

Presented
on 23.9.92



10/10

Fin, Fin

11/X

Adi Navidi

12/X

Home + Fin

24/X

Env & Food, Hampshire & Jewell

25/X

Health + Fin

26/X

Municipal Admin + water supply

27/X

Information & Training

5/11

Revenue

9/11

Annual Fin. + Fin

10/11

Education

11/11

Home Loans

6/12

Social welfare

8/12

Fin



**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

**FOR THE YEAR ENDED
31 MARCH 1990**

NO. 3

(CIVIL)

GOVERNMENT OF TAMIL NADU



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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1989-90 together with other points arising from audit of financial transactions of the Government of Tamil Nadu. It also includes certain points of interest arising from the Finance Accounts for 1989-90.

2. This Report also includes reviews on the Technology Mission on Oilseeds, National Literacy Mission, Janata Cloth Scheme, Drought Relief Works in 1986 and 1987 under Central Assistance and Tamil Nadu Integrated Nutrition Project, besides other points arising out of audit of bodies and authorities conducted under various provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

3. Observations of Audit for the year 1989-90 on Revenue Receipts and on Statutory Corporations, Boards and Government Companies are presented in separate Reports.

4. The cases mentioned in this Report are among those which came to notice in the course of test-audit of accounts during the year 1989-90, as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1989-90 have also been included, wherever considered necessary.

OVERVIEW

This Report includes, besides a review of the financial position of the Government for the year 1989-90 and results of Appropriation Audit and Control over Expenditure, reviews on Technology Mission on Oilseeds, National Literacy Mission, Janata Cloth Scheme, Drought Relief Works under Central Assistance and Tamil Nadu Integrated Nutrition Project and 56 paragraphs. The important audit points contained in these are presented in this Overview.

1. Financial position of the Government

Ways and Means advances and overdraft taken from the Reserve Bank of India during the year amounted to Rs.1236.10 crores and Rs.329.31 crores respectively. Interest paid thereon was Rs.3.74 crores.

(paragraph 1.2.4)

The transactions on Revenue Account ended with a deficit of Rs.479.22 crores. The net available funds on account of net addition to Public Debt etc. and net effect of adjustments under Contingency Fund, Reserve Funds, Remittances, etc. were

The abbreviations used in this Report are listed in the Glossary in Appendix XX (page 384)

Rs.928.78 crores which were utilised mainly to meet the revenue deficit (Rs.479.22 crores), net additional loans and advances disbursed for development and other programmes (Rs.227.12 crores) and the capital expenditure (Rs.213.36 crores).

(paragraph 1.2.5)

The Plan expenditure of Rs.1216.54 crores under Revenue and Capital fell short of the provision of Rs.1323.89 crores.

(paragraph 1.2.13)

The return on investment of Rs.535.81 crores in various Corporations, Co-operative Institutions, etc. was only Rs.0.45 crore representing 0.08 per cent of the investment.

(paragraph 1.2.15)

Guarantee commission of Rs.1.26 crores was pending recovery from 8 Government companies.

(paragraph 1.2.17)

The non-plan expenditure of Rs.3727.60 crores constituted 75 per cent of the total expenditure of Rs.4944.15 crores, the increase over that of the previous year being Rs.795.54 crores.

(paragraph 1.2.19)

During the year, Rs.7486.68 crores were spent against total grants and appropriations of Rs.7847.86 crores, with a marginal saving of Rs.361.18 crores (5 per cent)

(paragraph 2.1)

Supplementary provision of Rs.2.40 crores obtained in March 1990 in 4 grants (Rs.1.92 crores) and one appropriation (Rs.0.48 crore) proved unnecessary.

(paragraph 2.2.2)

The excess of Rs.12.10 crores in 12 grants and 4 appropriations requires regularisation by the Legislature under Article 205 of the Constitution of India.

(paragraph 2.2.3)

In 5 grants, expenditure fell short by more than Rs.1 crore each and also by more than 10 per cent of the total provision, resulting in an aggregate saving of Rs.243.17 crores.

(paragraph 2.2.4)

Substantial/total surrender of Rs.10.30 crores arose due to slow/non-implementation of 14 schemes.

(paragraph 2.2.5)

In 6 grants, wherein Supplementary grants of Rs.13.33 crores were obtained, the expenditure did not come up even to the original provision of Rs.899.93 crores.

(paragraph 2.2.6)

Persistent savings of 5 per cent and above were noticed in 3 grants and one appropriation during 1987-88, 1988-89 and 1989-90; total savings were Rs.37.86 crores, Rs.47.77 crores and Rs.183.20 crores respectively.

(paragraph 2.2.7)

Detailed review of Budgetary procedure and control over expenditure in respect of 10 grants revealed the following:

Persistent saving occurred during the last five years in 6 grants.

Supplementary grants obtained in March 1990 were excessive in 3 grants by more than 10 per cent each.

Final expenditure exceeded the final modified appropriation in 3 grants and was less in 3 grants.

In 8 grants, no expenditure was incurred on 18 services/schemes for which Rs.1082.83 lakhs were provided and the provision was diverted to other purposes.

Substantially large amounts were provided through reappropriation in 30 cases to meet additional requirement of Rs.18.84 crores over and above the budget provision of Rs.4.77 crores without specific approval of the Legislature.

(paragraph 2.2.10(d))

Rupees 388.41 lakhs were spent on 9 New Service schemes without following the prescribed procedure or obtaining the approval of the Legislature.

(paragraph 2.3)

The Corpus of the Contingency Fund placed at the disposal of Government to meet unforeseen expenditure, pending authorisation by the Legislature, was enhanced temporarily from Rs.50 crores to Rs.75 crores from 1st April 1989, Rs.200 crores from 25th July 1989 and Rs.300 crores from 22nd December 1989 to 31st March 1990. Out of 141 advances totalling Rs.224.29 crores sanctioned from the Fund

during the year, 6 advances (Rs.0.70 crore) were not at all utilised and out of Rs.2.40 crores advanced in 10 cases, only Rs.0.27 crore were utilised, the utilisation ranging from 10 to 20 per cent only.

(paragraph 2.4)

Reconciliation of expenditure of Rs.1366.13 crores upto 1989-90 booked in the Accounts had not been done by 202 Controlling Officers.

(paragraph 2.7)

In 4 cases Rs.25.64 lakhs were drawn prematurely to avoid lapse of budget grant.

(paragraph 2.8)

2. Technology Mission on Oilseeds

This Centrally sponsored programme was launched in May 1986 to increase the production of oilseeds to 18 lakh tonnes and the average productivity to 1,140 kg. per hectare by 1989-90. The activities under the programme included production of breeder, foundation and certified seeds, pre-positioning of seeds, distribution of plant nutrients and plant protection chemicals, supply of improved farm implements and sprinkler sets and demonstrations. A total expenditure of Rs.18.64 crores was incurred to the end of 1989-90. The actual production of 12.67 lakh tonnes of oilseeds achieved at the end of the Mission period was only marginally higher than the pre-Mission

production of 12.33 lakh tonnes. Further, the yields obtained from various oil seed crops were also substantially lower than the targets envisaged by the Mission.

The irrigated area under oilseeds in the high-yield districts decreased by 0.16 lakh hectares at the end of 1988-89, as against the projected increase of 0.86 lakh hectares. The Tamil Nadu Agricultural University was unable to meet the indented requirements of breeder seeds, and the production of foundation seeds was also less than the requirements, the shortfall ranging between 71 and 87 per cent. The production target of 38,196 tonnes of certified groundnut seeds fixed by Government during 1986-90 was less than the requirement of 51,778 tonnes on the basis of the prescribed norms. Actual production, however, constituted only 2.9 per cent of even this reduced target. Though Rs.195.11 lakhs were allotted by Government of India for this purpose, Rs.8.14 lakhs only were utilised by the State Government. On the whole, the objectives of the Mission were largely not realised in the State.

(paragraph 3.1)

3. National Literacy Mission

This Mission was launched by Government of India in June 1988 with a view to ensuring adoption of technological and pedagogical advances in adult education programmes with special emphasis on provision

of literacy to persons in the age group of 15-35. Two new schemes - Mass Programme for Functional Literacy and Technology Demonstration - were formulated for the purpose by the Mission. Besides, on-going schemes, such as the Rural Functional Literacy Project, assistance to voluntary agencies, Shramik Vidyapeeths, Post-Literacy and Continuing Education through Jana Shikshan Nilayams, were continued with certain modifications in their scope and content. While the State Government had spent Rs.27.81 crores on the programme during the years 1985-86 to 1989-90, Government of India had released Rs.18.38 crores as assistance.

Of the estimated population of 107 lakh adult illiterates in the specified age group as at the end of March 1990, only 46 lakh adult illiterates were proposed to be made literate, against which the achievement was 43.12 lakhs.

Shortfalls in the training of project functionaries, on which special emphasis was laid by the Mission, ranged between 10 and 100 per cent during 1988-89 and 1989-90. Though each Adult Education Centre was to be visited frequently by the Project Officer to ensure the implementation of the objectives, 639 centres were not visited even once by the Project Officer during 1988-89 and 1989-90. Premature closure of 50 Adult Education Centres and establishment of 45 new centres at places far away from the closed ones meant that they did

not benefit fully either group of learners. In 323 centres in 6 projects, average attendance ranged between 10 and 15 as against 35 learners enrolled.

Thirteen projects were not continued but expenditure of Rs.4.65 lakhs was incurred on idle staff. Owing to delayed issue of orders for the establishment of Jana Shikshan Nilayams, Central assistance of Rs.109.78 lakhs was not utilised. Information on accrual of benefits of the training given to industrial workers by Shramik Vidyapeeths was ascertained only in 2 per cent of the cases. Unproductive expenditure of Rs.6.67 lakhs was incurred on installation of solar power packs in 38 centres after they had ceased to function. The programme was not implemented in 3 of the 5 integrated Tribal Development Projects in Salem District and, in the remaining 2 projects, expenditure of Rs.1.91 lakhs was incurred on idle staff.

(paragraph 3.6)

4. Janata Cloth Scheme

The scheme was introduced by Government of India in 1976-77 with the objective of providing employment to handloom weavers and making available cloth at subsidised prices within the reach of the rural poor. The scheme was implemented by the State Government through the Tamil Nadu Handloom Weavers' Co-operative Society (Co-optex). The difference between the estimated

cost of production and the consumer price was paid as subsidy by Government of India and released to Co-optex at the end of every quarter. The total amount of subsidy released by Government during the years 1985-86 to 1989-90 was Rs.45.13 crores.

The production targets were not achieved in any of the five years during 1985-86 to 1989-90, the shortfall ranging from 6.77 to 31.32 million square metres. Though there was no surplus production, 9.95 million square metres of cloth produced between 1987-88 and 1989-90 were sold outside the State, without the approval of the Government of India. No serious attempts appeared to have been made to ensure that 75 per cent of the production was sold to the target group in rural areas. An appropriate machinery was not devised to ensure adherence to the stipulation of distribution of 85 per cent cloth through the Public Distribution System or similar network. Nor had any procedure been prescribed to ensure that Janata Cloth was sold to the economically weaker sections of society.

In 45 primary Co-operative Societies, the weavers were paid wages at rates lower than those approved, resulting in under-payment totalling Rs.137.51 lakhs. Janata cloth was sold at the maximum consumer prices fixed without taking into account the actual lower cost of production in 37 Co-operative Societies resulting in an amount of Rs.75.01 lakhs being retained by Co-optex instead of being passed on to the consumers.

No systematic procedure was evolved to ensure that the cloth produced was of the prescribed quality.

(paragraph 3.11)

5. **Drought Relief Works in 1986 and 1987 under Central Assistance**

Due to the failure of monsoon during the years 1986 and 1987, the State faced a severe drought situation warranting relief measures. Based on Government reports and on the recommendations of the Central Study Teams, Government of India approved expenditure ceilings of Rs.31.77 crores and Rs.61.38 crores for relief works relating to the droughts of 1986 and 1987 respectively, indicating the cut-off dates by which the expenditure had to be incurred. Central assistance totalling Rs.26.55 crores and Rs.46.52 crores was released for the relief works in connection with the droughts of 1986 and 1987 against which the State Government reported expenditure of Rs.25.02 crores and Rs.73.41 crores respectively.

A sum of Rs.1.53 crores out of the Central assistance of Rs.26.55 crores, for relief works in connection with the drought of 1986, remained unutilised even according to the expenditure reported by the State Government. Expenditure of Rs.16.88 crores was incurred during 1986-87 and 1987-88 beyond the prescribed cut-off dates. Further, the expenditure reported to have been incurred for the 1986 drought included a

sum of Rs.7.79 crores incurred on works under two other programmes which were not eligible for Central assistance.

Drilling, without adequate justification of larger diameter borewells, and beyond depths at which the final yield of water was obtained resulted in extra expenditure of Rs.136.39 lakhs. Expenditure of Rs.48.86 lakhs, incurred on the sinking of 257 borewells in six districts proved unproductive because the wells yielded no water. Failure to invite tenders and revise the rates for deployment of private rigs for drilling borewells with reference to the prevailing market trends resulted in additional expenditure of Rs.61.43 lakhs in 4 districts. Rejection of the lower offer without adequate examination of all the relevant factors resulted in an avoidable additional expenditure of Rs.6.31 lakhs on the purchase of the drilling rigs.

An expenditure of Rs.278.78 lakhs incurred in respect of afforestation and social forestry schemes relating to the drought of 1986 was not eligible for Central assistance. Further, expenditure totalling Rs.57.48 lakhs was incurred on 52 works which did not strictly constitute afforestation or social forestry schemes. Subsidy of Rs.87.50 lakhs for raising fodder having been paid to the farmers only after the crops were raised, the entire expenditure was not eligible for Central assistance.

(paragraph 3.24)

6. Tamil Nadu Integrated Nutrition Project

The Project, implemented in rural areas with credit assistance from the World Bank, was launched in the year 1980 with the objective of increasing the efficiency, coverage and impact of the nutrition and health efforts of Government through Nutrition Delivery Services and expansion of the health care delivery system. During 1980-81 to 1989-90, an expenditure of Rs.106.78 crores was incurred on the Project.

Expected 'graduation' (achievement of adequate growth path) by 80 per cent of the children provided with supplementary feeding during 1987-89 was not achieved in any of the six districts where the Project was implemented. The number of children who graduated at the end of the prescribed 90-day feeding period ranged from 40 to 73 per cent. Continuous feeding was resorted to as a matter of course without analysing the reasons for their non-graduation. Infrastructural facilities created at a cost of Rs.8.16 lakhs for testing food samples were not utilised in the absence of staff and equipment.

Health cards, intended for monitoring the growth and development of children, were supplied without taking into account the actual requirements, resulting in accumulation of cards in certain centres and non-opening of cards in some other centres due to non-availability of cards. The

arrangements made for assessing the growth and development of children proved ineffective because of deficiencies in the maintenance of the basic data for the purpose. Only 46 per cent of the cases referred to Primary Health Centres were treated by health workers. Of the children continuously referred to the health workers for more than six months, only 14.63 per cent were sent for medical opinion of the Medical Officers. The proposed ante-natal registration of 80 per cent pregnant women was not achieved in 6 of the 14 Health Unit Districts. Though the entire child population upto the age of 5 years in the project area was proposed to be administered vitamin 'A' injection, the actual coverage during 1986-87 to 1988-89 was far less ranging from 42 to 69 per cent. In 50 health service centres, the prescribed ante-natal tests were not conducted in a majority of the cases. The objective of providing essential health-care by close medical supervision was not achieved due to shortfalls in visits to the centres by health authorities.

Effective follow-up action was not taken to investigate and remedy the deficiencies pointed out in the report on the evaluation of the programme.

(paragraph 3.26)

7. Crop and Plant Protection Programme

Though a total area of 12.89 lakh hectares of land had been covered under various plant protection schemes during the period from 1984-85 to 1988-89, the annual targets were not based on any reliable data on the incidence of different pests and diseases; nor was the surveillance undertaken to determine the prevalence of different pests adequate. Chemicals were distributed to farmers in three districts during 1988-89 at subsidised rates even when the incidence of pests or diseases was not in excess of the prescribed threshold level resulting in avoidable payment of subsidy amounting to Rs.3.33 lakhs and enhancing the risk of environmental pollution. Though chemicals valued at Rs.37.46 crores were distributed departmentally during 1984-85 to 1986-87, with the avowed objective of controlling open market prices and ensuring quality, the Department had not assessed its actual impact on prices and quality. Departmental instructions in regard to assessment of requirements of chemicals, their purchases and stocking were not adhered to, resulting in accumulation of stocks. Chemicals valued at Rs.20.51 lakhs, whose shelf life had expired, were held in stock as at the end of March 1989. Ten Gas Liquid Chromatographs, purchased in March 1988 at a cost of Rs.105.46 lakhs, had not been installed even as of April 1990.

(paragraph 3.2)

8. Water supply to Government Rajaji Hospital, Madurai

Arrangements made at a cost of Rs.16.38 lakhs, after dispensing with the prescribed tender procedures, for the supply of water to the Hospital from Vaigai river without executing a comprehensive scheme for the treatment and purification of the virus-infested water resulted in the contamination of the potable water supply to the Hospital, thereby endangering the health of the patients and staff.

(paragraph 3.12)

9. Anaimaduvu Reservoir Project

The Project was sanctioned in April 1982 at an estimated cost of Rs.5.54 crores, and was scheduled to be completed by June 1986. It was, however, not commissioned even as of December 1990 due to non-completion of certain distributary and field channels. In the meantime, the project cost was revised to Rs.11.86 crores, attributable to escalation, increase in land cost, design changes during implementation, changes in scope, etc. The realisation of the social benefits had, therefore, been deferred by over four years.

(paragraph 4.1)

10. Infructuous/avoidable expenditure

(i) On account of delay in selection of beneficiaries, house sites could

not be distributed to Harijans in Salem District, and the expenditure of Rs.8.96 lakhs incurred on the acquisition of land for the purpose was rendered unfruitful.

(paragraph 3.3)

(ii) Failure to adopt a suitable design based on a study of existing successful fish hatcheries and to avoid defects in construction resulted in an unfruitful expenditure of Rs.4.03 lakhs on the establishment of a Chinese Fish Hatchery at Manimuthar.

(paragraph 3.4)

(iii) Following the discontinuance of two social forestry schemes from April 1988, 2,860 Village Social Forestry Workers employed by the Forest Department were rendered redundant. Of these, 2,260 workers continued to be retained in the Department and the expenditure of Rs.285.33 lakhs incurred on their wages upto August 1990 was avoidable.

(paragraph 3.8)

(iv) Selection of an unsuitable site for establishing a Forest Ecology Farm led to its failure and the expenditure of Rs.4.54 lakhs incurred thereon was rendered infructuous.

(paragraph 3.9)

(v) Avoidable expenditure of Rs.4.74 lakhs was incurred by the Government Data Centre during February 1981 to August 1987 on the maintenance of unit record machines which were not in usable condition.

(paragraph 3.10)

(vi) The installation of instruments at Periyar Dam in 1985 at a cost of Rs.3.87 lakhs for monitoring the health of the dam and studying the behaviour of the structure proved to be largely infructuous since their read-out system became defective in May 1987 and was yet to be rectified/replaced.

(paragraph 4.4)

(vii) Failure to pay adequate technical attention and to ensure execution of the work according to specifications resulted in defective construction of ponds in the Fish Seed Farm at Bhavanisagar and extra expenditure of Rs.24.81 lakhs in strengthening them.

(paragraph 4.11)

(viii) Failure to take co-ordinated action resulted in an infructuous expenditure of Rs.6.88 lakhs on the purchase of materials and construction of an air-conditioning plant room for the Senate Hall of the Bharathiar University.

(paragraph 6.6)

(ix) Excess issue of asphalt resulted in extra expenditure of Rs.7.19 lakhs on road works undertaken by the Corporation of Madras.

(paragraph 6.9)

(x) Failure to avail of lower offer in November 1985, which would have been in conformity with Government instructions, resulted in avoidable extra expenditure of Rs.10.50 lakhs on the purchase of pipes by the TWAD Board during 1986.

(paragraph 6.16)

11. Buildings and equipment lying idle

(i) Delay of three years in the selection of a room for housing an Intensive Cardiac Care Unit in the District Headquarters Hospital, Nagapattinam, and of another three years in converting the room and equipping it, resulted in non-commissioning of the unit sanctioned in May 1983.

(paragraph 3.15)

(ii) The objective of establishing a Regional Siddha Pharmacy at Palayamkottai, sanctioned in April 1982, was yet to be achieved, though an expenditure of Rs.4.56 lakhs had been incurred on purchase

of equipment and carrying out necessary repairs to a building for housing the Pharmacy.

(paragraph 3.16)

(iii) Failure to realise the urgency for the facility and avoidable delays at every stage resulted in a micro computer-controlled Blood Gas Analyser, installed by the Tirunelveli Medical College in November 1982 at a cost of Rs.2.50 lakhs, lying idle since July 1984.

(paragraph 3.18)

(iv) Due to lack of prompt co-ordinated action, the benefits of in-patient service and operation theatre were yet to accrue, though an expenditure of Rs.5.68 lakhs had been incurred on building, furniture and linen in connection with the upgradation of the Primary Health Centre at Vedasandur.

(paragraph 3.19)

(v) Lack of co-ordinated action and proper planning resulted in the building for the Nurses' Quarters at Madurai, constructed at a cost of Rs.52.43 lakhs, lying vacant for over four years.

(paragraph 3.20)

(vi) In the absence of decisions on the provision of processing and

printing facilities, a movie camera purchased by the Madras City Police in March 1985 at a cost of Rs.12.03 lakhs was never put to use.

(paragraph 3.21)

(vii) A seismological observatory, established in June 1978 at Sholayar Dam site at a cost of Rs.2.73 lakhs, had remained idle since July 1979 in the absence of spare parts, trained personnel and due to non-rectification of defects.

(paragraph 4.2)

(viii) Facilities, created at the Regional Research Laboratory, Coimbatore, in April 1987 at a cost of Rs.4.85 lakhs for the testing of water and sewage samples and for research studies on water and waste water treatment were only partially utilised because the laboratory was not fully functional, and the objectives of establishing the laboratory had not been achieved even after a lapse of three years.

(paragraph 6.13)

(ix) Facilities created at a cost of Rs.12.46 lakhs in the Institute of Veterinary and Preventive Medicine, Ranipet, for the production of quality veterinary drugs were not used for the intended purpose

since October 1987, in the absence of the necessary air-conditioning and cold storage facilities and full staff complement.

(paragraph 7.2)

12. Other points of interest

(i) A bridge on the Poonamallee-Pattabhiram road sanctioned in September 1982 at a cost of Rs.75 lakhs, was left incomplete by a contractor in August 1988 after executing work valued at Rs.16.27 lakhs. No action had been taken since then to get the work completed through other agencies, thereby denying a much-needed facility to the public.

(paragraph 4.5)

(ii) A sewerage system for Udhagamandalam town, sanctioned in November 1987 at a cost of Rs.14.50 crores, was ordered in June 1988 to be kept in abeyance and alternative proposals to improve the existing arrangements at a much lower cost of Rs.5.70 crores were approved in October 1990. Meanwhile, pipes had been procured at a cost of Rs.42 lakhs for the original scheme. Following the revision of the proposals, the pipes had been rendered surplus.

(paragraph 6.12)

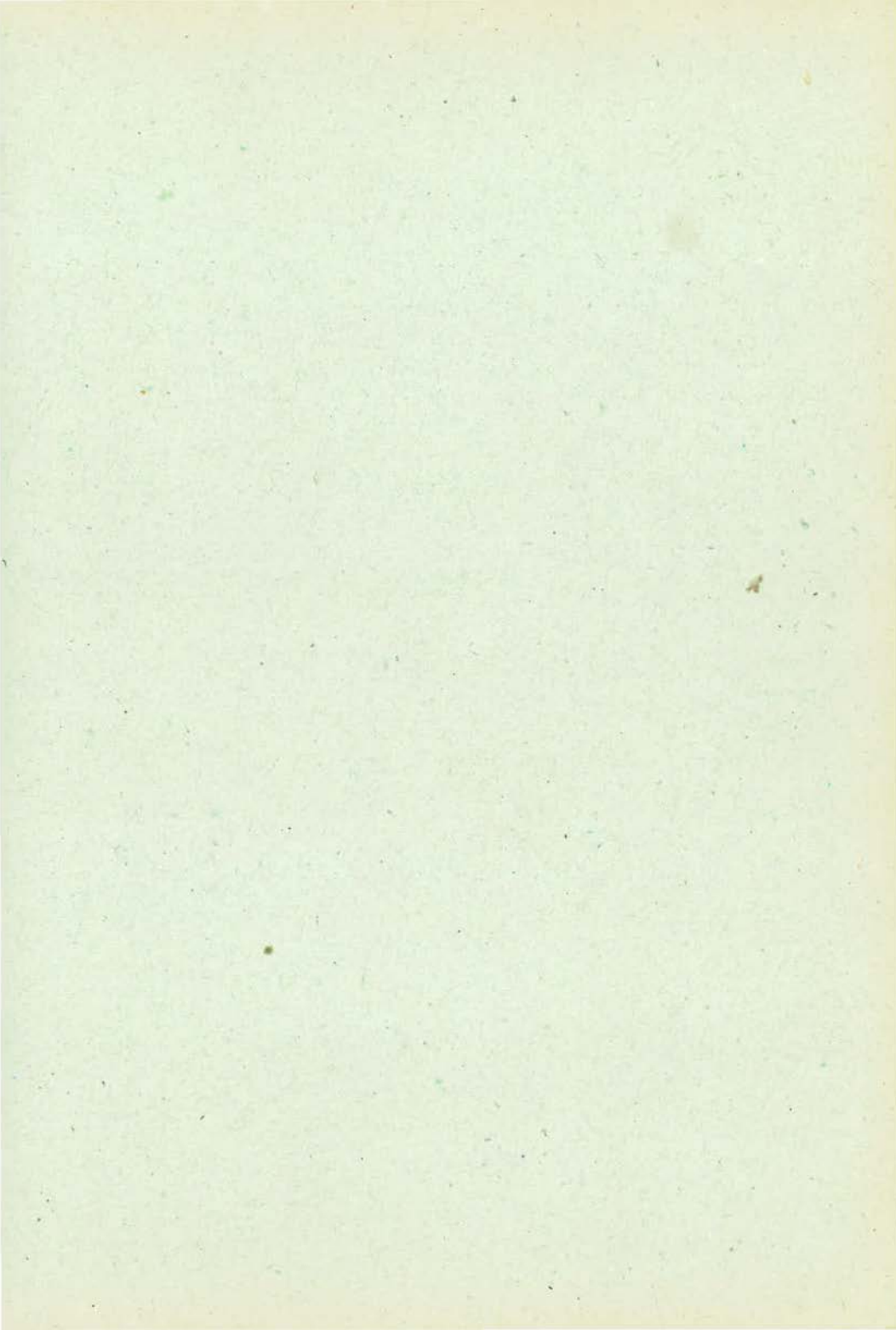
(iii) Due to delay in the construction of the water treatment plant, the benefits of a comprehensive water supply

scheme to Manupatti Jothipalayam and 26 other habitations in Coimbatore District, which was otherwise completed five years ago at a cost of Rs.123 lakhs, were yet to accrue to the public.

(paragraph 6.15)

(iv) Delay in approval of price revisions by the Director of Animal Husbandry resulted in a revenue loss of Rs.12.93 lakhs on vaccines sold during 1984-85 to 1988-89 by the Institute of Veterinary and Preventive Medicine, Ranipet.

(paragraph 7.3)



CHAPTER I

CHAP

GENE

1.1. The summarised position of the Accounts Finance Accounts for the year 1989-90 is indicated

I. STATEMENT OF FINANCIAL POSITION OF THE

Amount as on 31.03.1989	Liabilities	Amount as on 31.03.1990
1035.18	Internal Debt including Ways and Means Advances (Market loans, loans from LIC and others)	1304.56
2480.59	Loans and Advances from Central Government -	
	Pre 1984-85 Loans 822.53	
	Non-Plan Loans 767.99	
	Loans for State Plan Schemes 1178.89	
	Loans for Central Plan Schemes 18.80	
	Loans for Centrally Sponsored Plan Schemes <u>25.32</u>	2813.53
418.23	Small Savings, Provident Funds, etc.	546.71
596.72	Deposits	692.41
429.48	Reserve Funds	482.66
150.00	Contingency Fund	300.00
4.05	Advances	4.72
21.93	Remittance Balances	17.84
..	Suspense and Miscellaneous Balances	4.48
450.95	Surplus on Government Account	..
<u>5587.13</u>		<u>6166.91</u>

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of the Government of Tamil Nadu emerging from the in the statements following:-

GOVERNMENT OF TAMIL NADU AS ON 31.03.1990

(in crores of rupees)

Amount as on	Assets	Amount as on
31.03.1989		31.03.1990
2207.44	Gross Capital Outlay on fixed assets -	
	Investment in shares of Companies, Corporations, etc.	535.81
	Other Capital Outlay	<u>1884.99</u>
		2420.80
3331.86	Loans and Advances -	
	Loans for Power Projects	2091.69
	Other Development Loans	<u>1305.13</u>
	Loans to Government Servants and Miscellaneous Loans	<u>162.16</u>
		3558.98
33.79	Reserve Fund Investments	33.79
24.03	Suspense and Miscellaneous Balances	..
(-) 9.99	Cash -	
	Cash in Treasuries and Local Remittances	(-) 2.65
	Departmental cash balance	0.96
	Permanent Advance	0.78
	Cash Balance Investment	<u>..</u>
		(-) 0.91
..	Deficit on Government Account	154.25
<u>5587.13</u>		<u>6166.91</u>

ABSTRACT OF RECEIPTS AND

SECTION A - REVENUE

Receipts

I. Revenue Receipts -

Tax Revenue	2489.01	
-------------	---------	--

Non-Tax Revenue	393.00	
-----------------	--------	--

State's share of Union Taxes	947.28	
---------------------------------	--------	--

Non-Plan grants	68.68	
-----------------	-------	--

Grants for State Plan Schemes	176.52	
----------------------------------	--------	--

Grants for Central and Centrally Sponsored Plan Schemes	<u>177.08</u>	4251.57
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DISBURSEMENTS FOR THE YEAR 1989-90

(in crores of rupees)

Disbursements

I. Revenue Expenditure -

Sector	Non-Plan	Plan	Total
<u>General Services</u>	1191.66	0.81	1192.47
<u>Social Services -</u>			
Education, Sports, Art and Culture	959.18	104.38	1063.56
Health and Family Welfare	203.46	114.49	317.95
Water Supply, Sani- tation, Housing and Urban Development	28.75	182.19	210.94
Information and Broadcasting	5.50	0.14	5.64
Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	53.87	62.62	116.49
Labour and Labour Welfare	30.82	4.00	34.82
Social Welfare and Nutrition	148.46	147.14	295.60
Others	6.61	0.09	6.70

ABSTRACT OF RECEIPTS AND

Receipts

II.	Revenue Deficit carried over to Section B	479.22
		<hr/>
		<u>4730.79</u>

DISBURSEMENTS FOR THE YEAR 1989-90 - contd.

(in crores of rupees)

	Disbursements			
Sector	Non-Plan	Plan	Total	
<u>Economic Services -</u>				
Agriculture and Allied Activities	192.99	173.45	366.44	
Rural Development	63.38	85.51	148.89	
Special Areas Programmes	0.17	7.24	7.41	
Irrigation and Flood Control	76.01	27.83	103.84	
Energy	290.00	1.75	291.75	
Industry and Minerals	62.48	76.24	138.72	
Transport	92.40	13.96	106.36	
Science Technology and Environment	0.40	1.31	1.71	
General Economic Services	224.66	1.14	225.80	
<u>Grants-in-aid and Contributions</u>	95.70	..	95.70	
Total	3726.50	1004.29	4730.79	4730.79

II. Revenue Surplus carried over

..

4730.79

ABSTRACT OF RECEIPTS AND

SECTION B - OTHERS

Receipts

III.	Opening Cash balance including Permanent Advance and Cash Balance Investment	(-) 9.99
IV.	Miscellaneous Capital Receipts	..

DISBURSEMENTS FOR THE YEAR 1989-90 - contd.

(in crores of rupees)

Disbursements	
III.	Opening overdraft from Reserve Bank of India ..
IV.	Capital Outlay -
Sector	
	<u>General Services</u> 10.35
	<u>Social Services -</u>
	Education, Sports, Art and Culture 10.38
	Health and Family Welfare 9.11
	Water Supply, Sanitation, Housing and Urban Development 11.17
	Information and Broadcasting 0.55
	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 6.70
	Social Welfare and Nutrition 0.50
	Others 0.60
	<u>Economic Services -</u>
	Agriculture and Allied Activities 39.02
	Rural Development 0.06

ABSTRACT OF RECEIPTS AND

Receipts

V.	Recoveries of Loans and Advances		258.25
VI.	Revenue Surplus brought down		..
VII.	Public Debt Receipts -		
	Internal Debt other than Ways and Means Advances	237.43	
	Ways and Means Advances	1236.10	
	Loans and Advances from Central Government	<u>525.52</u>	1999.05

DISBURSEMENTS FOR THE YEAR 1989-90 - contd.

(in crores of rupees)

Disbursements			
	Special Areas Programmes	4.77	
	Irrigation and Flood Control	38.72	
	Energy	..	
	Industry and Minerals	42.34	
	Transport	33.90	
	Science Technology and Environment	..	
	General Economic Services	<u>5.19</u>	213.36
V.	Loans and Advances disbursed -		
	For Power Projects	210.00	
	To Government Servants	41.40	
	To Others	<u>233.97</u>	485.37
VI.	Revenue Deficit brought down		479.22
VII.	Repayment of Public Debt -		
	Internal Debt other than Ways and Means Advances	40.05	
	Ways and Means Advances	1235.22	
	Repayment of loans to Central Government	<u>192.58</u>	1467.85

ABSTRACT OF RECEIPTS AND

Receipts

VIII. Appropriation to Contingency Fund ..

IX.	Amount transferred to Contingency Fund	250.00
-----	--	--------

X. Public Account Receipts -

Small Savings and Provident Funds	302.11	
Reserve Funds	119.63	
Suspense and Miscellaneous	1851.24	
Remittances	1087.24	
Deposits and Advances	<u>2271.41</u>	5631.93

XI.	Closing Overdraft from Reserve Bank of India	71.12
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Total

8200.36

DISBURSEMENTS FOR THE YEAR 1989-90 - concl'd.

(in crores of rupees)

Disbursements

VIII.	Appropriation to Contingency Fund		250.00
IX.	Expenditure from Contingency Fund		..
X.	Public Account Disbursements -		
	Small Savings and Provident Funds	173.63	
	Reserve Funds	66.45	
	Suspense and Miscellaneous	1798.71	
	Remittances	1091.63	
	Deposits and Advances	<u>2175.05</u>	5305.47
XI.	Cash Balance at end -		
	Cash in Treasuries, Local Remittances and Deposits with Reserve Bank of India	(-)2.65	
	Departmental Cash Balance including Permanent Advance	1.74	
	Cash Balance Investment	<u>..</u>	(-)0.91
			<u>8200.36</u>

Rs.110 lakhs on 292 days. The deficiency was made good by taking Ways and Means Advances totalling Rs.1236.10 crores, of which Rs.1235.22 crores were repaid including the balance of Rs.82.72 crores of Ways and Means Advances brought forward during the year leaving a balance of Rs.83.60 crores. On 46 days, there was minus balance even after taking Ways and Means Advances and Government had to obtain overdraft of Rs.329.31 crores, out of which Rs.258.19 crores was repaid during the year leaving a balance of Rs.71.12 crores. The interest paid on the advances and overdrafts during the year was Rs.3.74 crores.

1.2.5. The net available funds[#] on account of net addition to Public Debt, etc. and net effect of adjustments under Contingency Fund, Reserve Funds, Remittances, etc. were Rs.928.78 crores. Of this, Rs.440.48 crores were utilised for meeting net additional loans and advances disbursed for development and other programmes (Rs.227.12 crores) and capital expenditure (Rs.213.36 crores). The balance of Rs.488.30 crores was utilised to meet the revenue deficit of Rs.479.22 crores and to increase the cash balance (Rs.9.08 crores).

A bar diagram indicating the application of funds obtained through Public Debt, etc. during the last three years is given in figure 1.

Figure 1
(Reference: paragraph 1.2.5)
APPLICATION OF PUBLIC DEBT, ETC.

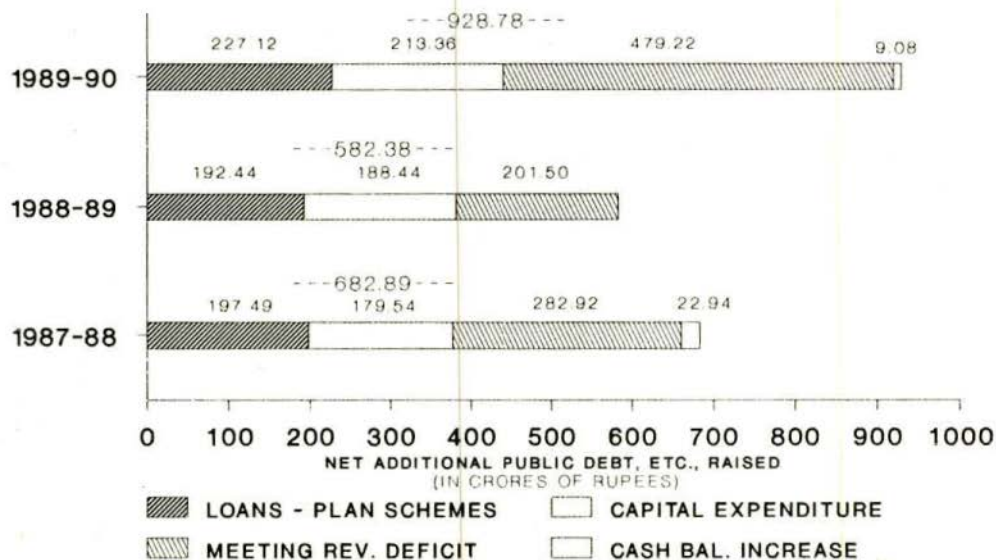
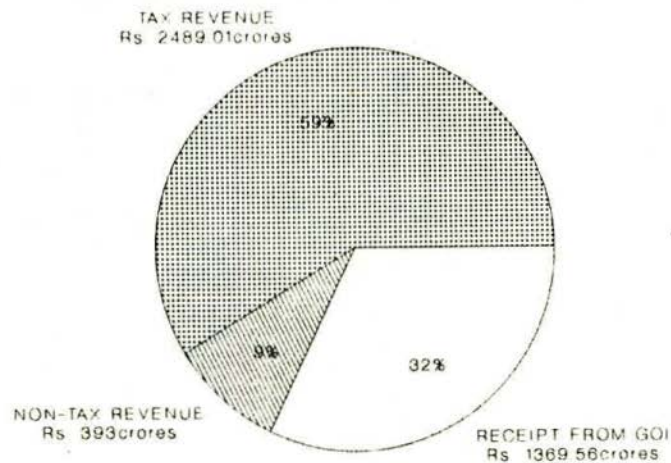


Figure 2
(Reference: paragraph 1.2.6, 1.2.7 & 1.2.8)
REVENUE RECEIPTS - 1989-90



1.2.6. The revenue* raised by the State Government (Rs.2882.01 crores) accounted for 68 per cent of the total revenue receipts (Rs.4251.57 crores) during the year.

1.2.7. As against the net increase in revenue of Rs.50 crores anticipated from taxation changes proposed during the year, the actual increase was Rs.40 crores. There was a net increase of Rs.494.78 crores in the Tax Revenues raised by the State Government from Rs.1994.23 crores in 1988-89 to Rs.2489.01 crores in 1989-90, increase being mainly under the following major heads.

Head	Rupees in crores	Reasons
Sales Tax	240.62	Increase under Central and State Sales Tax Acts on account of normal growth.
State Excise	153.79	Higher receipts under foreign liquors, commercial and denatured spirits.
Stamps and Registration Fees	43.68	Increased sale of non-judicial stamps, duty on impressing of documents and registration fees for registering documents.

* A pie chart showing receipts from tax revenue, non-tax revenue and Government of India is given in figure 2.

Head	Rupees in crores	Reasons
Taxes on Vehicles	33.60	More receipts under Motor Vehicles Tax Act on account of revision of rates.
Other Taxes and Duties on Commodities and Services	22.25	Increased collection under Luxury Tax and Entertainment Tax.

1.2.8. The Non-Tax Revenue raised by the State Government increased by Rs.57.43 crores from Rs.335.57 crores in 1988-89 to Rs.393.00 crores in 1989-90. The increase was mainly under the following major heads.

Head	Rupees in crores	Reasons
Other Admini- nistrative Services	17.62	More receipts in magisterial fines and elections.
Forestry and Wild Life	15.49	Increased receipts from Social and Farm Forestry and sale of timber and other forest produce.
Medical and Public Health	15.47	Increased receipts under ESI Schemes and other miscellaneous nature.

Head	Rupees in crores	Reasons
Non-ferrous mining and Metallurgical Industries	12.43	Increase in receipts from mines and quarries in revenue lands.
Co-operation	9.19	Increased receipts from National Co-operative Development Corporation and contribution under FR 127.
Interest receipts	9.17	More receipts from Departmental Commer- cial undertakings and increased receipts of miscellaneous nature.
Crop Husbandry	8.81	Increased receipts from sale of seeds, commercial crops and other receipts.
Miscellaneous General Services	7.94	More receipts on account of State Lotteries and unclaimed deposits.
Village and Small Industries	2.52	More receipts under Sericulture.
Education, Sports, Art and Culture	2.16	Increased receipts under 'Art and Culture' and 'Secondary Education'.

The increase was partly offset by decrease in receipts under 'Social Security and Welfare' (Rs.45.20 crores) mainly due to less receipts under "Other Rehabilitation schemes".

1.2.9. The arrears of revenue at the end of the year, reported by 15 departments, were Rs.497.63 crores, of which Rs.115.63 crores were over five years old.

1.2.10. The total amount overdue for recovery as on 31st March 1990 against loans advanced, the detailed accounts of which are maintained in Accounts Office, was Rs.18.46 crores including Rs.6.99 crores on account of interest. The arrears position in regard to the recovery of loans, the detailed accounts of which are maintained by the Departmental Officers, could not be indicated as necessary information had not been furnished by them.

1.2.11. The interest paid on Debt and other obligations was Rs.366.49 crores. The interest received was Rs.87.86 crores, including that from Departmental Undertakings and others. The net interest burden was, thus, Rs.278.63 crores.

1.2.12. The assistance received from Central Government as grant for State, Central and Centrally Sponsored Schemes was Rs.353.60 crores. The expenditure on such Plan Schemes was Rs.1216.54 crores including State's share.

1.2.13. Against Plan provision of Rs.1100.03 crores under Revenue and Rs.223.86

crores under Capital, the actual expenditure on Plan Schemes was Rs.1004.29 crores under Revenue and Rs.212.25 crores under Capital, resulting in a shortfall of Rs.95.74 crores under Revenue and Rs.11.61 crores under Capital. The shortfall under Revenue was mainly under "Rural Development" (Rs.66.46 crores), "Industry and Minerals" (Rs.42.48 crores), "Transport" (Rs.4.20 crores), "Irrigation and Flood Control" (Rs.3.82 crores), "Water Supply, Sanitation, Housing and Urban Development" (Rs.3.41 crores). The shortfall under Capital was mainly under "Irrigation and Flood Control" (Rs.7.17 crores) and "Agriculture and Allied Activities" (Rs.1.96 crores).

1.2.14. Plan expenditure increased from Rs.1020.40 crores in 1988-89 to Rs.1216.54 crores during 1989-90.

1.2.15. With fresh investment of Rs.61.73 crores during the year in the various Corporations and Co-operative Institutions, the total investment of the Government in shares on 31st March 1990 was Rs.535.81 crores. Dividend received on such investments during the year was Rs.0.45 crore, representing roughly 0.08 per cent of the investment.

1.2.16. Government had given guarantees for discharge of liabilities like loans, etc., by Statutory Corporations, Companies, Co-operatives, etc., upto a maximum of Rs.3465.95 crores. Against this sum, Rs.1964.67 crores were outstanding on 31st

March 1990, constituting contingent liabilities of Government. A sum of Rs.46.57 lakhs was paid by the Government during 1989-90 towards discharge of liabilities under guarantees in respect of Tamil Nadu Textiles Corporation Limited.

1.2.17. In 8 cases, guarantee commission of Rs.125.66 lakhs was due for recovery as on 31st March 1990, the main defaulters being Poompuhar Shipping Corporation Limited (Rs.70.86 lakhs), Southern Structurals Limited (Rs.41.37 lakhs), Tamil Nadu Small Industries Corporation Limited (Rs.5.86 lakhs), Tamil Nadu Magnesite Limited (Rs.2.98 lakhs) and the Tamil Nadu Minerals Limited (Rs.4.12 lakhs).

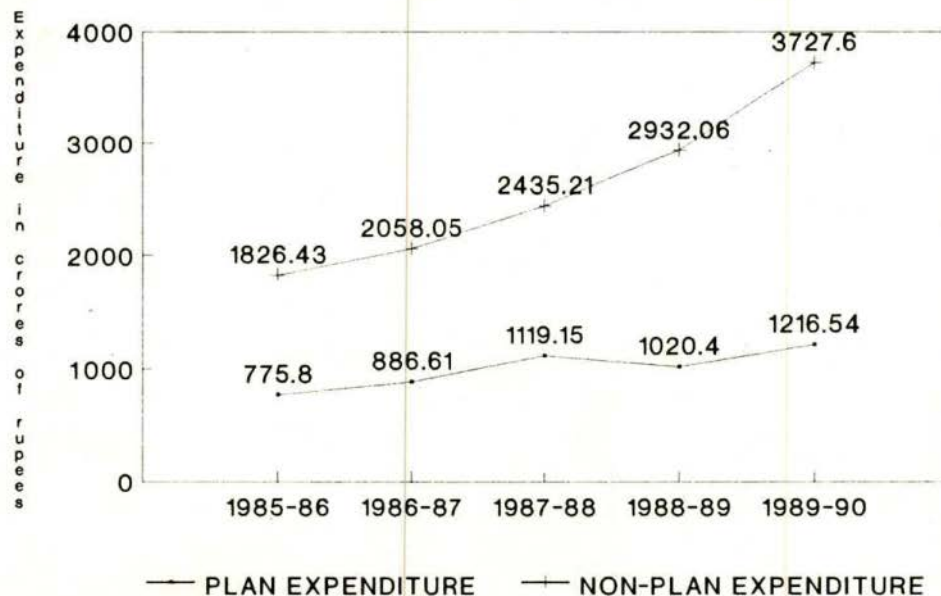
1.2.18. No Law under Article 293 of the Constitution has been passed by the State Legislature, laying down the limit within which the Government may give guarantees on the security of the Consolidated Fund of the State.

1.2.19. During the year, the non-plan expenditure of Rs.3727.60 crores*[@]

* Revenue: Rs.3726.50 crores; Capital: Rs.1.10 crores.

@ A diagram showing the growth of plan and non-plan expenditure during the last five years is given in figure 3.

Figure 3
(Reference: paragraph 1.2.19)
GROWTH OF PLAN AND NON-PLAN EXPENDITURE



constituted 75.40 per cent of the total expenditure of Rs.4944.15 crores under Revenue and Capital. The increase of Rs.795.54 crores over that (Rs.2932.06 crores) in 1988-89 was the net effect of increase of Rs.785.16 crores under Revenue and Rs.10.38 crores under Capital.

1.3. Budget and financial control over Receipts and Expenditure

There has been consistent under-estimation of Revenue Receipts during the five years from 1985-86 to 1989-90 as indicated in the table below:

Year	Budget plus additional taxation	Actuals	Variation between (3) and (2) Amount Percentage	
(1)	(2)	(3)	(4)	(5)

(in crores of rupees)

1985-86	2418.46	2638.32	(+)219.86	9
1986-87	2680.60	2879.31	(+)198.71	7
1987-88	2813.23	3091.89	(+)278.66	10
1988-89	3187.72	3489.86	(+)302.14	9
1989-90	3845.74	4251.57	(+)405.83	11

The actual revenue and overall surplus/deficit during these years as against the budgeted surplus/deficit are indicated below:

Year	Revenue surplus (+)/ deficit (-)		Overall surplus(+)/ deficit (-)	
	Budget	Actuals	Budget	Actuals
(in crores of rupees)				
1985-86	(+) 53.60	(+)188.58	(-)228.33	(+)13.78
1986-87	(+)223.25	(+)103.61	(-) 4.79	(-) 4.16
1987-88	(-) 94.85	(-)282.92	(-)180.58	(+)47.84
1988-89	(-)217.56	(-)274.16	(-)123.74	(-)72.78
1989-90	(-)288.49	(-)479.22	(-)149.67	(+) 9.39

Government resorted to Supplementary Grants and Appropriations ranging from 15 to 41 per cent of the Original Grants and Appropriations during these 5 years. However, the provisions surrendered during these years ranged from 14 to 65 per cent of the Supplementary Grants and Appropriations obtained while the actual expenditure resulted in ultimate saving ranging from 13 to 67 per cent of the Supplementary Grants and Appropriations as indicated below:

Year	Supple- mentary Grants and Appropriations	Surrenders		Savings	
		Amount	Perce- ntage of Supple- mentary Grants and Appropriations	Amount	Perce- ntage of Supple- mentary Grants and Appropriations
(amount in crores of rupees)					
1985-86	512.63	331.07	65	341.46	67
1986-87	507.17	207.15	41	204.02	40
1987-88	919.32	161.21	18	162.64	18
1988-89	1449.82	197.28	14	189.51	13
1989-90	2196.35	366.46	17	361.18	16

Thus, the Supplementary demands, major part of which was presented to the Legislature in March every year, were grossly over-estimated indicating lack of adequate control over expenditure.

CHAPTER II **APPROPRIATION AUDIT AND CONTROL** **OVER EXPENDITURE**

2.1. General

The summarised position of actual expenditure during 1989-90 against Grants/Appropriations is as follows:

	Original Grant/	Supple-mentary Grant/	Total Grant/	Expen-diture	Variation Saving(-) Excess(+)
	Appropriation	Appropriation	Appropriation		
	(in crores of rupees)				
I. Revenue-					
Voted	3864.59	820.23	4684.82	4381.57	(-) 303.25
Charged	<u>387.94</u>	<u>49.65</u>	<u>437.59</u>	<u>421.25</u>	(-) <u>16.34</u>
II. Capital-					
Voted	175.16	54.07	229.23	218.94	(-) 10.29
Charged	<u>0.04</u>	<u>3.09</u>	<u>3.13</u>	<u>3.51</u>	(+) <u>0.38</u>
III. Public Debt -					
Charged	<u>598.68</u>	<u>1157.71</u>	<u>1756.39</u>	<u>1726.04</u>	(-) <u>30.35</u>
IV. Loans and Advances-					
Voted	375.11	111.59	486.70	485.37	(-) 1.33
V. Contingency Fund-					
Fund-	..	..	250.00	250.00	..
Grand Total	5401.52	2196.34	7847.86	7486.68	(-) 361.18

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

2.2.1. Supplementary provision obtained during the year constituted 41 per cent of the original provision as against 33 per cent in the year preceding and 24 per cent during 1987-88.

2.2.2. Supplementary provision of Rs.2.40 crores obtained in 4 grants (1.92 crores) and one appropriation (Rs.0.48 crore) (Appendix I) during March 1990 proved unnecessary in view of the final saving in each grant being more than the supplementary provision; it could, therefore, have been restricted to token provision for New Service items wherever necessary. In 9 grants (Appendix II), supplementary provision obtained during the year proved insufficient by more than Rs.50 lakhs each (ranging from Rs.54.24 lakhs to Rs.191.68 lakhs) leaving an aggregate of uncovered excess expenditure of Rs.11.25 crores.

2.2.3. The overall saving was Rs.373.28 crores in 47 grants (Rs.326.46 crores) and 39 appropriations (Rs.46.82 crores). The overall excess (Appendix III), on the other hand, was Rs.12.10 crores in 12 grants (Rs.11.60 crores) and 4 appropriations (Rs.0.50 crores) requiring regularisation under Article 205 of the Constitution.

Excess, totalling Rs.147.22 crores, over grants/appropriations relating to the years 1983-84 to 1988-89 also remains to be

regularised, as indicated below (details are available in Appendices III and IV of the Audit Report for 1988-89).

Year	Amount (in crores of rupees)
1983-84	56.28
1984-85	9.71
1985-86	20.13
1986-87	23.15
1987-88	22.65
1988-89	15.30
	<u>147.22</u>

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

Description of the Grant/ Appropriation	Amount of saving (in crores of rupees) (percentage of provision)	Main reasons for saving
(1)	(2)	(3)
4. General Sales Tax and other Taxes and Duties - Administration	3.75 (12)	(i) Lumpsum provision of Rs.2.45 crores made under the grant for payment of Dearness Allowance and other unforeseen expenditure has been distributed under respective sub-heads by re- appropriation to the extent of Rs.1.10 crores only.

(1)	(2)	(3)
		(ii) Out of the provision of Rs.2 crores for contribution to Tamilnadu Trader Welfare Board, only a sum of Rs.0.05 crore has been utilised. Reasons for final savings have not been communicated.
25. Cinchona	1.57 (34)	Saving was due to adoption of Revised system of calculation for charging interest on capital.
28. Community Development Projects and Municipal Administration	59.03 (24)	Saving was due to merger of two schemes with a third scheme and due to utilising only Rs.40.68 crores out of the total provision of Rs.108.35 crores available under the original two schemes.
43. Miscellaneous	172.95 (34)	Lumpsum provision of Rs.180.53 crores made under the grant for unforeseen expenditure has been distributed under the respective sub-heads only to the extent of Rs.0.48 crore.

(1)	(2)	(3)
52. Capital outlay on Irrigation	5.87 (11)	Saving was mainly due to less adjustment of percent- age charges for establish- ment and want of clearance by the World Bank for the Cumbum Valley Project.

2.2.5. Substantial surrenders were also made in the following cases on account of either non-implementation/slow implementation of schemes:

Serial Number	Grant	Name of the scheme (Head of account)	Amount of surrender (in lakhs of rupees)	Percentage of surrender
1.	3. Motor Vehi- cles Acts - Administration	Fixing of motors in cycle rickshaws plying in Madras city (2235-60-200 II-JE)	100.00	100

Reasons for the withdrawal have not been communicated.

2.	17.Education	Free Education for Girls belonging to poor and middle class families studying in B.A.,B.Sc.,B.Com., Courses (2202-03-107-II-JA)	35.93	72
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The provision for this new scheme of providing free education for girls belonging

to poor and middle class families studying in B.A., B.Sc., B.Com. courses was made without finalising the modalities for identifying the beneficiaries and without estimating the probable expenditure. Finally, it was decided (April 1989) to cover only students of 1st year degree classes during 1989-90. Further, students belonging to Most Backward Classes and Denotified communities opted for another scheme under which exemption was available to them for special fees, examination fees and other compulsory fees also in addition to the tuition fees. This resulted in the surrender.

3. 18.Medical	Supply of Tooth		
	Powder to Rural		
	Children	70.11	86
	(2210-03-800-I-CA)		

Discontinuance of the scheme from June 1989 resulted in surrender of funds. Keeping in view the trend in reduction of beneficiaries and expenditure of the scheme in the earlier years, allotment of Rs.80 lakhs in the Budget was unnecessary.

4. 20.Agriculture	National Watershed		
	Development Programme		
	for rainfed		
	Agriculture	28.14	56
	(2402-102-VI-UL)		

The reasons attributed for the surrender were (i) due to failure of North East

monsoon, demonstrations were not carried out (ii) orders of Government regarding utilisation of subsidy were issued only in December 1989 and (iii) there was stiff resistance from farmers for raising vegetative contour hedges.

5.	20.Agriculture	Soil Conservation and Resources Development under watershed basis under Western Ghat Development Programme (2551-01-102-III-SH)	35.32	21
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The provision of Rs.165 lakhs was made in anticipation of matching Central Assistance. The surrender was due to receipt of only Rs.127.71 lakhs towards Central assistance.

6.	36.Irrigation	Modernisation of Tanks with EEC Assistance. Phase II (2701-80-800-II-JG)	296.66	85
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The scheme was sanctioned only in August 1989. Sanction for works under the Scheme was accorded only in September 1989 (six works : Rs.1.31 crores) and March 1990 (eight works : Rs.2.25 crores) and there was consequential delay in fixing up agencies for execution of the works.

7.	51.Capital	Share capital		
	Outlay on	assistance to		
	Industrial	Tamil Nadu Mineral		
	Development	Development		
		Corporation	55.00	100
		(4853-01-190-II-JF)		

Withdrawal of entire provision by reappropriation in March 1990 was due to non-implementation of Sivaganga Graphite Beneficiation Scheme.

8.	52.Capital	Construction of Dam		
	Outlay on	for Storage of Krishna		
	Irrigation	River Water	98.82	64
		(4215-01-101-II-JB)		

The provision included Rs.80 lakhs for adjustment of charges for acquisition of land. This provision was surrendered as charges for acquisition had not been claimed by the Revenue Department. Provisions on this account were surrendered in earlier years also. Certain other works could not be executed due to non-finalisation of tenders.

9.	52.Capital	Dam and Appurtenant		
	Outlay on	Works	80.69	65
	Irrigation	(4701-01-201-II-JB)		

The second stage of the work of R.C.C. backing above 75 feet could be commenced only in December 1989 on account of extensive damages to the Ghat roads caused by floods in July 1989. Quarrying of rubble for Civil

Works was also stopped in November 1989 by the officials of the Forest Department of Kerala Government.

10.	52.Capital	Dam and Appurtenant		
	Outlay on	Works	30.78	50
	Irrigation	(4701-03-239-II-JA)		

Surrender was mainly due to the approval of the design for certain reaches only in June 1989 and due to slow progress of works undertaken by small and marginal contractors.

11.	52.Capital	Providing Flood Banks		
	Outlay on	to Vaigai River and		
	Irrigation	Restoration of Flood		
		damaged Vaigai Channels		
		below Parthibanur		
		Regulator in Ramanatha-		
		puram District -		
		Embankments	41.80	68
		(4711-01-103-II-JH)		

Due to closure of a Public Works Division in May 1989 and transfer of residual works to another Division, and due to belated finalisation of agencies for execution of works, the progress of work was slow. This resulted in the surrender of funds.

12.	52.Capital	Improvement to Buckingham		
	Outlay on	Canal stretch between		
	Irrigation	Ennore and Andhra		
		Pradesh Border	65.00	65
		(5056-104-III-SA)		

The work was divided into 39 reaches for execution. There was no response for the tender calls in 13 reaches and, in 16 other reaches, though tenders were finalised, the works were not started. In the remaining 10 reaches, the progress of work was slow. This resulted in the surrender.

13.	53.Capital	Buildings	33.34	71
	Outlay on	(4551-60-403-III-SA)		
	Public Works -			
	Buildings			

Withdrawal of provision by reappropriation in March 1990 was attributed to non-receipt of administrative/revised administrative sanctions.

14.	54.Capital	Road Works under the		
	Outlay on	World Bank Project	58.62	56
	Roads and	(5054-80-800-II-JG)		
	Bridges			

Surrender was mainly due to change in the alignment and design and due to delay in shifting of electric poles and transformers and in providing alternative site for slum dwellers who had encroached one of the sites.

2.2.6. Overprovisioning

In 6 grants, original provision of Rs.899.93 crores was augmented by supplementary provision of Rs.13.33 crores; but the expenditure did not come up even to

the original provision in any of these grants.

Grant number	Original provision	Supplementary provision (in crores of rupees)	Expendi- ture	Saving
10	3.49	0.73	3.36	0.86
28	242.70	7.74	191.41	59.03
36	95.90	3.51	94.18	5.23
43	503.40	1.00	331.45	172.95
52	53.03	0.10	47.27	5.86
57	1.41	0.25	1.26	0.40
Total	899.93	13.33	668.93	244.33

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

Number and Name of Grant	1987-88		1988-89		1989-90	
	Amount (in crores of rupees)	Percen- tage	Amount (in crores of rupees)	Percen- tage	Amount (in crores of rupees)	Percen- tage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voted Grants						
4. General Sales						
Tax and other						
Taxes and						
Duties -						
Administration	1.56	7	2.05	8	3.75	12
43. Miscellaneous	22.60	7	36.88	9	172.95	34
52. Capital Outlay						
on Irrigation	13.41	20	8.54	14	5.87	11

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Charged appropriation						
13. Administration of Justice (Charged)	0.29	10	0.30	9	0.63	16
Total	37.86		47.77		183.20	

2.2.8. In the following grants, the expenditure exceeded the provision by more than Rs.1 crore each and also by more than 2 per cent of the total provision:

Description of the Grant	Amount of excess (in crores of rupees) (percentage of provision)	Main reasons for excess
(1)	(2)	(3)
2. State Excise	1.25 (27)	Excess was mainly due to enhancement of pay and allowances based on Fifth Pay Commission Report.
8. Elections	1.03 (6)	Excess was mainly due to frequent tours in connection with special revision of electoral rolls for Lok Sabha and Assembly.

(1)	(2)	(3)
31. Welfare of the Scheduled Tribes and Castes, etc.	1.92 (3)	Excess was due to (i) revision of scales of pay and allowances on the recommendations of Fifth Pay Commission under 'Hostels' (Rs.1.25 crores), (ii) Payment of enhanced compensation (Rs.1.08 crores) for lands acquired under the scheme 'House site for Adi Dravidars' and (iii) due to enhancement in the rate of maintenance allowance and sanction of more number of scholarships under educational concessions (Rs.0.62 crore).
37. Public Works - Buildings	1.75 (39)	Reasons have not been communicated for the excess under (i) Establishment charges (Rs.0.99 crore) (ii) Miscellaneous Works Advances (Technical Education) (Rs.0.68 crore) (iii) Buildings - other office buildings (Rs.0.20 crore)
46. Compensation and Assignments	1.68 (4)	The reasons for excess have not been communicated for the excess under Entertainment Tax (Rs.1.74 crores).
53. Capital Outlay on Public Works - Buildings	1.64 (5)	Reasons for the excess have not been communicated.

2.2.9. Provision by reappropriation in March 1990 proved inadequate by Rs.50 lakhs and above in the following cases:

Serial Number	Grant	Head of account	Reappropriation	Final excess
			(in lakhs of rupees)	
1.	6	2030-03-001-I-AB District Establish- ment Charges	98.93	88.84
2.	36	2701-80-001-II-JD Setting up of Irriga- tion Commission	7.44	69.99
3.	38	2059-80-001-I-AD Executive Establishment	145.15	66.69

2.2.10. Budgetary procedure and control over expenditure

(a) The Appropriation Acts specify the sum authorised by the Legislature under each grant for meeting expenditure during a financial year; the final modified grants authorised by Government are the sums to be spent upto 31st March, with reference to proposals of Chief Controlling Officers (CCOs) based on actuals and anticipated expenditure and the balance, which is resumed to the Consolidated Fund, is not available to CCOs for meeting any further expenditure. Such resumptions of funds under the grants were persistent and significant not only

during 1989-90 but also in earlier years. Further, there had also been significant variations (excess or savings) between the final modified grant and actual expenditure. Overall position for the 5 years, 1985-86 to 1989-90, is indicated below:

Year	Sums autho- rised by the Legis- lature	Amount resumed (Sur- render)	Final Modified Grant	Actual expen- diture	Variation between (4) and (5) Excess(+)/Saving(-)
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1985-86	3929.00	331.07	3597.93	3587.54	(-) 10.39
1986-87	3926.28	207.15	3719.13	3722.26	(+) 3.13
1987-88	4760.83	161.21	4599.62	4598.19	(-) 1.43
1988-89	5834.58	197.28	5637.30	5645.07	(+) 7.77
1989-90	7597.86	366.46	7231.40	7236.68	(+) 5.28

Resumption of more than Rs.100 crores every year indicates over-estimation of expenditure and persistent significant variations between the final modified grant and actual expenditure shows that estimates of expenditure prepared even in March, the last month of the financial year, were defective and the control over expenditure was inadequate.

(b) Rupees 366.46 crores were surrendered out of the grants and appropriations authorised by the Legislature for expenditure during 1989-90 and resumed to Consolidated Fund on 31st March 1990.

However, in 10 grants (Nos. 2, 14, 15, 21, 29, 37, 38, 46, 53, 54) though Rs.8.74 crores were surrendered, Rs.14.92 crores had been spent in excess of the final modified grant, indicating utilisation of the amounts already resumed, and also leading to an excess of Rs.6.18 crores over the amount authorised by the Legislature requiring regularisation under Article 205 of the Constitution of India.

In 18^a other grants, against Rs.276.61 crores surrendered in March 1990, the saving was only Rs.236.54 crores, resulting in excess expenditure over the final modified grant.

In 29^b other grants, against Rs.86.88 crores surrendered in March 1990, the saving was Rs.134.19 crores, indicating that the department had not utilised Rs.47.31 crores during 1989-90 out of the final modified grant.

(c) Lumpsum provision for Dearness Allowance was made under each grant to meet additional dearness allowance, ex-gratia

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- a. Grant Numbers 1, 5, 7, 9, 10, 12, 16, 17, 18, 19, 26, 33, 34, 43, 47, 48, 54 and Public Debt
 - b. Grant Numbers 3, 4, 11, 13, 20, 22, 23, 24, 25, 27, 28, 30, 32, 35, 36, 39, 40, 42, 44, 45, 49, 50, 51, 52, 55, 56, 57, 58 and Debt Charges

payments, etc., to the employees during the year. Funds were to be provided by reappropriation from this lumpsum under the relevant sub-heads under which these items of expenditure were to be incurred. The amounts so reappropriated were, however, far less than the lumpsum provisions in the following grants indicating that the lumpsum provision was far in excess of requirements:

Number and Name of Grant	Lumpsum provision	Amount reappropriated to relevant sub-heads	Excess provision
(1)	(2)	(3)	(4)
	(in lakhs of rupees)		
1. Land Revenue Department	14.73	3.92	10.81
4. General Sales Tax and other Taxes and Duties - Administration	244.55	110.44	134.11
6. Registration	113.68	92.77	20.91
7. State Legislature	10.98	2.18	8.80
8. Elections	19.04	8.83	10.21
9. Head of State, Ministers and Head Quarters Staff	434.60	Nil	434.60
10. Milk Supply Schemes	25.71	Nil	25.71
11. District Administration	478.15	136.36	341.79

(1)	(2)	(3)	(4)
12. Administration of Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959	49.16	Nil	49.16
14. Jails	61.89	18.88	43.01
16. Fire Services	92.12	64.66	27.46
21. Fisheries	40.57	22.17	18.40
38. Public Works - Establishment and Tools and Plant	323.36	247.87	75.49
44. Stationery and Printing	117.52	67.48	50.04
45. Forest Department	173.57	109.30	64.27

(d) (i) A review of the budgetary procedure and control over expenditure was conducted by Audit in respect of the grants mentioned below:

- 2. State Excise Department
- 10. Milk Supply Schemes
- 28. Community Development Projects
and Municipal Administration
- 34. Urban Development
- 43. Miscellaneous
- 45. Forest Department
- 48. Rural Industries

54. Capital Outlay on Roads and
Bridges
56. Capital Outlay on Forests
57. Capital Outlay on Rural
Industries

(ii) In six grants, persistent savings were noticed during the last five years as under:

Year	Saving (in crores of rupees) (percentage)					
	<u>Grant 28</u>	<u>Grant 45</u>	<u>Grant 48</u>	<u>Grant 54</u>	<u>Grant 56</u>	<u>Grant 57</u>
1985-86	34.00 (15)	0.49 (4)	0.09 (1)	..	1.50 (9)	0.19 (11)
1986-87	9.27 (5)	0.52 (3)	0.63 (4)	0.54 (2)	0.87 (5)	0.15 (3)
1987-88	5.06 (2)	1.12 (5)	0.91 (6)	2.47 (7)	2.37 (10)	0.11 (4)
1988-89	7.72 (2)	0.53 (3)	0.97 (4)	6.55 (15)	0.54 (2)	0.93 (58)
1989-90	59.03 (24)	1.49 (6)	2.55 (9)	1.62 (4)	2.07 (8)	0.40 (24)

(iii) Supplementary grants obtained in March 1990 were excessive in 3 grants by more than 10 per cent as indicated below:

Grant number	Supplementary grant	Saving	Percentage to Supplementary grant
(in crores of rupees)			

45	5.44	1.49	27
48	4.88	2.55	52
56	4.19	2.07	49

In Grant 43, the supplementary appropriation of Rs.0.48 crore obtained in March 1990 was totally unnecessary since the final expenditure of Rs.0.138 crore was less than the original provision of Rs.0.148 crore.

(iv) The final expenditure exceeded the final modified appropriation in 3 grants and was less in 3 other grants as indicated below:

Grant	Final modified Grant	Final expenditure
(in crores of rupees)		
2	3.88	5.86
28	196.77	191.41
43	329.95	331.45
45	25.68	25.31
54	30.72	34.91
56	26.56	25.48

(v) Defective budgeting

Grant 48 - 2551-60-800-II-KU. Extension programme for members of Co-operative Tea Factories, Nilgiris

According to instructions regarding preparation of Budget estimates, every care should be taken to see that the estimates are neither inflated nor under-pitched, but are as accurate as possible. In this case, though expenditure of Rs.19.74 lakhs and Rs.27.76 lakhs were incurred during 1987-88 and 1988-89 on this service, only Rs.4.50 lakhs were provided in the Budget estimates for 1989-90. Due to such under-estimation, the department had to resort to reappropriation for additional funds to meet the final expenditure of Rs.24.30 lakhs.

(vi) Defective control over expenditure

(a) In the following cases, reappropriation of funds was either unnecessary or excessive in view of the final savings.

Grant	Head of account	Provision	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
28.	2515-001-11-JA	O 24.68		
		R 5.86		
		T 30.54	27.30	3.24
	2515-101-1-AA	O 2000.00		
		R 250.00		
		T 2250.00	1992.69	257.31
43.	2235-60-200-1-BL	O 0.01		
		R 19.23		
		T 19.24	0.37	18.87
45.	2402-102-11-JM	O 18.62		
		R 5.98		
		T 24.60	16.25	8.35
	2406-01-001-1-AB	O 817.55		
		S 222.92		
		R 14.32		
		T 1054.79	1034.37	20.42
	2406-01-102-11-JF	O 295.93		
		S 76.68		
		R 5.45		
		T 378.06	373.11	4.95

O - Original; R - Reappropriation; S - Supplementary;
T - Total

(1)	(2)	(3)	(4)	(5)
	2406-01-102-II-JH	S 100.00 R 1.59 T 101.59	98.30	3.29
	2406-01-105-I-AD	O 0.77 R 1.04 T 1.81	0.45	1.36
	2406-01-105-I-AG	O 1.00 R 0.28 T 1.28	0.29	0.99
	2406-01-796-II-JA	O 3.04 R 2.78 T 5.82	3.58	2.24
	2406-01-800-I-AA	O 1.30 R 0.16 T 1.46	0.09	1.37
	2406-01-800-I-AB	O 11.00 S 1.40 R 4.40 T 16.80	9.63	7.17
48.	2059-01-053-I-BA	O 0.80 R 0.30 T 1.10	0.80	0.30
	2851-102-I-CB	O 48.31 R 4.92 T 53.23	47.56	5.67

(1)	(2)	(3)	(4)	(5)
56.	4406-01-102-II-JE	O 970.23 S 213.28 R 70.21 T 1253.72	1212.23	41.49
	4406-01-102-VI-UA	O 122.00 R 1.87 T 123.87	111.97	11.90
	4406-01-800-II-JA	O 11.64 R 0.58 T 12.22	11.14	1.08

(b) Though the controlling officers were required to ensure that the final expenditure did not exceed the Final Modified Appropriation (FMA) approved by the Finance Department by exercising effective control over expenditure, in the following cases the expenditure substantially exceeded FMA indicating that the control over expenditure was not adequate.

Grant	Head of account	FMA	Expendi- ture	Excess
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
2.	2039-001-I-AD	120.63	316.09	195.46
		Withdrawal of Rs.132.31 lakhs in March 1990 was injudicious.		
28.	2515-001-I-AE	3040.56	3087.34	46.78
	2515-003-III-SA	0.01	10.00	9.99

(1)	(2)	(3)	(4)	(5)
43.	2075-797-I-AA	141.30	184.00	42.70
	2075-800-I-BB	0.01	46.65	46.64
	2235-60-200-I-AY	885.60	918.66	33.06
45.	2406-01-102-II-JB	15.36	23.82	8.46
	2406-02-111-II-JA	66.81	78.25	11.44
	2415-06-004-I-AB	0.35	4.87	4.52
54.	4551-60-337-II-JA	5.35	49.32	43.97
	5054-80-800-II-JE	296.81	600.28	303.47
	5054-80-800-II-JF	73.11	130.70	57.59
56.	4406-01-102-II-JF	18.64	26.67	8.03
	4551-60-106-II-JE	107.41	136.24	28.83

Withdrawal of Rs.37.30 lakhs in March 1990 was injudicious.

(vii) In the following cases, a total sum of Rs.1082.83 lakhs was provided in the Budget Estimate for the year 1989-90 towards implementation of 18 services/schemes as indicated hereunder. However, no expenditure was incurred on any of these items, for the purpose authorised by the Legislature. The consequent savings were diverted and utilised for other services/schemes.

Grant	Head of Account	Amount (in lakhs of rupees)
10.	2404-102-II-JF	63.00
28.	2217-80-191-II-JM	760.57
34.	2217-01-191-II-JH	50.00
43.	2235-60-200-I-AR	2.00
48.	2851-107-II-KD	10.80
	2851-107-II-KQ	7.00
	2851-107-II-KY	5.56
	2851-107-III-SD	1.00
54.	4211-106-III-SB	114.15
56.	4406-01-101-III-SA	29.00
	4406-01-102-II-JH	5.25
	4406-01-800-II-JJ	1.00
	4406-02-110-VI-UC	8.00
	4406-02-110-VI-UG	17.50
	4407-60-822-II-JC	2.00
57.	4851-101-II-JI	2.00
	4851-102-II-JZ	1.50
	4851-102-II-KD	2.50
	TOTAL	1082.83

(viii) In the following 30 cases, additional expenditure of Rs.1883.72 lakhs was incurred over and above Rs.477.01 lakhs authorised by the Legislature. Substantially large amounts were obtained through reappropriation to meet the additional requirements.

Grant	Head of account	Provision	Expenditure
(1)	(2)	(3)	(4)
		(in lakhs of rupees)	
28.	2515-800-VI-UD	O 40.00	
		R 59.34	99.03
	2515-800-III-SE	O 45.16	
		R 35.64	80.29
	2217-80-191-I-AG	O NIL	
		R 1160.63	1160.63
34.	2217-05-001-II-JA	O NIL	
		R 19.27	19.39
	2217-05-191-II-JC	O NIL	
		R 23.30	21.38
43.	2075-103-I-AE	O 20.00	
		R 35.01	54.09

(1)	(2)	(3)	(4)
	2075-800-1-AC	O 25.00	
		R 112.59	126.36
	2075-800-1-FR	O 248.25	
		R 171.05	419.30
	2235-60-200-1-AM	O 1.00	
		R 4.00	5.02
	2235-60-200-1-BC	O 0.01	
		R 2.27	2.28
45.	2406-01-102-II-JK	O NIL	
		R 4.35	7.07
	2235-01-105-1-AG	O 0.01	
		R 21.06	21.07
	2402-102-II-JN	O 7.85	
		R 5.39	13.49
	2406-01-105-II-JD	O 8.23	
		R 8.65	11.33
	2551-01-106-III-SN	O 5.40	
		R 5.14	10.07
48.	2851-107-III-SE	O NIL	
		R 14.13	14.12

(1)	(2)	(3)	(4)
	2551-60-800-II-KU	O 4.50 R 19.82	24.30
	2851-102-VI-UB	O 0.01 R 2.24	2.25
	2851-107-VI-UA	O 0.01 R 1.63	1.64
	2851-110-VI-UA	O 4.05 R 6.73	10.77
	2851-110-I-AF	S 10.00 R 23.00	33.00
	2852-80-001-II-JA	O 0.42 R 1.03	1.37
54.	5054-80-800-II-JC	O NIL R 45.00	45.45
	4402-102-III-SD	O 12.00 R 13.12	25.13
	5054-03-337-II-JA	O 41.07 R 72.00	109.74
	5054-03-337-II-JB	S 0.01 R 19.99	20.00
56.	4406-02-110-VI-UH	O 4.00 R 6.38	9.46
57.	4425-108-II-KB	O 0.01 R 1.14	1.15

(1)	(2)	(3)	(4)
4425-108-11-KX	S	0.01	
	R	9.99	10.00
4851-107-11-JV	O	0.01	
	R	1.91	1.55
Total	O	466.99	
	S	10.02	
	R	1905.80	2360.73

(ix) Expenditure without provision

No expenditure should be incurred on a scheme/service without specific provision therefor. However, it was noticed that expenditure was incurred in the following cases though no provision had been made either in the budget or in the supplementary demand/reappropriation.

Grant	Head of account	Expenditure (in lakhs of rupees)
28.	2202-01-800-11-JI	23.50
43.	2047-797-1-AA	30.11
	2235-60-200-1-AU	5.25
	2235-60-200-11-JA	24.67
	2235-60-200-1-BQ	1.07
	2235-60-200-11-JD	0.67
	2235-01-140-1-AV	3.00
	2235-60-200-1-BI	17.70
45.	2406-01-070-1-AB	5.58
48.	2851-102-1-CI	5.00

54.	4401-800-II-JD	1.60
	4406-01-800-II-JH	3.26
	4406-01-800-II-JI	0.71
	4515-800-II-JC	1.12
56.	4406-01-101-II-JA	0.87
Total		124.11

(x) The Public Accounts Committee, while prescribing (October 1986) the criteria for treating expenditure as 'New Service/New Instrument of Service' stipulated that, in respect of schemes receiving assistance from Central Government, autonomous bodies, etc. and in respect of expenditure relating to natural calamities, if a token provision had been made in the Budget, the expenditure need not be treated as "New Service" but such cases should be brought to the notice of the Legislature by specific inclusion in the supplementary estimates.

It was noticed that such expenditure incurred in the following 4 cases had, however, not been brought to the notice of the Legislature through specific inclusion in the Demands for supplementary grant.

Grant	Head of account	Provision (in lakhs of rupees)	Expenditure
28.	2515-003-III-SA	O 0.01	10.00
48.	2851-102-VI-UB	O 0.01	
		R 2.24	2.25
	2851-107-VI-UA	O 0.01	
		R 1.63	1.64
57	4851-107-III-SB	O 0.01	
		R 1.05	1.42

(xi) Other points noticed during the review of budgetary procedure and control over expenditure are detailed below:

(a) Grant 28: Community Development Projects and Municipal Administration

The Budgetary provision of Rs.1.69 lakhs under the head "2217-80-001-JF" was reduced to Rs.1.54 lakhs by reappropriation, even though the actual expenditure was Rs.2.23 lakhs. The department stated that the actual expenditure incurred was omitted to be taken into account while applying for Final Modified Appropriation.

(b) Grant 45: Forest Department

(i) Out of the supplementary grant of Rs.26.40 lakhs obtained on 28th March 1990 under the head "2406-01-800-VI-UB", 50 per cent of the amount was surrendered, as the amount allotted for the purchase of machinery

and equipment could not be spent before the end of the year. Obtaining supplementary funds at the fag end of the financial year without adequate time for spending was injudicious.

(ii) Supplementary grant of Rs.43.06 lakhs obtained on 28th March 1990 under the head "2406-02-110-VI-UE" included Rs.34.33 lakhs for salary of additional staff for the scheme. Since no additional staff was sanctioned as an economy measure, the amount obtained in the supplementary grant was surrendered.

(c) Grant 54: Capital Outlay on Roads and Bridges

(i) Though a provision of Rs.114.15 lakhs was available in the budget under head "4211-00-106-III-SB", proposals for creation of posts were submitted at the fag end of the year and were got sanctioned in the subsequent year. This resulted in the total savings during the year 1989-90.

(ii) Out of Rs.1000 lakhs allocated for twelve works under the head "5054-80-800-II-JN", 50 per cent of the amount was surrendered due to various reasons such as non-finalisation of evaluation reports for four works (Rs.191.49 lakhs), non-receipt of concurrence from Railways for one work (Rs.99.99 lakhs), non-finalisation of estimate by Railways for another work (Rs.84.99 lakhs), non-finalisation of tender in two works (Rs.54.53 lakhs), non-execution

of two works due to heavy rain (Rs.25 lakhs) and non-receipt of clarification from Government regarding eligibility of a contractor in one case (Rs.45.27 lakhs).

(d) Grant 56: Capital Outlay on Forests

(i) An amount of Rs.29 lakhs was sanctioned in December 1989 under the head "4406-01-101-III-SA" for establishment of Gulf of Mannar Biosphere Reserve. As the proposals seeking prior approval of Government of India for incurring the expenditure were sent only in March 1990, and the scheme had not been cleared by Government of India till the end of March 1990, the entire provision was surrendered.

(ii) For the two works under the heads "4551-60-106-II-JG" and "4551-60-106-III-SB", additional grant of Rs.39.99 lakhs and Rs.24.99 lakhs respectively were made in the Supplementary estimate without proper assessment of the actual requirement. This had resulted in surrender of funds to the extent of 75 per cent in each work.

2.3. Expenditure on New Service

According to rules, expenditure on a scheme/service not contemplated in the Budget estimate or in excess of the provision thereof in the Budget estimate, constitutes New Service or New Instrument of Service, when the expenditure exceeds the limits

prescribed in the rules. In such cases, expenditure can be incurred only after obtaining either an advance from the Contingency Fund, pending authorisation of funds by the Legislature or provision of funds through the Supplementary estimates. Expenditure on the following schemes, which constituted New Service/New Instrument of Service, was incurred without the approval of the Legislature.

Grant number	Head of account	Budget provision (in lakhs of rupees)	Reappro- priation	Expendi- ture	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
20.	2401-107-II-JV Scheme to popularise the Integrated Pest Management Technology in Rice	0.01	19.99	19.70	Rs.10.02 lakhs incurred in 1988-89
23.	2401-110-II-JA Grants to small and marginal farmers enrolled under Crop Insurance Scheme	0.01	11.55	11.56	(i) Payment towards premium to Tamilnadu Crop Insurance Fund Scheme (ii) Rs.27.75 lakhs incurred in 1988-89

(1)	(2)	(3)	(4)	(5)	(6)
34.	2217-05-191-II-JC Cost for implementation of Tamil Nadu Urban Development Project	NIL	23.30	21.38	..
34.	2217-05-001-II-JA Establishment of City Level Co-ordination Committee - TNUDP	NIL	19.27	19.39	Rs.9.67 lakhs incurred in 1988-89
36.	2701-80-001-II-JD Setting up of an Irrigation Commission	0.01	7.44	77.44	Rs.160.75 lakhs incur- red in 1988-89
45.	2235-01-105-I-AG Grants to Tamil Nadu Tea Plantation Corporation Limited	0.01	21.06	21.07	Payment towards interest subsidy
52.	4701-80-800-II-JM Restoration works of existing system under the action plan for Food Grain Production	0.01	NIL	141.43	Rs.399.78 lakhs incur- red in 1988-89
54.	5054-80-800-II-JC Other Works-Lumpsum Provision for Roads taken over from District Board	NIL	45.00	45.45	Payments made towards com- mitted works done in dam- aged struc- tures and to contractors for completed works

(1)	(2)	(3)	(4)	(5)	(6)
59.	6402-102-II-JD Loans to cultivators- controlled by the Director of Agri- culture	143.80	31.04	174.84	Additional expenditure incurred on the scheme exceeded the prescribed limit of Rs.25 lakhs.
Total		<u>143.85</u>	<u>178.65</u>	<u>532.26</u>	

2.4. Advances from Contingency Fund

The Corpus of the Contingency Fund, placed at the disposal of Government to meet unforeseen expenditure pending authorisation by the State Legislature, was Rs.50 crores; it was temporarily enhanced to Rs.75 crores from 1st April 1989, Rs.200 crores from 25th July 1989 and Rs.300 crores from 22nd December 1989 to 31st March 1990.

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

The Supplementary Estimates for all expenditure so sanctioned and withdrawn from the Contingency Fund are required to be presented to the Legislature at the first or second session of the Legislature, as may be

practicable, immediately after the advance is sanctioned.

One hundred and fortyone sanctions were issued during 1989-90 advancing Rs.224.29 crores from the Contingency Fund. It was noticed that -

(i) six sanctions for Rs.70.42 lakhs were neither operated nor cancelled and

(ii) the actual expenditure (Rs.26.75 lakhs) against 10 sanctions ranged from 10 to 20 per cent of the amount sanctioned (Rs.240.43 lakhs).

2.5. Non-receipt of explanations for savings/excess

After the close of each financial year, the detailed appropriation accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the Controlling Officers requiring them to explain significant variations under the heads. Out of 328 sub-heads, the explanations for variations were not received (August 1991) in 181 cases (55 per cent).

2.6. Shortfall/excess in recoveries

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

in the Budget estimates. During 1989-90, such recoveries were anticipated at Rs.125.77 crores; actual recoveries during the year were, however, Rs.81.12 crores. Some of the important cases of shortfall/excess as compared to estimates are detailed in Appendix IV.

2.7. Reconciliation of departmental figures

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

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

Year	Number of Controlling Officers who did not reconcile their figures	Amount not reconciled (in crores of rupees)
upto 1984-85	5	1.85
1985-86	9	2.67
1986-87	17	3.22
1987-88	28	64.51
1988-89	47	62.88
1989-90	96	1231.00
Total	202	1366.13

Amounts remaining unreconciled during 1989-90 by the following Controlling Officers exceed Rs.10 crores each.

Controlling Officer	Amount not reconciled (in crores of rupees)
(1)	(2)
Director of Adi Dravidar and Tribal Welfare, Madras-5.	44.18
Director of Social Welfare, Madras-5.	13.80
The Inspector General of Registration, Madras-1.	11.77
Commissioner of Civil Supplies, Madras-5.	67.17
Director of Elementary Education, Madras-6.	113.24
Director of School Education, Madras-6.	311.48
Director of Handlooms and Textiles, Kuralagam, Madras-108.	83.33
Director of Medical Services and Family Welfare, Madras-6.	31.04
Director of Medical Education, Madras-5.	37.90

(1)	(2)
Director of Primary Health Centres, Madras-6.	25.65
Director General of Police, Madras-4.	129.96
Inspector General of Police, Enforcement, Madras-10.	10.55
The Registrar, High Court, Madras.	29.74
Director of Fire Services, Madras-8.	14.37
Industries Commissioner and Director of Industries and Commerce, Madras-5.	51.46
Deputy Chief Electoral Officer and Deputy Secretary to Government, Madras-9.	18.16
Special Commissioner and Commissioner of Revenue Administration, Madras-5.	80.84
Director of Rural Development, Madras-108.	33.95

2.8. Premature withdrawal of funds

ENVIRONMENT AND FORESTS DEPARTMENT

(a) Out of the sum of Rs.4.08 lakhs allotted to Virudhunagar Social Forestry Division during 1989-90 under the component

'publicity', the Divisional Forest Officer made an advance payment of Rs.3.41 lakhs on 31st March 1990, as per the terms of supply, to Tamil Nadu Small Industries Corporation (TANSI) for supply and erection of eighteen publicity boards.

It was noticed in Audit that specific delivery schedules indicating the dates and locations for erection of the boards were not given at the time of placing orders and that such intimations were sent to TANSI in September 1990 only in respect of three boards. The Department stated in October 1991 that the boards were got erected between December 1990 and February 1991.

Thus, the provision available for this work, which was considered essential by the Department, was utilised on the last day of the year and towards payment of advance to TANSI even before locations were finalised, only with a view to avoid lapse of grants.

(b) Orders were placed by the Divisional Forest Officer, Agave Cultivation Division, Coimbatore, on the 28th and 31st March 1990 with one unit of the Tamil Nadu Khadi and Village Industries Board for the supply of chain link, "L" angles and barbed wire, which were required for fencing around the plantations for preventing damage by cattle and wild life. Advance payments amounting to Rs.2.23 lakhs were made on 30th March 1990 and 31st March 1990, being ninety per cent of the cost of materials. The unit

was required to supply the materials before the end of March 1990. No agreement was executed with the unit regarding the supply. By end of January 1991, the unit had effected only partial supply of the materials, valued at Rs.1.09 lakhs.

Requiring the unit to make the supplies before end of March 1990, while the advance payments had been made only on the last two days of March 1990, indicated that there was lack of sincerity behind imposing such a requirement and the withdrawal of funds was clearly to avoid lapse of grants.

PUBLIC WORKS DEPARTMENT

(c) In connection with the work relating to improvements to East Coast Road from Thiruvannamipur to Cuddalore, water mains and electric poles/cables had to be shifted and for this purpose the Divisional Engineer (Rural Roads), Cuddalore, made advance payments of Rs.10 lakhs each to the Cuddalore Municipality, and to the Tamil Nadu Electricity Board (TNEB) on 29th March 1990, based on proposals received in March 1990.

It was noticed in Audit that the Municipality revised its proposals in June 1990 and the revised proposal was referred to the Superintending Engineer concerned for permission to carry out the work accordingly.

Advance payment need not have been made to TNEB in view of existing Government

orders (July 1984) to the effect that charges for shifting of electricity lines, poles etc. should be borne by TNEB.

Thus, in both the cases, funds had been drawn and paid in advance evidently with a view to avoid lapse of grants.

CHAPTER III

CIVIL DEPARTMENTS

AGRICULTURE DEPARTMENT

3.1. Technology Mission on Oilseeds

3.1.1. Introduction

The Technology Mission on Oilseeds (TMO) was launched by the Government of India (GOI) in May 1986. Its main objective was to increase production of oilseeds, reducing thereby imports of edible oils to the extent of 50 per cent at the end of Seventh Plan, and achieving ultimately self-reliance during the Eighth Plan period.

The objectives of the programme in Tamil Nadu were to (i) increase the production of oilseeds from 10.43 lakh tonnes in 1984-85 to 18 lakh tonnes in 1989-90, and to 27 lakh tonnes by the turn of the century, (ii) increase the yield of oilseed crops from 950 kg. per hectare on an average in 1984-85 to 1140 kg. per hectare in 1989-90 and to 1630 kg. per hectare by the year 2000, and (iii) increase the efficiency of processing units for better recovery of oil from oilseeds. To achieve these objectives, two Centrally sponsored schemes - National Oilseeds Development Project (NODP) and the

For facility of reference, Appendix XX contains a complete list of abbreviations used in this and other reviews (page 384).

Oilseeds Production Thrust Project (OPTP) were implemented from 1986-87 and 1987-88 respectively covering groundnut, gingelly (sesamum), sunflower and castor crops. The activities under these schemes included production of breeder, foundation and certified seeds, prepositioning of seeds, distribution of plant nutrients, plant protection chemicals and equipment, supply of improved farm implements and sprinkler sets, and demonstrations.

3.1.2. Organisational set-up

The schemes were implemented by the Department of Agriculture through the Director of Oilseeds (DOS), assisted by Deputy Directors at the district level and by Assistant Directors at the divisional level, and by the Tamil Nadu Oilseeds Growers' Federation Limited (TANCOF). The Indian Council of Agricultural Research (ICAR) was to arrange for the production of nucleus and breeder seeds through the Tamil Nadu Agricultural University (TNAU). A State Mission Committee was also constituted in October 1986 to approve the schemes and monitor their implementation.

3.1.3. Audit coverage

The implementation of the Technology Mission on Oilseeds during the period from 1986-87 to 1989-90 was generally reviewed in audit between February 1990 and January 1991 in the Secretariat Department of Agriculture, Directorate of Oilseeds,

Tamil Nadu Agricultural University, two of the eight seed farms (Breeder Seed Farm, Neyveli and Foundation Seed Production Centre, Musaravakkam), 9¹ of the 53 Divisions, one of the three TANCOF areas (Tiruvannamalai) and one of the two Bacterial Cultural Laboratories (BCL, Ramanathapuram). The results of the review are mentioned in the succeeding paragraphs.

3.1.4. Highlights

- Against the projected production of 18 lakh tonnes of oilseeds at the end of the Mission period, the actual production achieved was only 12.67 lakh tonnes, which was only marginally higher than the pre-Mission production of 12.33 lakh tonnes. The per hectare yields obtained from groundnut (1,132 kg.), gingelly (350 kg.) and castor (300 kg.) crops were substantially lower than the TM targets of 1440 kg., 510 kg. and 600 kg. respectively.

(paragraph 3.1.6)

- Whereas the TM envisaged an increase of 0.86 lakh hectares in the irrigated area under oilseeds in high-yield districts, the area under irrigation in these districts actually decreased by 0.16 lakh hectares at the end of 1988-89. The total

-
1. Chengalpattu, Coimbatore, Kancheepuram, Madurai, Salem, Thanjavur, Tiruvannamalai, Tiruchirapalli and Vellore

irrigated area under oilseeds also declined by 0.21 lakh hectares.

(paragraph 3.1.6)

- On account of inadequate availability of nucleus seeds and land, supply of breeder seeds by the Tamil Nadu Agricultural University (TNAU) during the Mission period was less than the indented requirements to the extent of 57.167 tonnes. Because of water constraints and poor supply of nucleus seeds by TNAU, production of breeder seeds by two seed farms was also significantly lower than the prescribed norms.

(paragraph 3.1.7.1(a))

- The shortfall in production of foundation seeds with reference to requirements varied between 71 per cent and 87 per cent. The yields of foundation seeds were also far below the norms prescribed. Consequently, the constraint of shortage of foundation seeds continued to persist during the Mission period.

(paragraph 3.1.7.1(b))

- As against 51,778 tonnes of certified groundnut seeds necessary, on the basis of norms, to cover the targeted area during 1986-90 the State Government planned for the production of 38,196 tonnes only. Even this reduced target of 38,196 tonnes was not achieved and actual production

constituted only 2.9 per cent of the targeted production. Against Rs.195.11 lakhs allotted by GOI for the production of certified seeds during 1987-90 under OPTP, Rs.8.14 lakhs only were utilised due to non-availability of breeder seeds and lack of infrastructural facilities.

(paragraph 3.1.7.1(c))

- Rupees 4.98 lakhs spent on strengthening infrastructural facilities for the production of Rhizobium culture did not serve the intended objective of augmentation of supply of the culture to the oilseed sector.

(paragraph 3.1.7.2(a))

- Subsidy of Rs.19.20 lakhs was irregularly paid for installation of Drip Irrigation Systems by cultivators of coconut and horticultural crops.

(paragraph 3.1.7.6)

- Out of Rs.88 lakhs deposited with the State Public Works Department in March 1989 and March 1990 for construction of two godowns, Rs.11.92 lakhs alone were spent.

(paragraph 3.1.7.8)

3.1.5. Funding

The expenditure under NODP, other than that incurred on the production of breeder and foundation seeds for which cent per cent assistance was extended by the Central Government, was shared equally between the Central and State Governments. OTP was fully financed by the Central Government. Details of financial assistance received from the Central Government and the expenditure incurred by the State Government, as reflected in the State accounts, are indicated below:

Year	Outlay	Expen- diture	Central Assistance	
			Due	Received
(in lakhs of rupees)				
NODP				
1986-87	288.106	203.427	102.419	150.640
1987-88	305.106	311.811	162.712	161.003
1988-89	305.106	288.918	158.891	161.003
1989-90	308.650	307.110	161.269	118.639
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	<u>1206.968</u>	<u>1111.266</u>	<u>585.291</u>	<u>591.285</u>
OTPT				
1987-88	172.385	154.090	154.090	172.385
1988-89	354.400	318.992	318.992	335.500
1989-90	289.400	279.690	279.690	173.640
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	<u>816.185</u>	<u>752.772</u>	<u>752.772</u>	<u>681.525</u>

The State Government had, however, reported to the Government of India that expenditure totalling Rs.1176.83 lakhs and Rs.768.673 lakhs respectively had been incurred under NODP and OTPT during the above period. While

the details of the component-wise physical and financial targets and achievements as reported to Government of India are contained in Appendices V and VI, in the absence of similar details in respect of the figures booked in the accounts, the discrepancy between the two sets of figures could not be reconciled. The details of the assistance rendered by the Central Government directly to ICAR for production of nucleus and breeder seeds were not available with the Department.

3.1.6. Production targets and achievements

The year-wise production targets and achievements thereagainst in respect of different varieties of oilseeds during the period from 1986-87 to 1989-90 were as follows:

Year	Area (in lakh hectares)		Production (in lakh tonnes)		Yield per hectare (in kg)	
	Target	Achievement	Target	Achievement	Target	Achievement
(1)	(2)	(3)	(4)	(5)	(6)	(7)
GROUNDNUT						
1986-87	10.79	8.97	13.27	10.93	1229	1219
1987-88	10.87	9.91	14.31	13.09	1316	1321
1988-89	11.03	9.62	15.22	10.94	1380	1137
1989-90	11.43	10.63	16.01	12.03	1440	1132
GINGELLY						
1986-87	1.25	1.08	0.67	0.32	375	296
1987-88	1.60	1.45	0.75	0.55	463	379
1988-89	1.60	1.16	0.78	0.35	489	302
1989-90	1.60	1.17	0.82	0.41	510	350

(1)	(2)	(3)	(4)	(5)	(6)	(7)
SUNFLOWER						
1986-87	0.44	0.16	0.23	0.08	522	500
1987-88	1.40	0.17	0.81	0.08	580	471
1988-89	1.40	0.12	0.90	0.06	640	500
1989-90	1.50	0.20	1.02	0.14	680	700
CASTOR						
1986-87	0.25	0.15	0.10	0.05	380	333
1987-88	0.23	0.15	0.13	0.05	550	333
1988-89	0.17	0.16	0.10	0.05	580	313
1989-90	0.25	0.30	0.15	0.09	600	300

Though the TM envisaged a per hectare yield of 1440 kg., 510 kg. and 600 kg. under groundnut, gingelly and castor seeds respectively at the end of the Mission period, the actual yields were, however, substantially lower, being of the order of 1132 kg., 350 kg. and 300 kg. respectively. Though the total production of these oilseeds increased marginally to 12.67 lakh tonnes at the end of the Mission period from 12.33 lakh tonnes in the pre-Mission period, this was far below the projected target of 18 lakh tonnes. The Department attributed the shortfall to severe drought and failure of the monsoon. Audit scrutiny, however, revealed the following:

(i) Though the TM laid emphasis on increasing the proportion of irrigated lands in the high-yielding districts to the extent of 85,830 hectares, the area under irrigation in these districts actually decreased by 16,333 hectares at the end of 1988-89. The

total irrigated area under oilseeds had also declined from 2.86 lakh hectares at the commencement of the Mission period to 2.65 lakh hectares in 1988-89.

(ii) Inadequate supplies of certified seeds and non-formulation of specific programmes to stabilise irrigation facilities also contributed to the shortfall in production.

These have been discussed in greater detail later in this review.

3.1.7. Input and service support

3.1.7.1. Seed support

(a) Breeder seeds

A total requirement of 231.966 tonnes of breeder seeds for the years 1986-87 to 1988-89 was projected by the Department in the TM document, against which ICAR allotted 247.330 tonnes of nucleus seeds to TNAU for supply to the State Government (details of the allotment for the year 1989-90 were not available). The State Directorate of Oilseeds had estimated a total requirement of 314.138 tonnes of breeder seeds from 1986-87 to the khariff season of 1989-90 and had placed indents accordingly. The University could not, however, meet the indented requirements fully and supplied only 256.971 tonnes of seeds, resulting in a shortfall of 57.167 tonnes as indicated below:

Year	Quantity indented	Quantity supplied by TNAU	Shortfall(-)/ excess(+)
(in tonnes)			
1986-87	91.472	61.467	(-)30.005
1987-88	89.282	58.173	(-)31.109
1988-89	93.247	82.934	(-)10.313
1989-90	40.137	54.397	(+)14.260
(upto khariff)	<u>314.138</u>	<u>256.971</u>	<u>(-)57.167</u>

The shortfall was attributed to the inadequate availability of nucleus seeds and non-availability of sufficient area for production of breeder seeds by TNAU. The records produced to Audit did not indicate that the position in this regard was brought to the notice of the Director of Oilseeds (Ministry of Agriculture), Hyderabad, to facilitate appropriate alternative arrangements.

A study of the working of the Government Breeder Seed Farms at Neyveli and Musaravakkam, where breeder seeds were produced under the guidance of TNAU, revealed the following:

(i) The seed farms procured nucleus seeds from TNAU for multiplication into breeder seeds. According to the cropping programme, a total area of 537.50 acres was to be cultivated for production of groundnut

breeder seeds during the period from 1986-87 to 1989-90. However, an area of 450.71 acres alone was covered due to water constraints. It was also observed that as against the requirement of 35.625 tonnes of nucleus seeds for sowing in 450.71 acres, TNAU supplied 1.735 tonnes only. The shortfall was made good by sowing breeder seeds produced in the farms again for multiplication as breeder seeds.

(ii) The production of breeder seeds during the period from 1986-87 to 1988-89 varied from 52 kg. to 164 kg. per acre in the Khariff season and from 59 kg. to 330 kg. per acre in the Rabi season, which was less than the norm of 200 kg. and 400 kg. per acre fixed by TNAU for the Khariff and Rabi seasons respectively. The shortfall in production was attributed to the unsuitability of the soil in the farms, belated sowing and inadequate water supply.

The inadequacy of irrigation facilities in both the farms was attributed to frequent failure of motors and pumpsets. Though the cent per cent assistance extended by the Government of India for the production of breeder seeds was intended, inter alia, for the provision of irrigation facilities, positive action for the improvement of these facilities did not appear to have been taken during the Mission period. Irrigation facilities were improved at Musaravakkam only in May 1990 with the provision of an additional borewell, motor pump, sprinkler units, etc.

(b) Foundation seeds

Shortage of foundation seeds, which had been identified by the TM document as an important constraint in the past in the production of certified seeds, continued to persist even during the Mission period as indicated below:

Year	Require- ments	Targeted produc- tion	Actual produc- tion	Percen- tage of shortfall with refe- rence to require- ments
(in tonnes)				

1987-88	842.10	560.00	246.00	71
1988-89	1250.10	1260.00	227.00	82
1989-90	1465.10	1465.10	196.50	87

The significant shortfalls in yield in the Government seed farms were attributed to non-supply of breeder seeds in time, failure to follow all agronomic practices, failure of monsoon, the poor fertility of the soil in the farms and lack of irrigation facilities and adequate man power.

A test-check of the records of the Musaravakkam seed farm revealed that there were substantial shortfalls in the area covered, as indicated below, due to non-supply of seeds in time and failure of the monsoon:

Year	Crop	Season	Area pro- grammed	Area covered	Percen- tage of short- fall
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(in acres)

1986-87 to 1989-90	Ground- nut	Khariff and Rabi	298.10	227.95	23.53
1987-88	Soyabean	Rabi	25.00	..	100.00
1987-88	Gingelly	Rabi	26.75	7.95	70.00
1988-89	Gingelly	Summer	15.00	14.10	6.00
1989-90	Castor	Khariff	23.80	10.30	57.00

It was also observed that the average yield per acre of groundnut seeds during one Rabi and two Khariff seasons was 258 kg. and 127 kg. as against the norm of 400 kg. and 200 kg. respectively. The total yield of 1993 kg. in two seasons was also less than the quantity (2,598 kg.) of seeds sown. The per acre production of foundation seeds of gingelly and castor ranged from 30 kg. to 69 kg. and from 19 kg. to 57 kg. respectively, as against the norm of 200 kg. fixed by the Department. Government attributed the low yield to the water constraints in the farm.

Ninety per cent of the gingelly foundation seeds (32.625 kg.) sown by the

farm in February 1987 in an area of 5.2 acres were allowed to wither due to non-availability of water on account of failure of the electric motor, and the area could not consequently be brought under certification. Seeds weighing 80 kg. obtained therefrom were treated as bulk seeds which were declared as unsuitable for certification purposes. These seeds were, nevertheless, transferred to agricultural depots for issue to farmers.

Breeder seeds were also issued to farmers for multiplication into foundation seeds in their private holdings under the supervision of the Department. A test-check of the records of four Divisions (Madurai, Salem, Tiruvannamalai and Vellore) disclosed that, though 4.062 tonnes of groundnut breeder seeds and 0.089 tonne of sunflower breeder seeds were issued to farmers for multiplication into foundation seeds, no foundation seeds were procured from them partly because of the departmental lapse in not bringing these holdings under certification and partly due to the poor quality of the seeds.

The Mission was, therefore, yet to overcome the known constraint of shortage of foundation seeds.

(c) Certified seeds

Recognising the importance of supply of quality seeds, the TM contemplated the distribution of improved certified varieties of seeds to cover 8 per cent of the

area under groundnut, 15 per cent of the area under gingelly, 50 per cent of the area under sunflower, and 30 per cent of the area under castor. Assistance of Rs.150 and Rs.300 per quintal was also provided by Government of India under NODP and OPTP respectively to encourage production of certified seeds.

The State Government, however, aimed for a coverage of 5 per cent in respect of the area under groundnut, while retaining the targets in respect of the other crops, due to manpower constraints, inadequacy of the infrastructural facilities in the Government seed farms, and non-availability of required breeder seeds.

Audit scrutiny revealed that, notwithstanding the reduction in the area to be covered under groundnut, which accounted for 85 per cent of oil production in the State, the annual targets fixed in regard to the requirements of certified/quality seeds to cover the targeted area were lower than the requirements based on the norms prescribed for the purpose by the Department, as indicated below:

	1986-87	1987-88	1988-89	1989-90
1. Quantity of certified seeds required to cover targeted area as per norms (in tonnes)	13,163	13,384	13,598	11,633
2. Targets fixed for production of certified/ quality seeds to cover targeted area (in tonnes)	13,100	7,754	9,760	7,582
3. Percentage of shortfall	Negligible	42	28	35

The actual production of certified seeds was 1,103.7 tonnes only, constituting 2.9 per cent of the total targeted production of 38,196 tonnes. The shortfall in achievement was attributed to the non-availability of breeder seeds in sufficient quantities, and the absence of adequate staff

and other infrastructural facilities. Audit scrutiny disclosed that the following factors also contributed to the shortfall:

(i) failure on the part of departmental officers to bring 86.2 hectares of land under certification, though 8.858 tonnes of groundnut and 0.638 tonne of sunflower foundation seeds were issued to the farmers for multiplication into certified seeds;

(ii) poor quality of the seeds produced in 483.8 hectares; and

(iii) the unwillingness of the farmers to part with the seeds produced by them because of unremunerative prices.

The insufficiency of certified seeds was not brought to the notice of the Technology Mission by the State Government. However, the shortfall of 37,092.3 tonnes of certified seeds was met partly by the procurement of 32,900.13 tonnes of Truthfully Labelled Seeds. The Department stated that truthfully labelled seeds should also conform to the standard of germination of 70 per cent as in the case of certified seeds. It was,

however, observed during test-check that 110.186 tonnes of truthfully labelled groundnut seeds procured in six Divisions² at a cost of Rs.8.23 lakhs could not be used for seed purposes because of poor germination.

In order to give a major thrust to the production of certified seeds, the Government of India allocated Rs.195.11 lakhs under OPTP for the production of certified seeds during the period from 1987-88 to 1989-90. The actual expenditure incurred was, however, only Rs.8.144 lakhs. Government attributed (August 1990) the poor utilisation of funds to certain constraints, such as non-availability of breeder seeds and lack of infrastructural facilities in the State Farms in the initial stages of the Mission period. Having, however, been aware of these constraints even before the TM was launched, Government should have taken adequate remedial action to overcome them. That this was not done was indicative of defective planning.

The main objective of pre-positioning of certified seeds was, thus, largely not achieved during the Mission period.

2. Chengalpattu, Kancheepuram, Salem, Thanjavur, Tiruvannamalai and Vellore

3.1.7.2. Supply of Plant Nutrients

Besides the supply of quality seeds and fertilisers, production and supply of plant nutrients, such as rhizobium, micronutrient mixture and gypsum, was another important strategy for achieving additional production of oilseeds. The State Government did not, however, assess the requirements of these inputs during the Mission period. No information was available with them about the total quantity of fertilisers and nutrients applied by the farming community in the oilseeds sector, because the farmers obtained their requirements from different sources including the Government agricultural depots. Certain aspects relating to the distribution of these inputs noticed in the course of test-check are, however, mentioned in the following paragraphs.

(a) Distribution of Rhizobium Culture

Application of rhizobium culture to the groundnut crop was specifically recommended by the Government of India to improve yields, and a subsidy of Rs.15 per hectare was admissible on this account to groundnut growers. The targets of distribution and achievements thereagainst were as follows:

Year	Physical		Financial	
	Target	Achievement	Target	Achievement
	(in hectares)		(in lakhs of rupees)	
1986-87	80,000	64,447	12.000	9.134
1987-88	60,000	98,006	9.000	11.421
1988-89	80,000	1,53,593	12.000	19.065
1989-90	80,000	93,162	12.000	13.911

As against the physical achievements ranging from 64,447 hectares to 1,53,593 hectares, a maximum area ranging from 60,893 hectares to 1,27,100 hectares³ alone could have been covered on the basis of the rate of subsidy and the subsidy disbursed in each of these years. The achievements appeared, therefore, to have been overstated. A test-check of the records relating to the distribution of rhizobium culture in two Divisions (Vellore and Kancheepuram) disclosed that against 2,961 hectares that could have been covered with the subsidy of Rs.44,415 during the years 1986-87, 1987-88 and 1989-90, the achievement reported was 5750 hectares, which only confirmed the overstatement.

The overstatement was attributed (August 1990) by Government to the inclusion of areas for which no subsidy was paid.

3. 1986-87: 60,893 hectares; 1987-88: 76,140 hectares;
1988-89: 1,27,100 hectares; 1989-90: 92,740 hectares.

The test-check further disclosed that the rhizobium culture was not distributed in two Divisions (Kancheepuram and Madurai) during one Khariff season of the Mission period due to non-availability of stock; and that 2,311 packets were also distributed in Madurai Division during 1986-87 to 1989-90 after their prescribed shelf life had expired.

A sum of Rs.4.98 lakhs was sanctioned in January 1989 under NODP towards purchase of scientific equipment for strengthening bacterial cultural laboratories at Cuddalore and Ramanathapuram (under the control of the Directorate of Agriculture), for production of rhizobium culture for groundnut and soyabean. Audit scrutiny of the records disclosed that the acquisition of the equipment did not augment the supply of rhizobium culture to the Oilseeds Department. On the contrary, supply of the culture to the Department from Cuddalore and Ramanathapuram units actually declined from 2,02,661 packets in 1988-89 to 1,61,634 packets in 1989-90. Further, against the requirement of 62,000 packets of the culture for Cuddalore Division for the Khariff 1989 season, the laboratory could supply only 12,000 packets. Thus, the expenditure incurred on strengthening infrastructural facilities for the production of rhizobium culture did not serve the intended objective.

(b) Distribution of Micronutrient Mixture

The physical achievement in respect of distribution of Micronutrient Mixture (MNM) fell short by 7 per cent to 18 per cent during the Mission period due to non-availability of the mixture. Test-check of records in four Divisions (Chengalpattu, Kancheepuram, Salem and Tiruvannamalai) disclosed that the actual application of MNM was also below the dosage of 12.5 kilograms per hectare recommended by the Directorate. There was no distribution of MNM at all in Kancheepuram Division during the Khariff season of 1989-90. In two Divisions (Kancheepuram and Vellore), MNM was reported to have been distributed for 1,415 hectares during 1987-88 (315 hectares) and 1989-90 (1,100 hectares), whereas an area of 520 hectares (1987-88: 128 hectares; 1989-90: 392 hectares) only had been actually covered. The test-check also disclosed that, as against the requirements of 500 tonnes of MNM to cover the targeted area of 40,000 hectares during the year 1988-89, an indent for 354 tonnes only was placed on the Central Control Laboratory, Kudumianmalai.

(c) Distribution of Gypsum

Application of gypsum to the groundnut crop was recommended to obtain higher yields as its application was essential for healthy pod formation. A dosage of 200 kg. per hectare upto 1988-89 and 400 kg. per hectare thereafter was

prescribed by the Department. During the Mission period, against the targeted coverage of 3.13 lakh hectares at a cost of Rs.218.50 lakhs, 5.42 lakh hectares were given gypsum coverage with an assistance of Rs.193.14 lakhs to farmers. Audit scrutiny revealed that the substantial increase in the physical achievement was partly due to the lower procurement prices of gypsum and partly due to distribution of lesser quantities of gypsum than prescribed. Test-check of distribution of gypsum in three Divisions (Salem, Thanjavur and Vellore) during the Mission period disclosed that, as against 684.019 tonnes of gypsum required to be issued for 1952.1 hectares, a quantity of 363.9 tonnes only was issued due to non-receipt of stocks in time.

Similarly, because of belated receipt of stocks, gypsum was not at all supplied to groundnut growers in two Divisions (Kancheepuram and Madurai) for three Khariff seasons.

3.1.7.3. Distribution of Plant Protection Chemicals

The State Government provided assistance not exceeding Rs.85 per hectare for purchase of plant protection chemicals and Rs.15 per hectare as spraying charges. Assistance totalling Rs.217 lakhs was extended during the period from 1987-88 to 1989-90 to cover 3.21 lakh hectares.

A test-check of the records of distribution of plant protection chemicals to farmers in Vellore Division and one TANCOF area (Tiruvannamalai) disclosed that the subsidy of Rs.5.13 lakhs towards spraying charges was disbursed in advance to farmers along with the subsidy of Rs.18.25 lakhs towards the cost of plant protection chemicals to cover an area of 0.34 lakh hectares. No procedure was, however, evolved to verify whether the spraying was actually done. Though the departmental officials stated that spraying was ensured by the field staff, in the absence of records of the follow up action taken, the utilisation of the subsidy of Rs.5.13 lakhs towards spraying charges could not be verified in audit. The total subsidy paid for spraying chemicals during the period was Rs.48.15 lakhs.

3.1.7.4. Distribution of plant protection equipment and improved farm implements

A test-check of the distribution of plant protection equipment and improved farm implements under NODP to 939 farmers with an assistance of Rs.2.36 lakhs during 1986-87 to 1988-89 disclosed the following:

(i) There was no evidence in 861 applications for financial assistance totalling Rs.2.13 lakhs to show that the beneficiaries belonged to the small or marginal category. Financial assistance of Rs.0.23 lakh was extended to ineligible farmers in 78 clear cases.

(ii) The achievement under 'distribution of plant protection equipment' was only 376 (19 per cent) against the target of 2,000 in 1987-88. Though the plant protection equipment was distributed under NODP, the expenditure was included under OPTP.

3.1.7.5. Distribution of input kits

In order to popularise new varieties of oilseeds and to apprise the farmers of the techniques of cultivation of new crops/varieties of seeds, the NODP provided for the distribution, free of cost, of input kits to small and marginal farmers, particularly to SC and ST farmers, containing certified seeds of improved varieties, seed treating chemical, rhizobium culture (in the case of groundnut and soyabean) and printed literature on cultivation practices. A sum of Rs.22.05 lakhs was allotted during the period from 1987-88 to 1989-90 for the distribution of 45,000 input kits in respect of 6 varieties of crops. However, 79,303 kits were distributed at a cost of Rs.28.23 lakhs during the period.

A test-check of the accounts of 13,123 input kits (subsidy involved: Rs. 4.80 lakhs) distributed in 8 Divisions (Chengalpattu, Coimbatore, Kancheepuram, Salem, Thanjavur, Tiruvannamalai, Tiruchirapalli and Vellore) and one TANCOF area (Tiruvannamalai) during the period from 1987-88 to 1989-90 disclosed the following:

(i) Only 105 kits (0.8 per cent) contained certified seeds.

(ii) Ten per cent and 71 per cent of the kits respectively did not contain the seed-treating chemical and rhizobium culture.

(iii) The prescribed records were not maintained in respect of 10,722 kits (82 per cent), in the absence of which the utilisation of the subsidy of Rs.3.72 lakhs extended for these kits could not be verified.

The Divisional officers stated that the non-issue of the inputs as envisaged was attributable to non-availability of adequate stocks, which was indicative of defective planning and failure to initiate advance action for their procurement. The non-maintenance of the prescribed records was attributed to the dearth of field staff. The Director, TMO, Government of India, had also pointed out in August 1989 that the Directorate of Oilseeds had a very weak infrastructure for extension and delivery services.

3.1.7.6. Subsidy for sprinkler sets

With a view to improving irrigation through economic usage of water, NODP envisaged installation of sprinkler sets by farmers for which a subsidy of 50 per cent and 25 per cent of the cost, subject to a maximum of Rs.5000, was provided to small and

marginal farmers and other farmers respectively. Subsidy totalling Rs.126.89 lakhs was paid during the period from 1987-88 to 1989-90, for 2,208 sprinkler sets (Rs.107.69 lakhs) and 409 Drip Irrigation Systems (Rs.19.20 lakhs). In view of the fact that the latter had been recommended only for coconut and horticultural crops and not for oilseed crops, the payment of subsidy of Rs.19.20 lakhs for 409 Drip Irrigation Systems was irregular. The Central Assistance (50 per cent) of Rs.9.60 lakhs claimed on this account was also not admissible. Government stated (August 1990) that groundnut also having been cultivated as an intercrop in coconut groves, the subsidy for Drip Irrigation Systems was extended during 1987-88 and 1988-89 and that this was discontinued in 1989-90. Test-check of the applications for subsidy from farmers in 2 Divisions (Chengalpattu and Kancheepuram), however, disclosed that only coconut and horticultural crops were cultivated by them and that groundnut was not grown as an intercrop.

Test-check of the records in 3 Divisions (Chengalpattu, Kancheepuram and Tiruchirapalli) further revealed that the cost of sprinkler sets installed by 12 farmers who did not belong to the small or marginal category had been subsidised to the extent of 50 per cent instead of 25 per cent, resulting in excess payment of subsidy of Rs.0.24 lakh. In 31 other cases of payment of subsidy at the higher rate, there was no

evidence to indicate that the beneficiaries were small/marginal farmers.

3.1.7.7. Demonstrations

Organisation of large sized demonstrations under NODP and OPTP, involving the farmers in the adoption of various technologies to increase production, formed a major thrust area. Against the target of 1,817 demonstrations covering all oilseeds and involving an assistance of Rs.443.62 lakhs during the period from 1986-87 to 1989-90, 1,806 demonstrations, involving a subsidy of Rs.423.20 lakhs, were organised.

A test-check of the records relating to 146 demonstrations conducted in 9 Divisions⁴ and one TANCOF area (Tiruvannamalai) during the period from 1986-87 to 1989-90 on an area of 3,675 hectares of groundnut, 635 hectares of gingelly, and 806 hectares of sunflower utilising a subsidy of Rs.32.04 lakhs, disclosed the following:

(i) The results of 80 demonstrations conducted in an area of 2,620 hectares⁵ (51 per cent) were not compared with the neighbouring or control plots to

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4. Chengalpattu, Coimbatore, Kancheepuram, Madurai, Salem, Thanjavur, Tiruvannamalai, Tiruchirapalli and Vellore
 5. Groundnut: 1704 hectares; Gingelly: 325 hectares and Sunflower: 591 hectares.

demonstrate the impact of adoption of improved technologies. In respect of 21 of these demonstrations over an area of 700 hectares, basic information like variety of seed sown and yield obtained were not ascertained. Though the yield was more than that of the control plots in other cases, it was observed in 32 demonstrations laid on 1,125 hectares that the percentage of shortfall in yield as compared to that envisaged in the State Crop Production Guide was between 40 per cent and 72 per cent. The Department attributed the shortfall to unfavourable seasonal conditions.

(ii) The records did not indicate that cost effectiveness of the amount spent on the demonstration plots was analysed by the department.

3.1.7.8. Construction of infrastructural facilities

Construction of storage godowns, drying yards, implement sheds, etc. had been taken up during 1988-89 and 1989-90 to provide infrastructural facilities to the Seed Production Centres. Audit scrutiny disclosed that against a sum of Rs.88 lakh deposited with the State Public Works Department in March 1989 and March 1990 for construction of 2 godowns, which was accounted for as final expenditure on the creation of the infrastructure facilities, expenditure totalling Rs.11.92 lakhs only had

been actually incurred by the Public Works Department upto July 1990.

3.2. Crop and Plant Protection Programme

The Crop and Plant Protection Programme, launched with the objectives of controlling pests and diseases in plants in endemic areas, purchase and distribution of plant protection chemicals and quality control of pesticides, has been under implementation in the State since 1969. A test-check in audit of the implementation of the programme during the period from 1984-85 to 1988-89 disclosed the following:

(a) Whereas a total area of 12.89 lakh hectares, against the target of 12.94 lakh hectares, was covered under various State and Centrally sponsored plant protection schemes during the period, the district-wise targets fixed annually under different schemes were not based on any reliable data in regard to the incidence of different pests and diseases. Such surveillance as was undertaken to determine the prevalence of different pests was also inadequate in terms of the area proposed and the area actually surveyed. According to the advice of the Food and Agriculture Organisation (FAO), 2.5 per cent of the land under cultivation, comprising one plot of 0.4 hectare for every 16 hectares of land, was to be covered for the collection of surveillance data. Out of a total area of 52.40 lakh hectares of land under cultivation in the State, pest surveillance was taken up only in

7,124 plots, each of 0.4 hectare area, representing a total coverage of 2,850 hectares approximately or 0.05 per cent. There was also no evidence to indicate that the targets and the programme of implementation were determined with reference to the results of even such meagre surveillance as was undertaken.

(b) Normally, pests and diseases are to be controlled only by cultural, mechanical and biological methods so as to reduce the risk of environmental pollution and residual toxicity in the eco-system and to prevent pests developing resistance to chemicals. Chemical spraying is, therefore, to be resorted to only as a last measure in cases where the incidence of pests or diseases exceeds a certain prescribed level (called the economic threshold level). The Department had not, however, identified the endemic areas prone to a particular pest or disease so that action could be taken for their effective control. Various plant protection chemicals were also distributed to farmers in Coimbatore, Madurai and Thanjavur Districts during 1988-89 at subsidised rates even when the incidence of pests or diseases had not crossed the economic threshold level, resulting in avoidable payment of subsidy amounting to Rs.3.33 lakhs, and enhancing the risk of environmental pollution.

(c) The Department was to purchase and distribute, through a network of depots, 20 per cent of the demand for plant protection chemicals with the objective of

controlling their price in the open market and ensuring their quality. Though the Department purchased and distributed chemicals of a total value of Rs.37.46 crores during the period from 1984-85 to 1986-87, they had not assessed whether the open market prices of such chemicals were, in fact, controlled by such a massive operation.

(d) Instructions issued by the Department envisaged that orders for plant protection chemicals should be placed at quarterly intervals based on the quantities consumed during the corresponding period in the previous year. Further, instructions were also issued in May 1977 to the effect that the stocks of chemicals carried over at the end of a financial year should not normally exceed the actual sales during the first quarter of the previous year. Notwithstanding these instructions, chemicals of a total value of Rs.70.15 lakhs were purchased in Madurai and Thanjavur Districts in the first quarter of 1988-89 as against the actual consumption of chemicals valued at Rs.11.35 lakhs during the corresponding period in the previous year. The value of chemicals actually consumed in these two districts in the first quarter of 1988-89 was also only Rs.19.23 lakhs. Similarly, as against chemicals of a total value of Rs.15.10 lakhs consumed during the first quarter of 1986-87 and of the value of Rs.6.10 lakhs actually consumed in the first quarter of 1987-88, chemicals totally costing Rs.30.38 lakhs were purchased in North Arcot Ambedkar District in the first quarter of

1987-88. Stocking of chemicals in excess of the ceiling prescribed in May 1977 was also noticed in Coimbatore, Madurai, Salem and Thanjavur Districts between 1986-87 and 1988-89, the total value of such excess stocks being of the order of Rs.180.38 lakhs. Of these, chemicals valued at Rs.87.21 lakhs were held in stock for periods in excess of 6 months without their being distributed to the farmers.

(e) In terms of the agreements entered into with suppliers of chemicals, a penalty of one per cent of the value of the supply order was leviable for failure to adhere to the stipulated delivery schedules and non-fulfilment of other contractual obligations. Penalty totalling Rs.3.42 lakhs on account of belated or short supplies was, however, not levied in 643 cases of purchases made between 1984-85 and 1988-89 in 5 districts¹.

(f) Chemicals valued at Rs.20.51 lakhs, whose prescribed shelf life had expired, were held in stock as on 31st March 1989. Further, chemicals valued at Rs.6.09 lakhs were distributed to farmers in the 5 districts¹ after the expiry of their shelf life in contravention of the provisions of the Insecticides Act, 1968.

1. Coimbatore, Madurai, North Arcot, Salem, Thanjavur

(g) Ten Gas Liquid Chromotographs (Cost : Rs.105.46 lakhs) purchased in March 1988 for use in pesticides testing laboratories were not installed even as of April 1990. While 3 of the chromotographs could not be installed in the absence of the Service Engineer of the foreign supplier, the reasons for the non-installation of the remaining 7 chromotographs were not ascertainable from the records made available to Audit.

The points mentioned in this Review were referred to Government in November 1990; their reply had not been received (May 1991).

ADI DRAVIDAR AND TRIBAL WELFARE DEPARTMENT

3.3. Non-distribution of house sites

Land measuring 4.83 acres was acquired at a cost of Rs.8.96 lakhs in Hasthampatti Village of Salem Taluk in February 1979 for distribution of house sites to 130 Adi Dravidar (Harijan) beneficiaries. While approving (December 1978) the acquisition proposals, Government had directed the Collector of Salem to collect Rs.26,000 from the Harijan beneficiaries towards cost of acquisition and 25 per cent of the total cost of the acquisition from Salem Municipality, the balance cost being borne by Government.

The Salem Municipality, which had earlier consented to contribute 25 per cent of the cost of acquisition of land,

subsequently declined to do so in view of financial constraints. 130 beneficiaries were selected and asked to contribute Rs.200 each. An amount of Rs.26,000 was remitted to Government funds in January/February 1979 on behalf of 130 beneficiaries (consisting of 73 out of 130 original beneficiaries and 57 new beneficiaries in place of the remaining 57 original beneficiaries who had not contributed). The new list of those who had contributed was approved (July 1979) by the District Adi Dravidar Welfare Officer (DAWO), Salem, who was implementing the scheme.

Immediately after the approval of the revised list, the Department had received complaints pointing out the inclusion of persons who were already owning houses, Government employees, outsiders and other ineligible persons. The Department could not ascertain the genuineness of the beneficiaries, as no beneficiary in the village came forward to prove the genuineness of his own application or was prepared to furnish correct particulars of other beneficiaries. The Commissioner for Land Administration, who was apprised of the position during his visit to the village in July 1989, instructed the Sub Collector and the DAWO, Salem, to ensure proper identification and early distribution of house sites to genuine beneficiaries. The Special Tahsildar (ADW), Salem, stated in February 1991 that all efforts to identify genuine beneficiaries had failed, and that orders of Government were awaited on proposals of the Collector (December 1990)

for construction of houses at these sites through Slum Clearance Board for eventual allotment of the houses to Adi Dravidars.

Thus, on account of delay in selection of beneficiaries, land acquired and taken possession as early as in February 1979 could not be distributed as house sites to the weaker section of the society, and the expenditure of Rs.8.96 lakhs incurred remained unfruitful.

The matter was reported to Government in September 1990; their reply had not been received (May 1991).

ANIMAL HUSBANDRY AND FISHERIES DEPARTMENT

3.4. Unprofitable outlay on Fish Hatchery

With a view to producing 320 lakhs of fish hatchlings per year, Government sanctioned, in June 1986, the establishment of a Chinese Hatchery Unit at Manimuthar in Tirunelveli Kattabomman District, at a cost of Rs.3.50 lakhs.

The construction of the hatchery was completed in October 1987 by the Fishing Harbour Project Division at a cost of Rs.3.49 lakhs. The hatchery comprised one overhead tank, one circular spawning tank, two incubation or hatching tanks and one

spawn collection chamber. Certain defects, such as non-movement of water in one hatching tank, irregular circulation of water in the second hatching tank, protruding jet pipes (instead of flush inlets) and spray arrangements fixed in the spawning tank and fixing the inlet pipes at a very low level in the spawn collection chamber, were noticed by the Department in February 1988. After these defects were set right, the hatchery was handed over to the Fisheries Department in April 1988. Subsequently, cracks developed in the engine bed on three occasions and these were also set right.

The hatchery could not, however, be put to use for the intended purpose, as the eggs in transit from the spawning pond to the hatchery pond were found to get damaged, resulting in hatching chances becoming very poor. The Assistant Director of Fisheries (Fish Farmers' Development Agency), who inspected the hatchery in August 1989, reported that the slightly rough bottom surface of the spawning tank, the bowl-like pit at its bottom, the high gradient of the GI pipes and their curves at the end, the level of the surplus outlet and the protruding duck mouths were responsible for the breakage of the eggs. With regard to the hatching tanks, the bend in the egg delivery tube, the jets fixed in the floor not pointing at an angle of 45° towards the wall resulting in absence of churning effect at the bottom, the low height of the inner wall and the low level of the outlet tube were found to be responsible for poor hatching.

After visiting some private fish seed farms, he suggested in September 1989 certain additions and alterations to be carried out in Manimuthar Hatchery. Based on the above suggestions, modification works were taken up and completed in May 1990 at a cost of Rs.0.54 lakh. The total production of hatchlings in the Manimuthar Project, including this hatchery, was 236.05 lakhs, 252.50 lakhs and 235.35 lakhs during the three years 1988-89, 1989-90 and 1990-91 respectively; thereby showing that there was no appreciable increase in the production of hatchlings through this hatchery during 1990-91 (season ending August 1990) even after the completion of the modification works.

Failure to adopt a suitable design based on a study of existing successful hatcheries and to avoid defects in construction had resulted in an unfruitful expenditure of Rs.4.03 lakhs and non-achievement of the production of 320 lakhs of fish hatchlings per year.

The matter was reported to Government in November 1990; their reply had not been received (May 1991).

3.5. Establishment of Regional Medical Depot

As part of a scheme for streamlining the system of procurement, storage and distribution of medicines and equipment in the Animal Husbandry Department,

Government approved in July 1987 the establishment of a Regional level Medical Depot at Madurai. The scheme envisaged placing of orders with the approved firms by the Assistant Director in charge of the Depot, receipt of supplies at the Depot from the firms and distribution of medicines to the veterinary institutions in the region.

The building for the Depot was completed in November 1988 at a cost of Rs.1.10 lakhs, and furniture, machinery and equipment were purchased in 1987-88 at a cost of Rs.0.67 lakh. Even before the building was constructed and handed over (November 1988), the Director of Animal Husbandry had issued instructions in September 1988 reversing the procedure and arranging for direct supply of medicines, etc. to the institutions concerned instead of routing them through the Depot. As a result, the building, machinery and furniture were not used for the intended purpose.

The Department stated in April 1990 that the building which was constructed for the storage of medicines indented for the whole region was being used for the storage of medicines required for the Madurai Division, and the furniture and machinery were being used by the Division, in view of the ban on purchase of furniture.

The expenditure of Rs.1.77 lakhs incurred proved to be unnecessary, in view of the subsequent decision taken. The utilisation of the assets created

specifically for this purpose in some other manner is fortuitous.

The matter was referred to Government in September 1990. The Government in their reply (April 1991) stated that the proposed centralised procurement system through Regional depots was not implemented, considering the anticipated delay and additional cost involved on account of repacking of medicines and transportation by road to various institutions. These factors could have been visualised even at the time of formulating the scheme.

EDUCATION DEPARTMENT

3.6. National Literacy Mission

3.6.1. Introduction

With a view to ensuring adoption of technological and pedagogical advances in adult education programmes, the Government of India (GOI) launched, in June 1988, the National Literacy Mission (NLM). The Mission laid special emphasis on provision of literacy to persons in the age group of 15-35 and formulated two new schemes - Mass Programme for Functional Literacy and Technology Demonstration. Besides, ongoing schemes, such as the Rural Functional Literacy Project (RFLP), assistance to voluntary agencies, strengthening of the

The abbreviations used in this Review are listed in the Glossary in Appendix XX (page 384)

administrative structure, Shramik Vidyapeeths (SV) and Post Literacy and Continuing Education through Jana Shikshan Nilayams (JSN), were to be continued with certain modifications in their scope and content. Nehru Yuvak Kendras, non-student youth organisations functioning directly under GOI, were also involved in the implementation of Adult Education Programmes in the districts. Government also implemented the State Adult Education Programme and Thodar Kalvi Nilayam¹ as State Plan schemes.

3.6.2. Organisational set-up

In June 1988, GOI set up the National Literacy Mission Authority (NLMA) as an independent and autonomous wing in the Ministry of Human Resources Development to provide technical resource support to the Mission at the national level. The Directorate of Adult Education, New Delhi, was required to monitor and evaluate the entire programme.

At the State level, Government constituted, in June 1988, the State Level Mission Authority (SLMA), under the chairmanship of the Minister of Education, to provide technical resource support. The Director of Non-formal and Adult Education was appointed as the State Mission Director to implement the NLM objectives. For speedy

1. Continuing Education Centre

and effective implementation of Adult Literacy Programmes, District Level Advisory Councils were established. The State Resource Centre (SRC), established in February 1977, provided technical resource support at the State level. The actual operational unit was the Adult Education Centre under the charge of an instructor with an average enrolment of 30 learners in the Centre. A supervisor (Prerak) was responsible for overseeing the functioning of 30 to 35 centres under RFLP and an Assistant Project Officer of 75 centres. Each project, consisting of 100 to 300 centres located in compact areas, was placed under a Project Officer. The District Adult Education Officers (DAEOs) were to oversee and monitor the implementation of the programme by the various agencies at the district level.

3.6.3. Audit coverage

The implementation of the programme in the State was reviewed by Audit between March 1990 and July 1990 with reference to the records relating to the periods 1985-86 to 1989-90 made available at the Education Secretariat, State Directorate of Non-formal and Adult Education, the State Resource Centre and two District Resource Centres², five District Adult Education Offices³, six

2. Namakkal and Tirur

3. Chengai-Anna, Coimbatore, North Arcot Ambedkar, Periyar and Salem.

Rural Functional Literacy Projects⁴, twenty nine State Adult Education Projects⁵, and fifteen Voluntary Agencies⁶.

Important points noticed during the review are mentioned in the succeeding paragraphs.

3.6.4. Highlights

- Out of the estimated 107 lakh adult illiterates in the age group of 15 to 35 years, only 46 lakh adult illiterates were proposed to be made literate under various literacy schemes implemented during the period from 1985-86 to 1989-90, against which the achievement was 43.12 lakhs only.

(paragraph 3.6.6)

- Though NLM laid special emphasis on strengthening of training of project

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4. Coimbatore, Erode, Salem, Tiruvallur, Tiruvottiyur and Vellore
 5. Appendix VII contains details of these Projects
 6. Appendix VII contains details of these Agencies

functionaries, shortfall in training programmes ranged between 10 and 100 per cent. No evaluation of adequacy of the training programme was made.

(paragraph 3.6.7(d))

- Under NLM, each centre was to be inspected frequently by the Project Officers. However, 464 centres in 1988-89 and 175 centres in 1989-90 were not visited even once by the Project Officers.

(paragraph 3.6.7(f))

- Though the Mission contemplated conversion of two-thirds of the enrolled persons as literates, achievement in projects test-checked varied between 58 per cent and 63 per cent.

(paragraph 3.6.7(g))

- Premature closure of fifty AECs under State Adult Education Programme and establishment of 45 new centres at places far away from the closed ones for the unexpired period meant that they did not benefit fully either group of learners.

(paragraph 3.6.8(i))

- The average attendance in 323 centres in 6 projects ranged between 10 and 15 as against 35 learners enrolled.

(paragraph 3.6.8(vii))

- Though 13 projects were not continued, an expenditure of Rs.4.65 lakhs was incurred on idle staff.

(paragraph 3.6.8(ix))

- Central assistance of Rs.109.78 lakhs released for 1987-88 to 1989-90 for the establishment of Jana Shikshan Nilayams under Rural Functional Literacy Project was not utilised by the State Government owing to delayed issue of orders for the establishment of the Nilayams.

(paragraph 3.6.9(a))

- Out of 41,836 industrial workers trained by Shramik Vidyapeeths during 1985-86 to 1989-90, information on accrual of benefits was ascertained in 976 cases (2 per cent) only.

(paragraph 3.6.11)

- Though a sum of Rs.15.92 lakhs remained unspent out of advance grant of Rs.57.20 lakhs released by GOI for preparation of literacy kits by SRC, the entire grant was reported to have been utilised. 7,848 kits printed by the centre, valued at Rs.1.57 lakhs, remained undistributed.

(paragraph 3.6.12(b))

- Owing to the unsuitability of the vehicle acquired for the transportation of a

videorama purchased at a cost of Rs.0.86 lakh, the objective of organising demonstration programmes was largely not achieved.

(paragraph 3.6.12(c))

- Expenditure of Rs.6.67 lakhs incurred on the installation of 38 Solar Power packs in buildings where centres had ceased to function was unproductive.

(paragraph 3.6.14)

- Test-check of records of Nehru Yuvak Kendras disclosed instances of Adult Education Centres functioning for shorter duration or not functioning at all, premature closure of centres due to poor attendance, failure to undertake an evaluation of achievements of learners, etc. The performance of the Kendras was not assessed.

(paragraph 3.6.15)

- The programme was not implemented in 3 of the 5 Integrated Tribal Development Project areas in Salem District. Though the programme was not continued beyond December 1988 in the remaining two projects, a sum of Rs.1.91 lakhs was incurred on idle project staff.

(paragraph 3.6.17)

- Test-check of the records of the Adult Education Centres run by voluntary

agencies disclosed non-maintenance of register of assets acquired out of Government grants, premature closing of centres and delay in supply of learning and teaching materials.

(paragraph 3.6.18)

- The Council established by GOI in August 1988 for Social Audit of the National Technology Mission had not visited Tamil Nadu so far (August 1990).

(paragraph 3.6.20)

3.6.5. Funding

During the years 1985-86 to 1989-90, GOI released Rs.18.38 crores as assistance to the State Government for the programme. The State Government had spent Rs.27.81 crores, (Centrally sponsored schemes: Rs.17.06 crores; and State Schemes: Rs.10.75 crores). Year-wise and scheme-wise details are contained in Appendix VIII. Details of the assistance released to various voluntary agencies directly by the GOI and the expenditure incurred on the programme by these agencies were not available either with the Directorate or DAEs concerned, though they were to co-ordinate and monitor the programme at the State and District levels.

3.6.6. Physical targets and achievements

The population of adult illiterates in the age group of 15 to 35 years at the end

of March 1990 was estimated to be 107 lakhs. However, only 46 lakh adult illiterates were proposed to be made literate under various literacy schemes implemented during the period from 1985-86 to 1989-90, against which the achievement was 43.12 lakhs.

While the annual targets were achieved and even marginally exceeded in four of the five years up to 1988-89, agency-wise details of which are furnished in Appendix IX, there was a shortfall in achievement to the extent of 3.21 lakhs during 1989-90. This was attributable to the non-issue of sanctions by Government for the continuance of the State Adult Education Projects (SAEPs) from October 1989 and January 1990 onwards.

Results of the review of various schemes and programmes implemented under NLM are discussed in the succeeding paragraphs.

3.6.7. Rural Functional Literacy Projects

(a) At the end of the Seventh Five Year Plan period, 27 projects, consisting of 8,100 centres, were functional in the State. Of the Central assistance totalling Rs.1,389.20 lakhs provided for the project during the period from 1985-86 to 1989-90, Rs.66.35 lakhs remained unutilised as on 31st March 1990 partly due to delay in sanctioning of individual projects.

(b) Realising the need for complete eradication of illiteracy in the assigned areas, the Action Plan of the NLM

envisaged an area-based approach. This approach was not followed in any of the five districts test-checked, resulting only in the partial coverage of various Panchayat Unions.

(c) RFLP envisaged the establishment of a Project Advisory Committee to organise need-based functional and vocational activities and courses and to ensure that the project was implemented in conformity with its overall objectives. The Committee was expected to meet at least twice a year. Such Committees were, however, not formed in four projects⁷.

(d) With a view to strengthening the training of project functionaries, NLM prescribed a training period of 21 days. Shortfalls, ranging from 10 per cent to 100 per cent, in the training of functionaries at all levels during 1988-89 and 1989-90 were noticed in the RFLPs at Coimbatore, Erode, Salem and Tiruvottiyur. No evaluation of the training programme and its impact was undertaken by the SRC.

(e) Review of the attendance in the 6 projects⁸ test-checked disclosed that the number of centres with more than 75 per

7. RFLP - Coimbatore, Erode, Tiruvottiyur and Vellore

8. Coimbatore, Erode, Salem, Tiruvallur, Tiruvottiyur and Vellore

cent attendance had actually decreased to 262 from the pre-Mission position of 379.

(f) Under NLM, each centre was to be inspected frequently by the Project Officer. The Project Officers had, however, not visited 464 centres in 1988-89 and 175 centres in 1989-90 in Chengai-Anna, Periyar and Salem Districts, which was attributed to the non-availability of vehicles due to repairs and their diversion for other activities.

(g) Though, in terms of the Mission objectives, two-thirds of the enrolled persons were to be made literate, the actual achievement in the projects test-checked varied between 58 per cent and 63 per cent.

(h) The performance of the adult illiterates enrolled in the projects was to be evaluated at the end of the 4th, 6th and 8th month. Such evaluation was, however, undertaken only once at the end of the prescribed programme due to delay in the supply of the evaluation tools (question papers) by the DAEs, defeating the very objective of systematic review for effective remedial action.

3.6.8. State Adult Education Programme

The objective of the programme was to impart literacy skills and numeracy, develop functionality and create awareness in illiterate persons belonging to the weaker

sections of society, particularly those living in villages. As on 31st March 1990, 152 projects were operational under SAEP.

Test-check of the records pertaining to 29 projects disclosed the following:

(i) Premature closure of fifty Adult Education Centres (AECs) in nine projects⁹ prior to the expiry of the prescribed period of ten months due to poor attendance of learners, non-availability of suitable instructors, etc. and the establishment of 45 new centres at places far away from the closed ones for the duration of the unexpired period with a new set of learners meant that they did not benefit fully either group of learners.

(ii) All the 15 posts of supervisors in 5 projects¹⁰ remained vacant from October 1989 to February 1990 for half the duration of the course. In another project (Walajah), 2 of the 3 posts of supervisors were vacant for the entire duration of the course. Supervision and monitoring of the programme was, thus, adversely affected.

9. Arcot, Bhavani, Kadayampatti, Kinathukadavu, Omalur, Periyanaickenpalayam, Poondi, Uthukuli and Valapadi

10. Kancheepuram, Kinathukadavu, Poonamallee, Poondi and Walajapet

(iii) Delays ranging from two to four months were noticed in the supply of teaching and learning materials in 5 projects¹¹.

(iv) Because of delayed receipt of evaluation tools from the DAEOS concerned, attributable to their belated printing, the evaluation of learners was undertaken only once at the end of the course instead of on three occasions. Most of the questions in the evaluation test paper could not be answered within the time allotted, and the actual level of attainment of literacy could not be evaluated.

(v) In 5 projects¹², the Project Officers were not given the prescribed training.

(vi) In 5 projects¹³, the Project Officer had not visited 131 of the 500 centres even once during 1989-90, resulting in ineffective supervision and monitoring.

11. Arcot, Minjur, Nemili, Poonamallee and Poondi

12. Avinashi, Erode (U), Kadayampatti, Kundadam and Valapadi

13. Bhavani, Kadayampatti, Kinathukadavu, Jolarpettai and Walajapet (N.A)

(vii) Though around 35 learners were enrolled at each of the AECs, the average monthly attendance in 323 centres in 6 projects¹⁴ ranged between 10 and 15 only.

(viii) In 9 projects¹⁵, only 53 to 79 per cent of the learners attained the minimum level of literacy.

(ix) The staff of 29 projects¹⁶ test-checked were continued though the projects themselves were not continued beyond September 1989/January 1990 in the absence of necessary sanctions. The expenditure of Rs.4.65 lakhs incurred on the pay and allowances of the idle staff in 13 projects,¹⁷ for which the relevant details were available, was unproductive.

14. Erode, Kelambakkam, Kinathukadavu, Nemili, Omalur and Poondi
15. Avinashi, Bhavani, Erode (V), Jolarpettai, Kadayampatti, Kancheepuram, Madukkarai, Pallipet and Perianaickenpalayam
16. For details, Appendix VII may be referred to
17. Arcot, Bhavani, Erode (V), Jolarpettai, Kadayampatti, Kaniyambadi, Kelambakkam, Kinathukadavu, Kundadam, Madhukkarai, Perianaickenpalayam, Sholingar and Uthukuli

3.6.9. Establishment of Jana Shikshan Nilayams

(a) With a view to preventing the neo-literates from relapsing into illiteracy, post-literacy and follow up programmes were to be implemented at places where the regular AEP had been completed. In pursuance of this policy, GOI decided in February 1988 to establish JSNs under the supervision of a Prerak to institutionalise post-literacy and continuing education programmes. A recurring annual grant of Rs.7,000 and a non-recurring grant of Rs.7,000 were provided by the GOI to each of the JSNs.

GOI released a total grant of Rs.224.30 lakhs (non-recurring grant: Rs.95.41 lakhs; recurring grant: Rs.128.89 lakhs) during 1987 to 1990 for establishment of 1363 JSNs during the period from 1987-88 to 1989-90 (1987-88: 700; 1988-89: 300; 1989-90: 363) under RFLP. The State Government had, however, established only 700 JSNs from October 1988. Orders sanctioning the establishment of another 313 JSNs were issued by Government only in March 1990. Consequently, grants totalling Rs.109.78 lakhs released for these years could not be utilised. It was observed that 13 Village Panchayats in Coimbatore District were not selected for the establishment of JSNs, though this district was selected for 100 per cent literacy achievement by the end of 1990.

(b) Posts of Preraks were allowed to remain vacant for periods ranging from 2 to 12 months in four RFLPs¹⁸.

(c) One of the aims of the post-literacy programmes was to ensure uninterrupted supply of good reading materials in sufficient quantities. In 14 JSNs in 3 RFLPs¹⁹, the books purchased under the Programme were, however, not taken to stock and issued to the neo-literates. The omissions were also not pointed out by the project officers during their periodical visits to these JSNs.

(d) According to the orders of the State Directorate, the accumulated old newspapers and magazines were to be disposed of in public auction and the sale proceeds credited to Government account. In six RFLPs²⁰, old newspapers supplied to the AECs

18. Coimbatore, Salem, Tiruvallur and Tiruvottiur

19. Coimbatore, Erode and Salem

20. Coimbatore, Erode, Salem, Tiruvallur, Tiruvottiur and Vellore

were not disposed of and the sale proceeds credited to Government in three projects²¹ during 1985-86, in one project²² during 1986-87 and 1988-89 and in three projects²³ during 1989-90. Similarly, newspapers and magazines supplied to JSNs in five²⁴ out of the six RFLPs were not collected at all from 75 and 37 JSNs respectively during 1988-89 and 1989-90 to facilitate their disposal.

(e) An amount of Rs.3.50 lakhs drawn on 29th March 1990 for replacement of sports materials was retained in a current account with a nationalised bank and the sports materials were yet to be replaced (July 1990). The entire grant of Rs.3.50 lakhs, therefore, remained unutilised.

3.6.10. Strengthening of administrative structure

In order to improve mobility and to enable the State Government to ensure better supervision and monitoring of the programme, a sum of Rs.1 lakh was released by GOI in

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- 21. Erode, Tiruvallur and Tiruvottiyur
 - 22. Tiruvallur (1988-89) and Tiruvottiyur (1986-87)
 - 23. Erode, Salem and Tiruvallur
 - 24. Coimbatore, Salem, Tiruvallur, Tiruvottiyur and Vellore

September 1988 for purchase of a vehicle for use of the Directorate. The vehicle was, however, yet to be acquired (August 1990).

3.6.11. Shramik Vidyapeeths

The Shramik Vidyapeeth Scheme (SV), fully assisted by the GOI, provided for education in occupational skills to urban industrial workers and their families. Three SVs were established by Government at Madras, Madurai and Tiruchirapalli as on 31st March 1990. Another SV was functioning at Coimbatore since September 1984 under a voluntary agency.

One of the functions of the SVs was to conduct surveys to identify the educational needs of different workers and their families. The profile prepared by the SVs did not indicate that such surveys were undertaken. Though the SVs were required to maintain continuous contact with the trainees to ensure that the training had resulted in life-enrichment, the departmental records indicated that information on accrual of benefits (securing employment or being self-employed) was ascertained only in respect of 976 (2 per cent) out of 41,836 individuals trained during 1985-86 to 1989-90.

3.6.12. State Resource Centre

(a) The State Resource Centre (SRC) was established by the Tamil Nadu Board of Continuing Education in February 1977 for the successful implementation of

various Adult Literacy Programmes. Of grants totalling Rs.47.49 lakhs (Central: Rs.39.99 lakhs; State: Rs.7.50 lakhs), released to the SRC during the period from 1985-86 to 1989-90, Rs.8.25 lakhs (Central: Rs.6.95 lakhs; State: Rs.1.30 lakhs) remained unutilised with the SRC at the end of March 1990.

(b) GOI released total grant of Rs.57.20 lakhs, in advance, during 1985-86 to 1988-89 for printing 2.86 lakh literacy kits. Though the SRC incurred an expenditure of Rs.40.53 lakhs only in printing 2.80 lakh kits, utilisation certificate was furnished for the entire grant. An unspent grant of Rs.15.92 lakhs* was yet to be refunded at the end of March 1990. Further, 7,848 kits valued at Rs.1.57 lakhs also remained undistributed with the SRC.

(c) As a part of the Technology Demonstration Process, the Central Electronics Limited supplied a Videorama (Projection Television system) in March 1989 to the SRC at a cost of Rs.0.86 lakh for use in the training programmes. This equipment was utilised only for 33 days in Madras between June 1989 and March 1990 covering nine programmes in all. The equipment could not be taken to other places because of the unsuitability of the vehicle purchased at a cost of Rs.0.95 lakh for transporting the equipment. Thus, the objective of acquiring a videorama remained largely unrealised.

* Rs.0.75 lakh refunded in 1986-87

3.6.13. Mass Programme for Functional Literacy

With a view to involving National Service Scheme (NSS) volunteers and college and university students in the eradication of illiteracy and to making literacy a people's mission, the Mass Programme for Functional Literacy was launched on 1st May 1986 and extended to NSS students of higher secondary schools with effect from 1st May 1987. Each student volunteer was to attend an orientation programme for three days and was supplied with literacy kits prepared by the SRC. The SRC distributed 3.17 lakh kits during the period from 1986-87 to 1989-90.

Test-check of the records relating to the implementation of the programme at Kancheepuram, Salem and Vellore disclosed that (i) the student volunteers were imparted orientation training for one day only during 1988-89 and 1989-90 due to paucity of funds, and (ii) out of 6,500 literacy kits received at Salem for the programme between November 1988 and January 1989, 2,884 kits remained undistributed as on 31st March 1990.

3.6.14. Technology demonstration

The main objectives of the scheme were provision of better lighting facilities through installation of solar power packs (SPPs) and supply of petromax lanterns, improved black-boards, plastic slates and other teaching aids and utilisation of the videorama for training by the SRCs.

Coimbatore and Salem Districts in the State were to be covered under the scheme for achieving 100 per cent literacy by 1990.

Improved black-boards, plastic slates and other teaching aids were not supplied to the AECs run by Government agencies in these two districts.

Further, of the 60 SPPs received in February 1990, by the DAEO, Salem, only 43 were installed between April and May 1990. In Coimbatore, 38 SPPs had been installed at a cost of Rs.6.67 lakhs in buildings after the centres had ceased to function since January 1990.

3.6.15. Nehru Yuvak Kendras

Ten Kendras under the control of the Department of Sports and Youth Services of the Ministry of Human Resources Development were functioning in the State during 1988-89 and 1989-90. Grants totalling Rs.23.17 lakhs were released for these Kendras, out of which Rs.23.09 lakhs were utilised. The accounts pertaining to Madras and Vellore Kendras were not made available to Audit. Test-check of the accounts of Coimbatore, Erode and Salem Kendras disclosed the following deficiencies:

(i) AECs were run in all the three Kendras during 1989-90 for a period of 11 months only, as against the prescribed period of 12 months. The reasons therefor

were not ascertainable from the records produced to Audit.

(ii) Two of the sixty centres sanctioned for operation by Erode Kendra during 1989-90 did not function at all and 4 of the 100 centres sanctioned for Coimbatore Kendra during 1989-90 were closed within 3 months of their establishment due to poor attendance.

(iii) No action plan indicating the total illiterate population in the age group of 15 to 35 years proposed to be covered during 1989-90 was prepared for the Erode Kendra.

(iv) Visit charts for inspection of the centres by the Project Officer and Assistant Project Officer were not maintained at Coimbatore to indicate that supervision and monitoring were adequate.

(v) Evaluation of literacy achievements of learners enrolled in the centres organised by the Salem Kendra was not undertaken.

(vi) Instructions were issued in November 1989 to the effect that the DAEOS should assess the performance of the Kendras and report to the Directorate. No such assessment was made in Coimbatore, Erode and Salem Kendras. DAEO, South Arcot, had reported in June 1990 that no assessment of the centres could be undertaken because the monthly and quarterly reports were not

furnished by the centres inspite of several requests and personal contacts, and that the centres had not been functioning from February 1990.

(vii) It was observed from the reports of the DAEO, Pudukottai, that, out of 25 centres visited by him during the period when they were to be in session, only two centres actually functioned and the estimated attendance of learners at these centres was 10 only against 30 learners enrolled. Based on an evaluation undertaken by him, the attainment of learners at the centres was held to be unsatisfactory. These centres were also never visited by Preraks, Project Officers and Assistant Project Officers.

3.6.16. Data audit

Though the scheme envisaged introduction of a system of data audit by special staff for ensuring credibility of the data supplied by the AECs/Project officials, such data audit was not introduced in the State (June 1990).

3.6.17. Adult Education Programme in Integrated Tribal Development Project (ITDP) areas

Points noticed in the implementation of adult education programmes (AEP) for the benefit of the tribals in the ITDP areas of North Arcot Ambedkar and Salem

Districts during January 1988 to December 1988 are mentioned below :

(i) The scheme was sanctioned in November 1987 for implementation during the period January 1988 to December 1988. Accordingly, 30 centres were started in Yercaud Hills and Kolli Hills of Salem District.

(ii) Of the 60 centres established, 12 centres were closed after functioning for 6 to 9 months, due to non-availability of instructors.

(iii) In the absence of adequate learners, four centres in Yercaud and six centres in Kolli Hills were shifted to other places after they had functioned for periods ranging from 2 to 5 months.

(iv) Though 5 ITD projects were in existence in Salem District, the programme was implemented in two projects only, leaving the other three uncovered.

(v) Though the AEP was included in the Tribal Sub Plan document for the year 1989-90, approved by GOI and State Government, the programme was not continued in Salem District beyond December 1988 due to non-receipt of sanction for the programme from the State Government. An expenditure of Rs.1.91 lakhs was incurred during the period on the pay and allowances of the project staff who had no work.

(vi) Though the centres commenced functioning from January 1988 in Jawadhi Hills, in North Arcot Ambedkar District, the learning materials were supplied after a delay of 4 months, due to belated supply by the SRC.

3.6.18. Assistance to voluntary agencies

Under the scheme, financial assistance was provided by GOI directly to registered voluntary societies, public trusts and non-profit-making companies for undertaking projects for eradication of illiteracy and running of post-literacy and continuing education programmes through JSNs. As on 31st March 1990, 3,940 centres were run by 31 voluntary agencies (VAs) in the State.

Test-check of the records of the AECs run by 15 VAs²⁵ during 1988-89 and 1989-90 and the monthly reports of the animators²⁶ disclosed the following deficiencies.

(i) Only one²⁷ of the 15 VAs produced the register of assets acquired out

25. For details Appendix VII may be referred to.

26. Instructor incharge of AEC

27. Avinashilingam Trust

of Government grants, while seven²⁸ of these did not maintain the register at all.

(ii) In Chengai-Anna and Salem Districts, 14 AECs were closed after having functioned for periods ranging from 5 to 8 months, as against the prescribed period of 12 months. In lieu of the closed centres, new centres were opened at other places for the unexpired period with new groups of learners and untrained animators, with the result that neither group of learners derived the full advantage of the course.

(iii) Registers of stock and issue of learning and teaching materials to AECs were not maintained by three VAs²⁹ in Chengai-Anna District.

(iv) There were delays ranging from 2 to 3 months in the supply of learning

28. Angappa Trust, Doraisamy Generous Social Education Association, Kalviulagam Trust, Kandasamy Kandar Trust, Punjab Association, Tamil Nadu Board of Rural Development Association and Women Indian Association

29. Doraisamy Generous Social Education Association, Punjab Association, Tamil Nadu Board of Rural Development Association

and teaching materials to AECs by two VAs³⁰ in Chengai-Anna and Salem Districts.

(v) Payment of honorarium to animators was made belatedly, due to delayed release of Government assistance.

(vi) The actual attendance of learners was far less than the reported enrolment in the centres.

(vii) Visit charts relating to inspection of AECs by the Supervisors/Project Officers were not maintained by six VAs³¹ in Chengai-Anna and Coimbatore Districts. It could not, consequently, be ensured whether all the centres were visited by the Supervisors/Project Officers for purposes of effective supervision and monitoring.

(viii) One VA³² in Coimbatore District, which received the first instalment of Government grant of Rs.2.80 lakhs in

30. Doraisamy Generous Social Education Association, Rural Uplift and Economic Development Association, Metturdam

31. Angappa Trust, Doraisamy Generous Social Education Association, Kandasamy Kandar Trust, Punjab Association, Tamil Nadu Board of Rural Development Association and Women Indian Association

32. GRD Trust, Coimbatore

February 1990, did not establish the centres till June 1990.

(ix) Inspection by Central and State officers of one VA³³ in Coimbatore District, which did not produce its records to Audit, disclosed non-organisation of mobilisation meetings under NLM in 21 blocks entrusted to this VA and non-preparation of films, posters and other publicity material required for mobilisation and environment-building. The inspection further revealed that the environment-building, field publicity and propoganda, etc., attempted by the agency, were confined to one block only and had no impact on the entire district and that the achievement of literacy was only about 4.5 per cent.

3.6.19. Printing of Books

The printing and supply of books to learners in AECs run by the Adult Education Department was entrusted by the State Directorate to the Tamil Nadu Text Book Society. Accounts for advance payments of Rs.197.21 lakhs made to the Society between March 1985 and March 1989 were not obtained from the Society.

3.6.20. Monitoring and Evaluation

A Council for Social Audit of the National Technology Mission was established

by GOI in August 1988 to evaluate, independently, schemes implemented by Government and other agencies and was designed to set up a system of credible and objective feed back that would be responsive to people's needs. For this purpose, the Council was to visit all the States and Union Territories. It was, however, ascertained from the Directorate that the Council had not visited the State so far (August 1990).

None of the schemes implemented under the AEP in the State had been evaluated after the launching of the NLM either by Government or by any outside agency. It was, however, stated by the State Directorate that the GOI had entrusted the evaluation of the scheme to the Madras Institute of Development Studies. The Institute had evaluated the MPFL programme only and a copy of its report was not made available to Audit.

These points were reported to Government in January 1991; their reply had not been received (May 1991).

ENVIRONMENT AND FORESTS DEPARTMENT

3.7. Unauthorised increase in Forest Schedule of Rates

In the Forest Department, the Forest Schedule of Rates (FSR) for labour, materials and works is prescribed for each

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Circle by the Conservators of Forests of the respective Territorial Circles. The other Conservators of Forests in charge of special programmes, such as Social Forestry, are required to follow the FSR applicable to the area.

Though he had no authority to do so, the Conservator of Forests, Social Forestry, Madurai, ordered during 1983-84 to 1986-87 an increase of 25 per cent over the labour charges prescribed in FSR of Madurai Circle for works executed in and within a radius of 16 km. of Madurai City. This resulted in extra expenditure of Rs.2.43 lakhs in the execution of 129 works during 1984-85 to 1986-87 in and around Madurai City, as shown below:

Total cost Rs.12.17 lakhs

Extra expenditure : Rs.12.17 lakhs x $\frac{25}{125}$

= Rs.2.43 lakhs

When this was pointed out by Audit, the Department stated (December 1990) that the increase was similar to the increase of 10 per cent permitted by Public Works Department for Municipal Areas, and that the rates for Forestry Works even after allowing the 25 per cent increase were still less than PWD rates. It was, however, noticed that the Forest Department had discontinued the practice of allowing the extra rate from the year 1987-88, even though the FSR rates were

less than the PWD rates, which indicated the FSR rates were adequate. Though the PWD Schedule of Rates provides for extra percentage for works in Municipal areas, the FSR do not allow it and in no other Municipal area the Forest Department had executed works at increased rates. Further, the Madurai Territorial Forest Division, having jurisdiction over Madurai City limits, executed its works only at FSR rates. The extra percentage allowed by the Madurai Social Forestry Division was, therefore, not justified.

The matter was referred to Government in November 1990; Government in their reply received in January 1991 had agreed with the views of the Department.

3.8. Expenditure on surplus workers

Under the Social Forestry Project Phase I, aided by the Swedish International Development Authority, and implemented in the State in a phased manner from 1981-82, 2,860 Village Social Forestry Workers were appointed on various dates to serve as a link between the Department and the villages in the implementation of two programmes of tree cultivation. Their main function was the distribution and sale of plants. From April 1988 one of the programmes was discontinued and the other was transferred to the Agriculture Department. The workers were thus rendered redundant.

In May 1988, Government decided that the services of the trained workers should be utilised on the Nursery and Plantation programmes of the Rural Development Department. Later, in August 1989, Government ordered that the services of 600 workers be utilised by the Panchayat Unions and they were relieved from the Forest Department in September 1989. The remaining 2,260 workers were continued in the Forest Department. It was noticed that an expenditure of Rs.285.33 lakhs incurred on their wages (2,860 workers from April 1988 to August 1989, and 2,260 workers from September 1989 to August 1990) was avoidable.

The matter was reported to Government in December 1990; their reply had not been received (May 1991).

3.9. Infructuous expenditure on an ecology farm

Government sanctioned (August 1987) the establishment of 20 Forest Ecology Farms in the State at a cost of Rs.5 lakhs each, with the object of creating forest cover and providing employment to the people in drought-affected areas. One such farm was started in August 1987 in 25 hectares in Seithur Reserve Forest land in Rajapalayam Forest Range. The works of water supply, fencing the farm and planting of seedlings of various species were completed by December 1987 at a cost of Rs.4.54 lakhs.

However, the entire chain link fence (cost: Rs.1.49 lakhs) was completely damaged by elephants within two months of its erection in 1987. The farm had remained without a fence ever since. 2,569 seedlings out of 4,200 planted in the farm were also damaged by elephants and deer. The Department had not incurred any expenditure on the maintenance of the farm since its formation, indicating that the seedlings were not maintained after planting.

The Conservator of Forests, Tirunelveli, observed in February 1989 that, being an elephant tract, the site should not have been selected for establishing the farm. Thus, the selection of an unsuitable site had resulted in the failure of the farm. The expenditure of Rs.4.54 lakhs incurred on its establishment proved infructuous.

The matter was reported to Government in December 1990; their reply had not been received (May 1991).

FINANCE DEPARTMENT

3.10. Avoidable maintenance of unusable machines

The Government Data Centre (GDC) had taken on hire a set of unit record machines belonging to M/s. IBM World Trade Corporation from March 1974, for supplementing the capacity of IBM 1440

computer in the processing of data. In March 1978, when the owner company wound up its operations in India, GDC acquired the entire computer system including the unit record system for a total cost of Rs.2.50 lakhs. The cost of the unit record ('UR') system was Rs.0.32 lakh. Maintenance of the entire system was entrusted from June 1978 to the Computer Maintenance Corporation (CMC), a Government of India Undertaking.

The Directorate of Public Health had been using the 'UR' system from July 1976 for processing of statistics relating to births and deaths. No hire charges were, however, collected by the GDC from the Directorate for the use of the system. When the omission was pointed out in audit, GDC raised a demand for Rs.2.97 lakhs in May 1988 towards hire charges for the period from July 1976 to March 1988. The Director of Public Health requested Government in August 1988 to waive payment of the hire charges. He also informed the Government that the Directorate was not using the 'UR' system from February 1981 onwards, because the machines were not in usable condition since then. He represented that, if hire charges were to be paid, a reduction might be made in the amount of the claim for the period from February 1981.

As a result of a general review of all machines at the GDC, the contract with CMC for maintenance of 'UR' system was terminated by GDC in August 1987. Meanwhile, GDC had paid Rs.4.74 lakhs to CMC towards

maintenance charges for the 'UR'system alone for the period from February 1981 to August 1987, even though the 'UR'system was not in usable condition and no maintenance could have been done by the company.

GDC stated (September 1990) that log books were maintained for the 'UR'system only upto January 1981, that GDC was not aware of the working condition of the system since it was used exclusively by the Directorate of Public Health, and that facts were not known to GDC till the Director of Public Health informed them in May 1988. GDC also stated that no preventive maintenance of 'UR'system was done, nor was any call sheets produced by CMC for attending to defects. The entire computer system, including the 'UR'system, was sold on item-wise basis for a sum of Rs.2.07 lakhs in July 1989 to three firms. The 'UR'system was yet to be handed over and its value (Rs.0.58 lakh) realised (February 1991).

Thus, the failure of the Directorate of Public Health to inform GDC in time about the unusable condition of the 'UR'system, failure of GDC to ensure regular and proper maintenance of the machines by CMC, and the failure to take timely action to terminate the maintenance contract in respect of idle machines led to an avoidable payment of Rs.4.74 lakhs towards maintenance charges.

Government accepted (December 1990) the facts.

HANDLOOMS, HANDICRAFTS, TEXTILES AND KHADI DEPARTMENT

3.11. JANATA CLOTH SCHEME

3.11.1. Introduction

The Janata Cloth Scheme in the handloom sector was introduced by the Government of India in 1976-77 with the objective of providing sustained employment to the unemployed and under-employed handloom weavers and making available at the same time cloth at affordable prices to the poorer sections of the population. The scheme envisaged the production of dhoties, sarees, lungies, shirtings and long cloth and their distribution in rural and urban areas.

3.11.2. Organisational set-up

While the scheme is implemented under the overall guidance and supervision of the Development Commissioner for Handlooms (DCH) in the Ministry of Textiles, Government of India, the nodal and implementing agencies in the State are the Director of Handlooms and Textiles (DHT) and the Tamil Nadu Handloom Weavers' Co-operative Society (Co-optex) respectively.

The abbreviations used in this review are listed in Glossary in Appendix XX (page 384)

Co-optex, being the apex body in the State for the promotion of handlooms, arranged for the production of Janata cloth through the primary weavers' co-operative societies in the State and for its marketing through their own outlets and other agencies approved by the DCH.

3.11.3. Audit coverage

A review of the implementation of the scheme during the Seventh Five Year Plan period (1985-90) was conducted by Audit between March 1990 and June 1990 at two regional offices of Co-optex (Salem and Vellore), two warehouses, 13 retail outlets and 58 primary co-operative societies. The records of the Government Secretariat, the offices of the DHT and two Assistant Directors and the Head Office of Co-optex were also scrutinised.

3.11.4. Highlights

- The targets of production of Janata cloth were not achieved in any of the five years during the period from 1985-86 to 1989-90, the shortfall ranging from 6.77 million square metres to 31.32 million square metres.

(paragraph 3.11.6)

- Though production of Janata cloth in the State was not surplus, 9.95 million square metres of cloth produced between 1987-88 and 1989-90 were sold outside the State, without the approval of the DCH.

(paragraph 3.11.7(a))

- No serious attempt appeared to have been made to ensure that 75 per cent of the production was sold to the target group in rural areas.

(paragraph 3.11.7(b))

- Though 85 per cent of the distribution of Janata cloth was to be effected through the Public Distribution System or a similar network other than the outlets of Co-optex so as to be eligible for the enhanced subsidy, an appropriate machinery was not devised to ensure that this stipulation was adhered to.

(paragraph 3.11.7(c))

- No procedure had been evolved to ensure that Janata cloth was sold to the economically weaker sections of society.

(paragraph 3.11.7(e))

- Wages to weavers were paid at rates lower than those approved by the DCH in 45 primary co-operative societies, resulting in under-payment totalling Rs.137.51 lakhs.

(paragraph 3.11.9)

- Sales of Janata cloth at the maximum consumer prices fixed by the DCH without taking into account the actual lower cost of production in 37 societies resulted in an amount of Rs.75.01 lakhs being retained by Co-optex instead of being passed on to the consumers.

(paragraph 3.11.10)

- No systematic procedure or machinery had been evolved to ensure that the quality of cloth produced conformed to the prescribed standards.

(paragraph 3.11.11)

3.11.5. Funding

The consumer prices of several varieties of Janata cloth are fixed by the DCH for the country as a whole on the basis of the estimated cost of production intimated by the State Governments from time to time.

The difference between the estimated cost of production and the consumer price is paid as subsidy at the pre-determined rates fixed by the DCH for the country as a whole, the entire expenditure on subsidy being borne by the Government of India. The Central subsidy is disbursed to the State Government for release to Co-optex through the DHT.

The subsidy is released in full by DCH at the end of every quarter on the basis of audited statements submitted by Co-optex through the DHT. Simultaneously, advance subsidy for the next quarter is also released to the extent of 75 per cent of the projected production of Janata cloth during the quarter.

Details of the subsidy released by the DCH and the amounts disbursed to Co-optex during the period from 1985-86 to 1989-90 were as follows:

Year	Central subsidy released (in lakhs of rupees)	Amount paid to Co-optex
1985-86	792.34	1122.20
1986-87	843.47	697.73
1987-88	691.94	290.39
1988-89	516.21	600.00
1989-90	1669.14	600.00
Total	4513.10	3310.32

Note: The difference between the subsidy released by the DCH and that disbursed to Co-optex was attributable to the belated receipt of sanctions, necessitating disbursements of the subsidy due in the previous year only in the subsequent year.

3.11.6. Targets and achievements

The implementing agencies were to produce only such varieties of cloth as were approved by the DCH on the basis of the recommendations of the nodal agency and local consumer preferences. The nodal agency was to oversee the production of cloth and ensure that the targets fixed were adhered to. The production targets and achievements there-against were as follows:

Year	Target	Achieve- ment	Shortfall
	(in million square metres)		
1985-86	46.00	39.23	6.77
1986-87	55.00	32.29	22.71
1987-88	52.56	35.00	17.56
1988-89	52.56	21.24	31.32
1989-90	75.00	62.41	12.59

Reasons for the non-realisation of the targets were not furnished by the DHT. The guidelines prescribe that the nodal agency should oversee the production in relation to the targets and review the stage of production at the end of the second and third quarters annually to ensure achievement of the targets. No records were made available to indicate that this requirement was, in fact, fulfilled.

3.11.7. Distribution of Janata cloth

Details of the Janata cloth produced and distributed during the period were as follows:

Year	Production (in million square metres)	Distribution
1985-86	39.23	35.28
1986-87	32.29	32.37
1987-88	35.00	37.50
1988-89	21.24	17.30
1989-90	62.41	69.32
Total	190.17	191.77*

* The difference between production and distribution figures was due to carry over of old stocks from earlier years, prior to 1985-86

Scrutiny by Audit of the records relating to distribution revealed the following:

(a) Surplus production of Janata cloth in the State can be sold outside the State only with the approval of the DCH on the basis of allocations made by him. Notwithstanding the fact that there was no surplus production during this period and that the DCH had also not allocated any portion of the production for distribution outside the State, 9.95 million square metres of cloth produced had been sold outside the State during the years 1987-88 to 1989-90 without the specific approval of the DCH.

(b) According to the guidelines of the DCH, 75 per cent of the cloth produced was to be sold to the target group in rural areas. The nodal agency had the sole responsibility for making arrangements for marketing of the

cloth in rural areas and to see that there was atleast one sales outlet in each Gram Panchayat. No serious attempt appeared to have been made by the nodal agency or Government to fulfil this requirement and details were also not available in regard to the quantity of cloth distributed in rural areas during the five year period 1985-86 to 1989-90. However, the Tamil Nadu Co-operative Consumer Federation (TNCCF), which had 21,000 outlets mostly in the rural areas and was also assigned the responsibility for sales of Janata cloth from 1987-88 onwards, had distributed only 0.98 million square metres of cloth between April 1987 and August 1989 representing 0.79 per cent of the total distribution of Janata cloth during this period.

(c) The subsidy admissible at Rs.2 per square metre was enhanced by the Government of India to Rs.2.75 per square metre with effect from 1st March 1988. This was subject to the condition that not less than 85 per cent of the distribution should be effected either through Public Distribution System or any similar network other than the outlets of the implementing agency (Co-optex). The nodal agency or the Government did not, however, constitute a machinery to ensure that this stipulation was fulfilled. Instead, such cloth as were distributed through the outlets of the TNCCF upto August 1989 and those distributed free of cost through various Government Departments, under various schemes formulated for the purpose by the

State Government, to old age pensioners,¹ school children,² and to people living below the poverty line³ between March 1988 and December 1989 were treated as having been distributed through agencies other than Co-optex for claiming the enhanced subsidy.

(d) The subsidy claims in respect of 48.86 million square metres of cloth, distributed free of cost through Government Departments, included payment to Co-optex on overheads to the extent of 18 per cent. In view of the fact that Co-optex had not undertaken the actual distribution of cloth in these cases and was responsible only for its procurement and storage till the cloth was lifted by the concerned Government Department, the payment on account of overheads, should have been restricted only to the extent of the cost involved in procurement and storage, excluding the element attributable to distribution. In the absence of complete details, the excess payment on this account could not be quantified.

(e) The scheme envisaged distribution of Janata cloth at affordable prices to the poorer sections of the society. The

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1. 6.30 million square metres
 2. 5.24 million square metres
 3. 37.32 million square metres

guidelines also prescribed that no one should be allowed to purchase at a time more than 2 dhoties and 2 sarees and 10 metres of dress materials. A test-check of the cash memos issued by 11 Co-optex outlets in two districts (Salem and Vellore) revealed that more than two sarees and dhoties were sold to individuals in 76,299 cases of sales during 1985-86 to 1989-90. Further, the nodal agency or Government had not evolved any procedure to ensure that the cloth was sold to the economically weaker sections of society.

3.11.8. Maintenance of Stock Register

No instructions had been issued by the nodal/implementing agency, as envisaged in the guidelines, for the maintenance of registers at every distribution centre to record details of the receipts and disposal of Janata cloth or to get such receipts certified by local authorities or representatives of consumers prior to the commencement of distribution/ sales.

3.11.9. Under-payment of wages

Government of India issued instructions in November 1987 and May 1988 to the effect that preparatory and weaving charges indicated in the cost sheets for various types of cloth approved by the DCH should be paid to the weavers; and that, in the event of any under-payment being noticed subsequently, the subsidy released would have

to be recovered from the implementing agencies.

Weavers in 45 primary Co-operative societies in Salem and Vellore regions were, however, paid wages lower than those approved by the DCH based on the cost sheets, which resulted in under-payment of wages totalling Rs.137.51 lakhs. The implementing agency had nevertheless furnished, along with the relevant subsidy claims, the prescribed certificates signed by its auditors and countersigned by the nodal agency vouchsafing the actual payment of the approved wages and spot inspections undertaken for the purpose. No action was also taken to recover the subsidy from the implementing agency.

3.11.10. Incorrect fixation of selling price

The maximum consumer price fixed by the DCH for each variety of cloth represented a ceiling which was not to be exceeded in determining the actual selling price. However, any reduction in the cost of production or any of the elements of cost taken into account for purposes of fixation of the maximum consumer price should be passed on to the consumers by fixing the sale price lower than maximum consumer price. This had not been done in respect of several varieties of cloth procured by Co-optex from 37 primary co-operative societies in Salem and Vellore regions during the period from 1985-86 to 1989-90 at prices much lower than the estimated cost of production taken into account in the determination of the maximum

consumer price. Instead, Co-optex sold the cloth at the maximum consumer prices, thereby retaining the benefit of the lower procurement prices amounting to Rs.75.01 lakhs.

3.11.11. Quality control

Though the guidelines envisaged that the nodal agency should ensure the quality of cloth produced, with reference to the standards prescribed by the DCH, no systematic procedure or machinery had been evolved for the purpose.

3.11.12. Evaluation

Though this scheme was in operation in the State from 1976-77, it had not been evaluated to ascertain whether the benefits envisaged had accrued to the poorer sections of the society and whether the objective of providing sustained employment to weavers had been achieved.

3.11.13. These points were referred to Government in November 1990; their reply had not been received (May 1991).

**HEALTH, INDIAN MEDICINE AND HOMOEOPATHY
AND FAMILY WELFARE DEPARTMENT**

**3.12. Water supply to Government Rajaji
 Hospital, Madurai**

Government sanctioned (August 1985) a scheme for supply of 10 lakh litres of water per day against the requirement of 15 lakh litres per day (4 lakhs for drinking and 11 lakhs for other purposes) from Vaigai River to Government Rajaji Hospital, Madurai, at an estimated cost of Rs.18 lakhs from the already existing water supply arrangement at Virahanoor. Government also ordered that, in view of the urgency of the situation, the scheme might be executed with speed by dispensing with all tender procedures and formalities. The work of laying pipelines beyond the pipeline already laid for the Virahanoor Project was entrusted to Tamil Nadu Water Supply and Drainage (TWAD) Board, for completion within one year. The minimum requirement of the Hospital was 10 lakh litres per day (3 lakhs for drinking and 7 lakhs for other purposes).

The Executive Engineer, TWAD Board, Madurai, reported in March 1986 that the water to be drawn from Virahanoor contained bacterial contamination above the limit permissible for the purpose of drinking; and in March 1986 the Dean of the Hospital gave his concurrence for executing the work with the qualification that the water would be utilised only for purposes other than drinking, and that steps would be taken for

heavy chlorination of water. In September 1986, he approached the Executive Engineer, Public Works Department, Madurai, for the construction of a sump in the campus of the Hospital to store such huge quantity of water, which elicited no response from the latter.

The work relating to the laying of pipeline was completed in October 1986 (cost: Rs.16.38 lakhs). Government informed (November 1986) the Board that chlorination should be only a temporary measure as it was extremely unsafe to permit the use of untreated water in such a major hospital, and simultaneous action should be taken for the execution of full-fledged treatment plant. The Board was also requested to maintain the project till arrangements were made for taking over of the scheme by the Medical Department.

In the absence of a separate sump, 2 lakh litres of drinking water supplied by Madurai Corporation, 1 lakh litres of hard water from the borewell at the Hospital and the 3 lakh litres of water supplied under this scheme were collected together in the existing sump of the Hospital for use.

In response to a letter (March 1988) from the Director of Medical Education (DME) regarding the treatment plant, the TWAD Board stated (August 1988) that the Virahanoor water was intended only for non-domestic purpose and hence needed no treatment at the source, and suggested that

adequate precautions could be taken by the Hospital to prevent any mixing of potable water and the untreated water by resorting to independent and separate supply arrangements. The Dean informed (February 1989) the DME that separate arrangements were not possible as it would be very difficult to give two connections to each and every room, which would also involve major expenditure on execution and maintenance. He insisted, therefore, that a treatment plant (rough cost: Rs.10 lakhs) was essential. Based on a discussion with the Professor, Department of Micro-biology, Madurai Medical College, the Chairman, TWAD Board, informed (December 1989) the DME that the possibility of destroying the virus from the Virahanoor water was ruled out, and that the introduction of a treatment plant would not serve the purpose.

Though Government had sanctioned execution of the work within a year even without observing the usual tender procedure, etc., the Health Department, PWD and TWAD Board failed to execute a comprehensive scheme providing either for treatment and purification of the available water or for arrangements to provide separate sumps and connections to rooms in the Hospital. The untreated water from Virahanoor, contaminated with bacteria and virus and unfit for consumption without treatment, was being mixed up with potable water supplied by the Corporation and used in the Hospital for the past over three years. The expenditure of Rs.16.38 lakhs for additional supply of 10

lakh litres of water per day had resulted only in contaminating the existing supply of drinking water to the extent of 2 lakh litres from the Corporation, thus, endangering the health of the patients and staff of the Rajaji Hospital, Madurai.

In reply to the audit comments, Government stated in August 1990 that construction of a separate sump to store drinking water was under consideration.

**3.13. Avoidable extra expenditure on
import of equipment**

Sanction was accorded (March 1988), by the Director of Medical Education, Madras, for the import of an operation table with image intensifier at a cost of Rs.11.25 lakhs from Japan for use in the Government R.M. Hospital, Thanjavur. A supply order was placed by the Dean in March 1988 and a letter of credit (LC) was opened in May 1988 for Rs.10.13 lakhs, with a specific condition that the LC should be negotiated only on receipt of intimation from the issuing bank about the receipt of "Not manufactured in India" (NMI) and "Customs Duty Exemption" (CDE) certificates. The NMI certificate was issued by the Dean of the Hospital in June 1988 and the CDE certificate was received from the Director of Health Services, New Delhi, in March 1989. The equipment was shipped in June 1989. Meanwhile, the exchange rate in respect of Japanese Currency fell from 926 yens for Rs.100 in September 1988 to

848 yens on the date of supply (7th July 1989). The total cost worked out to Rs.13.27 lakhs.

In terms of Section 143 of the Customs Act, 1962, imported goods can be got cleared by executing a bond to the Assistant Collector of Customs, pending production of the CDE Certificate. Had this procedure been followed, as was done in April 1988 in a previous case, the equipment, which was ready for shipment in July 1988, could have been received in September 1988 itself at a cost of Rs.11.93 lakhs. Imposition of the condition for deferring the shipment of the consignment till the receipt of the certificates was unnecessary and could have been avoided. The Government stated in August 1990 that the submission of bond would not be accepted in all cases. This contention was not convincing, in view of the enabling provisions under the Customs Act. Non-execution of bond had resulted in extra expenditure of Rs.1.34 lakhs (difference in exchange rate : Rs.1.09 lakhs; interest and LC amendment charges, etc. : Rs.0.25 lakh) and postponement, by one year, of the accrual of the benefit of the equipment to the public.

The matter was reported to Government in September 1990; their reply had not been received (May 1991).

3.14. Injudicious purchase of medicines

Normally, the purchase of any medicine during a year would be based on average consumption during previous years and stock on hand. The Dean, Medical College Hospital, Tirunelveli, purchased 13 lakh capsules of Vitamin 'A' and 1.76 lakh tablets of Prenylamine Lactate, costing Rs.3.91 lakhs during 1986-87. The position regarding the distribution of these medicines upto the end of January 1990 was as follows:

Year	Opening Balance	Receipt	Issues	Balance
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Vitamin 'A' capsules

1986-87	45,000	13,00,000	1,48,800	11,96,200
1987-88	11,96,200	..	8,65,900	3,30,300
1988-89	3,30,300	..	..	3,30,300
1989-90	3,30,300	..	..	3,30,300

Prenylamine Lactate tablets

1986-87	26,400	1,75,800	31,400	1,70,800
1987-88	1,70,800	..	30,400	1,40,400
1988-89	1,40,400	..	12,739	1,27,661
1989-90	1,27,661	..	..	1,27,661

The issues of capsules of Vitamin 'A' during 1987-88 also included transfer of 4.38 lakh capsules (expiry month: December 1987) to eight Primary Health Centres and a Government hospital during May - November 1987. Out of this, details regarding the

utilisation of 1.70 lakh capsules were still awaited from the institutions as reported by the Dean in November 1990.

The stock of 3.30 lakh capsules of Vitamin 'A' (cost: Rs.0.89 lakh) and 1.28 lakh tablets of Prenylamine Lactate (cost: Rs.0.30 lakh), as at the end of 1987-88, had become time-expired.

There was no justification for the purchase of 13 lakh Vitamin 'A' capsules during 1986-87, when there had been no purchases or issues during 1983-84 and 1984-85 and purchase of 1.05 lakhs and issue of 0.60 lakh only in 1985-86. The tender conditions for the supply of the medicines had also stipulated a minimum life-span of one year only from the date of supply. Similarly, there was no necessity for the purchase of 1.75 lakhs of Prenylamine tablets in 1986-87 when the issues of previous three years were only 0.68 lakh, 0.30 lakh and 0.44 lakh respectively.

When this was pointed out in Audit, the Dean stated in October 1989 that action would be taken to recover the cost of time-expired medicines from the persons responsible.

Thus, injudicious purchase of large quantities of medicines had led to loss of Rs.1.19 lakhs, being the cost of time-expired medicines.

The matter was reported to Government in November 1990; their reply had not been received (May 1991).

3.15. Non-commissioning of Intensive Cardiac Care Unit

In May 1983, Government sanctioned the provision of an Intensive Cardiac Care Unit (ICC Unit) with air-conditioning facilities in the District Headquarters Hospital, Nagapattinam, at an estimated cost of Rs.1.20 lakhs. One of the existing rooms in the Hospital was to be converted for this purpose.

Three rooms considered for the purpose during the period from July 1983 to May 1986 were rejected for various reasons, and a fourth room was finally selected by the Hospital authorities only in May 1986. The Public Works Department (PWD) completed the erection of air-conditioners in October 1987 and all the civil works in June 1988 at a total cost of Rs.1.50 lakhs.

As suggested by a team of specialists who inspected the building, the District Medical Officer, Nagapattinam, requested the PWD in June 1988 to provide additional amenities, such as mosaic flooring, complete oil painting of walls, provision of additional toilets, partition walls, platforms, fans, racks, etc. and changing the position of doors and closing of ventilators. The PWD stated (January 1989) that these amenities could be provided only

with the specific sanction of Government. The ICC Unit was, however, taken over by the Department in November 1989, without the provision of these additional amenities.

Meanwhile, Government had sanctioned, in October 1987, Rs.0.03 lakh for the purchase of equipment for the ICC Unit. Government stated that the sanction was restricted to this amount in view of economy in expenditure. As the Department's requirements included in the original proposal were of the order of Rs.2.85 lakhs, the nominal amount sanctioned was quite inadequate and no equipment was purchased.

Thus, the delay of three years in finalising the selection of a room and of another three years in completing the conversion of the room and taking it over and failure to provide the requisite equipment resulted in not commissioning the ICC Unit in the Hospital. The intended objective of providing specialised medical treatment to the cardiac cases in the Hospital was, thus, not achieved.

The matter was reported to Government in December 1990; their reply had not been received (May 1991).

3.16. Abortive plan for Pharmacy and premature purchase of equipment

Government sanctioned (April 1982) the establishment of a Regional Siddha Pharmacy at Pollachi. Since a suitable site

was not available at Pollachi, Government approved (August 1984) a revised proposal to locate the Regional Pharmacy in the former men students' hostel of the Government Siddha Medical College, Palayamkottai, Tirunelveli. The Public Works Department (PWD) was requested to carry out repairs to the old building, and an estimate for Rs.2.56 lakhs for the work was approved by the Chief Engineer in January 1985. Since the PWD pleaded paucity of funds to carry out the work in 1985-86, the matter was referred to Government. A revised estimate for Rs.2.94 lakhs was received in December 1985 from the PWD. During a joint inspection of the building in February 1986 by the Joint Director of Indian Medicine and Homoeopathy and the Executive Engineer, PWD, Tirunelveli, certain alterations to the building and provision of facilities were suggested. A further revised estimate for Rs.3.76 lakhs was received in August 1986, and the work was taken up in December 1986 and completed at a cost of Rs.2.79 lakhs (March 1989).

Sanction was accorded by Government in December 1989 for the provision of permanent electrical connection to the building at a cost of Rs.1.78 lakhs. Electrification and water supply works were yet to be commenced (December 1990).

However, 6 items of machinery were purchased by the Director of Indian Medicine and Homoeopathy at a cost of Rs.1.77 lakhs (excluding sales tax) between July and December 1986 for use in the Pharmacy for the

manufacture of medicines. Since the building to house these machinery was not ready at Palayamkottai, orders were placed with the firms for the supply of these items at Madras. The machines, so delivered, lying idle at Madras from 1986, were transported to Palayamkottai in February 1990, even though the Medical Officer in charge of the Pharmacy had specifically intimated (January 1990) that they need not be sent to Palayamkottai since electrical connections had not been provided. The machines had been remaining idle at Palayamkottai since February 1990.

Thus, the objective of establishing a Regional Pharmacy, sanctioned by Government as early as 1982, was yet to be achieved though an expenditure of Rs.2.79 lakhs had been incurred on repairs to the building. Further, the purchase of equipment far in advance of the requirement had resulted in locking up of funds to the tune of Rs.1.77 lakhs for more than 3 years.

The matter was reported to Government; Government stated (December 1990) that the delay in providing water supply and electrical connections was due to administrative reasons and that the items of machinery were purchased in 1986 so as to be put to use immediately after the repair works were completed; but the completion of the works was delayed.

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3.17. Irregular drawal of festival advance

According to Financial Rules, festival advance is to be drawn and disbursed to the eligible Government servants on their application. Amount remaining undisbursed is to be remitted back immediately after the festival is over.

A test-check of the records of Government General Hospital, Madras, for the year 1988-89 disclosed that advances were drawn for persons who had not applied for the same, and also for ineligible persons who were due to retire or against whom advance sanctioned on earlier occasions were pending. The irregular drawals resulted in non-disbursement of advances totalling Rs.1.19 lakhs from out of advances drawn for nine festivals during January 1988 to March 1989. The undisbursed amount was retained in cash till November 1989, though the festivals were already over. On this being pointed out in audit, the undisbursed amount was remitted to Government account in February 1990.

When this was referred to Government (March 1990), they stated (January 1991) that the festival advances were drawn only based on sanction orders issued on requisition from the individuals. The undisbursed amount was utilised to meet the urgent inevitable expenses of the Hospital due to non-availability of cash under permanent advance. The reply of Government is not acceptable as specific instances of

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drawal of advances without application had been brought out in Audit. The diversion of the undisbursed festival advance for other purposes was against financial rules.

3.18. Idle Blood Gas Analyser

A micro computer-controlled Blood Gas Analyser with video display (cost: Rs.2.50 lakhs) was installed in the Bio-Chemistry Department of Tirunelveli Medical College in November 1982. The equipment required repairs in July 1984, and had been remaining idle as of January 1991.

The equipment, which was a highly sophisticated one and required to be installed in an air-conditioned room, was kept all along in a room without air-conditioning facility. The disrepair of the equipment and its continued idleness were attributed by the supplier's Service Engineer in June 1986 to the non-provision of the air-conditioning facility.

Even before the equipment was installed, the Public Works Department (PWD) was addressed by the Dean of the Hospital in September 1982 for plans and estimates for provision of air-conditioning facility. Proposals for an estimate of Rs.0.55 lakh were sent to the Director of Medical Education (DME) in January 1983. The DME called for certain particulars in March 1983, which were furnished in May 1983. The DME returned (June 1984) the proposals for resubmission with estimates based on the then

current schedule of rates. Revised proposals for Rs.0.61 lakh were sent to the DME in December 1984, which were forwarded to Government in July 1985 for sanction. On a reference made by Government, the DME requested Government in March 1986 for sanction and direction to the Chief Engineer (Buildings) to execute the work as a special case during 1985-86. The proposals were included under Plan schemes, and Government returned them on the ground that the estimates would not be current and effective by then. The PWD was again addressed in January 1987 for revised estimates and they were received in June 1987. These estimates for Rs.0.80 lakh were forwarded to the DME in June 1987 and submitted to Government for sanction in July 1987.

Government returned the proposals in February 1989 with the direction that they be deferred for "better times". The PWD was again addressed in April 1989 for revision of estimates with reference to the then current schedule of rates. The DME informed the Dean in January 1991 that the proposals could not be considered for the year 1990-91 in view of the stringent financial position and asked him to resubmit the case with complete justification for the provision of the facility.

The purchase of the equipment was within the powers of the DME, but the provision of the air-conditioning facility had to be sanctioned by Government. Thus,

the failure to realise the urgency for the facility and avoidable delays at every stage had led to the equipment, purchased at a cost of Rs.2.50 lakhs, lying idle for more than six and a half years, denying the benefit of advanced medical diagnosis to the public.

The matter was reported to Government in September 1990; their reply had not been received (May 1991).

3.19. Hospital building and operation theatre lying idle

Under the Programme of upgradation of Primary Health Centres, Government sanctioned in September 1981 a 24-bedded in-patient ward with an operation theatre at Vendasandur at an estimated cost of Rs.4.12 lakhs. The sanction included additional staff and furniture.

A site in Thattarapatti village at a distance of about 1.5 km from the existing Primary Health Centre, Vendasandur, was selected after inspection of the site by the Medical Officer, Primary Health Centre, Executive Engineer, Public Works Department (PWD) and Tamil Nadu Water Supply and Drainage (TWAD) Board. Availability of 10 gallons of water per minute at the site was assured by the TWAD Board.

The building was completed by the PWD in July 1984. But the Department did not take it over immediately for want of additional provisions like accommodation for

stores, rest room for doctors and nurses and proper accommodation for running the out-patient Department, though the plan and estimate approved by Government did not envisage these items. However, the building was taken over from the PWD in August 1986 even without the additional requirements, and the new unit functioned just for two days. The Primary Health Centre was then shifted back to the old building in entirety and the building was kept idle. The additional staff sanctioned for attending to the in-patients in the upgraded Primary Health Centre was utilised in the out-patient department of the existing Primary Health Centre along with existing staff.

Non-utilisation of the new building was attributed to lack of adequate supply of water due to failure of borewell and absence of alternative arrangements, objection from the public for the transfer of the out-patient department to the new building, and non-availability of sufficient accommodation for the out-patient department, stocking of stores and waiting room for doctors and nurses in the new building.

Audit scrutiny of the records disclosed that the Department was fully aware at the time of selection of site that the sanctioned plan and estimates for the building did not provide for accommodating the entire Primary Health Centre including out-patient department. Proposals were yet to be submitted to Government for sanction for such accommodation in the new building. The

work relating to provision of pump for distribution of water to the new building from a nearby overhead tank sanctioned by Government in February 1988, based on the Department's proposal submitted in December 1985, was yet to be taken up. As a result, the building remained unutilised but for occasional laproscopic camps conducted for 45 days in all during January 1988 to October 1989.

Thus, due to lack of prompt co-ordinated action, the benefits of the in-patient service and operation theatre were yet to accrue to the public though an expenditure of Rs.5.68 lakhs had been incurred on building, furniture and linen.

The matter was reported to Government in October 1990; their reply had not been received (May 1991).

3.20. Nurses' Quarters lying vacant

Government sanctioned in April 1982, construction of additional nurses' quarters to accommodate 300 nurse trainees and staff nurses in Government Rajaji Hospital, Madurai, at an estimated cost of Rs.66.50 lakhs. Though the construction of the building was completed in all respects by the Public Works Department (PWD) at a cost of Rs.52.43 lakhs in July 1986, the building was not taken over by the Hospital authorities. The reasons included lack of water supply arrangements; non-completion of new Mortuary Block; failure to provide

connecting corridor from the existing quarters to the additional quarters, and proper fencing for the new quarters; non-construction of compound wall separating the quarters from the new Mortuary Block; and inadequacy of furniture and staff.

However, the building was taken over in July 1988, after a delay of 2 years, on the assurance given by the PWD for completion of the required improvements in due course after preparing fresh estimates. But these works were not executed. The quarters had been lying vacant (May 1990) as reported by the Department for want of additional staff and furniture.

Scrutiny of the records disclosed that the improvements considered essential in July 1986 by the Department were not envisaged in the original proposals submitted by the Hospital, and that the quarters could be put to use even without these additional requirements. The Government stated in April 1991 that even minimum water supply was not provided by the Public Works Department till May 1990. However, the Chief Engineer (Buildings) had reported in May 1990 that adequate water supply had been provided to these quarters as early as in July 1986 itself. Proposals for additional staff and furniture had not been initiated by the Department as of October 1990.

Thus, 'lack of co-ordinated action and proper planning on the part of the Department had resulted in the building

constructed at a cost of Rs.52.43 lakhs lying vacant for over four years.

HOME DEPARTMENT

3.21. Idle investment on Movie Camera

Based on a proposal made by the Police Department in May 1979, Government sanctioned in May 1984 the purchase of a 35mm movie camera at a total cost of Rs.13 lakhs for purposes of covering events such as agitations, processions, strikes, VIP bandobust, etc. An Arriflex 35mm movie camera was imported by the Commissioner of Police, Madras, in March 1985 at a cost of Rs.12.03 lakhs. As the Department did not have facilities such as preview and dubbing theatres, projector, film processing and laboratory equipment and the required technical staff, it was not in a position to make proper use of the camera purchased.

The Commissioner approached the Film and TV Institute of Tamil Nadu (Film Institute) for developing and printing the films taken by the Police Department. The Film Institute insisted on payment for processing and printing the films, in the absence of specific orders of Government for free service in this context. The Tamil Nadu Films Division informed the Police Department in July 1986 that the camera be transferred to the Films Division for better maintenance

and use by the Film Institute for its students.

The Commissioner sought (September 1986) orders of Government for processing and printing of films made by the Madras City Police at the Film Institute free of cost. Government, in view of the heavy cost involved, suggested to the Commissioner (December 1986), the transfer of the movie camera along with accessories to the Films Division, for its better and proper utilisation and maintenance. The Commissioner agreed (June 1987) to the transfer, provided adequate video equipment (camera, cassette recorder and accessories) was supplied to him in its place, lest he should otherwise depend on the services of a cameraman from the Films Division for his requirement. He requested the Government to decide on these matters early.

Films Division officials who inspected the camera in April 1989 sought orders of Government for taking it over and servicing it at an estimated cost of Rs.5,000 since the camera had become unfit due to disuse for a long period.

Government did not convey clear orders on the transfer of the camera or provision of video equipment to the Commissioner. The Films Division, which had indicated in July 1986 their intention to take over the camera, did not also take effective steps in this regard, in spite of

letters issued by the Commissioner from December 1988 onwards.

In reply to an Audit query, Government stated (August 1990) that it had since been decided to retain the camera in the city police office itself. The Commissioner, however, informed Government in December 1990 that as the camera could not be put to use by the Police Department for want of processing facilities, it might be transferred to Films Division without further delay.

Thus, the movie camera, purchased in March 1985, was never put to use, resulting in locking up of Government money to the tune of Rs.12.03 lakhs for over 5 years (February 1991).

The matter was reported to Government and they stated (March 1991) that the issue of transfer of the camera to Films Division was under their consideration.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.22. Excess payment of subsidy

Under the 'Rural Housing Scheme', interest-free housing loans are advanced from 1977-78 to the Adi Dravidar members of Rural Co-operative Housing Societies by the Tamil Nadu Co-operative Housing Federation. The interest foregone by the Federation on these

loans is reimbursed as subsidy by Government to enable the Federation to meet its interest liability to the financing institutions.

As there were delays in finalising the subsidy claims owing to the large number of beneficiaries under the scheme, Government decided, in February 1983, to make provisional payments of subsidy every year, computed on the basis of the percentage of loan paid to Adi Dravidars to the total loan payments under the 'Rural Housing Scheme', subject to final adjustments on receipt of audited figures. This percentage worked out to 77 (approximately) with reference to the loans sanctioned to the end of 1981-82 (total loan: Rs.37.40 crores; loan to Adi Dravidars: Rs.28.86 crores). Government limited the sanction of the provisional subsidy to 70 per cent of the total interest paid upto that period. It was seen in audit that, though the percentage of loans to Adi Dravidars to total loans ranged between 4 and 67 per cent during 1983-84 to 1988-89, the interest subsidy had been released quarterly for these years at the same rate of 70 per cent as indicated below.

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Year	Percentage of loan to Adi Dravi- dars to total loan disbursed	Total interest paid to Financial Institu- tions (in crores of rupees)	Provisional Interest subsidy		
			due	paid	excess
1983-84	67.0	2.93	1.96	2.05	0.09
1984-85	62.4	3.28	2.04	2.29	0.25
1985-86	16.7	3.81	0.64	2.65	2.01
1986-87	4.5	3.73	0.17	2.61	2.44
1987-88	3.5	3.36	0.12	2.35	2.23
1988-89	36.1	3.69	<u>1.33</u>	<u>2.58</u>	<u>1.25</u>
		Total	<u>6.26</u>	<u>14.53</u>	<u>8.27</u>

As against a subsidy of Rs.6.26 crores payable for the years 1983-84 to 1988-89, on the basis of norms laid down by Government in February 1983, an amount of Rs.14.53 crores was paid to the Federation, resulting in excess payment of Rs.8.27 crores, which was an unintended benefit to the Federation.

The Registrar of Co-operative Societies (Housing) had not taken into account the declining trend of disbursement of loan to Adi Dravidars before recommending provisional subsidy for sanction; nor had he obtained audited figures of interest foregone by the Federation during these years to finalise the liability of Government towards subsidy, with the result that he had failed to notice the excess payment.

Government stated (April 1991) that the interest subsidy claimed was for the loans disbursed to Adi Dravidar beneficiaries for the period upto 1985-86 on the basis of diminishing principal amounts and not for the loans paid during subsequent years. This method of reckoning the diminishing balances should have been followed only for arriving at the final amount of subsidy payable and adjusting the advance subsidy paid. As Government had approved a specific method for the purpose, the same should have been followed for arriving at the amount of advance subsidy payable.

INFORMATION AND TOURISM DEPARTMENT

3.23. Delay in utilisation of camera

To strengthen the facilities in the Government Central Press, Madras, Government approved, in July 1987, the proposal for purchase of a semi-automatic vertical camera and alterations in the existing building for its installation. They accorded sanction in May 1988 for an expenditure of Rs.1.29 lakhs for the purchase of a camera, costing Rs.1.30 lakhs. The camera was purchased in October 1988 and 90 per cent of the cost was paid to the supplier firm in April 1989. The camera had not yet been installed (January 1991) due to non-provision of pre-installation requirements. The guarantee of 13 months (from the date of despatch) given by the firm expired in November 1989.

The pre-installation requirements were intimated by the supplier in September 1988. The Department initiated action for the provision of air-conditioning facilities in February 1989, and obtained in December 1989 sanction of Government for an expenditure of Rs.0.55 lakh for the purpose. Regarding the construction of a room for housing the camera, the Public Works Department was addressed only in July 1989 for preparation of estimates for the civil and electrical works. The estimate for Rs.0.68 lakh received from the Public Works Department in August 1989, were sent to Government in September 1990, after detailed discussion and inspection of the site by Public Works Department. Government stated (December 1990) that they had accorded sanction for the expenditure in November 1990. Thus, due to the failure of the Department to take effective and timely action, the camera acquired in October 1988 at a cost of Rs.1.30 lakhs, was yet to be put to use (January 1991) and the guarantee given by the supplier had also expired.

REVENUE DEPARTMENT**3.24. Drought Relief Works in 1986 and 1987 under Central Assistance****3.24.1. Introduction**

Consequent upon the failure of the monsoon during the years 1986 and 1987, the State faced a severe drought situation necessitating relief measures. The State Government identified 12 districts during 1986 and all the 20 districts during 1987 as drought-affected. Based on Government reports seeking Central assistance for drought relief works, and on the recommendations of the Central study teams which visited the State, the Government of India approved ceilings on expenditure for the relief works and released advance Plan assistance.

The Special Commissioner and Commissioner for Revenue Administration (SCCRA) of the State Government was responsible for the execution and monitoring of drought relief works. Funds for carrying out the works in the districts were released by Government through SCCRA. At the district level, the Collectors were placed in complete charge of the relief works and were assisted by various executing agencies such as the Public Works, Forest and Agriculture Departments, the Tamil Nadu Water Supply and

The abbreviations used in this Review are listed in the Glossary in Appendix XX (page 384)

Drainage (TWAD) Board, Directorates of Rural Development, Municipal Administration, Town Panchayats, Agriculture, Agricultural Engineering and Animal Husbandry and the Commissioners of Municipal Corporations in the implementation of the relief measures.

3.24.2. Audit coverage

A review of the implementation of the drought relief works for the year 1986 and 1987 was undertaken in five districts (Chenga-Anna, Coimbatore, Madurai, Salem and Tiruchirapalli) between November 1989 and August 1990. The results of the review are mentioned in the succeeding paragraphs.

3.24.3. Highlights

- Of the central assistance of Rs.2655.33 lakhs released for relief works in connection with the drought of 1986, Rs.153.16 lakhs remained unutilised even according to the expenditure reported by the State Government. Expenditure of Rs.1687.68 lakhs was incurred during 1986-87 and 1987-88 beyond the prescribed cut-off dates. The expenditure reported to have been incurred on arrangements for drinking water for the 1986 drought included Rs.585.03 lakhs and

Rs.193.72 lakhs sanctioned for works under the Minimum Needs Programme and the National Rural Employment Programme respectively, which were not eligible for central assistance.

(paragraph 3.24.4)

- Failure to invite tenders and to revise the rates for deployment of private rigs for drilling borewells, with reference to the prevailing market trends, resulted in an additional expenditure of Rs.61.43 lakhs in respect of the borewells sunk in 4 districts.

(paragraph 3.24.6.1)

- Drilling of larger diameter borewells without adequate justification resulted in an extra expenditure of Rs.110.58 lakhs in four districts.

(paragraph 3.24.6.2)

- Unnecessary drilling of 402 borewells in four Divisions beyond depths at which the final yield of water was obtained

resulted in an additional expenditure of Rs.25.81 lakhs.

(paragraph 3.24.6.3)

- An avoidable expenditure of Rs.10.60 lakhs was incurred on the installation of hand pumps in 194 wells whose yield was not adequate to operate the pumps.

(paragraph 3.24.6.4)

- Expenditure of Rs.48.86 lakhs incurred on the sinking of 257 borewells in six districts proved unproductive because there was no yield of water from these wells.

(paragraph 3.24.6.5)

- Out of the Central assistance of Rs.145 lakhs released for the purchase of two DR rigs, one combination rig, and one well-logger, an amount of Rs.54.67 lakhs only was spent and the unutilised balance of Rs.90.33 lakhs had not been refunded to Government by the implementing agency. Rejection of the lower offer without adequate examination of all the relevant factors resulted in an avoidable additional investment of Rs.6.31 lakhs on the purchase of two rigs.

(paragraph 3.24.6.10)

- An expenditure of Rs.278.78 lakhs incurred against the approved ceiling of Rs.416.25 lakhs in respect of afforestation and social forestry schemes relating to the drought of 1986 was not eligible for Central assistance because sanctions were issued after the cut-off date. Further, expenditure totalling Rs.57.48 lakhs relating to the droughts of 1986 and 1987 was incurred on 52 works which did not strictly constitute afforestation and social forestry works and were not covered by the guidelines issued by the Government of India.

(paragraph 3.24.7)

- A programme undertaken by the Madurai Corporation to sink 8" diameter borewells without a proper assessment and due consideration of its essentiality resulted in an extra expenditure of Rs.6.86 lakhs in 32 cases test-checked by Audit.

(paragraph 3.24.8)

- Out of Rs.9.63 lakhs allotted to Madurai District and Rs.5.80 lakhs to Chengai-Anna District for construction of separate feeder lines during the 1987 drought, Rs.6.30 lakhs were spent by the Tamil Nadu Electricity Board (TNEB) after

31st March 1988, Rs.0.83 lakh was lying with the Board as unspent balance and Rs.0.78 lakh was utilised for payment of arrears relating to earlier years. These amounts were, therefore, not eligible for Central assistance.

(paragraph 3.24.9)

- Central assistance of Rs.87.50 lakhs, distributed to the Agriculture and Animal Husbandry Departments, was given as subsidy to farmers during the Rabi season for raising fodder. Since the subsidy was paid after the crops were raised, the entire expenditure was not eligible for Central assistance.

(paragraph 3.24.10)

3.24.4. Financial allocations and expenditure

Expenditure on drought relief works during 1986 and 1987 was to be incurred within the overall ceilings and the individual ceilings for different categories of relief works, approved by the Government of India and by the cut-off dates prescribed for the purpose. Relevant details in this regard are tabulated below:

Drought year	Overall ceiling	Cut-off date by which expenditure was to be incurred
	(in lakhs of rupees)	
1986	3176.82	31st March 1987*
1987:		
Pre-monsoon works	3473.50	30th June 1987**
Post-monsoon works	2664.32	31st March 1988

* Extended up to 30th June 1987 in respect of expenditure on (i) employment generation schemes (Rs.1665 lakhs) and (ii) works relating to improvements to comprehensive water supply schemes (Rs.250 lakhs).

** Extended up to 31st October 1987 in respect of expenditure on (i) employment generation works under social forestry and soil conservation (Rs.558 lakhs), (ii) subsidy to small and marginal farmers for agricultural inputs (Rs.300 lakhs), (iii) drinking water supply schemes in urban areas (Rs.180 lakhs), and (iv) transportation of drinking water in urban areas (Rs.15 lakhs).

The Government of India had also clarified that these ceilings were in addition to the approved State Plan outlays/budget provisions and the provisions for Central and Centrally

sponsored schemes and that the accounts of the expenditure incurred against these ceilings should, therefore, be maintained separately. It was also stipulated that any expenditure incurred beyond the prescribed cut-off dates would have to be accommodated in the State Annual Plan.

Central assistance totalling Rs.2655.33 lakhs and Rs.4652.28 lakhs respectively were released for relief works in connection with the droughts of 1986 and 1987, against which the SCCRA had reported expenditure of Rs.2502.17 lakhs and Rs.7340.75 lakhs respectively. While accounts of the expenditure incurred on the drought relief programme were not maintained separately and the expenditure reported against the ceilings for individual works could not consequently be verified by Audit, expenditure totalling Rs.1687.68 lakhs, details of which have been furnished in Appendix X, was, however, incurred after the prescribed cut-off dates and was, therefore, not eligible for Central assistance.

Further, the expenditure reported to have been incurred on arrangements for drinking water for the 1986 drought included Rs.585.03 lakhs and Rs. 193.72 lakhs sanctioned for works under the Minimum Needs Programme and the National Rural Employment Programme respectively, which did not qualify for assistance under Drought Relief Programme.

3.24.5. Physical achievements

Details of the physical achievements under different drought relief works against the targets prescribed are tabulated below:

Name of work	Cut-off date by which works to be completed/ executed	Number targeted	Achievement as on cut-off date
(1)	(2)	(3)	(4)
1986-87			
(i) Sinking of new borewells			
Phase I	31.3.1987*	2850	2850
Phase II	31.3.1987	2466	2426
(ii) Deepening of existing openwells	31.3.1987	7374	7190
(iii) Construction of ringwells	31.3.1987	1100	1094

* Cut-off date prescribed by State Government was, however, 31st July 1986.

	(1)	(2)	(3)	(4)
(iv)	Construc- tion of new open- wells	31.3.1987	239	183
(v)	Sinking of compen- satory well	31.3.1987	160	158
(vi)	Conversion of filter points	31.3.1987	800	237
1987-88				
(i)	Sinking of new borewells			
	Phase I	30.6.1987	2000	1984
	Phase II	30.6.1987	2000	1513
	Phase IV	31.3.1988	1000	989

While certain deficiencies in the execution of these works have been mentioned later in this review, in the context of the acute water shortage in the State, Government had directed that the new borewells planned in the first phase during 1986-87 should be

sunk before 31st July 1986. Only 2,655 borewells were, however, completed by then against the target of 2,850 borewells and the overall shortfall in the sinking of new borewells during 1986-87 and 1987-88 was 235 and 514 respectively. Further, of the 4,486 borewells sunk during 1987-88 in phases I, II and IV, only 3,848 borewells were actually put to use. Consequently, the objective of timely provision of drinking water in drought-affected areas was not fully realised.

3.24.6. Execution of works by the Tamil Nadu Water Supply and Drainage Board

The execution of works relating to the sinking of new borewells, conversion of filter points into deep borewells and improvements to the comprehensive water supply schemes both in urban and rural areas was entrusted to the TWAD Board. Certain points relating to their execution are mentioned in the following paragraphs.

3.24.6.1. Sinking of new borewells

The drilling of borewells was undertaken by the TWAD Board both departmentally utilising their own rigs and through contractors. While works executed departmentally were charged at the rates

prescribed from time to time for the use of the departmental rigs, tenders were, however, not invited on each occasion and contracts for the deployment of contractors' rigs concluded at the most advantageous rates based on the market trends prevailing at the relevant time. The rates at which another State Government Undertaking, Tamil Nadu Agro-Engineering and Service Co-operative Federation Limited (ENCOFED), engaged private rigs for drilling operations were also not ascertained. Instead, the rates of Rs.150 per metre for the drilling of 4 1/2 " diameter borewells and of Rs.195 per metre for the drilling of 6" diameter borewells fixed as early as in 1981 based on the tenders then received and which themselves were higher than the rates agreed to by the private rig owners in a meeting convened prior to the invitation of tenders, were adopted without any revision till the year 1987-88.

Whereas the rates of Rs.150 per metre and Rs.195 per metre were applied in respect of all drilling done by contractors during 1986-87 and 1987-88 without ascertaining the market conditions, substantially lower rates of Rs.119 per metre and Rs.145.95 per metre for the drilling of 4 1/2" diameter borewells and 6" diameter borewells respectively were notified by the Board in March 1988. Further, the Chief

Engineer, Western Region, had also informed the Board in September 1986 that ENCOFED were paying only Rs.170 per metre for the drilling of 6" diameter borewells. Considering the fact that substantially lower rates were approved in March 1988 and that the rate adopted by ENCOFED during 1986 was also lower than the rate of Rs.195 per metre at which payments were made by the Board for the drilling of 6" diameter borewells, timely review and revision of the rates approved in 1981 with reference to the market trends and after invitation of fresh tenders would have resulted in significant savings in costs. Computed even with reference to the rate of Rs.170 per metre approved by ENCOFED during 1986, the adoption of the rate of Rs.195 per metre approved in 1981 resulted in an additional expenditure of Rs.61.43 lakhs on 2,868 6" diameter wells sunk in four districts¹ during 1986-87 and 1987-88.

3.24.6.2. Sinking of larger diameter borewells

As one of the relief measures, Government sanctioned the drilling of 5,316 new borewells (cost: Rs.1329 lakhs) and 5,000 new borewells (cost: Rs.1250 lakhs) during the drought years 1986 and 1987 respectively. The Board issued instructions in May 1986

1. Coimbatore, Madurai, Salem and Tiruchirapalli

that the question whether the diameter of the bores should be 6" (150 mm) or 4 1/2" (115 mm) should be decided having regard to the site conditions, recommendations of the hydrogeologists and the availability of rigs. The Government of India had also reiterated in October 1987 that the drilling of 6" diameter borewells should not be taken up unless this was justified on geological considerations.

Further, past experience of sinking of borewells under various UNICEF schemes from 1972 onwards had shown that borewells of 4 1/2" diameter sunk to an average depth of 60 metres were adequate for all handpump installations.

These instructions and the past experience notwithstanding, of the 3,279 borewells drilled in four districts during 1986 and 1987, only 145 wells were of 4 1/2" diameter and the rest were of 6" diameter².

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2. Coimbatore District (4 1/2" diameter wells: Nil; 6" diameter wells: 1068); Madurai District (4 1/2" diameter wells: 52; 6" diameter wells: 926); Salem District (4 1/2" diameter wells: 26; 6" diameter wells: 543); Tiruchirapalli District (4 1/2" diameter wells: 67; 6" diameter wells: 597)

Though the location of the borewells were determined on the basis of the recommendations of the Geological Assistants (redesignated as Assistant Hydrogeologists), they had not specifically indicated the diameter of the borewells to be sunk. While no reasons were also available on record for the sinking of the larger diameter borewells, instructions were, however, issued on different occasions by the Chief Engineer, Superintending Engineers, and Executive Engineers that drilling operations should be restricted to borewells of 4 1/2" diameter. These instructions were not adhered to and the larger diameter borewells were drilled as a matter of course, without establishing their necessity.

Thus, the non-adherence to the instructions issued from time to time and the drilling of larger diameter borewells resulted in an extra expenditure of Rs.110.58 lakhs on the drilling of 6" diameter borewells in these four districts, computed with reference to the drilling rates of Rs.195 per metre and Rs.150 per metre fixed in 1981, which themselves were not realistic as brought out in paragraph 3.24.6.1 supra.

3.24.6.3. Additional expenditure on unnecessary drilling operations

According to the instructions of the Board, a source was not to be adopted for drilling without the specific recommendations of the geophysical staff of the Board. For this purpose, the Assistant Hydrogeologists were required to survey the habitations, conduct detailed well inventories and select the most favourable points for drilling, indicating, inter alia, the expected springs, their depths and yields as well as the yields at final depths.

Test-check of the records in four Divisions³ revealed that, apart from the depths upto which the borewells were to be drilled, no other particulars were furnished in the reports of the Assistant Hydrogeologists. Bores were drilled in 402 cases to the depths recommended by them and payments made accordingly notwithstanding the fact that the final yield had been obtained at depths less than those recommended. This resulted in unnecessary drilling to the extent of 11,511 metres in these cases leading to an additional expenditure of Rs.25.81 lakhs.

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3. Coimbatore RWS, Coimbatore Urban, Salem RWS and Salem Urban Divisions
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In these cases, the recommendations of the Assistant Hydrogeologists were not comprehensive; nor were these reviewed by higher authorities to ensure their correctness. The executive officers did not also exercise their discretion and suspend further drilling once the yield, with reference to hydrogeological indications, was achieved. Though cases of such unnecessary drilling and additional costs involved were also specifically pointed out from time to time by the Executive Engineer, Mechanical Division, Salem, no remedial measures were initiated by the Board to obviate such avoidable additional expenditure and to utilise the available funds for other drought relief works.

3.24.6.4. Yield from borewells

According to the norms evolved for the purpose, rural water supply (RWS) schemes were to be designed to provide 40 litres of water per capita daily (lpcd). The yields from 121 borewells (estimated cost: Rs.30.25 lakhs) test-checked were, however, not adequate to meet this minimum requirement, and therefore afforded only partial relief to the beneficiaries. The assets created in these cases may not consequently provide adequate relief in the event of recurrence of drought.

In such areas where the minimum supply of 40 lpcd. could not be ensured, the Board assessed that 10 lpcd. of water would be required solely for drinking and cooking

purposes. Even this requirement was not met due to very poor yields in 194 cases (estimated cost: Rs.48.50 lakhs). No alternative source was also provided to meet the water needs in these areas. Consequently, the measures initiated to provide relief could not be said to have resulted in the realisation of the objective though the progress reports indicated otherwise.

Further, a minimum yield of 12 litres per minute (lpm) was necessary to support the handpumps installed in these cases. The yield from these 194 borewells, however, ranged from 0.3 lpm to 9 lpm only. Had these borewells been given up as failures, an expenditure of Rs.10.60 lakhs incurred on providing ineffective handpumps and platforms could have been avoided.

3.24.6.5. Dry borewells

There was no yield of water at all from 257 borewells drilled in six districts, details of which have been furnished in Appendix XI, though these borewells were drilled only after prior surveys. Consequently, the expenditure of Rs.48.86 lakhs incurred on these borewells proved unproductive. The causes for the failure of these borewells had not, however, been examined.

The rates for drilling agreed upon were inclusive of charges for grouting, flushing and yield testing, which were to be

done by the contractors. Though these operations were not undertaken by the contractors in respect of these dry borewells, payments were nevertheless made to them at full rates without any deduction for the items of work not actually executed by them. This resulted in an overpayment of Rs.1.47 lakhs.

3.24.6.6. Drilling of borewells in Madurai Corporation

A ceiling of Rs.60 lakhs was approved in May 1987 by the Government of India in respect of works relating to the provision of drinking water in the Madurai Corporation area. This amount was deposited with the Board for drilling new borewells. While the Board sunk 42 borewells at a total cost of Rs.9.68 lakhs, the unspent amount of Rs.50.32 lakhs had, however, not been refunded to Government (June 1990).

3.24.6.7. Creation of water sources in veterinary hospitals

Government of India approved in October 1987 an expenditure ceiling of Rs.20 lakhs for the creation of water sources in rural veterinary hospitals. In February 1988, a list of 76 veterinary hospitals, selected by the Director of Animal Husbandry, was furnished to the Board. Funds totalling Rs.20 lakhs were placed at the disposal of the Board by the State Government only on 28th March 1988 and the works were scheduled to be completed by 31st March 1988. Water

sources were, however, created in 72 rural hospitals at a total cost of Rs.19.03 lakhs, only between September 1988 and February 1990⁴. The works were not taken up in the remaining four hospitals because suitable points were not available.

Of the 72 borewells sunk by the Board, five borewells (cost: Rs.1.24 lakhs) were reported to be dry or silted. The yield from four borewells (cost: Rs.1.66 lakhs) ranged from 2 lpm to 8 lpm against the minimum yield of 12 lpm necessary to support a handpump. Further, one of the borewells (cost: Rs.0.59 lakh) was yet to be fixed with a pump and brought to beneficial use. Thus, out of the 72 wells sunk, only 62 were functioning.

As all the 72 borewells were sunk only after the cut-off date, the objective of providing water supply during the drought period was not achieved; nor was the expenditure incurred on these borewells eligible for Central assistance.

The unspent balance of Rs.0.97 lakh was also not refunded to Government (June 1990).

4. September 1988: 50 hospitals; December 1988: 15 hospitals; February 1989: 3 hospitals; May 1989: 2 hospitals; February 1990: 2 hospitals

3.24.6.8. Improvements to comprehensive water supply schemes

As part of the drought relief programmes in 1986 and 1987, the Board undertook the execution of deposit works for improvements to existing comprehensive water supply schemes on behalf of 63 local bodies at a total estimated cost of Rs.267.30 lakhs (1986 programme: Rs.60.85 lakhs; 1987 programme: Rs.206.45 lakhs). These works (1986: 14; 1987: 49) were to be completed on or before 30th June 1987 and 31st March 1988 respectively.

None of these works was, however, completed before the stipulated cut-off dates, and five works relating to 1986 and twentyfour works relating to 1987, in fact, commenced only after the expiry of the cut-off dates, and two of the works were not taken up at all. Four of these works were also still in progress during 1990-91. Relevant details in this regard are indicated below.

	<u>1986 drought</u>	<u>1987 drought</u>
Total amount sanctioned	Rs.60.85 lakhs	Rs.206.45 lakhs
Number of local bodies	14	49
Total number of works	14	49
Number of works:		
(i) Commenced before the cut-off date	8	24
(ii) Commenced after the cut-off date	5	24
(iii) Completed before the cut-off date	Nil	Nil
(iv) Not taken up	1	1
(v) Completed during		
1987-88	7*	Nil
1988-89	1	17
1989-90	4	26
1990-91	Nil	2
(vi) in progress during		
1990-91	1	3
* Completed only after the cut-off date of 30th June 1987.		

Test-check of the records relating to the implementation of these works revealed the following:

(a) An amount of Rs.5 lakhs was remitted to the TWAD Board Urban Division, Dindigul, by the Dindigul Municipality in May 1987 for stream-lining the course of the river to Athur dam on the reservoir side and removing the obstructions in its course. Since such works were not normally undertaken by the Board, they requested the submission of alternative proposals. While such proposals were not furnished by the Municipality, an amount of Rs.4.30 lakhs was refunded to the Municipality only in September 1989. Tenders invited by the Board in April 1990 for repairs to the damaged baffle wall along the surplus course against the balance amount of Rs.0.70 lakh had not been finalised till June 1990. Thus, the work, sanctioned as part of the 1986 relief programme, was entrusted to the Board only in May 1987 without ascertaining whether the Board would, in fact, be in a position to execute the work. The repair works proposed to be undertaken subsequently could not also be classified as relating to the drought of 1986.

(b) Works relating to the droughts of 1986 and 1987 proposed by the Sankarankoil Municipality against deposits of Rs.8 lakhs and Rs.2 lakhs respectively could not be taken up as of January 1990, reportedly due to objections by the Puliangudi Municipality, and the unutilised deposits of Rs.10 lakhs

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had not been refunded to the State Government.

(c) During the drought of 1987, an amount of Rs.0.50 lakh was sanctioned for drilling a borewell and erection of a power pump in Thuraiyur Municipality. While the borewell was sunk in 1987, the power pump could not, however, be installed due to poor yield of water. The yield from another borewell drilled at another site was also not adequate for its installation. Consequently, both the borewells had not been put to beneficial use.

(d) Following the drought of 1987, an amount of Rs.6 lakhs was deposited with the Board in May 1987 for providing water supply to Mecheri in Madhuranthagam Municipality from an existing borewell. Works relating to the laying of the distribution system, testing of the pumping main and construction of sump, had not, however, been completed even as of January 1990, resulting in the non-realisation of the objective.

(e) A sum of Rs.2 lakhs, received from the Shencottai Municipality in February 1988 for the laying of conveying mains, was retained by the Board unutilised as of June 1990, because of the non-completion by the State Public Works Department of the construction of an open well from which the mains were to be laid.

(f) A total amount of Rs.32.25 lakhs was released to five local bodies in Madurai and Chengai-Anna Districts⁵ for improvements to comprehensive water supply schemes, and the entire amount was reported as having been spent by them. It was, however, seen that the local bodies had deposited a sum of Rs.27.85 lakhs with the Board for execution of the works, and that the latter had spent a sum of Rs.22.53 lakhs only and had retained the unutilised balance of Rs.5.32 lakhs. Further, of the balance amount of Rs.4.40 lakhs retained by them, the local bodies had spent only Rs.2.79 lakhs. Of the total expenditure of Rs.25.32 lakhs incurred on these works, expenditure of Rs.19.05 lakhs was incurred only after the cut-off dates (Board: Rs.16.26 lakhs; local bodies: Rs.2.79 lakhs).

(g) The accounts of these deposit works taken up in 1986 and 1987 were yet to be closed. Consequently, the actual expenditure which would be eligible for Central assistance and the amounts due to be refunded to the State Government and the Government of India could not be ascertained.

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5. Chengai-Anna District: Alandur, Madhuranthagam and Tiruvellore;
Madurai District: Andipatty and Tirupparamkundram

3.24.6.9. Release of payments without check measurements

According to the instructions issued in June 1986, check measurements of borewell works were to be undertaken to the extent of 100 per cent by the Executive Engineers of the Board and more than 50 per cent by the Superintending Engineers before releasing payment. The Chief Engineer was also required to undertake surprise checks of these works.

It was seen that the check measurement was not done to the prescribed extent in 11 Divisions⁶. As against 1,947 borewells drilled in these Divisions, check measurement was undertaken only in respect of 1,276 works (65.5 per cent) by the Executive Engineers and in respect of 211 works (10.8 per cent) by the Superintending Engineers. Further, surprise checks of only 6 works were undertaken by the Chief Engineer. Payments were nevertheless made even in the absence of check measurements.

6. RWS Divisions: Ariyalur, Coimbatore, Kancheepuram, Karur, Namakkal, Perambalur and Salem (2 Divisions)

Urban Divisions: Alandur, Coimbatore and Salem

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3.24.6.10. Purchase of rigs and well-logger

The Government of India released Rs.145 lakhs in August 1987 for the purchase of two D.R. rigs (estimated cost: Rs.60 lakhs), a combination rig (estimated cost: Rs.75 lakhs) and a well-logger (estimated cost: Rs.10 lakhs). The amount was credited to the Board in December 1987, and the expenditure on the purchase was to be incurred before 31st March 1988.

While the combination rig was not purchased at all, the two D.R. rigs were procured in May 1988 and July 1988 and the well-logger in September 1988, at a total cost of Rs.54.67 lakhs (D.R. rigs: Rs.47.78 lakhs; well-logger: Rs.6.89 lakhs). The unspent balance of Rs.90.33 lakhs had not, however, been refunded to Government (June 1990). Further, though funds for the purchase were obtained in August 1987 by telegraphic transfer from the Government of India, the relevant supply orders were placed only in April 1988 and September 1988. Apart from the fact that the equipment was not procured in time so as to be used on the relief works relating to the drought of 1987, the entire expenditure of Rs.54.67 lakhs incurred on the purchases after the prescribed cut-off date was also not eligible for Central assistance.

Certain points relating to the purchase of the two D.R. rigs, noticed in audit, are mentioned in the following paragraphs.

The Board invited tenders in October 1987 for the two D.R. rigs to facilitate the drilling of pilot bores of 6" and 8" diameter with a depth rating of 1,500 feet (457 metres) and reaming capacity⁷ for widening holes of different diameters upto specified depths⁸. Of the five offers received in response thereto, the lowest offer (Rs.20.73 lakhs per rig) of Firm 'A' was not considered on the grounds that (i) the firm had not furnished the capacity of the rig for 12" reaming, (ii) the capacity for 16 3/4" reaming was only 1,000 feet against the requirement of 1,500 feet, and (iii) the test certificates and physical particulars in respect of the kelly⁹ and drill rods had not been furnished and these were also indigenously manufactured by the firm. The next two lower offers of Firms 'B' and 'C' were also rejected on technical grounds.

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7. Reaming capacity is the rated capacity of the rig for widening hole with borer for inserting pipes of various sizes as required.
 8.
 - (i) 12 1/4" diameter holes upto 450 metres
 - (ii) 14"/16" diameter holes upto 300 metres
 - (iii) 18" diameter holes upto 225 metres
 - (iv) 24" diameter holes upto 120 metres
 9. 'Kelly' is a vital component of the rig to which the rotary drive is transmitted through a spindle.

Negotiations were held with the remaining two firms ('D' and 'E') following which purchase orders for one rig was placed on each of these firms in April 1988 at the uniform price of Rs.23.89 lakhs. The two rigs, delivered in May 1988 and July 1988, were deployed on drilling operations from June 1988 and October 1988 respectively.

Scrutiny by Audit, however, revealed the following:

(a) While the comparative statement of the offers did not indicate whether the offers of Firms 'D' and 'E' satisfied the specific stipulations in regard to depth rating, reaming capacity, etc. there was no specific stipulation in the tender documents that the kelly and drill rods should not be indigenously manufactured to justify the rejection of the offer of Firm 'A' on this ground.

(b) On a reference from the Superintending Engineer, Mechanical Circle, Tiruchirapalli, who evaluated the tenders, Firm 'A', whose offer conformed to the technical specifications stipulated, had furnished the requisite clarifications in regard to the manufacture of the kelly and drill rods well before the tenders were finalised and had also made available a certificate of exemplary performance of the rig offered by them from the Department of Geology and Mining, Madras. These were, however, not given due consideration before rejecting the firm's offer.

(c) While evaluating the tenders, the Superintending Engineer himself had observed that most of the drilling work undertaken by the Board involved drilling up to depths less than 600 feet, and that drilling of borewells upto a depth of 1,200 feet arose only in a few places. The depth rating of 1,500 feet stipulated in the tender documents would, therefore, appear to have been inflated and bore no relation to the normal requirements of the Board. Further, Firm 'A' had also clarified that the capacity of their rig for 12 1/2" reaming was 1,350 feet (411 metres) which was adequate to cater to the requirement projected by the Superintending Engineer.

(d) The rigs procured from Firms 'D' and 'E' were used for drilling 59 borewells between June 1988 and December 1989. With the exception of one borewell where the drilling depth was 422 metres (1,384.16 feet), the depth of all the other borewells ranged between 24 metres (78.72 feet) and 336 metres (1,102.08 feet) only. The rig offered by Firm 'A' would, therefore, have been adequate for the large part of the drilling operations.

In the circumstances, the rejection of the offer of Firm 'A' without examining adequately all the relevant factors and establishing conclusively its unsuitability for the Board's requirements was not judicious. This resulted in an avoidable additional investment of Rs.6.31 lakhs on the purchase of the two rigs.

Further, the kelly of the rig supplied by Firm 'E' broke in January 1989 within its warranty period. While this had not been replaced by the firm as of June 1990, the firm had also not supplied seven spare parts for the rig costing Rs.2.88 lakhs. Penalty of 2 per cent of the cost of these parts amounting to Rs.0.06 lakh was also not levied in terms of the purchase order.

3.24.6.11. Under-utilisation of departmental rigs

The Board owned 82 rigs distributed among the Mechanical Division, Tiruchirapalli, serving the Southern and Northern Regions (42 rigs) and the Mechanical Division, Salem, serving the Western and Central Regions (40 rigs).

In August 1986, the Board issued instructions to the Superintending Engineers to ensure the allotment of sufficient points in the form of work orders to the departmental rigs every Monday so as to avoid the idling of these rigs and to secure their optimal utilisation. It was, however, observed that the departmental rigs were deployed on only 411 of the 3,279 borewells sunk in four circles (Coimbatore, Madurai, Salem and Tiruchirapalli) during 1986 and 1987 as a drought relief measure. The sinking of the remaining 2,868 borewells was entrusted to private contractors.

A test-check of the records relating to the utilisation of the 40 rigs in the Mechanical Division, Salem, further revealed that the actual deployment of these rigs on the sinking of borewells during the period from July 1986 to October 1986 and from February 1987 to October 1987, when these operations were undertaken, accounted for 5,879 working days only as against 15,064 working days available for their deployment, representing utilisation of 39 per cent. While 1,868 working days were lost in the transit of the rigs from one site to another (640 days) and for other reasons such as maintenance, site clearance, bundhs, rains, etc. (1,228 days), as many as 6,911 working days were lost on account of repairs. The rigs remained idle for the remaining 406 working days, attributable to non-allotment of drilling points (249 working days) and inaccessibility of the sites allotted (157 working days). Consequently, the departmental rigs were utilised for the sinking of only 168 (10.26 per cent) of the 1,637 borewells sunk in Coimbatore and Salem Districts.

The Executive Engineer of the Division had also frequently complained to the Superintending Engineers of Coimbatore-Nilgiris and Salem Circles and the Mechanical Circle, Tiruchirapalli, about the non-allotment of adequate drilling points as well as delays in the issue of work orders to facilitate the deployment of departmental rigs. He had further pointed out that the sites allocated were also inaccessible

necessitating the detention of the rigs at such sites for prolonged periods.

Computed with reference to the time (two to three days) normally taken for drilling a new borewell of an average depth of 80 metres and the rates prescribed by the Board for the use of departmental rigs, the financial implications of the loss of out-turn due to the rigs remaining idle for 406 working days on account of non-allotment of drilling points and inaccessibility of the sites would work out to Rs.12.16 lakhs in this Division alone. This could have been minimised, if not altogether avoided, had adequate sites been allotted in time for the deployment of the departmental rigs and the sites for their deployment been selected carefully having regard to their accessibility.

3.24.7. Afforestation and Social Forestry

Against the approved ceilings totalling Rs.706.87 lakhs (1986 drought: Rs.416.25 lakhs; 1987 drought: Rs.290.62 lakhs) for works relating to afforestation and social forestry, funds totalling Rs.568.15 lakhs were sanctioned by the State Government. Expenditure totalling Rs.610.94 lakhs was incurred on such works. Relevant details in this regard are tabulated below:

Year of drought	Month of sanction	Amount sanctioned (in lakhs of rupees)	Expenditure incurred
1986	July 1987	150.00	150.00
1986	November 1987	128.78	128.78
1987	June 1987	289.37	332.16
Total		568.15	610.94

Since the sanction for 1986 drought relief works were issued only after the cut-off date, the entire expenditure of Rs.278.78 lakhs was not eligible for Central assistance. Further, expenditure totalling Rs.57.48 lakhs (1986 drought: Rs.55.13 lakhs; 1987 drought: Rs.2.35 lakhs) relating to 52 works was incurred on purchase of cement, sinking of borewells for the supply of drinking water, construction of pumping stations, laying of pipeline for staff quarters, construction of Random Rubble wall and compound wall, fencing of a Reserve Forest, photography and publicity. These did not strictly constitute afforestation and social forestry works, and were not covered by the guidelines issued by the Government of India.

3.24.8. Sinking of deep borewells by Madurai Corporation

Against a Central assistance of Rs.64 lakhs for improvements to water supply in Madurai Corporation area during the 1987 drought, the Corporation reported an expenditure of Rs.72.81 lakhs. The

Corporation had sunk sixtysix 8" diameter borewells and twelve 6" diameter borewells through a local firm at a cost of Rs.32.24 lakhs. The remaining expenditure was incurred on purchase of pipes, providing pipelines, etc. Scrutiny by Audit revealed the following:

(i) The rates quoted by the firm earlier in 1983 and 1985 were adopted for the preparation of estimates, though there was a marked downward trend in the rates as mentioned in paragraph 3.24.6.1 above.

(ii) The rate of Rs.430 per running metre quoted by the firm for drilling 10" diameter bores in all kinds of soils, including hard rock, was adopted even for the initial drilling of 10" diameter bores in ordinary soil to facilitate the insertion of 8" diameter casing pipes, instead of adopting rates for soils excluding hard rock as was done in respect of drilling of 6" diameter bores.

(iii) Hydrogeological reports were not obtained before embarking on the works; nor were yield tests conducted after the execution of the works.

(iv) Further, the opinion of the Superintending Engineer, TWAD Board, Madurai, that 4 1/2" diameter and 6" diameter borewells were sufficient and that the differential yield from bores of 6" diameter

and 8" diameter would be only marginal (3 per cent) whereas the cost differential would be four times, was ignored. The instructions of the Government of India to the effect that the drilling of 6" diameter or larger diameter bores was not to be taken up unless justified by geohydrological conditions were also ignored.

(v) It was, moreover, seen that thirtyfive 8" diameter bores, sunk by the Corporation prior to March 1987, had failed. This experience also was not taken into account while embarking on fresh works for 8" diameter bores.

Thus, the programme of sinking 8" diameter borewells was conceived without a proper assessment of the population which would benefit and the likely yields and output, and without due consideration of the essentiality of the larger diameter bores and the additional costs involved. These omissions resulted in an additional expenditure of Rs.6.86 lakhs in 32 cases examined by Audit.

3.24.9. Construction of separate feeder lines to water supply works

To ensure uninterrupted power supply to water works, Government proposed the construction of separate feeder lines during the drought of 1987, and allotted Rs.9.63 lakhs to Madurai District and Rs.5.80 lakhs to Chengai-Anna District. While the entire amount was reported to have been

utilised, the expenditure, however, included (i) Rs.6.30 lakhs actually spent after 31st March 1988 by the Tamil Nadu Electricity Board, (ii) Rs.0.83 lakh retained by the Board as unspent balance as on 31st March 1988, and (iii) Rs.0.78 lakh appropriated towards payment of arrears of electricity charges relating to earlier years. The expenditure aggregating to Rs.7.91 lakhs was, therefore, not eligible for Central assistance.

3.24.10. Subsidy for fodder cultivation

Under a contingency plan to save livestock in view of the anticipated late arrival of monsoon in the year 1987, the Government of India sanctioned an assistance of Rs.87.50 lakhs in September 1987 for distribution of subsidy to small and marginal farmers, at the rate of Rs.300 per hectare and Rs.400 per hectare respectively to meet 25 per cent and 33 1/3 per cent of the cost of cultivation of drought-resistant fodder crops and grass in 25,000 hectares. The amount was allotted in November 1987 equally to the Director of Agriculture and the Director of Animal Husbandry. The subsidy was distributed to the farmers between December 1987 and March 1988 in the form of seeds and fertilisers by the Agriculture Department and in cash by the Animal Husbandry Department, based on certificates of land holdings from the Village Administrative Officers concerned. An expenditure of Rs.87.50 lakhs was reported to

have been incurred on cultivation of fodder in 27,000 hectares.

According to the guidelines of the Government of India, only such of those lands in which cropping was no longer possible were to be made use of for the cultivation of fodder with the infrastructural facilities of Government Departments and voluntary agencies and also by providing seeds and water. The subsidy was, however, distributed to the farmers during the Rabi season after the crops were raised. The entire expenditure was, thus, not within the scope of the contingency plan and, hence, was not eligible for Central assistance.

3.24.11. These points were reported to Government in January 1991; their reply had not been received (May 1991).

3.25. Avoidable expenditure towards compensation to victims of fire

Government of India, in collaboration with General Insurance Company and its subsidiaries, have drawn up a scheme of "Hut Insurance" to all landless labourers, artisans and other very poor families in rural areas whose annual income does not exceed Rs.4800, against destruction of huts and belongings by fire. The scheme came into force with effect from May 1988. The entire premium cost is met by Government of India. The compensation payable by the Insurance Company would be a maximum of Rs.1500 (Rs.1000 for hut and Rs.500 for articles in

the hut) for each hut destroyed in fire. If any compensation is receivable from the State Government/Union Territories' Administration towards loss of huts and belongings by fire, that amount would be deducted from the amount payable by the Insurance Company so as to limit the total compensation to Rs.1500.

A scheme for providing immediate relief in such circumstances had been under implementation by the State Government since 1954 (modified in 1984). Under this scheme, every family affected by fire would be eligible for a free supply of 5 kg. of rice, one litre of kerosene and one dhoti or saree, besides a cash grant of Rs.400 for a fully damaged hut and Rs.200 for partially damaged hut.

The State Government adopted the Central Scheme from May 1988, and ordered that the victims would receive from the Insurance Company the admissible amount less Rs.400 or Rs.200 as the case may be, received from the State Government. The Government stated in July 1990 that the cash grant was paid immediately by them, whereas the Insurance Company took about 15 days to process the claim.

It was noticed in audit that immediate relief amounting to Rs.1.70 lakhs had been disbursed by Government in Perambalur Taluk alone in Tiruchirapalli District, and Rs.1.43 lakhs in different Taluks in Chengai-Anna District during the years 1988-89 and 1989-90, and that these

amounts had been set off against the Insurance claims.

Under the terms of Central Scheme, only amounts receivable from the State Government as compensation are to be set off against the insurance claims. As the intention of Government was to limit the total relief under the two schemes to Rs.1500, the amount paid as immediate relief to the victims should have been got recouped to Government from the insurance claim for the total amount.

Failure in this regard had resulted in an avoidable expenditure of Rs.3.13 lakhs during 1988-89 and 1989-90 and an unintended benefit to that extent to the Insurance Company.

The matter was reported to Government in October 1990; their reply had not been received (May 1991).

**SOCIAL WELFARE AND NUTRITIOUS MEAL
PROGRAMME DEPARTMENT**

**3.26. Tamil Nadu Integrated Nutrition
Project**

3.26.1. Introduction

The Tamil Nadu Integrated Nutrition Project (TINP) was implemented in rural areas with credit assistance from the World Bank (WB). The Project, launched initially in November 1980 on a pilot basis in Kottampatti block in Madurai District, was extended between 1981-82 and 1984-85 to 172 other blocks in six districts¹ identified as having serious nutrition problems.

The Project aimed at increasing the efficiency, coverage and impact of the nutrition and health efforts of Government. It was to be accomplished through (a) Nutrition Delivery Services by systematic concentration on the nutritionally most vulnerable population groups, namely children in the age group of 6 to 36 months and pregnant and nursing women, by providing food

1. Chengalpattu, Madurai, North Arcot, Pudukottai, Ramanathapuram, and Tirunelveli

The abbreviations used in this Review are listed in the Glossary in Appendix XX (page 384)

supplement and (b) expansion of the health-care delivery system by the provision of improved rural health services. The Project was to be implemented generally in conformity with the guidelines issued for the purpose by the Government of India, referred to as the Approved Project Design (APD).

The Project, initially to conclude by 30th June 1986, was extended upto 31st March 1990. It was continued thereafter as a non-Plan scheme.

3.26.2. Organisational set-up

While a Project Co-ordinator (PC) was responsible for the co-ordination of various activities envisaged in the Project, the Director of Social Welfare (DSW) and the Director of Public Health and Preventive Medicine (DPH & PM), under the administrative control of the Backward Classes Welfare, Nutritious Meal Programme and Social Welfare (BCNMP and SW) Department, were entrusted with the implementation of its nutritional component and health care component respectively. With a view to adhering to the time schedule for implementation of the Project, Government constituted in December 1980 an Empowered Committee (EC) under the Chairmanship of the Chief Secretary to Government, for financial and administrative control.

The Community	Nutrition	Instruc-
tresses (CNIs),	Taluk Project	Nutrition
Officers (TPNOs)	and District	Project

Nutrition Officers (DPNOs) were responsible for the implementation of the nutritional component at the block, taluk and district levels respectively. The health component was implemented through the Multi-purpose Health Workers (MPHWs) under the immediate supervision of Multi-purpose Health Supervisors (MPHSSs) and Health Visitors (HVs). The Medical officers and the District Health Officers were responsible for the component at the Primary Health Centre (PHC) level and district level respectively.

3.26.3. Audit coverage

A review of the implementation of the Project during the period from 1985-86 to 1989-90 was conducted between October 1989 and May 1990 in the offices of the PC, DSW, DPH & PM, DPNOs and District Communication Officers (DCOs) at Kancheepuram, Madurai and Vellore, 15 selected TPNOs, District Health Officers (DHOs) of Kancheepuram, Madurai, Saidapet and Vellore Health Unit Districts (HUDs) and 15 selected PHCs.

3.26.4. Highlights

- As against 9,946 Community Nutrition Centres proposed, only 9,000 were established. 922 hamlets in two districts could not be covered under the programme because of their inaccessibility and absence of conveyance facilities.

(paragraph 3.26.6.1)

- The expected 'graduation' (achievement of adequate growth path) by 80 per cent of the children provided with supplementary feeding was not achieved in any of the six districts during 1987-89 and the number of children graduating at the end of the 90 day feeding period ranged from 40 per cent to 73 per cent.

(paragraph 3.26.6.2(a))

- Continuous feeding of children beyond the prescribed period of 90 days was resorted to as a matter of course without analysing the reasons for non-graduation.

(paragraph 3.26.6.2(b))

- Infrastructural facilities created at a cost of Rs.8.16 lakhs for testing food samples were not utilised in the absence of staff and additional equipment.

(paragraph 3.26.6.2(c))

- While health cards were supplied to certain centres without taking into account their actual requirements, resulting in large accumulation of cards, such cards were not opened for 701 children in 30 centres due to non-availability of cards.

(paragraph 3.26.6.3(i) and 3.26.6.3(iv))

- The arrangements made for assessing the growth and development of children proved ineffective because of failure to maintain the basic data for the purpose.

(paragraph 3.26.6.3(v))

- There were shortfalls in visits to Community Nutrition Centres by the District Project Nutrition Officers, Taluk Project Nutrition Officers and Community Nutrition Instructresses due to their other preoccupations, vacancies in posts and non-availability of vehicles.

(paragraph 3.26.6.4)

- Of the 3.14 lakh children referred to the public health centres for medical treatment, only 1.45 lakh children (46 per cent) were treated by health workers. As against 1.29 lakh children continuously referred to the health workers for more than 6 months, only 0.19 lakh children (14.63 per cent) were sent for medical opinion of the medical officers.

(paragraph 3.26.7.1)

- The proposed ante-natal registration of 80 per cent of pregnant women was achieved only in 8 of the 14 Health Unit Districts, while 6107 ante-natal cases were registered only after the 28th week of pregnancy, thereby defeating the objectives sought to be achieved. Foetus, urine and

blood tests were not conducted in 30 per cent, 33 per cent, and 36 per cent respectively of the ante-natal cases registered in 50 health service centres due to non-availability of testing chemicals and vacancies in posts of health workers.

(paragraph 3.26.7.2)

- Due to poor coverage, the reduction of the prevalence of Vitamin A deficiency in children to 5 per cent by 1985 as envisaged in the programme was not achieved. Further, though the entire child population upto the age of five years in the Project area was proposed to be administered Vitamin A injection, actual coverage ranged between 42 per cent and 69 per cent during 1986-87 to 1988-89.

(paragraph 3.26.7.3)

- The objective of providing essential health care by close medical supervision to the needy and malnourished children was not achieved due to shortfalls in the prescribed number of visits to the Community Nutrition Centres by Health authorities.

(paragraph 3.26.7.4)

- Publicity materials costing Rs.2.74 lakhs, intended to propagate the theme of the Project, were not distributed. The impact of

the publicity measures on the targeted audience was not evaluated.

(paragraph 3.26.8)

- Effective follow-up action was not taken to investigate and remedy the deficiencies pointed out in the report on the evaluation of the programme.

(paragraph 3.26.9)

3.26.5. Project outlay and funding

In May 1981, Government sanctioned a project outlay of Rs.55.78 crores which was revised as Rs.105.94 crores in 1989-90, the component-wise details of which were as follows:

	Original	Revised
	(in crores of rupees)	
1. Nutrition		
Delivery		
Services	25.87	52.44
2. Rural Health		
Services	24.40	44.47
3. Evaluation	1.08	0.43
4. Communication	3.29	4.13
5. Project		
Co-ordination		
Office	1.14	4.47
	<u>55.78</u>	<u>105.94</u>

Expenditure totalling Rs.106.78 crores was incurred on the Project from 1980-81 to 1989-90 as against budget provisions totalling Rs.105.75 crores, year-wise details of which were as follows:

Year	Budget provision (in crores of rupees)	Expenditure
1980-81	2.13	1.17
1981-82	8.55	4.50
1982-83	8.83	6.09
1983-84	10.35	10.47
1984-85	18.35	15.60
1985-86	12.69	15.39
1986-87	13.50	13.87
1987-88	11.54	13.15
1988-89	12.33	13.85
1989-90	7.48	12.69
	<u>105.75</u>	<u>106.78</u>

Component-wise details are furnished in Appendix XII.

The expenditure on TINP was initially met from funds under the State Plan. The credit assistance was released by the IDA to Government of India (GOI), based on claims preferred every month by the PC. As against a credit assistance of Rs.38.44

crores due in terms of the pattern of assistance prescribed by IDA, assistance totalling Rs.28.14 crores was released by GOI upto 31st March 1990.

3.26.6. Nutrition Delivery Services

The nutrition delivery services were to be provided through Community Nutrition Workers (CNWs) at Community Nutrition Centres (CNCs) established for the purpose at the village level. The CNWs rendered such services as weighing of all children in the age group of 6-36 months, giving supplementary feeding to selected malnourished children and the eligible pregnant and nursing women and carrying out related health activities. Expenditure totalling Rs.54.32 crores was incurred on the provision of nutrition delivery services during the Project period.

3.26.6.1. Establishment of Community Nutrition Centres

According to the guidelines in the Approved Project Design, the CNCs were to be located in close proximity to the main concentration of malnourished children and within easy reach of the beneficiaries. As against 8,808 CNCs to be established in the six districts as envisaged in the APD, the DSW had proposed the establishment of 9,946 centres. The number of centres established were, however, only 9,000 during the project period. While the targets were generally achieved or even exceeded in four of these

districts², only 2,100 centres and 975 centres were established in two districts³ as against 2,450 centres and 1600 centres respectively proposed by the DSW. The DSW stated (May 1990) that 307 and 615 hamlets in North Arcot and Chengalpattu Districts respectively could not be covered under the programme because of their inaccessibility and absence of conveyance facilities.

Further, though 1,966 CNCs were established in Madurai District as envisaged, the necessary water supply was not provided in as many as 924 centres.

3.26.6.2. Supplemental feeding

(a) Children in the age group of 6 to 36 months were enrolled for supplementary feeding to prevent those who were under-nourished from becoming severely so and to rehabilitate those who were severely malnourished. The supplement was to be given initially for 90 days, and 80 per cent of the children were expected to gain, by then, a weight of 500 grams and return to an adequate growth path called 'graduation'. Those who did not graduate at the end of the 90-day period were to be referred to the nearest PHC

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2. Madurai, Pudukkottai, Ramanthapuram and Tirunelveli
 3. North Arcot and Chengalpattu

for treatment of any health disorder and continued to be fed up to a maximum period of five additional months on the recommendations of the health staff.

The monthly key indicators on graduation, prepared by the PC for three years (1987 to 1989), based on the monthly reports of District Communication Officers of the 6 Districts, disclosed that the expected graduation level of 80 per cent was not achieved in any month during the period. In Madurai (composite) District, out of 2.52 lakh children provided with food supplement, only 1.71 lakhs (68 per cent) graduated at the end of the 90th day, 0.44 lakh (17 per cent) at the end of the fourth and fifth months, 0.07 lakh (3 per cent) between the fifth and sixth months, and 0.28 lakh (11 per cent) after six months, while 2,150 children left the scheme without graduating on attaining the maximum age of 36 months. In the other five Districts, the number of children graduating at the end of the 90-day period ranged from 40 to 73 per cent.

(b) Though the eligible children could be provided supplementary feeding for a maximum period of 8 months, they were continued to be fed in many centres for as long as 33 months as a matter of course. An evaluation of the programme conducted by the Director of Evaluation and Applied Research (DEAR) in 1986-87 disclosed that automatic feeding beyond 90 days was resorted to notwithstanding the fact that the non-graduation of the children was attributable

to nutritional deficiency. The Department did not, however, analyse the reasons for non-graduation and take remedial action even in subsequent years.

(c) Procurement and testing of food supplement

The APD contemplated purchase of the food supplement from Gandhigram Institute of Rural Health and Family Welfare Trust (GIRHFWT), Madurai, and Tamil Nadu Agro Industries Corporation (TAI) at negotiated prices during the first three years and from the open market through competitive bidding thereafter. However, from the second year onwards, the food supplement was purchased from Karnataka State Agro Corn Products Limited (KSACPL) at a negotiated price on the ground that GIRHFWT was not in a position to meet the entire requirements of the Project and TAI did not have facilities to produce the supplement. The supplement was also purchased from eleven co-operative societies during 1988-89 and 1989-90. No attempt was, however, made to ascertain the availability of food supplement in the open market and to arrange for its procurement through competitive bidding, though about 25,000 tonnes of food supplement were purchased during the period from May 1982 to December 1989 at a total cost of Rs.17.66 crores.

The food supplement was to contain 14 grams of protein in every 100 grams, besides adequate vitamins and minerals. The

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quality and nutritional contents of the supplement were, however, not ensured upto March 1988. Government decided in April 1988 that one sample from each consignment supplied should be got tested once a month regularly. In the absence of necessary testing facilities in the State, of the 102 consignments of food supplement supplied by KSACPL between May 1988 and September 1989, samples from 47 consignments alone were got tested outside the State. None of 121 consignments supplied by the eleven co-operative societies during 1988-89 and 1989-90 was got tested.

To facilitate testing of samples, the APD envisaged the expansion of the Food Micro-biological Laboratory at the Central Nutrition Bureau by the construction of an additional building with air-conditioning facilities at a cost of Rs.6 lakhs. The works were completed in December 1985 at a cost of Rs.8.16 lakhs. Purchase of additional equipment and creation of additional posts, proposals in respect of which were sent in April 1984, not having been sanctioned, the laboratory was yet to start functioning (February 1990).

3.26.6.3. Monitoring of growth and development

The female MPHW attached to each sub-centre was required to maintain a health card, supplied by the DSW, for each child in her area indicating therein the weight of the child at birth and the weight in each

subsequent month, particulars of immunisation and deworming done, etc. and transfer these cards, at the end of the fifth month, to the CNCs to which the children were attached, which were to maintain these cards up to 36 months. Copies of the cards in polythene covers were also to be given to the mothers of the children.

Test-check of the distribution and utilisation of the health cards and polythene covers disclosed the following:

(i) Supplies of blank cards and covers by the DSW were not based on the actual requirements of the centres, resulting in large accumulation of cards and covers with CNCs and CNWs as indicated below:

District	Number received	Number unuti- lised	Value of unutilised cards (in lakhs of rupees)
(in lakhs)			
A. <u>Health cards</u>			
Madurai	9.83	2.03	1.66
B. <u>Polythene covers</u>			
Chengalpattu	3.63	0.55	0.18
Madurai	8.70	1.99	0.63

Further, 4.13 lakh covers (value: Rs.1.34 lakhs) received by DPNOs, Chengalpattu and Vellore, between August and December 1985, were not at all distributed by them. The physical availability of stock was also not verified and certified.

(ii) The DPNO, Vellore, had also not accounted for 1.12 lakh health cards (value: Rs.0.39 lakh) supplied by the DSW.

(iii) In two Districts⁴, health cards in respect of only 1,07,246 of the 2,00,488 six month old children (53.49 per cent) enrolled in the CNCs were handed over to CNWs. It could not be ascertained from the records whether the remaining 93,242 children were actually under the care of health workers and whether their growth and development were monitored by them during the first five months.

(iv) Health cards had not been opened for 701 children in 30 centres in North Arcot District during 1988-89 to 1989-90, reportedly due to non-availability of cards.

(v) The weight of the children at birth was not recorded in the cards by the MPHWS of 225 CNCs in 2,907 cases, while their weights in the subsequent months were not recorded in 3,556 cases,

4. Chengalpattu and Madurai

thereby defeating the objective of compilation of data for assessing the growth and development of children.

3.26.6.4. Inspection and supervision

In order to ensure effective supervision of implementation of the programme, the DPNOs and TPNOs were required to visit 50 CNCs and 40 CNCs respectively every month, while the CNI was required to visit each centre once in 3 months and the Community Nutrition Supervisor (CNS) twice a month. Scrutiny by Audit of such records as were made available, however, revealed significant shortfalls in adherence to these instructions. Certain instances are mentioned below:

- While the shortfall in the visits undertaken by DPNO, Madurai, during the period from 1986-87 to 1989-90 ranged between 35 per cent and 67 per cent, this ranged between 44 per cent and 73 per cent in the case of DPNO, Chengalpattu, during 1988-89 and 1989-90.

- The shortfall in visits by 15 TPNOs in these two districts ranged from 8 to 68 per cent during the period from 1986-87 to 1989-90.

- Of the 379 CNCs test-checked by Audit, 180 centres were not at all visited by the DPNOs and 7 centres by the TPNOs at any time during the period 1985-86 to 1989-90.

- While the shortfall in visits by CNIs in Madurai District ranged from 9 to 36 per cent during the period 1985-86 to 1989-90, the number of centres which were not visited four times annually during this period by the CNIs ranged from 62 to 97.

The non-adherence to the instructions in this regard was attributed by the departmental officers to other preoccupations of the DPNOs, vacancies in the posts of TPNOs and CNCs and non-availability of vehicles.

3.26.7. Rural Health Services

The objectives of the Rural Health Services (RHS) component of the programme were to reduce the mortality and morbidity attributable to protein-calorie-malnutrition (PCM), to reduce the incidence of diseases associated with specific nutrient deficiencies, to rehabilitate cases of mild and moderate PCM and to improve the nutritional status of pregnant and nursing women. These objectives were to be achieved, inter alia, through health delivery programmes at PHCs and sub-centres, training of the MPHWS, MPHSS and HVs, improved co-ordination between the health and nutrition personnel, etc. An expenditure of Rs. 22.37 crores was incurred on this component from 1980-81 to 1989-90.

3.26.7.1. Referral services

As indicated earlier in para 3.26.6.2(a), the malnourished children provided with food supplement were expected to graduate at the end of a 90 day period and those who did not graduate were to be referred to the health authorities for the detection of any health disorder and treatment. According to a referral system prescribed in 1982, the CNWs were to prepare a referral slip in duplicate for each such child, and send a copy of the slip to the MPHWS to whom the child was referred. The MPHWS was to acknowledge the receipt of such slips, examine the referred children, provide necessary treatment and make entries in both the copies of the referral slips regarding diagnosis and medicines administered. Children with severe health problems and requiring medical check up were to be referred by the MPHWS to the Medical Officer (MO) of the PHC for examination and treatment.

Evaluations conducted by DEAR between April and July 1984 and during April 1986 and January 1987 disclosed that the referral system did not work effectively; there was lack of co-ordination between the CNWs and MPHWS; only a small percentage of children requiring referral assistance were examined by the MPHWS and the medical check up carried out by them appeared to be only of a casual and cursory nature; and the number of cases which received the attention of MOS was negligible.

Test-check of records in three districts⁵ disclosed that the functioning of the referral system had not improved even thereafter, as indicated below:

(i) Of 3,13,796 children referred by CNWs for treatment during the period from 1987-88 to 1989-90, the MPHWS acknowledged the referral slips in respect of 2,53,140 children (80.67 per cent) only and 1,44,914 children (46 per cent) alone were treated by the health workers.

(ii) Though 1,29,251 children had been continuously referred to the MPHWS for more than 6 months, only 18,907 children (14.63 per cent) were sent for medical opinion of the MOs.

(iii) Information in regard to the diagnosis and treatment given were not entered by the MPHWS in 2,581 slips in 11 blocks.

The referral system was reviewed in a meeting convened by the Chief Secretary in August 1989, and the poor performance of the system was attributed to structural problems in the Health Department arising out of recruitment policies, dual controls, transfer of personnel on request, vacancies and inadequate training.

3.26.7.2. Mother and Child Health Care

The programme aimed at the promotion of health care of mothers and children by providing ante-natal, natal and post-natal services to mothers and immunisation to mothers and children. Eighty per cent coverage of administration of tetanus-toxoid (TT) to pregnant women and 90 per cent coverage of immunisation with DPT and oral polio vaccines for children over a period of 5 years were targeted for achievement. However, the targeted coverage was not achieved at the end of the fifth year in 10, 10 and 9 of the 14 HUDs in respect of administration of TT, DPT, and Polio vaccines respectively.

Ante-natal registration of pregnant women was proposed to be increased to 80 per cent. Their registration was to be done in the 12th or 13th week of pregnancy so as to identify early symptoms, complications and high risk factors to facilitate normal delivery of healthy babies. At the end of 1988-89, the coverage of 80 per cent was achieved only in 8 of the 14 HUDs. It was also seen that, of 36,263 ante-natal cases registered during the period 1987 to 1989 in 110 HSCs, only 7,558 cases were registered during the 12th or 13th week of pregnancy and 6,107 cases were registered after the 28th week, the remaining cases being registered between 14th and 27th week. Belated registration defeated the objectives sought to be achieved.

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In 13,743 ante-natal cases registered in 50 HSCs during 1987 to 1989, for which information was furnished by the Department, foetus, urine and blood tests were not conducted in 4,152 cases (30 per cent), 4,523 cases (33 per cent) and 4,905 cases (36 per cent) respectively due to non-availability of testing chemicals, refusal by health assistants to perform clinical tests and vacancies in posts of health workers.

3.26.7.3. Administration of Vitamin A

To reduce the prevalence of Vitamin A deficiency in children upto the age of 5 years from 20.5 per cent in 1980 to 5 per cent by 1985, the programme contemplated the administration of 10 doses of Vitamin A injections to these children at intervals of 6 months. The prevalence of the deficiency, however, decreased to 10.6 per cent only in 1985, and the non-achievement of the target was attributed by DEAR to poor coverage especially of children in the age group of 37-60 months and slackening of the activity with the expansion of the Project area. Even subsequently during the period from 1986-87 to 1988-89, the coverage ranged between 42 and 69 per cent as against the targeted coverage of 100 per cent. In two HUDs⁶ the coverage of children, in fact, declined from 50.4 per cent and 67.4 per cent in 1985-86

to 33.9 per cent and 40.6 per cent in 1988-89 respectively.

3.26.7.4. Extension of medical care

The Medical Officers attached to PHCs were required to visit the CNCs functioning in their area to provide the necessary medical check up and treatment to the malnourished children who did not graduate within the prescribed period of 90 days. Government issued orders in February 1985 emphasising the necessity of periodical visits by MOs to the CNCs and examination of malnourished children. MOs were required to visit each centre at least twice a year.

Information collected from 366 CNCs covered by 38 PHCs in three Districts⁷ disclosed that many of the CNCs were not visited at all during the period from 1985-86 to 1989-90 or were visited only infrequently as indicated in the following table.

7. Chengalpattu, Madurai and North Arcot

<u>Frequency of visit</u>	<u>Number of CNCs</u>
Not visited at all	71
Not visited in four of the five years	86
Not visited in three of the five years	72
Not visited in two of the five years	74

The remarks of the MOs in most of the cases were only in general routine terms and did not specify the nature of examination and treatment given to the children referred to them. Further, the MOs had examined only 99 of the 1,091 children who had been provided supplemental food beyond a period of 9 months in 77 centres in North Arcot District and referred for medical opinion during the period from 1987-88 to 1989-90. Such shortfalls and deficiencies were not reviewed by the Project Co-ordinator or the DPH & PM to facilitate appropriate corrective measures.

Similarly, the female MPHWS attached to the HSCs were required to visit each CNC in their area once a week and administer initial health care to the children besides treating the referral cases. Information collected from 336 CNCs in 38 Blocks disclosed that many of the CNCs were not visited at all during the period from

1985-86 to 1989-90 or were visited only infrequently as indicated in the following table.

<u>Frequency of visit</u>	<u>Number of CNCs</u>
Not visited at all	2
Not visited in four of the five years	7
Not visited in three of the five years	9
Not visited in two of the five years	16

The prescribed 52 visits per annum had been made only in 2 CNCs, that too only in one out of these five years.

Thus, the objective of providing essential health care by close medical supervision to the needy malnourished children was not achieved.

3.26.8. Communication

The communication component of the Project was designed to promote short and long term acceptance of the improved nutrition-linked practices, with the main objective of motivating the target population to change traditional family feeding patterns to provide better nutrition to the 6-36 month old children and expectant and nursing

mothers. An expenditure of Rs. 4.37 crores was incurred under this component during the Project period. Certain points noticed in audit are mentioned below:

(a) Publicity materials of a total value of Rs.2.74 lakhs, printed between September 1985 and August 1988 under the Mass Communication Programme to create awareness of the importance of public hygiene and nutritional requirements, remained in stock undistributed with the PC at the end of March 1990.

(b) The APD envisaged an in-built monitoring system to ascertain whether the package of programmes had reached the targeted audience and was understood by them. Three major studies, sanctioned by Government in May 1988 to ascertain the utilisation, effectiveness and impact of the communication materials, were not undertaken by the Department as the task was found to be too cumbersome and time-consuming. A later proposal, approved by Government in March 1989, to entrust the work to an outside agency was also not acted upon. Thus, it was not ensured, even at the end of the Project period, that various programmes undertaken under this component had the desired result.

(c) With the objective of creating necessary facilities for imparting continuous training in communication skills to the supervisory and field staff, Government proposed, in November 1986, the establishment of a communication centre at Madras at a

total cost of Rs.87.19 lakhs, which was approved by the World Bank in January 1987. Though the centre was to be established by January 1988, land for the centre was taken over from the Technical Education Department only then and the construction commenced in December 1988 after clearance of encroachments. The civil works were still in progress in October 1990 and an expenditure of Rs.65.73 lakhs was incurred till then.

3.26.9. Monitoring and Evaluation

The review of TINP activities (both NDS and RHS) was being done by the PC. Based on the monthly key indicators prepared by him, review remarks were sent to the respective component managers for further follow-up action. It was noticed that the monitoring of the programme was deficient in the following aspects:

(a) The shortfalls in visits to CNCs by the female MPHWS and MOs of PHCs were not monitored and brought to the notice of the DPH&PM for remedial action.

(b) According to the job chart prescribed for Statistical Inspectors working in various DCOs' offices, the records of CNCs and HSCs were to be checked to the extent prescribed. The records of none of the 877 HSCs functioning in North Arcot District were checked during 1984-85 to 1989-90.

(c) Data in regard to the performance of HUDs not covered by TINP but

involved in similar activities under other schemes under various other health activities were not collected and compared by the PC to facilitate an assessment of the impact of the scheme in the TINP districts.

(d) No system had been devised to ensure that action was taken in respect of all referral cases.

(e) Government ordered in October 1980 that the Project Co-ordinator should convene a meeting of officers of various departments connected with the programme once in a fortnight and review the progress of its implementation and that the Secretary to Government, BCNMP and SW Department, should review the progress every month in accordance with the terms of agreement with the World Bank. It was noticed that the number of meetings convened by the PC and the Secretary were only 45 and 24 respectively during the period from April 1981 to March 1990. No meeting was convened by the Secretary after March 1987.

While approving the report of the evaluation conducted by DEAR between April 1986 and January 1987, which had drawn attention to a number of deficiencies, Government requested (February 1989) the PC to investigate the reasons therefor and to suggest ways and means to improve the programme. Remarks called for by the PC in June 1989 from the DSW and DPH & PM were still awaited (July 1990).

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3.26.10. These points were referred to Government in January 1991; their reply had not been received (May 1991).

GENERAL

3.27. Misappropriation, losses, etc.

Cases of misappropriation of Government money reported to Audit to end of March 1990 and on which final action was pending at the end of June 1990 were as follows:

	Number of cases	Amount (in lakhs of rupees)
Cases reported to end of March 1989 and outstanding at the end of June 1989	493	95.27
Cases reported during April 1989 to March 1990	60	4.48
	-----	-----
	553	99.75
Cases cleared during July 1989 to June 1990	57	3.17
Cases outstanding at the end of June 1990	-----	-----
	496	96.58
	-----	-----

Department-wise and year-wise analyses of the pending cases are given in Appendix XIII. These cases were awaiting

departmental action, criminal prosecution, recovery, etc.

In addition, 690 cases (Rs.118.55 lakhs) of shortages and theft, loss of stores, damages to vehicles, properties, etc., reported to Audit upto March 1990 by Departments other than Public Works and Stationery and Highways and Rural Works Departments, and 387 cases (Rs.146.22 lakhs) reported by or noticed during audit of Public Works and Stationery and Highways and Rural Works Departments during 1989-90, were pending finalisation as on 30th June 1990. Department-wise and year-wise analyses of these cases are given in Appendix XIV.

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

Rupees 10.54 lakhs, representing mainly losses due to theft, fire, irrecoverable advances, etc. were written off/waived during 1989-90 by competent authorities. The details are given in Appendix XV.

CHAPTER IV

WORKS EXPENDITURE

PUBLIC WORKS DEPARTMENT

4.1. Anaimaduvu Reservoir Project

Government sanctioned in April 1982 the Anaimaduvu Reservoir Project at an estimated cost of Rs.554 lakhs, which was revised to Rs.829 lakhs in June 1986. The cost estimates were again revised by the Department to Rs.1185.52 lakhs and sent to Government in March 1988 for approval, which was yet to be accorded (December 1990). The expenditure incurred on the project upto September 1990 was Rs.1099.42 lakhs.

The project, which commenced in June 1982 and was to be completed by June 1986, was yet to be commissioned (December 1990) because of the non-completion of the distributary and field channels of the left main canal. Certain points noticed in the course of review by Audit of the implementation of the project are mentioned below:

(i) Time and cost over-runs

The time over-run in excess of four years was attributed by the Department to inadequate staff, delays in finalising the design of certain components, etc. This had an inevitable impact on the project cost, which increased from Rs.554 lakhs to

Rs.1185.52 lakhs (114 per cent). The increase of Rs.631.52 lakhs in the project cost represented the combined effect of escalation (Rs.349.18 lakhs), the increase in the cost of land (Rs.75.50 lakhs), certain changes in the design of the project during implementation (Rs.37.73 lakhs), changes in scope and additions (Rs.116.04 lakhs) and increase in establishment expenditure (Rs.53.07 lakhs). That changes in scope and additions should have accounted for a cost increase of 20.95 per cent would indicate that the original estimates were not prepared with due care. In this milieu, the realisation of the social benefits envisaged from the implementation of the project had already been postponed by over four years.

**(ii) Avoidable expenditure due
 to excess removal of top soil**

The work of removing the top soil, excavation of cut-off and key trenches and filling up the cut-off trench with impervious soil in Reach II from LS 270 M to LS 310 M of the reservoir bund was entrusted to a contractor during 1982-83. According to the estimate, the top soil was to be removed up to depths varying from 0.83 metre to 1.2 metres only, involving a total quantity of 7,800 cu.m. The contractor, however, removed the top soil up to depths varying from 1.17 metres to 2.31 metres, resulting in excess removal of top soil to the extent of 6,913 cu.m. and the refilling of such excavated portions with earth brought from elsewhere. This involved an excess expenditure totalling

Rs.1.24 lakhs (removal of top soil: Rs.0.35 lakh; refilling of excavated portions: Rs.0.89 lakh).

Government stated (February 1991) that while the depths upto which the top soil was to be removed were estimated initially on the basis of trial pits located over longer distances, the top soil had, however, to be removed during execution upto depths where good and homogeneous soil was available. No records were, however, made available to substantiate this position. In fact, the Superintending Engineer himself had returned unapproved the revised estimate submitted by the Division in the absence of adequate justification for the excess removal of top soil.

(iii) Irregularities in excavation of right main canal

The excavation of the right main canal from LS 9090 M to LS 9270 M was split up into three reaches, and were entrusted to three contractors in January 1985 at a total cost of Rs.2.61 lakhs. On their suspending further excavations after executing work valued at Rs.1.41 lakhs, the contracts were terminated between November 1988 and February 1989. Even prior to the formal termination of the contracts, the incomplete work in one of the reaches was entrusted to another contractor in September 1986, who also abandoned the work (value of the work executed: Rs.0.33 lakh), necessitating the termination of this contract also. Though

tenders for the execution of the balance work were invited repeatedly from March 1989, these notices either did not evoke the desired response or resulted in receipt of offers beyond the delegated powers of acceptance by the departmental officers. The Executive Engineer, therefore, proposed in January 1990 that the work be treated on par with excavation for foundations of buildings and the estimate revised by adopting twice the rate prescribed in the schedule of rates. This proposal was not approved by the Superintending Engineer who suggested instead the preparation of fresh estimates based on the cut-and-cover design. The Executive Engineer accordingly changed the design of the canal and sanctioned three fresh estimates for Rs.5.58 lakhs, in July 1990. Consequently, an expenditure of Rs.1.84 lakhs incurred earlier on the excavation of the canal according to the original design proved to be largely infructuous.

Further, while revising the estimates based on the cut-and-cover design, the Executive Engineer adopted twice the rate prescribed in the schedule of rates, notwithstanding the fact that the Superintending Engineer had earlier rejected such a proposal. Consequently, the estimated cost of the work was inflated to the extent of Rs.1.04 lakhs, and three contracts were awarded by the Executive Engineer at 4.16 per cent, 4.76 per cent and 4.70 per cent above the estimate. Had the correct rate for the work prescribed in the schedule of rates been adopted, the rates quoted in the relevant

tenders would have worked out to 19.08 per cent, 39.62 per cent and 32.20 per cent above the estimate respectively, and the tenders could not have been accepted by the Executive Engineer in terms of his delegated powers.

Besides, while assessing the work to be done in terms of the revised design in July 1990, the Department had also noticed that payments totalling Rs.1.02 lakhs had been made in excess to the earlier contractors in respect of 2,205 cu.m. of earthwork not actually done by them. The overpayment had not, however, been recovered (December 1990).

Government stated (May 1991) that the exact overpayment would be assessed by taking levels afresh and recovered from the officials responsible for the overpayments.

(iv) Payment of higher wages to departmental labourers

The Schedule of Rates based on which estimates for different works are prepared provides for the payment of wages to labourers engaged on nominal muster rolls (NMRs) in works executed in Reserve Forest areas at the prescribed rates enhanced by 20 per cent to compensate them for the difficult living conditions in such areas. Having regard to the fact that the reservoir was being constructed in a Reserve Forest, the Department paid wages to its NMR labourers at the Scheduled Rates enhanced by 20 per cent. In December 1983, the Department, however,

decided to discontinue the payment of such additional wages at the reservoir site on the ground that the living conditions in the area had improved, and there was, therefore, no justification for the continuance of this concession. The estimates for various works at the site were accordingly prepared after 1983 without taking into account the incidence of additional wages. Contrary to the decision of December 1983, the Department, however, continued to pay the additional wages of 20 per cent to the NMR labourers even after 1983. The extra expenditure on this account for the period from January 1988 to January 1990 alone amounted to Rs.2.67 lakhs.

Government stated (February 1991) that since these labourers were employed in a Reserve Forest area they had to be paid the additional wages as provided in the Schedule of Rates. This was, however, contrary to the decision taken by the Department itself in December 1983 to discontinue the concession and was, therefore, not justified.

4.2. Abortive Observatory

Government approved (May 1971) the proposal of the Chief Engineer, Parambikulam Aliyar Project to install a seismological observatory at the Sholayar dam site at a cost of Rs.2.22 lakhs. The observatory with two units was established in June 1978 at a cost of Rs.2.73 lakhs. Both the units failed by July 1979. No trained personnel were posted to man the observatory. The Senior

Research Officer, Central Water and Power Research Station, Pune, inspected the installations in October 1985. He indicated the action to be taken for repairing them and the spare parts to be procured. He had also suggested changes to be made in the observatory building to make the equipment functional. He also suggested that the Science Assistant, who was then in charge of the observatory, might be deputed to the Research Station in Pune, to understand the day-to-day working of the seismological observatory.

The Department did not, however, procure the spare parts; nor had it rectified the defects in the equipment. The Science Assistant had left the job in October 1985 and the post remained vacant thereafter. Thus, the observatory, established at a cost of Rs.2.73 lakhs in June 1978, had remained idle for more than 12 years as of November 1990. However, the Department continued to incur expenditure on the salary of staff which amounted to Rs.1.10 lakhs upto March 1990.

The matter was reported to Government in August 1990; their reply had not been received (May 1991).

4.3. Unutilised equipment

In order to increase the facilities for storage of vaccines, Government sanctioned in August 1985 the installation of cold storage units with stand-by generators

at the Food Analysis Laboratory at Tirunelveli and Public Health Laboratory at Coimbatore at a cost of Rs.8.34 lakhs. The Public Works Department (Buildings Wing), which undertook the work, procured one 18.5 KVA generator in March 1986 and one 18 KVA generator in October 1986, at a total cost of Rs.1.33 lakhs, for the Coimbatore and Tirunelveli laboratories respectively. The Director of Public Health and Preventive Medicine, Madras, intimated the Public Works Department in October 1986 to provide deep freezer units to store a certain type of polio vaccine at a temperature of $(-)15^{\circ}\text{C}$ to $(-)25^{\circ}\text{C}$ instead of cold storage units, since UNICEF had in the meantime supplied walk-in-cooler to serve as cold storage for other vaccines. Accordingly, the Public Works Department took up installation of deep freezers with 30 KVA stand-by generators. The work at Coimbatore laboratory had been completed with a 30 KVA stand-by generator, while the work at Tirunelveli laboratory was in progress (February 1991). Thus the two generators of 18 and 18.5 KVA capacity purchased earlier at a cost of Rs.1.33 lakhs became redundant and had remained idle ever since.

The matter was reported to Government in August 1990, followed up by a reminder in November 1990; their reply had not been received (May 1991).

4.4. Infructuous expenditure on instrumentation

With a view to monitor the health of Periyar Dam and study the behaviour of the dam structure by continuous surveillance, the Department proposed provision of instrumentation to the Periyar Dam at an estimated cost of Rs.6.10 lakhs. The work was entrusted to firm 'A' for Rs.3.34 lakhs, which was 41.35 per cent below estimate.

The firm supplied 62 instruments at a cost of Rs.3.87 lakhs between April 1985 and June 1985, of which 60 were installed in the dam between April and June 1985. The remaining two instruments which were to be installed at the Soil Mechanics and Research Division, Madras, for model studies, had not been installed.

Readings were recorded from January 1986 to February 1987 even though defects were noticed in the read-out system from September 1986. The firm supplied a new read-out system in March 1987, which also became defective in May 1987. The research staff of Soil Mechanics and Research Division, who studied the behaviour of the instruments, reported in March 1989 that the probable causes of the failure of the instrumentation were (a) breakdown of meters installed in the dam, either by exceeding their range limit or by loss of installation resistance; and (b) entry of moisture into instruments.

The efforts of the Department to get the instruments replaced by the firm were not successful, in the absence of post-installation guarantee. As the instruments had been embedded in the dam concrete, their retrieval for repairs or replacement was not possible. Thus, the expenditure of Rs.3.87 lakhs on the installation of the instrument proved to be largely infructuous. Besides, the objective of monitoring the health of the dam was not achieved.

It was also noticed that a sum of Rs.0.88 lakh, which was to be withheld from the bill of the supplier till the completion of installation of all instruments, was released to the firm in February 1986, though two of the instruments were yet to be installed at the Soil Mechanics and Research Division, Madras, as of 1990.

The Department had also entrusted to the firm the instrumentation for second stage at a cost of Rs.0.55 lakh. The instruments, for which Rs.0.52 lakh was paid in December 1987, were yet to be installed (December 1990).

The Chief Engineer (Irrigation), to whom the matter was reported, stated that failure of the instruments embedded in the dam was a natural phenomenon, since the manufacture of sophisticated electronic instruments were not in a much advanced level in India. Had the Department tested the instruments before installation and provided the usual post-installation guarantee clause

in the contract, the infructuous expenditure could have been avoided.

The matter was reported to Government in August 1990; their reply had not been received (May 1991).

4.5. An incomplete bridge work

Government accorded administrative sanction for Rs.75 lakhs in September 1982 for the work "Construction of high level bridge at km.9/6 - km.8/0 of Poonamallee - Pattabiram road". Technical sanction to the work was accorded by the Chief Engineer (Highways and Rural Works), during 1982-83 for Rs.44 lakhs. The bridge was to provide better communication facilities and quick transportation of agricultural products to the people residing in Pattabiram and Poonamallee Panchayat Union areas.

The work was entrusted to a contractor in March 1984 at a cost of Rs.32.40 lakhs, for execution by September 1985. The contractor did not complete the work though extension of time was granted upto September 1988. His contract was terminated in August 1988 with forfeiture of security deposit of Rs.0.55 lakh. The balance work was to be executed through other agencies, at his risk and cost. For the work executed by him the contractor had been paid Rs.16.27 lakhs.

The contractor did not, however, return 52 tonnes of cement and 12 tonnes of

steel issued by the Department for the work. Their cost, working out to Rs.2.02 lakhs as per agreement conditions, was yet to be recovered from the contractor. Further, no action had been taken as of September 1990 to complete the work either through another contractor or departmentally. Thus, the further liability of the contractor had not been established. Besides, the work remained incomplete (December 1989), denying the much needed benefit to the public.

The matter was reported to Government in September 1990; their reply had not been received (May 1991).

4.6. Unfruitful expenditure

Government permitted, in May 1988, the formation of a pond under the Rural Landless Employment Guarantee Programme on land belonging to a private trust at Paraipatty village in the Quaid-De-Milleth District at a cost of Rs.13.95 lakhs. The work was to benefit 25 wells out of which 3 belonged to the trust and 22 were owned by marginal farmers. The Chief Engineer (Minor Irrigation) sanctioned the technical estimate in January 1989 for Rs.10.93 lakhs. The work was commenced in March 1989 but was stopped in May 1989, as a section of the public objected to it on the ground that the work would mainly benefit a landlord who was one of the trustees of the trust and suggested another location. An alternative site was considered by the Department, but as one of the land owners was not willing to part with

his land, the work was not resumed. In the meantime, some persons affected by the stoppage of work at the first site obtained (August 1989) an injunction from Madras High Court against diversion of the materials collected and funds allotted for the work for any other purpose by the Department. When the matter was reported to them (September 1990), Government stated in November 1990 that further action would be taken on getting the interim injunction vacated. Thus, an expenditure of Rs.5.95 lakhs (Rs.0.74 lakh on wages and foodgrains and Rs.5.21 lakhs on materials) incurred on the work remained unfruitful.

4.7. Incorrect stipulation in tender notice

In April 1982 Government ordered that security deposits from contractors for execution of works, supply of materials, supply of finished goods, etc., should be obtained only in the shape of small savings scrips/deposits/accounts. On the other hand, rules permit earnest money deposit to be furnished in the form of demand draft, Post Office Savings Bank Account, etc. In the notice inviting tenders for the work of "Construction of 50-bedded ESI hospital and Mortuary Block" at Sivakasi, however, the Department specified that earnest money deposit should be remitted in small savings scrips/deposits/accounts. Of the two tenders received, the lower tender, which was below the estimate by 1.59 per cent, was rejected on the ground that the earnest money deposit

was tendered partly in the form of demand draft and partly in the form of Post Office Savings Bank Account, and the work was awarded to the other tenderer whose tender was above the estimated cost by 2.13 per cent.

The incorrect interpretation of the Government orders and erroneous stipulation in the notice inviting tenders by the Department had led to the rejection of the lowest tender and consequent extra expenditure of Rs.1.48 lakhs.

The matter was reported to Government in September 1990; their reply had not been received (May 1991).

4.8. Shortage of materials

The Assistant Engineer, Udumalpet Section of the Integrated Urban Development Project Division of the Public Works Department, who was to hand over charge of Tirupur Section (of which he was holding additional charge) in April 1982, failed to do so immediately, as required under the rules. After he handed over charge in February 1983, it was noticed by his successor and the Sub-Divisional officer, Pollachi, that there was a shortage of materials worth Rs.0.88 lakh. He was also found to have misappropriated materials worth Rs.0.90 lakh in Udumalpet Section by falsifying the accounts.

The Department worked out the total value of the materials found short/misappropriated as Rs.1.78 lakhs, and proposed to recover from the Assistant Engineer Rs.1.96 lakhs including 10 per cent towards centage charges. A charge sheet issued to him by the Divisional Officer in December 1986 was not replied to by the Assistant Engineer. Thereupon, the Divisional Officer remitted the case (November 1988) to higher authorities for necessary orders. When the delay in passing final orders on the disciplinary proceedings, initiated 7 years after the shortage/ misappropriation was noticed, was pointed out by Audit, Government stated in January 1991 that the Assistant Engineer had been held responsible for the loss and orders had been passed for the recovery of the amount from him. However, the fact remains that the Department took unduly long time to finalise the case and propose the recovery.

4.9. Extra expenditure due to delay in land acquisition

To provide better transport facilities for the people in Ambasamudram, Pappakudi and nearby villages, Government sanctioned in October 1980 the construction of bridges across Gatana river at Km.5/10, and across Vowal Odai at Km.8/8 of Ambasamudram - Pappakudi road at a cost of Rs.45 lakhs. Technical sanction for Rs.49.50 lakhs was accorded by the Chief Engineer (Highways and Rural Works) in March 1981. A contract in respect of the bridge across

Gatana was awarded to a contractor in February 1982 for Rs.32.19 lakhs. The work was to be completed by July 1983. After the bridge portion of the work was completed in May 1987, the contract was foreclosed in July 1987 at the request of the contractor, on account of the delay in acquiring the lands for the approach roads. The work of formation of approach roads to the bridge was entrusted to another contractor in February 1988 and completed in May 1989, after obtaining the consent of the land owners.

In this connection the following points were noticed:

(i) Though the detailed estimate was sanctioned in March 1981, the land plans were got ready and sent to the Revenue Department only in September 1982. The land was yet to be acquired (May 1990) even after 9 years. The approach roads were formed by May 1989 after obtaining the consent of the land owners to enter the land in June 1986 and March 1987 pending completion of acquisition proceedings. The Department could not obtain their consent earlier since they were not willing to part with the lands. The emergency provisions of the Land Acquisition Act were, however, not invoked to acquire the lands in time. Consequently, there was delay in handing over the site to the first contractor whose contract had to be foreclosed after the bridge portion of the work was completed. The approach roads were formed under another

contract at higher rates involving additional expenditure of Rs.1.17 lakhs.

(ii) The delay in completing the land acquisition proceedings would involve payment of higher compensation and interest.

(iii) Failure to acquire the land for the approach roads in time had also resulted in the bridge remaining unutilised for about 2 years.

The matter was reported to Government in January 1991; Government generally accepted the facts.

4.10. Infructuous expenditure on abortive flood bank

In order to save the area from floods, the Chief Engineer (Irrigation) proposed to the Government in March 1985 the construction of a flood bank along the left bank of river Vellar (South Arcot District) in two reaches below Sethiathope Anicut, at an estimated cost of Rs.108.75 lakhs. The estimate was prepared based on the schedule of rates for 1984-85. Government sanctioned in March 1987 the execution of the flood bank in Reach I alone at a cost of Rs.54.75 lakhs. The work was to be completed in two years. Government also sanctioned in August 1987 two Sub-Divisions under Chidambaram Division for executing the work. The Sub-Divisions were formed in October 1987.

The Department revised the estimate for Reach I to Rs.100 lakhs with reference to 1987-88 Schedule of Rates and current land cost, and forwarded it to Government in November 1987. The increase in cost was attributed to escalation in prices of labour and materials (Rs.17 lakhs) and cost of land (Rs.28 lakhs). There was no change in the design or quantities of various items of work. Government, however, did not approve the revised estimate, but decided in May 1989 to defer the work due to financial constraints. The work was not taken up and the Sub-Divisions were wound up in May 1989.

A total expenditure of Rs.8.65 lakhs was incurred between October 1987 and May 1989 - Rs.7.78 lakhs on the two Sub-Divisions, Rs.0.51 lakh on advertisement and Rs.0.36 lakh towards preliminary expenses. The Department stated (September 1990) that upto February 1988 the services of the staff of the two Sub-Divisions were utilised for the revision of the estimate of the work adopting the Schedule of Rates for 1987-88, preparing the detailed estimates for lumpsum provisions in the estimate, preparation of land plans and schedules for the lands proposed to be acquired, etc. Thereafter, they were deployed on the investigation and preparation of estimates of certain other schemes.

Since the work was not taken up for execution, an expenditure of Rs.2.82 lakhs incurred on it (establishment charges of the

two Sub-Divisions: Rs.1.95 lakhs; advertisement charges: Rs.0.51 lakh; preliminary expenses: Rs.0.36 lakh) proved to be infructuous. Besides, the expenditure of Rs.5.83 lakhs incurred on the two Sub-Divisions from March 1988 to May 1989 when they were utilised on other works was charged by the Department to this work, which was irregular.

The matter was reported to Government in September 1990; their reply had not been received (May 1991).

ANIMAL HUSBANDRY AND FISHERIES DEPARTMENT

4.11. Avoidable expenditure on construction of Fish Seed Farm

Government sanctioned in March 1985 the establishment of a Fish Seed Farm at Bhavanisagar at a cost of Rs.95 lakhs. The scheme envisaged the construction of earthen ponds to facilitate free exchange of nutrients between the water and the soil, leading to good fish productivity. However, due to non-availability of suitable site with clay content of atleast 20 to 25 per cent in low-lying areas having perennial water supply, construction was taken up with revetments on the sides and bottom. A total of 178 ponds (139 nursery; 35 rearing and 4 breeder ponds) were constructed during November 1986 to June 1987, at a cost of Rs.100.16 lakhs.

When water retention tests were conducted during July-September 1987 in 26 ponds, seepage of water was noticed and water was not retained beyond 24 hours. At the request of the Government, the Highways Research Station, Madras, carried out tests in September 1987 on the samples of materials pertaining to the works, which revealed that they fell short of the required specifications. Further, technical opinion offered by the Chief Engineer (Investigation) of Public Works Department in December 1988 indicated that 15 cm thick R.R.masonry could not be considered to be watertight, and impervious soil should be used for forming a bund to ensure watertightness. The 26 ponds were strengthened at a cost of Rs.1.81 lakhs during 1988-89. The Department had proposed to strengthen the remaining ponds also, at a cost of Rs.23 lakhs (October 1990). Thus, the failure of the Department to pay adequate attention to the technical aspects and also to ensure execution of the work according to the specifications resulted in defective construction of the ponds. A substantial part of the expenditure on strengthening them (Rs.1.81 lakhs already incurred and Rs.23 lakhs proposed) would have been avoided if the estimate had been prepared having regard to actual technical requirements.

When the matter was reported to Government (January 1990), Government stated that the estimates for the main work was prepared economically, considering the availability of administrative sanction, and

that departmental action had been proposed against the officials for execution of work which fell short of required specifications. Government's reply indicated that apart from substandard work being executed, the estimate itself was prepared not upto technical requirement.

CHAPTER V

STORES AND STOCK

ANIMAL HUSBANDRY AND FISHERIES AND EDUCATION DEPARTMENTS

5.1. Non-receipt of consolidated Stores and Stock Accounts

Government issued instructions in October 1963/August 1967 that a consolidated Stores and Stock Accounts for all consumable articles and such of the non-consumable articles which are purchased centrally for distribution to subordinate offices should be prepared annually by the Heads of Departments and rendered to Audit before 30th June (revised as 31st May from the year 1981-82) of the following year. However, as on 31st May 1989, none of the offices handling stores over Rs.5 lakhs a year had sent the accounts for 1988-89, in the departments covered by this paragraph.

A test-check of the Stores and Stock Accounts of the offices under the control of Directorates of Fisheries, Animal Husbandry and Technical Education revealed the following:

(a) Physical verification of stores

Under the Financial Rules, physical verification of all stores has to be carried out periodically, at least once a year, by the Head of Office or by an officer nominated

by him for the purpose, and the discrepancies noticed during such verification have to be regularised by adjustment/recovery of cost from the persons held responsible. It was noticed in audit that stock verification had not been conducted in 20 workshops under the control of the Directorate of Technical Education in 1986-87 and 1987-88. There was similar omission in the office of the Assistant Director of Fisheries, Pazhayar, after 31st March 1982, in respect of major categories of stores such as machinery and equipment, spare parts, nylon thread and permanent stores.

(b) Equipment/stores kept idle

Following items of equipment/stores were kept idle as indicated against each:

Particulars of
idle stock

(1)

Remarks

(2)

(i) Directorate of Fisheries

7 Offices	132.268 kg. nylon yarn (cost: Rs.0.12 lakh)	Not issued for period ranging from 6 to 10 years.
4 Offices	4 boats (cost of 3 boats: Rs.16.84 lakhs, the fourth boat was obtained free of cost)	Idle period ranging from 2 to 5 years
Singaravelar Fishing Harbour, Pazhayar	1 base workshop and machineries (cost: Rs.2.67 lakhs)	Idle since November 1986. Government order in July 1987 that the workshop be leased out. But, the workshop had not been leased out.

(1)

(2)

(ii) Directorate of Animal Husbandry

9 Offices	37 refrigerators (cost: Not available)	Idle period ranging from 2 to 10 years. The Department stated in December 1990 that (i) three Refrigerators had since been disposed of in public auction and proceeds remitted to Government, (ii) 22 Refri- gerators were under various stages of condemnation and disposal by public auction, (iii) 6 Refrigerators are under various stages of being repaired and (iv) 6 Refri- gerators had since been repaired and put to use.
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(1)

(2)

(iii) Directorate of Technical Education

Tamil Nadu Polytechnic, Madurai	Equipment* (cost: Rs.0.85 lakh)	Idle period ranging from 12 to 27 years.
Government Polytechnic for Women, Coimbatore	Equipment* cost: Rs.0.37 lakh)	Idle period ranging from 5 to 6 years.
	Readymade garments produced by student trainees (cost: Rs.0.33 lakh)	Stock unsold by 5 instructors.
Government Polytechnic, Tharamani, Madras	Beteax video colour cassette recorder (cost: Rs.0.69 lakh)	Not working for the past six years.
	15 video cassettes (cost: Rs.0.13 lakh)	Not working for the past six years.
	TV Receiver Sony Make (cost: Rs.0.52 lakh)	Not working for the past six years.

The matter was reported to Government in December 1990; their reply had not been received (May 1991).

* air compressor, machines for bending, rolling, cutting, folding and shearing, fly press, etc.

INDUSTRIES DEPARTMENT**5.2. Stores and stock accounts**

The construction branch of the Industries Department comprises one Circle at Madras and two Divisions at Madras and Salem. The two Divisions were empowered by Government to procure and maintain stocks of construction materials upto a total value of Rs.22.50 lakhs (Madras: Rs.20 lakhs; Salem: Rs.2.50 lakhs) for use on works.

Test-check in audit of the stock accounts during June 1990 and August 1990 revealed the following:

(a) Procurement/stocking of materials in excess of requirements/ceilings

(i) As against the prescribed maximum stock limit of Rs.20 lakhs, the value of the stocks held by the Madras Division from April to June 1990 ranged from Rs.27.27 lakhs to Rs.29.38 lakhs. Similarly, the value of the materials held in stock by the Salem Division between December 1989 and April 1990 ranged from Rs.7.51 lakhs to Rs.9.29 lakhs, as against the prescribed ceiling of Rs.2.50 lakhs. Further, whereas the stock accounts of this Division indicated a closing balance of Rs.8.16 lakhs at the end of March 1990, the value of materials actually held in stock totalled only Rs.5.05 lakhs, and the discrepancy had not been reconciled (June 1990). The cost of galvanised iron pipes of a total value of

Rs.8.18 lakhs purchased for stock by the Division in February 1990 was also debited to 5 works to avoid the ceiling of Rs.2.50 lakhs being exceeded further.

The stocking of materials in excess of the prescribed monetary ceilings was irregular and resulted in avoidable locking up of Government funds.

While the Divisional Officer, Salem, stated (June 1990) that Government would be approached for ratification of the stocking of materials in excess of the ceiling, the Divisional Officer, Madras, stated (August 1990) that purchases in excess of the ceiling were made to meet future requirements and to avoid cost escalation and that a proposal to increase the reserve stock limit from Rs.20 lakhs to Rs.40 lakhs was under the consideration of the Department.

(ii) In February 1990, the Superintending Engineer permitted the Executive Engineer, Salem Division, to purchase 110 tonnes, equivalent to 16,610 running metres, of 65 mm GI pipes and 6.5 tonnes of 80 mm GI pipes, equivalent to 929.50 running metres, through the Director General of Supplies and Disposals (Government of India), for the construction of godowns for the Starch and Sago Manufacturers Service Industrial Co-operative Society, Salem. The Executive Engineer, however, placed supply orders for 82,258 running metres of 65 mm pipes and 3,770 running metres of 80 mm pipes based on a conversion table made available by

the supplier instead of relying on the authorised conversion table. Supplies of 82,253.91 running metres (544.73 tonnes) of 65 mm pipes and 3,770 running metres (26.36 tonnes) of 80 mm pipes, totally costing Rs.99.41 lakhs, were received between February 1990 and June 1990 resulting in purchase of 68,484.41 metres of pipes (cost: Rs.79.13 lakhs) in excess of requirements.

Further, pipes weighing 2,392 quintals were transported to Salem by road because one of the suppliers offered transportation by road at a cost not exceeding the railway freight charges applicable. Transport charges were, however, paid at Rs.134.58 per quintal on the basis of the claim submitted by the supplier without verifying the applicable railway freight charges, which were only Rs.128.17 per quintal. This resulted in an excess payment of Rs.0.15 lakh.

The Department had also incurred demurrage charges amounting to Rs.0.63 lakh due to delay in clearing consignments of pipes from Salem Railway Station.

The Department stated (July 1990) that the pipes procured in excess of requirements were proposed to be transferred to the Public Works Department, State Housing Board, etc.

(iii) Between February and March 1990, the Superintending Engineer permitted the Madras Division to purchase

16,670 metres of pipes of various sizes, of which 10,670 metres were intended for Vyasarpadi (Madras) works. The Division purchased 12,314.56 metres of pipes (cost : Rs.24.67 lakhs) during March-April 1990. In view, however, of the fact that the Vyasarpadi works actually required only 1,500 metres of pipes, the Division returned 4,310 metres of pipes to the suppliers in July 1990. The remaining quantity of 6,504.56 metres of pipes were, however, not utilised, resulting in locking up of Government funds to the extent of Rs.13.35 lakhs. The cost of the pipes returned to the suppliers amounting to Rs.7.48 lakhs had also not been recovered (August 1990).

The Divisional Officer stated (August 1990) that the purchases were made to meet the requirements of the on-going as well as future works. There was, however, no evidence in the records of the Division to indicate that these purchases were, in fact, resorted to only after a proper assessment of requirements.

(b) Surplus Stores

Surplus materials valued at Rs.2.53 lakhs (Madras Division: Rs.1.72 lakhs; Salem Division: Rs.0.81 lakh) were held in stock unutilised by the two Divisions for periods ranging from 3 to 15 years. The materials held by the Salem Division had also been declared surplus to requirements between December 1975 and February 1976. No action

had been taken for their disposal to the best advantage of Government (March 1990).

(c) Accounting irregularities

(i) The Salem Division did not account for 86,023.91 metres of GI pipes purchased between February and June 1990 at a cost of Rs.99.41 lakhs as and when these were received from the suppliers; the accounting was done only after the omission was pointed out by Audit in July 1990. Failure to account for the materials in the accounts of the month of their receipt was highly irregular and contrary to rules.

(ii) Credit balances of Rs.40.63 lakhs and Rs.14.75 lakhs representing amounts due to suppliers in respect of materials purchased for stock were outstanding under the suspense head "Stock-purchases" at the end of June 1990 in Madras and Salem Divisions respectively. In the absence of the necessary details, it was not clear whether these balances represented liabilities yet to be discharged by the Divisions or whether these were attributable to misclassifications. On this being pointed out, the Executive Engineer, Madras Division, stated (August 1990) that action to clear the suspense balance would be taken after tracing out the relevant old records.

(iii) Rules require the storage rate to be fixed annually with reference to the actual expenditure incurred on storage during the previous year to enable recovery

of the cost of maintaining the stores. Any deficit at the end of the year is required to be finally adjusted in the accounts as loss on stock. While the storage rate itself had not been fixed by the Salem Division for many years to facilitate such adjustments, the adjustments had not been carried out for a number of years by the Madras Division. Consequently, the cost of maintaining the stores was not passed on to the works fully.

Issue rates of materials had also not been fixed in Salem Division, as prescribed in the Rules, to ensure that the cost of materials issued to works was approximately equal to the cost of their acquisition.

Priced Stores Ledgers showing the quantity and value of each item in stock had not been maintained in both the Divisions. Consequently, the difference between the actual cost of the materials and the cost recovered by their issue to works remained unadjusted for many years.

Thus, the accounts of the works did not reflect the true position.

These points were reported to Government in November 1990; their reply had not been received (May 1991).

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1. General

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

According to provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, receipts and expenditure of bodies and authorities substantially financed by grants and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General. Section 15 of the Act prescribes that where any grant or loan is given for any specific purpose from the Consolidated Fund, the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authority satisfied itself as to the fulfilment of the conditions subject to which such grants and loans are given. Under Section 19(3) of the Act, audit of the accounts of Tamil Nadu Water Supply and Drainage Board has been

entrusted by the Governor to the Comptroller and Auditor General. Important points noticed during audit under Sections 14, 15 and 19(3) are given in the succeeding paragraphs.

**6.2. Bodies and Authorities
substantially financed by
Government grants and loans**

A body/authority is deemed to have been substantially financed by grants and loans from the Consolidated Fund, if the aggregate of grants and loans to it in a financial year was not less than Rs.25 lakhs (Rs.5 lakhs prior to 1983-84) and also not less than 75 per cent of the total expenditure of that body/authority. The table given below indicates the number of bodies/authorities which had received from Government grants and loans of not less than Rs.5 lakhs/Rs.25 lakhs and from which accounts had not been received (March 1990) to determine the applicability of Section 14(1).

Year	Number of bodies/ authorities which received grants/ loans of not less than Rs.5 lakhs/ Rs.25 lakhs in a year (latest figures adopted)	Number of bodies/ authorities from which accounts are due
1980-81	818	-
1981-82	909	-
1982-83	987	12
1983-84	987	20
1984-85	987	118
1985-86	987	174
1986-87	994	213
1987-88	994	504
1988-89	993	900

The matter regarding non-receipt of annual accounts was reported to concerned departments of Government between January 1990 to March 1990.

6.3. Financial assistance

In 1989-90 Rs.814.82 crores were paid as assistance (grant : Rs.698.70 crores; loan : Rs.116.12 crores) by Government to the various Bodies and Institutions (other than Government Companies and Tamil Nadu Electricity Board), the broad category-wise details of which are given below:

Serial number	Category of Bodies/ Institutions	Amount of assistance paid		
		Grant	Loan	Total
(in crores of rupees)				
1	Statutory Boards/ Authorities	77.75	31.24	108.99
2	Municipal Corporations/ Municipalities	50.59	34.36	84.95
3	Other Local Bodies	177.93	10.02	187.95
4	Co-operative Institutions	74.13	37.70	111.83
5	Private Educational Institutions	260.71	..	260.71
6	Other Institutions/ Individuals	57.59	2.80	60.39
	TOTAL	698.70	116.12	814.82

6.4. Utilisation Certificates

Under the Financial Rules, in all cases in which conditions are attached to

grants, utilisation certificates that the grants have been utilised for the purpose for which they were paid are required to be furnished by the departmental officers to the Accountant General within a reasonable time.

At the end of June 1990, 4157 certificates for Rs.8509.63 lakhs were awaited for grants paid upto 30th September 1988. Department-wise and year-wise details of certificates outstanding as on 30th June 1990 are given in Appendix XVI.

RURAL DEVELOPMENT DEPARTMENT

6.5. Assistance to Panchayat Unions

There were 385 Panchayat Unions in the State as on 31st March 1990. Of these, 61 Panchayat Unions attracted audit during 1989-90 under Sections 14(1) and 14(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as amended in 1984. Important points noticed in the course of audit of the accounts of these Panchayat Unions as well as 29 other Panchayat Unions which attracted audit during earlier years are mentioned in the succeeding paragraphs.

6.5.1.1. Non-remittance of quarry receipts

Under the Tamil Nadu Minor Mineral Concession Rules, 1959, proceeds from the issue of permits and sale of lease rights for quarrying ordinary sand, ordinary clay, building stone and gravel from Government

lands, realised initially by the Revenue Department and credited to Government account, are to be transferred at the end of each year to the Panchayat Unions in whose jurisdiction the lands are situated.

Lease rent totalling Rs.3.02 lakhs for the Faslis 1385 to 1399 (July 1975 to June 1990), realised in respect of quarries falling within the jurisdiction of four Panchayat Unions¹ and credited to Government account, were not transferred to the concerned Unions. Further, receipts due to five Panchayat Unions² were neither intimated by the Revenue Department nor ascertained by the Unions for the Faslis 1387 to 1399 (July 1977 to June 1990).

6.5.1.2. Non-realisation of revenues

(a) Lease rent in respect of ferries totalling Rs.1.71 lakhs relating to periods from 1965-66 to 1986-87 were yet to be realised in two Panchayat Unions³, even after the lapse of 3 to 24 years.

(b) Under the Tamil Nadu Panchayat Act 1958, Panchayat Unions are empowered to

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1. Bodinaickanur, Ponnamaravathy, Ulundurpet and Vanur
 2. Palladam, Ramakrishnarajupet, Thogamalai, Uthukuli and Vanur
 3. Krishnarayapuram and Thirumanur

collect rent from stalls located in public markets. The rental dues are to be collected in time, at any rate before the expiry of the lease period. Rent and lease charges of such stalls aggregating Rs.2.78 lakhs and pertaining to the period from 1966-67 to 1988-89 had not been realised in nine Panchayat Unions⁴ even after the expiry of the lease periods.

In three Panchayat Unions⁵, rents of buildings, shops, etc., let out to Government Offices and private parties, totalling Rs.1.00 lakh relating to the period from 1981-82 to 1989-90, remained uncollected.

6.5.1.3 Non-disbursement/non-adjustment of advance payments

Under the Tamil Nadu Panchayat Act, 1958, each Panchayat Union Council is empowered to levy a Local Cess (LC) at the rate of 45 paise on every rupee of land revenue payable to Government in respect of any land and a Local Cess Surcharge (LCS) at such rate as may be considered suitable but not exceeding 250 paise per rupee of land revenue for every Fasli (1st July to 30th June). The LC and LCS due to each Panchayat

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| 4. | Alanganallur, Dindigul, Idapaddi, Karambakudi,
Konganapuram, Krishnarayapuram, K.Paramathy,
Nallampalli and Taramangalam |
| 5. | Kelamangalam, Musiri and Needamangalm |

Union, initially collected by the Revenue Department along with the land revenue, are disbursed to the Panchayat Unions along with a Local Cess Surcharge Matching Grant (LCSMG) from Government. Payments on account of LC and LCS are made by each Collectorate to the Panchayat Unions under its jurisdiction as advances every month and on account of LCSMG every quarter, subject to final adjustments based on actual collections at the beginning of Fasli year following.

Scrutiny of the records relating to these payments revealed that advance payments of matching grants totalling Rs.60.95 lakhs made to four Panchayat Unions⁶ for Faslis 1393 to 1397 (July 1983 to June 1988) remained unadjusted (June 1990) and that six Panchayat Unions⁷ had not been paid the collections of LC and LCS, along with the matching grants, aggregating to Rs.154.57 lakhs for Faslis 1384 to 1398 (July 1974 to June 1989).

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6. Chennimalai, Thirumarugal, Uppiliapuram and Vasudevanallur
 7. Arantangi, Gandarvakottai, Konganapuram, Kadayampatti, K.Paramathy and Needamangalam

6.5.2. GRANTS AND SUBSIDIES

6.5.2.1. Unspent grants

(a) Seventeen Panchayat Unions⁸ did not utilise grants totalling Rs.20.65 lakhs out of a total grant of Rs.40.48 lakhs sanctioned during 1983-84 to 1988-89 for local irrigation, local roads, drought relief, rural water supply, minor irrigation, public latrines, water supply, etc. The unutilised grants were retained by the Unions instead of being refunded to Government.

(b) According to the guidelines in respect of the National Rural Employment Programme (NREP), carry-over of funds was permissible only to the extent of 25 per cent of the total allocation for the year and any excess was to be refunded to Government or adjusted against future grants. In Uppiliapuram Panchayat Union, funds totalling Rs.12.30 lakhs, constituting 44 per cent of the total allocation of Rs.27.76 lakhs under NREP for the year 1987-88, were carried over to subsequent years and remained unutilised.

(c) In Pudur Panchayat Union, unutilised grant of Rs.1.60 lakhs, received

8. Dindigul, Harur, Kadayampatti, Karambakudi,
Kurunthancode, Kamuthi, Kadamalaigundu, Kilvelur,
K.Paramathy, Puzhal, Thandrampet,
Thiruvaidaimarudhur, Thirumarugal, Thoppampatti,
Ulundurpet, Uthukuli and Vasudevanallur

for the self sufficiency scheme in 1980-81, was not refunded to Government even till March 1991.

6.5.2.2. Irregular drawal of grants

In eight Panchayat Unions⁹, Rs.8.50 lakhs were drawn as grants under NREP during the period from 1984-85 to 1988-89 for works not covered under the programme, such as repairs to school buildings, sinking of borewells, construction of community centres, etc.

6.5.2.3. Excess drawal of grants

(a) Government grants for works such as construction of school buildings, maintenance of maternity and child welfare centres, roads, rural water supply works, etc. are admissible to the extent of 40 to 75 per cent of the actual expenditure depending on the nature of the work and subject to the cost ceiling fixed by Government.

In four Panchayat Unions¹⁰, grants aggregating to Rs.1.80 lakhs were released during 1983-84 to 1987-88 in excess of the

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| 9. | Gummidipoondi,
Needamangalam,
Uppiliapuram and Vellore | Keerapalayam,
Thogaimalai, | Manikandam,
Thuringapuram, |
| 10. | Kamuthi, Kurunthancode, Pollachi (South) and Vellore | | |

admissible amounts. The excess amounts were yet to be refunded by the Panchayat Unions.

(b) Under Section 131 of the Tamil Nadu Panchayats Act, 1958, Government pays local road grants to all Panchayat Unions for the maintenance of roads.

As against the local road grants totalling Rs.16.92 lakhs, admissible to six Panchayat Unions¹¹ during the period from 1983-84 to 1988-89, Rs.20.35 lakhs were actually released. The Panchayat Unions were yet to refund the excess grants totalling Rs.3.43 lakhs.

6.5.2.4. Unutilised subsidy

The entire advance subsidy of Rs.0.25 lakh released in 1985-86 to the Ramakrishnarajupet Panchayat Union in connection with the Milch Animal Scheme under the Integrated Rural Development Programme and an amount of Rs.0.47 lakh out of the advance subsidy of Rs.0.60 lakh paid to the Puzhal Panchayat Union during 1986-87 and 1987-88 for construction of bio-gas plants remained unutilised. The unutilised amounts were not refunded to Government but were retained in savings bank accounts with nationalised banks, outside Government accounts.

11. Aruppukottai, Erumapatti, Musiri, Nangavalli, Palacode and Ponnamaravathy

6.5.3. LOANS AND ADVANCES**6.5.3.1. Non-repayment of loans and ways and means advances**

Rupees 98.58 lakhs were due from seven Panchayat Unions¹² towards overdue instalments of loans and ways and means advances (principal: Rs.57.80 lakhs; interest: Rs.12.77 lakhs; and interest on overdue instalments: Rs.28.01 lakhs) granted to them by Government during 1981-82, 1982-83 and 1986-87 for meeting expenditure on works under the self sufficiency scheme and for payment of arrears of electricity charges.

6.5.3.2. Non-adjustment of advances

Rupees 332.74 lakhs advanced by fifty nine Panchayat Unions (vide details in Appendix XVII) to Panchayat Presidents, Departmental Officers and suppliers during the period from 1961-62 to 1988-89 for various works (Rs.275.18 lakhs) and purchase of materials (Rs.57.56 lakhs) were pending adjustment.

12. Alangulam, Kadamalaigundu, Kundadam, Parangipettai, Sethubavachatram, Thandrapet and Watrap

6.5.4. Stores and Stock

6.5.4.1. Non-recovery of materials

In 27 Panchayat Unions¹³, steel and other materials of a total value of Rs.20.57 lakhs issued to contractors and officials for various works or transferred to other Panchayat Unions and Government departments on loan basis between 1979-80 and 1989-90 had not been recovered.

6.5.4.2. Stock shortages

In 14 Panchayat Unions¹⁴, shortages of materials valued at Rs.5.44 lakhs due to non-accountal of stock noticed between 1985-86 and 1989-90 were yet to be regularised. Departmental action had been initiated against the concerned officials for shortages

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| 13. | Aruppukottai, | Alangulam, | Avudaiyarkoil, |
| | Bodinaickanur, | Dharmapuri, | Gummidipoondi, |
| | Gandharvakottai, | Harur, | Konganapuram, |
| | Kumbakonam, | Kalakad, | Musiri, |
| | Manikandam, | Mecheri, | Needamangalam, |
| | Nallampalli, | Perambalur, | Palacode, |
| | Parangipettai, | Radhapuram, | Thirumurugal, |
| | Thurinjapuram, | Thandrampet, | Thirumanur, |
| | Ulundurpet | and Vellore | |
| 14. | Aranthangi, | Avudiyarkoil, | Dharmapuri, |
| | Kanai, | Kodavasal, | K.Paramathy, |
| | Krishnarayapuram, | Mecheri, | Perur, |
| | Sivakasi, | Thirumayam, | Vanur, |
| | Vasudevanallur | and Vellore | |

amounting to Rs.1.76 lakhs in the Kanai, Krishnarayapuram, Mecheri and Vellore Panchayat Unions.

6.5.4.3. Unutilised/idle materials

In six Panachayat Unions¹⁵, materials such as steel structures, PVC pipes, steel trusses, sewing machines, foot bridge, community solar cookers, etc., valued at Rs.2.40 lakhs were held unutilised, in stock due to non-commencement or delay in execution of the works for which they were intended or because of malfunctioning.

Similarly, condemned agricultural equipment and unserviceable stores valued at Rs.2.48 lakhs and 27,661 empty gunny bags had not been disposed of in 10 Panchayat Unions¹⁶ for periods ranging from one to ten years.

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15. Gandharvakottai, Krishnarayapuram, Mayiladuthurai, Parangipettai, Thiruvannamalai and Thiruvaidaimarudur
 16. Gangavalli, Kamuthi, Kangeyam, Keerapalayam, Kurunthancode, Mallasamudram, Musiri, Pollachi (South), Radhapuram and Vanur

6.5.4.4. Excess issue of cement to contractors

In three Panchayat Unions¹⁷, 10.4 tonnes of cement were issued in excess of actual requirement to contractors entrusted with four works. Contrary to the rules, the cost thereof was recovered only at the normal issue rate instead of double the issue rate, resulting in short recovery of Rs.0.20 lakh.

6.5.5. OTHER POINTS OF INTEREST

6.5.5.1. Sale of goods manufactured by village industries

In 22 Panchayat Unions¹⁸, Rs.46.66 lakhs, representing the value of articles manufactured by village industries and sold on credit to Government offices, Government companies, local bodies and others, were pending recovery for periods ranging from 1 to 26 years. The amounts outstanding on this account in Kalakad and Thiruvvarankulam

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17. Gandharvakottai, Mallasamudram and Nallampalli
 18. Alangulam, Ammapet, Arantangi, Avinashi, Anaicut,
Kalakad, Kalasapakkam, Kodavasal,
Krishnarayapuram, Kumbakonam, Melaneelithanallur,
Palacode, Parangipettai, Radhapuram,
Sethubavachatram, Taramangalam, Thirumanur,
Thiruvvarankulam, Thirumayam, Valangaiman, Uthukuli
and Vanur

Panchayat Unions alone were Rs.8.45 lakhs and Rs.7.09 lakhs respectively.

Further, finished goods valued at Rs.6.65 lakhs manufactured between 1964-65 and 1988-89 by village industries of 9 Panchayat Unions¹⁹ remained unsold for periods ranging from 1 to 26 years.

6.5.5.2. Delays in completion of works

In five Panchayat Unions²⁰, construction of a Production-cum-Training Centre, a school building, a ground level reservoir (GLR), a maternity centre and 29 Group Houses for Scheduled Castes and Scheduled Tribes, taken up between 1981-82 to 1988-89, remained incomplete as of March 1990, though these works were to be completed within a period of one to six months from their commencement. The delays were attributable to defaults by the contractors and disputes over the sites. Consequently, expenditure totalling Rs.3.89 lakhs incurred on these works had not benefited the community.

19. Alangulam, Ammapet, Kodavasal, Krishnarayapuram, Palacode, Taramangalam, Ulundurpettai, Vanur and Valangaiman

20. Erumapatti, Gandharvakottai, K.Paramathy, Thoppampatti and Valangaiman

6.5.5.3. Non-recovery of hire charges

Hire charges in respect of road rollers, oil engines, etc. amounting to Rs.1.56 lakhs were pending recovery in 9 Panchayat Unions²¹, for periods ranging from 1 to 9 years from various local bodies, Highways Divisions, panchayats, contractors, Government departments and others.

6.5.5.4. Non-payment of insurance premia

In 19 Panchayat Unions²², premia amounting to Rs.2.88 lakhs due under the Group Insurance Scheme for the period from April 1978 to March 1990 were not paid to Government.

6.5.5.5. Unoccupied quarters

Quarters constructed at a cost of Rs.0.50 lakh and Rs.0.24 lakh in June 1986 and August 1987 respectively in the

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21. Bodinayackanur, K.Paramathy, Mangalur,
Mayiladuthurai, Musiri, Needamangalam,
Thiruvudaimarudhur, Thoppampatti and Ulundurpet
22. Anaicut, Aranthangi, Avinashi, Bodinaickanur, Kanai,
Kadayampatti, Krishnarayapuram, Konganapuram,
Mecheri, Palacode, Parangipettai, Perur,
Thiruvudaimarudhur, Thogaimalai, Thiruvarankulam,
Thurinapuram, Thirumanur, Thoppampatti and
Uppiliapuram

Keerapalayam and Kodamalaigundu Mayiladumparai Panchayat unions remained unoccupied due to the reluctance of the teachers for whom these were constructed to occupy them.

6.5.5.6. Non-remittance of tax receipts

Income tax and sales tax amounting to Rs.0.96 lakh and 0.93 lakh respectively collected by 11 Panchayat Unions²³ during the period from 1975-76 to 1989-90 from contractors and others were not remitted to Government account.

The above points were reported to Government in March 1991; their reply had not been received (May 1991).

EDUCATION DEPARTMENT

6.6. Infertuous expenditure

The work of air-conditioning the Senate Hall in Bharathiyar University campus (Coimbatore), estimated to cost Rs.15 lakhs, was executed by the Executive Engineer, Technical Education Division, Coimbatore, as a deposit work. The work which included design, supply, erection, testing and commissioning of the plant was entrusted to a firm in January 1988 for Rs.10.36 lakhs, by

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23. Alangulam, Alanganallur, Bodinaickanur, Dindigul, K.Paramathy, Musiri, Nallampalli, Pudur, Radhapuram, Ramakrishnarajupet and Thiruvankulam

the Superintending Engineer, Technical Education Circle, Madras. But the Building Committee of the University at its meeting on 13th February 1988 decided against taking up the work, as central air-conditioning was not expected to be successful. The Executive Engineer communicated the decision of the Committee to the Superintending Engineer on 16th February 1988.

However, materials worth Rs.5.92 lakhs were brought to the site by the firm, between 19th February 1988 and June 1988, and part payments amounting to Rs.4.84 lakhs were made. The firm was informed in October 1988 that the work had been deferred. The firm suggested in February 1989 the closure of the contract, whereby either the materials would be retained by the Department and payment made in full or the firm would take back the materials and refund the amount of Rs.4.84 lakhs within 2 months subject to compensation for the losses. Accordingly, the Superintending Engineer closed the contract in March 1989, and asked the firm to take back the materials after refunding the amount already received by it. The firm claimed (May 1989) Rs.2.12 lakhs towards compensation for its losses. The firm had neither removed the materials nor refunded the amount of Rs.4.84 lakhs. No final decision on payment of compensation had been taken (August 1990).

Another contract was entered into by the Department on 26th February 1988 for the construction of AC Plant room which was completed at a cost of Rs.0.96 lakh. The

room was stated to be in use as store room for keeping the materials received in connection with the air-conditioning work.

Thus, the failure of the Department to cancel the contracts as soon as the Building Committee decided not to go in for central air-conditioning resulted in infructuous expenditure of Rs.5.92 lakhs on the purchase of materials and Rs.0.96 lakh for the construction of AC Plant room.

The matter was reported to Government in December 1990; their reply had not been received (May 1991).

HANDLOOMS, HANDICRAFTS, TEXTILES AND KHADI DEPARTMENT

6.7. Loans regulated by the Director of Handlooms and Textiles

A review of the loan accounts maintained in the Directorate of Handlooms and Textiles (DHT) disclosed the following:

(i) Prior to April 1973, the recovery of loans to Weavers' Co-operative Societies, financed from the Handloom Cess Fund, was watched by the Registrar of Co-operative Societies (RCS). Government ordered in May 1978 that the RCS would reconcile the figures upto 31st March 1973 and communicate the closing balance as on that date to the DHT for adoption as opening balance as on 1st April 1973. Accordingly, the RCS intimated in August 1979 the closing

balance as Rs.1,14,26,720 to the DHT for further pursuit of recovery of the loan. The balance so communicated was still (July 1990) to be accepted by the DHT, for want of year-wise, scheme-wise and loan-wise split-up details from the RCS. Recovery of loan of Rs.1.14 crores, disbursed between 1957-58 and 1972-73, was, thus, not watched either by the DHT or by the RCS for the past several years.

(ii) The DHT was sanctioning the following loans to the members of Weavers' Co-operative Societies

- towards Share capital assistance
- for purchase of appliances, accessories and furniture to Silk and Art Silk Weavers' Co-operative Societies
- for modernisation of looms to Primary Weavers' Co-operative Societies
- for purchase of looms and accessories and furniture and construction of workshop to Industrial Weavers' Co-operative Societies.

In respect of these loans, the Demand, Collection and Balance (DCB) statements were to be collected from the field offices and a consolidated report sent to Government. It was noticed in audit in June 1990 that the DHT had not submitted such DCB reports to Government. In the absence of the preparation of periodical DCB reports, the Directorate cannot ensure whether all the loans had been disbursed and recoveries of loan instalments had been properly accounted

for in the loan ledgers. It cannot also be ensured whether demands had been raised for recovery of loan and interest without omission. The Director stated (July 1990) that the reports were under preparation.

(iii) It was observed in audit that demands had not been raised by the Director of Handlooms and Textiles in the following cases for the amounts of loan, interest thereon and penal interest, if any, due. It was seen that, in these cases, proposals had been forwarded to Government for orders for conversion of the loan amount and interest thereon as share capital and that orders of Government were awaited (February 1991).

Name of the the loanee institution	Purpose	Date of payment and amount of loan (in lakhs of rupees)	Date on which Government was addressed for conversion of loan and interest into share capital
(1)	(2)	(3)	(4)
Tamil Nadu Textile Corporation	Ways and Means Advance for purchase of cotton	December 1981 60.00	January 1985, December 1989 and August 1990
Tamil Nadu Textiles Processing Mills Limited, Erode	(i) Loan for processing facilities for polyester blended fabrics	March 1979 18.60	September 1988 and February 1991

(1)	(2)	(3)	(4)
	(ii) Loan for setting up of five modern dye houses	February 1980 36.00	July 1985 and January 1991 (loan portion only)
Bharathi Co-operative Spinning Mills, Ettayapuram	(i) Ways and Means Advance	July 1982 75.00	Principal amount of Rs.75.00 lakhs converted as share capital in March 1984. Interest portion unpaid. Proposal sent in March 1991 for conversion into share capital from July 1982 was under consideration by Government.
	(ii) Loan	March 1985 13.00	Government had negatived (May 1987) the proposal for conversion of loan into equity. However, the Directorate has again addressed Government in March 1991 for reconsideration.

(iv) Substantial amounts of loans sanctioned to three Co-operative spinning mills were pending recovery as shown below.

Name of the mill	Purpose of the loan	Amount of loan (in lakhs of rupees) and date of drawal	Remarks
(1)	(2)	(3)	(4)
Trichy District Co-operative Spinning Mills	(i) Ways and Means Advance	10.00 December 1982	Principal of Rs.10 lakhs and interest of Rs.13.06 lakhs due to be paid by Mills.
	(ii) Ways and Means Advance	5.00 September	Principal amount not paid. Interest paid upto end of June 1986.
	- Payment of arrears of wages to workmen of textile mills	1985	Interest due as at end of February 1990 (Rs.3.80 lakhs) not remitted.
Madurai District Co-operative Spinning Mills	(i) Ways and Means Advance	15.00 May 1983	Principal and interest not paid yet as the Mill is under rehabilitation programme.

(1)	(2)	(3)	(4)
	(ii) Long term loan	2.50 April 1972	Overdue principal instalment of
		2.50 March 1973	Rs.1.50 lakhs and interest due from July 1982 not remitted.
Tiru- chendur Co-operative Spinning Mills	Ways and Means Advance	10.00 July 1976	Principal amount of Rs.22 lakhs converted as share capital in January 1982.
		12.00 June 1977	
			Interest amount of Rs.5 lakhs due as on 15th February 1991 remains unpaid.

The matter was reported to Government in December 1990; their reply had not been received (May 1991).

**MUNICIPAL ADMINISTRATION AND WATER SUPPLY
DEPARTMENT**

CORPORATION OF MADRAS

6.8. Unremitted Library cess

According to the provisions of Section 12(1)(a) of Tamil Nadu Public Libraries Act, 1948, library cess has to be collected at 5 per cent of property tax by the Corporation of Madras and remitted to the Local Library Authority (LLA). Government had ordered that 80 per cent of the Library Cess collected every month would be remitted to the LLA before 15th of the succeeding month and that the balance should be remitted before the end of the financial year. The Corporation of Madras had, however, not been remitting the cess regularly as required by the Government.

Based on the complaints from the Director of Public Libraries in August 1988, Government issued orders in December 1988 requiring the cess collected to be remitted immediately to the LLA under a separate head of account, instead of being credited initially to the General Fund of the local bodies and then being remitted to the LLA. But the Corporation continued the practice of crediting the collections to its General Fund and remitting them to the LLA as and when found convenient.

During 1989-90, against the collection of Rs.97.89 lakhs, the Corporation

had remitted Rs.27.22 lakhs only. The details of collection, remittance and retention of the Cess by the Corporation were as follows:

Year	Library Cess collection by Corporation	Payment made to LLA	Balance retained
(in lakhs of rupees)			
1980-81	43.37	..	43.37
1981-82	35.50	..	78.87
1982-83	43.35	44.91	77.31
1983-84	51.05	32.92	95.44
1984-85	49.15	55.46	89.13
1985-86	68.89	57.43	100.59
1986-87	79.54	67.31	112.82
1987-88	83.49	46.11	150.20
1988-89	83.32	149.15	84.37
1989-90	97.89	27.22	155.04
1990-91	16.37	21.11	150.30
(upto August 1990)			

The Corporation was yet (August 1990) to remit Rs.150.30 lakhs due to the LLA, hampering its activity in expanding the Library movement.

The matter was reported to Government in November 1990; their reply had not been received (May 1991).

6.9. Excess issue of Asphalt

Asphaltic concrete hotmix and sandmix required for laying and repairing of roads under the maintenance of the Corporation of Madras are prepared and supplied by its Central Asphalt Plant. The Schedule of Road Works Manual of the Corporation of Madras for the year 1982-83 provided that, for the preparation of one tonne of asphaltic concrete hotmix and sandmix, the requirement of asphalt was 60.48 kg. and 61.50 kg. respectively, including wastage.

During the year 1982-83, 23,115 tonnes of Asphaltic Concrete hotmix and 37.7 tonnes of sandmix were prepared by the Central Asphalt Plant, for which 1,676.85 tonnes of asphalt were issued. But the requirement based on the norms prescribed would have been 1,400.30 tonnes only. The excess issue of 276.55 tonnes of asphalt resulted in avoidable extra expenditure of Rs.7.19 lakhs.

The matter was reported to Government in August 1990; their reply had not been received (May 1991).

CORPORATION OF COIMBATORE**6.10. Extra expenditure on purchase of Sodium vapour lamps**

The Corporation of Coimbatore called for open tenders in May 1984 for the supply of 300 numbers of 250 watt Sodium Vapour lamps with fittings. Nine firms responded to the same. Seven of the offers, which did not conform to tender specifications, were rejected. The rate of Rs.2,762.50 per unit quoted by firm 'A', though higher than the offer of Rs.2,150.72 per unit of firm 'B', was accepted (August 1984) on the ground that the performance of the latter firm was not known to the Corporation. However, audit scrutiny revealed that the Corporation was in possession, while finalising the tender, of information obtained from a public sector undertaking about satisfactory performance of this firm. The rejection of the lower rate of firm 'B' was not judicious, as this offer had conformed to the technical requirements specified in the tender. The injudicious action had resulted in avoidable extra expenditure of Rs.1.88 lakhs to the Corporation in the purchase of 315 lamps.

Government stated (May 1991) that firm 'B' also used the lamps of firm 'A' in its fittings, vouchsafing for the quality of the lamps of firm 'A' and that, considering satisfactory performance of purchases effected from firm 'A' on three previous

occasions and the firm's after-sales-service, the action of the Corporation was correct.

Since the brand of lamps offered by both firms was the same, benefit of the lower offer of firm 'B' should have been availed of.

6.11. Non-refund of unspent grant

Under the Integrated Child Development Service Scheme, Government sanctioned to the City Municipal Corporation of Coimbatore a grant of Rs.95.90 lakhs in September 1982 for construction of 42 "lean to" sheds (with thatched roof as adjunct to compound walls of suitable buildings already existing) and 343 pucca sheds (with asbestos roofing in vacant spaces, where such buildings were not available) for implementation of the Chief Minister's Noon Meal Programme. The cost was worked out at Rs.0.16 lakh and Rs.0.26 lakh for each "lean to" shed and pucca shed respectively. As the programme was to be implemented from the middle of September 1982, Government waived the normal tender procedure for the construction works, and in August 1982 allowed the work to be executed through nominated contractors. Government sanctioned another grant of Rs.4 lakhs in January 1983 for provision of doors to the sheds, which were not originally contemplated, and a further grant of Rs.6.86 lakhs in May 1983 towards meeting additional expenditure towards the construction of the pucca sheds based on the technical estimate of Rs.0.28

lakh per shed. The construction of 318 new sheds and 31 "lean to" sheds were completed by December 1982 including the provision of doors, with a total expenditure of Rs.91.39 lakhs. The construction of 25 pucca sheds and 11 "lean to" sheds was not taken up as no sites were available. The unspent balance of Rs.15.37 lakhs was refunded to Government only in March 1990, after the under-utilisation of the grant was pointed out by Audit in May 1989.

While a sum of Rs.4.51 lakhs out of the original grant remained unspent, additional grants of Rs.4 lakhs and Rs.6.86 lakhs were released in January 1983 and May 1983 respectively. Had the utilisation of the original grant been monitored, the absence of need for additional grants would have been noted and the release of further grants held in abeyance. The Corporation had retained funds of Government (Rs.8.51 lakhs from January 1983 to May 1983 and Rs.15.37 lakhs from June 1983 to February 1990).

The Corporation stated in January 1990 that the balance grant of Rs.15.37 lakhs was retained only for the construction of remaining sheds, which could not be taken up for want of site.

While the work of construction of sheds, including provision of doors, had been completed in December 1982, funds had been released in January 1983 (Rs.4 lakhs) and May 1983 (Rs.6.86 lakhs). This indicates failure to closely monitor the utilisation of

grant and lacunae in the system of release of grant itself. This had resulted in unintended benefit to the Corporation in the form of interest-free assistance and loss of interest to Government to an extent of Rs.11.26 lakhs at the rate of 10.5 per cent per annum.

The matter was reported to Government in September 1990; their reply had not been received (May 1991).

TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD

6.12. Injudicious purchase of C.I.pipes

The Tamil Nadu Water Supply and Drainage Board sent a proposal to the Government in November 1987 to provide a restricted sewerage system in Udhagamandalam town at a cost of Rs.14.50 crores by revamping the existing sewerage system there, so as to prevent pollution of Udhagamandalam lake. The Board, taking into account the comparative merits and demerits of the pumping and gravity systems, recommended the pumping system. In January 1988, Government sanctioned Rs.5 crores for the first stage of Part I of the scheme under the Hill Area Development Programme (HADP), and a sum of Rs.50 lakhs was provided for execution of the scheme during 1987-88.

The Superintending Engineer, Coimbatore-Nilgiris Circle placed an indent on 3rd February 1988 with the Superintending Engineer, Central Purchase and Stores

Organisation (CPSO), for 600 mm cast iron (CI) pipes for the scheme. During the same month, the Udhagamandalam Municipality, supported by the District Collector and Project Officer, HADP, on 11th February 1988, expressed a preference for the gravity system. Pending decision in the matter, on 18th February 1988 the Superintending Engineer, CPSO, was alerted and asked to keep the indent for 600 mm CI pipes in abeyance. However, he placed a supply order for the pipes on 26th March 1988 with firm 'A' at an estimated cost of Rs.43.56 lakhs. The firm supplied the materials in May 1988 (value Rs.42 lakhs).

Government decided in June 1988 that the pollution to the lake could be arrested to a great extent and at much lesser cost by attending to the existing sewerage arrangements and called for revised proposals, keeping in abeyance their earlier sanction to the scheme. Accordingly, in November 1988 the Board submitted revised proposals estimated to cost Rs.5.70 crores and these proposals were approved by Government in October 1990.

Meanwhile, the CI pipes purchased at a cost of Rs.42 lakhs had simply become surplus. Going ahead with the procurement of the pipes when the original proposal was likely to be revised was injudicious and resulted in locking up of funds to the extent of Rs.42 lakhs.

The matter was reported to Government in August 1990; Government generally accepted the facts.

6.13. Idle outlay on a laboratory

The Tamil Nadu Water Supply and Drainage Board accorded sanction in July 1984 for setting up a Regional Research Laboratory at Coimbatore, for testing water samples and sewage samples and conducting research studies pertaining to water and waste water treatment. The building was constructed at a cost of Rs.4.63 lakhs by April 1987. Equipment and furniture were also purchased for Rs.0.22 lakh (Equipment: Rs.0.09 lakh, Furniture: Rs.0.13 lakh) during 1984-85. The full-fledged laboratory was, however, yet to be started as of May 1990. Though a Junior Water Analyst was appointed in February 1989, only fluoride test was being conducted from April 1990, but other physical and chemical tests on water samples to find out the potability of water as also the proposed tests on sewage samples were not conducted. The building was temporarily in occupation by European Economic Community Project Division of the Board. Thus, the object of setting up a Regional Research Laboratory had not been achieved fully even after a lapse of 3 years.

The matter was reported to Government in November 1990; their reply had not been received (May 1991).

**6.14. Avoidable expenditure on
 construction of service reservoir**

Contract for construction of a service reservoir under Thiruvennainallur Water Supply Scheme was awarded by the Superintending Engineer, South Arcot Circle, to a contractor in April 1984 for Rs.3.43 lakhs. The site was handed over in January 1985. However, the contractor could not commence the work since load test was not conducted in time by the Board to determine the safe bearing capacity of the soil. The tests conducted finally in November 1985 disclosed that the site was unsuitable. Consequently, the contract was cancelled in April 1986 at the request of the contractor. An alternative site was selected in December 1986, but there was no change in design or specification of the structure. Tender calls made during 1986 and 1987 evoked either no response or high rates leading to the rejection of the tenders. In response to the fifth call made in February 1988, a single tender was received and was accepted by the Department in January 1989 for Rs.4.43 lakhs. The work was completed in December 1989. Thus, the failure to conduct the load test before calling for tenders resulted in the change of site and cancellation of the agreement of the first contractor and consequent extra expenditure of Rs.1 lakh. Besides, the benefit of the scheme to the public was also delayed.

The matter was reported to Government in December 1990; Government generally accepted the facts.

6.15. Delay in commissioning of Water Supply Scheme

The Tamil Nadu Water Supply and Drainage Board accorded administrative sanction in August 1983 for a comprehensive water supply scheme to Manupatti and Jothipalayam and 26 other habitations in Udumalpet Panchayat Union (Coimbatore District), costing Rs.135.55 lakhs. The scheme envisaged supply of 1.84 million litres per day (mld) of drinking water. While certain components like pipelines and service reservoirs had been completed about 5 years ago at a cost of Rs.123 lakhs, the water treatment plant was yet to be taken up for execution (February 1990). Four tender calls between May 1984 and August 1989 did not result in the award of contract for the work. The Board stated in January 1991 that the design and estimate of the work had been revised and tenders called for with a view to executing the work according to the revised design.

Pending construction of the water treatment plant and commissioning of the scheme, the Board arranged a pilot water supply scheme (June 1990) incurring an expenditure of Rs.1.68 lakhs, by which 1.10 mld of water was reported to be supplied to the villages. Thus, due to delay in the construction of the treatment plant, full

benefit of the scheme had not been derived by the public as of December 1990.

The matter was reported to Government in December 1990; Government generally accepted the facts.

**6.16. Avoidable expenditure on purchase
 of AC pipes and specials**

The Tamil Nadu Water Supply and Drainage Board had settled rate contracts for one year in December 1984 with Tamil Nadu Cement Corporation (TANCEM) (a State Government Undertaking) and three other firms for the supply of AC pipes and specials. Before the expiry of the rate contract in December 1985, TANCEM offered in November 1985 to supply the items for a further period of one year at the same rates and on the same terms of the existing rate contract. The Board did not consider this offer but called for tenders in December 1985 for finalising fresh rate contracts, which led to TANCEM withdrawing the offer. However, on the strength of Government instructions issued in February 1985 which required all Government Departments, Public Undertakings, etc., to place orders for their requirement of AC pipes only on TANCEM without calling for tenders, the tenders received were rejected and rate contract was finalised with TANCEM (January 1986). In the process, the Board had to settle for higher rates for certain items and lower rates for certain others when compared to the rates of the earlier rate contract. Failure of the Board to avail of

the offer of TANCEM in November 1985, which would have been in consonance with Government instructions of February 1985, resulted in a net extra expenditure of Rs.10.50 lakhs in respect of 28 supply orders placed during January 1986 to September 1986.

The matter was reported to Government in January 1991; their reply had not been received (May 1991).

CHAPTER VII

COMMERCIAL ACTIVITIES

7.1. General

There were six departmentally managed commercial and quasi-commercial undertakings in the State as on 31st March 1990. The results of their working are compiled annually by preparing proforma accounts outside the general accounts of Government. The proforma accounts for 1989-90 are yet to be compiled (October 1990). Details of the undertakings whose proforma accounts are in arrears (October 1990) are given in Appendix XVIII.

The delay in finalising the accounts was brought to the notice of the concerned Department/Government in October 1990 and reply from the Government was awaited (October 1990).

The financial results of these undertakings for the year upto which accounts have been compiled and audited show that a loss of Rs.319.48 lakhs, after charging interest on capital, was incurred by them. (Vide details in Appendix XIX).

INSTITUTE OF VETERINARY AND PREVENTIVE MEDICINE

7.2. Pharmaceutical Division

The Animal Husbandry Department, which is responsible for providing treatment facilities to disease-stricken livestock through its veterinary dispensaries and sub-centres, was purchasing drugs and pharmaceuticals required for use in these institutions from private manufacturers. The market rates for these items were prohibitive and their availability scarce. With a view to producing quality veterinary drugs of common use like liniments, injectables, ointments, etc., at a cheaper cost, the Department submitted a proposal to Government in November 1979 for setting up a pharmaceutical Division in the Institute of Veterinary and Preventive Medicine, Ranipet, at an estimated cost of Rs.37.19 lakhs. The proposal envisaged creation of facilities like construction of buildings, purchase of equipment, etc., during 1980, so that regular production of drugs could commence from 1981. It was anticipated that implementation of the proposal would result in annual net savings of Rs.12.07 lakhs.

Government approved the proposal in October 1980 and sanctioned Rs.16.14 lakhs. Machinery comprising 24 items costing Rs.5.42 lakhs were procured by March 1981, but the building for housing the Division, constructed at a cost of Rs.7.04 lakhs, was occupied only in March 1986.

Meanwhile, pending completion of buildings and provision of facilities, production of ointments and liniments had been started in November 1979 in a small room in the Institute's main building. No targets were fixed as the production was on a smaller scale.

Upto September 1987, the Division produced 24,505 kg. of ointments and 158.3 litres of liniments valued Rs.7 lakhs. It could not undertake production of injectables in the absence of air-conditioning and cold storage facilities in the buildings. Certain requirements of the Drugs and Cosmetics Act, 1940, such as appointment of two Pharmacists for production and analysis, etc., were not also complied with and hence licence for production of drugs could not be obtained. The production of even the limited range of pharmaceutical items was discontinued from October 1987 for want of a licence. Thus, facilities created at a cost of Rs.12.46 lakhs had been lying totally idle since October 1987 (November 1990).

It was stated by the Department, in April 1990, that all machinery and equipment intended for the pharmaceutical Division could not be commissioned in the absence of adequate facilities and full complement of staff for which Government sanction was awaited.

**7.3. Loss of revenue due to delay in
revision of sale prices - Rs.12.93
lakhs**

The Manual of the Institute of Veterinary and Preventive Medicine provides that, while fixing the sale price of its products, the Institute has to take into consideration the rates fixed by the Indian Veterinary Research Institute (IVRI), Izatnagar, so as to have uniformity of prices. According to the guidelines issued by the Director of Animal Husbandry, the Institute is to send a proposal to the Director for revision of prices as and when prices are revised by IVRI, Izatnagar.

It was noticed in audit that, though IVRI carried out 4 price revisions during 1983, 1984, 1986 and 1987, corresponding revisions were delayed by two to seventeen months by the Institute of Veterinary and Preventive Medicine, due to delay in approval by the Director of Animal Husbandry resulting in a revenue loss of Rs.12.93 lakhs on vaccines sold during 1984-85 to 1988-89.

**7.4. Payment of penal charges due to
delay in installing power
capacitors**

As per the terms and conditions of power supply revised by the Tamil Nadu

Electricity Board in October 1984, every HT consumer has to maintain a minimum power factor* of 0.85 by installing suitable capacitors. The existing consumers had to do this by December 1984, (extended by another six months), failing which compensation charges by way of penalty would become payable.

The Institute has been drawing HT power supply for a sanctioned demand of 150 KVA since inception. Although the power factor recorded by its installation was less than 0.85, it did not install the capacitors by the stipulated time for improving the power factor to the required level. It was only in August 1987 that the Institute got an estimate (Rs.0.54 lakh) prepared for providing capacitors, which could also not be sanctioned due to want of funds. A revised estimate (Rs.0.86 lakh), prepared in March 1989, for installing capacitors was yet to be approved by the State Government (October 1990).

Meanwhile, the Institute had paid compensation charges of Rs.1.02 lakhs for the period May 1985 to December 1989, as the

* Ratio of KW to KVA recorded during a month.
KW-Kilowatt i.e. Power of 1000 watts;
KVA-Kilo Volt Amperes i.e. maximum demand recorded

power factor of its installation was below the required minimum of 0.85.

The above matters were reported to the Management/Government in October 1990; their replies had not been received (November 1990).

Madras,
The

(K. KRISHNAN)
Accountant General (Audit) I,
Tamil Nadu and Pondicherry

Countersigned

New Delhi,
The

(C.G. SOMIAH)
Comptroller and Auditor General
of India

APPENDIX I

(Reference : paragraph 2.2.2; page 30)

GRANTS/APPROPRIATIONS WHERE SUPPLEMENTARY
PROVISIONS OBTAINED IN MARCH 1990 PROVED UNNECESSARY

Serial Number	Number and title of Grant/Appropriation	Supplementary Grant/Appropriation (March 1990) (in lakhs of rupees)	Final saving
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Voted Grants

1.	3. Motor Vehicles Acts - Administration	17.13	66.77
2.	5. Stamps - Administration	6.56	9.05
3.	10. Milk Supply Schemes	72.65	85.51
4.	36. Irrigation	95.88	523.07

Charged Appropriations

1.	43. Miscellaneous	<u>48.05</u>	<u>49.12</u>
	Total	240.27	733.52

APPENDIX II

(Reference : paragraph 2.2.2; page 30)

**GRANTS WHERE SUPPLEMENTARY PROVISIONS
OBTAINED DURING 1989-90 PROVED INSUFFICIENT
BY MORE THAN Rs.50 LAKHS EACH**

Serial Number	Number and title of Grant	Total Supple- mentary Grant (in lakhs of rupees)	Final excess
1.	2. State Excise Department	25.24	125.24
2.	6. Registration	55.36	86.64
3.	8. Elections	883.48	103.28
4.	21. Fisheries	97.03	54.24
5.	31. Welfare of the Scheduled Tribes and Castes, etc.,	1595.82	191.68
6.	37. Public Works - Buildings	121.39	174.57
7.	38. Public Works - Establish- ment and Tools and Plant	510.28	57.22
8.	46. Compensation and Assignments	200.41	168.14
9.	53. Capital Outlay on Public Works - Buildings	978.88	163.91
	Total	4467.89	1124.92

APPENDIX III

(Reference: paragraph 2.2.3; page 30)

GRANTS/APPROPRIATIONS WHERE EXCESS
REQUIRES REGULARISATION

Serial Number	Number and title of Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess
(1)	(2)	(3) Rs.	(4) Rs.	(5) Rs.
	<u>Voted Grants</u>			
1.	2. State Excise Department	4,60,46,000	5,85,70,081	1,25,24,081
2.	6. Registration	11,08,10,000	11,94,74,402	86,64,402
3.	8. Elections	17,13,90,000	18,17,18,008	1,03,28,008
4.	14. Jails	16,51,84,000	16,54,07,277	2,23,277
5.	15. Police	184,15,31,000	184,20,84,506	5,53,506
6.	21. Fisheries	10,31,93,000	10,86,16,623	54,23,623
7.	29. Labour including Factories	34,25,88,000	34,53,29,814	27,41,814
8.	31. Welfare of the Scheduled Tribes and Castes, etc.	92,07,43,000	93,99,10,850	1,91,67,850
9.	37. Public Works - Buildings	4,44,60,000	6,19,17,083	1,74,57,083

APPENDIX III - concld.

(1)	(2)	(3)	(4)	(5)
10.	38. Public Works - Establishment and Tools and Plant	35,29,51,000	35,86,73,225	57,22,225
11.	46. Compensation and Assignments	42,53,15,000	44,21,29,371	1,68,14,371
12.	53. Capital Outlay on Public Works - Buildings	36,33,67,000	37,97,58,363	1,63,91,363
				<u>11,60,11,603</u>

Charged Appropriations

1.	7. State Legislature	<u>3,56,000</u>	<u>3,77,466</u>	<u>21,466</u>
2.	42. Pensions and Other Retirement Benefits	<u>4,20,00,000</u>	<u>4,31,81,105</u>	<u>11,81,105</u>
3.	46. Compensation and Assignments	<u>22,53,000</u>	<u>22,74,144</u>	<u>21,144</u>
4.	53. Capital Outlay on Public Works - Buildings	<u>4,01,000</u>	<u>42,18,018</u>	<u>38,17,018</u>
				<u>50,40,733</u>

Total. 121052336

APPENDIX IV

(Reference: paragraph 2.6; page 67)

SHORTFALL/EXCESS IN RECOVERIES

Number and Title of Grant	Estimated recovery	Amount in excess(+) shortfall(-) as compared to estimate	Main reasons for the excess/shortfall
(1)	(2)	(3)	(4)
		(in crores of rupees)	
19.Public Health	0.06	(+) 2.67	Due to transfer to the Tamil Nadu Welfare Fund of the actual expenditure during the year.
34.Urban Development	51.26	(-) 51.26	Due to non-adjustment under- "3604-797-I-AB Deduct - Amount transferred from Urban Development Fund" on account of non-receipt of orders of Government.
36.Irrigation	1.00	(+) 1.09	Due to more recoveries from other Government departments than anticipated.
39.Roads and Bridges	16.51	(+) 3.23	Due to adjustment of machinery and equipment charges transferred on percentage basis to Capital major heads.

APPENDIX IV - conclud.

(1)	(2)	(3)	(4)
41. Relief on account of Natural Calamities	15.50	(-) 1.50	Due to transfer to the Famine Relief Fund of the actual expenditure during the year.
44. Stationery and Printing	1.47	(+) 2.13	Due to more recoveries from other Government Departments towards cost of Stationery and Printing than anticipated.
52. Capital Outlay on Irrigation	2.60	(+) 2.27	Due to more receipts and recoveries on Capital Account than anticipated.
58. Miscellaneous Capital Outlay	3.38	(-) 0.93	Due to less receipts and recoveries on Capital Account than anticipated.

APPENDIX V

(Reference: paragraph 3.1.5; page 79)

**NATIONAL OILSEEDS DEVELOPMENT PROJECT
TARGETS AND ACHIEVEMENTS (PHYSICAL/FINANCIAL)**

A. PHYSICAL

Components	1986-87		1987-88		1988-89		1989-90	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Coverage of Area (lakh ha)

Groundnut	11.99	10.80	12.16	11.00	12.33	11.15	11.25	10.63
Sesamum	1.60	1.25	1.60	1.37	1.60	1.68	1.60	1.17
Sunflower	1.32	0.45	1.38	0.26	1.43	0.28	0.25	0.20

Foundation Seed Production (tonnes)

Groundnut	128	74	510	230	1210	197	-	-
Sesamum	16	0.3	25	5	25	11	-	-
Sunflower	16	2.1	25	11	25	19	-	-

Certified Seeds/TL Seeds (tonnes)

Groundnut	11990	8638	7000	9122	7280	6450	6200	7651
Sesamum	120	115	100	148	120	110	120	79.7
Sunflower	990	423.8	400	446	600	263	187	184.8

Use of NPK

Fertiliser(ha)	10000	11891	-	-	-	-	-	-
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APPENDIX V - contd.

A. PHYSICAL - contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Opening of new retail outlets (numbers)	-	-	-	-	-	-	-	-
Stocking and positioning of seeds	-	-	-	-	-	-	-	-
Distribution of Gypsum(ha)	50000	45992	50000	4448	-	-	-	-
Distribution of Rhizobium culture(ha)	80000	64447	60000	98006	80000	153593	80000	93162
Distribution of Micro- nutrient (ha)	-	2603	40000	33899	40000	32684	40000	37208
Distribution of P.P. equipment (numbers)	2000	3376	2000	376	3000	2790	-	-
Distribution of improved implements (numbers)	600	719	2000	2045	1450	2581	-	-

APPENDIX V - contd.

A. PHYSICAL - contd.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Compact Block Demonstration (numbers)									
Groundnut	366	332	120	143	50	52	120	121	
Sesamum	80	74	86	72	100	95	120	115	
Sunflower	80	104	40	39	-	-	-	-	
Distribution of input kits (numbers)									
Groundnut	-	-	-	-	3000	7488	2000	2565	
Soyabean	-	-	2500	190	10000	14921	8000	13017	
Castor	-	-	7500	9715	8000	14987	-	1477	
Mustard	-	-	-	-	2000	2286	2000	3547	
Sunflower	-	-	-	-	-	8808	-	-	
Gingelly	-	-	-	-	-	242	-	-	
Plant									
Protection									
Measures (ha)	-	-	10000	1200	-	-	-	-	
Mobile P.P.									
squad (numbers)	-	-	3	-	2	-	3	3	
Distribution									
of Sprinkler									
sets (numbers)	-	-	500	789	500	532	700	887	
Distribution									
of Drip									
Units (numbers)	-	-	200	187	244	222	-	-	

APPENDIX V - contd.

A. PHYSICAL - conclud.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Distribution of Azospirillum packets for Gingelly (numbers)	-	-	25000	17957	25000	44779	25000	46712	
Farmers' training, visit and publicity	-	-	-	-	-	-	-	-	-
Staff component	-	-	-	-	-	-	-	-	-
Soil Testing (numbers)	-	-	-	-	-	-	-	-	-

B. FINANCIAL (in lakhs of rupees)

Foundation seed production

Groundnut	22.840	1.410			30.000	28.863			
Sesamum	-	-	30.000	13.613	-	-	15.195	15.427	
Sunflower	0.160	-			-	-			

Certified/T.L. Seeds

Groundnut	70.275	32.240	70.000	111.167	72.800	83.410	93.000	91.345	
Sesamum	0.600	0.315	1.000	1.298	1.200	1.423	1.800	0.807	
Sunflower	5.075	1.870	4.000	4.422	6.000	3.586	2.805	1.907	

APPENDIX V - contd.

B. FINANCIAL - contd.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Use of NPK Ferti- lisers		10.000	11.380	-	-	-	-	-	-
Opening of new retail outlets		-	-	-	-	4.500	1.541	3.000	0.893
Stocking and Positioning of seeds		-	72.000	-	0.030	14.000	0.172	3.000	0.679
Distribution of Gypsum	12.500	11.094	20.000	1.779	-	-	-	-	-
Distribution of Rhizobium Culture Packets	12.000	9.134	9.000	11.421	12.000	19.065	12.000	13.911	
Distribution of micro- nutrient mixture	-	0.635	10.000	7.227	10.000	6.253	16.000	13.871	
Distribution of P.P. equipment	5.000	8.061	6.000	-	9.000	8.083	-	-	
Distribution of improved implements	1.800	1.720	6.000	6.545	7.250	6.109	-	-	

APPENDIX V - contd.

B. FINANCIAL - contd.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Compact Block Demonstration									
Groundnut	91.500	81.880	38.400	46.053	28.000	27.565	66.000	64.881	
Sesamum	3.500	3.170	5.160	4.777	6.000	5.138	7.200	6.512	
Sunflower	5.000	6.302	3.200	2.765	-	-	-	-	

Distribution of input kits

Groundnut	-	-	-	-	4.500	9.419	3.000	4.214	
Soyabean	-	-	1.250	0.053	5.000	4.238	4.000	3.539	
Castor	-	-	1.500	1.490	1.600	1.705	-	0.142	
Mustard	-	-	-	-	0.600	0.511	0.600	0.798	
Sunflower	-	-	-	-	-	2.072	-	0.012	
Gingelly	-	-	-	-	-	0.040	-	-	

Plant Protec-									
tion measures	-	-	10.000	0.549	5.950	0.684	2.000	1.319	

Mobile

P.P. squad	-	-	6.000	-	6.000	-	6.000	4.248	
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Distribution of

Sprinkler sets	-	-	25.000	38.984	25.000	24.700	35.000	44.001	
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Distribution of

Drip units	-	-	10.000	8.888	12.200	10.311	-	-	
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Distribution of

Azospirillum
packets for

Gingelly	-	-	0.500	0.441	0.500	0.568	0.500	1.717	
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APPENDIX V - concl'd.

B. FINANCIAL - concl'd.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Farmers' training, visit and publicity	15.000	1.415	9.900	2.284	-	-	-	-	-
Staff and Contingencies	32.856	32.100	38.196	37.154	42.206	35.327	36.750	44.074	
Soil Testing	-	-	-	-	0.800	-	0.800	0.704	
Strengthening of Bacterial cultural laboratory under the control of Director of Agriculture	-	-	-	-	-	4.980	-	-	
-do- TNAU, Virdhachalam	-	-	-	-	-	0.410	-	-	
Total expenditure as reported by the Department to GOI			274.726	300.940		286.173		314.999	
Expenditure as per Final Accounts*			203.427	311.811		288.918		307.110	

* Though the expenditure as per accounts had been reconciled and accepted by the Department, the component-wise break-up for this was not available with the Department.

APPENDIX VI

(Reference: paragraph 3.1.5; page 79)

OILSEEDS PRODUCTION THRUST PROJECT
TARGETS AND ACHIEVEMENTS (PHYSICAL/FINANCIAL)

A. PHYSICAL

Components	1987-88		1988-89		1989-90	
	Target	Achievement	Target	Achievement	Target	Achievement
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Seed Production (in qts)

Groundnut	2000	1226	17000	1193	10700	908.20
Sunflower	535	300	600	35	50	63.10

P.P. Measures (in ha)

Groundnut	107800	118977	50000	116775	30000	79827
Sunflower	10500	3005	1000	1187	800	1230

P.P. Equipment (numbers)	4000	9809	1150	5598	1150	7599
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Gypsum to Groundnut (in ha)	13000	89868	150000	306705	50000	95175
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Sunflower Minikits (numbers)	9000	18776	-	-	-	-
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Soyabean Minikits (numbers)	2200	3757	-	-	-	-
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APPENDIX VI - contd.

A. PHYSICAL - concl'd.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Demonstration (numbers)							
Groundnut		55	75	150	157	150	130
Sunflower		-	-	150	153	150	133
Soyabean		-	-	-	-	-	11
Farmers' Visit, Training and Publicity		-	-	-	-	-	-
Farm Implements (numbers)							
Groundnut		-	-	1150	4234	5300	16898
Sunflower		-	-	300	626	300	925

B. FINANCIAL (in lakhs of rupees)

Seed Production

Groundnut	6.000	2.293	51.000	2.788	32.100	2.724
Sunflower	1.605	0.060	1.800	0.106	0.150	0.173

P.P. Measures

Groundnut	107.800	85.921	50.000	68.458	30.000	59.464
Sunflower	10.500	1.732	1.000	0.664	0.800	0.693

APPENDIX VI - contd.

B. FINANCIAL - contd.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
P.P. Equipment							
Groundnut	12.000	26.119	3.450	16.293	3.450	13.657	
Sunflower	-	-	0.900	1.694	0.900	1.780	
Gypsum to Groundnut	26.000	36.096	60.000	44.829	100.000	99.338	
Sunflower Minikits	4.500	3.104	-	-	-	-	
Soyabean Minikits	1.320	1.230	-	-	-	-	
Demonstration							
Groundnut	1.660	2.247	82.000	82.416	82.000	69.678	
Sunflower	-	-	12.000	9.606	12.000	8.642	
Soyabean	-	-	-	-	-	1.570	
Farm Implements							
Groundnut	-	-	5.750	6.943	26.500	23.060	
Sunflower	-	-	1.500	1.008	1.500	1.034	
Farmers' visit	1.000	-	-	-	-	-	
Training and visit	-	-	5.000	5.123	-	-	
Construction of Godowns-	-	-	80.000	80.000	-	8.000	

APPENDIX VI - concld.

B. FINANCIAL - concld.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total reported to GOI	-	158.802	-	320.058	-	289.813
Total as per accounts* compiled by the Department	-	154.090	-	318.992	-	279.690

* The department did not furnish expenditure component-wise.

APPENDIX VII

(Reference: paragraphs 3.6.3 and 3.6.18;
pages 115 and 136)

LIST OF STATE ADULT EDUCATION PROJECTS
AND VOLUNTARY AGENCIES

I. State Adult Education Projects

Chengai-Anna

Kancheepuram(Rural), Kancheepuram(Urban), Kelambakkam, Minjur,
Pallipet, Poonamallee, Poondi, Sholavaram, Sriperumpudur.

Coimbatore

Avinashi, Kinathukadavu, Madukkarai, Periyanaickenpalayam.

North Arcot Ambedkar

Arcot, Jolarpettai, Kaniyambadi, Kaveripakkam, Natrampalli,
Nemili, Sholinghur, Walajahpet.

Periyar

Bhavani, Erode (Urban), Kundadam, Uthukuli.

Salem

Kadayampatti, Omalur, Panamarathupatti, Valappadi.

II. Voluntary Agencies

Chengai-Anna

Duraisamy Generous Social Education Association,
Vilvarayanallur.

Punjab Association, Madras.

Tamilnadu Board of Rural Development, Madras.

Women's Indian Association, Madras.

APPENDIX VII - conclud.

Coimbatore

Angappa Educational Trust, Coimbatore-18.

GRD Trust, Coimbatore-37.

Sri Avinashilingam Educational Trust Institutions,
Coimbatore-43.

North Arcot Ambedkar

Kalvi Ulagam Educational Society, Latteri.

Institute for Social Science and Research, Vellore-6

Vellore Social Development Organisation, Vellore-6.

Periyar

Harijan Sevak Sangh, Gobichettipalayam.

Kasturba Gandhi National Memorial Trust, Kasturba Gram.

Salem

Kandaswamy Kandar Trust, Velur.

Omalur Rural Socio Economic & Cultural Academy, Peramachur.

Rural Upliftment and Economic Development Association, Mettur
Dam.

APPENDIX VIII

(Reference: paragraph 3.6.5 ;page 119)

NATIONAL LITERACY MISSION
EXPENDITURE AND CENTRAL ASSISTANCE
YEAR-WISE AND SCHEME-WISE DETAILS

A. Year-wise details

Year	<u>Budget provision</u>			<u>Expenditure on</u>			Central assistance received
	Centrally sponsored schemes	State schemes	Total	Centrally sponsored schemes	State schemes	Total	
				(in lakhs of rupees)			
1985-86	258.87	163.87	422.74	238.62	171.05	409.67	282.08
1986-87	360.58	207.72	568.30	334.72	189.13	523.85	316.00
1987-88	296.90	217.32	514.22	206.21	199.91	406.12	376.30
SCP	35.00	25.00	60.00	108.09	22.43	130.52	..
1988-89	311.36	189.33	500.69	344.35	194.54	538.89	407.43
SCP	127.87	41.77	169.64	89.03	25.08	114.11	..
1989-90	450.52	362.70	813.22	345.33	241.51	586.84	456.40
SCP	54.88	50.92	105.80	40.23	31.05	71.28	..
Total	1678.23	1140.94	2819.17	1469.23	996.14	2465.37	1838.21
SCP Total	217.75	117.69	335.44	237.35	78.56	315.91	..
Grand Total	1895.98	1258.63	3154.61	1706.58	1074.70	2781.28	1838.21

SCP - Special Component Plan

APPEN

B. Scheme-wise details

(i) Centrally Sponsored Schemes

Year	Assistance released to State by Government of India					Bud	
	RFLP	NAEP*	PLCs** (inclusive of JSNs) RFLP areas	Shramik Vidya Peeths	Total	RFLP	NAEP
(in lakhs)							
1985-86	256.02	16.56	..	9.50	282.08	225.81	17.85
1986-87	251.88	18.00	42.36	3.76	316.00	281.98	22.37
1987-88	260.36	25.24	81.19	9.51	376.30	239.66	24.45
SCP	..	..	..	..	..	30.00	..
1988-89	299.50	34.73	63.78	9.42	407.43	258.18	29.83
SCP	..	..	..	..	..	53.22	..
1989-90	308.86	31.83	102.50	13.21	456.40	330.03	57.64
SCP	..	..	..	..	..	54.88	..
Total	1376.62	126.36	289.83	45.40	1838.21	1335.66	152.14
SCP Total	..	..	..	..	..	138.10	..

* NAEP - Non-formal and Adult Education Programme

** PLC - Post Literacy and Continuing Education

DIX VIII - contd.

get Provision			Expenditure				
PLCs (inclusive of JSNs) RFLP areas of rupees)	Shramik Vidya Peeths	Total	RFLP	NAEP	PLCs (inclusive of JSNs) RFLP areas	Shramik Vidya Peeths	Total
8.38	6.83	258.87	207.56	17.52	6.84	6.70	238.62
45.12	11.11	360.58	261.95	22.78	40.36	9.63	334.72
21.81	10.98	296.90	159.78	25.17	11.25	10.01	206.21
5.00	..	35.00	96.59	..	11.50	..	108.09
9.88	13.47	311.36	290.97	29.71	10.62	13.05	344.35
74.65	..	127.87	15.21	..	73.82	..	89.03
49.00	13.85	450.52	250.56	40.93	37.25	16.59	345.33
..	..	54.88	40.23	..	..	..	40.23
134.19	56.24	1678.23	1170.82	136.11	106.32	55.98	1469.23
79.65	..	217.75	152.03	..	85.32	..	237.35

APPEN

(ii) State Schemes

Year	Budget provision (FMA)				
	SAEP	PLC	Direc- torate	Tribal Welfare	Total
					(in lakhs)
1985-86	152.82	8.42	2.63	..	163.87
1986-87	194.96	5.87	6.89	..	207.72
1987-88	200.89	3.03	3.55	9.85	217.32
SCP	25.00	..	..	..	25.00
1988-89	163.02	3.08	4.03	19.20	189.33
SCP	41.77	..	..	..	41.77
1989-90	337.93	3.49	4.41	16.87	362.70
SCP	50.92	..	..	..	50.92
Total	1049.62	23.89	21.51	45.92	1140.94
SCP Total	117.69	..	..	..	117.69

DIX VIII - contd.

Expenditure				
SAEP	PLC	Direc- torate	Tribal Welfare	Total
of rupees)				
160.14	8.11	2.80	..	171.05
178.23	4.55	6.35	..	189.13
193.76	2.83	3.32	..	199.91
22.43	..	..	..	22.43
171.17	3.26	4.09	16.02	194.54
25.08	..	..	..	25.08
228.84	3.82	4.54	4.31	241.51
31.05	..	..	..	31.05
932.14	22.57	21.10	20.33	996.14
78.56	..	..	..	78.56

C(i) Details of Grants received and Expenditure
1985-86 to 1988-89 by State Resource Centre, Madras.

Serial number	Year	Grant received (in lakhs)
1.	1985-86	15.60
2.	1986-87	17.60
3.	1987-88	15.00
4.	1988-89	9.00
	Total	57.20

DIX VIII - contd.

incurred for preparation of Kits during the years

Expenditure incurred	Balance
----------------------	---------

of rupees)

14.85	0.75
-------	------

8.55	9.05
------	------

10.55	4.45
-------	------

6.58	2.42
------	------

40.53	16.67
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(ii) Details of Grants received, Expenditure
State Resource Centre, Madras

Year	Grants received from				Expenditure incurred on			
	Govt. of India	Tamil Nadu Govt.	TNBCE (VA)	Total	Staff salary	Pro gramme expenditure	Other expenditure	Total
(in lakhs)								
1985-86	6.40	1.20	0.40	8.00	2.94	2.73	1.08	6.75
1986-87	6.75	1.27	0.42	8.44	2.84	3.02	1.05	6.91
1987-88	6.98	1.31	0.44	8.73	2.75	3.20	1.16	7.11
1988-89	9.93	1.86	0.62	12.41	4.28	4.32	1.24	9.84
1989-90	9.93	1.86	0.62	12.41	5.06	4.46	1.18	10.70
Total	39.99	7.50	2.50	49.99	17.87	17.73	5.71	41.31

DIX VIII - conclud.**incurred and balance available**

<u>Allocation of expenditure</u>				<u>Balance of grants</u>			
				<u>available</u>			
Govt.	Tamil	TNBCE	Total	Govt.	Tamil	TNBCE	Total
of	Nadu	(VA)		of	Nadu	(VA)	
India	Govt.			India	Govt.		
5.40	1.01	0.34	6.75	1.00	0.19	0.06	1.25
5.52	1.04	0.35	6.91	1.23	0.23	0.07	1.53
5.69	1.06	0.36	7.11	1.29	0.25	0.08	1.62
7.87	1.48	0.49	9.84	2.06	0.38	0.13	2.57
8.56	1.61	0.53	10.70	1.37	0.25	0.09	1.71
33.04	6.20	2.07	41.31	6.95	1.30	0.43	8.68

of rupees)

APPEN
(Reference: paragraph

NLM - PHYSICAL TARGET

	1985-86		1986-87		1987-88	
	Target	Achievement	Target	Achievement	Target	Achievement
Number of adult illiterates covered by						(Figures
RFLP	2.43	2.53	2.43	2.64	2.43	2.68
Voluntary Agencies	0.75	0.49	1.00	0.97	1.00	1.04
Nehru Yuvak Kendras	..	..	..	..	..	..
Universities and Colleges	0.19	0.21	0.20	0.24	0.10	0.12
MPFL	..	..	0.35	0.38	0.75	0.78
Other Programmes	..	..	1.21	0.72	1.16	0.23
SAEP	3.63	3.77	3.81	4.06	4.56	5.16
Total	7.00	7.00	9.00	9.01	10.00	10.01

DIX IX**3.6.6 ; page 120)****AND ACHIEVEMENT**

<u>1988-89</u>		<u>1989-90</u>		<u>Total</u>	
Target	Achievement	Target	Achievement	Target	Achievement
in lakhs)					
2.43	2.77	2.43	2.63	12.15	13.25
1.20	0.95	0.60	0.57	4.55	4.02
0.10	0.19	0.20	0.25	0.30	0.44
0.30	0.11	0.10	0.11	0.89	0.79
0.30	0.35	0.40	0.42	1.80	1.93
0.36	0.77	1.80	0.50	4.53	2.22
5.31	5.17	4.47	2.31	21.78	20.47
10.00	10.31	10.00	6.79	46.00	43.12

APPENDIX X

(Reference: paragraph 3.24.4 ;page 192)

FINANCIAL PROGRESS OF DROUGHT RELIEF WORKS

Particulars (cut-off date)	Approved ceilings	Expendi- ture (as reported) as on cut-off date	Expenditure incurred after the cut-off date (column(2) (-) (3))
(1)	(2)	(3)	(4)
	(in lakhs of rupees)		
(1) <u>1986-87</u>			
(i) Transportation of drinking water (31.03.1987)	119.25	98.38	20.87
(ii) Public Health (31.03.1987)	30.00	29.36	0.64
(iii) Employment Genera- tion Works (30.06.1987)	1665.00	507.45	1157.55
	Total		1179.06
(2) <u>1987-88</u>			
(i) Transportation of drinking water (urban) (30.06.1987)	100.00	25.81	74.19
(ii) Transport subsidy for fodder (30.06.1987)	15.00	1.80	13.20
(iii) Minor Irrigation Works (30.06.1987)	604.50	590.46	14.04
(iv) Social Forestry (31.10.1987)	290.62	263.60	27.02

APPENDIX X - conclud.

	(1)	(2)	(3)	(4)
(v) Soil conservation (31.10.1987)		267.38	216.39	50.99
(vi) Public Health (31.03.1988)		16.00	13.48	2.52
(vii) Growth of Fodder (31.03.1988)		87.50	86.01*	1.49
(viii) Supplementary nutrition (31.03.1988)		292.32	287.48	4.84
(ix) Employment generation programme (31.03.1988)		742.50	617.86	124.64
(x) Drinking Water Supply arrangements (31.03.1988)				
(a) Sinking of bore wells		280.00	191.25	88.75
(b) Sinking of open wells		21.00	7.00	14.00
(c) Deepening of open wells		75.00	..	75.00
(d) Improvements to comprehensive water supply arrangements		100.00	82.06	17.94
		Total		508.62
		Grand Total		1687.68

* including Rs.18.44 lakhs lying with a Nationalised Bank, being the unutilised amount out of Rs.43.75 lakhs drawn by Animal Husbandry Department.

APPENDIX XI

(Reference: paragraph 3.24.6.5 ; page 202)

DETAILS OF DRY BOREWELLS

Name of Division	Number of bores drilled	Number of dry bore- wells	Percentage of dry bores
(1)	(2)	(3)	(4)
<u>Coimbatore District</u>			
RWS, Coimbatore	571	36	6.30
Urban, Coimbatore	497	37	7.44
	<u>1068</u>	<u>73</u>	6.84
<u>Salem District</u>			
RWS I, Salem	178	22	12.36
RWS II, Salem	145	12	8.27
Urban, Salem	150	10	6.67
Namakkal	96	6	6.25
	<u>569</u>	<u>50</u>	8.79
<u>Tiruchirapalli District</u>			
RWS, Ariyalur	304	-	-
RWS, Karur	269	12	4.46
RWS, Perambalur	308	29	9.42
Urban, Trichy	53	5	9.43
	<u>934</u>	<u>46</u>	4.93

APPENDIX XI - conclud.

	(1)	(2)	(3)	(4)
<u>Madurai District</u>				
RWS, Madurai	613	38	6.20	
RWS, Andipatty	110	13	11.82	
Urban, Madurai	255	4	1.57	
	<u>978</u>	<u>55</u>	5.62	
<u>Chengai-Anna District</u>				
RWS, Kancheepuram	62	1	1.61	
RWS, Chengalpattu	57	2	3.51	
Urban, Tambaram	60	1	1.67	
RWS, Tiruvellore	59	6	10.17	
	<u>238</u>	<u>10</u>	4.20	
<u>Periyar District</u>				
RWS, Erode	201	23	11.44	
	----	---		
Total	<u>3988</u>	<u>257</u>		

TINP - COMPONENT-WISE

Year	Nutrition Delivery Services		Rural Health Services		Evaluation	
	Budget provi- sion	Expen- diture	Budget provi- sion	Expen- diture	Budget provi- sion	Expen- diture
	(in lakhs)					
1980-81	5.60	9.96	182.00	100.05	3.00	0.78
1981-82	153.64	80.54	588.00	357.21	20.00	2.95
1982-83	382.03	252.51	397.03	296.01	10.59	4.74
1983-84	563.57	464.87	406.39	511.59	5.39	5.74
1984-85	905.94	696.17	828.64	768.01	5.36	11.89
1985-86	822.10	830.92	353.54	569.64	6.56	5.55
1986-87	844.29	728.63	378.42	528.86	7.00	8.05
1987-88	749.08	750.10	269.26	423.76	8.93	3.46
1988-89	691.80	801.46	354.55	435.62	0.12	0.25
1989-90	628.07	817.02	20.02	323.94	0.05	..
Total	<u>5746.12</u>	<u>5432.18</u>	<u>3777.85</u>	<u>4314.69</u>	<u>67.00</u>	<u>43.41</u>

DIX XII
graph 3.26.5; page 232)

PROVISION AND EXPENDITURE

Communication		Project Co-ordination Office		Total	
Budget provi- sion of rupees)	Expen- diture	Budget provi- sion	Expen- diture	Budget provi- sion	Expen- diture
17.00	0.31	5.00	6.27	212.60	117.37
66.00	2.73	27.00	6.34	854.64	449.77
66.00	48.79	27.00	6.82	882.65	608.87
50.00	42.48	10.00	21.84	1035.35	1046.52
75.00	72.09	20.00	12.21	1834.94	1560.37
49.65	89.95	37.09	42.74	1268.94	1538.80
32.88	44.83	87.62	77.04	1350.21	1387.41
38.05	46.74	88.99	90.99	1154.31	1315.05
80.66	48.47	105.92	99.03	1233.05	1384.83
16.36	40.64	83.92	87.16	748.42	1268.76
<u>491.60</u>	<u>437.03</u>	<u>492.54</u>	<u>450.44</u>	<u>10575.11</u>	<u>10677.75</u>

APPENDIX XIII

(Reference: paragraph 3.27 ; page 252)

**CASES OF MISAPPROPRIATION PENDING
FINALISATION AS ON 30TH JUNE 1990**

(i) Department-wise analysis

Serial number	Department	Number of cases	Amount (in lakhs of rupees)
(1)	(2)	(3)	(4)
1.	Agriculture	25	9.65
2.	Animal Husbandry and Fisheries	3	0.40
3.	Backward Classes Welfare, Chief Minister's Nutritious Meals Programme and Social Welfare	8	2.83
4.	Commercial Taxes, Religious Endowments and Registration	11	0.76
5.	Education	23	17.77
6.	Environment and Forests	5	1.42
7.	Finance	4	4.16
8.	Handloom, Handicrafts, Textile and Khadi, Sericulture	4	2.31
9.	Health, Indian Medicines and Homoeopathy and Family Welfare	22	7.93
10.	Home	10	6.43

APPENDIX XIII - concl'd.

(1)	(2)	(3)	(4)
11.	Industries	1	0.18
12.	Labour and Employment	7	0.41
13.	Prohibition and Excise	2	6.64
14.	Public	2	1.39
15.	Public Works and Stationery	2	0.42
16.	Revenue	359	31.30
17.	Rural Development	7	2.57
18.	Tamil Development and Culture	1	0.01
Total		<u>496</u>	<u>96.58</u>

(ii) Year-wise analysis

Year	Number of cases	Amount (in lakhs of rupees)
1984-85 and earlier years	335	60.64
1985-86	21	8.31
1986-87	29	7.54
1987-88	32	11.49
1988-89	40	5.60
1989-90	39	3.00
Total	<u>496</u>	<u>96.58</u>

APPENDIX XIV

(Reference: paragraph 3.27 & page 253)

**CASES OF SHORTAGES AND THEFT OF STORES, DAMAGES TO
PROPERTIES, ETC., PENDING FINALISATION
AS ON 30TH JUNE 1990**

(i) Department-wise analysis

Serial number	Department	Number of cases	Amount (in lakhs of rupees)
(1)	(2)	(3)	(4)
1.	Agriculture	525	67.74
2.	Animal Husbandry and Fisheries	35	5.02
3.	Backward Classes, Chief Minister's Nutritious Meals Programme and Social Welfare	3	0.06
4.	Commercial Taxes, Religious Endowments and Registration	1	0.05
5.	Education	20	3.07
6.	Environment and Forests	18	5.87
7.	Finance	1	0.03
8.	Handicrafts, Handloom and Khadi	5	1.28
9.	Health, Indian Medicine, Homoeopathy and Family Welfare	36	13.27
10.	Home	7	2.79

APPENDIX XIV - concl'd.

(1)	(2)	(3)	(4)
11.	Industries	5	2.08
12.	Labour and Employment	13	1.08
13.	Prohibition and Excise	1	
14.	Public	2	9.88
15.	Public Works and Stationery	383	139.59
16.	Revenue	12	1.72
17.	Rural Development	6	4.61
18.	Highways and Rural Works	4	6.63
	Total	<u>1077</u>	<u>264.77</u>

(ii) Year-wise analysis

Year	Number of cases	Amount (in lakhs of rupees)
1984-85 and earlier years	303	51.45
1985-86	44	9.69
1986-87	66	15.90
1987-88	104	9.50
1988-89	67	7.51
1989-90	493	170.72
Total	<u>1077</u>	<u>264.77</u>

APPENDIX XV

(Reference: paragraph 3.28 ; page 253)

STATEMENT SHOWING LOSSES, WRITES-OFF, ETC.

Serial number and name of department	Writes-off of losses, irrecoverable advances, etc.		Waiver of recovery	
	Number of items	Amount (Rs.)	Number of items	Amount (Rs.)
1. Animal Husbandry and Fisheries	29	4,36,000	-	-
2. Adi Dravidar and and Tribal Welfare	5	4,664	1	44,280
3. Co-operation, Food and Consumer Protection	41	1,88,500	-	-
4. Education	3	7,274	1	1,447
5. Home	12	2,13,002	4	42,203
6. Housing and Urban Development	-	-	1	7,963
7. Information and Tourism	-	-	1	775
8. Legislative Assembly	1	614	-	-
9. Public	-	-	1	7,409
10. Revenue	2	26,405	-	-
11. Rehabilitation	1	54,883	-	-
12. Social Welfare	2	865	4	18,212
Total	<u>96</u>	<u>9,32,207</u>	<u>13</u>	<u>1,22,289</u>

APPENDIX XVI

(Reference: paragraph 6.4 ; page 290)

**STATEMENT OF UTILISATION CERTIFICATES DUE IN RESPECT
OF GRANTS-IN-AID PAID UPTO 30TH SEPTEMBER 1988
AND OUTSTANDING AS ON 30TH JUNE 1990**

Department (1)	Year of grant (2)	Due		Received		Outstanding	
		Number (3)	Amount (4)	Number (5)	Amount (6)	Number (7)	Amount (8)
(Amount in lakhs of rupees)							
Agriculture	1980-81	1	0.09	-	-	1	0.09
	and earlier years						
	1987-88	68**	104.43	-	-	68	104.43
Forest	1980-81	4	3.33	-	-	4	3.33
Fisheries	1981-82	2	0.84	-	-	2	0.84
and Animal		323*	683.49	-	-	323	683.49
Husbandry							
Co-operation,	1980-81	203	84.05	-	-	203	84.05
Food and	and earlier						
Consumer	years						
Protection	1981-82	29	60.94	-	-	29	60.94
	1982-83	1	0.25	-	-	1	0.25
	1985-86	23**	22.29	-	-	23	22.29
Education	1986-87	599**	510.35	-	-	599	510.35
		30*	134.50	-	-	30	134.50
Finance***		-	-	-	-	-	-

APPENDIX XVI - contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Handlooms,	1980-81	31	1.30	-	-	3	1.30
Textiles and	1982-83	31	3.82	2	3.82	-	-
Khadi	1985-86	119**	589.34	-	-	119	589.34
Outstanding	1986-87	38**	681.87	-	-	38	681.87
Health,	1983-84	22	56.91	-	-	22	56.91
Indian	1984-85	238**	39.10	-	-	238	39.10
Medicine	1985-86	26**	4.63	-	-	26	4.63
and Family	1986-87	14**	6.12	-	-	14	6.12
Welfare							
Industries***		-	-	-	-	-	-
Law***		-	-	-	-	-	-
Municipal	1980-81	21	171.55	7	19.57	14	151.98
Adminis-	and earlier		94.8				
tration and	years						
Water	1987-88	621**	1149.99	-	-	621	1149.99
Supply							
Personnel	1986-87	3	2.82	-	-	3	2.82
and Adminis-	1987-88	4	1.59	1	0.02	3	1.57
trative							
Reforms							

APPENDIX XVI - concl'd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Revenue***	1982-83	1	0.06	-	-	1	0.06
Rural	1981-82	184	596.34	3	39.08	181	557.26
Development	1982-83	21	615.31	-	-	21	615.31
	1983-84	15	161.21	-	-	15	161.21
	1985-86	63**	122.40	-	-	63	122.40
	1986-87	138**	778.94	-	-	138	778.94
	1987-88	345**	1042.75	-	-	345	1042.75
Social	1980-81	36	10.06	-	-	36	10.06
Welfare***	and earlier years						
	1981-82	3	0.45	-	-	3	0.45
Information	1986-87	2	6.25	-	-	2	6.25
and Tourism	1988-89	1	2.00	-	-	1	2.00
Public Works		622*	551.93	-	-	622	551.93
Minor		345*	370.82	-	-	345	370.82
Irrigation							
Total		<u>4170</u>	<u>8572.12</u>	<u>13</u>	<u>62.49</u>	<u>4157</u>	<u>8509.63</u>

* Year-wise details not readily available

** Latest position not available

*** Information in respect of grants disbursed in treasuries during 1984-85 to 30.09.1988 not available.

APPENDIX XVII

(Reference: paragraph 6.5.3.2 ; page 297)

ASSISTANCE TO PANCHAYAT UNIONS - ADVANCES
PENDING ADJUSTMENT

Serial number	Name of the Panchayat Union Council	Amount of advance Rs.	Period
(1)	(2)	(3)	(4)
1.	Thiruvidadaimarudur	4,06,405	1983-84 to 1988-89
2.	Konganapuram	18,918	May 1983
3.	Mayiladuthurai	3,29,636	1980-81 to 1988-89
4.	Keerapalayam	21,31,415	1982-83 to 1988-89
5.	Mangalur	11,15,671	1984-85 to 1988-89
6.	Thiruvannamalai	1,45,346	1975-76 to 1987-88
7.	Thiruvannainallur	10,59,225	1982-83 to 1988-89
8.	Ulundurpettai	14,51,313	1964-65 to 1988-89
9.	Sethubavachatram	4,18,431	1982-83 to 1988-89

APPENDIX XVII - contd.

(1)	(2)	(3)	(4)
10.	Valangaiman	5,34,031	1977-78, 1984-85 to 1988-89
11.	Uppiliapuram	1,64,211	1965-66 to 1987-88
12.	Thiruvrankulam	3,13,782	1984-85 onwards
13.	Gangavalli	5,48,181	1981-82, 1982-83, 1984-85 to 1987-88
14.	Uthukuli	4,32,422	1984-85 to 1988-89
15.	Thirumarugal	9,76,150	1963-64 to 1988-89
16.	Thirukalikundram	9,22,288	1968-69 to 1988-89
17.	Ramakrishnarajupet	3,00,954	1979-80 to 1982-83, 1985-86, 1987-88 and 1988-89
18.	Erumapatti	4,53,162	1981-82 to 1987-88

APPENDIX XVII - contd.

(1)	(2)	(3)	(4)
19.	Perambalur	12,79,211	1979-80 to 1989-90
20.	Arantangi	25,324	1987-88 to 1988-89
21.	Manikandam	16,80,539	1961-62 to 1988-89
22.	Gandharvakottai	5,000	1984-85
23.	Kadayampatti	5,73,762	1984-85 to 1988-89
24.	Dharmapuri	3,36,620	1981-82 to 1982-83, 1985-86 to 1987-88
25.	Mallasamudram	2,78,350	1968-69 to 1988-89
26.	Kodavasal	6,36,289	1984-85 to 1988-89
27.	Nidamangalam	21,00,896	1976-77 to 1989-90
28.	Kilvelur	4,48,737	1969-70 to 1989-90 (December 1989)

APPENDIX XVII - contd.

(1)	(2)	(3)	(4)
29.	Kanai	4,09,683	1982-83 to 1988-89
30.	Thurinjapuram	13,860	1980-81
31.	Kelamangalam	60,287	1986-87 to 1988-89
32.	Avudaiyarkoil	71,095	1987-88 and 1988-89
33.	Idappadi	8,17,579	1963-64 to 1988-89
34.	Papanasam	7,55,126	1981-82 to 1988-89
35.	Thandrampet	6,72,104	1969-70 to 1988-89
36.	Nallampalli	2,45,006	1984-85 to 1988-89
37.	Vanur	15,95,661	1982-83 to 1988-89
38.	Kurunthancode	2,51,607	1984-85 to 1988-89
39.	Sivakasi	2,97,165	1983-84 to 1988-89

APPENDIX XVII - contd.

(1)	(2)	(3)	(4)
40.	Alanganallur	9,16,461	1984-85 to 1987-88
41.	Thoppampatti	37,05,121	1975-76 to 1988-89
42.	Aruppukottai	11,870	1987-88
43.	Dindigul	7,44,850	1979-80 to 1989-90
44.	Kalakad	4,36,153	1972-73 to 1988-89
45.	Vasudevanallur	46,655	October 1988
46.	Alangulam	3,35,711	1965-66 to 1987-88
47.	Radhapuram	2,56,613	1983-84 to 1988-89
48.	Puzhal	5,15,407	1983-84 to 1987-88
49.	Krishnarayapuram	7,79,354	1973-74 to 1987-88
50.	Palladam	91,561	1982-83 to 1988-89

APPENDIX XVII - conclud.

(1)	(2)	(3)	(4)
51.	Pollachi(South)	6,14,488	1976-77 to 1984-85
52.	Palacode	1,71,738	1975-76 and 1979-80 to 1981-82
53.	Kariamangalam	40,455	1986-87 and 1987-88
54.	Kamuthi	29,826	1985-86 to 1988-89
55.	Pudur	62,483	1983-84 and 1984-85
56.	Avinashi	66,300	1980-81 and 1985-86
57.	Karambaikudi	15,867	1984-85 to 1988-89
58.	Kundadam	1,06,641	1981-82 and 1982-83
59.	K.Paramathy	51,180	1989-90
	Total	<u>3,32,74,176</u>	

APPENDIX XVIII

(Reference : paragraph 7.1 ; page 324)

**LIST OF DEPARTMENTALLY MANAGED COMMERCIAL AND
QUASI-COMMERCIAL UNDERTAKINGS WHOSE PROFORMA ACCOUNTS
ARE IN ARREARS**

Serial number	Name of the Department/Undertaking	Period for which accounts are in arrears
------------------	------------------------------------	--

(1)

(2)

(3)

I. AGRICULTURE DEPARTMENT

- | | | |
|----|--|-----------------------|
| 1. | Scheme for Purchase and
Distribution of Chemical
Fertilisers, Madras | 1981-82 to
1989-90 |
| 2. | Government Agricultural
Engineering Workshop, Madras | 1987-88 to
1989-90 |

II. ANIMAL HUSBANDRY AND
FISHERIES DEPARTMENT

- | | | |
|----|---------------------------------|------------------------|
| 3. | Chank Fisheries, Tuticorin | 1988-89 and
1989-90 |
| 4. | Chank Fisheries, Ramanathapuram | 1989-90 |

APPENDIX XVIII - conclud.

(1)	(2)	(3)
III. FOREST DEPARTMENT		
5.	Government Cinchona Department, Udhagamandalam	1989-90
IV. INDUSTRIES DEPARTMENT		
6.	Government Blacksmithy and Carpentry Unit, Arakonam	1989-90

APPEN

(Reference: para

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT

Serial Number	Name of the Department/unit	Year of commen- cement	Period of accounts	Net at close	Capital block of assets	Cumu- lative Depre- cia- tion
I. AGRICULTURE DEPARTMENT						
1.	Government Agricultural Engineering Workshop, Madras	1952	1985-86	71.15	2.00	9.88
2.	Scheme for the Purchase and Distribution of Chemical Fertilisers, Madras	1954	1980-81	*445.95	-	-
II. ANIMAL HUSBANDRY AND FISHERIES DEPARTMENT						
3.	Chank Fisheries, Tuticorin	1909	1987-88	114.45	4.54	9.75
4.	Chank Fisheries, Ramanatha- puram	1978	*1987-88	23.22	0.44	0.44
III. FOREST DEPARTMENT						
5.	Government Cinchona Department, Udhagamandalam	1861	1987-88	1846.51	1071.40	85.72
IV. INDUSTRIES DEPARTMENT						
6.	Government Blacksmithy and Carpentry Unit, Arakonam	1967	1988-89	11.11	0.70	1.38

* Provisional figures

DIX XIX

graph 7.1;page 324)

COMMERCIAL/QUASI-COMMERCIAL UNDERTAKINGS

Turn Over	<u>Net Profit/Net Loss</u>				<u>Percentage of return on Mean capital</u>	
	Before charging interest on capital	After charging interest on capital	Mean capital		Before charging interest on capital	After charging interest on capital
32.68	(+) 3.65	(-) 6.14	77.65		4.70	-
7.32	(-) 14.26	(-) 47.92	440.96		-	-
34.44	(-) 0.38	(-) 14.49	115.16		-	-
23.02	(+) 6.33	3.46	24.14		26.22	14.33
138.16	(-) 163.45	(-) 250.20	1821.04		-	-
0.92	(-) 2.59	(-) 4.19	11.81		-	-

APPENDIX XX

GLOSSARY OF ABBREVIATIONS

1. Technology Mission on Oilseeds
(paragraph 3.1; page 73)

BCL	-	Bacterial Cultural Laboratory
DIS	-	Drip Irrigation System
DOA	-	Director of Agriculture
DOS	-	Director of Oilseeds
ENCOFED	-	Tamil Nadu Agro-Engineering and Service Co-operative Federation Limited
FSS	-	Farmers Support System
GOI	-	Government of India
ICAR	-	Indian Council of Agricultural Research
MNM	-	Micro Nutrient Mixture
NODP	-	National Oilseeds Development Project
NAFED	-	National Agricultural Co- operative Marketing Federation
OPTP	-	Oilseeds Production Thrust Project
PPM	-	Plant Protection Measures
PWD	-	Public Works Department
SFPP	-	Special Food Production Programme
TANCOF	-	Tamil Nadu Co-operative Oilseeds Growers' Federation Limited
TL	-	Truthfully Labelled
TM	-	Technology Mission
TMO	-	Technology Mission on Oilseeds
TNAU	-	Tamil Nadu Agricultural University

APPENDIX XX - contd.

2. National Literacy Mission
(paragraph 3.6; page 112)

AEC	-	Adult Education Centre
AEP	-	Adult Education Programme
DAEO	-	District Adult Education Officer
GOI	-	Government of India
ITDP	-	Integrated Tribal Development Project
JSN	-	Jana Shikshan Nilayam
MPFD	-	Mass Programme for Functional Literacy
NLM	-	National Literacy Mission
NLMA	-	National Literacy Mission Authority
NSS	-	National Service Scheme
RFLP	-	Rural Functional Literacy Project
SAEP	-	State Adult Education Programme
SLMA	-	State Level Mission Authority
SPP	-	Solar Power Pack
SRC	-	State Resource Centre
SV	-	Shramik Vidyapeeth
TNBCE	-	Tamil Nadu Board of Continuing Education
VA	-	Voluntary Agency

3. Janata Cloth Scheme
(paragraph 3.11 ; page 147)

DCH	-	Development Commissioner for Handlooms
DHT	-	Director of Handlooms and Textiles

APPENDIX XX - contd.

Co-optex	-	Tamil Nadu Handloom Weavers' Co-operative Society
TNCCF	-	Tamil Nadu Co-operative Consumer Federation

4. Drought Relief Works in 1986 and 1987 under Central Assistance (paragraph 3.24 ; page 185)

ENCOFED	-	Tamil Nadu Agro-Engineering and Service Co-operative Federation Limited
GOI	-	Government of India
lpcd	-	litres per capita daily
lpm	-	litres per minute
MNP	-	Minimum Needs Programme
PWD	-	Public Works Department
RWS	-	Rural Water Supply
SCCRA	-	Special Commissioner and Commissioner for Revenue Administration
TNEB	-	Tamil Nadu Electricity Board
TTWC	-	Tamil Nadu Tubewell Corporation
TWAD Board	-	Tamil Nadu Water Supply and Drainage Board

5. Tamil Nadu Integrated Nutrition Project (paragraph 3.26 ; page 225)

APD	-	Approved Project Design
BCNMP and SW Department	-	Backward Classes, Nutritious Meal Programme and Social Welfare Department
CNC	-	Community Nutrition Centre

APPENDIX XX - contd.

CNI	-	Community Nutrition Instructress
CNS	-	Community Nutrition Supervisor
CNW	-	Community Nutrition Worker
DCO	-	District Communication Officer
DEAR	-	Director of Evaluation and Applied Research
DSW	-	Director of Social Welfare
DPH&PM	-	Director of Public Health and Preventive Medicine
DHO	-	District Health Officer
DPNO	-	District Project Nutrition Officer
DPT	-	Diphtheria, Pertusis, Tetanus
EC	-	Empowered Committee
FST	-	Ferrous Sulphate Tablets
GIRHFWT	-	Gandhi Gram Institute of Rural Health and Family Welfare Trust
GOI	-	Government of India
HSC	-	Health Sub Centre
HUD	-	Health Unit District
HV	-	Health Visitor
IDA	-	International Development Association
KSACPL	-	Karnataka State Agro Corn Products Limited
MO	-	Medical Officer
MPHS	-	Multi Purpose Health Supervisor
MPHW	-	Multi Purpose Health Worker
NDS	-	Nutrition Delivery Services
OPV	-	Oral Polio Vaccine
PC	-	Project Co-ordinator
PCM	-	Protein-Calorie-Malnutrition
PHC	-	Primary Health Centre

APPENDIX XX - conclud.

PMF	-	Project Management Fund
RHS	-	Rural Health Services
SWD	-	Social Welfare Department
TINP	-	Tamil Nadu Integrated Nutrition Project
TPNO	-	Taluk Project Nutrition Officer
TT	-	Tetanus Toxoid
TAI	-	Tamil Nadu Agro Industries Corporation
WB	-	World Bank
WEDCO	-	Tamil Nadu Corporation for the Development of Women



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