Nilgiris Co-operative Marketing Society, Uthagamandalam	Rs. 1 lakh (March 1978)	The amount comprised loan Rs. 62,500 and subsidy Rs. 37,500. Suitable site for construction of godown at Uthagamandalam had not been selected (August 1980).
2. Hill tribe Multi-purpose Co-operative Societies at Vallimalai, Mettampatti and Kilakadu in the Kalrayan Hills (South Arcot District)	Rs. 0.60 lakh (March 1977)	Financial assistance of loan Rs. 0.10 lakh and subsidy Rs. 0.10 lakh to each of the three societies is kept unutilised, anticipating larger assistance if the societies were to be upgraded as large sized multi-purpose co-operative societies, proposals for which were sent to Government in August 1977.

The cases were reported to Government in September 1980 ; their reply is awaited (January 1981).

EDUCATION DEPARTMENT

6.9. Grants and loans sanctioned/regulated by the Director of School Education

The grant-in-aid code of the Education Department provides that financial assistance from State Government funds is admissible only to recognised educational institutions under private management. In the course of the audit of the accounts of grants-in-aid paid during 1964-65 by the District Educational Officer, Nilgiris, it was pointed out (March 1966) that payment of staff grant from State Government funds to the Cordite Factory High School, Aravankadu, run by the Ministry of Defence, Government of India is not admissible as it is not an institution under private management. The matter was under consideration of Government since 1966 and Government issued orders in January 1978 stopping payment of grant to the schools run by Government of India Departments situated within the State including those run by Government Cantonment Boards and the Cordite Factory, retrospectively from the year to which the audit objection related.

There were 26 other schools managed by the Departments of the Central Government and Contonment Board. Rupees 46.83 lakhs were paid as grant to 15 schools, during the years 1964 to 1978. Nine schools did not receive any grant. Details in respect of the remaining three schools are awaited. Delay in the issue of orders by Government resulted in the avoidable payment. Action is yet to be taken by the department to effect recovery or obtain orders for write-off of the grants already paid.

The matter was reported to Government in August 1980. Government stated (December 1980) that action was being taken to verify the amounts of grants paid to the schools in order to decide whether to order recovery from the respective departments of the Government of India or to waive the recovery.

6.10. Grants and loans regulated by the Director of Tamil Development

Five cases of delay in utilisation/non-utilisation of grants are mentioned below:—

<i>Serial number and name of institution</i>	<i>Amount and date of payment</i>	<i>Purpose</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)
1. Banaras Hindu University, Varanasi	rs.3 lakhs (January-March 1978)	Endowment contribution to establish a Chair in Tamil Studies in the University	The Government order sanctioning the grant did not prescribe any target date for the utilisation of the amount and submission of audited statement of accounts as required under the financial rules. The University had also not sent any report of utilisation of the amount (June 1980). Details are not available with the department whether the Chair in Tamil studies has been started and whether any student has been enrolled.
2. Fifteen Universities in other States	Rs 2.25 lakhs (June to September 1978) at the rate of Rs. 0.15 lakh per University	For conducting part-time diploma course in Tamil during 1978-79 under the scheme of promotion of Tamil in other States	At the end of the academic year 1978-79, only three universities had utilised the grants. Government permitted (August 1979) utilisation during 1979-80 of the unspent balances of Rs. 0.12 lakh each by two universities and the entire grant amount of Rs. 0.15 lakh each which remained unspent by three universities. There was no report from the other seven universities (June 1980).

<i>Serial number and name of institution</i>	<i>Amount and date of payment</i>	<i>Purpose</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)
3. Tamil Manram, Chandigarh.	Rs 0.25 lakh (August 1977)	For the construction of an auditorium	A letter (March 1979) from the Secretary of the Manram intimating that the grant amount was deposited in the building fund account of the manram and that the building plan was under finalisation was the last communication received. In October 1979, the Director of Public Instruction, Chandigarh reported to the Director of Tamil Development, Madras that information regarding whereabouts of the manram at Chandigarh was not available. Further action was pending (November 1980).
4. Karnataka University, Dharwar	Rs 0.13 lakh (May 1977)	For the establishment of a Chair in Tamil in the University	The Chair had not been instituted (September 1980).
5. Calcutta University Calcutta	Rs 0.10 lakh (November 1972)	For the establishment of a Chair in Tamil in the University	The scheme was not implemented. Government requested (June 1980) the University to refund the amount. The amount is yet to be refunded (September 1980).

In the cases mentioned above, Government had not ascertained how the recipient institutions proposed to utilise the grants. No time limit was fixed for the utilisation of the grants and for submission of utilisation certificates. Government had not also imposed any condition regarding the refund of unutilised grants.

The cases were reported to Government in August-September 1980; their reply is awaited (February 1981).

FORESTS AND FISHERIES DEPARTMENT

6. 11. Grants and loans regulated by the Director of Fisheries

In November 1978, the State Government paid a grant of Rs. 1,09.52 lakhs to the Tamil Nadu Fisheries Development Corporation (a State Government Undertaking) to implement two central sector schemes viz., (i) Processing and internal marketing of fish in Madras City and (ii) Pelagic fisheries at Chinnamuttam, Kanyakumari District. No time limit was fixed for completion of the schemes.

As in August 1980, the Corporation had spent only Rs. 12.09 lakhs and Rs. 1.83 lakhs respectively on the two schemes. Besides, it had diverted Rs. 2.79 lakhs for provision of deep freezers and a walk-in-cooler in the districts, which are not covered by the terms of sanction of the grant. Out of the grant amount, the Corporation invested (November 1978--May 1979) Rs. 1.01 lakhs in Government Companies in fixed deposit for periods of one to three years at interest rates of 10 to 12 per cent. The investment in July 1980 stood at Rs. 86 lakhs (including a three year deposit of Rs. 50 lakhs maturing in November 1981).

The matter was reported to Government in October 1980. Government stated (November 1980) that after considering various alternatives the Corporation decided to have an ice plant under the first scheme in the fishing harbour under construction at Rayapuram in Madras. There was no indication when the work on the proposed ice plant would commence. Regarding the second scheme, it was stated that boats would be purchased in June 1981.

INDUSTRIES DEPARTMENT

6.12. Grants and loans regulated by the Director of Industries and Commerce

6.12.1. *Tamil Nadu Dairy Equipment Manufacturing Industrial Co-operative Society Limited, Coimbatore.*—The society was set up in March 1974 to manufacture milk cans and dairy equipment (total share capital of Rs. 4.04 lakhs contributed by Government, Tamil Nadu Dairy Development Corporation, the Coimbatore Co-operative Milk Supply Union and other Co-operatives). Government released Rs. 1.61 lakhs as share capital loan to members (March 1974 and March 1979). In May 1974, the society availed of a loan of Rs. 13 lakhs from a nationalised bank, purchased a site (Rs. 0.26 lakh) and

constructed buildings (January 1976-April 1977) at a cost of Rs. 5.34 lakhs. Machinery costing Rs. 4.16 lakhs was purchased and erected between March 1976 and November 1976. On receipt of working capital loan of Rs. 2 lakhs in March 1979 from Government, trial production was undertaken in May 1979. But regular production was not commenced as major defects were noticed in machinery (August 1979). At the end of April 1980, the society had accumulated losses totalling Rs. 11.73 lakhs against its anticipation of a net profit of Rs. 1.51 lakhs a year. The society's liabilities, including loans of Rs. 3.30 lakhs due to Government and Rs. 13 lakhs to the nationalised bank were Rs. 27.25 lakhs against the assets valued Rs. 15.52 lakhs.

The General Manager, District Industries Centre, Coimbatore expressed doubts (March 1980) about the suitability of the machinery purchased for manufacturing milk cans; the department noticed that the specifications given by the society for the machinery were not correct. The General Manager suggested to the Director of Industries and Commerce that an enquiry might be conducted into the affairs of the society. Action was yet to be taken (September 1980). It was noticed in audit that feasibility report had not been drawn up before the scheme was taken up with financial assistance from Government.

Due to defective planning and lack of technical guidance, the object for which the society was set up has not been achieved (financial assistance from Government Rs. 3.30 lakhs) even six years after the society was set up.

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

6.12.2. *Aircraft Engineering Industrial Co-operative Society Limited, Madras*.—The society was set up in March 1971 with the object of undertaking aerial spraying of pesticides on food crops in Tamil Nadu. Based on the orders of Government (June 1971) (i) an Assistant Director of Industries and Commerce was employed from 30th June 1971 to 28th February 1975 (cost of employment for the first year being borne by Government) as its Secretary and (ii) Rs. 5,000 were paid (July 1971) as Re-service Fund subsidy and Rs. 1.75 lakhs were paid (July 1971, March 1972) as Government share capital investment on a matching basis. The society obtained loans totalling Rs. 9.16 lakhs between June 1971 and October 1974 from Tamil Nadu Industrial Co-operative Bank for purchase of six aircraft, construction of a hangar and for meeting other expenses. Six second-hand aircraft were purchased (March 1972) by the society at a cost of Rs. 5.90 lakhs.

The society became dormant in November 1974. Based on an enquiry conducted in 1976, the Director of Industries and Commerce ordered (August 1977) its winding up and appointed a liquidator. But, the President of the society obtained an interim stay of order and challenged it in the High Court. The Director also filed a counter-petition (August 1980). Government stated (December 1980) that the writ petition filed by the President of the society was pending in the High Court.

The enquiry report disclosed that (i) the society had conducted un-economical spraying operations in Punjab, Haryana, Uttar Pradesh and Maharashtra; (ii) there was lack of co-operation and co-ordination among its members resulting in infights and (iii) expenditure on travelling allowances, daily allowances, lodging and taxi fares, etc., was lavish and there was mismanagement and alleged misuse of its funds. The society did not repay the loan of Rs. 9.16 lakhs obtained from Tamil Nadu Industrial Co-operative Bank and the bank obtained a decree freezing its assets to protect its interests. At the end of March 1977, the society had incurred losses totalling Rs. 12.12 lakhs. The society set up for undertaking aerial spraying of pesticides on food crops in Tamil Nadu with Government's financial assistance and with the services of an officer of the department has failed to achieve its objective mainly due to mismanagement and alleged misuse of its funds.

6.12.3. *Tiruchy Fibre Glass Industrial Co-operative Society, Tiruchirappalli.*—The society was organised in March 1975 with 12 members who were trained for three months up to 30th June 1975 (stipend : Rs. 7,298) in the Central Institute of Plastics Engineering and Tools, Guindy, Madras with the object of providing employment to the unemployed engineers and technicians and improving their economic condition by undertaking manufacture of fibre glass reinforced plastic components. Feasibility report was not prepared before commencing the scheme. Government paid Rs. 1.19 lakhs in March 1975 to the society as share capital and loan. The members were also paid (March 1975) share capital loan of Rs. 36,000. The society secured a factory shed in the Industrial Estate, Ariyamangalam, Tiruchirappalli, purchased a 150 tonne hydraulic press (Rs. 94,220) and erected it in April 1976. Power supply applied for in April 1976 had not been provided and production had not commenced. As the training given to the members was not found useful in the field of fibre glass technology and as the society did not commence production due to difficulty in the manufacture of such sophisticated items without proper technical guidance,

the members were not interested in the society and sought employment elsewhere. The society worked at a loss since inception, the loss to end of December 1978 being Rs. 0.43 lakh. After an enquiry (March 1978) the Director of Industries and Commerce ordered (December 1978) that the society be wound up. The liquidation had not been completed (September 1980). Government dues totalling Rs. 1.92 lakhs (loan : Rs. 1.55 lakhs and interest : Rs. 0.37 lakh from 1st April 1975 to 31st March 1979) were pending realisation (September 1980). Thus, the object for which the society was set up was not achieved due mainly to lack of planning and technical guidance.

The matter was reported to Government in September 1980; Government accepted (January 1981) the facts.

6.13. Grants and loans regulated by the Director of Handlooms and Textiles HANDLOOM DEVELOPMENT PROJECTS

6.13.1. *Introductory.*—In June 1976, Government approved a scheme to set up an Export Oriented Handloom Project at Karur with 1,000 looms. In August-September 1976, Government also sanctioned the setting up of two Intensive Handloom Development Projects with 5,000 looms each at Erode and Kancheepuram. It was proposed to select traditional weaver families with one or two looms who were not members of weavers' co-operative societies and bring them under the project. Central assistance was made available to these projects, 75 per cent of the project cost as loan and 25 per cent as grant for export oriented projects and 50 per cent as loan and 25 per cent as grant for intensive development projects, the balance being met by the State Government. The projects were to be implemented for a period of three years by the Tamil Nadu Handloom Finance and Trading Corporation Limited (since renamed the Tamil Nadu Handloom Development Corporation Limited from 5th November 1979), a public limited company. The main objectives of the projects were :—

- (i) Production of quality and exportable varieties of handloom goods;
- (ii) Modernisation of looms for improving quality and increasing productivity;
- (iii) Training weavers in modern techniques of weaving, dyeing, processing, etc.,
- (iv) Providing quality control;

(v) Providing facilities for dyeing, pre-weaving and processing of cloth; and

(vi) Marketing of the entire production.

According to the guidelines of Government of India, the projects were to be run on commercial lines and major portion of the funds released were to be used for modernisation of looms.

6.13.2. While the project at Karur was implemented from June 1976, the other two projects at Erode and Kancheepuram were implemented from July 1976.

6.13.3. *Expenditure.*—The following table gives details of estimated cost of the projects funds (loans and subsidy) released and the expenditure incurred on the three projects to end of May 1980.

Project	Annual cost	Amount released by the department to the Corporation			Expenditure
		Loan	Subsidy	Total	
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
Karur ..	40.75	24.90	15.85	40.75	38.24
Erode, ..	1,06.00	69.62	36.18	1,05.80	1,14.67
Kancheepuram	80.68	52.34	27.11	79.45	1,10.29

Points noticed during a scrutiny (May-July 1980) of the records connected with the utilisation of the financial assistance in the office of the Director of Handlooms and Textiles are given below :—

6.13.4. *Coverage of looms.*—Details of looms covered (i.e., weavers enlisted under the scheme) as at the end of May 1980 are as follows :—

Project	Target	May 1980.	
		Looms covered	Percentage of looms covered
(1)	(2)	(3)	(4)
Karur ..	1,000	781	78
Erode, ..	5,000	3,005	60
Kancheepuram	5,000	3,662	73

The achievement fell short of anticipation by 22 to 40 per cent. The Director of Handlooms and Textiles has attributed this shortfall to apathy among weavers to modernise and difficulty in weaning them away from the clutches of master weavers (intermediaries). The Director of Handlooms and Textiles stated (September 1980) that as the majority of weavers/looms were working under master weavers, it was not possible to adopt all the looms within the project period.

6.13.5. *Production.*—The project reports envisaged an annual production of handloom fabrics valued Rs. 1,43 lakhs, Rs. 6,65 lakhs and Rs. 3,62 lakhs, when all the targeted 1,000, 5,000 and 5,000 looms were covered by Karur, Erode and Kancheepuram projects respectively. The actual production during 1979 was reported to be as below :—

<i>Project</i>	<i>Target* produc- tion</i>	<i>Production</i>	<i>Percen- tage of pro- duction</i>
(1)	(2)	(3)	(4)
	(in lakhs of rupees)		
Karur	.. 1,11.68	38.94	35
Erode	.. 3,36.62	54.21	16
Kancheepuram	.. 2,67.52	94.72	35

According to the progress report of the three projects for May 1980, 129, 835 and 864 looms were reported to be idle in Karur, Erode and Kancheepuram respectively representing 17, 28 and 24 per cent of the coverage in May 1980.

The Managing Directors of the project attributed (May 1980, November 1980) the shortfall to irregular and inadequate supply of yarn.

6.13.6. *Modernisation of looms.*—According to the project reports, subsidy towards cost of jacquards, looms and other accessories was provided for modernisation** of looms to be carried out in stages over three year period. The reports furnished by the Managing Directors of Projects to the Director of Handlooms and Textiles (May 1980)

* Target being computed with reference to the number of looms brought under the scheme.

** Fixing Jacquards to handlooms and conversion of pitlooms into frame looms.

indicated that only 18, 13 and 6 per cent of this subsidy had been utilised in Karur, Erode and Kancheepuram projects respectively to end of May 1980 as shown below :—

(1)	Subsidy provided	Subsidy utilised	Percentage of utilisation
	(2)	(3)	(4)
	(in lakhs of rupees)		
Karur ..	13.75	2.55	18
Erode ..	23.75	3.17	13
Kancheepuram ..	18.75	1.19	6

The Director stated (September 1980) that since nearly 87 per cent of the looms in the area were pit looms, modifications could not be successfully implemented.

6.13.7. *Weaver Training Programme.*—For producing quality and exportable varieties of fabrics, weavers were to be paid a stipend and trained in new methods of weaving and designs, phased over two to three months. As at the end of May 1980, in Karur and Kancheepuram the entire subsidy of Rs. 2.50 lakhs and Rs. 7.81 lakhs respectively provided for imparting training remained unutilised. In Erode, Rs. 1.90 lakhs only out of Rs. 7.89 lakhs released had been spent on training. According to the Director (September 1980), training could not be imparted successfully as the weavers did not come forward to introduce new designs.

6.13.8. *Marketing.*—As at the end of May 1980, unsold stock of finished goods valued at Rs. 26.93 lakhs, Rs. 39.90 lakhs and Rs. 39.33 lakhs were lying with Karur, Erode and Kancheepuram projects respectively. This represented 24, 26 and 17 per cent respectively of their total production from inception to May 1980.

Cost of goods supplied to Tamil Nadu Handloom Weavers' Co-operative Society (Co-optex) and Handloom Finance and Trading Corporation and pending collection (May 1980) by the three projects was as shown below :—

(1)	Co-optex	Handloom Finance and Trading Corporation
	(2)	(3)
	(in lakhs of rupees)	
Karur	4.63	5.21
Erode	20.66	19.89
Kancheepuram	20.38	23.65

The Managing Director of the Project stated (February 1980) that the value of goods exported by the export oriented project at Karur was Rs. 28.36 lakhs. This represented 30 per cent of its production till 1979 (Rs. 95.16 lakhs) ; no target had been fixed for exports.

6.13.9. *Financial results.*—The projects at Karur, Erode and Kancheepuram were expected to earn a profit but the projects were working at a loss. Details of the profit anticipated and the loss sustained as at the end of the May 1980 are given below:—

(1)	Anticipated profit (2)	Cumulative loss (May 1980) (3)
	(in lakhs of rupees)	
Karur	1.59 per annum	13.12
Erode	5.96 I year of working	5.23
	24.95 II year of working	
	41.66 III year of working	
Kancheepuram	1.42 I year of working	17.20
	11.85 II year of working	
	21.37 III year of working	

The Managing Directors of the projects attributed the loss to heavy interest payable on money borrowed from financing institutions for working capital, heavy accumulation of finished goods, absence of direct sales outlets, lack of facilities like rebate on sales which is allowed to Co-optex and primary weavers co-operatives, limited procurement by Co-optex of their products as against large quantities from primary weavers co-operatives and high cost of production due to higher wages paid to weavers to attract more members. The projects at Erode and Kancheepuram were converted into co-operative projects from 1st October 1979. The export-oriented project at Karur was also converted into a co-operative project from 20th October 1980. The assets and liabilities of the three projects are reportedly being worked out (November 1980) for being transferred by Handloom Finance and Trading Corporation to the Co-operative projects.

6.13.10. *Repayment of loans.*—During the period 1976-77 and 1978-79, Government had paid loans totalling Rs. 1,46.86 lakhs to the Tamil Nadu Handloom Finance and Trading Corporation to implement the Handloom Development Projects. The loans were repayable

in ten equal annual instalments from the date of first anniversary of receipt of amounts by Handloom Finance and Trading Corporation and carried interest at 7.5 per cent and penal interest for default at 9.5 per cent. As at the end of September 1980, Rs. 34.44 lakhs towards repayment of instalments of loans and interest of Rs. 27.36 lakhs during 1977—78 to 1979—80 were over due.

6.13.11. *Summing up.*—The following points emerge:—

(i) The number of looms brought within the Handloom Development Projects fell short of the target by 22 to 40 per cent attributable to difficulties in weaning away the weavers from the hold of master weavers.

(ii) The production of handloom goods in the three projects fell below expectation by 65 to 84 per cent reportedly due to inadequate supply of yarn.

(iii) Expenditure on modernisation of looms on which Government of India laid more emphasis, was between 6 and 18 per cent of the funds made available.

(iv) Weavers' training programme did not make any headway due to reported apathy among traditional weavers to take to modern techniques in weaving and new designs.

(v) Only 30 per cent of the goods produced in the export-oriented production project at Karur was exported.

(vi) Due to the continued losses incurred by the projects, they were converted into co-operatives. The very object of introducing modern techniques in weaving and design to improve quality and to increase productivity outside the co-operative fold by organising handloom development projects, with weavers other than members of co-operatives and master weavers, had thus not been largely fulfilled.

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

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

6.14. Non-utilisation of grant

Government sanctioned (February 1979) a grant of Rs. 1.50 lakhs to the Commissioner, Hindu Religious and Charitable Endowments Board, for providing wayside amenities like rest shed, drinking water

supply and toilets to the tourists at Viralimalai (cost : Rs. 1.50 lakhs) and a tourist bungalow at Avudayarkoil (cost : Rs. 3.00 lakhs). The two projects were to be implemented by the Board utilising their funds in addition to the Government grant and the plans were to be finalised in consultation with the Tourism Department. The grant was drawn in full in March 1979 ; but plans had not been drawn (February 1980).

According to the financial rules of the State, every grant made for a specific object is subject to the condition that the grant will be spent upon the object within a reasonable time, if no time limit has been fixed by the sanctioning authority. No time limit was fixed for the utilisation of this grant. However, even preliminary action has not been initiated (February 1980) towards utilisation of the grant drawn in March 1979.

Government stated (August 1980) that plans and estimates for the construction of rest shed and provision of water facilities, etc., at Viralimalai had been drawn up and the work would be commenced shortly and that the Commissioner, Hindu Religious and Charitable Endowments Board was in search of a suitable site for construction of the tourist bungalow at Avudayarkoil. They further stated that, in future, time limit would be fixed for the utilisation of the grant and utilisation certificate obtained from the agency concerned.

SECTION III

CO-OPERATION DEPARTMENT

6.15 Working of Co-operative Institutions in Tamil Nadu

6.15.1. *Introduction.*—Particulars of co-operative societies that functioned in Tamil Nadu during the years 1976-77 to 1978-79 (as on 30th June each year) were as follows :—

<i>Co-operative year</i>	<i>Total number of Co-operative Societies</i>	<i>Number of credi societies included in column 2</i>	<i>*Number of dormant societies included in column 2</i>
(1)	(2)	(3)	(4)
1976-77	19,894	6,531	2,289
1977-78	20,103	4,802	2,570
1978-79	22,278	4,789	2,753

* Details of Government's financial investment in dormant societies are not available with the functional Registrars from whom the statistical details have been gathered.

6.15.2. *Investment and Dividends*.—The State Government have been giving financial assistance to the Co-operatives by way of investment in share capital/debentures floated by these institutions. The investment by Government and the dividend/interest received by Government during the three years ended 30th June 1979 were as follows :—

<i>Co-operative year</i>	<i>Number of Co-operative Societies</i>	<i>Investment in share capital/ debentures to end of the year</i>	<i>Dividend/ interest received during the year</i>	<i>Percentage of average return</i>
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
1976-77	3,976	58,52.91	1,42.69	2.44
1977-78	3,970	63,48.58	30.42	0.48
1978-79	4,073	75,80.27	48.77	0.64

Out of the total investment, Government contribution to debentures floated by co-operative banks and interest realised therefrom during the years ended 30th June 1979 were as follows :—

<i>Co-operative year</i>	<i>Amount invested during the year</i>	<i>Cumulative investment to the end of the year</i>	<i>Amount of interest received during the year</i>	<i>Percentage of return</i>
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
1976-77	2,65.18	19,69.83	1,08.77	6
1977-78	1,21.09	17,96.23	34.83	2
1978-79	1,04.17	18.93.12	34.39	2

6.15.3. *Loans*.—Assistance was also given by Government in the form of loans to the co-operative societies. The amount of loan advanced and outstanding loan as at the end of 31st March 1979 were as indicated below :—

<i>Financial year</i>	<i>Amount of loan paid during the year</i>	<i>Loans advanced to end of the year and outstanding on 31st March 1979</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
1976-77	14,58.90	31,15.96
1977-78	21,74.97	48,99.14
1978-79	39,43.19	74,59.51

Year-wise analysis of overdues is not available in the offices of the various Registrars.

6.15.4. *Guarantees*.—Government have guaranteed loans raised by co-operative institutions. The maximum amount guaranteed by Government (cumulative) and the amount outstanding during the three years ended 1978-79 are as given below :—

<i>Financial year</i>	<i>Maximum amount guaranteed by Government</i>	<i>Sums guaranteed outstanding at the end of year</i>
(1)	(2)	(3)
	(in crores of rupees)	
31st March 1977	3,82.11	2,61.91
31st March 1978	4,58.90	3,28.18
31st March 1979	4,79.07	2,83.12

The following sums were paid by the Government on behalf of defaulting co-operative institutions when the guarantees given by the Government were invoked by the financing institutions :—

<i>Financial year</i>	<i>Number of co-operative societies that defaulted</i>	<i>*Amount paid by Government against guarantees invoked</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1976-77	48	6.99
1977-78	27	5.09
1978-79	31	4.43

6.15.5. *Audit of co-operative societies and recovery of audit fees.*—

The accounts of the co-operative institutions are audited by auditors of the co-operative department under the Registrar of Co-operative Societies and the cost of audit is recovered from the institutions concerned. The audit is required to be completed within one year of the closure of the accounts of the societies.

The arrears (July 1980) in audit and in collection of audit fees are indicated below :—

<i>Year</i>	<i>Arrears in audit (number of societies)</i>	<i>Arrears in collection of audit fees</i>
(1)	(2)	(3)
		(in lakhs of rupees).
Up to		
1976-77	68	1.80
1977-78	46	0.30
1978-79	1,352	1.32
	Total ..	3.42
	1,466	3.42

* Payments relate to weavers' co-operative societies.

Out of Rs. 3.42 lakhs, Rs. 1.40 lakhs related to dormant and liquidated societies. According to the Registrar of Co-operative Societies, waiver proposals were under submission to Government wherever there was no possibility of collection (September 1980).

6.15.6. *Recovery of cost of staff sanctioned to co-operative societies.*— A sum of Rs 3.06 lakhs was pending recovery from co-operative societies on 31st July 1980 on account of cost of services of staff lent to them. The year-wise details were as follows :—

<i>Year</i>	<i>Amount pending recovery</i>
(1)	(2)
	(in lakhs of rupees)
Up to	
1976-77	1.39
1977-78	0.43
1978-79	0.48
1979-80	0.76
Total ..	3.06

Out of the above, Rs. 0.97 lakh related to dormant and liquidated societies. According to the Registrar of Co-operative Societies, waiver proposals were under submission to Government wherever there was no possibility of collection (September 1980).

CHAPTER VII

COMMERCIAL ACTIVITIES

7. There were ten departmentally managed Government commercial and *quasi* commercial undertakings in the State on 31st March 1980. The results of working of these undertakings are ascertained annually by preparing *pro forma* accounts outside the general accounts of Government. A synoptic statement showing the summarised financial results of seven undertakings (whose *pro forma* accounts have been certified since last Audit Report) based on the latest available *pro forma* accounts is given in Appendix XIX.

Details of undertakings whose *pro forma* accounts are in arrears (October 1980) are given in Appendix XX. *Pro forma* accounts of the scheme for the purchase and distribution of chemical fertilisers and the Government Cinchona Department were in arrears from 1977-78 and those of Carpentry and Blacksmithy Unit, Arkonam from 1978-79 and Motor Vehicles Maintenance Organisation from 1975-76.

• Two departmentally managed commercial and *quasi* commercial undertakings ceased to run as such due to transfer (1st July 1974) to other Government Company/closure of the undertaking (14th November 1979). The *pro forma* accounts of these undertakings prior to date of the transfer/closure have not so far been finalised (October 1980).

The delay in finalising the accounts was brought to the notice of Government periodically. The departments have neither finalised the accounts nor furnished reasons for the delay

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 two preceding reports.

	<i>As at the end of September 1978</i>	<i>As at the end of September 1979</i>	<i>As at the end of September 1980</i>
(1)	(2)	(3)	(4)
Number of observations ..	58,049	71,486	78,269
Amount involved (in crores of rupees)	79.68	90.62	1,72.78

The increase at the end of September 1980 compared to the previous year's balance is mainly due to more amounts held under observations in respect of Co-operation, Industries, Revenue, Rural Development and Local Administration and Public Departments.

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

<i>Serial number and department</i>	<i>Number</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1. Co-operation	1,186	40,62.25
2. Industries	2,378	18,35.88
3. Revenue	2,588	15,76.87
4. Rural Development and Local Administration	2,254	12,55.48

<i>Serial number and department</i>	<i>Number</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
5. Health and Family Welfare ..	14,775	12,28.94
6. Public	8,186	11,89.89
7. Home	7,828	10,43.67
8. Transport	2,294	10,42.68
9. Food	1,561	10,15.57
10. Public Works	8,598	8,82.11
11. Education	6,388	7,10.99
12. Finance	2,102	4,44.05

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

<i>Serial number and nature of observations</i>	<i>Number</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1. Payees' receipts not received ..	59,107	1,33,86.38
2. Detailed bills for lump sum draws not received	8,027	15,07.46
3. Sanction for reserve limit of stock not received	8	3,11.93
4. Recoverable advances not recovered	1,229	83.83

4-3—12

(d) (i) A major portion (77 per cent) of the total outstandings is due to non-submission of payees' receipts. The departments with comparatively heavy outstandings on this account were :—

<i>Department</i>	<i>Number</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1. Co-operation	1,010	38,89.09
2. Industries	2,134	18,16.80
3. Revenue	2,408	15,59.57
4. Health and Family Welfare	11,074	10,60.42
5. Transport	2,191	10,41.68
6. Food	1,557	10,15.55
7. Home	5,533	7,80.23
8. Education	4,882	4,41.26
9. Finance	1,950	4,25.97
10. Public	7,150	2,96.77
11. Forests and Fisheries	1,485	2,75.46
12. Public Works	7,029	2,40.04

(ii) Year-wise details of wanting payees' receipts are given below :—

(1)	<i>Number of items</i>	<i>Amount</i>
	(2)	(3)
		(in lakhs of rupees)
1976-77 and earlier years	17,219	30,42.55
1977-78	8,905	10,25.86
1978-79	14,201	48,21.52
1979-80	18,782	44,96.45
Total	59,107	1,33,86.38

In the absence of payees' receipts, it is not possible for Audit to satisfy itself whether all the amounts had been actually paid to the proper recipients

(e) The facility of drawing lump sum advances by the disbursing officers is intended to expedite payment in certain cases but these are to be followed by detailed bills and vouchers (containing all particulars of expenditure with supporting documents) as soon as possible to Audit Officer. In the absence of detailed bills and vouchers, it is not possible for Audit to know whether the amount has been spent on the purpose or purposes for which the advances were drawn. Rupees 15,07.46 lakhs are held under observation as detailed bills have not been received in the Audit Office. Year-wise details of the outstanding advances are given below :—

(1)	Number of items (2)	Amount (3) (in lakhs of rupees)
1976-77 and earlier years	3,087	2,50.55
1977-78	1,513	1,82.18
1978-79	1,340	61.26
1979-80	2,087	10,13.47
Total ..	8,027	15,07.46

The departments with comparatively heavy outstandings are mentioned below :—

Department (1)	Amount (2) (in lakhs of rupees)
1. Public	8,66.89
2. Co-operation	1,69.64
3. Health and Family Welfare	1,39.82
4. Home	80.87
5. Agriculture	76.00
6. Forests and Fisheries	52.87

(f) Vouchers for Rs. 47.52 lakhs had not been received in audit; year-wise details are given below :—

(1)	Number of items	Amount
	(2)	(3)
		(in lakhs of rupees)
1976-77 and earlier years	767	19.17
1977-78	267	5.75
1978-79	355	7.01
1979-80	595	15.59
Total ..	1,984	47.52

The delay in submission of the documents in proof of payment results in large expenditure escaping audit scrutiny for long and there is likelihood of serious irregularities remaining undetected.

8.2. Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts noticed during local audit and not settled on the spot are communicated to 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 within four weeks.

As at the end of September 1980, 5,773 inspection reports* issued up to March 1980 were not settled as shown below (the corresponding figures for the earlier two years have also been indicated for comparative analysis) :—

<i>As at the end of September 1978</i>		<i>As at the end of September 1979</i>		<i>As at the end of September 1980</i>		
<i>Number of inspec- tion reports not sett- led</i>	<i>Number of para- graphs</i>	<i>Number of inspec- tion reports not sett- led</i>	<i>Number of para- graphs</i>	<i>Number of inspec- tion reports not sett- led</i>	<i>Number of para- graphs</i>	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1976—77 and earlier years	7,259	33,945	5,266	22,081	2,792	10,483
1977—78	1,993	16,110	1,569	10,405	828	4,888
1978—79	..	..	1,937	14,566	1,001	7,125
1979—80	..	..	..	..	1,152	9,512
Total • ..	9,252	50,055	8,772	47,052	5,773	32,008

Department-wise analysis of the outstandings is given in Appendix XXI.

Some of the significant points from the inspection reports of Harijan and Tribal Welfare, Agriculture, Industries and Health and Family Welfare Departments are mentioned below :—

HARIJAN AND TRIBAL WELFARE DEPARTMENT

Of the inspection reports issued to end of 31st March 1980, 213 reports with 1,604 paragraphs were pending final settlement as on 30th September 1980. Of these, 119 reports with 568 paragraphs related

* Excludes inspection reports relating to receipts audit.

to the years from 1969-70 to 1974-75. Important points mentioned in some of these paragraphs are listed below :—

<i>Categories :</i>	<i>Number of cases</i>	<i>Number of offices involved</i>	<i>Money value</i>
(1)	(2)	(3)	(4)
			(in lakhs of rupees)
1. Petty trade loans not utilised/ pending recovery	8	4	14.95
2. Recoveries due from Wardens, boarders, etc.	39	20	12.10
3. Civil works remaining incomplete and excess expenditure on works	19	8	9.83
4. Non-utilisation of house sites by Harijan allottees	3	2	8.75
5. Expenditure on food, toilet, etc., charges in excess of monetary limit fixed by Government	98	48	2.63
6. Excess issue of cloth to contractors for stitching uniforms	4	4	0.60
7. Irregular sanction of scholarship	20	7	0.53
8. Shortage of provisions, furniture, etc.	27	22	0.19
9. Non-collection of security deposit from Wardens/caution deposit from boarders	21	19	..
10. Purchases made without calling for tenders	18	18	..
11. Non-maintenance/defective main- tenance of cash book	18	14	..
12. Physical verification of stock, tools and plant, etc., not conducted	10	9	..

AGRICULTURE DEPARTMENT

At the end of September 1980, 117 inspection reports with 401 paragraphs issued during the period 1972—73 to 1979—80 in respect of 117 offices of the Animal Husbandry Department were pending settlement.

Important points mentioned in the outstanding inspection reports relating to Animal Husbandry Department are listed below :—

<i>Serial number</i>	<i>Nature of irregularity</i>	<i>Number of cases/items</i>	<i>Number of offices involved</i>	<i>Money value</i>
(1)	(2)	(3)	(4)	(5)
				(in lakhs of rupees)
1.	Security deposits not furnished by Government servants handling cash/stores	7	7	..
2.	Lease agreements for rented buildings not executed	25	4	..
3.	Duplicate key of cash chest not verified	3	3	..
4.	Expenditure on repairs to departmental motor vehicles in excess of annual ceiling prescribed by Government	84	28	2.03
5.	Free transfer bills issued during 1969—79 in support of transfer of birds, chicks and eggs to other centres not acknowledged	161	6	4.01
6.	Over dues of loans/interest	.. 279	9	5.04/1.42
7.	Non-recovery of cost of birds, chicks, pigs, etc, supplied to Government departments and Poultry Development Corporation during the period from December 1974 to February 1979	16	12	3.74

INDUSTRIES DEPARTMENT

As at the end of September 1980, of the inspection reports issued up to March 1980, 98 reports with 296 paragraphs relating to Industries Department remained to be settled.

Important points mentioned in the outstanding inspection reports relating to Industries Department are listed below :—

<i>Serial number</i>	<i>Nature of irregularity</i>	<i>Number of cases/ items</i>	<i>Number of offices involved</i>	<i>Money value</i>
(1)	(2)	(3)	(4)	(5)
				(in lakhs of rupees)
1.	Overdues of loans/interest	11,589	24	1,05.97/16.01
2.	Loans, interest and cost of establishment pending recovery from Industrial Co-operative Societies liquidated	21	8	7.63
3.	Cost of industrial units sold on hire purchase pending collection	48	1	5.72
4.	Certificate of utilisation of loans not received/loans not utilised for specified purposes	109	3	6.70
5.	Cost of services rendered/supplies made to private persons and to Government departments pending collection	N.A.	8	19.62
6.	Agreements not executed with the allottees of units in industrial estates	45	2	..
7.	Failure to insure the units in industrial estates by allottees	49	3	..
8.	Annual physical verification of stores and stock not done (during 1973-74 to 1976-77 and 1978-79)	5	5	..
9.	Shortages of stores and stocks	17	14	5.32
10.	Security deposits not furnished by Government servants handling cash/stores	6	5	..

N.A.—Not Available.

<i>Serial number</i>	<i>Nature of irregularity</i>	<i>Number of cases/ items</i>	<i>Number of Offices involved</i>	<i>Money value</i>
(1)	(2)	(3)	(4)	(5)
				(in lakhs of rupees)
11.	Expenditure on repairs to departmental motor vehicles in excess of ceiling prescribed by Government	16	12	0.71
12.	Non-reconciliation of liquidators personal deposit account, cash book balance and treasury pass book	2	2	..

HEALTH AND FAMILY WELFARE DEPARTMENT

As at the end of September 1980, of the inspection reports issued up to March 1980, 545 reports with 2,569 paragraphs were not settled.

Important points mentioned in the outstanding inspection reports relating to Health and Family Welfare Department are listed below :—

<i>Serial number</i>	<i>Nature of irregularity</i>	<i>Number of cases/ items</i>	<i>Number of offices involved</i>	<i>Money value</i>
(1)	(2)	(3)	(4)	(5)
				(in lakhs of rupees)
1.	Security deposits not furnished by Government servants handling cash stores	39	28	..
2.	Appropriation of departmental receipts for departmental expenditure	5	4	0.41
3.	Hospital stoppages due from paying patients not realised. The dues relate to the period from 1948-49 to 1978-79		31	13.35
4.	Room rent, mess charges, etc., pending collection from students of medical college hostels		4	3.22

<i>Serial number</i>	<i>Nature of irregularity</i>	<i>Number of cases/ items</i>	<i>Number of offices involved</i>	<i>Money value</i>
(1)	(2)	(3)	(4)	(5) (in lakhs of rupees)
5.	Cost of missing linen articles not recovered	19	19	0.51
6.	Physical verification of stores and stock not done during the years, 1963-64 to 1978-79	22	21	..
7.	Shortages of stores and stock noticed from 1974 to 1979	11	11	0.91
8.	Stocking of time expired drugs	30	28	0.89
9.	Expenditure on repairs to departmental motor vehicles in excess of ceiling prescribed by Government	15	14	0.89

Of the total number of reports outstanding as at the end of September 1980, 5,610 reports related to civil departments and 163 reports to commercial departments. These included 527 (Civil) inspection reports for which even first replies had not been received till the end of September 1980. Year-wise and department-wise analysis of the reports for which first replies have not been received is given in Appendix XXII.

Madras,

The

30 MAR 1981

(T. C. KRISHNAN)

Accountant General-I, Tamil Nadu

Countersigned

New Delhi,

The

1 APR 1981

(GIAN PRAKASH)

Comptroller and Auditor General of India

APPENDIX I

(Reference : Paragraph 1.4, Page 5)

STATEMENT SHOWING SIGNIFICANT VARIATIONS IN "EXPENDITURE ON REVENUE ACCOUNT" DURING 1979-80 COMPARED TO THE PREVIOUS YEAR UNDER BROAD SECTORS

Sector/Sub-Sector	Variation (Increase + Decrease—)		
	Plan	Non-Plan	Total
(1)	(2)	(3)	(4)
	(in crores of rupees)		
<i>A. General Services—</i>			
Organs of State	..	+4.73	+4.73
<p>The increase was mainly under "215. Elections" (Rs. 3.96 crores) due to mid-term elections to Lok Sabha and preparation and printing of electoral rolls.</p>			
Interest payments and Servicing of Debt	..	+17.34	+17.34
<p>The increase was mainly under "248. Appropriation for reduction or avoidance of debt" (Rs. 20.13 crores) due to provision not having been made in 1978-79 in view of heavy commitment on account of flood and cyclone relief works partly offset by decrease under "249. Interest Payments" (Rs. 2.79 crores) mainly due to less payment of interest on loans from Government of India consequent on the rescheduling of loans as recommended by the Seventh Finance Commission.</p>			
Administrative Services	-0.73	+8.19	+7.46

APPENDIX I—contd.

The increase was mainly under "255. Police" (Rs. 3.01 crores) due to expenditure on election work and "253. District Administration" (Rs.0.63 crore), "256. Jails" (0.80 crore), "258. Stationery and Printing" (Rs. 0.83 crore), "260. Fire Protection and Control" (Rs.0.61 crore) and "265. Other Administrative Services" (Rs. 0.70 crore).

Sector/Sub-Sector (1)	Variation (Increase+ Decrease—)		
	Plan (2)	Non-Plan (3)	Total (4)
	(in crores of rupees)		
<i>B. Social and Community Services</i>	—8.94	+42.85	+33.91

The increase was mainly under "277. Education" (Rs. 15.01 crores) due mainly to more grants to non-Government primary schools and local bodies for primary education and more expenditure on pre-university education, "283. Housing" (Rs. 7.31 crores) due mainly to non-transfer of expenditure to Urban Development Fund and more assistance to Tamil Nadu Slum Clearance Board, "289. Relief on account of Natural Calamities" (Rs. 7.13 crores) due to transfer of increased contribution to the Famine Relief Fund based on the award of the Seventh Finance Commission and "280. Medical" (Rs. 5.11 crores) due to more expenditure on medical relief and education partly offset by decrease mainly under "282. Public Health, Sanitation and Water Supply" (Rs. 2.05 crores) due to less expenditure on "Rural Piped Water Supply Schemes".

C. Economic Services—

General Economic Services	+2.44	+1.67	+4.11
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The increase was mainly under "298. Co-operation" (Rs. 3.48 crores) due to assistance to Tamil Nadu State Co-operative Land Development Bank and "304. Other General Economic Services" (Rs. 0.56 crore).

Agriculture and Allied Services	—3.89	+6.78	+2.89
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APPENDIX I—*concl'd.*

The increase was mainly under "305. Agriculture" (Rs. 11.88 crores), due to write-off of agricultural loans and more expenditure on schemes for small and marginal farmers and agriculture labour, Drought Prone Areas Programmes and Integrated Rural Development, partly offset by decrease under "306. Minor Irrigation" (Rs. 3.08 crores) due mainly to transfer of expenditure to Famine Relief Fund and less expenditure on flood relief works and "314. Community Development" (Rs. 4.67 crores) due to reclassification of expenditure relating to Community Development Programmes under the relevant functional major heads and "312. Fisheries" (Rs. 1.29 crores).

Sector/Sub-Sector	Variation (Increase+ Decrease—)		
	Plan	Non-Plan	Total
(1)	(2)	(3)	(4)
	(in crores of rupees)		
Water and Power Development	—8.31	+15.73	+7.42

The increase was mainly under "334. Power Projects" (Rs. 10.50 crores) due to more assistance to the State Electricity Board partly offset by decrease under "333. Irrigation, Navigation, Drainage and Flood Control Projects" (Rs. 2.73 crores) due mainly to less expenditure on flood relief works.

Transport and Communications	—8.27	+21.79	+13.52
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The increase was mainly under "337. Roads and Bridges" (Rs. 8.71 crores) due to increased expenditure on "District and Rural Roads" and "338. Road and Water Transport Services" (Rs. 4.71 crores) due to subsidy paid to the State Transport Corporations.

D. Grants-in-aid and Contributions	..	+5.33	+5.33
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The increase was under "363. Compensation and Assignments to Local Bodies and Panchayat Raj Institutions" due mainly to larger transfer of funds to Urban Development Fund.

APPENDIX II

(Reference : Paragraph 1.5, Page 8)

STATEMENT SHOWING SIGNIFICANT VARIATIONS IN "CAPITAL EXPENDITURE" DURING 1979-80 COMPARED TO PREVIOUS YEAR UNDER BROAD SECTORS

Sector/Sub-Sector (1)	Variation (Increase+ Decrease—)		
	Plan (2)	Non-Plan (3)	Total (4)
(in crores of rupees)			
<i>B. Social and Community Services</i>	+3.12	+1.71	+4.83

The increase was mainly under "477. Capital Outlay on Education, Art and Culture" (Rs. 2.69 crores) due to more expenditure on "Secondary Education" and "483. Capital Outlay on Housing (Rs. 1.86 crores) due to more expenditure on Government residential buildings for Police department.

C. Economic Services

(i) General Economic Services +3.29 —6.06 —2.77

The decrease was mainly due to less investments (Rs. 7.52 crores) in "purchase of modern Rice Mills" and "Other Co-operatives-Other Schemes each costing Rs. 50 lakhs and less" partly offset by increased investments (Rs. 4.66 crores) in "Co-operative Land Development Banks" under "498. Capital Outlay on Co-operation".

(ii) Agriculture and Allied Services +3.91 +1.76 +5.67

The increase was mainly under "505. Capital Outlay on Agriculture" (Rs. 0.99 crore), "506. Capital Outlay on Minor Irrigation, Soil Conservation and Area Development" (Rs. 1.93 crores), "511. Capital Outlay on Dairy Development" (Rs. 1.33 crores) and "513. Capital Outlay on Forests" (Rs. 1.42 crores).

(iii) Transport and Communications +3.58 +0.70 +4.28

The increase was mainly under "537. Capital Outlay on Roads and Bridges" (Rs. 4.30 crores) due to other expenditure and "538. Capital Outlay on Road and Water Transport Services" (Rs. 2.46 crores) due mainly to more investments in Pandian Roadways Corporation and Cheran Transport Corporation partly offset by less expenditure under "535. Capital Outlay on Ports, Light-houses and Shipping" (Rs 2.50 crores).

APPENDIX III

(Reference : Paragraph 1.6, Page 12)

LOAN-WISE PARTICULARS OF AMOUNTS OVERDUE

<i>Nature of loan</i>	<i>Loans outstanding to end of March 1980</i>	<i>For 1976-77 and earlier years</i>	1977-78	1978-79	1979-80	<i>Total as on 31st March 1980</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(in lakhs of rupees)						
Loans for educational purposes	4.07	0.08	0.05	0.07	0.45	0.65
Loans for water supply schemes	29,37.88	68.06	42.89	49.69	60.53	2,21.17
Loans for drainages	7,25.26	55.43	16.53	17.69	24.00	1,13.65
Loans for housing for sanitary workers	15.74	0.34	0.05	0.01	0.01	0.41
Loans for control of floods and cyclone	80.17	..	..	0.02	0.08	0.10
Loans for construction of dhobikhana's	2.45	0.01	0.02	0.06	0.24	0.33
Loans for provision of shops for Burma repatriates	0.40	..	..	..	0.01	0.01
Loans for damages caused by natural calamities and drought relief measures	3.53	..	..	0.08	0.67	0.75
Loans for night soil compost	3,11.57	2.07	0.96	5.93	1.75	10.71
Loans for construction of municipal roads	75.04	..	0.63	1.55	2.68	4.86
Loans for construction of roads and bridges	65.62	0.43	0.35	27.84	2.39	31.01
Loans for construction of Bus stands, Markets etc.	14.82	..	..	0.69	10.30	10.99
Loans for remunerative enterprises	68.61	2.09	0.68	2.31	2.79	7.87
Other loans	8.09	1.19	0.24	0.27	0.75	2.45
Total	43,13.25	1,29.70	62.40	1,06.21	1,06.65	4,04.96

APPENDIX IV

(Reference : Paragraph 1.6, Page 13)

IRREGULARITIES IN THE UTILISATION OF LOANS REPORTED
BY THE EXAMINER OF LOCAL FUND ACCOUNTS

Municipal Councils and Municipal Township Committees—Out of Rs. 73.92 lakhs paid as loans to municipal councils and municipal township committees (81 cases) during 1977-78 and earlier years for execution of flood and cyclone relief works, drought relief scheme works, dustless surfacing of roads, town planning schemes, etc., Rs. 37.97 lakhs remained unutilised at the end of 1978-79. In 28 cases, the entire amount of loan (Rs. 12.72 lakhs) remained unutilised. In 22 cases, the extent of utilisation was less than 50 per cent (unutilised loan: Rs. 14.91 lakhs).

Town Panchayats.—Out of Rs. 23.95 lakhs paid as loan in 28 cases during 1977-78 and earlier years for construction and improvement of bus stands, dhobikhanas, stalls, sweepers' quarters, compost yards, town planning schemes, etc., a sum of Rs. 3.29 lakhs in 11 cases remained entirely unutilised at the end of March 1979.

Corporation of Madurai.—(i) Rupees 5.00 lakhs were paid as loan in March 1979 for acquisition of land and construction of roads. Of this, Rs. 0.75 lakh was spent on construction of recreational complex. Ratification orders of Government for the diversion of a portion of the loan as well as the sanction of Government for the retention of the balance amount of loan beyond six months from the date of drawal, within which period the loan was to be utilised, were not obtained.

(ii) Loans totalling Rs. 8.00 lakhs were paid in November 1977 and June 1978 for construction of shopping centres, stalls, etc. The amounts were not utilised within the stipulated period of six months.

(iii) Loans totalling Rs. 5.75 lakhs were drawn (October 1976 and November 1977) by the Corporation for the second time for some road works. Government ordered (November 1979) the refund of the loan amounts. The refund has not been made so far (March 1980).

Corporation of Madras.—Out of Rs. 1,29.45 lakhs paid as loan during 1976-77, 1977-78 and 1978-79 for modernisation of conservancy system, improvements to roads and raising the level of fuse boxes attached to street lamp posts, a sum of Rs. 20.98 lakhs remained unutilised.

APPENDIX V

(Reference : Paragraph 1.13, Page 22,

MAJOR AREAS OF SHORTFALL UNDER PLAN SCHEMES

(1)	<i>Budget plus supple- mentary</i>	<i>Actuals</i>	<i>Short- fall</i>
(2)	(3)	(4)	
(in crores of rupees)			
Revenue			
<i>B. Social and Community Services</i>			
(i) Education	14.09	10.62	—3.47
Shortfall was mainly due to less assistance to local bodies for primary and secondary education, non-Government institutions for Pre-university education and Universities for non-technical education and less expenditure under promotion of modern Indian languages and literature and youth welfare schemes.			
(ii) Medical	5.74	1.99	— 3.75
Shortfall was mainly due to less expenditure under Medical Relief, Training, tribal areas sub-plan and on systems of medicines other than allopathy.			
(iii) Public Health, Sanitation and Water Supply	20.35	13.15	— 7.20
Shortfall was mainly due to less expenditure under urban water supply schemes and rural piped water supply programme.			
(iv) Social Security and Welfare	12.26	8.48	— 3.78
Shortfall was mainly due to less expenditure under Welfare of Scheduled Castes, denotified and nomadic tribes and other backward classes, tribal areas sub-plan and pensions under Social Security Schemes.			

APPENDIX V—concl'd.

(1)	<i>Budget plus supple- mentary</i>	<i>Actuals</i>	<i>Short- fall</i>
	(2)	(3)	(4)
	(in crores of rupees)		
<i>C. Economic Services</i>			
Agriculture and Allied Services			
(i) Agriculture	27.47	21.94	— 5.53

Shortfall was mainly due to less expenditure under multiplication and distribution of seeds, commercial crops, drought prone areas programme and schemes for small and marginal farmers and agricultural labour.

Industry and Minerals

(i) Village and Small Industries	11.54	6.99	— 4.55
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Shortfall was mainly due to less expenditure under small scale industries, Sericulture Industries and Handloom Industries.

Capital*C. Economic Services—***Water and Power Development**

(i) Irrigation Navigation

Drainage and Flood Control Projects	27.10	16.19	— 10.91
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Shortfall was mainly due to less expenditure under 'Improvements to Periyar System', 'Parambikulam Aliyar Project', 'Kelavarappalli Reservoir Scheme', 'Kodaganar Scheme', 'Non-Commercial Irrigation Projects', and 'Flood Control and Anti-sea Erosion Projects.'

APPENDIX VI

(Reference : Paragraph 2.4, Page 33)

GRANTS/CHARGED APPROPRIATIONS IN WHICH SAVINGS (MORE THAN RS. 25.00 LAKHS IN EACH CASE) EXCEEDED 10 PER CENT OF THE TOTAL GRANT/CHARGED APPROPRIATIONS

Serial number	Number and name of grant	Total provision	Expenditure	Saving	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
VOTED—					
1.	2. State Excise Department	1,10.69	78.93	31.76	29
2.	10. Milk Supply Schemes	95.36	69.93	25.43	27
3.	19. Public Health ..	42,10.32	33,12.28	8,98.04	21
4.	20. Agriculture ..	55,50.63	49,07.74	6,42.89	12
5.	21. Fisheries ..	2,99.79	2,67.80	31.99	11
6.	24. Industries ..	10,76.29	8,93.22	1,83.07	17
7.	25. Cinchona ..	1,86.49	1,56.09	30.40	16
8.	28. Community Development Projects, etc.	48,73.95	39,52.24	9,21.71	19
9.	30. Social Welfare ..	7,88.45	7,02.10	86.35	11
10.	31. Welfare of the Scheduled Tribes and Castes, etc.	19,58.95	15,46.55	4,12.40	21
11.	32. Welfare of the Backward Classes, etc.	7,04.42	5,51.49	1,52.93	22
12.	42. Pensions and other Retirement Benefits	30,06.67	25,83.92	4,22.75	14
13.	43. Miscellaneous ..	45,44.83	30,34.52	15,10.31	33
14.	46. Compensation and Assignments	17,53.06	15,18.53	2,34.53	13
15.	47. Information, Tourism and Film Technology	2,45.26	2,13.89	31.37	13

APPENDIX VI—concl'd.

<i>Serial number</i>	<i>Number and name of grant</i>	<i>Total provision</i>	<i>Expenditure</i>	<i>Saving</i>	<i>Percentage</i>
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
16.	50. Capital Outlay on Agriculture	11,12.12	3,71.83	7,40.29	67
17.	51. Capital Outlay on Industrial Development	8,52.08	6,71.35	1,80.73	21
18.	52. Capital Outlay on Irrigation	31,54.51	19,85.99	11,68.52	37
19.	53. Capital Outlay on Public Works—Buildings	12,96.31	10,70.07	2,26.24	17
20.	54. Capital Outlay on Roads and Bridges	10,84.95	9,37.62	1,47.33	14
21.	55. Capital Outlay on Road Transport Services and Shipping	6,09.97	3,54.21	2,55.76	42
22.	56. Capital Outlay on Forests	6,15.35	5,18.48	96.87	16
CHARGED—					
1.	Debt charges	90,99.19	79,00.27	11,98.92	13
2.	Public Debt	1,62,89.09	1,31,85.46	31,03.63	19

APPENDIX VII

(Reference : Paragraph 3.9, Page 80)

DETAILS OF PLOTS DEVELOPED AND ALLOTTED

Area	Type of plot	Extent of each plot (sq. ft.)	Total developed	Number of plots		
				Reserved for R.B.H.£	Available for allotment	Allotted as on 31st March 1980
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Phase I]	.. EWSI	800	100	50	50	Nil
Part I of Manali Residential *plots	EWS II	1,000	548	276	272	3
	LIG I	1,125	200	200	Nil	Nil
Tentative cost Rs. 5,760 per ground	LIG II	1,500	563	434	129	18
	MIG	3,150	122	Nil	122	37
	HIG	4,800	59	Nil	59	8
Total			1,592	960	632	66
(b) Maraimalainagar						
(i) Residential plots*	Neighbourhood I					
Tentative cost Rs. 5,000 per ground	EWS	912	468	234	234	24
	LIG	1,550	236	144	92	92
	MIG I	2,668	92	Nil	92	84
	MIG II	3,168	76	Nil	76	64
	HIG	4,560	54	Nil	54	50
	Neighbourhood II (Part)					
Total ..	LIG	1,600	216	216	Nil	Nil
	MIG	3,072	48	30	18	Nil
	HIG	4,608	40	Nil	40	Nil
Total ..			1,230	624	606	314

* In the case of residential plots, initial deposit of 25 per cent of cost is obtained at the time of allotment and balance recovered in half-yearly instalment with 12 per cent interest.

£ R.B.H.—Ready Built Houses—construction of houses taken up by TNHB with HUDCO assistance obtained by MMDA.

APPENDIX VII—concl'd.

		<i>Total extent in acres</i>	<i>Number of plots</i>	<i>Total extent allotted in acres</i>	<i>Number of plots</i>
(ii) Industrial plots					
Tentative sale price Rs. 20, 000 per acre	A	134.50	4	84.50	3
	B	77.50	8	77.50	8
	C	46.65	11	41.00	10
	D	23.00	10	23.00	10
	E	32.65	24	25.35	18
Total ..		314.30	57	251.35	49
		<i>Total area</i>	<i>Area for plots and houses (in acres)</i>	<i>Area for roads and amenities</i>	
(c) Land use					
(i)	Manali	249.79	129.36	120.43	
(ii)	M. M. Nagar—Residential	133.20	67.45	65.75	
	Industrial	453.95	314.30	139.65	

APPENDIX VIII

(Reference : Paragraph 3.13, Page 95)

STATEMENT SHOWING THE NUMBER OF TANKS DUE FOR MAINTENANCE AND ACTUALLY MAINTAINED

Year	Serial number and name of Block	Total number of tanks	Number to be taken up during the year	Estimated requirements	Number actually taken up	Grant received
(1)	(2)	(3)	(4)	(5)	(6)	(7)
				Rs.		Rs.
1976—77	1. Shanarpatti ..	161	34	81,000	26	70,640
	2. Vadamadurai ..	56	12	12,000	4	20,000
	3. Dindigul ..	79	17	18,600	7	11,000
	4. Periakulam ..	21	5	2,200	3	2,000
	5. Alangulam ..	91	20	60,000	8	20,000
	6. Kottampatti ..	381	80	2,40,000	20	20,000
	7. Natham ..	217	41	44,200	6	10,000
	Total ..	1,006	209	4,58,000	74	1,53,640
1977—78	1. Shanarpatti ..	161	35	12,000	5	20,000
	2. Vadamadurai ..	56	11	15,500	8	13,000
	3. Dindigul ..	79	19	16,000	4	10,000
	4. Periakulam ..	21	3	18,000	10	7,000
	5. Alangulam ..	91	20	60,000	12	16,706
	6. Kottampatti ..	381	76	2,28,000	10	14,240
	7. Natham ..	217	42	17,000	10	32,260
	Total ..	1,006	206	3,66,500	59	1,33,206

APPENDIX VIII—concl'd.

<i>Year</i>	<i>Serial number and name of Block</i>	<i>Total number of tanks</i>	<i>Number to be taken up during the year</i>	<i>Estimated requirements</i>	<i>Number actually taken up</i>	<i>Grant received</i>
(1)	(2)	(3)	(4)	(5) RS.	(6) RS.	(7) RS.
1978—79	1. Shanarpatti ..	161	26	62,000	18	13,200
	2. Vadamadurai ..	56	11	18,500	8	13,200
	3. Dindigul ..	79	17	16,500	5	10,000
	4. Periakulam ..	21	5	15,500	8	4,000
	5. Alangulam ..	91	13	60,000	7	20,000
	6. Kottampatti ..	381	73	2,19,000	15	20,000
	7. Natham ..	217	41	34,400	8	34,000
	Total ..	1,006	186	4,25,900	69	1,14,400
1979—80	1. Shanarpatti ..	161	31	26,000	1	13,200
	2. Vadamadurai ..	56	11	16,500	6	13,000
	3. Dindigul ..	79	16	15,000	5	13,000
	4. Periakulam ..	21	4	40,000	1	29,000
	5. Alangulam ..	91	18	54,000	5	15,000
	6. Kottampatti ..	381	77	2,31,000	17	20,000
	7. Natham ..	217	45	37,500	16	37,500
	Total ..	1,006	202	4,20,000	51	1,40,700
Grand Total ..		803	16,70,400	253	5,41,946	

APPENDIX IX

(Reference : Paragraph 3.15, Page 101)

CASES OF MISAPPROPRIATION PENDING FINALISATION AS ON
30TH SEPTEMBER 1980

(i) Department-wise analysis—

<i>Department</i>	<i>Number of cases</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1. Agriculture	22	6.29
2. Commercial Taxes and Religious Endowments ..	12	0.65
3. Education	9	10.75
4. Finance	4	0.54
5. Food	1	1.21
6. Forests and Fisheries	4	1.24
7. Health and Family Welfare	31	4.75
8. Home	6	2.55
9. Industries	2	0.21
10. Labour and Employment	1	0.06
11. Public	4	1.21
12. Public Works	1	0.04
13. Revenue	361	19.85
14. Rural Development and Local Administration ..	7	1.80
15. Social Welfare	2	0.07
16. Transport	8	0.82
Total ..	475	52.04

APPENDIX IX—concl'd.

(ii) Year-wise analysis—

Year	<i>Amount misappropriated has been recovered but departmental action etc., pending</i>		<i>Pending for other reasons</i>	
	<i>Number of cases</i>	<i>Amount</i>	<i>Number of cases</i>	<i>Amount</i>
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		(in lakhs of rupees)
1975—76 and earlier years ..	22	1.21	245	33.73
1976—77 .. .. .	..	..	47	4.53
1977—78 .. .. .	..	..	44	2.60
1978—79 .. .. .	..	..	59	6.49
1979—80 .. .. .	..	..	58	3.48
Total ..	22	1.21	453	50.83

APPENDIX X

(Reference : Paragraph 3.15, Page 101)

CASES OF SHORTAGES AND THEFT OF STORES, DAMAGES TO PROPERTIES, ETC., PENDING FINALISATION AS ON 30TH SEPTEMBER 1980

(i) Department-wise analysis—

<i>Department</i>	<i>Number of cases</i>	<i>Amount</i>
(1)	(2)	(3) (in lakhs of rupees)
1. Agriculture	463	33.27
2. Education	9	0.43
3. Finance	4	0.26
4. Forests and Fisheries	9	6.54
5. Health and Family Welfare	36	3.29
6. Home	9	2.70
7. Industries	5	0.34
8. Labour and Employment	4	0.20
9. Public	1	9.84
10. Public Works	3,375	6,53.35
11. Revenue	4	0.12
12. Rural Development and Local Administration ..	6	0.11
13. Social Welfare	1	0.02
14. Transport	7	1.44
Total ..	<u>3,933</u>	<u>7,11.91</u>

(ii) Year-wise analysis—

<i>Year</i>	<i>Number of cases</i>	<i>Amount</i>
(1)	(2)	(3) (in lakhs of rupees)
1975—76 and earlier years	281	28.64
1976—77	82	10.57
1977—78	95	9.26
1978—79	30	3.46
1979—80	3,445	6,59.98
Total ..	<u>3,933</u>	<u>7,11.91</u>

APPENDIX XI

(Reference : Paragraph 3.16, Page 101)

STATEMENT SHOWING LOSSES, WRITES-OFF, ETC.

In 8,06,592 cases, Rs. 5,79.94 lakhs representing mainly losses due to theft, fire, etc., irrecoverable advances, etc., were written-off/waived or ex-gratia payments made during 1979-80 by competent authorities. The details are as follows :-

Department	Writes-off of losses irrecoverable ad- vances, etc.		Waiver of recovery		Ex-gratia payment	
	Number	Amount	Num- ber	Amount	Num- ber	Amount
	(1)	(2) Rs.	(4)	(5) Rs.	(6)	(7) Rs.
1. Agriculture ..	652	47,59,305	1	408	5	1,02,400
2. Commercial Taxes and Reli- gious Endowments	..	..	3	5,299	..	..
3. Co-operation ..	..	..	4	64,015	..	..
4. Education ..	21	94,837	364	3,00,417	..	..
5. Finance ..	3	72,332	..	..	..	..
6. Food ..	13	4,75,930	..	..	..	..
7. Forests and Fisheries	28	4,93,690	2	66,019	..	..
8. Health and Family Welfare	5	372	2	3,933	50	2,39,000
9. Home ..	67	6,92,208	..	..	..	..
10. Industries ..	14	4,00,586	..	..	..	..
11. Labour and Employment	4	1,520	1	272	..	..
12. Personnel and Administrative Reforms	..	..	1	161	..	..
13. Public ..	12	18,231	..	..	..	..
14. Public Works	19	3,21,083	..	..	..	..
15. Revenue ..	8,05,300*	4,96,40,656*	..	..	..	..
16. Rural Develop- ment and Local Administration	1	2,500	..	..	..	..
17. Social Welfare	7	6,781	2	1,03,346	..	..
18. Transport ..	11	1,28,951	..	..	..	..
Total ..	8,06,157	5,71,08,982	380	5,43,870	55	3,41,400

* Includes 8,04,918 cases (Rs. 4,95.29 lakhs) of taccavi loans sanctioned up to 31st March 1978 written-off under orders of Government in G. O. Ms. 1167 (Revenue) dated 27th May 1979.

APPENDIX XII

(Reference : Paragraph 4.1, Page 105)

DETAILS OF AVOIDABLE EXPENDITURE/EXCESS PAYMENTS, ETC.,
RELATING TO MARUDHANADHI RESERVOIR PROJECT

(1)	<i>Amount involved</i>
	(2) (in lakhs of rupees)
1. Although the agreement with contractor 'A' contemplated that the rates were for finished work, he was paid for a quantity of 1,75,148 M ³ of earthwork on the basis of pit measurements instead of restricting the payment to the section measurement quantity of 1,62,845 M ³ resulting in excess payment.	0.60
2. Though the rates for earthwork were inclusive of consolidation and sectioning, contractor 'A' was paid separately for cutting down the slopes of the earth dam, trimming the slopes and dumping the soil on the top of the dam.	0.08
3. The bund (completed in June 1976) and a portion of the road formed on the bund sank (February 1979) by 1.5 feet requiring restoration work; the reasons therefor were not investigated. The expenditure on restoration was Rs. 0.14 lakh.	0.14
4. Contractor 'A' was allowed to convey 47,665 M ³ of earth from 1 to 2 km. lead although earth was available within 1 km. lead (the earthwork through departmental machinery was executed within 1 km. lead only) resulting in avoidable expenditure.	0.68
5. Contractor 'A' employed only one technical assistant instead of two although the value of the two agreements exceeded Rs. 10 lakhs. The department did not enforce the penalty.	0.54

APPENDIX XII—concl.

Amount
involved

(1)

(2)

(in lakhs of
rupees)

6. (i) As per tender notice and agreement with contractor 'A', sand required for the earth dam work was to be obtained from Marudhanadhi river with a lead of 3 km. The contractor was required to satisfy himself about the availability of sand before tendering and any claim for payment of extra cost for increase in lead was not to be accepted. However, the contractor was allowed (1976-77) higher rates for items involving sand on the ground that no sand was available at 3 km. lead after August 1974 and that he had to convey it from 9 km. lead, resulting in extra payment. 0.10

(ii) Though it was reported that no sand was available within 3 km. lead after August 1974 the tenders for spillway work (elevation 970' to 990') were called for (January 1975) specifying 3 km. lead. Contractor 'B' entrusted (July 1975) with the work represented in January 1976 (when the work was nearing completion) that he had to bring the sand from 9 km. distance. The higher lead was allowed resulting in extra payment. 0.34

APPENDIX XIII

(Reference: Paragraph 6.3, Page 148)

UTILISATION CERTIFICATES FOR GRANTS PAID UP TO 30TH SEPTEMBER 1978 AND OUTSTANDING AS ON 30TH SEPTEMBER 1980

Department	Year of grant	Due		Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(amounts in lakhs of rupees)							
Co-operation	1974-75 and earlier years	168	6,26.29	167	6,14.05	1	12.24
	1975-76	3	21.12	2	16.39*	1	4.73
	1976-77	2	17.39	1	3.69*	1	13.70
	1977-78	2	17.75	..	0.27@	2	17.48
	1978-79 (up to September 1978)	1	6.05	..	..	1	6.05
Education ..	1974-75 and earlier years	104	1,56.21	102	1,52.31	2	3.90
	1975-76	10	27.51	10	27.51	..	..
	1976-77	11	12.08	9	11.91	2	0.17
	1977-78	19	10.26	..	..	19	10.26
	1978-79 (up to September 1978)	17	16.15	..	..	17	16.15
Finance ..	1977-78	2	1.75	..	..	2	1.75
	1978-79 (up to September 1978)	1	1.50	..	..	1	1.50
Health and Family Welfare	1974-75 and earlier years	129	38.02	129	38.02	..	..
	1975-76	5	2.05	5	2.05	..	..
	1976-77	7	0.39	7	0.39	..	..
	1977-78	23	6.74	16	5.24	7	1.50
	1978-79 (up to September 1978)	10	5.71	..	..	10	5.71
Home ..	1976-77	1**	0.05**	..	..	1	0.05
	1977-78	4	1.14	..	..	4	1.14
	1978-79 (up to September 1978)	3	5.28	..	..	3	5.28

* Includes receipt of utilisation certificate for part amount also.

@ Represents receipt of utilisation certificate for part amount.

** Differs from the figure shown in the Report for the year 1978-79 due to adoption of correct figure after re-check.

APPENDIX XIII—concl'd.

Department	Year of grant	Due		Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(amount in lakhs of rupees)							
Housing and Urban Development	1977-78	1	10.00	..	..	1	10.00
Industries	1974-75 and earlier years	34	3.72	34	3.72	..	..
	1975-76	24	1,26.47	24	1,26.47	..	..
	1976-77	5	1,03.75	5	1,03.75	..	..
	1977-78	7	82.45	4	72.91	3	9.54
	1978-79	3	53.80	..	..	3	53.80
	(up to September 1978)						
Information and Public Relations	1978-79	1	0.10	..	..	1	0.10
	(up to September 1978)						
Law ..	1977-78	1	1.00	1	1.00	..	..
Personnel and Administrative Reforms	1977-78	1	0.05	..	..	1	0.05
	1978-79	2	0.07	..	..	2	0.07
	(up to September 1978)						
Public ..	1975-76	1**	0.02**	..	..	1	0.02
	1976-77	2**	2.13**	..	..	2	2.13
	1978-79	2	0.06	..	..	2	0.06
	(up to September 1978)						
Public Works	1977-78	3	7,05.00	..	..	3	7,05.00
Revenue ..	1976-77	2**	0.16**	..	..	2	0.16
	1977-78	3	0.83	..	..	3	0.83
Rural Development and Local Administration	1974-75 and earlier years	54**	43.46**	53	31.46	1	12.00
Social Welfare	1974-75 and earlier years	43	4.53	43	4.53	..	..
	1975-76	58	2.32	58	2.32	..	..
	1976-77	17	0.82	16**	0.81**	1	0.01
	1977-78	1	0.03	..	..	1	0.03
	1978-79	1	0.12	..	..	1	0.12
	(up to September 1978)						
Total	..	788	21,14.33	686	12,18.80	102	8,95.53

** Differs from the figure shown in the Report for the year 1978-79 due to adoption of correct figure after re-check.

APPENDIX XIV

(Reference: Paragraph 6.5, Page 154)

INCOMPLETE WORKS

<i>Serial number and name of panchayat union</i>	<i>Number of works pending completion</i>	<i>Date of commencement of work</i>	<i>Government grant drawn</i>	<i>Total expenditure incurred</i>
(1)	(2)	(3)	(4)	(5)
			RS.	RS.
<i>Link Roads</i>				
1. Nannilam ..	3	27-5-1975, 9-6-1975 and 11-7-1975	Not available	94,437
2. Thiruvonam ..	1	22-5-1976	11,154	23,202
3. Veppur ..	1	28-9-1976	Not available	21,332
4. Orathanad ..	1	4-9-1975	Not available	27,575
Total ..	6			1,66,546
<i>School Buildings</i>				
1. Mudukulathur ..	4	17-2-1977 (1 work) 17-1-1978(3 works)	27,820	44,965
2. Thiruvonam ..	1	9-6-1976	7,637	28,888
3. Kulithalai ..	1	November 1974	Not available	4,372
4. Pennagaram ..	1	Not available	Not available	3,625
Total ..	7			81,850
<i>Wells</i>				
1. Thiruvonam ..	1	27-11-1977	3,765	7,533
2. Mecheri ..	2	22-12-1972 (1 work) Date not available for another work	10,887	11,825
Total ..	3			19,358

APPENDIX XV

(Reference: Paragraph 6.5, Page 154)

GROUND LEVEL RESERVOIRS NOT COMMISSIONED

<i>Serial number and name of panchayat union</i>	<i>Number of ground level reservoirs</i>	<i>Cost of work</i>	<i>Government grant</i>	<i>Year of completion of work</i>
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	
1. Thovalai ..	1	14,362	10,000	Civil works completed.
2. Dindigul ..	1	9,102	6,826	Civil works completed on 30th July 1979. †
3. Namakkal ..	2	29,138	Not available	Civil works completed on 28th March 1978 and 20th July 1978 respectively.
4. Gangavalli ..	2	18,619	Not available	Civil works completed on 9th January 1978.
5. Gummidiipoondi	1	15,238	Not available	Civil works completed in September 1979.
Total ..	7	86,459		

APPENDIX XVI

(Reference: Paragraph 6.5, Page 154)

OVERHEAD TANKS NOT COMMISSIONED

<i>Serial number and name of panchayat union</i>	<i>Number of overhead tanks</i>	<i>Cost of works</i>	<i>Government grant</i>	<i>Year of completion of work</i>
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	
1. Manamadurai ..	4	55,950	Not available	Date of completion of civil works not available.
2. Thalayar ..	1	11,875	8,906	Civil works completed in January 1974.
3. Orathanad ..	1	16,887	Not available	Date of completion of civil work not available.
4. Thiruthuraiipoondi	1	29,147	Not available	Civil works completed in October 1978.
5. Veppur ..	1	17,923	13,442	Date of completion of civil works not available.
6. Kulithalai ..	1	20,516	Not drawn	Date of completion of civil work—17th January 1977.
7. Ammapet ..	1	21,591	Not drawn	Date of completion of civil works not available.
8. Macdonald Choultry	1	24,972	21,226	Civil works completed in January 1977.
Total ..	11	1,98,861		

APPENDIX XVII

(Reference : Paragraph 6.5, Page 154)

WOMEN TEACHERS' QUARTERS REMAINING UNOCCUPIED

<i>Serial number and name of panchayat union</i> (1)	<i>Number of quarters</i> (2)	<i>Expenditure</i> (3) RS.	<i>Government grant</i> (4) RS.	<i>Remarks</i> (5)
1. Kalligudi ..	2	20,560	11,000	Works completed in September 1978. Remaining vacant since 1st October 1978.
2. Kodavasal ..	3	30,000	16,500	Two quarters completed in 1975-76. One quarter completed in 1976-77. Quarters are lying vacant since the date of completion as there are no women teachers in panchayat union schools.
3. Thalanayar ..	2	30,847	11,000	Works completed on 1st April 1978 and 28th July 1978 respectively. Lying vacant from the date of completion as there are no women teachers in panchayat union schools.
4. Viralimalai ..	5	17,717	17,717	None of these quarters has been occupied till this date. (Date of completion of the works not available).
5. Dindigul ..	5	38,500	27,500	Quarters are vacant since 1st June 1977 due to major repairs (date of completion not available).
i. Sriperumbudur	2	10,344	Not available	Dates of completion of construction—3rd August 1968 and 6th March 1964 respectively. Lying vacant due to major repairs.
Total..	19	1,47,968		

APPENDIX XVIII

(Reference: Paragraph 6.5, Page 156)

COMMON TYPES OF IRREGULARITIES NOTICED IN THE AUDIT OF PANCHAYAT UNION COUNCILS

<i>Serial number and nature of irregularity</i>	<i>Number of panchayat unions</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1. Grants paid in excess of limits prescribed by Government	17	1.15
2. Irregular drawal of grants	1	0.15
3. Short drawal of grants	13	4.10

APPEN

(Reference : Paragraph 7,

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT

<i>Serial number and name of department/unit</i>	<i>Year of commencement</i>	<i>Period of account</i>	<i>Capital at close</i>	<i>Net Block assets</i>	<i>Cumulative depreciation</i>
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
FORESTS AND FISHERIES DEPARTMENT—					
1. Chank Fisheries, Ramathapuram	1978	1978-79	3.50	0.11	Nil
INDUSTRIES DEPARTMENT—					
2. Government Glass Production Centre, Madurai	1972	1978-79	0.18	0.82	1.12
3. Service Centre for Ceramics, Vridhachalam	1979	1974-75 (up to 14th July 1974)	3.76	3.03	1.28
4. Carpentry and Blacksmithy Unit, Arkonam	1968	1977-78	11.73	1.04	0.91
TRANSPORT DEPARTMENT—					
5. Motor Vehicles Maintenance Organisation, Madras	1964	1974-75	3,46.48	39.30	0.85
6. Kanyakumari Branch	..	1st April 1973 to 31st December 1973	2,64.77	2,45.03	1,43.70
7. Ranithottam Workshop	..	1st April 1973 to 31st December 1973	22.64	29.17	7.76
8. District and Long Distance Service	1947	1975-76 (up to 14th September 1975)	9,57.95	4,71.60	2,56.71

DIX XIX

Page 175)

COMMERCIAL AND *quasi*-COMMERCIAL UNDERTAKINGS

Turn over (in lakhs of rupees) (7)	Net Profit (+) Net Loss (—)		Mean capital (10)	Percentage of return on mean capital		Remarks (13)
	After char- ging in- terest on capital (8)	Before charging interest on capi- tal (9)		After charging interest on capital (11)	Before charging interest on capital (12)	
	Nil	+0.07		+0.30	2.08		3.4	14.4	The profit is due to valuing stock of wormed chank though cost of production had not been worked out.
0.18	-3.92	-3.78	1.81	..	..
1.78	-0.35	-0.28	3.61	..	..	Transferred to the Tamil Nadu Ceramics Limited with effect from 15th July 1974.
1.26	-0.94	-0.27	8.09	..	..
1,47.97	-3.83	+17.93	3,17.26	..	5.65	
2,68.87	-12.99	-23.36	1,97.61	..	..	Transferred to the Kattabomman Transport Corporation Limited with effect from 1st January 1974.
43.53	-4.53	-1.53	53.73	..	..
3,44.44	-1,62.72	-1,06.92	89.54	..	..	Transferred to the Pallavan Transport Corporation Limited with effect from 15th September 1975.

APPENDIX XX

(Reference : Paragraph 7, Page 175)

LIST OF DEPARTMENTALLY MANAGED COMMERCIAL AND *quasi*-COMMERCIAL UNDERTAKINGS WHOSE *proforma* ACCOUNTS ARE IN ARREARS

<i>Serial number and name of department/undertaking</i>	<i>Period for which accounts are in arrears</i>	<i>Remarks</i>
(1)	(2)	(3)
AGRICULTURE DEPARTMENT		
1. Scheme for the purchase and distribution of chemical fertilisers, Madras	1977—78 1978—79 1979—80	
2. Government Agricultural Engineering Workshop, Madras	1979—80	
3. Madurai Milk Project, Madurai	*1973—74 *1974—75 (up to 30th June 1974)	Transferred to Tamil Nadu Dairy Development Corporation Limited with effect from 1st July 1974.
FORESTS AND FISHERIES DEPARTMENT		
4. Government Cinchona Department, Ootacamund	*1977—78 *1978—79 1979—80	
5. Chank Fisheries, Tuticorin	1979—80	

* Revised Accounts are due.

APPENDIX XX—concl'd.

<i>Serial number and name of department/undertaking</i>	<i>Period for which accounts are in arrears</i>	<i>Remarks</i>
(1)	(2)	(3)
6. Pearl Fisheries, Tuticorin	1979—80	
7. Chank Fisheries, Ramalathapuram	1979—80	
INDUSTRIES DEPARTMENT		
8. Government Granite Polishing Centre, Krishnagiri	1978—79 1979—80	
9. Government Glass Production Centre, Madurai	1979—80 (up to 13th November 1979)	Unit closed with effect from 14th November 1979.
10. Government Bristle Fibre Unit, Tenkasi	1978—79 1979—80	
SMALL SCALE INDUSTRIES		
11. Carpentry and Blacksmithy Unit, Arkonam	1978—79 1979—80	
TRANSPORT DEPARTMENT		
12. Motor Vehicles Maintenance Organisation, Madras.	1975—76 1976—77 1977—78 1978—79 1979—80	

APPENDIX

(Reference :

DEPARTMENT-WISE ANALYSIS OF OUTSTANDING INSPECTION

Department (1)	1976-77 and earlier years		1977-78	
	Inspection reports (2)	Para- graphs (3)	Inspection reports (4)	Para- graphs (5)
1. Agriculture	267	671	131	509
2. Co-operation	33	101	13	59
3. Commercial Taxes and Religious Endowments.*	8	22	3	13
4. Education	272	987	70	379
5. Finance	99	212	17	41
6. Food	29	70	4	11@
7. Forests and Fisheries	246	864	44	344
8. Home	68	181	39	135
9. Housing .. .. .	..	..	..	..
10. Health and Family Welfare ..	417	1,298	112	765
11. Industries	86	259	27	174
12. Law	1	2	..	..
13. Labour and Employment	6	10	7	17
14. Public	14	41	7	18
15. Public Works	275	1,123	82	661
16. Revenue*	165	511	76	294
17. Rural Development and Local Administration	480	2,828	133	1,060
18. Social Welfare	204	922	29	197
19. Transport	122	381	34	211
Total ..	2,792	10,483	828	4,888

@ Differs from figures shown in the Report for 1978-79 due to adoption of correct

* Excludes figures relating to Revenue Receipts.

XXI

Paragraph 8.2, Page 181)

REPORTS AS AT THE END OF SEPTEMBER 1980

1978-79		1979-80		Total	
<i>Inspection reports</i>	<i>Paragraphs</i>	<i>Inspection reports</i>	<i>Paragraphs</i>	<i>Inspection reports</i>	<i>Paragraphs</i>
(6)	(7)	(8)	(9)	(10)	(11)
119	518	119	705	636	2,403
40	158	42	300	128	618
16	72	9	36	36	143
114	595	166	1,152	622	3,113
26	73	44	290	186	616
2	6	2	3	37	90
50	616	48	315	388	2,139
39	170	84	472	230	958
3	37	1	13	4	50
69	450	129	892	727	3,405
26	155	28	309	167	897
2	6	..	..	3	8
25	85	23	95	61	207
16	94@	8	35	45	188
87	993	88	1,451	532	4,228
88	337	49	209	378	1,351
156	1,744	210	2,204	979	7,836
74	562@	56	532	363	2,213
49	454	46	499	251	1,545
1,001	7,125	1,152	9,512	5,773	32,008

figures after re-check.

APPENDIX XXII

(Reference : Paragraph 8.2, Page 186)

INSPECTION REPORTS FOR WHICH FIRST REPLIES WERE NOT RECEIVED
AS AT THE END OF SEPTEMBER 1980

<i>Department</i>	<i>Inspection reports for 1976-77 and earlier years</i>	<i>Inspection reports for 1977-78</i>	<i>Inspection reports for 1978-79</i>	<i>Inspection reports for 1979-80</i>	<i>Total Inspection reports</i>
(1)	(2)	(3)	(4)	(5)	(6)
1. Agriculture .. ..	..	1	6	33	40
2. Co-operation .. ..	..	..	..	4	4
3. Commercial Taxes and Religious Endowments	1	..	2	2	5
4. Education	16	15	22	61	114
5. Finance .. ..	..	..	..	4	4
6. Forests and Fisheries ..	..	3	13	8	24
7. Health and Family Welfare	13	8	9	72	102
8. Housing .. ..	..	..	..	1	1
9. Home .. ..	..	..	..	21	21
10. Industries .. ..	..	..	2	3	5
11. Labour and Employment	..	..	..	9	9
12. Public .. ..	..	..	..	1	1
13. Public Works .. ..	..	..	1	24	25
14. Revenue .. ..	..	..	..	4	4
15. Rural Development and Local Administration	1	2	37	76	116
16. Social Welfare	17	..	5	26	48
17. Transport .. ..	..	..	..	4	4
Total ..	48	29	97	353	527



