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Report of the Comptroller and Auditor General of India for the year 1976-77
Government of Madhya Pradesh (Civil)

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REPORT
OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR 1976-77
(CIVIL)

GOVERNMENT OF MADHYA PRADESH



THE
 COUNTY
 AUDITOR OF
 FOR THE YEAR
 1891

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PREFATORY REMARKS

This Report has been prepared both in Hindi and English for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1976-77 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 1976-77.

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 1976-77 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 1976-77 have also been included, wherever considered necessary.

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

CHAPTER I
GENERAL

1.1. Summary of transactions

The receipts and expenditure of the Government of Madhya Pradesh for the year 1976-77 are given below with corresponding figures of the previous year :

Particulars (1)	1975-76 (2)	1976-77 (3)
<i>(In crores of rupees)</i>		
(1) Revenue—		
(i) Revenue raised by the State Government	3,77.30	4,18.85
(ii) Receipts from the Government of India	1,69.48	1,95.20
Total—Revenue receipts	5,46.78	6,14.05
(iii) Revenue expenditure—		
Non-plan	3,66.96	4,29.56
Plan	61.36	72.66
Total—Revenue expenditure	4,28.32	5,02.22
Revenue surplus (+)	+1,18.46	+1,11.83
(2) Public Debt—		
(i) Internal debt of the State Government—		
(a) Market loans—		
Receipts	9.79	10.59
Repayments	0.09	5.12
Increase (+)	+9.70	+5.47
(b) Loans from autonomous bodies—		
Receipts	3.56	7.06
Repayments	2.45	2.60
Increase (+)	+1.11	+4.46

Particulars (1)	1975-76 (2)	1976-77 (3)
	<i>(In crores of rupees)</i>	
<i>(c) Ways and means advances from the Reserve Bank of India—</i>		
Receipts	2,41.25	1,02.21
Repayments	2,57.02	1,00.09
Increase (+)		
Decrease (—)	—15.77	+2.12
Total—Internal debt of the State Government (net)—		
Increase (+)	—4.96	+12.05
Decrease (—)		
<i>(ii) Loans and advances from the Government of India—</i>		
Receipts	67.96	73.84
Repayments	36.69	32.46
Increase (+)	+31.27	+41.38
Total—Public Debt (net)—		
Increase (+)	+26.31	+53.43
<i>(3) Capital expenditure—</i>		
Non-plan	4.80	2.0
Plan	79.27	1,27.67
Increase (—)	—84.07	—1,29.71
<i>(4) Loans and advances by the State Government—</i>		
Recoveries	39.53	27.49
Disbursements	94.56	1,17.09
Increase (—)	—55.03	—89.60
<i>(5) Inter-State Settlement—</i>		
Increase (—)	—0.03	..
<i>(6) Transfer to Contingency Fund—</i>		
Increase (—)	..	—5.00

(b) *Expenditure on revenue account.*—The expenditure on revenue account during 1976-77 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 plus supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1974-75	3,83.69	4,14.39	3,87.73	-26.66	6
1975-76	4,21.25	4,66.87	4,28.32	-38.55	8
1976-77	4,93.47	5,77.14	5,02.22	-74.92	13

(c) The year ended with a revenue surplus of Rs. 1,11.83 crores as against the surplus of Rs. 93.39 crores anticipated in the budget.

The State has had a revenue surplus continuously since 1968-69. The figure 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)
(In crores of rupees)	
1974-75	35.65
1975-76	1,18.46
1976-77	1,11.83

1.3. Revenue receipts

During 1976-77, revenue receipts (Rs. 6,14.05 crores) showed increase of Rs. 67.27 crores (12.3 per cent) over those in 1975-76 (Rs. 5,46.78 crores). The increase is analysed below:

(1)	Receipts		Increase(+) Decrease(-)
	1975-76 (2)	1976-77 (3)	(4)
(In crores of rupees)			

REVENUE RAISED BY THE STATE GOVERNMENT

Tax Revenue—

(i) Taxes on income and expenditure	1.51	1.70	+0.19
(ii) Taxes on property and capital transactions	41.24	33.28	-7.96

(1)	Receipts		Increase (+) Decrease (-)
	1975-76 (2)	1976-77 (3)	
	(In crores of rupees)		
(iii) Taxes on commodities and services	1,88.72	2,14.07	+25.35
Total—Tax Revenue	2,31.47	2,49.05	+17.58
<i>Non-Tax Revenue—</i>			
(i) Interest receipts, dividends and profits	23.60	30.12	+6.52
<i>(ii) Other Non-Tax Revenue—</i>			
(a) General Services	9.59	8.61	-0.98
(b) Social and Community Services	9.09	9.98	+0.89
(c) Economic Services	1,03.55	1,21.09	+17.54
Total—Other Non-Tax Revenue	1,22.23	1,39.68	+17.45
Total—Non-Tax Revenue	1,45.83	1,69.80	+23.97
Total—Revenue raised by the State Government	3,77.30	4,18.85	+41.55

RECEIPTS FROM THE GOVERNMENT OF INDIA—

<i>(i) Share of net proceeds of Union Taxes—</i>			
(a) Taxes on income other than Corporation Tax	53.59	47.61	-5.98
(b) Estate Duty	0.60	0.70	+0.10
(c) Union Excise Duties	67.31	81.36	+14.05
<i>(ii) Other grants—</i>			
A—Grants for Non-Plan Schemes—			
(a) Grants in lieu of Tax on Railway passenger fare	1.61	1.61	..
(b) Grants for other different purposes and schemes	1.33	3.30	+1.97
B—Grants for State Plan Schemes—			
(a) Grants under proviso to Article 275 (1) of the Constitution	4.97	12.65	+7.68
(b) Other grants	17.87	19.04	+1.17
C—Grants for Central Plan Schemes	6.74	4.69	-2.05

(1)	Receipts		Increase(+) Decrease(-)
	1975-76 (2)	1976-77 (3)	(4)
	<i>(In crores of rupees)</i>		
D—Grants for Centrally Sponsored Plan Schemes	15.46	24.24	+8.78
Total—Receipts from the Government of India	1,69.48	1,95.20	+25.72
Grand total (Revenue receipts)	5,46.78	6,14.05	+67.27

Sales tax (Rs. 1,26.07 crores) was the largest item under "Tax Revenue" and formed about 51 per cent of the total tax collected. Forest (Rs. 88.37 crores) was the biggest source of revenue under "Non-Tax Revenue" the receipts being about 52 per cent of such revenue.

The increase of Rs. 41.55 crores in the revenue raised by the State Government during 1976-77 was mainly under:—

Head of account (1)	Increase over 1975-76 (2)	Reasons for increase (3)
<i>(In crores of rupees)</i>		
<i>A—Tax Revenue—</i>		
039—State Excise	2.62	Due mainly to increase in the issue price of liquor and increased sales of country spirits, opium, hemp and other drugs.
040—Sales Tax	8.69	Due mainly to increase in the rates of 'Turnover tax' and normal growth of revenue.
041—Taxes on Vehicles	1.02	Due mainly to changes in the rates of taxes consequent on rationalisation of the tax structure.

Head of account (1)	Increase over 1975-76 (2) (In crores of rupees)	Reasons for increase (3)
042—Taxes on Goods and Passengers	11.84	Due mainly to the new "Tax on the entry of Goods into Local Areas (M.P.)" introduced on the abolition of the system of octroi in the State.
<i>B—Non-Tax Revenue—</i>		
049—Interest Receipts	5.88	Due mainly to more recovery of interest on loans advanced to various public sector undertakings.
111—Dairy Development	1.46	Due mainly to increased sales of milk under major milk supply schemes.
113—Forest	11.56	Due mainly to better collection and sale of <i>tendu patta</i> , bamboo and timber from nationalised forests.
128—Mines and Minerals	5.84	Due mainly to more receipts of concession fees, rent and royalties based on increase extraction of major mineral and full impact of the revision in the rates of these items made in 1975-76.

The above increases in receipts were partly counterbalanced by decreases under:—

Head of account (1)	Decrease over 1975-76 (2) (In crores of rupees)	Reasons for decrease (3)
<i>A—Tax Revenue—</i>		
029—Land Revenue	5.23	Due mainly to less collection of land revenue on account of drought conditions prevailing in certain parts of the State.

Head of account	Decrease over. 1975-76	Reasons for decrease
(1)	(2)	(3)
	<i>(In crores of rupees)</i>	
035—Taxes on Immovable property other than Agricultural land	2.22	Due mainly to abolition of levy by the State of tax on immovable property consequent on decision to transfer this item of revenue to local bodies.
055—Police	1.44	Due mainly to less number of requisitions for supply of police from other Governments, autonomous bodies and private parties.

Receipts from the Government of India during 1976-77 (Rs. 1,95.20 crores) were 31.79 per cent of the total revenue receipts in the year.

Increase of Rs. 25.72 crores in the receipts from the Government of India during 1976-77 was due to larger share of net proceeds of Union Taxes (Rs. 8.17 crores) and to more assistance received for State Plan Schemes (Rs. 8.85 crores) Centrally sponsored Plan Schemes (Rs. 8.78 crores) and non-Plan Schemes (Rs. 1.97 crores). The increase was counterbalanced by less grants for Central Plan Schemes (Rs. 2.05 crores).

More information on the subject will be found in the Report of the Comptroller and Auditor General of India for the year 1976-77, Government of Madhya Pradesh—Revenue Receipts.

1.4. Expenditure on revenue account

Expenditure on revenue account during 1976-77 (Rs. 5,02.22 crores) showed increase of Rs. 73.90 crores as compared with 1975-76 (Rs. 4,28.32 crores). The variation is analysed below (in important cases, the reasons for increase/decrease are also given):—

Head of account	Expenditure		Increase (+) Decrease (-)
	1975-76	1976-77	
(1)	(2)	(3)	(4)
	<i>(In crores of rupees)</i>		
A—GENERAL SERVICES—			
(a) Organs of State	5.63	5.46	-0.17

Head of account

(1)	Expenditure		Increase (+) Decrease (-)
	1975-76 (2)	1976-77 (3)	
(In crores of rupees)			
(b) Fiscal Services—			
Land Revenue	11.81	19.27	+7.46
	Due mainly to increased contribution to the reserve fund "Gramin Vikas Nidhi".		
Sales Tax	1.70	8.36	+6.66
Other Taxes and Duties on Commodities and Services	0.28	7.99	+7.71
	In the 2 cases, the increase was due mainly to contribution to the newly created reserve fund "Madhya Pradesh Octroi Compensation Fund".		
Other heads	3.92	4.23	+0.31
Total—Fiscal Services	17.71	39.85	+22.14
(c) Interest payments and servicing of Debt	44.11	45.42	+1.31
	Due mainly to larger payment of interest on loans from the Government of India, on small savings, provident funds, etc.; and on other miscellaneous obligations counterbalanced by lesser payment of interest on open market loans and other internal debt.		
(d) Administrative Services—			
Police	29.67	31.58	+1.91
	Due mainly to more expenditure on the modernisation of police force and enhancement of the rates of dearness allowance.		
Public Works	1.55	-2.05	-3.60
	Due mainly to less expenditure on machinery and equipment and settlement of less number of claims from firms and other parties for supply of stores.		

Head of account (1)	Expenditure		Increase (+) Decrease (-) (4)
	1975-76 (2)	1976-77 (3)	
<i>(In crores of rupees)</i>			
Other heads	19.22	20.46	+1.24
Total—Administrative Services	50.44	49.99	-0.45
(e) Pensions and Miscellaneous General Services—			
Pensions and Other Retirement Benefits	7.00	8.93	+1.93
			Due mainly to payment of larger number of superannuation pensions, family pensions and other retirement benefits.
Aid materials and equipments	2.13	-1.60	-3.73
			Due mainly to more recovery of the cost of aid materials and equipment.
Miscellaneous General Services	0.92	1.07	+0.15
Total—Pensions and Miscellaneous General Services	10.05	8.40	-1.65
Total—A—General Services	1,27.94	1,49.12	+21.18
B—SOCIAL AND COMMUNITY SERVICES—			
Education	98.65	1,06.42	+7.77
			Due mainly to more expenditure on primary, secondary, university and other higher education.
Medical	20.11	24.69	+4.58
			Due mainly to more expenditure on purchase of medicines and equipment required in hospitals and dispensaries and enhancement of the rates of dearness allowance.

Head of account (1)	Expenditure		Increase (+) Decrease (-)
	1975-76 (2)	1976-77 (3)	(4)
	<i>(In crores of rupees)</i>		
Family Planning	5.09	16.54	+11.45
	Due mainly to intensive implementation of family planning and welfare programme in rural, urban and tribal areas and larger payments of compensation to persons undergoing sterilisation operations.		
Public Health, Sanitation and Water Supply.	11.97	21.51	+9.54
	Due mainly to more expenditure on the programme for the prevention and control of diseases, on implementation of various rural and urban water supply schemes and undertaking of "Tribal Areas Sub-Plan" schemes.		
Social Security and Welfare	20.78	29.14	+8.36
	Due mainly to increased expenditure on schemes for welfare of scheduled tribes, scheduled castes and backward classes and programme for family and child welfare.		
Relief on account of Natural Calamities	7.79	2.44	-5.35
	Due mainly to less number of road, irrigation and other works taken up under the scarcity relief programme as only 16 districts were affected by drought conditions during the year as against 26 districts during 1975-76.		
Other heads	8.32	10.70	+2.38
Total—B—Social and Community Services	1,72.71	2,11.44	+38.73

Head of account (1) (2)	Expenditure		Increase(+) Decrease(-) (4)
	1975-76 (2)	1976-77 (3)	
(In crores of rupees)			
C—ECONOMIC SERVICES—			
(a) General Economic Services	3.64	4.68	+1.04
(b) Agriculture and Allied Services—			
Agriculture	13.18	20.89	+7.71
			Due mainly to larger expenditure on schemes relating to manures and fertilisers and on the implementation of the "Drought Prone Areas Programme" and "Tribal Areas Sub-Plan" schemes.
Minor Irrigation	8.61	2.33	-6.28
			Due mainly to less number of minor irrigation works undertaken as part of scarcity relief measures.
Area Development	5.25	2.16	-3.09
			Due to less expenditure under dry land development schemes (Rs. 3.48 crores) partly counterbalanced by more expenditure under 'Ayacut Development' programme (Rs. 0.39 crore).
Dairy Development	3.93	5.81	+1.88
			Due mainly to more milk procured under the dairy development programme, additional expenditure on the improvement of Bhopal Milk Supply Scheme and enhancement in the rates of dearness allowance.
Forest	39.90	46.02	+6.12
			Due mainly to additional expenditure on schemes of State trading in timber, <i>tendu patta</i> , bamboos and <i>khair</i> and undertaking of various schemes under the plantation programme.

Head of account	Expenditure 1975-76	Expenditure 1976-77	Increase + Decrease (—)
(0)	(2)	(3)	(4)
	<i>(In crores of rupees)</i>		
Community Development	8.37	11.76	+3.39
	Due mainly to implementation of the "Tribal Areas Sub-Plan" and schemes increased payment of grants/contributions to local bodies and institutions under the "Local Development Works" programme.		
Other heads	12.19	13.07	+0.88
Total—Agriculture and Allied Services	91.43	1,02.04	+10.61
(c) Industry and Minerals	2.98	3.59	+0.61
(d) Water and Power Development— Irrigation, Navigation, Drainage and Flood Control Projects	0.24	—4.78	—5.02
	Due mainly to settlement of less number of claims for materials, machinery and equipment received from suppliers and more <i>pro rata</i> recoveries towards expenditure on common establishment.		
Power Projects	5.60	8.10	+2.50
	Due mainly to more assistance released to the Madhya Pradesh State Electricity Board for losses sustained by it on implementation of the Rural Electrification programme.		
Other heads	0.49	0.11	—0.38
Total—Water and Power Development	6.33	3.43	—2.90
(e) Transport and Communications— Roads and Bridges	21.21	25.43	+4.22
	Due mainly to increased expenditure on construction works, repairs and maintenance of State highways and district and other roads and on machinery and equipment and to increase in the cost of materials and wages,		

Head of account (1)	Expenditure		Increase(+) Decrease(-)
	1975-76 (2)	1976-77 (3)	(4)
<i>(In crores of rupees)</i>			
Other heads	0.12	0.19	+0.07
Total—Transport and Communications	21.33	25.62	+4.29
Total—C—Economic Services	1,25.71	1,39.36	+13.65
D—GRANTS-IN-AID AND CONTRIBUTIONS—			
Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	1.96	2.30	+0.34
Total—Revenue expenditure	4,28.32	5,02.22	+73.90

1.5. Capital expenditure

(a) The capital expenditure during the three years ended 1976-77 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary grants was as shown below:—

Year (1)	Budget (2)	Budget <i>plus</i> supplementary (3)	Actuals (4)	Variation between columns (4) and (3)	
				Amount (5)	Percentage (6)
<i>(In crores of rupees)</i>					
1974-75	81.18	91.16	81.13	-10.03	11
1975-76	80.75	85.80	84.07	-1.73	2
1976-77	1,00.11	1,26.74	1,29.71	+2.97	2

(b) An analysis of the capital expenditure during and to the end of 1976-77 is given below:—

Heads	Expenditure during 1976-77	Progressive expenditure to end of 1976-77
(1)	(2)	(3)
(In crores of rupees)		
Capital expenditure—		
Public Works	0.84	(a) 6.94
Other Administrative Services	0.03	0.18
Social and Community Services	8.01	(b) 1,07.80
General Economic Services	7.12	(c) 63.96
Agriculture and Allied Services	33.16	(d)(f) 1,66.29
Industry and Minerals	1.80	(e) 25.82
Water and Power Development	65.33	3,62.37
Transport and Communications	13.42	1,15.69
Total—Capital expenditure	1,29.71	8,49.05

(c) Sources from which capital and other expenditure was met.—The capital expenditure, the net outgo under loans and advances by the State Government and appropriation from the Consolidated Fund to the Contingency Fund during 1976-77 were as follows:—

	Amount (In crores of rupees)
(i) Net capital expenditure	1,29.71
(ii) Net outgo under loans and advances by the State Government	89.60
(iii) Appropriation to the Contingency Fund	5.00
Total	2,24.31

(a) Decreased by Rs. 4.22 crores
 (b) Increased by Rs. 3.75 crores
 (d) Increased by Rs. 0.40 crore
 (e) Increased by Rs. 0.07 crore
 (c) Decreased by Rs. 0.01 crore
 (f) Increased by Rs. 0.01 crore

} as a result of *pro forma* corrections made on final allocation of unallocated pre-1974-75 outlay to the appropriate heads.

} due to rounding.

The above expenditure was met from the following sources:—

Heads (1)	Amount (2) <i>(In crores of rupees)</i>
Net addition to—	
Market loans	5.47
Loans from autonomous bodies	4.46
Advances from the Reserve Bank of India	2.12
Loans from the Government of India	41.38
Small Savings, Provident Funds, etc.	24.67
Contingency Fund	6.35
Reserve funds—	
Sinking Funds	1.51
Other Reserve Funds	8.92
Net balance under Deposits, Advances and Suspense and Miscellaneous, etc.	1.23
Remittances	14.13
Miscellaneous Government Account	-4.13
Increase in cash balance	-12.91
Decrease in investments	11.02
Revenue surplus	1,11.83
Total	2,24.31

1.6. Loans and advances by the Government

(a) The actuals of disbursements of loans and advances by the Government during 1976-77 as compared with (i) the budget estimates and (ii) the budget estimates plus supplementary grants along with the corresponding figures for 1974-75 and 1975-76 are shown below:

Year	Budget	Budget plus supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
<i>(In crores of rupees)</i>					
1974-75	48.65	64.60	47.93	-16.67	26
1975-76	1,02.31	1,08.22	94.56	-13.66	13
1976-77	1,32.37	1,45.18	1,17.09	-28.09	19

(b) The budget estimates and actuals of recoveries of loans and advances for 1976-77 and preceding two years are given below:—

Year	Budget	Actuals	Variation	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)
	<i>(In crores of rupees)</i>			
1974-75	29.16	20.01	—9.15	31
1975-76	40.47	39.53	—0.94	2
1976-77	45.13	27.49	—17.64	39

(c) The balance of loans outstanding on 31st March 1977 (Rs. 4,39.92 crores) was more by Rs. 89.60 crores as compared to that outstanding at the beginning of the year (Rs. 3,50.32* crores). The increase was due to more loans mainly for "Water and Power Development" (Rs. 81.11 crores), "Social and Community Services" (Rs. 10.25 crores), "Government servants" (Rs. 1.38 crores), "Agriculture and Allied Services" (Rs. 0.57 crore) and "Transport and Communications" (Rs. 0.25 crore). The increase was partly offset by less loans under "General Economic Services" (Rs. 3.76 crores).

The balance of loans to the Madhya Pradesh Electricity Board outstanding on 31st March 1977 was Rs. 3,21.84 crores. This does not include the capital expenditure incurred by the State Government on the Gandhi Sagar Power Station which was taken over by the Board on 1st April 1961 as the loan component of the capital expenditure had not been determined (February 1978) by the Government. The Board has, however, taken the value of the Station as Rs. 9.43 crores and adjusted it in its accounts as loan pending final assessment by the Government.

Further details of loans and advances are given in statement nos. 5 and 18 of the Finance Accounts 1976-77.

(d) *Delay in recovery of loans and advances.*—Detailed accounts of certain classes of loans and advances are maintained by the Audit office while those of others are maintained by the departments of the State Government. Recovery of Rs. 2.55 crores (principal: Rs. 1.38 crores and interest: Rs. 1.17 crores) in the case of former and Rs. 2.62 crores (principal: Rs. 2.45 crores and interest: Rs. 0.17 crore) on the basis of information received in the case of latter was overdue at the end of March 1977. Of the total amount reported to be in default in respect of loans, the detailed accounts of which are maintained by the departments, Rs. 2.53 crores (principal: Rs. 2.41 crores and interest: Rs. 0.12 crore) were outstanding for recovery for more than three years on 31st March 1977.

Further details are given in statement no. 5 of the Finance Accounts 1976-77.

1.7. Debt position of the Government

The debt and other obligations of the Government at the end of March 1977

*Differs by Rs.—0.01 crore from the corresponding figure shown in last year's Audit Report (Civil) due to rounding.

compared with the corresponding amounts at the end of each of the two preceding years are given below:

(1)	1974-75 (2)	1975-76 (3)	1976-77 (4)
	<i>(In crores of rupees)</i>		
Public Debt	5,75.87	6,02.18	6,55.61
Other debt and obligations	1,88.11	2,21.06	2,63.35
Total	7,63.98	8,23.24	9,18.96

1.8. Public Debt

(a) An analysis of the Public Debt outstanding at the end of 1976-77 compared with the corresponding amounts at the end of the preceding two years is given below :

(1)	1974-75 (2)	1975-76 (3)	1976-77 (4)
	<i>(In crores of rupees)</i>		
(1) <i>Long-term borrowings—</i>			
(i) <i>Internal debt—</i>			
(a) Loans raised by the Government in open market	80.70	90.40	95.87
(b) Loans from autonomous bodies	26.88	27.99	32.45
(ii) Loans from the Government of India	4,52.52	4,83.79	5,25.17
(2) <i>Temporary borrowings—</i>			
<i>Internal debt—</i>			
Ways and means advances from the Reserve Bank of India	15.77	..	2.12
Total	5,75.87	6,02.18	6,55.61

(b) *Open market loans.*—During the year, the Government floated a loan of Rs. 10.10 crores (6 per cent Madhya Pradesh State Development Loan, 1986) at a discount of one per cent. The loan bears interest at the rate of 6 per cent per annum and is redeemable at face value in 1986. The amount subscribed was Rs. 10.07 crores (in cash: Rs. 7.19 crores; by conversion: Rs. 2.88 crores). Of the subscription received in cash, Rs. 0.22 lakh are lying in the 'deposit account' pending issue of scrips.

4 $\frac{3}{4}$ per cent Madhya Pradesh State Development Loan, 1976 fell due for discharge during 1976-77. Rupees 5.09 crores were repaid during the year leaving a balance of Rs. 0.15 crore at the end of the year.

(c) *Loans from autonomous bodies.*—This class of debt comprises loans obtained by the Government from various autonomous bodies such as Life Insurance Corporation of India, the National Agriculture Credit Fund of the Reserve Bank of India, the State Bank of India and other banks, the National Co-operative Development Corporation, the Housing and Urban Development Corporation and the Rural Electrification Corporation. During the year, the Government received Rs. 7.06 crores as loan from such bodies and repaid Rs. 2.60 crores. The balance of such loans outstanding at the end of the year was Rs. 32.45 crores. The Government paid Rs. 1.49 crores as interest to various autonomous bodies on the loans received. Further details of loans from autonomous bodies are given in statement nos. 17 and 17-A of the Finance Accounts 1976-77.

(d) *Loans from the Government of India.*—Loans from the Government of India outstanding on 31st March 1977 (Rs. 5,25.17 crores) formed 80 per cent of the total Public Debt of the State.

Full particulars of loans from the Government of India are available in statement nos. 17 and 17-A of the Finance Accounts 1976-77.

(e) *Ways and means advances from the Reserve Bank of India.*—Under the revised agreement with the Reserve Bank of India, the minimum balance to be maintained each day with the Bank by the State Government has been raised with effect from 1st May 1976 from Rs. 40 lakhs to Rs. 80 lakhs. If the daily cash balance of the Government with the Bank falls short of this minimum the deficiency is made good by taking ways and means advances (ordinary and special) from the Reserve Bank according to the limits fixed by it from time to time or by selling holdings, if any, of Government of India treasury bills. The Bank charges interest on these advances at one per cent below the Bank Rate in force to two per cent above the Bank Rate depending upon the number of days for which ways and means advance is taken. No balance of the ways and means advance was outstanding at the beginning of the year. During the year, the Government drew on various occasions advances totalling Rs. 1,02.21 crores and repaid Rs. 1,00.09 crores leaving a balance of Rs. 2.12 crores outstanding for repayment at the close of the year. Rupees 0.25 crore were also paid to the Bank as interest on these advances.

The extent to which the Government was able to maintain the agreed minimum balance with the Bank during 1976-77 is shown below :

(i) Number of days on which the minimum balance was maintained without obtaining any advance	211
(ii) Number of days on which the minimum balance was maintained by taking ways and means advances (ordinary and special)	149
(iii) Number of days on which there was shortfall from minimum balance after taking the above advances but no overdraft was taken	nil
(iv) Number of days on which overdrafts were taken	5

1.9. Other debt and obligations

In addition to the Public Debt, the balance under Small Savings, Provident Funds, etc., comrr and the balances at the credit of earmarked and other funds as also certain deposits which have not been invested but are merged in the general cash balance of the Government constitute a liability of the Government, which at the end of 1976-77 stood at Rs. 2,63.35 crores against Rs. 2,21.06 crores at the beginning of the year. An analysis of the liability at the end of 1975-76 and 1976-77 is given below :

Particulars (1)	Total other debt and obligations outstanding at the end of	
	1975-76 (2)	1976-77 (3)
<i>(In crores of rupees)</i>		
<i>Other debt and obligations</i>		
<i>(a) Interest-bearing—</i>		
(1) Small Savings, Provident Funds, etc.	1,46.05	1,70.72
	<i>(a)</i>	<i>(b)</i>
(2) Civil deposits	..	..
(3) Deposits of State Electricity Board and Security deposits from consumers—Government Electricity Schemes	7.22	7.22
(4) Other deposits—		
Deposits of Government companies and corporations	0.02	0.02
(5) Miscellaneous deposits—Deposits of Madhya Pradesh Government servants' Family Benefit Fund	7.74	12.35
Total—Interest—bearing	1,61.03	1,90.31
<i>(b) Non-Interest-bearing—</i>		
(1) Civil deposits	28.93	31.95
(2) Deposits of local funds	0.40	0.46
(3) Earmarked funds and deposits	30.18	40.62
(4) Other miscellaneous deposits	0.52	0.01
Total—Non-Interest—bearing	60.03	73.04
Total—Other debt and obligations	2,21.06	2,63.35

1.10. Arrangements for amortisation

The following arrangements have been made for amortisation of various loans :—

(a) Actual is Rs. 7,490.

(b) Actual is Rs. 19,803.

(a) *Open market loans.*—Upto 1974-75, the terms notified while raising open market loans provided for suitable periodic contributions from revenue for the discharge of liabilities arising out of the loans. While the terms notified for the loans floated since 1975-76 do not specifically provide for such contributions, the Government has decided to make amortisation arrangements for such loans similar to those for the loans raised prior to 1975-76.

Following arrangements exist for the amortisation of all open market loans:—

(i) *Sinking funds.*—An annual contribution, at such rates as the Government may decide from time to time, is made from revenue to the funds for liquidation of loans.

(ii) *Depreciation funds.*—A sum equal to 1½ per cent of the total nominal value of the loan raised is set apart from revenue every year to form a depreciation fund for purchasing securities for cancellation.

The balances in these funds at the commencement and close of 1976-77 were as shown below :

	Balance on 1st April 1976	Additions during the year	Withdrawals during the year	Balance on 31st March 1977
(1)	(2)	(3)	(4)	(5)
	(In lakhs of rupees)			
Sinking funds	23,86.99	4,38.83	3,30.30	24,95.52
Depreciation funds	6,66.31	1,28.23	86.49	7,08.05
Total	30,53.30	5,67.06	4,16.79	32,03.57

Out of these funds, Rs. 10,16.96 lakhs were invested in securities of the Government of India. The balance stood merged in the general cash balance of the Government.

(b) *Loans from the Government of India.*—The Government has made amortisation arrangements for the repayment of one interest-free loan (balance on 31st March 1977: Rs. 1.83 lakhs) received for the Industrial Housing Scheme. The balance at the credit of the sinking fund for the discharge of the liability arising from this loan at the beginning and the close of the year was Rs. 2.20 lakhs. No sum was invested therefrom during the year.

The State Government has not made any arrangement for amortisation of the remaining loans (Rs. 5,25.15 crores) taken from the Government of India.

(c) *Loans from autonomous bodies.*—For loans taken from autonomous bodies also, the Government has not considered it necessary to make amortisation arrangements as the repayment of these loans is made from the general cash balance of the State in prescribed periodic instalments by making provisions for the same in the State's budget.

1.11. Service of debt and other obligations

(a) The table below shows the net burden on revenue of interest charges on Public Debt and other obligations in 1976-77 as compared with that in the preceding two years:

(1)	1974-75 (2)	1975-76 (3)	1976-77 (4)
	<i>(In crores of rupees)</i>		
(1) Interest paid on debt and other obligations	29.53	39.27	40.29
(2) Less—			
(i) Interest received on loans and advances by the Government	13.23	17.88	23.76
(ii) Interest realised on investment of cash balance	1.87	1.31	1.71
(iii) Interest transferred to accounts of multipurpose river schemes and treated as capital expenditure	2.13	2.66	2.65
(3) Net burden of interest charges on revenue	12.30	17.42	12.17
	Percentages		
(4) Percentage of gross interest to gross debt	3.86	4.77	4.38
(5) Percentage of gross interest to total revenue receipts	6.97	7.18	6.56
(6) Percentage of net interest to total revenue receipts	2.90	3.18	1.99

In addition, there were certain other miscellaneous interest receipts (Rs. 0.14 crore) and if these are also taken into account, the net burden of interest on the revenue during 1976-77 would be Rs. 12.03 crores or 1.96 per cent of the total revenue.

The Government also received during the year Rs. 1.86 crores by way of dividend on investments in commercial and industrial undertakings including statutory corporations, companies, banks and various co-operative institutions.

(b) The detailed accounts of certain categories of provident funds are maintained by the departmental authorities since 1969-70. Soon after the close of each financial year, the heads of departments are required to furnish to the Accountant General consolidated statements of interest accrued on such provident funds, on the basis of which adjustments of interest in the accounts are carried out.

Such consolidated statements have not been received from a large number of departments from 1969-70 onwards. Out of 85 heads of departments, statements were received from 12 in 1974-75, 14 in 1975-76 and 9 in 1976-77. The net burden

of interest charges mentioned in sub-paragraph (a) above does not include interest payable on those provident funds in respect of which consolidated statements have not been received.

There were considerable savings every year in the budget provision made for interest on the balances in these provident fund accounts due mainly to non-adjustment of interest in respect of a large number of these accounts. The budget provisions and the adjustments of interest in respect of these accounts in each of the years since 1969-70 were as follows :

Year	Budget provision for interest	Amount of interest adjusted
(1)	(2)	(3)
	<i>(In lakhs of rupees)</i>	
1969-70	14.15	..
1970-71	12.35	0.08
1971-72	21.02	..
1972-73	35.56	0.16
1973-74	56.84	0.33
1974-75	1,05.14	0.30
1975-76	1,38.82	5.91
1976-77	1,55.65	3.67
Total	5,29.53	10.45

1.12. Investments of the Government

In 1976-77, the Government invested (net) Rs. 10.91 crores in the shares and debentures of statutory corporations (Rs. 1.68 crores), Government companies (Rs. 2.23 crores) @, and co-operative institutions (Rs. 7.00 crores) *.

The total net investment of the Government in the share capital and debentures of different statutory corporations, Government companies, joint-stock companies, banks and co-operative institutions at the end of 1974-75, 1975-76 and 1976-77 was Rs. 63.18 crores, Rs. 69.57 crores and Rs. 80.48 crores respectively. The dividend and interest received therefrom during these years was Rs. 0.83 crore (1.3 per cent), Rs. 1.22 crores (1.7 per cent) and Rs. 1.86 crores (2.3 per cent) respectively.

Details of these investments and dividend received are given in statement No. 14 of the Finance Accounts 1976-77.

†Based on account figures; according to the information furnished by the corporations, the investments during 1976-77 in statutory corporations were Rs. 1.18 crores as mentioned in the Audit Report (Commercial) for they ear 1976-77. The difference is under reconciliation

@Includes investment of Rs. 1.50 lakhs } out of advances from the Contingency Fund.
*Includes investment of Rs. 43.63 lakhs. }

1.13 Guarantees given by the Government

(a) Guarantees are given by the Government for due discharge of certain liabilities like loans raised, credit facilities obtained by statutory corporations, Government companies, joint-stock companies, co-operative institutions, local bodies, firms, individuals, etc. These guarantees constitute a contingent liability on the State revenues.

To ascertain the extent of such liabilities, the various departments of the Government are requested to furnish, by 15th May every year, the relevant data indicating, *inter alia*, the amount of the liabilities outstanding at the end of the previous year, the cases in which the terms of the guarantees were invoked, the financial implications thereof, etc.

Complete information is not, however, being furnished to Audit for the past several years notwithstanding repeated reminders in this regard. For 1974-75, 1975-76 and 1976-77, requisite information was not received from the Government in respect of 33 out of 207, 60 out of 259 and 26 out of 316 items respectively.

(b) Unless exempted specifically, guarantee fee is charged for the guarantees given under the rules framed by the Government in February 1977. The proceeds of the fees so realised are credited to the revenue of the Government.

(c) The total guarantees on 31st March 1977 were for Rs. 6,33.71 crores against which the sums guaranteed and outstanding on that date, according to the information received, were Rs. 2,04.73 crores.

(d) Under section 6(1) of the State Financial Corporations Act, 1951, the shares of the State Financial Corporation are to be guaranteed by the Government as to the repayment of principal and payment of annual dividend. Again, under section 7(1) *ibid* the bonds and debentures of the State Financial Corporation are to be guaranteed by the Government as to the repayment of principal and payment of interest. Section 8(2) *ibid* also stipulates that all deposits accepted under section 8(1), other than deposits from the State Government, should be guaranteed by the Government as to the repayment of principal and payment of interest.

The amounts guaranteed on behalf of the Madhya Pradesh State Financial Corporation by the Government, to the end of 1976-77 under sections 6(1), 7(1) and 8(2) *ibid* were Rs. 1,23.50 lakhs, Rs. 7,60.10* lakhs and Rs. 50.00 lakhs against which Rs. 1,20.00 lakhs, Rs. 6, 69. 79 lakhs (including interest of Rs. 9. 69 lakhs) and Rs. 50.00† lakhs respectively were outstanding on 31st March 1977.

*Based on information received from the Government; according to the information furnished by the Corporation, the maximum amount guaranteed was Rs. 6,60.10 lakhs. The discrepancy is under reconciliation,

†Based on information received from the Government; according to the information furnished by the Corporation, the amount of guarantee outstanding on 31st March 1977 was Rs. 50.90 lakhs. The discrepancy is under reconciliation,

(e) Under Section 66 of Electricity (Supply) Act, 1948, the Government may guarantee in such manner as it thinks fit the payment of the principal of and interest on any loan proposed to be raised by the State Electricity Board or of either the principal or the interest. The maximum amount covered by the guarantees given on behalf of the Madhya Pradesh Electricity Board by the Government to the end of 1976-77 was Rs. 1,48,50.00 lakhs @against which the sum outstanding on 31st March 1977 was Rs. 84,67.87 lakhs@.

In addition, the Government has given guarantee with unlimited liability on behalf of the Madhya Pradesh Electricity Board for payment of cost of stores purchased through the Director General of Supplies and Disposals and for payment of freight and other dues to the Railway Board.

(f) Under Section 63 of Madhya Pradesh Griha Nirman Mandal Adhinyam 1972, the Government may guarantee the repayment of principal and payment of interest on loans obtained and debentures issued by the Madhya Pradesh Housing Board with the approval of the State Government under Section 62 *ibid.*

The maximum amount of the guarantees given on behalf of the Madhya Pradesh Housing Board to the end of 1976-77 was Rs. 23, 31.08 lakhs against which a sum of Rs. 11,95.12 lakhs was outstanding on 31st March 1977.

(g) Apart from the cases of guarantees mentioned at sub-paragraphs (d) to (f) above, the Government had guaranteed (to third parties) the repayment of loans raised, debentures and bonds issued, advances received, cash credit facilities/accommodation on hypothecation of stock, etc., on behalf of six Government companies/statutory corporations, two joint-stock companies, 16 co-operative institutions, 71 municipalities, one Improvement Trust, various *Panchayats* and *Mandi* Committees, one firm and several individuals.

The maximum amount guaranteed on their behalf to the end of 1976-77 was Rs. 4,52,56.45 lakhs, against which the amount actually covered as on 31st March 1977 was Rs. 99,70.19 lakhs.

The Government has also given a guarantee with unlimited liability on behalf of the Madhya Pradesh State Road Transport Corporation for payment of cost of stores/supplies received through the Director General of Supplies and Disposals.

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

@Based on information received from Government, according to the information furnished by the Board, the maximum amount guaranteed was Rs. 1,79.50 crores and the amount outstanding on 31st March 1977 was Rs. 1,28.43 crores as mentioned in Audit Report (Commercial) for the year 1976-77. The discrepancy is under reconciliation.

Further details of the guarantees are given in statement No. 6 of the Finance Accounts 1976-77.

(h) *Guarantee Reserve Fund.*—The Government constituted a Guarantee Reserve Fund in 1970-71. The Fund is intended to meet contingent liabilities arising as a result of guarantees given in favour of various institutions, organisations and local bodies being invoked. Accretions to the Fund are made from the revenue at *ad hoc* rates without fixing any percentage with reference to the guarantees given by the Government. To the end of 1974-75, the Government had contributed Rs. 70.00 lakhs from the revenues to the Fund. No further contributions were made to the Fund in 1975-76 and 1976-77.

Investments of the balance in the Fund are made from time to time and the interest realised on the sums invested is credited to the Fund. The total investment from the Fund at the end of 1976-77 was Rs. 4.89 lakhs (made in 1970-71) and interest of Rs. 0.27 lakh earned thereon during the year was credited to the Fund. The balance in the Fund on 31st March 1977 was Rs. 26.16^{*} lakhs (debit).

(i) *Payment in fulfilment of guarantee*—No case of invocation of guarantee given by Government was reported during 1976-77. The total amount paid by the Government and to be recovered from various parties on this account to the end of 1976-77 was Rs. 1,29.54 lakhs. Complete details are available in statement no. 6 of the Finance Accounts, 1976-77.

1.14. Grants to local bodies and others

During 1976-77, the Government paid Rs. 45.40 crores as grants to non-Government bodies and institutions for various purposes as compared to Rs. 25.21 crores paid in 1975-76. Full particulars of grants paid and certain points noticed in the audit of the utilisation of the grants are mentioned in Chapter VI.

*The debit balance is under investigation (February 1978).

CHAPTER II

APPROPRIATION AUDIT AND CONTROLOVER EXPENDITURE

2.1 Summary

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

	(1)	(2)	(3)	(4)	(5)	
		Grants/ Charged app- ropriations	Expendi- ture	Saving(—) Excess(+)	Percen- tage	
(In crores of rupees)						
Voted—						
Original	7,72.00	}	8,81.26	7,99.40	—81.86	9
Supplementary	1,04.26					
Amount transferred to the Contingency Fund under the Madhya Pradesh Contingency Fund (Amendment) Act, 1976	5.00					
Charged—						
Original	3,25.58	}	3,44.44	2,10.61	—1,33.83	39
Supplementary	18.86					
Total			12,25.70	10,10.01	—2,15.69	18

The overall saving of Rs. 2,15.69 crores was the result of saving of Rs. 2,32.77 crores in 34 grants (Rs. 98.94 crores) and 29 charged appropriations (Rs. 1,33.83 crores) partly counterbalanced by excess of Rs. 17.08 crores in 10 grants (Rs. 17.08 crores) and 3 charged appropriations.*

(b) Further details are given below :—

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Revenue	Capital	Loans and advances	Public debt	Transfer to Contingency Fund	Total
(In crores of rupees)							
Authorised to be spent (grants and charged appropriations)							
Original		5,56.72	1,45.33	1,32.37	2,63.16	..	10,97.58
Supplementary		83.67	26.64	12.81	..	..	1,23.12

*Rs. 39,558 only.

	Revenue	Capital	Loans and advances	Public debt	Transfer to Contingency Fund	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(In crores of rupees)					
Amount transferred to the Contingency Fund under the Madhya Pradesh Contingency Fund (Amendment) Act, 1976	..	..	..	..	5.00	5.0
Total	6,40.39	1,71.97	1,45.18	2,63.16	5.00	12,25.70
Actual expenditure (grants and charged appropriations)	5,94.04	1,53.61	1,17.08	1,40.28	5.00	10,10.01
Shortfall	-46.35	-18.36	-28.10	-1,22.88	..	-2,15.69

2.2 Excess over grants/charged appropriations requiring regularisation

(a) Grants.—The excess of Rs. 8,80,73,936 in the following 7 grants in the Revenue Section and of Rs. 8,27,56,001 in 6 grants in the Capital Section 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.	6—Expenditure pertaining to Finance Department	11,03,20,100	11,24,46,622	21,26,522
		The excess was due mainly to finalisation of more pension/gratuity cases during the year than anticipated.		
2.	10—Forest	44,71,54,600	46,02,71,367	1,31,16,767
		The excess was due mainly to post-budget decision of the Government to raise nurseries for large scale plantations in the State and payment of more collection charges on <i>tendu patta</i> owing to more collection than anticipated.		
3.	23—Irrigation Works	22,01,18,100	26,29,41,240	4,28,23,140
		Reasons for the excess have not been intimated (January 1978).		
4.	26—Languages	10,25,100	10,44,338	19,238
		The excess was due mainly to payment of dearness allowance at enhanced rates,		

Serial number	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
5.	27—Education	1,02,96,92,200	1,05,93,75,772	2,96,83,572
		The excess was due mainly to payment of more maintenance grants to educational institutions than anticipated, payment of dearness allowance at enhanced rates and filling up of vacant posts.		
6.	37—Tourism	15,76,600	16,71,327	94,727
		Reasons for the excess have not been intimated (January 1978).		
7.	39—Expenditure pertaining to Food Department	70,32,000	72,41,970	2,09,970
		The excess was due mainly to payment of dearness allowance at enhanced rates.		

Capital Section :

1.	4—Other expenditure pertaining to Home Department.	2,30,55,000	2,80,00,024	49,45,024
		The excess which occurred under "538—Capital Outlay on Road and Water Transport Services-a.-Road Transport" was due mainly to adjustment of past liabilities on account of capital contribution to the Madhya Pradesh State Road Transport Corporation.		
2.	20—Public Health Engineering	6,67,16,800	6,98,75,292	31,58,492
		The excess occurred mainly under "682- Loans for Public Health, Sanitation and Water Supply -C.- Urban Water Supply Schemes- New Urban Water Supply Scheme" and was due mainly to advancing of more loans for implementation of municipal water supply schemes.		

Serial number	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.

3.	21—Expenditure pertaining to Housing and Environment Department	7,92,87,100	8,02,66,394	9,79,294
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The excess was due mainly to accelerated progress of work on residential buildings.

4.	23—Irrigation Works	1,07,34,39,200	1,14,65,11,829	7,30,72,629
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The excess occurred mainly under "506-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development -a- Minor Irrigation". Reasons for the excess have not been intimated (January 1978).

5.	27—Education	25,80,000	26,95,182	1,15,182
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The excess occurred mainly under "677-Loans for education, art and culture -g.l- National loan scholarship schemes" and was due mainly to heavy demand from loanees.

6.	37—Tourism	19,40,000	24,25,380	4,85,380
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The excess occurred mainly under "544-Capital Outlay on other Transport and Communication Services-Minor works", reasons for which have not been intimated (January 1978).

(b) *Charged appropriations*—The excess of Rs. 19,940 in the following charged appropriation in Revenue Section and of Rs. 19,618 in 2 charged appropriations in Capital Section also require regularisation:—

Serial number	Number and name of charged appropriation	Total appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.

Revenue Section :

1.	10—Forest	10,71,000	10,90,940	19,940
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The excess was due mainly to decretal payments being more than anticipated.

Serial number	Number and name of charged appropriation	Total appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.

Capital Section:

1.	11—Expenditure pertaining to Commerce and Industry Department	9,78,000	9,86,923	8,923
		The excess occurred under "521 Capital Outlay on Village and Small Industries-a.1—Land acquisition and development of land" reasons for which have not been intimated (January 1978).		

2.	24—Public Works	5,08,000	5,18,695	10,69
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Reasons for the excess have not been intimated (January 1978).

2.3 Supplementary grants/charged appropriations

The supplementary provision of Rs. 1,23.12 crores (11 per cent of the original provision) was obtained under 37 grants (Rs. 1,04.26 crores) and 15 charged appropriations (Rs. 18.86 crores).

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

(i) In the following cases the supplementary grants (exceeding Rs. 10 lakhs each) of Rs. 9,68.47 lakhs remained wholly unutilised as the expenditure did not come up even to the original provision (except in respect of item no. 1 under Capital where there was no original provision) :—

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

(In lakhs of rupees)

Revenue Section:

1.	1—General Administration	2,79.24	27.80	2,73.79	33.2
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The shortfall was due mainly to less number of mass contact tours undertaken by Ministers and grants not being sanctioned during the period of general elections.

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		<i>(In lakhs of rupees)</i>			
2.	7—Expenditure pertaining to Separate Revenue and Registration Department	7,87.70	19.99	6,38.74	1,68.95
		The shortfall was due mainly to less purchases of liquor and spirits, less payment of commission to stamp vendors and posts kept vacant.			
3.	9—Other expenditure pertaining to Revenue and Land Reforms Department	6,30.44	88.04	4,98.91	2,19.57
		The shortfall was due mainly to— (i) Government decision to meet expenditure on relief works from the provision under Grant Nos. 23 and 24 instead of from this grant, (ii) posts kept vacant and (iii) late allotment of funds for purchase of paper.			
4.	13—Agriculture	26,76.57	3,41.00	24,88.30	5,29.27
		The shortfall was due mainly to non-issue of administrative sanction for certain items of works, decision of Government to give loans instead of grants for new wells, soil conservation, etc., less adjustment of subsidy because of late issue of sanction and execution of work on new pattern in the catchment areas of Hirakud, Chambal and Matatila.			
5.	14—Animal Husbandry	9,15.72	20.10	8,39.49	96.33
		The shortfall was due mainly to posts kept vacant, non-payment of grants to small and marginal farmers and economy measures.			
6.	17—Co-operation	3,97.29	10.48	3,08.66	99.11
		The shortfall was due mainly to less payment of subsidy as a measure of economy and non-receipt of approval from the Government of India for schemes financed out of the Agricultural Credit (Stabilisation) Fund for strengthening of co-operative societies.			

Serial Number	Name of grant	original grant	Supple- mentary grant	Expendi- ture	Saving
(1)	(2)	(3)	(4)	(5)	(6)
			Rs.	Rs.	Rs.
7.	24—Public Works	69,00.44	1,53.16	61,60.79	8,92.81

The shortfall was due mainly to restrictions imposed on purchase of materials for 'stock' and slow progress of works.

Capital Section:

1.	3—Police	..	15.00	..	15.00
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Reasons for non-utilisation of provision under "Government residential buildings" have not been intimated (January 1978).

2.	6—Expenditure pertaining to Finance Department	14,93.05	55.00	11,63.46	3,84.59
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The shortfall was due mainly to less demand than anticipated for festival and other advances from Government servants.

3.	13—Agriculture	58,19.11	2,37.90	15,71.23	44,85.78
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The shortfall was reported to be due mainly to post-budget decision of the Government of India to channelise sale of pooled fertilisers by the Food Corporation of India through approved agencies like Agro Industries Corporation, Co-operatives, etc. directly instead of the State Government.

(ii) *Supplementary grants/charged appropriations which proved excessive.*—

Following are the important cases where the supplementary grants/charged appropriations (exceeding Rs. 10.00 lakhs each) proved excessive:

Serial Number	Name of grant/ charged appropriation	Original grant/ charged appro- priation	Supple- mentary grant/ charged appro- priation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(In lakhs of rupees)

Revenue Section :

1.	3—Police	32,79.66	3,65.42	33,84.92	2,60.16
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The shortfall was due mainly to posts kept vacant, adoption of economy measures'

Serial Number	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		<i>(In lakhs of rupees)</i>			
		non-receipt of supplies of arms, ammunition, equipment and machinery and non-receipt of debits for supplies actually received.			
2.	4—Other expenditure pertaining to Home Department.	1,04.17	77.70	1,65.32	16.55
		The shortfall was due mainly to posts kept vacant and non-purchase of new motor vehicles and consequent less purchase of petrol.			
3.	7— <i>Expenditure pertaining to Separate Revenue and Registration Department</i>	2.55	18,30.00	14,15.63	4,16.92
		The shortfall was due mainly to less receipts from 'Turnover tax' resulting in less amounts transferred to the Madhya Pradesh Octroi Compensation Fund.			
4.	15—Dairy Development	4,21.18	1,61.12	5,68.41	13.89
		The shortfall was due mainly to non-supply of indented equipment by suppliers and less quantity of milk handled than anticipated.			
5.	18—Labour and Employment	2,69.45	17.73	2,77.02	10.16
		The shortfall was due mainly to non-receipt of debits on account of machines and other items purchased through the Director General of Supplies and Disposals.			
6.	19—Medical, Public Health and Family Planning	40,88.83	13,77.74	51,68.17	2,98.40
		The shortfall was due mainly to (i) less payment of compensation, (ii) non-payment of awards, (iii) non-purchase of			

2.4 Unutilised provision

(i) Rs. 2,32.77 crores remained unutilised in 34 grants (Rs. 98.94 crores and 29 charged appropriations (Rs. 1,33.83 crores).

(ii) In 24 grants (Revenue 13; Capital 11) and 5 charged appropriations (Revenue 3; Capital 2), the savings (more than Rs. 2 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 I.

(iii) 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 (and its percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
<i>(In lakhs of rupees)</i>				
1.	Public Debt—	10,00.00	3,25.00	Saving occurred due
	A.—Loans for non-plan schemes		(32)	to less receipt of
	d.—Manures and Fertilisers-Short term loans			loan from the
	(Major head 604)			Government of
				India resulting in
				less repayment.
2.	8—Land Revenue and District Administration-New Hal-kabandi (Major head 229)	1,14.00	1,13.54 (About 100)	Saving occurred due mainly to non-creation of posts.
3.	8—Land Revenue and District Administration, Establishment of nine training schools for Assistant Superintendents, Land Records and Revenue Inspectors (Major Head 229)	45.74	40.52 (89)	Saving occurred due mainly to late implementation of the scheme.
4.	13—Agriculture—	1,63.19	64.17	Saving occurred due
	II. Centrally sponsored scheme		(39)	mainly to execution
	e.4—Coordinated scheme for soil conservation measures in River Valley Project for catchment areas of Hirakud, Chambal and Matatila (Major head 307)			of works on a new pattern in selected water sheds within the approved programme.

Serial Number	Grant number and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
		<i>(In lakhs of rupees)</i>		
5.	13—Agriculture— a. Ayacut Development Chambal, Barna Projects (Major head 308)	88.40	64.68 (73)	Saving occurred due mainly to not undertaking certain items of work under the scheme.
6.	13—Agriculture Land Improvement Loans Act—Countour Bunding (Major head 706)	3,00.00	1,02.36 (34)	Saving occurred due mainly to processing of less number of cases by Collectors.
7.	13—Agriculture— c. Area Development Programmes— (Centrally sponsored scheme) Construction of small canals in irrigated areas under Major Irrigation Schemes (Major head 706)	50.00	50.00 (100)	Saving occurred due to non-sanction of loans by the Government.
8.	23—Irrigation Works— a.6—Works in scarcity areas (Major head 506)	5,96.03	5,43.00 (91)	Reasons have not been intimated (January 1978).
9.	23—Irrigation Works—Tribal Areas Sub-Plan d.1—Minor and Micro Minor Irrigation Scheme Normal Plan Schemes	6,46.47	4,86.78 (75)	Reasons have not been intimated (January 1978).
10.	23—Irrigation Works— d.—Chambal Irrigation Scheme— (i) Construction work (Major head 532)	5,06.26	1,30.00 (26)	Reasons have not been intimated (January 1978).
11.	23—Irrigation Works— Ravishankar Sagar II Phase—Construction Works— (Major head 532)	85.90	85.90 (100)	Reasons have not been intimated (January 1978).

Serial Number	Grant number and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
12.	23—Irrigation Works— Tribal Areas Sub-Plan Medium Projects Construction-Normal Schemes (Major head 533)	1,08.69	1,08.69 (100)	Reasons have not been intimated (January 1978).
13.	24—Public Works— b. Rural Family Planning Services-Buildings-Training, Research and Statistics— (Major head 281)	1,15.82	62.10 (54)	Part of the saving was attributed to receipt of less funds from the Government of India (Rs. 13.35 lakhs). Reasons for the balance of saving have not been intimated (January 1978).
14.	24—Public Works — f.4—Minimum Needs Programme (Major head 537)	3,14.75	1,79.69 (57)	Reasons have not been intimated (January 1978).
15.	24—Public Works— f.6—Scarcity works (Major Head 537)	1,37.00	1,37.00 (100)	Reasons have not been intimated (January 1978).
16.	24—Public Works— J. Tribal Areas Sub-plan— Normal Plan Schemes	2,52.95	94.38 (37)	Reasons have not been intimated (January 1978).
17.	30—Expenditure pertaining to Panchayat and Community Development Department Tribal Areas Sub-Plan— Normal Plan Scheme 7.—Local Development Works (Major head 314)	3,55.00	1,06.97 (30)	Saving was attributed mainly to <i>ad hoc</i> provision of funds for payment of grants for completion of incomplete works in tribal areas owing to non-finalisation of Tribal Areas Sub-Plan till the preparation of budget estimates.

2.5 Advances from the Contingency Fund

The corpus of the Contingency Fund, which was raised from Rs. 10.00 crores to Rs. 15.00 crores during the year, is 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, which is of such emergent character that its postponement till the vote of the Legislature is taken would be undesirable.

The Government issued 247 sanctions during 1976-77 advancing Rs. 30,54.51 lakhs from the Contingency Fund, out of which Rs. 2,32.80 lakhs were not recouped to the Fund till the close of the year.

It was noticed that—

(i) twenty-eight sanctions for Rs. 49.06 lakhs were neither operated upon nor cancelled;

(ii) four sanctions for Rs. 8.55 lakhs were not operated upon and were subsequently cancelled;

(iii) three sanctions for Rs. 2,14.45 lakhs were subsequently reduced to Rs. 54.00 lakhs; and

(iv) actual expenditure against twenty-two sanctions (Rs. 47.12 lakhs) was less than 50 per cent of the sanctioned amount.

In the following cases, the amount of advance sanctioned was either not drawn or 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)	(5)
			(In lakhs of rupees)	
1.	313—Forest	State trading in <i>Khair</i>	9.00	..
2.	459—Capital Outlay on Public Works	Construction of ten additional rooms in Circuit House, Bhopal	6.29	..
3.	281—Family Planning	Additional facilities for women for family planning	4.59	..
4.	281—Family Planning	Post-partum centres at Bhind, Dhar, Sehore, etc.	3.80	..
5.	288—Social Security and Welfare	Purchase of seven jeeps for implementation of 12 minor schemes under Tribal Areas Sub-Plan	2.80	0.95
6.	498—Capital Outlay on Co-operation	Processing Co-operatives	2.59	1.68

Serial Number	Head of account	Purpose for which advance sanctioned	Amount of advance sanctioned	Amount drawn
(1)	(2)	(3)	(4)	(5)
			<i>(In lakhs of rupees)</i>	
7.	282—Public Health, Sanitation and Water Supply	For the Food and drug laboratory, Gandhi Medical College, Bhopal	1.30	...
8.	259—Public Works	Scholarships for training of 50 technical graduates and diploma holders	0.70	0.01

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 in important heads in particular.

In regard to the Appropriation Accounts for 1976-77, explanations for variations in respect of 236 heads were called for, out of which explanations for 107 heads were either not received at all or were incomplete. In particular, the Irrigation and Public Works departments had not furnished explanations in a large number of cases year after year. Such delays in submission of material for the Appropriation Accounts results in the Audit Reports remaining incomplete in certain essential respects.

2.7 Savings under Tribal Areas Sub-Plan.

Along with the budget for 1976-77, Government presented a consolidated statement showing the provisions made in various grants for Tribal Areas Sub-Plan for 1976-77 with the object of accelerating the developmental activities in the backward areas of the State spread over 21 districts covering 172 developmental blocks. It was stated in the explanatory memorandum on the budget that Government intended that the provisions made under the Tribal Areas Sub-Plan would be non-divertible in order to ensure a minimum level of expenditure in the tribal areas. The provisions so made aggregated Rs. 44.32 crores (Rs. 31.35 crores from normal plan funds and Rs. 12.97 crores from additive funds from Government of India), which were augmented by obtaining supplementary grants for Rs. 6.99 crores. Against the final provision of Rs. 51.31 crores, the actual expenditure amounted to Rs. 27.00 crores.

In February 1977, Government had issued instructions to all departments that savings in the provision for Tribal Areas Sub-Plan under a grant be reappropriated to cover excess expenditure under other heads in the same grant after obtaining approval of the Tribal Welfare Department. Accordingly, Rs. 2.42 crores were re-appropriated from the provisions in various grants for the Tribal Areas Sub-Plan to meet other expenditure.

In regard to the savings in the Tribal Areas Sub-Plan provisions and utilisation of a part thereof to meet other expenditure, Government stated (January 1978) that 1976-77 being the first year of the Tribal Areas Sub-Plan, large provisions were made and "had such re-appropriation been not allowed the departments would have had to obtain unnecessary supplementary grants despite ascertained savings available under Tribal Areas Sub-Plan".

CHAPTER III

CIVIL DEPARTMENTS

AGRICULTURE DEPARTMENT

3.1. Intensive Cotton District Programme, Khargone

In order to increase the per hectare yield of cotton in the country by adopting improved techniques, the Government of India sanctioned in August 1971 the "Intensive Cotton District Programme" for rainfed areas to be implemented in seven selected districts in six States. Khargone district, which is predominantly rainfed and has a major cotton growing area of about 1.36 lakh hectares, was selected for implementation of the scheme in Madhya Pradesh. The entire expenditure on this Centrally sponsored scheme was to be met by the Government of India as subsidy. The first programme unit covering 20,000 hectares came into being at Barwaha in September 1971. A second unit with same coverage was started at Kasrawad in 1974-75 and a third unit with same coverage at Bhikangaon in 1975-76.

Out of 20,000 hectares to be taken up for implementation during the Fourth Plan period, 2,000 hectares were to be taken up for intensive demonstration where the recommended package of practices, such as use of latest improved variety of seeds, application of basal dose of fertilisers at sowing time, foliar application of urea, weed control, plant protection measures, etc., was to be employed to demonstrate maximum production. The remaining 18,000 hectares were to be brought under the expanded programme, where the use of the three main components of the package, namely, use of improved varieties of seeds, of foliar application of urea and of plant protection measures was to be promoted with a view to instilling confidence among the farmers regarding their efficacy. To organise the work efficiently, the area under intensive demonstration was to be divided into 50 compact blocks of 40 hectares each. Each block was to be placed under a Village Level Worker who was also to look after, under the expanded programme, an area of 360 hectares around each block. During the Fifth Plan period, the area of intensive demonstration under each block was reduced to 20 hectares and the area under expanded programme increased to 380 hectares.

The programme envisaged subsidising the entire cost of inputs upto Rs. 200 per hectare in the case of area covered under demonstration blocks and in the case of areas under the expanded programme, the cost of seed to the extent of 25 per cent, of urea and pesticides to the extent of 50 per cent in the first two years and 25 per cent in the third year, weedicides to the extent of 33½ per cent and plant protection equipment to the extent of 25 per cent subject to a ceiling of Rs. 200 per item of equipment. In addition, funds were also provided to meet cost of establishment of the project and for departmental purchase of plant protection equipment for being hired out to cultivators at nominal rates.

During the Fifth Plan period, payment of subsidy for inputs in areas under the expanded programme was discontinued and instead assistance of Rs. 5 per hectare was provided to the State Government for organising production, procurement and distribution of quality seed in areas under expanded programme. In addition, three other schemes, namely, "Kapas grading", "Production of nucleus and foundation seed of selected varieties" and "Multiplication of Hybrid-4 cotton seed" which were earlier being executed as sub-schemes of the cotton development schemes, were integrated with the "Intensive Cotton District Programme" from 1972-73, 1974-75 and 1974-75 respectively.

3.1.2. The records of implementation of the programme during the period from 1971-72 to 1976-77 were test-checked in audit during May to September 1977. Points noticed are given in the succeeding sub-paragraphs.

3.1.3. *Financial outlay.*—Details of the annual programme outlays approved by the Government of India, the funds sanctioned by the State Government and the expenditure actually incurred as reported by the Project Officers are shown below :

Year	Outlay approved by Government of India	Amount released by Government of India	Funds sanctioned by State Government	Actual expenditure		
				Staff and contingencies	Subsidy	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rupees in lakhs)						
1971-72	20.84	8.00	20.84	1.23	6.28	7.51
1972-73	22.03	30.00	22.03	2.91	13.14	16.05
1973-74	15.00	14.30	15.00	3.51	8.92	12.43
1974-75	15.72	15.72	15.72	6.53	6.40	12.93
1975-76	21.85	21.85	17.58	8.85	6.58	15.43
1976-77	23.56	23.56	23.16	12.42	9.24	21.66
Total	1,19.00	1,13.43	1,14.33	35.45	50.56	86.01

As against the assistance of Rs. 1,13.43 lakhs received for the programme from the Government of India, the expenditure incurred by the State Government to end of 1976-77 as reported by the Project Officers was Rs. 86.01 lakhs.

3.1.4. *Targets and achievements.*—Particulars of the area covered, inputs distributed, etc., as reported by the department, are given below :

Particulars	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Total area covered (in hectares)						
Target	20,000	20,000	20,000	40,000	60,000	60,000
Actuals	15,501	14,865	15,957	41,224	62,376	61,451

Particulars	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2. Seed distribution (in quintals)						
Target	2,000	2,000	2,000	4,000	6,000	6,000
Actuals	200	2,606	2,205	4,256	6,264	6,113
3. Distribution of fertilisers (in tonnes)						
Target	980	1,800	1,800	3,600	5,400	5,400
Actuals	498	1,125	1,455	1,995	3,071	4,848
4. Urea for foliar application (in tonnes)						
Target	800	800	800	..	..	..
Actuals	311	584	380	..	..	..

3.1.5. Area covered.—According to the department (May 1977), cotton was grown in scattered areas all over the project area and no compact blocks exclusively of cotton were available. Consequently, aerial spraying of urea was not feasible and was not undertaken. A review of the coverage made in 4 centres (Bedia, Barwaha, Piplia and Karahi) of Barwaha programme unit during the first three years 1971-72 to 1973-74 revealed that, out of 214 villages covered by the centres, 35 villages were brought under the demonstration programme and 75 villages under the expanded programme during 1971-72. Of these, 9 villages were dropped during 1972-73 from the demonstration programme and 4 given up during 1973-74. Of the villages under expanded programme, 15 were given up during 1972-73 and 5 in 1973-74. Further, during 1972-73, 37 and 27 new villages were taken up for coverage under the demonstration and expanded programmes respectively, out of which 11 and 9 villages were dropped and 14 and 35 new villages were taken up in 1973-74. Thus, the guidelines of the Government of India that the same areas should be tackled during all the three years in order to fully convince the farmers of the maximum benefits of the programme and to enthuse them to take up the programme in more areas eventually were not followed.

3.1.6. Seed subsidy.—Under the scheme, the cost of seed supplied for use in expanded programme areas was to be subsidised to the extent of 25 per cent during the Fourth Plan period. No seed was supplied nor any subsidy given by the department during 1971-72 as the scheme was started late in September 1971 after the sowing season was over. Details of the area covered, quantity of seed required at 10 kilograms per hectare, quantity actually supplied and amount

of subsidy admissible/paid during the years 1972-73 and 1973-74 are given below :

Particulars (1)	1972-73 (2)	1973-74 (3)
Area covered (in hectares)	12,865	13,957
Quantity of seed (in quintals)		
Required	1,287	1,396
Supplied	2,406	2,005
Cost of seed in admissible quantity (Rupees in lakhs)	119	69
At Rs. 125 per quintal	1.61	..
At Rs. 175 per quintal	..	2.44
Subsidy (Rupees in lakhs)		
Admissible	0.40	0.61
Paid	0.64	0.70

Thus, there was excess supply of 1,728 quintals of seed resulting in excess payment of subsidy of Rs. 0.33 lakh.

3.1.7. *Use of improved seeds.*— The programme envisaged the use of “Khandwa-2” seeds, an improved variety superior in yield and quality to the “A-51-9 (Narbada)” seeds under use, in order to step up the production of medium staple cotton which forms the bulk of the consumption by the textile industry. Details of the quantities of improved variety as also the existing variety of seeds used under the programme during the period 1971-72 to 1976-77 are given below:

(1)	Barwaha		Kasrawad		Bhikangaon	
	Demonstration area (2)	Expanded programme area (3)	Demonstration area (4)	Expanded programme area (5)	Demonstration area (6)	Expanded programme area (7)
1. Period	(1971-77)		(1974-77)		(1975-77)	
2. Existing variety (in quintals)	900	8,047	93	3,707	61	3,16
3. Improved variety (in quintals)	..	500	203	2,293	74	87
4. Total quantity (in quintals)	900	8,547	296	6,000	135	4,088
5. Percentage of 3 to 4	..	5.8	68.5	38.2	54.8	21.6

(i) One of the basic objects of the demonstration blocks was to demonstrate increased production through improved varieties of seeds. However, the demonstration blocks in Barwaha unit did not use the improved variety of seeds as all

and the areas under Kasrawad and Bhikangaon units were covered with improved seeds only to the extent of 68.5 per cent and 54.8 per cent respectively.

(ii) The poor progress in coverage with the improved variety of seeds was attributed by the Project Officers to non-availability of improved pure seeds in adequate quantity and absence of departmental machinery for collection of improved seeds from approved cultivators who had been provided with quality seeds earlier on the understanding that they would sell the seed cotton produced from such seeds only to the Government pool.

(iii) As mentioned earlier, the subsidy to the extent of 25 per cent of the cost of seed provided to the cultivator under the expanded programme during the Fourth Plan period was discontinued during the Fifth Plan Period. Instead Central assistance at Rs. 5 per hectare was provided to the State Government to enable it to organise seed production, procurement and distribution effectively and saturate the areas covered by the programme with pure seed of improved variety. No efforts to organise production, procurement and distribution of seeds were, however, made by the department and subsidies totalling Rs. 4.85 lakhs (out of the allotment of Rs. 7.00 lakhs) were paid to cultivators through co-operative societies for supply of seeds mostly of the existing "A-51-9" variety for use on 97,014 hectares during 1974-75 to 1976-77.

3.1.8. *Fertilisers.*—The recommended doses of fertilisers in the project area were 40 kilograms Nitrogen (N), 30 kilograms Phosphorus (P) and 20 kilograms Potash (K) per hectare. The year-wise details of the quantity required on this basis and the quantity actually used by the cultivators during the period 1972-73 to 1976-77 as per information collected by the Project Officers are given below:

Year		Nitrogen	Phosphorus	Potash	Total
(1)		(2)	(3)	(4)	(5)
(In tonnes)					
1972-73	Target	800	600	400	1,800
	Actuals	765	300	60	1,125
1973-74	Target	800	600	400	1,800
	Actuals	800	460	195	1,455
1974-75	Target	1,600	1,200	800	3,600
	Actuals	937	718	340	1,995
1975-76	Target	2,400	1,800	1,200	5,400
	Actuals	1,976	720	375	3,071
1976-77	Target	2,400	1,800	1,200	5,400
	Actuals	2,876	1,315	667	4,848

During 1971-72, only 498 tonnes of fertilisers against the target of 980 tonnes were reported to have been used by the cultivators as the scheme itself was started late in September 1971. During the subsequent years, apart from not using the

required quantity of fertilisers, the different elements of N, P, and K, were also not used in the recommended proportions. Project Officers attributed the non-application of the recommended doses of fertilisers to non-availability of adequate quantity of fertilisers, their high cost and want of fertiliser consciousness among the majority of poor small cultivators in the areas.

3.1.9. *Urea for foliar application.*—Under the programme, urea was to be used for foliar application at 40 kilograms per hectare in three stages. The first application of 10 kilograms was to be made 45 days after sowing and the subsequent two applications of 15 kilograms each were to be made at intervals of 3 weeks thereafter. As against 800 tonnes of urea required for use in the programme area of 20,000 hectares in Barwaha unit during each of the years 1971-72 to 1973-74, the quantity of urea actually used was 311 tonnes in 1971-72 in 7,449 hectares, 584 tonnes in 1972-73 in 14,000 hectares and 380 tonnes in 1973-74 in 14,000 hectares.

The shortfall in coverage of the area by foliar application of urea under the expanded programme during the years 1971-72 and 1972-73 and application of only two-thirds of the dose of urea during 1973-74 was attributed to acute shortage of urea. It was further noticed that the appropriate dosage was not given for foliar application under the expanded programme during 1972-73 as would be seen from the following figures:—

Stage	Area of application	Urea to be applied per hectare	Urea applied per hectare
(1)	(2)	(3)	(4)
	(in hectares)	(in kilograms)	
I	3,500	10	16
II	10,000	15	20
III	12,000	15	20

Thus, only 3,500 hectares were covered by all the three stages and the total input of urea in this area was 56 kilograms as against the optimum of 40 kilograms per hectare envisaged under the scheme. With the discontinuance of subsidy on supply of urea from 1974-75, no urea was used for foliar application even in demonstration areas by the Project Officers.

3.1.10. *Plant protection equipment.*— (a) *Subsidy on equipment.*—The programme envisaged subsidising 25 per cent of the cost of plant protection equipment purchased by cultivators during the period 1971-72 to 1973-74 and by co-operative societies for custom service during the period 1974-75 to 1976-77.

Though 10 societies in Barwaha unit, 23 societies in Kasrawad unit and 3 societies in Bhikangaon unit availed of the subsidies during 1974-75 to 1976-77, plant protection squads for regular custom service were not organised by them.

It was, however, reported that the societies in Barwaha unit supplied equipment on hire to 185 (out of 5,400) cultivators in 1975-76, and 111 (out of 6,200) cultivators in 1976-77. No custom service was provided by any society in Kasrawad and Bhikangaon units.

(b) *Departmental purchase of equipment.*—Hand sprayers numbering 311 and 280 were purchased at a cost of Rs. 1.00 lakh and Rs. 0.99 lakh and supplied to Barwaha and Kasrawad units in March 1976 and May 1976 respectively for meeting the demand from small landholders numbering about 8,000. However, only 8 and 30 sprayers were used for custom service in Barwaha unit in 1975-76 and 1976-77 respectively. The overall utilisation of these 38 sprayers to end of March 1977 in terms of working days was 488. Hire charges of Rs. 112 at 25 paise per equipment per day were realised. Fifty-two and 30 sprayers were supplied for custom service in Kasrawad and Bhikangaon units (out of the stock of 280 sprayers of Kasrawad unit) respectively during 1976-77 for 388 working days in all and hire charges of Rs. 97 realised. The shortfall in utilisation of sprayers was attributed by the Project Officers to less demand from cultivators. As the units had a large number of sprayers lying idle, 320 sprayers were diverted for use in non-project areas at Bilaspur (150), Sendhwa (10), Indore (60) and Morena (100) during September 1976 to January 1977.

3.1.11. *Scale of subsidy for demonstration plots.*—For utilisation of the lump-sum subsidy of Rs. 200 per hectare in demonstration areas, the scale of subsidy for inputs was fixed by the department at the commencement of the season for each year. Plant hormones were not used though provision for their use at rates ranging between Rs. 10 and Rs. 16 per hectare had been made during the years 1971-72 to 1974-75. The year-wise details of the rates of subsidy fixed for the main inputs of urea and pesticides *vis-a-vis* the rates of actual payment were as under:—

Year	Urea		Pesticides	
	Rate fixed	Rate of payment	Rate fixed	Rate of payment
(1)	(2)	(3)	(4)	(5)
			(In rupees)	
1971-72	40	39	144	102
1972-73	40	39	144	158
1973-74	40	21	144	178
1974-75	..	..	185	192
1975-76	..	..	200	189
1976-77	..	..	200	186

The approved scale of subsidy was, thus, not adhered to. The subsidy was reported to have been utilised based on the availability of inputs.

3.1.12. *Kapas grading centres.*—The scheme for grading of cotton was in operation in the State since 1970-71. The grading centres were to provide free facilities to the cotton growers of the command area for grading of their produce so as to enable them to obtain remunerative prices. An existing grading centre at Sanawad was included as a component of the Intensive Cotton District Programme from 1972-73. Under the programme, one more grading centre was established at Barwaha during 1972-73 and two more at Khargone and Anjad under the Kasrawad project during 1974-75 and 1975-76 respectively. While equipment worth Rs. 0.10 lakh for the Khargone centre for which full advance payment was made in March 1975 was received in September 1976, equipment worth Rs. 0.15 lakh for the Anjad centre was received in September 1977 although full advance payment therefor had been made in April 1976. Grading work was started at Khargone centre during 1976-77 but grading of only 864.8 tonnes out of the total arrival of 7,826.9 tonnes of cotton was done. The details of the total quantity of cotton received and graded at the grading centres and the expenditure incurred during each of the years 1972-73 to 1976-77 are given below:

Year	Number of centres		Expenditure	Cotton	
	Set up	Functioning		Received	Graded
(1)	(2)	(3)	(4)	(5)	(6)
			(Rupees in lakhs)	(In tonnes)	
1972-73	2	1	0.47	2,676	1,861
1973-74	2	2	0.51	15,910	15,328
1974-75	3	2	0.50	26,422	20,583
1975-76	4	2	0.51	26,264	21,527
1976-77	4	3	0.55	43,586	31,927

3.1.13. *Nucleus and foundation seeds.*—Production of nucleus and foundation seeds of improved varieties is the first step in the systematic organisation of seed multiplication and distribution programme. This work was already being carried out by the Jawaharlal Nehru Krishi Vishwa Vidyalaya, Jabalpur. This activity entrusted to the University and wholly financed by the State Government was also integrated with the Intensive Cotton District Programme from 1974-75. The area targeted to be covered annually was 5 hectares for nucleus seeds and 55 hectares for foundation seeds. The scheme envisaged that foundation seed produced by the University would be supplied to the Agriculture Department for distribution and multiplication in the farms of the Government and of class 'A' seed growers. Year-wise details of area covered, quantity of seed produced/supplied, financial assistance given, expenditure incurred and quantity distributed in the project area

of the Intensive Cotton District Programme during the period 1974-75 to 1976-77 are given below:

(1)	1974-75 (2)	1975-76 (3)	1976-77 (4)
(i) Area covered (in hectares)			
(a) Nucleus seed	5	4	5
(b) Foundation seed	43	45	41
(ii) Seed produced (in quintals)			
(a) Nucleus seed	0.50	0.50	1.00
(b) Foundation seed produced and supplied to department	93.50	78.00	43.36
(iii) Financial assistance given (Rupees in lakhs)	1.06	1.10	1.26
(iv) Expenditure incurred (Rupees in lakhs)	0.96	1.07	1.02
(v) Foundation seed distributed in the area of the "Programme" (in quintals)	12.12	20.80	15.50

The matter regarding adjustment of the subsidy amounting to Rs. 0.37 lakh paid in excess during the period 1974-75 to 1976-77 against the arrears of grant which the University had claimed for earlier years was reported to be under correspondence between the University and the department (January 1978).

3.1.14. *Hybrid-4 cotton seeds*.—According to the department, 'Hybrid-4' variety of cotton seed would give on an average about 4 times the yield of other comparable varieties. For achieving sizable increase in cotton production by use of high yielding variety of cotton seed, the scheme of production of Hybrid-4 cotton seed was introduced as a component of the Programme during 1974-75. For hybrid variety, 2½ kilograms of seed were to be used per hectare and the quantity of seed that could be produced per hectare was about 5 quintals. Particulars of the area covered and quantity of seed produced are given below :

Year	Area in hectares		Seed production in quintals	
	Target	Actuals	Target	Actuals
(1)	(2)	(3)	(4)	(5)
1974-75	75	57	375	240
1975-76	75	44	375	265
1976-77	75	47	375	255

3.1.15. *Impact of the programme.*—The impact of the programme on the yield rate of cotton in the project areas was assessed by the Project Officers by conducting crop cutting experiments in the project and adjacent non-project areas. The results of the crop cutting experiments conducted in Barwaha project area during 1973-74 to 1976-77 and in Kasrawad and Bhikangaon project areas during 1975-76 and 1976-77 are given below :

Project	Year	Number of crop cutting experiments done	Yield of seed cotton obtained per hectare			Additional production of lint cotton in the project areas
			In areas under project	In adjacent non-project areas	Additional yield in project areas	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
				(in kilograms)		(In bales)
Barwaha	1973-74	100	1,014	509	445	17,450
	1974-75	100	979	709	270	10,588
	1975-76	100	633	397	236	9,255
	1976-77	100	440	270	170	6,666
Kasrawad	1975-76	100	792	468	324	12,706
	1976-77	10	855	645	210	8,235
Bhikangaon	1975-76	100	722	430	292	11,372
	1976-77	20	805	615	190	7,451

Note.—Approximately 35 per cent lint cotton is obtained from seed cotton and 1 bale contains 180 kilograms of lint cotton.

Though additional yield of cotton as compared to the yield in the adjacent non-project areas was reported in the case of Barwaha project, there was significant decline in the yield-rate per hectare and the additional yield-rate each year. In Kasrawad and Bhikangaon projects, there was a rise in the yield-rate per hectare in 1976-77 as compared to that in 1975-76 but the additional yield-rate of cotton was less as compared to increase in production in the adjacent non-project areas. Reasons for this had not been analysed (January 1978) by the department.

The matters mentioned above were referred to the Government in October 1977; reply is awaited (February 1978).

3.2. Seed potato for demonstrations

With a view to meeting the requirement of disease free good seed potato for organising 340 demonstrations in 27 districts under the scheme for development of potato, the Director of Agriculture purchased in February 1974, 683 quintals of seed from the National Seeds Corporation at a cost of Rs. 0.61 lakh. Further expenditure of Rs. 0.21 lakh was incurred on its transportation (Rs. 0.15 lakh) from Jullundur to Bhopal and preservation in a cold storage at Bhopal (Rs. 0.06 lakh). The cold storage, in which the seed potato was stored, was opened in September 1974 and seed weighing 677.74 quintals was despatched to 18

Joint Directors/Deputy Directors for supply to cultivators at Rs.150 per quintal for use in demonstrations. The balance quantity of 5.26 quintals remained unaccounted for.

It was noticed in audit (July/August 1976) that against the target of 340 demonstrations 210 demonstrations could be laid as only 420 quintals out of 677.74 quintals despatched for the purpose could be supplied to cultivators. The remaining quantity of 257.74 quintals costing Rs. 0.39 lakh could not be utilised for organising demonstrations as the seed despatched was found rotten by the recipient units. The rotting of seed potato was attributed (November 1974) by the Joint Directors of Jabalpur and Rewa divisions to the despatch of seed immediately after taking it out from cold storage, whereas, according to the Joint Director, the drying of seeds for at least 24 hours in a shady and airy place before packing into bags was a technical requirement.

According to departmental instructions, seed potato was to be supplied on 'no profit no loss' basis. No proforma accounts as required under the rules were, however, maintained for the scheme.

The matter was reported to the Government in September 1976; reply is awaited (February 1978).

3.3. Soil conservation measures in the catchment area of Hirakud reservoir

Out of the total catchment area of 82.91 lakh hectares of the Hirakud reservoir, 72.55 lakh hectares lie in Madhya Pradesh spread over six districts namely, Bastar, Bilaspur, Durg, Raigarh, Raipur and Sarguja. The Project Report for the Hirakud reservoir had assumed the yearly flow of sediment into the reservoir as 252 cubic metres per square kilometre of the catchment area. With a view to checking the rate of sedimentation in the reservoir caused by soil erosion in the catchment area, a Centrally sponsored scheme for promotion of soil conservation measures was sanctioned in March 1962. The pattern of Central assistance was to be 50 per cent of the expenditure as loans and 50 per cent as grants. Amounts totalling Rs. 6,39.79 lakhs were received by the State Government as Central assistance (loans : Rs. 3,12.86 lakhs; grants : Rs. 3,26.93 lakhs) for the soil conservation measures in the river valley projects of Chambal, Hirakud and Matatila upto 1973-74. Separate figures for the soil conservation schemes in Hirakud catchment were not available. During 1974-75 to 1976-77, a further amount of Rs. 1,33.24 lakhs (loan : Rs. 67.62 lakhs; grant: Rs. 65.62 lakhs) was received for soil conservation measures in the Hirakud catchment in Madhya Pradesh.

3.3.2. Points noticed in test-check of the records pertaining to the soil conservation works carried out in the catchment area in Madhya Pradesh of the Hirakud reservoir are mentioned in the succeeding paragraphs,

3. 3.3. *Financial and physical achievements.*—Soil conservation measures like contour bunding, bench terracing and construction of silt detention tanks, check walls and gully plugs were taken up by the Agriculture Department and afforestation and improvement of pasture lands to provide grass cover to barren lands were taken up by the Forest Department. According to the information furnished (January-October 1977) by the Director of Agriculture, the expenditure incurred and the area treated upto 1976-77 by the Forest and Agriculture departments were as follows:—

Period	Expenditure incurred			Area treated		
	Forest Department	Agriculture Department	Total	Forest Department	Agriculture Department	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<i>(Rupees in lakhs)</i>			<i>(Hectares in thousands)</i>		
1961-62 to 1965-66	50.94	55.56	1,06.50	10.34	37.71	48.05
1966-67 to 1968-69	43.95	62.49	1,06.44	10.62	34.63	45.25
1969-70 to 1973-74	1,25.80	1,53.64	2,79.44	27.85	41.98	69.83
1974-75	27.18	32.90	60.08	3.22	3.89	7.11
1975-76	23.77	18.68	42.45	1.17	1.52	2.69
1976-77	14.62	31.44	46.06	1.16	1.31	2.47
Total	2,86.26	3,54.71	6,40.97	54.36	1,21.04	1,75.40

Break-up of the area treated with various soil conservation measures by the Agriculture Department is given below:

	<i>(Hectares in thousands)</i>
Contour bunding	98.78
Engineering works	13.19
Bench terracing	7.34
Compartmental bunding	1.41
Pasture development	0.32
Total	1,21.04

In addition contour bunding in 7.61 thousand hectares was stated to have been done under another State Plan scheme.

According to the Centrally sponsored scheme, implementation of the programme was to commence after a survey to find out the rate of sedimentation, the

sub-catchment areas that contribute relatively more sediment and the sources that discharge relatively higher silt-load. It was noticed during test-check that contour bunding and other measures were undertaken (1962-63 to 1968-69) in Durg and Raigarh districts without such a survey because the consent of the beneficiaries could be obtained. Survey of the areas was conducted subsequently in 1965/1966 by the All India Soil and Land Use Survey Organisation. The survey reports and the soil erosion assessment maps, received from the Organisation in 1966, indicated that certain critical areas which required treatment on priority basis had been left out. Thereupon, the work in Durg district (where 29.84 thousand hectares were treated) was stopped and major portion of the staff shifted (February 1967) to Raipur, Bilaspur and Raigarh districts.

The Government of India had suggested (September 1966) that in order to reduce the rate of siltation in the shortest possible time the areas for soil conservation treatment should be selected on the basis of aerial photo interpretation data supported by relevant field data (engineering surveys and sedimentation data) and that only priority areas should be tackled during the Fourth Plan period. The Government of India had further advised (May 1967) that high priority should be given to high-sediment producing areas and those containing accelerated erosion as identified by aerial and ground surveys coupled with sediment observations. Treatment of areas with medium and low erosion and having low sediment yield was to be deferred for execution at a later date.

Priorities for some of the areas in the catchment of the Hirakud reservoir were indicated for the first time by the Director of Agriculture, Madhya Pradesh, in the technical programme for the year 1971-72. The progress of conservation works executed by the Agriculture Department in the various priority areas during 1971-72 to 1976-77 is indicated below:

Priority number	Sub-catchment	Total area of catchment	Area affected by soil erosion	Area treated
(1)	(2)	(3)	(4)	(5)
<i>(Hectares in thousands)</i>				
I	Ibb	5,352.11	36.27	3.58
II	Maini	88.88	13.43	2.50
III	Mand	440.01	20.33	1.76
IV	Kelo	105.15	18.60	0.71
V	Arpa and Sheonath	793.02	32.38	8.19
VI	Hamp	198.85	3.78	0.97
VII	Hasdeo	471.37	13.92	2.34
VIII	Mahanadi	372.58	13.05	1.79
IX	Jonk	10.24	..	1.51
Total		7,832.21	151.76	23.33

It would be seen that low priority areas had been taken up for treatment though a substantial part of the high priority areas remained to be treated.

In the soil erosion assessment maps, which were prepared on the basis of interpretation of aerial photographs and were supplied by the Government of India to the State Government in 1967-68, the areas affected by soil erosion in various sub-catchments were categorised in the order of intensity of erosion. A test-check of the records relating to the soil conservation works undertaken in the Agriculture sector showed that the degree of soil erosion had not been taken into consideration while sanctioning works. A study of the registers of works for the period from 1970-71 to 1975-76 with reference to the soil erosion assessment maps showed that a large number of works were undertaken in areas which, according to these maps, were either not affected by soil erosion or were in lower category. Results of this study are given in the table below:

Category of soil erosion as per the soil erosion assessment maps	Number of works undertaken	Area proposed to be covered	Estimated cost	Percentage of total treatment	
				In terms of area	In terms of outlay
(1)	(2)	(3)	(4)	(5)	(6)
		(In hectares)	(Rupees in lakhs)		
<i>Areas inside the catchment</i>					
I Under severe gully erosion (ravine type)	5	19	0.21	*	*
				Negligible	
II Under severe gully erosion along streams and rivers (stream bank cuttings)	385	3,017	18.19	9.8	10.7
III Under gully and rill erosion along streams and nallas (water courses)	388	1,939	12.03	6.3	7.1
IV Hummocky with gully, rill and sheet erosion	110	415	2.58	1.4	1.5
V Poor vegetation of shrubs occurring on uplands and on sloping lands showing evidence of extensive erosion	183	689	4.24	2.3	2.5
VI Severe gully erosion along foot hills and hillocks	143	633	3.41	2.1	2.0
VII Uplands occurring on cultivated lands where no high field bunds are visible	327	2,287	10.36	7.5	6.1
VIII Wooded with poor cover of vegetation showing evidence of erosion	124	685	2.75	2.2	1.6

*Less than 0.01 per cent.

Category of soil erosion as per the soil erosion assessment maps	Number of works undertaken	Area proposed to be covered	Estimated cost	Percentage of total treatment	
				In terms of area	In terms of outlay
(1)	(2)	(3)	(4)	(5)	(6)
		(In hectares)	in (Rupees lakhs)		
IX Uncultivated lands or pasture lands showing evidence of erosion	409	1,339	9.99	4.4	5.9
X Barren hillocks or exposed rock sheets	..	..	..	..	..
(i) Not contributing to siltation of the reservoir	2,584	9,873	60.51	32.2	35.5
(ii) Category could not be ascertained from the soil erosion assessment maps	1,322	9,158	42.33	29.9	24.8
Area outside catchment	76	593	3.93	1.9	2.3
Total	6,056	30,647	1,70.53	100	100

It would be seen that, both in terms of area and outlay, areas not contributing to siltation got priority. It was stated (March 1977) by the Divisional Soil Conservation Officer, Bilaspur that works were undertaken keeping in view administrative convenience, willingness of cultivators for soil conservation measures in their lands and the need for increasing agricultural production.

Though the scheme was basically protective in nature, in actual execution more emphasis appeared to have been given to the productive aspect. It was noticed that 40 per cent of the terracing work was done for conversion of lands under lesser millets into paddy fields.

3.3.4. *Watershed management strategy.*—In July 1974, the Government of India proposed a watershed management strategy for soil conservation measures in the catchments of river valley projects. This strategy aimed at indicating the likely physical size of the area (watershed) that could be treated with available resources during the Fifth Plan period. Self-contained watersheds were to be selected within the general priority zones and detailed watershed management plan prepared for each of these watersheds which were to be taken up for implementation and completely treated within the Fifth Plan period.

Out of 22 watersheds for treatment in Bilaspur and Raigarh districts, 13 were approved by the Government of India between February 1975 and March 1976. As no watershed was proposed in Raipur district, the soil conservation work in that district was stopped in 1974-75.

Detailed plans were prepared for each watershed for the period ending 1978-79. The areas treated by the Agriculture Department to end of 1976-77 were as follows:

Name of watershed	Total area	Area requiring treatment in Agriculture sector	Area planned to be treated during Fifth Plan period	Area actually treated upto 1976-77	Percentage of	
					Total area requiring treatment in Agriculture sector	Area planned to be treated during Fifth Plan period
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>(In hectares)</i>						
Kachhan nalla	9,573	2,923	1,922	303	10.37	15.07
Agar river	6,781	5,445	2,125	619	11.37	29.13
Chongha nalla	10,064	2,996	2,024	835	27.87	41.25
Hasdeo river	11,407	2,664	1,892	452	16.97	23.89
Beharapali nalla	2,616	285	202	20	7.02	9.90
Pazer nalla	7,119	3,953	1,012	121	3.06	10.97
Katang nalla	4,383	1,943	1,417	173	8.90	12.20
Keldega nalla	7,255	2,663	1,415	91	3.42	6.43
Nanai nalla	6,437	605	202	40	6.61	19.80
Sangul nalla	12,277	3,049	1,518	173	5.67	11.40
Bharani nalla	8,032	3,374	1,615	165	4.89	10.22
Baljora nalla	12,631	2,378	1,417	300	12.62	21.17
Kasjora nalla	7,373	1,397	1,518	38	2.72	2.50
Total	1,05,948	33,675	18,280	3,330	9.89	18.22

In these watersheds, the soil conservation works taken up during 1975-76 in 741 hectares (out of 2,346 hectares) were in areas which had not been affected by soil erosion as per the soil erosion assessment maps.

3.3.5. *Cost of works.*—In May 1967, the Government of India fixed the overall cost (including establishment and other charges) of works at Rs. 500 per hectare and laid down that the cost of establishment should not exceed 20 per cent of the total expenditure. During the Fourth Plan period (1969-70 to 1973-74), the expenditure on establishment worked out to about 21 per cent of the total expenditure but during 1974-75 and 1975-76 it rose to 28 and 40 per cent respectively. The rise in the percentage of establishment cost was attributed by the department to less expenditure incurred on works during these years due to :

- (i) introduction of watershed management strategy in 1974-75 on account of which the staff remained busy in preparation of watershed management plans and
- (ii) the restricted area of operations under the watershed management strategy and non-availability of sufficient local labour to concentrate on the areas concerned.

3.3.6. *Sedimentation surveys.*—(a) The scheme envisaged sedimentation survey to be conducted regularly to evaluate the effect of soil conservation measures on the silt flow. Four silt observation posts were set up in the catchment area in 1966-67. During the last five years observations were made at 57 places. The readings of the various silt observation posts for the years 1972-73 to 1976-77 showed very wide fluctuations in the sedimentation rates observed therein.

The observations were reported to have been made by two unskilled workers and one skilled worker at each post under the overall supervision of the Agriculture Assistant of the Circle.

(b) A silt monitoring station in each of the watersheds taken up for treatment was also proposed to be established under the watershed management strategy for the Fifth Plan. However, no silt monitoring station was established (February 1978) in any of the 13 watersheds. Against the annual rate of 252 cubic metres per square kilometre assumed in the Hirakud Project Report, the sedimentation rate in the reservoir was 357 cubic metres according to the information available in the Soil Conservation Statistics Bulletin (May 1976) of the Land Development Division, Ministry of Agriculture and Irrigation.

3.3.7. *Other topics of interest.*—(a) *Recovery of amounts from beneficiaries.*—(i) Soil conservation works in cultivators' lands were carried out under the provisions of the Land Improvement Act, 1957 (subsequently replaced by the *Bhumi Sudhar Yojana Adhiniyam*, 1967). Under section 18 of the Act, part of the cost of such works was to be treated as loan recoverable from the beneficiaries at rates prescribed by the Government from time to time. The Agriculture Department which executes the works was to prepare each year statements of loan amounts recoverable and adjust these to the loan head through treasury accounts within 30 days of the close of the financial year. Copies of these statements together with beneficiary-wise details were to be sent to the Revenue Department for effecting recoveries.

Test-check of records in four sub-divisions (Raigarh, Dharmjaigarh, Champa and Jashpurnagar) showed that the beneficiary-wise details of Rs. 1.61 lakhs, representing the loan portion of the cost of works completed by March 1976, had not been worked out and adjusted (under loan head) in treasury accounts (March 1977). This included Rs. 0.54 lakh in respect of works completed in Raigarh sub-division as early as in March 1967.

In Bilaspur sub-division also, beneficiary-wise details of the loan portion of the expenditure of Rs. 2.07 lakhs incurred on works on private lands during 1965-66 to 1975-76 had not been worked out and adjusted (December 1977).

(ii) In 679 cases (loan amount : Rs. 6.65 lakhs) relating to works executed in Jashpurnagar and Dharmjaigarh sub-divisions during 1965-66 to 1974-75, recovery proceedings were reported to have not been initiated by the revenue authorities upto July 1976. On enquiry by Audit, the Assistant Soil Conservation

Officers, Jashpurnagar and Dharmjaigarh stated (February 1978) that the latest position was not available with them.

(b) *Abandoned works.*—According to the information furnished (March 1977) by the Divisional Soil Conservation Officer, Bilaspur, 13 works (contour bunding: 10; bench terracing: 2; engineering work: 1) were abandoned after incurring expenditure totalling Rs. 24,044. It was stated that, in the case of 7 contour bunding works (expenditure : Rs. 4,621) and 2 bench terracing works (expenditure : Rs. 18,042), the cultivators either objected to the execution of the works or refused to bear their cost. In the case of 3 contour bunding works (expenditure: Rs. 1,210), the works were stopped as the area needed bench terracing and not contour bunding.

Besides, 751 projects surveyed during the period 1965-66 to 1975-76 at a cost of Rs. 14,499 were not taken up for execution and were ultimately abandoned as the cultivators did not agree to bear the cost of the works.

(c) *Transfer of areas covered under afforestation.*—Areas covered under the soil conservation scheme in the Forest sector were to be transferred after five years to regular territorial divisions of the Forest Department for inclusion in their working plans. Out of the area of 22.22 thousand hectares covered under afforestation by two forest divisions between 1962-63 and 1971-72, only 17 thousand hectares had been transferred to regular territorial divisions upto March 1977. Action to transfer the remaining area was stated (March 1977) to be in progress.

(d) *Survival of plantations.*—The survival rate of plantations was reported (March 1977) by the Divisional Forest Officer to vary between 25 per cent and 75 per cent. Information available in respect of 74 blocks (area : 5,347 hectares; expenditure: Rs. 5.46 lakhs) out of 75 blocks covered during 1968-69 to 1974-75 in Jashpurnagar sub-division indicated the survival percentages as below:

Number of blocks	Area	Expenditure	Percentage
(1)	(2)	(3)	(4)
	(In hectares)	(Rupees in lakhs)	
47	2,813	3.65	60 and above
23	2,259	1.59	30 to 60
4	276	0.22	Below 130

The reasons for the low percentage of survival in 4 blocks were stated to be refractory sites, low rainfall and extremely hot weather.

(e) *Non-maintenance of engineering structures.*—Under the soil conservation measures adopted by the Agriculture Department, structures such as silt detention tanks, stop dams, check dams, etc., were also constructed as supplementary to top land protection measures; 408 structures were constructed at a cost of Rs. 18.67 lakhs in four sub-divisions during the period 1965-66 to 1974-75.

No expenditure was incurred on maintenance of any of the works after completion nor were these transferred to Irrigation Department or *Panchayats* for maintenance.

The points mentioned above were brought to the notice of the Government in April 1977; comments are awaited (February 1978).

AGRICULTURE (VETERINARY) DEPARTMENT

3.4. Electric generator

The Institute of Biological Products, Mhow invited tenders in 1971-72 for supply and installation of an electric generator (30 to 35 K.V.A., aircooled system, R. A. 6,47 horse power at 1500 r.p.m., automatic system for taking over from AC mains and control panel). Demonstration of the generator was also specified as one of the conditions.

In response, only one tender for Rs. 0.55 lakh was received. The purchase committee recommended (January 1972) that two firms of Bombay and Poona which were on rate contract with the Director General of Supplies and Disposals be contacted for supply of the generating set. Accordingly, the Institute enquired (July 1972) from the two firms their rates for supply of generator but without adding the condition of installation and demonstration. Both the firms quoted their rates and the purchase committee in its meeting on 11th January 1973 approved the purchase of generator type R. B. 4 with 'automatic on mains failure control' at a total cost of Rs. 0.50 lakh from the authorised agent of the Poona firm at Indore. The Institute, however, placed an order (February 1973) for supply of generator type R.V.6 (water cooled system). Reasons for deviation were not on record. Rupees 0.49 lakh, representing 98 per cent payment, were paid to the firm in March 1973 on receipt of despatch documents as per the terms and conditions of supply. The generating set was received (March 1973) without 'automatic on mains failure' equipment, starting batteries and starting handle. Tenders for installation of the generating set were invited in July 1973 but the lowest tenderer, whose tender for Rs. 8,000 was accepted, failed to execute the work; fresh tenders received in May 1974 were rejected. A tender received in August 1974 was withdrawn by the tenderer due to failure of the department to take a decision within the validity period. The firm, which had supplied the set, was also asked (April 1975) to submit its estimate for installation but it did not respond. A fresh tender received in June 1975 was also rejected. The starting batteries and starting handle were supplied by the firm in October 1977 and the 'automatic on mains failure' equipment was supplied in November 1977. The generator and the 'automatic on mains failure' equipment had not been tested so far (February 1978).

The set was purchased with a view to supplying power during power breakdowns to cold storages and other equipment so that the stored vaccines manufactured by the Institute did not deteriorate. The generating set for which

Rs. 0.49 lakh had been paid in March 1973 was yet to be installed (February 1978). The Director of the Institute stated (November 1977) that in the event of electric failure efforts were made to save the products by shifting the material to nearby areas or by obtaining alternative electric supply; such methods were stated to have been found very cumbersome and inconvenient and on the whole impracticable.

The matter was reported to the Government in June 1976 and again in September 1977; reply is awaited (February 1978).

EDUCATION DEPARTMENT

3.5. Construction of school buildings through the Madhya Pradesh Housing Board

Under a scheme for construction of school buildings, the Education Department entrusted the work of construction, on hire-purchase basis, of thirty buildings to the Madhya Pradesh Housing Board till the end of 1976-77. Rupees 21.72 lakhs were paid to the Board as advance (Rs. 12.00 lakhs) and annual equated instalments of principal and interest (Rs. 9.72 lakhs) towards the cost of these buildings as shown below :

Year	Number of school buildings entrusted for construction	Advance payment		Equated instalments paid	
		Month/ year of payment	Amount of advance	Month/year of payment	Amount
(1)	(2)	(3)	(4)	(5)	(6)
			(Rupees in Lakhs)		(Rupees in lakhs)
1973-74	10	February 1974	4	March 1975	2.43
				March 1976	2.43
				March 1977	2.43
1975-76	10	March 1976	4	March 1977	2.43
1976-77	10	March 1977	4	..	..

A hire-purchase agreement was executed with the Board in respect of 10 school buildings entrusted to it during 1973-74; agreements in respect of the remaining 20 buildings entrusted to the Board in 1975-76 and 1976-77 had not been executed (February 1978). The main terms of the agreement for the 10 buildings were as follows:

(i) Cost of each building was to be Rs. 2.50 lakhs; the plans and estimates were to be approved by the Government and alterations, if any, were to be got approved by the Government so as to keep the cost within Rs. 2.50 lakhs.

(ii) The Board would complete and hand over the building within a period of 12 calendar months from the date of handing over of land on which the building was to be constructed.

(iii) The Government would pay the Board yearly equated instalments of Rs. 2,43,069 for a period of 15 years commencing from the date of handing over of land but the Board might permit the payments to begin from the date of handing over of the building on the condition that the Board would charge interim interest at the rate of seven per cent per annum for the average period of construction of buildings, such period being not in excess of one year. In the event of default, the Board would charge $2\frac{1}{2}$ per cent extra over the normal rate of interest.

The agreement was silent regarding the penalty leviable in case the Board failed to construct and hand over the building within a period of one year from the date of handing over of land. A test-check of the connected records maintained in the office of the Director of Public Instruction conducted in May/June 1976 and subsequent audit investigations showed the following :

(i) Sites for 30 buildings were finally approved by Government in June 1973 (7), July 1973 (2), October 1974 (1), August 1975 (9), October 1975 (1), September 1976 (9) and October 1976 (1). Land in respect of 2 buildings, the sites for which were approved in August 1975, had not been handed over (February 1978) to the Board and there were delays ranging from 8 to 19 months in handing over of site in eight other cases. Information in respect of one building was not available (February 1978).

(ii) The Board was to construct and hand over buildings to the Government within one year of the date of handing over of land. However, except in one case where the land belonged to the Housing Board, no building was handed over within the prescribed period; the period of delay was as shown in the table below :

Year of sanction and payment of advance	Number of completed buildings handed over by the Board (December 1977)	Period of delay in handing over beyond 12 months from the date of handing over of land		
		Year	Month	Number of cases
(1)	(2)	(3)	(4)	(5)
1973-74	6	0	3	One
		0	7	One
		0	9	One
		0	11	One
		1	4	One
		2	9	One
1975-76	1	..	..	..

As already mentioned, there was no provision in the agreement with the Board for levying any penalty for delayed completion of buildings. However,

the department had been paying, in March every year (commencing one year after payment of advances), annual equated instalments for all buildings to be constructed including those not completed and those for which even land had not been made available. Payment of equated instalments in these cases was premature and amounted to advance payment of hire-purchase instalments.

(iii) Detailed plans and estimates were not submitted by the Board to the Education Department for approval and as such the Department exercised no control over the suitability of the buildings according to the requirements of individual schools. In the case of the Government Higher Secondary School, Dongargaon (district : Rajnandgaon), the school building, though completed in March 1977, could not be taken over by the Department (July 1977) on account of insufficiency of accommodation, non-provision of water supply arrangement and provision of small doors rendering shifting of bulky furniture inside the school rooms impossible. In another case -viz., the Government Higher Secondary School, Doraha, the building though reported complete in March 1976 could not be taken over (December 1977) on account of defects in the building.

The matters mentioned above were reported to Government in July 1976; reply is awaited (February 1978).

3.6. Excess payment due to incorrect fixation of pay

According to the new pay scales introduced with effect from 1st January 1972, Middle-passed Assistant teachers, who were drawing pay in the pay scale of Rs. 85-140 with effect from 1st July 1960 and who on being subsequently trained were given the pay scale of Rs. 90-170, were entitled to the pay scale of Rs. 169-300. While fixing pay in the revised scale with effect from 1st January 1972, weightages were to be allowed according to the length of service and for this purpose 'consecutive' (continuous) service in the same post and same scale of pay only was to be counted.

During test-check of pay fixation cases (April 1976 to May 1976), it was noticed that in two districts (Ambikapur and Sidhi) in 120 and 128 cases respectively weightages were incorrectly allowed by taking into account the service rendered in the scale of Rs. 85-140 though service in the scale of Rs. 90-170 only was to be counted. This resulted in excess payment of Rs. 0.37 lakh in Ambikapur district and Rs. 0.37 lakh in Sidhi district. The cases were reported to Government (May 1976 and July 1976). The Department, on review of similar cases at the instance of Audit, reported further excess payments of Rs. 0.57 lakh in Ambikapur district, Rs. 0.13 lakh in Chhatarpur district and Rs. 0.07 lakh in Sidhi district. Information regarding the quantum of excess payment in other districts and recovery thereof is awaited (February 1978).

3.7. Irregular payments of salary

Successive local audits of the accounts of the Basic Training Institute, Mahasamund conducted in November 1973 and November 1976 disclosed that pay bills of trainee teachers were being prepared without reference to their record of attendance with the result that salary was being paid to them in full for days of absence also. The matter was first brought to the notice of the Divisional Superintendent of Education, Raipur in January 1974, who intimated (September 1975) that action for recovery was in progress. A test-check (October 1976) of 67 cases, selected at random, disclosed overpayment of Rs. 0.21 lakh to trainee teachers due to non-verification of their attendance records at the time of preparation of pay bills, which resulted in payment of salary for days of non-attendance also.

The facts of the case were brought to the notice of the Director of Public Instruction (January 1977 and May 1977) with a request to arrange a detailed departmental scrutiny and recovery of overpayment. While admitting that the salaries of trainee teachers were being drawn in full without reference to their records of attendance, the Director of Public Instruction stated (August 1977, November 1977 and December 1977) that (i) the overpayment as assessed during the departmental audit conducted in October 1977 for the period from January 1971 to June 1975 was Rs. 0.66 lakh, (ii) orders for recovery of overpayment had been issued, (iii) the Principal and Clerk concerned of the institution were found responsible for the overpayment and departmental proceedings against them were being instituted.

The matter was brought to the notice of the Government in May 1977; reply is awaited (February 1978).

3.8. Short recovery of fees

A test-check of the accounts of Balkrishna Sharma Naveen Government College, Shajapur conducted in September - October 1976 showed that tuition and other fees to the extent of Rs. 0.12 lakh had been short realised from students for the academic session 1973-74. Other points noticed were:

(i) Receipt books were got printed locally and some receipt books carried the same serial numbers on their leaves.

(ii) In a number of cases, the amount of fees recorded in the ledger as realised did not tally with the receipts issued.

(iii) In many cases, references to receipts issued were not correctly given in the ledgers and fees were recorded as realised in the ledger by giving the same receipt numbers for different instalments of fees.

The matter was reported (November 1976) to the Director of Collegiate Education with a request to arrange for detailed departmental audit of accounts. The departmental audit conducted in September 1977 showed that fees to the

extent of Rs. 0.53 lakh (including Rs. 0.12 lakh for the session 1973-74 earlier pointed out by Audit) had been short realised during the academic sessions of 1970-71 to 1976-77. Further investigations were suggested for the purpose of verifying the account of fees realised.

The Director of Collegiate Education had ordered (November 1977) that responsibility for short recovery of fees should be fixed. Further developments are awaited (February 1978).

The matter was brought to the notice of the Government in August 1977; reply is awaited (February 1978).

FOREST DEPARTMENT

3.9. Unauthorised expenditure on refreshments and conveyance to bidders

During audit of the accounts of the Divisional Forest Officer, Sales Division, Betul in April 1977, it was noticed that an expenditure of Rs. 25,318 was incurred on refreshments to bidders in timber auctions held in various depots during the period from December 1973 to March 1977. Expenditure of Rs. 12,610 was also incurred during the period from November 1974 to March 1977 on conveyance provided free to the bidders from Railway/bus stations to the depots where auctions were held. The expenditure in both cases was not supported by sanctions from the competent authority. The Divisional Forest Officer stated (April 1977) that expenditure on both items was being incurred as per practice in vogue since inception of the division (November 1973).

The Government stated (December 1977) that bidders attending auctions could be served tea at a cost not exceeding 50 paise per head and no other expenditure was permissible and that the matter was being investigated.

3.10. Idle outlay on buildings

Construction of office buildings for three timber depots, three sheds and three garages at Poama at a cost of Rs. 1.05 lakhs, for use by the three territorial Forest Divisions located at Chhindwara (East, West and South), was administratively approved by the Government in September 1973. An expenditure of Rs. 0.39 lakh was incurred in 1973-74 on excavation of foundations and acquisition of building materials.

In 1973-74, the set-up of the Forest Department was reorganised by the Government and the responsibility for storing and sale of timber was transferred from the existing territorial Divisions to the newly formed separate Lumber Divisions. Orders for the formation of a Lumber Division at Chhindwara were issued in April 1974 and it started functioning from June 1974. The territorial divisions at Chhindwara, however, proceeded with the construction of the buildings mentioned above and completed them (except for one garage which was lying incomplete after incurring an expenditure of Rs. 0.03 lakh) in 1975-76 at a cost of Rs. 1.31 lakh without obtaining sanction for the detailed estimates, which was still awaited (December 1977).

During test-check of the accounts of the Lumber Division (now renamed Sales Division) Chhindwara in September-October 1976, it was noticed that only one depot office building, a shed and a garage were in use and the others (office buildings, sheds and garage) costing Rs. 0.82 lakh were lying unused.

The matter was reported to the Government in August 1977; reply is awaited (February 1978).

INDUSTRIES DEPARTMENT

3.11. Training-cum-Production Centre, Bhopal

A Training-cum-Production Centre was set up at Bhopal in October 1952 for imparting training in carpentry and various workshop trades like turning, moulding, welding and blacksmithy. Since 1967-68, the training programme was discontinued and the centre was engaged mainly in the production of wooden and steel furniture.

Accounts of the centre for the years 1971-72 to 1976-77 were test-checked during May to July 1976 and May 1977. Results are given in the succeeding paragraphs.

3.11.2. *Production performance.*—The centre had neither any manufacturing programme nor a regular sales organisation; the Government departments were its main customers. The price charged was worked out generally by adding overheads at the rate of $12\frac{1}{2}$ per cent of the cost of direct material and direct labour. According to the information furnished by the centre, the value of production and expenditure on establishment were as shown below :

Year	Value of production	Expenditure on regular establishment
(1)	(2)	(3)
	<i>(Rupees in lakhs)</i>	
1971-72	12.97	1.20
1972-73	12.62	1.14
1973-74	1.83	1.69
1974-75	1.17	1.93
1975-76	7.55	1.56
1976-77	Records not maintained	1.08

The Director of Industries stated (October 1977) that though many of the sections like turning, moulding etc, were also closed after discontinuing the training programme the staff of these sections continued pending their absorption elsewhere.

3.11.3. *Consumption of raw material.*—There was no system of preparing estimates for jobs to be undertaken and for exercising control over actual consumption of material against such estimates. No job cards showing actual consumption of material (including return of surplus material) and wages paid to piece-workers were maintained. Test-check showed that :

(i) there were large variations ranging from 9 per cent to 194 per cent in the consumption of timber/commercial board on desks, benches and tables having same specifications but manufactured on different occasions. Excess consumption of teak wood, plywood and commercial board on nine jobs undertaken during 1971-72 to 1972-73 was worth Rs. 1.54 lakhs and

(ii) commercial board, plywood and 'sungloss' worth Rs. 0.67 lakh, received during January 1973 to May 1973, were shown as consumed on jobs, which had already been completed during July 1972 to December 1972.

3.11.4. *Purchases.*—The Assistant Director of Industries in charge of the centre (hereinafter referred to as the Assistant Director), whose powers were limited to Rs. 200 for purchases at a time, made heavy purchases on the basis of limited quotations, collected personally/invited at short notice, without obtaining the approval of the competent authority. The value of major items thus purchased during 1975-76 and 1976-77 was Rs. 6.43 lakhs (9 items) and Rs. 8.06 lakhs (23 items) respectively. For purchase of materials during 1976-77, tenders were invited in May 1976 so as to reach by 10th June 1976. No decision on tenders received could be taken because, according (October 1977) to the Director of Industries, "the Assistant Director did not take any interest in holding the meetings of the Purchase Committee and estimating the requirements." A comparison of the rates paid with the lowest rates quoted in response to open tenders revealed that the rates paid were higher than the rates obtained in open tender and there was extra expenditure of Rs. 0.28 lakh in purchase of eleven items during 1976-77. Other points noticed are given below :

(a) *Purchase of cold rolled sheets.*—The centre purchased between 26th September 1975 and 31st March 1976 cold rolled sheets (8.68 tonnes-20 gauge and 6.42 tonnes-22 gauge) from the open market at Indore and Bhopal on the basis of quotations collected personally and limited enquiries in contravention of Government's instructions (August 1975) that steel should be lifted by Government departments from the *Madhya Pradesh Laghu Udyog Nigam* (MPLUN) in preference to direct purchase either from the open market or the stockyards of steel plants. Although the Additional Director of Industries, after ascertaining the availability of sheets from the *Nigam*, had ordered (January 1976) on they proposals submitted by the centre that the sheets should be purchased from MPLUN, the centre purchased 8.62 tonnes of sheets costing Rs. 0.34 lakh from the open market

during February 1976 and March 1976. Compared with the MPLUN rates, the purchase of sheets from the open market resulted in extra expenditure of Rs. 0.16 lakh during 1975-76. During 1976-77 also, the centre purchased sheets worth Rs. 0.27 lakh from the open market instead of from MPLUN/Hindustan Steel Limited stockyard. The Director of Industries stated (October 1977) that the Assistant Director acted beyond his powers in purchasing sheets from open market instead of from MPLUN or stockyard of Hindustan Steel Limited.

(b) *Timber.*—During 1975-76, the centre purchased timber worth Rs. 1.28 lakhs from the local market instead of from the Forest Department as done in the previous years. The centre invited quotations on the basis of length only (although rates of sawn timber vary according to its length, width and thickness) without indicating the approximate requirement of different sizes of timber. A comparison of the rates at which purchase of timber was made by the centre with the rates at which timber was purchased during the same period by the Bhopal *Udyog*, Bhopal, a unit of Madhya Pradesh State Industries Corporation (which invited quotations on the basis of length, breadth and thickness of beams), showed that the rates paid by the latter were on an average lower by 25 per cent. The extra cost to Government on this account was Rs. 0.32 lakh (approximately). Further, Rs. 0.04 lakh were paid as sales tax to suppliers although the rates quoted by them were inclusive of sales tax. The Director of Industries stated (October 1977) that the centre would effect recovery of excess payment from the pending claims of the suppliers concerned.

The records pertaining to purchase of timber during 1976-77 were not produced to Audit on the ground that these were incomplete (February 1978).

(c) *Furnishing cloth.*—The centre purchased furnishing cloth worth Rs. 1.00 lakh during the period from 15th June 1976 to 24th July 1976 at rates varying from Rs. 24 per metre to Rs. 65 per metre on the basis of quotations collected personally on 15th April 1976. Of this, cloth worth Rs. 0.88 lakh was lying unused (February 1978). The Director of Industries admitted (October 1977) that the purchase of excessive quantity of furnishing cloth without inviting tenders was irregular.

3.11.5. *Sawing of wood.*—During 1971-72 to 1973-74, wood was got sawn by piece-workers on departmental saws at the rate of Rs. 2 per cubic foot as completed item of works without entering into written agreement. Besides the sawing charges paid to the piece workers, an additional expenditure of Rs. 0.37 lakh was incurred on wages to labourers for cutting logs and helping in the sawing operations. Further, an extra expenditure of Rs. 0.12 lakh was also incurred in resawing of timber (5,755 cubic feet) already sawn. Recovery from the piece-workers for utilising departmental saws (Rs. 0.03 lakh) was also not effected. The Director of Industries stated (October 1977) that the Assistant Director did not exercise check on sawing and resawing of timber.

3.11.6. *Finished goods*.—The centre did not maintain any item-wise stock register of finished goods indicating opening balances, receipts, issues and closing balances. The register of finished goods as maintained indicated receipts and issues of finished goods job-wise and the closing balances were not carried forward to new registers. Consequently the centre could not indicate the value of stock of finished goods lying with it.

A review of finished goods and costing registers for the years 1971-72 to 1973-74 (records for subsequent periods were not complete) showed that finished goods worth Rs. 2.22 lakhs remained undisposed of (February 1978). These goods included the following :

Serial number	Items and their number	Value	Remarks
(1)	(2)	(3)	(4)
		(Rupees in lakhs)	
1.	Sofa legs--15,343	0.26	Manufactured during 1972-73 without any order. These could not be used in sofas manufactured thereafter due to difference in designs and specifications
2.	Small desk type stools-1,435	0.13	Manufactured during 1972-73.
3.	Desks and benches, black boards, visitors benches, chairs and tables	1.04	Manufactured during 1972-73 in anticipation of orders from the Education Department
4.	Office table-480 (including 100 without top)	0.26	Of these, 326 tables were manufactured during 1971-72.

It was stated (June 1976) by the Assitant Director that production was taken up in anticipation of demand under orders of the then Assistant Director. Accumulation of heavy stock was attributed by him to (a) lack of demand and (b) production of furniture on the basis of oral orders from parties who did not subsequently lift the goods manufactured.

In reply to an audit enquiry it was stated (June 1976) by the Assistant Director that the goods were generally damaged due to passage of time and lack of proper storage facilities and that additional repairs were carried out as and when these goods were supplied. The centre incurred expenditure of Rs. 0.13 lakh on such repairs to goods costing Rs. 0.45 lakh approximately during 1973-74.

3.11.7. *Physical verification and shortages:*

(i) *Timber.*—(a) Upto 1973-74, the centre purchased wood from the Forest Department in the form of logs. By comparing the receipts of wood as recorded in the wood register of the centre with the quantities of wood supplied as shown in the transit passes issued by the Forest Department, it was noticed by Audit that 68.05 cubic metres of wood costing Rs. 0.27 lakh approximately had been received short. Further, the receipt of four lots of wood was entered twice in the wood register and Rs. 0.05 lakh were shown as paid for sawing and transportation charges in respect of such duplicate entries. The Assistant Director accepted the short receipt and irregular payment in respect of duplicate entries and stated (October 1976) that the matter would be investigated further. Further developments are awaited (February 1978).

(b) The last physical verification of timber was conducted in November 1974 but shortages, if any, could not be worked out at that time as issues to jobs had not been posted in the wood register. At the request of Audit, the Assistant Director worked out the shortages (June 1976) as Rs. 0.23 lakh.

(ii) *Finished goods.*—Test-check of finished goods registers and costing registers for the years 1971-72 to 1973-74 showed shortages of goods worth Rs. 0.17 lakh. The *modus operandi* generally adopted was:—

- (a) lesser number of finished articles transferred from the costing register to the finished goods register
- (b) posting of fictitious issues
- (c) reducing closing balance by wrong totalling and
- (d) showing issue of same articles against more than one job.

Investigations into shortages have not been initiated so far (February 1978). Closing balance was physically verified in March 1974 but no excesses/shortages were noted in the register of finished goods.

Costing registers and finished goods registers after 1974 were incomplete (February 1978).

(iii) *Stores.*—(a) Physical verification of raw materials with the respective sections, conducted in January 1975, showed shortage thereof worth Rs. 0.02 lakh. Reasons for the shortages have not been investigated (February 1978).

(b) No account of empties and by-products like saw dust and scrap and off-cuts was maintained.

3.11.8. *Machine utilisation.*—The centre had 65 machines (cost of 36 machines was Rs. 0.69 lakh, cost of others was not available). Of these, five machines (cost of 4 machines; Rs. 0.02 lakh; cost of the fifth not known) only were in use. The remaining 60 machines have been lying idle for more than 3 to 11 years

(a) for want of repairs (8 machines), (b) being surplus to requirements (18 machines), (c) due to dismantling after transfer to the Public Works Department of a part of land (4 machines) and (d) being not worth repair (30 machines).

3.11.9. *Outstanding dues.*—The centre supplied goods on credit to Government departments, autonomous organisations and private parties. According to information supplied (June 1976) by the centre, Rs. 9.96 lakhs were outstanding to the end of March 1976 as shown below :

Year	Amount outstanding against	
	Government departments	Private parties
(1)	(2)	(3)
	<i>(Rupees in lakhs)</i>	
1965-66 to 1970-71	1.83	0.05
1971-72	0.37	0.01
1972-73	2.46	0.05
1973-74	0.75	0.02
1974-75	1.25	0.01
1975-76	2.90	0.26
Total	9.56	0.40

The latest position of outstanding dues was not known as the relevant records had reportedly been lost (February 1978).

A bill for Rs. 1.84 lakhs issued in January 1973 to the MPLUN for supply of science kits was not posted in the ledger although the centre had received Rs. 1.14 lakhs only (March 1973--April 1973) against the bill.

(ii) *Non-billing for supplies made.*—The centre had kept no watch over the issue of bills against supplies made. A test-check by Audit showed that certain bills for Rs. 0.24 lakh for supplies made during 1971-72 to 1973-74 had not been issued (February 1978) by the carpentry section of the centre.

3.11.10. *Other points of interest.*—(i) For manufacture of desks, benches, tables, black boards, chairs, etc, for the Education Department, a sum of Rs. 0.26 lakh was paid to piece-workers during 1971-72 and 1972-73 as fitting charges in addition to manufacturing and painting charges; such charges were not paid for other similar jobs undertaken by the centre. The Assistant Director stated that, in order to economise on transportation charges, it was proposed that fitting would be done at destination and accordingly additional charges had been agreed

to. However, though fitting was done at the centre itself instead of at destination, fitting charges were also paid to the piece-workers.

(ii) During 1971-72 and 1972-73, a sum of Rs. 0.02 lakh was paid as labour charges for caning of 1,198 chairs with wooden seats and backs; no cane was, however, found to have been issued for these jobs.

(iii) 1,342 cubic feet of wood were obtained by re-sawing of off-cuts at an expenditure of Rs. 0.25 lakh during 1971-72 to 1973-74, the off-cuts being by-products of sawing operations. Even out of the wood obtained, only 200 cubic feet of wood (value: Rs. 0.04 lakh) could be used and the remaining was proposed to be auctioned (February 1978).

The Director of Industries to whom the matter was reported stated (October 1977) that one Assistant Director in charge of the centre between 1971-72 and 1973-74 had been suspended (April 1977) and the other who held charge subsequently had been transferred and proceeded against departmentally. Three other officials were also suspended (April 1977, July 1977 and August 1977). Further developments are awaited (February 1978).

The matter was reported to the Government in August 1976; reply is awaited (February 1978).

PANCHAYAT AND SOCIAL WELFARE DEPARTMENT

3.12. Audio-visual units

Mention was made in paragraph 37 of Audit Report, 1970 regarding the low utilisation of 125 cinema units during 1967-68 and 1968-69. The Public Accounts Committee in its twenty-third report (March 1972) had recommended that the audio-visual units with the department might be transferred to other departments of the Government or be sold. The Committee in its further report of April 1975 expressed grave concern at no action having been taken on its recommendation and reiterated the need for expeditious action on its recommendation.

Test-check (February-March 1977) of the records of the Directorate of Panchayats and Social Welfare and further information received in July 1977 indicated that the department had in all 166 units as on 31st March 1977, as detailed below:

Unserviceable units	54
Serviceable units without mobile vans	67
Serviceable units with mobile vans	45
Total	166

The progress reports on the working of the units for the period April 1974 to December 1976 received in the Directorate of Panchayats and Social Welfare from various divisional offices showed that against 112 serviceable units the number

of units reported as working declined from 74 in April 1974 to 31 in December 1976 as under:—

Period	Number of units reported as working and not remaining idle out of 112 serviceable units
(1)	(2)
April 1974 to June 1974	74
July 1974 to September 1974	56
October 1974 to December 1974	75
January 1975 to March 1975	87
April 1975 to June 1975	87
July 1975 to September 1975	75
October 1975 to December 1975	71
January 1976 to March 1976	61
April 1976 to May 1976	(Not available)
June 1976 to September 1976	35
October 1976 to December 1976	31

The working strength of the staff employed for operating the units was as under:—

As on	Operators	Drivers	Cleaners
(1)	(2)	(3)	(4)
1st April 1975	95	30	27
1st April 1976	95	31	31
1st April 1977	95	31	33

The expenditure on operation of these units was as under during the last three years :—

Year	(Rupees in lakhs)
1974-75	9.03
1975-76	11.45
1976-77	12.99

The Director, Panchayats and Social Welfare, attributed (July 1977) the low utilisation to :—

- (i) non-provision of mobile vans for 67 units,
- (ii) frequent break-down of 23 mobile vans, being very old and

(iii) non-availability of spare parts for equipment going out of order.

The matter was reported to the Government in April 1977; reply is awaited (February 1978).

3.13. Community Listening Scheme

Under the 'Community Listening Scheme' radio sets are provided to each *gram panchayat*. Supply of batteries, repairs and replacement of parts, etc., for the sets provided to the *panchayats* in tribal areas are done free of cost by the department, while cost of batteries and repairs/spares together with 5 per cent overhead charges is recovered from the *panchayats* in non-tribal areas. The department maintains seven workshops at divisional head-quarters and a radio mechanic is posted in each district.

The expenditure on the scheme during 1974-75 to 1976-77 as compared to the budget provision was as follows:—

Year	Budget provision	Expenditure			Percentage of column (5) to (2)
		Establishment and Office expenses	Purchases, repairs, etc.	Total	
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees in lakhs)			
1974-75	9.27	4.46	1.61	6.07	65
1975-76	14.82	8.52	2.15	10.67	72
1976-77	15.56	8.81	4.58	13.39	86

Progress report for the quarter ended March 1977 received in the Directorate of Panchayats and Social Welfare from various divisional offices disclosed that, out of 10,277 available sets (cost: Rs. 30.83 lakhs), 4,372 sets were in use by various *panchayats*. The remaining 5,905 sets (cost: Rs. 17.72 lakhs) remained unutilised in various divisions as follows:—

Serial number	Division	Under repairs	Uninstalled/unutilised for want of batteries		Unserviceable		Total
			In work-shops	With panchayats	In workshops	With panchayats	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Bhopal	91	31	155	424	983	1,684
2.	Bilaspur	43	..	200	272	74	589
3.	Gwalior	44	15	40	172	140	411
4.	Indore	25	..	138	522	137	822
5.	Jabalpur	7	49	162	155	150	523
6.	Raipur	63	503	236	218	18	1,038
7.	Rewa	4	26	47	210	95	352
8.	Sagar	115	4	84	237	16	456
Total		392	628	1,062	2,210	1,613	5,905

The Government stated (December 1977) that action for installing 628 sets, for purchasing batteries for 1,062 sets and for writing off the value of 3,823 unserviceable sets was being taken.

3.14. Training of Panchayat Secretaries

Three training institutes were established at Narsinghpur, Shivpuri and Bilaspur in March 1961, February 1962 and March 1963 respectively for imparting training to persons already working as Panchayat Secretaries. Four batches were to be trained in a year in each institute. The intake capacity of the Narsinghpur and Bilaspur institutes was 50 per batch each, while it was 75 in the institute at Shivpuri. Another institute at Multai (Betul district) was opened in November 1969 with an intake capacity of 50 per batch.

Thus, all the four institutes together were expected to train 900 persons in a year. Test-check of the records of Directorate of Panchayats and Social Welfare conducted in February-March 1977 and the information received from these four institutes (July 1977) showed that only 2,120 persons were trained during the last seven years as against the capacity for training 6,300 as indicated below:—

Year	Narsinghpur	Shivpuri	Bilaspur	Multai	Total
(1)	(2)	(3)	(4)	(5)	(6)
Intake capacity per year					

Intake capacity for seven years					
	200	300	200	200	900
	1,400	2,100	1,400	1,400	6,300

	Number trained				
1970-71	192	111	84	34	421
1971-72	126	94	94	72	386
1972-73	85	78	82	51	296
1973-74	51	121	81	75	328
1974-75	31	57	56	60	204
1975-76	49	62	43	72	226
1976-77	81	40	63	75	259
Total	615	563	503	439	2,120
Percentage of total trained to capacity	43.9	26.8	35.9	31.4	35.7

Each institute has a principal, two instructors, one clerk, one peon and one

attendant. The year-wise and institute-wise expenditure during the last seven years was as under :—

Year	Narsinghpur	Shivpuri	Bilaspur	Multai	Total
(1)	(2)	(3)	(4)	(5)	(6)
	(Rupees in lakhs)				
1970-71	0.74	0.49	0.52	0.50	2.25
1971-72	0.66	0.58	0.58	0.35	2.17
1972-73	0.53	0.48	0.54	0.39	1.94
1973-74	0.55	0.80	0.68	0.62	2.65
1974-75	0.56	0.65	0.66	0.68	2.55
1975-76	0.70	0.52	0.64	0.67	2.53
1976-77	0.86	0.48	0.74	0.71	2.79
Total	4.60	4.00	4.36	3.92	16.88

The Director, Panchayats and Social Welfare stated (July 1977) that the *panchayats* were unable to send a sufficient number of trainees due to (i) unwillingness of the Secretaries to attend the training course leaving their other occupations and (ii) absence of any incentive for attending the course.

The matter was reported to the Government in April 1977; reply is awaited (February 1978).

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

3.15. Prevention of food adulteration

Introduction.—With a view to preventing adulteration of food-stuffs, the Government of India enacted "The Prevention of Food Adulteration Act, 1954" (referred to hereafter as the Act) and framed "The Prevention of Food Adulteration Rules, 1955" (referred to hereafter as the Central Rules) to carry out the provisions of the Act. In exercise of the powers conferred by the Act, the State Government framed the 'M.P. Prevention of Food Adulteration Rules, 1962' (referred to hereafter as the State Rules), under which the Director of Health Services, Madhya Pradesh was declared as the Food (Health) Authority and made responsible for the administration and enforcement of the Act in the State. However, the Food and Drugs Controller, though not formally declared as the Food (Health) Authority (February 1978), is in charge of administration and enforcement of the Act at the State level and the District Family Welfare-cum-Health Officers of all districts (the Civil Surgeon in case of Bhopal) and the Health Officers of local bodies have been declared as 'Local Authority for rural and urban areas respectively for administration and enforcement of the Act within their respective jurisdictions. The Local Authorities have appointed Food Inspectors who are authorised to draw and send food samples to the Public Health laboratories which have been set up by the Government at Bhopal, Bilaspur, Gwalior, Indore, Jabalpur, Raipur and Rewa and four Municipal Corporation laboratories set up at Bhopal, Indore, Jabalpur and Ujjain,

According to the Food and Drugs Controller, the expenditure on prevention of food adulteration (including that on laboratories) incurred by the Government from 1974-75 to 1976-77 was Rs. 49.60 lakhs.

3.15.2. A test-check in audit of the records of the seven Government Public Health Laboratories and the district and divisional offices of the Public Health Department for the calendar years 1974 to 1976 was conducted during April 1977 to September 1977. The points noticed in test-check, supplemented by the information supplied by the Food and Drugs Controller, are mentioned in the succeeding sub-paragraphs.

3.15.3. *Sampling of food articles.*—The division-wise break-up and the population covered by the Government and the Municipal Food Inspectors in the State were as follows:—

Name of the division (Medical)	Number of Primary Health Centres	Population of the areas covered (as per 1971 census)	Number of Food Inspectors provided	Number of local bodies (Municipal)	Population of the areas covered (as per 1971 census)	Number of Food Inspectors provided
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(In lakhs)			(In lakhs)	
Bhopal	54	42.22	30	36	9.39	42
Bilaspur	66	47.07	27	16	3.39	5
Gwalior	40	35.24	25	25	8.29	25
Indore	81	58.40	42	58	19.04	54
Jabalpur	86	61.41	38	29	12.09	26
Raipur	79	59.67	54	17	6.24	19
Rewa	56	50.39	99	17	3.70	10
Total	462	354.40	315	198	62.14	181

The Food Inspectors in rural areas combined in them the functions of Food and Sanitary Inspectors. A two-man committee constituted by the Government of India (Ministry of Health) in April 1965 to review the enforcement of the Act had recommended against the combination of duties of Sanitary Inspector and Food Inspector as this had resulted in improper and inefficient implementation of the Act. The Food and Drugs Controller stated (June 1977) that it had not been possible to recruit full time Food Inspectors because of financial constraints.

The two-man committee had also recommended the appointment of at least one Food Inspector for each urban/rural area having a population of 0.50 lakh/1.00 lakh respectively. The average population covered by the Food Inspectors in rural areas (other than Rewa division) was about 1.41 lakhs per Food Inspector; in Rewa Division it was 0.51 lakh. Further, within a division the strength of Food Inspectors was not evenly distributed among the districts. While there was one Food Inspector for 8 Primary Health Centres in Shivpuri district (area : 10,285 square kilometres; population: 6.77 lakhs), there were five Food Inspectors for 2 Primary Health Centres in Datia district (area : 2,034 square

kilometres; population: 2.55 lakhs). The proposal of the Food and Drugs Controller for augmenting the strength so as to provide at least one Food Inspector to each Primary Health Centre was approved (September 1977) by the Government. Further developments are awaited (February 1978).

In urban areas, 94 local bodies having a population of 47.88 lakhs had employed 181 Food Inspectors, while there was no Food Inspector in areas under 104 local bodies having a population of 14.26 lakhs. The local body of Bhilainagar township having a population of 1.74 lakhs had no Food Inspector.

Details of food samples drawn by the Government and Municipal Inspectors (except those of the four Municipal Corporations which had their own laboratories) and sent to Government laboratories are given below :

Range of food samples drawn (numbers)	1974		1975		1976		Average percentage of Inspectors drawing sample
	Number of		Number of		Number of		
	Inspectors	Samples	Inspectors	Samples	Inspectors	Samples	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Government Inspectors</i>							
No samples	94	..	68	..	68	..	24
1-10	145	593	154	796	152	746	48
11-35	68	1,321	79	1,624	79	1,516	24
Above 35	8	423	14	729	16	937	4
Total	315	2,337	315	3,149	315	3,199	
<i>Municipal Inspectors</i>							
No samples	29	..	37	..	25	..	25
1-10	29	180	37	213	38	179	29
11-35	46	1,010	29	588	35	726	30
Above 35	17	1,444	18	1,286	23	1,539	16
Total	121	2,634	121	2,087	121	2,444	

No norms have been laid down for the number of food samples to be drawn by a Food Inspector but, according to the Divisional Joint Directors of Health Services (who are administratively responsible for the functioning of the District Health Officers) at Bilaspur and Raipur, a Food Inspector is expected to draw a minimum of 3 food samples per month. Only 4 per cent of the Inspectors in rural areas and 16 per cent of those in municipal areas drew on an average 3 samples or more in a month.

(ii) The position of areas covered by collection of samples (at least one in each year) was as follows:—

(1)	Number of Primary Health Centres (rural areas)	Number of Municipal Committees (urban areas)
(1)	(2)	(3)
Not covered	123	87
Covered in one year	89	30
Covered in two years	92	27
Covered in all the three years	158	54
Total	462	198

In the areas falling within the jurisdiction of Bhopal Municipal Corporation (population; 3.05 lakhs), the number of samples drawn in 1976 came down to 170 as against the average rate of 953 in the earlier two years. In another area of Jabalpur Municipal Corporation (population: 4.42 lakhs) the collections of food samples almost stopped from June 1976. According to the Administrator of the Corporation, samples were not taken because it was not possible to launch prosecutions for want of Government notifications under section 20 of the Act authorising the Corporation to launch prosecution and under section 16-A of the Act empowering the court to try offences under the Act. While a Government notification empowering the courts specified therein to try offences under section 16-A of the Act had been issued (October 1977), the decision of the Government regarding issue of notification under section 20 of the Act is awaited (February 1978).

Food samples were also not taken in the Bhopal district from June 1976 onwards reportedly due to arrangements for sealing and transmission of containers of food samples, required under the revised procedure prescribed by the Government of India in June 1976, not having been made by the department.

(iii) Food samples numbering 1,357 (out of 8,685) and 814 (out of 7,165) collected by the Government and Municipal Food Inspectors respectively were rejected by the laboratories during 1974 to 1976 on the ground that samples were defective being decomposed, broken or improperly sealed or were submitted late.

3.15.4 *Analysis of food samples.*—(i) The laboratory at Raipur which was located initially in the Government hospital premises was shifted to a private building, hired from October 1972 at a monthly rent of Rs. 355 but reportedly for want of a Public Analyst at the laboratory, no analysis of samples was done at the laboratory from June 1964 to December 1973. The Government had in October 1966 declared the Chemist of the Raipur laboratory as a Public Analyst

for the purpose of the Act and the Chemist was in position in the laboratory from November 1971 and could have analysed food samples. However, no analysis was done in the laboratory till a Public Analyst was posted in January 1974 and the staff, on the pay and allowances of which Rs. 1.84 lakhs were spent during the period, was diverted to other jobs in the district medical and public health offices.

The laboratory at Bilaspur did not analyse any food sample till September 1973 although staff for it had been sanctioned in 1962 and a Public Analyst had joined the laboratory in September 1971. The staff was diverted to the chemical laboratory in the district hospital and Rs. 0.91 lakh were spent on the pay and allowances of such staff upto March 1973. Neither of the two laboratories could function because the Bilaspur laboratory had a Public Analyst but no other staff in position while the Raipur laboratory had staff and equipment but no Analyst.

(ii) According to the 'Manual of guidelines for working of the Prevention of Food Adulteration Act, 1954' prepared by the Government of India (December 1976), a Chemist could analyse about 500 assorted food samples or about 1,500 milk samples or about 2,500 samples for toxic materials, preservatives and other food additives in a year and an Analyst about 1,000 samples of oils and fats in a year. The Government Public Health Laboratories in the State, with strength of 4 Public Analysts, 6 Assistant Public Analysts and 6 Chemists, could on that basis have analysed 8,000 assorted samples but the number of samples analysed was 4,215 (53 per cent) in 1974, 4,745 (59 per cent) in 1975, and 5,061 (63 per cent) in 1976. The low number of samples analysed was stated to be due mainly to less number of samples received in the laboratories for analysis.

(iii) At Rewa laboratory, 681 samples received between April 1973 and June 1974 had not been analysed in the laboratory and were consequently rejected (1975) on the orders of the Food (Health) Authority as they had become time-barred (not having been reported on within 45 days of receipt of samples). At Bilaspur laboratory, 44 food samples received between November 1975 and December 1975 had been analysed but no reports were sent and consequently were rejected (1977) under the orders of the Food and Drugs Controller. Further, 155 samples were rejected by seven laboratories for want of necessary equipment and chemicals and 32 samples because Public Analysts were not available for signing the analysis reports.

(iv) The courts (including Madhya Pradesh High Court in State of Madhya Pradesh *versus* Abbasbhai Tyab Ali Bohra, 1967-Cr. L. J. 1723) had held that rule 7 (3) of the Central Rules, which required that the results of analysis should be reported within a period of forty-five days of the receipt of samples by laboratories, was mandatory and non-compliance therewith entitled an accused to

acquittal. Out of 6,362 analysis results, 2,930 were communicated by four laboratories after expiry of the prescribed period. The delay was generally attributed to shortage of equipment, chemicals, water and ministerial staff at the laboratory and also intermittent absence of the Public Analyst/Chemist when he was required to attend courts in prosecution proceedings.

(v) Equipment reported to be necessary for conducting essential tests like Lovibond Tintometer for colour determination in vanaspati, Flame Photometer for detection of metallic contamination, Gas Liquid Chromatography for separation of adulterants not otherwise possible and Thin Layer Chromatography for detection of pesticide residues in grains and mineral oils in edible oils were reported to be not available in any of the Government laboratories. Bacteriological analysis of contaminated food samples was also not possible in any of the laboratories.

(vi) Under rule 6 of the State Rules, fee at the rate of Rs. 5 per sample is chargeable from local bodies for analysis of food samples received from them. During the period under review, 6,229 food samples of local bodies were analysed at Government laboratories. However, the laboratory at Indore had not maintained any record of fees charged and recovered. Fees aggregating Rs. 11,200 were recoverable on account of samples of local bodies analysed at the other six laboratories between 1974 and 1976, except in the case of samples analysed at Gwalior laboratory in 1974, record in respect of which was reportedly (May 1977) not maintained.

3.15.5. *Prosecution.*—The two-man committee appointed by the Government of India in 1965 to review the enforcement of the Act had suggested that cases against adulterators should be launched within one month of the receipt of analysis reports by the Food Inspectors. Test-check in the district health offices at Bhopal, Bilaspur, Gwalior, Indore, Jabalpur, Raipur and Rewa disclosed that against 733 cases of adulteration of food samples shown to Audit (out of 778 cases), prosecution proceedings had been launched in 671 cases. In the remaining 62 cases (Bilaspur-22; Gwalior-5; Raipur-10; Rewa-25), prosecution was not launched. In one case in Rewa district, the analysis report of the Public Analyst was tampered with and the food sample, which was found to be sub-standard in the analysis, was shown in analysis report as standard. Consequently, prosecution in this case could not be launched.

3.15.6. *Another topic of interest*

Licence fees.—Under rule 50 of the Central Rules, no person shall manufacture, sell, stock or distribute any food article except under a licence. The rates of licence fees chargeable from dealers of various categories prescribed under rule 5 of the State Rules range between Rs. 5 and Rs. 50 per dealer per annum. The local authorities did not, however, maintain any record of dealers of various categories requiring licences in each year and hence did not have any information about licence fees actually due, recovered and outstanding.

3.15.7. The results of the analysis of samples in the laboratories showed that the percentages of adulterated articles as per the samples tested in 1976 had increased over those in 1974 in respect of alcoholic beverages from nil to 67, non-alcoholic beverages from 25 to 60, milk products from 42 to 49, prepared food from 25 to 50 and other items from 20 to 27.

The matters mentioned above were reported to the Government in October 1977; reply is awaited (February 1978).

3.16. Employment of cooks

District hospitals and other hospitals having 20 or more beds and civil dispensaries in urban areas are controlled by Civil Surgeons of districts while the units in districts are controlled by District Family Welfare-cum-Health Officers. The department normally provides diet (cooked food as per scale) to in-patients of free wards in Government hospitals, dispensaries, primary health centres, etc. A test-check of records pertaining to the arrangements made for this purpose in the units under 19 District Family Welfare-cum-Health Officers and 2 Civil Surgeons showed that in 33 units under 8 District Family Welfare-cum-Health Officers and 2 Civil Surgeons had been provided with one cook each but no diet was being supplied to in-patients in these units. Out of these, 12 units had no beds for in-patients. On enquiries, the District Health authorities informed Audit that the cooks employed in these units were utilised as additions to the complement of class IV employees sanctioned for the units concerned. The expenditure on their pay and allowances during the period from April 1971 to September 1977 amounted to Rs. 4.28 lakhs. The Director of Health Services, to whom the matter was reported in September 1975, stated (October 1975) that the utilisation of cooks as additional class IV employees was unauthorised. He further stated (January 1976) that cooked food could not be served to in-patients as the per capita ceiling prescribed by the Government for diet was so low as to 'rule out' the possibility of serving food on adequate scale and that contractors were unwilling to submit tenders for supply of dietary articles.

On the matter being reported to the Government in September 1975, it ordered (April 1977) abolition of the posts of cooks forthwith and fixing of responsibility for their appointment. The Director intimated (February 1978) that the posts of cooks had been abolished and instructions issued to the concerned district health authorities to dispense with the services of cooks.

3.17. Irregular expenditure

A test-check of the accounts of the Civil Surgeon, Ujjain in May 1976 showed that :—

(i) From February 1965 to August 1970, the Civil Surgeon, Ujjain had utilised the services of 3 dressers, appointed against sanctioned posts for Primary Health Centres, as full time compositors in a printing press owned by the District T. B. Association affiliated to the State T. B. Association, a society registered under the Madhya Pradesh Societies Registration Act, 1959. From September 1970, 3 posts of compositors were created in the regular establishment of the

District Hospital, Ujjain and the services of compositors appointed against these posts were made available to the press. Expenditure incurred by the Civil Surgeon, Ujjain on pay and allowances of these posts from February 1965 to July 1977 was Rs. 0.90 lakh.

(ii) The printing press is accommodated in a portion of the Government Hospital building. Rental value of the accommodation has not been assessed and no rent is being recovered from the beneficiary.

(iii) Energy consumption by the press is not metered separately and energy charges amounting to about Rs. 600 per annum were borne by the Government Hospital.

The recurring expenditure on the establishment of the press, the provision of Government accommodation for it and the supply of electricity free of charge were not (February 1978) covered by proper sanction.

The Director of Health Services stated (November 1977) that the Directorate had requested the Government to decide whether the expenditure incurred on the T. B. press should be recovered from the T. B. Association or whether the press should be got transferred to Government control.

The matter was reported to the Government in August 1977; reply is awaited (February 1978).

3.18. Purchase of X-ray machine

The Director of Health Services placed a telegraphic order with a Faridabad firm on 7th March 1971 on the basis of lowest tenders for one X-ray machine (cost: Rs. 1.14 lakhs) for the District Hospital, Bilaspur, which already had two X-ray machines. The supplier was paid on 31st March 1971 Rs. 0.96 lakh, representing 90 per cent payment on receipt of despatch advice and a bank draft for the balance of Rs. 0.11 lakh was obtained but not released pending installation and satisfactory performance of the machine. The machine, the warranty period for which was to expire in March 1972, was commissioned on 11th January 1972, ten months after its receipt. On 31st March 1972, a bank draft for Rs. 0.07 lakh, representing installation charges, was obtained but not released as the machine had broken down and repairs by supplier were awaited.

Information supplied by the Civil Surgeon, in response to an audit enquiry showed that out of a total of 2,060 working days available from 11th January 1972 to 31st August 1977, the machine remained out of order for 1,631 days including at one stretch 1,218 days from 13th March 1973 to 12th July 1976. By October 1972, the supplier had repaired the machine four times within a spell of ten months from the date of installation and declined to carry out further repairs on the ground that the balance amount due to him had been held over. He also filed (May 1974) a civil suit for recovery of the dues. In April 1976 the Director of Health Services informed the supplier that the balance amount would be paid only after the machine was repaired and put into satisfactory working order. The supplier, however, insisted on payment of the balance amount and agreed

to withdraw the court case if the payment was made early and also to give a fresh warranty for a period of one year from 1st April 1976. The balance amount was paid in July 1976 and the supplier repaired the machine thrice between July 1976 to May 1977, free of cost on all the occasions. The machine once again broke down on 15th May 1977 and a repair estimate for Rs. 4,412 for replacement of worn out high tension parts submitted by the supplier awaited (February 1978) the sanction of the competent authority.

The Director of Health Services stated (April 1977) that the Government of India had been moved to black list the firm. The Civil Surgeon, Bilaspur stated (July 1977) that the failure of the machine did not affect the regular functioning of the X-ray unit in the hospital as the workload could be managed with the existing machines.

The case was reported to the Government in August 1977; reply is awaited (February 1978).

REVENUE DEPARTMENT

3.19. Provision of house sites to landless rural workers

3.19.1. *Introductory.*—Under a scheme formulated (October 1971) by the Government of India to be implemented by the State Governments, developed house sites of 100 square yards each were to be provided to landless rural workers free of cost to enable them to build houses from their own resources. If any landless worker already possessed a plot measuring less than 100 square yards, he could also be allotted land under the scheme provided he surrendered to the Government the land in his possession. The benefit under the scheme was admissible only to landless persons who resided in villages for a major part of the year and whose families depended for their livelihood mainly on the unskilled labour of their members. Preference was to be given to persons belonging to scheduled castes and scheduled tribes. Government land was to be utilised for distribution. Acquisition of private land could be resorted to only where suitable Government land was not available. The Government of India was to meet the full cost of acquisition of land and cost of development like clearing, levelling and provision of paved streets and storm water drains subject to a ceiling of Rs. 150 per plot. Administrative expenses of the scheme were to be met by the State Government.

A survey was got conducted (October 1972) by the State Government, through students and teachers of schools/colleges, of eligible families for allotment of house sites and of available Government/private land suitable therefor. The number of rural landless worker families to be covered under the scheme was estimated at 9.13 lakhs. The State Government sent (February to April 1973) to the Government of India project reports estimated to cost Rs. 14.26 lakhs covering all the 45 districts in the State. Of these, the Government of India approved (January-February 1974) project reports estimated to cost Rs. 2,09.37 lakhs in

respect of 11 districts (Bhopal, Chhatarpur, Damoh, Dhar, Guna, Indore, Raisen, Rajgarh, Ratlam, Sehore and Tikamgarh) covering 1.34 lakh rural landless worker families. Central assistance of Rs. 49.91 lakhs (being about 25 per cent of the estimated cost) for implementing the scheme was released (January-February 1974) to the State Government. Central assistance was, however, stopped from April 1974, whereafter the scheme was continued as a State plan scheme.

By March 1974, house sites were reported to have been allotted to 7.09 lakh families in all the 45 districts of the State but funds for development of the sites (Rs. 49.91 lakhs) were made available to only the 11 districts referred to above. Expenditure incurred on development of sites in these 11 districts upto March 1977 as reported by the Government was Rs. 13.10 lakhs. For the remaining 34 districts, Rs. 44.63 lakhs were allotted in 1976-77 for construction of wells; separate figures of actual expenditure against this allotment were not available (May 1977) with the department.

To encourage the beneficiaries to construct houses on the sites allotted to them, the Government ordered (May 1974) the Forest Department to supply, on payment of nominal charges, 50 bamboos and 18 *ballies* to each beneficiary who had constructed walls for his house upto the height of 6 feet. The condition of construction of walls was, however, waived in June 1976. Even then upto March 1977, 0.56 lakh houses were reported to have been constructed in the State as against 7.50 lakh house sites allotted upto that time.

3.19.2. *Expenditure on establishment.*—The State Government, which was to bear the administrative expenses, sanctioned (October 1972) posts of a Deputy Collector, a stenographer and a peon at each district headquarters and a Naib Tahsildar and a second grade clerk for each tahsil for implementing the scheme. The expenditure incurred on their pay and allowances upto March 1977 in nine districts test-checked was Rs. 18.21 lakhs, as indicated below :—

Year (1)	Expenditure (2) (Rupees in lakhs)
1972-73	0.59
1973-74	3.20
1974-75	4.88
1975-76	4.44
1976-77	5.10
Total	18.21

The Collectors stated (May to September 1977) that the services of officers and staff engaged under the scheme were utilised mostly for other revenue work in the districts as they did not have sufficient work under the scheme, particularly after 1974-75.

3.19.3. *Results of test-check.*—Points noticed in test-check (May to September 1977) of records relating to implementation of the scheme in nine out of the 11 districts (excluding Dhar and Ratlam) are mentioned in the succeeding paragraphs.

3.19.4. *Survey of landless families.*—As mentioned earlier in sub-paragraph 3.19.1 the survey for selection of eligible families for allotment of House sites and of suitable Government/private land therefor was got done by students and teachers of schools/colleges in October 1972 and no revenue official, except *patwaris*, accompanied the survey parties. Expenditure on survey in the nine districts was Rs. 1.54 lakhs. The number of beneficiaries and the area of land required for allotment to them in the nine districts according to the survey reports were 1.10 lakh families and 12,762 acres (Government land: 11,533 acres; private land to be acquired: 1,229 acres) respectively.

It was found at the time of actual allotment of plots that the lists of eligible families prepared in the course of survey contained names of 4,376 persons, who either already possessed houses/lands of their own or were otherwise ineligible for allotment of house sites; 9,497 other families were found not residing in the villages. Thus, 0.96 lakh families only required allotment of sites.

3.19.5. *Allotment of sites.*—Out of 0.96 lakh families, house sites were allotted (September 1977) to 0.76 lakh families.

According to the Collectors (May to September 1977), allotment to the remaining 0.20 lakh families was not made for one or more of the following reasons:—

(i) Unsuitable location of the sites due to those being away from the existing villages or situated on hill slopes or on low lying land or non-availability of drinking water facility and approach roads;

(ii) unwillingness of beneficiaries to surrender their existing plots and

(iii) non-acquisition of land.

In the 9 districts where test-check was conducted, against 219.07 acres of land required to be acquired 211.66 acres had been acquired at a cost of Rs. 2.82 lakhs. Of the land acquired, 38.74 acres (approximate cost : Rs. 0.47 lakh) had not been allotted as 6.53 acres were reported to be under encroachment while the balance could not be allotted for reasons stated at (i) and (ii) above. Out of Rs. 2.82 lakhs drawn upto March 1977 from the treasuries for payment of land compensation, Rs. 1.46 lakhs were disbursed to the landowners by September 1977. The remaining amount of Rs. 1.36 lakhs was kept in revenue deposit (Rs. 0.97 lakh) and in current account with the State Bank of India (Rs. 0.39 lakh) reportedly due to landowners not coming forward to collect the compensation due to them.

Investigations conducted by the Block Development Officers in 1976-77 in Damoh and Tikamgarh districts at the instance of the Commissioner, Sagar Division revealed that a number of families, who were reported to have been allotted sites, had not been given physical possession thereof.

3.19.6. *Development of house sites.*—According to the project reports prepared in February to April 1973, the estimated cost of development of 1.10 lakh sites in the nine districts was Rs. 1,63.13 lakhs. Rupees 40.33 lakhs were drawn for the purpose in March 1974 (Rs. 37.42 lakhs) and March 1975 (Rs. 2.91 lakhs), out of which Rs. 11.31 lakhs only were according to the Collectors (May-September 1977) spent as shown hereunder :—

District	Total number of house sites as per project reports	Total number of sites selected for development	Number of house sites developed	Amount needed for development of 1.10 lakh sites	Amount drawn for development of 0.32 lakh sites	Total amount spent	Amount lying unutilised
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>(Rupees in lakhs)</i>							
1. Bhopal	5,692	1,472	1,096	8.55	2.08	1.51	0.57
2. Chhatarpur	13,169	5,978	1,436	19.61	4.89	2.76	2.13
3. Damoh	15,364	3,609	603	23.05	5.68	0.79	4.89
4. Guna	16,232	3,267	686	24.22	5.94	1.56	4.38
5. Indore	14,436	4,818	38	21.00	5.20	1.57	3.63
6. Raisen	16,920	4,058	2	26.03	6.31	0.58	5.73
7. Raigarh	9,116	4,932	136	14.17	3.41	0.35	3.06
8. Sehore	10,979	2,041	112	14.87	3.91	1.44	2.47
9. Tikamgarh	7,957	1,997	484	11.63	2.91	0.75	2.16
Total	1,19,865	32,222	4,553	163.13	40.33	11.31	29.02

Although funds for development works were drawn by the Collectors in March 1974 (except the Collector, Tikamgarh, who drew the amount in March 1975), the Government issued (January 1975) orders delegating powers to Revenue Officers (Commissioners/Collectors/Sub-divisional Officers/Block Development Assistants) for according administrative approval and officers of the Rural Engineering Cell (Superintending Engineer/Assistant Engineer/Sub-Engineers) for according technical sanction to estimates, etc., to the works. The development works were actually commenced from September 1975 onwards. In Raisen district, the works were started in September 1976. Out of 32,222 house sites selected for development 4,593 sites only had been developed upto September 1977.

The amounts drawn by the Collectors in March 1974 and March 1975 were kept in accounts with post offices or State Bank of India except for Chhatarpur where Rs. 4.89 lakhs were kept in revenue deposits. Rupees 11.31 lakhs out of these were utilised upto September 1977 after delays ranging from 17 months to 29 months and as at the end of September 1977, Rs. 29.02 lakhs remained unutilised.

The Collectors attributed (May to September 1977) the delay in commencement of development works and slow progress in their execution to late appointment of engineering personnel by the Development department and frequent changes

made by the Government in specifications of development works. The engineering personnel were in position in July 1975.

According to the specifications first approved by the Government in January 1975, metalled roads and drains were to be provided for the developed plots. However, later, in order to keep the expenditure on development within the ceiling of Rs. 150 per plot, the Government decided (May 1976) that drains and roads should be constructed only where absolutely necessary and also revised the specification of roads to be constructed to earth-moorum. The Collectors were advised to take up digging of wells first at places where 40 (reduced to 25 in December 1976) or more house sites had been chosen.

As a result of these decisions, the development works had to be stopped/dropped at most of the places. It was seen in test-check (May-September 1977) that in pursuance of the Government order of May 1976 work on 79 roads estimated to cost Rs. 2.74 lakhs was stopped after incurring expenditure of Rs. 0.82 lakh and 5 wells (estimated cost : Rs. 0.38 lakh), on which Rs. 0.04 lakh were spent, were abandoned due mostly to non-availability of water.

According to the scheme approved by the Government of India, the average cost of development was not to exceed Rs. 150 per house site. However, the cost of development of 744 sites in 14 places (Chhatarpur: 8; Bhopal: 3; and Tikamgarh :3) was Rs. 1.59 lakhs against the ceiling of Rs. 1.12 lakhs; while the ceiling was exceeded in all the 14 places, the variation was considerable in the following six places:—

District	Place	Number of cases	Ceiling	Actual expenditure
(1)	(2)	(3)	(4)	(5)
			(Rupees)	
1. Bhopal	Dhamera	64	9,500	15,793
2. Bhopal	Kadaiya	46	6,900	9,730
3. Chhatarpur	Karepani	41	6,150	13,007
4. Chhatarpur	Isanagar	62	9,300	16,447
5. Chhatarpur	Matgawin	71	10,650	16,190
6. Tikamgarh	Kudiyale	9	1,350	2,068

3.19.7. *Progress in construction of houses.*—Out of 0.76 lakh families who were given house sites under the scheme, 7,256 families (9.5 per cent) had constructed houses on the sites allotted to them (September 1977). The Collectors attributed (May to September 1977) the slow progress to: (i) poor financial condition of the beneficiaries and/or (ii) non-supply of sufficient *ballies* and bamboos by the Forest Department.

It was seen in test-check that *ballies* and bamboos were issued to 5,936 families out of which only 1,744 families were reported to have utilised these in construction of houses.

In four districts, *ballies* and bamboos (approximate cost: Rs. 0.20 lakh) were issued to 188 persons who were not allotted house sites under the scheme. In

8 other cases, *ballies* and bamboos were issued to same beneficiaries twice.

The Government stated (February 1978) that the Collectors, with whom the amounts referred to in paragraph 3.19.6, were lying unutilised, had been instructed to utilise these immediately.

TRIBAL AND HARIJAN WELFARE DEPARTMENT

3.20. Nutrition programmes

3.20.1. *Introductory.*—The department has been implementing two programmes, *viz.*, (i) Mid-day Meals Programme since February 1966 covering children of the age group of 6 to 14 and (ii) Special Nutrition Programme in tribal areas since 2nd October 1970 for providing supplementary nutrition to children upto 3 years of age, subsequently extended (July 1971) to children upto 6 years of age and expectant and nursing mothers. Upto March 1974, the second programme was implemented as a Centrally sponsored scheme. Both the programmes were implemented in 22 districts having sizable tribal population through feeding centres manned by primary school teachers on part-time basis. The number of feeding centres as on 31st March 1977 was 11,166 and the total number of beneficiaries in 1976-77 was of the order of 12 lakhs. The feeding centres were to supply once a day for 220 days in a year one palatable and easy to make preparation consisting of 80 grams of foodgrains and 7 grams of oil to each individual. The nutritive content of this food was estimated at about 314 calories and 13 grams of protein. The District Organisers, Tribal Welfare were to supervise and co-ordinate the implementation of the programmes in their respective jurisdictions.

Till 1974-75, the programmes were managed entirely with foodgrains and oil supplied free of cost by the Co-operative for American Relief Everywhere (CARE). One of the terms of the agreement entered into with CARE was that the Government would make efforts to use progressively foodgrains in India so that the necessity for importing commodities could be eliminated altogether in due course. Accordingly, from 1975-76, part of the food grains was supplied by the Government in the form of *balahar* (a combination of 81.5 per cent wheat, 13.5 per cent Bengal gram and 5 per cent milk powder).

The quantities of foodgrains and oil supplied by CARE and the department from 1970-71 to 1976-77 were as under :—

Year	Supplies by CARE		Supplies by department
	Foodgrains	Oil	<i>Balahar</i>
(1)	(2)	(3)	(4)
		(Tonnes)	
1970-71	15,873	1,984	..
1971-72	19,954	2,075	..
1972-73	13,719	928	..
1973-74	16,628	1,448	..
1974-75	14,352	1,272	..
1975-76	11,605	930	3,940
1976-77	11,700	1,527	4,800

In addition, 7,482 tonnes of foodgrains, out of the stock received by the Irrigation Department under the 'Food for Work' programme, were transferred to the Tribal Welfare Department (please see paragraph 4.4 of the Report in this connection) in May/June 1976 for utilisation under these programmes in pursuance of a decision (May 1976) of the Government. A proposal (June 1976) of the Director, Tribal Welfare to increase the daily ration when supplied from out of these stocks from 80 to 125 grams was approved (August 1976) by the Government and instructions were issued by the Director to all the districts to that effect and also to consume the stock transferred from the 'Food for Work' programme first.

3.20.2. *Expenditure.*—The expenditure incurred by the Government from 1970-71 to 1976-77 on handling and clearance charges at the port, railway freight, transportation charges from railheads to various centres, honoraria to teachers and helpers in the feeding centres, administrative cost of the Madhya Pradesh office of CARE etc., was as under :—

Year	Expenditure
(1)	(2)
	(Rupees in lakhs)
1970-71	43.05
1971-72	70.77
1972-73	83.80
1973-74	89.30
1974-75	1,03.09
1975-76	1,19.54
1976-77	1,18.26
Total	6,27.81

3.20.3. *Results of test-check.*—A test-check of the accounts and records pertaining to implementation of the programme in Bastar, Betul, Dhar, Morena and Shahdol districts was undertaken during July to October 1977. Statistical data were obtained from the Directorate of Tribal Welfare. Important points noticed are set out in the paragraphs which follow.

3.20.4. *Interruptions in feeding programme.*—The number of feeding days in a year, which was prescribed as 250 by the Government of India while introducing the programme in March 1970, was in July 1971 increased to 300 days in a year without precluding any State from running the programme every day throughout the year provided it was managed within the approved outlay. However, in Madhya Pradesh, the number of feeding days was kept at 220 days in a year on the ground that the scheme was implemented by school teachers who were not to be denied their holidays and vacations. It would, however, be seen from the following table (compiled from departmental records) that even the target of 220 days

in a year was not achieved in a large number of feeding centres :—

Year	Number of feeding centres in existence throughout the year	Number of centres in which feeding days were less than 220 (Number in which feeding days were less than 110)	Number of centres for which information was not available	Reasons attributed by the District Organisers for shortfall
(1)	(2)	(3)	(4)	(5)
<i>District Organiser, Dantewada (Bastar district)</i>				
1971-72	300	219 (92)	23	Absence of teachers and difficulties in transportation of foodgrains from godown/sub-godown to the centres as the approved transport rate of Re. 0.04 per quintal per kilometre was very low.
1972-73	304	228 (77)	29	
1973-74	326	306 (163)	13	
1974-75	318	237 (59)	3	
1975-76	328	285 (96)	1	
1976-77	343	109 (31)	1	
<i>District Organiser, Jagdalpur (Bastar district)</i>				
1971-72	697	289 (92)	315	Want of stock of foodgrains, absence of teachers and beneficiaries not turning up.
1972-73	778	341 (116)	371	
1973-74	731	472 (254)	234	
1974-75	779	426 (137)	263	
1975-76	854	635 (263)	184	
1976-77	887	497 (98)	64	
<i>Dhar district</i>				
1971-72	824	563 (132)	183	Ditto
1972-73	856	515 (86)	170	
1973-74	870	614 (182)	186	
1974-75	846	648 (102)	155	
1975-76	892	707 (73)	101	
1976-77	895	736 (89)	89	
<i>Morena district</i>				
1971-72	57	52 (3)	..	No reason was given
1972-73	61	9	..	
1973-74	61	20	..	
1974-75	61	44 (2)	..	
1975-76	62	37 (3)	23	
1976-77	78	73 (10)	..	

Year	Number of feeding centres in existence throughout the year	Number of centres in which feeding days were less than 220 (Number in which feeding days were less than 110)	Number of centres for which information was not available	Reasons attributed by the District Organisers for shortfall
(1)	(2)	(3)	(4)	(5)
<i>Shahdol district</i>				
1971-72	280	170 (20)	8	Difficulties in transportation of foodgrains from godown/sub-godown to the centres as approved transport rate of Re. 0.04 per quintal per kilometre was very low.
1972-73	281	119 (18)	8	
1973-74	282	151 (32)	9	
1974-75	282	239 (16)	9	
1975-76	283	254 (47)	8	
1976-77	285	146 (21)	8	

Out of 415 centres in Betul district, complete records of feeding were produced for 2 centres only for 1975-76 and 1976-77. While the District Organiser claimed feeding for 288 days during 1971-72 to 1973-74 and 240 days during 1974-75 and 1975-76, the actual consumption was found to be much less than the notional quantity of foodgrains that should have been consumed at the prescribed rate of 80 grams per beneficiary per day, as indicated below :—

Year	Average number of beneficiaries per day	Number of feeding days in the year	Notional consumption	Actual consumption	Shortfall in consumption	Percentage of column (6) to (4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<i>(In numbers)</i>		<i>(Quantity in bags of 25 kilograms)</i>			
1971-72	71,644	288	66,017	23,856	42,161	63.9
1972-73	71,644	288	66,017	25,641	40,376	61.2
1973-74	47,755	288	44,011	21,689	22,322	50.7
1974-75	41,460	240	31,841	12,548	19,293	60.6
1975-76	36,235	240	27,828	24,083	3,745	13.5

Note:—Figures for 1976-77 not calculated, as the daily ration was increased to 125 grams for part of the year (Please see paragraph 3.20.1 above),

3.20.5. *Increase in rations during 1976-77.*—Though according to the orders (August 1976) of the Government, the daily ration where supplied out of 'Food for Work' stocks was to be increased from 80 to 125 grams, the increase was given

effect to in the case of all supplies (irrespective of source) in some districts resulting in extra issues from other stocks, as indicated below :—

District	Quantity of extra issues based on the figures furnished by the department.	Approximate value of extra issues	Remarks
(1)	(2) (Tonnes)	(3) (Rupees in lakhs)	(4)
Dhar	378	9.48	No 'Food for work' stock was received in the district.
Jagdalpur	115	2.89	..
Morena	25	0.50	No 'Food for Work' stock was received in the district.
Shahdol	145	3.53	..

In Betul district, 314 tonnes of 'Food for Work' stock were received in June 1976. Notwithstanding the instructions (August 1976) of the Director, Tribal Welfare that this stock should be consumed first, its consumption commenced only in January 1977 and according to the District Organiser, 28 tonnes out of this stock became unfit for human consumption and had to be transferred to the Fisheries department.

The Director, Tribal Welfare stated (September 1977) that daily ration at 80 grams only had since been restored in all districts.

3.20.6. *Supplementary nutrition.*—Multivitamin and folic acid tablets were required to be supplied to the beneficiaries under the Special Nutrition Programme to ensure adequate fortification against nutritional anaemia. According to the information furnished by the Directorate of Tribal Welfare, the department was pursuing the question of supply of these tablets with the Directorate of Health Services which had issued instructions to the subordinate officers for supply and distribution of the tablets. However, tablets were either not supplied at all or supplied for short durations only, as indicated below:

District	Remarks
(1)	(2)
(1) Dantewada (Bastar district)	Not distributed at all
(2) Jagdalpur (Bastar district)	Supplied in 1974-75 only (1.5 lakhs tablets)
(3) Betul	Not distributed in 1975-76; information for earlier years was not furnished

District (1)	Remarks (2)
(4) Dhar	Supplied between November 1974 and October 1975 only (1.09 lakhs tablets)
(5) Morena	Supplied for 10 to 15 days only during 1975-76
(6) Shahdol	Not distributed at all

3.20.7. *Immunisation programmes.*—The Special Nutrition Programme envisaged immunisation of the beneficiaries against small pox, diphtheria, polio and cholera. The Director, Tribal Welfare stated (May 1977) that the Director, Health Services had instructed his subordinate officers in July 1974 to take necessary action for immunisation. Information collected from the District Organisers indicated that no immunisation had been done in Betul, Dhar, Morena and Shahdol districts.

3.20.8. *Other points of interest—*

(i) *Disposal of empty bags/tins.*—According to the instructions issued (March 1971) by the Director, Tribal Welfare, empty bags were to be sent to the training-cum-production centres of the department for preparing mattresses to be supplied to tribal hostels and empty tins were to be auctioned by the District Organisers. The sale proceeds were to be credited to a bank account in the name of 'CARE-Tribal Welfare Department Feeding Centre Betterment Fund' and no amount out of this fund was to be utilised without obtaining prior concurrence of the Directorate. These instructions were not, however, complied with in the following cases :—

District (1)	Remarks (2)
Jagdalpur (Bastar)	Sale proceeds of empty tins were not credited to any bank account. An amount of Rs. 6,323 was utilised for repairs to school and other buildings, construction of a kitchen room in Tribal Hostel, Ghotia and payments of tour advances to departmental employees, etc., without obtaining concurrence of the Directorate.
Betul	There was no systematic procedure at the level of the District Organiser for watching prompt disposal of empty bags/tins.
Dhar	Though the sale proceeds were credited to a bank account, the Fund was used as an imprest and advances for purchases of petrol, for organising celebrations, etc., were made without any prior concurrence of the Directorate. Though the advances were generally repaid to the Fund, an amount of Rs. 175, paid as advance to Public Prosecutor in May 1975 for filing an appeal, was not credited back to the Fund (August 1977).

District (1)	Remarks (2)
Shahdol	Sale proceeds were not credited to a bank account. Rupees 958, being the sale proceeds of 3,114 tins between 1973-74 and 1976-77, were remitted to CARE. There was no systematic procedure at the level of the District Organiser for watching prompt disposal of empty bags/ tins. According to the information furnished (October 1977) by the District Organiser for two out of four blocks, 27,758 empty bags and 14,771 empty tins, due for disposal from 1970-71 onwards, were lying with feeding centres and other field formations.

(ii) *Railway claims.*—The department prefers claims against railways for the difference between the quantities of food grains/ commodities actually received and those shown in the railway receipts. As on 1st August 1977, the following claims were outstanding:—

District (1)	Number of cases (2)	Amount of claims pending (Rupees) (3)	Period of preferring claims (4)	Remarks (5)
Betul	11	1,556	October 1968 to April 1976	..
Dhar	21	22,449	June 1970 to December 1976	..
Morena	13	6,450	June 1971 to February 1977	(A) Includes a claim for Rs. 2,000 on account of wrong classification of commodities for determining freight rates.
Total	45	30,455		

3.20.9. *Evaluation.*—According to the instructions issued (July 1971) by the Government of India, the impact of the scheme on the beneficiaries was to be assessed periodically by means of periodical medical check up of the beneficiaries, maintenance of records of height, weight and other physical particulars of the children attached to each centre, etc., besides getting special evaluation studies in selected areas made by institutions like Home Science Colleges. The District Organisers reported that no medical check up had been done except in Dantewada once in 1976-77 and that no records of physical particulars were being maintained. According to the information furnished (September 1977) by the Director, Tribal Welfare, the Institute of Education, Madhya Pradesh conducted an evaluation study of the Mid-day Meals Programme in 1975 by selecting 19 villages in four districts. The report of the Institute was sent to the Government in January 1976,

The Directorate stated (February 1978) that evaluation study of the Special Nutrition Programme by CARE had commenced recently.

The above observations were referred to the Director, Tribal Welfare and the Government during August 1977 to October 1977; replies are awaited (February 1978).

3.21. Houses for members of scheduled castes

In order to provide houses to the members of scheduled castes, the Tribal Welfare Department in consultation with the Madhya Pradesh Housing Board prepared (October 1975) a scheme for construction of 250 Houses at eight Divisional Headquarter towns in the State. Each house was to be constructed as per drawings and design on a plot of 15 feet by 30 feet or 15 feet by 20 feet. Excavation of foundation, filling of foundation upto plinth, erection of pillars, asbestos cement sheet roofing work and mud flooring were to be done by the Housing Board at a cost of Rs. 2,000 per house (excluding cost of land which was to be provided by Government but including cost of community lavatories, public taps, street lights, etc.). The beneficiaries were required to cover the four sides with suitable walls within a period of six months from the date of allotment/occupation. While sanctioning the scheme in January 1976, the Government had directed the Director, Tribal Welfare to place funds with the Housing Board after making land available and to have the construction completed by the Housing Board by the end of March 1976.

A test-check of the accounts of the Director, Tribal Welfare conducted during April-May 1977 disclosed the following:

(a) The Director, Tribal Welfare paid Rs.4.24 lakhs (Rs 1.00 lakh in February 1976 and Rs. 3.24 lakhs in March 1976) to the Housing Board for construction of 212 houses but without making land available. No time schedule for execution of the work was also laid down.

(b) As against 212 houses to be constructed, the department could provide plots, for 110 houses (Gwalior and Indore-25 each; Bilaspur, Rewa and Sagar-20 each) to the Housing Board till February 1977. Against these, the Housing Board had completed construction of 90 houses at Bilaspur, Gwalior, Indore and Rewa of which 43 had been allotted to the beneficiaries (February 1978). The construction of 20 houses at Sagar was taken up only in February 1978.

(c) The selection of site/land, etc., for the remaining 102 houses, for which advance had been given in February-March 1976, and for 38 houses, for which no advance had been paid, was stated to be in progress. The position was as under (February 1978):

Place	Number of houses	Reasons
(1)	(2)	(3)
Bhopal	100	Land was not made available
Jabalpur	20	Ditto.
Raipur	20	Selection of site done and Housing Board was recently asked to commence the work

The Government stated (February 1978) that the funds had been placed at the disposal of the Housing Board in February-March 1976 in the hope that land could be made available early, which did not materialise due to some unavoidable reasons.

3.22. Model Rural Housing Scheme for tribals

In November 1973, the Government approved a scheme for construction of about 2,000 houses in 9 districts having predominant tribal population. The houses were to be constructed as deposit works by the Madhya Pradesh Housing Board, which estimated the cost of each house at Rs. 0.05 lakh including amenities (like approach roads, street lights, drinking water wells, etc.). The Tribal Welfare Department was to allot the constructed houses to eligible persons belonging to scheduled tribes as under

Category of persons with reference to cultivable land owned	Mode of recovery of the cost of the house
(1)	(2)
Landless tribals	100 per cent of the cost to be treated as grant
Upto 5 acres	25 per cent of the cost to be recovered in 20 equal annual instalments
Above 5 acres and upto 20 acres	25 per cent of the cost to be recovered in 10 equal annual instalments
Above 20 acres	50 per cent of the cost to be recovered in 10 equal annual instalments

During the period November 1973 to March 1976, a sum of Rs. 78.50 lakhs was made available to the Housing Board as under :—

Month	Amount paid	Number of houses to be constructed
(1)	(2)	(3)
	(Rupees in lakhs)	
November 1973	25.00	500
March 1974	20.00	400
February 1975	16.00	320
March 1976	17.50	350
Total	78.50	1,570

The Housing Board reported (July 1975) to the Government that the progress of construction was slow due to the following factors :—

- (a) delay in handing over of land by the Tribal Welfare department;
- (b) delay in making available a list of beneficiaries by the Tribal Welfare department and

(c) non-suitability of sites originally approved.

Consequent on revision in September 1975 of the estimate (from Rs. 0.05 lakh to Rs. 0.06 lakh for each house) due to escalation in cost, the number of houses to be constructed by the Housing Board out of the Rs. 78.50 lakhs deposited with it was reduced from 1,570 to 1,308 houses.

Information made available to Audit during November-December 1977 showed that, against 1,308 houses targeted for construction (cost: Rs. 78.50 lakhs), 1,139 houses were completed (November 1977) by the Housing Board at a cost of Rs. 68.34 lakhs. The district-wise position was as under :

District	Targeted number of houses	Number of houses completed				Total	Balance number of houses to be completed
		1974-75	1975-76	1976-77	1977-78		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Balaghat	150	..	..	30	120	150	..
2. Bastar	52	..	24	24	..	48	4
3. Betul	300	138	..	162	..	300	..
4. Chhindwara	215	5	30	30	..	65	150
5. Hoshangabad	30	30	..	..	..	30	..
6. Jhabua	205	..	..	192	..	192	13
7. Mandla	82	..	43	24	15	82	..
8. Raigarh	88	..	86	..	..	86	2
9. Shahdol	186	..	75	46	65	186	..
Total	1,308	173	258	508	200	1,139	169

Of the 169 houses still under construction, 50 were taken up for construction in February 1975, 10 in July 1975, 34 in November 1975 and 39 in October 1976. The stage of their construction as at the end of November 1977 was as under:

Stage	Number	District
(1)	(2)	(3)
1. Completed upto roof level	117	Chhindwara
2. Upto plinth level	16	
3. Layout and other formalities not finalised	17	
4. Others	19	Bastar 4
		Jhabua 13
		Raigarh 2
Total	169	

Of the 1,139 houses completed by the Housing Board, only 525 houses had been taken over; of the latter 346 houses had been allotted to the beneficiaries

by the Tribal Welfare Department till the end of November 1977. The reasons for not taking over 614 houses were as under :—

Reasons for not taking over (1)	District (2)	Number of houses (3)	Month of completion (4)
(i) Not yet inspected by the technical staff of Tribal Welfare Department	Betul	300*	October 1974 to November 1976
	Balaghat	120	February 1977
	Raigarh	28	Not available
		448	
(ii) Construction defects like cracks in walls, improper tiling and roofing, etc.	Hoshangabad	30*	January 1975
	Shahdol	25	April 1977
		55	
(iii) Minor defects, pointed out by the department being under rectification by Housing Board	Bastar	4	February 1977
	Mandla	15	April 1977
	Jhabua	32	Not available
		51	
(iv) Non-finalisation of list of beneficiaries for allotment	Chhindwara	30	September 1975
		30	October 1976

The district-wise position of 179 houses remaining vacant for periods ranging from 11 months to over 3 years was as under :—

District (1)	Houses remaining vacant (2)	Since when vacant (3)
Bastar	(Number) 17	March 1976
Chhindwara	2	November
Jhabua	11	Not available
Mandla	34	June 1975
Shahdol	115	January 1976

A*All these houses are reported to be under unauthorised occupation.

The reasons for the houses remaining vacant were stated (November-December 1977) by the various district officers to be:

- (a) tribal beneficiaries not prepared to occupy the houses due to non-provision of open land in the vicinity (Chhindwara and Shahdol districts),
- (b) beneficiaries left the houses of their own accord without giving intimation (Shahdol district) and
- (c) beneficiaries did not occupy the houses allotted (Bastar district).

Agreement bonds to be executed with the beneficiaries, to whom houses were allotted, had not been executed in 51 cases (Chhindwara: 3, Mandla: 33 and Raigarh: 15). The houses taken over by the department were not registered in the books of the Tribal Welfare Department by four District Officers (Balaghat, Bastar, Mandla and Shahdol) and registers for watching allotment and recovery of cost of houses allotted to beneficiaries were not maintained by the District Officers of Balaghat, Bastar and Chhindwara.

The matter was reported to the Government in June 1977; reply is awaited (February 1978).

GENERAL

3.23. Cases of misappropriation of Government money

The following table shows the position of cases (other than 57 cases involving Rs. 24.27 lakhs which are *sub judice*) of alleged misappropriation of Government money reported to Audit upto 31st March 1977 but not finalised till the end of September 1977 :

(1)	Number of cases (2)	Amount (3) (Rupees in lakhs)
Cases (reported upto March 1976) outstanding at the end of September 1976	611	69.37
Cases reported during 1976-77	11	21.61
Cases disposed of till September 1977	85	4.09
Cases outstanding at the end of September 1977	640	86.89

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 had 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 (3) (Rupees in lakhs)
(i) Over five years	250	26.20
(ii) Over three years but less than five years	86	8.52
(iii) Over one year but less than three years	199	30.84

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

(1)	Number of cases	Amount (Rupees in lakhs)
(1)	(2)	(3)
(i) Awaiting investigation	387	68.74
(ii) Awaiting action against officials	92	7.93
(iii) Awaiting recovery/information about recovery	115	6.71
(iv) Awaiting orders for write-off	46	3.51

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

According to the rules, cases of losses, misappropriations, etc., are required to be reported immediately to the Accountant General. A review of the cases pending at the end of September 1977 disclosed delay of over one year in reporting to Audit 192 cases involving Rs. 36.67 lakhs.

3.23.2. During test-check in January 1977 by Audit of the accounts of the Government Girls' Higher Secondary School, Karondigram, Jabalpur for the period from December 1973 to December 1976, misappropriation of Rs. 0.16 lakh during the period from March 1974 to December 1976 came to notice. The *modus operandi* was as follows :—

- (i) Fictitious entry of recovery of General Provident Fund advances in the office copy of the pay bill and consequent less payment (Rs. 0.06 lakh) of pay and allowances and General Provident Fund advance (Rs. 0.02 lakh),
- (ii) non-accountal in the cash book of receipts on account of tuition and other fees and of drawals from the treasury against supplementary bills for pay and allowances (Rs. 0.02 lakh),
- (iii) payments recorded in the Cash Book without supporting vouchers (Rs. 0.05 lakh) and
- (iv) double drawal of pay and allowances (Rs. 0.01 lakh).

The following points also came to notice :

- (i) there was a number of mistakes in casting the totals in the Cash Book and
- (ii) register of advances granted to Government servants was not maintained and consequently no watch over the recovery of such advances was kept.

The Director of Public Instruction stated (June and December 1977) that vouchers for Rs. 0.04 lakh, the genuineness of which was under investigation, had been traced out, that Rs. 0.12 lakh had been since recovered from the officials alleged to be responsible for defalcation and that these officials had been placed under suspension from 9th May 1977.

A detailed departmental audit of accounts of the school by the Director of Treasuries and Accounts, which was suggested by Audit, was stated (December 1977) to have been completed. The report is, however, awaited (February 1978).

3.24. Write off—of losses, waiver of recoveries and remission of revenue

In 1,936 cases, losses due to shortages, theft, irrecoverable revenue, etc., amounting to Rs. 20.61 lakhs were written off/remitted during 1976-77 by competent authorities.

Department-wise details are given in Appendix III.

3.24.2. *Loss due to illicit felling.*—On receipt of complaints of illicit felling in Rampura and Gailpur beats of Silwani Range under the Divisional Forest Officer, East Bhopal (now Raisen Division), the Chief Conservator of Forests deputed (October 1972) his Assistant Forest Utilisation Officer for an inspection of these beats. On the basis of his report, the Chief Conservator sought (November 1972) from the Conservator of Forests, Bhopal and the Divisional Forest Officer a detailed report containing, *inter alia*, the number of preliminary offence reports registered in the division in respect of these beats and the quantity of material seized.

On receipt of this communication, the Divisional Forest Officer arranged for inspection of these beats between 18th December and 28th December 1972 and reported (September 1975) that 8,145 trees had been illicitly felled in these beats between June 1971 and November 1972. The loss on this account was reported as Rs. 1.64 lakhs.

According to the Divisional Forest Officer, the loss was attributable mainly to the negligence of the officials deployed on the work. The Chief Conservator of Forests (West) stated (January 1978) that departmental enquiries against the officials responsible for the loss were in progress and were expected to be completed in another two months. He also intimated (January 1978) that a sum of Rs. 17,662 had been recovered and the balance amount recoverable would be determined shortly.

The case was reported to the Government in October 1975; reply is awaited (February 1978).

CHAPTER IV

WORKS EXPENDITURE

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.1. Accelerated Rural Water Supply Programme

4.1.1. *Introductory**.—Out of 70,880 villages in the State, 6,000 were (March 1969) without any open well and 8,400 were 'problem' villages in the matter of provision of drinking water supply because (i) open wells could not be constructed successfully within a radius of 1 kilometre from the villages or (ii) the water table was deeper than 15 metres below ground level or (iii) cholera, guinea worm and other water borne diseases were endemic or (iv) the available water was hard due to the presence of chemicals like fluoride, chloride and iron in excessive quantities. Water supply schemes in the problem villages were taken up by the Public Health Engineering Department and by the end of March 1972, 2,644 villages were covered.

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4.1.2. Accelerated Rural Water Supply Programme (A. R. P.)

4.1.2.1. In May 1972, the Government of India sponsored the Accelerated Rural Water Supply Programme (A.R.P.) under which hundred per cent Central assistance was to be given to the States for provision of water supply arrangements in problem villages in tribal and backward areas of the State.

4.1.2.2. The guidelines issued by the Government of India for implementation of the programme included the following :

- (i) Schemes should be drawn up exclusively for scarcity, difficult and problem areas as a first priority.
- (ii) Compact areas, where drinking water needs could be met within a period of two years, that is by March 1974, were to be taken up.
- (iii) Where scarcity conditions were same, preference was to be given to area occupied predominantly by socially weaker sections of society.
- (iv) Local contributions where possible could be collected but insistence on such contribution was not to have the effect of depriving the benefit of protected water supply to the economically weaker sections of society or causing delay in achieving the objectives.
- (v) Works estimates were to include establishment and other miscellaneous charges to avoid delay in creating additional capacity.
- (vi) Funds were not to be utilised for building up reserve stock of materials and equipment over and above the actual requirements of the programme
- (vii) Rational minimum facilities like stand posts, tanks, taps or tube-wells, hand pumps, etc., were to be provided but no elaborate distribution network in villages or house service connections were to be allowed.

*Source : Draft scheme for Accelerated Rural Water Supply Programme prepared (June 1972) by the Chief Engineer, Public Health Engineering Department.

4.1.2.3. *Release of Central assistance.*—(i) Twenty-five per cent of the estimated expenditure in 1972-73 in respect of each sanctioned scheme was to be released simultaneously with the sanction of the project, 25 per cent after receipt of report of actual taking up of the schemes and the balance 50 per cent on satisfactory progress and proper utilisation of funds.

(ii) Expenditure on maintenance of completed works was to be borne entirely by local bodies, to which effect the State Government was to give an undertaking to the Government of India.

4.1.2.4. The Government of India, on the basis of proposals sent by the State Government, approved (August 1972) a project costing Rs. 324.10 lakhs for providing water supply in 1,001 villages with a population of 2.88 lakhs in tribal areas and 3.41 lakhs in non-tribal areas as shown below :

Population range	Number of tribal villages	Number of non-tribal villages	Total	Averaged estimate cost per village
(1)	(2)	(3)	(4)	(5)
(Rupees in lakhs)				
0—500	441	..	441	0.10
501—1000	180	150	330	0.25
1001—2000	90	45	135	0.40
2001 and above	20	25	45	2.00
Total	731	220	951	

In addition to the above, drinking water-cum-horticultural facilities were to be provided in 50 villages at a cost of Rs. 0.30 lakh per village.

4.1.2.5. The State Government accorded (December 1972) administrative approval to a project estimated to cost Rs. 304.48 lakhs (works: Rs. 274.00 lakhs; staff and vehicles: Rs. 30.48 lakhs) prepared by the Public Health Engineering Department to provide drinking water facilities in 845 problem villages. details of the water supply schemes to be executed were as under :

Details of the scheme	Population	Number of tribal and backward villages	Estimated cost	Number of non-tribal villages	Estimated cost
(1)	(2)	(3)	(4)	(5)	(6)
			(Rupees in lakhs)		(Rupees in lakhs)
(i) Provision of deep tube-wells	Upto 500	300	49.70	..	..
(ii) Provision of drinking water supply from surface or ground water sources pumped to centrally located cisterns fitted with taps	501-1000	180	45.00	150	37.50

Details of the scheme	Population	Number of tribal and backward villages	Estimated cost	Number of non-tribal villages	Estimated cost
(1)	(2)	(3)	(4)	(5)	(6)
			(Rupees in lakhs)		(Rupees in lakhs)
(iii) Provision of drinking water supply from surface or ground water sources pumped to centrally located cisterns and supplied to stand posts at different locations	1001-2000	82	32.80	45	18.00
(iv) Provision of piped water supply from surface or ground water sources pumped to overhead service reservoirs and supplied through distribution system	2001 and above	13	26.00	25	50.00
(v) Provision of water supply-cum-horticultural facilities in villages	Not available			50*	15.00
	Total	575	1,53.50	270	1,20.50

4.1.2.6. Subsequently, the Chief Engineer, Public Health Engineering reported (March 1973) to the State Government that in the list approved in December 1972 some villages had been included twice and that some villages were already covered by schemes taken up earlier and suggested inclusion of new villages in place of some villages. Inclusion of 11 more schemes was subsequently approved by the State Government from time to time till March 1974. In all 926 schemes had been approved by the State Government for execution under the programme.

The changes made from March 1973 onwards are yet (November 1977) to be got approved by the Government of India.

4.1.3. Staff and supervision

4.1.3.1. Government sanctioned (November 1972) one circle, five divisions and twenty sub-divisions for meeting the additional workload and these were constituted on various dates between December 1972 and May 1973.

4.1.3.2. Full complement of technical staff as sanctioned was, however, not in position even at the end of March 1974, by which time the scheme was expected to be completed. Against the total sanctioned posts of 27 gazetted officers, 15 were in position at the end of 1972-73 and 23 at the end of 1973-74. In the non-gazetted category, against 148 posts sanctioned, 13 and 77 persons were in position at the end of 1972-73 and 1973-74 respectively. The Chief Engineer stated (September 1977) that dearth of technical personnel and delay in recruitment had resulted in non-filling up of sanctioned posts.

*There was no mention in the sanction whether the villages were tribal or non-tribal.

4.1.4. *Provisioning of funds.*—Grants amounting to Rs. 74.00 lakhs and Rs. 1,10.00 lakhs were received from the Government of India during 1972-73 and 1973-74 respectively.

The budget allotments made by the State Government and the expenditure reported to have been incurred under the A. R. P. were as follows :—

Year	Original allotment	Final allotment	Expenditure
(1)	(2)	(3)	(4)
(Rupees in lakhs)			
1972-73	70.92	1,10.07	82.76
1973-74	1,67.00	1,67.00	1,78.07
Total	2,37.92	2,77.07	2,60.83

In April 1974, the Government of India informed the State Government that assistance for A.R.P. would be discontinued and that the spill-over works should be financed from the Minimum Needs Programme under the State Plan.

4.1.5. A test-check of the accounts and records in the office of the Chief Engineer, the Superintending Engineer and twelve divisional offices relating to the implementation of the programme was conducted by Audit between August 1976 and August 1977. Important points which came to notice are mentioned in the succeeding paragraphs.

4.1.6. *Achievements*—The physical progress of the schemes under A. R. P. to end of March 1974 and upto March 1977 was as below :—

Population range of village	Number of villages as per programme approved by the Government of India	Number of villages as approved by the State Government	Number of villages in which works were actually taken up	Number of villages in which works were completed upto March 1974	Number of villages in which works were in progress in March 1974
(1)	(2)	(3)	(4)	(5)	(6)
<i>Tribal:</i>					
(i) 0-500	441	296	268	207	61
(ii) 501-1000	180	115	95	72	23
(iii) 1001-2000	90	23	23	16	7
(iv) 2001 and above	20	5	5	1	4
Total	731	439	391	296	95
<i>Non-tribal:</i>					
(i) 0-500	..	65	65	45	20
(ii) 501-1000	150	217	189	138	51
(iii) 1001-2000	45	113	86	33	53
(iv) 2001 and above	25	47	35	3	32
Total	220	442	375	219	156
Drinking water-cum-horticultural facilities under the Special/Applied Nutrition Programme	50	45	45	14	31
GRAND TOTAL	1,001	926	811	529	282

Works in 129 more villages were completed between April 1974 and March 1977 and in 153 villages were in progress at the end of March 1977. Works in 115 villages had not been commenced due, according to the Chief Engineer (September 1977), to paucity of staff.

The population covered (March 1977) by the completed schemes was 3.08 lakhs (tribal : 1.25 lakhs; non-tribal : 1.83 lakhs) as against the population of 6.29 lakhs (tribal: 2.88 lakhs; non-tribal: 3.41 lakhs) envisaged to be covered by March 1974 in the project report.

4.1.7. *Piped water supply schemes in bigger villages with population above 2,000*

4.1.7.1. The piped water supply schemes to be taken up were to cost Rs. 2.00 lakhs per scheme on an average. A test-check of 31 schemes in 9 districts showed that they would cost Rs. 97.75 lakhs on the basis of the latest estimates as against the original estimates of Rs. 77.51 lakhs. None of the schemes, the records of which were test-checked, had been completed by March 1974. The number of schemes completed (expenditure : Rs. 24.76 lakhs) in 1974-75, 1975-76 and 1976-77 was three, seven and three respectively. Works in eleven villages were in progress and expenditure of Rs. 50.31 lakhs had been incurred on these works upto May 1977. It was estimated (May 1977) that a further sum of Rs. 20.90 lakhs would be required for their completion. The average cost of the thirteen works completed and the eleven works in progress would be Rs. 3.96 lakhs.

Works in five villages (Kondagaon, Narayanpur, Kokaloor kalan and Bade-ner kalan in Bastar district and Karrapur in Sagar district) were stopped after incurring expenditure of Rs. 1.48 lakhs as the tube-wells drilled in these villages were not successful. In Bastner village in Bastar district, out of 5 tube-wells drilled two were unsuccessful and according to the Executive Engineer, Jagdal-pur division, the successful wells could cater to the demand of 750 people only out of the total population of 2,271. In Korra village in Bastar district also, the two tube-wells completed could cater to the demand of 500 people only out of the total population of 2,658.

For the Narayanpur village (Bastar district), the executing division had proposed two alternative schemes—one based on ground water source (estimated cost : Rs. 1.65 lakhs) and another on surface source (estimated cost: Rs. 3.65 lakhs). Pending receipt of administrative approval to the scheme, three tube-wells were got drilled at costs of Rs. 5,224, Rs. 5,088 and Rs. 40,330, the first two in 1972-73 and the third in April 1974. The yield of the 3 tube-wells was 200 gallons per hour (gph), 300 gph and 150 gph respectively as against the estimated requirement of 4,000 gph. Drilling of another tube-well 500 to 1,500 metres away from the

existing bores was recommended (February 1976) by the Hydrogeologist, who was consulted in the matter. Further developments are awaited (December 1977).

4.1.7.2. The increase in cost and delay in completion were attributed by departmental officers generally to one or more of the following reasons :

- (a) Increase in cost of labour and materials,
- (b) delay in completion due to:
 - (i) inadequate funds,
 - (ii) non-availability of materials (pipes and cement),
 - (iii) uncertainty about sources of water and non-availability/ failure of sources of water selected and
 - (iv) delay in provision of electric power connection.

4.1.7.3. The type design approved by the Government of India was based on a per capita daily demand of ten gallons. In seven villages *viz.*, Banda, Khimlasa, Dhana, Rahatgarh (all in Sagar district), Ratanpur, Pandariya (in Bilaspur district) and Alampur (in Bhind district), the per capita daily demand was taken as fifteen gallons. Further, according to the approved type design, storage reservoirs were to be for one-fifth of the total daily demand of water. However, in eight villages *viz.* Banda, Khimlasa, Dhana (in Sagar district), Ratanpur, Pandariya (in Bilaspur district), Alampur (in Bhind district), Jaitpur-Noorabad (in Morena district) and Gormi (in Gwalior district), the storage reservoir capacity was designed for one-fourth to two-thirds of the total daily demand, resulting in designing and execution of works for a daily demand of 9.018 lakh gallons as against 6.42 lakh gallons according to the approved pattern. Nine service reservoirs with a total capacity of 2.76 lakh gallons were constructed as against the total requirement of 1.28 lakh gallons. Four of these works (estimated cost: Rs. 9.49 lakhs) were completed at a cost of Rs. 10.39 lakhs. Five schemes (estimated cost: Rs. 26.22 lakhs) remained incomplete (December 1977) after expenditure totalling Rs. 30.13 lakhs had been incurred thereon. Additional funds totalling Rs. 8.96 lakhs were estimated as required for completing these works.

4.1.7.4. Some other schemes, in which items not provided for in the type designs approved by the Government of India in the guidelines were included, are mentioned below:

- (i) The detailed estimates for Rs. 6.39 lakhs for water supply to Khimlasa (Sagar district), submitted by the Superintending Engineer, A.R.P. Circle to the Chief Engineer in March 1974, included provision for certain items like approach road, pump attendant's quarters and extra stand posts which were not included in the type design.

(ii) The revised estimates for water supply to Jaithari (Shahdol district) prepared by the Executive Engineer in March 1977 included provision of Rs. 1.95 lakhs for approach road, staff quarters, barbed wire fencing, etc., which were not included in the type design.

(iii) The revised estimates for water supply to Kotma (Shahdol district) for Rs. 9.23 lakhs prepared by the Executive Engineer, Shahdol division included provision of Rs. 1.59 lakhs for distribution system, staff quarters, etc., which were not included in the type design. Further, a reservoir for a capacity of 25,000 gallons was designed as against 16,000 gallons required on the basis of a per capita demand of 10 gallons per day.

4.1.8. Water supply schemes in villages with population 1,001 to 2,000.—

For villages having a population of 1,001 to 2,000, the Government of India had approved a type design (average estimated cost : Rs. 40,000), under which water was to be pumped from an existing open well or tube-well and supplied through cisterns or stand posts. The scheme did not envisage provision of treatment plants.

A test-check of eight schemes showed that they were actually designed and executed as per another type design approved by the Government of India for bigger villages with population above 2000. Four of these schemes were designed to provide water supply from rivers involving construction of intake well, raw water rising main, treatment plants, etc.

Village (District)	Population	Source of water	Estimated cost	Expenditure upto March 1974	Total expenditure upto May 1977	Further requirement of funds
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rupees in lakhs)						
1, Malthone(Sagar)	1,600	River	2.53	2.43	3.50	0.25
2, Taradehi(Damoh)	1,282	River	1.34	1.64	3.53	0.30
3, Kesli(Sagar)	1,504	River	1.19	0.14	3.12	0.72
4, Ikara(Datia)	1,033	Tube-well	1.22	0.51	1.19	0.15
5, Supawali(Gwalior)	1,648	River	1.55	1.55	2.60	Completed
6, Ghatigaon(Gwalior)	1,176	Tube-well	0.72	0.89	0.96	Completed
7, Shankarpur(Gwalior)	1,212	Tube-well	0.60	0.28	1.03	Completed
8, Balgehna(Bilaspur)	1,566	Tube-well	1.30	0.06	1.26	Completed
Total			10.45	7.50	17.19	1.42

None of the schemes had been completed by 31st March 1974 and even at the end of May 1977 four schemes were incomplete,

4.1.9. Points noticed in the execution of some schemes are discussed in the following paragraphs :

(i) *Jaithari (Shahdol) (Population: 3,575)*.—Work on the scheme estimated to cost Rs. 4.35 lakhs commenced in January 1973 under A.R.P. without it being administratively approved or technically sanctioned. The estimate was revised to Rs. 7.42 lakhs by the Superintending Engineer in March 1977, the increase in cost being mainly under items like intake well, two deep well turbine pumps for raw water rising main, slow sand filter, clear water rising main, service reservoir and distribution system.

The estimate provided for laying of 100 mm. diameter pipes for the rising main but actually 150 mm diameter pipes were laid, involving an extra expenditure of Rs. 0.13 lakh. The Executive Engineer stated (August 1977) that pipes of bigger diameter were used due to 100 mm. diameter pipes being not available.

A test-check of the bills for work done revealed the following irregularities :

(a) The contractor for construction of the treatment plant had been over-paid the following amounts :

	<i>(Rupees in lakhs)</i>
Payment for filling foundations around masonry works with spoils including ramming and watering at Rs. 7.70 per cubic metre, instead of at Rs. 0.60 per cubic metre payable at schedule of rate	0.03

False work around cement concrete paid for 273.70 square metres instead of for 18 square metres due to incorrect recording of measurements.	0.04
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The Executive Engineer agreed (August 1977) to recover these overpayment in the final bill of the contractor which was pending. Recovery was awaited (December 1977).

(b) The total excavation for the treatment plant as per the revised estimate (March 1977) was 1,178.32 cubic metres (cum) in various strata. A quantity of 749.39 cum was reported to have been excavated departmentally while 586.74 cum were stated to have been excavated by the contractor and paid for accordingly. Thus, the total quantity for which expenditure was incurred was 1,336.13 cum as against 1,178.32 cum required at site, resulting in excess expenditure (Rs. 475) for 157.81 cum at the minimum rates for excavation. The Executive Engineer stated (August 1977) that the matter would be investigated.

(c) A quantity of 1,056.10 cum of hard rock was obtained from excavation of filter, sump well, treatment plant, clear water tank and chambers but it was not utilised in construction of intake well and treatment plant. On the other hand, masonry stones were procured at Rs. 54.50 per cum. According to the reports of the Chief Technical Examiner, 50 per cent of the excavated stuff would have been

useful and could have been utilised in works. No account of the excavated material was, however, kept; an expenditure of Rs. 0.29 lakh could have been avoided by utilising the useful material obtained in excavation.

The expenditure incurred on the work to end of May 1977 was Rs. 7.08 lakhs and a sum of Rs. 1.07 lakhs was still required to complete the work. The scheme had not been commissioned (December 1977) as construction of R.C.C. overhead tank was incomplete.

(ii) *Mandhata (Khandwa)*.—A water supply scheme for Mandhata village (population : 590) was approved by the State Government in March 1971 at an estimated cost of Rs. 0.46 lakh. Under this scheme, one tube-well having a yield of 800 gph was drilled (January 1971) at a cost of Rs. 0.15 lakh but no hand pump was installed on the tube-well and the latter was capped.

In May 1973, Mandhata and Godharpura (population : 697), located on opposite banks of the Narmada river, were included under the A.R.P. An integrated water supply scheme estimated to cost Rs. 5.93 lakhs for the two villages was taken up under A.R.P. in May 1973. The scheme envisaged construction of one intake well, a raw water rising main, one pre-settling tank, two slow sand filters and one clear water tank of 2.80 lakh litres capacity designed for a population of 40,000 expected during the annual melas. Water to the Godharpura side was proposed to be supplied by pipelines laid along the bridge across the Narmada river under construction. The cost of the scheme was further revised to Rs. 15.39 lakhs in May 1976, the reasons for which were stated to be —

- (a) high tender percentages received for works,
- (b) high cost of materials,
- (c) high labour rates and
- (d) higher amount payable to the Electricity Board for extension of electric power line upto the intake well than anticipated.

The revised estimate had not yet been technically approved by the Chief Engineer (February 1978). Expenditure of Rs. 14.32 lakhs had been incurred upto December 1977. Construction of intake well and laying of distribution lines were in progress (February 1978).

Before call (August 1973) of tenders for various components of the scheme, works were taken up (June 1973) departmentally. Tools and plant articles like tarpaulins (Rs. 0.20 lakh), steel tanks (Rs. 0.10 lakh) and 5 H.P. pumps (Rs. 0.08 lakh) were purchased and charged to the work. These were not taken back to the numerical accounts of tools and plant when the works were entrusted to contractors for execution.

An amount of Rs. 62,715 was deposited in March 1974 with the Electricity Board for extension of power line upto the intake well though, under the orders of Government, the *gram panchayats* were to pay such deposits from their own

funds. Approval of the Government to a proposal sent (March 1974) by the Chief Engineer for debiting such deposits to the estimates of the scheme was awaited (November 1977).

Clearance from the Central Public Health and Environmental Engineering Organisation, required as per the guidelines issued by the Government of India for individual schemes costing more than Rs. 10.00 lakhs, had not been obtained (February 1978) for this scheme, the revised estimate of which was for Rs. 15.39 lakhs.

A tender for supply of filter media (sand, gravel and metal) was accepted (February 1975) by the Superintending Engineer, Public Health Engineering, Indore at rates ranging between Rs. 200 per cum and Rs.210 per cum. The accepted rates were inclusive of Rs. 78 per cum for cost of gunny bags, their filling and stitching. A quantity of 193.6 cum was received in gunny bags and 357.5 cum without bagging. For supply without bags, the rate was, however, reduced by Rs. 35 per cum instead of Rs. 78 per cum as per analysis prepared by the Executive Engineer at the time of scrutiny of tenders. Consequently, there was an excess payment of Rs. 0.16 lakh for 357.5 cum of filter media.

The Chief Technical Examiner (Vigilance), who inspected the work in December 1975, had observed that—

- (i) there was no justification for collection of filter media in gunny bags.,
- (ii) less than 4 per cent of sand collected conformed to the specifications of the notice inviting tenders and
- (iii) 47 per cent of metal collected was also not of the specified size resulting in overpayment of Rs. 0.05 lakh.

The highest rate for sand, gravel and metal as per the current schedule of rates was Rs. 12.35 per cum and, after allowing for the cost of gunny bags, their filling and stitching, the procurement of filter media in gunny bags resulted in an avoidable expenditure of Rs. 0.16 lakh.

(iii) *Ratanpur (Bilaspur)* (Population: 1,448)—The water supply scheme for this village, which was not originally included in the A. R. P., was included therein in May 1973 after the Collector declared (April 1973) the village as a 'problem' one. Administrative approval of the Government and technical sanction of the Chief Engineer for the work which were sought in July 1973 were awaited (February 1978). Meanwhile, work on the scheme was started in June 1973.

The source of water for this scheme was Kharung tank under the Irrigation Department. Consent of that department for releasing the required quantity of water was not taken prior to commencement of the work. The Irrigation Department declined (December 1974) to supply 40 million cubic feet (mcft) of water required by the Public Health Engineering Department on the ground that it would result in reduction of irrigation by 800 acres. Later, in February 1975, the Irrigation Department agreed to release 25 mcft from the tank on payment

of the prescribed water rates amounting to Rs. 0.36 lakh annually. Work on the scheme was, however, continued on the basis of a designed capacity of 40 mcft though the supply available would be 25 mcft only. The treatment plant and intake works were still to be completed (February 1978).

(iv) *Kondagaon (Bastar) (Population: 7,289)*.—Two water supply schemes—one based on surface water source (estimated cost : Rs. 6.95 lakhs) and another with ground water source (estimated cost : Rs. 3.10 lakhs) were submitted (March 1973) by the Kanker division to the Chief Engineer; these were returned (July 1973) by the Chief Engineer with the observation that the source of water should be determined first. He suggested consulting the Hydrogeologist for locating the site of the tube-wells.

A tube-well was drilled departmentally in May 1973, which yielded 915 gph of water. Work order for drilling another tube-well to be executed by a contractor was issued in July 1973 but the work had not been started by the time the Chief Engineer's observations were received. The work was, nevertheless, started in September 1973; this tube-well yielded 200 gph of water. Without consulting the Hydrogeologist, a third tube-well was also drilled departmentally by the Mechanical division, Raipur in March 1975 and it yielded 1,300 gph of water.

As the yield of the tube-wells was not sufficient for installation of power pumps, hand pumps were installed to utilise the water.

The Hydrogeologist who inspected the sites in February 1976 felt that high yielding tube-wells may not be feasible in the region.

A revised scheme estimated to cost Rs. 24.51 lakhs with surface source was stated (July 1977) to be under consideration.

(v) *Charama (Bastar) (Population : 2,531)*.—The estimated requirement of water for the Charama water supply scheme (Bastar district) administratively approved and technically sanctioned in December 1972 and August 1973 (estimated cost : Rs. 1.27 lakhs) was 2,648 gph. Two tube-wells with yields of 3,000 gph and 4,000 gph were got constructed in March 1973 departmentally by the Mechanical division, Raipur at a cost of Rs. 0.04 lakh. The Kanker division could not state as to why two tube-wells were got constructed, when the estimate provided for one only and the yield of the first well was adequate to meet the requirements of the scheme.

Tenders for construction of service reservoir were invited in April 1973 but no tenders were received and work was started departmentally. Due to wrong layout, three beams and two columns had to be dismantled. The lowest rate received in the second call of tenders for construction of service reservoir at another site (October 1973) was 48 per cent above and in the third call (March 1975) 97 per cent above the schedule of rates. On both occasions, the tenders were rejected by the Superintending Engineer, A. R. P. Circle. The single tender received in

the fourth call in August 1975 at 95.50 per cent above the schedule of rates was accepted by the Superintending Engineer in November 1975, resulting in an extra expenditure of Rs. 0.13 lakh computed with reference to the lowest tender received in October 1973.

A work order was issued in January 1976 with three months' time for completion but due to delay in giving the layout, defective work and its subsequent rectification, the work was actually completed in April 1977 and commissioned in May 1977.

(vi) *Pipra (Bastar)* (Population : 3,809).—This scheme, sanctioned (April 1973) by the Chief Engineer at an estimated cost of Rs. 1.93 lakhs, provided for eighteen tube-wells for the village, scattered in eighteen sectors. Only two tube-wells were drilled with departmental rigs and the rest were got drilled by contractors who were paid at 144 to 161 per cent above the schedule of rates even though the village was easily accessible being on National Highway 43. The total amount paid to the contractors was Rs. 2.62 lakhs, while the cost of work done by departmental rigs was Rs. 3,348 per tube-well including hire charges of machinery and cost of material used.

4.1.10 Other points

(i) *Execution of works in villages without electricity.*—According to the project report approved by the Government of India, schemes involving energisation of pumps were to be taken up only in villages with electricity; diesel driven pumps being costly and difficult to run were not to be installed. It was, however, seen in audit that schemes were taken up in thirteen villages without electricity. Civil works in six villages had already been completed between April and December 1976 at a cost of Rs. 5.92 lakhs but the schemes could not be commissioned for want of power connection. In the remaining seven villages, the estimated cost of Rs. 5.69 lakhs had provision for diesel driven pumps. Only four schemes had been completed at a cost of Rs. 4.05 lakhs. Information regarding provision of diesel pumps in the remaining three works on which expenditure of Rs. 1.21 lakhs had been incurred upto July 1977 was awaited (February 1978) from the Executive Engineer, Rural Survey Division, Bhopal.

(ii) *Unauthorised expenditure.*—An expenditure of Rs. 0.41 lakh incurred on the drilling of tube-wells in seven villages of Bastar district, which were not included in the A. R. P. approved by the Government of India or proposed for inclusion in the A. R. P., was later debited to the programme.

(iii) *Delay in fixing hand pumps.*—In 121 cases, hand pumps were installed long after the tube-wells had been drilled. The details of cases in which hand pumps were installed after 3 months are as under :-

(a) After three months but before six months	33
(b) After six months but before one year	31
(c) After one year but before two years	43
(d) After two years	14

The Chief Engineer stated (July 1977) that the delay was due to non-availability of hand pumps.

However, it was noticed during test-check that, against an estimated requirement of 650 hand pumps, orders had been placed by the Superintending Engineer, A. R. P. in February 1973 for 365 pumps only. Further, out of 100 hand pumps received at Sagar during August-September 1973, 67 were lying unused (February 1978).

(iv) Out of 1,645 tube-wells drilled under the A. R. P., 264 tube-wells on which Rs. 14.69 lakhs were spent were unsuccessful. Materials like casing pipes, etc., valued at Rs. 1.05 lakhs had not been salvaged from these tube-wells.

(v) *Excess consumption of cement.*—According to the instructions of the Chief Engineer (June 1973), masonry works of water retaining structures were to be executed in cement mortar 1:4 (cement one part and sand four parts) but richer mortar of 1:3 was used on water supply schemes at Taradehi, Ranch, Banda and Sitanagar in Sagar district and Jaithari in Shahdol district, resulting in excess consumption of 1,387 bags of cement costing Rs. 0.28 lakh.

4.1.11 Maintenance

4.1.11.1. The Government of India had stipulated that proper maintenance and full utilisation of the schemes should be ensured by the State Government. The Public Health Engineering Department maintained the completed scheme upto March 1974, after which the responsibility for their maintenance was transferred to local bodies along with the services of mechanics (except schemes in 77 villages in Bastar district, where there are no *gram panchayats*). The number of completed schemes (except in Bastar) handed over (March 1977) to the local bodies was 581. The Public Health Engineering Department did not have any machinery to watch whether the schemes handed over were being properly maintained and were in good working condition nor could it furnish any information about them (February 1978).

4.1.11.2. There was delay of over six months in handing over the water supply schemes after their completion to local bodies in 37 cases; besides, three completed schemes in Seoni district were not handed over (December 1977). The Chief Engineer stated (September 1977) that the *gram panchayats* avoided taking over the water works for one reason or other in the hope that the schemes would be continued to be maintained by the department.

4.1.12 *Plant and machinery.*—The Government of India had directed (June 1972) that for implementation of the A. R. P. such of the equipments as were already available or which could be procured immediately should be utilised as this was a time-bound programme. Based on the proposal of the Chief Engineer,

Public Health Engineering Department, the Government of India approved (February 1973) the purchase of the following items of machinery :—

Description of machine (1)	Number (2)	Cost (3) <i>(Rupees in lakhs)</i>
1. Fast drilling rig	3	15.00
2. Calyx drilling rig	10	3.00
3. Jeep	5	1.30
Total		19.30

The Government of India further approved (May 1973) purchase of three jeeps and three trucks, the cost of which was to be met from within the total sanctioned amount.

Vehicles and machines actually purchased were as under :

Description of vehicle/machine (1)	Sanctioned number (2)	Number actually purchased (3)	Actual cost (4) <i>(Rupees in lakhs)</i>
1. Fast drilling rig	3	3	22.55
2. Calyx drilling rig	10	..	..
3. Jeep	8	20	4.86
4. Pick-up	..	5	1.05
5. Ambassador car	..	1	0.21
6. Truck	3	..	..
Total			28.67

The Chief Engineer stated (June 1977) that 5 pick-ups, 20 jeeps and one car were purchased out of the funds for A. R. P. on the basis of sanction accorded (February 1973) by the Finance Department. Revised approval of the Government of India was awaited (November 1977).

Tenders for supply of three fast drilling rigs were called by the Chief Engineer in October 1972. On the basis of the tenders received, orders were placed in January 1973 on an indigenous manufacturer with the stipulation that the rigs should be supplied by March 1973. On the manufacturer failing to supply the rigs, Government cancelled (August 1973) the order; however, this cancellation order was withdrawn by the Government in October 1973. One rig was actually received in October 1973 and the other two in February-March 1974. One rig was

placed at the disposal of Assistant Engineer, Mechanical, Guna and the other two with the Executive Engineer, Mechanical, Raipur. While the former rig was reported to be giving trouble frequently, the two rigs at Raipur could not be commissioned till May 1974 as the supplier did not arrange to assemble the units and test them till then.

4.1.13. Materials

4.1.13.1. According to the guidelines issued by the Government of India (May 1972), the estimates for the schemes were not to include any provision, and the funds were not to be utilised, for building up reserve stock of materials over and above the actual requirement of the works taken up under the A. R. P. The State Government was also requested by the Government of India (August 1972) to initiate preliminary steps for procurement of materials so as to achieve the financial and physical targets by March 1974.

The Chief Engineer had issued instructions (September 1973) for procurement of 365 tonnes of steel for works to be taken up but no action was taken in some of the divisions/circles test-checked for timely procurement of steel. Works of eleven overhead service reservoirs (Jaitpur-Noorabad, Alampur, Gormi, Bilaua, Ghati-gaon, Antri, Ikara, Mohana, Pandariya, Ratanpur and Lormi) were awarded to contractors at completed rates which included supply of steel as well as its fabrication. Had the notices inviting tenders and agreements provided for supply of steel departmentally and payment of labour charges for fabrication of steel only, there would have been a saving of Rs. 0.88 lakh, being the difference between the departmental issue rates and the rates paid to the contractors.

4.1.13.2. A test-check showed that materials valuing Rs. 10.66 lakhs acquired for the programme were lying unused in six divisions as shown below :

Serial number	Description of material	Value	Remarks
(1)	(2)	(3)	(4)
		<i>(Rupees in lakhs)</i>	
1.	Asbestos cement pressure pipes	4.73	The Executive Engineer, Kanke, stated (July 1977) that the pipes were purchased for

Serial number	Description of material	Value	Remarks
(1)	(2)	(3)	(4)
		<i>(Rupees in lakhs)</i>	Charama, Kondagaon, Narayanpur and Bhanupratappur water supply schemes but could not be utilised as the Kondagaon scheme had not been sanctioned (November 1977), the revised scheme for Narayanpur was sanctioned in January 1977 and Bhanupratappur scheme did not require these pipes due to change from piped water to tube-well supply.
2. Galvanised iron pipes		2.96	Orders were placed by the Superintending Engineer, A.R.P. without assessing the requirement on a realistic basis.
3. Cast iron tyton pipes		0.21	These were issued for water supply scheme, Kotma (Shahdol district) but remained unused as the work was incomplete.
4. Cast iron detachable special valves		0.28	
5. Sluice valves		0.12	Against a requirement of 3 valves, 165 valves were received in Kanker division against an order placed (June 1973) by the Superintending Engineer, A.R.P. Ten valves were used in works other than those relating to A.R.P., 108 were transferred to other divisions and remaining 47 were declared surplus to requirements.
6. Hand pumps		0.23	Out of 100 pumps received (August-September 1973) at Sagar, 67 were lying unused (February 1978).
7. Rubber gaskets including nuts and bolts		0.95	

Serial number	Description of material	Value	Remarks
(1)	(2)	(3)	(4)
		(Rupees in lakhs)	
8.	Angle iron posts	0.14	
9.	Tents	0.12	Out of 8 tents received by the Kanker division in June 1973, 7 were lying unused (May 1977).
10.	Steel	0.39	
11.	Miscellaneous items	0.53	
	Total	10.66	

4.1.13.3. The Sagar division had 60.86 tonnes of steel in stock at Sagar (35 tonnes procured specifically for A. R. P. in September 1973) but the division did not stipulate departmental supply of steel in the notices inviting tenders (October 1975) for construction of service reservoirs at Banda, Dhana and Malthone. The Chief Engineer stated (September 1977) that tenders called for on departmental designs for construction of reservoirs did not get sufficient response and as a result lump sum offers based on contractors' own designs were invited. After transferring 21.455 tonnes to other divisions a quantity of 19.716 tonnes of steel (value : Rs. 0.39 lakh) was lying unutilised in the division (February 1978).

4.1.13.4. *Procurement of cement.*—The Cement Controller, Bombay released 718 tonnes of cement in January 1974 in favour of A. R. P. division, Damoh, the release order being valid upto 7th May 1974. Due to non-availability of wagons, the supplier enquired (February 1974) whether the division was prepared to lift the cement by road and the Executive Engineer agreed (February 1974) to do so. Tenders for transportation opened on 24th April 1974 were rejected by the Superintending Engineer, Sagar on the ground that the rates quoted were high. Meanwhile, the cement was lifted by road from the factory to hired godowns at Bhilai at a cost of Rs. 0.07 lakh; the rental for the godowns for the month was Rs. 0.05 lakh.

The division again invited tenders on 8th May 1974 for transportation of cement from Bhilai to Damoh and Sagar with date of opening the tenders as 25th May 1974. The lowest tenders at 50 per cent and 48 per cent above the schedule of rates for transportation from Bhilai to Damoh and Sagar respectively were accepted by the Superintending Engineer (June 1974) and the cement was transported in June 1974 at a total cost of Rs. 1.12 lakhs.

Due to passage of time, the cement lost 20 per cent of its strength as seen from test results obtained by Executive Engineer, Sagar. The quality of cement

at Sagar had deteriorated to such an extent that its use was stopped by the Executive Engineer in May 1976 and the contractor executing water supply scheme, Rahatgarh was permitted to procure cement from the open market. The Executive Engineer, Sagar further stated (September 1976) that the cement (9579 bags) could not be utilised in water retaining structures. However, he added (July 1977) that considering its condition, the cement was being used with richer mortar, *i.e.*, 3 instead of 1 : 4 in works under execution resulting in excess consumption of 755 bags of cement worth Rs. 0.17 lakh. Besides this, 1,723 bags were transferred to the sub-divisional stores within the division and 3,225 bags to other divisions. There was a shortage of 110 bags (value: Rs.2,475) and 1,353 bags (value: Rs. 30,442) were lying in store (July 1977).

The points referred to above were reported to the Government in September 1977; reply is awaited (February 1978).

4.2. Indore Water Supply Project

The construction of 'pumping main' of the Indore Water Supply Project was awarded (June 1974) to a contractor at the basic tender value of Rs. 286.28 lakhs. According to item 5 of the accepted terms and conditions, the firm was to be paid ten per cent of the basic tender value as advance in three instalments and interest was payable on it by the firm at the prevailing rates charged by nationalised banks as on the date of drawal of the advance subject to the condition that the basic tender value would be enhanced by an amount equal to the interest payable by the firm to the Government or a sum of Rs. 4.00 lakhs whichever was less.

The firm was paid advances amounting to Rs. 28.63 lakhs as follows:

Date	Amount of advance paid
(1)	(2)
	<i>(Rupees in lakhs)</i>
7th January 1975	14.31
28th March 1975	7.16
11th June 1975	7.16

The minimum rate of interest chargeable by nationalised banks on advances granted by them had been fixed by the Reserve Bank of India as 12.5 per cent with effect from 23rd July 1974. The amount of interest on the advances granted to the firm, calculated at this rate, worked out to Rs. 4.51 lakhs and an amount of Rs. 0.51 lakh (being in excess of Rs. 4.00 lakhs), was recoverable from the firm. The Public Health Engineering Division, Indore, however, calculated the interest payable by the firm at the Bank Rate of 9 per cent instead of the higher rate charged by nationalised banks. As the amount of interest so worked out was less than Rs. 4.00 lakhs, no recovery was effected from the firm. Even at the minimum rate of interest chargeable by nationalised banks on the basis of directives of the Reserve Bank of India, an amount of Rs. 0.51 lakh had been less recovered from the firm.

The matter was reported to the Government in September 1977; reply is awaited (February 1978).

4.3. Advance payment for supply of mechanical equipment

Separate tenders for supply and erection of mechanical equipment for the water supply schemes at Mungeli and Raigarh were invited by the Superintending Engineer, Public Health Engineering Department, Raipur in April 1972. The lowest lump sum tenders of a Faridabad firm for Rs. 0.94 lakh for the Mungeli Water Supply Scheme and Rs. 1.00 lakh for the Raigarh Water Supply Scheme were not accompanied by earnest money deposits. The firm had requested for exemption from depositing the earnest money (Mungeli : Rs. 1,500 and Raigarh : Rs. 2,000) on the ground that it was a specialised firm registered with the Director of Industries, Faridabad but had offered to deposit it if exemption was not granted. The Chief Engineer, Public Health Engineering Department, while recommending the lowest tenders for acceptance by the Government, requested exemption from the condition of earnest money. The lowest tenders were accepted by the Government in January 1973 and July 1973 respectively but no orders regarding exemption were passed. No earnest money was, however, realised from the firm.

The tender as accepted by the Government provided for 90 per cent payment to the firm on production of railway receipt in support of despatch of goods and the balance 10 per cent after erection of the equipment. Work orders for the Mungeli and Raigarh Water Supply Schemes were issued by the Executive Engineers, Public Health Engineering Divisions, Bilaspur and Ambikapur on 16th July 1973 and 4th December 1973 respectively. An advance payment of Rs. 0.10 lakh for the Mungeli Water Supply Scheme was released on receipt of the railway receipt through a bank on 1st November 1973. The second instalment of advance (Rs. 0.75 lakh) was paid on 14th December 1973 on presentation personally by a representative of the firm of a truck receipt and parcel way bill from a road transport firm. Against the advance payments of Rs. 0.85 lakh, which had been released without receipt of the details of the supplies and their value, equipment worth Rs. 0.28 lakh only was received during the period from February 1974 to November 1976 and equipment for the balance amount (Rs. 0.57 lakh) had not been received (February 1978).

For the Raigarh Water Supply Scheme, the Executive Engineer, Public Health Engineering Division, Ambikapur paid an advance of Rs. 0.84 lakh on 25th March 1974 through the State Bank of India against a receipt from a road transport firm acknowledging receipt of equipment for transport. The Division received equipment worth Rs. 0.29 lakh upto 25th June 1976. Equipment for the remaining amount of Rs. 0.55 lakh was not received (February 1978). Thus, the firm had not made any supply for Rs. 1.12 lakhs in respect of both the schemes and the erection work remained to be executed (September 1977). The Chief Engineer reported both the cases to the Police in September 1975. Further developments are awaited (February 1978).

The matter was reported to the Government in May 1977; reply is awaited (February 1978).

IRRIGATION DEPARTMENT

4.4. 'Food for Work' Project

The State Government formulated a 'Food for Work' programme in April 1975 for the year 1975-76 for utilising foodgrains (Soya fortified sorghum grits and Soya fortified Bulghar wheat) allotted by the Government of India from out of the stocks offered by the Co-operative for American Relief Everywhere (CARE). In the project report, four scarcity stricken districts (Shahdol, Sidhi, Durg and Rajnandgaon) and 135 irrigation works in these districts were earmarked for implementation of the programme. At the rate of one kilogram of foodgrains per day per labourer for 200 working days during the year, the total requirement of foodgrains was assessed at 16,546 tonnes. It was estimated that by utilising this quantity of foodgrains 165.46 lakh mandays of work (1 kilogram per manday) could be generated and by paying 50 per cent of the wages to the labourers in the form of foodgrains supplied by CARE a corresponding cash equivalent of Rs. 248.19 lakhs (at the rate of Rs. 1.50 per kilogram) would be available for expenditure. After meeting operational costs, a net saving of Rs. 208.69 lakhs was expected to be available for reinvestment on these works.

4.4.2. Against the estimated requirement of 16,546 tonnes, CARE despatched 9,990 tonnes of foodgrains. The Food Corporation of India cleared the stock from Bombay Port but sent only 9,755 tonnes directly to the recipient project districts between July 1975 and October 1975, of which 9,751 tonnes were received in the project districts. The discrepancy between the despatch advice and actual receipts valued at Rs 6.67 lakhs was yet to be reconciled (December 1977). On the basis of actual receipts, the Food Corporation of India was to refund Rs. 0.12 lakh to the State Government out of the clearance charges (Rs. 5.29 lakhs) paid to it in advance.

4.4.3. The State Government, after reviewing in November 1975 the off-take of foodgrains for the irrigation works in the project districts, extended the scheme to five other districts and also to works in other departments (like Forest, Agriculture and Buildings and Roads. The Government also decided (April 1976) to utilise the stocks for public sale and issue to Veterinary Department and to transfer (May 1976) the balance stock to the Tribal Welfare Department for its nutrition programme. Out of 9,681 tonnes of foodgrains available for utilisation (70 tonnes having been lost in storage), only 1,398 tonnes (14.44 per cent) were utilised for distribution to labourers engaged on works in nine districts and the remaining 8,283 tonnes (85.56 per cent) were disposed of by sale to public (722 tonnes), issue to the Veterinary Department for use as poultry feed (79 tonnes) and transfer to Tribal Welfare Department for utilisation in nutrition programme (7,482 tonnes).

Out of 1,398 tonnes utilised for distribution amongst labourers engaged on works in the 9 districts, 711 tonnes were utilised in the 4 original project districts. The number of mandays for which labour could be paid in kind with 711 tonnes

was 7.11 lakhs only as against 165.46 lakh mandays envisaged in the project. Less utilisation of foodgrains in the project works was attributed by the Government (April 1976) to lack of demand for wheat in rice eating areas, where most of the project works were under execution, and fall in the price of wheat in the local market.

4.4.4. The expenditure incurred on port clearance, transportation, storage, etc., and administrative charges was Rs. 22.48 lakhs. As already mentioned, out of 9,751 tonnes received under the project, 7,482 tonnes were transferred for utilisation under the nutrition programme operated by the Tribal Welfare Department. In the *pro forma* accounts of the project, the entire expenditure on port clearance transportation, etc., however, stood booked against the project. The amount realised from sale/distribution of foodgrains under the project as shown in the *pro forma* accounts was Rs. 16.84 lakhs. Besides, Rs. 1.05 lakhs were still (December 1977) to be realised (from dealers : Rs. 0.54 lakh; Government departments : Rs. 0.51 lakh). The accounts of the project, thus, showed a deficit of Rs. 4.59 lakhs in its execution.

4.4.5. A test-check of the accounts and records relating to the implementation of the project in the four initially selected project districts was conducted during May to August 1977. The results are given in the succeeding paragraphs.

(i) *Settlement of claims.*—On receipt of foodgrains in the four districts, it was found that 4,470 tonnes were lost and 80,148 tonnes damaged during transit by rail. The Collectors of the four districts preferred claims for Rs. 1,87,724 against the Railways as compensation for the loss/damage. Compensation was to be claimed at the claim rates intimated by CARE from time to time but the Collector, Sidhi preferred claims for losses/damage at the issue rate of Rs. 120 per quintal which resulted in an underclaim of Rs. 0.56 lakh. Out of the claims for Rs. 1,87,724 those for Rs. 3,653 were admitted by the Railways and claims for Rs. 9,080 were pending settlement. Claims for Rs. 1,74,991 were rejected by the Railways on the ground that the consignor had failed to provide dunnage as required under the Railway rules. The Food Corporation of India, however, have disowned any responsibility on any account and the Government had directed the Collectors (March 1977) to pursue the claims further with the Railways. Further developments are awaited (February 1978).

(ii) *Extra expenditure on transportation.*—Even though the value of transportation contracts in each district exceeded Rs. 5,000, open tenders for transportation of foodgrains from railway station to warehouse were not invited as required under the rules and contracts were finalised (July 1975) on the basis of limited tenders invited from local contractors at very short notice or collected personally, except at Shahdol where the Tribal Co-operative Development Corporation (T.C.D.C.) was entrusted with the work. Consequently, there were wide variations in the rates of transportation e.g. at Shahdol - 22.5 paise per bag, at Durg - 25 paise per bag, at Rajnandgaon - 32 paise per bag and at Sidhi-37paise

aer bg. Subsequently, in January /February 1976, in pursuance of the Government's decision to transport surplus foodgrains to other districts, the same foodgrains were transported from warehouses to railway stations at the rate of 20 paise per bag at Durg through T.C.D.C. and 19 paise per bag at Rajnandgaon through a local transporter. Reasons for not contacting T.C.D.C. in the first instance for transportation work at Durg and Rajnandgaon were not on record. Payment of transportation charges on the basis of limited tenders was thus uneconomic to the extent of at least Rs. 0.23 lakh even with reference to the rate of 22.5 paise per bag charged by T.C.D.C. on the first occasion in the Shahdol district.

(iii) *Variation in issue prices and their impact on wage structure.*—Issue prices of the foodgrains were to be fixed by the Collectors in consultation with the representatives of CARE and the prices so fixed were to be in the vicinity of issue prices of similar foodgrains prevalent in the fair price shops. As against the rate of Rs. 137 to Rs. 140 per quintal prevalent in the fair price shops, the issue rates fixed by the Collectors in the four project districts were Rs. 125 per quintal (Durg and Rajnandgaon) and Rs. 120 per quintal (Shahdol and Sidhi).

However, due to poor off-take the Collectors, Rajnandgaon and Shahdol reduced the issue rate to Rs. 85 per quintal in January 1976 and Rs. 100 per quintal in November 1975 respectively. Similarly the Collector, Sidhi reduced the issue rate to Rs. 95 per quintal in December 1975 and again to Rs. 80 per quintal in March 1976. With a view to clearing the existing stocks before the onset of monsoons (*i. e.* by 30th June 1976), the Government ordered (April 1976) reduction of the issue price to Rs. 75 per quintal in all the districts.

As per guidelines issued by the Government of India in March 1975, the 'in kind component' of the labourer's wage should not exceed 50 per cent of the total wage. The following table would indicate the extent to which the 'in kind component' exceeded the 50 per cent limit at the issue rates initially fixed by the Collectors:

Name of the district		Wage payable per day	In kind	In cash	Percentage of in kind wage to total wage
(1)		(2)	(3)	(4)	(5)
Durg - and	Male	2.40	1.25	1.15	52
Rajnandgaon	Female	1.90	1.25	0.65	66
	Children above 12 years	1.25	1.25	..	100
Shahdol	Male	2.40	1.20	1.20	50
	Female	1.90	1.20	0.70	63
	Children above 12 years	1.25	1.20	0.05	96
Sidhi	Male	2.40	1.20	1.20	50
	Female	2.20	1.20	1.00	55
	Children above 12 years	1.95	1.20	0.75	62

(iv) *Accounts.*—(a) Test-check showed that dealers in Shahdol and Sidhi districts were allowed to lift foodgrains on credit basis and in Shahdol Rs. 0.53 lakh were outstanding for recovery from dealers.

(b) While preparing the *proforma* accounts for Sidhi district in October 1976, an amount of Rs. 0.93 lakh was found as per the Collector's records as due from four disbursing officers on account of cost of foodgrains supplied. Without reconciling the figures with the accounts of the departmental disbursing officers, the Collectorate finalised the *proforma* accounts by drawing Rs. 0.93 lakh from the treasury on 3rd November 1976 under the "Drought prone area programme" (D.P.A.P.), remitting Rs. 0.86 lakh into the treasury towards the cost of foodgrains issued to four departmental disbursing officers and paying Rs. 0.07 lakh as balance of commission due to the dealers. The amount was drawn from the treasury on the ground that the cost of foodgrains lifted by these disbursing officers had not been remitted by them inspite of repeated reminders.

Test-check of accounts of the disbursing officers and the Collector by Audit showed that (i) foodgrains valuing Rs. 0.29 lakh shown as issued by the Collector to the D.P.A.P. Division No. II, Sidhi (Rs. 0.28 lakh) and Assistant Director, Veterinary Services, Sidhi (Rs. 0.01 lakh) had not been received by both as per their records; (ii) there were no details available with the Collectorate for foodgrains worth Rs. 0.25 lakh stated to have been issued to disbursing officers, (iii) Rs. 0.23 lakh deposited directly by one division (D.P.A.P. Division No. I) into the treasury had not been taken into account by the Collector at the time of finalising the accounts, (iv) Rs. 0.05 lakh realised towards cost of foodgrains were lying with one division (D.P.A.P. Division No. II) under deposit and (v) Rs. 0.11 lakh were outstanding for recovery from dealers.

No action had been taken (December 1977) by the Collectorate to reconcile the differences and to recast the accounts.

The matters mentioned above were referred to the Government in September 1977; comments are awaited (February 1978).

4.5. Ponia Lift Irrigation Scheme

For the Ponia Lift Irrigation Scheme in Vidisha district, administratively approved by the State Government in October 1973 for Rs. 14.80 lakhs, twelve vertical turbine pumps, of 35 H. P. each, with accessories were purchased in November 1974 at a cost of Rs. 7.97 lakhs. During inspection of the site in April 1976 the Superintending Engineer, Betwa Circle recorded that nine pumps were sufficient for supplying the peak requirement of water.

Installation of nine pumps was accordingly completed in November 1977. The remaining three pumps costing Rs. 1.94 lakhs were proposed (October 1976) to be transferred to the Lift Irrigation Corporation for new schemes to be taken up by it. In reply to an enquiry by Audit, the division stated (February 1978) that the pumps were still lying unused.

An amount of Rs. 2.97 lakhs was advanced to the Madhya Pradesh Electricity Board on 19th February 1975 towards the cost of laying H.T. lines to the pump site. The laying of the lines was completed by the Board on 17th March 1976 but due to defective installation of a transformer, electric connection could be given only in November 1977. As per terms of agreement with it, the Board started billing the division for energy at the minimum rate from 17th June 1976 *i. e.* three months after the date of laying the power lines. The expenditure of Rs. 0.63 lakh incurred on this account upto October 1977 was unfruitful.

The matter was reported to the Government in August 1977; reply is awaited (February 1978).

PUBLIC WORKS DEPARTMENT

4.6. Non-recovery of contribution towards employees' state insurance

(a) The workshop of the department at Bhopal was exempted from the provisions of the Employees' State Insurance Act, 1948 (as amended in 1966) upto 9th January 1973 on the ground that the employees of the workshop were otherwise in receipt of benefits substantially similar to those provided under the Act. Further exemption applied for by the department was, however, not agreed to (December 1976) by the Corporation on the ground that the benefits available to casual workers were not on par with those available to permanent workers.

According to the provisions of the Act, the employer is liable to pay to the Corporation contributions both of employer and employees. The employer is entitled to recover from the employees their contribution out of their wages.

Under orders of the Engineer-in-Chief, Buildings and Roads, the Executive Engineer remitted to the Corporation Rs. 59,579 (Rs. 31,833 in April 1976 and Rs. 27,746 in November 1976) towards employer's and employees' contribution pertaining to the period from January 1973 to November 1975, which included Rs. 5,169 as interest on contributions in arrears. The amount recoverable from the employees during the above period was Rs. 19,860. No recovery could, however, be made from the employees concerned as the Act does not provide for recovery of arrears from current wages.

The employees of the workshop were not receiving benefits contemplated under the Act as their insurance cover with the Corporation had not been issued so far (December 1977) because of non-completion of formalities. The expenditure incurred by the department on reimbursement of medical claims and sick leave to the employees according to the departmental rules was Rs. 5,658 for the period September 1973 to September 1977.

(b) The workshop at Morar (Gwalior) under the Electrical and Mechanical Division, Gwalior was exempted upto June 1973 from payment of employer's contribution towards employees' state insurance. During May 1970 to December 1977, the division paid amounts totalling Rs. 49,405 to the Corporation towards the employees' share of contribution from January 1955 to March 1977 (Rs. 36,384)

and employer's share from July 1973 to March 1977 (Rs. 13,021). The employees' share was, however, not recovered from the employees. The employees did not also get any of the benefits contemplated under the Act due to insurance cover not being finalised. Medical facilities available to other government employees were, however, availed of by these employees but information regarding the quantum of expenditure incurred by the department on this account was not available separately (January 1978) with the department.

The matter was reported to the Government in November 1976; reply is awaited (February 1978).

4.7. Electrification of railway overbridge at Bhopal

The contract for electrification of the railway overbridge at Bhopal, entered into by the Superintending Engineer, Electrical and Mechanical Circle, Bhopal in September 1974, provided for supply by the contractor of steel tubular poles each of 9.1 metres length. The contractor, however, supplied 90 poles each of 7.6 metres length for which he was paid at the rate of Rs. 340 each plus the tender percentage of 73 per cent thereof. A supplementary schedule to the agreement for accepting poles of 7.6 metres length was also drawn up in November 1974 and accepted by the Executive Engineer though he was not competent to do so.

The Superintending Engineer, Electrical and Mechanical Circle, Bhopal observed in September 1975 that the poles supplied by the contractor were made of sheets of thinner gauge and did not conform to the specifications and ordered that they should be got replaced. He also ordered that the Executive Engineer might procure poles of 9.1 metres length from the manufacturers against tenders received in the division on 23rd September 1975 since the work of electrification was to be completed by November 1975. As the shorter poles were not replaced by the contractor, the Executive Engineer procured poles of 9.1 metres length direct from a manufacturer and got 76 of them erected by the contractor for electrification.

The Engineer-in-Chief ordered in June 1976 acceptance of 76 out of the 90 undersized poles (value : Rs. 52,938) supplied by the contractor. These were taken to the stock accounts of the division in October 1976 and were lying unused (November 1977). As against the rate of Rs. 588.20 each paid by the division for poles of 7.6 metres length, poles of 9.1 metres length were procured by the division from the manufacturer at the rate of Rs. 432 each plus Rs. 35 spent on transport.

The matter was reported to the Government in November 1976; reply is awaited (February 1978).

GENERAL

4.8. Miscellaneous Public Works Advances

1. The balance under this head represents value of stores sold on credit, expenditure incurred on deposit works in excess of deposits received, losses of cash or stores and advances awaiting recovery from Government servants, contractors, etc. Items under this head are to be cleared either by actual recovery or by

49th

transfer under proper sanction or authority to appropriate head of account. Non-adjustment or non-recovery of these balances over long periods would result in the works accounts remaining undercharged and/or the possibility of the dues becoming eventually irrecoverable.

A comparison of the balance outstanding under this head as at the end of 1975-76 and 1976-77 disclosed an increase of Rs. 33.33 lakhs as shown below :

Serial number	Name of department	Balance at the end of		Increase/decrease
		1975-76	1976-77	
(1)	(2)	(3)	(4)	(5)
		<i>(Rupees in lakhs)</i>		
1.	Public Health Engineering	861.10	902.26 (+)	41.16
2.	Irrigation (Including Tubewells)	391.67	391.61 (-)	0.06
3.	Public Works (Buildings and Roads)	167.45	159.68 (-)	7.77
4.	Rehabilitation	3.59	3.59	..
	Total	1,423.81	1,457.14 (+)	33.33

The rules provide that schedules indicating item-wise details of balances outstanding for more than six months should be sent by the divisions to the Audit office half-yearly along with their monthly accounts for September and March. During 1976-77, only 54 and 52 divisions (out of 293 divisions) sent such information along with the accounts of September 1976 and March 1977 respectively; the remaining divisions were yet to furnish the information despite reminders by Audit (February 1978).

Information regarding outstanding balances as on 31st March 1977 was called for from all the divisions. According to the information received from 139 divisions, 20,185 items involving Rs. 1,058.95 lakhs were outstanding in these divisions at the end of 1976-77, the details of which were as shown below :

(1)	Number of items	Amount
		<i>(Rupees in lakhs)</i>
Sales on credit	227	23.27
Expenditure incurred on deposit works in excess of deposit	103	5,02.38
Losses, retrenchments and errors	1,557	13.12
Other items	18,298	5,20.18
Total	20,185	10,58.95

Comparatively large amounts were outstanding for the reasons mentioned below:

Serial number	Number of divisions	Ground	Amount outstanding
(1)	(2)	(3)	(4)
			(Rupees in lakhs)
1.	49	Advance payments to suppliers remaining unadjusted.	41.58
2.	30	Shortages of stock and tools and plant articles.	6.61
3.	5	Decretal charges paid to Courts debited to this head instead of to final heads of account.	0.80
4.	15	Amounts recoverable from private persons/ firms, etc.	26.25
5.	8	Dues outstanding against Government servants.	1.65
6.	1	Advances paid to Land Acquisition Officers.	0.41
7.	58	Telephone and trunk-call charges recoverable from officials and others.	0.52
8.	63	Items pending adjustment for want of classification.	31.72

2. The rules provide that when a deposit work is to be carried out the local body or other party concerned should deposit the gross sanctioned expenditure, which is payable by it, with the division in one lump sum or in instalments and by such dates as may be specially authorised. Outlay on deposit works is required to be limited to the amount of deposits and amounts spent in excess of the deposits are required to be recovered at once. However, upto the end of March 1977 Rs. 5,02.38 lakhs on account of expenditure incurred in excess of deposits on 103 works were outstanding for recovery, the department-wise break-up being as shown below:

Department	Number of works	Expenditure in excess of deposits
(1)	(2)	(3)
		(Rupees in lakhs)
Public Health Engineering	60	4,61.25
Irrigation	33	40.28
Public Works (Buildings and Roads)	10	0.85

The matter was reported to the Government in December 1977; reply is awaited (February 1978).

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 balances at the end of the year are to be furnished to Audit by July every year. The Committee on Public Accounts had recommended (Nineteenth Report—April 1971) that effective action should be taken to furnish annual consolidated accounts by the prescribed date to the Accountant General. Nevertheless, stores and stock accounts of the following departments for the years noted against each had not been received (February 1978):

1. Agriculture—

(a) Grow More Food Scheme	1974-75	to	1976-77
(b) Pesticides and Plant Protection	1970-71	to	1976-77
(c) Others	1974-75	to	1976-77

2. Food 1968-69 to 1976-77

3. Excise (Opium) 1969-70 to 1976-77

4. Forest 1973-74 to 1976-77

5. Jail 1974-75 to 1976-77

6. Stamps 1971-72 (awaited from Jagdalpur treasury)
1973-74 to 1976-77
(awaited from Jabalpur treasury)

7. Medical 1975-76 and 1976-77

8. Public Health 1975-76 and 1976-77

9. Veterinary 1974-75 to 1976-77

1263.55
611.18
652.376

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)
(Rupees in lakhs)						
A—Public Works Department—						
1. Irrigation (91 divisions)	Building materials, fuel, timber and other materials	1976-77	4,51.16	9,54.53	9,53.89	4,51.80
2. Tawa Project (14 divisions)	Ditto	Ditto	2,93.21	2,71.42	3,19.67	2,44.96
3. Chambal Project (2 divisions)	Ditto	Ditto	89.99	29.13	21.47	97.65
4. Buildings and Roads (93 divisions)	Ditto	Ditto	12,82.66	8,75.19	8,94.30	12,63.55
5. Major Projects (29 divisions)	Ditto	Ditto	2,54.83	4,16.20	4,89.15	1,81.98
6. Tube-wells (16 divisions)	Ditto	Ditto	9.81	1,10.73	1,21.20	(-)0.66*
7. Public Health Engineering (48 divisions)	Ditto	Ditto	3,77.84	3,37.33	3,60.31	3,54.86
B—Civil Departments—						
1. Agriculture—Grow More Food Scheme	Seeds, manures, fertilisers and implements	1973-74	72.51	1,40.14	1,42.74	69.91**
Pesticides and plant protection	Pesticides	1965-66 to 1969-70	29.97 [†]	3,17.10	2,22.77	1,24.30 ^{††}
Other than Grow More Food Scheme	Livestock, tools, plant and machinery, implements, seeds, cattle feed, manures, fertilisers and miscellaneous stores	1973-74	5,45.53	3,75.10	3,21.54	5,99.09
2. Stationery and Printing	Consumable Stores	1976-77	1,45.99	1,04.98	1,16.35	1,34.62
	Other Stores	1976-77	50.24	20.75	36.66	34.33
3. Separate Revenue	Stamps	1972-73	10,19.43	11,89.92	6,42.19	15,67.16

* Reasons for minus balance are under investigation.

** Includes shortages (Rs.22.79 lakhs) awaiting write-off.

† The stores and stock accounts have been prepared from 1965-66 onwards only and the opening balance for 1965-66 is not susceptible of verification.

†† Includes shortages (Rs.0.52 lakh) awaiting write-off.

A Includes Rs.0.18 lakh on account of (i) excess found during physical verification (Rs.0.05 lakh) and (ii) increased value due to revaluation (Rs.0.13 lakh),

B Includes shortages of Rs.0.49 lakh on account of revaluation and physical verification.

C Includes excess of Rs.0.01 lakh found during physical verification.

D Includes shortages of stores (Rs.0.02 lakh) noticed during physical verification and handling loss (Rs.0.76 lakh),

5.3. Reserve limit of stock

Detailed information received upto September 1977 in Audit Office from 179 divisions (40 Public Works, 110 Irrigation and 29 Public Health Engineering) showed that reserve limit of stock had not been fixed for 58 divisions (23 Public Works and 35 Irrigation). The value of stock held by these 58 divisions on 31st March 1977 was Rs. 4.43 crores. The value of the largest stock held by a single division was Rs. 0.40 crore with the Mahanadi Reservoir Project Dam Division I, Rudri (Raipur).

Of the remaining 121 divisions for which reserve limit of stock had been prescribed, the value of stock held on 31st March 1977 (Rs. 0.98 crore) exceeded the prescribed limit (Rs. 0.57 crore) in 14 divisions (Public Works : 2, Irrigation : 9 and Public Health Engineering : 3) by Rs. 0.41 crore. The value of stock in the National Highway Division of Jabalpur alone exceeded its reserve limit by Rs.0.26 crore.

5.4. Stock registers and stock verification

(i) The register of stock in each division is required to be closed at the end of each year and reviewed by the Divisional Officer to ensure that the stock consisted only of serviceable articles. Information received upto September 1977 from 179 divisions out of 293 divisions disclosed that the register of stock was not closed and reviewed for the year ending March 1977 in 96 divisions (Public Works : 31, Irrigation: 53, Public Health Engineering : 12).

(ii) Financial rules require that stock of stores should be verified at least once a year and the reasons for shortages/excesses investigated and adjustments made promptly. According to information furnished upto September 1977 by 179 divisions out of 293, the stock of stores had not been verified at all during 1976-77 in 3 divisions and only partially verified in 9 other divisions. The results of verification had not been intimated to Audit upto September 1977 by 11 of the divisions in which verification was done fully or in part. Shortages totalling Rs. 1.78 lakhs (10 divisions) and excesses totalling Rs. 0.65 lakh (4 divisions) were awaiting investigation and adjustment upto September 1977.

5.5. Minus balances in stores and stock accounts

The stores and stock accounts of 11 divisions closed with minus balances totalling Rs. 75.05 lakhs on 31st March 1977. Of these, the Tube-well Construction Division, Morena alone accounted for a minus balance of Rs. 29.91 lakhs.

5.6. Surplus stores

Stores worth Rs. 50.05 lakhs were declared surplus by 14 divisions. These included material worth Rs. 29.51 lakhs held by the Tawa Right Bank Canal Division, Sohagpur lying surplus for more than a year.

IRRIGATION DEPARTMENT

5.7. Purchase of steel

Under the terms and conditions prescribed by the Billet Re-rollers Committee constituted (April 1971) by the Government of India, for steel despatched by rail, payment was to be made by the allottees in full within 7 days of the receipt of bill with railway receipt. For steel to be despatched by road, the cost was to be paid in advance but if the firm failed to supply steel within 7 days of the receipt of the advance the advance taken was to be refunded within 3 months of its receipt, and, in case of default, penalty at the rate of 5 per cent per month was to be charged from the re-rollers from the date of receipt of the advance.

The Tawa Canal Stores Division, Itarsi (now merged with Tawa Distributory Division, Seonimalwa) made hundred per cent advance payment amounting to Rs. 16.34 lakhs to thirteen firms from June 1972 to August 1974 for steel to be supplied by rail before it was actually despatched, although no advance payment was necessary for such supplies by rail. From the details of material supplied and cost thereof adjusted by the Division, it was noticed that Rs. 0.96 lakh were still outstanding against various re-rollers on the following account :

	<i>(Rupees in lakhs)</i>
(i) Penalty at 5 per cent for non-supply of material within three months of payment of advance	0.55
(ii) Extra payment for non-supply of specific length at Rs. 50 per tonne (in cases of supply of material of standard length against advance payment for material of specific length)	0.18
(iii) Non-production of test reports	0.06
(iv) Value of materials short supplied	0.16
(v) Forwarding charges paid in excess and demurrage	0.01
	0.96

There were delays ranging from 15 days to 6 months and 9 days in the supply of steel inspite of advance payments. After advance payments were made but before supply was completed, there were increases in prices of steel ranging from Rs. 52.00 to Rs. 380.00 per tonne and the suppliers were paid at enhanced rates in accordance with the terms and conditions of the Billet Re-rollers Committee that the price ruling on the date of supply was applicable. This resulted in an extra expenditure of Rs. 0.49 lakh.

In March 1975, the Committee was abolished and the Regional Controllers of Iron and Steel were authorised by the Iron and Steel Controller, Government of India to investigate cases of non-supply of steel by re-rollers against advance

payments of cost and to get steel supplied or the advances refunded. The case regarding recovery of the outstanding amount of Rs. 0.96 lakh from the re-rollers was referred by the Division in June-August 1976 to various Regional Iron and Steel Controllers. The Executive Engineer stated (July 1977) that legal action would be taken after hearing from the Regional Iron and Steel Controllers about action, if any, taken by them.

The matter was reported to the Government in December 1974 and September 1976; reply is awaited (February 1978).

5.8. Alkathene pressure pipes

Under the financial rules, purchases in excess of Rs. 5,000 are to be made by inviting tenders through advertisement in the press. The Superintending Engineer, Shivnath Circle, Durg, however, invited (July 1974) tenders at short notice for purchase of 700 running metres each of 3 inches and 4 inches diameter Alkathene pressure pipes—low density—I.S.S. quality at an estimated cost of Rs. 0.49 lakh. The notice inviting tenders was not advertised in newspapers nor were copies of the notice endorsed to the manufacturers. In response to the tender notice, two firms submitted (August 1974) tenders, the details of which were as shown below:

Rajanandgaon firm			Durg firm		
Diameter		Rate per running metre	Diameter		Rate per running metre
In inches	In millimetres		In inches	In millimetres	
(1)	(2)	(3)	(4)	(5)	(6)
		<i>(In rupees)</i>			<i>(In rupees)</i>
3	..	29.50	3	75	34.00
4	..	47.25	4	90	48.00
..	..		4	110	77.00

The Superintending Engineer accepted the tender of the Rajnandgaon firm for '3 inches diameter' pipe at the rate of Rs. 29.50 per running metre and of the Durg firm for '4 inches (90 millimetres) diameter' pipe at the rate of Rs. 48.00 per running metre. Accordingly, supply orders were placed (November 1974) for supply of 4,000 running metres of pipe on the Rajnandgaon firm and of 1,000 running metres of pipe on the Durg firm. In the supply orders as also agreements with the firms, the diameter of the pipe was indicated as '3 inches (90 millimetres)' and '4 inches (90 millimetres)'. In response to an Audit enquiry, the Superintending Engineer had stated (July 1976) that the tender notice had mentioned diameter in inches only and that the supplies actually made were of 4 inches and 3 inches diameter pipes at Rs. 48 and Rs. 29.50 per running metre respectively. Both the firms, however, had supplied pipes of same specification, viz., Alkathene pressure pipe 90 millimetres diameter of low density with working pressure 4 kilograms per square centimetre, I. S. S. quality No. 3076/1968, as revealed by the divisional records and confirmed (December 1977) by the recipient divisions.

Purchase of 1000 running metres of pipe from the Durg firm at Rs. 48.00 per running metre when pipe of the same specifications had been supplied by the Rajnandgaon firm at the rate of Rs. 29.50 per running metre resulted in an extra expenditure of Rs. 0.19 lakh.

The matter was reported to the Government in August 1977; reply is awaited (February 1978).

5.9. Tarpaulin covers for gypsy huts

The Executive Engineer, Irrigation Division, Chhuikhadan invited (December 1974) short term tenders for purchase of 15 tarpaulin covers for gypsy huts, duly stitched complete on roof and on all sides with, 'best' quality material at an estimated cost of Rs. 0.45 lakh. In response, four tenders were received in February 1975, the lowest tender being Rs. 14.95 per square yard. When the case was submitted (April 1975) to the Superintending Engineer, Shivnath Circle, Durg, he rejected the lowest tender (Rs. 1,330.55 per cover calculated at the rate quoted by the tenderer), on the ground that the rates quoted were not according to the requirements specified in the tender notice (rate per square yard was quoted instead of per cover). The second lowest tender of Rs. 2,000 per cover was also rejected as the sample supplied was not considered good. The highest tender of a local firm of Durg of Rs. 3,191 per cover was accepted (September 1975) on the ground that while the quality of his tarpaulin was superior to that of the third lowest tenderer (Rs. 2,700) the difference in rate was Rs. 491 only.

In October 1975, the Executive Engineer, Chhuikhadan placed an order for supply of 15 tarpaulin covers at Rs. 3,191 per cover. In November 1975 the Superintending Engineer placed orders for 29 more tarpaulin covers (15 for the Irrigation Division, Kanker, 7 each for the Irrigation Division, Jagdalpur and Tribal Development Pilot Project Irrigation Division, Jagdalpur). The Executive Engineer, Scarcity Division, Durg also placed orders (February 1976) for 15 tarpaulin covers at the same rate. Thus, in all, 59 tarpaulin covers were purchased (October 1975 to February 1976) by the Department at a cost of Rs. 1.88 lakhs as against Rs. 0.78 lakh which would have been the cost of the covers had purchases been made from the lowest tenderer, resulting in an extra expenditure of Rs. 1.10 lakhs.

The Superintending Engineer, while communicating acceptance of the highest rate, had instructed the Executive Engineer, Chhuikhadan to obtain a sample according to the size of gypsy hut and to place orders with such modifications as deemed suitable. The firm supplied a sample on 4th October 1975 and the Sub-Divisional Officer, Khairagarh submitted (27th November 1975) his test report stating that the tarpaulin cover was smaller than the gypsy hut by 15 inches in length at top, 2 feet in height and $1\frac{1}{2}$ feet in length inside. There was no provision for doors and windows. The Executive Engineer, however, took no action on the test report.

Out of 59 tarpaulin covers purchased, 18 covers could be utilised (December 1977). The Executive Engineers of the Kanker and Jagdalpur Irrigation Divisions, to whom 15 and 7 tarpaulin covers respectively had been supplied, informed the

Superintending Engineer that they did not require the material as they had no gypsy huts.

The Chief Technical Examiner (Vigilance), to whom the case was referred, reported (August 1977) as follows :

(a) The Executive Engineer, Chhuikhadan had purchased 15 covers even though he had 42 gypsy huts with him.

(b) The specifications indicated in the tender notice were not definite. The word 'best' (used with reference to quality) was rather vague.

(c) Since no specifications were mentioned in the supply orders, it was not possible to compare the material supplied with what was asked for.

(d) Out of 15 covers purchased by the Irrigation Division, Chhuikhadan, not a single cover had been used. The covers were not tried even on a single gypsy hut to check their suitability. The covers supplied covered an area of 635 square feet each whereas the area of the gypsy hut requiring covering was 738 square feet.

(e) Measurements of the covers had not been recorded in the measurement books but only the number of covers received had been recorded.

According to orders issued by the Government in December 1967, articles manufactured by the Madhya Pradesh State Industries Corporation Limited were to be purchased only from the Corporation irrespective of their price. Tarpaulin covers were available with a unit of the Corporation, *viz.*, the Gwalior Leather Tannery and Tent Factory, Morar at the rate of Rs. 1.60 per square foot ex-factory (*i. e.* Rs. 14.40 per square yard) exclusive of taxes. The cost per cover would work out to Rs. 1,281.60 plus sales tax, freight charges, etc. Purchase of tarpaulin covers from the unit of the Madhya Pradesh State Industries Corporation would also have resulted in considerable saving (Rs. 1.13 lakhs minus sales tax and freight charges).

The matter was reported to the Government in August 1977; reply is awaited (February 1978).

5.10. Iron girders

The Executive Engineer, Irrigation Division, Chhuikhadan invited (December 1974) tenders for the purchase of 4 iron girders of size 6 inches \times 1 foot and length 22 feet. All the five tenders received were rejected by the Executive Engineer on the ground that the first (Rs. 1,391 per girder) and the third (Rs. 2,000 per girder) lowest tenders were not signed by the tenderers though the second (Rs. 1,500 per girder) and the other 2 were in order. Tenders were invited again in February 1975, in response to which four tenders were received. The Executive Engineer submitted (April 1975) the case to the Superintending Engineer, Shivnath Circle, Durg stating that the tenders had been rejected as the rates quoted were very high and unreasonable. The tenders were finally rejected by the Superintending Engineer on 27th May 1975. Meanwhile, the Executive Engineer invited quotations on 17th May 1975 and placed (May-June 1975) four supply orders for 4 girders with a local firm of Durg at Rs. 4,275 each, the rate being nearly the same as the one received in response to the second call. The supply was made on

3rd June 1975. A firm of Chhuikhadan approached the Executive Engineer on 2nd June 1975 and offered to supply the girders at the accepted rate of Rs. 4,275 each. The Executive Engineer placed eight orders and purchased 8 girders from the Chhuikhadan firm. When approached by the Durg firm, the Superintending Engineer instructed (11th July 1975) the Executive Engineer to purchase 4 girders from that firm at the accepted rate and supply them to the Irrigation Divisions, Kanker/Rajandgaon and Shivnath Lift Irrigation Survey Division, Bilaspur. The Executive Engineer, however, purchased 8 girders out of which 4 were transferred to the other divisions and 4 were retained for his own division. The four transferred to the other divisions were not accepted by them on the ground that no requisitions had been sent and the girders were not required. Thus, in all 20 girders were purchased from the open market without assessing the requirement of the divisions and sub-divisions and in contravention of Government's instructions on the subject.

The weight of the 20 girders was 6.46 metric tonnes (3.23 quintals each). Computed at the stockyard rate of the Bhilai Steel Plant for R. S. Joist (Girders) which was Rs. 1,765 per tonne from May 1975 and Rs. 1,845 per tonne from July 1975, the cost of 20 girders, inclusive of taxes and transportation charges, would have been Rs. 0.13 lakh as against Rs. 0.86 lakh paid to the suppliers by the Department, resulting in extra expenditure of Rs. 0.73 lakh to the Government.

The Chief Technical Examiner (Vigilance), Madhya Pradesh, to whom the case was referred, intimated (August 1977) that

- (i) the requirement was for 6 inches (150 mm) \times 1 foot (300 mm) whereas the material actually supplied was 140 mm \times 300 mm,
- (ii) the girders purchased bore the mark of the Bhilai Steel Plant,
- (iii) the records did not show that enquiries had been made from the Bhilai Steel Plant as contended by the Superintending Engineer and
- (iv) only 6 girders had been used till August 1977 and 14 were lying unused.

The Superintending Engineer stated (April 1977) that the girders were required for completing the approach bridges to scarcity works before the start of rains in 1975. It was, however, observed that orders for 4 girders only had been placed before the start of monsoon (15th June 1975).

The matter was reported to the Government in August 1977; reply is awaited (February 1978).

PUBLIC WORKS AND FOREST DEPARTMENTS

11. Idle machinery, equipment, etc.

Certain cases of machinery, equipment, etc. lying idle which came to notice in audit are mentioned in Appendix IV.

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

5.12. Irregularities in medical stores

During consecutive local audits of the accounts of the District Family Welfare-cum-Health Officer, Satna in May 1970 and August 1973, it was pointed out that annual physical verification of stores prescribed in the financial rules was not being conducted. During the local audit conducted in January 1976, it was noticed that (i) new stock registers had been opened from 7th July 1975 on the basis of physical balances of material taken over by the new storekeeper, (ii) old stock registers had not been posted beyond 16th December 1974 and (iii) issues made during the intervening period, that is from 17th December 1974 to 6th July 1975, had not been posted in the registers nor had shortages/excesses between actual balances and book balances been worked out and investigated. At the instance of Audit, the District Family Welfare-cum-Health Officer, Satna worked out the issues made during the intervening period in respect of 26 items. A comparison of the book balances after taking into account the issues with the balances taken over in the new stock registers revealed shortage of Rs. 0.14 lakh in respect of these items. The District Family Welfare-cum-Health Officer, Satna stated (January 1976) that excesses/shortages as a result of physical verification in respect of all items would be worked out and investigated. Further developments are awaited (February 1978).

The following points were also noticed:

(1) Stock books were not posted regularly and issues were made without indents from the subordinate units.

(2) Issues were made by the storekeeper without obtaining approval of the competent authority. The storekeeper was suspended in May 1975 after investigation of complaints from subordinate units that the stores actually received by them were less than the quantities shown in the issue vouchers.

(3) The District Family Welfare-cum-Health Officer, Satna made during 1974-75 heavy purchases of medicines from local dealers and outside private agencies without ascertaining their availability with the Medical Stores Depots (M.S.D.) and public sector undertakings in violation of Government instructions prescribing local purchase of medicines only if the M.S.D. and public sector undertakings like the Indian Drugs and Pharmaceuticals Limited (I.D.P.L.) were not able to supply the requirements. Purchases made during the year through various agencies are given below:

	<i>(Rupees in lakhs)</i>
Medical Stores Depots	0.73
Public sector undertakings	0.71
Private parties	1.77

A departmental investigation into the purchases between April 1975 and September 1975 showed that 48 orders (December 1974 and March 1975) for supply of drugs valued at Rs. 0.48 lakh intended to be placed with the I.D.P.L. were fraudulently altered by inserting the name of a local dealer in the supply

orders after they had been signed by the District Family Welfare-cum-Health Officer, Satna. Against these orders, the dealer supplied medicines worth Rs. 0.40 lakh. Against these supply orders, drugs of other cheaper non-I.D.P.L. brands and with markings like "E.S.I.-Supply not for sale" "M.S.D.-not for sale" and some medicines in which batch numbers had been erased were also accepted. Payments for these medicines were made at rates specified in the supply orders for I.D.P.L. drugs.

Chemical analysis of four drugs (cost: Rs. 0.12 lakh) conducted at the instance of the committee which investigated these purchases revealed that these were adulterated and sub-standard.

Two lakh vitamin B complex tablets with expiry date of 30th April 1975 were accepted on 20th March 1975. Out of this, only 30,000 tablets could be distributed before the date of expiry. The value of tablets which could not be used before the date of expiry was Rs. 0.04 lakh.

The Director of Health Services, to whom the facts were reported in May 1976 stated (July 1977) that detailed departmental investigations had been initiated. Further developments are awaited (February 1978).

The matter was reported to the Government in March 1977; reply is awaited (February 1978).

5.13. Purchase of *Vanslochan*

Vanslochan, a medicinal material used in Ayurvedic system of medicines, is obtained by splitting the core of *Kanti Bans*. It was being purchased by the Director of Health Services from a firm of Calcutta upto 1961-62. The Central Drug Research Institute, Lucknow, and the Standardisation Laboratory, Calcutta, which at the request of the department tested samples of *Vanslochan* packed by the firm 'X', had reported (October 1960 and January 1963) that genuineness of the product could not be verified on the basis of its chemical composition and that clinical opinion was the best criterion. The Lucknow Institute reported again in 1974-75 that no standards had been laid down for *Vanslochan* in any pharmacopoeia and that natural *Vanslochan* could not be distinguished from artificial formulations by chemical analysis.

During 1965-66 to 1972-73, 1813 kilograms of *Vanslochan* were purchased from other firms at rates ranging from Rs. 2.99 to Rs. 32.98 per kilogram. No adverse clinical reports in respect of *Vanslochan* purchased/used during these years were on record.

In 1973-74, *Vanslochan*, which the Purchase Committee considered (September 1973) to be "genuine and of good quality", was purchased by the Unani Hospital, Bhopal from a firm of Bhopal at Rs. 60 per kilogram after following the usual tender procedure. In the same year, 100 kilograms of *Vanslochan* packed by the firm 'X' of Calcutta were purchased (March 1974) for the Government Ayurvedic Pharmacy, Gwalior at Rs. 180 per kilogram by directly contacting that firm. Computed with reference to the former, the latter purchase involved an extra expenditure of Rs. 0.12 lakh.

During 1974-75, tenders were invited (June 1974) for supply of *Vanslochan* packed by the firm 'X' of Calcutta. No reasons were on record for inviting tenders only for the product packed by the firm 'X'. Besides the offer of Rs. 225 per kilogram from firm 'X', a firm of Gwalior also quoted a rate of Rs. 64 per kilogram. The tender of the Gwalior firm was, however, not considered as it was not for *Vanslochan* packed by the Calcutta firm. On the basis of indents received from pharmacies, 1,457 kilograms of *Vanslochan* costing Rs. 3.28 lakhs were purchased from the Calcutta firm involving extra expenditure of Rs. 2.35 lakhs. The two pharmacies used between them only 70.2 kilograms in 1974-75, 373.5 kilograms in 1975-76 and 747 kilograms in 1976-77 and had 477.7 kilograms worth Rs. 1.07 lakhs in stock at the end of August 1977.

The Joint Director of Ayurved stated (June 1976) that the material was purchased (1973-74 and 1974-75) from the Calcutta firm on account of its reputation and its product having been clinically tried in earlier years and being used by most prominent *Vaidyas*. The purchase of *Vanslochan* from the Calcutta firm during the years 1973-74 and 1974-75, thus, resulted in an extra expenditure of Rs. 2.47 lakhs as compared to the lowest tendered rates.

The matter was reported to the Government in October 1976; reply is awaited (February 1978).

5.14. Purchase of transfusion fluids

5.14.1. Purchases of transfusion fluids, made by five major hospitals, during the years 1972-73 to 1976-77 were test-checked in audit in the first half of 1976 and 1977. Points noticed are mentioned in the sub-paragraphs which follow.

5.14.2. Tenders for supply of transfusion fluids to all hospitals in the State during 1972-73 were invited by the Director of Health Services in February 1972. The Central Purchase Committee recommended (May 1972) to the Government that 75 per cent of the required number of transfusion fluid bottles be purchased from three manufacturers in Indore and Ratlam at a common rate of Rs.2.25 per bottle on an experimental basis for a period of 3 months and the remaining quantity obtained from a firm in Madras which was on rate contract with the Director General of Supplies and Disposals (D.G.S.D.) at Rs. 3.25 per bottle. Government communicated (October 1972) its approval for entering into rate contracts with the three suppliers at the rate of Rs.2.25 per bottle for a period of 3 months for 80 per cent of the requirement. Accordingly, agreements for the period from 15th December 1972 to 14th March 1973 were entered into (November/December 1972) with the suppliers. In the intervening period (April 1972 to December 1972), the Superintendents of the Hamidia Hospital, Bhopal, the Jayarogya (J.A.) Group of Hospitals, Gwalior and Dau Kalyan Singh Hospital, Raipur purchased transfusion fluids at rates varying from Rs.2.75 to Rs.4.64 per bottle on the basis of quotations invited by them individually. The delay in the execution of agreements resulted in extra expenditure of Rs. 0.81 lakh.

5.14.3. No tenders were invited by the Director of Health Services for the supply of transfusion fluids during the year 1973-74. Instead, the three firms,

which were on rate contract during 1972-73, were asked to confirm whether they were prepared to supply transfusion fluids at the then existing rate of Rs. 2.25 per bottle. Only one firm of Ratlam agreed to make the supply at that rate. The Director of Health Services issued instructions (May 1973) for the purchase of transfusion fluids from the Ratlam firm at Rs. 2.25 per bottle until further orders and, in case the firm did not make supplies, for making purchases either by following the store purchase rules or at the D.G.S.D. rate (Rs. 3.25 per bottle). No agreement was, however, entered into with the Ratlam firm. Orders for supply of 8,000 bottles of transfusion fluids were placed by the J.A. Group of Hospitals, Gwalior with the Ratlam firm in February 1974. The firm did not execute the order on the ground that the payment of its earlier bill was pending. The supply was later obtained (May and June 1974) at Rs. 3.35 per bottle from an Indore firm after inviting fresh quotations. Thus, non-execution of agreement resulted in an extra expenditure of Rs. 0.09 lakh.

5.14.4. No rate contract for supply of transfusion fluids during 1974-75 was entered into by the Government. Although the annual requirement of the hospitals, the accounts of which were subjected to test-check, was more than Rs. 5,000 in value, open tenders, as required under the financial rules, were not invited by any of the hospitals. Instead, purchases were made on the basis of quotations invited separately by each hospital. The results of test-check of such purchases are indicated below :

(i) Medical College Hospital, Jabalpur.—In response to quotations invited in April 1974, eight firms quoted their rates, which ranged from Rs. 3.35 to Rs. 6.23 per bottle. The local purchase committee recommended acceptance (not of the lowest but) of the seventh higher tender (Rs. 5.89 per bottle) on the ground that reliable and well tried fluids had to be purchased in view of adverse reaction with and growth of fungus in transfusion fluids of cheaper brand. Accordingly, the rate of this tenderer (Rs. 5.89 per bottle) was accepted and purchases amounting to Rs. 0.73 lakh were made without entering into an agreement. The firm later increased its rate and intimated (August 1974) that further supplies would be made at Rs. 6.85 per bottle. The local purchase committee recommended (August 1974) this rate and further supplies amounting to Rs. 0.85 lakh were obtained from the firm at the increased rate. Subsequently, a field representative of a firm of Ahmedabad approached (August 1974) the Superintendent of the hospital and offered to supply its product at Rs. 5.80 per bottle. The purchase committee recommended (November 1974) this rate and supplies costing Rs. 1.73 lakhs were obtained from this firm. Non-acceptance of the lowest rates (Rs. 3.35) of Ratlam and Indore firms thus resulted in extra expenditure of Rs. 1.53 lakhs.

In reply to an audit enquiry, the Dean, Medical College, Jabalpur stated (July 1977) that reports of deaths due to use of inferior quality of transfusion fluids from different States during 1974-75 had led the committee members to approve the purchase of products which were considered to be of the best quality among all the offers received at that time (May 1974). It was, however, noticed that a large quantity of transfusion fluids had been purchased from the firms in Ratlam and Indore by almost all the hospitals in the State during 1972-73 to

1975-76. In March 1975, orders for supply of one lakh bottles were placed with these two firms by the Director of Health Services.

It was observed that the rate of Rs.4.75 per bottle tendered by a firm in Madras, which had been on rate contract with the D.G.S.D. and had been supplying transfusion fluids to hospitals in Madhya Pradesh, was also rejected though the rate of this firm was approved for supplies in 1975-76. Even if transfusion fluids had been purchased from this firm, extra expenditure of Rs.0.79 lakh could have been avoided.

(ii) *Hamidia Hospital, Bhopal, J.A. Group of Hospitals, Gwalior and District Hospital, Ujjain.*—On the basis of quotations invited in April 1974, the Superintendents of the J.A. Group of Hospitals, Gwalior and the Hamidia Hospital, Bhopal accepted the lowest tendered rates of Rs.3.35 per bottle of the Indore and Ratlam firms for supply of transfusion fluids during the year 1974-75. After supplying 30,861 and 18,548 bottles respectively of transfusion fluids at Rs.3.35 per bottle, the firms intimated (July and August 1974) that further supplies would be made at increased rates of Rs.5.15 and Rs.5.25 respectively. Transfusion fluid bottles numbering 25,908 and 23,969 were purchased by the Gwalior and Bhopal hospitals respectively during September 1974 to March 1975 at the increased rates. Similarly, the Civil Surgeon, Ujjain also purchased 14,100 bottles at increased rates of Rs.5.12 and Rs.5.25 per bottle as against the rate of Rs.3.35 initially quoted by the above mentioned firms and approved (May 1974) by the Civil Surgeon. Had regular agreements for supply throughout the year been entered into with the firms, extra expenditure of Rs. 1.18 lakhs could have been avoided.

5.14.5. For purchase of transfusion fluids during 1976-77, the purchase committee, after considering ten tenders received in response to a notice issued in April 1976, recommended (27th May 1976) to the Government that the rate of Rs.3.48 per bottle offered by a manufacturer in Indore, being the lowest, be accepted. Government communicated its approval on 3rd November 1976 and agreement for the remaining part of the year 1976-77 was executed on 30th November 1976. Copies of the rate contract were circulated amongst various hospitals on 6th December 1976. Meanwhile, the J.A. Group of Hospitals, Gwalior, Hamidia Hospital, Bhopal and Medical College Hospital, Jabalpur purchased transfusion fluids at rates varying from Rs.3.00 to Rs.7.18 per bottle, resulting in extra expenditure of Rs.1.12 lakhs as compared with the rate of Rs.3.48 per bottle approved in November 1976.

The matter was reported to the Government in August 1976 and September 1977; reply is awaited (February 1978).

TRIBAL AND HARIJAN WELFARE DEPARTMENT

5.15. Extra expenditure

Tenders were invited (September 1973) for supply of steel furniture for the office of the District Organiser, Tribal Welfare, Shahdol. The purchase committee, consisting of the Deputy Collector, the Assistant Director of Industries and the District Organiser, Tribal Welfare (all stationed at Shahdol) did not

consider (December 1973) the lowest tender of firm 'A' (out of four tenders received) on the ground that the rates offered by it were so low that the material to be supplied would not be of good quality and decided to order the furniture from the Madhya Pradesh *Laghu Udyog Nigam* Limited (a Government Company but not manufacturers of steel furniture) although the *Nigam* had not submitted any tender. The *Nigam*, from which rates were obtained (February 1974), stated that the products of firm 'B' would be supplied and orders were placed accordingly (February 1974) with the *Nigam*.

It was noticed during test-check (November 1976) of the accounts of the District Organiser, Tribal Welfare, Shahdol that, even though orders for supply of products of firm 'B' had been placed on the *Nigam*, products of firm 'A' had been supplied (March 1974 to March 1975) and payment made (March 1975) directly to firm 'A' at the rates quoted by the *Nigam*. These rates were much higher than those tendered (December 1973) by firm 'A'; the extra expenditure to Government on this account being Rs.0.27 lakh as shown below:

Description of material	Rates of firm 'A' (December 1973)	Rates paid	Difference between columns (3) and (2)	Number purchased	Extra expenditure
(1)	(2)	(3)	(4)	(5)	(6)
	(Rupees)			(Number)	(Rupees)
Almirah 18/20 G	410.00	729.75	319.75	27	8,633
Palang	117.00	175.00	58.00	120	6,960
Folding table	79.00	118.00	39.00	90	3,510
Folding chair	27.75	40.00	12.25	130	1,593
Balti	13.98*	21.60	7.62	436	3,322
					24,018
			Sales tax thereon		2,487
			Total		26,505

The matter was reported to the Government in May 1977; reply is awaited (February 1978).

*Firm 'A' did not quote for this item and the rate is that of next higher tender.

CHAPTER VI

FINANCIAL ASSISTANCE TO AUTHORITIES AND BODIES

6.1. During 1976-77, Rs. 45,78.77 lakhs were paid as grants (9 per cent of the total revenue expenditure) to educational institutions, local bodies, etc., as shown below:

<i>(Rupees in lakhs)</i>	
Educational institutions (including the Jawaharlal Nehru Krishi Vishwa Vidyalaya and the Madhya Pradesh <i>Hindi Granth</i> Academy)	11,38.32
Municipalities, local bodies, etc., on account of compensation as a result of abolition of octroi duty	15,06.70
Municipalities, local bodies, <i>panchayats</i> , etc., for other purposes	12,13.81
Religious, charitable, public institutions and voluntary agencies	95.22
Town Improvement Trusts and Housing Board	16.05
Co-operative societies	97.08
<i>Khadi</i> and Village Industries Board, Handicrafts Board, etc.	45.26
Others	4,66.33
Total	45,78.77

The table below shows the broad purposes for which the grants were given:

Department	Purpose of grant	Amount
(1)	(2)	(3)
<i>(Rupees in lakhs)</i>		
Education	Primary education	1,18.57
	Secondary education	3,18.24
	Collegiate education (non-technical)	90.36
	University education	2,23.40
	Technical education	1,21.92
	Madhya Pradesh <i>Hindi Granth Academy</i>	8.00
	for book production	
	Others	69.84
		9,50.33
Community Development	<i>Panchayats</i> , etc.	2,55.73
	Local development works	6,18.24
	Educational institutions	0.08
		8,74.05

Department (1)	Purpose of grant (2)	Amount (3)
<i>(Rupees in lakhs)</i>		
Public Health and Family Welfare:		
	Public Health—	
	Rural water supply scheme	21.42
	Relief of water scarcity arising out of natural calamities.	0.92
	Others	20.07
		42.41
Agriculture	Jawaharlal Nehru Krishi Vishwa Vidyalaya	1,70.96
	Co-operative societies, etc., for subsidised distribution of fertilisers.	2,63.66
	Agriculturists	46.92
	Others	29.85
		5,11.39
Tribal and Harijan Welfare	Scheduled tribes—	
	Agriculture	45.79
	Scheduled castes—	
	Agriculture	35.41
	Voluntary agencies—	
	Education	29.95
	Health, housing, etc.	4.52
		1,15.67
Local Self Government	Local bodies, etc.	1,13.01
		1,13.01
Town and Country Planning	Town Improvement Trusts	2.88
	Slum clearance schemes	3.63
		6.51
Housing	Subsidised Industrial Housing Scheme	4.00
	Housing Board	5.54
		9.54

Department (1)	Purpose of grant (2)	Amount (3)
		(Rupees in lakhs)
Social Welfare	Youth Welfare	25.60
	Social welfare institutions	4.39
	Social education	1.38
	Libraries	1.82
	Others	24.23
		57.42
Co-operation ✓	Co-operative societies	58.13
	Co-operative societies under Tribal Areas Sub-Plan.	38.95
		97.08
Animal Husbandry ✓	Jawaharlal Nehru Krishi Vishwa Vidyalaya.	39.37
	Others	14.24
		53.61
Industries ✓	Khadi and Village Industries Board	29.57
	Industries	0.10
	Handicrafts Board	2.80
	State Textile Corporation	12.78
		45.25
Others	Municipalities, etc., on account of compensation as a result of abolition of octroi duty.	15,06.70
	Local bodies, etc.	96.07
	Irrigation	3.09
	Religious and charitable institutions	33.85
	Miscellaneous	62.79
		17,02.50
	Total	45,78.77

6.2. Receipt of utilisation certificates

The financial rules of the Government require that, where grants are given for specific purposes, the administrative authorities should furnish certificates to Audit, to the effect that the grants were utilised for the purposes for which they were paid, within a reasonable time.

The delay in furnishing the certificates persists. Out of 14,187 certificates (Rs.29,93.92 lakhs) to be received for grants paid up to March 1976, 2,584 certificates (Rs.5,55.59 lakhs) were received, leaving 11,603 certificates (Rs.24,38.33 lakhs) yet to be received (December 1977) as indicated below:

Year of payment of grants	Number of certificates awaited	Amount
(1)	(2)	(3)
		<i>(Rupees in lakhs)</i>
Upto 1971-72	1,654	1,15.48
1972-73	630	1,38.29
1973-74	1,286	2,48.03
1974-75	2,813	6,31.49
1975-76	5,220	13,05.04

The certificates are awaited from the following departments:

Department	Number of certificates awaited	Amount
(1)	(2)	(3)
		<i>(Rupees in lakhs)</i>
1. Town and Country Planning	1,000	6,15.53
2. Agriculture	157	4,95.18
3. Tribal and Harijan Welfare	3,521	3,17.12
4. Public Health Engineering	931	2,67.97
5. Community Development	2,935	1,80.19
6. Animal Husbandry	523	1,03.18
7. Co-operation	171	1,00.80
8. Education	732	99.93
9. Social Welfare	699	76.49
10. Industries	46	58.63
11. Public Health	32	7.60
12. General Administration	154	36.49
13. Housing	13	23.75
14. Family Welfare	196	16.36
15. Medical	416	14.38
16. Rehabilitation	8	11.44
17. Local Self Government	59	7.08
18. Fisheries	5	5.94
19. Information and Publicity	3	0.22
20. Labour	2	0.05
Total	11,603	24,38.33

The department-wise and year-wise break-up of outstanding utilisation certificates is shown in Appendix V.

The utilisation certificates have not been received although considerable time has passed after the grants were paid. In the absence of these certificates, it is not practicable for Audit to know even in a general way whether the recipients have spent the grants for the purpose(s) for which they were given.

6.3. Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 provides that the receipts and expenditure of bodies and authorities substantially financed by grants and loans from the Consolidated Fund shall be audited by the Comptroller and Auditor General of India. Section 15 of the above Act prescribes that, where any grant or loan is given for any specific purpose from the Consolidated Fund, the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authority satisfies itself as to the fulfilment of the conditions subject to which such grants and loans are given. Points noticed during audit under section 14 and scrutiny conducted in accordance with section 15 together with related matters under section 13 are given in the paragraphs which follow.

HOUSING AND ENVIRONMENT DEPARTMENT

6.4. Town Improvement Trust, Indore

The Town Improvement Trust, Indore, originally established in the erst while princely State of Indore in 1924 with the object of improving the housing and environment at Indore by development of plots, slum clearance, etc., was brought (April 1961) under the Madhya Pradesh Town Improvement Trust Act, 1960 in terms of section 1 of that Act. The Trust was upgraded as a development authority in May 1977 under the provisions of the Madhya Pradesh Nagar Tatha Gram Nivesh Adhiniyam, 1973. The Trust received grants and loans from the State Government during the four years ended 1976-77 as shown hereunder:

Particulars (1)	1973-74 (2)	1974-75 (3)	1975-76 (4)	1976-77 (5)
	(Rupees in lakhs)			
1. Loans from the Government	1.50	2.50	65.00	60.00
2. Grants and subsidies from the Government	1.50	0.78	1.50	1.00
3. Government contribution for establishment	0.62	0.62	0.62	0.62
4. Unspent balance of loans, grants and subsidies from the Government carried forward from previous year	7.31	3.75	2.05	50.02
5. Total funds received from the Government	10.93	7.65	69.17	1,11.64
6. Total expenditure	23.87	13.11	41.79	1,00.20

6.4.2. A summary of the receipts and payments of the Trust for 1975-76 is given below :

Receipts	Rupees in lakhs	Payments	Rupees in lakhs
(1)	(2)	(3)	(4)
Opening balance	1.39	Construction expenses	35.89
Loans from the Government	65.00	Repayment of loans	3.93
Grants from the Government	1.50	Establishment expenses	2.19
Contributions from the Govern- ment for establishment expenditure	0.62	Other miscellaneous expenses	2.43
Sale proceeds and develop- ment charges	18.31	Deposits and advances	5.24
Deposits and advances	45.30		
Other receipts such as interest, rents, etc.	5.63	Closing balance	88.07
Total	1,37.75	Total	1,37.75

The Director, Local Fund Accounts has been appointed auditor of the Trust.

6.4.3. The accounts of the Trust for 1975-76 and the records of the sanctioning authority pertaining to the grants and loans given during 1972-73 to 1975-76 were test-checked in July-August 1977 under sections 14 and 15 respectively of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and the results are contained in the succeeding paragraphs:

6.4.4. The unspent balances of Government grants and loans available with the Trust as on 1st April of 1974, 1975 and 1976 were Rs.3.75 lakhs, Rs.2.05 lakhs and Rs.50.02 lakhs respectively. The interest earned by the Trust on fixed deposits and savings bank accounts during 1974-75, 1975-76 and 1976-77 was Rs.1.91 lakhs, Rs. 2.55 lakhs and Rs.2.93 lakhs respectively, which was possible mainly because of the release of grants and loans by the Government much in advance or in excess of the requirements and non-refund of the unutilised amounts by the Trust as brought out in sub-paragraphs 5, 6 and 8 below.

6.4.5. *Champabaug slum clearance scheme.*—The Trust received a loan of Rs.1.86 lakhs in March 1962 and subsidy of Rs. 1.54 lakhs in July 1965 for clearance of Champabaug slum and building 108 tenements in the cleared area (estimated cost: Rs.4.97 lakhs). When the Trust proceeded to take possession of the area (7.12 acres) in June 1964, the slum dwellers obtained a stay order from the Court and the matter was pending (December 1977) before the Court.

The Trust, however, constructed (May 1966) 36 tenements in an area adjacent to the slum at a cost of Rs. 2.65 lakhs. Out of 36 tenements, 14 were in continuous occupation from January 1968 on payment of monthly rent of Rs.16. Twenty-two were stated by the Trust to be under forcible occupation by unauthorised persons from June-July 1973. A complaint lodged with the Police was pending (December 1977). The unutilised amount of Rs. 0.75 lakh had not been refunded (December 1977).

6.4.6. *Environmental Improvement Scheme.*—The Government sanctioned (March 1973) a grant of Rs. 6.24 lakhs to be released in instalments for the improvement of slums in Jabran Colony and old Subayat (estimated to cost: Rs.6.79 lakhs) and stipulated that any expenditure in excess of Rs.6.24 lakhs was to be borne by the Trust out of its own resources. No time limit was fixed for completion nor was any phased programme drawn up. Against grants aggregating Rs.5.78 lakhs received between March 1973 and January 1978, the Trust reported (February 1978) expenditure of Rs.6.22 lakhs (91.6 per cent of the estimated cost) but some items included in the estimates had not been taken up or their progress was negligible as indicated below:

Serial Number	Item of work	Remarks
(1)	(2)	(3)
1.	Drinking water supply	Against 12,650 running feet of pipeline to be laid, 4,289 running feet only had been laid. The work on 18 stand posts had not been taken up.
2.	Street lighting	Erection of 104 poles had not been taken up.
3.	Approach improvement	Only 436 running feet of lanes had been paved out of 1,34,900 running feet to be paved. A new road (7,171 running feet) costing Rs.1.35 lakhs not included in the original estimate had been constructed without the approval of the Government.
4.	Storm water drains	350 running feet only had been laid against 25,300 running feet.
5.	Community baths	None out of the 41 baths proposed to be constructed had been completed.

Reasons for slow progress had not been furnished by the Trust (February 1978).

6.4.7. *Development of Khatewala tank area.*—The Government accorded sanction in June 1963 for the development of 2,000 plots in 195 acres in Khatewala tank area at an estimated cost of Rs.63.91 lakhs by the Trust from its own

resources. Accordingly, the Trust started (June 1965) developing the area. Subsequently, the Government approved (February 1968) the development cost of 133 plots (in 18 acres) under the scheme to be met out of Government loans subject, *inter alia*, to the following conditions:

- (i) the Trust should maintain separate accounts for utilisation of the loans and
- (ii) the developed plots should be sold only to low and middle income groups on a no profit no loss basis.

Six loans aggregating Rs.5.14 lakhs were received by the Trust for the scheme between March 1968 and January 1975. The Trust had not maintained a separate account of the expenditure to be met out of the Government loans and consequently fulfilment of the conditions laid down by Government could not be checked in audit.

1,315 plots were developed after spending Rs.46.37 lakhs to end of March 1975, *i.e.* nearly ten years after commencement of the scheme. After selling 460 plots by auction on freehold basis, the Trust decided (April 1976) to allot the remaining plots as leaseholds at a premium of Rs.3 per square foot to be paid initially *plus* annual leasehold rent of Rs.6 per 100 square feet for some areas and premium varying from Rs.2.25 to Rs.2.85 per square foot *plus* annual leasehold rent of Rs.15 per 100 square feet for certain other areas. In accordance with this decision, 666 plots were leased out upto December 1977 leaving 189 plots yet to be allotted. Leasehold rent of Rs.3.08 lakhs (including Rs.1.28 lakhs due to end of 1976-77) was awaiting recovery in August 1977.

6.4.8. *Loans for Indore development plan and their utilisation.*—The State Government approved (March 1975) a master plan operative for twenty years from 1971 to 1991 for developing Indore and 37 adjoining villages. This plan was brought (March 1975) under the central scheme of 'Integrated urban development in metropolitan cities and areas of national importance; loans aggregating Rs.1.25 lakhs (Rs.65 lakhs in 1975-76 and Rs.60 lakhs in 1976-77) were received by the Trust from the State Government. Against Rs.1.25 lakhs received, the expenditure booked upto March 1977 was Rs.75.06 lakhs, which included Rs.21 lakhs towards land compensation payable but not disbursed (August 1977) to the land owners and retained with the Trust as deposits and Rs.0.64 lakh pertaining to the Low Cost Housing Programme of the Trust not included in the master plan.

The master plan approved by the Government in March 1975 envisaged that the expenditure on development of plots upto 1976-77 would be Rs.2.33 lakhs and that the sale proceeds would be Rs.3.98 lakhs. The Trust had acquired 125 hectares of land and its development was reported (August 1977) to be in progress. No plots had been sold so far. The Trust stated (August 1977) that efforts were in progress to complete the development of plots.

6.4.9. *Accounts.*—(a) The Trust had not maintained accounts/records like investment register, registers of works, buildings and lands, materials-at-site accounts and contractors' ledger as required under the provisions of Public Works Accounts Code and Madhya Pradesh Treasury Rules, which have been made applicable to it under the Madhya Pradesh Town Improvement Trust Account Rules. When these omissions were pointed out, the Trust stated (August 1977) that these records would be maintained in future.

(b) Some portions of the building of the Trust housing its office had been let out to five tenants. According to the agreements entered into with the tenants, proportionate charges on account of electricity, water supply and lift maintenance were to be recovered from the tenants. On Audit pointing out non-recovery of such charges amounting to Rs.0.68 lakh for the period ended 31st March 1977, the Trust agreed (August 1977) to make recoveries from the tenants. Recovery is awaited (December 1977).

The matters mentioned above were brought to the notice of the Government in October 1977; reply is awaited (February 1978).

EDUCATION DEPARTMENT

6.5. Grants to non-Government educational institutions

Recurring maintenance grants are sanctioned every year by the Education Department, the Director of Public Instruction, the Divisional Superintendents of Education and the District Education Officers to various non-Government educational institutions upto higher secondary level according to the powers delegated to them. Non-recurring grants for construction of buildings and purchase of equipment to such institutions are also sanctioned by the administrative department. These grants are regulated under the "Unified grants-in-aid rules for non-Government educational institutions, 1960". The grants released during the years 1973-74 to 1975-76 were as follows :

	(Rupees in crores)
1973-74	3.75
1974-75	4.29
1975-76	4.74

Points noticed in test-check of records in the offices of the sanctioning authorities in the Education Department, the Director of Public Instruction, 7 Divisional Superintendents of Education (out of 10) and 11 District Education Officers (out of 45) pertaining to the grants paid during 1973-74 to 1975-76 are mentioned below:

(i) The rules provide for payment of grants at the rate of 75 per cent of admissible expenditure or net deficit, whichever is less, to special institutions like pre-primary schools, *Balak Mandirs*, Sanskrit schools, etc., the items and extent of admissible expenditure for purposes of grant being laid down by the Government from time to time. Though the rules were in force since April 1960, items including staff pattern and extent of admissible expenditure in respect of each category

of these special institutions had not been laid down so far (January 1978). Test-check showed that grants were being sanctioned on *ad hoc* basis without taking into account the strength of the schools as in the following cases :

(1)	Number of students (2)	Staff position during 1974-75 and 1975-76		Grant paid (5)
		Teacher (3)	Peon (4)	
Sanskrit schools—				
School A	34	1	...	0.02
School B	48	3	1	0.08
Tailoring schools—				
School C	57	4	1	0.07
School D	63	6	2	0.13

(Rupees
in lakhs)

(ii) The Government decided (February 1975) to apply the revised scales of pay recommended by the "Pande Pay Commission" to grantee institutions from 1st January 1972. The arrears of grant payable were, according to the instructions issued by the Government (February 1975), to be determined by reassessing the total admissible grant which was in turn to be limited under the rules to 75 per cent of the revised admissible expenditure or the revised net deficit of the grantee institution for the concerned year, whichever was less.

It was noticed that 4 Divisional Superintendents of Education and 5 District Education Officers had sanctioned (during 1975-76) arrears of grants equal to the arrears of pay and allowances due to revision of pay scales without applying the above mentioned ceiling, resulting in total excess payment of Rs. 2.33 lakhs. Further, in all these cases, though the original grants were sanctioned by higher authorities, the payment of arrears of grants was sanctioned by lower authorities treating these as separate grants falling within the monetary limits upto which financial powers had been delegated to them. Furthermore, 4 departmental officers sanctioned arrears of grants for more posts than the number of posts admitted while sanctioning the original grants, resulting in excess payment of Rs. 0.24 lakh.

(iii) As per the staff pattern approved under the rules, higher secondary schools were entitled to employ laboratory attendants in the scale of Rs. 139-200 and to treat the expenditure as admissible expenditure for the purpose of grant. It was noticed that during 1973-74 to 1975-76 grants were assessed and sanctioned to 24 schools which had on their rolls 33 laboratory assistants in the scale of Rs. 169-300 instead of laboratory attendants on the lower scale of pay. The exact excess payment remained to be assessed by the department but even at the

minimum rate of Rs. 22.50 per person per month (being 75 per cent of Rs. 169—Rs. 139=Rs.30) the excess payment involved would be Rs. 0.27 lakh. The department stated (May 1977) that the matter would be examined.

(iv) The department had ordered (September 1972) that all grantee institutions should pay the employers' share of the Provident Fund contribution in respect of their staff and had directed its departmental officers not to recommend cases of grants to such institutions as had failed to pay such contributions into the Fund. This directive was not observed in 15 cases where grants totalling Rs.22.13 lakhs had been recommended and released during 1973-74 to 1975-76 even though the employers' share of the Provident Fund contribution had not been paid into the Fund.

(v) The administrative department sanctioned building grants of Rs.6.90 lakhs in 21 cases and equipment grants of Rs. 1.46 lakhs in 18 cases during the period 1973-74 to 1975-76. Neither a register of grants nor any other consolidated record of grants sanctioned was maintained by the department with the result that there was no systematic machinery for watching utilisation of the grants. Further, "block accounts" of permanent and semi-permanent assets acquired by the grantees wholly or mainly out of Government grants, which were required to be maintained by the sanctioning authority on the basis of returns required to be furnished by the grantees, were not maintained by the department. The requirement of rendition of requisite returns by the grantees was neither stipulated in the sanctions nor watched and enforced by the department. The department stated in May 1977 that the matter would be reviewed in consultation with the Finance Department.

(vi) Under the rules, the manager of an institution to which building grant is paid is required to execute an indenture bond with the Director of Public Instruction mortgaging the building with its premises constructed with the grant as security for the grant paid. It was noticed that in 17 cases involving grants of Rs. 4.65 lakhs, indenture bonds had not been executed by the grantees. The department stated (May 1977) that the Director would be asked to ensure compliance with the requirement.

The matters mentioned above were reported to the Government in August 1977; reply is awaited (February 1978).

COMMERCE AND INDUSTRIES DEPARTMENT

6.6. Loans to small scale industries

Under the centrally sponsored scheme of Rural Industries Project beins implemented since 1962 in nine selected districts in the State, loans subject to a limit of Rs. 50,000 are sanctioned, under the provisions of the "Madhya Pradesh State Aid to Industries Act, 1958" (Act), to small scale industries to be set up is

project areas. The number of loanees to whom loans were disbursed and the amounts disbursed during the period 1971-72 to 1975-76 were as under :

Year (1)	Number of loanees (2)	Loan amounts disbursed (3)
		<i>(Rupees in lakhs)</i>
1971-72	81	3.05
1972-73	115	4.37
1973-74	129	4.06
1974-75	335	14.89
1975-76	269	10.25
	929	36.62

Points noticed in test-check of the records of the sanctioning authorities are brought out in the sub-paragraphs that follow.

(i) The rules framed under the Act envisage that "the amount of loan to a small scale industry shall not exceed three times the amount put in or agreed to be put in before disbursement of the amount of loan by the applicant himself". It was noticed that in the districts of Bhind and Chhatarpur loans aggregating Rs. 6.95 lakhs and Rs. 1.01 lakhs respectively were sanctioned and disbursed to 179 and 43 loanees respectively without ensuring that the applicants had actually put in their own share of investment. In Mandla district, where Rs. 0.68 lakh were disbursed as loan to 28 parties, 19 loanees had not put in any investment and 9 loanees had put in between 3 and 15 per cent, instead of one-third, of the amount of the assistance as their share of investment.

(ii) Under the rules, every loanee is required to maintain in good and substantial repair the properties mortgaged to Government as security for the State aid and, unless exempted by the authority sanctioning the aid, to insure the mortgaged property against loss or damage by fire and to punctually pay the premia in respect thereof. In the event of failure of the loanee in either case, the department may take steps to recover the expenditure incurred as arrears of land revenue. It was noticed that in 172 cases involving loans of Rs. 5.71 lakhs the properties mortgaged by the loanees had been neither insured nor exempted from insurance. Of these, 114 cases (amount of loan: Rs. 4.69 lakhs) and 31 cases (amount of loan: Rs. 0.81 lakh) pertained to Bhind and Khandwa districts respectively. Further, in 105 cases (amount of loan: Rs. 7.12 lakhs), although the mortgaged properties were insured for the first year, the insurance was not got renewed during the subsequent years. Of these, 35 cases (amount of loan: Rs. 2.80 lakhs) related to the period 1971-72 to 1973-74 and 67 cases (amount of loan: Rs. 4.07 lakhs) to 1974-75. Non-renewal of insurance was noticed in 31 cases (amount of loan: Rs. 1.47 lakhs) in Khandwa district, in 23 cases (amount of

loan: Rs. 1.82 lakhs) in Surguja district and in 12 cases (amount of loan: Rs. 1.61 lakhs) in Durg district. In all these cases, the department had not conducted regular departmental inspections to ensure that the mortgaged properties were properly maintained by the loanees; this was attributed by the department to non-allotment of funds for the purpose.

(iii) Under the rules framed under the Act, small scale industrial units were required to maintain such accounts as would enable verification of proper utilisation of State aid and to submit utilisation certificates with complete details thereof within one month of the expiry of the period fixed (three to six months) for such utilisation and also to submit such periodical returns as the Director of Industries or the sanctioning authority may require from time to time. The agreement bonds executed by the loanees also stipulated, *inter alia*, that the loanees shall furnish to the Director once in a year their audited accounts together with a full and complete statement of assets and liabilities of the units. These requirements were not watched/enforced in any case by the department.

Out of 929 cases of loans (Rs. 36.62 lakhs) disbursed between 1971-72 and 1975-76, utilisation certificates in respect of 614 cases of loans (Rs. 23.99 lakhs) were not furnished (September 1977) by the loanees to the department. Of these, while 239 cases of loans (Rs. 8.51 lakhs) related to the period 1971-72 to 1973-74, 246 cases (Rs. 7.50 lakhs) pertained to Khandwa district and 103 cases (Rs. 3.88 lakhs) to Bhand district.

(iv) In 177 cases of loans amounting to Rs. 5.75 lakhs disbursed between 1971-72 and 1975-76, the loanees had, as seen from the departmental records, either diverted the loans to other purposes or had closed down the units. Of these, 92 cases (Rs. 2.85 lakhs) related to the period 1971-72 to 1973-74, 61 cases (Rs. 2.50 lakhs) to 1974-75 and 24 cases (Rs. 0.40 lakh) to 1975-76. These included 77 cases (Rs. 3.09 lakhs), 36 cases (Rs. 0.82 lakh) and 23 cases (Rs. 0.63 lakh) of Bhand, Khandwa and Durg districts respectively. Reasons for closure of the units and particulars of the action taken or proposed to be taken to effect recoveries of amounts due from the loanees concerned are awaited from the department (January 1978).

(v) Under the rules framed under the Act, departmental inspection of the premises, assets, etc., and of the accounts of the industrial unit receiving State aid is permissible. The Director of Industries had directed (August 1975) that the concerned inspectors should inspect the industrial units regularly once in three months. It was noticed that even the first inspections of the loanee units had not been conducted in 197 cases (amount of loan: Rs. 7.09 lakhs). Of these, 42 cases (Rs. 0.93 lakh) related to the period 1971-72 to 1973-74, 49 cases (Rs. 2.28 lakhs) to 1974-75 and 106 cases (Rs. 3.88 lakhs) to 1975-76. These included 98 cases (Rs. 3.11 lakhs) pertaining to Khandwa district alone. Subsequent inspections were also not conducted in 584 cases (Rs. 21.35 lakhs) out of 732 cases (Rs. 29.53 lakhs). These included 244 cases (Rs. 8.54 lakhs) relating to the period 1971-72 to 1973-74 and 213 cases (Rs. 8.55 lakhs) to 1974-75.

(vi) The loans bear such interest as may be fixed by the Government from time to time and are recoverable together with interest in fixed equated annual instalments. The first instalment is repayable after two years of the date of payment of loan. However, the interest accrued up to 1st January or 1st July following the first anniversary of the disbursement of the loan, whichever is earlier, is payable on that date. On every instalment of principal or of interest which is not paid on the due date, penal interest at 8 per cent per annum is levied from such date. The year-wise details of the recoveries in arrears and the number of loanees from whom they were due were as under :

Arrears of recovery as on 31st January 1977

Year	Principal		Interest		Penal interest	
	Number of of loanees	Amount	Number of of loanees	Amount	Number of of loanees	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Amount rupees in lakhs)						
1971-72	64	1.25	64	0.40	64	0.16
1972-73	92	1.81	90	0.55	90	0.15
1973-74	94	0.72	91	0.31	91	0.05
1974-75	35	0.43	230	0.55	162	0.05
1975-76	5*	0.10	64	0.15	42	0.02
Total	290	4.31	539	1.96	449	0.43

The matters mentioned above were referred to the Government in August 1977; reply is awaited (February 1978).

6.7. Interest subsidy

As a financial incentive for starting small scale industries in backward areas, the State Government introduced a scheme of interest subsidy in 36 backward districts in the State in November 1970. The object of the scheme was to subsidise the rate of interest payable by the loanee units to the financial institutions from which they had obtained finance. The scheme was applicable to (i) new units registered as proposed units with the Directorate of Industries on or after 21st November 1970 and (ii) old units registered prior to 21st November 1970 but which went into production on or after 1st January 1972. The subsidy payable by the Government was 4 per cent per annum in the case of *Harijan* and *Adivasi* loanees, and 2 per cent per annum in the case of other loanees of the loan amounts for a period of three years from the date of disbursement of the first instalment of loan by the financial institutions. The subsidy was to be disbursed through

*These were cases of reported misutilisation of loans which became recoverable under the rules.

the financial institutions which agreed to implement the scheme. The year-wise details of the interest subsidy advanced to and the disbursements made by the financial institutions, *viz.*, nationalised banks and Madhya Pradesh Financial Corporation, from the commencement of the scheme to 1975-76 were as follows:

Year	Number of financial institutions	Subsidy advanced to financial institutions	Subsidy disbursed to industrial units	Balance amount left with financial institutions
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
1971-72	3	2.36	0.02	2.34
1972-73	5	1.86	0.15	4.05
1973-74	5	..	0.57	3.48
1974-75	4	..	1.55	1.93
1975-76	11	2.00	1.52	2.41

Important points noticed in test-check of the records relating to the implementation of the scheme conducted in May 1977 are given below :

(i) Only new industrial units registered as proposed units with the Directorate on or after 21st November 1970 and old units which went into production on or after 1st January 1972 were eligible for interest subsidy. No record of such registration or commissioning of units was maintained nor was any information in this regard made available by the Directorate. The Director stated (September 1977) that this information was not readily available.

(ii) Though the scheme was initiated in November 1970, the rules and procedure for disbursement of interest subsidy were framed in July 1974. Prior to framing of these rules, advances for interest subsidy were paid to the financial institutions on *ad hoc* basis and not on assessment of subsidies payable by them. One financial institution which was given an advance of Rs.1.00 lakh in 1971-72 disbursed Rs.0.02 lakh in 1971-72 and Rs.0.15 lakh in 1972-73 as subsidy. It was paid a further advance of Rs.1.00 lakh in March 1973 although it already had an undisbursed balance of over Rs.0.83 lakh. Subsidies disbursed by the institution during subsequent years were as follows :

Year	Subsidy disbursed
(1)	(2)
	(Rupees in lakhs)
1973-74	0.33
1974-75	0.20
1975-76	0.46
1976-77	0.30
	1.29

The undisbursed balance of Rs.0.54 lakh was refunded in May 1977.

(iii) Though the financial rules envisage payment of only so much of grant in a year as could be expended during that year, large amounts of subsidies were paid in advance of requirements in 1971-72 and 1972-73. Unutilised advances amounting to Rs.2.34 lakhs remained with 3 financial institutions at the close of 1971-72 and Rs.4.05 lakhs with 5 institutions at the close of 1972-73. No action was taken by the department to verify actual utilisation of the advances and to get the unutilised advances refunded by the financial institutions at the close of each financial year.

(iv) Under the rules framed in July 1974, the Director of Industries was to provide an initial advance of Rs.5,000 to each financial institution agreeable to implement the scheme and if the performance of the institution in any quarter justified placement of more funds an advance upto Rs.10,000 could be considered on demand. During 1975-76, initial advances of Rs.10,000 each were provided to 5 new institutions. Of these, one institution was also given a second advance of Rs.50,000 in March 1976. None of these 5 institutions disbursed any subsidy during 1975-76.

(v) The rules envisage that the Director of Industries would receive from the financial institutions at the close of each quarter in a year a statement in the prescribed form indicating *inter alia* the details of subsidies paid during that quarter. The Director was to advance further amounts to the institutions on the basis of the quarterly statements to be received from the institutions. The department was not keeping a watch over the receipt of quarterly returns. In March 1976 Rs.50,000 each were advanced to two institutions to which advances aggregating Rs.1.05 lakhs had been paid between March 1972 and January 1976 and Rs.0.10 lakh in December 1975 respectively without obtaining from them the required quarterly statements due for the period July 1974 to December 1975.

The matters mentioned above were reported to the Government in October 1977; reply is awaited (February 1978).

TRIBAL AND HARIJAN WELFARE DEPARTMENT

6.8. Grants for specific purposes

Grants totalling Rs.1.18 lakhs were sanctioned and paid during the three years ending 1976-77 to various non-official agencies engaged in uplift and amelioration of the *harijan* and tribal population of the State by the Tribal and Harijan Welfare Department. Points noticed in test-check of the procedures followed by the department for sanctioning the grants and for watching proper utilisation of the amounts paid, supplemented by test-check of the accounts of certain grantee bodies, are set out below :

(i) According to the orders of the Government issued in November 1974, every sanction should contain a condition that after expiry of the time limit given for utilisation of the grant the unspent balance should be refunded to the Government; this condition was not incorporated in twelve sanctions for grants aggregating Rs.5.70 lakhs issued in 1975-76.

According to the financial rules, the sanction should contain a condition requiring the grantee to furnish to the sanctioning authority, on or before 1st June of the year following that to which the grant relates, a statement showing the expenditure incurred out of the grant, the amount, if any, refundable to the Government and how far the conditions attached to the grant had been satisfied. This condition was not incorporated in the cases of sanction accorded in July 1975 for a grant of Rs. 0.51 lakh to the *Akhil Bhartiya Guru Ghasidas Smarak Maha Samiti*, Raipur and of a grant of Rs.1.70 lakhs given to the *Ram Charit Manas Chaturshatabdi samaroh Samiti*, Bhopal in March 1976.

(ii) The Government gave possession of 78,993 square feet of Government land in Raipur town to the *Akhil Bhartiya Guru Ghasidas Smarak Maha Samiti*, Raipur on 4th December 1973 for construction of a memorial to *Guru Ghasidas*, consisting of a temple, a meeting hall, a hostel for *harijan* students, a library, a guest house, a school for training young men in sports and a playground. The estimated cost of the memorial to be completed in three phases was Rs.9 lakhs and the *samiti* requested the Government on 6th December 1973 for a grant of Rs.4.50 lakhs, the balance to be raised from public donations. The *samiti* had collected Rs.2,825 upto November 1977 as public donations.

The Government sanctioned a grant of Rs.0.51 lakh in July 1975 subject to the construction being got executed by the Madhya Pradesh Housing Board and the grant being deposited by the *samiti* with the Housing Board. Further instalments of grant were to be released on the basis of progress of work. The grant of Rs. 0.51 lakh was disbursed on 31st March 1976 to the *samiti*, which, in turn, paid it to the Housing Board.

The Housing Board had submitted in August 1975 an estimate of Rs.15.39 lakhs including its service charges at 10 per cent and requested the Government to deposit one-third of the estimated cost before commencing construction. The Government stated (June 1977) that the matter was under correspondence with the Housing Board for settling the rate of service charges. The construction had not commenced and according to (November 1977) the Housing Board even land had not been made available to it.

(iii) *The Shri Ram Charit Manas Chaturshatabdi Samaroh Samiti*, Bhopal, which is registered under the Madhya Pradesh Societies Registration Act, 1959 with the object of propagating the message of *Ram Charit Manas*, was paid during the period from 26th June 1970 to 31st March 1977 grants totalling Rs. 2.80 lakhs.

The first grant of Rs. 0.10 lakh was paid to the *samiti* in March 1971 for publicity of *Ram Charit Manas*, followed by another grant of Rs. 1 lakh in November 1972 (both were given by the General Administration Department) for arranging extensive publicity and State-wide celebrations of the fourth centenary of *Ram Charit Manas* on *Ram Navmi* day in April 1975. Another grant of Rs. 1.70 lakhs was paid to the *samiti* on 31st March 1976 by the Tribal and Harijan Welfare Department, to be utilised by 31st March 1977, for publishing 3,000 copies

each of ten books based on *Ram Charit Manas* in dialects spoken by the tribal population of the State as under :

Serial number	Name of the book	Tribal dialects in which to be published	Number of books
(1)	(2)	(3)	(4)
1.	<i>Gadya Ram Kathasar</i>	<i>Bhilli, Gondi, Halbi, Kudakh and Mudia</i>	5
2.	<i>Vishist Marmik Prasang</i>	As above except <i>Bhilli</i>	4
3.	<i>Balkand</i>	<i>Halbi</i>	1

Out of the grants of Rs.1.10 lakhs received upto November 1972, a sum of Rs.0.97 lakh was left with the *samiti* on 31st March 1973, which got progressively reduced to Rs.714 on 31st March 1976. The amounts left unutilised with the *samiti* as a result of release of grants in advance of the requirements were invested by the latter in fixed deposits in banks, on which it earned interest of Rs. 0.07 lakh upto 31st March 1976. Out of the grant of Rs.1.70 lakhs given in March 1976, only Rs.0.22 lakh had been utilised till March 1977.

The *samiti* was required to furnish to the Government within one month of the receipt of the grant its plan of activities along with the efforts made in the past and expenditure incurred thereon by the *samiti* till the date of receipt of the grant indicating the particulars of translation jobs assigned to various translators (appointed or to be appointed) with their names, etc, and places of activities. Though the grant was received in April 1976, the details required were not furnished to the Government till the date of audit (August 1977).

The *samiti* entered into an agreement on 18th October 1976 with a private printing firm for printing the ten books. The *samiti* handed over to the firm two manuscripts for printing on 8th January 1977 but security of Rs. 2,000 (or Rs.400 per book at the discretion of the *samiti*) as required under the terms of the agreement was not obtained from the firm. The firm was also paid an advance of Rs. 0.10 lakh on 31st March 1977. However, the printed books (3,000 copies each) had not been supplied by the firm though under the terms of the agreement the printing work was to have been completed within 6 weeks from the date of handing over of manuscripts, failing which penalty not exceeding 2 per cent for every week's delay was payable. The *samiti* stated (August 1977) that enforcement of the penalty clause of the agreement would be considered at the time of final payment.

The matters referred to above were reported to the Government in September 1977; reply is awaited (February 1978).

(iv) A grant of Rs.23,000 was sanctioned by the Government in September 1972 to the *Bhil Sewa Sangh*, Jhabua (a Society registered under the Madhya Pradesh Societies Registration Act, 1959) for the construction of a hostel, a primary school, wells, quarters, etc., at Sunderdeo (Khandwa district) to be utilised within one year from the date of sanction of the grant. The availability of land was, however, not ascertained before sanctioning the grant. No work had been started nor the amount of grant drawn in 1972-73 refunded (January 1978) notwithstanding the orders (September 1977) of the Government for immediate

refund of the unutilised amount. The *Sangh* stated (January 1978) that sanction of the Government for allotment of land by the Forest Department was awaited.

Another grant of Rs. 23,000 was paid by the Government to the *Sangh* in two instalments (Rs.15,000 in 1965-66 and Rs.8,000 in 1972-73) for construction of a girls' hostel at Bablai (Khandwa district) with the stipulation that 25 per cent of the cost would be borne by the grantee and that the work should be completed by the end of March 1973. The *Sangh* contributed Rs.8,652. The work was, however, stopped at roof level on 31st March 1975 for want of funds and the hostel building was incomplete (February 1978). The extent of work done was valued (December 1975) at Rs.26,995 by the Tribal Welfare Department.

The matter was reported to the Government in July 1976; reply is awaited (January 1978).

(v) *Harijan Sewak Sangh*.—The *Sangh* submitted proposals to Government in November 1972 for financial assistance for construction of three *kanya ashrams*, each with a school building and a hostel building, at Indore, Rewa and Nitaya (Hoshangabad district) at an estimated cost of Rs.1.47 lakhs. The Government approved (March 1973) a grant (Rs.1.25 lakhs) of 85 per cent of the cost to the *Sangh* to be released in instalments after watching the progress of construction but no time limit was laid down for its completion. Full grant was released for the *ashrams* at Indore and Nitaya between March 1973 and March 1976 and fifty per cent of the grant for the *ashram* at Rewa in March 1973. The progress of construction as reported (June 1977) was as shown below :

Serial number	Place of <i>kanya ashram</i>	Grant to be released by the Government	Grant actually released	Works completed	Progress of incomplete works
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees)			
1.	Indore	41,650	41,650	Hostel	School building upto plinth level
2.	Nitaya	41,650	41,650	Hostel	School building not taken up for construction
3.	Rewa	41,650	20,825	..	School building not taken up for construction. Hostel building completed upto plinth level (expenditure upto June 1977 was Rs. 14,887). Second instalment of grant was not released

The *Sangh* stated (January 1977 and June 1977) that, consequent on increase in cost, the buildings could not be taken up/completed without further aid from the Government. Hostel buildings completed had not been put to use (February 1978) due to the school buildings not being complete.

The matter was reported to the Government in November 1976 and again in August 1977; reply is awaited (February 1978).

AGRICULTURE DEPARTMENT

6.9. Subsidy for gobar gas plants

A Centrally sponsored scheme for establishment of *gobar* gas plants was introduced in the State from 1974-75 with a view to increasing production of organic manures and use of *gobar* gas for fuel purposes. The cost of setting up the plants was to be met by individuals from their own re-sources or by raising loans from financial institutions. Twenty-five per cent of the actual capital cost or the cost estimated by the Khadi and Village Industries Commission (K.V.I.C.) whichever was less was to be paid as subsidy by the Government to the beneficiaries directly on their setting up the plants from out of their own re-sources or through financial institutions by depositing in advance the subsidies into their accounts with those institutions.

The details of subsidy paid during the years 1974-75 and 1975-76 and the progress of the scheme as intimated by the Director of Agriculture in July 1977 are indicated below:

Particulars	1974-75	1975-76
(1)	(2)	(3)
Subsidy paid (rupees in lakhs)	7.40	3.34
Number of plants for which subsidy was paid	855	247
Number of plants installed till July 1977	524	247

A test-check of the records of the Director of Agriculture and of the Deputy Directors of Agriculture pertaining to the payment of subsidies during the years 1974-75 and 1975-76 in 20 out of 45 districts was conducted in July 1977 and the points noticed are given in the sub-paragraphs which follow.

(i) Subsidies of Rs.3.89 lakhs for 487 plants and Rs.1.01 lakhs for 105 plants were drawn and disbursed in 17 districts in 1974-75 and in 8 districts in 1975-76 respectively as indicated below:

Particulars	1974-75		1975-76	
	Number of plants	Amount (Rupees in lakhs)	Number of plants	Amount (Rupees in lakhs)
(1)	(2)	(3)	(4)	(5)
I Disbursed to—				
1. Financial institutions and individual beneficiaries.	186	1.50	87	0.81
2. Madhya Pradesh Agro-Industries Corporation.	72	0.55	..	..
3. <i>Krishi Upaj Mandi, Durg</i>	48	0.36	..	..
4. Agriculture Workshop, Gwalior	16	0.15	..	..
II Amount deposited in banks in the name of Deputy Directors.	165	1.33	18	0.20
Total	487	3.89	105	1.01

(ii) Contrary to the procedure prescribed for the subsidy scheme, 4 Deputy Directors (Chhatarpur, Shivpuri, Tikamgarh and Gwalior) advanced Rs.0.55 lakh to the Madhya Pradesh Agro-Industries Corporation for manufacturing 72 *gobar* gas plants and Rs.0.15 lakh to the Agriculture Workshop, Gwalior for manufacturing 16 *gobar* gas plants for supply to prospective applicants in 1974-75. Of these, one plant was installed in 1974-75, 25 plants in 1975-76 and 24 plants during 1976-77.

(iii) Similarly, subsidy of Rs. 0.36 lakh was advanced to the *Krishi Upaj Mandi*, Durg in 1974-75 for installation of 48 plants, of which 15 plants were installed upto November 1976.

(iv) Further, subsidies amounting to Rs.1.33 lakhs and Rs.0.20 lakh were drawn in advance for 165 and 18 plants by 4 and 2 Deputy Directors (Narsinghpur, Mandla, Jhabua, Khargone, Khandwa and Satna) in 1974-75 and 1975-76 respectively and deposited in banks for release to prospective applicants. Of these, subsidies were finally released for 4 plants in 1974-75, 36 plants in 1975-76 and 35 plants in 1976-77.

(v) In 3 districts (Khargone, Raisen and Rajnandgaon), subsidy of Rs.0.03 lakh was paid in excess in 33 cases due to incorrect adoption of estimated cost of each plant of the size of 250 cubic feet as Rs. 5,000 instead of Rs. 4,557 fixed by the Khadi and Village Industries Commission.

(vi) According to the departmental instructions, completion certificates regarding the installation of plants were required to be signed by a gazetted officer of the department. In 39 cases pertaining to 8 districts, completion certificates were signed by non-gazetted officers or by representatives of the K.V.I.C. or financial institutions.

(vii) The Directorate which was to furnish monthly progress reports of the scheme to the Government of India did not maintain any systematic record of completion of plants. It had neither watched/enforced rendition of monthly and quarterly progress reports by field offices nor furnished monthly reports to the Government of India.

The matters mentioned above were reported to the Government in September 1977; reply is awaited (February 1978).

CO-OPERATION DEPARTMENT

6.10 Co-operative Institutions

(a) *Investments in share capital.*—According to the information furnished by the Registrar, Co-operative Societies, the total number of societies in the State registered under the Madhya Pradesh Co-operative Societies Act, 1960 at the end of each of the three years ending 30th June 1977, their total paid up

capital, the number of societies in the share capital of which the Government had made investments and the amount of investments are indicated below:

At the end of June

	Societies registered		Societies with Govern- ment investments	
	Number	Paid up capital	Number	Amount
(1)	(2)	(3) (Rupees in lakhs)	(4)	(5) (Rupees in lakhs)
1975	18,195	77,54.00	12,119	30,48.10
1976	17,762	85,48.35	12,455	32,82.66
1977	(Not available)		13,956	37,93.22

(b) *Financial assistance.*—The financial assistance granted to the institutions in various forms during the three years ending 30th June 1977 is indicated below:

Year	Assistance granted in the form of					
	Share capital		Subsidy		Loans	
	Number of societies	Amount	Number of societies	Amount	Number of societies	Amount
(1)	(2)	(3) (Rupees in lakhs)	(4)	(5) (Rupees in lakhs)	(6)	(7) (Rupees in lakhs)
1974-75	146	1,53.32	469	35.17	209	78.00
1975-76	336	2,34.56	392	31.92	211	1,07.00
1976-77	1,501	5,10.56	429	93.56	807	1,30.00

6.10.2. *Dividends.*—(i) The table below indicates the details of dividends received and percentage of return on total investment during the three years ending 30th June 1977:

Year	Amount of dividend received	Total in- vestment at the end of the year	Percentage of return on invest- ment
(1)	(2)	(3)	(4)
	(Rupees in lakhs)		
1974-75	16.99	30,48.10	0.56
1975-76	22.32	32,82.66	0.68
1976-77	28.29	37,93.22	0.75

(ii) Out of 177 co-operative societies in Bhind district in which Government had invested Rs. 41.70 lakhs upto 1975-76, 67 societies declared dividends in different years during 1965-66 to 1973-74. The share of Government in the declared dividend amounted to Rs.0.60 lakh. The Registrar, Co-operative Societies stated (November 1977) that a sum of Rs.0.21 lakh had been recovered and action for recovery of the remaining amount was being taken.

6.10.3 *Debentures*.—The Government have invested in the debentures of one co-operative institution, *viz.*, the Madhya Pradesh State Co-operative Land Development Bank Limited, Bhopal. The particulars of investments and interest received during the three years ending 30th June 1977 are indicated below:

Year	Investment in debentures		Interest for the year	Percentage of return
	Investment during the year	Investment at the end of the year		
(1)	(2)	(3)	(4)	(5)
	(Rupees in lakhs)			
1974-75	1,91.04	11,33.57	52.92	4.7
1975-76	1,56.04	12,89.61	58.47	4.5
1976-77	2,42.44	14,84.36	66.37	4.5

6.10.4. *Guarantees*.—The Government have also guaranteed repayment of loans by co-operative societies to the extent of Rs.6,60.78 crores up to June 1977, out of which Rs.94.46 crores were, according to the information furnished by the Registrar, Co-operative Societies, outstanding as on 30th June 1977.

6.10.5. *Audit fees*.—Audit fees due to the Government from co-operative societies were in arrears to the extent of Rs.2.87 lakhs at the end of March 1977. Year-wise break-up of the dues is indicated below :

Year	(Rupees in lakhs)
(1)	(2)
Up to 1971-72	1.23
1972-73	0.15
1973-74	0.31
1974-75	0.81
1975-76	0.37
	2.87

6.10.6. *Outstanding loans and interest*.—(i) Out of the total sum of Rs.11.54 crores disbursed as loans to co-operative societies up to 31st March 1977, Rs.8.08 crores were outstanding as on 31st March 1977. The amounts of principal and interest overdue as on 31st March 1977 were Rs.1.08 crores and Rs.0.81 crore respectively. It was stated (October 1977) by the Registrar, Co-operative Societies that District Assistant Registrars had been instructed to take concrete steps for recovery of dues by issuing demand notices to defaulting societies.

(ii) A scrutiny of the records of the Assistant Registrar, Co-operative Societies of Bhind district showed that interest aggregating Rs.0.75 lakh was outstanding from various societies (for the years 1966-67 to 1975-76) at the end of the year 1975-76. The Registrar, Co-operative Societies stated (November 1977) that a sum of Rs.0.02 lakh had been recovered and action was being taken to recover the balance amount.

CHAPTER VII

COMMERCIAL ACTIVITIES

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

7.2. As on 31st March 1977, there were seven departmentally managed commercial and *quasi*-commercial undertakings, *viz.*, Sales Dispensary, Indore; Training-cum-Production Centre, Chanderi; Government Handloom Factory, Maheshwar and four Government Milk Supply Schemes at Bhopal, Gwalior, Indore and Jabalpur, as against four as on 31st March 1976. The Government Milk Supply Schemes at Gwalior, Indore and Jabalpur were declared as commercial with effect from October 1976. There were six State Trading Schemes, *viz.*, Grain Supply Scheme, Purchase and Sale of *Tendu* leaves, Minor Forest Produce, State Trading in Timber, Bamboos and *Sal* seeds. The financial results of one undertaking on the basis of the latest available accounts are given in Appendix VI.

The *pro forma* accounts of the following schemes/undertakings were in arrears (February 1978) for the periods shown against each :

	Year from which <i>pro</i> <i>forma</i> accounts are awaited	Remarks
<i>Forest Department—</i>		
Purchase and Sale of <i>Tendu</i> Leaves	1965-66	Government appointed (June 1976) a departmental committee to decide the manner in which, and the period from which, the <i>pro forma</i> accounts should be prepared.
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	

Further progress in the matter is awaited (February 1978).

Year form
which *pro*
forma accounts
are awaited

Remarks

Food Department—
Grain Supply Scheme

1970-71 Mention was made in paragraph 7.2 of the Report of the Comptroller and Auditor General of India for the year 1975-76 (Civil) about recasting of the *pro forma* accounts for the period upto 1969-70. Recast accounts are awaited (February 1978).

Veterinary Department—
Government Milk Supply Scheme, Bhopal

1976-77 The *pro forma* accounts of the scheme for the years 1970-71 to 1975-76 rendered to Audit in January and February 1977 could not be certified owing mainly to differences in the trial balance. The revised accounts are awaited (February 1978).

Co-operation Department—
Government Handloom Factory, Maheshwar
Training-cum-Production Centre, Chanderi

1976-77

1976-77

Public Health and Family Welfare Department—
Sales Dispensary, Indore

1975-76

7.3. Government Milk Supply Schemes at Gwalior, Indore and Jabalpur

Pro forma accounts of the schemes for the year 1976-77 rendered (June 1977) to Audit by the Milk Commissioner could not be certified on account of booking of heavy amounts under suspense for want of details. Revised *pro forma* accounts are awaited (February 1978).

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

8.1. Outstanding audit observations

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 1977 and outstanding on 30th September 1977 as compared with the corresponding position indicated in the two preceding reports :

	As on 30th September		
	1975 (1)	1976 (2)	1977 (3)
Number of observations	2,83,990	2,31,083	2,34,222
Amount involved (<i>Rupees in Crores</i>)	1,07.83	1,11.78	1,16.13

The following departments have comparatively heavy outstanding observations :

Serial number (1)	Department (2)	Number (3)	Amount (4)
			<i>(Rupees in lakhs)</i>
1.	Public Works (Buildings and Roads)	49,673	37,54.50
2.	Irrigation	47,552	20,47.33
3.	Agriculture	14,781	10,18.53
4.	Public Health and Family Welfare	15,369	9,05.87
5.	Public Health Engineering	24,577	7,19.31
6.	Animal Husbandry	7,636	4,16.62
7.	Education	24,312	3,93.57
8.	Forest	6,573	3,70.90
9.	Tribal and Harijan Welfare	5,793	2,73.42

Serial number (1)	Department (2)	Number (3)	Amount (4)
			<i>(Rupees in lakhs)</i>
10.	Tube-wells	9,886	2,68.59
11.	Dairy Development	1,697	2,61.56
12.	State Excise	1,212	1,60.64
13.	Revenue	2,759	1,37.83
14.	Home(Jails)	778	1,27.79
15.	Industries	4,179	1,00.90
16.	Land Revenue	5,224	1,08.76
17.	Panchayats and Social Welfare	822	64.37
18.	Mines and Minerals	1,437	50.56
19.	Labour and Employment	1,647	47.89

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

Serial number (1)	Nature of observation (2)	Number (3)	Amount (4)
			<i>(Rupees in lakhs)</i>
1.	Payees' receipts not received	1,57,219	57,44.83
2.	Sanctions for reserve limit of stock not received	177	15,27.20
3.	Agreements with contractors/suppliers not received	532	10,42.23
4.	Detailed bills for lump sum drawals not received	30,281	10,60.62
5.	Vouchers not received	9,152	5,22.52
6.	Sanctions for contingent and miscellaneous expenditure not received.	5,871	4,02.60
7.	Sanctions for establishment not received	669	21.44
8.	Overpayments or amounts disallowed in audit not recovered.	2,962	12.65

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 :

Department (1)	Amount (2)
	<i>(Rupees in lakhs)</i>
Irrigation	16,02.19
Public Works (Buildings and Roads)	13,24.48
Public Health Engineering	7,18.52
Agriculture	6,53.35
Public Health and Family Welfare	3,36.84

Department (1)	Amount (2) (Rupees in lakhs)
Animal Husbandry	2,80.19
Dairy Development	2,51.14
Tube-Wells	2,41.13
Education	1,40.97
Tribal and Harijan Welfare	1,16.16

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 practicable for Audit to know whether the whole amount has been spent on the purpose or purposes for which the advances were drawn. Rupees 10,60.62 lakhs are held under observation due to non-receipt of detailed contingent bills in Audit Office. The departments with comparatively heavy outstandings are mentioned below :

Department (1)	Amount (2) (Rupees in lakhs)
Public Health and Family Welfare	1,96.01
Agriculture	1,87.18
Education	1,38.87
Jail	1,26.04
Tribal and Harijan Welfare	1,02.62

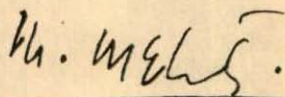
8.2. Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to heads of offices and to the next higher departmental authorities through audit inspection reports. The more important irregularities are reported to the heads of departments and the Government. The Government have prescribed that first replies to inspection reports should be sent within five weeks.

At the end of September 1977, 11,315 inspection reports issued up to March 1977 were not settled as shown below with corresponding figures for the earlier two years.

Number of (1)	As on 30th September		
	1975 (2)	1976 (3)	1977 (4)
Inspection reports	9,422	10,397	11,315
Paragraphs	44,175	48,197	51,666

Of the reports outstanding at the end of September 1977, 9,385 reports related to civil departments, 10 to commercial departments and 1,920 to revenue receipts. These included 1,822 inspection reports (1,446 civil and 376 revenue receipts) for which even first replies had not been received till the end of September 1977.



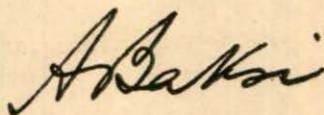
(M. M. MEHTA)

Accountant General-I, Madhya Pradesh

Gwalior:

The 23-3-1978

Countersigned.



(A. BAKSI)

Comptroller and Auditor General of India

New Delhi:

The 26-3-1978

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
57 SOUTH EAST ASIAN AVENUE
CHICAGO, ILLINOIS 60607

[Faint handwritten signature]

Account Number: 10000000000000000000
Name: M. J. [unclear]

8/11/78

[Faint handwritten signature]

Account Number: 10000000000000000000
Name: M. J. [unclear]

8/11/78

APPENDICES

APPENDIX I

(Reference : Paragraph 2.4 (ii) page 37)

GRANTS/APPROPRIATIONS WHERE SAVINGS EXCEEDED 10 PER CENT OF
TOTAL PROVISION

Serial number	Number and name of grants/appropriations	Total grant/appropriation	Actual expenditure	Saving (Percentage)
(1)	(2)	(3)	(4)	(5)
<i>(In lakhs of rupees)</i>				
<i>Revenue Section :</i>				
1.	1—General Administration	3,07.04	2,73.79	33.25 (11)
2.	2—Other expenditure pertaining to General Administration Department	55.14	42.44	12.70 (23)
3.	7—Expenditure pertaining to Separate Revenue and Registration Department			
	(Voted)	8,07.69	6,38.74	1,68.95 (21)
	(Charged)	18,32.55	14,15.63	4,16.92 (23)
4.	8—Land Revenue and District Administration (Charged)	10,43.75	8,81.22	1,62.53 (16)
5.	9—Other expenditure pertaining to Revenue and Land Reforms Departments	7,18.48	4,98.91	2,19.57 (31)
6.	13—Agriculture	30,17.57	24,88.30	5,29.27 (18)
7.	16—Fisheries	1,00.76	88.00	12.76 (13)
8.	17—Co-operation	4,07.77	3,08.66	99.11 (24)
9.	20—Public Health Engineering	29,81.40	22,26.09	7,55.31 (25)
10.	24—Public Works	70,53.60	61,60.79	8,92.81 (13)
11.	25—Expenditure pertaining to Mineral Resources Department	1,23.98	73.96	50.02 (40)
12.	30—Expenditure pertaining to Panchayat and Community Development Department (Charged)	36.48	29.90	6.58 (18)
13.	31—Expenditure pertaining to Planning, Economics and Statistics Department	98.70	79.56	19.14 (19)
14.	33—Tribal and Harijan Welfare	30,59.91	25,31.65	5,28.26 (17)
15.	35—Rehabilitation	1,31.94	99.43	32.51 (25)

APPENDIX I—concl'd,

Serial number	Number and name of grants/ appropriations	Total grant/ appropriation	Actual expenditure	Saving (Percentage)
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
<i>Capital Section :</i>				
1.	3—Police	15.00	..	15.00 (100)
2.	6—Expenditure pertaining to Finance Department	15,48.05	11,63.46	3,84.59 (24)
3.	<i>Public Debt</i>	2,63,15.96	1,40,27.63	1,22,88.33 (47)
4.	9—Other expenditure pertaining to Revenue and Land Reforms Departments	7.20	2.62	4.58 (64)
5.	13—Agriculture	60,57.01	15,71.23	44,85.78 (74)
6.	14—Animal Husbandry	65.00	52.00	13.00 (20)
7.	16—Fisheries	5.85	0.30	5.55 (95)
8.	21—Expenditure pertaining to Housing and Environment Department (Charged)	11.25	7.05	4.20 (37)
9.	25—Expenditure pertaining to Mineral Resources Department	20.00	10.00	10.00 (50)
10.	30—Expenditure pertaining to Panchayat and Community Development Department	77.55	69.04	8.51 11
11.	31—Expenditure pertaining to Planning , Economics and Statistics Department	71.44	23.16	48.28 (68)
12.	35—Rehabilitation	74.54	54.36	20.18 (27)
13.	39—Expenditure pertaining to Food Department	1,50.00	1,12.03	37.97 (25)

APPEN-

(Reference : Paragraph

CASES OF MISAPPROPRIATION REPORTED UPTO 31ST MARCH 1977 BUT

S. No.	Department	Cases reported in 1971-72 and earlier years		Cases reported during 1972-73		Cases reported during 1973-74	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Education	31	6.44	1	0.01	9	0.86
2.	Public Health	8	0.55	1	0.06	7	0.73
3.	Revenue	51	2.84	5	0.55	5	0.32
4.	Tribal and Harijan Welfare	22	1.39	4	0.36	2	0.63
5.	Agriculture	41	2.42	4	0.19	5	0.06
6.	Medical	7	1.57	7	0.97	4	0.10
7.	Public Works	16	1.86	1	0.02	..	..
8.	Finance	1	0.11	..	..	..	..
	Industry	8	1.60	2	0.26	..	..
10.	Police	1	0.56	1	1.24	2	0.02
11.	Food	8	3.31	..	..	1	0.08
12.	Planning and Deve- lopment	18	1.89	2	0.03	..	..
13.	Forest	7	0.24	..	..	2	0.08
14.	Stamps	..	..	..	..	1	0.05
15.	Irrigation	8	0.25	1	0.01	3	0.13
16.	Animal Husbandry	11	0.57	4	0.19	4	0.37
17.	Excise	2	0.31	1	0.97	..	..
18.	Law	3	0.13	1	0.01	2	0.08
19.	Jails	..	..	..	..	..	..
20.	Public Health Engi- neering	2	0.03	..	..	..	..
21.	Social Welfare	2	0.10	1	0.01	..	..
22.	Housing	..	..	..	..	..	..
23.	Labour	..	..	1	0.08	..	..
24.	Co-operation	2	0.01	..	..	1	0.03
25.	Rehabilitation	1	0.02	..	..	..	..
26.	Publicity	..	..	..	..	1	0.02
	Total	250	26.20	37	4.96	49	3.56

DIX II

3.23 Page 102)

NOT FINALISED TILL 30TH SEPTEMBER 1977

Cases reported during 1974-75		Cases reported during 1975-76		<i>Amount Rupees in lakhs)</i> Cases reported during 1976-77		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)
8	2.24	11	1.09	11	4.47	71	15.11
1	0.03	8	8.27	2	0.04	27	9.68
12	1.17	6	0.71	33	3.17	112	8.76
2	0.39	16	2.78	9	0.83	55	6.38
7	1.14	12	1.50	7	0.30	76	5.61
3	1.75	3	0.40	..	..	24	4.79
4	0.03	2	0.12	1	2.64	24	4.67
2	0.34	2	0.11	2	4.02	7	4.58
1	0.71	38	1.65	1	0.05	50	4.27
..	..	7	1.49	14	0.50	25	3.81
..	..	..	..	1	0.42	10	3.81
4	0.26	4	0.24	4	0.58	32	3.00
3	0.07	6	1.81	3	0.53	21	2.73
..	..	..	..	3	2.23	4	2.28
7	0.64	3	0.55	5	0.55	27	2.13
2	0.18	4	0.16	..	..	25	1.47
2	0.11	..	..	1	0.01	6	1.40
4	0.10	11	0.60	3	0.18	24	1.10
..	..	..	..	3	0.56	3	0.56
3	0.14	1	0.06	..	..	6	0.23
..	..	..	..	1	0.05	4	0.16
..	..	..	..	1	0.20	1	0.20
..	..	..	..	..	..	1	0.08
..	..	..	..	..	..	3	0.04
..	..	..	..	..	..	1	0.02
..	..	..	..	..	..	1	0.02
65	9.30	134	21.54	105	21.33	640	86.89

APPENDIX III

(Reference : Paragraph 3.24, Page 103)

LOSSES ETC., WRITTEN OFF DURING THE YEAR 1976-77

S.No.	Name of the department	Write-off of losses, irrecoverable revenue advances, etc.	
		Number of cases	Amount.
(1)	(2)	(3)	(4)
			(Rupees)
1.	Forest	37	5,63,874
2.	Sales Tax	91	2,49,986 @
3.	Food	33	1,69,907
4.	Agriculture	200	1,50,572
5.	Public Works (Buildings and Roads)	16	1,46,636
6.	Irrigation	20	1,44,934
7.	Veterinary	127	1,26,646
8.	Revenue	1,348*	3,96,909*
9.	Excise	16	29,732
10.	Tribal and Harijan Welfare	7	28,127
11.	Home(Police)	12	15,243
12.	Panchayat and Community Development	6	6,561
13.	Education	8	9,335
14.	Labour and Employment	5	6,090
15.	Co-operation	1	5,087
16.	Information and Publicity	1	3,733
17.	Medical	3	3,075
18.	Finance	1	1,780
19.	Administration of Justice	2	1,610
20.	Public Health Engineering	2	1,549
	Total	1,936	20,61,386

@Includes three items (Rs. 1,887) of remission of revenue.

*Includes seventy-one items (Rs. 1,26,136) of waiver of recovery and eleven hundred and ninety-three items (Rs. 1,14,680) of remission of revenue.

APPENDIX IV

(Reference : Paragraph; 5.11. Page 138)

CASES OF MACHINERY, EQUIPMENT, ETC., LYING IDLE

Office	Name of machinery, equipment, etc.	Cost	Since when idle	Remarks
(1)	(2)	(3)	(4)	
		(Rupees in lakhs)		
<i>Public Works Department—</i>				
Workshops at Gwalior, Bhopal, Jabalpur, Raipur and Indore	Washing machine and gear flushers, one set in each workshop	0.25	Since purchase during April to June 1973	Reasons stated (May September 1976) for non-installation and non-commissioning were— (i) hoists for completing the units in Gwalior and Indore workshops not procured, (ii) difficulty in obtaining water supply from the Indore Municipality and (iii) compressors for the Bhopal, Jabalpur and Raipur workshops not procured.
Ditto	Tools and gauges for washing equipment—one set in each workshop	0.08	Ditto	Ditto
Workshops at Bhopal, Jabalpur and Raipur	Hoist (lift)—one in each workshop	0.18	Ditto	Ditto
Workshops at Gwalior and Indore	Compressor—one in each workshop	0.10	Ditto	Ditto
All the seven Electrical and Mechanical divisions in the State	Lime mortar millstweny-one in number and surkhi grinding machines—twenty-one in number	1.74 2.61	Since purchase during November 1974 to January 1975	All machines except one at Raipur remained (December 1977) unutilised as there were no requisitions from the user civil divisions.

Office	Name of machinery, equipment, etc.	Cost	Since when idle	Remarks
(1)	(2)	(3)	(4)	(5)
		<i>(Rupees in lakhs)</i>		
Electrical and Mechanical workshop at Bilaspur	Lathe	0.15	Since its receipt in 1970	Lathe not installed (January 1978) reportedly due to paucity of space.
<i>Forest Department—</i>				
Forest Division, Rajnandgaon	Road roller (12 tonnes)	0.49	Since its purchase in 1951	Unsuitable for laying forest roads due to its weight. A proposal for its transfer to the Forest Development Corporation was reported (November 1977) to be under consideration.
Forest Division, North Khandwa	One tractor	0.60*	December 1975	Lying unserviceable for want of repairs, estimates (Rs. 0.15 lakh) for which are awaiting sanction with Conservator of Forests Hoshangabad since March 1977.
Forest Division, North Bilapur	One tractor with trolley	0.60*	January 1976	Lying unserviceable since January 1976.

*Estimated cost.