



सत्यमेव जयते

REPORT

OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

FOR THE YEAR

1974-75

(CIVIL)

GOVERNMENT OF WEST BENGAL

ERRATA

Serial No.	Page	Reference to para, line, etc.	For	Read
1.	15	Para 7(f)—Heading of the last column in the table below the sub para	earliest	.. earliest
2.	25	Para 19(a)—line 1	Rs 16 54 crores	Rs 16 53 crores
3.	50	(i) Figures below "Expenditure incurred till abandonment or, suspension"—against Serial No 4	81	.. 0.81
		(ii) Do—against Serial No. 5	83	.. 0 83
		(iii) Do—against Serial No. 6		..
4.	51	Line 2 from top	.. Original	.. Original
5.	63	Para 30—line 8	Rs 0 21 lakh was spent	Rs 0 21 lakh were spent
6.	77	Para 40—line 1	.. Report the	.. Report of the
7.	79	Heading of the table—last column	Expenditur	.. Expenditure
8.	82	Para 41.3.6—last line	.. was spent	.. were spent
9.	85	Para 43 2 2—last line and para 43 2 3—first sub-para—line 6	foregoing	.. forgoing
10.	88	Line 20 from top	.. Jharsingeswar	Jharsingheswar
11.	99	Table—Serial No 13—Column 7—line 2	at	.. at
12.	160	Para 76 4—heading	.. Sale performan- ces	Sale performance
13.	161	Para 76 5—Table heading—last column	Deficit (-) Surplus (+)	Deficit (-)/ Surplus (+)
14.	102	Heading of both the tables—last column	Deficit (-) Surplus (+)	Deficit (-)/ Surplus (+)
15.	189	Appendix IX—Serial No 2—Column 11	5,962	.. 3,962

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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1974-75 together with other points arising from audit of financial transactions of the Government of West Bengal for the year 1974-75. It also includes :

- (i) certain points of interest arising from the Finance Accounts for the year 1974-75;
- (ii) matters relating to certain bodies and authorities the accounts of which are audited by the Indian Audit and Accounts Department;
- (iii) comments on Special Employment Programme, Craftsman Training Scheme, Rural Piped Water Supply Programme, Sealdahgong Basin Drainage Scheme, Wood Industries Centres and Government Sales Emporia.

2. The cases mentioned in the Report are among those which came to notice of Audit in the course of test audit of the accounts during the year 1974-75 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 1974-75 have also been included wherever considered necessary.

3. The Report containing the observations of Audit on statutory corporations including the West Bengal State Electricity Board and the Calcutta State Transport Corporation and Government companies and the Report containing the observations of Audit on Revenue Receipts are presented separately.

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 1

GENERAL

1. Summary of transactions

The receipts and expenditure of the Government for 1974-75 and the preceding year as also the surplus/deficit for those years are given below:

	1973-74*	1974-75
<i>(In crores of rupees)</i>		
(1) Revenue—		
Revenue receipts	3,76.50	4,60.19
Revenue expenditure	3,79.39	4,51.80
	(–) 2.89	(+) 8.39
Revenue	<u>surplus (+)</u>	
	deficit (–)	
(2) Public Debt—		
Internal Debt of the State Government (net)		
	<u>Increase (+)</u>	
	(+) 35.71	(–) 7.78
	Decrease (–)	
Loans and advances from the Central Government		
	<u>Increase (+)</u>	
	(+) 86.22	(+) 76.12
	Decrease (–)	
	(+) 1,21.93	(+) 68.34
Total Public Debt (net)	<u>Increase (+)</u>	
	Decrease (–)	
(3) Loans and advances by the State Government (net)		
	<u>Increase (–)</u>	
	(–) 50.26	(–) 42.18
	Decrease (+)	
(4) Contingency Fund (net)		
	<u>Increase (+)</u>	
	(–) 0.03	(–) 0.56
	Decrease (–)	

*For facilitating comparison with corresponding figures for 1974-75, the figures for 1973-74 shown in this column are recast to the extent necessary according to the revised structure of classification adopted from 1974-75; the figures for 1973-74, therefore, differ in some cases from the figures shown for that year in the Audit Report for 1973-74.

		1973-74*	1974-75
		<i>(In crores of rupees)</i>	
(5) Public Account (net)	Increase (+)	(+) 17.32	(+) 21.55
	Decrease (-)		
(6) Capital expenditure (net)	Increase (-)	(-) 45.64	(-) 48.01
	Decrease (+)		
<u>Net surplus (+)</u>		(+) 40.43	(+) 7.53
<u>Net deficit (-)</u>			
Opening Cash Balance	..	(-) 40.95	(-) 0.52
<u>Net surplus (+)</u>		(+) 40.43	(+) 7.53
<u>Net deficit (-)</u>			
Closing Cash Balance	..	(-) 0.52	** (+) 7.01

2. Revenue surplus/deficit

The actuals of revenue receipts for 1974-75 as compared with (a) the budget estimates and (b) the budget estimates *plus* additional taxation levied during the year along with the corresponding amounts for 1972-73 and 1973-74 are given below :

Year	Budget	Budget <i>plus</i> additional taxation	Actuals	Variation between columns (4) and (3)		
				Amount of increase (+) decrease (-)	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
<i>(In crores of rupees)</i>						
1972-73	..	3,51.31	3,56.81	3,51.22	(-) 5.59	2
1973-74	..	3,77.54	3,77.54	3,76.50	(-) 1.04	0.3
1974-75	..	4,35.56	4,48.13	4,60.19	(+) 12.06	2.7

*Please see footnote on page 1.

**There was difference (Rs. 1,56.61 lakhs) between the figures reflected in the accounts and those intimated by the Reserve Bank regarding "Deposits with the Reserve Bank" (included in the Cash Balance). Discrepancies to the extent of Rs. 84.23 lakhs which arose as a result of treasury transactions having not been reflected in the Bank statements have been reconciled and adjusted. The remaining discrepancy of Rs. 72.38 lakhs is under reconciliation.

(b) *Expenditure on revenue account*: The expenditure during 1974-75 as compared with (a) the budget estimates and (b) the budget estimates *plus* supplementary provision along with the corresponding figures for 1972-73 and 1973-74 is given below:

Year	Budget	Budget <i>plus</i> supplementary	Actuals	Variation between columns (4) and (3)	
				Amount of increase (+) decrease (-)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1972-73 ..	3,74.09	4,10.30	4,10.73	(+) 0.43	0.1
1973-74 ..	3,93.16(a)	4,15.04(a)	3,79.39(a)	(-) 35.65	8.6
1974-75 ..	4,55.42	4,79.05	4,51.80	(-) 27.25	5.7

(c) The year ended with a revenue surplus of Rs.8.39 crores against the deficit of Rs.19.86 crores anticipated in the budget.

3. Revenue receipts

(a) The revenue receipts during 1974-75 (Rs.4,60.19 crores) increased by Rs.83.69 crores over those in 1973-74 (Rs.3,76.50 crores). The increase is analysed below:

	Receipts		Increase (+) Decrease (-)	Percentage
	1973-74	1974-75		
(In crores of rupees)				
<i>(i) Receipts from Government of India</i>				
(a) State's share of divisible Central Taxes	96.26	1,01.68	(+) 5.42	5.6
(b) Statutory grants ..	6.76	54.09	(+) 47.33	700.9
(c) Other grants ..	42.09	24.90	(-) 17.19	40.1
<i>(ii) Revenue raised by State Government</i>				
(a) State taxes and duties classed as tax revenue	1,65.95	1,88.48	(+) 22.53	13.6
(b) Central taxes leviable for the purpose of and collected by the State Government	25.14	36.36	(+) 11.22	44.6
(c) Receipts on account of water rates, betterment levy, rents from buildings, etc., classed as non-tax revenue	40.30	54.68	(+) 14.38	35.6
Total ..	3,76.50	4,60.19	(+) 83.69	22.2

(a) Figures have been recast according to revised classification. Please see footnote on page 1.

(b) Receipts from Government of India during 1974-75 were Rs.1,80.67 crores as against Rs.1,45.11 crores in 1973-74. These constituted 39.26 per cent of the total revenues (Rs.4,60.19 crores) in 1974-75 as against 38.54 per cent of the total revenue receipts (Rs.3,76.50 crores) in the previous year. The increase of Rs.35.56 crores during 1974-75 was due to larger receipts from the net proceeds of divisible taxes (Rs.5.42 crores) and statutory grants (Rs.47.33 crores), partly counterbalanced by less receipt of other grants (Rs.17.19 crores). More information on the subject has been given in the Report of the Comptroller and Auditor General of India for the year 1974-75 (Revenue Receipts)—Government of West Bengal.

(c) Revenue raised by the State Government during 1974-75 also rose by Rs.48.13 crores as compared with that in 1973-74. Variations above Rs.1 crore occurred under:

Head of account	1973-74	1974-75	Increase (+) Decrease (-)	Remarks
<i>(In crores of rupees)</i>				
029. Land Revenue	7.32	8.34	+1.02	Increase in receipts from land revenue/tax and rates and cesses on land partly offset by less receipts from management of <i>ex-Zamin-dary</i> estates.
030. Stamps and Registration Fees	15.29	17.55	+2.26	Increase due to post-budget taxation measures.
039. State Excise	20.26	22.55	+2.29	Increase in receipts from country spirits and commercial and denatured spirits and medicated wines due to normal growth.
040. Sales Tax	1,01.69	1,25.07	+23.38	Due to post-budget taxation measures and normal growth of trade and commerce.
042. Taxes on Goods and Passengers	14.06	16.50	+2.44	Increase due to post-budget taxation measures as well as normal growth of trade and commerce.

Head of account	1973-74	1974-75	Increase (+) Decrease (-)	Remarks
<i>(In crores of rupees)</i>				
043. Taxes and Duties on Electricity	11.57	10.39	-1.18	Less receipts from taxes on consumption and sale of electricity.
045. Other Taxes and Duties on Commodities and Services	11.02	14.15	+3.13	Increase due to post-budget taxation measures and larger collections.
049. Interest Receipts	8.69	10.44	+1.75	Increase in receipts mainly from Public sector and other undertakings.
065. Other Administrative Services	1.73	3.92	+2.19	Increase due to larger receipts from Government of India on account of administration of Central Acts and Regulations.
068. Miscellaneous General Services	1.09	2.40	+1.31	Increase mainly due to larger receipts from State lotteries and unclaimed deposits.
088. Social Security and Welfare	2.02	3.66	+1.64	Increased recoveries from the Food Corporation of India on account of administrative charges, godown rent, etc.
105. Agriculture	4.71	8.65	+3.94	Increased receipts from sale of manures and fertilizers.
120. Industries	1.79	3.79	+2.00	Increase due to larger receipts from departmental commercial undertakings and Cinchona Plantations.

(d) *Taxation measures*: Post-budget taxation measures adopted during the year are mentioned below :

Nature of taxes	Date of effect	Estimated yield for 1974-75
		<i>(In crores of rupees)</i>
Enhancement of rates of stamp duty on certain instruments	20-5-1974	2.50
Enhancement of rates of multipoint sales tax and tax on sales of gold and gold ornaments	1-4-1974	4.00
Imposition of additional surcharge on sales tax	.. 20-4-1974	} 2.00
Enhancement of rate of sales tax on some of the special goods and inclusion of some new items therein	1-4-1974	
Imposition of entry tax under the West Bengal Taxes on Entry of Goods in Local Areas Act, 1962 on raw jute	1-8-1974	1.56
Enhancement of certain rates of electricity duty	.. 15-5-1974	1.50
Enhancement of rates of betting tax and totalisator tax in certain cases	1-4-1974	0.90
Enhancement of rate of tax on entertainments and luxuries in hotels and restaurants	26-3-1974	0.05
Introduction of inter-State betting on Bombay races and imposition of totalisator tax, betting tax and surcharge on such inter-State betting	12-1-1975	0.06
Total	..	12.57

Actual yield during the year from the taxation measures mentioned above has not been intimated (March 1976).

4. Arrears of revenue

Information about arrears of revenue as on the 31st March 1975 could not be obtained from the Excise Department, Home (Jails) Department, Home (Transport) Department, Finance (Budget) Department, Finance (Taxation) Department, Municipal Services Department, Agriculture and Community Development Department, Fisheries Department, Commerce and Industries Department, Cottage and Small Scale Industries Department, Public Works Department, Forests Department and Housing Department. These were responsible for collection of State excise duties, revenues from jail and jail manufactures, taxes on vehicles, interest, other taxes and duties, agricultural income tax, licence fees for fire services, agricultural receipts, receipts from fisheries, receipts from industries, receipts from village and small industries, public works receipts, forest receipts and receipts from housing schemes. Actual realisations by these authorities during 1974-75 were Rs.78.56 crores (17 per cent of the total revenues) against the estimated receipts of Rs.71.77 crores.

According to the information received from the remaining departments, arrears in collection of revenue in respect of sales tax, electricity duty and land revenue at the end of March 1975 were Rs.96.54 crores. Details are given in paragraph 5 of Chapter I of the Report of the Comptroller and Auditor General of India for the year 1974-75 (Revenue Receipts)—Government of West Bengal.

5. Expenditure on revenue account

In 1974-75 the expenditure on revenue account (Rs.4,51.80 crores) increased by Rs.72.41 crores over that in 1973-74 (Rs.3,79.39 crores). Variations are explained below :

	Actuals		Increase(+) Decrease(-)
	1973-74	1974-75	
<i>(In crores of rupees)</i>			
(i) General Services			
(a) Organs of State	4.29	5.27	+0.98
(b) Fiscal Services	12.92	14.49	+1.57
(c) Interest payments and Servicing of Debt	50.58	52.18	+1.60
(d) Administrative Services			
Police	34.18	40.63	+6.45
Other Administrative Services ..	20.53	22.82	+2.29
Total ..	54.71	63.45	+8.74
(e) Pensions and Miscellaneous Gene- ral Services	5.75	6.41	+0.66

The increase was mainly due to high prices of various items procured, more expenditure on modernisation of police force and loss on sale of foodstuff at subsidised rates to the police force.

(ii) Social and Community Services

(a) Education	84.31	1,04.04	+19.73
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The increase was mainly due to larger assistance to primary schools, secondary schools, colleges and universities.

(b) Medical	31.71	36.94	+5.23
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The increase was mainly due to more expenditure on medical relief.

(c) Labour and Employment ..	6.77	4.98	-1.79
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The decrease was due to less expenditure under Employment Survey and Statistics.

	Actuals		Increase(+) / Decrease(-)
	1973-74	1974-75	

(In crores of rupees)

(d) Social Security and Welfare ..	13.80	23.84	+10.04
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The increase was on account of expenditure on Projects/Programme of Rural Development and Employment.

(e) Relief on account of Natural Calamities	8.17	5.20	-2.97
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The decrease was due to less expenditure on gratuitous relief and other relief operations.

(f) Other Social and Community Services	24.29	27.73	+3.44
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(iii) Economic Services

(a) General Economic Services ..	3.47	3.25	-0.22
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(b) Agriculture and Allied Services Agriculture	10.04	19.02	+8.98
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The increase was due to more expenditure on land reforms and manures and fertilisers.

Minor Irrigation	5.82	7.11	+1.29
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The increase was due to expenditure on distribution of pump sets and payment of subsidy to the West Bengal Minor Irrigation Corporation.

Area Development	2.26	4.38	+2.12
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The increase was due to more expenditure on development of hill and drought-prone areas.

Animal Husbandry ..	3.14	4.30	+1.16
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The increase was due to larger expenditure on Fifth Plan schemes.

Community Development ..	11.91	9.69	-2.22
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The decrease was due to less expenditure on Crash Scheme for Rural Employment.

Other Agriculture and Allied Services	9.61	10.79	+1.18
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Total ..	42.78	55.29	+12.51
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	Actuals		Increase(+) Decrease(-)
	1973-74	1974-75	

(In crores of rupees)

(c) Industry and Minerals ..	6.38	7.09	+0.71
(d) Water and Power Development			
Irrigation, Navigation, Drainage and Flood Control Projects	5.95	9.89	+3.94

The increase was mainly due to larger expenditure on Major and Medium Flood Control Projects.

Other heads under Water and Power Development	5.14	5.11	-0.03
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Total ..	11.09	15.00	+3.91
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(e) Transport and Communications			
Roads and Bridges ..	7.94	11.60	+3.66

The increase was due to more expenditure on district and other roads.

Other heads under Transport and Communications	1.02	1.69	+0.67
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Total ..	8.96	13.29	+4.33
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(iv) Grants-in-aid and contributions ..	9.41	13.35	+3.94
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The increase was due to larger grants to local bodies out of octroi collections.

Total—Expenditure .. (Revenue Account)	3,79.39	4,51.80	+72.41
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6. Capital expenditure

(a) The capital expenditure during the three years ending 1974-75 as compared with (i) the budget estimates and (ii) the budget estimates plus supplementary grants is shown below:

Year	Budget	Budget plus supplemen- tary	Actuals	Variation between columns (4) and (3)	
				Amount of decrease	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1972-73 ..	48.82	69.89	45.90	(-) 23.99	34
1973-74 ..	54.52(a)	59.12(b)	45.64(a)	(-) 13.48	23
1974-75 ..	58.48	66.99	48.01	(-) 18.98	28.3

(a) Figures have been recast according to revised classification. Please see footnote on page 1.

(b) Further analysis of the capital expenditure is given below :

	During 1974-75	Progressive total to the end of 1974-75
	<i>(In crores of rupees)</i>	
Capital expenditure on—		
(i) General Services	1·34	18·40
(ii) Social and Community Services	10·32	1,30·21
(iii) General Economic Services	4·02	56·35
(iv) Agriculture and Allied Services	17·07	76·95
(v) Industry and Minerals	1·55	42·63
(vi) Water and Power Development	10·12	2,35·45
(vii) Transport and Communications	3·59	92·38
Total—Capital expenditure	48·01	6,52·37(a)

Further details of capital expenditure are given in Statement nos. 2 and 13 of Finance Accounts 1974-75.

(c) The sources from which the capital expenditure (Rs.48.01 crores) and net outgo under loans and advances (Rs.42.18 crores) were met during 1974-75 are given below :

	<i>(In crores of rupees)</i>
I. Net additions to—	
(i) Internal Debt of the State Government	(—) 7·78
(ii) Loans and advances from Central Government	76·12
(iii) Small savings, Provident Funds, etc.	5·88
II. Miscellaneous (mainly deposits received by Government less amount refunded)	14·01
III. Receipts from encashment of securities and decrease in cash balance	(—) 6·43
Total—Receipts	81·80
IV. Revenue surplus	8·39
Net resources available for capital and other expenditure	90·19

(a) Excludes Rs. 1·47 crores relating to payments of commuted value of pensions up to 1973-74 and Rs. 5·00 crores relating to appropriations to Contingency Fund.

7. Loans and advances

(a) The actual disbursements of loans and advances by the State Government for 1974-75 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provisions along with the corresponding amounts for 1972-73 and 1973-74 are given below :

Year	Budget	Budget <i>plus</i> supplemen- tary	Actuals	Variation between columns (4) and (3)	
				Amount of increase(+) / decrease(-)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
<i>(In crores of rupees)</i>					
1972-73	34.12	49.08	47.58	(-) 1.50	3
1973-74	45.68(a)	65.60(a)	63.95(a)	(-) 1.65	3
1974-75	57.23	74.53	53.01	(-) 21.52	28.9

(b) The budget estimates and actuals of recoveries of loans and advances for the three years ending 1974-75 are given below :

Year	Budget	Actuals	Variation between columns (3) and (2)	
			Amount of increase (+) / decrease (-)	Percentage
(1)	(2)	(3)	(4)	(5)
<i>(In crores of rupees)</i>				
1972-73	12.22	6.07	(-) 6.15	50
1973-74	9.38(a)	13.69(a)	(+) 4.31	46
1974-75	11.83	10.83	(-) 1.00	8

The shortfall in actual recoveries was due to less repayments under (i) Loans for Social and Community Services (Rs.0.15 crore), (ii) Loans for Economic Services (Rs.1.06 crores) and (iii) Loans for miscellaneous purposes (Rs.0.70 crore), partly counterbalanced by more recoveries from Government servants (Rs.0.91 crore).

(a) Figures have been recast according to revised classification. Please see footnote on page 1.

(c) Outstanding balances under loans and advances disbursed by Government are analysed below :

	On 31st March 1974	On 31st March 1975
	<i>(In crores of rupees)</i>	
(i) Loans for Social and Community Services ..	1,21.57	1,35.45
(ii) Loans for Economic Services—		
(a) General Economic Services	5.41	7.65
(b) Agriculture and Allied Services ..	43.97	43.86
(c) Industry and Minerals	65.64	69.12
(d) Water and Power Development ..	81.19	90.29
(e) Transport and Communications ..	36.68	50.70
(iii) Loans to Government Servants	7.76(a)	7.33
(iv) Loans for Miscellaneous purposes	0.03	0.03
Total ..	3,62.25	4,04.43

Further details of loans and advances are given in Statement nos. 5 and 18 of Finance Accounts 1974-75.

(d) *Non-settlement of terms and conditions of loans:* The terms and conditions of repayment of Rs.2,58.07 crores given as loans (in 662 cases) to statutory corporations, etc., have not been settled and no repayment has, therefore, been made. Some of these loans were paid as far back as 1955-56. Loans to West Bengal State Electricity Board (Rs.90.33 crores in 119 cases), Calcutta Metropolitan Development Authority (Rs.65.78 crores in 37 cases), Durgapur Projects Ltd. (Rs.33.01 crores in 25 cases), Calcutta State Transport Corporation (Rs.26.07 crores in 131 cases), Durgapur Chemicals Ltd. (Rs.12.99 crores in 43 cases), West Bengal Small Industries Corporation Ltd. (Rs.4.79 crores in 9 cases), West Bengal Development Corporation (in liquidation) (Rs.4.10 crores in 31 cases) and Hooghly River Bridge Commissioners (Rs.4.10 crores in 6 cases) accounted for 93 per cent of these loans. In most of these cases, fresh loans were given in 1974-75 although terms and conditions for the earlier loans had not been settled. The reasons for the delay in settling the terms and conditions were not intimated by the State Government (March 1976). Details of the loans are given in Statement no. 5 of Finance Accounts 1974-75.

(a) Differs from the figure shown in the last Report (1973-74) due to inclusion of Rs. 2.87 crores which has been transferred from Public Account (Civil Advances—Festival Advances) to Consolidated Fund (Loans and Advances—Loans to Government Servants).

As would be seen from the following table, the number and amount of such loans have increased progressively:

		Position as on		
		31st March 1973	31st March 1974	31st March 1975
Cases of loans	.. ..	511	560	662
<i>(In crores of rupees)</i>				
Amount	.. ..	1,84.74	2,23.60	2,58.07

(e) *Recoveries in arrears*: In the case of loans to Municipalities, Zilla Parishads and Anchal Panchayats, Calcutta Corporation, Statutory bodies, etc., detailed accounts of which are maintained in the Audit Office, recovery of Rs.24,03.83 lakhs (principal: Rs. 19,14.60 lakhs; interest: Rs.4,89.23 lakhs) was in arrear (in 939 cases) on 31st March 1975 as shown below; of that, recovery of Rs.11,55.87 lakhs (in 653 cases) (principal: Rs.9,30.24 lakhs; interest: Rs.2,25.63 lakhs) was in arrear for more than three years.

Department	Number of loans	Principal	Interest
<i>(In lakhs of rupees)</i>			
Home (Transport)—			
Calcutta Tramways Company Ltd.	..	76	7,62.84
Municipal Services—			
Municipal Corporations and Municipalities		426	4,02.67
Commerce and Industries—			
Government Companies	47	3,58.00
Public Undertakings—			
Statutory Corporations and Government Companies		20	1,76.39
Refugee Relief and Rehabilitation—			
Industrial concerns and Municipalities	..	131	1,08.75
Finance—			
Calcutta Metropolitan Development Authority		2	31.20
			65.87

Department	Number of loans	Principal (In lakhs of rupees)	Interest
Health and Family Planning—			
Municipalities	58	26.77	35.87
Education—			
Universities and other Educational Institutions	121	26.76	13.77
Cottage and Small Scale Industries—			
Statutory Corporation	3	8.41	5.26
Development and Planning (Town and Country Planning)—			
Local Bodies	5	0.73	12.06
Fisheries—			
Government Company	5	5.67	3.49
Power—			
Statutory Corporation and Board ..	2	3.12	2.22
Animal Husbandry and Veterinary Services—			
Government Company	5	..	5.28
Home (Transport)—			
Calcutta State Transport Corporation ..	1	0.66	3.30
Panchayats—			
Zilla Parishads	18	1.70	0.23
Housing—			
Local Bodies	16	0.41	1.01
Agriculture and Community Development—			
Municipalities	3	0.52	0.14
Total ..	939	19,14.60	4,89.23

As would be seen from the following table, there has been a progressive increase in the overdue amount of loans and interest thereon :

	Position as on		
	31st March 1973	31st March 1974	31st March 1975
	(In lakhs of rupees)		
Total overdue amount	16,19.33	18,10.67	24,03.83
Amount overdue for more than three years	7,46.69	6,28.02	11,55.87

In the case of other loans, detailed accounts of which are maintained by departmental officers, no information about recoveries in arrears has been received (March 1976), despite reminders, from the departments mentioned below :

- (i) Cottage and Small Scale Industries
- (ii) Co-operation
- (iii) Agriculture and Community Development
- (iv) Animal Husbandry and Veterinary Services
- (v) Housing
- (vi) Relief and Welfare
- (vii) Information and Public Relations
- (viii) Home (Political)

(f) *Utilisation certificates*: Out of 614 utilisation certificates (Rs.12,89.12 lakhs) to be received by Audit for loans given by Government up to 31st March 1974, 174 certificates (Rs.6,62.93 lakhs) were received leaving 440 certificates (Rs.6,26.19 lakhs) to be received (March 1976). The department-wise break-up is given below :

Department	Number of outstanding utilisation certificates	Amount (In lakhs of rupees)	Year to which the earliest outstanding certificate relates
Health and Family Planning	28	2,39.56	1958-59
Panchayats	63	1,02.92	1971-72
Cottage and Small Scale Industries	126	1,00.22	1957-58
Co-operation	124	92.83	1960-61
Municipal Services	88	44.32	1963-64
Development and Planning	8	43.82	1967-68
Refugee Relief and Rehabilitation	3	2.52	1963-64
Total	440	6,26.19	

In the absence of these certificates, it is not possible to state even in a broad way that the recipients spent the loans for the purpose or purposes for which they were given.

No rules have so far (April 1976) been made for ensuring submission of utilisation certificates by the defaulting local bodies.

No time limit for submission of utilisation certificates has been prescribed by Government (April 1976).

8. Debt

(a) Details of public debt transactions are given below :

	Receipts during the year	Repayments during the year	Net increase(+) decrease(-) during the year
	<i>(In crores of rupees)</i>		
Internal debt of the State Government ..	71.56	79.34	-7.78
Loans and advances from the Central Government	1,23.30	47.18	+76.12
Total ..	1,94.86	1,26.52	+68.34

Open market loan of Rs.14.92 crores (6 per cent West Bengal Loan, 1984) was raised in 1974-75 at a discount of rupee one per hundred rupees. The loan is redeemable at par in August 1984. Of this, Rs.13.87 crores were collected in cash and Rs.1.05 crores by conversion of 4½ per cent West Bengal Loan, 1974. In addition, Government issued West Bengal Estate Acquisition Compensation Bonds for Rs.0.55 crore for payment of compensation to land holders, etc., on abolition of Zamindari system.

(b) No law under Article 293 of the Constitution has been passed by the State Legislature laying down the limits within which State Government may borrow on the security of the Consolidated Fund of the State. The outstanding public debt at the end of March 1975 was Rs.10,39.81 crores. Analysis of the debt compared with the corresponding amounts at the end of the two preceding years is given below :

	At the end of		
	1972-73	1973-74	1974-75
	<i>(In crores of rupees)</i>		
Internal debt of the State Government ..	1,23.16	1,58.87	1,51.09
Loans and advances from the Central Government	7,26.38	8,12.60	8,88.72
Total ..	8,49.54	9,71.47	10,39.81

(c) In addition to public debt, small savings, Provident Funds, etc., (comprising mainly the General Provident Fund balances of Government servants) and the balances at the credit of Depreciation and other Reserve Funds as also certain deposits, to the extent they have not been separately invested but are merged with general cash balance of Government, constitute liability of Government. Taking the public debt and those liabilities together, the debt position of Government was as follows:

	At the end of		
	1972-73	1973-74	1974-75
	<i>(In crores of rupees)</i>		
Public debt	8,49.54	9,71.47	10,39.81
Small savings, Provident Funds, etc. ..	39.65	44.63	50.51
Depreciation reserves and earmarked funds	46.80	53.89(a)	59.35
Deposits of local funds and civil deposits	56.21	61.37	71.75
Total ..	9,92.20	11,31.36(a)	12,21.42

9. Ways and means advances and overdrafts from the Reserve Bank of India

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank minimum balance of Rs.50 lakhs at the end of each working day. When the balance falls below the agreed minimum, the deficiency is made good by the Bank by giving ordinary and special ways and means advances according to limits fixed by it from time to time. The limit for normal ways and means advances was fixed as Rs.6 crores for 1974-75. In addition, special ways and means advances not exceeding Rs.3.60 crores could also be made available against Government of India securities held by State Government. Both the advances carry interest at one per cent below the Bank rate in force; during 1974-75 the rate was 6 per cent per annum up to 22nd July 1974 and 8 per cent from 23rd July 1974. If, even after taking these advances, Government is not able to maintain the prescribed minimum balance, the Bank allows overdrafts and charges interest at the Bank rate on these overdrafts; during 1974-75 the rate was 7 per cent per annum up to 22nd July 1974 and 9 per cent from 23rd July 1974.

The extent to which Government was able to maintain the minimum balance with the Bank in 1974-75 is shown below:

(i) Number of days on which the minimum balance was maintained without obtaining any advance.	323
(ii) Number of days on which the minimum balance was maintained by taking ordinary and special ways and means advances.	25
(iii) Number of days on which overdrafts had to be taken as the minimum balance could not be maintained even after taking ordinary and special ways and means advances to the full extent.	17

(a) Excludes Rs. 0.15 crore on account of Deposit Accounts of grants from outside agencies, dropped *pro forma*.

(a) *Ways and means advances*: At the end of the previous year Rs.9.70 crores were outstanding as ways and means advances. During the year Government obtained Rs.27.67 crores as ordinary and special ways and means advances. Of these, Rs.31.37 crores were repaid before the close of the year leaving a balance of Rs.6 crores. Rupees 0.12 crore was paid as interest on these advances.

(b) *Overdrafts*: The overdraft outstanding at the end of the previous year was Rs.15.78 crores. During the year, on 16 occasions, the cash balance of the Government with the Bank was, even after availing of ordinary and special ways and means advances, below the prescribed minimum. Rupees 23.08 crores were obtained as overdrafts and a sum of Rs.38.86 crores was repaid during the year. Rupees 0.06 crore (including arrear liability of Rs.0.04 crore) was paid to the Bank as interest on overdrafts. At the close of the year there was no undischarged liability on account of interest on overdrafts.

The interest paid to the Bank on the ways and means advances and overdrafts during the three years ending 1974-75 is given below :

		Amount (In crores of rupees)
1972-73	..	0.38
1973-74	.. ..	0.37
1974-75	.. ..	0.18

10. Loans from Government of India

Loans received from Government of India and outstanding at the end of 1974-75 were Rs.8,88.72 crores; these formed 85 per cent of the total public debt (Rs.10,39.81 crores).

At the end of 1973-74, Rs.0.21 crore was lying unadjusted out of the ways and means advances for Plan schemes received during 1973-74. In 1974-75 the State Government received Rs.3.63 crores as ways and means advances for Plan schemes. Rupees 2.58 crores were adjusted as loans and Rs.1.26 crores as grants.

The State Government obtained from the Government of India in 1974-75 Rs.1,23.30 crores (including ways and means advances of Rs.2.58 crores converted into loan) as loans for State Plan/Central Plan/Centrally Sponsored Schemes (Rs.49.78 crores) and other purposes (Rs.73.52 crores). Details of loans outstanding on 31st March 1975 are given in Statement no. 17 of Finance Accounts 1974-75. On 31st March 1975, Rs.0.06 crore was overdue for payment as interest to the Government of India (*vide* details given in Statement no. 4 of Finance Accounts 1974-75).

11. Interest charges

Interest charges paid on debt and other obligations are analysed below :

	1972-73	1973-74	1974-75
	(In crores of rupees)		
(i) Interest paid by State Government ..	42.86	43.31	44.20
(ii) Deduct—			
(a) Interest received on loans and advances by State Government	0.75	3.34	3.39
(b) Interest realised on investment of cash balance	0.15	0.01	0.49
(c) Interest on capital advanced to Damodar Valley Corporation	(a)	(a)	(a)
(iii) Net burden of interest on revenue ..	41.96	39.96	40.32
(iv) Percentage of net interest to total revenue receipts	11.94	10.61	8.76

In addition, there were certain other receipts and adjustments (Rs.6.56 crores) such as interest received from Commercial Departments, interest on arrears of revenue, etc. If these are also taken into account, the net burden of interest on revenue was Rs.33.76 crores (7.33 per cent of revenue).

12. Arrangements for amortisation of debt

The following arrangements have been made for amortisation of loans raised in the open market. These are in accordance with the arrangements announced at the time of floating of the loans.

- (i) *Depreciation fund* : A sum equal to 1½ per cent of the total nominal value of the loan is credited to a depreciation fund for purchasing the securities of the loans for cancellation.
- (ii) *Sinking fund* : In addition to the above, an annual credit is afforded to sinking fund for amortisation of loans at such rates as Government may from time to time decide. During 1974-75 Rs.7.99 crores were credited to depreciation funds and sinking funds from revenues. Rupees 0.79 crore was received as interest on investment therefrom. Rupees 7.07 crores were transferred to Miscellaneous Government Account from these funds on maturity of loans.

(a) Payment of interest (Rs. 35.92 crores up to the end of 1974-75) was withheld by the Damodar Valley Corporation pending adjustment against the amount due to it from the State Government on account of water rates and deficits on irrigation, power and flood control.

The balances in those funds and investment of the balances during the last three years are shown below :

Year	Opening balance at the credit of the funds	Net receipt during the year	Total	Total investment	Amount not invested
					(In crores of rupees)
1972-73	48.54	1.79	50.33	13.25	37.08
1973-74	50.33	8.04	58.37	15.25	43.12
1974-75	58.37	8.78	67.15(a)	14.15	45.93

The balances in those funds amounting to Rs.45.93 crores which were not actually invested were utilised to augment the general cash balance of the State.

No amortisation arrangement has been made for repayment of loans from the Government of India (Rs.8,88.72 crores) and other bodies (Rs.27.91 crores).

13. Guarantees given by State Government

Under section 6 of the State Financial Corporation Act, 1951, the shares of the State Financial Corporation are to be guaranteed by the State Government as to the repayment of principal and payment of annual dividend. Similarly, under section 7 of the above Act, the bonds and debentures of the State Financial Corporation are to be guaranteed by the State Government as to the repayment of principal and payment of interest. The actual amounts guaranteed on behalf of the West Bengal Financial Corporation by the State Government on the 31st March 1975 under sections 6 and 7 *ibid* were Rs.1.50 crores and Rs.3.54 crores respectively.

Under section 66 of the Electricity (Supply) Act, 1948, the State Government may guarantee in such manner as it thinks fit, the payment of the principal and interest of any loans proposed to be raised by the State Electricity Board or of either the principal or the interest. The actual amount covered by the guarantee given by the State Government on behalf of the West Bengal State Electricity Board under this section was Rs.1,05.83 crores as on the 31st March 1975.

Apart from the above, the State Government had guaranteed (to third parties) the repayment of loans, bonds and debentures and payment of interest thereon, repayment of share capital and payment of minimum dividend thereon, cash credits, etc., on behalf of 4 Statutory Corporations, 6 Joint Stock Companies, 14 Co-operative Banks and Institutions and 8 Government Companies. The maximum amount guaranteed on their behalf to the end of 1974-75 was Rs.1,36.70 crores against which loans, etc., actually outstanding were Rs.98.34 crores.

(a) Closing balance on 31st March 1975 was Rs. 60.08 crores after transferring Rs. 7.07 crores to Miscellaneous Government Account during the year.

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.

Further details of the guarantees are given in Statement no. 6 of Finance Accounts 1974-75.

14. Investments

In 1974-75 Government invested Rs.4.89 crores in Statutory Corporations (Rs.0.05 crore), Government Commercial and Industrial Undertakings (Rs.3.45 crores) and Co-operative Institutions (Rs.1.39 crores). The total investment in the share capital and debentures of different concerns at the end of 1972-73, 1973-74 and 1974-75 was Rs.34.13 crores, Rs.39.46 crores and Rs.44.35 crores respectively. The dividend/interest received therefrom was Rs.3.63 lakhs (0.10 per cent), Rs.4.73 lakhs (0.12 per cent) and Rs.10.75 lakhs (0.24 per cent) respectively.

The investments shown above exclude capital advances of Rs.6,16.60 lakhs (Calcutta State Transport Corporation: Rs.6,01.96 lakhs and North Bengal State Transport Corporation: Rs.14.64 lakhs). The advances represent amounts spent by Government before the formation of these Corporations. On their formation the amounts were treated as capital advanced to them.

Four co-operative societies (investments: Rs.0.37 lakh) are under liquidation.

Further particulars of investments are given in Statement no. 14 and Appendix IV of Finance Accounts 1974-75.

15. Utilisation certificates

During 1974-75 Rs.69.41 crores were paid as grants to local bodies (Rs.29.02 crores), private institutions and individuals (Rs.40.16 crores) and co-operative institutions (Rs.0.23 crore); this formed 15 per cent of Government's total expenditure (Rs.4,51.80 crores) on revenue account. The grants were paid mainly for the maintenance and construction of buildings of educational institutions, maintenance of hospitals and charitable institutions, maintenance and improvement of roads and communications under municipalities and for development of co-operative societies. Amounts by broad purposes of the grants are shown below:

	Building grants	Maintenance grants	Other grants	Total grants
	<i>(In lakhs of rupees)</i>			
Local Bodies—				
Recurring	3.00	23,13.92	4,16.29	27,33.21
Non-recurring	67.30	..	1,01.57	1,68.87
Co-operative institutions—				
Recurring .. .. .	..	21.98	..	21.98
Non-recurring .. .. .	..	0.58	0.26	0.84
Others—				
Recurring	36,24.71	1.18	36,25.89
Non-recurring	1,07.28	1,72.14	1,10.58	3,90.00
Total	1,77.58	61,33.33	6,29.88	69,40.79

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Departmental Officers sanctioning the grants are required to certify to Audit proper utilisation of grants. Utilisation certificates for Rs.40.92 crores were received in Audit during 1974-75 and those for Rs.1,52.19 crores (in 27,312 cases) paid as grants up to March 1974 are awaited (September 1975). The department-wise details are given in Appendix I(a). Of these, 9,417 certificates for Rs.47.26 crores are awaited for more than three years. Utilisation certificates for above Rs.25 lakhs each were outstanding for more than three years against each of the departments mentioned below :

Department	Number of certificates	Amount (In lakhs of rupees)
Education	8,579	40,60.90
Municipal Services	9	2,15.93
Health and Family Planning (Medical Branch)	451	1,58.10
Finance (Budget)	3	1,00.35
Co-operation	115	74.51
Relief and Welfare	143	45.82
Agriculture and Community Development ..	31	40.81
Housing	16	25.71

The utilisation certificates have not been received although considerable time has passed after the payment of the grants. In the absence of certificates, it is not possible to state even in a broad way to what extent the recipients have spent the grants for the purpose for which these were given and whether any misappropriation, fraud, etc., have occurred.

The names of institutions to which grants of Rs.5 lakhs and above were paid by various departments up to 31st March 1974 and from which utilisation certificates are awaited are detailed in Appendix I(b).

16. Delay in acceptance of balances under debt, loans and deposits

The balances under debt, loans, deposits, etc., are communicated every year to departmental officers for acceptance. In a large number of cases such acceptances have not been received; certain illustrative cases are given in Appendix II. In the absence of such acceptances, it cannot be stated that the departmental records indicate the correct position; the possibility of unauthorised drawals and misappropriation, if any, remaining undetected cannot also be ruled out.

17. Financial results of irrigation works

The irrigation works are broadly classified into two categories, viz., 'commercial' and 'non-commercial'. The *pro forma* accounts are kept only in respect of commercial irrigation works.

The *pro forma* accounts are kept in the State for four completed irrigation works, namely, (i) Damodar Canal; (ii) Midnapore Canal; (iii) Karatowa Irrigation Project and (iv) Mayurakshi Reservoir Project. Of the four schemes, water rates in respect of one (Karatowa Irrigation Scheme commissioned in July 1965 at a cost of Rs.47.73 lakhs) are not being collected as the agreements with the beneficiaries for supply of water for irrigation were not finalised (April 1976). Total revenue collected from the other three schemes during 1974-75 was Rs.68.35 lakhs while the working expenses were Rs.88.05 lakhs. Taking into account the interest (Rs.1,07.56 lakhs) on capital, the loss during the year was Rs.1,27.26 lakhs which was 6.42 per cent of the capital outlay. The details for the last three years are given below :

		1972-73	1973-74	1974-75
<i>(In lakhs of rupees)</i>				
Capital outlay to end of the year	..	19,36.17	19,49.83	19,82.24
Revenue realised during the year	..	56.53	57.64	68.35
Working expenses during the year	..	1,04.47	97.95	88.05
Net loss excluding interest	.. ..	47.94	40.31	19.70
Interest on capital	.. ..	1,05.82	1,06.76	1,07.56
Loss after meeting interest	.. ..	1,53.76	1,47.07	1,27.26
Percentage of loss	.. ..	7.94	7.54	6.42

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

18. Summary

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

		Grants/ charged appropriations	Expen- diture	Saving — Excess +	Percen- tage
<i>(In crores of rupees)</i>					
Voted—					
Original ..	..	5,62.17	6,10.61	5,68.49	—42.12
Supplementary ..	..	48.44			
Charged—					
Original ..	..	1,06.65	2,10.40	1,80.15	—30.25
Supplementary ..	..	1,03.75			
Total ..			8,21.01	7,48.64	—72.37

The overall saving of Rs.72.37 crores was the result of saving of Rs.88.90 crores in 62 grants (Rs.58.65 crores) and 26 charged appropriations (Rs.30.25 crores) partly offset by excess of Rs.16.53 crores in 11 grants (Rs.16.53 crores) and 3 charged appropriations.*

(b) Further details are given below :

	Revenue	Capital	Loans and advances	Public debt	Total	
<i>(In crores of rupees)</i>						
Authorised to be spent (Grants and charged ap- propriations)						
Original..	..	4,74.69	84.41	57.23	52.49	6,68.82
Supplementary	..	23.63	8.51	17.29	1,02.76	1,52.19
Total	..	4,98.32	92.92	74.52	1,55.25	8,21.01
Actual expenditure (Grants and charged appropria- tions)						
		4,84.85	84.27	53.01	1,26.51	7,48.64
Shortfall	..	13.47	8.65	21.51	28.74	72.37

* Excess under 3 charged appropriations amounted to Rs. 15,471.

19. Excess over grants/charged appropriations requiring regularisation

(a) Grants—The excess of Rs.16.54 crores in the following eleven grants requires regularisation under Article 205 of the Constitution:

Serial Number and name of grant No.	Total grant Rs.	Expenditure Rs.	Excess Rs.
(1) 8—Stamps and Registration	1,41,55,000	1,50,42,779	8,87,779
The excess was due mainly to adjustment of book debit bills.			
(2) 20—Treasury and Accounts Administration	56,69,000	69,65,000	12,96,000

The excess (partly offset by saving) was due to enhancement of dearness allowance and payment of arrear claims (Rs.7.75 lakhs) and entertainment of additional staff for which sanction was belated and payment of large amount of honorarium to the treasury staff for timely submission of accounts (Rs.5.35 lakhs).

(3) 22—Jails	4,42,81,000	4,67,27,519	24,46,519
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The excess was partly due to increase in the number of prisoners and rise in prices of dietary and other essential articles (Rs.8.71 lakhs). Reasons for the remaining excess have not been intimated (March 1976).

Excess (Rs.11.71 lakhs) occurred under this grant in 1973-74 also.

(4) 25—Public Works	20,76,03,000	29,69,62,255	8,93,59,255
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Excess of Rs.4,59.34 lakhs was due to wrong estimation of suspense transactions (Rs.1,97.10 lakhs), construction of Indoor Stadium at Eden Gardens, Calcutta (Rs.89.29 lakhs), purchase of flats for police personnel (Rs.75.04 lakhs), setting up of a temporary television station (Rs.23.32 lakhs), execution of works previously financed by the Calcutta Metropolitan Development Authority (Rs.57.24 lakhs) increased cost of oil, lubricants and spare parts and increase in the dearness allowance of operating staff (Rs.4.81 lakhs), better progress of work (Rs.4.61 lakhs), payment of provisional *salami* for land at Salt Lake (Rs.5.00 lakhs) and adjustment of spill-over expenditure on schemes not completed during the Fourth Plan period (Rs.2.93 lakhs). Reasons for the remaining excess have not been intimated (March 1976).

(5) 26—Fire Protection and Control	1,14,89,000	1,19,56,779	4,67,779
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Reasons for the excess have not been intimated (March 1976).

(6) 36—Medical	38,37,84,000	40,80,71,243	2,42,87,243
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The excess (partly offset by savings) was due to filling up of vacant posts and enhancement of dearness allowance (Rs.1,28.00 lakhs), adjustment of larger number of book debit bills than anticipated (Rs.78.83 lakhs), sanction

of more grants to hospitals in West Bengal and to the mental hospitals at Ranchi in Bihar in reimbursement of expenditure incurred (Rs.77.25 lakhs), treatment of larger number of patients and purchase of essential materials and equipment (Rs.68.53 lakhs), increase in the cost of maintenance charges of vehicles, petrol and other materials (Rs.59.77 lakhs), payment of rent at enhanced rate (Rs.2.09 lakhs), taking over of Chittaranjan Cancer Hospital (Rs.2.08 lakhs), increase in office expenses (Rs.1.70 lakhs) and payment of more grants than anticipated to Homoeopathic dispensaries (Rs.3.02 lakhs).

Serial Number and name of grant No.	Total grant Rs.	Expenditure Rs.	Excess Rs.
(7) 42—Labour and Employment	4,92,65,000	4,98,08,189	5,43,189

The excess was mainly due to extra expenditure on salaries and rents, rates and taxes.

(8) 53—Minor Irrigation, Soil Conservation and Area Development	18,49,00,000	18,66,89,867	17,89,867
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The reasons for the excess have not been intimated (March 1976).

(9) 66—Irrigation	24,57,99,000	28,77,80,361	4,19,81,361
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The excess (partly offset by savings) was due to (i) purchase of imported sheet piles (Rs.79.69 lakhs), (ii) taking up of some major drainage schemes, survey schemes, scheme for investigation and survey of irrigation, drainage and flood control works and a research scheme on the basic and fundamental problems relating to river valley projects and other flood control works (Rs.60.90 lakhs) and (iii) more expenditure on maintenance work, salaries, travel and office expenses and purchase of machinery and equipment (Rs.3,28.98 lakhs), reasons for which have not been intimated (March 1976).

(10) 72—Tourism	40,26,000	42,18,581	1,92,581
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The excess was due mainly to larger expenditure on maintenance of tourist lodges, motel centres, etc., reasons for which have not been intimated (March 1976).

(11) 76—Public Undertakings ..	3,26,61,000	3,47,65,790	21,04,790
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The excess expenditure was due to post-budget decision (i) to release more loans to Westinghouse Saxby Farmer Limited as a result of increase in the Plan allocation of the Public Undertakings Department and placing of more funds at its disposal and (ii) to give larger loan assistance to West Bengal Agro-Industries Corporation Limited (another Government Company) for purchase and distribution of seeds.

(b) Charged appropriations—Excess of Rs.15,471 over charged appropriation in the following three cases also requires regularisation :

Serial Number and name of charged No. appropriation	Total appropriation	Expenditure	Excess
	Rs.	Rs.	Rs.
(1) 1—State Legislature ..	68,000	69,019	1,019

The excess was due to more travel expenses than anticipated.

(2) 28—Pensions and other Retirement Benefits.	6,81,000	6,94,962	13,962
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The excess was due to increase in the number of pensioners and payment of arrear claims.

(3) 36—Medical	9,801	10,291	490
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The excess was due to payment of decretal charges.

20. Supplementary grants/charged appropriations

The supplementary provision of Rs.1,52.19 crores (23 per cent of the original provision) was obtained under thirtyseven grants (Rs.48.44 crores) and twenty appropriations (Rs.1,03.75 crores). The details of significant cases of unnecessary, excessive and inadequate supplementary grants/charged appropriations are given below :

- (i) Unnecessary supplementary grants/charged appropriations—In the following cases supplementary grants/charged appropriations (exceeding Rs.5 lakhs each) of Rs.89.60 lakhs remained wholly unutilised as the expenditure did not come even up to the original provision : —

Serial Number and name of grant/ No. charged appropriation	Original grant/ charged appropriation	Supplementary grant/ charged appropriation	Expenditure	Saving
				(In lakhs of rupees)
(1) 27—Other Administrative Services (Voted)	5,43.36	50.69	5,38.58	55.47

The shortfall was due mainly to non-adjustment of loss on sale of subsidised foodstuff to the National Volunteer Force personnel under this grant, the entire loss being shown under "Grant No. 21—Police" for want of separate accounts (Rs.45.00 lakhs) and less expenditure under "Emergency mobilisation" and "Collective training" owing to economy measures (Rs.9.42 lakhs).

Serial Number and name of grant/ No. charged appropriation	Original grant/ charged appropriation	Supplemen- tary grant/ charged appropriation	Expen- diture	Saving
<i>(In lakhs of rupees)</i>				
(2) 52—Agriculture (<i>Charged</i>) ..	0.21	8.58	..	8.79

The appropriation proved to be unnecessary.

(3) 62—Industries (Excluding Closed and Sick Industries) (<i>Charged</i>)	0.75	9.33	..	10.08
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The shortfall was due mainly to non-utilisation of the supplementary appropriation obtained for meeting decretal charges in connection with the acquisition of land for development of subsidiary industries at Durgapur. Reasons for non-utilisation of the appropriation have not been intimated (March 1976).

(4) 84—Loans and Advances (Voted)	5,75.30	21.00	5,64.33	31.97
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The shortfall was due mainly to lesser requirement for payment of advances to Government servants than anticipated.

(ii) Supplementary grants/charged appropriations which proved excessive—In the following cases the supplementary grants/charged appropriations (exceeding Rs.5 lakhs each) proved excessive; against the supplementary provision of Rs.1,16,05.01 lakhs, Rs.82,42.52 lakhs were actually utilised:

(1) 5—Elections (Voted) ..	26.75	48.25	60.66	14.34
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The shortfall was due mainly to less expenditure on conducting election to the State Legislature (Rs.6.96 lakhs) and preparation and printing of electoral rolls (Rs.6.65 lakhs). The saving in the former case was attributed to incorrect estimates furnished by the local officers and in the latter, shortage of time for completing the work.

(2) 28—Pensions and other Retirement Benefits (Voted)	5,58.76	48.65	5,82.28	25.13
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The shortfall was due mainly to non-receipt of debits from other circles of account.

(3) 30—Miscellaneous General Services (Voted)	38.93	20.30	53.51	5.72
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The shortfall was due mainly to non-payment of prize money for State lotteries within the financial year as a result of non-finalisation of scrutiny of claims and non-receipt of claims for prize money.

Serial Number and name of grant/ No. charged appropriation	Original grant/ charged appropria- tion	Supplemen- tary grant/ charged appropria- tion	Expen- diture	Saving
<i>(In lakhs of rupees)</i>				
(4) 44—Social Security and Wel- fare (Relief and Rehabili- tation of Displaced Per- sons) (<i>Charged</i>)	5.02	59.98	53.15	11.85

The shortfall was due mainly to non-utilisation of the supplementary appropriation for meeting enhanced cost of acquisition of land for rehabilitation purposes, reasons for which have not been intimated (March 1976).

(5) 47—Relief on account of Natural Calamities (Vo- ted)	5,73.00	2,33.03	5,99.95	2,06.08
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The shortfall was due mainly to less expenditure on opening relief kitchens and cheap canteens in flood/drought/cyclone affected areas and other relief works and measures, reasons for which have not been intimated (March 1976).

(6) 48—Other Social and Commu- nity Services (Voted)	24.23	47.61	42.85	28.99
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The shortfall was due mainly to less expenditure in connection with Gangasagar Mela (Rs.14.99 lakhs) and partial implementation of the scheme "Additional employment programme" (Rs.6.16 lakhs). Reasons for the shortfall have not been intimated (March 1976).

(7) 56—Dairy Development (Ex- cluding Public Under- takings) (Voted)	13,93.34	1,48.41	14,62.83	78.92
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The shortfall was due mainly to non-implementation/partial implementation of schemes "Augmentation of the handling capacities of the existing dairies" (Rs.11.37 lakhs), "Establishment of new city dairies" (Rs.42.50 lakhs) and "Establishment of feeder balancing dairies" (Rs.23.76 lakhs) owing mainly to non-purchase of materials as a result of non-acceptance of tenders and delay in construction of a multipurpose dairy at Matigara owing to unforeseen circumstances.

(8) 67—Power Projects (Voted) ..	3.90.00	5,78.28	9,10.00	58.28
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The shortfall was due to inability of the State Electricity Board to draw within the financial year the amount provided in the supplementary grant for payment of loan to the Board for construction of inter-State transmission lines under "Transmission and Distribution Schemes".

Serial No.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
<i>(In lakhs of rupees)</i>					
(9)	73—Other Transport and Communication Services (Voted)	2.00	1,44.85	86.58	60.27

The shortfall was due mainly to non-adjustment of the expenditure met out of advances from Contingency Fund for want of sanction even though provision was made in the supplementary budget.

(10) Public Debt (*Charged*) .. 52,48.88 1,02,75.65 1,26,51.62 28,72.91

The shortfall was due mainly to less repayment of loans under "VI—Ways and means advances from the Reserve Bank of India" owing to less drawal of loans from the Bank which could not be anticipated at the time of framing supplementary estimates.

(iii) Inadequate grants/charged appropriations—In the following three cases supplementary grants (exceeding Rs.5 lakhs in each case) of Rs.2,10.32 lakhs proved inadequate; the final uncovered excess [reasons indicated in paragraph 19(a) against serial nos. 3, 6 and 11] was Rs.2,88.39 lakhs:

Serial No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Excess
<i>(In lakhs of rupees)</i>					
(1)	22—Jails	3,56.94	85.87	4,67.28	24.47
(2)	36—Medical	38,15.00	22.84	40,80.71	2,42.87
(3)	76—Public Undertakings ..	2,25.00	1,01.61	3,47.66	21.05

21. Unutilised provision

(i) Rupees 88.90 crores remained unutilised in sixtytwo grants (Rs.58.65 crores) and twentysix charged appropriations (Rs.30.25 crores).

(ii) In twentythree grants and three charged appropriations, the savings (more than Rs.10 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 III.

(iii) Some of the major schemes where the provision remained substantially/wholly unutilised are shown below :

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(1)	Public Works Department 70—Roads and Bridges 737—Loans for Roads and Bridges— District and other Roads— Construction of Second Bridge over Hooghly River	16,00.00	15,00.00 (94)	The saving was due to less demand for loans from the Hooghly River Bridge Commission.
(2)	Agriculture and Community Development Department 53—Minor Irrigation, Soil Conservation and Area Development 308—Area Development— Development of Hill Areas— Central Sector (New Schemes)— Accelerated Development of Hill Areas	2,46.52	1,46.98 (60)	The scheme envisages integrated development of Darjeeling hill areas according to a microplan drawn up on area basis at the instance of the Planning Commission with a view to helping the weaker sections of the society. Reasons for the saving have not been intimated (March 1976).
(3)	Health and Family Planning Department 37—Family Planning 281—Family Planning— Compensations— Centrally-sponsored (New Schemes)— Compensation for Tubectomy Compensation for Vasectomy	49.00 88.00 1,37.00	38.38 85.96 1,24.34 (91)	The provision was for 75,000 tubectomy operations and 1,75,000 vasectomy operations during 1974-75 and for payment of grants to non-Government centres. Reasons for the saving have not been intimated (March 1976).

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(4)	Health and Family Planning Department			The provision was for the execution of piped water supply scheme in rural areas, spill-over expenditure of the Fourth Plan schemes and strengthening of the Public Health Engineering Directorate.
	38—Public Health, Sanitation and Water Supply			
	282—Public Health Sanitation and Water Supply—			
	Rural Piped Water Supply Schemes—			
	State Plan (Fifth Plan)—			
	Piped Water Supply Scheme (for rural areas):	1,37.00	1,02.23 (75)	Reasons for the saving have not been intimated (March 1976).
(5)	Closed and Sick Industries Department			The provision of Rs. 50 lakhs was for investment in the share capital of the proposed corporation for running the tea gardens and comparatively smaller units in other sectors the management of which was taken over by Government. The provision of Rs. 1,34 lakhs was for making loans to the industrial units (other than textiles) the management of which was taken over or was likely to be taken over by Government and to the proposed corporation in the non-textile sector.
	61—Industries (Closed and Sick Industries)			
	520—Capital Outlay on Industrial Research and Development—			
	Other expenditure ..	50.00	45.00	
	720—Loans for Industrial Research and Development—			
	Other loans	1,34.00	53.65	
	State Plan (Fifth Plan)—			
	Revival of Closed and Sick Industries Units	1,84.00	98.65 (54)	

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(6)	Relief and Welfare Department			The saving was due to imposition of a general cut on the State Plan ceiling and delay in taking over closed and sick industries including tea gardens after completion of formalities.
	46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes)			The provision was for meeting nutrition needs of one and a half lakhs of children of the age group 0—6 years and expectant and nursing mothers in urban slums and tribal areas.
	288—Social Security and Welfare—			Reasons for the saving have not been intimated (March 1976).
	Social Welfare— Family and Child Welfare— Special Nutrition Programme	99.00	91.56 (92)	
(7)	Irrigation and Waterways			
	66—Irrigation			
	532—Capital Outlay on Multipurpose River Projects—			
	C—Teesta Barrage Project—			
	Fifth Plan—			
	Teesta Barrage Irrigation Scheme	82.20	82.20 (100)	Teesta Barrage Project was estimated to cost about Rs. 70 crores consisting of two barrages one across the river Teesta and the other across the river Mahananda at Sonapurhat with a canal system to provide irrigation to 3.7 lakh hectares.
				The saving was due to curtailment of Plan expenditure as per instructions of the Planning Commission.

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(8)	Agriculture and Community Development			The provision was for execution of the scheme for which Central assistance had already been received during 1973-74.
	53—Minor Irrigation, Soil Conservation and Area Development			
	506—Capital Outlay on Minor Irrigation, Soil Conservation and Area Development—			
	Minor Irrigation— Central Sector (New Schemes)—			Reasons for the saving have not been intimated (March 1976).
	River Lift Irrigation (Spill-over scheme)	1,35.77	75.47 (56)	
(9)	Closed and Sick Industries Department			The provision was for investment in the share capital of the Corporation (Rs. 50 lakhs) and for making loans to the Corporation (Rs. 25 lakhs) to enable it to release funds for running the cotton textile mills the management of which had already been or was likely to be taken over.
	61—Industries (Closed and Sick Industries)			
	526—Capital Outlay on Consumer Industries—			
	Textiles	50.00	50.00	
	726—Loans for Consumer Industries—			
	Textiles	25.00	25.00	
	State Plan (Fifth Plan)—			
	West Bengal Textile Corporation Ltd.	75.00	75.00 (100)	The saving was due to post-budget decision not to release further financial assistance pending review of the position of the textile units already nationalised.

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(10)	Education Department			The provision was for introduction of work-experience in existing High Schools under the new pattern of Secondary Education introduced from 1974 and included cost of materials and equipment, construction of craft shed and maintenance grant to craft teachers.
	34—Education, Art and Culture (Excluding Sports and Youth Welfare)			
	277—Education—			
	B—Secondary Education—			
	Other expenditure—			
	Fifth Plan—			
	Provision for introduction of work-experience in existing high schools under the new pattern of secondary education	1,09·60	72·12 (66)	Reasons for the saving have not been intimated (March 1976).
(11)	Education Department			The provision was for payment of lump maintenance grants to 80 old schools at the rate of Rs. 15,000 each and 386 new High Schools recognised from 1st January 1968 to 1st January 1969 at the rate of Rs. 6,000 each, payment of Government dearness allowance and pay contribution for the teaching and non-teaching staff of High Schools recognised/set up during the Fourth Plan period, extension of the Government school buildings and for implementation of
	34—Education, Art and Culture (Excluding Sports and Youth Welfare)			
	277—Education—			
	B—Secondary Education—			
	Assistance to non-Government Secondary Schools—			
	Fourth Plan (Committed)—			
	Expansion of teaching and educational facilities for children of age group 14-15	1,27·00	72·04 (57)	

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
				the Salary Deficit Scheme for the schools recognised up to 1st January 1970.
				Reasons for the saving have not been intimated (March 1976).
(12)	Commerce and Industries Department			The provision was for investment in the share capital of the Corporation to enable it to invest in the share capital of joint sector projects and the projects in the private sector.
	82—Industrial Financial Institutions (Excluding Public Undertakings)			
	530—Investments in Industrial Financial Institutions—			
	Investment in Public Undertakings—			The saving was due to cut imposed as a measure of economy at post-budget stage.
	Fifth Plan—			
	West Bengal Industrial Development Corporation Ltd.	1,10.00	60.00 (54)	
(13)	Agriculture and Community Development Department			The scheme aimed at development of fifteen markets for which necessary subsidy was to be paid by the Government of India.
	52—Agriculture			
	305—Agriculture—			
	Agricultural Marketing and Quality Control—			
	Central Sector (New Schemes)—			The saving was due to less funds released by the Government of India.
	Schemes for development of regulated markets situated in underdeveloped areas	50.00	48.00 (96)	

(In lakhs of rupees)

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
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(In lakhs of rupees)

(14) Education Department

34—Education, Art and Culture (Excluding Sports and Youth Welfare)

277—Education—

A—Primary—

Teachers' Training—

Fifth Plan—

Improvement of teachers' training facilities

47.42

45.56
(96)

The provision was for expansion of existing Junior Basic Training Institutes, opening of new Junior Basic Training Institutes, conversion of some Primary Training Schools into Junior Basic Training Institutes, terminal benefits to the teachers and other staff, laboratory facilities for the Junior Basic Training Institutes and in-service training of Primary school teachers at the rate of Rs. 100 per teacher in the training camp.

The saving was due to diversion of funds to accommodate expenditure under "Minimum Needs Programme".

(15) Agriculture and Community Development Department

52—Agriculture—

305—Agriculture—

Commercial Crops—

Centrally-sponsored (New Schemes)—

Intensive Jute District Programme

64.00

43.88
(69)

The scheme aimed at increasing the yield of jute crop in the jute growing districts of the State.

The saving was due to less funds released by the Government of India.

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(16)	Agriculture and Community Development Department			Reasons for the saving have not been intimated (March 1976).
	53—Minor Irrigation, Soil Conservation and Area Development—			
	308—Area Development—			
	Other Expenditure—			
	Non-Plan (Developmental)—			
	Area development programme in Kangsabati Command Area—			
	Scheme for development of roads	40.00	38.81 (97)	
(17)	Education Department			The provision was for establishment of 207 Junior High Schools, appointment of 2,066 teachers in the Junior High Schools, opening of 1,300 centres for imparting part-time education to students who drop out without completing education in Classes VI—VIII, construction of buildings of new Junior High Schools in backward areas only and supply of furniture, etc., to them and improvement of buildings of the existing Junior High Schools.
	34—Education, Art and Culture (Excluding Sports and Youth Welfare)			
	277—Education—			
	B—Secondary—			
	Assistance to non-Government Secondary Schools—			
	Fifth Plan—			
	Expansion of teaching and educational facilities for children of age group 11-14	70.92	38.78 (55)	Reasons for the saving have not been intimated (March 1976).

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(18)	Irrigation and Waterways Department			The scheme aimed at relieving drainage congestion and providing better irrigation facilities at an estimated cost of Rs 154·00lakhs.
	66—Irrigation			
	533—Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects—			The saving was mainly due to cut imposed on Plan expenditure at post-budget stage.
	E—Drainage Projects (Commercial)—			
	Major and Medium Drainage Projects—			
	Fifth Plan—			
	West Mograhat Basin Drainage Scheme	70·00	37·23 (53)	
(19)	Irrigation and Waterways Department			The scheme aimed at relieving drainage congestion and providing better irrigation facilities at an estimated cost of Rs. 268·35 lakhs.
	66—Irrigation			
	533—Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects—			The saving was mainly due to cut imposed on Plan expenditure.
	E—Drainage Projects (Commercial)—			
	Major and Medium Drainage Projects—			
	Fifth Plan—			
	Dubda Basin Drainage Scheme	75·00	30·94 (41)	
(20)	Commerce and Industries Department			The provision represented the estimated cost of acquisition of 600 acres of land to be handed over to the
	62—Industries (Excluding Closed and Sick Industries)			

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
	520—Capital Outlay on Industrial Research and Development—			West Bengal Infrastructure Development Corporation which would develop them with a view to attracting new industrial units.
	Other expenditure—			
	Fifth Plan—			
	Acquisition of Land for industrial areas in Growth Centres	30.00	30.00 (100)	The saving was mainly due to curtailment of Plan expenditure.
(21)	Education Department			The provision was for book grants to girl students, establishment of sponsored Junior High Schools for scheduled caste students and setting up of textbook libraries and scholarships for girl students in rural areas.
	34—Education, Art and Culture (Excluding Sports and Youth Welfare)			
	277—Education—			
	B—Secondary—			
	Other expenditure—			
	Fifth Plan—			Reasons for the saving have not been intimated (March 1976).
	Provision for incentives to the development of elementary education (Classes VI-VIII)	30.38	28.88 (95)	
(22)	Housing Department			The provision was for payment of 50 per cent of the approved cost as loans to the planters for construction of dwelling units for their residential workers.
	39—Housing			
	683—Loans for Housing—			
	Central Sector (New Schemes)—			Reasons for the saving have not been intimated (March 1976).
	Subsidised Housing Scheme for Plantation Workers	25.00	25.00 (100)	

Serial No.	Department, Grant No. and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
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(In lakhs of rupees)

(23)	Agriculture and Community Development Department			The saving was due to discontinuance of the scheme after 30th June 1974.
	52—Agriculture			
	305—Agriculture—			
	Extension and Farmers' Training—			
	Centrally-sponsored (New Schemes)—			
	Scheme on cotton demonstration and development in Sunderbans and coastal belt in West Bengal	30.00	24.07 (80)	

22. Advances from Contingency Fund

A Contingency Fund of Rs.5 crores has been placed at the disposal of Government to enable it to meet unforeseen expenditure pending authorisation by the State Legislature.

The advances from the Fund can be made only to meet unforeseen expenditure, not provided in the budget, which is of such an emergent character that postponement of it, till vote of the Legislature is taken, would be undesirable.

The West Bengal Contingency Fund Rules enjoin that supplementary estimates for all expenditure met out of advances from the Fund shall be presented to the Legislature as far as practicable within the financial year in which the advances were sanctioned and that the advances shall be repaid to the Fund as soon as the Legislature authorises the expenditure included in the supplementary estimates.

During 1974-75, the total amount advanced from the Contingency Fund was Rs.1,85.76 lakhs against twentytwo sanctions issued by Government. Three items of advances amounting to Rs.60.06 lakhs were not recouped to the Fund till the close of the year. The major unrecouped item was for Rs.60 lakhs, details of which are given below :

Amount of advance	Sanctioned in	Remarks
Rs. 60 lakhs	December 1974	Supplementary provision was obtained under Grant No. "73—Other Transport and Communication Services" for recoupage of the advance which, however, was not effected for want of sanction from the Finance Department.

At the end of the year advances amounting to Rs.21.73 lakhs, drawn from the Fund during previous years, remained unrecouped to the Fund of which the main items were :

Serial No.	Amount of advance	Sanctioned in	Remarks
	<i>(In lakhs of rupees)</i>		
(1)	4.67	March 1970	Sanctioned as loans to the Calcutta Tramways Company Ltd.
(2)	15.00	September 1970	Sanctioned for Greater Calcutta Milk Supply Scheme.

23. Non-receipt of explanations for savings/excesses

The Public Accounts Committee mentioned in their Report on the Accounts for 1957-58 and 1958-59 and Audit Reports thereon that the heads of departments should be prompt in furnishing the necessary information to the Accountant General for inclusion in the Appropriation Accounts and the Report of the Comptroller and Auditor General of India. The explanations for the variations between expenditure and grant/appropriation were not received at all or received incomplete in respect of 175 group-heads (March 1976), that is for 53 per cent of the total number of group-heads the variations in which were to be explained. Such delay in the submission of material for the Appropriation Accounts results in the Report being incomplete in certain essential respects.

24. Reconciliation of departmental figures

The departmental officers are required to reconcile periodically the departmental figures of expenditure with those booked in the office of the Accountant General before the close of the accounts for a year. This is necessary to ensure effective control over expenditure. This also enables the Controlling Officers to detect in the early stages frauds and defalcations, if any. The reconciliation is heavily in arrears in some departments although this was brought to the notice of the Finance Department of the Government periodically.

During 1974-75 reconciliation was not done for all the twelve months in 63 cases while it was not done for periods ranging from one month to eleven months of the year in 39 cases.

The Assistant Director of Public Instruction (Refugee Relief and Rehabilitation Department) and the Assistant Secretary, Education Department have not reconciled the figures for any year since 1969-70.

The number of reconciliation certificates due (March 1976) was 1,173.
The year-wise break-up is as follows :

1969-70	...	24
1970-71	...	24
1971-72	...	48
1972-73	...	66
1973-74	...	88
1974-75	...	923
Total		1,173

CHAPTER III

AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT**25. Purchase of pesticide**

In response to a tender invited in October 1972 for the purchase of 30 tonnes of Sevin 50 WP, a pesticide used against spotted bollworms which attack cotton crop, quotations were received both from manufacturers and formulators. Though the rates offered by the formulators were lower, it was decided, on the recommendation of the Tender Committee, to place the order only with the manufacturers to ensure standard quality. As no manufacturer had offered to supply the entire quantity, the order for 30 tonnes was placed (January 1973) with the principal distributor of a manufacturer at Rs.17,100 per tonne on the strength of the certificate from the manufacturer about the rate and quality.

On 22nd March 1973 the Director of Agriculture ordered the withholding of payment for the supplies as the application of the chemical to control spotted bollworms in the coastal belt in Rabi season had not given the desired results. Full payment (Rs.5.44 lakhs) had already been made on 17th March 1973 for the supplies received between 4th and 15th January 1973. It was noticed that the packets containing the pesticide did not indicate the date of manufacture, the batch number and the date of expiry, contrary to the Insecticide Rules 1971. Samples of the chemical were sent for analysis at the National Test House, Alipore and the Pesticide Laboratory, Bombay. The Test House Report (June 1973) indicated that the percentage of Sevin content in eleven samples out of 30 analysed was below 50 per cent by weight. Whether even this strength was effective to deal with bollworms was, however, not established since trials conducted by the manufacturer with pesticide of that strength in 1971-72 could not fully protect the cotton balls. Of the total quantity of 30 tonnes of Sevin supplied by the distributor, 11.78 tonnes were lying unused till February 1974 but this was stated to have been used by December 1974 for protection of kharif cotton crop in laterite zone and also for other crops.

The department stated (April 1975) that the relevant files and the tender papers were lying with an official placed under suspension since December 1973.

The matter was referred to Government in August 1975; their reply is awaited (March 1976).

26. Cultivation of ramie

Experimental cultivation of ramie plant was undertaken in December 1957 in the District Seed Farm, Mohitnagar (Jalpaiguri) with a view to facilitating production of durable synthetic fibre. An expenditure of Rs.0.30 lakh was incurred on the scheme up to 1960-61. To give it scientific support, a Technology section was set up at

Tollygunge, Calcutta in 1960-61 as a research wing and it was decided to extend the experimental cultivation to an area covering 25 acres in the District Seed Farm, Mohitnagar. Depending on the results of experimental cultivation and the development of the technique for processing ramie fibre for eventual use in industrial purposes, Government envisaged (June 1962) bringing an area of 10,000—15,000 acres under ramie cultivation in the districts of Jalpaiguri, Darjeeling and Cooch Behar in North Bengal where the soil was considered suitable for the cultivation. It was also envisaged that a spinning plant would be set up by the State Government for exploitation of the commercial potentialities of ramie fibre. No specific time-schedule was fixed either for expansion of cultivation or for setting up the spinning plant.

It was estimated that the annual average yield of dry degummed fibre from the area of 25 acres would come to 13,625 kgs at the rate of 545 kgs per year per acre which was expected to result in a net profit of Rs.18,650 per annum.

A net expenditure of Rs.10.88 lakhs was incurred on the scheme till the end of 1974-75, consisting of Rs.5.65 lakhs on the cultivation of ramie plants in the District Seed Farm, Mohitnagar and Rs.5.23 lakhs on the Technology section. The area under cultivation in the Farm declined from 17.85 acres in 1960-61 to 7.29 acres in 1974-75; the quantity of ramie fibre obtained during this period was reported to be 10,560 kgs against the yield of 93,827 kgs estimated by the department at 545 kgs per acre per year and sale proceeds realised were Rs.0.32 lakh against cultivation expenses of Rs.5.67 lakhs. The Directorate of Agriculture was unable to explain the reasons for the decline in cultivation.

The Technology section created specifically for research on cultivation and processing of the species, was without a head from December 1968 till the middle of September 1974 due to absence on leave of the Technologist. In September 1974, the Supervisor, Soil Survey of the Directorate was placed in additional charge of this post and this arrangement has been continuing (December 1975) since then. The existing staff are reported to have been deployed on maintaining the nursery and the plant and machinery of the Technology section.

The matter was referred to Government in November 1975; their reply is awaited (March 1976).

DEVELOPMENT AND PLANNING DEPARTMENT

27. Special Employment Programme

27.1. Introduction

27.1.1. The State Government launched a Centrally sponsored "Special Employment Programme" in 1972-73. The programme was to be of developmental nature fitting into the Plan objectives and was intended to benefit rural and urban job seekers, educated as well as uneducated, with

the maximum possible employment orientation consistent with economy and efficiency. It was to be launched immediately and executed preferably in a period of one year. The schemes under the programme were to be formulated by the State Government in consultation with the Government of India in the light of the local requirements and special conditions.

Central assistance for the programme was received by the State up to 1973-74; from 1974-75 onwards the programme was included in the State's Five Year Plan and continued from its own resources.

27.1.2. The Special Employment Programme formulated by the State Government comprised the following:

- (i) Labour intensive schemes, such as construction and improvement of rural roads, repair of embankments, re-excavation of derelict tanks and environmental improvement of municipal areas (roads, drainage, parks, etc.) to be implemented for providing additional employment mainly in the rural areas and creating durable assets in the process. The schemes were executed by the district magistrates through the block development officers, zilla parishads, municipalities, etc.
- (ii) (a) Stipendiary training schemes for educated job-seekers in urban and rural areas so as to equip them for subsequent absorption in Government or for self-employment. The schemes included training in setting up business to those who had received training in Industrial Training Institutes and training in animal husbandry and dairy development practices, artistic handicrafts, power projects, forestry operations, etc.
- (b) Schemes of short-term employment of educated job-seekers in survey operations, village *pathsalas* opened for removal of illiteracy and tutorial centres for the coaching of school children.

These schemes were executed by the respective heads of departments through their district level officers.

27.2. *Expenditure*: The expenditure incurred on the programme from 1972-73 to 1974-75, as reported by Government, was as follows:

	1972-73	1973-74	1974-75
			(In lakhs of rupees)
(i) Labour intensive schemes ..	204.49	149.16	173.59
(ii) Stipendiary training schemes and short-term employment schemes	31.13	106.37	9.86
Total ..	235.62	255.53	183.45

Government of India initially agreed to render financial assistance up to a ceiling of Rs.218 lakhs during 1972-73 on a matching basis. Considering the resource position of the State, Government of India

subsequently decided to increase the quantum of financial assistance and waive the condition relating to matching grant. Government of India provided Rs.403.70 lakhs (Rs.218 lakhs in 1972-73 and Rs.185.70 lakhs in 1973-74) out of the total expenditure of Rs. 491.15 lakhs up to 1973-74.

27.3. *Test check in Audit:* The accounts records for the period 1972-73 to 1974-75 relating to the working of the programme available in the Development and Planning Department, the Directorates of the departments concerned and in the districts of Howrah, Midnapore, Murshidabad and West Dinajpur were seen in Audit. A few works in four other districts were also test checked. Points noticed are mentioned in the succeeding paragraphs.

27.4. *Labour intensive schemes .*

27.4.1. The guidelines issued in connection with the execution of Crash Scheme for Rural Employment (mentioned in the Advance Report of the Comptroller and Auditor General of India for 1972-73) were generally to be followed for execution of the schemes under this programme also. Wages for labour to be selected locally were not to exceed the off-season rate for agricultural labour subject to limits of Rs. 4 per day and Rs.100 per month. Cost of material component including supervision was not to exceed 40 per cent of the cost of each work. Contractors were not to be engaged and the bricks required for the works were to be manufactured and not purchased.

27.4.2. Information about the targets under the programme and the performance in terms of employment generated was not available in the department or in the district offices for any of the years from 1972-73 to 1974-75. In the periodical reports to Government of India scheme-wise expenditure and the number of persons employed were mentioned without indicating the period during which employment was provided. However, targets and achievements as far as could be collected by Audit from the records of each scheme as made available by individual executing authority (block development officers, zilla parishads, etc.) are indicated below for the four districts of Howrah, Midnapore, Murshidabad and West Dinajpur.

Period	Number of mandays of employment		Expenditure	
	Target	Actuals	Allotment	Actuals
	(In lakhs)		(In lakhs of rupees)	
1972-73 to 1974-75	40.03*	20.35	160.44	101.58

The shortfall was reported to be mainly due to non-execution of most of the works sanctioned in 1974-75, consequent on the release of funds at the end of the year.

*Year-wise target was not available as the targets were fixed for the individual schemes which were executed over a period of more than a year.

Against Rs.160.44 lakhs drawn by the executing authorities in the four districts during 1972-73 to 1974-75, Rs.101.58 lakhs were reported to have been spent leaving an unspent balance of Rs.58.86 lakhs on 31st March 1975. Zilla Parishad, Howrah had an unspent balance of Rs.16.18 lakhs on 31st March 1975 as against the total drawal of Rs.22.27 lakhs (1972-73: Rs. 7.70 lakhs, 1973-74: Rs.5.64 lakhs and 1974-75: Rs.8.93 lakhs).

According to the Census, 1971 there were 10.58 lakhs agricultural labourers in the four districts reviewed in audit. Employment reported by the local executing authorities to have been generated in terms of mandays in these districts, that is 8.91 lakhs in 1972-73, 6.55 lakhs in 1973-74 and 4.89 lakhs in 1974-75 was equivalent to employment of 2,970, 2,183 and 1,630 persons respectively during these years on the basis of 300 working days in a year.

27.4.3. *Selection of labourers, output, wages and materials:* Selection of unskilled labourers was made by the local executing authorities from the lists furnished by Anchalik Parishads.

Unskilled labourers were generally paid at the rate of Rs.3 per day during 1972-73 to 1974-75 in Murshidabad district. According to the Principal Agricultural Officer, Murshidabad (October 1975) the off-season rates of wages of agricultural labour in the district ranged between Rs.1.50 and Rs.2.50 during this period.

In Howrah district, agricultural labourers were paid wages at different rates of Rs.6, Rs.4, and Rs.5 per day during 1972-73 and 1973-74 by the Zilla Parishad, Howrah, Block Development Officer, Shyampur and Executive Engineer, Irrigation Division, Howrah respectively; according to the District Agricultural Officer, Howrah (October 1975), the wage rate for agricultural labour was Rs.3.54 in 1972-73 and Rs.5.60 in 1973-74.

In Bhagawangola II Block in Murshidabad district, labour charges for moulding of 34.69 lakh bricks for a road work were paid by the Block Development Officer at the rate of Rs. 34 per 1,000 whereas labour charges for moulding 2.27 lakhs of bricks for the same road work were paid at Rs.64.80 per 1,000, thereby incurring an excess expenditure of Rs.0.07 lakh.

Two works in Howrah district (cost: Rs.6.46 lakhs) were executed between February 1973 and April 1973 wholly through private contractors. Also, works mentioned below were partially executed through contractors:

Name of district	Number of works	Value of works done through contractors
		(In lakhs of rupees)
Midnapore	13	0.98
Howrah	2	1.65
Murshidabad	6	1.84
West Dinajpur	7	0.79

The work referred to above included masonry works, piling of salballa (piling with sal wood), carriage of bricks from clamps to work sites, dewatering of tanks, etc.

According to Government, the cost of materials including supervision should not exceed forty per cent of the total cost of any work. A study of the records relating to 19 completed works (total cost: Rs.29.63 lakhs) in the four districts showed that the cost of material including supervision in 12 works (total cost: Rs.25.85 lakhs) exceeded the ceiling and ranged between 43 and 88 per cent of the total cost.

27.4.4. Works

27.4.4.1. Of Rs.101.58 lakhs reported to have been spent during 1972-73 to 1974-75 on the programme in the four districts reviewed, Rs.65.61 lakhs were on roads and Rs.27.59 lakhs on tanks, embankments and *khals*.

27.4.4.2. *Road works*: During the period covered by audit, ninetytwo works on improvement of existing roads (estimate: Rs.107.79 lakhs) covering 469.27 kms were sanctioned in the four selected districts. Of these, twentynine works (164.38 kms) sanctioned in 1974-75 for which Rs.27.34 lakhs had been allotted and drawn were not taken up till March 1975; thirtynine works covering 97.10 kms of *kutchha* and 85.27 kms of *pucca* roads were reported to have been completed at a total cost of Rs.45.39 lakhs. Eighteen works (85.60 kms) were in progress at the end of March 1975, the expenditure incurred till that date being Rs.11.81 lakhs. Work on the remaining six schemes (36.92 kms) sanctioned at a cost of Rs.9.19 lakhs was suspended or abandoned for the reasons stated below after incurring an expenditure of Rs.8.41 lakhs:

Name of work	Date of commencement of work	Date of suspension or abandonment	Expenditure incurred till abandonment or suspension (In lakhs of rupees)	Reasons
1. Amdaharaghat to Kolan Radhakantapur Road (Murshidabad)	December 1972	July 1974	5.60	Suspended as revised estimate submitted was pending approval by Government (October 1975).
2. Tenya Talipur Road (Murshidabad)	April 1974	June 1974	0.07	Suspended as sanction to the construction of culverts was awaited from Government (October 1975).
3. Panchkhuri to Khaldangi Road (Midnapore)	January 1973	July 1974	1.10	Suspended due to local dispute on the alignment of the road.
4. Sabong to Kharika Road (Midnapore)	February 1974	July 1975	.81	Reasons not stated.
5. Khanpur to Dhumsadighi Road (West Dinajpur)	December 1972	July 1973	.83	Abandoned as the improvement was taken up by the P. W. D. (Roads) in the State's Fourth Five Year Plan.
6. Road from Nabagram More to Nabagram Primary Health Centre (Murshidabad)	..	..	..	Abandoned without commencing the work as the work had already been taken up by the P. W. D. (Roads).

In eleven road works in Midnapore district the items of work in the original estimates were revised within the sanctioned amount without the approval of competent authority and work not provided for in the estimate was done from savings under other items of the same work. In the estimates for two works in Murshidabad district, Rs.2.10 lakhs were provided in excess by double provision for manufacture of bricks (Rs.0.70 lakh) and erroneous rates for box cutting (Rs.1.40 lakhs); the excess amount was spent on other items relating to the work.

No records were shown to Audit to indicate that 39 road works detailed below, which were reported to have been completed till March 1975 in the four districts, were handed over to the agencies nominated for maintenance (October 1975):

District	Number of road works	Length of road (In kms)	Maintaining Agencies
Murshidabad ..	19	45.95	} Zilla Parishads, Municipalities and Public Works Department.
West Dinajpur ..	5	17.20	
Howrah ..	2	9.30	
Midnapore ..	13	109.92	

Some points noticed in test check of individual works are given below:

(i) *Improvement of kutcha road with jhama consolidation from Amdaharaghat to Kolan Radhakantapur in Bhagawangola II Block (Rs.5.60 lakhs)*

(a) Thirty Hume pipes and eighteen collars (cost: Rs.0.13 lakh), 4.18 lakh cft. of sand (cost: Rs.0.29 lakh) and 370 bags of cement (cost: Rs.0.06 lakh) were purchased for the work during January 1974 to June 1974 though not provided for in the estimate. The entire quantity of cement was sold in auction (August 1975) for Rs.0.05 lakh. Utilisation of sand was not recorded in the measurement book and the Hume pipes and collars were stated (October 1975) to be lying at work sites. The work was suspended in July 1974 and had not been resumed at the time of audit in October 1975.

(b) Rupees 0.30 lakh was paid as wages to labourers for "dismantling" burnt bricks from clamps at the rate of Rs.6.50 per 1,000, that is for dismantling 45.84 lakhs of burnt bricks whereas 36.96 lakhs of *kutcha* bricks were prepared and put in the clamp for baking between April 1973 and May 1974 as per measurement books and muster rolls for this road. The discrepancy could not be explained by the Block Development Officer, Bhagawangola II (October 1975).

(c) Rupees 0.49 lakh was paid through muster rolls during January to August 1974 for flat double brick soling (5.19 lakh sft.) and *jhama* consolidation (1.10 lakh cft.). The brick soling of the road stated to have

been done as per measurement books would have required 44.38 lakh bricks whereas only 32.42 lakh bricks were available for the work. The discrepancy could not be explained by the Block Development Officer, Bhagawangola II (October 1975).

(ii) *Improvement of kutcha road from Rampura to Natunganjghat in Raghunathganj II Block (Murshidabad district).*

From clamps 27.22 lakhs of manufactured bricks were received (1972-74) and 0.30 lakh of bricks were purchased (1973-74) at a cost of Rs.0.02 lakh. According to the measurement recorded, 22.20 lakhs of bricks were required to be used in the work. The balance of 5.32 lakhs could not be accounted for by the executing authority who stated (October 1975) that 0.28 lakh of bricks were stolen in July 1974 and First Information Report had been lodged with the Police (July 1974).

(iii) Materials (cement, bricks, iron rods, etc.) worth Rs.1.95 lakhs were reported to have been utilised between January 1973 and March 1975 in the execution of six road works in Binpur I, Daspur II, Kharagpur II, Midnapore and Sabong blocks. There was no provision for the use of these items in the estimates nor was there any indication of their utilisation in the measurement books.

27.4.4.3. *Tank, embankment, khals, etc.:* Sixtyeight works were sanctioned in the four districts during the period 1972-73 to 1974-75. Out of these, 40 works were reported to have been completed at a cost of Rs.22.33 lakhs, 5 were partly done (Rs.1.34 lakhs) and 20 (Rs.12.37 lakhs) were not started till the end of March 1975. Three works (expenditure: Rs.3.86 lakhs) were either abandoned or suspended as indicated below:

Name of work	Date of commencement of work	Date of suspension or abandonment of work	Expenditure incurred till abandonment or suspension of work (In lakhs of rupees)
1. Renovation of 'Chhatradighi tank' (West Dinajpur).	January 1973	November 1973 (abandoned)	3.65
2. Re-excavation of 'Patinahar tank' (West Dinajpur).	February 1974	March 1974 (abandoned)	0.01
3. Re-excavation of tank at Midnapore Police Lines (Midnapore).	March 1974	May 1974 (suspended)	0.20

Records in respect of two completed works (Rs.0.42 lakh) of Murshidabad district were not available to Audit (October 1975).

The work of renovation of "Chhatradighi tank" (69 acres) by dewatering, de-weeding and re-excavation, was taken up in January 1973 by the Block Development Officer, Itahar, West Dinajpur in consultation with the Tank Improvement Officer of the district. The Block Development Officer had reported (May 1973) to the District Magistrate, West Dinajpur that even after removing muddy decomposed weeds to a depth of 10 feet the soil layer could not be reached without excavating further by 8 feet to 10 feet and that in the absence of direct supervision, malpractice occurred in deployment of labour and chances of more malpractices could not be ruled out. The scheme was abandoned in November 1973 under orders of the District Magistrate after Rs.3.65 lakhs had been spent (estimate—Rs.7 lakhs) and 1,02,984 mandays of labour reportedly generated. Government considered the entire expenditure as infructuous and ordered (January 1974) an enquiry to bring out the lapses in the formulation, implementation and supervision of the scheme. The results of the enquiry report were not available (October 1975).

Work on re-excavation of a tank at Police lines, Midnapore (estimate—Rs.0.22 lakh) remained suspended since May 1974 after an expenditure of Rs.0.20 lakh was incurred from its commencement in March 1974 as the revised estimate (Rs.0.28 lakh) was not sanctioned till the date of audit (October 1975).

Out of five works of re-excavation of derelict tanks to be executed by the Alipurduar Municipality of Jalpaiguri district (estimate—Rs.0.77 lakh, employment—0.23 lakh mandays), four were taken up in February 1974 and abandoned in April 1974 under orders (March 1974) of the Deputy Commissioner, who was not satisfied about the work done and the utilisation of money spent. An expenditure of Rs.0.39 lakh had been incurred on these four works and 0.12 lakh mandays of employment were reported to have been generated. One work (Rs.0.19 lakh) was not taken up.

27.4.4.4. *Other works*: Reclamation (levelling, jungle cutting, sand removing, etc.) of 145 acres of vested land in Suri II Block was taken up in February 1973 by the Block Development Officer at an estimated cost of Rs.0.95 lakh, after ascertaining from the Junior Land Reforms Officer, Suri that the land in question was available for the purpose. The reclaimed land was to be leased out to 145 educated young men for self-employment through co-operative farming. After levelling 40 acres and removal of sand from 20 acres and incurring an expenditure of Rs.0.20 lakh, the work was abandoned (March 1973) when the Divisional Forest Officer, Birbhum pointed out that the possession of the land had been taken (1962) by the Forests Department for afforestation of valuable species.

27.4.4.5. *Miscellaneous*: (a) Bricks required for works were to be manufactured departmentally in order to provide employment. In the four districts 227 lakhs of bricks were manufactured and 19.82 lakhs of bricks were purchased from private suppliers during 1972-75; the average cost

was Rs.129 per thousand as against the ceiling of Rs.60 per thousand prescribed by Government in 1971 for manufacture of bricks. The reasons for purchase of bricks as stated by the district authorities (October 1975) were :

- (i) non-availability of soil for brick burning,
- (ii) non-availability of skilled workers and
- (iii) shortage of time.

The manufacturing cost of bricks exceeded the ceiling of Rs.60 per 1,000 prescribed by Government (1971) in the following cases resulting in excess expenditure of Rs.0.82 lakh as shown below :

Name of district	Name of block	Number of bricks burnt (In lakhs)	Total cost (In lakhs of rupees)	Rate per 1,000 (In rupees)	Excess expenditure (In lakhs of rupees)
Murshidabad	Murshidabad— Jiagunj	3.83	0.35	92	0.12
	Raghunathgunj	27.22	1.92	71	0.30
West Dinajpur	Balurghat	23.97	1.71	71	0.27
	Goalpukur II	12.66	0.89	70	0.13

Government had laid down 15 per cent as the ceiling of wastage in the process of manufacture of bricks. Cases of wastage in excess of this limit noticed during test check are indicated below :

Name of district	Name of block	Number of bricks moulded (In lakhs)	Number recovered (In lakhs)	Percentage of wastage
Murshidabad	Bharatpur II	1.00	0.71	29
	Berhampore	18.07	12.43	31
West Dinajpur	Goalpukur II	22.54	13.66	40

No manufacturing account was maintained in respect of 156.30 lakhs of bricks manufactured in Murshidabad district; no stock account of burnt bricks was also kept.

(b) No measurements were recorded in respect of works (cost : Rs.12.12 lakhs) susceptible of measurement executed by the Berhampore Municipality (Rs.2.28 lakhs), the Kandi Municipality (Rs.0.77 lakh), the Zilla Parishad, West Dinajpur (Rs.0.57 lakh) and different blocks of Howrah, Malda, Midnapore and Murshidabad districts (Rs.8.50 lakhs).

In Bhagawangola II Block, 4.10 lakh cft. of earthwork was shown as done between 26th March 1973 and 2nd April 1973 in the measurement book and payment of Rs.0.12 lakh was made on 4th April 1973. A further payment of Rs. 0.17 lakh was made between 4th April 1973 and 11th September 1973 through muster rolls for earthwork reported to have been done between 28th March 1973 and 2nd April 1973, but not recorded in the measurement book.

Muster roll payments for Rs.27.52 lakhs made up to March 1975 for eighteen works in the districts of Midnapore, Murshidabad, Bankura and Birbhum were not checked and accepted by the block development officers till the date of audit (October 1975). The amounts had been drawn by the block development officers and advanced to their staff for payment of wages to labourers. Muster rolls pending check and adjustment included Rs.15.85 lakhs paid as early as between January 1973 and September 1973 as wages to labourers for execution of the work on Mayurakshi Right Embankment.

27.5. *Stipendiary training schemes and schemes of short-term employment*: Schemes under these categories and the expenditure incurred thereon as furnished (October 1975) by the heads of departments concerned were:

Scheme	Department	Total allotment from (1972-73 to 1974-75)	Expenditure			
			1972-73	1973-74	1974-75	Total
(i) Training of ex-Industrial Training Institute boys and Extension Service Wing	Commerce and Industries	16.29	0.60	11.31	3.48	15.39
(ii) Training of 400 educated women in artistic handicrafts and formation of West Bengal Handicrafts Co-operative Society Limited	Cottage and Small Scale Industries	27.58	5.19	20.89	..	26.08
(iii) Employment of lac-growers	Ditto	3.90	0.43	1.52	1.59	3.54
(iv) Training of the educated unemployed in animal husbandry and dairy development	Animal Husbandry and Veterinary Services	11.32	4.82	6.19	..	11.01
(v) Training of unemployed technical persons in power stations	Power	15.16	..	13.49	..	13.49
(vi) Training of the educated unemployed and local people in different forestry schemes	Forests	20.36	5.50	14.59	..	20.09
(vii) Employment of the educated unemployed in road/soil, etc., surveys	Public Works (Roads)	28.46	7.21	21.42	..	28.63
(viii) Collection of stone materials	Ditto	9.77	3.25	4.28	..	7.53
(ix) Employment of the educated unemployed in "One-Teacher" Path-shala/Tutorial Centres	Education	10.45	0.84	7.67	..	8.51
(x) Training in construction works	Housing	0.08	0.07	..	..	0.07
		143.37	27.91	101.36	5.07	134.34

(In lakhs of rupees)

Results of test check in audit of some of the schemes are given below :

27.5.1. Intensive training of ex-Industrial Training Institute boys :

The object of the intensive training scheme was to impart training for a year (including 6 weeks in Industrial Training Institutes) to *ex*-Industrial Training Institute boys in small private workshops in the districts, to enable them to establish similar prototype business for self-employment creating additional employment in the process. The amounts payable were (i) stipend of Rs.100 per month to each trainee, (ii) Rs.30 per month per trainee to the workshop and (iii) Rs.17 per month per trainee to the Industrial Training Institute for imparting instructions. The scheme was taken up during 1973-74 and executed through Industrial Training Institutes in twelve districts (all the districts except Jalpaiguri, Bankura, West Dinajpur and 24-Parganas). An Extension Service Wing was set up in the Industrial Training Institutes and in the Directorate of Industries (Training) mainly to render such help as might be sought by the trainees for establishing their own business. Out of Rs.15.39 lakhs reported to have been spent on the scheme Rs.9.28 lakhs were spent in the training scheme and Rs.6.11 lakhs on the Extension Service Wing.

The Deputy Director of Industries (Vocational Training) stated (May 1975) that out of 803 trainees admitted during 1973-74, 710 completed the training and 93 left without completing the training either on "medical grounds or on obtaining chances elsewhere". Information regarding the amount of stipend paid to these trainees was not available.

The Extension Service Wing functioned during 1973-74 and 1974-75 and is reported to have helped the *ex*-trainees in the preparation of 506 schemes of which 246 were submitted to the banks for obtaining finance for setting up business. Of these, 54 schemes were cleared by the banks (September 1975) when the Extension Wing was wound up. The main difficulty faced by the trainees was stated (October 1975) to be in furnishing security money/guarantor insisted on by the banks. Out of 710 successful trainees, 54 established their own business, 83 secured employment without the help of the Extension Wing and the remaining 573 were not employed in either way (January 1976).

27.5.2. Training of educated unemployed women in artistic handicrafts :

Under this scheme, 400 educated unemployed women in low income group were to be trained in different types of handicrafts and a State Handicrafts Co-operative Society was to be formed as a follow-up of the training scheme mainly for commercial production and business in handicrafts.

Training in artistic handicrafts was imparted to 369 trainees for a period of 12 to 18 months during 1972-73 and 1973-74 in ten selected private institutes and one Government institution on a monthly stipend of Rs.30 each; ten left without completing the training. Of Rs.11.15 lakhs

paid to these institutions for implementation of the scheme, Rs.9.76 lakhs were spent by them during 1972-73 and 1973-74 leaving an unspent balance of Rs.1.39 lakhs of which Rs.1.14 lakhs were to be refunded by seven private institutions (October 1975). Fifty per cent of the sale proceeds of finished products turned out by the trainees were to be credited to Government and the balance to be paid to the trainees. Information about the value of such finished products or sale proceeds was not available in the Directorate (October 1975).

The West Bengal State Handicrafts Co-operative Society (authorised capital: Rs.12 lakhs) was established in March 1973 with 12 primary co-operative societies formed by the *ex*-trainees (number not available) and 44 other existing primary societies. Government provided financial assistance of Rs.5.70 lakhs to the Society (Rs.0.78 lakh in 1972-73 and Rs.4.92 lakhs in 1973-74) for the purchase of furniture, managerial subsidy, share participation and working capital loan. Government also paid to the Society (March 1974) Rs.9.23 lakhs towards equipment grant and working capital loan (Rs.2,500 per trainee) to enable the trainees to start business as envisaged in the scheme. The Society disbursed Rs.1.17 lakhs to 9 primary co-operative societies between March 1975 and October 1975, having 196 *ex*-trainees as members, as initial advance to implement the scheme. Due to non-receipt of Government orders on execution of bonds by the recipients, the balance of Rs.8.06 lakhs was lying undisbursed (October 1975) with the State Handicrafts Society. The extent of utilisation of the funds and the volume of business turned out by the Society could not be ascertained as the accounts of the Society were audited by the Registrar of Co-operative Societies only up to the year 1972-73 and the audit report had not been received by the Directorate (October 1975).

27.5.3. *Training of technically educated unemployed youth for employment in power projects*: A scheme to train 835 technically educated unemployed youth in generation, transmission and distribution of electricity, for employment in the power projects was implemented during 1972-73 and 1973-74, through the agency of the State Electricity Board at a cost of Rs.13.49 lakhs *vide* details given below :

Category of trainees	Period of training	Stipend per month per trainee (Rs.)	Number of persons recruited for training	Number of persons completing training	Number of persons who did not complete the training
Engineering graduate	1 year	275	69	60	9
Trainee Grade I	1 year	150	567	299	268
Trainee Grade II	1½ years	100	199	157	42
			835	516	319

Of 516 who completed the training, 168 (category-wise break-up not available) had been employed under the Board till the date of audit (October 1975).

27.5.4. Forestry schemes: Stipendiary training schemes and schemes of environmental improvement of urban areas were executed by the Forests Directorate during 1972-73 and 1973-74 at a total cost of Rs.20.09 lakhs including the expenditure on supervisory cells (Rs.2.24 lakhs). Major activities under the scheme are dealt with below :

(i) Training was imparted in forestry operations to 395 educated (Higher Secondary passed and above) unemployed youth (stipend : Rs.6 per head per day) for three months in methods of felling, logging, etc. The trained youth were to get preference in departmental operations of the Forests Department. These trained youth were provided occasional employment in the Government Saw Mills at Siliguri; according to the Forests Directorate (April 1974) only 50 trainees were interested in taking any job in forestry operations.

(ii) Training was imparted in Nature conservation and wild life protection to 248 semi-educated unemployed youth (stipend : Rs.5 per head per day) for six months in conservation and protection of wild life in the existing game sanctuaries. The trained youth were to get preference in employment in the Forests Department but information as to the number absorbed so far by the department was not available (October 1975).

(iii) Training in floriculture and identification of herbs and medicinal plants, of 90 days' duration, was imparted to 204 educated unemployed youngmen (stipend : Rs.6 per head per day) at Purulia and Kalimpong centres. The trained youngmen were expected to be self-employed by forming co-operative societies dealing in flowers, medicinal plants, etc. According to the information available (November 1975) in the Directorate, 15 *ex*-trainees had formed one co-operative society at Darjeeling.

27.5.5. Road surveys, physical survey, etc.: In view of the pressing need for collecting data for the preparation of road projects for the Fifth Five Year Plan, a scheme for the creation of an advance planning cell for physical survey, soil survey, sub-soil exploration, traffic investigation, geometric design and traffic planning was taken up under the Special Employment Programme. The scheme was expected to employ technical and non-technical persons on prescribed rates of daily wage on "no work, no pay" basis. The scheme was executed by the Chief Engineer, Public Works (Roads) Department in all the districts through the Executive Engineers.

An expenditure of Rs.28.63 lakhs was incurred on this scheme during 1972-73 and 1973-74. The advance planning cell was wound up with the completion of the scheme (1973-74). Information on division-wise expenditure, generation of employment, target and achievement in physical terms could not be supplied (November 1975) by the Chief Engineer, Public Works (Roads) Department. However, information collected by Audit (October 1975) in respect of the State Highway Circle No. III (expenditure: Rs.6.19 lakhs) covering four Public Works divisions is indicated below:

Category of persons employed	Employment target		Achievement	
	Number	Mandays (In thousands)	Number	Mandays (In thousands)
Engineering graduates ..	5	1.5	2	0.4
Diploma holders ..	165	26.1	140	21.9
Educated (non-technical) ..	78	10.2	65	9.5
Unskilled	247	40.6	83	31.0

Target in terms of work to be done was not available (November 1975). The work done during 1972-73 and 1973-74 by the persons employed as furnished by the Superintending Engineer in respect of the four divisions comprised road surveys (708 miles), soil survey (8 miles), river survey (one), pasting of *mouza* maps (255 miles), collection of hydrological data (156 miles of roads), traffic investigation (20 points), earthwork calculation, drawing and Land Acquisition Plan (130 miles) and earthwork (5.15 lakh cft.). No information could be obtained (December 1975) as to the extent of use of the data collected in framing of road projects under the Fifth Five Year Plan which was the objective of the scheme.

27.5.6. *Collection of stone materials*: The scheme envisaged collection of stone materials from river beds through labourers for use in road works of North Bengal districts after crushing in mechanical crushers to be purchased and installed. The scheme was executed by the Public Works (Roads) Department at places near Siliguri during 1972-73 and 1973-74 at a cost of Rs.7.53 lakhs against the allotment of Rs.9.77 lakhs. As against the target of 0.62 lakh mandays of employment, 0.13 lakh mandays were reported to have been generated.

Though Rs.4.72 lakhs were spent for the purchase of two crushers (dates not available) in these two years, the entire quantity of 3.04 lakh cft. of stone materials collected during this period could not be crushed till the date of audit (October 1975) due to delay in installation of the crushers.

27.5.7. *One-teacher pathshala and tutorial centres*: The scheme envisaged (i) setting up one-teacher *pathshalas* expected to function for one year for providing instructions to illiterate adults of the age group 15 to 45 in two shifts of 20 each on every working day by teachers to be

selected from among the School Final/Higher Secondary passed unemployed on a monthly remuneration of Rs.30 per shift and (ii) setting up tutorial centres for providing instructions to school going children reading in classes IV to XI. The unemployed under-graduates/Higher Secondary passed and graduates/post graduates to be employed as tutors on a monthly remuneration of Rs.100 and Rs.150 respectively were to be given preference for absorption in local schools according to qualifications. Expenditure of Rs.8.51 lakhs was incurred on the scheme during 1972-73 and 1973-74 by the Education Department.

Information about the number of *pathsalas* and tutorial centres set up in the State was not available. A test check of records in the selected districts showed that 104 one-teacher *pathsalas* and 82 tutorial centres were set up till 1973-74 against the target of 145 and 95 respectively at a cost of Rs.2.28 lakhs. 4,160 adults were reported (January 1976) to have been taught in these districts. Out of 82 tutors, 5 could be absorbed till October 1975 in the local schools. The scheme was discontinued from 1974-75.

The matter was referred to Government in December 1975; their reply is awaited (March 1976).

HEALTH AND FAMILY PLANNING DEPARTMENT

28. Unutilised offset printing machine

For printing of family planning literature, one Romayer III offset printing machine was purchased (April 1969) from a firm at a cost of Rs.0.40 lakh, 90 per cent of which was paid (1969-70) on receipt of the machine, balance 10 per cent being payable after its installation by the supplier. Other machines with accessories required for processing offset plates, paper cutting and graining of plates were also purchased in 1969-70 at a cost of Rs.1.07 lakhs from different suppliers. According to the information furnished by the State Government to the Government of India, the department was ready (October 1968) for immediate installation of these machines but the press could not be installed on receipt for want of 440 volt power line. The requisite electric wiring was done through a private contractor only in November 1974 at a cost of Rs.8,976 and power supply was available from June 1975. The delay in arranging the power supply was stated to be due to the time taken in negotiation with the Public Works Department and with the Calcutta Electric Supply Corporation.

The balance 10 per cent of the cost of the printing machine had been released in March 1971 after obtaining an undertaking from the supplier that installation would be arranged without extra cost. When called upon (June 1975) to instal the machine, the supplier demanded extra payment of Rs.2,200 on the ground that it was badly jammed due to delay in installation. The matter is reported to be under negotiation with the supplier (December 1975). The machines are lying unused (December 1975).

The accommodation hired (1969-70) for installing the press at Rs.2,100 per month was reported to have been used as a paper godown till August 1973.

The department got the family planning literature printed in private presses at a total cost of Rs.3.64 lakhs (excluding cost of paper) between 1969-70 and 1974-75.

29. Mass vasectomy under Family Planning Programme

Government organised mass vasectomy camps in all the 16 districts between October 1972 and March 1973. As against the target of 2.47 lakhs vasectomy operations during the period, the number of operations done was reported to be 2.03 lakhs. The expenditure incurred was reported to be about Rs.1.18 lakhs against the allocation of Rs.2.46 lakhs.

A test check of the records in the four districts of 24-Parganas, Murshidabad, Howrah and Nadia disclosed the following:

Sterilisation cards required to be completed for each individual acceptor undergoing operation with details of his address, eligible couple register number, family particulars, date of operation, acknowledgement for the amount paid as compensation and the signature of the medical officer conducting the operation were not available in 2,784 (Murshidabad: 2,114 and Nadia: 670) cases. In 621 cases (Murshidabad: 580, Howrah: 15, 24-Parganas: 15 and Nadia: 11) the cards did not bear the signature of the medical officer concerned in authentication of operation and payment; 14 blank cards were also found only with the signature of the medical officers concerned.

Of the total amount of Rs.15.82 lakhs drawn by the Chief Medical Officer of Health, Murshidabad on abstract contingent bills between February 1973 and March 1973 for organising mass vasectomy camps, one lakh of rupees was refunded in May 1973. Detailed accounts supported by sub-vouchers for the balance were, under the rules, required to be sent to the Audit Office by May 1973. The accounts for Rs.12.13 lakhs only without any sub-vouchers were furnished in August 1975; detailed accounts and sub-vouchers for the balance (Rs.2.69 lakhs) are awaited (February 1976).

Counterfoils of coupons for diet supplied to the acceptors could not be produced in 900 cases (Rs.0.14 lakh) in the district of Howrah. Diet was also supplied to the departmental staff drafted for organising the camps for the acceptors and, in addition, honorarium was paid to these staff in some cases (Rs.0.09 lakh), both without competent sanction.

The department stated (February 1976) that the irregularities were being guarded against during the Mass Vasectomy Camps of the current year.

HOME (TRANSPORT) DEPARTMENT / BOARD OF REVENUE

30. Idle launch

Steam launch, *Rohit*, under the control of the Collector, 24-Parganas (received from the Food Department in 1948, date of original purchase not known) suffered damage to its hull while engaged on official duty in the Gangasagar Mela (January 1970). To save it from sinking, it was laid up (February 1970) and beached (September 1970) at Namkhana for repairs, which were taken up departmentally by workers from Calcutta deputed by the Engineer and Chief Ship Surveyor of the State Government (November 1970). Although Rs.0.21 lakh was spent on repairs in different spells between November 1970 and December 1973, the Engineer stated (December 1973) that repairs to a portion of the keel of the vessel, submerged in mud, could not be undertaken departmentally. A proposal for repairing the submerged portion of the launch by a firm at the lowest quoted rate of Rs.0.18 lakh sent to Government (September 1974) is awaiting decision (February 1976). According to the Engineer (March 1975), the condition of the launch had been deteriorating very fast. The Collector, 24-Parganas also stated (April 1975) that the condition of the vessel had so deteriorated that it would, perhaps, be hardly possible to bring it back to serviceable condition. Rupees 1.32 lakhs were spent between February 1970 and February 1976 on pay and allowances of the six ratings attached to the vessel. Moreover, two private launches were hired at the rate of Rs.8,000 each per month for two months during 1974-75.

The Engineer stated (February 1976) that the records connected with the repairs to the launch were with the State Vigilance Commission.

The matter was referred to Government in September 1975; their reply is awaited (March 1976).

INFORMATION AND PUBLIC RELATIONS DEPARTMENT

31. Non-exhibition of documentary films

The Information and Public Relations Department acquires documentary films on different topics of public interest either by outright purchase or by production through selected producers for exhibition to the general public through the department's audio-visual units and commercial circuits. It was noticed from the records with the department's film vault that fifteen films acquired between 1966-67 and 1971-72 at a total cost of Rs.3.92 lakhs had not been issued so far (February 1976) for exhibition *vide* details given below :

Serial No.	Particulars of the film	From whom acquired	Date of acquisition	Cost Rs.
1.	Marini Benche Aachi	Messrs. Deluxe Film D's-tributors Ltd.	June 1966	7,359
2.	Dream of a Dancer	Messrs. Naranarayan Ins-titute of Culture	March 1967	28,000

Serial No.	Particulars of the film	From whom acquired	Date of acquisition	Cost Rs.
3.	Ceramics	Messrs. Calcutta Short Film Co-operative Society Ltd.	March 1967	64,090
4.	Pharmacy in India through ages	Messrs. Shankar Film Unit	November 1967	20,547
5.	Samayiki—November 1967	Messrs. Orient Documentary Film Unit	February 1968	9,818
6.	Lodha Upajati Bimukti-O-Bikash	Sri Deb Kumar Bose	February 1968	19,079
7.	Karuna Dharay Eso	Messrs. Film Services	March 1968	19,169
8.	Bauls of Bengal	Messrs. Image India Film (Pvt.) Ltd.	March 1969	41,096
9.	Malati Sansar	Messrs. Documentary Centre	March 1969	36,270
10.	Ajker Silpi Paritosh Sen	Messrs. Little Cinema (Calcutta) Pvt. Ltd.	March 1969	21,315
11.	Amader Vidyapith	Ram Krishna Mission Vidyapith, Purulia.	April 1969	15,000
12.	Janta Ki Vijay Jatra	Messrs. Neo-Decor	August 1969	10,176
13.	Charjan	Messrs. Little Cinema (Calcutta) Pvt. Ltd.	March 1970	40,300
14.	The Other Calcutta	Messrs. Image India (Pvt.) Ltd.	March 1971	37,000
15.	Paschim Banger 1971- Er Nabachan	Messrs. Associated Film Technicians	September 1971	22,940
			Total ..	3,92,159

In response to an enquiry about the reasons for not issuing the above fifteen films for exhibition, the department stated (July 1975) that "the matter will be investigated and will be intimated later on". Results of investigation are awaited (February 1976).

The matter was referred to Government in August 1975; their reply is awaited (March 1976).

32. State Pavilion in Asia 72 Fair

Tenders were invited (April 1972) for the construction, decoration and illumination of the West Bengal Pavilion in Asia 72 Fair held in New Delhi between 3rd November and 17th December 1972. Eight firms were reported (October 1975) to have submitted quotations but records showing the rates quoted by two of them only were furnished, one for Rs.8.04 lakhs and the other for Rs.7.46 lakhs. The tender of Rs.8.04 lakhs (Rs.4.20 lakhs for the construction of the pavilion; Rs.1.44 lakhs for exterior illumination and landscaping and Rs.2.40 lakhs for interior decoration and general lighting) was accepted (June 1972), the tenderer's model and design being considered the best by a Steering Committee set up by Government in March 1972. The agreement for construction of the pavilion only was executed *post facto* in March 1973. Construction was scheduled to be completed by the 15th October 1972 and is reported to have been completed (cost: Rs.3.82 lakhs) on 2nd November 1972. The contractor failed to take up the other two items of work, namely, exterior illumination and landscaping and interior decoration and lighting. These were undertaken (October 22, 1972) and completed departmentally at a cost of Rs.7.46 lakhs (Rs.1.92 lakhs for exterior illumination and landscaping and Rs.5.54 lakhs for interior decoration including general lighting). While the extra expenditure in executing the works on exterior illumination and landscaping could not be ascertained as some additional items of work (details not available), not provided for in the approved tender of the contractor, were reported to have been executed, the extra expenditure on interior decoration, compared with the provision of Rs.2.40 lakhs in the approved tender, was Rs.3.14 lakhs. No penalty was levied as per the agreement on the contractor for delayed construction nor was action taken to recover from him extra cost on items of work left incomplete; the security deposit of Rs.0.33 lakh was released to the contractor in April 1973.

On conclusion of the Fair, stores (almirah, tape recorder, sarees, etc.) worth Rs.2.82 lakhs and exhibit materials (details not available) valued at Rs.9.06 lakhs were stated (October 1975) to have been brought to Calcutta. Neither stock accounts nor any other records to indicate that these stores and exhibits were taken in stock were produced to Audit (October 1975).

The dismantled materials obtained from the Pavilion (cost of construction: Rs.3.82 lakhs) on completion of the Fair were stated (October 1973) to have been sold by auction for Rs.0.55 lakh but the relevant records were not produced to Audit (October 1975).

Government stated (February 1976) that "this expenditure of Rs.5.54 lakhs also includes items of work other than interior decoration and general lighting". Statement of accounts for Rs.5.54 lakhs furnished (October 1975) by the Deputy Director of Information did not indicate any item of work other than interior decoration and general lighting.

LABOUR DEPARTMENT

33. Craftsman Training Scheme

33.1. *Introduction*: The scheme for training of craftsmen was undertaken by Government of India mainly to ensure a steady flow of skilled workers for industry so as to increase production, to develop vocational skill among educated youth for self-employment, and to reduce unemployment among educated youth by equipping them for suitable industrial employment. The scheme was transferred to the State Government during 1956; it was agreed that Director General of Employment and Training, Government of India would formulate the outlines of the training schemes. The expenses were borne by Government of India and the State Government in the ratio of 60: 40 up to 1968-69; from the commencement of the Fourth Plan in 1969-70, Government of India have been releasing the assistance in the shape of block grants.

33.2. *Programme and administration*: Additional Director of Industries (Vocational Training), West Bengal is in charge of the implementation of the scheme in the State.

Training is given by trained instructional staff at the industrial training institutes/centres with workshop facilities specially set up for the purpose. The period of training is one year or two years depending on the nature of the trade. The two-year course covers 12 engineering trades while the one-year course can be availed of in respect of 10 engineering and seven non-engineering trades.

No tuition fee is chargeable from the trainees. One-third of the trainees are entitled to a stipend of Rs.25 per month each. Each trainee is required to execute a bond regarding completion of training and those who leave before completion of the training in circumstances other than those beyond their control are liable to refund the cost of training at the rate of Rs.35 per month of training subject to a ceiling of Rs.300 for stipend holders and Rs.200 for others.

33.3. *Expenditure and facilities put up*: Expenditure incurred on the scheme since Third Five Year Plan is indicated below:

		Plan	Non-Plan	Total
<i>(In lakhs of rupees)</i>				
Third Five Year Plan (1961-62 to 1965-66)	..	168.99	80.40	249.39
Annual Plans (1966 to 1969)	..	95.39	166.19	261.58
Fourth Five Year Plan (1969-70 to 1973-74)	..	48.11	303.42	351.53

At the time of transfer of the scheme to the State Government in November 1956, there were 5 industrial training institutes/centres in West Bengal with a total capacity of 1,924 seats including 1,000 seats reserved for training of displaced persons. These reserved seats were subsequently

absorbed in the general pool in a phased manner. Out of the five training institutes/centres, the centre at Calcutta Technical School was closed down in 1965-66 and the seats were transferred to other existing training institutes. The progress in the establishment of new institutes and expansion of capacity during the different Plan periods were as follows:

		Institutes opened	Additional seats intro- duced
Second Five Year Plan ..	..	4	2,736
Third Five Year Plan ..	..	5	3,796
Annual Plans ..	..	3*	2,440
Fourth Five Year Plan ..	..	2	**
Total	..	14	8,972

Thus, at the end of the Fourth Five Year Plan, there were 18 industrial training institutes/centres with a total capacity of 9,896 seats (8,972 *plus* 1,924 in existence at the time of transfer *minus* 1,000 subsequently absorbed).

According to the information furnished by the institutes/centres, utilisation of the training capacity in thirteen of these institutes/centres was as indicated in the following table:

Year	Seats introduced	Total number of seats available	Number of admissions	Number of persons who completed the training	Number of persons who passed the examina- tion	Percentage of column 6 to column 3
1	2	3	4	5	6	7
1961-62	23	3,800	2,267	2,018	1,744	46
1962-63	140	3,940	1,273	1,150	1,150	29
1963-64	800	4,740	2,264	1,970	1,970	42
1964-65	38	4,778	3,433	2,864	1,625	34
1965-66	1,496	6,274	2,052	1,735	1,735	28
1966-67	2,000	8,274	2,677	2,072	2,072	25
1967-68	..	8,274	2,029	1,559	1,559	19
1968-69	440	8,714	2,365	1,617	1,617	19
1969-70	..	8,714	2,755	1,984	1,983	23
1970-71	..	8,714	2,604	1,814	1,814	21
1971-72	..	8,714	2,475	1,759	1,759	20
1972-73	..	8,714	3,696	2,626	1,608	18
1973-74	..	8,714	3,909	2,676	1,812	21

*These institutes which started during the Third Five Year Plan in the premises of other institutes were shifted to their own premises during the Annual Plans period.

**No additional seats were created; only some seats were transferred from other institutes.

It may be seen from the particulars given above that effective utilisation of the capacity in these institutes came down from 35 per cent on the average in the Third Plan period to 20 per cent during the subsequent Plan periods till the end of the Fourth Plan. It was explained by the Directorate (December 1974) that there was no machinery to survey the needs of the industries before the new institutes were set up or additional seats were introduced and there was no arrangement for keeping statistics about gainful employment secured by the trainees after completing the training.

To improve the demand for the seats, a programme of diversification of 13 unpopular trades was introduced in 1973-74. As per the report of the Directorate, a total number of 440 seats pertaining to those trades were diversified up to the end of 1974-75 by opening two new institutes at Haldia and Raiganj with a capacity of 124 and 188 seats respectively as also by conversion of 112 seats into popular trades in the existing institutes and introducing a new trade with 16 seats.

Information collected from 13 institutes/centres revealed that 11 trades went without a single trainee for several years, sometimes, consecutively for a period of two years or more between 1968-69 and 1973-74; total expenditure incurred on pay and allowances of the idle training instructors during these years worked out to Rs.4.19 lakhs.

Name of the trade		Location of the institute	Period
1. Blacksmith	..	Howrah Tollygunge	.. 1970-71 to 1973-74 .. 1970-71 to 1972-73
2. Pattern Maker	..	Kalyani Howrah Tollygunge	.. 1970-71 and 1972-73 .. 1970-71 and 1973-74 .. 1970-71 and 1973-74
3. Surveyor	..	Howrah	.. 1969-70 to 1973-74
4. Plumber	..	Tollygunge Durgapur	.. 1970-71 .. 1970-71 to 1973-74
5. Book Binding	..	Howrah	.. 1968-69 to 1973-74
6. Carpenter	..	Tollygunge	.. 1970-71
7. Sheet Metal Worker	..	Cooch Behar Durgapur	.. 1970-71 to 1972-73 .. 1970-71 to 1972-73
8. Machinist (S S P)	..	Suri	.. 1969-70 to 1973-74
9. Moulder	..	Suri	.. 1968-69 to 1970-71
10. Draughtsman (Civil)	..	Jhargram	.. 1970-71
11. Draughtsman (Mech.)	..	Cooch Behar	.. 1973-74

No evaluation of the scheme was arranged by Government till the end of the Fourth Plan. The Directorate stated (December 1975) that very recently Government had set up district-wise evaluation committees to look into the different trades that were being taught in the existing institutes/centres and to suggest introduction of new trades to cater to the needs of the local areas.

It was also stated by the Directorate (February 1975) that as a result of recession in the State from late 1965, the trainees who completed the courses were not getting gainful employment and the bleak prospects accounted for decline in the number of candidates seeking admission in the institutes.

33.4. *Drop-outs*: According to the particulars furnished by 13 institutes/centres, 3,006 trainees had left the institutes/centres before completing the training without permission out of 33,799 admitted for training from 1961-62 to 1973-74 as detailed below:

Name of institute/ centre			Number admitted	Number of drop-outs
Siliguri	..	..	576	136
Durgapur	..	..	1,622	442
Suri	..	..	1,794	543
Krishnanagar	..	..	1,214	229
Berhampore	..	..	493	59
Jhargram	..	..	1,660	70
Cooch Behar	..	..	2,677	442
Kalyani	..	..	5,236	369
Haldia	..	..	93	8
Gariahat	..	..	3,188	Nil
Tollygunge	..	..	9,077	113
Howrah Homes	..	..	6,078	595
Raiganj	..	..	91	Nil
Total	..	..	33,799	3,006

The amount recoverable from these trainees at the end of 1973-74 was reported to be Rs.1.67 lakhs. The Directorate could not give the up to date figures in respect of all the institutes/centres nor the latest position of their

recovery. However, it has been stated (March 1976) that there has been little improvement on the recovery position as a whole as no legal action in this regard was possible, the bonds executed by the trainees not having been registered in a court of law.

The matter was referred to Government in December 1975; their reply is awaited (March 1976).

MUNICIPAL SERVICES DEPARTMENT

34. Fire fighting equipment lying idle

An indent for supply of six water tenders (a fire fighting equipment) at a cost of Rs.1.80 lakhs to be fabricated on chassis provided by the Government of India free of cost was placed (January 1960) by the Director, Fire Services, West Bengal on a firm through the Director General of Supplies and Disposals. The description of the articles ordered as contained in the schedule of acceptance of tender provided, among others, that the water tenders should conform to I.S. 950/59 which, according to the Director of Fire Services, was a specification prescribed by the Indian Standards Institution and required minimum water lifting capacity of 24 feet.

The Director, Fire Services inspected (March 1964) the tenders while in the process of fabrication at the firm's workshop at Ranchi and observed that the lifting capacity of the pumps fitted to the equipment being only 19 feet 5 inches, these would be unsuitable for the purpose of West Bengal Fire Services. This shortcoming was also made known (March 1964) to the Director of Inspection, Calcutta under the Director General of Supplies and Disposals.

The six water tenders inspected and passed by the Director of Inspection (November 1964) were received (April 1965) from the supplier by the Director, Fire Services and accepted with the remarks "Received and kept for approval". Rupees 1.62 lakhs being 90 per cent of the contract value were received (April 1965) by the supplier from the Pay and Accounts Office, Ministry of Industry and Supply. The balance 10 per cent has not been paid so far (February 1976). A demonstration of the working of the equipment was arranged (27th July 1965) before an expert committee formed by the State Government in the presence of the Works Manager of the firm but the pumps could not lift water to the standard minimum (24 feet). Another demonstration given (3rd September 1965) by the firm after carrying out repairs did not show any better performance. According to the Director, Fire Services the equipment had some inherent technical defects which could not be rectified by the manufacturer. Though there was also exchange of letters about the defects and their rectification between the Director of Fire Services, Directorate of Supplies and Disposals and the firm, the Director of Inspection, Calcutta informed the Director, Fire Services in April 1968 that the case had been treated as closed by them.

The water tenders have been lying unused and exposed to the elements. It was decided (May 1975) by Government to utilise these after repairs at a cost of Rs.0.75 lakh as second-line fire fighting appliances. The estimate for the repair work was revised to Rs.1.16 lakhs on the basis of the lowest tender accepted (January 1976) but the work order was not issued as the approved tenderer did not furnish security deposit nor executed any agreement (February 1976). The Director of Fire Services stated (March 1976) that these water tenders, after repairs, could be used as water carrying tankers and not as fire fighting appliances.

The matter was referred to Government in September 1975; their reply is awaited (March 1976).

RELIEF AND WELFARE DEPARTMENT

35. Special Nutrition Programme

Under the Centrally sponsored Special Nutrition Programme implemented in the State from 1970-71 onwards supplementary nutritional protein food of caloric value varying between 200 and 500 was to be provided to minimise nutritional deficiencies among children up to the age of six years in the weaker sections of the society and expectant/nursing mothers in the tribal development blocks, slum areas of the cities with a population of one lakh or more and drought-prone areas. An expenditure of Rs.6,27.93 lakhs was incurred on the scheme to the end of 1974-75 against the allotment of Rs.7,50.44 lakhs by the Government of India.

35.2. The following points were noticed in test check of the records maintained in the four districts of Calcutta, 24-Parganas, Hooghly and Midnapore :

(i) Arrangements for distribution of foodstuff to the beneficiaries were made through feeding centres (200 beneficiaries per centre) to be supervised *inter alia* by Field Inspectors at the rate of one Inspector per 10,000 beneficiaries in urban slum areas. It was, however, noticed that 6 Inspectors were provided in Hooghly (2) and Calcutta (4) as against the requirement of 17 for these two districts (4 for Hooghly and 13 for Calcutta).

(ii) Eleven feeding centres in the Barrackpore sub-division (24-Parganas) were set up by the Sub-divisional Officer in ineligible areas, *i.e.*, these were not slum areas and were closed down by the Sub-divisional Officer on October 16, 1971 after being run for 46 days and after incurring an expenditure of Rs.0.24 lakh on feeding 2,400 beneficiaries when it came to notice that the centres were in localities not declared as slum areas. In 102 centres of the sub-division, foodstuff worth Rs.5.41 lakhs was distributed between 1972-73 and 1974-75 to beneficiaries who were ineligible on account of their age.

(iii) Foodstuff supplied by the contractors to the feeding centres was to be distributed on production of the distribution cards issued to the beneficiaries. The quantity distributed to each was to be recorded in the distribution register with suitable indication in the individual cards as well. In the district of Midnapore, foodstuff worth Rs.55.27 lakhs was stated (May 1975) to have been distributed mainly in the tribal belt between 1970-71 and 1974-75. In this district identity cards (without provision for keeping note of issue of foodstuff) were issued to the beneficiaries instead of distribution cards prescribed by the Director of Social Welfare for the purpose on the ground that the prescribed distribution cards had not been received by the Special Officer, Scheduled Castes and Tribes Welfare. Thus, recording of issue of foodstuff on individual card was not possible. As the identity cards did not also bear any number, no reference to the card number was kept against entries of such distribution in the distribution register. It could not be verified that the distribution of foodstuff as recorded in the distribution register was made only to the enlisted eligible beneficiaries. According to the Special Officer, Scheduled Castes and Tribes Welfare, Midnapore in immediate charge of the programme (May 1975), "There are centres in almost all the tribal pockets in the district..... No supervision is being made at all to see whether the foodstuff are going to the hungry mouths of the deserving tribal children regularly".

TOURISM DEPARTMENT

36. Tourist lodges

Fourteen tourist lodges (439 beds)—2 in coastal areas, 6 in hill areas and 6 in other places—constructed and furnished at a cost of Rs.95.12 lakhs were opened between March 1964 and April 1973. Ten of these lodges (352 beds) have been in existence for a period of five years or more. The department stated (August 1975) that before opening these lodges "no economic feasibility study as such was undertaken, although feasibility and potentiality of the schemes were taken into account, but more importance was attached to promotional aspect of the schemes".

Some points noticed during test check of the records of the Directorate of Tourism and some of the lodges are mentioned below :

36.1. Occupancy

The following statement indicates the annual percentage of bed occupancy achieved in the ten lodges which have existed for five years or more as on 31st March 1975 :

Name of the lodge (and date of its establishment)	Number of beds	Percentage of bed occupancy achieved in					
		1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
(a) Coastal area :							
1. Digha (8th January 1968)	36	38	31	32	43	46	56
(b) Hill areas :							
2. Darjeeling (7th April 1966)	33	13	22	20	32	38	37
3. Shailabash (1st May 1966)	65	13	11	12	41	39	36

NAME OF THE LODGE (and date of its establishment)	Number of beds	Percentage of bed occupancy achieved in					
		1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
4. Kalimpong (19th September 1966)	9	14	13	19	38	37	44
5. Shangrila, Kalimpong (29th September 1968)	20	20	22	28	43	43	50
(c) Other places :							
6. Durgapur (8th March 1964)	24	59	48	41	48	61	62
7. Santiniketan (24th December 1966)	89	22	19	13	31	26	33
8. Diamond Harbour (1st October 1967)	26	42	43	44	70	64	84
9. Malda (22nd December 1968)	24	37	43	47	77	68	73
10. Berhampore (25th June 1969)	26	21	35	51	67	74	74

The Officers-in-charge of the lodges in Darjeeling stated (May 1975) that the tourists are greatly inconvenienced due to scarcity of water, particularly in summer which is the peak tourist season there.

(ii) The Tourist Lodge at Bakkhali was opened in December 1972. The highest occupancy (27 per cent) was in 1974-75. According to the Manager of the Lodge (June 1975) the place is not easily accessible due to lack of direct transport facilities. Apart from a ferry at Namkhana, the approach road (about 2 km.) from Frazerganj to the lodge is not an all weather motorable route, nor is any public transport available on this stretch.

One 2½ inch diameter tube-well sunk in the Bakkhali Lodge in 1972-73 at a cost of Rs.0.12 lakh had been discharging "muddy water" unsuitable for human consumption. Another 1½ inch diameter tube-well sunk in December 1972 at a cost of Rs.0.06 lakh is the source of water supply since then.

(iii) The Tiger Hill Lodge and the Maples Lodge, Darjeeling were opened on 1st October 1971 and 13th April 1973 respectively. The Maples Lodge achieved 33 per cent bed occupancy in the first year. The highest percentage of occupancy achieved in the Tiger Hill Lodge was only 11 in 1973-74 (third year). In the Vishnupur Lodge the highest percentage of beds occupied since its opening (October 1970) till 1973-74 was 29, attained in 1971-72.

36.2 *Financial results:* Income and Expenditure accounts have been prepared by the department for the lodges at Durgapur, Darjeeling and Santiniketan.

According to the Statement showing Financial Results of Important Schemes of Government involving transactions of a Commercial or Semi-Commercial Nature for the year 1975-76 prepared by Government, the total

recurring losses sustained by the Durgapur, Darjeeling and Santiniketan Tourist Lodges during 1969-70 to 1973-74 were Rs.2.38 lakhs, Rs.6.01 lakhs and Rs.4.65 lakhs respectively. The capital cost and the receipts and expenses during 1973-74 of these lodges are indicated in the following table :

Name of the lodge	Capital cost as on 31st March 1974	Receipts	Expenses	Loss
		(In lakhs of rupees)		
Durgapur ..	6.15	1.08	1.49	0.41
Darjeeling ..	15.03	1.77	2.83	1.06
Santiniketan ..	13.00	1.01	2.16	1.15

36.3. *Delays in commissioning:* (i) An expenditure of Rs.4.50 lakhs was incurred between 1964-65 and 1973-74 towards "development of Bakreswar as a hot-spring health and tourist resort" by improving the existing roads and constructing car parks, bathing cubicles and public latrines. Further, a sum of Rs.1.46 lakhs was spent up to 1969 for electrification of the area. Six cubicles for convenient bath in the hot springs, constructed in 1967, have not yet (February 1976) been commissioned. Rupees 2.77 lakhs were spent till 1973-74 on their construction and upkeep.

Construction of a rest house (sanctioned cost: Rs.2.20 lakhs) included in the above scheme did not materialise as the acquisition of land was reported (April 1974) to have been under court injunction till 1972. The department stated (July 1975) that construction of an economy type of tourist lodge on another plot of land in that area had commenced in 1974-75.

(ii) To construct a restaurant-cum-canteen in the Himalayan Zoological Park, Darjeeling, Rs.0.75 lakh was paid to the Park Authority as grant-in-aid in February 1966. Although the construction work was completed in 1969-70, the restaurant is yet (February 1976) to be commissioned. The delay is attributed to non-availability of electricity and water supply.

(iii) Accommodation for reception-cum-office of the Additional Tourist Officer, Darjeeling was hired at a monthly rent of Rs.3,616 from 4th April 1974. The building remained unoccupied till the date of audit (March 1975). Expenditure on rent for this period was Rs.0.43 lakh.

The above mentioned points were referred to Government in September 1975; their reply is awaited (March 1976).

37. Miscellaneous irregularities, losses, etc.

In 68 cases, Rs.0.21 lakh representing mainly losses due to theft, fire, irrecoverable revenue, duties and advances, remission of revenue, and the like were written off/waived and in 1,028 cases *ex gratia* payments aggregating Rs.4.94 lakhs were made during 1974-75. The details are given in Appendix IV.

CHAPTER IV

MISAPPROPRIATION, DEFALCATION, ETC.**38. Misappropriations and defalcations**

The cases of misappropriations, defalcations, etc., of Government money, reported up to 31st March 1975 and on which final action was pending at the end of March 1975, were as follows:

	Number of cases	Amount <i>(In lakhs of rupees)</i>
Cases outstanding at the end of March 1974 ..	456(a)	35.96(a)
Cases reported during 1974-75	21	3.14
Cases disposed of during 1974-75	17	1.07
Cases outstanding at the end of March 1975 ..	460	38.03

Department-wise and year-wise analysis of the outstanding cases is given in Appendix V. Of the 460 cases outstanding at the end of March 1975, 350 cases (amount: Rs.18.30 lakhs) were outstanding for more than five years. Sixtytwo per cent of these old cases related to Board of Revenue.

(a) One case involving Rs. 1.81 lakhs was omitted to be included in 1973-74.

CHAPTER V

WORKS EXPENDITURE

39. Review of works expenditure

(a) *Want of estimates or expenditure in excess of estimates*: No work can be commenced or liabilities incurred until a detailed estimate is sanctioned. When the total expenditure on a work is likely to exceed the sanctioned estimate by more than 5 per cent, a revised estimate is to be sanctioned. In the cases mentioned below expenditure on works was incurred either without sanctioned estimates or in excess of sanctioned estimates:

Department	Expenditure incurred without sanctioned estimates		Expenditure incurred on works more than 5 per cent in excess of sanctioned estimates	
	Number of works	Expenditure up to March 1975 (In crores of rupees)	Number of works	Expenditure up to March 1975 (In crores of rupees)
Irrigation and Waterways	3,961	80.41	239	4.63
Public Works	257	16.87	12	0.42
Public Works (Roads) ..	154	12.73	30	1.20
Public Works (Construction Board)	94	2.42	..	..
Agriculture and Community Development	53	9.59	..	..
Health and Family Planning	41	2.87	..	..
Housing	15	3.89	10	2.41
Development and Planning (Town and Country Planning)	8	0.38	..	..
Development and Planning	7	0.50	..	..
Total ..	4,590	1,29.66	291	8.66

Particulars of eighteen works costing rupees one crore and above each which were taken up without sanctioned estimate are given in Appendix VI.

(b) *Vouchers not furnished*: Vouchers for Rs.2,55.13 lakhs were not furnished to Audit. Department-wise and year-wise analysis of the vouchers not furnished is given in Appendix VII.

AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT

40. Loss due to clodding of cement

Mention was made in paragraph 29 of the Report the Comptroller and Auditor General of India for the year 1969-70 of the loss incurred by the Agri-Irrigation, Central Division due to caking of 113.57 tonnes out of 134 tonnes of cement procured for construction of seed stores. In April 1975, the Public Accounts Committee directed the department to fix responsibility for the loss.

Two other divisions under the department, namely, Agri-Irrigation, Southern Division renamed as Calcutta (A-I) Division and Agri-Irrigation, Western Division, Bankura also procured between April 1965 and March 1968, a total quantity of 7,738.95 tonnes of cement for construction of seed stores, deep tube-wells, block seed farms, cold storage, village level worker training centres, minor irrigation schemes, etc. Out of this quantity, 6,169 tonnes were utilised and the balance quantity of 1,569.95 tonnes got clodded resulting in a loss of Rs.2.85 lakhs. The Executive Engineers concerned attributed (August and December 1975) the loss to the following reasons :

- (i) Procurement of huge quantities of cement at a time.
- (ii) Non-availability of sites to start the construction works.
- (iii) Prolonged and unscientific arrangement for storage in locally hired godowns.
- (iv) Stoppage of major works, such as construction of seed stores and curtailment in various other works, such as construction of deep tube-wells, block seed farms, etc.

Neither has any responsibility been fixed nor the loss written off (December 1975). The matter was reported to Government (October 1970 and June 1973); their reply is awaited (March 1976).

HEALTH AND FAMILY PLANNING DEPARTMENT

41. Rural Piped Water Supply Programme

41.1. *Introductory*

41.1.1. There are 38,530 villages having a population of 263.80 lakhs in West Bengal distributed in 16 districts. The State Government have accepted the responsibility for provision of potable water supply in the rural areas. The policy of Government is to provide for one source (tube-well/masonry or ring-well) of drinking water for every 400 persons or at least one source per village. (The ultimate target is one source per every 250 persons). During the first three Five Year Plans (1951 to 1966) and three Annual Plans (1966-69), Rs.579.65 lakhs were reported to have been spent by Government for provision of drinking water in the rural areas in accordance with this policy.

As observed in the draft Fifth Plan of West Bengal, the source of water supply in rural areas is normally a shallow tube-well which is the cheapest and easiest method, but the life of such a tube-well is short ranging from 5 to 10 years. According to Government, the long term solution lies in the provision of piped water supply with either a deep tube-well or surface water as the source, but the initial cost of piped water supply scheme is heavy and the cost of maintenance also poses a problem. No rural piped water supply scheme was taken up till the end of Third Plan.

A Special Investigation Division financed fully by the Government of India, was set up by the State Government (January 1963) to conduct preliminary study of the problems in the difficult and scarcity* areas within six months and thereafter prepare plans and estimates for individual piped water supply schemes with a view to providing per capita water supply of 10 gallons per day.

41.1.2. From 1966-67 to 1973-74, the schemes sanctioned numbered 78 and the estimated cost was Rs.249.27 lakhs. Details of the schemes sanctioned were as under :

Department	Year of sanction	Schemes sanctioned				Number of schemes reported as completed by March 1974	
		Darjeeling district		Other districts		Darjeeling district	Other districts
		No.	Estimated cost	No.	Estimated cost		
Health and Family Planning.	1966-67	1	0.33	12	67.13	1	5
	1970-71	..	..	1	5.72	..	..
	1972-73	6	3.73	14	156.75	6	1
	1973-74	12	4.88	..	..	12	..
Development and Planning.	1973-74	32	10.73	..	..	12	..
		51**	19.67	27***	229.60	31	6

*According to the criteria laid down by Government of India and adopted by the State Government difficult and scarcity areas *inter alia* include villages where :

- (i) drinking water is not available within a distance of one mile and depth of 50 feet, or
- (ii) existing water is unsafe or unwholesome, or
- (iii) existing supply is inadequate particularly in saline, hilly and sandy tracts, or
- (iv) where people are suffering from cholera, endemicity and guinea worm infestation.

**The Health and Family Planning Department exercise administrative control for implementation of the schemes in the State. After the creation of the Darjeeling Hill Affairs Branch (January 1973) under the Development and Planning Department, this control is exercised by this Branch in the Darjeeling district.

***One scheme estimated to cost Rs. 0.97 lakh was transferred to Ranigunj Coal Field Area Water Supply Scheme, a Central Sector Scheme, in Burdwan district.

Plan provision, budget provision and expenditure booked during the three Annual Plans 1966-69 and the Fourth Plan period were as follows :

Year	Plan provision	Budget provision	Expenditure
<i>(In lakhs of rupees)</i>			
1966-67 .. .. .	..	..	..
1967-68	14·10	14·10	10·52
1968-69	18·00	18·00	9·83
Total—Annual Plans ..	32·10	32·10	20·35
1969-70	} 125·00	25·00	4·80
1970-71		15·00	3·46
1971-72		20·00	0·86
1972-73		20·00	2·01
1973-74		30·00	31·66*
Total—Fourth Plan ..	125·00	110·00	42·79
Grand Total	157·10	142·10	63·14**

41.1.3. *Test check in Audit* : The implementation of the rural piped water supply programme during the Fourth Plan period was test-checked in Audit with reference to the records relating to 22 schemes taken up for execution by five divisions of Public Health Engineering Directorate in the districts of 24-Parganas, Murshidabad, Midnapore, Bankura, Birbhum, Purulia, Malda and West Dinajpur.

41.2. *Target and achievement* : During the Fourth Plan period 26 schemes were under execution by the Public Health Engineering Directorate in various districts other than Darjeeling. These comprised 12 schemes carried over from the Annual Plans 1966-69 and 14 schemes sanctioned during the Fourth Plan. It was planned to complete these 26 schemes estimated to cost Rs.228.63 lakhs (287 villages) within the Fourth Plan period. Details of progress achieved given in Annexure A indicate that by the end of the Plan period only seven schemes (27 villages) were completed, eighteen schemes (258 villages) were continued in the Fifth Plan (including 6 which had been sanctioned in 1966 and carried over from the Annual Plan period) and one scheme (2 villages) was not taken up at all. Out of the seven completed schemes, six were commissioned

*Excludes expenditure incurred during 1973-74 on schemes sanctioned by the Development and Planning Department in the Darjeeling district details of which were not available.

**Difference between departmental figure of Rs. 79 lakhs shown in Annexure A and booked expenditure of Rs. 63·14 lakhs is under reconciliation.

(with electricity) within the Fourth Plan period and one was commissioned in November 1974. Till March 1974, Rs.79 lakhs were reported to have been spent on these 26 schemes. By the end of Fourth Plan, piped water supply was provided in 23 villages as against the target of 287 villages, that is 8 per cent of the target.

Delay in completion of all the schemes was attributed by the Divisional Officers, Public Health Engineering Directorate to :

- (i) non-availability of land,
- (ii) delay in execution of work by contractors, and
- (iii) want of pipes and specials.

41.3. *Execution* : Some of the points noticed in Audit are given below :

41.3.1. *Planning* : Some schemes were implemented without proper planning in as much as the sinking of tube-wells was taken up immediately after the commencement of work but the ancillary civil structures like distribution system and installation of pumps were not completed for a number of years resulting in an overall delay in completion of the scheme from 6 to 8 years after the commencement. Due to delay in completion of other structures and components, two tube-wells got choked up requiring additional expenditure on surging and another tube-well necessitated surging as some miscreants stole its cap and deposited foreign materials inside the pipe. Some examples are given in paragraphs 41.3.2 to 41.3.5.

41.3.2. *Patiram-Parpatiram Scheme (West Dinajpur)* : The scheme (estimated cost : Rs.5.20 lakhs) *inter alia* provided for sinking of two 6 inches diameter tube-wells, each 300 feet deep at sites to be selected by the department. The sites were selected without trial boring and the work was awarded to a contractor in September 1967 (tendered value : Rs.0.28 lakh). The owner of the site did not allow the contractor (January 1968) to unload materials for sinking tube-well there and the materials had to be diverted to departmental godowns. This site was abandoned and another site selected in June 1968 again without trial boring. In this site the work had to be abandoned after reaching a depth of 400 feet for want of suitable water bearing strata and the tube-well withdrawn. Thereafter, a third site was selected after conducting trial boring and the tube-well was successfully sunk in November 1968 to a depth of 219 feet at a cost of Rs.0.11 lakh.

The contractor preferred a claim of Rs.0.63 lakh for extra carriage and recarriage of materials on account of change in sites, hire charges on tools and plant and casing pipes for idle period, withdrawal of tube-well, etc. The claim was decided on the basis of the award of an arbitrator given in February 1973 and Rs.0.31 lakh was paid to the contractor (Rs. 0.16 lakh due to non-availability of the first site, carriage, hire charges of tools and plant and casing pipes, idle time, etc., Rs.0.14 lakh due to infructuous work in the second site, and Rs.0.01 lakh as interest for delay in payment).

The second tube-well was reported to have been successfully sunk in December 1968 to a depth of 210 feet at a cost of Rs.0.10 lakh. But some miscreants stole the cap of the tube-well and consequently, the pipes got choked up (date not available). As the cleaning of the pipes failed to restore it, the feasibility of reviving it by surging process at an estimated cost of Rs.0.03 lakh is under consideration of the division (November 1975).

Though the scheme was sanctioned in November 1966 and the work commenced in January 1968 and the two tube-wells were sunk in November and December 1968, the reservoir, pump house and the distribution system have not been completed and fresh tender was to be invited for the reservoir (as intimated by the divisional officer in November 1975 *vide* details in Annexure B).

41.3.3. *Scheme at Baliadanga (Malda)* : The scheme (estimated cost : Rs.14.67 lakhs) *inter alia* provided for sinking of three 6 inches diameter tube-wells (estimated cost : Rs.0.86 lakh) to a depth of 400 feet at sites to be selected by the department. The sites for the three tube-wells were selected without trial boring and the work was awarded to a contractor in May 1968. After lowering two tube-wells up to 400 feet depth and one up to 200 feet depth, the pipes of all the tube-wells had to be withdrawn for want of suitable water bearing strata. Thereafter, alternative sites were selected on the basis of trial boring and the tube-wells were reported to have been successfully sunk in October 1969 (cost is not available).

The contractor preferred (January 1972) a claim for Rs.0.86 lakh representing the cost of unsuccessful tube-wells, maintenance of idle labour, hire charges on tools and plant and casing pipes for idle periods, etc. As the department refused to entertain the claim, the case was decided in arbitration in February 1973, and Rs.0.24 lakh was paid to the contractor (Rs.0.19 lakh for unsuccessful tube-wells, Rs.0.02 lakh for detention of labour, Rs.0.02 lakh for hire charges, carriage, godown rent, etc. and Rs.0.01 lakh as interest for delay in payment of award).

Though the scheme was sanctioned in November 1966 and the work commenced in March 1968 and the tube-wells were completed in October 1969, the reservoir, pump house and the distribution system were not completed and work order for the reservoir was to issue (November 1975 *vide* details in Annexure B).

41.3.4. *Scheme at Rajibpur (West Dinajpur)* : This scheme (estimated cost : Rs.14.93 lakhs) *inter alia* comprising 3 tube-wells of 8 inches diameter (450 feet depth) and a reservoir of 1.25 lakhs gallon capacity was sanctioned by Government in May 1972 at an estimated cost of Rs.14.93 lakhs. After trial boring, the division took up (June 1975) sinking of 2 tube-wells to a depth of 640 feet and awarded the work to a contractor at the tendered value of Rs.0.84 lakh (labour cost). After sinking up to a depth of 647 feet and 695 feet, both the tube-wells were abandoned as no water bearing strata were located. Payment for the work done has not been made (November 1975). The scheme is now expected to cost Rs.22.46 lakhs (not yet sanctioned—March 1976).

The division stated (November 1975) that though Geological Survey of India had declared it as non-tube-well area, the work was taken up at Rajibpur as there were a number of shallow tube-wells of 1½ inches diameter in the area and the trial boring indicated availability of water between 577 feet and 660 feet. Alternative sites for tube-wells are to be selected (November 1975). Meanwhile, an expenditure of Rs.6.90 lakhs has been incurred up to March 1975 on work-charged establishment (Rs.0.24 lakh) and distribution system (Rs.6.66 lakhs).

41.3.5. *Scheme at Mograhat (24-Parganas)* : The scheme (estimated cost : Rs.8.09 lakhs) was sanctioned in November 1966 and the work commenced in January 1968. The scheme *inter alia* provided for sinking three tube-wells of 4 inches diameter up to a depth of 850 feet. Sinking of all the three tube-wells was completed in September 1968 at a cost of Rs.1.11 lakhs (estimated cost : Rs.1.22 lakhs). The entire scheme including the reservoir, pump house and the distribution system was reported to have been completed in July 1973 and commissioned in November 1974. An expenditure of Rs.7.20 lakhs was incurred up to March 1975. It was reported by the Superintending Engineer, Western Circle (February 1975) that one of the tube-wells was abandoned in December 1974 (approximate cost : Rs.0.37 lakh being one-third of the total expenditure). In respect of the remaining two tube-wells, a liability of Rs.0.06 lakh was incurred for surging (payment is yet to be made—November 1975), but even thereafter the two tube-wells gave an average yield of only 2,000 to 2,500 gallons per hour as against the designed requirements of 7,000 gallons per hour each. Thus, as against designed requirement of 21,000 gallons water per hour, for which pipe lines, pump, reservoir, etc., had been installed only 4,000 to 5,000 gallons were available (1975). In order to meet the shortfall, an estimate for sinking a fourth tube-well at a cost of Rs.0.60 lakh is awaiting sanction of the Chief Engineer, Public Health Engineering Directorate (March 1976).

41.3.6. *Scheme at Kashipur (Purulia)* : The scheme (estimated cost : Rs.3.65 lakhs) was taken up for construction in 1967 and was reported to have been completed at a cost of rupees four lakhs in July 1974 but could not yet be commissioned for want of electricity (March 1976). Meanwhile, Rs.0.06 lakh was spent on guarding the installations (up to October 1975).

41.4. *Maintenance of completed schemes* : The Health and Family Planning Department examined (August 1973) the procedure to be followed for the maintenance of completed schemes. In accordance with an earlier decision of Government that the matter should be taken up with the Panchayats Department, the Health and Family Planning Department suggested to the Panchayats Department that it was necessary for the Zilla and Anchalik Parishads to be involved in the maintenance of the schemes and they should share a part of the maintenance cost of these schemes by levying water rates. The Panchayats Department stated that it would not be possible for them to take any decision until necessary modified legislation was made on the introduction of Panchayati Raj system and as the representative bodies of Zilla and Anchalik

Parishads were not in position, the question of realising a part of the maintenance cost from them did not arise. The Health and Family Planning Department thereafter proposed that the entire maintenance work of the scheme should be undertaken through the agency of the Public Health Engineering Directorate at Government cost, pending final decision on the legislation regarding the Panchayati Raj system. Government accordingly ordered (September 1973) that until further orders all Rural Piped Water Supply schemes should be maintained by the Public Health Engineering Directorate at Government cost. This arrangement continues as the West Bengal Panchayat Act, 1973, notified in January 1974, has not been enforced (December 1975).

Up to March 1975, an expenditure of Rs.1.43 lakhs was incurred on three completed schemes.

The matter was referred to Government in December 1975; their reply is awaited (March 1976).

HOUSING DEPARTMENT

42. Extra expenditure on construction of flats under the Low Income Group Housing Scheme

The work of construction of 104 two-roomed flats under the Low Income Group Housing Scheme at the junction of Picnic Garden Road and Kusthia Road in Calcutta was administratively approved by Government (September 1970) for Rs.12.20 lakhs and technically sanctioned by the Chief Engineer, Housing Directorate (February 1971) for Rs.12.20 lakhs. The work was divided into two lots of 56 flats (estimated cost : Rs.3.51 lakhs) and 48 flats (estimated cost : Rs.3.01 lakhs) and awarded after negotiation to two contractors (lowest tenderers) at 4.5 per cent above the estimate. The work orders to both the contractors were issued in May 1971 with the stipulation that the work should be completed within 14 months. The total number of flats was reduced to 80 due to non-availability of land and each contractor was entrusted with construction of 40 flats. The High Court issued an injunction in June 1971 in connection with this work and vacated it in September 1971, when the contractors were asked to resume work.

The progress of work was slow and the contractors requested the department (May 1972) either to relieve them from work, settling all their dues and claims and refunding their security deposits or to grant them increased rates. After examining the two alternatives given by the contractors the Chief Engineer recommended to Government acceptance of enhanced rates of 5 per cent over the Presidency Circle schedule of rates (January 1972) on the ground that this would be more economical than releasing the contractors and making other arrangements for the balance of work. Government accepted the proposal (October 1972) and granted the contractors an enhancement of their rates for certain items of work involving bricks and stone chips at 5 per cent above the Presidency Circle schedule of rates (January 1972) excluding the value of work done up to 23rd May 1972. The extra payment on account of this enhancement of rates amounted to Rs.0.61 lakh for the whole work.

The contracts were for completed items of work with no provision for supply of bricks by the department. Even while agreeing to enhanced rates of works in October 1972 there was no stipulation about departmental supply of bricks. It was, however, noticed that the department arranged for supply of 6.56 lakhs of bricks at Rs.124 per thousand as compared to the rate of Rs.150 per thousand provided in the Presidency Circle schedule of rates (January 1972). This resulted in an unintended benefit of Rs.0.09 lakh to the contractors in respect of supply of 3.47 lakhs of bricks made after 23rd May 1972.

The matter was reported to Government in July 1974; their reply is awaited (March 1976).

HOUSING DEPARTMENT, DEVELOPMENT AND PLANNING DEPARTMENT AND AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT

43. Housing Schemes

43.1. The following points were noticed during test audit of the records relating to different housing schemes :

43.2. Loss of revenue

43.2.1. Ninetysix units of hostel type accommodation at Belur constructed under the Subsidised Industrial Housing Scheme were ready for occupation in October 1966. The Housing department issued an order (October 1966) allotting 73 units to the workers of a neighbouring private company. The latter, however, requested the department to cancel the allotment and issue fresh orders in favour of its workers who were squatting in huts near the hostel so that the land thus vacated could be made available to the department for further construction. In February 1967, fifty of the original allottees were substituted by the workers as recommended by the company. The company did not execute the required tripartite agreement (to be concluded between the workers, the employer and the Government) nor remitted the rent for the units. Thirty units were also found by the department to have been occupied unauthorisedly by the workers of the company. No demand was raised and no action was taken to recover rent for these units. Calculated at the rate of Rs.28 per month, rent for these 80 units from February 1967 to December 1975 worked out to Rs. 2.40 lakhs.

43.2.2. In July 1969, Durgapur Projects Ltd. was requested to send an estimate for electrical connection to 300 tenements under the Integrated Subsidised Industrial Housing Scheme, north of Grand Trunk Road (Phase II). The company furnished estimates in July 1971 for two types of service connection—(i) underground connection (estimated cost : Rs.1.06 lakhs), and (ii) over-head connection (estimated cost : Rs.0.75 lakh). The former estimate was accepted and the work entrusted (August 1971) to the company. In September 1971, Rs. 1.06 lakhs were paid as advance to the company. Against the programmed date of completion of October 1971, the work was actually completed in May 1975 due to change in design and specification.

Meanwhile, the tenements had been unauthorisedly occupied by certain industrial workers from May 1971. The unauthorised occupation of 300 tenements was regularised by Government with effect from 1st June 1973 on payment of rent. The monthly rent of Rs.48 was, however, reduced to Rs.40 for the period from June 1973 to July 1974 as electricity and water were not available.

Government suffered a loss of Rs.2.28 lakhs in rent for the period from November 1971 to May 1973. The reduction in rent for the period June 1973 to July 1974 involved foregoing of revenue to the extent of Rs.0.34 lakh.

43.2.3. In December 1966, 224 tenements were completed under the slum clearance scheme at Tangra Road at a cost of Rs.16.27 lakhs. In August 1967, Government of India was approached for diversion of all the units to the Low Income Group Housing Scheme on the grounds that the slum dwellers were not likely to move to this accommodation, might not be able to pay the rent for these houses and might move the High Court for an injunction. Government of India agreed to the diversion in September 1967. The tenements were allotted in January 1970. The foregoing of rent on account of vacant tenements for three years amounted to Rs.4.80 lakhs.

Of the 240 units at Belgachia Villa made ready for occupation in April 1966 (total cost : Rs.60.97 lakhs) under the Middle Income Group Housing Scheme, 28 units remained vacant up to March 1969, reportedly for want of applicants, resulting in a loss of rent of Rs.3.02 lakhs at Rs.300 per month per unit.

43.3. *Arrears in collection of rent*

43.3.1. The table below indicates the demands for rent raised and collections made during 1973-74 and the progressive arrears of rent at the end of the year :

Name of the Scheme	Annual demand	Collection made	Progressive arrears at the end of 1973-74
<i>(In lakhs of rupees)</i>			
Subsidised Industrial Housing Scheme ..	35.58	26.64	60.35
Low Income Group Housing Scheme ..	28.36	24.70	21.59
Middle Income Group Housing Scheme ..	17.99	18.92	15.52
Slum Clearance Scheme	11.92	2.63	15.33

The details of year-wise break-up of the arrears were not maintained by the Estate Directorate.

The Housing Department stated (January 1976) that vigorous steps were being taken to improve collection by filing certificate cases or eviction cases.

43.3.2. The Kankurgachi Estate, consisting of 100 units constructed in 1960-61 under the Low Income Group Housing Scheme, was under the administrative control of the Housing Construction Division II. The division recovered rent up to June 1971. The transfer of the administrative control of this Estate to the Housing Construction Division I was effected in April 1972. In view of the impending transfer of control, the Housing Construction Division II stopped raising of quarterly demand for rent from July 1971. The Estate Manager, Estates Directorate who was to watch recovery of rent from July 1971 did not also raise any demand for rent on the ground that the relevant records were not made over. From July 1971 to December 1975 demands for rent amounting to Rs.2.59 lakhs were not raised.

43.3.3. In respect of 115 units at Circular Road under Low Income Group Housing Scheme the quarterly demand for rent for Rs.9,084 was not raised by the Estate Manager from July 1971 due to non-transfer of records from the Housing Construction Division II with the result that recovery of Rs.1.64 lakhs was in arrears on account of rent up to December 1975.

43.4. *Non-recovery of cost of land from the allottees* : Thirty houses were constructed in 1963-64 at Patipukur (Block B) under Middle Income Group Housing Scheme. These were sold in 1964-65 to eligible persons at Rs.0.21 lakh per house on the basis of the cost of construction. Cost of land was taken as Rs.0.11 lakh to Rs.0.12 lakh on the basis of information given by the Land and Land Revenue Department.

While fixing finally the cost of houses built in Block 'B', it came to the notice of Government (June 1974) that the actual land acquisition cost under this scheme exceeded the original cost by Rs.3.59 lakhs owing to enhanced compensation awarded by the courts. As the deeds of conveyance had already been executed between July 1967 and May 1974 in favour of 191 allottees (150 allotted developed plots and 41 built houses) Government did not think it expedient to charge the difference in the cost of land from them; the deed of conveyance indicated the final cost of plots and did not include any provision for variation. No additional charge on account of enhanced cost of land was also levied on the remaining 131 allottees (101 allotted plots and 30 built houses) to avoid discrimination. Thus, the additional expenditure of Rs.3.59 lakhs on land acquisition cost was borne by Government.

43.5. *Surplus staff* : The Village Housing Scheme, introduced by the Government of India (August 1957), aimed at improving housing conditions in selected villages in Block areas through grant of loans to villagers and their co-operatives for construction, expansion or re-modelling of dwelling houses. The scheme was taken up in West Bengal in 1959-60.

During the Third Plan period 1961-66 and the three Annual Plans (1966-69) Rs.8.25 lakhs and Rs.2.02 lakhs were disbursed as loans. The loans were disbursed by the Block Development Officers and recoveries thereof watched by the Board of Revenue.

The operation of the scheme ended in 1968-69 on account of non-provision of further funds. But the establishment consisting of an overseer-estimator, surveyor, draftsman, upper division clerk, typist, cashier, driver and two peons created in the office of the Superintending Engineer for this scheme continued to be maintained till October 1974; the expenditure on this establishment from 1969-70 to October 1974 was Rs.2.47 lakhs. The staff were declared surplus by Government with effect from 1st November 1974 and made available for absorption elsewhere.

The matter was referred to Government in January 1976; their reply is awaited (March 1976).

IRRIGATION AND WATERWAYS DEPARTMENT

44. Infructuous expenditure on protective works on the right bank of the river Teesta

With a view to protecting the right bank of the river Teesta between Mandalghat (Jalpaiguri district) and Daripattani (Cooch Behar district) from erosion by the river, the Irrigation and Waterways Directorate proposed (February 1970) to construct a 'dwarf boulder embankment' of 22.5 km length (730 chains) between Mandalghat and Daripattani at an estimated cost of Rs.1.36 crores. The embankment was designed to have a crest height 0.6 metre below the highest flood level so as to allow the flood waters to spill over it and was to be protected by aprons of 6.7 metres x 0.9 metre on the riverside and 1.5 metres x 0.6 metre on the countryside. The Technical Committee of the State Flood Control Board recommended (March 1970) taking up of the scheme to prevent the Teesta flow from being diverted into the Buri Teesta (an old course abandoned by the river long ago) which would have upset the entire river system; in view of the high cost it recommended phased implementation, tackling the vulnerable zones on a priority basis.

Without the administrative approval of Government and the technical sanction of the Chief Engineer, Irrigation and Waterways Directorate for the scheme, the Jalpaiguri Irrigation Division took up (April 1970) construction of 2.22 km (72 chains) of the embankment starting from the end of the existing dwarf boulder embankment at Mandalghat and covering the spill channel leading to Buri Teesta at an estimated cost of Rs.10.92 lakhs. Work orders were issued on 14th April 1970 to three contractors for three reaches covering 24 chains each requiring the work to be completed by June 1970 that is before the onset of the monsoon. The work could not, however, be completed before the monsoon in any of the reaches reportedly due to public opposition necessitating revision of the alignment of the embankment and moderate floods in river Teesta in May and June 1970 which damaged the approach roads. Till the end of June 1970, the work had been reported as having progressed to 48 per cent in Reach I, 88 per cent in Reach II and 42 per cent in Reach III.

The balance of the work was to be done after the monsoon (by December 1970). The Sub-divisional Officer, Jalpaiguri Irrigation Sub-division reported in the first week of August 1970 that the fifteenth chainage of the dwarf embankment in Reach I settled down and water was flowing over the boulder embankment and in Reach III river Buri Teesta was flowing through the chains 48 to 60. No further work was done on the dwarf boulder embankment after the monsoon of 1970 and the work was abandoned by the division in December 1970 after incurring an expenditure of Rs.6.35 lakhs. A substitute scheme for the protection of the right bank of river Teesta from Mandalghat to Bibiganj (Cooch Bihar district) with earthen embankment 12.5 km long at an estimated cost of Rs.68.44 lakhs followed by a similar earthen embankment from Bibiganj to Jharsingheswar (adjacent to Daripattani and near Bangladesh border) at a further estimated cost of Rs.95.15 lakhs was recommended by the Technical Committee of State Flood Control Board (November 1970). These two schemes together replaced the dwarf boulder embankment scheme. Administrative approval to the Bibiganj-Jharsingheswar scheme was issued in May 1973 for Rs.65.90 lakhs. Work is, however, being executed on both the schemes. An expenditure of about Rs.62 lakhs has been incurred in respect of the scheme from Mandalghat to Bibiganj and Rs.49.93 lakhs on the Bibiganj-Jharsingheswar scheme (March 1975).

The Irrigation and Waterways Directorate explained that earthen embankment was preferred to boulder embankment as (a) boulder embankment was not liked by the affected persons as the water spilling with high silt and sand content would damage the standing crops, (b) spill water would form a parallel deep channel along the countryside toe of the embankment endangering stability of the embankment itself and (c) cost of boulder embankment per mile was high.

The matter was referred to Government in November 1975; their reply is awaited (March 1976).

45. Protective work along the Teesta river in Jalpaiguri area

In Jalpaiguri Irrigation Division tenders for the work of protection of the area on the right bank of river Teesta from downstream end of Jalpaiguri Embankment to Motterganj-Phase II, estimated to cost Rs.6.33 lakhs, were invited in November 1969 and a part of the work estimated at Rs.4.12 lakhs was entrusted in 1969 to the lowest tenderer at 17.29 per cent less than the schedule of rates. The contract value worked out to Rs. 3.41 lakhs.

The main contractor was paid in the third running account bill (March 1970) for work valued at Rs.7.36 lakhs. In this bill, the quantity of work done which was shown by the Sub-division as 4.73 lakh cft. was corrected in the Divisional Office as 6.01 lakh cft. and the reduced rate of Rs. 142 per hundred cft. shown in the bill by the Sub-division (as against the contractual rate of Rs.150 per hundred cft.) was enhanced to Rs.148 per hundred cft. As a result of these corrections, the original amount of the bill of Rs.5.56 lakh (after deducting the percentage reduction in tender) was enhanced to Rs.7.36 lakhs and the

contractor was paid accordingly. A test check of the relevant measurement book indicated the following points which were brought to the notice of Government in August 1972 :

- (i) there were numerous unattested corrections and over-writings; entries regarding volume of work as recorded originally in black ink had been altered in red ink to show much higher figures, without any basis on record;
- (ii) blank lines had been left in between successive measurements;
- (iii) there were a number of unattested interpolations and alterations in the originally recorded dimensions and volume increasing the volume of work done;
- (iv) there were arithmetical inaccuracies which resulted in overpayments to the extent of Rs.50,531;
- (v) the contract provided for measurement of boulders by stacks and payment after deduction of 1/7th as voids; 53,754 cft. of boulders were paid for without any deduction for voids on 'completed work' basis in deviation of the contract resulting in excess payment of Rs.9,527. The percentage check of these measurements as prescribed was not made by the Sub-divisional Officer;
- (vi) a quantity of 7.71 lakh cft. of boulders was paid for on the basis of stack measurement as per the contract. Although the boulders had to be paid for according to stack measurements and hence the stacks had to be numbered and identified, 1.01 lakh cft. of boulders were described and paid for as "loose boulder stack" at the rate of Rs.148 per hundred cft. No reasons were given as to why stacks of these boulders could not be numbered for identification or as to how it was ensured that any erroneous double payment did not occur;
- (vii) For the item of quarrying, and supplying stone boulders at site and dumping in the river, a reduced rate of Rs.142 per hundred cft. against the contract rate of Rs.150 was taken by the Sub-division because of "non-placing, non-arranging in proper position, without hand packing properly and without dressing to maintain the regular and proper surface and slope, etc." This rate was enhanced by the Division to Rs.148 per hundred cft. and the third running account bill was paid on that basis.

In December 1970, the Executive Engineer allowed payment at the full rate of Rs.150 per hundred cft. There was nothing on record to indicate when the entire quantity of 7.71 lakh cft. of boulders (after deduction of void) had been packed or rearranged in proper position, as per contract to justify payment at the full rate. Payment of Rs.12,764 representing the difference between the full rate and the reduced rate of Rs.148 allowed earlier was made in January 1971.

Government stated (October 1975) that certain matters regarding corrections in measurement books, adoption of different modes of measurement and payment of full rate for the work done seemed to be of a very serious nature and were being referred to the Vigilance Commission for enquiry.

46. Avoidable expenditure

A motor launch in Joynagar Irrigation Division (acquired from war disposal and received in the Eastern Circle in 1958) went out of order in March 1968. The Mechanical Division of the department intimated (May 1968) that repair would cost about Rs.0.20 lakh but expressed its inability to undertake the repair due to shortage of staff and advised that the work might be entrusted to a private agency.

On the basis of open tenders a work order for repair was issued to a private firm in April 1971 and the launch was repaired at a cost of Rs.63,842 in April 1972 although according to the contract the work was to be completed within six months. According to the department, the contractor could not complete the work in time due to scarcity of materials, heavy rains and extra work beyond the schedule to the contract.

During the period March 1968 to April 1972, when the launch was unserviceable, Rs.0.64 lakh (approximately) was spent on the pay and allowances of the staff attached to the launch. A further sum of Rs. 0.90 lakh (approximately) was incurred during 1969-72 for hiring a launch for the use of the division in lieu of the launch under repair.

The matter was reported to Government in September 1969; their reply is awaited (March 1976).

KANGSABATI PROJECT

47. Machines lying idle

Indents were placed (1960-61) on the Director General, Supplies and Disposals for supply of one press and two grinding machines, available free under U.S. Government Foreign Assistance Act, for use in workshop of the Kangsabati Reservoir Project. The Project authorities were to pay for ocean freight, customs duty, departmental charges, etc. In March 1966 the Chief Project Engineer informed the Director General that the machines were no longer necessary though in March and May 1965 he had agreed to accept them. As the machines had already been procured by the Director General, Supplies and Disposals in 1966, the Project had to accept them. The machines were received between December 1966 and February 1968 and Rs.0.42 lakh was spent on transport charges, customs duty, etc.

The machines have not been used since acquisition. The Divisional Officer stated (July 1975) that there was no scope for utilising these machines in the division. Government's decision regarding the utilisation or disposal of these machines has not been received (February 1976).

The matter was reported to Government in July 1970; their reply is awaited (February 1976).

48. Flood protection works on river Phulahar

(a) *Infructuous expenditure* : The river Phulahar was posing a threat to areas in Bhaluka and Debipur Anchals due to erosion of its left bank during floods. A flood protection scheme consisting of a cross bundh in the river (to arrest the flow in the river) and a new channel to divert the water to a point in the river downstream of Bhaluka was taken up in April 1972 by the Malda Irrigation Division. The work estimated to cost Rs.4.80 lakhs was put to tender by the Executive Engineer on 5th April 1972 in anticipation of administrative approval and technical sanction to the estimate. The tender was opened on 21st April 1972 and the work order was issued on 24th April 1972 to the lowest tenderer at his tendered rate of 18.25 per cent below the schedule of rates with a time limit of one month from the date of work order for completion of the work. The contractor's progress was not satisfactory and in the first week of June 1972 the progress in the channel work was only 50 per cent. After an inspection of the work by the Superintending Engineer on 6th June 1972, the contractor was informed of his poor progress and his failure to employ the required number of labourers. The division apprehended that with this rate of progress the work might not be completed before the onset of monsoon. Floods started in the river from 19th June 1972 and the work could not be continued from 24th June 1972 due to submergence of the borrow area; a considerable portion of the cross bundh got eroded. In July 1972, the Superintending Engineer observed that the programme had failed and asked the Executive Engineer to submit proposals and estimates for remedial measures.

In July 1972, the contractor expressed his inability to continue the work further and asked for honourable termination of the contract and refund of the security deposit. The Superintending Engineer rejected the request and instructed the Executive Engineer to take action against the contractor (November 1972) but subsequently (February 1973) approved termination of the contract without any penalty. The contractor was paid in the final bill (February 1973) Rs.2.24 lakhs for a total quantity of 38.37 lakh cft. of earthwork which included 15.53 lakh cft. (approximately) relating to the cross bundh. The proportionate payment for the cross bundh amounting to Rs.0.96 lakh was infructuous.

(b) *Extra expenditure* : A fresh detailed estimate for Rs.26.95 lakhs was prepared for the protective works for Bhaluka consisting of cross bundh (estimated cost : Rs. 9.17 lakhs) and pilot channel (estimated cost : Rs.4.75 lakhs) along with similar works of cross bundh (estimated cost : Rs.6.83 lakhs) and pilot channel (estimated cost : Rs.6.20 lakhs) at Debipur (downstream of Bhaluka). Tenders were invited (January 1973) for the four works separately and 24 contractors participated in the tender. The lowest tenders for the works were 37.85 per cent, 11.89 per cent, 27.85 per cent and 15.10 per cent below the schedule of rates respectively. Four contractors quoted for all the works together. The division did not recommend the lowest tender for individual works but recommended (March 1973) to Government entrusting

all the works to a single tenderer (this tenderer had quoted the lowest rate among the four tenderers who had quoted for all the four works) at the tendered rate of 9 per cent below the schedule of rates on the ground that the lower rates quoted by other tenderers for separate works were unworkable and that all the works were interdependent even though separate tenders had been invited for the four works. These works were awarded to this lowest tenderer in January 1973, pending approval of Government which is yet to be accorded (November 1975).

The following table gives the details of the payments made to this contractor till October 1975.

Name of work	Estimated cost	Lowest rate obtained (per cent less than the schedule of rates)	Lowest tendered value	Rate at which work was done (per cent less than the schedule of rates)	Total payments	Date of commencement/ completion
1	2	3	4	5	6	7
	Rs.		Rs.		Rs.	
Construction of cross bundh of river Phulahar at Bhaluka.	9,17,306	37.85	5,70,106	9	8,18,045 (up to October 1975)	24-1-73/ 10-5-73
Pilot channel and marginal embankment.	4,75,200	11.89	4,18,699	9	10,32,353 (up to October 1975)	24-1-73/ 30-4-73
Construction of cross bundh at Debipur.	6,83,585	27.85	4,93,207	9	19,000 (up to October 1975)	24-1-73/ 30-3-73
Pilot channel and marginal embankment.	6,20,544	15.10	5,26,842	9	3,13,600 (up to October 1975)	24-1-73/ Pilot channel kept in abeyance since 16th June 1973

Entrustment of the work to one contractor at 9 per cent below the schedule of rates resulted in an extra expenditure of Rs.3.17 lakhs in respect of payments made up to October 1975 for all the works as compared with the lowest rates received for the works severally. This case was taken up with Government in January 1975 and their reply is awaited (February 1976). The Executive Engineer, Malda Irrigation Division, reported (November 1975) that the relevant documents were lying with the Vigilance Commission.

49. Amounts remaining unrecovered from a contractor

The work "Protection of Bijanbari area in police station Pullbazar, district Darjeeling" (estimated cost : Rs.6.50 lakhs) was put to tender by the Siliguri Irrigation Division and entrusted to an unregistered contractor at 45.62 per

cent less than the estimated rates with the stipulation to complete the work within four months from the date of work order, that is, 28th December 1970. The contractor's progress of work was slow and unsatisfactory and the value of work completed by 20th March 1971 was only Rs.30,138. Penalty was imposed by the Superintending Engineer as per terms of the contract with effect from 20th March 1971 at 0.4 per cent per day on the contracted amount of Rs.3,53,470 limited to 10 per cent. The contract was ultimately rescinded on 22nd April 1971. The balance work was entrusted to other contractors at higher rates. But the extra expenditure could not be recovered from the defaulting contractor in terms of the contract as, according to the Executive Engineer (June 1972), the scope (items of works) of the residual work had been revised.

Cement weighing 200 tonnes (valued at Rs.38,000 at the rate stipulated for recovery in the contract) and wire rope of 182 metres length (valued at Rs.782) had been issued on 15th January 1971 to the contractor. Out of these, the contractor used only 91 tonnes of cement and cost of a further quantity of 23 tonnes of cement was recovered from his bill. A sum of Rs.23,822 representing cost of 86 tonnes of cement, 4,000 empty cement bags and 182 metres of wire rope is recoverable from the contractor. In addition, Rs.35,293 are recoverable towards compensation. As against Rs.59,115 due to be recovered, the division has in deposit only Rs.14,661.

The division filed a suit in 1972 for recovering the balance amount of Rs.44,454 from the contractor. Information regarding the latest position of the suit is awaited (February 1976) from the division.

The case was reported to Government in July 1972; Government explained (June 1975) that the lowest tender was accepted considering all aspects.

50. Sealdahgong Basin Drainage Scheme

50.1. Introduction : The Sealdahgong Basin in the district of 24-Parganas comprises an area of 139 square miles and has an annual rainfall of 59.05 inches. It is bounded on the north by the Eastern Railway line between Habra and Maslandpur railway stations, on the east and the south mostly by the road running from Maslandpur to Basirhat and therefrom to Chaital, and on the west by loop of the Padma river in the upper reach and the Sealdahgong, a tidal channel in the lower reach. The metalled road from Barasat to Basirhat running east-west practically bisects the basin. As the natural slope of the basin was towards the east, the area of the basin north of Barasat-Basirhat Road used to be drained through the Padma river which flowed west and south of the area almost to the said road, then turned eastward for 4 miles approximately and finally flowed north-east till it met the Jamuna river wherefrom the combined water of these two rivers discharged into the Ichamati river. With the deterioration of the drainage capacity of these two rivers due to siltation, drainage of this area (northern portion) could no longer be effected by the Padma river. The southern portion of the basin, that is, the area south of

Barasat-Basirhat Road was being drained by the Sealdahgong tidal channel locally known as "Metia Khal" into Kultigong. Its drainage capacity was also reduced due to heavy siltation in the lower reach. Thus, the entire area in the Sealdahgong basin got easily inundated every year during heavy rainfall in the locality causing severe damage to land and standing crops.

50.2. The Scheme

50.2.1. The Sealdahgong Basin Drainage Scheme was sanctioned by Government in February 1965 at an estimated cost of Rs.114.65 lakhs to provide a proper drainage system for the area. The scheme was scheduled to be completed in five years. Drainage of the area was to be effected through fourteen branch channels (total length : 1,736.80 chains) leading into a main channel (length : 855 chains). Part of the alignment of the main channel (0 to 549 chains) was to be excavated and the remaining length (549 to 855 chains) was to be along the existing course of Sealdahgong.

50.2.2. *Cost-benefit* : It was mentioned in the Project Report that 9,200 acres of paddy land would be fully benefited and 10,000 acres of paddy land would be partially benefited after the execution of the scheme. The increase in production was estimated at 1.22 lakh maunds of paddy and 1.14 lakh maunds of straw together valued at Rs.17.76 lakhs. Maintenance cost of the scheme was assumed at 6 per cent of the capital cost of Rs.114.65 lakhs, *i.e.*, about Rs.7 lakhs, and the benefit cost ratio was computed at 2.54.

50.3. Implementation of the Scheme

50.3.1. The following table indicates details of the estimate and the actual expenditure incurred up to March 1975 :

Item of work	Amount	Actual expenditure up to March 1975
	(In lakhs of rupees)	
(i) Land to be permanently acquired	16.77	} Sub-head-wise expenditure not available in the Register of Works maintained by the division.
(ii) Land to be temporarily acquired	1.62	
(iii) Compensation for standing crops, homestead lands, etc.	2.50	
(iv) Regulators and cross drainage works	10.93	
(v) 23 bridges	14.51	
(vi) Buildings for staff	2.07	
(vii) Earthwork—		
(a) Main channel (855 chains) 678 lakh cft.	64.74	
(b) Branch channel (1736.80 chains) 666 lakh cft.		
(viii) Tools and Plant	0.51	
(ix) Maintenance during construction and Miscellaneous	1.00	
Total ..	114.65	76.42

50.3.2. *Allotment of funds and phasing of expenditure* : The year-wise allotment of funds and the expenditure incurred were as follows :

Year		According to Project Report	Actual allotment of funds	Expenditure
<i>(In lakhs of rupees)</i>				
1965-66	..	12.90	..	} 0.94
1966-67	..	20.00	..	
1967-68	..	21.75	10.00	10.39
1968-69	..	25.00	12.30	11.91
1969-70	..	20.00	2.00	1.95
1970-71	..	15.00	3.18	3.19
1971-72	..	..	14.20	13.83
1972-73	..	..	15.00	16.98
1973-74	..	..	11.25	14.14
1974-75	..	..	3.09	3.09
1975-76 (up to October 1975)	..	..	9.00	0.24
Total	..	114.65	80.02	76.66

Though the scheme was administratively approved in February 1965, the technical sanction was accorded by the Chief Engineer only in August 1967.

50.3.3. Work on the main channel was divided into reaches and given to contractors for execution. The progress of work from the first upper reach (chain 0 to 80) to the last reach (chain 769 to 865) is indicated in the following table :

Sl. No.	Location	Date of acceptance of tender	Date on which work order was issued	Stipulated date of completion of work	Actual date of completion of work	Remarks
		3	4	5	6	7
1.	Chain 0 to 80					Work was not taken up as the area (Babla beel) to be drained by this stretch of the channel was excluded from the scope of the scheme.
2.	Chain 80 to 259 (Work was distributed equally among three contractors)	November 1970	April 1971	July 1971	May 1972 (one contractor) March 1972 (two contractors)	Due to objections from the local people the work could commence only in April 1971.
3.	Chain 259.50 to 317.50	November 1970	April 1971	July 1971	August 1971	The work could commence only in April 1971 due to objections raised by the local people to the alignment.
4.	Chain 317.50 to 351.50	November 1970	April 1971	July 1971	March 1972	Due to objections of the local people the work commenced only in April 1971.
5.	Chain 351.50 to 394	November 1970	April 1973	July 1973	Not completed	The work commenced only in April 1973 when an injunction from the High Court was vacated. After excavating 14.20 lakh cft. of earth against the estimated quantity of 76.15 lakh cft. the contractor refused (April 1973) to do any further work unless monthly payments were guaranteed by Government. Due to paucity of funds, the contract was rescinded by the Executive Engineer in June 1975 under instruction of the Superintending Engineer after imposing a token penalty of Rs. 862. Fresh tenders were invited (May 1975) and accepted (July 1975). The work order was issued in December 1975.

6. Chain 394 to 417 November 1970 April 1973 June 1973 Not completed

The contractor whose tender was accepted in November 1970 refused to do any work because no site could be made available to him up to April 1972 due to objections raised by the land owners and the Superintending Engineer terminated his contract in February 1973. Fresh tenders were invited in August 1972 and a contractor was selected in February 1973. The work commenced only in April 1973, when an injunction from the High Court was vacated. After excavating 15.27 lakh cft. of earth against the estimated quantity of 52.92 lakh cft. the contractor refused (January 1974) to do any further work unless monthly payment for work done was guaranteed. The Chief Engineer recommended to Government (July 1974) that the contract might be determined due to paucity of funds in that year. Without waiting for Government's approval the Superintending Engineer in consultation with the Chief Engineer decided (July 1975) to rescind the contract. Accordingly, the Executive Engineer rescinded the contract in August 1975 after imposing a token penalty of Rs. 538. Fresh tenders were invited and the lowest offer was accepted (July 1975). The work order was issued in December 1975.

Sl. No.	Location	Date of acceptance of tender	Date on which work order was issued	Stipulated date of completion of work	Actual date of completion of work	Remarks
		3	4	5	6	7
1	2					
7.	Chain 417 to 451	November 1970	April 1973	July 1973	Work not completed	The work could commence only in April 1973 when an injunction from High Court was vacated. After excavating 26.61 lakh cft. of earth against the estimated quantity of 53.28 lakh cft. the contractor refused to do any further work unless monthly payments were guaranteed. The Chief Engineer recommended to Government (July 1974) that the contract might be determined due to paucity of funds in that year. But without waiting for Government's approval the Superintending Engineer in consultation with the Chief Engineer decided (July 1975) to rescind the contract. Accordingly, the Executive Engineer rescinded the contract in August 1975 after imposing a token penalty of Rs. 603. Fresh tenders were invited and the lowest offer was accepted (July 1975). The work order was issued in December 1975.
8.	Chain 451 to 506	August 1970	December 1970	March 1971	Work not completed	The work commenced in December 1970 and up to May 1972, 49.91 lakh cft. of earth was excavated against the estimated quantity of 57.53 lakh cft. Extension of time was granted up to November 1972 but no further work was done (November 1975).

9.	Chain 506 to 549	August 1970	December 1970	March 1971	April 1972	
10.	Chain 549 to 605	December 1967	8th December 1967	8th March 1968	25th August 1968	
11.	Chain 605 to 670	November 1967	4th December 1967	4th May 1968	15th July 1968	
12.	Chain 670 to 714.50	November 1967	13th November 1967	13th April 1968	July 1968	The scope of this contract was extended to chain 730 in March 1968 due to non-completion of the portion (chain 714.50 to 730) by the contractor to whom that work was awarded. The contractor had to remove 110.38 lakh cft. of earth instead of the estimated quantity of 70.67 lakh cft. of earth between chain 670 and chain 730. This heavy excess of earth work was attributed by the division to heavy siltation due to the failure of the cross bundh at chain 769 and chain 837 <i>vide</i> remarks against items 13 and 14 below. The cost of the earthwork increased by Rs. 2.46 lakhs from the estimated cost of Rs. 4.63 lakhs to Rs. 7.09 lakhs.
13.	Chain 714.50 to 769	November 1967	13th November 1967	13th April 1968	14th August 1969	A cross bundh was to be erected before 8th January 1968 at chain 769 and was put up by the contractor on 7th February 1968 but the bundh collapsed on 12th February 1968 as, according to the Sub-divisional Officer, it was constructed with an inadequate section. Work on the portion of the channel between chain 714.50 and 730 was taken out and awarded to the contractor for the upper reach

Sl. No.	Location	Date of acceptance of tender	Date on which work order was issued	Stipulated date of completion of work	Actual date of completion of work	Remarks
1	2	3	4	5	6	7
						as indicated earlier (item 12 above). The contractor excavated 10.24 lakh cft. of earth up to August 1968 (against estimated quantity of 39.06 lakh cft.) without erecting the cross bundh and did not execute any further work.
						The contract was terminated and penalty was imposed on him in March 1968 forfeiting the security deposit of Rs. 10,402. Tenders were invited for the balance of work and it was got completed without erecting the cross bundh by another contractor.
14.	Chain 769 to 805	November 1967	13th November 1967	13th April 1968	May 1968	The cross bundh erected at chain 837 by the contractor was washed away on 11th February 1968 as the labour strength to maintain the cross bundh was not adequate and its section and slope were not proper as reported by Sub-divisional Officer (February 1968). The contractor was allowed to proceed with earthwork excavation without erecting a fresh cross bundh as it was not possible to put up the bundh on account of increased tidal effect in the channel. Payment for the earthwork was to be made at the part

rate of Rs. 7.38 per 100 cft. instead of the contract rate of Rs. 11.03 per 100 cft. and full rate was to be paid only when the contractor completed the job according to designed section after erecting the cross bundh and dewatering the channel in the next working season. As the contractor insisted on additional payment for slush deposited after the work was done in the previous working season his contract was terminated in November 1968. Total earthwork done by him was 18.06 lakh cft. against tendered quantity of 58.47 lakh cft. The division reported to the Superintending Engineer (November 1968) that no further work on this length was needed as the bed of the channel was scoured almost to the designed depth by heavy discharge in the channel up to July 1968.

No penalty was imposed on any of the contractors for delay in completion of the work.

Work on chain 80 to 259 was completed in May 1972. As the work of the main channel down below this reach was not completed resulting in drainage congestion, arrangements had to be made to give partial relief to the area. An expenditure of Rs.0.64 lakh was incurred to divert the water temporarily through the existing Sealdahgong creek.

The contracts for the works on the channel from chain 351.50 to chain 451 were for Rs.8 lakhs (Rs.3.45 lakhs, Rs.2.15 lakhs and Rs.2.40 lakhs for 76.15, 52.92 and 53.28 lakh cft. of earthwork respectively—total : 182.35 lakh cft.) and the three contracts were terminated with a token penalty after work (55.90 lakh cft.) valued at Rs.2.45 lakhs was done (Rs. 0.63 lakh, Rs.0.62 lakh and Rs.1.20 lakhs). Value of the balance work to be done as per accepted rates was, therefore, Rs.5.55 lakhs (for 126.45 lakh cft.). According to the contracts newly accepted, the cost of the remaining work to be done rose to Rs.8.11 lakhs though the volume of earthwork to be done was reassessed as 116.65 lakh cft. and therefore less by 9.80 lakh cft. The excess contractual obligation at the accepted rates of the tenders for this portion was, therefore, Rs.2.56 lakhs (Rs. 8.11 lakhs *minus* Rs.5.55 lakhs).

50.3.4. *Deviation from the approved design* : In May 1968 it was noticed that heavy siltation had occurred from chain 670 downwards as two contractors had failed to erect cross bundhs at chain 769 and chain 865. To clear the accumulated silt deposited between chain 670 and chain 730 and to bring it to the designed section as per project report would involve an extra expenditure of Rs.4.06 lakhs, as assessed by the Division in May 1968. To reduce this extra expenditure the section of the channel was modified to a slope of 0.00012 instead of 0.00047 as provided in the technical sanction. This change of slope reduced the earthwork by about 37.60 lakh cft. resulting in a saving of Rs.2.34 lakhs and this was approved by the Chief Engineer in May 1969.

The extent to which these design changes would affect the discharge capacity of the channel is not known (November 1975).

50.3.5. *Construction of branch channel* : Work on three branch channels towards the lower reach of main channel was done as indicated in the following table :

Sl. No.	Estimated length of the channel	Date of acceptance of tender	Date of issue of work order	Stipulated date of completion	Actual date of completion
1	2	3	4	5	6
1.	152.40 chains	April 1970	November 1970	March 1971	April 1972
2.	145.80 chains	September 1971	January 1972	April 1972	February 1973
3.	65.60 chains	September 1971	January 1972	April 1972	April 1972

For two of the three above-mentioned branch channels the actual cost was higher than the estimated cost—Rs.4.86 lakhs and Rs.3.79 lakhs against Rs.2.47 lakhs and Rs.2.10 lakhs respectively; the actual length of the two channels was more than what was estimated, 216.48 chains and 235.18 chains against 152.40 chains and 145.80 chains respectively.

The scheme provided for construction of three sluice gates on these channels at an estimated cost of Rs.3.75 lakhs. However, they have not been constructed (November 1975). The designs for these sluice gates are to be finalised (November 1975). Pending the construction of sluices, temporary wooden structures have been put up at a cost of Rs.0.22 lakh.

A branch channel (length 220 chains) in the upper reaches was taken up in July 1972. For the purpose of excavating the branch channel a portion thereof was divided into five reaches and separate estimates approved by the Superintending Engineer in July 1972 (for a total of Rs.10.40 lakhs). Tenders were invited in November 1972 and the lowest tenders for the five reaches were accepted by the Superintending Engineer in February 1973. Possession of land (152.285 acres) along the alignment of the canal was taken from the Land Acquisition Collector between January and April 1973. During inspection of the site by the Executive Engineer in April 1973, it was brought to his notice that there was public opposition to the sanctioned alignment of this channel. The work was thereafter kept in abeyance by the Executive Engineer and the matter was referred to the Superintending Engineer in April 1973. In August 1974 the Superintending Engineer decided to terminate the contracts and refund the earnest money. Thereafter no work was taken up on this branch channel.

Thus, out of fourteen branch channels to be excavated, no work was done on eleven and the work done on the other three remained incomplete; against Rs.18.31 lakhs provided in the Project report for earth work in fourteen branch channels (1,736.80 chains), the actual expenditure on earthworks in three branch channels (517.26 chains) was Rs.9.41 lakhs.

50.4. Conclusion : The scheme sanctioned in February 1965 and scheduled to be completed within 5 years is largely incomplete. Against the sanction of Rs.114.65 lakhs, the actual expenditure incurred to the end of October 1975 was Rs.76.66 lakhs; against the target of 855 chains of main channel and 1,736.80 chains of branch channels, only 685 chains and 517 chains respectively were completed (October 1975). The reasons for the slow progress were attributed by the division to—

- (a) severe public opposition over alignment,
- (b) imposition of injunctions from the High Court, and
- (c) inadequate allotment of funds.

The work so far completed on the main channel was not in one continuous stretch. There were gaps between completed reaches (chain 351 to chain 451). Out of fourteen branch channels only three have been completed but they are yet (January 1976) to be connected to the main channel through proper sluice gates.

Revised proposal to complete the work in two phases is reported to be under consideration of the division (January 1976).

The matter was reported to Government (December 1975); their reply is awaited (March 1976).

51. Payment of advances to contractors

The financial rules of Government provide that advance payment for work actually executed but not measured may be made on the certificate of a responsible officer (not below the rank of Sub-divisional Officer) to the effect that value of work done is in no case less than the advance payment proposed to be made; advance payment is to be adjusted against value of work on the basis of the detailed measurements which are to be made as soon as possible.

It was noticed that in two divisions heavy advance payments were made which were either adjusted after a long period or not adjusted at all yet. The position is stated below :

(a) Hooghly Irrigation Division

Sl. No.	Contract value	Nature of work	Date of work order	Time allowed for completion of work	Date of payment of advance	Amount of advance paid	Date of adjustment of advance
	(<i>In lakhs of rupees</i>)					(<i>In lakhs of rupees</i>)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	3.52	Earthwork	20-3-1973	June 1973	31-3-1973	3.00	March 1975
2	2.54	Earthwork	5-3-1973	3 months	31-3-1973	1.00	December 1974
3	1.72	Earthwork	2-1-1973	March 1973	28-2-1973	1.40	March 1975

- (i) In the first case advance payment of Rs.3 lakhs was made within 11 days of the work order.
- (ii) The advance payment amounted to nearly 39 per cent to 85 per cent of the contract value.
- (iii) There was a delay ranging from 21 to 24 months in adjusting the advances.

(b) Berhampore Irrigation Division

Serial No.	Contract value	Nature of work	Date of work order	Time allowed for completion of work	Date of payment of advance	Amount of advance paid	Date of adjustment of advance
	(In lakhs of rupees)					(In lakhs of rupees)	
1	2	3	4	5	6	7	8
1	2.01	Earthwork	21-1-1974	1½ months	30-3-1974 3-6-1975	2.00 0.58	None of these advances has been adjusted (February 1976).
2	0.87	Ditto ..	18-2-1974	One month	30-3-1974 12-7-1975	0.92 0.26	
3	2.45	Ditto ..	18-2-1974	One month	30-3-1974 12-7-1975	2.60 0.75	
4	1.67	Ditto ..	15-2-1974	One month	30-3-1974 12-7-1975	1.77 0.51	
5	1.67	Ditto ..	15-2-1974	One month	30-3-1974 12-7-1975	1.77 0.51	
6	0.94	Ditto ..	18-2-1974	One month	30-3-1974 12-7-1975	0.98 0.29	
7	1.67	Ditto ..	15-2-1974	One month	30-3-1974 12-7-1975	1.77 0.51	

(i) The advance payment exceeded the tendered value of work in all the cases.

(ii) According to the division, in five cases the works were completed either on or a few days before the date of payment of advance and in two cases the work was completed by the 30th April 1974. However, in all these cases a second advance payment was made after a lapse of more than a year without detailed measurement and without adjusting the previous payment.

The division stated (December 1975) that the bills for measured works had been received on which payment could not be made due to inadequate funds.

The matter was reported to Government (December 1975); their reply is awaited (March 1976).

52. Theft of stores

Thefts of costly materials (like ACSR conductors, aluminium conductors, electric motors, etc.) from the different stores and stockyards of the Central Mechanical Division in the Salt Lake area have occurred frequently since the creation of the division in April 1967. The total value of materials handled was Rs.37.71 lakhs during the years 1967-68 to 1973-74 out of which materials worth Rs.2.03 lakhs were stolen. Of these, materials worth Rs.0.90 lakh were stolen in 1969-70 (Rs.0.71 lakh in January 1970 alone) and Rs.0.33 lakh in 1970-71. The division explained (December 1971) that Salt

Lake project was located in an isolated area and the departmental guards were not equipped to prevent thefts. Police help was sought but thefts continued in 1972-73 (Rs.43,932) and 1973-74 (Rs.1,200) also. The losses have not been written off (December 1975).

The matter was referred to Government (April 1973); their reply is awaited (March 1976).

53. Fabrication and supply of steel shutters

The lowest quotation for supply of 30 sets of steel shutters (each set consisting of a draw shutter, a flap shutter and accessories) for use in sluice gates in Sundarbans was accepted by the Superintending Engineer, Eastern Circle in October 1963. The supply order was placed by the Executive Engineer, Basirhat Irrigation Division in the same month. The quantity was subsequently increased to 50 sets in December 1963 with the approval of the Superintending Engineer and the total value of the supply order was Rs.1.05 lakhs. The supply was to be completed within 1½ months from the date of the order.

According to the records in the division, 27 flap shutters and 16 draw shutters were received up to April 1964. However, the cost of the full quantity, viz., 50 steel shutters was paid for in the running bills during January to March 1964 and the final bill was also paid in June 1964. The security deposit amounting to Rs.10,500 was also refunded in October 1964. According to the contractor's letter of October 1964, the fabricated shutters were lying in his godown as the division had no storage space. The Basirhat Irrigation Division confirmed (December 1975) that the balance quantity of the supply order, that is, 23 draw shutters and 34 flap shutters including accessories valued approximately at Rs.0.67 lakh was not subsequently received by the division.

Out of the shutters received by the Basirhat Irrigation Division, one set of draw shutters and 2 sets of flap shutters were reported to have been utilised by that division, 3 sets were reported to have been issued to the Kakdwip Irrigation Division and the balance transferred to the Canals Division in December 1970. The stock accounts of the Basirhat Irrigation Division are in arrears from 1958-59 and details of adjustment were not available (December 1975).

The case was brought to the notice of Government for comments (May 1970); their reply is awaited (March 1976).

PUBLIC WORKS DEPARTMENT

54. Non-recovery of cost of materials

For the work of widening an apron of the existing guide bundh for the bridge over the river Sankosh, two tenders were accepted in the Alipurduar Construction Division, Jalpaiguri in 1966-67 and 1967-68. Sausage wire-netting measuring 14.27 lakh sq. ft. for the left side of the bundh and 10.16 lakh sq. ft. for the right side of the bundh was supplied free of cost during 1967-68 to the contractors as against the quantities of 11.53 lakh sq. ft. and 9.83 lakh sq. ft. respectively which

were necessary for the work done as per the final bills. Neither the excess quantities were returned by the contractors concerned nor recovery of cost thereof at double the departmental issue rate of Rs.42 per hundred sq. ft. as per the contracts was effected before making payment of the final bills (September 1968 and November 1968) and refund of security deposits (October 1968 and March 1969). Thus, an amount of Rs.2.57 lakhs remains unrealised. The Divisional Officer stated (January 1974) that the matter was under departmental investigation. The result of investigation is awaited (February 1976).

The matter was reported to Government in April 1972; their reply is awaited (March 1976).

PUBLIC WORKS (CONSTRUCTION BOARD) DEPARTMENT

55. Avoidable expenditure on staff

The Rehabilitation Division in Calcutta, essentially meant for planning and surveying of different works to be executed by other divisions, started executing work itself on Public Works pattern from 1971-72, as a temporary measure, by deploying the existing engineering personnel on execution of works. An Accounts Section was created with a Divisional Accountant, two Senior Accounts Clerks and four Accounts Clerks in connection with the works. Such direct execution of works was undertaken for about 2 years and from 1973-74 onwards, the division has been without any work to be executed under its direct supervision. The posts in the Accounts Section have been continued (latest sanction of Government up to February 1976). Government advised the department in May 1975 "to furnish sufficient data about actual performance (of the division) during 1975-76 and estimated work load during the next financial year (1976-77) while moving the Government for retention of staff beyond 29th February 1976". The following table gives the volume of expenditure on works executed under direct supervision of the division since 1973-74 *vis-a-vis* the expenditure incurred on pay and allowances of staff of the Accounts Section :

Year	Expenditure on works executed directly by the division	Expenditure on pay and allowances of the staff of the Accounts Section
<i>(In lakhs of rupees)</i>		
1973-74 ..	0.01 (a)	0.32
1974-75 ..	0.01 (b)	0.35
1975-76 (up to February 1976)	Nil	0.39
	Total ..	1.06

(a) Represents expenditure mainly on work-charged establishment.

(b) Represents clearance of outstanding liabilities.

An expenditure of Rs.1.06 lakhs has been incurred (up to February 1976) on retention of the staff in the division apparently without any work from 1973-74.

The matter was reported to Government in July 1975; their reply is awaited (March 1976).

PUBLIC WORKS (ROADS) DEPARTMENT

56. Advance collection of materials

For the improvement of two roads, viz., (I) Kaichar Nandigram-Singhi Road (length 16 miles 38 chains) and (II) Katwa-Churpuni-Billeswar-Palita Road (length 11 miles 12 chains) in Burdwan district, advance collection of materials like bricks and metals was started by the Burdwan Construction Division (Roads) in March 1964 and March 1966 respectively against the estimate of Rs.8.29 lakhs sanctioned by the Chief Engineer in 1963-64 for item (I) and estimate of Rs.13.82 lakhs sanctioned by the Chief Engineer in January 1966 for item (II). In respect of the first road, the earthwork commenced in December 1969 and for the second road, the earthwork commenced in March 1972 in the reach 1st to 9th mile. The delay in commencement of the works was attributed by the department to the delay in acquisition of land. By the end of December 1972, materials worth Rs.11.59 lakhs were collected. Utilisation of these materials up to the end of March 1975 is shown below :

Road No.	Dates of procurement	Value of materials procured Rs.	Dates of issue	How used		Balance Rs.
				Consumed Rs.	Transferred Rs.	
I	March 1964 to December 1972	8,15,389	February 1967 to May 1973	3,15,870	2,52,445	2,47,074
II	March 1966 to May 1970	3,43,516	February 1975 to March 1975	44,090	46,734	2,52,692

The procurement of materials much ahead of the commencement of the work resulted in the blocking up of capital. The department also incurred (up to September 1975) an expenditure of Rs.1.43 lakhs for guarding these materials and Rs.0.45 lakh for transferring a portion of them to other works. Work on the two roads is in progress (December 1975).

In January 1974 Government stated that the expenditure incurred on guarding the materials would be more than compensated by the additional expenditure that would have been incurred, had the same been purchased at the present market rates.

ANNEXURES

ANNEXURE A

(Reference: Paragraph 41.2, Page 79)

Statement showing details of Rural Piped Water Supply Scheme sanctioned up to the end of Fourth Plan as on 31st March 1974

Sl. No.	Name of scheme	Date of sanction	District	Number of villages	Estimated cost	Date of commencement	Reported date of completion	Expenditure up to March 1974
					(In lakhs of rupees)			
					(In lakhs of rupees)			
1.	Sainthia	8-11-66	Birbhum	3	6.03	March 1967	In progress	4.77
2.	Diamond Harbour	8-11-66	24-Parganas	10	7.01	May 1968	In progress	4.25
3.	Pandua	8-11-66	Hooghly	1	4.28	June 1967	August 1972 (except some minor items)	4.15
4.	Gushkara	8-11-66	Burdwan	1	3.39	March 1967	In progress	2.45
5.	Salboni	8-11-66	Midnapore	7	3.05	May 1967	January 1970	2.84
6.	Mograhat	8-11-66	24-Parganas	4	8.09	January 1968	July 1973	6.92
7.	Jateswar	8-11-66	Jalpaiguri	3	5.12	Not known	1970	5.20
8.	Kashipur	8-11-66	Purulia	7	3.65	1967	July 1974	3.71
9.	Charadihi	8-11-66	Bankura	10	4.90	December 1967	September 1972	4.94
10.	Patiram-Parpatiram	8-11-66	West Dinajpur	4	5.20	January 1968	In progress	2.02
11.	Baliadanga	8-11-66	Malda	14	14.67	March 1968	In progress	5.93
12.	Banarhat	8-11-66	Jalpaiguri	1	1.75	Not known	1971	1.30
13.	Kalchini	26-6-70	Jalpaiguri	2	5.72	Not known	In progress	4.57
14.	Memari	3-5-72	Burdwan	3	4.42	March 1973	In progress	0.15
15.	Canning	3-5-72	24-Parganas	4	16.67	August 1973	In progress	5.01
16.	Dubrajpur	3-5-72	Birbhum	9	11.98	April 1973	In progress	0.90

17. Naldanga	.. 3-5-72	.. Hooghly	..	5	3.46	March 1973	.. In progress	..	0.06
18. Contai	.. 3-5-72	.. Midnapore	..	137	47.25	October 1972	.. In progress	..	8.35
19. Natshal Lokshya	.. 3-5-72	.. Midnapore	..	18	19.56	January 1973	.. In progress	..	0.20
20. Maubazar	.. 3-5-72	.. Purulia	..	19	9.00	February 1975	.. In progress	..	0.54
21. Saltora and Hijuli	.. 3-5-72	.. Purulia	..	2	3.97	February 1975	.. In progress	..	0.12
22. Islampur	.. 3-5-72	.. Murshidabad	..	2	3.73	Not taken up	.. ..	..	..
23. Moinaguri	.. 3-5-72	.. Jalpaiguri	..	3	7.64	Not known	.. In progress	..	6.73
24. Rajibpur	.. 3-5-72	.. West Dinajpur	..	8	14.93	September 1973	.. In progress	..	3.53
25. Kaliagunj	.. 3-5-72	.. West Dinajpur	..	9	12.34	May 1973	.. In progress	..	0.18
26. Saltora Bazar	.. 24-1-73	.. Bankura	..	1	0.82	November 1972	.. April 1973	..	0.18
				Total	287	228.63			

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Notes: (1) The annexure is based on the statement furnished by the Divisional Officers.

(2) (a) Out of 7 schemes completed by the end of March 1974, one was commissioned in November 1974; an expenditure of Rs. 0.54 lakh was incurred in 1974-75 on the four completed schemes.

(b) Out of 18 schemes not completed at the end of 1973-74, one was subsequently reported to have been completed (July 1974); an expenditure of Rs. 68.94 lakhs was incurred on these schemes [up to March 1975]. The completed scheme was not commissioned (November 1975).

(3) Delay of more than 2 years in two cases (Serial Nos. 20 and 21) and more than one year in seven cases (Serial Nos. 2, 6, 9, 10, 11, 15 and 24) in commencing work after sanction was due to non-availability of site and materials as reported by Divisions.

ANNEXURE B

(Reference : Paragraph 41.3, Page 81)

Statement showing break-up of sanctioned schemes and physical progress as on 31st March 1975

Components of sanctioned schemes	Patiram-Parpatiram Scheme		Baliadanga Scheme	
	Provision as per sanctioned estimate (In lakhs of rupees)	Physical progress as on 31st March 1975 Reason for delay (as reported by the division in November 1975)	Provision as per sanctioned estimate (In lakhs of rupees)	Physical progress as on 31st March 1975 Reason for delay (as reported by the division in November 1975)
1. Tube-wells	0.46	Completed in November and December 1968.	0.86	Completed in October 1969.
2. Pump House	0.33	Not known	1.29	Not known
		The work of pump house commenced in December 1968 and the contract was terminated (September 1972). The work commenced again in December 1973 and is nearing completion.		Work commenced in May 1968 but the contract was terminated (December 1969). Work again commenced in June 1970 under a fresh contract which was also terminated (January 1973). Work taken up under third tender in February 1974 and is nearing completion.
3. Reservoir	0.75	Not known	1.65	80 per cent.
		Work of R. C. C. Reservoir commenced in January 1968 and the contract was terminated (August 1973). Fresh tender is yet to be invited.		Work commenced in November 1969. The contract was terminated (August 1975). Work order as per new contract is yet to be issued.

4. Distribution system	3.02	12 per cent	..	Work commenced in January 1968. Original contract was terminated (August 1973) and fresh tender was invited.	9.41	60 per cent	..	Work commenced in September 1967 but the contract was terminated (December 1974). Work under a fresh contract, accepted in June 1975, is in progress.
5. Office-cum-godown	0.15	17 per cent	..	Not given	0.15	98 per cent	..	Not given.
6. Boundary walls ..	0.08	Not known	..	Not given	0.15	Not known	..	Not given.
7. Contingency, work-charged establishment and cost of land	0.41	..	..	..	1.16	..	..	..
Total ..	5.20				14.67			

Notes: (1) Expenditure incurred up to March 1975 on Patiram-Parpatiram Scheme is Rs. 2.65 lakhs. Sub-head-wise break-up is not available.

(2) Expenditure incurred up to March 1975 on Baliadanga Scheme is Rs. 7.88 lakhs. Sub-head-wise break-up is not available.

CHAPTER VI

STORES AND STOCK

57. Stores and stock accounts

I (a) A synopsis of some important stores accounts for 1974-75 which have been received is given below :

Department	Nature of stores	Opening balance	Receipts	Issues	Closing balance
<i>(In lakhs of rupees)</i>					
Irrigation and Waterways	Small stores, building materials, etc.	2,50.42	3,80.59	1,60.63	4,70.38
Public Works	Ditto	.. 6,43.38(a)	7,13.46	6,62.44	6,94.40
Public Works (Roads)	Ditto	.. 2,46.94	3,70.62	3,05.98	3,11.58

(b) The stores and stock accounts of the following non-Public Works departments required to be submitted to Audit by 5th September each year are in arrear :

Serial No.	Department	Year of account	Reasons for non-preparation of stores accounts as intimated by the Department
1	Agriculture and Community Development—		
	Consolidated stores accounts of Intensive Food Production Scheme	1973-74 onwards	Reasons not intimated.

(a) Includes Rs. 1,52.67 lakhs relating to Construction Board Directorate following the revised classification of heads of accounts from 1974-75.

Serial No.	Department	Year of account	Reasons for non-preparation of stores accounts as intimated by the Department
2	Commerce and Industries—		
	(i) West Bengal Government Press and Raj Bhavan Press	1972-73 onwards	Non-availability of price of stores from Stationery Office.
	(ii) West Bengal Stationery Office	1974-75	Non-availability of price of some kinds of paper.
3	Education—		
	Bengal Engineering College, Shibpur	1974-75	Reasons not intimated.
4	Health and Family Planning—		
	(i) Central Medical Stores	1974-75	Reasons not intimated.
	(ii) Consolidated stores accounts of principal State hospitals	1972-73 onwards	Ditto.
	(iii) Kanohrapara T. B. Hospital	1974-75	Ditto.
5	Home (Jails)—		
	(i) Consolidated stores accounts of Presidency and Central Jails	1973 onwards	Non-receipt of accounts from constituent jails.
	(ii) Jail Depot	1972 onwards	Ditto.
	(iii) Alipore Central Jail Press	1974-75	Reasons not intimated.
6	Information and Public Relations—		
	(i) Consolidated stores accounts	1970-71 onwards	Reasons not intimated.
	(ii) Distribution section	1974-75	Ditto.

II. *Public Works stock*: Out of 235* Public Works divisions from which particulars were called for by Audit, information was received from only 65 divisions. Twentyeight divisions intimated that stocks were not held by them. From the particulars received from the remaining 37 divisions the following points were noticed:

(i) *Reserve limit of stock*: The rules require that the value of stores held in stock by the Public Works Department should not exceed the reserve limit specified for each division.

(a) In twentytwo divisions, the stock held on the 31st March 1975 exceeded the reserve limit by Rs.2,51.05 lakhs, as indicated below:

Department	Number of Divisions	Amount in excess of the reserve limit on the 31st March 1975	Remarks
<i>(In lakhs of rupees)</i>			
(1)	(2)	(3)	(4)
Housing ..	1	2.70	The excess persisted from 1970-71.
Irrigation and Waterways	7	36.09	In Kangsabati Canals II Division the excess (Rs. 1.70 lakhs) continued from 1965-66.
Public Works ..	8	80.96	Of the 8 divisions, 4 divisions account for the excess of Rs. 64.62 lakhs. In North Calcutta Division excess (Rs. 8.95 lakhs) persisted from 1965-66 and in Berhampore I Division (Rs. 15.50 lakhs) from 1966-67.
Public Works (Roads) ..	6	1,31.30	In 24-Parganas Construction Division the excess (Rs. 45.90 lakhs) persisted from 1969-70 and in Murshidabad Construction Division (Rs. 38.45 lakhs) from 1970-71.
Total ..	22	2,51.05	

(b) In Kangsabati Canals V Division which held stock of Rs.16.80 lakhs on 31st March 1975 no reserve limit of stock has been fixed.

*Eight divisions were transferred to the Calcutta Metropolitan Development Authority and one division was created during 1974-75.

(ii) *Closing of stock registers*: The register of stock in a Public Works division is required to be closed at the end of each year and reviewed by the divisional officer to ensure that stock consists only of necessary and serviceable articles and that the stores are priced within the prevailing market rates. Of the 37 divisions from which reports have been received, the closing of stock registers was in arrears in 34 divisions as indicated below :

Department		Number of divisions in which closing of stock registers is in arrears	Remarks
Housing	..	2	Housing Construction IV Division did not mention the year up to which the stock register was closed. In the Housing Electrical Division the closing of stock register was in arrear from 1964-65. <i>Minus</i> balance was also noticed in the stock accounts of the division on 31st March 1975.
Irrigation and Waterways		12	The stock registers had not been closed for over 10 years in two divisions and for over 5 years in five divisions. In Kangsabati Canals VI and Joynagar Irrigation Divisions <i>minus</i> balances were noticed in the stock accounts on 31st March 1975.
Public Works	..	11	The stock registers had not been closed for over five years in two divisions and for over two years in seven divisions. The City Engineering Division could not furnish any stock register.
Public Works (Construction Board)		1	....
Public Works (Roads)	..	8	The stock registers had not been closed for over five years in three divisions. In Howrah Highway Division there was <i>minus</i> balance in the stock accounts on the 31st March 1975.
Total	..	34	

(iii) *Physical verification of stock*: The Divisional Officers are required to ensure that physical verification of stock in the division is conducted at least once a year. Out of 121 divisions holding stock information was received from 65 divisions and according to this information physical verification was not conducted in 18 divisions during 1974-75; in some cases it was not done even in earlier years. Department-wise position is indicated below:

Department		Number of divisions in which physical verification of stock was not done	Remarks
Housing	..	1	....
Irrigation and Waterways		6	In one division physical verification had not been conducted from 1958-59 (value of closing stock as on 31st March 1975 : Rs. 5.45 lakhs) and in another division from 1966-67 (value of closing stock as on 31st March 1975 : Rs. 95.97 lakhs).
Public Works	..	6	In one division physical verification had not been conducted for four years (value of closing stock as on 31st March 1975 : Rs. 13.23 lakhs) and in three divisions for three years (value of closing stock as on 31st March 1975 : Rs. 36.29 lakhs).
Public Works (Roads)	..	5	In one division physical verification had not been conducted from 1966-67 (value of closing stock as on 31st March 1975 : Rs. 1.89 lakhs) and in two divisions for three years (value of closing stock as on 31st March 1975 : Rs. 49.74 lakhs).

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS**Section I**

58. According to the provisions of Section 14 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, bodies and authorities substantially financed by grants and loans from the Consolidated Fund are to be audited by Comptroller and Auditor General. The State Government were accordingly requested (March 1974 and April 1975) to furnish information about grants and loans given to various bodies and authorities and their expenditure for each of the years since 1971-72. No information was, however, received from the departments like Education, Health and Family Planning, Industries, Social Welfare, Agriculture and Community Development and Co-operation which normally give substantial grants and loans (December 1975).

From the records available in the office of the Accountant General it was seen that at least 140 bodies had received grants/loans from the Government of Rs.5 lakhs or more each during 1971-72 to 1974-75. Audit of 40 such bodies and authorities which were substantially financed by the Government was undertaken. Some of the important points noticed during audit are given in the succeeding paragraphs.

EDUCATION DEPARTMENT**59. District School Boards**

59.1. School Boards were set up in each district under the Bengal (Rural) Primary Education Act, 1930 for progressive expansion, management and control of primary education in rural areas and such Boards are functioning in 15 districts of West Bengal. A report on the accounts of eight Boards for 1971-72 was included in paragraph 53 of the Report of the Comptroller and Auditor General of India (Civil) for the year 1973-74. The accounts of the remaining Boards had not then been made available to audit.

59.2. The accounts of four District School Boards for 1971-72 and of six for 1972-73 were audited during the year under report. The accounts of two District School Boards for 1971-72 and of five for 1972-73 (as detailed below) were not available for audit (October 1975).

Name of District School Board	Year for which accounts were not available for audit
Bankura	1971-72 and 1972-73
Cooch Behar	1971-72 and 1972-73
Darjeeling	1972-73
Jalpaiguri	1972-73
24-Parganas	1972-73

The following statement shows the amount of grants received from Government and the expenditure incurred by the District School Boards audited :

Name of District School Board	Year of account	Total grants	Total expenditure	Percentage of grants to expenditure
<i>(In lakhs of rupees)</i>				
1. Jalpaiguri	.. 1971-72 ..	97.33	97.44	100
2. Nadia ..	.. 1971-72 ..	151.34	129.05	117
3. Malda ..	.. 1971-72 ..	104.84	98.72	106
4. 24-Parganas	.. 1971-72 ..	409.93	365.09	112
5. Burdwan	.. 1972-73 ..	217.11	269.21	81
6. Hooghly ..	.. 1972-73 ..	171.63	209.32	82
7. Howrah ..	.. 1972-73 ..	125.24	140.44	89
8. Nadia ..	.. 1972-73 ..	144.62	168.80	86
9. Purulia ..	.. 1972-73 ..	143.62	128.79	112
10. West Dinajpur	.. 1972-73 ..	146.92	129.60	113

59.3. *Government approval to budget estimates not received:* Approval of the State Government required under Section 40 of the Act to their budget estimates was not received by Jalpaiguri, 24-Parganas, Burdwan, Hooghly and Purulia District School Boards and to this extent expenditure incurred by these District School Boards was not duly authorised. The budget estimates were submitted to Government for approval on the dates shown below :

Name of District School Board	Budget estimates relating to the year	Date of submission of the budget estimates
1. Jalpaiguri ..	.. 1971-72	17-4-1971
2. 24-Parganas	.. 1971-72	11-12-1970
3. Burdwan ..	.. 1972-73	4-3-1972
4. Hooghly ..	.. 1972-73	24-4-1972
5. Purulia ..	.. 1972-73	30-12-1971

59.4. *Internal Audit:* Rule 11 of the District School Board Account Rules framed by Government in exercise of the powers conferred by sub-section (1) and clauses (z) and (z2), etc., of sub-section (2) of Section 66 of the Bengal (Rural) Primary Education Act, 1930 enjoins that the accounts

of the Board shall be audited every month by the Finance Committee of the Board who shall report the correctness or otherwise of the accounts audited by them to the Board in an audit certificate.

All the duties and functions of the Board and its committees are to be exercised by the respective District Inspector of Schools after the District School Boards were superseded by Government in May 1969. The accounts of the District School Boards were not, however, subjected to any internal audit from the dates as indicated below :

- (i) Nadia, March 1966.
- (ii) Jalpaiguri, April 1967.
- (iii) 24-Parganas, June 1967.
- (iv) Hooghly, April 1968.
- (v) Purulia, April 1968.
- (vi) West Dinajpur, May 1968.
- (vii) Malda, December 1968.
- (viii) Howrah, February 1969.
- (ix) Burdwan, April 1971.

59.5. *Review of cash book and connected records:* The cash book of the 24-Parganas District School Board opened on the 1st April 1971 with a *minus* balance of Rs.1.01 lakhs while their budget estimates for the year 1971-72 showing 'nil' opening balance were submitted to the Director of Public Instruction for obtaining approval of Government thereto. Government's approval was stated not to have been received (April 1976). The *minus* balance further increased to Rs.52.06 lakhs as on the 31st March 1972 while the balance of the fund with the district treasury showed a *minus* figure of Rs.32.80 lakhs on the 31st March 1972 as per entries made by the treasury on the 5th November 1974. This represented encashment of cheques to the extent of Rs.32.80 lakhs in excess of the available balance of the fund with the treasury. Entries for the subsequent transactions from April 1972 were not made in the treasury pass book up till May 1975, with the result that the extent to which withdrawals were made without balance was not available. The Board did not also strike balance in its books beyond April 1972 but the rough working sheets drawn for the period up to 31st August 1972 showed such drawals in excess of balance available to the extent of Rs.105.30 lakhs.

59.6. *Maintenance of accounts of Government grants:* The Appropriation Register for the grants given by the Government for specific purposes was not maintained properly by the Hooghly and 24-Parganas District School Boards. The entries in this register were not based on expenditure actually incurred as recorded in the relevant register of charges.

For instance, it was noticed in Audit that as against expenditure of Rs.3.20 lakhs and Rs.5.59 lakhs recorded for 1970-71 and 1971-72 respectively in the Appropriation Register by 24-Parganas District School Board in respect of Government's Fourth Five Year Plan—Grants for Free and Compulsory Primary Education (Universal) the amount actually spent amounted to Rs.2.60 lakhs in 1971-72 only. The Purulia District School Board did not maintain the Appropriation Register of Grants at all since 1965-66. The School Board attributed this to shortage of staff.

59.7. *Diversion of Government grants:* Unspent balances of Government grants for specific purposes were not covered by cash and investments held by the District School Boards, indicating that such funds were spent for other purposes at least to the extent of Rs.359.00 lakhs without obtaining approval of Government as detailed below:

School Board of the District	Position as on	Total unspent grants	Cash balance including investments	Amount diverted
(In lakhs of rupees)				
Burdwan	.. 31-3-1973	139.91	47.29	92.62
Hooghly	.. 31-3-1973	56.32	34.40	21.92
Jalpaiguri	.. 31-3-1972	51.77	47.11	4.66
Malda	.. 31-3-1972	50.26	30.43	19.83
24-Parganas	.. 31-3-1972	219.97	(—)52.06	219.97
			Total	.. 359.00

59.8. *Grants paid for students' amenities:* The grants paid by Government in 1970-71 and 1971-72 to provide amenities to students like free supply of approved text books, slates and pencils for needy children and attendance scholarships to girl students were not fully utilised by four District School Boards. The total of such unutilised grants amounted to Rs.5.29 lakhs.

School Board of the District	Position as on	Supply of books	Attendance scholarships	Total
(In lakhs of rupees)				
Jalpaiguri	.. 31-3-1972	0.16	0.05	0.21
Malda	.. 31-3-1972	0.26	0.08	0.34
24-Parganas	.. 31-3-1972	2.58	0.56	3.14
Nadia	.. 31-3-1973	1.31	0.29	1.60
Total		4.31	0.98	5.29

The position beyond the period covered in audit could not be ascertained as the accounts were incomplete (October 1975).

59.9. *Development grants remaining unutilised for a long time:* The grants received from Government since 1950-51 onwards specifically for development of primary education were not fully utilised and the unspent balances of such grants amounted to Rs.22.58 lakhs in four District School Boards as detailed below:

School Board of the District	In respect of grants received between 1950-51 and 1960-61		In respect of grants received between 1961-62 and 1965-66		In respect of grants received between 1966-67 and 1970-71		In respect of grants received after 1970-71		Total grants received	Total grants unutilised as on 31st March 1972
	Received	Unutilised as on 31st March 1972	Received	Unutilised as on 31st March 1972	Received	Unutilised as on 31st March 1972	Received	Unutilised as on 31st March 1972		
Jalpaiguri ..	..*	1.00	0.87	0.59	0.78	0.45	..	..	..	2.04
Malda ..	0.94	0.29	1.20	0.87	2.08	2.08	0.67	0.67	4.89	3.91
24.Parganas ..	1.01	0.85	0.70	0.23	12.47	10.72	0.74	0.74	14.92	12.54
Nadia ..	2.04	0.85**	2.03	0.43**	0.86	0.66**	2.15	2.15**	7.08	4.00**
									Total ..	22.58

(In lakhs of rupees)

The position beyond the period covered in audit could not be ascertained as the accounts were incomplete (October 1975).

*Information as to the amounts of grants received is not available in some cases.

**Amounts remaining unutilised as on 31st March 1973.

59.10. *Unauthorised expenditure*: The District Primary Education Fund is not applicable to any urban area as the Act extends to rural areas only. The Jalpaiguri District School Board, however, incurred a total expenditure of Rs.1.70 lakhs during 1971-72 towards pay and allowances of teachers of 17 primary schools situated in Alipurduar municipal area in contravention of the provisions of the Act. The School Board contended that they had to extend the facilities to all schools which were under their control before establishment of the municipality in 1957.

60. Jadavpur University

60.1. The annual accounts of the Jadavpur University for 1971-72 drawn up provisionally were received in December 1974 and some observations thereon were included in paragraph 52 of the Report of the Comptroller and Auditor General of India (Civil) for 1973-74. Further observations on the University's final accounts for 1971-72 were issued in August 1975. The annual accounts for 1972-73 were received in February 1976. The annual accounts for subsequent years have not been made available (April 1976).

60.2. The University had an opening balance as on 1st April 1971 of Rs.6.89 lakhs out of grants made available by Government in the preceding year. It received a further sum of Rs.139.34 lakhs from Government during 1971-72 as grants, making a total of Rs.146.23 lakhs which amounted to 84.3 per cent of its total expenditure during the year of Rs.173.43 lakhs (excluding Rs.33.43 lakhs booked under advances and deposits). Observations on the final accounts for 1971-72 are given below.

60.3. *Cash balances not reconciled*: The cash balance on 31st March 1972 as shown in the annual accounts was not reconciled with the balance as shown in the bank statements (November 1975). Following table indicates the position of the balances in the respective accounts:

	State Bank of India	National and Grindlays Bank		Reserve Bank of India (P/L A/C)
		Letter of credit account		
		<i>(In lakhs of rupees)</i>		
Balance as per ledger	(-)2.78	2.60	0.22	0.23
Balance as per Bank statement/Pass Book.	5.62	0.10	Bank statement not made available to Audit	Pass Book stated to have been lost
Difference	.. 8.40	2.50	..	..

60.4. *Approval of Government to the budget estimates not received:* Section 13(2) of the Jadavpur University Act, 1955 provides that the budget estimates of the University are submitted to Government and their approval taken. Accordingly, the budget estimates were submitted to Government for approval on the dates mentioned below:

Year	Date of submission to the State Government		Amount spent during the year (In lakhs of rupees)
	Budget estimates	Revised estimates	
1970-71	.. 9-4-1970	.. 21-4-1971	2,04.24
1971-72	.. 16-4-1971	.. 17-4-1972	2,06.86

The required approval of Government was not received by the University (April 1976).

60.5. *Diversion of grants:* The unspent balance of capital grants received from the Government and the University Grants Commission for purposes like construction of buildings, purchase of equipment, books, furniture, etc., amounted to Rs.9.80 lakhs on 31st March 1972 (after taking into account Rs.4.79 lakhs lying as unadjusted advance). But the cash balance of the University was Rs.0.27 lakh only on that date. This indicates that grants for specific purposes to the extent of Rs.9.53 lakhs were diverted for other purposes.

60.6. *Charges of expenditure to State Government without approval:* Expenditure of Rs.0.83 lakh as detailed below which was not chargeable to the maintenance grants received from the State Government was debited to the maintenance grant account during 1971-72 without obtaining approval of Government.

	Excess debit (In lakhs of rupees)
(i) Rupees 0.75 lakh was spent for running the Students' Health Centre against the maximum permissible amount of Rs. 0.15 lakh per year fixed by Government	0.60
(ii) Cost of running the post-graduate course in engineering up to March 1970 was to be borne entirely by the University Grants Commission but some payments relating to the period were debited to the maintenance grant account	0.03
(iii) Expenditure in excess of the grants received from the University Grants Commission and the Government of India for holding the "All India Oriental Conference 1969" was debited to the maintenance grant account and not claimed from the sponsoring agencies	0.20

60.7. *Non-return from study leave—leave salary paid remained unrecovered*: An employee proceeding on study leave is required under the rules to execute a bond undertaking *inter alia* to refund the leave salary and other amounts paid to him for the period of study leave in case he left the service while on leave or within three years from the date of resuming duties. He is also required to assign his Life Insurance Policy in favour of the University as security before proceeding on study leave. Such assignment of Life Insurance Policy was not obtained in any of the 22 cases of study leave scrutinised by Audit. In four of these cases the teachers either submitted resignation in December 1971 after availing themselves of study leave or did not resume duty on the expiry of such leave in June and August 1973. Leave salary amounting to Rs.0.20 lakh paid to them remained unrecovered (April 1976).

60.8. *Account of dues realisable from students not maintained properly*: Accounts of collection of tuition fee, seat rent, light charges, caution deposit, etc., received from students were not maintained properly nor the outstanding dues at the end of each year worked out. No consolidated abstract of the ledger accounts was also prepared to ascertain the total arrears at the end of each year.

61. North Bengal University

The University was established by an Act of the West Bengal Legislature (Act XXVII of 1961). The Act became operative from the 19th July 1962 and the teaching departments started functioning from the 1st November 1962. The academic jurisdiction of the University extends over five northern districts of West Bengal. It has four faculties, *viz.*, arts science, engineering and medicine and three colleges including a medical college under its direct management. Twentyeight other colleges are also affiliated to it. Total number of students in the thirtyone under-graduate colleges and in the eleven post-graduate departments were 24,500 and 455 respectively at the end of the academic session 1972-73. Receipts and expenditure of the University for the years 1971-72 and 1972-73 were as under:

Year	Oponing balance	Grants received from the State Government	Grants received from the University Grants Commission	Receipts from own sources	Total receipts (including opening balance)	Total expenditure	Closing balance
(In lakhs of rupees)							
1971-72—							
Capital account	32.36	27.35	0.75	0.88	61.34	20.85	40.49
Revenue account	6.79	38.66	0.70	14.48	60.63	53.90	6.73
Total ..	39.15	66.01	1.45	15.36	121.97	74.75	47.22
1972-73—							
Capital account	40.49	34.95	7.58	0.17	83.19	26.42	56.77
Revenue account	6.73	46.75	0.86	16.97	71.31	65.69	5.62
Total ..	47.22	81.70	8.44	17.14	154.50	92.11	62.39

The percentages of Government grants to total expenditure during the years 1971-72 and 1972-73 are given below :

Year of account	Grants received from Government including opening balances of unutilised grant (In lakhs of rupees)	Expenditure	Percentage of grants to total expenditure
1971-72 ..	102.83	74.75	137.56
1972-73 ..	127.84	92.11	138.79

61.1. *Annual reports not prepared*: Annual reports of the University are required to be submitted to the University as per provisions in the Act but these were not prepared since inception of the University in November 1962. As the annual report is intended to contain information about annual academic developments in different departments and faculties of the University and the progress of different schemes and construction works, presentation of the annual reports could serve a useful purpose. It was stated that one such report covering up to date particulars of the University was under preparation (April 1976).

61.2. *Annual verification of stores and stock not done*: The system of annual verification of equipment, apparatus, furniture, books, stores and sundry stationery articles was not introduced; stores and equipment in some departments were only occasionally verified.

The position of different units in this respect (July 1975) as revealed from the available reports was as under:

- (a) *University*: A circular was issued in April 1974 for conducting such physical verification and submission of reports thereon by May 1974. Report on verification of Engineering Department stores completed in January 1975 showed that 140 bags of cement (value: Rs.1,400) got solidified, the reason for which was stated to be non-availability of adequate godown facilities during 1971. No report from other departments was available.
- (b) *Medical College*: The Principal in his circular (May 1973) requested all Heads of Departments for physical verification of equipment, apparatus, furniture, etc. The periodicity of such verification was not, however, indicated. The reports of six out of eleven teaching departments and of the office and hostels were not furnished. It was noticed in Audit (June 1975) that cement (1,764 M.T.) and steel (4,174 M.T.) procured for civil works up to 18th February 1975 were stocked in the godowns of the

contractor for the works. No check over periodical issue and utilisation of the materials was exercised and physical verification of balance stock was not done.

- (c) *Raiganj College*: 1,264 books of the College library were either missing or lost as per last verification (1969). No record was available to show that any verification was done in subsequent years. No stock register of furniture, etc., was maintained and no record was available to show that any verification was done.
- (d) *Bachelor of Teaching and Evening College, Cooch Behar*: No physical verification of furniture, stores, etc., was done. 54 books of the library were reported to be missing (November 1972). No physical verification of the library books was done thereafter.

61.3. *Stock account not maintained*: The work of construction of a women's hostel at Raiganj at an estimated cost of Rs.1.63 lakhs with 75 per cent assistance from the University Grants Commission was being executed departmentally by employing the services of a labour contractor. Out of the total expenditure of Rs.1.76 lakhs incurred up to March 1976, the cost of building materials purchased up to May 1974 was Rs.0.37 lakh, but no stock account therefor was maintained. For payment to the labour contractor piecemeal measurements were noted in plain sheets of paper but the extent of total work executed could not be ascertained (March 1976).

61.4. *Non-recovery of cost of cement bags*: For civil works in the Medical College the contractor who was supplied cement was required to return the empty bags in good condition under the agreement, failing which recovery of 50 paise per bag was to be made. 71,487 bags of cement were utilised in works up to February 1975 but neither the bags were returned nor recovery of Rs.0.36 lakh therefor was made (March 1976).

61.5. *Expenditure on an unapproved item*: Out of Government grants (Rs.63.15 lakhs) for construction of the Medical College buildings, a total sum of Rs.2.43 lakhs (up to December 1974) was paid to Messers. Ghosh Bose & Associates, Consulting Engineers, for rendering architects' services in connection with the construction work, though the Government in conveying their sanction to the plans and estimates had observed (January 1970) that the sanctioned estimates did not include any cost of architects' or consulting engineers' fees.

HEALTH AND FAMILY PLANNING DEPARTMENT

62. K. S. Roy T. B. Hospital, Jadavpur

The hospital, administered by the Calcutta Medical Aid and Research Society, was established in 1923. In 1929, the Bengal Government made a grant of Rs.1 lakh for construction of the main building and for acquisition of land. The hospital covers an area of about 200 bighas and has accommodation for 745 beds, out of which

569 are maintained by the State Government and reserved for the treatment of their nominees, 130 beds are maintained by some departments of the Government of India, different bodies and individuals and 46 beds (29 paying and 17 non-paying) are maintained by the hospital out of its own resources.

The accounts of the institution are maintained according to the calendar year. Moneys received by the hospital from different sources are generally deposited into the bank, except where any amount is required to be retained to meet urgent expenditure. Expenditure is normally incurred out of moneys withdrawn from the bank. The accounts of the hospital are audited by chartered accountants annually. Besides, a firm of chartered accountants was also appointed (June 1972) as internal auditor of the hospital. As per the income and expenditure account of the hospital for the year 1973, the grants from Governments of West Bengal and India amounted to 75.4 per cent of the total expenditure as shown below :

Receipts from own sources	Grants from non-Government organisations	Grants from State Govern- ment and Government of India	Total receipts	Total expenditure
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(In lakhs of rupees)

1.58	3.30	23.41	28.38	31.06
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In addition to this, the hospital received capital grant of Rs.0.30 lakh from the State Government out of Calcutta Metropolitan Development Authority Fund.

The accounts of this hospital for the year 1973 were locally audited under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Some points coming to notice in the course of local audit are as below :

- (a) One of the main conditions laid down in Government orders sanctioning grants from time to time was that the institution should maintain a subsidiary account of the grants received and the expenditure incurred out of them. No such subsidiary account was maintained by the hospital authorities.
- (b) As on 1st January 1973, Rs.0.86 lakh was due to be realised from occupants of paying beds. A further sum of Rs.0.43 lakh fell due during the year 1973, thus aggregating to Rs.1.29 lakhs. As against this, Rs.0.75 lakh was realised between 1973 and 1975 leaving an outstanding balance of Rs.0.54 lakh on 31st December 1975.

- (c) Medicines worth Rs.2.53 lakhs were purchased in 1973 locally without inviting any quotation or tender, though required under the rules of the hospital. The hospital authorities indicated that the medicines were generally purchased from reputed concerns and that the market prices were fluctuating and therefore tenders and quotations were not practicable. It is pertinent to note that the total value of medicines consumed in the hospital in that year was Rs.2.34 lakhs. Dietary articles (mustard oil and *chira*) and fuel (coal) worth Rs.0.93 lakh were also purchased during 1973 without inviting any quotation.
- (d) While releasing Rs.0.30 lakh to meet the cost of purchase of an ambulance van by this hospital, it was stipulated by Government that this ambulance would be made available to the indigent patients free of cost. It was, however, noticed that the ambulance van purchased in January 1973 and another ambulance van which the hospital was already having were used only for sundry official and administrative purposes during 1973. The hospital authorities stated (June 1975) that for want of any other vehicle for administrative use they had no alternative but to use the ambulances for such purposes and that this position was brought to the notice of Government.

MUNICIPAL SERVICES DEPARTMENT

63. Municipalities

The accounts of the following six municipalities for the years 1972-73 and 1973-74 were audited under Section 14 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, viz., (i) Ghatal, (ii) Purulia, (iii) Bongaon, (iv) Balurghat, (v) Jangipur and (vi) Kurseong. The extent of financial assistance received by them from Government *vis-a-vis* their total expenditure during the respective year is indicated below :

Serial No.	Name of Municipality	Year	Total of grants and loans from Government including opening balances	Total expenditure	Percentage of grants and loans to expenditure
(In lakhs of rupees)					
1.	Ghatal	.. 1972-73	6.17	5.16	119.57
2.	Purulia	.. 1972-73	16.02	17.39	92.12
3.	Bongaon	.. 1972-73	5.95	5.48	108.57
4.	Balurghat	.. 1972-73	6.14	7.61	80.68
5.	Jangipur	.. 1972-73	5.82	7.10	81.97
6.	Kurseong	.. 1973-74	5.19	4.09	126.89

63.1. The following statement indicates the utilisation of grants and loans for various purposes :

Municipalities	Year	Expenditure out of grants		Expenditure out of loans				
		Grants (3)	Purpose (4)	Expenditure (5)	Loans (6)	Purpose (7)	Expenditure (8)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			<i>(In lakhs of rupees)</i>		<i>(In lakhs of rupees)</i>			<i>(In lakhs of rupees)</i>
1. Ghatal ..	1972-73	5.67	Payment of dearness allowance, road development, improvement of communication, etc.	3.42	0.50	Ways and means		0.50
2. Purulia ..	"	15.89	Payment of dearness allowance, development of communication, construction of sweepers' quarters, etc.	10.37	0.13	Payment of personal pay to the staff		0.13
3. Bongson ..	"	4.21	Payment of dearness allowance, development of communication, etc.	2.12	1.74	Tiding over financial crisis and sinking and repairing of tube-wells		1.74
4. Balurghat ..	"	5.44	Payment of dearness allowance, development of communication, construction of sweepers' quarters, etc.	3.48	0.70	Sinking of tube-wells		0.62
5. Jangipur ..	"	5.32	Payment of dearness allowance, development of communication, construction of sweepers' quarters, etc.	3.99	0.50	Restoration of damages caused by flood		0.39
6. Kurseong ..	1973-74	5.19	Payment of dearness allowance, development of communication, construction of sweepers' quarters, etc.	1.46	Nil			Nil

63.2. The demand and collection of rates of the following municipalities for the years 1972-73 and 1973-74 indicated that the percentage of collection of these municipalities ranged between 13 per cent (Kurseong) and 55 per cent (Jangipur) and it was far below the minimum standard of good collection of 85 per cent as prescribed by the State Government :

Municipality	Period	Arrear demand	Current demand	Total demand	Total collection	Percentage of collection to total demand
1	2	3	4	5	6	7
<i>(In lakhs of rupees)</i>						
1. Ghatal ..	1972-73	..	1.40	1.40	0.63	46
2. Purulia ..	1972-73	4.06	4.31	8.37	3.79	47
3. Bongaon	1972-73	3.41	1.65	5.06	1.19	23
4. Balurghat	1972-73	3.55	2.33	5.88	1.51	26
5. Jangipur	1972-73	0.85	1.00	1.85	1.03	55
6. Kurseong	1973-74	5.79	2.60	8.39	1.08	13

63.3. The position with regard to realisation of taxes, licence fees, rents, etc., is detailed below :

Municipality	Year	Total demand of licence fee and trade tax including arrear demand	Total collection	Percentage of collection	Total demand of fixed rents including arrear demand	Total collection	Percentage of collection
1	2	3	4	5	6	7	8
<i>(In lakhs of rupees)</i>				<i>(In lakhs of rupees)</i>			
1. Ghatal ..	1972-73	0.16	0.09	56	0.20	0.03	15
2. Purulia ..	1972-73	0.61	0.38	62	0.86	0.45	52
3. Bongaon	1972-73	1.02	0.20	20	0.02	0.01	50
4. Balurghat	1972-73	0.53	0.22	41	0.07	0.04	57
5. Jangipur	1972-73	0.19	0.07	37	1.79	1.02	57
6. Kurseong	1973-74	0.21	0.10	48	0.38	0.08	21

63.4. *Financial imbalance:* The net deficit of the municipalities as on 31-3-1973/31-3-1974 after setting off their liabilities is indicated below :

Municipality	Cash balance	Cash balance less unspent Government grant and loan	Arrear in repayment of loan instalment (principal with interest due)	Unpaid P. F. contribution and subscription	Other liabilities	Total liabilities	Deficit of cash balance after setting off liabilities
1	2	3	4	5	6	7	8
<i>(In lakhs of rupees)</i>							
1. Ghatal (31-3-1973).	0.91	-1.72	..	..	0.03	0.03	1.75
2. Purulia (31-3-1973).	3.09	-3.63	2.08	2.00	2.50	6.58	10.21
3. Bongaon (31-3-1973).	0.61	-1.49	3.37	0.18	0.66	4.21	5.70
4. Balurghat (31-3-1973).	0.69	-1.35	..	0.54	0.75	1.29	2.64
5. Jangipur (31-3-1973).	0.43	-1.01	0.11	..	0.55	0.66	1.07
6. Kurseong (31-3-1974).	2.10	-1.61	0.97	..	0.16	1.13	2.74

- (i) Purulia, Bongaon, Jangipur and Kurseong municipalities failed to pay to Government instalments of loans due with interest accrued thereon although under the relevant Act, such payments constituted first charge on the municipal funds.
- (ii) Purulia, Bongaon and Balurghat municipalities defaulted in payment of the subscription deducted from the salaries of the staff together with their contribution to the employees' provident fund amounting to Rs.2.00 lakhs, Rs.0.18 lakh and Rs.0.54 lakh respectively.
- (iii) Ghatal, Purulia, Bongaon, Balurghat, Jangipur and Kurseong municipalities also failed to maintain, after setting off all their liabilities, minimum closing balance of two months' recurring charges, obligatory under relevant provisions of the Act and Rules.

63.5. The following municipalities failed to utilise promptly grants paid by Government for development of roads and communication in the municipal areas :

Municipality	Year	Grants received	Unutilised balance at the end of the year
1	2	3	4
(In lakhs of rupees)			
1. Ghatal ..	.. 1972-73 ..	5.67	2.25
2. Purulia ..	.. 1972-73 ..	15.89	5.52
3. Bongaon ..	.. 1972-73 ..	4.21	2.09
4. Balurghat ..	.. 1972-73 ..	5.44	1.96
5. Jangipur ..	.. 1972-73 ..	5.32	1.33
6. Kurseong ..	.. 1973-74 ..	5.19	3.73

Bongaon and Jangipur municipalities utilised during the year 1973-74 further sums of Rs.0.24 lakh and Rs.0.35 lakh only, out of this unutilised balance.

63.6. *Diversion of Government grants and loans:* Government grants and loans earmarked for specific purposes, such as road development, sinking of tube-wells, construction of sweepers' quarters, improvement of drainage, etc., were irregularly diverted to the extent of Rs.9.23 lakhs by all the six municipalities covered by audit towards their general purposes as detailed below :

Sl. No.	Name of Municipality	Year	Cash balance at the end of the year	Unspent Government grant	Unspent loan received from Government and other sources	Total (Col. 5 and Col. 6)	Amount by which cash balance fell short of aggregate of unspent Government grant and loan
1	2	3	4	5	6	7	8
(In lakhs of rupees)							
1.	Ghatal ..	1972-73	0.91	2.25	Nil	2.25	1.34
2.	Purulia ..	1972-73	3.09	5.52	Nil	5.52	2.43
3.	Bongaon	1972-73	0.62	2.09	..	2.09	1.47
4.	Balurghat	1972-73	0.69	1.96	0.08	2.04	1.35
5.	Jangipur	1972-73	0.43	1.33	0.11	1.44	1.01
6.	Kurseong	1973-74	2.10	3.73	..	3.73	1.63
Total ..						9.23	

PANCHAYATS DEPARTMENT

64. Zilla Parishads

64.1. *Constitution and objectives:* Zilla Parishads were set up in the State under the West Bengal Zilla Parishads Act, 1963, as the apex of a four-tier Panchayati Raj set up chiefly for maintaining and improving roads and other communications in rural areas, providing drinking water, construction and maintenance of rest houses and administering cattle pounds and ferries within the district. The West Bengal Panchayat Act, 1973 provides for reduction of the four-tier set up to a three-tier one but reconstitution of the three-tier bodies has not been done so far (December 1975); so the 15 Zilla Parishads in the State continue to be governed by the Act of 1963.

64.2. *Sources of finance and revenue:* The Zilla Parishads carry on their functions mainly with funds provided by Government in the shape of grants in lieu of collection of land revenue and cess, augmentation grants, grants for specific purposes and with loans. A report on the accounts of all the Zilla Parishads for 1971-72 and of five for 1972-73 was included in paragraph 56 of the Report of the Comptroller and Auditor General of India (Civil) for the year 1973-74. The accounts of ten Zilla Parishads for 1972-73 had not then been made available to audit. The accounts of five Zilla Parishads for 1972-73 and of two for 1973-74 were audited under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The details of receipts and expenditure of these bodies are given in Appendix VIII. The accounts of four Zilla Parishads for 1972-73 and of twelve Zilla Parishads for 1973-74 were not available for audit.

64.3. *Collection of revenue:* Income of these Zilla Parishads from their own sources of revenue amounted to 3.2 and 7.6 per cent of their receipts from Government in the shape of grants and loans during 1972-73 and 1973-74 and collection of revenue by the Zilla Parishads was only 19.2 and 29.6 per cent respectively of their total demand during the years as shown below :

Year	Receipts		Percentage	Total demand	Collection	Percentage of collection
	Loans and grants from Government	Revenue collection				
	<i>(In lakhs of rupees)</i>			<i>(In lakhs of rupees)</i>		
1972-73 (five Zilla Parishads)	73.91	2.39	3.2	12.46	2.39	19.2
1973-74 (two Zilla Parishads)	22.23	1.69	7.6	5.71	1.69	29.6

64.4. *Non-utilisation of Government grants:* Grants and loans given by Government for specific purposes and remaining unutilised should be reflected in the cash balance (including investments) to indicate that the funds were available for the purpose for which assistance was given. However, it was noticed that the balances fell short of such unutilised balances to the extent indicated below, indicating the fact that they were appropriated towards general expenses of the Zilla Parishads:

Name of the Zilla Parishad	Position as on	Unspent amounts of loans and grants	Cash balance including investments	Amount diverted
<i>(In lakhs of rupees)</i>				
Birbhum	.. 31-3-1973	11.54	8.71	2.83
Burdwan	.. 31-3-1973	22.85	21.08	0.87
Howrah	.. 31-3-1973	20.90	19.80	1.10
	31-3-1974	80.15	78.11	2.04
24-Parganas	.. 31-3-1973	3.02	2.59	0.43
West Dinajpur	.. 31-3-1973	4.66	4.06	0.60

Section II

65. Important points noticed as a result of the scrutiny conducted under Section 15(1) of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and allied matters as a result of audit under Section 13 of the Act are given in the succeeding paragraphs.

HEALTH AND FAMILY PLANNING DEPARTMENT

66. Grants-in-aid are released every year by the Health and Family Planning Department to medical and health institutions, such as general hospitals, T.B. hospitals and sanatorium, T.B. associations, leprosy homes, maternity and child welfare centres, dispensaries, chest clinics, mental hospitals, etc., functioning under registered societies, registered bodies, local bodies and other statutory authorities. The grants are paid mainly for maintenance, the amount of grant being dependent on the nature of services rendered and the pecuniary resources of the institutions. Capital grants are also sanctioned in appropriate cases for various purposes, such as acquisition of land, erection or extension of buildings, purchase of furniture, etc. In certain cases, particularly T.B. hospitals and associations and mental hospitals, payments made for reservation of certain specified number of beds for treatment of nominees of the Government are treated as maintenance grant and according to the department (July 1975) such payments are made for services rendered.

66.1. Regarding the procedure by which the sanctioning authority satisfied itself that the conditions governing the grants had been fulfilled by the recipient of the grants, the department stated (July 1975) that it satisfied itself mainly on the basis of audited accounts of the institution, audited subsidiary accounts in respect of the maintenance grant and completion certificates by the engineers of the Public Works Department in respect of capital grant for construction and repairs. According to an order issued by Government in 1948, the grantee institution is also required to submit a statement of estimated income and expenditure of a particular year for release of recurring grants. The department, however, stated (August 1975) that while sanctioning normal maintenance grant, budget estimate was not generally asked for from the grantee institutions except at the time of the initial sanction of the grant and also in other special cases.

66.2. According to the department (May 1975) the grantee institutions in Calcutta area are to be inspected by officers of the Health Directorate and those in the districts by the Chief Medical Officer of Health or his authorised representatives. It was stated (July 1975) by the Directorate that except in one case the accounts of the recipients, although open for inspection, were not inspected by the Inspector of Accounts during 1971-72 to 1974-75. As to the number of institutions in Calcutta area inspected by these officers, no information was furnished. It was stated (September 1975) by the department that they did not maintain any record of such inspections. While the Chief Medical Officer of Health, Malda stated (September 1975) that no inspection of the institutions in his district was done during 1973-74 and 1974-75; information in this regard from other districts was awaited (September 1975).

Section III

67. Important points relating to utilisation of Government grants and loans noticed in audit of the accounts of certain bodies and authorities are given in the succeeding paragraphs.

RELIEF AND WELFARE DEPARTMENT

68. **Scheme for construction of a four-storeyed building at Sashi Bhushan Dey Street**

This scheme framed by the Calcutta Improvement Trust in November 1962 and later modified in June 1966 was intended to provide night accommodation for pavement dwellers. The scheme was estimated to cost Rs.2.88 lakhs and the State Government in Housing Department agreed in August 1966 to extend financial assistance under the Slum Clearance Scheme sponsored by the Government of India to the extent of Rs.1.78 lakhs on the basis of the ceiling cost of Rs.1.140 per bed (for 156 beds); 50 per cent of the cost was to be treated as loan, 37½ per cent as subsidy from the Central Government and balance as subsidy

from the State Government. The Relief and Social Welfare Department of the State Government agreed (i) to bear the balance of Rs.1.10 lakhs, (ii) to meet the liability for repayment of loan to be provided by the Central Government and (iii) to take over the responsibility for management of the shelter provided the ownership was vested in that department. A sum of Rs.1.10 lakhs was paid by the Relief and Social Welfare Department in March 1968.

The scheme was not, however, taken up by the Trust for execution pending receipt of the entire funds for the purpose. In November 1969, the Housing Department of State Government informed the Trust that financial assistance would be released only by way of reimbursement of actual expenditure. The Trust thereafter issued work order in May 1970 but the work could not be taken up due to strong local objection to the proposed site. An alternative site was selected in October 1971 but in May 1973, it was again decided to shift the work to a third site. The specific location in this respect was not finalised (January 1976). Consequently, the sum of Rs.1.10 lakhs received in March 1968 has so far (April 1976) remained unutilised.

MUNICIPAL SERVICES DEPARTMENT

69. Financial assistance to municipalities within Greater Calcutta area and outside

69.1. The accounts of certain municipalities revealed that despite receipt of substantial grants from Government out of the proceeds of entry tax to meet their liabilities, they did not possess sufficient cash balance to meet their liabilities as detailed below :

Serial No.	Name of Municipality	Amount of grant against entry tax	Cash balance as per accounts	Cash balance after adjusting Government grants and loans for other purposes	Arrears in payment of loan instalments	Unpaid Provident Fund contribution and subscription	Other liabilities	Total liabilities	Deficit of cash balance
1	2	3	4	5	6	7	8	9	10
		:					:		
									(In lakhs of rupees)
1	Garden Reach	5.24	3.48*	-8.29	7.89	..	48.30	56.19	64.48
2	Champdani	3.14	3.93	+3.68	..	..	7.56	7.56	3.88
3	Konnagar	2.02	1.92	+0.70	0.59	0.99	1.32	2.90	2.10
4	Naihati	1.55	3.83*	+1.62	0.71	0.11	5.44	6.26	4.64
5	Baidyabati	3.93	2.37*	-1.79	0.86	0.74	1.53	3.13	4.92
6	Serampore	4.96	4.37*	-0.92	0.10	2.17	1.38	3.65	4.57
7	Hooghly-Chinsurah	3.21	1.72*	-4.26	1.51	..	1.52	3.03	7.29

Notes : (1) In cases marked * position as on 31st March 1973 is indicated, while in others position as on 31st March 1974 is reported.
(2) Minus balances in column 5 indicate that existing cash balances were less than the unutilised amount of Government grant/loan.

69.2. According to the Bengal Municipal Act, repayment of Government loans with interest constitutes the first charge upon the municipal funds. The following municipalities defaulted in repayment of Government loan to the extent indicated below :

Serial No.	Name of Municipality	Year of account	Amount overdue for repayment at the end of the year
			<i>(In lakhs of rupees)</i>
1	Garden Reach ..	1972-73 ..	7.89
2	Konnagar ..	1973-74 ..	0.59
3	Naihati ..	1972-73 ..	0.71
4	Baidyabati ..	1973-74 ..	0.86
5	Hooghly-Chinsurah ..	1972-73 ..	1.51

69.3. Substantial amounts of grants paid to municipalities for development of roads and communication within the municipalities remained unutilised with the municipalities as detailed below :

Serial No.	Name of Municipality	Position as on	Unspent amount of Government grant
			<i>(In lakhs of rupees)</i>
1	Garden Reach ..	31st March 1973 ..	11.77
2	Bhadreshwar ..	31st March 1973 ..	1.38
3	Naihati ..	31st March 1973 ..	2.21
4	Baidyabati ..	31st March 1974 ..	1.75
5	Bally ..	31st March 1973 ..	4.27
6	Uttarpara-Kotrong ..	31st March 1973 ..	0.96
7	Serampore ..	31st March 1973 ..	3.67
8	Hooghly-Chinsurah ..	31st March 1973 ..	5.98
9	North Dum Dum ..	31st March 1973 ..	1.35

69.4. The accounts of the following municipalities disclosed that the cash balances in hand fell considerably short of the unutilised amount of Government loans and grants given for specific purposes, such as improvement of roads, repairs and improvement of water sources, etc., as detailed below:

Serial No.	Municipality	Cash balance as on 31st March 1973	Unspent Government grant	Unspent Government loan	Total	Amount by which cash balance was short
<i>(In lakhs of rupees)</i>						
1	Arambag ..	0.50	0.88	0.75	1.63	1.13
2	Sonamukhi ..	0.28	2.28	0.10	2.38	2.10
3	Alipurduar ..	0.08	1.04	..	1.04	0.96
4	Chakdah ..	1.03	2.53	1.48	4.01	2.98

Such diversion of Government grants and loans was contrary to provisions of the Bengal Municipal Accounts Rules.

69.5. Subvention was payable by Government to meet the expenditure towards payment of dearness allowance to the staff at prescribed rates. Such assistance was, however, drawn in excess to the extent of Rs.4.14 lakhs by certain municipalities as detailed below:

Serial No.	Municipality/Town Committee	Year	Amount overdrawn
<i>(In lakhs of rupees)</i>			
1	Garden Reach ..	.. 1972-73	.. 0.21
2	Champdani ..	.. 1973-74	.. 0.82
3	Baidyabati ..	.. 1973-74	.. 0.84
4	Bally ..	.. 1972-73	.. 0.97
5	Purulia ..	.. 1972-73	.. 0.22
6	Hooghly-Chinsurah	.. 1972-73	.. 0.23
7	15 other municipalities in each less than Rs. 0.20 lakh	14 for 1972-73 & 1 for 1973-74	0.85
		Total ..	4.14

The municipalities could not furnish information about refund or adjustment of the amounts overdrawn (December 1975).

69.6. Subvention of Rs.1.30 lakhs and the *ad hoc* allowance of Rs.0.16 lakh were drawn twice for payment to primary school teachers as a result of claims preferred by two different sections of the Darjeeling Municipality for the same teachers for the period April 1970 to May 1972. The claim relating to teachers of five municipal schools was included by the primary education section in its claim for all teachers and also by the Central Accounts Office in its claims for all employees of the municipality. The double drawal was brought to the notice of Government in February 1975. Reply is awaited (December 1975).

DEVELOPMENT AND PLANNING (TOWN AND COUNTRY PLANNING) DEPARTMENT.

70. Construction of a Grand Trunk Road By-Pass

70.1. For avoiding traffic congestion and delays caused by the railway crossings on the G. T. Road and the Abul Kalam Azad Road in Howrah, a scheme for the construction of a by-pass including an over-bridge connecting Howrah Bridge Approach Road with the Salkia School Road across the Eastern Railway store-yard was drawn up by the Howrah Improvement Trust in February 1961. An estimate of Rs.112.46 lakhs was prepared in May 1966 which included Rs.32.50 lakhs for land acquisition and the balance for the engineering works. The State Government approved the land acquisition in October 1965. The estimate for the engineering works was approved in January 1967. It was expected that the work would be completed in about four years' time.

70.2. The scheme was originally included in the Greater Calcutta Development Programme, to be financed by the State Government by way of loans out of the money given by the Government of India for the development of Calcutta Metropolitan Area. The first loan of Rs.10 lakhs was received by the Howrah Improvement Trust by the end of March 1966. The work actually commenced in May 1967. In subsequent years the Trust received another 5 loans till March 1970 making a cumulative total of Rs.92.82 lakhs. Thereafter, the scheme was financed with the grants received from the Calcutta Metropolitan Development Authority (CMDA). Grants released up to 1974-75 amounted to Rs.67.70 lakhs. In the meantime the estimated cost of the scheme was revised (March 1974) to Rs.189.49 lakhs and it was proposed by the Trust that it should be split up into two parts, namely, (1) G. T. Road By-Pass proper estimated to cost Rs.159.64 lakhs to be financed by CMDA as grants, and (2) internal road, stores, water-supply, etc., for general improvement of the scheme area at Rs.29.85 lakhs to be financed by the State Government as loans. The revised estimate and the proposal have not been approved by the Calcutta Metropolitan Development Authority and the State Government (February 1976).

70.3. The total expenditure incurred on the scheme till March 1975 amounted to Rs.132.65 lakhs as against the total receipt of funds of Rs.160.52 lakhs in the shape of loans and grants till then.

70.4. Loans were released without settling the terms and conditions and without verifying utilisation. The details of the loans received by the Trust were as follows:

Serial No.	Amount (In lakhs of rupees)	Date of receipt by the Trust	Terms and conditions
1	10.00	29-3-1966 ..	Not settled.
2	5.00	31-12-1967 ..	Rate of interest 5½ per cent. Other terms and conditions not settled.
3	10.00	30-2-1968 ..	Settled.
4	10.00	14-3-1969 ..	Settled.
5	20.00	26-3-1969 ..	Settled.
6	37.82	24-3-1970 ..	Not settled.

70.5. The first and the sixth loans together amounting to Rs.47.82 lakhs were released without settling any of the terms and conditions and the second loan of Rs.5 lakhs was paid without indicating the terms of repayment of the principal.

70.6. The expenditure on the scheme at the end of 1968-69 was Rs.18.66 lakhs as against the loan of Rs.55.00 lakhs disbursed till then. Till the end of 1969-70 the expenditure amounted to Rs.39.95 lakhs only. A further loan of Rs.37.82 lakhs was paid on 24th March 1970 to the Trust raising its loan liability to Rs.92.82 lakhs. The Secretary, Howrah Improvement Trust stated (February 1976) that loans totalling Rs.92.82 lakhs were spent and included in the total expenditure of Rs.132.65 lakhs incurred on the scheme up to 1974-75.

70.7. The delay in the completion of the work was stated (January 1975) by the Deputy Chief Engineer, Howrah Improvement Trust to be due to "non-availability of land and delay in construction of bridge over the Eastern Railway General Stores Yard by the Railways".

70.8. *Default in repayment:* In respect of the loans for which the terms and conditions had been laid down there have been defaults in repayment by the Trust; as against the demands of Rs.1.29 lakhs and Rs.15.63 lakhs respectively towards the principal and interest till March 1975 the Trust had paid (February 1976) only Rs.0.56 lakh and Rs.2.19 lakhs respectively. The arrears date back to 1968-69 and were attributed by the Trust to paucity of funds.

The matter was reported to Government in October 1975; their reply is awaited (February 1976).

CO-OPERATION DEPARTMENT

71. Financial assistance to co-operative societies

71.1. The number of co-operative institutions as at the close of the co-operative years 1968-69 and 1973-74 and their salient particulars were as below :

	At the close of co-operative year 1968-69 ending June 1969	At the close of co-operative year 1973-74 ending June 1974
1. Total number of societies :		
Living	21,518	19,439
Under liquidation	3,872	6,275
2. Total membership	31.43 lakhs	34.11 lakhs
3. Total paid up share capital	Rs. 2,636 lakhs	Rs. 4,141 lakhs
4. Contribution of Government to paid up share capital	Rs. 419 lakhs	Rs. 1,069 lakhs
5. Total working capital	Rs. 14,777 lakhs	Rs. 23,737 lakhs
6. Percentage of population covered by the co-operatives in the State	45	40
7. Percentage of agricultural popula- tion covered by the agricultural societies	22	23

71.2. The number of societies mentioned above as at the end of the co-operative year 1973-74 included 1,875 consumers' co-operative societies and 11,554 primary credit societies, the rest being industrial societies, weavers' societies, processing societies, fisheries societies, etc.

71.3. About fifty per cent of the societies could work with profit; another 25 per cent just broke even and the remaining incurred losses. Year-wise position of the working of the co-operative societies is given below :

Co-operative year	Total number of societies	Number of societies earning profit		Number of societies incurring loss		Number of societies with no profit and no loss
		No. of societies	Amount of profit (In lakhs of rupees)	No. of societies	Amount of loss (In lakhs of rupees)	
1968-69 ..	21,518	10,462	250.25	5,858	74.37	5,198
1969-70 ..	20,477	9,588	253.59	5,871	80.80	5,018
1970-71 ..	19,848	8,635	227.24	5,875	100.26	5,338
1971-72 ..	19,947	7,958	290.81	6,112	123.66	5,877
1972-73 ..	19,335	9,059	351.83	5,236	102.26	5,040
1973-74 ..	19,439	9,715	470.65	4,805	103.96	4,919

71.4. The dividends received by Government on its investment in share capital of the societies during the five years ending 31st March 1974 were as under :

As on—	Investment in share capital	Dividend	Percentage
	(In lakhs of rupees)		
31st March 1970 ..	441.36	0.73	0.2
31st March 1971 ..	479.31	2.02	0.4
31st March 1972 ..	649.47	3.07	0.5
31st March 1973 ..	884.73	3.21	0.4
31st March 1974 ..	1,069.44	2.13	0.2

71.5. Rupees 553.21 lakhs were paid as grants and subsidies to the societies up to 1973-74 for different purposes including, among others, managerial assistance to tone up the management, construction of godowns, purchase of furniture, tools and appliances, etc., and also for credit to Special Bad Debt Reserve Fund, Agricultural Credit Stabilisation Fund, Price Fluctuation Fund, etc.

Out of Rs.553.21 lakhs paid as grants and subsidies, utilisation certificates for Rs.157.55 lakhs were not received by the Registrar of Co-operative Societies till the date of audit (December 1975). The year-wise break-up of these wanting certificates was as under:

Year	Grants/ subsidies paid	Amount for which utilisation certificates were wanting
<i>(In lakhs of rupees)</i>		
Up to 1968-69	340.16	62.54
1969-70	35.02	11.56
1970-71	22.37	7.43
1971-72	34.34	13.16
1972-73	48.08	35.92
1973-74	73.24	26.94
Total	553.21	157.55

71.6. The position with regard to the loans paid by Government to the co-operative institutions as per the records of the Registrar of Co-operative Societies indicated the following:

Loans paid up to 31st March 1974	..	..	Rs. 470.61 lakhs
Loans repayable by 31st March 1974	..	..	Rs. 194.19 lakhs
Loans actually repaid by 31st March 1974	..	..	Rs. 107.22 lakhs
Loans overdue	..	..	Rs. 86.97 lakhs
Percentage of overdue	..	..	45

Information about the interest overdue on the above loans was not available in the department (December 1975).

71.7. The year-wise position (December 1975) of the loans paid during 1969-70 to 1973-74 and of receipt of utilisation certificates for these loans was as under:

Year (Financial year)	Loans paid	Amount for which utilisation certificate is awaited
<i>(In lakhs of rupees)</i>		
1969-70	18.08	9.95
1970-71	8.53	2.74
1971-72	13.57	2.68
1972-73	42.47	24.77
1973-74	124.02	Not available (December 1975)

Such year-wise break-up of loans paid during the period prior to 1969-70 was not available (December 1975) with the Registrar of Co-operative Societies.

71.8. The position of societies in liquidation in different years between 1968-69 and 1973-74 was reported as in the table below:

Year (Co-opera- tive)	Number of societies under liquidation at the beginning of the year	Societies under liquidation proceedings for 2 years and above	Societies brought under liquidation during the year	Societies wound up during the year	Of the societies in column 5 number relating to those in column 3	Number of societies under liquidation at the end of the year
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1968-69 ..	3,931	3,527	303	362	203	3,872
1969-70 ..	3,872	3,635	468	254	195	4,086
1970-71 ..	4,086	3,632	935	279	146	4,742
1971-72 ..	4,742	3,486	797	185	75	5,354
1972-73 ..	5,354	4,487	1,034	306	255	6,082
1973-74 ..	6,082	5,099	347	154	120	6,275

It would be seen that 25 per cent of the total societies as on 30th June 1974 were in liquidation.

71.9. The total assets realised and liabilities discharged during the year 1973-74 amounted to Rs.9.00 lakhs and Rs.7.16 lakhs respectively, leaving realisable assets of Rs.214.91 lakhs as against liabilities of Rs.258.35 lakhs yet to be discharged as on 30th June 1974 in respect of the societies in liquidation.

71.10. Information regarding the total financial assistance provided by Government by way of participation in the share capital, or provision of loans, grants and subsidies to the liquidated societies was not available with many Range Offices (December 1975). Particulars available in 10 Range Offices, out of 20, indicated that out of 2,837 societies under liquidation in those ranges 506 had received financial assistance from Government to the extent of Rs.28.68 lakhs up to 30th June 1974.

71.11. Till March 1974 thirtyeight rice mill co-operative societies were given the following financial assistance in different spells for encouraging processing of agricultural produce and also for ensuring some measure of control over rice market in the State :

	<i>(In lakhs of rupees)</i>
Grant	3.75
Loan	11.25
Contribution in share capital including margin money to 16 societies	169.00
Total ..	184.00

As in December 1975, out of these 38 societies, six had not gone into operation, three had gone into liquidation and six more were stated to be in the process of liquidation. The total share capital participation in the societies under liquidation or in the process of liquidation or yet to be commissioned amounted to Rs.52.20 lakhs. All the 23 functioning societies except one were running at a loss (June 1974).

Although Government provided assistance mostly out of funds borrowed from the National Co-operative Development Corporation at an interest of 6½ per cent per annum, none of the societies had made repayment of any instalment of loan or interest accrued thereon to the Government, with the result that the Government's liability to the Corporation for instalment of loan and interest was met out of the Government's own resources. The amount of overdues and of interest on 31st March 1975 was Rs.14.34 lakhs.

71.12. Under the provisions of the Co-operative Societies Act, the Registrar of Co-operative Societies is responsible for the audit of the accounts of co-operative institutions every year by the auditors authorised by him. As on 30th June 1975 the audit was in arrear as shown below :

	Total number of societies to be audited during 1974-75	Number of societies audited during the co-operative year 1974-75	Number of societies audit of which remained pending on 30th June 1975	Percentage of arrear in audit
Societies which are alive ..	20,213	13,358	6,855	34
Societies under liquidation	6,291	2,343	3,948	63
Total ..	26,504	15,701	10,803	

The position in this regard for the different categories of the societies which are alive was as follows :

Type of societies	Total number of alive societies	Number of societies audited during 1974-75	Number of societies audit of which remained pending on 30th June 1975
State co-operatives	21	9	12
Central societies	105	46	59
Credit societies	11,683	8,799	2,884
Purchase and sale societies ..	2,424	1,114	1,310
Production and sale societies ..	3,503	2,109	1,394
Social service societies	122	68	54
Housing societies	557	178	379
Irrigation societies	90	82	8
Insurance societies	3	..	3
Multipurpose societies	477	274	203
Other type	1,228	679	549
Total	20,213	13,358	6,855

The arrear in completion of audit was attributed by the Department mainly to:

(i) Seizure of books of accounts by police/courts of law and other authorities	249
(ii) Incomplete accounts	3,941
(iii) Engagement of departmental officers with duties other than normal audit work and other reasons	6,613
Total ..	10,803

71.13. The Co-operative societies are required to pay to Government fees for audit, which if not paid within the scheduled time are recoverable in the same manner as arrears of land revenue. Audit fees outstanding as on 31st March 1975 amounted to Rs.39.74 lakhs. The arrear on this account was on the increase as would appear from the figures given below:

Audit fee arrears as on 31st March	(In lakhs of rupees)
1970	20.96
1971	26.23
1972	31.79
1973	35.87
1974	38.10
1975	39.74

The department could not state how much of the outstanding audit fees was due from dormant/liquidated societies and also the period from which audit fees were outstanding.

CHAPTER VIII

COMMERCIAL ACTIVITIES

72. This chapter deals with the results of audit of departmentally managed Government commercial and *quasi*-commercial undertakings.

On 31st March 1975, there were 18 departmentally managed Government commercial and *quasi*-commercial undertakings as against 19 on 31st March 1974. Durgapur Industries Board which was converted into a Company, *viz.*, Durgapur Projects Limited with effect from 15th September 1961, was included in the list of departmentally managed commercial and *quasi*-commercial undertakings in the Reports of the Comptroller and Auditor General of India (Civil) up to 1973-74, as accounts for the period ending 14th September 1961 were not received. During the year under report, the pending accounts of the Board were received.

A synoptic statement showing the summarised financial results of six undertakings based on the latest available accounts is given in Appendix IX.

73. Delay in preparation of *pro forma* accounts

Out of the 18 undertakings, three have not prepared their *pro forma* accounts since inception and the accounts of the remaining 15 undertakings are in arrears for different periods, *vide* details in Appendix X.

In addition, the accounts of Brooklyn Ice Plant and Cold Storage, which was closed in March 1968 and Durgapur State Transport Board, which was converted into a Corporation on 7th December 1973, are in arrears since 1965-66 and 1967-68 respectively.

The delay in preparation of *pro forma* accounts is persisting.

**ANIMAL HUSBANDRY AND VETERINARY SERVICES
DEPARTMENT****74. Expenditure on transportation of milk**

In response to a tender enquiry for transportation of milk and milk products from the State Dairy at Durgapur to different milk booths in Greater Durgapur, Asansol and Burdwan, separate quotations for milk and milk products were received during October-November 1973 from eight tenderers.

Although the dairy had no milk products for transportation, the tenders were evaluated by adding together the rates quoted for transportation of both milk and milk products and without reckoning the minimum charges. The contract was concluded with the tenderer whose rates were considered the lowest on this basis: the rates quoted by the successful tenderer for transportation of milk only were not the lowest and his minimum charges were also higher than those demanded by the lowest

tenderer for transportation of milk. The contract was initially valid for one year from 1st December 1973 and was extended subsequently for a further period of two years on the existing terms and conditions.

The minimum charges per trip for transportation of milk not exceeding 25,000 litres in the accepted contract were Rs.162 and Rs.188 for Greater Durgapur and Asansol respectively. The corresponding minimum charges quoted by the lowest tenderer for transportation of milk were Rs.140 and Rs.175. No milk was supplied in Burdwan.

The dairy could not supply more than 15,000 litres of milk per trip on any occasion for transportation and the contractor had to be paid the contracted minimum charges. The contractor performed a total of 4,238 trips up to September 1975. Had the contract been awarded to the lowest tenderer for the transportation of milk the dairy could have avoided an extra expenditure of Rs.0.80 lakh during this period.

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

75. Wood Industries Centres

75.1. *Introduction*: A training-cum-production centre for wood industries was started in 1955-56 as a pilot scheme to train the local craftsmen of Darjeeling and Jalpaiguri districts on payment of a monthly stipend of Rs.25 to each craftsman. The scope and coverage of the scheme were enlarged subsequently and three units were located at Durgapur, Kalyani and Siliguri in November 1956, designed to impart training and produce seasoned timber and quality wooden articles on a commercial scale. The capital cost incurred on setting up these centres was Rs.11.89 lakhs.

The scheme was declared as commercial from 1957-58 onwards and *pro forma* accounts were required to be prepared.

75.2. *Training scheme*: One of the objects of the scheme was to impart intensive training for a period of one year in carpentry to 200 trainees (60 trainees at each of the three centres and 20 at Saw Mill and Seasoning Plant located in Durgapur). The performance of the centres in this respect, however, fell below the target. As against 3,600 persons to be trained during the period from 1957-58 to 1974-75, 842 were trained. There were no trainees in any of the centres from 1971-72 onwards. The Management of the Siliguri centre stated in August 1974 that the small amount paid as stipend was not attracting the trainees.

75.3. *Organisation and financial arrangement*: The overall control of the centres was with the Special Officer stationed at Durgapur. The post was abolished with effect from 1964 and thereafter the Joint Director of Industries (Rural Industrial Projects) has been looking after the scheme

on a part-time basis. In November 1969, a proposal was made to Government by the Director of Cottage and Small Scale Industries for the revival of the post of Special Officer; the proposal is reported to be under consideration of Government (April 1976).

The post of the Superintendent, Wood Industries Centre, Durgapur is lying vacant (April 1976) since September 1971 while the duties of the post at the Siliguri centre are being looked after by the Divisional Forest Officer, Government Saw Mill, Siliguri since 1965. The post of Assistant Superintendent, Siliguri centre is also lying vacant (April 1976) from September 1974.

A proposal was mooted in August 1972 by the Cottage and Small Scale Industries Department to transfer the centres to the Housing Board which require the products manufactured by the centres. The Housing Board expressed (June 1973) its unwillingness to take over the Siliguri centre but agreed to take over the other two centres at Kalyani and Durgapur on certain terms and conditions. The centre at Siliguri was transferred to the Public Undertakings Department with effect from 2nd January 1975, while negotiation is still being carried on with the Housing Board for transfer of the other two centres to the Board (December 1975).

75.4. *Production*: No production programme is being prepared in any of the centres. It was estimated by the Department of Cottage and Small Scale Industries on *ad hoc* basis (July 1967) that the centres were capable of producing wooden furniture valued at Rs.30 lakhs per annum (Kalyani: Rs.12 lakhs, Durgapur: Rs.12 lakhs and Siliguri: Rs.6 lakhs).

The table below indicates the value of the total production of finished products as revealed from the production registers maintained at different centres during the five years up to 1974-75:

Year	Durgapur			Kalyani			Siliguri		
	Rated capacity (In lakhs of rupees)	Actual production	Percentage of production to rated capacity	Rated capacity (In lakhs of rupees)	Actual production	Percentage of production to rated capacity	Rated capacity (In lakhs of rupees)	Actual production	Percentage of production to rated capacity
1970-71	12.00	3.87	32.25	12.00	1.91	15.92	6.00	1.56	26.00
1971-72	12.00	2.06	17.17	12.00	1.80	15.00	6.00	2.78	46.33
1972-73	12.00	1.10	9.17	12.00	3.45	28.75	6.00	2.45	40.83
1973-74	12.00	1.72	14.33	12.00	6.20	51.67	6.00	2.71	45.17
1974-75	12.00	2.20	18.33	12.00	10.02	83.50	6.00	5.05	84.17

The Superintendent, Kalyani centre submitted (December 1973) to Government a proposal for an additional capital investment of Rs.4 lakhs and a production line of 32 items of office furniture and twelve items of school and college furniture. No decision has been taken on manufacture of standardised items on a mass scale (April 1976).

Government directed (November 1972) that Government departments should purchase their requirements of furniture, doors and window frames from the centres and only if the centres were unable to supply them, purchases could be made elsewhere. It was estimated (December 1973) by the Superintendent, Wood Industries Centre, Kalyani that the total requirement of wooden furniture of the different departments of the State Government and its undertakings was of the order of Rs.2 crores per annum.

The orders received and executed by the centres for Government departments during the three years ended 1974-75 were as follows:

		Kalyani	Durgapur	Siliguri	Total
		<i>(In lakhs of rupees)</i>			
1972-73	..	3.27	3.62	3.33	10.22
1973-74	..	6.25	1.60	3.20	11.05
1974-75	..	10.40	2.83	4.25	17.48

Orders are secured by the centres on the basis of successful tenders. No advance payment is insisted upon from Government departments before starting the production while in case of private parties, orders are accepted only on receipt of advance payment of 25 per cent of the value. No agreements are entered into with the customers. Deliveries to private parties are to be made after receipt of full payment from the customers; but this is not always followed. The position of sundry debtors is indicated in paragraph 75.6.

According to the data furnished by the Management, finished stock valued at Rs.5.43 lakhs was carried by the three centres on 31st March 1975:

Year	Opening stock	Production	Sale	Closing stock	Accumulation of stock in terms of sale	
<i>(In lakhs of rupees)</i>						
<i>Siliguri</i>						
1972-73	..	1.24	2.45	2.91	0.78	3.2 months'
1973-74	..	0.78	2.95	2.67	1.06	4.8 months'
1974-75	..	1.06	5.05	4.03	2.08	6.2 months'

Year	Opening stock	Production	Sale	Closing stock	Accumulation of stock in terms of sale
<i>(In lakhs of rupees)</i>					
<i>Kalyani</i>					
1972-73 ..	0.87	3.45	3.44	0.88	3 months'
1973-74 ..	0.88	6.20	5.94	1.14	2.3 months'
1974-75 ..	1.14	10.02	9.09	2.07	2.7 months'
<i>Durgapur</i>					
1972-73 ..	0.75	1.10	0.67	1.18	21.1 months'
1973-74 ..	1.18	1.72	2.54	0.36	1.7 months'
1974-75 ..	0.36	2.20	1.28	1.28	12 months'

According to the information furnished by the Management, the finished stock includes wooden furniture and other articles valued at Rs.1.18 lakhs which were damaged due to long storage and inadequate storage arrangements.

A Committee was constituted by Government in May 1974 to suggest steps for disposal of the accumulated stock of the centres at Durgapur and Kalyani. The reports submitted by the Committee in March 1975 and October 1975 are under consideration of Government (April 1976).

There have been heavy accumulations of scantlings (off-cuts) at Durgapur and Kalyani centres since inception of the scheme. The value of scantlings accumulated at the end of 1974-75 was Rs.7.97 lakhs at Kalyani and Rs.5.59 lakhs at Durgapur. By June 1973, scantlings valued at Rs.3.54 lakhs out of the stock valued at Rs.5.59 lakhs at Durgapur had been damaged due to long storage (*vide* statements prepared by the Management).

Government had ordered (June 1967) disposal of the accumulated scantlings by inviting open tenders or by public auction. The Management of Kalyani centre invited tenders in September 1969 but did not dispose of the scantlings. As the rate obtained was not encouraging no further action was taken for disposal. The Management of Durgapur centre invited tenders in September 1969 and there was no response. Tenders were invited again in December 1975; as the offer received was low, the matter was referred to the Directorate whose orders are awaited (April 1976).

75.5. *Financial results*: Consolidated *pro forma* accounts of the centres are in arrears from 1960-61. Consequently, the working results of the scheme could not be correctly ascertained.

According to the financial results of the centres as worked out by the Task Force (February 1974), the deficit during 1972-73 was Rs.10.90 lakhs and all the three centres worked to a deficit from the inception of the scheme, the cumulative deficit at the end of 1972-73 being about Rs.104 lakhs.

The Director, Cottage and Small Scale Industries observed (July 1972) that "the cumulative financial losses incurred by the scheme can be essentially attributed to the failure of feeding the units with economic items of mass manufacture as well as to formulate a viable pricing policy for manufactured items for supply to Government departments". A Task Force constituted by Government in October 1973 to examine the working of small scale industries highlighted the following, in their report submitted in February 1974, as the main problems faced by the centres:

- (a) deterioration of finished goods and raw materials due to inadequate storage arrangements,
- (b) lack of orders and lack of suitable sales organisation,
- (c) procurement difficulties,
- (d) labour problem and inadequate shop floor management,
- (e) lack of standing orders under Factories Act to govern the working conditions of the workers,
- (f) piecemeal sanction to continuance of the scheme, and
- (g) lack of commercial set up, outlook and procedure.

75.6. *Sundry debtors*: The following table would indicate the sundry debtors position of the three centres as on 31st March 1975:

	Kalyani		Durgapur		Siliguri		Total	
	Private	Government	Private	Government	Private	Government	Private	Government
	(In lakhs of rupees)							
More than 3 years old	0.53	11.93	0.21	9.05	0.02	2.22	0.76	23.20
Less than 3 years old	0.18	10.74	..	2.53	..	3.11	0.18	16.38

The total outstandings under sundry debtors (Rs.40.52 lakhs) at the end of March 1975 amounted to 281 per cent of the sales during 1974-75.

75.7. *Uninstalled and idle machinery*: Machines valued at Rs.1.49 lakhs purchased for different centres, have remained uninstalled or idle for 10 years or more (position as on 31st March 1975). The machinery at Durgapur (value: Rs. 0.87 lakh) and Siliguri (value: Rs. 0.42 lakh) centres were not installed/utilised for want of space, non-availability of spare parts and uneconomic operational cost.

The Superintendent, Kalyani centre stated (June 1975) that the machinery (value: Rs. 0.20 lakh) of the centre would be utilised at the time of future expansion of the centre.

75.8. *Inventory control*: Minimum/maximum and ordering levels of stores and raw materials have not been laid down in the centres. Stores are purchased as and when required.

A table is given below showing the production, closing stock of raw materials and accumulation of stock in terms of months' production centre-wise for the last three years:

Name of the centre	Year	Production	Closing stock	Accumulation of stock in terms of months' production
<i>(In lakhs of rupees)</i>				
Kalyani	.. 1972-73	.. 3.45	0.33	1.1
	.. 1973-74	.. 6.20	0.64	1.2
	.. 1974-75	.. 10.02	0.92	1.1
Durgapur	.. 1972-73	.. 1.10	0.40	4.4
	.. 1973-74	.. 1.72	0.30	2
	.. 1974-75	.. 2.20	0.67	3.7
Siliguri	.. 1972-73	.. 2.45	0.92	4.5
	.. 1973-74	.. 2.71	1.23	5.4
	.. 1974-75	.. 5.05	1.48	3.5

The Management stated (December 1975) that due to prolonged storage, some of the items like preservatives and hardwares had become unserviceable; the value of such stores on 31st March 1975 was Rs.0.32 lakh.

75.9. *Seasoning plant at Durgapur*: The seasoning kiln plant at Durgapur was installed in 1958-59 at a cost of Rs.0.34 lakh (approximately) to meet the local demand for seasoned timber. The plant was not working satisfactorily and some defects were noticed by the Superintendent in charge like difficulty in temperature control, insufficiency of the humidity and fans not being reversible. In July 1972, Government sanctioned Rs. 1.81 lakhs for renovation of the seasoning plant. In the meantime, one kiln of the

plant went out of order in December 1970 and the other in April 1971. The work of renovation of the plant was awarded to Durgapur Development Authority in January 1973 for Rs.1.81 lakhs to be completed by November 1973 but no agreement was entered into with the Authority.

The Durgapur Development Authority claimed an additional sum of Rs.0.87 lakh in December 1974 and June 1975. Government's sanction to the additional expenditure was accorded in March 1976. The amount has been paid (April 1976). In the mean time, an amount of Rs.1.13 lakhs has been spent by the centre on wages of the staff for the kilns for the period from May 1971 to March 1975 when the two kilns were not functioning.

75.10. *Incentive bonus scheme*: In order to improve the productivity and maintain delivery schedules, an incentive bonus scheme was sanctioned by Government in August 1974. It was stipulated that the staff/workers must be present on 50 per cent of the total working days in a month in order to qualify for incentive bonus. The norms of production in physical terms to qualify for bonus were not fixed after time and motion study, etc. The incentive payment was linked to the value of production and the average monthly value of production for the four months from April to July 1974 was taken as the minimum production for earning the bonus. The amount of incentive bonus paid from September 1974 to August 1975 was Rs.1 lakh.

76. Government Sales Emporia

76.1. *Introduction*: Government set up four sales emporia, three in Calcutta and one in Howrah during the period August 1955 to December 1960.

A Superintendent's office was also set up in June 1963 to effect co-ordination amongst the different emporia and to undertake wholesale business.

Some aspects of the working of the emporia were mentioned in the Audit Report 1966.

76.2. *Objects*: The objects in setting up the emporia were:

- (a) to extend maximum facilities to weavers and artisans of the State towards marketing their products;
- (b) to present to the customers the products of West Bengal in a befitting manner;
- (c) to make purchases from the producers and their co-operative societies directly and eliminate middlemen; and
- (d) to arrange for publicity and display of cottage industries products for promotion of sale in the internal and export markets.

76.3. *Purchase*: Purchases made by the sales emporia during the last three years were as follows:

Year	Purchase from producers' co-operatives	Purchase from others	Total amount of purchase	Percentage of purchase from co-operative societies to total purchase
<i>(In lakhs of rupees)</i>				
1972-73	6.20	10.38	16.58	37
1973-74	5.19	8.13	13.32	39
1974-75	3.22	8.44	11.66	28

According to the procedure prescribed by Government, prior approval of the Joint Director of Industries (Handloom) or Director, Cottage and Small Scale Industries is necessary for 'payment' for purchases beyond Rs.3,000 in an individual bill. In August 1974, the sales emporia made purchases of Rs.2.97 lakhs out of which orders aggregating Rs. 2.62 lakhs were split up and the approval of the higher authority was not obtained.

76.4. *Sale performances*:

76.4.1. Sale prices were fixed after adding the following margin to the purchase price from July 1963:

Handicrafts	... 25 per cent
Silk goods	... 25 per cent
Textile goods	... 15 per cent on goods from co-operative societies and 10 per cent on goods from others

The margin levied on all textile goods was changed to 15 per cent by Government (February 1974).

76.4.2. As stated by the Management, the sales made by the emporia during the last three years were as follows:

	1972-73	1973-74	1974-75
<i>(In lakhs of rupees)</i>			
Lindsay Street, Calcutta	4.84	6.23	3.34
Ballygunge, Calcutta	4.42	5.45	3.84
Shyambazar, Calcutta	1.98	2.59	2.69
Superintendent's office (wholesale business)	3.07	1.73	0.97
Total ..	14.31	16.00	10.84

The decrease in sales in 1974-75 was attributed by the Management (July 1975) to high prices.

The Management does not prepare any annual sales budget and no target of sales is being fixed for the emporia.

There has been no export of cottage industries products (December 1975) as originally envisaged.

76.4.3. *Payment of commission to sales assistants*: According to terms of appointment, the sales assistants in the emporia are paid commission at the rate of 1½ per cent on sales effected by them. The amount of commission paid to the sales assistants during the last three years was as follows:

Period	Amount (In rupees)		
1972-73	17,357
1973-74	20,984
1974-75	16,349

There is no stipulation of a minimum amount of sale as a condition for entitlement to commission.

76.5. *Working results*: Although the scheme is to run on commercial lines, *pro forma* accounts have not been prepared from 1951-52 to 1962-63 and from 1969-70 onwards. *Pro forma* accounts for the period 1963-64 to 1968-69, submitted to Audit in September 1970, could not be checked fully as accounts of previous years have not been received (January 1976). In the absence of any *pro forma* accounts, the working results of the scheme could not be ascertained. However, the working results of the emporia (excluding Howrah emporium), as worked out by the Management on cash basis, for the three years up to 1974-75 are indicated below:

			Income <i>plus</i> closing stock	Expenditure <i>plus</i> opening stock	Deficit(—) Surplus(+)
	1972-73	(In lakhs of rupees)			
Lindsay Street	9.04	9.68	(—) 0.64	
Ballygunge	6.61	6.66	(—) 0.05	
Shyambazar	4.18	4.31	(—) 0.13	
Superintendent's office (wholesale business)		3.16	3.82	(—) 0.66	
Total	22.99	24.47	(—) 1.48	

			Income <i>plus</i> closing stock	Expenditure <i>plus</i> opening stock	Deficit(—) Surplus(+)
1973-74					
<i>(In lakhs of rupees)</i>					
Lindsay Street	..	..	8.59	9.11	(—) 0.52
Ballygunge	..	..	6.58	6.45	(+) 0.13
Shyambazar	..	..	4.69	4.74	(—) 0.05
Superintendent's office (wholesale business)			1.96	2.81	(—) 0.85
	Total	..	21.82	23.11	(—) 1.29

1974-75					
Lindsay Street	..	..	6.92	8.06	(—) 1.14
Ballygunge	..	..	6.34	6.49	(—) 0.15
Shyambazar	..	..	4.33	4.36	(—) 0.03
Superintendent's office (wholesale business)			1.00	1.60	(—) 0.60
	Total	..	18.59	20.51	(—) 1.92

The Management stated that the Howrah emporium suspended its normal trading activities from 1st December 1972, as running of the emporium was found to be uneconomic. The emporium resumed working on 11th May 1973 as a yarn trading centre only but this business also was stopped on 3rd November 1973 due to decontrol of yarn. The working results of the emporium from 1969-70 to November 1973 as worked out by the Management on cash basis are indicated below:

Year			Income	Expenditure	Deficit(—) Surplus(+)
<i>(In rupees)</i>					
1969-70	..	..	5,906	30,061	(—) 24,155
1970-71	..	..	6,282	27,305	(—) 21,023
1971-72	..	..	4,749	27,652	(—) 22,903
1972-73 (April to November 1972)			2,913	19,141	(—) 16,228
1973-74 (11th May to 3rd November 1973)			28,077	12,457	(+) 15,620

The above figures of expenditure do not include depreciation charges on assets and interest on capital.

The Public Accounts Committee in their Report (March 1973) on the Appropriation Accounts and the Finance Accounts for 1964-65 and 1965-66 and the Audit Reports thereon expressed their dissatisfaction over the fact that the *pro forma* accounts of the emporia were in arrears since inception. In their reply the department informed (March 1973) the Public Accounts Committee that these could not be prepared as old records were not available and adequate accounts staff were not provided (April 1973). The Committee in their Report (April 1973) desired that adequate staff should be provided.

The Management do not maintain general ledger, journal, bill register, assets registers, etc., necessary for preparation of *pro forma* accounts.

76.6. *Outstanding dues*

76.6.1. *Sundry debtors*: The Superintendent's office and the sales emporium at Lindsay Street effected credit sales to Government departments and private parties without any authority for selling on credit. The balances under sundry debtors up to 31st March 1975 (taking into account recoveries till November 1975) amounted to Rs.1.69 lakhs. The table below indicates the position of debts due from Government departments and private parties:

	Due from Government departments	Due from private parties
	(<i>In lakhs of rupees</i>)	
More than three years old ..	0.84	0.17
Less than three years old ..	0.68	..
	<hr/> 1.52	<hr/> 0.17

Confirmation of dues has not been obtained from the parties concerned.

76.6.2. *Rebate*: The sales emporia allow rebates at the rate of 5 per cent and 10 per cent (on special occasions) on sale of handloom goods produced by the co-operative societies in accordance with the orders of Government. The amount allowed as rebate is reimbursable by Government on presentation of sale documents. Government have reimbursed Rs.2.37 lakhs up to 31st December 1975 as against a claim for Rs.3.07 lakhs from 1963-64 to 1974-75, leaving a balance of Rs.0.70 lakh to be reimbursed (April 1976).

76.7. *Inventory control*

76.7.1. The following table indicates the position of stock held by the different emporia during the three years up to 1974-75:

Year	Stock	Sale	Accumulation of stock in terms of months' sale
<i>(In lakhs of rupees)</i>			
1972-73	6.18	14.31	5
1973-74	5.81	16.00	4
1974-75	7.40	10.84	8

76.7.2. Maximum, minimum and ordering levels of stock have not been prescribed for any emporium.

76.7.3. As stated by the Management, goods valued at Rs.3.80 lakhs were returned by the different emporia to the central stores in soiled condition as shown below:

Period of return	Handloom	Handicrafts
<i>(In lakhs of rupees)</i>		
Prior to 1972-73	0.18	0.15
1972-73	3.05	0.42

Out of the above, goods valued at Rs.0.59 lakh only were sold at full selling prices from the Superintendent's office up to the end of October 1974 and the remaining goods valued at Rs.3.21 lakhs are lying in the central stores undisposed (April 1976). No survey has been conducted to ascertain the present condition of these stocks (April 1976).

76.7.4. Physical verification of stocks held by the emporia revealed shortages and excesses from 1964-65 to 1974-75 as noted below:

Period	Shortage	Excess
<i>(In rupees)</i>		
1964-65 to 1969-70	1,39,480	36,275
1970-71	1,134	1,703
1971-72	2,544	188
1972-73	7,625	1,271
1973-74	14,321	599
1974-75	10,768	1,768
Total	1,75,872	41,804

No investigation has been conducted (December 1975) to find out the reasons for the shortages and excesses.

76.8. *Manpower vis-a-vis turnover:* The following table indicates the number of staff employed in each emporium vis-a-vis the sales effected during the three years ending 31st March 1975:

Name of the sales emporium	1972-73	1973-74	1974-75
<i>Lindsay Street</i>			
Number of employees ..	28	28	28
Sales (<i>Rupees</i>)	4,83,435	6,22,903	3,33,809
Sales effected per employee (<i>Rupees</i>)	17,266	22,247	11,922
Average sale per employee per year	Rs. 17,145		
<i>Ballygunge</i>			
Number of employees ..	10	10	10
Sales (<i>Rupees</i>)	4,42,253	5,44,892	3,83,792
Sales effected per employee (<i>Rupees</i>)	44,225	54,489	38,379
Average sale per employee per year	Rs. 45,698		
<i>Shyambazar</i>			
Number of employees ..	6	6	6
Sales (<i>Rupees</i>)	1,98,158	2,58,518	2,69,323
Sales effected per employee (<i>Rupees</i>)	33,026	43,086	44,887
Average sale per employee per year	Rs. 40,333		

The above table would indicate that the average sale effected per employee varied from Rs.17,145 in one emporium to Rs.45,698 in another. The reasons for the low sales outturn at the Lindsay Street emporium were not furnished by the Management. No manpower analysis was done to examine the staff requirement of each emporium.

76.9. *Other topics of interest:* The sales emporium at Howrah suspended its normal trading activities in December 1972. The emporium was converted into a yarn-selling centre in May 1973, but it went out of this business also on 3rd November 1973 due to decontrol of yarn. The staff were, however, retained and paid for until they were transferred

elsewhere with effect from 1st May 1974. While the staff were transferred in May 1974, the night watchman was transferred in May 1975 and the rented premises were surrendered only in August 1975. The expenditure incurred on staff salaries and rent during the period the emporium was not functioning amounted to Rs.29,165 (Rs.19,205 on salaries and Rs.9,960 on rent for the period December 1972 to April 1973 and December 1973 to August 1975).

FORESTS DEPARTMENT

Government Saw Mills, Siliguri

77. Unproductive expenditure

For the purpose of shifting the existing mill and setting up a Particle Board Factory, Government Saw Mills acquired, in January-March 1966, 24.30 acres of land at New Jalpaiguri at a cost of Rs.1.04 lakhs and spent Rs.1.22 lakhs on the construction of a boundary wall (Rs.0.38 lakh), well (Rs.0.02 lakh), buildings (Rs.0.56 lakh) and watch and ward (Rs.0.26 lakh) up to 1974-75.

Neither the Particle Board Factory has come up nor the Saw Mill has been shifted (December 1975). The department stated (June 1975) that the boundary wall constructed at a cost of Rs.0.38 lakh was not in existence.

CHAPTER IX

**OUTSTANDING AUDIT OBSERVATIONS AND
INSPECTION REPORTS**

78. 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 up to the end of March 1975 and outstanding at the end of September 1975 as compared with the corresponding position indicated in two preceding reports :

(1)	As at the end of September 1973	As at the end of September 1974	As at the end of September 1975
(1)	(2)	(3)	(4)
Number of observations ..	8,845	8,109	5,971
Amount (<i>In crores of rupees</i>) ..	30.23	41.20	22.73

The improvement in the position as at the end of September 1975 was mainly due to settlement of observations relating to 1972-73 and 1973-74 on receipt of detailed contingent bills from the Relief and Welfare and Animal Husbandry and Veterinary Services Departments.

The following departments have comparatively heavy outstanding observations :

Serial No.	Department	Number	Amount
(1)	(2)	(3)	(4)
			<i>(In lakhs of rupees)</i>
1	Relief and Welfare	1,207	14,65.36
2	Animal Husbandry and Veterinary Services ..	134	2,15.34
3	Education	980	1,86.89
4	Agriculture and Community Development (Agriculture Branch)	534	97.94

Serial No.	Department	Number	Amount
(1)	(2)	(3)	(4)
			<i>(In lakhs of rupees)</i>
5	Health and Family Planning (Public Health Branch)	100	55.81
6	Cottage and Small Scale Industries	174	48.45
7	Irrigation and Waterways	86	41.32
8	Agriculture and Community Development (Community Development Branch)	602	35.72
9	Scheduled Castes and Tribes Welfare	258	23.15
10	Information and Public Relations	77	22.58
11	Home (Police)	233	15.11

The following are some of the major reasons for which audit observations have remained outstanding :

Serial No.	Nature of observation	Number	Amount
(1)	(2)	(3)	(4)
			<i>(In lakhs of rupees)</i>
1	Detailed contingent bills for lump sum drawals not received	2,359	19,22.98
2	Payees' receipts, vouchers, etc., not received ..	1,247	1,46.11
3	Sanctions for contingent and miscellaneous expenditure not received	446	1,12.74

The facility of drawing amounts as advances on abstract contingent bills by disbursing officers is intended to expedite payments in certain cases, but these are to be followed by detailed contingent bills (containing all particulars of expenditure with supporting documents) which should be sent to the Audit Officer by the 25th of the month succeeding that to which the abstract contingent bills relate. In the absence of detailed contingent bills, it is difficult for Audit to know whether the amount has been spent on the

purpose or purposes for which the advances were drawn. Rupees 19,22.98 lakhs are held under objection as detailed contingent bills have not been received in the Audit Office. The Departments with comparatively heavy outstandings are mentioned below :

Department	Amount
	<i>(In lakhs of rupees)</i>
Relief and Welfare	14,65.36
Animal Husbandry and Veterinary Services	2,15.06
Education	88.86
Health and Family Planning (Public Health Branch)	51.81
Cottage and Small Scale Industries	45.14
Information and Public Relations	22.21

The departments with comparatively heavy outstandings in submission of payees' receipts and vouchers were :

Department	Number	Amount
		<i>(In lakhs of rupees)</i>
Agriculture and Community Development (Agriculture Branch)	274	70.40
Scheduled Castes and Tribes Welfare	214	19.59
Education	151	16.36
Agriculture and Community Development (Community Development Branch)	121	6.68
Home (Jails)	64	5.67
Health and Family Planning (Medical Branch)	10	5.52

The departments with comparatively heavy outstandings for want of sanctions to contingent and miscellaneous expenditure were :

Department	Number	Amount
		<i>(In lakhs of rupees)</i>
Education	48	80.67
Agriculture and Community Development (Community Development Branch)	210	20.03
Agriculture and Community Development (Agriculture Branch)	44	5.96
Forests	26	2.46
Board of Revenue	42	1.10

79. 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 has prescribed that first replies to inspection reports should be sent by the Heads of Offices to the respective Heads of Departments within three weeks from the date of receipt of the inspection reports. The Heads of Departments should further transmit such explanations along with their comments to the Accountant General within two months from the date of receipt of the explanation from their subordinate offices.

At the end of September 1975, inspection reports issued up to March 1975 were not settled fully as shown below with corresponding figures for the earlier two years:

		As at the end of September 1973	As at the end of September 1974	As at the end of September 1975
(1)		(2)	(3)	(4)
Number of inspection reports	..	10,389	9,005	9,635
Number of paragraphs	..	55,752	48,166	47,946

Year-wise break-up of the outstanding (September 1975) inspection reports is given below:

			Number of inspection reports	Number of paragraphs
Up to 1970-71	..	..	6,351	28,754
1971-72	..	..	798	4,743
1972-73	..	..	628	3,572
1973-74	..	..	718	4,855
1974-75	..	..	1,140	6,022
Total	..	..	9,635	47,946

The following departments had comparatively heavy outstanding inspection reports:

Serial No.	Department		Number of inspection reports	Number of paragraphs
(1)	(2)		(3)	(4)
1	Agriculture and Community Development	..	1,901	12,799
2	Health and Family Planning	.. ..	982	4,748
3	Public Works	.. ..	587	3,905
4	Board of Revenue	.. ..	487	3,659
5	Irrigation and Waterways	.. ..	411	3,242
6	Refugee Relief and Rehabilitation	.. ..	747	2,835
7	Public Works (Roads)	.. ..	367	2,117
8	Housing	.. ..	406	1,616
9	Relief and Welfare	.. ..	378	1,579
10	Education	.. ..	615	1,505

Of the 9,635 reports outstanding at the end of September 1975, first replies in respect of 1,009 reports were yet to be received.



(T. B. NAGARAJAN)

Accountant General, West Bengal.

CALCUTTA,

The..... 9 AUG 1976 1976.

Countersigned.



(A. BAKSI)

Comptroller and Auditor General of India.

NEW DELHI,

The..... 12 AUG 1976 1976.
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APPENDIX I(a)

(Reference : Paragraph 15, Page 22)

Utilisation certificates awaited in September 1975 for grants paid by Government up to March 1974

Department	Up to 1969-70		1970-71		1971-72		1972-73		1973-74		Total	
	No. of certifi- cates	Amount	No. of certifi- cates	Amount	No. of certifi- cates	Amount	No. of certifi- cates	Amount	No. of certifi- cates	Amount	No. of certifi- cates	Amount
Education	1,513	9,21.08	2,818	14,10.01	4,248	17,29.81	5,011	23,39.92	11,352	59,89.69	24,942	1,23,90.51
Finance (Budget)	..	..	1	0.10	2	1,00.25	5	5,67.50	3	4,07.00	11	10,74.85
Municipal Services	3	5.36	2	7.29	4	2,03.28	14	4,01.44	20	4,35.39	43	10,52.76
Health and Family Planning (Medical Branch)	145	47.30	139	53.83	167	56.97	163	51.36	312	1,17.13	926	3,26.59
Agriculture and Community Development	10	12.51	4	0.60	17	27.70	20	41.72	24	31.70	75	1,14.23
Co-operation	80	71.26	14	1.02	21	2.23	30	9.24	25	15.59	170	99.34
Relief and Welfare	54	11.81	9	2.61	80	31.40	30	15.70	44	29.62	217	91.14
Housing	12	23.51	4	2.20	..	..	1	0.17	..	..	17	25.88
Health and Family Planning (Public Health Branch)	..	..	..	..	..	..	52	4.63	100	13.68	152	18.31
Cottage and Small Scale Industries	..	..	..	..	1	0.01	31	0.15	620	11.63	652	11.79
Animal Husbandry and Veterinary Services	..	..	..	..	..	..	7	1.25	14	2.84	21	4.09
Commerce and Industries	..	..	..	..	..	..	..	..	6	3.52	6	3.52
Home (Defence)	3	0.03	..	..	1	2.76	1	0.14	..	..	5	2.93
Public Works	..	..	..	..	1	0.25	1	2.00	1	0.25	3	2.50

Finance (Audit) ..	20	0.14	23	0.26	..	..	..	..	..	..	43	0.40
Home (Political) ..	1	0.25	..	..	..	..	..	..	..	..	1	0.25
Information and Public Relations	..	..	..	..	..	1	0.02	4	0.13	5	0.15	
Home (General Administration)	13	0.05	7	0.02	..	..	..	1	0.01	21	0.08	
Development and Planning ..	..	..	..	..	..	..	..	1	0.03	1	0.03	
Scheduled Castes and Tribes Welfare	..	..	..	..	..	..	..	1	0.01	1	0.01	
Total ..	1,854	10,93.30	3,021	14,77.94	4,542	21,54.66	5,367	34,35.24	12,528	70,58.22	27,312	1,52,19.36

APPENDIX I(b)

(Reference : Paragraph 15, Page 22)

Statement showing the names of grantees in respect of whom utilisation certificates for Rs. 5 lakhs and above are awaited

Department sanctioning the Grant	Grantees	Up to 1969-70	1970-71	1971-72	1972-73	1973-74	Total
Education	.. Calcutta University .. ..	..	..	..	1,17.52	1,21.28	2,38.80
	Jadavpur University .. ..	..	..	..	1,10.06	1,28.00	2,38.06
	Rabindra Bharati University .. ..	..	..	..	22.94	21.76	44.70
	Regional Engineering College, Durgapur .. ..	..	..	..	19.01	21.44	40.45
	Scottish Church College .. ..	..	..	..	9.16	8.71	17.87
	Surendranath College .. ..	..	..	..	6.29	6.23	12.52
	Vidyasagar College .. ..	..	..	..	7.90	6.63	14.53
	Ashutosh College .. ..	..	..	..	6.33	8.18	14.51
	Bangabasi College .. ..	..	..	..	7.26	9.62	16.88
	City College .. ..	..	..	..	6.27	10.11	16.38
	Acharya Prafulla Chandra Polytechnic .. ..	..	..	..	7.02	7.00	14.02
	Central Calcutta Polytechnic .. ..	..	..	..	5.09	..	5.09
	Jnan Chandra Ghosh Polytechnic .. ..	..	..	..	6.32	5.60	11.92
	Ramkrishna Mission Shilpapith, Belghoria .. ..	..	..	..	6.39	6.53	12.92
	Ramkrishna Mission Boys' Home, Narendrapur .. ..	..	..	..	13.61	13.96	27.57
	Vivekananda Centenary College .. ..	..	..	..	..	5.10	5.10
	Charu Chandra College .. ..	..	..	..	..	5.86	5.86

Iswarchandra Vidyasagar Polytechnic, Midnapore	..	..	..	..	..	5-90	5-90	5-90
Midnapore College..	..	..	..	..	..	13-42	13-42	13-42
Mahishadal Raj College ..	..	..	..	..	..	6-29	6-29	6-29
Panskura College ..	..	..	..	..	..	6-10	6-10	6-10
Prabhat College, Midnapore ..	..	..	..	..	..	7-56	7-56	7-56
Raj Narendranath Khan Women's College, Midnapore	..	..	..	..	..	6-78	6-78	6-78
Tamralipta Maha Vidyalaya, Midnapore ..	..	..	..	..	..	7-71	7-71	7-71
Ramkrishna Mission, Sarisa ..	..	..	..	..	..	5-52	5-52	5-52
Kalyani University ..	..	33-97	20-54	27-58	22-00	1,04-09	1,04-09	1,04-09
North Bengal University ..	..	24-38	32-35	15-55	25-00	97-28	97-28	97-28
Burdwan University ..	..	23-50	15-37	20-00	32-00	90-87	90-87	90-87
District School Board, Purulia ..	..	54-97	63-79	93-39	1,11-21	3,23-36	3,23-36	3,23-36
District School Board, Bankura ..	..	92-66	68-65	96-99	1,30-91	3,89-21	3,89-21	3,89-21
District School Board, Hooghly ..	..	19-55	26-97	69-33	1,18-25	2,34-10	2,34-10	2,34-10
District School Board, Nadia ..	..	6-65	48-97	58-00	87-83	2,01-45	2,01-45	2,01-45
District School Board, Howrah ..	..	46-53	21-60	84-30	63-79	2,16-22	2,16-22	2,16-22
District School Board, Birbhum ..	..	95-60	1,43-27	49-90	..	2,88-77	2,88-77	2,88-77
District School Board, Burdwan ..	..	1,90-65	50-07	30-85	19-64	2,91-21	2,91-21	2,91-21
District School Board, West Dinajpur ..	51-86	81-08	20-73	43-67	83-51	2,80-85	2,80-85	2,80-85
District School Board, Murshidabad ..	..	..	..	..	1,20-43	1,20-43	1,20-43	1,20-43
District School Board, Darjeeling ..	..	..	..	..	..	14-00	14-00	14-00
District School Board, Cooch Behar ..	..	..	..	..	..	38-00	38-00	38-00

APPENDIX I(b)—*concl'd.*

(Reference : Paragraph 15, Page 22)

Statement showing the names of grantees in respect of whom utilisation certificates for Rs. 5 lakhs and above are awaited

Department sanctioning the Grant	Grantees	Up to 1969-70	1970-71	1971-72	1972-73	1973-74	Total
		<i>(In lakhs of rupees)</i>					
Co-operation	.. West Bengal State Co-operative Union	..	..	..	..	5.65	5.65
	West Bengal State Co-operative Bank Ltd.	..	..	..	..	53.84	53.84
Agriculture and Development	Community Kalyani University ..	..	..	21.50	30.00	15.00	66.50
Health and Family Planning (Medical Branch)	Calcutta Medical Aid and Research Society	..	..	..	..	16.70	16.70
	Chittaranjan Sevashādan ..	..	..	..	..	10.82	10.82
	Chittaranjan Cancer Hospital ..	..	..	..	..	8.37	8.37
	Kumar P. N. Roy Group of Hospitals and Rehabilitation Centre, Bon Hooghly	..	..	..	..	9.35	9.35
	Mayo Hospital ..	..	..	..	..	7.21	7.21
	North Suburban Hospital ..	..	..	..	..	5.22	5.22
	Ramkrishna Mission Seva Pratisthan ..	..	..	..	..	11.57	11.57
	Total	..	51.86	6,69.54	5,33.81	9,70.73	14,55.59
							36,81.53

APPENDIX II

(Reference : Paragraph 16, Page 22)

Cases where the verification and acceptance of balances have been unduly delayed

Head of account	Number of acceptances awaited	Earliest year from which accep- tances are awaited	Balance on 31st March 1975
<i>(In lakhs of rupees)</i>			
F—Loans and Advances			
(i) Loans for Social and Community Services	64	1967-68	97,82.59
(ii) Loans for Economic Services—			
(a) Loans for Agriculture and Allied Services	9	1970-71	33,38.87
(b) Loans for Industry and Minerals	130	1973-74	47,56.74
(c) Loans for Water and Power Development	110	1973-74	90,28.80
(d) Loans for Transport and Communications	268	1973-74	45,27.89
K—Deposits and Advances			
Civil Deposits	18	1968-69	6,63.30
Deposits of Local Funds	23	1970-71	3,63.67

APPENDIX III

(Reference : Paragraph 21, Page 30)

Cases where the savings (more than Rs. 10 lakhs in each case) exceeded 10 per cent of the voted grants / charged appropriations

A—Voted grants

Sl. No.	Number and name of the grant	Total grant	Expenditure	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>					
(1)	5—Elections	75.00	60.66	14.34	19
(2)	7—Land Revenue	14,61.23	11,40.89	3,20.34	22
(3)	13—Other Taxes and Duties on Commodities and Services	1,04.66	87.88	16.78	16
(4)	16—Interest Payments	1,20.00	72.11	47.89	40
(5)	18—Secretariat—General Services ..	2,67.35	2,26.75	40.60	15
(6)	32—Education (Sports)	50.57	32.31	18.26	36
(7)	37—Family Planning	4,78.91	2,98.86	1,80.05	37
(8)	39—Housing	9,91.70	7,47.54	2,44.16	25
(9)	40—Urban Development	28,47.07	22,20.71	6,26.36	22
(10)	41—Information and Publicity	1,77.69	1,46.23	31.46	18
(11)	44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons)	11,35.09	6,72.44	4,62.65	41
(12)	47—Relief on account of Natural Calamities	8,06.03	5,99.95	2,06.08	25
(13)	48—Other Social and Community Services	71.84	42.85	28.99	40
(14)	49—Secretariat—Economic Services ..	1,60.24	94.86	65.38	41
(15)	51—Other General Economic Services ..	77.51	49.98	27.53	35
(16)	59—Community Development (Panchayat)	5,50.66	3,58.88	1,91.78	35
(17)	61—Industries (Closed and Sick Industries)	2,59.46	1,10.68	1,48.78	57
(18)	62—Industries (Excluding Closed and Sick Industries)	5,81.26	4,79.27	1,01.99	17
(19)	64—Mines and Minerals	21.95	11.37	10.58	48
(20)	65—Water and Power Development Services	13,39.46	6,76.01	6,63.45	49
(21)	70—Roads and Bridges	38,16.23	27,02.25	11,13.98	29
(22)	73—Other Transport and Communication Services	1,46.85	86.58	60.27	34
(23)	82—Industrial Financial Institutions (Excluding Public Undertakings)	1,10.00	50.00	60.00	54

APPENDIX III—concl'd.

(Reference : Paragraph 21, Page 30)

Cases where the savings (more than Rs. 10 lakhs in each case) exceeded 10 per cent of the voted grants/charged appropriations**B—Charged appropriations**

Sl. No.	Number and name of the appropriation	Total appropriation	Expenditure	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>					
(1)	44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons)	65.00	53.15	11.85	18
(2)	62—Industries (Excluding Closed and Sick Industries)	10.08	..	10.08	100
(3)	Public Debt .. ..	.. 1,55,24.53	1,26,51.62	28,72.91	18

APPENDIX IV

(Reference : Paragraph 37, Page 74)

(a) Cases of loss, etc. (each item not exceeding Rs. 5,000) written off in 1974-75

Serial No.	Department	Write off of losses, irrecoverable revenues, duties, advances, etc.		Waiver of recovery		<i>Ex gratia</i> payment ^b	
		Number	Amount	Number	Amount	Number	Amount
			Rs.		Rs.		Rs.
1.	Agriculture and Community Development	39	497	..	..	..	..
2.	Animal Husbandry and Veterinary Services	3	802	..	..	..	..
3.	Commerce and Industries	3	1,534	..	..	1,027	4,90,649
4.	Education	1	4,090	..	..	..	..
5.	Fisheries	4	469	..	..	..	..
6.	Forests	7	308	1	90	1	3,535
7.	Health and Family Planning ..	1	271	..	..	..	..
8.	Home (General Administration)	..	..	1	4,505	..	..
9.	Home (Police)	3	1,000	..	..	..	..
10.	Irrigation and Waterways ..	1	250	..	..	..	..
11.	Land Utilisation and Reforms and Land and Land Revenue	3	388	..	—	..	..
	Total	65	9,609	2	4,595	1,028	4,94,184

(b) Cases of loss, etc. (each item exceeding Rs. 5,000) written off in 1974-75

Serial No.	Department	Write off of losses, irrecoverable revenues, duties, advances, etc.	
		Number	Amount
			Rs.
1.	Home (Political)	1	7,048
	Total	1	7,048

(a) Paid to the employees of the Oriental Gas Company's Undertaking on an *ad hoc* basis.

APPENDIX V

APPENDIX V

(Reference : Paragraph 38, Page 75)

Cases of misappropriation not finalised on 31st March 1975

Serial No.	Department	Reported up to 31st March 1970		Reported in 1970-71		Reported in 1971-72		Reported in 1972-73		Reported in 1973-74		Reported in 1974-75		Total		
		No.	Rs.	No.	Rs.	No.	Rs.	No.	Rs.	No.	Rs.	No.	Rs.			
1.	Agriculture and Community Development	40	3,30,793	5	72,381	1	2,617	1	60,492	1	6,961	3	29,227	51	5,02,471	
2.	Animal Husbandry and Veterinary Services	2	22,000	1	26,330	1	6,141	..	..	..	..	..	..	4	54,471
3.	Board of Revenue	..	216	5,27,571	39	1,19,146	10	20,162	5	94,463	3	12,478	10	99,559	283	8,73,379
4.	Commerce and Industries	..	..	..	..	..	..	..	..	1	1,81,000	..	..	1	1,81,000
5.	Co-operation	..	..	..	..	1	557	..	..	..	..	..	..	1	557
6.	Cottage and Small Scale Industries	4	73,496	..	..	1	18,505	..	..	..	..	..	..	5	92,001
7.	Education	..	24	2,15,659	2	83,314	..	..	..	1	31,800	1	43,706	28	3,74,479
8.	Excise	..	2	39,538	..	..	..	..	..	..	..	..	..	2	39,538
9.	Finance	..	1	116	..	..	..	1	228	1	236	4	1,04,479	7	1,05,059
10.	Food and Supplies	..	8	1,40,601	..	..	..	..	..	..	..	..	..	8	1,40,601
11.	Health and Family Planning	..	14	1,66,904	6	6,29,134	2	24,794	1	59,172	..	..	..	23	8,80,004
12.	Home (General Administration)	..	..	..	..	..	..	..	..	..	..	1	8,498	1	8,498
13.	Home (Police)	..	6	65,992	..	..	2	9,049	..	..	..	..	..	8	75,041
14.	Information and Public Relations	1	518	..	..	..	..	..	..	..	..	..	..	1	518
15.	Irrigation and Waterways	..	..	..	..	1	5,652	..	..	..	..	..	..	1	5,652

16. Judicial ..	..	2	3,864	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	3,864		
17. Municipal Services ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	10,500	1	10,500
18. Public Works ..	..	1	354	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	354		
19. Public Works (Construction Board)	1	797	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	79,697		
20. Public Works (Roads)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	18,000	1	18,000
21. Public Works (Salt Lake)	..	2	1,49,920	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	1,49,920		(c)
22. Refugee Relief and Rehabilitation	1	18,268	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	18,268		
23. Relief and Welfare ..	..	25	73,905	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	25	73,905		
24. Tourism ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	1,15,628	1	1,15,628
Total	..	350	18,30,296	53	9,30,905	19	87,477	9	3,29,983	8	3,11,375	21	3,13,969	460	38,03,405								

(a) 226 cases for Rs. 5,24,479 have been transferred from Land Utilisation and Reforms and Land and Land Revenue Department.

(b) The case was omitted to be included in 1973-74.

(c) 2 cases for Rs. 1,49,920 have been transferred from Irrigation and Waterways Department.

APPENDIX VI

(Reference : Paragraph 39(a), Page 76)

Works taken up without sanctioned estimate

Serial No.	Department/Division	Works	Year from which expenditure is being incurred	Amount (In crores of rupees)
<i>Irrigation and Waterways</i>				
1.	East Midnapore	.. Resuscitation of river Kaliaghai	1969-70	4.86
2.	Howrah Irrigation	.. Lower Damodar Improvement scheme.	1970-71	4.29
3.	Kangsabati Left Bank	.. Construction of Kumari Dam ;	1961-62	3.99
4.	Calcutta Drainage Outfall	.. Remodelling of Calcutta Drainage Outfall System Phase II.	1970-71	3.23
5.	Kangsabati Left Bank	.. Construction of Kangsabati earthen dam.	1957-58	2.32
6.	Salt Lake Reclamation	.. Construction of road in Sector I	1965-66	2.32
7.	Kangsabati Canals II	.. Excavation of right bank main canal.	1963-64	2.29
8.	Bankura Irrigation	.. Excavation of Bishnupur branch canal.	1962-63	2.03
9.	Calcutta Drainage Outfall	.. Remodelling of Calcutta Drainage Outfall System Phase I.	1968-69	1.90
10.	Mahananda Embankment	.. Construction of earthen embankment in connection with Mahananda embankment scheme (Fulahar branch).	1972-73	1.84
11.	Kangsabati Canals II	.. Excavation of Supur main canal	1960-61	1.82
12.	Kangsabati Mechanical	.. Obtaining earth moving machinery.	1956-57	1.81
13.	Kangsabati Canals V	.. Excavation of Tarafeni south main canal (North).	1960-61	1.30
14.	Salt Lake Reclamation	.. Construction of road in Sector II	1971-72	1.27
15.	Salt Lake Construction	.. Construction of sewerage and drainage works in Sector I.	1967-68	1.06
<i>Public Works</i>				
16.	Alipurduar Construction	.. Construction of Lateral Road Project Section IV—Rajabhatkhawa to Volka.	1964-65	1.48
17.	Jalpaiguri Construction	.. Extension of Teosta road bridge	1973-74	1.13
18.	Nagrakata Construction	.. Construction of road proper and culvert up to 20'-0 span	1964-65	1.00

APPENDIX VII

(Reference : Paragraph 39(b), Page 76)

Department-wise and year-wise analysis of the unvouched outlay on 31st March 1975**(i) Department-wise analysis**

Serial No.	Department	Number of items	Amount (In lakhs of rupees)
1.	Agriculture and Community Development ..	3,210	1,36.22
2.	Irrigation and Waterways	338	94.20
3.	Public Works (Construction Board)	200	9.55
4.	Public Works	74	7.29
5.	Development and Planning (Town and Country Planning)	30	3.76
6.	Housing	34	3.15
7.	Public Works (Roads)	4	0.44
8.	Health and Family Planning	16	0.38
9.	Public Works (Special Roads)	4	0.14
	Total	3,910	2,55.13

(ii) Year-wise analysis

Year	Number of items	Amount (In lakhs of rupees)
Up to 1970-71 ..	476	64.61
1971-72 ..	325	17.76
1972-73 ..	752	41.71
1973-74 ..	654	28.23
1974-75 ..	1,703	1,02.82
Total ..	3,910	2,55.13

APPENDIX VIII

(Reference : Paragraph 64.2, Page 135)

Statement showing details of transactions of Zilla Parishads in respect of grants and loans received from Government

Sl. No.	Name of Zilla Parishad	Year of account	Unspent balances of previous year		Grants received during the year				Loans received	Total grants including unspent balances of previous year	Total expenditure	Percentage of loans and grants to total expenditure	
			Loans	Grants	Land revenue	Cess	Augmen- tation grants	Special grants					Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<i>(In lakhs of rupees)</i>													
1.	Burdwan ..	1972-73	9.33	4.46	0.94	16.38	0.10	25.50	42.92	..	56.71	31.18	181
2.	Cooch Behar ..	1972-73	0.03	10.51	0.07	0.84	..	0.74	1.65	..	12.19	2.13	571
3.	Midnapore ..	1972-73	13.61	0.70	0.77	4.50	0.11	4.67	10.05	..	24.36	16.79	145
4.	24-Parganas ..	1972-73	12.49	0.85	1.05	4.60	0.13	5.36	11.14	..	24.48	28.28	87
5.	West Dinajpur	1972-73	4.84	1.17	0.42	1.30	0.05	6.37	8.14	..	14.15	15.35	92
6.	Howrah ..	1973-74	10.85	1.36	0.31	2.00	..	6.69	9.00	2.08	23.28	14.59	159
7.	Nadia ..	1973-74	1.27	1.10	0.27	1.30	0.04	9.54	11.16	..	13.52	6.90	196

APPENDIX IX

(Reference : Paragraph 72, Page 151)

Statement showing financial results of departmentally managed Government commercial and quasi-commercial undertakings

Sl. No.	Name of the concern	Year of account	Capital at close	Mean capital	Free reserve	Net block	Deprecia- tion	Turnover	Net Loss (-)	Interest charged added back	Total (10+11)	Percentage of total return on mean capital and free reserve (13)
(1)	(2)	(3)	(4) Rs.	(5) Rs.	(6) Rs.	(7) Rs.	(8) Rs.	(9) Rs.	(10) Rs.	(11) Rs.	(12) Rs.	(13)
1.	Greater Calcutta Milk Supply Scheme.	1968-69	2,70,20,742	2,82,20,297	Nil	3,02,79,157	25,11,544	5,83,84,099	-85,52,310	16,92,720	-68,59,590	..
2.	Scheme for production of Shark Liver Oil, Fishmeal, etc.	1969-70	64,568	71,113	Nil	5,147	1,122	44,997	-506	5,962	+3,456	4.66
3.	Central Engineering Organisation, Dasnagar, Howrah.	1971-72	31,47,292	31,48,131	2,96,486	9,58,061	43,986	10,49,883	-5,11,516	1,82,180	-3,29,336	..
4.	Government Saw Mills, Siliguri.	1972-73	27,21,961	28,87,050	Nil	6,23,517	4,770	22,88,099	-2,29,238*	..	-2,29,238	..
5.	Directorate of Brick Production (formerly Brick and Tile Board) excluding Durgapur Unit.	1973-74	26,33,516	21,64,352	Nil	7,05,928	1,453	19,68,436	-2,98,652	1,12,819	-1,85,833	..
6.	Mechanised Brick Factory at Palta.	1973-74	98,33,529	99,12,408	Nil	79,42,337	5,09,000	8,02,419	-17,11,765	3,78,000	-13,33,765	..

*Interest on Government capital has not been charged in accounts.

APPENDIX X

(Reference : Paragraph 73, Page 151)

Arrears in preparation of *pro forma* accounts

Sl. No.	Name of the scheme/ undertaking	Name of Department	Year from which accounts are due	Remarks
(a) Undertakings whose <i>pro forma</i> accounts have not been prepared since inception :				
1.	Oriental Gas Com- pany's Undertakings.	Commerce and In- dustries	1960-61	Amount of compensation pay- able has not been fixed and gas rental abstracts have not been prepared. The Depart- ment stated (January 1976) that the Tribunal for the purpose of determining the compensation money could not be appointed by Government as the owners of the company had filed a suit in the Supreme Court in 1971 challenging the Constitutional validity of the Oriental Gas Company Act, 1960 and the matter was <i>sub judice</i> .
2.	Industrial Estates at Kalyani.	} Cottage and Small Scale Industries	1956-57	The Directorate stated (May 1975) that the accounts could not be prepared for want of trained and qualified person- nel.
3.	Industrial Estates at Baruipur.		1958-59	
(b) Other undertakings whose <i>pro forma</i> accounts are in arrears :				
1.	Central Engineering Organisation.	Cottage and Small Scale Industries	1972-73	....
2.	Integrated Wood In- dustries Scheme at Durgapur, Kalyani and Siliguri.	Cottage and Small Scale Industries	1965-66	In September 1970, <i>pro forma</i> accounts for each unit for the period 1960-61 to 1964-65 were received but the same could not be taken up for audit as the consolidated ac- counts for the schemes, on which certificate is to be issued, have not been received so far (January 1976).
3.	Directorate of Brick Production (former- ly Brick and Tile Board).	Development and Planning.	1974-75	....
4.	Mechanised Brick Factory at Palta.	Development and Planning	1974-75	....
5.	Scheme for Produc- tion of Shark Liver Oil, Fishmeal, etc.	Fisheries ..	1970-71	....
6.	Silk Reelers' Co-opera- tive and Allied Or- ganisation.	Cottage and Small Scale Industries	1956-57	The Directorate stated (May 1975) that the accounts could not be prepared for want of trained and qualified person- nel.

APPENDIX X—concl'd.

(Reference : Paragraph 73, Page 151)

Arrears in preparation of *pro forma* accounts

Sl. No.	Name of the scheme/Name of Department undertaking		Year from which accounts are due	Remarks
7.	Greater Calcutta Milk Supply Scheme.	Animal Husbandry and Veterinary Services	1969-70	....
8.	Government Cinchona Plantation.	} Commerce and Industries	1962-63	The Directorate of Cinchona and other Medicinal Plants, West Bengal has been submitting <i>ad hoc</i> accounts (up to 1968-69) pending valuation of the assets of the Directorate in the Darjeeling district as at 1st April 1962. The <i>ad hoc</i> accounts could not be taken up for audit as the same were not approved by Government. The department stated (June 1972) that action on preparation of <i>pro forma</i> accounts was not possible unless the accounts for the base year, <i>viz.</i> , 1962-63 were finalised. The report of the Commercial Accounts Officer of the Finance Department in regard to the valuation of the assets was still awaited.
9.	Government Quinine Factory, Mungpoo.			
10.	Quinine Sales Depot, Calcutta.			
11.	Surgical Instruments Servicing Station, Baruipur.	Cottage and Small Scale Industries.	1969-70	Preparation of accounts for 1969-70 and 1970-71 is in progress.
12.	Government Sales Emporia in Howrah and Calcutta.	Cottage and Small Scale Industries.	1951-52 to 1962-63 and from 1969-70	Accounts for 1963-64 to 1968-69 were submitted in September 1970 but the audit could not be taken up in the absence of specific Government order allowing skipping over of the accounts from 1951-52 to 1962-63.
13.	Government Saw Mills, Siliguri.	Forests	.. 1974-75	....
14.	Kanchrapara Development Area (Kalyani Township) Scheme.	Development and Planning.	1961-62	Accounts for 1961-62 to 1968-69 received in May 1969 were found defective. Revised accounts are awaited (October 1975).
15.	Consolidated <i>pro forma</i> accounts of "Hats" under the management of Government.	Board of Revenue	1972-73	Discrepancies pointed out in the accounts for 1968-69 to 1971-72 have not been reconciled by Government (October 1975).

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