



**Report of the
Comptroller and Auditor General
of India**

For the year ended 31 March 2001

(12)

Government of Chhattisgarh



दिनांक को विधान सभा
में प्रस्तुत ।
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Report of the Comptroller and Auditor General of India

For the year ended 31 March 2001

Government of Chhattisgarh

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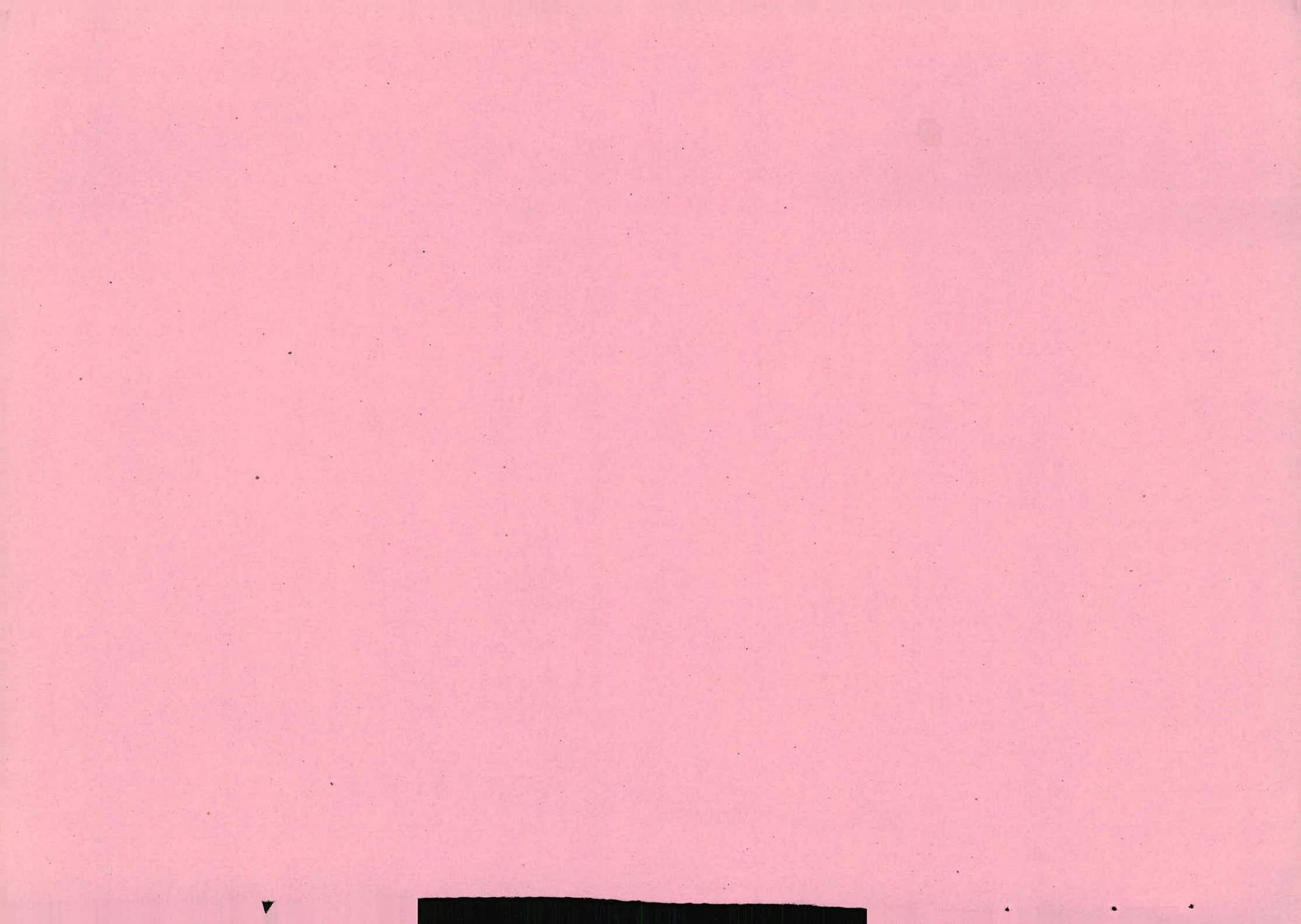
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Preface

1. This is the first Report on the Government of newly created State of Chhattisgarh prepared for submission to the Governor under Article 151 of the Constitution, and covers the period 1 November 2000 to 31 March 2001.
2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the period November 2000 - March 2001.
3. The remaining Chapters deal with the findings of performance audit and audit of transactions in the various departments including the Audit observations on Revenue Receipts and audit of transactions in Public Works, Public Health Engineering and Irrigation departments including the audit of Stores and Stock. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies of the composite State of Madhya Pradesh for the year ended 31 March 2001 has been presented separately, to the Governor of Chhattisgarh also, as required in Section 35(1) of the Madhya Pradesh Re-organisation Act, 2000 (No.28 of 2000).
4. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the period November 2000 to March 2001 as well as those which had come to notice in earlier periods/years but could not be dealt with in previous Reports on the Government of the erstwhile composite State of Madhya Pradesh; matters relating to the period subsequent to March 2001 have also been included wherever necessary.
5. The Report also contains Audit observations arising out of review of certain schemes/projects which also appear in the Report on the Government of Madhya Pradesh for the year ended 31 March 2001 (Civil), being of relevance to the State of Chhattisgarh as well. These reviews are:
 - Forest Development through World Bank aided Madhya Pradesh Forestry Project.
 - Environmental Acts and rules relating to Air Pollution and Waste Management.
 - Prevention and Control of Diseases.
 - District Institutes of Education and Training.
 - Non-formal Education.
 - Drinking Water Supply.
 - Management of Stores.



OVERVIEW

OVERVIEW

This Report consists of two chapters containing the observations of Audit on the Finance Accounts and Appropriation Accounts of the Government of Chhattisgarh, in addition to an assessment of financial performance of the Government with reference to certain indicators, and three other chapters comprising 10 reviews and 30 paragraphs arising out of audit of selected schemes and programmes and of the financial transactions of Government including the revenue receipts. A summary of more important audit findings contained in the Report is presented in this overview.

1 Finances of the State Government

- The revenue receipts (Rs.1,883 crore) during the period November 2000- March 2001 were in excess of the revenue expenditure (Rs.1,610 crore) resulting in a revenue surplus of Rs.273 crore. The revenue receipts comprised tax revenue (Rs.750 crore), non-tax revenue (Rs.288 crore), State's share of Union taxes and duties (Rs.510 crore) and grants-in-aid from the Central Government (Rs.335 crore). The main sources of tax revenue were Sales tax (47 *per cent*), State excise (16 *per cent*), Stamps and registration fees (8 *per cent*) and taxes on goods and passengers (8 *per cent*). Non-tax revenue came mainly from mining and metallurgical industries (69 *per cent*).
- Practically 100 *per cent* of the capital receipts of Rs.349 crore came from public debt. Against this, the expenditure was Rs.221 crore on capital outlay and Rs.189 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.2,009 crore but fell short of the disbursements of Rs.2,053 crore. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was an increase in the cash balance by Rs.164 crore at the end of the year.
- The funds were mainly applied to meet revenue expenditure whose share of 74 *per cent* was lower than the share of the revenue receipts (87 *per cent*) in the total receipts of the State Government. This led to a revenue surplus of Rs.273 crore during the period. The percentage of capital expenditure was 10, not commensurate with the combined shares of 13 *per cent* of Public debt and receipts from Public Account in the total receipts.

- Rupees 1,449 crore were blocked in 60 incomplete projects and substantial funds (Rs.43 crore) were transferred to Deposit Account, after booking them as expenditure.
- During the period, the Government raised Rs.887 crore (through Public debt) and its total liabilities as of 31 March 2001 stood at Rs.6,255 crore. However, the repayments obligations of Rs.878 crore left very little of the fresh borrowings for investment and other expenditure.

Indicators of the financial performance of the State Government

The State Government had a positive BCR during the period and could contribute Rs.343 crore from current revenues to finance its Plan expenditure. A realistic picture of the financial position of the new State will emerge only after completion of process of apportionment of pre-November 2000 assets and liabilities of the composite State of Madhya Pradesh and of other financial adjustments. While the new State has heralded its arrival with a revenue surplus of Rs.273 crore during the short period, the Government has to keep a wary eye on the high interest payments (Rs.286 crore representing 18 *per cent* of the total revenue expenditure of Rs.1,610 crore) and repayment liabilities, leaving very little of the borrowings available for investment and to take steps to augment the share of capital expenditure and that of Economic Services in its total expenditure.

(Paragraph 1)

2 Appropriation audit and control over expenditure

- As against the revised grants/appropriation of Rs.3,609.18 crore, the actual expenditure was Rs.2,104.38 crore resulting in saving of Rs.1,504.80 crore.
- Supplementary provision of Rs.130.18 crore obtained in 32 cases proved unnecessary. In 13 cases, the expenditure exceeded the provision by Rs.10.21 crore.
- In 63 cases, there was a saving of Rs. one crore or more in each case and also more than 10 *per cent* of the provision. This included four cases where entire provision totalling Rs.37.67 crore remained unutilised. In 19 cases, the entire budget provision of Rs. one crore and more in each case aggregating to Rs.47.44 crore under various Central schemes, remained unutilised.

- In 13 schemes, expenditure in each case was in excess by Rs.2 crore or more and also by more than 100 *per cent* of the provision aggregating to Rs.90.24 crore. In 50 schemes, there were substantial savings of Rs.2 crore or more and also more than 80 *per cent* of the provision in each case totalling Rs.792.48 crore. Out of these, in 26 schemes the entire provision remained unutilised.
- In 61 cases Rs.165.09 crore were surrendered during the year. Of this Rs.162.31 crore (98.3 *per cent*) were surrendered on the last day of the financial year indicating inadequate financial control over expenditure. In 114 cases of grants/appropriation, savings of Rs.1,368.08 crore were not surrendered and were allowed to lapse. This included Rs.1,348.63 crore in 44 cases, where saving exceeded Rs. two crore in each case.
- In 13 cases expenditure of Rs.26.81 crore was incurred without the provision having been made in the original estimates/supplementary demand.

(Paragraph 2)

3 Forest development through World Bank Aided Madhya Pradesh Forestry Project

The Madhya Pradesh Forestry Project (Project) was started in September 1995 with World Bank assistance, for protecting and improving the forests through Joint Forest Management (JFM) by the Forest Department and local population. Significant progress towards JFM could not be achieved, as local people were not effectively involved, due to non-execution of memorandum of understanding (MOU), with Forest Protection Committees (FPCs) and Village Forest Committees (VFCs), non-involvement of Non-Government Organisations (NGOs), less payment of protection money to FPCs and VFCs and under utilisation of committee funds in Income Generating Activities (IGA). Further, no plans were prepared for carrying out the residuary work after completion of Phase I and non-approval of Phase II by the World Bank, was endangering the existing forest development works. The Forest Survey of India (FSI) reported (1995, 1997 and 1999) a significant reduction of 13534 sq. km in dense forest cover between 1995-99. Thus, loss of forest cover coupled with the natural increase in the population would adversely affect environmental stability and maintenance of ecological balance.

- Rs.20.75 crore were paid in advance to Forest Protection/Village Forest Committees (FPCs/VFCs) in contravention of World Bank directions.

- Rs.59.83 lakh were lying unutilised in Personal Deposit (PD) Account.
- Protection money of Rs.5.49 crore (50.2 per cent) was not paid to FPCs/VFCs.
- Delay in submission of claims to World Bank cast an extra burden of Rs.4.62 crore, on the State exchequer.
- Injudicious expenditure of Rs.4.89 crore was incurred on sites unsuitable for Assisted Natural Regeneration and Village Resources Development.
- Expenditure of Rs.87.26 lakh was incurred on prohibited/avoidable items of work.
- Delay in fixation of norms for forestry work under Assisted Natural Regeneration resulted in extra expenditure of Rs.13.68 crore.
- While Rs.1.76 crore were spent on forestry works in excess of norms; expenditure of Rs.2.62 crore spent on below graded sites proved wasteful.

(Paragraph 3.1)

4 Implementation of sericulture promotion schemes

Various schemes were introduced by the Government of India (GOI) and State Government to promote rearing of silkworms to provide opportunities for gainful employment in rural areas. These did not prove successful and the production of mulberry and tasar cocoons and effective area under plantation was on a downward trend. Annual income of beneficiaries was measly and their number was coming down indicating their consequential loss of interest in sericulture.

- Fifty per cent of the available funds of Rs.10.81 crore remained unutilised.
- Area under mulberry cultivation, production of cocoons, and coverage of beneficiaries all had come down sharply.
- Annual income of beneficiaries rearing mulberry cocoons was meagre Rs.1490 in 2000-01.
- The beneficiaries producing tasar cocoons were worse-off, with a measly annual income ranging from Rs.355 to Rs.673.

- Tasar cocoons valuing Rs.22.71 lakh were lying unsold in the Government store at the end of March 2001.

(Paragraph 3.2)

5 Environmental Acts and Rules relating to Air Pollution and Waste Management

With a view to prevent and control Air Pollution and have efficient Waste management, Air (Prevention and Control of Pollution) Act, 1981 and the Environment (Protection) Act 1986 (Environment Act) were enacted. State Pollution Control Board (Board) was responsible for implementation of the Acts.

Board failed to prepare required comprehensive programme for prevention, control and abatement of air pollution. Industrial units, mostly stone crushers were operating without the approval of Board. 30 per cent of identified vehicles emitting air pollutants in excess of norms continued to ply on roads because of lack of coordination between the Board and traffic police. Air pollution from the thermal plants could not be controlled even after installation of APC equipments. Bio-medical waste generated in hospitals was not treated and disposed of as required.

- Shortfall in collection and analysis of air samples in Industries was high in Bhopal (73 per cent) and Durg (62 per cent). Even after installation of Air Pollution Control Equipments in thermal power plants the emission level of SPM was 305 to 466 per cent higher than the prescribed limit.
- Bio-medical waste could not be disposed of properly in most of the Government hospitals and nursing homes due to non-installation of incinerators. The waste generated in these hospitals was not segregated, treated and disposed of as per provisions of the Act.
- The sites for disposal of hazardous waste of the industries were not identified and developed. Hence the waste was not disposed of properly and was posing a serious threat to Public Health.
- No action plan was prepared by the local bodies for management and disposal of Urban Solid Waste.

(Paragraph 3.3)

6. Working of ITIs in Chhattisgarh State

To provide industrial and technical training to the youth for getting them employment in the industrial units, a number of Industrial Training Institutes (ITIs) and mini ITIs were set up in the State under two Centrally sponsored schemes-- Craftsmen Training Scheme and TRYSEM*. The programme failed in its objectives as the intake capacity was under utilised and the percentage of the trainees passing out successfully was only 40. No record was maintained to indicate how many of them were actually placed in gainful employment.

- Funds available were underutilised to the extent of Rs.11.28 crore.
- Utilisation of intake capacity was 71 per cent and pass percentage only 40.
- No steps were taken to seek refund/ accounts for Rs.2.26 crore from Director, Employment on Training, Madhya Pradesh and DRDAs.
- Rupees 2.85 crore were invested in 10 non-functional mini ITIs.
- Over 56 per cent of the training posts were vacant in the ITIs/mini ITIs, adversely affecting the training programme. ITIs/mini ITIs were also not operating all the sanctioned trades.

(Paragraph 3.4)

7. Prevention and Control of Diseases

National Tuberculosis Control Programme is being implemented since 1962. The envisaged cure rate was not achieved. There were shortfalls in detection of new cases and sputum examination. Follow-up treatment was poor and treatment was discontinued midway in several cases. Shortage of staff and untrained staff also contributed to poor performance.

National Programme for Control of Blindness (NPCB) from 1976 and a World Bank Assisted Cataract Blindness Control Project from 1994 are being implemented in the State. The prevalence of blindness in the State was 0.63 per cent as of March 2001 as

against the envisaged rate of 0.3 per cent. Blindness due to cataract in the State was not assessed; the targets for cataract operations were fixed on an adhoc basis as a result of which the back log of cataract operations as of March 2001 was not known. The reasons for the high prevalence of Cataract were poor performance in mobilising patients for surgeries, poor utilisation of funds, lack of IEC activities and poor follow-up.

(a) National Tuberculosis Control Programme (NTCP)

- Central assistance of Rs.1.74 crore for purchase of TB drugs was not utilised for more than 3 years and kept under "8443-Civil Deposits". Central assistance of Rs.86 lakh was lying unutilised with District Tuberculosis Control Society.
- Achievement figures for examination of sputum cases of new patients was inflated. 76 per cent patients did not take the complete course of treatment and there was increasing incidence of TB during 1996-2001. 7 to 20 per cent new TB patients could not be brought under treatment.
- 4 to 19 per cent sanctioned posts were lying vacant and deployment of untrained staff ranged between 28 and 57 per cent.
- The cure and default rate ranged between 55 and 86 and 4 and 22 per cent respectively against the norms of more than 90 and less than 5 per cent.
- Non-utilisation of TB drugs before expiry date resulted in loss of Rs.13.48 lakh.

(b) National Programme for Control of Blindness (NPCB)

- Achievement against physical target were very low as compare to the funds spent.
- Unrealistic distribution of targets to districts defeated the aims of the programme. 10 to 43 per cent catops of the targets only were contributed by Government sector. 50 per cent catops were performed in camps against the 20 per cent norm during 2000-01. As against the 1500 catops per annum per Mobile Ophthalmic Unit (MOU), actual performance ranged between 505 and 897.
- In test checked districts, vision could not be restored to 3120 patients. Only 5 per cent of the children identified for refracting were provided spectacles.
- 20 posts of ophthalmic were lying vacant in eight districts.

- As against target date of 31 March 2001 for completion of Hospitals/Wards, 32 Eye wards with Dark rooms were lying incomplete resulting in blocking of funds of Rs.1.77 crore with the PWD.
- Monitoring of the programme was inadequate. Survey conducted during 2000-01 under NPCB revealed the prevalence of blindness due to cataract as 0.63 per cent as against the norm of 0.30 per cent thus defeating the goal of the programme.

(Paragraph 3.5)

8 District Institutes of Education and Training

District Institutes of Education and Training (DIETs) were established in all the 45 districts in the State during 1987-90 under the Centrally Sponsored Scheme of "Restructuring and Reorganisation of Teacher Education" with the main purpose of providing pre-service teacher education course, and orientation programmes for elementary school teachers and for Adult Education (AE) and Non Formal Education (NFE) personnel. Despite providing Rs.26.22 crore during 1987-97 for construction of DIET buildings in all the 45 districts only 24 could be handed over to the department as of April 2001. Due to lack of proper planning and monitoring only 12 to 68 per cent of available mandays of DIET academic staff was utilised. No training was provided to AE personnel during 1996-2001 and to NFE personnel during 2000-01. Other activities like field interaction, field study, action research, experimentation etc. were almost ignored. Thus the objectives of DIETs could not be fulfilled.

- Rs.3.11 crore were irregularly claimed from Central Government.
- Out of 45 DIET buildings for which Rs.26.22 crore were provided 35 were completed and only 24 were handed over.
- Rs.0.51 crore received under special orientation programme for training to teachers were misutilised.
- Percentage of mandays of staff utilised for in-service teachers training in test checked DIETs ranged from 12 to 68 per cent of mandays available and it was found to be less than 50 per cent in 11 out of 15 DIETs.

- Central assistance of Rs.1.47 crore remained unspent with SCERT, Rs.1.48 crore were paid as salaries on idle training staff under NFE.

(Paragraph 3.6)

9 Non-Formal Education

'Non Formal Education' scheme introduced in February 1975 in Madhya Pradesh as a State Scheme was to cater to the needs of the children in the age group of 6 to 14 years who remained outside the formal system of education due to various socio-economic constraints. The scheme however failed to achieve even its supplemental objectives of mopping up school drop out children. The dropout rate was 96 per cent in primary and 84 per cent in upper primary level despite incurring an expenditure of Rs.157.98 crore on NFE in state sector during 1995-2001. State Government launched a new scheme "Education Guarantee Scheme" (EGS) with effect from January 1997 which ran parallel to NFE during 1996-2000. Though NFE scheme was closed from 1 April 2000, the State Government continued to claim grant under the Scheme from GOI.

- Lesser number of NFE centres and non purchase of text books resulted in savings ranging between Rs.1.12 crore to Rs.9.07 crore during 1995-99.
- Rs.2.42 crore released by Government of India for payment of bonus, mass media/motivation, supervisors training etc. was utilised towards office expenses.
- Central assistance of Rs.10.50 crore released under NFE during 2000-01 was utilised by State Government on EGS as all NFE Centres in the State were closed from 1 April 2000.
- Condensed course for NFE learners, and specially designed teaching/learning material to meet the diverse needs of learners, were not developed by the SCERT.
- Rs.94.92 lakh worth of Text books were supplied late by 4 months to one year. Teaching Learning Material (TLM) worth Rs.3.83 crore was purchased late by 8 to 30 months. TLM costing Rs.23.40 lakh was lying un-utilised.
- Irregular purchases of furniture, Sports material and Stationery amounted to Rs.50.76 lakh. NFE teaching, learning, material worth Rs.12.09 lakh was irregularly utilised on Education Guarantee Scheme.

35 solar photo voltaic pumping system costing Rs.2.10 crore defunct.

- Department failed to install hand pumps in 1024 Aganwadi centers while Rs.3.94 crore were lying in Civil Deposits.

(Paragraph 4.1)

11 Management of stores

The Public Works Department is responsible for construction and maintenance of residential/non-residential buildings, roads and bridges. The department did not have any systematic mechanism for procurement, custody and disposal of stores resulting in huge excesses in expenditure over budget allotment, diversion of funds from other heads of accounts, excess purchases causing accumulation of stores and violation of accounting principles. Following salient points emerged in the review.

- Purchase of stores in excess of requirement led to accumulation of huge stock worth Rs.33.06 crore.
- Tools and Plants worth Rs.4.36 crore were procured between 1995-96 and 1999-2000 without allotment of funds.
- RCC hume pipes worth Rs.1.03 crore injudiciously procured during 1997-98 and 1998-99, of which pipes costing Rs.73.71 lakh were lying unused as of August 2001.
- Excess consumption of 1081 MT bitumen emulsion worth Rs.1.08 crore during 1995-96 and 1996-97 was noticed.
- Use of 380.60 MT cutback bitumen, a costlier binder, during 1995-96 to 1999-2000, resulted in extra cost of Rs.55.88 lakh.
- Items reserved for procurement from MPLUN were purchased from open market at exorbitant rates resulting in extra cost of Rs.41.24 lakh.
- Material worth Rs.40.95 crore was debited to work without verification of its actual consumption between 1998-2000.

(Paragraph 4.2)

12 Working of Water Resources Department

The State of Chhattisgarh was created on 1 November 2000 by the State Reorganisation Act, 2000 and comprises 16 districts of

the erstwhile composite Madhya Pradesh (MP). The available water resources are sufficient to irrigate 43 lakh hectares (ha) which is 73.76 *per cent* of the net sown area (NSA). Chhattisgarh inherited an irrigation potential of 13.40 lakh ha (22.98 *per cent* of NSA) from MP provided by 8 major, 30 Medium and 1943 minor schemes and two partially completed major schemes. During 1999-2000 the actual irrigation was 9.01 lakh ha i.e. 67.24 *per cent* of the developed irrigation potential and 15.46 *per cent* of NSA, which fell to 5.32 lakh ha (39.70 *per cent*) in 2000-2001. Following points also emerged in the Review:

- Out of funds of Rs.111.57 crore provided by the Government between 1 November 2000 and 31 March 2001, Rs.26.67 crore (23.90 *per cent*) remained unutilised.
- 455 technical officers, drawing pay and allowances totaling Rs.8.20 crore were attached to various offices in a supernumerary capacity. Payment of Rs.7.54 crore was being made annually to 2,323 surplus daily wage and work charged staff
- 409 schemes (designed potential 4.01 lakh ha.) are incomplete due to shortage of funds. Similarly 503 minor schemes having designed potential of 2.88 lakh ha have not been taken up for execution owing to financial crunch.
- Utilisation of irrigation potential in medium projects ranged from 14 to 100 *per cent*. 783 minor schemes having a potential of 1.10 lakh ha provided no irrigation during 1999-2000.
- Rupees 26.61 crore were lying unrecovered/unadjusted in suspense head Miscellaneous Works Advances for 1 to 10 years. Cheques for Rs.5.14 crore and remittances of Rs.14.22 crore had not been reconciled with treasury records.
- Expenditure of Rs.48.21 lakh incurred on the canal of a medium project proved nugatory with the site of head works being undecided.

(Paragraph 4.3)

13 Audit Paragraphs

13.1 Chirimiri Integrated Water Supply Scheme

- Abnormal delay in execution of Chirimiri Water Supply Scheme resulted in additional burden of Rs.2.87 crore on Government. Rupees 69.53 lakh were not recovered from 4 defaulting contractors in construction of earthen dam, and spill way channel. Rupees 47.50 lakh were paid to daily wage and work charged staff engaged in violation of Government orders. Government was saddled with extra burden of Rs.64.93 lakh due to non-acceptance of the liability by South Eastern Coal fields Limited (SECL). Further liability of Rs.2.14 crore was still under dispute with SECL

(Paragraph 4.7)

13.2 Wasteful expenditure

- Unplanned execution of Bartunga tank over a period 23 years without administrative approval resulted in wasteful expenditure of Rs.50.41 lakh.

(Paragraph 4.4)

13.3 Extra cost avoidable/excess expenditure

- Timber and bamboo were not transported from coupes in the year of felling, resulting in avoidable expenditure of Rs.23.70 lakh on reconstruction of extraction paths, fire protection and watch and ward etc. in 3 forest divisions.

(Paragraph 3.9)

- Use of costlier cut back bitumen instead of equally effective cationic emulsion resulted in extra cost of Rs.14.17 lakh in maintenance of roads under PWD (B&R) Division-II, Ambikapur.

(Paragraph 4.6)

13.4 Avoidable/Unfruitful expenditure

- Non-maintenance of power factor as per agreements and improper assessment of contract demand for HT power connections resulted in avoidable extra expenditure of Rs.40.53 lakh at the Medical College Hospital, Raipur.

(Paragraph 3.10)

- Expenditure of Rs.2.52 crore on ayurvedic dispensaries in Bastar, Bilaspur and Durg, running without doctors was unfruitful. Further, the treatment being provided to patients by compounders and even Class-IV staff was not only unauthorised but also risky to the lives of the patients.

(Paragraph 3.11)

- Payment of stipends amounting to Rs.53.83 lakh by Assistant Commissioner, Tribal Development, Jagdalpur, to Ashrams/hostels for SC/ST students, irregularly granted recognition despite their failure to provide minimum facilities like beds, mattresses, tables, latrines, etc. to the students was not in conformity with Government instructions.

(Paragraph 3.15)

- Commissioner, Scheduled Tribes, Scheduled Castes, Backward Classes and Minorities Welfare Department, irregularly purchased furniture worth Rs.9 crore without assessing the demand.

(Paragraph 3.17)

13.5 Loss of Revenue

Tax exemption of Commercial Tax of Rs.50.62 lakh availed during 1995-96 to 1997-98 was irregular and recoverable

(Paragraph 5.2)

- Vehicle Tax of Rs.18.39 lakh along with interest of Rs.30.31 lakh was not levied and recovered from 78 vehicle owners on 85 reserve or spare stage carriages.

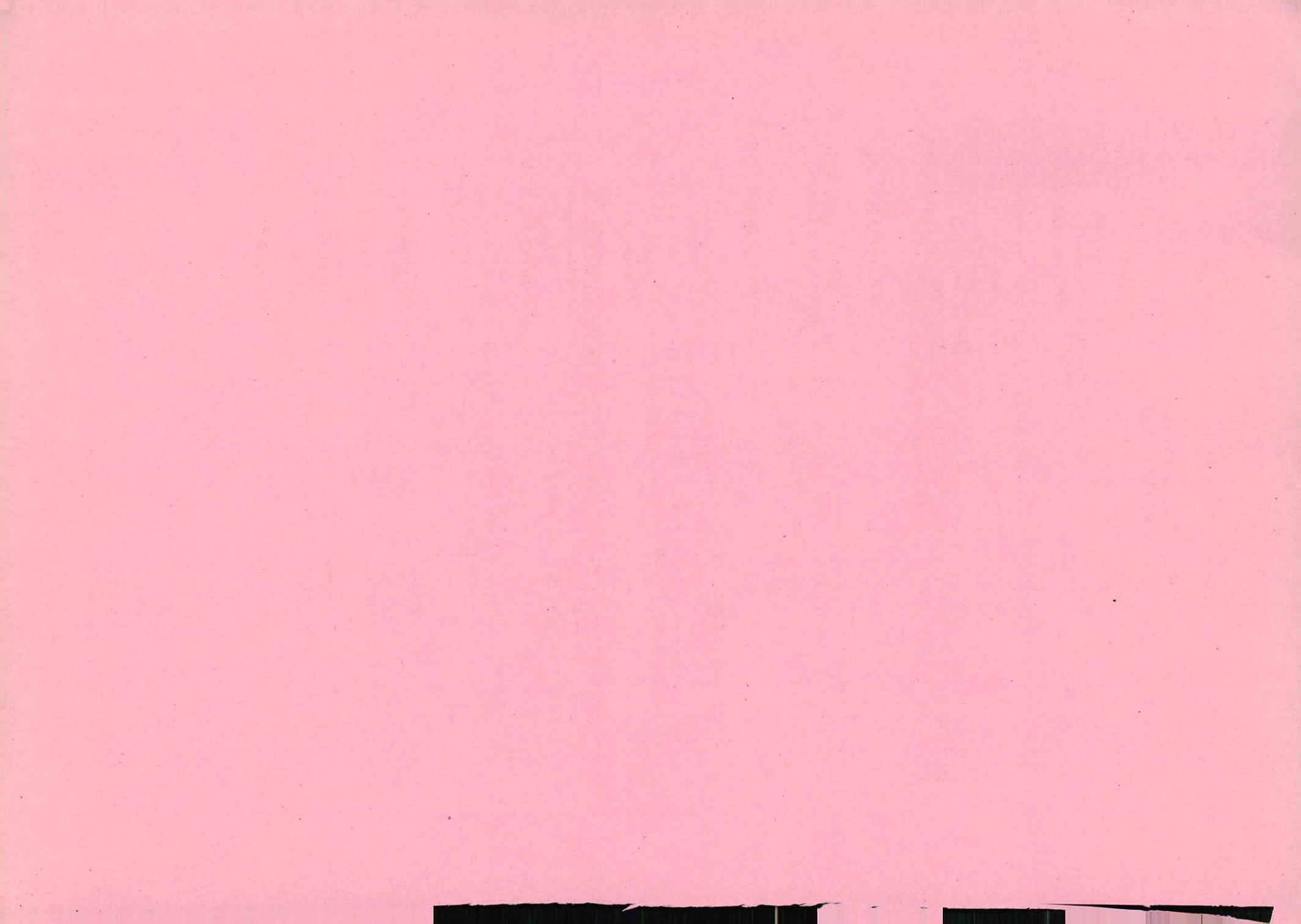
(Paragraph 5.7(i))

- Due to non-payment of royalty at revised rates on extraction of bauxite resulted in short realisation of royalty of Rs.21.20 lakh.

(Paragraph 5.11)

- Due to non-determination of market value of the properties by Collector of Stamps referred to him by Sub-Registrar, Raipur, Rs.2 crore (stamp duty: Rs.1.81 crore, registration fee: Rs.0.19 crore) remained unrealised.

(Paragraph 5.14)



CHAPTER I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

This chapter discusses the financial position of the Government of Chhattisgarh, based on the analysis of the information contained in the Finance Accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the chapter also contains a section on the analysis of indicators of financial performance of the Government based on certain ratios and indices developed on the basis of the information contained in the Finance Accounts and other information furnished by the State Government. Some of the terms used in this chapter are described in **Appendix I**.

In terms of Madhya Pradesh Re-organisation Act, 2000 (No.28 of 2000), 16* districts of the erstwhile composite State of Madhya Pradesh were transferred to form the new State of Chhattisgarh on 1 November 2000, 'the appointed day.' The apportionment of assets and liabilities of the composite State of Madhya Pradesh immediately prior to the 'appointed day' as also the other financial adjustments between the successor States of Chhattisgarh and Madhya Pradesh are to be done in each case in accordance with the provisions of the Act, *ibid*. The actual progress achieved in this direction is indicated in **Appendix II**. It will be seen therefrom that the process is far from complete. More details are available in the Finance Accounts.

1.2 Financial position of the State

In the Government accounting system, comprehensive accounting of the fixed assets like land and buildings etc., owned by the Government is not done. However, government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Exhibit I gives an abstract of such liabilities and the assets as on 31 March 2001. While the liabilities in this statement consist mainly of internal borrowings, loans and advances from the Government of India (GOI), receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government

* *Bastar, Bilaspur, Dantewada, Dhamtari, Durg, Janjgir-Champa, Jashpur, Kanker, Kawardha, Korba, Koriya, Mahasamund, Raigarh, Raipur, Rajnandgaon and Surguja.*

and the cash balances.* It would be seen from Exhibit II that substantial portions of liabilities are yet to be apportioned/finally apportioned and liabilities and assets amounting to Rs.1925.87 crore and Rs.11,525.53 crore respectively have been retained in Madhya Pradesh pending apportionment. As per the present level of apportionment/allocations, the liabilities of the Government of Chhattisgarh as on 31 March 2001 were Rs.6202 crore against the assets of Rs.2231 crore on that date.

EXHIBIT I
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF
CHHATTISGARH AS ON 31 MARCH 2001

(Rupees in crore)

As on 1.11.2000	Liabilities	As on 31.03.2001
1862.94	Internal Debt	1941.33
1097.37	Market Loans bearing interest	1167.40
1.44	Market Loans not bearing interest	1.43
193.53	Loans from other Institutions	193.82
108.51	Ways and Means Advances	--
--	Overdrafts from Reserve Bank of India	--
462.09	Special Security Issued to NSS fund of Central Government	578.68
2823.25	Loans and Advances from Central Government	2903.18
140.15	Pre 1984-85 Loans	132.51
916.22	Non-Plan Loans	916.46
1714.36	Loans for State Plan Schemes	1803.40
16.32	Loans for Central Plan Schemes	15.93
36.20	Loans for Centrally Sponsored Plan Schemes	34.88 (*)
--	Contingency Fund	40.00
974.52	Small Savings, Provident Funds, etc.	1024.64
288.60	Deposits	324.90
13.04	Reserve Funds	62.47
11.91	Suspense and Miscellaneous Balances	(-)94.37
5974.26		6202.15
	Assets	
1484.59	Gross Capital Outlay on Fixed Assets -	1705.10
--	Investments in shares of Companies, Corporations, etc.	(-)2.27
1484.59	Other Capital Outlay	1707.37
135.91	Loans and Advances -	138.34
--	Loans for Power Projects	--
135.91	Other Development Loans	138.84
--	Loans to Government servants and Miscellaneous loans	(-)0.50
--	Reserve Fund Investments	--
--	Appropriation to Contingency Fund	40.00
1.63	Advances	1.53
152.88	Remittance Balance	226.75
(-)44.57	Cash -	119.69
(-)23.70	Cash in Treasuries and Local Remittances	(-)29.65
(-)28.34	Deposits with Reserve Bank	(-)163.22
3.96	Departmental Cash Balance including permanent cash imprest	4.89
3.51	Cash Balance Investments	307.67
4243.82	Deficit on Government Account	3970.74
--	(i) Revenue Deficit of the current year/period	(-)273.08
--	(ii) Miscellaneous Govt. Account	--
--	(iii) Accumulated deficit	4243.82
5974.26		6202.15

(*) Rs.34,87,49,125, rounded off to Rs.34.88 crore.

In case of Chhattisgarh, the figures for the year 2000-01 in each of the Exhibits and the tables are for five months only i.e., from 01 November 2000 the date the State came into existence to close of the financial year on 31 March 2001. Hence, a comparison with the corresponding figures of previous years has not been possible.

EXHIBIT II (Continued)

Receipts				Disbursements			
		01 November 2000 to 31 March 2001			01 November 2000 to 31 March 2001		
V	Recoveries of Loans and Advances		1.31	V. Loans and Advances disbursed		3.74	
	--From Power Projects	--		--For Power Projects	--		
	--From Government Servants	0.78		--To Government Servants	0.28		
	--From others	0.53		--To others	3.46		
VI	Revenue Surplus brought down		273.08	VI. Revenue deficit brought down		--	
VII	Public debt receipt		347.82	VII. Repayment of public debt		189.49	
	--Internal debt other than ways and means advances and overdraft	205.67		--Internal debt other than ways and means advances and overdraft	18.76		
	--Loans and advances from Central Government	142.15		--Repayment of loans and advances to Central Government	62.22		
	--Net transactions under Ways and means advances including overdraft	--		--Net transactions under Ways and means advances including overdraft	108.51		
VIII	Appropriation to Contingency Fund			VIII. Appropriation to Contingency Fund		40.00	
IX	Amount transferred to Contingency Fund	--	40.00	IX. Expenditure from Contingency Fund	--	--	
X	Public Account receipts		2009.12	X. Public Account disbursements		2053.32	
	--Small Savings and Provident Funds	181.82		--Small Savings and Provident Funds	131.70		
	--Reserve funds	49.44		--Reserve Funds	--		
	--Suspense and Miscellaneous	1112.63		--Suspense and Miscellaneous	1218.93		
	--Remittance	300.85		--Remittances	374.72		
	--Deposits and Advances	364.38		--Deposits and Advances	327.98		
XI	Closing Overdraft from Reserve Bank of India			XI. Cash Balance at end of the year		119.69	
				--Cash in Treasuries and Local Remittances	(-)29.65		
				--Deposits with Reserve Bank	(-)163.22		
				--Departmental cash Balance including permanent cash imprest	4.89		
				--Cash Balance Investment and Investment of Earmarked Funds	307.67		
	Total - B		2626.76	Total	2626.76		

EXHIBIT III**SOURCES AND APPLICATION OF FUNDS***(Amount in crores of rupees)*

Sources	01 November 2000 to 31 March 2001	
	Amount	Per cent
Revenue receipts	1882.92	87
Recoveries of Loans and Advances	1.31	--
Increase in Public debt	158.32	7
Receipts from Public account	135.96	6
a. Increase in Small Savings	50.12	
b. Increase in Deposits and Advances	36.40	
c. Increase in Reserve funds	49.44	
d. Effect of remittances transactions		
Decrease in closing cash balance		
Total	2178.51	100
Application		
Revenue expenditure	1609.84	74
Lending for development and other purposes	3.74	--
Capital expenditure	220.51	10
Net effect of Contingency Fund transactions	--	
Application From Public Account	180.16	8
(a) Net effect of Suspense and Miscellaneous transactions	106.29	
(b) Miscellaneous Government Account	--	
(c) Effect of Remittance transactions	73.87	
Increase in closing cash balance	164.26	8
Total	2178.51	100

Explanatory Notes for Exhibits I, II and III:

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on government account, as shown in Exhibit I, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and others pending settlement etc.
4. There was a difference of Rs.12.37 lakh (credit) between the figures reflected in the accounts i.e. Rs.16322.27 lakh (credit) and that intimated by Reserve Bank of India Rs.16309.90 lakh (debit) regarding "Deposits with Reserve Bank" included in the cash balance. After close of November 2002 accounts, the net difference to be reconciled was Rs.2.01 lakh (credit).

EXHIBIT IV

AN ANALYSIS OF STATE GOVERNMENT FINANCES

(Rupees in crore)

	2000-01 (November 2000 - March 2001)	
Part A. Receipts		
1. Revenue Receipts		1883 (84)
(i) Tax Revenue	750 (40)	
Taxes on Sales, Trade, etc.	354 (47)	
State Excise	123 (16)	
Stamps and Registration fees	62 (8)	
Taxes on Goods and Passengers	61 (8)	
Other Taxes	150 (21)	
(ii) Non Tax Revenue	288 (15)	
Mining and Metallurgical Industries	199 (69)	
Forestry and Wild Life	46 (16)	
Others	43 (15)	
(iii) State's share in Union taxes and duties	510 (27)	
(iv) Grants in aid from GOI	335 (18)	
2. Misc. Capital Receipts	--	
3. Total revenue and Non Debt capital receipts (1+2)		1883
4. Recovery of Loans and Advances		01
5. Public Debt Receipts		348 (16)
Internal Debt (Excluding Ways & Means Advances & Overdrafts)	206 (59)	
Net transactions under ways and means advances and overdraft	--	
Loans and Advances from Government of India ^s	142 (41)	
6. Total receipt in the Consolidated fund (3+4+5)		2232
7. Contingency Fund receipts		40
8. Public Account receipts		2009
9. Total receipts of the State (6+7+8)		4281
Part B. Expenditure / Disbursement		
10. Revenue expenditure		1610 (88)
Plan	295 (18)	
Non Plan	1314 (82)	
General Services (incl. interest payments)	477 (30)	
Social Services	739 (46)	
Economic Services	347 (22)	
Grants-in-aid and Contributions	47 (2)	

Contd..

	2000-01 (November 2000 - March 2001)	
11. Capital Expenditure		221 (12)
Plan	222 (100)	
Non Plan	(-)01	
General Services	08 (4)	
Social Services	44 (20)	
Economic Services	168 (76)	
12. Disbursement of Loans and Advances		04
13. Total expenditure (10+11+12)		1835
14. Repayment of Public Debt		190
Internal Debt (excluding Ways & Means Advances and Overdrafts)	19 (10)	
Net transactions under Ways and Means Advances and Overdraft	109 (57)	
Loans and Advances from Government of India ^S	62 (33)	
15. Appropriation to Contingency Fund		40
16. Total disbursement out of Consolidated Fund (13+14+15)		2065
17. Contingency Fund disbursements		--
18. Public Account disbursements		2053
19. Total disbursement by the State (16+17+18)		4118
Part C. Deficits		
20. Revenue Surplus (1-10)		273
21. Fiscal Surplus (3+4-13)		49
22. Primary Surplus (21-23)		335
Part D. Other data		
23. Interest payments (included in revenue exp.)		286
24. Arrears of Revenue (Percentage of Tax & non-Tax Revenue Receipts)		
25. Financial assistance to local bodies etc.		37.42
26. Ways and Means Advances/Overdraft availed (days)		01 / --
27. Interest on WMA/Overdraft		--
28. Gross State Domestic Product (GSDP)		10782
29. Outstanding debt (year-end)		6255
30. Outstanding guarantees* (year-end)		--
31. Maximum amount guaranteed (year-end)		--
32. Number of incomplete projects		60
33. Capital blocked in incomplete projects		1449

Notes : (i) Figures in brackets represent percentages, rounded to total of each sub-heading
(ii) GSDP computed on proportionate basis for the period November 2000-March 2001, i.e., 151/365 ths of the annual GSDP of Rs.26061.43 crore. (Provisional-at current prices; 1993-94 series.)

* Rs.9710 crore retained in Madhya Pradesh for apportionment between the successor States of MP and Chhattisgarh.

^S Includes ways and means advances from GOI.

1.3 Financial operations of the State Government

1.3.1 Exhibit II gives the details of the receipts of, and disbursements made by, the State Government during the period. The revenue receipts (Rs.1883 crore) during the period were in excess of the revenue expenditure (Rs.1610 crore) resulting in a revenue surplus of Rs.273 crore. The Revenue receipts comprised tax revenue (Rs.750 crore), non-tax revenue (Rs.288 crore), State's share of Union taxes and duties (Rs.510 crore) and grants-in-aid from the Central Government (Rs.335 crore). The main sources of tax revenue were Sales taxes (47 per cent), State excise (16 per cent) and Stamps and Registration fees (8 per cent) and taxes on goods and passengers (8 per cent). Non-tax revenue came mainly from Mining and Metallurgical Industries (69 per cent) and Forestry and Wild Life (16 per cent).

1.3.2 The capital receipts comprised of Rs.1 crore from recoveries of loans and advances and Rs.348 crore from public debt. Against this, the expenditure was Rs.221 crore on capital outlay, Rs.4 crore on disbursement of loans and advances and Rs.189 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.2009 crore, against which the disbursements of Rs.2053 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was an increase in the cash balance by Rs.164 crore at the end of the year.

1.3.3 The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in Exhibits II and IV.

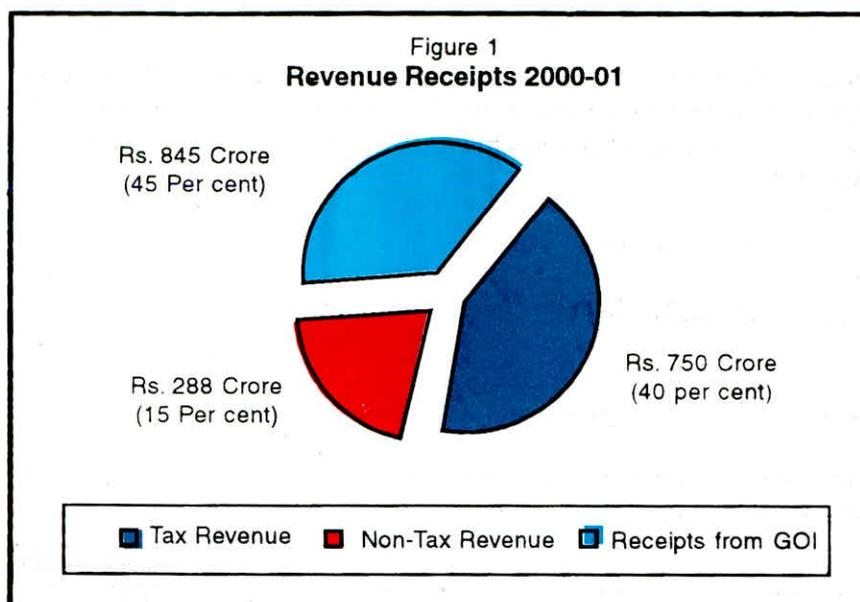
1.4 Sources and applications of funds

1.4.1 Exhibit III gives the position of sources and applications of funds during the period. The main sources of funds include the revenue receipts of the Government, recoveries of the loans and advances, public debt and the receipts from the Public Account. These funds are applied mainly on revenue and capital expenditure and lending for developmental purposes. It would be seen that the revenue receipts constitute the most significant source of funds for the State Government; its relative share was 87 per cent. The net receipts from the Public Account were 6 per cent. The receipt from the public debt was 7 per cent.

1.4.2 The funds were mainly applied for revenue expenditure and its share was 74 per cent, lower than the share of the revenue receipts (87 per cent) in the total receipts of the State Government. This led to Revenue Surplus of Rs.273 crore during the period. The percentage of capital expenditure was 10, not commensurate with the combined shares of 13 per cent of Public debt and Receipts from Public Account in total receipts.

1.5 Revenue receipts

1.5.1 The revenue receipts consist mainly of tax and non-tax revenue and receipts from Government of India (GOI). Their relative shares are shown in Figure 1. The revenue receipts constituted 87 per cent of total resources of the Government during November 2000 to March 2001.



1.5.2 Tax revenue

This constitutes the major component (40 per cent) of the revenue receipts. Exhibit IV shows that the relative contribution of sales tax was 47 per cent during the period, while that of State excise was 16 per cent, and of Stamps and registrations fees and Taxes on goods and passengers 8 per cent each.

1.5.3 Non-tax revenue

Non-tax revenue was a significant source and its share in the revenue receipts was 15 per cent during the period. Main contribution (69 per cent) was from Mining and Metallurgical Industries and (16 per cent) from Forestry and Wild Life.

1.5.4 State's share of Union taxes and duties and grants-in-aid from the Central Government

The State's share of Union taxes (Central excise duties, Income tax and Corporation taxes) was 27 per cent and that of grants-in-aid from the GOI was 18 per cent. As a percentage of revenue receipts (both taken together), it was 45 per cent during the period.

1.6 Revenue expenditure

1.6.1 The revenue expenditure accounted for most (88 per cent) of the expenditure of the State Government. The non-Plan component constituted 82 per cent of revenue expenditure while the Plan expenditure was only 18 per cent.

1.6.2 Sector-wise expenditure shows that while the expenditure on General Services and Social Services was 30 per cent (Rs.477 crore) and 46 per cent (Rs.739 crore) respectively, that on Economic Services was only 22 per cent (Rs.347 crore).

1.6.3 Interest payments

Interest payments were Rs.286 crore during the period. This is further discussed in the section on financial indicators (paragraph 1.11.3 (ii))

1.6.4 Financial assistance to local bodies and other institutions

The quantum of assistance provided to different local bodies etc., during the period was as follows:

	(Rupees in crore)
	2000-01 (November 2000 to March 2001)
Education	32.38
Water Supply, Sanitation, Housing and Urban Development	04.91
Public Undertakings	00.13
Total	37.42
Assistance as a percentage of revenue expenditure	2.32

A major portion (87 per cent) of the assistance has been accounted for by educational institutions.

1.7 Capital expenditure

1.7.1 Capital expenditure normally leads to asset creation. In addition, financial assets arise from money invested in institutions or undertakings outside Government i.e. public sector undertakings (PSUs), corporations etc. and loans and advances. Exhibit IV shows that most of the capital expenditure has been on Economic and Social Services on the Plan side.

Loans and Advances by the State Government

1.7.2 The Government gives loans and advances to Government companies, corporations, local bodies, autonomous bodies, co-operatives, non-Government institutions, etc., for developmental and non-developmental activities. Allocations of balances as on 31 October 2000 between the successor States of MP and Chhattisgarh is yet to be done. However, the position for the period from November 2000 to March 2001 is given below :

(Rupees in crore)

	2000-01 (November 2000 to March 2001)
Opening balance (provisional)	135.91
Amount advanced during the year	3.74
Repayments received during the year	1.31
Closing balance	138.34
Net addition	2.43
Interest received	0.03

1.8 Quality of expenditure

1.8.1 Government spends money for different activities ranging from maintenance of law and order and regulatory functions to various developmental activities. Government expenditure is broadly classified into Plan and non-Plan and revenue and capital. While the Plan and Capital expenditure are usually associated with asset creation, the non-Plan and revenue expenditure are identified with expenditure on establishment, maintenance and services. By definition, therefore, in general the Plan and capital expenditure can be viewed as contributing to the quality of expenditure.

1.8.2 Wasteful public expenditure, diversion of funds and funds blocked in incomplete projects would impinge negatively on the quality of expenditure. Similarly, funds transferred to Deposit heads in the Public Account after booking them as expenditure, can also be considered as a negative factor in judging the quality of expenditure; as the expenditure is not actually incurred in the current year it should be excluded from the figures of the expenditure of that year. Another possible indicator is the increase in the expenditure on General Services to the detriment of Economic and Social services.

1.8.3 The following table lists out the trend in these indicators:

	2000-201 (November 2000 - March 2001)
1. Plan expenditure as a percentage of : Total expenditure (Revenue + Capital)	28
2. Capital expenditure (<i>per cent</i>)	12
3. Expenditure on General Services as a percentage of : Total expenditure (Revenue + Capital)	26
4. Unspent balances under Deposits heads, booked as expenditure (Rs. in crore)	43

It would be seen that the share of Plan expenditure was 28 *per cent* during the period. The share of capital expenditure in the total expenditure was 12 *per cent*.

Substantial funds (Rs.43 crore) were parked in Civil Deposits without the expenditure having actually been incurred. Paragraph 2.3.18 also refers as regards the parking of funds during the period November 2000 to March 2001. All these, along with the wastage, etc. of funds reported in the Audit Report, reflect adversely on the quality of expenditure.

1.9 Financial management

The issue of financial management in the Government should relate to efficiency, economy and effectiveness of its revenue and expenditure operations. Subsequent chapters of this report deal extensively with these issues especially as these relate to the expenditure management in the Government, based on the findings of the test audit. Some other parameters, which can be segregated from the accounts and other related financial information of the Government, are discussed in this section.

1.9.1 Investments and returns

Investments are made out of the capital outlay by the Government to promote developmental, manufacturing, marketing and social activities. The sector-wise details of investments made and the number of concerns involved were as under:

(Rupees in crore)

Sector	Number of concerns	Amount invested	
		During November 2000 to March 2001	As on 31 March 2001
Statutory Corporations	2	(-)1.68	(-)1.68
Government Companies	--	--	--
Joint Stock Companies	--	--	--
Co-operative Institutions	9	(-)0.58	(-)0.58
Total	11	(-)2.26	(-)2.26

The investments made by the composite State of Madhya Pradesh in statutory corporations, government companies, joint stock companies and co-operative

institutions aggregating to Rs.1628 crore are yet to be apportioned between the successor States.

1.9.2 Financial results of irrigation projects

The financial results of 6 major and medium irrigation projects with revenue expenditure of Rs.27.33 crore during the period showed that revenue realised (Rs.10.38 crore) from these projects during November 2000 to March 2001 was 37.98 *per cent* of revenue expenditure, not sufficient to meet even the expenditure on maintenance.

1.9.3 Incomplete projects

As on 31 March 2001, there were 60 incomplete projects with a cumulative investment of Rs.1449.41 crore.

1.9.4 Arrears of revenue

Information about arrears of revenue as on 31 March 2001 had not been received from the concerned departments.

1.9.5 Ways and means advances and overdraft

Under an agreement with the Reserve Bank of India, the State Government had to maintain with the Bank a minimum daily cash balance of Rs.0.72 crore. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking ways and means advances (WMA)/special ways and means advances from the Bank. Besides, overdraft (OD) is also made by the Bank whenever necessary. Recourse to WMA/OD means a mismatch between the receipts and expenditure of the Government, and hence reflects poorly on the financial management in Government. During the period, however, the Government took ways and means advances amounting to Rs.3.03 crore for only a single day.

1.9.6 Deficit

1.9.6.1 Deficits in Government account represent gaps between the receipts and expenditure. The nature of deficit is an important indicator of the prudence of financial management. Further, the ways of financing the deficit and the application of the funds raised in this manner are important pointers of the fiscal prudence of the Government. The discussion in this section relates to three concepts of deficit *viz.*, Revenue Deficit, Fiscal Deficit and Primary Deficit.

1.9.6.2 Revenue deficit is the excess of revenue expenditure over revenue receipts. Fiscal deficit may be defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aid received). Primary deficit is fiscal deficit less interest payments. The following exhibit gives a break-up of the deficit in Government account :

(Rupees in crore)

CONSOLIDATED FUND					
Receipts	Amount			Disbursements	Amount
Revenue	1883	Revenue surplus: 273		Revenue	1610
Misc. capital receipts	--			Capital	220
Recovery of loans & advances	01			Loans & advances disbursement	04
Sub Total	1884	Gross fiscal surplus: 50		Sub Total	1834
Public debt	348			Public debt repayment*	189
Total	2232	A: Surplus in Consolidated Fund : 209		Total	2023
CONTINGENCY FUND					
Amount transferred to Contingency Fund	--			Expenditure from Contingency Fund	--
		B. Surplus/Deficit in Contingency Fund : Nil			
PUBLIC ACCOUNT					
Small savings, PF etc.	182			Small savings, PF etc.	132
Deposits & advances	364			Deposits & advances	328
Reserve funds	49			Reserve funds	--
Suspense & misc.	1113			Suspense & misc.	1219
Remittances	301			Remittances	375
Total Public Account	2009	C: Deficit in Public Account :45		Total	2054
Increase in cash balance (A+B) - (C)= 209-45 = 164					

Net proceeds of Rs.159 crore from the public debt and gross fiscal surplus of Rs.50 crore, partly offset by net outflow of Rs.45 crore from Public Account led to an increase in cash balance by Rs.164 crore.

1.10 Public debt

1.10.1 The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law had been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government as on 31 March 2001 are given in the following table:

(Rupees in crore)					
Internal debt	Loans and advances from Central Government	Total public debt (A)	Other liabilities ^a (B)	Total liabilities (A+B)	Ratio of debt to GSDP
1941	2903	4844	1411	6255	0.24 ^B

1.10.2 The amount of funds raised through Public debt, the amount of repayment and net funds available are given in the following table:

^a Other liabilities include small savings, provident funds, reserve funds and deposits, etc.

^B The ratio Debt/GSDP has been calculated by taking annual GSDP figure of Rs.26061.43 crore.

(Rupees in crore)

	2000-01 (November 2000 - March 2001)
Internal Debt	
-Receipt	209
-Repayment (principal + intt.)	193
-Net funds available (<i>per cent</i>)	16(8)*
Loans & advances from GOI	
- Receipt during the period	142
- Repayment	235
- Net funds available (<i>per cent</i>)	(-)93 (-)(65)
Other liabilities	
- Receipt during the period	536
- Repayment	450
- Net funds available (<i>per cent</i>)	86(16)

It would be seen that very little of the borrowings was available for investment and other expenditure after meeting the repayment obligations.

1.11 Indicators of the financial performance

1.11.1 A Government may either wish to maintain its existing level of activity or increase its level of activity. For maintaining its current level of activity it would be necessary to know how far the means of financing are sustainable. Similarly, if Government wishes to increase its level of activity it would be pertinent to examine the flexibility of the means of financing and finally, Government's increased vulnerability in the process. All the State Governments continue to increase the level of their activity principally through Five Year Plans which translate into Annual development plans and are provided for in the state budget. Broadly, it can be stated that non-Plan expenditure represents Government maintaining the existing level of activity**, while Plan expenditure entails expansion of activity. Both these activities require resource mobilization, increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, flexibility and vulnerability. These terms are defined as follows:

(i) Sustainability

Sustainability is the degree to which a Government can maintain existing programmes and meet existing creditor requirements without increasing the debt burden.

(ii) Flexibility

Flexibility is the degree to which a Government can increase its financial resources to respond to rising commitments by either expanding its revenue base or increasing its debt burden.

* Percentage of Net funds available has been worked out based on the receipts excluding ways and means advances to the extent repaid during the year.

** There are exceptions to this, notably, the transfer of Plan to non-Plan at the end of the Plan period.

(iii) Vulnerability

Vulnerability is the degree to which a Government becomes dependent on and therefore vulnerable to sources of funding outside its control or influence, both domestic and international.

(iv) Transparency

There is also the issue of financial information provided by the Government. This consists of Annual Financial Statement (Budget) and the Accounts. As regards the budget, the important parameters are timely presentation indicating the efficiency of budgetary process and the accuracy of the estimates. As regards accounts, timeliness in submission, for which milestones exist and completeness of accounts, would be the principal criteria.

1.11.2 Information available in Finance Accounts can be used to flesh out sustainability, flexibility, and vulnerability that can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. The list of such indices/ratios is given in Appendix I. Exhibit V indicates the behaviour of these indices/ratios for the period.

EXHIBIT V
FINANCIAL INDICATORS FOR GOVERNMENT OF
CHHATTISGARH

	2000-01 (November 2000 - March 2001)
Sustainability	
BCR (Rupees in crore)	343
Primary Surplus (Rupees in crore)	335
Interest Ratio	0.15
Capital outlay/Capital receipts	0.56
Total Tax receipts/GSDP	0.12
State Tax Receipts/GSDP	0.07
Return on Investment (<i>per cent</i>)	--
Flexibility	
BCR (Rupees in crore)	343
Capital repayments/Capital borrowings	0.23
State tax receipts/GSDP	0.07
Debt/GSDP	0.24
Vulnerability	
Revenue Surplus (Rupees in crore)	273
Fiscal Surplus (Rupees in crore)	50
Primary Surplus (Rupees in crore)	335
RD/FD	--*
Assets/Liabilities	0.36

* The year ended with a revenue as well as fiscal surplus

Notes

1. Fiscal deficit has been calculated as: Revenue expenditure + Capital expenditure + Net loans and advances – Revenue receipts – non-loan Capital receipts.
2. In the ratio Capital outlay vs. Capital receipts, the denominator has been taken as Internal loans + Loans and Advances from Government of India + Net receipts from small savings, PF etc., + Repayments received from loans advanced by the State Government – Loans advanced by State Government.
3. The ratio Debt/GSDP has been calculated by taking annual GSDP figure of Rs.26061.43 crore.

1.11.3 The implications of these indices/ratios for the State of the financial health of the State Government are discussed in the following paragraphs :

(i) Balance from current revenues (BCR)

BCR is defined as revenue receipts minus Plan assistance grants minus non-Plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting Plan expenditure. Exhibit V shows that the State Government had a positive BCR during the period, and could contribute Rs.343 crore from current revenues to finance its Plan expenditure.

(ii) Interest ratio

Interest ratio is defined as:

$$\frac{\text{Interest payments} - \text{Interest receipts}}{\text{Total revenue receipts} - \text{Interest receipts}}$$

The higher the ratio, lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. A rising interest ratio has adverse implications on the sustainability since it points out to the rising interest burden. The Government of Chhattisgarh has started with a significant interest ratio of 0.15.

(iii) Capital outlay/capital receipts

This ratio would indicate to what extent the capital receipts are applied for capital formation. The current ratio of 0.56 indicated that a little more than half of the capital receipts were applied for capital formation. Though the State had a revenue surplus and there no diversion of capital receipts to unproductive revenue expenditure in the current year, part of the balances of the capital receipts were used to increase cash balances.

(iv) Tax receipts Vs Gross State Domestic Product (GSDP)

Tax receipts consist of State taxes and State's share of Central taxes. Tax receipts suggest sustainability. But the ratio of tax receipts to GSDP would have implications for the flexibility as well. While a low ratio would imply that the Government can tax more, and hence its flexibility, a high ratio may not only point to the limits of this source of finance but also its inflexibility. For Chhattisgarh, the own tax-GSDP and the overall tax-GSDP ratios were 0.07 and 0.12 respectively for the period November 2000 - March 2001.

(v) Capital repayments Vs Capital borrowings

This ratio would indicate the extent to which the capital borrowings are available for investment after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. The ratio during the period was 0.23, indicating that 23 *per cent* of the capital borrowings were not available for capital formation.

(vi) Debt Vs Gross State Domestic Product (GSDP)

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. For Chhattisgarh this ratio was 0.24.

(vii) Revenue deficit Vs Fiscal deficit

The revenue deficit is the excess of revenue expenditure over revenue receipts and represents the part of revenue expenditure financed by borrowings etc. Evidently, the higher the revenue deficit, the more vulnerable is the State. Since Fiscal deficit represents the aggregate of all the borrowings, the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus, the higher the ratio, the worse-off the State because that would indicate that the debt burden is increasing without adding to the repayment capacity of the State. While a trend analysis is not possible, the State being a new one, during the short period of November 2000 - March 2001, the State was in the happy position of having a revenue as well as a fiscal surplus.

(viii) Primary deficit Vs Fiscal deficit

Primary deficit is the fiscal deficit minus interest payments. Primary deficit represents the net borrowings needed after discharging interest liability for current activities of the Government (considering that interest payments are the results of past actions of the Government). During the period, State Government had a primary surplus of Rs.335 crore as interest liability was fully discharged from current revenue.

(ix) Assets Vs Liabilities

This ratio indicates the solvency of the Government. A ratio of more than 1 would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than 1 would be a contra-indicator. As explained in paragraph 1.2, the government accounts capture mostly the financial assets and liabilities. However, the trend of even this ratio would be an important indicator of the quality of financial management. Exhibit V shows that for Chhattisgarh Government, this ratio was 0.36. A more realistic picture would, however, be available only after the assets and liabilities are fully apportioned between the successor States of Chhattisgarh and Madhya Pradesh.

(x) Budget

There was no delay in submission of budgetary estimates and their approval. The details are given in the following table:

Preparation	Month of submission	Month of approval
Vote on account	March 2001	March 2001
Budget	March 2001	March 2001
Supplementary	March 2001	March 2001

Chapter II of this report carries a detailed analysis of variations in the budget estimates and the actual expenditure as also of the quality of budgetary procedures and control over expenditure.

(xi) Accounts

There were no significant delays in the submission of accounts by the treasuries/departments during the period.

1.11.4 Conclusion

The new State of Chhattisgarh comprising 16 districts of the erstwhile composite State of Madhya Pradesh came into existence on 01 November 2000. The process of apportionment of pre-November 2000 assets and liabilities of the composite State of Madhya Pradesh and of other financial adjustments, to be done in each case with reference to the provisions of the Madhya Pradesh Re-organisation Act, 2000 is far from complete. A realistic picture of the financial position of the State Government will emerge only after completion of this process. A few pointers are discernible. While the new State has started with a revenue surplus of Rs.273 crore during the short period of November 2000-March 2001, the State Government has to keep a wary eye on the high interest payments and repayment liabilities, leaving very little of the borrowings available for investment and further take steps to augment the share of capital expenditure and that of Economic Services in its total expenditure.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

APPROPRIATION ACCOUNTS, 2000-2001 (NOVEMBER 2000– MARCH 2001), AT A GLANCE

Total number of grants/appropriations : 77

Total provisions and actual expenditure

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	3241.96		
Supplementary	367.22		
Total gross provision	3609.18	Total gross expenditure	2104.38
Deduct- Estimated recoveries in reduction of expenditure	98.38	Deduct- Actual recoveries in reduction of expenditure	37.76
Total net provision	3510.80	Total net expenditure	2066.62

Voted and Charged provisions and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	2152.07	417.87	1352.19	291.30
Capital	426.16	613.08	268.36	192.53
Total Gross	2578.23	1030.95	1620.55	483.83
Deduct- Recoveries in reduction of expenditure	98.25	0.13	37.76	--
Total Net	2479.98	1030.82	1582.79	483.83

2.1 Introduction

The first Appropriation Accounts of the Government of Chhattisgarh for the year 2000-01 is prepared for the 5 months from 01 November 2000 (when the State came into existence) to 31 March 2001. These Accounts detail the amounts actually spent by Government on various services vis-à-vis those authorised by the Appropriation Act passed by the State Legislature in respect of both Charged as well as Voted items of budget.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2000-01 against 77 grants/appropriations was as follows:

(Rupees in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I- Revenue	2009.24	142.83	2152.07	1352.19	- 799.88
	II- Capital	190.75	145.56	336.31	224.62	-111.69
	III- Loans and Advances	74.85	15.00	89.85	43.74	-46.11
Total Voted		2274.84	303.39	2578.23	1620.55	-957.68
Charged	IV- Revenue	354.04	63.83	417.87	291.30	-126.57
	V- Capital	0.22	--	0.22	0.01	-0.21
	VI- Public Debt	612.86	--	612.86	192.52	-420.34
Total Charged		967.12	63.83	1030.95	483.83	-547.12
Appropriation to contingency fund (if any)	Nil					
Grand Total		3241.96	367.22	3609.18	2104.38	-1504.80

The table presents a dismal picture of the quality of budget preparation and budget operations of the State Government. The significant savings in Voted and Charged sections of Revenue budget (Voted: 37.2 per cent; Charged: 30.3 per cent) and Capital budget (Voted including Loans and advances: 37 per cent, Charged including Public Debt: 68.6 per cent) specially in the wake of supplementary grants /appropriation of Rs.367.22 crore reveal this amply (expenditure was even less than the original grants / appropriation) thereby negating the justification for supplementary grants of Rs.367.22 crore. Detailed comments on the expenditure and budgetary systems in some test-checked grants are contained in paragraph 2.4.

2.2.1 The figures of expenditure were overstated to the extent of the following :

(a) Transfer of Rs.14.33 crore (Revenue section: Rs.6.27 crore and Capital section: Rs.8.06 crore) to Major head 8443-Civil Deposits-800-Other Deposits through Nil payment vouchers.

(b) Addition of Rs.3.71 crore (Deposit: Rs.45.56 crore - Disbursements: Rs.41.85 crore) to the balance to Major Head 8443-Civil Deposits-106, Personal Deposits during the period from 01 November 2000- 31 March 2001 in respect of government and semi-government institutions. Out of Rs.45.56 crore deposited during the year, Rs.2.58 crore were credited through Nil payment vouchers.

2.3 Results of appropriation audit

2.3.1 Supplementary provision of Rs.367.22 crore obtained during the year constituted 11.3 *per cent* of the original provision.

2.3.2 The overall saving of Rs.1504.80 crore was the result of saving of Rs.1515.01 crore in 130 cases of grants and appropriations partly offset by excess of Rs.10.21 crore in 13 cases of grants and appropriations.

2.3.3 Supplementary provision of Rs.130.18 crore made in 32 cases during the year proved unnecessary in view of aggregate saving of Rs.817.41 crore as detailed in *Appendix III*.

2.3.4 In 4 cases, against additional requirement of Rs.87 crore, supplementary grants and appropriations of Rs.143.54 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating Rs.56.54 crore. Details of these cases are given in *Appendix IV*.

2.3.5 The excess of Rs.10.03 crore under 11 cases of grants and Rs.0.18 crore under 2 cases of appropriations required regularisation under Article 205 of the Constitution. Details are given in *Appendix V*.

2.3.6 In 2 cases, supplementary provision of Rs.5.49 crore proved insufficient by more than Rs.10 lakh in each case, leaving an aggregate uncovered excess expenditure of Rs.4.80 crore as per details given in *Appendix VI*.

2.3.7(a) In 63 cases, expenditure fell short by more than Rs.1 crore in each case and also by more than 10 *per cent* of the total provision as indicated in *Appendix VII*. In 4 of the above cases (serial numbers 36, 47, 49 and 50) the entire provision totalling Rs.37.67 crore was not utilised.

2.3.7 (b) In 19 cases the entire budget provision of Rs.1 crore and more in each case totalling to Rs.47.44 crore, provided under various Central schemes remained unutilised as detailed in *Appendix VII (a)*.

2.3.8(a) In 13 schemes, expenditure in each case exceeded the approved provision by Rs.2 crore or more and also by more than 100 *per cent* of the total provision aggregating to Rs.90.24 crore. Details are given in **Appendix VIII**.

2.3.8(b) In 50 cases relating to various schemes, substantial savings of Rs.2 crore or more and also more than 80 *per cent* of the provision in each case totalling Rs.792.48 crores were noticed. The details are given in **Appendix VIII(a)**. In 26 out of these 50 cases, the entire provision remained unutilised.

2.3.9 Excessive/unnecessary re-appropriation/surrender of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where re-appropriation/surrender of funds of more than Rs 50 lakh in each case proved injudicious due to (a) withdrawal of funds from heads where excess expenditure had already occurred, (b) withdrawal of funds in excess of available saving, (c) unnecessary augmentation of funds despite saving and (d) augmentation of funds by more than the amount required to cover the excess are as given in **Appendix IX**.

2.3.10 Anticipated savings not surrendered

2.3.10(a) The spending departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 2000-01, there were 114 cases of grants/ appropriations in which large savings had not been surrendered by the departments. The amount involved was Rs.1368.08 crore. In 44 cases, significant amounts of available savings (of Rs.2 crore and above in each case, aggregating to Rs.1348.63 crore) were not surrendered as per details given in **Appendix X**.

2.3.10(b) In 61 cases, Rs.162.31 crore (98.3 *per cent* of the total surrender of Rs.165.09 crore) was surrendered on the last day of March 2001, indicating inadequate financial control over expenditure.

2.3.11 Injudicious /unrealistic surrender of funds

(a) In 4 cases, the amount surrendered was in excess of actual savings, which indicated inadequate budgetary control. As against the total savings of Rs.20.66 crore, the amount surrendered was Rs.21.52 crore, resulting in excess surrender of Rs.0.86 crore. Details are given in **Appendix XI**.

(b) In 3 cases, Rs.17.30 crore was surrendered though there was excess expenditure amounting to Rs.8.52 crore. Details are given in **Appendix XI**.

2.3.12 Advances from the Contingency Fund

The Contingency Fund of the Chhattisgarh State in the nature of an imprest with its corpus of Rs.40 crore was established on 01 November 2000 in terms of provisions of Articles 267 (2) and 283 (2) of the Constitution of India.

Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, the postponement of which till its authorisation by the Legislature would be undesirable.

The controlling officers (COs) are required to submit to the Principal Accountant General (Accounts and Entitlements) every month, the details of expenditure incurred by them from the advances sanctioned from the Contingency Fund so that the same can be correctly classified. COs are also required to reconcile the expenditure booked by the Principal Accountant General (A&E) with the accounts of the Contingency Fund maintained by them. However, the monthly statements of expenditure were not sent by the COs and reconciliation was not done with the Principal Accountant General's books.

During the year 2000-01, 23 sanctions were issued for withdrawal of Rs.22.91 crore, out of which advances amounting to Rs.12.45 crore (54.3 per cent) were drawn only against 9 sanctions. Against this, no amount remained unrecouped.

The information received from the Principal Accountant General (A&E) Madhya Pradesh and Chhattisgarh disclosed that (i) sanctions for advances were issued when the money was not needed, (ii) more advance than necessary was sanctioned and (iii) advances were sanctioned even though provisions could have been made in the regular budget or supplementary demands as discussed below:

- (a) 3 sanctions amounting to Rs.8.80 crore were operated upon only partially.
- (b) Against 2 sanctions, amount of Rs.2.66 crore (less than 50 per cent of the amount of sanction) was booked against the sanctioned amount of Rs.5.74 crore.

The practice of sanctioning advances from Contingency Fund as above continued in spite of instructions issued by the Finance Department to avoid indiscriminate resorting to advances from Contingency Fund.

2.3.13 Trend of recoveries and credits

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 as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates.

In 7 cases of grants/appropriations the actual recoveries adjusted in reduction of expenditure amounted to Rs.2.48 crore while there no recoveries were estimated and in 20 cases of grants/appropriations the actual recoveries (Rs.35.28 crore) were less than the estimated recoveries (Rs.98.38 crore). Overall, the net actual recoveries fell short by Rs.60.62 crore. Details are given in Appendix I of the Appropriation Accounts, 2000-01.

2.3.14 Non-receipt of explanations for savings/excesses

For the year 2000-01, explanations for savings/excesses were either not received or were received incomplete in respect of 624 Heads which constitute 91.2 per cent of the total 684 Heads of Account.

2.3.15 Expenditure without Budget provision

Expenditure should not be incurred on a scheme/service without provision of funds by budget. It was however noticed, that in 13 cases relating to various schemes, expenditure of Rs.26.81 crore was incurred without the provision having been made in the original estimates/supplementary demands. Details are given in **Appendix XII**.

2.3.16 Defective sanctions for re-appropriations/surrenders

As per instructions (January 2001) of State Government and financial rules, budget provisions under the Head "office expenses" should not be increased by re-appropriations in any circumstances and reappropriation from 'Salary and Wages' to any other head too is not permissible. Reappropriation may be done within a grant under 'Revenue to Revenue' and 'Capital to Capital' expenditure heads and all sanctions for re-appropriation/surrender should be issued before the end of the financial year. Contrary to this, Rs.3.50 crore were re-appropriated/surrendered during 2000-01 as per details given in **Appendix XIII**.

2.3.17 Rush of expenditure

Uniform flow of expenditure in the year is a primary requirement of budgetary control. It was, however, noticed that in 10 cases, the expenditure incurred during March 2001 ranged from 73 per cent to 100 per cent of the total expenditure during the year. The details are given in **Appendix XIV**.

2.3.18 Transfer of funds to Civil Deposits

Financial Rules provide that no money shall be drawn from the Treasury unless required for immediate disbursement. Audit, however, observed that Rs.14.33 crore and Rs.2.58 crore were drawn particularly in March 2001 under various major heads in 9 grants and credited to Major Head 8443-Civil Deposit, 800-Other Deposits and 106-Personal Deposits respectively after exhibiting the amounts as expenditure in accounts. Thus the actual expenditure was inflated by Rs.16.91 crore and the amounts were credited to Civil Deposits with a view to avoiding lapse of budget grants. However out of this amount, entire expenditure of Rs.14.33 crore (Revenue: Rs.6.27 crore and capital: Rs.8.06 crore) was drawn under Grant No.48, Grant for upgradation of administration under 11th Finance Commission and credited to Civil Deposits (800-Other Deposits). More details are given in Appendix II of Appropriation Accounts, 2000-01.

2.4 Comments on expenditure and budgetary control

2.4.1 Budgetary procedure and practices

The budget estimates based on actual requirement are required to be prepared by each subordinate unit and sent to the controlling officers for preparation and sanction of consolidated budget estimates. Immediately after the approval of the budget by the Legislature, Finance Department intimates the final allotments to the controlling authority of the department, who in turn allocates them to the directing offices (Commissioners/Directors/Chief Engineers etc.) for further distribution among the field units through the respective divisional/circle level officers. The expenditure is required to be restricted to these allocations.

Each department of the Government on whose behalf a grant or appropriation is authorised by the Legislature shall be responsible for control over expenditure against the sanctioned grant or appropriation placed at its disposal through the Head of the Department, other controlling officers and disbursing officers subordinate to them and also control mechanisms such as submission of periodical reports on expenditure and maintenance of various registers at each level to control the expenditure. The departmental figures of the expenditure should be reconciled periodically with those booked in the office of the Principal Accountant General (A&E) before closing of accounts for the year. Further, no money shall be drawn from the treasury unless it is required for immediate disbursement, nor shall it be drawn for depositing under civil deposits in order to avoid lapse of budget grant and that regular flow of expenditure is primary requirement of budgetary control.

Contrary to above instructions, test-check of the records pertaining to seven grants viz 8- Land Revenue and District Administrations, 32- Expenditure pertaining to Public Relations Department, 42- Public Works relating to Tribal Areas Sub-plan Roads and Bridges, 49- Scheduled Caste Welfare, 56- Rural Industries, 67- Public Works-Building and 78- Externally Aided Project pertaining to Rural Industries for the year 2000-01 revealed as under :

(a) Non-maintenance of expenditure control registers

Monthly statement of expenditure was not received regularly by the controlling officers of the test-checked grants (42,49,56,67 and 78) from the subordinate units and expenditure control registers were also not maintained or were incomplete in all of these offices. Thus the up-to-date progressive total of expenditure month by month could not be worked out by the controlling officers. This showed lack of proper control and non-monitoring of expenditure which led to (a) huge excess/large savings over the provision under certain sub-heads (b) inadequate/unnecessary/excessive supplementary provisions and (c) irregular re-appropriation and non-surrender of funds as mentioned earlier.

The controlling officer of Grants No 49 and 56 stated that due to reorganisation of the State, the monthly statements of expenditure could not be received from districts in time and in future these statements would be called

for in time and expenditure control registers would be maintained properly to exercise control over expenditure.

(b) Defective budget estimates

“Consequent upon re-organisation of erstwhile State of Madhya Pradesh from 01 November 2000, Budget Estimates for the new State of Chhattisgarh were prepared and passed by the Legislature. Test-check of Grants No.8, 32, 42, 49, 56, 67 and 78 and Appropriation Accounts (November 2000 to March 2001) revealed excessive budget provisions of Rs.2.15 crore, Rs.2.50 crore, Rs.2.22 crore and Rs.2.37 crore in Revenue (Voted) Section of Grants No.32, 49, 56 and 78 and Rs.1.33 crore, Rs.12.07 crore and Rs.5.95 crore in Capital (Voted) Section of Grants No.8, 42, and 67 respectively.

Significant savings were noticed mainly under one scheme under Major Head 6401 in Grant No.8 (Capital Voted), 10 schemes under Major Heads 2210, 2220, 2406, 2701, 3054 in Grant No.32 (Revenue Voted), 5 schemes under Major Head 5054 in Grant No.42 (Capital-Voted), 4 schemes under Major Head 2225 in Grant No.49 (Revenue-Voted), 5 schemes under Major Head 2851 in Grant No.56 (Revenue-Voted), 5 Schemes under Major Heads 4059, 4202,4210 and 4216 in Grant No.67 (Capital-Voted) and 3 schemes under Major Head 2851 in Grant No.78 (Revenue-Voted). More details are given in Appropriation Accounts, 2000-01.

In 2 schemes under Major Head 5054 (Grant No.42) and 11 schemes under Major Heads, 2059, 4202 and 4216 (Grant No. 67), the expenditure was less than even 25 *per cent* of the estimates signifying adhoc budgeting and unwarranted lapses of more than 75 *per cent* of the provisions

(c) Unnecessary supplementary provision and unrealistic surrender under scheme.

Under the Scheme 5054-04-796-800-0802-4861- Construction of Roads and Bridges in Grant No.42, supplementary provision of Rs.2.62 crore remained unutilised and proved unnecessary while in capital section of Grant No 8, the surrender of Rs.1.47 crore was more than the saving of Rs.1.33 crore, which was injudicious.

(d) Rush of expenditure

In Grant No 32, the expenditure incurred during March 2001 was 67 *per cent* of the total expenditure, which highlighted the tendency to utilise the budget provision at the fag end of the financial year. The controlling officer stated (September 2001) that due to creation of the State from November 2000, sufficient time was not available, and in future proportionate expenditure would be incurred.

(e) Non-reconciliation of expenditure figures

In Grants No 8,32,42,49, 56, 67 and 78, the expenditure figures were not reconciled with the figures booked in the office of the Principal Accountant General (A&E) before the close of the accounts. The controlling officer of Grant No 32, 49 stated that efforts were being made to reconcile the expenditure in time and the requirement would be complied with in future.

2.4.2 Review of two departments with excess expenditure

There were excess expenditure of Rs.206.54 lakh (1998-99: Rs.185.12 lakh and 1999-2000: Rs.21.42 lakh) in Grant No.14-Expenditure pertaining to Animal Husbandry Department and Rs.52.04 lakh (1998-99: Rs.43.52 lakh and 1999-2000: Rs.8.52 lakh) in Grant No.50-Expenditure pertaining to 20-Points Implementation Department in respect of unified Government of Madhya Pradesh.

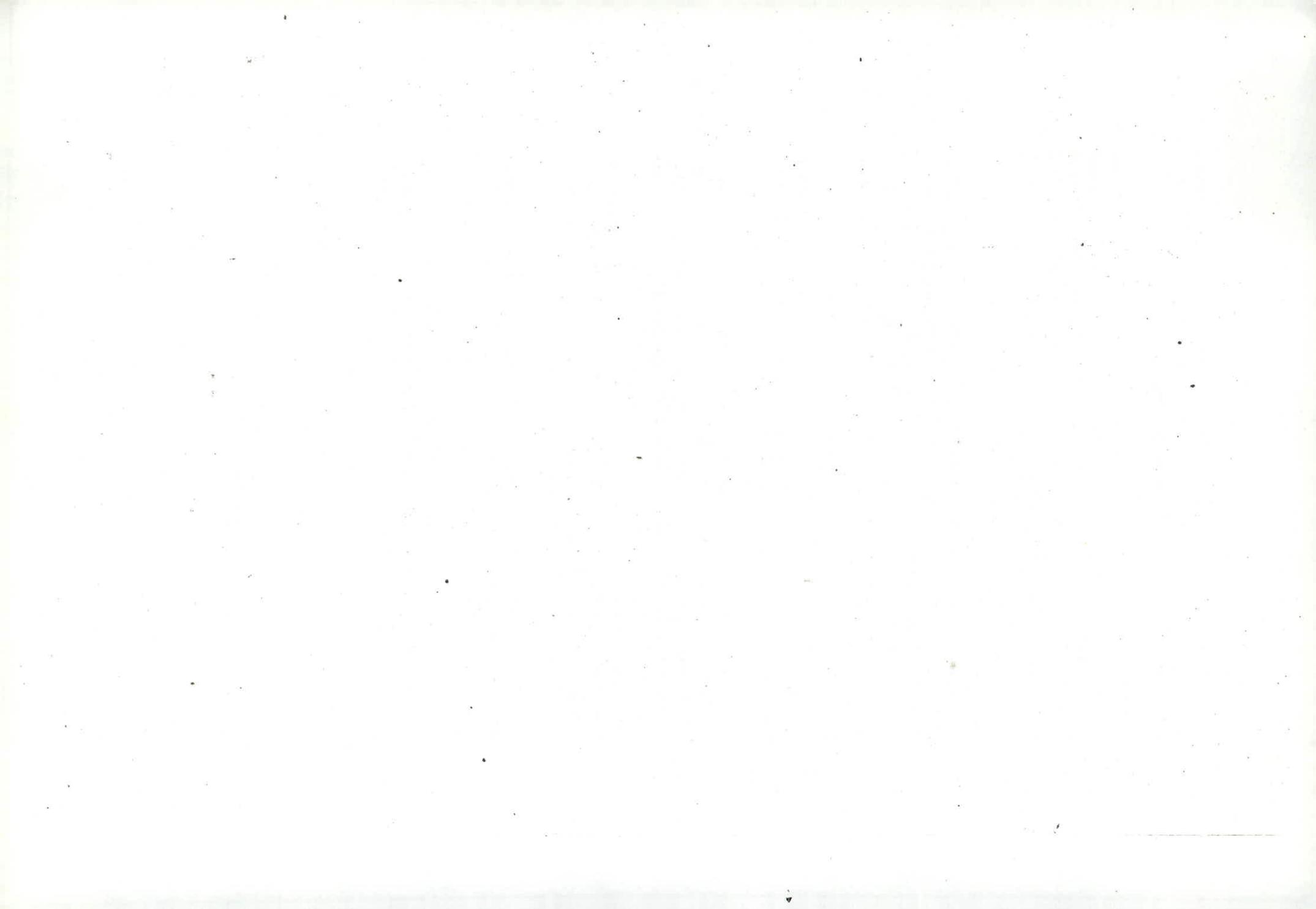
Test-check of records and Appropriation Accounts pertaining to Revenue (Voted) Section in Grants No.14 and 50 of newly created State of Chhattisgarh from November 2000, revealed the following:

(a) Grant No.50 showed saving of Rs.11.73 lakh (28.6 per cent) while Grant No.14 showed excess expenditure Rs.87.70 lakh (5.9 per cent). The excess under Grant No.14 was mainly under 7 schemes of Major Head 2403 aggregating to Rs.137.04 lakh as detailed in **Appendix XV**, partly counter balanced by savings in other Schemes. The Director, Veterinary Services, Chhattisgarh, stated (August 2001) that excess in Grant No.14 was due to requirement of funds for providing sufficient medicines to villagers due to drought conditions, filling up of vacant posts, payment of installment of dearness allowances and pending bills.

(b) In Grant no 50, as against the saving of Rs.11.73 lakh, an amount of Rs.9.77 lakh was surrendered on the last day of financial year, which resulted in lapse of budget provision of Rs.1.96 lakh due to non-surrender of savings.

(c) Non-maintenance of expenditure control registers and non-availability of record of reconciliation of expenditure figures

In Grant No.50, the monthly statements of expenditure was neither called for from the subordinate units by the controlling officer nor were expenditure control registers maintained at the level of Head of the Department. Thus there was lack of proper control and poor monitoring of expenditure, which resulted in a saving of Rs.11.73 lakh. The records of the reconciliation of expenditure figures with those booked in the office of the Principal Accountant General (A&E) Madhya Pradesh and Chhattisgarh, if done, were also not made available by the Head of the Department.

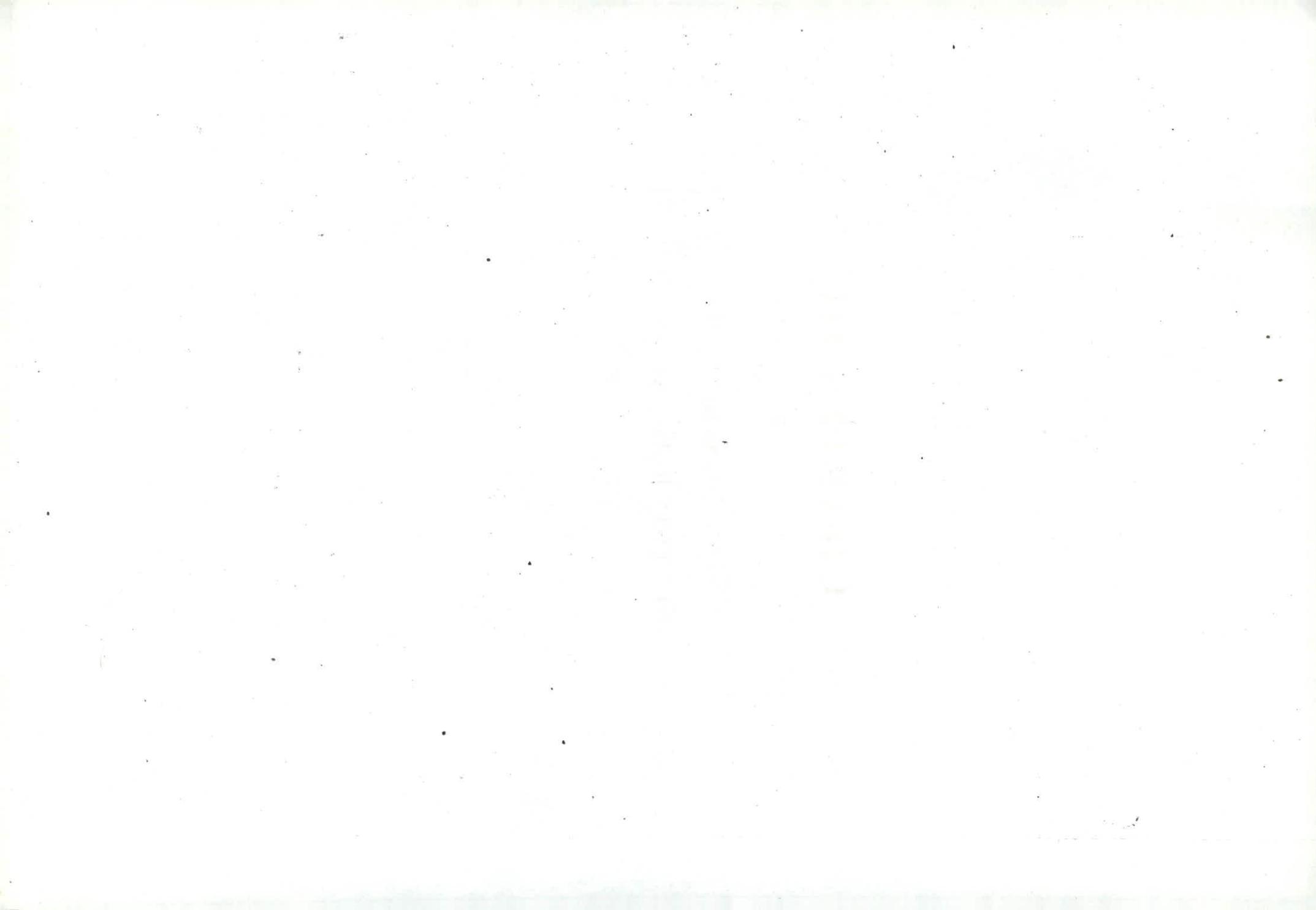


CHAPTER III

CIVIL DEPARTMENTS

SECTION A- REVIEWS

SECTION B- PARAGRAPHS



CHAPTER III : CIVIL DEPARTMENTS

SECTION A REVIEWS

Forest Department

3.1 Forest Development through World Bank aided Madhya Pradesh Forestry Project

3.1.1 Highlights

The Madhya Pradesh Forestry Project (Project) was started in September 1995 with World Bank assistance, for protecting and improving the forests through Joint Forest Management (JFM) by the Forest Department and local population. Significant progress towards JFM could not be achieved, as local people were not effectively involved, due to non-execution of memorandum of understanding (MOU) with Forest Protection Committees (FPCs) and Village Forest Committees (VFCs), non-involvement of Non-Government Organisations (NGOs), less payment of protection money to FPCs and VFCs and under utilisation of committee funds in Income Generating Activities (IGA). Further, no plans were prepared for carrying out the residuary work after completion of Phase I and non-approval of Phase II by the World Bank, was endangering the existing forest development works. The Forest Survey of India (FSI) reported (1995, 1997 and 1999) a significant reduction of 13534 sq. km in dense forest cover in Madhya Pradesh between 1995-99. Thus, loss of forest cover coupled with the natural increase in the population would adversely affect environmental stability and maintenance of ecological balance.

Rs.20.75 crore were paid in advance to Forest Protection/Village Forest Committees (FPCs/VFCs) in contravention of World Bank directions

(Paragraph 3.1.4[iii][a])

Rs.59.83 lakh was lying unutilised in Personal Deposit (PD) Account

(Paragraph 3.1.4[iii][b])

Protection money of Rs.5.49 crore (50.2 per cent) was not paid to FPCs/VFCs.

(Paragraph 3.1.4[iv][a])

Delay in submission of claims to World Bank cast an extra burden of Rs.4.62 crore, on the State.

(Paragraph 3.1.4[v])

Injudicious expenditure of Rs.4.89 crore was incurred on sites unsuitable for Assisted Natural Regeneration and Village Resources Development.

(Paragraphs 3.1.5.1[i], 3.1.5.2 [i])

Expenditure of Rs.87.26 lakh was incurred on prohibited/avoidable items of work.

(Paragraph 3.1.5.1(ii))

Delay in fixation of norms for forestry work under Assisted Natural Regeneration resulted in avoidable extra expenditure of Rs.13.68 crore.

(Paragraph 3.1.5.1 (iv))

Rs.1.76 crore was spent on forestry works in excess of norms.

(Paragraphs 3.1.5.1 [v], 3.1.5.2 (ii))

Expenditure of Rs.2.62 crore on sites which were graded below average proved wasteful.

(Paragraphs 3.1.5.1 [vi], [vii])

3.1.2. Introduction

Madhya Pradesh (MP), had an area 4.43 lakh sq. km, of which 1.54 lakh¹ sq. km (35 per cent) was designated as forest area with 1.35 lakh sq. km (30.5 per cent) being actually under forest cover² (1995) (Dense 95153 and open 40011 sq. km).

In order to meet the immense and increasing biotic pressure from the local communities, while conserving the forest resources and the environment their active participation was vital. To meet this felt need, GOMP launched a Madhya Pradesh Forestry Project (Project) with financial assistance from the World Bank. The project, which was to start in January 1995, actually started in September 1995. It had four components (i) Forest Development, (ii) Bio-Diversity Conservation, (iii) Research and Extension and (iv) Management Development. The project laid the highest emphasis on joint forest management (JFM) by the Department and local communities.

3.1.3 Organisational set up and scope of audit

The Principal Chief Conservator of Forests (PCCF) had overall charge of the Department. Under him, a Chief Conservator of Forests (CCF) was the Project Director (PD), responsible for co-ordination of all project activities at the headquarters. In the field the Project was implemented by 21 Conservators of Forests (CFs) and 79 Divisional Forest Officers (DFOs) in charge of Circles/Divisions respectively.

¹ An area notified as a forest under the Indian Forest Act, 1927.

² All lands with a tree canopy density of more than 10 per cent.

The accounts and records for the period 1995-2000 of 22³ out of 79 divisions (in which the Forest Development component was executed) and the PD's office were test checked during the period between December 2000 and April 2001. Audit observations are included in the succeeding paragraphs.

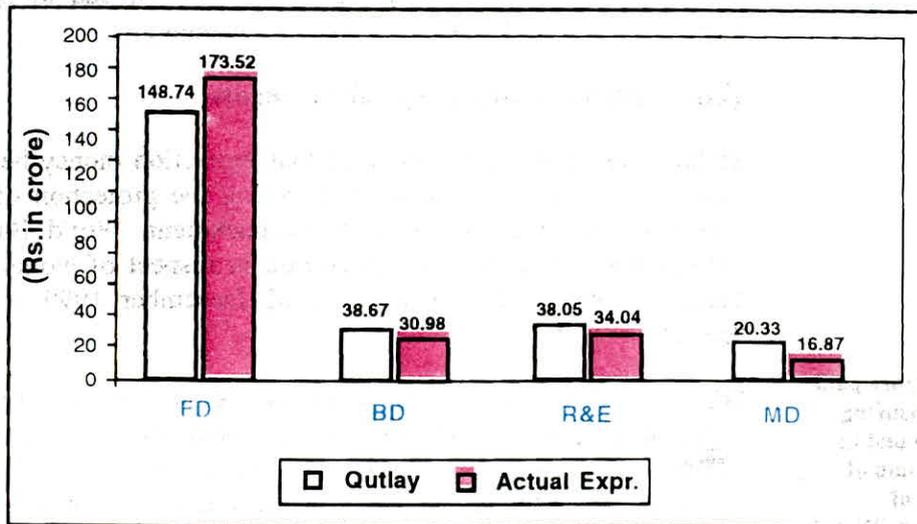
3.1.4 Financial Management

The Project with a total outlay of US\$ 217 million equivalent to Rs.795 crore, was envisaged to be implemented in two phases of four and five year's duration respectively. The total estimated cost of the first phase was US\$ 67.3 million, equivalent to Rs.245.79 crore.

World Bank assistance of US\$ 58.0 million (equivalent Rs.212 crore) was to cover 86 per cent of the first phase project cost (Rs.245.79 crore) with the remaining 14 per cent being borne by GOMP.

The cost of each of the four components of the project and actual expenditure thereon is summarised below.

(i) Component wise outlays and expenditure



FD-Forest Development, BD-Bio-diversity Conservation, R&E- Research & Extension, MD-Management Development

³ Territorial divisions of
M.P. – Balaghat (north), Bhopal, Burhanpur, Harda, Katni, Khandwa, Sagar (North & South), Seoni (North & South) and Umaria.
C.G. – Bastar, Bilaspur, Bilaspur (North), Dhamtari, Jashpur Nagar, Kanker, Kawardha, Korba, Raigarh, Raipur (East) and Rajnandgaon.

(ii) Year wise details of project outlay and actual expenditure

(Rs. in crore)

Year	Forest Development		Bio Diversity Conservation		Research and Extension		Management Development		Total			Percentage total OL	
	OL ⁴	AE ⁵	OL	AE	OL	AE	OL	AE	OL	AE (Share of)			
										State Govt.	World Bank		Total
1995-96	10.54	8.28	6.10	2.78	6.41	1.14	6.78	1.32	29.83	3.65	9.87	13.52	45
1996-97	26.36	22.34	12.12	7.32	8.65	3.61	4.88	2.14	52.01	16.63	18.78	35.41	68
1997-98	44.68	30.39	12.05	8.23	10.34	5.96	5.21	3.14	72.28	11.95	35.77	47.72	66
1998-99	67.16	53.28	8.40	7.03	12.65	11.38	3.46	4.81	91.67	11.24	65.26	76.50	83
1999-00	--	59.23	--	5.62	--	11.95	--	5.46	--	-9.14 ⁶	91.40 ⁶	82.26	--
Total	148.74	173.52	38.67	30.98	38.05	34.04	20.33	16.87	245.79	34.33	221.08	255.41 ⁶	
Percentage of AE to OL		117		80		90		83				104 ⁶	

Due to delayed start (September 1995 in place of January 1995) of the Project, annual expenditure lagged behind outlays for successive years. The Department did not, however, revise the annual outlays. As a result, during 1995-96 to 1998-99 annual expenditure ranged between 45 and 83 per cent of outlays. There was saving of Rs.7.69 crore in BD, Rs.4.01 crore R&E and Rs.3.46 crore MD components, which was utilised to finance the excess expenditure of Rs.24.78 crore in FD component.

(iii) Unauthorised/irregular payments

In October 1996 GOMP directed that protection money be paid to the FPCs and VFCs every six month for ensuring the protection of the forests from illicit felling, grazing, fire and encroachment. World Bank had indicated (December 1999) that all expenditure in respect of works executed, service rendered and goods delivered by 31 December 1999 will be eligible for reimbursement.

Rs.20.75 crore paid without ensuring protection and in contravention of directions of Government/World Bank.

(a) Contrary to the above directions of the GOMP/World Bank, the Department paid (November and December 1999) Rs.20.75 crore (Assisted Natural Regeneration (ANR): Rs.11.50 crore and Village Resources Development Programme (VRDP): Rs.9.25 crore) in advance as protection money for the period from January 2000 to March 2001 i.e. beyond the date of completion of the project.

Rs. 59.83 lakh was lying unutilised in PD Account since December 1999.

(b) In Bhopal division Rs.59.83 lakh allocated for technical assistance during 1999-2000 was deposited (March 2000) in PD account by the DFO as per direction of the Project Director. The amount was lying unspent (March 2001) in PD Account, much after the closure of the project in December 1999.

⁴ OL=Outlay, AE= Actual Expenditure.

⁵ Due to the balances of previous financial year's claims sent during the year.

⁶ Due to fluctuation in Rupee-Dollar exchange rate the Department obtained more money in terms of Rupees.

(iv) Less payment of protection money and impact thereof

Protection money of Rs.5.49 crore was not paid (50.2 per cent) to Committees.

Test-check of records revealed that Rs.5.46 crore (49.8 per cent) only, was paid to FPCs/VFCs out of a entitlement of protection money of Rs.10.95 crore during 1995-98. This was against the concept of JFM and had an adverse effect on people's participation.

(v) Non-reimbursement due to delay in submission of claim

Delay in submission of claims to World Bank cast an extra burden of Rs.4.62 crore on the State.

Scrutiny revealed that against Rs.221.08 crore reimbursable by the World Bank, the Department preferred claims of Rs.249.71 crore for the period 1995-2000, of which the World Bank reimbursed Rs.216.46 crore only. Claims of Rs.4.62 crore were not accepted due to late submission of claims after due date of 30 April 2000 thus casting an additional burden on GOMP.

3.1.5 Implementation

The main component of Forest Development comprised of two sub-components (i) Assisted Natural Regeneration (ANR) for closed forest (more than 40 per cent canopy density) and (ii) Village Resources Development Programme (VRDP) for open forests (less than 40 per cent canopy density). It emphasised:

- (a) the promotion of natural forest regeneration, supported by enrichment planting, improved silvicultural practices, and forest floor management and;
- (b) a Village Resources Development Programme (VRDP) based on participatory planning, management and protection of forest resources, integrated with activities to generate alternative incomes or resources, to reduce the pressure on the forests.

This Joint Forest Management (JFM) of State forests for effective protection and sustainable development was to yield higher productivity in perpetuity.

3.1.5.1 Assisted Natural Regeneration (ANR) Under Closed Forest

Natural regeneration occurs in existing forest from sprouts (coppices) arising from stumps of felled trees and natural seeding. Natural regeneration can be assisted by cut back operation (CBO), limited soil and moisture work and protection of forest from illicit felling, grazing and fire through forest protection committees (FPCs). To increase the production of forest produce ANR activities should be carried out in recently exploited forests with canopy density of more than 0.4 with sufficient coppices being available for increasing productivity.

Although the sanctioned phase-I of the project was to cover a period of 4 years, (September 1995 to December 1999) the project report for ANR programme was prepared for 7 years keeping in mind the continuity of phase-II. An area of 216723 ha was covered during 1995-99 with an expenditure of Rs.67.77 crore during 1995-2000. Scrutiny revealed that:

Injudicious expenditure of Rs.3.13 crore was incurred on unsuitable sites.

(i) Wasteful expenditure on unsuitable sites

The Project Director instructed (December 1996) that sites for ANR be selected in closed forests having canopy density between 0.4 and 0.7. The Project Director issued revised instructions (April 1997) that sites (coupes) worked during the last 5 years and having canopy density between 0.4 and 0.7 be selected. In June 1998 the PCCF further clarified that sites should be selected from coupes exploited in the previous year, if such sites, were not available, coupes worked earlier were to be selected but not having canopy density of more than 0.5.

Test-check of the records of 14 divisions⁷ revealed the following.

(a) Contrary to the above instructions an expenditure of Rs.2.07 crore was incurred on sites which should not have been selected at all i.e.(i) 12 sites (1776.3 ha) having canopy density of less than 0.4 during 1995-98 (Rs.53.94 lakh) and (ii) 41 unexploited sites having an area of 7087 ha during 1995-99 (Rs.1.53 crore) and (b) Rs.1.06 crore incurred on unsuitable sites selected due to lack of clear cut guidelines on selection of sites i.e. (i) 19 sites (3657 ha) which had been exploited 6 to 17 years back, during 1995-99 (Rs.58.08 lakh) and (ii) 10 coupes (1556 ha) having canopy density as high as 0.5 to 0.9 after exploitation during 1996-99 (Rs.47.73 lakh).

Expenditure of Rs.3.13 crore on ANR work on unsuitable sites was wasteful as: (i) sites with canopy density less than 0.4 cannot be raised as dense forest without gap planting, (ii) sites with unexploited coupes had no live stumps available for regeneration, (iii) in sites exploited more than 5 years earlier, coppices would be too mature for assistance and (iv) sites with canopy density of more than 0.5 after exploitation did not require further enrichment through ANR.

(ii) Expenditure on prohibited items of works

Expenditure of Rs.45.38 lakh was incurred on prohibited works.

(a) Expenditure on plantation and adoption of plants, collection of seed, eradication of lantana and chhindgrass (during first two years), construction of cattle proof trench (CPT) and fire protection works were prohibited as these were not required.

Test-check of the records of 11 divisions⁸ for the period 1995-2000, revealed that an expenditure of Rs.39.89 lakh was incurred on (i) collection of seed for departmental nurseries (Rs.3.61 lakh) and (ii) plantation activities (Rs.36.28 lakh) not forming part of the scheme. An expenditure of Rs.5.49 lakh was also incurred on prohibited activities viz. fire protection and digging of CPT which was not to be done departmentally but by the FPCs, protection being their responsibility. The DFOs stated that in initial years expenditure on these

⁷ M.P.-Katni, Khandwa and Seoni (South).
C.G.-Bastar, Bijapur, Bilaspur (North), Jashpur Nagar, Kanker, Kondagaon, Korba, Raipur (East and North), Sukma, and Surguja (East),

⁸ M.P. :-Betul (South), Harda, Katni, Panna (North & South), Seoni (South) and Umaria.
C.G.:-Jashpur Nagar, Korba, Raigarh and Raipur (North).

items was incurred due to non-receipt of specific directions from higher authorities in this regard.

(b) Extra expenditure on soil and moisture conservation works

Extra expenditure of Rs.41.88 lakh was incurred on soil and moisture conservation works.

The Project Director had instructed (April 1997) that there should be minimum stress on soil and moisture conservation measures which should be taken up only in specific sites during the 1st year at a cost of around 20-25 per cent of the project cost of that year, because main work under ANR was cut back operation and protection of forests from illicit felling and grazing.

Scrutiny of the records of 5 divisions⁹ revealed that an expenditure of Rs.79.93 lakh was incurred during 1995-96 and 1996-97 on soil and moisture works against maximum admissible amount of Rs.38.05 lakh (25 per cent of Rs.152.19 lakh, the expenditure incurred in first year). The excess expenditure incurred on soil and moisture work was viewed with concern by the World Bank in a mid term review of the project. Had the norms been prescribed at the beginning of the project the extra expenditure of Rs.41.88 lakh could have been avoided and the amount utilised to cover more area under the scheme.

(iii) Wasteful expenditure due to untimely execution of works

Wasteful expenditure of Rs.85.22 lakh on untimely execution of forestry works.

(a) The PCCF directed (June 1998) that eradication of Lantana/Chhindgrass be carried out in the months of August/September, in rainy season, to ensure its uprooting before fruiting. Test-check of records for the period 1995-2000 of 12 divisions¹⁰ showed that Rs.69.96 lakh was spent on removal of Lantana/Chhindgrass between October and March i.e. after the prescribed period of August/September, which was wasteful.

(b) To ensure proper growth of bamboo, the PCCF directed (June 1998) that cleaning of bamboo clumps be carried out during November and December, as there is a decrease in moisture and increase in temperature thereafter, adversely affecting growth. Test-check of the records of Harda, Katni and Khandwa divisions for the period 1996-99 revealed that Rs.15.26 lakh was spent on cleaning of bamboo clumps between January and March which was against the directions of the PCCF.

⁹ M.P.: -Harda and Khandwa.
C.G.: -Jashpur Nagar, Kanker and Raigarh..

¹⁰ M.P.-Betul (South), Bhopal, Dindori, Harda, Hoshangabad, Katni, Khandwa, Seoni (South) and Umaria..
C.G.- Jashpur Nagar, Korba and Raipur (North).

(iv) Avoidable expenditure due to delay in fixation of norms

Avoidable extra expenditure of Rs.13.68 crore resulted due to delay in fixation of norms.

The PCCF decided the following norms for ANR works as late as in June 1998.

	Particular of work	Rate in Mandays per ha per year			
		I year work	II year work	III year work	IV to VII year work
1.	Forestry works and other misc. expenditure	11	4	2	2
2.	Protection money	10	10	10	10
	Total	21	14	12	12

Test-check of the records of 21 divisions¹¹ revealed that Rs.9.14 crore was spent on forestry works executed in 86799.676 ha during the period 1995-98 (50361.353 ha 1st year, 28676.463 ha 2nd year and 7761.86 ha 3rd year works) while only Rs.3.50 crore was admissible as per norms fixed by PCCF in June 1998. The total expenditure of Rs.24.44 crore spent on forestry works executed in 259800.19 ha (153024.45 1st year, 82600 ha 2nd year and 24175.74 ha 3rd year works) during 1995-98 in MP, exceeded the admissible expenditure of Rs.10.76 crore by Rs.13.68 crore. Timely fixation of norms could have resulted in a saving of Rs.13.68 crore and its utilisation on ANR in another 43682 ha.

(v) Excess expenditure over the norms

Rs.69.86 lakh incurred in excess of the norms.

Test-check of the records of 8 divisions¹² revealed that, after fixation of norms by PCCF, in June 1998, Rs.2.41 crore were spent on forestry works executed on 22337.20 ha (1st year 9950.40 ha, 2nd year 8131 ha, 3rd year 4255.80 ha) during 1998-99 and 1999-2000. This exceeded the limit of Rs.1.71 crore as per norms (of forestry works including other miscellaneous expenditure) by Rs.69.86 lakh.

(vi) Wasteful expenditure on incorrect sites/ treatment

Expenditure of Rs.1.10 crore incurred on incorrect sites/treatment proved wasteful.

In 6 divisions¹³ an expenditure of Rs.1.10 crore was incurred on 23 ANR sites (3108 ha) which were graded (1998) as below average due to incorrect site/treatment etc. Although the Principal Secretary, Forest Department expressed his displeasure (August 1998), no action was taken against the defaulting officials.

¹¹ M.P.-Balaghat (North), Burhanpur, Harda, Khandwa, Sagar (North & South), Seoni (North & South) and Umariya.

C.G.-Bastar, Bijapur, Bilaspur, Bilaspur (North), Dhamtari, Jashpur Nagar, Kanker, Kawardha, Korba, Raipur (East), Raigarh and Rajandgaon.

¹² M.P.-Balaghat (North), Betul (West), Katni and Mandla (West).

C.G.-Bastar, Dhamtari and Raipur (East & North).

¹³ M.P.-Khandwa

C.G.-Bhanupratappur, Bilaspur (North), Kanker, Kondagaon and Narainpur.

(vii) Decrease in existing regeneration status

Negative growth in 29 ANR sites indicated that expenditure of Rs.1.52 crore. was unfruitful.

A survey of 395 ANR sites (out of 1105) conducted during 1997-98 revealed a negative growth in 69 sites in 22 divisions. The Department attributed (in the project completion report) this to either regeneration in these areas not being as expected or the level of protection being poor. The Department did not survey regeneration in the remaining 710 sites.

Further, test-check of the records of 9 divisions¹⁴ revealed (between December 2000 and April 2001) that in 29 ANR sites, 1496 established plants per ha on an average at the start of the work had decreased to 912 at the time of regeneration survey. The negative growth may either be due to failure of initial regeneration or poor protection. Thus expenditure of Rs.1.52 crore incurred during 1995-2000 on ANR proved unfruitful, as it was unable to increase, or maintain the existing regeneration. Action to investigate the matter and to fix responsibility was not initiated by the Department.

3.1.5.2 Village Resources Development Programme (VRDP) open forests

VRDP envisaged rehabilitation of degraded forests (RDF) of 300 ha by each village forest committee (VFC) within 10 years. The process required for each VFC to carryout the following (a) selection of site of 300 ha, (b) cut back operation, dressing of stumps, eradication of lantana, soil and moisture work and gap planting in 30 ha each year and (c) protection of forest (300 ha). VRDP was taken up in 418899 ha by 1164 VFCs during 1995-2000 with a total expenditure of Rs.73.15 crore, of which Rs.42.81 crore was on forestry works and Rs.30.34 crore on protection. The following observations are made.

(i) Injudicious expenditure on unsuitable sites

Rs.1.76 crore was spent on 41 sites with high canopy densities where RDF work was not required.

The PD instructed (January 1996) that VRDP sites for RDF work be selected from forests with canopy density less than 0.4.

In 8 divisions¹⁵, Rs.1.76 crore was spent on RDF work in 41 sites (12692 ha.) during 1995-99 where the existing canopy density ranged between 0.4 to 0.8 and RDF work was not required to be carried out at all. Rs.1.76 crore could instead have been utilised on sites with canopy density below 0.4 where RDF work was really required.

¹⁴ M.P.-Harda, Khandwa and Seoni (South).
C.G.-Bilaspur (North), Jashpur Nagar, Kondagaon, Korba, Narainpur and Raigarh.

¹⁵ M.P.-Balaghat (North), Bhopal, Katni and Khandwa.
C.G.-Bilaspur (North), Korba and Raipur (East & North).

(ii) Excess expenditure over norms

Expenditure exceeded the norms by Rs.1.06 crore.

PD fixed (April 1997) norms for expenditure on forestry works i.e. advance soil preparation, plantation, maintenance, and preparation of microplan at Rs.90,000, Rs.45,000, Rs.9000 and Rs.5000 per VFC, per year respectively.

In 8 divisions¹⁶ expenditure of Rs.4.71 crore was incurred on forestry works during the years 1997-2000 on an area of 15030 ha (preparation 8550 ha, plantation 6480 ha). This exceeded the admissible expenditure of Rs.3.65 crore (as per norms) by Rs.1.06 crore.

(iii) Lack of accountability regarding forestry work through VFCs

Lack of accountability regarding execution of forestry works of Rs. 72.09 lakh.

The Forestry works are required to be carried out by the staff of the forest department. However, test-check of the records of Bhopal and North Raipur divisions, revealed (March and April 2001) that Rs.72.09 lakh (in addition to the protection money) was paid to VFCs in advance for carrying out forestry works during 1996-2000 but were shown in the concerned head of account as expenditure. As and when expenditure on forestry works is incurred by the VFCs it would escape scrutiny by the Forest Department/Audit due to absence of details of such expenditure. As on January 2001, no expenditure had been incurred.

3.1.6 Lack of funds for residuary works endangered existing forestry works

The agreement between the Government of India (GOI) and the World Bank was for phase-I of the project with a duration of four years. The Department, however, designed the key components of phase-I viz. ANR and VRDP for seven years and ten years respectively assuming that phase-II would immediately follow phase-I. No contingency plan, in case of non-approval of phase-II, was made for residuary forestry works although the Department was aware that unless these works were completed, phase-I investments would become infructuous.

Lack of funds for residuary works endangered existing forestry works of Rs.78.20 crore.

(a) On closure of the first phase in December 1999, Department provided funds of Rs.1.28 crore (42 per cent) and Rs.4.13 crore (25 per cent) for upkeep of ANR and VRDP works during 2000-01, against the required amounts¹⁷ of Rs.3.04 crore and Rs.16.76 crore respectively. Thus, due to insufficient budget provisions, the expenditure on incomplete forestry works of Rs.78.20 crore (ANR Rs.35.39 crore, VRDP Rs.42.81 crore) was in danger of becoming infructuous.

¹⁶ M.P.-Harda, Hoshangabad.
C.G. Bilaspur, Bilaspur (North), Korba and Mahasamund, Raipur (East and North).

¹⁷ As per approved norms of the department and excluding the protection money which was preponed in 1999-2000.

(b) In 13 divisions¹⁸ Rs.1.44 crore was required for planting in 9600 ha area of 320 VFCs where advance soil preparatory work was already done at a cost of Rs.2.81 crore during 1999-2000. The Department however, provided Rs.84.22 lakh only to 9 divisions and no funds at all to the remaining 4 divisions¹⁹ during 2000-2001. Plantation work would not be possible without adequate funds rendering Rs.1.17 crore out of the total expenditure of Rs.2.81 crore incurred on advance soil work in 1999-2000 infructuous.

3.1:7 Joint Forest Management (JFM)

The project envisaged JFM through participation of local people in FPCs under closed forests and VFCs in open forests. JFM involves a contract specifying the distribution of authority, responsibility and benefits between Department and people. For providing protection, an amount of Rs.300 per ha per year, was payable to concerned FPCs/VFCs through their bank accounts. 2/3rd of this amount was to be utilised on income generating activities (IGA), such as agro forestry, drinking water facilities, promoting use of non-conventional energy, improved cattle breeding techniques, honey collection etc., and 1/3rd for protection activities. The following points were noticed in the implementation of JFM.

(i) Non-execution of agreements

The Project envisaged formal Memorandum of Understanding (MOU) between FPCs/VFCs and the Forest Department, to define the VRDP and ensure the legality of JFM arrangements linking defined areas of forest with defined communities and specify management and protection measures and responsibilities, product sharing arrangements, sanctions and conflict resolution procedures (both within and between VFCs). MOUs were thus essential to JFM. The Department, however, failed to execute any MOU, citing delay in issue of a revised Government resolution as the main reason for this. As a result, the legality of most of the JFM arrangements remained uncertain, undermining the status of JFM activities.

(ii) Non-involvement of non-governmental organization (NGO)

The Staff Appraisal Report (SAR) of the World Bank of 28 February 1995 mentioned that many NGOs had experience of participatory processes and could make a major contribution to VRDP by: (i) assisting in VRDP workshops; (ii) providing women staff to work in VRDP Preliminary Teams and (iii) to provide training in participatory rural appraisals.

The Project envisaged extensive involvement of NGO's in project implementation and the Project Director had instructed (June 1997) that active

¹⁸ M.P.-Chhindwara (South and West), Dindori, Harda, Katni, Khandwa, Mandla (East and West) and Ratlam.

C.G-Bilaspur (North), Korba, Raipur (East and North).

¹⁹ M.P.-Dindori, Harda, Mandla (West) and Ratlam.

involvement of NGO's should be ensured as a bridge between people and Department.

Despite these specific recommendation/direction no funds were earmarked for involvement of NGOs. Scrutiny of records in 9 divisions²⁰ revealed that NGOs were not involved in the implementation of the project.

(iii) Non-functioning of spearhead teams

Spearhead teams were formed under instructions (May 1997) of the PD to provide training and technical know-how to the field staff as well as societies etc. but these remained ineffective due to frequent transfers of the members and heavy work load of their normal duties as reported by the PD in the project completion report.

(iv) Non-use of fund for income generating activities

Income generating activities (IGA) were to be used to create support among the local people for JFM. Out of Rs.62.72 crore paid during 1995-2000 to 1105 FPC and 1164 VFCs, Rs.41.80 crore were to be utilised in creation of village assets and income generating activities. The PD claimed utilisation of 50 per cent of the funds disbursed but no record in support thereof were produced to Audit.

Test-check of records of 12 divisions²¹ revealed that Rs.8.31 crore out of Rs.12.46 crore, paid during 1995-2000 to FPC/VFCs were to be utilised in IGA, however, only three divisions Korba, North Seoni and North Bilaspur utilised Rs.1.02 crore out of the available fund of Rs.2.67 crore. DFO Khandwa stated that the funds were used in agro forestry work but did not furnish details of the amount utilised or the quantum of work. The remaining eight divisions did not utilise the funds (Rs.7.29 crore).

(v) Control over Committee Funds

In July 1998, the PD instructed that annual audit of FPCs/VFCs funds should be conducted by the Sub Divisional Forest Officers. The PD claimed, 40 per cent audit of the committees funds.

Test-check of the records of 21²² divisions, revealed (between May 2000 and April 2001) that no audit checks had been carried out by the SDOs on

**Rs. 7.29 crore
(87.7 per cent) out
of Rs.8.31 crore
for income
generating
activities
remained
unspent.**

²⁰ M.P.- Harda, Katni and Umaria.

C.G.- Bilaspur (North), Jashpur Nagar, Korba, Raigarh, and Raipur (East and North).

²¹ M.P.-Harda, Katni, Khandwa, Seoni (North & South) and Umaria,
C.G.-Bilaspur (North), Jashpur Nagar, Korba, Raigarh, and Raipur (North and East).

²² M.P.-Chhindwara (South), Dewas, Harda, Indore, Katni , Khandwa, Mandla (West), Mandsaur, Panna (South), Raisen, Ratlam, Seoni (North & South) and Umaria.

Rs.18.47 crore disbursed to FPCs/VFCs of 17 divisions. Inspections were stated to have been carried out in the remaining 4 divisions²³ but the inspection reports were not produced to Audit.

3.1.8 Project Evaluation

Non-involvement of women and weaker sections of society

A study (1999)²⁴ by the Indian Institute of Forest Management (IIFM), Bhopal to document the processes adopted by the Department in implementation of JFM and Eco Development revealed that there was limited participation of women in JFM and women's involvement in decision making was negligible. Committee members had limited knowledge about the operation and utilisation of fund in bank accounts. The Department to whom offences were reported by the VFCs/FPCs did not take action in some cases, discouraging further reporting. These findings corroborate a mid-term evaluation (1998) by the Society for Participatory Research in Asia (PRIA), New Delhi which also found that: (i) watch and ward payments were not being made in most VFCs; (ii) payment of daily wages was irregular; (iii) income generating activities and alternative energy resources were very low, (iv) few assets had been created and the needs of the marginalised especially the landless, ignored and (v) the importance of the linkage between the ecological and social aspects had not percolated down to the field staff and therefore to the community. The Project Completion Report prepared by the Department mentioned that VFCs/FPCs were dominated by influential men of the village. Lack of participation by the mass of the people, particularly women and members of Scheduled Tribes in JFM activities significantly reduced its effectiveness.

3.1.9 Significant loss of dense forest cover

To conserve the existing forests is the main function of the Forest Department and to increase substantially the forests and tree cover, with the involvement of people under JFM and by changing the traditional system, of 'fences and fines' approach to protect of forests was the main objective of the National Forest Policy 1988 and Project. Joint Forest Management was launched in Madhya Pradesh with effect from 1991.

However, Reports of the Forest Survey of India's (FSI) revealed that the dense cover of the State significantly decreased by 13534 sq. km during 1995-99 as compared to 1991-95 as detailed below:

C.G.-Bhanupratappur, Bilaspur (North), Jashpur Nagar, Korba, Raigarh and Raipur (East & North).

²³ Khandwa, Seoni (North and South), and Mandsaur.

²⁴ Carried out as consultancies under the Project.

Year's of FSI Report	Forest cover of M.P. State in sq. km			Decrease (-) or increase (+) in dense forest cover	
	Dense	Open	Total	In sq.km.	Percentage
1991	95,385	40,400	1,35,785	--	--
1993	95,537	39,859	1,35,396	(+) 152	(+)0.16
1995	95,153	40,011	1,35,164	(-) 384	(-)0.40
1997 ²⁵	82,745	48,450	1,31,195	(-) 12,408	(-)13.00
1999	81,619	50,211	1,31,830	(-) 1,126	(-)1.40

The reduction in dense forest of 1,534 sq.km (95153-81619) during 1995-99 was much higher than the loss of 232 sq.km (95385-95153) during 1991-95, and there was a drastic reduction of 13 per cent during 1995-97. The Department neither ensured protection of the existing dense forests nor investigated the reasons for reduction. The approximate quantity of 13534 sq. km of forests (at average growing stock of 47 cu m per ha of M.P) worked out to 636 lakh cu m (valuing Rs.43019 crore).

3.1.10 Monitoring

With a view to monitor and evaluate the work done both qualitatively and quantitatively and also to bring transparency in ANR and VRDP works, the performance audit of all sites were required to be conducted. However, evaluation of only 770 sites out of 2269 have been conducted (1998) as summarised below.

	Types of Committee	Total sites during project	No. of sites evaluated			Outcome of evaluation				
			External ²⁶	Internal ²⁷	Total	Out-standing	Very good	Good	Average	Below Average
1.	A.N.R.	1105	232	178	410	118	181	55	26	30
2.	V.R.D.P.	1164	178	182	360	49	166	104	34	7
	Total	2269	410	360	770	167	347	159	60	37

It was seen that external evaluators had graded 11 per cent sites as below average, while internal evaluators graded only 2.3 per cent sites as below average. Further, evaluation of ANR works of 410 sites was partly (50 per cent) conducted and balance 277 sites had not been done. Similarly under VRDP evaluation of 360 sites was partly (55 per cent) conducted and balance 514 sites had not been conducted. Thus the Department failed to evaluate expenditure of Rs.89.5 crore (63 per cent) on ANR and VRDP works.

²⁵ 1997-Assessment data October 1994.

²⁶ External evaluation could be DFOs (working plan) of the adjoining district/a consultant/any agency.

²⁷ Internal evaluators comprised of a team of forest officers constituted by the CF of the particular circle.

Although the Department had committed (1998) itself, during the mid term review of the project by the World Bank, to find out the reasons for works being average and below average, no action except the issue of letters to the DFOs concerned, had been taken (July 2001).

The matter was reported to Government (August 2001); reply was awaited (September 2001).

RURAL INDUSTRIES DEPARTMENT

3.2 Implementation of sericulture promotion schemes

Highlights

Various schemes were introduced by the Government of India (GOI) and State Government to promote rearing of silkworms to provide opportunities for gainful employment in rural areas. These did not prove successful and the production of mulberry and tasar cocoons and effective area under plantation was on a downward trend. The annual income of beneficiaries was meagre and their number was coming down indicating their consequential loss of interest in sericulture. A cold storage building at Korba for preservation of tasar seeds was never put to use and tasar cocoons worth Rs.22.71 lakh were lying unsold.

Fifty per cent of the available funds of Rs.10.81 crore remained unutilised.

(Paragraph 3.2.4)

Area under mulberry cultivation, production of cocoons, and coverage of beneficiaries all had come down sharply.

(Paragraph 3.2.5(a))

Annual income of beneficiaries rearing mulberry cocoons was a meagre Rs.1490 in 2000-01.

(Paragraph 3.2.5(A))

The beneficiaries producing tasar cocoons earned an annual income ranging from Rs.355 to Rs.673.

(Paragraph 3.2.5(B))

Tasar cocoons valuing Rs.22.71 lakh were lying unsold in the Government store at the end of March 2001.

(Paragraph 3.2.6(b))

3.2.1 Introduction

Sericulture is a forestry based village industry. Being labour intensive, the rearing of silkworms provides opportunities for gainful employment in rural areas thereby reducing migration of village population to urban areas. Out of the projects sanctioned by the Government of Madhya Pradesh, 2 projects,

namely, Natural Tasar Development Pariyojna, Bastar, sanctioned in 1996-97 for 3 years and Government of Japan-aided Resham Pariyojna, Bilaspur, sanctioned in 1998 for 7 years were in operation in Chhattisgarh. Support to Training and Employment (STEP) and SWABLAMBAN schemes introduced by the Government of India (GOI) and the State Government in 1995-96 and 1996-97 respectively to promote participation of rural beneficiaries in mulberry sericulture were also in operation in the State. STEP was financed by GOI and State Government in the ratio of 90:10 and covered all activities from soil to silk.

The main objectives of schemes for developing sericulture industries in the State are the (i) creation of self-employment opportunities for families living below poverty line (BPL) in rural areas through sericulture, and (ii) production of silk yarn as per the requirement of the weavers.

3.2.2 Organisational set-up

Secretary to Government of Chhattisgarh, Department of Rural Industries, as Administrative Secretary for Sericulture was responsible for overall supervision and monitoring of the schemes in the State. For implementation of the schemes, the Joint Director in the Directorate of Rural Industries, was declared Head of the Department. In respect of Japan-aided Bilaspur Project, Project Director at Bilaspur was the controlling officer. Assistant Directors of Sericulture were incharge of Mulberry/Tasar centres in the interior areas of the State, assisted by field officers, Senior Sericulture Inspectors, etc.

3.2.3 Audit coverage

The present review covering the period November 2000 to March 2001 was conducted during June-August 2001 by means of a test-check of records in the offices of the Directorate of Sericulture, Assistant Directors, Sericulture (ADS), Baikunthpur, Jashpur Nagar, Raigarh and 31 (out of 133) Government Mulberry Centres (GMCs) and 18 out of 108 Government Tasar Centres (GTCs) established during 1961-62 to 1995-96. The results are mentioned in the paragraphs that follow.

3.2.4 Financial outlay and expenditure

The budget allotment and expenditure incurred there against during November 2000 -March 2001 were as follows:

Fifty per cent of the funds remained unutilised

<i>(Rupees in lakh)</i>		
Budget allotment	Expenditure	Saving
1081.27	541.23	540.04

Source: Departmental figures.

Government attributed (March 2002) the saving mainly to:

- (i) non-formation of State Silk Federation due to which loans meant for it could not be given, and non-filling of vacant posts in Mini ITIs under

the control of the Department for imparting training in threading and weaving to the beneficiaries.

- (ii) "SWABLAMBAN" scheme introduced earlier did not yield effective results due to which some changes in that scheme were under consideration. This led to amount under the revolving fund meant for inputs and maintenance of plantations for rearing of worms remaining un-spent;
- (iii) non-payment of consultancy charges of Rs.299.06 lakh to the consultants due to non-approval of Draft Project Report (DPR) based on evaluation by a high-power committee and
- (iv) the allotment being for 5 months against the requirement for only 4 months.

3.2.5 Programme implementation

(a) **Working of centres:** With a view to promoting sericulture, 133 GMCs and 108 GTCs were established up to 1995-96. The State level position of the targets fixed for production of mulberry and tasar cocoons and achievements there against, the number of beneficiaries targeted for coverage and actually covered during November 2000 to March 2001 was as under :

Production of mulberry cocoons/tasar cocoons	Target	Achievements	Percentage
Production of mulberry cocoons (in kg)	45700	11190	24
Number of beneficiaries	1829	181	10
Production of tasar cocoons (Number in lakh)	112.20	39.62	35
Number of beneficiaries	35976	25386	71

Source:- Departmental figures.

Thus there were huge shortfalls in achievement of targets and coverage of beneficiaries. Government stated (March 2002) that STEP and SWABLAMBAN schemes were introduced in the State from 1995 and 1996 in which usufruct rights were given to beneficiaries and the amount of revolving fund meant for inputs and maintenance of plantations was also made available to them. The beneficiaries, however, being used to working on daily wage system, could not adapt to the managerial role on government plantations resulting in decline in production, and that based on this experience, a new policy had been proposed. The reply was not tenable as it was the responsibility of the implementing authorities themselves to provide requisite technical guidance to the beneficiaries for successful implementation of the scheme.

(b) **Position in test-checked units:** Test-check of working of the 49 centres (31 mulberry and 18 tasar centres) in Baikunthpur, Jashpur Nagar and Raigarh districts, conducted revealed the following:

(i) The tables below shows the targets fixed for production of mulberry and tasar cocoons, actual achievement, effective area of plantation, number of beneficiaries, their annual income from sericulture and expenditure incurred in the test-checked centres/districts on development works of mulberry and tasar for increasing production of cocoons during the years 1995-2001:

A- Mulberry centres

Area under mulberry plantation, production of tasar cocoons coverage of beneficiaries and their annual income etc. all declined sharply.

Year	Effective area of plantation (acre)	Production of cocoons			No. of beneficiaries	Annual income per beneficiary (Rs.)	Expenditure on development works (Rs. in lakh)
		Target (kg)	Achievement (kg)	Percentage			
1995-96	235	38450	20782	54	614	2041	18.95
1996-97	206	28225	10119	36	295	2041	16.66
1997-98	182	28025	9456	34	271	2756	29.19
1998-99	128	27350	2730	10	226	1498	16.32
1999-2000	82	18125	4591	25	196	1341	28.58
2000-2001: April-October 2000-							
November	71	3447	1389	40	188	1490	6.12
2000-March 2001	71	2463	1563	63			16.12

Source: Compiled from information furnished by Assistant Directors of Sericulture.

It would be seen that the effective area under mulberry plantation allotted to beneficiaries was reduced year after year, from 235 acres in 1995-96 to 71 acres (30 per cent) in 2000-01. Achievement in terms of production of cocoons also came down from 20782 kg in 1995-96 to only 2952 kg (14 per cent) in 2000-01. The annual income of the beneficiaries too showed a downward trend from Rs.2756 in 1997-98 to Rs.1490 (54 per cent) in 2000-01 in spite of investment of Rs.131.93 lakh on development works during 1995-96 to 2000-01. The number of beneficiaries too declined sharply.

Annual income of beneficiaries rearing mulberry cocoons fell to a meagre Rs.1490 and their number came down

Thus, the STEP scheme introduced by giving usufruct rights to beneficiaries had not proved successful in comparison to Block Plantation Scheme in vogue prior to 1995-96 in which local persons were engaged on wage payment basis. Apparently, desired level of supervision and guidance needed by the beneficiaries was lacking. Annual income of Rs.1490 per beneficiary in 2000-01 was not sufficient even for subsistence and would have led the beneficiaries to lose interest in the scheme which is evident from the reduction in number of beneficiaries from 614 in 1995-96 to only 188 in 2000-01.

On this being pointed out ADS, Raigarh, stated (June 2001) that due to insufficient rains and lack of regular irrigation facilities, effective area of plantation was reduced and beneficiaries being ignorant of the techniques of sericulture had not taken interest which adversely affected the production of cocoon. All the factors could, however, have been foreseen and provided for.

The ADS, Baikunthpur and Jashpur Nagar, stated that the beneficiaries did not take interest in sericulture work due to lower selling price of cocoons.

B- Tasar Centres

The position in test-checked tasar centres was as follows:

Year	Effective area of plantation (acres)	Production of cocoons			No. of beneficiaries	Annual income per beneficiary (Rs.)	Expenditure on development works (Rs. in lakh)
		Target (numbers in lakh)	Achievement (numbers in lakh)	Percent age			
1995-96	1944	43.50	34.52	79	1956	551	12.71
1996-97	1855	42.50	43.44	102	2752	673	23.66
1997-98	1475	48.50	47.01	97	2786	559	22.99
1998-99	1471	56.50	28.72	51	2749	355	23.90
1999-2000	1379	49.00	29.36	60	1526	632	55.27
2000-01 (Upto 10/2000)	1300	25.25	27.59	47	1563	490	11.33
(11/2000 to 3/01)	1300	36.25	1.15		506		17.55

Source:- Compiled from information furnished by the centres.

Beneficiaries producing tasar cocoons were worse-off with a measly income of Rs.355 to Rs.673 per annum

It would be seen that area for plantation of Arjuna/Saja trees required for feeding tasar silkworms was on a downward trend and declined from 1944 acres in 1995-96 to 1300 acres in 2000-01. The production of cocoons which had exceeded the target in 1996-97 came down sharply to only 47 per cent during 2000-01. Further scrutiny revealed that the beneficiaries earned only a meagre annual income ranging from Rs.355 to Rs.673 from tasar which was not much of an incentive to motivate them to adopt improve sericulture practices.

3.2.6 Other points of interest

(a) **Unfruitful expenditure on construction of cold storage:** A cold storage building was constructed at Korba in 1986 to preserve one lakh tasar seeds at required temperature and to obtain disease-free layings under an interstate tasar project. An expenditure of Rs.9.20 lakh including electricity charges was incurred. The cold storage was not put to use at all (December 2000) rendering the entire expenditure unfruitful. Government stated (March 2002) that Tasar Research and Training Institute, Ranchi, had been requested to suggest a technique for preservation of cocoons in the cold storage so as to utilise the cold storage fruitfully.

Unsold tasar cocoons
worth Rs.22.71 lakh

(b) *Non-disposal of tasar cocoons:* Test check of records of ADS, Raigarh, revealed that 52.52 lakh tasar cocoons purchased during 1996-2001 from the rearers were lying unsold in the Government Store, Raigarh, as of March 2001. The estimated selling price of these cocoons as per the grading was Rs.22.71 lakh. Due to long storage of cocoons their quality was likely to deteriorate and they may not fetch the estimated selling price.

ADS, Rajgarh, attributed (June 2001) this to lack of demand from local weavers. Government stated (March 2002) that a committee had been constituted for valuation of cocoons and action for disposal of cocoons would be taken on receipt of its report.

3.2.7 Monitoring and evaluation

Effective monitoring and evaluation of the schemes was necessary for their successful implementation. Adequate arrangements for monitoring of the scheme/working of the centres were not made by the Directorate of Rural Industries which resulted in failure of the programme. The scheme of giving usufruct rights over government mulberry centre to the beneficiaries too had failed in the absence of proper guidance to them.

Government stated (March 2002) that keeping in view the past experience, attempts were being made to make the scheme foolproof and a new mulberry policy had been prepared.

Housing and Environment Department

3.3 Environmental Acts and Rules relating to Air Pollution and Waste Management.

Highlights

With a view to prevent and control Air Pollution and have efficient Waste management, Air (Prevention and Control of Pollution) Acts 1981 and the Environment (Protection) Act 1986 (Environment Act) were enacted. M.P. State Pollution Control Board (Board) was responsible for implementation of the Acts.

Board failed to prepare required comprehensive programme for prevention, control and abatement of air pollution. Industrial units, mostly stone crushers were operating without the approval of the Board. 30 per cent identified vehicles emitting air pollutants in excess continued to ply on roads because of lack of coordination between the Board and traffic police. Air pollution in the thermal plants could not be controlled even after installation of Air Pollution Control (APC) equipments. Bio-medical waste generated in hospitals was not treated and disposed of as required.

30 per cent vehicles on roads caused emission in excess of prescribed limit.

(Paragraph 3.3.6.2)

Shortfall in collection and analysis of air samples in Industries was high in Bhopal (73 per cent) and Durg (62 per cent). Even after installation of Air Pollution Control Equipments in thermal power plants the emission level of SPM was 305 to 466 per cent higher than prescribed limit.

(Paragraph 3.3.6.4(i)(ii))

Bio-medical waste could not be disposed of properly in Government hospitals and Nursing homes due to non-installation of incinerators. The waste generated in these hospitals was not segregated, treated and disposed of as per provisions of the Act.

(Paragraph 3.3.7.1 (a)&(b))

The sites for disposal of hazardous waste of the industries were identified late and were not developed. Hence the waste was not disposed of properly and was posing a serious threat to Public Health.

(Paragraph 3.3.7.2 (a))

No action plan was prepared by the local bodies for management and disposal of Urban Solid Waste.

(Paragraph 3.3.7.2 (b))

3.3.1 Introduction

The process of industrialisation and urbanisation has an adverse impact on the environment leading to air pollution. The increase in the air pollution attracted the attention of the Central Government, and Parliament enacted the Air (Prevention and Control of Pollution) Act 1981 for prevention and control of air pollution. Further a more comprehensive Act viz. the Environment (Protection) Act 1986 (Environment Act) was enacted. Under the Act, the Central Government made the following rules:-

Hazardous waste (Management and Handling) Rules 1989.

Manufacture, storage and import of Hazardous Chemicals Rules 1989.

Bio-Medical Waste (Management and Handling) Rules 1998 and

Urban Solid Waste (Management & Handling) Rules 2000.

The implementation of the above rules in the State except the Urban Solid waste (Management and Handling) Rules 2000, was entrusted to the M.P. Pollution Control Board (PCB).

While the Urban Development Department had overall responsibility for Enforcement of the Urban Solid Waste (Management & handling) Rules 2000, local bodies were responsible for implementation of the provisions.

3.3.2 Organisational setup

The Board with its headquarter at Bhopal was under the overall administrative control of Housing and Environment Department. It is headed by a Chairman and has a Member Secretary, five members representing State Government and five members representing local authorities. In addition, it has three non-official members representing interests of Agriculture, Fisheries, Industries or Trade or any other interest and two members representing companies/corporation owned, managed/controlled by State Government. The Board has three zonal offices at Gwalior, Jabalpur and Raipur and fourteen Regional offices*.

Bhopal, Bhilai, Bilaspur, Gwalior, Indore (I), Indore (II), Jabalpur, Jagdalpur, Raipur, Rewa, Sagar, Satna, Ujjain and Vijaypur (Distt. Guna)

3.3.3 Audit coverage

Records relating to Prevention and Control of Air Pollution, Management of Hazardous Waste Management and Handling of Bio-Medical Waste were test checked for the period 1996-97 to 2000-01 during March 2001 to June 2001 in the office of the Member Secretary, Madhya Pradesh Pollution Control Board, Bhopal and six** Regional offices. Audit coverage also extended to the Urban Development Department, Medical Department, Transport Departments. The points noticed during test check are discussed below.

3.3.4 Financial position

The Board received grants-in-aid from the State Government/Central Government and also collected consent fee, annual license fee and water cess from the industries. The details are as under:-

(Rupees in crore)

Year	Amount of grant	Income from other sources	Total	Expenditure	Savings
1996-97	4.82	5.68	10.50	6.07	4.43
1997-98	2.90	6.24	9.14	7.46	1.68
1998-99	5.65	9.21	14.86	7.76	7.10
1999-2000	5.40	9.51	14.91	9.56	5.35
2000-01	2.46	7.53	9.99	NA	NA
Total	21.23	38.17	59.40	30.85	18.56

Though the grants were received for specific projects/schemes, projects/scheme-wise accounts were not prepared. The accounts for the year 1999-2000 had not been finalised so far (May 2001). The Board as per Act 1981 was required to submit its annual reports to the State Government before the end of July for being laid before the State Legislature by the end of December each year. Audit observed that there were delays of 78 to 137 days in the submission of the annual reports by the Board and a consequential delay of 35 to 114 days in placing it before the State Legislature during 1996-97 to 1999-2000.

3.3.5 Survey and Planning

Under the Air Act the Board was required to make comprehensive programme for prevention, control and abatement of air pollution in the State for which it was essential that the polluting industries should be surveyed. However, it was observed that no survey was conducted due to shortage of staff. Thus the Board was unaware of the number of polluting industries in the State.

No survey was conducted to plan comprehensive programme for prevention and control of air pollution.

** Bhopal, Bilai, Gwalior, Indore(I), Indore(II) and Jabalpur

3.3.6 Prevention and control of air pollution

3.3.6.1 Industrial units operating without consent of the Board.

Most of the industrial units were functioning without obtaining consent of Board.

Under the provision of the Air Act, industrial activities were not to be carried out in the State without the consent of the Board. Test check of the records of the regional offices at Bhopal, Bhilai, Gwalior and Indore-I and Indore-II revealed that 270 out of 342 industries mostly stone crushers, identified as causing air pollution by the Regional Officers, were operating from 1996 to 2001 without the consent of the Board. Out of these only 72 units were granted consent/renewal of consent in the year 1999-2000 i.e. much after the start of production. This indicated that the provisions of the Act were not enforced properly.

3.3.6.2 Monitoring of vehicular pollution

Under section 20 of Air Act 1981, the Board had to inspect vehicles with or without the help of the Traffic Police and Transport authorities to ensure that the standards for emission of air pollutants by vehicles were being complied with. The Board had identified (October 1994) the points of heavy traffic in 13* cities of Madhya Pradesh for monitoring the emission of air pollutants from vehicles. Out of 90,609 vehicles checked 27552 (30 per cent) vehicles were found causing air pollution in excess of the limit prescribed as per details given below:-

30 per cent of the vehicles causing emission in excess of prescribed limit.

Year	Total number of vehicles monitored	Total number of vehicles exceeding emission limit	Percentage of vehicles exceeding limit
1996-97	18805	5718	30
1997-98	18430	5970	32
1998-99	19709	5948	30
1999-2000	17960	5619	31
2000-01	15705	4297	27
Total	90609	27552	30

It was also observed that emission levels of the vehicles in Gwalior, Durg and Bhopal were much higher in comparison to other cities. Details of action taken by the Transport authorities in this regard were not available with the Board.

On being pointing out, R.T.O. Gwalior stated that the fitness certificate of 919 vehicles emitting excessive pollution in Gwalior township had been cancelled during 1996-2001. Further action to stop their plying on road had to be taken by the traffic police. The lack of co-ordination between the PCB, Transport authorities and Traffic Police resulted in continued pollution by such vehicles (December 2001).

3.3.6.3 National ambient air quality monitoring (NAAQM)

Central Pollution Control Board had launched the project of monitoring of ambient air quality in selected cities and industrial areas in 1984. The Board

Shortfall in analysis of air samples ranged between 20 to 26 per cent.

* Bhopal, Bhilai, Bilaspur, Gwalior, Indore, Jabalpur, Jagdalpur, Rewa, Raipur, Ratlam, Sagar, Satna, Ujjain

had been monitoring the ambient air quality under this project since 1987. The ambient air quality was monitored at 19 centres located in 8 towns** for three Parameters viz. Suspended Particulate Matters (SPM), Sulphur di-oxide (SO₂) and Oxides of Nitrogen (NOX). The details are as under:-

No. of NAAQM station	No. of samples to be conducted	No. of samples collected	Shortfall	Percentage of shortfall
19 stations in 8 towns	SPM 5928	SPM 4752	1176	20
	SO ₂ 11856	SO ₂ 8820	3036	26
	NOX 11856	NOX 8876	2980	25

The reasons for short fall against targets were stated to be disorders of instruments and heavy rains.

An analysis of the results indicated that the quantum of SPM was in excess of the prescribed limit. The maximum quantum of SPM in some of the NAAQM station as observed during the period 1996-2001 were as under:

Sl. No.	Name of city	Prescribed SPM limit	Month of analysis	Maximum SPM found	Excess percentage
1.	Bhopal	150	March 2000	773	415
2.	Durg (Bhilai)	150	January 2000	1556	937
3.	Indore	150	March 2000	848	465
4.	Jabalpur	150	March 2000	588	292
5.	Raipur	150	March 2000	583	289

Analysis found Bhilai, Indore and Bhopal as highly polluted cities.

Thus Bhilai, Indore and Bhopal were found to be highly polluted cities. Though Gwalior was not a selected town for air monitoring under the scheme "NAAQM" it was observed during the test check of the records of the R.O. Gwalior that the quantum of SPM was 1285 in December 2000 and 1306 in May 2001 which was 757 and 771 per cent more than the prescribed limit.

No remedial action or corrective measures had been taken to bring down the pollution level with in the prescribed limit.

3.3.6.4 Air quality monitoring and inspection of industries

(i) Non-achievement of annual targets

According to provisions of the Act, the Board was required to conduct periodical inspection for prevention, control and abatement of air pollution.

Board had not fixed any annual targets for inspection of industries but only annual monitoring targets were proposed by the Regional offices of the Board for their execution as per facilities available there. Test checks of records in the Regional offices at Bhopal, Durg, Gwalior, Indore and Jabalpur further revealed that the number of industries monitored were 19 to 73 per cent of the target fixed by the Board in annual packages. The position of the targets fixed, samples collected and analysed by the R.Os during the period 1996-97 to 2000-01 was as under:-

Objectives of prevention and control of air pollution were defeated due to high shortfall in analysis of air samples in 5 regions.

** Bhopal, Bhilai, Indore, Jabalpur, Korba, Nagda, Satna, Urla (Raipur)

Sl. No.	Name of Regional office	Target fixed	Samples actually collected and analysed	Shortfall and percentage of shortfall
1.	Bhopal	548	146	402 (73)
2.	Durg	942	361	581 (62)
3.	Gwalior	886	681	205 (23)
4.	Indore	1095	717	378 (35)
5.	Jabalpur	482	394	88 (18)

The high shortfall was attributed to heavy rains, breakdown of electricity and disorders and frequent breakdown of sampling instruments. The reply was not tenable as due to high shortfall in collection of air samples, the quantum of air pollution could not be adjudged and remedial measures could not be taken to control the pollution. Thus, the objective of prevention and control of air pollution was defeated.

(ii) Excess emission in Thermal Power Plants

Excessive emission of pollutants caused high air pollution.

Audit observed that the emission levels of suspended particulate matters (SPM) in the Thermal Power Plants was much higher than the prescribed limit though the Air Pollution Control (APC) equipments viz. Electro Static Precipitators (ESP) and Bag filters were installed. The emission level of some Thermal Power Plants during the period 1996-2000 were as under:

Sl. No.	Name of Thermal Power Plant	Prescribed level of SPM	Date of samples	Maximum emission level of SPM	Excess percentage
1.	Satpura thermal Power Plant Sarni	150	February 2000	849	466
2.	M.P.E.B. (East) Thermal Power Plant, Korba	150	February 2000	643	329
3.	-----do----- (West)	150	January 1999	608	305

Even though the inspections and air monitoring of these Power Plants were carried out by the Board, emission level had not been brought down within the prescribed level. On this being pointed out, the Member Secretary stated that the Thermal Power Plants and the ESP installed for control of fly ash were of old design. The reply was not tenable as the ESP should have been replaced/upgraded to ensure control of air pollution.

(iii) Excess emission of air pollutants in cement plants

Air pollution caused due to excess emission of cement dust.

Test check of records of the Board revealed that the environment in the vicinity of the cement plants was highly polluted. The suspended particulate matter (SPM) emitted in the air was beyond the permissible limit. The position of SPM in a few cement industry locales during the period 1996-97 to 2000-01 was reported as under:

Sl. No.	Name of Cement Industry	Prescribed limit of SPM	Date of sampling	Maximum level of SPM recorded	Percentage maximum level
1.	Modi Cement Raipur	150	March 1998	2344	1463
2.	Grasim Cement, Raipur	150	April 1998	272	81
3.	Maiher Cement	150	September 2000	1045	597
4.	Prism Cement, Satna	150	November 1999	556	271
5.	Birla Corporation Limited (Cement Division), Satna	150	September 1999	1269	746

Thus the emission of cement dust far exceeded the prescribed SPM limit. Further the APC equipments were not checked regularly to ensure their proper functioning. Though these units/plants were operating under consent, Board did not take legal action against these Industries. On being pointed out, the Board stated that notices were issued to these industrial units.

(iv) Excess emission of air pollutants in other industries

Test check further revealed that the emission level of air pollutants in the vicinity of certain industries was very high. The results of analysis of air samples in some major industries where air pollutants were found at highest level during the period 1996-97 to 2000-01, were as under:

Sl. No.	Name of industry	Limit prescribed	Month	Maximum SPM noticed	Percentage of excess emission
1.	HEG Ltd. Boral Durg	150	February 2000	1414	843
2.	D.M.C. Kumhari, Durg	150	June 2000	836	457
3.	Bhilai Steel Plant Bhilai, Durg	150	December 2000	2342	1461
4.	Tata International Ltd. Dewas	150	September 2000	1677	1018
5.	Maral Overseas Ltd. Dewas	150	January 1998	520	247
6.	S.Kumar Dewas	150	August 1998	1841	1127
7.	Ranbaxy Laboratories, Dewas	150	September 1998	2480	1553
8.	HR Johnson Ltd. Dewas	150	November 2000	2896	1831
9.	Lilason Breweries Ltd. Bhopal	150	February 1998	955	537

Quantum of air pollutants in industries was very high. No effective steps were taken to control it.

Member Secretary stated (June 2001) that notices were issued to the industries for taking necessary steps. It is apparent that no penal proceedings were initiated against the defaulting industries.

3.3.6.5 Non-installation of Air Pollution Control equipments (APCs)

Air pollution control equipments not installed by 32 large industrial units and 760 Small Scale Industries.

Section 21(5) of the Air Act makes it obligatory for industrial plant, to install and operate air pollution control equipments of such specification as the Board may prescribe.

It was observed that though 583 large/medium and 2192 small scale industries were required to install APCs, only 551 large/medium and 1432 small scale industries had installed APCs as on March 2001. Member Secretary informed that small scale industries were financially not capable of installing the APCs and 32 large industries were being persuaded to install the APC.

3.3.7 Waste Management

In exercise of the powers conferred by Section 6, 8 and 25 of Environment (Protection) Act 1986, Government of India made

Hazardous waste (Management and Handling) Rules 1989.

Manufacture, storage and import of Hazardous Chemicals Rules 1989.

Bio-Medical Waste (Management and Handling) Rules 1998 and

Urban Solid Waste (Management & Handling) Rules 2000.

The enforcement of these rules except of solid waste was assigned to the Board.

3.3.7.1 Management of Bio-medical Waste

The Bio-medical waste generated in Hospitals and Nursing homes, etc., includes human anatomical waste, microbiology waste, waste sharps, discarded medicines, solid and liquid waste, chemical waste etc. It should not be mixed with other waste prior to its storage, treatment and disposal to avoid pollution. The bio-medical waste should be treated and disposed of within a period of 48 hours. Test check of records revealed as under:

(a) Non-installation/functioning of incinerators in hospitals

Bio-medical waste was not disposed of properly due to non-installation/functioning of incinerators in hospitals.

As per Rule 5 of the Bio-Medical Waste Management Rules 1998, Hospitals and Nursing Homes with 500 beds and above were required to set up incinerators, auto clave, microwave oven etc. for treatment of bio-medical waste by 30 June 2000. Hospitals/Nursing Homes with 200 beds and above were to have these equipment by 31 December 2000. Out of six hospitals in the State though 4 had installed incinerators only three were working at Hamidia Hospital, Bhopal, M. Y. Hospital, Indore and Medical College Hospital, Jabalpur.

(ii) Director of Medical Education (D.M.E.) could not purchase the incinerators for the Medical Colleges at Gwalior and Raipur inspite of a budget provision of Rs.30 lakh provided in the supplementary budget for 1999-2000, as the funds were not released by Government. However, Rs.18.78 lakh were again provided in 2000-01 for purchase of incinerator for Gwalior.

The amount was drawn and credited to the Personal Deposit (PD) account of the Laghu Udyog Nigam (LUN) on 31 March 2001. The LUN had not supplied the incinerator upto November 2001. For Raipur no provision has been made and the incinerator installed at Sanjay Gandhi Memorial Hospital, Rewa had not yet started functioning.

(iii) Though Board had identified 27 hospitals having 200 to 500 bedded capacity in Madhya Pradesh for setting up incinerators, none of these has so far installed any such facilities. The PCB stated that instructions have been issued to all such units to observe the rules of management of bio-medical waste.

The PCB failed to initiate penal proceedings after 31 December 2000 in accordance with the provisions of the Environment (Protection) Act (1986) and rules made thereunder in 1998 against the defaulting units except in the case of M.Y.Hospital, Indore.

(b) Non observance of the provision of Rules of Management and Handling of Bio medical waste

(i) As per rule 6 of the Bio-Medical Waste Rules 1998, the waste had to be segregated in the separate containers/bags and labelled at the point of generation of waste and no waste should be stored beyond 48 hours.

8* Government Hospitals/10** large nursing homes mixed the bio-medical waste with other waste and dumped it in the premises or burnt it in the open or threw in the Municipal dustbins. The Municipal bodies were not collecting and transporting the waste daily to the dumpsite for its disposal. As a result bio-medical waste was lying in the hospital premises/Municipal dustbins for days together and created pollution.

(ii) The waste water of the hospitals was mixed with chemicals and liquid waste and directly discharged through the sewer lines to nearby nallahs/rivers without treatment or disinfection. This resulted in pollution and infection of river water.

(c) Improper grant of authorisation to Hospitals

Every occupier of the institution generating, collecting, receiving, storing, treating, disposing and/or handling Bio-medical waste should obtain prescribed authorisation from the Board.

Government Hospitals and Nursing homes flouted the prescribed rules while disposing of medical waste.

Authorisation was granted to hospitals for storing, handling and disposing of the bio medical waste for an earlier period.

* Hamidia Hospital, Bhopal, JP Hospital, Bhopal, Sultania Janana Hospital, Bhopal, Indira Gandhi Hospital, Bhopal, TB Hospital, Bhopal, JA Group of Hospital, Gwalior, MY Hospital, Indore, ESI Hospital, Indore.

** Nivedita maternity & Nursing Home, Bhopal, Bhilai Hospital, Bhilai, Thakur Hospital, Gwalior, Choithram Hospital, Indore, Gokuldas Hospital, Indore, Suyash Hospital, Indore, Geeta Bhawan Hospital, Indore, Jabalpur Hospital & Research Centre, Jabalpur, Royal Hospital, Gwalior, Pushpa Kunj Hospital, Indore.

Out of 1098 institutions identified, only 289 institutions had applied to the Board and only 14 were granted authorisation by the Board. The remaining institutions were functioning without any authorisation.

Out of 14 institutions, authorisation to six institutions was granted provisionally for a period of one year which had already expired.

The authorisation was not renewed as these institutions were not observing the rules and had not made necessary arrangements for management and handling of bio-medical waste. In all these cases the authorisation was granted for the period preceding the date of grant of authorisation. The reasons for grant of authorisation for preceding years (period) were not on record. No legal action was initiated against any of these hospitals.

(d) Irregular functioning of incinerator in M. Y. Hospital, Indore

Bio-medical waste could not be disposed of due to irregular functioning of incinerator. Operating standards of incinerators were not followed.

(i) As per rules no bio-medical waste should be kept untreated for more than 48 hours. In the case of M. Y. Hospital Indore, it was observed that the incinerator had remained idle for 317 days during 3 May 1999 to 11 January 2001. In other words the hospital failed to dispose of bio-medical waste as prescribed. This was accepted (December 2000) by the Superintendent, M. Y. Hospital.

(ii) As per standard norms fixed for incinerator, the temperature of the primary chamber should be $800^{\circ}\text{C} \pm 50^{\circ}\text{C}$ and secondary chamber $1050^{\circ}\text{C} \pm 50^{\circ}\text{C}$. But the temperature of the primary and secondary chambers of the incinerator at Indore as per log book was 500°C and 1000°C respectively. Thus the standards of operating the incinerator were not followed.

3.3.7.2 Management of Solid waste

(a) Identification and development of disposal sites.

Hazardous waste could not be disposed of due to non-development of sites.

The Board was required to develop sites for disposal of hazardous waste but no time schedule was fixed. 10 sites had been identified by March 2000, but the Environment Impact Assessment Study of only three sites viz. Indore, Rajgarh and Jabalpur had been conducted. Though these sites have been notified, no site had been handed over to Board for development.

(b) Urban Waste Management

Solid waste or Municipal wastes include commercial and residential waste generated in Municipal areas. The Municipal authorities and the urban development departments are responsible for handling such solid waste.

(i) Non obtaining of authorisation

Neither any action plan for management /disposal of waste prepared nor authorisation for setting up waste processing and disposal facilities was obtained.

As per rule 4 of the Solid Waste (Management and Handling) Rules 2000, every Municipal authority should obtain authorisation from the Board for setting up the facilities of treatment and disposal of urban solid waste. Test check of records at Bhopal, Gwalior and Jabalpur revealed that these

Municipal authorities had not applied for authorisation and did not prepare any action plan for management and disposal of Urban Solid Waste.

Member Secretary replied that the rules had been brought to the notice of Municipal Authorities. No action had, however, been initiated against the local bodies.

(ii) Non provision of funds

Funds for management and disposal of solid waste not provided.

Test-check of records in Urban Development Department, Bhopal revealed that no budget provision was made between 1995-96 and 2000-01 for management of solid waste. Proposals were framed for composting process of solid waste of urban areas in sixteen municipal corporations/committee. In absence of funds and proper planning, the waste was dumped leading to spread of diseases.

3.3.8 Monitoring and Evaluation

The Board had not fixed any annual target and periodicity for inspection nor kept any records/details of monitoring and inspection visits conducted by its officers.

The working of the Board had neither been evaluated by the Board nor by any other agency since inception.

The above points were referred to the Government in July 2001; the reply had not been received so far (January 2002).

MANPOWER PLANNING DEPARTMENT

3.4 Working of ITIs in Chhattisgarh

Highlights

With a view to providing industrial and technical training to the youth so as to place them under gainful employment in the industrial units, a number of Industrial Training Institutes (ITIs) and mini ITIs were set up in the State under two Centrally sponsored schemes-- Craftsmen Training Scheme and TRYSEM. The programme failed in its objectives as the intake capacity was under utilised and the percentage of the trainees passing out successfully was only 40. No record was maintained to indicate how many of them were actually placed in gainful employment.*

Funds available were underutilised to the extent of Rs.11.28 crore.

(Paragraph 3.4.4(a))

Utilisation of intake capacity was 71 per cent and pass percentage only 40.

(Paragraph 3.4.5(a))

No steps were taken to seek refund/ accounts for Rs.2.26 crore from Director, Employment on Training, Madhya Pradesh and DRDAs.

(Paragraph 3.4.4.(b))

Rupees 2.85 crore were invested in 10 non-functional mini ITIs.

(Paragraph 3.4.5(c))

Over 56 per cent of the training posts were vacant in the ITIs/mini ITIs, adversely affecting the training programme. ITIs/mini ITIs were also not operating all the sanctioned trades.

(Paragraph 3.4.5 (d) & (b))

3.4.1 Introduction

The Craftsmen Training Scheme was introduced by the Government of India (GOI) in 1950 to ensure steady flow of skilled workers in different trades for the domestic industry. The day-to-day administration of Industrial Training Institutes (ITIs) set up under that Scheme was transferred to the State

* Training of Rural Youth for Self Employment.

Government from the year 1956. To augment the effort, mini ITIs were subsequently set up under another Centrally sponsored scheme of TRYSEM.

The objects of the schemes, apart from ensuring a steady flow of skilled workers in different trades for the industry, are to raise the quality and quantity of industrial production by systematic training of workers, and to reduce unemployment among the educated youth by equipping them for suitable industrial employment.

As of June 2001, 22 ITIs* and 13 mini ITIs** were functioning in the State; another 10 mini ITIs*** though sanctioned had not started functioning

3.4.2 Organisational set-up

Secretary to Government, Manpower Planning Department, was responsible for overall supervision, guidance and monitoring the programme at State level. Director of Employment and Training (DET), Raipur, was the nodal agency for implementation of the scheme assisted by Joint DETs who were responsible for co-ordination among various authorities and implementing agencies at Divisional level. Principals/Superintendents of ITIs and mini ITIs were responsible for actual implementation of the programme at the Institute level.

3.4.3 Audit coverage

The present review was conducted by means of a test-check during May-June 2001 of records of the DET and 22 ITIs /mini ITIs[⊗]. The results are mentioned in succeeding paragraphs.

* Arang, Ambikapur, Bhilai (Women), Bhilai, Balod, Berla, Baloda Bazar, Durg, Gariaband, Jagdalpur, Koni (Women), Koni, kashdal, Mana, Mahasamud, Nagrisihaba, Raigarh (Women), Raigarh, Raipur (Women), Raipur, Rajnandgaon, Sarangarh

** Basma, Bemetara, Dhamtari, Dharamjaygarh, Hathbandh, Kurud, Keshkal, Kharasia, Mainpur, Parpodi, Pratappur, Pakhanjur, Sarialendra.
(These exclude another 6 Mini ITIs functioning under Rural Industries Department catering to needs of sericulture development in the State).

*** Champa-Saragaon, Dabhra, Dongargarh, Gorella, Khamaria, Malkharoda, Mohala, Pali, Pathalgaon, Sakti

⊗ ITI: Koni, Koni (Women), Sarangarh, Raipur, Mana, Durg, Rajnandgaon, Raipur (Women), Berla, Arang, Gariaband, Nagrisihaba

Mini ITI: Dhamtri, Kurud, Mainpur, Hathbandh, Basna, Bemetara, Parpodi, Pakhanjur, Saria, Lendra, Kharasia.

3.4.4 Financial outlay and expenditure

Rs.11.28 crore
remained unutilised

(a) Rupees 15.51 crore were provided to Chhattisgarh State for implementation of programme for the period November 2000 to March 2001 by DET, Madhya Pradesh, Jabalpur, against which the expenditure incurred was only Rs.4.59 crore. Additional funds of Rs.0.36 crore was also provided (November 2000) by DET Jabalpur, for the purchase of machinery, tools, equipments etc. for the trades sanctioned in mini ITIs. This was deposited by DET, Chhattisgarh, Raipur, in a bank account, outside the government account in violation of codal provisions. The amount was still (June 2001) lying unutilised even when 13 of the 23 mini ITIs were functioning with less than sanctioned trades and 10 mini ITIs were yet to start functioning. Non-utilisation of Rs.11.28 crore was attributed (June 2001) by DET, Raipur, to non-formation of purchase committees.

(b) Non-recovery of Rs.2.26 crore

GOI had sanctioned Rs.23 crore to the erstwhile composite State of Madhya Pradesh for establishment of 60 mini ITIs at block level during the year 1995-96 under TRYSEM to be funded by Central and State governments in the ratio of 50:50. Out of Rs.8.46 crore provided to 7 DRDAs* for construction of 22 of the mini ITIs in Chhattisgarh, the expenditure statements for Rs.5.84 crore only were submitted to DET, Jabalpur, (MP) in November 1998, leaving an unspent balance of Rs.2.62 crore with the DRDAs up to May 2000. During June-October 2000, however, Rs.1.03 crore were refunded to DET Jabalpur, but the balance of Rs.1.59 crore was yet to be accounted for/refunded by the DRDAs. Out of Rs.1.03 crore refunded to him, DET, Jabalpur (MP), remitted Rs.0.36 crore to Chhattisgarh, retaining Rs.0.67 crore with him. No action was initiated by DET, Raipur, against DRDAs and his counterpart in Jabalpur to recover the balance amount of Rs.2.26 crore.

3.4.5 Physical performance

(a) Underutilisation of intake capacity and poor success rate

The position in respect of the number of trainees required to be admitted, that actually admitted, appeared in the examination and passed out during 1996-97 to 2000-01 in the ITIs/ mini ITIs test-checked was as under:

Capacity utilisation
was 71 per cent and
pass percentage only
40 per cent

Sl. No.	Training session (year) August-July	No. of trainees required to be admitted as per sanctioned seats	No. of trainees actually admitted	No. of trainees who passed out, pass percentage in brackets	No. of trainees gainfully employed
1.	1996-97	2272	1986	752 (60)	Information was not made available by the units
2.	1997-98	2098	1747	995 (65)	

* Raipur, Raigarh, Rajnandgaon, Jagdalpur, Ambikapur, Durg, Bilaspur

Sl. No.	Training session (year) August-July	No. of trainees required to be admitted as per sanctioned seats	No. of trainees actually admitted	No. of trainees who passed out, pass percentage in brackets	No. of trainees gainfully employed
3.	1998-99	2304	1786	762 (60)	
4.	1999-2000	2516	1330	826 (60)	
	Total	9190	6849	3335	
5.	2000-01	2732	1582	NA	
	Grand Total	11922	8431	3335	

Source: Compiled from the information furnished by ITI.

NA: Not available.

Thus during 1996-2001, against 11922 sanctioned seats, only 8431 trainees (71 per cent) were admitted. As regards the success rate, of the 8431 trainees admitted during 1996-2001, only 3335 completed the training successfully, indicating a success rate of only 40 per cent. No information was available with the ITIs about the number of trainees placed in gainful employment.

(b) Deficiency in running of trades

The number of trainees in operation in 5 of the ITIs and all the 13 functional mini ITIs was much below the number of trades sanctioned in each ITI/mini ITIs during the year 1995-96, as detailed below:

ITIs/mini it is		Number of trades sanctioned	Number of trades in operation
ITIs	3	5 each	1 each
	2	4 each	
Mini ITIs	13	3 each	1 each (in 9 mini ITIs) 2 each (in 4 mini ITIs)

Source: Compiled from information furnished by ITIs/ mini ITIs.

It is evident that the working of ITIs/mini ITIs had not been optimised.

(c) Non-functioning of mini ITIs: The construction works of mini ITIs were entrusted to District Rural Development Agencies (DRDAs) and their administrative control was transferred to Manpower Planning Department in 1999-2000. Of the 60 mini ITIs, 23 were to be located in the present State of Chhattisgarh. It was observed that 10 mini ITIs in Chhattisgarh had not yet started functioning (June 2001) even though an expenditure of Rs.2.85 crore was incurred on construction of buildings, purchase of machinery/tools, equipments, payment of pay and allowances, contingent expenditure of staff, etc. This rendered the entire expenditure of Rs.2.85 crore unproductive, defeating largely the very purpose of the scheme.

(d) Manpower management

The position of sanctioned posts men-in-position and vacant posts in the 22 working ITIs and 13 mini ITIs was as follows:-

Fewer trades than sanctioned were operated

10 Mini ITIs set up at a cost of Rs.2.85 crore remained non-functional

Sl. No.	Name of the post	Sanctioned posts	Men in position	No. of vacant posts	Percentage of vacant posts
1.	Principal Gr. I	4	2	2	
	Principal Gr. II	8	7	1	
2.	Vice Principal	9	2	7	
3.	Training Supdt. TE*	106	47	59	
4.	Training Officer Gr. I	28	20	08	
	Training Officer Gr. II	299	111	188	
	Training Officer Gr. III	352	160	192	
	Training Officer Gr. III Social Study	10	10	--	
5.	Training Officer PPO*	1	--	1	
6.	Training Officer COPA*	8	--	8	
	Total	825	359	466	56.50

Source: Departmental figures.

Thus over 56 per cent of the sanctioned posts of training wing were lying vacant which adversely affected the implementation of the training programme.

3.4.6 Non-maintenance of stores and stock account and idle machinery

Stores and stock accounts showing the position of assets though required to be maintained were not found maintained at Institute level. Further, machines, tools and equipments worth Rs.38.86 lakh had been lying idle since August 1999 due to non-operation/closure of industrial trades in 22 ITIs/mini ITIs.

3.4.7 Monitoring

The main objective of the scheme was to provide industrial and technical training to the youth so as to place them under gainful employment in the industrial units in the State. For successful running of ITIs/mini ITIs, quarterly/annual inspections were prescribed in the ITI Manual at the Directorate level. Record cards of the passed out trainees were required to be maintained for close contact to help them obtain gainful employment in industrial units.

It was observed that no inspection of the ITIs units was conducted by the Directorate and records cards of the passed out candidates were also not maintained.

The matter was referred to Government in August 2001; reply had not been received (March 2002).

Gr. = Grade; TE = Technical Education; PPO = Plastic Processing Operator; COPA = Computer Operator Programme Application.

Public Health and Family Welfare Department

3.5 Prevention and Control of Diseases

Highlights

National Tuberculosis Control Programme (NTCP) is being implemented since 1962. The envisaged cure rate was not achieved during the period of review. There were shortfalls in detection of new cases and sputum examination. Follow-up of treatment was poor and treatment was discontinued mid-way in several cases. Shortage of staff and untrained staff also contributed to poor performance.

National Programme for Control of Blindness (NPCB) from 1976 and a World Bank Assisted Cataract Blindness Control Project from 1994 were being implemented in the state. The prevalence of blindness was 0.63 per cent as of March 2001 as against the envisaged rate of 0.3 per cent. Blindness due to cataract was not assessed; the targets for cataract operations were fixed on an adhoc basis as a result of which the backlog of cataract operations as of March 2001 was not known. The reasons for the high prevalence of blindness were mainly due to poor performance in mobilising patients for surgeries, poor utilisation of funds, lack of IEC activities and poor follow-up.

(a) National Tuberculosis Control Programme (NTCP)

Central assistance of Rs.1.74 crore for purchase of TB drugs under NTCP was not utilised for more than 3 years and kept under "8443-Civil Deposits". Central assistance of Rs.86 lakh was lying unutilised under Revised National Tuberculosis Control Programme (RNTCP) with the District Tuberculosis Control Societies (DTCS).

(Paragraph 3.5.5.1)

Achievement figures for Examination of Sputum of New Patients was inflated. 76 per cent patients did not take the complete course of treatment and there was increasing incidence of TB during 1996-2001. 7 to 20 per cent new TB patients could not be brought under treatment.

(Paragraph 3.5.5.2 (b))

4 to 19 per cent of sanctioned posts were lying vacant and deployment of untrained staff ranged between 28 and 57 per cent.

(Paragraph 3.5.5.2 (d))

The cure rate and default rate ranged between 55 and 86 and 4 and 22 per cent respectively against the norms of more than 90 and less than 5 per cent under RNTCP.

(Paragraph 3.5.5.2(e))

Non-utilisation of TB drugs before expiry date resulted in loss of Rs.13.48 lakh.

(Paragraph 3.5.5.2(f))

(b) National Programme for Control of Blindness (NPCB)

Achievement of targets was very low as compared to the funds spent.

(Paragraph 3.5.5.3(a)(ii))

10 to 43 per cent catops only were contributed by Government sector. 50 per cent catops were performed in camps during 2000-01 against the norm of 20 per cent. As against the 1500 catops per annum per Mobile Ophthalmic Unit (MOU), the actual ranged between 505 and 897.

(Paragraph 3.5.5.4(a)(i) & (ii))

In test checked districts, vision could not be restored in 3120 cases (Jabalpur : 2036; Satna:1084). Only 5 per cent of the children identified for refracting error were provided spectacles.

(Paragraph 3.5.5.4 (b))

11 to 80 per cent ophthalmic posts in test checked districts were lying vacant (March 2001).

(Paragraph 3.5.5.4(d)(i))

32 Civil Works were incomplete as of March 2001 resulting in blocking of funds of Rs.1.77 crore with the PWD.

(Paragraph 3.5.5.4(d)(ii))

25 eyes in Eye Bank, Bhopal rendered useless during 1996-2001 as these were not found suitable due to mishandling etc.

(Paragraph 3.5.5.4(f))

Monitoring of both the schemes was inadequate. Survey conducted during 2000-01 under NPCB revealed the prevalence of blindness due to cataract as 0.63 per cent thus defeating the goal of the programme.

(Paragraph 3.5.6)

3.5.1 Introduction

To control the dreaded disease of tuberculosis, National Tuberculosis Control Programme (NTCP) was implemented from 1962. The scheme was revised in 1993 and a revised NTCP was introduced with the object of achieving a cure rate of at least 85 per cent by observing Directly Observed Treatment of Short Course Chemotherapy (DOTS).

A National Programme for Control of Blindness (NPCB) was introduced in 1976. Another World Bank-assisted Cataract Blindness Control Project was implemented from 1994. As per survey conducted by World Health Organisation in 1986-89, the prevalence of blindness in the country was 1.49 per cent. These programmes aimed at reducing the prevalence of blindness in the State from 1.49 to 0.3 per cent by the year 2000.

Shortcomings noticed in implementation of these two programmes are discussed in succeeding paragraphs.

3.5.2 Programmes implemented

The details of the programmes for the prevention and control of Tuberculosis and Blindness in the State, sources of finance and the envisaged goals were as follows:

		Programmes implemented	Source of finance and funding pattern	Objectives and envisaged goal
(i)	Tuberculosis	(a) NTCP is being implemented in the State since 1962 to control the disease. Based on the findings of a review committee, a revised programme called Revised National Tuberculosis Control Programme (RNTCP) was evolved in 1993 with emphasis on cure of infectious cases through Directly Observed Treatment Short Course Chemotherapy (DOTS). World Bank assisted RNTCP was introduced as a pilot study in two centres of Bhopal district during 1994 which was extended (1998-99) to two districts of Bhopal & Vidisha and in 1999-2000 to Rajgarh district.	Central assistance is provided in cash and kind for meeting 50 per cent of the requirement of anti TB drugs and equipment. State Government meets the entire expenditure on running the TB institutions (towards staff, maintenance of buildings, vehicles etc.). Implementation of RNTCP in the districts was cent per cent financed by GOI.	DOTS under RNTCP was aimed to achieve a cure rate of over 85 per cent with emphasis on the augmentation of case finding activities to detect 75 per cent of the estimated new cases. Besides the standard regimen was to be strengthened in non RNTCP Districts.

(ii) Blindness	NPCB is being implemented in the State from 1976. A World Bank assisted Cataract Blindness Control Project (WBCBCP) is also being implemented in the State since April 1994. The project period was seven years upto 2000-01 which was extended by one more year, i.e. upto 2001-2002.	NPCB is a cent per cent centrally sponsored scheme. Under the World Bank project also, GOI is releasing assistance as per the Action plan approved every year by the Ministry of Health and Family Welfare.	The envisaged goal of NPCB and the World Bank project was to reduce the prevalence of blindness in the State from 1.49 per cent to 0.3 per cent by 2000 AD by providing comprehensive primary, secondary and tertiary levels of eye health care.
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3.5.3 Organisational set-up

Principal Secretary, Health & Family Welfare Department was overall incharge of all the schemes. The other officers who were in charge of the schemes were as given below:

National Tuberculosis Control Programme	National Programme for control of Blindness
At the State level a full time State TB Officer in the post of Joint Director under the control of Director of Medical and Health Services (DHS) coordinates and supervises the programme activities.	At the State level, the programme was implemented by State Ophthalmic Cell headed by Joint Director under the DHS to monitor and co-ordinate the programme.
At the District level the Chief Medical and Health Officer (CMHO) is responsible for the implementation of the programme with the help of District Tuberculosis Centre (DTC) and Tuberculosis Unit (TU) at sub-district level and other health institutions in the district such as Primary Health Centres (PHCs) Civil Hospitals, etc.	At district level the programme is being implemented by District Blindness Control Societies (DBCS) which were formed in all districts with the District Collector as the Chairman, CMHO of the district as Secretary and the District Programme Manager (DPM) appointed by the District Collector on contract basis, to coordinate all NPCB activities in the district.
In addition, a State TB society in the office of DHS and District Tuberculosis Control Society (DTCS) in each district were established to ensure smooth implementation of the scheme.	

3.5.4 Audit coverage

The implementation of the programmes for the period 1996-2001 was reviewed through test-check of records during December 2000 to July 2001 in the Director of Health Services M.P. Bhopal and Chhattisgarh, Raipur and

CMHOs, DTOs and DPMs of 8* out of 61 districts of combined MP & Chhattisgarh. Significant points noticed are given in the succeeding paragraphs.

3.5.5 National Tuberculosis Control Programme (NTCP)

3.5.5.1 Financial performance

Details of allotment and expenditure under NTCP was as under:

<i>(Rupees in crore)</i>			
Year	Allotment	Expenditure	Savings (-)/ Excess (+)
1996-1997	10.70	9.64	(-)1.06
1997-1998	10.98	9.46	(-)1.52
1998-1999	12.24	12.81	(+)0.57
1999-2000	11.02	12.38	(+)1.36
2000-01	12.11	12.24	(+)0.13
Total	57.05	56.53	(-)0.52

Central assistance of Rs.1.74 crore reported to have been spent was lying unutilised in Civil deposits.

Excess expenditure during the year 1998-99 to 2000-01 was attributed (January 2002) by the Director to increased expenditure on pay and allowances of the staff. Audit observed that the expenditure shown during 1997-98 was inflated by Rs.1.74 crore as it was kept under "8443 Civil Deposits". Director stated that the funds kept under "Civil Deposits" were provided by Government of India for purchase of drugs for TB sputum negative cases and the same were not utilised for the purpose due to subsequent supply of drugs from GOI.

Consolidated position of funds received, expenditure incurred and balance lying with the societies under RNTCP was as under:

<i>(Rupees in crore)</i>					
Year	Opening balance	Funds released by GOI	Total	Expenditure	Closing balance
1997-98	NIL	0.47	0.47	0.05	0.42
1998-99	0.42	0.15	0.57	0.21	0.36
1999-2000	0.36	0.73	1.09	0.67	0.42
2000-01	0.42	1.04	1.46	0.60	0.86
Total		2.39		1.53	

Thirty six per cent (Rs.0.86 crore) funds provided under RNTCP were lying unutilised at the end of March 2001. In test checked district Bhopal, Rs.0.13 crore was lying un-utilised. Director stated (January 2002) that the reasons for non-utilisation of funds have been called for from all the societies of three districts. Non-utilisation of funds adversely affected the programme.

Bhopal, Guna, Indore, Jabalpur, Mandasaur and Satna out of 45 district from MP & 2 districts Bilaspur and Jagdalpur out of 16 district of Chhattisgarh.

3.5.5.2 Physical performance

(a) Targets and Achievements

66 per cent inflated achievements against targets for patients under going sputum examination.

Annual action plan under the NTCP was not prepared by the department. Targets for detection of new cases and sputum positive fixed by the GOI for each year were distributed to the districts on the basis of their population. Details of targets and achievements were as under:

Year	Targets			Achievements			Percentage of achievements		
	Detection of new cases	Number of patients under gone Sputum Examination	Sputum positive cases	Detection of new cases	Number of patients under gone Sputum Examination	Sputum positive cases	Detection of new cases (Col. 2 & 5)	Patients under gone Sputum Examination (Col. 3 & 6)	Sputum positive cases (Col. 4 & 7)
1.	2.	3.	4.	5	6.	7.	8.	9	10
1996-97	87220	Nil	26110	83429	Nil	10868	96	--	42
1997-98	87220	Nil	26110	81128	Nil	12150	93	--	47
1998-99	103864	Nil	38468	78813	Nil	18387	76	--	48
1999-2000	--	391730	39170	--	364475	23683	--	93	60
2000-01	--	293744	29370	--	291484	22666	--	99	77

NB: Upto 1998-99 targets were given by GOI for detection of new cases whereas from 1999-2000 targets were related to patients who have undergone Sputum examination.

Reasons for shortfall in detection of new cases during 1998-99 and sputum positive cases during 1996-2001 were not intimated to audit. However, audit scrutiny revealed that the shortfall during 1998-99 was due to reporting of new cases of only Primary Health Centres and non-reporting of cases registered at district hospitals. It was, further noticed that for the number of patients undergoing sputum examination during 1999-2000 and 2000-01, the department reported the number of sputum slides examined instead of number of patients. Thus, the achievement under number of patients undergoing sputum examination was inflated as three sputum tests are required to be conducted for each patient.

Detection of new cases against the targets during the period 1996-97 to 2000-01 ranged between 62 and 147 per cent. While achievement in Bilaspur, Guna, Jabalpur, Jagdalpur and Mandsaur ranged between 62 and 98 per cent, in Bhopal, Indore and Satna it was between 113 and 147 per cent. Director stated (January 2002) that the higher achievements were due to organisation of TB camps by the district officers.

(b) Low cure rate

Defaulter rate in taking complete course of treatment in the State was 76 per cent.

Short course chemotherapy envisages complete cure of TB within 6 to 8 months if regular and complete course of treatment is taken. Analysis of the programme in the state during 1996-2001 revealed that only 24 per cent of patients had taken the complete course of treatment. Information on re-treatment cases was not available. Percentage of patients taking complete treatment excluding defaulter patients, migrated patients and death cases was 27 per cent. Re-treatment cases were between 3\ and 30 per cent at Guna, Indore, Jagdalpur, Mandasaur and Satna whereas this information was not available at Bhopal, Bilaspur and Jabalpur. No reasons for the low cure rate and high percentage of defaulters were given by the Director and CMHOs. However audit observed that non-counselling of the patients for taking regular and un-interrupted treatment resulted in high percentage of defaulter patients.

Further, there was increasing trend in number of TB patients in the state and 7 to 20 per cent new TB patients could not be brought under treatment. Director stated (June 2001) that the patients changed their residence after detection of the disease and therefore all patients could not be brought under treatment. Reply was not tenable as no follow up action like field visits were under taken by health workers.

(c) Detection of infectious TB patients

Identification of infectious TB patients and their conversion into non-infectious patients was low.

Details of TB patients and details of sputum examinations carried out, are shown in **Appendix XVI**. The percentage of sputum positive cases found in the state ranged between 5 and 6 during 1996-97 to 1999-2000 and 8 per cent during 2000-01 against 10 per cent stipulated as normal by the Director. Less than 10 per cent detection of positive cases indicated that either the potential TB patients were not identified properly or the quality of sputum test was poor. In test-checked districts, sputum positive cases ranged between 3 and 9 per cent except at Bhopal where it was 22 per cent.

It was observed that after treatment only 59 per cent positive cases were converted into TB negative cases in test checked districts. Reasons for low conversion of positive cases into negative cases were not given by the Director/CMHOs.

In Jabalpur and Satna sputum of the patients was examined only once against the norms of thrice. CMHO Jabalpur stated that due to shortage of laboratory technician and financial stringency, three tests could not be conducted, CMHO Bilaspur stated that since the positive cases were already detected by way of X-ray examination there was no need to conduct three tests. The reply of CMHO Bilaspur was not tenable as X-ray positive diagnosis is not a confirmed test for positive cases.

(d) Establishment of District Tuberculosis Centre (DTC)

DTC functioned as referral centre and nodal point for control of TB in the district whereas all the peripheral health institutions acted as referral centres in the state. 441 microscopic, 267 X-ray and 1197 referral centres were formed in

Deployment of untrained staff under NTCP was 28 to 57 per cent and 4 to 19 per cent posts

the State under the NTCP. Details of staff are shown in **Appendix XVII**. It was observed that 24 posts (DTO : 5, ASOs : 9, TO :8 and X-ray Tech :2) were lying vacant as on 31 October 2000 under NTCP which was 4 to 19 per cent of the sanctioned posts. Further the percentage of untrained staff deployed was between 28 and 57 per cent. It was, further observed (June 2001) that work in 16 districts of newly created Chhattisgarh State was being carried out by the existing staff of the mother districts. While Director, Health Services, Madhya Pradesh did not intimate the reasons for vacant posts, Director, Health Services, Chhattisgarh stated that non creation of 9 posts of DTO has affected the implementation of the TB Control Programme adversely. In test checked districts 22 per cent sanctioned posts were lying vacant as on 31 March 2001 and 41 per cent staff posted was untrained.

(e) Revised National Tuberculosis Control Programme

Low achievement against performance indicators set by GOI.

The programme envisaged achievement of cure rate of at least 85 per cent and conversion of sputum positive cases into negative of more than 90 per cent by observing Directly Observed Treatment of Short course Chemotherapy. Details of treatment are given in **Appendix XVIII & XIX**. Achievement under the programme in the State during 1999 and 2000 are shown in **Appendix XX**.

The data revealed that the expected conversion rate of sputum positive into sputum negative (more than 90 per cent) was not achieved during 1999 & 2000. It was ranging between 80 and 88 per cent. As against the prescribed cure rate of 85 per cent and default rate of 5 per cent, the actual cure rate ranged between 55 and 86 per cent and default rate ranged between 4 and 22 per cent even after the close follow up action by health workers under RNTCP. Director, Health Services, Madhya Pradesh stated that the low cure rate and high default rates were due to discontinuance of treatment by the migrant patients for employment purposes.

Low achievement led to continued prevalence of TB in the State. The impact of the programme could not be adjudged as no survey was conducted.

(f) Loss of Rs.13.48 lakh on time expired medicines

Avoidable loss of Rs.13.48 lakh due to non utilisation of drugs before expiry period.

TB drugs for sputum positive cases were supplied by the GOI. Test check revealed that the following time expired drugs were lying un-utilised in October 2001.

Medicines	Quantity available	Date of expiry	Cost (Rupees in lakh)	Name of districts where medicines were lying
1.	2.	3.	4.	5.
Tab INH 100 mg	21.89 lakh	9/99 to 11/99	1.75	Bhopal, Ratlam, Morena, Shivpuri
Tab INH 300 mg	16.68 lakh	11/99 to 12/99	3.08	Sehore, Morena, Shivpuri, Mandla, Rajnandgaon and Sidhi
Tab INH 150 mg + TZN - 50 mg	46.49 lakh	10/99 and 11/99	8.65	Sehore, Bilaspur, Rajgarh, Shivpuri, Rajnandgaon, Sidhi Ratlam and Bhopal
Total			13.48	

Thus drugs costing Rs.13.48 lakh had been rendered worthless and the department failed to initiate timely action to divert the drugs to other places. Director Health Services stated (October 2001) that medicines were received in excess of requirement. This is not acceptable and surplus drugs could have been transferred to needy places.

3.5.5.3 National Programme for Control of Blindness (NPCB)

3.5.5.3.a Financial performance

3.5.5.3.a(i) Allocation and expenditure

Details of budget provision and expenditure under NPCB and WBCBCP are given below:

(Rupees in crore)

NPCB				WBCBCP					
Year	Budget provision	Expenditure	Excess	Allocation	Opening Balance	Released by GOI	Total	Expenditure	Closing balance
1996-97	3.65	3.71	0.06	3.22	1.61	4.00*	5.61	3.08	2.53
1997-98	3.65	3.98	0.33	2.15	2.53	1.60	4.13	4.04	0.09
1998-99	6.64	7.57	0.93	1.13	0.09	5.46	5.55	1.27	4.28**
1999-2000	5.81	7.05	1.24	3.66	4.28	2.23	6.51	5.62	0.89
2000-01*	5.81	6.01	0.20	1.92	0.89	1.54	2.43	1.44	0.99
TOTAL	25.56	28.32	2.76***	12.08	1.61	14.83	16.44	15.45	0.99

* Excess release was balance amount of Central assistance for the year 1994-95.

** Due to late receipt of funds from GOI.

*** Due to increase in pay and allowances of the Staff.

3.5.5.3.a(ii) Grant to District Societies

Achievements of physical targets was very low as compared to the funds spent.

Grants released and expenditure incurred by the District Societies in test checked districts (**Appendix XXI**) indicate that in Bhopal, Jabalpur and Jagdalpur districts whereas 64 to 90 per cent of funds released were utilized, the achievement of physical targets ranged between 3 and 27 per cent only.

3.5.5.4.a Physical performance

3.5.5.4.a(i) Targets and achievement

As per the norms 400 catops per 1 lakh population were required to be performed. Annual Action Plan in test checked districts proposed more than 400 catops at Indore, Jabalpur and Satna and less than 400 catops at Guna, Mandsaur and Jagdalpur. Bhopal and Bilaspur did not prepare the Action Plan. Director, Health Services stated (October 2001) that GOI had fixed adhoc targets for cataract operations in various districts.

* Apart from above, the details of amount provided to newly formed (November 2000) Chhattisgarh State and expenditure there against were as under :-
Budget Provision Rs.78.74 lakh; Expenditure Rs.72.22 lakh; Savings (-) Rs.6.42 lakh (under pay and allowances)

Survey during 2000-01 revealed that the prevalence rate of blindness was 0.63 per cent against 0.3 per cent contemplated in the programme. Thus the targets fixed were unrealistic.

Details of cataract Surgery Operations against targets were as under:

Shortfall in cataract surgery operations.

Year	No. of cataract surgery operation			Cataract surgery operations in camps		
	Target (in lakh)	Achievements (in lakh)	Percentage	Camps organised (Number)	Cataract operation conducted (Number)	Percentage of Cataract operation in camp
1.	2.	3.	4.	5.	6.	7.
1996-97	2.50	2.13	85	1890	26122	12
1997-98	2.80	2.53	90	1459	30201	12
1998-99	3.08	2.86	93	2512	40354	14
1999-2000	3.00	2.75	92	2604	22718	08
2000-01	2.40	2.33	97	2175	117445	50

The average number of cataract operations carried out in the camps was less than norm of 20 per cent catops in camps. The high percentage of operations in camps during 2000-01 was attributed by the Director to the operations organised by the NGO at Satna which was equipped with advance technology and cataract patients from other State/districts were coming for operation there. Achievements in test checked districts ranged between 45 and 110 per cent. Audit, however, observed that in the test checked district during the period of 1996-2001 achievements included cataract operations conducted by private doctors and Camp operations by the NGOs ranged between 2 and 96 per cent.

Further 45 Mobile Ophthalmic Units (MOU) including 7 CMU and 5 Medical College Mobile Units were established. As against 1500 catops per MOU per year, the achievement of the MOU during 1996-2000 ranged between 505 (34 per cent) and 897 (60 per cent). Reasons for low achievement were not on record.

In order to clear the backlog of operations target of 700 operations per ophthalmologist per year was laid down by the GOI. Audit observed that target of 569 catops was however fixed for each ophthalmic surgeon by the State Government. No reasons for fixing a lower target despite availability of sufficient beds in the government hospitals were furnished.

3.5.5.4.a(ii) Poor performance under Government Sector

Cataract surgeries were assigned to three sectors viz. Government, Non-Government Organisations and private sector. The detailed break-up at the State level were not available. However, scrutiny of details given in the table in preceding paragraph revealed that in test checked districts during 1997-2001 the Government sector contributed only 10 to 43 per cent cataract

10 to 43 per cent catops contributed by Government sector.

surgeries, inspite of incurring expenditure of Rs.1.67 crore on construction of 20/10 bedded eye wards with OT during 1994-2001 and creation of 160 posts of Medical & Para Medical Ophthalmic Assistants (PMOA's) in PHCs, CHCs, Mobile units, Hospitals etc. The targets were not achieved by Government sector in the test checked districts.

3.5.5.4.b Failures of cataract surgery, post operation complication, screening of refracting error

(a) Details of screening of refracting error even after cataract surgery, post operation complication and rehabilitation of incurably blind in the State were not maintained by the Director, Health Services, M.P. However, scrutiny of records of the test checked districts revealed that non-restoration of vision due to post operations complications were noticed in 3120 cases at Jabalpur (2036) and Satna (1084) which was 9 and 1 per cent of the total catops conducted.

(b) 16.14 lakh school going children were examined in the test checked districts for detecting refracting errors and 71610 children were identified for refracting errors but only 3505 children (5 per cent) were provided spectacles. Reasons for coverage lower number were not intimated to Audit.

3.5.5.4.c Information, Education and Communication (IEC)

Non taking up of IEC programme.

Action plan for IEC at the state level was not prepared. Director Health Services Madhya Pradesh stated (June 2001) that allocation on this component was done at the National level and publicity material received from Government of India, was being utilised. Against allocation of Rs.47 lakh provided by GOI for IEC, only Rs.10.57 lakh (Rs.5.32 lakh provided to districts for hoardings and details of Rs.5.25 lakh were not available with Directorate) were spent. Test check revealed that no IEC work was conducted in 6 districts (Bhopal, Bilaspur, Guna, Indore, Jabalpur and Jagdalpur).

3.5.5.4.d Infrastructure

3.5.5.4.d(i) Manpower Management

Inadequate ophthalmic services due to vacant posts.

For creation of permanent infrastructure for eye health care State Government identified 665 PHCs (upto 1986-87: 346; 1987 to 1996:319), 7 CHCs (1995-96), 55 District Hospitals (upto 1986-87: 45; 1995-96:10) including 4 Civil Hospitals. 45 Mobile Ophthalmic Units (upto 1986-87:18; 1988-96:27) were also set up. Audit, however, observed, that the details of actual man power were not available with the State Project Cell sanctioned and set up in 1994-95. Details of man power in test checked districts is shown in **Appendix XXII**. Posts of ophthalmic surgeons (3), assistants (11), nurses (1), OT assistant (1) and camp coordinator (4) were lying vacant for more than 5 years (1996-97). Reasons for keeping the posts vacant were not intimated. Shortage of ophthalmologist also contributed to lower number of catops performed by Government sector.

3.5.5.4.d(ii) Construction work

Government of India provided Rs.11.50 crore for the construction of 10/20 bedded eye wards with operation theatres and dark rooms at various places in the State. Details of construction works as on March 2001 was as under:

Non utilisation of infra structure developed for extension of ophthalmic services.

Particulars of Works	Sanctioned works	Position of construction works				Funds provided by GOI	Expenditure incurred	Balance lying with PWD & State Government
		Completed & handed over	Completed but not handed over	Incomplete	Total			
1.	2.	3.	4.	5.	6.	7.	8.	9.
20 Bedded eye ward with operation theatre	24	19	--	05	24	342.48	299.85	42.63
10 Bedded eye ward with operation theatre	54	37	04	13	54	546.72	465.46	81.26
Dark rooms	483	456	13	14	483	260.80	207.93	52.87
Total	561	512	17	32	561	1150.00	973.24	176.76

According to instructions from GOI all the works were to be completed by March 2001. Audit, observed that 32 works (Madhya Pradesh 24; Chhattisgarh: 08) were incomplete (October 2001). World Bank National Consultant (Infra Development) Team during their inspection had observed that the quality of construction was generally unsatisfactory. The team also observed that completed and handed over buildings were also not put to use because of shortage of staff and other facilities. Director intimated (October 2001) that a committee under the Chairmanship of Principal Secretary Health Department reviewed the construction work and defects/deficiencies noticed have been corrected by the PWD. It was further observed by the Audit that the newly constructed 20 bedded ward with OT at Bhopal was not put to use due to the existence of SULABH COMPLEX in the vicinity and absence of separate source of water. Thus faulty selection of sites for construction, delay in completion of works and non utilisation of completed works not only resulted into blocking of funds Rs.1.77 crore but also deprived the ophthalmic patients the much needed operations and facilities.

3.5.5.4.e Training

Targets for training under Intra Ocular Lense (IOL) surgery were not fixed by the department. 107 eye surgeons were trained and 34427 IOL surgery operations were conducted at Bhopal (7279), Bilaspur (1581), Indore (23968) and Jabalpur (1599) during the period from 1997-98 to 2000-01. It constituted only 10(Bhopal), 6(Bilaspur), 27(Indore) and 3(Jabalpur) per cent of the total operations conducted in the respective districts as against the target of 30 per cent prescribed by GOI.

Performance of IOL surgery operations was much less than the 30 per cent target laid down by GOI.

3.5.5.4.f Eye banks

Though State level position of establishment of eye banks was not available with the Directorate, eye banks in all the 6 medical colleges were established. Test check of records of Medical College, Bhopal revealed that during the

period 1996-2001 out of 106 eyes collected, 25 eyes could not be utilized as these were not found suitable due to mis-handling etc. and these were used for research purposes.

3.5.6 Monitoring and Evaluation

Programme Implementation Committee under the Chairmanship of the Secretary of Public Health was not formed. DBCS of the districts were visited by the Principal Secretary/Commissioner, Director and Joint Director of Health Services as per requirement but no records of such visits were maintained. Monitoring of the programme at the State level was not adequate as data on working strength of ophthalmic staff, data on post operations complications, non-restoration of vision after cataracts etc. were not available at the Directorate. Survey conducted during 2000-01 revealed that the prevalence of blindness in the state was 0.63 per cent and the target of reducing the blindness to 0.3 per cent by 2000 AD could not be achieved.

The above points were referred to the Government in September 2001; the reply had not been received so far (January 2002).

**Inadequate
monitoring and
evaluation**

School Education Department

3.6 District Institutes of Education and Training

Highlights

District Institutes of Education and Training (DIETs) were established in all the 45 districts in the State during 1987-90 under the Centrally Sponsored Scheme of "Restructuring and Reorganisation of Teacher Education" with the main purpose of providing pre-service teacher education course, training orientation programmes for elementary school teachers, for Adult Education (AE) and for Non Formal Education (NFE) personnel. Despite providing Rs.26.22 crore for construction of DIET buildings in all the 45 districts only 24 could be handed over to the department as of April 2001. Under utilisation of academic staff was noticed and only 12 to 68 per cent of available mandays were utilised for in-service teachers training and no training was provided to AE personnel and NFE personnel during 2000-01. Other activities like field interaction, field study, action research, experimentation etc. were almost ignored. Thus the objectives of DIETs could not be fulfilled.

Excess central assistance of Rs.3.11 crore was irregularly claimed on travelling allowance for in-service training programme (Rs.1.87 crore), inflation of expenditure (Rs.1.11crore) and non-deduction of State's liability (Rs.0.13 crore).

(Paragraph 3.6.5.1, 3.6.5.2 & 3.6.5.3)

Despite providing Rs.26.22 crore for construction of 45 DIET buildings only 24 buildings out of 35 completed could be taken over.

(Paragraph 3.6.7.1)

Rs.0.51 crore under Special Orientation Programme for Teachers, were misutilised.

(Paragraph 3.6.8.2 (iii))

Percentage of mandays of staff utilised for in-service teachers training in test checked DIETs ranged from 12 to 68 per cent.

(Paragraph 3.6.8.3)

Central assistance of Rs.1.47 crore remained unspent with SCERT and Rs.1.48 crore was incurred on salaries of idle training staff.

(Paragraph 3.6.8.4.1 & 3.6.8.4.2)

3.6.1 Introduction

The new National Policy of Education (NPE) adopted by the Government of India (GOI) in May 1986 emphasised teacher education and a Centrally Sponsored Scheme of "Restructuring and Re-organisation of Teacher Education" was approved by GOI in October 1987. One of the components of the scheme was establishment of 'District Institute of Education and Training' (DIET) in each district by upgrading the existing Basic Training Institutes (BTI). A new DIET was to be established in the district having no BTI. The main purpose was to provide (i) training/orientation of elementary school teachers, headmasters of schools, instructors and supervisors of non-formal and adult education, resource persons etc. (ii) academic and resource support to elementary and adult education system and (iii) research and experimentation to deal with specific problems. Accordingly GOI sanctioned upgradation of 40 BTIs out of 46 existing BTIs as DIETs on the basis of their performance and also sanctioned 5 new DIETs during 1988-90.

3.6.2 Organisational set-up

At the State level, DIETs were controlled by the Principal Secretary, School Education Department and Director, State Council of Educational Research and Training (SCERT). At district level Chief Executive Officer, District Panchayat and at DIET level, the Principal, assisted by Vice Principal were responsible for the proper functioning of DIET. Construction of DIET buildings was the responsibility of the State Public Works Department (PWD).

3.6.3 Audit coverage

Test check of records in the offices of Directors, SCERT, Bhopal and Raipur, Engineer in Chief, PWD Bhopal and 15 out of 45 Principals DIETs (functioning in M.P. and Chhattisgarh State) for the period 1996-2001 was conducted during February to May and August 2001. The results are in succeeding Paragraphs.

3.6.4 Funding Pattern

GOI provided assistance for meeting recurring expenditure on salaries of staff, training programmes conducted (except Travelling Allowance (TA) during training) and contingent expenditure incurred by DIETs. In addition, non recurring assistance was also provided for civil works and procurement of equipment. The State Government's liability was limited to extant expenditure on erstwhile BTIs at the time of their conversion into DIETs. Expenditure on TA during training was also to be borne by the State Government.

3.6.4.1 Budget outlay and expenditure

The details of funding and expenditure were as under:

<i>(Rupees in crore)</i>							
Year	Provision made in State Budget	Expenditure during the year	Savings	State Government liability	Central assistance due	Central assistance received during the year	Unspent balance of Central assistance at the end of the year
1.	2	3	(2-3)4	5	(3-5)6	7	(7-6)8
1996-97	12.95	9.63	3.32	1.88	7.75	8.95*	(+)1.20
1997-98	12.20	11.21	0.99	1.88	9.33	10.16	(+)0.83
1998-99	20.78	15.69	5.09	1.88	13.81	13.77	(-)0.04
1999-2000	21.24	17.40	3.84	1.88	15.52	19.17	(+)3.65
2000-01**	25.83	15.81	10.02	1.88	13.93	15.45	(+)1.52
Total	93.00	69.74	23.26	9.40	60.34	67.50	(+)7.16

There were persistent savings ranging between Rs.99 lakh to Rs.10.02 crore. Savings amounting to Rs.1.53 crore was noticed in Chhattisgarh State during 2000-01. The reasons for saving were failure to conduct field interaction, field study, action research and experimentation etc.

3.6.5 Financial management and control

3.6.5.1 Excess claim of assistance for recurring expenditure

Claims of reimbursement were 48 per cent over and above the expenditure of previous year.

Reimbursement of Rs.1.11 crore in excess of actual expenditure.

(i) GOI provided assistance for recurring expenditure on the basis of estimates, submitted by SCERT through School Education Department based on the requirement obtained from DIETs. Unspent balances were required to be adjusted. It was observed that Rs.23.28 crore were proposed for 1999-2000 which was 48 per cent higher than expenditure incurred in 1998-99.

(ii) A scrutiny of Monthly Expenditure Returns (MERs) received from DIETs and expenditure reported to GOI by SCERT for adjustment of grant revealed excess claim of Rs.86.58 lakh during 1998-2001. In 9 test checked DIETs excess claim was Rs.24.69 lakh during 1996-98.

* Includes unspent balance of Rs.1.63 crore as on 1.4.96

** On the formation of Chhattisgarh State with effect from 1 November 2000- central assistance amounting to Rs.2.54 crore (included in Rs.25.83 crore) was allocated to Chhattisgarh State for meeting expenditure during November 2000 to March 2001. Out of which an expenditure of Rs.1.01 crore only inclusive State's Committed liability of Rs.0.24 crore, was incurred and the central assistance of Rs.1.53 crore remained unspent as on 31 March 2001 with Chhattisgarh State.

3.6.5.2 Irregular claim of Central assistance for travelling allowance

Irregular reimbursement of Rs.1.87 crore of travelling allowance to "in-service participants".

Travelling allowance of in-service participants was to be borne by the State Government but Rs.1.87 crore was included in the recurring expenditure of DIETs and claimed by State Government for reimbursement during the period 1998-2001.

3.6.5.3 Non deduction of State Government's liability in respect of Bastar DIET

State Government's committed liability of Rs.0.13 crore was included in the claim.

Central assistance was to be exclusive of State Government's committed expenditure on erstwhile BTIs upgraded to DIETs. But the State's liability for Bastar BTI amounting to Rs.13.25 lakh for the period 1996-2001 was not deducted on the ground that it was running under tribal welfare department. The reason was not tenable as the expenditure on erstwhile BTIs was to be borne by the State Government irrespective of the department.

3.6.6 Man Power Management

3.6.6.1 Large vacancies

Large number of posts were lying vacant.

Each DIET was to be provided with a Principal, a Vice Principal, Senior Lecturers, Lecturers, experienced teacher along with supporting personnel. GOI approved 38 to 48 posts (teaching and non teaching) for each DIET in the State. Out of 1202 academic and 946 other supporting posts sanctioned for 45 DIETs, only 696 academic and 631 supporting posts were filled and 506 academic (42 per cent) and 315 supporting posts (33 per cent) were vacant as of April 2001.

3.6.6.2 Non formation of cadre

Non formation of DIET cadre even after a lapse of ten years.

Formation of suitable cadre for the DIET faculty and its management, recruitment procedure, eligibility criteria and determination of levels and pay scales of various posts was the responsibility of State Government. However no separate DIET cadre was formed even after a lapse of more than ten years. Although the recruitment rules for gazetted cadre of DIET were framed by the Government in February 1994 which provided for 25 per cent recruitment of Sr. Lecturers and cent per cent by direct recruitment of Lecturers. No direct recruitment of Sr.Lecturer/Lecturer has been carried out till December 2001.

As regards recruitment for non-gazetted posts like experienced teachers, librarians, statisticians and other office staff, no recruitment rules were framed so far and all the posts were being filled in by the District Education Officers. The basis on which the staff for these disciplines was appointed, was not intimated.

3.6.6.3 Irregular reimbursement of expenditure on unsanctioned posts

Irregular reimbursement of expenditure of Rs.1.28 crore on posts not sanctioned by GOI.

(i) 16 part-time computer teachers in 16 DIETs (not sanctioned in DIETs) were appointed without approval of GOI and the expenditure on their pay and allowances amounting to Rs.8 lakh during 1996-2001 was irregularly got reimbursed. Similarly no posts were sanctioned for music teacher and physical training Instructors; 7 Music teachers and 2 Physical Training Instructor (Ambikapur 2, Bemetra 1, Bhopal 2, Indore-1, Khargone-1, Raipur 1 and Shahdol-1) of erstwhile BTIs continued to be deployed and their pay and allowances amounting to Rs.0.47 crore were paid for, against the vacant posts of lecturers and got reimbursed from GOI

(ii) Four under qualified teachers (Bemetra 1, Khargone 2 and Indore 1) were irregularly posted from Education Department and their pay and allowances amounting to Rs.0.15 crore from 1996-97 to March 2001 were got reimbursed from GOI.

(iii) Wages amounting to Rs.45 lakh in respect of 20 daily wage peons for the period 1996-2001 (Ambikapur-3, Pendra-5 and Raipur-12) not sanctioned by GOI, were irregularly claimed although this expenditure was to be borne by State Government.

(iv) 16 officials including 6 lecturers of 5 DIETs (Bhopal-2, Gwalior-5, Raisen-6, Sehore-2 and Shivpuri-1) were attached with SCERT and other offices in excess of sanctioned strength during July 1997 and September 2000. Their pay and allowances amounting to Rs.13 lakh were irregularly got reimbursed from GOI.

3.6.7 Progress of DIET buildings

3.6.7.1 Increase in cost of construction inspite of curtailment in specifications

Inspite of irregular curtailment in specifications, the expenditure on construction of DIET buildings could not be contained within prescribed cost ceiling.

GOI accorded sanction (1987-90) for construction of Institute building, Hostel building (100-150 seaters) and staff quarters inclusive of basic amenities and special repairs at a total cost of Rs.20.61 crore for all the 45 DIETs and provided Rs.20.61 crore during 1987-95, with the instructions that all the new buildings would be designed and constructed in most economical manner and all effort should be made to construct hostel buildings having intake capacity as sanctioned. Building work would be taken up in such a manner so as to be within the cost ceiling indicated in the sanctions.

State Government instructed PWD (January 1993) for curtailment in specifications (Institute's buildings by one floor and intake capacity of hostels from 100 to 58 seats and from 120-150 to 90 seats in respect of 13 and 11 DIETs respectively). Inspite of curtailment in specification, State Government demanded (November 1996) additional funds of Rs.10.19 crore for completion of all 45 buildings against which the GOI released (March 1997) Rs.5.61 crore. The progress of DIETs buildings reported (April 2001) by SCERT/PWD revealed that though the building work in respect of 35 DIETs (out of 45) was completed, only 24 buildings were handed over to the

department after incurring an expenditure of Rs.27.24 crore upto March 2001. Despite curtailment, expenditure was not within sanctioned cost.

The position of construction works in test checked DIETs was as under:

Sl. No.	Name of DIET	Construction works to be executed	Amount and date of Administrative approval	Details of works actually executed	Expenditure incurred	Present status of the work
1.	Dhar	1. Institute building with First floor 2. 150 seated hostel 3. Staff quarters 6 Nos.	0.64 crore/ March 1991	1. Institute's building upto ground floor only excluding finishing work 2. 58 seated hostel building excluding finishing work 32 seater girls hostel not started 3. Staff quarter work not started	1.18 crore	The works were lying incomplete since February 2001 for want of revised Administrative Approval for Rs.1.52 crore. Submitted to SCERT (April 2000)
2.	Khandwa	1. Institute's building with First Floor 2. Hostel building 120 seated 3. Staff quarter 6 Nos.	0.50 crore/ March 1991	1. Institute's building excluding finishing work 2. Hostel building 60% roof completed 3. Staff quarters work not started	0.39 crore	The works were lying incomplete since February 2000 for want of revised Administrative Approval of Rs.1.24 crore submitted (1996-97)

There was cost over run of Rs.54 lakh due to abnormal delay in allotment of suitable land, allotment of funds, sanction of revised estimates and administrative approval in Dhar DIET. However no reasons for slow progress of work, and increase in cost were intimated by Principal DIET Khandwa.

3.6.7.2 Unauthorized use of DIET buildings

(i) Although DIET buildings at Bhopal constructed at a cost of Rs.79.16 lakh were handed over to Department during 1993-96, the institute was still running in the old BTI building as the newly constructed building was irregularly given to Shiksha Mahavidyalaya. Thus the DIET was deprived of its own building and sufficient space for the various additional activities entrusted to it.

(ii) Hostel building of DIET at Indore meant for stay of in-service teachers during trainings was irregularly transferred to Indian Institute of Management Indore (a Central Government College) in March 1998, as per instructions of SCERT. Neither any rent was being charged from the institute nor any agreement executed.

(iii) Two rooms of DIET building in Shahdol were allotted to the Zila Shiksha Kendra under Rajiv Gandhi Prathmik Shiksha Mission Shahdol as per verbal orders of Collector. Similarly one 'F' type quarter and one 'I' type quarter of DIET Shiyपुरi meant for residence of Principal and peon of the Institute respectively were allotted to other State Government officials by Collector. No approval was sought from SCERT/State Government/GOI.

Buildings meant for DIET were utilised for other activities in 3 districts.

3.6.8 Implementation of Programme and activities

3.6.8.1 Pre-service teacher education programme (D.Ed course)

Dropout rate in pre-service teacher education programme was 12 to 17 per cent.

GOI guidelines provided that a two year pre-service teacher education programme was to be organised by each DIET.

Test checked DIETs and SCERT revealed that only 75 to 85 per cent of the sanctioned seats were actually filled in out of which 12 to 17 per cent candidates dropped out without completing the course.

3.6.8.2 In-service training Programmes of elementary teachers

Non identification of training needs and non preparation of annual calendar of in-service teachers training by DIETs were noticed.

GOI guidelines provided for continuous in-service education of teachers to keep them abreast of the changes taking place in their professional environment, as also to develop their knowledge, skills and aptitudes. Every DIET was required to identify in-service training needs (short, medium and long term) of elementary school teachers and an annual calendar of training based on this exercise was required to be prepared by each DIET so that every working teacher was trained for a minimum duration of two weeks (preferably 3 to 5 weeks) over a cycle of five years.

No DIET prepared such annual calendar and no training programme was organised. DIETs stated that only short term training programmes mainly Special Orientation Programme of Training (SOPT) of 7 days and Sikhna-Sikhana package of 12 days, were conducted. Apart from these very short term training (2-3 days) on subject matter were also found conducted in test checked districts. The position of SOPT and Sikhna-Sikhana was as under :

Year	Special orientation programme of training			Sikhna Sikhana package		
	Targets	Achievement	Shortfall with percentage	Targets	Achievement	Shortfall with percentage
1993-97	1,48,000	20,581	1,27,419 (86%)	70,268 (1996-97)	46,500	23,768 (34%)
1997-98	Nil	Nil	--	1,48,000	1,12,000	36,000 (24%)
1998-99	Nil	Nil	--	2,00,000	1,27,609	72,391 (36%)
1999-2000	Nil	Nil	--	83,000	68,816	14,184 (17%)
2000-01	27,000	4188	22,812 (84%)	Nil	Nil	--

(i) It can be seen as against 1,75,000 teachers to be trained only 24,669 were trained under SOPT in 8 years. Training programmes were uneven and not conducted every year. The short fall in Sikhna Sikhana package achievements ranged from 17 to 36 per cent with no programme in 2000-01.

(ii) Criteria for fixation of targets and for selection of teachers for training programmes were not intimated by the department. Records relating to the reported achievements of training under Sikhna-Sikhana was not made available. The teachers of upper primary schools and those of non-government schools were not imparted any training meant for in-service teachers.

Mis-utilisation of funds of Rs.0.51 crore of SOPT programme received from NCERT.

(iii) National council of Education Research and training (NCERT) New Delhi provided funds of Rs.1.28 crore to SCERT for providing training to 148000 teachers during 1993-96 under SOPT programme. Audit observed that no training was conducted during 1993-96. Out of Rs.1.28 crore Rs.0.51 crore were irregularly spent on purchase of equipment for DIETs during 1994-95 for which separate funds were already made available by GOI, Rs.0.67 crore were spent on training during 1996-97 and Rs.0.10 crore was lying in Bank accounts of SCERT. Thus funds of Rs.0.51 crore provided by NCERT for training were misutilised for purchase of equipment without approval of NCERT/GOI.

(iv) Notwithstanding the fact that 25795 copies of "NIRDESHIKA" book costing Rs.8.20 lakh out of 50,000 copies printed by SCERT during 1996-97 for SOPT training were lying unused in SCERT as no training was conducted during 1997-2000. 29000 copies of new "NIRDESHIKA" were got printed at a cost of Rs.7.13 lakh during 2000-01 when no training was conducted. Out of these new books, 24812 books costing Rs.6.10 lakh were also lying unused with SCERT and DIETs. This resulted in infructuous expenditure of Rs.14.30 lakh (Rs.8.20 + Rs.6.10 lakh).

3.6.8.3 Under utilisation of training staff

Under utilisation of training staff was noticed in test check DIETs.

Test check of records of 15 DIETs revealed that training was provided to in service teachers in a group of 40. The mandays of the academic staff utilised in test checked DIETs is given in **Appendix XXIII** which revealed that the percentage of mandays of staff utilised for in-service teacher's training in test checked DIET's ranged from 12 to 68 per cent and was even less than 50 per cent in 11 out of 15 DIETs.

(i) Average number of mandays of academic staff utilised for training by DIETs during 1996-2001 ranged between 59 (Shahdol) and 248 (Ambikapur) against available 490 mandays and the overall position of mandays utilised per DIET per year worked out to 129 only.

(ii) No training was provided by DIET Dhar in 1999-2000 and by DIET Shahdol in 2000-01 and mandays utilised for training were negligible in DIET Sehore (9) and Datia (12) during 1997-98, by Dhar (3), Ambikapur (14) Bemetra (14) and Raisen (16) during 2000-01.

(iii) Thus lecturers posted in DIETs could not be properly and fully utilised.

3.6.8.4 Training

The District Resource Unit (DRU) comprising of one post of Vice Principal/Senior lecturer and four posts of lecturer (2 for AE and 2 for NFE), being an important branch of DIET, was to provide induction and Annual Refresher training for 31 days and 50 days to AE and NFE personnel respectively.

3.6.8.4.1 Training to Adult Education personnel

Unfruitful expenditure of Rs.1.48 crore due to non imparting training to AE Personnel.

(i) Although the DRUs were established in every DIET but no training to AE Personnel (Instructors and Supervisors) was provided in any of the DIETs as neither any instructions were issued nor any budget allotment made by SCERT. SCERT stated that it had no role in training of AE personnel. The reply was not tenable in view of the provisions contained in GOI guidelines and that specific staff was sanctioned and posted for training of AE personnel.

(ii) Further scrutiny of records of SCERT and 15 test checked DIETs revealed that though no training to AE's personnel was provided by DIETs, 26 lecturers were working in 14 DIETs in DRU in excess of sanctioned posts. Expenditure of Rs.1.48 crore on their pay and allowances during 1996-2001, worked out at the average rate of emoluments proved unfruitful.

3.6.8.4.2 Training to Non-Formal Education personnel

Central assistance of Rs.1.47 crore remained unutilised with SCERT due to improper planning.

(i) GOI granted Rs.3.16 crore for training of NFE personnel during 1996-2001. Audit observed that the total expenditure was only Rs.2.65 crore out of which the Central Share should have been only Rs.1.69 crore. Thus GOI assistance of Rs.1.47 crore remained unutilised with SCERT.

(ii) No training to NFE personnel was provided during the year 2000-01 as the scheme was discontinued by State Government in April 2000. 54 lecturers remained idle as no specific orders for utilisation of their services for other work were issued by SCERT. The expenditure of Rs.76.78 lakh on their pay and allowances during 2000-01 calculated at the rate of average emoluments proved unfruitful.

3.6.8.5 Other Activities

Other activities like field interaction, extension activities for dissemination of various educational information among educational workers and field study, action research and experimentation etc. which were primary responsibilities of DIETs were not found conducted in almost all the 15 test checked DIETs and funds of Rs.45 lakh provided by GOI to SCERT in 1999-2000 for extension activities were not utilised for the purpose as these were not released to the DIETs.

3.6.9 Institute's Library

Non functioning of libraries as per provision of scheme.

The library which is an important unit for DIET was required to be equipped with about 10,000 books on various subjects and was to be run on Open Access system. The library was to remain open longer than the normal institute hours. One post of librarian and one post of clerk was exclusively sanctioned for the library. A Library Advisory Committee was also required to be set up in each DIET.

Rs.74.65 lakh was sanctioned by GOI as non recurring assistance to equip libraries but only Rs.4.65 lakh was reported (February 2001) to have been spent on books. Rs.70 lakh was kept in Civil Deposits which lapsed to

Government accounts. The unutilised amount should have been returned to GOI and not allowed to lapse to help the State Government. The non establishment of Library denied the few teachers trained, an opportunity to increase their information levels.

3.6.10 Improper utilisation of computers

Computers worth Rs.29.60 lakh were supplied by SCERT in 20 DIETs during the year 1990-91 (4 Computer with printer in each DIET @Rs.1.48 lakh) and computers worth Rs.54 lakh were supplied by GOI to 25 DIETs (2 computer with printer @Rs.2.16 lakh in each DIET) in the year 1992-93. As regards utilisation of computers, SCERT directed (October 1995) that computers be used mainly for preparation of database of educational statistics.

A scrutiny of record of test checked DIETs however revealed that the computers were not being utilised for preparation of data base of educational statistics of the districts which would have been useful for functioning of DIETs particularly for conducting effective in-service teachers training programmes and ascertaining training needs. Further the computers supplied to DIET Raisen were not installed since 1992-93 and computers of Dhar DIET were transferred to other offices during 1995-96. Thus the main object for which computers were supplied to DIETs was not achieved.

3.6.11 Monitoring and Evaluation

(a) Monitoring

A State level Steering cum Monitoring Committee was to be constituted and the Committee was required to meet every quarter or more frequently if necessary. Though the Committee was stated to have been formed the records relating to the formation of Committee was not made available to audit. Audit observed that no meetings were convened by the Committee during 1996-2001. Thus there was complete lack of monitoring of DIETs at State level.

Similarly at the District level, a Committee was required to be constituted to address to problems at field level but no such Committee was found functioning in 14 out of 15 DIETs test checked. Every DIET was also required to form a programme advisory Committee which would advise and guide the DIET in planning and conducting its programme and activities but such a programme advisory Committee was also not formed in 11 DIETs.

(b) Evaluation

In order to determine how far it succeeded in achieving its specific goals qualitatively and quantitatively, every DIET was required to conduct a self evaluation at the end of each academic year and submit report to SCERT. Further Central and State Governments, NCERT and SCERT were required to get performance of selected number of DIETs evaluated by a competent external agency with a view to evaluating their strengths and weakness and taking suitable action to make them more effective. But neither any DIET was self evaluated nor got evaluated by external agencies. No feed back on utility of training programmes was received.

Complete lack of monitoring/evaluation.

On being pointed out in audit, Director, SCERT stated (April 2001) that such evaluation could not be conducted during 1996-2001 and would be started from this year.

The above points were referred to the Government in July 2001; the reply had not been received so far (January 2002).

3.7 Non-Formal Education

Highlights

'Non Formal Education' scheme introduced in February 1975 in Madhya Pradesh as a State Scheme and adopted by GOI in 1979-80 was reorganised in 1993. The scheme failed to achieve even its supplemental objectives of mopping up drop out children and increase in enrolment. The dropout rate was 96 per cent in primary and 84 per cent in upper primary level despite incurring an expenditure of Rs.157.98 crore on NFE in State sector during 1995-2001. Instead of improving the implementation of this scheme the State Government launched a new scheme "Education Guarantee Scheme" (EGS) with effect from January 1997 which ran parallel to NFE during 1996-97 to 1999-2000. Though NFE scheme was closed from 1 April 2000, the State Government continued to claim grant under the Scheme from GOI.

Opening of lesser number of NFE centres and non purchase of text books resulted in persistent savings ranging between Rs.1.12 crore to Rs.9.07 crore during 1995-99.

(Paragraph 3.7.6.1(i))

Central assistance of Rs.2.42 crore for payment of bonus, mass media/motivation, supervisors training etc. was utilised towards office expenses.

(Paragraph 3.7.6.2(ii))

Central assistance of Rs.10.50 crore released under NFE during 2000-01 was utilised on EGS as all NFE Centres were closed.

(Paragraph 3.7.6.3)

Condensed course for NFE learners, and specially designed teaching/learning material to meet the diverse needs of learners, were not developed by the SCERT.

(Paragraph 3.7.7.3 and 3.7.7.4)

(Rupees in crore)

Year	Budget Estimate	Actual Expenditure	Excess (+)/ Savings (-) and percentage of savings	State Share in expenditure	GOI's Share in expenditure	Grant released by GOI	Excess grant released by GOI
1995-96	27.37	26.25	(-) 1.12 (4)	8.87	17.38	24.15	6.77
1996-97	30.27	25.30	(-) 4.97 (16)	7.53	17.77	26.46	8.69
1997-98	34.76	25.69	(-) 9.07 (26)	7.93	17.76	23.26	5.50
1998-99	34.11	30.44	(-) 3.67 (11)	9.17	21.27	28.70	7.43
1999-2000	36.07	37.86	(+) 1.79	11.36	26.50	25.78	(-)0.72
2000-01	37.02	12.44	(-)24.58 (66)	4.63	7.81	10.50	2.69
Total	199.60	157.98	(-)41.62 (21)	49.49	108.49	138.85	30.36

Persistent Saving due to non purchase of books and functioning of lesser number of NFE centres.

(i) Persistent savings ranging between Rs.1.12 crore to Rs.9.07 crore was due to functioning of 6 to 13 per cent less number of NFE centres than sanctioned and non purchase of books in these years. This reflected that budget estimates were not realistic and budgetary control was lacking.

(a) Eventhough the NFE scheme was closed in the State from April 2000, the Central assistance of Rs.10.50 crore received during 2000-01 was irregularly utilised towards EGS (State Government Scheme). Despite receiving an allocation of only Rs.10.50 crore, an expenditure of Rs.12.44 crore was irregularly booked under NFE during 2000-01 for reimbursement from GOI. Details are at Paragraph 6.3.

(b) Unspent Central assistance (ending March 2000) amounting to Rs.3.27 crore was reported by State Government while as per expenditure figures of Accountant General (A&E), it worked out to Rs.27.67 crore. On being pointed out CPI stated that discrepancy of Rs.24.40 crore was due to non-reconciliation of expenditure figures.

3.7.6.2 Excessive financial assistance claimed

Central assistance claimed for sanctioned number of centres included nonfunctional /closed NFE centres.

(i) 340 Projects comprising 34080 NFE centres were sanctioned under this scheme. It was seen in audit that only 30654 centres (90 per cent of target) were functioning during the year 1995-96 and number of functioning centres gradually declined to 29536 (87 per cent) by 1999-2000. Despite less number of functioning centres the State Government claimed central assistance for all the sanctioned number of centers.

Director (RGSM) stated (January 2001), that closing/opening of NFE centres was a continuous process throughout the year as such funds were demanded on the basis of sanctioned number of centres (34080). The reply was not tenable as the number of centres functioning had never exceeded 32000 and nearly Rs.27.67 crore have been claimed in excess in 5 years.

It was further noticed that funds (Rs.3.15 crore as on 31 March 2001) were lying un-utilised with Zila Panchayats, Janpad Panchayats, Nagar Nigams and Nagar Palikas even after closure of the Scheme in March 2000. Department failed to initiate any action to recover unspent amount from these bodies.

(ii) Test check of records of 75 projects in 11 Districts revealed that Central assistance of Rs.4.60 crore was obtained, whereas expenditure reported was only Rs.3.40 crore. This was mainly due to non-payment of Bonus to instructors, mass media/motivation and supervisors training, for which central assistance was admissible and claimed.

Central assistance of Rs.2.42 crore was utilised on office expenses.

Similarly though assistance of Rs.1.22 crore was claimed for bonus, mass media/motivation and supervisor's training for remaining 265 Projects, no expenditure was incurred on these items. Audit further observed that the excess central assistance of Rs.2.42 crore obtained was irregularly utilised on office expenses.

3.7.6.3 Central assistance claimed under NFE was utilised on EGS

With a view to make EGS (a State Scheme running from 1997) more broad-based by providing a new institutional structure, and more importantly with the intention of utilising NFE funds for EGS, Government decided (September 1999) to close NFE scheme from April 2000. GOI while disagreeing with the above proposal directed the State Government (September 2000) that NFE scheme should not be disrupted during 2000-01, and EGS as such could be started from April 2001 and called for estimates. Notwithstanding the advice of GOI, State Government closed NFE Centres but submitted (December 2000) proposals for central assistance of Rs.25.51 crore which inter-alia included (i) Expenditure on administrative resource support (Rs.6.53 crore) (ii) Expenditure for 5 months (April-August 2000) on honorarium of instructors and recurring expenditure for 12 months for all 34080 sanctioned NFE centres (Rs.17.49 crore) and (iii) Expenditure for 9052 primary EGS schools and 2000 upper primary EGS schools started under Serva Shiksha Abhiyan (Rs.1.49 crore), against which only Rs.10.50 crore were released by GOI for running of NFE centres for 5 months (April - August 2000).

Central assistance of Rs.10.50 crore received under NFE during 2000-01 was utilised on EGS by State Government.

Contrary to instructions of GOI to continue the NFE Scheme upto March 2001 the Government of Madhya Pradesh transferred (April 2000) NFE officers and staff to EGS/State Education Centres and Zila Shiksha Kendras of RGSM and clerical staff to Block Education offices (BEO's). As such entire central assistance of Rs.10.50 crore received during 2000-01 under NFE scheme was utilised on EGS by State Government.

3.7.7 Planning and Implementation

3.7.7.1 Base line survey

Survey of Children in the age group of 6 to 14 years who were living in hilly, tribal, educationally backward areas and urban slums and had remained out of Formal School Education was required to be conducted before opening NFE centres. NFE centres were opened on the basis of information submitted by instructors, who were either local unemployed youths, retired persons or part time workers of villages without the basic data viz. population of children comprising non-entrants, working children, out of school children including girls, dropouts, habitations without schooling facility etc.

3.7.7.2 Targets and Achievements

Number of NFE Centres in test checked districts declined from 91 per cent to 76 per cent.

34080 NFE centres under 340 projects were sanctioned with 20 to 25 learners in each centre. The year wise details of NFE centres reported to be in operation and that found in 11 test checked districts was as under:

Year	Position of NFE centres functioning in the State			Position of NFE centres functioning in 11 test checked districts		
	Sanctioned	Actually Functioning	Percentage	Sanctioned	Actually Functioning	Percentage
1995-96	34080	30654	90	7500	6822	91
1996-97	34080	32000	94	7500	6563	87
1997-98	34080	29792	87	7500	6277	84
1998-99	34080	29790	87	7500	6194	83
1999-2000	34080	29536	87	7500	5688	76

The test check indicated that the number of functioning NFE centers was less than that sanctioned.

SCERT failed to design and develop envisaged condensed course.

3.7.7.3 Non-development of condensed course

Guidelines provided that the entire curriculum of 5 years of Primary school was to be condensed and completed in 2 years. Curriculum of upper primary level was to be completed in three years. Audit observed that such condensed course was not designed and developed by SCERT, handicapping NFE centres run by State Government and voluntary organisations. SCERT stated (January 2001), that learning material of formal system Class-I to V was divided into 18 units, which were to be taught in two years to the children in the age group of 9 to 14 years at NFE centres and the children enrolled at the age of 6 years were taught that course in five years time. But the records substantiating their contention were not shown to audit. DEOs however, intimated that condensed course was not developed by SCERT and as such NFE learners were taught from formal school course books only.

3.7.7.4 Non development of specially designed learning material

Project officers failed to develop specially designed learning material for learners.

For covering the courses of Primary and Upper Primary levels within prescribed period of two and three years respectively, specially designed learning material i.e. maps, charts, books, game material etc. were to be developed at Project level. District Education officers and Project Officers of test checked districts intimated that specially designed teaching learning material could not be developed because all purchases relating to TLM were made by Zila Panchayats. The reply was not tenable as development of specially designed teaching material had no correlation with purchases. Verification of Stock registers of Project offices revealed that only routine items like slates, pencil, etc were purchased and distributed every year.

3.7.7.5 Delay in supply of books and TLM

Text books, equipments and TLM were to be supplied before start of academic session i.e. July each year.

(i) Purchase of Text books

Belated supply of books worth Rs.94.92 lakh.

In 6 out of 11 test checked districts 10 lakh text books costing Rs.94.92 lakh were distributed late by 4 to 12 months as per details given in **Appendix XXIV**. No books were purchased in Jhabua district during 1995-96 & 1998-99 and in Guna and Seoni districts during 1998-99. While DEO Jhabua stated that books were purchased as per requirement, DEO Seoni intimated that purchases for 1998-99 were made in October 1998 but could not produce records substantiating the purchase.

(ii) Purchase of Teaching, Learning Material (TLM)

Belated purchase of TLM Rs.3.83 crore by Zila Panchayat during 1996-2000.

(a) Purchase of TLM costing Rs.3.83 crore were made by eight Zila Panchayats during 1996-97 to 1999-2000. Audit scrutiny revealed that purchases were not made timely and regularly. Delay of 8 to 30 months was observed in procurement of TLM, consequently distribution to centres was further delayed which adversely affected the learners.

TLM costing Rs.23.40 lakh was lying un-used in Stock.

(b) Rs.23.40 lakh worth of TLM purchased during 1999-2000 was lying un-distributed in stock as on August 2001 as per stock registers of DEO Jhabua (Rs.3.98 lakh), Rajnandgaon and Shivpuri (Rs.8.21 lakh), Nagar Nigam Bhopal (Rs.3.33 lakh), 7 POs of Guna district (Rs.5.97 lakh) and 4 POs of Raipur District (Rs.1.91 lakh) due to closure of NFE centres from April 2000.

Irregular expenditure of Rs.50.76 lakh was incurred on unspecified items.

(c) It was seen that purchase of furniture (Table, Chair, Stools) for Rs.24.20 lakh was made by Zila Panchayat Raipur during 1998-99, similarly purchase of sport material for Rs.21.77 lakh by Zila Panchayats Mandla, Raipur, Seoni and Shivpuri and that of stationery items for Rs.4.79 lakh by Zila Panchayat Indore and Rajnandgaon were made during 1997-98 to 1999-2000. Since these items were not specified in the scheme, Rs.50.76 lakh incurred on their purchase was irregular. CEOs Zila Panchayats Indore, Mandla, Rajnandgaon, Seoni and Shivpuri stated that items selected and recommended by District level purchase committee (DLPC), were purchased. Reply was not tenable as the DLPC was not competent to recommend items not provided in the scheme.

NFE funds Rs.12.09 lakh were irregularly utilised on EGS.

(d) TLM for NFE purchased for Rs.9.69 lakh by Zila Panchayat Gwalior during 1998-99 and 1999-2000 was distributed to EGS centres as per directions of Commissioner of Public Instructions (March 2000). Funds of Rs.2.40 lakh were transferred to Rajiv Gandhi Mission Jhabua in March 2001 for 60 EGS centres converted from NFE centres during 2000-01. Thus central assistance amounting to Rs.12.09 lakh were irregularly diverted to EGS.

3.7.7.6 Unauthorised grant of lighting/fuel charges

Lighting/fuel charges Rs.44.46 lakh paid to 741 daytime working NFE Centres.

The scheme provided grant-in-aid for lighting/fuel charges @Rs.100 per centre per month, if NFE centres were run during evening hours.

In 6 test checked districts Rs.44.46 lakh was paid during 1996-2000 to 741 NFE centres despite the fact that these centres were running only during day time.

On being pointed out the DEO Bhopal and Gwalior stated that the lighting/fuel grant were being paid as part of contingent expenditure which includes lighting as well as stationery expenditure etc. Reply was not tenable as the contingent expenditure @ Rs.250 per centre per annum was being separately paid and so the grant Rs.44.46 lakh for fuel charges was unauthorised.

3.7.7.7 Testing and certification of NFE learners

NFE scheme provided testing and certification of NFE learners to enable their entry into formal education system. Accordingly it was to be ensured that all the enrolled learners who appeared in prescribed examination of Primary and upper primary level and passed the examination entered the main stream of formal education. Scrutiny of the records revealed that NFE learners were allowed to appear in the Vth and VIIIth class examinations conducted by the State Education Department. Year wise details are at **Appendix XXV**.

The dropout percentage of children from NFE centres showed an increasing trend and on an average upto 96 per cent children in Primary Level and 84 per cent in upper Primary Level dropped out during the period 1995-2000. Further very few NFE learners actually completed the course and appeared in the examination.

The percentage of successful children who passed the Board examination ranged between 2 to 5 and 6 to 9 per cent of enrolment respectively. On being pointed out in audit, Director (RGSM) intimated (January 2001) that less amount of honorarium to instructors, absence of incentives and non-availability of buildings for NFE centres etc were reasons responsible for poor performance. High percentage of drop out year after year is indicative of failure in Universalisation of Elementary Education.

3.7.8 Training

According to the instructions issued (August 1993) by Government of India, intensive training inputs with annual refresher courses were to be given to NFE functionaries to enhance their effectiveness. Accordingly training programmes in 3 phases of 6, 12 and 6 days were developed by SCERT. Against the target of 15000 personnel to be trained every year the achievement ranged between 72 to 85 per cent during 1995-96 to 1999-2000. However, the information regarding the number of instructors and supervisors trained was not on record separately.

3.7.9 Financial Assistance to NGO's

(i) Guidelines of NFE scheme were silent on control mechanism to be applied by the State level and district level authorities on the financial assistance provided to voluntary agencies (VAs). However directions were contained in each financial sanction (GOI) endorsed to School Education Department to ensure that project is implemented satisfactorily. The authorities, however showed ignorance about these endorsement and State Government also did not develop/create any control mechanism for supervision and monitoring of the NGO run centres except constituting a Joint Evaluation Team (JET), in December 1996 on the advice of GOI, which was

High percentage of dropout and low percentage of successful candidates indicate poor performance of NFE learners.

Non creation of control mechanism to ensure proper utilisation of funds given to voluntary agencies noticed.

headed by Collector of the District with two members viz. (i) District Education Officer and (ii) Principal DIET. GOI provided financial assistance of Rs.8.97 crore to 51 voluntary agencies in the state for running 3260 NFE centres. State Government/CPI/Shiksha Mission/Collectors and DEOs, however, had no information/record about the number of NFE centres being run by these agencies and the financial assistance provided to them by GOI in spite of the copy of sanction being endorsed to them regularly.

Utilisation of grant of Rs.3.79 crore given to voluntary agencies was doubtful.

(ii) Central assistance of Rs.3.79 crore was granted by GOI to 26 voluntary agencies in 8* districts for running of 1875 NFE centres, Audit observed that required JET were not constituted in 6 districts (Guna, Gwalior, Raipur, Rajnandgoan, Shivpuri and Tikamgarh). However, collectors, DEO's and PO's of 6 districts intimated that no NFE centre was being run in their districts by VAs and no children of these non existing NFE centres appeared in any examination being conducted by District Boards. Thus possibility of grant of Rs.3.79 crore released to them being misappropriated by these agencies cannot be ruled out. Collector, Morena after investigation confirmed non-existence of NFE centres. At the instance of audit, Collector, Guna after investigation directed (January 2002), the Deputy Director, Panchayat and Social Welfare, Guna, to lodge a First Information Report (FIR) against the President of Azad Nirdhan Bal Kalyan Samiti, Ashok Nagar, Guna who was paid a grant of Rs.72.85 lakh during October 1997 to March 1999, without actually running any NFE centres.

Grant of Rs.50.58 lakh to 3 voluntary agencies proved unfruitful.

Out of 7** VA's (Bhopal 5 and Indore 2), which produced utilisation certificates duly approved by Chartered Accountant, children of 4*** VA's only appeared in Board Examinations. As such grant of Rs.50.58 lakh paid to 3 VA's proved unfruitful.

* Bhopal, Guna, Gwalior, Morena, Rajnandgoan, Raipur, Shivpuri and Tikamgarh

** Maa Sharda Jan Kalyan Shiksha Samiti, Oriental Kala Avam Seva Kendra, Rafi Ahmad Qidwai Shiksha Samiti, Satlaj Adivasi Mahila Mandal and Varun Manav Vikas Samiti of Bhopal, Kasturba Gandhi National Memorial Trust and Shree Parshwanath Bal Mandir of Indore.

*** Rafi Ahmad Qidwai Shiksha Samiti and Satlaj Adivasi Mahila Mandal of Bhopal, Kasturba Gandhi National Memorial Trust and Shree Parshwanath Bal Mandir of Indore.

(iii) Performance of NFE centres

The educational performance of the learners enrolled by these 4 VAs was far from satisfactory as shown below:

Dismal performance by NFE learners of VAs rendered the grant of Rs.62.62 lakh wasteful.

Year	No. of NFE centres sanctioned	Total No. of learners to be enrolled as per norms	Number of learners at primary level					
			Total number of learners enrolled	No. of learners appeared in V Board exam	Total No. of learners dropped	Percentage of drop out	Total No. of learners passed out	Percentage of passed out learners to those enrolled
1995-96	100	2500	1904	37	1867	98	31	1.6
1996-97	50	1250	1488	149	1339	90	138	9.3
1997-98	175	4375	4481	145	4336	97	95	2.1
1998-99	100	2500	2701	190	2511	93	115	4.2
1999-2000	150	3750	3726	293	3433	92	105	2.8

The high drop out rate and meagre number of learners appearing in the examination, indicated unsatisfactory role of VA's in the implementation of the NFE scheme despite receiving Rs.62.62 lakh.

3.7.10 Monitoring and Evaluation

(i) Monitoring

The scheme of NFE was to be monitored through quarterly progress reports at district and State level. Emphasis was laid on data collection to develop management information system (MIS). State level authorities were responsible for planning, monitoring and evaluating the scheme.

It was, however, seen that no MIS was developed at State/District level. Quarterly progress reports were not made available to audit by CPI, and it was stated that monitoring of the scheme had been entrusted to Zila/ Janpad/ Gram Panchayats. DEOs stated that inspection of centres was conducted by POs/Supervisors and action was taken to overcome shortcomings. In addition, village education committees (VEC) were formed in each village after introduction of panchayati raj institution in the State, who were responsible for administrative supervision of NFE Centres. Thus the scheme was monitored at supervisor level only who is a contract worker at fixed pay. No Government officer was involved in monitoring the scheme.

Lack of MIS at State/district level.

(ii) Evaluation

NFE scheme envisaged periodical evaluation studies of the scheme. State Government was to undertake evaluation studies to assess the extent to which the NFE scheme had been successful in mopping up of dropout Children and increasing of enrolment; State Government failed to conduct any evaluation during 1995-1999.

However, evaluation of NFE scheme was done by Rajiv Gandhi Prathamik Shiksha Mission (RGPSM), a registered autonomous society working under School Education Department during Lok Sampark Abhiyan in June 1996 and subsequently by the Education Division of Planning Commission in May 1998, which categorically surmised that NFE system had not made any significant contribution to the realisation of the goal of Universalisation of Elementary Education. State Government instead of taking steps to overcome the weaknesses of NFE, closed the scheme from 1st April 2000 despite directions of GOI to continue the scheme.

The above points were referred to the Government in July 2001; the reply had not been received so far (January 2002).

CHAPTER-III
SECTION-B

**CHAPTER III: CIVIL DEPARTMENTS
SECTION-B - AUDIT PARAGRAPHS**

CO-OPERATION DEPARTMENT

3.8 Non-recovery of misappropriated amount

Rupees 13.66 lakh misappropriated by officials of cooperative societies had not yet been recovered.

Test-check of records (July 2000) of Assistant Registrar (Audit), Co-operative Societies, Bilaspur, revealed that 14 designated officials posted in 14 societies had misappropriated Rs.16.88 lakh relating to recovery of cost of fertilisers and loans, etc. from consumers, during the period June 1986 to June 1998.

In all the cases, the investigations were continuing or were pending final decision. In 4 cases, these were started 3 to 10 years after the date(s) of offence. The inordinate delay in initiation and finalisation of investigations indicated a casual approach on the part of the department.

The Assistant Registrar stated (September 2001) that Rs.3.22 lakh of the misappropriated amount had since been recovered.

The matter was referred to Government in November 2000 and August 2001; reply had not been received (February 2003).

FOREST DEPARTMENT

3.9 Avoidable expenditure on working of arrear coupes

Timber and bamboo were not transported from coupes in the year of felling, resulting in avoidable expenditure of Rs.23.70 lakh on reconstruction of extraction paths, fire protection and watch and ward etc.

Instructions were issued (January 1984 and June 1984) by the Chief Conservator of Forests (Production), Bhopal that the entire forest produce felled in a year should be transported to depots in the same year to avoid extra expenditure on reconstruction of extraction paths, fire protection and watch and ward etc. for the left over produce as well as to avoid losses due to theft/deterioration of felled material.

Test-check of the records of 3 forest divisions (General Divisions, Korea, Narayanpur and Sukma) revealed (between February 1999 and February 2001) that 16,418 cu m timber, 1,884 fuel stacks and 1,317 sale units of bamboo felled during the years 1994-95 to 1997-98 was not transported in the years of felling but in subsequent years i.e.1995-96 to 1999-2000. An expenditure of Rs.23.70 lakh on reconstruction of extraction paths, watch and ward, fire protection and other items was incurred in these coupes during the period 1995-96 to 1999-2000. Had the entire felled material been transported in the years of felling, the expenditure of Rs.23.70 lakh could have been avoided.

On this being pointed out (18 February 1999, 20 August 1999, and 2 February 2001), the DFO, Narayanpur and Sukma stated that the Naxalite problem in the area of the divisions was at its peak, as a result of which the haulage contractors did not offer their rates. The transportation had to be managed by Government trucks and the whole material could not be transported during the same years. Transportation was affected due to the area being unapproachable and hilly and also due to early rains. The DFO, Korea attributed non-transportation of felled material to non-receipt of tenders due to the area being difficult to approach and hilly and due to abnormal rains during the whole year. The replies are not tenable, as these reasons were known to the Department, which should have planned the felling so that the felled material could have been transported in the year of felling, thereby avoiding the expenditure of Rs.23.70 lakh.

The matter was reported to the Principal Chief Conservator of Forests/the Government (between October 1999 and March 2001); their replies had not been received (February 2003).

MEDICAL EDUCATION DEPARTMENT

3.10 Avoidable expenditure on electricity charges

Non-maintenance of power factor as per agreement and improper assessment of contract demand for high tension power supply resulted in avoidable extra expenditure of Rs.40.53 lakh.

The Dean, Pandit Jawaharlal Nehru Memorial Medical College, Raipur, entered into two agreements (November 1991 and June 1992) with Madhya Pradesh Electricity Board (MPEB) for two high tension (HT) connections with 500 KVA load each as contract demand for outpatients department (OPD) building and the 700-bed hospital attached to the College. The agreements, required the consumer to maintain a minimum average monthly power factor of 90 *per cent*, failing which an additional charge was payable to MPEB. If the power factor remained below 90 *per cent* continuously for a period of three months, consumer would have to take action to raise it by installing capacitor banks and in case it was not possible to consume electricity to the extent of contract demand, the latter could be reduced twice during the currency of the agreements. According to relevant notification of MPEB, the actual maximum contract demand during the month or 75 *per cent* of the contract demand or 60 KVA whichever was higher was the basis for billing.

Test-check (March 2001) of records of Joint Director-cum-Superintendent of the Medical College Hospital and further information collected (May 2001) revealed that minimum average monthly power factor at 90 *per cent* was not maintained in OPD building nor in the hospital. This resulted in levy of additional charges of Rs.20.99 lakh during April 1996 to October 2000. It was also seen that while the monthly electricity consumption in OPD building and the hospital was between 75 KVA to 125 KVA and 120 to 368 KVA respectively, electricity charges for 375 KVA (75 *per cent* of contract demand of 500 KVA) had to be paid each month which resulted in further extra expenditure of Rs.19.54 lakh during the same period. No action as admissible under the agreements with MPEB was taken to reduce the contract demand.

Thus, the initial improper assessment of contract demand coupled with subsequent failure of the Dean to get it reduced to the level of actual requirement resulted in avoidable extra expenditure of Rs.40.53 lakh.

On this being pointed out in audit the Joint Director-cum-Superintendent of the Hospital stated (March 2001) that necessary remedial action would be taken. Further developments were awaited (February 2003).

The matter was referred to Government in April 2001; reply had not been received (February 2003).

3.11 Unfruitful expenditure on ayurvedic dispensaries functioning without doctors

Expenditure of Rs.2.52 crore on ayurvedic dispensaries without doctors was unfruitful. Further, the treatment was being provided to patients by compounders, and even Class-IV staff.

Ayurvedic dispensaries were established to provide medical treatment and health facilities under the ayurvedic system of medicine to people living in rural and remote areas. According to staffing pattern, one doctor along with supporting staff of one compounder, 1 Dai, 1 part-time sweeper, 1 class IV employee, was to be provided in each such dispensary under the Minimum Need Programme.

Test-check (February-March 2001) of the records of Superintendent-cum-District Ayurvedic Officers (DAOs), Bastar, Bilaspur and Durg revealed that a large number of ayurvedic dispensaries in these districts were functioning without doctors as detailed in the following table:

(Rupees in lakh)

Name of district	Number of dispensaries functioning without doctors	Period (s)	Officials who provided treatment	Cost of medicines supplied to patients	Expenditure on pay and allowances	Expenditure on rent of buildings
1. Bastar	25	1998-99 to October 2000	Compounders and other staff	3.75	114.00	0.48
2. Bilaspur	9	April 1996 to July 1998	Compounders	0.63	64.65	1.13
	30	August 1998 to October 2000	Compounders			
3. Durg	21	1997-98 to October 2000	Compounders	--	67.84	--
	22	1997-98 to October 2000	Class IV	--		
Total				4.38	246.49	1.61

Thus the expenditure of Rs.2.52 crore (Bastar:Rs 1.18 crore; Bilaspur:Rs.66.41 lakh and Durg : Rs. 67.84 lakh) incurred on these dispensaries was practically of no benefit to the patients. Additionally, the treatment of patients by compounders and class IV staff was not only unauthorised but also risky for the lives of patients.

The DAOs, stated that doctors were not appointed by Government and hence the dispensaries were run by compounders, Class IV and other available staff.

The matter was referred to Government in May and July 2001; reply had not been received (February 2003).

**PANCHAYAT AND RURAL DEVELOPMENT
DEPARTMENT**

3.12 Excess expenditure under Nutritional Support to Primary Education Programme

Non-observance of prescribed norm of 200 school days a year for implementation of the Mid-Day Meals scheme led to excess expenditure of Rs.26.51 lakh.

With a view to providing a boost to primary education by increasing enrolment, retention and attendance and simultaneously improving the nutrition of students in primary classes, the Nutritional Support to Primary Education, popularly known as Mid-Day Meals scheme was launched in October 1995 by the Government of India.

Under the scheme, children in classes I to V were to be provided with cooked food @ 100 grams (gm) foodgrains and subsidy of 75 paise to cover the cost of gur (jaggery), oil, salt, firewood and transportation per child per school day subject to a maximum of 200 school days in a year. The implementation of the scheme was entrusted to local bodies/Panchayats and subsidy was to be passed on to the executing agencies by Assistant Commissioners, Tribal Development (ACTD), through the Block Education Officers. The executing agencies were required to provide monthly details of expenditure in a prescribed proforma. The subsidy was payable only on the basis of actual attendance rather than the enrolment.

Test-check (July 2000) of the records of Assistant Commissioner, Tribal Development, Rajnandgaon, revealed that the ACTD had incurred excess expenditure of Rs.26.51 lakh in three blocks (Chowki, Mohlla and Manpur) during the years 1996-2000 due to implementation of the scheme for 2627 days instead of 2400 school days.

The ACTD, Rajnandgaon, stated (July 2000) that foodgrains and subsidy in excess of 200 school days was provided in 3 tribal blocks to ensure better attendance and to bring them at par with beneficiaries of community development blocks where subsidy equal to 3 kg rice per child was being given per month and also as per the instruction issued during the Gram Sampark Abhiyan (public contact programmes) organised at block/village levels. The reply was not tenable as expenditure was required to be limited to 200 school days.

Thus non-observance of the norm fixed by GOI, resulted in an excess expenditure of Rs.26.51 lakh.

The matter was referred to Government in January 2001; reply had not been received (February 2003).

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

3.13 Loss due to expiry of medicines

Government was put to a loss of Rs.19.20 lakh due to expiry of medicines.

According to instructions issued (August 1984) by Government regarding purchase and utilisation of medicines, medicines with earlier shelf life should be issued first. The hospital-in-charge should also conduct regular checks so that medicines which cannot be utilised in near future are transferred to other institutions.

Test-check (October 2000) of the records of Civil Surgeon-cum-Hospital Superintendent (Superintendent), Raigarh, revealed that Government of India Medical Stores Depot (MSD), Mumbai, had informed (March 1996) the Superintendent that distribution of tablet, Ethambutol-800 had been banned and as such the balance of 1.85 lakh tablets with expiry date of December 1996 valuing Rs.7.32 lakh be returned to MSD. The Superintendent, however, returned (March 1997) 1.86 lakh tablets with expiry date of November 1996 as the tablets with expiry date of December 1996 had already been consumed. The MSD declined to entertain claim of the Superintendent for replacement of the tablets.

Similarly, the following medicines/ injections valuing Rs.11.88 lakh were also noticed to have lost their shelf life before these could be consumed:

Name of medicine/ injection	Date of expiry	Quantity (In lakh)	Value (Rs. in lakh)
Tab-Isonex 300	June 1996	1.13	1.08
	November 1999	0.15	0.15
Tab-Combination	May 1997	1.49	6.57
Inj.-Streptomycin 75	May 1997	0.12	4.08
		0.23	
	October 1997	0.16	
Total			11.88

Thus medicines worth Rs.19.20 lakh could not be utilised before the expiry of their shelf life nor were these transferred to other needy hospitals/dispensaries where these could have been fruitfully utilised.

The Superintendent stated (October 2000) that the medicines in excess of requirement were received from MSD and State Director of Health Services and were returned a number of times. The reply was not tenable as he had failed to exercise proper control as medicines with later expiry date were consumed first. The failure on his part put the Government to an avoidable loss of Rs.19.20 lakh.

The matter was referred to Government in February 2001; reply had not been received (February 2003).

SCHOOL EDUCATION DEPARTMENT

3.14 Non-accounting of money withdrawn from treasuries

Failure to observe codal provisions resulted in defalcation of Rs.74.30 lakh.

According to provisions of Madhya Pradesh Treasury Code every government servant receiving money on behalf of the Government shall maintain a cash book and enter all monetary transactions in the cash book as soon as they occur. All such transactions shall be attested by the officer incharge in token of genuineness of the entries.

Test-check (February and August 2000) of the records of Block Education Officers (BEOs), Takhatpur and Lormi (district Bilaspur), respectively, revealed that Rs.70.47 lakh (Takhatpur: Rs.47.68 lakh and Lormi: Rs.22.79 lakh) were drawn from the treasury through 61 and 59 bills respectively, during July-August 1996. No cash book for the period during which the drawals were made was maintained.

It was further observed that BEO, Takhatpur, had withdrawn Rs.3.83 lakh on three different occasions from the bank during March 1997. No entry regarding payments against the drawals was found recorded in cash book.

On this being pointed out the BEO, Takhatpur, stated (February 2000) that he was not aware whether cash book for the period had been maintained or not, and that only the then BEO could explain, while the BEO, Lormi stated (September 2001) that the records are not available in the office and the case was under investigation. Thus non-observance of codal provisions by the BEOs led to defalcation of Rs.74.30 lakh.

The matter was referred to Government in February 2001; reply had not been received (February 2003).

SCHEDULED TRIBE, SCHEDULED CASTE, BACKWARD CLASSES AND MINORITIES WELFARE DEPARTMENT

3.15 Irregular payment of stipends

Payment of stipends amounting to Rs.53.83 lakh was not in conformity with Government instructions.

Hostels Rules, 1994, provide that any non-government body may establish Ashrams/ hostels for SC/ST students of Classes 1 to 10. Recognition to these could be granted after ensuring the availability of minimum facilities for the students such as (i) bedrooms in proportion to the number of students, (ii) kitchen and store room, (iii) dining hall, (iv) adequate arrangement of light and drinking water, (v) latrines, (vi) play ground and (vii) availability of beds, mattresses, tables, chairs etc. Students living in such Ashrams/ hostels were also entitled to stipend at rates approved by Government. Commissioner, Tribal Development (Commissioner) also reiterated (July 1997) instructions to all districts Collectors and Assistant Commissioners, Tribal Development (ACTD) that before according recognition to the Ashrams and hostels, availability of minimum facilities must be ensured.

Test-check (June 2001) of records of the office of the ACTD, Jagdalpur, revealed that in spite of non-availability of minimum facilities like beds, mattresses, chairs, tables and latrines, etc., 15 ashrams/ hostels run by non-government recognised institutions (8 ashrams run by Mata Rukmani Sewa Sasthan, Dimarpal, 2 ashrams by Bastar Sewak Mandal, Marigoda, 1 hostel run by Banwasi Vikas Samiti, Lonyoda, and 4 ashrams run by Vishwa Manav Sewa Sasthan, Dimarpal), were granted recognition and stipends amounting to Rs.53.83 lakh also paid for 2100 students during 1999-2001.

On this being pointed out in audit (June 2001) the ACTD stated that the district Collector had requested (October 1998) the Commissioner to sanction the payment of stipend due to area being backward. The reply was not tenable as Commissioner's directions (January 1999) were for payment of stipend to be made in respect of only those ashrams/ hostels where minimum basic facilities existed. Since the institutions had failed to provide the minimum basic facilities to students, the payment of stipend of Rs.53.83 lakh was irregular.

The matter was referred to the Government in August 2001; reply had not been received (February 2003).

3.16 Avoidable loss of interest due to blocking of funds

Assistant Commissioners, Tribal Development, Raipur and Bilaspur, were irregularly keeping Rs.6.73 crore in bank accounts resulting in loss of interest of 7.48 per cent per annum to Government.

According to the rules, no money should be drawn from the treasury unless required for immediate disbursement. Rules further provide that unutilised/surplus allotment should be surrendered to government account without any delay.

Test-check (May-June 2001) of the records of Assistant Commissioners, Tribal Development (ACTD), Raipur and Bilaspur, revealed that despite the specific orders of Government, a joint savings bank account with Antyavyavasai Sahakari Vikas Nigam in a nationalised bank was not closed by ACTD, Raipur, and the account had a balance of Rs.2.28 crore at the close of March 2000. Another sum of Rs.5.73 crore pertaining to construction works was withdrawn by the ACTD from the treasury during 2000-01 and deposited in the same account. Out of the total deposit of Rs.8.01 crore, expenditure of only Rs.2.90 crore was incurred and a net balance of Rs.5.11 crore was still lying unspent in bank account as of March, 2001. Similarly, ACTD, Bilaspur, too had not closed the bank account, which had a balance of Rs.1.62 crore as of March 2001.

Thus the irregular drawal of amounts not required for immediate disbursement not only resulted in keeping funds amounting to Rs.6.73 crore outside the government account and also outside legislative control but also resulted in loss of interest at 7.48 per cent per annum being the average rate of Government borrowings during the years 1999-2000 and 2000-01 less saving bank rate of interest of 4 per cent).

On being pointed out in audit, the ACTDs stated (May 2001) that the amounts were drawn and kept in bank accounts with the approval of the Collectors who was, however, not competent to sanction violation of financial rules.

The matter was referred to Government in August 2001; reply had not been received (February 2003).

3.17 Purchase of furniture articles without demand

Commissioner, Scheduled Tribes, Scheduled Castes, Backward Classes and Minorities Welfare Department irregularly purchased furniture worth Rs.9 crore without assessing the demand.

With the formation of the State of Chhattisgarh, the Government of Madhya Pradesh released Rs.9.455 crore pertaining to Operation Black Board (OBB) scheme to the Chhattisgarh Government. The Commissioner, Scheduled Tribe, Scheduled Caste, Backward Classes and Minorities Welfare Department,

Chhatisgarh (Commissioner) decided on his own to provide furniture costing Rs.0.50 lakh each to all middle schools of the State and accordingly placed orders for supply of furniture articles worth Rs.9 crore in January 2001 on Audyogik Kendra Vikas Nigam (AKVN), Raipur. The articles were to be physically verified by a district level committee (DLC) before issue to the schools by the suppliers.

Test-check (May-June 2001) of the records of the Assistant Commissioner Tribal Development (ACs), Raipur, Bilaspur, Jagdalpur and Kanker districts, revealed that while no demand for furniture was intimated to the Commissioner, yet the supply orders for furniture articles worth Rs.251.82 lakh (Raipur: Rs.29.65 lakh; Bilaspur: Rs.29.63 lakh; Jagdalpur: Rs.121.07 lakh and Kanker: Rs.71.47 lakh) were placed by Commissioner for these districts against which articles worth Rs.173.32 lakh (Raipur: Rs.25.39 lakh; Bilaspur: Rs.9.11 lakh; Jagdalpur: Rs.106.12 lakh and Kanker : Rs.32.70 lakh) had been supplied to the ACs by the AKVN through different suppliers by March, 2001. The physical verification of articles was either not conducted or was partly conducted by DLC. As such, stock entries of the articles were not made and material could not be issued to the schools.

The ACs stated (May 2001) that the orders were issued by higher-ups. On being asked the basis for assessment of demand of furniture, the Commissioner stated (June 2001) that supply of furniture was ordered at the rate of Rs.50,000 per school and that no payment had been made so far and it would be made to AKVN by district officers only after receipt of all articles. The reply of the Commissioner was not convincing as the full budget of Rs.9.455 crore had been placed at his disposal and furniture should have been purchased after assessing the requirement of each school.

The matter was referred to Government in July 2001; reply had not been received (February 2003).

CHAPTER IV

WORKS EXPENDITURE

SECTION A- REVIEWS

SECTION B- PARAGRAPHS

**CHAPTER IV: WORKS EXPENDITURE
SECTION A REVIEWS**

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.1 Drinking Water Supply

4.1.1 Highlights

Government of India (GOI) launched (1993-94) the Centrally sponsored Accelerated Urban Water Supply Programme (AUWSP) for towns with population less than 20000 (1991 Census). Though 312 towns were eligible for water supply under AUWSP, only 154 towns were proposed for potable water supply, out of which schemes for 100 towns only were sanctioned. 26 schemes covering 26 towns with a total population of 2.69 lakh (8 per cent of the eligible population) were only completed at a cost of Rs.15.09 crore up to March 2001.

GOI launched (February 1986) National Drinking Water Mission to cover an ongoing centrally sponsored scheme viz. Accelerated Rural Water Supply Programme (ARWSP). It aimed to provide safe and potable drinking water at 40 litres per capita daily (LPCD) to all rural villages and habitations. There were 166603 villages and habitations in the State, of which 57050 were identified as problem habitations as of March 1997 and were proposed for coverage up to March 2000. However, only 41783 habitations could be covered up to March 2001 at a cost of Rs.867.53 crore, leaving 15267 habitations (27 per cent) uncovered including 13673 partially covered. Only 23.45 per cent of the targeted samples (3.24 lakh) were collected and checked. Thus the quality of the water being supplied to habitations was not assured.

AUWSP

Against Rs.105.51 crore, required to complete the proposed 154 schemes, Rs.34.76 crore (33 per cent) only was provided in the Ninth Plan.

(Paragraph 4.1.4.1)

GOMP retained Central share of Rs.11.53 crore and Rs.17.83 crore were lying unutilised under Civil Deposit in the Divisions.

(Paragraph 4.1.4.2)

Though GOI released funds for all the approved schemes, 25 schemes costing Rs.30.50 crore were not commenced for want of administrative approval from GOMP and 8 schemes costing Rs.10.73 crore were also not commenced even after release of Rs.9.43 crore to the executing Divisions.

(Paragraph 4.1.5)

Incorrect selection and low dependability of raw water sources of 5 schemes resulted in avoidable expenditure of Rs.45.55 lakh and unfruitful expenditure of Rs.2.51 crore. Suspension of work on 2 schemes resulted in nugatory expenditure of Rs.1.89 crore.

(Paragraphs 4.1.5 (i), (iii), (iv), (vi), (vii) and viii)

Indecision on appropriate technology for treatment plant for Bhikangaon, Kasrawad schemes and non-construction of barrage (Bhikangaon) rendered the expenditure of Rs.3.01 crore unfruitful.

(Paragraph 4.1.5 (v))

ARWSP

GOMP failed to provide matching share of Rs.68.64 crore and reported expenditure was inflated by Rs.66.08 crore. Shortfall in expenditure under MNP deprived MP of central assistance of Rs.12.68 crore. E-in-C, Bhopal and CE, Raipur kept Rs.110.84 crore in Civil Deposits of which Rs.50.37 crore remained unused.

(Paragraph 4.1.10 (i) and (ii))

Low dependability and inadequate maintenance contributed to re-emergence of 1017 NC and 16435 PC habitations. Inadequate survey contributed to failure of 15842 tube wells costing Rs.63.37 crore. 231 RPWSS were lying incomplete in which Rs.16.62 crore were locked up.

(Paragraphs 4.1.11 and 4.1.12, (i) and (v))

Poor operation and maintenance of water supply schemes resulted in non-operation of 44179 HP and 844 RPWSS which deprived 1.27 crore rural population of safe drinking water.

(Paragraph 4.1.16 (a))

No remedial measures were taken in 2729 fluoride affected villages, 10 districts affected by excess salinity and 11 villages affected with excess arsenic in Rajnandgaon district.

(Paragraph 4.1.13 (ii), (iii) and (iv))

Lack of maintenance and non-involvement of local community rendered 2640 iron removal plants costing Rs.1.85 crore and 35 solar photo voltaic pumping system costing Rs.2.10 crore defunct.

(Paragraphs 4.1.13 (v) and 4.1.14)

Department failed to install hand pumps in 1024 Aganwadi centers while Rs.3.94 crore were lying in Civil Deposits.

(Paragraph 4.1.22 (i))

4.1.2 Introduction

‘Water’ being a state subject under the Constitution, State Governments are primarily responsible for ensuring availability of safe drinking water. As

smaller towns, with populations of less than 20,000 were usually neglected, GOI launched (1993-94) the Centrally Sponsored AUWSP for towns with populations of less than 20000 (1991 Census) for completion by the end of the Eighth Plan.

GOI launched (February 1986) National Drinking Water Mission to cover an ongoing centrally sponsored scheme viz. ARWSP and five Sub-Missions, four dealing with specific water quality problems and the fifth for ensuring sustainability of sources. It aimed to provide safe and potable drinking water to all rural villages and habitations especially in remote areas where 40 litres per capita daily (LPCD) potable water was not available.

4.1.3 Scope of audit

In Madhya Pradesh (MP), AUWSP and ARWSP were being implemented through the Public Health Engineering Department (PHED) headed by an Engineer-in-Chief (E-in-C). There were 5 zones each headed by a Chief Engineer (CE) with their headquarters at Bhopal, Gwalior, Jabalpur, Indore and Raipur, besides, a mechanical formation headed by a CE stationed at Bhopal. There are 78 Divisions each headed by an Executive Engineer (EE).

Implementation of AUWSP (1993-2001) and ARWSP (1996-2001) were reviewed and its impact in providing safe drinking water to urban population of towns below 20000 and the rural population were assessed. For this purpose, test check of records of 11 Civil Divisions, 4 Mechanical Divisions, 1 Fluorosis Control Division, out of 78 Divisions, 1 Project Circle and 6 Zonal offices in Madhya Pradesh and Chhattisgarh was conducted during November 2000 to June 2001.

Part I Accelerated Urban Water Supply Programme

4.1.4 Impact assessment of implementation

4.1.4.1 Inadequate planning

Against the requirement of Rs.105.51 crore, only Rs.34.76 crore (33 per cent) was provided in Ninth Plan.

Only 154 schemes (49 per cent) could be proposed against 312 eligible towns.

In MP, 312 towns with a total population of 35.08 lakh (as per 1991 Census) were to be included under AUWSP. However, schemes pertaining to 154 towns estimated to cost Rs.115.14 crore were considered for implementation during the 8th and 9th Five Year Plans only. However, an expenditure of Rs.9.63 crore only was incurred up to March 1997. Rs.34.76 crore were provided for implementation during 9th plan.

Out of 154 schemes, 100 schemes costing Rs.85.32 crore were approved (by March 2001), 3 schemes were dropped and 19 schemes costing Rs.26.35 crore were awaiting technical clearance from GOI as of March 2001. The remaining 32 schemes had been approved between February 1995 and May 1999 by the State Level Selection Committee (SLSC) but detailed project reports (DPRs) were yet to be submitted (March 2001) to GOI.

32 towns having low water supply of 15 to 31 LPCD was not given priority, which deprived adequate drinking water to 3.40 lakh people.

Guidelines for implementation of AUWSP required that towns with a supply of less than 70 LPCD were to be given priority. Though 32 towns with supply ranging from 15 to 31 LPCD were selected (February 1995 and May 1995), GOMP failed to submit DPRs to GOI for sanction. On the other hand, schemes for 14 towns having water supply between 35 to 65 LPCD were approved and being executed. This deprived adequate drinking water to 3.40 lakh people to which, they were entitled on priority basis.

4.1.4.2 Financial outlay and expenditure

Central share of Rs.11.53 crore was retained by the State. Rs.17.83 crore were lying unutilised under Civil Deposit in Divisions.

Expenditure on AUWSP was to be shared by GOI (50 per cent) and the State (50 per cent, including 5 per cent contribution from the beneficiary urban local body). The amounts released by GOI, the State Government and local bodies reported to GOI were as under.

(Rupees in crore)

Year	Schemes approved (number)	Cost	Grant released by GOI	Grant released to the Divisions				Expenditure as per Appropriation Account
				GOI	State	Local body	Total	
1993-94	30	15.87	2.05	0.00	0.00	0.00	0.00	0.00
1994-95	0	0.00	3.43	1.98	0.82	0.84	3.64	0.24
1995-96	21	19.30	3.81	6.04	1.63	0.00	7.67	7.68
1996-97	0	0.00	1.56	4.16	5.06	0.51	9.73	9.18
1997-98	3	2.83	4.18	1.05	2.07	0.12	3.24	5.62
1998-99	9	8.05	6.27	0.86	3.48	0.07	4.41	4.70
1999-2000	28	26.46	9.37	6.86	6.98	0.67	14.51	14.95
2000-2001 ¹	9	12.81	5.60	3.77	2.40	0.39	6.56	4.59
Total	100	85.32	36.26	24.73	22.44	2.59	49.76	46.96

Out of grants of Rs.36.26 crore released by GOI during 1993-94 to 2000-2001, GOMP released only Rs.24.73 crore to the divisions up to March 2001, retaining Rs.11.53 crore with itself. Of the total release of Rs.49.76 crore to the divisions, only Rs.31.93 crore (64 per cent) were actually utilised. The remaining Rs.17.83 crore were lying under 8443 Civil Deposits in the Divisions for periods ranging from 4 to 48 months.

4.1.4.3 Inadequate targets and achievements

AUWSP schemes are sanctioned generally for completion within 2 years. Thus the schemes sanctioned in 1993-94 were to be completed by 1995-96. Year wise details of schemes sanctioned, target fixed and the achievements there against were as under.

Targets fixed were low. Achievement of only 43 per cent of these low targets indicated very poor performance.

Year	Schemes approved	Cost (Rupees in crore)	Expenditure (Rupees in crore)	Number of schemes		
				Targeted for completion	Completed	Percentage to target
1993-94	30	15.87	0.00	0	0	0
1994-95	0	0.00	0.00	0	0	0
1995-96	21	19.30	6.00	0	0	0
1996-97	0	0.00	5.44	5	0	0
1997-98	3	2.83	9.56	10	5	50
1998-99	9	8.05	5.09	15	11	73
1999-2000	28	26.46	2.76	15	5	33
2000-2001	9	12.81	3.08	15	5	33
Total	100	85.32	31.93	60	26	43

¹ No grant was released to the Government of Chhattisgarh during the period from November 2000 to March 2001.

Against 312 towns required to be covered under Eighth plan (1992-97), schemes for only 51 towns were approved during the Eighth plan and 49 towns during the Ninth plan. Of these 100 approved schemes, 91 were required to be completed by the end of the Ninth plan, i.e. March 2002. A low target of 5 schemes only was fixed for the Eighth plan, which was also not achieved. 55 schemes were targeted for completion for the years 1997-2001 against which only 26 schemes were completed.

Scrutiny further revealed that:

Excess expenditure of Rs.2.31 crore over deposits were incurred on 23 schemes.

(i) The work on schemes under AUWSP is to be carried out as a deposit work. As per Madhya Pradesh Works Department (MPWD) Manual, expenditure on deposit works is to be limited to the deposits received. It was, however, noticed that against 23 schemes sanctioned between March 1994 and 1997 for Rs.14.71 crore, Rs.14.60 crore were released and an expenditure of Rs.16.91 crore incurred up to March 2001. This resulted in excess expenditure of Rs.2.31 crore over the deposits, which was met from the deposits of other works and security deposit of contractors.

Divisions incorrectly levied Rs.38.23 lakh percentage charges on 6 schemes.

(ii) Guidelines of AUWSP stipulated that no departmental charges were to be levied as the sanctioned estimates already included establishment charges (3 per cent) and contingency charges (5 per cent) and implementing agencies had adequate infrastructure for execution of schemes. Charges at the rate of 16.5 per cent up to 1996-97 and 6 per cent thereafter were incorrectly levied on 6 schemes, casting an avoidable burden of Rs.38.23 lakh on the schemes, which are lying incomplete for want of funds.

On this being pointed out, Government of Chhattisgarh (GOCG) stated (October 2001) that the supervision charges are levied as per the prevailing norms in Madhya Pradesh and this could be withdrawn if decided by Government.

4 ongoing State Plan schemes were incorrectly approved for Rs.4.07 crore under AUWSP.

(iii) Schemes already being implemented under the normal State Plan were not eligible for selection under AUWSP. Scrutiny revealed that the following ongoing State Plan schemes under the Ninth Plan (1997-2002) were also included in AUWSP.

Sl. No.	Water supply Scheme	Year of commencement	Estimated cost (Rupees in lakh)	Expenditure up to March 1997 (Rupees in lakh)	GOI approval	Approved cost (Rupees in lakh)	Fund released (Rupees in lakh)
1	Budhani	1991	31.00	30.96	January 1996	46.80	46.80
2	Sailana	1996	49.60	0.01	December 1998	43.85	43.96
3	Kukshi	1988	100.00	183.66	April 1999	184.91	184.91
4	Balod	1980	19.83	37.11	March 1999	131.61	82.38
	Total		200.43	251.74		407.17	358.05

These funds could have been utilised to complete other schemes under AUWSP, which were languishing for want of funds.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that Balod town was taken rightly under the

programme as per norms of GOI so that the incomplete scheme could be completed and the town could get sufficient water supply. The reply was not tenable, as Balod town was not eligible for selection under AUWSP since it was an ongoing State Plan scheme.

4.1.5 Execution of works

Department failed to provide safe drinking water to 92 per cent of the targeted population.

The Department took up 100 schemes costing Rs.85.32 crore during 1993-94 to 2000-2001 for execution under AUWSP. Out of this, 26 schemes costing Rs.14.02 crore were completed at a cost of Rs.15.09 crore, with a cost overrun of Rs.1.07 crore and delays ranging from 1 to 4 years, to cover a population of 2.69 lakh up to March 2001 against the target of 312 towns having a population of 35.08 lakh. Thus the Department failed to provide adequate safe drinking water to 92 per cent of the targeted population.

8 schemes costing Rs.10.73 crore were not commenced even after release of Rs.9.43 crore.

Out of the 74 schemes, work on 49 schemes costing Rs.40.80 crore was in progress with Rs.20.92 crore having been spent up to March 2001. 8 schemes costing Rs.10.73 crore approved by GOI and GOMP between April 1996 and November 2000 had not commenced as of June 2001, despite release of Rs.9.43 crore up to March 2001. Non-commencement of work was as a result of (a) lack of coordination between local bodies and Department, (b) non-commitment towards payment of increased cost by local bodies and (c) delay in identification of source. This deprived the target population of 1.11 lakh of safe drinking water.

25 schemes costing Rs.30.50 crore could not be commenced for want of administrative approval.

According to guidelines, the AUWSP would be funded with a 50 per cent grant from GOI and a matching contribution of 50 per cent (including 5 per cent from the beneficiary municipal body) from GOMP. Scrutiny revealed that 25 schemes costing Rs.30.50 crore sanctioned by GOI between March 1994 and February 2000 to cover a population of 2.90 lakh did not commence for want of administrative approval by GOMP due to non-receipt of contribution from the beneficiary local body. No action was taken by GOMP to get the contribution from local bodies and accord administrative approval.

Time overrun of 1 to 4 years resulted in cost overrun of Rs.11.56 crore in 10 ongoing schemes.

Further analysis of 10 out of the 49 ongoing schemes revealed that even after incurring an expenditure of Rs.10.62 crore against the estimated cost of Rs.10.15 crore and scheduled to be completed between March 1997 and June 2000, were incomplete as of March 2001, resulting in time overrun of 1 to 4 years. The Department had assessed a revised cost of Rs.21.71 crore for these schemes, resulting in cost overrun of Rs.11.56 crore (114 per cent). Rs.11.09 crore required to complete these schemes were neither provided by GOMP as all cost overruns are to be met by the State Government nor was it forthcoming from the local bodies. The fate of these schemes, in which Rs.10.62 crore were locked up remains uncertain with the target population of 1.34 lakh facing a short fall of 20 to 86 per cent in their requirement of safe drinking water.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the department provided safe drinking water to 8 towns of Chhattisgarh, of which 3 schemes were completed and in other 5

schemes water supply started by direct pumping. Out of 7 schemes sanctioned for Chhattisgarh in 1994-95, 4 schemes were incomplete due to abandoning of work of overhead tanks by original contractor on increase in quantum of work and the excess cost was met by the State Government.

Test check of 11 schemes revealed the following irregularities

(i) Bhatgaon augmentation water supply scheme

Incorrect selection of scheme and failure to establish dependability of raw water sources. The existing tube wells with power pump could save Rs.28 lakh.

The scheme sanctioned (March 1994) for Rs.56 lakh in Raipur district, designed to provide 70 litres per capita daily (LPCD), was to be completed by March 1997. Despite an expenditure of Rs.62.80 lakh as of March 2001, the scheme remained incomplete due to non-completion of sump well and pump house. Non-synchronisation of work, abnormal delay by contractors and ineffective monitoring contributed to failure in providing envisaged water supply to a population of 10500 (1998). The scheme was not a priority scheme since as per Audit computation, the existing system was capable of providing 76 LPCD with 3 existing sources as against 28 LPCD mentioned in the detailed project report (DPR). Thus, the selection of scheme by SLSC was contrary to the guidelines.

Further sustainability of sources at 95 per cent dependability and reliability was not established prior to selection. 5 tube wells drilled for augmentation of water supply did not yield adequate water for installation of power pumps. The Department could have drawn 45,000 litres of water per hour from the 2 existing tube wells by installing power pumps to produce 0.72 million litres daily (MLD) of raw water with per capita supply of 72 LPCD resulting in saving of Rs.28 lakh.

On this being pointed out, Government of Chhattisgarh (GOCG) stated (October 2001) that the scheme prepared in 1994, was designed for the population of 20000 in the year 2028 estimating 1.55 MLD supply. GOI approved the scheme and executed accordingly and water was being supplied to the public. Thus with the improved water supply arrangement the status of the people of Bhatgaon would be raised in coming time and therefore the point raised at this stage was untimely. The reply is not tenable, as the selection of town based on incorrect data and without establishing 95 per cent dependability and reliability of source resulted in avoidable cost of Rs.28 lakh.

(ii) Balod augmentation water supply scheme (Durg District)

Non-provision of water treatment plant would result in water borne diseases in monsoon season.

The scheme approved in June 1981 under the State sector for Rs.19.83 lakh, envisaged 4 tube wells and one existing infiltration well (constructed in 1966) on river Tandula as sources of raw water with a conventional water treatment plant. Despite incurring an expenditure of Rs.45.50 lakh up to December 1997, the treatment plant remained incomplete. The cost was revised to Rs.72.70 lakh in December 1989 and again to Rs.64.70 lakh in March 1995 by deleting the treatment plant on the assumption that the source of raw water would be tube wells. However, the source was changed to 3 ring wells on river Tandula in May 1995 with revision in cost to Rs.1.17 crore (March 1997). The estimates were again revised to Rs.1.40 crore in November 1998

and approved by GOI under AUWSP. GOMP accorded administrative approval only in May 2000. The physical progress of the augmented scheme was almost nil as the expenditure of Rs.23.54 lakh up to March 2001 was almost entirely on purchase of materials. Wrong selection of source of water has not only resulted in cost overrun of Rs.1.12 crore and time overrun of 20 years, but also deprived the targeted population of safe drinking water. Although the source was changed from tube wells to ring wells, a treatment plant was not included in the estimates. This would expose the user population to a high risk of water borne diseases particularly in monsoon season.

On this being pointed out, GOCG stated (October 2001) that the Balod scheme sanctioned earlier by GOMP could not be completed for want of funds. The scheme was reframed and included under AUWSP and the work was in progress. The ring wells would control the impurity, hence treatment plant was not required. There was a provision of 175 litres bleaching chlorinator including accessories for the purpose of disinfection. The reply was not tenable, as the ring wells would not be able to control the turbidity and impurity in the water especially in monsoon season.

(iii) Bagbahara augmentation water supply scheme (Mahasamund District)

GOI approved (March 1994) the scheme for Rs.56 lakh to increase water supply from 18 to 70 LPCD for an estimated population of 20000 in the year 2021. The scheme included 13 raw water sources (6 existing and 7 proposed tube wells) and was scheduled for completion by March 1997. Even after incurring an expenditure of Rs.57.18 lakh as of March 2001, the scheme remained incomplete (March 2001) with the contractors having abandoned the work. The 7 new tube wells drilled at a distance of 2 km failed to achieve adequate yield and for another 3, the site had to be changed and tube wells had to be drilled at a distance of 4 to 5 km away from the town leading to increase in cost of Rs.15.76 lakh.

On this being pointed out, GOCG stated (October 2001) that at the time of preparation of the scheme the required yield of the source tube wells, was based on the existing hand pumps yield. These sources were proposed at the lesser distance to keep the cost minimum. But the successful tube wells were found at a distance of 4-5 km away. Therefore, the length of pumping main increased. This increase in cost was for the benefit of the user population and to have the scheme successful. The reply indicated that the survey was inadequate and 95 per cent dependability was not established before proposal of the scheme.

The availability of water from the existing and new sources was 0.98 MLD and 42 LPCD only would be available for a population of 20000, which was much below the targeted supply which requires a minimum of 1.6 MLD. Thus the expenditure of 57.18 lakh on the scheme proved partly unfruitful.

On this being pointed out, GOCG stated (October 2001) that water supply was being made available to the town and the expenditure incurred benefited the

Failure to establish dependability of raw water sources not only attributed to increase in cost of Rs.15.76 lakh but also resulted in partly unfruitful expenditure of Rs.57.18 lakh.

public. The reply is not tenable, as the water available from the existing and 3 new tube wells would not be sufficient to provide 70 LPCD to the anticipated population of 20000.

(iv) Raghogarh augmentation water supply scheme (Guna District)

Incorrect selection of source for raw water led to cost overrun of Rs.98.75 lakh, time overrun of 4 years and unfruitful expenditure of Rs.1.32 crore.

GOI approved (March 1994) the scheme for Rs.89.55 lakh to provide 70 LPCD to a population of 18047 (as per 1991 Census). The scheme targeted for completion by March 1997 remained incomplete even after incurring an expenditure of Rs.1.32 crore up to January 2001. The estimates were revised (May 1998) to Rs.2.04 crore and later reduced (May 2000) to Rs.1.88 crore as GOI had refused (February 1999) to accord approval on the grounds that increase in cost was mainly due to delay in administrative approval and award of contracts. GOMP decided (May 2000) to bear the additional cost of Rs.98.75 lakh with a grant of 70 per cent and a loan of 30 per cent. The proposed source was found (March 1999) inadequate as flow in the Bandargarha river ceases in December. Gopi Krishna Sagar dam was selected (May 2000) as new source with increase in total cost by Rs.97.63 lakh and per capita cost from Rs.496.20 to Rs.1043.55 against the norm of Rs.1000. Thus the scheme launched in 1994 without ascertaining dependability of raw water sources was lying incomplete and Rs.1.32 crore remaining locked up. The scheme remained incomplete as of March 2001.

Meanwhile, the Department had to spend Rs.17.55 lakh in 1998-99 on temporary arrangements for water supply, which was debited to AUWSP.

(v) Bhikangaon and Kasrawad augmentation water supply schemes (Khargone District)

Indecision on appropriate technology for treatment plant and non-construction of barrage rendered the expenditure of Rs.3.01 crore unfruitful.

GOI approved the schemes costing Rs.1.48 crore (Bhikangaon) and Rs.1.33 crore (Kasrawad) in January 1995 and July 1997 respectively. Administrative approvals were accorded in December 1996 and September 1997 respectively. Scrutiny in audit revealed that the allied works of RCC over head tanks, raw water rising main, sump/sump house, clear water main and distribution system was completed at a cost of Rs.3.01 crore up to March 2001. Although the schemes provided for slow sand filters in the treatment plants to minimise operational and maintenance cost, tenders were invited (January 1999) for gravity filters in the treatment plant. GOI observed that turbidity in Narmada and Beda rivers (sources of raw water) was never above 15000 PPM and directed National Environmental Engineering Research Institute (NEERI) be asked to suggest appropriate technology for the treatment plant. No further action had been taken as of March 2001.

Test check further revealed that the estimates provided for construction of RCC barrage at a cost of Rs.20 lakh, which were revised to Rs.1.50 crore (March 2001) due to non-commencement of work. The work had not been commenced as of December 2001. Indecision on appropriate technology for treatment plant and non-construction of barrage rendered the expenditure of Rs.3.01 crore on other allied works unfruitful.

(vi) Mundi augmentation water supply scheme (Khandwa District)

Non-establishment of raw water source rendered expenditure of Rs.33.86 lakh unfruitful.

GOI approved (April 1996) the scheme costing Rs.58 lakh. GOMP accorded administrative approval after 4 years in March 2000. The scheme provided for drilling of 5 tube wells for source of raw water against which 7 tube wells were drilled, but none of them had sufficient yield for installation of power pumps. No decision was taken regarding construction of 1 dug well and 3 check dam-cum-dykes at a cost of Rs.2.70 lakh recommended (January 2001) by the Senior Hydrologist. The CE recommended (January 2001) the Narmada river, flowing at a distance of 30 km from the town as a source of raw water at a cost of Rs.5.90 crore, which was also not approved.

Meanwhile an expenditure of Rs.33.86 lakh was incurred mainly on procurement of material and construction of sump well and pump house which were incomplete and lying idle.

(vii) Sitamau augmentation water supply scheme (Mandsaur District)

Unreliable source of raw water rendered the expenditure of Rs.27.95 lakh unfruitful.

GOI accorded (March 1994) technical approval and GOMP (October 1994) administrative approval for the scheme costing Rs.69 lakh to enhance the supply from 18 to 70 LPCD. As the proposed Laduna tank was found (July 1998) unreliable as a source of raw water, a revised estimate for Rs.2.28 crore was submitted to E-in-C, changing the source to Chambal river, flowing at a distance of 16 km, which had not been approved as of June 2001. An expenditure of Rs.27.95 lakh was incurred on construction of RCC over head tank and laying of pipe line, which remained unfruitful and the population continued to face acute water scarcity.

(viii) Majholi and Katangi augmentation water supply schemes (Jabalpur District)

Suspension of the works on the schemes resulted in nugatory expenditure of Rs.1.89 crore.

GOI approved augmentation water supply schemes for Majholi (Rs.77 lakh) and Katangi (Rs.98.90 lakh) in April 1996. These schemes, scheduled for completion by March 1997, remained incomplete as of June 2001, despite an expenditure of Rs.1.89 crore. Of 13 tube wells drilled, only 7 were successful for installation of power pumps. Thus the 95 per cent dependability and reliability of water sources were not established before commencement of work on allied components. Scrutiny in audit revealed that the estimated cost of distribution system was Rs.41.22 lakh against which an expenditure of Rs.76.87 lakh was incurred due to increase in the length of pipe line by 8139 m. The revised estimates for Rs.2.86 crore submitted to CE in February-March 1999 were not approved as of June 2001. The work was suspended since April 1999. The expenditure of Rs.1.89 crore incurred on construction of RCC over head tank, laying of rising main, distribution net work etc, was unfruitful and the population continued to face acute water scarcity.

(ix) Injudicious transfer of schemes to Nagar Panchayats for execution

Injudicious transfer of schemes to Nagar Panchayats resulted in blocking of Rs.2.25 crore.

Execution of 2 schemes (Kukshi and Anjad) approved (April and May 1999) by GOI for Rs.1.85 crore and Rs.1.79 crore was transferred to the respective Nagar Panchayats in March and December 2000 along with the deposits of Rs.1.85 crore and Rs.40 lakh, respectively. However, the Nagar Panchayats, which lacked equipment and trained staff, had not commenced work on the schemes as of June 2001. Transfer of the schemes was injudicious and resulted in blocking of funds of Rs.2.25 crore.

4.1.6 Non-maintenance of separate accounts

Separate accounts of each schemes were not maintained.

Separate accounts of each scheme for the funds released both by GOI and GOMP were to be maintained by the Divisions to prevent diversion and misuse of funds. However, no detailed accounts, work abstracts and register of works for the schemes were maintained in any of the Divisions test checked.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the CE had already issued instructions to the Divisions to maintain separate scheme wise accounts. The reply indicated that the prescribed norms were not followed.

4.1.7 Inadequate monitoring

Quarterly progress reports were not submitted regularly for proper monitoring.

Monitoring was to be done by the Ministry of Urban Development (MUD) for physical and financial progress of each scheme on a quarterly basis. The Central Public Health Engineering and Environmental Organisation (CPHEEO) was also required to carry out site visit and discussions with GOMP and urban local bodies for effective monitoring. However, no monitoring was done as quarterly progress reports for each scheme, was not being submitted regularly by the Divisions.

4.1.8 Operation and Maintenance

3 schemes costing Rs.2.07 crore completed up to March 2000 were not handed over to local bodies for maintenance.

Appropriate maintenance of water supply schemes/assets created under the programmes was crucial for ensuring continued drinking water supply to the population of towns. The responsibility of maintenance of water supply schemes rests with the local bodies.

Test check in audit revealed that 3 schemes (Sohagpur, Hatpipaliya and Sanwer) were completed between March 1999 and March 2000 at a cost of Rs.2.07 crore but not handed over to the local bodies for maintenance so far (April 2001) resulting in unnecessary financial burden on Government.

Although the work of Dhamnod water supply scheme was not completed so far (April 2001) yet power connection was taken in March 1998 and payment of Rs.1.76 lakh was made for energy charges. This expenditure was wasteful.

4.1.9 Material management

Use of costlier iron pipes in water supply augmentation schemes

Use of costlier CI and GI pipes in 6 schemes resulted in extra cost of Rs.92.05 lakh.

Test-check of the augmentation schemes revealed that ignoring the advantages of the low cost AC pipes like resistance to corrosion from iron bearing water, toughness and rigidity, economy in jointing, laying, maintenance and ease in handling and transportation due to light weight, the Department used costlier cast iron (CI) and galvanized iron (GI) pipes. These suffered from the disadvantage of reduction in carrying capacity due to deposition of iron oxide and bacterial growth. This resulted in extra cost of Rs.92.05 lakh in 6 schemes.

Part II Accelerated Rural Water Supply Programme

4.1.10 Impact assessment of implementation

(i) Financial outlay and expenditure

GOI provided assistance under ARWSP on the condition that matching grant under the State sector Minimum Needs Programme (MNP) be provided by GOMP. Expenditure on Sub-Missions was to be shared by GOI and GOMP in the ratio of 75:25 except those sanctioned in 1998-99, where it would be in the ratio of 50:50. Rs.814.31 crore were spent on ARWSP and MNP during 1992-93 to 1995-96. A further expenditure of Rs.1015.01 crore was incurred during the years 1996-97 to 2000-01, as shown below.

(Rupees in crore)

Year	ARWSP (Central sector)			MNP (State sector)			Total			Savings
	Released	Expenditure		Released	Expenditure		Fund available	Expenditure		
		Reported to GOI	Appropriation Account		Reported to GOI	Appropriation Account		Reported to GOI	Appropriation Account	
1996-97	73.14	76.10	72.35	74.53	71.38	62.53	147.67	147.48	134.88	0.19
1997-98	83.46	94.38	93.85	85.17	81.41	80.21	168.63	175.79	174.06	- 7.16
1998-99	110.61	104.88	102.00	109.81	98.73	88.69	220.42	203.61	190.69	16.81
1999-2000	123.30	123.39	121.02	128.62	119.67	77.36	251.92	243.06	179.33	8.86
2000-01 MP	95.29	100.23	101.21	130.48	110.13	114.00	225.77	210.36	215.21	15.41
Total	485.80	498.98	491.43	528.61	481.32	422.79	1014.41	980.30	894.17	34.11
2000-01 CG	15.80	15.81	NA	20.17	18.90	NA	35.97	34.71	NA	1.26
Total	501.60	514.79	471.38	548.78	500.22	422.79	1050.38	1015.01	894.17	35.37

GOMP failed to provide matching share of Rs.68.64 crore as per Appropriation Account.

GOMP failed to provide matching share under MNP equivalent to that under ARWSP. Considering the expenditure reported to GOI, the matching share of GOMP was short by Rs.17.66 crore (Rs.498.98 crore less Rs.481.32 crore) and in comparison with the Appropriation Accounts maintained in the office of the Accountant General (Accounts & Entitlement) MP, it was short by Rs.68.64 crore (Rs.491.43 crore less Rs.422.79 crore) during 1996-97 to 2000-01.

GOMP reported expenditure of Rs.66.08 crore in excess of that in Appropriation Account.

GOMP had an opening balance of Rs.7.23 crore of ARWSP funds as on 1 April 1996 and a closing balance of Rs.70.94 lakh on 31 March 2001. Thus ARWSP funds of Rs.492.36 crore only were spent during 1996-97 to 2000-01. Against this, expenditure of Rs.498.98 crore were reported to GOI, while the Appropriation Accounts indicated expenditure of Rs.491.43 crore. This resulted in excess reporting of Rs.7.55 crore to the GOI. Similarly, Rs.58.53 crore were reported in excess under MNP to the GOI (Rs.481.32 crore less Rs.422.79 crore). The incorrect reporting of expenditure was mainly due to non-reconciliation of expenditure figures and to the inflated expenditure as discussed in sub-paragraph (ii) below.

Shortfall in expenditure under MNP deprived the State of central assistance of Rs.12.68 crore.

The savings of Rs.35.37 crore could have been utilised to provide 7074 hand pumps, covering a population of 17.68 lakh. E-in-C stated (November 2001) that the funds could not be utilised due to late receipt of funds and allotment and ban on payment. According to guidelines, shortfall in expenditure under MNP vis-a-vis ARWSP in a year was to be deducted from the last installment of the next financial year. GOI deducted Rs.12.68 crore on this account between February 1993 and February 1998. Non-providing of matching grant by State Government has not only reduced the Central grant, but also deferred the implementation of the scheme by 2 years.

The Department failed to use Rs.6.57 crore on Sub-Missions, population continued to face quality problem of water.

Sub-Missions aimed to deal with problems like fluorosis, arsenic, brackishness, excess iron, etc. being faced by rural population through alternative sources of supply or iron and fluoride removal plants. A dual water supply policy was to be adopted for habitations facing acute water quality problems by providing 10 LPCD of safe water for drinking and cooking purposes considered as a safe source. Water from unsafe sources could be used for washing, bathing etc. The position of funds available for sub-missions and the expenditure there against were as under.

(Rupees in crore)

Year	Central sector			State sector		
	Released	Expenditure	Saving Excess (-)	Released	Expenditure	Saving
1995-96	1.47	0.65	0.82	2.29	1.95	0.34
1996-97	2.92	2.15	0.77	1.60	1.55	0.05
1997-98	1.51	1.59	(-) 0.08	3.60	2.63	0.97
1998-99	3.70	3.35	0.35	2.85	2.65	0.20
1999-2000	21.38	19.86	1.52	7.72	7.58	0.14
2000-2001	4.61	3.93	0.68	7.16	6.36	0.80
Total	35.59	31.53	4.06	25.22	22.71	2.51

The Department failed to utilise Rs.6.57 crore, which resulted in non-completion of fluorosis and brackishness control projects in Shivpuri, Mandla, Jhabua, Chhindwara, Ujjain and Durg districts and the population continued to face water quality problem as discussed in paragraph 4.1.13.

(ii) Inflated expenditure

E-in-C and CE, Raipur kept Rs.110.84 crore under Civil Deposit resulting in inflated expenditure. Of these, Rs.50.37 crore remained unused.

(a) The E-in-C, with the concurrence of the Finance Department, withdrew a total of Rs.101.52 crore on 31 March during the years from 1996-97 to 1999-2000 by debit to 1095-CSP-ARWSP and credit to 8443 Civil Deposits. Of this, Rs.98.52 crore were remitted to the Divisions in subsequent years for execution of sanctioned works. Rs.38.05 crore out of Rs.98.52 crore were lying unspent in Civil Deposits in 41 Divisions (March 2001). In Chhattisgarh, CE, Raipur drew Rs.9.32 crore on 31 March 2001 and kept it under Civil Deposit to avoid lapse of allotment.

Thus, the expenditure was overstated by Rs.110.84 crore (Rs.101.52 crore + Rs.9.32 crore), of which Rs.60.47 crore (55 per cent) only was actually utilised between 1997-98 and 2000-2001, with delays ranging from 2 to 18 months.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the funds from the Centre were actually received in the month of January and February 2001. Department placed orders for supply of materials with the instructions to supply by 31 March 2001. The payment of this material could not be made in the last days of March 2001. Thus Rs.9.32 crore was kept in Civil Deposit for the payment of material received. This money was used in April and May 2001, the next financial year. The reply is not tenable, as these actions violated the financial norms. The ARWSP fund could have been carried over to the next financial year in terms of the guidelines and there was no need to place it in Civil Deposit.

Incorrect inclusion of matching share under Sub-Missions under MNP resulted in inflated expenditure of Rs.10.05 crore.

(b) According to the norms for the Sub-Missions, the expenditure on the Sub-Missions was to be shared in the ratio of 75:25 between GOI and GOMP. Scrutiny of the expenditure statement, utilisation certificates for ARWSP, MNP and various Sub-Missions revealed that State share of expenditure incurred on Sub-Missions (Rs.10.05 crore) was included in MNP for matching share under ARWSP. This resulted in inflation of expenditure of Rs.10.05 crore reported under MNP during the period from 1996-97 to 1999-2000.

On this being pointed out, the E-in-C, Bhopal stated (November 2001) that the provision of State share in Sub-Missions were shown under MNP as Planning Commission did not provide separate funds for these programmes. The reply was not tenable, as the State share of Sub-Mission programmes cannot be utilised towards matching share under MNP since GOI issued separate sanctions under Sub-Mission programmes.

Advance payment of Rs.66.64 lakh was treated as final expenditure.

(c) Advance of Rs.66.64 lakh made (March 1998 and March 2000) to UNICEF for procurement of hydro-fracturing unit was treated as final expenditure though the machine was not supplied as of June 2001.

Direct charging of purchases of materials to work inflated expenditure by Rs.6.84 crore.

(d) Cost of material for Rs.9.04 crore was directly charged to works during 1998-1999 and 1999-2000. Material of Rs.2.20 crore (24 per cent) only was used in the respective years. Thus expenditure of these years was inflated by Rs.6.84 crore.

(iii) Rush of expenditure

57 per cent of the total expenditure during 1997-2001 were incurred during the last quarter of the financial years. 36 per cent were spent in March alone.

The guidelines stipulated that not more than 35 per cent of the available funds be utilised during the last quarter of the financial year. Contrary to this, 4 Zones spent Rs.319.84 crore (57 per cent) of the total expenditure during 1997-2001 in the last quarters. Of this, Rs.205.56 crore (36 per cent) were spent in March alone. Further in 3 Divisions under Raipur Zone during this period, expenditure in the last quarters ranged between 47 and 54 per cent while in March it was 31 and 35 per cent. Delayed release of funds at the fag end of the year affected the planning and execution process and resulted in accumulation of heavy stock of material (Rs.83.82 crore, Rs.81.13 crore and Rs.79.35 crore as of 1st April 1998, 1999 and 2000) leading to disproportionate physical progress vis-a-vis financial progress.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that actually after rains the working season starts from November onwards. The available funds were utilised on the works to achieve the targets. The reply was not tenable, as major part of works were to be carried out in dry season, but the funds were not released resultantly delaying the execution.

(iv) Diversion of funds

Rs.77.11 lakh were diverted to activities not connected with ARWSP.

ARWSP funds were not to be used for purchase of vehicles or payment of escalation in cost without approval of GOI. Despite this Rs.17.54 lakh were spent on purchase of vehicles² in Jhabua district, Rs.18.70 lakh were drawn by 13 Divisions and kept in Civil Deposits of Project Division, Raipur for construction of office building and Rs.40.87 lakh paid towards escalation in cost of RCC over head tank by Ujjain Division.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that Rs.18.70 lakh were drawn from the contingencies and kept in Civil Deposit with Project Division, Raipur. This was done due to creation of new Chhattisgarh State, to facilitate the anticipated works of office building, renovations, improvement of existing buildings, so as to accommodate the extra officers and staff expected to join the new State. The reply indicated violation of the norms for ARWSP.

4.1.11 Targets and achievements

27 per cent of the targeted habitations remained without adequate safe drinking water supply.

According to the Action Plan (1997-2000), the total number of habitations in the State was 166,603, of which 109,553 were fully covered with safe drinking water. Remaining 57050 (Not covered (NC): 15936 and partially covered (PC): 41114) were proposed for coverage up to March 2000. However, only 41783 (NC: 14342 and PC: 27441) habitations could be covered up to March 2001 at a cost of Rs.867.53 crore, leaving 15267 (NC: 1594 and PC:13673) habitations (27 per cent) uncovered. The targets and achievements during 1997-2001 are as under.

² Direction of May 1998 of Project Formulation and Implementation Committee.

Category	1997-98		1998-99		1999-2000		2000-2001		Total		Per cent
	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	
NC	4880	9027	4478	3346	3260	1596	2483	1390	15101	15359	102
PC1 (0 to 10 L)	922	1679	1301	697	532	285	515	323	3270	2984	91
PC2 (10 to 20 L)	1615	4302	8780	5032	3289	1967	2661	1833	16345	13134	80
PC3 (20 to 30 L)	575	2461	5075	4392	4026	3241	2939	3475	12615	13569	108
PC4 (30 to 40 L)	419	1958	2323	2884	4293	3490	3463	5857	10498	14189	135
Total	8411	19427	21957	16351	15400	10579	12061	12878	57829	59235	
Percentage		231		74		69		107		102	

On analysing the above, the following observations emerged.

Over-extraction of ground water, inadequate operation and maintenance contributed to backsliding of 1017 NC and 16435 PC habitations.

(i) Priority was wrongly given to PC3 (108 per cent) and PC4 (135 per cent) habitations as compared to NC to PC2 (102 to 80 per cent) categories having low service levels in violation of norms.

(ii) 57050 habitations only were to be covered while the Department had fixed a target of 57829 habitations. 59235 habitations were actually covered during 1997-2001 indicating backsliding of habitations from FC and PC to 16435 PC and 1017 NC respectively. The main reasons for backsliding were fast depletion of ground water level due to over-extraction for irrigation purpose, non-adoption of modern technology for identification of potential sources and inadequate operation and maintenance.

(iii) An achievement of 231 per cent was reported for 1997-98, as compared to 74 per cent for 1998-99 and 69 per cent for 1999-2000. Scrutiny revealed that the achievement for 1997-98 was inflated by including 5263 tube wells drilled under scarcity and deposit works at a cost of Rs.26.32 crore.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the targets given were achieved within the allotment and action had been taken to cover the habitations with planning and execution. The reply was not tenable, as there were shortfall ranging between 22 and 32 per cent during 1998-99 and 2000-2001 mainly because of short utilisation of the funds provided for the purpose and it ranged between 7 and 47 per cent.

4.1.12 Execution of works

(i) Non-adoption of scientific technology for identification of sources

Non-adoption of scientific technique for identification of sources resulted in failure of 15842 tube wells and wasteful expenditure of Rs.63.37 crore.

ARWSP envisaged use of scientific techniques for identification of sources viz. remote sensing, use of hydrological maps and water prospects maps, etc. GOMP directed (June 1995) that location for tube wells shall be surveyed by departmental hydrologist in the areas where failure exceeded 10 per cent. This was not done. 15842 tube wells drilled at a cost of Rs.63.37 crore failed during 1997-2001. Test check in audit further revealed that following instructions for control of failure of bores issued by E-in-C were not adhered to.

(a) 270 tube wells drilled between June 1997 and March 2000 in Shajapur and Ujjain Districts were reported as successful but hand pumps/power pumps

were not installed as of April 2001 resulting in unfruitful expenditure of Rs.1.21 crore.

(b) Casing pipes (2.01 lakh metre) from 14187 unsuccessful bores during 1997-2001 were not extracted resulting in loss of Rs.9.20 crore.

(c) Drilling of tube well in excess of 75 m depth was permissible only after selection of site by Senior Hydrologist of the Department. Test check of records in 9 divisions revealed that drilling was done beyond 75 m depth without site inspection by Senior Hydrologist resulting in unauthorised expenditure of Rs.3.07 crore. Besides, in 3 divisions 161 bores were reported unsuccessful even after drilling beyond 75 m depth.

(d) In 7 divisions, the depths of 2993 tube wells drilled were less than the prescribed depth of 60 m and casing pipes were not lowered up to prescribed depth of 9 m in 78 tube wells, resulting in failure of bores.

(e) In 5 divisions where earlier bores were reported unsuccessful, the tube wells drilled subsequently were also rendered unsuccessful due to failure in getting the site selected by departmental hydrologist (as required under instructions of E-in-C issued in 1992), thus resulting in nugatory expenditure of Rs.24.85 lakh. Even after giving a margin of 10 per cent failure of the tubewells, the net nugatory expenditure works out to Rs.22.37 lakh.

(f) In 2 divisions, 142 bores involving 2724 metres drilling were left incomplete during 1997-2001 resulting in infructuous expenditure of Rs.9.07 lakh.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that there was no method to get the site of tube well as hundred per cent successful. As per requirement, sites were surveyed by hydrologist and instructions were issued to get the sites surveyed with modern technique, if available in the district. The reply indicated that modern methods were not adopted through out the State.

(ii) Injudicious drilling of tube wells under sustainability scheme

Injudicious drilling of tube wells under sustainability instead of cleaning or hydro-fracturing resulted in avoidable expenditure of Rs.59.22 crore.

Over exploitation of ground water based irrigation has resulted in depletion of ground water and lowering of the water table, causing wells to run dry. ARWSP emphasised (1986) long term sustainability of sources through recharging of ground water aquifers and adoption of cleaning methods and hydro-fracturing etc. for filled up and dry tube wells. It was observed that out of 290031 hand pumps installed, only 239956 were functioning and 50075 were lying defunct as of April 2001. Of these 50075 hand pumps, only 5896 were reported as repairable and 19763 were non-repairable due to blockage of pipe line and filled up bores. The remaining 24416 hand pumps were reported as dry due to depletion of ground water. Cleaning and hydro fracturing required was Rs.4000 and Rs.5000 per tube well on an average while drilling cost was Rs.40000 to Rs.50000 per tube well. It was, however, observed that instead of cleaning the filled up tube wells and hydro-fracturing of the dry

tube wells, 16919 new tube wells were drilled at a cost of Rs.67.68 crore. This resulted in extra cost of Rs.59.22 crore.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that new tube wells were drilled in place of filled up, failed tube wells, when the cleaning and blasting/hydro fracturing also failed, to provide 40 LPCD water as per norms of ARWSP. The reply is not factually correct, as the records in the Divisions did not indicate the position mentioned by the Government.

(iii) Injudicious replacement of hand pumps

Injudicious replacement of Mark II hand pumps with Mark III resulted in avoidable expenditure of Rs.1.17 crore.

UNICEF provided 1024 India Mark III hand pumps free of cost under their aid programme to the Department. E-in-C allotted these to 3 Divisions with the instruction to replace existing Mark II hand pumps by December 1997. An expenditure of Rs.1.09 crore were incurred on replacement, which could have been utilised for installation of these hand pumps on new sources. In other 2 Divisions, it was noticed that suction pipe of 65 mm costing Rs.7.59 lakh required for Mark III hand pumps were lying idle (Balaghat: 4121m and Rewa: 675m) where Mark III hand pumps were not supplied for installation.

(iv) Depletion in water table despite conservation measures

Despite an expenditure of Rs.60.05 crore on recharging and treatment of land, the water table depleted in the areas.

The Department constructed 4374 structures (check dams-cum-dykes) and 13484 recharging points in existing tube wells at a cost of Rs.9.55 crore during 1998-2001. In addition, Rs.50.50 crore were spent on treatment of 2.34 lakh ha of land under National WaterShed Project by Agriculture Department during 1997-2000. Despite these efforts, the water table had depleted and the average depth of tube wells had increased from 60 m in 1994-95 to 120 m in 2000-2001. Audit analysis revealed that the number of hand pumps/RPWSS lying defunct increased from year to year, due to depletion of ground water as detailed below.

Position as on	Schemes lying defunct due to failure of source		
	Hand Pumps	PWSS	Spot Source
1 April 1998	13450	157	111
1 April 1999	17120	159	72
1 April 2000	17495	168	NA
1 April 2001	24416	196	256

On being pointed out in audit, the CE, Indore stated (May 2001) that impact is not observed as recharge is very slow process and ground water exploitation in most of the cases is more than the recharge possibly because these works have not been oriented in scientific manner and secondly the ground water movement is very slow and impact may be felt after few years. GOCG stated (October 2001) that all the construction done for this purpose would definitely allow the water to percolate underground and hence efforts should be encouraged. No efforts were, however, made to study the impact of the conservation measures.

(v) Non-completion of rural piped water supply schemes (RPWSS)

231 RPWSS were lying incomplete resulting in unfruitful expenditure of Rs.16.62 crore.

Piped water supply schemes (PWSS) are being executed for rural villages. The PWSS were required to be completed within 2 to 3 years. 1657 PWSS estimated to cost Rs.121.27 crore were sanctioned during 1994-99. Expenditure of Rs.129.40 crore were incurred between 1997-98 and 2000-2001. Scrutiny in audit revealed that 871 schemes were lying incomplete as of January 2001 and Government has expressed its inability to intimate the time required for completion of these schemes owing to limited financial resources. Of these, 231 schemes were test checked, which were lying incomplete after incurring an expenditure of Rs.16.62 crore (March 2001) mainly due to non-availability of funds, inadequacy of water sources, change of specification during execution, delay in supply of power and lack of coordination between District Planning Committee and the Department. This has resulted in blocking of capital of Rs.16.62 crore. It was further observed that instead of completing these schemes, the department sanctioned 372 new PWSS in 9 divisions for which funds of Rs.6.12 crore were provided during 2000-2001.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that action had been taken to complete rural PWSS at the earliest.

4.1.13 Quality of water

(i) Inadequate water quality monitoring and surveillance

Department failed to spend Rs.3.13 crore (74 per cent) on water quality testing laboratories. Only 23.45 per cent of the targeted samples were checked.

(a) GOI provided cent per cent Central assistance for setting up of a net work of laboratories to monitor water quality of rural habitations. 61 stationary laboratories were sanctioned, of which only 33 were set up as of March 2001. Out of Rs.4.26 crore provided during 1996-2001, Rs.1.13 crore (26 per cent) only were spent on the activities. Out of 3.24 lakh samples targeted for collection and testing, only 0.76 lakh samples (23.45 per cent) were tested. 26 laboratories were not provided with qualified chemists hampering water quality testing. Thus only 7 labs were functional.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG admitted (October 2001) that the staff requirement and other formalities like furniture, chemicals etc. were to be provided and stated that the quality monitoring was in progress with available facilities.

Non-construction of damaged platforms and inadequate depth of casing pipes contaminated the ground water resulting in high incidence of water borne diseases.

(b) 10213 villages had cases of diarrhea during 1997-98 due to contamination of ground water in tube wells because of damaged platforms and inadequate depth of casing pipes. The incidence of water borne diseases increased during 1998-99 with 2.87 lakh diarrhea and 2534 jaundice patients. Of these patients, 1872 suffering from diarrhea and 36 from jaundice died.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that action had already been taken for repairing of platform etc.

(ii) Excessive fluoride in drinking water

No remedial measures to control excess fluoride in 2729 villages were taken.

(a) 3340 villages were identified up to March 2001 as having excess fluoride in water. Schemes for 611 villages (18 per cent) in 5 districts were taken up between October 1994 and 1998 at a cost of Rs.64.60 crore. Of these 186 schemes were complete, 76 partially complete, 309 under progress and 40 had not been taken up to March 2001. No remedial measures were taken in the remaining 2729 villages (82 per cent).

Incorrect inclusion of 17 villages having sufficient safe sources in the Shivpuri project resulted in avoidable cost of Rs.1.58 crore.

(b) In Shivpuri district 24 villages were taken (January 1996) under fluoride Sub-Mission. Out of 20 de-fluoridation plants (DFP) & 4 PWSS, 16 DFP and 2 grouped piped water supply schemes were completed at a cost of Rs.86.19 lakh as of March 2001. The cost was revised to Rs.1.78 crore, in February 2001. It is seen that out of 24 villages, 17 villages already having a safe source of water were also included under the programme resulting in avoidable cost of Rs.1.58 crore.

(iii) Arsenic, a toxic material was observed (September 1998) in water in 11 villages of district Rajnandgaon but no remedial measures were taken as of March 2001.

On this being pointed out, GOCG stated (October 2001) that after detection of arsenic in Chowki block all the affected sources were closed and a scheme with safe source was also executed in the village. All nearby sources were also got examined through NEERI, Nagpur and appropriate action taken. The reply is not tenable, as the scheme executed was only for the Kaudikasa village and for 5 villages PWSS had been proposed at a cost of Rs.33.68 lakh, which were not approved as of June 2001.

(iv) Excess salinity (brackishness) in drinking water

Except for Ujjain and Durg district, no remedial measures were taken to control the excess salinity in 10 districts.

Measures to control excess salinity include bringing the total dissolved solids within permissible limits after treatment or by providing alternate sources. Excess salinity in drinking water is prevalent in 1729 water sources of 822 villages in 12 districts. It was however, observed that no remedial measures in any district other than Ujjain and Durg were taken up as of June 2001.

(a) Inadequate control of salinity in Ujjain district

Physical progress was not commensurate with financial progress in execution of salinity project of Ujjain district.

GOI approved a project for control of brackishness for Rs.7.74 crore in July 1997 and GOMP accorded administrative approval in February 1998. Against the release of Rs.3.77 crore (Central: Rs.2.90 crore and State: Rs.0.87 crore) an expenditure of Rs.3.14 crore was incurred as of March 2001. The project was scheduled for completion by February 2001, however, the physical progress of 29.33 per cent was not commensurate with the financial progress of 40.57 per cent. Out of 187 tube wells drilled up to March 2001, only 109 were suitable for installation of power pumps.

(b) Unwarranted project for control of salinity in Durg district

Only 1 out of 19 villages included in the salinity project is without a safe source. Durg project for Rs.1.40 crore was thus unwarranted.

A project for control of salinity in 19 villages of Durg district costing Rs.1.40 crore was approved by GOMP in June 2000 and administratively approved (June 2001) by the Government of Chhattisgarh (GOCG). The project included 9 PWSS and 5 grouped³ PWSS for the affected villages. All the villages except one had safe sources for supply of 10 LPCD drinking water as per norms. The project was thus unwarranted as brackish water could be used for washing, bathing etc.

On this being pointed out, GOCG stated (October 2001) that the project is as per requirement of people of affected area to get safe and adequate water (40 LPCD) for which the public representative were pressing hard. The reply is not tenable in view of the norms and position stated above.

(v) Excess iron in drinking water

Lack of maintenance and non-involvement of local community rendered 2640 IRP defunct resulting in infructuous expenditure of Rs.1.85 crore.

The problem of excess iron was identified in 7493 sources in 3684 villages of 16 districts. To tackle the problem, 3116 iron removal plants (IRP) were installed of which only 476 IRP were functional and 2640 IRP were non-functional due to lack of maintenance resulting in infructuous expenditure of Rs.1.85 crore.

On this being pointed out, GOCG stated (October 2001) that the IRP had gone out of order due to lack of maintenance when it was with the Gram Panchayats during 1995 and 1997. The action taken to educate the public was also in vain. The reply indicated that the departmental action did not yield fruit and the entire expenditure became infructuous.

4.1.14 Infructuous expenditure on Solar photo voltaic pumping system

Lack of proper maintenance and theft of solar panels rendered 35 SPVPS costing Rs.2.10 crore defunct.

In rural areas of 6 districts having no power, 86 solar photo voltaic pumping system (SPVPS) were installed between 1989 and 1995. Of these, only 51 SPVPS were working and 35 (41 per cent) SPVPS were not working either due to theft of solar panels or for want of proper upkeep and maintenance. The expenditure of Rs.2.10 crore on these 35 SPVPS was thus bringing no return.

On this being pointed out, GOCG stated (October 2001) that out of 48 SPVPS handed over to the Gram Panchayats for maintenance, 15 were not working due to theft of solar plates. No action was, however, taken to repair or replace the solar plates.

³ Water supply schemes with hand pumps and stand posts.

4.1.15 Performance of departmental rigs and E/M formation

Works through departmental rigs were cheaper than contractors and led to extra cost of Rs.4.98 crore in Raipur Zone.

(a) A comparison of the cost per tube well of Mechanical Division, Bilaspur with that of the Civil Divisions of Raipur Zone revealed that execution of work by departmental rigs was cheaper than that executed through contractors. Had the 30 departmental rigs been put to optimum use, Rs.4.98 crore could have been saved in the Zone during 1997-2001.

On this being pointed out, GOCG stated (October 2001) that no comments could be made on the procedure, criteria adopted by the E-in-C, Bhopal in fixing the targets.

Rs.91.70 lakh were spent on pay and allowances of staff engaged on 9 idle rigs.

(b) It was observed that in Mechanical Division, Gwalior out of 10 rigs, 9 rigs costing Rs.1.03 crore were not in operation during the year 2000-2001. Rs.91.70 lakh were spent on pay and allowance of regular and operating staff for these idle rigs during this period. The EE did not initiate any action for deployment of rigs and staff in other districts and expenditure continued to be incurred on idle staff.

Establishment expenditure was 21 per cent of the work expenditure.

(c) The E/M formation has 1 CE, 4 SEs, 4 EEs, 40 Assistant Engineers (AEs), 1 Accounts Officer (AO), 279 Sub Engineers and 542 other technical and ministerial staff. No norms were laid down by the department for the staff requirement. The total expenditure on regular establishment was Rs.37.15 crore, which was 21 per cent of the works expenditure of Rs.174 crore during 2000-2001. Audit scrutiny revealed that the E-in-C did not provide work as per the capacity of the machines during 1997-2001 to keep aging machine fleet working and the work charge and daily wages staff engaged in work.

Despite under-utilisation of existing rigs and staff, the GOMP accorded sanction (June 1999) for opening of 15 sub-divisions at the newly constituted district headquarter from 1 July 1999 and sanctioned creation of posts of 15 AEs, 60 Sub Engineers and 60 ministerial staff. Test check of 8 sub-divisions revealed that against the establishment expenditure of Rs.72.87 lakh, the work expenditure of these sub-divisions was Rs.1.29 crore (include Rs.20.53 lakh on wages of work charge and daily wages staff) during July 1999 to March 2001. Further, the department did not initiate any action for gainful utilisation of idle rigs and staff.

4.1.16 Inadequate operation and maintenance

Poor operation and maintenance of hand pump and water supply schemes resulted in unfruitful expenditure of Rs.305.30 crore.

(a) The guidelines stipulated priority for proper upkeep and maintenance of the drinking water sources. 15 per cent of ARWSP funds supplemented by 15 per cent MNP funds were required to be earmarked for operation and maintenance of water supply schemes. Scrutiny in audit revealed that only Rs.182.23 crore (21.25 per cent of total expenditure of Rs.855.03 crore under ARWSP and MNP) were incurred on operation and maintenance of water supply assets during 1997-2001. Thus due to inadequate funds, 44179 hand pump costing Rs.220.90 crore and 844 RPWSS costing Rs.84.40 crore were not functioning as of April 2001 despite diversion of Rs.18.65 crore from plan resources. This deprived 1.27 crore rural population of the benefit of safe drinking water.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that the Department is giving full attention on maintenance of hand pumps. PWSS are maintained by respective Gram Panchayats and the Department is giving cooperation and technical aid as and when required. In case of drying of sources, another source has been developed and handed over to Gram Panchayat.

(b) Non-maintenance of inventory of assets

Inventory of assets were not maintained at district level.

As per instruction of GOI and GOMP, each village panchayat, block and district were required to maintain a complete inventory of assets in respect of all drinking water sources created. The inventory was to be kept available with the EE. Though 3.51 lakh tube wells, 4148 PWSS and spot sources were created up to March 2001, the inventory of assets was not maintained.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that inventory of assets was not maintained in prescribed proforma but complete information was available in the divisional offices.

(c) Non-involvement of women in ARWSP

No women were trained as hand pump mechanics nor were they involved in deciding the location of hand pumps and stand posts

Guidelines inter alia provided that women being the principal beneficiaries of ARWSP should be involved at each stage, particularly while deciding the location of hand pumps and stand posts in the habitations. At least 30 per cent of hand pumps mechanics were required to be women of the local area/habitation as they could take better care of operation and maintenance than the others. No women were trained as hand pump mechanics nor were they consulted while deciding on location of hand pumps and stand posts.

On this being pointed out, while GOMP failed to reply (December 2001), GOCG stated (October 2001) that earlier under DANIDA programme women care taker of each hand pump were trained. After formation of Panchayati Raj, 33 per cent Panch/Sarpanch were supposed to be women. These women used to take vital part in selection of site of hand pump and also give their suggestion in the meetings. The reply is not tenable, as the records did not indicate the role of women in any of the activities.

4.1.17 Community Participation - Sector Reforms Projects

Neither physical nor financial progress of sector reforms were available at Zonal level though Rs.13.25 crore released on it.

(i) GOI introduced sector reforms in the drinking water sector from 1999-2000 with the objective of institutionalised community participation in rural water supply scheme and shifting of Government's role for direct service delivery through constant interaction with user communities by 10 per cent sharing of capital cost and 100 per cent of operation and maintenance cost. 5 districts of the State were selected under sector reforms and GOI approved water supply and sanitation projects costing Rs.171.13 crore (water supply: Rs.167.23 crore and sanitation: Rs.3.90 crore) during 1999-2001. Rs.13.25 crore were released to the Divisions during 2000-2001. Physical and financial progress had not been monitored at the Zonal level.

Rs.12.09 crore (though not required) were spent out of ARWSP funds in sector reforms districts.

(ii) Guidelines stipulated that once the sector reforms projects are approved, ARWSP funds are not to be utilised for rural water supply activities in that district. Contrary to this, ARWSP funds of Rs.12.09 crore were spent by the Divisions during 2000-2001 in the five districts where the sector reforms projects were approved resulting in avoidable expenditure of Rs.12.09 crore which could have been used in other districts.

4.1.18 Material Management

(i) Purchase of material without requirement

Material worth Rs.6.27 crore was purchased in excess of requirement.

The Government instructed (1988), that only those items should be procured which could be consumed within 6 months. Contrary to these instructions, 21 divisions procured material in excess of requirement resulting in material worth Rs.6.27 crore lying unutilised (6 to 360 months). Spare parts for Rs.43.26 lakh for the machines, which had already been written off were lying idle in 2 E/M divisions. The SE directed (November 2000) the EEs to ascertain the possibility of utilisation of these spares after slight modification. No developments were reported as of September 2001.

(ii) Shortage of stores awaiting recovery

No action was taken to recover the shortage of stores worth Rs.83.84 lakh.

Physical verification of the stores conducted (August 2000) by the Director of Treasuries and Accounts revealed shortage of stores worth Rs.83.84 lakh in 36 divisions. The E-in-C directed (November 2000) the CEs to take action on the physical verification reports. But no effective action to recover the value of missing items of stores had been taken by the CEs as of June 2001.

(iii) Non-disposal of unserviceable stores

Efforts had not been taken to write off and dispose of the unserviceable stores worth Rs.2.91 crore.

Stores costing Rs.2.91 crore, which had become unserviceable, were lying in the stores of 56 divisions. Age-wise details of unserviceable stores were not available. No serious efforts had been initiated for write off and subsequent disposal of unserviceable stores as of April 2001.

(iv) Non-submission of MAS account by subordinates

MAS accounts for materials worth Rs.12.35 crore were not maintained.

Submission of the Material at Site (MAS) accounts was in arrears from 1987-88 onwards, in 7 divisions test checked. Materials worth Rs.12.35 crore were charged direct to works between September 1987 and January 2001 but no MAS accounts were maintained.

4.1.19 Inadequate Human Resource Development (HRD)

Only 18442 (32.53 per cent) grass root level workers were trained.

The grass root level training programme was being conducted by the Technical Teachers Training Institute (TTTI), Bhopal. Against a target of training for 56684 grass root level workers, the achievement was merely 18442 (32.53 per cent) after incurring expenditure of Rs.74.09 lakh out of Rs.1.35 crore provided by GOI. Further, 2504 sarpanchs, not included in the programme, were also trained at a cost of Rs.7.77 lakh in Phase I (1995-98) without approval of GOI and GOMP. No evaluation of the programme was

PUBLIC WORKS DEPARTMENT

4.2 Management of Stores

4.2.1 Highlights

The Public Works Department is a large purchaser of specialised stores but lacked a separate purchase unit/standing committee. Huge excesses in expenditure over budget allotments and diversion of funds meant for plan/deposit works were noticed. Non-maintenance of basic records and violation of accounting principles resulted in lack of control, payment of higher prices, excess accumulation of stores etc and possible pilferage of stores.

Purchase of stores in excess of requirement led to accumulation of huge stock worth Rs.33.06 crore.

(Paragraph 4.2.4(a))

Tools and Plants worth Rs.4.36 crore were procured between 1995-96 and 1999-2000 without allotment of funds.

(Paragraph 4.2.4(b))

RCC hume pipes worth Rs.1.03 crore injudiciously procured during 1997-98 and 1998-99, of which pipes costing Rs.73.71 lakh were lying unused as of August 2001.

(Paragraph 4.2.5(B)(i))

Excess consumption of 1081 MT bitumen emulsion worth Rs.1.08 crore during 1995-96 and 1996-97 was noticed.

(Paragraph 4.2.5(A)(vi))

Use of 380.60 MT cutback bitumen, a costlier binder, during 1995-96 to 1999-2000, resulted in extra cost of Rs.55.88 lakh.

(Paragraph 4.2.5(A)(v))

Items reserved for procurement from Madhya Pradesh Laghu Udyog Nigam were purchased from open market at exorbitant rates resulting in extra cost of Rs.41.24 lakh.

(Paragraph 4.2.5(B)(ii)(a))

Material worth Rs.40.95 crore was debited to work without verification of its actual consumption between 1998-2000.

(Paragraph 4.2.7)

4.2.2 Introduction

The Public Works Department (Department) is responsible for the construction and maintenance of residential and non-residential buildings, roads, bridges etc for the Government of Madhya Pradesh (GOMP). It also constructs and maintains national highways within Madhya Pradesh (MP) and holds stores of materials required for construction and maintenance.

Stores accounts are categorised as (i) stock suspense account⁴, (ii) tools and plants account⁵, (iii) road metal returns⁶ and (iv) material at site account⁷.

4.2.3 Organizational set up and audit coverage

The Department is headed by an Engineer-in-Chief (E-in-C) who is assisted by eight Chief Engineers (CEs), six⁸ of whom are incharge of zones and Superintending Engineers (SEs). There were 128 divisions, which came down to 92 after transfer of 36 divisions to Chhattisgarh with effect from 1 November 2000, headed by Executive Engineers (EEs). The E-in-C, CEs, SEs and EEs have been delegated powers for purchase of stores by GOMP. The actual administration of stores in terms of its acquisition, custody and distribution is managed by EEs.

This review covers the management of stores including procurement, receipt and issue, custody, condemnation, sale and stock taking. For this purpose, the records of 11 out of 35 divisions of two Zones (Central and West) for the years 1995-96 to 1999-2000 were test checked during August 2000 to June 2001. The results are discussed in the succeeding paragraphs.

4.2.4 Allotment and Expenditure

(a) Stock Suspense

Financial Rules provide that each Department shall be responsible for control over expenditure against the sanctioned grants/appropriations authorised by Legislature. Besides, Government also introduced (1976) a letter of credit (LOC) system in works departments to ensure expenditure is within control over sanctioned grants/appropriations. The Department, however, could not control the expenditure within the budgetary limit because the EEs did not restrict the payments/expenditure within LOC/allotment and diverted the LOC from one head to another bypassing the rules.

The position of allotment and expenditure under the stock suspense during 1995-96 to 2000-2001 was as under:-

⁴ Accounts of consumable materials like cement, steel, spare parts of machinery etc.

⁵ Accounts of equipment, which can be shifted from one work site to another as and when required for construction activities.

⁶ Accounts of metal, moorum, gravel etc used in road work whose cost is charged directly to the work.

⁷ Accounts of materials charged direct to work.

⁸ National Highways, Bridges, North, West, Capital and Central.

(Rupees in crore)

Year	Departmental figures			AG(A&E)'s figure's		
	Allotment	Expenditure	Excess(+)/ Saving(-)	Allotment	Expenditure	Excess(+) Saving(-)
1995-96	29.20	115.30	(+) 86.10	71.00	117.87	(+) 46.87
1996-97	37.28	115.35	(+) 78.07	74.55	115.45	(+) 40.90
1997-98	82.00	87.57	(+) 5.57	82.00	87.90	(+) 5.90
1998-99	82.01	59.66	(-) 22.35	82.01	59.75	(-) 22.26
1999-2000	36.90	30.95	(-) 5.95	82.00	34.12	(-) 47.88
2000-01	20.00	26.88	(+) 6.88	50.00	31.66	(-) 18.34

The above figures showed that during 1995-96 to 1997-98 and 2000-2001 there had been excesses over budget allotments, while in 1998-99 and 1999-2000, there were huge savings, indicative of improper budgeting and control over expenditure. Moreover, there were huge differences between the figures of the Accountant General (A&E) and the Department which remained unreconciled, though the rules provide for periodic reconciliation.

Purchase of stores in excess of requirement led to accumulation of huge stock worth Rs.33.06 crore.

Further, the amount of stock should be kept at the lowest point compatible with the progress of works. There were significant closing stock balances at the end of 1995-96 to 2000-2001 indicating that procurement was made not only in excess of budget provisions but also without requirement in every year except in 1998-99 and 1999-2000.

(Rupees in crore)

Years	Opening balance	Receipt	Issue	Closing balance
1995-96	27.29	117.87	116.37	28.79
1996-97	28.79	115.45	111.55	32.69
1997-98	32.69	87.90	84.33	36.26
1998-99	36.26	59.75	68.18	27.83
1999-2000	27.83	34.12	32.49	29.46
2000-2001	29.46	31.66	28.06	33.06

Expenditure of Rs.185.21 crore on "Stock suspense" in 2 Zones during 1995-96 to 1998-99 exceeded the total allotment of Rs.73.50 crore by Rs.111.71 crore (152 per cent).

The scrutiny of records of two Zones (Central and West) revealed that the expenditure (Rs.185.21 crore) had exceeded the allotment (Rs.73.50 crore) by 25 per cent to 692 per cent between 1995-96 and 1998-99, indicating defective budgetary control over expenditure, as shown below:

(Rupees in crore)

Year	Central Zone (Jabalpur)				West Zone (Indore)			
	Allotment	Expenditure	(+) Excess/ (-) Savings	Percentage of excess	Allotment	Expenditure	(+) Excess/ (-) Savings	Percentage of excess
1995-96	5.00	22.33	(+) 17.33	347	5.00	39.62	(+) 34.62	692
1996-97	6.25	24.36	(+) 18.11	290	7.50	25.65	(+) 18.15	242
1997-98	16.00	23.17	(+) 7.17	45	16.00	20.04	(+) 4.04	25
1998-99	8.75	16.07	(+) 7.32	84	9.00	13.97	(+) 4.97	55
1999-2000	7.75	6.31	(-) 1.44		5.03	3.49	(-) 1.54	

Although the rules prohibit the diversion of letters of credit (LOC) from one head to another, expenditure was, however, incurred by utilising LOCs for other heads of account, adversely effecting activities under those heads.

(b) Tools and plants

Tools and plants worth Rs.4.36 core were procured by diverting LOC under other heads.

The Madhya Pradesh Works Department Manual provides that no expenditure should be incurred on item of works without provision of funds. Tools and plants worth Rs.4.36 crore were, however, procured during 1995-2000 by diverting LOC from other heads of account in Central and West Zones without funds being available, as given below.

		(Rupees in lakh)					
		1995-96	1996-97	1997-98	1998-99	1999-2000	Total
1.	Central Zone	91.40	73.25	83.44	38.44	12.22	298.75
2.	West Zone	44.16	44.77	23.65	21.52	2.81	136.91
	Total	135.56	118.02	107.09	59.96	15.03	435.66

4.2.5 Procurement of materials

(A) Purchase of bitumen, bitumen emulsion and cut back bitumen

Bitumen is a major item of purchase in the Department. Supply orders are placed by the CE of respective zone through DGS&D. The CEs are also required to ensure the timely receipt of bitumen against the supply orders placed.

It was, however, noticed in 7 divisions that against indented quantity of 29680 MT, only 24789 MT of bitumen had been received during 1995-2000. The bitumen not received (4891 MT) was 16 per cent of the indented quantity (as per **Appendix XXVI**). Further, a substantial quantity of bitumen was received in the years subsequent to those in which the supply orders, were placed with delays ranging from 1 to 2 years. Thus, due to lack of monitoring of timely receipt of bitumen, there is a possibility of its short supply/pilferage remaining undetected.

Test check of 11 divisions for 1995-2000 revealed the following.

(i) In Ujjain division, a quantity of 152.275 MT bitumen costing Rs.4.96 lakh received during 1989-90, was not accounted for in stock accounts. Pilferage was detected in 1997 during verification of AG's adjustment memos by the Division. Though responsibility against the delinquent officials was fixed and the amount placed under the suspense head 'Miscellaneous Works Advances' against the officials, no recovery had been made as of May 2001.

(ii) In Satna division, against actual issue of 311.493 MT of bitumen as per indents during 1995-96, 324.493 MT was shown in Stock Account as issued, resulting in pilferage of 13 MT of bitumen costing Rs.1.30 lakh. EE admitted the fact and agreed to effect the recovery.

(iii) Since bitumen emulsion has a shelf life of 12 months, the E-in-C had instructed (February 1992) that it be utilised preferably within 6 months and invariably within 12 months from the date of manufacture. Scrutiny revealed that in 3 divisions⁹, 632 drums (126.46 MT) bitumen emulsion costing Rs.12.64 lakh, which had outlived its life of 12 months, was lying in stock.

⁹ Ujjain-389, Raisen-210 and Shajapur-33.

(iv) Cutback bitumen and bitumen emulsion (cationic type) are binders in liquid form generally preferred in rainy season when cold mixing is advantageous. Both the binders serve the same purpose as regards patch repair work. However, the cut back bitumen is three times costlier than bitumen emulsion. The E-in-C directed (February 1992) that bitumen emulsion be procured for patch repair of roads during rainy season.

Procurement of costlier cut-back bitumen caused avoidable extra cost of Rs.55.88 lakh.

However, test check of 5 divisions of Central Zone and 1 division of West Zone revealed that 380.60 MT of cut back bitumen costing Rs.88.52 lakh¹⁰ was procured during 1995-96 to 1999-2000 for patch repair work at an avoidable extra cost of Rs.55.88 lakh as compared to the rates of bitumen emulsion.

Avoidable expenditure of Rs.48.83 lakh was incurred on unnecessary use of bitumen emulsion in open season.

(v) Although bitumen emulsion was required only during and just after the rainy season, it was, however, seen that 1894.4 MT¹¹ of bitumen emulsion was utilised in the open season when paving bitumen (cheaper binder) could have been utilised. This resulted in an avoidable expenditure of Rs.48.83 lakh during 1995-96 to 1997-98.

Excess consumption of 1081 MT binder costing Rs.1.08 crore was noticed.

(vi) In Shajapur division, 2413 MT of binder was shown as having been consumed during 1995-96 and 1996-97 along with 16,239 cu m (compacted quantity) of road metal for patch repairs. As per MOST specifications, 1332 MT of binder is required with 16,239 cu m of road metal leading to excess consumption of 1081 MT of binder costing Rs.1.08 crore. Further, MAS accounts/MBs for the above consumption could not be shown to Audit.

(B) Other items

(i) Unauthorised and injudicious procurement of RCC hume pipes

As per Government orders (August 1993), construction of culverts is to be awarded to the agencies as composite work, including providing of hume pipes, to avoid losses due to breakage of pipes and blocking of funds due to non-utilisation thereof.

RCC pipes worth Rs.1.03 crore injudiciously procured, of which pipe costing Rs.73.71 lakh were lying unused.

Contrary to above, during 1997-98 and 1998-99 RCC hume pipes of different diameters valuing Rs.1.03 crore were procured from MPLUN in two divisions¹². In Shahdol division, the entire pipes costing Rs.56.07 lakh remained unused, while in Narsinghpur Division the pipes costing Rs.17.62 lakh were lying unused as of August 2001.

¹⁰ Central Zone: Satna- 144.80 MT (Rs.33.86 lakh), Katni- 104.00 MT (Rs.24.09 lakh), Shahdol- 78.20 MT (Rs.18.80 lakh), Jabalpur- 4.20 MT (Rs.1.01 lakh), Narsinghpur 19.40 MT (Rs.4.46 lakh). West Zone: Raisen- 30 MT (Rs.6.30 lakh).

¹¹ Shajapur-716.880 MT, Khandwa-499.00 MT, Khargone-148.40 MT, Ujjain-376.800 MT and Raisen-153.40 MT.

¹² Shahdol Rs.56.09 lakh, Narsinghpur Rs.46.61 lakh.

(ii) Unauthorised procurement of items from open market

Purchases of Rs.1.71 crore were made from open market and not from MPLUN as required under rules.

Rules provide that articles produced by Small Scale Industrial (SSI) units of the State should be purchased through MPLUN. Purchases from open market may be made only after obtaining non-availability certificate (NAC) from MPLUN. However, purchases worth Rs.1.71 crore of reserved items were made during 1995-96 to 2000-2001 in 9 divisions¹³ without obtaining NAC from MPLUN.

Extra cost of Rs.19.62 lakh was incurred on procurement and Rs.21.62 lakh on providing and fixing of road sign boards at higher rates.

(a) Four EEs¹⁴ procured road sign boards of various sizes locally for Rs.43.22 lakh during 1995-2000 without (i) assessing the requirement and (ii) obtaining NAC from MPLUN. Orders were split up to avoid the necessity of approval by higher officers. An avoidable extra cost of Rs.19.62 lakh was incurred on these purchases as compared to MPLUN rates.

(b) Similarly, 4 divisions¹⁵ issued work orders for providing and fixing of road sign boards costing Rs.44.86 lakh. On analysis of these rates, it was observed that the material was procured at rates higher than those of MPLUN during 1994-95 to 1998-99 resulting in extra cost of Rs.21.62 lakh on procurement of material.

(iii) Bazar articles

Material worth Rs.1.17 crore was procured against invalid contract.

Material required for maintenance and repairs of buildings is purchased through bazar supply agreements for each financial year. Scrutiny revealed the following points.

(a) In 65 agreements, material of Rs.33.45 lakh¹⁶ was procured after expiry of the contract indicating poor financial discipline. The bills were paid in piece meal thereby diluting control.

(b) The EEs of 4 divisions¹⁷ unauthorisedly approved 109 tenders for purchase of bazar articles worth Rs.60.05 lakh, though they had no powers to do so.

(c) The EE, Khargone procured material of Rs.23.23 lakh during 1996-97 and 1997-98 against 8 agreements valuing Rs.4.50 lakh and valid for 1996-97 only, without calling for fresh rates. The SE approved (June 1998) extension of the contract although in a bazar supply agreement there is no clause for extension of contract.

¹³ Indore Rs.9.45 lakh, Khargone Rs.16.02 lakh, Narsinghpur Rs.10.61 lakh, Satna Rs.3.01 lakh, Katni Rs.2.25 lakh, Shahdol No.1 Rs.31.41 lakh, Khandwa Rs.21.43 lakh, Ujjain Rs.36.00 lakh and Jabalpur Rs.40.85 lakh.

¹⁴ Ujjain-Rs.21.29 lakh, Indore-II-Rs.0.35 lakh, Khandwa-Rs.20.48 lakh and Narsinghpur-Rs.1.10 lakh.

¹⁵ Khargone-Rs.12.57 lakh, Indore-II-Rs.11.26 lakh, Shajapur-Rs.4.46 lakh and Khandwa-Rs.16.57 lakh.

¹⁶ Ujjain-Rs.4.39 lakh, Shajapur-Rs.3.20 lakh, Shahdol-I-Rs.2.08 lakh, Narsinghpur-Rs.4.52 lakh, Indore-II-Rs.2.11 lakh, Khandwa-Rs.16.22 lakh and Jabalpur-I-Rs.0.93 lakh.

¹⁷ Satna-Rs.13.10 lakh, Khargone-Rs.4.50 lakh, Shajapur-Rs.10.05 lakh and Ujjain-Rs.32.40 lakh

(iv) Splitting up of purchases

Material worth Rs.70.83 lakh was procured by splitting up supply orders to avoid approval of higher officers.

Purchases worth Rs.70.83 lakh were made during 1995-96 to 1999-2000 by 8 EEs¹⁸ through supply orders which were split up into 1869 numbers to ensure that amount of each order was below Rs.5000 so as to avoid the necessity of approval of higher officers.

It was also seen that a number of supply orders had been placed on a supplier on the same date for the same items/group of items in utter disregard of purchase rules. A few examples are cited below.

SL.No.	Name of division	Date of issue of supply order	No. of supply orders	Particular of item	Amount (Rupees)
1.	Indore Dn. II	28 July 1998	5 of Rs.4892 each	Welded mess	24460
2.	Indore Dn. II	28 August 1998	-- do --	-- do --	24460
3.	Narsinghpur	30,31 December 1997	40 of Rs. 4992 each	Junction board of angle iron	199680
4.	Satna	2 April 1998	6 of Rs. 4992 each	Non-woolen carpet	29952
5.	Shahdol	18,19 November 1998	20 below Rs.5000 each	T & P	90475
6.	Ujjain	2, 3 August 1995	74 of Rs.2000 each	Gumboots, handgloves and PVC moulded chairs	152000

The supply orders were split up by EEs to make purchases within their financial powers.

4.2.6 Non accounting of liabilities

Stores should be procured in accordance with requirements and the availability of funds. The cost of purchases made on credit should be credited immediately to "Material Purchase Settlement Suspense Account" (MPSSA) by contra debit to stock suspense or work as the case may be. The 'MPSSA' should be cleared when the payment is actually made.

Stores worth Rs.3.56 crore purchased on credit during 1994-95 to 1999-2000, were not accounted for under MPSSA and paid for after delay of 6 to 36 months by diverting the funds.

(i) Test check of records of 11 divisions (**Appendix XXVII**) revealed that stores worth Rs.3.56 crore purchased on credit between 1994-95 and 1999-2000, were not accounted for in Government accounts during the month of their receipt, resulting in rendering distorted account to Accountant General (A&E). Cost of the material was paid for and debited to works/stock after delays ranging from 6 to 36 months in subsequent years by utilising LOCs for plan and deposit works and establishment. Bypassing the accounting system diluted the system of cross check and may lead to pilferage remaining undetected.

(ii) Test check in Shahdol and Raisen divisions revealed that against the balances of Rs.3.23 crore and Rs.2.36 crore under MPSSA, AG's adjustment memos of Rs.4.14 crore and Rs.4.09 crore, respectively, were pending. This indicated that bookings under MPSSA were incomplete as these should in no case be less than the pending liabilities shown in the AG's adjustment memos, which include other items also.

¹⁸ Indore No.2 Rs.4.51 lakh, Khargone Rs.17.32 lakh, Narsinghpur Rs.8.92 lakh, Katni Rs.2.55 lakh, Shahdol No.1 Rs.11.38 lakh, Khandwa Rs.5.98 lakh, Ujjain Rs.16.14 lakh, and Satna Rs 4.03 lakh..

4.2.7 Lack of verification and control over expenditure

As per rules, the material issued/procured for maintenance works should be routed through MAS accounts and RMRs. These accounts were either not being maintained at all or were maintained incorrectly and were not submitted timely and regularly with the progress register to the divisions. Although these are important initial accounts for checking and control of stores, no effective remedial action was taken even after the matter was reported in paragraph 2.1.11(ii) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997 Government of Madhya Pradesh, and reported through inspection reports every year.

Rs.40.95 crore was finally booked to works without verification of actual utilisation of material.

In 11 Divisions material worth Rs.40.95 crore was debited to maintenance works during the period 1998-99 and 1999-2000, but in the absence of MAS/RMR Accounts, its utilisation could not be verified and the possibility of pilferage by fictitious adjustment cannot be ruled out. Further, the cost of unused material was not adjusted back at the end of financial year resulting in the expenditure on the works being inflated.

4.2.8 Abnormal delay in payment of pending claims of DGS&D

Payments of stores obtained through DGS&D by indenting officers of the State Government were being made (before 1 October 1996) by the former on the proof of despatch of goods and subsequently claimed from the State Government through the AG of the State.

1215 claims of DGS&D worth Rs.19.37 crore were lying unadjusted.

As of 31 March 2001, 1215 claims worth Rs.19.37 crore communicated by the AG had not been verified and adjusted in 11 Divisions. Of these, 792 claims for Rs.9.08 crore pertained up to the year 1995-96. Such long delays in verification of claims by the divisions may result in short supply of material/loss of stores, remaining undetected. In paragraph 2.8 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2000, such delays in verification of claims highlighting the pilferage of bitumen worth Rs.65.38 lakh in East Zone was mentioned.

Lack of timely adjustment has resulted in incorrect/fictitious adjustment as discussed below.

Rs.2.25 crore was fictitiously adjusted to "Stock Suspense" instead of works.

- (i) Scrutiny revealed that AG's memos worth Rs.14.01 crore, had been adjusted by 6 divisions during 1995-96 to 1999-2000 by debiting Rs.2.25 crore¹⁹ to "Stock Suspense" and Rs.11.76 crore to MPSSA. The adjustment of difference in cost of material through "Stock Suspense" instead of the "works concerned" was fictitious, resulting in inflation of stock balances, as the material had already been issued to works and was not lying in stock.

¹⁹ Khargone -Rs.64.11 lakh, Indore-II - Rs.33.34 lakh, Satna- Rs 6.68 lakh, Shajapur-Rs.22.08 lakh, Ujjain- Rs.45.04 lakh and Khandwa- Rs.54.02 lakh..

- (ii) In Khargone Division against receipt of 165.61 MT of bulk bitumen, 168.98 MT had been adjusted in March 1996, resulting in excess adjustment of 3.37 MT.
- (iii) AG's adjustment memos worth Rs.31.55 lakh were adjusted during 1995-96 to 1999-2000 in 5 divisions²⁰ by debiting the amount to "Stock Suspense" which indicated that the material was not accounted for at the time of its receipt.

The above adjustment clearly showed that the Department was not following codal provisions in maintenance of accounts which had resulted in rendition of incorrect accounts to the Accountant General (A&E) and inflation of stock balances.

4.2.9 Cash Settlement Suspense Account

A mention was made vide paragraph 2.1.6 (ii) of the Audit Report for the year ended 31 March 1997, that the LOC for Rs.4.17 crore and Rs.3.69 crore during 1994-95 and 1995-96, respectively, were issued by the CE West Zone against a pending liability of Rs.51.50 lakh under CSSA. The liabilities were not cleared and the LOC was diverted towards non-plan expenditure. No action was taken by the Government.

The following irregularities were also noticed.

Rs.1.31 crore against 461 originating items and Rs.69.33 lakh against 236 responding items had remained unadjusted since long.

- (i) Material worth Rs.1.31 crore (461 items) transferred to other divisions and material worth Rs.69.33 lakh (236 items) received from other divisions prior to 1984-85 remained unadjusted as of March 2001.
- (ii) Despite introduction of the "Cash and Carry" system in May 1984, in 3 divisions²¹ the material worth Rs.33.86 lakh was lent to other divisions during 1986-87 to 1998-99. The amount was kept under "Miscellaneous Works Advances" against indenting divisions, which had not been cleared as of March 2001.

4.2.10 Custody of stores and maintenance of account

Important basic records of stores accounts not maintained diluting accountability and control.

- (i) Indent books are used to issue materials and should be machine numbered by the division before issue like measurement books. These were, however, being procured directly from open market by SDOs/Sub Engineers, and used without maintaining the prescribed register of indents in the divisions. The indents were not issued in chronological order and at times, indents bearing the same number had been issued by the same sub division in

²⁰ Shajapur: 9 items Rs.7.19 lakh; Ujjain: 3 items Rs.0.60 lakh; Khargone: 1 item Rs.5.88 lakh Indore 13 items Rs.12.25 lakh and Satna: 1 item Rs.5.63 lakh.

²¹ Khargone- Rs.13.81 lakh, Ujjain-Rs.18.17 lakh and Shajapur- Rs.0.88 lakh.

the same month. These laxities may result in pilferage of material drawn against unauthorised/counterfeit indents.

(ii) The Price Stores Ledger (PSL) is required to be maintained for daily transactions of receipt and issue of store articles and closed monthly for both quantity and value. At the end of each year, the value of store articles should be revised at current market rates showing profit and loss to be adjusted in accordance with the provisions of CPWA Code. It was, however, seen that the PSL was not closed and balanced at current market rates by the divisions test checked. Thus the balances shown under financial account of Stock (Form-73) are not realistic.

(iii) Survey report in respect of unserviceable articles should be prepared in Form 18 and submitted to the competent authority for sanctioning disposal. However, no survey reports were prepared, resulting in accumulation of heavy balances of unserviceable items and the incurring of avoidable storage costs.

Reserve stock limit had not been fixed for retention of stock in most of the Divisions.

(iv) According to MP Works Department Manual, no reserve stock should be maintained without the specific sanction of the competent authority. It was noticed that Reserve Stock Limit was not fixed in 11 divisions during the period between 1995-96 and 1999-2000 but huge stock balances were maintained as shown in Appendix XXVIII.

In the following 3 divisions stores were retained in excess of the RSL in the indicated years.

(Rupees in lakh)

Sr. No.	Division	Year	RSL Sanctioned	Balance retained
1.	Ujjain	1997-98	82.00	106.44
2.	Jabalpur	1999-2000	50.00	120.41
3.	Satna	1999-2000	12.00	14.00

Surplus steel worth Rs.46.05 lakh was lying unutilised.

(v) In 13 divisions, 328.946 MT steel worth Rs.46.05 lakh²² was lying unutilised since the last 5 to 10 years. Effective steps either to transfer it to other divisions or to dispose it of by auction or otherwise, as required under rules, had not been taken as of March 2000, resulting in blockade of Government money and further deterioration of steel due to rusting.

Empties worth Rs.98.28 lakh were not disposed of.

(vi) Containers such as empty drums/barrels of bitumen, bitumen emulsion and cut back bitumen should promptly be returned to stores after utilisation for timely disposal to avoid deterioration and early realisation of revenue. In 9 divisions test checked, 45358 drums and 17641 barrels costing Rs.98.28 lakh had not been disposed of since 5 years.

²² Narsinghpur -Rs.7.50 lakh, Khargone- Rs.0.65 lakh, Raisen -Rs.1.10 lakh, Indore-II- Rs.0.86 lakh, Dewas-Rs.3.40 lakh, Mandsaur- Rs.1.01 lakh, Shajapur- Rs.3.75 lakh, Alirajpur- Rs.1.07 lakh, Shahdol- Rs.4.51 lakh, Katni- Rs.5.13 lakh, Mandsaur- Rs.2.11 lakh, Satna- Rs.7.92 lakh, Ujjain- Rs.7.04 lakh.

Tools and plants worth Rs.33.74 lakh were not returned by the Sub-Engineers on their transfer etc.

(vii) In 6²³ Divisions tools and plants worth Rs.33.74 lakh issued long back to the Sub-Engineers and others, were not returned even after their retirement/transfer from the divisions. No steps were taken for receiving back, the issued T&P. EEs, however, assured to take action for their adjustment/recovery.

4.2.11 Fictitious adjustment of stock

Material worth Rs.37.88 lakh was fictitiously adjusted to avoid lapse of allotment.

Fictitious adjustment of stock to avoid lapse of allotment is strictly prohibited under rules. In 4 divisions²⁴ the material costing Rs.37.88 lakh had been shown as issued at the fag end of the financial years during 1995-96 to 1999-2000 and taken back in subsequent years to avoid lapse of allotment. This amounted to fictitious adjustment of stock.

4.2.12 Pending recoveries

(i) Non-adjustment of recoveries relating to stores articles

Miscellaneous Works Advance is a transitory head, which should be cleared at the earliest possible. Test check of register of Miscellaneous Works Advances revealed that in 4 divisions²⁵, Rs.38.60 lakh was outstanding against contractors/suppliers/officials as of March 2001 for the period 1994-95 to 2000-2001. No action had been taken for its adjustment.

(ii) Recoveries due from the contractors

Issue of material to the contractor was to be regulated with the progress of work in terms of agreement. In 3 divisions²⁶, material worth Rs.28.70 lakh was, however, issued to the contractors during 1990-91 to 1999-2000 in excess of requirement. Neither the material was taken back to store nor recovery effected/adjusted.

The matter was reported to the Government demi-officially in August 2001; reply was awaited (September 2001).

²³ Raisen-Rs.0.92 lakh, Narsinghpur-Rs.6.96 lakh, Katni-Rs.14.69 lakh, Shahdol-Rs.8.45 lakh, Jabalpur-Rs.2.19 lakh and Shajapur-Rs.0.53 lakh.

²⁴ Katni-Rs.15.84 lakh, Ujjain Rs.5.57 lakh, Shajapur Rs.6.02 lakh and Khandwa Rs.3.32 lakh.

²⁵ Shajapur-Rs.3.40 lakh, Ujjain-Rs.10.72 lakh, Satna-Rs.13.04 lakh and Katni-Rs.11.44 lakh.

²⁶ Shahdol Rs.19.72 lakh, Narsinghpur- Rs.1.46 lakh and Shajapur Rs.7.52 lakh..

WATER RESOURCES DEPARTMENT

4.3 Working of Water Resources Department

4.3.1 Highlights

Against available natural resources for irrigation of 43 lakh hectares (ha), an irrigation potential of 13.40 lakh ha (22.98 *per cent* of net sown area (NSA)) had been developed before the creation of Chhattisgarh. Actual utilisation of irrigation potential was 9.01 lakh ha. (67.24 *per cent*) in 1999-2000 which fell to 5.32 lakh ha (39.70 *per cent*) in 2000-2001.

(Paragraph 4.3.2)

Out of funds of Rs.111.57 crore provided by the Government between 1 November 2000 and 31 March 2001, Rs.26.67 crore (23.90 *per cent*) remained unutilised.

(Paragraph 4.3.5.1)

455 technical officers, drawing pay and allowances totalling Rs.8.20 crore annually were attached to various offices in a supernumerary capacity. Payment of Rs.7.54 crore was being made annually to 2323 surplus daily wage and work charged staff.

(Paragraphs 4.3.6.1 and 4.3.6.2)

409 schemes (designed potential 4.01 lakh ha.) are incomplete due to shortage of funds. Similarly 503 minor schemes having designed potential of 2.88 lakh ha have not been taken up for execution owing to financial crunch.

(Paragraph 4.3.7)

Utilisation of irrigation potential in medium projects ranged from 14 to 100 *per cent*. 783 minor schemes having a potential of 1.10 lakh ha provided no irrigation during 1999-2000.

(Paragraph 4.3.7.4)

Rs.26.61 crore were lying unrecovered/unadjusted in suspense head Miscellaneous Public Works Advances for 1 to 10 years. Cheques amounting to Rs.5.14 crore and remittances of Rs.14.22 crore have not been reconciled with treasury records.

(Paragraph 4.3.9)

Expenditure of Rs.48.21 lakh incurred on the canal of a medium project proved nugatory with the site of head works being undecided.

(Paragraph 4.3.10(i))

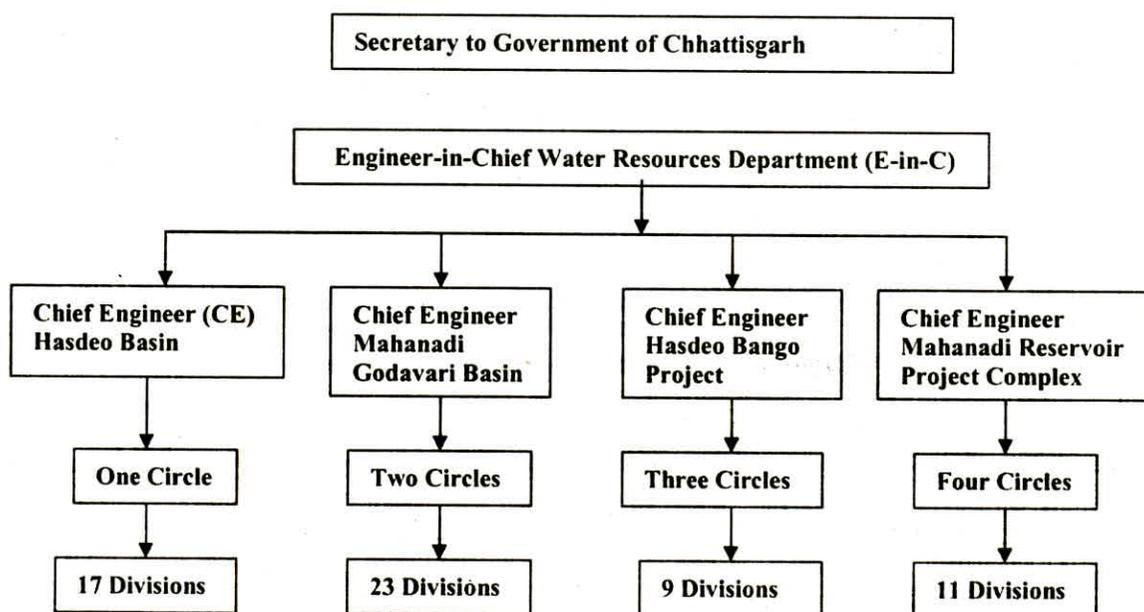
4.3.2 Introduction

The state of Chhattisgarh was created on 1 November 2000 by the State Reorganisation Act, 2000 (28 of 2000) and comprises 16²⁷ districts of the erstwhile composite Madhya Pradesh (MP). 82 per cent of the population is dependent on agriculture, which is the mainstay of the economy of the state. The available water resources are sufficient to irrigate 43 lakh ha or 73.76 per cent of the net sown area (NSA) of 58.30 lakh ha. Chhattisgarh inherited an irrigation potential of 13.40 lakh ha (22.98 per cent of NSA) from MP provided by 8 major, 30 medium and 1943 minor schemes and two partially completed major schemes. During 1999-2000, the actual irrigation in the districts of Chhattisgarh was 9.01 lakh ha i.e. 67.24 per cent of the developed irrigation potential and 15.46 per cent of NSA. With scarce rainfall in 2000-2001, actual irrigation was further reduced to 5.32 lakh ha and these percentages fell to 39.70 and 9.13 respectively.

The Government of Chhattisgarh (Government) has not finalised (May 2001) its policy on management of water resources.

4.3.3 Organisational set up

An organisational chart of the Department is given below.



4.3.4 Audit coverage

The review aimed at an overall assessment of the working of the Department with special reference to the development and utilisation of irrigation potential through various projects/schemes. The records of 10 out of 60 divisions

²⁷

Bastar, Bilaspur, Dantewada, Dhamtari, Durg, Janjgir-Champa, Jashpur, Kanker, Kawardha, Korba, Korla, Mahasamund, Raigarh, Raipur, Rajanandgaon, Sarguja

(covering 27.9 per cent of expenditure) were test checked and data was collected from the offices of the E-in-C, CEs' and Superintending Engineers (SEs) between January 2001 and May 2001. The results are given in the succeeding paragraphs.

4.3.5 Budgetary management and control

The E-in-C exercises budgetary control through the CEs who allot funds to the circles and divisions under them.

As per the information collected from the four Chief Engineers, the Department incurred an average annual expenditure of Rs.143.82 crore during the three years (1997-98 to 1999-2000) preceding the formation of the State. This excludes expenditure on electrical and mechanical works and hydro-meteorology.

4.3.5.1 Savings of Rs26.67 crore out of budget allotment of Rs.111.57 crore

The Government allotted Rs.111.57 crore to the Department between 1 November 2000 and 31 March 2001 of which Rs.84.90 crore was utilised, with a saving of Rs.26.67 crore which was 23.90 per cent of the allotment. The main reason for under utilisation was stated to be allotment of Rs.6.89 crore on 28 March 2001, which does not explain the overall saving of Rs.26.67 crore.

It was, however, seen that apart from late allotment of funds, savings were mainly due to non-availability of the letters of credit (Rs.6.89 crore), non-execution of works by the executive divisions (Rs.3.83 crore) and hydro-metrology divisions (Rs.1.21 crore), expiry of sanction of the Government of India for Dam Safety Work (Rs.0.75 core) and non-surrender of excess allotment in establishment and other heads (Rs.13.99 crore).

4.3.6 Manpower management

4.3.6.1 Rs.8.20 crore being spent annually on supernumerary officers attached to various offices

Final allocation of the staff of WRD between MP and Chhattisgarh is yet to be made (May 2001). Against a total sanctioned strength of 8221, 7013 staff were posted in the Department in Chhattisgarh. This includes 2400 technical staff of whom 455 officers (6 SEs, 35 EEs, 358 Assistant Engineers and 56 Sub Engineers) are attached to divisions, circles and direction and administration offices in addition to the sanctioned strength of these offices. Rs.8.20 crore is being spent annually on their pay and allowances.

A committee constituted (March 2001) by Government found one division and 37 sub divisions to be surplus which would further increase the number of such supernumerary officers.

On this being pointed out (June 2001), E-in-C stated (June 2001) that proposals for redeployment of technical officers had been approved (June

2001) by Government and a proposal for declaration of some formations as surplus had been submitted (May 2001) to Government.

4.3.6.2 Annual expenditure of Rs.7.54 crore on surplus daily wages staff

Further, against a requirement of 6916 work charged and daily wage staff, 9239 such staff are actually engaged, resulting in extra expenditure of Rs.7.54 crore annually on surplus staff numbering 2323, adding to the cost of the work without contributing to its progress.

On this being pointed out, (June 2001) E-in-C stated (June 2001) that a list of surplus staff was being sent to Government for orders.

4.3.6.3 Expenditure of Rs.1.05 crore on surplus staff due to disposal of vehicles

GOMP decided (January 2000) to dispose of vehicles purchased prior to 1987. In Chhattisgarh 131 vehicles were identified for disposal in one project and in two basins but only 60 were actually disposed for Rs.22.77 lakh. 71 vehicles were awaiting disposal. 131 employees rendered surplus were paid Rs.1.05 crore up to February 2002.

4.3.7 Construction and functioning of Irrigation Schemes

Against available water resources sufficient to irrigate 43 lakh ha, an irrigation potential of 13.40 lakh ha had been created through 1981 schemes (8 major, 30 medium, 1943 minor). 409 schemes (2 major, 7 medium and 400 minor) were incomplete due to shortage of funds, which on completion can irrigate 4.01 lakh hectares. Another 503 minor schemes for irrigating 2.88 lakh hectares at a cost of Rs.1180.75 crore had also been surveyed, but not taken up for execution because of lack of funds.

4.3.7.1 3 out of 93 schemes only completed at a cost of Rs.2.22 crore with NABARD loan

Loans totalling Rs.134.73 crore were sanctioned by National Bank for Agriculture and Rural Development (NABARD) between 1996-2001 for completion of 93 incomplete irrigation schemes, (2 medium and 91 minor) in Chhattisgarh. Of these, only one medium and 2 minor schemes had been completed at a cost of Rs.2.22 crore as of March 2001 creating irrigation potential of 1151 ha. Remaining 90 schemes on which Rs.31.86 crore had been spent upto January 2001 were incomplete.

4.3.7.2 No priority given to 4 districts having low irrigation in passing schemes for NABARD loan

In selecting the 93 schemes, Government of Madhya Pradesh (GOMP) did not give adequate priority to districts with a low irrigation potential. Of five districts of Chhattisgarh namely Bastar, Dantewada, Korba, Sarguja and Jashpurnagar, where the irrigation potential created was between 6 to 9 per cent of NSA, only Sarguja received priority for NABARD loans.

4.3.7.3 Poor/ low utilisation of irrigation potential under minor schemes

The actual utilisation of irrigation potential during 1999-2000 was 9.01 lakh ha as against created irrigation potential of 13.40 lakh ha. The utilisation in 5 major schemes was more than 90 per cent of created irrigation potential. In the three remaining major schemes it ranged from 58 to 67 per cent. The performance of medium projects ranged from 14 to 100 per cent. Utilisation of minor irrigation schemes is very low. Out of 1943 completed minor schemes, 1175 schemes having designed potential of 2,22,407 ha are providing irrigation below 40 per cent. There is no utilisation of irrigation potential in 783 schemes designed to cover an area of 1,10,433 ha. The position of 1175 schemes is as below:

Table-4.1

S. No.	No. of minor schemes	Created irrigation potential	Percentage of actual utilisation
1.	783 schemes	1,10,433 hectare	0 per cent
2.	127 schemes	33,987 hectare	1 to 10 per cent
3.	99 schemes	32,103 hectare	11 to 20 per cent
4.	98 schemes	30,353 hectare	21 to 30 per cent
5.	68 schemes	15,531 hectare	31 to 40 per cent
Total	1175 Schemes	2,22,407 hectare	

The shortfall in utilisation of created irrigation potential was generally stated (E-in-C) to be due to paucity of funds and lack of maintenance.

Audit scrutiny of three medium irrigation projects (MIPs) revealed that:

(i) The Jhumka MIP, completed in 1994 to irrigate 2926 ha (*Kharif* 1801 + *Rabi* 1125) in a tribal district (Korea) was underutilised by 2086 ha. It was stated that the cultivators were not willing to draw water for irrigation of the *rabi* crop despite continuous efforts. Steps taken to motivate the farmers were, however, not on record.

(ii) The command area of Maroda MIP in district Durg was reduced from a designed potential of 445 ha to 151 ha owing to development of residential area in the command. The Department did not take any action to prevent the diversion of land to non-agricultural use.

(iii) In Kunwarpur MIP, district Sarguja irrigation was being provided in 1094 ha i.e. 25.74 per cent of the created potential of 4250 ha. The EE stated that due to paucity of maintenance grant, the canal system has deteriorated.

4.3.7.4 Participatory irrigation management.

"Madhya Pradesh Sinchai Prabhandhan Me Krishko Ki Bhagidari Adhiniyam 1999" (No. 23 of 1999) has awarded the running and maintenance of canal systems to Water Users Associations (WUAs) at Rs.50 per ha to be provided by Government. The Department disbursed (May 2000) Rs.4.77 crore to WUA besides incurring Rs.1.57 crore on their election held in April 2000.

No rules were made for submission of detailed accounts by WUAs to the Department. The entire payment made to them had been charged to final head of account as soon as it was disbursed.

4.3.7.5 Excess payment of Rs.95.40 lakh to WUAs

Government of Madhya Pradesh (GOMP) later decided (June 2000) that 80 per cent of Rs.50 per ha was to be spent on maintenance of canal system by the WUA and the remaining 20 per cent on maintenance of head works by the Department. Meanwhile the entire amount had been paid (May 2000) to WUAs, resulting in an excess payment of Rs.95.40 lakh.

4.3.7.6 Heavy expenditure of Rs.260 per ha against the norm of Rs.50 per ha on running and maintenance of schemes

Besides the lump sum payment of Rs.4.77 crore (out of Rs.15 crore to entire MP) to WUA's in the state of Chhattisgarh, the Department had spent Rs.30.01 crore from its own running and maintenance grants. Thus the average maintenance cost on the created potential worked out to Rs.260 per ha as against the norm of Rs.50 per ha.

4.3.7.7 Extra cost of Rs.28.08 crore per annum on maintenance

Despite an extra cost of Rs.28.08 crore per annum on maintenance, utilisation of the created irrigation potential was very low as pointed out in paragraph 4.3.7.3.

4.3.8 Delay in realisation of irrigation revenue

Against demand of Rs.55.79 crore for the year 2000-2001 and arrears of Rs.83.68 crore of irrigation cess as on 31 March 2000, only Rs.11.07 crore was realised upto March 2001, leaving a balance of Rs.128.40 crore unrealised.

4.3.9 Inefficiency and lack of effectiveness of the expenditure control system

Para 13.1.1 of CPWA Code deals with the operation of suspense head. A review of 34 monthly accounts of various divisions revealed that contrary to provisions of CPWA Code following irregularities were noticed:

- (i) Rs.26.61 crore were lying under Miscellaneous Works Advances (MWA) for periods ranging from 1 to 10 years without adjustment/recovery from the contractor/suppliers/ departmental officials concerned.
- (ii) Adjustment memos totalling Rs.5.18 crore received from the Accountant General (AG) towards supply of materials to the department through Director General of Supplies and Disposal (DGS&D) have not been adjusted for periods upto 20 years.

Differences of cheques/remittances appearing in Form-51 were not reconciled with treasury records. These records show that cheques worth Rs.3.18 crore issued have not been encashed while cheques worth Rs.1.96 crore not issued by 34 divisions have been shown encashed. Similarly remittances for Rs.13.49 crore remitted to treasury by the Divisions have not been acknowledged in treasuries while a sum of Rs.0.73 crore have been acknowledged by the treasuries which was actually not remitted by the divisions. No serious steps have been taken to reconcile the differences and safeguard against the danger of defalcation of public money.

4.3.10 Financial Irregularities

(i) Nugatory expenditure of Rs.48.21 lakh

The Bilaspur Diversion, a medium irrigation scheme, was administratively approved (October 1976) for Rs.95.20 lakh to irrigate 5668 ha in Bilaspur district. The Department started (1976) work on the canal system and an expenditure of Rs.48.21 lakh had been incurred on it upto March 1990, without finalising the site of the head works. The earlier proposed site of the weir was shifted (September 1979) 1.5 km downstream, reducing the irrigation potential to 3644 ha. The new site was also not approved by the GOMP in view of the increase in cost (Rs.390 lakh) and reduction in irrigation potential (3644 ha). The Department submitted (December 2000) a proposal of Rs.19.58 crore to Government without specifying the site of the weir, which is yet to be approved. Thus the entire expenditure of Rs.48.21 lakh incurred on the canal has proved nugatory.

On this being pointed out, (January 2001) the Executive Engineer stated (January 2001) that the scheme was proposed to be converted into a lift irrigation scheme (LIS) but due to delay by the GOMP in taking a decision on the proposal, the work on LIS could not be started. The revised proposal submitted in December 2000 was under consideration of Government.

(ii) Extra cost of Rs.11.70 lakh on stone pitching (Gej Project)

The construction of stone pitching at RD 0 to 450 m of the earthen dam of Gej Project was awarded (October 1999) by EE to different contractors through 18 piecework orders and executed at a cost of Rs.36.60 lakh. Similar work was executed in other reaches of the same earthen dam by two different contractors in the same period at lower rates. By not awarding the work to either or both of these two contractors as additional work at Rs.24.90 lakh as per their agreement, the Department incurred an extra cost of Rs.11.70 lakh.

(iii) Embezzlement of Rs.2.42 lakh

CPWA code provides that a register of the receipt and disposal of interest bearing securities should be kept in the division and at the close of the year, the EE should submit the account of these securities to the AG along with a certificate that all the securities shown as outstanding are in his possession.

A Senior Account Clerk was transferred (24 July 1999) from Hasdeo Canal Division No.I, Rampur (Korba), to Hasdeo Barrage RBC Division at same station but did not hand over his charge. Ultimately the almirah of the records in his charge was broken (16 November 1999) and a *panchnama* was prepared of the records and articles found. It was noticed that 52 Term Deposit Receipts (TDRs) valued at Rs.2.42 lakh were missing. The matter was reported (November 1999) to the CE and the bank authorities. The bank authorities intimated that 11 TDRs valuing Rs.43650 had already been paid. The position of the remaining TDRs was not ascertained nor was disciplinary action taken against the Clerk as of April 2001.

On this being pointed out, EE stated (April 2001) that the matter was under scrutiny.

The matter was reported to the Government in August 2001; reply had not been received as of February 2003.

SECTION-B AUDIT PARAGRAPHS

4.4 Wasteful and unsanctioned expenditure on an ill conceived scheme

Expenditure of Rs.50.41 lakh incurred on Bartunga tank rendered wasteful as the command area overlapped with that of another project

Collector, Bilaspur sanctioned (April 1977) Rs.1.99 lakh under scarcity relief programme for construction of Bartunga tank designed to irrigate 200 acres of land in Dabhra Block under Water Resources Division, Kathghora. According to MP Scarcity Manual, only such works, which can be completed within the scarcity period should be taken up under scarcity relief programme. The work of Bartunga tank, however, remained substantially incomplete even after the end of scarcity period.

The proposals for revised administrative approvals for Rs.7.20 lakh submitted in December 1980; Rs.37.04 lakh in February 1994; Rs.65.06 lakh in September 1995 and Rs.1.50 crore in January 1999) under regular plan head were not cleared by Government as of August 2001. However, an expenditure of Rs.50.41 lakh was incurred on the project (March 2001).

It was further noticed that SE, Maniyari Hasdeo Circle, Bilaspur recommended (January 1999) to stop execution of further work as the command area of Bartunga tank overlapped with the command of Kharasia Branch Canal of Minimata (Hasdeo) Bango multipurpose project, which was already planned in 1976.

Thus unplanned execution of the project over a period of 23 years without administrative approval resulted not only in violation of provisions of Financial Rules but also wasteful expenditure of Rs.50.41 lakh.

On this being pointed out, CE Hasdeo Basin, Bilaspur admitted (September 2001) that there was no possibility of any benefit accruing from the tank due to overlapping of its command with that of Kharasia Branch Canal of Minimata (Hasdeo) Bango Project.

The matter was reported to Government in February 2001, reply was awaited (February 2003).

PUBLIC WORKS DEPARTMENT

4.5 Avoidable payment on profile corrective course.

Excessive execution of profile corrective course through contractor in wilful violation of departmental instructions resulted in avoidable payment of Rs.39.58 lakh.

The Chief Engineer (East) (CE) PWD, Raipur, directed (June 1993) that in all black topped (BT) road renewal works (hot mix hot laid with mechanical paver finisher) executed through contract agencies, the profile corrective course (PCC) should be completed departmentally and a certificate to this effect should be recorded while submitting the draft notice inviting tenders (NIT) to the Superintending Engineer (SE) for his prior approval. The CE restricted the quantity of PCC for ongoing works upto 10 per cent quantity of open graded premix carpet (OGPC) and prescribed that excess quantities, if any, be executed departmentally. This was aimed at preventing the tendency of calling for tenders for providing 20 mm thick BT work but actually executing 30 to 35 mm thick resulting in an excess of 70 to 80 per cent over the tendered cost.

Audit scrutiny (December 1996) of the records of PWD Division, Jashpurnagar, revealed that the above restrictions/provisions were not followed, in six test checked agreements involving BT work in 20 Km.

The quantity of OGPC in these works had an area of 1,78,422.5 sq. m, against which the requirement, including 10 per cent for PCC, works out to 3,925.34 cu m. The actual executed quantity of 6508.33 cu m was in excess, resulting in unauthorised execution of PCC of 2,582.99 cu m and avoidable payment of Rs.39.58 lakh.

The CE, PWD, Raipur while accepting the facts stated (December 1999) that the case was being submitted to the E-in-C/Government for initiating disciplinary action against the Executive Engineer and the Divisional Accounts Officer. Final results were still awaited (February 2002).

The matter was reported to the Government in June 2000. The reply has not been received (February 2003).

4.6 Avoidable extra cost due to use of costlier binder in maintenance of roads

Use of costlier cut back bitumen instead of equally effective cationic emulsion resulted in extra cost of Rs.14.17 lakh

The Ministry of Surface Transport (MOST) specifications provide for (i) paving bitumen, (ii) cationic emulsion, and, (iii) cut back bitumen as binders for maintenance of bituminous surface. Paving bitumen requires heating before use while the other two binders are in liquid form. Cationic emulsion is generally favoured in rainy season as it does not require heating and can be used with wet aggregates.

During scrutiny (January 2001) of records of Public Works (B&R) Division-II, Ambikapur, it was noticed that 109.6 tonnes of cut back bitumen was procured by EE between October 1994 and June 1998 at a cost of Rs.24.42 lakh for maintenance of roads. Cut back bitumen was more than double the cost of cationic emulsion.

On this being pointed out, the Executive Engineer stated that cutback bitumen was the only alternative for patch work during rainy season and it makes the surface fit even during wet weather. Further, it was purchased with the approval of competent authority looking to its availability and utility.

The reply is not tenable, as per clause 8.1 of IRC:82-1982 cationic emulsion can be used with wet aggregates (very useful for maintenance operations during rainy seasons). The cationic emulsion was also available at that time (September 1998) on Director General Supply and Disposal (DGS&D) rate contract.

Thus, the selection and procurement of cut back as binder for maintenance was a costlier option, which resulted in avoidable extra cost of Rs.14.17 lakh.

The matter was reported to Government demi-officially (May 2001); reply was awaited (February 2003).

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.7 Chirimiri Integrated Water Supply Scheme

The scheme envisaged (1976-77) supply of 2.75 MGD safe drinking water to a population of approximately 70,000 people of 7 collieries of Chirimiri Group of Mines of Western (now South Eastern) Coal fields Limited (SECL) and about 4647 villagers living in the vicinity of coal field area. To achieve this objective, the scheme contemplated construction of an earthen dam across Bhichhli nallah to impound 78 lakh cu m of water. The impounded water drawn into an intake well was to be pumped to the treatment plant through rising main 2.3 km, and from which clear water was to be distributed through clear water rising main and service reservoirs to the beneficiaries.

The scheme was technically sanctioned (January 1980) by the Central Public Health & Environmental Engineering Organisation (CPHEEO), Government of India, New Delhi and administratively approved (October 1982) by Government of Madhya Pradesh for Rs.3 crore. Revised administrative approval was issued (September 1993) by the Government of Madhya Pradesh for Rs.8.62 crore with the following conditions :

- (a) 2/3rd of the capital outlay i.e. Rs.5.74 crore was to be borne by SECL and the remaining 1/3rd i.e. Rs.2.87 crore was to be borne by the State Government.
- (b) The scheme was to be maintained by the PHED and the entire maintenance expenditure thereon borne by SECL
- (c) Capital expenditure on maintenance including change of machinery was to be borne by SECL and the State Government in the ratio of 2/3 and 1/3 respectively.

An agreement executed (March 1989) between State Government and SECL, inter alia, provided that the project was to be completed by the Government within two years from the date of commencement of construction of dam after placement of funds by SECL in phases, depending on the progress of work.

Audit scrutiny revealed the following.

(i) Extra burden on Government

Abnormal delay in execution resulted in additional burden of Rs.2.87 crore on Government

The work on the scheme was completed only in March 1996 despite timely deposit of Rs.5.74 crore by SECL upto May 1990. A sum of Rs.11.49 crore was

incurred as capital expenditure. The Government had to bear the increase in capital cost of Rs.2.87 crore (11.49-8.62) as there was no provision of sharing the increase in cost between SECL and Government.

(ii) Non-testing of raw water pumps on full load resulted in short supply of water

The raw water pumps etc commissioned at a cost of Rs. 54.93 lakh failed to supply required quantity of water.

The work of supply and erection of pumps and motors, electric sub-station, transformer, along with all equipment complete was awarded by EE on turn-key-basis to a contractor in 1985-86 and the final payment was made for Rs.54.93 lakh (January 1994).

Scrutiny revealed that the raw water pumps commissioned at intake well were not tested on full load due to heavy leakage in the raw water conveyance main at the time of testing. Consequently, these pumps were found to be capable of providing only 2.18 MGD (maximum) against the required supply of 2.75 MGD water.

Thus, the failure of the department to test the pumps on full load resulted in non-supply of the required quantity of water to SECL.

On being pointed out, Government attributed (September 2001) the failure to 'teething trouble and electricity voltage problem'. The reply is not tenable, as the Department could not improve supply during 2001-2002.

(iii) Non recovery of extra cost

Rs.69.53 lakh not recovered from defaulting contractors

Construction of earthen dam, approach channel, spill way channel, awarded²⁸ to four contractors, under four different agreements were not completed by them. Their contracts were rescinded under the risk and cost clause and the balance work executed through other agencies involving an extra cost of Rs.69.53 lakh (*Appendix XXIX*). The extra cost recoverable from the defaulting contractors had not yet been recovered (February 2002).

On being pointed out, Government stated (September 2001) that out of recoverable amount of Rs.68.09 lakh from four contractors, efforts to recover Rs.15.29 lakh from a contractor failed in arbitration proceedings. Recovery of Rs.33.64 lakh from another contractor was still pending in arbitration and action was being initiated for recovery of 20.60 lakh from the other two contractors.

²⁸ Agreement numbers 3DL 1987-88, 1 DL 1988-89, 4 DL 1990-91 and 1 DL 1992-93

(iv) Unauthorised payment on work charged staff**Rs.47.50 lakh paid to daily wage and work charged staff engaged in violation of Government orders**

Apart from the regular staff, 4 chowkidars and 1 mali were deployed by the Assistant Engineer, Chirimiri Sub-Division during 1991-1995 for the project as daily wage and work charged staff.

The Divisional Officer had engaged the following work charged staff without sanction of the Government:

1	Regular gang labour	10 No.
2.	Labourers on daily wages being paid on hand receipts	15 No
3.	Chowkidar	12 No.
4.	Mali	2 No.
5.	Supervisor	1 No.
6.	Time Keeper	1 No.

An expenditure of Rs.47.50 lakh had unauthorisedly been incurred on their wages during the period April 1995 to March 2000.

On this being pointed out (June 2001), Government stated (September 2001) that the staff was deployed (for maintenance work) after approval of Chief Engineer. The reply is not consistent with the instructions of General Administration Department (GAD) imposing ban from 1st January 1989 on recruitment of daily wage staff without prior sanction of Finance Department.

(v) Extra burden on exchequer**Government was saddled with extra burden of Rs.65 lakh due to non-acceptance of the liability by SECL. Further a pending liability of Rs.2.34 crore was still under dispute with SECL**

The sanctioned maintenance estimates for the period 1997-98 to 2000-2001 were Rs.5.62 crore. An expenditure of Rs.3.92 crore had been incurred during the period and a liability of Rs.2.34 crore (February 2002) including an avoidable surcharge of Rs.7.53 lakh on account of delayed payment of energy charges to MPEB was pending. SECL had deposited Rs.3.27 crore only on the grounds that the supply of water fell short of that provided in the agreement and the estimates submitted by PHED were on the higher side.

On this being pointed out, Government stated (September 2001) that SECL was being requested to deposit the balance amount.

GENERAL

4.8 Failure of senior officials to enforce accountability and protect the interests of Government

AG* arranges to conduct periodical inspection of the departments of Government of Chhattisgarh to test check, inter alia, the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. When important irregularities etc. detected during inspection are not settled on the spot, Inspection Reports (IRs) are issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. The Heads of Offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of Heads of the Departments by the AG. A half-yearly report of pending IRs is sent to the Principal Secretary/Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued upto December 2000 pertaining to 156 divisions/offices of WR, PW and PHE*** Departments under Government of Chhattisgarh disclosed that 4508 paragraphs relating to 1054 IRs remained outstanding since 1985-86 to the end of June 2001. Position of the outstanding IRs and paragraphs are as under:

Table-4.2

Sl. No.	Department	Number of IRs	Number of Paragraphs	Number of Auditee units	Amount (Rupees in crore)
1	<i>Water Resources</i>	602	2474	94	544.81
2	Public Works	297	1420	41	362.93
3.	Public Health Engineering	155	614	21	109.60
4	Total	1054	4508	156	1017.34

Of these, 202 IRs containing 806 paragraphs had not been settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of the Offices within six weeks from the date of issue were not received in respect of 35 divisions / offices for 46 IRs issued between July 1991 and December 2000.

* Accountant General (Audit II), Madhya Pradesh and Chhattisgarh

*** WR: Water Resources, PW: Public Works, PHE: Public Health Engineering

A review of the IRs which were pending due to non-receipt of replies, in respect of WR, PW and PHE Departments revealed that the Heads of the Offices (whose records were inspected by the AG) and the Heads of the Departments did not send any reply to a large number of IRs / paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out by AG in the IRs. The Principal Secretaries/Secretaries of the Departments, who were informed of the position through half yearly reports, also did not ensure that the concerned offices of the Department take prompt and timely action.

Inaction against the defaulting officers facilitated the continuance of serious financial irregularities and loss to the Government, though these were pointed out in Audit. It is recommended that Government should look into the procedure for action against the officials who failed to send replies to IRs/paragraphs as per the prescribed time schedule and action to recover loss/outstanding advances/over payments in a time bound manner and revamp the system to ensure proper response to the audit observations in the Department.

CHAPTER V

REVENUE RECEIPTS

CHAPTER-V : REVENUE RECEIPTS

COMMERCIAL TAX RECEIPTS

5.1 Incorrect grant of deduction from turnover

Under *Madhya Pradesh Vanijyik Kar Adhiniyam, 1994*, as applicable to Chhattisgarh, tax on sale of de-oiled cake is leviable at the rate of 2 per cent. Surcharge at the rate of 15 per cent of tax is also leviable.

Test-check of records in regional office, Bilaspur in the case of a dealer assessed (February 2001), for the period 1997-98, revealed (May 2001) that sale of de-oiled cake worth Rs.2.86 crore was incorrectly deducted from gross turnover, treating it as tax free sale. This resulted in non-levy of tax and surcharge amounting to Rs.6.58 lakh.

On this being pointed out (May 2001), the assessing officer stated that action will be taken after verification.

The case was reported to the Commissioner, Commercial Tax and the Government (May 2001); their reply has not been received (February 2003).

5.2 Non-recovery of commercial tax

Under the *Madhya Pradesh General Sales Tax Act, 1958*, as applicable to Chhattisgarh and notification issued thereunder in 1986, new industrial units availing exemption from payment of tax under the notification shall be kept running during the period of exemption and for a further period of 5 years from the date of expiry of the period of exemption from payment of tax. Violation of the conditions would render the eligibility certificate liable for cancellation with consequent recovery of the amount of tax exemption availed from the units concerned.

Test-check of records in regional office, Raipur revealed (April 2001) that an industrial unit assessed in January 2001 for the period 1997-98, was granted exemption for 7 years (from 24.9.1991 to 12.9.1998). The unit was closed on 31 January 1997 i.e. during the period of exemption in violation of the condition of the notification and its registration was cancelled on 1 April 1997. It was, therefore, not entitled to any exemption of tax. The dealer had, however, availed of tax exemption during the period from 24 September 1991 to 1997-98. The amount of tax exemption availed of from 24 September 1991 to 1994-95 is to be ascertained whereas tax exemption of Rs.50.62 lakh was availed of during the year 1995-96 to 1997-98. The entire amount of tax exemption availed of from 24 September 1991 to 1997-98 was recoverable with interest but was not recovered.

The case was reported to the Commissioner, Commercial Tax and the Government (May 2001); their reply has not been received (February 2003).

5.3 Application of incorrect rate of tax

Under *Madhya Pradesh Vanijyik Kar Adhiniyam*, 1994, as applicable to Chhattisgarh, goods not specified in Schedule-I or II thereto are taxable at the rate of 8 per cent under residuary entry. A surcharge of 15 per cent is also leviable on tax.

Test-check of the records in regional office, Bilaspur in the case of a dealer assessed (February 2001) for the period 1998-99, revealed (May 2001) that tax on the sale of manufactured Malleable Cast Iron Inserts (MCI Inserts), worth Rs.1.81 crore was levied at the rate of 4 per cent¹. The MCI inserts are goods made of iron and steel but they themselves are not iron and steel as mentioned in section 14 (iv) of Central Sales Tax Act, 1956. In the Central Excise Tariff² also MCI inserts are classified as articles made of iron and steel. MCI inserts, not being specified in any of the schedules of the Act, were taxable at the rate of 8 per cent. Levy of tax at the rate of 4 per cent resulted in short-levy of tax of Rs.9.41 lakh, including surcharge.

The matter was reported to the Commissioner, Commercial Tax and the Government (May 2001); their reply has not been received (February 2003).

5.4 Non-levy of tax on goods leased

Under *Vanijyik Kar Adhiniyam*, 1994, as applicable to Chhattisgarh, every dealer who transfers the right to use any goods for any purpose to any person for cash, deferred payment or other valuable consideration in the course of business, shall be liable to pay tax at the rate of 4 per cent on the total amount realised by him.

Test-check in regional office, Raipur in the case of a dealer assessed for the period 1997-98, in February 2001 revealed (April 2001), that an amount of Rs.121.75 lakh was received against lease of the plant and machinery, on which no tax was levied. This resulted in non-levy of tax of Rs.4.88 lakh.

On this being pointed out (April 2001), the assessing officer agreed to take action after verification.

¹ The rate leviable on iron and steel

² Central Excise Act 1985 (tariff 1997-98), Chapter heading 73:02:09

The matter was reported to the Commissioner, Commercial Tax and the Government (May 2001); their reply has not been received (February 2003).

STATE EXCISE

5.5 Production of alcohol from molasses not in consonance with sugar contents

The Madhya Pradesh Distillery Rules, framed under the Madhya Pradesh Excise Act, 1915 and adopted by Chhattisgarh State (November 2000) require the distiller to maintain fermentation and distillation efficiencies at a minimum of 84 and 97 *per cent* respectively. Every quintal of fermentable sugar present in the molasses as per departmental laboratory test, which is mandatory as per rules, should yield at least 91.8 proof litres of alcohol. Any shortfall entails cancellation of licences and forfeiture of security deposit of the distiller concerned, in addition to any other penalty leviable under the Act and Rules. As per Indian Standard Specification (ISS), there shall be three grades of molasses with minimum sugar contents of 50, 44 and 40 *per cent*.

Test-check of records of one distillery (Welcome Distillery, Bilaspur) of Bilaspur district revealed (May 2001) that neither the samples of molasses were drawn by the Excise Department nor was the chemical analysis of molasses conducted by the departmental laboratory to ascertain fermentable sugar in molasses used and to exercise proper control over the alcohol produced. The distiller used 3833.40 quintals of 'A' and 'B' grade and 7526.6 quintals of molasses for which grade and sugar content were not specified to produce 3.81 lakh proof litres of alcohol. This fell short by 0.62 lakh proof litres of the minimum yield of 4.43 lakh proof litres in terms of the sugar contents of these grades of molasses as per ISS. Shortfall in recovery of 0.62 lakh proof litres of alcohol involved potential loss of excise duty of Rs.14.90 lakh. A penalty of Rs.18.62 lakh was also leviable.

Reasons for variations in the sugar contents as per ISS and as shown in the distiller's laboratory reports, which ranged from 35 to 37.7 *per cent*, were also not investigated by the Department.

On this being pointed out (May 2001), the District Excise Officer (Distillery) Bilaspur stated (May 2001) that the instructions regarding chemical analysis of molasses by departmental laboratory were not received and hence production of alcohol was checked with reference to the chemical analysis report of laboratory of distiller. The reply is not in conformity with the rules. The production of alcohol is to be checked with reference to the percentage of fermentable sugar as per departmental laboratory test required to be carried out under the rules. Even if the

mandatory tests were not carried out, the yield could have been checked with reference to the norms prescribed by ISS which was not done.

The matter was reported to the Excise Commissioner and the Government (July 2001); their reply has not been received (February 2003).

5.6 Loss of revenue due to non-levy of import fee

The Madhya Pradesh Foreign Liquor Rules framed under Madhya Pradesh Excise Act, 1915 and adopted by Chhattisgarh State (November 2000) provide that import of foreign liquor may be granted to F.L.10 (manufacturer's distribution licence) licensee on prepayment of import fee at the prescribed rate.

Test-check of records of District Excise Office, Bilaspur revealed (May 2001) that 68384.5 proof litres of foreign liquor and 28800 bottles of beer were imported from Madhya Pradesh State during November 2000 without payment of import fee of Rs.17.06 lakh. This resulted in loss of excise revenue to that extent.

The matter was reported to the Excise Commissioner and the Government (July 2001); their reply has not been received (February 2003).

TAXES ON VEHICLES

5.7 Non-levy of vehicle tax and penalty

According to the provisions of the *Madhya Pradesh Motoryan Karadhan Adhiniyam, 1991 (Adhiniyam, 1991)* as applicable in Chhattisgarh State and Rules made thereunder, a tax is leviable on every vehicle used or kept for use in the State. If the tax due in respect of any motor vehicle has not been paid, the owner shall, in addition to the payment of tax due, be liable to pay a penalty at the rate of one third of the unpaid amount of tax for the default of each month or part thereof but not exceeding twice the amount of tax which remained unpaid.

(i) Reserve or spare stage carriages

Test-check of the records in regional transport office, Bilaspur revealed (July 2001) that vehicle tax amounting to Rs.18.39 lakh for the period between November 2000 and March 2001 was not levied and recovered from 78 vehicle owners on 85 reserve or spare stage carriages. Besides, a penalty amounting to Rs.30.31 lakh was also leviable but was not levied. This resulted in non-realisation of revenue of Rs.48.70 lakh.

(ii) Goods carriages

In regional transport office, Bilaspur, vehicle tax amounting to Rs.3.23 lakh due for the periods between November 2000 and March 2001 was not levied and recovered from 102 vehicle owners on 102 goods vehicles. In addition, a penalty amounting to Rs.6.47 lakh was also leviable but was not levied.

(iii) Regular stage carriages

Test-check of the records of regional transport office, Bilaspur revealed (June 2001) that vehicle tax amounting to Rs.13.21 lakh for the periods between November 2000 and March 2001 was not levied and recovered from 56 vehicle owners on 57 regular stage carriages. Besides, a penalty amounting to Rs.23.51 lakh was also leviable but was not levied.

The matter was reported to the Transport Commissioner and the Government (July 2001); their reply has not been received (February 2003).

5.8 Loss of vehicle tax due to incorrect acceptance of deposit of permits

A permit may be deposited by the holder with the Transport Authority for any of the reasons mentioned in the *Motoryan Karadhan Niyam, 1991 viz.* mechanical break down or repair, non-motorability of route, non-operation on account of order of Court, Tribunal or Authority. The Madhya Pradesh Motor Vehicle Rules, 1994 empowers the Transport Authority to direct the permit holders either to repair the vehicle or to provide a substitute vehicle. In case permit holder fails to comply with such directions, the permit may be suspended or cancelled.

Test-check of the records of regional transport office, Bilaspur for the period from November 2000 to March 2001 revealed (June 2001) that 4 regular stage carriage permits and one All India Tourist Permit remained deposited due to mechanical defects for periods ranging from 1 to 24 months. The permit holders were, however, not asked to get the vehicles repaired or to arrange for substitute vehicles as provided in the Rules. This not only deprived of the Government revenue of Rs.3.41 lakh but also resulted in denial of transport facilities to the public.

The matter was reported to the Transport Commissioner and the Government (July 2001); their reply has not been received (February 2003).

5.9 Short-recovery of vehicle tax and penalty

According to the provisions of the *Madhya Pradesh Motoryan Karadhan Adhiniyam, 1991* and Rules made thereunder, a tax shall be levied on every public service vehicle used or kept for use in the State. If the tax in respect

of such vehicle has not been paid the owner shall, in addition to the payment of tax due, be liable to pay a penalty as specified in the *Adhiniyam*.

Test-check of the records of regional transport office, Bilaspur revealed (June 2001) that vehicle tax amounting to Rs.1.01 lakh in respect of 7 public service vehicles was short-levied for the period between November 2000 and March 2001 due to application of lower rates of tax. A penalty of Rs.2.02 lakh was also leviable but was not levied.

On this being pointed out (June 2001), the Regional Transport Officer, Bilaspur stated (June 2001) that action for recovery would be taken after scrutiny of the cases. Further report on action taken has not been received (October 2001).

The matter was reported to the Transport Commissioner and the Government (June 2001); their reply has not been received (February 2003).

MINING RECEIPTS

5.10 Incorrect reduction of stock

In order to ensure proper accounting of minerals extracted/removed from mines and payment of royalty, every lessee is required to maintain a proper account and to submit monthly and annual returns to the Mining Officer showing therein the quantity of mineral extracted and removed from the mining area, as well as the closing balance at the end of the previous month/year. There is no specific provision in the Act/Rules for reducing, at any stage the closing stock of minerals, on account of any reason what so ever.

Test-check of annual return of Banki Colliery, Korba for the year 2000 submitted by SECL³, Bilaspur revealed that closing stock of coal as on 31 December 2000 which worked out to 25701.54 tonnes was shown as 9655.24 tonnes. The lessee had not assigned any reason for the reduction in closing stock by 16046.3 tonne of 'C' grade coal nor paid the royalty of Rs.15.24 lakh which was payable on to the reduced stock. The Department had not taken any action against the lessee for recovery of royalty. This resulted in loss of revenue of Rs.15.24 lakh.

On this being pointed out (April 2001), the Mining Officer stated that action would be taken after obtaining clarifications from the lessee.

The matter was reported to the Director, Geology & Mining, and the Government (June 2001); their reply has not been received (February 2003).

³ *South Eastern Coal Fields Limited*

5.11 Short-realisation of royalty

The Mines and Minerals (Regulation and Development) Act, 1957 (Act, 1957), requires a lessee to pay royalty on minerals removed from leased area at the rates specified in the Second Schedule. The Government of India had enhanced the rates of royalty payable on bauxite with effect from 12 September 2000.

Test-check of the records of Mining Office, Surguja (Ambikapur) revealed (May 2001) that during November 2000 to February 2001 the lessee had extracted and removed 93569.95 tonnes of bauxite from the leased area, but paid royalty of Rs.36.90 lakh (at pre-revised rates) against the payable amount of Rs.58.10 lakh at revised rates. The Department had not initiated any action against the lessee for recovery of amount of royalty. This resulted in short-realisation of royalty of Rs.21.20 lakh.

On this being pointed out, the Mining Officer stated (May 2001) that action for recovery will be taken after scrutiny.

The matter was reported to the Director, Geology and Mining, and the Government (June 2001); their reply has not been received (February 2003).

5.12 Non-realisation of royalty on captive consumption

The Act, 1957 requires a lessee to pay royalty on minerals removed/consumed from the leased area at the rates specified in the Second Schedule. The Act does not provide allowance for any losses whatsoever.

Test-check of the records of Mining Office, Surguja revealed (May 2001) that SECL, Bilaspur had shown consumption of 6,991 tonnes of 'B' and 'C' grades of coal in colliery work during November and December 2000 in its Bistrampur and Bhatgaon areas and royalty was not paid on such consumption. The Department had not initiated any action against the lessee for the recovery of royalty. This resulted in non-realisation of revenue of Rs.7.55 lakh.

On this being pointed out (May 2001), the Mining Officer stated (May 2001) that action would be taken after obtaining clarifications from the lessee.

The matter was reported to the Government and the Director, Geology & Mining, (June 2001); their reply has not been received (February 2003).

5.13 Non-realisation of dead rent

According to the provisions of the Act, 1957 a lessee is liable to pay dead rent for all areas included in the instrument of lease every year, except during the first year of lease, at the rates specified in the Third Schedule.

Provided that where the holder of lease becomes liable to pay royalty, he shall be liable to pay such royalty or the dead rent whichever is higher.

Test-check of the records of Mining Office, Korba revealed (April 2001) that SECL Bilaspur, holding mining lease for extraction of coal, did not pay dead rent amounting to Rs.7.34 lakh due for the period from November 2000 to December 2001. The Department had not initiated any action against the lessee for the recovery of dead rent. This resulted in non-realisation of dead rent of Rs.7.34 lakh.

On this being pointed out (April 2001), the Mining Officer stated that action for recovery would be taken after scrutiny.

The matter was reported to the Director Geology & Mining, and the Government (June 2001); their reply has not been received (February 2003).

STAMP DUTY AND REGISTRATION FEES

5.14 Loss of revenue due to under valuation of properties/delay in finalisation of cases

The Indian Stamp Act, 1899 (Act 1899) as applicable to Madhya Pradesh and Chhattisgarh requires the market value of any property to be specified in any deed for its conveyance. This value is the basis for determining the stamp duty and registration fees leviable. The Act, empowers a Sub-Registrar to refer the document to the Collector of stamps for determination of the market value of the property if there are reasons to believe that the market value of the property has not been truly set-forth in the document. Such cases are to be finalised by the Collector within a period of 9 months, as per Government's instructions of March 1977.

It was seen in the office of Sub-Registrar, Raipur (May 2001) that in 6 instruments, registered between November 2000 and March 2001, the unit value of properties mentioned was lower than the prevailing market value. The Sub-Registrar had neither levied the stamp duty and registration fees on the basis of market value nor referred the cases to the Collector for determination of market value. This resulted in short-realisation of stamp duty and registration fees of Rs.6.70 lakh on the basis of prevailing market value of the property.

It was also noticed (May 2001) that 490 documents referred (between April 1991 and December 1999) to the Collector of Stamps by the Sub-Registrar Raipur for determination of market value of the properties had not been finalised. Stamp duty and registration fees recoverable on these documents, based on the value proposed by the Sub-Registrar, worked out to Rs.2 crore, (stamp duty: Rs.1.81 crore, registration fee: Rs.0.19 crore) which remained unrealised.

The matter was reported to the Inspector General of Registration and Superintendent of Stamps and the Government (June 2001); their reply has not been received (February 2003).

5.15 Short-assessment of stamp duty and registration fees

Under the Indian Stamp Act, 1899, stamp duty on an instrument of release is leviable at the rate of 4 per cent of the amount of consideration or market value of the property, whichever is higher, over which the claim is relinquished. Registration fees is charged at *ad valorem* rates.

Test-check of the records of Sub-Registrar office, Raipur revealed (May 2001) that in one instrument of release registered in November 2000 the stamp duty and registration fees of Rs.0.34 lakh on market value of Rs.7.31 lakh was charged, against stamp duty of Rs.1.85 lakh and registration fees of Rs.0.37 lakh leviable on Rs.46.20 lakh, being market value of the property, as per prevailing guide lines, over which the claim was relinquished. This resulted in loss of revenue to the extent of Rs. 1.88 lakh (Stamp duty Rs. 1.56 lakh; Registration fees Rs. 0.32 lakh).

The matter was reported to the Inspector General of Registration and Superintendent of Stamps and the Government (June 2001); their reply has not been received (February 2003).

Raipur
The

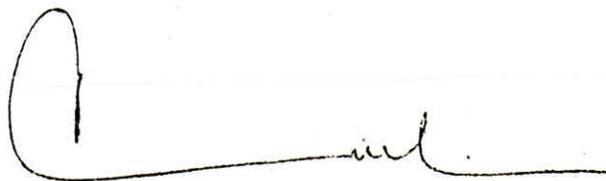
5 JUL 2003



(PREMAN DINARAJ)

Accountant General, Chhattisgarh

Countersigned



New Delhi
The

17 JUL 2003

(VIJAYENDRA N. KAUL)

Comptroller and Auditor General of India

APPENDICES

Appendix I

(Reference: paragraph 1.1, page 1)

Statement showing definition of terms used in Chapter I

Part A : Government Accounts

- I. Structure :** The accounts of the State Government are kept in three Parts, (i) Consolidated Fund, (ii) Contingency Fund, and (iii) Public Account.

Part I: Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This Part consists of two main divisions, namely, Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc.).

Part II: Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs.40 crore.

Part III: Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes *viz.*, the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the government accounts. The Appropriation Accounts present the details of expenditure by the State Government *vis-a-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

Appendix I (Continued)

(Reference: paragraph 1.1, page 1)

Part B. List of indices/ratios and basis for their calculation

Indices/ratios		Basis for calculation
Sustainability		
-Balance from the current revenues (BCR)		Revenue Receipts minus all Plan grants (under Major Head 1601- 02.03,04) and Non-Plan revenue expenditure
-Primary Deficit		Fiscal Deficit minus Interest Payment.
-Interest Ratio		<u>Interest payments-Interest receipts</u>
Capital Outlay Vs Capital receipts	Capital Outlay	Total revenue receipts-Interest receipts
	Capital receipts	Capital expenditure as per Statement No.2 of the Finance Accounts
-Total tax receipts Vs GSDP		Internal Loans (net of ways and means advances) + Net receipts from small savings, PF etc. + Repayments received of loans advanced by the State Government – Loans advanced by the State Government.
		Exhibit V
-State tax receipts Vs GSDP		Exhibit V
Flexibility		
-Balance from current revenues		As above
-Capital repayments Vs Capital borrowings	Capital Repayments	Disbursements under Major Heads 6003 and 6004 minus repayments on account of Ways and Means Advances/Overdraft under both the major heads
	Capital Borrowings	Addition under Major Heads 6003 & 6004 minus addition on account of Ways & Means Advances/Overdraft under both the major heads
-Total Tax Receipts Vs GSDP	State Tax Receipts	Exhibit V
	Total Tax Receipts	Statement No.1 of Finance Accounts
-Debt Vs GSDP	Debt	Borrowings and other obligations at the end of the year (Statement No.4 of the Finance Accounts) Exhibit V
Vulnerability		
-Revenue Deficit		Revenue expenditure minus Revenue receipts.
-Fiscal Deficit		Total expenditure minus revenue receipts and non-debt public receipts. Paragraph No 1.9.6 of the Audit Report
-Primary Deficit Vs Fiscal Deficit	Primary Deficit	Fiscal Deficit minus interest payments
Total outstanding guarantees including letters of comfort Vs Total revenue receipts of the Government	Outstanding guarantees	Exhibit IV
	Revenue Receipts	Exhibit II
Assets Vs Liabilities	Assets and Liabilities	Exhibit I

Appendix II
(Reference: paragraph 1.1, page 1)

Statement showing apportionment of assets and liabilities of the erstwhile composite State of MP as on 31 October 2000 between successor States of Madhya Pradesh and Chhattisgarh

(Rupees in crore)

Items	Balance as on 31 October 2000	Apportioned to		Balance retained in MP accounts pending apportionment	Reference to Finance Accounts Statements No.
		Madhya Pradesh	Chhattisgarh		
I- Liabilities-					
1. Internal Debt	7628.95	5766.01 ^(a)	1862.94 ^(a)	--	4 and 17
2. Loans and Advances from Central Government	10606.50	7783.25 ^(a)	2823.25 ^(a)	--	4 and 17
3. Contingency Fund	26.61	26.61	--	--	16
4. Small savings, provident funds, etc.	7371.51	4840.27 ^(b)	974.52 ^(b)	1556.72 ^(b)	4, 16 and 17
5. Deposits	1872.19	1325.09	288.60	258.50 ^(b)	4 and 16
6. Reserve Funds	657.94 ^(c)	45.49	11.55	102.46 ^(d)	4 and 16
7. Suspense and Miscellaneous Balances	39.58	25.46	5.93	8.19 ^(e)	16
II- Assets-					
1. Gross Capital Outlay	15760.57	4941.77	1484.59	9334.21 ^(e)	2 and 13
2. Loans and Advances	2883.18	555.95	135.91	2191.32 ^(f)	5 and 18
3. Advances	13.88	12.25	1.63	--	16
4. Remittance balance	665.60	512.72	152.88	--	16
5. Cash balance	-29.75	22.29	-52.04	--	7
III- Contingent Liabilities-					
Guarantees	9709.60	--	--	9709.60 ^(e)	6

N.B.: For further details, see Finance Accounts.

- (a) Apportioned vide Government of India, Ministry of Finance, Department of Economic Affairs (Budget Division) order F. No. 9(2)B(S)/2002 dated 25 June 2002; includes Ways and Means Advances and Overdraft apportioned by Reserve Bank of India.
- (b) To be reviewed after receipt of details of final allocation of employees to the two successor States.
- (c) Dropped Rs.498.44 crore out of total of Rs.657.94 crore, in terms of second proviso to Section 42(1) of MP Re-organisation Act, 2000.
- (d) Retained in MP pending decision of GOI.
- (e) Retained in MP for want of details.
- (f) Retained in MP due to non-receipt of decisions details from successor States.

Appendix III

(Reference: paragraph 2.3.3, page 23)

Cases where supplementary provision proved un-necessary

(Rupees in crore)

Sl. No.	Number and description of Grant/ Appropriation	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Actual expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
	A- Revenue Voted				
1.	01- General Administration	16.46	1.00	8.08	9.38
2.	03- Police	98.74	4.59	75.59	27.74
3.	05- Jail	7.66	0.16	6.66	1.16
4.	06- Expenditure pertaining to Finance Department	201.64	0.04	27.69	173.99
5.	07- Expenditure pertaining to Commercial Tax Department	20.27	1.68	16.21	5.74
6.	11- Expenditure pertaining to Commerce and Industry Department	3.96	1.45	2.81	2.60
7.	13- Agriculture	35.50	0.07	25.08	10.49
8.	19- Public Health and Family Welfare	71.70	0.15	54.48	17.37
9.	20- Public Health Engineering	56.63	2.71	42.43	16.91
10.	23- Water Resources Department	32.25	3.80	30.49	5.56
11.	27- School Education	410.55	0.08	186.97	223.66
12.	28- State Legislature	3.69	0.07	2.49	1.27
13.	29- Administration of Justice and Elections	12.49	0.22	6.13	6.58
14.	30- Expenditure pertaining to Panchayat and Rural Development Department	30.52	2.00	30.24	2.28
15.	36- Transport	3.66	0.46	1.53	2.59
16.	41- Tribal Areas Sub Plan	101.80	7.62	81.55	27.87
17.	43- Sports and Youth Welfare	1.38	0.03	0.92	0.49
18.	44- Higher Education	49.98	0.31	30.12	20.17

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)	(6)
19	47- Technical Education and Man Power Planning Department	26.69	0.08	12.10	14.67
20	49- Scheduled Caste Welfare	6.01	0.50	4.01	2.50
21	55- Expenditure pertaining to Women and Child Welfare	38.53	0.26	24.17	14.62
22	64- Special Component Plan for Scheduled Castes	41.48	0.40	27.43	14.45
23	80- Financial Assistance to Three Tier Panchayati Raj Institutions	82.77	2.51	67.85	17.43
24	81- Financial Assistance to Urban Bodies	61.79	1.23	55.42	7.60
	Total (A)	1416.15	31.42	820.45	627.12
	B- Revenue Charged				
1.	<i>Interest payment and servicing of debt</i>	338.25	62.88	285.92	115.21
2.	<i>01- General Administration</i>	2.67	0.02	0.90	1.79
3.	<i>29- Administration of Justice and Elections</i>	1.95	0.93	1.32	1.56
	Total (B)	342.87	63.83	288.14	118.56
	C- Capital Voted				
1.	06- Expenditure pertaining to Finance Department	42.50	0.20	40.48	2.22
2.	24- Public Works-Roads and Bridges	11.88	7.68	4.43	15.13
3.	41- Tribal Areas Sub Plan	44.72	9.43	33.99	20.16
4.	42- Public Works relating to Tribal Areas Sub Plan-Roads & Bridges	23.11	2.62	13.66	12.07
5.	64- Special Component Plan for Scheduled Castes	13.28	15.00	6.13	22.15
	Total (C)	135.49	34.93	98.69	71.73
	Grand Total (A+B+C)	1894.51	130.18	1207.28	817.41

Appendix IV

(Reference: paragraph 2.3.4, page 23)

Cases where supplementary provision obtained proved excessive

(Rupees in crore)

Sl. No.	Number and description of Grant/ Appropriation	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Actual expenditure	Saving
	A- Revenue Voted				
1.	45- Minor Irrigation-Works	3.82	1.75	5.15	0.42
2.	48- Grant for upgradation of administration under 11th Finance Commission	Nil	22.68	6.27	16.41
3.	58- Expenditure on relief on account of Natural Calamities and Scarcity	39.07	86.87	110.41	15.53
	Total (A)	42.89	111.30	121.83	32.36
	B Capital Voted				
1.	48- Grant for upgradation of administration under 11th Finance Commission	Nil	32.24	8.06	24.18
	Total (B)	Nil	32.24	8.06	24.18
	Grand Total (A+B)	42.89	143.54	129.89	56.54

Actual additional requirement: Rs.129.89-Rs.42.89 = Rs.87.00 crore

Appendix V

(Reference: paragraph 2.3.5, page 23)

Excess over Grant/Appropriation requiring regularisation

(In rupees)

Sl. No.	Grant number and name	Total Grant/ Appropriation	Actual expenditure	Amount of excess (Percentage of excess)	Main reasons
(1)	(2)	(3)	(4)	(5)	(6)
A- Revenue Voted					
1.	02- Other expenditure pertaining to General Administration Department	68,44,000	96,08,440	27,64,440 (40.4)	Not intimated (January 2002)
2.	14- Expenditure pertaining to Animal Husbandry Department	14,84,25,000	15,71,95,363	87,70,363 (5.9)	Requirement of funds for supply of sufficient medicines to villagers for animals in drought affected area (Rs.0.60 lakh). Reasons for balance excess have not been intimated (January 2002)
3.	24- Public Works -Roads & Bridges	39,81,23,000	43,35,63,597	3,54,40,597 (8.9)	Not intimated (January 2002)
4.	33- Tribal Welfare	1,15,46,07,000	1,20,16,15,852	4,70,08,852 (4.1)	Not intimated (January 2002)
5.	34- Social Welfare	2,44,87,000	2,69,85,572	24,98,572 (10.2)	Not intimated (January 2002)
6.	83- Financial Assistance to Tribal Areas Sub Plan-Urban Bodies	67,90,000	71,03,000	3,13,000 (4.6)	Not intimated (January 2002)
Total- (A)		173,92,76,000	183,60,71,824	9,67,95,824	
B- Revenue Charged					
1.	06- Expenditure pertaining to Finance Department	2,40,000	6,92,041	4,52,041 (188.4)	Not intimated (January 2002)
2.	24- Public Works - Roads & Bridges	1,50,000	14,93,500	13,43,500 (895.7)	Not intimated (January 2002)
Total (B)		3,90,000	21,85,541	17,95,541	

	C Capital Voted				
1.	23- Water Resources Department	25,44,59,000	25,54,42,555	9,83,555 (0.4)	Not intimated (January 2002)
2.	60- Expenditure pertaining to District Plan schemes	3,83,83,000	3,88,19,359	4,86,359 (1.3)	Not intimated (January 2002)
3.	71- Externally Aided Projects pertaining to Animal Husbandry Department	3,10,000	8,73,581	5,63,581 (181.8)	Not intimated (January 2002)
4.	80- Financial Assistance to Three Tier Panchayati Raj Institution	52,17,000	60,22,080	8,05,080 (15.4)	Not intimated (January 2002)
5.	82- Financial Assistance to Panchayati Raj Institution under Tribal Area Sub Plan	17,57,000	24,33,999	6,76,999 (38.5)	Not intimated (January 2002)
	Total (C)	30,00,76,000	30,35,91,574	35,15,574	
	Total Voted (A+C)	2,03,93,52,000	2,13,96,63,398	10,03,11,398	
	Total Charged (B)	3,90,000	21,85,541	17,95,541	
	Grand Total (A+B+C)	2,03,97,42,000	2,14,18,48,939	10,21,06,939	

Appendix VI

(Reference: paragraph 2.3.6, page 23)

Cases where supplementary provision proved insufficient

(Rupees in crore)

Number and description of Grant/Appropriation	Supplementary provision	Final Excess
A- Revenue Voted		
33- Tribal Welfare	0.10	4.70
Total (A)	0.10	4.70
B- Capital Voted		
23- Water Resources Department	5.39	0.10
Total (B)	5.39	0.10
Grand Total (A+B)	5.49	4.80

Appendix VII

(Reference: paragraph 2.3.7(a), page 23)

Cases where expenditure fell short by more than rupees one crore and also by more than 10 per cent of the total provision

(Rupees in crore)

Sl. No.	Grant No.	Description of Grant	Amount of saving (percentage of provision)	Main reasons for saving
(1)	(2)	(3)	(4)	(5)
A. Revenue Voted				
1.	01	General Administration	9.38 (53.72)	Non-receipt of bills of POL (Rs.0.40 crore), non-commencement of tours (Rs.0.17 crore), non-completion of set-up of the secretariat and non-receipt of demand (Rs.6.82 crore), non-receipt of proposals for purchase of vehicles (Rs.0.20 crore). Reasons for balance saving have not been intimated (January 2002).
2.	03	Police	27.74 (26.85)	Less expenditure under 'Other charges' (Rs.0.06 crore). Reasons for balance saving have not been intimated (January 2002).
3.	05	Jail	1.16 (14.83)	Non filling of vacant posts (Rs.0.36 crore), economy measures (Rs.0.08 crore) and non-acceptance of bills by the treasury (0.47 crore). Reasons for balance saving have not been intimated (January 2002).
4.	06	Expenditure pertaining to Finance Department	173.99 (86.27)	Not intimated (January 2002).
5.	07	Expenditure pertaining to Commercial Tax Department	5.75 (26.20)	Not intimated (January 2002).
6.	08	Land Revenue and District Administration	16.08 (36.07)	Non-transfer of employees from successor State of Madhya Pradesh, economy measures, non-receipt of demand, non-transfer of funds in the accounts of newly-formed Chhattisgarh State, posts remaining vacant, non-purchase of new vehicles, delayed posting of Tehsildar, Naib Tehsildar and Commissioner, Land Records (Rs.14.37 crore). Reasons for balance saving have not been intimated (January 2002).
7.	10	Forest	14.89 (17.60)	Non-receipt of sanction from Government of India for residual amount for cutting of forest (Rs.7.61 crore). Reasons for balance saving have not been intimated (January 2002).
8.	11	Expenditure pertaining to Commerce and Industry Department	2.60 (48.06)	Non-drawal of funds (Rs. 1.25 crore). Reasons for balance saving have not been intimated (January 2002).
9.	12	Expenditure pertaining to Energy Department	48.06 (97.19)	Not intimated (January 2002).

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
10.	13	Agriculture	10.50 (29.51)	To provide funds for Macro Management Working Plan implemented by Central Government (Rs.4.95 crore). Reasons for balance saving have not been intimated (January 2002).
11.	15	Financial Assistance to Three Tier Panchayati Raj Institutions under Special Component Plan for Scheduled Caste	6.34 (57.69)	Non-receipt of demands from district and surrender of funds by districts (Rs.1.64 crore). Reasons for balance saving have not been intimated (January 2002).
12.	16	Fisheries	1.31 (42.81)	Not intimated (January 2002).
13.	18	Labour	1.25 (36.98)	Not intimated (January 2002).
14.	19	Public Health and Family Welfare	17.37 (24.18)	Not intimated (January 2002).
15.	20	Public Health Engineering	16.91 (28.49)	Not intimated (January 2002).
16.	21	Expenditure pertaining to Housing and Environment Department	4.39 (65.42)	Non-utilisation of the amount by the Public Works department (Rs.2.03 crore). Reasons for balance saving has not been intimated (January 2002).
17.	23	Water Resources Department	5.56 (15.42)	Not intimated (January 2002).
18.	27	School Education	223.66 (54.47)	Not intimated (January 2002).
19.	28	State Legislature	1.27 (33.78)	Not intimated (January 2002).
20.	29	Administration of Justice and Election	6.58 (51.73)	Not intimated (January 2002).
21.	32	Expenditure pertaining to Public Relation Department	2.15 (42.41)	Not intimated (January 2002).
22.	36	Transport	2.59 (62.86)	Non-resumption of duty by employees transferred from Madhya Pradesh and non-receipt of sanctions for purchase from the Finance department and non recruitment of staff (Rs.2.11 crore). Reasons for balance saving have not been intimated (January 2002).
23.	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	5.96 (27.75)	Posts remaining vacant, non-requirement of funds, economy measures, ban on purchase, bills disallowed by treasury and non-receipt of sanctions for drawal (Rs.5.43 crore). Reasons for balance saving have not been intimated (January 2002).

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
24.	41	Tribal Areas Sub Plan	27.87 (25.47)	To provide funds to the scheme Macro Management Working Plan (Rs.2.06 crore), surrender of funds by districts (Rs.0.87 crore), and non-receipt of demands for funds (Rs.11 crore). Reasons for balance saving have not been intimated (January 2002).
25.	44	Higher Education	20.17 (40.12)	Not intimated (January 2002)
26.	47	Technical Education and Man Power Planning Department	14.67 (54.80)	Due to posts remaining vacant in Autonomous Technical Colleges (Rs.0.71 crore). Reasons for balance saving have not been intimated (January 2002)
27.	48	Grant for upgradation of administration under 11th Finance Commission	16.41 (72.35)	Not intimated (January 2002).
28.	49	Scheduled Caste Welfare	2.50 (38.40)	Non-receipt of demand from districts, surrender of funds by districts, and non-purchase of vehicles (Rs.2.18 crore). Reasons for balance saving have not been intimated (January 2002).
29.	55	Expenditure pertaining to Women and Child Welfare	14.62 (37.69)	Due to posts remained vacant, excess allotment from Madhya Pradesh, restriction on drawals (Rs.12.20 crore). Reasons for balance saving have not been intimated (January 2002).
30.	56	Rural Industries	2.22 (41.04)	Not intimated (January 2002).
31.	58	Expenditure on relief on account of Natural Calamities and Scarcity	15.53 (12.33)	Non requirement of funds for drought relief in many districts of the State (Rs.5.62 crore). Reasons for balance saving have not been intimated (January 2002).
32.	61	Externally Aided Projects pertaining to Public Health and Family Welfare	1.19 (81.50)	Not intimated (January 2002).
33.	64	Special Component Plan for scheduled castes	14.45 (34.50)	To provide funds under M.H.2401-108-4838 Macro management plan scheme (Rs.1.51 crore) and non-receipt of demand and surrender of funds by districts (Rs.1.74 crore). Reasons for balance saving have not been intimated (January 2002).
34.	66	Welfare of Backward Classes	2.43 (37.73)	Receipt of surrenders from the districts (Rs.0.62 crore). Reasons for balance saving have not been intimated (January 2002).
35.	67	Public Works-Buildings	10.31 (21.24)	Not intimated (January 2002).
36.	77	Externally Aided Projects pertaining to Development of Tribal Areas in Bilaspur Division	8.00 (100)	Non-receipt of funds.

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
37.	78	Externally Aided Projects pertaining to Rural Industries Department	2.37 (56.29)	Not intimated (January 2002).
38.	79	Expenditure pertaining to Medical Education Department	2.86 (20.92)	Not intimated (January 2002).
39.	80	Financial Assistance to Three Tier Panchayati Raj Institutions	17.43 (20.43)	Non-receipt of Government sanction for transfer of funds to panchayats (Rs.2.30 crore). Reasons for balance saving have not been intimated (January 2002).
40.	81	Financial Assistance to Urban Bodies	7.60 (12.06)	Not intimated (January 2002).
41.	82	Financial Assistance to Panchayati Raj Institution Under Tribal Areas Sub Plan	14.72 (41.00)	Receipt of surrenders and non-receipt of demand from districts (Rs.6.91 crore). Reasons for balance saving have not been intimated (January 2002).
B Revenue Charged				
42		Interest payment and servicing of Deptt	115.22 (28.72)	Not intimated (January 2002).
43	01	General Administration	1.79 (66.54)	Non-recruitment of staff, economy measures in office expenses, posts remaining vacant, making provision for minor works under P.W.D; expenditure under authorised limit and non-organisation of the State Public Service Commission (Rs.1.65 crore). Reasons for balance saving have not been intimated (January 2002).
44	07	Expenditure pertaining to Commercial Tax Department	2.72 (99.63)	Not intimated (January 2002).
45	29	Administration of Justice and Elections	1.56 (54.17)	Not intimated (January 2002).
46	81	Financial Assistance to Urban Bodies	4.66 (93.20)	Not intimated (January 2002).
C Capital Voted				
47	01	General Administration	4.02 (100)	Not intimated (January 2002).
48	08	Land Revenue and District Administration	1.33 (89.26)	Less utilisation of agricultural loans by cultivators owing to drought.
49	12	Expenditure pertaining to Energy Department	23.11 (100)	Not intimated (January 2002).
50	17	Co-operation	2.54 (100)	Not intimated (January 2002).
51	24	Public Works - Roads & Bridges	15.14 (77.40)	Slow progress of work by contractors and non-utilisation of funds (Rs.5.08 crore). Reasons for balance saving have not been intimated (January 2002).

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
52	39	Expenditure pertaining to Food Civil Supplies and Consumer Protection Department	1.66 (99.70)	Non-receipt of Government sanctions for drawal of funds.
53	41	Tribal Areas Sub Plan	20.16 (37.22)	Non-receipt of demand from districts (Rs.0.51 crore). Reasons for balance saving have not been intimated (January 2002).
54	42	Public Works relating to Tribal Areas Sub Plan- Roads & Bridges	12.07 (46.91)	Slow progress of work by contractors and non-utilisation of allotment (Rs.8.05 crore). Reasons for balance saving have not been intimated (January 2002).
55	45	Minor Irrigation-Works	4.13 (50.06)	Not intimated (January 2002).
56	48	Grant for upgradation of administration under 11th Finance Commission	24.18 (75)	Not intimated (January 2002).
57	56	Rural Industries	1.70 (95.5)	Not intimated (January 2002).
58	57	Externally Aided Projects pertaining to Water Resources Department	3.27 (63.74)	Not intimated (January 2002).
59	58	Expenditure on relief on account of Natural Calamities and scarcity	1.59 (94.64)	Not intimated (January 2002).
60	64	Special Component Plan for Scheduled Castes	22.15 (78.32)	Withdrawal of Drawing and Disbursing powers of temporary divisions in February 2001, slow progress of work by contractors, belated receipt of funds, surrender of amount by districts (Rs.5.63 crore). Reasons for balance saving have not been intimated (January 2002).
61	67	Public Works-Buildings	5.95 (54.39)	Withdrawal of Drawing and Disbursing powers of temporary divisions, slow progress of work by contractors, non-shifting of Architect and Research Design and Development office (Rs.3.45 crore). Reasons for balance saving have not been intimated (January 2002).
62	68	Public Works relating to Tribal Areas sub plan-Buildings	8.71 (89.33)	Owing to inadequate progress of work by contractors and non shifting of Architect and Research Design and Development office from Madhya Pradesh to Chhattisgarh (Rs.5.37 crore). Reasons for balance saving have not been intimated (January 2002).
D	Capital Charged			
63		Public Debt	420.34 (68.58)	Due to better financial position of State (Rs. 1.14 crore). Reasons for balance saving have not been intimated (January 2002).

Appendix VII(a)

(Reference: paragraph 2.3.7(b), page 23)

Cases where entire budget provision under Central Schemes remained unutilised

(Rupees in crore)

Sl. No.	Grant No. and name	Head of account	Budget provision unutilised
(1)	(2)	(3)	(4)
A. Centrally Sponsored Schemes			
1.	41-Tribal Areas Sub Plan 22- Panchayat and Rural Development Department	2501-01-796-101-0702-9375- Assistance to District Rural Development Agency under Swarn Jayanti Village Self Employment Scheme	1.02
2.	41-Tribal Areas Sub Plan 22- Panchayat and Rural Development Department	2501-02-796-800-0702-9464- Water Shed Treatment/Development Activities	1.08
3.	45-Minor Irrigation-Works	4402-800-0701-3478-Macro Minor Irrigation schemes	1.46
4.	64-Special Component Plan for Scheduled Castes 22- Panchayat and Rural Development Department	2501-01-789-101-0703-9375- Assistance to District Rural Development Agencies under Swarn Jayanti Rural Self Employment Scheme	1.76
		Total- A	5.32
B. Central Sector Schemes			
5.	11-Expenditure pertaining to Commerce and Industry department	2852-80-800-0801-705- Construction and Development in Industrial Areas Institutions	1.25
6.	13-Agriculture	2401-113-0801-6246-Grant from Government of India on Tractor purchase	1.50
7.	19-Public Health and Family Welfare	2210-06-800-0801-1801-Aid and Material under TCA Programme	1.37
8.	19- Public Health and Family Welfare	2211-800-0801-2498-Supply of conventional contraceptives	1.94
9.	19- Public Health and Family Welfare	2211-800-0801-6106- Universal immunisation.	4.53
10.	19- Public Health and Family Welfare	3606-237-0801-2498-Supply of conventional contraceptives	1.94
11.	19- Public Health and Family Welfare	3606-237-0801-4244-Malaria	3.83
12.	24-Public Works-Roads & Bridges	5054-03-337-0801 Central Sector Schemes Normal 8716 Central Road Fund	7.68

(Rupees in crore)

(1)	(2)	(3)	(4)
13.	30-Expenditure pertaining to Panchayat and Rural Development Department	2216-03-800-0801-Central Sector Schemes Normal-4851 Prime Minister Gramoday Yojna	2.00
14.	41-Tribal Areas Sub Plan 10-Forest Department	2406-01-796-800-0802 Central Sector Schemes TSP 5231 Grant to Small Forest Produce Federation for small forest produce work.	4.50
15.	41-Tribal Areas Sub Plan 29 Food and Civil Supplies Department	2408-01-796-190-0802- Central Sector Schemes TSP 4994 Construction of Godown Grid	1.09
16.	41-Tribal Areas Sub Plan 29-Food and Civil Supplies Department	6408-01-796-190-0802-4994 Construction of Godown Grid	1.09
17.	41-Tribal Areas Sub Plan 31-Water Resources Department	4702-796-800-0802-Tribal Area Sub Plan 3828 Minor Irrigation Schemes	1.65
18.	41-Tribal Areas Sub Plan 31-Water Resources Department	4702-796-800-0802 Central Sector Schemes TSP 4860 completion of incomplete irrigation scheme (Article 275 (1))	5.13
19.	42-Public Works relating to Tribal Areas Sub Plan- Roads and Bridges	5054-04-796-800-0802- Central Sector Schemes TSP 4861 construction of Roads and Bridges (Article-275(1))	2.62
Total B			42.12
Grand Total (A+B)			47.44

Appendix VIII

(Reference: paragraph 2.3.8(a), page 24)

Cases involving substantial excess under the schemes

(Rupees in crore)

Sl. No.	Number and name of Grant	Name of Scheme	Amount of excess	Percentage of excess
(1)	(2)	(3)	(4)	(5)
A. Revenue-Voted				
1.	10-Forest	2406-01-101-0101-2965-Rehabilitation of degraded forest	2.15	537.5
2.	13-Agriculture	2401-108-0801-Central Sector Schemes normal-4838- Macro Management Working plan	4.89	Token Provision
3.	19-Public Health and Family Welfare	2210-03-103-0101-2777 Primary Health Centres (Basic Services)	9.25	121.4
4.	24-Public Works-Roads & Bridges	3054-80-001-2301 Direction and Administration Prorata share of establishment transferred from Grant No.67 Major head 2059	9.61	195.3
5.	41-Tribal Areas Sub Plan 14- Agriculture Department	2401-796-001-0102-Tribal Area Sub Plan 4103 Intensive Extention Project World Bank assisted	2.14	157.3
6.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	2245-01-101-96 Relief to out break of Fire	12.63	467.8

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
7.	58-Expenditure on relief on account of Natural Calamities and Scarcity	2245-02-122-989-Re establishment and repairs of damaged Irrigation and Flood Control Works	4.03	322.4
8.	58-Expenditure on relief on account of Natural Calamities and Scarcity	2245-01-800 other Expenditure	10.51	(Provision Nil)
9.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	2245-80-001-2304 Direction and Administration	4.08	8160
10.	67-Public Works - Buildings	2059-01-051-183 Other Minor works	2.77	2518
11.	80-Financial Assistance to Three Tier Panchayati Raj Institution	2515-101-0101-State Plan Schemes Normal 8209 Honorarium and other amenities to Panchayat officers	1 1.13	849.6
		Total - A	73.19	
B Revenue Charged				
12.	<i>Interest payment and servicing of debt</i>	<i>2049-01-101-123- Interest on special securities issued to Central Government National Saving fund by State Government</i>	<i>14.95</i>	<i>Excess without budget provision</i>
	Total - B		14.95	
C- Capital Voted				
13.	23- Water Resources Department	4701-01-232-0101- 3556 Head quarter Establishment, unit I	2.10	253.0
	Total - C		2.10	
	Grand Total (A+B+C)		90.24	

Appendix VIII(a)

(Reference: paragraph 2.3.8 (b), page 24)

Cases involving substantial saving under the schemes

(Rupees in crore)

Sl. No.	Number and name of Grant	Name of Scheme	Amount of saving	Percentage of saving
(1)	(2)	(3)	(4)	(5)
A. Revenue-Voted				
1.	03-Police	2055-115-2643-Modernisation of Police Force	8.34	100
2.	03-Police	2055-109-194-Other Police	5.25	100
3.	06-Expenditure pertaining to Finance Department	2070-800-224-Other Expenditure	19.94	99.7
4.	06-Expenditure pertaining to Finance department	2071-01-101-2413 Payable to retired Salaried Persons	115.86	89.6
5.	06-Expenditure pertaining to Finance Department	2071-01-102-3080- Payment of commuted value of pensions in India	16.64	94.0
6.	08-Land Revenue and District Administration	2029-103-0801-Central Sector Schemes Normal 5917 Extension of computerisation schemes of Land Records	3.65	89.9
7.	10-Forest	2406-01-797-216-Transfer of amount received from other department for forestation to compensatory forestation/ plantation Fund	3.50	100
8.	12-Expenditure pertaining to Energy Department	2801-80-101-3354-Payment of subsidy to MPEB	34.73	100
9.	12-Expenditure pertaining to Energy Department	2801-80-101-5855-Payment of subsidy to MPEB for Reimbursement of expenditure in connection with free supply of electricity to one point connection and 5 HP Agriculture Pumps/ Threshers	13.31	100
10.	13 Agriculture	2705-800-0801-Central Sector Schemes Normal 3744 National Water Shed Project	6.29	99.1
11.	19-Public Health and Family Welfare	2211-800-0801-6106 Universal Immunisation	4.53	100
12.	19-Public Health and Family Welfare	3606-237-0801-4244-Malaria	3.83	100
13.	20-Public Health Engineering	2215-01-800-5300-Maintenance of Water Supply Scheme of Local Bodies	2.08	91.6

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
14.	21-Expenditure pertaining to Housing and Environment department	2216-02-190-0101-State Plan Normal 7560 Assistance for construction of residential quarters for government servants by Housing Board	2.00	100
15.	21-Expenditure pertaining to Housing and Environment Department	2217-01-001-0101-State Plan (Normal)4025 Maintenance of head of Department Buildings	2.25	100
16.	27-School Education	2202-01-001-0101-State Plan Schemes (Normal)1500 office of the District Education Officer (For Basic Minimum Services)	29.39	92.1
17.	27-School Education	2202-01-001-0101-3930-Establishment of block Development office (For Basic Minimum Services)	13.29	89.1
18.	29-Administration of Justice and Elections	2015-105-4311-charges for conduct of election to Parliament	2.64	95.7
19.	30-Expenditure pertaining to Panchayat and Rural Development Department	2216-03-800-0801-Centrally sponsored schemes Normal-4851 Prime minister Gramoday Yojna	2.00	100
20.	33-Tribal Welfare	2225-02-277-0801-2675 Post Metric Scholarship	2.87	95.7
21.	41-Tribal Areas sub Plan 10-Forest Department	2406-01-796-800-0802- 5231 Grant to small Forest produce Federation for small forest produce work.	4.50	100
22.	41-Tribal Areas Sub plan 25-ST, SC and Backward Class Welfare Department	2225-02-796-277-0802-Central sector TSP- 5232 grant to MP Housing School Samiti (Act 275 (1))	7.99	99.9
23.	41-Tribal Areas Sub Plan 14-Agriculture Department	2705-796-800-0802-9327 National Water Grid Area Development Scheme	2.94	98
24.	47- Technical Education and Manpower Planning Department	2203-104-0101-State Plan Schemes (Normal)8885 Assistance to Autonomous Technical Bodies	2.65	80.3
25.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	2702-80-800-3819-Minor Irrigation (Agriculture)	2.63	100
26.	67-Public Works-Buildings	2059-01-051-7553-Office of The Head of Department	3.00	100
27.	77-Externally Aided projects pertaining to Development of Tribal Areas in Bilaspur Division	2225-02-102-1202-8762-Grant to Tribal Development Society under Assistance from International Agriculture Development fund	8.00	100
28.	80-Financial Assistance to Three Tier Panchayati Raj Institutions	2515-101-4610-Against collection of stamp duty	3.56	99.4
29.	80-Financial Assistance to Three Tier Panchayati Raj Institutions	2853-02-800-0101-State Plan Schemes (Normal)6299 transfer of Revenue received from minor minerals of rural Areas to Panchayats	2.30	100

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
30.	82-Financial Assistance to Panchayati Raj Institutions under Tribal Areas Sub Plan 25 SC, ST and Backward Class Welfare Department	2225-02-796-277-0802-7587-Operation Black Board Schemes	5.22	95.8
		Total A	335.18	
B. Revenue-Charged				
31.	Interest Payment and servicing of debt	2049-01-101-5-11.50%- Madhya Pradesh State Development loan 2009	2.10	95.5
32.	Interest Payment and servicing of debt	2049-01-101-8090-11.50% Madhya Pradesh State Development loan 2010	2.30	100
33.	Interest Payment and Servicing of Debt	2049-60-701-4198-Government employees group Insurance scheme	9.51	100
34.	07-Expenditure Pertaining to Commercial Tax Department	2030-02-797-6002-Transfer of the Additional stamp duty levied under Madhya Pradesh Panchayat Adhinyam to Panchayat land Revenue and Stamp duty Fund	2.72	100
35.	81-Financial Assistance to Urban Bodies	3604-200-4035-Grants to Local Bodies on account of Loss of Income due to crediting of fees Fines and other receipts to Government	4.67	93.4
		Total B	21.30	
C Capital-Voted				
36.	01- General Administration	4059-01-800-7558-Arrangement of Vidhan Sabha Construction of Buildings	2.00	100
37.	01- General Administration	4216-01-800-7561-Purchase of Residential Building	2.00	100
38.	12-Expenditure pertaining to Energy Department	6801-800-0101-State Plan Schemes (Normal)-2967 Other Loans to Electricity Board	23.11	100
39.	24-Public Works Roads & Bridges	5054-03-337-0801-Central Sector Schemes Normal 8716 Central Road Fund	7.68	100
40.	24-Public Works-Roads & Bridges	5054-04-800-0101-State Plan Schemes (Normal) 6590 Construction of Rural Roads under NABARD Loan Assistance	5.29	87.7
41.	24 Public Works Roads and Bridges	5054-03-337-0101-4336 Construction of State High way Roads in States	2.34	100
42.	41 Tribal Areas Sub Plan 15-Co-operative Department	4425-796-107-0910-NCDC-369-Investment in share capital of Tribal Co-operative Societies	2.10	100
43.	41 Tribal Areas Sub Plan 31-Water Resources Department	4702-796-800-0802-Central Sector TSP 4860 Completion of incomplete Irrigation Schemes (Articles 275 (1))	5.13	100
44.	42-Public Works relating to Tribal Areas Sub Plan-Roads and Bridges	5054-04-796-800-0802-4861-Construction of Roads and Bridges (Article 275 (1))	2.62	100

Appendices

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)
45.	64 Special Component Plan for Scheduled Castes 19-Public Works Department	5054-04-789-800-0103-Special Component plan for Scheduled Castes 9002 Construction of roads in Scheduled Castes predominate areas	2.09	82.3
46.	64- Special Component Plan for Scheduled Castes 25 SC,ST and Backward Class Welfare Department	6225-01-789-800-0703-centrally sponsored schemes SCP 7602 Sanitary Mart scheme for Scavengers	15.00	94.9
47.	67-Public Works-Buildings	4216-01-106-3692-State Legislature 001 Buildings	2.79	93
48.	68-Public Works relating to Tribal Areas Sub Plan-Buildings	4210-02-796-104-0102-Tribal Area Sub Plan 8169 Construction of Community Health Centres	4.83	91.20
49.	68-Public works relating to Tribal Areas Sub Plan-Buildings	4210-02-796-110-0102-Tribal Area Sub Plan 5057 Additional beds in Hospitals	3.01	98.4
		Total-C	79.99	
D Capital-Charged				
50.	Public Debt	6003-110-779-Advances to meet shortfall	356.01	90.1
Total D			356.01	
Grand Total (A+B+C+D)			792.48	

Appendix IX

(Reference: paragraph 2.3.9, page 24)

Injudicious/Irregular/Incorrect re-appropriation/Surrenders

(A) **Some of the cases in which funds were injudiciously withdrawn by re-appropriation/surrender, although accounts already showed excess over provision:**

(Rupees in crore)

Sl. No.	Grant No. and Head of Account	Original plus Supplementary provision	Actual expenditure	Excess before reappropriation	Re-appropriation/ Surrender	Final excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	33-Tribal Welfare 2225-02-277-583 Higher Secondary Schools	16.14	26.13	9.99	(-)0.56	10.55
2	33-Tribal Welfare 2225-02-277-2772 Primary Schools	36.30	42.59	6.29	(-)0.80	7.09
3	41-Tribal Area Sub Plan 25-SC,ST and Backward Class Welfare Department 2225-02-796-277-0102-581 Higher Secondary Schools	7.94	10.67	2.73	(-)1.99	4.72
4	58-Expenditure on relief on account of Natural Calamities and Scarcity 2245-01-101-96-Relief to out Break of Fire	2.70	15.33	12.63	(-)2.67	15.30
5	58-Expenditure on Relief on account of Natural Calamities and Scarcity 2245-02-101-2018 Cash Doles	2.13	2.77	0.64	(-)2.13	2.77
6	58-Expenditure on Relief on account of Natural Calamities and Scarcity 2245-02-122-989 Re-establishment and repair of damaged irrigation and flood control works	1.25	5.28	4.03	(-)1.25	5.28
7	67-Public Works-Buildings 4059-01-051-9101-1481-District Administration	1.77	2.61	0.84	(-)0.50	1.34

(B) **Some of the cases in which funds were withdrawn by re-appropriation/ surrender in excess of available savings, resulting in final excess:**

(Rupees in crore)

Sl. No.	Grant No. and Head of Account	Original plus Supplementary provision	Actual expenditure	Available saving	Re-appropriation/ Surrender	Final excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	01-General Administration 2251-090--4329-Secretariat	1.29	0.12	1.17	(-)1.18	0.01
2	01-General Administration 3451-090-4327-Secretariate	0.75	0.17	0.58	(-)0.61	0.03

Appendices

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
3	06-Expenditure Pertaining to Finance Department 7610-202-5297-Motor Conveyance Advance to other Government Servants	1.00	0.09	0.91	(-)1.00	0.09
4	08-Land Revenue and District Administration-2029-103-1472-District Charges	13.37	8.97	4.40	(-)5.27	0.87
5.	08-Land Revenue and District Administration 2029-103-0801-5917-Extension of Computerisation Scheme of Land Revenue	4.06	0.41	3.65	(-)3.78	0.13
6	08-Land Revenue and District Administration 2053-093-1510-District Establishment	6.23	4.89	1.34	(-)1.38	0.04
7	08-Land Revenue and District Administration 6401-800-862-Cultivator Loans Act	1.42	0.16	1.26	(-)1.40	0.14
8	13-Agriculture 2401-119-0701-6248 Drip Irrigation Schemes	0.81	0.15	0.66	(-)0.81	0.15
9	15-Financial assistance to Three Tier Panchayati Raj Institution under Special component Plan for scheduled castes, 25-ST.SC and Backward Class Welfare Department 2225-01-789-277-0103-5133-Other scholarships	2.50	1.67	0.83	(-)0.86	0.03
10	32-Expenditure pertaining to Public Relation Department 2220-01-001-0101-2320-Direction and Administration	2.45	2.12	0.33	(-)0.77	0.44
11	33-Tribal Welfare 2225-02-277-2675-Post Metric Scholarships	3.68	1.67	2.01	(-)2.30	0.29
12	33-Tribal Welfare 2225-02-277-0101-1395-Hostels	8.64	6.82	1.82	(-)1.83	0.01
13	33-Tribal Welfare 2225-02-277-0801-2675-Post Metric Scholarship	3.00	0.13	2.87	(-)3.00	0.13
14	36-Transport 2041-101-4280-Collection charges	2.21	0.67	1.54	(-)1.59	0.05
15	41-Tribal Area Sub Plan-25-SC,ST,and Backward Class Welfare Department 2225-02-796-277-0802-5232-Grant to M.P. Housing School Samiti (Act 275(i))	8.00	0.01	7.99	(-)8.00	0.01
16	42-Public works Relating to Tribal Area Sub Plan-Roads and Bridges 5054-03-796-101-0102-4149-Construction of Major Bridges	1.80	0.75	1.05	(-)1.34	0.29
17	55-Expenditure Pertaining to Women and Child Welfare-2235-02-001-0101-9041-Directorate of Women and Child Welfare	1.08	0.37	0.71	(-)0.79	0.08
18	55-Expenditure Pertaining to Women and Child Welfare-2235-02-102-0801-5354-Integrated Service Schemes (Under Externally Aided Project)	11.05	8.16	2.89	(-)2.98	0.09
19	58-Expenditure on Relief on account of Natural Calamities and Scarcity 2245-02-101-747-Relief to Hail Storm Sufferers	0.81	0.05	0.76	(-)0.81	0.05
20	58-Expenditure on Relief on account of Natural Calamities and Scarcity 2245-80-800-8030-Grant for Re-establishment and other work	1.79	1.02	0.77	(-)1.79	1.02

(Rupees in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
21	58-Expenditure on Relief on account of Natural Calamities and Scarcity 2406-01-101-3891-Plantation work	1.33	0.52	0.81	(-)1.33	0.52
22	58-Expenditure on Relief on account of Natural Calamities and Scarcity 5054-04-337-1467-District and other Roads	0.53	0.09	0.44	(-)0.53	0.09
23	82-Financial Assistance to Panchayati Raj Institutions 25 SC,ST and Backward Class Welfare Department under Tribal Area-Sub Plan 2225-02-796-277-0102-494-Ashram	1.62	0.83	0.79	(-)0.89	0.10

(C) Some of the cases of un-necessary augmentation of funds by re-appropriation, despite availability of savings:

(Rupees in crore)

Sl. No.	Grant No. and Head of Account	Original plus Supplementary provision	Actual expenditure	Available saving	Re-appropriation/ Surrender	Final saving
1	23-Water Resources Department 2701-01-204-2894-Barrage and canals	1.77	0.97	0.80	+0.87	1.67
2	58-Expenditure on Relief on account of Natural Calamities and Scarcity 2245-01-102-2661-Drinking Water Supply	6.06	4.45	1.61	+17.56	19.17

(D) Cases in which funds were injudiciously augmented by re-appropriation of more than the amount required, to cover the excess of expenditure over the provision:

(Rupees in crore)

Sl. No.	Grant No. and Head of Account	Original plus Supplementary provision	Actual expenditure	Excess before reappropriation	Re-appropriation/ Surrender	Final saving
1	10-Forest-2406-01-102-3531-Panchwan/Mixed Forest	0.46	1.63	1.17	+3.28	2.11
2	10-Forest-2406-01-204-2901-Bamboos	3.96	4.93	0.97	+1.16	0.19
3	13-Agriculture-2401-108-0801-4838-Macro Management Working Plan	Token	4.89	4.89	+5.71	0.82
4	41-Tribal Area Sub Plan 14-Agriculture Department 2401-796-108-0802-4838-Macro Management Working Plan	Token	1.86	1.86	+2.06	0.20
5	64-Special component Plan for scheduled castes 14-Agriculture Department 2401-789-108-0802-4838-Macro Management Working Plan.	Token	0.95	0.95	+1.52	0.57

Appendix XI

(Reference: paragraph 2.3.11, page 24)

(a) Cases where amounts surrendered exceeded the available savings

(Rupees in crore)

Sl. No.	Grant number and name	Available saving	Amount surrendered
(A) Revenue (Voted)			
1.	08- Land Revenue and District Administration	16.08	16.70
	Total A	16.08	16.70
(B) Capital Voted			
1.	08- Land Revenue and District Administration	1.33	1.47
2.	39- Expenditure pertaining to Food Civil Supplies and Consumer Protection Department	1.66	1.67
3.	58- Expenditure on Relief on account of Natural Calamities and Scarcity	1.59	1.68
	Total B	4.58	4.82
	Grand Total (A+B)	20.66	21.52

(b) Cases where amounts were surrendered when the expenditure had already exceeded the provisions

(Rupees in crore)

Sl. No.	Grant number and name	Excess over provision	Amount surrendered
(A) Revenue (Voted)			
1.	02- Other expenditure pertaining to General Administration Department	0.28	0.52
2.	24- Public Works-Roads and Bridges	3.54	0.25
3.	33- Tribal Welfare	4.70	16.53
	Total	8.52	17.30

Appendix XII

(Reference: paragraph 2.3.15, page 26)

Expenditure incurred without budget provision

(Rupees in lakh)

Sl. No.	Grant number and Name of Grant	Head of Account	Expenditure incurred without approval of Legislature
(1)	(2)	(3)	(4)
1.	Interest payment and servicing of debt	2049-01-101-7236-12.50% Madhya Pradesh State Development loan-2004	8.95
2.	Interest payment and servicing of debt	2049-01-101-7238-12.15% Madhya Pradesh State Development loan-2008	0.65
3	Interest Payment and Servicing of Debt	2049-01-101-123 Interest on Special securities issued to Central Government National saving fund by State Government	1495.01
4	Public Debt	6003-106-3732- Compensation and other Bonds-Bonds issued in lieu of cash payment under Urban Land Ceiling and Regulation Act-1976	1.51
5	Public Debt	6004-01-800-3469-Loans for water supply in Mhow Cantonment	0.36
6	Public Debt	6004-03-800-3944-Loans for water supply in Vijaypur Fertilisers	11.57
7.	01-General Administration	2015-101-6262-State Election Commission	45.49
8	27-School Education	2202-01-104-0101-4442- Assistant District Inspector of Schools	9.13

(Rupees in lakh)

(1)	(2)	(3)	(4)
9	39-Expenditure pertaining to Food, Civil Supply and Consumer Protection Department	4408-01-191-0910-6418-Construction of Godowns	0.50
10.	58-Expenditure on relief on account of Natural Calamities and Scarcity	2245-01-800-Other expenditure	1050.76
11.	58-Expenditure on relief on account of Natural Calamities and Scarcity	2245-04-101-474-Transfer to reserve fund and deposit account.-Famine Relief Fund	11.64
12.	58-Expenditure on relief on account of Natural Calamities and Scarcity	2245-04-101-475-Transfer to reserve fund and deposit account.-Natural Calamities Unspent Margin Money Famine Relief Fund	33.14
13.	64-Special Component Plan for Scheduled Castes 25-SC,ST,and Backward Class Welfare Department.	4225-01-793-277-0603-Schemes financed out of special Central Assistance from Government of India for special component plan-1400-Construction of Hostels and Ashrams	12.50
		Total	2681.21 or Rs.26.81 crore

Appendix XIII

(Reference: paragraph 2.3.16, page 26)

Defective sanctions for re-appropriation/surrenders

Sl. No.	Number of sanctions	Grant numbers	Amount (Rs. in lakh)	Particulars of irregularities
1	2	7, 45	204.63	Sanctions were issued after close of financial year.
2	1	64	2.28	Non-availability of funds in the Heads from which surrender sanctioned.
3	5	4, 26, 55 and 65	33.21	Funds to the Head "office expenses" increased by reappropriation and funds reappropriated from 'Salary and Wages' to other heads.
4	1	23	100.00	Reappropriation from one Grant to another.
5	1	44	10.00	Non-furnishing of correct details of heads etc. from which reappropriation sanctioned.
Total			350.12 (or Rs.3.50 crore)	"

Appendix XIV

(Reference: paragraph 2.3.17, page 26)

Rush of expenditure during March 2001

(Rupees in crore)

Sl. No.	Grant Number and description of Grant	Total provision	Total expenditure up to March 2001	Expenditure in March	Percentage of expenditure in March to total expenditure
1	30-Expenditure pertaining to Panchayat and Rural Development Department	120.54	118.25	96.02	81.2
2	39-Expenditure Pertaining to Food, Civil Supplies and Consumer Protection Department	23.15	15.52	14.25	91.8
3	40-Expenditure Pertaining to Command Area-Development Department	1.57	0.75	0.55	73.3
4	46-Science and Technology	0.40	0.03	0.03	100
5	51-Religious Trusts and Endowments	0.17	0.13	0.13	100
6	53-Financial Assistance to Urban Bodies under Special Component Plan for Scheduled Castes	0.17	0.17	0.17	100
7	66-Welfare of Backward Classes	6.44	4.01	3.14	78.3
8	69-Urban Administration and Development Department-Urban Welfare	4.00	3.97	3.96	99.7
9	78-Externally Aided Project Pertaining to Rural Industries Department	4.83	1.84	1.76	95.7
10	83-Financial Assistance to Urban Bodies Under Tribal Areas Sub-Plan.	0.68	0.71	0.68	95.8

Appendix XV

(Reference: paragraph 2.4.2(a), page 29)

Excess expenditure under schemes in respect of Grant No.14

(Rupees in lakh)

Sl. No.	Description of schemes	Excess expenditure (percentage in brackets)
1	14-Expenditure pertaining to Animal Husbandry Department 2403-001-1468-District and Divisional level	5.70 (10.3)
2	2403-001-4297-Directorate level	8.07 (48.3)
3	2403-001-0101-4082-Special Animal Husbandry Programme	10.98 (83.8)
4	2403-101-0101-State Plan Schemes (Normal)-2549-Veterinary Hospital and Dispensaries	85.78 (13.6)
5	2403-102-0101-1108-Intensive Cattle Development Project	24.26 (10.6)
6	2403-103-842-Scheme of Poultry examination	1.03 (286.1)
7	2403-107-0101-1340-Fodder production and preservation	1.22 (244)
	Total	137.04 lakh or 1.37 crore

Appendix XVI

(Reference: paragraph 3.5.5.2.(c), page 74)

Statement showing the sputum examination, sputum positive cases and sputum positive cases converted into negative cases under NTCP

Year	No. of patients/population to be screened	No. of TB cases detected	No. of cases in which sputum smear examination carried out	No. of cases in which sputum smear examination results were positive	No. of positive cases converted into negative by treatment	Percentage of Sputum positive w.r.t. sputum examination
1996-97	5902007	71162	196211	10868	18397	06
1997-98	5767972	70524	175231	10134	16870	06
1998-99	5149397	65665	363506	18387	15496	05
1999-2000	5003239	61019	364475	23683	16395	06
2000-2001	4458414	63370	291484	22666	15181	08
	Total			85738	82339 96%	

Appendix XVII

(Reference: paragraph 3.5.5.2(d), page 75)

Deployment of staff in NTCP and RNTCP in Madhya Pradesh as on 31 October 2000

Post	NTCP				RNTCP			
	Sanctioned	Working	Trained	Vacant	Sanctioned	Working	Trained	Vacant
1.	2.	3.	4.	5.	6.	7.	8.	9.
District TB Officer	47	42	31 66%	05 11%	--	--	--	--
STLS	--	--	--	--	08	08	08	--
STS	--	--	--	--	08	08	08	--
ASO	47	38	20 43%	09 19%	-	---	--	--
TO	49	41	29 59%	08 16%	--	--	--	--
LT	71	71	51 72%	--	25	25	25	--
X-ray Tech	47	45	34 72%	02 4%	--	--	--	--
TB HV	--	--	--	--	13	13	--	--
Data Entry Operator	--	--	--	--	03	02	01	01
Drivers	--	--	--	--	03	03	--	--

Appendix XVIII

(Reference: paragraph 3.5.5.2(e), page 75)

Year-wise details of patients under RNTCP

Name of district	Year	Population covered	No. of TB cases registered								
			New				Re-treatment cases				
			Sputum positive	Sputum negative	Extra pulmonary	Total	Re-lapse cases	Failure cases	Default cases	Other	Total
Bhopal	1999	18.5 lakh	1080	714	245	2039	99	59	38	48	244
	2000	18.5 lakh	906	812	278	2056	135	47	80	120	382
Vidisha	1999	11.2 lakh	870	724	63	1657	43	31	51	56	181
	2000	11.2 lakh	716	855	97	1668	53	35	116	126	330
Rajgarh	2001	10 lakh	463	502	48	1013	3	6	100	130	239

Appendix XIX

(Reference: paragraph 3.5.5.2(e), page 75)

Statement showing number of conversion of positive cases into Sputum negative cases at three months under RNTCP

Name of district	Year	Total number of sputum positive patients	Sputum at 3 months		
			Positive	Negative	Percentage of conversion
Bhopal	1999	1080	196	884	81 %
	2000	906	111	795	88 %
Vidisha	1999	870	177	693	80 %
	2000	716	133	583	81 %
Rajgarh	2001	463	65	398	86 %

Appendix XX

(Reference : paragraph 3.5.5.2(e), page 75)

Statement showing performance under RNTCP during 1999 and 2000

Year	1999				2000					
	Bhopal		Vidisha		Bhopal		Vidisha		Rajgarh	
Population	18.5 lakh		11.2 lakh		18.5 lakh		11.2 lakh		10 lakh	
Performance Indicator	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Detection of new Sputum (Sp)+ cases-- 50 per lakh per year	925	1080	560	870	925	906	560	716	500	463
Detection of total no. of cases of TB-- 135 per lakh per year	2497	2039	1512	1657	2497	2056	1512	1668	1350	1013
Detection of treatment cases-- 50% New Sp+ cases	540	244	435	181	453	382	358	330	231	239
Detection of E.P. Cases-- 20% of new Sp + cases	216	245	174	63	181	278	143	97	92	48
Ratio of Sp. + to Sp. - 01:1.2	1080:1296	1080:714	870:1044	870:724	906:1087	906:872	716:859	716:855	463:555	463:402
Sputum convention rate 3 months >=90%	972	884 81%	783	693 80%	815	795 88%	644	583 81%	416	398 86%
Cure Rate >85 %	918	75.22	NA	85.71	770	77.22	608	55.37	393	NA
Default rate <=5%	54	38	739	51	45	80	35	116	23	100

Appendix XXI

(Reference : paragraph 3.5.5.3.a(ii), page 76)

Statement showing details of grant-in-aid and expenditure of the Districts societies for control of Blindness in test checked districts during the period from 1996-97 to 2000-2001

(Rupees in lakh)

Year	Opening balance	Grant in aid	Interest accrued	Total	Expenditure	Closing balance	Percentage of closing balance
1.	2.	3.	4.	5.	6.	7.	8.
Bhopal	1.23	26.82	--	28.05	18.01	10.04	36 %
Bilaspur	2.93	86.41	--	89.34	89.30	0.04	0.04 %
Guna	1.89	32.39	--	34.28	33.07	1.22	4 %
Indore	0.13	37.97	--	38.10	37.32	0.78	2 %
Jabalpur	0.26	58.53	--	58.79	53.14	5.65	10%
Jagdalpur	3.00	59.28	--	62.28	56.29	5.99	10%
Mandsaur	0.23	36.50	--	36.73	37.48	(-0.75)	--
Satna	9.07	296.31	--	305.38	305.21	0.17	0.06 %
Total	18.74	634.21	--	652.95	629.81	23.14	4%

Appendix XXII

(Reference: paragraph 3.5.5.4(d)(i), page 78)

Details of staff in the test-checked districts under NPCB as on 31 March 2001

Posts	Sanctioned	In operation	Vacant	Percentage of vacancies	Vacant since
1	2	3	4	5	6
Ophthalmic Surgeon	27	24	3	11	1996-97 (1) and 1997-98 (2)
Ophthalmic Assistant	89	78	11	12	1996-97 (8), 1997-98 (1), Not known (2)
Camp Coordinator	5	1	4	80	1996-97
Nurses	8	7	1	12	1996-97
Operation Theatre Assistant	6	5	1	17	1996-97
Driver	8	8	Nil	--	--

Appendix XXIII
(Reference: paragraph 3.5.8.3, page 88)

Details of manpower in test-checked DIETs for in-service teachers training during 1996-2001

Sl. No.	Name of DIET	Number of lecturers posted/mandays available for training	Mandays utilised for training*					Total mandays utilised during 1996-2001	Average mandays utilised per year (with percentage)
			1996-97	1997-98	1998-99	1999-2000	2000-01		
1	2	3	4	5	6	7	8	9	10
1	Ambikapur	2/490	240	178	317	490	14	1239	248 (51%)
2	Bemetara	2/490	130	8	120	43	14	315	63(13 %)
3	Bhopal	2/490	371	84	380	163	34	1032	206(42 %)
4	Datia	2/490	70	12	225	36	21	364	73(15 %)
5	Dhar	1/245	71	119	120	--	3	313	63(26 %)
6	Gwalior	1/245	62	48	82	490	30	712	142(58 %)
7	Indore	2/490	56	28	32	180	147	443	89(18 %)
8	Khandwa	2/490	131	385	120	233	74	943	189(39 %)
9	Khargone	2/490	112	74	141	62	490	879	176(36 %)
10	Pendra	1/245	190	340	197	80	21	828	166(68 %)
11	Raipur	2/490	104	199	65	68	29	465	93(19 %)
12	Raisen	2/490	176	98	122	244	16	656	131(27 %)
13	Sehore	1/245	91	9	21	326	31	478	96(39 %)
14	Shahdol	2/490	95	71	98	32	--	296	59(12 %)
15	Shivpuri	1/245	148	184	153	108	91	684	137(56 %)
Total			2047	1837	2193	2555	1015	9647	129

* Mandays utilised have been worked out on the basis of Number of trainee groups, duration of training the mandays available on the basis of number of lecturers posted for training (245 mandays per lecturer per year).

Appendix XXIV

(Reference: paragraph 3.7.7.5(i), page 97)

Details of belated supply of text books by Text Book Corporation (TBC) and further delay in distribution among the NFE learners

S/ No.	Names of test-checked districts	Year	Number of text books purchased from TBC	Dates of receipt of text books from TBC	Cost of text books purchased (Rs.)	Dates of issue of books to project office	Delay in issue	Remarks	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Guna	1995-96	49644	28-12-1995	513581	Date of issue was not mentioned in Stock register	6 to 7 Months	The text books received by the Assistant Director (NFE) were supplied to the Project Officers who further supplied them to Instructors of NFE centres. But the dates of actual distribution of text books among the NFE learners were never obtained and acknowledgement of children were never called for. The position of books which could not be distributed was also not obtained from the NFE centres	
		1996-97	37978	27-2-97	334158	Date of issue was not mentioned in Stock register	8 to 9 months		
		1997-98	17503	9-11-97	198435	Books were issued in March 1998	5 to 9 months		
		1998-99	--	Books were not purchased					
		1999-2000	62401	4-11-99	506125	Date of issue was not mentioned	4 to 5 months		
2	Indore	1995-96	34330	20-10-95	327609	Date of issue was not mentioned	4 to 5 months		
		1996-97	29880	13-1-97	440211	Date of issue was not mentioned	6 to 7 months		
		1997-98	81620	28-10-97	452382	Date of issue was not mentioned	4 to 5 months		
		1998-99	41400	30-12-98	439705	Date of issue was not mentioned	6 to 7 months		
		1999-2000	47280	1-11-99	382857	Date of issue was not mentioned	4 to 5 months		
3	Jhabua	1995-96	--	Books were not purchased					
		1996-97	33850	11-10-96	339750	Date of issue was not mentioned	4 to 5 months		
		1997-98	28933	21-10-97	385759	Date of issue was not mentioned	4 to 5 months		
		1998-99	--	Books were not purchased					
		1999-2000	28795	1-11-99	284977	Date of issue was not mentioned	4 to 5 months		

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
4	Rajnandgaon	1995-96	11000	31-10-95	102435	10-1-96	6 to 7 months		
		1996-97	26700	10-10-96	326547	1-12-96	5 to 6 months		
		1997-98	23199	7-7-97	293365	1-10-97	4 to 5 months		
		1998-99	27515	6-11-98	303697	12/98	5 to 6 months		
		1999-2000	30411	15-10-99	259106	11/99	4 to 5 months		
5	Seoni	1995-96	33500	10-10-95	318814	11/95	4 to 5 months		
		1996-97	58440	25-10-96	412350	11/96	4 to 5 months		
		1997-98	59680	3-12-97	435504	1/98	6 to 7 months		
		1998-99	Books were not purchased						
		1999-2000	42830	1-11-99	368528	12/99	5 to 6 months		
6	Tikamgarh	1995-96	40830	18-10-95	394619	7-12-95	5 to 6 months		
		1996-97	32769	16-10-96	374205	7-1-97	6 to 7 months		
		1997-98	40540	31-10-97	452944	7-11-97	5 to 6 months		
		1998-99	65000	14-12-98	673070	16-6-99	11 to 12 months		
		1999-2000	21350	7-1-2000	171400	16-3-2000	8 to 9 months		
			1007378		9492133				

Appendix XXV
(Reference: paragraph 3.7.7.7, page 98)

Testing and certification of NFE learners

(i) Position of State as a whole

Year	Number of learners at primary level					Number of learners at upper primary level				
	Enrolled and eligible to appear in V Board Exam	Appeared in V Board Exam	Drop out (with percentage)	Passed out	Percentage of passed out to the total learners enrolled	Enrolled and eligible to appear in VIII Board exam	Appeared in VIII Board Exam	Drop out (with percentage)	Passed out	Percentage of passed out to the total learners enrolled
1995-96	734362	61793	672569 92.0	34498	4.7	54909	16698	38211 69.6	4329	7.8
1996-97	762742	65948	696794 91.4	33110	4.3	60503	25943	34560 57.0	5490	9
1997-98	679238	48833	630405 93.0	22685	3.3	70244	18410	51834 74.0	6434	9.2
1998-99	694547	41964	652583 94.0	19608	2.8	60883	17605	43278 71.0	5195	8.5
1999-2000	536970	23872	513098 95.6	12545	2.3	65182	10514	54668 84.0	3854	5.9

(ii) Position of test-checked districts

1995-96	165222	15247	149975 91.0	8074	4.8	14187	3647	10540 74.0	1144	8
1996-97	159358	15477	143881 90.0	7553	4.7	14973	4364	10609 71.0	1214	8
1997-98	147415	13929	133486 90.5	7635	4.7	14402	4448	9954 69.0	1809	12.6
1998-99	144278	13173	131105 91.0	7187	4.9	14599	5090	9509 65.0	1755	12
1999-2000	82162	7165	74997 91.2	2714*	3.7	6738	2915	3823 57.0	1139*	17

Number of passed out learners during 1999-2000 in Bhopal, Indore, Raipur and Shivpuri are not included as information was not available due to closure of NFE centres.

Appendix XXVI

(Reference: paragraph 4.2.5 (A), page 142)

Statement showing short receipt of bitumen

S. No	Name of Dn.	Year	No. of order	Quantity (MT)	95-96	96-97	97-98	98-99	1999-2000	Total	Excess/short
1	Alirajpur	95-96	4	1400	615.600	426.450	25.07	-	-	1067.12	(-)332.88
		97-98	4	565			273.09	305.18	20.35	598.62	33.62
		98-99	1	100				55.56		55.56	(-) 44.44
2	Dewas	95-96	4	1900	NA	NA	NA	NA	NA	1840.447	(-) 59.553
		97-98	2	400	NA	NA	NA	NA	NA	342.19	(-) 57.81
		98-99	2	210.14	NA	NA	NA	NA	NA	210.140	Nil
		99-2000	1	65	NA	NA	NA	NA	NA	67.680	2.68
3	Mandleshwar	95-96	5	1600	778.392	642.243	60.84	0	0	1481.475	(-) 118.525
		96-97	1	300	0	240.84	68.21	0	0	309.05	9.05
		97-98	1	450	0	0	0	274.395	0	274.395	(-) 175.605
		98-99	1	120	0	0	0	0	91.26	91.26	(-) 28.74
4	Dhar	95-96	8	3500	NA	NA	NA	NA	NA	2856.185	(-) 643.815
		96-97	2	1100	NA	NA	NA	NA	NA	716.185	(-) 383.815
		97-98	3	1550	NA	NA	NA	NA	NA	1237.02	(-)312.98
		98-99	2	1200	NA	NA	NA	NA	NA	793.74	(-) 406.26
		99-2000	1	300	NA	NA	NA	NA	NA	300	Nil
5	Mandsaur	95-96	11	4500	1850.765	1892.395	0	0	0	3743.160	(-) 756.84
		96-97	1	200	0	207.890	0	0	0	207.890	7.890
		97-98	5	1600	0	0	668.893	266.257	86.584	1021.734	(-) 578.266
		98-99	1	200	0	0	0	0	40.560	40.560	(-) 159.44
6	Ujjain	95-96	4	2000	704.22	797.505	0	0	0	1501.725	(-) 498.275
		97-98	6	1600	0	0	1389.95	200.460	0	1590.41	(-) 9.59
		98-99	2	100	0	0	0	101.537	-	101.537	(+) 1.537
		99-2000	4	250	0	0	0	0	207.769	207.769	(-) 42.231
7	Khandwa	95-96	4	2800	678.31	1889.93	0	0	0	2568.24	(-) 231.760
		97-98	3	900	0	0	315.445	417.968	160.68	894.093	(-) 5.907
		98-99	1	200	0	0	0	114.495	59.681	174.176	(-) 25.824
		99-2000 2000-01	1	570	0	0	0	0	101.40 396.46	496.860	(-) 73.140
Total			85	29680.14						24789.221	(-) 4890.919

NA= Not available

Appendix XXVII

(Reference: paragraph 4.2.6, page 145)

Statement showing unaccounted liabilities

(Rupees in lakh)

S. No.	Name of Division	Year						Total
		1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	
1.	Narsinghpur	-	0.19	0.57	10.84	4.47	-	16.07
2	Shahdol	-	5.92	0.57	35.99	68.36	2.38	113.22
3	Satna	-	0.15	0.23	1.04	-	-	1.42
4	Jabalpur	4.36	10.81	46.25	36.76	-	-	98.18
5	Katni	-	0.67	0.08	1.01	1.76	0.56	4.08
6	Indore-II	0.06	2.05	-	2.17	2.84	-	7.12
7	Khargone	-	8.57	9.16	0.35	3.40	-	21.48
8	Khandwa	5.09	10.38	16.94	2.39	7.45	-	42.25
9	Shajapur	-	3.96	-	7.27	8.72	-	19.95
10	Ujjain	3.55	4.79	12.15	6.38	-	-	26.87
11	Raisen	-	-	-	2.63	3.04	-	5.67
	Total	13.06	47.49	85.95	106.83	100.04	2.94	356.31

Appendix XXVIII

(Reference: paragraph 4.2.10 (iv), page 148)

Statement showing balance of stock at the end of the year without sanction of Reserve Stock Limit

(Rupees in lakh)

S.No	Name of Division	1995-96	1996-97	1997-98	1998-99	1999-2000
1.	Indore-II	80.54	93.37	103.53	117.47	122.57
2.	Ujjain	*	*	*	*	107.41
3.	Shajapur	*	*	*	*	25.50
4.	Khandwa	*	55.51	20.82	41.71	62.77
5.	Khargone	*	66.90	57.97	43.39	36.97
6.	Raisen	58.64	*	76.93	73.96	78.48
7.	Katni	*	58.31	13.10	2.68	*
8.	Satna	12.57	57.63	22.13	5.13	*
9.	Jabalpur-I	72.78	87.74	100.23	120.03	*
10.	Narsinghpur	26.33	54.31	42.38	41.76	40.85
11.	Shahdol-I	NA	NA	NA	NA	NA
	Total	250.86	473.77	437.09	446.13	474.55

* RSL sanctioned

Appendix XXIX

(Reference: paragraph 4.7, page 162)

Statement showing details of extra cost recoverable from defaulting contractors

Name of work	Agreement No.	Name of contractor	Amount of contract	Amount of balance work	Name of Hind contractor	Amount of contract for balance work	Agreement No.	Extra cost recoverable
Construction of Earthen Dam	3 DL 1987-88	Shambhoo Prasad Gupta	1,10,27,290	1,10,27,290	Super carrier	1,25,56,256	1 DL 1988-89	15,28,966
Construction of Earthen Dam	1 DL 1988-89	Super carrier	1,25,56,256	38,36,250	SECL	72,00,000	2/3 rd funding agency itself executed the work. No agreement was executed	33,63,750
Construction of approach channel	4 DL 1990-91	R.Murgesh	4,16,000	3,86,085	R.S.Juncja	10,27,652	27 DL 1994-95	6,41,567
Construction of spill way channel	1 DL 1992-93	Balginder Singh	40,29,000	8,58,996	R.S.Juncja	22,77,972	1 DL 1993-94	14,18,976
Total								69,53,259

Appendix XXX
Glossary of abbreviations

A&E	:	Accounts and Entitlement
ACTD	:	Assistant Commissioner, Tribal Development
ADS	:	Assistant Director, Sericulture
AE	:	Adult Education
AIE	:	Alternative Innovative Education
AKVN	:	Audyogik Kendra Vikas Nigam
ANR	:	Assisted Natural Regeneration
APC	:	Air Pollution Control
ASOs	:	Assistant Statistical Officers
ARWSP	:	Accelerated Rural Water Supply Scheme
AUWSP	:	Accelerated Urban Water Supply Scheme
BEOs	:	Block Education Officers
BCR	:	Balance from Current Revenues
BPL	:	Below Poverty Line
BTI	:	Basic Training Institutes
BTR	:	Bill Transit Register
CEO	:	Chief Executive Officer
CHCs	:	Community Health Centres
CHS	:	Commissioner of Health Services
CMHO	:	Chief Medical and Health Officer
CMU	:	Central Mobile Units
COPA	:	Computer Operating Programme Assistant
CPI	:	Commissioner of Public Instruction
CRS	:	Centre for Rehabilitation Studies
CS	:	Civil Surgeon
CSI	:	Commercial Sub Inspector
CTO	:	Commercial Tax Officer
CTS	:	Craftsman Training Scheme
DBCS	:	District Blindness Control Societies
DDO	:	Drawing and Disbursing Officer
DEO	:	District Education Officer
DEO	:	District Excise Officer
DET	:	Director of Employment and Training
DFLs	:	Disease Free Layings
DHS	:	Director of Health Services
DIET	:	District Institute of Education and Training
DLCs	:	District Level Committees
DLPC	:	District Level Purchase Committee
DME	:	Director of Medical Education
DOTS	:	Directly Observed Treatment Short Course Chemotherapy
DOTW	:	District Organiser, Tribal Welfare
DPM	:	District Programme Manager
DRDA	:	District Rural Development Agency
DRU	:	District Resource Unit
DTC	:	District Tuberculosis Centre

DTCS	: District Tuberculosis Control Societies
DTO	: District Tuberculosis Officer
EE	: Executive Engineer
EGS	: Education Guarantee Scheme
EPCO	: Environmental Planning and Co-ordination Organisation
ESI	: Excise Sub Inspector
ESP	: Electro Static Precipitators
FIR	: First Information Report
FVC	: Fully Vouched Contingent
GAD	: General Administration Department
GMCs	: Government Mulberry Centres
GOI	: Government of India
GPF	: General Provident Fund
GTC	: Government Tasar Centre
HRD	: Human Resources Development
ICDS	: Integrated Child Development Scheme
ICMR	: Indian Council of Medical Research
IDBI	: Industrial Development Bank of India
IEC	: Information, Education and Communication
IOL	: Intra Ocular Lense
IRDP	: Integrated Rural Development Programme
ISP	: Indira Sagar Project
ITIs	: Industrial Training Institutes
JET	: Joint Evaluation Team
JRY	: Jawahar Rojgar Yojna
LARO	: Land Acquisition and Rehabilitation Officer
LOC	: Letter of Credit
LPC	: Land Pool Committee
MARKFED	: Marketing Federation
MERs	: Monthly Expenditure Returns
MIS	: Management Information System
MLA	: Member of Legislative Assembly
MOST	: Ministry of Surface Transport
MOU	: Mobile Ophthalmic Units
MPHB	: Madhya Pradesh Housing Board
MPLUN	: Madhya Pradesh Laghu Udyog Nigam
MPMAVN	: Madhya Pradesh Mahila Arthik Vikas Nigam
NAAQM	: National Ambient Air Quality Monitoring

NABARD	:	National Bank of Agriculture and Rural Development
NCERT	:	National Council of Education Research and Training
NCVT	:	National Council for Vocational Training
NFE	:	Non Formal Education
NGOs	:	Non Government Organisations
NOX	:	Oxides of Nitrogen
NPCB	:	National Programme for Control of Blindness
NPE	:	National Policy of Education
NTCP	:	National Tuberculosis Control Programme
OSCS	:	Oil Seed Co-operative Societies
OT	:	Operation Theatre
PAC	:	Public Accounts Committee
PCB	:	Pollution Control Board
PD	:	Personal Deposit
PHCs	:	Primary Health Centres
PMOA	:	Para Medical Ophthalmic Assistant
PWD	:	Public Works Department
RES	:	Rural Engineering Services
RGSM	:	Rajiv Gandhi Shiksha Mission
RNTCP	:	Revised National Tuberculosis Control Programme
RRLB	:	Regional Research Laboratory, Bhopal
RTO	:	Regional Transport Officer
S/M SC/ST	:	Small/Marginal Scheduled Caste/Scheduled Tribe
SCERT	:	State Council of Educational Research and Training
SDO	:	Sub Divisional Officer
SLCs	:	State Level Committees
SO₂	:	Sulphur Di-oxide
SPM	:	Suspended Particulate Matters
SPOT	:	Special Orientation Programme of Training
SSI	:	Small Scale Industries
STEP	:	Support to Training and Employment Programme
TA	:	Travelling Allowance
TLM	:	Teaching Learning Material
TO	:	Treatment Organiser
TRYSEM	:	Training of Rural Youth for Self Employment
UEE	:	Universalisation of Elementary Education
UNICEF	:	United Nations International Children's Education Fund
VAs	:	Voluntary Agencies
WBCBCP	:	World Bank assisted Cataract Blindness Control Project