



REPORT
OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR 1979-80
(CIVIL)

GOVERNMENT OF MADHYA PRADESH



REPORT

OF THE

COMPTROLLER

AND

AUDITOR GENERAL OF INDIA

FOR THE YEAR 1951-52

(PART I)

GOVERNMENT OF INDIA

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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 the year 1979-80 together with other points arising from the audit of the financial transactions of the Government of Madhya Pradesh. It also includes certain points of interest arising from the Finance Accounts for the year 1979-80.

2. The Report containing the observations of Audit on Statutory Corporations, Boards and Government Companies and the Report containing the observations of Audit on Revenue Receipts are presented separately.

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

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

PRELIMINARY REMARKS

This report has been prepared for the use of the Government of the United Kingdom and is not intended to be published. It is the property of the Government and should be returned to the Controller of Her Majesty's Stationery Office when it is no longer required.

The report is divided into two parts. The first part deals with the general principles of the subject and the second part deals with the details of the subject.

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CHAPTER I

1.1 Summary of transactions

The receipts and expenditure of the Government of Madhya Pradesh for the year 1979-80 are given below with corresponding figures of the previous year:—

Particulars (1)	1978-79 (2)	1979-80 (3)
	<i>(Rupees in crores)</i>	
(1) Revenue—		
<i>Revenue receipts—</i>		
(i) Revenue raised by the State Government	4,99.35	5,73.93
(ii) Receipts from Government of India	2,72.97	3,84.70
Total—Revenue receipts	7,72.32	9,58.63
<i>(iii) Revenue expenditure—</i>		
Non-Plan	5,33.11	6,31.31
Plan	1,17.12	1,60.23
Total—Revenue expenditure	6,50.23	7,91.54
Revenue surplus(+)	+1,22.09	+1,67.09
(2) Public Debt—		
<i>(i) Internal debt of the State Government—</i>		
<i>(a) Market loans—</i>		
Receipts	10.65	9.93
Repayments	4.93	5.16
Increase(+)	+5.72	+4.77
<i>(b) Loans from autonomous bodies—</i>		
Receipts	4.66	7.52
Repayments	2.87	4.04
Increase (+)	+1.79	+3.48
<i>(c) Ways and means advances from the Reserve</i>		
<i>Bank of India—</i>		
Receipts	2,26.93	40.12
Repayments	2,55.86	40.12
Increase (+)	—28.93	..
Decrease(—)		
Total—Internal debt of the State Government (net)—		
Increase(+)	—21.42	+ 8.25
Decrease(—)		

Particulars (1)	1978-79 (2)	1979-80 (3)
<i>(Rupees in crores)</i>		
<i>(ii) Loans and advances from the Government of India—</i>		
Receipts	2,13.40	1,44.86
Repayments	38.49	36.60
Increase(+)	+1,74.91	+1,08.26
<i>Total—Public debt (net)—</i>		
Increase (+)	+1,53.49	+1,16.51
<i>(3) Capital expenditure—</i>		
Non-Plan	1.29	4.72
Plan	1,62.08	2,11.97
Increase (—)	-1,63.37	-2,16.69
<i>(4) Loans and advances by the State Government—</i>		
Recoveries	23.02	27.68
Disbursements	1,37.93	1,69.70
Increase (—)	-1,14.91	-1,42.02
<i>(5) Contingency Fund (net)—</i>		
Increase (+)		
Decrease(—)	-1.12	+5.07
<i>(6) Public Account—</i>		
Receipts	8,36.30	13,01.15
Disbursements	8,16.47	12,38.55
Increase (+)	+19.83	+62.60
Net surplus (+)		
Net deficit (—)	+16.01	-7.44
<i>(7) Cash balance—</i>		
Opening cash balance	-36.49	-20.48
Net deficit as above(—)	+16.01	-7.44
Net surplus as above (+)		
Closing cash balance	-20.48	(a) -27.97

(a) The closing cash balance of Rs. -27.92 crores was made up of Rs. -27.14 crores (Deposits with Reserve Bank), Rs. -0.95 crore (remittances in transit) and Rs. 0.17 crore (cash in treasuries). There was a difference of Rs. 1.86 crores between the figure reflected in the accounts (Rs. -27.14 crores) and that intimated by the Reserve Bank of India (Rs. -25.28 crores) regarding 'Deposits with Reserve Bank', included in the cash balance. After reconciliation and adjustment in the accounts to end of October 1980 a difference of Rs. 0.01 crore remains to be reconciled (January 1981).

1.2 Revenue surplus/deficit

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

Year	Budget	Budget <i>plus</i> additional taxation (less conce- ssions in taxation)	Actuals	Variation between columns (4) and (3)	
				Amount of increase(+)/ decrease(—)	Perce- ntage
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crores)					
1977-78	6,91.59	6,78.92	6,53.58	—25.34	3.7
1978-79	7,79.65	7,89.88	7,72.32	—17.56	2.2
1979-80	9,71.50	9,72.00	9,58.63	—13.37	1.4

(b) *Expenditure on revenue account.*—The expenditure on revenue account during 1979-80 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision and the corresponding figures for the preceding two years are shown below :—

Year	Budget	Budget <i>plus</i> supplemen- tary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crores)					
1977-78	6,10.66	6,61.26	5,84.98	—76.28	12
1978-79	6,68.90	7,53.53	6,50.23	—1,03.30	14
1979-80	8,02.80	9,27.31	7,91.54	—1,35.77	15

(c) The year ended with a revenue surplus of Rs.1,67.09 crores as against the surplus of Rs. 1,68.70 crores anticipated in the budget.

The figures of revenue surplus for the year under review and the corresponding figures for the last two years are given below:—

Year	Revenue surplus
(1)	(2)
(Rupees in crores)	
1977-78	68.60
1978-79	1,22.09
1979-80	1,67.09

1.3 Revenue receipts

During 1979-80, revenue receipts (Rs. 9,58.63 crores) showed an increase of Rs. 1,86.31 crores (24 per cent) over those in 1978-79 (Rs. 7,72.32 crores). The increase is analysed below:—

(1)	Receipts		
	1978-79 (2)	1979-80 (3)	Increase(+) / Decrease(-) (4)
(Rupees in crores)			
(i) REVENUE RAISED BY THE STATE GOVERNMENT—			
(a) Tax Revenue	2,83.12	3,14.68	+31.56
(b) Non-Tax Revenue	2,16.23	2,59.25	+43.02
Total (i)	4,99.35	5,73.93	+74.58
(ii) RECEIPTS FROM THE GOVERNMENT OF INDIA—			
(a) Taxes on Income other than Corporation Tax	51.58	63.62	+12.04
(b) Estate Duty	0.77	0.17	-0.60
(c) State's share of Union Excise Duties	97.48	2,07.92	+1,10.44
(d) Grants under proviso to Article 275 (1) of the Constitution	21.37	21.44	+0.07
(e) (1) Block grants for State Plan Schemes	48.47	47.41	-1.06
(2) Grants for Central Plan Schemes	26.78	18.97	-7.81
(3) Grants for Centrally Sponsored Plan Schemes	22.26	20.67	-1.59
(4) Grants for other purposes	4.26	4.50	+0.24
Total (ii)	2,72.97	3,84.70	+1,11.73
Total (i) and (ii)	7,72.32	9,58.63	+1,86.31

Receipts from the Government of India during 1979-80 (Rs. 3,84.70 crores) were 40 per cent of the total revenue receipts in the year.

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

1.4 Expenditure on Revenue Account

The following table compares the expenditure on revenue account during 1979-80 under broad headings with the provision of funds made thereunder :—

Head of expenditure (1)	Plan				Non-Plan				
	Budget estimates (2)	Budget plus supplementary (3)	Actuals(*) (4)	Variations (5)	Budget estimates (6)	Budget plus supplementary (7)	Actuals (*) (8)	Variations (9)	
		(Rupees in crores)				(Rupees in crores)			
A—General Services	3.48	3.60	2.33 (3.30)	-1.27	1,92.83	2,02.81	1,86.80 (1,59.44)	-16.01	
B—Social and Community Services	71.82	1,13.45	39.81 (69.47)	-73.64	2,31.28	2,57.53	2,29.08 (1,88.48)	-28.45	

(*) The figures in brackets are the expenditure figures for 1978-79.

Head of expenditure	Plan				Non-Plan			
	Budget estimates	Budget plus supplementary	Actuals(*)	Variations	Budget estimates	Budget plus supplementary	Actuals(*)	Variations
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	(Rupees in crores)				(Rupees in crores)			
C—Economic Services—								
(i) General Economic Services	4.61	4.73	3.75 (3.17)	—0.98	5.41	5.43	4.82 (3.95)	—0.61
(ii) Agriculture and Allied Services	71.41	1,06.07	1,15.38 (40.24)	+9.31	1,12.22	1,20.78	1,18.42 (1,04.33)	—2.36
(iii) Industry and Minerals	7.64	8.53	5.73 (5.04)	—2.80	2.62	2.64	2.33 (2.23)	—0.31
(iv) Water and Power Development	0.23	0.23	—7.67 (—4.73)	—7.90	36.75	36.82	30.28 (24.13)	—6.54
(v) Transport and Communications	0.77	0.79	0.90 (0.63)	+0.11	35.90	37.95	33.79 (26.98)	—4.16
D—Grants-in-Aid and Contributions	..	..	..	..	25.83	25.95	25.79 (23.57)	—0.16
Total	1,59.96	2,37.40	1,60.23 (1,17.12)	—77.17	6,42.84	6,89.91	6,31.31 (5,33.11)	—58.60

Thus, while saving (Rs. 58.60 crores) under the provision for non-plan expenditure was 8.49 per cent, 32.50 per cent of the provision for plan expenditure remained unutilised.

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

1.5 Expenditure on Capital Account

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

Year	Budget	Budget plus supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crores)					
1977-78	1,32.38	1,43.10	1,35.91	—7.19	5
1978-79	1,54.63	1,78.32	1,63.37	—14.95	8
1979-80	1,92.29	2,36.51	2,16.69	—19.82	8

(*) The figures in brackets are the expenditure figures for 1978-79.

(ii) The following table compares the expenditure on capital account during 1979-80 under broad headings with the provision of funds thereunder :—

Head of expenditure (1)	Plan				Non-Plan			
	Budget estimates (2)	Budget plus supplementary (3)	Actuals (*) (4)	Variations (5)	Budget estimates (6)	Budget plus supplementary (7)	Actuals (*) (8)	Variations (9)
	(Rupees in crores)				(Rupees in crores)			
Capital expenditure on—								
(i) General Services	0.31	0.31	0.23 (0.23)	—0.08	2.31	2.57	0.93 (0.80)	—1.64
(ii) Social and Community Services	9.87	13.82	13.05 (8.14)	—0.77	1.90	1.95	0.42 (0.30)	—1.53
(iii) Economic Services—								
(a) General Economic Services	5.77	6.64	6.72 (1.48)	+0.08	..	..	.. (..)	..
(b) Agriculture and Allied Services	34.85	52.49	56.70 (42.30)	+4.21	1.08	4.28	4.12 (0.43)	—0.16
(c) Industry and Minerals	3.07	4.07	3.05 (3.29)	—1.02	..	0.06	(—)0.76 (—0.24)	—0.82
(d) Water and Power Development	1,08.40	1,19.50	99.97 (85.44)	—19.53	..	..	.. (..)	..
(e) Transport and Communications	24.72	30.81	32.25 (21.20)	+1.44	0.01	0.01	0.01 (..)	..
Total	1,36.99	2,27.64	2,11.97 (1,62.08)	—15.67	5.30	8.87	4.72 (1.29)	—4.15

Thus, while the saving under the provision for non-plan expenditure (Rs. 4.15 crores) was 46.79 per cent, 6.88 per cent of the provision for plan expenditure remained unutilised.

(*) The figures in brackets are the expenditure figures for 1978-79.

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

1.6 Loans and Advances by the Government

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

Year	Budget	Budget <i>plus</i> Supple- mentary	Actuals	Variations between Col- umns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crores)					
1977-78	1,28.28	1,37.17	1,09.68	—27.49	20
1978-79	1,42.94	1,59.06	1,37.93	—21.13	13
1979-80	1,63.12	1,80.09	1,69.70	—10.39	6

The saving (column 5) during the year was due mainly to less release of loans for 'co-operation' (Rs. 3.53 crores), 'Minor Irrigation, Soil Conservation and Area Development' (Rs. 2.52 crores), 'Other Social and Community Services' (Rs. 1.43 crores), 'Government Servants' (Rs. 1.30 crores), 'Agriculture' (Rs. 0.60 crore) and 'Education, Art and Culture' (Rs. 0.51 crore).

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

Year	Budget	Actuals	Variation	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)
(Rupees in crores)				
1977-78	30.75	18.19	—12.56	41
1978-79	29.33	23.02	—6.31	21
1979-80	31.43	27.68	—3.75	12

(iii) The details of disbursements of loans and advances and recoveries made during beginning/end of each year are indicated below :—

Categories	1977-78		
	Outstanding balance on 1st April 1977	Loans disbursed	Loans recovered
(1)	(2)	(3)	(4)
(i) Loans for Social and Community Services	46.29	10.05	1.18
(ii) Loans for Economic Services—			
(a) General Economic Services	27.56	12.02	7.61
(b) Agriculture and Allied Services	32.89	4.54	3.08
(c) Industry and Minerals	5.84	1.99	0.19
(d) Water and Power Development	3,21.84	73.34	..
(e) Transport and Communications	0.74	..	0.05
Total (ii)	3,88.87	91.89	10.93
(iii) Loans to Government Servants	4.58	7.74	6.08
(iv) Loans for Miscellaneous purposes	0.18	..	..
Total	4,39.92	1,09.68	18.19

the three years ending 1979-80 under different categories together with the outstandings at the

1978-79			1979-80			Outstanding balance on 31st March 1980
Outstanding balance on 31st March/1st April 1978	Loans disbursed	Loans recovered	Outstanding balance on 31st March/1st April 1979	Loans disbursed	Loans recovered	
(5)	(6)	(7)	(8)	(9)	(10)	(11)
(Rupees in crores)						
55.16	14.11	1.59	67.68	10.70	3.45	74.93
31.97	15.02	11.23	35.76	14.14	12.98	36.92
34.35	4.22	2.62	35.95	8.41	2.07	42.29
7.64	2.00	0.27	9.37	2.11	0.36	11.12
3,95.18	94.11	..	4,89.29	1,23.99	..	6,13.28
0.69	0.05	0.05	0.69	0.40	0.05	1.04
4,69.83	1,15.40	14.17	5,71.06	1,49.05	15.46	7,04.65
6.24	8.42	7.26	7.40	9.95	8.75	8.60
0.18	..	..	0.18	..	0.02	0.16
5,31.41	1,37.93	23.02	6,46.32	1,69.70	27.68	7,88.34

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

(iv) Recoveries in arrears.—(a) Loans and advances the detailed accounts of which are maintained by the Audit Office.—Recovery of Rs.6.08 crores (principal; Rs. 3.18 crores; interest; Rs.2.90 crores) was in arrears at the end of March 1980 as shown below:—

(1)	Principal (2)	Interest (3)
	(Rupees in crores)	
Upto 1978-79	2.37	2.13
1979-80	0.81	0.77
Total	3.18	2.90

(b) Loans and advances the detailed accounts of which are maintained by departmental officers.—Complete information about arrears of recovery of loans and advances has not been supplied. According to the information received (January 1981), recovery of Rs. 7.94 crores was outstanding at the end of March 1980. Of the total recovery reported to be in default, the recovery of Rs.7.92 crores was outstanding for more than three years as on 31st March 1980.

(v) The balances under the various loans are communicated to the loanees where detailed accounts are maintained by the Audit Office and to the Departmental Offices in other cases every year for verification and acceptance of balances. Out of 6,319 cases where the detailed accounts are maintained by Audit Office and 1,172 cases where detailed accounts are maintained by Departmental offices, acceptances have been received in 188 cases in respect of the former and 11 cases in respect of the latter (January 1981).

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

The capital expenditure (Rs.2,16.69 crores) and the net outgo under loans and advances by the State Government (Rs.1,42.02 crores) during 1979-80 were met mainly from revenue surplus (Rs. 1,67.09 crores), loans from the Government of India (Rs.1,08.26 crores), increase in provident fund balances, etc. (Rs.47.68 crores) and internal debt (Rs.8.25 crores).

1.8 Debt position

(a) The total debt liability of the Government at the close of 1979-80, was Rs.14,13.36 crores. A comparative analysis of the debt liability as at the end of March 1978, 1979 and 1980 is given below:—

Nature of debt (1)	Balance on 31st March		
	1978 (2)	1979 (3)	1980 (4)
	(Rupees in crores)		
(i) Public Debt—			
(1) Internal debt of the State Government	1,63.60	1,42.18	1,50.43
(2) Loans and advances from Government of India	5,67.53	7,42.44	8,50.70
Total (i)—Public Debt	7,31.13	8,84.62	10,01.13
(ii) Small savings, provident funds, etc.	2,08.49	2,50.79	2,98.55
(iii) Reserve funds and deposits (interest bearing)	23.14	30.08	29.51
(iv) Reserve funds and deposits (non-interest bearing)	68.45	81.55	84.17
Total	10,31.21	12,47.04	14,13.36

The borrowings from Government of India constituted 85 per cent of the State Government's public debt on 31st March 1980 as against 84 per cent of the public debt on 31st March 1979.

During the year a loan of Rs.9.50 crores bearing interest $6\frac{1}{2}$ per cent per annum (redeemable at face value in 1989) was floated by the Government against which Rs.10.42 crores were subscribed.

(b) *Ways and Means advances and overdrafts from the Reserve Bank of India.*—Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum cash balance of Rs.80 lakhs on each day. The Bank makes ways and means advances when the cash balance falls short of this minimum.

The extent to which the Government maintained the minimum balance with the Bank during 1979-80 is given below:—

(i) Number of days on which the minimum balance was maintained without obtaining any advance.	337
(ii) Number of days on which the minimum balance was maintained by taking ways and means advances (ordinary and special).	29

During the year, ways and means advances aggregating Rs.40.12 crores were obtained and were fully repaid leaving no amount outstanding at the end of the year.

Rupees 0.06 crore were paid as interest to the Bank, on the ways and means advances during 1979-80 against Rs.1.31 crores during 1977-78 and Rs.3.36 crores during 1978-79.

(c) *Interest charges.*—Interest payments on account of debt are analysed below:—

(1)	1978-79 (2)	1979-80 (3)
(Rupees in crores)		
Interest paid by the State Government	55.79	65.85
Interest received by the State Government—		
(a) Interest received on loans and advances	19.22	36.29
(b) Interest received on investment of cash balance	0.28	2.2
Net burden of interest on revenue	19.22	16.2
Net interest as percentage of total revenue receipts	2.49	1.69

In addition, there were other miscellaneous receipts of interest (Rs. 2.33 crores) and if these are taken into account, the net burden of interest on revenue would be Rs.13.90 crores, or 1.45 per cent of the total revenue receipts. The Government also received during the year Rs. 1.63 crores by way of dividend on investments in commercial and industrial undertakings, etc.

given below (Further details are given in Statement No. 6 of the Finance Accounts, 1979-80) :—

Body on whose behalf guarantee was given (1)	Maximum amount guaranteed (2)	Sums guaranteed outstanding on 31st March 1980 (3)
	(Rupees in crores)	
	(₹)	(₹)
(a) Working capital raised by the Madhya Pradesh Financial Corporation, Indore and dividend thereon.	2.14	2.10
(b) Loans, debentures, bonds, etc., raised by—		
(i) Statutory Corporations and Boards	3,82.02	2,72.25
(ii) Government Companies	48.25	8.56
(iii) Joint-stock Companies	2.09	(A)
(iv) Co-operative Banks and Societies	5,62.78	1,65.27
(v) Municipalities, Corporations and Townships	21.52	13.12
(vi) Other Institutions	0.04	(A)
Total	10,18.84	4,61.30

According to the orders issued by the Finance Department, the Administrative departments are required to intimate to Audit by 15th May every year the guarantees outstanding on 31st March of that year. Such information as on 31st March 1980 was not received (January 1981) in complete form in respect of loans, etc., amounting to Rs. 56.17 crores(*) guaranteed by the Government on behalf of (i) Statutory Corporations and boards (Rs. 14.84 crores), (ii) Joint-stock companies (Rs. 2.09 crores), (iii) Co-operative Banks and Societies (Rs. 38.37 crores), (iv) Municipalities, Corporations and Townships (Rs. 0.83 crore) and (v) Other Institutions (Rs. 0.04 crore).

(ii) During the year, Rs. 1,61.02 lakhs were paid as a result of the guarantees given in favour of various bodies being invoked. The total payment on account of guarantees invoked upto the end of 1979-80 was Rs. 4,60.04 lakhs. Against this, Rs. 2,35,40 lakhs were recovered from the parties concerned leaving a balance of Rs. 2,24.64 lakhs. Year-wise details of the amount paid on account of guarantees invoked and recoveries made are as follows :—

Year (1)	Amount	
	Paid (2)	Recovered (3)
	(Rupees in lakhs)	
Upto 1973-75	67.46	5.45
1974-75	25.37	11.26
1975-76	54.67	..
1976-77	..	1.25
1977-78	..	27.96
1978-79	1,51.52	1,36.31
1979-80	1,61.02	53.17
Total	4,60.04	2,35.40

(A) Information is awaited from Government.

(₹) Includes statutory guarantee of Rs. 3,46.59 crores (amount outstanding Rs. 2,61.05 crores) on behalf of Madhya Pradesh Financial Corporation (Rs. 14.29 crores, amount outstanding: Rs. 12.73 crores), Madhya Pradesh State Road Transport Corporation (Rs. 9.00 crores, amount outstanding: Rs. 3.08 crores) and Madhya Pradesh Electricity Board (Rs. 3,23.30 crores, amount outstanding: Rs. 2,45.24 crores).

(*) The amount stands included in the maximum amount of Rs. 10,18.84 crores guaranteed by the Government.

1.11 Plan performance

Against the total provision (budget and supplementary) of Rs. 2,37.40 crores under Revenue and Rs. 2,27.64 crores under Capital for Plan schemes during 1979-80, expenditure of Rs. 1,60.23 crores and Rs. 2,11.97 crores respectively was incurred. The shortfall was substantial being Rs. 77.17 crores in Revenue expenditure (32.50 per cent). The major items of shortfall are indicated below :—

(1)	Provision (2)	Actual (3)	Shortfall (4)
	<i>(Rupees in crores)</i>		

Social and Community Services—

(i) Education	11.58	6.39	(—)5.19
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The shortfall was mainly due to posts remaining vacant and economy in expenditure in Government Primary and Secondary Schools mostly in tribal areas, non-establishment of Directorate of Tribal Education and its sub-ordinate offices, excessive provision for pay and allowances for in-service teacher trainees under Teachers' Training scheme, non-implementation of Rural Functional Literacy Project and partial implementation of Adult Literacy Project and Farmers' Literacy Scheme.

(ii) Public Health Sanitation and Water Supply	39.35	32.60	(—)6.75
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The shortfall was mainly due to non-adjustment of the cost of materials and equipments received under Technical Co-operation Assistance Programme for prevention and control of diseases pending collection of utilisation certificates by the department and less expenditure on machinery and equipments for Rural Water Supply Schemes in scarcity areas.

(iii) Labour and Employment	28.68	(—)23.62	(—)52.30
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The minus expenditure under this Head was due to the fact that the credit initially afforded to this Head in respect of value of foodgrains utilised for execution of work under the "Food for Work Programme" was not adjusted to this Head "160-Grants-in-aid". Non-implementation of Rehabilitation Scheme for bonded labour was also a contributory factor.

(iv) Social Security and Welfare	16.76	9.93	(—)6.83
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The shortfall was mainly due to less expenditure on the welfare of Scheduled Castes and Scheduled Tribes owing to non-implementation/partial implementation of Special Nutrition Scheme, less expenditure on construction of buildings for educational and residential purposes, vocational training schemes and schemes of scholarships, grants-in-aid and subsidies.

1.12 Delay in submission of accounts

Under the financial Rules, the due dates for rendition of monthly accounts to Audit Office by Public Works/Forest divisions and Treasuries are as under :—

Public Works Divisions } Forest Divisions }	By 10th of the month following that to which the the accounts relate
Treasuries	Between 5th and 8th of the month following that to which the accounts relate

During 1979-80, 167 monthly accounts (Public Works Divisions : 72; Forest divisions : 66 and Treasuries : 29) were submitted late, the delay ranging from 7 to 30 days (Public Works and Forest Divisions 7 to 30 days and Treasuries 8 to 30 days).

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Summary

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

(1)	Grants/ charged appropriations (2)	Expenditure (3)	Saving (4)	Percentage (5)	
<i>(Rupees in crores)</i>					
Voted—					
Original	12,05.57	13,90.68	12,84.16	1,06.52	8
Supplementary	1,85.11				
Charged—					
Original	4,74.84	4,75.42	1,82.46	2,92.96	62
Supplementary	0.58				
Total	18,66.10	14,66.62	3,99.48	21	

The overall saving of Rs. 3,99.48 crores was the result of saving of Rs. 4,28.84 crores in 39 grants in revenue section (Rs. 1,12.22 crores), 22 grants in capital section (Rs. 3.64 crores), 27 charged appropriations in revenue section (Rs. 2.94 crores) and 7 charged appropriations in capital section (Rs. 2,90.04 crores); partly counterbalanced by excess of Rs. 29.36 crores in 3 grants in revenue section (Rs. 22.63 crores), 7 grants in capital section (Rs. 6.71 crores) and 3 charged appropriations in revenue section (Rs. 0.02 crore).

(b) Further details are given below:—

(1)	Revenue (2)	Capital (3)	Loans and Advances (4)	Public Debt (5)	Total (6)
<i>(Rupees in crores)</i>					
Authorised to be spent (Grants and charged appropriations)					
Original	9,19.36	2,22.13	1,63.12	3,75.80	16,80.41
Supplementary	1,24.50	44.22	16.97	..	1,85.69
Total	10,43.86	2,66.35	1,80.09	3,75.80	18,66.10
Actual expenditure (Grants and charged appropriations).					
Shortfall	92.51	6.69	10.40	2,89.88	3,99.48

2.2 Excess over grants/charged appropriations requiring regularisation

(a) *Grants.*— The excess of Rs. 22,63,38,668 in three grants in revenue section and of Rs. 6,71,00,917 in seven grants in capital section, as detailed below, requires regularisation under Article 205 of the Constitution :—

Serial number	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
<i>Revenue Section :</i>				
1.	20-Public Health Engineering	39,26,82,500	54,32,68,382	15,05,85,882
		Excess was due to acquisition of more materials for stock than anticipated for water supply schemes in scarcity areas.		
2.	28-State Legislature and Elections	2,10,79,900	2,21,86,114	11,06,214
		Excess was due to payment of more bill relating to elections to Lok Sabha than anticipated.		
3.	43-Additional Expenditure in Scarcity areas	59,91,65,000	67,38,11,572	7,46,46,572
		Reasons for the excess which occurred mainly under 'Community Development programmes—Local Development Works' have not been intimated (February 1981).		
<i>Capital Section :</i>				
1.	17-Co-operation	8,07,39,100	8,15,55,315	8,16,215
		Excess was due mainly to more investment in the share capital of 13 District Land Development Banks to provide more credit facility to Primary Land Development Banks for implementation of the scheme of construction of five lakh wells, owing to drought conditions.		
2.	20-Public Health Engineering	4,25,34,100	5,64,29,611	1,38,95,511
		Reasons for the excess which mainly occurred under 'New Urban Water Supply Scheme' have not been intimated (February 1981).		
3.	21-Expenditure pertaining to Housing and Environment Department	5,36,07,200	5,37,65,140	1,57,940
		Reasons for the excess which mainly occurred under 'Non-residential buildings' have not been intimated (February 1981).		
4.	22-Expenditure pertaining to Local Government Department	81,72,000	82,96,000	1,24,000
		Reasons for the excess which occurred under 'Relief for natural calamities' have not been intimated (February 1981).		

Serial number	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
5.	23-Irrigation works	1,24,58,34,500	1,26,86,21,450	2,27,86,950
			Excess occurred due mainly to non-provision of establishment charges on minor-irrigation works (see para 2.9) and inadequate provision for such charges on medium projects.	
6.	33-Tribal and Harijan Welfare	1,73,15,300	2,20,51,100	47,35,80
			Excess was due mainly to more investment than anticipated in the share capital of Antyavasai Co-operative Development Corporation.	
7.	43-Additional Expenditure in Scarcity Areas	36,17,43,000	38,63,27,501	2,45,84,501
			Excess was due mainly to accelerated progress of minor irrigation works in drought affected areas.	

Charged appropriations.— The excess of Rs. 1,58,968 in three charged appropriations in revenue section, as detailed below, also requires regularisation :—

Serial number	Number and name of charged appropriation	Total appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1.	22— <i>Expenditure pertaining to Local Government Department</i>	25,14,15,000	25,15,42,782	1,27,782
			Excess was due to payment of more grants than anticipated to local bodies to compensate them for loss of income due to crediting to Government of fees, fines and other receipts.	
2.	29— <i>Administration of Justice</i>	71,79,000	71,96,383	17,383
			Excess occurred under 'High Court'.	
3.	33— <i>Tribal and Harijan Welfare</i>	10,700	24,503	13,803
			Reasons for the excess which occurred under 'Direction' have not been intimated (February 1981).	

2.3 Supplementary grants/charged appropriations

The supplementary provision of Rs. 1,85.69 crores (11 per cent of the original provision) was obtained under 35 grants (Rs. 1,85.11 crores) and 18 charged appropriation (Rs. 0.58 crore).

The details of significant cases of unnecessary, excessive and inadequate supplementary grants/charged appropriations are given below :—

(i) In 12 grants (Revenue : 9; Capital : 3) supplementary provision (exceeding Rs. 10.00 lakhs each) of Rs. 9.75 crores remained wholly unutilised as the expenditure did

not come up even to the original provision. The grants where the unutilised provision was Rs. 1 crore or more are mentioned below (The details of other grants are given in Appendix III).

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
<i>(Rupees in lakhs)</i>					
<i>Revenue Section :</i>					
1.	8—Land Revenue and District Administration	25,99.77	51.87	24,21.38	2,30.26
		Shortfall was due mainly to posts remaining vacant, engagement of less labourers, non-payment of compensation to certain landlords due to cases pending in courts, less payment of Pateli Mahantana consequent on less collection of land revenue and non-sanction of rates for payment of compensation of lands/buildings acquired under the Urban Land (Ceiling and Regulation) Act.			
2.	11—Expenditure pertaining to Commerce and Industry Department	8,42.22	85.14	6,93.08	2,34.28
		Shortfall was due mainly to delay in finalisation of claims of small scale units for investment subsidy by District Level Committees, reimbursement of subsidy by the Government of India in respect of 13 units directly to financial institutions, non-receipt of vehicles from the suppliers, non-receipt of estimates for installation of new telephone connections, posts remaining vacant and non-purchase of certain machinery and equipments.			
3.	19—Medical, Public Health and Family Welfare	65,72.83	51.71	51,40.19	14,84.35
		Shortfall was partly due to posts remaining vacant and non-receipt of bills for medicines and materials indented from Government Medical Store, Bombay. Savings also occurred due to non-adjustment of the cost of materials and equipments received under Technical Co-operation Assistance Programme, the reasons for which have not been intimated (February 1981).			

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

(Rupees in lakhs)

4.	30—Expenditure pertaining to Panchayat and Rural Development Department	33,31.88	4,55.41	29,98.28	7,89.01
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Saving was due mainly to non-adjustment of the value of foodgrains received from the Food Corporation of India under 'Food for Work Programme' pending receipt of sanctions from the Government of India.

5.	41—Tribal Areas Sub-Plan	47,16.52	52.27	24,99.78	22,69.01
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Shortfall was due mainly to posts remaining vacant, engagement of less number of labourers, non-implementation/late commencement of certain schemes, for which reasons were not intimated (February 1981), issue of sanctions for less amount for book bank, less managerial grants to Large Area Multipurpose Societies etc., non-issue of sanction for new constructions involving construction of buildings for educational institutions and partial execution of Guaranteed Rural Employment Programme and Special Nutrition Programme in tribal areas.

Capital Section:

1.	6—Expenditure pertaining to Finance Department	11,25.07	21.50	10,16.35	1,30.22
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Shortfall was due mainly to less demand for foodgrain advances and non-drawal of advances by certain Government servants.

2.	24—Public Works	23,31.76	25.41	19,16.48	4,40.69
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Reasons for the saving, which occurred mainly under "Rural Roads Construction" and "Minimum Needs Programme" have not been intimated (February 1981).

3.	41—Tribal Areas Sub-Plan	36,90.66	1,55.74	32,47.21	5,99.19
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Reasons for the saving which occurred under 'Construction of medium projects' and 'Minor and Micro Minor Irrigation Schemes, have not been intimated (February 1981).

(ii) *Supplementary grants which proved excessive.*—In 12 grants (revenue: 7; capital: 5) supplementary provision (exceeding Rs. 10.00 lakhs each) of Rs. 34.18 crores proved excessive. The grants where the unutilised provision was Rs. 1 crore or more are mentioned below (details of other grants are given in Appendix IV).

Serial number (1)	Number and name of grant (2)	Original grant (3)	Supplementary grant (4)	Expenditure (5)	Saving (6)
(Rupees in lakhs)					
<i>Revenue Section:</i>					
1.	3—Police	46,02.43	6,43.41	50,80.33	1,65.51
		Shortfall was due mainly to non-filling up of newly created posts, non-purchase of furniture, equipments and machines, non-procurement of motor vehicles due to late issue of sanction and posts remaining vacant.			
2.	9—Other expenditure pertaining to Revenue and Land Reforms departments	5,69.91	22,13.18	9,25.90	18,57.19
		Shortfall was due mainly to post-budget decision of Government to account for the expenditure on relief in scarcity affected areas under 'Grant No. 43—Additional Expenditure in Scarcity Areas.'			
3.	10—Forest	74,65.57	8,87.15	81,39.31	2,13.41
		Reasons for the saving which occurred mainly under 'Food for Work Programme', forest conservation and development and plantation schemes have not been intimated (February 1981).			
4.	13—Agriculture	36,26.45	10,23.91	41,92.80	4,57.56
		Shortfall was due mainly to releasing of Rs. 3,61.25 lakhs (representing 50 per cent of the Central share of the scheme in respect of 210 blocks of 14 districts) by the Government of India directly to Small Farmers Development Agencies although provision for channelising the payment through the State Government was made in the State Budget, slow progress of minor irrigation works, veterinary, co-operation and agriculture schemes, non-implementation of certain schemes in certain blocks of the districts due to non-availability of agencies and staff, less payment of subsidy on manure and fertilisers, non-release of subsidy to the Madhya Pradesh Electricity Board due to non-availability of audited accounts and posts remaining vacant. Provision of Rs. 56.65 lakhs and Rs. 46.99 lakhs relating to payment of subsidy to Madhya Pradesh Electricity Board also remained unutilised during 1978-79 and 1977-78 respectively.			

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

(Rupees in lakhs)

Capital Section:

1.	13—Agriculture	16,26.36	4,17.00	16,45.14	3,98.22
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Shortfall was due mainly to less demand for loans for purchase of fertilisers by Apex Co-operative Bank, non-implementation of the scheme for construction of small/minor canals in irrigated areas under big/major irrigation schemes and grant of less loans for cotton development due to default in repayment of earlier loans by a number of societies.

2.]	31—Expenditure pertaining to Planning, Economics and Statistics Department	82.05	1,30.00	84.45	1,27.60
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Shortfall was due mainly to non-submission of applications for loans under State Employment programme by detenus, sanction of loans to less number of the educated unemployed for margin money by the banks owing to delay in completion of formalities, less receipt of applications for loans from the educated unemployed and non-creation of posts for certain schemes.

(iii) *Inadequate supplementary grants.*—In the following cases, the supplementary grants (exceeding Rs. 10.00 lakhs in each case), of Rs. 1,02,60.47 lakhs proved inadequate, the final uncovered excess was Rs. 27,84.47 lakhs (reasons for the excess, to the extent received, are given in paragraph 2.2).

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

(Rupees in lakhs)

Revenue Section:

1.	20—Public Health Engineering	35,59.66	3,67.16	54,32.68	15,05.86
2.	28—State Legislature and Elections	84.42	1,26.38	2,21.86	11.06
.	43—Additional Expenditure in Scarcity Areas	..	59,91.65	67,38.12	7,46.47

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

(Rupees in lakhs)

Capital Section :

1.	23—Irrigation Works	1,23,51.74	1,06.60	1,26,86.21	2,27.87
2.	33—Tribal and Harijan Welfare	1,21.90	51.25	2,20.51	47.36
3.	43—Additional Expenditure in Scarcity Areas	..	36,17.43	38,63.28	2,45.85

2.4. Unutilised provision

(i) Rupees 4,28.84 crores remained unutilised in various grants/charged appropriations as mentioned in paragraph 2.1 (a) above. In 24 grants (revenue: 16 and capital: 8) and 1 charged appropriation (capital) the savings (more than Rs. 25.00 lakhs in each case) were more than 10 per cent of the total provision. The details of these grants and charged appropriations are given in Appendix V.

(ii) Significant savings occurred during 1979-80 due to (a) less need for resorting to ways and means advances from the Reserve Bank of India than anticipated (Provision: Rs. 3,30.00 crores; saving: Rs. 2,89.88 crores), (b) non-adjustment of the value of foodgrains received from the Food Corporation of India under 'Food for Work Programme' pending receipt of sanctions from the Government of India (Rs. 15.89 crores) and (c) non-utilisation of provision for upgradation of standard of administration in police department (Rs. 3.05 crores), Tribal Welfare department (Rs. 1.88 crores), Jail department (Rs. 0.74 crore) and Revenue department (Rs. 0.76 crore).

(iii) Significant cases of persistent shortfall in gross expenditure (revenue, capital and loans) as compared to the corresponding provision for the years 1977-78, 1978-79 and 1979-80 are analysed below :—

Sector/sub-sector of expenditure	Year	Provision	Expenditure	Saving
		(Rupees in crores)		
Social and Community Services	1977-78	2,86.82	2,66.83	19.99
	1978-79	3,17.41	2,98.78	18.63
	1979-80	4,18.18	3,61.44	56.74
Economic Services—General Economic Services	1977-78	32.54	26.75	5.79
	1978-79	29.62	25.56	4.06
	1979-80	34.45	29.84	4.61
Agriculture (excluding Allied Services)	1977-78	33.40	29.88	3.52
	1978-79	38.93	31.52	7.41
	1979-80	53.71	40.02	13.69
Industry and Minerals	1977-78	11.43	9.66	1.77
	1978-79	15.46	12.57	2.89
	1979-80	17.41	13.35	4.06
Water and Power Development	1977-78	2,24.54	1,98.34	26.20
	1978-79	2,75.08	2,51.00	24.08
	1979-80	3,28.81	3,19.86	8.95
Transport and Communications	1977-78	41.32	40.25	1.07
	1978-79	54.17	48.87	5.30
	1979-80	70.48	67.35	3.13

(iv) Some of the major schemes where the provision remained substantially/wholly unutilised, other than those mentioned in paragraph 2.3, are given below :—

Serial number	Grant-number and head/scheme	Provision	Saving	Percentage
		(Rupees in lakhs)		
(1)]	9—Other expenditure pertaining to Revenue and Land Reforms Departments— Relief works— Irrigation works (M. H. 289)	2,33.00	1,64.46	71
		Saving was due to post-budget decision of Government to account for the expenditure on relief in scarcity affected areas under Grant No. 43. There was a saving of Rs. 2,15.88 lakhs in 1978-79 due mainly to sanction of less relief works in the drought affected districts and of Rs. 53.78 lakhs in 1977-78 due mainly to non-requirement of funds for relief works.		
(2)]	27—Education— Teachers' Training (M. H. 277)	2,79.55	1,16.50	42
		Saving was attributed mainly to (a) excessive provision for 3,000 in-service teacher trainees instead of the fixed quota of 2,250 trainees, (b) overestimation of the number of stipendiary students as 3,330 when the actual number recruited during the year ranged between 2,620 and 3,070 students, (c) less expenditure on pay and allowances as the actual number of in-service teacher trainees during the year was 356 only and (d) non-utilisation of provision for examination fees for 3,200 trainees payable to M. P. Board of Secondary Education pending holding of examination under "Science Teachers Training Scheme". There was a saving of Rs. 36.11 lakhs and Rs. 29.43 lakhs during 1978-79 and 1977-78 respectively under this scheme.		
(3)]	33—Tribal and Harijan Welfare— Welfare of scheduled Tribes— Agriculture— Grant-in-aid (M. H. 288)	1,41.50	1,41.50	100
		Saving was attributed to non-receipt of sanctions for the schemes from Government of India. Reasons for non-receipt have not been intimated (February 1981).		

Serial number	Grant number and head/scheme	Provision	Saving	Percentage
		<i>(Rupees in lakhs)</i>		
(4)	33—Tribal and Harijan Welfare— Special Nutrition Programme in Tribal Areas (M. H. 288)	3,34.21	2,70.03	81
		Saving was due mainly to less purchase of food stuff for the programme, non-purchase of materials and equipment, less demand by CARE, posts remaining vacant and economy in expenditure. There was a saving of Rs. 96.82 lakhs and Rs. 49.69 lakhs during 1978-79 and 1977-78 respectively under this scheme.		
(5)	34—Social Welfare— Special Nutrition Scheme (M. H. 288)	2,33.41	1,21.44	52
		Saving was due mainly to creation of less number of posts and non-creation of posts relating to health services, less transport charges than anticipated and less number of beneficiaries. There was a saving of Rs. 82.03 lakhs and Rs. 55.81 lakhs during 1978-79 and 1977-78 respectively also.		
(6)	34—Social Welfare— Special Security Pension (M. H. 288)	2,70.00	1,23.62	46
		Saving was stated to be due to less number of beneficiaries.		
(7)	41—Tribal Areas Sub-plan— Government Primary Schools (M. H. 277)	1,58.28	1,21.96	77
		Saving was due to posts remaining vacant, sanction of less amount for Book Bank and non-implementation of certain schemes relating to the training of teachers. There was a saving Rs. 78.64 lakhs and Rs. 60.37 lakhs during 1978-79 and 1977-78 respectively under this scheme.		
(8)	41—Tribal Areas Sub-plan— Construction of buildings for Educational Institutions (M. H. 288)	1,50.82	1,05.27	70
		Saving was due mainly to less amount required for completing the incomplete works and non-sanction of new constructions, reasons for which have not been intimated (February 1981). There was a saving of Rs. 27.65 lakhs and Rs. 19.44 lakhs during 1978-79 and 1977-78 respectively under this scheme.		

Serial number	Grant number and head/scheme	Provision	Saving (Rupees in lakhs)	Per centage
(9)	41—Tribal Areas Sub-plan— Special Nutrition Programme in Tribal Areas (M. H. 288)	2,47.00	98.16	40
		Reasons for the saving have not been intimated (February 1981). There was a saving of Rs. 1,40.81 lakhs and Rs. 57.82 lakhs during 1978-79 and 1977-78 respectively under this scheme.		
(10)	13—Agriculture— Cotton Development (M. H. 698)	1,50.00	1,31.40	88
		Saving was due to non-sanction of loans to several societies owing to default in repayment of earlier loans by them. There was a saving of Rs. 46.40 lakhs during 1978-79 under this scheme.		
(11)	13—Agriculture— Intensive Extension project with the assistance of World Bank (including programme in 5 districts) (M. H. 305)	1,59.75	1,59.74	100 (approx.)
		Saving occurred as the provision for the entire expenditure on the work of "Intensive Agricultural Extension and Research Project"—a Central Sector scheme was also made under another head. Reasons for making additional provision as above have not been intimated (February 1981). Entire provision of Rs. 1,02.76 lakhs under the scheme also remained unutilised during 1978-79 for a similar reason.		
(12)	13—Agriculture— Grants-in-aid on Fertilisers (M. H. 305)	91.50	82.45	90
		Saving was due mainly to non-approval of subsidy on di-ammonia phosphate and less payment of subsidy on muriate of potash owing to drought conditions. There was saving of Rs. 54.92 lakhs and Rs. 51.57 lakhs during 1978-79 and 1977-78 respectively under this scheme.		
(13)	13—Agriculture— Contour Bunding (M. H. 706)	1,50.00	1,37.97	92
		Reasons for the saving have not been intimated (February 1981).		

Serial number	Grant number and head/scheme	Provision	Saving (Rupees in lakhs)	Percentage
(14)	24—Public Works— Buildings (M. H. 305)	1,02.43	1,01.01	99
		Saving was attributed mainly to belated receipt of administrative approval for certain works and slow progress of other works. There was a saving of Rs. 46.63 lakhs during 1978-79 under this scheme.		
(15)	30—Expenditure pertaining to Panchayat and Rural Development Department— Local Development Works— Grants-in-aid (M.H.314)	10,39.36	5,95.65	57
		Reasons for the saving have not been intimated (February 1981).		
(16)	40—Irrigation Command Area Development— Chambal Ayacut (M.H.308)	3,06.95	1.55.61	51
		Saving was stated to be due mainly to slow progress of construction of roads, delay in acquisition of land and shortage of diesel. There was a saving of Rs. 95.65 lakhs during 1978-79 under this scheme.		
(17)	40—Irrigation Command Area Development— Construction of field channels in the command area of Tawa (M. H. 506 and 706)	90.00	90.00	100
		Entire provision remained unutilised since the manner in which the scheme was to be implemented was under correspondence among the Director of Agriculture, the Ayacut Development Commissioner and the Agriculture Department since January 1977.		
(18)	41—Tribal Areas Sub-Plan— Drought Prone Areas Programme ((M.H. 305)	4,18.50	1,67.92	40
		Reasons for the saving have not been intimated (February 1981). There was a saving of Rs. 2,01.68 lakhs and Rs. 73.54 lakhs during 1978-79 and 1977-78 under this scheme.		
(19)	41—Tribal Areas Sub-Plan— Construction Works (M. H. 314)	3,78.28	1,99.11	53
		Reasons for the saving have not been intimated (February 1981).		

Serial number	Grant number and head/Scheme	Provision	Saving	Percentage
(Rupees in lakhs)				
(20)	41—Tribal Areas Sub-Plan— Minor Irrigation (M. H. 706)	1,45.00	1,45.00	100
		Saving of Rs. 34.56 lakhs was due to less demand for loans. Reasons for the balance saving have not been intimated (February 1981).		
(21)	43—Additional expenditure, in Scarcity Areas— Repairs of damaged tanks, extending water storage capacity by increasing the height and length and making Nistar Water arrangements in order to provide jobs to people for giving relief in the drought affected areas (M. H. 506)	5,00.00	5,00.00	100
		Reasons for the saving have not been intimated (February 1981).		
(22)	11—Expenditure pertaining to Commerce and Industry Department— Scheme for payment of 10% capital investment subsidy to the Industrial Units to be set up in the selected Backward District/Areas (M.H. 320)	1,75.00	1,15.68	66
		Saving was due to delay in finalisation of claims of small scale units for investment subsidy by District Level Committees and reimbursement of subsidy by the Government of India in respect of 13 units directly to financial institutions for which provision was made in the State Budget. There was a saving of Rs. 99.13 lakhs and Rs. 83.91 lakhs during 1978-79 and 1977-78, respectively under this scheme.		
(23)	23—Irrigation Works— Ravi Shanker Sagar Project— Canals (M. H. 532)	7,51.35	5,34.39	71
		Saving was due mainly to non-finalisation of the proposal of lining along the sides of the Mahanadi main canal, remodelling of structure of Lawan branch canal and belated receipt of revised administrative approval for Bhatapara branch canal. There was a saving of Rs. 3,22.31 lakhs in 1978-79 under this scheme.		

Serial number	Grant number and head/scheme	Provision	Saving	Percentage
		<i>(Rupees in lakhs)</i>		
(24)	23—Irrigation Works— Upper Wainganga Irrigation Scheme— Dam and Appurtenant Works (M. H. 533)	6,09.91	3,16.35	52
		Reasons for the saving have not been intimated (February 1981). There was a saving of Rs. 92.16 lakhs and Rs. 2,05.47 lakhs during 1978-79 and 1977-78 respectively under this Scheme.		
(25)	23—Irrigation Works— Bodhghat Project— Dam and Appurtenant Works (M. H. 534)	1,01.79	1,00.16	98
		Reasons for the saving have not been intimated (February 1981). There was a saving of Rs. 3,12.53 lakhs during 1978-79 under this scheme.		
(26)	41—Tribal Areas Sub-Plan— Construction of medium projects (M. H. 533)	9,17.07	4,55.55	50
		Reasons for the saving have not been intimated (February 1981)		
(27)	24—Public Works— District and other Roads— Minimum Needs Programme (M. H. 537)	7,05.00	3,16.88	45
		Reasons for the saving have not been intimated (February 1981). There was a saving of Rs. 1,76.36 lakhs and Rs. 44.98 lakhs during 1978-79 and 1977-78 respectively under this scheme.		
(28)	42—Public Works relating to Tribal Areas Sub-Plan— District and other Roads— Minimum Needs Programme (M. H. 537)	2,87.13	1,17.51	41
		Reasons for the saving have not been intimated (February 1981). There was a saving of Rs. 50.34 lakhs under this scheme during 1978-79 also.		

2.5. Advances from the Contingency Fund

(1) A contingency fund with a corpus of Rs. 20.00 crores has been placed at the disposal of the Government to meet unforeseen expenditure pending authorisation by the State Legislature. Advances from the fund can be made only to meet unforeseen expenditure not provided in the budget and which is of such emergent character that its postponement till the vote of Legislature is taken would be undesirable.

(2) Government issued 148 sanctions during 1979-80 advancing Rs. 15,92.38 lakhs from the Contingency Fund. Against these sanctions, advances amounting to Rs. 5,37.54 lakhs were drawn, out of which Rs. 2,05.43 lakhs were not recouped to the fund till the close of the year.

(3) It was also noticed that—

(i) 95 sanctions for Rs. 7,18.36 lakhs were neither operated upon nor cancelled;

(ii) 3 sanctions for Rs. 1.84 lakhs were not operated upon and were subsequently cancelled; and

(iii) actual withdrawal (Rs. 30.31 lakhs) against 6 sanctions (Rs. 1,63.40 lakhs) was less than 50 per cent of sanctioned amount.

(4) In the following cases the amount of advance sanctioned was not drawn or was substantially in excess of the amount drawn :—

Serial number	Head of account	Purpose for which advance sanctioned	Amount of advance sanctioned	Amount drawn
(1)	(2)	(3)	(4) ¹	(5)
			<i>(Rupees in lakhs)</i>	
1.	314-Community Development	For making arrangement of employment for relief in drought prone areas under Local Development Programme	1,25.00	17.80
2.	532-Capital Outlay on Multipurpose River Projects	Purchase of special tools and plants for Ban Sagar Unit II Canal	1,00.20	..
3.	533-Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects	For purchase of tractors	95.00	..
4.	721-Loans for Village and Small Industries	Establishment of District Industrial Centres	57.27	36.00
5.	533-Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects	Purchase of special tools and plants for Thanwar Project	43.39	..
6.	280-Medical	Starting IIIrd phase of training of Public Health Protectors under Village Health Scheme	36.07	..
7.	282-Public Health, Sanitation and Water Supply	For grant of scholarships and meeting contingent expenditure of trainees under Multipurpose workers Scheme	23.42	..
8.	255-Police	For making arrangement of Police for elections to Parliament	21.85	9.08
9.	280-Medical	For eradication of malaria	17.38	..

Serial number	Head of account	Purpose for which advance sanctioned	Amount of advance sanctioned	Amount drawn
(1)	(2)	(3)	(4)	(5)
			(Rupees in lakhs)	
10.	282-Public Health, Sanitation and Water Supply.	Creation of additional posts under Departmental Structure.	11.89	..

2.6 Non-receipt of explanations for savings/excesses

After the close of each financial year, the detailed Appropriation Accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the controlling officers requiring them to explain the variations in general and those under important heads in particular.

In regard to the Appropriation Accounts for 1979-80, the explanations for variations in respect of 505 heads were called for, out of which explanations for 279 heads were either not received at all or were incomplete. In particular, the Forest, Irrigation, Public Works, Tribal and Harijan Welfare, Revenue, Fisheries and Panchayat and Rural Development departments did not furnish the explanations in a large number of cases. Such delays in submission of material for Appropriation Accounts result in the Audit Report remaining incomplete in certain essential respects.

2.7 Shortfall/Excess in recoveries

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the Budget estimates. During 1979-80 such recoveries were anticipated at Rs. 1,46.40 crores (Revenue : Rs. 1,16.56 crores and Capital : Rs. 29.84 crores). Actual recoveries during the year, [however, were 2,02.77 crores (Revenue: Rs. 1,59.80 crores and Capital: Rs. 42.97 crores). Grantwise details of estimated recoveries, actual recoveries and shortfalls/ excesses in recoveries have been given in Appendix II to the Appropriation Accounts for the Year 1979-80. Some of the important cases of variations are detailed below :—

Serial number	Number and name of grant	Budget estimates	Actuals	Amount of excess (+)/shortfall(-) of recoveries compared to estimates
(1)	(2)	(3)	(4)	(5)
				(Rupees in crores)

Revenue :

1.	10-Forest	2.00	0.72	-1.28
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Shortfall was due to adjustment of less amounts under "Food-grains from Government of India for generating gainful employment". Reasons for adjustment of less amount have not been intimated (February 1981).

2.	19-Medical, Public Health and Family Welfare	7.16	0.07	-7.09
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Shortfall was due mainly to receipt of less materials and equipments under Technical Co-operation Assistance Programme.

Serial number	Number and name of grant	Budget estimates	Actuals	Amount of excess(+) /shortfall(-) of recoveries compared to estimates
(1)	(2)	(3)	(4)	(5)
(Rupees in crores)				
3.	20—Public Health Engineering	15.95	30.04	+14.09
		Reasons for the excess have not been intimated* (February 1981).		
4.	23—Irrigation Works	35.18	38.68	+3.50
		Excess was due mainly to adjustment of more amounts under "Deduct—Establishment charges transferred on percentage basis to various capital major heads".		
5.	24—Public Works	40.36	51.71	+11.35
		Reasons for the excess have not been intimated (February 1981).		
6.	28—State Legislature and Elections	0.10	1.29	+1.19
		Excess was due to receipt of more contribution from the Government of India for election expenses.		
7.	30—Expenditure pertaining* to Panchayat and Rural Development Department	9.00	15.09	+6.09
		Excess was due to transfer of more expenditure to major head 314—Community Development under "Foodgrains from Government of India for generating gainful employment".		
8.	41—Tribal Areas Sub-Plan	4.00	..	-4.00
		Reasons for shortfall which occurred under "Foodgrains from Government of India for generating gainful employment" have not been intimated (February 1981).		
9.	43—Additional Expenditure in Scarcity Areas	..	20.04	+20.04
		The recovery represents the expenditure transferred to Major Head 314—Community Development under "Foodgrains from Government of India for generating gainful employment", estimate for which was not made in the Budget.		

Serial number	Number and name of grant	Budget estimates	Actuals	Amount of excess(+)/shortfall (—) of recoveries compared to estimates
(1)	(2)	(3)	(4)	(5)

(Rupees in crores)

Capital:

1. 23—Irrigation Works

20.86 34.55 +13.69

Excess was mainly under receipts and recoveries on capital account under "532—Capital Outlay on Multipurpose River Projects". Reasons for the excess have not been intimated (February 1981).

2. 41—Tribal Areas Sub-Plan

1.00 .. —1.00

Reasons for the shortfall have not been intimated (February 1981).

2.8 Drawal of funds in advance of requirements

The financial rules provide that no money should be drawn from the treasury unless it is required for immediate payment. Some of the more important cases of drawal of funds in advance of requirements noticed by audit are mentioned below:—

(i) *Co-operation Department.*—Amounts totalling Rs. 10,68.37 lakhs were drawn by the Registrar, Co-operative Societies, Bhopal between 26th and 31st March 1980 for providing financial assistance to various Co-operative Societies, etc., and the bills were endorsed in favour of the Madhya Pradesh State Co-operative Bank Limited, Bhopal (Rs. 6,53.01 lakhs) and other APEX Co-operative Societies (Rs.4,15.36 lakhs). Out of Rs. 6,53.01 lakhs, bills for which were endorsed to the Madhya Pradesh Co-operative Bank Limited, Bhopal, advices for Rs. 6,41.76 lakhs were sent (Rs. 4,43.33 lakhs) on 31st March 1980 and (Rs. 1,98.43 lakhs) during April and May 1980; by the bank to various district Co-operative banks for crediting to the accounts of Co-operative Societies concerned; Rs. 11.25 lakhs remained (January 1981) undisbursed/unutilised with the Madhya Pradesh State Co-operative Bank Limited, Bhopal. The Registrar, had no information (January 1981) about the disbursement of Rs. 4,15.36 lakhs, bills for which were endorsed to the other APEX Co-operative Societies.

The Registrar, Co-operative Societies, Bhopal stated (August 1980) that orders of the Government were received too late and the amount was, therefore, drawn to avoid the lapse of budget grant.

(ii) *Agriculture Department.*—Amounts totalling Rs. 6.63 lakhs were drawn by the Deputy Director of Agriculture (North Bastar), Jagdalpur in March 1979 (Rs.4.90 lakhs) and March 1980 (Rs.1.73 lakhs) for rearing of nurseries and transplantation of fruit plants under the scheme of Intensive Development of Horticulture. As the work was to be done in rainy season which starts from June/July, the drawal of funds in advance of the requirement was irregular. Except levelling of the land, no work for which amounts were drawn could be completed till October 1980.

2.9 Non-provision of establishment charges on minor irrigation and civil works in Capital section

Where a common Public Works establishment caters to works both under 'Revenue' and 'Capital' sections, the accounting envisages that proportionate establishment charges should be allocated to the capital heads in respect of all works debited to Capital. For the purpose, the distribution of common establishment charges to Capital heads is calculated on a percentage basis, the percentages being determined by the Government in such a manner as to remain current for at least 3 years. The percentages prescribed for establishment charges for the three years commencing from 1977-78 for the Capital outlay on Irrigation and Public Works in the Plan sector were 25 per cent and 12 per cent respectively. The State Government in the Finance Department issued orders on 23rd January 1980 to continue the levy at the same rates during 1980-81. Another order was issued on 28th January 1980 dispensing with the levy of such charges on Capital outlay on Minor Irrigation Schemes and on all Public Works in Plan sector incurred during 1979-80, and the Irrigation and Public Works Departments were further directed to withdraw the debits already adjusted through divisional accounts. Clarifying the objective of the order dated 28th January 1980, the Government stated that most of the establishment charges were treated as committed expenditure and hence such charges were not to be allocated to Capital heads during 1979-80.

Though the discretion to determine judicious percentages for levy of departmental charges vests with the Government, no item of capital works expenditure can be excluded from such levy on the plea that it involves little or no departmental supervision or that most of the establishment charges were treated as committed expenditure. It was observed that although capital outlay of Rs.10.36 crores on Minor Irrigation Schemes and Rs. 17.52 crores on various Public Works in the Plan sector was provided for in the Capital heads under Grant No. 23—Irrigation Works and Grant No. 24—Public Works respectively, provision for levy of prevailing departmental percentage charges on account of common establishment amounting to Rs. 2.59 crores and Rs. 2.10 crores respectively was not made in the aforesaid grants in the Budget Estimates 1979-80.

On the matter being pointed out by Audit, the State Government intimated (June 1980) that "in the budget for the current year (i.e. 1980-81) the *pro-rata* charges of establishment and tools and plant both have been allocated and thus the codal provisions have been fulfilled".

CHAPTER III

CIVIL DEPARTMENT'S FOREST DEPARTMENT

3.1 'Haulage of Forest Produce'

'Haulage' i.e. transportation of forest produce from coupes to sales depot(s) forms an important aspect of forestry operation and is one of the most vital factors that determine the government revenue from forest produce. With the nationalisation of trade in timber (September 1970) and bamboo (November 1973), the working of coupes was undertaken by the Department. Prior to nationalisation, forests were auctioned and leased to private contractors who worked the coupes and arranged for haulage of forest produce from coupes to sales depots.

As per departmental records, the annual estimated quantity of forest produce for haulage during 1978-79 (based on actuals for 1977-78) was as follows :—

Timber	16 lakhs cubic metres (cmt)
Fuel wood	24 lakhs cmt.
Bamboo	4 lakhs Notional Tonnes (N. T.)

The forest department has been adopting the following arrangements over the years for haulage of forest produce :—

- (a) Haulage by contractors (private transporters).
- (b) Haulage by M. P. State Road Transport Corporation.
- (c) Haulage by Department's own fleet of trucks.
- (d) Haulage by other means.

2. A test-check of the haulage arrangements made by the department was undertaken (April 1980) with reference to records of the office of the Chief Conservator of Forests (Production) M.P. and twelve Forest Divisions (Production divisions) viz., West Chhindwara, Ambikapur, North Balaghat, North and South Betul, Harda, Bhopal, North Khandwa, Jabalpur, Central Bastar, Panna and Korea, out of 41 Production Divisions. The results of the test-check are set out in the following paragraphs.

3. Haulage of Forest Produce by Contractors

(i) In cases, where the haulage work was awarded to contractors, there were defects in their working. 40,575 cubic meters of Timber and 39,644 N.T. of Bamboos out of the quantities offered for haulage to the contractors by the department as per the agreements concluded with them during 1977-78 and 1978-79, were not hauled by them within the contract period. The agreement with the contractors provided for recovery of the extra cost incurred by the Department within the period of contract through other agencies from the defaulting contractors upto a maximum of 33½ per cent of the rate as per the original contracts. Such alternative arrangements not having been made by the Department before the expiry of the contract period, the Department could not recover from the defaulting contractors Rs.3.87 lakhs out of the extra expenditure of Rs.4.44 lakhs incurred on haulage of the left over quantity mentioned above during the years 1978-79 and 1979-80.

(ii) It is relevant to mention that, in the case of P.W.D. contracts there is provision for recovery of the entire extra cost from defaulting contractors in the event of their failure. The Government stated (April 1979) that it is proposed to amend the form of agreement to provide for forfeitures of Security Deposits in such cases. A provision similar to the provision in P.W.D. contracts would, however, have secured recovery of actual extra cost of Rs.4.44 lakhs in this case and also in all future cases of such failures.

4. Haulage of Forest Produce by M. P. State Road Transport Corporation

With a view to promoting competition in the field of haulage which had been a monopoly of private contractors, the haulage work was also entrusted to M.P. State Road Transport Corporation (Corporation) from 1976-77 working season. No specific areas, however, were ear-marked for the Corporation for haulage. The Corporation did not have sufficient number of trucks required for the operations. Information regarding the exact number of trucks deployed by the Corporation for haulage was not available with the department. A test-check of the records of four Production divisions (Central Bastar, North Seoni, South Balaghat, South Seoni) revealed the following :—

(i) In order to better equip the Corporation to undertake the work by reconditioning and reconstructing the discarded buses and also to purchase new trucks, an amount of Rs.194 lakhs was advanced by the department to the Corporation during September 1976 to February 1979 without charging interest.

The advances were adjustable against bills of transportation to be presented by the Corporation at the rates approved by the Departmental Sub-Committee. However, in the books of the department, these advance payments were erroneously treated as final payments. Further, the basis on which haulage rates were fixed could not be ascertained as no connected records were available with the department.

(ii) The department had no information about the number of trucks reconditioned or reconstructed and the number of new vehicles purchased by the Corporation out of the advance mentioned above.

(iii) No agreement specifying the quantity of timber to be hauled, time limit for completion of the work, imposition of penalty and penal interest for breach thereof, was executed by the department with the Corporation.

(iv) The Corporation had billed the department for Rs.66.04 lakhs (Rs.18.04 lakhs in 1976-77 and 1977-78 and Rs. 48.00 lakhs in 1978-79 upto June 1979) till 30th June 1979.

Acceptance of the Corporation's claim was stated to be pending (April 1980) due to discrepancies between quantities actually hauled and billed for as also the quantity received at the sale depots.

(v) The Corporation failed to transport completely the quantities offered to it (48,997 cubic metres) during the period 1976-77 to 1978-79. The left over work (23,833 cubic metres) was entrusted to other agencies and Government had to incur an extra expenditure of Rs. 3.70 lakhs, which could have been recovered from Madhya Pradesh State Road Transport Corporation had an agreement incorporating appropriate penal clauses been executed.

5. Haulage by the Departmental trucks

(i) Against the requirement of 2,500 trucks assessed by the department during 1979-80, the Madhya Pradesh State Road Transport Corporation, the contractors and the department together could muster 1,400 trucks only which indicated the inadequacy of the haulage arrangements. As purchase of 1,100 trucks at an estimated cost of Rs. 13,75.00 lakhs in one year was financially not feasible, it was proposed to phase the expenditure and sanction of Government for the purchase of 220 trucks at a cost of Rs.300 lakhs was accorded during 1979-80 against which an expenditure of Rs.338 lakhs was incurred upto March 1980 on purchase of chassis and body of 50 trucks and chassis of 170 trucks. Fifty trucks had been commissioned for haulage work (December 1980). Bodies of the remaining trucks had not been completed as the Department had no workshop and it had to depend on private parties for this work.

6. Loss caused by deterioration in quality of timber and bamboo on account of inadequate and defective haulage arrangements

On account of inadequate haulage arrangements and unsatisfactory working of haulage agencies (contractors, Madhya Pradesh State Road Transport Corporation and departmental trucks), considerable quantities of timber and bamboos available for haulage were not hauled. This damaged the material (both timber and bamboos) completely in some cases (Rs.6.14 lakhs) and partially in others (Rs. 9,26 lakhs) due to exposure of the material to weather apart from certain contracts for advance sale of commercial bamboos remaining unfulfilled resulting in loss (Rs.1.17 lakhs) as per details given below:—

(i) Non-haulage and consequential exposure of 3,172.25 Notional Tonnes of industrial bamboos (South Balaghat: 2,408.13 N.T., North Betul Division: 764.12 N.T.) to weather rendered industrial bamboos worth Rs. 6.14 lakhs rotten and useless for sale (South Balaghat; Rs.4.57 lakhs, North Betul : Rs.1.57 lakhs).

(ii) *Timber and Bamboo partially damaged in the coupes.*—Timber and bamboos offered for haulage in the coupes but not hauled and had, therefore, suffered deterioration, are estimated to have lost their value to the extent of Rs. 9,26 lakhs as per details given below. These have been worked out on the basis of the provisions in para 114A of the Forest Manual. In the case of details for the year 1976-77, these have been accepted by the Department also:—

Year	Timber		Fuel stocks (2x1x1M in Nos.)	Bamboos in notional tonnes		Value	Loss due to deterioration in quality
	Logs (in cmt)	Ballies (in Nos.)		Commer- cial	Indus- trial		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
							(Rupees in lakhs)
1976-77	1,26,337	10,12,883	8,02,616	8,700	30,034	900	150
1977-78	1,82,857	15,76,943	9,38,151	4,298	31,094	1500	316
1978-79	2,62,420	20,53,574	13,22,680	6,771	52,602	2029	400
					Total		926

(iii) Contracts for advance sale of commercial bamboos remained unfulfilled on account of inadequate haulage arrangements and resulted in the loss of Rs. 1.17 lakhs in Forest Division (North Betul) during the period 1978-79.

7. Other points of interest

It was observed in practically all the divisions that were test-checked that the process of haulage was adversely affected for the following reasons:—

(i) The extraction paths or forest roads were not repaired and kept ready at the commencement of the working season.

(ii) Though the felling operations and the haulage work continued simultaneously, full truck load of material was not made available to haulage agencies.

(iii) The distance between the coupes and the depots as notified in the notices inviting tender differed from the actual distance leading to problems in regard to haulage by contractors

(iv) There were delays in sanctioning haulage contracts which caused delay in commencement of haulage work thus contributing towards material remaining unhauled and financial loss mentioned in para 6(i). For example, in Production Division, North Balaghat sanction for haulage contract was conveyed to the contractor after 50 days. Consequently, the contractor refused to execute the haulage agreement and thus haulage work was delayed.

Summing up

(i) An extra expenditure of Rs. 4.44 lakhs was incurred on haulage of quantities left over by the contractors during 1977-78 and 1978-79, out of which an amount of Rs. 3.87 lakhs could not be recovered from the contractors as the left over material was not got hauled by alternative means within the period of contract, as provided for in the agreement for haulage. Actual extra cost also could not be recovered in the absence of provision to that effect in the contracts.

(ii) An amount of Rs. 1.94 lakhs was advanced by the Department to the Corporation to provide necessary transport but the Department was not aware of the steps taken by the Corporation for this purpose nor had it entered into any agreement for haulage of the forest produce by the Corporation.

(iii) Extra cost of Rs. 3.70 lakhs incurred by the Department on account of failure of the Corporation to do the hauling entrusted to it has not been recovered.

(iv) Due to non-haulage of the forest produce within the specified time, and consequential deterioration in the quality and decay of the produce, the department suffered loss in revenue amounting to Rs. 933.31 lakhs.

(v) Inadequate haulage arrangements and ill-defined details of contracts, viz., quantity of forest produce to be hauled and correct distances from coupes to sale depots impeded the efficiency of haulage work.

The facts mentioned above were reported to the Government in July 1980; reply is awaited (January 1981).

3.2 Social Forestry Schemes

1.0. Introductory.— With a view to making the barren and denuded areas of the State more productive so as to meet the growing local needs of fuelwood and fodder, intensive schemes like Panchavan, Van Mahotsava, Roadside plantations and Social Forestry plantations through Panchayats had been undertaken. As stressed by the National Commission on Agriculture, the Government of India sponsored (1976)—

- (A) Reforestation of degraded forests (implemented initially in Rajgarh and Khargone districts) and
- (B) Mixed Plantations on Panchayat and waste lands (implemented in Rajgarh and Bastar districts)

which were taken up in the last three years of the Fifth Five Year Plan (*i. e.* 1976-77 to 1978-79).

1.1. The schemes were to provide employment to a number of unskilled and semi-skilled persons from rural areas situated in the vicinity of the centres of work.

1.2. In order to make effective utilisation of the funds in a productive manner and to ensure timely release of Central grants, the State Government was required to submit periodical reports regarding utilisation of funds and physical targets achieved.

1.3 The operation of the scheme 'Reforestation of degraded forest' was extended to 4 districts (Rewa, Shivpuri, Gwalior and Datia) in 1977-78 and to 4 more districts (Dhar, Mandasaur, Ujjain and Raisen) in 1978-79.

1.4 The schemes were executed through the existing staff which was augmented from 1977-78. Besides posts of subordinate staff, one post of Deputy Director, Social Forestry for Rajgarh and 5 posts of Assistant Directors, Social Forestry for Rewa, Gwalior Shivpuri, Khargone and Bastar (Kanker Division) were sanctioned for efficient management and aftercare of the plantations.

2. Salient features of the schemes

2.1. *Reforestation of Degraded forests.*—The scheme envisaged growing of short rotation fuelwood and timber species, organising fuelwood supply at reasonable rates to prevent pilferage from neighbouring commercial forests, providing employment to the rural population through forestry practices and rehabilitation of the degraded forests in the process.

Based on the report of the National Commission on Agriculture, the cost of this scheme in Madhya Pradesh was estimated at Rs. one crore to be shared equally by the Central and State Governments. The responsibility for subsequent management of these forests was to be with the State Government. The plantations covering an area of nearly 10,000 hectares selected from the areas having poor forest growth and costing Rs. 1000 per hectare (Rs. 500 per hectare for only advance work) were expected to start yielding fuel and small timber after the twentieth year. Compact blocks of degraded forest area of 50 hectares and above adjoining a group of villages were to be selected.

2.2. *Mixed Plantations on Panchayat lands, waste lands etc.*—The scheme envisaged raising of green fodder, fruit and fuelwood trees on suitable waste lands, panchayat lands and village commons to supply fodder and fuel with responsibility for protection of these plantations being shared by the local bodies or organisations.

The total cost of this scheme covering an area of 7000 hectares was expected to be Rs. 70 lakhs (at Rs. 1000 per hectare) spread over the last three years of the Fifth Five Year Plan (*i. e.* 1976-77 to 1978-79). The plantations were expected to start yielding fodder grass and easily marketable fruits in a period of 5 to 7 years. The scheme envisaged sharing of income between Government and the Panchayats.

2.3. *Pattern of Central assistance.*—The approved pattern of Central financial assistance was as under :—

Name of Scheme	For 1976-77		For 1977-78 and 1978-79	
	Central share	State share	Central share	State share
(1)	(2)	(3)	(4)	(5)
(i) Reforestation of degraded forests	50%	50%	Upto Rs. 1000 per hectare	Expenditure above Rs. 1000 per hectare.
(ii) Mixed Plantations on waste lands, panchayat lands	75%	25% (to be contributed by State Government and Panchayats)	do.	do.

Expenditure in subsequent years, was to be borne by the State Government.

2.4. *Targets and achievements.*— The position of financial and physical target fixed and achieved is given below:—

(A) Reforestation of degraded forests

Year	Financial		Physical targets				Central grant released
	Allotment (By State Government)	Expenditure	Fixed		Achieved		
			Advance work	Plantations	Advance work	Plantations	
					Percentage of achievement	Percentage of achievement	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(Rupees in lakhs)		(in hectares)				(Rupees in lakhs)
1976-77	3.50	2.72	700	Nil	670	Nil	1.34
					96		
1977-78	24.20	15.79	2,500	1,170	2,042	1,011	12.50
					82	86	
1978-79	50.26	44.27	3,300	2,500	2,954	1,412	10.25
					90	56	
1979-80	65.15	53.94	3,300	2,500	3,115	2,693	Nil
					94	108	
Total	143.11	116.72	9,800	6,170	8,781	5,116	24.09
					90	83	

(Figures as reported by the Departmental Officers)

(B) Mixed Plantations on waste lands, Panchayat lands, etc.

Year	Financial		Physical targets fixed		Achieved		Central grant released
	Allotment	Expenditure	Advance work	Plantations	Advance work	Plantations	
					Percentage of achievement	Percentage of achievement	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(Rupees in lakhs)		(In hectares)				(Rupees in lakhs)
1976-77	4.00	2.06	800	Nil	615	Nil	1.54
					77		
1977-78	14.50	7.01	1,000	615	743	451	5.00
					74	73	
1978-79	13.90	8.65	1,000	1,000	780	442	2.54
					78	44	

Year	Financial		Physical targets fixed		Achieved		Central grant released
	Allotment	Expenditure	Advance work	Plantations	Advance work	Plantations	
(1)	(2)	(3)	(4)	(5)	Percentage of achievement	Percentage of achievement	(8)
	(Rupees in lakhs)				(In hectares)		(Rupees in lakhs)
1979-80	19.20	17.14	1,000	1,000	767	1,019	Nil
					77	102	
Total	51.60	34.86	3,800	2,615	2,905	1,912	9.04
					76	73	

(Figures as reported by the Department)

The department did not indicate the reasons for the short fall in the achievements of targets.

2.4.1. An appraisal of achievement *vis-a-vis* targets is given below:—

(a) Reforestation of the degraded forests.—

(i) An expenditure of Rs.116.72 lakhs was incurred as against the authorised expenditure of Rs.69.49 lakhs (Rs.51.16 lakhs for 5,116 hectares + Rs.18.33 lakhs for only advance work on 3,665 hectares). No reasons were given for this excessive expenditure (November 1980).

(ii) Advance work was done on 5,666 hectares (column 6) during the years 1976-77 to 1978-79 but total area planted during the years 1977-78 to 1979-80 was only 5,116 hectares (column 7) leaving 550 hectares of land unplanted for more than one year. Reasons for this short fall were not stated (January 1981).

(b) *Mixed Plantations on waste lands, Panchayat lands, etc.*—(i) An expenditure of Rs.34.86 lakhs was incurred as against the authorised expenditure of Rs.24.09 lakhs (Rs.19.12 lakhs on 1,912 hectares of plantations and Rs.4.97 lakhs advance work on 993 hectares). Reasons for this excessive expenditure were not stated (January 1981).

(ii) Advance work was done on 2,138 hectares of land (col.6) during the years 1976-77 to 1978-79 but the total area planted during the years 1977-78 to 1979-80 was 1,912 hectares leaving 226 hectares of land unplanted for more than one year. No reasons have been ascribed for this shortcoming (January 1981).

2.5. The initial records of some of the plantation works done under these schemes were test-checked during April-August 1980. Important points which came to notice are mentioned in the succeeding paragraphs:—

(i) *Excessive purchase of fencing material.*—In three forest divisions (Shivpuri, Gwalior and Rajgarh) angle iron (Rs.5.31 lakhs) and barbed wire (Rs.3.53 lakhs) were purchased (1977-78 and 1978-79) at the fag end of the financial years. Further, the material purchased was in excess of actual requirements, as material worth Rs.3.74 lakhs remained in stock (March 1980) and materials worth Rs.2.14 lakhs were issued for works pertaining to other schemes.

(ii) *Unauthorised purchases.*—Bulk of the purchases for the scheme was made through the Madhya Pradesh Laghu Udyog Nigam Limited, Bhopal (State Government Undertaking). Sanctions of Conservator of Forests, Gwalior to several purchases amounting to Rs.5.24 lakhs and that of Chief Conservator of Forests, Bhopal for purchases worth Rs.3.10 lakhs were not obtained by the Divisional Forest Officer, Gwalior. The matter was stated (April 1980) to be under correspondence.

(iii) *Overpayments.*—The following overpayments made in Forest Division, Rajgarh and Gwalior respectively were detected by Audit:—

(1) Rs.0.30 lakh to a supplier who charged rates higher than those stipulated in the supply order for angle iron.

(2) Rs.0.08 lakh to a supplier of barbed wire on account of excise duty not covered by the supply order.

The Divisional Forest Officers agreed (April 1980) to effect necessary recoveries but reports regarding recoveries effected are awaited (January 1981).

(iv) *Purchase of machinery, tools and plants in excess of requirements.*—The Chief Conservator of Forests authorised one diesel pumping set for each nursery.

(1) In Rajgarh Forest Division, there were 8 nurseries whereas 10 diesel pumping sets valuing Rs.0.44 lakhs were purchased (March 1979) in addition to 2 pumping sets already in use. The Divisional Forest Officer, Rajgarh contended that the purchases were made according to the needs. However, approval of higher authorities for purchase of diesel pumping sets in excess of authorised requirements was not obtained.

(2) Tools (Pickaxes, Ghamelas and spades) worth Rs.0.46 lakh were purchased by Divisional Forest Officer, Rajgarh in March 1979. Even though only a small portion of these articles was utilised, further purchases of the same articles worth Rs.0.58 lakh were made in March 1980 without ascertaining actual needs. These articles worth Rs.0.88 lakh were lying unutilised (June 1980) resulting in locking up of funds and avoidable expenditure.

(v) *Fraudulent encashment of Muster Rolls for Rs.0.13 lakh.*—In Uchhera range (Forest Division, Rewa), an amount of Rs.0.13 lakh was drawn and shown as disbursed to labourers on 24-6-1978 by the Range Officer who retired from service on 30-6-1978. On a report made by the successor Range Officer in July 1978 the Divisional Forest Officer ordered a preliminary enquiry (July 1978) which revealed that no labourers were engaged and no work was actually executed. The muster rolls were handed over to the police in September 1978 but the preliminary report regarding loss was not sent to the Head of the Department and Audit authorities as required under the Financial Rules. Further developments are awaited (January 1981).

(vi) *Unauthorised expenditure on construction of dry wall fencing.*—(1) In Forest Division, Gwalior an expenditure of Rs.2.52 lakhs was incurred during 1977-78 to 1979-80 on dry wall fencing of such areas where no plantation was undertaken purportedly to preserve the natural growth which was outside the scope of the scheme. As such, the expenditure of Rs.2.52 lakhs was unauthorised and fruitless as actually no plantation was done in the fenced area. However, the fenced area of 163 hectares (88 hectares during 1977-78 and 75 hectares during 1978-79) was shown included in the 'Area planted' in the progress reports sent by the Divisions to the Director of Social Forestry, Madhya Pradesh, Bhopal.

(2) In Shivpuri Division dry-wall fencing of 2,141.20 hectares at a cost of Rs.4.36 lakhs was done in areas not included in the scheme. In addition to this, plantation had been done in 520 hectares at a cost of Rs.2.60 lakhs approximately. Thus, expenditure of Rs.6.96 lakhs incurred in areas not included in the scheme was irregular.

(vii) *Selection of unauthorised sites for plantations.*—Contrary to the model scheme approved by the State Government areas under 50 hectares, ranging between 5 and 30 hectares, were taken up in (Khargone) Forest Division without assigning any reasons therefor. The areas were also not earmarked by Government for plantation in the model scheme. An expenditure of Rs.0.13 lakh has been incurred on this account.

(viii) *Meagre plantations and low survival of plantations.*—In the absence of any instructions regarding spacing to be followed in planting trees, no uniform norm was followed in this regard. The cost of Rs.1,000 per hectare for raising plantations as fixed by Government

of India included Rs.300 on account of cost and transportation to site of 1,500 plants @ Rs.0.20 per plant which indicates that spacing of less than 3M x 3M was to be adopted. However, in two of the divisions number of plants planted was much less than this as indicated in the table given below. It was even much below the standard of 625 plants per hectare prescribed for Panchavan Scheme which was also in operation simultaneously.

Name of Division/location	Year of plantation	Area planted (in hectares)	Total number of plants planted	Number of plants planted (per hectare)	Number of plants survived (on 1-1-80)	Percentage of survival
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gwalior— Coupe No.2 Dharva	1977-78	38	4,030	106	1,607	40
Gwalior— Coupe No.318 Susera	1977-78	174	45,440	260	2,272	5
Gwalior— Coupe No.3 Dharva	1978-79	48	2,000	42	500	14
Gwalior— Coupe No.4 Dharva	1978-79	48	1,700	41		
Shivpuri— Coupe No.400 Pichhore	1978-79	30	3,000	110	336	11
Shivpuri— Comptt.No.343 Karera	1979-80	70	25,023	357	8,756	35
		408				

The concerned Divisional Forest Officers stated that the low rate of plantation per hectare and survival was due to acute drought in the region, heavy cattle-grazing and rocky and mooromy soil. This would indicate poor selection of sites and inadequate and insufficient protection of plantations.

(ix) *Excessive purchase of seeds.*—Out of 90 quintals of “Prosopis Juliflora” and 47 quintals of “Sheesham” seeds valuing Rs.0.21 lakh purchased in March and June 1979 in Rajgarh Division 50 quintals of “Prosopis Juliflora” and 10 quintals of “Sheesham” valuing Rs.0.09 lakh were not utilised till June 1980.

(x) *Employment to rural population.*—Both the schemes envisaged providing employment to 3,500 to 4,000 semi-skilled or unskilled labourers for a period of 8 months in a year. Figures of employment provided under the schemes were, however, not made available to Audit.

(xi) *Evaluation.*—No evaluation has been done since the inception of the scheme in 1976. The department did not assign any reasons for non-evaluation of the schemes. The prescribed quarterly reports to the Government of India for all the four quarters of 1978-79 were sent in August 1979 and the reports for 1979-80 were not sent till August 1980.

(xii) *Non-maintenance of essential records.*—Essential records like Plantation journals and Nursery ledgers which would have enabled the department to evaluate and control the progress of the plantations were either not maintained or, wherever maintained, were incom-

plete in as much as particulars like area of plantation, year of plantation, number of plants replaced, details of expenditure on each weeding in the first, second and third year, casualty replacements, etc., were not noted. The department was not in a position, at any given time, to carry out an evaluation of schemes without making special efforts to collect information on each such occasion.

Summing up.—(1) Expenditure of Rs.47.23 lakhs on the scheme 'Reforestation of degraded forests' and of Rs.10.78 lakhs on the scheme 'Mixed Plantations on waste lands, etc.' were incurred in excess of the norm *i.e.*, Rs.1,000 per hectare.

(2) Under the scheme of 'Reforestation of degraded forests', 550 hectares out of 5,666 hectares on which advance work was done during the years 1976-77 to 1978-79 were not planted for more than a year. Similarly, under the scheme of 'Mixed Plantations on waste lands, etc.' 226 hectares out of 1,912 hectares on which advance work was done during the years 1976-77 to 1978-79 were not planted for more than a year.

(3) In two divisions covered by test-check, the survival rate of plants was low and ranged from 5 to 40 per cent.

(4) Expenditure amounting to Rs.9.48 lakhs was incurred on dry wall fencing of such areas where no plantation was done.

(5) Materials worth Rs.7.18 lakhs which were purchased much in excess of requirements and at the fag end of the year were lying in stock unutilised or were consumed on works pertaining to other scheme.

(6) Though both the schemes envisaged providing employment to 3,500 to 4,000 semi-skilled or unskilled labourers for a period of 8 months in a year, the actual achievements were not known.

(7) No evaluation of the schemes was made by the Department/Government since their inception in 1976 nor were essential records required for the purpose maintained.

(8) Suppliers were paid at rates higher than those stipulated in the supply orders resulting in overpayment of Rs.0.38 lakh.

(9) Government suffered loss of Rs.0.13 lakh on account of fraudulent encashment of Muster Rolls. This was not reported to the Head of the Department and Audit.

(10) Purchases of materials worth Rs8.29 lakhs made by the Divisional Forest Officers were yet to be regularised.

3.3 Lac Development Scheme

1. A scheme known as "Lac Development Scheme" was introduced in Umaria in 1961-62 with the main objective of providing seed-lac to the tribal cultivators and purchasing stick-lac from them for subsequent processing so as to provide gainful employment to the cultivators and also ensure a fair price for the stick-lac grown by the tribal cultivators. This scheme aimed at encouraging the tribal and local people to adopt modern techniques in lac farming, demonstrating these techniques and also maintenance of sufficient stock of seed-lac for distribution to the tribals. The raw material collected was to be processed in the Shellac Factory, Umaria.

2. During the period 1961-62 to 1968-69, three farms were set up in three forest Divisions and 74,852 trees were nurtured for growing stick-lac. But, after the closure of the Shellac Factory in 1961, there was no ready market for the stick-lac grown in these farms and 1.5 metric tonnes of seed-lac was lying in the Umaria Farm at the end of 1976-77. Even though there was no outlet for the stick-lac purchased from the tribals, the Department continued to purchase stick-lac from the growers right up to April 1978, and it was estimated

by the Department that 1,285.01 quintals of stick-lac were purchased at varying rates. During the period October 1967 to April 1978 stick-lac worth Rs.0.49 lakh were purchased and stored in the Shellac Factory. With huge stocks of stick-lac piling up in the Government farms, godowns and with the private growers, its sale had to be effected at un-economical rates, taking the produce to distant markets. The scheme which thus failed was wound up in 1977.

3. In this context it may be mentioned that the Shellac Factory, Umaria (District Shahdol) established (1903) with the main objective of providing employment to tribals, landless labourers and small farmers growing lac was incurring losses for several years, the subject came up before the Public Accounts Committee who, in their Second Report (1958-59) published in 1960, agreed with the Department that the factory be closed and it was closed on 30th June 1961. As the question of revival of the factory was under consideration of the Government, the Public Accounts Committee (1964-65) desired that a decision in the matter be taken expeditiously by the Government. An assurance to revive the factory under the Forest Development Board Scheme was given by the Government (1963) but it did not fructify and the factory was not actually revived. The Government also considered various alternatives for reviving the factory, such as handing it over on long term lease basis to the Madhya Pradesh Tribal Co-operative Development Corporation on payment of nominal lease money *etc.*, but to no avail and the factory remained closed. The factory had capacity to process 16,000 quintals of stick-lac into shellac and seed-lac per annum and had a staff of 130 members at the time of closure. The factory had assets worth Rs.3.15 lakhs which are still to be disposed of, and in the meantime, an expenditure of Rs.0.68 lakh had been incurred up to December 1979 on watch and ward.

4. From the facts narrated above, it would appear that at the time the Lac Development Scheme was conceived and introduced in 1961 proposals to close the factory had already been considered separately which also had the approval of the Public Accounts Committee and the factory was in fact closed in 1961. As it was very well within the knowledge of Government that the Shellac Factory was to be closed, the scheme whose success was substantially dependent on the running of the Shellac factory was thus ill-conceived and resulted in its being wound up subsequently. As a result, materials worth Rs.0.49 lakh are lying unutilised in the factory apart from the fact that expenditure continues to be incurred on watch and ward to protect these stocks as well as the assets of the factory.

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

3.4. Purchase in excess of requirement

During the course of audit of the records of the Divisional Forest Offices (General) at Raigarh and Bilaspur relating to the purchase of hessian bags, it was seen (October 1978 and April 1979) that for 52 tendu patta units worked departmentally during 1978 season and with an estimated yield of 88,050 standard bags of tendu leaves as notified in the gazette, there was an estimated requirement of 1,10,438 hessian bags. Against this requirement, 1,90,600 bags were actually purchased. Out of this, only 1,06,658 bags could be utilised for packing of 89,189 standard bags of tendu leaves which were actually collected departmentally. There was, thus, a balance of 83,942 hessian bags, costing Rs.5.34 lakhs, in stock lying unutilised. The purchase of 80,162 (1,90,600—1,10,438 bags) in excess of the estimated requirement, was avoidable and resulted in locking up of Government money to the extent of Rs.5.09 lakhs.

2. The Divisions could not give any specific reasons for the excessive purchases nor could they state how the balance number of 83,942 bags (value: Rs.5.34 lakhs) were utilised (July 1980).

3. The matter was reported to Government (January 1979); reply is awaited (January 1981).

3.5. Infructuous expenditure on construction of dry stone wall

Fencing of forest area is done by Forest Divisions to protect the forest from grazing by cattle. It was noticed (July 1978) from the records of Divisional Forest Officer, Sheopurkalan that provision of funds to the extent of Rs.1.25 lakhs was made (January 1977) for fencing by constructing a dry stone wall over a perimeter admeasuring twenty kilometres pertaining to two Ranges (Khadi and Jora) under the scheme "Rehabilitation of degraded forests".

An amount of Rs.1.02 lakhs was spent in February and March 1977 on constructing the fencing over a distance of fourteen kilometres only leaving a distance of six kilometres unfenced. No expenditure has been incurred by the Division on fencing subsequently. The relevant measurement books recording the construction work were not made available to audit.

Thus the purpose for which the expenditure was incurred *viz.*, to protect the plantation from grazing cattle has not been fulfilled.

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

3.6. Excessive payment of ground rent for a private land

A plot of land measuring 6.5 acres, owned by a private party, was acquired and taken possession of by the Hoshangabad Production Division without (1) ascertaining from Public Works and Revenue Departments whether any Government land was available for this purpose (2) getting the fair rent fixed by the Collector and (3) executing an agreement with the owner (January 1972). The plot was stated to have been acquired for opening a timber depot at Sohagpur. Its possession was taken on the basis of verbal negotiations. The parties were thus not bound legally as to the period of tenancy and rent payable *etc.*

The owner of the plot had originally demanded a rent of Rs.500 per month (February 1973) for the entire land measuring 6.5 acres. No decision was taken on this offer. In June 1976, the owner demanded rent of Rs.600 per month for the entire plot. Finally, the Government in Forest Department accorded sanction for the payment of rent @ Rs.175 per acre per month (April 1979). No details were available with the Department to show how the rate was arrived at. Due to non-acceptance of the rent offered by the owner in February 1973 and June 1976 and fixation of rent at much higher rate of Rs. 1,137.50 per month for 6.5 acres in November 1978, Government incurred extra expenditure of Rs. 0.52 lakh and recurring liability for payment of rent at a rate higher by Rs.537.50 per month.

The Divisional records revealed (December 1979) that a suitable plot of Government land was also available for this purpose since 1972. The acquisition of private land on undefined terms, therefore, could have been avoided and the rental liability reduced considerably.

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

AGRICULTURE (VETERINARY) DEPARTMENT

3.7. Biological products

1.0 *Introductory.*—The Institute of Biological Products (IBP) Mhow which was started in 1949, is engaged in large scale manufacture of various vaccines and anti-sera needed for providing health cover to cattle and poultry population of the State estimated at 4,03.40 lakhs and 71.50 lakhs respectively (1977 census). The IBP is controlled by the Veterinary Department of the Government from 1964 and is under the charge of a Director.

The expenditure on the IBP and its production during the last five years was as under:—

Year	Total Expenditure	Total production of all vaccines and anti-sera
(1)	(2)	(3)
	(Rupees in lakhs)	(Doses in lakhs)
1975-76	21.77	1,94.27
1976-77	22.77	2,51.19
1977-78	23.36	2,59.49
1978-79	37.53	2,79.49
1979-80	36.85	2,52.76

During this period, the IBP produced 19 types of viral, bacterial, poultry vaccines and anti-sera, out of which Freeze Dried Rinder Pest Goat Tissue (FDRPGT) vaccine alone accounted for more than 60 per cent of the total annual production.

Vaccines and anti-sera were supplied by IBP free of cost for use in immunisation programme carried out in the State by the Director of Veterinary Services (hereinafter referred to as the Director) through 627 veterinary hospitals and 1,404 dispensaries in the State and a mobile unit in each district.

Various aspects of production and supply of selected vaccines and anti-sera by the IBP during the period 1975-76 to 1979-80 were test-checked in audit. Results of test-check are set out in the paragraphs that follow.

2.0 Rinderpest vaccine

2.1. To combat Rinderpest, which causes large scale mortality in cattle, the IBP produces FDRPGT vaccine which, according to the Deputy Director of Veterinary Services (Rinderpest) and the Director IBP, provides life time immunity to cattle. A Centrally sponsored scheme 'Eradication of Rinderpest' (using this vaccine for immunisation of cattle) has been in operation in the State from the year 1958. To cover new progeny and left out cattle, follow up programme was added and period of operation of the scheme extended (1962).

2.2. According (March 1980) to the Deputy Director, Veterinary Services (Rinderpest) the demand for the FDRPGT vaccine (1,60 lakhs doses approximately) was assessed on the plan of work adopted, taking the number of field workers (250 Veterinary Field Assistants deployed under the scheme besides the normal departmental staff) into consideration.

The production, supply and utilisation of the vaccine during the period under review is tabulated below:—

Year	Production	Supply	Used in Vaccination	Vaccine unutilised
(1)	(2)	(3)	(4)	(5)
			(In lakh doses)	
1975-76	1,29	1,20	93	27
1976-77	1,76	1,56	1,14	42
1977-78	1,51	1,52	1,11	41
1978-79	1,62	1,58	1,09	49
1979-80	1,61	1,63	1,20	43
Total	7,79	7,49	5,47	2,02

The value of 202 lakh doses of unutilised vaccine at the rate of Rs. 0.10 per dose was Rs. 20.20 lakhs.

2. 3. The Rinderpest Eradication programme aimed at vaccinating the cattle only once in its lifetime as vaccination by the FDRPGT conferred life long immunity. The vaccination work was carried out by the scheme staff on state borders, cattle routes and other areas and normal departmental staff within 8 kilometres of the respective veterinary hospital or dispensary. Despite standing instructions, branding of vaccinated cattle was either not done in all cases, especially in tribal areas, or it was erased or it faded away after some time. Further, instead of adopting the new strategy laid down (December 1976) by the Government of India to arrange three systematic searches in each area in a year for locating the foci of infection lying concealed in pockets and carrying out containment operations for finally destroying the infection, the Department continued the old practice which involved re-vaccination. Moreover viability of the vaccine was not checked by conducting potency tests at State and district levels and the five reaction tests in a month prescribed for field staff were also not conducted and hence, at no stage, it was ensured that the vaccine used on the cattle maintained its potency.

As a result, against the annual requirement of vaccinations for 7 to 10 lakh cattle population of new progeny only (annual increase at the rate of 2 per cent as indicated by the Department), the total number of vaccinations from 1958 (Cattle population 208 lakhs) to 1979 (Cattle population 321 lakhs in 1977) was 1194 lakhs indicating repeated re-vaccination of the already vaccinated cattle involving avoidable extra expenditure.

The Department stated (June 1980) that there was no method of permanent branding of cattle or any alternative method by which vaccinated cattle could be identified and re-vaccination avoided.

2. 4. There were large wastages in vaccination stations (39 to 54 per cent), check posts (25 to 40 per cent) and veterinary hospitals and dispensaries (30 to 37 per cent) which could have been avoided by supplying vaccines in smaller ampoules containing 25 to 50 doses each. The Director, IBP admitted (June 1980) that one-fourth of the vaccine produced could be packed in smaller ampoules by installing additional machinery costing only Rs. 1.77 lakhs.

3.0. Bacterial vaccines

3. 1. For providing health cover to the cattle against soil borne diseases, which occur during rainy season, bacterial vaccines, which on injecting confer immunity to cattle for 6 to 12 months, were produced by the IBP. The average annual production of Haemorrhagic Septicaemia Alum and Oil (H. S.), Black Quarter (B. Q.), Anthrax Spore and Enterotoxaemia vaccines during the period 1975-76 to 1979-80 was 40,22,7 and 1 lakh doses respectively.

3. 2. *Immunisation* : No annual targets were laid down for immunisation of cattle against soil borne diseases although, according to the instructions issued (March 1969) by the Director, all areas within eight kilometres of the seat of disease were to be identified and covered by vaccination continuously for five years. Test-check of records of vaccination also showed that there was nothing to indicate that vulnerable areas were surveyed and continuously covered for five years.

Prophylactic vaccination was required to be conducted before the onset of monsoon but the records of IBP revealed that the required quantities of vaccines were not supplied

before monsoon. During 1979-80, 10.47 lakh doses of H. S. and 2.33 lakh doses of B. Q. were supplied to field units during June to August 1979 against the annual demands.

3. 3. *Wastages* : During 1975-76 to 1978-79, wastages of H. S. (Supply : 1,49.67 ; utilisation: 1,20.58 lakh doses) and Anthrax (Supply: 23.46 ; utilisation: 20.10 lakh doses) in the immunisation programme was 19 and 14 per cent respectively. However, in respect of Enterotoxaemia (Supply: 2.85; utilisation: 1.04 lakh doses) and B. Q. (Supply: 78.67; utilisation: 57.88 lakh doses) the percentage of wastage was 64 and 26 respectively. Reasons for such heavy wastages were not investigated by the department (January 1981).

4.0. *Anti--sera*

4. 1. The Serum Centre, Gwalior, which is a part of the IBP, and on which an expenditure of Rs. 13.42 lakhs was incurred during the period 1976-77 to 1979-80 (expenditure for the year 1975-76 was not available) has been engaged on the production of anti R. P., H. S., B. Q. and Anthrax sera.

The Centre, having an annual production capacity of 1.50 lakh doses, produced 5.74 (1975-76: 0.80; 1976-77: 1.19; 1977-78: 1.49 ; 1978-79: 1.50 and 1979-80: 0.76) lakh doses during the period under review although, as stated by the Assistant Director incharge of the Centre (April 1980) licence was not granted by the Drugs Controller under Rule 68 of the Drugs and Cosmetic Rules 1965 for want of sufficient accommodation, laboratories, technical staff, testing equipment, storage and transport facilities, etc.

4.2. Supply and utilisation : The position of supply of different types of anti-sera to and its utilisation by the field units is indicated below :—

Name of the serum	Annual supply during 1975-76 to 1978-79 (Doses in thousands)	Percentage utilised			
		1975-76	1976-77	1977-78	1978-79
(1)	(2)	(3)	(4)	(5)	(6)
Anti R.P.	37 to 50	2	$\frac{1}{2}$	$\frac{1}{2}$	Nil
Anti H.S.	23 to 48	11	7	36	13
Anti B.Q.	18 to 29	8	7	9	8
Anti Anthrax	8 to 14	11	3	9	8

(Source: Records of the Director of Veterinary Services)

Though the production of anti-sera was regulated according to the demand, very low utilisation indicated that the demand was not assessed on a realistic basis. Neither the Director, IBP nor the Serum Centre had any idea about the quantity of doses actually utilised by the field units or reasons for low utilisation. Some of the District and Divisional units stated that use of anti-sera was an old therapy and that the use of broad spectrum antibiotics, sulpha and other drugs on ailing cattle was more safe and also produced quick results.

While accepting that the use of anti-sera was limited as it was used only on out-break of diseases, the Director stated (June 1980) that there were no instructions from the Central Government to stop the production of anti-sera. The Director, IBP also stated (June 1980) that there was no other institute in the country which was producing anti-sera.

In view of the increased use of broad spectrum antibiotics, very low utilisation of anti-sera and reduction in the number of outbreaks from 476 (cattle mortality: 3,191) during 1975-76 to 254 (cattle mortality: 1,076) during 1978-79, the production level of anti-sera needed to be reviewed.

4.3. *Cost analysis:* On the basis of total expenditure incurred on the Centre and actual production, the approximate cost per dose, worked out to Rs.2 for the years 1975-76 to 1977-78, Rs.2.22 for the year 1978-79 and Rs.6.25 for the year 1979-80. IBP has adopted for valuation of biological products 22 to 60 paise per dose being the rate in Indian Veterinary Research Institute (IVRI) for 1975. Although no anti-R.P. serum was produced during 1979-80 in view of the large carry over stock of more than 72,000 doses, no steps were taken to reduce the number of donor animals which continued to be maintained at the normal strength of 40 he-buffaloes. Thus, the Centre had a cumulative deficit of Rs. 12.52 lakhs for the years 1975-76 to 1979-80.

During the years 1975-76 to 1979-80, 0.32 lakh doses of anti-sera were supplied to other States and bodies at the rate of Re.1.00 per dose, which resulted in a loss of Rs.0.50 lakh to the Government.

5.0. Poultry vaccines

5.1. The position regarding supply of R.D.F. Strain and Regular and Fowl Pox vaccines by the IBP and actual utilisation by the field units in the immunisation programme is tabulated below :—

Year	R.D.F. Strain and Regular			Fowl Pox		
	Supplies	Utilisation	Percentage of utilisation	Supplies	Utilisation	Percentage of utilisation
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<i>(In lakh doses)</i>			<i>(In lakh doses)</i>		
1975-76	7.10	2.86	40	2.45	1.31	53
1976-77	10.18	3.13	31	3.62	1.51	42
1977-78	10.69	4.06	38	3.63	1.80	50
1978-79	10.65	3.94	37	3.45	1.50	43

(Source: Records of the Director of Veterinary Services).

Reasons for under utilisation of vaccines have not been investigated by the Department (January 1981). Department has also no records indicating wastages and losses of doses due to expiry of shelf life of vaccines.

5.2. It was also observed that the vaccination work was done mainly by the Poultry Project Officers and was confined to poultry farms having flocks of 100 and more birds, set up in the project areas with Government's assistance. Test-check of records showed that during the year 1977-78, bulk of the poultry vaccination, as compared to the total vaccination work, was conducted by the Poultry Project Officers only in Gwalior (96 per cent), Indore (83 per cent), Jabalpur (70 per cent) and Raipur (65 per cent) divisions.

6.0. Other topics of interest

6.1. *Unutilised production capacity* : Viral vaccines like Rinderpest and Poultry vaccines were produced at the IBP with the help of freeze-driers. The Institute had four freeze-driers since November 1976. Taking the average period of production as ten months in a year, the IBP was in a position to produce 480 lakh doses of viral vaccines in a year. During the years 1977-78, 1978-79 and 1979-80, 170, 177 and 181 lakh doses respectively of viral vaccines were, however, produced at the Institute. The Director, IBP stated (June 1980) that the annual production capacity of these vaccines was 180 lakh doses only mainly due to failures of machines, non-availability of raw materials and climatic conditions, etc. The Director, IBP stated (January 1980) that two freeze-driers purchased in March 1975 at a cost of Rs.2.18 lakhs and commissioned in November 1976 remained out of order and were constantly under repairs. Analysis of production records of FDRPGT vaccine showed that only 1 to 3 freeze-driers were used at a time for production of this vaccine during 1978-79, and during 1979-80, generally two freeze-driers were used and the remaining ones mostly remained idle and/or were under repairs.

6.2. *Viral vaccine building* : To remove congestion in old building, construction of a separate building for viral vaccines section of the IBP was approved in 1968. The building, completed (1978) at a cost of Rs.4.90 lakhs, has not so far (June 1980) been utilised in production of vaccines for want of adequate power, water and air conditioning facilities and marble benches for production. The Director, IBP stated (June 1980) that the building was expected to be utilised for vaccine production by January 1981.

6.3. *Vaccine account* : In the progress reports submitted by the lower formations to the Directorate, only figures of vaccinations were reported and at no stage, was the position regarding receipt, actual utilisation in vaccination and wastages of vaccines reported. Consequently, the value of vaccines in hand was not reflected in the Stores and Stock Accounts of the department and no control on the stock holding and wastage of vaccines was exercised either by the Divisional Officers or by the Director.

6.4. *Outstanding recoveries*.—Recoveries aggregating Rs.3.95 lakhs in respect of credit sales of vaccines by the IBP to other States and bodies were outstanding to end of June 1980.

7.0. *Summing up* .—(i) Although a single vaccination with FDRPGT vaccine would provide lifelong immunity to the cattle, large scale re-vaccinations were given due to ineffective or non-branding of cattle and non-adoption of systematic surveillance and containment approach suggested by the Government of India in 1976 resulting in avoidable extra expenditure.

(ii) 2,02 lakh doses of FDRPGT vaccine remained unutilised and rendered wasteful during 1975-76 to 1979-80 amounting to Rs. 20.20 lakhs. The main reason for such large scale wastages, especially at vaccination stations, check posts, etc., was the supply of vaccine in large ampoules of 100 doses each.

(iii) No systematic disease surveys were conducted nor were any annual programmes prepared or targets laid down for vaccination of cattle against such soil borne diseases.

(iv) The serum Centre, Gwalior has been engaged on production of anti-sera without a licence from the Drug Controller which was reportedly denied due to absence of sufficient accommodation, laboratories, testing and other facilities. The utilisation of anti-sera produced by the serum Centre, Gwalior was very low in comparison to annual supply. In the case of anti R. P. serum, it was only 1/2 per cent during 1976-77 and 1977-78 and nil during 1979-80. Co-ordination between the production unit and consumers (field units) was lacking resulting in wastages of bulk of the anti-sera produced. The field units considered

use of broad spectrum anti-biotics in case of outbreaks of diseases safer and quicker in producing results in comparison to anti-sera, which, according to them, was an old therapy.

The cost per dose of anti-sera, according to IVRI rates adopted for valuation is 22 to 60 paise, whereas the cost of production by the Serum Centre worked out to approximately Rs. 2 upto 1978-79 and Rs. 6.25 per dose during 1979-80.

(v) Reasons for under utilisation of poultry vaccines were not investigated by the department. The vaccination work was mostly confined to poultry farms having flocks of 100 and more birds in poultry project areas.

Matters mentioned above were reported to the Government in August 1980; reply is awaited (January 1981).

RURAL DEVELOPMENT DEPARTMENT

3.8 Food for Work Programme

1. Introduction :

1.1 In April 1977, the Government of India, launched a special scheme as a non-plan scheme to augment the funds of the State Governments for the maintenance of public works on which large investments had been made in the past. The scheme was subsequently (1978-79) liberalised to include all on going plan and non-plan works and new items on public and community works with the following basic objectives :—

- (i) to generate additional employment to large number of unemployed and under-employed persons both men and women, in the rural areas which will improve their income and consequently their nutritional levels ;
- (ii) to create durable community assets and strengthen the rural infra-structure, which will result in higher production and better living standard in the rural areas and;
- (iii) utilisation of surplus foodgrains for development of human resources.

Foodgrains allocated under the scheme were to be utilised for payment of a part or whole of the wages of the labourers engaged on execution of works. The cash component to meet the remaining part of the wages and cost of material was to be borne by the State Government. Under the scheme, foodgrains were made available to the State Governments/Union Territories free of cost for supplementing their budget provision. The State Government was to show clearly that expenditure on existing plan and non-plan schemes, new items of capital works, and the maintenance of public works, as the case may be, had been augmented to the extent of additional resources made available to it in the shape of foodgrains under the scheme calculated at the prescribed rates. In case, total expenditure during a particular year was equal to or less than the provision which already existed in the budget in respect of works under taken under the scheme, the value of quantity of wheat/rice issued under the scheme was recoverable from the State Government.

The Food for Work Programme was taken up in Madhya Pradesh in March 1978.

1.2. Due to failure of monsoon in the year 1979, another scheme known as "Special Food for Work programme" was introduced by the Government of India in October 1979 for generating additional employment in the drought affected areas. While the guidelines prescribed for the execution of the normal food for work programme were also to apply to this special programme, the condition of additionality was not applicable. This special programme was taken up in Madhya Pradesh from November 1979.

1.3. At the state level, the scheme was administered by Rural Development Department and implemented in four sectors viz. (i) Local Sector (Collectorates), (ii) Irrigation, (iii) Public Works Department and (iv) Forest Department. The Public Works, Irrigation and Forest Departments implemented their share of the programme through their normal

departmental machinery. The major portion of the programme was implemented through the rural development administration in the districts where Collectors and Block Development Officers were directly responsible for it. Funds and the foodgrains for the schemes were allotted to Gram Panchayats who were to execute the works and submit completion certificates.

1.4. Results of test-check (May-June 1980) of the records of 61 units out of 738 units entrusted with the execution of this programme, supplemented by the information supplied by the Development Commissioner, are set out in the succeeding paragraphs.

2. Organisation :

2.1. As per guidelines issued by the Government of India, Ministry of Agriculture and Irrigation (Department of Rural Development), for the planning and implementation of the programme, Steering Committees were to be formed at the State level headed by the Chief Secretary or Development Commissioner and at District level headed by District Magistrate/Collector. The main task of the Steering Committee was to plan the works to be taken up under the scheme and ensure that the progress of works did not suffer on any account. The Steering Committee at State level was formed in May 1978 and six meetings were convened during 1978-79 and 1979-80.

Orders for the formation of District Steering Committees were issued by the Government only in February 1979 while the programme was being implemented since March 1978. It was stated by the Government (June 1980) that in the absence of the Steering Committees, the Collectors had been directed to prepare the schemes and take up construction works.

Six districts (Raisen, Chhatarpur, Bilaspur Raipur, Satna and Damoh) were selected for detailed scrutiny out of 45 districts. It was noticed that Steering Committees were constituted only in three districts (viz Raisen, Chhatarpur and Bilaspur) out of these six districts but these committees did not meet once a month as prescribed by the Government. The Government could not state (June 1980) whether the District Steering Committees had been constituted in the remaining 39 districts.

3. Allocation, release and utilisation of foodgrains :

3.1. According to the information furnished to audit (June 1980) by the Government, the quantity of foodgrains allotted by the Government of India, quantity lifted from the Food Corporation of India, and that distributed under the programme during 1977-78, 1978-79 and 1979-80 was as under :—

Year	Wheat			Rice		
	Allotted	Received from FCI	Distributed	Allotted	Received From FCI	Distributed
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<i>(In lakh Metric Tonnes)</i>			<i>(In lakh Metric Tonnes)</i>		
1977-78	0.10	0.10	0.08	..	..	..
1978-79	1.25	1.17	1.27	0.25	0.24	0.24
1979-80	0.88	1.18	0.88	0.42	0.42	0.42
Special	0.48	0.39	0.39	1.48	1.23	1.23

It will be seen that against the total quantity of 1.19 lakh M. T. of wheat (0.02 lakh M. T. as opening stock +1.17 lakh M. T. lifted during the year) available during 1978-79, 1.27 lakh M. T. were stated to have been distributed. The figures furnished by the Government were, therefore, not wholly reliable. This is also borne out by the following facts :—

(i) It will be seen from the table, there was no closing stock of wheat and rice as at the end of March 1979 while at the end of March 1980, 0.30 lakh M. T. of wheat was in stock.

However, in both the monthly reports for March 1979 and March 1980 furnished to Government of India, the closing stock of wheat and rice was shown as 'NIL'. Again, according to the reports furnished by the District Collectors to the State Government, a quantity of 4,264.37 M. T. (wheat 4,202.92 M.T.; rice 61.45 M.T.) and 38,363.64 M. T. (wheat 12,510.96 M. T.; rice 25,852.68 M. T.) was in stock in various districts as at the end of March 1979 and March 1980 respectively.

(ii) According to Food Corporation of India, 1,17,125.837 M.T. of wheat were lifted by Governmental agencies during 1978-79 whereas the State Government intimated to audit (June 1980) that 1,16,723.835 M. T. of wheat were lifted.

(iii) When the discrepancies in the closing stock, as mentioned above, were pointed out by audit, it was stated by the Government (June 1980) that the quantity shown as distributed was in fact the quantity of grain lifted from Food Corporation of India. This did not represent the correct position as it will be seen from the table that in 1978-79 1.27 lakh M. T. of wheat were shown as distributed against 1.17 lakh M. T. of wheat lifted. Moreover, even the quantity of wheat lifted during 1978-79 as intimated by the State Government to audit (June 1980) differed from the quantity intimated by Food Corporation of India to the State Government. Similarly, in 1979-80, only 0.88 lakh M. T. of wheat were stated to have been distributed against 1.18 lakh M. T. lifted from Food Corporation of India.

3.2. According to the instructions of the State Government, the foodgrains issued to various units under the "Food for work programme" were to be utilised for distribution to labourers engaged on the works selected for execution under the programme. It was, however, noticed that :—

—in five Blocks, 646.15 quintals of wheat (value Rs.0.68 lakh) were sold in the market for the purchase of construction materials during 1977-78 to 1979-80.

—in five forest divisions, 2,346.68 quintals of wheat (value Rs.2.58 lakhs) were utilised/distributed during 1978-79 and 1979-80 for marking and felling of trees a purpose not covered by the programme.

—in Electrical and Mechanical, Buildings and Roads division, Raipur 29.60 quintals (value Rs.0.03 lakh) of wheat were sold in the open market during 1978-79 as the quality of wheat was reported to be bad and labourers refused to accept the same.

—in two units 226 quintals (value Rs.0.24 lakh @ Rs.106 per quintal) of wheat were irregularly sold to private individuals during 1977-78.

3.3. The foodgrains made available under this programme could be utilised for payment of wages of labour engaged by contractors upto 31-3-1979 provided it was ensured that the contractors maintained proper account and did not misuse or divert the foodgrains meant to be distributed to the workers. It was observed that in 8 out of 31 public works divisions covered by test-check in audit, no account of distribution was either obtained from or submitted by the contractors to whom 19.01 M. T. of food-grains valuing Rs. 2.03 lakhs were issued.

4. *Additionality* : In the basic data for 1978-79 sent to Government of India in April 1978, the State Government indicated a budget provision of Rs. 16,853.51 lakhs for works to be taken up for execution under this programme by the Public Works, Irrigation, Forest and Community Development Departments and additionality of Rs.1,325 lakhs. As against this, the actual expenditure during the year on various works taken up for execution under the scheme was Rs.2,190.77 lakhs as reported by State Government to Government of India. Hence, in accordance with the conditions stipulated in the scheme as mentioned in para 1.1., an amount of Rs.1,540 lakhs representing the value (at the minimum of rates of Rs.105 and Rs.130 per quintal) of the entire quantity of wheat and rice released during

1978-79 was repayable by the State Government. It was noticed, however, that the budget provision as indicated in the basic data was revised by the State Government to Rs.792.27 lakhs in the quarterly report for the period ending March 1979 sent to Government of India in July 1979. The Government of India had enquired (October 1979) the reasons for variations in the budget estimates as furnished in the basic data and informed the State Government that additionality was to be calculated on the basis of the budget provision furnished in the basic data for that year, *i.e.*, in April 1978. The State Government had not intimated the reasons for reduction of the budget provision shown in the basic data (September 1980).

4.2. In the basic data for 1979-80 furnished to Government of India, the budget provision for the works taken up under the programme was shown as Rs.1,439.80 lakhs while, in the subsequent progress reports to the Government of India, the budget provision was shown as Rs.1,253.27 lakhs. The reason for reduction of the budget provision was not explained by the Government (January 1981).

4.3. In the Public Works Department sector, the programme was not implemented during 1979-80. An amount of Rs.700 lakhs provided for in the State budget for execution of works under the programme was surrendered in November 1979. Since the actual expenditure during 1979-80 for the State as a whole has not been worked out (September 1980), the additionality admissible could not be ascertained.

5. *Cash component* : The programme envisaged that wages to labourers employed on works taken up under the programme would be paid, partly in cash and partly in kind, *i.e.* foodgrains. The cash component in respect of wages and cost of materials *etc.* was to be met by the State Government. The information regarding the cash component provided for each project and the actual expenditure there against was not furnished by the Government. However, according to basic data sent to the Government of India, the cash component and the value of foodgrains required during 1977-78, 1978-79 and 1979-80 and the actual expenditure incurred were as follows :—

Year	Forecast		Total	Actual expenditure
	Cash	Foodgrains		
	(Rupees in lakhs)			
1977-78		Not prepared		
1978-79	16,853.51	1,325.00	18,178.51	2,190.77
1979-80	1,439.80	2,800.00	4,239.80	3,231.75

Note.—Break-up of actual expenditure under cash component and foodgrains was not available.

6. *Employment generated* ; One of the basic objectives of the programme was to create additional gainful employment. According to the information furnished to audit (June 1980) and reported to Government in the progress reports, the employment generated during 1977-78 to 1979-80 was as under :—

Year	As reported to Audit	As reported to Government of India
(1)	(2)	(3)
		(In lakhs mandays)
1977-78	2.20	44
1978-79	4.50	450
1979-80		Not yet assessed

The basis of these figures was not known, nor could the State Government intimate so far (January 1981) how this vast difference had arisen. Assuming that payment to labourers was made in foodgrains in all cases at 2½ Kg. per head as per the broad norm indicated by the Government of India, the number of mandays generated for the quantity of foodgrains utilised should be as under:—

Year (1)	Mandays in lakhs (2)
1977-78	32
1978-79	604

It would appear that the figures of mandays generated as reported by the State Government have no basis. None of the 61 units whose records were scrutinised by Audit, had maintained any record showing the number of labourers engaged and mandays generated. Since the Public Works and Forest Departments had not taken any additional works under this programme and had utilised the foodgrains for their normal programmes, additional employment to the extent of 2.25 lakh mandays claimed to have been generated in respect of these departments was without basis. The quantity of foodgrains reported to have been utilised by these departments was 39,653 M. T. valued at Rs. 4,33.78 lakhs.

7. Execution of works :

7.1. Food for Work Programme :

7.1.1. In 4 units (Local Sector) out of 18 subjected to test-check in audit, technical sanctions had not been obtained before undertaking the works under the programme.

7.1.2. In five forest divisions (out of twelve) the works to be taken up were not selected in advance and no estimates were prepared.

7.1.3. The details of works like construction of roads, school buildings, afforestation etc. reported in the basic data to the Government of India were not available with the Government with the result that it could not be ascertained whether the works actually undertaken fell within the scope of the programme.

7.1.4. According to the quarterly progress report for the quarter ended 31st March 1980, submitted to Government of India in October 1980, 23,000 new construction works were taken up in local sector during 1978-79, out of which 11,000 works had been completed and the remaining 12,000 works were nearing completion. According to the same report 10,000 new works were taken up during 1979-80 the progress in respect of which was not indicated.

7.2. Special food for work programme :

For generating additional employment in drought affected areas (referred to in para 1.2), 1.62 lakh M. T. of grains were released by the Government of India during November 1979 and March 1980. The details of works undertaken for execution were not furnished. It was stated by the Government (June 1980) that no distinction was made in works for normal or special food for work programme and separate details were not maintained. As a result, it could not be ascertained whether there was any overlapping of works for which aid was claimed under normal programme as well as the special food for work programme.

8. Creation of assets :

8.1. Another objective of the programme was to create durable community assets and strengthen the rural infrastructure which would result in higher production and better living standard in rural areas. Total value of assets created was not available with any of the departments which implemented this programme. It was contended by the Irrigation Department (June 1980) that assets equivalent to the value of foodgrains lifted could be assumed to have been created.

8.2. The Government did not intimate whether projectwise inventory of assets created had been made.

9. *Monitoring System : Progress Reports :*

9. 1. The State Government had prescribed submission of monthly progress reports by the implementing departments indicating quantities of foodgrains lifted and utilised. The monthly progress reports in respect of local sector (Collectorate) from April 1979 to October 1979 were not available with the Government. The progress reports of Forest and Public Works Departments were also not available. It was stated (June 1980) that the information regarding the utilisation of grains was ascertained on phone.

9. 2. The progress reports were not prepared at all by six Forest divisions out of 12 Divisions whose accounts were test-checked.

9. 3. Reports for the half-year ended March 1980 showing the mandays generated had not been prepared and sent to Government of India (September 1980).

10. *Account of Empty Gunny Bags :* The Government issued orders in May 1978 that an account of empty gunny bags should be kept and the amount collected as a result of disposal/sale proceeds of these bags should be spent as additional grants-in-aid on works for which grains were released. It was observed that no account of the empty bags was maintained in any of the units covered by the test-check. The total value of the bags on the basis of the quantity of wheat and rice supplied to the Government during 1977-78 to 1979-80 worked out to Rs. 236.50 lakhs (calculated at the rate of Rs. 5 per bag for 4.73 lakhs M. T. of wheat and rice).

Summing up :

(1) The information furnished to the Government of India regarding distribution of foodgrains under the programme and of employment generated was neither authentic nor reliable.

The quantity of wheat reported by Food Corporation of India as lifted in 1978-79 differed from the quantity intimated to audit by the State Government. The quantity remaining undistributed at the end of March 1979 and March 1980 as reported to Government of India by the State Government also differed from the quantity indicated by the District Collectors in their reports to State Government and by the latter to Audit.

(2) Conditions of additionality for 1978-79 had not been fulfilled and an amount of Rs. 1,540.00 lakhs was repayable to Government of India on this account.

(3) Total value of assets created using 2.89 lakhs M. T. of foodgrains was not available.

(4) In Public Works Department Sector the programme was not implemented during 1979-80 and an amount of Rs. 7 crores was surrendered.

(5) 675.75 M. T. of wheat were sold in the market while 234.66 M. T. were utilised for works not covered by the programme.

(6) Account of distribution of foodgrains valuing Rs. 2.03 lakhs supplied to contractors was not obtained.

(7) Out of 23,000 new works taken up in local sector during 1978-79, 12,000 works remained incomplete. 10,000 new works were taken up during 1979-80 the progress in respect of which was not indicated.

(8) Details of works taken up under "Special Food for Work" programme had not been maintained.

(9) Account of empty gunny bags worth Rs. 236.50 lakhs was not maintained.

TRIBAL AND HARIJAN WELFARE DEPARTMENT

3.9 Agriculture Development Programme

1. *Introduction.*—In order to raise the economic status of the tribal people as well as of members of scheduled castes in Madhya Pradesh, a programme of providing financial assistance for agriculture development, minor irrigation, dry farming, etc., was initiated by the Government in all the districts from 1971-72. Points noticed during test-check of records relating to implementation of the programme during 1971-72 to 1973-74 were commented upon in paragraph 3.6 of the Report of the Comptroller and Auditor General of India for the year 1973-74. The Public Accounts Committee had given their recommendations in the matter in their 37th Report (April 1977) which had been communicated to the concerned district authorities by the State Government, for compliance. The compliance report from District authorities is awaited (October 1980). The irregularities are, however, persisting as brought out in the following paragraphs. Further points noticed about implementation during 1974-75 to 1978-79 are set out in the paragraphs which follow.

2. *Assistance provided under the programme.*—The programme envisaged payment of subsidy ranging from 50 to 80 per cent for construction of irrigation wells, purchase and installation of pump-sets and for taking up dry farming, the balance cost being met by the cultivator from his own resources or by obtaining loans from non-Government sources or from other Departments of the Government with the help of departmental officers at and below the district level. After its sanction, subsidy for wells was required to be drawn and immediately deposited in the bank accounts of the beneficiaries and subsidy for pump with State Co-operative Marketing Federation which was to arrange supply of pumps to the beneficiaries on depositing their own share with the Federation.

3. *Programme and performance.*—The financial allotments and physical targets for different districts were determined by the Director, Tribal Welfare who was required to monitor the implementation of the programme and submit a report regarding physical and financial targets and achievements to the Government. The programme was implemented in the tribal blocks by the Block Development officers and in other blocks in each district by the District Organisers of the Tribal and Harijan Welfare department under the general control of the Collectors.

Under the programme, subsidies totalling Rs. 965.09 lakhs were paid during 1974-75 to 1978-79. Information regarding physical targets laid down for the year 1974-75 was not available with the department. For the year 1975-76, the position regarding physical targets and achievements was as under:—

Subsidy paid (1)	Targets (3)	Achievements (3)
	<i>(Number of beneficiaries)</i>	
Wells	3,938	5,025
Pumps	3,480	2,797
Dry farming	7,574	1,227

The achievements during the period 1976-77 to 1979-80 compared favourably with the targets.

The shortfall in achievements during 1975-76 was mainly due to failure of the various agencies implementing the scheme to comply with the procedure which was otherwise adequate to ensure proper feedback of information to the department. The subsidies under 'Dry farming' were paid only in a few districts and the allotments were partially utilised for the purchase of pumps and construction of wells.

The Director of Tribal Welfare had directed (September 1978) all the District Organisers to furnish information on completed and incomplete wells, pumps working and not working, area irrigated from such wells and pumps constructed under this programme. Similar information was called for by Audit in March 1979 and June 1979. This information was, however, available only in respect of one District (Jhabua).

The overall performance under the programme was therefore, not known.

4. *Results of test-check.*—Test-check of records of 31 blocks out of 173 blocks entrusted with implementation of the programme was undertaken during March 1979 to July 1979 and in August 1980 and the results are set out in the paragraphs which follow:—

(i) *Payments to persons not qualifying for assistance.*—Under the programme cultivators having up to 30 acres of agricultural land were alone eligible for subsidy for wells/pumps and those having up to 10 acres of land for dry farming. In 20 cases, subsidies totalling Rs. 0.20 lakh were found to have been paid to persons having land ranging between 35 and 103.33 acres in case of wells/pumps and between 14.60 and 16 acres for dry farming.

(ii) *Subsidies paid in cases in which expenditure had already been incurred.*—The subsidies were meant to help poor cultivators who could not mobilise enough funds to procure agricultural inputs/implements or means of minor irrigation which they needed. Subsidies amounting to Rs. 1.33 lakhs were paid in 81 cases 4 to 5 years after the recipients had purchased the pumps or incurred expenditure on digging of wells or purchase of bulls though such reimbursement was not within the purview of the programme.

(iii) *Payments in excess of prescribed proportion of expenditure.*—During the years 1974-75 to 1978-79, excess subsidy of Rs. 1.11 lakhs was paid in 315 cases involving subsidies for electric and diesel pumps (275 cases: Rs. 0.97 lakh), wells (8 cases: Rs. 8.03 lakhs) and for dry-farming (32 cases: Rs. 0.11 lakh) due to release of the maximum admissible subsidy without taking into account the actual expenditure incurred by the beneficiaries.

No information was available regarding action, if any, taken to recover excess payments of subsidy.

In 1,353 other cases (pumps 602 cases, dry-farming 751 cases), similar verification could not be done as the purchase bills were not produced to Audit. In 563 cases out of these, where subsidy paid was Rs. 3.18 lakhs, utilisation certificates were issued by the Block Development Officers in a routine manner even without obtaining purchase bills and spot verification as to actual purchase.

(iv) *Payments of subsidies made in cash.*—Cash payments of subsidy for construction of wells/purchase of pumps was strictly prohibited under the scheme to prevent the possibility of misutilisation. The District Organiser, Jabalpur had, however, disbursed the subsidies for wells in cash during 1974-75 to 1978-79 and by bank drafts in 1976-77 and March 1978 on the ground of convenience of cultivators. Cash payments were also noticed in Niwas block (Mandla) in 1974-75 to 1978-79, Dindori block (Mandla) in 1974-75 and 1975-76, Tamia block (Chhindwara) in 1975-76, Katghora block (Bilaspur) in 1974-75, Pathalgaon block (Raigarh) in 1975-76 and Hoshangabad (March 1976).

Of the units mentioned above, except in three blocks viz. Niwas, Dindori and Hoshangabad, utilisation certificates were not issued in 79 cases for Rs. 0.57 lakh (Wells 78 cases Rs. 0.55 lakh, pump 1 case Rs. 0.02 lakh). The subsidies in these cases were paid in cash in 1974-75 and 1975-76 and thereafter no spot verification as to actual construction of wells or purchase of pumps was ever done by the Block Development Officers.

(v) *Subsidies for electric pumps paid without availability of electricity.*—In 392 cases in 18 blocks, subsidies for Rs. 7.04 lakhs were paid without obtaining the prescribed certificate from the Madhya Pradesh Electricity Board regarding availability of electricity at the site.

(vi) *Payment of subsidies for pumps to cultivators not having sources of water for lift irrigation.*—Subsidy for acquisition of a pump-set was to be paid only to a cultivator who had source of water adequate for lift irrigation. In 274 cases, subsidies totalling Rs. 7.24 lakhs were paid to persons who did not fulfil this requirement as neither were the certificates of availability of natural source of water sufficient for irrigation recorded in the applications nor did the relevant records such as Khasra Maps, Khatauni show availability of such sources.

(vii) *Payment in excess due to application of higher limits of subsidies.*—(a) In 71 cases in five blocks (Korba, Pathalgaon, Alirajpur, Mandla, Sardarpur), maximum subsidies @Rs. 2,000 per pump admissible for 5 horsepower pump were given for purchase of 3 horsepower pumps for which proportionate subsidy was Rs. 1,200 each only resulting in excess payment of subsidy of Rs. 0.57 lakh.

(b) In cases of deepening and repairs of existing wells maximum subsidy admissible was Rs. 1,000 each but in 16 cases in Tamia (Chhindwara) block, 1 case in Ambikapur block and 1 case in Sidhi District, subsidy of Rs. 2,500 each was paid even though there were existing wells which were only deepened and repaired resulting in excess payment of Rs. 0.27 lakh.

(viii) *Subsidy for construction of well not paid in instalments.*—The subsidy for the construction of an irrigation well was to be paid in 3 instalments (2 in 1977-78), the first being paid normally after actual commencement of work, the second after obtaining a progress report on water level being reached in the well and the last on completion of the work. However, in 82 cases in 5 blocks (Dindori, Konta, Katghora, Pathalgaon and Khargone), subsidies totalling Rs. 1.86 lakhs were paid during the years 1974-75 to 1978-79 in lump sum. Verification of utilisation in these cases was overdue. During the course of test-check, it came to notice that during 1974-75 to 1976-77 subsidy of Rs. 1.62 lakhs was paid as first instalment in 229 cases. In these cases, neither the subsequent instalments were released nor any indication was available in the case files to show that the first instalment had actually been utilised. Thus the possibility of the mis-utilisation of this amount could not be ruled out. During the same period, in another 103 cases involving subsidy of Rs. 1.51 lakhs, the third (last) instalment was not released, reasons being not known. In 14 cases of 7 blocks, subsidy of Rs. 0.15 lakh paid during 1974-75 to 1976-77 which had become recoverable due to value of work done being less, unwillingness of the cultivator to take up the work or to complete the work, was not recovered due to either death of the beneficiary or for want of action for recovery.

(ix) *Subsidies drawn from treasuries but kept undischarged.*—Subsidy amounts totalling Rs. 7.68 lakhs drawn from treasuries between 1973-74 and 1978-79 by District Organiser at Jabalpur (Rs. 2.91 lakhs) Hoshangabad (Rs. 0.71 lakh) Sidhi (Rs. 2.25 lakhs), Block Development Officer Dindori, Mandla (Rs. 1.40 lakhs) and Block Development Officer Niwas, Mandla (Rs. 0.41 lakh) had not been distributed to the beneficiaries due to cultivators not coming forward to receive the subsidies, non-acceptance of subsidy by cultivators in kind, non-availability of electric connection in cases of electric pumps, progress of the work in the cases of wells being poor, etc.

(x) *Verification of utilisation of subsidies.*—(a) Physical check of utilisation of subsidy was required to be done in each case by the Block Development Officer and test-check to the extent of 10 per cent and 30 per cent conducted by the District Organiser and the Project Officer respectively and thereafter the Block Development Officers were to issue utilisation certificates by 31st May of the following year. Of the 14,370 cases for the period 1974-75 to 1978-79, pertaining to 22 districts from which information was received, though utilisation certificates were issued by the Block Development Officers

in 6,690 cases (Wells 3,012; Pumps 1,634; Dry-farming 2,044) the physical check (spot verification) of actual utilisation of subsidy as well as continued existence and use of wells, pumps, etc. was rarely, if ever, done by the Block Development Officers or the District Organisers, as nothing in support of such a verification was available on record.

In the remaining 7,680 cases, utilisation certificates had not been issued (Wells 5,062; Pumps 1,670; Dry farming 948) (November 1980). Non-furnishing of utilisation certificates was attributed to non-completion of wells, non-purchase or delay in purchase of pumps, shortage of field staff, etc. Delay in utilisation was attributed by the field officers to inadequate subsidy for wells, beneficiaries not being able to contribute their share of cost or arrange for finance from banks, tribal people not being keen on irrigation, failure of supplying agencies to supply the desired make of pumps, etc. From the test-check, it appeared that the very aspect that the cultivator would be able to contribute his own share immediately, either from his own resources or by getting loan from the Agriculture Department, nationalised banks, etc., was not ensured by the sanctioning authority before sanction of the subsidy.

(b) Wells and pumps for which assistance was given were required to be used for ten years for cultivation and in case of transfer, sale or other misuse, full amount of subsidy was recoverable. Spot verification once in 5 years by departmental authorities was also prescribed. During test-check of subsidy registers and related records, it was noticed that no spot verification was recorded anywhere.

(xi) *Evaluation.*— No evaluation of the implementation of the programme had been undertaken so far by the Department.

(xii) *Other points.*—(a) As a prerequisite, the cultivator had to submit an application in the prescribed proforma for the grant of subsidy to the Collector of the District who had to examine it with the help of District Advisory Committee presided over by a local legislator belonging to a scheduled caste/tribe and accord sanction on the prescribed scale.

In Sidhi District, 19 cultivators were sanctioned in March 1977 subsidy for Rs. 0.57 lakh (Rs. 3,000 each) for the purchase of diesel pumps without even having received the applications from them first. The applications could not be obtained subsequently also as the cultivators were not willing to install pumps in their fields and subsidy amount of Rs. 0.57 lakh was lying unutilised with the Madhya Pradesh Marketing Federation (January 1981).

(b) In Sidhi District, subsidy of Rs. Rs. 0.97 lakh (Wells : Rs. 0.24 lakh; pumps : Rs. 0.73 lakh) was drawn on 31st March 1978 and deposited in 'District Miscellaneous Fund Account' opened in State Bank of India in the name of Collector, Sidhi *i.e.* outside Government account. Out of Rs. 0.97 lakh so deposited, Rs. 0.44 lakh was remitted in March 1979 *i.e.* nearly a year later to Madhya Pradesh Marketing Federation for supply of pumps, Rs. 0.20 lakh was refunded into treasury in March 1979 and Rs. 0.33 lakh was paid to cultivators between May 1978 and March 1979. Thus, subsidy of Rs. 0.97 lakh which was drawn in March 1978 to prevent lapse of the budget grant was irregularly kept out of Government accounts for about a year.

5. *Summing up*

(i) Subsidy totalling Rs. 965.09 lakhs had been drawn from 1974-75 to 1978-79 under the programme but information regarding the number of beneficiaries to whom assistance had been given and the amount utilised could not be given by the Director of Tribal Welfare and District Officers; information for 22 districts only out of 45 was furnished.

(ii) In the 22 districts in which assistance was given to 14,370 beneficiaries, utilisation certificates had not been furnished by Block Development Officers/District Organisers in 7,680 cases. In 6,690 cases also, where the utilisation certificates had been issued, spot verification of actual utilisation of subsidy as well as continued existence and use of wells, pumps, etc., was rarely, if ever, done by concerned authorities.

(iii) In 392 cases, subsidies totalling Rs. 7.04 lakhs were paid to beneficiaries for purchase of electric pumps though no electric connection had been obtained by them.

(iv) Subsidy totalling Rs. 7.68 lakhs drawn upto March 1979 had not been disbursed to the beneficiaries (July 1979).

(v) No evaluation of the programme was done.

(vi) Excess or erroneous payment of subsidies totalling Rs. 19.62 lakhs was noticed in 1,253 cases.

(vii) In 563 cases where subsidy paid was Rs. 3.18 lakhs, the utilisation certificates had been issued in a routine manner without reference to purchase bills, spot verification reports or other records.

(viii) During 1974-75 to 1976-77, in 229 cases involving subsidy of Rs. 1.62 lakhs, only first instalment was released for the construction of wells. Also, in 103 cases in which subsidy of Rs. 1.51 lakhs was paid, the third (last) instalment was not released.

(ix) In the absence of physical check of utilisation of the subsidy by the departmental officers, it could not be ascertained how many wells were actually completed, how many pumps were actually installed and to what extent the benefits sought to be extended were actually achieved. Thus the overall performance under the programme was not known.

3.10 Construction of Vimukta Jati Ashram

The setting up of a Vimukta Jati Ashram for tribal students at Betma (District Indore) at an estimated cost of Rs. 1.26 lakhs (construction of one school building : Rs. 0.49 lakh, Hostel : Rs. 0.50 lakh and two teachers' quarters : Rs. 0.27 lakh) was sanctioned by the Government in February 1972 against which an expenditure of Rs. 1.03 lakhs was incurred upto 31st March 1976. Scrutiny of the records of the District Organiser, Tribal Welfare, Indore by Audit in August 1978 revealed that the purpose for which expenditure was incurred had not been fulfilled as indicated below :—

(1) The work was to be completed by 31st March 1974. After constructing the buildings upto the plinth level, the contractor requested (April 1974) for enhancement of the rates or finalisation of his contract as the rates had gone up in 1974 or finalise his bill upto the stage work was done. The department adopted the latter alternative and paid Rs. 0.55 lakh (hostel building : Rs. 0.25 lakh, teachers' quarters : Rs. 0.13 lakh and school building : Rs. 0.17 lakh) till then.

(2) Inspection by the Assistant Engineer, Tribal Welfare Construction Division, Dhar (July 1974) and the Executive Engineer, Public Works Department (Buildings and Roads) Division-I, Indore (February 1975) of the works executed brought out that the quantities recorded in the measurement book were double the quantities actually executed resulting in excess payment of Rs. 0.27 lakh to the contractor. Revenue recovery certificates for recovery of Rs. 0.27 lakh from the contractor were issued but stayed by Court (May 1978). Further developments are awaited (January 1981). The overseer in charge of the work was suspended in July 1974 and disciplinary proceedings against him are in progress (January 1981).

(3) As the work of the school building was sub-standard and there were cracks in its foundation, the Executive Engineer advised against its completion (February 1975).

As a result, expenditure of Rs. 0.17 lakh already incurred on this work was rendered infructuous.

(4) The foundations of the hostel building and teachers' quarters were also not considered (February 1975) sound by the Executive Engineer. Nevertheless, the buildings were got completed (March 1976) by the Department after incurring further expenditure of Rs. 0.48 lakh (hostel building: Rs. 0.35 lakh, teachers' quarters: Rs. 0.13 lakh). The Executive Engineer, however, refused to certify the life of these buildings (June 1977) as the walls had developed cracks and the material used was sub-standard.

(5) The District Organiser, Tribal Welfare, Indore also intimated (May 1980) that the buildings (hostel building and teachers' quarters) being unsafe for use, estimates for special repairs (Rs. 0.23 lakh) had been sent to the Department in August 1979 by Executive Engineer, Public Works Department (Buildings and Roads), Indore; further progress is awaited (January 1981).

(6) As the hostel building was found inadequate to accommodate 40 students as originally planned, the department decided (April 1976) to utilise the hostel building as tribal hostel for 20 students. The Vimukta Jati Ashram continued in a rented building. An amount of Rs. 0.15 lakh had been paid as rent during April 1974 to August 1980.

(7) The teachers' quarters were occupied by the Superintendent of the Hostel as rent free accommodation as intimated by the District Organiser, Tribal Welfare, Indore (May 1980).

The matter was reported to the Government (September 1979); reply is awaited (January 1981).

AGRICULTURE DEPARTMENT

3.11 Demonstration and seed farms including seed testing and supervision and certification

With a view to providing improved seeds to farmers, the Agriculture Department is running 122 seed multiplication farms in the State. These farms multiply nucleus, foundation and certified seeds and supply the same to the Deputy Directors of Agriculture for distribution to farmers. Besides multiplication of seeds, the farms are also intended to arrange demonstrations of improved agriculture techniques including better methods of cultivation, manuring, use of superior type of implements, insecticides, etc.

Results of test-check (June 1980) of the accounts records of 13 farms (Bhawarkuan-Indore, Dindori-Mandla, Gohad-Bhind, Khamaria-Jabalpur, Kundeshwar-Tikamgarh, Kumrawand-Bastar, Lakhanpur-Bilaspur, Phanda-Bhopal, Rannod-Shivpuri, Reora-Satna, Sagar, Seoni-Malwa-Hoshangabad and Ujjain) and of the concerned Deputy Directors of Agriculture for the period from 1976-77 to 1979-80 are brought out in the succeeding paragraphs.

2. Production of seeds

(i) *Areas under cultivation.*—The thirteen farms had a total area of 1,939 hectares, of which only 1,502 hectares were sowable against which the area actually brought under cultivation during 1976-77 to 1978-79 ranged from 1,107 to 1,128 hectares. Due to drought in 1979-80, the area cultivated during that year came down to 927 hectares. The table below

indicates the position in the farms where a considerable proportion of cultivable area remained uncultivated even during normal years:—

Location of the farm	Cultivable area	Average area actually cultivated during 1976-77 to 1978-79 (In hectares)	Percentage of cultivable area remaining uncultivated
(1)	(2)	(3)	(4)
Dindori	175	119	32
Gohad	72	33	54
Khamaria	240	152	37
Kundeshwar	272	205	25
Rannod	112	50	55
Reora	247	195	21

(ii) *Cropping programme.*—On the basis of annual Kharif and Rabi programmes approved at the state level for different years and the reports obtained from the field staff in the blocks, the Deputy Director of Agriculture of the District assesses the requirement of improved seeds to be met by the department which is, normally, ten per cent of the total requirement of the seeds in a district. While no specific targets of production of improved seeds are laid down for the seed farms, cropping programmes showing the areas to be sown with various varieties of improved seeds and, in some cases, the expected yields are approved every year in respect of each farm by the concerned Deputy Director of Agriculture who is the overall controlling officer of the farm.

It was observed that because of lack of co-ordination among the officers at the farm, District and Divisional levels, the cropping programmes were not realistically drawn up and the approved programme was generally not followed in the field and pattern followed was conditioned by the availability of the seeds at the farms. The improved varieties of seeds which were either not sown at all or sown over smaller areas included major crops such as Paddy, Wheat, Maize, Jowar, Gram Meorg, Soyabean etc.

Out of the 13 Farms, the total area sown fell short of the programmed area, year after year in respect of 4 farms as indicated in the table given below:—

Location of the farm	Area to be sown as per the approved cropping programme				Area actually sown			
	1976-77	1977-78	1978-79	1979-80	Percentage of Area to be sown			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(In hectares)								
Dindori (Mandla)	230	182	194	184	174	175	152	89
					76	96	78	48
Khamaria (Jabalpur)	280	310	285	309	242	222	217	107
					86	72	76	35
Kundeshwar (Tikamgarh)	386	384	329	202	224	211	268	161
					58	55	81	80
Reora (Satna)	211	195	192	228	176	105	187	204
					83	54	97	80

The officers in-charge of the farms attributed the shortfall in the areas actually sown *vis-a-vis* the approved cropping programme and in the area sown *vis-a-vis cultivable* area to non-availability of seeds, shortage of tractors, lack of irrigation facilities, shortage of labour during the sowing season, lack of implements required for sowing, adverse weather conditions and drought. However, as stated in paras 5 and 8 of the review, the available irrigation facilities, tractors and agricultural implements were not utilised to the optimum capacity in most of these farms.

(i) *Yield per hectare.*—The expected yields per hectare were indicated by the Department in the cropping programme of only four of the thirteen farms covered by the test-check namely Bhawarkuan, Kumrawand, Rannod and Ujjain. It was observed, however, that these varied widely from farm to farm as well as from year to year for the same farm. The cropping programme of the farm at Bhawarkuan indicated the expected yield for wheat-1593 (Kal yan-Sona) as 19,30.43, 28.09 and 26 quintals per hectare during 1976-77, 1977-78, 1978-79 and 1979-80 respectively. At Kumrawand, Ujjain and Rannod, the figures were 14.5 (1979-80), 25 (1976-77) and 37.50 (1978-79) to 39.50 (1976-77) quintals per hectare respectively. For Jowar-3541, the expected yield was shown as 12.50, 17.66, 30 and 20 quintals per hectare at Ujjain during 1976-77, 1977-78, 1978-79 and 1980 respectively whereas, at Bhawarkuan and Rannod, this was shown as 6.18 (1976-77) and 12.50 (1976-77) quintals per hectare respectively. Similarly, the cropping programme at Ujjain showed the expected yield of Jowar-Vidisha as 20,16,17.5 and 18.75 quintals per hectare during 1976-77, 1977-78, 1978-79 and 1979-80 respectively.

The Deputy Director of Agriculture, Ujjain stated (June 1980) that the expected yields in the cropping programmes were shown on the basis of the actual production of the crops at the farm during the previous three years.

In regard to actual production also, there was wide variation in yield from farm to farm as illustrated in the table given below :—

Variety of improved seed	Minimum yield per hectare			Maximum yield per hectare		
	Name of farm	Year	Quantity (In quintals)	Name of farm	Year	Quantity (In quintals)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Paddy Ratna	Lakhanpur	1979-80	3.70	Reora	1976-77	41.25
Paddy Anupama	Gohad	1976-77	9.17	Khamaria	1979-80	39.50
Wheat 1593	Dindori	1977-78	3.50	Bhawarkuan	1977-78	33.40
Wheat Narbada-4	Gohad	1977-78	2.56	Bhawarkuan	1977-78	21.80
Jowar-Vidisha	Kundeshwar	1976-77	2.28	Ujjain	1979-80	28.12
Jowar-3541	Phanda	1976-77	0.88	Ujjain	1978-79	30.00

The low production of the seeds in certain years was attributed by the officers in-charge of the farms to erratic rainfall, lack of irrigation facilities and damage to crops by animals due to unfenced farm lands. The Director of Agriculture stated (October 1980) that the department had no integrated scheme for development of less efficient farms.

(iv) *Seeds produced at the farms.*—None of the farms covered by the test-check produced nucleus seeds during the years 1976-77 to 1979-80. It was stated that nucleus seeds were produced at the research farms which were under the control of the J. N. K. V. V. The Director of Agriculture placed indents with the J. N. K. V. V. for supply of nucleus seeds to the seed multiplication farms, but the supply was so meagre that, during 1976-77 to 1979-80, only 6,518 quintals of foundation seeds (progeny of nucleus seeds) were produced as detailed below at only four out of the thirteen farms covered by test-check :—

Location of the farm	Total quantity of seeds produced	Quantity of foundation seeds produced	Percentage of production of foundation seeds
(1)	(2)	(3)	(4)
	(In quintals)		
Bhawarkuan	13,749	6,366	46.3
Gohad	1,461	82	5.6
Rannod	4,237	13	0.3
Ujjain	4,162	57	1.4

The quantity of foundation seeds produced was 773 quintals (Wheat), 21 quintals (Gram), 22 quintals (Pea) and 5,702 quintals (Potato). The farms thus produced mostly certified seeds by multiplying foundation/certified seeds.

According to rule 14 (2) of the Seed Rules, 1968, certified seeds could be produced as progeny of certified seeds provided that this reproduction did not exceed three generations and provided further that it was determined by the seed certification agency that the genetic purity would not be significantly altered. It was, however, observed that while reproduction of certified seeds was restricted to three generations in the farms at Bhawarkuan, Gohad, Lakhanpur, Phanda, Rannod, Reora, Sagar and Seoni-Malva, no records showing the generation of certified seeds reproduced were maintained at the farms at Dindori and Kundeshwar. In the remaining three farms, certified seeds were reproduced for more than three generations.

3. Distribution of seeds :—

(i) *Supply of seeds by the farms.*—The seeds produced at the farms were supplied to the Deputy Directors of Agriculture who arranged distribution of the same among farmers, during next sowing season, through the Agriculture Extension Officers posted at the block level. During 1976-77 to 1978-79, the total production of seeds at the thirteen farms was 60,500 quintals and the same was disposed of as follows:—

	Quantity	Percentage of production
	(In quintals)	
Supplied for distribution to farmers	43,720	72.3
Kept at farms for resowing	4,010	6.6
Sold as grain outside the farms	12,670	20.9
Used as cattle feed, etc.	100	0.2
Total	60,500	100.0

The cost of production of seed was higher than the actual price realised by way of its sale as grain resulting in loss of Rs. 2.69 lakhs.

(ii) *Extent to which requirement of seeds was met by the farms.*—According to the information supplied by the Deputy Directors of Agriculture of Bhind, Bilaspur, Hoshangabad, Indore, Jabalpur, Mandla, Satna, Tikamgarh and Ujjain districts, the seeds supplied during 1977-78 to 1979-80 by the nine farms in these districts could meet the requirement of major Kharif crops (Paddy and Jowar) and Rabi crops (Wheat and Gram) during these years to the extent of 22.9 and 32.4 per cent respectively of their targets which were fixed to cater to 10 per cent of the total requirement of seeds in the districts.

4. *Certification of seeds.*—Sample of the seeds produced at the farms were sent to the seed Testing Laboratory, Jabalpur/Gwalior for certification of limits of germination and purity before the seeds were sent for distribution to farmers. Of 60,500 quintals of seeds produced at farms during 1976-77 to 1978-79, 6,040 quintals were certified as sub-standard because these did not conform to the minimum limits of germination or purity or both. While production of sub-standard seeds was nil in the farms at Phanda and Seoni-Malwa and less than one per cent of the total production of seeds at Bhawarkuan, it ranged between 2.7 and 32.6 per cent of the total production at Kundeshwar, Dindori, Ujjain, Khamaria, Rannod, Lakhanpur, Gohad, Kumrawand, Sagar and Reora.

The Director of Agriculture stated (October 1980) that the chief reasons for the seeds produced being sub-standard were weather conditions, absence of timely irrigation at milking stage and use of improper and untimely application of fertilizers and pesticides. At Gohad and Kundeshwar, seeds were reported to have become sub-standard in storage due to lack of proper storage facilities.

5,877 quintals out of 6,040 quintals of sub-standard seed produced during 1976-77 to 1978-79, were sold as grain distributed as seed to farmers. Sale of sub-standard seeds to the farmers was against the provisions of the Seed Act, 1966.

5. *Area under irrigation.*—Irrigation potential was available for only 887 hectares i.e. 59 per cent of the cultivable area of 1,502 hectares in the farms but as most of the irrigation sources were rain-fed, only 407 hectares could be irrigated during 1979-80 due to drought conditions in that year. During normal years, the available irrigation potential was utilised more or less fully except at Dindori, Gohad, Khamaria and Kundeshwar where the unutilised irrigation potential corresponded to 150 out of 576 hectares. About 50 per cent of the overall irrigated area at the thirteen farms was brought under double crop.

6. *Demonstrations of improved agricultural practices.*—During 1976-77, eight demonstrations of improved agricultural practices were conducted at Bhawarkuan and two at Kumrawand. During 1977-78 to 1979-80, 17,23 and 6 such demonstrations were held at Bhawarkuan, Gohad and Lakhanpur respectively. No demonstrations were held during any of these four years at the remaining nine farms reportedly due to non-receipt of instructions for arranging demonstrations at these farms.

7. *Working results.*—Mention was made in paragraph 1 of the Audit Report 1962 and paragraph 28 of Audit Report on the accounts for 1965-66, that the Government Agricultural Farms were running at a loss. The Public Accounts Committee had observed (1969) that the seed multiplication farms should be so maintained that there may not be any profit or loss. The working results of the thirteen farms for the period from 1976-77 to 1978-79 (annual account for the year 1979-80 were not ready at the time of test-check) are given in Appendix VI. It will be seen that during this period, the farms at Bhawarkuan, Kumrawand, Sagar and Ujjain showed profits totalling Rs.4.38 lakhs (profit of Rs. 0.54 lakh in respect of farm at Sagar did not take into account depreciation and interest amounting to Rs. 1.47 lakhs),

The remaining nine farms incurred a total loss of Rs. 12.56 lakhs. Recurring losses were incurred by the five farms at Dindori, Gohad, Khamaria, Lakhanpur and Reora except for Khamaria and Reora which made marginal profit of Rs. 0.17 and Rs. 0.06 lakhs respectively during 1978-79 only. While the capital invested in the thirteen farms taken together increased from Rs. 36.75 lakhs in 1975-76 to Rs. 43.59 lakhs in 1978-79, the accumulated losses increased during the period from Rs. 7.74 lakhs to Rs. 15.92 lakhs which worked to 36.54 per cent of the capital invested upto the end of 1978-79. The losses were attributed generally to shortfall in production caused by the adverse weather conditions and lack of irrigation facilities. However, at Gohad and Lakhanpur, the farmland was stated to be respectively alkaline and sandy which adversely affected the production. Losses at Khamaria were also attributed to non-availability of tractors.

8. *Idle machinery and equipment.*—

(i) *Tractors*: Two tractors at Seoni-Malwa and one each at Bhawarkuan, Dindori, Khamaria, Reora and Ujjain valuing in all Rs. 1.70 lakhs were lying idle (July 1980) for various periods from 1973 to 1978 for want of repairs etc. At Kundeshwar Rs. 0.76 lakh was paid during 1976-77 to 1979-80 as hire charges for the tractor hired from the Agro Industries Corporation for use at the farm.

(ii) *Pumps*: Eight pumps valued at Rs. 0.22 lakh were lying idle for want of repairs etc. in the farms at Dindori, Khamaria, Lakhanpur, Phanda and Reora for periods ranging from one to eight years.

(iii) *Other farm equipment*: Other farm equipment such as tillers, harrows, threshers, graders, tractor-trolleys etc., were lying idle (June 1980) at different farms for periods ranging from one to fourteen years for want of repairs, etc. Some of the equipment such as tractor-trolleys, tractor-drills etc., were not used for want of tractors.

9. *Outstanding dues.*— As per the accounts of the farms covered by test-check (as on 31st March 1980), Rs. 6.72 lakhs were outstanding for recovery on account of sales of seeds, etc. The amount included Rs. 6.56 lakhs recoverable from Government officials such as Deputy Directors of Agriculture, Block Development Officers, Agriculture Extension Officers, etc. yearwise break-up of the outstanding dues is given below :—

<i>Year from which outstanding</i>	<i>Rupees in lakhs</i>
Prior to 1970-71	1.80
1970-71 to 1975-76	2.22
1976-77	0.18
1977-78	1.04
1978-79	0.78
1979-80	0.70
Total	6.72

Recovery of the outstanding dues was reported to be in progress.

10. *Summing up.*—(i) Although the farms were intended to serve as model demonstration farms, their working left much to be desired. The cropping programmes which formed the very basis of the farm operations were not prepared keeping in view the availability of seeds and other resources/facility at the farms because of lack of co-ordination amongst the officers at different levels with the result that the cropping pattern actually followed was conditioned by the availability of seeds. (ii) The yield per hectare was widely variant from farm to farm and was also low in some of the farms. (iii) The percentage of cultivable area actually sown was low in some of the farms. (iv) Most of the farms did not produce foundation seeds and production of such seeds wherever done, was negligible except

at Bhawarkuan where production of foundation seeds of potato formed about 41 per cent of the seeds produced at that farm. (v) About 10 per cent of the seeds produced at the farms did not conform to the minimum limits of germination and purity. (vi) Demonstrations of improved agriculture practices were not held at most of the farms. (vii) While the farms at Rannod and Reora lacked irrigation facilities, the available irrigation potential was not utilised fully at Dindori, Gohad, Khamaria and Kundeshwar. (viii) Optimum use was not made of the available farm machinery and equipment. (ix) The nine farms at Dindori (Mandla), Gohad(Bhind), Khamaria(Jabalpur), Kundeshwar (Tikamgarh), Lakhanpur (Bilaspur), Phanda(Bhopal), Rannod(Shivpuri), Reora(Satna)and Seoni-Malwa(Hoshangabad) were running at a loss. (x) Large amounts on account of sale proceeds of the seeds, etc., were outstanding for recovery for years together.

The matters mentioned above were reported to the Government in August 1980; reply is awaited (January 1981).

3.12 Intensive development of horticulture in North Bastar

With a view to improving economic condition of the tribal farmers, the Government sanctioned (July 1978) eight projects for intensive development of horticulture in predominantly tribal areas at a cost of Rs. 29.37 lakhs. Under the scheme, a four hectare nursery was to be established in each project area for raising seedlings and imparting training in horticulture to the tribal farmers. Subsidy at the rate of Rs.825 (Rs. 800 from 1979-80) per hectare was payable to tribal farmers for raising and maintaining fruit plantations either on their own lands or on Government lands.

Accounts of two of the eight projects established at Bhanupratappur and Narayanpur in Bastar District on which Rs.8.01 lakhs were spent upto the end of March 1980, were test-checked in audit in March-April 1980. The results of the test-check are mentioned in the following sub-paragraphs :—

(i) Establishment of nurseries: A sum of Rs.1.50 lakhs was drawn in March 1979 and shown to have been spent on development of land (Rs.0.50 lakh), fencing of nurseries (Rs.0.30 lakh), construction of wells (Rs.0.50 lakh) and irrigation canals (Rs.0.20 lakh). The position of these works, was, however, as follows :—

(a) Development of land: Rs.0.50 lakh meant for purchase of developed land was actually spent on redevelopment of already developed land of the agricultural farms at Kanker (Bhanupratappur) and Kerlapal (Narayanpur).

(b) Fencing of nurseries: An amount of Rs.0.30 lakh was paid to the Madhya Pradesh State Industries Corporation, Bhilai in March 1979 for supply of barbed wire and angle iron poles required for fencing of nurseries. The material was received in September 1979 and stored at Kerlapal Farm situated at a distance of 140 kilometres from the Kanker Farm. Neither of the two nurseries was actually fenced (October 1980). The Deputy Director of Agriculture, North Bastar stated (October 1980) that the fencing work could not be taken up as no further allotment for the purpose was placed at his disposal.

(c) Construction of wells: Out of Rs.0.50 lakh drawn for construction of two tubewells, Rs.900 were paid to the Ground Water Survey Unit, Kanker for survey and selection of the sites. A Bank Draft for Rs.0.49 lakh drawn in March 1979 in favour of the Lift Irrigation Corporation was handed over to the Corporation in February 1980. Construction of the wells had, however, not commenced as the ground water survey had not been taken up (October 1980).

(d) Laying of irrigation canals: As construction of the wells was not taken up, galvanised iron pipes purchased (March 1979) for Rs.0.20 lakh were stored at Kerlapal Farm.

(ii) Training: Under the scheme, training in horticulture was to be imparted to 300 tribal/farmers at each nursery. For this purpose, a training hall was to be constructed at each nursery and each trainee farmer was to be provided with a tool kit and paid scholarship of Rs.50 for the duration of training. For construction of two training halls at Kerlapal and Kanker, Rs.0.37 lakh were drawn in March 1979 and shown as spent on purchase of tubular structures (Rs.0.10 lakh) and payment to a contractor for construction of halls (Rs.0.27 lakh). However, by October 1980, construction of the hall at Kerlapal was incomplete and that at Kanker had not been taken up; the materials purchased were stated to be lying with the contractor. For purchase of 600 tool kits, Rs.0.28 lakh were drawn in March 1979 and shown as paid to a supplier at Poona. The material was actually received in March 1980 and the Bank Draft obtained in favour of the firm in March 1979 was despatched in March 1980 after revalidation. All the tool kits were lying in stock (April 1980). Even though, neither, training halls/nor tool kits were available, 600 farmers were stated to have been trained in horticulture during January to March 1979 on the basis of muster rolls and Rs.0.30 lakh were paid to them as scholarship. It was not indicated in the muster rolls as to who took the attendance and what training was imparted. It was stated (April 1980) by the Deputy Director of Agriculture, Bastar (North) that the training was given to the farmers at their villages.

(iii) Subsidies for fruit plantation: According to the instruction issued (September 1978) by the Director of Agriculture, subsidies for fruit plantation were to be sanctioned by the Deputy Director of Agriculture on the basis of application forms in prescribed form received from willing farmers. On receipt of sanction, the farmer was to commence the work and complete the same as per directions of the Village Level Worker (Demonstrator) who was to record measurements and prepare completion report which was to be signed also by the concerned farmer and two respectable persons of the locality. The Agriculture Assistant was to conduct physical verification of work and thereafter submit to the Project officer/Deputy Director of Agriculture a bill for the subsidy alongwith the measurement book and the completion report. On the basis of these documents, the Deputy Director of Agriculture was to draw the amount of the subsidy from the Treasury and pay the same to the concerned farmer.

Scrutiny of the records of the Principal, Farmer's Training Centre, Kerlapal and the Assistant Director of Agriculture, Kanker showed (October 1980) that the drawals of amounts under the scheme were made in lump sum without the supporting measurement books, completion reports, etc., and Rs.2.47 lakhs were advanced (September 1978 to March 1979) to the Agriculture Extension Officers for payment of subsidies to the farmers. The payment vouchers submitted by the Agriculture Extension Officers were also not supported by the measurement books/completion reports. Hence, the basis on which the subsidies were paid was not known (October 1980). According to the Progress Report submitted (May 1979) by the Deputy Director of Agriculture, North Bastar to the Director of Agriculture, Rs.2.47 lakhs were paid during 1978-79 to 1,097 farmers for raising fruit plantation over an area of 515 hectares, which worked out to about Rs.480 per hectare as against Rs.825 per hectare envisaged in the scheme. The Deputy Director of Agriculture stated (April 1980) that subsidies were paid in part as soon as certain items of the plantation work such as digging of pit, fencing, etc., were completed by the farmers. Information about survival of the plants was also not available (October 1980) with the Deputy Director of Agriculture or his subordinate units. Rupees 1.53 lakhs drawn on 31st March 1980 on account of subsidies, scholarships, etc., were advanced to the Agriculture Extension Officers for payment to the farmers; the detailed accounts were awaited from them (October 1980).

The facts mentioned above would show that though the scheme was sanctioned in July 1978, the construction works were not completed even upto the end of October 1980.

As nurseries were not established, no proper training in horticulture could be imparted to the farmers. There were no records to show whether the subsidies paid were utilised properly and fruit plantations actually raised.

The Government, to whom the matters mentioned above were reported in July 1980, accepted the facts and stated (November 1980) that—

(i) the nurseries had not been fenced due to non-finalisation of sites for wells;

(ii) training in horticulture was imparted to the farmers at different places under the supervision of Agriculture Extension Officers due to lack of staff and transport facilities at the nurseries; and

(iii) a survey had been undertaken to ascertain the position of plantation actually raised.

3.13. Extra expenditure due to delay in finalisation of tenders and non-commissioning of machinery

Tenders were invited (July 1979) by the Director of Agriculture for supply of 4 chassis for explosives vans and 12 each of wheel type tractors, inwell drilling rigs and air compressors 250 CFM required for boring and deepening of wells and tanks. The tenders received on 6th August 1979 were forwarded to the Government on 8th November 1979 for approval. Decision of the Government approving the rates was communicated to the Director of Agriculture on 30th January 1980 and the supply orders in respect of the aforesaid items of machinery, except air compressors 120 CFM, were placed by the latter in February 1980. In the meanwhile, the rate for the chassis was raised (January 1980) by the firm by Rs.0.17 lakh per chassis and this was approved by the Government. The Madhya Pradesh State Agro-Industries Development Corporation, a State Government undertaking, with whom an order was placed (February 1980) for supply of 12 wheel type tractors, also raised its rate by Rs.0.07 lakh per tractor and this was also approved by the Government in March 1980. Thus, due to delay in finalising the tenders, avoidable extra expenditure of Rs.1.53 lakhs was incurred on purchase of 4 chassis and 12 wheel type tractors.

Twelve drilling rigs and 12 air compressors purchased (March 1980) at a cost of Rs. 25.53 lakhs could not be commissioned (July 1980) because the wheel type tractors were not supplied by the Madhya Pradesh State Agro-Industries Development Corporation, though full payment for the same was made in March-April 1980. Four chassis purchased at a cost of Rs.4.86 lakhs were also lying idle since June 1980 as the bodies therefor were not fabricated. The Director of Agriculture intimated (October 1980) that tenders for fabrication of bodies of the vans had been called and further formalities in this connection were in progress.

The Government, to whom the matter was reported in August 1980, accepted the facts and stated (December 1980) that separate tenders for purchases under three different schemes were received in the Directorate within a period of two to three months which took some time for scrutiny and processing resulting in delay necessitating inevitable payment at higher rates.

3.11. Non-functioning of a soil testing laboratory

A soil testing laboratory was established at Sagar in March 1977 for analysing soil samples received from cultivators and Government Agricultural Farms and recommending fertiliser doses for obtaining optimum yield. The Government sanctioned (March 1977) Rs.0.59 lakh for purchase of laboratory apparatus (Rs.0.40 lakh) and chemicals, etc. (Rs.0.19 lakh). Test-check (May 1980) of the accounts of the Assistant Soil Testing Officer, Sagar revealed that the required chemicals, etc., were purchased in March 1977 but the laboratory apparatus could not be purchased as the quotations recommended (March 1977) by the Purchase Committee were not approved by the Director of Agriculture since the

comparative statement and quotations, etc., were not sent by the Joint Director, Sagar. The Director of Agriculture invited tenders (September 1977) for purchase of equipment for various Soil Testing Laboratories including the one at Sagar. The tenders received (October 1977) were sent by the Directorate to Government (December 1977) but were not decided by the Government upto March 1978. Tenders received again by the Directorate (September 1978) were sent to Government (December 1978) and approved by the latter in March 1979 and purchase orders placed by the Director of Agriculture in March 1979 and the apparatus were received in June 1979. The laboratory, thus commenced functioning from July 1979. Due to delay in purchase of the laboratory apparatus for more than two years, the laboratory could not start functioning, depriving the Agriculture sector of its services during this period. During the same period, a sum of Rs.1.21 lakhs was spent on the pay and allowances of the laboratory staff who did negligible work. The Joint Director of Agriculture, Sagar stated (August 1980) that the services of the staff were utilised for collecting soil samples which were got analysed from another laboratory at Nowgong. But the number of such tests conducted during 1977-78 and 1978-79 was only 262 as against 4,018 conducted during 1979-80 when this laboratory actually started functioning.

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

3.15 Advance for purchase and distribution of local paddy seed

In view of the serious scarcity conditions during 1967, the Government entrusted (May 1967) the procurement and distribution of local paddy seed to the Madhya Pradesh Apex Marketing Federation (Federation) and, for this purpose, sanctioned an interest-free advance upto Rs.100 lakhs to be paid by the Director of Agriculture as and when demanded by the Federation. This advance was to be repaid by the Federation by 31st March 1968.

As against the advance of Rs.100 lakhs paid (May 1967) by the Director of Agriculture, the amount repaid by the Federation upto July 1980 was Rs.34 lakhs (1968-69: Rs.21 lakhs; 1970-71: Rs.3 lakhs; 1978-79: Rs.5 lakhs; 1979-80: Rs.5 lakhs). Besides, sums aggregating Rs.18.97 lakhs stated to have been credited by the Federation directly into treasury during 1965-66 to 1969-70 were under dispute as credits included Rs.10.69 lakhs pertaining to the period prior to the disbursement of the advance. Further, even though another advance of Rs.100 lakhs was given to the Federation by Government in November 1976 for procurement and distribution of paddy seeds for 1977-78 the outstanding amount of the earlier advance of Rs.100 lakhs was not adjusted (October 1980). The Director of Agriculture had no information (July 1980) regarding the amount spent on procurement of seeds, the sale proceeds realised and the quantity of seeds purchased and distributed by the Federation.

Thus, proper utilisation of the advance was not [verified by the Department and advance of Rs.66 lakhs remained unrecovered for more than twelve years.]

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

EDUCATION DEPARTMENT

3.16 Employment of teachers for primary school

Upto 1976-77 the annual requirement of primary school teachers, who constituted a district cadre, was to be assessed by the Education Department for recruitment one year in advance on the basis of the single-teacher primary schools expected to be opened and the vacancies in the normal course likely to arise in the subsequent year when the new recruits after completion of one year training became available for posting. From 1977-78, the training period was 2 years.

2.1. During the test-check of the records of the Directorate of Public Instruction, eight District Education Offices (Bhind, Datia, Guna, Gwalior, Morena, Panna, Rewa and Satna) and Basic Training Schools (BTP's) at Bajrangarh, Bhind, Datia, Morena, Panna and Satna, it was noticed that the assessment for the recruitment of 4,500 teachers made by the department in May-June 1976 on the basis of vacancies likely to arise at the beginning of the session (July to June) 1977-78 was optimistic in as much as the number of single teacher primary schools expected to be opened during 1977-78 was assessed to be 4,000 whereas only 1,075 schools were sanctioned, of which 834 schools alone were opened during that year. District-wise requirements, were also not properly assessed. As a result, 2,014 teachers who returned from BTP's after completion of one year training could not be posted as regular teachers.

2.2. Of these, 1,099 teachers were attached as additional surplus teachers in the existing primary schools, and to facilitate drawal of their stipend, 1,099 additional temporary posts were sanctioned (July 1977) in the first instance for two months from July 1977 by obtaining an advance from the Contingency Fund, and these were subsequently extended upto August 1978. From the records of the Directorate, it was seen that these teachers could not be absorbed in full and even in February 1980, 706 teachers continued to be shown against additional temporary posts of teachers.

Recruitment of these 1,099 trained surplus teachers resulted in avoidable expenditure of Rs.63.91 lakhs approximately on their stipend/pay and allowances.

2.3. While 1,075 new primary schools and an equal number of posts of teachers to run these schools were sanctioned (September 1977) by the Government, only 834 schools were opened during 1977-78 as stated above, 241 teachers out of 2,014 mentioned in para 2.1 were shown against posts pertaining to an equal number of schools, not opened in 1977-78 though sanctioned and stipend amounting to Rs.4.34 lakhs was paid to these surplus teachers during 1977-78 session.

2.4. 674 teachers were surplus during 1977-78 in 12 districts where they were posted and their stipend (Rs.12.13 lakhs during 1977-78) was drawn from schools in another 11 districts where vacancies existed.

2.5. Thus, because of wrong assessment of requirements for recruitment in 1976-77, a sum of Rs.80.38 lakhs had to be incurred unnecessarily.

3. Again, during 1979-80, 509 teachers recruited in 1977-78 for two years training were similarly rendered surplus in 13 districts but were reckoned against the vacancies in another 14 districts. In order to make payment to them, the stipend of these surplus teachers amounting to Rs. 9.16 lakhs were drawn from the schools in those districts where the vacancies existed. In the districts of Bhind, Datia and Gwalior, checked in audit, it was noticed that a sum of Rs. 1.44 lakhs was drawn and paid to 68 surplus teachers against vacancies in other districts.

4. According to the agreement bond executed by them, if the new recruits left the training course midway, and/or the job before rendering three years' service without valid reasons, the stipend/cost of training received by them, was recoverable. It was noticed that recoveries aggregating Rs. 0.87 lakh due from 164 dropped out candidates from 1974-75 to 1979-80 had not been effected by the department.

5. The above facts were reported to the Government in September 1980. In reply, the Government stated (December 1980) that—

(i) the number of trainee teachers was fixed on the basis of an estimate of schools to be opened at the end of the training period but, due to curtailment of plan ceiling, the estimated number of schools could not be opened as a result of which sufficient number of posts for the trainees were not available,

(ii) the surplus trainee teachers of one district could not be posted in other districts where vacancies existed as these teachers constituted district cadre, and

(iii) instructions were being issued for recovery from the trainees who left the training/job mid-way.

3.17 Book banks

Introduction.—Book banks established by the Government (July 1975) in all Government and recognised non-Government schools aimed at supplying one complete set of text books on loan basis to all students belonging to Scheduled Castes/Tribes studying from Class-III to VIII, the books being returnable to the bank at the end of the academic year.

Text books for the book banks were purchased from the Madhya Pradesh Text Book Corporation, a Government undertaking, which made supplies to the District Education Officers against the indents placed by the department. For the purpose of distribution of books, certain middle schools in each district were nominated as distribution centres to whom text books were supplied by the District Education Officers through the Assistant District Inspectors of Schools. The distribution centres issued books to the schools where book banks were established. During the period 1975-76, to 1979-80, a total expenditure of Rs. 1,01.48 lakhs was incurred on implementation of the scheme.

The records relating to receipt and issue of the books maintained at four levels by the District Education officers, the Assistant District Inspector of Schools, the distribution centres and the book banks under 11 District Education Officers (Balod, Betul, Bhind, Bilaspur, Durg, Gwalior, Janjgir, Jhabua, Kawardha, Rajnandgaon and Sagar), where 25 lakh books worth Rs. 37.56 lakhs were purchased under the scheme during 1975-76 to 1979-80 were test-checked (July-August 1980) and the results are set out in the succeeding paragraphs.

2. *Procurement of books.*—(i) During 1975-76, the number of the middle and the primary schools in the districts covered by test-check was 11,558 and rose to 12,914 by March 1980. Book banks were opened in 12,885 schools; 29 recognised aided schools were not provided with the book banks in Janjgir (19) and Durg (10) districts.

(ii) In 1975-76, indents for the books were placed with the Text Book Corporation directly by the Director of Public Instruction without ascertaining the requirement from the District Education Officer. In the subsequent years, the District Education Officers worked out the requirement of books on the basis of reports obtained from the Assistant District Inspectors of Schools. However, no uniform procedure was adopted in working out the requirement in as much as the percentage of books expected to be returned by students out of those issued to them during the previous year(s) varied widely.

(iii) An analysis made by audit of the purchases during 1976-77 to 1979-80 at Balod, Betul, Gwalior, Jhabua, Kawardha and Sagar revealed that the purchases were made more or less according to the requirement or the surplus/deficit purchases in one year were adjusted against the purchases made in the subsequent years). Purchases made during 1979-80 did not meet the cumulative requirement at Bhind and Rajnandgaon while they were in excess of the cumulative requirement at Bilaspur, Durg and Janjgir.

While 0.33 lakh books could not be purchased at Bhind for want of budget allotment, at Rajnandgaon, budget allotment of Rs. 0.18 lakh was allowed to lapse and the books were not purchased according to requirement. The excess purchases of books at Bilaspur, Durg and Janjgir were stated to have been made to avoid lapse of funds. No effort was made to transfer surplus books to banks, where more books were required. At Bilaspur, in particular, 3.08 lakh books were purchased during 1976-77 against the requirement of 1.99 lakh books, and though the books purchased in that year were more than sufficient to meet the requirement for next three years, 1.29 lakh books (value : Rs. 1.98 lakhs) were purchased again during 1977-78 to 1979-80 which were either issued to the Assistant District Inspectors of Schools or were kept in stock in the District Education Office. Similarly, at Janjgir, which formed part of Bilaspur district upto 1976-77, 1.17 lakh books (value : Rs. 1.75 lakhs) were purchased during 1977-78 to 1979-80 in excess of the requirement; these included 0.28 lakh books (value : Rs. 0.42 lakh) which were not even lifted (July 1980) from the depot of the Text Book Corporation, though full cost of the books was paid to the Corporation in March 1980. However, all these 1.17 lakh books were shown in stock in the register of books maintained in the district office. At Durg, 0.19 lakh books (Value : Rs. 0.36 lakh) purchased in 1979-80 in excess of requirement were issued to the Assistant District Inspectors of Schools.

3. *Distribution of books.*—(i) In 7 of the 11 districts, 1.93 lakh books (value : Rs. 2.90 lakhs), out of 18.05 lakh books (value : Rs. 27.15 lakhs) bought were lying in the district offices on 31st March 1980. Besides, 0.49 lakh books (value : Rs. 0.81 lakh) were lying undistributed with 104 Assistant District Inspectors of Schools/distribution centres in 7 districts, where records were produced. None of the 26 Assistant District Inspectors of Schools in Bilaspur district produced records relating to distribution of books; in the remaining 3 districts (Bhind, Janjgir and Sagar) position in respect of 35 out of 67 Assistant District Inspectors of Schools was not known. It was observed further that out of 2.42 lakhs books (value : Rs. 3.71 lakhs) lying at various stations undistributed, 0.07 lakh books (value : Rs. 0.07 lakh) held in stock since 1975-77 were desyllabised from the academic session 1976-77 and the remaining 2.35 lakh books (value : Rs. 3.64 lakhs) remained undistributed because these were either in excess of requirements or were received too late in 1979-80 to be distributed during that year. Physical verification of the books was done in the district office at Rajnandgaon and Bilaspur only.

(ii) The test-check revealed further that in Sagar, Dhar, Balod and Betul Education Districts 0.31 lakh books (value : Rs. 0.51 lakh) shown to have been issued either by the District Education Officer to the Assistant District Inspectors of Schools or by the latter to the distribution centres were not accounted for in the stock registers of the concerned Assistant District Inspectors of Schools/distribution centres.

Besides, against 1.86 lakh books shown to have been issued during 1975-76 and 1976-77 by the District Education Officer, Bilaspur to various Assistant District Inspectors of Schools, only 1.75 lakh books were acknowledged by the latter. The value of 0.11 lakh books not acknowledged was Rs. 0.28 lakh.

The District Education Officers stated (July 1980) that these discrepancies would be investigated. Results of the investigations are awaited (August 1980).

(iii) While complete sets of the prescribed text books were not procured and issued to eligible students, in some cases, books purchased under this scheme and issued included "English Work Book" which could be used only once being in the nature of an exercise book. The number of such books purchased during 1975-76 to 1979-80 in the 11 districts was 0.59 lakh.

(iv) During the first year of the implementation of the scheme, the books could be supplied by the District Education Officers to book banks mostly after the start of academic session as the decision to establish the book banks was taken in July that year. While this was understandable, the delay in supply of the books persisted even in the subsequent years.

The District Education Officers attributed the delay in issue of books to late receipt of books from the Text Book Corporation.

(v) Following points were also noticed in 1,645 out of 11,860 book banks in ten out of eleven districts covered by test-check (None of the 1,025 book banks in Bilaspur District produced records to audit):—

(a) During 1975-76, the availability of books with the book banks was less than the requirement. Even so, about 18 per cent of the available books remained undistributed with the banks. In the subsequent years, though the availability of books (excluding the damaged and desyllabised books) increased substantially and exceeded the requirement from 1977-78 onwards, the actual distribution of books to the students fell short of the requirement by 13 to 20 per cent.

Further, in certain schools, the available books were not distributed at all though eligible students were on rolls.

The non-distribution/shortfall in distribution of the books was attributed by the book banks to one or more of the following circumstances:—

- (i) The students had already purchased the books before the books were made available to the book banks;
- (ii) the students did not accept second-hand books;
- (iii) the books were not received in complete sets and, therefore, the books on certain subjects received in excess could not be distributed; and
- (iv) the enrolled students remained absent from the classes.

Also 0.63 lakh books (Value: Rs.1.02 lakhs) were issued to the book banks in excess of the requirement up to 1979-80.

(b) Out of 4.61 lakhs books issued/reissued during 1975-76 to 1978-79 to the students, 1.85 lakh books (i.e. 40%) (Value: Rs.3.05 lakhs) were either not received back or were in a torn condition upto end of 1979-80.

(vi) Books numbering 1.69 lakhs (value: Rs.2.17 lakhs) purchased in 1975-76 in the eleven districts checked were desyllabised from the academic session 1976-77. The Director of Public Instruction issued instructions (January 1977) that these books may be withdrawn from the book banks and sold by auction. However, 0.93 lakh such books (value: Rs.1.28 lakhs) had not been auctioned (July 1980). Except at Gwalior where the books were lying undisposed of in the district office, most of the desyllabised books had not even been returned to the district offices.

4. Summing up

Book banks were opened in almost all the Government and recognised aided schools. During 1975-76 when the scheme was first implemented, the books were purchased without ascertaining the requirement from the District Education Officers. In the subsequent years, the requirement of books was not worked out properly and the purchases were found to be short of the requirement in some districts and more than the requirement in some other districts. There was no central monitoring of the working of the scheme with the result

that no effort was made to transfer the books from surplus to deficit places. The books were not supplied to the book banks in time and, therefore, the students could not make use of the books throughout the academic session. Complete sets of the prescribed text books were not issued to the students and the books issued included even work book which were not covered under the scheme. Though availability of books with the book banks exceeded the requirement from 1977-78 onwards, due to lack of proper control, the distribution of books to the students fell short of the requirement by 13 to 20 per cent. Most of the books desyllabised during 1976-77 had not been withdrawn (July 1980) from the book banks.

Matters mentioned above were reported to the Government in August 1980; reply is awaited (January 1981).

3.18 Payment for supplies not made

On 31st March 1979, the Government sanctioned Rs.10 lakhs for purchase of *tatpatties* from the Madhya Pradesh Khadi and Gramodyog Parishad, Bhopal and ordered the payment to be made in advance on the condition that the amount would be deposited by the Parishad in the Public Account. The amount was disbursed by the Director of Public Instruction on 31st March 1979 itself, without stipulating any condition regarding its deposit by the Parishad in the Public Account and a supply order was issued on 7th April 1979 stipulating supply of *tatpatties* to 54 District Education Officers by 31st July 1979, failing which the Parishad was liable to pay interest at the rate of $\frac{1}{2}$ per cent per month on the amount of advance representing the value of *tatpatties* not supplied by that date.

During test-check of the accounts of 16 out of 54 District Education Officers, it was noticed that in 11 districts for which *tatpatties* worth Rs. 1.89 lakhs were ordered, no supplies were made (July 1980) and only part supplies (value : Rs.0.65 lakh) against the order (Value: Rs.1.22 lakhs) were made in five districts. Thus, against the advance payment (March 1979) of Rs. 3.11 lakhs for supply of *tatpatties* to the districts covered by test-check, supplies worth Rs. 0.65 lakh only were made (July 1980), which resulted in bulk of funds (Rs.2.46 lakhs) remaining outside the Public Account, besides depriving the Primary Schools in these districts of the facility of *tatpatties*. The interest recoverable from Parishad upto May, 1980 on advance representing value of *tatpatties* not supplied by that date amounted to Rs. 0.13 lakh.

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

3.19. Payment of funds for construction of school buildings in advance of requirements

The Government sanctioned (March 1979) an advance payment of Rs.24 lakhs to the Madhya Pradesh Housing Board for construction of school buildings without specifying the type(s) of school(s) for which and the places at which the buildings were to be constructed. The amount was drawn by the Director of Public Instruction and remitted to the Board on 31st March 1979. Although the Government had ordered (March 1979) that the Housing Board should deposit the amount under the Public Account, the Board continued (November 1980) to keep the amount with it thereby earning interest on the Government money.

It was noticed in audit (August 1979) that the advance payment was sanctioned without any proposal from the Director of Public Instruction and without according administrative approval to the work. While the Director of Public Instruction was considering the construction of buildings for Higher Secondary Schools and had invited proposals from the Divisional Superintendents of Education in May 1979, the Government decided in June 1979 that buildings for 48 Primary Schools were to be constructed. According to the information furnished (April 1980) by the Director of Public Instruction, the Government had asked (January 1980) the District Collectors to select sites for the school buildings. Decision on the location of the buildings was yet to be taken (November 1980).

The Government stated (October 1980) that the advance was sanctioned on the basis of the proposals framed at the Government level for construction of Primary Schools. The number and location of the schools to be constructed were not decided at the time of sanctioning the advance.

SOCIAL WELFARE DEPARTMENT

3.20 Special Nutrition Programme

1. *Introduction.*—The Special Nutrition Programme was formulated by the Government of India in July 1970 to combat malnutrition among children upto the age of 3 years belonging to the lower socio-economic strata and living in slum areas of big cities and in tribal areas. In July 1971, the programme was extended to cover children in the age group 0-6 years and expectant and nursing mothers in the tribal areas and in the slum areas of cities/towns with a population of one lakh or more. In Madhya Pradesh, the programme was implemented as a Centrally Sponsored Scheme from January 1971 to March 1974 and as a State non-plan scheme thereafter. The responsibility for implementation of the programme was with the Tribal Welfare Department in respect of the tribal areas and with the Social Welfare Department in respect of the Urban slums.

A review of the programme as implemented with the central funds appeared in the State Audit Report 1974-75 and was discussed by the P.A.C. in May 1978.

2. *Programme.*—The programme, as per the guide lines issued by Government of India (July 1971), envisaged setting up of feeding centres with the help, wherever possible, of municipal bodies, womens' organisations and other non-official voluntary agencies. There were to be 200 beneficiaries in each urban slum centre.* Every beneficiary was to be provided with nutritious food (any type) on the following scale and within the cost mentioned for a minimum of 300 days in a year.

Beneficiary	Protein (Grams)	Calo- rific value	Cost per beneficiary		
			Food charges	Other charges	Total
(1)	(2)	(3)	(4)	(5)	(6)
Children(Upto 1 year of age)	8 to 10	200	18 paise	5.5 Paise	23.5
Children (1 to 6 years of age)	12	300	18 Paise	5.5 Paise	23.5
Expectant/nursing mothers	20	500	25 Paise	5.5 Paise	30.5

Vitamin A and D, Multivitamin, Iron and folic acid tablets were also to be supplied to beneficiaries. The beneficiaries were also to be immunised against small pox, diphtheria, polio, cholera, tetanus, etc., and children were to be treated for worms periodically.

These nutritive standards of food were successively diluted by the Government of Madhya Pradesh as indicated below :—

Beneficiary	Proteins (Grams)	Calorific value	Cost per beneficiary			Period for which effective
			Food charges	other charges	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Children 0-6	8 to 10	280 to 290	18 Paise	5.5 Paise	23.50	1974-75 to 1976-77
Expectant/Nursing mothers	20 to 25	430 to 435	25 Paise	5.5 Paise	30.50	
(b) Children 0-6	7.5 to 8.5	175 to 200	18 Paise	5.5 Paise	23.5	1977-78 to 1978-79
Expectant/Nursing mothers	11.25 to 12.75	225	25 Paise	5.5 Paise	30.5	
(c) Children 0-6	5.95	147	20 Paise	3.5 Paise	23.5	1979-80
Expectant/Nursing mothers	8.91	221	25 Paise	5.5 Paise	30.5	

*Each such centre was to be manned by one organiser and one helper who were to be paid monthly honorarium of Rs. 20 and Rs. 10 respectively. These amounts were raised to Rs. 30 and Rs. 15 per month respectively with effect from February 1979.

The dilution of the standard, cost remaining the same, was due to the fact that in May 1977 Modern Bakeries which was entrusted with the manufacture of nutritious bread for supply under the scheme, had expressed that it was not technically feasible to supply more than 7.5 gms. (in May 1978, Modern Bakeries stated that they could supply only 6 gms. of proteins) proteins in two slices of bread weighing 61.5 grams because of inferior quality of indigenous wheat and the State Government could not increase the number of slices either, as increase of one slice meant additional cost of Rs.27 lakhs per annum. The Government of India did not agree (July 1978) to a proposal from the State Government (June 1976) for reduction of nutritional standards within the existing price ceilings. The State Government was asked to refer its alternative proposal for price revision to the Planning Commission. After some correspondence, the State Government agreed to increase the price of nutritional food (December 1979) as under :—

Per child	30 paise
Per woman	38 paise

3. *Health assessment.*—Under the programme, identity cards were to be issued to the beneficiaries. Health assessment reports indicating the height, weight and health status of each beneficiary was to be maintained at each centre. The health of the beneficiaries was to be checked by Medical Officers once every month and the results recorded in assessment reports with a view to ascertaining the impact of the programme.

4. *Test-Check.*—A test-check of the records connected with the programme maintained in the Directorate of Social Welfare and about 10% of 543 feeding centres in 7 towns where the scheme was implemented was conducted by Audit from May to July 1980. The results of the test-check are set out in the succeeding paragraphs.

(a) (i) Overall targets and achievements.—The table below gives the year-wise position of targets fixed for each town and the achievements in regard to the beneficiaries covered under the programme :—

Name of the City/Town	Targets for the Years 1974-75 to 1979-80	Number of beneficiaries Achievements					
		Percentage with reference to targets					
		74-75	75-76	76-77	77-78	78-79	79-80
							(in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Gwalior	0.200	0.147 73.5%	0.147 73.5%	0.147 73.5%	0.200 100%	0.200 100%	0.200 100%
Bhopal	0.200	0.076 38%	0.100 50%	0.100 50%	0.200 100%	0.200 100%	0.200 100%
Indore	0.250	0.126 50.4%	0.128 51.2%	0.134 53.6%	0.170 68%	0.226 90.4%	0.250 100%
Ujjain	0.200	0.160 80%	0.160 80%	0.160 80%	0.180 90%	0.180 90%	0.196 98%
Ratlam	0.100	0.076 76%	0.076 76%	0.080 80%	0.100 100%	0.100 100%	0.100 100%
Khandwa	0.080	0.050 62.5%	0.050 62.5%	0.050 62.5%	0.080 100%	0.080 100%	0.080 100%
Burhanpur	0.060	..	..	..	..	..	0.060
	(unit started from July 1979)						100%

In this context it may be stated that the achievements claimed were not fully corroborated by the records as explained in para (d) below.

(ii) Each beneficiary was to be supplied nutritional food for a minimum of 300 days in a year. However, for various reasons such as non-supply of food by contracting agencies

and re-organisation of centres as a result of irregularities observed, this could not be achieved. The table below gives the number of centres in which feeding was less than 300/150 days with reasons thereof :—

Year	Number of centres at the close of the year	Number of centres in which feeding was done for 300 days or above	Number of centres in which feeding was done for less than 300 days	Number of centres in which feeding was done for less than 150 days	Reasons
(1)	(2)	(3)	(4)	(5)	(6)
1974-75	327	..	254	73	Bread was not supplied by Bakeries as there was a dispute regarding its price (Gwalior).
1975-76	330	144	186	..	
1976-77	335	197	138	..	
1977-78	465	..	465	..	
1978-79	496	..	283	213	
1979-80	543	..	543	..	In Indore, the programme was suspended on account of certain irregularities in distribution. In other places, the scheme remained suspended from July 1978 to December 1978 on account of dispute about the price of the bread.

(iii) The year-wise position regarding actual expenditure *vis-a-vis* final allotment of funds is indicated in the table given below :—

Year	Final allotment of funds	Expenditure	Reasons for Saving/Excess
(1)	(2)	(3)	(4)
	<i>(Rupees in lakhs)</i>		
1974-75	47.13	28.46	The saving of Rs. 18.67 lakhs was due to suspension of the scheme in Gwalior from 8/74 to 3/75 and in other units (except Khandwa) from 5/74 to 8/74 because of dispute regarding the price of bread.
1975-76	50.94	42.70	Saving because of suspension of the programme of Khandwa for about 5 months and shortfall in the number of days of distribution of bread in other units.
1976-77	33.69	45.37	The steep fall in the budget provision was not explained by the directorate.
1977-78	74.50	45.79	The saving was due to (i) suspension of the programme in Indore from December 1977 to March 1978 and in Bhopal from January 1978 to March 1978 on account of detection of irregularities in running of the centres and consequent re-organisation of the centres, and (ii) withholding of 20% of the amount of the bill of Modern Bakeries for the year towards shortfall in the nutritive value of the food supplied by the latter.
1978-79	75.19	27.00	Saving due to suspension of the programme in all the centres for periods ranging from 2 months to 6 months.
1979-80	69.61	67.13	Not required.
Total	348.06	256.45	

(b) *Supply of Nutritious food.*—Mainly, nutritious bread specially manufactured by Modern Bakeries for this scheme was supplied to the beneficiaries from 1972. Though the prescribed quantity of bread (2 slices for children and 3 slices for mother) was to have the requisite minimum nutrition value, the practical and technical feasibility of this mentioned in para 2 above was not discussed with or ascertained from Modern Bakeries earlier. No agreement was entered into with the suppliers upto 1975. Agreements were concluded between 1975 and 1977 but were not renewed during the years 1977-78 and 1978-79 even though Modern Bakeries continued to supply the bread.

The Director of Panchayat and Social Welfare Department had given instructions (May 1974) for monthly testing of the nutritive contents of bread at the Testing Laboratory, Ministry of Agriculture and Irrigation (Department of Food), New Delhi and a *pro rata* reduction in payment to the supplier was to be made for all supplies from units test results of which showed a deficiency. However, from April 1974 to January 1977, no testing was got done (except at Gwalior where tests were got done in July 1974, October 1975 and June 1976 and these showed deficiency necessitating cut of 39 per cent, 27 per cent and 40 per cent respectively from the supplier's bills).

In February 1977, for the first time, the test results were circulated to all the units for effecting *pro rata* deduction from the bills of the suppliers. Thereafter, tests were conducted in September 1977, October 1977, December 1977, January 1978, February 1978, March 1978, and in all these tests, the nutritive contents were invariably found to be below specifications resulting in a minimum deduction of 20 per cent of the amount of the bill. It was only at this stage that discussions took place between the State Government and Modern Bakeries which revealed the technical non-feasibility of ensuring the prescribed nutritive value with the specifications of bread prescribed under the scheme. Absence of regular monthly checks during the year 1976-77 had possibly resulted in non-deduction of Rs. 21.77 lakhs (Gwalior: Rs. 3.17 lakhs; Bhopal: Rs. 3.52 lakhs; Indore: Rs. 5.93 lakhs; Ujjain: Rs. 5.32 lakhs; Ratlam: Rs. 3.14 lakhs; and Khandwa: Rs. 0.89 lakh) from the suppliers' bills based on minimum deficiency of 20 per cent in the nutritional content of the bread supplied.

It was also observed that even in the months when tests were got done the *pro rata* deduction was either not done or done incorrectly resulting in excess payment of Rs. 3.04 lakhs to the Bakeries.

The buns supplied (1979-80) at Khandwa were also found deficient in their nutritive contents requiring a deduction of Rs. 0.17 lakh, from the supplier *viz.*, Bharatiya Gramin Mahila Sangh, Indore.

For the year 1979-80, bread was supplied by Indore unit of M/s Modern Bakeries. On their representation, the Director changed the formula for *pro rata* deduction to the advantage of the firm in as much as the excess over the prescribed minimum in the calorific value of the bread was allowed to be set off against the deficiency in proteins.

Since these two nutritional constituents were independent of each other, setting off the deficiency in one against the excess of the other was not correct and this resulted in an overpayment of Rs. 1.06 lakhs (Gwalior: Rs. 0.22 lakh; Bhopal: Rs. 0.26 lakh; Indore: Rs. 0.18 lakh; Ujjain: Rs. 0.32 lakh; Ratlam: Rs. 0.05 lakh and Burhanpur: Rs. 0.03 lakh).

Results of the tests carried out showed that though the standard of nutrition as fixed by the Government of India were lowered by the State Government from time to time as explained earlier, the nutritive value of the actual food supplied did not meet even the diluted specifications defeating thereby the objectives of the scheme.

(c) *Selection of centres.*—The scheme was meant for poor children and mothers living in urban slums having a family income of less than Rs. 200 (modified to Rs. 300 per month by the State Government in May 1977). It was, however, noticed that out of 543 centres being run in the seven towns, referred to in para 5 above, 72 centres were in non-slum areas and in respect of even 471 centres stated to be in the slum areas, no municipal declaration to that effect could be produced. Nothing was on record to prove that only the beneficiaries having a family income of less than Rs. 300 per month were brought under the programme. This fact was also brought out by the Departmental evaluation committee which made a quick survey in 1977 of the actual working of the centres being run under the scheme.

(d) *Running of centres and maintenance of initial records at the centres.*—(i) *Identity Cards*:—An identity card for each beneficiary enrolled under the scheme giving, *inter-alia*, the name, parentage family income and weight of the beneficiary was required to be maintained. But, in almost all the cases test-checked, these identity cards were not produced reportedly because they were not of durable quality being made of paper. Instructions issued by the Department regarding issue of metal tokens to the beneficiaries and preservation of the identity cards in the office were not followed.

(ii) *Attendance Registers.*—Conditions stipulated by the scheme were—

(a) Each centre was to serve 200 beneficiaries consisting of 184 children and 16 Nursing/Expectant mothers.

(b) Only two children from a family could be enrolled as beneficiaries.

(c) Children upto 6 years and lactating mothers upto 6 months after delivery could be enrolled under the scheme.

(d) Attendance was to be marked regularly.

However, these conditions, were not strictly followed and the attendance registers themselves were maintained in an improper and unsatisfactory manner containing erasures, cuttings, etc., or were unreliable attendance having been marked even on Sundays when no bread was supplied etc., with the result that the factual position was not known even though in almost all the cases test-checked it was observed that all the 200 beneficiaries at a centre were always marked present. This was further corroborated by the factual survey conducted by the Departmental evaluation committee which reported as under:

“Out of the eighteen centres checked by the committee nowhere 200 beneficiaries were actually found present at the time of distribution of bread, whereas the attendance register daily showed presence of 200 beneficiaries”.

(iii) *Stock registers.*—The monthly stock registers required to be maintained at the centres by the organisers were either inadequate and defective or not maintained at all. Non-supply of the blank registers from the district office was given as a reason for non-maintenance of these initial records. Though this register formed the basis for the payments to the suppliers, it was observed that, in most of the cases, it was not even referred to while releasing payments to the suppliers.

It was observed that (i) full payments were released even when there was no entry in the stock register, (ii) payments were made for quantities other than what was mentioned in the stock registers, and (iii) stock register showed a certain quantity as received whereas corresponding distribution was not reflected in the attendance register and *vice versa*.

As reported by the Departmental evaluation committee (July 1977) the main reason advanced for the poor maintenance of these important initial records at the centres were the low and inadequate remuneration to the organisers/helpers of the centres.

(e) *Inspections.*—As per instructions, there was to be one nutrition inspector for 50 centres (10,000 beneficiaries) to keep watch over the proper and effective functioning of the centres, educate the organisers and helpers of the centres in proper maintenance of the initial records at the centres and impart training to the beneficiaries in general health and hygiene. He was required to maintain a weekly diary and check each centre at least once a week.

It was, however, observed that the prescribed quantum of check was not exercised by any inspector in any of the towns. The prescribed tour diary was also not produced anywhere to Audit. Absence of effective supervision and check by the inspectors was also evident from the poor state of maintenance of initial records mentioned above. Main reasons attributed were .—

(i) The very short time (Normally one hour in the morning and one hour in the evening) the centres were functioning ;

(ii) Non-availability of vehicles ;

(iii) Inability, sometimes, of the inspector to drive a motor-cycle placed at his disposal ; and

(iv) The span of control i. e. number of centres per inspector was high.

There was no systematic record of inspections by higher authorities, viz. (i) District Panchayat and Welfare Officer, (ii) Deputy Director, Panchayat and Social Welfare Department, and (iii) Officers from the Directorate, etc.,

(f) *Training of the inspectors.*—The nutrition inspectors were to be given necessary basic training and education in various aspects of nutrition so as to enable them to promote nutritional education at the feeding centres. But no such training was imparted during the years 1974-75 to 1979-80.

(g) *Supplementary nutritional fortification, immunisation.*—The following supplementary nutritional drugs were to be administered in addition to the nutritive food described above :—

- | | |
|-----------------------------------|---|
| (1) Children 1-6 | One multivitamin tablet daily |
| (2) Expectant and nursing mothers | One multivitamin tablet on alternate days
Folic acid and Iron Tablets for 100 days to expectant mothers. |

No detailed records in regard to the procurement and distribution of the above types of tablets were shown to audit. In fact, this part of the programme was poorly implemented reportedly on account of difficulties in having effective involvement of the Medical and Health Departments. The tablets were to be procured from the Medical Department and there was no budget provision for their procurement with the Social Welfare Department.

Out of the seven units, three units viz., Khanlwa, Indore and Ujjain did not furnish the requisite information regarding this aspect of the programme. Of the remaining four units, Burhanpur started functioning only with effect from July 1979 and no tablets were distributed by that unit. Only Iron and Folic acid tablets were distributed in the remaining

3 units and the position was as indicated below:—

Year	Gwalior		Bhopal		Ratlam	
	Number of beneficiaries covered	Number of tablets distributed	Number of beneficiaries covered	Number of tablets distributed	Number of beneficiaries covered	Number of tablets distributed
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1972-75	943	6,600	..	..	7,600	8,91,000
1975-76	..	..	..	..	7,600	2,51,000
1976-77	1,367	34,195	..	..	8,000	3,49,000
1977-78	..	..	..	..	10,000	1,98,000
1978-79	..	..	..	..	..	..
1979-80	..	..	20,000	70,000	..	..

In the absence of any basic records, the periodicity of administration of tablets and the persons benefited, could not be checked. It would, however, be clear from the above table that the distribution of tablets was sporadic.

(h) *Immunisation.*—Immunisation against various infectious diseases and deworming of the beneficiaries required to be carried out could not also be carried out effectively because of lack of co-ordination mentioned in (g) above.

No records showing the particulars of the beneficiaries immunised/vaccinated against a particular disease, the dates of immunisation and the next due date for follow-up dosage were maintained in the units.

The register giving the above details prescribed under Director's instructions of March 1979 was not maintained in any unit. In the absence of essential documents/data, the department did not have any control/watch over the implementation of the immunisation part of the programme.

The number of beneficiaries covered under the immunisation programme was reported to be as indicated on next page:—

Year	Number of beneficiaries			Number of beneficiaries immunised against						
	Children	Mothers	Total	Small-pox	Cholera	B. C. G.	Typhoid	Triple antigen	Polio	Deworming
(1)	(2)	(3)	(4)	(2)	(8)	(4)	(5)	(6)	(7)	(1)
1974-75	60,426	5,074	65,500	25,182	9,850	16,786	9,600	7,054	151	..
1975-76	60,920	5,196	66,116	8,201	2,711	12,187	..	5,333	150	..
1976-77	61,840	5,276	67,116	3,925	15,402	8,099	..	3,175	2,500	2,555
1977-78	85,960	7,040	93,000	7,600	7,600	..	..	1,400	400	..
1978-79	91,144	7,456	98,600	..	..	..	..	..	..	..
1979-80	1,00,032	8,568	1,08,600	..	..	..	..	..	..	..

In the absence of reliable records as mentioned above, the basis on which these figures were reported and their correctness could not be verified in Audit.

(i) *Health Assessment.*—The scheme provided for periodical evaluation of the health of beneficiaries to assess the impact of the scheme. For this purpose, six monthly check up of the beneficiaries was to be arranged with the help of State Medical Department and the results were to be recorded in a register. This was, however, not done reportedly due to lack of Co-operation from local medical authorities.

(j) *Other points.*—(i) In 14 centres at Ujjain, the number of loaves of bread received was more than the required maximum for 200 beneficiaries. Neither any distribution records like attendance registers showing the number of beneficiaries on the rolls and who actually benefitted, nor any justification for paying for more than the required quantity of bread per centre was produced to Audit. Total cost of extra breads consumed during the years 1974-75 to June 1978 and requiring justification was Rs. 0.44 lakh.

(ii) As per agreement with Modern Bakeries, they were to be paid @ Rs. 2.25 paise per bread (excluding transportation) from June 1975. In Gwalior and Bhopal, however, payments for supplies made in June 1975 were made @ Rs. 2.65 paise per bread (excluding transportation) resulting in overpayment of Rs. 0.13 lakh.

(iii) According to the instructions issued (July 1974) by the Directorate, the organisers and helpers were to be paid honorarium only for the period the centres were actually functioning. It was observed, however, that in Khandwa, Indore and Ratlam units the organisers and helpers continued to draw the honorarium even though the scheme was not functioning resulting in excess payment of Rs. 0.21 lakh.

(iv) Normally, the organisers and helpers at the centres were to be engaged by the voluntary organisations/institutions running these centres; but in Ujjain, Bhopal and Gwalior, Government servants were found working as organisers/helpers and drawing remuneration without any approval from their respective superior authorities. This fact was also brought out by the Departmental evaluation committee in their survey (November 1977).

5. *Summing up.*—(i) The feasibility of supplying nutritive bread within the ceiling cost was not explored and no agreements were concluded with Modern Bakeries upto 1975 and renewed after 1977.

(ii) Due to non-testing of bread and non-deduction from the supplier's bills on account of nutritional deficiency in the bread supplied, an amount of Rs. 26.04 lakhs was not deducted from the supplier's bills.

(iii) All the centres opened were not in slum areas and it was not ensured that the benefits went only to the beneficiaries having a family income less than Rs. 300 per month. Identity cards of the beneficiaries were not maintained.

(iv) Important accounts records like stock registers and attendance registers were maintained in an improper and unsatisfactory manner. In the absence of reliable records of attendance, identity cards and health assessments, the impact of the programme could not be ascertained. No physical verification of stock articles purchased under the scheme was conducted after 1974-75. The improperly maintained registers showed cases of ineligible persons being given benefits under the scheme.

(v) No training of inspectors was conducted. Inspections of the centres by the inspectors were less than the prescribed quantum and no record was kept of inspections made by higher officers.

(vi) Nutritional fortification and immunisation aspects of the scheme were not effectively implemented.

(vii) Six monthly health assessment of the beneficiaries was not undertaken.

(viii) An honorarium of Rs. 0.21 lakh was irregularly paid to the organisers and helpers (when the centres were not in operation).

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

3.21 Rural Link Roads

Introduction.—The Government of India had allotted a sum of Rs. 180.00 lakhs to Madhya Pradesh State during the year 1977-78 towards expenditure on the Central Sector Scheme "Rural Infra-structure Development-Construction of Rural Link Roads". The grant was subject to the following conditions:—

1. The Government would identify the new link roads to be constructed or such of the incomplete roads to be completed which had been started under old schemes.

2. The Government should furnish within six months of the close of the financial year an audited statement of expenditure.

3. The Government should surrender the amount remaining unutilised during 1977-78. The period of utilisation was, however, extended (April 1978) upto June 1978.

Other conditions regarding the construction of the rural link roads were as follows:—

(i) Length of the road should not be more than 5 kilometres.

(ii) Construction and maintenance of the roads would be entrusted to Public Works Department.

(iii) Only such road works should be taken up which could be completed before 31st March 1978 (June 1978 as extended).

(iv) The link roads should connect the villages having population around 1,500.

The grant was released by the Government of India in 3 instalments (Rs. 85.00 lakhs in October 1977, Rs. 85.00 lakhs in February 1978 and Rs. 10.00 lakhs in March 1978).

2. *Test-check.*—Scrutiny of the records connected with the implementation of the scheme revealed the following points:—

(a) The State Government intimated the outlines of the scheme to all the Collectors and Engineer-in-Chief, Public Works Department in November 1977 and on receipt of the proposals, the State Government accorded, between January 1978 and March 1978, Administrative Approval for the execution of 252 roads at an estimated cost of Rs. 730.00 lakhs.

While issuing the Administrative Approval in January 1978 for execution of 145 works (estimated cost—Rs. 337.35 lakhs), the State Government, contrary to the instructions of the Government of India, directed the Engineer-in-Chief, Public Works Department to draw the funds and start the works with the object of incurring an expenditure of Rs. 170 lakhs upto the end of March 1978 and continuing the works in the year 1978-79 in anticipation of further allotment.

(b) When the State Government noticed in March 1978 that the work was not gathering momentum, they authorised 39 Collectors, on 26th March 1978, through wireless messages to draw the unspent amount of Rs. 158.76 lakhs and credit it to the accounts of the concerned Janpad Panchayats/Sabhas before 31st March 1978. The Government also directed the Collectors in March 1978 that the Janpad Sabhas/Panchayats should deposit the amounts into the Treasury as for 'Deposit Work' after 1st April 1978 and send the utilisation certificates to the Accountant General, Madhya Pradesh. Accordingly, the Collectors drew the money and deposited it with Janpad Panchayats/Sabhas.

A provision of Rs. 170.00 lakhs was made in the Supplementary Budget 1977-78 (March 1978) for the scheme but even before this a sum of Rs. 85.00 lakhs equivalent to the sanction of the Government of India of October 1977 was drawn from the Contingency Fund in January 1978 on the ground of urgency as the expenditure constituted a new item of expenditure. Drawal of Rs. 158.76 lakhs by the Collectors from the Treasuries though not required for immediate expenditure was only with a view to prevent lapse of budget grant. This action of the Department of Panchayat and Community Development violated the financial rules and the accepted norms regarding issue of utilisation certificates. It was stated by the Government in March 1979 that the step it took was essential as the Government of India had informed it in March 1978 that the scheme would not be operated in 1978-79. It stated further that its action was justified since the Government of India permitted it in April 1978 to utilise the unspent funds till June 1978. Total actual expenditure upto end of June 1978 was, however, Rs. 26.38 lakhs only as reported by the Public Works Department.

(c) The Public Works Department intimated (September 1978 and October 1980) that out of Rs. 158.76 lakhs drawn by the Collectors and kept in the accounts of the Janpad Panchayats/Sabhas, only a sum of Rs. 93.83 lakhs had been transferred to Public Works Deposits till then. Of this amount, the Janpad Panchayats/Sabhas had kept a total amount of Rs. 36.32 lakhs for periods ranging from 3 months to over 12 months outside Government account before transferring the same to Public Works Department. Information regarding crediting of the balance amount of Rs. 64.93 lakhs was not available with the Engineer-in-Chief, Public Works Department (October 1980).

(d) In March 1979, data regarding implementation of the scheme was called for by Audit from 49 Public Works Divisions and all the 45 District Collectors. Information was furnished by 34 Divisions in 26 districts only. Records of 26 Divisions out of the aforesaid 34 Divisions were test-checked and the following points were noticed :—

(1) Out of 133 roads measuring 471.16 kilometres for which Administrative Approval for Rs. 399.35 lakhs had been issued upto March 1978, only 2 roads on which expenditure of Rs. 1.98 lakhs was incurred were completed upto March 1979. The remaining 131 roads remained incomplete reportedly due to :—

(i) Non-payment of land compensation for private lands by the Public Works Department ;

(ii) Contract agencies not coming forward ;

(iii) Unseasonal rains in 1977-78 ;

(iv) Contractors leaving the work incomplete ;

(v) Slow progress by contractors ;

(vi) Before completion, the road works required exposure to at least one rainy season ; and

(vii) Collection of material, finalisation of tenders and other essential formalities and processes required time.

(2) The State Government decided (January 1978 and March 1978) to link the villages with population between 1,000 and 2,500. However, 32 roads did not conform to this requirement as :

(i) 9 roads were taken up for connecting villages having population exceeding 2,500 ;

(ii) 23 roads were taken up for connecting villages with population of less than 1,000 ;

(3) 17 roads were more than 5 kilometres (6 to 12 kilometres) each.

It would be obvious from the facts mentioned above that the scheme was taken up in haste without adequate Planning or proper estimates, solely with a view to utilising the grants given by the Government of India.

MEDICAL, PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

3.2 Mobile units for health survey-cum treatment in tribal areas

With a view to launching an intensive health survey cum-treatment drive in tribal areas in a phased manner, the Government sanctioned (March 1978) the creation of four mobile units with twenty teams, each team comprising two male Assistant Surgeons, two lady Assistant Surgeons, four Auxiliary Nurse Midwives, four Ward Boys, two Cooks and one Sweeper. Besides the staff, the Government sanctioned for all the four units non-recurring expenditure of Rs.3.15 lakhs for purchase of camp equipage, utensils, etc., and recurring expenditure of Rs.13.60 lakhs per annum for purchase of medicines, transportation of camp equipage, etc., and payment of fixed travelling allowance at the rate of Rs.100 per month to the Assistant Surgeons and Rs. 40 per month to the other staff. The teams were to be located in six districts, four each in Bastar, Shahdol, Mandla and Surguja and two each in Khargone and Jh. bu. Waile annual targets were not fixed, the teams were to cover the tribal population in these districts block by block and it was envisaged that the programme would be a continuing one.

2. A test-check of the accounts and records relating to working of the team during the years 1973-79 and 1979-80 in Bastar (Expenditure: Rs.4.17 lakhs) and Shahdol (Expenditure: Rs.2.85 lakhs) districts, disclosed the following :

(i) *Staffing*.—Most of the posts of Assistant Surgeons at both Bastar and Shahdol were filled during June 1978 to February 1979. Some other staff was also posted subsequently, but due to resignations, transfers and unauthorised absence of the incumbents, the full complement of staff was not available. The table below indicates the number of persons appointed and the number actually in position as on 31st March 1980 :—

Designation and number of posts sanctioned for each district	Appointments made		Persons transferred, resigned and/or otherwise left		Persons in position as on 31-3-1980		Vacancies as on 31-3-1980	
	Bas-tar	Shah-dol	Bas-tar	Shah-dol	Bas-tar	Shah-dol	Bas-tar	Shah-dol
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Assistant Surgeons (16)	12	15	5	10	7	5	9	11
Auxiliary Nurse Midwives (16)	9	..	..	..	9	Nil	7	16
Ward Boys (16)	5	7	2	..	3	7	13	9
Cooks (8)	4	..	..	..	4	Nil	4	8
Sweepers (4)	4	..	..	..	4	Nil	..	4

It was stated (June 1980) by the District Family Welfare-cum-Health Officer, Shahdol that Auxiliary Nurse Midwives could not be appointed due to non-allotment of sufficient number of trained nurses to the district and that the other staff was not appointed because the teams were not properly organised and there was no demand for staff from the Assistant Surgeons in the team. The shortage in respect of trained nurses was due to over all shortage for the State as a whole while in the case of Assistant Surgeons, it was due to their transfers/resignations.

(ii) *Formation and functioning of teams*.—According to the scheme, each mobile unit was to work in one development block and make house to house visits to (a) check nutritional status of women and children, (b) provide health education to the people, (c) immunise all mothers and children below 12 years against common diseases. (d) identify common diseases pattern in the area and (e) treat common ailments on the spot. After completing the work in one block, the unit was to move to another block. However, no arrangements were made for proper orientation course for the teams, formulating plan of action for them and

monitoring their performance. Both at Bastar and Shahdol, the staff meant for manning the mobile units was attached mostly either to the District Family Welfare-cum-Health Offices or to various hospitals/primary health centres in the district. Out of Rs.2.98 lakhs (Bastar: Rs.1.29 lakhs; Shahdol: Rs.1.69 lakhs) spent during 1978-79 and 1979-80 on pay and allowances of the staff, Rs.1.76 lakhs (Bastar: Rs.0.76 lakh; Shahdol :Rs. 1.00 lakh) were spent on staff not actually employed in the teams; this included Rs.0.22 lakh (Bastar: Rs. 0.08 lakh; Shahdol: Rs.0.14 lakh) paid unauthorisedly to such staff on account of fixed travelling allowance.]

The teams were constituted without full complement of staff in a haphazard and *a d-hoc* manner and no instructions regarding the work to be done were given to them upto June 1979. Hence, only general health check up and treatment of minor ailments was done in 31 villages situated in five blocks of Bastar district and 18 villages situated in 2 blocks of Shahdol district. From July 1979 to March 1980, nutritional survey of pregnant mothers and their youngest three children and treatment of common ailments, *etc.*, were done in 49 out of 3,388 villages in five out of 12 blocks in Bastar district and in 51 out of 1981 villages in four out of 12 blocks in Shahdol district. The survey reports submitted by the teams were, however, not available in full with the District Family Welfare-cum-Health Officer, Bastar; the reports were neither scrutinised nor compiled by him. At Shahdol, the survey reports submitted by the teams were entered in a register maintained in the district office, but these were not analysed (June 1980). The scheme did not specify as to whose responsibility it was to analyse the survey reports.

(iii) *Medicines and equipment.*—The position regarding purchase of medicines and equipment, their issue and utilisation was as follows (March 1980) :—

Purchases	Supplied to the mobile units				In stock or issued to Primary Health Centres		Actually dispensed by the teams	
	Bas-tar	Shah-dol	Bas-tar	Shah-dol	Bas-tar	Shah-dol	Bas-tar	Shah-dol
	(Rupees in lakhs)							
Medicines	2.56	1.10	0.66	0.08	1.90	1.02	0.09	0.05
Equipment	0.32	..	0.16	..	0.16	..	..	..

3. The facts mentioned above would show that the scheme which was sanctioned in March 1978 had made practically no progress upto March 1980 in the districts covered by the test-check even though an expenditure of Rs. 7.02 lakhs was incurred in these districts. While full complement of staff was not provided, services of even the available staff were not utilised properly. No norms were prescribed for conducting survey nor was proper guidance and supervision provided at the district and higher levels. There was no follow up action on the survey reports either. The value of the medicines dispensed by the teams was also only a fraction of the supplies made to the mobile units.

The facts mentioned above were reported to the Government (June 1980); reply is awaited (January 1981).

HOME (POLICE) DEPARTMENT

3.23 Establishment of Computer Centre, Police Headquarters, Bhopal

For establishment of a Computer Centre at police headquarters, Bhopal, an advance payment of Rs.22.29 lakhs representing the full *ex-work* price for supply of Trombay Digital 316— Computer system for Phase-I of programme was made to Electronics Corporation of India Ltd. (January 1979). Under Phase-I of the programme, the firm was to install and commission the computer system by the 30th June 1979 provided the site (building) was made available to the firm as per the plans and specifications. Although the computer system was ready for despatch by the firm in as early as March 1979, it had not been installed as the building was not ready.

It was intimated by the Government (September 1980) that the office building for the computer had been completed and handed over in May 1980 while the portion in which the computer is to be installed was still not ready. Thus, an amount of Rs.22.29 lakhs remained locked up for nearly two years.

3.24 Outstanding recoveries of cost of Police Guards supplied to various Organisations other than Government Departments

The Madhya Pradesh Police Regulations provide that cost of guards supplied to Government Departments, Railways or individuals shall be recovered from the borrowing authority on bills made out by the Superintendent of Police. A test-check of the accounts of 8 out of 45 District Superintendents of Police disclosed a sum of Rs.8.09 lakhs was outstanding upto June 1980 on account of cost of Police guards supplied to various Organisations other than Government departments during the period 1972-73 to 1979-80 as detailed below :—

Name of the Organisation	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	(In lakhs of rupees)								
Banks	..	..	..	..	0.17	0.09	1.37	3.64	5.27
Bharat Heavy Electricals	..	..	..	..	..	0.16	0.12	..	0.28
Madhya Pradesh State Road Transport Corporation	..	..	..	..	..	..	0.11	..	0.11
Municipal Corporation	0.23	0.37	0.42	0.50	0.49	0.42	..	..	2.43
Total	0.23	0.37	0.42	0.50	0.66	0.67	1.60	3.64	8.09

Although instructions were issued by the Inspector General of Police in April 1979 to recover the cost of Police guards in advance, the Police Department continued to supply guards to the indenting organisations without realising any advance.

The above facts were brought to the notice of the Government in October 1979; reply awaited (January 1981).

PLANNING, ECONOMICS AND STATISTICS DEPARTMENT

3.25 Loans to MISA Bandis (persons detained for political reasons during the emergency)

With a view to rehabilitate MISA Bandis/ sufferers under the D.I.R. during emergency, the Government of Madhya Pradesh decided, in April, 1978, to give financial aid in the shape of soft loans upto a maximum of Rs. 25,000 each to all such detenus. To qualify for a loan under the scheme, the person should have undergone imprisonment under MISA or D.I.R. for a minimum period of 3 months (to be certified by the Collector of the District concerned) The amount of loan was to be decided by a Selection Committee under the Chairmanship of the District Collector. No special criteria or guidelines were issued to the Committees that were competent to decide the quantum of loan after personal enquiries about the conditions requirement and plans of the recipient(s).

Loans upto Rs. 2,000 were to be covered by personal security of the loanee himself. Loans from Rs. 2,001 to Rs. 5,000 were to be secured either by mortgage with the Government of property of equal amount by the loanee or by a guarantee for the amount from any other individual. No stipulation regarding financial soundness of the guarantor was made. Loans exceeding Rs. 5,000 were to be given only against security of an immovable property.

Repayment of these loans was to be made in sixty equal monthly instalments commencing from the fourth anniversary of the date of payment of loan. Interest at the rate of 4 per cent per annum was payable by the loanee on each anniversary date of payment of the loan. In case of default in payment of interest/repayment of the instalment on due dates, penal interest @ $6\frac{1}{2}$ per cent per annum was leviable.

As per clause 2 (4) of the agreement required to be executed by each loanee, he was to furnish a certificate of utilisation of loan within 30 days of the payment of loan failing which he was liable to refund the full amount of loan along with the interest accrued thereon. This condition was deleted by a subsequent order of Government dated 2nd August 1978, without assigning any reasons. However, cases already decided prior to this date were subject to the conditions mentioned above.

From the information received from the Department it was seen that Rs. 5,14.23 lakhs were disbursed to 2,239 persons during the years 1978-79 and 1979-80 in all the 45 districts of the State. Deletion of clause 2(4) in the form of agreements on 2nd August 1978 resulted in non-verification of proper utilisation of an amount of Rs. 5,09.92 lakhs disbursed to 2,218 persons. Further, Rs. 4.31 lakhs disbursed to 21 loanees prior to 2nd August 1978 which had fallen due for recovery together with interest due as a result of non-submission of utilisation certificates, had also not been recovered (October 1980).

As per the information furnished by 43 out of 45 district authorities, recovery of a sum of Rs. 11.22 lakhs towards interest from 1092 persons was outstanding as on 31st March 1980.

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

LABOUR DEPARTMENT

3.26 Unfruitful expenditure on installation of lifts

Two electric lifts costing Rs. 0.83 lakh were supplied and fixed (January 1968) in the main building of the Employees' State Insurance Hospital, Indore by a contractor engaged by the Indore Division of the Madhya Pradesh Housing Board on behalf of the Superintendent of the Hospital. The lifts went out of order within 15 days of installation, and in spite of reminders by the hospital authorities to the Housing Board, the lifts were not repaired. Information regarding the guarantee period for the performance of the lifts, penalty for

poor performance of the lifts, etc., was not available with the department. The Administrative Medical Officer, Employees' State Insurance Scheme, Indore could not indicate (February 1980) when the lifts were expected to be repaired. He also stated (October 1980) that no estimates had been prepared for the repairs to be carried out on the lifts. The Superintendent, Employees' State Insurance Hospital, Indore, stated (May 1980) that the purpose for which the lifts were meant was being served by a ramp on which patients and stores were carried on stretchers and trollies respectively and that there was no definite plan to get the lifts repaired. Thus, the expenditure of Rs.0.83 lakh incurred in 1967-68 on installation of lifts proved unfruitful.

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

REVENUE DEPARTMENT

3.27 Non-realisation of rent

A canteen building under the administrative control of the Collector, Jabalpur, was given to the Clerks' Co-operative Society to run a canteen and the latter, in turn, had let it out to a contractor (May 1964) who then ran the canteen. Although the Collector had asked the Public Works Department in August 1964 to intimate the terms and conditions on which this building could be leased to the Society and also the rent to be recovered therefor the latter informed in July 1979 only that as the building was being used without proper authority, standard rent or the market rent, whichever was more, would be recoverable. Simultaneously, the Public Works Department also intimated the standard rent as Rs.551 and the market rent as Rs. 2,700 per month. Based on the market rent, a sum of Rs. 5.18 lakhs was due from the Society from June 1964 to May 1980 and the amount is yet to be recovered.

In July 1980, the Collector intimated to Audit that the rent of Rs. 2,700 fixed by the Public Works Department could not be made applicable retrospectively and, therefore, the Public Works Department had been asked to revise it.

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

GENERAL

TRIBAL AND HARIJAN WELFARE DEPARTMENT

3.28 Drawal of funds in advance of requirements

The financial rules provide that no money should be drawn from the treasury unless it is required for immediate payment. Cases of significant drawal of funds in advance of requirements are mentioned below :—

Department which drew the amount	Purpose for which drawn	When drawn	Amount
(1)	(2)	(3)	(4)
			(Rupees in lakhs)
(i) Director, Tribal and Harijan Welfare Department, Bhopal.	Construction of hostel buildings, Hostel Superintendent's quarters, school buildings, houses under Harijan Housing Schemes.	March 1979	122.20

The amounts were drawn towards advance payment to Housing Board and kept under 'Civil Deposits'. None of the works could be taken up by the Board due to non-selection of sites.

(ii) Director, Tribal and Harijan Welfare Department, Bhopal.	Purchase of Nationalised Text-Books for Tribal Schools.	March 1979	7.13
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The amount was stated to have been drawn to avoid lapse of grant and paid to the Madhya Pradesh Text-Book Corporation.

Department which drew the amount (1)	Purpose for which drawn (2)	When drawn (3)	Amount (4) (Rupees in lakhs)
(iii) Deputy Director, Tribal and Harijan Welfare, Jagdalpur.	Purchase of furniture, science equipments and materials for office and hostel, in connection with the establishment of a Model Higher Secondary School at Bastar during 1979-80.	March 1979	0.71

Materials worth Rs. 0.61 lakh were purchased during March 1979 to October 1979 and Rs. 0.10 lakh was refunded in August 1979 and December 1979. Location of the school was decided by the Government in February 1980 and selection of site was yet to be made (May 1980).

(iv) District Organiser, Tribal and Harijan Welfare, Jabalpur	Agriculture subsidy for diesel/electric pumps and irrigation wells.	March 1977 March 1978	0.95 2.50
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The whole amount was converted into 213 bank drafts out of which 69 drafts for Rs.1.01 lakhs were given in 1978-79 to beneficiaries instead of depositing the amount in joint accounts. 8 drafts for Rs. 0.10 lakh were cancelled and the amount credited into treasury in May 1979. The remaining 136 drafts for Rs. 2.34 lakhs ceased to be valid due to lapse of time and it is not known whether the funds have been credited back to Government.

3.29 Cases of Misappropriation of Government money and losses, etc.

The following table shows the position of cases of alleged misappropriation of Government money and losses, etc., reported to Audit upto 31 March 1980, but not finalised till the end of September 1980:—

Cases reported (1)	Due to neglect/fraud etc. on the part of Government servants		Due to other reasons like natural causes etc.		Total	
	Number of cases (2)	Amount (Rupees in lakhs) (3)	Number of cases (4)	Amount (Rupees in lakhs) (5)	Number of cases (6)	Amount (Rupees in lakhs) (7)
(i) Cases reported upto March 1979 and outstanding at the end of September 1979	713	94.64	229*	22.87*	942	117.51
(ii) Cases reported during 1979-80	75	14.74	46	19.49	121	34.23
(iii) Cases disposed of till September 1980	77	6.88	7	0.44	84	7.32
(iv) Cases outstanding at the end of September 1980	711	102.50	268	41.92	979	144.42

Note—*Cases of losses, etc., (214 cases of Rs.12.25 lakhs) due to other reasons could not be incorporated in Audit Report of 1978-79, therefore increase.

According to the rules, cases of misappropriation should be dealt with expeditiously and finalised within six months of their detection and cases in which departmental enquiries have been ordered should be finalised within a year. There has, however, been considerable delay in finalisation of cases as shown below :—

(1)			Number of cases (2)	Amount (Rupees in lakhs) (3)
(i) Over five years	..	..	419	48.19
(ii) Over three years but less than five years			209	40.36
(iii) Upto three years	..	..	351	55.87

The reasons for which the cases were outstanding are stated below :—

(1)			Number of cases (2)	Amount (Rupees) in lakhs (3)
(i) Awaiting investigation	..	..	463	74.99
(ii) Awaiting action against officials	..	..	206	33.44
(iii) Awaiting recovery/information about recovery.			117	6.90
(iv) Awaiting orders for write off		..	117	6.63
(v) Pending in Courts of law	..	..	76	22.46

The department-wise analysis of the outstanding cases is given in Appendix VII.

According to the rules, cases of losses, misappropriation etc., are required to be reported immediately to the Accountant General. A review of the cases pending at the end of September 1980, disclosed delay of over one year in reporting to Audit 158 cases involving Rs. 26.44 lakhs.

3.30 Write off of losses, waiver of recoveries and remission of revenues

In 274 cases, losses due to shortage, theft, irrecoverable revenue, etc., amounting to Rs. 9.04 lakhs were written off/remitted during 1979-80 by competent authorities.

Department-wise details are given in Appendix VIII.

CHAPTER IV

WORKS EXPENDITURE

IRRIGATION DEPARTMENT

4.1 Tawa Project

1. *Introductory.*—Hoshangabad district has an area of 2,472 thousand acres which is 6.7 per cent of the total area of the State. During 1965-66, the net sown area in the district was 990.5 thousand acres and area irrigated from all sources was 13 thousand acres which was about 1.3 per cent of the net sown area as against 8.1 per cent for the State as a whole. The district has a few private tanks, tube wells and a medium irrigation scheme. The average annual rainfall in the district is about 61 inches.

The Tawa Project envisages construction of an earthen and masonry dam across the Tawa river, one of the major tributaries of Narmada, and a canal system on both banks of the river for providing assured irrigation annually to 610 thousand acres of culturable command area in the Hoshangabad district increasing thereby the area under irrigation from 1.3 per cent from all sources to 60 per cent from canals alone. Other benefits envisaged on full development of irrigation are—

- (i) Increase in agricultural production by 19.10 lakh tonnes annually with a net return of Rs. 35.06 crores; and
- (ii) Creation of employment potential for 5,000 skilled and unskilled labourers, directly engaged on the project works and 7,500 more workers in industry.

2. *Salient features of the Project.*—The Tawa Dam is located at a site 823 metres downstream of the confluence of the Tawa and Denwa rivers. The structure is essentially an earthen dam (1577 metres long and maximum height 33.6 metres) with a gravity type masonry structure (387 metres long and maximum height 57.9 metres) in river portion. The reservoir has a gross storage of 1.874 million acre feet and a live storage of 1.661 million acre feet at full reservoir level of 1,166 feet. The project aims at providing irrigation through a distribution system (total length 2,602.5 Kilometres) comprising of 131 Kilometres long Left Bank Canal, 7.5 kilometres long Right Bank Canal and Branch Canals, distributaries and minors (total length : 2,464 kilometres).

3. *Project estimates.*—On the basis of preliminary survey done in 1947 by the Central Water and Power Commission, an estimate for Rs.13.95 crores was administratively approved by the State Government in August 1956. Further investigations were carried out by the State Irrigation Department after 1956. Based on designs prepared by the Central Water and Power Commission, the Project was technically cleared by the Planning Commission in August 1960 and administratively approved for Rs.21.80 crores by the State Government in December 1960. The estimates were revised to Rs. 34.14 crores (January 1966), Rs. 40.19 crores (April 1969) and Rs. 63.47 crores (in 1972 adopting the 1971 schedule of rates) taking into account the escalation in costs from time to time. Since the survey for about 3 lakh acres of command area was not completed by 1971, the provisions for the canal system were made by adopting the cost curves (cusec mile basis), working out cost for a sample distributary and adopting it on culturable command area basis to the remaining systems. The estimates were last revised in 1977 to Rs. 91.42 crores after providing for increase in quantities for various items of work based on final surveys and approved drawings, increase in cost of land acquisition, higher tender percentages and escalation on cost of materials and labour.

The benefits envisaged and time schedules for completion as provided in the different Project Estimates are indicated in the following table:

1. Year of Estimate	1960	1967	1972	1977
	(Rupees in crores)			
2. Administrative approval accorded by Government	21.80 December 1960	34.14 February 1967	63.47 March 1975	91.42 March 1979
3. Technical sanction	August 1960	Not given	Not given	Awaited
4. Benefits envisaged				
<i>Annual Irrigation :</i>				
Left Bank	6.00 lakh acres	6.00 lakh acres	6.348 lakh acres	6.348 lakh acres
Right Bank	1.5 lakh acres	1.5 lakh acres	1.875 lakh acres	1.875 lakh acres
5. Cost per acre of annual irrigation	Rs. 290	Rs. 455	Rs. 771	Rs. 1,112
6. <i>Time schedule for completion as indicated in different Cost Estimates</i>				
Phase—I-Completion of Head works with spill way portion upto crest level and upper reaches of Left Bank Canal 0 to 80 Kilometres.	Project to be completed in 7 years i.e. by 1967-68.	June 1972— to provide irrigation from Left Bank Canal for 4 lakh acres.	June 1974— June 1975— Irrigation to provide potential of 2.00 lakh acres to be created by 1974-75 and irrigation to start in October 1974.	June 1975— to provide annual irrigation to 2 lakh acres.
Phase—II-Installation of crest gates, extension of Left Bank Canal and construction of Right Bank Canal.	..	By March 1976 for ultimate irrigation of 7.5 lakh acres.	June 1976— Irrigation potential of 6.1 lakh acres to be created by 1977-78.	June 1977
Phase—III (Balance works)	---	---	Works in tail portion to continue for one or two more years.	Balance work of Left Bank Canal and entire Right Bank Canal by March 1981. Some works in tail reaches to continue for 1 or 2 years.

The provisions under each minor head in the Project Estimates 1967, 1972 Estimates and Revised Estimates, 1977 along with reasons for variations are detailed in Appendix IX. An expenditure of Rs. 81.43 crores had been incurred on the project upto March 1980.

4. *Progress in construction.*—Works on masonry dam commenced in 1969 and masonry dam upto crest level was completed by June 1975. Left and Right earthen dams were taken up in 1970 and completed upto designed height by June 1975. Work of Left Bank Canal commenced in 1969 and by August 1980, 98 per cent of earth work on the main and branch canals, 94 per cent earth work on the distributaries, 2,694 out of 3,695 structures had been completed.

Work on the Right Bank Main Canal commenced in 1974 and by March 1979 approach channel, intake well, 4 kilometre long tunnel and pickup weir were completed. By August 1980, 91 per cent earth work and 374 out of 582 structures on the Bagra Branch Canal, 64 per cent earth work and 88 out of 516 structures on the Pipariya Branch Canal were completed. Progress in construction of different items of works as at the end of August 1980 is indicated in Appendix X.

Balance works on the Left Bank and Right Bank Canals, Branch Canals and distributaries are now expected to be completed by June 1982.

4.1. *Delay in completion.*—The Project, which was administratively approved in 1956, is incomplete in several respects as indicated in Appendix X. Some of the main factors which caused delay in the execution and completion of the Project works are discussed below :—

4.2. *Initial stages.*—At the time of approval of the estimate for Rs.21.80 crores(December 1960), the project was scheduled to be completed by end of 1967-68. During the first three Five Year Plans the emphasis was on minor and medium Irrigation projects and completion of the Chambal Multipurpose Project. There was no priority for the Tawa or any other major Project during this period. Expenditure of Rs. 5.2. crores only was incurred against a provision of Rs. 6.29 crores, during the period upto 1967-68. Construction work on some approach roads, buildings in site colonies and investigations of dam foundation were done. There was no separate Chief Engineer for the project till 1968.

Dam foundations posed many difficulties in regard to design and construction because of low crushing strength of foundation rock which necessitated further investigations and examinations. A high level committee of Engineers and Geologists decided for the first time in May 1968 that a masonry dam could be constructed at the present site with suitable treatment of foundation. Thus, the project suffered a prolonged incubation period upto 1968.]

4.3 *Surveys, Designs and Estimates.*—The designs of masonry dam and earthen dams were cleared by the Central Water and Power Commission in 1968 and of the intake well of the Right Bank Canal in 1974-75. The designs of all structures on the branch canals of Right Bank Canal remained to be finalised upto 1976. Out of 7,240 designs and estimates to be sanctioned for the entire project, only 5,851 were sanctioned upto March 1978. The delay was attributed by the Chief Engineer, Tawa Project (June 1978) to inadequate strength of design organisation.

4.4 *Delay in land acquisition.*—Against the total requirement of about 35,800 acres, 28,386 acres of land were acquired during the period 1969-70 to September 1980 at a total cost of Rs. 4,30.88 lakhs. It was reported(April 1980) by the Chief Engineer that 325 cases involving 3,105 acres were pending with the Land Acquisition Officer for finalisation and 635 cases for 4,311 acres were yet to be prepared and sent to the land Acquisition Officer. The delay in land acquisition was generally due to :

- (a) delay in finalisation of the alignment of the components of the distribution system and consequent delay in sending requisition to the Land Acquisition officer and
- (b) inadequate strength of land acquisition organisation.

It was reported by Chief Engineer Tawa Project(June 1978) that due to delay in payment of compensation, the cultivators were not coming forward to surrender their lands by consent.

4.5 Delay in completion of works by contractors :—

4.5.1 *Masonry Dam.*—Construction of Masonry Dam in 7 groups was awarded to M/s National Projects Construction Corporation (NPCC) in February 1969 for Rs. 6.41 crores, time allowed for completion being 36 months. Due to the poor progress made by the Corporation, the works were withdrawn from NPCC under penal clause 4.3.3(c) of the contract (which provided for getting the balance work executed through another agency and recovery of extra expenditure from the original contractor) in September 1969 (3 groups) and September 1970 (4 groups). The works were awarded to other agencies in April 1970 and December 1970 at rates lower than the rates of NPCC. As a result, the question of recovery of any extra cost from NPCC did not arise. The works were actually completed by June and September 1975, resulting in delay of 3 years in the completion of the Project.

The cost of works executed by the NPCC was Rs. 21.92 lakhs. The Corporation contested the order of withdrawal of work and asked for appointment of an Arbitrator. They submitted before the Arbitrator a claim of Rs. 36 lakhs on account of expenditure incurred by them in moving machinery to work site, payment to labourers and staff who remained idle, etc. The department submitted counter claims against the NPCC before the Arbitrator as under :—

- (a) Rs. 65 lakhs due to loss of revenue for one year for water rates at Rs. 8 per acre for 8.2 lakh acres.
- (b) Rs. 57.9 crores on account of additional food production for one year.

While rejecting the claims of the department, in his award dated 22nd July 1972, the Arbitrator decided that the NPCC should get Rs. 8.5 lakhs from the department.

4.5.2 *Service and emergency gates.*—M/s Tungabhadra Steel Products Ltd, was awarded in March 1972, the work of fabrication, supply and erection of service and emergency gates for block No. 8 of Tawa Masonry Dam at a cost of Rs. 13.04 lakhs, due date of completion being March 1973. The firm, however, supplied and installed the gates only by June 1975. The delay was reported to be due to labour trouble, non-availability of essential parts which was partly due to inadequate advance action by the firm. A token penalty of Rs.1,000 was levied on the firm for this delay. Due to delay on the part of the firm, live storage in the reservoir for 1974 *Rabi* season was not possible. To fulfil the commitment of irrigation during 1974-75 (as mentioned in the project report), a scheme of pumping 70 cusecs of water directly from upstream of the dam into the Left Bank Canal at a cost of Rs.7.2 lakhs for irrigating 5,000 acres was sanctioned by Government in October 1974. An expenditure of Rs. 6.97 lakhs was incurred on the lifting of 30 cusecs to 60 cusecs of water into the canal and 2,740 acres were irrigated in *Rabi* 1974-75.

4.5.3 *Stilling Basin.*—Construction of stilling basin (estimated cost: Rs.42 lakhs) was allotted to firm 'A' for Rs.40.47 lakhs in December 1970 after withdrawal of work from the NPCC, time allowed for completion being 27 months. The firm abandoned the work on 12th February 1972 after doing work of value Rs.3.25 lakhs only. The balance work was allotted to another agency in June 1972, time allowed for completion being 18 months. The work was completed on 31st May 1975 at a cost of Rs.49.06 lakhs. Rupees 15.07 lakhs were due for recovery from firm 'A' as under :—

	Amount (In lakhs of rupees)
Balance of advance on Tools and Plant	1.95
Cost of materials issued to contractor	1.26
Hire charges of Tools & Plant, energy bills, etc.	0.02
Excess expenditure recoverable under penal clause 3.3.3(c)	11.84
Total	15.07

The Revenue Department, which was approached for recovery of the outstanding amount as arrears of land revenue, desired to know the details of contractor's property as listed in the solvency certificate produced at the time of registration. It was reported that the Engineer-in-Chief, Irrigation Department registered the firm as A-4 class contractor without insisting on any solvency certificate and only on the basis of certificate issued by the New Delhi Co-operative Bank Ltd., which did not indicate details of property and cancelled the registration in 1972. No recovery has been effected so far (December 1980).

4.5.4. *Abandonment of work by contractor.*—Construction of Tikhad aqueduct at chainage 1300 of Left Bank Canal was awarded in February 1974 to contractor 'B' at the tendered cost of Rs.30.66 lakhs for completion in 24 months. From time to time, the department served notices to contractor regarding slow progress of work. The contractor left the work incomplete on 24th April 1975 (value of work done: Rs.6.52 lakhs) and the contract was rescinded on 28th August 1975 invoking penal clause 3.3.3(c) which provided for recovery of extra expenditure incurred on completion of the work through another agency from the original contractor. Of the balance work, work costing Rs.14.43 lakhs which was not even started by the contractor was awarded to another agency on 29th September 1975 for Rs. 21.75 lakhs. The agency completed the work on 31st December 1976 at a total cost of Rs.32.10 lakhs. The increase in cost was due to increase in quantity of foundation excavation by 400 per cent over the estimated quantity.

On 25th May 1975, Contractor 'B' presented claims totalling Rs.3.86 lakhs to the Chief Engineer which were rejected except in respect of portion relating to claim for work done and refund of security to be decided after work was finalised. The department also rejected the contractor's request for appointment of Arbitrator, but on his going to court, an Arbitrator was appointed in December 1978 as per court's direction. The contractor submitted claims totalling Rs.9.74 lakhs to the Arbitrator while the department submitted counter claims for Rs.6.57 lakhs. In his award dated 16th June 1980, the Arbitrator, while rejecting the department's counter claim, decided that the contractor was entitled to Rs.7.63 lakhs against his claims and Rs.0.69 lakh towards interest at 6 per cent from date of appointment of Arbitrator till 16th June 1980. The department filed objections against the award in the District Court on 14th July 1980 on the ground that the award was vitiated because of misconduct on the part of the Arbitrator. Further developments are awaited (November 1980).

Originally, it was proposed to complete the aqueduct by February 1976 and supply water beyond the aqueduct for the 1976-77 *Rabi* irrigation. Due to abandonment of work by one contractor and completion by another agency, water could not be supplied for the 1976-77 *Rabi* irrigation.

4.6 *Delay in taking decision regarding alignment of Right Bank Canal.*—

4.6.1. As per the estimate for Rs. 27.10 crores sanctioned in 1960, the Right Bank Canal was to take off from the reservoir through a 3.3 Kilometre long tunnel through the Bagra Hill ranges. This proposal was dropped due to adverse geological features. An alternative alignment for an open deep cut canal was decided and an expenditure of Rs.16.23 lakhs was incurred thereon from April 1962 to June 1965. The work was, however, stopped in June 1965 as construction in another alignment was considered more economical. A proposal for write off of the infructuous expenditure of Rs. 16.23 lakhs submitted by the department in May 1974 was under consideration of Government (November 1980).

A proposal for taking the Right Bank Canal from a suitable point in the Left Bank Canal and crossing the Tawa River through an aqueduct was submitted to Government in February 1971. Since this would result in a large chunk of command area on the right bank being excluded, the State Government decided in January 1972 that an independent

Right Bank Canal from Tawa Reservoir should be constructed upto Dudhi river to serve an irrigable area of 1.6 lakh acres. A proposal involving tunnelling was considered cheaper and recommended by the Chief Engineer to the Control Board for Major Projects in June 1972 and approved by the Progress Reviewing Committee in January 1974.

Surveys of the Right Bank Canal which were taken up in 1959 continued upto 1973-74. During this period as many as four different alignments for the canal were examined and work on one alignment (expenditure: Rs.16.23 lakhs) was even undertaken without detailed study indicating that various alternatives were not examined expeditiously and in sufficient detail before taking up the canal work in 1974.

4.6.2 *Construction of tunnel and intake structure.*—Construction of Right Bank Canal tunnel and intake structure (estimated cost: Rs. 3,05 lakhs) was awarded to contractor 'C' in November 1974 at the tendered cost of Rs.4,99.58 lakhs, time allowed for completion being 36 months. The work was completed by March 1979 only. The delay was attributed to following factors :—

- (a) Power connection was given by the department six months after start of work;
- (b) Service roads to be provided by June 1975 as per agreement were actually ready by June 1976;
- (c) Unstable strata met with during excavation. There were huge slips due to adverse geological conditions;
- (d) Design of intake structure was modified by Central Water Commission during execution resulting in increase in quantities by about 100 per cent; and
- (e) Frequent power failures.

4.6.3 *Dispute in classification of strata.*—The work of exit channel of Tawa Right Bank Canal (estimated cost : Rs.75.55 lakhs) was awarded to Contractor 'D' at the tendered cost of Rs.1,24.46 lakhs in September 1974 for completion in 36 months. Due to a dispute regarding classification of strata, *i.e.*, as rock requiring blasting as provided in the estimate or not based on objection of Chief Technical Examiner, the work remained suspended for about 8 months during 1976-77. After withdrawal of objection by the Chief Technical Examiner in February 1977 (based on 1973-74 Survey Report of Geologists and results of experiments conducted at site of work), the contractor continued the work. The work often suffered frequent setbacks for want of explosives to be supplied by the department and labour shortage. The work had to be suspended again from October 1979 to March 1980 to enable flow in the canal for *Rabi* irrigation. The work is now complete except in the initial reaches.

4.7. *Delay due to defective contract.*—The negotiated item rate tender of contractor 'E' for supply and erection of 13 radial crest gates at a cost of Rs.2,00.40 lakhs was accepted by the State Government in February 1974, the due date of completion being 25th June 1976. The agreement provided for escalation on materials with reference to J.P.C. Circular/Alloy Steel Products Circular, wage escalation at 0.4 per cent of the supply price for every rupee increase in the wage structure of the minimum rated worker and at 0.8 per cent of the erection price. For wage escalation, the base month was March 1973.

The minimum wage was raised from Rs.252 in March 1973 to Rs.443.82 in March 1975. The amount of wage escalation as per the agreement worked out to Rs. 1,42.71 lakhs for which the contractor submitted a claim.

Considering the clause on wage escalation as defective, because when escalation on cost of material was claimed separately the question of claiming escalation again at 0.4 per cent on cost of material included in the supply price did not arise, the Chief Engineer suggested to the Government in March 1977 that the wage escalation may be calculated on wage component of the supply price by using a separate formula and not as per contract.

As per the Chief Engineer's suggestion, which was agreed in principle by the Progress Reviewing Committee, the wage escalation would work out to Rs.40 lakhs.

When the contractor submitted claims on account of escalation, the Executive Engineer/Superintending Engineer sought guidance from Chief Engineer. The Department paid wage escalation upto Rs.40 lakhs and stopped further payment in this regard. Due to non-payment of escalation, the contractor stopped the erection work in June 1977, resumed it in March 1978 and completed in June 1978. In March 1980, the contractor filed an application in the District Court, Bhopal for appointment of Arbitrator to decide the claim for balance amount of Rs.1,02.71 lakhs. Further developments are awaited.

4.8 *Other reasons.*—Inadequate supply of cement, non-availability of wagons, shortage of diesel and petrol and inadequate supply of explosives were also reported by the Chief Engineer, Tawa Project to have contributed to the delay in completion of the project. Further, there was a dearth of B, C and D class contractors in the area to undertake the balance works which were mostly in the interior.

4.9 Delay of about 15 years in the completion of the project has resulted in the increase in the project cost now estimated (1977) as Rs.91.42 crores.

5. *Area planned to be irrigated and area actually irrigated.*—The Project Report, 1972 envisaged irrigation of 610 thousand acres of land in Hoshangabad district under the Tawa Canal system. The Canal—wise break-up of gross command area, culturable command area and area proposed for cropped irrigation is given below:—

Name of canal system	Gross command area	Culturable command area	Area proposed for cropped irrigation
(1)	(2)	(3)	(4)
(In thousand acres)			
1. Left Bank Canal system	714.00	460.00	634.80
2. Right Bank Canal system	278.56	150.00	187.50

The intensity of irrigation (*i.e.* percentage of culturable command area to be irrigated during a year) was adopted at 138 per cent and 125 per cent in the command area of Left Bank and Right Bank Canals respectively.

It was envisaged that irrigation would commence by 1974-75 and be developed fully by 1981-82. Irrigation commenced in the command area of the Left Bank Canal in 1974-75 and of the Right Bank Canal in 1979-80.

The irrigation potential planned to be created as per Project Report 1972, potential actually created and area irrigated during 1974-75 to 1979-80 were as under:—

Year	Irrigation potential planned to be created	Irrigation potential actually created	Area irrigated		Total	Percentage of utilisation
			Kharif	Rabi		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In thousand acres)						
1974-75	200	5.00	..	2.74	2.74	54.8
1975-76	200	71.66	..	21.70	21.70	30.3
1976-77	400	91.43	0.15	32.54	32.69	35.7
1977-78	610	158.14	..	33.51	33.51	21.2
1978-79	610	216.15	0.08	35.07	35.15	16.3
1979-80	610	269.87	10.21	56.36	66.57	24.7

Kharif irrigation has not developed in the command area at all. An interesting feature observed in this connection was that in the head reaches of the Left Bank Canal system (0 to 30 kilometres), an area of 32.54 thousand acres was irrigated during 1976-77 *Rabi* and this fell sharply to 27.08 thousand acres in 1977-78 and to 23.11 thousand acres in 1978-79.

Factors affecting utilisation were stated to be—

(i) *Efficiency in Water use.*— The table given below shows the total quantity of water used and area irrigated during *Kharif* in 1979-80 and *Rabi* from 1976-77 to 1979-80 :—

Year	Area to be irrigated in the command area (as per cropping pattern) for which potential was created	Discharge required for irrigating the area in the column (2)*	Actual discharge	Area irrigated	Area expected to be irrigated per cusec of discharge	Area actually irrigated per cusec of discharge
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(In thousand acres)	(In cusecs)		(In thousand acres)		
<i>Kharif (May to October)—</i>						
1979-80	180.81	1341	704	10.21	.135	.0145
<i>Rabi (November to March)—</i>						
1976-77	61.26	490	373	32.54	.125	.087
1977-78	105.95	848	431	33.51	.125	.078
1978-79	144.82	1159	542	35.07	.125	.065
1979-80	180.81	1447	966	56.36	.125	.058

It would be seen that water released in relation to area irrigated was more than what was assumed in the Project Report 1972 indicating that optimum efficiency was not achieved in water management. Some of the factors which have contributed to this were stated to be as under :—

(a) *Lack of systematic water distribution.*—Rotational system of letting out water in different distributaries (known as *Osrabandi*) was introduced in the command area for the first time in 1975-76 *rabi* season. Even after a period of five years, the system was reported to be not functioning satisfactorily due to the following reasons :—

- (1) Cultivators do not irrigate their fields in the night resulting in wastage of water;
- (2) Fields in the command area were undulating requiring proper land levelling;
- (3) Cultivators at the tail end of the water course are required to take water first and those at the head of the water course later on. This was not adopted in actual practice by the cultivators to the detriment of cultivators at the tail end.
- (4) Water courses and field channels were not maintained properly by cultivators.

(b) *Lack of adequate control structures.*— In the canal system, regulators to maintain adequate head at the off-take points of distributaries and minors are insufficient. When the canal carries less than the full supply level discharge, water will not flow through the outlets. One Executive Engineer reported that for maintaining full supply level

*Worked out on the basis of water requirements for the cultivable command area indicated in the Project Report, 1972.

discharge, heading up arrangements were made by putting empty cement bags filled with sand, etc., and boulders in the canal bed at different intervals.

Only temporary outlets consisting of hume pipes (4 to 6 inches diameter) with prefabricated head walls on water course side were provided with the result that there was no control over the discharge through the outlets and water flows through the outlets as long as water was above the level of the outlet.

(c) *Lag in construction of water courses.*—The Project Report 1972 assumed that water courses and field channels would be constructed by the beneficiary cultivators. These works were taken up under the Ayacut Development Programme which is discussed in para 6.3 (i).

(d) *Delay in land levelling.*—Land levelling and land shaping works were taken up under the Ayacut Development programme which is discussed in para 6.3 (i).

(ii) *Cropping Pattern.*—Prior to introduction of irrigation from Tawa project, 27.0 per cent of the command area was under *Kharif* crops (Jowar/Maize : 11 per cent; Pulses : 15 per cent; Rice : 0.7 per cent; Sugarcane : 0.3 per cent) and 48.0 per cent under *Rabi* crops (wheat accounted for 30 per cent and oilseeds 18 per cent).

The Project Report, 1972 envisaged that out of 460 thousand acres planned for irrigation under Left Bank Canal, 67 per cent would come under *Kharif* crops (30 per cent under paddy and 15 per cent under *Jowar/Maize*), 67 per cent under *rabi* crops (wheat accounting for 55 per cent) and 4 per cent under summer crops. The crop-wise break-up of area irrigated in the command area of Left Bank Canal under *Kharif* and *rabi* during the period 1976-77 to 1979-80 *vis-a-vis* the area which should have been irrigated as per cropping pattern envisaged in the Project Report, 1972 (approved by the Director of Agriculture in October 1968) was as indicated in the table given below :—

Crop (1)	Cropping pattern envisaged percentage (2)	1976-77		1977-78		1978-79		1979-80	
		A (3)	B (4)	A (5)	B (6)	A (7)	B (8)	A (9)	B (10)
(Area in thousand acres)									
<i>Kharif</i> —									
1. Paddy	30	27.43	..	47.44	..	64.84	0.01	80.96	0.74
2. Jowar/Maize	15	13.71	..	22.73	..	32.43	..	40.48	1.66
3. Cotton	5	4.57	..	7.91	..	10.81	..	13.49	..
4. Sugarcane & garden crops	5	4.57	..	7.91	..	10.81	..	13.49	0.15
5. Soyabean	..	..	..	..	..	..	0.07	..	7.26
6. Others	12	10.98	0.15	19.96	..	25.93	..	32.39	0.40
Total	67	61.26	0.15	105.95	..	144.82	0.08	180.81	10.21
<i>Rabi</i> —									
1. Wheat—									
(a) Ordinary	25	22.86	24.44	39.53	25.48	54.04	22.23	67.49	23.98
(b) High yielding variety	30	27.43	3.07	47.44	3.56	64.85	7.07	80.97	17.29
2. Gram	7	6.40	2.53	11.07	2.26	15.12	1.92	18.85	4.71
3. Linseed	2	1.83	1.46	3.16	1.43	4.32	1.66	5.38	3.48
4. Others	3	2.74	1.04	4.75	0.78	6.49	2.19	8.12	6.90
Total	67	61.26	32.54	105.95	33.51	144.82	35.07	180.81	56.36

A—Area envisaged for the command area of the Left Bank Canal in the Project Report.

B—Area actually irrigated.

As would be seen from the above table, the area under *Kharif* irrigation was negligible.

Paddy was not being grown, high yielding *Jowar*/Maize and cotton envisaged in the cropping pattern were either grown in small areas or not grown at all as irrigated crops. During 1979-80, though there was an apparent appreciable increase in the area under *rabi* irrigation, it was observed that in about 37.2 thousand acres (out of total *rabi* irrigated area of 56.36 thousand acres) cultivators took water for 'palewa' (preparations of land before sowing) during October 1979 and did not take water afterwards for irrigating the crops. The Chief Engineer, Tawa Project reported (September 1980) that cultivators sowed crops not requiring irrigation in *Kharif* amounting to 100 per cent of service area, in *rabi* amounting to 30 per cent and no crops in summer. Thus, even after 6 years of introduction of irrigation from Tawa distribution system, the command area still retained the characteristics of unirrigated cultivation and cropping pattern had not changed except in the head reaches of the canal system where high yielding variety of wheat was grown. That this result was inevitable is evident from the scientific and technical opinion now available.

The Deputy Director General, Indian Council of Agricultural Research in his report (March 1978) on the Tawa Command Area, submitted to the Government of India with a copy to the State Government, observed as follows :—

"Even though the irrigation was provided only two years back, a number of villages have been severely affected by water logging. In fact those areas which were most productive under unirrigated condition have been affected the most because of their low lying conditions. The farmers were complaining about this situation and are apprehensive that the conditions are likely to deteriorate as more irrigation is provided".

"Even though the project authorities have planned that there will be seepage loss of about 30 per cent, but from experience from other canal command areas and the actual situation in the field, my assessment is that the seepage loss will not be less than 60 per cent (Canal department have not carried out detailed studies on seepage losses). This coupled with high rainfall and deep black cotton soil is likely to create very serious problem of water logging."

"Drainage is one of the very serious problems of the area. Most of the borrow pits along the canal even at this stage have stagnant water and many farmers were unable to sow their wheat crop because the soil did not have proper moisture condition to plant wheat".

"The project has been designed to irrigate about 45 thousand hectares of maize and *Jowar*. It will be nearly impossible to attain their cropping pattern. *Maize*/*Jowar* in this area will not need any irrigation during the *Kharif* season, instead they will need drainage. The unirrigated *Jowar* is already endangered because of the higher water table and water logging".

"The project has been designed to provide irrigation to about 90 thousand hectares of paddy. This is a new crop in the area and I am of the opinion that this should be discouraged otherwise it will be nearly impossible to control water during the rainy season".

"It will be in the best interest of the Project that the canal should be completely closed during the rainy season so that the drainage problems are not accentuated. Irrigation should be confined to the *rabi* crops only".

While generally agreeing with the observations of the Deputy Director General, I.C.A.R. (Dr. Bhombre), the Chief Engineer, Tawa Project in his reply (August 1978) submitted to State Government stated "for development of irrigation under *kharif* season

revolutionary changes in cropping pattern of the area to adopt crops profitably receiving irrigation water, the cultivation methods suitable for this heavy rainfall and heavy soil moisture contents during the season are essential". He further added—

"Dr. Bhambale recommends discouragement of paddy irrigation as it would render the control of water during rainy season impossible. This difficulty foreseen by him is genuine in the light of the heavy rainfall and heavy soil condition. If the paddy irrigation is discouraged, alternative use of such water is to be contemplated". This position was further reiterated by the Chief Engineer, Tawa Project in his report (September 1980) to State Government, wherein he stated—

"In *kharif* season, Hoshangabad receives heavy rainfall and has heavy retentive black cotton soil. Irrigation development under the circumstances presents a very difficult problem. The margin of profit in conventional crops with and without irrigation is smaller. The use of irrigation water is mainly to rescue the crops in occasional drought years and long dry spells during rainy season. Soil moisture remains, many a time, a problem retarding agriculture operations than an asset. Fields in *kharif* season are found to remain uncultivated due to this hazard. When the fields remain fallow during *kharif* season soil moisture depletion is poor and availability to subsequent *rabi* crops is sufficient and ensured. Thus, in a mono-cropping *rabi* system irrigation demands remain limited and erratic. In the area, for a successful *rabi* irrigation to develop, double cropping of *kharif* and *rabi* to a large measure is obligatory, otherwise development of irrigation in the *rabi* season shall also be poor". "The application of irrigation in the area accentuate soil erosion and drainage problems during *kharif* season and may hold high moisture contents in the soil during sowing of *rabi* crop. The results could be disastrous".

(iii) *Other reasons.*—Following are some of the other factors, as reported (December 1979) by the Ayacut Commissioner responsible for the under utilisation of irrigation potential :—

- (1) Lack of faith among the cultivators that dependable and timely irrigation would be available;
- (2) Absence of confidence among cultivators in the profitability of irrigated agriculture;
- (3) Lack of sustained and effective extension system for land and water management;
- (4) Fear amongst the cultivators that irrigation would lead to water logging and salinity which will destroy the productive capacity of their fields;
- (5) Some areas were not served by the outlets.

The Agriculture Department has taken up an agriculture extension programme for the first time in the district since September 1978 to educate cultivators in the use of water for irrigation and in achieving production targets. Since 1979-80, a joint team of officers of the Irrigation, Agriculture and Revenue Departments has been making frequent visits to the villages to have first hand knowledge of the problems of the cultivators regarding irrigation and to take steps for their redressal.

6. Command Area (Ayacut) Development

6.1. *Constitution of the Authority.*—The Tawa Command Area Development Authority was set up in September 1974 for the implementation and execution of an integrated area development programme within the Command area of the Tawa Irrigation Project.

The basic objectives of the Tawa Ayacut Development Programme are—

- (i) to secure maximum utilisation of the irrigation potential created by the Tawa Irrigation Project;

- (ii) to ensure maximum increase in agricultural production; and
 (iii) to bring about integrated rural and agro-industrial development.

6.2 *Programme for development*.—A Master Plan for the first phase of the Ayacut Development Project with an outlay of Rs. 54.72 crores was prepared in 1975. The major activities taken up under the Master Plan comprise—

- (i) On farm development (OFD) including consolidation of holdings;
 (ii) Construction of link roads and infra-structure development of market centres; and
 (iii) Drainage schemes.

6.3 *Progress in the execution*.—(i) *On farm development*.—It was estimated at the time of formation of Master Plan that 2.45 lakh acres of land in the command area having slopes ranging from 0.5 to 3 per cent and above would require land levelling for efficient and optimum use of irrigation facilities. No detailed surveys of the command area as a whole have been conducted (January 1981).

Progress achieved to end of June 1980 was as under :—

Item of work	Target	Achievement upto June 1980	Expenditure incurred on OFD works
(1)	(2)	(3)	(4)
		(In Acres)	(Rupees in lakhs)
Stage—I			
(construction of water courses)	1,21,000	1,09,560	282.75
Stage—II			
(Land shaping, etc.)	86,450	38,354	..

Against a potential of 269.87 thousand acres created upto 1979-80, water courses were available in an area of 109.56 thousand acres and land shaping was completed in 38.35 thousand acres out of 245 thousand acres of land requiring land shaping. Officers of the State Agriculture Department stated that even in areas where water courses were constructed, full irrigation development in the command area of an outlet cannot take place till completion of the land shaping work.

Slow progress of work was generally attributed (May 1979) by the Tawa Ayacut Development Commissioner to the following factors :—

- (1) The work involved co-ordination of the activities of many departments, viz. Agriculture, Irrigation, Land Settlement and Revenue, Land Development Corporation;
- (2) Difficulties in getting consent of cultivators for execution of land shaping work and consolidation of holdings;
- (3) The working season of 75 days (April to middle of June) was short;
- (4) Number and type of earth moving machines was inadequate and there was frequent break down of machinery due to their being old.

Since 1979-80, areas with slopes upto 0.6 per cent are being levelled with manual labour and implements such as ploughs to bring more areas under irrigation and also to reduce the cost from Rs.3,000 to Rs.1,500 to 2,000 per hectare.

An Ordinance was promulgated in July 1975 (replaced by an Act in September 1975) to enable Government to take possession of land temporarily on payment of compensation

so as to have a longer working season for land levelling. Since October 1978 land was temporarily taken possession of after payment of compensation and Rs. 40.17 lakhs was paid as crop compensation for the period upto March 1980.

The work was executed by the State Agriculture Department upto 1977-78 and by the newly created Land Development Corporation since 1978-79.

(ii) *Drainage measures.*—For dealing with seepage and water logging referred to in para 5.1(ii) above, no provision was made in the Project Report 1972 or the Revised Estimates 1977. But under the Ayacut Development Programme, carrier drains (drawing discharge from collecting drains) and affluent drains (the natural *nallas* which carry discharge to the river, the main drainage) have been taken up for execution. The progress achieved upto September 1980 was as under :—

(1)	Target (By 1980-81) (2)	Achievement upto September 1980 (3)
Carrier drains(in kilometres)	242	178
Affluent drains (in kilometres)	807	594
Area benefited (in acres)	64,000	32,871
Expenditure (in lakhs of rupees)	79.33	59.13

Slow progress in the execution was attributed by the Executive Engineer, Drainage Division, Hoshangabad to :—

- (i) Working season being limited as water always flows in *nallas* due to operation of Tawa Canals;
- (ii) Problems of disposal of excavated earth as cultivators do not allow the earth to be spread over in their fields.

(iii) *Rural roads and market complexes.*—In June and August 1971, the Government of India sanctioned construction of 15 rural roads (length:206 kilometres) and 7 market complexes in the command area at a total cost of Rs.1,50 lakhs. The works were to be completed by end of the Fourth Plan period, *i.e.*, by March 1974 and the entire expenditure was to be financed out of grants from Government of India.

The State Government accorded administrative approval in September 1971 for construction of the 15 roads at a cost of Rs.87.91 lakhs. The estimates were revised subsequently and revised administrative approval for Rs.1,27 lakhs (March 1974) and Rs.2,70.36 lakhs (January 1979) was accorded by Government. The works were incomplete by the end of the Fourth Plan. Expenditure of Rs. 1,20.07 lakhs was incurred upto March 1975 on construction of roads (Rs.1,00.12 lakhs) and market complexes (Rs.19.95 lakhs).

After 1975-76, the road works were financed from the West German Aid (Agreement with KFW) and 180 kilometres of roads and 426 bridges and culverts against the target of 206 kilometres of roads and 437 bridges and culverts had been completed by September 1980 at a cost of Rs.265.98 lakhs.

Construction of 7 *Mandies* at total cost of Rs.22 lakhs was administratively approved by the Agriculture Department during 1971-72 and 1972-73. The works were to be executed by the Public Works Department. The *Mandi* at Timarni (estimated cost: Rs.1.75 lakhs) was not taken up for want of site. The construction of buildings for the remaining 6 *mandies* was completed, 5 *Mandies* were handed over to *Mandi* Committees in 1975-76(3), October 1978 and May 1979, The work on the approach roads in all *Mandies* is in progress. Expenditure incurred to end of September 1980 on the market complexes was Rs.38.31 lakhs against the revised estimate of Rs.41.50 lakhs. Revised administrative approval is awaited.

7.1 *Arbitration cases.*—In the Revised Estimate 1977, a provision of Rs. 1,08.88 lakhs was made towards claims of contractors for the work of masonry and earth dams. According to the information available (February 1980) in the office of the Chief Engineer, Tawa Project, there were in all 66 cases of disputes with contractors which have either been referred to Arbitrators or were awaiting appointment of the Arbitrators. The amount involved in the disputes was over Rs. 4,12.5 lakhs. Brief particulars about few cases decided during 1978-79 and 1979-80 against Government are given below :—

(i) Item rate tenders for 'Earth work in Miles 37-38 of Tawa Left Bank Canal (Group 'X') were invited by the Chief Engineer, Major Projects to be received on 10th September 1969. The rates tendered and the conditions given by different contractors having been considered as not reasonable, the Chief Engineer addressed a letter on 22nd October 1969 to the contractor 'F' whose tender was the lowest for the group 'X' (tendered cost: 80.82 per cent above cost of work as per schedule of rates applicable to Tawa Project) to intimate whether he was willing to execute the work at rates 50 per cent above schedule of rate, without any condition and on the basis of tender document. On the contractor's communicating his willingness, the tender was accepted by Government in December 1969 at 50 per cent above schedule of rates and agreement in form 'B' applicable for item rate tenders was executed on 4th January 1970. Rates for the clubbed up items in the schedule to the agreement had been arrived at after adding 50 per cent to the rates derived from the schedule of rates. The work was completed in June 1971. In March 1972, the contractor, taking advantage of the wording used in the Government's acceptance letter which was included in the agreement, represented that since the tender was accepted by the Government on the basis of schedule of rates, payment should be made to him for the individual items of earth work with classification, extra lead, extra lift and other connected items, *etc.*, on the basis of rates provided in the schedule of rates (instead of for items as clubbed up in the agreement). He was paid for the clubbed up items as provided in the schedule of quantities attached to the agreement which as stated above included 50 per cent increase on the estimated rates. The claim of the contractor (1972) for the difference was rejected by the the Superintending Engineer, Left Bank Canal Circle in March 1974 on the ground that it was not tenable under the terms of contract. On the request of the contractor (August 1974), an Arbitrator was appointed by Government in July 1978. In his award dated 12th December 1978, the Arbitrator decided that contractor was entitled to a claim for Rs.2.30 lakhs for the said work and simple interest from 1st August 1971 to date of payment. Final payment of Rs.3.80 lakhs (including interest of Rs.1.50 lakhs) was made by the division on 10th December 1979 after obtaining sanction of Government.

(ii) Contractor 'H' was awarded "Earth work in mile 51-52 of Left Bank Canal-Groups I, II, V" during 1973-74. The disputes relating to this contract were referred to an Arbitrator who gave his award on 25th June 1978 as under :—

Claim (1)	Award (2)
(i) Rs.1,00,000 towards work executed but not paid for	Rs.56,878
(ii) Rs.53,100 being amount held up by way of earnest money and security deposit in the shape of Bank Guarantee.	Entitled to get Rs.53,100

The validity period of the 4 Bank Guarantees furnished by the contractor for a total sum of Rs. 53,100 expired on 30th June 1978. The party did not take steps to extend the validity period and the Bank expressed (December 1979) inability to encash the time expired bank guarantees. In the objection filed before the District Judge against the award and the appeal filed (June 1979) before the High Court to set aside the award, the factual position that the department did not have any security deposit of the contractor in the

shape of cash or bank guarantee after June 1978 was not brought out and as a result the District Court decreed the award, rejecting the department's contention. The amounts as above were deposited in cash in the Court on 11th December 1979.

The Government advocate advised on 12th March 1980 that previously the department did not bring to the notice of the Court that the Bank guarantees had expired. He was of the view that for recovery of Rs. 53,100, a Civil Suit should be filed against the contractor. Government's permission for filing the Civil Suit is awaited (October 1980).

7.2 Payment for transformer not installed.—As pointed out in para 4.5.2, an amount of Rs.6.97 lakhs was incurred on the lifting of water into the canal for the *rabi* irrigation 1974. The expenditure included Rs.4.43 lakhs deposited with the Madhya Pradesh Electricity Board in November 1974 as per their estimate for augmentation of transformer capacity from 1 MVA to 2.5 MVA and shifting of one 500 KV/11.4 K.W. transformer from power house site to lift irrigation site near the dam. The transformer (cost: Rs.4.22 lakhs) brought by the Madhya Pradesh Electricity Board to the Project site was, however, not installed and was returned to the Electricity Board on 16th July 1975 without the Project making any use of it. In spite of several communications during the period of 5 years, the Electricity Board has not refunded (November 1980) the amount deposited to the Irrigation Department.

7.3 Modification in gear box assembly—Additional expenditure due to defective design.—M/s. Tungabhadra Steel Products Limited was to fabricate, supply and erect service and emergency under sluice gates for Masonry dam by 29th March 1973. The gates were installed in June 1975. During testing there was leakage of water through the bonnet and the hoist groove of the gates. When the firm was asked to rectify the defects, it replied that the gates had been fabricated as per designs supplied by the department and approved by Central Water Commission. The work of modification of the gates at a cost of Rs. 0.64 lakh as per design approved by the Central Water Commission was entrusted by the department to the contractor who was also paid an advance of Rs.0.32 lakh in May 1979 as desired by him, without obtaining any security to safeguard interests of Government. Though the delivery period was mentioned as 4 to 5 months from date of receipt of advance the modification is yet to be effected by the firm (October 1980).

8. Revenue and financial returns.—

8.1 General.—The Madhya Pradesh Irrigation Act, 1931 and subsequent amendments to the Act provide for levy of water rates, irrigation cess and betterment contribution. The last revision in water rates and irrigation cess was effected in September 1972.

8.2 Arrears of water rates and irrigation cess.—Rupees 28.72 lakhs were outstanding for recovery as on August 31, 1980 towards arrears of water rates and irrigation cess. The position regarding demand raised, revenue realised and balance outstanding for the years 1976-77 to August 1980 is indicated in the table given below :—

Year	Balance outstanding at the beginning of the year	Demand raised during the year	Revenue realised during the year	Balance outstanding at end of the year
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
1976-77	0.10	6.34	3.88	2.56
1977-78	2.56	8.36	4.64	6.28
1978-79	6.28	8.44	4.87	9.85
1979-80	9.85	10.29	3.50	16.64
1980-81	16.64	16.73	4.65	28.72

(Upto August 1980)

The heavy arrears of irrigation revenue were attributed to :—

- (i) Non-payment of cess by cultivators for the irrigable command area. They were reported to be paying cess for the irrigated area only;
- (ii) Cultivators did not pay water rates due to hail storms, absentee land lordism, poor crop yield in some villages;
- (iii) Irrigation panchayats established during 1978-79 and entrusted with revenue collection work were not interested in recovery due to low rate of commission; and
- (iv) Inadequacy of *Abiyana* staff.

8.3 *Betterment contribution*.—In the Project Report 1972, total revenue on account of betterment contribution was worked out as Rs.13,66.40 lakhs (at Rs.224 per acre for 6.1 lakh acres) recoverable over a period of 36 years. Under the Madhya Pradesh Irrigation Act, 1931 as amended in 1968, betterment contribution is payable from such date as Government may by notification prescribe; such date being not earlier than 3 years from the commencement of operation of the canal. Water was let out through the Left Bank Canal for irrigation for the first time in 1974-75. The notifications required to be issued under the Act specifying the command area, defining the boundaries and calling for objections had not been issued, and consequently, no recovery has been made (October 1980) towards betterment contribution.

8.4 Benefit cost ratio.—In the Project Estimate, 1972 the benefit cost ratio with reference to the estimate of Rs. 63.47 crores was worked out as 7.95 and 4.63 with 5 per cent and 10 per cent interest on capital. In the Revised Estimates 1977, the benefit cost ratio for the project with reference (to the estimate of Rs. 91.42 crores was worked out as 9.34 and 5.34 assuming a higher yield per acre. In both the calculations, life of 100 years for the dam and canal instead of 50 years was assumed for purposes of depreciation.

In the calculation with reference to the estimate of Rs.91.42 crores, the average yields per acre under different crops after irrigation were assumed to be (i) Paddy 12 quintals (HYV as also local), (ii) wheat 10 quintals (HYV as also local), (iii) *Jowar*/maize 8 quintals and (iv) gram 6 quintals. It was assumed in these calculations that the cropping pattern of 67 per cent *kharif*, 67 per cent *rabi* and 4 per cent summer crops under the Left Bank Canal system and 58 per cent *kharif* and 67 per cent *rabi* under the Right Bank Canal system would be adopted in actual practice. As indicated in para 5.1 (ii), there was no change in the cropping pattern in the command area up to 1979-80 and the irrigation facilities created were largely of no avail during these years.

The table given below shows the comparative position of the yields per acre under various crops after irrigation during 1977-78 and 1978-79 and the yields prior to introduction of irrigation (1971-72) in Hoshangabad district as per Agricultural Statistics compiled by the Commissioner, Land Records :—

Crop	Before irrigation	Average yields per acre after irrigation	
		1977-78	1978-79
(1)	(2)	(3)	(4)
(In quintals)			
1. Paddy ..	4.00	3.98	3.83
2. <i>Jowar</i> ..	2.82	3.64	2.74
3. Maize ..	4.81	4.07	4.01
4. Wheat ..	3.14	3.30	3.06
5. Gram ..	2.43	1.96	2.08

It will be noticed that the yields per acre after irrigation had actually declined.

(No separate statistics for the Tawa Command Area as such and break-up for irrigated and un-irrigated area were available).

9. *Summing up.*—According to the scientific and technical opinion now available, because of the soil and weather conditions in the command area of the Tawa Project, agricultural operations in both *kharif* and *rabi* seasons with the help of irrigation could not have been productive, but on the other hand, irrigation could be even harmful. There was also resistance on the part of cultivators to change their habits and the cropping pattern they have been used to. Thus, it would appear that the Project was ill-conceived and the benefits that were presumed would be available could not have been realised. This would also indicate the need for a second look at the programmes for development of the command area so that possible further unnecessary and wasteful expenditure could be avoided.

The matters referred to above were reported to Government (September 1980) and their reply is awaited (January 1981).

4.2 Breach of dam due to human failure

The Ghotia tank in Rajnandgaon district, administratively approved (May 1976) for Rs.7.11 lakhs (technical sanction still awaited) and intended to irrigate 800 acres of paddy area, provided for construction of an earthen bund, sluice, waste weir, with approach channel, spill channel and 6.4 kilometres long canal. The work of *nalla* closure for formation of the bund, excavation of approach channel and spill channel were simultaneously taken up during the year 1977 but only *nalla* closure was completed before the outbreak of monsoon in June/July 1977. Gates were fixed in the two sluices for the canals but lifting rods to operate the gates were not provided.

During August 1978, due to heavy rains in the area coupled with the fact that the sluice gates could not be operated, water overtopped the *nalla* portion of the bund resulting in a breach of 100 to 140 feet wide from bottom to the top of the bund. The surplus water above Full Tank Level which was to flow out of the tank through the approach channel into the waste weir did not even reach the approach channel but overtopped the bund.

Investigations conducted (October 1978) by the Executive Engineer at the instance of the Superintending Engineer revealed that :—

- (i) the bund had settled down abnormally in *nalla* portion due to improper watering and compaction;
- (ii) the spill channel and approach channel had not been excavated to designed section and depth. The designed width of the spill channel was 200 feet but the measurements of spill channel taken after breach showed that it was not excavated to the designed depth and width was 100 feet only. According to the Executive Engineer (August 1980), overpayment on this account amounted to Rs.0.65 lakh;
- (iii) sluice gates could not be opened as rods to operate the gates were not fixed and, as such, water could not be discharged into the canal.

In his report (October 1978), the Executive Engineer who was also responsible for adequate supervision of the work held the Sub-Divisional Officer and the Sub-Engineer personally responsible for the bad quality of work, and alleged that these officers not only kept the Division in the dark but also failed to attend to the work personally. The Executive Engineer intimated (August 1980) that check measurements were not exercised. However, due to non-availability of measurement books, the position could not be verified in audit. The damage due to breach was estimated as Rs.1.72 lakhs. The estimates for restoration

of damaged portion due to breach amounting to Rs.2.81 lakhs submitted (November 1979) by Executive Engineer are to be sanctioned (August 1980) by the Superintending Engineer and the work has not commenced so far (November 1980).

The loss of property of villagers due to breach, as estimated by revenue authorities, is Rs.0.48 lakh.

As reported by the Executive Engineer (August 1980), the bund and the appurtenant works were expected to be completed by 1978 and Irrigation was to commence from the same year. As the repairs have not been taken up pending sanction of the estimates for repairs by the Superintending Engineer, it is not known when the work will be completed and Irrigation facility provided.

Thus, the execution of defective work leading to breach of the bund resulted in :—

- (i) loss of Rs.1.72 lakhs on account of damage to the bund;
- (ii) loss to property of villagers amounting to Rs.0.48 lakh;
- (iii) increase in overall cost of the scheme by Rs.2.81 lakhs; and
- (iv) delay in providing irrigation to 800 acres of paddy area.

The Chief Engineer has initiated disciplinary proceedings against the Executive Engineer, Assistant Engineer and Sub-Engineer (January 1981). The matter was reported to the Government in August 1979 and February 1980; reply is awaited (January 1981).

4.3 Loss in procurement of treeguards

The estimates of Bhatapara branch canal submitted by the Superintending Engineer, Mahanadi Circle, Raipur (April 1979) provided, *inter-alia*, erection of 62 bamboo treeguards per kilometre for a length of 90 kilometres at a cost of Rs.30 each. Even before the administrative approval to the work and technical sanction to estimates was accorded, the Sub-Divisional Officers Number 2, 3 and 4, without observing the procedure regarding invitation of tenders, *etc.*, and without obtaining the permission of the Executive Engineer, placed (April to June 1979) 30 work orders each for fabrication of 20 iron treeguards at the rate of Rs.235 per piece, plus sales tax at 4 per cent. In all, 598 iron treeguards at a total cost of Rs.1.46 lakhs were got fabricated from a local manufacturer of Raipur.

Although the accounts submitted by the Sub-Divisional Officers exhibited the expenditure on treeguards during these months, the Executive Engineer, Bhatapara Canal Construction Division, Raipur neither objected to the irregular and unauthorised purchases of iron treeguards nor instructed the Sub-Divisional Officers to stop the purchase. He considered the purchase as unauthorised only in July 1979, when a cheque issued by a Sub-Divisional Officer was dishonoured by the Bank for want of allotment of funds in favour of the Sub-Divisional Officer concerned.

Subsequently, the Executive Engineer got (August 1979) the cost of iron treeguards worked out, as per Unified Schedule of Rates, as Rs.105 per treeguard, exclusive of sales tax. Thus, the purchase of iron treeguards from the local market by the Sub-Divisional Officers at higher rates resulted in loss of Rs.0.81 lakh to the Government. Further, due to substitution of bamboo treeguards, as provided for in the estimates by iron treeguards, there has been an avoidable additional expenditure of Rs.0.45 lakh.

The Executive Engineer intimated (August 1980) that the treeguards could not be utilised as no plantation was done on the Bhatapara Canal.

The matter was reported to the Department and the Government in January 1980. The Chief Engineer, Mahanadi-Godavari Basin, Raipur accepted (August 1980) the facts of the case. Reply from the Government is, however, awaited (January 1981).

4.4 Extra expenditure

The work on the Lohraghat diversion scheme, administratively approved for Rs.19.43 lakhs by the Government (November 1977), was taken up (January 1978) on the basis of designs of head works and canals approved by the Executive Engineer, Kharung Irrigation Division, Bilaspur, without obtaining technical sanction of the competent authority. The work involved, *inter-alia*, execution of the item 'Excavation in hard rock'. This item of work corresponds to item number 405 of the Unified Schedule of Rates (USR) effective from 1-2-1977 for Irrigation works, namely, 'Excavation in hard rock including 50 metres lead and 1.50 metres lift (1) Blasting permitted'. The rate prescribed for the latter item of work in the USR is Rs.187.30 per 10 cubic metres which includes separation of serviceable and unserviceable material and depositing them in regular heaps or stacks, as directed. The ruling rate fixed by the Superintending Engineer, Maniyari Hasdeo Circle, Bilaspur, for executing similar work on piece work basis was 25 per cent and from May 1978, 20 per cent below the USR *i.e.*, Rs.149.84 per 10 cubic metres.

The Executive Engineer, unauthorisedly, split the item of work 'Excavation in hard rock' into two parts, *viz.*, (i) excavation in hard rock by drilling holes (of less than 25 millimetres diameter) and blasing; (ii) removal of stones, collection, stacking and allied works. The work of drilling and blasting for head works was entrusted to the Agriculture Department (January-April 1978) and piece workers (March-June 1978) and for canals to piece workers only in July 1978 to October 1978. The details of work executed and payments made to these agencies were as follows:—

Work	Agency	Number of holes drilled for blasting	Rate per hole	Quantity excavated	Amount paid
(1)	(2)	(3)	(4)	(5)	(6)
			(In Rupees)	(In cubic metres)	(Rupees in lakhs)
Head works ..	Agriculture Department ..	2,390	15.00	1,061.58	0.36
	Piece workers ..	8,760	14.50	2,900.91	1.27
Canals ..	Piece workers ..	8,840	14.50	3,620.25	1.28
	Total ..	19,990	..	7,582.74	2.91

The work 'removal of blasted material, stacking, *etc.*' was got done departmentally through labourers and an expenditure of Rs.0.17 lakh was incurred on this account. Thus a sum of Rs.3.08 lakhs was spent in excavation of hard rock. The expenditure would have been Rs.1.14 lakhs at the rate sanctioned by the Superintending Engineer and Rs. 1.42 lakhs as per Unified Schedule of Rates.

The Executive Engineer stated (July 1980) that approval of the Superintending Engineer was not considered necessary at that time for bifurcation of the item. The Superintending Engineer, however, stated (August 1980) that the item of USR is for complete work and that the Executive Engineer should have approached competent authority for splitting the rate and obtained sanction for higher rates explaining the special circumstances. The Chief Engineer stated (September 1979) that the rates for work done through Agriculture Department, piece workers and on Nominal muster rolls were very high.

The matter was referred to the Government in March 1980, reply is awaited (January 1981).

4.5 Excess payment due to incorrect application of items of schedule of rates

The work of transportation of rubble used in coursed/uncoursed rubble masonry works was awarded at percentage rates by the Executive Engineer, Irrigation Division, Bhind. As per the Unified Schedule of Rates for Irrigation works, in force from 1st February 1977, the rate applicable for transportation of stone masonry is 40 per cent above rates for metal transportation and that for rubble is 15 per cent above rates for metal transportation. Though rubble was transported, the Division incorrectly paid the rate applicable to transportation of stone masonry. This resulted in excess payment of Rs.0.72 lakh to piece workers for transportation of 4,730 cubic metres of rubble during the period from March 1979 to January 1980.

The Executive Engineer intimated (May 1980) that recovery was being effected from the contractors from their subsequent bills and an amount of Rs.0.14 lakh has been recovered from them. Further developments are awaited (November 1980).

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

4.6 Extra expenditure on watering of earth work

The work watering 1.38 lakh cubic metres of earth work for compaction was got done by the Upper Wainganga Dam Division at a cost of Rs.0.98 lakh during the period from November 1977 to October 1978 by engaging labourers on muster rolls. The rate for the work worked out to Rs.7.00 per 10 cubic metres which corresponds to the rate prescribed in item 420 of Unified Schedule of Rates. The water required for the work was made available by the department by using mechanical appliances such as pumps, pipelines and hose pipes. The work executed was not a complete item as per Unified Schedule of Rates and, therefore, the division should have got the rate prescribed by the Superintending Engineer in advance for this item of work. The Superintending Engineer, Upper Wainganga and Thanwar Dam Project Circle prescribed (October 1978) a rate of Rs. 2 per 10 cubic metres for this work. The amount payable at this rate for the work done was Rs. 0.28 lakh resulting in payment of Rs. 0.70 lakh in excess. The excess payment would indicate that excessive number of labourers were engaged.

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

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.7 Avoidable expenditure in construction of an overhead tank

Lump sum tenders for the construction of an overhead tank under the Mahasamund Water Supply Scheme, were invited (December 1976) by the Executive Engineer, Public Health Engineering Division, Raipur. The lowest tender of a firm for Rs.1.74 lakhs, recommended (June 1977) for acceptance to Government by the Chief Engineer (East) Public Health Engineering Department, Bhopal, contained the undermentioned conditions :—

- (a) cost of cement issued by the department will be recovered as per quantity consumed on the work; and
- (b) 50 per cent of security deposit shall be refunded within one month of satisfactory testing of the tank.

The Government directed (July 1977) the Chief Engineer to conduct negotiations with the tenderers and obtain their revised offers. Accordingly, the Chief Engineer conducted negotiations with the tenderers and recommended (July 1977) the offer of the same firm for an increased amount of Rs.1.89 lakhs without any conditions, which was still the lowest of all the tenders. The Government, however, rejected (September 1977) all tenders without recording any reasons and ordered that the tenders be reinvited.

Tenders were reinvited (September 1978) by the Executive Engineer, Public Health Engineering Division, Raipur. The lowest tender was that of another contractor who quoted Rs. 2.49 lakhs for the work. No decision was, however, taken on this tender also and a period of nine months elapsed in correspondence and negotiations and, again, as directed (May 1979) by the Government, negotiations were conducted. The increased offer of this second contractor for Rs. 2.63 lakhs was accepted (August 1979) by the Government.

The Government stated (November 1980) that the acceptance of condition put forth by the contractor would have resulted in temporary benefit of about Rs.3,000 to the contractor in the form of balance of cement bags with the contractor and an amount of Rs.7,000 would have to be refunded to the contractor five months in advance. In regard to the issue of materials (cement in this case) and recovery of cost thereof it may be mentioned that para 10.3.7 of the C.P.W.A. Code permits recovery to be effected gradually according to the actual use in construction and this has been the practice in vogue. As regards release of 50 per cent of the security deposit, it may be noted that it was to be released only after satisfactory testing of the work without any additional financial burden on Government.

The rejection of the lowest tender received on the first occasion even after negotiation resulted in avoidable extra expenditure of Rs.0.89 lakh as compared to the original offer and Rs.0.74 lakh, as compared to the revised unconditional offer of the lowest tenderer on the first occasion, besides delay of two years in commencement of the work.

PUBLIC WORKS DEPARTMENT

4.8 Excess payments due to inflated measurements

Under the rules of the Government, payment for all works done otherwise than by labour and for all supplies required for specific works should be made on the basis of measurements recorded in the measurement books by the officers-in-charge of the works.

In the cases mentioned below, excess payment aggregating Rs.0.86 lakh were made due to inflated or false measurements recorded in the measurement books by the departmental officers :—

Name of the Division	Name of work	Excess payment in respect of inflated measurements recorded]	Month of payment	Security Deposit available with the Division	Net amount recoverable	Remarks
(1)	(2)	(3) (Rs. in lakhs)	(4)	(5) (Rs. in lakhs)	(6)	(7)
Buildings and Roads Division Number II Raipur	Collection of Road metal	0.36	January 1978 and February 1978	0.01	0.35	Shortages came to notice as a result of physical verification conducted by the Executive Engineer in April 1978.
Buildings and Roads Division Raisen	do	0.22	March 1971 to April 1972	0.08	0.14	Shortages came to notice as a result of check by the Executive Engineer in June 1975.
Buildings and Roads Division Damoh	Construction of residential quarters	0.28	April 1975	0.22	0.06	Inflated measurements came to notice when the contractor abandoned the work and fourth running bill was treated as final and measurements were checked in April 1975.

In the first two cases, the Assistant Engineer did not check measurements before payments. In the third case, though the Sub-Divisional Officer checked the measurements, the payments were made for sub-standard work at the agreement rates without any deduction. The measurements were not checked by the Executive Engineer in any of these cases.

In respect of the first case, the final bill of the contractor was pending, and in respect of other two cases, the department had addressed the revenue authorities for effecting recovery as arrears of land revenue. Further developments are awaited (January 1981).

The Government intimated (December 1978) that departmental enquiry was in progress in respect of the second case. The department intimated (June 1980) that explanations of the concerned Assistant Engineer and Sub-Engineer had been called for and was awaited in the other two cases.

GENERAL

4.9 (a) *Expenditure incurred without sanctioned estimate.*—A detailed estimate is required to be sanctioned and funds allotted before any new work is commenced or any liability incurred thereon. Rupees 32.76 crores were, however, spent upto 31st March 1980 in 56 divisions on 399 works without technical sanction (detailed estimates). Departmentwise analysis is given below :—

Department	No. of Divisions	No. of works	Expenditure
(1)	(2)	(3)	(4)
			(In crores of rupees)
Public Works (Buildings & Roads)	17	100	6.76
Irrigation]..	35	280	25.21
Public Health Engineering	4	19	0.79
Total	56	399	32.76

The following major works involving an outlay of over Rs. one crore each were taken up for execution without sanctioned estimates :—

	Actual expenditure upto March 1980	Years in which started
		(In lakhs of rupees)
1. Construction of Medical College at Jabalpur (Buildings & Roads Division II, Jabalpur)	2,42.59	1959-60
2. Construction of Kerwan Project (Irrigation Division, Bhopal)	1,55.59	1973-74

(b) *Expenditure incurred in excess of sanctioned estimates.*—According to rules, a revised estimate should be got sanctioned in case the expenditure on a work is likely to exceed the sanctioned estimate by more than 5 per cent. In 76 divisions, expenditure of Rs. 29.21 crores was incurred in excess of 5 per cent over the sanctioned estimates on 728 works without obtaining revised technical sanction. Department-wise analysis is given below :—

Department	Number of divisions	Number of works	Expenditure in excess of sanctioned estimates
(1)	(2)	(3)	(4)
			(In crores of rupees)
Public Works (Buildings and Roads)	25	316	10.21
Irrigation	43	339	18.36
Public Health Engineering	8	73	0.64
Total	76	728	29.21

In the undermentioned works, each costing more than Rs. one crore, the expenditure upto the 31st March 1980 exceeded the sanctioned estimates :—

Name of works	Sanctioned estimates	Actual expenditure	Percentage of excess over sanctioned estimates	Year in which excess first occurred
(1)	(2)	(3)	(4)	(5)
	(In lakhs of rupees)			
1. Construction of Heads of Departments building—North and South blocks (Construction Division No.III, Bhopal)	3,86.10	4,14.77	7.43	1979-80
2. Construction of Barna Project (Barna Canal Division, Bari)	12,97.46	14,71.97	13.45	1976-77
3. Construction of Halali Project (Irrigation Division, Bhopal)	40.71	1,24.31	2,05.35	1976-77

CHAPTER V
STORES AND STOCK

5.1 Non-receipt of accounts

According to Government instructions, annual consolidated accounts of stores and stock showing, *inter alia*, stock at the beginning of the year, receipts and issues during the year and balance at the end of the year are to be furnished to Audit by July every year by departments holding stores and stock. The annual consolidated accounts from the following departments for the years mentioned against each have not been received (January 1981):—

Serial number	Name of department	Nature of stores	Year for which accounts not received	Remarks
(1)	(2)	(3)	(4)	(5)
1.	Food	Grains	1972-73 to 1979-80	Accounts from 1968-69 to 1971-72 received but discrepancies remain to be reconciled.
2.	Dairy Development	Plant and machinery and miscellaneous stores	1974-75 to 1979-80	..
3.	Fisheries	Miscellaneous stores	1974-75 to 1979-80	..
4.	Agriculture—			
	(a) Grow More Food Scheme	Seeds, manures, fertilisers, culture and implements	1976-77 to 1979-80	..
	(b) Pesticides and Plant Protection Scheme	Ditto	1973-74 to 1979-80	..
	(c) Others	Live-stock, machines/ tools and implements, seeds, cattle feed, manures, fertilisers and miscellaneous stores	1975-76 to 1979-80	..

Serial number	Name of department	Nature of stores	Year for which accounts not received	Remarks
(1)	(2)	(3)	(4)	(5)
5.	Jails	Dietary articles, clothing and bedding	1976-77 to 1979-80	..
		Manufactory-Tools and plant, raw materials and finished goods	1976-77 to 1979-80	..
6.	Medical	Consumables-(medicines, bedding, clothing, minor instruments and D.D.T. powder)	1976-77 to 1979-80	Accounts for 1975-76 received but discrepancies remain to be reconciled.
		Non-consumables-(heavy plant and machinery, major instruments and vehicles)	Ditto	Ditto
7.	Forest	Timber and other products	1976-77 to 1979-80	..
		Instruments, plant and machinery, live-stock and other stores	Ditto	..
8.	Public Health	Consumables - (medicines, bedding, clothing, minor instruments and D. D.T. powder)	1977-78 to 1979-80	Accounts for 1975-76 and 1976-77 received but discrepancies remain to be reconciled.
		Non-consumables-(heavy plant and machinery, major instruments and vehicles)	Ditto	Ditto
9.	Veterinary (Animal Husbandry)	Stores and live-stock	1979-80	..
10.	Excise	Opium]	1979-80	Accounts from 1969-70 to 1978-79 received but certain subsidiary accounts awaited.
11.	Stationery and Printing	Consumable stores	1979-80	Accounts for 1978-79 received but consolidated accounts incorporating the figures of subordinate units is awaited from the Controller, Stationery and Printing, Bhopal.
12.	Revenue	Stamps (Awaited from Treasury Officers, Balaghat, Mandla, Seoni, Surguja, Tikamgarh, Indore, Ujjain, Sehore and Morena)	1979-80	Accounts from 1975-76 to 1978-79 received but certain discrepancies remain to be reconciled.

Non-preparation of accounts could result in shortages and even embezzlements going un-noticed for long periods.

5.2 Synopsis of important stores accounts

A synopsis of important stores accounts (excluding those relating to Government commercial and quasi-commercial departments/undertakings) to the extent received is given below:—

Department	Description of stores	Year of account	Opening balance on 1st April	Receipts	Issues	Closing balance on 31st March
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>(Rupees in lakhs)</i>						
<i>A—Public Works—</i>						
1. Irrigation (143 divisions)	Building materials, fuel, timber and other materials	1979-80]	5,97.43	13,16.75	11,56.05	7,58.13
2. Tawa Project (17 divisions)	Ditto	Ditto	1,94.36	1,83.28	2,67.30	1,10.34
3. Chambal Project (9 divisions)	Ditto	Ditto	1,00.67	84.46	81.78	1,03.35
4. Buildings and Roads (94 divisions)	Ditto	Ditto	4,14.25	22,30.48	23,25.34	3,19.39
5. Major Projects (66 divisions)	Ditto	Ditto	2,85.80	11,36.90	9,25.05	4,97.65
6. Tube wells (12 divisions)	Ditto	Ditto	(—)49.89	29.91	45.84	(—)65.82
7. Public Health Engineering (70 divisions)	Ditto	Ditto	2,30.58	13,91.79	10,95.16	5,27.21
<i>B—Civil—</i>						
1. Jails	Dietary articles, clothing and bedding	1974-75 to 1975-76	10.51	3,85.39	3,85.04	10.86
	Manufactory—Tools and plant, raw materials and finished goods	Ditto	11.65	56.06	43.25	24.46
2. Forest	Timber and other products	1973-74 to 1975-76	7,19.06	1,30,22.61	1,12,56.06	24,85.61

(A) Minus balance is due to non-adjustment of the value of stores received/issued and profits due to issue rates being higher than the procurement rates.

Department	Description of stores	Year of account	Opening balance on 1st April	Receipts	Issues	Closing balance on 31st March
(1)]	(2)]	(3)	(4)	(5)	(6)	(7)
				(Rupees in lakhs)		
2. Forest	Instruments, plant and machinery, live-stock and other stores	1973-74 to 1975-76	1,02.67	1,01.90	53.91	1,50.66
3. Veterinary (Animal Husbandry)	Stores and live-stock	1973-74 to 1978-79	(B) 2,65.40	10,60.21	9,71.89	3,53.72
4. Separate Revenue	Stamps	1974-75	18,69.49	5,96.58	8,11.22	(C) 16,54.85

5.3 Reserve limit of stock

Stores and stock accounts of 118 (Public Works: 19; Irrigation: 88; Public Health Engineering: 11), out of 411 divisions (Public Works: 94; Irrigation: 247; Public Health Engineering 70) received upto October 1980 in Audit showed that reserve limit of stock had not been fixed for 44 divisions (Public Works:13; Irrigation: 31). The value of stock held by these 44 divisions on 31st March 1980 was Rs. 2.62 crores.

While 16 divisions did not have stock of stores, in 14 divisions (Irrigation:10; Public Health Engineering: 4) out of the remaining 58 divisions for which reserve limit of stock had been prescribed, the value of stock held on 31st March 1980 (Rs.1.11 crores) exceeded the prescribed limit (Rs.0.74 crore) by Rs. 0.37 crore.

In the Forest Department, reserve limits of stock have not been fixed after 1967-68

5.4 Stock registers and stock verification

(i) Information received upto October 1980 from 118, out of 411 divisions disclosed that registers of stock for the year ending March 1980 had not been closed and reviewed in 69 divisions (Public Works: 16; Irrigation: 49; Public Health Engineering: 4).

(ii) The Financial rules require that the stock of stores should be verified, the reasons for shortages/excesses investigated and adjustments made promptly. According to the information furnished upto October 1980 by 118 divisions, the stock of stores had been verified partly in 3 divisions (Public Works: 1; Irrigation: 2) and had not been verified in 7 divisions (Irrigation: 6; Public Health Engineering: 1). The results of verification had not been intimated to Audit upto October 1980 by two other Public Works divisions in which verification had been done in part. Shortages totalling Rs. 1.46 lakhs in 8 divisions (Irrigation: 7; Public Works: 1) were awaiting investigation and adjustment at the end of October 1980.

(B) Differs from the closing balance shown in the Audit Report for 1973-74 by Rs. 0.60 lakh. This was attributed by the department to correction made as a result of reconciliation.

(C) Shortages aggregating Rs. 73.04 lakhs were noticed in 15 treasuries; the matter is under correspondence with the Treasury Officers. Excesses aggregating Rs. 58.76 lakhs were noticed in 12 other treasuries, the matter is under correspondence with the Treasury Officers.

5.5 Minus balances in stores and stock accounts

The stores and stock accounts of 6 divisions (Public Works: 3; Public Health Engineering: 1; Tubewell Construction Divisions: 2), as on 31st March 1980, had *minus* balances totalling Rs. 66.49 lakhs. Of these, the Tubewell Construction Division, Morena (now merged with the Tubewell Construction Division, Gwalior) and the Tubewell Construction Division III, Bhopal had *minus* balances of Rs. 31.52 lakhs and Rs. 20.31 lakhs respectively. The *minus* balances are indicative of non-adjustment of (i) value of materials received, (ii) profit due to issue rates being higher than the procurement rates or (iii) value of stock of material with sub-divisions transferred from one division to the other.

5.6 Surplus stores

Stores worth Rs. 4.21 lakhs, including H.T. steel of the value of Rs. 3.14 lakhs lying for over eight years with the Public Works (Buildings and Roads) Division I, Hoshangabad (Rs. 2.10 lakhs) and the National Highway Division, Obaidullaganj (Rs. 1.04 lakhs), declared surplus to requirement, were lying undisposed of in 9 divisions.

AGRICULTURE DEPARTMENT

5.7 Loss due to excess procurement of pesticides

It was noticed in Audit (August-September 1979) that pesticides (value: Rs. 4.87 lakhs as per details given in the table below) were lying in stock unutilised under the custody of the Deputy Director of Agriculture, Bilaspur :—

Serial number	Pesticide	Year of purchase	Quantity	Value
(1)	(2)	(3)	(4)	(5)
				(Rupees in lakhs)
1.	Diagionon	Prior to 1971-72	3.56 quintals	0.12
2.	Aluminium Phosphate	Ditto	1,917 litres	0.12
3.	Copper fungicide	Prior to 1972-73	16.01 quintals	0.22
4.	Stem-F-34	1973-74	32.6 litres	0.01
5.	Dimecron	1975-76	2,018.18 litres	2.68
6.	Nuvan	1975-76	500.8 litres	0.71
7.	D.D.V.P.	1975-76	371.02 litres	0.33
8.	Malathion	1975-76	765 litres	0.23
9.	Thiodon	1975-76	814 litres	0.45
			Total	4.87

The Deputy Director of Agriculture, Bilaspur stated (September 1979) that certain pesticides (value: Rs. 3.96 lakhs) could not be used as they had become unfit for use because of expiry of shelf-life, and that the remaining pesticides (value: Rs. 0.91 lakh) could be used though they had outlived their shelf-life.

The procurement of pesticides far in excess of requirement led to prolonged storage and ultimately resulted in a clear loss of Rs. 3.96 lakhs.

The matter was referred to the Director of Agriculture and the Government in March 1980. The Government stated (June 1980) that requirement of different pesticides for different areas was worked out on the basis of past experience after taking into account the carry over stocks and that advance arrangements had to be made for saving crops from possible pest attack and that efforts were being made to utilise the unused stocks (except aluminium phosphate which had become unserviceable due to leakage of gas) with higher dosage, wherever possible, on the basis of analysis reports.

HOME (JAILS) DEPARTMENT

5.8 Idle machines

The following machinery/equipment worth Rs. 5.72 lakhs were lying idle since the date of purchase for reasons given against each :—

Serial number	Particulars of machines	Year of purchase	Cost (Rupees in lakhs)	Reasons for machines lying idle
(1)	(2)	(3)	(4)	(5)
1.	Power looms	1977-78 1978-79	0.61 1.10	Want of accessories. Want of work-sheds and power connection for which proposals had been sent to the Inspector General of Prisons.
2.	Printing machines with accessories	1978-79	2.85	Want of power line, accessories and work-sheds for which proposals had been sent to the Inspector General of Prisons in May 1979.
3.	Various machines in 7 Jails	April 1978	1.16	Want of work-sheds/ power connection.

The matter was reported to Government in July 1979, January 1980 and May 1980; reply is awaited (January 1981).

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

5.9 Non-disposal of empty transfusion fluid bottles

According to the orders (May 1974) of the Drug Controller, the use of secondhand bottles by the manufacturers for refilling transfusion fluids was totally prohibited. Subsequently, in May 1975, the Drug Controller, modified his earlier orders and permitted refilling of old bottles subject to the condition that the manufacturers used only their own bottles and ensured absence of particulate matter in the transfusion fluids marketed by them. In November 1976, the Government issued instructions that empty transfusion fluid bottles lying in Government hospitals might be sold by auction, and for this purpose, the minimum sale price per bottle was fixed at Rs. 0.50.

The agreements for supply of transfusion fluid bottles entered into with the manufacturers by the Director of Health Services during 1977-78 to 1979-80 provided for return of empty bottles to the manufacturers at the rates ranging from 50 to 72 paise per bottle. A test-check of the accounts of four, out of six Medical College hospitals conducted (August 1979 and September 1980) by Audit, however, revealed that 6.76 lakh bottles (Gwalior: 2.68 lakhs; Indore: 1.70 lakhs; Jabalpur: 1.22 lakhs; Raipur: 1.16 lakhs) emptied during the years 1975-76 to 1979-80 were neither auctioned nor returned to the manufacturers. The value of the empty bottles at the minimum sale price/agreement rate worked out to Rs. 3.49 lakhs.

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

5.10 Loss due to non-disposal of exposed X-ray films

As per the instructions of the Director of Health Services, the exposed X-ray films, except those preserved for medico-legal cases, were to be sold as per the rate contracts entered into by the Director of Health Services from time to time. A test-check of the accounts of four, out of six Medical College hospitals conducted (August 1979 and September 1980), however, revealed that 7.44 thousand kilograms of exposed X-ray films (value: Rs. 1.91 lakhs) were not sold during 1975-76 to 1979-80.

No record was maintained by the Radiology Department of the hospitals to watch the return of the exposed X-ray films from the wards/other departments. According to the information furnished (August-September 1980) by the Superintendents of the hospitals, the unsold exposed X-ray films were not physically available in the hospitals except ten kilograms at Raipur. The non-disposal of exposed X-ray films, thus, resulted in a loss of Rs. 1.91 lakhs to the Government.

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

5.11 Extra expenditure on purchase of medicines

Quotations were invited (April 1979) by the Civil Surgeon, Bilaspur for supply of medicines during 1979-80. The Purchase Committee comprising the Civil Surgeon, the District Family Welfare--cum-Health Officer and the Anaesthetist Class I, Bilaspur approved the quotations on 25th July 1979. The District Family Welfare-cum-Health Officer, however, invited (August 1979) quotations separately for supply of medicines to his office during 1979-80 and these quotations were approved on 4th September 1979, by the same Purchase Committee.

During test-check by audit (April-June 1980) it was observed that the rates approved by the Purchase Committee for purchase by the District Family Welfare-cum-Health Officer in respect of the medicines common to the two sets of quotations were 200 to 300 per cent higher than those approved by the Committee for purchase by the Civil Surgeon. On this being pointed out (April-June 1980), the District Family Welfare-cum-Health Officer stated (June-July 1980) that separate quotations were invited by his predecessor, that till January 1980 he was not aware of the rates approved by the Purchase Committee on 25th July 1979 and that when the Civil Surgeon, Bilaspur invited fresh quotations in January 1980, the rates were higher than those approved on 25th July 1979. However, a comparison of the rates at which the purchases of medicines were made by the two offices during 1979-80 revealed that an extra expenditure of Rs. 0.73 lakh was incurred by the District Family Welfare-cum-Health Officer on purchase of 13 medicines (value: Rs. 2.30 lakhs) during the period from October 1979 to March 1980.

Thus, non-co-ordination of the purchases by the two offices of the same department at the same place caused the Government avoidable extra expenditure of Rs. 0.73 lakh.

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

REVENUE DEPARTMENT

5.12 Loss due to accumulation of stores

The local audit of the accounts of the Assistant Controller of Stationery and Text Books, Gwalior and Bhopal and the Deputy Controller, Regional Press, Indore conducted during 1977-78 and 1978-79 revealed that the financial rules regarding purchase of stores, their maintenance and disposal on their becoming unserviceable were not followed resulting in accumulation of stores worth Rs. 16.40 lakhs as detailed below :—

Particulars (1)	Value of stocks at			Total (5)
	Gwalior (2)	Bhopal (3)	Indore (4)	
	(Rupees in lakhs)			
Stationery articles	0.17	0.24	Nil	0.41
Books	3.41	11.74	0.84	15.99
Total	3.58	11.98	0.84	16.40

The following points were noticed in audit :—

(i) Articles worth Rs. 1.76 lakhs (stationery: Rs. 0.17 lakh and books: Rs. 1.59 lakhs) which had accumulated during 1962-63 to 1965-66 at Gwalior depot were declared unfit for use and their write off was recommended by a Condemnation Board (November 1977). The condemned articles were still lying in stock. The Department stated (October 1980) that the Government was being approached to accord sanction for write off and that the articles would be disposed off by auction.

(ii) Accumulation of books costing Rs.11.92 lakhs (Bhopal: Rs. 8.26 lakhs; Gwalior: Rs. 2.82 lakhs; Indore : Rs. 0.84 lakh) during the period 1955 to 1973 was ascribed to—

- (a) excessive acquisition of certain publications having rare sales;
- (b) the old books having become obsolete with the reprint of existing publications with amendments;
- (c) certain publications becoming obsolete due to passage of time and remaining unsold; and
- (d) supply being dependent on demand.

In respect of Bhopal depot, it was stated that action was being taken on the basis of recommendation of the Condemnation Board. As regards the Gwalior and Indore depots it was stated that the matter regarding condemnation, write off and further disposal of the stock was under correspondence with the Controller at Bhopal. The Controller, Printing and Stationery, Bhopal informed (October 1980) that publications at Indore Depot to the tune of Rs. 0.20 lakh out of Rs. 0.84 lakh had been condemned on 18th April 1980. As major portion of the stock at all the three depots comprised District Census Handbooks and District Gazetteers, both in English and Hindi, it would be premature to get them condemned because they were costly publications. He also stated that various departments got their publications printed without assessing corresponding sale potential, leading to huge accumulation of stock.

(iii) Books worth Rs. 2.48 lakhs being damaged/obsolete publications of the former M. P. and Bhopal regions had been lying in stock for long at Bhopal depot. It was intimated (July 1977) that a committee had been set up which was yet to meet (October 1980).

Thus, delay in taking prompt action to survey, segregate the obsolete stores and stock resulted in accumulation of idle inventory worth Rs. 16.40 lakhs. Further, the accounting for and the maintenance of such stores involved waste of labour and space as well.

The matter was brought to the notice of the Government (March 1980); their comments are awaited (January 1981).

CHAPTER VI

FINANCIAL ASSISTANCE TO AUTHORITIES AND BODIES

6.1 During 1979-80 Rs. 1,12,43.98 lakhs were paid as grants (14 per cent of the total revenue expenditure) to educational institutions, local bodies, etc., as shown below :—

	<i>(Rupees in lakhs)</i>
Educational institutions	17,50.70
Municipalities, local bodies, etc., on account of compensation for octroi duty abolished	24,88.97
Municipalities, local bodies, panchayats, etc., for other purposes	6,55.98
Co-operative societies	2,89.00
Khadi and Village Industries Board, Handicrafts Board, etc.	1,97.98
Religious, charitable and public institutions and voluntary bodies	2,48.66
Town Improvement Trusts and Housing Board	51.11
Others	55,61.58
Total	1,12,43.98

6.2 Receipt of utilisation certificates

The financial rules require that, where grants are given for specific purposes, the administrative authorities should furnish within a reasonable time certificates to Audit to the effect that the grants were utilised for the purpose for which they were paid.

Out of 35,873 certificates (Rs. 67,60.26 lakhs) to be furnished in respect of grants paid upto March 1979, 13,737 certificates (Rs.14,89.06 lakhs) were received, leaving 22,136 certificates (Rs. 52,71.20 lakhs) to be received from the following departments :—

Department (1)	Number of certificates awaited (2)	Amount (3) <i>(Rupees in lakhs)</i>
1. Education	973	9,17.27
2. Public Health Engineering	1,535	8,29.18
3. Agriculture	62	6,04.19
4. Co-operation	502	5,54.11
5. Tribal and Harijan Welfare	5,508	5,26.17
6. Commerce and Industry	119	4,64.50
7. Panchayat and Community Development	7,165	4,58.92
8. Local Government	1,483	3,19.17
9. Animal Husbandry	967	2,24.05
10. General Administration	987	1,14.78
11. Other Departments	2,835	2,58.86
Total ..	22,136	52,71.20

These certificates pertained to grants given in the following years :—

Year of payment of grant	Number of certificates awaited	Amount
(1)	(2)	(3) (Rupees in lakhs)
Upto 1974-75	3,093	3,64.91
1975-76	1,525	4,77.66
1976-77	2,827	7,21.26
1977-78	4,942	12,53.66
1978-79	9,749	24,53.71
Total ..	22,136	52,71.20

In the absence of these certificates, it is not possible for audit to know even in a general way whether the recipients have spent the grants for the purpose(s) for which these were given.

AGRICULTURE DEPARTMENT

6.3 Madhya Pradesh Rice Research Institute, Labhandi, Raipur

Madhya Pradesh Rice Research Institute, Labhandi, Raipur, a registered society, was established in August 1976. The aims and objects of the society were, *inter-alia*, (a) to conduct research on fundamental and applied aspects in all disciplines of rice culture with a view to devising ways and means for optimising per hectare yields, (b) to collect and preserve the original rice germ plasm and enrich it by creating variability, (c) to evolve multiple cropping patterns for paddy lands with paddy crops as a base, (d) to initiate research towards establishing agro-industries connected with rice plant and its by-products, and (e) to work on mechanising rice cultivation and processing technology.

The institute was placed under the control of Jawaharlal Nehru Krishi Vishwa Vidyalaya, Jabalpur, from 1st October 1979.

A test-check of the accounts of institute from its inception to 30th September 1979 conducted in February 1980 revealed the following :—

Finance, Accounts and Audit

(i) The institute was mainly financed by grants from the State Government. The receipts and payments of the institute during the period August 1976 to September 1979 were as under :—

(1)	August 1976 to March 1977 (2)	1977-78 (3)	1978-79 (4)	April 1979 to September 1979 (5)
	(In lakhs of rupees)			
Receipts—				
Opening balance	..	1.43	9.11	4.85
Grants from State Government	5.00	17.58	8.00	..
Receipts from Research Farms	0.16	1.64	2.78	0.82
Total ..	5.16	20.65	19.89	5.67
Payments—				
Expenditure incurred	3.73	11.54	15.04	5.27
Closing balance	1.43	9.11	4.85	0.40
Amount of unutilised grant	1.27	7.31	0.27	..

(ii) During 1976-77 to 1978-79, the State Government paid to the institute grants totalling Rs. 30.58 lakhs without specifying the terms and conditions of the grants. The purpose of the grant was also indicated only in the case of the grant of Rs. 5 lakhs in 1976-77 and another grant of Rs. 5 lakhs in 1978-79. No specific approval for utilisation of unutilised grants in subsequent years was sought or given.

(iii) Accounts of the institute for the years 1976-77 and 1977-78 were audited by a local firm of Chartered Accountants, but the audit report for the year 1977-78 was awaited (February 1980). The auditor's report for the year 1976-77, pointed out that the assets received by the institute by transfer from the State Agriculture Department and the Jawaharlal Nehru Krishi Vishwa Vidyalaya were not included in the Balance Sheet. The accounts for the years 1978-79 and 1979-80 (upto 30th September 1979) have not been audited yet by the Chartered Accountant (February 1980) and hence utilisation certificates in respect of the grants paid by the State Government during these years are awaited.

Working of the Institute—

(iv) The institute experienced shortage of scientific personnel. The first Executive Director, who was appointed on 12th November 1976, retired on 30th June 1978. Thereafter, the post was not filled up and the Director, Research Services, Jawaharlal Nehru Krishi Vishwa Vidyalaya, Jabalpur, held additional charge of the Director of the Institute. All the seven posts of senior scientists (Heads of divisions) remained vacant throughout the period covered by audit. Out of 13 posts of scientists, only one was filled up in November 1976, but the incumbent worked as Officer on Special Duty for looking after day to day administration of the Institute because the Secretary was not appointed. At the junior level of scientific personnel, the posts were filled up to the extent of about twenty-five per cent in each division.

The institute, collected during November 1976 to September 1979 8,900 rice germ plasm and preserved the same in their original form at the rice germ plasm laboratory. From these collections, 500 improved varieties were selected and multiplied at the rice germ plasm centre, Baronda. On 30th September 1979, the laboratory had 19,279 original/ectype and 1600 Barondi series germ plasm which could be utilised in breeding work for developing new versions of both common and reputed rice varieties. The Director of the Institute stated (February 1980) that no significant achievements could be made during the period of 2-3 years as facilities for fundamental research could be created only to a limited extent during this period. The work done by the Institute was mostly of applied nature and some technical papers about cropping pattern were published. In regard to establishing agro-industries and mechanising rice cultivation, no work was done except some experiments on making 'Poha' as no full-fledged departments were established for the purpose.

(v) The Institute was transferred to the control of the Jawaharlal Nehru Krishi Vishwa Vidyalaya from 1st October 1979. The terms and conditions of transfer are yet to be finalised (January 1981).

Thus even though a sum of Rs. 35.58 lakhs has been spent till September 1979, the aims and objects of the institute are yet to be achieved.

The matter was reported to the Government and the Institute in July 1980; their replies are awaited (January 1981).

6.4 Subsidies for minor irrigation

With a view to giving a boost to minor irrigation by tapping sub-soil water, the State Government decided (April 1979) to pay subsidy for construction of new wells, repair of old wells and installation of diesel/electric pumps and rahats to the farmers having land holdings

upto 4 hectares who obtained loan for the purpose from credit institutions like banks on or after 26th January 1979. The amount of subsidy payable at a prescribed percentage of actual expenditure varied according to the purpose of grant, class of farmers and area of land holdings subject to certain conditions and ceilings. The subsidy was to be paid by the Deputy Directors of Agriculture to the banks in instalments in proportion to the amount of loan released by them from time to time. The banks were to credit the amount of subsidy to the accounts of the loanees concerned.

2. A test-check of the records relating to the sanctions for subsidies conducted (April to July 1980) by Audit in the offices of the Director of Agriculture and Deputy Directors of Agriculture of 24 districts revealed the following :—

(i) As against the provision of Rs. 16,49.66 lakhs under the scheme during 1979-80, the Director of Agriculture made a total allotment of Rs. 16,52.11 lakhs (Rs. 10,87.25 lakhs for the 24 districts) to his subordinate formations; the actual expenditure incurred during the year was, however, Rs. 16,84.40 lakhs (Rs. 10,42.49 lakhs for the 24 districts). In 6 districts out of the 24 districts covered by test-check, the expenditure exceeded the allotment by Rs. 15.33 lakhs.

(ii) No procedure regarding maintenance of records relating to subsidies and for watching the utilisation thereof by the Deputy Director of Agriculture was prescribed either by the Government or the Director of Agriculture with the result that records were not maintained in a uniform manner. In Bilaspur, Chhatarpur, Mandasaur, Parna and Sidhi, even registers showing the details of the amounts of subsidies sanctioned were not maintained by the concerned Deputy Directors of Agriculture. A draft working plan laying down the procedure for dug wells was prepared by the Directorate of Agriculture in November 1979, but the same had not been approved (July 1980).

(iii) Prior to November 1979, the subsidy was paid by the Deputy Director of Agriculture to the banks on receipt of the demand statements from the banks showing, *inter-alia*, names of the loanees, their holdings, purpose of the loans, amount of the loan released and the amount of the subsidy admissible. In November 1979, the Government ordered that in order to avoid delay in payment of the subsidy to the banks, the Deputy Directors of Agriculture may assess, twice in a year, the amount of subsidy which would be payable during the next six months and deposit, in advance, 50 per cent of the assessed amount with the banks. On receipt of the detailed accounts from the banks, the advances were to be adjusted, accounts of the subsidy squared and fresh advances given for next six months keeping in view the targets and the unutilised amounts, if any, with the banks. In six districts, however, assessed amounts totalling Rs. 1,35.80 lakhs were paid fully in advance to banks resulting in excessive advances to the tune of Rs. 67.90 lakhs (Chhatarpur : Rs. 22.97 lakhs; Dewas : Rs. 16.75 lakhs; Guna : Rs. 9.84 lakhs; Ujjain : Rs. 9.30 lakhs; Bhopal : Rs. 6.63 lakhs; Bilaspur : Rs. 2.41 lakhs) and unintended benefit to the banks who could utilise the amounts in their business till credits were afforded to the loanees' accounts. These payments were made mostly (Rs. 1,06.62 lakhs) in March 1980. It was stated by the Deputy Directors of Agriculture that the assessed amounts were paid in full in advance to avoid lapse of funds.

(iv) Out of subsidy of Rs. 10,42.49 lakhs reported to have been paid upto 31st March 1980 in 24 districts covered by test-check, Rs. 6,98.74 lakhs were deposited with banks in 19 districts as advance subsidy. In 13 of these districts where the amounts advanced totalled Rs. 5,17.53 lakhs, adjustment of the advance subsidy against the actual financing by the banks was either not done or no information was available with the concerned Deputy Directors of Agriculture (Bhopal, Bilaspur, Chhatarpur, Dewas, Guna, Jabalpur, Khandwa, Kargone, Mandla, Mandasaur, Narsinghpur, Raipur and Ratlam). In the remaining 6 districts, Rs. 47.70 lakhs were reported (May 1980 to July 1980) to have been adjusted against the advance of Rs. 1,81.21 lakhs.

In Chhindwara, Rs. 20.16 lakhs drawn during November 1979 to March 1980 as subsidy under the scheme were kept in various banks in saving bank accounts in the name of the Deputy Director of Agriculture; Rs 8.64 lakhs were withdrawn from these accounts and paid to the banks upto May 1980 as subsidy against specific cases financed by the banks.

(v) Subsidies for construction/repair of wells and installation of pumps/*rahats* were paid in certain districts/blocks by the Government of India also through the Small Farmer's Development Agency and under Integrated Rural Development Programme. In the scheme launched by the State Government, it was stipulated that where subsidies were payable under the Central Schemes, the payment under the State Scheme should be restricted to the difference between the amount admissible thereunder and that payable by the Government of India. On 7th November 1979, the State Government instructed that the entire amount of the subsidy admissible under the scheme may be paid initially from the funds of the State Government and the amount payable by the Government of India got reimbursed from the agencies by the Deputy Directors of Agriculture. It was observed in test-check that prior to 7th November 1979, the amount payable by the Government of India was either not taken into account or was short credited in 234 cases in 6 districts resulting in excess payment of subsidy from the State funds to the tune of Rs. 2.08 lakhs. In respect of the subsidies paid/adjusted against advances after 7th November 1979, no action was taken by the Deputy Directors of Agriculture in 11 districts to obtain from the Government of India reimbursement of the subsidy in 1716 cases totalling Rs. 16.31 lakhs.

It was stated (April to July 1980) by the Deputy Directors of Agriculture that the matter would be taken up with the concerned agencies to get the refunds/reimbursements.

(vi) Scrutiny of the statements received from the banks on the basis of which the advance/ final payments of the subsidies were made by the Deputy Directors of Agriculture revealed the following:—

(a) excess payments to the tune of Rs. 4.45 lakhs were made in 227 cases in 13 districts due to irregular sanctions to the subsidies as detailed below:—

Nature of excess payment	Number of		Amount (In lakhs of rupees)
	Districts	Cases	
(1) Arithmetical errors in computing the amounts of subsidies	3	4	2.28
(2) Subsidies paid in excess of prescribed percentages ..	9	85	0.94
(3) Subsidies paid on the basis of loan amounts sanctioned by banks which were more than the prescribed maximum unit costs	11	127	0.78
(4) Subsidies paid to the same farmers twice over for the same purpose	3	11	0.45
	Total ..	227	4.45

The Deputy Directors of Agriculture agreed (April to July 1980) to recover the excess payments from the banks concerned.

(b) In 564 cases, subsidies to the tune of Rs. 7.72 lakhs were sanctioned to the farmers having land holdings above 4 hectares but upto 10 hectares to whom loans were sanctioned by the banks prior to 12th February 1980 (on which date the Government extended the scheme to this group of farmers); these included 69 cases in which Rs. 0.39 lakhs were sanctioned for repair of wells/installation of persian wheels, the subsidies for which were not admissible under the extended scheme. Even though subsidy was not admissible for repairs of wells or

installation of persian wheels, subsidies to the extent of Rs. 0.40 lakh for this purpose were sanctioned by the banks in 67 cases in six districts after 12th February 1980 under the extended scheme.

(c) In certain cases, the statements received from banks as well as the sanctions issued by the Deputy Directors of Agriculture did not contain such essential details as holdings of the beneficiaries, dates of sanction/release of the loans by the banks, irrigation capacity and location of the wells (where subsidies were sanctioned for pumps only). In the absence of these details admissibility of the subsidies and correctness of the amounts sanctioned in each case could not be verified in audit.

(vii) Information about physical achievements under the scheme was not available in 8 districts, viz., Chhatarpur, Dewas, Guna, Hoshangabad, Jabalpur, Mandla, Narsinghpur and Shajapur as the same was reportedly awaited from the banks. In the remaining 16 districts, the position of targets, physical achievements, physical verification by Agriculture Extension Officers, sample checking by the Deputy Directors of Agriculture and receipt of the utilisation certificates from the banks upto 31st March 1980 was stated to be as under:—

Particulars	Construc- tion of new wells	Repairs of existing wells	Installation of		
			Diesel pumps	Electric pumps	Persian wheels
(1)	(2)	(3)	(4)	(5)	(6)
Targets	25,959	6,937	7,985	14,986	555
Physical achievements ..	11,536	4,417	5,615	9,447	315
Physical verification by Agriculture Extension Officers	490	93	301	670	Nil
Sample checking by Deputy Directors of Agriculture	234	26	51	95	Nil
Receipt of utilisation certificates	134	18	10	59	Nil

(viii) Physical verification by the Agriculture Extension Officers and/or sample checking by the Deputy Directors of Agriculture as required by Government orders of November 1979 was reported to have been done only in Bhopal, Indore, Panna, Raipur and Satna districts. In Mandla district, while information about the physical achievements was reportedly awaited from the banks, sample-checking of the work was reported to have been done by the Deputy Director of Agriculture in a number of cases. Utilisation certificates for Rs. 6.56 lakhs out of subsidy of Rs. 10,42.49 lakhs released upto March 1980 were received only at Indore (Rs. 2.10 lakhs), Raipur (Rs. 2.75 lakhs) and Ujjain (Rs. 1.71 lakhs). At Ujjain, where neither physical verification nor sample-checking was done by the Agriculture Extension Officers and the Deputy Director of Agriculture, respectively, scrutiny of the utilisation certificates revealed that in 81 cases involving a subsidy of Rs. 1.42 lakhs, the wells constructed were below the specifications prescribed by the Agricultural Refinancing and Development Corporation as required under the scheme.

3. *Summing up.*—(i) Detailed procedure regarding maintenance of records and adjustment of advance of subsidies was not laid down. In 5 districts, even registers showing details of amounts of subsidies sanctioned were not maintained. In certain cases, the subsidies were sanctioned without having such essential details as holdings of the beneficiaries, dates of sanction/release of loans by banks, irrigation capacity and location of the wells.

(ii) The expenditure incurred under the scheme after October 1979 was mostly by way of advances to the banks representing 50 per cent of the amount of subsidy assessed as payable during the next six months. In six districts, assessed amounts were paid in full in advance

mostly in March 1980 to avoid lapse of funds which resulted in excessive advances to the tune of Rs. 67.90 lakhs.

(iii) Information about actual utilisation of subsidies was not available with the Deputy Directors of Agriculture in most of the cases. In 13 districts, adjustment of the advance subsidy of Rs. 5,17.53 lakhs against actual financing by the banks was not done.

(iv) In Chhindwara, Rs. 11.52 lakhs drawn as subsidy were kept in the banks in the name of the Deputy Director of Agriculture.

(v) Subsidies aggregating Rs. 2.08 lakhs were paid in excess from the State Funds in 234 cases in 6 districts as subsidy payable by the Government of India in these cases was either not taken into account or was short credited.

(vi) No action had been taken to get reimbursement of subsidies aggregating Rs. 16.31 lakhs paid on behalf of Government of India in 1,716 cases in 11 districts.

(vii) Subsidies amounting to Rs. 4.45 lakhs were paid in excess of the admissible amounts in 227 cases in 13 districts.

(viii) Inadmissible subsidies totalling Rs. 8.12 lakhs were paid in 631 cases in 7 districts.

(ix) Instructions of the Government as to physical verification and sample checking of the works were not followed in most of the districts.

(x) Information about physical achievements was not available in eight districts, and in remaining 16 districts test-checked, achievements fell short of targets to a noticeable extent.

The matters mentioned above were referred to Government in August 1980; reply is awaited (January 1981).

CO-OPERATION DEPARTMENT

6.5 Financial assistance for establishment of cold storage units in Co-operative Sector

1. *Introductory.*—With a view to providing storage facility for potato and thereby ensuring proper return for the crop to the growers, the State Government, in collaboration with the National Co-operative Development Corporation (hereinafter referred to as the Corporation), provides financial assistance to co-operative societies for establishment of cold storage units in major potato growing areas on the basis of project reports submitted by the latter after they are technically and administratively approved by the Corporation. Financial assistance is provided by the State Government according to the following pattern:—

Loan—Seventy per cent of the block cost.

Share capital—Fifteen per cent of the block cost.

The remaining fifteen per cent is to be found by the society either from its own disposable resources or by raising additional share capital provided that share capital from the members is not less than seven and half per cent. Seventy per cent of the block cost which is initially paid by the State Government as loan to the co-operative society is later reimbursed as loan by the Corporation to the State Government.

2. *Financial assistance.*—During 1965-66 to 1979-80, financial assistance of Rs. 1,88.17 lakhs (Loan : Rs. 1,58.90 lakhs; Share capital: Rs. 29.27 lakhs) was given by the Government to 12 co-operative societies in 7 districts (six in Indore and one each in Sagar, Chhindwara, Bind, Bhopal, Sehore and Vidisha) for establishing cold storage units with total installed capacity of 31,250 tonnes (inclusive of additional capacity of 8,250 tonnes).

3. *Test-check in audit.*—A test-check of the records relating to the grant of financial assistance for establishing cold storage units available in the offices of the Registrar of Co-operative Societies, four Deputy Registrars of Co-operative Societies and three Assistant

Registrars of Co-operative Societies, under whose administrative jurisdictions the co-operative societies function was conducted during February to May 1980. Points noticed in test-check are mentioned below:—

(i) *Commissioning of units.*—By March 1975, five societies at Rau (Capacity: 1,000 plus additional 2,000 tonnes), Sagar (1,000 tonnes), Tillorekhurd (2,000 tonnes), Gauli-Palasia (3,000 tonnes) and Indore (2,000 tonnes), to whom financial assistance of Rs. 48.65 lakhs (Loan : Rs. 41.94 lakhs and Share Capital: Rs. 6.71 lakhs) was paid had commissioned the cold storage units.

One Additional unit at Tillorekhurd and one new unit at Vidisha were due to be commissioned by June 1980 and February 1981 only. The position regarding installation of new/additional capacity in the remaining units along with the reasons for delay in commissioning is indicated below :—

Location of unit	Capacity in tonnes (New/ Additional unit)	Year of release of financial assistance	Amount of financial assistance	Commissioning		Reasons for delay in commissioning
				Stipulated date	Actual date	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(Tonnes)	(Rupees in lakhs)				
Chhindwara	2,000 (New)	1972-73 1974-75 1978-79	4.00 5.48 6.23	March 1975	April 1976	Delay in release of financial assistance.
Mhow (Indore)	2,000 (New)	1973-74 1975-76	5.37 6.18	June 1976	February 1977	
Mehgaon (Bhind)	2,000 (New)	1976-77 1977-78	5.10 11.43	March 1978	May 1979	Delay in construction of Civil works, erection of machinery and obtaining power connections.
Bhopal	2,000 (New)	1975-76 1977-78	6.15 10.32	March 1978	May 1979	
Sehore	2,000 (New)	1976-77 1978-79	5.10 11.46	March 1978	Not commissioned.		Delay in acquisition of land and change in the design of plant due to non-availability of structural steel.
Devi Ahilya (Indore)	1,250 (Additional)	1977-78	6.63	June 1979	do.	
Gauli-Palasia (Indore)	2,000 (Additional)	1977-78	12.42	June 1979	do.	Delay in approving tenders and appointment of consulting engineers by District Construction Committee.
Kodaria (Indore)	2,000 (New)	1977-78	11.69	December 1979	do.	
Sagar	1,000 (Additional)	1979-80	8.50	December 1979	do.		Want of technical approval from the Corporation,

(ii) *Utilisation of capacity.*—Of the seventeen cold storage units (New : 12; additional: 5) for the setting up of which financial assistance was given to twelve Co-operative Societies, seven units (New : 3; additional : 4) had not been commissioned (March 1980). The position regarding utilisation of capacity in the ten units functioning is indicated below :—

Location of unit (New/additional unit)	Month of commissioning	Installed capacity	Average yearly uti- lisation of capacity since the year of commis- sioning
(1)	(2)	(3)	(4)
		(In tonnes)	
Rau	(New) March 1968	1,000	1,170
Rau	(Addl.) May 1974	2,000	2,106
Sagar	(New) May 1968	1,000	970
Gauli-Palasia	(New) April 1972	3,000	3,159
Tillorekhurd	(New) February 1972	2,000	1,953
Devi Ahilya	(New) March 1975	2,000	1,919
Chhindwara	(New) April 1976	2,000	683
Mhow	(New) February 1977	2,000	831
Mehgaon	(New) May 1979	2,000	65
Bhopal	(New) May 1979	2,000	520

While six units (in Indore district and the unit at Sagar) had utilised the installed capacity more or less fully, the four units at Chhindwara, Mhow, Mehgaon and Bhopal could not utilise fully their installed capacity ever since their commissioning.

Due to use of sub-standard materials and defects in the civil works at the units at Mhow and Chhindwara, one chamber (of 1,000 tonnes capacity) out of the two chambers in each of these units collapsed in February 1977 and March 1977 respectively. While departmental investigations to fix responsibility for the loss suffered by the society at Mhow were reported to be in progress (March 1980), the society at Chhindwara had filed a civil suit against the contractor claiming Rs. 2.40 lakhs as damages.

Under-utilisation of the capacity of the units at Mehgaon and Bhopal was reported to be on account of failure of potato crop due to drought during 1979-80. According to the report of the Committee on Agro-Industries in Madhya Pradesh (1979), the average annual production of potato in Bhopal district during the years 1975 to 1978 was only 400 tonnes and one cold storage unit of 2,000 tonnes capacity existed there in the private sector. The Deputy Registrar, Co-operative Societies, Bhopal admitted (March 1980) that the new unit at Bhopal in the sector was facing competition with the existing unit and stated that the Agriculture Department was being requested to get the cultivators motivated for potato production in future and that, in the meanwhile, steps were being taken to get other things, such as, eggs, fruits, milk-powder, cheese, curd, etc., for cold storage.

The cold storage units under construction at Sehore (Block costs: Rs. 19.48 lakhs; capacity : 2,000 tonnes) and Vidisha (Block cost : Rs. 19 lakhs; capacity : 2,000 tonnes) were also likely to face the problem of under-utilisation of the capacity because, according to the report of the Committee on Agro-Industries referred to above, the average annual potato production in these districts, was 1,100 and 900 tonnes respectively and by 1982-83, the availability of potato for cold storage would be 500 to 600 tonnes per year at each of these places.

(iii) *Economic viability.*—One of the conditions attached to the grant of financial assistance was that the co-operative societies would maintain separate accounts in respect of working of the cold storage units. It was found that this was not being done by any of the nine societies who had commissioned the units. A scrutiny of the figures of the revenue receipts and expenditure relating to the cold storage units for the co-operative years 1974-75 to 1978-79 showed that the two units at Rau and Indore had average annual surplus of Rs. 1.73 lakhs and Rs. 1.69 lakhs respectively; the unit at Mhow showed average annual surplus of Rs. 0.46 lakh but it had not charged, in its accounts, depreciation on fixed assets. The remaining six units at Tillorekhurd, Gauli-Palasia, Sagar, Chhindwara, Mehgaon and Bhopal were running in loss, the average annual loss ranging between Rs. 0.10 lakh and Rs. 1.31 lakhs.

The Deputy Registrar, Co-operative Societies, Sagar, stated (May 1980) that the unit there (average annual loss Rs. 0.10 lakh) had a capacity of 1,000 tonnes (as against the normal capacity of 2,000 tonnes) and the same was not economically viable. The deficit at Chhindwara, Mehgaon and Bhopal was mainly due to under-utilisation of the installed capacity. The exact reasons for the deficit in the units at Gauli-Palasia and Tillorekhurd were not intimated.

(iv) *Repayment of loans.*—The co-operative societies were to repay the loan along with interest in 14 equal instalments commencing from the second anniversary of the payment of loan, the first instalment being on account of interest alone. In case of default, penal interest was recoverable at the rate of 2½ per cent per annum on the amount of the overdue instalments. According to the information supplied by the Deputy/Assistant Registrars, Co-operative Societies, the amounts of overdue principal and interest as on 31st March 1980 were Rs. 11.15 lakhs and Rs. 13.54 lakhs respectively. The penal interest was neither worked out by the department nor paid by the societies. Weak financial position of the societies was stated to be the reason for non-payment of the dues.

To sum up, financial assistance was released to the societies much before they had completed preliminaries for undertaking civil works for installation of the plants. At some places defective civil works resulted in collapse of the chambers. Except the four units in Indore district and the lone unit in Sagar district, the other units could not utilise their installed capacity. The potato production in Bhopal, Sehore and Vidisha districts was not sufficient to feed the cold storage units. Most of the units were running in deficit and the societies were not in a position to pay back the loans provided by the Government.

The above matters were reported to Government in May 1980; their reply is awaited (January 1981).

6.6 Co-operative Institutions

1. (a) *Investment in share capital.*—The position regarding total number of societies in the State registered under the Madhya Pradesh Co-operative Societies Act, 1960 as on 30th June 1978/1979/1980, their total paid-up capital, the number of societies in the share capital of which the Government had participated and the amount of investment is indicated below:—

As on June 30th	Societies registered		Societies with Government investments	
	Number	Paid-up capital	Number	Amount
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		(Rupees in lakhs)
1978	13,852	99,79.57	8,914	44,43.96
1979	10,653	1,05,45.61	10,146	47,26.63
1980	Not available		11,216	53,43.36

(b) *Financial assistance.*—The financial assistance granted to the institutions in various forms during the three years ending on 30th June 1980 is indicated below :—

Year	Share Capital		Assistance granted in the form of			
	Number of societies	Amount	Subsidy		Loan	
			Number of societies	Amount	Number of societies	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		<i>(Rupees in lakhs)</i>		<i>(Rupees in lakhs)</i>		<i>(Rupees in lakhs)</i>
1977-78	1,949	6,50.74	3,457	1,66.72	618	3,38.88
1978-79	1,232	2,82.67	3,731	2,39.46	425	6,83.69
1979-80	1,070	6,16.73	1,883	2,69.26	115	3,34.92

During 1977-78 and 1978-79, 2,006 and 1,891 societies having Government investments incurred losses of Rs. 5,86.51 lakhs and Rs. 4,21.98 lakhs respectively.

2. *Dividends.*—The table given below indicates the details of dividends received and percentage of return on total investment during the three years ending on 30th June 1980:—

Year	Amount of dividend received	Total investment at the end of the year	Percentage of return on investment
(1)	(2)	(3)	(4)
		<i>(Rupees in lakhs)</i>	
1977-78	8.89	44,43.96	0.20
1978-79	5.67	47,26.63	0.12
1979-80	4.85	53,43.36	0.09

3. *Debentures.*—The Government has invested in the debenture of one co-operative institution *viz.*, the Madhya Pradesh State Co-operative Land Development Bank Limited and interest received during the three years ending on 30th June 1980 is indicated below :—

Year	Investment in debentures			
	Investment at the beginning of the year	Investment during the year	Interest for the year	Percentage of return @
	(2)	(3)	(4)	(5)
				<i>(Rupees in lakhs)</i>
1977-78	14,84.36	1,59.07	81.17	5.2
1978-79	16,43.43	71.51	88.91	5.3
1979-80	17,14.94	1,22.78	46.23	2.6

4. *Guarantees.*—The Government has also guaranteed repayment of loans by 9 Co-operative Societies to the extent of Rs. 8,74.73 crores upto March 1980, out of which Rs. 1,73.63 crores were, according to the information furnished by the Registrar, Co-operative Societies, outstanding as on 31st March 1980.

5. *Audit fees.*—Audit fee for the period to the end of 1977-78 due to the Government from Co-operative Societies was in arrears (September 1980) to the extent of Rs. 1.07 lakhs.

@ This has been worked out on the investment at the beginning of the year plus $\frac{1}{2}$ of the investment during the year.

HOUSING AND ENVIRONMENT DEPARTMENT

6.7 Madhya Pradesh Housing Board

The audit of the accounts of the Madhya Pradesh Housing Board (hereinafter referred to as the Board), which was in arrears since 1972-73, was entrusted (September 1978) to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. In September 1978, the final accounts of the Board upto the year 1975-76 were prepared. Subsequently the accounts for the year 1976-77 were also prepared (July 1980). The accounts of the Board are in arrears leading to delay in the audit and certification of the accounts of the Board.

Important points noticed as a result of audit of the accounts of some of the units of the Board are set out in succeeding paragraphs.

2. Construction of a Shopping Complex at Bhopal :

Construction of a Shopping Complex (comprising two shopping blocks, two office blocks, sixty four multistoreyed residential flats and other miscellaneous works) at Roshanpura, Bhopal was administratively approved (April 1973) for Rs. 98.33 lakhs. Two extra office blocks 'A' and 'B' (estimated cost : Rs. 20 lakhs) were added to the complex in 1975 by reducing the number of the residential flats from 64 to 32. The work was completed at a cost of Rs. 1,15.33 lakhs in 1977-78. Scrutiny in audit (August to December 1979) of the expenditure incurred on these works disclosed the undermentioned cases of irregular/excess payments and infructuous expenditure :—

(i) Extra payment of Rs. 1.25 lakhs due to non-recovery of the cost of cement from the contractor at the current issue rate :—

The works of Northern and Southern shopping blocks were awarded (May and October 1973) to a contractor at 32.29 and 23.70 per cent respectively above the Current Schedule of Rates (C.S.R.). Five more works were awarded (February to August 1975) without calling tenders to the same contractor at negotiated rates, 47.29 per cent above C.S.R. in 3 cases and 49.29 per cent above C.S.R. in 2 cases keeping in view the current trend of tenders received for other works at that time which provided a recovery rate of Rs. 22 per bag of cement issued. However, in four out of the five additional works, recovery on account of cement was effected at the rate of Rs. 13.25 per bag only, a rate specified in the agreement for the works awarded in May and October 1973. Consequently, excess payment of Rs. 1.25 lakhs, representing differential cost of 14,314 bags at the rate of Rs. 8.75 per bag was made to the contractor. Reasons for not providing recovery at current rate in four cases were not specified (August 1980) by the Housing Commissioner.

(ii) Infructuous expenditure of Rs. 1.30 lakhs on water proofing treatment :—

Water proofing treatment to cement concrete roofs of the buildings constructed by the Board is normally done by adding water proof compound to the concrete of terrace slabs and providing 13 to 20 millimetres thick water proofing plaster to the slabs. Payment for this work is made as per CSR and 20 per cent of the cost is normally withheld pending testing of the roof for two consecutive rainy seasons and defects, if any, are to be removed by the contractor at his cost.

The agreements for the works of the shopping complex provided for conventional water proofing treatment to the cement concrete roofs of the buildings. The drawings of these buildings supplied by the Architect before laying the roof provided for Tar Felt water proofing treatment of 25 millimetres thick Shaltex or equivalent compressible board and by issuing a suitable deviation order under clause 13 of the agreements, water proofing treatment as per the drawings given by the architect could have been got done but

conventional type of water proofing was allowed to be done by the contractor and payments totalling Rs. 1.30 lakhs were made for this work without testing the roofs in two consecutive rainy seasons. Further, within 6 to 15 months of the laying of roofs, special type of water proofing as provided by the Architect was also got done through other agencies at a cost of Rs. 1.35 lakhs. Thus, the expenditure of Rs. 1.30 lakhs incurred on the conventional type of water proofing was rendered infructuous.

(iii) Extra expenditure of Rs. 1.11 lakhs due to non-supply of steel by the Board :—

According to the agreements entered into with the contractor for construction of (a) Northern shopping and eastern office blocks and (b) Extra Office block 'A', steel to the extent available was to be supplied by the Board and its cost debited directly to the works, the contractor being entitled to payment for labour only at the current schedule of rates with due percentage. For the remaining quantity of steel arranged by the contractor, the Schedule rate for completed item of reinforcement with due percentage was to be paid. Though steel to the extent indicated in the table below was available in stock with the concerned division of the Board, it was not supplied to the contractor who was allowed to use his own steel resulting in avoidable extra expenditure of Rs. 1.11 lakhs to the Board as detailed below :—

Name of work	Quantity of steel available with the Division but not to the contractor	Payment made to the contractor at the rate for completed item of reinforcement	Cost of work if steel had been supplied by the division and only labour rate paid to the contractor	Extra cost
(1)	(2) (In tonnes)	(3)	(4) (In lakhs of rupees)	(5)
Northern shopping and eastern office blocks.	50.00	1.44	1.03*	0.41
Extra office block 'A'	89.36	2.88	2.18*	0.70
Total ..	1,39.36	4.32	3.21	1.11

The tender documents approved by the Housing Commissioner for issue to the prospective tenderers for construction of Southern shopping and Western office block contained, *inter-alia* the following clauses:

Clause 22—A.

"Steel will be supplied by the Board to the extent available and labour rate paid. For steel procured by the contractor, payment will be made for completed items".

Clause 22-B.

"Iron and steel to the extent available will be supplied by the Board and their cost debited directly to the work and labour rate will be paid in respect of quantity of iron and steel supplied by the Board. For remaining quantity arranged by the contractor, payment for completed items of works involving use of iron and steel will be made as per the current schedule of rates plus tendered percentage on labour rate only."

Payments for the situations envisaged in clause 22-A were to be regulated as per clause 22-B which restricted payment of tendered percentage to labour component of the rate for reinforcement in case of procurement of iron and steel by the contractor.

*Includes cost of steel at issue rate plus labour charges payable as per the tender.

Clause 22-B was, however, deleted by the Executive Engineer from the tender of the successful tenderer at the time of execution of the agreement. Deletion of clause 22-B from the agreement of the successful tenderer resulted in excess payment of Rs. 0.69 lakh by allowing the contractor his tendered percentage on the cost of steel arranged by him and used in the work.

(iv) Extra payment of Rs. 0.66 lakh for items of works provided in the agreement.—The tenders for construction of (i) Northern shopping and Eastern office block and (ii) Southern shopping and Western office blocks were based on the current schedule of rates as amended upto the dates of receipt of the tenders, viz., 10-4-1973 and 18-9-1973 respectively. The Housing Commissioner ordered (January and July 1974) insertions of the following items in the chapter "Roofing" of the current schedule of rates from the dates noted against each :—

Item number to be inserted	Description of the item	Rate	Date from which made effective
(1)	(2)	(3)	(4)
13(d)	Add for extra labour for binding steel for shell, curved or dome type structure in superstructure/roofing.	Rs. 0.10 per Kilogram.	21-1-1974
50(a)	Add for extra labour required for R.C.C. work-in shell, curved or dome type structure in superstructure/roofing inclusive of resting beams.	Rs. 18 per cubic metre	21-1-1974
56 (b)	Extra rate for false work per slabs, beams, columns, <i>chhajjas</i> , etc., for each additional floor five metre height or part thereof in case of high structure such as multi-storeyed buildings, towers, godowns, ware-houses, etc.	Rs. 0.44 per square metre	15-7-1974

The Deputy Housing Commissioner, Bhopal authorised (March and July 1974) extra payments totalling Rs. 0.66 lakh by sanctioning these items as extra items of the works.

The Housing Commissioner stated (March 1980) that though the items introduced in the current schedule of rates at a later stage and those sanctioned by the Deputy Housing Commissioner happened to be the same, the latter were sanctioned specifically as extra items keeping in view the difficult and special nature of the work.

However, it was stipulated in Clause 11 of the Notice Inviting Tenders (which formed part of the agreements with the contractor) that the submission of tender by a contractor implied that he had made himself aware of the scope and specifications of the work to be done. The contractor would have, therefore, quoted his percentage rates keeping in view the then prevalent provisions in the current schedule of rates with reference to the schedule of items of work attached to the tender documents. Hence by allowing extra payment for the work already falling within the scope and specifications of the work tendered, the contractor was given fortuitous benefits to the tune of Rs. 0.66 lakh.

(v) Avoidable payment of bonus of Rs. 0.50 lakh for completion of work within the stipulated period:—The stipulated dates for completion of construction of (i) Northern shopping and Eastern office blocks and (ii) Southern shopping and Western office blocks (awarded to the same contractor) were 20th May 1975 and 20th October 1975 respectively. The contracts for these works provided for payment of compensation by the contractor for delay in completion of the works at a rate not exceeding 10 per cent of the estimated cost as shown in the tenders.

In October 1974, the Administrator of the Board decided that the contractor might be paid a bonus of Rs. 0.25 lakh for each work if he completed it within the time stipulated in the contract. The works were eventually completed by due dates and the bonus was paid on 20th May 1975 for the Northern shopping and Eastern office blocks and on 24th October 1975 for the Southern shopping and Western office blocks.

A scrutiny of the progress of work with reference to the running payments made to the contractor upto October 1974 revealed that the contractor was being paid running bills at regular intervals and progress of work was almost proportionate to the time elapsed. Time being the essence of the contracts, the contractor was bound to complete the work within the stipulated time and there was, therefore, no justification for payment of incentive in the shape of bonus for fulfilling the contractual obligation.

The Executive Engineer stated (September 1979) that there was some delay on the part of the Board in handing over the site to the contractor. On verification of records, however, it was found that the delay was in respect of site for only a minor portion of work costing Rs. 5.11 lakhs (total cost of work: Rs. 52 lakhs): and even the site for this portion was handed over to the contractor in May 1974 (one year and five months before the stipulated date of completion). The Housing Commissioner stated (October and December 1979) that the main concern of the Board was to ensure timely and proper completion of the work, that the bonus was sanctioned taking into consideration the handicap suffered by the contractor due to delay in giving lay out, etc., and that had extension of time been granted to the contractor, the indirect financial loss to the Board would have been much more than the amount of the bonus. The contractor had, however, not applied for extension of time and, therefore, the argument put forth by the Housing Commissioner was not tenable.

Thus, payment of bonus of Rs. 0.50 lakh made to the contractor was without justification apart from being extra contractual.

3. *Loss of Revenue.*— The second phase of the shopping centre at Nazar Bagh, Gwalior, involving construction of office halls in three storeys over the shops constructed in the first phase, was approved (September 1976) by the Administrator of the Board subject to the following conditions:—

- (i) for the time being, tenders should be invited for the first and the second floors only;
- (ii) no cross walls should be constructed till allotment of the accommodation was decided; and
- (iii) monthly rent of accommodation should be between Rs. 1.50 and 1.75 per square foot of the carpet area.

Accordingly, the construction of the first and the second floors was taken up in March 1977 and completed in November 1978 at a cost of Rs. 9.35 lakhs. The standard rent of the accommodation was fixed (February 1979) by the Housing Commissioner at Rs. 1.50 per square foot of carpet area per month.

Out of the total carpet area of 10,797 square feet, 2,815 square feet were let out (October 1978) at a lower monthly rent of 80 paise per square foot, 3,103 square feet were occupied (September 1979) by the offices of the Board and the remaining 4,879 square feet continued to remain vacant (March 1980). The Deputy Housing Commissioner (Estate Management), Bhopal observed (July 1979) that the project was undertaken without taking into account the financial feasibility and the show-rooms with cross walls constructed at the second floor could not attract tenants. The loss suffered

by the Board upto February 1980 for the period for which the building space was vacant worked to Rs. 1.52 lakhs. The loss will continue at the rate of Rs. 7,319 per month till the unoccupied portion is let out. Besides, the portion let out in October 1978 fetched rent less than the standard rent by Rs. 1,970 per month.

The matters mentioned above were reported to the Government between September 1979 and August 1980; reply is awaited (January 1981).

INDUSTRIES DEPARTMENT

6.8 Madhya Pradesh State Handicrafts Board

Audit of the accounts of the Madhya Pradesh State Handicrafts Board (hereinafter referred to as the Board) for the year 1977-78 conducted during June-July 1980 revealed that the accounts of the Handicrafts emporium established (1975-76) by the Board at Bombay were prepared and got audited separately, but were not included in the Board's accounts for the year 1977-78. In the balance sheet of the Board for the year 1977-78, Rs. 9.70 lakhs were shown on the "Assets" side as advance to that emporium, but in the balance sheet of the emporium, Rs.7.88 lakhs were shown on 'Liabilities' side on Head Office Account. In their report on the audited account of the emporium, the auditors had stated (July 1979) that despite their repeated suggestions, the accounts were not reconciled with those of the Head Office. The Board stated (July 1980) that the correct position would be ascertained from the emporium at Bombay. The final reply of the Board is awaited (January 1981). The audited accounts of the emporium for 1977-78 showed that, upto March 1978, the Board had incurred losses to the tune of Rs.2.54 lakhs on the working of the emporium. Besides, losses to the tune of Rs.0.82 lakh were incurred by the Board upto March 1978 on the working of their emporia at Bhopal, Khajuraho, New Delhi and Sanchi. The accounts of the Board from the year 1978-79 onwards had not been finalised (January 1981).

The facts mentioned above were reported to the Government in August 1980; reply is awaited (January 1981).

CHAPTER VII

COMMERCIAL ACTIVITIES

7. As on 31st March 1980, there were five departmentally managed commercial and quasi-commercial undertakings, viz., Sales dispensary, Indore and four Government Milk Supply Schemes at Bhopal, Gwalior, Indore and Jabalpur. The management of the Milk Supply Schemes at Bhopal and Indore was transferred to the Madhya Pradesh Dairy Development Corporation with effect from 1st January 1979. As per the orders (December 1978) of the Government, the Corporation was required to pay rent in respect of these schemes to the Government and no depreciation would be charged by the Government for the use of dairies by the Corporation; the profit or loss on running of these schemes would be to the Corporation's account. The rent payable by the Corporation to the Government has not been decided so far (January 1981).

There were also six State trading schemes, viz., Grain supply, Purchase and Sale of *tendu* leaves, Minor Forest Produce, Timber, Bamboos and *Sal* seeds.

The *pro forma* accounts of the following schemes/undertakings were in arrears (January 1981) for the period shown against each :—

(1)	Year from which <i>pro forma</i> accounts are awaited	Remarks
(1)	(2)	(3)
<i>Forest Department—</i>		
Purchase and sale of <i>tendu</i> leaves	1965-66	Mention was made in paragraph 7 of the Audit Report (Civil) for 1978-79 about recommendation of a departmental Committee for preparing <i>pro forma</i> accounts in respect of minor forest produce from the year 1979-80 and obtaining the orders of Public Accounts Committee in this regard. Further developments are awaited (January 1981). The Chief Conservator of Forest intimated (July 1980) that efforts were being made to obtain <i>pro forma</i> accounts for the year 1979-80 from the concerned departmental officers and that the same would be furnished after their receipt and consolidation.
Minor Forest Produce	1969-70	
State trading in timber	1970-71	
State trading in Bamboos	1973-74	
State trading in <i>Sal</i> seeds	1975-76	

(1)	Year from which <i>pro forma</i> accounts are awaited	Remarks
(1)	(2)	(3)
<i>Food Department—</i>		
Grain Supply Scheme	1970-71	Mention was made in paragraph 7 of the Audit Report (Civil) for 1978-79 about non-recasting of the <i>pro forma</i> accounts for the period upto 1969-70. Neither have recast accounts been made available nor has the probable date by which these accounts will be ready been intimated (January 1981).
<i>Veterinary Department—</i>		
Government Milk Supply Scheme, Bhopal	1976-77	Mention was made in paragraph 7.2 of the Audit Report (Civil) for 1977-78 about non-certification of <i>pro forma</i> accounts for the years 1970-71 to 1975-76 owing mainly to large differences in the trial balances. The [recast accounts after reconciling the differences in trial balances are still awaited (January 1981).
Government Milk Supply Scheme, Gwalior	1978-79	} Mention was made in paragraph 7.2 of the Audit Report (Civil) for 1977-78 about non-certification of <i>pro forma</i> accounts of the schemes for 1976-77 due to large amounts kept under suspense. The recast accounts are still awaited (January 1981). Accounts for 1977-78 in respect of Gwalior and Jabalpur schemes rendered to Audit in July 1980 could not also be certified due to non-receipt of recast accounts for 1976-77.
Government Milk Supply Scheme, Indore	1977-78	
Government Milk Supply Scheme, Jabalpur	1978-79	
<i>Public Health and Family Welfare Department—</i>		
Sales Dispensary, Indore	1978-79	

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

8.1 Outanding Audit observations

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

The following table shows the number of audit observations issued upto the end of March 1980 and outstanding on 30th September 1980 compared with the corresponding position indicated in the two preceding reports :—

	As on 30th September		
	1978 (2)	1979 (3)	1980 (4)
(1)			
Number of observations	2,59,316	2,55,738	2,99,066
Amount involved (<i>Rupees in crores</i>)	1,30.74	1,53.24	1,73.88

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

Year (1)	Number of observations (2)	Amount (3) <i>(Rupees in crores)</i>
1975-76 and earlier years	1,07,343	49.88
1976-77	28,184	17.17
1977-78	34,478	18.85
1978-79	57,835	36.27
1979-80	71,226	51.71
Total	2,99,066	1,73.88

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

Serial number (1)	Department (2)	Number (3)	Amount (4) <i>(Rupees in lakhs)</i>
1.	Irrigation	1,00,113	52,00.50
2.	Public Works (Buildings and Roads)	49,901	35,29.38
3.	Public Health Engineering	45,827	14,07.48
4.	Agriculture	11,513	8,49.72
5.	Tribal and Harijan Welfare	7,024	7,53.26
6.	Medical	9,475	7,11.23
7.	Animal Husbandry	8,899	6,85.72
8.	Dairy Development	2,766	5,75.23

Serial number	Department	Number	Amount
(1)	(2)	(3)	(4)
			(Rupees in lakhs)
9.	Forest	4,081	5,10.01
10.	Education	14,973	4,01.32
11.	Home(Police)	2,947	2,94.95
12.	Tube Wells	10,102	2,93.47
13.	Community Development	2,269	2,15.99
14.	Family Welfare	4,219	2,15.79
15.	Stationery and Printing	837	1,96.05
16.	Public Health	4,638	1,76.26
17.	Home(Jails)	859	1,68.97
18.	Land Revenue	2,612	1,29.47
19.	Panchayat and Social Welfare	915	1,23.35
20.	Revenue	2,223	1,18.25
21.	Separate Revenue	577	1,06.52

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

Serial number	Nature of observation	Number	Amount
(1)	(2)	(3)	(4)
			(Rupees in lakhs)
1.	Payees' receipts not received	2,29,501	1,06,05.64
2.	Sanctions for reserve limit of stock not received	145	10,94.36
3.	Agreements with contractors/suppliers not received	348	11,95.67
4.	Detailed bills for lump-sum drawals not received	21,071	11,20.47
5.	Vouchers not received	12,004	11,31.05
6.	Sanctions for contingent expenditure not received	5,233	4,19.06
7.	Sanctions for establishment not received	2,219	97.38
8.	Other reasons	28,545	17,24.21

(d) It would be seen that a sizable portion of the total outstandings was due to non-submission of payees' receipts and vouchers. The departments with comparatively heavy outstandings on this account were:—

Serial number	Department	Amount
(1)	(2)	(3)
		(Rupees in lakhs)
1.	Irrigation	45,14.55
2.	Public Works (Buildings and Roads)	15,92.06
3.	Public Health Engineering	14,06.67
4.	Dairy Development	5,64.89
5.	Agriculture	5,35.78
6.	Medical	4,60.39
7.	Education	3,63.81
8.	Tribal and Harijan Welfare	3,43.46
9.	Tube Wells	2,65.79
10.	Home(Police)	2,43.14
11.	Stationery and Printing	1,81.67
12.	Community Development and Planning	1,46.40
13.	Panchayat and Social Welfare	1,09.22

(e) The facility of drawing amounts as advances on abstract contingent bills by disbursing officers is intended to expedite payments in certain cases but they are to be followed by detailed contingent bills (containing all particulars of expenditure with supporting documents), which should be sent to the Audit Office by 25th of the month succeeding that to which the abstract contingent bills relate. In the absence of detailed contingent bills, it is not possible for Audit to know whether the whole amount has been spent on the purpose(s) for which the advances were drawn. Rupees 11,20.47 lakhs are held under observation due to non-receipt of detailed contingent bills in the Audit Office. The departments with comparatively heavy outstandings are mentioned below :—

Department (1)	Amount (2) (Rupees in lakhs)
1. Tribal and Harijan Welfare	2,42.78
2. Home(Jails)	1,65.02
3. Agriculture	1,26.44
4. Public Health and Family Welfare	1,21.85
5. Education	1,20.91

8.2 Outstanding inspection reports

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

At the end of September 1980, 10,080 inspection reports issued upto March 1980 were not settled as shown below with corresponding figures for the earlier two years :—

Number (1)	As on 30th September		
	1978 (2)	1979 (3)	1980 (4)
Inspection reports	12,286	13,342	10,080 [@]
Paragraphs	54,646	60,804	46,985 [@]

Year-wise break-up of the outstanding inspection reports is given below :—

Year (1)	Number of inspection reports (2)	Number of paragraphs (3)
1974-75 and earlier years	3,143	9,588
1975-76	1,007	3,692
1976-77	1,366	5,910
1977-78	1,272	6,710
1978-79	1,595	10,070
1979-80	1,697	11,015
Total	10,080	46,985

[@] 2,543 inspection reports with 13,286 paragraphs pertaining to revenue receipts have been excluded and included in the Report on Revenue Receipts.

(b) Department-wise details of the reports outstanding (10,080) and the number of cases in which even the first replies had not been received (1,986) till the end of September 1980 are given in Appendix XI.

(c) A review of the outstanding observations contained in the inspection reports of offices under the control of Irrigation, Public Works and Public Health Engineering Departments revealed the following :—

187 paragraphs of inspection reports of 56 divisions (24 under Chief Engineer, Mahanadi-Godavari Basin, Raipur, 15 under Chief Engineer-West, Public Works Department and 17 under Chief Engineer West, Public Health Engineering Department, Bhopal) were outstanding due to non-regularisation of the following irregularities :—

Nature of irregularity (1)	Particulars (2)
(i) Local purchase of stationery without sanction of competent authority	Stationery worth Rs. 11.28 lakhs purchased in 49 divisions.
(ii) Non-recovery of security deposit from officials handling cash and stores	By 491 persons
(iii) Non-balancing of contractors' ledgers—	
(a) for 1 to 5 years	17 divisions
(b) for 6 to 10 years	7 divisions
(iv) Minus balances in contractors' ledgers	Rs.27.60 lakhs in 23 divisions in 476 accounts
(v) Accounts of empty containers not maintained	30 divisions

(d) 406 paragraphs of 82 inspection reports pertaining to 82 treasuries were outstanding due to non-regularisation of the irregularities mentioned below :—

Nature of irregularity (1)	Particulars (2)	Amount (3)
		(Rupees in lakhs)
(i) Shortage of stamps	3 treasuries	9.29
(ii) Retention of stamps in excess of prescribed limit	16 treasuries	Ranging from Rs.2.86 lakhs to Rs.319.58 lakhs.
(iii) Retention of obsolete stamps	9 treasuries	81.32
(iv) Shortage of cash	1 treasury	0.25
(v) Loss of tokens	1 treasury	0.15
(vi) Excess payment of pension	9 treasuries	0.08
(vii) Loss of property in double lock	1 treasury	0.03
(viii) Forged drawal	1 treasury	0.07
(ix) Non-realisation of security from officials handling cash and valuables	18 treasuries	
(x) Non-observance of rules relating to safeguards of strong room	23 treasuries	

(e) 8,806 paragraphs of 1,631 inspection reports in the Public Health and Family Welfare (3010), Forest (2044), General Administration (Collectorate) (1461), Panchayat and Social Welfare (892), Police (805) and Commerce and Industry Departments (594), were outstanding for want of regularisation of the following irregularities :—

Serial number	Nature of irregularity/ observation	Number of paragraphs					
		Public Health and Family Welfare	Forest	General Administration (Collectorate)	Panchayat and Social Welfare	Police	Commerce and Industry
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Non-observance of rules relating to custody and handling of cash, defective maintenance of cash book, physical verification of cash not done, etc.	221	97	120	64	25	125
2.	Defective maintenance of initial records/accounts	280	46	120	73	42	60
3.	Cases of extra expenditure and overpayments	763	162	141	88	7	56
4.	Instances of shortages, losses and defalcations	299	27	119	39	22	37
5.	Non-recovery or non-adjustment of outstanding advances, loans and other dues	332	136	279	123	132	142
6.	Incurring expenditure without sanction/authority	130	141	108	59	38	71
7.	Irregularities in the accounts of stores and stock	575	69	113	116	43	25
8.	Irregularities relating to drawal of funds]	122	5	55	17	14	14
9.	Non-production of records]	159	146	181	106	52	41
10.	Other miscellaneous irregularities	129	1,215	225	202	340	23
Total number of paragraphs		3,010	2,044	1,461	892	805	594
Total number of inspection reports		493	452	198	179	176	133

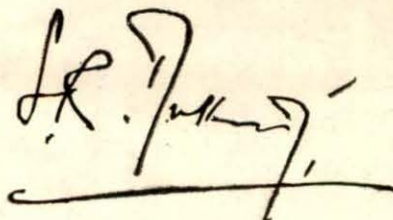
(f) The non-observance of the financial rules and orders of the Government may result in possible loss to the Government by way of irregular and extra expenditure, blocking of Government funds, overpayments, non-recovery/adjustment of outstanding advances/

loans/other dues, etc., some of the major irregularities (commented in outstanding paras) are summarised below :—

(i) Various articles such as stationery, cloth, games articles, utensils, almirahs, etc., worth Rs.0.58 lakh were purchased in the office of the District Panchayat and Social Welfare, Bilaspur and Collectorate, Sidhi during 1976-77 and 1977-78 either without obtaining sanction of the competent authority or by splitting the sanction which was in contravention of the financial rules of the Government. The expenditure has not so far been regularised.

(ii) Under Madhya Pradesh Panchayat Act, 1962 the account of Gram Panchayats are subjected to audit by auditors of the Panchayat Department on payment of audit fees by the Panchayats. Audit fees of Rs.11.44 lakhs was outstanding at the end of March 1979 against the Panchayats in 45 districts as disclosed by the Directorate of Panchayats and Social Welfare, Bhopal (May 1979). The arrears of audit fees (Rs.1.56 lakhs) in Bilaspur and Durg districts pertained to the years 1976-77 to 1978-79 (year-wise break-up of other districts was not available).

(iii) A sum of Rs.0.77 lakh was drawn from treasury by the Collector, Shahdol in March 1977 for payment of remuneration to the Revenue Inspectors and Patwaris for preparation of "Rin pustika". Of this, a sum of Rs. 0.72 lakh was advanced to the four tehsils (Sohagpur, Beohari, Pushparajgarh and Bandhawagarh) during January and February 1978 and balance of Rs.0.05 lakh had been lying in cash chest (March 1978). The drawal of funds from the treasury much in advance of requirement was, thus, in contravention of the financial rules of the Government. The manner in which Rs.0.05 lakh had been utilised has not so far been intimated.

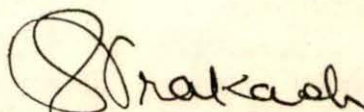


(S. R. MUKERJI)

Accountant General-I, Madhya Pradesh

Gwalior,
The 9-7-81

Countersigned



(GIAN PRAKASH)

Comptroller and Auditor General of India

New Delhi,
The 14-7-81

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APPENDICES

APPENDIX I

(Reference: Paragraph 1.4, page 4)

SIGNIFICANT VARIATIONS IN REVENUE EXPENDITURE DURING 1979-80
OVER THE PREVIOUS YEAR UNDER BROAD SECTORS

Sector/sub-sector of expenditure (1)	Actuals		Variation increase + decrease— (4)
	1978-79 (2)	1979-80 (3)	
(Rupees in crores)			
PLAN			
Social and Community Services]	69.47	39.81	—29.66
	Decrease mainly under '277—Education' (Rs.3.63 crores) due to less expenditure on Government Primary Schools, Secondary Schools and less grants/assistance to non-Government Primary Schools and Secondary Schools and '287—Labour and Employment' (Rs.37.81 crores) due reportedly to non-receipt of sanctions from Government of India regarding payment to Food Corporation of India. The decrease was partly off-set by increase mainly under '282—Public Health, Sanitation and Water Supply' (Rs.11.04 crores) due to more expenditure on Urban and Rural Water Supply Schemes.		
Economic Services—			
Agriculture and Allied Services	40.24	1,15.38	+75.14
	Increase mainly under '314—Community Development' (Rs.49.43 crores) on community development programmes and rural works programme, '306—Minor Irrigation' (Rs.16.18 crores) on construction and deepening of wells and tanks and schemes under Tribal Areas Sub-Plan, '305—Agriculture' (Rs.5.40 crores) due to more expenditure mainly on schemes for small and marginal farmers and agriculture labour and '313—Forests' (Rs.2.88 crores) on forest conservation and development and plantation schemes.		
NON-PLAN			
General Services	1,59.44	1,86.80	+27.36
	Increase mainly under '249—Interest payments' (Rs.10.05 crores) due to more interest on small savings, provident funds, etc., and loans from Central Government, '255—Police' (Rs.9.62 crores) on Special Police and District Police, '258—Stationery and Printing' (Rs.2.27 crores) mainly on Government Presses and '229—Land Revenue' (Rs.2.14 crores) due to more expenditure on survey and settlement operations.		

APPENDIX I—concl'd.

Sector/sub-sector of expenditure (1)	Actuals		Variation increase+ decrease— (4)
	1978-79 (2)	1979-80 (3)	
(Rupees in crores)			
Social and community Services	1,88.48	2,29.08	+40.60
	Increase mainly under '277—Education' (Rs.15.84 crores) due to more expenditure on primary, secondary, university and technical education, '282—Public Health, Sanitation and Water Supply' (Rs.8.53 crores) mainly on urban and rural water supply programmes, '288—Social Security and Welfare' (Rs. 6.36 crores) on welfare of scheduled castes and scheduled tribes, family and child welfare and pensions under social security schemes, '280—Medical' (Rs.5.27 crores) on allopathy and other systems of medicines and '289—Relief on account of Natural Calamities' (Rs.2.70 crores) on relief works.		
Economic Services—			
(i) Agriculture and Allied Services	1,04.33	1,18.42	+14.09
	Increase mainly under '313—Forests' (Rs.13.98 crores) on Forest conservation and development, plantation schemes, State trading in minor forest produce, timber, bamboos and <i>sal</i> seeds and '314—Community Development' (Rs.3.23 crores) on administration, nutrition and rural works programme. The above increase was partly offset by less expenditure under '311—Dairy Development (Rs5.19 crores) due to transfer of milk supply schemes to Madhya Pradesh Dairy Development Corporation.		
(ii) Water and Power Development	24.13	30.28	+ 6.15
	Increase mainly under '334—Power Projects (Rs.6.04 crores) on account of payment of subsidy to Madhya Pradesh Electricity Board to make good the losses incurred by it under Rural Electrification Scheme.		
(iii) Transport and Communications	26.98	33.79	+6.81
	Increase mainly under '337—Roads and Bridges (Rs.4.79 crores) on State highways and district roads, '338—Road and Water Transport Services: (Rs.2.05 crores) as assistance to Madhya Pradesh Road Transport Corporation to meet the losses on road transport.		
Grants-in-aid and Contributions	23.57	25.79	+2.22
	Due mainly to more compensation to Corporations and Municipalities.		

APPENDIX II

(Reference: Paragraph 1.5 (ii), page 6)

SIGNIFICANT VARIATIONS IN CAPITAL EXPENDITURE DURING 1979-80
OVER THE PREVIOUS YEAR UNDER BROAD SECTORS

Sector/sub-sector of expenditure (1)	Actuals		Variation in crease + decrease— (4)
	1978-79 (2)	1979-80 (3)	
(Rupees in crores)			
PLAN			
Social and Community Services	8.14	13.05	+4.91
	Increase mainly under '488—Capital Outlay on Social Security and Welfare' (Rs.2.43 crores) on welfare of scheduled castes, scheduled tribes and other backward classes, '482—Capital Outlay on Public Health, Sanitation and Water Supply' (Rs.1.56 crores) on sewerage and urban water supply schemes and '480—Capital Outlay on Medical' (Rs.1.39 crores) on works under medical relief and on schemes under Tribal Areas Sub-Plan.		
Capital Account of Economic Services—			
(i) General Economic Services	1.48	6.72	+5.24
	Due to increased expenditure under '498—Capital Outlay on Co-operation' (Rs.5.24 crores) on credit, warehousing, marketing, industrial and consumer co-operatives and on schemes under Tribal Areas Sub-Plan.		
(ii) Agriculture and Allied Services	42.30	56.70	+14.40
	Increase mainly under '506—Capital Outlay on Minor Irrigation' (Rs.13.30 crores) on minor irrigation schemes, soil conservation schemes, investment in share capital of Madhya Pradesh Land Development Corporation and schemes under Tribal Areas Sub-Plan.		
(iii) Water and Power Development	85.44	99.97	+14.53
	Increase mainly under '532—Capital Outlay on Multipurpose River Projects' (Rs.8.48 crores) on Chambal, Bargi, Bansagar and Hasdeo Bango Projects and '533—Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects' (Rs.5.09 crores) on Rajghat, Bawanthadi, Bariyarpur, Urmil, Sind, Arpa, Mahi Projects and on medium Projects/works.		

APPENDIX II—concl'd.

Sector/sub-sector of expenditure (1)	Actuals		Variation increase + decrease— (4)
	1978-79 (2)	1979-80 (3)	
	(Rupees in crores)		
(iv) Transport and Communications	21.20	32.25	+11.05

Increase mainly under '537—Capital Outlay on Roads and Bridges' (Rs.11.95 crores) on State highways, major district roads, rural roads and other works which was partly off-set by decrease under '538—Capital Outlay on Road and Water Transport Services' (Rs.1.09 crores) due to less investments.

NON-PLAN

Economic Services—

Agriculture and Allied Services	0.43	4.12	+3.69
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Increase mainly under '513—Capital Outlay on Forest' (Rs.3.91 crores) on communications and buildings and purchase of motor vehicles.

APPENDIX III

[Reference: Paragraph 2.3(i), page 17]

GRANTS WHERE SUPPLEMENTARY PROVISION EXCEEDING RUPEES TEN LAKHS EACH WAS OBTAINED AND THE UNUTILISED PROVISION WAS LESS THAN RUPEES ONE CRORE

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

Revenue Section :

1.	1—General Administration	3,96.23	28.95	3,50.64	74.54
----	--------------------------	---------	-------	---------	-------

Shortfall was due mainly to less expenditure on mass contact tours of Ministers due to ban on such tours during Lok Sabha elections and dissolution of the Vidhan Sabha thereafter.

2.	7—Expenditure pertaining to Separate Revenue and Registration Departments.	9,65.93	13.03	9,01.78	77.18
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Shortfall was due mainly to posts remaining vacant, non-constitution of Sales-tax Tribunal and less payment of grants to local bodies consequent on less realisation of property-tax.

3.	22—Expenditure pertaining to Local Government Department.	4,50.46	13.01	4,25.87	37.60
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Shortfall was due mainly to payment of less amount to the Life Insurance Corporation of India on account of the guarantee given by the Government on Municipal loans. Reasons for less payment have not been intimated (February 1981).

4.	35—Rehabilitation	99.70	21.25	95.68	25.27
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Shortfall was due mainly to transfer of Mana Camp by the Central Government towards the end of the year, non-finalisation of cases of remission and write off of loans, reduction of staff, slow progress of civil construction works and irrigation works and posts remaining vacant.

APPENDIX IV

[Reference: Paragraph 2.3(ii), page 19]

GRANTS WHERE SUPPLEMENTARY PROVISION EXCEEDING RUPEES
TEN LAKHS EACH PROVED EXCESSIVE AND THE UNUTILISED
PROVISION WAS LESS THAN RUPEES ONE CRORE

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
<i>(Rupees in lakhs)</i>					
<i>Revenue Section</i>					
1.	4—Other expenditure pertaining to Home Department	1,23.62	2,60.31	3,55.87	28.06
Shortfall was due mainly to posts remaining vacant, non-supply of vehicles and weighing machine by the supplier and less expenditure on motor garage and Government air craft due to dissolution of the Ministry.					
2.	6—Expenditure pertaining to Finance Department	15,82.08	68.27	16,10.34	40.01
Shortfall was due mainly to non-presentation of several claims for prize money of lotteries, less expenditure on commission to agents, economy in publicity expenses, finalisation of less number of pension cases of legislators and non-creation of certain posts.					
3.	29—Administration of Justice	4,72.43	21.10	4,81.72	11.81
Shortfall was due mainly to sanction of less amount of grant to the M.P. Legal Aid and Legal Advice Board.					
<i>Capital Section</i>					
1.	8—Land Revenue and District Administration	1,28.00	4,94.40	5,71.91	50.49
Shortfall was due mainly to receipt of less number of applications for <i>rabi</i> seed <i>taccavi</i> from cultivators owing to drought condition and paucity of rains.					
2.	11—Expenditure pertaining to Commerce and Industry Department	4,10.73	1,46.40	5,01.36	55.77
Shortfall was due mainly to non-investment in the share capital of Spinning Mill, Burhanpur, Small Scale Industries Corporation, M.P. Leather Development Corporation and M.P. Industries Corporation, non-release of further advances to the M.P. Laghu Udyog Nigam for construction of office building for District Industries Centres owing to non-rendering of accounts and non-payment of loans to the educated unemployed for margin money owing to non-finalisation of rules.					
3.	30—Expenditure pertaining to Panchayat and Rural Development Department	5.00	67.84	60.02	12.82

Reasons for the saving, which occurred mainly under 'Secondary Education', have not been intimated (February 1981).

APPENDIX V

[Reference: Paragraph 2.4(i), page 22]

GRANTS/APPROPRIATIONS WHERE SAVINGS (MORE THAN RS. 25 LAKHS
IN EACH CASE) EXCEEDED 10 PER CENT OF TOTAL PROVISION

Serial number	Number and name of grant/appropriation	Total grant/appropriation	Actual expenditure	Saving (percentage)
(1)	(2)	(3)	(4)	(5)
<i>(Rupees in lakhs)</i>				
<i>Revenue Section</i>				
1.	1—General Administration	4,25.18	3,50.64	74.54 (18)
2.	5—Jails	4,12.89	3,71.51	41.38 (10)
3.	9—Other Expenditure pertaining to Revenue and Land Reforms Departments	27,83.09	9,25.90	18,57.19 (67)
4.	11—Expenditure pertaining to Commerce and Industry Department	9,27.36	6,93.08	2,34.28 (25)
5.	15—Dairy Development	6,32.51	4,33.64	1,98.87 (31)
6.	17—Co-operation	4,22.71	3,80.35	42.36 (10)
7.	19—Medical, Public Health and Family Welfare	66,24.54	51,40.19	14,84.35 (22)
8.	23—Irrigation Works	49,35.97	38,06.40	11,29.57 (23)
9.	30—Expenditure pertaining to Panchayat and Rural Development Department	37,87.29	29,98.28	7,89.01 (21)
10.	31—Expenditure pertaining to Planning, Economics and Statistics Department	2,20.56	1,03.53	1,17.03 (53)
11.	33—Tribal and Harijan Welfare	35,51.63	30,25.24	5,26.39 (15)
12.	34—Social Welfare	9,13.50	6,08.67	3,04.83 (33)
13.	35—Rehabilitation	1,20.95	95.68	25.27 (21)
14.	40—Irrigation Command Areas Development	7,81.68	5,06.88	2,74.80 (35)
15.	41—Tribal Areas Sub-Plan	47,68.79	24,99.78	22,69.01 (48)
16.	42—Public Works relating to Tribal Areas Sub-Plan	70.97	7.44	63.53 (90)

APPENDIX V—concl.

Serial number	Number and name of grant/appropriation	Total grant/appropriation	Actual expenditure	Saving (Percentage)
(1)	(2)	(3)	(4)	(5)
<i>(Rupees in lakhs)</i>				
<i>Capital Section</i>				
1.	6—Expenditure pertaining to Finance Department	11,46.57	10,16.35	1,30.22 (11)
2.	Public Debt (<i>Charged</i>)	3,75,80.05	85,91.89	2,89,88.17 (77)
3.	11—Expenditure pertaining to Commerce and Industry Department	5,57.13	5,01.36	55.77 (10)
4.	13—Agriculture	20,43.36	16,45.14	3,98.22 (19)
5.	24—Public Works	23,57.17	19,16.48	4,40.69 (19)
6.	31—Expenditure pertaining to Planning, Economics and Statistics Department	2,12.05	84.45	1,27.60 (60)
7.	40—Irrigation Command Areas Development	11,72.25	9,64.64	2,07.61 (18)
8.	41—Tribal Areas Sub-Plan	38,46.40	32,47.21	5,99.19 (16)
9.	42—Public Works relating to Tribal Areas Sub-plan	9,32.72	6,60.59	2,72.13 (29)

APPENDIX VI

(Reference : Paragraph 3.11, page 62)

STATEMENT SHOWING
WORKING RESULTS OF SEED FARMS FOR THE PERIOD
FROM 1976-77 TO 1978-79

Serial number	Location of the farm	Accumulated Profit/Loss at the beginning of 1976-77		Accumulated Profit/Loss at the end of 1978-79		Overall results for 1976-77 to 1978-79		Capital invested	
		Profits	Losses	Profits	Losses	Profits	Losses	At the beginning of 1976-77	At the end of 1978-79
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(Rupees in lakhs)									
1.	Bhawarkuan (Indore)	0.59	..	3.88	..	3.29	..	3.86	5.04
2.	Dindori (Mandla)	..	5.06	..	10.00	..	4.94	5.40	6.97
3.	Gohad (Bhind)	..	0.11	..	1.16	..	1.05	..	0.90
4.	Khamaria (Jabalpur)	..	5.24	..	8.44	..	3.20	5.07	4.70
5.	Kundeshwar (Tikamgarh)	8.59	..	7.86	..	..	0.73	4.51	4.51
6.	Kumrawand (Bastar)	3.33	..	3.82	..	0.49	..	1.00	1.27
7.	Lakhanpur (Bilaspur)	..	2.82	..	3.97	..	1.15	1.53	1.33
8.	Phanda (Bhopal)	1.74	..	1.66	..	..	0.08	2.28	2.85
9.	Rannod (Shivpuri)	..	0.33	..	0.64	..	0.31	4.61	5.62
10.	Reora (Satna)	..	1.67	..	2.74	..	1.07	3.49	5.39
11.	Sagar	..	4.69	..	4.15	0.54	..	1.44	1.32
12.	Seoni-Malwa (Hoshangabad)	..	1.61	..	1.64	..	0.03	2.27	2.24
13.	Ujjain	..	0.46	..	0.40	0.06	..	1.29	1.45
	Total	14.25	21.99	17.22	33.14	4.38	12.56	36.75	43.59

APPENDIX VII

APPEN

(Reference : Paragraph

CASES OF MISAPPROPRIATION, LOSSES, ETC., REPORTED UPTO 31ST

Serial number	Department	Cases reported in 1974-75 and earlier years		Cases reported during 1975-76		Cases reported during 1976-77	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Education	28	7.47	1	0.09	6	4.10
2.	Revenue	72	8.82	8	1.72	20	1.65
3.	Stamps	4	2.61	1	0.63	1	0.08
4.	Public Health	12	1.07	6	8.24	2	0.03
5.	Tribal and Harijan Welfare	72	4.68	28	3.96	16	1.15
6.	Police	28	2.89	16	1.90	13	1.28
7.	Agriculture	46	3.51	8	1.10	3	0.26
8.	Public Works	18	1.68	1	0.10	1	2.64
9.	Medical	14	3.81	1	0.32	..	..
10.	Food	7	2.77	..	..	1	0.42
11.	Forest	5	0.28	3	1.68	3	0.52
12.	Finance	1	0.11	1	0.10	1	4.01
13.	Law	31	1.42	24	0.77	5	0.35
14.	Planning and Development	18	1.78	5	0.39	2	0.31
15.	Industries	8	1.52	14	0.81	..	..
16.	Irrigation	11	0.38	2	0.52	4	0.30
17.	Excise	6	1.48	..	..	1	0.01
18.	Home (Transport)	..	..	..	..	..	..
19.	Stationery and Printing	..	..	..	..	..	..
20.	Dairy Development	10	0.71	..	..	..	..
21.	Animal Husbandry	8	0.44	3	0.11	..	..
22.	Jails	..	..	..	..	1	0.52
23.	Public Health Engineering	4	0.17	1	0.06	..	..
24.	Rehabilitation	9	0.28	2	0.10	..	..
25.	Social Welfare	3	0.19	..	..	3	0.11
26.	General Administration	..	..	..	..	..	..
27.	Labour and Employment	1	0.08	..	..	..	..
28.	Mines and Minerals	2	0.03	1	0.02	..	..
29.	Information and Publicity	..	..	..	..	..	..
30.	Co-operation	1	0.01	..	..	..	..
	Total	419	48.19	126	22.62	83	17.74

NOTES : @ 10 cases pertaining to 1974-75 and earlier years shown against Dairy Development were shown against Animal Husbandry Department in Audit Report 1978-79.

DIX VII

3.29, page 93)

MARCH 1980 BUT NOT FINALISED TILL 30TH SEPTEMBER 1980

(Rupees in lakhs)

Cases reported during 1977-78		Cases reported during 1978-79		Cases reported during 1979-80		Total	
Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
22	3.04	11	0.73	10	7.09	78	22.52
22	6.05	14	0.61	18	2.05	154	20.90
2	0.01	..	..	2	10.32	10	13.65
7	1.76	4	0.45	4	0.94	35	12.49
6	0.51	11	0.18	4	1.01	137	11.49
10	0.39	25	0.73	33	1.01	125	8.20
5	0.37	9	2.25	..	..	71	7.49
2	0.27	..	..	5	2.65	27	7.34
8	1.79	..	..	5	0.92	28	6.84
..	..	..	..	1	1.87	9	5.06
23	1.94	2	0.18	5	0.31	41	4.91
2	0.15	..	..	1	0.17	6	4.54
4	1.19	6	0.07	7	0.31	77	4.11
2	0.04	5	0.29	..	..	32	2.81
..	..	..	..	1	0.03	23	2.36
3	0.10	5	0.49	2	0.29	27	2.03
..	..	..	..	1	..	8	1.49
..	..	..	..	6	1.28	6	1.28
..	..	18	0.75	3	0.45	21	1.20
..	..	..	..	3	0.21	13	0.92
1	0.01	..	..	..	..	12	0.56
..	..	..	..	..	..	1	0.52
..	..	1	0.26	..	..	6	0.49
..	..	..	..	..	..	11	0.38
1	0.02	1	0.02	..	..	8	0.34
..	..	2	0.04	2	0.24	4	0.28
..	..	..	..	..	..	1	0.08
..	..	..	..	..	..	3	* 0.05
..	..	1	0.02	2	..	3	0.02
..	..	..	..	1	0.01	2	0.02
120	17.64	115	7.07	116	31.16	979	144.42

* 3 cases shown against Mines and Minerals Department were shown against Commerce and Industries Department in the Audit Report 1978-79.

APPENDIX VIII

(Reference : Paragraph 3.30, page 94)

LOSSES, ETC., WRITTEN OFF DURING 1979-80

Serial number	Department	Write off of losses, irre- coverable revenue, advances, etc.	
		Number of cases	Amount
(1)	(2)	(3)	(4) (Rupees)
1. Food		71	4,77,012
2. Sales Tax		91	2,51,815
3. Veterinary		125	1,68,149
4. Irrigation		5	85,807*
5. Forest		6	48,026
6. Tribal and Harijan Welfare		13	33,116
7. State Excise		8	27,863
8. Agriculture		16	22,735
9. Administration of Justice		9	22,500
10. Motor Vehicle		3	8,596
11. Home (Police)		4	7,726
12. Public Works (Buildings and Roads)		2	4,400
13. Mines and Minerals		2	2,910
14. Education		2	1,428
	Total	357	11,62,083

*Includes 2 items (Rs. 83,093) of waiver of recoveries.

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APPENDIX IX

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APPENDIX

(Reference: Paragraph

PROVISION IN ESTIMATES FOR TAWA

Unit	Minor Head	Provision in 1967 Estimate	Provision in 1972 Estimate	Excess	Brief reasons for excess
(1)	(2)	(3)	(4)	(5)	(6)
<i>(Rupees in lakhs)</i>					
I.A.	Dam and appurtenant works	15,89.80	22,86.89	6,97.09	<ol style="list-style-type: none"> 1. Inadequate provision in 1967 estimates for radial crest gates, etc. (129 lakhs). 2. High tender rates over 1959 C.S.R. 3. High cost per unit earth work due to rise in cost of P.O.L. for machines (Rs. 137 lakhs). 4. Requirement of extra machines and increase in cost of machines (Rs. 96 lakhs). 5. Revision of percentage charges Estt. (from 8 to 10) and T & P (from 1 to 1½).
I.B.	Head regulator, connecting channel and pick-up weir on Right Bank Canal	2,52.82	7,28.32	4,75.50	<ol style="list-style-type: none"> 1. Inadequate provision for pick-up weir, Head regulator and connecting channel due to increase in section and unit rates (Rs. 2,68.23 lakhs) and escalation (Rs. 1,79.16 lakhs). 2. Adoption of new C.S.R. 1971. 3. Revision of percentage charges.
II.A.	Left Bank Canal System	13,08.15	27,57.76	14,49.61	<ol style="list-style-type: none"> 1. Provision for land inadequate against requirement of 18,470 acres, 3,148 acres was provided in earlier estimates (Rs. 1,59.58 lakhs). 2. Increase in cost due to adoption of revised cost curves based on actual execution (Rs. 198 lakhs).

IX

4.1.3, page 96)

PROJECT AND REASONS FOR EXCESSES

Provision in 1977 Estimate	Excess over pro- vision in 1972 Estimate	Brief reasons for excess
(7)	(8)	(9)
(Rupees in lakhs)		
30,23.38	7,36.49	<p><i>Masonry Dam</i></p> <ol style="list-style-type: none"> 1. Increase in quantities of masonry and concrete based on final drawings received from C.W.P.C. 2. Inadequate provisions made earlier for diversion works and coffer dam.
		<p><i>Crest Gates (Increase Rs. 373 lakhs)</i></p> <ol style="list-style-type: none"> 1. Inadequate provisions made earlier on tentative drawings. 2. Use of imported steel due to non-availability of indigenous steel. 3. Payments on account of escalation on wages and materials.
		<p><i>Earth Dam</i></p> <p>Increase in quantity of canal intake structure based on final drawings, increase in cost of cement and steel (Rs. 26 lakhs).</p>
10,08.02	2,79.70	<ol style="list-style-type: none"> 1. Cost of Head regulator and pick-up weir previously made on lump sum basis was on lower side. Amount provided now as per tendered cost. 2. Increase in cost of labour and material.
37,43.08	9,85.32	<ol style="list-style-type: none"> 1. Increase in cost of land acquisition (Rs. 57 lakhs). 2. Purchase of additional equipments for Morand aqueduct (Rs.48 lakhs). 3. Inadequate provisions based on cost curves made earlier for works for which designs and estimates were not finalised due to surveys not complete (Rs. 426 lakhs). 4. Increase in No. of structures (from 2327 to 3219) and quantity of earth work (69 lakh cum. to 140 lakh cum. increase in cost Rs. 246 lakhs).

APPENDIX

Unit	Minor Head	Provision in 1967 Estimate	Provision in 1972 Estimate	Excess	Brief reasons for excess
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees in lakhs)			
					3. Increase in cost of Ganjal and Morand aqueducts due to well foundation (Rs. 150.50 lakhs). 4. Increase in rates and quantities (Rs. 138 lakhs). 5. Earlier provision for distributary system based on Rs. 58.50 per acre of C.C.A. was found inadequate (Rs. 206 lakhs). 6. Revision of percentage charges (Rs. 200 lakhs).
II. B	Right Bank Canal System	2,63.21	5,74.20	3,10.99	1. Land acquisition for distributary system and increase in value of land (Rs. 68 lakhs). 2. Revised cost curves for structures based on actual execution rates instead of C.W.P.C. cost curves (Rs. 75 lakhs). 3. Rs. 58.50/acre of C. C. A. for distributary system was inadequate. Provision now made on basis of detailed estimates for 2 distributaries on Left Bank Canal an escalation (Rs.107 lakhs).

IX— conclud.

Provision in 1977 Estimate	Excess over provision in 1972 Estimate	Brief reasons for excess
(7)	(8)	(9)
<i>(Rupees in lakhs)</i>		
13,67.69	7,93.49	<p>1. Increase in cost of land acquisition (Rs. 50 lakhs). 2. Provisions now made on basis of actual designs and estimates of some structures. Some structures are having well foundations not contemplated earlier (Rs. 272 lakhs). 3. Inadequate provisions for earth work based on Branch Canal on Left Bank because survey was in progress. Length of Branch Canals increased from 47 to 84 kilometres (Rs. 68 lakhs). 4. For distributary system provision was made previously on cost curves of L. B. C. system. Now designs and estimates of some distributaries on Right Bank Canal have been finalised (Rs. 164 lakhs).</p>

APPENDIX X

(Reference: Paragraph 4.1.4.1, page 97)

STATEMENT SHOWING PROGRESS OF CONSTRUCTION OF TAWA PROJECT

Unit	Item	Unit	Total quantity]	Quantity executed] upto 31-8-80	Balance	
(1)]	(2)]	(3)]	(4)]	(5)]	(6)]	
I-A. Dam and appurtenant works						
<i>Earth Dam</i>						
	Cut off/filling earth work	Th.cum.	2890	Completed	..	
<i>Masonry dam</i>						
	Masonry	Th.cum.	477	477	..	
	Concrete	Th.cum.	132.40	131.39	1.0	
<i>Gates</i>						
	Radial Crest gates	Nos.	13	13	..	
	Sluice gates of dam	Nos.]	4	4	..	
	Intake gates of Right Bank Canal	Nos.	3	3	..	
	Intake gates of Left Bank Canal	Nos.]	4	4	..	
I.B.]	Approach channel	Metres]	338	338	..	
	Tunnel	Metres	3944	3944	..	
	Exist channel-Earth work	Th.cum.	965	939	26	
	Structures	Nos.	5	5	..	
II.A. Left Bank Canal System						
	Main Canal and Branch Canal }	Earth work	Th.cum.	15776	15697	79
	Masonry and concrete Structures	Th.cum.	485	472	13	
		Nos.]	363	312	51	
	Distributaries and minors }	Earth work	Th.cum.	13646	12804	842
	Masonry and concrete Structures	Th.cum.	207	161	46	
		Nos.]	3322	2382	940	
II.B. Right Bank Canal System						
Bagra Branch Canal—						
	Earth Work	Th.cum.	5587	5068	519	
	Masonry and concrete Structures	Th.cum.	67	56	11	
		Nos.	582	374	208	
Pipariya Branch Canal—						
	Earth work	Th.cum.	4708	3009	1699	
	Masonry and concrete Structures	Th.cum.	147	77	70	
		Nos.]	516	88	428	

APPENDIX XI

(Reference: Paragraph 8.2, page 146—147))

DETAILS OF OUTSTANDING INSPECTION REPORTS AND THOSE IN WHICH
EVEN FIRST REPLIES ARE AWAITED AS ON 30TH SEPTEMBER 1980

Serial number	Department	Total number of ins- pection reports/ para- graphs outstanding at the end of September 1980		Total num- ber of inspection reports to which even first replies had not been recei- ved till the end of September 1980
		Reports	Paragraphs	
(1)	(2)	(3)	(4)	(5)
<i>Civil Departments—</i>				
1.	Education	1,440	6,695	246
2.	Agriculture	801	5,093	168
3.	Tribal and Harijan Welfare	759	4,357	146
4.	Revenue	579	2,937	107
5.	Public Health and Family Welfare	493	3,010	167
6.	Forest	452	2,044	94
7.	Community Development Projects	414	1,480	77
8.	Administration of Justice (Law with Election Department)	277	1,057	15
9.	Veterinary	242	1,360	89
10.	Panchayat and Social Welfare	179	892	35
11.	Home (Police)	176	762	23
12.	Labour and Employment	145	446	44
13.	Commerce and Industries (including Registrar of Firms and Societies 1 Report and 1 para)	134	595	48
14.	Dairy Development	126	568	23
15.	Fisheries	89	379	9
16.	Treasuries and Accounts	82	406	18
17.	Separate Revenue (State Excise)	81	376	23
18.	Home (Jails)	78	464	24
19.	Food	65	297	16
20.	Land Records	61	305	27

APPENDIX XI—concl'd.

Serial number	Department	Total number of inspection reports/paragraphs outstanding at the end of September 1980		Total number of inspection reports to which even first replies had not been received till September 1980
		Reports	Paragraphs	
(1)	(2)	(3)	(4)	(5)
21.	Separate Revenue (Sales Tax)	59	239	16
22.	Finance	59	175	16
23.	Separate Revenue (Stationery and Printing)	57	317	4
24.	Co-operation	54	292	12
25.	Rehabilitation	53	222	5
26.	Information and Publicity	49	219	11
27.	Registration and Stamps	39	109	7
28.	Economics and Statistics	28	79	6
29.	Home (Transport)	21	78	6
30.	Home (Zila and Rajya Sainik Board)	18	55	9
31.	Scientific departments	14	70	7
32.	Weights and Measures	14	37	1
33.	Natural Resources	14	55	6
34.	General Administration	13	67	1
35.	Town and Country Planning	10	42	4
36.	Tourism	5	32	3
37.	Local Self Government	4	11	1
38.	Public Service Commission	2	10	..
39.	Revenue (Maufi)	2	5	..
40.	Languages	1	1	1
	Total	7,189	35,638	1,515
<i>Public Works—</i>				
1.	Irrigation	1,393	5,715	219
2.	Buildings and Roads	960	3,179	95
3.	Public Health Engineering	538	2,453	157
	GRAND TOTAL	10,080	46,985	1,986