



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

for the year ended March 2002

(Civil)

Government of West Bengal

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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2002.
3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation Departments and departmentally run commercial undertakings.
4. The Report containing the observations arising out of Audit of Statutory Corporations, Boards and Government companies and the Report containing such observations on Revenue Receipts are also presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2001-2002 as well as those which had come to notice in the earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2001-2002 have also been included wherever considered necessary.

OVERVIEW

OVERVIEW

This Report includes two chapters containing observations on Finance and Appropriation Accounts of the Government of West Bengal for the year 2001-2002 and three other chapters comprising two reviews and 27 paragraphs dealing with the results of audit of selected programmes and schemes and of the financial transactions of Government including its commercial and trading activities. A synopsis of the findings contained in the audit reviews and the more important paragraphs are presented in this overview.

1 An overview of the Finances of the State Government

The Government showed a higher revenue deficit compared to previous year. Overall revenue receipts of the State increased from Rs 9028 crore in 1997-1998 to Rs 14538 crore in 2001-2002. Compared to 1997-1998, the contribution of the State's own taxes in its total revenue receipt declined sharply from 50.03 *per cent* to 44.95 *per cent*. On the other hand, contribution of grants-in-aid increased sharply from 11.23 *per cent* in 1997-1998 to 20.22 *per cent* in 2001-2002.

Overall revenue expenditure of the State increased from Rs 11322 crore in 1997-98 to Rs 23395 crore in 2001-2002 at an average trend rate of 20.04 *per cent*. Rate of growth of revenue expenditure reached a level of 36.9 *per cent* in 1999-2000 and since then it has decelerated. The share of capital expenditure in the total expenditure was 5.13 *per cent* during the year. As a percentage of revenue receipt, revenue expenditure increased from 125.41 *per cent* in 1997-98 to 160.92 *per cent* in 2001-2002, indicating a widening gap.

Fiscal liabilities of the State increased from Rs 25026 crore in 1997-1998 to Rs 65583 crore in 2001-2002 at an average rate of 26.71 *per cent* during 1997-2002. Net availability of the borrowed funds is an important indicator of debt sustainability. Net funds as *per cent* of total gross debt receipts declined from 27.82 *per cent* in 1999-2000 to 13.53 *per cent* in 2001-2002. Fiscal liabilities are not only required to be stable in relation to Gross State Domestic Product (GSDP), the average rate of interest on these liabilities should also be less than the rate of growth of GSDP. The ratio of fiscal liabilities to GSDP has, however, been increasing continuously. Average interest spread indicated by the difference between the rate of growth of GSDP and the average rate of interest paid on the liabilities had been negative in 2001-2002 with GSDP growth decelerating to 3.35 *per cent* in 2001-2002. Persistence of this phenomenon may endanger debt sustainability.

Against investment of Rs 4143.73 crore in statutory corporations, rural banks, joint stock companies and co-operatives, return on the investment was less than one tenth of one *per cent* in last five years. Since Government was

The abbreviations used in this Report have been listed in the Glossary in Appendix 44 (Page 192)

investing the interest bearing borrowed funds, the difference between the rate of return on these investments and the average interest rate on its outstanding liabilities represented an implicit subsidy, which amounted to Rs 1990.70 crore during 1997-2002.

The amount blocked up in incomplete projects during 1997-2002, continued to rise from Rs 886 crore in 1997-98 to Rs 1137 crore in 2001-2002.

The buoyancy of revenue receipts indicates the nature of the tax regime and the ability of the State to increase its access to resources. States own tax-GSDP ratio also indicates its access to non-obligatory sources of revenue and its non-vulnerability. All the ratios had declined in 2001-2002 compared to 1997-98 indicating fragility of State's resources and secular deterioration.

Various ratios concerning expenditure management indicate quality of its expenditure and their sustainability in relation to its resources. The ratios of capital expenditure and developmental expenditure which indicate the quality aspect of the expenditure had lower values in 2001-2002 compared to 1997-1998.

State's fiscal imbalances were also increasing and a larger part of the fiscal deficit was used for meeting current expenditure. Increasing ratios of fiscal liabilities to its GSDP, revenue receipts and own resources indicated that the debt stock was increasingly becoming unsustainable.

Balance from its current revenue (BCR), which plays an important role in plan size, was not only consistently negative, its magnitude was on the increase. Further, with growing revenue deficits, increasingly a larger part of its liabilities were not having an asset back up. The ratio of its assets to its liabilities had declined to 0.36 indicating that more than half of the State's fiscal liabilities had ceased to have an asset back up. All these indicate continuing deterioration of the State's fiscal situation.

(Paragraphs 1.1 to 1.11)

2 *Appropriation audit and control over expenditure*

Against the total provision of Rs 35681.77 crore including the supplementary budget the expenditure was Rs 41151.14 crore. The overall excess of Rs 5469.37 crore was the result of the excess of Rs 9649.61 crore in 6 grants and one appropriation offset by the savings of Rs 4180.24 crore in 89 grants and 21 appropriations. The excess expenditure pertained mainly to Public Debt (Rs 9334 crore), Pension Payments (Rs 220 crore) and Police (Rs 69 crore). The excess expenditure of Rs 9649.61 crore in 6 grants and one appropriation required regularisation under Article 205 of the Constitution of India. As of December 2002, the excess expenditure of Rs 23411.91 crore pertaining to the years 1999-2002 were not regularised due to non-receipt of explanatory notes on the excesses from the Finance Department.

Supplementary provision of Rs 2432.71 crore obtained during the year constituted 7 per cent of the original budget provision. Supplementary provision of Rs.584.79 crore proved insufficient in 5 cases by more than

Rs 10 lakh in each case, leaving an aggregate uncovered expenditure of Rs 9644.74 crore. On the other hand, provision of Rs 444.19 crore obtained in 44 cases during the year proved unnecessary. In 19 cases, supplementary grants aggregating to Rs 1366.73 crore proved excessive, the additional requirements being Rs 768.23 crore.

Of the total amount of Rs 68.98 crore drawn by 100 DDOs test-checked in Abstract Contingent Bills between April 1986 and March 2001 adjustment against Rs 58.38 crore (85 *per cent*) had not been submitted till March 2002. This indicated poor financial discipline. During 2001-2002, a further amount of Rs 13.13 crore (147 bills) drawn in AC Bills by these DDOs remained unadjusted.

Despite Government orders directing for closing of the personal Ledger Accounts (PLAs) at the end of financial year, 21 DDOs of four departments test-checked did not close their PLAs resulting in accumulated balance of Rs 48.88 crore under PLAs as of March 2002. Of Rs 38.82 crore deposited by 7 District Magistrates (DMs) in PLAs during April 2000 to January 2002, Rs 16.27 crore related to implementation of different developmental schemes/programmes. Also scheme fund of Rs 1.21 crore kept in PLAs by 8 DMs during 1999-2002 were utilised for other purposes.

(Paragraphs 2.1 to 2.6)

3 Government's investment in Co-operative sector during 1997-2002

To meet common economic, social and cultural needs, co-operatives were formed as instruments for economic and social development of the common people, particularly belonging to the economically weaker section of the society. In West Bengal, the Co-operation Department mainly controls the co-operative sector. However, apart from this, several co-operative societies are running under the jurisdiction of Departments of Fisheries, Cottage and Small Scale Industries and Animal Resource Development.

The Government extended financial assistance of Rs 247.43 crore to Co-operative Societies during 1997-2002 in the form of shares, loans, grants and subsidies with the basic aim of making the Societies viable and self-reliant.

Despite total Government spending of Rs 365.22 crore in Co-operative Sector during 1997-2002 some types of Societies (Primary Agricultural Credit Societies, Primary Consumers' Societies) showed negative growth in terms of number of working Societies and number of members. Besides, profitability of Primary Agricultural Credit Societies, Primary Marketing Societies, Primary Weavers' Co-operative Societies showed distinctly downward trend during last few years.

Out of 6729 primary agricultural credit societies and 1171 fishermen's co-operative societies, 1443 and 322 societies were defunct. At the end of 2001-2002, 5351 societies were under liquidation and Government's assistance of Rs 2.29 crore in these societies was rendered infructuous.

Against targeted enrolment of 8 lakh new members under Universal Membership Scheme only 2.83 lakh were enrolled during 1997-2002. Marketing apex bodies of the state viz. Tantuja, Tantushree, etc. owed Rs 2.29 crore to 40 primary weavers' co-operative societies.

The activities of the Co-operative Societies and their impact on socio-economic condition of the members were not monitored and evaluated. Further, Government audit arrangements of Co-operative Societies were not adequate. Moreover, object of the co-operative sector was frustrated as majority of the co-operative Societies depended heavily on the Government assistance.

(Paragraph 3.1)

4 Working of Public Works (Roads) Department

The Public Works (Roads) Department was responsible for construction of new roads and bridges as well as for improvement and maintenance of 1152 Km of National Highway, 1160 Km of State Highway and 8574 Km other roads.

Poor financial discipline and weak budgetary control led to preparation of budget estimates by Finance Department without input from the department resulting in savings of Rs 535.10 crore under capital head. There were cases of diversion of Rs 14.85 crore from capital to revenue besides parking of Rs 271 crore in PW Deposits and Deposits of Local Fund.

While executing work on widening, strengthening and improvement of 5 roads, contractors were allowed price escalation of Rs 1.47 crore incorporating escalation clause in agreement in violation of Government order.

Physical verification of stores of nine divisions having materials valuing Rs 11.80 crore was not conducted for 10 to 15 years. Executive Engineers of 4 divisions incurred expenditure of Rs 5.88 crore in excess of sanctioned estimates. Three bridges constructed at a cost of Rs 4.73 crore remained unused in absence of approach roads.

Retention of officers and staff without work led to unproductive expenditure of Rs 2.50 crore. The Road and Building Research Institute was utilised for only 30 per cent of its capacity for imparting training and no research project was undertaken.

(Paragraph 4.1)

5 National Scheme for Liberation and Re-habilitation of Scavengers and their Dependents

Government of India (GOI) launched a Centrally sponsored scheme under the Ministry of Social Justice and Empowerment in 1980-1981 to liberate scavengers from their existing hereditary occupation of manually removing night soil by converting existing dry latrines to water-borne flush units and to ensure their rehabilitation in alternative gainful and dignified occupations.

Identification survey of scavengers was incomplete and perfunctory: only 21189 scavengers were reported to Government of India while the actual number worked out to 32638 in the State.

Out of Rs 5.74 crore received from GOI during 1989-1994, the implementing agency of the State retained Rs 3.38 crore in short-term deposits as of 31 March 2002.

Against 31557 scavengers awaiting rehabilitation, only 82 were trained for the purpose of rehabilitation during 1997-2002.

Only 1049 scavengers were in all rehabilitated during 1997-2002. Against 127 sanitary marts to be set up during 2000-2002 only four were set up rehabilitating 100 scavengers.

The State Government was indifferent to the need to liberate the scavengers and the scheme was treated as routine relief act rather than an exercise in permanent rehabilitation.

(Paragraph 3.2)

6 Swarnajayanti Gram Swarozgar Yojana

Swaranjayanti Gram Swarozgar Yojna (SGSY), a Centrally sponsored scheme was launched in the State during 1999-2000 with the objective of bringing rural poor families above the poverty line. Against the target of 8.85 lakh families to be covered under the scheme only 1.26 lakh families were covered during 1999-2002.

During 1999-2002, State Government spent only Rs 101.94 crore out of available fund of Rs 183.85 crore resulting in the State being deprived of Central assistance of Rs 81.69 crore.

None of the 5 test-checked districts prepared Annual Action Plans for the year 1999-2000. Key activities were selected without market survey. Project Reports were prepared leaving out needs for training, credit, technology, infrastructure, marketing, etc. Lack of initiatives caused shortfall in grading exercise and consequently in credit linkage with the banks for taking up targeted income generating activities.

During 1999-2001, there was irregular release of Revolving Fund of Rs 1.61 crore and in two districts, Rs 0.58 crore was paid before grading exercise. In the districts test-checked there was shortfall of 35 *per cent* in sanctioning Cash Credit Accounts and 60 *per cent* in utilisation thereof.

Even after 3 years of implementation, the prospect of achievement of the objective of the Yojana to alleviate poverty of 30 *per cent* of rural people living Below Poverty Line within 5 years appeared to be bleak.

(Paragraph 3.9)

7 *Constitution and Administration of the Calamity Relief Fund and investment therefrom for the period 2000-2002*

Under the recommendation of the Eleventh Finance Commission a "Calamity Relief Fund (CRF) 2000-2005" was created by the Government of India in each State from 1 April 2000 with own contribution of 75 per cent and 25 per cent by the State Government. In three districts, Government suffered loss of Rs 8.15 crore due to failure of 205 Gram Panchayats to take back 2.12 lakh pieces of tarpaulins from the flood victims. Muster rolls for distribution of 1.68 lakh blankets valuing Rs 1.41 crore and records relating to procurement of rice worth Rs 4.66 lakh were not available rendering the distribution and procurement doubtful.

Out of relief contingencies, Rs 87.59 lakh were diverted for purchase of computers, photocopiers, etc.

(Paragraph 3.10)

8 *Take over of Procurement of rice by State Government*

Food and Supplies Department took over the activities of decentralised procurement of rice from Food Corporation of India in October 1997 with a view to eliminating dependence on FCI and increasing the quantum of procurement of rice for distribution to the Below Poverty Line families under Targeted Public Distribution System besides ensuring price security to the farmers.

Inefficient operation of cash credit account with the Banks led to loss of interest of Rs 2.51 crore. Besides, the department failed to claim subsidy from GOI in time, which resulted in an avoidable payment of interest amounting to Rs 24.29 crore.

Although the departmental staff were deployed at procurement points and incurred establishment cost for collection of levy, the department generously paid Rs 10.06 crore to the millers towards levy collection charges.

The department failed to ensure payment of minimum support price by the millers to farmers and persisted in paying the notified procurement price thereby extending unwarranted benefit of Rs 21.51 crore to rice millers in 3 districts during 2000-2002.

Absence of monitoring and control over procurement led to shortage of 0.42 lakh tonnes of rice valuing Rs 33.34 crore. Storage loss beyond norms amounted to Rs 1.96 crore in 4 years in addition to damage of 664 tonnes of rice valued at Rs 1.04 crore during flood of September 2000.

Excess payment to handling contractors amounted to Rs 1.52 crore.

2522 tonnes of sub-standard rice was issued to consumers in Bardhaman, Medinipur and South 24 Parganas.

(Paragraph 5.2)

9 Working of Juvenile Homes

The Department of the Women and Child Development and Social Welfare was to provide education, training and facilities for development of character, personality and skills to the juveniles of Homes while implementing the Juvenile Justice Act 1986.

Administrative cost of Juvenile Homes constituted 79 *per cent* of total expenditure leaving a small portion of funds for inmates' care.

Diet provided by the Homes was below the daily minimum requirement of 2000-2500 K. caloric.

The neglected juveniles were housed in the same Home along with the delinquent juveniles. In Shilayan Home, 52 prostitute girls suffering from venereal disease were accommodated with other juveniles. In Ananda Ashram, Berhampore, 6 children aged 6 to 13 were kept under lock and key for months together in a separate dormitory violating human rights. The Liluah Home in Howrah became an insecure place as 4 girls were sexually abused. In Dhruhashram, whereabouts of 15 inmates were not available raising serious doubt about the security of the inmates in the Homes. Medical facilities and educational facilities provided to the Homes were inadequate. During 1997-2002, the Homes rehabilitated only 15 to 24 *per cent* of the juveniles.

Twenty inmate trainees at Kishalaya, Barasat were made to work as full-fledged labourer.

(Paragraph 3.13)

10 Free distribution of Text Books

To achieve the goal of Universalisation of Primary Education, Government of West Bengal launched the programme of free distribution of text books to all students up to Class V of the Government and aided schools.

During 1997-2000 sessions, 2.31 crore books were printed short in the State. In 166 test-checked schools of 4 districts, books were supplied after one to 11 months of commencement of academic years while in 47 schools short supply of books ranged between 3 and 45 *per cent*, in 3 schools it was 76 *per cent* and in 27 schools certain subject books were not supplied at all.

Despite adequacy of stock (13.51 lakh books) at Barasat Zonal godown of North 24 Parganas, supply of 4.02 lakh (30 *per cent*) books was delayed by 2 to 5 months. Excess supply of 15.50 lakh books to District Inspectors of Schools resulted in damage of 3.65 lakh books valuing Rs 18.96 lakh due to improper storing; 2.63 lakh books valuing Rs 13.65 lakh became obsolete due to change in syllabus. This was coupled with non-maintenance of stock of books and extra expenditure of Rs 12.07 lakh for preservation of obsolete books.

Implementation of the scheme of free distribution of books was mal-administered depriving students from the benefit of the fundamental learning materials.

(Paragraph 3.11)

11 Short Term Vocational Training (STVT) Programme

Short Term Vocational Training Programme (STVT) was launched in the State in 1998-1999 to capacitate a section of Madhyamik/Higher Secondary passed students for self-employment by developing their skills and aptitude.

Test-check of 24 institutions out of 82 of 5 districts during 1997-2002 disclosed financial irregularities like diversion of funds (Rs 38.20 lakh) and parking of funds (Rs 72.83 lakh) in Personal Ledger Accounts and Banks.

Properties worth Rs 52.73 lakh created by NGOs at Government cost were not mortgaged to Government.

Vidyasagar Vocational Training Institute, Haldia and Regional Training Centre, Bardhaman University realised Rs 41.53 lakh in excess of prescribed fees. Further, course fees of Rs 61.80 lakh were not deposited with West Bengal State Council of Technical Education (WBSCTE) by 12 institutions.

In the State, trade/district-wise target for imparting training were not fixed and in 19 institutions, out of 3900 enrolled 634 trainees dropped out. Seven institutions did not conduct 10 stipulated courses depriving 855 students of the same.

Bardhaman Academy, Bardhaman conducted 4 trades each of 3 months' duration against the norms of 6 months for a trade and in Bardhaman 2 NGOs conducted examinations and issued certificates on their own instead of WBSCTE as prescribed.

The impact of the scheme in achieving the target to capacitate the students for self-employment remained unassessed.

(Paragraph 3.12)

12 Excess expenditure over prescribed ceiling limit for Assembly Election held in May 2001

Home (Constitution and Election) Department prescribed a ceiling limit for expenditure of Rs 13.25 lakh per constituency for conducting Assembly Elections held in May 2001 in order to restrict expenditure. All the District Magistrates except Dakshin Dinajpur incurred a total excess expenditure of Rs 8.71 crore beyond the prescribed limit burdening the Government exchequer,

(Paragraph 3.7)

13 *Injudicious procurement and undue favour to suppliers*

Project Director, State Health System Development Project-II procured bedsteads, chairs and tables of identical specifications at varying rates by splitting the quantities of purchase into several groups resulting in undue favour of Rs 1.20 crore to suppliers.

(Paragraph 3.5)

14 *Inadmissible price escalation on road works*

Executive Engineer, Barasat Division paid Rs 91.24 lakh on account of variation in the price of diesel and bitumen due to inclusion of escalation clause in the tender in violation of Government order.

(Paragraph 4.6)

15 *Unauthorised issue of medicines*

CMOH, Uttar Dinajpur unauthorisedly issued medicines, etc. valuing Rs 54.23 lakh between August 1999 and December 2002 to private parties such as Clubs, Samitis, Associations, Autonomous Bodies and to BSF without any order from competent authority resulting in loss of Government money which was recoverable from the concerned parties.

(Paragraph 3.4)

16 *Misappropriation and Misutilisation of cash*

Physical verification of cash balances conducted by twenty five (25) Drawing and Disbursing Officers (DDOs) in 11 districts and Kolkata between May 2001 and April 2002 at the instance of audit, disclosed shortage of Rs 1.72 crore due to lack of control over drawal and disbursement of cash and non-adherence to statutory rules by the DDOs. Nine DDOs were unable to explain the shortage of Rs 13.92 lakh indicating possible misappropriation of cash.

(Paragraph 3.16)

17 *Overpayment to the contractor and additional liability*

The Superintending Engineer, Metropolitan Drainage Circle accepted the higher rate for the work of re-excavation of Nowai Khal in the district of North 24-Parganas due to faulty analysis of rate and also did not revise the rate following deployment of high yielding excavator which resulted in overpayment of Rs 1.61 crore.

(Paragraph 4.5)

18 *Infructuous/unproductive/unfruitful/avoidable expenditure*

(a) Director, Institute of Post Graduate Medical Education and Research (IPGMER), Kolkata spent Rs 2.08 crore inclusive of unpaid liability of Rs 1.91 crore for upgradation of the Institute necessitated due to decision to

introduce MBBS course. On inspection the Medical Council of India did not recommend opening of the course indicating some deficiencies rendering the expenditure unfruitful.

(Paragraph 3.3)

(b) Chief Engineer, Irrigation and Waterways Department failed to provide fund for payment of land compensation within due date which led to avoidable payment of Rs 63.83 lakh due to subsequent increase in land cost with accumulated interest on the cost of land acquired.

(Paragraph 4.2)

(c) By allowing annual maintenance charge for uninstalled medical equipment in different hospitals, the Project Director, State Health System Development Project-II incurred an avoidable expenditure of Rs 33.88 lakh during the first 6 months ending December 2001.

(Paragraph 3.6)

(d) De-requisition of 12.94 acres of land after 19 years of taking possession by Public Works (Roads) Department without assigning any reason and belated placement of fund led to extra expenditure of Rs 33.01 lakh.

(Paragraph 3.8)

CHAPTER I

CHAPTER I

An Overview of the Finances of the State Government

1.1 Introduction

This Chapter discusses the financial position of the State Government based on the information contained in the Finance accounts. The analysis is based on the receipts and expenditure, the quality of expenditure and the financial management of the Government. In addition, the Chapter also contains a section on analysis of financial performance of the Government and comparative position over last five years. Some of the terms used in the Chapter are explained in Appendix 1.

1.2 Financial position of the State

The Government accounting system does not attempt a comprehensive accounting of fixed assets, i.e. land, buildings etc., owned by Government. However, the Government accounts do capture the financial liabilities and the assets created out of the expenditure incurred. Exhibit I (page 16) presents an abstract of such liabilities and assets as on 31 March 2002, compared with the corresponding position on 31 March 2001. While the liabilities in this Statement consist of monies owed by the Government such as internal borrowings, loans and advances from Government of India, receipts from Public Account and Reserve Funds, the assets comprise mainly the cumulative capital expenditure and outstanding balances of its investment, loans and advances. The liabilities do not include the contingent liability of State Government guarantees and future pension obligations. Exhibit I shows that while the liabilities grew by 21 *per cent*, its assets increased by only 12 *per cent*, widening the gap between its assets and liabilities and increasing the proportion of liabilities which did not have an asset back up. This shows a continuing deterioration of the financial conditions of the State.

Exhibit II (page 17) gives details of the receipts and disbursement by the State Government while Exhibit IV (page 21) depicts the time series data on State Government Finances for the period 1997-2002.

1.3 Sources and Application of Funds

Exhibit III (Page 20) gives the position of sources and application of funds during the current and the preceding year. The main sources of the funds include the revenue receipts, recoveries of loans and advances, public debt and net incremental accruals from the public account. These were applied mainly on revenue and capital expenditure, debt servicing and lending for developmental and other purposes. Revenue receipts were the most significant source of funds

for the State contributing 55 *per cent* to the total fund flow. The contribution of the revenue receipts, however, declined from 57 *per cent* in 2000-2001 to 55 *per cent* in the current year. Public debt accounted for 40 *per cent* of total funds and its relative contribution increased by two percentage points to reach 40 *per cent* in 2001-2002. The remaining 5 *per cent* of the funds came from surpluses in public accounts and recovery of loans.

The application of funds was mainly on revenue expenditure, whose share increased from 86.45 *per cent* in 2000-2001 to 88.20 *per cent* in the current year and significantly exceeded the share of revenue receipts. This led to a high revenue deficit (Rs 8856 crore), constituting nearly 61 *per cent* of the revenue receipts. Capital expenditure accounted for 4.77 *per cent* of the total expenditure and the loans and advances accounted for 6.97 *per cent* of total expenditure. Relative share of both these components declined compared to the previous year.

1.4 Revenue Receipts

The revenue receipts of the State consist mainly of its own taxes and non-tax revenues, central tax transfers and grants-in-aid from Government of India. Overall revenue receipts of the State increased from Rs 9028 crore in 1997-1998 to Rs 14538 crore in 2001-2002 at an average trend rate of 13.26 *per cent*. There were, however, significant inter-year variations in the growth rates. Annual growth of revenue receipts after a significant increase of 42.22 *per cent* in 2000-2001 declined sharply to 0.11 *per cent* in 2001-2002. Overall revenue receipts, its annual and trend rate of growth, ratio of these receipts to the State's Gross Domestic Product (GSDP) and its buoyancy is indicated in table 1.

Table 1: Revenue Receipts- Basic Parameters (Values in Rs crore and others in *per cent*)

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|----------------------|-----------|-----------|-----------|-----------|-----------|---------|
| Revenue Receipts | 9028 | 9387 | 10211 | 14522 | 14538 | 11537 |
| Rate of Growth | 9.74 | 3.98 | 8.78 | 42.22 | 0.11 | 13.26 |
| Revenue Receipt/GSDP | 11.19 | 10.41 | 8.84 | 10.13 | 9.81 | 9.98 |
| Revenue Buoyancy | 0.649 | 0.338 | 0.312 | 1.750 | 0.033 | 0.747 |
| GSDP Growth | 15.013 | 11.771 | 28.153 | 24.119 | 3.352 | 17.739 |

During the Ninth Five-Year Plan (1997-2002), State had a buoyant economy with its GSDP growth averaging 17.74 *per cent*. However, revenue growth remained much lower than the rate of growth of GSDP with an average buoyancy of 0.747 indicating that for each one *per cent* increase in GSDP, revenue receipts grew by only 0.747 *per cent*. Due to a lower buoyancy, the ratio of these receipts to GSDP also declined from 11.19 *per cent* in 1997-1998 to 9.81 *per cent* in 2001-2002.

Composition of the revenue receipts of the State and relative share of the four components of revenue for last five years is indicated in table 2. While on an average around 53 *per cent* of revenue had come from State's own resources comprising of taxes and users charges, central tax transfers and grants-in-aid

together contributed 47 *per cent* of the total revenue. Compared to 1997-1998, the contribution of the State's own taxes in its total revenue receipt declined sharply from 50.03 *per cent* to 44.95 *per cent*. On the other hand, contribution of grants in aid increased sharply from 11.23 *per cent* in 1997-98 to 20.22 *per cent* in 2001-2002. The grants in aid nearly doubled from Rs 1539 crore in 1999-2000 to Rs 3154 crore in 2000-2001 consequent upon the recommendation of the Eleventh Finance Commission, which had recommended non-plan revenue deficit grants for 2000-2003 on a tapering basis. These grants will cease to be available from 2003-2004 onwards. A decline in these grants in 2001-2002, compared to the previous year, significantly reduced the revenue growth of the State. A further decline in these grants in 2002-2003 may constrain the State's resources even further.

Table 2: Components of Revenue Receipt – relative Share in *per cent*

| | 1997-98 | 1998-99 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|-----------------------|---------|---------|-----------|-----------|-----------|---------|
| Own Taxes | 50.03 | 50.86 | 49.96 | 40.94 | 44.95 | 47.35 |
| Non-Tax Revenue | 4.98 | 4.10 | 5.75 | 8.36 | 5.33 | 5.70 |
| Central tax Transfers | 33.76 | 28.68 | 29.22 | 28.98 | 29.50 | 30.03 |
| Grants-in aid | 11.23 | 16.36 | 15.07 | 21.72 | 20.22 | 16.92 |

Overall growth of these four components of revenue receipt during 1997-2002 had also differed significantly. Own taxes of the State had the lowest annual growth of 9.05 *per cent* while the grants-in-aid were the most buoyant with an annual growth of 26.33 *per cent*. The rate of growth of central transfers was also lower compared to the overall growth of revenue receipts. The trend of annual growth of these components of revenue, their average ratios as percent to GSDP, buoyancy, relative share in total revenue receipts and average annual rate of shift in relative contribution is indicated in table 3.

Table 3: Components of Revenue- Basic Parameters 1997-2002 (*Per cent*)

| | ROG | GSDP Share | Buoyancy | Relative Share | Shift Rate |
|-----------------------|-------|------------|----------|----------------|------------|
| Own Taxes | 9.05 | 4.649 | 0.510 | 47.35 | -3.72 |
| Non-Tax Revenue | 20.45 | 0.590 | 1.153 | 5.70 | 6.36 |
| Central tax Transfers | 11.89 | 2.979 | 0.670 | 30.03 | -1.21 |
| Grants-in aid | 26.33 | 1.762 | 1.484 | 16.92 | 11.55 |

The grants-in-aid had highest buoyancy of 1.484, while the State's own taxes had the buoyancy of only 0.510. As a result of this lower buoyancy, the relative share of own taxes in the State's total revenue witnessed a declining trend with an average annual shift rate of (-) 3.72 *per cent*. Central tax transfers also had low buoyancy which was reflected in a decline in their relative share at an annual shift rate of (-) 1.21 *per cent*. Grants in aid and non-tax revenue had higher buoyancy and a positive shift rate.

1.5 Expenditure

Over all expenditure of the State comprising the revenue expenditure, capital expenditure and loans and advances increased from Rs 13096 crore in 1997-1998 to Rs 26510 in 2001-2002 at an average annual trend rate of 18.71 *per cent*. Rate of growth of total expenditure was significantly higher compared to the rate of growth of revenue receipt and GSDP. As a result the revenue receipt expenditure ratio declined from 68.94 *per cent* in 1997-98 to 54.84 *per cent* in 2001-2002. Consequently the extent of short fall and the quantum of expenditure that was required to be met from borrowings increased from 31 *per cent* in 1997-1998 to 45 *per cent* in 2001-2002. Total expenditure of this State, its trend and annual growth rate, ratio of expenditure to State's GSDP and revenue receipts and its buoyancy with regard to GSDP and revenue receipts is indicated in table 4.

Table 4: Total Expenditure- Basic Parameters (Value in Rs Crore and others in *per cent*)

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|---------|
| Total Expenditure | 13096 | 16536 | 21914 | 25535 | 26510 | 20718 |
| Rate of Growth | 3.90 | 26.27 | 32.52 | 16.52 | 3.82 | 18.71 |
| TE/GSDP Ratio | 16.24 | 18.34 | 18.97 | 17.81 | 17.89 | 17.92 |
| Revenue Receipts /TE Ratio | 68.94 | 56.77 | 46.60 | 56.87 | 54.84 | 56.80 |
| Buoyancy of Total Expenditure with | | | | | | |
| GSDP | 0.259 | 2.232 | 1.155 | 0.685 | 1.139 | 1.055 |
| Revenue Receipts | 0.400 | 6.606 | 3.705 | 0.391 | 34.656 | 1.411 |

During 1997-2002, average buoyancy of expenditure both with regard to GSDP and revenue receipt exceeded one. With regard to revenue receipts, the buoyancy of expenditure was 1.411 indicating that for each one- *per cent* increase in revenue receipts, expenditure increased by 1.411 *per cent*. The buoyancy of expenditure with revenue receipt reached an all time high of 34.65 *per cent* in the current year, despite a moderate growth of 3.82 *per cent* due to near stagnant revenues. The buoyancy of the expenditure with GSDP averaged 1.055 resulting in an increase in total expenditure GSDP ratio from 16.24 *per cent* in 1997-1998 to 17.89 *per cent* in 2001-2002.

In terms of activities, total expenditure could be considered as being composed of expenditure on the general services, interest payments, social and economic services, grants-in-aid and other contributions to institutions and loans and advances. The relative share of these components in total expenditure is indicated in table 5.

Table 5: Components of Expenditure -Relative Share (in *per cent*)

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|--------------------|-----------|-----------|-----------|-----------|-----------|---------|
| General Services | 17.58 | 18.04 | 18.07 | 17.31 | 18.09 | 17.82 |
| Interest Payments | 18.40 | 17.84 | 19.05 | 20.90 | 24.50 | 20.14 |
| Social Services | 34.03 | 34.72 | 38.20 | 33.73 | 31.89 | 34.51 |
| Economic Services | 19.72 | 18.61 | 17.14 | 18.94 | 17.56 | 18.40 |
| Loans and Advances | 8.70 | 9.54 | 6.43 | 8.26 | 6.98 | 7.98 |

The movements of the relative share to these components indicate that the share of general services and interest payment has increased over the years, while the share of social and economic services has declined. Interest payment and expenditure on general services considered as non developmental, together accounted for 43 *per cent* of total expenditure in 2001-2002 as compared to around 36 *per cent* in 1997-1998.

In the total expenditure, revenue expenditure had the predominant share. Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such do not result in any addition to the State's infrastructure and service net work. Overall revenue expenditure of the State increased from Rs 11322 crore in 1997-1998 to Rs 23395 crore in 2001-2002, at an average trend rate of 20.04 *per cent*. Rate of growth of revenue expenditure reached a level 36.9 *per cent* in 1999-2000 and since then it has decelerated. However, despite of this deceleration in growth rate, the revenue expenditure-GSDP ratio witnessed an increase from 14.04 *per cent* in 1997-1998 to 15.78 *per cent* in 2001-2002. There was also an increase in the ratio of revenue expenditure to total expenditure from 86.45 *per cent* in 1997-1998 to 88.25 *per cent* in 2001-2002. As percentage to revenue receipt, revenue expenditure increased from 125.41 *per cent* in 1997-1998 to 160.92 *per cent* in 2001-2002, indicating a widening gap. The overall revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and revenue receipts and its buoyancy is indicated in table 6.

Table 6: Revenue Expenditure- Basic Parameters (Values in Rs crore and others in *per cent*)

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|--|-----------|-----------|-----------|-----------|-----------|---------|
| Revenue Expenditure | 11322 | 14243 | 19498 | 22103 | 23395 | 18112 |
| Rate of Growth | 9.26 | 25.80 | 36.90 | 13.36 | 5.85 | 20.04 |
| RE/GSDP | 14.04 | 15.80 | 16.88 | 15.41 | 15.78 | 15.67 |
| RE as % of TE | 86.45 | 86.13 | 88.98 | 86.56 | 88.25 | 87.42 |
| RE as % to Revenue Receipt | 125.41 | 151.73 | 190.95 | 152.20 | 160.92 | 156.97 |
| Buoyancy of Revenue Expenditure | | | | | | |
| GSDP | 0.617 | 2.192 | 1.311 | 0.554 | 1.744 | 1.130 |
| Revenue Receipts | 0.952 | 6.488 | 4.203 | 0.316 | 53.054 | 1.512 |

The growth of revenue expenditure exceeded the rate of growth of total expenditure, GSDP and the revenue receipts. Average buoyancy of revenue expenditure was 1.130 for GSDP and 1.512 for revenue receipts, indicating that for each one *per cent* increase in GSDP and revenue receipt, revenue expenditure increased by 1.13 and 1.51 *per cent* respectively.

The expenditure of the State in the nature of plan expenditure, capital expenditure and developmental expenditure reflects its quality. Higher the ratio of these components to total expenditure, better is the quality of expenditure. Table 7 below gives these ratios during 1997-2002.

Table 7: Quality of Expenditure (per cent to total expenditure)

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|---------------------------|-----------|-----------|-----------|-----------|-----------|---------|
| Plan Expenditure | 17.23 | 17.08 | 15.60 | 18.71 | 16.69 | 17.06 |
| Capital Expenditure | 5.30 | 4.78 | 4.91 | 5.65 | 5.13 | 5.15 |
| Developmental Expenditure | 58.88 | 58.97 | 59.15 | 57.41 | 53.15 | 57.51 |

(Total expenditure do not include Loans and Advances)

All the three components of expenditure indicated a decline and the ratios in 2001-2002 were significantly lower than their levels in 1997-1998. Plan expenditure, despite its initial low values in 1997-1998 at 17.23 per cent further declined to 16.69 per cent. Over the years, a lower proportion of incremental expenditure got allocated to plan expenditure. In case of developmental expenditure, its ratio to total expenditure declined

Activity-wise expenditure during 1997-2002 further revealed that the average trend of growth of its various components had significant variations. Interest payment was the fastest growing component with an average annual growth of 28.49 per cent. Increasing debt liabilities contributed to this situation. The relative share of interest payments averaged 20.14 per cent, which also witnessed an increase and a positive shift at an average annual rate of 8.24 per cent. Interest payments also grew much faster compared to both GSDP and revenue receipt. Buoyancy of interest payments was 1.606 with regard to GSDP and 2.149 with regard to revenue receipts indicating that for each one per cent increase in GSDP and revenue receipt, interest payments rose by 1.606 and 2.149 per cent. General services was the other component of expenditure, which had a positive shift rate for its share. Economic services, however, was the only component, which had buoyancy of less than one both with respect to the revenue receipts and GSDP. This component of expenditure also had the lowest annual growth of 10.31 per cent. With non-developmental expenditure comprising expenditure on general services and interest payments, increasing at a faster rate, relative allocation for economic services was curtailed. Activity wise trend rate, their ratios with GSDP, relative share in total expenditure, annual shift rate in relative contribution and buoyancy parameters is indicated in table 8 below.

Table 8: Activity wise Expenditure -Basic Parameters (in per cent)

| | ROG | GSDP Share | Relative Share | Share Shift | Buoyancy with | |
|--------------------|-------|------------|----------------|-------------|---------------|-----------------|
| | | | | | GSDP | Revenue Receipt |
| General Services | 20.70 | 3.19 | 17.82 | 1.68 | 1.167 | 1.562 |
| Interest Payments | 28.49 | 3.70 | 20.14 | 8.24 | 1.606 | 2.149 |
| Social Services | 18.49 | 6.17 | 34.51 | -0.18 | 1.042 | 1.395 |
| Economic Services | 10.31 | 3.27 | 18.40 | -7.07 | 0.581 | 0.778 |
| Loans and Advances | 18.49 | 1.40 | 7.98 | -0.18 | 1.042 | 1.395 |

1.6 Fiscal Imbalances

The deficit in Government accounts represents the gap between its receipts and expenditure. The nature of the deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources so raised are applied, are important pointers to the fiscal health. The revenue deficit of the State, which in turn indicates the excess of its revenue expenditure over revenue receipts, increased from Rs 2294 crore in 1997-1998 to Rs 8856 crore in 2001-2002 (Table 9). The fiscal deficit which represents the total borrowings of the Government and the total resource gap increased from Rs 4008 crore in 1997-1998 to Rs 11804 crore in 2001-2002. State also had a primary deficit which had increased from Rs 1598 crore in 1997-1998 to Rs 5309 crore in 2001-2002.

The existence of revenue deficit indicated that revenue receipts of the State were not sufficient enough to meet its revenue expenditure and Government had to resort to borrowing to meet even its current obligations. Further, the revenue deficit of the State had not been a transient one, rather it had persisted. The ratio of revenue deficit to fiscal deficit also increased from 57.24 *per cent* in 1997-1998 to 75.03 *per cent* in 2001-2002 indicating that 75 *per cent* of the net incremental borrowings of the State was used for current consumption. Persistently high ratio of revenue deficit to fiscal deficit also indicated that the asset base of the State was continuously shrinking and increasingly a larger part of borrowings (fiscal liabilities) were not having an asset back up. As proportion to the State's GSDP, revenue deficit had reached 5.98 *per cent* and fiscal deficit had reached 7.96 *per cent* of GSDP in 2001-2002.

Table 9: Fiscal Imbalances- Basic Parameters (Values in Rs crore and Ratios in *per cent*)

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|-----------------|-----------|-----------|-----------|-----------|-----------|---------|
| Revenue deficit | -2294 | -4856 | -9287 | -7581 | -8856 | -6575 |
| Fiscal deficit | -4008 | -7109 | -11666 | -10920 | -11804 | -9101 |
| Primary Deficit | -1598 | -4159 | -7492 | -5582 | -5309 | -4828 |
| RD/GSDP | -2.84 | -5.39 | -8.04 | -5.29 | -5.98 | -5.69 |
| FD/GSDP | -4.97 | -7.88 | -10.10 | -7.61 | -7.96 | -7.87 |
| PD/GSDP | -1.98 | -4.61 | -6.48 | -3.89 | -3.58 | -4.18 |
| RD/FD | 57.24 | 68.31 | 79.61 | 69.42 | 75.03 | 72.24 |

1.7 Fiscal Liabilities – Public Debt and Guarantees

Constitution of India provides that a State may borrow, within the territory of India, upon the security of its consolidated fund, within such limits as may from time to time be fixed by the act of its legislature. In July 2001, Government introduced the West Bengal ceiling on Government Guarantees Act 2001 in terms of which total outstanding guarantee (other than guarantee given to West Bengal Infrastructure Development Finance Corporation Limited) as on the first day of

April of any year shall not exceed 90 per cent of the State Revenue receipts of the second preceding year of such year. Table 10 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP, revenue receipts and own resources and the buoyancy of these liabilities with respect to these parameters.

Table 10: Fiscal Liabilities- Basic Parameters

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|---------|
| Fiscal Liabilities | 25026 | 31954 | 43227 | 54119 | 65583 | 43982 |
| Rate of Growth | 18.56 | 27.68 | 35.28 | 25.20 | 21.18 | 26.71 |
| Ratio of Fiscal Liabilities | | | | | | |
| GSDP | 31.02 | 35.44 | 37.41 | 37.74 | 44.25 | 38.05 |
| Revenue Receipt | 277.20 | 340.41 | 423.34 | 372.67 | 451.11 | 362.13 |
| Own Resources | 503.95 | 619.38 | 759.97 | 755.85 | 897.05 | 680.04 |
| Buoyancy of Fiscal Liabilities | | | | | | |
| GSDP | 1.236 | 2.352 | 1.253 | 1.045 | 6.320 | 1.505 |
| Revenue Receipt | 1.906 | 6.962 | 4.019 | 0.597 | 192.262 | 2.015 |
| Own resources | 2.993 | 7.123 | 3.441 | 0.974 | 10.044 | 2.528 |

Overall fiscal liabilities of the State increased from Rs 25026 crore in 1997-1998 to Rs 65583 crore in 2001-2002 at an average rate of 26.71 per cent during 1997-2002. The ratio of these liabilities to GSDP also increased from 31.02 per cent in 1997-1998 to 44.25 per cent in 2001-2002, as percentage to revenue receipt, fiscal liabilities increased to 451.11 per cent in 2001-2002. Further, since nearly half of the State's resources had originated from sources other than its own, the ratio of fiscal liabilities to its own resources had reached the level of 897.05 per cent in 2001-2002. Contingent liabilities of the State, which are in the nature of guarantees to the loans, interest and other investments of its parastatals, do not constitute part of the fiscal liabilities according to the existing accounting practice. Nevertheless, these liabilities pose fiscal risk as they could be activated depending on occurrence of defaults by the principal borrowers. As on 31 March 2002, such contingent liabilities of the State were Rs 7643 crore, nearly 12 per cent of its direct fiscal liabilities. These together with the direct liabilities would push the ratio of fiscal liabilities to GSDP to over 50 per cent.

Fiscal liabilities had grown faster than the State's GSDP, revenue receipt and own resources. Average buoyancy of these liabilities with respect to GSDP was 1.505 indicating that for each one percent increase in GSDP, fiscal liabilities were growing at the rate of 1.505 per cent. The buoyancy of the fiscal liabilities with respect to revenue receipts and its own resources were even higher. In the current year, because of a meagre growth in its revenue receipts and high growth of fiscal liabilities, buoyancy had reached 192.262.

Increasing liabilities had raised the issue of its sustainability. Fiscal liabilities are not only required to be stable in relation to the GSDP, average rate of interest on these liabilities should also be less than the rate of growth of its GSDP. However, in case of West Bengal, while the ratio of fiscal liabilities to GSDP has been increasing continuously, average interest spread indicated by the difference between the rate of growth of GSDP and the average rate of interest paid on the liabilities was positive (Table 11). However, in 2001-2002 with GSDP growth decelerating to 3.35 *per cent*, the interest spread had become negative. Persistence of this phenomenon in later years may endanger debt sustainability.

Table 11: Debt Sustainability- Interest Rate and GSDP Growth (in *per cent*)

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|------------------------|-----------|-----------|-----------|-----------|-----------|---------|
| Weighted Interest Rate | 10.45 | 10.35 | 11.10 | 10.97 | 10.85 | 10.75 |
| GSDP Growth | 15.01 | 11.77 | 28.15 | 24.12 | 3.35 | 17.74 |
| Interest spread | 4.57 | 1.42 | 17.05 | 13.15 | -7.50 | 6.99 |

Another important indicator of the debt sustainability is the net availability of the borrowed funds after payment of principal and interest. The table 12 below gives the position of receipt and repayment of internal debt and other fiscal liabilities of the State over last five years. The net funds available on account of public debt, loans and advances from Government of India and other debt receipts (including public account) averaged 19.19 *per cent*. Net funds as *per cent* to total gross debt receipts declined from 27.82 *per cent* in 1999-2000 to 13.53 *per cent* in 2001-2002.

Table 12: Net Availability of Borrowed Funds (Rs in crore)

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Average |
|--|-----------|-----------|-----------|-----------|-----------|---------|
| Internal Debt | | | | | | |
| Receipt | 3455 | 3132 | 14376 | 20618 | 23363 | 12989 |
| Repayment(Principal + Interest) | 3344 | 2874 | 8394 | 13344 | 16113 | 8814 |
| Loans and Advances from Government of India | | | | | | |
| Receipt | 3607 | 5403 | 1470 | 1539 | 1672 | 2738 |
| Repayment(Principal + Interest) | 2144 | 2665 | 3450 | 3890 | 4133 | 3256 |
| Other Fiscal Liabilities | | | | | | |
| Receipt | 5351 | 6473 | 9687 | 8849 | 12582 | 8588 |
| Repayment(Principal + Interest) | 5418 | 5491 | 6585 | 8126 | 12280 | 7580 |
| Total Fiscal Liabilities | | | | | | |
| Receipts | 12413 | 15008 | 25533 | 31006 | 37617 | 24315 |
| Repayment (Principal+Interest) | 10906 | 11030 | 18429 | 25360 | 32526 | 19650 |
| Net Receipts | 1507 | 3978 | 7104 | 5646 | 5091 | 4665 |
| Net Funds Available as % to total Receipts | 12.14 | 26.51 | 27.82 | 18.21 | 13.53 | 19.19 |

1.7.1 Issue and Management of Guarantees

Records of four Administrative Departments viz., Commerce and Industries (CI), Cottage and Small Scale Industries (CSSI), Public Enterprises (PE) and Industrial Reconstruction (IR) for the period 1997-2002 revealed the following:

(i) *Avoidable payment of Rs 19.53 crore to prevent invocation of guarantees*

Guarantees were given as per approval of the Cabinet without considering the financial solvency/credit worthiness of the loanee units. The department also had no control/monitoring mechanism to ensure timely and regular repayment of loan to the financial institutions against which Government stood guarantor. This resulted in avoidable payment of Rs 19.53 crore which had to be made by Government by one time settlement of outstanding dues with the financial institutions by way of sanctioning loan to prevent invocation of guarantees as shown below:

| Name of the department which provided guarantee | Name of the loanee units | Financial Institutions who extended loan against guarantee | Date of guarantee | Outstanding dues reached after one time settlement (Rupees in crore) | Amount of loan sanctioned to clear the dues (Date of sanction) | Remarks |
|---|---|--|-------------------|---|--|---|
| Commerce and Industries | Greater Calcutta Gas Supply Corporation Limited | IDBI IFCI UTI LIC GICs and its subsidiaries | December 1998 | 33.71 (March 2001) (Rs 43.71 crore less Rs 10 crore paid by the company from own funds) | 13.23 (March 2001 and June 2002) | Payment to be made in quarterly instalments by March 2004 |
| Cottage and Small Scale Industries | West Dinajpur Spinning Mills Limited | IDBI IFCI | January 1983 | 1.10 (May 2001) | 1.10 (November 2001) | |
| Public Enterprises | a) Gluconate Health Limited | United Bank of India | February 1995 | 2.10 (March 1997) | 2.10 (March 1997 and March 1998) | |
| | b) Indian Paper Pulp Limited | Allahabad Bank and Canara Bank | 1980-81 | 2.30 (March 2001) | 2.30 (March 2001) | |
| Industrial Reconstruction | Carter Pooler Engineering Company Limited | West Bengal State Co-operative Bank Limited | September 1993 | 0.80 (September 2000) | 0.80 (December 2000) | |
| Total | | | | 40.01 | 19.53 | |

Thus due to deficiencies in the system and issue and management of guarantee, the State Government sustained actual liability of Rs 40.01 crore of which Rs 19.53 crore had already been discharged by way of sanction of fresh loan to the loanees on whose behalf Government stood guarantor.

(ii) *Enhancement of guarantees in favour of insolvent units*

Despite failure to clear the dues of West Bengal State Co-operative Bank Limited, the CSSI (2 units) and the IR (1 unit) departments enhanced (November and December 2001) the limit of guarantees as detailed below:

| Name of the department | Name of the loanee units | Date of guarantee | Original limit of guarantee | Enhanced guarantee | Date of Govt. order |
|------------------------------------|---|-------------------|-----------------------------|--------------------|----------------------------------|
| | | | (Rupees in crore) | | |
| Cottage and Small Scale Industries | i) West Bengal Handloom and Powerloom Dev. Corporation Ltd. (Tantusree) | January 1994 | 15.00 | 38.00 | December 2001 |
| | ii) West Bengal State Leather Industries Development Corporation (Charmaja) | June 1992 | 3.00 | 9.97 | November 2001 (Deed executed) |
| Industrial Reconstruction | Alkond Employees Industrial Co-operative Society Ltd. | April 1993 | 4.50 | 14.00 | December 2001 |
| Total | | | | 61.97 | |

Thus, Government had furthered its contingent liability to Rs 61.97 crore due to enhancement of guarantee in favour of insolvent companies.

1.8 Investments and returns

As on 31 March 2002, Government had invested Rs 4143.73 crore in its statutory corporations, rural banks, joint stock companies and cooperatives. Government's return on this investment was less than one tenth of one *per cent* in last five years. Since Government was investing the interest bearing borrowed funds, the difference between the rate of return on these investments and the average interest rate on its outstanding liabilities represented an implicit subsidy. During 1997-2002, this implicit subsidy amounted to Rs 1990.70 crore.

Table 13: Return on Investment

| Year | Investment at the end of the year | Return | Percentage of Return | Weighted interest rate |
|-----------|-----------------------------------|--------|----------------------|------------------------|
| 1997-98 | 3408.14 | 1.85 | 0.05 | 10.45 |
| 1998-99 | 3531.68 | 0.44 | 0.01 | 10.35 |
| 1999-2000 | 3654.30 | 1.23 | 0.03 | 11.10 |
| 2000-2001 | 3867.95 | 3.18 | 0.08 | 10.97 |
| 2001-2002 | 4143.73 | 3.77 | 0.09 | 10.85 |

In addition to the investment in cooperatives, corporations and companies, Government has also been providing support in terms of loans and advances to many of these parastatals. Total outstanding balances as on 31 March 2002 were Rs 11530.08 crore. Interest received on such loans had varied from 0.09 *per cent* to 6.41 *per cent* during 1997-2002 (Table 14). Government in most cases only acted as an intermediary and had provided the interest bearing borrowed funds to these entities. The difference in interest received and the average interest on its liabilities was an implicit subsidy to these entities. Total implicit subsidy during 1997-2002, on arranging such loans was Rs 3352.80 crore. In addition to the implicit subsidy involved in these investments and loans, these assets in themselves had become non-performing ones.

Table 14: Average Interest Received on Loans Advanced by the State Government

| | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 |
|---|---------------------|-----------|-----------|-----------|-----------|
| | (Rupees in crore) | | | | |
| Opening Balance | 3840.76 | 4920.64 | 6458.97 | 7831.55 | 9847.64 |
| Amount advanced during the year | 1139.87 | 1577.79 | 1409.82 | 2109.33 | 1850.39 |
| Amount repaid during the year | 59.90 | 39.46 | 37.24 | 93.24 | 167.95 |
| Closing Balance | 4920.64 | 6458.97 | 7831.55 | 9847.64 | 11530.08 |
| Net addition | 1079.88 | 1538.33 | 1372.58 | 2016.09 | 1682.44 |
| Interest Received | 9.2 | 8.61 | 6.61 | 567.04 | 25.81 |
| Interest Received as per cent of loans | 0.21 | 0.15 | 0.09 | 6.41 | 0.24 |
| Average Interest rate paid by the State | 10.45 | 10.35 | 11.1 | 10.97 | 10.85 |
| Difference in rate (interest paid and received) | 10.24 | 10.20 | 11.01 | 4.56 | 10.61 |

1.8.1 Management of loans and advances

Records of Finance Department and four other departments mentioned below for the period from 1997-2002 revealed that the departments did not maintain any systematic records of loan, repayment schedule, actual repayment made, amounts overdue for repayment. Besides, Finance Department did not maintain any centralised records of loans sanctioned. Position of outstanding loan, overdue amount of principal and interest, non-settlement of terms and conditions of loan by the departments as of March 2002 are given in the following table.

| Name of the departments | Total outstanding loan as of March 2002 | | Overdue amount as of March 2002 | | | Terms and condition not settled | | |
|---|---|--------------------------|---------------------------------|----------------------------------|----------|---------------------------------|--------------------------|--------------------|
| | Number of units involved | Amount (Rupees in crore) | Number of units involved | Principal loan (Rupees in Crore) | Interest | Number of units involved | Amount (Rupees in Crore) | Period of sanction |
| Commerce and Industries (CI) | 24 | 446.69 | 17 | 131.29 | 127.11 | 7 | 120.03 | 1975-2002 |
| Cottage and Small Scale Industries (CSSI) | 24 | 230.71 | 13 | 22.03 | 24.99 | 11 | 141.63 | 1974-2002 |
| Industrial Reconstruction (IR) | 9 | 196.10 | 6 | 65.61 | 66.05 | 3 | 5.66 | 1988-2002 |
| Public Enterprises (PE) | 58 | 799.33 | 46 | 291.27 | 327.05 | 12 | 25.33 | 1973-2002 |
| Total | 115 | 1672.83 | 82 | 510.20 | 545.20 | 33 | 292.65 | |

The administrative departments did not take effective steps for settlement of terms and conditions of loans amounting to Rs 292.65 crore sanctioned between 1973 and 2002 and also failed to ensure recovery of outstanding loans (Rs 1055.40 crore inclusive of interest) in respect of which the terms and conditions had been settled.

The four departments also sanctioned loans and converted loans and interest into equity shares of insolvent companies as shown below:

- The Cottage and Industries (CI) Department converted (March 2002) the loan of Rs 13.94 crore sanctioned to Greater Calcutta Gas Supply Corporation Limited (an insolvent unit) into equity. This tantamounted to waiver of loan.

(ii) Though West Bengal Sugar Industries Development Corporation (WBSIDC) failed to repay the outstanding loan of Rs 23.76 crore as of March 1997, the CI department sanctioned further loans of Rs 13.38 crore during 1997-2002. As of March 2002, total outstanding dues thus stood at Rs 72.17 crore including interest of Rs 35.03 crore, the prospect of recovery of which was remote in view of its huge accumulated loss of Rs 77.19 crore (March 2002).

(iii) Despite failure to repay outstanding loan of Rs 7 crore (March 1997), the CI department sanctioned (1997-2002) further loan of Rs 17.45 crore to West Bengal Electronics Industries Development Corporation Limited (WBEIDC).

(iv) The Public Enterprises (PE) department converted (between March 1997 and December 2000) outstanding loans on Electro Medical and Allied Industries Limited (EMAIL) amounting to Rs 9.23 crore along with interest of Rs 2.30 crore into equity resulting in virtual waiver of loan/interest

(v) Due to insolvency of Sundarban Sugarbeet Processing Company Limited (SSPC), PE department sanctioned (September 2001) loan of Rs 0.87 crore to SSPC to clear its bank dues. Prospect of recovery of the loan from the insolvent company was bleak.

1.9 Financial results of irrigation projects

The financial results of the 4 major and 4 medium irrigation and 2 drainage projects with a capital outlay of Rs 1398.69 crore at the end of 31 March 2002 showed that the revenue realised from these during 2001-2002 amounting to Rs 2.22 crore was insignificant in comparison to even the direct operating expenses. After considering the operation and maintenance expenses of Rs 52.98 crore and interest charges of Rs 33.64 crore, the schemes suffered a net loss of Rs 84.40 crore.

1.10 Incomplete projects

The amount blocked up in incomplete projects during 1997-2002 (Appendix 2), continued to rise from Rs 886 crore in 1997-1998 to Rs 1137 crore in 2001-2002. The amount blocked in these projects was 14 *per cent* of the cumulative capital outlay of the State as on 31 March 2002.

1.11 Financial Indicators of the Government of West Bengal

Finances of the State should be adequate, sustainable in the medium and long run, flexible and non-vulnerable. Table 15 below presents a summarized position of Government finances during 1997-2002, with reference to certain key indicators that help assess the adequacy, effectiveness and sustainability of its available resources and applications thereof and captures its important facets to highlight areas of strength and concerns.

Table 15: Indicators of Fiscal Health (in per cent)

| Fiscal Indicators | 1997-98 | 1998-99 | 1999-20 | 2000-01 | 2001-02 | Average |
|---|---------|---------|---------|---------|---------|---------|
| Resource Mobilization | | | | | | |
| Revenue Receipt/GSDP | 11.19 | 10.41 | 8.84 | 10.13 | 9.81 | 9.98 |
| Revenue Buoyancy | 0.649 | 0.338 | 0.312 | 1.750 | 0.033 | 0.747 |
| Own tax/GSDP | 5.600 | 5.295 | 4.415 | 4.145 | 4.409 | 4.649 |
| Expenditure Management | | | | | | |
| Total Expenditure/GSDP | 16.24 | 18.34 | 18.97 | 17.81 | 17.89 | 17.92 |
| Revenue Receipts / Total Exp | 68.94 | 56.77 | 46.60 | 56.87 | 54.84 | 56.80 |
| Revenue Expenditure/ Total Exp | 86.45 | 86.13 | 88.98 | 86.56 | 88.25 | 87.42 |
| Plan Expenditure/Total Exp | 17.23 | 17.08 | 15.60 | 18.71 | 16.69 | 17.06 |
| Capital Expenditure / Total Exp | 5.30 | 4.78 | 4.91 | 5.65 | 5.13 | 5.15 |
| Development Expenditure/ Total Exp | 58.88 | 58.97 | 59.15 | 57.41 | 53.15 | 57.51 |
| Buoyancy of TE with RR | 0.400 | 6.606 | 3.705 | 0.391 | 34.656 | 1.411 |
| Buoyancy of RE with RR | 0.952 | 6.488 | 4.203 | 0.316 | 53.054 | 1.512 |
| Management of Fiscal Imbalances | | | | | | |
| Revenue deficit (Rs in crore) | -2294 | -4856 | -9287 | -7581 | -8856 | -6575 |
| Fiscal deficit (Rs in crore) | -4008 | -7109 | -11666 | -10920 | -11804 | -9101 |
| Primary Deficit (Rs in crore) | -1598 | -4159 | -7492 | -5582 | 5309 | -4828 |
| Revenue Deficit/Fiscal Deficit | 57.24 | 68.31 | 79.61 | 69.42 | 75.03 | 72.24 |
| Management of Fiscal Liabilities | | | | | | |
| Fiscal Liabilities/GSDP | 31.02 | 35.44 | 37.41 | 37.74 | 44.25 | 38.05 |
| Fiscal Liabilities/RR | 277.20 | 340.41 | 423.34 | 372.67 | 451.11 | 362.13 |
| Buoyancy of FL with RR | 1.906 | 6.962 | 4.019 | 0.597 | 192.262 | 2.015 |
| Buoyancy of FL with OR | 2.993 | 7.123 | 3.441 | 0.974 | 10.044 | 2.528 |
| Interest spread | 4.57 | 1.42 | 17.05 | 13.15 | -7.50 | 6.99 |
| Net Fund Available | 12.14 | 26.51 | 27.82 | 18.21 | 13.53 | 19.19 |
| Other Fiscal Health Indicators | | | | | | |
| Return on Investment | 0.05 | 0.01 | 0.03 | 0.08 | 0.09 | 0.05 |
| HC'R (Rs in crore) | 1705 | -4178 | -8115 | -7102 | -7222 | 5664 |
| Financial Assets/Liabilities | 0.55 | 0.49 | 0.41 | 0.39 | 0.36 | 0.45 |

The ratio of revenue receipt and State's own taxes to its GSDP indicate the adequacy of resources. The buoyancy of revenue receipts indicates the nature of the tax regime and the ability of the State to increase its access to resources. State's own tax-GSDP ratio also indicates its access to non-obligatory sources of revenue and its non-vulnerability. Revenue receipts comprises not only the State's own resources but central tax transfers and grants-in-aid and indicates sum total of State's access. This captures the diverse elements in its revenue, some of which have no direct service-providing obligations, while others are related to its ability to recover the cost of providing social and economic services through user charges and its entitlement from central taxes. All the three ratios had declined in 2001-2002 compared to 1997-1998 indicating fragileness of State's resources and secular deterioration.

Various ratios concerning expenditure management indicate quality of its expenditure and their sustainability in relation to its resources. Again, all these ratios showed a deteriorating trend. The ratios of capital expenditure and developmental expenditure, which indicate the quality aspect of the expenditure, had lower values in 2001-2002 compared to 1997-1998. Medium term tendency of these ratios was also of deceleration. Both its total expenditure and revenue expenditure had been buoyant relative to its revenue receipts indicating increasing vulnerability and unsustainability. Revenue receipts were increasingly meeting less and less of State's expenditure and increasing dependence on borrowings.

State's fiscal imbalances were also increasing and a larger part of the fiscal deficit was used for meeting current expenditure. The ratios relating to its management of fiscal liabilities also depicted the same picture. Fiscal liabilities were growing faster than its revenue receipts and own resources, ratio of fiscal liabilities to GSDP was on rise, net funds available from out of the gross borrowings (including public accounts) were declining and interest spread, one of the critical parameters of debt sustainability had turned negative. It is not uncommon for the State to borrow for increasing its social and economic infrastructure base. However, increasing ratios of fiscal liabilities to its GSDP, revenue receipts and own resources indicated that the debt stock was increasingly becoming unsustainable.

State's low return on investment and its own outstanding advances indicated an implicit subsidy. High cost funds were being allocated to these investments, which yielded very little to the State. The balance from its current revenue (BCR), which plays an important role in plan size, was not only consistently negative, its magnitude was on the increase. Further, with a growing revenue deficit, increasingly a larger part of its liabilities were not having an asset back up. The ratio of its assets to its liabilities had declined to 0.36 indicating that more than half of the State's fiscal liabilities had ceased to have an asset back up. All these indicate continuing deterioration of the State's fiscal situation.

EXHIBIT I
Summarised financial position of the State Government as on 31 March 2002

| Amount as on 31 March 2001 | Liabilities | Amount as on 31 March 2002 | Amount as on 31 March 2001 | Assets | Amount as on 31 March 2002 |
|-------------------------------|--|----------------------------|----------------------------|---|----------------------------|
| (K u p e e s i n c r o r e) | | | | | |
| 20644.53 | Internal debt including Ways and Means Advance (Market loans, Loans from LIC and others) | 30670.00 | 11235.08 | Gross Capital outlay | 12500.61 |
| 5846.91 | Market loans bearing interest | 6877.01 | | 3867.95 Investments in shares of Companies, Corporations | 4141.73 |
| 6.01 | Market loans not bearing interest | 8.26 | 9847.64 | 7367.13 Other Capital outlay | 8356.88 |
| 56.96 | Loans from Life Insurance Corporation of India | 52.16 | | Loans and Advances | 11530.08 |
| 4327.50 | Loans from other Institutions | 6786.52 | 585.85 | Loans for Social Services | 620.49 |
| 1351.12 | Ways and Means Advances including Overdraft | 2100.80 | 5873.71 | Loans for Energy | 7389.93 |
| 9056.03 | Securities issued to NSS Fund of Central Government | 14845.25 | 3095.31 | Loans for Economic Services excluding Energy | 3185.07 |
| 23106.04 | Loans and Advances from the Central Government | 23717.36 | 292.19 | Loans to Government Servants | 334.01 |
| 690.28 | Pre-1984-85 Loans | 589.83 | | Loans for Miscellaneous purposes | 0.58 |
| 14800.51 | Non Plan Loans | 14428.19 | | | |
| 7548.02 | Loans for State Plan Schemes | 8629.62 | 28.96 | Advances | 28.86 |
| 60.72 | Loans for Centrally sponsored Plan Schemes | 63.41 | 335.38 | Remittance Balance | 349.93 |
| | | | ()870.32 | Suspense and Miscellaneous | (-)1138.11 ¹ |
| 19.93 | Contingency Fund | 19.34 | 544.44 | Cash | 458.36 |
| 3688.97 | Small Savings, Provident Funds, etc. | 4078.52 | | 0.50 Cash in treasuries and local remittances | 9.16 |
| 6648.91 | Deposits | 7049.55 | | 17.16 Departmental cash balance including permanent advance | 12.66 |
| 58.92 | Reserve Funds | 97.17 | | 5.67 Investment in earmarked funds | 0.60 |
| | | | | 68.12 Deposit with Reserve Bank of India | (-)17.05 |
| | | | | 452.99 Cash Balance | 452.99 |
| | | | | Investment Account | |
| | | | 33046.12 | Deficit on Government Account | 41902.21 |
| | | | | 25464.85 Accumulated deficit up to 31 March 2000 | 33046.12 |
| | | | | 7581.27 Add: Deficit of Current year | 8856.09 |
| 54167.30 | | 65631.94 | 54167.30 | | 65631.94 |

¹ Minus balance is due to credits under Treasury cheques (Rs. 1639.44 crore) awaiting clearance

EXHIBIT II

ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2001-2002

| 2001-2002 | Receipt | 2001-2002 | 2001-2002 | Disbursements | 2001-2002 | 2001-2002 | 2001-2002 | 2001-2002 |
|-----------|---|-----------|-----------|---------------|--|-----------|-----------|-----------|
| | R | U | D | R | C | E | P | |
| | | | | | Non-Plan | Plan | Total | |
| 14522.18 | Section A : Revenue | | | 22103.45 | Revenue Expenditure | 20518.68 | 2875.84 | 23394.52 |
| | Revenue Receipts | 14538.43 | | 9712.96 | General Services | 11214.44 | 28.79 | 11243.23 |
| 5944.72 | - Tax revenue | 6534.49 | | 8415.36 | Social Services | 6748.96 | 1554.72 | 8303.68 |
| 1214.53 | - Non-tax revenue | 775.88 | | 4564.29 | - Education, Sports, Arts and Culture | 4321.48 | 221.93 | 4543.41 |
| | | | | 1176.62 | - Health and Family Welfare | 1049.79 | 272.99 | 1322.78 |
| 4208.44 | - State's share of Union taxes and duties | 4289.37 | | 1221.93 | - Water Supply, Sanitation, Housing and Urban Development | 801.25 | 652.28 | 1453.53 |
| 424.59 | - Non-Plan grants | 1577.14 | | 30.42 | Information and Broadcasting | 27.54 | 5.02 | 32.56 |
| | | | | | - Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes | 69.91 | 132.87 | 202.78 |
| 2206.24 | - Grants for State Plan Scheme | 690.97 | | 219.50 | - Labour and Labour Welfare | 54.20 | 0.87 | 55.07 |
| 523.66 | - Grants for Central and Centrally sponsored Plan Schemes | 670.58 | | 56.62 | - Social Welfare and Nutrition | 396.07 | 211.74 | 607.81 |
| | | | | 891.74 | - Others | 28.72 | 57.02 | 85.74 |
| | | | | 54.24 | Economic Services | 2299.15 | 1287.28 | 3586.43 |
| | | | | 3754.63 | - Agriculture and Allied Activities | 678.10 | 154.82 | 832.92 |
| | | | | 916.04 | - Rural Development | 328.10 | 588.32 | 916.42 |
| | | | | 768.01 | - Special Areas Programmes | 150.86 | 202.62 | 353.48 |
| | | | | 359.72 | - Irrigation and Flood Control | 451.98 | 143.00 | 594.98 |
| | | | | 718.30 | - Energy | 100.00 | 2.45 | 102.45 |
| | | | | 149.79 | - Industry and Minerals | 71.93 | 105.50 | 177.43 |
| | | | | 169.66 | - Transport | 456.35 | 77.54 | 533.89 |
| | | | | 558.46 | - Science, Technology and Environment | 0.05 | 1.37 | 1.42 |
| | | | | 1.68 | - General Economic Services | 61.78 | 11.66 | 73.44 |
| | | | | 112.97 | Grants-in-aid and Contributions | 256.13 | 5.05 | 261.18 |
| | | | | 220.50 | | | | |
| 7581.27 | II Revenue deficit carried over to Section B | 8856.09 | | | | | | |
| 22103.45 | | 23394.52 | | 22103.45 | Total | | | 23394.52 |

Differences of 0.01 due to rounding

| 2001-2001 | Receipts | 2001-2002 | 2000-2001 | Expenditures | 2001-2002 |
|-----------|--|-----------|-----------|--------------------------------------|-----------|
| | (Rupees) | | (Rupees) | | |
| 914.18 | Section B III Opening Cash Balance including Permanent Advances and Cash Balance Investment | 544.44 | 729.89 | III Opening Overdraft from RBI | 668.32 |
| Nil | IV Miscellaneous Capital receipts | | 1122.80 | IV Capital Outlay | 1265.53 |
| | | | 43.88 | General Services | 46.89 |
| | | | 196.63 | Social Services | 149.02 |
| | | | | - Education, | |
| | | | 17.33 | Sports Arts | |
| | | | | And Culture | 9.04 |
| | | | 129.38 | Health and | 90.43 |
| | | | | Family Welfare | |
| | | | | Water Supply | |
| | | | | Sanitation, | |
| | | | | Housing and | 7.01 |
| | | | | Urban | 27.72 |
| | | | 38.32 | Development | 14.73 |
| | | | 1.13 | - Information and | |
| | | | | Broadcasting | 1.76 |
| | | | | Welfare of | |
| | | | 1.71 | Scheduled Castes, | |
| | | | | Scheduled Tribes | 4.96 |
| | | | | and Other | |
| | | | | Backward | |
| | | | Nil | Classes | |
| | | | | - Labour and | |
| | | | 7.72 | Labour Welfare | |
| | | | | - Social Welfare | 7.01 |
| | | | | and Nutrition | |
| | | | 1.04 | Other Social | 1.09 |
| | | | | Services | 1.09 |
| | | | 1082.37 | Economic Services | 1069.62 |
| | | | | Agriculture and | |
| | | | | Allied | |
| | | | 18.19 | Activities | 13.43 |
| | | | Nil | - Rural | 14.46 |
| | | | | Development | 27.89 |
| | | | 23.07 | - Special Areas | Nil |
| | | | | Programmes | Nil |
| | | | 223.14 | - Irrigation and | 25.24 |
| | | | | Flood Control | 25.24 |
| | | | 42.15 | Energy | 246.25 |
| | | | 157.85 | Industry and | 0.60 |
| | | | | Minerals | 245.65 |
| | | | 616.03 | - Transport | 1.00 |
| | | | | - Science, | 1.00 |
| | | | | Technology and | 232.62 |
| | | | Nil | Environment | 1.99 |
| | | | 1.94 | - General | 230.63 |
| | | | | Economic Services | 232.62 |
| | | | | | 533.47 |
| | | | | | 533.56 |
| | | | | | 3.06 |
| 93.24 | V Recoveries of Loans and Advances | 167.95 | 2109.33 | V Loans and Advances disbursed | 1850.39 |
| | | | 1702.37 | - For Power Projects | 1517.22 |
| 42.00 | - From Power Projects | 1.00 | 88.17 | - To Government Servants | 87.63 |
| 39.43 | From Government Servants | 45.82 | 318.79 | - To Others | 245.54 |
| 11.81 | - From Others | 121.13 | | | |

| 200-201 | Receipt | 200-202 | 200-201 | Disbursement | 201-202 |
|----------|--|----------|----------|---|-----------|
| | R u p e e s | | | | |
| | | | | Non-Plan | Plan |
| | | | | Total | |
| | | | 7581.27 | VI Revenue deficit brought down | 8856.00 |
| 10985.69 | VII Public debt receipts | 11517.63 | 1205.28 | VII Repayment of Public Debt | 1568.37 |
| 9361.33 | Internal debt other than | 9783.56 | 297.22 | - Internal debt other than | 507.76 |
| | Ways and Means Advances and Overdraft | | | Ways and Means Advances and Overdraft | |
| 85.59 | Ways and Means Advances | 62.14 | Nil | - Ways and Means Advances | Nil |
| | - Loans and Advances from | | | Repayment of | |
| 1538.77 | Central Government | 1671.93 | 907.98 | Loans and Advances to Central Government | 1060.61 |
| 0.35 | VIII Amount transferred to Contingency Fund | - | 0.07 | VIII Expenditure from Contingency Fund | 0.59 |
| 22748.64 | IX Public Account receipts | 26437.91 | 21518.14 | IX Public Account disbursements | 25356.14 |
| | Small Savings and Provident Funds | 1057.95 | 441.92 | - Small Savings and Provident Funds | 668.40 |
| 964.46 | - Reserve Funds | 161.21 | 105.45 | - Reserve Funds | 122.95 |
| 112.30 | - Suspense and Miscellaneous | 11652.02 | 11395.99 | - Suspense and Miscellaneous | 11384.24 |
| 11393.29 | Remittances | 2203.59 | 2445.34 | - Remittances | 2218.14 |
| 2506.33 | - Deposits and Advances | 11363.14 | 7129.44 | - Deposits and Advances | 10962.41 |
| 7772.26 | | | Nil | - Miscellaneous Government Account | Nil |
| 668.32 | X Closing Overdraft from Reserve Bank of India | 1355.86 | 544.44 | X Cash balance at end | 458.36 |
| | | | | - Cash in Treasuries and Local | |
| | | | 0.50 | Remittances | 9.16 |
| | | | 68.12 | - Deposits with Reserve Bank | (-) 17.05 |
| | | | | - Departmental Cash Balance including Permanent | |
| | | | 17.16 | Advances | 12.66 |
| | | | 5.67 | Investment in earmarked Funds | 0.60 |
| | | | 452.99 | - Cash Balance Investment | 452.99 |
| 35010.34 | Total | 40023.79 | 35010.34 | Total | 40023.79 |

EXHIBIT III

SOURCES AND APPLICATION OF FUNDS

(Rupees in crore)

| 2000-2001 | | Sources | | 2001-2002 |
|-----------|------|---|--|-----------------|
| 14522.18 | 1. | Revenue receipts | | 14538.43 |
| 93.24 | 2. | Recoveries of Loans and Advances | | 167.95 |
| 9780.49 | 3(a) | Increase in Public debt other than overdraft | | 9949.25 |
| | 3(h) | Increase in overdraft | | 687.54 |
| | 4. | Net receipts from Public account | | |
| 522.55 | | Increase in Small Savings | | 389.55 |
| 642.82 | | Increase in Deposits and Advances | | 400.73 |
| - | | Net effect of suspense and Miscellaneous transactions | | 267.79 |
| 60.99 | | Net effect of Remittance transactions | | - |
| 0.28 | 5. | Net effect of Contingency Fund transactions | | - |
| 6.85 | 6. | Increase in Reserve Funds | | 38.25 |
| | 7 | Decrease in closing cash balance | | 86.09 |
| 25629.40 | | Total | | 26525.58 |
| 2000-2001 | | Applications | | 2001-2002 |
| 22103.45 | 1. | Revenue expenditure | | 23394.52 |
| 2109.33 | 2. | Lending for development and other purposes | | 1850.39 |
| 1322.80 | 3. | Capital expenditure | | 1265.53 |
| - | 4. | Net effect of Contingency Fund transactions | | - |
| - | 5. | Net effect of Miscellaneous Government Account | | - |
| 30.35 | 6. | Increase in closing cash balance | | - |
| 60.77 | 7. | Decrease in overdraft | | - |
| - | 8. | Decrease in Reserve funds | | - |
| 2.70 | 9. | Net effect of Suspense and Miscellaneous | | - |
| - | 10. | Net effect of remittance | | 14.55 |
| - | 11. | Net effect of Contingency Fund | | 0.59 |
| 25629.40 | | Total | | 26525.58 |

Explanatory Notes for Exhibit I, II and III

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Exhibit I indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc. do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement, etc.
4. There was an unreconciled difference of Rs 1300.73 crore (net credit) between the figures reflected in the accounts and that intimated by the RBI under "Deposit with Reserve Bank". The difference was under reconciliation (August 2002).

EXHIBIT-IV

TIME SERIES DATA ON STATE GOVERNMENT FINANCES

| | 1997-98 | 1998-99 | 1999-2000 | 2000-2001 | 2001-2002 |
|---|------------------|------------------|------------------|------------------|------------------|
| | (R u p e e s) | | | | |
| Part A. Receipts | | | | | |
| 1. Revenue Receipts | 9028 | 9387 | 10211 | 14522 | 14538 |
| (i) Tax Revenue | 4517(50) | 4774(51) | 5101(50) | 5945(41) | 6534(45) |
| Taxes on Agricultural Income | 7 | 16 | 8 | 1 | 1 |
| Taxes on Sales, Trade, etc. | 2844(63) | 3118(65) | 429(67) | 3671(62) | 3802(58) |
| State Excise | 359(8) | 400(9) | 443(9) | 462(8) | 512(8) |
| Taxes on Vehicles | 148(3) | 158(3) | 186(4) | 283(5) | 209(3) |
| Stamps and Registration fees | 336(7) | 372(8) | 412(8) | 474(8) | 555(9) |
| Land Revenue | 439(10) | 325(7) | 148(3) | 511(8) | 711(11) |
| Other taxes | 384(9) | 385(8) | 475(9) | 541(9) | 744(11) |
| (ii) Non Tax Revenue | 449(5) | 385(4) | 587(6) | 1215(8) | 776(5) |
| (iii) State's share of Union taxes and duties | 3048(34) | 2692(29) | 2984(29) | 4208(29) | 4289(30) |
| (iv) Grants in aid from GOI | 1014(11) | 1536(16) | 1539(15) | 3154(22) | 2939(20) |
| 2. Misc. Capital Receipts | Nil | Nil | Nil | Nil | Nil |
| 3. Total revenue and Non debt capital receipts (1+2) | 9028 | 9387 | 10211 | 14522 | 14538 |
| 4. Recoveries of Loans and Advances | 60 | 39 | 37 | 93 | 168 |
| 5. Public Debt Receipts | 4239 | 6306 | 8350 | 10925 | 12205 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 632(15) | 903(14) | 5554(66) | 9361(86) | 9781(80) |
| Net transactions under Ways and Means Advances and Overdrafts | Nil | Nil | 1326(16) | 25 | 750(6) |
| Loans and Advances from Government of India ¹ | 3607(85) | 5401(86) | 1470(18) | 1539(14) | 1672(14) |
| 6. Total receipts in the Consolidated Fund (3+4+5) | 13327 | 15732 | 18598 | 25540 | 26911 |
| 7. Contingency Fund Receipts | 0.28 | 0.26 | 0.10 | 0.35 | - |
| 8. Public Account receipts | 13305 | 16078 | 22229 | 22749 | 26437 |
| 9. Total receipts of the State (6+7+8) | 26632.28 | 31810.26 | 40827.10 | 48289.35 | 53349.00 |
| Part B. Expenditure/Disbursement | | | | | |
| 10. Revenue Expenditure | 11322(86) | 14243(86) | 19498(89) | 22103(87) | 23395(88) |
| Plan | 1460(13) | 1864(13) | 2214(11) | 3121(14) | 2876(12) |
| Non-Plan | 9862(87) | 12379(87) | 17284(89) | 18982(86) | 20519(88) |
| General Services (including Interests Payments) | 4673(41) | 5874(41) | 8041(41) | 9713(44) | 11243(48) |
| Social Services | 4391(39) | 5640(40) | 8189(42) | 8415(38) | 8304(36) |
| Economic Services | 2054(18) | 2524(18) | 3026(16) | 1755(17) | 1586(15) |
| Grants-in-aid and Contribution | 204(2) | 205(1) | 242(1) | 220(1) | 261(1) |
| 11. Capital Expenditure | 634(5) | 715(4) | 1006(5) | 1323(5) | 1265(5) |
| Plan | 600(95) | 691(97) | 985(98) | 1263(95) | 1240(98) |
| Non-Plan | 34(5) | 24(3) | 21(2) | 60(5) | 25(2) |
| General Services | 39(6) | 59(8) | 93(9) | 44(3) | 47(4) |
| Social Services | 66(10) | 102(14) | 183(18) | 197(15) | 149(12) |
| Economic Services | 529(84) | 554(78) | 730(73) | 1082(82) | 1069(84) |
| 12. Disbursement of Loans and Advances | 1140(9) | 1578(10) | 1410(6) | 2109(8) | 1850(7) |
| 13. Total (10+11+12) | 13096 | 16536 | 21914 | 25535 | 26510 |
| 14. Repayments of Public Debt | 461 | 618 | 762 | 1205 | 1568 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 45 | 119 | 175 | 297 | 508 |
| Net transactions under Ways and Means Advances and Overdrafts | Nil | Nil | Nil | Nil | Nil |
| Loans and Advances from Government of India ¹ | 416 | 499 | 587 | 908 | 1060 |
| 15. Appropriation to Contingency Fund | Nil | Nil | Nil | Nil | Nil |
| 16. Total disbursement out of Consolidated Fund (13+14+15) | 13557 | 17154 | 22676 | 26740 | 28078 |
| 17. Contingency Fund disbursements | 0.21 | 0.17 | 0.28 | 0.07 | 0.59 |
| 18. Public Account disbursements | 12962 | 14715 | 17959 | 21518 | 25351 |
| 19. Total disbursement by the state (16+17+18) | 26519.21 | 31869.17 | 40635.28 | 48258.07 | 53429.59 |
| Part C Deficits | | | | | |
| 20. Revenue Deficit (1-10) | 2294 | 4856 | 9287 | 7581 | 8856 |
| 21 Fiscal Deficit (3+4-13) | 4008 | 7109 | 11666 | 10920 | 11804 |
| 22. Primary Deficit (21-23) | 1598 | 4159 | 7492 | 5582 | 5309 |
| Part D Other data | | | | | |
| 23. Interest Payments (included in revenue exp.) | 2410 | 2950 | 4174 | 5338 | 6495 |
| 24. Arrears of Revenue (Percentage of Tax & non-tax Revenue Receipts) | 661(13) | 648(13) | 558(10) | 305(4) | NA |
| 25. Financial Assistance to local bodies etc. | 2967 | 3449 | 5022 | 5099 | 5230 |
| 26. Ways and Means Advances/Overdraft availed (days) | 164 | 80 | 336 | 360 | 365 |
| 27. Interest on WMA/Overdraft | 6 | 1 | 22 | 37 | 63 |
| 28. Gross State Domestic Product (GSDP) | 80665(P) | 90160(A) | 115543(A) | 143411(A) | 148218(A) |
| 29. Outstanding Debt (year end) | 25026 | 31954 | 43227 | 54119 | 65583 |
| 30. Outstanding guarantees (year end) | 2978 | 3379 | 3907 | 6960 | 7643 |
| 31. Maximum amount guaranteed/year end) | 5863 | 6099 | 5606 | 9677 | 12912 |
| 32. Number of incomplete projects | 19 | 19 | 19 | 19 | 19 |
| 33. Capital blocked in incomplete projects ² | 886 | 949 | 1006 | 1083 | 1137 |

¹ Includes Ways and Means Advances from GOI

Note : Figures in brackets represent percentage (rounded)

² Represents progressive amount blocked in incomplete projects at the end of the year based on figures collected from departmental heads (Details in Appendix 2)

CHAPTER II

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Introduction

The Appropriation Accounts are prepared every year indicating the details of the amount on various specified services spent by Government vis-a-vis those authorised by the Appropriation Act, in respect of both 'Charged' as well as 'Voted' items of the budget.

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

SUMMARY OF APPROPRIATION ACCOUNTS 2001-2002

Appropriation Accounts :2001-2002

Total Number of grants : 95

Total provision and actual expenditure

| Provision | Amount (Rupees in crore) | Expenditure | Amount (Rupees in crore) |
|--|-----------------------------|--|-----------------------------|
| Original | 33249.06 | | 41151.14 |
| Supplementary | 2432.71 | | |
| Total gross provision | 35681.77 | Total gross expenditure | 41151.14 |
| Deduct- Estimated recoveries in reduction of expenditure | 420.73 | Deduct-Actual recoveries in reduction of expenditure | 242.44 |
| Total net provision | 35261.04 | Total net expenditure | 40908.70 |

Voted and charged provision and expenditure

| | Provision (Rupees in crore) | | Expenditure (Rupees in crore) | |
|--|--------------------------------|----------|----------------------------------|----------|
| | Voted | Charged | Voted | Charged |
| Revenue | 18614.37 | 6931.32 | 17013.19 | 6539.60 |
| Capital | 5071.21 | 5064.87 | 3199.89 | 14398.46 |
| Total Gross: | 23685.58 | 11996.19 | 20213.08 | 20938.06 |
| Deduct- recoveries in reduction of expenditure | 420.73 | - | 242.44 | - |
| Total: Net | 23264.85 | 11996.19 | 19970.64 | 20938.06 |

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2001-2002 against 95 grants/appropriations was as follows :

| | Nature of expenditure | Original grant/ appropriation | Supplementary grant/ appropriation | Total | Actual expenditure ¹ | Saving(-)/ Excess(+) |
|-------------------------------|------------------------|----------------------------------|---------------------------------------|----------|---------------------------------|-------------------------|
| (R u p e e s i n c r o r e) | | | | | | |
| Voted | I Revenue | 16842.84 | 1771.53 | 18614.37 | 17013.19 | (-) 1601.18 |
| | II Capital | 2964.73 | 224.56 | 3189.29 | 1349.50 | (-) 1839.79 |
| | III Loans and Advances | 1642.94 | 238.98 | 1881.92 | 1850.39 | (-) 31.53 |
| Total Voted | | 21450.51 | 2235.07 | 23685.58 | 20213.08 | (-) 3472.50 |
| Charged | IV Revenue | 6891.68 | 39.64 | 6931.32 | 6539.60 | (-) 391.72 |
| | V Capital | 0.09 | 0.29 | 0.38 | 0.19 | (-) 0.19 |
| | VI Public Debt | 4906.48 | 157.71 | 5064.19 | 14398.27 | (+) 9334.08 |
| | VII Loans and Advances | 0.30 | - | 0.30 | - | (-) 0.30 |
| Total Charged | | 11798.55 | 197.64 | 11996.19 | 20938.06 | (+) 8941.87 |
| Grand Total | | 33249.06 | 2432.71 | 35681.77 | 41151.14 | (+) 5469.37 |

2.3 Results of Appropriation Audit

2.3.1 The overall excess of Rs 5469.37 crore was the result of saving of Rs 4180.24 crore in 89 grants and 21 appropriations, offset by excess of Rs 9649.61 crore in 6 grants and 1 appropriation. The excess under Public Debt was mainly on account of repayment of Ways and Means Advances and overdraft (Rs 9329.90 crore).

2.3.2 Supplementary provision made during the year constituted 7 per cent of the original provision as against 14 per cent in the previous year.

2.3.3 Supplementary provision of Rs 444.19 crore made in 44 cases during the year proved unnecessary in view of the aggregate saving of Rs 1319.01 crore as detailed in Appendix 3.

2.3.4 In 19 cases against additional requirement of Rs 768.23 crore, supplementary grants and appropriations of Rs 1366.73 crore were obtained resulting in savings in each case exceeding Rs 10 lakh, aggregating Rs 598.50 crore. Details of these cases are given in Appendix 4.

2.3.5 In the case given below, though expenditure exceeded budget provision by Rs 4.86 crore, no supplementary grant was provided.

¹ These were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under revenue expenditure : Rs 158.28 crore and capital expenditure : Rs 84.16 crore

| Description of the grant/ appropriation | Section | Original grant/ appropriation | Actual expenditure | Final excess |
|---|---------|----------------------------------|-----------------------|--------------|
| | | Rupees | Rupees | Rupees |
| A - Voted | | | | |
| 63 - Other Rural Development Programmes (Community Development) | Capital | 9100000 | 57751275 | 48651275 |

2.3.6 The excess of Rs 315.53 crore under 6 grants and Rs 9334.08 crore under one appropriation require regularisation under Article 205 of the Constitution of India. Details of these are given in Appendix 5.

2.3.7 In 5 cases, supplementary provision of Rs 584.79 crore proved insufficient by more than Rs 10 lakh each, leaving an aggregate uncovered excess expenditure of Rs 9644.74 crore as per details given in Appendix 6.

2.3.8 In 94 cases, expenditure fell short by more than Rs 1 crore in each case and also by more than 10 *per cent* of the total provision as indicated in Appendix 7.

2.3.9 (a) In 12 cases there were persistent savings in excess of Rs 10 lakh in each case and in excess of 20 *per cent* or more of the provision made. Details are given in Appendix 8.

2.3.9 (b) Significant excess was persistent in 4 cases as detailed in Appendix 9.

Persistent excess requires investigation by the Government for remedial action.

2.3.10 In 4 cases, expenditure exceeded the approved provisions by Rs 25 lakh or more and also by more than 10 *per cent* of the total provision. Details of these are given in Appendix 10. In two of these cases the expenditure exceeded the approved provision by 184 and 534 *per cent*.

2.3.11 *Excess/unnecessary re-appropriation of funds*

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where injudicious re-appropriation of funds proved excessive or resulted in savings by over Rs 10 lakh are given in Appendix 11.

Principal Accountant General (Accounts and Entitlement) requested (March 2002) Secretaries of all departments to furnish timely the statements of re-appropriation of funds, surrender of savings, etc. to or from different heads/sub-heads within a grant along with relevant concurrence of Finance Department. But in a number of cases items of surrenders/

re-appropriations/revocations relating to following departments (amount noted against each) could not be incorporated due to inordinate delay in receipt of the same.

| Name of the Department | Amount (Rupees in crore) |
|------------------------------------|--------------------------|
| Agriculture | 3.15 |
| Co-operation | 0.04 |
| Development and Planning | 0.09 |
| Environment | 0.06 |
| Finance | 2.07 |
| Food and Supplies | 15.82 |
| Forest | 11.15 |
| Governor's Secretariat | 0.96 |
| Health and Family Welfare | 0.39 |
| Home (Defence) | 0.11 |
| Information and Cultural Affairs | 0.95 |
| Information and Technology | 2.78 |
| Jails | 4.09 |
| Judicial | 5.26 |
| Labour | 37.49 |
| Mass Education Extension | 47.86 |
| Minorities Development and Welfare | 0.83 |
| Municipal Affairs | 12.16 |
| Power | 1.24 |
| Public Works (Roads) | 264.69 |
| Relief | 0.75 |
| Urban Development | 82.33 |
| Total | 494.27 |

2.3.12(a) New Service/New Instrument of Service

Article 205 of the Constitution provides that expenditure on a 'New Service' not contemplated in the Annual Financial Statement (Budget) can be incurred only after its specific authorisation by the Legislature.

In 15 cases, expenditure totalling Rs 100.61 crore which should have been treated as 'New Service'/'New Instrument of Service' was met by reappropriation without obtaining the requisite approval of the Legislature. Details of these cases are given in Appendix 12.

2.3.12(b) Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to Rs 23411.91 crore for the years from 1999² to 2002 as mentioned in the table below was yet to be regularised for want of explanation from the Government.

² Recommendations of the PAC on excess expenditure for the years 1985-1995 laid in the Assembly in December 2001. Act of regularisation awaited. Explanations of Government for the years 1995-1999 received in July/September 2000/April 2001.

| Year | Number of grants/appropriations | Grant/ Appropriation number(s) | Amount of excess | Amount for which explanations not furnished to PAC |
|--------------|---------------------------------|--|-------------------|--|
| | | | (Rupees in crore) | |
| 1999-2000 | 18 | 16, 21, 25, 28, 30, 32, 34, 35, 42, 44, 46, 52, 66, 73, 80, 82, 87, 98 | 5216.78 | 5216.78 |
| 2000-2001 | 13 | 1, 14, 21, 25, 28, 30, 34, 38, 40, 51, 66, 79, 98 | 8545.52 | 8545.52 |
| 2001-2002 | 7 | 21, 28, 34, 38, 63, 67, 98 | 9649.61 | 9649.61 |
| Total | | | 23411.91 | 23411.91 |

Possibilities of financial irregularities remained unexamined due to failure and long delays in furnishing explanation of excess expenditure.

2.3.12(c) Expenditure without provision

As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was, however, noticed that expenditure of Rs 237.25 crore was incurred in 78 cases as detailed in Appendix 13, without provision in the original estimates/supplementary demands and no reappropriation orders were issued.

2.3.13 Large savings not surrendered

In 81 cases, the amount of available savings of Rs 1 crore and above in each case not surrendered aggregated to Rs 2596.10 crore. Details are given in Appendix 14.

2.3.14 Surrender in excess of actual savings

In 15 cases, the amount surrendered was in excess of actual savings, indicating inadequate budgetary control. As against the total savings of Rs 489.30 crore, the amount surrendered was Rs 634.11 crore resulting in excess surrender of Rs 144.81 crore.

In one case Rs 10.12 crore were surrendered in spite of the fact that the expenditure exceeded the approved provision by Rs 9334.08 crore.

Details are given in Appendix 15.

2.3.15 Advances from Contingency Fund

The Contingency Fund of the State was established under the Contingency Fund Act, 1956, in terms of provision of Articles 267(2) and 283(2) of the Constitution of India. Advances from the Fund were to be made only for meeting expenditure of an unforeseen and emergent character, the postponement of which, till its authorisation by the Legislature would be undesirable.

The Fund was in the nature of an imprest and its corpus was Rs 20 crore.

As on 1 April 2001, the balance in the fund was Rs 19.93 crore. During the year advances drawn but unrecouped totalled Rs 0.59 crore. The entire balance of Rs 0.07 crore on account of advances drawn and remaining unrecouped during 2000-2001, was not recouped during 2001-2002 also. Thus the closing balance of the fund as on 31 March was Rs 19.34 crore.

During the year 2001-2002, 19 sanctions were issued for withdrawal of total amount of Rs 4.70 crore.

2.3.16 *Trend of Recoveries and Credits*

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

In 7 grants/appropriations the actual recoveries adjusted in reduction of expenditure (Rs 97.80 crore) exceeded the estimated recoveries (Rs 76.53 crore) by Rs 21.27 crore and in 14 grants/appropriations the actual recoveries (Rs 144.61 crore) were less than the estimated recoveries (Rs 344.18 crore) by Rs 199.57 crore. More details are given in Appendix 16.

2.3.17 *Unreconciled Expenditure*

Financial rules require that the Departmental Controlling Officers reconcile every month the departmental figures of expenditure with those booked by the Accountant General (Accounts and Entitlements) before the close of the accounts of the year.

During the year, out of the 184 Controlling Officers, 69 did not reconcile their accounts for 2001-2002, while 20 completed reconciliation for periods ranging up to 11 months.

The total amount remaining unreconciled during 2001-2002 was Rs 7140.29 crore (29 per cent of the total expenditure).

2.4 *Operation of Personal Ledger Accounts*

Under SR 411 of Treasury Rules, Volume I, West Bengal, Personal Deposit Account created out of the money drawn from Consolidated Fund of the State requires to be closed at the end of the financial year by minus debit to the relevant service heads under which the money was drawn from the Consolidated Fund. The balance under Personal Ledger Accounts of the State at the end of March 2002 was Rs 513.91 crore. Test-check of records of 21 DDOs of four departments viz. Land and Land Reforms, Health and Family Welfare, Animal Resources Development and Home (Police) revealed that they did not close their

PLAs at the end of each year resulting in accumulation of Rs 48.88 crore at the end of March 2002 (Appendix 17).

In spite of specific orders (June 2000) of Health and Family Welfare department for closure of PLAs by 31 July 2000, 4(four) DDOs under the department did not close the PLAs having unutilised balance of Rs 2.04 crore (Appendix 18), while Joint Director, Animal Resources Development, Haringhata Farm, West Bengal maintained 3 (three) inoperative PLAs with the Reserve Bank of India, Kolkata (PLA I – September 1997, PLA II - December 1980 and PLA III – December 1998), having a balance of Rs 35.10 lakh as of October 2002.

Of Rs 38.82 crore deposited by 7 (seven) District Magistrates (DMs) in PLAs during April 2000 to January 2002, Rs 16.27 crore related to implementation of different developmental schemes/programmes. This was done without obtaining necessary orders of the Government (Appendix 19).

Fund of Rs 1.21 crore withdrawn from the Consolidated Fund for various developmental works and kept in PLAs by 8 (eight) DMs during 1999-2002 were utilised for purposes not related to the schemes/programmes for which such funds were sanctioned. Out of the fund, Rs 0.91 crore related to Centrally Funded Schemes (BADP, BMS, TFC, etc.) (Appendix 20).

Utilisation certificates for Rs 16.94 crore released to the different executing agencies (during the years from 1998-1999 to 2001-2002) from PLAs of 2 DMs (DM, Malda: Rs 0.81 crore and DM, Darjeeling: Rs 16.13 crore) for implementation of various schemes were not furnished.

A sum of Rs 3.43 crore received (2000-2002) from Uttar Banga Unnayan Parshad (UBUP) by the DMs of Darjeeling (Rs 1.30 crore) and Uttar Dinajpur (Rs 2.13 crore) for the development of North Bengal area was not utilised and was kept in PLAs.

Two *per cent* of Basic Minimum Services funds amounting to Rs 21 lakh was deducted and kept in PLA during 1997-1999 unauthorisedly by DM, Malda and spent irregularly towards purchase of Xerox machines, Computer, EPABX Machine, etc. between November 1999 and April 2001 and remained unrecouped till date (October 2002).

Thus, funds meant for various developmental works were locked in PLAs arousing doubts about matching of the actual use of these funds with the stated purpose of utilisation.

2.5 *Huge amounts drawn on Abstract Contingent (AC) Bills remaining outstanding*

As at the end of the March 2002 in the State, 1771 Detailed Contingent (DC) bills involving Rs 126.22 crore were pending adjustment.

Administrative Departments issue sanction with the concurrence of the Finance Department authorizing the Drawing and Disbursing Officers (DDOs) to draw advance on Abstract Contingent (AC) bills, which are required to be adjusted by submission of Detailed Contingent (DC) bills countersigned by the controlling officer within a period not exceeding 60 days from the dates of drawal or within one month from the date of expenditure.

Mention was made in paragraph 2.4 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2001, Volume I (Civil) – Government of West Bengal regarding large sums of money (Rs 48.69 crore) remaining pending for adjustment for years together. In spite of repeated mention of such irregularities the departments had not taken any measure to arrest such practice as is evident from the succeeding paragraphs.

Out of 2718 DDOs records of 100 offices test-checked between April 2001 and March 2002 disclosed advance drawal of Rs 82.11 crore during 1986-2002 in AC bills, which included Rs 13.13 crore (147 bills) drawn during 2001-2002. Out of total drawal of Rs 82.11 crore in AC bills, Rs 71.51 crore remained unadjusted as of March 2002 (details shown in Appendix 21).

Scrutiny of AC/DC bills revealed the following:

i) In course of submission of AC bills to treasury, a certificate to the effect that the detailed bill had been submitted within the period of 60 days as well as expenditure had been incurred for the purpose for which it was drawn in respect of previous AC bill was required to be submitted by the DDOs. Neither any DDO furnished such certificate on AC bill nor did any Treasury Officer (TO) insist upon furnishing such certificate by the DDOs and the DDOs continued to draw such advances on AC bills without submission of detailed bills in respect of previous AC bills. Thirty nine DDOs drew Rs 18.68 crore through AC bills during 1996-2002 despite non-submission of DC bills against previous AC bills for Rs 43.40 crore up to 2000-2001. Due to non-observance of the statutory rules by DDOs and absence of prescribed checks by TOs, there was accumulation of unadjusted AC bills of Rs 62.08 crore drawn during the period between 1986 and 2002.

ii) In order to watch proper and early adjustment of drawals of AC bills the Drawing and Disbursing Officers of the test-checked offices did not maintain register as required under the rules to record the particulars of drawal showing GO number and date, Bill number and date, amount, purpose, expenditure and DC bill number and dates with remittance, if any for unutilised balance.

iii) Of the total amount of Rs 68.98 crore drawn between 1986-87 and 2000-2001 adjustment against Rs 58.38 crore (85 *per cent*) mainly pertaining to DM, Dakshin Dinajpur (Rs 9.08 crore), DM, Darjeeling (Rs 3.70 crore), DM, Hooghly (Rs 4.45 crore), DM, Bardhaman (Rs 3.87 crore), DM, North 24 Parganas (Rs 9.75 crore), SP, Darjeeling (Rs 0.80 crore), DPI, WB

(Rs 0.47 crore), Deputy Secretary, Home (Transport) (Rs 1 crore), DM, Birbhum (Rs 1.51 crore) and SDO, Basirhat (Rs 6.93 crore) were awaited till March 2002. Due to long pendency in adjustment by submission of DC bills, possibility of misuse of huge Government funds and misappropriation thereof could not be eliminated. Entire amount of Rs 13.13 crore drawn in 2001-2002 remained unadjusted.

iv) A sum of Rs 2.28 crore was irregularly drawn in 88 AC bills between 1993-1994 and 2001-2002 by 5 DDOs (DM, Jalpaiguri, DM, Darjeeling, DM, Coochbehar, DM, North 24 Parganas and DM, South 24 Parganas) without any sanction of the Government and the entire amount remained unadjusted.

v) Six DDOs (SP, Malda, SP, Coochbehar, SP, Nadia, SP, Bardhaman, IG Police (Telecom) and Commandant, SAP, 3rd Bn., Barrackpore) spent Rs 41.61 lakh towards purchase of office furniture, water cooler machine, Almirah, EPABX system, Telephone receiver, Air Conditioner, Computer, Electrical goods, Global Fax machine, etc. by diverting election funds drawn through AC bills in contravention of Financial Rules and orders. Deputy Chief Medical Officer of Health-III, South 24 Parganas spent Rs 3.91 lakh on sterilisation operation by diverting Rs 4.50 lakh drawn in AC bill out of funds for purchase of drug and dressing materials without the order of competent authority.

vi) Two hundred and eight (208) AC bills amounting to Rs 8.96 crore were drawn by 34 DDOs at the fag end of the financial years during 1997-2001 to avoid lapse of budget grant. Of this, a sum of Rs 1.19 crore was drawn and kept in the Local Fund Account by DM, Bardhaman. Entire amount drawn under AC bills remained unadjusted as of March 2002.

vii) DM, North 24 Parganas withdrew Rs 9.50 lakh and Rs 48.10 lakh in AC bills at the fag end of the financial year 2000 and 2001 respectively for various purposes to avoid lapse of budget grant and the entire amount of Rs 57.60 lakh was parked in PL Account without any Government order. Similarly a sum of Rs 8.69 lakh was drawn in 22 AC bills in March 1997 by Deputy Director, ARD and Parishad Officer, Bankura and kept in local fund account of Zilla Parishad, Bankura without any Government order.

viii) Of the total adjusted amount of Rs 10.60 crore as of March 2002, period of adjustment of Rs 6.59 crore could not be ascertained for want of specific bill number and date and the delay in adjustment of balance of Rs 4.01 crore against 129 DC bills are shown in the table below.

| Period of delay | Number of DDOs | Amount drawn (Rupees in lakh) | Number of DC bills | Amount adjusted (Rupees in lakh) | Amount unadjusted |
|--------------------|----------------|-------------------------------|--------------------|----------------------------------|-------------------|
| Up to 1 year | 34 | 424.45 | 87 | 259.34 | 165.11 |
| 1 year to 2 year | 10 | 930.54 | 19 | 123.45 | 807.09 |
| 2 years to 5 years | 6 | 18.69 | 23 | 18.69 | Nil |
| | | 1373.68 | 129 | 401.48 | 972.20 |

Prolonged retention of huge public funds by the DDOs without giving account of its utilisation by submitting DC bills is fraught with the risk of financial irregularities/misappropriation. The matter requires attention of Government and necessary investigation to ascertain the actual utilisation of these funds.

2.6 *Budget Formulation and Expenditure Control in Information and Cultural Affairs (I&CA) and Home (Police) Departments*

A review of expenditure and budgetary control under the Information & Cultural Affairs Department revealed persistent savings ranging from Rs 7.03 crore to Rs 18.81 crore during 1996-2001.

Under Home (Police) Department substantial variation, savings as well as excesses in actual expenditure vis-à-vis total grant ranging from 12.01 *per cent* to 21.48 *per cent*^{*} was also noticed during 1997-2001.

Defective system of preparation of Budget

The West Bengal Financial Rules and Budget Manual require that the Departmental Budget Estimates be prepared by the respective Departments of the government after obtaining budget proposal from subordinate offices.

The Departmental Controlling Officer or a Disbursing Officer under whose disposal a grant is placed, is required to keep constant watch over the progress of expenditure under different units of appropriation separately for voted and charged items. Also he has to keep a separate record of all liabilities and monitor effectively the progress of expenditure incurred by the various Drawing and Disbursing Officers (DDOs) subordinate to him by obtaining monthly statement of expenditure (SOE) from the latter. Besides, the Departmental Controlling Officers were also required to maintain the Departmental Consolidated Accounts (DCA) and undertake their verification month by month with those maintained by the Accountant General (Accounts and Entitlement), West Bengal.

The I&CA department prepared the Budget Estimates on receipt of proposals from 'different Directorates/Other authorities based on Budget Estimates and anticipated expenditure of the preceding financial year but did not obtain monthly SOE from the DDOs under their control for preparation of DCA. As such, the Budget Estimates prepared by the Department were not based on the trend of actual expenditure. The system of maintenance of records indicating the sanctioned strength vis-à-vis men-in-position was also not in vogue. As a result, the budget estimates prepared for pay and allowances were not realistic. Besides, different directorates submitted budget proposals on an *ad-hoc* basis without justifying the requirements.

^{*} Savings of Rs 87.99 crore (12.01 per cent) and Rs 229.34 crore (21.48 per cent) during 1997-98 and 1998-99 respectively. During 1999-2000 and 2000-2001 excess expenditure of Rs 179.37 crore (20.75 per cent) and Rs 124.61 crore (12.50 per cent) respectively

Under the Home (Police) Department budget estimates in respect of both 'plan' and 'non-plan' heads were also submitted to Finance Department on an ad-hoc/ lump sum basis without any detailed proposals justifying the requirements. Further, Kolkata Police Directorate (KPD) prepared the budget estimates without obtaining proposals from the concerned DDOs under its control.

None of the Directorates under the control of the Home (Police) Department obtained monthly SOE from the concerned DDOs for preparation of DCA. Therefore, the budget estimates prepared were not based on the trend of actual expenditure. It was further observed that Home (Police) Department and the Directorates under it prepared the budget estimates in respect of pay and allowances not on the basis of actual men-in-position. As a result, the budget estimates on pay and allowances were not realistically prepared.

Belated submission of Budget Proposals

Both the I&CA and Home (Police) departments made substantial delay (57 to 82 days after the due dates for I & CA Department and 15 to 132 days for Home(Police) Department) in submitting the budget estimates to the Finance Department.

The West Bengal Police Directorate attributed the delay to late receipt of proposals from lower level while the Information and Cultural Affairs Department and Kolkata Police Directorate did not offer any reason.

Excess expenditure requiring regularisation

Expenditure of Rs 309.18 crore^B incurred by the two departments in excess over the Budget provisions under Grant Nos. 21 and 38 were awaiting regularisation.

Thus, the two departments failed to comply with the provisions of the Financial Rules and Budget Manual while preparing Budgetary Estimates. As a result excess expenditure over budget provisions were incurred and funds were surrendered without utilising the same on the schemes undertaken for implementation indicating lack of financial management.

^B

| Year | Name of the Department | Grant Number | Section | Amount of excess expenditure (Rupees in lakh) |
|-----------|------------------------|--------------|---------|---|
| 1996-97 | Home (Police) | 21 | Revenue | 483.05 |
| 1999-2000 | Home (Police) | 21 | Revenue | 17936.93 |
| 2000-2001 | Home (Police) | 21 | Revenue | 12460.74 |
| 2000-2001 | I&CA | 38 | Capital | 36.85 |
| | | | | 30917.57 |

Source: Appropriation Accounts

2.7 Other topics of interest

2.7.1 System deficiencies in maintenance of records and irregularities in payment of pension

a) Non-maintenance of records relating to sanction orders

During inspection of treasuries, it was observed that most of the treasuries did not maintain any systematic records for noting sanction orders relating to drawal of AC Bills/Grants-in-aid/Withdrawal of GPF etc., in absence of which the authenticity of the claims could not be checked leaving scope for fraudulent drawal.

b) Irregularities in payment of pension

i) Non-recovery of excess payment of pension

In course of inspection of records of Treasuries it was observed that even after the death of pensioners, monthly pension were credited to the pensioners special bank accounts. The amount thus paid in excess was to be recovered from the concerned Bank. Due to non-recovery of the said amount from the concerned Bank/Postal Authority, State Government is losing considerable Government money year after year which ultimately affects the financial position of the State Government. The inspection of records of 38 Treasuries, revealed that Rs 16.46 lakh were yet to be recovered from Banks on account of excess payment of pension even after the death of 429 pensioners.

ii) Overpayment / Unauthorised and doubtful payment of pension

During inspection of Treasuries it was revealed that due to wrong calculation of pension/relief, paid on re-employment/re-marriage, non-reduction of family pension even after expiry of the stipulated period, non-reduction of commuted amount from original pension, Rs 3.96 lakh was overpaid to 62 pensioners. Rupees 0.84 lakh was drawn fraudulently by presenting four fake bills relating to Army pension. Details are as under:

| Number of Treasuries | Number of Pensioners | Amount overpaid/ amount of doubtful payment/Fraudulent drawal (Rs in lakh) | Remarks |
|----------------------|----------------------|--|---|
| 18 | 49 | 4.52 | Pension was paid in excess to the pensioners due to wrong calculation of pension paid on re-marriage, etc. and relief paid on re-employment, non-reduction of family pension in time, fraudulent drawal of pension (Rs 0.84 lakh) |
| 8 | 13 | 0.28 | Commuted amount of pension was not reduced from the original pension in due time. |

The matter was referred to Government in September 2002; reply had not been received (December 2002).

CHAPTER III

SECTION – A AUDIT REVIEW

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| GOVERNMENT's INVESTMENT IN CO-OPERATIVE SECTOR DURING 1997-2002 | 35 |

CO-OPERATION / FISHERIES/ COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENTS

3.1 Government's investment in Co-operative sector during 1997-2002

HIGHLIGHTS

With a view to meeting common economic, social and cultural needs of the weaker sections of the population, Government extended financial assistance in the form of loan, share capital, grant-in-aid and subsidy to the Co-operative Societies to make the societies economically viable. Providing credits to farmers, weavers and fishermen, providing non-farm housing loan, creating storage capacity and marketing facility for agriculture/fisheries/ small scale Industrial products, etc. were among the objectives of the co-operative movement.

However, due to lack of proper guidance and monitoring by the Government the objective of making the co-operative societies viable and self-reliant remained unachieved. The number of loss making, defunct and liquidated societies was on the rise. There was huge outstanding Government loan as well as redemption of Government share capital with the societies. Majority of the societies needed further fund-flow from Government to stay afloat. Universal Membership Scheme was also a failure.

Against share capital investment of Rs 52.68 crore during 1997-2002, share scrip for Rs 36.16 crore (69 per cent) were not received by Government till April 2002. The actual amount redeemable up to March 2002 was not available with the Registrar of Co-operative Societies (RCS). However, in the test-checked offices, Rs 21.74 crore worth of redeemable shares (94 per cent of shares due for redemption) were not redeemed by the societies even after expiry of due dates.

(Paragraph 3.1.4.2 (I) and (iii))

During 1997-2002, only Rs 5.02 crore (5.46 per cent) were received by Government as dividend from Co-operative Societies against average paid up Government share capital of Rs 91.88 crore

(Paragraph 3.1.4.2 (iv))

Against cumulative Government loan of Rs 78.70 crore up to March 2002, the actual amount overdue for repayment from the Co-operative Societies was not furnished by the RCS. However, in the test-checked districts only

The abbreviations used in this review have been listed in the Glossary in Appendix 44 (page 192)

5 per cent (Rs 1.73 crore) of the amount overdue (Rs 34.90 crore) for repayment was recovered by Government during 1997-2002.

(Paragraph 3.1.4.3 (i) and (iii))

Growth of Primary Agricultural Credit Co-operative Societies (PACS) and Primary Consumers' Societies was negative during 1996-2001 both in terms of number of working societies and number of members

(Paragraph 3.1.5)

Only 2.83 lakh (35 per cent) new members could be enrolled during 1997-2002 against the targeted enrolment of 8 lakh new members under the Universal Membership Scheme

(Paragraph 3.1.5.1)

Out of 6729 Primary Agricultural Credit Societies and 1171 Fishermens' Co-operative Societies, 1443 (21 per cent) and 322 (27 per cent) respectively were defunct.

(Paragraph 3.1.5.2)

At the end of the year 2001-2002, the societies under liquidation numbered 5351. The Liquidators could not take over 55 per cent of these liquidated societies. Government assistance of Rs 2.29 crore in these societies was thus rendered infructuous.

(Paragraph 3.1.5.3)

Profitability of primary societies under short-term credit and marketing sector showed downward trend despite Government investment of Rs 27.14 crore in them. The loss sustained by West Bengal State Consumers Federation Limited (CONFED), an apex consumer society also rose by 73 per cent during 1997-2002, inspite of financial support of Rs 1.39 crore from Government.

(Paragraph 3.1.6)

Internal Audit of the Government was not effective. Accounts of 2566 out of 8926 societies of certain categories were not audited while audit fees outstanding at the end of 2001-2002 were Rs 1.23 crore.

(Paragraphs 3.1.9.1 and 3.1.9.2)

3.1.1 Introduction

Co-operation was adopted as an instrument for economic and social development particularly of the economically weaker sections of the society. Co-operative societies in West Bengal have been functioning encompassing varied fields namely agricultural credit, agricultural marketing, consumer credit, farm and non-farm activity, banking and urban credit, fishing, weaving, handicrafts, etc.

The basic aims of this sector were –

- i) To unite voluntarily persons of economically weaker sections of society to meet their common economic, social and cultural needs and aspirations through jointly owned and democratically controlled enterprises;
- ii) To assist the poor people of society through provision of financial aid (share, grants and loans) and infrastructural facilities to eliminate individual money lenders and middlemen; and
- iii) To strengthen the distribution system in the consumer sector in rural and urban areas.

3.1.2 Organisational Set up

Co-operative sector is controlled mainly by the Department of Co-operation, headed by a Secretary. However, there are Co-operative Societies under the Department of Fisheries, Department of Cottage and Small Scale Industries (C&SSI) and Department of Animal Resources Development (ARD), administered by Secretaries of the respective Department. The respective Directorates were to ensure the proper implementation of various plans and programmes enunciated by the Government at the State level.

The Co-operation department at the directorate level is headed by Registrar of Co-operative Societies (RCS) who is assisted by the three Deputy Registrars at zonal level and twenty-two Assistant Registrars of Co-operative Societies (ARCS) at the district level. The Inspectors of Co-operative Societies are the block level officers.

The Directorate of Handloom and textiles coming under the C&SSI conducts its activities through four Divisional Offices (Bardhaman, Kolkata, Presidency and North Bengal) headed by a Deputy Director and twenty one (21) Handloom Development Zones headed by Handloom Development Officers (HDOs) in handloom concentrated areas. Besides, Deputy Director (Enforcement), Assistant Director (Design), Assistant Director (Quality Control) oversee non-encroachment by power loom in the Handloom sector and assist the weavers' co-operatives in design development and ensuring production of quality fabrics respectively.

Under the Director of Fisheries, Assistant Director of Fisheries of the districts assisted by the Fisheries Extension Officers oversee the activities of the fishermen co-operative societies.

General Manager, District Industries Centres acts as the nodal agency for funding and monitoring the performance of Industrial Co-operatives at the district level.

The Director of Co-operative Audit has been entrusted by the Government with the audit of all categories of co-operative societies. The Director is assisted by the Assistant Director of Co-operative Audit.

3.1.3 Audit Coverage

Records pertaining to 1997-2002 of RCS, 6 ARCS (Bardhaman-I, Hooghly, Medinipur-II, North 24 Parganas, Birbhum and Cooch Behar), 6 Handloom Development Officers (Katwa, Kalna, Hooghly, Birbhum, North 24 Parganas and Medinipur) and 2 of its Divisional Offices (Bardhaman and Kolkata), 5 Assistant Directors of Fisheries (Bardhaman, Hooghly, Medinipur West, North 24 Parganas and Birbhum) and 5 District Industries Centres (Hooghly, Bardhaman, Medinipur, Birbhum and North 24 Parganas) and performance of the Co-operative Societies under their jurisdiction were test-checked.

3.1.4 Financial performance

3.1.4.1 Sources of funds

(i) Short spending by Rs 122.45 crore

During 1997-2002, the Government spent Rs 365.22 crore under Co-operation Sector as under:

Short spending of
Rs 122.45 crore by
Government of West
Bengal

| Name of the Department | Allotment | Expenditure | Excess(+)/ Savings(-) | Percentage of savings |
|------------------------|-----------|-------------|-----------------------|-----------------------|
| | | | | |
| Co-operation | 346.85 | 260.35 | (-) 86.50 | 25 |
| ARD | 6.85 | 5.91 | (-) 0.94 | 14 |
| Fisheries | 77.15 | 62.41 | (-) 14.74 | 19 |
| C&SSI | 56.82 | 36.55 | (-) 20.27 | 36 |
| Grand total | 487.67 | 365.22 | (-) 122.45 | 25 |

(Source: Appropriation Accounts)

There was shortfall of Rs 122.45 crore (25 per cent) in spending the funds against budget allotment of Rs 487.67 crore during 1997-2002.

The expenditure of Rs 365.22 crore included administrative expenditure (direction and administration, training and education, publicity) of Rs 117.79 crore and assistance to Co-operative Societies through grant/ subsidy (Rs 93.65 crore), share/debenture (Rs 104.62 crore) and loan (Rs 49.16 crore).

The department also availed of loan of Rs 119.16 crore and Rs 54.04 crore from National Co-operative Development Corporation (NCDC) and National Bank of Agricultural and Rural Development (NABARD) respectively for implementation of non-plan (Development) schemes namely, Integrated Co-operative Development Project (ICDP), Establishment of storage godowns, development of crop processing units and cold storages, etc. and State plan schemes of investment in shares of Co-operative organisations.

(ii) Short release of fund by the Government towards subscription of debentures of WBSCARDB

Short release of Rs 1.80 crore and Rs 0.38 crore by GOWB and GOI towards debentures to WBSCARDB

For financing various farms, non-farm and housing projects through 24 affiliated Primary Agriculture Rural Development Banks (PARDB) and 2 units of the West Bengal State Co-operative Agriculture Rural Development Bank (WBSCARDB), the WBSCARDB proposed to raise funds (Rs 320.88 crore) by way of floating debentures against secured mortgages. For financing the farm sector, special Development debentures for Rs 241.80 crore were floated (1997-2002) by the WBSCARDB. As per norms, 95 per cent debentures were to be subscribed by the NABARD. The Government of West Bengal and Government of India were to subscribe 2.5 per cent each. Debenture valuing Rs 79.08 crore for non-farm sector was fully contributed by NABARD.

Records of RCS disclosed that contribution of share by the Government of West Bengal (till April 2002) and Government of India fell short by Rs 1.80 crore and Rs 38.17 lakh respectively.

3.1.4.2 Government's contribution towards Share Capital

(i) Share Capital contribution by Co-operation Department

During 1997-2002, the Co-operation Department released Rs 52.68 crore to different Co-operative Societies through the field offices (offices of ARCS) as share capital contribution (Appendix 22 (i)).

Against the share capital investment of Rs 52.68 crore, share scrips for only Rs 16.52 crore (31 per cent) were received by the Government till April 2002.

No consolidated Registers showing the value of share scrips due, dates of retirement, scrips actually retired and value thereof etc. were maintained either in RCS or at the ARCS level.

Only Rs 5.79 crore was received as redemption of shares during 1997-2002

These shares were to be redeemed within a stipulated period (generally 10 years from the completion of moratorium period, if any). The information about total redeemable and unredeemed shares was not available with the RCS. However, only Rs 5.79 crore were received by the Government as redemption of shares from the Co-operative Societies during 1997-2002.

(ii) Share capital contribution by Other Departments

In 3 other departments, Government invested Rs 51.94 crore in Co-operative sector as share capital to Co-operative Societies during 1997-2002 (Fisheries: Rs 20.23 crore, ARD: Rs 2 crore and C&SSI: Rs 29.71 crore) (Appendix 22 (ii)).

During 1997-1998 to 2001-2002 nothing was received back by the Government as redemption of share from the Co-operative Societies under these departments.

(iii) Position of unredeemed shares in test-checked offices

**94 per cent of
redeemable shares
not redeemed in
test-checked offices**

The Directorate offices also could not furnish the quantum of redeemable shares from the Co-operative Societies under their jurisdiction. However, test-check of records of the field offices revealed that Rs 21.74 crore worth of redeemable shares (94 per cent of total shares due for redemption) were not redeemed by the societies even after expiry of due dates as shown in Appendix 22 (iii).

(iv) Receipt of dividend from the societies

**Only 5.46 per cent of
invested amount
received as dividend**

During 1997-2002, Rs 5.02 crore were received by the Government as dividend from the Co-operative Societies which was only 5.46 per cent of average paid up Government share capital of Rs 91.88 crore. The Directorate could not furnish the number of societies declaring dividend during 1997-2002.

3.1.4.3 Government's Contribution towards loan

(i) Contribution of loan by Co-operation Department

During 1997-2002, Rs 20.77 crore were invested by the Co-operation Department as loan to different co-operative societies through the ARCSs (Appendix 23 (i)).

The RCS could not furnish the total position of repayment of loan and outstanding principal and interest amount due/overdue till March 2002 from the co-operative societies.

**Government could
recover only
12 per cent of its loan
investment**

However, from available records* and replies furnished by RCS it was noticed that as of March 1997, Rs 57.93 crore (cumulative) of Government loan remained outstanding. Thereafter further loan of Rs 20.77 crore was released up to March 2002, raising the total loan to Rs 78.70 crore against which Government recovered Rs 9.49 crore (Rs 6.68 crore as principal and Rs 2.81 crore as interest) from the Co-operative Societies during 1997-2002 which was 12 per cent of the total loan investment of Government during that period. The actual amount overdue for repayment was not ascertainable.

(ii) Contribution of loan by Other Departments

Two other departments invested Rs 28.38 crore as loan (Fisheries: Rs 25.80 crore and Cottage and Small Scale Industries : Rs 2.58 crore) during 1997-2002 (Appendix 23 (ii)). The concerned Directorates could not furnish the details of outstanding/overdue loans invested in the societies.

The C&SSI and Fisheries departments received Rs 48.24 lakh and Rs 3.28 crore as principal and Rs 0.26 lakh and Rs 2.40 crore as interest respectively during 1997-2002 as detailed in Appendix 23 (iii).

* (Sources: Compilation papers of Co-operation Movement at a Glance 1999, replies from RCS)

(iii) *Poor repayment of loan in test-checked offices*

Only 5 per cent of loan due for repayment had been repaid in test-checked offices

Records of the test-checked ranges/districts revealed that during 1997-2002 only 5 per cent (Rs 1.73 crore) of the due (Rs 34.90 crore) was repaid by the Co-operative Societies under different Directorates leaving overdue loan of Rs 13.78 crore and interest of Rs 19.39 crore as shown in Appendix 23 (iv).

The ARCS attributed such poor rate of recovery to poor performance and financial condition of the societies due to lack of infrastructure, poor management, political interference etc.

Scrutiny, however, revealed that the agreement executed with the loanees stipulated, *inter alia*, that the assets created out of Government's assistance were required to be mortgaged with the Government and that in the case of non-repayment of loan, Government would recover the same as public demand under Bengal Public Demand Recovery Act, 1913. No asset of the loanees was, however, mortgaged with the Government and in no case provision of the Recovery Act invoked. On the other hand, Government provided further loans/investments in shares to the defaulting societies as indicated below:

| Name of the Directorate | Range/Zone | Number of Societies involved | Contribution made by Government during 1997-2002 | | Older outstanding amounts realisable from these societies | |
|--------------------------|--------------|------------------------------|--|-------|---|-------|
| | | | Loan | Share | Loan | Share |
| | | | (Rupees in crore) | | | |
| Co-operation Directorate | Hooghly | 151 | 7.84 | 3.57 | 3.43 | 1.82 |
| | Bardhaman | 87 | 0.33 | 1.86 | 2.20 | 1.59 |
| | Coochbehar | 18 | 0.13 | 0.15 | 0.55 | 0.61 |
| | Medinipur-II | 11 | 0.09 | Nil | 0.03 | Nil |
| Handloom and Textiles | Hooghly | 08 | 0.10 | Nil | 0.13 | 0.08 |
| | Katwa/Kalna | 23 | 0.48 | Nil | 0.09 | 0.08 |
| Total | | 298 | 8.97 | 5.58 | 6.43 | 4.18 |

Further assistance released pending realisation of older dues

Thus, due to non-consideration of financial credibility of the societies while taking decision of further investment and non-invocation of the stipulation of the agreement led to accumulation of Government dues of alarming magnitude.

3.1.4.4 Undisbursed interest subsidies lying with the Co-operative Banks

Rs 3.48 crore of undisbursed interest subsidy parked in Co-operative Banks

The scheme of interest subsidy was introduced for encouraging timely repayment of loans by the loanee (both in long term and short term credit sector) to the societies. Under this scheme Government provided funds for interest subsidy, on receipt of proposals from the Primary Agricultural Co-operative Credit Societies/Central Co-operative Bank/Primary Co-operative Agriculture and Rural Development Bank, against timely repayment of the loans by loanees.

Under short term credit sectors, the Central Co-operative Bank received funds from the Government and disbursed the same to the PACS, wherefrom the individual loanees were to receive their shares. Under long-term credit sector, the PARDB disbursed the subsidies directly to the individuals. Scrutiny of the audited

accounts of 14 banks (CCBS & PARDBS) disclosed that a sum of Rs 3.48 crore of undisbursed interest subsidies remained parked with the Banks instead of being credited to the beneficiaries' account or refunded to Government (Appendix 24).

The Department could not explain reasons for such huge undisbursed subsidy. The local offices attributed such non-disbursement to partial release of fund by Government, difficulties in fulfilling the necessary formalities etc. Such non-disbursement of subsidy indicated non-percolation of intended benefits to the lowest level of population with adverse effect on timely repayment of loan.

3.1.5 Growth of the Co-operative sector under Co-operation Department

The position of growth of the different types of co-operative societies under Co-operation Department as disclosed from the records of the RCS is shown in Appendix 25.

In terms of number of working societies, all types of societies (except the Primary Agricultural Credit Societies (PACS), Primary Consumers Co-operative Societies and Urban Co-operative Banks) either registered marginal growth or managed to sustain their position over the period from April 1996 to April 2001. The position as of March 2002 was not available with RCS till December 2002.

Erosion of working capital of two Apex societies BENFED and CONFED

There was erosion in working capital of the Apex level society namely, BENFED during 1996-1999. CONFED, however, showed upward trend during 1996-1999 and again a downward trend during 1999-2001.

Primary Consumers Co-operative Societies and Primary Agricultural Co-operative Credit Societies showed a fall in number of members.

3.1.5.1 Coverage under Universal Membership Scheme

Universal Membership Scheme failed, new members enrolled were only 35 per cent of target

With a view to expanding the ambit of Co-operation sector through coverage of more population belonging to weaker sections, the Universal Membership Scheme was taken up in 1977. Under this scheme the Government was to contribute at the rate of Rs 50 per member as share capital. During the Ninth Five Year Plan period (1997-2002), the Government allocated Rs 4 crore for enrolment of 8 lakh new members. Records of RCS revealed that only Rs 1.42 crore corresponding to enrolment of only 2.83 lakh (35 per cent) new members could be released as of March 2002.

3.1.5.2 Position of defunct Co-operative Societies

The consolidated position of the non-working Co-operative Societies in different sectors and consequential blockade of Government fund invested therein could not be furnished by the RCS or any other Directorate.

21 per cent PACS and
27 per cent FCS
became defunct

i) However, it was noticed that 21 per cent of the PACS (1443 out of total 6729) and 27 per cent of the Fishermen's Co-operative Societies (322 out of 1171) were lying defunct as of March 2002.

ii) According to "Co-operative movement at a glance 1997" there were 7173 PACS in the State as on 31 March 1996. The Census on PACS conducted in 2001 revealed that the number of existing PACS came down to 6729 indicating that 444 PACS ceased to exist over the period 1996-2001. During test-check it was noticed that in Birbhum range 36, out of 350, PACS (involving Government share capital of Rs 5.89 lakh, Government loan of Rs 3.31 lakh and subsidy of Rs 1.77 lakh) became non-existent as on 31 March 2002 rendering Government money of Rs 10.97 lakh as bad debt.

Government
investment of
Rs 1.86 crore
blocked in 638
defunct societies

iii) At District level offices, out of 7577 Co-operative Societies in 6 test-checked ranges (Hooghly, Bardhaman-I, North 24 Parganas, Birbhum, Medinipur-II and Coochbehar), 1939 (26 per cent) societies were found defunct. Government investment in 638 of these defunct societies amounted to Rs 1.86 crore inclusive of interest as on 31 March 2002 (Appendix 26), which was virtually bad debt. Investment in the remaining 1301 defunct societies were not furnished by the ARCSs.

iv) According to the information available with the RCS, 313 Societies became defunct during 1996-2002 as detailed below. Due to non-maintenance of any centralised records in RCS's office, investments in these societies were not ascertainable.

| Type of Society | Area | Number | Period |
|-------------------------------------|--------------------------|--------|-----------|
| Primary Weavers' Co-op. Societies | 12 zones* in 9 districts | 94 | 1997-2002 |
| Primary Consumers' Co-op. Societies | Whole state | 215 | 1996-1999 |
| Urban Banks Co-op. Societies | Whole state | 4 | 1996-2002 |

The district/range level authorities attributed such non-functioning of societies to the following factors:

- Handloom Sector : Marketing problems of traditional handloom products, high cost of yarn, working capital problem, delayed payment by apex marketing societies.
- Fisheries Sector: Dwindling availability of fish stock in the rivers, failure of Government/Panchayats in rehabilitating fishermen with culturable waterbodies, lack of marketing infrastructure, etc.
- Primary Credit/Consumer/ Marketing Societies: Lack of infrastructure, dearth of qualified and trained staff in the societies, lack of awareness among the members/Directors of societies, lack of monitoring by CCB/Departmental officials, failure in diversification of business, etc.

* Kalna, Katwa, Hooghly, Medinipur, Tamluk, Contai, Howrah, Bankura, Purulia, Birbhum, Barupur, 24 Pgt(N).

Thus, Government's failure in providing infrastructural support, regular monitoring and constructive guidance, imparting training to Members and Directors of the societies, etc. was apparent.

3.1.5.3 Government Investment in Liquidated Co-operative Societies

Rs 2.29 crore of Government's assistance in 5351 liquidated Co-operative Societies rendered infructuous

Records of RCS revealed that as on 31 March 2002, total 5351 Co-operative Societies were identified for liquidation in the State of which only 2382 Societies (45 *per cent*) could be taken over for liquidation by the liquidators.

Government's assistance of Rs 2.29 crore (Share Capital of Rs 0.85 crore, Loans and Advances of Rs 1.37 crore and Grants and Subsidies of Rs 0.07 crore) invested in these 5351 Co-operative Societies was rendered infructuous.

3.1.5.4 Appointment of Administrators in Co-operative Societies

Under Section 29 (3) and 30 of West Bengal Co-operative Societies Act a society should be run by a body elected by its members. However, if any mismanagement is noticed in any Co-operative Society, Government may appoint Administrator on *ad-hoc* basis by dissolving the elected body for one year which may be extended to 3 years. The state-wide figures of appointment of Administrators were not available.

It was, however, noticed that in 30 Co-operative Societies of the 3 test-checked districts* Administrators were posted. Administrators of 6 societies of North 24 Parganas and Bardhaman districts were there for more than 3 years.

Posting of Administrators and their continuance for longer period indicated unabated mismanagement in the societies.

3.1.6 Performance of other Co-operative Societies in regard to profitability

The position of the profitability of the various levels and categories of societies in the State during 1997-2001 as revealed from the records of various Directorates disclosed the following:

(i) Co-operation Department

a) Both short term credit sector and marketing sector showed fall in the number of profitable primary societies rendering Government investment of Rs 27.14 crore unfruitful (Appendix 27 (i)).

b) Loss in apex consumer society (CONFED) rose from Rs 0.67 crore in 1997-1998 to Rs 1.16 crore in 2000-2001 (increase by 73 *per cent*) inspite of financial support of Rs 1.39 crore from Government.

* Bardhaman, North 24 parganas and Birbhum

c) Despite massive investment of Rs 23.75 crore in 53 Co-operative cold storage units, the number of profitable units were only 11 as of March 2001.

(ii) *Cottage and Small Scale Industries Department (Handloom and Textile Directorate)*

Government made an investment of Rs 21.47 crore during 1997-2002 in the Primary Weavers Co-operative Societies of 12 zones in 9 districts. Despite that, performance of Primary Weavers Co-operative Societies in these zones sharply declined over the period of last 5 years. Comparative position is given in Appendix 27 (ii).

Downward trend in business of PWCS inspite of Government investment of Rs 21.47 crore

It would be seen that the number of working societies came down from 518 to 424 over last 5 years period; proportion of active looms fell from 40.9 to 37.4 *per cent* indicating underutilisation of looms; and total production and sale decreased by 23 and 26 *per cent* respectively. One hundred and twelve (112) societies earning profit in 1997-1998 had gone into losses during 2001-2002.

The HDOs attributed the same to lack of demand of traditional handloom products in the market, high cost of yarn, fund crunch, blocking of funds with the apex marketing bodies, etc.

Capital of PWCS blocked in Apex Marketing Bodies

Test-check of records of the Handloom Development Offices of 4, out of 22, zones disclosed that the marketing apex bodies of the State (viz. Tantuja, Tantushree, etc.) purchased cloth on credit from Primary Weavers' Co-operative Societies (PWCS), but defaulted in making payments in time. Consequently, the PWCS had to face financial crunch and accumulated dues receivable by 40 PWCS in 4 test-checked zones were Rs 2.29 crore at the end of March 2002 as detailed below:

| Name of the Handloom development zone | Number of primary societies supplying cloth to apex marketing Bodies [†] | Amount outstanding from Apex Marketing Bodies (Rupees .in lakh) | | | Year from which outstanding |
|---------------------------------------|---|---|------------|--------|-----------------------------|
| | | Tantuja | Tantushree | Others | |
| North 24 Parganas | 15 | 99.01 | 61.30 | NA | NA |
| Birbhum | 20 | 23.76 | 6.72 | 2.99 | 1997-2000 |
| Katwa | 03 | 14.37 | 0.26 | NA | 1997-2002 |
| Hooghly | 02 | 10.37 | 7.86 | 2.53 | 1999-2002 |
| Total | 40 | 147.51 | 76.14 | 5.52 | |

(iii) *Fisheries Department*

Total number of working societies in the State and the number of profitable societies were not furnished by the Directorate though called for. However, position that emerged from test-check of records of 5 out of 19 ADFs disclosed that most of the societies except in Birbhum and Bardhaman ranges were running

[†] HDOs (Hooghly, Katwa and North 24 Parganas) did not furnish complete information

in loss which was attributable to lack of communication facilities, reducing sale price, distance from local market, etc. Details are given in Appendix 27 (iii).

3.1.7 Position of Utilisation Certificate

In course of test-check it was noticed that utilisation certificates were obtained at the time of disbursement of grant/subsidy itself. Thus, utilisation certificates were furnished as a matter of routine and not based on actual utilisation by the grantees.

3.1.8 Utilisation of godowns

With a view to enabling the Primary Co-operative Societies to store agricultural produces and agricultural inputs and to carry out trading business in consumer sector, Government took up the scheme of construction of godowns. During 1997-2002, additional storage capacity of 44520 MT was created with Government assistance of Rs 11.83 crore. Centralised position of storage capacity as well as utilisation of those godowns in the State was not furnished by the RCS.

16 per cent of godown capacity remaining unutilised in test-checked Ranges

In 4 test-checked Ranges (Hooghly, Bardhaman, Coochbehar and Medinipur-II) out of total available godown capacity of 150301 MT, 246 godowns with 24373 MT (16 per cent) capacity involving Government's assistance of Rs 42.30 lakh for construction and maintenance were lying unused as of April 2002.

The ARCS attributed the non-utilisation to locational disadvantage of the godowns, uncertainty of supply of fertiliser for which space was reserved and lack of working capital.

3.1.9 Audit of Co-operative Societies

3.1.9.1 Position of outstanding audit

As per West Bengal Co-operative Societies Act, Accounts of every Co-operative Society shall be audited at least once in a year, at the expense of the Co-operative Societies. Position of Audit as on 31 March 2002 was as under:

| Year | Number of societies considered as auditable ¹ | Number of societies actually audited | Number of audit pending |
|-----------|--|--------------------------------------|-------------------------|
| 1997-1998 | 17536 | 15209 | 2327 |
| 1998-1999 | 17533 | 16061 | 1472 |
| 1999-2000 | 17645 | 16553 | 1092 |
| 2000-2001 | 17799 | 16847 | 952 |
| 2001-2002 | 17288 | 16460 | 828 |

Non-coverage of 29 per cent of certain categories of Co-operative Societies by State Audit

Test-check of audit coverage of certain categories of Co-operative societies for the accounting year 2000-2001 as shown in Appendix 28 (i) revealed that out of 8926 existing Societies, 2566 (29 per cent) were not audited of which 2280 (26 per cent) were not auditable as their accounts were not ready and

¹ Societies submitting accounts within September of the year are considered as auditable.

286 societies though auditable were not audited. Audit coverage of Primary Consumers Societies and Primary Fishermen Societies was only 32 and 42 *per cent* respectively. Thus, the internal audit arrangements of the Government were not adequate. Further, cases of frauds/defalcation/losses, etc. if any, detected by Co-operative Audit were not made available, though called for.

3.1.9.2 Outstanding Audit Fees

Audit fees remained
outstanding –
Rs 1.23 crore

During 1997-2002, Rs 9.76 crore (89 *per cent*) were collected as Audit Fees from the Co-operative Societies against the total demand of Rs 10.99 crore, leaving outstanding dues of Rs 1.23 crore (11 *per cent*) of which Rs 27.63 lakh (22 *per cent*) pertained to 2001-2002 and Rs 95.63 lakh (78 *per cent*) pertained to earlier years. Year-wise break-up of earlier years' outstanding amounts was not available.

3.1.9.3 Classification of Co-operative Societies in terms of financial discipline and performance

As per directives of NABARD, the performance of Co-operative Societies was to be assessed and graded by the Directorate of Co-operative Audit as A, B, C and D in descending order on the basis of level of Non Performing Assets, observance of discipline, non-overdue cover, capital adequacy, earning capacity, efficiency of management, etc. Whereas A and B grading indicated financially sound position and better financial management, C and D indicated poorer state of financial status.

Classification of the Co-operative Banks of the State and classification of all types of societies in the test-checked ranges (Appendix 28 (ii) and (iii)) revealed that

(i) Co-operative audit categorised 63 *per cent* of the Co-operative Banks as A and B while a substantial number (37 *per cent*) fell under C and D category indicating that high proportion of Co-operative Banks were financially vulnerable.

ii) In 3 test-checked ranges, out of 2326 societies audited, 2278 (98 *per cent*) fell under the categories of 'C' and 'D' and only 11 societies were graded as 'A' and 37 as 'B' indicating poor financial health of the Co-operative sector

3.1.10 Training

With a view to educating members of the Co-operative societies, the West Bengal State Co-operative Union (WBSCU) conduct courses of various duration (ranging between one day and 25 days) at the ranges through 34 Districts Co-operative Education Inspectors (DCEI). As per records made available by RCS the following was the coverage of training programme vis-à-vis the target:

| Year | Target | | Achievement | | | |
|-----------|-------------------|--------------|-------------------|------------|--------------|------------|
| | Number of classes | Participants | Number of classes | Percentage | Participants | Percentage |
| 1997-1998 | 1406 | 44092 | 715 | 51 | 20631 | 47 |
| 1998-1999 | 1446 | 46454 | 759 | 52 | 22007 | 47 |
| 1999-2000 | 1474 | 48739 | 952 | 65 | 29650 | 61 |
| 2000-2001 | 1693 | 60080 | 1118 | 66 | 36295 | 60 |
| 2001-2002 | 2021 | 77792 | 1398 | 69 | 33757 | 43 |

Thus, only 51 to 69 *per cent* of classes could be organised during 1997-2002 covering 43 to 61 *per cent* of targeted members.

3.1.11 Monitoring and Evaluation

Lack of adequate monitoring by RCS, WB on the performance of Co-operative sector

Government or RCS failed to prescribe any monthly/quarterly/annual returns from the ARCS of Range Offices to the RCS, West Bengal. There was no system of monitoring the growth and financial stability of the Co-operative societies. No reports and returns of the activities of Co-operative Inspector, placed at the block level were sent to the ARCS of Range office. The activities of the co-operative societies and their impact on socio-economic conditions of the members of the Societies, and the State as a whole were never evaluated despite investment of Rs 247.43 crore in the co-operative sector.

3.1.12 Conclusion

There was huge outstanding of Government loan and redemption of Government share with the Societies. Due to lack of proper guidance and monitoring by the Government the number of defunct/non-working and loss making societies was on the rise.

Majority of Co-operative societies continued to suffer from factors like large outstanding loans, lack of infrastructure, dearth of trained staff, lack of monitoring by concerned Government officials, etc. and needed perpetual assistance from Government for sustenance. The basic aim of making co-operative societies viable and self-reliant remained unachieved and the co-operation movement failed to acquire the strength of its own and depended on Government's assistance for survival.

The matter was referred to Government in July 2002; reply had not been received (December 2002).

CHAPTER III

SECTION – B **AUDIT PARAGRAPHS**

BACKWARD CLASSES WELFARE/ MUNICIPAL AFFAIRS/ URBAN DEVELOPMENT DEPARTMENTS

3.2 National Scheme for Liberation and Rehabilitation of Scavengers and their Dependents

3.2.1 Introduction

Government of India (GOI) launched a Centrally-sponsored Scheme under the Ministry of Welfare (now Ministry of Social Justice and Empowerment-MOSJE) in 1980-1981 to liberate scavengers from their existing hereditary occupation of manually removing night soil, by converting existing dry latrines to water-borne flush units and to ensure their rehabilitation in alternative gainful and dignified occupations. The scheme was bifurcated in March 1992 into (a) National Scheme for Liberation and Rehabilitation of Scavengers and their Dependents (NSLRS) covering identification, training and rehabilitation under MOSJE and (b) Integrated Low Cost Sanitation Scheme (ILCS) for conversion of dry latrines to water borne ones under Ministry of Urban Affairs.

NSLRS was modified in April 1996 and further revised in August 1998 giving special emphasis on rehabilitation of women scavengers, training and rehabilitation programmes following cluster approach, release of subsidy for conversion of dry latrines, construction of housing, sanitation, crèches and schools, etc. State Government appointed (September 1992) West Bengal Scheduled Caste and Scheduled Tribe Development and Finance Corporation (DFC) as chief agency to implement NSLRS, while State Urban Development Agency (SUDA) was appointed (March 1992) as nodal agency for implementing ILCS.

Two other parallel schemes viz. the Centrally sponsored Scheme of Pre-Matric Scholarships (PMS) to the children of those engaged in unclean occupations and a special programme of cleanliness in habitations of scheduled castes and scheduled tribes engaged in unclean occupations, under the Community Development Schemes (CDS), were in operation. PMS was executed by Backward Classes Welfare Directorate (BCWD) under BCW Department in Purulia and South 24 Parganas districts during 1997-2000 and extended to Coochbehar district in 2000-2002, while CDS programme was implemented during 1998-2000 with the assistance of District Welfare Officers and DFC in consultation with the District Sabadhipatis / Mayors, after obtaining approval from District Welfare Committees.

Even though the Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993 effective from January 1997, prohibits the employment of manual scavengers as well as continuance of dry latrines, the State Government was yet (December 2002) to issue the notification

prohibiting manual carriage of human excreta and construction/ maintenance of dry latrines, as required under Section 3(1) of the Act.

Implementation of these schemes during 1997-2002 was reviewed in audit between March and June 2002 through test-check of records maintained by DFC and the Government¹ at Kolkata and in the districts of Howrah, Hooghly, South 24-Parganas, North 24-Parganas, Malda, Uttar Dinajpur, Jalpaiguri and Darjeeling.

3.2.2 Implementation of NSLRS

Unutilised scheme
fund retained in
short term deposits

The DFC received Rs 5.74 crore between March 1989² and March 1994 as Central assistance towards training (Rs 0.72 crore) and rehabilitation (Rs 5.02 crore), of which it utilised Rs 6.06 lakh to train 273 scavengers and Rs 2.30 crore to rehabilitate 2130 scavengers and retained Rs 3.38 crore as of 31 March 2002. Although NSLRS did not envisage disbursement of special loan out of central assistance, DFC released special loan of Rs 67.26 lakh between November 1994 and March 2002 on the pretext that banks were reluctant to extend loans under NSLRS.

DFC parked the unutilised balance of Rs 3.38 crore to Rs 5.49 crore between 1994-1995 and 2001-2002 in short-term deposits in banks. The interest of Rs 2.32 crore earned in this period was not credited to NSLRS but retained by DFC.

3.2.2.1 Survey

Identification survey
incomplete and
perfunctory

The District Magistrates (DM) and District Managers, DFC were to complete identification surveys by 30 June 1992 as per NSLRS. In June 2001, MOSJE directed State Government to complete fresh survey by July 2001. However, DFC completed surveys in only 81 out of 122 Urban Local Bodies (ULBs) and 17 out of 341 Blocks/ Panchayat Samitis and reported 21189 scavengers to GOI in the entire State till March 2002. No survey was conducted in Kolkata Municipal Corporation (KMC) despite existence of scavengers as mentioned in paragraph 3.2.4 *infra*.

DFC was to maintain a macro register of identified scavengers, treating each scavenger and his dependents as individual units, along with their survey profiles to prepare a five year perspective plan for each town, district and the State. The survey profiles were incomplete and macro register was not maintained. It was observed that the actual number of scavengers was 32638 in the entire State, as worked out by Audit from district records, indicating that the survey was perfunctory.

¹ Backward Classes Welfare (BCW) Department, Backward Classes Directorate, Municipal Affairs (MA) Department Panchayat and Rural Development (P & R D) Department, SUDA

² Rs 12 lakh was received in March 1989 for providing training to liberated scavengers and their dependents under the Head of Account – 2225 – Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes

3.2.2.2 Training

Training was an important component of NSLRS and GOI had prescribed (May 1994) Training of Rural Youth for Self Employment (TRYSEM) norms for self-employment training, selection of beneficiaries and Training Institutes etc. The stipends during training were enhanced¹ (August 1998) according to the class of town/ city.

Even lower target for training was not achieved

Against the requirement of training 31557⁴ scavengers awaiting rehabilitation as of March 1997, DFC set a target of training 3300 scavengers during 1997-2002. However, only 82 scavengers were trained in three⁵ districts of the State at a cost of Rs 1.56 lakh during the period. DFC attributed (January 2001) the shortfall in training to reluctance of scavengers and their dependents to participate in training programmes due to apprehension of losing their secured jobs in different ULBs. The fact, however, remains that the DFC responsible for arranging training, did not pursue with ULBs for sponsoring scavengers for training nor was any effort made to create awareness among scavengers.

No training was conducted in six of the eight districts inspected and only 63 were trained in Hooghly and Howrah during 1998-2002 against target of 863 in eight districts. Further, in Hooghly, stipends of Rs 150 per month were paid for six months against provision of Rs 800 per month, while in Howrah, stipend of Rs 1000 was paid for a month against entitlement of Rs 1200. This resulted in short payment of Rs 2.75 lakh to 63 trainees revealing that withholding of incentives for training could be one of the reasons for reluctance on the part of scavengers to enroll for training.

3.2.2.3 Rehabilitation

Rehabilitation aimed at securing employment as well as ensuring self employment in small scale industry/ business. The permissible maximum project cost was Rs 50000 with preference for group projects not exceeding Rs 5 lakh each. Assistance was by way of 50 per cent subsidy, 15 per cent margin money loan and the remainder through bank loans. Further, bank loans up to Rs 6500 would carry interest of four per cent per annum, the balance being on commercial terms. This was amended in August 1998 and assistance raised to maximum of Rs 50000 per beneficiary – subsidy ; Rs 25000, loan ; Rs 25000 at 4 per cent interest per annum. For projects exceeding Rs 50000, subsidy was limited to Rs 25000 and the balance being loan from the National Safai Karmcharies Finance and Development Corporation (NSKFDC) at 6 per cent interest per annum. The role of banks was eliminated.

Only 1049 (3 per cent) scavengers rehabilitated during 1997-2002

Originally, all scavengers were to be rehabilitated within the Eighth Plan period i.e. by March 1997, which was extended up to Ninth Five Year Plan i.e. March 2002 in view of the poor performance. Despite this, only 1049 (3.32 per cent) (including those outside survey) out of 31557 scavengers were rehabilitated during 1997-2002, indicating poor implementation of the scheme.

¹ Rs 800 to Rs 1200 according to class of cities/ towns

⁴ 32638 less 1081 rehabilitated up to March 1997

⁵ Nadia, Howrah and Hooghly Districts

DFC attributed (November 1994) the slow pace of rehabilitation to non-cooperation by participating banks and decided to finance the projects granting 'Special Loan' with interest rate of four *per cent*. It was also decided that the 'Special Loan' would be extended out of the unspent Central assistance for the NSLRS. It was, however, noticed in audit that 263 cases were assisted by banks during 1998-2002 even after the role of banks in NSLRS was eliminated. This indicated that the observation of DFC that banks were reluctant to finance schemes was not tenable.

In the eight districts covered in audit, against 22562 scavengers identified, only 2437 (11 *per cent*) were proposed for rehabilitation during 1997-2002 of which 763 scavengers (male: 468, female: 295) were rehabilitated.

The following points were noticed in audit:

Financing of unviable projects

(i) During 1997-2002, 1049 scavengers were rehabilitated in the State against target of 5900, at an aggregate project cost of Rs 1.48 crore⁶ (average project cost: Rs 0.14 lakh) in trades such as pan-bidi shops, piggery, cane and bamboo and green grocery shops etc. Government of India observed (April 1996) that average cost per project of less than Rs 0.20 lakh led to preponderance of non-viable projects and failed to provide sustainable income to the beneficiaries. This indicated that the projects were not self-sustaining. Moreover, there was no post-rehabilitation monitoring to evaluate the success of the projects financed.

Absence of correlation between training and rehabilitation

(ii) During 1997-2002 in the eight test-checked districts, 27 scavengers trained in driving and tailoring were not rehabilitated for reasons not on record, whereas 727 were extended financial assistance for rehabilitation in piggery, poultry/ animal husbandry, small garment shops, basket-weaving, grocery/ hardware shops and pan bidi shops without imparting any training, as tabulated below:-

| | District | Total Rehabilitated | No. of persons trained | Trained persons Rehabilitated | Un-Trained persons Rehabilitated | Trained but not rehabilitated |
|---|---------------------|---------------------|------------------------|-------------------------------|----------------------------------|-------------------------------|
| 1 | Hooghly | 64 | 43 | 36 | 28 | 07 |
| 2 | Howrah | 59 | 20 | NIL | 59 | 20 |
| 3 | 24 Parganas (South) | 53 | NIL | NIL | 53 | Nil |
| 4 | 24 Parganas (North) | 60 | NIL | NIL | 60 | Nil |
| 5 | Jalpaiguri | 28 | NIL | NIL | 28 | Nil |
| 6 | Malda | 168 | NIL | NIL | 168 | Nil |
| 7 | Uttar Dinajpur | 197 | NIL | NIL | 197 | Nil |
| 8 | Darjeeling | 134 | NIL | NIL | 134 | Nil |
| | Total | 763 | 63 | 36 | 727 | 27 |

This indicated that there was no correlation between training and rehabilitation.

⁶ Subsidy Rs 0.73 crore, Margin Money Rs 0.21 crore, Special loan Rs 0.28 crore and Bank loan Rs 0.26 crore

Rehabilitation
outside survey –
identified
beneficiaries awaited
rehabilitation

(iii) It was further seen that in six of the eight districts, DFC had extended assistance of Rs 17.63 lakh to 98 individuals not identified during survey, even though a large number of identified scavengers (22562) awaited rehabilitation. In Howrah Municipal Corporation (HMC), the District Manager of Howrah office sought applications for financial assistance directly through newspaper advertisement and extended financial assistance of Rs 6.60 lakh to 33 candidates whose names did not appear in the survey/ re-survey lists.

(iv) In 28 out of 376 cases, the delay in sanction from the date of application ranged from one to two years and in 18 cases the delay in disbursement from the date of application ranged from one to three years, thereby discouraging the beneficiaries. Besides, 32 applications from Kaliachak (III) block were received in November 2000 but not a single person was rehabilitated as of December 2002 for no recorded reasons. Further, in Serampore municipality, training in tailoring was conducted in December 1999 while rehabilitation of 36 persons trained in tailoring was taken up in March 2001 thereby delaying rehabilitation by 15 months. There were no reasons on record for the delay.

(v) In the districts of Howrah, Jalpaiguri, Uttar Dinajpur, North 24 Parganas and at Siliguri office, banks recovered excess interest of Rs 1.37 lakh from 344 beneficiaries on the bank loan up to Rs 6500 at 11 to 12.5 per cent instead of 4 per cent in contravention of Reserve Bank of India's directive.

3.2.2.4 Sanitary marts

In West Bengal, the Panchayat and Rural Development (P&RD) Department had set up sanitary marts⁷ since 1993-94 under the Central Rural Sanitation Programme (CRSP)/ Total Sanitation Campaign (TSC). According to the P&RD Department, one sanitary mart was to be constructed in each block and 38 of the 341 blocks were yet to be covered till May 2002. Under CRSP/TSC, the clientele of these marts living Below Poverty Line were granted a State subsidy of Rs 200 per sanitation unit. Till March 2002, 14.48 lakh latrines were claimed to have been constructed under CRSP/ TSC against fund of Rs 12.33 crore allotted by GOI.

Sanitary mart
projects were
unviable *ab initio*

Based on the West Bengal model, the GOI introduced (January 2000), an alternative method of rehabilitation of scavengers. This envisaged rehabilitation of 25 scavengers at each mart with subsidy of Rs 2.50 lakh, margin money loan of Rs 0.75 lakh and soft loan of Rs 1.75 lakh at 6 per cent interest. However, there was no provision for subsidising sanitary ware sold. Moreover, it was not mandatory for Government departments, undertakings and other bodies substantially financed by the Government to meet their needs from these sanitary marts.

⁷ Sanitary Marts are outlets to fulfil the need of all sanitary materials, both constructional and consumable, required by the common man

Against target of setting up 127 sanitary marts during 2000-2002, DFC set up only four in two⁸ districts through Non-government Organisations (NGOs) rehabilitating 100 scavengers.

Analysis in audit of two of these marts revealed that they were not successful, *ab initio*, since no subsidy was allowed on the sanitation units, unlike the units set up under the CRSP/TSP.

It was also observed that one NGO⁹ set up a sanitary mart under CRSP/TSC in 1996-1997 at Raypur, South 24-Parganas with subsidy of Rs 2.49 lakh. The same NGO was again selected in March 2001 to set up another sanitary mart at the same location under NSLRS with assistance of Rs 5 lakh¹⁰. The entire assistance of Rs 5 lakh was infructuous since the mart was unsuccessful in absence of subsidy on sanitation units.

3.2.2.5 Evaluation

To evaluate the impact of the programme of training and rehabilitation of scavengers in Medinipur and Purulia districts, GOI appointed (September 1998) Sulabh International Social Service Organisation (SISSO), New Delhi which highlighted (May 2000) that the scheme was treated as a routine activity of relief rather than as an exercise in permanent rehabilitation. Moreover, the procedure for selection of assistance was not transparent and not based on any reasonable criterion. Further, the banks had not financed some projects/ extended loans to individuals due to failure on the part of DFC to fulfil the requisite basic formalities.

SISSO also observed that training to the beneficiaries for the purpose of their rehabilitation in some trades was unsystematic and there was a time lag between training and financial assistance, while rehabilitation was also extended without training. In addition, there was no effort to create market to sell produce of self-employed rehabilitated scavengers. Government was yet to take remedial action (December 2002).

3.2.3 ILCS

GOI channelised funds through Housing and Urban Development Corporation Limited (HUDCO) to SUDA. SUDA, in turn, transferred the funds to the municipalities/ municipal corporations for implementation of ILCS and monitored the progress and implementation. The scheme was to be executed in eight phases from 1992-1993 to 2000-2001. SUDA received Rs 71.52 crore from HUDCO during 1992-1993 to 2002-2003 (September 2002) in eight phases towards subsidy (Rs 37.82 crore) and loan (Rs 33.70 crore) and Kolkata Metropolitan Development Authority (KMDA) received Rs 4.24 crore under Mega City Scheme. SUDA released Rs 61.58 crore (subsidy : Rs 29.05 crore and loan : Rs 32.53 crore) to 111 out of 122 municipalities leaving an unspent balance of Rs 9.94 crore as on 30 September 2002. Reasons for not covering 11¹¹ municipalities were not on record.

⁸ South 24-Parganas -3, North 24-Parganas - 1

⁹ Sahgri Health & Education Society, Raypur-Maheshtala, South 24-Parganas

¹⁰ Subsidy : Rs 2.50 lakh, margin money loan : Rs 0.75 lakh and soft loan : Rs 1.75 lakh

¹¹ Uttarpara, Barukpore, Titagarh, Khurdah, Madhyamgram, South Dum Dum, Bidhannagar, Bolpur, Jhargram, Bardhaman & Kulna

Prior to 1992-1993, 111 Municipalities identified 3.03 lakh latrines for construction/ conversion within March 2001 of which 2.38 lakh (79 per cent) were proposed for conversion / construction, while only 1.66 lakh latrines (55 per cent of requirement) were converted/ constructed till September 2002. Moreover, Phase VI covering nine ULBs scheduled to be completed by March 2001 had not yet been taken up (December 2002).

3.2.4 Pre-Matric Scholarship Scheme

Negligible expenditure on scholarships

The scheme envisaged payment of Pre-Matric Scholarship to the children of those engaged in unclean occupation. The expenditure over and above Rs 16600 per annum during 1997-2002 was to be equally borne by the GOI and the Government of West Bengal (GOWB). As of March 1997, Rs 5.12 lakh assistance received from GOI remained unspent, while a further amount of Rs 2.81 lakh was received in 2001-2002. Against aggregate budgeted estimates of Rs 1.10 crore and revised estimates of Rs 1.12 crore for 1997-2002, GOWB released Rs 15.47 lakh against which actual expenditure was even lower at Rs 14.69 lakh. Thus, GOWB failed to spend 87 per cent of the amount budgeted. This reflected the lack of commitment on the part of State Government.

The number of day scholars in receipt of scholarships rose from 35 in 1997-1998 to 391 while number of hostellers fell from 58 to 29 in the same period. In 1997-1998 and 1999-2000, another four¹² and five districts respectively sought Rs 14.09 lakh for 1577 students and Rs 3.49 lakh for 414 students but no fund was released due to shortage of allotment. Despite the claim of the State Government that manual scavenging was eliminated in the Kolkata Metropolitan area, in March, July and August 2002, Kolkata Municipal Corporation and two¹³ municipalities under North 24-Parganas district forwarded proposals to BCW Directorate for scholarships to 560, 48 and 93 students respectively for students whose parents were engaged in unclean occupations.

Thus, Government failed to implement the scheme despite budgetary allocations.

3.2.5 Community Development Scheme (CDS)

The CDS programme was to be funded by diverting Rs 60 lakh per annum from Special Central Assistance (SCA) for the Special Component Plan (SCP). State Government allotted Rs 6 lakh each to Howrah and Kolkata Municipal Corporations, while Rs 3 lakh each for the remaining 16 districts was to be released by the District Magistrates to a single habitation/ municipality only in a particular year.

Belated release of CDS fund

It was observed in audit that the State Government released Rs 1.80 crore between March 1998 and April 2000 to DFC. DFC claimed (September 2002) to have remitted Rs 1.62 crore after delays of three days to 31 months to its District Offices.

¹² Uttar Dinajpur, Murshidabad, Darjeeling & North 24 Parganas in 1997-98 and Uttar Dinajpur, Maldah, Dakshin Dinajpur, Coochbehar & North 24 Parganas in 1999-2000

¹³ Basirhat (non-KMA area) and Panihati (KMA area)

The District offices of DFC disbursed Rs 0.58 crore to nine District Welfare Officers of BCW department and unauthorisedly retained the balance (Rs 0.44 crore) in its bank account earning interest of Rs 7.57 lakh as of September 2002. No assistance was extended by DFC to the districts of Howrah, Purulia and South 24-Parganas.

Moreover, District Magistrate, Hooghly equally distributed (June 1998) Rs 3 lakh to all 12 municipalities in the district and distributed (July 2000) Rs 1.50 lakh each to two¹⁴ municipalities in violation of the provision of the programme.

As all municipalities except Garulia, North 24 Parganas failed to submit utilisation certificates, State Government stopped budgeting fund under this programme since 2001-2002.

3.2.6 Conclusion

The State failed to implement the Centrally Sponsored schemes for liberation of scavengers due to failure to take up identification surveys throughout the State, underestimating the number of scavengers by more than a third, fixing low targets which did not aim at rehabilitating all scavengers, not correlating training and rehabilitation, selecting low-cost un-viable projects and failing to ensure regular disbursement of funds. Thus, State Government displayed an appalling absence of intent by its indifference to the implementation of these schemes and failed to arrest the continuance of manual scavenging by enforcing the Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993.

The matters were referred to Government in July/ October 2002, reply had not been received (December 2002).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.3 'Unfruitful expenditure on introduction of MBBS Course

Government failed to introduce MBBS course in the Institute of Post Graduate Medical Education and Research frustrating the objective of augmenting the strength of Physicians in the State. Expenditure of Rs 2.08 crore incurred for the purpose remained unfruitful.

(a) In view of the increasing demand of health care Government of West Bengal decided to augment the strength of medical graduates in the State by introducing undergraduate Medical Education Course (MBBS) at Institute of Post Graduate Medical Education and Research (IPGMER), Kolkata, with an annual intake capacity of 50 students. The Director, IPGMER procured equipment, furniture, Library books, model, charts, skeleton, etc.

¹⁴ Rishra & Bhadreswar

(Rs 114 lakh), executed civil and electrical works (Rs 90.17 lakh) and paid inspection fees (Rs 3.50 lakh) totalling Rs 2.08 crore (inclusive of unpaid liability of Rs 1.91 crore as of March 2002) for newly created six departments and upgradation of fourteen other existing departments for introduction of MBBS course. The Medical Council of India (MCI) conducted inspection at IPGMER in August 2000 and in its Report (September 2000) pointed out non-provisioning of fund in the budget by the State Government, absence of teaching/demonstration rooms in the out patients department (OPD) of various speciality treatments, absence of laboratory rooms in the departments of Histology, Physiology, Haematology etc., absence of Animal House, Central Incineration plant, Staff Quarters, Dissection Hall etc. and non-appointment of staff including teaching faculty in the Biophysics and Dentistry Departments. In view of such deficiencies, MCI recommended (September 2000) to the Central Government not to issue letter of intent for starting of MBBS Course at IPGMER, Kolkata.

The State Government, however, did not initiate any action to rectify these deficiencies till March 2002.

Thus, due to half hearted attempt of the Government to introduce undergraduate medical education course, Rs 2.08 crore spent on additional infrastructure was rendered unfruitful besides frustrating the objective of the Government to augment the strength of physicians for providing health care services to the people of the State.

(b) In violation of the codal provisions, the Director procured (upto March 2002) chemicals, kits, books, machinery and equipment and conducted civil and electrical works in excess of allotment in anticipation of meeting the same from the grant of the subsequent year. As a result of such unauthorised procurement of materials for years together liabilities of the Government had accumulated up to Rs 2.93 crore (for introduction of undergraduate Medical Education Course (MBBS) : Rs 1.91 crore and for existing Post Graduate Medical Education and Research : Rs 1.02 crore) as of March 2002.

Incurring of such liabilities not only violated the codal provisions but also subverted the legislative control over finance.

The matter was referred to Government in June 2002; reply had not been received (December 2002).

3.4 Unauthorised issue of medicines

CMOH, Uttar Dinajpur unauthorisedly issued medicines, etc. valuing Rs 54.23 lakh to private parties such as Clubs, Samitis, Associations, Autonomous Bodies and to BSF.

District Reserve Stores (DRS) under the control of Chief Medical Officer of Health (CMOH) of a district is responsible for procurement and supply of

medicines, medical stores, etc. The DRS was not authorised to supply medicines, etc. to any organisation not run by the State Government.

Audit scrutiny (June 2001) revealed that during August 1999 and May 2001 medicines and medical stores valuing Rs 34.41 lakh were issued by the CMOH, Uttar Dinajpur free of cost to private parties such as Clubs, Samitis, Associations, etc. and to BSF battalion and autonomous bodies simply on the basis of their requisition without any written order/recommendation from appropriate authority.

On this being pointed out by audit, the CMOH, Uttar Dinajpur assured (June 2001) to stop such irregular practice in future. Despite this, the irregular practice continued unabated and medicines valuing Rs 19.82 lakh were further issued between June 2001 and December 2002.

Thus, unauthorised issue of medicines, etc. caused loss of Rs 54.23 lakh to Government which needs to be recovered from the parties concerned.

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

3.5 Infjudicious procurement and undue favour to suppliers

Project Director, State Health System Development Project-II split up the quantities of purchase of bedsteads, tables and chairs of identical specification into several groups and paid at varying rates resulting in undue favour of Rs 1.20 crore to the suppliers.

(a) With a view to providing infrastructure support to hospitals/health centres, the Project Director, State Health System Development Project-II, a World Bank aided Project invited bids in August 2000 through a Consultant (Rail India Technical and Economic Services – RITES) for purchase of 16681 bedsteads (iron cots for patients). Though the bedsteads were of identical specification, the quantity was split into 6 groups and rates were invited for each group separately under a single bid, reasons for which were not on records. Supply orders were issued to 4 suppliers at varying lowest rates in February 2001 for delivery of 5495 bedsteads : Rs 2635 each, 5164 bedsteads : Rs 2970 each, 3189 bedsteads : Rs 3177 each and 2833 bedsteads : Rs 3260 each within 5 months at the total cost of Rs 5.12 crore. Reasons for wide variation in rates of bedsteads were not explained in Bid Evaluation Report. Further, no effort was taken to negotiate with the bidders for bringing down the quantum of rates at the rate of lowest bidder.

Delivery schedule of the materials was abnormally delayed as civil constructions of hospitals were incomplete in many cases. As of November 2002, the suppliers had delivered 16476 bedsteads (99 per cent) and were paid Rs 4.62 crore.

Splitting of purchase quantity and failure to negotiate the rates with the higher bidder to the level of the lowest bid of Rs 2635 per bedstead resulted in an extra avoidable expenditure of Rs 52.28 lakh.

b) In January 2001, the Project Director also issued supply orders for delivery of 6995 steel tables and 19629 steel chairs within 5 months at a cost of Rs 3.78 crore. Before inviting tenders the purchase Committee split the quantities of tables in 4 groups and chairs in 5 groups (1700 tables and 4000 chairs for each group on an average) without any recorded reason. Three tenderers became lowest for four groups at rates ranging between Rs 2489 and Rs 4046.25 for each table while four tenderers were lowest for five groups at rates ranging between Rs 625 and Rs 887.50 for each chair. Without negotiating with the tenderers for the lowest rate of Rs 2489 for each table and Rs 625 for each chair, supply orders were issued to these tenderers at their lowest prices for tables and chairs of identical specification which resulted in an undue benefit of Rs 67.72 lakh to the suppliers.

Procurement was also made without ascertaining the requirement from the user hospitals. While some of the hospitals refused to accept the materials, others who received them, dumped these into stock. Test-check of five hospitals revealed that they utilised only 72 tables and 98 chairs out of 300 tables and 500 chairs received and that too after 5 to 8 months of receipt indicating that the procurement of tables and chairs was much in excess of the requirement. As of November 2002 the suppliers had delivered 6838 tables (98 per cent) and 11700 chairs (60 per cent) and were paid Rs 2.42 crore.

Thus, injudicious procurement of bedsteads, tables and chairs without ascertaining user hospitals' requirement and acceptance of different rates for materials of identical specification during the same period led to extra avoidable expenditure of Rs 1.20 crore resulting in undue favour to the suppliers.

The matters were referred to Government in July and August 2002; reply had not been received (December 2002).

3.6 Avoidable expenditure on maintenance of uninstalled medical equipment

Project Director, State Health System Development Project-II incurred avoidable expenditure of Rs 33.88 lakh towards maintenance charge of medical equipment not installed in hospitals

In July 2001, Project Director, State Health System Development Project-II (a World Bank aided project) entered into two separate agreements with West Bengal Electronic Industry Development Corporation Limited (WEBEL) and Electro Medical Allied Industries Limited (EMAIL), both State Government undertaking, for annual maintenance of 30 types of medical equipment (costing Rs 22.03 crore) supplied to different hospitals under the Project. As

per agreement, WEBEL was to be paid Rs 1.31 crore for maintenance of 22 types of equipment while EMAIL was to be paid Rs 1.30 crore for 8 types of equipment annually with effect from July 2001. The annual maintenance charge was fixed at the rate of 12 per cent of the cost of equipment. Till July 2002, these firms were paid Rs 65.45 lakh and Rs 65.06 lakh respectively for first six months' charges (50 per cent).

Scrutiny of relevant records in the office of the Project Director revealed the following:

Out of 30 types of equipment only 10 types (number 1463, cost Rs 4.17 crore) of equipment had been fully installed in hospitals while 1520 items of balance 20 types valuing Rs 5.65 crore (Appendix 29) remained in packed condition. Although there was no question of rendering any maintenance services by WEBEL or EMAIL in respect of the uninstalled/packed equipment, the Project Director allowed payment of maintenance charges towards equipment not installed as well rendering avoidable expenditure of Rs 33.88 lakh during the period of six months (July to December 2001).

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

| |
|---|
| <p style="text-align: center;">HOME (CONSTITUTION AND ELECTION) DEPARTMENT</p> |
|---|

| |
|---|
| <p>3.7 Excess expenditure over prescribed ceiling limit for Assembly Election held in May 2001</p> |
|---|

| |
|---|
| <p>District Magistrates of 17 districts incurred expenditure of Rs 8.71 crore in excess of the ceiling limit fixed by the Government for conducting Assembly Election held in May 2001</p> |
|---|

Mention was made in para 3.21 of Audit Report (Civil) Vol I for the year ended March 2001 about mis-utilisation and diversion of election funds. In order to restrict the election expenditure, Home (Constitution and Election) Department, Government of West Bengal laid down (March 2001) ceiling of expenditure of Rs 13.25 lakh per constituency.

Scrutiny in audit revealed that against the prescribed limit of Rs 38.96 crore (at the rate of Rs 13.25 lakh per constituency), an expenditure of Rs 47.63 crore was incurred for the 294 Assembly Constituencies of the State for conducting the Assembly Elections in May 2001. In the districts, the average cost of holding election per Constituency ranged between Rs 0.14 crore (North 24 Parganas, Medinipur and Uttar Dinajpur) and Rs 0.30 crore (Darjeeling) as shown below excepting the 6 Constituencies in Dakshin Dinajpur where the expenditure was within the ceiling limit.

| Name of the District/ Election Officer under which Assembly constituencies fall | Number of Assembly constituency | Prescribed ceiling | Total expenditure incurred | Excess | Average expenditure per constituency |
|---|---------------------------------|--------------------|----------------------------|-------------|--------------------------------------|
| (Rupees in crore) | | | | | |
| DEO, Kolkata | 21 | 2.78 | 4.05 | 1.27 | 0.19 |
| DM, South 24 Parganas | 28 | 3.71 | 4.61 | 0.90 | 0.16 |
| DM, North 24 Parganas | 28 | 3.71 | 3.83 | 0.12 | 0.14 |
| DM, Howrah | 16 | 2.12 | 2.71 | 0.59 | 0.17 |
| DM, Hooghly | 19 | 2.52 | 3.23 | 0.71 | 0.17 |
| DM, Medinipur | 37 | 4.90 | 5.12 | 0.22 | 0.14 |
| DM, Bardhaman | 26 | 3.45 | 4.16 | 0.71 | 0.16 |
| DM, Birbhum | 12 | 1.59 | 1.82 | 0.23 | 0.15 |
| DM, Purulia | 10 | 1.33 | 1.51 | 0.18 | 0.15 |
| DM, Bankura | 14 | 1.85 | 2.25 | 0.40 | 0.16 |
| DM, Nadia | 15 | 1.99 | 2.36 | 0.37 | 0.16 |
| DM, Murshidabad | 19 | 2.52 | 3.69 | 1.17 | 0.19 |
| DM, Malda | 10 | 1.33 | 1.63 | 0.30 | 0.16 |
| DM, Uttar Dinajpur | 8 | 1.06 | 1.09 | 0.03 | 0.14 |
| DM, Darjeeling | 5 | 0.66 | 1.51 | 0.85 | 0.30 |
| DM, Jalpaiguri | 11 | 1.46 | 1.74 | 0.28 | 0.16 |
| DM, Coochbehar | 9 | 1.19 | 1.57 | 0.38 | 0.17 |
| DM, Dakshin Dinajpur | 6 | 0.79 | 0.75 | (-) 0.04 | 0.13 |
| Total | 294 | 38.96 | 47.63 | 8.67 | |

DM, Darjeeling expended Rs 4.14 lakh on refreshment, contingencies and other items defying the guidelines on poll expenses.

Election Fund of Rs 28.79 lakh was also diverted by the DM, Darjeeling (Rs 28.51 lakh) and DM, Howrah (Rs 0.28 lakh) for meeting expenditure on account of cash card of cellular telephones, godrej steel almirahs, photo copier machine, improvement of telecommunication system, purchase of computer parts and repairing, etc. which were not connected with holding election.

Thus, the object of restricting election expenditure imposing a ceiling remained unachieved as the district administration flouted the Government order resulting in an excess burden of Rs 8.71 crore on Government exchequer.

The Home (Constitution and Election) Department, Government of West Bengal stated (October 2002) that the prescribed ceiling of expenditure was meant for a check and to bring a moderate level of uniformity in election expenditure. But the department's endeavour to control the expenditure became futile owing to excess expenditure over ceiling limit by all the DMs except of Dakshin Dinajpur.

LAND AND LAND REFORMS DEPARTMENT

3.8 Avoidable extra expenditure on acquisition of land

De-requisition of 12.94 acres of land after 19 years of taking possession and belated placement of fund led to extra expenditure of Rs 33.01 lakh

For construction of National Highway – 31 from Domohini to Maynaguri and connection to Jarda Bridge approach at Jalpaiguri District, Special Land Acquisition Officer (LAO) Jalpaiguri, took possession of 42.56 acres of land on 5 April 1976 under Section 4 (1 a) of West Bengal Land (Requisition and Acquisition) Act, II, 1948. Under the Section *ibid*, payment of interest on the value of land determined at the time of taking over the possession was to be made at the rate of 6 *per cent per annum* from the date of possession of land and at 9 *per cent per annum* from the date of Gazette Notification for one year and thereafter at 15 *per cent per annum* till the date of payment. Audit scrutiny revealed that after lapse of 19 years from the date of taking possession of the land, the Public Works (Roads) Department (Requiring Body) proposed derequisition of 12.94 acres of land out of 42.56 acres of land without assigning any reason. Accordingly Gazette Notification was published on 30 December 1994. However, the final award of Rs 55.41 lakh, after adjustment of advance of Rs 0.99 lakh, was approved on 31 March 1997.

Due to abnormal delay of almost 19 years in publication of Gazette Notification without any recorded reasons, unnecessary holding of 12.94 acres of land during the above period, delay in placement of funds for more than two years from the date of Gazette Notification, Government had to bear additional compensation of Rs 29.31 lakh along with interest of Rs 3.70 lakh.

The Department confirmed the facts and stated (November 2002) that the time lag was attributable to revision of original plan by the Requiring Body and delay in placement of fund. The department assured that adequate steps had been taken to reduce the time lag by monitoring through computerisation of LAO offices.

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

3.9 SWARNJAYANTI GRAM SWAROZGAR YOJANA

3.9.1 Introduction

Swarnjayanti Gram Swarozgar Yojana (SGSY), a Centrally sponsored scheme, launched by the Government of India (GOI) from April 1999 was taken up by the State with the available balance of Rs 111.67 crore from the

existing 6 poverty alleviation programmes since merged with SGSY aiming at raising 30 *per cent* of the BPL (below poverty line) families of rural areas above the poverty line within 5 years through loan and subsidy by generating a monthly income of Rs 2000. The scheme emphasised organisation of the poor through process of social mobilisation to build their own organisation known as Self Help Groups (SHGs). The Scheme was funded by the Central and the State Government in the ratio of 75 : 25. During 1999-2002, Rs 54.19 crore (GOI – Rs 40.31 crore, State Government – Rs 13.88 crore⁴) were released for the programme.

Implementation of the SGSY (1999-2002) was reviewed between February and May 2002 in five districts (Cooch Behar, Purba Medinipur, Paschim Medinipur, Purulia and South 24-Parganas) and results of test-check are narrated in the succeeding paragraphs.

3.9.2 Funds remained unutilised

Poor utilisation of fund led to denial of Central assistance of Rs 81.69 crore

During 1999-2002 State Government spent Rs 101.94 crore inclusive of subsidy of Rs 48.64 crore out of available fund of Rs 183.85 crore including miscellaneous receipts of Rs 17.99 crore. Even the balance of Rs 111.67 crore carried over from the erstwhile schemes was not spent. Due to poor utilisation of fund the State Government was deprived of Central assistance of Rs 81.69 crore during 2000-2002.

In the 5 test-checked districts Rs 37.64 crore (67 *per cent* of available balance of Rs 56.39 crore) were spent in 1999-2002. Besides, Rs 4.01 crore advanced and awaiting adjustment was treated as final expenditure. Rupees 3.27 crore were diverted towards ineligible items of infrastructure, Rs 2.59 crore for administrative expenses and Rs 0.41 crore on ineligible items like refund of security deposits, printing and stationery, study tour, mela, survey etc. from SGSY funds in violation of GOI norms

3.9.3 Physical Performance

(i) Poor coverage of Swarozgaris

(a) During 1999-2002, against the target of 8.85 lakh families (one member from each family) only 1.26 lakh families as detailed below, were covered by the State leading to a shortfall of 86 *per cent*.

| Year | Number of families financially assisted | | Total families financially assisted under SGSY |
|-----------|---|------------|--|
| | In Group (Number of SHG involved) | Individual | |
| 1999-2000 | 12925 (1002) | 75977 | 88902 |
| 2000-2001 | 14507 (1235) | 6723 | 21230 |
| 2001-2002 | 2008 (196) | 13472 | 15480 |
| Total | 29440 (2433) | 96172 | 125612 |

(Source : Progress Reports of the State Government)

⁴ Rupees 13.88 crore included matching share of Rs 0.70 crore of IRDP relating to 1998-99

Information regarding income generated by Swarozgaris was not furnished by the State Government

In five districts only 0.40 lakh BPL families were covered against 2.88 lakh targeted

(b) In 5 test-checked districts against the target of 2.88 lakh BPL families only 0.40 lakh families (35667 individuals and 4788 in groups) (14 per cent) were covered due to (a) non-identification of swarozgaris and poor performance in formation, development and strengthening of groups, (b) selection of Key Activities (KAs) without market survey and analysis of infrastructural gaps, (c) non-preparation of project reports to assess the potential of the KAs and (d) poor coordination among the implementing agencies.

(ii) **Assistance to Self Help Groups (SHGs)**

(a) **Evaluation of SHGs**

SGSY emphasised organisation of the poor through a process of social mobilisation to build their own organisation known as Self Help Groups (SHGs) consisting of 5-20 persons. For a group of Swarozgaris, the subsidy under the scheme would be 50 per cent of the project cost subject to maximum of Rs 1.25 lakh. The formation stage (Grade-I) of SHG was for 6 months. After 6 months the group was to be tested for eligibility for the second stage (Grade-II) to receive Revolving Fund to develop credit discipline and financial management skills. After six months from the date of receipt of Revolving Fund the Groups were required to be tested further for a second time and successful groups were to enter the third stage for credit linkage for starting income generating activities.

In the State, up to March 2002, only 679 out of 0.37 lakh SHGs passed Grade II test and became eligible for financial assistance for starting income-generating activities as shown below:

| Year | Total formation of SHG required to be made | Total number of SHGs formed ¹⁵ | Number passed Grade-I | Number passed Grade-II | Number of groups started economic activities |
|--------------|--|---|-----------------------|------------------------|--|
| 1999-2000 | Scheme did not specify any target | 3314 | 418 | 49 | 1002 * |
| 2000-2001 | | 4480 | 2052 | 358 | 1235 * |
| 2001-2002 | | 29385 | 6615 | 272 | 196 |
| Total | | 37179 | 9085 | 679 | 2433 |

(Source : Progress Reports of the State Government)

Out of 0.25 lakh SHGs formed, only 153 passed Grade II test

In the five test-checked districts out of 0.25 lakh SHGs formed, only 153 could pass Grade II test for starting income-generating activities at the end of third year of programme as shown below:

¹⁵ Composition of groups was 10-15 members

* During 1999-2000 and 2000-2001, no SHGs under SGSY took up any economic activity and above figure included the numbers covered under DWCRA groups only.

| Year | Number of SHGs formed | Number passed Grade I | Number passed Grade II | Number starting economic activities (Number of Swarozgaris Involved) |
|-----------|-----------------------|-----------------------|------------------------|--|
| 1999-2000 | 1343 | 4 | Nil | 4 (60) |
| 2000-2001 | 2714 | 1589 | 59 | 384 (4682) |
| 2001-2002 | 20831 | 4906 | 94 | 4 (46) |
| Total | 24888 | 6499 | 153 | 392 (4788) |

(Source : Reports/returns of the DRDCs)

Of 392 SHGs starting economic activities only 4 Groups were credit linked for income generating activities (2001-2002) against eligible groups of 153 passing Grade II.

Lack of initiative on the part of DRDCs caused shortfall in credit linkage with the banks for starting income-generating activities.

(b) Revolving Fund

As envisaged in the guidelines each SHG after passing Grade I was entitled to receive Revolving Fund (RF) at the rate of Rs 10000 each for opening Cash Credit Account (CCA) with the disbursing/link bank to start preparatory works for taking up income generating activities.

The Statewide position of Revolving Fund released and utilisation of cash credit was as below :

| Year | Total number of SHG formed | Number of SHG passed Grade I | Amount of | | Cash Credit due | Cash Credit sanctioned | Cash Credit utilised |
|-----------|----------------------------|------------------------------|--------------------|--|-----------------|------------------------|----------------------|
| | | | Revolving Fund due | Revolving Fund released/ (Number of SHG) | | | |
| 1999-2000 | 3314 | 418 | 0.42 | 1.43 (1078) | 2.70 | 0.04 | Nil |
| 2000-2001 | 4480 | 2052 | 2.05 | 2.65 (2651) | 6.63 | 1.18 | 0.39 |
| 2001-2002 | 29385 | 6615 | 6.62 | 4.53 (4529) | 11.32 | 9.52 | 3.70 |
| Total | 37179 | 9085 | 9.09 | 8.61 (8258) | 20.65 | 10.74 | 4.09 |

(Source : Progress reports of the State Government)

The following points emerged during test-check:

Irregular payment of revolving fund – Rs 1.61 crore paid to 1259 ineligible SHGs

During 1999-2001, against Rs 2.47 crore RF due for 2470 SHGs, Rs 4.08 crore were disbursed to 3729 SHGs resulting in irregular payment of RF of Rs 1.61 crore to 1259 ineligible SHGs. In 2001-2002 there was short release of Rs 2.09 crore. Reasons for short and excess release were not stated by the Department.

In Paschim and Purba Medinipur districts test checked, RF of Rs 0.58 crore was paid in advance to 577 SHGs irregularly before taking up grading exercise.

There was shortfall of 48 per cent (Rs 10.74 crore sanctioned against Rs 20.65 crore) in sanctioning and 62 per cent (Rs 4.09 crore utilised against sanction of Rs 10.74 crore) in utilisation of Cash Credit facility during 1999-2002 in the State.

In 5 test-checked districts shortfall in sanctioning cash credit and utilisation thereof was 35 per cent and 60 per cent respectively. Reasons for these shortfall were not stated by the Department.

It was noticed that in Paschim Medinipur one bank deposited Rs 0.80 lakh to the Savings Bank Accounts of the groups without opening CCAs and in 5 test-checked blocks CCA was opened for 134 SHGs against 230 due to delay at bankers' end. In Cooch Behar, Purulia and South 24-Parganas only 6 CCAs were opened against 174 due to delay at the bankers' end.

(c) Group Financing

In test-checked districts no loan/subsidy was sanctioned or released during 1999-2001 as no SHGs could be credit linked.

Reasons for shortfall as well as target and achievement were not stated.

(iii) Assistance to Individuals

Subsidy under the scheme was 30 per cent of the Project cost subject to a maximum of Rs 7500; for SC/ST it was 50 per cent not exceeding Rs 10000. There was shortfall of 31 per cent in rendering financial assistance to Individual Swarozgaris in the State as shown below :

Shortfall in release of financial assistance to Swarozgaris

| Year | Number of loan cases sanctioned by Bank | Amount of loan | | Amount of subsidy disbursed | Number of Swarozgaris assisted | Shortfall in respect of Number assisted (Percentage) |
|-----------|---|----------------|-----------|-----------------------------|--------------------------------|--|
| | | Sanctioned | Disbursed | | | |
| 1999-2000 | 105310 | 73.50 | 71.63 | 34.64 | 75977 | 29333 (28) |
| 2000-2001 | 8688 | 17.15 | 9.98 | 3.21 | 6723 | 1965 (23) |
| 2001-2002 | 26241 | 57.49 | 27.91 | 9.04 | 13472 | 12769 (49) |
| Total | 140239 | 148.14 | 109.52 | 46.89 | 96172 | 44067 (31) |

(Source : Progress Reports of the State Government)

The reasons for shortfall were not stated by the Department.

In 5 test-checked districts out of 44652 loan cases sanctioned, 35667 cases (Rs 35.75 crore) stood disbursed resulting in shortfall of 20 per cent.

Payment of loans was made to only 43 individual beneficiaries out of 138 sanctioned in 3 blocks of Paschim Medinipur district. Scrutiny of the sanctioned cases brought out following irregularities:

(a) In 46 cases (Rs 11.38 lakh) Project Report was not prepared. In 15 cases (Rs 3.75 lakh) analysis of Project viability was not done. In 76 cases (Rs 17.18 lakh) monthly profit estimated was much below Rs 2000 and ranged between Rs 531 and Rs 1650.

(b) As envisaged in the guidelines, Bank should not take more than 15 days in sanctioning loans. In 46 cases (Rs 9.63 lakh) delay in sanctioning/ disbursing of loans by 2 banks ranged from 65 days to 9 months.

(c) In Narayangarh and Jhargram blocks out of Rs 8.86 lakh disbursed as loan by three Banks, Rs 5.52 lakh were kept in Deposit/ Savings bank Accounts frustrating the very purpose of the scheme.

(d) No officer of any level made visits to verify the assets created, if any, by the Swarozgaris.

Of 280 beneficiaries test-checked in 56 Gram Panchayats of 5 test-checked districts, 69 Swarozgaris had earning of Rs 20 to Rs 700 per month only which was insignificant for livelihood.

(iv) Training

For developing project profiles for the identified key activities, Minimum Skill Requirement (MSR) of Swarozgaris was required to be assessed by the District SGSY Committee. As the Project Report for each identified key activity was yet to be prepared, MSR had remained unassessed.

Excess expenditure
on training –
Rs 9.36 lakh

While imparting training to 0.50 lakh swarozgaris in Groups for sensitization/awareness programme of one day's duration (Cooch Behar and Paschim Medinipur) and 2 days' session (South 24-Parganas) an expenditure of Rs 18.17 lakh was incurred against the normative provision of Rs 8.81 lakh (at the rate of Rs 15 per trainee per day) resulting in excess expenditure of Rs 9.36 lakh.

In Purulia no training was imparted during 1999-2002.

As of March 2002 no training was imparted to the Individual Swarozgaris in the districts test-checked.

(v) Infrastructure

Proper infrastructure was essential for successful implementation of the Yojana. In the districts test-checked no Project Report was prepared for any of the identified Key Activities and as such the infrastructure needs remained unassessed.

Expenditure on
ineligible items –
Rs 3.27 crore

Out of expenditure of Rs 6.14 crore (1999-2002) incurred by the 5 test-checked districts towards infrastructure, Rs 3.27 crore were spent on ineligible items.

3.9.4 Other points of interest

(i) Identification of Families below poverty line

The State Government prepared an operational list of BPL families on the basis of survey of socio-economic condition of the rural families. Though, poverty line cut off was fixed at Rs 274.35 per capita expenditure per month by GOI (1997-1998), the operational list of BPL families remained unrevised leaving out a large number of families eligible for assistance under the Yojana.

Reasons for non-revision of the BPL lists were not stated though called for.

(ii) *Selection of Key Activities (KAs)*

Selection of key activities without survey

The Block SGSY committee was to select 8-10 key activities (KAs) having potential for generation of net monthly income of more than Rs 2000 per Swarozgari within 3 years through a participative process of interaction with the rural poor, survey of banks/technical organisations and forward the same to District SGSY Committees along with Project Reports indicating needs for training, credit, technology, infrastructure, marketing and number of beneficiaries to be covered for approval of 4-5 KAs per block.

In 28 test-checked Blocks the BDOs identified the Key Activities as a matter of routine without any market survey, without ascertaining potentials to generate monthly income of Rs 2000 and without the approval of Block SGSY Committee. Project Reports were also not prepared by any of the Blocks.

(iii) *Identification of Swarozgaris/Formation of Groups*

Of 2378 Swarozgaris names of 838 not included in the operational list of 6 blocks

(a) As per guidelines, Swarozgaris should belong to families below poverty line and SHGs should not consist of more than one member of the same family. Further, a person should not be a member of more than one group. Of 2378 Swarozgaris (2316 in 222 groups and 62 Individuals) test-checked in 6 Blocks of Paschim Medinipur district, names of 838 (35 per cent) beneficiaries of the Yojana were not found in the operational list and 65 SHGs included more than one member of the same family and in 6 cases one person was also member of other groups in violation of guidelines. In Jhargram Block, 2 Swarozgaris being the members of SHG availed both the benefit of Revolving Fund and GOI loan as individual Swarozgaris.

(b) The 3-member team comprising Village Sarpanch, representative of the Bank and the Block Development Officer for selecting individual swarozgaris was not formed and the list of selected swarozgaris was not placed before any Gram Sabha for approval as noticed in 6 out of 28 test-checked Blocks/GPs.

(c) No separate list of identified individual Swarozgaris was maintained at any level of the five districts test-checked. Instead it was prepared on receipt of loan applications from the Gram Panchayats and sponsored cases from the concerned Block Development Officers (BDOs).

3.9.5 *Conclusion*

The State Government could not spend 45 per cent of programme funds. In the State only 1.26 lakh swarozgaris were assisted against the target of 8.85 lakh while of the targeted 2.88 lakh in five test-checked districts, only 0.40 lakh were assisted.

Thus, after 3 years of implementation, the prospect of achievement of the objective of the yojana to alleviate poverty of 30 per cent of rural people living below poverty line within five years appeared to be bleak.

The matter was referred to Government in August 2002; reply was not received (December 2002).

RELIEF DEPARTMENT

3.10 Constitution and Administration of the Calamity Relief Fund and Investment therefrom for the period 2000-2002

3.10.1 *Introduction*

Under the recommendation of the Eleventh Finance Commission, the Government of India (GOI) constituted a scheme with effect from April 2000 for creation of "Calamity Relief Fund 2000-2005" in each State to finance the relief operations connected with calamities like floods, cyclones, earthquake, etc. The mode of contribution to the fund was 75 *per cent* by GOI with States share of 25 *per cent*, being payable in two instalments in May and November each year. The fund so created was to be invested by the State Government in Government Securities/ Treasury Bills/Deposit Schemes of scheduled Commercial or Co-operative Banks for accrual of interest. In case of failure to invest in the above manner the State Government was to pay interest to the fund at one and half times the rate applicable to overdrafts under Overdraft Regulation Scheme of the Reserve Bank of India. To meet the expenditure from the fund the State was to make a separate budget provision under the head "Calamity Relief Fund" (CRF). Only the items of expenditure directly related to Calamity relief activities as contained in the norms fixed by the GOI and State Government from time to time could be met from the fund. Administrative expenses like restoration of infrastructure and purchase of capital assets, equipment, etc. from the fund were not permissible.

3.10.2 *Organisational set up*

The Relief Department was the 'Nodal' Agency for implementation of flood relief works during 2000-2001. The Director of Relief, West Bengal (DRWB) was entrusted with procurement and distribution of food, clothings, tarpaulins, etc. Operation of relief was organised by the District Magistrates, Sub-Divisional Officers, Block Development Officers and Gram Panchayats. A State level Committee (SLC) under the Chairmanship of the Chief Secretary of the State and consisting of officials of various departments normally connected with relief works administered the fund. The State Government released the fund through Relief Department in favour of DRWB and DMs to meet the expenditure for relief operations.

3.10.3 *Audit coverage*

Test-check (April-May 2002) of records in Government Departments, Director of Relief West Bengal (DRWB), 22 Block Development Offices (BDO) under 6 Sub-Divisional Officers (SDO) of 3 Districts Magistrates (Nadia,

Murshidabad and North 24 Parganas) relating to relief operations during flood 2000-2001 revealed the following irregularities.

3.10.4 Delay in receipt of fund from Government of India

Contribution to the fund, expenditure incurred and balance during 2000-2001 and 2001-2002 is shown in the table below.

| Year | Opening balance | Deposit | Expenditure | Closing balance |
|-----------|-----------------|-----------------------------------|-------------|-----------------|
| | | (R u p e e s i n c r o r e) | | |
| 2000-2001 | Nil | 105.11* | 444.87 | (-) 339.76 |
| 2001-2002 | Nil | 53.08* | 19.74 | 33.34 |

The excess expenditure of Rs 339.76 crore during 2000-2001 was met out of State budget. For the year 2001-2002, first instalment of Rs 53.08 crore (including state share) which was to be received in May 2001, was received in November 2001 due to late-submission of utilisation certificate to the GOI. Similarly the second instalment due in November 2001 was received in May 2002 thereby affecting the financial preparedness of the Government to meet natural calamities.

The Government stated *inter alia* that utilisation certificate was sent only after receipt of final accounts of the expenditure made out of CRF from the Accountant General (A&E)'s office.

The reply was not tenable, as the department was to furnish the utilisation certificate based on its own records.

3.10.5 Loss due to non-refund of tarpaulins

2.12 lakh tarpaulins were not taken back from the flood victims – resultant loss Rs 8.15 crore

As per Government orders the tarpaulins distributed to the flood victims were to be returned to the BDO/Panchayat Samitis for future use. Out of 213353 pieces of tarpaulins distributed (September-October 2000) among the victims in 205 Gram Panchayats under 22 test-checked BDOs, only 1662 tarpaulins were received back (as of March 2001). 211691 tarpaulins not returned cost the Government Rs 8.15 crore (211691 X Rs 385 each).

3.10.6 Doubtful distribution of blankets

Muster rolls for distribution of blankets valuing Rs 1.41 crore not produced to audit

In 22 test-checked blocks (in 205 GPs) though 357472 blankets were stated to have been distributed (January-February 2001), muster rolls for distribution of 167787 blankets were not produced to audit. The distribution of blankets worth Rs 1.41 crore (167787 numbers x Rs 84 each) was doubtful.

Muster rolls produced to audit revealed that the blankets were distributed after mid January 2001 i.e. after a delay of seven to ten weeks from the onset of winter. The distribution of blankets was therefore delayed.

* Central Share Rs.75.83 crore, State's Share Rs. 25.28 crore, Interest paid by State Rs.4.00 crore

* Central Share Rs.39.81 crore; State Share Rs.13.27 crore

3.10.7 Undue retention of unspent fund

In three test-checked districts the Government had released (September-November 2000) Rs 215.80 crore towards house building grants, *ex gratia* payment, special gratuitous relief, etc. The districts could spend only Rs 180.57 crore and surrendered the unspent amount of Rs 34.64 crore. Rupees 0.59 crore of house building grant remained to be surrendered (December 2002).

3.10.8 Diversion of fund

Rupees 87.59 lakh was diverted from relief fund

In the three districts out of Rs 11.37 crore spent towards relief contingencies, Rs 87.59 lakh were diverted for purchase of computers, photocopiers, office equipment/furniture, etc. not related to relief works, as shown in Appendix 30.

3.10.9 Doubtful Purchase of rice

Procurement of rice valuing Rs 4.66 lakh remained unaccounted for

Sub-Divisional Officer, Bongaon purchased 443.6 quintal of rice in September 2000 from open market at a cost of Rs 4.66 lakh for distribution among the flood affected people. Neither was there entry in the stock register for the purchase nor were documents for its distribution to the BDOs produced to audit. Absence of records made it a doubtful procurement.

3.10.10 Infructuous expenditure on hiring of helicopter

Non-utilisation/ under utilisation of helicopters – infructuous expenditure of Rs 9.39 lakh

The Government hired two helicopters “Dauphin” and “Bell” between 23 September 2000 and 31 October 2000 for aerial survey of flood affected areas by the Chief Minister as well as for relief operations. Scrutiny of records revealed that expenditure Rs 6.85 lakh was incurred towards hiring charges of “Dauphin” for 30 October and 31 October 2000 but it was not utilised for the purpose during the period. Similarly, hiring charge of “Bell” was paid for 28.55 hours against its utilisation for 22.55 hours only. Thus, expenditure of Rs 6.85 lakh for “Dauphin” and Rs 2.54 lakh for “Bell” was infructuous.

3.10.11 Other topics of interest

Rice valuing Rs 3.26 crore was neither procured for flood victims nor was the fund surrendered

a) During 2000-2001 DM, Murshidabad did not draw Rs 3.26 crore though it was sanctioned by the State Government at his request for procurement of special gratuitous relief rice for distribution among the flood affected people. Consequently, the amount lapsed thereby depriving the calamity affected people of the relief. In reply, it was stated that they had to depend on the reports of the BDOs and SDOs and retained the allotted fund in anticipation of need for further food.

b) Utilisation certificates for Rs 14.77 crore (house building grant – Rs 1.69 crore, *ex-gratia* – Rs 0.08 crore, relief contingency – Rs 13 crore) in respect of 22 BDOs test-checked were awaited as of December 2002.

The matter was referred to Government in July 2002; final reply was not received (December 2002).

SCHOOL EDUCATION DEPARTMENT

3.11 Free Distribution of Text Books

In order to achieve the goal of Universalisation of Primary Education (PE), Government of West Bengal launched (1984) the State funded scheme of free distribution of text books to all students studying in Class I to V in all Government schools as well as Government aided private schools.

Implementation of the scheme during 1997-2002 was reviewed in audit during the period from February to May 2002 through test-check of records of offices of the Assistant Director of Primary Education (Text Book) [ADPE (TB)], District Inspector of Schools, 166 schools of 4 districts (Purulia, Birbhum, North 24 Parganas and Uttar Dinajpur).

The details of funding for the scheme were as under:

| Year | Appropriation/grants received | Expenditure incurred | Excess (+) Savings (-) |
|-------------------|-------------------------------|----------------------|------------------------|
| (Rupees in crore) | | | |
| 1997-1998 | 12.90 | 27.15 | (+) 14.25 |
| 1998-1999 | 16.06 | 15.71 | (-) 0.35 |
| 1999-2000 | 16.24 | 12.18 | (-) 4.06 |
| 2000-2001 | 17.10 | 15.74 | (-) 1.36 |
| 2001-2002 | 15.50 | 10.64 | (-) 4.86 |

(Source: Appropriation Account)

Reasons for excess expenditure of Rs 14.25 crore in 1997-98 were not stated.

(I) Performance in regard to distribution of books to students

Printing and distribution of text books and the number of students in the State was as follows:

| Academic year | Class, number of books required to be given per student and number of students in schools (Figures in lakh) | | | | | | Number of books required to be given | Number of books required to be printed as assessed by the Department | Number of books printed and distributed to district godown |
|---------------|---|-------------------------------|--------------------------------|-----------------------------|---------------------------------------|--------|--------------------------------------|--|--|
| | Class I 3 | Class II 3 (4 from 1999-2000) | Class III 4 (5 from 1999-2000) | Class IV 4 (5 from 2000-01) | Class V 6 (60% new books to be given) | Total | | | |
| 1997-1998 | 36.52 | 26.80 | 26.34 | 21.95 | 26.68 | 138.29 | 479 | 362 | 305 |
| 1998-1999 | 27.70 | 22.19 | 18.74 | 16.57 | 16.80 | 102.00 | 351 | 333 | 337 |
| 1999-2000 | 28.62 | 22.78 | 17.65 | 17.14 | 17.66 | 103.85 | 397 | 343 | 354 |
| 2000-2001 | 27.23 | 20.96 | 18.74 | 17.22 | 17.83 | 101.98 | 410 | 438 | 436 |
| 2001-2002 | 29.61 | 22.11 | 19.62 | 18.15 | 18.85 | 108.34 | 434 | 438 | 466 |
| Total | 149.68 | 114.84 | 101.09 | 91.03 | 97.82 | 554.46 | 2071 | 1914 | 1898 |

Short printing of 2.31 crore books deprived the students of books during 1997-2000

The basis of assessment of requirement of books by the department was not available. Requirement of number of books as per student strength and as assessed by the department were always at variance in all the years. For 1997-2000 sessions, 2.31 crore books were short printed and supplied depriving a good number of students the benefit of the scheme. For 2000-2002

academic years 0.58 crore books were printed in excess though the students of the test-checked schools did not receive full set of books. The reasons for short/excess printing of books were not stated by the department.

(II) Delay in distribution of books to schools

Supply of books to students delayed by 1 to 11 months

The department emphasised distribution of books among the students before the commencement of academic year (May). In 166 schools, physically verified by audit in four districts (Purulia, Birbhum, North 24 Parganas and Uttar Dinajpur), there was delay in supplying books to schools ranging from 1 to 11 months as is evident from the table given below :

| Academic year | Total books supplied | Due date/ month of supply | Number of Books received by schools - in the month of | | | | | | | | |
|---------------|----------------------|-------------------------------|---|--------|-----------------|---------------------------------|----------|----------|----------|-------|-------|
| | | | May | June | July and August | September October and November. | December | January. | February | March | April |
| 1997-1998 | 80,409 | Within 30 th April | 52,326 | 5,328 | 17,414 | 5,341 | X | X | X | X | X |
| 1998-1999 | 87,771 | | 43,513 | 17,383 | 20,871 | 5,712 | 292 | X | X | X | X |
| 1999-2000 | 91,496 | | 48,658 | 11,969 | 25,750 | 3,965 | 680 | 252 | X | X | 222 |
| 2000-2001 | 92,899 | | 50,065 | 13,127 | 24,583 | 4,328 | 274 | X | X | 522 | X |
| 2001-2002 | 96,135 | | 42,288 | 16,424 | 28,828 | 8,251 | 315 | 29 | X | X | X |

Delay in supply of books from godown to schools

Despite availability of sufficient stock of books (13.51 lakh books) at Barasat Zonal Godown at Chhotojagulia in North 24 Parganas district, supply of 4.02 lakh books (30 per cent) was delayed ranging from 2 to 5 months after commencement of the academic year.

District Inspector of Schools (North 24 Parganas) stated (May 2002) that the delay in distribution was due to non-availability of transport and spare time of the Sub-Inspector in charge of Zonal godown. The reply indicated the apathetic approach of the department towards the basic need of supply of text books to the students in time.

(III) Short supply/Non-distribution of books

Out of 166 schools test-checked in four districts, short supply of books ranged between 3 and 45 per cent in 47 schools (Purulia – 4, Birbhum – 8, North 24 Parganas – 23 and Uttar Dinajpur - 12). In three schools* the short supply was 76 per cent of the requisition. In 27 schools certain subject books were not supplied at all depriving the students of the benefit of the scheme.

(IV) Supply of books in excess of requisitions

In four test-checked districts ADPE (TB) supplied 15.50 lakh books to DIs in excess of their requisitions resulting in blocking up of Rs 32.15 lakh. Of these 3.65 lakh books valuing Rs 18.96 lakh were damaged due to improper storing and 2.63 lakh books valuing Rs 13.65 lakh became obsolete due to change in syllabus in the subsequent years.

* Md.Bazar Hemchandra J.B.School, Birbhum, Jamalpur F.P.School, North 24 Parganas & Ulundanga Sadhunpur J.B.School, North 24 Parganas.

(V) Non-maintenance of stock of Books

Test-check of 166 schools (Purulia – 34, Birbhum – 34, North 24 Parganas – 55 and Uttar Dinajpur – 43) revealed that 106 schools did not maintain stock account of books, only distribution being shown in a register without quoting serial numbers printed on the books in violation of the order of the School Education Department (Primary Branch).

At Headquarters level (ADPE-TB), DIS office (North 24 Parganas), 2 Sub Inspectors of schools (Rural-II and Neturia of Purulia district), 36 GPs and 5 Municipalities test-checked, stock of books was also not maintained for reasons not on record.

(VI) Unnecessary hiring of godowns for obsolete books

Unnecessary hiring of godown – nugatory expenditure of Rs 12.07 lakh

Since July 1989, 2.88 lakh obsolete books valuing Rs 2.88 lakh were stored in a rented godown as of May 2002 incurring an expenditure of Rs 12.07 lakh as rent during April 1997 to March 2002. The necessity for preservation of obsolete books in rented godown instead of disposal remained unexplained.

The ADPE (TB) stated that the Department was moved for disposal of obsolete books though no such document could be shown to audit.

(VII) Monitoring and Evaluation

In four test-checked districts inspite of existence of Committees at District, Block, Municipal and Gram Panchayat level, the actual distribution of books to the students was not monitored and evaluated by any committee.

The scheme of free distribution of books was mal-administered at all levels depriving students of the benefit of the scheme.

These points were referred to Government in July 2002; reply had not been received (December 2002).

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| TECHNICAL EDUCATION AND TRAINING DEPARTMENT (POLYTECHNIC BRANCH) |
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| |
|---|
| 3.12 Short Term Vocational Training (STVT) Programme |
|---|

3.12.1 Introduction

Short Term Vocational Training (STVT) Scheme was introduced in the State in 1998-1999 in lieu of Short Term Vocational Courses of (STVC) launched in 1997-1998. The scheme aimed at capacitating a section Madhyamik/Higher Secondary passed students for self-employment by developing their skills and aptitude through Government institutions and Non-Government Organisations (NGOs).

3.12.2 *Organisational set up*

The STVC programme was implemented (1997-1998) by the Directorate of Technical Education and Training up to March 1998, thereafter STVT was implemented in place of STVC by West Bengal State Council of Technical Education (WBSCTE) headed by Chairman, Ex-officio Minister-in-charge through different Government Institutions and NGOs.

3.12.3 *Audit coverage*

Implementation of the STVC/STVT programme during 1997-2002 was reviewed through test-check of records of the Directorate of Technical Education, WBSCTE and 24 out of 82 Institutions of 5 districts during February to May 2002.

3.12.4 *Financial performance*

(i) During 1998-2002, of Rs 8.69 crore, only Rs 4.83 crore were spent in the State resulting in savings of Rs 3.86 crore (44 per cent), due to non-conducting/partial conducting of the prescribed training courses by some institutions. Besides, Rs 1.50 crore were released to 8 DMs during 1997-98 for conducting STVC course, the details of expenditure thereagainst not being available centrally. In 1997-1998 and 1999-2000, Rs 68.60 lakh were given to 3 (three) DMs* for conducting STVC/STVT programme out of which Rs 37.88 lakh remained unutilised in PL Account for 2 to 4 years. In addition out of Rs 2.44 crore advanced to 13 implementing agencies during 1998-2002, Rs 34.95 lakh could not be spent by all 13 implementing agencies depriving the students from the intended benefits as detailed in Appendix 31.

(ii) *Diversion of Fund*

Government provided funds to various training institutions for meeting the expenditure (recurring and non-recurring) in connection with conducting specified courses under STVT scheme. Scrutiny revealed that during 1997-2002, 12, out of 24, test-checked institutions (Government/NGOs) spent Rs 38.20 lakh for purposes not related to the courses and diverted the programme fund mainly to Infrastructural works, renovation and electrification as detailed in Appendix 32.

(iii) *Land not mortgaged*

The immovable properties valuing Rs 52.73 lakh created out of Government money, by 3 NGOs were not mortgaged in violation of Government order.

3.12.5 *Programme performance*

Trade/district-wise target for imparting training courses were not fixed during 1997-2002.

Test-check of 24 institutions of 5 districts revealed the following deficiencies:

* DM, Medinipur : Rs 30 lakh, DM Murshidabad : Rs 4.68 lakh and DM UttarDinajpur : Rs 3.20 lakh.

No target was fixed for training in the State. 5 institutions did not conduct any training. In 19 Institutions, 634 dropped out of 3900 enrolled

In 19 institutions, out of 3900 trainees enrolled, 634 dropped out during 1998-2002 (Appendix 33). Though 10 trade courses were to be conducted by 7 institutions, they did not conduct any course at all as the selection of trades was not made according to local demands, thus, depriving the targeted groups of the intended benefits of training programme as detailed in Appendix 34.

Bardhaman Academy at Bardhaman conducted four courses each of three months duration against the prescribed norm of 6 months at a cost of Rs 1.55 lakh.

Though task of conducting examinations and issuing of certificates was entrusted to WBSCTE, two NGOs in Bardhaman were unauthorisedly conducting examinations and issuing certificates by themselves, thereby jeopardising the uniformity and quality in standard of education.

Out of Rs 2.44 crore available with 24 test-checked institutions, Rs 1.71 crore were spent on the programme. All courses were not covered depriving 285 students per year on an average of the benefits of the programme; besides 634 students dropped out of the courses.

3.12.6 *Irregularities in collection of course fees/examination fees in disregard of norms*

Course fees collected in excess in disregard of norms – Rs 41.53 lakh

As per norms, course fee at the rate of Rs 100 per month per trainee for six months and examination fee of Rs 100 per trainee were required to be collected from students and deposited with the WBSCTE for conducting examination and issuing certificates. Vidyasagar Vocational Training Institute in Haldia collected (1998-1999 to 2001-2002) course fee at the rate of Rs 500 per month per trainee while Regional Training Centre, Bardhaman University, Bardhaman collected course fee at the rate of Rs 1000 to Rs 2500 per trainee resulting in excess realisation of Rs 41.53 lakh by these two institutions.

Twelve institutions did not deposit course fees of Rs 61.80 lakh

In all, fee of Rs 61.80 lakh collected by 12 Institutions were not deposited with the WBSCTE as of March 2002 and was kept in their respective bank accounts. There was no evidence of any action taken by WBSCTE.

3.12.7 *Utilisation Certificates outstanding*

As of May 2002, utilisation certificates for Rs 1.62 crore, out of total expenditure of Rs 4.83 crore, incurred under STVT were not furnished by the respective institutions to the Government. No register to monitor the receipt of utilisation certificates was also maintained by the department.

3.12.8 *Conclusion*

Neither the Department nor the WBSCTE assessed the impact of the scheme in achieving the ultimate objective of enabling the trainees to take up self-employment even after spending Rs 4.83 crore.

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

WOMEN AND CHILD DEVELOPMENT AND SOCIAL WELFARE DEPARTMENT

3.13 Working of Juvenile Homes

3.13.1 Introduction

To give greater attention to welfare of the children who are subjects of social maladjustment, delinquency or neglect, the Juvenile Justice Act, 1986 was promulgated from 2 October 1987 in the State. The Act provided for taking care, protection, treatment, development and rehabilitation of the child victims for their social reintegration. The Act also empowered the State Government to establish (i) Observation Homes (for temporary retention during pendency of any enquiry), (ii) Juvenile Homes for neglected children, (iii) Special Homes for the children conflicting with law and (iv) After care Homes (for accommodating children over 18 years of age till their rehabilitation) for boys and girls separately. All Homes were to provide accommodation, education and vocational training, as well as facilities for development of character, personality and abilities and also training for protection from any moral danger and exploitation.

The Relief and Welfare Department of the State enacted Juvenile Justice (West Bengal) Rules 1988 and upgraded (May 1988 to September 2000), 16 Homes under the control of Director of Social Welfare into Homes under Juvenile Justice Act (JJ Act).

To make the Juvenile Justice System, more child friendly, the Juvenile Justice (Care and Protection of Children) Act 2000 was introduced in April 2001 by Government of India repealing Juvenile Justice Act, 1986. But the necessary Rules in conformity with the Act were yet to be framed by the State as of July 2002.

Test-check of records of six* out of 16 homes in four districts in the State revealed the following:

3.13.2 Financial Outlay

3.13.2.1 High administrative cost for running the Juvenile Homes

Of the total expenditure of Rs 13.76 crore incurred during 1997-2002 for running 6 homes having 1071 inmates (annual average) only Rs 2.94 crore

* Ananda Ashram, Shilawan (Murshidabad), SMM Home (Howrah), Vidyasagar Balika Bhavan (Medinipur), Dhruvashram and Kishalay ((North 24 Parganas)

were incurred for maintenance (food, clothing and medical expenses) of the inmates as shown in the table below:

| Name of the Home | Number of Annual Average inmates | Number of staff | Total expenditure (1997-02) (Rupees in crore) | Cost of maintenance (fooding, clothing and medical) | Administrative cost | Percentage of admin. cost | Ratio of staff to inmates |
|--------------------------|----------------------------------|-----------------|--|---|---------------------|---------------------------|---------------------------|
| Shilayan | 90 | 50 | 2.52 | 0.24 | 2.28 | 90 | 1:2 |
| Ananda Ashram | 97 | 18 | 0.91 | 0.27 | 0.64 | 69 | 1:5 |
| Kishalay | 220 | 32 | 2.02 | 0.61 | 1.41 | 70 | 1:7 |
| SMM Homes | 362 | 70 | 4.19 | 0.99 | 3.20 | 76 | 1:5 |
| Dhruvashram | 100 | 38 | 1.77 | 0.27 | 1.50 | 85 | 1:3 |
| Vidyasagar Balika Bhavan | 202 | 50 | 2.35 | 0.56 | 1.79 | 76 | 1:4 |
| Total | 1071 | 258 | 13.76 | 2.94 | 10.82 | 79 | 1:4 |

The administrative cost of Rs 10.82 crore constituted 79 per cent of the total cost of running these homes.

3.13.2.2 Inmate-Staff ratio

In the test-checked homes it was seen that the ratio of staff to inmates varied between 1:2 (Shilayan Home) and 1:7 (Kishalay Home). No uniform policy was framed to determine the staff strength required to run a home. For 90 inmates, the Shilayan Home, Berhampore maintained 7 Office Assistants, 8 Teachers, 11 Technical Instructors and 20 Group 'D' staff but for 220 inmates, the Kishalaya Home, Barasat maintained only 4 Office Assistants, 5 teachers and 6 Technical Instructors and 15 Group 'D' staff. Thus, there was an urgent need to rationalise staff-inmate ratio.

3.13.3 Implementation

3.13.3.1 Juveniles of different categories accommodated within a home

Juveniles of different categories accommodated within a home

Government was to set up separate observation homes for neglected and delinquent Juveniles as per rules and separate homes for Juveniles below and above the age of 12 years. No separate homes for Juveniles below and above the age of 12 years were established. All the homes accommodated all categories of Juveniles irrespective of their age or categories as would be evident from the following :

| Name of the Home | Month | Neglected child | Delinquent child | Child above 18 years |
|---------------------------------|------------|-----------------|------------------|----------------------|
| Shilayan (Girls) | March 2002 | 60 | 17 | 53 |
| Ananda Ashram(Boys) | March 2002 | 99 | 03 | -- |
| Kishalay (Boys) | March 2002 | 57 | 91 | 41 |
| SMM Homes (Girls) | March 2002 | -- | 68 | 16 |
| Dhruvashram (Boys) | March 2002 | 06 | 66 | -- |
| Vidyasagar Balika Bhavan(Girls) | March 2002 | 160 | -- | 40 |

Thus accommodating different categories of Juveniles together was fraught with the risk of delinquent children influencing adversely the neglected Juveniles and abuse of younger children by the elder ones.

3.13.3.2 Accommodating inmates suffering from infectious disease with other juveniles

Inmates suffering from infectious diseases were accommodated with other juveniles

Inmates known or suspected to be suffering from infectious diseases should be isolated from others. But in After Care Home for girls at Shilayan, 52 prostitutes were sheltered (January 2002) along with other Juveniles. On subsequent pathological examination, VDRL test was found positive and most of the prostitutes were found suffering from infectious Sexually Transmitted Diseases (STD). Accommodating prostitutes with other Juveniles was detrimental to mental development of other inmates besides being un-healthy.

3.13.3.3 Poor quality of medical facilities

Inadequate medical facilities in the homes

Each home was to maintain a health chart of each inmate on the basis of quarterly medical check up. But none of the homes maintained any health chart. The Ananda Ashram, (Berhampore), Vidyasagar Balika Bhavan (Medinipur), Kishalaya (Barasat) and Dhruvashram (North 24 Parganas) were running without any Medical Officer for the last 5 years. The new inmates were admitted without any medical check up and services of the Compounders of these homes remained unutilised.

3.13.3.4 Insufficient diet to juveniles

Diet scale provided by the homes was not adequate as it failed to achieve the minimum daily requirement of 2500 k.calorie value for boys and 2000 k.calorie for girls as calculated below:

| A | Carbohydrate | | Provided |
|-------|---------------|--------------|-------------|
| (i) | Cereal | 375-400 gm | 1500 k.cal. |
| (ii) | Vegetables | 200-300 gms. | |
| (iii) | Sugar | 10-15 gms. | |
| B. | Protein | | 177 k.cal. |
| (i) | Pulses | 40 gms | |
| (ii) | Fish/Meat/Egg | 40 gms | |
| C. | Fat | | 79 k.cal |
| (i) | Oil | 10 gms | |
| D. | Miscellaneous | | 44 k.cal. |
| | TOTAL | | 1800 k.cal. |

The diet scale as well as sum of Rs 400 fixed by Government in February 1999 for the purpose of diet per inmate per month therefore needs to be reviewed.

3.13.3.5 Ineffective Vocational Training

Each home was to have arrangement for vocational training with reference to the employment opportunities available in the community to facilitate rehabilitation. Out of six Homes test-checked, two Homes viz. Ananda Ashram (Murshidabad) and Dhruvashram (North 24 Parganas) had no arrangement for vocational training. The remaining four Homes could not effectively utilise the available facilities of vocational training for different trades like tailoring, weaving, printing, poultry farming, sheet metallurgy, etc.

due to deficient planning. Only 7 to 33 *per cent* of the inmates in these Homes were imparted training during the period 1997-2002.

3.13.3.6 *Perfunctory Educational arrangement*

The education facilities provided to the inmates of the Homes test-checked were as follows :

| Name of the Home | Total number of inmates (average) - per year | Number of inmates brought under educational facilities | Percentage of non-coverage |
|--------------------------|--|--|----------------------------|
| Shilayan | 90 | 45 | 50 |
| Kishalay | 220 | 106 | 52 |
| Dhrubashram | 100 | 37 | 63 |
| Vidyasagar Valika Bhawan | 202 | 122 | 40 |
| Ananda Ashram | 102 | 92 | 10 |
| SMM Home, Howrah | Not available | | |

The above table indicates that excepting Ananda Ashram, 40 to 63 *per cent* of the total inmates of the test-checked homes were not provided with adequate educational facilities.

Scrutiny also revealed that in Shilayan Home 35 *per cent* of the students were not promoted to higher classes although there were six teachers for only 45 students. The matter was never investigated either by the home authorities or by the Directorate. In Dhrubashram, no formal system of education existed. Informal education system followed in this home was guided by the teacher having no expertise. Instead of imparting any training to the teachers the Director, Social Welfare approved (September 1986) temporary engagement of a magician for entertainment of inmates. The services of the magician were discontinued from March 2001. The Director of Public Instructions did not visit any of the homes to apprise himself of the arrangements made for the inmates.

3.13.3.7 *Retention in Observation Home for more than 3 months - justice delayed*

Juveniles in conflict with law are temporarily retained in Observation Homes pending completion of any enquiry. According to the Act, enquiry should be completed within 90 days. It was, however, found that juveniles inclusive of 16 Bangladeshis were retained in the Observation Homes for more than 5 years, due to delay in obtaining order of the Hon'ble Court violating all norms as detailed below:

| Name of the Home | Number of juveniles retained | | | |
|--------------------------|------------------------------|--------------|---------------|-------------------|
| | Up to 6 months | Up to 1 year | Up to 2 years | More than 5 years |
| Shilayan | 12 | 6 | 17 | 47 |
| Ananda Ashram | 30 | 10 | 8 | - |
| Kishalay | - | - | - | - |
| SMM Homes | 33 | 37 | 26 | 89 |
| Dhrubashram | 27 | 22 | 42 | 3 |
| Vidyasagar Balika Bhavan | - | - | - | 2 |

3.13.3.8 *Inadequate arrangement of counselling*

Homes had no staff
for counselling

'Case Workers' and 'Caretakers' were to be employed in each Home for welfare of the inmates. The Case Worker was to make social study of the Juvenile through personal interview and from information collected from their family and other sources, resolve their problems and deal with their difficulties in institutional life. The Caretaker was to handle the Juvenile with love and affection and take proper care of their welfare. But none of the homes provided any Case worker or Caretaker and as such no counselling was conducted to determine the aptitude, deficiencies, moral character and difficulties of inmates. In Shilayan Home at Berhampur, 9 (Nine) inmates were engaged in activities like Tailoring, Sewing, Goat-keeping etc. but the assessment by an NGO in December 2001 indicated that no satisfactory result could be achieved. On further counselling by the NGO in March 2002 it was found that these inmates were not interested in such type of work as they had not adjusted themselves mentally with the Home environment. This indicated that the staff pattern of the Home needed re-organisation and services of educated citizen with special knowledge in child psychology, sociology, home science etc. were required to be inducted for welfare of the inmates.

3.13.3.9 *Failure to uphold the rights of the children*

The primary principle of the Juvenile Justice System was to uphold the rights of the children and to adopt a child friendly approach in adjudication and disposition of matters. But one of the Homes (Ananda Ashram) failed to uphold the rights of the children as they confined (2001-2002) six children aged about 6 to 13 years in a separate dormitory under lock and key for two to seventeen months. No records regarding nature of crime committed were available. This tantamounted to an inhuman case of mental torture particularly when other juveniles of the Homes had free movement. This requires investigation.

3.13.3.10 *Insecurity of children*

One of the primary aims of the Juvenile Justice System was to protect the children from any kind of exploitation. But the SMM Home at Liluah in the district of Howrah failed to protect their children as 4 girls were sexually abused and one of them had developed pregnancy. The case was detected in May 2001 through a medical test conducted by the Medical Officer of the Home. Based on primary investigation report conducted by the District Social Welfare Officer, Howrah in August 2001 a Sweeper of the Home was suspended. No further action was taken (May 2002). There was no record indicating lodging of FIR for the criminal act.

Whereabouts of
15 inmates not
known

There was lack of adequate security for the juveniles in the Homes. In Dhrubashram whereabouts of 15 inmates admitted during 1994 to 1999 were not known. Lock-up Register showed (28 April 1999) presence of 161 inmates whereas the number of inmates was to be 176 as per Admission Register. The Superintendent of the Home instead of ordering proper inquiry into the matter opened a new Admission Register in July 1999 and incorporated all the names except those not found in Lock-up Register. This needs to be investigated.

3.13.3.11 Non-maintenance of individual case files

Every Home is to maintain case files for each inmate containing various information, reports and documents like commitment papers, court documents and other relevant materials, probationary officers' report, information collected from family members and relatives etc. Except Ananda Ashram, none of the Homes test-checked maintained any case file of inmates.

3.13.3.12 Non-maintenance of Photo Identity Card

Every Juvenile on admission was to be photographed and three copies of the photograph were to be obtained. Each inmate was to be provided with a photo identity card. None of the Homes test-checked had yet introduced the system except Ananda Ashram.

3.13.3.13 Exploitation of inmates at Kishalaya Training Centre

As per guideline each training course was to be of six months to one year duration with a remuneration of Rs 9 per trainee per day after which a certificate regarding successful completion of the course was to be issued to the trainees.

Trainees made to work as full-fledged labourer leading to gross exploitation

In the Training Cum Production Centre (TCPC), located at Kishalay, Barasat 18 to 20 inmate-trainees were attached to the Sheet Metal Trade (only trade in the Home) for a long time, ranging from 2 to 8 years, though no specific training was ever imparted to them.

Scrutiny revealed that the trainees worked as full-fledged skilled labourers in manufacturing of steel furniture in the workshop of the TCPC and were paid Rs 9 only per day for years together leading to gross exploitation of the helpless inmate-trainees.

3.13.3.14 Poor rehabilitation of juveniles

15 to 24 per cent juveniles were rehabilitated during 1997-2002

Primary objective of the Home was to restore/rehabilitate juveniles to their own parents. In case, where service of own parents was not available or inappropriate, rehabilitation was to be carried out alternatively by adoption or by foster care.

Test-check of six Homes revealed poor trend of rehabilitation as shown below:

| Year | Number of inmates | Rehabilitation | | | | Percentage |
|--------------|-------------------|-----------------------------|----------------------------|-------------------------|-------------|------------|
| | | Restored to mother/ kinship | Restored to adopted family | Economic rehabilitation | Total | |
| 1997-1998 | 1141 | 218 | 6 | 16 | 240 | 21 |
| 1998-1999 | 1120 | 212 | 11 | 21 | 244 | 22 |
| 1999-2000 | 1178 | 261 | 9 | 11 | 281 | 24 |
| 2000-2001 | 1011 | 125 | 12 | 10 | 147 | 15 |
| 2001-2002 | 960 | 162 | 15 | 13 | 190 | 20 |
| Total | 5410 | 978 | 53 | 71 | 1102 | 20 |

The Shilayan Home, Murshidabad rehabilitated only 16 girls during April 1997 to March 2002. Poor performance of rehabilitation had never been

reviewed by the Directorate. The Department did not fix any annual programme/target for rehabilitation.

3.13.4 Conclusion

Even after 16 years of implementation of the JJ Act the Government failed to provide adequate care and protection to the children admitted in different Juvenile Homes. The role of the Director of Social Welfare in ensuring this was inadequate. Infrastructure of all the Homes needed to be further developed to implement child friendly approach. Particularly it needs to be ensured that different categories of juveniles are accommodated separately as envisaged in the rules so as to protect them from undesirable influence. Services of Child Psychologists, Sociologists are to be obtained for the welfare of the inmates. There was no system for monitoring and evaluation of the activities of the Homes.

The matter was referred to Government in July 2002; reply had not been received (December 2002).

GENERAL

3.14 Lack of responsiveness of Government to audit

Principal Accountant General (Audit) (PAG) arranges to conduct periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities, etc. detected during inspection are not settled on the spot, these find place in IRs and are issued to the Heads of offices inspected with a copy to the next higher authorities. Government of West Bengal, Finance Department Memo No 5703(72)/FB dated 29 August 1972 provides for prompt response by the executive to the IRs issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and secure accountability for the deficiencies, lapses, etc. noticed during his inspection. The Heads of offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the PAG. Serious irregularities are also brought to the notice of the Head of the Department by the Office of the Principal Accountant General (Audit). A half yearly report of pending reports is sent to the Principal Secretary/Secretary of the Department in respect of pending IRs to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued up to June 2002 relating to 551 offices of Technical Education, Home (Jails), Relief, Land and Land Reforms, Health and Family Welfare, Public Works (Construction) and Public Health Engineering

departments including 10 Commercial Undertakings¹ disclosed that 4521 paragraphs relating to 1110 IRs remained outstanding at the end of December 2002. Of these, 208 IRs containing 558 paragraphs had not been settled for more than 10 years. Year-wise position of the outstanding IRs and Paragraphs are detailed in Appendix 35. Even the initial replies, which were required to be received from the Heads of Offices within six weeks from the date of issue were not received from 1969-1970 in respect of 823 IRs of 447 offices. As a result the following serious irregularities commented upon in these IRs had not been settled as of December 2002. Department-wise break up of these irregularities is furnished in Appendix 36.

| | Nature of Irregularities | Grand Total | |
|--------------|---|-------------|--------------------------|
| | | Total Para | Amount (Rupees in crore) |
| 1 | Non-recovery of loans and other dues | 144 | 16.97 |
| 2 | Non-adjustment of advances drawn by department/field offices | 156 | 38.58 |
| 3 | Excess/irregular/avoidable/infructuous/unauthorised expenditure | 971 | 193.12 |
| 4 | Overdrawal of pay and allowances | 41 | 0.73 |
| 5 | Non-realisation of loans | 03 | |
| 6 | Non-adherence to prescribed procedure relating to Cash Book | 249 | 0.36 |
| 7 | Utilisation Certificate wanting | 123 | 12.02 |
| 8 | Theft/defaultation/misappropriation of Government money | 212 | 3.71 |
| 9 | Diversion of Fund | 64 | 7.37 |
| 10 | Loss of revenue | 170 | 12.00 |
| 11 | Outstanding decretal amount and certificate cases | 04 | 0.40 |
| 12 | Security deposit not furnished | 15 | 0.02 |
| 13 | Excess expenditure due to non-acceptance of lowest tender | 79 | 13.49 |
| 14 | Shortage/Losses not recovered/written off | 228 | 21.99 |
| 15 | Non-maintenance/non-production of records | 236 | 2.28 |
| 16 | Miscellaneous | 1826 | 211.89 |
| Total | | 4521 | 534.93 |

A review of the IRs which were pending due to non receipt of replies, in respect of Technical Education, Home (Jails), Relief, Land and Land Reforms, Health and Family Welfare, Public Works (Construction) and Public Health Engineering departments and commercial undertakings revealed that the Head of the offices and the Head of the Department (Principal Secretaries/ Secretaries to the Government) failed to discharge due responsibilities as they did not send any reply to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs. Though the position was informed to them through half yearly reports, they failed to ensure that their subordinate officers took prompt and timely action.

Audit Committees, comprising the Principal Secretary/Secretary of the Administrative Department and representatives of the Finance Department and the Principal Accountant General were formed in 44 out of 51 Departments of Government for expeditious settlement of the Outstanding Inspection Reports. Of the 44 Departments where Audit Committees were formed, meetings were

¹ under Commerce and Industries, Cottage and Small Scale Industries, Animal Resources Development, Public Enterprises and Housing Departments
 * Rupees 21(000)

held by 13 Departments on 20 occasions from July 2001 to June 2002. As a result of the meetings of these Committees, it was possible to settle 181 paragraphs and 40 Inspection Reports. No meetings were held by 31 other departments. Matter was taken up with the Government to form Audit Committees in the remaining Departments.

No information on follow up action if any, taken by the Finance Department to settle the paras/ IRs was available. The above was also indicative of lack of effort by Government to ensure accountability.

It is recommended that Government should ensure that procedure exists for (a) action against the officials who failed to send replies to IRs/paras as per the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayments in a time bound manner.

The matter was referred to Government in September 2002; reply had not been received (December 2002).

3.15 Misappropriation, losses, etc.

Cases of misappropriation, losses, etc. of Government money reported up to 31 March 2002 and on which final action was pending as of March 2002 were as under :

| | Number of cases | Amount (Rupees in lakh) |
|---------------------------------------|-----------------|----------------------------|
| Cases outstanding as on 31 March 2001 | 763 | 599.08 |
| Cases reported during 2001-2002 | 26 | 71.82 |
| Cases disposed of till March 2002 | 5 | 6.43 |
| Cases outstanding as on 31 March 2002 | 784 | 664.47 |

Appendix 37 contains department-wise details of the outstanding cases. Of the 784 cases outstanding as of March 2002, 750 cases (amount involved : Rs 557.32 lakh) were pending for more than two years. Fifty *per cent* of these cases related to the Land and Land Reforms Department.

A review again revealed that, Heads of Departments as shown in Appendix 37 failed to discharge due responsibility as they did not send replies and were reluctant to initiate action for recovery of losses or initiate investigation of the cases which was indicative of the failure of Senior Officials to enforce accountability and safeguard the interest of Government.

The matter was referred to Government in September 2002; reply had not been received (December 2002).

3.16 Misappropriation and Misutilisation of Cash

Non-adherence to the Provision of Treasury and Financial Rules by 25 DDOs in 11 districts and Kolkata led to shortage of cash of Rs 1.72 crore.

As per Treasury Rules of the Government of West Bengal, no money is to be drawn from the Treasury unless it is required for immediate disbursement. All financial transactions are to be recorded in the Cash Book as soon as they occur under proper attestation by the Drawing and Disbursing Officer (DDO). Cash Book is required to be closed every day and the Head of the Office is required to physically verify the cash balance depicted in the Cash Book at the end of each month and record a certificate to that effect. Bill and date-wise analysis in respect of closing cash balance are also required to be recorded.

Scrutiny (May 2001 to April 2002) of records pertaining to 25 DDOs in 11 districts and Kolkata revealed serious financial irregularities due to non-compliance of the provisions of the above rules resulting in misutilisation of the undischursed cash, theft and suspected misappropriation of huge sum of Government money (Rs 1.72 crore) as detailed in Appendix 38.

i) Shortage of cash

Physical verification of cash conducted at the instance of audit by 25 DDOs during May 2001 to April 2002 disclosed that against the total closing cash balance of Rs 11.31 crore as per Cash Books only Rs 9.59 crore was physically available, indicating a shortage of Rs. 1.72 crore in 25 offices. Out of Rs 1.72 crore, shortage of Rs 13.92 lakh remained unexplained indicating possibility of misappropriation and Rs 158.07 lakh was shown as advance to different staff from undischursed cash. This included Rs 44.36 lakh for which vouchers were submitted but remained unadjusted. As the amount remained outside the cash book, this amount also tantamounts to temporary misappropriation.

a) Suspected misappropriation of cash

Physical Verification of cash of nine (9) DDOs (Sl. Nos. 2, 3, 4, 6, 10, 11, 16, 18 and 24 of Appendix 38) brought out shortage of cash of Rs 13.92 lakh the details of which are shown in column 9 of Appendix 38. DDOs concerned failed to explain these cases of suspected misappropriation of cash. These matters require investigation.

b) Unauthorised advances from undischursed cash

Eleven (11) DDOs (Sl. No. 4, 5, 7, 9, 13, 14, 16, 18, 19, 22 and 25 of Appendix 38) (Column 8) paid Rs 113.71 lakh during various periods since 1981 out of undischursed cash irregularly as advance to different officials. There was no provision under the Rules for making such advances, which were to be made against regular budget provisions and through bills drawn from Treasury. None of the DDOs, including Accounts Officer (Finance) West

Bengal Secretariat maintained any advance register to watch the recovery of such advances. As such, necessity of such advance payment could not be verified. The possibility of misappropriation of these funds could not be ruled out. Government needs to take immediate action to recover the amounts to prevent misuse of such unauthorised advances.

c) *Misutilisation of Undisbursed Cash balance*

Rupees 44.36 lakh was paid against hand/kutchra receipt for various purposes such as purchase of POL, Tiffin, Rickshaw fare, TV set, Diary, etc. and these receipts were treated as vouchers by 19 DDOs (Sl. Nos. 1 to 6, 8, 12 to 18, 20 to 23 and 25 of Appendix 38). These disbursements were made unauthorisedly out of undisbursed cash balance. As these vouchers did not constitute cash balance, these amounts could be construed as temporary misappropriation. The details are shown in Column 7 of Appendix 38.

ii) *Absence of Physical Verification of Cash*

Twelve (12), out of 25 DDOs, did not conduct physical verification of closing cash balance at the end of each month for 9 to 56 months as indicated in Appendix 39. Even the DDO of Finance Department (Sl. No. 12) did not conduct such verification for 14 months at a stretch, which indicated utter disregard to the financial rules by the controlling department itself. The monthly closing balance of the DDOs ranged between Rs 5.13 crore and Rs 0.48 lakh which was also irregular.

Thus, huge amount of cash was being handled by the cashiers for months together without any physical verification of cash indicating total absence of financial control by the DDOs. This lapse provides opportunity for misappropriation, misuse and diversion of funds.

iii) *Action taken by the Government*

Cases of misappropriation and misutilisation of cash due to non-adherence to the provisions of the Financial Rules by the DDOs were mentioned in the Reports of the Comptroller and Auditor General of India repeatedly for the years ended March 1997 to 2001. Nevertheless such irregularities were persisting due to inaction on the part of the Government departments. Even the Accounts Officer (Finance) of West Bengal Secretariat resorted to payment of indiscriminate advances and incurring expenditure on different counts unauthorisedly out of undisbursed cash balance.

Thus, inadequate control over drawal and disbursement of cash by the Government and non-observance of the statutory rules by the DDOs led to serious financial irregularities including suspected misappropriation of cash.

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

3.17 Follow up action on earlier Audit Reports

(a) Review of outstanding Action Taken Notes (ATNs) on paragraphs included in the Reports from 1992-1993 to 2000-2001 of the Comptroller and Auditor General of India, Government of West Bengal revealed that Action Taken Notes on 296 paragraphs (selected : 106 from 1992-93 to 2000-2001, not selected: 190 from 1981-1982 to 2000-2001) involving 39 departments¹⁶ remained outstanding as of August 2002. A list of selected paragraphs involving 31 departments is furnished in Appendix 40. Out of the said 106 selected paragraphs, system deficiency had been pointed out by Audit in 29 paragraphs involving 18 departments.

The administrative departments were required to take suitable action on the recommendations made in the Report of the Public Accounts Committee (PAC) presented to the State Legislature. Following the circulation of the Reports of the PAC, heads of Departments were to prepare comments on action taken or proposed to be taken on the recommendations of the PAC and submit the same to the Assembly Secretariat.

Out of 14 Reports (involving 11 departments) of the PAC¹⁷ 5 were presented to the Legislature between March 1987 and February 1994 and 9 between March 1998 and July 2001. None of the 11 departments¹⁸ sent the Action Taken Notes to the Assembly Secretariat as of August 2002. Thus, the fate of the valuable recommendations contained in the said reports of the PAC and whether they were being acted upon by the Administrative Departments could not be ascertained in audit.

The matter was referred to Government in July and August 2002; reply had not been received (December 2002).

b) Non-implementation of PAC Recommendation

Mention was made in para 4.1 of the Report of the Comptroller and Auditor General of India for the year 1994-1995 (Civil) No 3 regarding the construction of 150 one-roomed residential flats in the Asansol Satellite Township area for sale to the economically weaker section of the society. Construction of flats without assessing the demand from the intended beneficiaries, rendered the expenditure of Rs 65.29 lakh unfruitful as also the expenditure of Rs 3.67 lakh on watch-and-ward arrangements up to September 1995. The Committee (1998-1999) in the Twenty-sixth Report

¹⁶ Agriculture, Animal Resources Development, Backward Classes and Welfare, Cottage and Small Scale Industries, Development and Planning, Environment, Excise, Fisheries, Food process and Horticulture, Food and Supplies, Forest, Health and Family Welfare, Higher Education, Home (Const. and Elec.), Home (PAR), Home (Political), Home (Police), Industrial Reconstruction, Irrigation and Waterways, Labour, Land and Land Reforms, Law, Mass Education Extension, Municipal Affairs, Panchayats and Rural Development, Power, Public Health Engineering, Public Works, Public Works (Roads), Relief, School Education, Social Welfare, Sports and Youth Services, Sundarban Affairs, Technical Education and Training, Transport, Tourism, Urban Development and Finance

¹⁷ 1987: two Reports, 1988: one Report, 1992: one Report, 1994: one Report, 1998: two Reports, 1999: four Reports, 2000: three Reports

¹⁸ Agriculture, Fisheries, Health and Family Welfare, Industrial Reconstruction, Labour, Municipal Affairs, Panchayats and Rural Development, Public Works (Roads), Social Welfare, Technical Education and Training, and Transport

recommended (July 1999) that the officials responsible for non-fulfilment of the objectives should be brought to book and duly condemned and awarded exemplary punishment. The Department in its ATNs (June 2000) stated that the officials responsible for the lapses had only been cautioned. Thus the department grossly failed to implement the specific recommendation of the PAC.

In reply Government further stated (October 2002) that for failure of proper prior demand survey towards implementation of this scheme, perhaps the then Secretary, Chief Engineer and other officers of the Department might have been responsible. However, those officers holding these posts during 1988-1995 have already retired, there was no scope/chance to give 'exemplary punishment' to these officers now.

The reply was not tenable as Government did not take any penal action against the erring officers while in service in spite of the fact that lapses were pointed out in Audit Report (Civil) 1994-1995.

CHAPTER IV

SECTION - A AUDIT REVIEW

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PUBLIC WORKS (ROADS) DEPARTMENT

4.1 WORKING OF PUBLIC WORKS (ROADS) DEPARTMENT

HIGHLIGHTS

The Public Works (Roads) Department is responsible for construction of new roads and bridges as well as improvement and maintenance of existing ones. Budgetary and Expenditure Control in the department was deficient leading to unexplained excess expenditure. Large amount of funds was irregularly diverted from Capital to Revenue head. Inadmissible price escalation on road package work resulted in excess expenditure. Irregular and excess payment on road works were made. Stock accounts were not properly maintained and physical verification of stores was not conducted for more than 10 years. Manpower Management in the department was deficient.

Budget estimates were *ad-hoc* as these were prepared without inputs from the field offices.

(Paragraph 4.1.4.1)

Funds to Local Bodies were released without obtaining utilisation certificates and a sum of Rs 221.04 crore remained parked in Local Fund Accounts.

(Paragraph 4.1.4.3 (i))

Funds of Rs 50.39 crore received during 1997-1998 to 2001-2002 were parked in PW Deposits by two Resources Divisions.

(Paragraph 4.1.4.3 (ii))

Seven divisions (7) diverted Rs 14.85 crore from Capital to Revenue head of account.

(Paragraph 4.1.4.4 (i))

Four divisions incurred unauthorised expenditure of Rs 5.88 crore during 1986-2002 in excess of sanctioned estimates.

(Paragraph 4.1.5.3)

Construction of 3 bridges at remote places without approach road led to unfruitful expenditure of Rs 4.73 crore.

(Paragraph 4.1.6.2)

Inclusion of irregular clause on price escalation on diesel and bitumen contrary to Government instruction led to excess payment of Rs 1.47 crore.

(Paragraph 4.1.6.3)

Overspecification of tack coat and stabilisation coat resulted in excess consumption of bitumen in road works beyond the norms laid down by Indian Road Congress (IRC) leading to wasteful expenditure of Rs 84.70 lakh.

(Paragraph 4.1.6.4)

Physical verification of stock was not done in 9 divisions for the last 10 to 15 years. As a result, possibility of shortage due to misappropriation, theft etc. could not be ruled out.

(Paragraph 4.1.7.4)

Unproductive expenditure of Rs 2.50 crore was incurred on pay and allowances of 74 idle staff attached to defunct establishments.

(Paragraph 4.1.8.1)

4.1.1 Introduction

Public Works (Roads) Department (PWRD) was hived off (during 1960) from Public Works Department (PWD) for better management of road network and was responsible for execution and construction of new roads and bridges as well as improvement and maintenance of existing roads and bridges under its control. Length of different categories of roads in the State under the control of PWRD as of March 2002 was as under :

| | | | |
|------------------|------------------------------|---|--------------|
| I) | National Highway (NH) | - | 1,151.80 km. |
| II) ¹ | State Highway (SH) | - | 1,160.20 km. |
| III) | Major District Road (MDR) | - | 979.67 km. |
| IV) | Ordinary District Road (ODR) | - | 3203.46 km. |
| V) | Village Road (VR) | - | 4390.90 km. |

4.1.2 Organisational Set up

Principal Secretary, PWD is in overall charge of the Department. He is assisted by 6 Chief Engineers (CE) posted at the Directorate. The CEs are assisted by 21 Superintending Engineers (SE) and 69 Executive Engineers (EE) at circle and divisional levels respectively.

4.1.3 Audit coverage

Functioning of the Department during the period 1997-2002 was reviewed in audit between September 2001 and April 2002 through scrutiny of records of 19¹ Divisional Offices, 8² Circle Offices and 3³ CEs Offices. Major audit findings are discussed in the following paragraphs.

¹ Barasat Highway-I&II, Bankura Highway, Bardhaman Highway-I&III, Bardhaman Mech., Dakshin Dinajpur Highway, Hooghly Highway-I, Jalpaiguri Highway, Malda Highway, Mechanical-II, Medinipur Highway-I, Nadia Highway-I, N.H.-III&VIII, Resources-I&II, Highway Survey-IV and 24-Parganas Highway.

² Bridge and Planning Circle, Mechanical Circle-II, N.H. Circle-I&II, Resource Circle, State Highway Circle-I&II and State Highway Planning Circle.
CE (Roads), CE (NH) and CE & Director (RBRI).

4.1.4 Financial Management

Principal Secretary, PWD was the Controlling Officer who framed Annual Budget Estimates for the department and submitted it to the Finance Department (FD). FD authorised Chief Engineer (CE) to issue Letter of Credit (LOC) as a percentage of the annual budget allocation. Allotment of funds was also made to Circle Offices and Divisional Offices for drawal of fund from treasury to meet expenditure on regular establishment.

4.1.4.1 Preparation of Budget without input from field office

Public Works
Division/Circles did
not submit/timely
submit budget
estimates

West Bengal Budget Manual stipulated that Executive Engineers (EEs) were to submit their annual budget estimates to their respective SEs by September 15 each year and Superintending Engineers (SEs) thereafter prepared circle-wise budget estimates based on the reports of EEs and submitted the same to the respective CE by October 1 each year.

Scrutiny revealed that 6⁴ out of 19 Divisions and 6⁵ out of 8 Circles test-checked submitted their budget estimates after expiry of 31 to 545 days of the prescribed dates of submission during 1997-2002. Budget estimates in respect of 3⁶ Divisions and 2⁷ Circle Offices were not at all submitted. Consequently, the PWRD failed to submit its budget proposals to FD within the prescribed time and the FD prepared budget on *ad-hoc* basis. As a result the work programme of the department suffered.

No action was taken by the CE/PWRD/FD to ensure submission of budget estimates in time.

4.1.4.2 Budgetary Performance

Details of Budget Grant vis-a-vis Expenditure during last 5 years ending 31 March 2002 were as under :

Revenue Expenditure

| Year | Budget Grant Grant No. 79 | Actual expenditure | Excess (+) / savings (-) over budget grant | Percentage of Excess/ savings |
|-------------------------------|------------------------------|-----------------------|---|----------------------------------|
| (R u p e e s i n c r o r e) | | | | |
| 1997-1998 | 35.50 | 36.84 | (+) 1.34 | 3.77 |
| 1998-1999 | 38.33 | 39.71 | (+) 1.38 | 3.60 |
| 1999-2000 | 44.02 | 38.31 | (-) 5.71 | 12.97 |
| 2000-2001 | 42.44 | 38.19 | (-) 4.25 | 10.01 |
| 2001-2002 | 44.51 | 35.61 | (-) 8.90 | 19.96 |

⁴ Bardhaman Mechanical, D/Dinajpur Highway, Jalpaiguri Highway, State Highway Survey-IV, Resources-I and 24-Parganas Highway.

⁵ Bridge Planning Circle, Resource Circle, NH Circle-I, State Highway Circle-II, Mechanical Circle-II and State Highway Planning Circle.

⁶ Malda Highway, NH- III & VIII.

⁷ NH Circle-II and State Highway Circle-I.

Capital Expenditure

| Year | Budget Grant Grant No. 79 | Actual expenditure | Excess (+) /savings (-) over budget grant | Percentage of savings |
|-----------|-------------------------------|-----------------------|--|--------------------------|
| | (R u p e e s i n c r o r e) | | | |
| 1997-1998 | 141.73 | 108.00 | (-) 33.73 | 24 |
| 1998-1999 | 215.50 | 186.27 | (-) 29.23 | 14 |
| 1999-2000 | 418.00 | 237.95 | (-) 180.05 | 43 |
| 2000-2001 | 486.70 | 459.30 | (-) 27.40 | 06 |
| 2001-2002 | 612.52 | 347.83 | (-) 264.69 | 43 |
| Total | 1874.45 | 1339.35 | (-) 535.10 | |

The above tables show substantial savings in all the years under Capital head and during 1999-2001 under Revenue head which were indicative of major deficiencies in preparation of budget. Despite increase in budgetary grant by Rs 125.82 crore during 2001-2002, the expenditure came down substantially resulting in savings of Rs 264.69 crore.

Reasons for such savings and excess were not furnished by the department.

4.1.4.3 Parking of fund

Fund released to local bodies irregularly parked in local fund - Rs 221.04 crore

i) PWD and PWRD released Rs 337.29 crore (separate figures of release by PWRD were not available) in favour of Zilla Parishads/ Municipalities/Municipal Corporations as Grants-in-Aid for improvement and strengthening of the roads under the control of both the departments. Out of Rs 337.29 crore drawn by the Local Bodies during 1999-2002, Rs 116.25 crore only was spent up to March 2002 and the balance of Rs 221.04 crore was irregularly parked by the offices concerned in Local Fund Accounts. Though funds were transferred from PWRD to Local bodies for construction of roads, the same were not utilised. Thus, the department had released funds every year without ensuring proper utilisation of funds released during earlier years.

Resources divisions parked Rs 50.39 crore received for procurement of materials in PW Deposits during 1997-2002

ii) ⁴ Advance of Rs 50.39 crore (vide Appendix 41) received for procurement of materials (cement, steel, bitumen, etc.) during 1997-2002 were not utilised by the Resources Divisions during the respective financial year. The amounts were kept in PW Deposit.

Divisions withdrew fund through self-cheques to avoid lapse of budget grant

iii) Records of 11⁸ divisions revealed that the EEs drew Rs 5.57 crore by drawing self-cheques at the fag end of the year to avoid lapse of budget grant.

⁸ Bunkuru Highway, Barasat Highway-I, Banthaman Mech., Banthaman Highway-III, Dakshin Dinajpur Highway, Hooghly Highway-I, Jalpaiguri Highway, Medinipur Highway-I, Nadi Highway-I, NH-III and 24-Parganas Highway.

4.1.4.4 Diversion of fund

i) Ineffective LOC system

Seven divisions diverted Rs 14.85 crore from Capital to Revenue head

Scrutiny revealed that 7⁹ divisions incurred revenue expenditure (3054-Other expenditure-non-plan-27-maintenance) of Rs 14.85 crore (1997-1998: Rs 1.82 crore, 1998-1999: Rs 6.53 crore, 1999-2000: Rs 4.50 crore, 2000-2001: Rs 2 crore) on repair and maintenance in excess of the LOC received. The excess expenditure was met by unauthorisedly diverting the fund from the savings under the Capital head (5054-C.O on Roads and Bridges), meant for original work.

Six divisions incurred excess expenditure of Rs 11.22 lakh for office expenses by diversion of fund

ii) Excess expenditure on Office Expenses

Review of records revealed that 6¹⁰ divisions incurred excess expenditure of Rs 11.22 lakh during 1997-2001 towards office expenses by utilising funds provided through LOC for execution of work.

Seven divisions incurred excess expenditure of Rs 9.46 crore over deposit received

iii) Excess expenditure on Deposit Work

Scrutiny revealed that 7¹¹ divisions incurred excess expenditure of Rs 9.46 crore up to March 2002 in respect of 51 Deposit Works by diverting funds.

4.1.5 Control over expenditure

4.1.5.1 Rush of expenditure in March

There was endemic rush of expenditure (26 to 42 per cent of total expenditure) during March as shown below :

| Year | Total works expenditure during the year | Expenditure incurred during March | Percentage of expenditure in March to total expenditure |
|---------------------|---|-----------------------------------|---|
| (Rupees in crore) | | | |
| 1997-1998 | 60.69 | 15.74 | 26 |
| 1998-1999 | 74.44 | 30.96 | 42 |
| 1999-2000 | 91.68 | 34.91 | 38 |
| 2000-2001 | 149.03 | 45.61 | 31 |

Scrutiny further revealed that funds released through LOC during last quarter of the financial year ranged between 30 and 70 per cent. Release of fund at the fag end of the financial year was indicative of deficient financial planning.

⁹ Bankura Highway, Hooghly Highway-I, Jalpaiguri Highway, Medinipur Highway-I, Nadiu Highway-I, NH-III & VIII.

¹⁰ Barasat Highway-I, (Rs 1.07 lakh), D/Dinajpur Highway (Rs 0.69 lakh), Hooghly Highway-I (Rs 0.06 lakh), Nadiu Highway-I (Rs 6.87 lakh), Resources -II (Rs 0.63 lakh) and 24-Parganas Highway (Rs 1.90 lakh).

¹¹ Barasat Highway-I, Bardhaman Highway-III, D/Dinajpur Highway, Malda Highway, Medinipur Highway-I, NH-III and 24-Parganas Highway.

4.1.5.2 Non-reconciliation of CTI and CTR

Certificate of Treasury Issues (CTI) and Consolidated Treasury Receipts (CTR) were to be prepared monthly by EE after reconciliation with the Treasury and the same were to be submitted to the Accountant General (Accounts and Entitlement) along with monthly accounts. Scrutiny revealed that CTI and CTR were not reconciled since January 1973 and March 1972 respectively in 13¹² divisions though the matter was pursued regularly by issuing observation memo on monthly accounts by Accountant General (Accounts and Entitlement) and also through Inspection Reports. Thus, the possibility of fraud, misappropriation, etc. due to non-submission of CTI and CTR could not be ruled out.

4.1.5.3 Excess expenditure over sanctioned estimate

Scrutiny revealed that in 4¹³ divisions, there was unauthorised expenditure of Rs 5.88 crore in excess of sanctioned estimate in respect of 12 works executed during 1986-2002. No action was initiated by EEs to get the excess expenditure approved by higher authorities.

4.1.5.4 Non-maintenance of accounts records under Suspense head

i) As per codal provisions, Suspense Register for Purchases, Stock, Miscellaneous Public Works Advance (MPWA), etc. were required to be maintained with item wise details so that outstanding balances under these heads could be watched/monitored properly and cleared by timely adjustment. Scrutiny of records of 14¹⁴ divisions revealed that the EEs did not maintain any such records though there were huge outstanding under Suspense heads during 1997-2001 as shown below :

| Suspense head | As on 31.03.1998 | As on 31.03.1999 | As on 31.03.2000 | As on 31.03.2001 |
|---------------|---------------------|---------------------|---------------------|---------------------|
| | (Rupees in crore) | | | |
| Purchase | 27.23 | 32.75 | 32.72 | 32.72 |
| Stock | 14.75 | 13.27 | 12.09 | 12.33 |
| MPWA | 9.80 | 10.34 | 11.77 | 14.27 |
| CSSA (Old) | 3.33 | 5.34 | 5.34 | 5.34 |
| CSSA (New) | 1.70 | 4.56 | 5.72 | 5.29 |

Non-maintenance of Suspense Register resulted in the accounts not being transparent and also led to suppression of irregular expenditure.

Moreover, scrutiny of balance kept under MPWA of Medinipur Highway Division-I revealed that the Division maintained a balance of Rs 43.04 lakh as of March 2002, being sales on credit effected more than 10 years back. The Divisional Officer did not keep proper records for such credit sales which merits investigation.

¹² Barasat Highway-I, Bardhaman Highway-III, D/Dinajpur Highway, Hooghly Highway-I, Highway Survey-IV, Jalpaiguri Highway, Malda Highway, Mech.-II, Medinipur Highway-I, Nadia Highway-I, NH-III & VIII and 24-Parganas Highway.

¹³ Bankura Highway, Mechanical -II, Medinipur Highway-I and National Highway-III.

¹⁴ Bankura Highway, Barasat Highway-I, Bardhaman Highway-III, D/Dinajpur Highway, Hooghly Highway-I, Highway Survey-IV, Jalpaiguri Highway, Malda Highway, Medinipur Highway-I, Nadia Highway-I, NH-III & VIII, Resources-II and 24-Parganas Highway.

Expenditure of Rs 5.88 crore was incurred by 4 divisions without sanction

4.1.5.5 High Administrative Expenditure

Scrutiny revealed that the department incurred establishment expenditure ranging between 22 and 38 per cent of works expenditure during 1997-2002 as detailed below :

| Year | Works expenditure | Expenditure on regular establishment | Expenditure on work charged establishment | Total expenditure on establishment | Percentage of total establishment expenditure over works expenditure |
|---------------------|-------------------|--------------------------------------|---|------------------------------------|--|
| (Rupees in crore) | | | | | |
| 1997-1998 | 177.23 | 25.46 | 41.42 | 66.88 | 38 |
| 1998-1999 | 253.83 | 36.16 | 40.27 | 76.43 | 30 |
| 1999-2000 | 462.02 | 40.46 | 62.29 | 102.75 | 22 |
| 2000-2001 | 529.14 | 69.90 | 94.35 | 164.25 | 31 |
| 2001-2002 | 657.03 | 69.06 | 77.97 | 147.03 | 22 |

Thus, administrative cost ranged between 22 and 38 per cent of works expenditure as against the norm of 10 per cent.

4.1.6 Execution of work

4.1.6.1 Award of contracts without inviting tender

Two divisions allotted 196 works valued at Rs 53.02 lakh without calling tenders

Scrutiny revealed that EEs of Bankura Highway Division and National Highway Division-III executed both original and repair works exceeding their powers of Rs 10000 in 196 cases and paid Rs 53.02 lakh between May 1997 and January 2002 without calling tender/quotation and also in violation of prescribed annual limit of Rs 1,00,000 for a division.

4.1.6.2 Unplanned execution of work

Two divisions incurred unfruitful expenditure of Rs 4.73 crore on 3 bridges due to delay in execution of approaches

Scrutiny of records in 2 divisions revealed that construction of 3 bridges were undertaken in remote localities to benefit the villagers to meet their daily needs (Education, Health, Food, etc.). The bridges were completed between June 1997 and September 2000 at a cost of Rs 4.73 crore, but due to non-completion of approaches the benefit of these bridges did not accrue to the villagers.

| Sl. No. | Name of Work | Division | Expenditure incurred (Rs in lakh) | Date of completion of bridge proper | Importance of the bridges |
|---------|---|---------------------------|-----------------------------------|-------------------------------------|---|
| 1. | Bridge over Bagjola Khal at 10 th km of Lowhati-Bhangar Bazar Road. | Barasat Highway-I | Rs 44.88 | June 1997 | Main communication link for most interior localities. |
| 2. | Construction of reinforced cement concrete cast in situ bored pile foundation bridge over river Tulai on Mohipaldighi-Udaypur Road. | Dakshin Dinajpur Highway. | Rs 70.53 | September 2000 | Large number of people of remote villages adjacent to the Border of Bangladesh are delinked from daily necessities of health, medicine and transport. |
| 3. | RCC well foundation bridge over river Punarbhaba at Amtalighat on Malda-Balurghat Road. | Dakshin Dinajpur Highway. | Rs 357.13 | December 1999 | Economic upliftment of the villagers of remote localities. |
| Total : | | | Rs 472.54 | | |

Thus, completion of bridges, without approaches, even after lapse of 24 to 63 months of their completion led to unfruitful expenditure of Rs 4.73 crore.

4.1.6.3 Inadmissible price escalation on road works

Price escalation of Rs 1.47 crore was allowed due to inclusion of irregular provision for escalation in the tender

Government of West Bengal approved (January 2000) a scheme under loan assistance from the Housing and Urban Development Corporation (HUDCO) for improvement of at least two important (roads) corridors in each district on an urgent basis in such a manner that no maintenance and repair work would be required on those improved roads in next three years. Accordingly, PWRD was directed to act so as to utilise such loan assistance in the best manner for timely completion of the schemes with satisfactory quality. It was categorically stated that no price escalation would be allowed in execution of the work.

In pursuance to above, 5¹⁵ SEs executed (March 2000) six agreements for widening, strengthening and improvement of 5 roads at a negotiated cost of Rs 77.80 crore for completion of works by January 2001. All the works except one were completed in January 2001. The contract provided an escalation clause contrary to Government instruction and as a result the contractors were allowed price escalation of Rs 1.47 crore towards increase in the cost of diesel and bitumen. Divisional Officers stated (April 2002) that payments were made as per provision in the agreement. Reply was not tenable in view of inclusion of escalation clause in the agreement in violation of the Government order.

4.1.6.4 Wasteful expenditure due to non-adherence to the Indian Road Congress specification

Four divisions incurred wasteful expenditure of Rs 84.70 lakh for non-adherence to IRC specification

According to IRC specification tack coat should be applied on existing road surface by using bituminous emulsion at the rate of 2.5 kg per 10 sq m (m²) in case of existing bituminous road surface and at the rate of 4 kg per 10 sq m for non-bituminous road surface (WBM surface). Further, stabilisation coat over a low porosity surface viz. Water Bound Macadam (WBM) was required to be laid with 6 to 9 kg per 10 sq m of hot matrix.

Scrutiny revealed that 4¹⁶ divisions executed the item tack coat over an area of 15.36 lakh sq m with straight run bitumen using 5 kg per 10 sq m instead of 2.5 kg per 10 sq m through 61 contractors during 1998-2001 resulting in excess consumption of bitumen valuing Rs 42.07 lakh. Further 3¹⁷ divisions executed the items of stabilisation coat over an area of 3.68 lakh sq m with straight run bitumen using 18 kg per 10 sq m instead of maximum 9 kg per 10 sq m through 51 contractors during 1998-2002 which also resulted in excess consumption of bitumen valuing Rs 42.63 lakh. Thus, utilisation of bitumen in road work in excess of norm laid down by IRC resulted in avoidable excess expenditure of Rs 84.70 lakh.

¹⁵ State Highway Circle-I, II, III, IV & V.

¹⁶ Bankura Highway, Hooghly Highway, D/Dinajpur Highway and Medinipur Highway-I.

¹⁷ Bankura Highway, Hooghly Highway and Medinipur Highway-I.

4.1.6.5 *Extra payment for non-executed portion*

Excess payment of Rs 34.36 lakh made for non-executed portion of 710 metre of State Highway

In January 2001, SE/SHC-IV entered into an agreement with an agency for "Improvement and Strengthening of Moinaguri-Changrabandha-Cooch Behar Road" under loan assistance from HUDCO (2nd phase) for a length of 31 km in Jalpaiguri and Cooch Behar districts at an agreed cost of Rs 15 crore (at the rate of Rs 48.40 lakh per km) for its completion by May 2001. Out of total length of 31 km, the work for first 18.50 km was entrusted to Jalpaiguri Highway Division and the balance 12.50 km to Cooch Behar Highway Division. The agency completed the work in November 2001 and was paid full contractual amount of Rs 15 crore in March 2002.

Scrutiny revealed that the agency did not have to execute road works for a total length of 710 metre (314 metre for bridge proper, 388 metre previously covered by mastic asphalt and 8 metre for existence of bye-pass). The Divisional Officer allowed the payment for the entire length of 31 km including the non-executed portion of 710 metre which resulted in excess payment of Rs 34.36 lakh recoverable from the agency.

The EE did neither furnish any reply nor initiate any recovery action.

4.1.6.6 *Unreasonable execution of repair works*

Execution of repair works in same stretch during currency of permanent nature of work led to unreasonable expenditure of Rs 10.45 lakh

In April 1999, the SE, SHC-I awarded the work "Widening and Strengthening of Gobardanga-Gopalpurhat Road" (3 to 8.80 km) in North 24-Parganas to two contractors at a total cost of Rs 1.96 crore for completion by March 2000 and the agencies completed the work in time. While the work was in progress, repairing and restoration work on the same stretch of the road was executed through separate tenders between February and March 2000 at a cost of Rs 10.45 lakh through other agencies. As the work of widening and strengthening was composite and permanent in nature, there was hardly any scope for execution of repair work in same stretch by another agency during the pendency of the original contracts. Thus, execution of repair work for Rs 10.45 lakh during strengthening work on the same stretch was doubtful.

Divisional Officer stated (September 2001) that strengthening work was executed after widening of existing road and repair and restoration work was done before strengthening of the road. Reply was not tenable since repairing work was done when the strengthening work was almost completed. Besides, repair and restoration was a pre-requisite to strengthening work covered under original contract.

4.1.7 *Material Management*

Purchase procedure

The Resources Divisions received LOC from the Chief Engineer on the basis of advance payment made by the working divisions for procurement of materials. Bitumen was purchased directly from Indian Oil Corporation Limited (IOCL) and cement through West Bengal Essential Commodities Supply Corporation Limited (ECSCCL), a Government of West Bengal

undertaking. Steel materials are procured from the leading manufacturers through open tender/quotation. Only cationic emulsion was procured by the executing division through open tender as and when required.

4.1.7.1 Holding of excess store

Stock held by 6 divisions was 72 to 7862 per cent in excess of RSL.

Review of monthly accounts revealed that in 5 Divisions value of closing stock at the end of each year during 1997-2001 ranged between Rs 30.45 lakh and Rs 2.22 crore against Reserve Stock Limit (RSL) of Rs one lakh to Rs 15 lakh. In one division the stock held ranged between Rs 1.72 crore and Rs 2.79 crore against the RSL of Rs one crore. The details are in Appendix 42.

Besides procurement of materials in excess of requirement at the lag end of the year, non-closing of stock account annually with adjustment of profit and loss for years together played a major role in accumulating such huge balance under stock account. Some instances showing procurement of materials in excess of requirement of the divisions are detailed below:

| Name of the Division | Opening Balance as on 01.04.2000 | | | | Purchase at the end of 2000-2001 | | | | Closing Balance as on 31.03.2001 | | | | Total value of Closing Stock (Rupees in lakh) |
|--------------------------|----------------------------------|-------|--------------|----------------|----------------------------------|--------|--------------|----------------|----------------------------------|--------|--------------|----------------|---|
| | Cement | Steel | Bulk Bitumen | Packed Bitumen | Cement | Steel | Bulk Bitumen | Packed Bitumen | Cement | Steel | Bulk Bitumen | Packed Bitumen | |
| | (in tonnes) | | | | | | | | | | | | |
| Burdwan Divn I | --- | 27.50 | 46.45 | 56.60 | --- | 101.79 | 61.96 | 385.69 | --- | 100.92 | 62.114 | 90.25 | 31.85 |
| NH III Divn Durgapur | 40.90 | --- | --- | 0.53 | 2180 | --- | --- | 777.32 | 188.20 | --- | --- | 90.15 | 15.11 |
| Bankura Highway Division | --- | --- | --- | 687.60 | --- | --- | --- | 796.58 | --- | --- | --- | 756.78 | 82.64 |

In view of such excess procurement the possibility of misappropriation/theft besides damage of materials due to prolonged storage could not be ruled out.

4.1.7.2 Irregular maintenance of Stock Account

Records of 13¹⁸ divisions revealed that the sub-divisions did not send the annual return of stock, consequently the divisional offices also could not close their stock account for more than 15 years. Thus correctness of the value of stock held by the divisions could not be ascertained.

4.1.7.3 Non-maintenance of Priced Stores Ledger

The numerical quantities with their values showing opening balances, receipts, issues and closing balances were to be kept in Priced Stores Ledger (PSL) by the divisions. Posting in ledger was also subject to periodical reconciliation with the Ledger/Bin Cards maintained in the sub-divisions to ensure correctness. None of the 19 divisions maintained PSL. Due to non-reconciliation of balances, errors of misposting/non-posting of receipts/issues of stores, if any remained undetected.

¹⁸ Bankura Highway, Barisat Highway -I&II, Bardhaman Highway-I&III, D/Durgapur Highway, Hooghly Highway -I, Jalpaiguri Highway, Malda Highway, Medinipur Highway -I, Nadia Highway-I, NH-III and 24-Parganas Highway.

4.1.7.4 Absence of physical verification of stock and stores

As per codal provision physical verification including surprise check of divisional stores was required to be conducted once in a year.

Physical verification of stores of nine divisions were not conducted for 10 to 15 years

Scrutiny of records revealed that although stock of materials valuing Rs 11.80 crore were held by 9¹⁹ divisions as of March 2001, the annual physical verification of the same was not conducted for last 10 to 15 years as a result of which the correctness of stock balance could not be ensured and their physical condition also could not be ascertained. Possibility of loss due to theft and pilferage in store could not be ruled out. Proper monitoring at CE and SE level was lacking although this irregularity was being reported regularly through Inspection Reports of Accountant General (LBA).

4.1.7.5 Non-disposal of unserviceable materials

Nine divisions did not dispose of survey reported materials worth Rs 67.62 lakh

Old and unserviceable bitumen drums (121391 numbers) in 9²⁰ Divisions test-checked were survey reported long back between September 1987 and March 2001 with their reserve price fixed at Rs 67.62 lakh. But the same were not disposed of by the divisions.

4.1.8 Human Resource Management

The manpower of an organisation should be so utilised that optimum output is derived and desired goals and objectives are achieved. The Directorate had a sanctioned strength of 2017 technical staff with men in position of 1765 as of March 2002. Information on sanctioned strength as well as men in position of the Directorate in respect of non-technical staff was not made available. However, review of men in position revealed that 269 technical and 2324 non-technical staff including work charged staff were in the establishment of 17²¹ Divisions as of March 2001. Ratio of deployment in technical and non-technical staff at field level was 1:9 which was very high. Moreover, divisions had a large number of non-technical staff particularly road majdoor and road mate with no work. Thus, it was evident that deployment of staff was not reviewed from time to time on the basis of actual requirement of manpower. Deficiencies in utilisation of manpower has been discussed in subsequent paragraphs.

¹⁹ Bankura Highway, Barasat Highway-I, Bardhaman Highway-I, Hooghly Highway-I, Malda Highway, Medinipur Highway-I, Nadia Highway-I, NH-III and 24-Parganas Highway.

²⁰ Barasat Highway-II, Bankura Highway, Bardhaman Highway-III, D/Dinajpur Highway, Jalpaiguri Highway, Malda Highway, Nadia Highway-I, National Highway-VIII, 24-Parganas Highway.

²¹ Barasat Highway-I & II, Bardhaman Highway - I & III, Bardhaman Mechanical, D/Dinajpur Highway, Hooghly Highway-I, Jalpaiguri Highway, Malda Highway, Mechanical-II, Nadia Highway, NH-III & VIII, Resources-I & II, State Highway Survey-IV and 24-Parganas Highway.

4.1.8.1 Unproductive expenditure on idle staff

Retention of sub-divisions and sections without work resulted in unproductive expenditure of Rs 1.81 crore on pay and allowances of idle staff

(a) National Highway Divisions were entrusted with construction and maintenance of National Highways (NHs) in West Bengal. Scrutiny revealed that National Highway Authority of India (NHAI) took charge of some stretches of NH held by one Sub-Division in 1998-1999 and two Sections in 2000-2001 under NH Division-III and NH Division-VIII respectively. Consequent upon such transfer of works, NH divisions continued to retain establishment of those offices without any work for years together instead of winding up the same and thus incurred an unproductive expenditure of Rs 1.81 crore up to March 2002 on pay and allowances of 65 idle staff.

Unproductive expenditure of Rs 68.83 lakh towards pay and allowances of staff attached to condemned HMP

(b) Ministry of Road Transport and Highways provided a Parker Hot Mix Plant (HMP) to the PWRD, (Medinipur Mechanical Division), for construction and maintenance of National Highways in West Bengal. The HMP stopped functioning from 1997 due to major breakdown. The Chief Engineer decided to dispose off the HMP as it had outlived its economic life, but it was not disposed off till July 2002 for want of willing purchaser at the minimum reserve price. The department also incurred expenditure of Rs 4.72 lakh from 1997-1998 to 2001-2002 for its security.

Thus, expenditure of Rs 68.83 lakh on pay and allowances of 9 idle staff attached to the idle plant during the period from March 1997 to March 2002 was infructuous.

4.1.9 Poor utilisation of road rollers

PWRD had a fleet of road rollers for construction, repair and maintenance of roads. Test check of log books of 117 road rollers of 11²² divisions revealed that the road rollers were underutilised. Considering 240 working days in a year the under utilisation of road rollers ranged between 71 to 73 per cent during 1997-2001 as detailed below :

| Year | Number of road-rollers | Total working days | Days utilised | Number of days each road-roller used | Percentage of under utilisation |
|-----------|------------------------|--------------------|---------------|--------------------------------------|---------------------------------|
| 1997-1998 | 80 | 19,200 | 5214 | 65 | 73 |
| 1998-1999 | 116 | 27,840 | 7393 | 64 | 73 |
| 1999-2000 | 137 | 32,880 | 9503 | 69 | 71 |
| 2000-2001 | 136 | 32,640 | 9130 | 67 | 72 |

During this period 5²³ divisions incurred an unfruitful expenditure of Rs 7.08 lakh on account of fuel and lubricants for idle run of road rollers for their proper upkeep besides pay and allowances of one driver and one cleaner.

From the above it was noticed that PWRD did not properly utilise road rollers which was due to lack of planning and improper management. Moreover,

²² Bankura Highway, Bandhaman Highway-III, D/Dinajpur Highway, Hooghly Highway, Jalpaiguri Highway, Malda Highway, Medinipur Highway-I, Nadia Highway -I, NH-III&VIII and 24-Parganas Highway.

²³ Barasat Highway -I, Bankura Highway, Hooghly Highway-I, Medinipur Highway -I and NH-III.

allowing executing agencies to utilise their machinery further reduced the prospect of proper utilisation of departmental road-rollers.

4.1.10 Quality Control Management

4.1.10.1 Poor utilisation of services of Road and Building Research Institute (RBRI)

The RBRI headed by a Director in the rank of Chief Engineer was established in 1952 at Kolkata for quality control/assurance, investigation study, research and development work and to impart training to field engineers and technical personnel. The institute had also test laboratories for soil, road construction materials, chemical and bitumen.

Records disclosed that during 1997-2002 the institute conducted 145 tests and collected fees Rs 15.75 lakh. In order to achieve objectives of quality control and also to enhance the activities of the State Laboratories, Director of Central Roads Research Institute, New Delhi (CRRRI) advised (November, 2000) that certain percentage of tests be made mandatory for contractors to get conducted through State Research Laboratory by incorporating necessary changes in the Contract Clauses. Till date no such clause for compulsory tests in RBRI has been inserted in the contract document by PWRD.

The institute had the annual capacity for imparting training to 180 trainees in 6 courses during a year. But during 1997-2002 it could train only 244 field staff and 20 Engineering students in 7 training courses. Thus, the institute could utilise only 30 per cent of its capacity for imparting training.

Moreover, no Research Project was undertaken by the institute. The institute had a post of Chief Research Officer (CRO) whose services were utilised merely as a DDO.

Thus, the objectives of the institute were not achieved even after incurring expenditure of Rs 3.34 crore.

4.1.11 Monitoring and Evaluation

4.1.11.1 Absence of monitoring in execution of work

Monitoring Cell was created in 1980 to assist the CE in dealing with matters relating to budgets and to keep and update records of activities of the department and also to monitor the overall performance.

The Monitoring cell is headed by one SE, one Assistant Engineer and one Sub-Assistant Engineer besides non-technical staff like stenographer, computer operator, etc.

Scrutiny revealed that the monitoring cell only collected data regarding physical and financial progress of the schemes/projects and compiled statistical data of different roads and bridges under the department. Monitoring in the field level was not done. Evaluation on impact of implementation of schemes/projects was also not done. Hence the purpose of creation of

Monitoring Cell was defeated although an average expenditure of more than Rs 10 lakh per annum was being incurred on establishment towards collection and maintenance of data.

4.1.11.2 Inadequate inspection by Supervisory Officers

SEs and EEs did not conduct periodical inspection of divisions/ sub-divisions

SEs and EEs were required to conduct annual inspection of divisions and sub-divisions under their control. Divisional Accountants (DA)/Divisional Accounts Officer (DAO) were also required to inspect the sub-divisional offices each year. Test check revealed that out of 15 test-checked divisions only one division was inspected by SE and remaining 14 Divisions were not inspected during the period varying from 2 to 18 years although expenditure incurred by these divisions was Rs 614.28 crore during 1997-2002. Similarly, out of 49 sub-divisions under 15 divisions, 6²⁴ sub-divisions were not inspected by the EEs as well as by DAOs since inception. Twenty eight (28) sub-divisions were not inspected during a period ranging from 6 to 17 years and only 15 sub-divisions were inspected during 1997-2002.

4.1.11.3 Lack of response to outstanding Inspection Reports and Paragraphs

Audit observations on financial irregularities of a division noticed during local audit were communicated to the heads of the offices and to the next higher authorities through Inspection Reports while serious irregularities were reported to the Government through Audit Reports. The position of outstanding paragraphs of Inspection and Audit Reports at the end of the year 2001-2002 was as under :

As on 31 December, 2002

| | | |
|---|--|-----|
| A | Numbers of Inspection Reports (IR). | 285 |
| B | Number of IR paragraphs. | 835 |
| C | Number of Audit Report paragraphs for which reply not received. (1 of 1985-1986 , 2 of 1999-2000 and 4 of 2000-2001) | 07 |

Only 6 Audit Committee meetings were held by the Principal Secretary, Public Works Department during the last 5 years (1997-2002). 835 paragraphs contained in 285 IRs could not be settled for want of specific reply from Chief Engineer and Government as of December 2002.

²⁴ Baguihati Highway Sub-Divisions, Barasat Bridge Sub-Division, Balurghat Highway Sub-Division, Buniyadpur Highway Sub-Division, Krishnanagar Highway Sub-Division-I & II.

CHAPTER IV

SECTION – B **AUDIT PARAGRAPHS**

IRRIGATION AND WATERWAYS DEPARTMENT

4.2 Extra expenditure due to delay in payment of land compensation

Failure of the Chief Engineer to provide fund for payment of land compensation within due date of award led to increase in market value of land and payment of accumulated interest at higher rate resulting in avoidable extra expenditure of Rs 63.83 lakh.

Land Acquisition Collector (LA Collector), North 24-Parganas acquired (April 1977) 6.305 acres of land in Mouza-Bisarpa and Gouripur in North 24-Parganas district under West Bengal Land (Requisition and Acquisition) Act, 1948 (West Bengal Act-II of 1948) for Executive Engineer (EE), Urban Drainage Division for construction of a branch channel in connection with Nowi Basin Drainage Scheme. The acquisition was notified in July 1985. LA Collector assessed (December 1994) compensation at Rs 27.71 lakh (value of land Rs 12.75 lakh, interest – Rs 10.52 lakh and requisition compensation – Rs 4.44 lakh) based on the date of notification for payment to the land owners. The Department sanctioned the estimate of compensation in January 1995 but the EE could not make payment as Chief Engineer (CE) did not provide requisite fund till March 1997 despite repeated requests (July 1995 to August 1996) from EE and the Superintending Engineer. Payment of compensation by March 1997 was crucial because tenure of West Bengal Act-II of 1948 was due to expire by that time and the rate of compensation was likely to increase under the new Act. CE did not take any action in the matter although Deputy Secretary of the Department had categorically informed (August 1996) him about expiration of the validity of Act-II in March 1997.

As the LA case was not settled within the currency of Act-II, LA Collector issued fresh notification in March 1997 under the provision of the new Act called Land Acquisition (West Bengal Amendment) Act, 1997 which, *inter alia*, stated that settlement of land will be governed by the Act prevailing at the time of payment of compensation. Compensation payable was computed afresh taking the new uniform rate of interest at 12 *per cent* from the date (April 1977) of acquisition to April 1999, which worked out to Rs 1.66 crore. The land value had gone up to Rs 55.15 lakh with interest element mounting to Rs 1.11 crore. The compensation was paid in three instalments between February 2000 and August 2000.

Meanwhile another amendment called the Land Acquisition (West Bengal Amendment) Act, 1999 came into force and the amount of compensation was computed afresh in compliance with the Hon'ble High Court's order (September 2001) as Rs 91.54 lakh (12 *per cent* interest on current land value from the date of notification to date of handing over + 12 *per cent* additional

compensation on land value from date of possession to day before issue of notification).

Chief Engineer stated (April 2002) that due to inadequacy in budget provision, Executive Engineer could not be provided with the fund. The reply was not tenable since Appropriation Accounts for 1996-1997 revealed saving of Rs 5.02 crore under different drainage schemes under Plan Sector.

Lack of seriousness of CE in arranging fund in time delayed payment of compensation resulting in avoidable extra expenditure of Rs 63.83 lakh.

The matter was referred to the Chief Engineer in June 2001. No response has been received from him. The matter was also referred to Secretary, Irrigation and Waterways Department demi-officially in April 2002. No reply has been received (December 2002).

4.3 Undue financial aid to a contractor

Executive Engineer, Malda Irrigation Division provided unjustified additional lead for carrying boulders in Ganga Anti-erosion Works leading to extra expenditure of Rs 28.42 lakh in the shape of undue financial aid to a contractor.

Chief Engineer-II awarded (April 2001) two anti-erosion works – one for re-modelling of marginal embankment for repelling spur of 300 metre length (Work No.1) and another for protection of spur No.18 from its tagging point with marginal embankment towards nose-point of 200 metre length (Work No.2) at Panchanandapur of Malda district to Mackintosh Burn Limited (a Private Company) after negotiations at an aggregated cost of Rs 7.85 crore (15 per cent premium over the aggregate estimated cost of Rs 6.82 crore). The works were to be completed within 30 June 2001. The works were completed in August 2001 at an aggregate cost of Rs 6.40 crore.

The scope of the two works, mainly included execution of stone boulders pitching (3263 cum) on the top and slope of entire bank and laying of boulder filled in wire-netted sausages (10199 cum) over boulder dumped apron (58955 cum) along the bottom line of the bank slope.

The contract provided supply of stone boulders at work site (Rs 712.90 per cum) for a quantity of 54119 cum in respect of Work No.1 and 18298 cum in respect of Work No.2, alongwith a provision of five and three additional leads respectively of 30 metre each or part thereof (Rs 9.20 per cum) for carrying the boulders from stacking point to working point. Executive Engineer (EE), Malda Irrigation Division stated (May 2002) that the additional leads were provided in the estimates in consideration of average working distance. The EE paid Rs 26.01 lakh for work No.1 and Rs 4.80 lakh for work No 2 for five and three additional leads against supply of 49159 cum and 15136 cum boulders respectively.

Audit scrutiny revealed that the labour charges for dumping in apron and filling in sausages were inclusive of charges for carrying boulders by head load upto a distance of 100 metre. Since the average working distances of Work No.1 and 2 were 150 metre and 100 metre respectively, the additional leads were admissible for the proportionate quantity utilised beyond the initial lead of 100 metre. As such, the contractor was to be allowed one additional lead for 9675 cum and two additional leads for 6450 cum in respect of Work No.1 and no additional lead in respect of Work No.2. Payment towards additional leads of Rs 30.81 lakh by the EE against the admissible amount of Rs 2.39 lakh for dumping in apron and filling in sausages was, therefore, an undue financial aid to the contractor.

Wrong application of leads by the EE, thus, resulted in extra expenditure of Rs 28.42 lakh.

The above matter was referred to the Chief Engineer in May 2002. The matter was also referred to Secretary, Irrigation and Waterways Department demi-officially in June 2002. No reply has been received (December 2002).

4.4 Excess payment due to faulty estimates

Executive Engineer, Alipurduar Irrigation Division adopted higher rate of royalty and cess charges in the supply rate of stone boulders during estimation of flood damage repair/restoration works resulting in excess payment of Rs 30.76 lakh.

Executive Engineer (EE), Alipurduar Irrigation Division issued 43 work orders to different contractors between March 2000 and January 2001 for repair and restoration of the damaged embankments of different rivers of Jalpaiguri district during flood of 1999 and 2000 at a total tendered cost of Rs 3.32 crore. The works were completed between September 2000 and March 2001 at a total cost of Rs 3.26 crore.

The estimate of the works prepared by the EE and approved by the Member (Execution), North Bengal Flood Control Commission (NB FCC), mainly included different items of laying of loose stone boulders (30 kg to 40 kg) and wire netted boulder sausages in apron at top and slope of the embankment at the rates ranging from Rs 295 to Rs 711 per cum. While computing the composite rate of each item, the EE considered it in three parts : (1) cost of boulders, comprising quarrying, loading to truck at quarry site, unloading and stacking at work site and royalty and cess charges payable to the Land and Land Reforms (L&LR) Department of State Government, (2) variable cost of carriage of boulders from quarry site to work site and (3) labour charges for execution of the item of work. The contractors, in all, supplied 48969 cum boulders for execution of works and were paid Rs 2.43 crore (inclusive of labour charges).

Scrutiny in audit revealed (June 2001) that the EE included royalty and cess charges at Rs 88 in cost of each cum of boulders, although the contractors were required to deposit only Rs 25.18 per cum to L&I.R Department towards royalty. This led to excess payment of Rs 30.76 lakh to the contractors for supply of 48969 cum boulders.

Executive Engineer/Member (Execution), NBFCC could not furnish any reason for faulty preparation of estimates disregarding the appropriate rate of royalty and cess.

The above matter was referred to the Chief Engineer in August 2001. No response has been received. The matter was also referred to Secretary, Irrigation and Waterways Department demi-officially in August 2002. Reply is awaited (December 2002).

4.5 Overpayment to the contractor and additional liability

Overpayment of Rs 1.61 crore to M/s. Makintosh Burn Limited due to acceptance of higher rate, faulty analysis of unit rate and also non-revision of rate following deployment of high yielding excavator.

The Superintending Engineer (SE), Metropolitan Drainage Circle (MDC) awarded (February 2001) the work of re-excavation from 24.384 km to 28.956 km of Nowi Khal in the district of North 24-Parganas by mechanical dredger as a part of the 'Development of Comprehensive Drainage System in Calcutta Metropolitan Areas', to Makintosh Burn Limited (MBL) at their offered rate of Rs 6.77 crore finalised through negotiation without observing any tender formalities. As of July 2002, the MBL re-excavated 262628 cum of silted earth for which the company was paid Rs 4.01 crore till March 2002.

The mutually agreed rate of earth work estimated for re-excavation of 443634 cum of silted earth was Rs 152.55 per cum. The rate included hire charges of mechanical dredger and its operation and maintenance cost, disposal of dredged material at a distance of 600 metres, onetime mobilisation and demobilisation cost of machineries and all incidental charges plus 12 per cent overhead and profit.

Audit scrutiny revealed that the MBL while analysing the rate (Rs 152.55 per cum) included onetime fixed expenses for mobilisation of machines with monthly variable expenses. SE, MDC without scrutinising the rate analysis recommended the rate to Government for acceptance.

The monthly variable cost component in the accepted unit rate was Rs 133 per cum and onetime fixed cost component was Rs 19.53 per cum. The analysed rate was rounded off to Rs 152.55 per cum. to arrive at the accepted unit rate. The fixed cost component in the unit rate should have been Rs 5.33 per cum considering the total estimated volume of work (443634 m³). This fixed cost component per cum would further decrease, if the volume of work exceeds

estimated quantity. But the payment was allowed on the accepted unit rate (Rs 19.53 per cum) resulting in overpayment of Rs 37.29 lakh on work executed and paid for, with an additional liability of Rs 25.70 lakh for the balance unexecuted tendered quantity.

Further, variable cost component (Rs 133 per cum) was arrived at considering engagement of JCB-3D excavator having excavation capacity of 27 cum per hour per machine, operational cost being Rs 850 per hour. However, as per contractual provision MBL would charge higher operational cost of Rs 1350 per hour if Tata Hitachi/Poclain excavator having excavation capacity of 48.6 cum per hour per machine, was deployed. Scrutiny revealed that MBL executed earth work (186586 m³) with the help of one Tata Hitachi and one Poclain. As excavator with higher excavation capacity was used, variable cost per cum came down to Rs 86 per cum. But EE, urban Drainage Division allowed payment at the accepted rate of Rs 133 (variable cost) without any revision for use of higher capacity excavator which resulted in overpayment of Rs 1.23 crore.

Thus, acceptance of higher rate without proper scrutiny and non-revision of rate for deployment of higher capacity excavator led to overpayment of Rs 1.61 crore besides liability of Rs 25.70 lakh on the left over work.

The above matter was referred to the Chief Engineer in May 2002. No response was received. The matter was referred to Secretary, Irrigation & Waterways Department demi-officially in August 2002. Reply is awaited (December 2002).

PUBLIC WORKS DEPARTMENT

4.6 Inadmissible price escalation on road works

Executive Engineer, Barasat Division irregularly paid Rs 91.24 lakh on account of variation in price of bitumen and diesel due to inclusion of escalation clause in the tender in contravention of the government order.

Superintending Engineer (SE), Eastern Circle awarded (May 2000) the work of strengthening/improvement of Barasat-Basirhat-Hasnabad road for a stretch of 55 km in North 24-Parganas district to M/s. A at the tendered cost of Rs 16.41 crore for completion by January 2001. The work was in progress and the contractor was paid Rs 18.26 crore which included Rs 91.24 lakh for price variation on diesel and bitumen as of November 2002.

Audit scrutiny revealed (February 2002) that the contract provided an escalation clause contrary to the Government instruction that no price escalation would be allowed in execution of work, and as a result the Executive Engineer (EE), Barasat Division allowed (November 2002)

payment of Rs 78.22 lakh and Rs 13.02 lakh on account of variation in price of bitumen and diesel respectively.

Thus, inclusion of escalation clause in the tender in contravention of Government order and payment of Rs 78.22 lakh and Rs 13.02 lakh towards variation in price of bitumen and diesel respectively, was irregular.

The above matter was referred to the Chief Engineer in March 2002. No response was received. The matter was referred to Secretary, Public Works Department demi-officially in May 2002. Reply is awaited (December 2002).

4.7 Avoidable extra expenditure

Execution of unnecessary item, use of excess quantity of material and extra payment resulted in avoidable extra expenditure of Rs 33.68 lakh.

Superintending Engineer (SE), South Western Circle, Medinipur awarded (February 2000) the work of strengthening and upgradation of Bankura-Durgapur Road for a length of 42 km to M/S. Anrita Lal Chatterjee for completion at a negotiated price of Rs 10.43 crore by January 2001. Specification accepted for the work was to conform to MORT&H¹ norms. The work was completed in April 2001 and the contractor was paid Rs 9.93 crore as of June 2002.

Scrutiny of records revealed inadmissible and extra payment of Rs 33.68 lakh to the contractor as mentioned below :

i) Cleaning of the road surface was necessary before application of tack coat preparatory to bituminous construction over it. As per PWD Schedule of Rates item rate for tack coat included cost of cleaning and no separate payment was admissible for cleaning. But, SE allowed payment of Rs 1.32 lakh.

ii) Clause 503 of MORT&H specification provided for use of liquid bitumen emulsion/cut back at the rate of 2.5 kg to 3 kg per 10 Sqm. area for tack coat but the contractor used hot bitumen at 5 kg/10 Sqm. area for tack coat on :

(a) road surface (220155.66 Sqm.) before laying lean bituminous macadam (LBM), (b) LBM surface (220108.406 Sqm.) before spreading bituminous macadam (BM) and (c) BM surface (220052.036 Sqm.) before semi-dense bituminous carpet was laid and was paid at Rs 9 per Sqm. area against the rate of Rs 6.15 per Sqm. area for 3 kg bitumen emulsion/10 Sqm.

Again, according to the said clause 503, tack coat on freshly laid bituminous course was not needed when another bituminous course was overlaid

¹ MORT&H - Ministry of Road Transport and Highways.

immediately. As the execution of the work was carried on continuously, laying tack coat on LBM surface by the contractor before applying BM was superfluous.

Use of higher quantity hot bitumen in tack coat than necessary and application of unnecessary tack coat binder on LBM surface resulted in avoidable extra payment of Rs 32.36 lakh besides an extra liability of Rs 3 lakh (Rs 2.94 lakh for tack coat and Rs 0.06 lakh for cleaning) for the remaining work.

Government stated (August 2002), *inter alia*, that cleaning work as provided in the estimate was a thorough and special cleaning of existing old surface by use of mechanical device. Regarding use of higher quantity of bitumen, Government further stated that straight non-bitumen at the rate of 5 kg per 10 Sqm. was used considering non-availability/restricted availability of cationic emulsion in bulk from open market. Besides, difference in the cost of 3 kg bituminous emulsion per 10 Sqm. and 5 kg straight run bitumen per 10 Sqm. was either very negligible or nil.

The reply was not acceptable since the rate provided in the Schedule of Rates (SOR) included thorough cleaning of surface. So no separate item for cleaning should have been accepted while approving the estimate. Regarding difference in the cost of 3 kg bituminous emulsion and 5 kg straight run-bitumen per 10 Sqm., the rates were Rs 5.70 and Rs 9.10 per Sqm. respectively and the total extra payment involved was Rs 33.68 lakh.

4.8 Wasteful expenditure due to non-observance of IRC guidelines beyond the terms of the contract

Superintending Engineer, North Bengal Construction Circle No. II accepted the specification of the contractor for road works in violation of the contractual terms and allowed him to use excess bitumen in work resulting in wasteful expenditure of Rs 65.68 lakh.

Superintending Engineer (SE), North Bengal Construction Circle No. II engaged (March 2000) a contractor for the work of strengthening/improvement of 55 km long Fulbari (Siliguri)-Jalpaiguri-Moinaguri Road based on schedule of work and specification submitted by the contractor at the tendered cost of Rs 19.21 crore for completion by January 2001. The work was completed in July 2001 and the contractor was paid Rs 18.75 crore till April 2002 (final bill was yet to be finalised).

According to the contract, mode of execution of the work was to conform to current IRC² guidelines. But in disregard of these guidelines contained in 'Specification for Road and Bridge work (Third Revision)' effective from August 1995, the contractor adopted the specification with use of higher quantity of bitumen. The SE without consulting the IRC guidelines accepted

² IRC - Indian Road Congress.

the tenders based on that specification. Use of higher quantity of bitumen led to wasteful expenditure of Rs 65.68 lakh as detailed below :

| Sl. No. | Item of work | As per IRC Specification | As per Specification accepted | Quantity executed | Extra payment made to the contractor (Rs in lakh) |
|---------|--|--|---|-------------------|---|
| 1. | Application of tack coat before laying 50 mm thick lean bituminous macadam as profile corrective course. | 3 kg per 10 m ² of bitumen emulsion/cut back @ Rs 5.70 per m ² | 5 kg per 10 m ² hot bitumen @ Rs 9.10 per m ² | 378311 sqm. | 12.86 |
| | Application of tack coat before laying 70 mm thick bituminous macadam as binder course. | | | 373978 sqm. | 12.72 |
| | Application of tack coat before laying 20 mm thick semidense bituminous concrete as wearing course. | | | 373712 sqm. | 12.70 |
| 2. | 75 mm thick bituminous macadam as binder course. | 3 to 3.5 per cent by weight of total mix | 4 per cent by weight of total mix | 373978 sqm. | 27.40 |
| | | | | Total : | 65.68 |

Thus, acceptance of specification of work with higher quantity of bitumen in disregard of IRC specification resulted in wasteful expenditure of Rs 65.68 lakh.

The above matter was referred to the Chief Engineer in February 2002. No response was received from him. The matter was referred to Secretary, Public Works Department demi-officially in May 2002; reply is awaited (December 2002).

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.9 Undue favour to contractor due to irregular revision of rate

Unjustified cancellation of tenders and revision of rates by the Executive Engineer, Eastern Mechanical Division led to undue favour of Rs 34.24 lakh to the contractor.

Executive Engineer (EE), Eastern Mechanical Division entrusted (July 2000) the work of operation, maintenance and guarding (O&M) of 369 pump motors of 253 water supply schemes of North 24-Parganas, Nadia and Murshidabad districts for one year, for the period from August 2000 to July 2001, at a total tendered cost of Rs 2.17 crore. The cost was based on departmental rate of Rs 154 per day for each pump motor plus contractual premium.

The three Superintending Engineers (SE) of Mechanical Wing of the department decided in July 2000 to enhance the rate of O&M to Rs 226 per day in pursuance of the departmental instruction enhancing the prevailing rate of daily wage of contractors' labour from Rs 48 to Rs 65.

In order to implement the departmental decision, EE terminated (August 2000) all the contracts from September 2000 and entered into fresh agreements for 370 pump motors with the same contractors at an aggregate tendered cost of Rs 3.15 crore for the period from September 2000 to August 2001 through fresh tenders.

Scrutiny in audit revealed that the departmental rate of Rs 154 per day for O&M included daily wages and bonus for two labourers respectively at Rs 48 and Rs 4 each. But during revision of the rates, the SEs did not only enhance daily wages and bonus as per departmental instruction but also increased other components like inspection and supervision charges and lump sum cost of minor repair though increase in the rates of these components was not envisaged in the departmental order and, therefore, revision of their rates was not called for. The actual revised rate thus worked out to Rs 196. As the initial contracts were valid up to July 2001, the rates of daily wages and bonus could well have been revised within the scope of the contracts and, therefore, cancellation of original contracts was not necessary.

Unjustified cancellation of original contracts with irregular revision of the rates of some items thus led to undue favour to the contractors to the tune of Rs 34.24 lakh.

Government stated (May 2002) that other components like Inspection and Supervision also involved labour component and prorata upward revision of rates was fully justified, and on the face of Government order fresh tender on revised estimate giving effect to the increase in minimum wages were invited to avoid delay in its implementation. Reply was not acceptable since effect of increase in minimum wages could have been given to agency through negotiation restricting the same to wages and bonus of the pump operators without inviting fresh tender.

4.10 Loss due to departmental lapses in pre-work survey and investigation

Failure of the Department to ascertain technical feasibility of operation of rig in a coal mine area before drilling operation led to damages to the rig resulting in loss of Rs 30.86 lakh on repair of the rig and wages of the idle operating staff.

Executive Engineer (EE), Central Mechanical Division (Division) took up (March 1999) drilling operation at a site near Kalipur Free Primary School to provide drinking water by creation of spot sources through rig bored tubewell in Kalipur Mouza in Bardhaman district. The site was within a coal mine area.

The division took up the drilling operation with Halco rig but water strata was not available upto a depth of 273 feet when it abandoned the borehole. During withdrawal of rig and its accessories from the abandoned borehole, inflammable gas came out and burnt out all the hoses, hydraulic system and control unit and damaged the rig. The division repaired the rig at a cost of Rs 16.83 lakh during April 1999 to May 2000, besides, utilisation of spares worth Rs 3.88 lakh supplied by UNICEF. Further, the department suffered a loss of Rs 0.16 lakh towards damaged pipe, fuel and lubricant and also incurred an unfruitful expenditure of Rs 9.99 lakh towards idle wages of operating staff during the period of repairing.

Audit scrutiny reveled that the EE did not ascertain the technical feasibility of tapping suitable aquifer zone before undertaking drilling operation at the site. The EE also did not obtain any data regarding water in either from Surface Water Investigation Directorate (SWID) of State Government/Central Ground Water Board (CGWB) or ascertained the same by trial boring and electrologging process. Moreover, the EE did not consult Geological Survey of India (GSI) or Eastern Coal Field Limited (ECL) for safe operation of rig in a coal mine area.

Thus, operation of rig in a coal mine area without ascertaining the technical feasibility of its safe operation and availability of water strata led to an avoidable loss of Rs 30.86 lakh to the Government.

The above matter was referred to the Chief Engineer in October 2000. No response was received by May 2002. The matter was also referred to Secretary, Public Health Engineering Department demi-officially in June 2002. No reply has been received (December 2002).

CHAPTER V

SECTION – B **AUDIT PARAGRAPHS**

COMMERCIAL ACTIVITIES

General

5.1 Lack of accountability in the use of public funds by departmentally run commercial units

Activities of quasi commercial nature are performed by the departmentally run units of certain Government departments. These units are to prepare annual *pro forma* accounts showing their financial operations, to enable the Government to assess their performance. The Heads of Departments in Government are to ensure submission of such *pro forma* accounts to the Accountant General for audit. Out of 25 such units, 9 had not prepared their accounts since inception. As of June 2002, 4 units had not prepared their accounts for more than 10 years, 4 for more than 5 years, 8 for one year to 5 years.

In the absence of full accounts of the 25 units, audit has worked out that Rs 852.48 crore has been invested by the State Government in 16 departmentally run units employing 12,655 staff and officers. Out of the 16 undertakings, 15 had incurred continuous losses aggregating to Rs 770.23 crore against the total capital investment of Rs 883.25 crore.

The Comptroller and Auditor General of India has repeatedly commented in the Audit Reports of the State on the failure of the Heads of Departments and the management of the undertakings to prepare the *pro forma* accounts. Principal Accountant General (Audit) has been reminding Principal Secretary (Finance) and the Secretaries of the concerned departments periodically in this matter. During the period July 2001 to June 2002, 8 undertakings finalised 9 *pro forma* accounts for the year 1999-2000 or previous years as against 12 *pro forma* accounts finalised during July 2000 to June 2001. In the absence of final accounts the financial position of these undertakings could not be assessed.

The department-wise position of arrears in preparation of *pro forma* accounts is as follows:

| Sl. No. | Department | Number of undertakings under the Department | Name of undertakings | Year of formation | Year from which accounts are due | Investment per last Accounts (Rupees in crore) | Remarks |
|---------|------------------------------------|---|---|-------------------|---|--|---|
| 1. | Agriculture | 1 | Sisal Plantation Scheme | 1955 | 1955-56 | - | Accounts not prepared since inception. |
| 2 | Commerce and Industries | 2 | (i) Oriental Gas Company's Undertakings | 1960 | 1960-61 to 1989-90 | - | Vested in newly set up company from 2. April 1990. The <i>pro forma</i> accounts for 1988-89 and 1989-1990 were submitted (March 2002) by the Company in which the undertaking was vested, instead of by the Department. <i>Pro forma</i> Accounts for 1984-85 to 1987-88 were submitted by the winding-up cell in July 2002. All these accounts were returned. |
| | | | (ii) Directorate of Cinchona and other Medicinal plants | 1888 | 1990-91 | 72.31 | |
| 3. | Cottage and Small Scale Industries | 12 | (i) Government Sales Emporia in Calcutta and Howrah | 1951 | 1951-52 to 1962-63 and 1969-70 to 1980-81 | - | Merged with another Government company from September 1980 Accounts not prepared since inception. |
| | | | (ii) Silk reeling scheme | 1956 | 1956-57 | - | Accounts not prepared since inception. The Department had approached the Finance Department in December 2000 to consider waiving preparation of <i>proforma</i> accounts |
| | | | (iii) Training-cum-Production Centre - Mechanical Toys, Houghly | 1972 | 1972-73 to 1986-87 | - | Wound up from 21 June 1986. Accounts not prepared since inception. |
| | | | (iv) Central Lock Factory, Bargachia, Howrah | 1972 | 1972-73 to 1994-95 | - | Closed from 17 February 1995. Accounts not prepared since inception. |
| | | | (v) Industrial Estate, Manicktola | 1983 | 1983-84 to 1995-96 | - | Merged with another Company from 17 July 1995. Accounts not prepared since inception |
| | | | (vi) Industrial Estate, Saktigarh | 1983 | 1983-84 to 1995-96 | - | Merged with another Company from 9 August 1995. Accounts not prepared since inception. |
| | | | (vii) Industrial Estate, Howrah. | N.A. | 1995-96 | 1.26 | Merged with another Company from 7 August 1995 |
| | | | (viii) Training-cum-production centre for Wood Industries, Siliguri | 1956 | 1998-99 | 2.95 | - |
| | | | (ix) Central Engineering Organisation, Howrah | 1956 | 1998-99 | 5.13 | - |
| | | | (x) Surgical Instruments Servicing Station, Baruipur | 1956 | 1998-99 | 1.76 | - |
| | | | (xi) Integrated Wood Industries Scheme, Durgapur. | 1956 | 1998-99 | 4.45 | - |
| | | | (xii) Integrated Wood Industries Scheme, Kalyani. | 1956 | 1998-99 | 6.36 | - |

| Sl. No. | Department | Number of undertakings under the Department | Name of undertakings | Year of formation | Year from which accounts are due | Investment as per last Accounts (Rupees in crore) | Remarks |
|---------|------------------------------|---|---|------------------------------|--|---|---|
| 4. | Urban Development | 1 | Kanchrapara Area Development Scheme (Kalyani Township) | 1975 | 1975-76 | - | Accounts not prepared since inception. The Department has sought the views of the Finance Department in January 2001 for discontinuation of preparation of <i>pro forma</i> accounts. However, the Committee on Public Accounts (1985-87) in its 36 th Report recommended (March 1987) early re-introduction of the system of preparation of <i>proforma</i> accounts. |
| 5. | Public Enterprises | 1 | Undertaking of Darjeeling Ropeway Company Limited | 1977 | 1983-84 | 0.26 | - |
| 6. | Housing | 2 | (i) Directorate of Brick Production (Manual) (ii) Mechanical Brick Factory, Palta | 1965 | 1990-91 1990-91 | 3.74 9.51 | - |
| 7. | Animal Resources Development | 4 | (i) Durgapur Milk Supply Scheme (ii) Krishnanagar Milk Supply Scheme (iii) Greater Calcutta Milk Supply Scheme (iv) Burdwan Milk Supply Scheme | 1972 1977 1950 1982 | 1993-94 1999-2000 2000-01 1999-2000 | 16.12 23.14 681.21 24.27 | - - - - |
| 8. | Food and Supplies | 1 | Scheme for Public Distribution of Foodgrains (PDS) | 1986 | 1995-96 | 30.77 | - |
| 9. | Fisheries Department | 1 | Scheme for production of shark liver oil, fish meal, etc. | 1961 | 1994-95 | 0.01 | - |
| | | | | | | 883.25 | |

No action was taken against the management of these undertakings for such gross failure and disregard of public interest.

The matter was referred to Government in July 2002; reply had not been received (December 2002).

FOOD AND SUPPLIES DEPARTMENT

5.2 Take over of procurement of rice by State Government

5.2.1 Introduction

Procurement of foodgrains was to serve the twin objectives of providing price security to the farmers and ensuring food security to the people Below Poverty

Line (BPL). Decentralised procurement of rice was taken over by the Government of West Bengal from Food Corporation of India (FCI) since the Khariff Marketing Seasons (KMS)¹ 1997-1998 with a view to eliminating dependence on FCI and increasing procurement of rice for distribution to the BPL population under the Targeted Public Distribution System (TPDS). Rice was collected by way of statutory levy on rice millers/ traders. The quantum of levy was fixed by the State Government with the approval of Government of India (GOI) at 50 per cent of the paddy milled. Rice so procured was treated as central pool procurement and the State stored and issued rice as per allotment made by GOI.

The fund for procurement was to be arranged through cash credit sanctioned by the Reserve Bank of India (RBI) and extended by a consortium of banks led by the State Bank of India (SBI). Sale proceeds of rice were deposited by field and district offices of the Department into non-operable collection accounts for transfer to the cash credit account with the SBI, Park Street Branch, Kolkata. Subsidy received from GOI was directly deposited in this account. Funds were transferred from the Cash Credit account to District Controller for meeting procurement related expenditure. Reserve Bank of India determined the withdrawal/ credit limits monthly against hypothecation of closing stock of foodgrains.

The paddy was to be purchased by the Rice millers from the farmers at the Minimum Support Price (MSP) of paddy fixed by GOI at the beginning of each KMS and after processing rice sold to Government at a price determined (procurement price) by the GOI based on the MSP. GOI would reimburse to the State Government in each month the difference between economic cost² and Central Issue Price (CIP) in respect of rice sold to BPL families as subsidy. Till audited accounts were not submitted only 90 per cent of subsidy would be released.

The procurement of rice up to September 2001 by the four test-checked districts viz. Bardhaman, Medinipore, North and South 24 Parganas was 55 per cent of the total procurement in the state during last four KMS up to 2000-2001.

5.2.2 Organisational structure

The Director General (Food) of Food and Supplies Department (Department) was responsible for overall supervision while Director, District Distribution, Procurement and Supply (DDP&S) monitored procurement of rice and its distribution in the districts with the assistance of two Deputy Directors in-charge of procurement and supply at Headquarters and three Regional Deputy Directors (RDD) at Bardhaman, Siliguri and Krishnagar. District Controllers, Food and Supplies (DCF&S) executed procurement and supply in each district. The Deputy Director (Procurement) was to regularly monitor procurement and compile reports/ returns from the monthly inputs received

¹ Khariff marketing season of rice begins from the month of October and ends on September next year

² Economic cost comprises procurement cost including MSP, other related cost and cost of distribution, storage, financing etc.

from districts for submission to GOI/ State Government. Besides the Controller of Finance³ (CF) was to allot funds for procurement to districts and maintain accounts for the procurement operation.

5.2.3 Procurement

The target for procurement *vis-à-vis* achievement during the last four KMS starting from October 1997 to September 2001 was as under:

| | 1997-98 | 1998-99 | 1999-2000 | 2000-2001 |
|-----------------------------|---------|---------|-----------|-----------|
| Target (in lakh tonnes) | 3.50 | 4.67 | 4.00 | 8.00 |
| Achievement (in lakh tones) | 2.03 | 1.23 | 3.74 | 4.18 |
| Percentage of achievement | 58 | 26 | 94 | 52 |

The main reason for low procurement during 1997-1998 and 1998-1999 was high market price of paddy as compared to minimum support price declared by GOI. District Controllers did not restrict the open sale of rice by rice mills which failed to fulfil levy obligation.

Government stated (October 2002) that strict restriction on open sale of rice by the rice millers could lead to closure of the mills. However, the fact remained that failure to enforce levy orders on rice mills had ultimately affected the procurement operation for TPDS meant for BPL families.

In 2000-2001, the procurement was high but was halted mid way (May 2001) due to RBI's refusal to enhance cash credit limit to meet the higher target as discussed at Paragraph 5.2.4 *infra*.

5.2.4 Operation of Cash Credit Account

Scrutiny of records relating to operation of cash credit account revealed the following :

(i) During KMS 1997-1998 and 1998-1999, the CF assessed and was sanctioned monthly operating limits of Rs 37 crore to Rs 50 crore, of which 94 (three months) to 100 *per cent* (18 months) remained unutilised. The limits for the KMS 1999-2000 and 2000-2001 ranged from Rs 100 crore to Rs 320 crore, against which utilisation were 48 to 89 *per cent*.

(ii) During April 1997 to September 1999, the Department retained surplus fund of Rs 1.28 crore to Rs 34.41 crore in cash credit, leading to loss of interest of Rs 2.51 crore⁴ to State Government.

Government while accepting the audit contention attributed (October 2002) this loss to the inability to transfer the surplus to the Consolidated Fund since the accounts of PDS operation were in arrears since 1996-1997.

Rs 2.51 Crore was lost by Government for retention of surplus fund in cash credit

³ Now Director of Finance

⁴ Calculated at the State Government's borrowing rate of 11 *per cent* from RBI for ways and means advance

**Irregular repayment
restricted cash credit
operation and
hampered
procurement**

(iii) The outstanding balance in cash credit account shot up four fold from Rs 47.62 crore in December 1999 to Rs 174.30 crore in September 2001. Consequently, RBI directed the Department to stop withdrawals from cash credit (effective 12 October 2001) and to continue crediting sale proceeds to cash credit account for reducing the outstanding balance. A second cash credit account was opened (11 October 2001) with the approval of the RBI to resume procurement. While withdrawals were from second cash credit account, sale proceeds continued to be credited to the first cash credit account and its balance turned favourable from 26 December 2001. The outstanding balance in second cash credit account was Rs 137.06 crore as of 31 March 2002 after transferring (13 February 2002) the favourable balance of Rs 41.82 crore from original cash credit. This delay resulted in payment of additional interest of Rs 34.97 lakh during 27 December 2001 to 12 February 2002.

This was attributable to-

(a) The Department's failure to claim subsidy in time between October 1998 and September 2001 with delays ranging from 2 to 16 months arising from non-availability of information/ delay in submission of requisite returns by field offices to DDP&S. This led to bunching of claims for more than one month at a time. At the instance of GOI, CF re-submitted claims for July 2000 to September 2001 only in November 2001 leading to avoidable payment of interest of Rs 24.29 crore.

Government stated (October 2002) that reasons for delay in submitting subsidy claims were being looked into.

**Non-realisation of
Rs 55.07 crore due to
non submission of
accounts**

(b) For the KMS years 1997-98 to 2000-2001, the subsidy to be claimed aggregated Rs 478.32 crore of which only 90 per cent (Rs 430.48 crore) could be claimed since accounts were in arrears. Till March 2002, GOI had released Rs 423.25 crore against which the Finance Department of the State Government released only Rs 369.16 crore. Failure to submit accounts led to inability to claim subsidy of Rs 55.07 crore resulting in additional interest of Rs 17.22 crore. Further, Finance Department withheld subsidy of Rs 48.17⁵ crore besides delaying release of subsidy of Rs 276.08 crore for a period of 85 to 274 days during September 1999 and March 2002. Retention of subsidy bolstered ways and means position of the State while the Department paid additional interest of Rs 9.48 crore on cash credit account. This adversely affected the liquidity position of cash credit account.

**Diversion of
Rs 46.45 crore from
cash credit account**

(c) Though the cash credit account was to be operated only for the purchase of foodgrains, the Department withdrew Rs 46.45 crore during February 1998 to February 2002 for other purposes viz. contingency, travelling expenses (Rs 4.15 crore), loan to WBECSC⁶ (Rs 25 crore), construction of departmental building (Rs 7.63 crore), printing and stationery, godown charges etc. (Rs 9.67 crore) which had no direct relation with the PDS operation in violation of the agreement with the banks.

⁵ Excluding Rs 5.92 crore received from GOI by the State Government on 28 March 2002 not considered for calculation of loss of interest

⁶ West Bengal Essential Commodities Supply Corporation Limited

(d) The Department received (January 2000) subsidy of Rs 50 crore and instead of depositing the same into cash credit account to mitigate the interest burden, invested (January and February 2000) the amount at lower rates of interest in short term deposit at the instance of Director General (Food) in violation of the Government orders resulting in payment of additional interest of Rs 30 lakh.

This credit crunch severely hampered procurement of rice during July 2001 to March 2002.

5.2.5. *Short receipt of subsidy*

Short receipt of
subsidy –
Rs 44.81 lakh

The Department received Rs 44.81 lakh (net) short of admissible claim due to deficiencies in maintaining accounts and records of procurement, as discussed below :

(i) The rate of subsidy on previous years' closing stock sold in succeeding years was required to be calculated at the difference between current CIP and economic cost of the procurement year. The quantity of closing stock pertaining to KMS 1997-1998 to 1999-2000 was computed on lower side and the differential quantum of 11266.58 tonnes stock was included as the subsequent years' procurement in subsidy bills. In the process, the Department received subsidy at enhanced rate (Rs 398.90 to Rs 761 per tonnes) for 11266.58 tonnes rice distributed during KMS 1998-1999 to 2000-2001 due to higher economic cost of subsequent year. This led to excess receipt of subsidy of Rs 51.64 lakh for that period.

Government stated (October 2002) that higher rate of subsidy was not claimed on previous year's stock, acquired at lower cost. However, the fact was that Government claimed subsidy on previous year's stocks of 11266.58 tonnes by excluding the quantity from the previous year's procurement.

(ii) The rates of subsidy for KMS 1997-1998 in respect of common parboiled and common raw rice were Rs 4791.20 and Rs 4743 per tonne respectively. The CF failed to classify 2 lakh tonnes specifically as common parboiled rice in the subsidy bills for 1997-1998 and 1998-1999. As a result, GOI sanctioned subsidy (Rs 4743 per tonne) considering the entire quantity as common raw rice. This resulted in short receipt of subsidy of Rs 96.45 lakh.

Government stated (October 2002) that subsidy was claimed at the rate of Rs 4791.20 per tonne, but the GOI sanctioned subsidy covering the entire quantity as common raw rice. The contention was not acceptable as the CF stated that the word 'parboiled' was omitted in subsidy bills and hence the short realisation.

5.2.6 *Undue financial favour to rice millers*

Undue financial
favour of Rs 10.28
crore to rice millers

The Department extended undue financial favour of Rs 10.28 crore to the rice millers as discussed below :

(i) While determining the annual economic cost of levy rice, GOI allowed levy collection charges of Rs 9 per quintal to the State Government or its agencies. It was observed that though the Department deployed its inspecting staff at procurement points and incurred establishment cost for collection of levy, it generously paid the levy collection charges to the millers since November 1997 and thereby extended undue favour of Rs 10.06 crore during the KMS 1997-1998 to 2000-2001.

Government stated (October 2002) that levy collection charges, being a component of the approved economic cost, could not be retained by the State Government. The contention was not tenable since under the levy orders every rice mill in the State was liable to sell 50 *per cent* of rice, milled out of paddy received, to the State Government and the Department deputed staff at every rice mill for this purpose. Thus, only the Department was entitled to levy collection charges and not the rice millers, as contended by the Government.

(ii) In three districts,⁷ 33332.74 tonnes of levy rice procured during 1997-1998 to 2000-2001 from 42 mills was stored in millers' godowns within the same premises. Despite this, three District Controllers (DCs) paid Rs 14.40 lakh as transport and forwarding charges assuming 8 kilometre from milling point to godowns when both were within the same premises.

State Government decided (January 2001) to stop paying forwarding and transportation charges to those mills whose levy rice was stored in their own godowns. To circumvent this order, 30 millers in Bardhaman district supplied 16483.88 tonnes levy rice to other adjacent godowns despite availability of adequate storing space at their own godowns. The DC did not verify the justification of such delivery and allowed the millers to receive Rs 7.91 lakh as transportation charges. Thus, lackadaisical attitude of the DCs resulted in undue benefit of Rs 22.31 lakh to the millers.

Government claimed (October 2002) that since transport and forwarding charges included the cost of bagging of rice, 100 *per cent* standardisation, loading of rice into truck, sorting of bag for sampling, inspection, stitching and marking of bags for test weighment etc., the payment of forwarding and transportation charges to all millers was justified. However, Government's claim was belied by the fact that in KMS 2000-2001, Government withdrew the benefit of forwarding and transportation charges to those mills whose levy rice was stored at their godowns. This confirmed that this charge was actually meant for transportation only and not for other activities.

In regard to storing of levy rice in adjacent godowns instead of millers' own godowns in Bardhaman District, Government stated (October 2002) that administrative action was initiated against erring district officials.

5.2.6.1 Non-payment of minimum support price- further favour to millers

The District Level Monitoring Committees (DLMC) comprising Sabhadhipatis of Zilla Parishad, District Magistrate and District Controllers of

⁷ Bardhaman, South 24 Parganas and Bankura

the Food and Supply Department monitored the collection of levy rice in each district and payment of MSP by millers to farmers for paddy received.

The MSP of common variety of paddy and corresponding procurement cost of common parboiled levy rice was Rs 510 and Rs 828.80 per quintal respectively for KMS 2000-2001 and Rs 530 and Rs 871.90 per quintal for KMS 2001-2002. The reports of the Superintendent of Agricultural Marketing and Sub-divisional Controllers of the department however, indicated a sharp fall in market price of paddy with prices ranging from Rs 395 to Rs 497.50 per quintal (KMS 2000-2001) and Rs 392.50 to Rs 475 per quintal (KMS 2001-2002).

Audit observed that the District Controllers failed to verify the purchase price of paddy paid by millers to farmers through Panchayat bodies.

Government failed to ensure MSP of paddy to farmers

Despite the market price being less than MSP the Department persisted in paying the notified procurement price to the millers, without ensuring payment of MSP to farmers by the millers thereby extending unwarranted benefit of Rs 21.51 crore to rice millers for procurement of 2.40 lakh tonnes of rice from three districts^h during KMS 2000-2001 and 2001-2002 as shown in Appendix 43. It was further observed that since the millers were not paying MSP to farmers, DLMC, Bardhaman reduced (January 2002) the price of levy rice from Rs 871.90 to Rs 800 although the price should have been reduced in between Rs 646 and Rs 781 per quintal corresponding to prevailing market price of paddy during KMS 2001-2002. On being compelled by DDP&S and the Deputy Secretary (F&S), DLMC revoked (May 2002) its decision and paid Rs 871.90 per quintal with retrospective effect from January 2002 merely on the strength of certificates from millers that they had paid MSP to farmers without obtaining the requisite confirmation from Panchayati bodies.

Government stated (October 2002) that MSP fixed for the entire season had no bearing with open market prices and could not be reversed mid-way. The department was satisfied with the process of obtaining certificate from millers and Panchayati bodies as authentication for payment of MSP to farmers by millers.

The contention was not acceptable, since DLMC, Bardhaman (the largest procurement district) observed in June 2002 that purchase of rice from millers failed to ensure MSP of paddy to the farmers despite millers' undertaking to purchase at MSP.

5.2.7 Missing stock

According to Deputy Director (Procurement), records relating to procurement operation were incomplete as either returns submitted by the districts were not properly maintained/ monitored or were not submitted by the districts. Further, a substantial quantity (4.39 lakh tonne rice valuing Rs 351.18 crore) of inter-district movement of rice was neither reconciled by consignor and consignee districts nor monitored by RDDs and DDPS.

^h Bardhaman, Medinipur and North 24 Parganas

Missing stock of rice
valued Rs 33.34 crore
remained undetected

It was noticed that out of total procurement of 11.18 lakh tonnes of rice during KMS 1997-1998 to 2000-2001, 10.39 lakh tonnes were distributed under TPDS, 0.11 lakh tonnes under flood relief (with some stock damaged in flood) and 0.04 lakh tonnes were lost in storage and transit leaving a balance of 0.64 lakh tonnes up to 30 September 2001. But, as per physical verification reports as on 30 September 2001, in all godowns, only 0.22 lakh tonnes rice was in stock. Thus, there was a shortage of 0.42 lakh tonnes rice valuing Rs 33.34⁹ crore which Dy. Director (Procurement) failed to detect at any stage. This shortage was outcome of the slipshod attitude and absence of monitoring and control over procurement by the Deputy Director (Procurement).

While accepting the fact Government stated (October 2002) that the stock reconciliation was taken up on war-footing.

As analysed in audit, some reasons for this shortage were as follows.

i) While accepting delivery of rice from the millers weighment was limited to 10 *per cent* of receipt instead of entire quantity. The possibility of short receipt at the delivery stage could not be ruled out.

Government stated (October 2002) that feasibility of hundred *per cent* weighment of stock was being examined.

ii) Shortage of 397.52 tonnes of rice in excess of shortage norms at Sarul and Bowanichandi godown in Bardhaman district was not investigated. On this being pointed out in audit, stock valued Rs 3.69 lakh (44.53 tonnes) was recouped from the miller of Bowanichandi after one year thereby facilitating undue favour to miller.

Government stated (October 2002) that matter was being enquired into.

iii) Shortage of 9084.237 tonnes of rice beyond norms occurred during transit of rice from three districts¹⁰ to other districts during KMS 1997-1998 to 2000-2001. The department was yet to investigate the shortages.

5.2.8 Storage losses

An important element of economic cost of rice was the value of storage and transit loss. The loss on account of storage and transit was estimated at 5279 tonnes valued at Rs 4.33 crore during 1997-1998 to 2000-2001, of which 80 *per cent* (Rs 3.47 crore) was related to storage loss and the balance (Rs 0.86 crore) related to transit loss.

On scrutiny of records, following points were noticed :

Excess storage loss
of Rs 1.96 crore

(i) The percentage of storage losses during the last four KMS till 2000-2001 ranged from 0.68 to 1.75 *per cent* of average stock held against the norms of 0.5 *per cent* fixed by GOI. Such excess losses beyond norms worked out to

⁹ Stock shortage is valued at average procurement price of all four KMS years since the specific year was not ascertainable in absence of records/ reconciliation

¹⁰ Bardhaman : 8796.271 tonnes, Birbhum : 193.123 tonnes, Darjeeling : 94.843 tonnes

2345 tonnes valued at Rs 1.96 crore. The matter was neither investigated nor responsibility fixed.

Government stated (October 2002) that the matter was being looked into.

Absence of insurance coverage of rice stock in flood prone areas – loss of Rs 1.04 crore

(ii) Stock of 1462.35 tonnes rice valued at Rs 1.22 crore, stored in seven godowns¹¹ in flood-prone areas was damaged in flood of September 2000. After salvaging 171.86 tonnes, 626.73 tonnes was sold as cattle feed (realised value Rs 2.76 lakh) and remaining 663.76 tonnes washed away, leading to a loss of Rs 1.04 crore in absence of insurance coverage.

Government stated (October 2002) that the matter of insurance coverage was under examination.

(iii) Department fixed norms of 0.25 *per cent* for storing up to three months and 0.5 *per cent* beyond three months. The depots in-charge of Bardhaman and Medinipore took advantage of the higher norms and booked storage losses at 0.25 *per cent* irrespective of the period of storage (10 to 30 days). Government stated (October 2002) that action had been initiated to pinpoint the recalcitrant depots in-charges.

5.2.9 Transportation and handling

The department appointed WBECS, a State Government undertaking, as handling cum transport agent for inter district movement. WBECS, in turn appointed PDS distributors, without inviting tenders, as sub-agents for transportation on the direction of the Department. For handling operations, WBECS appointed sub-agents as selected by the DCs through open tenders and paid them at tendered rates.

Against receipt of Rs 31.75 crore as subsidy towards handling and transportation of 10.33 lakh tonnes rice, the department incurred Rs 25.69 crore for only 4.39 lakh tonnes rice during KMS 1997-1998 to 2000-2001. Since these costs were restricted to the lower of actual or the normative cost, appointment of WBECS as intermediary and allowing it marked-up rates above normative rates fixed by GOI only jacked up the cost as brought out below:

(i) Extra payment on handling

Extra payment of Rs 1.15 crore in handling operations

In January 1998 when WBECS was appointed as transport contractor, the department paid it Rs 2 per quintal as incidental expenses for loading/unloading. Subsequently, in March 1998, the Department handed over the entire handling operations including loading, unloading, stacking, de-stacking, weighment etc. to WBECS at fixed a rate. Even though loading and unloading charges were included in fixed rate, the Department continued to pay to WBECS incidental charges of Rs 2 per quintal towards loading and unloading in addition to the fixed rate, which was enhanced to Rs 3 per quintal for KMS 1998-99 to 2000-2001. This had resulted in extra payment of

¹¹ Ranaghat, Santipur, Pallasey, Paninala at Krishnagar, Guskra, Tarakeswar and Banguon

Rs 1.15 crore on loading / unloading of 4.17 lakh tonnes of rice transported during KMS 1997-1998 to 2000-2001.

(ii) Undue benefit to transport contractors

Although WBECSC was entirely responsible for inter-district movement, the Deputy Secretary (DS) of the Department as well as the General Manager (GM) of WBECSC instructed the DC, Bardhaman to arrange proper checking of stock by the departmental staff at every point of handling and to treat DCs, Bardhaman and Darjeeling as consignor and consignee respectively in railway documents. This order of GM reduced the responsibility of WBECSC and increased risk to the Government.

During May 1998 to February 1999, DC Bardhaman despatched 13925.36 tonnes rice to New Jalpaiguri/Rangapani in sealed wagons through 'said to contain' railway receipts (RR). DC Darjeeling received 13659.23 tonnes only leading to shortage of 266.13 tonnes valued at Rs 19.55 lakh. As per railway rules, railways were not responsible for any loss on consignments booked under "said to contain" R.R, if it reaches destination with seal intact. Accordingly, the claim for shortages lodged (June 1999) by DC, Darjeeling was void.

Transit loss of Rs 0.20 crore was not recovered

This shortage was attributable to absence of necessary checks at despatch and destination points by WBECSC. The Deputy Secretary, instead of recovering the loss from WBECSC, waived it, thereby causing a loss of Rs 19.55 lakh to Government.

(iii) Excess payment to handling contractors/ sub-agents

(a) For appointment of handling contractors, who worked as sub-agents of WBECSC, the department fixed ceiling of 390 to 425 per cent above SOR¹² during KMS 1997-1998 to 2000-2001.

The anticipated volume of work was not indicated in the tender notice leading to higher rates. Further, rates for handling of levy rice were neither compared with rates of Labour Directorates nor with rates quoted by the same contractors for PDS operation. In Medinipore and South 24 Parganas, DLMC selected six contractors for handling operation at 12 godowns¹³ at rates ranging from 489 to 750 per cent above SOR against the ceiling of 390 to 425 per cent above SOR during KMS 1997-98 to 2000-2001, resulting in excess payment of Rs 37.54 lakh to the contractors.

Extra expenditure due to allowing rates far above the SORs

(b) It was seen in Bardhaman, Medinipore and North 24 Parganas districts, that handling contractors were appointed at the rates ranging from 145 to 360 per cent above SOR of 1991 during KMS 1997-1998 to 2000-2001 but the CF paid WBECSC at the maximum of 390 to 425 per cent above SOR. In the absence of payment sub-vouchers of WBECSC's sub-agents, the quantum of excess payment could not be ascertained in audit.

¹² Schedule of rates

¹³ South 24-Parganas- CWC, Budge Budge, Medinipore-Ballychowk, Giribala, G.B. Yadav, Belda, Pratapdighi, Nekursheni, S.N. Sahoo, Balughata, Terapakhia, Daspur and Goura.

5.2.10 Inspection and Quality Control

Directorate of Inspection and Quality Control was responsible for ensuring quality of foodgrains procured by the department and for scientific storage¹⁴.

Audit scrutiny revealed the following:

Rice unfit for human consumption distributed to BPL consumers

(i) In Bardhaman and Medinipore districts, out of 1369.55 tonnes sub-standard rice valued Rs 1.19 crore, which was unfit for human consumption due to grains broken beyond limit, admixture of damaged grains, high moisture content and insect infestation, 1155.43 tonnes of rice was issued to BPL consumers violating the PFA¹⁵ norms.

Similarly, 1366.55 tonnes (cost: Rs 1.13 crore) of rejection grade rice was issued by DCF&S, Medinipur (1120.70 tonnes) and DCF&S, South 24 Parganas (245.85 tonnes) to consumers without segregation and upgradation.

Government stated (October 2002) that apparently no sub-standard stocks were issued. However, records did not indicate the upgradation of sub-standard stock before issue.

(ii) Stock was also damaged due to non-observance of scientific storage norm viz. over-storage, increasing stack height, inadequate alleyways, inadequacy of prophylactic treatment and fumigation, not following first in first out method in issuance of stock etc. In absence of records the quantity of damaged stock was not ascertainable in audit.

Government admitted (October 2002) that during peak season scientific storage norms were overlooked due to insufficient storage space.

5.2.10.1 Ineffective monitoring at block/ district level

With a view to enforce monitoring of the scheme at the Fair price shop, different beneficiary/ vigilance committees were set up at Block and District levels. In the four test-checked districts, it was noticed that block level committees were not functional. District level committees paid little attention to vigilance, quality aspect and consumers grievances. Besides, inspecting staff posted both at district and block level were entrusted to check all aspect of quality, stock at distributors' godowns and distribution of levy rice to BPL families. It was noticed that inspection reports/ registers, tour diaries of the Inspectors/ superior officers indicating the extent of checking, were not maintained. Thus, the quality control mechanism was ineffective.

Government stated (October 2002) that joint action with district administration was being worked out.

¹⁴ Scientific storage includes storage worthiness of godowns, disinfection by prophylactic treatment, storage/ stack plan, etc.

¹⁵ Prevention of Food Adulteration Act


5.2.11 Conclusion

The activity of 'decentralised procurement of rice' taken over by the State Government since October 1997 was plagued by shortfall in procurement, inept cash management, delays in claim and realisation of subsidy, jacking up of costs by extending undue favours to rice millers and handling/ transport contractors, deprivation of cultivators, substantial shortage of stock, excessive storage losses, lack of quality control and absence of monitoring.

KOLKATA

The

- 7 APR 2003



(S. P. SINGH)

Principal Accountant General (Audit)

West Bengal

Countersigned



NEW DELHI

The

21 APR 2003

(VIJAYENDRA N. KAUL)

Comptroller and Auditor General of India

APPENDICES

Appendix 1
(Refer Paragraph 1.1, Page 1)

Statement showing structure of Government Accounts and list of Indices/ratio and basis for their calculation

A. Government Accounts

I. Structure

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This part consists of two main divisions, namely, Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc.).

Part II Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs 20 crore.

Part III Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

II Form of Annual Accounts

The accounts of the State Government are prepared in two volumes viz., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts present the details of expenditure by the State Government vis-a-vis the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

B List of Indices/ratios and basis for their calculation

(Refer Paragraph 1.11, Page 13)

| Terms | Basis of calculation |
|---|---|
| Buoyancy of a parameter | <u>Rate of Growth of the parameter</u> GSDP Growth |
| Buoyancy of a parameter (X) with respect to another parameter (Y) | <u>Rate of Growth of the parameter (X)</u> <u>Rate of Growth of the parameter (Y)</u> |
| Rate of Growth (ROG) | $[(\text{Current year amount}/\text{Previous year Amount})-1]*100$ |
| Trend/Average | Trend of growth over a period of 5 years $[(\text{LOGEST Amount of 1996-1997} : \text{Amount of 2001-2002})-1]*100$ |
| Share shift/Shift rate of a parameter | Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be |
| Development Expenditure | Social Services + Economic Services |
| Weighted Interest Rate (Average interest paid by the State) | $\text{Interest Payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2]*100$ |
| Interest spread | GSDP growth – Weighted Interest rates |
| Interest received as <i>per cent</i> to Loans Advances | $\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2]*100$ |
| Revenue Deficit | Revenue Receipt – Revenue Expenditure |
| Fiscal Deficit | Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts |
| Primary Deficit | Fiscal Deficit – Interest Payments |
| Balance from Current Revenue (BCR) | Revenue Receipts <u>minus</u> all Plan grants and Non-Plan Revenue Expenditure excluding debits under 2048-Appropriation for Reduction or Avoidance of Debt |

Appendix 2

(Refer Paragraph 1.10, Page 13)

Statement showing amount locked in incomplete projects

| Name of the Project | | Progressive Expenditure for the year ended | | | | |
|------------------------------------|------------|--|---------|-----------|-----------|-----------|
| | | 1997-98 | 1998-99 | 1999-2000 | 2000-2001 | 2001-2002 |
| | | (Rupees in crore) | | | | |
| Teesta Barrage Project | (Major) | 783.67 | 838.95 | 890.38 | 960.74 | 1011.70 |
| Parga Irrigation Scheme | (Medium) | 2.45 | 2.85 | 2.95 | 3.05 | 3.05 |
| Moiuotajore Irrigation Scheme | (Medium) | 1.55 | 1.56 | 1.56 | 1.59 | 1.62 |
| Totko Irrigation Scheme | (Medium) | 6.95 | 7.09 | 7.51 | 9.61 | 9.61 |
| Lipaniajore Irrigation Scheme | (Medium) | 2.55 | 2.56 | 2.77 | 2.80 | 2.85 |
| Barabhume Irrigation Scheme | (Medium) | 2.92 | 2.93 | 2.95 | 2.98 | 3.02 |
| Extension Bandhu Irrigation Scheme | (Medium) | 4.40 | 4.58 | 4.63 | 4.79 | 5.20 |
| Beko Irrigation Scheme | (Medium) | 3.90 | 3.95 | 4.02 | 4.08 | 4.26 |
| Ranchandrapur Irrigation Scheme | (Medium) | 5.66 | 5.74 | 6.06 | 6.19 | 6.34 |
| Hanumata Irrigation Scheme | (Medium) | 5.28 | 5.37 | 5.79 | 6.70 | 8.12 |
| Futari Irrigation Scheme | (Medium) | 5.19 | 10.02 | 10.91 | 11.16 | 11.26 |
| Patloi Irrigation Scheme | (Medium) | 4.43 | 4.62 | 4.85 | 7.06 | 7.06 |
| Golamajore Irrigation Scheme | (Medium) | 2.39 | 2.51 | 2.77 | 2.92 | 3.06 |
| Karrior Irrigation Scheme | (Medium) | 2.77 | 2.85 | 3.09 | 3.26 | 3.37 |
| Khairabera Irrigation Scheme | (Medium) | 2.74 | 2.79 | 2.88 | 3.02 | 3.19 |
| Sali Diversion Scheme | (Medium) | 2.68 | 3.16 | 3.27 | 3.27 | 3.27 |
| Sali Reservoir Scheme | (Medium) | 1.63 | 1.82 | 1.82 | 1.82 | 1.82 |
| Nowi Basin Drainage Scheme | (Drainage) | 5.38 | 5.51 | 5.62 | 5.66 | 5.68* |
| Ghea Kunti Basin Drainage Scheme | (Drainage) | 39.25 | 39.97 | 41.78 | 42.50 | 42.50 |
| | | 885.79 | 948.83 | 1005.61 | 1083.20 | 1136.98 |

* The project has been completed this year

Appendix 3
(Refer Paragraph 2.3.3, Page 24)
Statement showing cases where supplementary provisions proved unnecessary.

| Description of the grant/appropriation | Section | Original grant/ appropriation | | Supplementary grants/ appropriation | | Actual expenditure | | Savings | |
|---|---------|----------------------------------|--|---|--|-----------------------|--|------------|--|
| | | Rs. | | Rs. | | Rs. | | Rs. | |
| A - Voted | | | | | | | | | |
| 1 - State Legislature | Revenue | 183842000 | | 2050000 | | 13895607 | | 47296393 | |
| 4 - Administration of Justice | Revenue | 1151252000 | | 32753000 | | 928261259 | | 255743741 | |
| 5 - Elections | Revenue | 754100000 | | 132700000 | | 750216204 | | 136383796 | |
| 6 - Collection of taxes on Income & Expenditure | Revenue | 806663000 | | 157000 | | 753925584 | | 5427416 | |
| 7 - Land Revenue | Revenue | 2768298000 | | 33205000 | | 2563498004 | | 238004996 | |
| 10 - State Excise | Revenue | 394100000 | | 47000000 | | 383242052 | | 57857948 | |
| 11 - Taxes on Sales, Trades, etc. | Revenue | 820820000 | | 25900000 | | 695028775 | | 151691225 | |
| 14 - Other Fiscal Services | Revenue | 183923000 | | 39589000 | | 101322532 | | 122189468 | |
| 18 - Secretariat - General Services | Revenue | 775200000 | | 17619000 | | 559191905 | | 233627095 | |
| 19 - District Administration | Revenue | 675267000 | | 29208000 | | 605916248 | | 98558752 | |
| 20 - Treasury and Accounts Administration | Revenue | 576392000 | | 67300000 | | 501337151 | | 142354849 | |
| 24 - Stationery and Printing | Revenue | 196149000 | | 55000 | | 169077295 | | 27126705 | |
| 25 - Public Works | Revenue | 314231000 | | 565949000 | | 3118679745 | | 589580255 | |
| 26 - Other Administrative Services (Fire Protection and Control) | Revenue | 721555000 | | 26009000 | | 676441603 | | 71122397 | |
| 27 - Other Administrative Services (Excluding Fire Protection and Control) | Revenue | 1790437000 | | 3676000 | | 1769355560 | | 24757440 | |
| 29 - Miscellaneous General Services | Revenue | 250833000 | | 2000 | | 246665171 | | 4169829 | |
| 31 - Sports and Youth Services | Revenue | 689169000 | | 996446000 | | 686992053 | | 998622947 | |
| 32 - Medical and Public Health (Excluding Public Health) | Revenue | 11458994000 | | 82883000 | | 10130856742 | | 1411020258 | |
| 33 - Medical and Public Health (Public Health) | Revenue | 1707850000 | | 35351000 | | 1358414870 | | 384786130 | |
| 41 - Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) | Revenue | 2484091000 | | 241895000 | | 2417326907 | | 308659493 | |
| 47 - Crop Husbandry | Revenue | 2003235000 | | 43700000 | | 1656112523 | | 390822477 | |
| 54 - Food, Storage and Warehousing | Revenue | 996956000 | | 61459000 | | 836681729 | | 221733271 | |
| | Capital | 929800000 | | 1053600000 | | 30000000 | | 1953400000 | |

| Description of the grant/appropriation | Section | Original grant/ appropriation Rs. | Supplementary grant/ appropriation Rs. | Actual expenditure Rs. | Savings Rs. |
|---|---------|---|---|------------------------------|--------------------|
| 63 - Other Rural Development Programmes (Community Development) | Revenue | 1056955000 | 123036000 | 953262374 | 225728626 |
| 64 - Hill Areas | Revenue | 1854254000 | 689650000 | 1791594020 | 131624980 |
| 65 - Other Special Areas Programmes | Revenue | 1740581000 | 178581000 | 1652096189 | 267065811 |
| | Capital | 290000000 | 140000000 | 242352640 | 187647360 |
| 72 - Non-conventional Sources of Energy | Revenue | 330000000 | 170000000 | 160340000 | 339660000 |
| 74 - Industries (Closed and Sick Industries) | Revenue | 118500000 | 500000 | 3978502 | 7921498 |
| | Capital | 182300000 | 113700000 | 79888477 | 21611523 |
| 81 - Other Transport Services | Capital | 600000000 | 512000000 | 350000000 | 762000000 |
| 83 - Secretariat-Economic Services | Revenue | 418988000 | 26558000 | 354452477 | 91093523 |
| 84 - Tourism | Revenue | 139103000 | 18678000 | 97175277 | 60605723 |
| 85 - Census, Surveys and Statistics | Revenue | 112690000 | 15650000 | 109448019 | 18891981 |
| 95 - Consumer Industries (Excluding Public Undertakings and Closed & Sick Industries) | Capital | 535030000 | 39220000 | 379059210 | 195190790 |
| Total : A - Voted | | 41169988000 | 4330144000 | 36112947704 | 9387184296 |
| B - Charged | | | | | |
| 2 - Governor | Revenue | 29204000 | 6667000 | 26137891 | 9733109 |
| 4 - Administration of Justice | Revenue | 318852000 | 9344000 | 266636391 | 61559609 |
| 16 - Interest Payments | Revenue | 67378569000 | 89547000 | 63753065137 | 3715050863 |
| 17 - Public Service Commission | Revenue | 64650000 | 1760000 | 57061939 | 9368061 |
| 25 - Public Works | Revenue | 31431000 | 2857000 | 29430842 | 4857158 |
| | Capital | 882000 | 949000 | - | 1831000 |
| 32 - Medical and Public Health (Excluding Public Health) | Revenue | - | 558000 | 153801 | 404199 |
| 36 - Housing | Revenue | 107000 | 5000 | - | 112000 |
| 45 - Secretariat Social Services | Revenue | - | 8000 | - | 8000 |
| Total : B - Charged | | 67823695000 | 111715000 | 64132486001 | 3002923999 |
| Total: A and B | | 108993683000 | 4441859000 | 100245433705 | 13190108295 |

Appendix 4
(Refer Paragraph 2.3.4, Page 24)

**Statement showing cases where supplementary provision obtained proved excessive
(Saving in each case being more than Rs 10 lakh)**

| Description of the grant/ appropriation | | Section | Original grant/ appropriation Rs | Supplementary provision Rs | Actual expenditure Rs | Saving Rs |
|---|--|---------|-------------------------------------|-------------------------------|--------------------------|--------------|
| A - Voted | | | | | | |
| 26 - Other Administrative Services (Fire Protection and Control) | | Capital | - | 30000000 | 10167685 | 19832315 |
| 30 - Education, Art and Culture | | Revenue | 41620104000 | 5321228000 | 44667612495 | 2273719505 |
| 34 - Family Welfare | | Capital | - | 22500000 | 2839119 | 19660881 |
| 35 - Water Supply and Sanitation (Excluding Prevention of Air and Water Pollution) | | Revenue | 3645476000 | 207431000 | 3787287469 | 65619531 |
| 36 - Housing | | Revenue | 473873000 | 107075000 | 498445744 | 82502256 |
| 42 - Social Security and Welfare (Social Welfare) | | Revenue | 3991679000 | 1238197000 | 4753980390 | 475895610 |
| 46 - Other Social Services | | Revenue | 285247000 | 48516000 | 326783380 | 6979620 |
| 52 - Forestry and Wild Life | | Capital | 100000 | 31152000 | 28760000 | 24920000 |
| 58 - Other Agricultural Programmes | | Capital | 200000 | 20000000 | 10000000 | 10200000 |
| 66 - Major and Medium Irrigation | | Revenue | 1598561000 | 182670000 | 1645037643 | 136193357 |
| 68 - Flood Control and Drainage | | Revenue | 1200139000 | 632900000 | 1448681614 | 384357386 |
| 69 - Power | | Revenue | 535000000 | 572975000 | 1008475000 | 995000000 |
| 79 - Roads and Bridges | | Capital | 14675000000 | 2202456000 | 15222383000 | 1655073000 |
| 80 - Road Transport | | Revenue | 1855576000 | 1258729000 | 2749138710 | 365166290 |
| 86 - Civil Supplies | | Revenue | 2197780000 | 530120000 | 2719804843 | 8095157 |
| 90 - Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (Excluding Panchayati Raj) | | Revenue | 103312000 | 43030000 | 108543464 | 37798536 |
| 93 - Petro-Chemical Fertiliser and Consumer Industries (Excluding Public Undertakings) | | Revenue | 2402864000 | 277136000 | 2551189089 | 128810911 |
| Total : A + Voted | | Capital | 1138670000 | 923800000 | 1855919370 | 206559630 |
| | | | 75723581000 | 13649915000 | 83395049015 | 5978446985 |
| B - Charged | | | | | | |
| 26 - Other Administrative Services (Fire Protection and Control) | | Revenue | - | 17357000 | 10778133 | 6578867 |
| Total : B - Charged | | | - | 17357000 | 10778133 | 6578867 |
| Total : A + B | | | 75723581000 | 13667272000 | 83405827148 | 5985025852 |

Appendix 5

(Refer Paragraph 2.3.6 Page 25)

Statement showing excess expenditure

| Description of the grant/appropriation | Section | Total grant/ appropriation Rupees | Actual expenditure Rupees | Amount in excess Rupees |
|---|---------|---|---------------------------------|----------------------------|
| A - Voted | | | | |
| 21 - Police | Revenue | 10751738000 | 11438064961 | 686326961 |
| 28 - Pension and Other Retirement Benefits | Revenue | 20342085000 | 22537952166 | 2195867166 |
| 34 - Family Welfare | Revenue | 1483473000 | 1705962142 | 222489142 |
| 38 - Information and Publicity | Capital | 16240000 | 18243824 | 2003824 |
| 63 - Other Rural Development Programmes (Community Development) | Capital | 9100000 | 57751275 | 48651275 |
| 67 - Minor Irrigation and Command Area Development | Revenue | 2920292000 | 2920295785 | 3785 |
| Total : A - Voted | | 35522928000 | 38678270153 | 3155342153 |
| B - Charged | | | | |
| 98 - Public Debt | Capital | 50641922000 | 143982682855 | 93340760855 |
| Total : B - Charged | | 50641922000 | 143982682855 | 93340760855 |
| Total : A and B | | 86164850000 | 182660953008 | 96496103008 |

Appendix 6

(Refer Paragraph 2.3.7 Page 25)

Statement showing cases where supplementary provision was insufficient by more than Rs 10 lakh

| Description of the grant/ appropriation | Section | Original grant/ appropriation Rupees | Supplementary provision Rupees | Actual expenditure Rupees | Final excess Rupees |
|--|---------|--|--------------------------------------|---------------------------------|------------------------|
| A - Voted | | | | | |
| 21 - Police | Revenue | 10097041000 | 654697000 | 11438064961 | 686326961 |
| 28 - Pension and Other Retirement Benefits | Revenue | 16786385000 | 3555700000 | 22537952166 | 2195867166 |
| 34 - Family Welfare | Revenue | 1430939000 | 52534000 | 1705962142 | 222489142 |
| 38 - Information and Publicity | Capital | 8450000 | 7790000 | 18243824 | 2003824 |
| Total : A - Voted | | 28322815000 | 4270721000 | 35700223093 | 3106687093 |
| B - Charged | | | | | |
| 98 - Public Debt | Capital | 49064754000 | 1577168000 | 143982682855 | 93340760855 |
| Total : B - Charged | | 49064754000 | 1577168000 | 143982682855 | 93340760855 |
| Total : A and B | | 77387569000 | 5847889000 | 179682905948 | 96447447948 |

Appendix 7

(Refer Paragraph 2.3.8, Page 25)

Statement showing cases where expenditure fell short by more than Rs 1 crore in each case and also in excess of 10 per cent of the total provision

| Description of the grant/appropriation | Amount of Savings (Rupees in crore) | Reasons for savings |
|---|--|--|
| Revenue Voted | | |
| 1 State Legislature | 4.73 (25) | Not intimated (July 2002) |
| 3 - Council of Ministers | • 1.53 (34) | Not intimated (July 2002) |
| 4 Administration of Justice | 25.57 (22) | Augmentation of fund by supplementary provision in March 2002 was required for meeting larger establishment charges. Reasons for final savings not intimated (July 2002) |
| 5 - Elections | 13.66 (15) | Reasons for final saving have not been intimated (July 2002) |
| 8 - Stamps and Registration | 7.23 (16) | Not intimated (July 2002) |
| 10 State Excise | 5.79 (13) | Augmentation of fund by supplementary provision in March 2002 was required for meeting larger establishment charges. Reasons for final saving have not been intimated (July 2002) |
| 11 - Taxes on Sales, Trades, etc. | 15.17 (18) | Augmentation of fund by supplementary provision in March 2002 was required for larger establishment charges, payment of arrears rents, rates and taxes at the enhanced rate, payment of consultancy fees and travel expenses to two consultants under VAT, non-filing of posts of subordinate service. Reasons for final savings have not been intimated (July 2002) |
| 12 - Taxes on Vehicles | 1.65 (16) | Saving was due to non-occurrence of necessary situation for incurring the expenditure. Reasons for final saving have not been intimated (July 2002) |
| 13 Other Taxes and Duties on Commodities and Services | 2.92 (41) | Not intimated (July 2002) |
| 14 Other Fiscal Services | 12.22 (55) | Augmentation of fund by supplementary provision in March 2002 was required for meeting larger establishment charges. Reasons for final saving have not been intimated (July 2002) |
| 18 - Secretariat General Services | 23.36 (29) | Augmentation of fund by supplementary provision in March 2002 was required for meeting larger establishment charges. Reasons for final saving have not been intimated (July 2002) |
| 19 - District Administration | 9.86 (14) | Augmentation of fund by supplementary provision in March 2002 was required for meeting larger establishment charges. Reasons for final saving have not been intimated (July 2002) |

| Description of the grant/appropriation | Amount of Savings (Rupees in crore) | Reasons for savings |
|---|--|---|
| 20 - Treasury and Accounts | 14.24 (22) | For Augmentation of fund by supplementary provision in March 2002 required for meeting larger establishment charges, larger expenditure on computerization of Treasuries. Reasons for final saving have not been intimated (July 2002) |
| 22 - Jails | 20.60 (27) | Not intimated (July 2002) |
| 24 - Stationery and Printing | 2.71 (14) | Not intimated (July 2002) |
| 25 - Public Works | 58.96 (16) | Enhancement of fund by supplementary provision in March 2002 required for maintenance and repairs of Government buildings, meeting larger establishment charges. Reasons for final saving have not been intimated (July 2002) |
| 31 - Sports and Youth Services | 99.86 (59) | Augmentation of fund by supplementary provision obtained in March 2002 was required for larger establishment cost and implementation of Bangla Swarnbhar Karnasanshan Prakaipa. Reasons for final saving have not been intimated (July 2002). |
| 32 - Medical and Public Health (Excluding Public Health) | 141.10 (12) | Not intimated (July 2002) |
| 33 - Medical and Public Health (Public Health) | 38.48 (22) | For enhancement of fund through supplementary provision in March 2002 was required for meeting larger establishment charges. Reasons for final saving have not been intimated (July 2002). |
| 36 - Housing | 8.25 (14) | Augmentation of fund by supplementary provision in March 2002 was required for meeting larger establishment charges and subsidies to WBHB. Reasons for final saving have not been intimated (July 2002) |
| 38 - Information and Publicity | 11.30 (26) | Not intimated (July 2002) |
| 39 - Labour and Employment | 21.91 (28) | Not intimated (July 2002) |
| 40 - Social Security and Welfare (Rehabilitation) | 19.62 (58) | Not intimated (July 2002) |
| 41 - Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) | 30.87 (11) | Not intimated (July 2002) |
| 43 - Nutrition | 19.61 (24) | Not intimated (July 2002) |
| 44 - Relief on account of Natural Calamities | 214.39 (75) | Saving was due to less requirement of fund. Reasons for final saving have not been reported (July 2002) |
| 45 - Secretariat-Social Services | 11.30 (17) | Not intimated (July 2002) |
| 47 - Crop Husbandry | 39.08 (19) | Savings was mainly due to creation of fund (Rs 15.80 crore) was required for implementation of schemes under Macro Management Mode Work Plan. Reasons for savings of balance amount not intimated (July 2002) |

| Description of the grant/appropriation | Amount of Savings (Rupees in crore) | Reasons for savings |
|--|--|--|
| 48 - Soil and Water Conservation | 20.97 (64) | Not intimated (July 2002) |
| 49 Animal Husbandry | 33.91 (22) | Not intimated (July 2002) |
| 50 Dairy Development | 39.72 (25) | Not intimated (July 2002) |
| 51 Fisheries | 13.16 (20) | Not intimated (July 2002) |
| 52 - Forestry and Wild Life | 20.79 (12) | Not intimated (July 2002) |
| 54 Food, Storage and Warehousing | 22.17 (21) | Augmentation of fund by supplementary provision in March 2002 was required for meeting larger establishment charges and printing of Ration Cards. Reasons for final saving have not been intimated (July 2002) |
| 55 - Agricultural Research and Education | 10.90 (18) | Not intimated (July 2002) |
| 56 Horticulture and Vegetable Crops | 7.91 (33) | Not intimated (July 2002) |
| 57 - Co-operation | 13.02 (25) | Saving was attributed to non-filling up of vacancies, restraint in incurring expenditure due to economy measure, non-approval of a good number of qualified proposals by the Government. Reasons for final saving have not been intimated (July 2002) |
| 58 Other Agricultural Programme | 2.83 (19) | Not intimated (July 2002) |
| 59 - Special Programmes for Rural Development | 21.40 (83) | Not intimated (July 2002) |
| 60 - Rural Employment | 62.02 (29) | Saving was attributed to low flow of fund from the Government of India and hence low requirement of matching fund of the department, changes of schemes to another head of account under a different demand and booking of expenditure therewith. Reasons for final saving have not been intimated (July 2002) |
| 63 Other Rural Development Programmes (Community Development) | 22.57 (19) | Augmentation of fund by supplementary provision in March 2002 was required for meeting larger establishment charges. Reasons for final savings have not been intimated (July 2002) |
| 65 - Other Special Areas Programmes | 26.71 (14) | For Augmentation of fund by supplementary provision in March 2002 required for meeting larger developmental expenditure. Reasons for final saving have not been intimated (July 2002) |
| 68 - Flood Control and Drainage | 38.44 (21) | Addition of fund by supplementary provision in March 2002 was required for execution of various flood control schemes and reduction of fund was due to restricted release by the Finance Department. Reasons for final savings have not been intimated (July 2002). |
| 72 Non-Conventional Sources of Energy | 3.40 (68) | Creation of fund by supplementary provision in March 2002 was required for introduction of new schemes for Non-Conventional Energy Sources. Reasons for final savings have not been intimated (July 2002) |

| Description of the grant/appropriation | Amount of Savings (Rupees in crore) | Reasons for savings |
|--|--|---|
| 73 - Village and Small Industries (Excluding Public Undertakings) | 41.35 (35) | Not intimated (July 2002) |
| 75 - Industries (Excluding Public Undertakings and Closed and Sick Industries) | 50.86 (35) | Not intimated (July 2002) |
| 76 - Non-Ferrous Mining and Metallurgical Industries | 1.13 (32) | Not intimated (July 2002) |
| 79 - Roads and Bridges | 36.52 (12) | Not intimated (July 2002) |
| 83 - Secretariat - Economic Services | 9.11 (20) | Savings (Rs 1.96 crore) was due to economy measure. Reasons for final saving have not been intimated (July 2002) |
| 84 - Tourism | 6.06 (38) | Not intimated (July 2002) |
| 85 - Census, Surveys and Statistics | 1.89 (15) | Savings (Rs 0.48 crore) was due to some posts lying vacant. Reasons for final saving have not been intimated (July 2002) |
| 86 - Civil Supplies | 3.78 (26) | Not intimated (July 2002) |
| 88 - Other General Economic Services | 1.30 (17) | Not intimated (July 2002) |
| 89 - Water Supply and Sanitation (Prevention of Air and Water Pollution) | 31.84 (66) | Savings (Rs 30.92 crore) was due to non-finalisation of sufficient schemes. Reasons for savings of balance amount not intimated (July 2002). |
| Capital Voted | | |
| 7 - Land Revenue | 7.04 (95) | Not intimated (July 2002) |
| 25 - Public Works | 126.67 (46) | Not intimated (July 2002) |
| 26 - Other Administrative Services (Fire Protection and Control) | 1.98 (66) | Creation of fund by supplementary provision in March 2002 required for meeting the acquisition cost of land for construction of Fire Station. Reasons for final saving have not been intimated (July 2002) |
| 27 - Other Administrative Services (Excluding Fire Protection and Control) | 10.22 (100) | Not intimated (July 2002) |
| 30 - Education, Art and Culture | 80.63 (100) | Not intimated (July 2002) |
| 32 - Medical and Public Health (Excluding Public Health) | 52.55 (100) | Not intimated (July 2002) |
| 34 - Family Welfare | 1.97 (88) | Creation of fund by supplementary provision in March 2002 required to maintain the tempo of activity under the ongoing India Population Project. Reasons for final saving have not been intimated (July 2002) |
| 35 - Water Supply and Sanitation (Excluding prevention of Air and Water Pollution) | 17.24 (99) | Not intimated (July 2002) |
| 36 - Housing | 7.58 (17) | Not intimated (July 2002) |

| Description of the grant/appropriation | Amount of Savings (Rupees in crore) | Reasons for savings |
|---|--|---|
| 37 - Urban Development | 7.29 (16) | Reasons for final saving have not been intimated (July 2002) |
| 40 - Social Security and Welfare (Rehabilitation) | 9.56 (83) | Not intimated (July 2002) |
| 41 - Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) | 20.33 (35) | Not intimated (July 2002) |
| 42 - Social Security and Welfare (Social Welfare) | 4.18 (45) | Not intimated (July 2002) |
| 46 - Other Social Services | 3.25 (75) | Not intimated (July 2002) |
| 47 - Crop Husbandry | 1.53 (80) | Not intimated (July 2002) |
| 49 - Animal Husbandry | 2.01 (67) | Not intimated (July 2002) |
| 50 - Dairy Development | 2.45 (64) | Not intimated (July 2002) |
| 51 - Fisheries | 16.41 (41) | Not intimated (July 2002) |
| 53 - Plantations | 1.15 (25) | Saving was due to withdrawal of fund for implementation of economy in plan expenditure |
| 54 - Food, Storage and Warehousing | 195.34 (98) | Saving was due to non-sanctioning of fund for want of necessary clearance from the Finance Department and absence of proposal for utilisation of fund from the implementing authority. Reasons for final saving have not been intimated (July 2002) |
| 57 - Co-operation | 11.81 (43) | Saving was due to non-sanctioning of a good number of proposals by the Government, non-receipt of sufficient number of proposals and non-approval of schemes by NCDC. Reasons for final saving have not been intimated (July 2002) |
| 58 - Other Agricultural Programmes | 1.02 (50) | Creation of fund by obtaining supplementing provision in March 2002 required for implementation of the schemes under Macro Management Model Work Plan. Reasons for final saving have not been intimated (July 2002) |
| 65 - Other Special Areas Programmes | 18.76 (44) | Augmentation of fund by supplementary provision in March 2002 required for meeting larger developmental expenditure. Reasons for final savings of balance amount not intimated (July 2002) |
| 66 - Major and medium Irrigation | 45.72 (28) | Not intimated (July 2002) |
| 67 - Minor Irrigation and Command Area Development | 96.77 (86) | Not intimated (July 2002) |
| 68 - Flood Control and Drainage | 213.86 (65) | Not intimated (July 2002) |
| 73 - Village and Small Industries (Excluding Public Undertakings) | 9.56 (19) | Not intimated (July 2002) |

| Description of the grant/appropriation | | Amount of Savings (Rupees in crore) | Reasons for savings |
|--|--|--|--|
| 74 | Industries (Closed and Sick Industries) | 21.61 (73) | Saving was mainly due to non-finalisation of different proposals/non-requirement of fund |
| 79 | Roads and Bridges | 445.60 (47) | Not intimated (July 2002) |
| 80 | Road Transport | 140.92 (58) | Not intimated (July 2002) |
| 81 | Other Transport Services | 7.62 (69) | Not intimated (July 2002) |
| 84 | - Tourism | 2.56 (55) | Not intimated (July 2002) |
| 87 | - Investment in General Financial and Trading Institution | 9.75 (75) | Not intimated (July 2002) |
| 92 | - Industries (Public Undertakings) | 17.62 (19) | Savings (Rs 29.30 crore) was due to lesser requirement of funds by the respective companies and non-receipt of proposals partly counter balance and by excess expenditure on account of certain other companies. |
| 94 | - Telecommunication and Electronic Industries | 8.25 (41) | Saving (Rs 8 crore) was due to economy in Plan Expenditure. Reasons for savings of balance amount not intimated (July 2002) |
| 95 | - Consumer Industries (Excluding Public Undertakings and Closed and Sick Industries) | 19.52 (34) | Savings (Rs 31.96 crore) was due to economy in Plan Expenditure partly counter balanced by, creation of fund required for investment in Greater Kolkata Gas Supply Corporation Limited. Reasons for final saving have not been intimated (July 2002) |
| 96 | - Other Industries and Minerals (Excluding Closed and Sick Industries) | 4.91 (40) | Savings (Rs 2.17 crore) due to non-realisation of the pending bills during the year and non-utilisation of Plan scheme (Rs 2.49 crore) during the year. Reasons for final saving have not been intimated (July 2002) |
| 99 | - Loans and Advances | 42.37 (33) | Not intimated (July 2002) |
| Revenue Charged | | | |
| 4 | - Administration of Justice | 6.16 (19) | Reasons for saving have not been intimated (July 2002) |
| 40 | - Social Security and Welfare (Rehabilitation) | 10.32 (82) | Not intimated (July 2002) |

Appendix 8

(Refer Paragraph 2.3.9 (a), Page 25)

Statement showing persistent savings in excess of Rs 10 lakh in each case and 20 per cent or more of the provision

| Description of the Grant | | Savings (Rupees in crore) | | |
|--------------------------|---|------------------------------|----------------|----------------|
| | | 1999-2000 | 2000-2001 | 2001-2002 |
| Revenue – Voted | | | | |
| 13 | - Other Taxes and Duties on Commodities and Services | 2.68 (33) | 2.92 (37) | 2.92 (41) |
| 40 | - Social Security and Welfare (Rehabilitation) | 16.31 (38) | 15.00 (32) | 19.62 (58) |
| 48 | - Soil and Water Conservation | 12.48 (43) | 8.89 (30) | 20.97 (64) |
| 56 | - Crop. Husbandry (Horticulture and Vegetable Crop) | 11.95 (59) | 4.67 (21) | 7.91 (33) |
| 59 | - Special Programmes for Rural Development | 28.58 (74) | 15.87 (57) | 21.40 (83) |
| 75 | - Industries (Excluding Public Undertakings and Closed and Sick Industries) | 90.77 (70) | 151.25 (77) | 50.86 (35) |
| 84 | - Tourism | 6.96 (41) | 3.71 (25) | 6.06 (38) |
| Revenue – Charged | | | | |
| 40 | - Social Security and Welfare (Rehabilitation) | 14.53 (91) | 8.66 (72) | 10.32 (82) |
| Capital – Voted | | | | |
| 65 | - Other Special Areas Programmes | 9.32 (28) | 24.79 (53) | 18.76 (44) |
| 68 | - Flood Control and Drainage | 20.68 (22) | 44.26 (34) | 213.86 (65) |
| 81 | - Other Transport Services | 5.03 (35) | 14.46 (84) | 7.62 (69) |
| 96 | - Loans for Other Industries (Excluding Closed and Sick Industries and Public Undertakings) | 5.75 (48) | 6.06 (49) | 4.91 (40) |

Appendix 9

(Refer Paragraph 2.3.9 (b), Page 25)

Statement showing persisting significant excesses

| Description of the grant/appropriation | | Section | 1999-2000 | 2000-2001 | 2001-2002 |
|--|---------------------|---------|----------------|----------------|----------------|
| | | | Rupees | Rupees | Rupees |
| A - Voted | | | | | |
| 21 - Police | | Revenue | 179,36,92,652 | 124,60,74,375 | 68,63,26,961 |
| 28 - Pension and Other Retirement Benefits | | Revenue | 382,30,19,329 | 307,42,79,486 | 219,58,67,166 |
| 34 - Family Welfare | | Revenue | 11,64,80,088 | 22,07,06,721 | 22,24,89,142 |
| | Total : A - Voted | | 573,31,92,069 | 454,10,60,582 | 310,46,83,269 |
| B - Charged | | | | | |
| 98 - Public Debt | | Capital | 4490,98,61,731 | 7905,13,80,864 | 9334,07,60,855 |
| | Total : B - Charged | | 4490,98,61,731 | 7905,13,80,864 | 9334,07,60,855 |
| | Total : A and B | | 5064,30,53,800 | 8359,24,41,446 | 9644,54,44,124 |

Appendix 10

(Refer Paragraph 2.3.10, Page 25)

Statement showing expenditure exceeding the approved provisions by Rs 25 lakh or more and also by 10 per cent of total provision

| Description of Grant/ Appropriation | Section | Amount of excess (Percentage in bracket) |
|--|----------------------|---|
| 28 - Pensions and other Retirement benefits | Revenue | 219,58,67,166 (11) |
| 34 - Family Welfare | Revenue | 22,24,89,142 (15) |
| 63 - Other Rural Development Programmes (Community Development) | Capital | 4,86,51,275 (534) |
| 98 - Public Debt | Capital (Charged) | 9334,07,60,855 (184) |

Appendix 11
(Refer Paragraph 2.3.11, Page 25)
Statement showing injudicious re-appropriation
Injudicious re-appropriation resulting in excess expenditure

a)

| Serial Number | Grant Number | Major head affecting the grant | Total provision (R u p e e s) | Re-appropriation (R u p e e s) | Total grant i n c r e a s e | Expenditure | Amount of excess |
|---------------|--------------|--|------------------------------------|-------------------------------------|--------------------------------|-------------|------------------|
| 1 | 1 | 2011-State Legislature | 0.20 | (-)0.12 | 0.08 | 0.10 | (+)0.02 |
| 2 | 2 | 2012-Governor | 0.63 | (-)0.27 | 0.36 | 0.40 | (+)0.04 |
| 3 | 16 | 2049-Interest Payments | 40.00 | (-)0.81 | 39.19 | 39.20 | (+)0.01 |
| | | | 6.90 | (-)0.75 | 6.15 | 6.26 | (+)0.11 |
| | | | 60.80 | (-)0.28 | 60.52 | 60.73 | (+)0.21 |
| | | | 17.30 | (-)4.72 | 12.58 | 12.70 | (+)0.12 |
| | | | 45.25 | (-)29.50 | 15.75 | 24.88 | (+)9.13 |
| | | | 50.00 | (-)5.00 | 45.00 | 46.20 | (+)1.20 |
| | | | 9.85 | (-)4.93 | 4.92 | 16.41 | (+)11.49 |
| | | | 38.45 | (-)0.01 | 38.44 | 55.31 | (+)16.87 |
| | | | 52.70 | (-)0.02 | 52.68 | 53.28 | (+)0.60 |
| | | | 54.70 | (-)1.83 | 52.87 | 68.63 | (+)15.76 |
| | | | 2.22 | (+)0.06 | 2.29 | 2.40 | (+)0.11 |
| | | | - | (+)4.86 | 4.86 | 4.91 | (+)0.05 |
| 4 | 18 | 2052-Secretariat General Services | 11.64 | (-)3.41 | 8.23 | 8.58 | (+)0.35 |
| | | | 2.65 | (-)0.70 | 1.95 | 2.13 | (+)0.18 |
| | | | 7.90 | (-)2.37 | 5.53 | 6.71 | (+)1.18 |
| 5 | 19 | 2053-District Administration | 18.65 | (-)0.53 | 18.12 | 19.45 | (+)1.33 |
| 6 | 25 | 2059-Public Works | 17.71 | (-)1.11 | 16.60 | 27.34 | (+)10.74 |
| 7 | 27 | 2070-Other Administrative Services (Excluding Fire Protection and Control) | 16.76 | (-)1.79 | 14.97 | 15.45 | (+)0.48 |
| | | | 2.69 | (-)0.96 | 1.73 | 1.89 | (+)0.16 |
| | | | 8.46 | (-)3.08 | 5.38 | 5.40 | (+)0.02 |
| | | | 6.46 | (-)0.36 | 6.10 | 13.24 | (+)7.14 |
| | | | 55.92 | (-)0.81 | 55.11 | 78.63 | (+)23.52 |
| | | | 0.58 | (-)0.13 | 0.45 | 1.57 | (+)1.12 |

| Serial Number | Grant Number | Major head affecting the grant | Total provision (R u p e e s) | Re-appropriation (R u p e e s) | Total grant i n c r e a s e | Expenditure (R u p e e s) | Amount of excess |
|---------------|--------------|--|------------------------------------|-------------------------------------|--------------------------------|--------------------------------|------------------|
| 8 | 35 | 2215-Water Supply and Sanitation (Excluding prevention of Air and Water Pollution) | 1.93 | (-) 1.68 | 0.25 | 1.01 | (+) 0.76 |
| | | | 21.45 | (-) 5.47 | 15.98 | 16.32 | (+) 0.34 |
| | | | 71.03 | (+) 1.91 | 72.94 | 80.19 | (+) 7.25 |
| | | | 12.08 | (-) 10.75 | 1.33 | 1.75 | (+) 0.42 |
| | | | 2.21 | (-) 0.30 | 1.91 | 7.61 | (+) 5.69 |
| 9 | 40 | 2235-Social Security and Welfare (Rehabilitation) | 4.13 | (-) 0.83 | 3.30 | 18.92 | (+) 15.62 |
| | | | 2.74 | (-) 0.92 | 1.82 | 2.94 | (+) 1.12 |
| | | | 8.42 | (-) 2.39 | 6.03 | 13.72 | (+) 7.69 |
| | | | 3.42 | (-) 0.80 | 2.62 | 2.71 | (+) 0.09 |
| | | | 2.00 | (-) 0.47 | 1.53 | 1.56 | (+) 0.03 |
| 10 | 41 | 2215-Water Supply and Sanitation (Excluding Prevention of Air and Water Pollution) (Tribal Areas Sub-Plan) | 5.25 | (-) 4.37 | 0.88 | 1.65 | (+) 0.77 |
| | | | 5.82 | (-) 5.02 | 0.80 | 1.16 | (+) 0.36 |
| | | | 11.00 | (-) 9.90 | 1.10 | 1.56 | (+) 0.46 |
| | | | 34.16 | (+) 12.82 | 46.98 | 58.02 | (+) 11.04 |
| | | | 11.00 | (-) 1.37 | 9.63 | 15.82 | (+) 6.19 |
| 11 | 44 | 5054-Capital Outlay on Roads and Bridges (Tribal Areas Sub-Plan) | 14.35 | (-) 13.22 | 1.13 | 1.23 | (+) 0.10 |
| | | | 16.55 | (-) 2.67 | 13.88 | 14.04 | (+) 0.16 |
| 12 | 47 | 2401-Crop Husbandry (Excluding Horticulture and Vegetable Crops) | 2.30 | (-) 1.49 | 0.81 | 1.09 | (+) 0.28 |
| | | | 1.90 | (-) 1.90 | - | 0.81 | (+) 0.81 |
| | | | 2.64 | (-) 2.64 | - | 0.63 | (+) 0.63 |
| | | | 14.88 | (-) 0.52 | 14.36 | 25.52 | (+) 11.16 |
| | | | 1.97 | (-) 0.02 | 1.95 | 2.41 | (+) 0.46 |
| | | | 1.87 | (-) 0.04 | 1.83 | 2.94 | (+) 1.11 |
| | | | 1.26 | (-) 0.05 | 1.21 | 1.67 | (+) 0.46 |
| | | | 0.72 | (-) 0.42 | 0.29 | 7.46 | (+) 7.17 |
| | | | 6.32 | (-) 0.50 | 6.82 | 7.08 | (+) 0.26 |
| | | | - | (+) 1.00 | 1.00 | 1.80 | (+) 0.80 |

| Serial Number | Grant Number | Major head affecting the grant | Total provision (R u p e e s) | Re-appropriation (R u p e e s) | Total grant i n c r e a s e | Expenditure | Amount of excess |
|---------------|--------------|--|------------------------------------|-------------------------------------|--------------------------------|-------------|------------------|
| | | 4401-Capital outlay on Crop Husbandry (Excluding Public Undertakings and Horticulture and Vegetable Crops) | 1.00 | (-) 0.91 | 0.09 | 0.24 | (+) 0.15 |
| 13 | 48 | 2402-Soil and Water Conservation | 0.70 | (-) 0.70 | - | 0.15 | (+) 0.15 |
| 14 | 51 | 2405-Fisheries | 1.62 | (+) 0.04 | 1.66 | 2.22 | (+) 0.56 |
| 15 | 54 | 2408-Food Storage and Warehousing | 0.50 | (+) 0.53 | 1.03 | 1.54 | (+) 0.51 |
| 16 | 55 | 2415-Agricultural Research and Education | 6.02 | (+) 1.76 | 7.78 | 8.86 | (+) 1.08 |
| | | 2425-Co-operation | 0.97 | (-) 0.97 | - | 0.43 | (+) 0.43 |
| | | | 0.05 | (-) 0.05 | - | 1.65 | (+) 1.65 |
| 17 | 57 | | 11.10 | (-) 0.42 | 10.68 | 11.50 | (+) 0.82 |
| | | | 0.25 | (+) 2.09 | 2.34 | 2.75 | (+) 0.41 |
| | | | 0.13 | (+) 0.11 | 0.24 | 2.58 | (+) 2.34 |
| | | 4425-Capital outlay on Co-operation | 1.21 | (-) 1.13 | 0.08 | 0.58 | (+) 0.50 |
| 18 | 59 | 2501-Special Programmes for Rural Development | 20.00 | (-) 19.50 | 0.50 | 2.64 | (+) 2.14 |
| 19 | 60 | 2505-Rural Employment | 57.00 | (-) 15.24 | 41.76 | 47.93 | (+) 6.17 |
| | | | 15.05 | (-) 1.05 | 14.00 | 17.62 | (+) 3.62 |
| 20 | 61 | 2506-Land Reforms | 3.22 | (-) 0.39 | 2.83 | 3.54 | (+) 0.71 |
| 21 | 62 | 2515-Other Rural Development Programmes (Panchayati Raj) | 6.80 | (-) 1.20 | 5.60 | 6.07 | (+) 0.47 |
| | | | 10.00 | (-) 3.73 | 6.27 | 7.87 | (+) 1.60 |
| | | | 2.00 | (-) 1.70 | 0.30 | 0.53 | (+) 0.23 |
| | | | 110.55 | (-) 110.55 | - | 24.48 | (+) 24.48 |
| | | | 1.63 | (-) 0.42 | 1.21 | 2.88 | (+) 1.67 |
| | | | 15.00 | (+) 0.50 | 15.50 | 17.46 | (+) 1.96 |
| | | | 0.05 | (-) 0.05 | - | 1.17 | (+) 1.17 |
| 22 | 65 | 4575-Capital Outlay on Other Special Areas Programmes | 7.20 | (-) 2.62 | 4.58 | 6.00 | (+) 1.42 |
| 23 | 67 | 4702-Capital Outlay on Command Area Development | 2.42 | (-) 0.35 | 2.07 | 3.88 | (+) 1.81 |
| 24 | 68 | 4711-Flood Control | 4.25 | (-) 3.25 | 1.00 | 1.42 | (+) 0.42 |
| | | 4711-Capital Outlay on Flood Control Projects | 50.00 | (-) 33.38 | 16.62 | 21.01 | (+) 4.39 |
| | | | 32.00 | (-) 19.49 | 12.51 | 14.26 | (+) 1.75 |
| | | | 152.00 | (-) 152.00 | - | 14.91 | (+) 14.91 |
| | | | 1.17 | (-) 1.17 | - | 2.19 | (+) 2.19 |

| Serial Number | Grant Number | Major head affecting the grant | Total provision (R u p e e s) | Re-appropriation (R u p e e s) | Total grant (R u p e e s) | Expenditure (R u p e e s) | Amount of excess |
|---------------|--------------|---|------------------------------------|-------------------------------------|--------------------------------|--------------------------------|------------------|
| 25 | 69 | 2801-Power | 2.00 | (-) 1.88 | 0.12 | 0.49 | (+) 0.37 |
| 26 | 74 | 4875-Capital Outlay on Other Industries (Closed and Sick Industries) | 4.00 | (-) 4.00 | - | 0.46 | (+) 0.46 |
| 27 | 75 | 2852-Industries (Excluding Public Undertakings and Closed and Sick Industries and Food and Beverages) | 83.00 | (-) 68.00 | 15.00 | 25.00 | (+) 10.00 |
| 28 | 79 | 5034-Capital Outlay on Roads and Bridges | 3.94 | (-) 2.90 | 1.04 | 12.50 | (+) 11.46 |
| 29 | 80 | 5055-Capital Outlay on Road Transport | 25.45 | (-) 0.68 | 24.77 | 77.96 | (+) 53.19 |
| 30 | 83 | 3451-Secretariat Economic Services | 151.00 | (-) 99.90 | 51.10 | 54.47 | (+) 3.37 |
| 31 | 93 | 4856-Capital Outlay on Petrochemical Industries (Excluding Public Undertakings) | 0.60 | (-) 0.39 | 0.21 | 1.51 | (+) 1.30 |
| 32 | 98 | 6003-Internal Debt of the State Government | 155.53 | (-) 92.54 | 62.99 | 162.99 | (+) 100.00 |
| | | 6004-Loans and Advances from the Central Government | 45.00 | (+) 3.23 | 48.23 | 53.70 | (+) 5.47 |
| | | | 21.50 | (-) 6.50 | 15.00 | 19.99 | (+) 4.99 |
| | | | 294.63 | (-) 16.77 | 277.86 | 287.86 | (+) 10.00 |

b) Injudicious re-appropriation resulting in savings

| Serial Number | Grant Number | Major head affecting the grant | Total provision (R u p e e s) | Re-appropriation | Total grant i n c r e s e | Expenditure | Amount of savings |
|---------------|--------------|---|------------------------------------|------------------|------------------------------|-------------|-------------------|
| | | | | | | | (-) |
| 1 | 1 | 2011-State Legislature | 11.09 | (-) 4.03 | 7.05 | 6.79 | (-) 2.63 |
| | | | 7.43 | (-) 0.11 | 7.32 | 7.04 | (-) 0.28 |
| 2 | 7 | 2029-Land Revenue | 7.58 | (-) 0.52 | 7.06 | 3.87 | (-) 3.19 |
| | | | 12.58 | (-) 1.38 | 11.20 | 9.17 | (-) 2.03 |
| | | | 8.29 | (-) 0.72 | 7.57 | 6.05 | (-) 1.52 |
| 3 | 12 | 2041-Taxes on Vehicles | 5.18 | (-) 0.73 | 4.45 | 4.41 | (-) 0.04 |
| | | | 0.45 | (-) 0.13 | 0.32 | 0.28 | (-) 0.04 |
| | | | 0.55 | (-) 0.15 | 0.40 | 0.24 | (-) 0.16 |
| | | | 0.40 | (-) 0.20 | 0.19 | 0.07 | (-) 0.12 |
| 4 | 13 | 2045-Other Taxes and Duties on Commodities and Services | 1.31 | (-) 0.43 | 0.88 | 0.71 | (-) 0.17 |
| 5 | 16 | 2049 - Interest Payments | 0.60 | (-) 0.46 | 0.14 | 0.07 | (-) 0.07 |
| | | | 32.07 | (-) 21.25 | 10.82 | 5.56 | (-) 5.26 |
| | | | 62.65 | (-) 0.01 | 62.64 | 62.44 | (-) 0.20 |
| | | | 74.50 | (-) 0.01 | 74.49 | 73.62 | (-) 0.87 |
| | | | 32.00 | (+) 1.83 | 33.83 | 18.04 | (-) 15.79 |
| | | | 14.00 | (-) 2.00 | 12.00 | 6.29 | (-) 5.71 |
| | | | 6.00 | (-) 1.00 | 5.00 | 3.53 | (-) 1.47 |
| | | | 200.00 | (-) 85.00 | 115.00 | - | (-) |
| | | | 396.00 | (-) 3.00 | 393.00 | 338.33 | 115.00 |
| | | | 283.40 | (-) 3.40 | 280.00 | 186.36 | (-) 54.67 |
| | | | 61.22 | (+) 0.75 | 61.97 | 61.37 | (-) 93.64 |
| | | | - | (+) 20.10 | 20.10 | 17.62 | (-) 0.60 |
| | | | 556.45 | (+) 62.25 | 618.70 | 579.61 | (-) 2.48 |
| | | | 10.00 | (+) 10.00 | 20.00 | 17.03 | (-) 39.09 |
| | | | 15.00 | (+) 0.40 | 15.41 | 15.28 | (-) 2.97 |
| | | | 15.00 | (+) 3.50 | 18.50 | 16.83 | (-) 0.12 |
| | | | 500.65 | (+) 249.35 | 750.00 | 669.58 | (-) 1.67 |
| | | | 1.86 | (+) 24.14 | 26.00 | 8.67 | (-) 80.42 |
| | | | | (+) 2.70 | 2.70 | 1.76 | (-) 0.17 |
| | | | | | | | (-) 0.94 |

| Serial Number | Grant Number | Major head affecting the grant | Total provision (R u p e e s) | Re-appropriation | Total grant i n c r e a s e | Expenditure | Amount of savings |
|---------------|--------------|--|--|--|--|---|---|
| 6 | 18 | 2052 - Secretariat General Services | 2.25 2.94 5.53 49.81 | (-) 0.51 (-) 0.64 (-) 1.15 (-) 4.16 | 1.74 2.30 4.38 45.65 | 1.29 2.02 4.25 39.15 | (-) 0.45 (-) 0.28 (-) 0.13 (-) 6.50 |
| 7 | 19 | 2053 District Administration | 2.00 | (-) 1.08 | 0.92 | 0.90 | (-) 0.02 |
| 8 | 20 | 2054 District Administration | 0.99 | (-) 0.08 | 0.91 | 0.87 | (-) 0.03 |
| 9 | 24 | 2054 Stationery and Printing | 1.77 | (-) 0.35 | 1.42 | 0.56 | (-) 0.86 |
| 10 | 25 | 4059-Capital Outlay on Public Works | 1.00 | (-) 0.57 | 0.43 | 0.20 | (-) 0.23 |
| 10 | 27 | 4216-Capital Outlay on Housing (Buildings) 2070-Other Administrative Services (Excluding Fire Protection and Control) | 1.43 6.33 4.74 7.90 12.48 1.65 1.19 1.84 2.32 5.28 0.61 | (-) 0.02 (+) 0.02 (-) 0.02 (-) 0.03 (-) 1.04 (-) 0.99 (-) 0.37 (-) 0.70 (-) 0.82 (-) 0.95 (+) 0.79 | 1.41 6.35 4.72 7.87 11.44 0.66 0.82 1.15 1.50 4.33 1.40 | 0.89 4.30 4.31 2.78 11.25 0.65 0.74 1.01 1.35 3.69 1.20 | (-) 0.52 (-) 2.05 (-) 0.41 (-) 5.09 (-) 0.19 (-) 0.01 (-) 0.08 (-) 0.14 (-) 0.15 (-) 0.64 (-) 0.20 |
| 11 | 35 | 2215-Water Supply and Sanitation (Excluding Prevention of Air and Water Pollution) | 8.16 1.23 58.73 15.00 11.23 8.25 21.37 20.02 65.00 9.00 2.99 0.80 | (-) 0.46 (-) 0.07 (-) 10.56 (-) 13.40 (-) 3.99 (-) 2.15 (-) 5.82 (-) 5.28 (+) 22.04 (+) 9.30 (+) 13.62 (+) 4.18 | 7.70 1.16 48.17 1.60 7.24 6.10 15.55 14.75 87.04 18.30 16.61 4.98 | 5.65 0.56 37.33 1.05 6.34 5.50 15.33 13.51 70.91 18.02 5.14 3.55 | (-) 2.05 (-) 0.60 (-) 10.84 (-) 0.55 (-) 0.90 (-) 0.60 (-) 0.22 (-) 1.23 (-) 16.13 (-) 0.28 (-) 11.47 (-) 1.43 |
| 12 | 36 | 2216-Housing | 19.13 | (-) 1.20 | 17.93 | 17.38 | (-) 0.55 |

| Serial Number | Grant Number | Major head affecting the grant | Total provision (Rupees) | Re-appropriation | Total grant in c r o r e s | Expenditure | Amount of savings |
|---------------|--------------|--|--|---|---|---|---|
| 13 | 37 | 2217-Urban Development | 10.50 0.80 | (-) 1.22 (-) 0.50 | 9.28 0.30 | 7.48 0.17 | (-) 1.80 (-) 0.13 |
| 14 | 40 | 2235-Social Security and Welfare (Rehabilitation) 4216-Capital Outlay on Social Security and Welfare (Rehabilitation) | 0.55 8.30 | (-) 0.30 (-) 6.32 | 0.25 1.98 | 0.04 0.46 | (-) 0.21 (-) 1.52 |
| 15 | 41 | 2215-Water Supply and Sanitation (Excluding Prevention of Air and Water Pollution) (Tribal Areas Sub-Plan) 2401-Crop Husbandry (Excluding Horticulture and Vegetable Crops) | 3.30 3.37 0.70 0.69 0.69 | (-) 0.85 (-) 0.93 (-) 0.30 (-) 0.40 (-) 0.29 | 2.44 2.44 0.40 0.29 0.40 | 1.99 1.75 - - 0.19 | (-) 0.45 (-) 0.69 (-) 0.40 (-) 0.29 (-) 0.21 |
| 16 | 42 | 5054-Capital Outlay on Roads and Bridges (Tribal Areas Sub-Plan) | 2.45 | (+) 1.37 | 3.82 | 1.50 | (-) 2.32 |
| 17 | 44 | 2235-Social Security and Welfare (Social Welfare) 2245-Relief on Account of Natural Calamities | 13.00 30.70 4.50 19.84 | (-) 2.32 (-) 30.36 (-) 4.32 (-) 17.64 | 10.68 0.34 0.18 2.20 | 10.33 0.14 - 1.50 | (-) 0.35 (-) 0.20 (-) 0.18 (-) 0.69 |
| 18 | 47 | 2401-Crop Husbandry (Excluding Horticulture and Vegetable crops) | 45.09 2.17 32.34 1.55 0.82 4.53 2.68 8.48 1.30 4.37 | (-) 0.19 (-) 0.02 (-) 0.82 (-) 0.08 (-) 0.46 (-) 0.11 (+) 0.05 (-) 4.82 (-) 0.60 (+) 11.43 | 44.90 2.15 31.52 1.47 0.36 4.42 2.73 3.66 0.70 15.80 | 42.03 1.49 29.81 0.89 0.22 3.99 2.08 1.66 0.51 - | (-) 2.87 (-) 0.66 (-) 1.72 (-) 0.58 (-) 0.14 (-) 0.43 (-) 0.65 (-) 2.01 (-) 0.19 (-) 15.80 |
| 19 | 49 | 2403-Animal Husbandry | 18.15 | (-) 3.26 | 14.89 | 4.74 | (-) 10.15 |
| 20 | 50 | 2404-Dairy Development | 79.41 20.34 | (-) 0.45 (-) 0.45 | 78.96 20.79 | 52.03 16.58 | (-) 26.93 (-) 4.22 |
| 21 | 51 | 2405-Fisheries | 8.90 | (-) 0.50 | 8.40 | 7.42 | (-) 0.97 |
| 22 | 54 | 4408-Capital Outlay on Food, Storage and Warehousing | 180.36 | (-) 8.08 | 172.28 | - | (-) 172.28 |

| Serial Number | Grant Number | Major head affecting the grant | Total provision (R u p e e s) | Re-appropriation | Total grant | Expenditure | Amount of savings |
|---------------|--------------|--|---|---|--|---------------------------------------|---|
| 23 | 55 | 2415-Agricultural Research and Education | 4.18 2.94 3.25 | (-) 0.27 (+) 0.69 (+) 0.18 | 3.91 3.63 3.43 | 3.75 2.43 - | (-) 0.16 (-) 1.20 (-) 3.43 |
| 24 | 57 | 2425-Co-operation | 15.75 7.35 | (-) 2.85 (-) 3.67 | 12.90 3.68 | 11.84 1.34 | (-) 1.06 (-) 1.34 |
| 25 | 59 | 4425-Capital Outlay on Co-operation | 4.02 | (-) 0.69 | 3.33 | 2.42 | (-) 0.91 |
| 26 | 60 | 2501-Special Programmes for Rural Development 2505-Rural Employment | 3.00 57.00 38.50 | (-) 1.03 (-) 18.11 (-) 5.02 | 1.97 38.89 33.48 | - 37.19 30.10 | (-) 1.97 (-) 1.70 (-) 3.38 |
| 27 | 62 | 2515-Other Rural Development Programmes (Panchayati Raj) 3604-Compensation and Assignment to Local Bodies and Panchayati Raj Institution (Panchayati Raj) | 5.00 9.00 100.00 10.22 1.24 | (-) 3.69 (-) 2.03 (+) 21.01 (-) 4.25 (-) 0.51 | 1.31 6.97 121.01 5.97 0.73 | 0.21 5.56 95.70 0.41 0.05 | (-) 1.10 (-) 1.41 (-) 25.31 (-) 5.56 (-) 0.68 |
| 28 | 63 | 2515-Other Rural Development Programmes (Panchayati Raj) | 13.00 17.60 2.53 115.55 | (+) 6.75 (+) 12.39 (+) 2.54 (+) 54.91 | 19.75 29.99 5.07 170.46 | 18.44 26.83 3.16 169.76 | (-) 1.31 (-) 3.16 (-) 1.91 (-) 0.69 |
| 29 | 65 | 2515-Other Rural Development Programmes (Community Development) 2575-Other Special Areas Programmes 4575-Capital Outlay on Other Special Areas Programme | 78.42 11.28 6.60 15.38 | (-) 1.80 (-) 0.01 (-) 5.52 (-) 0.02 | 76.62 11.27 1.08 15.36 | 75.99 8.85 - - | (-) 0.63 (-) 2.42 (-) 1.08 (-) 15.36 |
| 30 | 66 | 2701-Major and Medium Irrigation | 14.50 4.45 4.55 | (-) 1.59 (-) 3.50 (-) 0.05 | 12.91 0.95 4.50 | 7.66 0.17 2.88 | (-) 5.25 (-) 0.78 (-) 1.62 |
| 31 | 67 | 4701-Capital Outlay on Major and Medium Irrigation 4702-Capital Outlay on Minor Irrigation | 10.00 50.00 1.15 2.64 | (-) 2.98 (-) 40.00 (-) 0.25 (-) 0.45 | 7.02 10.00 0.90 2.19 | 2.01 5.15 0.11 1.21 | (-) 5.01 (-) 4.85 (-) 0.79 (-) 0.98 |
| 32 | 68 | 2711-Flood Control | 17.11 30.00 | (-) 0.53 (-) 8.34 | 16.58 21.66 | 14.93 - | (-) 1.65 (-) 21.66 |
| | | 4711-Capital Outlay on Flood Control Project | 50.00 | (-) 26.36 | 23.64 | 19.39 | (-) 4.25 |

| Serial Number | Grant Number | Major head affecting the grant | Total provision (R u p e e s) | Re- appropriation (R u p e e s) | Total grant i n c r e a s e | Expenditure e x p e n d i t u r e | Amount of savings (e x c e s s) |
|---------------|--------------|---|------------------------------------|---|--------------------------------|--------------------------------------|---|
| 33 | 69 | 2801-Power | 1.50 | (-) 0.78 | 0.72 | 0.35 | (-) 0.37 |
| 34 | 75 | 2852-Industries (Excluding Public Undertakings and Closed and Sick Industries and Food and Beverages) | 3.00 | (+) 21.50 | 24.50 | 11.66 | (-) 12.84 |
| 35 | 79 | 5054-Capital Outlay on Roads and Bridges | 7.60 | (-) 0.48 | 7.12 | 6.04 | (-) 1.08 |
| | | | 1.45 | (-) 0.22 | 1.23 | 0.30 | (-) 0.93 |
| | | | 14.30 | (-) 3.45 | 10.85 | 8.14 | (-) 2.71 |
| | | | 8.00 | (+) 0.68 | 8.68 | 2.89 | (-) 5.79 |
| | | | 184.65 | (-) 38.56 | 146.09 | 2.61 | (-) 143.48 |
| | | | - | (+) 2.94 | 2.94 | 1.93 | (-) 1.01 |
| | | | 19.00 | (+) 23.94 | 42.95 | 36.65 | (-) 6.30 |
| | | | 4.50 | (+) 4.48 | 8.98 | 7.56 | (-) 1.42 |
| 36 | 83 | 3451-Secretariat Economic Services | 6.40 | (-) 1.74 | 4.66 | 0.78 | (-) 3.88 |
| 37 | 98 | 6003-Interest Debt of the State Government | 321.62 | (-) 58.49 | 263.13 | 261.70 | (-) 1.43 |

Appendix 12
(Refer Paragraph 2.3.12(a), Page 26)

Statement showing cases which satisfied the criteria laid down for treatment as New Service/New Instrument of Service

| Name of the Department | Grant number | Head | Actual expenditure (Rupees in lakh) | Remarks/Criteria number (As per G.O.No.3229(47)-FB dt.26.05.1981) |
|---------------------------|--------------|---|-------------------------------------|---|
| Finance | 16 | 2049-Interest Payments-01-Interest on Internal debt-101-Interest on Market Loans- Non-Plan-041- 9.72 per cent West Bengal Loan 2011 | 1215.00 | 16 |
| | | 2049-Interest Payment-01-Interest on Internal Debt-101-Interest on Market Loans (Charged)-Non-plan -050- 13.50 per cent West Bengal Loan 2001 | 84.81 | 16 |
| | | 2049-Interest Payment-01-Interest on Internal Debt-101-Interest on Market Loans (Charged)-Non-plan -051- 10.50 per cent West Bengal Loan 2011 | 817.77 | 16 |
| Public Health Engineering | 35 | 2215-Water Supply and Sanitation (Excluding Prevention of Air and Water Pollution)-01-Water Supply-001- Direction and Administration- SP (Annual Plan and Ninth Plan)-001- Creation of Organisation under Public Health Engineering | 61.75 | 5 |
| Urban Development | 37 | 2217-Urban Development-80-General - 800-Other Expenditure - NP 003 Grants to CIT for Adjustment of Energy Bills of CESC | 95.98 | 7 (ii) |
| | | 2217-Urban Development-80-General - 800-Other Expenditure - NP 004 Grants to the Municipalities other than CMC and HMC and other Urban Local Bodies for Adjustment of Energy Bills of CESC | 3147.25 | 7 (ii) |
| Health and Family Welfare | 41 | 2405 - Fisheries - 00 - 796 - Tribal Area Sub-Plan - SP(Annual Plan and Ninth Plan)- 003 - Socio Economic Upliftment of Tribal People through Operation of Pisciculture in Tribal Areas by Providing Dwelling Houses to the Tribal People | 100.00 | 15 |
| Food and Supply | 43 | 2236 - Nutrition - 02- Distribution of Food and Beverages- 789 - Special Component Plan for Scheduled Castes - SP (Annual Plan and Ninth Plan)- 003 - Supplementary Nutrition Programme for Children under 3 years relating to ICDS (PMGY) (SW) | 344.41 | 5 |
| Food and Supply | 56 | 2401- Crop Husbandry (Horticulture and Vegetable Crops) - 00- 119-Horticulture and Vegetable Crops- Centrally Sponsored (NS) - 004 - Annual Macro Management Mode Work Plan on Agricultural Development Work | 405.41 | 5 |

| Name of the Department | Grant number | Head | Actual expenditure (Rupees in lakh) | Remarks/Criteria number (As per G.O.No.3229(47)-FB dt.26.05.1981) |
|------------------------|--------------|---|-------------------------------------|---|
| Power | 69 | 4801- Capital Outlay on Power Projects- 02 - Thermal Power Generation - 190 - Investments in Public Sector and Other Undertakings - SP (Annual Plan and Ninth Plan)- 001 - West Bengal Power Development Corporation | 100 00 | 16 |
| | | 6801 - Loans from Power Projects - 00 - 202 - Thermal Power Generation - SP (Annual Plan and Ninth Plan) - 020 - Loans to West Bengal Power Development Corporation for implementation of schemes under APDP | 1000 00 | 16 |
| Roads and Bridges | 79 | 5054 - Capital Outlay on Roads and Bridges - 04 - District and Other Roads - 789 - Special Component Plan for Scheduled Castes - SP (Annual Plan and Ninth Plan)- 004 - Development of State Roads-District Roads | 235 98 | 5 |
| | | 5054 - Capital Outlay on Roads and Bridges - 04 - District and Other Roads - 789 - Special Component Plan for Scheduled Castes - SP (Annual Plan and Ninth Plan)- 005 - Development of State Roads | 238 28 | 2 |
| | | 5054 - Capital Outlay on Roads and Bridges - 04 - District and Other Roads - 789 - Special Component Plan for Scheduled Castes - SP- 007-Restoration/ Strengthening of Roads in the districts of Darjeeling, Jalpaiguri and Cooch Behar - PWD(Roads) Department (HUDCO) | 2189.30 | 2 |
| Finance | 98 | 6003- Internal Debt of the State Government - 00 - 101 - Market Loans - Non-Plan-005 - 9 per cent West Bengal Loan 1999 (Charged) | 25 26 | 16 |

Appendix 13

(Refer paragraph 2.3.12 (c), Page 27)

Statement showing expenditure incurred without provision

(Rupees in lakh)

| Description of Grant and Major Head | | Expenditure Incurred |
|-------------------------------------|--|----------------------|
| Grant No.16 - | 2049 - Interest Payments - 01- Interest on Internal Debt-101 - Interest on Market Loan - Non-Plan - 030 - 11.50 per cent West Bengal Loan, 2011 | 519.96 |
| | 050 - 13.50 per cent West Bengal Loan, 2001 | 84.81 |
| | 051 - 10.50 per cent West Bengal Loan, 2011 | 817.77 |
| Grant No. 21 - | 2055 - Police - 003 - Education and Training - Non-Plan 115 - Modernisation of Police Force | 801.05 |
| Grant No. 25 - | 4210 -Capital Outlay on Medical and Public Health (Excluding Public Health) (Buildings) - 02- Rural Health Services 789 - Special Component Plan for Scheduled Castes Areas - State Plan (Annual Plan and Ninth Plan) - 001 - Establishment of Health Centres (BMS) | 52.21 |
| Grant No.30 - | 2202 -General Education -01- Elementary Education 800-Other Expenditure - Non-Plan - 001 - State Institute of Education for Improvement of Elementary Education | 124.81 |
| | 02- Secondary Education - 110 - Assistance to Non-Government Secondary Schools - State Plan (Annual Plan and Ninth Plan) 010-Assistance for Computer Education to Non-Government Secondary School | 291.00 |
| | 800-Other Expenditure - Non-Plan 019 - Kolkata (Patha Bhavan) Incentive to the Development of Secondary Education | 300.00 |
| | 04- Adult Education 800 - Other Expenditure - Non-Plan -Literacy Programme | 50.31 |
| | 2203 - Technical Education 112 - Engineering/Technical Colleges and Institutes - Non-Plan - 001- BE College, Shibpur, Howrah | 114.80 |
| | | |
| Grant No.32 - | 2210-Medical and Public Health (Excluding Public Health)-03-800- Other Expenditure-State Plan (Annual Plan and Ninth Plan)-001- Primary Health Care Services | 234.76 |
| | 2210- Medical and Public Health (Excluding Public Health) - 01 - Urban Health Services - State Plan (8 th Plan and Committed) 110 - Hospitals and Dispensaries - Non-Plan - 019 - Prevention and Control of visual impairment and Blindness | 232.85 |
| | State Plan (Annual Plan and Ninth Plan) - Centrally Sponsored (New Schemes) - 001 - Prevention and Control of Visual Impairment and Blindness | 115.23 |
| | 03- Rural Health Services - 110 - Hospitals and Dispensaries - Non-Plan - 003 - Creation of Medical Care facilities in areas resided by Scheduled Castes Population | 74.41 |
| Grant No.33 - | 2210-Medical and Public Health (Public Health) - 06-Public Health - 101-Prevention and Control of Diseases-Centrally Sponsored (New Schemes) - 06- National Aids Control Programme | 43.87 |

| Description of Grant and Major Head | | Expenditure incurred |
|-------------------------------------|--|----------------------|
| Grant No.35 – | 2215-Water Supply and Sanitation (Excluding Prevention of Air and Water Pollution)-800-Other Expenditure-Non-Plan-State Plan (Annual Plan and Ninth Plan) -023 – Lump provision for grants to Zilla Parishade/Urban Local Bodies | 1631.74 |
| | 2215-Water Supply and Sanitation (Excluding Prevention of Air and Water Pollution)-01-Water Supply-001-Direction and Administration -State Plan (Annual Plan and Ninth Plan) -001 – Creation of Organisation under PHIE | 61.75 |
| | 101-Urban Water Supply Scheme | 72.52 |
| | 789-Special Component Plan for Scheduled Castes/Scheduled Tribes-State Plan (Annual Plan and Ninth Plan)-004-Rural Water Supply Scheme (Spot Sources) | 94.42 |
| Grant No.36 – | 4216 – Capital Outlay on Housing – 190 – Investment in Public Sector and other Undertaking-State Plan (Annual Plan and Ninth Plan) -001-Setting up of a Company (HUDCO) for a new Town at Rajarhat | 748.00 |
| Grant No.37 – | 2217 – Urban Development – 05- Other Urban Development Schemes– Assistance to Local Bodies, Corporations, Urban Development Authorities, Town Improvement Boards, etc. – Non-plan-018 – (Bidhan Nagar (Salt Lake) Notified Area Authority (Bidhan Nagar Municipality) | 859.60 |
| | State Plan (Annual Plan and Ninth Plan) – 003 – Programme for Liberation | 1218.36 |
| | 789-Special Component Plan for SC-State Plan (Annual Plan and Ninth Plan) 001 – Award of Tenth Finance Commission | 282.28 |
| | 800-Other Expenditure – Non Plan – 003 – Grants to CIT for adjustment of Energy Bills of CESC | 95.98 |
| | 004-Grants to the municipalities other than KMC & HMC other than Urban Local Bodies for adjustment of Energy Bills of CESC | 3147.25 |
| | State Plan (Annual Plan and Ninth Plan) – 001 – Grants to Urban Local Bodies for meeting their primary obligations as recommended by the Tenth Finance Commission (74 th Amendment of the Constitution) | 330.87 |
| | 005 – Lump provision for grants to Zilla Parishad/Urban Local Bodies | 54.08 |
| Grant No.41 – | 2215- Water supply and Sanitation (Excluding Prevention of Air and Water Pollution (Tribal Areas Sub-Plan – 01-Water Supply –796- Tribal Areas Sub-Plan-State Plan (Annual Plan and Ninth Plan) 019 – Urban W.S.S for Municipalities having population 20,000 or less | 155.23 |
| | 2225 – Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes – 02- Welfare of Scheduled Tribes – 277 – Education – Non-Plan-Centrally Sponsored (New Schemes) – 796 – Tribal Areas Sub-Plan – Non-Plan 013 – W.B.T.D.D.C for Minor Forest | 50.00 |
| | 2405 – Fisheries – 796 – Tribal Areas Sub-Plan – State Plan (Annual Plan and Ninth Plan) – 003 – Socio-Economic Upliftment of Tribal People through operation of Pisciculture Development Scheme in Tribal Areas by providing dwelling house to the Tribal People(FI) | 100.00 |
| | 5054 – Capital Outlay on Roads and Bridges (Tribal Areas Sub-Plan) – 04 – District and Other Roads – 796 – Tribal Areas Sub-Plan-State Plan (Annual Plan and Ninth Plan) | |
| | 004- Development of State Roads – District Roads (PR) | 230.69 |
| | 005- Restoration/ Improvement of Roads in Uttar Dinajpur, Dakshin Dinajpur and Malda P.W. Roads Department (HUDCO/PR) | 519.42 |
| | 006 – Restoration/Strengthening of Roads in the District of Darjeeling, Jalpaiguri and Cooch-Bihar P.W. Roads Department (HUDCO/PR) | 298.19 |
| | | |

| Description of Grant and Major Head | | Expenditure incurred |
|-------------------------------------|--|----------------------|
| Grant No. 42 | 007- Restoration/Development of Roads in the District of Bardhaman, Birbhum and Purulia P.W. Roads Department (HUDCO/PR) | 339.52 |
| | 008 - Restoration/Strengthening and Improvement of Roads in the District of Midnapore, Howrah and Hooghly P.W. Roads Department (HUDCO/PR) | 165.53 |
| | 2235 - Social Security and Welfare (Social Welfare) -02 -Social Welfare - Non-Plan - 103 - Women's Welfare - Non Plan (Development) - Centrally Sponsored (New Schemes) - 001 - Balika Samriddhi Yojana | 225.31 |
| | 200- Other Programmes - Non Plan - Centrally Sponsored (New Schemes) - 001 - Implementation of Annapurna Scheme(SW) | 320.52 |
| Grant No. 43 | 2236 - Nutrition 02 - Distribution of Food and Beverages - 101 - Special Nutrition Programme - 789 - Special Component Plan for Scheduled Castes - State Plan (Annual Plan and Ninth Plan)- 001 - Supplementary Nutrition Programme for Children and Expectant and Nursing Mothers | 178.49 |
| | 2236 - Nutrition 02 - Distribution of Food and Beverages - State Plan (Annual Plan and Ninth Plan) - 001- Supplementary Nutrition Programme for Children and Expectant and Nursing Mothers (BMS) | 256.60 |
| | 003 - Supplementary Nutrition Programme for Children under 3 years Relating to I.C.D.S (PMGY)(SW) | 344.41 |
| Grant No. 44 | 2245 - Relief on account of Natural Calamities - 02 - Flood, Cyclones etc. - 106 - Repairs and Restoration of Damaged Roads and Bridges - Non-Plan- 001 - Emergency Repair of Roads, Bridges etc. Damaged/Destroyed by Natural Calamities for Restoration of Communication | 221.38 |
| Grant No. 46 | 2250 - Other Social Services - 101 - Donation for Charitable Purposes - Non-Plan - 008-Contribution towards relief for flood affected people | 91.94 |
| | 4250-Capital Outlay on other Social Services - 203 - Employment - State Plan (Annual Plan and Ninth Plan) - 001 - Craftsman Training | 29.66 |
| Grant No. 47 | 2401 - Crop Husbandry (Excluding Horticulture and Vegetable Crops) - 001- Direction and Administration - 103 - Multiplication and Distribution of Seeds - Non-Plan - State Plan (Annual Plan and Ninth Plan - 006 Subsidised sale of Quality Seeds | 1.32 |
| | 109- Extension and Training - Non-Plan - Centrally Sponsored (New Schemes- Integrated Programme for Cereals Development - Rice | 81.03 |
| | 789-Special Component Plan for Scheduled Castes - State Plan-(Annual Plan and Ninth Plan - Centrally Sponsored (New Schemes - 002 - Integrated Programme for Cereal Development | 63.14 |
| | 800 - Other Expenditure - State Plan (Annual Plan and Ninth Plan) - 005 - Lump Provision for Grants to Zilla Parishad/Urban Local Bodies | 5.01 |
| Grant No. 48 | 2402 - Soil and Water Conservation - 102 - Soil Conservation - Non-Plan 789-Special Component Plan for Scheduled Castes - State Plan, (Annual Plan and Ninth Plan)- 001 - Scheme for extension of Soil Conservation Work on Wasteland and Agricultural land on Watershed basis in plains and Hills | 15.17 |
| Grant No.52 - | 2406 - Forestry and Wild Life - 01- Forestry - 101 - Forest Conservation and Development - Central Sector (New Scheme)- 001- Forest Fire Control and Management | 53.42 |

| Description of Grant and Major Head | | Expenditure incurred |
|-------------------------------------|---|----------------------|
| Grant No. 55 | 2415 - Agricultural Research and Education - 01 - Crop Husbandry - 277 - Education - Non-plan - 003 - Workshop under Directorate of Agricultural Engineer | 43.31 |
| | 004 - North Bengal Campus of Bidhan Chandra Krishi Viswa Vidyalaya | 165.65 |
| Grant No. 63 | 2515 - Other Rural Development Programmes (Community Development - 102 - Community Development - State Plan (Annual Plan and Ninth Plan)- 001 - Converted Blocks - Provision for providing vehicles to the Block Development Offices | 2.36 |
| | 102 - Community Development - Non-plan - 002 - Training -cum- Development Project Workshop | 54.55 |
| | 6515 - Loans for other Rural Development Programme (Community Development)- 102 - Community Development- State Plan (Annual Plan and Ninth Plan- 004- Loans for Rural Housing (PN) | 577.51 |
| Grant No. 66 | 4701- Capital Outlay on Major and Medium Irrigation - 01 - Major Irrigation (Commercial - 103 - Damodar Valley Project- Non-plan- 001-D.V Irrigation Flood Control Schemes (i) Additional expenditure on Irrigation and Flood Control Schemes (I) Other than Interest | 182.30 |
| | 004- D.V power Scheme (i) Additional expenditure on Power other than Interest | 247.82 |
| | State Plan (Annual Plan and Ninth Plan) - 002 - D.V. Irrigation Scheme - Government share of expenditure on Irrigation and Flood Control excluding interest | 113.80 |
| Grant No. 67 | 2702 - Minor Irrigation - 02 -Ground Water - 103 - Tube Wells - State Plan (Annual Plan and Ninth Plan) - 80 -General - 005-Investigation - Centrally Sponsored (New Schemes) 003- 3rd Census of M.I Scheme | 50.43 |
| | 800- Other Expenditure - Non-Plan - State Plan (Annual Plan and Ninth Plan) - 016 - Lump Provision for Grant to Zilla Parishad/Urban Local Bodies | 1999.96 |
| Grant No. 68 | 4711 - Capital Outlay on Flood Control Projects - 02 -Flood Control - 800 - Other Expenditure - State Plan (Annual Plan and Ninth Plan) - 001 - Lump Provision to Zilla Parishads/Urban Local Bodies for Capital Works (GLB) | 1490.76 |
| | 01 - Flood Control - 103 - Civil Works - Non-Plan - 007 -Construction of 3 Nos. Bed Bars at Village Chintamani, Mouza, Borra, P.S. Lalgola at Murshidabad | 54.04 |
| | 01 - Flood Control - 103 - Civil Works - State Plan (Annual Plan and Ninth Plan) - 502 -Other anti-erosion and Flood Protection Schemes on Ganga/Padma in Murshidabad | 62.95 |
| | 02 - Anti-Sea erosion Project - 103 - Civil Works - State Plan (Annual Plan and Ninth Plan) - 012 - Critical anti-Sea erosion works in Coastal States- Centrally Sponsored Schemes (C.S.S) | 219.17 |
| | 03 - Drainage - 103 - Civil Works - State Plan (Annual Plan and Ninth Plan) - 241 - Scheme under NABARD (RIDF) | 59.11 |
| Grant No.73- | 2851 - Village and Small Industries (Excluding Public Undertakings) - 105 -Khadi and Village Industries - State Plan (Annual Plan and Ninth Plan) 005 - Training Scheme for Beekeeping | 199.23 |

| Description of Grant and Major Head | | Expenditure incurred |
|-------------------------------------|--|----------------------|
| | 110- Composite Village and Small Industries and Cooperatives - Centrally Sponsored (New Schemes) - 010 - Market Development Assistance for Marketing Handloom Products | 111.27 |
| Grant No 74 - | 4885 - Capital Outlay on Industries and Minerals(Closed and Sick Industries) - 60 - other 800- Other Expenditure - State Plan (Annual Plan and Ninth Plan)- 001 - Industrial Reconstruction Corporation | 6.08 |
| | 6858 - Loans for Engineering Industries (Closed and Sick Industries) - 60 - Other Engineering Industries - 190 - Loans to Public Sector and Other Undertakings - Non-Plan -004 - Loans for Payment of Arrear Sales Tax Dues of the Central Public Sector Undertaking units | 46.00 |
| Grant No 79 - | 3054 - Roads and Bridges - 03 - State Highways - 80- General -001- Direction and Administration - Non-Plan - 001- Establishment charges transferred from the Revenue head "2059" Public Works | 351.09 |
| | 82 - 3425 - Other Scientific Research - Others- 004- Research and Development - State Plan (Annual Plan and Ninth Plan) - 002 - Implementation of Scheme/Project under State Remote Sensing Centre | 13.18 |
| | 5054-Capital Outlay on Roads and Bridges-789-Special Component Plan for Scheduled Castes - State Plan (Annual Plan and Ninth Plan) (004-Development of State Roads | 235.98 |
| | 005-Development of State Roads | 238.28 |
| | 007-Restoration/Strengthening of Roads in the District of Darjeeling, Jalpaiguri and Coochbehar PW (Roads) Department (HUDCO) | 2189.30 |
| Grant No 89 - | 2215 - Water Supply and Sanitation (Prevention of Air and Water Pollution) - 02- Sewerage and Sanitation - 106- Prevention of Air and Water Pollution - State Plan (Annual Plan and Ninth Plan)- 018 - Industrial Pollution Control Project (OECE)(EAP) | 0.25 |
| Grant No 92 - | 6860 - Loans for Consumer Industries (Public Undertakings) - 60 - Other Loans - 190 - Loans to to Public Sector and Other Undertakings - Non-Plan - 018- Loans to Closed and Sick Industrial Units for payment of arrear Sales Tax Dues | 64.69 |
| | 60 - Others - 190 - Loans to Public Sector and Other Undertakings - State Plan (Eighth plan and Committed) | 164.37 |
| Grant No 93 - | 6885- Loans for Other Industries and Minerals (Excluding Public Undertakings) - 01 -Loans to Industrial Financial Institutions - 190 - Loans to Public Sector and Other Undertakings - Non-Plan - 002 - Loans to Financial (Institution) Corporation | 100.00 |
| Grant No 99 | 7610 - Loans to Government Servants etc. - 800 - Other Advances - Non-Plan - 006 - Computer Advances | 112.74 |
| | Total | 23725.01 |

Appendix 14

(Refer Paragraph 2.3.13, page 27)

Statement showing Grants/Appropriations in which large savings (Rs 1 crore and above) had not been surrendered

| Description of the grant/appropriation | Section | Total grant | Savings |
|---|-------------------|-------------------|---------|
| | | (Rupees in crore) | |
| 3 - Council of Ministers | Revenue | 4.49 | 1.53 |
| 4 - Administration of Justice | Revenue | 118.40 | 25.57 |
| | Revenue (Charged) | 32.82 | 6.16 |
| 5 - Elections | Revenue | 88.68 | 13.53 |
| 7 - Land | Revenue | 280.15 | 21.02 |
| | Capital | 7.41 | 6.84 |
| 8 - Stamps and Registration | Revenue | 44.80 | 7.23 |
| 10 - State Excise | Revenue | 44.11 | 5.79 |
| 11 - Taxes on Sales, Trades, etc. | Revenue | 84.67 | 14.57 |
| 13 - Other taxes and duties on Commodities and Services | Revenue | 7.11 | 2.49 |
| 14 - Other Fiscal Services | Revenue | 22.35 | 12.22 |
| 16 - Interest Payments | Revenue (Charged) | 6746.81 | 371.50 |
| 18 - Secretariat – General Services | Revenue | 79.28 | 13.78 |
| 19 - District Administration | Revenue | 70.45 | 5.14 |
| 20 - Treasury And Accounts Administration | Revenue | 64.36 | 11.38 |
| 22 - Jails | Revenue | 75.74 | 20.60 |
| 24 - Stationery and Printing | Revenue | 19.62 | 2.63 |
| 25 - Public Works | Revenue | 370.83 | 57.58 |
| 26 - Other Administrative Services (Fire Protection and Control) | Revenue | 74.76 | 7.11 |
| | Capital | 3.00 | 1.98 |
| 30 - Education, Art and Culture | Revenue | 4694.13 | 227.25 |
| | Capital | 80.63 | 80.63 |
| 31 - Sports and Youth Services | Revenue | 168.56 | 99.86 |
| 32 - Medical and Public Health (Excluding Public Health) | Revenue | 1154.19 | 1.41 |
| | Capital | 52.55 | 52.55 |
| 33 - Medical and Public Health (Public Health) | Revenue | 174.32 | 38.48 |
| 34 - Family Welfare | Capital | 2.25 | 1.97 |
| 35 - Water Supply and Sanitation (Excluding Prevention of Air and Water Pollution) | Capital | 17.27 | 17.24 |
| 36 - Housing | Revenue | 58.09 | 7.02 |
| | Capital | 43.41 | 7.53 |
| 37 - Urban Development | Revenue | 1047.80 | 60.53 |
| | Capital | 46.56 | 7.29 |
| 38 - Information and Publicity | Revenue | 43.85 | 11.30 |
| 39 - Labour and Employment | Revenue | 76.98 | 21.91 |
| 40 - Social Security and Welfare (Rehabilitation) | Capital | 11.55 | 1.53 |
| 41 - Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) | Revenue | 272.60 | 24.62 |
| | Capital | 58.37 | 20.21 |
| 42 - Social Security and Welfare (Social Welfare) | Revenue | 522.99 | 45.26 |
| | Capital | 9.23 | 4.18 |
| 43 - Nutrition | Revenue | 81.89 | 19.61 |
| 44 - Relief on Account of natural Calamities | Revenue | 287.32 | 52.24 |

| Description of the grant/appropriation | | Section | Total grant | Savings |
|--|--|---------|-------------|---------|
| 45 | - Secretariat - Social Services | Revenue | 64.37 | 10.88 |
| 46 | - Other Social Services | Capital | 4.36 | 3.23 |
| 47 | - Crop Husbandry | Revenue | 204.69 | 10.24 |
| 48 | - Soil and Water Conservation | Revenue | 32.64 | 20.08 |
| 49 | - Animal Husbandry | Revenue | 155.47 | 26.59 |
| | | Capital | 2.98 | 1.05 |
| 50 | - Dairy Development | Revenue | 157.28 | 39.72 |
| | | Capital | 3.85 | 2.45 |
| 51 | - Fisheries | Revenue | 65.77 | 13.13 |
| | | Capital | 40.17 | 16.41 |
| 52 | - Forestry and Wild Life | Revenue | 179.56 | 20.79 |
| 53 | - Plantation | Capital | 4.50 | 1.15 |
| 54 | - Food, Storage and Warehousing | Revenue | 105.84 | 22.09 |
| | | Capital | 198.34 | 172.28 |
| 55 | - Agricultural Research and Education | Revenue | 62.21 | 5.20 |
| 56 | - Horticulture and Vegetable Crops | Revenue | 24.12 | 2.68 |
| 58 | - Other Agricultural Programme | Revenue | 14.72 | 2.83 |
| | | Capital | 2.02 | 1.02 |
| 60 | - Rural Employment | Revenue | 211.35 | 13.80 |
| 63 | - Other Rural Development Programmes (Community Development) | Revenue | 117.90 | 11.80 |
| 64 | - Hill Areas | Revenue | 192.32 | 4.11 |
| 65 | - Other Special Area Programmes | Revenue | 191.92 | 26.62 |
| | | Capital | 43.00 | 4.62 |
| 66 | - Major and Medium Irrigation | Revenue | 178.12 | 10.17 |
| | | Capital | 164.50 | 5.72 |
| 67 | - Minor Irrigation and Command Area Development | Capital | 112.92 | 96.77 |
| 68 | - Flood Control and Drainage | Revenue | 183.30 | 26.13 |
| 72 | - Non-Conventional Sources of Energy | Revenue | 5.00 | 3.40 |
| 73 | - Village and Small Industries (Excluding Public Industries) | Revenue | 117.13 | 40.11 |
| | | Capital | 51.22 | 9.56 |
| 75 | - Industries (Excluding Public Undertakings and Closed and Sick Industries) | Revenue | 144.91 | 2.44 |
| 79 | - Roads and Bridges | Revenue | 311.43 | 36.52 |
| | | Capital | 943.98 | 445.60 |
| 83 | - Secretariat Economic Services | Revenue | 44.55 | 5.08 |
| 84 | - Tourism | Revenue | 15.78 | 2.24 |
| 85 | - Census, Surveys and Statistics | Revenue | 12.83 | 1.20 |
| 86 | - Civil Supplies | Revenue | 14.63 | 3.78 |
| 87 | - Investment in General Financial and Trading Institution | Capital | 13.05 | 8.25 |
| 90 | - Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (Excluding Panchayati Raj) | Revenue | 268.00 | 12.72 |
| 99 | - Loans and Advances | Capital | 130.00 | 42.37 |
| Total | | | 21935.11 | 2596.10 |

Appendix 15

(Refer Paragraph 2.3.14, Page 27)

Statement showing inadequate budgetary control

a) Surrender in excess of actual savings

| Description of the grant/appropriation | Section | Savings | Surrendered |
|---|-------------------|---------------------|-------------|
| | | (Rupees in crore) | |
| 1 - State Legislature | Revenue - Charged | 0.11 | 0.13 |
| 27 - Other Administrative Services (Excluding Fire Protection and Control) | Revenue - Voted | 2.48 | 17.87 |
| 35 - Water Supply and Sanitation (Excluding Prevention of Air and Water Pollution) | Revenue - Voted | 6.56 | 16.89 |
| 40 - Social Security and Welfare (Rehabilitation) | Revenue - Voted | 19.62 | 21.19 |
| 47 - Crop Husbandry | Capital - Voted | 1.53 | 1.79 |
| 55 - Agricultural Research and Education | Capital - Voted | 0.29 | 0.30 |
| 57 - Co-operation | Revenue - Voted | 13.02 | 13.16 |
| 68 - Flood Control and Drainage | Capital - Voted | 213.86 | 233.72 |
| 80 - Road Transport | Revenue- Voted | 0.81 | 13.86 |
| | Capital - Voted | 140.92 | 147.82 |
| 82 - Other Scientific Research | Revenue - Voted | 0.47 | 0.52 |
| 89 - Water Supply and Sanitation (Prevention of Air and Water Pollution) | Revenue - Voted | 31.84 | 32.21 |
| 92 - Industries | Capital - Voted | 17.62 | 20.18 |
| 93 - Petro-Chemical Fertiliser and Consumer Industries (Excluding Public Undertakings) | Capital - Voted | 20.65 | 92.53 |
| 95 - Consumer Industries (Excluding Public Undertakings and Closed and Sick Industries) | Capital - Voted | 19.52 | 21.94 |
| Total | | 489.30 | 634.11 |

b) Surrender in spite of excess expenditure

| Description of the grant/appropriation | Section | Excess | Surrendered |
|--|-------------------|---------------------|-------------|
| | | (Rupees in crore) | |
| 98 - Public Debt | Capital - Charged | 9334.08 | 10.12 |
| Total | | 9334.08 | 10.12 |

Appendix 16

(Refer Paragraph 2.3.16, Page 28)

Statement showing trend of recoveries

| Description of the grant | | Budget estimate | Actuals | Substantial | |
|--------------------------|---|--|---------|-------------|-----------|
| | | | | Excess | Shortfall |
| (Rupees in crore) | | | | | |
| | | Revenue-Voted | | | |
| 4 | - | Administration of Justice | 0.11 | | 0.11 |
| 8 | - | Stamps and Registration | 0.21 | 0.06 | 0.15 |
| 22 | - | Jails | 0.22 | | 0.22 |
| 24 | - | Stationery and Printing | 0.01 | | 0.01 |
| 25 | - | Public Works | 130.21 | 116.03 | 14.18 |
| 28 | - | Pensions and Other Retirement Benefits | - | 0.01 | 0.01 |
| 35 | - | Water Supply and Sanitation | 11.02 | | 11.02 |
| 36 | - | Housing | 0.58 | | 0.58 |
| 40 | - | Social Security and Welfare (Rehabilitation) | | 0.01 | 0.01 |
| 41 | - | Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) | 0.36 | | 0.36 |
| 44 | - | Relief on account of Natural Calamities | 106.16 | 19.85 | 86.31 |
| 47 | - | Crop Husbandry | 0.11 | | 0.11 |
| 57 | - | Co-operation | 0.01 | | 0.01 |
| 65 | - | Other Special Areas Programmes | 0.17 | 0.82 | 0.65 |
| 66 | - | Major and Medium Irrigation | 7.78 | 3.11 | 4.67 |
| 67 | - | Minor Irrigation | 0.16 | 0.22 | 0.06 |
| 68 | - | Flood Control and Drainage | 6.00 | 3.09 | 2.91 |
| 79 | - | Roads and Bridges | 2.86 | 15.06 | 12.20 |
| | | Total | 265.97 | 158.26 | 12.93 |
| | | Capital-Voted | | | |
| 36 | - | Housing | 4.20 | 2.47 | 1.73 |
| 54 | - | Food Storage and Warehousing | 77.20 | | 77.20 |
| 57 | - | Co-operation | 0.44 | 1.11 | 0.67 |
| 66 | - | Major and Medium Irrigation | - | 4.30 | 4.30 |
| 79 | - | Roads and Bridges | 72.90 | 76.27 | 3.37 |
| | | Total | 154.74 | 84.15 | 8.34 |
| | | Grand Total | 420.71 | 242.41 | 21.27 |
| | | | | | 199.57 |

Appendix 17

(Refer paragraph 2.4, Page 29)

Statement showing DDOs operating PL Accounts and continuing the same over the years

| Sl. No. | Name of the DDO | Year of opening of P.L. A/c. | Closing balance as on 31-03-2002 (Rupees in crore) |
|---------|---|------------------------------|--|
| 1. | D.M., Jalpaiguri | NA | 7.61 |
| 2. | D M, Nadia | 1991-1992 | 0.99 |
| 3. | DM, South 24-Pgs. | 1990-1991 | 0.95 |
| 4. | DM, Coochbehar | 1990-1991 | 2.29 |
| 5. | DM, Darjeeling | NA | 8.06 |
| 6. | DM, Mukla | NA | 5.17 |
| 7. | DM, Dakhan Dinajpur | 1991-1992 | 1.95 |
| 8. | DM, Hooghly | NA | 1.29 |
| 9. | DM, Purulia | NA | 1.22 |
| 10. | DM, Murshidabad | 1990-1991 | 2.95 |
| 11. | DM, Howrah | NA | 1.47 |
| 12. | DM, Uttar Dinajpur | NA | 7.36 |
| 13. | DM, Bardhaman | NA | 3.49 |
| 14. | DM, Burdhum | NA | 1.01 |
| 15. | Joint Director of A.H (Poultry) WB | 1971-1972 to 1994-1995 | 0.56 |
| 16. | Superintendent Medical College & Hospital, Kolkata | 1996-1997 | 0.95 |
| 17. | Superintendent National Medical College & Hospital, Kolkata | 1997-1998 | 0.46 |
| 18. | Superintendent R.G.Kar Medical College & Hospital | 1996-1997 | 0.55 |
| 19. | Principal Kolkata Medical College | NA | 0.08 |
| 20. | Joint Director of ARD Haringhata Farm, Nadia | 1968-1969 | 0.35 |
| 21. | Director General & Inspector General of Police, WB | 1994-1995 | 0.12 |
| | Total | | 48.88 |

Appendix 18

(Refer paragraph 2.4, Page 29)

Statement showing PLAs not closed in violation of specific Government orders

| Sl. No. | Name of the DDO | Period of opening | Date of last transactions | Closing balance (Rupees in crore) |
|---------|--|-------------------|--|-----------------------------------|
| 1. | Superintendent Medical College & Hospital, Kolkata | February 1997 | 30-07-2000 | 0.95 |
| 2. | Superintendent National Medical College & Hospital, Kolkata | May 1997 | 26-04-1999 | 0.46 |
| 3. | Superintendent R. G. Kar Medical College & Hospital, Kolkata | October 1996 | 13-08-1999 | 0.55 |
| 4. | Principal, Medical College, Kolkata | NA | 31-03-2002 06-05-1998 10-05-1994 | 0.07 0.01 0.001 |
| | Total | | | 2.041 |

Appendix 19

(Refer paragraph 2.4, Page 29)

Statement showing position of funds deposited in PLAs without necessary Government orders

| Sl No | Name of the DDO | Total amount deposited in PLA (Rupees in crore) | Amount deposited as per DM's order under different schemes | | | | | | | | | |
|---------------------------------|----------------------|---|--|--------------------------|-----------------------|----------------------|---------------------------|---------------|-------|-----------------------------------|------------|-------|
| | | | Border area Development Programme | Tenth Finance Commission | Basic Minimum Service | District Plan Scheme | Development of Hill Areas | Small Savings | MPLAD | Bank charges for teachers' salary | Other fund | Total |
| (R u p e e s i n , c r o r e) | | | | | | | | | | | | |
| 1 | DM. South 24Parganas | 3.52 | - | 1.04 | 1.08 | 0.16 | - | - | - | - | 0.59 | 2.87 |
| 2 | DM. Malda | 7.50 | 5.56 | - | - | - | - | - | - | - | 0.05 | 5.61 |
| 3 | DM. Darjeeling | 1.89 | - | - | - | - | 0.90 | 0.27 | - | - | 0.14 | 1.31 |
| 4 | DM. Dakshin Dinajpur | 5.76 | 0.93 | - | 0.56 | - | - | - | - | - | 0.01 | 1.50 |
| 5 | DM. Hooghly | 2.72 | - | - | - | - | - | - | 0.02 | 0.34 | 0.12 | 0.48 |
| 6 | DM. Murshidabad | 6.44 | 4.15 | - | - | - | - | - | - | - | - | 4.15 |
| 7 | DM. Bardhaman | 10.99 | - | - | - | 0.15 | - | - | - | - | 0.20 | 0.35 |
| Total | | 38.82 | | | | | | | | | | 16.27 |

Appendix 20

(Refer paragraph 2.4, Page 29)

Statement showing position of funds diverted through PLAs

| Sl. No. | Name of the DDO | Amount diverted (Rupees in crore) | Period of expenditure | Name of the scheme fund was sanctioned from | Nature of diversion |
|---------|----------------------|-----------------------------------|-------------------------|---|---|
| 1 | DM, Coochbehar | 0.04 | 2000-2001 | NSAP, Panchayat Election | Purchase of furniture, repairing and hiring charges of vehicles, etc. |
| 2 | DM, Darjeeling | 0.54 | 2000-2001 | Small savings, Tenth Finance Commission, BADP, Dev. of Panchayat Infrastructure fund (Central Scheme) | Paid to non-Government organisation, purchase of wireless system and satellite, etc. |
| 3 | DM, Dakshin Dinajpur | 0.10 | 2000-2002 | Unspent of different schemes | Cost of fuel and hiring charges of vehicle, purchase of carpet and furniture, etc. |
| 4 | DM, Malda | 0.04 | 1999-2000 | BADP (Central Scheme) | Purchase of one Ambassador Car |
| 5 | DM, Murshidabad | 0.02 | 1999-2000 and 2000-2001 | For implementation of different schemes | Maintenance of wireless, hiring charges of generator, payment of wages to the labourers, etc. |
| 6 | DM, Howrah | 0.30 | 1999-2000 | BMS Programme (Central Scheme) | Meet the outstanding liabilities |
| 7 | DM, Uttar Dinajpur | 0.03 | 2001-2002 | BMS and BADP (Central Scheme) | TA, wages and bonus |
| 8 | DM, Burdhaman | 0.14 | 2000-2002 | District Plan Scheme | Purchase of mobile phone, FAX machine, etc. |
| | | 1.21 | | | |

APPENDIX 21

(Refer paragraph 2.5, Page 30)

Statement showing department-wise drawals of AC bills during 1986-2002
and adjustment awaited there against up to 2001-2002

| Sl. No. | Name of the departments | Amount drawn | Awaiting adjustment |
|---------|--------------------------------------|------------------|---------------------|
| | | (Rupees in lakh) | |
| 1. | Agriculture | 0.09 | 0.09 |
| 2. | Animal Resources Development | 64.95 | 64.95 |
| 3. | Backward Classes Welfare | 236.90 | 236.90 |
| 4. | Commerce and Industries | 87.23 | 87.23 |
| 5. | Cottage and Small Scale Industries | 39.64 | 39.64 |
| 6. | Finance and Taxation | 1046.00 | 130.00 |
| 7. | Health and Family Welfare | 261.26 | 218.16 |
| 8. | Home (Police) | 742.66 | 738.90 |
| 9. | Home (Parliamentary Affairs) | 20.85 | 20.85 |
| 10. | Home (Civil Defence) | 1.40 | 1.40 |
| 11. | Home (Transport) | 165.00 | 165.00 |
| 12. | Higher Education | 46.76 | 46.76 |
| 13. | Labour | 150.72 | 132.91 |
| 14. | Land and Land Reforms | 4989.01 | 4909.56 |
| 15. | Panchayat and Rural Development | 20.97 | 20.97 |
| 16. | Personnel and Administrative Reforms | 6.90 | 6.90 |
| 17. | Relief | 326.25 | 326.25 |
| 18. | School Education | 4.55 | 4.55 |
| | Total | 8211.14 | 7151.02 |

Total drawal **Rs 82.11 crore**
Total adjustment **Rs 10.60 crore**
Total unadjusted advances **Rs 71.51 crore**

Appendix 22

(Refer Paragraph 3.1.4.2 pages 39 and 40)

(i) Statement showing details of share capital investment by Co-operation Department

| Year | Short term* | Long term | Consumers' sector | Marketing sector | Miscellaneous sector | Share scrips received | Total |
|-------------------------------|-------------|-----------|-------------------|------------------|----------------------|----------------------------------|-------|
| (R u p e e s i n c r o r e) | | | | | | | |
| 1997-1998 | 7.76 | 0.92 | 0.34 | 3.25 | 0.02 | Year-wise break-up not available | 12.29 |
| 1998-1999 | 5.02 | 0.99 | 0.37 | 5.28 | 0.02 | | 11.68 |
| 1999-2000 | 8.31 | Nil | 0.20 | 5.31 | 0.01 | | 13.83 |
| 2000-2001 | 0.39 | 1.02 | 0.19 | 3.85 | 0.01 | | 5.46 |
| 2001-2002 | 1.74 | 1.78 | 0.27 | 5.63 | 0.004 | | 9.42 |
| | 23.22 | 4.71 | 1.37 | 23.32 | 0.06 | 16.52 | 52.68 |

(Source: Records of Accountant General (A&E), West Bengal)

(ii) Statement showing share capital investment by other departments

| Year | Fisheries | ARD | C&SSI | Total |
|-------------------------------|-----------|------|-------|-------|
| (R u p e e s i n c r o r e) | | | | |
| 1997-1998 | 2.60 | Nil | 5.70 | 8.30 |
| 1998-1999 | 2.53 | 1.50 | 4.17 | 8.20 |
| 1999-2000 | 1.73 | Nil | 3.74 | 5.47 |
| 2000-2001 | 7.35 | 0.5 | 5.93 | 13.78 |
| 2001-2002 | 6.02 | Nil | 10.17 | 16.19 |
| Total | 20.23 | 2.00 | 29.71 | 51.94 |

(Source: Records of Accountant General (A&E), West Bengal)

(iii) Statement showing redemption of share capital vis-à-vis value of redeemable shares in the test-checked offices

| Name of the offices test-checked | Number of offices | Total demand of share | Amount of redemption | Share remained unredeemed as on 31-03-2002 |
|----------------------------------|-------------------|-----------------------|----------------------|--|
| (R u p e e s i n l a k h) | | | | |
| ARCS | 6 | 2120.80 | 147.29 | 1973.51 (93%) |
| Handloom Development offices | 6 | 198.11 | Nil | 198.11 (100%) |
| Asstt. Director of Fisheries | 3 | 1.82 | 0.04 | 1.78 (98%) |
| GM, DIC | 1 | 0.89 | 0.37 | 0.52 (58%) |
| Total | | 2321.62 | 147.70 | 2173.92 (93.6%) |

(Sources: Statement furnished by offices test-checked)

* Short term sector is under Agricultural Credit Sector whereas long term sector related to farm, non-farm loans payable to individuals through the primary ARDBs

* Year-wise break up of receipts of share scrips not available with the RCS, West Bengal

Appendix 23

(Refer Paragraph 3.1.4.3 pages 40 and 41)

(i) Statement showing contribution of loan by Co-operation department

| Year | Short term sector | Consumer Sector | Marketing Sector | Miscellaneous Sector | Total |
|-------------------------------|-------------------|-----------------|------------------|----------------------|--------------|
| (R u p e e s i n c r o r e) | | | | | |
| 1997-1998 | 0.34 | 0.06 | 0.16 | Nil | 0.56 |
| 1998-1999 | 0.14 | 0.15 | 1.40 | 0.44 | 2.13 |
| 1999-2000 | 1.92 | 0.06 | 4.98 | Nil | 6.96 |
| 2000-2001 | 0.12 | 0.05 | 4.88 | 0.02 | 5.07 |
| 2001-2002 | 0.46 | Nil | 5.59 | Nil | 6.05 |
| Total | 2.98 | 0.32 | 17.02 | 0.46 | 20.77 |

(Source: Disbursement Register maintained by RCS, WB)

(ii) Statement showing contribution of loan by other departments

| Year | Fisheries | C&SSI | Total |
|-------------------------------|--------------|-------------|--------------|
| (R u p e e s i n c r o r e) | | | |
| 1997-1998 | 4.97 | 0.52 | 5.49 |
| 1998-1999 | 5.07 | 0.17 | 5.24 |
| 1999-2000 | 3.81 | 1.38 | 5.19 |
| 2000-2001 | 3.95 | 0.44 | 4.39 |
| 2001-2002 | 8.00 | 0.07 | 8.07 |
| Total | 25.80 | 2.58 | 28.38 |

(Sources: Records of Principal Accountant General (A&E), West Bengal)

(iii) Statement showing amounts received by C&SSI and Fisheries departments during 1997-2002 as repayment of loan-

| Year | C&SSI | | Fisheries | |
|--------------|-----------------------------|-------------|---------------|---------------|
| | Principal | Interest | Principal | Interest |
| | (R u p e e s i n l a k h) | | | |
| 1997-1998 | 9.13 | 0.07 | 81.43 | 45.00 |
| 1998-1999 | 10.56 | Nil | 50.86 | 60.00 |
| 1999-2000 | 14.36 | 0.08 | 56.44 | 70.00 |
| 2000-2001 | 13.18 | 0.11 | 61.65 | 65.26 |
| 2001-2002 | 1.01 | Nil | 78.07 | Nil |
| Total | 48.24 | 0.26 | 328.45 | 240.26 |

(iv) Statement showing amounts received by the Government during 1997-2002 as repayment of loan vis-à-vis loans due for repayment under the test-checked offices

| Name of the Directorates | Number of offices inspected | Loan due for repayment | | Loan actually repaid | | Overdue | |
|--------------------------|-----------------------------|-------------------------------|--------------|----------------------|-------------|--------------|--------------|
| | | Principal | Interest | Principal | Interest | Principal | Interest |
| | | (R u p e e s i n c r o r e) | | | | | |
| Co-operation | 6 ARCS | 9.97 | 14.90 | 0.39 | 0.48 | 9.58 | 14.42 |
| Handloom & Textiles | 6 HDOs | 4.59 | 5.14 | 0.46 | 0.22 | 4.13 | 4.92 |
| Fisheries | 4 ADF | 0.16 | 0.10 | 0.12 | 0.05 | 0.04 | 0.05 |
| Industrial | 1 GM, DIC | 0.04 | NA | 0.01 | NA | 0.03 | NA |
| Total | | 14.76 | 20.14 | 0.98 | 0.75 | 13.78 | 19.39 |

(ADF, Hooghly, GM, DICs of Bardhaman, Birbhum, North 24 Parganas and Midnapur could not furnish requisite information.)

Appendix 24

(Refer Paragraph 3.1.4.4, page 42)

Statement showing amounts of undisbursed interest subsidy lying with Co-operative Banks

| Name of the Bank | As on | Amount of undisbursed interest subsidy (Rupees in lakh) | Date of receipt |
|-------------------------------|------------|---|--|
| WBSCARDB (Purulia Branch) | May 2002 | 6.88 | Date of receipt of the sum not available |
| WBSCARDB, (Darjeeling Branch) | May 2002 | 3.22 | Date of receipt of the sum not available |
| WBSCARDB, (Alipurduar Branch) | April 2002 | 2.75 | The same amount is to be credited to Alipurduar CARDB, but the necessary advice from Coochbehar unit office of WBSCB was pending |
| Birbhum CARDB | March 2001 | 16.82 | Rs 13.45 lakh from 1995 Rs 1 lakh from 8/96 Rs 1.72 lakh from 6/97 Rs 0.65 lakh from 7/98 |
| Rampurhat ARDB | March 2001 | 38.96 | Rs 7.00 lakh from 2000-01 Rs 31.96 lakh prior to that |
| Bardhaman CCB | March 2001 | 47.94 | Period not available |
| Bardhaman CARDB | March 2002 | 20.63 | Period not available |
| Barasat DCCB | March 2001 | 50.90 | Period not available |
| Tamluk Ghantal DCCB | March 2001 | 0.57 | Period not available |
| Tamluk CARDB | March 2001 | 133.21 | Period not available |
| Ghantal CARDB | March 2001 | 26.18 | Period not available |
| Total | | 348.06 | |

Appendix 25

(Refer Paragraph 3.1.5, page 42)

Statement showing Position of growth of the Co-operative Sector during 1996-2001

| Types of Societies | Working Number | | | Number of Members | | | Amount of working capital (Rs in lakh) | | |
|--|----------------|--------|--------|-------------------|--------------|---------|---|-----------|-----------|
| | 4/1996 | 4/1999 | 4/2001 | 4/1996 | 4/1999 | 4/2001 | 4/1996 | 4/1999 | 4/2001 |
| State Level Societies | | | | | | | | | |
| WBSCB | 1 | 1 | 1 | 159 | 159 | NA | 76463.00 | 139416.00 | 175283.00 |
| WBSCARDB | 1 | 1 | 1 | 24+867+12000 | 24+867+12011 | NA | 17160.67 | 28099.42 | 43629.58 |
| BENFED | 1 | 1 | 1 | 281 | 281 | NA | 1769.95 | 1268.25 | NA |
| CONFED | 1 | 1 | 1 | 31 | 31 | NA | 283.19 | 304.64 | 278.48 |
| Housing Federation | 1 | 1 | 1 | 9 | NA | NA | 3086.01 | NA | NA |
| District/Range Level Societies | | | | | | | | | |
| District CCB | 17 | 17 | 17 | 14132 | 14582 | NA | 92545.00 | 209608.25 | 315890.67 |
| Primary CARDB | 24 | 24 | 24 | 183354 | 232266 | NA | 14651.90 | 32979.65 | NA |
| Wholesale Consumers' | 27 | 30 | 28 | 2948 | NA | NA | 781.52 | 1773.85 | 1848.00 |
| Primary Level Societies (Village/Block Level) | | | | | | | | | |
| PACS | 7173 | 7086 | 6729 | 3712000 | NA | NA | 43171.64 | 67001.91 | NA |
| LSAMPCS | 120 | 121 | 121 | 144700 | 198490 | 3556948 | 1127.14 | 1198.69 | 123527.61 |
| FSCS | 44 | 44 | 44 | 94000 | 140480 | NA | 1774.62 | 2616.84 | NA |
| PAMS | 278 | 278 | 281 | 5777 | 9673 | NA | 3669.97 | 6563.85 | NA |
| Co-op Cold Storage | 43 | 51 | NA | 59247 | 82985 | NA | NA | NA | NA |
| Primary Consumers | 2069 | 1854 | 1852 | 414000 | 389816 | NA | 1432.68 | 1311.00 | 1765.00 |
| ECCS | 5156 | 6031 | NA | 2399500 | 2494690 | NA | 50409.96 | 60688.82 | NA |
| Urban Banks | 50 | 55 | 46 | 424100 | 496550 | NA | 119993.14 | 100955.10 | 132211.33 |
| UCCS | 107 | 113 | NA | 48350 | 207215 | NA | 1758.33 | 8647.31 | NA |
| Housing Co-op | 2908 | 3225 | NA | 84912 | 926700 | NA | 4144.23 | 10101.03 | NA |

(Source: Replies furnished by RCS, West Bengal, Co-operative Movement at a Glance 1997)

WBSCB : West Bengal State Co-operative Bank. WBSCARDB : West Bengal State Co-operative Agricultural & Rural Development Bank. BENFED : West Bengal State Marketing Federation Limited. CONFED : West Bengal State Consumers Federation Limited. DCCB: District Central Co-operative Bank. PCARDB : Primary Co-operative Agricultural & Rural Development Bank. PACS : Primary Agricultural Co-operative Credit Society, LSAMPCS : Large Size Agricultural Multipurpose Co-operative Society, FSCS : Farmers' Service Co-operative Society, PAMS : Primary Agricultural Marketing Society, ECCS : Employees Co-operative Credit Society, UCCS : Urban Co-operative Credit Society

Appendix 26

(Refer Paragraph 3.1.5.2, page 43)

Statement showing position of defunct societies in test-checked offices and Government's investment blocked therein

| Name of the Department | Number of Dist/Zones test-checked | Type of Society | Total number of CS existing | Number of CS working | Number of non-working CS | Share | Principal | Interest |
|------------------------|-----------------------------------|-------------------|-----------------------------|----------------------|--------------------------|------------------|---------------|--------------|
| | | | | | | (Rupees in lakh) | | |
| Co-operation | 6 ARCS | PACS | 2272 | 1905 | 367 | NA | NA | NA |
| | | PAMS | 88 | 66 | 22 | NA | NA | NA |
| | | Primary Consumers | 397 | 173 | 224 | NA | NA | NA |
| | | Others | 3786 | 3098 | 688 | NA | NA | NA |
| C&SSI | 6 HDOs | PWCS | 748 | 271 | 477 | 28.39 | 115.49 | 35.25 |
| | 2 GM,DIC | Industrial CS | 77 | 14 | 63 | NA | 2.65 | NA |
| Fisheries | 5 ADF | FCS | 209 | 111 | 98 | 0.57 | 1.82 | 1.38 |
| Total | | | 7577 | 5638 | 1939 | 28.96 | 119.96 | 36.63 |
| | | | | | | 185.55 | | |

Appendix 27

(Refer Paragraph 3.1.6 pages 44 and 45)

Statement showing the position of profitability of different types of Co-operative societies

(i) Co-operation Department

| Level of Society | Type of Society | Government investment during 1997-2001 (Rupees in crore) | Number of Co-operative Societies | | Number of profit making societies | | Percentage | |
|------------------|--------------------|--|----------------------------------|------|-----------------------------------|------|------------|------|
| | | | 1997 | 2001 | 1997 | 2001 | 1997 | 2001 |
| Primary | Short Term | 14.96 | 7278 | 6894 | 2389 | 2286 | 33 | 33 |
| | Consumer | 0.17 | 2069 | 1854 | 493 | 1076 | 24 | 58 |
| | Marketing | 12.18 | 278 | 281 | 79 | 17 | 28 | 6 |
| District | Short Term | 5.94 | 17 | 17 | 13 | 13 | 76 | 76 |
| | Long Term | 3.16 | 24 | 24 | NA | 6 | NA | 25 |
| | Wholesale Consumer | 0.98 | 28 | 28 | 16 | 13 | 57 | 46 |
| State Level apex | Long Term | 4.00 | 1 | 1 | 1 | 1 | 100 | 100 |
| | Short Term | 3.00 | 1 | 1 | 1 | 1 | 100 | 100 |
| | Consumer | 1.39 | 1 | 1 | Nil | Nil | 0 | 0 |
| Others | Cold Storage | 23.75 | 43 | 53 | 4 | 11 | 9 | 21 |
| | Urban Banks | NA | 50 | 48 | 34 | 27 | 68 | 56 |
| | UCCB | NA | 107 | 113 | 82 | 85 | 77 | 75 |
| | ECCS | NA | 5156 | 6031 | 4257 | 4759 | 83 | 79 |

(Source: Records of RCS, WB)

(ii) Cottage and Small Scale Industries Department (Handloom and Textile Directorate)

| Year | Number of societies working | Number of members | Total number of looms | Number of active looms | Total production | Total sale | Number of societies earning profit |
|------------|-----------------------------|-------------------|-----------------------|------------------------|--------------------|--------------------|------------------------------------|
| | | | | | (Rupees in lakh) | | |
| 1997-98 | 518 | 74817 | 60097 | 24,604 (40.9%) | 9287.26 | 9913.18 | 344 (66.4%) |
| 2001-02 | 424 | 60273 | 51647 | 19299 (37.4%) | 7117.10 | 7317.98 | 232 (54.7%) |
| Difference | 94 | 14544 | 8450 | 5305 | 2170.16 (23.4%) | 2595.20 (26.2%) | 112 |

(Records of 2 Divisional Offices of Handloom and Textile Directorates)

(iii) Fisheries Department

| Name of the district | Total working society | | Number of profit making societies | Percentage |
|----------------------|-----------------------|---------------------------------|-----------------------------------|------------|
| | Number | Govt's investment (Rs. in lakh) | | |
| Hooghly | 19 | 13.26 | 7 | 37 |
| Birbhum | 8 | 0.69 | 8 | 100 |
| Bardhaman | 25 | 1.30 | 20 | 80 |
| North 24 Parganas | 40 | 40.91 | 10 | 25 |
| Medinipur | 19 | 1.16 | 09 | 47 |
| Total | 111 | 57.32 | 54 | 49 |

(Records of Asstt. Director of Fisheries)

Appendix 28

(Refer Paragraph 3.1.9 pages 46 and 47)

(i) **Statement showing audit coverage of certain categories of Co-operative Societies during the accounting year 2000-2001**

| Type of societies | Existing numbers | Societies with accounts in default | Auditable societies | Actually audited | Audit pending |
|----------------------|------------------|------------------------------------|---------------------|------------------|-------------------|
| Primary ARDB | 24 | 1 | 23 | 17 | 07 |
| Wholesale consumers | 28 | 3 | 25 | 16 | 12 |
| PACS | 5512 | 447 | 5065 | 4930 | 582 |
| LAMPS | 121 | 26 | 95 | 91 | 30 |
| PAMPS | 281 | 88 | 193 | 177 | 104 |
| Co-op.Cold Storage | 51 | 29 | 22 | 22 | 29 |
| Primary Consumers | 1854 | 1207 | 647 | 585 | 1269 (68.4%) |
| Urban Banks and UCCS | 168 | 12 | 156 | 143 | 25 |
| Central Fisheries | 20 | 2 | 18 | 14 | 06 |
| Primary Fisheries | 849 | 464 | 385 | 359 | 490 (57.7%) |
| Apex Societies | 18 | 1 | 17 | 06 | 12 |
| | 8926 | 2280 | 6646 | 6360 | 2566 [*] |

(Source: Records of Directorate of Co-operative audit)

(ii) **Statement showing classification of the Co-operative Banks of the State**

| Type of Bank | Total number | Gradation available | A | B | C | D |
|------------------------|--------------|---------------------|---------|---------|---------|---------|
| DCCB | 17 | 17 | 8 | 3 | 3 | 3 |
| PCARDB | 24 | 19 | NIL | 5 | 8 | 6 |
| Urban Cooperative Bank | 46 | 44 | 27 | 7 | 9 | 1 |
| Total | 87 | 80 | 35(44%) | 15(19%) | 20(25%) | 10(12%) |

(Source: Records of Directorate of Co-operative audit)

(iii) **Statement showing classification of Co-operative Societies in 3 test-checked ranges**

| Name of the Range | Total Society audited | A | B | C | D |
|-------------------|-----------------------|----|----|------|----|
| Hooghly | 955 | 9 | 31 | 911 | 4 |
| Bardhaman-I | 740 | 2 | 1 | 737 | - |
| Coochbehar | 631 | - | 5 | 596 | 30 |
| Total | 2326 | 11 | 37 | 2244 | 34 |

(Source: Records of Asstt. Director of Co-operative audit)

^{*} Default in accounts:2280; Auditable but not audited:286; Total :2566

Appendix 29
(Refer Paragraph 3.6, page 60)

Statement showing list of equipment uninstalled

| Equipment | Quantity supplied/ Delivered | Quantity not installed | Cost of uninstalled equipment (In Rupees) |
|--|---------------------------------|---------------------------|---|
| Autoclave | 185 | 160 | 14726400 |
| Anaesthetic Machine (complete) | 170 | 37 | 7619040 |
| Anaesthetic Machine (Basic) | 250 | 140 | 6679820 |
| Dental X-ray | 75 | 33 | 1328184 |
| Suction Apparatus (MTP) | 300 | 152 | 905798 |
| Suction Apparatus (Electrical) | 1265 | 421 | 2482552 |
| Operating Table (Hydraulic) | 410 | 67 | 4306224 |
| Operating Microscope | 77 | 12 | 2005188 |
| Operating Microscope (Zoom & Focus) | 17 | 1 | 819468 |
| Servo Ventilator | 20 | 3 | 1793790 |
| Ventilator | 185 | 107 | 4633699 |
| Slit Lamp | 75 | 35 | 1230950 |
| Baby Incubator | 90 | 26 | 465114 |
| Incubator | 180 | 70 | 964600 |
| Phototherapy | 90 | 14 | 141512 |
| Foetal Monitor | 206 | 22 | 114092 |
| Radiant Heater | 90 | 48 | 737568 |
| Surgical Diathermy | 480 | 87 | 3474432 |
| Gynae Electric Cottery | 245 | 50 | 93050 |
| Tissue Processor | 75 | 35 | 1944845 |
| Total cost | 4485 | 1520 | 56466326 |

Appendix 30

(Refer Paragraph 3.10.8 page 71)

Statement showing diversion of funds towards purchase of computers, photocopiers, office equipment, etc.

| Name of office | Particulars | Amount (Rs in lakh) | Remarks |
|-----------------------|--|---------------------------|--|
| SP, Murshidabad | i) 6 Digital Photocopiers with accessories | 14.27 | Treasury Officer, Berhampore raised objection regarding purchase of copier machine but with no effect. SP had sought an ex-post facto sanction for such diversion from higher authority. |
| | ii) Repairing and polishing of steel/ wooden almirah, table, window, revolving chair, rack, bench etc. | 5.39 | |
| | iii) Stationery articles | 0.43 | |
| | iv) Miscellaneous | 0.86 | |
| DM, Murshidabad | i) 1 xerox machine | 4.43 | Installed at DM, Bungalow |
| | ii) Miscellaneous | 1.30 | |
| SP, North 24 Parganas | i) 7 generator sets for 7 Police Station | 3.90 | |
| | ii) 16 pieces 2.5 watt mobile trans-receivers including accessories | 3.51 | |
| | iii) 6 pieces portable trans-receivers including accessories | 0.85 | |
| | iv) 50 pieces mobile ariel with accessories | 0.42 | |
| | v) Miscellaneous | 0.13 | |
| ZP, North 24 Parganas | Hiring charge of vehicles along with cost of fuel of office cars | 10.38 | The hiring charge was for the period from October 2001 to date, well after the flood in September-October 2000 |
| DM, North 24 Parganas | i) 3 computers | 1.54 | Installed at DM office, DM Bungalow and ADM's Chamber |
| | ii) Telephone charges | 1.01 | |
| | iii) Annual maintenance cost of wireless communication | 1.17 | |
| | iv) Miscellaneous | 10.27 | Refreshment charges, Stationery articles, telephone charges, cost of cell phones/mobile phones at DM's Office. |
| BDO, Basirhat-I | i) 1 computer | 0.51 | |
| | ii) Miscellaneous | 1.49 | The expenditure was incurred from June 2001 to March 2002 |
| DM, Bardhaman | Miscellaneous | 25.73 | Hiring charges of generator, stationery articles, refreshment charges etc for office purposes. |
| | Total | 87.59 | |

Appendix 31

(Refer Paragraph 3.12.4 (i), page 75)

Statement showing non-utilisation of fund

| Sl. No. | Name of the Institute | Year of fund placing | Amount of fund placed (Rupees in Lakhs) | Expenditure Incurred | Balance |
|---------|--|----------------------|--|----------------------|---------|
| 1 | MBC, Bardhaman | 1999-2000 | 12.74 | 12.74 | Nil |
| 2 | STVT Centre, Kalna | 2001-2002 | 17.86 | 12.44 | 5.42 |
| 3 | BIT, Katwa | 1998-1999 | 12.05 | 11.30 | 0.75 |
| 4 | Bardhaman Academy | 1999-2000 | 0.76 | 1.13 | Nil |
| | | 2000-2001 | 0.23 | | |
| | | 2001-2002 | 0.14 | | |
| 5 | RTC, Bardhaman University | 1998-1999 | 3.00 | 3.77 | 6.39 |
| | | 2000-2001 | 7.16 | | |
| 6 | RTC (CMOH), Bardhaman | 1998-1999 | 15.00 | 20.15 | Nil |
| | | 1999-2000 | 2.00 | | |
| | | 2001-2002 | 3.15 | | |
| 7 | Bhutanath Pradhan Memorial, Medinipur | 1999-2000 | 5.50 | 6.50 | Nil |
| | | 2000-2001 | 1.00 | | |
| 8 | Datan High School, Medinipur | 1999-2000 | 1.50 | 3.20 | 2.80 |
| | | 2000-2001 | 1.50 | | |
| | | 2001-2002 | 3.00 | | |
| 9 | Bhagabati Devi Nari Kalyan Samity, Medinipur | 2001-2002 | 7.58 | 7.29 | 0.29 |
| 10 | VVTI, Haldia | 1999-2000 | 30.00 | 40.00 | Nil |
| | | 2000-2001 | 10.00 | | |
| 11 | IVSP, Jhargram | 1999-2000 | 2.00 | 4.14 | 0.76 |
| | | 2000-2001 | 0.90 | | |
| | | 2001-2002 | 2.00 | | |
| 12 | Supdt./Secy Kaliaganj Junior Technical School, Uttar Dinajpur | 1999-2000 | 2.00 | 2.00 | 1.88 |
| | | 2001-2002 | 1.88 | | |
| 13 | Principal Raiganj Polytechnic, Uttar Dinajpur | 1999-2000 | 0.50 | 0.50 | 1.00 |
| | | 2001-2002 | 1.00 | | |
| 14 | Principal ITI, Kornojara, Uttar Dinajpur | 1999-2000 | 2.50 | 2.50 | 2.58 |
| | | 2001-2002 | 2.58 | | |
| 15 | MIT, Murshidabad | 1999-2000 | 5.00 | 5.00 | Nil |
| 16 | STVT, Farakka | 2000-2001 | 10.00 | 7.09 | 2.91 |
| 17 | Basantapur Education Society, Murshidabad | 1999-2000 | 4.25 | 9.25 | Nil |
| | | 2001-2002 | 5.00 | | |
| 18 | Murshidabad College of Engineering and Technology | 2001-2002 | 10.00 | 6.77 | 3.23 |
| 19 | Bimal Chandra Sinha Institute of Technology, Murshidabad | 2000-2001 | 6.86 | 8.81 | 0.27 |
| | | 2001-2002 | 2.22 | | |
| 20 | Toy Making Institute, Salt Lake | 2000-2001 | 10.00 | 10.00 | Nil |
| 21 | Bhatpara Municipality | 1998-1999 | 13.50 | 15.23 | 6.67 |
| | | 2001-2002 | 8.40 | | |
| 22 | Taki Municipality | 2000-2001 | 10.00 | 10.00 | Nil |
| 23 | Executive Officer, Karandighi Panchayat Samity, Uttar Dinajpur | 1999-2000 | 5.00 | 5.00 | Nil |
| 24 | Executive Officer, Raninagar Panchayat Samity, Murshidabad | 2000-2001 | 4.07 | 4.07 | Nil |
| | Total | | 243.83 | 208.88 | 34.95 |

Appendix 32
(Refer Paragraph 3.12.4 (ii), page 75)

Statement showing diversion of fund

| Sl No. | Name of the Institution | Fund Diverted (Rs in lakh) | Year | Nature of expenditure |
|--------|--|----------------------------|-----------|---|
| 1 | Exe Officer, Karandighi Panchayat Samity, Uttar Dinajpur | 5.00 | 1997-1998 | Infrastructural Development work |
| 2 | SDO, Islampur, Uttar Dinajpur | 2.50 | 1997-1998 | Infrastructural Development work |
| 3 | Principal, ITI, Karnajora | 2.50 | 1997-1998 | Infrastructural Development work |
| 4 | Principal, Rayganj Polytechnic | 0.50 | 1997-1998 | Infrastructural Development work |
| 5 | Principal, Jr. Technical School, Kaliaganj | 2.00 | 1997-1998 | Infrastructural Development work |
| 6 | Raninagar Panchayat Samity, Murshidabad | 4.07 | 1997-1998 | Renovation and Electrification of Dak Bungalow |
| 7 | Murshidabad College of Engineering and Technology | 0.61 | 2000-2001 | Repairing and Electrification of Centre |
| 8 | Rural Technology Centre, Bardhaman | 2.20 | 1998-1999 | Construction of Guard room, Sanitary and Plumbing works |
| 9 | STVT Centre, Kalna | 1.96 | 2000-2001 | Purchase of 6 computers from unspent balance of recurring grants of other trade |
| 10 | Regional Training Centre, Bardhaman | 1.35 | 1998-1999 | Repairing, renovation and electrification of health department |
| 11 | Vidya Sagar Vocational Training Institute | 8.01 | 1998-1999 | Civil construction, renovation and beautification works of rented building |
| 12 | Simplal vocational Training Institute, Bankura | 7.50 | 1997-1998 | Setting up of an Institute. |
| | T o t a l | 38.20 | | |

Appendix 33
(Refer Paragraph 3.12.5, page 76)

Statement showing number of trainees enrolled, completed and dropped out

| Sl No. | Name of the Institution | Total number of enrollment of trainees | Total number of trainees completed the course | Total number of student drop out |
|--------|--|--|---|----------------------------------|
| 1. | MBC Institute of Engineering and Technology, Bardhaman | 642 | 522 | 120 |
| 2. | Regional Training Centre, Bardhaman | 180 | 167 | 13 |
| 3. | Bardhaman Academy | 120 | 120 | Nil |
| 4. | Rural Technology Centre, Bardhaman | 232 | 232 | Nil |
| 5. | Bengal Institute of Technology, Katwa | 254 | 195 | 59 |
| 6. | STVT Centre, Kalna | 182 | 140 | 42 |
| 7. | Vidyasagar Vocational Training Institute, Haldia, Medinipur | 302 | 262 | 40 |
| 8. | Bhutnath Pradhan Memorial, Medinipur | 119 | 115 | 4 |
| 9. | Bhagabati Devi Nari-o-Kalyan Samity, Medinipur | 63 | 55 | 8 |
| 10. | Dutan High School, Medinipur | 74 | 71 | 3 |
| 11. | Iswar Chandra Vidyasagar Polytechnic, Jhargram, Medinipur | 155 | 129 | 26 |
| 12. | Toy Making Centre, Salt Lake, Kolkata | 288 | 247 | 41 |
| 13. | Vocational Training Centre, Bhatpara Municipality, North 24 Parganas | 306 | 240 | 66 |
| 14. | Taki Municipality, North 24 Parganas. | 181 | 109 | 72 |
| 15. | Bimal Chandra Sinha Institute of Technology, Kandi, Murshidabad | 188 | 155 | 33 |
| 16. | Murshidabad College of Engineering and Technology, Berhampore | 60 | 45 | 15 |
| 17. | Secretary, Basantajir Education Society, Berhampore | 186 | 160 | 26 |
| 18. | STVT Centre, Farakka, Murshidabad, | 52 | 52 | Nil |
| 19. | Principal, Murshidabad Institute of Technology, Berhampur | 316 | 250 | 66 |
| | T o t a l | 3900 | 3266 | 634 |

Appendix 34

(Refer Paragraph 3.12.5, page 76)

Statement showing minimum number of trainees being deprived of the intended benefit due to non-conducting /partial conducting of courses/ trades

| Sl No | Name of the Institution | Name of the Trades | Number of batches not conducted | | | | Minimum Number of students to be enrolled at the rate of 15 per batch |
|-------|--|--|---------------------------------|-----------|-----------|------------|---|
| | | | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | |
| 1 | Karandighi Panchayat Samity, Uttar Dinajpur | Tailoring & Cutting | Nil | 1 | 2 | 2 | 75 |
| 2 | ITI Karnojora, Uttar Dinajpur | Tailoring & Cutting | Nil | 1 | 2 | 2 | 75 |
| | | Electrification | Nil | 1 | 2 | 2 | 75 |
| | | Computer Allpiances | Nil | 1 | 2 | 2 | 75 |
| 3 | Junior technical School, Kaliaganj, Uttar Dinajpur | Electrification | Nil | 1 | 2 | 2 | 75 |
| | | Computer | Nil | 1 | 2 | 2 | 75 |
| 4 | Rayganj Polytechnic, Uttar Dinajpur | Computer Operation | Nil | 1 | 2 | 2 | 75 |
| | | Para Medical | Nil | 1 | 2 | 2 | 75 |
| | | Repairing of Mark Tubewell | Nil | 1 | 2 | 2 | 75 |
| 5 | Dantan High School, Medinipur | (a) Repairing of two Wheelers | Nil | Nil | Nil | 2 | 30 |
| | | (b) Construction, Supervision and Survey | Nil | Nil | Nil | 1 out of 2 | 15 |
| 6 | Bhutnath Pradhan Memorial, Medinipur | Welding | Nil | 1 | 2 | 2 | 75 |
| 7 | STVT Centre, Kalna, Bardhaman | (a) Jute bag Making | Nil | Nil | 1 | 2 | 45 |
| | | (b) Commercial Art with Designing of Handloom Products | Nil | Nil | Nil | 1 out of 2 | 15 |
| | Total | | Nil | 10 | 21 | 26 | 855 |

Appendix 35
(Refer Paragraph 3.14, page 84)
Statement showing Year-wise position of Inspection Reports and Paras pending settlement

| Year | Technical Education | | Home (Jails) | | Relief | | Land and Land Reforms | | Health and Family Welfare | | Commercial* | | Public Works (Construction Board) | | Public Health Engineering | | Grand Total | |
|---------|---------------------|-------|--------------|-------|--------|-------|-----------------------|-------|---------------------------|-------|-------------|-------|-----------------------------------|-------|---------------------------|-------|-------------|-------|
| | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras |
| 1969-70 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1970-71 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1971-72 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1972-73 | - | - | 1 | 4 | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 4 |
| 1973-74 | 1 | 4 | - | - | 1 | 1 | - | - | 1 | 1 | - | - | - | - | - | - | 3 | 6 |
| 1974-75 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1975-76 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 10 |
| 1976-77 | - | - | 1 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| 1977-78 | - | - | - | - | 1 | 1 | - | - | 2 | 2 | - | - | - | - | - | - | 3 | 3 |
| 1978-79 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1979-80 | - | - | - | - | 3 | 4 | 1 | 3 | 3 | 3 | - | - | - | - | - | - | 7 | 10 |
| 1980-81 | 2 | 9 | 1 | 3 | 4 | 5 | - | - | 3 | 3 | - | - | - | - | - | - | 10 | 20 |
| 1981-82 | 1 | 2 | - | - | 5 | 5 | - | - | 1 | 1 | - | - | - | - | - | - | 7 | 8 |
| 1982-83 | 2 | 9 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 9 |
| 1983-84 | 1 | 2 | - | - | - | - | 2 | 2 | 4 | 6 | - | - | 1 | 1 | 2 | 5 | 10 | 16 |
| 1984-85 | - | - | - | - | 3 | 4 | 1 | 1 | - | - | - | - | - | - | 4 | 11 | 8 | 16 |
| 1985-86 | 4 | 6 | 1 | 2 | - | - | 1 | 3 | 4 | 13 | - | - | 1 | 1 | 4 | 4 | 15 | 29 |
| 1986-87 | 1 | 2 | - | - | 4 | 5 | - | - | - | - | - | - | 1 | 1 | 5 | 6 | 11 | 14 |
| 1987-88 | 3 | 13 | 2 | 3 | - | - | 1 | 1 | 7 | 19 | - | - | 1 | 1 | 3 | 6 | 17 | 43 |
| 1988-89 | 3 | 10 | 3 | 3 | 1 | 1 | - | - | 12 | 46 | - | - | 2 | 2 | 5 | 8 | 26 | 70 |
| 1989-90 | 4 | 11 | - | - | 3 | 6 | - | - | 7 | 46 | - | - | 1 | 1 | 3 | 4 | 18 | 68 |
| 1990-91 | 2 | 7 | 4 | 6 | 5 | 6 | 3 | 3 | 10 | 65 | - | - | 1 | 5 | 5 | 25 | 30 | 117 |

Commercial undertakings under Commerce and Industries, Cottage and Small Scale Industries, Animal Resources Development, Public Enterprise and Housing Departments

| Year | Technical Education | | Home (Jails) | | Relief | | Land and Land Reforms | | Health and Family Welfare | | Commercial ^a | | Public Works (Construction Board) | | Public Health Engineering | | Grand Total | |
|--------------------|---------------------|-------|--------------|-------|--------|-------|-----------------------|-------|---------------------------|-------|-------------------------|-------|-----------------------------------|-------|---------------------------|-------|-------------|-------|
| | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras | IRs | Paras |
| 1991-92 | 2 | 9 | 5 | 7 | 2 | 2 | 7 | 11 | 10 | 76 | - | - | 2 | 5 | 11 | 14 | 39 | 124 |
| 1992-93 | 6 | 16 | 3 | 10 | 5 | 7 | 2 | 3 | 10 | 52 | - | - | 3 | 17 | 5 | 5 | 34 | 110 |
| 1993-94 | 3 | 17 | 1 | 2 | 7 | 9 | 6 | 18 | 19 | 90 | 1 | 1 | 8 | 31 | 8 | 20 | 53 | 188 |
| 1994-95 | 5 | 11 | 2 | 11 | 4 | 8 | 4 | 5 | 16 | 81 | - | - | 6 | 14 | 9 | 13 | 46 | 143 |
| 1995-96 | 5 | 29 | 8 | 25 | 12 | 30 | 9 | 15 | 16 | 98 | - | - | 10 | 19 | 10 | 40 | 70 | 256 |
| 1996-97 | 4 | 19 | 4 | 39 | 12 | 21 | 7 | 18 | 33 | 136 | 1 | 1 | 13 | 19 | 18 | 36 | 92 | 289 |
| 1997-98 | 4 | 12 | 10 | 32 | 19 | 46 | 10 | 19 | 25 | 121 | 1 | 1 | 14 | 25 | 13 | 56 | 96 | 312 |
| 1998-99 | 11 | 44 | 5 | 18 | 11 | 36 | 9 | 24 | 38 | 153 | 4 | 8 | 11 | 27 | 9 | 24 | 98 | 334 |
| 1999-2000 | 9 | 22 | 9 | 16 | 12 | 29 | 12 | 22 | 52 | 296 | 2 | 3 | 18 | 55 | 23 | 93 | 137 | 536 |
| 2000-2001 | 6 | 37 | 12 | 47 | 22 | 83 | 13 | 45 | 50 | 410 | 2 | 7 | 21 | 67 | 13 | 47 | 139 | 743 |
| 2001-2002 | 18 | 131 | 14 | 42 | 20 | 102 | 22 | 67 | 24 | 505 | - | - | 11 | 32 | 28 | 173 | 137 | 1052 |
| Total | 97 | 422 | 86 | 271 | 156 | 411 | 110 | 260 | 347 | 2223 | 11 | 21 | 125 | 323 | 178 | 590 | 1110 | 4521 |
| More than 10 years | 26 | 84 | 18 | 29 | 32 | 40 | 16 | 24 | 64 | 281 | - | - | 10 | 17 | 42 | 83 | 208 | 558 |

Appendix 36

(Refer Paragraph 3.14, page 84)

Statement showing details of nature of irregularities detected in audit and included in the Inspection Reports

| Sl No | Nature of irregularities | Technical Education | | Home (Jails) | | Relief | | Land and land Reforms | | Health and Family Welfare | | Public Works (Construction Board) | | Public Health Engineering | | Commercial | | Total | |
|-------|---|---------------------|--------|--------------|--------|-------------|---------|-----------------------|---------|---------------------------|---------|-----------------------------------|---------|---------------------------|---------|-------------|--------|-------------|----------|
| | | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount |
| 1 | Non-recovery of loans and other dues | 6 | 3.09 | 2 | - | 16 | 9.69 | 2 | 17.44 | 38 | 482.97 | 7 | 120.72 | 73 | 1062.69 | - | - | 144 | 1696.60 |
| 2 | Non-adjustment of advances drawn by department/field offices | 10 | 59.54 | 5 | 2.85 | 71 | 2291.62 | 10 | 552.42 | 60 | 951.48 | - | - | - | - | - | - | 156 | 3857.91 |
| 3 | Excess/irregular/avoidable/Infructuous/unauthorised expenditure | 75 | 556.91 | 57 | 370.79 | 21 | 243.21 | 91 | 2099.36 | 460 | 5658.32 | 84 | 1009.43 | 183 | 9374.37 | - | - | 971 | 19312.39 |
| 4 | Overdrawal of Pay and Allowances | 2 | 0.06 | 2 | 0.16 | - | - | - | - | 34 | 51.41 | - | - | 3 | 21.26 | - | - | 41 | 72.89 |
| 5 | Non-realisation of loans | 2 | - | 1 | 0.21 | - | - | - | - | - | - | - | - | - | - | - | - | 3 | 0.21 |
| 6 | Non-adherence to prescribed procedure relating to cash book | 48 | 8.06 | 19 | 0.22 | 39 | 15.54 | 15 | - | 128 | 12.42 | - | - | - | - | - | - | 249 | 36.24 |
| 7 | Utilisation certificate wanting | 4 | 161.45 | 1 | 2.54 | 109 | 719.49 | - | - | 9 | 318.34 | - | - | - | - | - | - | 123 | 1201.82 |

| Sl No | Nature of irregularities | Technical Education | | Home (Jails) | | Relief | | Land and land Reforms | | Health and Family Welfare | | Public Works (Construction Board) | | Public Health Engineering | | Commercial | | Total | |
|-------|--|---------------------|---------|--------------|--------|-------------|---------|-----------------------|---------|---------------------------|----------|-----------------------------------|---------|---------------------------|----------|-------------|---------|-------------|----------|
| | | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount | No of paras | Amount |
| 8 | Theft/deduction/ Mis-appropriation of Government money | 20 | 35.12 | 1 | 0.73 | 33 | 70.48 | 7 | 132.23 | 151 | 132.83 | - | - | - | - | - | - | 212 | 371.39 |
| 9 | Diversion of fund | 5 | 4.87 | 1 | - | 23 | 135.69 | 5 | 317.92 | 25 | 108.83 | - | - | 5 | 169.25 | - | - | 64 | 736.56 |
| 10 | Loss of revenue | 17 | 45.29 | 3 | 1.69 | 2 | 2.97 | 12 | 346.67 | 81 | 324.41 | 13 | 46.65 | 42 | 432.44 | - | - | 170 | 1200.12 |
| 11 | Outstanding decretal amount and certificate cases | 1 | 0.60 | - | - | - | - | 2 | 8.21 | 1 | 31.31 | - | - | - | - | - | - | 4 | 40.12 |
| 12 | Security deposit not furnished | 5 | 1.92 | 6 | - | - | - | 2 | - | 2 | - | - | - | - | - | - | - | 15 | 1.92 |
| 13 | Excess expenditure due to non-adherence to lowest tender | 6 | 51.30 | 5 | 10.94 | 1 | 200.81 | - | - | 37 | 330.16 | 10 | 154.95 | 20 | 600.63 | - | - | 79 | 1348.79 |
| 14 | Shortage / loss not recovered/ written off | 3 | 8.68 | 10 | 18.07 | 15 | 963.18 | 1 | 41.67 | 55 | 72.43 | 27 | 49.12 | 117 | 1046.25 | - | - | 228 | 2199.42 |
| 15 | Non-maintenance / non-production of records | 34 | - | 15 | 13.20 | 35 | 157.10 | 22 | 13.99 | 125 | 43.36 | - | - | 5 | - | - | - | 236 | 227.65 |
| 16 | Miscellaneous | 184 | 259.70 | 143 | 335.72 | 46 | 1199.10 | 91 | 719.54 | 1017 | 14113.46 | 182 | 193.38 | 142 | 2733.23 | 21 | 1634.57 | 1826 | 21188.70 |
| | TOTAL | 422 | 1196.59 | 271 | 757.12 | 411 | 6808.88 | 260 | 4249.45 | 2223 | 22631.73 | 323 | 1574.27 | 590 | 15440.12 | 21 | 1434.57 | 4521 | 53492.73 |

Appendix 37

(Refer Paragraph 3.15, page 85)

Statement showing year wise and department wise analysis of cases of misappropriation, losses, etc. awaiting final action at the end of March 2002

| Sl. No. | Name of the Department | Reported up to 31 March 2000 | | Reported in 2000-2001 | | Reported in 2001-2002 | | Total | |
|---------|-------------------------------------|------------------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|--------|-----------------|
| | | Number | Amount (Rupees) | Number | Amount (Rupees) | Number | Amount (Rupees) | Number | Amount (Rupees) |
| 1 | Agriculture | 65 | 1792388 | 1 | 342622 | - | - | 66 | 2135010 |
| 2 | Animal Resources Development | 18 | 1229629 | - | - | 11 | 750300 | 29 | 1979929 |
| 3 | Backward Classes Welfare | 4 | 240871 | 1 | 142000 | - | - | 5 | 382871 |
| 4 | Commerce and Industries | 4 | 509059 | - | - | - | - | 4 | 509059 |
| 5 | Cottage and Small Scale Industries | 2 | 190324 | 1 | 997653 | - | - | 3 | 1187977 |
| 6 | Finance | 10 | 1386489 | - | - | - | - | 10 | 1386489 |
| 7 | Fisheries | 2 | 1063516 | - | - | - | - | 2 | 1063516 |
| 8 | Food and Supplies | 5 | 117332 | - | - | - | - | 5 | 117332 |
| 9 | Forests | 1 | 211393 | - | - | 1 | 571328 | 2 | 782721 |
| 10 | Health and Family Welfare | 85 | 6825147 | 2 | 71442 | 6 | 217583 | 93 | 7114172 |
| 11 | Higher Education | 1 | 31800 | - | - | - | - | 1 | 31800 |
| 12 | Home (Civil Defence) | 1 | 190892 | - | - | - | - | 1 | 190892 |
| 13 | Home (Jail) | 1 | 8556 | - | - | - | - | 1 | 8556 |
| 14 | Home (Police) | 16 | 1746706 | 1 | 25349 | - | - | 17 | 1772055 |
| 15 | Home (Political) | 1 | 121372 | - | - | - | - | 1 | 121372 |
| 16 | Housing | 1 | 177875 | - | - | - | - | 1 | 177875 |
| 17 | Irrigation and Waterways | 19 | 9731355 | - | - | - | - | 19 | 9731355 |
| 18 | Judicial | 3 | 102994 | 1 | 483765 | - | - | 4 | 586759 |
| 19 | Labour | 12 | 359500 | - | - | - | - | 12 | 359500 |
| 20 | Land and Land Reforms | 376 | 10659365 | - | - | 2 | 344787 | 378 | 11004152 |
| 21 | Mass Education Extension | 2 | 80504 | - | - | - | - | 2 | 80504 |
| 22 | Municipal Affairs | 1 | 187000 | - | - | - | - | 1 | 187000 |
| 23 | Public Health Engineering | 2 | 1537673 | - | 1395038 | - | - | 2 | 2932711 |
| 24 | Public Works | 4 | 154839 | - | - | 1 | 19598 | 5 | 174437 |
| 25 | Public Works (Roads) | 4 | 1104762 | - | - | - | - | 4 | 1104762 |
| 26 | Refugee, Relief and Rehabilitation | 2 | 250352 | - | - | - | - | 2 | 250352 |
| 27 | Relief | 5 | 5921971 | - | - | - | - | 5 | 5921971 |
| 28 | Rural Development | 58 | 4387543 | 1 | 75500 | - | - | 59 | 4463043 |
| 29 | School Education | 2 | 630076 | - | - | 4 | 5273982 | 6 | 5904058 |
| 30 | Social Welfare | 5 | 2228997 | - | - | - | - | 5 | 2228997 |
| 31 | Sports and Youth Services | 1 | 323731 | - | - | - | - | 1 | 323731 |
| 32 | Technical Education and Training | 10 | 1816768 | - | - | 1 | 4410 | 11 | 1821178 |
| 33 | Tourism | 1 | 115628 | - | - | - | - | 1 | 115628 |
| 34 | Transport | 1 | 3026 | - | - | - | - | 1 | 3026 |
| 35 | Urban Development | 2 | 149920 | - | - | - | - | 2 | 149920 |
| 36 | Water Investigation and Development | 23 | 142450 | - | - | - | - | 23 | 142450 |
| | Total: | 750 | 55731803 | 8 | 3533369 | 26 | 7181988 | 784 | 66447160 |
| | Total amount (in lakh of Rupees) | | 557.32 | | 35.33 | | 71.82 | | 664.47 |

Appendix 38

(Refer Paragraph 3.16, pages 86 and 87)

Statement showing details of misutilisation and misappropriation of Government money

| Sl. No. | Name of the Office | Date of verification by DDO at the instance of audit | Book balance as per Cash Book on the date of verification | Cash actually found on verification | Total Shortage | Nature of Shortage | Unauthorised advance from undischursed cash | Unexplained cash shortage/ theft |
|---------|--|--|---|-------------------------------------|----------------|--------------------|---|----------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | | | A m o u n t | | R u p e e s | | | |
| 1. | Superintendent, S. D. Hospital, Dinbhata, Coochbehar | 06.03.2002 | 69,209.67 | 41,636.67 | 27,573.00 | 27,573.00 | - | - |
| 2. | Administrative Medical Officer, E.S.I. (MB) Scheme, Kolkata | 12.11.2001 | 52,46,530.00 | 52,03,955.00 | 42,575.00 | 36,672.00 | - | 5,903.00 |
| 3. | Superintendent, Berhampore Central Correctional Home (Jail), Murshidabad | 22.11.2001 | 4,71,580.22 | 2,89,650.10 | 1,81,930.12 | 2,768.00 | - | 1,79,162.12 |
| 4. | District Magistrate, Jalpaiguri | 06.11.2001 | 24,88,882.21 | 19,29,032.21 | 5,59,850.00 | 33,269.00 | 1,78,128.00 | 3,48,453.00 |
| 5. | District Magistrate, Darjeeling | 07.12.2001 | 7,26,659.55 | 3,82,352.55 | 3,44,307.00 | 2,84,061.00 | 60,246.00 | - |
| 6. | S.D.O., Kalimpong | 12.11.2001 | 3,32,147.63 | 26,805.00 | 3,05,342.63 | 25,159.00 | - | 2,80,183.63 |
| 7. | D.C.P. (Traffic), Kolkata | 15.01.2002 | 57,50,335.00 | 57,22,631.00 | 27,704.00 | - | 27,704.00 | - |
| 8. | S.P., Hooghly | 09.01.2002 | 8,41,720.89 | 7,55,620.89 | 86,100.00 | 86,100.00 | - | - |
| 9. | Superintendent, P. G. Polyclinic | 03.04.2002 | 6,58,365.80 | 6,36,566.85 | 21,798.95 | - | 21,798.95 | - |
| 10. | DCP, 2 nd Bn., KAP | 23.04.2002 | 3,44,089.45 | 2,60,037.70 | 84,051.75 | - | - | 84,051.75 |
| 11. | S.P., Darjeeling | 18.05.2001 | 84,49,083.65 | 81,98,784.65 | 2,50,299.00 | - | - | 2,50,299.00 |
| 12. | Superintendent, E.S.I. Hospital, Sealdah | 04.07.2001 | 91,859.00 | 87,072.00 | 4,787.00 | 4,787.00 | - | - |
| 13. | Superintendent, J. R. Dhar S. D. Hospital | 21.11.2001 | 49,521.00 | 16,011.00 | 33,510.00 | 16,438.00 | 17,072.00 | - |
| 14. | Superintendent, Uttarpara General Hospital | 15.05.2001 | 48,122.00 | 30,057.00 | 18,065.00 | 10,965.00 | 7,100.00 | - |
| 15. | Superintendent, Tufangunj S. D. Hospital, Coochbehar | 15.06.2001 | 71,294.70 | 59,401.70 | 11,893.00 | 11,893.00 | - | - |

| Sl. No. | Name of the Office | Date of verification by DDO at the instance of audit | Book balance as per Cash Book on the date of verification | Cash actually found on verification | Total Shortage | Nature of Shortage | | |
|---------|---|--|---|-------------------------------------|----------------|---------------------|---|----------------------------------|
| | | | | | | Unadjusted Vouchers | Unauthorised advance from undischarged cash | Unexplained cash shortage/ theft |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | | | | A m o u n t | R u p e e s | | | |
| 16. | S.D.O., Barrackpore, North 24 Parganas | 03.07.2001 | 45,01,985.00 | 42,02,598.74 | 2,99,386.26 | 1,46,041.29 | 79,623.50 | 73,721.47 |
| 17. | S.D.O., Uthberia, Howrah | 09.10.2001 | 3,46,324.14 | 3,09,036.64 | 37,287.50 | 37,287.50 | - | - |
| 18. | District Magistrate, Nadia | 29.05.2001 | 2,97,07,345.42 | 2,95,00,188.63 | 2,07,156.79 | 4,509.00 | 1,76,982.00 | 25,665.79 |
| 19. | Principal, Bankura Sammilani Medical College | 11.06.2001 | 4,32,435.26 | 3,98,735.26 | 33,700.00 | - | 33,700.00 | - |
| 20. | Superintendent, District Jail, Coochbehar | 12.11.2001 | 62,001.31 | 51,799.31 | 10,202.00 | 10,202.00 | - | - |
| 21. | Principal Agricultural Officer, South 24 Parganas, Alipore | 03.10.2001 | 52,402.00 | 36,042.00 | 16,360.00 | 16,360.00 | - | - |
| 22. | Sub-Div. Agricultural Officer, Barasat-Barrackpore (Sadar) at Barasat | 18.09.2001 | 1,84,296.03 | 1,53,005.43 | 31,290.60 | 23,335.60 | 7,955.00 | - |
| 23. | Superintendent, Arambagh S. D. Hospital | 13.08.2001 | 5,73,517.30 | 68,317.00 | 5,05,200.30 | 5,05,200.30 | - | - |
| 24. | Superintendent, S. D. Hospital, Asansol | 22.11.2001 | 3,15,042.00 | 1,70,049.35 | 1,44,992.65 | - | - | 1,44,992.65 |
| 25. | Accounts Officer, (Finance) West Bengal Secretariat | 26.04.02 | 5,12,95,199.00 | 3,73,80,409.17 | 1,39,14,789.83 | 31,53,748.83 | 1,07,61,041.00 | - |
| | Total | | 11,31,09,948.23 | 9,59,09,795.85 | 1,72,00,152.38 | 44,36,349.52 | 1,13,71,350.45 | 13,92,432.41 |

Appendix 39

(Refer Paragraph 3.16, page 87)

Statement showing the period for which physical verification of cash not done by the Drawing & Disbursing Officers

| Sl. No. | Sl. No. of Appendix 38 | Name of the Drawing & Disbursing Officer | Period for which physical verification not done | |
|---------|------------------------|--|---|-----------|
| 1. | 1 | Superintendent, SD Hospital Dinhata, Coochbehar | 01.09.99 to 28.02.2002 | 42 months |
| 2. | 5 | District Magistrate, Darjeeling | 01.04.2000 to 31.10.2001 | 19 months |
| 3. | 8 | Superintendent of Police, Hooghly | 01.11.2000 to 30.07.2001 | 9 months |
| 4. | 9 | Superintendent, PG Polyclinic Kolkata | 01.06.2000 to 31.3.2002 | 22 months |
| 5. | 13 | Superintendent J. B. Dhar, SD Hospital Bongoan, 24 Parganas (North) | 01.06.2000 to 31.10.2001 | 17 months |
| 6. | 14 | Superintendent, State General Hospital, Uttarpara, Hooghly | 01.12.99 to 31.04.2001 | 17 months |
| 7. | 17 | Sub-divisional Officer, Uluberia, Howrah | 01.06.2000 to 30.09.2001 | 16 months |
| 8. | 20 | Superintendent, District Jail, Coochbehar | 01.03.97 to 31.10.2001 | 56 months |
| 9. | 21 | Principal Agriculture Officer, South 24 Parganas | 01.10.98 to 30.09.2001 | 36 months |
| 10. | 22 | Sub-divisional Agriculture Officer, Barasat-Barrackpore (Sadar) at Barasat | 01.12.99 to 31.08.2001 | 21 months |
| 11. | 23 | Superintendent SD Hospital Arambagh, Hooghly | 01.09.99 to 30.06.2001 | 22 months |
| 12. | 25 | Accounts Officer (Finance), West Bengal Secretariat | 01.01.2001 to 31.03.2002 | 14 months |

Appendix 40
(Refer Paragraph 3.17, page 88)

Statement showing number of selected paragraphs in respect of which remedial/corrective Action Taken Notes of Departments have not been received

| Name of the Department | 1992- 1993 | 1994- 1995 | 1995- 1996 | 1996- 1997 | 1997- 1998 | 1998- 1999 | 1999- 2000 | 2000- 2001 | Total |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| | No 3 | No 3 | No 3 | No 3 | No 3 | No 2 | Vol I | Vol I | |
| Agriculture | | | | 1 | | | | | 1 |
| Animal Resources Development | | | | | 1 | | | | 2 |
| Backward Classes Welfare | | | | | 1 | | | 1 | 2 |
| Development and Planning | | | | | | | 1 | | 1 |
| Environment | | | | | | | | 1 | 1 |
| Finance | | 1 | 1 | | | 6 | 8 | 19 | 35 |
| Food and Supplies | | | | | | 1 | | | 1 |
| Health and Family Welfare | | | 1 | 1 | 2 | 3 | 5 | 6 | 18 |
| Home (Const. and Election) | | | | | | 1 | | | 1 |
| Home (Police) | | | | | 1 | 2 | | 1 | 4 |
| Industrial Reconstruction | | | | | | | 1 | | 1 |
| Irrigation and Waterways | | | | | | 1 | 3 | 1 | 5 |
| Labour | | | | | | 1 | | | 1 |
| Land and Land Reforms | | | | | | 1 | 2 | | 3 |
| Mass Education Extension | | | | 1 | | | | | 1 |
| Municipal Affairs | | | | | 1 | | | 1 | 2 |
| Panchayat and Rural Development | 1 | | 1 | | | | 2 | | 4 |
| Public Health Engineering | | | | | 1 | | | | 1 |
| Public Works (Roads) | | | | | | | 1 | 4 | 5 |
| Relief | | | | | | | 1 | 1 | 2 |
| Social Welfare | | | | 1 | | 1 | | | 2 |
| Tourism | | | | | | | | 1 | 1 |
| Home (PAR)/Finance | | | | | 1 | | | | 1 |
| Animal Resources Development/Cottage and Small Scales Industries/Fisheries/Health and Family Welfare/Technical Education and Training | | | | | | 1 | | | 1 |
| Finance/Home/Police/Vand & Land Reforms/Municipal Affairs/Sundarban Affairs/Urban Development/Irrigation and Waterways/School Education | | | | | | | 1 | | 1 |
| Backward Classes Welfare/Health and Family Welfare/Land and Land Reforms/ Panchayat and Rural Development/School Education | | | | | | | | | 1 |
| Finance/Power/Transport | | | | | | | | 1 | 1 |
| Home(Const. and Election/Police) | | | | | | | | 1 | 1 |
| General | | | | 1 | | 2 | 4 | | 7 |
| Total | 1 | 1 | 3 | 6 | 8 | 20 | 28 | 39 | 105 |

Appendix 41

(Refer Paragraph 4.1.4.3 (ii), page 94)

Statement showing parking of funds during 1997-2002

| Year | Name of Divisions | Opening balance as of 1 st March | Amount of expenditure incurred in March | Fund received in March | Parking of fund in March |
|-----------|-------------------|---|--|------------------------------|--------------------------------|
| | | (Rupees in crore) | | | |
| 1997-1998 | Resources - I | 1.59 | 1.03 | 3.83 | 3.83 |
| | Resources - II | 9.10 | 2.52 | 6.46 | 6.46 |
| 1998-1999 | Resources - I | 2.35 | 2.23 | 3.96 | 3.96 |
| | Resources - II | 4.95 | 4.58 | 10.37 | 10.37 |
| 1999-2000 | Resources - I | 2.70 | 2.36 | 3.47 | 3.47 |
| | Resources - II | 6.17 | 5.20 | 8.75 | 8.75 |
| 2000-2001 | Resources - II | 9.80 | 7.71 | 9.27 | 9.27 |
| 2001-2002 | Resources - II | 8.40 | 4.82 | 4.28 | 4.28 |
| | | | Total : | 50.39 | 50.39 |

Appendix 42

(Refer Paragraph 4.1.7.1, page 100)

Statement showing stock in excess of Reserve Stock Limit (RSL)

| Name of the Division | Year | Reserve Stock Limit | Closing stock as on 31 st March | Excess | Percentage of excess over RSL |
|------------------------|-----------|------------------------|---|--------|-------------------------------------|
| | | (Rupees in lakh) | | | |
| Bankura Highway | 1997-1998 | 1 | 79.62 | 78.62 | 7862 |
| | 1998-1999 | 1 | 41.32 | 40.32 | 4032 |
| | 1999-2000 | 1 | 56.79 | 55.79 | 5579 |
| | 2000-2001 | 1 | 30.45 | 29.45 | 2945 |
| Bardhaman Highway-III | 1997-1998 | 15 | 117.54 | 102.54 | 684 |
| | 1998-1999 | 15 | 105.01 | 90.01 | 600 |
| | 1999-2000 | 15 | 86.17 | 71.17 | 474 |
| | 2000-2001 | 15 | 145.06 | 130.06 | 867 |
| Malda Highway | 1997-1998 | 10 | 167.25 | 157.25 | 1573 |
| | 1998-1999 | 10 | 125.01 | 115.01 | 1150 |
| | 1999-2000 | 10 | 142.82 | 132.82 | 1328 |
| | 2000-2001 | 10 | 222.11 | 212.11 | 2121 |
| Medinipur Highway - I | 1997-1998 | 2 | 129.56 | 127.56 | 6378 |
| | 1998-1999 | 2 | 102.32 | 100.32 | 5016 |
| | 1999-2000 | 2 | 134.84 | 132.84 | 6642 |
| | 2000-2001 | 2 | 108.87 | 106.87 | 5343 |
| National Highway - III | 1997-1998 | 2 | 107.50 | 105.50 | 5275 |
| | 1998-1999 | 2 | 94.45 | 92.45 | 4623 |
| | 1999-2000 | 2 | 52.94 | 50.94 | 2547 |
| | 2000-2001 | 2 | 50.80 | 48.80 | 2440 |
| 24-Parganas Highway | 1997-1998 | 100 | 171.66 | 71.66 | 72 |
| | 1998-1999 | 100 | 218.00 | 118.00 | 118 |
| | 1999-2000 | 100 | 242.32 | 142.32 | 142 |
| | 2000-2001 | 100 | 279.20 | 179.20 | 179 |

Appendix 43

(Refer Paragraph 5.2.6.1, page 123)

Statement showing extra payment to rice millers

| District | Period | Range of average market price of paddy per quintal (Rupees) | Pro-rata procurement price of rice based on market price (Rupees per quintal) | Quantity of rice procured (in lakh tonnes) | Price of rice paid to millers (Rupees/quintal) | Extra payment (Rupees in crore) |
|-------------------|--------------------------------|---|---|--|--|---------------------------------|
| Bardhaman | December 2000 to May 2001 | 395.00 to 497.50 | 641.91 to 808.48 | 1.43 | 828.80 | 10.39 |
| | December 2001 to February 2002 | 392.50 to 475.00 | 645.70 to 781.42 | 0.15 | 871.90 | 2.44 |
| Medinipore | December 2000 to May 2001 | 420.78 to 477.82 | 683.81 to 776.50 | 0.67 | 828.80 | 6.26 |
| | December 2001 & May 2002 | 406.66 to 384.50 | 632.54 to 669.00 | 0.09 | 871.90 | 2.08 |
| North 24 Parganas | January 2001 to February 2001 | 435.00 to 440.00 | 706.92 to 715.00 | 0.02 | 828.80 | 0.26 |
| | January 2002 | 366.00 to 455.00 | 674.50 | 0.04 | 871.90 | 0.08 |
| | | | | 2.40 | | 21.51 |

Appendix 44

GLOSSARY OF ABBREVIATIONS

| | |
|------------------|---|
| ARCS | Assistant Registrar of Co-operative Societies |
| ARD | Animal Resources Development |
| BENFED | West Bengal State Marketing Federation Limited |
| C&SSI | Cottage and Small Scale Industries |
| CCBs | Central Co-operative Banks |
| CE | Chief Engineer |
| CONFED | West Bengal State Consumers Federation Limited |
| CRO | Chief Research Officer |
| CRRRI | Central Road Research Institute |
| CTI | Certificate Treasury Issues |
| CTR | Consolidated Treasury Receipts |
| DA | Divisional Accountant |
| DAO | Divisional Accounts Officer |
| DCCB | District Central Co-operative Bank |
| DCEI | District Co-operative Education Inspector |
| DDO | Drawing and Disbursing Officer |
| ECCS | Employees Co-operative Credit Society |
| ECSCL | West Bengal Essential Commodities Supply Corporation Limited |
| EE | Executive Engineer |
| FD | Finance Department |
| FSCS | Farmers' Service Co-operative Society |
| GO | Government Order |
| HDO | Handloom Development Officer |
| HUDCO | Housing and Urban Development Corporation |
| ICDP | Integrated Co-operative Development Project |
| IOCL | Indian Oil Corporation Limited |
| IRC | Indian Road Congress |
| LOC | Letter of Credit |
| LSAMPCS | Large Size Agricultural Multipurpose Co-operative Society |
| MDR | Major District Road |

| | |
|----------|--|
| MOST | Ministry of Surface Transport |
| MPWA | Miscellaneous Public Works Advance |
| NABARD | National Bank of Agricultural and Rural Development |
| NCDC | National Co-operative Development Corporation |
| NH | National Highway |
| NHAI | National Highway Authority of India |
| ODR | Ordinary District Road |
| PACS | Primary Agricultural Credit Co-operative Societies |
| PAMS | Primary Agricultural Marketing Society |
| PARDB | Primary Agriculture Rural Development Bank |
| PCARDB | Primary Co-operative Agricultural and Rural Development Bank |
| PSL | Priced Stores Ledger |
| PWCS | Primary Weavers' Co-operative Societies |
| PWD | Public Works Department |
| PWRD | Public Works (Roads) Department |
| RA | Running Account |
| RBRI | Road and Building Research Institute |
| RCS | Registrar of Co-operative Societies |
| RSL | Reserve Stock Limit |
| SE | Superintending Engineer |
| SH | State Highway |
| SHC | State Highway Circle |
| UC | Utilisation Certificate |
| UCCS | Urban Co-operative Credit Society |
| VR | Village Road |
| WBM | Water Bound Macadam |
| WBSCARDB | West Bengal State Co-operative Agricultural and Rural Development Bank |
| WBSCB | West Bengal State Co-operative Bank |
| WBSCU | West Bengal State Co-operative Units |

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