



सत्यमेव जयते

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

**FOR  
THE YEAR 1984-85**

**UNION GOVERNMENT (CIVIL)**

**VOLUME III**



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## ERRATA

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1	1	11	those	these
3	1	15	deep fishing	deep sea fishing
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4	Table	8	574.69*	574.49*
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11	1	Column 1 of heading of Table	Offices	offices
11	1	Column 2 of heading of Table	overhead	Overhead
11	2	Annexure II heading	outstanding inspection	inspection
12	2	22	1985	1984-85
14	1	3-4	Name of series to cost of production	Name of series
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28	Last Table	First line of heading (Col.7)	output	Output
28	Last Table	Against U.P.(Col.7)	88.50	8850
28	Last Table	Against Maharashtra (Column 8)	178.66	478.66
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29	1	8 from bottom	workshop	workshops
29	2	21 from bottom	vapital	capital
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30	1-Table	10	(-)0.90	(-)0.09
31	1	19	delievery	delivery
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31	2	22 from bottom	KVI Board	KVI Boards
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## **PREFATORY REMARKS**

As mentioned in the Prefatory Remarks of Volume I of the Report of the Comptroller and Auditor General of India - Union Government (Civil), the results of test audit of the Central Autonomous Bodies audited by the Comptroller and Auditor General of India under the various provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are set out in this Volume.

2. The report includes, among others reviews/paragraphs on National Book Trust, Tea Board and Construction Works of the Kendriya Vidyalaya Sangathan.



## CHAPTER-I

### 1. GENERAL

The accounts of autonomous bodies which are receiving financial assistance from Government are being audited by the Comptroller and Auditor General of India under various provisions of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971.

As on 31st March, 1985, there were 167 Central autonomous bodies including 7 Universities whose annual accounts were to be audited by the Comptroller and Auditor General of India as sole Auditor of those bodies under Section 19(2) and 20(1) of Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971. During 1984-85 grants amounting to Rs.76,617.87 lakhs were paid by the Union Government to 160 autonomous bodies and grants to the extent of Rs.7368.47 lakhs were received by 7 Universities from the University Grants Commission. The audited accounts of these autonomous bodies alongwith the Separate Audit Reports on each individual body/organisation are issued to the Government of India every year for being placed before Parliament.

1.2.1 Delay in submission of accounts by autonomous bodies - "The Committee on Papers laid on the Table of the House" recommended in its First Report (5th Lok Sabha) 1975-76 that after the close of the accounting year, every autonomous body should complete its accounts within a period of 3 months and make them available for audit and that the reports and the audited

accounts should be laid before Parliament within 9 months of the close of the accounting year. For the year 1983-84, audited accounts together with Separate Audit Reports thereon of 150 autonomous bodies (non-commercial) which were under audit by the Comptroller and Auditor General of India, were to be placed before Parliament. Out of these, the accounts of 61 autonomous bodies only were made available for audit within the prescribed time limit of 3 months of the close of the accounting year. Submission of the accounts of 89 autonomous bodies was delayed as indicated below:-

Delay upto one month	40
Delay of over one month upto 3 months	31
Delay of over 3 months upto 6 months	12
Delay of over 6 months upto 12 months	6

**89**

1.2.2 *Outstanding utilisation certificates of grants-* Consequent to the departmentalisation of accounts in the year 1976, certificates of utilisation of grants were required to be furnished by the Ministries/Departments concerned to the Controllers of Accounts in respect of grants released to statutory bodies, non-Government institutions, etc. for specific purposes specifying that the grants had been properly utilised on the objects for which they were sanctioned, and that, where the grants were conditional, the prescribed conditions had been fulfilled. The Ministry/Department-wise details indicating the position of outstanding utilisation certificates are given in Appendix-I.

## CHPATER II

### MINISTRY OF COMMERCE

#### 2. Marine Products Export Development Authority

(a) *Construction of Frozen Storage at Cochin.*—A proposal for setting up a 1000-tonne frozen storage in Wellington Island to be taken on lease from the Cochin Port Trust, was approved by the Marine Products Export Development Authority (hereinafter referred to as the Authority) in June 1974. According to a feasibility report prepared by the Authority in September 1974, the project was estimated to cost Rs.49.50 lakhs (Building Rs.14.58 lakhs; Plant and Machinery: Rs.34.50 lakhs; Other items: Rs.0.42 lakh). In February 1975, the Authority forwarded the scheme to the Government of India (Ministry of Commerce) who approved it in October 1975. Three contiguous plots of Land measuring 115.46 cents in all were taken on lease in November 1975, April and November 1976 respectively. In April 1975, the Authority appointed firm 'A' as consultant for the Project. While preparing the feasibility report, temperature of the storage was taken as (-) 18 degrees centigrade but later it was found necessary to alter it to (-) 30 degrees centigrade with a view to providing storage for frozen products of diverse types. In view of this change and escalation in cost, the estimate needed revision and the consultant submitted a revised estimate for Rs.99.18 lakhs (Civil Works including construction of piles for foundation: Rs.38.91 lakhs; Electrical Works: Rs.7.87 lakhs; Mechanical Works: Rs.48.25 lakhs; Consultants Fees: Rs.4.15 lakhs). The Ministry's sanction for the revised estimate was sought by the Authority in February 1977. Meanwhile the contract for construction of piles and pile caps had been awarded to firm 'B' in January 1977 for Rs.22.53 lakhs stipulating the date of completion as 15th May 1977.

Considering the enormous increase in estimated cost, the Authority reappraised the Project in March 1977. It was then found that several frozen storages had been established by other agencies in the Port area, and that the Authority's Project was uneconomic on account of its high cost. The Authority decided to stop the work, which was accordingly abandoned in April 1977. The expenditure incurred till then was Rs.10.34 lakhs (Construction of piles: Rs.4.37 lakhs; Purchase of steel: Rs.3.29 lakhs; Payment to Consultants: Rs.1.47 lakhs; Other items: Rs.1.21 lakhs).

Out of 20 piles (excluding one test pile) cast and driven for the 1000-tonne frozen storage, 12 piles were subsequently utilised for the construction of a 500-tonne storage (referred to in succeeding sub-paragraph). The expenditure of Rs.1.66 lakhs incurred on the remaining 8 piles remains unfruitful. The Authority stated (August

1985) that the 8 piles rendered surplus would be utilised at the time of future expansion.

A revised proposal for construction of a 500-tonne frozen storage estimated to cost Rs.53.05 lakhs was approved by the Ministry in August 1977. The work was entrusted on 'turn-key basis' to the National Dairy Development Board (NDDB) in September 1977. The estimate was revised in January 1979 to Rs.80.10 lakhs (Pile foundation: Rs.17.24 lakhs; Building: Rs.19.32 lakhs; Development of site Rs.4.00 lakhs; Supply and erection of Plant and Machinery: Rs.26.88 lakhs; Other items including consultant's fee and NDDB's service fee: Rs.12.66 lakhs).

According to the agreement with the NDDB the 500-tonne storage was to be completed by September 1979. The work was completed and the storage handed over to the Authority only in September 1982. Trial runs indicated some defects. After removing the defects, the storage was commissioned in July 1983. The expenditure on staff of the storage during the period from September 1979 to July 1983 worked out to Rs.3.14 lakhs.

Within a few months after commissioning, the flooring of the storage got damaged, leading to formation of ditches. The storage was shut down in November 1984 to repair the damages. The repair work which was estimated to cost Rs.7 lakhs was completed through another agency in September 1985. The Authority stated (November 1985) that the repair was necessitated owing to defective design and poor execution by NDDB and that the NDDB had agreed to bear the cost of the original flooring which was damaged. The accounts of the NDDB had not yet been settled (November 1985). The total payments made for the work upto October 1985 amounted to Rs.68.37 lakhs (Payments to NDDB: Rs.58.45 lakhs; Cost of cement and steel Rs.9.92 lakhs).

In the feasibility report the extent of utilisation of the plant during each year was assumed as 40 per cent for 7 months, 65 per cent for 2 months, 95 per cent for 2 months and 100 per cent for 1 month, i.e. 58 per cent on an average annually. On the level of utilisation assumed in the feasibility report and at the rate of storage rent prescribed by the Authority, the estimated loss of rent for the period of slippage from September 1979 to July 1983 in the construction schedule and the period of shut down from November 1984 to September 1985, worked out to Rs.39 lakhs.

In terms of the lease agreement with Cochin Port Trust the Authority was liable to pay for the period of delay in construction, an additional licence fee of Rs.0.80 lakh at the rate of 50 per cent of the normal fee for the land taken on lease.

There was no penal provision in the agreement with NDDB for levy of damages for the delay. The Authority stated (November 1984) that the delay in the completion of the storage was mainly due to various factors like delays in finalisation of the contract, procurement of cement and installation of refrigeration plant, strike by contract labour etc. The Authority further stated (November 1985) that in the agreement with NDDB, there was provision for arbitration and that the claim for damages would be raised at the time of arbitration.

Plant utilisation on an average was only 40 per cent and 27 per cent during 1983-84 and 1984-85 respectively. The Authority stated (August 1985) that shrimp landing had been stagnating for the past few years and that the projected expansion of the deep fishing for the Sixth Five Year Plan had not materialised.

The views of the Authority as incorporated above were endorsed by the Ministry (September 1985).

(b) *Scheme for provision of Refrigerated trucks* - A scheme for the provision of refrigerated trucks at various Ports for transport of frozen marine products from processing plants to cold storage and from cold storage to the wharfs was proposed by the Authority in February 1978, as part of its export promotion activities. The proposal was to operate 10 trucks. According to the projection made by the Authority in June 1978, the operation of trucks was to yield a net profit of Rs.3.56 lakhs per year. The proposal was approved by the Government of India (Ministry of Commerce) in September 1978. While according sanction, Government of India advised the Authority that the hire charges for the use of trucks should be fixed in such a way that the revenue from the scheme was sufficient to cover fully the expenditure on operation and maintenance, including expenditure on staff, interest on capital, depreciation and all miscellaneous overheads and that the hire charges should be revised if need be, after the scheme was in operation for 6 months.

Against 10 trucks proposed, the Authority purchased only 9 trucks (5 during 1980-81 and 4 during 1981-82) at a total cost of Rs.32.90 lakhs. The expenditure on operation of the trucks and the revenue earned therefrom during the years from 1980-81 were as follows:-

Year	Expenditure			Revenue	Excess expenditure over revenue
	Depreciation	Operating Expenses	Total		
	<i>(In lakhs of Rupees)</i>				
1980-81	5.03	3.94	8.97	2.10	6.87
1981-82	5.57	4.98	10.55	3.25	7.30
1982-83	4.46	5.28	9.74	5.62	4.12
1983-84	3.57	5.71	9.28	2.12	7.16
1984-85	2.85	3.43	6.28	3.61	2.67

The table above would show that the revenue from the scheme fell far short of the expenditure during all the five

years and was not adequate even to cover the operating expenses excluding depreciation charges in three years. The Authority admitted (August 1985) that the revenue was 'not adequate to meet even the bare operating expenses, not to speak of depreciation and interest on capital'. The reasons attributed for this were:

(i) inadequate response from the industry to avail itself of the facility, (ii) acquisition of own trucks by some exporters, and (iii) inadequate service facilities in some regions for repairing refrigerated trucks. Against the anticipated net profit of Rs.3.56 lakhs per year for 10 trucks the Authority sustained annual losses ranging from Rs.2.67 lakhs to Rs.7.30 lakhs during the 5 years upto 1984-85 for 9 trucks. No attempt has, however, been made by the Authority to revise the hire charges with a view to bridging the gap between expenditure and receipts. The Authority stated (November 1984) that as the utilisation of vehicles was far less than anticipated, their operation did not yield the anticipated profit. The Authority further stated that an upward revision of hire charges was not advisable as it might reduce the present level of utilisation of the trucks.

In the scheme, the average annual revenue yield per truck was estimated as Rs.1.66 lakhs. Against this, the average revenue per truck during the period 1980-81 to 1984-85 ranged between Rs.0.26 lakh and Rs.0.62 lakh.

The revenue yield varied widely from truck to truck and also from year to year. The revenue per truck varied from Rs.0.40 lakh to Rs.1.03 lakhs during 1982-83 and from Rs.0.11 lakh to Rs.0.76 lakh during 1984-85. During 1983-84, one of the trucks was not in operation owing to delay in repairs/ for want of spare parts; the revenue from the remaining 8 trucks ranged between Rs.0.07 lakh and Rs.0.45 lakh each.

In view of the practical difficulties in operating the trucks, the Authority decided (August 1985) to take steps for the disposal of the trucks after obtaining necessary clearance from the Ministry. Further developments are awaited (November 1985).

The views of the Authority as incorporated above were endorsed by the Ministry in September 1985.

### 3. Tea Board

3.1 *Introductory*:- The Tea Board, Calcutta (hereafter Board) was established under the Tea Act, 1953 as a corporate body to promote the development of tea industry and trade through measures such as regulation of production and extent of cultivation of tea, improvement of quality of tea, assisting or encouraging scientific, technological and economic research, promoting the consumption of tea in India and abroad, improving the marketing of tea in India and elsewhere, securing better working conditions, improvement of amenities and incentive for tea industry's workers and various other steps

for the increase in production and enlargement of export with a view to earning larger amount of foreign exchange for the country.

3.2 Organisational set up:- The Board consists of a Chairman and thirty other members who in the opinion of the Central Government are capable of representing various categories mentioned below:-

- i) Three members of Parliament.
- ii) Eight members representing owners of tea estates/gardens and growers of tea.
- iii) Six members representing the Governments of the principal tea growing States, viz. Assam, West Bengal, Tripura, Tamil Nadu, Kerala and Himachal Pradesh.
- iv) Five members representing persons employed in tea estates and gardens.
- v) Two members representing dealers including both exporting and internal traders of tea.
- vi) Two members representing the manufacturers of tea.
- vii) Two members representing the consumers of tea.
- viii) Two members representing other interests.

In addition to the Chairman, the Board also elects from amongst its members a person to be the Vice Chairman of the Board.

The Board, with its head office at Calcutta, has 15 regional and sub-regional offices throughout India. Besides, the Board has six over-seas offices in U.K., Belgium, U.S.A., Arab Republic of Egypt, Australia and Kuwait. It has also two Tea Centres at Bombay and Cairo.

3.3 Finance, accounts and audit:- The Board is mainly financed by a cess on all teas produced in India levied at 8 paise per Kilogram (Kg) under section 25(1) of the Tea Act, 1953. The cess is collected by the Central Excise Department and credited to the Consolidated Fund of India after deducting the expenses of collection. The Board prepares its budget proposals on the basis of anticipated receipts of cess on the estimated production of tea plus the opening balance in the cess fund at the beginning of the financial year. Funds are released by the Central Government in favour of the Board from time to time on the basis of the sanctioned budget after due appropriation by Parliament. These funds constitute the Tea fund.

The Act does not contemplate payments to the Board by the Central Government of sums in excess of cess collected. The amount so received by the Board alongwith other income such as dividend, fees levied and collected by the Board, etc. is to be applied for meeting the expenses of the Board for carrying out its objectives. The following table indicates the total cess collected by the Government of India, payments made to the Board and expenditure incurred by the Board during 1980-81 to 1984-85:-

Year	Total cess collections	Payments made by the Government of India to the Board	Payments made in excess of cess collections	Net total expenditure of the Board	Payments made in excess of expenditure
(In lakhs of rupees)					
1980-81	453.00	495.52	42.52	473.21	22.31
1981-82	445.00	521.97	76.97	517.82	4.15
1982-83	454.00	432.57	(-) 21.43	521.59	(-) 89.02
1983-84	464.00	574.69*	110.49	511.20	63.29
1984-85	<u>452.00</u>	<u>620.56</u>	<u>168.56</u>	<u>566.82</u>	<u>53.74</u>
<b>Total:</b>	<u>2268.00</u>	<u>2645.11</u>	<u>377.11</u>	<u>2590.64</u>	<u>54.47</u>

\*This includes Rs.84.93 lakhs released by the Central Government in 1982-83, but received in 1983-84.

It would be seen from the above that the Central Government paid Rs.377.11 lakhs in excess of the cess collections during 1980-81 to 1984-85. The surplus funds (Rs.54.47 lakhs) left with the Board after meeting the expenditure upto 31st March 1985 were kept in a bank in current account.

In addition to the Tea fund, under section-26A of the Tea Act, 1953, the Central Government may after due appropriation made by Parliament by law in this behalf pay to the Board by way of grants or loans such sums of money as the Central Government may consider necessary. The financial assistance schemes of the Board, viz. Tea Plantation Finance Scheme, Replantation Subsidy Scheme including Tea Area Rejuvenation and Consolidation

Scheme, Tea Machinery and Irrigation Equipment Hire Purchase Scheme, etc. are financed out of grants or loans thus provided by the Central Government from the Consolidated Fund of India and are shown separately in the Receipt and Payment Accounts of the Board.

The audit of the accounts of the Board has been entrusted to the Comptroller and Auditor General of India under section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and the audited accounts together with reports thereon are laid before both the Houses of Parliament. The accounts upto 1983-84 have been audited and reports thereon submitted to Parliament and the accounts for 1984-85 have been audited and the report sent (November 1985)

to the Government for submission to Parliament.

The Public Accounts Committee in its 115th Report 1969-70 (4th Lok Sabha) had made some observations on the Audit Reports on the Accounts of the Board for the years 1964-65, 1965-66 and 1967-68.

A review on the working of the Board also appeared in the Audit Reports for 1977-78 (paragraph 56) and for 1981-82 (paragraph 64). However, various deficiencies, as narrated in the succeeding paragraphs, have been noticed in audit.

A summary of the receipts and payments in respect of the Tea fund of the Board for the five years from 1980-81 to 1984-85 is given below:

	1980-81	1981-82	1982-83	1983-84	1984-85
<b>I. Receipts</b>					
i) Opening balance	105.94	145.74	175.43	123.32	219.88
ii) Cess collection	495.52	521.97	432.57	574.49	620.56
iii) Other receipts	17.49	25.55	36.91	33.28	20.97
<b>Total:</b>	<b>618.95</b>	<b>693.26</b>	<b>644.91</b>	<b>731.09</b>	<b>861.41</b>
<b>II. Payments</b>					
i) Administration	104.77	112.08	129.70	150.60	175.40
ii) Tea Promotion					
(a) In India	9.17	9.55	10.04	14.28	15.67
(b) Outside India	282.50	321.48	317.56	245.47	281.63
iii) Research grants	47.47	42.36	32.17	33.90	34.31
iv) Other items	29.30	32.35	32.12	66.95	59.81
v) Closing balance	145.74	175.44	123.32	219.89	294.59
<b>Total:</b>	<b>618.95</b>	<b>693.26</b>	<b>644.91</b>	<b>731.09</b>	<b>861.41</b>

The percentage increase (+)/decrease(-) in expenditure on administration, tea promotion in India, tea promotion outside India and research over that of previous years is indicated as under:

	1981-82	1982-83	1983-84	1984-85
1. Administration	(+)6.98	(+)15.72	(+)16.11	(+)16.47
2. Tea promotion in India	(+) 4.14	(+) 5.13	(+)42.23	(+) 9.73
3. Tea promotion outside India	(+)13.79	(-) 1.22	(-) 22.70	(+) 14.73
4. Research	(-) 10.76	(-) 24.05	(+) 5.38	(+) 1.21

3.4 Tea production: For carrying out research and development (R&D) activities, the Board incurred expenditure as follows:-

Year	Expenditure on		Total
	Research	Development	
	(Rupees in lakhs)		
1974-75	21.32	0.18	21.50
1975-76	25.03	0.28	25.31
1976-77	22.54	0.33	22.87
1977-78	27.23	0.08	27.31
1978-79	45.42	0.40	45.82
1979-80	45.46	3.85	49.31
1980-81	47.47	7.99	55.46
1981-82	42.36	11.27	53.63
1982-83	32.17	6.36	38.53
1983-84	33.90	23.96	57.86
1984-85	34.31	22.59	56.90
<b>Total:</b>	<b>377.21</b>	<b>77.29</b>	<b>454.50</b>

In spite of spending Rs.377.21 lakhs for research and Rs.77.29 lakhs for development during eleven years

(1974-75 to 1984-85), there has been no tangible increase in the average yield of tea per hectare as would be seen from the table given below:

Year	Tea area in hectare	Production in thousand Kg.	Average per hectare in Kg.
1980	381,891	569,550	1,491
1981	384,242	559,583	1,458
1982	394,999	560,732	1,420
1983	396,096	581,484	1,468
1984	NA	645,115	NA

NA: Not available

(Source: Table 28(III) and 3(X) of Tea Statistics 1983-84).

The Ministry stated (February 1986) that tea had a long gestation period of between 5 and 9 years (5 and 7 years according to the Board) and that 2/3 of crop increase in last 30 years had come through increase in Productivity only and 1/3 from increase in area.

Even after taking gestation period as seven years, there has hardly been any perceptible increase in the average yield per hectare as shown in the table below:

Production (In Kg)	Area under cultivation (In hectare)	Average yield per hectare (In Kg)
569550	360108	1582
(1980)	(1973)	
559583	361663	1547
(1981)	(1974)	
560732	363303	1543
(1982)	(1975)	
581484	364275	1596
(1983)	(1976)	

Source: Tea Statistics: 1983-84.

Apart from the expenditure on R&D every year, the Board provides financial assistance to tea industry for the development of tea plantations, extension of tea cultivation in non-traditional areas, etc. under its various financial

assistance schemes. The expenditure incurred by the Board on these schemes during 1980-81 to 1984-85 is given below:

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
	(Rupees in lakhs)									
Tea plantation Finance Scheme.	14.52	30.80	40.25	51.42	55.85	65.73	46.93	53.58	54.33	19.15
Tea Machinery and Irrigation Equipment Hire Purchase Scheme	85.95	118.64	212.74	273.48	437.90	473.64	331.88	233.04	336.70	337.17
Tea Replantation Subsidy Scheme	28.90	34.19	29.26	43.50	58.48	67.68	57.75	54.20	70.51	89.40
New Tea Unit Financing Scheme	..	..	..	..	..	..	..	..	20.80	0.59

In spite of substantial expenditure incurred by the Board for the production and development of tea, the targets fixed for production of tea during the Sixth Plan period (1980-81 to 1984-85) could not be achieved as indicated below:

Year	Target	Achievement (In millions Kgs.)
1980-81	585	571
1981-82	610	561
1982-83	640	565
1983-84	670	585
1984-85	705	NA

3.5 Tea development.— The Board provides financial assistance to tea industry for the development of tea plantations, modernisation of the factories and creation of irrigation and transport facilities under the following three major continuing schemes.

- (1) Tea Plantation Finance Scheme.
- (2) Tea Machinery and Irrigation Equipment Hire Purchase Scheme.
- (3) Tea Replantation Subsidy Scheme including Tea Area Rejuvenation and Consolidation Subsidy Scheme.

3.5.1 Tea Plantation Finance Scheme.— This scheme was introduced in 1962-63 with a view to granting long term loans to tea estates for carrying out replanting, replacement and/or extension of tea growing areas. The scheme has a revolving fund of Rs.4.60 crores including irrigation loan of Rs.0.10 crore. Payment into this fund is funded by loans from the Government on demand by the Board at interest, the rate of which varies from time to time. The prevailing (1984-85) rate of interest is 13.25 per cent per annum (reduced to 10.5 per cent for prompt payment by due dates). Up to the end of 1984-85 the Board received Rs.717.88 lakhs from the Government for financing the scheme and refunded Rs.401.20 lakhs. The Tea estates were granted loans by the Board during 1984-

85 at Rs.20,000 per hectare for gardens in the plains and at Rs.25,000 per hectare for gardens in the hills. Disbursement of loan under the scheme is required to be completed not later than seven years from the date of drawal of the first instalment and recovery has to start from the seventh year of disbursement of first instalment and is to be completed in eight years. An abstract of the progress of the scheme upto 31st March 1985 is given below:—

	Amount (Rs. in lakhs)
Applications received	4412
Applications sanctioned	1902
Applications rejected/withdrawn	2270
Applications pending	240
Total disbursement of loans	954
Repayments by loanees	566
Default in the payment of principal and interest by the loanees	10
Interest on loan paid to Government	372

Upto 31st March 1985, loans of Rs.953.77 lakhs were advanced to 277 tea estates against which 149 tea estates refunded the loan in full. Plantation of tea in 10,951.74 hectares had been carried out under the scheme. The following table indicates the loans sanctioned, disbursed, targets, achievements and shortfall during the last five years.

Year	Loans sanctioned (In lakhs of rupees)	Loans disbursed (In lakhs of rupees)	Target (Hectares)	Achievement (Hectares)	Percentage of achievement	Percentage of shortfall
1980-81	154.56	65.73	319.19	834.37	261.40	--
1981-82	73.00	46.93	432.31	227.92	52.72	47.28
1982-83	133.18	53.58	467.70	310.07	66.29	33.71
1983-84	130.45	54.33	750.67	34.77	4.63	95.37
1984-85	46.94	19.15	597.11	347.69	58.23	41.77



shortfall in achievement of targets was attributed by the Board (July 1985) to:

- i) The targets for plantation were based on programmes in phases while the achievement figures were based on inspection reports received upto reporting time from Board's Regional/Sub-Regional Offices:
- ii) Delay in completing necessary formalities for availing of loan as well as withdrawal of loan applications by some tea estates.
- iii) Completion reports of planting or otherwise for the sanctioned areas were not received in time.
- iv) Completion of mortgage formalities for the second instalment of loan involved considerable time and as a result, recording of completion of planting based on disbursement of second instalment of loan was delayed.

The following table indicates that the loans obtained by the Board from the Government were in excess of their requirements, particularly in the years 1979-80, 1980-81 and 1984-85.

Year	Opening balance	Loan received from Government during the year	Other receipts	Total amount available	Disbursement of loans to tea estates	Other disbursements	Closing balance
1	2	3	4	5	6	7	8
(Rupees in lakhs)							
1980-81	69.72	40.00	64.39	174.11	65.73	86.62	21.76
1981-82	21.76	60.00	50.18	131.94	46.93	77.71	7.30
1982-83	7.30	80.00	44.04	131.34	53.58	73.87	3.89
1983-84	3.89	75.00	49.97	128.86	54.33	67.70	6.83
1984-85	6.83	45.00	57.97	109.80	19.15	68.25	22.40

This entailed avoidable liability towards interest on excess loans taken.

**3.5.2 Tea Machinery and Irrigation Equipment Hire Purchase Scheme.**— This scheme was introduced in April 1960, for providing the tea estates and factories with facilities to acquire machinery and equipment for modernisation of the factories on hire purchase basis, the cost of which including interest was to be paid in not more than 10 equal annual instalments. The maximum value of machinery/equipment that could be supplied to an individual estate was Rs.10.00 lakhs and interest at 14.5 per cent per annum with a rebate of 3 per cent for prompt payment was payable.

The scheme was liberalised with effect from 22nd May 1980 to provide facilities for acquiring tea packeting and tea bagging units. The total value of such machinery was not to exceed Rs.15 lakhs in an individual case and interest at 9-3/4 per cent per annum (with rebate of 1/2 per cent for prompt payment) was chargeable.

Initially, the scheme had a corpus of Rs.2 crores (including Rs.50 lakhs for irrigation equipment). Subsequently, it was raised by the Government from time to time and since 19th February 1980 the corpus stood at Rs.35 crores, of which, Rs.30 crores were for machinery, Rs.4 crores for irrigation equipment and Rs.1 crore for tea packeting and tea bagging machinery. The payment made upto January 1985 to suppliers for machinery and irrigation equipment was Rs.33.73 crores and Rs.3.28 crores respectively (total Rs.37.01 crores). Thus, payment to the

suppliers was made in excess of the corpus fixed by the Ministry by Rs.2.01 crores.

According to the Balance Sheet as on 31st March 1985 of the Hire Purchase Fund Account the amount of principal and interest recoverable from the hirer tea estates was Rs.1639.79 lakhs and Rs.65.03 lakhs respectively. Yearwise break up of the amount could not be provided by the Board. As on 31st August 1985, there were 74 cases of defaults involving Rs.136.53 lakhs (principal); this did not include 19 cases under litigation involving Rs.11.20 lakhs (principal).

**3.5.3 Tea Replantation Subsidy Scheme (including Tea Area Rejuvenation and Consolidation Subsidy Scheme).**— In order to enhance the productive efficiency and competitive ability of the Indian tea industry and to achieve the production and export targets under Five Year Plan Programmes, the Board introduced Tea Replantation Subsidy Scheme in October 1968.

The objective of the scheme was to help the industry in achieving an annual replantation rate of 2 per cent of total area under tea cultivation in India with newly developed planting materials to give higher yields, better quality and other desirable characteristics for which the Board received grant-in-aid of Rs.666 lakhs and disbursed this amount as subsidy from the inception to end of 1984-85. Grant-in-aid received and subsidy paid during the 5 years upto 1984-85 were as follows:—

Year	Grant-in-aid (In lakhs of rupees)	Subsidy paid
1980-81	55.00	67.68
1981-82	60.00	57.75
1982-83	60.00	54.20
1983-84	60.00	70.51
1984-85	102.00	89.40
<b>Total</b>	<b>337.00</b>	<b>339.54</b>

The Board spent Rs.339.54 lakhs during last 5 years against Rs.337.00 lakhs released by the Government, out

of the Sixth Plan allocation of Rs.447.00 lakhs.

It was envisaged that during the Sixth Plan period, 4,000 hectares would be added to the existing area each year through extension planting and another 4,000 hectares from replanting/replacement planting keeping in view the growth in the internal consumption and export potential on the one hand and the availability of land for extension and the scope for improvement in yield per hectare from the existing area under tea by applying scientific knowledge and the result of research on the other hand. The Board could not achieve the aforesaid targets as is evident from the table given below:

Year	Extension		Replacement/Replantation	
	Target	Achievement	Target	Achievement
1980	4000	3075.33	4000	1492.57
1981	4000	1986.50	4000	1764.73
1982	4000	1984.92	4000	1536.83
1983	4000	1943.89	4000	1467.81
1984	4000	NA	4000	NA

The Ministry stated (February 1986) that in the earlier part of the 6th Plan period, continued depression in tea prices and adverse weather conditions prevented the industry from making adequate investments in their gardens. It further stated that Government was also considering the feasibility of involving the banks to a greater extent in loaning for such schemes, with the Board's role being confined to subsidy disbursement.

### 3.6 Research

Undertaking scientific, technological and economic research in various aspects of tea in addition to assisting in such research, is one of the functions of the Board. Accordingly, the Board has been rendering financial assistance to research associations, viz. the Tea Research Association and the United Planters Association of South India (UPASI) to enable them to continue research and advisory work on various aspects of tea. Besides, the Board has also been financing universities and technical institutions for carrying out certain ad-hoc schemes of research on various aspects of tea not included in the programmes of research of the above mentioned associations. The Board has also been undertaking research on its own, at Tea Research centre for Darjeeling tea at Kurseong and the Instant Tea Project at Toklai (Assam).

The expenditure incurred by the Board on research during the last five years is given below:

Year	Expenditure (In lakhs of rupees)
1980-81	47.47
1981-82	42.36
1982-83	32.17
1983-84	33.90
1984-85	34.31

Some of the research activities of the Board are mentioned below:

(a) The Board purchased (August 1969) 90 acres of land in the Government Cinchona Plantation, Anamallais (Tamil Nadu) for setting up a centre for research on "Tea Taxonomy" at a cost of Rs.61,238. The question of utilising the land was under the consideration of the Board for a long time. On a reference from the Board, the UPASI indicated its desire to use the land for research and submitted their proposal indicating the programme of work and the estimates of non-recurring and recurring expenditure. The project involved a capital expenditure of Rs.15.77 lakhs and recurring expenditure of Rs.21.06 lakhs spread over a period of 9 years starting from the financial year 1981-82. The proposal envisaged that the entire capital expenditure of Rs.15.77 lakhs would be met by the Board and the recurring expenditure of Rs.21.06 lakhs would be borne by the UPASI. In February 1981, the Board approached the Ministry of Commerce for acceptance of the scheme. In September 1981, the Ministry of Commerce conveyed approval to the incurring of an expenditure of Rs.15.77 lakhs spread over a period of 5 years as below:-

	(Rupees in lakhs)
1981-82	2.77
1982-83	2.85
1983-84	3.10
1984-85	3.37
1985-86	3.68
<b>Total</b>	<b>15.77</b>

4.4.3 *Spoilage of paper during printing.*- The Directorate of Printing, Government of India prescribed the following scale for spoilage of paper during printing, for printing jobs assigned to private presses:-

Particulars of Job Book Work	Scale
Octavo or larger or any single (standard) size paper (irrespective of the number of impressions)	1 per cent per colour

The above scale had been adopted by all the book printing departments of the Government of India/Autonomous bodies like NCERT etc. The Trust had however, adopted a very liberal scale for its books with print run of less than 10,000 copies as follows:-

Sl. No.	Print run	Percentage of Wastage per colour for	
		Text	Cover
1.	1100 copies	5	7
2.	1101 to 2999 copies	4	5
3.	3000 to 4999 copies	3	3
4.	5000 to 10,000 copies	2	2
5.	Above 10,000 copies	1	1

The approval of the Executive Committee of the Trust for the above scale of spoilage was, however, not obtained. A test check of spoilage allowed in 277 out of 466 print orders given by the Trust during 1980-81 to 1984-85 alone revealed that the actual consumption of paper in 277 cases (including spoilage of 330 reams of Text paper and 150 gross of cover paper) was 6511 reams of text paper and 1755 gross of cover paper (Rs.12.75 lakhs). Spoilage admissible was 131 reams of Text paper and 18 gross of cover paper (Rs.0.28 lakh). Thus 199 reams of text paper and 132 gross of cover paper valued at Rs.0.47 lakh was allowed as spoilage in excess of the scale prescribed by the Government of India/Autonomous bodies etc.

#### 4.5 Pricing

4.5.1 *Loss due to exclusion of certain costs (Normal Activities and Aadaan Pradaan Series).*- The Trust had been following the pricing policy as laid down by it in 1965 under which the books produced were priced at 2 to 2.5 times the cost of production. The term "cost of production" was, however, not defined by the Executive Committee of the Trust but it was taken by its office to include only cost of printing, paper and blocks/proof reading. The important elements of cost excluded were cost of manuscript, translation, royalty to authors, incidentals and storage charges on paper although paper was purchased in bulk and stocked in rented godowns insured against fire etc. Expenditure on Royalty, storage of paper and direct cost of manuscript/translation during the five years ended March 1985 amounted to Rs.22.52 lakhs. The books produced were thus underpriced (even at twice the cost of production) by Rs.45.04 lakhs during the said period.

Administrative Staff College, Hyderabad, which conducted a review of the Trust's working (1977-79),

recommended that Trust's books be priced in such a manner that at least variable cost (i.e. cost of production, promotion and distribution) should be recovered and that a system for providing information on the variable cost and over-heads associated with a particular title should be evolved. In pursuance of this recommendation, the costing division or Ministry of Finance was requested by the Ministry of Education in September 1982 to evolve a system for pricing of Trust's publications. The Report of the costing division was received in July 1983 which laid down, inter-alia, that proper records should be maintained to work out the direct charges associated with each title. It also suggested a simplified system to work out indirect charges as the existing percentages of overheads (100 to 150 per cent) had not been worked out on scientific basis. Although a period of two years had expired no action had been initiated (November 1985) to implement the recommendations of costing division. The Trust stated (February 1986) that the comments of the Trust on the Report of Cost Accounts Branch had been furnished to Government in January, 1986 and the implementation of the scientific system of costing would be taken up as soon as the additional staff envisaged, was sanctioned and positioned.

It was noticed in Audit that the distribution cost i.e. packing and forwarding charges alone worked out to 6 per cent of the sale price while promotional expenditure on publicity and free distribution accounted for 20 per cent of the sales. The cost of establishment on selling and distribution was not exhibited in the accounts separately, but data collected by Audit in July 1985 suggests it to be about 28 per cent of sales price. Non-implementation of the recommendations of the Administrative Staff College resulted in underpricing the Trust's publications by 54 per cent of sales (which were Rs.87.56 lakhs in the five years ended 31st March 1985). Deficit due to exclusion of essential elements of cost of production in this way worked out to Rs.47.28 lakhs.

4.5.2 *Underpricing of Publications (Normal Activities and Aadaan Pradaan Series).*- A test check by Audit in July 1985 of the selling price fixed by the Trust revealed that in 62 cases of books published during 3 years ending March 1985, the prices so fixed on the estimated cost of production were less by Rs.2.43 lakhs than the prices calculated on the basis of actual cost of production.

4.5.3 *Loss due to incorrect pricing and unauthorised discount (Nehru Bal Pustakalaya series).*-

- (i) In spite of the selling price of the books in this series having been revised by the Government of India to Rs.2.50 per copy from May 1977, some fresh publications in this series continued to be priced at Rs.1.50 per copy even upto March 1985, with the result that 95 titles were underpriced causing a loss of Rs.11 lakhs (before discount) to the Trust.
- (ii) The Trust also continued allowing discount at the rate of 40 to 45 per cent to State Governments on bulk purchases even after the Government's orders

of May 1977 reducing the discount to 33.33 *per cent*. In 23 cases pertaining to 1984-85 alone the discount allowed in excess of the rate revised by the Government amounted to Rs.1.35 lakhs. Publications Division of Ministry of Information and Broadcasting was being allowed discount ranging from 35 to 45 *per cent* of sale, fixed in 1975-76, which was not lowered based upon the decision of the Government in May 1977. This resulted in extra payment of discount of Rs.0.77 lakh in 1982-83 to 1984-85.

- (iii) In respect of 9 titles produced in Nehru Bal Pustakalaya series, out of 76 titles checked in this regard, the selling prices fixed were found to be 3 *per cent* to 38 *per cent* lower than the prime cost itself (cost of paper and printing alone) causing a loss of Rs.0.75 lakh to the Trust.

#### 4.6 Storage

4.6.1 *Loss of Trust's books due to flooding of its storage godowns.*- Books produced by the Trust were stored in the basement floors of its building at Green Park besides one store at Kalu-Ki-Sarai. The stock in the basement godown in its headquarters' building was flooded in April 1983 when books valuing Rs. 5.04 lakhs were damaged. The stock in this godown was insured against flood from April 1984 for Rs.65 lakhs on payment of premium of Rs. 0.34 lakh per annum. In August 1984, the store was again flooded causing damage to the books valuing Rs. 48.89 lakhs. After the flood of August 1984, the Trust had stopped further stocking of books in the basement godown. The settlement of insurance claim for the amount of Rs. 53.93 lakhs as filed by the Trust in December 1985, was still awaited (January 1986).

4.6.2 *Weeding out.*- In accordance with weeding of publication Rules 1975, the Trust had to weed out the stock of books published not less than 5 years earlier and whose aggregate sale during the preceding two years happened to be less than 10 *per cent* of the balance at the beginning of the year or 75 copies whichever is less. A review by Audit in July 1985 of the stock as on 31st March 1984 revealed that 3.57 lakh copies produced between April 1970 and March 1979 had fallen due for weeding out. No action had been taken to weed them out (July 1985).

#### 4.7 Other points of interest

4.7.1 *Loss in sale of books.*- The Publications Division of the Ministry of Information and Broadcasting (Patna Branch), Commission agents of the National Book Trust, received an order from the Bihar Government in February 1985 for supply of Trust's books of gross value of Rs.9.09 lakhs. Publications Division, New Delhi instructed the Trust in March 1985 to despatch the books by 31st March 1985 without waiting for an order from its Patna Branch. The Trust, having no ready stock of the books to be supplied, got the books reprinted on urgent

basis using costly paper available in stock. The entire supply was sent by road transport and was completed during March April 1985. Patna Branch of the Publications Division, however, was not equipped to handle the supply and did not take delivery of the books. The Trust hired (April 1985) 1000 sq. ft. godown space for storage of the books at a cost of Rs. 0.09 lakh till November 1985 when the books were delivered. The Trust suffered a loss of Rs. 1.62 lakhs in this transaction as the net sale proceeds amounted to Rs. 5.01 lakhs (Gross Rs. 9.04 lakhs less discount Rs. 4.03 lakhs) against total expenditure of Rs. 6.63 lakhs (production; Rs.6.15 lakhs, packing : Rs. 0.20 lakh, freight: Rs.0.19 lakh and storage: Rs.0.09 lakh). Use of costlier paper for production, underpricing of two titles @ Rs. 1.50 per copy instead of Rs. 2.50 per copy fixed by the Department of Education, allowing discount at the rate of 40 to 45 *per cent* as against the maximum rate of 33-1/3 *per cent* approved by the Department of Education and use of road transport instead of railways were some of the factors responsible for this loss.

The Department of Education stated (February 1986) that no further action was taken as discounts had been passed on to another department of the Government and the books had been supplied to a State Government.

4.7.2 *Display-cum-sales-centres.*- Besides marketing its publications through emporia of Publications Division of the Ministry of Information and Broadcasting in Bombay, Calcutta, Delhi, Hyderabad, Lucknow, Madras, Patna and Trivandrum, the Trust has its own display-cum-sale centres at Amritsar, Calcutta, Delhi, Hyderabad, Jabalpur, Mysore and Santiniketan. During 1981-82 to 1984-85 in three centres at Amritsar, Jabalpur and Santiniketan, the expenditure on establishment Rs. 0.91 lakh, Rs. 0.54 lakh and Rs. 0.15 lakh respectively far exceeded even the actual sales in that period at these centres (Rs. 0.42 lakh, Rs. 0.08 lakh and Rs. 0.05 lakh respectively). Assuming that the books were priced at double the cost of production and ignoring all overheads there was a gross loss of Rs. 1.33 lakhs at these three centres. The centre at Jabalpur was however, closed down from September 1984. The Trust stated (February 1986) that ways and means to increase the productivity of the Book Centres were being worked out.

4.7.3 *Scheme of subsidising university level books by Indian authors.*- With the objective of making available to the students, books of acceptable standard at reasonable prices, a subsidy scheme was launched by the Ministry of Education in 1970. The scheme entrusted to the Trust for implementation laid down that the books selected for subsidy were to be standard works of Art Books, Reference Books, or other reading material. Adaptation by Indian Authors of books published outside India or reprints of books written by outside Authors, brought out by Indian publishers were also eligible for assistance under the scheme if the books selected served a felt need. Assistance to the Publishers/Authors was to be provided in the form of

subsidy, quantum of which was to be fixed by the Trust in each case on the basis of the estimated cost of production. The Trust was also to prescribe in advance of publication, the maximum retail price and the discount to be given to retail sellers, the prices of similar books sold in the market being taken into account in fixing the selling price.

During 1980-81 to 1984-85 10.28 lakh copies of 364 titles were subsidised, the amount of subsidy paid being Rs.126.68 lakhs. In this connection the following observations are made:-

- (i) Rule 9 of the Scheme provides for use of subsidised paper or paper from Hindustan Paper Corporation for the books to keep their prices at reasonable levels. It was, however, noticed that the Trust had been allowing the use of costlier paper. The use of costlier variety of paper in some cases resulted not only in payment of higher subsidy, amounting to Rs.0.84 lakh during 1982-83 to 1984-85 but also in fixing higher prices for the books.
- (ii) Under Rule 20 of the Scheme, the accounts of expenditure on subsidised books were to be maintained separately by the publishers. These accounts were to be audited by the Trust's representatives or the Comptroller & Auditor General of India or by any other Agency. The accounts were never audited by the Trust nor any other Authority nominated by it. The Trust stated (February 1986) that the checking of publishers' accounts had since been started by the Trust in 1985-86
- (iii) The Trust was authorised to utilise for administrative expenses upto one *per cent* of the provision for the scheme, but the fulfilment of this condition could not be verified as the Trust had stopped booking its administrative expenditure, scheme-wise since 1979-80. The Trust stated (February 1986) that the ceiling of one *per cent* fixed for administrative expenditure was not realistic.

4.7.4 *Outstanding dues.*- A sum of Rs. 24.93 lakhs was outstanding as on 31st March 1985 on account of books supplied to the distributors, departmental advances and rent of stalls let out to participants in Book Fairs/Exhibitions organised by the Trust:-

Sl.No.	Party	Amount due in lakhs of Rs.
1.	Distributing Agencies	18.65
2.	Departmental Advances	3.31
3.	Rent of Stalls	2.97
	Total	<u>24.93</u>

Out of an amount of Rs. 6.54 lakhs due from individuals/book sellers it was stated by the Trust that Rs.0.9 lakh pertained to 1974-77 ; Rs. 0.14 lakh (1977-80); Rs. 0.84 lakh (1980-82); Rs.0.27 lakh (1982-83) and Rs. 5.20 lakhs (1983-85).

Yearwise details of remaining arrears of Rs.12.11 lakhs due from stockists and Rs. 3.31 lakhs due from staff was not made available.

As regards arrears of rent of stalls, Rs. 0.06 lakh related to 1972-75; Rs. 1.38 lakhs to 1975-81; Rs.0.35 lakh to 1981-82; Rs. 0.03 lakh to 1982-83; Rs. 0.34 lakh to 1983-84 and Rs. 0.81 lakh to 1984-85. The rent of stalls is required to be received in advance but this condition was not always enforced.

The Executive Committee decided in July 1984 to take the following steps for reducing the balances outstanding against distributing agencies:-

- (a) Legal Action
- (b) Books to be supplied against Bank guarantee.
- (c) Supply to be stopped to permanent defaulters.
- (d) Interest on outstanding dues may be charged.
- (e) Special efforts.
- (f) Weeding out of unsold books.

No action in this regard had, however, been taken (July 1985). The Trust stated (February 1986) that it was not administratively possible to take legal action against all the defaulters and that the position in regard to the advances to staff and rent of stalls was under examination.

4.7.5 *Non-implementation of the recommendations of the Study team of the Administrative Staff College of India, Hyderabad.*- The working of the Trust was reviewed at the instance of Ministry of Education by a Study Team of the Administrative Staff College, Hyderabad between September 1977 and July 1978, on payment of about Rs. 1 lakh (including the cost of copies of reports). The recommendations made by the Study Team were accepted by the Government and intimated to the Trust in July 1979, for implementation.

In pursuance of the recommendations, the Trust besides upgrading 4 class I posts had created 24 additional posts in Class-I (9), Class II (9) and Class III (10), between April 1979 and November 1979 involving additional expenditure of about Rs.4 lakhs per annum but the recommendations relating to improvement of the working of the Trust were not implemented.

The action on other important recommendations of the Executive Committee is yet to be taken by the Trust as under:-

1. The Executive Committee approved in July 1981, the appointment of a Cost Accountant for providing information on the variable costs and overheads associated with a particular title. The above post has not so far been created (January 1986).
2. The post of Marketing Manager was filled only in July 1983 for undertaking research surveys on readers, availability of books etc. No major surveys/research programmes were however undertaken.

3. No evaluation of any of the projects had been done by the Trust (January 1986).
4. No action had been taken (January 1986) to give effect to the suggested system for sale and distribution wing of the Trust.
5. No action for setting up of a separate Wing for Management services and planning had been taken.

#### 4.8 *Summing up*

- The working of the National Book Trust had been consistently resulting in excess of expenditure over receipts.
- The Trust was incurring heavy losses on its Production activities due to non-revision of prices and rates of over-heads (Rs.148.74 lakhs).
- There was steep rise in sale and distribution costs from 19 per cent in 1980-81 to 47 per cent in 1984-85
- No targets were fixed for the publications under its own programme and there was a steep fall in production during the past five years.
- The production of books in Nehru Bal Pustakalaya and Aadaan Pradaan series fell short of targets and there were heavy losses in the execution of these series and huge stock lying unsold.
- Delays ranging from 3 months to 6 years in allotment of jobs and printing were noticed.
- There were heavy losses due to under pricing/incorrect pricing of its publications and for non-inclusion of essential elements of cost (Rs.107.27 lakhs).
- Stocks of publications worth Rs.53.93 lakhs were lost due to flooding of its basement godown.
- Weeding out of stagnant stock of 3.57 lakhs copies was not carried out.
- Sale of publications in three of its shops fell short of even the establishment charges on running the shops.
- Non-use of subsidised paper for production of books under subsidy scheme resulted in excess payment of subsidy (Rs.0.84 lakh).
- A sum of Rs.24.93 lakhs was outstanding as on 31st March 1985 against Distributing agencies etc.

### 5. Construction Works of the Kendriya Vidyalaya Sangathan

5.1 *Introductory.*- The Kendriya Vidyalaya Sangathan (K V S) is a registered society established on 15th December 1965 to provide, establish, endow, maintain, control and manage schools called Kendriya Vidyalayas (K V) run with the object of catering to the educational needs of children of transferable employees of the Government of India, floating population and others and to do all acts and things necessary for or conducive to the promotion of such schools.

The Board of Governors (Board) of the Sangathan, is responsible for carrying out the objects as set forth in the

Memorandum of Association and managing all the affairs and the funds of the Sangathan.

A Works Committee, a Finance Committee and an Academic Advisory Committee appointed by the Board of Governors assist the Board. The Commissioner is the Principal Executive Officer of the Sangathan responsible for the proper administration of its affairs under the direction and guidance of the chairman and the Board. Vidyalaya Management Committees, one for every Vidyalaya, are appointed by the Vice-Chairman for general supervision of Vidyalayas.

5.1.2 *Works Committee.*- The Works Committee was first constituted by the Board of the Sangathan in February 1966 for consideration and approval of construction works of the Sangathan and annual budgets of these works. The scope, functions and duties of this Committee were clearly defined by the Board only in December 1981 when it prescribed the functions and powers of this Committee - to recommend the works policy; to consider and approve works programmes; to prescribe norms for administrative approval and expenditure sanctions; to review progress of construction works and to ensure proper and optimum utilisation of resources relating to works. It was also laid down that all works of the Sangathan shall ordinarily be executed by the CPWD, MES, State PWD and Railways except when specially authorised to the contrary with the prior approval of the Works Committees.

5.1.3 *Executing Agencies.*- The Sangathan was using agencies like MES, CPWD, and State PWD for its construction works. On 24th February 1968, the Chairman of the Sangathan, approved the School of Planning and Architecture (SPA), an autonomous institution of the Ministry of Education, also as an agency for execution of works of Kendriya Vidyalayas to cut down the expenditure on these projects as well as to ensure their quicker execution.

Accordingly, the Sangathan entered into an agreement with the Director of SPA in January 1969, enabling it to entrust the work of designing and supervision of the school buildings, hostels and staff quarters on payment of 9 per cent of the actual cost of construction as professional charges.

Subsequently, in May 1977, Central Building Research Institute, Roorkee (CBRI) was also approved by the Works Committee as an agency for execution of works of schools buildings on experimental basis. Works of school buildings at KV, INA, New Delhi and at Barrackpur were entrusted to CBRI in July 1977 and May 1978 respectively.

5.1.3.(i) The Sangathan stated (March 1986) that construction works were entrusted to these agencies to ensure that works were completed as early as possible but these agencies did not come up to the level expected of them. The Sangathan also stated that construction works

were entrusted to the SPA since that organisation, like the Sangathan, was an autonomous body under the Ministry of Education. It was, however, noticed in Audit that these works were not carried out by the SPA as an autonomous body but as individual consultancy jobs assigned to the members of the faculty.

5.1.4. *Organisational arrangements for controlling construction Works.*- There is a Land and Building Section under the supervision of an Executive Engineer and Deputy Commissioner (General) responsible, *inter-alia*, for procurement of land; execution of lease deeds; examination of plans and estimates; technical scrutiny of various proposals for construction of school buildings, hostels, staff quarters etc.; making arrangement for construction; maintenance and repairs; review of the progress of construction; release of funds; liaison with various construction agencies for completion of works and finalisation of accounts of completed works; maintenance of accounts; assets register etc. and to deal with cases pertaining to disputes of land, construction, etc.

## 5.2 Regulations

5.2.1 For the guidance of its Principal Executive Officer, the Commissioner and other functionaries, regulations were required to be framed by the Board for proper administration of affairs of the Sangathan, its properties and institutions, such as schools, playgrounds, gymnasias, hostels, residential quarters of teachers and other employees, etc.

No such regulations had been framed by the Board of Governors though it had been taking stray decisions on these subjects in its meetings from time to time.

The Sangathan's Headquarters office had, however, issued two publications called the 'Education Code for Kendriya Vidyalayas' and "Account Code for the Kendriya Vidyalayas" in 1970 and 1971 which did not have the authority of the Board.

## 5.3 Magnitude of the construction works yet to be taken up

5.3.1 During the year 1984-85, 500 Kendriya Vidyalayas were functioning, out of which 104 were in the campus of Public Sector Enterprises and Institutions of higher learning for which buildings and staff quarters had been provided by these agencies. Out of the remaining 396 Vidyalayas, 145 Vidyalayas (37 per cent) had their own permanent school buildings, 29 schools were under construction and 222 Vidyalayas (56.6 per cent) were yet to be provided with buildings. So far, staff quarters had been provided only in 57 Vidyalayas and were under construction for 23 Vidyalayas.

## 5.4 Outlay on Works

5.4.1 During the five years ended 1984-85, against

the budget provision of Rs.3127 lakhs for purchase of land, construction of buildings, maintenance and repairs, etc., the Sangathan paid a sum of Rs.2910 lakhs to various construction agencies as detailed below:-

Years	Budget provisions		Pay-ments	Savi- ngs (-)	Excess (+)
	Purchase of land & Construc- tion	Main- tenance & repairs			
(Rupees in lakhs)					
1980-81	437	20	457	308	149
1981-82	452	18	470	469	1
1982-83	470	30	500	529	- 29
1983-84	715	35	750	747	3
1984-85	905	45	950	857	93
<b>Total</b>	<b>2979</b>	<b>148</b>	<b>3127</b>	<b>2910</b>	<b>246</b>

During 1980-81 and 1984-85, funds to the extent of Rs.149 lakhs and Rs.93 lakhs respectively were not utilised. Reasons for savings were not available except that a sum of Rs.28 lakhs remitted in the last fortnight of March 1985 was in transit to 15 Vidyalayas.

## 5.5 Land and Buildings

5.5.1 The Sangathan had spent Rs.5157 lakhs on its land and buildings till 31st March 1985 - Rs. 2085 lakhs as cost of these assets and Rs. 3072 lakhs as deposits with various agencies (MES/CPWD/State PWD/others). The Sangathan's office had not maintained proper records of construction works, including assets registers and control records to monitor the progress of various works and settlement of accounts despite the Works Committee's decision on 23rd June 1980. The statement showing the progress of works prepared by the Sangathan for the meeting of the Works Committee held on 29th October 1985 depicted information in respect of 221 works for which the amount advanced was Rs. 1787 lakhs only. Out of these 221 works it was mentioned against 120 works that progress report was awaited. Even work-wise details in respect of remaining deposits of Rs.1285 lakhs could not be made available to the Committee. The Sangathan stated (March 1986) that despite best efforts progress reports were not forth-coming from construction agencies and the matter was being pursued vigorously.

5.5.2 The Works Committee directed in June 1980 that efforts should be made to expedite the finalisation of account of completed works but the information regarding such cases was compiled by the Sangathan only in September 1983 and referred to the CPWD and MES in October 1984. It was noticed in Audit that the information so compiled, in respect of 29 completed works estimated to cost Rs. 450 lakhs and sent to the concerned agencies for expediting the settlement of accounts was deficient in as much as the amount of deposit(s) for which accounts were

outstanding for settlement and date(s) of completion/taking over of the work(s) were not mentioned. Thereafter, no action was taken nor were the results achieved monitored or intimated to Audit. As regards latest position of completed works whose accounts needed settlement, the Sangathan stated (November 1985) that information was being collected from various Vidyalayas and would be furnished by 15th December 1985. This had not been made available. The Sangathan stated (March 1986) that due to inadequacy of staff no desired progress could be made in this direction.

5.6 A review of some of the construction works undertaken by the Sangathan revealed the following points:-

5.6.1 *Delay in Construction of Building for Kendriya Vidyalaya INA Colony - Escalation in Cost about Rs.48.71 lakhs.*- The KV, INA Colony was being run in temporary structures constructed on a plot measuring 4.188 acres between 1972-78 at a cost of Rs.5.98 lakhs. In 1973, the Sangathan decided to construct a permanent building for the school. The revised drawings were also approved in July 1973. No funds were, however, released by the Sangathan for the works. The work of construction of the school building was entrusted to CBRI in July 1977, after getting sanction of the Chairman (April 1977), strictly on experimental basis to try techniques developed by CBRI with the objective of economy in overall cost and speedy construction.

The CBRI submitted preliminary estimates, drawings and plans to the Sangathan in December 1978. These were approved after consultation with the Ministry of Works & Housing in February 1979. Administrative approval and expenditure sanction for Rs.26.89 lakhs with the stipulation to get the work completed by February 1981, was accorded in February 1979. On the basis of tender accepted for the work, administrative approval and expenditure sanction was revised to Rs.34.20 lakhs in March 1980. The work was awarded at Rs.30 lakhs in July 1979 and agreement between the Sangathan and the contractor was executed in August 1979. The work was started from 16th July 1979 on a part of the site made available to the contractor. Despite the contractor's complaints since December 1979 about non-handing over of the complete site and increase in market rates of material and labour, the site for the construction was not completely handed over even uptill November 1980. Out of two blocks of 19 rooms of the temporary structure one block comprising 9 rooms had been demolished in November 1980.

The extension of time for one year i.e. upto 16th February 1982 was granted to the contractor by CBRI in February 1981 but as his request for revision of rates (tendered in May 1979) on account of abnormal escalation in the rates of building materials was not agreed to by the Sangathan, he stopped work since February 1981. At the

request of the contractor in December 1981, an arbitrator appointed in February 1982, awarded lumpsum payment of Rs.2.29 lakhs in favour of the contractor on 21st October 1983, for the work already done and refund of security deposits, etc. The award having been made the rule of the Court by the Delhi High Court on 5th November 1984, the payment was made on 24th November 1984 and interest amounting to Rs.0.30 lakh due from the date of award to the date of payment was also paid on 30th March 1985.

The contractor had categorically stated before the arbitrator in June 1983 that he was no more interested in executing any further work in relation to the aforesaid agreement. The Sangathan, however, consulted its legal advisor only in September 1984 who opined that the rest of the work could be got completed through whatever agency the Sangathan considered appropriate. The Works Committee, observed in its meeting held on 22nd October 1984 that CBRI had failed both in achieving economy and in saving time as assured by them and decided to entrust the rest of the work to CPWD.

Against the estimated cost of Rs. 30 lakhs, the earlier contractor had completed work costing Rs.12.71 lakhs only. The remaining work was assigned to CPWD in January 1985. The Sangathan stated (March 1986) that the estimates for the construction of remaining works had been received from the CPWD and the cost of remaining works would be Rs. 66 lakhs. Delay in handing over the site to the contractor and subsequent delay in deciding the agency for completion of remaining work caused escalation of cost by about Rs.48.71 lakhs. The Sangathan stated (March 1986) that the temporary structures could not be demolished as this step would have disrupted the running of vidyalaya for want of class room accommodation.

Further out of 9864 cement bags procured in April 1979 by the Sangathan at a total cost of Rs.2.96 lakhs, cost of 6988 cement bags had been recovered from the contractor through running bills, 1900 cement bags were loaned to CPWD in April 1980 to avoid deterioration of cement due to time factor and 206 cement bags were utilised on miscellaneous items of construction. The remaining 770 cement bags valued at Rs.0.23 lakh, had lost life and strength after a lapse of time as these remained un-utilised despite CBRI's advice to make use of it in some other works in November 1981. The Sangathan stated (March 1986) that repeated requests were made to the CPWD whether they could use this cement on loan basis. The Sangathan did not get any affirmative reply from them. There were no other sources for the Sangathan to utilise this cement as the Sangathan had no construction/executing agency of its own.

5.6.2 *Delay and change in construction agency twice causing escalation of cost of construction by Rs.35.9 lakhs (Approx.).*- For construction of the school building of Kendriya Vidyalaya, Air Force Station, Barrackpur, 7 acres of land was handed over to the Sangathan by the Ministry of Defence in December 1975. The MES,



submitted estimates of Rs.55.36 lakhs for construction of 'B' type school building to the Sangathan in February 1977, for approval. As these estimates were considered to be very much on the high side, the MES was asked in February 1977 to reduce the estimates by preparing a fresh plan for construction of 'A' Type School building. Subsequently MES revised the estimates and brought down the cost to Rs.45.58 lakhs for construction covering a plinth area of 6005 sq.m. which was authorised for type 'B' school and forwarded to Sangathan for approval on 28th February 1977. But these were not approved.

The Chairman, Vidyalaya Management Committee after his discussion with the Chief Engineer, MES wrote to the Sangathan in April 1977 that revised estimates were justified as these included provision for construction of pile foundation which was need based in view of water table of the area being high and requested for reconsideration of the matter.

But as per direction given by the Commissioner in March 1977 the CBRI was asked in April 1977 to examine the plan and estimates prepared by MES to further bring down the cost of construction and to agree to execute the work, if assigned.

During discussion held in July 1977, Director CBRI, assured that it would be possible to bring down the cost if the planning work was assigned to them, at a fee of Rs.0.80 lakh but refused to undertake the execution of work. In November 1977, CBRI was offered the fee of Rs.0.23 lakh for the work as recommended by the Ministry of Education in consultation with the Ministry of Works & Housing. The CBRI immediately asked for the original drawings to assess the work involved.

But after a lapse of six months, the Sangathan changed the earlier decision and directed the Principal of the Vidyalaya to obtain plans and estimates for construction of 'B' type school building based on semi-permanent specifications or be using pre-fabricated structure. In response to this proposition, the Chief Engineer, MES, stated in May 1978 that in view of acute shortage of land in Barrackpur, it would not be possible for Air Force Authorities to make available additional land required for construction of single storey structures instead of three storey building. He also opined that the cost of construction of a 'B' type school building with semi-permanent or pre-fabricated structure, would involve higher maintenance costs. In the meanwhile in May 1978, CBRI agreed to undertake the work of construction of the school building at a cost not exceeding Rs.35 lakhs. Thereupon, the Works Committee decided in May 1978 to entrust the construction of this school building to CBRI. Accordingly MES was informed not to proceed further. After watching the performance of CBRI on another work (school building of KV, INA), the Sangathan asked CBRI in January 1979 to prepare plan and estimates based on permanent specification keeping the cost within Rs.35 lakhs. Agreement for the work was executed on 5th June 1979.

Plans of CBRI after approval by the Sangathan were returned on 5th November 1979. In November 1979, estimates of Rs.38.39 lakhs, (Rs.35.22 lakhs for construction of building and Rs.3.17 lakhs as professional fee) for the construction covering a plinth area of 5000 sq.mt., was submitted by CBRI to the Sangathan for administrative approval. In January 1980, the CBRI was asked to explain the marginal increase of Rs.3.39 lakhs over approved cost of Rs.35.00 lakhs. The CBRI replied that the cost of Rs.35.00 lakhs was not inclusive of their professional charges and it would not be logical to expect that cost approved in May 1978 would hold good in 1980 when there had been unprecedented escalation in construction cost.

On 26th September 1980, the Works Committee, gave final decision to entrust the work to CBRI and estimates of Rs.38.39 lakhs were referred to Assistant Financial Advisor (Works), Ministry of Works & Housing for scrutiny and vetting. When the AFA(W) enquired on which schedule of rates those estimates were based, the Sangathan sought clarification from CBRI. In reply, in December 1980, CBRI submitted revised estimates of Rs.53.04 lakhs, based on 115 *per cent* above DSR 1976 and stated that earlier estimates were based on 70 *per cent* increase for Calcutta on DSR 1976 which were workable then.

On the grounds that the envisaged economy in cost of construction could not be achieved, that several problems had arisen in the construction of KV, INA, entrusted to CBRI and that CBRI was not a regular construction agency, the Works Committee decided on 29th September 1981 to reapproach the MES (for the third time) for execution of this work.

For construction of the building covering a plinth area of 6005 sq. mts. by MES at an estimated cost of Rs.74.56 lakhs, administrative approval of the Sangathan was accorded on 10th December 1981. However, on the basis of lowest tender received in July 1983, the revised financial outlay of Rs.81.49 lakhs for the work was approved on 10th January, 1984.

The indecision and delay in selecting the construction agency resulted in escalation of cost of work by Rs.35.91 lakhs. The school, established in 1964, where physical facilities were stated to be far from satisfactory and some classes were being run on shift basis at a place posing a constant hazard to students, was still without a building of its own (December 1985), ten years after the land was made available.

The Sangathan stated (March 1986) that in order to achieve economy in construction of the building, the expertise of CBRI was so far as possible, tried to be obtained but they themselves could not do so. The work had to be entrusted finally to MES. It also stated that the Sangathan had no construction agency of its own and had

to depend on MES, CPWD, State PWD, etc., who had their own priorities in taking up the works entrusted to them.

5.6.3(i) *Infructuous Expenditure of Rs.1.80 lakhs due to in-decision of executing agency.*- For the construction of its building, the Government of Bihar allotted in February 1968, land measuring 7 acres in Kankarbagh area to Kendriya Vidyalaya Patna, which was established in 1966 in a rented building at Anisabad. The possession of land was taken over in January 1969.

The CPWD was asked to prepare plan and estimates for construction of the building in February 1969. The preliminary drawings were submitted by the CPWD in August 1969. In January 1970, the Sangathan approved these drawings and requested submission of detailed estimates. While the CPWD was engaged in preparation of estimates, it was realised by the Sangathan (February 1970) that the plot of land was not suitable for school building. Accordingly, further action regarding construction was deferred and in March 1970, request for an alternative plot was made to Bihar Government.

It was noticed in Audit that after about 32 months action for construction of building at the same site was resumed in September 1972, and CPWD was requested for submission of estimates.

Considering the estimate of Rs.35.42 lakhs, prepared by the CPWD in July 1973 for construction of school building very high and to reduce the cost of construction, the Sangathan asked the School of Planning and Architecture (SPA) in September 1973 to prepare revised plan and estimates. In March 1974, work of the school building at Kankarbagh and Jamalpur also for which 15 acres of land has been offered in September 1973 by Eastern Railways was entrusted to SPA.

The proposal to entrust the construction of the school building at Patna and Jamalpur to SPA duly approved by the Chairman of the Sangathan, was referred to the Financial Member of the Board of the Sangathan for his concurrence. He opined (February 1975) that in view of pitfalls involved in entrusting the work to SPA as pointed out by the CPWD at the level of their Engineer-in-Chief and the Works and Housing Ministry at the level of Joint Secretary the work might be executed through CPWD. After reconsideration in February 1975, the construction of school buildings at Patna and Jamalpur was finally entrusted to CPWD. In the meantime, a sum of Rs.1.80 lakhs had been paid to SPA for the plans and drawings prepared by them. These drawings and estimates prepared by the SPA were found to be of no use by the CPWD and they had to prepare fresh drawings and estimates.

Due to frequent rethinking and indecision about the construction agency, the expenditure of Rs.1.80 lakhs by the Sangathan on account of payment of fee to SPA for preparation of plans and estimates for school buildings at Patna and Jamalpur proved to be infructuous.

5.6.3(ii) The Sangathan stated (March 1986) that some part of this expenditure on preparation of plans and estimates for the two schools at Patna and Jamalpur was made good by short payment (2%) of departmental charges to CPWD in one of the works. Neither the amount nor the name of the work was specified.

5.6.4. *Delay in construction of Headquarters office building of Kendriya Vidyalaya Sangathan -Escalation of cost by Rs.122.95 Lakhs (Approx.)*:- In January 1977 a plot of land was allotted on lease to the Sangathan by DDA for construction of its headquarters office building. The possession of the land was taken in February 1977 but the lease deed had not been executed (January 1986). However, in anticipation of the allotment of land, the Chairman of the Sangathan decided in November 1976 to entrust the work of designing and construction of the building to the School of Planning and Architecture (SPA).

The building plan was approved by the DDA in August 1979 and SPA invited tenders for construction of the office building in September 1979. In October 1979, SPA recommended the award of the work to a construction company who had quoted the lowest rates of Rs.34.13 lakhs subject to escalation due to statutory increase in rates of labour and material. The Sangathan could not take a decision about the allotment of work to this firm and the earnest money (Rs.0.47 lakh) was refunded on 10th January 1980. To avoid higher cost and delay involved in preparation of revised designs, estimates and process of retendering etc. in the event of transfer of work to CPWD, it was decided in a special meeting on 17th April 1980 that the work may be executed by the SPA. The firm offered to extend the validity of the tender up to 15th September 1980 but no decision could be taken by the Sangathan. Ultimately, when the orders for awarding the work to this firm were issued on 10th September 1980, the firm declined (November 1980) to take up the job. The earnest money having already been refunded could not be forfeited. In September 1981, the Sangathan decided to allot the work to the CPWD, in view of the unsatisfactory performance of the SPA. The SPA was asked to hand over the plans and estimates, etc. in March 1982. These were, however, handed over to the Sangathan after more than two years in June 1984 at the intervention of the Ministry of Education. According to the preliminary estimates of the CPWD (September 1984) the work was estimated to cost Rs.158.08 lakhs apart from professional fee of Rs.2.07 lakhs already paid to the SPA. The construction of a part of the building estimated to cost Rs.76.22 lakhs was awarded to a firm in October 1985 at the tendered amount of Rs.89.51 lakhs and foundation stone was laid on 22nd November 1985.

In this connection, the following points were noticed in Audit :-

(i) The work was allotted to the SPA in spite of the fact that their performance had not been satisfactory in the execution of other works of the Sangathan and in full knowledge of the fact that infructuous expenditure of Rs.1.80 lakhs, had been incurred by way of payment to the SPA for some other works which had to be withdrawn.

4.4.3 *Spoilage of paper during printing.*- The Directorate of Printing, Government of India prescribed the following scale for spoilage of paper during printing, for printing jobs assigned to private presses:-

Particulars of Job Book Work	Scale
Octavo or larger or any single (standard) size paper (irrespective of the number of impressions)	1 per cent per colour

The above scale had been adopted by all the book printing departments of the Government of India/Autonomous bodies like NCERT etc. The Trust had however, adopted a very liberal scale for its books with print run of less than 10,000 copies as follows:-

Sl. No.	Print run	Percentage of Wastage per colour for	
		Text	Cover
1.	1100 copies	5	7
2.	1101 to 2999 copies	4	5
3.	3000 to 4999 copies	3	3
4.	5000 to 10,000 copies	2	2
5.	Above 10,000 copies	1	1

The approval of the Executive Committee of the Trust for the above scale of spoilage was, however, not obtained. A test check of spoilage allowed in 277 out of 466 print orders given by the Trust during 1980-81 to 1984-85 alone revealed that the actual consumption of paper in 277 cases (including spoilage of 330 reams of Text paper and 150 gross of cover paper) was 6511 reams of text paper and 1755 gross of cover paper (Rs.12.75 lakhs). Spoilage admissible was 131 reams of Text paper and 18 gross of cover paper (Rs.0.28 lakh). Thus 199 reams of text paper and 132 gross of cover paper valued at Rs.0.47 lakh was allowed as spoilage in excess of the scale prescribed by the Government of India/Autonomous bodies etc.

#### 4.5 Pricing

4.5.1 *Loss due to exclusion of certain costs (Normal Activities and Aadaan Pradaan Series).*- The Trust had been following the pricing policy as laid down by it in 1965 under which the books produced were priced at 2 to 2.5 times the cost of production. The term "cost of production" was, however, not defined by the Executive Committee of the Trust but it was taken by its office to include only cost of printing, paper and blocks/proof reading. The important elements of cost excluded were cost of manuscript, translation, royalty to authors, incidentals and storage charges on paper although paper was purchased in bulk and stocked in rented godowns insured against fire etc. Expenditure on Royalty, storage of paper and direct cost of manuscript/translation during the five years ended March 1985 amounted to Rs.22.52 lakhs. The books produced were thus underpriced (even at twice the cost of production) by Rs.45.04 lakhs during the said period.

Administrative Staff College, Hyderabad, which conducted a review of the Trust's working (1977-79),

recommended that Trust's books be priced in such a manner that at least variable cost (i.e. cost of production, promotion and distribution) should be recovered and that a system for providing information on the variable cost and over-heads associated with a particular title should be evolved. In pursuance of this recommendation, the costing division or Ministry of Finance was requested by the Ministry of Education in September 1982 to evolve a system for pricing of Trust's publications. The Report of the costing division was received in July 1983 which laid down, inter-alia, that proper records should be maintained to work out the direct charges associated with each title. It also suggested a simplified system to work out indirect charges as the existing percentages of overheads (100 to 150 per cent) had not been worked out on scientific basis. Although a period of two years had expired no action had been initiated (November 1985) to implement the recommendations of costing division. The Trust stated (February 1986) that the comments of the Trust on the Report of Cost Accounts Branch had been furnished to Government in January, 1986 and the implementation of the scientific system of costing would be taken up as soon as the additional staff envisaged, was sanctioned and positioned.

It was noticed in Audit that the distribution cost i.e. packing and forwarding charges alone worked out to 6 per cent of the sale price while promotional expenditure on publicity and free distribution accounted for 20 per cent of the sales. The cost of establishment on selling and distribution was not exhibited in the accounts separately, but data collected by Audit in July 1985 suggests it to be about 28 per cent of sales price. Non-implementation of the recommendations of the Administrative Staff College resulted in underpricing the Trust's publications by 54 per cent of sales (which were Rs.87.56 lakhs in the five years ended 31st March 1985). Deficit due to exclusion of essential elements of cost of production in this way worked out to Rs.47.28 lakhs.

4.5.2 *Underpricing of Publications (Normal Activities and Aadaan Pradaan Series).*- A test check by Audit in July 1985 of the selling price fixed by the Trust revealed that in 62 cases of books published during 3 years ending March 1985, the prices so fixed on the estimated cost of production were less by Rs.2.43 lakhs than the prices calculated on the basis of actual cost of production.

4.5.3 *Loss due to incorrect pricing and unauthorised discount (Nehru Bal Pustakalaya series).*-

- (i) In spite of the selling price of the books in this series having been revised by the Government of India to Rs.2.50 per copy from May 1977, some fresh publications in this series continued to be priced at Rs.1.50 per copy even upto March 1985, with the result that 95 titles were underpriced causing a loss of Rs.11 lakhs (before discount) to the Trust.
- (ii) The Trust also continued allowing discount at the rate of 40 to 45 per cent to State Governments on bulk purchases even after the Government's orders

of May 1977 reducing the discount to 33.33 per cent. In 23 cases pertaining to 1984-85 alone the discount allowed in excess of the rate revised by the Government amounted to Rs.1.35 lakhs. Publications Division of Ministry of Information and Broadcasting was being allowed discount ranging from 35 to 45 per cent of sale, fixed in 1975-76, which was not lowered based upon the decision of the Government in May 1977. This resulted in extra payment of discount of Rs.0.77 lakh in 1982-83 to 1984-85.

- (iii) In respect of 9 titles produced in Nehru Bal Pustakalaya series, out of 76 titles checked in this regard, the selling prices fixed were found to be 3 per cent to 38 per cent lower than the prime cost itself (cost of paper and printing alone) causing a loss of Rs.0.75 lakh to the Trust.

#### 4.6 Storage

4.6.1 *Loss of Trust's books due to flooding of its storage godowns.*- Books produced by the Trust were stored in the basement floors of its building at Green Park besides one store at Kalu-Ki-Sarai. The stock in the basement godown in its headquarters' building was flooded in April 1983 when books valuing Rs. 5.04 lakhs were damaged. The stock in this godown was insured against flood from April 1984 for Rs.65 lakhs on payment of premium of Rs. 0.34 lakh per annum. In August 1984, the store was again flooded causing damage to the books valuing Rs. 48.89 lakhs. After the flood of August 1984, the Trust had stopped further stocking of books in the basement godown. The settlement of insurance claim for the amount of Rs. 53.93 lakhs as filed by the Trust in December 1985, was still awaited (January 1986).

4.6.2 *Weeding out.*- In accordance with weeding of publication Rules 1975, the Trust had to weed out the stock of books published not less than 5 years earlier and whose aggregate sale during the preceding two years happened to be less than 10 per cent of the balance at the beginning of the year or 75 copies whichever is less. A review by Audit in July 1985 of the stock as on 31st March 1984 revealed that 3.57 lakh copies produced between April 1970 and March 1979 had fallen due for weeding out. No action had been taken to weed them out (July 1985).

#### 4.7 Other points of interest

4.7.1 *Loss in sale of books.*- The Publications Division of the Ministry of Information and Broadcasting (Patna Branch), Commission agents of the National Book Trust, received an order from the Bihar Government in February 1985 for supply of Trust's books of gross value of Rs.9.09 lakhs. Publications Division, New Delhi instructed the Trust in March 1985 to despatch the books by 31st March 1985 without waiting for an order from its Patna Branch. The Trust, having no ready stock of the books to be supplied, got the books reprinted on urgent

basis using costly paper available in stock. The entire supply was sent by road transport and was completed during March April 1985. Patna Branch of the Publications Division, however, was not equipped to handle the supply and did not take delivery of the books. The Trust hired (April 1985) 1000 sq. ft. godown space for storage of the books at a cost of Rs. 0.09 lakh till November 1985 when the books were delivered. The Trust suffered a loss of Rs. 1.62 lakhs in this transaction as the net sale proceeds amounted to Rs. 5.01 lakhs (Gross Rs. 9.04 lakhs less discount Rs. 4.03 lakhs) against total expenditure of Rs. 6.63 lakhs (production; Rs.6.15 lakhs, packing : Rs. 0.20 lakh, freight: Rs.0.19 lakh and storage: Rs.0.09 lakh). Use of costlier paper for production, underpricing of two titles @ Rs. 1.50 per copy instead of Rs. 2.50 per copy fixed by the Department of Education, allowing discount at the rate of 40 to 45 per cent as against the maximum rate of 33-1/3 per cent approved by the Department of Education and use of road transport instead of railways were some of the factors responsible for this loss.

The Department of Education stated (February 1986) that no further action was taken as discounts had been passed on to another department of the Government and the books had been supplied to a State Government.

4.7.2 *Display-cum-sales-centres.*- Besides marketing its publications through emporia of Publications Division of the Ministry of Information and Broadcasting in Bombay, Calcutta, Delhi, Hyderabad, Lucknow, Madras, Patna and Trivandrum, the Trust has its own display-cum-sale centres at Amritsar, Calcutta, Delhi, Hyderabad, Jabalpur, Mysore and Santiniketan. During 1981-82 to 1984-85 in three centres at Amritsar, Jabalpur and Santiniketan, the expenditure on establishment Rs. 0.91 lakh, Rs. 0.54 lakh and Rs. 0.15 lakh respectively far exceeded even the actual sales in that period at these centres (Rs. 0.42 lakh, Rs. 0.08 lakh and Rs. 0.05 lakh respectively). Assuming that the books were priced at double the cost of production and ignoring all overheads there was a gross loss of Rs. 1.33 lakhs at these three centres. The centre at Jabalpur was however, closed down from September 1984. The Trust stated (February 1986) that ways and means to increase the productivity of the Book Centres were being worked out.

4.7.3 *Scheme of subsidising university level books by Indian authors.*- With the objective of making available to the students, books of acceptable standard at reasonable prices, a subsidy scheme was launched by the Ministry of Education in 1970. The scheme entrusted to the Trust for implementation laid down that the books selected for subsidy were to be standard works of Art Books, Reference Books, or other reading material. Adaptation by Indian Authors of books published outside India or reprints of books written by outside Authors, brought out by Indian publishers were also eligible for assistance under the scheme if the books selected served a felt need. Assistance to the Publishers/Authors was to be provided in the form of

subsidy, quantum of which was to be fixed by the Trust in each case on the basis of the estimated cost of production. The Trust was also to prescribe in advance of publication, the maximum retail price and the discount to be given to retail sellers, the prices of similar books sold in the market being taken into account in fixing the selling price.

During 1980-81 to 1984-85 10.28 lakh copies of 364 titles were subsidised, the amount of subsidy paid being Rs.126.68 lakhs. In this connection the following observations are made:-

- (i) Rule 9 of the Scheme provides for use of subsidised paper or paper from Hindustan Paper Corporation for the books to keep their prices at reasonable levels. It was, however, noticed that the Trust had been allowing the use of costlier paper. The use of costlier variety of paper in some cases resulted not only in payment of higher subsidy, amounting to Rs.0.84 lakh during 1982-83 to 1984-85 but also in fixing higher prices for the books.
- (ii) Under Rule 20 of the Scheme, the accounts of expenditure on subsidised books were to be maintained separately by the publishers. These accounts were to be audited by the Trust's representatives or the Comptroller & Auditor General of India or by any other Agency. The accounts were never audited by the Trust nor any other Authority nominated by it. The Trust stated (February 1986) that the checking of publishers' accounts had since been started by the Trust in 1985-86
- (iii) The Trust was authorised to utilise for administrative expenses upto one *per cent* of the provision for the scheme, but the fulfilment of this condition could not be verified as the Trust had stopped booking its administrative expenditure, scheme-wise since 1979-80. The Trust stated (February 1986) that the ceiling of one *per cent* fixed for administrative expenditure was not realistic.

4.7.4 *Outstanding dues.*- A sum of Rs. 24.93 lakhs was outstanding as on 31st March 1985 on account of books supplied to the distributors, departmental advances and rent of stalls let out to participants in Book Fairs/Exhibitions organised by the Trust:-

Sl.No.	Party	Amount due in lakhs of Rs.
1.	Distributing Agencies	18.65
2.	Departmental Advances	3.31
3.	Rent of Stalls	<u>2.97</u>
	Total	<u>24.93</u>

Out of an amount of Rs. 6.54 lakhs due from individuals/book sellers it was stated by the Trust that Rs.0.9 lakh pertained to 1974-77 ; Rs. 0.14 lakh (1977-80); Rs. 0.84 lakh (1980-82); Rs.0.27 lakh (1982-83) and Rs. 5.20 lakhs (1983-85).

Yearwise details of remaining arrears of Rs.12.11 lakhs due from stockists and Rs. 3.31 lakhs due from staff was not made available.

As regards arrears of rent of stalls, Rs. 0.06 lakh related to 1972-75; Rs. 1.38 lakhs to 1975-81; Rs.0.35 lakh to 1981-82; Rs. 0.03 lakh to 1982-83; Rs. 0.34 lakh to 1983-84 and Rs. 0.81 lakh to 1984-85. The rent of stalls is required to be received in advance but this condition was not always enforced.

The Executive Committee decided in July 1984 to take the following steps for reducing the balances outstanding against distributing agencies:-

- (a) Legal Action
- (b) Books to be supplied against Bank guarantee.
- (c) Supply to be stopped to permanent defaulters.
- (d) Interest on outstanding dues may be charged.
- (e) Special efforts.
- (f) Weeding out of unsold books.

No action in this regard had, however, been taken (July 1985). The Trust stated (February 1986) that it was not administratively possible to take legal action against all the defaulters and that the position in regard to the advances to staff and rent of stalls was under examination.

4.7.5 *Non-implementation of the recommendations of the Study team of the Administrative Staff College of India, Hyderabad.*- The working of the Trust was reviewed at the instance of Ministry of Education by a Study Team of the Administrative Staff College, Hyderabad between September 1977 and July 1978, on payment of about Rs. 1 lakh (including the cost of copies of reports). The recommendations made by the Study Team were accepted by the Government and intimated to the Trust in July 1979, or implementation.

In pursuance of the recommendations, the Trust besides upgrading 4 class I posts had created 24 additional posts in Class-I (9), Class II (9) and Class III (10), between April 1979 and November 1979 involving additional expenditure of about Rs.4 lakhs per annum but the recommendations relating to improvement of the working of the Trust were not implemented.

The action on other important recommendations of the Executive Committee is yet to be taken by the Trust as under:-

1. The Executive Committee approved in July 1981, the appointment of a Cost Accountant for providing information on the variable costs and overheads associated with a particular title. The above post has not so far been created (January 1986).
2. The post of Marketing Manager was filled only in July 1983 for undertaking research surveys on readers, availability of books etc. No major surveys/research programmes were however undertaken.

3. No evaluation of any of the projects had been done by the Trust (January 1986).
4. No action had been taken (January 1986) to give effect to the suggested system for sale and distribution wing of the Trust.
5. No action for setting up of a separate Wing for Management services and planning had been taken.

#### 4.8 *Summing up*

- The working of the National Book Trust had been consistently resulting in excess of expenditure over receipts.
- The Trust was incurring heavy losses on its Production activities due to non-revision of prices and rates of over-heads (Rs.148.74 lakhs).
- There was steep rise in sale and distribution costs from 19 per cent in 1980-81 to 47 per cent in 1984-85
- No targets were fixed for the publications under its own programme and there was a steep fall in production during the past five years.
- The production of books in Nehru Bal Pustakalaya and Aadaan Pradaan series fell short of targets and there were heavy losses in the execution of these series and huge stock lying unsold.
- Delays ranging from 3 months to 6 years in allotment of jobs and printing were noticed.
- There were heavy losses due to under pricing/incorrect pricing of its publications and for non-inclusion of essential elements of cost (Rs.107.27 lakhs).
- Stocks of publications worth Rs.53.93 lakhs were lost due to flooding of its basement godown.
- Weeding out of stagnant stock of 3.57 lakhs copies was not carried out.
- Sale of publications in three of its shops fell short of even the establishment charges on running the shops.
- Non-use of subsidised paper for production of books under subsidy scheme resulted in excess payment of subsidy (Rs.0.84 lakh).
- A sum of Rs.24.93 lakhs was outstanding as on 31st March 1985 against Distributing agencies etc.

### 5. Construction Works of the Kendriya Vidyalaya Sangathan

5.1 *Introductory.*- The Kendriya Vidyalaya Sangathan (K V S) is a registered society established on 15th December 1965 to provide, establish, endow, maintain, control and manage schools called Kendriya Vidyalayas (K V) run with the object of catering to the educational needs of children of transferable employees of the Government of India, floating population and others and to do all acts and things necessary for or conducive to the promotion of such schools.

The Board of Governors (Board) of the Sangathan, is responsible for carrying out the objects as set forth in the

Memorandum of Association and managing all the affairs and the funds of the Sangathan.

A Works Committee, a Finance Committee and an Academic Advisory Committee appointed by the Board of Governors assist the Board. The Commissioner is the Principal Executive Officer of the Sangathan responsible for the proper administration of its affairs under the direction and guidance of the chairman and the Board. Vidyalaya Management Committees, one for every Vidyalaya, are appointed by the Vice-Chairman for general supervision of Vidyalayas.

5.1.2 *Works Committee.*- The Works Committee was first constituted by the Board of the Sangathan in February 1966 for consideration and approval of construction works of the Sangathan and annual budgets of these works. The scope, functions and duties of this Committee were clearly defined by the Board only in December 1981 when it prescribed the functions and powers of this Committee - to recommend the works policy; to consider and approve works programmes; to prescribe norms for administrative approval and expenditure sanctions; to review progress of construction works and to ensure proper and optimum utilisation of resources relating to works. It was also laid down that all works of the Sangathan shall ordinarily be executed by the CPWD, MES, State PWD and Railways except when specially authorised to the contrary with the prior approval of the Works Committees.

5.1.3 *Executing Agencies.*- The Sangathan was using agencies like MES, CPWD, and State PWD for its construction works. On 24th February 1968, the Chairman of the Sangathan, approved the School of Planning and Architecture (SPA), an autonomous institution of the Ministry of Education, also as an agency for execution of works of Kendriya Vidyalayas to cut down the expenditure on these projects as well as to ensure their quicker execution.

Accordingly, the Sangathan entered into an agreement with the Director of SPA in January 1969, enabling it to entrust the work of designing and supervision of the school buildings, hostels and staff quarters on payment of 9 per cent of the actual cost of construction as professional charges.

Subsequently, in May 1977, Central Building Research Institute, Roorkee (CBRI) was also approved by the Works Committee as an agency for execution of works of schools buildings on experimental basis. Works of school buildings at KV, INA, New Delhi and at Barrackpur were entrusted to CBRI in July 1977 and May 1978 respectively.

5.1.3.(i) The Sangathan stated (March 1986) that construction works were entrusted to these agencies to ensure that works were completed as early as possible but these agencies did not come up to the level expected of them. The Sangathan also stated that construction works

were entrusted to the SPA since that organisation, like the Sangathan, was an autonomous body under the Ministry of Education. It was, however, noticed in Audit that these works were not carried out by the SPA as an autonomous body but as individual consultancy jobs assigned to the members of the faculty.

5.1.4. *Organisational arrangements for controlling construction Works.*- There is a Land and Building Section under the supervision of an Executive Engineer and Deputy Commissioner (General) responsible, *inter-alia*, for procurement of land; execution of lease deeds; examination of plans and estimates; technical scrutiny of various proposals for construction of school buildings, hostels, staff quarters etc.; making arrangement for construction; maintenance and repairs; review of the progress of construction; release of funds; liaison with various construction agencies for completion of works and finalisation of accounts of completed works; maintenance of accounts; assets register etc. and to deal with cases pertaining to disputes of land, construction, etc.

## 5.2 Regulations

5.2.1 For the guidance of its Principal Executive Officer, the Commissioner and other functionaries, regulations were required to be framed by the Board for proper administration of affairs of the Sangathan, its properties and institutions, such as schools, playgrounds, gymnasias, hostels, residential quarters of teachers and other employees, etc.

No such regulations had been framed by the Board of Governors though it had been taking stray decisions on these subjects in its meetings from time to time.

The Sangathan's Headquarters office had, however, issued two publications called the 'Education Code for Kendriya Vidyalayas' and "Account Code for the Kendriya Vidyalayas" in 1970 and 1971 which did not have the authority of the Board.

## 5.3 Magnitude of the construction works yet to be taken up

5.3.1 During the year 1984-85, 500 Kendriya Vidyalayas were functioning, out of which 104 were in the campus of Public Sector Enterprises and Institutions of higher learning for which buildings and staff quarters had been provided by these agencies. Out of the remaining 396 Vidyalayas, 145 Vidyalayas (37 per cent) had their own permanent school buildings, 29 schools were under construction and 222 Vidyalayas (56.6 per cent) were yet to be provided with buildings. So far, staff quarters had been provided only in 57 Vidyalayas and were under construction for 23 Vidyalayas.

## 5.4 Outlay on Works

5.4.1 During the five years ended 1984-85, against

the budget provision of Rs.3127 lakhs for purchase of land, construction of buildings, maintenance and repairs, etc., the Sangathan paid a sum of Rs.2910 lakhs to various construction agencies as detailed below:-

Years	Budget provisions Purchase of land & Construction	Main- tenance & repairs	Pay- ments Total	Savi- ngs (-)	Excess (+)
	(Rupees in lakhs)				
1980-81	437	20	457	308	149
1981-82	452	18	470	469	1
1982-83	470	30	500	529	-
1983-84	715	35	750	747	3
1984-85	905	45	950	857	93
<b>Total</b>	<b>2979</b>	<b>148</b>	<b>3127</b>	<b>2910</b>	<b>246</b>

During 1980-81 and 1984-85, funds to the extent of Rs.149 lakhs and Rs.93 lakhs respectively were not utilised. Reasons for savings were not available except that a sum of Rs.28 lakhs remitted in the last fortnight of March 1985 was in transit to 15 Vidyalayas.

## 5.5 Land and Buildings

5.5.1 The Sangathan had spent Rs.5157 lakhs on its land and buildings till 31st March 1985 - Rs. 2085 lakhs as cost of these assets and Rs. 3072 lakhs as deposits with various agencies (MES/CPWD/State PWD/others). The Sangathan's office had not maintained proper records of construction works, including assets registers and control records to monitor the progress of various works and settlement of accounts despite the Works Committee's decision on 23rd June 1980. The statement showing the progress of works prepared by the Sangathan for the meeting of the Works Committee held on 29th October 1985 depicted information in respect of 221 works for which the amount advanced was Rs. 1787 lakhs only. Out of these 221 works it was mentioned against 120 works that progress report was awaited. Even work-wise details in respect of remaining deposits of Rs.1285 lakhs could not be made available to the Committee. The Sangathan stated (March 1986) that despite best efforts progress reports were not forthcoming from construction agencies and the matter was being pursued vigorously.

5.5.2 The Works Committee directed in June 1980 that efforts should be made to expedite the finalisation of account of completed works but the information regarding such cases was compiled by the Sangathan only in September 1983 and referred to the CPWD and MES in October 1984. It was noticed in Audit that the information so compiled, in respect of 29 completed works estimated to cost Rs. 450 lakhs and sent to the concerned agencies for expediting the settlement of accounts was deficient in as much as the amount of deposit(s) for which accounts were

outstanding for settlement and date(s) of completion/taking over of the work(s) were not mentioned. Thereafter, no action was taken nor were the results achieved monitored or intimated to Audit. As regards latest position of completed works whose accounts needed settlement, the Sangathan stated (November 1985) that information was being collected from various Vidyalayas and would be furnished by 15th December 1985. This had not been made available. The Sangathan stated (March 1986) that due to inadequacy of staff no desired progress could be made in this direction.

5.6 A review of some of the construction works undertaken by the Sangathan revealed the following points:-

5.6.1 *Delay in Construction of Building for Kendriya Vidyalaya INA Colony - Escalation in Cost about Rs.48.71 lakhs.*- The KV, INA Colony was being run in temporary structures constructed on a plot measuring 4.188 acres between 1972-78 at a cost of Rs.5.98 lakhs. In 1973, the Sangathan decided to construct a permanent building for the school. The revised drawings were also approved in July 1973. No funds were, however, released by the Sangathan for the works. The work of construction of the school building was entrusted to CBRI in July 1977, after getting sanction of the Chairman (April 1977), strictly on experimental basis to try techniques developed by CBRI with the objective of economy in overall cost and speedy construction.

The CBRI submitted preliminary estimates, drawings and plans to the Sangathan in December 1978. These were approved after consultation with the Ministry of Works & Housing in February 1979. Administrative approval and expenditure sanction for Rs.26.89 lakhs with the stipulation to get the work completed by February 1981, was accorded in February 1979. On the basis of tender accepted for the work, administrative approval and expenditure sanction was revised to Rs.34.20 lakhs in March 1980. The work was awarded at Rs.30 lakhs in July 1979 and agreement between the Sangathan and the contractor was executed in August 1979. The work was started from 16th July 1979 on a part of the site made available to the contractor. Despite the contractor's complaints since December 1979 about non-handing over of the complete site and increase in market rates of material and labour, the site for the construction was not completely handed over even uptill November 1980. Out of two blocks of 19 rooms of the temporary structure one block comprising 9 rooms had been demolished in November 1980.

The extension of time for one year i.e. upto 16th February 1982 was granted to the contractor by CBRI in February 1981 but as his request for revision of rates (tendered in May 1979) on account of abnormal escalation in the rates of building materials was not agreed to by the Sangathan, he stopped work since February 1981. At the

request of the contractor in December 1981, an arbitrator appointed in February 1982, awarded lumpsum payment of Rs.2.29 lakhs in favour of the contractor on 21st October 1983, for the work already done and refund of security deposits, etc. The award having been made the rule of the Court by the Delhi High Court on 5th November 1984, the payment was made on 24th November 1984 and interest amounting to Rs.0.30 lakh due from the date of award to the date of payment was also paid on 30th March 1985.

The contractor had categorically stated before the arbitrator in June 1983 that he was no more interested in executing any further work in relation to the aforesaid agreement. The Sangathan, however, consulted its legal advisor only in September 1984 who opined that the rest of the work could be got completed through whatever agency the Sangathan considered appropriate. The Works Committee, observed in its meeting held on 22nd October 1984 that CBRI had failed both in achieving economy and in saving time as assured by them and decided to entrust the rest of the work to CPWD.

Against the estimated cost of Rs. 30 lakhs, the earlier contractor had completed work costing Rs.12.71 lakhs only. The remaining work was assigned to CPWD in January 1985. The Sangathan stated (March 1986) that the estimates for the construction of remaining works had been received from the CPWD and the cost of remaining works would be Rs. 66 lakhs. Delay in handing over the site to the contractor and subsequent delay in deciding the agency for completion of remaining work caused escalation of cost by about Rs.48.71 lakhs. The Sangathan stated (March 1986) that the temporary structures could not be demolished as this step would have disrupted the running of vidyalaya for want of class room accommodation.

Further out of 9864 cement bags procured in April 1979 by the Sangathan at a total cost of Rs.2.96 lakhs, cost of 6988 cement bags had been recovered from the contractor through running bills, 1900 cement bags were loaned to CPWD in April 1980 to avoid deterioration of cement due to time factor and 206 cement bags were utilised on miscellaneous items of construction. The remaining 770 cement bags valued at Rs.0.23 lakh, had lost life and strength after a lapse of time as these remained un-utilised despite CBRI's advice to make use of it in some other works in November 1981. The Sangathan stated (March 1986) that repeated requests were made to the CPWD whether they could use this cement on loan basis. The Sangathan did not get any affirmative reply from them. There were no other sources for the Sangathan to utilise this cement as the Sangathan had no construction/executing agency of its own.

5.6.2 *Delay and change in construction agency twice causing escalation of cost of construction by Rs.35.9 lakhs (Approx.)*.- For construction of the school building of Kendriya Vidyalaya, Air Force Station, Barrackpur, 7 acres of land was handed over to the Sangathan by the Ministry of Defence in December 1975. The MES,



submitted estimates of Rs.55.36 lakhs for construction of 'B' type school building to the Sangathan in February 1977, for approval. As these estimates were considered to be very much on the high side, the MES was asked in February 1977 to reduce the estimates by preparing a fresh plan for construction of 'A' Type School building. Subsequently MES revised the estimates and brought down the cost to Rs.45.58 lakhs for construction covering a plinth area of 6005 sq.m. which was authorised for type 'B' school and forwarded to Sangathan for approval on 28th February 1977. But these were not approved.

The Chairman, Vidyalaya Management Committee after his discussion with the Chief Engineer, MES wrote to the Sangathan in April 1977 that revised estimates were justified as these included provision for construction of pile foundation which was need based in view of water table of the area being high and requested for reconsideration of the matter.

But as per direction given by the Commissioner in March 1977 the CBRI was asked in April 1977 to examine the plan and estimates prepared by MES to further bring down the cost of construction and to agree to execute the work, if assigned.

During discussion held in July 1977, Director CBRI, assured that it would be possible to bring down the cost if the planning work was assigned to them, at a fee of Rs.0.80 lakh but refused to undertake the execution of work. In November 1977, CBRI was offered the fee of Rs.0.23 lakh for the work as recommended by the Ministry of Education in consultation with the Ministry of Works & Housing. The CBRI immediately asked for the original drawings to assess the work involved.

But after a lapse of six months, the Sangathan changed the earlier decision and directed the Principal of the Vidyalaya to obtain plans and estimates for construction of 'B' type school building based on semi-permanent specifications or be using pre-fabricated structure. In response to this proposition, the Chief Engineer, MES, stated in May 1978 that in view of acute shortage of land in Barrackpur, it would not be possible for Air Force Authorities to make available additional land required for construction of single storey structures instead of three storey building. He also opined that the cost of construction of a 'B' type school building with semi-permanent or pre-fabricated structure, would involve higher maintenance costs. In the meanwhile in May 1978, CBRI agreed to undertake the work of construction of the school building at a cost not exceeding Rs.35 lakhs. Thereupon, the Works Committee decided in May 1978 to entrust the construction of this school building to CBRI. Accordingly MES was informed not to proceed further. After watching the performance of CBRI on another work (school building of KV, INA), the Sangathan asked CBRI in January 1979 to prepare plan and estimates based on permanent specification keeping the cost within Rs.35 lakhs. Agreement for the work was executed on 5th June 1979.

Plans of CBRI after approval by the Sangathan were returned on 5th November 1979. In November 1979, estimates of Rs.38.39 lakhs, (Rs.35.22 lakhs for construction of building and Rs.3.17 lakhs as professional fee) for the construction covering a plinth area of 5000 sq.mt., was submitted by CBRI to the Sangathan for administrative approval. In January 1980, the CBRI was asked to explain the marginal increase of Rs.3.39 lakhs over approved cost of Rs.35.00 lakhs. The CBRI replied that the cost of Rs.35.00 lakhs was not inclusive of their professional charges and it would not be logical to expect that cost approved in May 1978 would hold good in 1980 when there had been unprecedented escalation in construction cost.

On 26th September 1980, the Works Committee, gave final decision to entrust the work to CBRI and estimates of Rs.38.39 lakhs were referred to Assistant Financial Advisor (Works), Ministry of Works & Housing for scrutiny and vetting. When the AFA(W) enquired on which schedule of rates those estimates were based, the Sangathan sought clarification from CBRI. In reply, in December 1980, CBRI submitted revised estimates of Rs.53.04 lakhs, based on 115 *per cent* above DSR 1976 and stated that earlier estimates were based on 70 *per cent* increase for Calcutta on DSR 1976 which were workable then.

On the grounds that the envisaged economy in cost of construction could not be achieved, that several problems had arisen in the construction of KV, INA, entrusted to CBRI and that CBRI was not a regular construction agency, the Works Committee decided on 29th September 1981 to reapproach the MES (for the third time) for execution of this work.

For construction of the building covering a plinth area of 6005 sq. mts. by MES at an estimated cost of Rs.74.56 lakhs, administrative approval of the Sangathan was accorded on 10th December 1981. However, on the basis of lowest tender received in July 1983, the revised financial outlay of Rs.81.49 lakhs for the work was approved on 10th January, 1984.

The indecision and delay in selecting the construction agency resulted in escalation of cost of work by Rs.35.91 lakhs. The school, established in 1964, where physical facilities were stated to be far from satisfactory and some classes were being run on shift basis at a place posing a constant hazard to students, was still without a building of its own (December 1985), ten years after the land was made available.

The Sangathan stated (March 1986) that in order to achieve economy in construction of the building, the expertise of CBRI was so far as possible, tried to be obtained but they themselves could not do so. The work had to be entrusted finally to MES. It also stated that the Sangathan had no construction agency of its own and had

to depend on MES, CPWD, State PWD, etc., who had their own priorities in taking up the works entrusted to them.

5.6.3(i) *Infructuous Expenditure of Rs.1.80 lakhs due to in-decision of executing agency.*- For the construction of its building, the Government of Bihar allotted in February 1968, land measuring 7 acres in Kankarbagh area to Kendriya Vidyalaya Patna, which was established in 1966 in a rented building at Anisabad. The possession of land was taken over in January 1969.

The CPWD was asked to prepare plan and estimates for construction of the building in February 1969. The preliminary drawings were submitted by the CPWD in August 1969. In January 1970, the Sangathan approved these drawings and requested submission of detailed estimates. While the CPWD was engaged in preparation of estimates, it was realised by the Sangathan (February 1970) that the plot of land was not suitable for school building. Accordingly, further action regarding construction was deferred and in March 1970, request for an alternative plot was made to Bihar Government.

It was noticed in Audit that after about 32 months action for construction of building at the same site was resumed in September 1972, and CPWD was requested for submission of estimates.

Considering the estimate of Rs.35.42 lakhs, prepared by the CPWD in July 1973 for construction of school building very high and to reduce the cost of construction, the Sangathan asked the School of Planning and Architecture (SPA) in September 1973 to prepare revised plan and estimates. In March 1974, work of the school building at Kankarbagh and Jamalpur also for which 15 acres of land has been offered in September 1973 by Eastern Railways was entrusted to SPA.

The proposal to entrust the construction of the school building at Patna and Jamalpur to SPA duly approved by the Chairman of the Sangathan, was referred to the Financial Member of the Board of the Sangathan for his concurrence. He opined (February 1975) that in view of pitfalls involved in entrusting the work to SPA as pointed out by the CPWD at the level of their Engineer-in-Chief and the Works and Housing Ministry at the level of Joint Secretary the work might be executed through CPWD. After reconsideration in February 1975, the construction of school buildings at Patna and Jamalpur was finally entrusted to CPWD. In the meantime, a sum of Rs.1.80 lakhs had been paid to SPA for the plans and drawings prepared by them. These drawings and estimates prepared by the SPA were found to be of no use by the CPWD and they had to prepare fresh drawings and estimates.

Due to frequent rethinking and indecision about the construction agency, the expenditure of Rs.1.80 lakhs by the Sangathan on account of payment of fee to SPA for preparation of plans and estimates for school buildings at Patna and Jamalpur proved to be infructuous.

5.6.3(ii) The Sangathan stated (March 1986) that some part of this expenditure on preparation of plans and estimates for the two schools at Patna and Jamalpur was made good by short payment (2%) of departmental charges to CPWD in one of the works. Neither the amount nor the name of the work was specified.

5.6.4. *Delay in construction of Headquarters office building of Kendriya Vidyalaya Sangathan -Escalation of cost by Rs.122.95 Lakhs (Approx.):*- In January 1977 a plot of land was allotted on lease to the Sangathan by DDA for construction of its headquarters office building. The possession of the land was taken in February 1977 but the lease deed had not been executed (January 1986). However, in anticipation of the allotment of land, the Chairman of the Sangathan decided in November 1976 to entrust the work of designing and construction of the building to the School of Planning and Architecture (SPA).

The building plan was approved by the DDA in August 1979 and SPA invited tenders for construction of the office building in September 1979. In October 1979, SPA recommended the award of the work to a construction company who had quoted the lowest rates of Rs.34.13 lakhs subject to escalation due to statutory increase in rates of labour and material. The Sangathan could not take a decision about the allotment of work to this firm and the earnest money (Rs.0.47 lakh) was refunded on 10th January 1980. To avoid higher cost and delay involved in preparation of revised designs, estimates and process of retendering etc. in the event of transfer of work to CPWD, it was decided in a special meeting on 17th April 1980 that the work may be executed by the SPA. The firm offered to extend the validity of the tender up to 15th September 1980 but no decision could be taken by the Sangathan. Ultimately, when the orders for awarding the work to this firm were issued on 10th September 1980, the firm declined (November 1980) to take up the job. The earnest money having already been refunded could not be forfeited. In September 1981, the Sangathan decided to allot the work to the CPWD, in view of the unsatisfactory performance of the SPA. The SPA was asked to hand over the plans and estimates, etc. in March 1982. These were, however, handed over to the Sangathan after more than two years in June 1984 at the intervention of the Ministry of Education. According to the preliminary estimates of the CPWD (September 1984) the work was estimated to cost Rs.158.08 lakhs apart from professional fee of Rs.2.07 lakhs already paid to the SPA. The construction of a part of the building estimated to cost Rs.76.22 lakhs was awarded to a firm in October 1985 at the tendered amount of Rs.89.51 lakhs and foundation stone was laid on 22nd November 1985.

In this connection, the following points were noticed in Audit :-

(i) The work was allotted to the SPA in spite of the fact that their performance had not been satisfactory in the execution of other works of the Sangathan and in full knowledge of the fact that infructuous expenditure of Rs.1.80 lakhs, had been incurred by way of payment to the SPA for some other works which had to be withdrawn.

(ii) The earnest money of Rs.0.47 lakh of the contractor was refunded in January 1980. The Sangathan did not ask for its redeposit on the firm's willingness to extend its offer upto 15th September 1980 and as such it could not be forfeited.

(iii) The delay of about 2 years in finalisation of the executing agency and further delay of over 2 years in the SPA's handing over of the plans and designs resulted in escalation of cost of the work by Rs.122.95 lakhs.

(iv) The objective of quicker construction of the Head office building, which was stated to be urgently required, had also not been achieved and expenditure of Rs.20,000/- per month had been incurred as rent for the hired buildings till February 1984 when it occupied a part of the building of one of the Vidyalayas.

*5.6.5 Construction of School Buildings in Masjid Moth - Escalation of cost by Rs.71.53 lakhs due to delay.* - For construction of Primary and Higher Secondary Schools, the Government of India, Ministry of Works and Housing allotted to the Sangathan, two plots of land measuring 2 acres and 4 acres in March 1974 and April 1975 respectively in Masjid Moth Area of New Delhi at an approximate price of Rs.0.30 lakh. Pending registration of lease deeds, possession of the 2 acres plot was taken over on 7th October 1978 and the 4 acres plot on 16th June 1978. In the latter plot, there was an encroachment by Delhi Administration and a school was run by them. In August 1981, the latter allotment of land of 4 acres was reduced to 3.05 acres (2.05 acres for the building and one acre for play ground), because a part of the plot, which was encroached by the Delhi Administration School, was allotted to it.

Before taking over possession of the land the Sangathan had asked the SPA in July 1977 to prepare estimates and plans so phasing the work that classrooms were ready by June 1978. The SPA submitted sketch designs and preliminary estimates (Rs.10.98 lakhs and Rs.22.98 lakhs for the Primary and Higher Secondary schools respectively) in December 1977.

The building plans of the Primary and Higher Secondary schools were approved by the DDA in November 1979 and December 1980 respectively. While the construction of the Higher Secondary School could not be started because of encroachment on the land which was settled only in August 1981, no steps for the construction of Primary School were taken. In January 1981, the SPA submitted modified preliminary estimates of Rs.20.40 lakhs (Primary School) and Rs.60.53 lakhs (Higher Secondary School) for approval without any further delay so as to save time and reduce cost as tender documents, schedule of quantities, detailed estimates and working drawings, etc., were ready.

The Sangathan referred these estimates for approval to the Ministry of Works and Housing in March 1981 who advised (April 1981) that the CPWD was organised for execution of Works and this work also should have been

entrusted to it and that if it was decided to entrust this work to the SPA, the Ministry's comments should not be called for.

In September 1981, the Works Committee of the Sangathan considered the matter and decided that the CPWD might be entrusted with this work using the plans and drawings prepared by the SPA. In March 1982, the SPA was asked to hand over plans, estimates, etc. which were, however, handed over only in June 1984 after a delay of more than 2 years at the intervention of the Ministry of Education and after payment of their fee of Rs.3.71 lakhs.

According to the preliminary estimates prepared by the CPWD in September/October 1984, the work of Primary and Higher Secondary School buildings was estimated to cost Rs.148.75 lakhs in addition to Rs.3.71 lakhs paid to the SPA for their plans and drawings which were to be used. The Administrative approval and expenditure sanction for these works were conveyed piecemeal on 9th October 1984 (Higher Secondary School), 3rd December 1984 (compound wall) and 17th January 1985 (Primary School). The work of the compound wall only was in progress (April 1985) although a sum of Rs.34 lakhs had already been advanced by the Sangathan to the CPWD for the execution of these works.

The delay in taking up construction of the buildings due to being initially allotted to the SPA and much later to the CPWD and late handing over of the designs by the SPA had resulted in avoidable escalation in cost by Rs.71.53 lakhs besides infructuous expenditure of Rs.3.89 lakhs - construction of temporary structure (Rs.2.40 lakhs) and hire of tents etc. (Rs.1.49 lakhs). More importantly, the objective of having the class rooms ready by June 1978, on land allotted a decade back had been frustrated and the schools were still functioning in hired tents.

*5.6.6 Escalation of Rs.2.15 lakhs in the cost of Care takers' quarters of Kendriya Vidyalayas in Delhi.* The Sangathan approved the construction of Caretakers' quarters by CPWD for Vidyalaya in Janakpuri, Tagore Garden and Andrews Ganj at an estimated cost of Rs.0.52 lakh each in January 1977. Deposit Rs.0.25 lakh for each of the three quarters was made with CPWD during February/March 1977.

The quarter at K.V. Janakpuri was to be constructed on the portion of land having temporary structures which were required to be demolished. The orders for the clearance of site were issued only in March 1981 and as such the work was awarded by CPWD in May 1981 at a tendered amount of Rs.0.77 lakh. The actual cost of construction was not intimated. The increase in cost was due to delay in handing over the site to the contractor. The Sangathan stated (March 1986) that the delay was mainly due to the reason that the CPWD submitted the survey report for demolition of structure in August 1980 only.

The lay out plan of the quarter at K.V. Tagore Garden approved by the DDA was not considered suitable by the Principal. On DDA's refusal to sanction revised

drawings/layout plan, the CPWD submitted revised estimates in September 1982 for Rs.1.42 lakhs. After calling for justification for the revised estimates (December 1982), the Sangathan approved them in July 1983. The indecision in going ahead with the construction as per the original plan resulted in escalation of cost by Rs.0.90 lakh. The Sangathan stated (March 1986) that the site was ultimately changed with the approval of the DDA in January 1984 as the original site was marshy and surrounded by a Gurdwara and a Mandir. But it did not clarify why an appropriate site was not selected originally to avoid such escalation of cost and delay in availability of residences.

The matter regarding construction of caretakers' quarter for K.V. Andrews Ganj was not pursued, effectively with the CPWD. When contacted in September 1983 for construction of the quarter, the CPWD furnished revised estimates for Rs.1.46 lakhs in February 1985 which were approved by the Sangathan in March 1985.

Delay in execution of works on account of failure of the KVS resulted in escalation of cost by Rs.2.15 lakhs.

**5.6.7 Ungainful expenditure.**— The Kendriya Vidyalaya No.1, Delhi Cantt. paid an advance of Rs.2.97 lakhs against the administrative approval of Rs.3.96 lakhs to the CPWD during 1976-81 for construction of (i) Tube-well and Overhead tank and (ii) Sumpwell. Apart from departmental charges an expenditure of Rs.1.97 lakhs was incurred thereon upto June 1985 (Tube-well and Overhead tank, Rs.1.14 lakhs and Sumpwell: Rs.0.83 lakh) as under:-

*(i) Tubewell and Overhead tank*

In May 1976, the Vidyalaya approached the CPWD for conducting a survey and preparing a cost estimate for the above work to ensure sufficient supply of water for drinking and horticultural purposes in Vidyalaya Hostel and staff quarters. The survey was asked for in the context of a previous report that it was not feasible to have a Tube-well in the area.

Without conducting the survey the CPWD submitted the estimate of Rs. 1.97 lakhs for construction of a Tube-well and an Overhead tank of 90,000 litres capacity which was sanctioned by the Sangathan in September 1976 and the amount was remitted to the CPWD.

In February 1978, the Principal of the Vidyalaya brought his apprehension to the notice of the Sangathan as well as the CPWD that the water of the Tube-well which had been bored upto the first level, was not fit for drinking and that it needed proper testing before proceeding further with the work. The Technical Officer of the Sangathan also forwarded a copy of this communication to the CPWD authorities for necessary action. In spite of this, the CPWD went ahead with the work without verifying whether the water would be fit for the proposed uses.

On completion of the work in November 1979 the CPWD reported that the water of the Tube-well was not

found fit for human consumption. The water was reported to be unsuitable even for horticultural purposes in September 1980.

Reason as to why a test bore was not made and test report on water not obtained before the work was taken up were not on record. The Overhead tank had also not been filled with water to test its bearing capacity. In any case the Overhead tank could not be put to use as water from the Tube-well had no utility.

*(ii) Sump-well*

As an alternative to the Tube-well, water of which was found to be unfit, the construction of a Sump-well (water tank) of 1,12,500 litres capacity at an estimated cost of Rs.1.99 lakhs by the CPWD was sanctioned in June 1981. The CPWD was paid an advance of Rs.1 lakh in July 1981 for this work. A formal completion report and statement of expenditure was awaited by the Vidyalaya from the CPWD (November 1985). The Sump-well, however, was lying unutilised as water supply of such a magnitude was not available from the Military Engineers Services.

The Ministry stated (October 1985) that detailed reports on the construction of Tubewell and Sump-well had been called for from the Chief Engineer (NZ) CPWD.

**5.7 Summing up**

- The scope, functions and duties of the works committee constituted in February 1966 were defined by the Board of Governors only in December 1981.
- Regulations governing activities and construction works have not been framed by the Board so far.
- The Sangathan has neither a long term construction policy nor a system to ensure that construction activities taken over are completed smoothly in a predetermined time and cost frame.
- The Sangathan had been frequently switching over from one construction agency to another during the execution of work leading to long delays and large escalation of costs.
- The speed in execution of works and economy in cost expected from entrusting the work to SPA and CBRI were not achieved.
- Out of 4 works entrusted to the SPA, 2 works (Headquarters office building and K.V. Masjid Moth) estimated to cost Rs.118.13 lakhs had not been completed even after the expiry of 8 to 9 years; the escalation of cost in these two works due to various lapses of the executing agency/the Sangathan was of the order of Rs.194.48 lakhs.
- Two works entrusted to CBRI in 1977 and 1978 were held over and these had to be transferred to CPWD and MES respectively due to failure of CBRI to execute them causing escalation of cost by Rs.84.62 lakhs.
- The objective of achieving economy in

construction cost and providing accommodation to students did not materialise even ten years after the land was made available for the Vidyalaya at Barrackpore.

- At the end of March 1985, 500 Vidyalayas were functioning all over the country out of which 104 were in the campus of public sector enterprises and institutions of higher learning. Out of remaining 396, only 145 Vidyalayas had their own buildings, 222 Vidyalayas had no buildings of their own while 29 school buildings were under construction. The Sangathan's monitoring of the progress was not systematic and largely ineffective.
- The Sangathan had spent Rs.5157 Lakhs for its land and buildings till 31st March 1985 out of which Rs.3072 lakhs were lying as deposits for long periods with various agencies for which no complete details were available with the Sangathan. The Sangathan had not prepared assets register in support of the assets indicated in their annual accounts.
- Delay in decision by the Sangathan resulted in escalation of cost of Rs.2.15 lakhs in respect of construction works of caretaker's quarters at K.V. Tagore Garden, Janakpuri and Andrews Ganj, New Delhi during the years 1977 to 1981-85.
- The Sangathan sanctioned the construction of a Tubewell and an Overhead tank in a Vidyalaya in Delhi Cantt which CPWD constructed (estimated cost of Rs.1.97 lakhs) without surveying and checking the potability of the water. Later, it was found to be unfit even for gardening. A Sumpwell, constructed at an estimated cost of Rs.1.99 lakhs was lying unutilised as water supply of such magnitude was not available from MES.

#### 6. Central Tibetan Schools Administration

The Central Tibetan Schools Administration established an educational and vocational institute at Pachmarhi in November 1965 to impart training to Tibetan children in selected trades. Against the annual enrolment target of 400 students, the actual enrolment never exceeded 185. The enrolment declined gradually and the courses in all trades came to an end in September 1973. There were no students from October 1973 onwards. The Ministry intimated (March 1986) that this happened partly on account of inundation of the buildings due to construction of an artificial lake by the State Government in its vicinity. After efforts to activate the school failed in 1976, the school was finally closed down in October 1977. Though the institute was closed in 1977, one Director incharge was retained upto 1983 and a clerk, a chowkidar and a sweeper were retained till May 1985 incurring an expenditure of Rs.3.24 lakhs on their salaries and other charges. The land and 19 buildings of the institute were not put to any public use since October 1977. The Ministry stated in March 1986 that the staff was retained to look after the

machinery, tools, equipment, furniture, etc. of which items for Rs.3.28 lakhs and Rs.0.62 lakh were transferred to the State Government in February 1979 and the Council of Tibetan Education in November 1983 respectively. The remaining items were sold for Rs.0.58 lakh in auction in June 1985. The Ministry stated (March 1986) that the buildings of the institute were handed over to the State Government in September 1985.

#### 7. Non-realisation of mess charges from student boarders - irregular payment of Rs.3.89 lakhs

The Jawahar Lal Nehru University is running a mess for the student boarders as a self supporting unit without contributing any money from its funds towards food charges of students.

During 1974-75 to 1982-83, the inter hall administration of the University which manages the mess, did not realise mess charges for the amount of Rs.4.37 lakhs from 870 student boarders as a result of which suppliers' bills to the extent of Rs.3.89 lakhs were outstanding with the mess at the end of 1982-83. In the meantime, some of the student boarders had left the University.

The University liquidated this liability of the mess from its funds by granting an advance of Rs.1.39 lakhs out of its "Deposit Reserve Fund" and paying the remaining amount of Rs.2.50 lakhs out of its maintenance grant for the year 1983-84. As per progress report furnished to the Finance Committee in the meeting held on 22nd November 1985 a total amount of Rs.1.04 lakhs had been recovered from the students. But the recovery had been credited to the mess account and not to the funds of Jawahar Lal Nehru University.

#### 8. Short Recovery of Licence fee

Government of India ordered in March 1982 that dearness allowance sanctioned upto 320 points of the 12 monthly average of the price index will be treated as dearness pay for the purpose of payment of House Rent Allowance from 1st February 1982. In May 1983, the Government further ordered that dearness pay would also be treated as pay for the purpose of recovery of licence fee of residences provided to the employees from March 1983. On the basis of these orders, the Indian Institute of Technology, Delhi started paying House Rent Allowance on the dearness pay from 1st February 1982 but omitted to treat it as pay for the recoveries of licence fee of its residences with effect from March 1983. This resulted in short recovery of licence fee of about Rs.0.11 lakh per month from March 1983 onwards.

On this being pointed out by the Audit in September 1983, the Institute has started realising the licence fee at correct rates from April 1985.

As regards the arrears of licence fee amounting to Rs.2.75 lakhs (Approx.) for the period March 1983 to

March 1985, the Board of Governors of the Institute approved (November 1985) its recovery in 20 instalments starting from the salary for the month of December 1985.

## MINISTRY OF INDUSTRY

### 9. Khadi and village Industries Commission - Carpentry and Blacksmithy Industry

9.1 *Introductory* :- Carpentry and blacksmithy industries have been given financial assistance in the form of loans and grants and also provided with necessary expertise by the Khadi and Village Industries Commission (KVIC) since 1957-58. During the first decade, this assistance was confined to the manufacture of Khadi and some village industries equipment (small ones), but from 1966-67 onwards, the assistance was extended to cover manufacture of tools and equipment required for agro-based industries, items of house-hold utility and other ancillaries connected with building construction. The

KVIC provides necessary financial assistance to self-employed individual artisans working in their homes and also to co-operative societies and registered institutions for setting up workshops.

9.2 *Finance* :- During 1957-58 to 1984-85, the KVIC disbursed Rs.3598.14 lakhs (Rs.571.81 lakhs as grants and Rs.3026.33 lakhs as loans) to the State Khadi and Village Industries (KVI) Boards, co-operative societies, registered institutions and individuals for development of carpentry and blacksmithy industries. As on 31st March 1985, the net cumulative grants (grants disbursed minus refunds of unutilised portion thereof) amounted to Rs.538.30 lakhs and the loans outstanding were Rs.2650.22 lakhs.

9.3 *Investment, production, employment and earnings*. - The following table shows the performance in regard to production and employment *vis-a-vis* the cumulative investment.

Year	Cumulative investment (In lakhs of rupees)	Production of equipment (Value in lakhs of rupees)	Employment (Number in lakhs)	Annual production per worker (Rupees)
1968-69	91.85	96.07	0.04	2402
1973-74	320.54	437.58	0.10	4376
1979-80	1048.16	2352.25	0.76	3095
1980-81	1451.45	3587.95	1.00	3588
1981-82	1897.16	5689.64	1.10	5172
1982-83	2472.81	7205.06	1.40	5146
1983-84	2934.26	8713.98	1.61	5412

The annual production per worker which was Rs.4376 in 1973-74 declined to Rs.3095 in 1979-80 and to Rs.3588 in 1980-81, but again improved to Rs.5412 in 1983-84. However, taking the base year as 1970-71, the whole sale price indices in 1973-74 and 1983-84 were 139.7 and 315.3 respectively. Against the rise of about 127 per cent in wholesale price index during this period, the production

per worker rose by only about 24 per cent.

The quantum of investment upto 1983-84 and the employment and the level of production in 1983-84 in various States showed lack of a definite pattern of relationship between investment and employment/production.

A few instances are given below:

	Total invest-ment at the end of 1983-84 (In lakhs of rupees)	Total employ-ment during 1983-84 (Num-ber)	Invest-ment per per-son (In rupees)	Value of production during 1983-84 (In lakhs of rupees)	invest-ment output ratio	output per person employ-ed (In rupees)	Earning (In lakhs of rup-ees)	Average earning per per-son dur-ing 1983-84 (In rup-ees)	Percent age of total produc-tion during 1983-84
Punjab	345.51	6427	5376	808.31	2.34	12577	202.31	3148	9.28
Haryana	325.20	4106	7920	485.44	1.49	11823	206.69	5034	5.57
Uttar Pradesh	271.71	14323	1897	1267.59	4.67	88.50	430.41	3005	14.55
Gujarat	270.83	1983	13658	401.65	1.48	20255	85.33	4303	4.61
Tamil Nadu	260.22	15421	1687	899.22	3.46	5831	206.91	1342	10.32
Maharashtra	218.07	44726	488	1467.58	6.73	3281	178.66	1052	16.84
Karnataka	170.15	2739	6212	150.05	0.92	5697	36.66	1338	1.79
Himachal Pradesh	162.72	3237	5027	176.18	1.08	5443	34.50	1066	2.02
Rajasthan	157.57	7783	2025	577.98	3.67	7426	163.19	2097	6.63
Andhra Pradesh	156.73	32428	483	1063.37	6.78	3279	908.69	2802	12.20
Kerala	155.35	2204	7049	164.99	1.06	7486	82.31	3735	1.89

The investment per person employed ranged from Rs.483 in Andhra Pradesh to Rs.13658 in Gujarat. The investment out put ratio ranged from 0.92 in Karnataka to 6.78 to Andhra Pradesh. Productivity and investment moving to tandem was not ascertainable. The Ministry stated (September 1985) that workshops required larger investment as compared to lesser investment in home units and this accounted for wide variations in investments per person employed in various States.

About 75 per cent of the total production for 1983-84 was accounted for by seven States, viz. Maharashtra (16.84 per cent), Uttar Pradesh (14.55 per cent), Tamil Nadu (10.32 per cent), Andhra Pradesh (12.20 per cent), Punjab (9.28 per cent), Rajasthan (6.63 per cent) and Haryana (5.57 per cent). The production in each of the remaining States ranged from less than 1 to about 5 per cent. It was stated by the KVIC (January 1985) that the development was not even in all the States due to lack of organisation and agencies for implementation of the programme in certain parts of the country.

Although the employment opportunities were provided on full time as well as part time basis, the number of full time and part-time employees varied widely in different States with reference to production. Consequently, during 1983-84, the out-put per person fluctuated widely in different States from Rs.3279 in Andhra Pradesh to Rs.20,255 in Gujarat. The Ministry explained (September 1985) that the productivity per person would be less in States where number of individual units was comparatively more than the workshops and it would be more where the position was the reverse. The average earning per person during 1983-84 also varied from Rs.1052 in Maharashtra to Rs.5034 in Haryana.

**9.4 Under-utilisation of capacity :-** The following table indicates the number of units assisted, units set-up and units working/reporting as at the end of 1983-84 :

	Units assisted	Units set-up	Units Working/reporting
Carpentry Home Units (Hand tools)	52,914	52,167	52,167
Blacksmithy Home Units (Hand tools)	36,693	36,064	36,064
Power Home units	5,297	4,977	4,977
Carpentry workshop for entrepreneurs	404	384	384
Blacksmithy workshop for entrepreneurs	604	584	584
Institutional workshops	1,481	1,315	1,000
<b>Total</b>	<b>97,393</b>	<b>95,491</b>	<b>95,176</b>

As against 1315 institutional workshop set up, only 1000 reported their functioning at the end of 31st March 1984. Thus, 24 per cent of such workshops had neither submitted any periodical reports nor was their working known to the KVIC. The Ministry stated (September 1985) that the units which had repaid their loans were normally not reporting the progress made in subsequent period.

The total installed capacity in 1983-84 in respect of working/reporting units was Rs.11615.98 lakhs. Against this, the production during 1983-84 was Rs.8713.98 lakhs. Similarly, the number of persons employed in 1983-84 was 1.61 lakhs although the employment potential created by these units was to the extent of 2.06 lakhs.

The KVIC stated (January 1985), that under-utilisation of capacity was due to delay in release of working capital by the State KVI Boards.

The Ministry stated (September 1985) that a unit used to take one year to pick up production and three years to reach the optimum and that the utilisation of capacity also depended on the availability of raw materials like steel, iron, wood, etc. and uninterrupted power supply was also to be taken into account.

**9.5 Blocking of funds :-** As against 1874 co-operative societies and 1259 institutions financed by various State KVI Boards upto 1983-84, 864 co-operative societies (46 per cent) and 551 institutions (44 per cent) were either inefficient/weak/defunct or had not commenced production. As on 31st March 1984 the amount locked up with such units was Rs.468.49 lakhs. Similarly, out of 64,795 individual units financed upto 1983-84, 6542 units (10 per cent) were weak/defunct and 6527 (10 per cent) units had not started production.

**9.6 Excess working capital :-** Under its Working Fund Scheme, the KVIC has been extending working capital to State KVI Boards and to aided institutions directly. Funds are advanced with reference to annual financial requirements for implementing programmes of production and sales, as assessed by the State Boards/Institutions and approved by the KVIC. Because of non-achievement of approved levels of production and sales, amounts aggregating Rs.12.57 lakhs provided by the KVIC were found to be surplus with 11 institutions as on 31st March 1983. Out of these 11 institutions, one unit alone accounted for excess working capital of Rs.5.15 lakhs. Loan given for this Industry carry interest at 4 per cent per annum. Taking the prevailing market rate of interest at 14 per cent per annum the loss in interest to the Government of India on excess working capital of Rs.12.57 lakhs would amount to Rs.1.26 lakhs per annum.

In respect of some cases, the KVIC had not received performance reports of production and sale from the institutions concerned with the result that the eligibility for working capital of Rs.20.50 lakhs lying with them could not be verified. The Ministry stated (September 1985) that in case of directly aided institutions, a few cases of surplus working capital loan arose when the actuals fell short of the estimated targets of production and sale.

**9.7 Departmental trading units :**

(i) **Carpentry and blacksmithy workshop, Dahanu (Maharashtra):** The unit is engaged in manufacture and sale of machinery and spare parts required for different village industries. The following table shows the working results of the unit for the years 1980-81 to 1984-85.

	1980-81	1981-82	1982-83	1983-84	1984-85
	( In lakhs of rupees )				
Opening stock	8.32	9.53	9.00	8.09	9.03
Purchase	5.10	6.62	5.73	5.23	14.93
Manufacturing, trading and other expenses	2.36	2.97	2.52	3.13	3.94
Sales	8.03	10.55	9.07	6.63	20.16
Sales (raw materials)	0.23	0.18	0.18	0.30	0.10
Trade and miscellaneous receipts	0.43	0.30	0.43	0.40	0.85
Closing stock	9.53	9.00	8.09	9.03	9.40
Gross profit (+)					
Gross loss (-)	(+) 2.44	(+) 0.91	(+) 0.52	(-) 0.90	(+) 2.61
Establishment expenditure	2.43	2.52	2.57	2.82	2.82
Other receipts	0.10	0.14	0.26	0.16	1.12
Net profit (+)	(+) 0.11	(-) 1.47	(-) 1.79	(-) 2.75	(+) 0.91
Net loss (-)					

The unit earned marginal profit during 1980-81 and 1984-85 and sustained loss in other years. The main reasons for loss attributed by the internal audit were non-achievement of targets set for production and sales and charging of inadequate margin of profit. The purchases

and closing stock were maintained at a high level, during this period which also accounted for the losses.

There was considerable shortfall in achievement of target of production and sales during the period 1980-81 to 1983-84 as will be evident from the following table :-

Year	Production			Sales		
	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement
	( In lakhs of rupees )			( In lakhs of rupees )		
1980-81	13.20	6.91	52.35	15.81	8.03	50.79
1981-82	18.06	5.26	29.13	20.80	10.55	50.72
1982-83	12.96	8.22	63.43	19.15	9.07	47.36
1983-84	14.65	8.33	56.86	17.63	6.63	37.61
1984-85	20.00	17.21	86.05	23.00	20.16	87.65

(ii) *Ambar Saranjam Bhandar, Ahmedabad* :- Main activities of the bhandar are purchasing and assembling spare parts and accessories of charkhas and over-head drive of power ghani used in the Khadi and Village

Industries sector and supplying them to the needy institutions.

(a) The following table shows the working results of the unit for the years 1980-81 to 1984-85 :

	1980-81	1981-82	1982-83	1983-84	1984-85
	( In lakhs of rupees )				
Opening Stock	14.69	14.05	31.63	33.97	25.89
Purchases	48.88	97.22	38.52	22.14	24.69
Production	25.81	51.39	20.81	18.16	19.97
Trade and other expenses	1.79	2.31	2.25	1.77	1.98
Sales	57.12	93.37	44.66	37.97	37.01
Consumption	25.26	50.69	20.74	17.93	19.69
Trade and miscellaneous receipts	2.30	3.20	1.94	1.50	2.04
Closing Stock	14.05	31.63	33.97	25.89	20.06
Gross Profit	7.56	13.92	8.10	7.25	6.27
Establishment expenses	5.11	5.19	5.30	6.07	5.99
Other receipts	0.33	0.45	0.73	0.96	1.41
Net Profit	2.78	9.18	3.53	2.14	1.69

The decrease in net-profit during the years 1982-83 to 1984-85 as compared to that of 1981-82 was mainly due to decrease in sales from Rs.93.37 lakhs in 1981-82 to Rs.37.01 lakhs in 1984-85.

(b) Though the sales had declined from Rs.37.97 lakhs in 1983-84 to Rs.37.01 lakhs in 1984-85 (2.53 per cent) the amount outstanding under sundry debtors



increased from Rs.6.96 lakhs in 1983-84 to Rs.9.37 lakhs in 1984-85 (34.63 per cent). Of this, Rs.0.72 lakh due from 62 parties related to the period 1964-65 to 1979-80.

(c) The bhandar could not achieve the targets of production during 1980-81 to 1984-85 and the targets of sales during 1981-82 to 1984-85 vide details given below:

Year	Production			Sale		
	Target	Achievement	Percentage of Achievement	Target	Achievement	Percentage of Achievement
	(In lakhs of rupees)			(In lakhs of rupees)		
1980-81	50.74	25.81	50.87	56.00	57.12	102.00
1981-82	87.69	51.39	58.60	96.60	93.37	96.66
1982-83	96.30	20.81	21.61	107.00	44.66	41.74
1983-84	56.73	18.16	32.01	64.75	37.97	58.64
1984-85	46.59	19.97	42.86	53.10	37.01	69.70

The shortfall in achievement was due to want of orders for supply of power ghanis and muslin charkha components.

(d) The bhandar placed an order (January 1980) for purchase of 1000 electric motors of 2 horse power on firm 'A' at the rate of Rs.700 per motor exclusive of sales tax for delivery from January to October 1980. The firm could supply 585 motors only by October 1980 and the balance 415 motors were supplied during November 1980 and May 1981. In July 1980, the firm requested the bhandar to grant an extra price of Rs.35 per motor due to increase in the price of raw materials. Though the supply was contemplated at fixed price, the bhandar decided to increase the price by Rs.35 per meter for 545 motors supplied resulting in extra expenditure of Rs.0.20 lakh.

Similarly, in respect of supply order placed on firm 'B' for 1000 sets accessories of power ghanis at Rs. 1,120 plus sales tax per set, the price of 600 sets supplied from September 1980 was increased by Rs.40 per set without any price escalation clause in the supply order, resulting in extra expenditure of Rs.0.24 lakh (exclusive of sales tax).

(e) Obsolete and unserviceable stocks of Ambar Charkha spares and their accessories purchased during 1959-60 to 1971-72 for Rs.1.18 lakhs were yet to be disposed off (September 1985).

The Ministry stated (September 1985) that corrective measures like posting of regular competent engineers at Dahanu and Ahmedabad, obtaining regular orders for equipment and executing them under Instrumentation Programme and diversification of product range had been taken and it was expected that these units would show better performance during the coming years.

(iii) *Defunct Units* : The accounts of the following defunct units with capital investment of Rs.0.91 lakh as on 31st March 1985 had not yet been finalised.

Name of the Units	Capital investment (In lakh rupees)
Ambar Saranjam Section (Head Office) Bombay	0.80
Saranjam Karyalaya, Nasik	0.11

The entire amount of capital investment was blocked in sundry debtors which were outstanding for more than five years.

9.8. *Loans*- As on 31st March 1984, Rs.58.53 lakhs had become overdue for repayment from 88 institutions. The yearwise break-up of the overdue loans is as under :

Year	Amount (In lakhs of rupees)
1960-61 to 1979-80	12.08
1980-81	4.24
1981-82	6.08
1982-83	14.83
1983-84	21.30
<b>Total</b>	<b>58.53</b>

The list of the institutions which had defaulted in repayment of loan instalments as on 31st March 1985 had not been prepared by the KVIC.

The KVIC has no system to ascertain details of loans which had become overdue for recovery from various State KVI Boards. The default statements had also not been received regularly from all the State KVI Board. The default statements as on 31st March 1984 were received from 15 out of the 27 State KVI Boards. According to the default statements submitted by these Boards, amount over due for recovery from them as on 31st March 1984 was Rs.71.55 lakhs. The yearwise break-up of loans overdue for repayment from the State KVI Boards was not available with the KVIC.

(b) *Interest on loans* : Loans given upto 31st March 1974 to village industries (including Carpentry and Blacksmithy industry) for working capital purposes carried interest at the rate of 2.5 per cent per annum after the first two years and at the rate of 4 per cent per annum from 1st April 1974 onwards. In case of defaults in repayment of loans, penal interest chargeable was 5 per cent per annum upto 31st March 1974 and 6 to 15 per cent per annum thereafter.

No register showing the interest accrued, amount actually received and the balance to be received from the borrowers at the end of each year was being maintained. In a meeting of the KVIC held in March 1981, it noted with concern that interest on loans was not calculated and that

the borrowers were not being informed about their liability in this respect. In the circumstances and taking note of the fact that interest calculation in respect of past period may involve considerable amount of work, the KVIC decided that the interest on all outstanding loans should be calculated with effect from 1st April 1981 according to the terms and conditions applicable to them and intimated to the borrowers for recovery and that in respect of period prior to 1st April 1981, the Chief Accounts Officer should suggest a simplified procedure regarding calculation of interest and submit the procedure to it for consideration and approval.

Subsequently, the KVIC in its meeting held in August 1981 directed the Chief Accounts Officer to submit a note detailing the procedure adopted for ensuring that interest was charged and recovered in all cases where it was due and that if it was considered necessary, Government should be approached to permit the charging of such interest from a uniform date in respect of all loans given in a particular year.

The proposal of the KVIC for calculation of interest from 1st January in the case of loans disbursed during October-March and from 1st July for loans disbursed during April-September was approved by Government in March 1985.

The Ministry stated (September 1985) that the work of calculation of interest was progressing.

9.9. *Utilisation certificates* : In respect of loans and grants totalling Rs.206.53 lakhs disbursed to institutions during 1970-71 to 1982-83, utilisation certificates for Rs.37.57 lakhs were still awaited. The unutilised balance of Rs. 24.03 lakhs was also yet to be recovered (June 1985). Similar information in respect of the State KVI Boards was not available with the KVIC.

9.10. *Evaluation of carpentry and blacksmithy* : The work on preparation of survey, design and other relevant material for undertaking a detailed survey to evaluate the working of carpentry and blacksmithy industry was taken up in 1980-81 and was yet to be completed (September 1985). The Ministry stated (September 1985) that the design had already been prepared and the survey was expected to be completed in a year or so.

#### 9.11 *Summing up:*

The following are the main points that emerge:

- Although the total production and employment increased over the years, there was no correlation between the investment and production/employment in various States.
- About 75 per cent of the total production for 1983-84 was accounted for by seven States alone.
- There was a wide disparity in annual average earnings per person ranging from Rs.1052 in Maharashtra to Rs.5034 in Haryana during 1983-84.
- The actual production in the working/reporting units during 1983-84 was Rs.8713.98 lakhs against the installed capacity of Rs. 11,615.98 lakhs.

- The number of persons employed in such units in 1983-84 was 1.61 lakhs against the created employment potential of 2.06 lakhs.
- KVIC funds amounting to Rs.468.49 lakhs remained blocked (31st March 1984) with various inefficient/ weak/defunct units.
- Working capital of Rs.12.57 lakhs provided by the KVIC was found to be surplus with 11 institutions as on 31st March 1983.
- There was considerable shortfall in achievement of targets of production and sales in the departmental trading units at Dahanu and Ahmedabad.
- Loans of Rs.58.53 lakhs were overdue for recovery from 88 institutions; loans of Rs.71.55 lakhs were also overdue for recovery from 15 State KVI Boards (31st March 1984). Records of overdue interest from all State Boards/institutions were not being maintained.
- Utilisation Certificates for Rs.37.57 lakhs in respect of assistance given from 1970-71 to 1982-83 were wanting; recovery of unutilised balance of Rs.24.03 lakhs was awaited (June 1985).
- Preparation of a detailed survey undertaken in 1980-81 to evaluate the working of carpentry and blacksmithy industry was yet to be completed (September 1985).

## MINISTRY OF TRANSPORT

### 10. Cochin Port Trust

#### (a) *Short levy of port charges due to incorrect categorisation of vessels*

For levying pilotage fees, berth hire charges and other port dues under the Major Port Trusts Act, 1963, vessels arriving at a port are categorised either as coasting vessels or as foreign vessels. A coasting vessel means a vessel arriving at the port from another Indian port either in ballast or with cargo loaded, and/or passengers embarked, exclusively from Indian ports and which leaves for another Indian port either in ballast or with cargo and/or passengers exclusively for Indian ports, provided that it has obtained a licence from the Directorate General of Shipping for being treated as a vessel engaged in coastal trade. A vessel other than a coasting vessel is treated as a foreign vessel. The rates of pilotage fees, berth hire charges and other port dues prescribed for coasting vessels are lower than those prescribed for foreign vessels.

During the course of audit of import manifests, mooring bills, etc., of Cochin Port Trust (hereafter Port Trust) for the period April 1981 to June 1982, it was noticed that daughter vessels chartered for conveyance of crude oil brought to Cochin Port by mother tankers from foreign countries were being treated as coasting vessels. As the cargo conveyed in such cases was not exclusively from Indian ports, the daughter vessels ought to have been treated as foreign vessels. The incorrect categorisation of foreign vessels as coasting vessels in 118 cases between April 1981 and June 1982 resulted in short levy of Rs.48.42 lakhs towards port dues.

The cases of short levy were pointed out by Audit to

the Port Trust between April 1983 and January 1984. According to the provisions contained in the Major Port Trusts Act, a revision of demand is to be made within a period of two years from the date of payment of the original demand. When the short levy was brought to the notice of the Port Trust in April 1983 the time limit for revising the demand in 111 cases involving short levy of Rs.46.98 lakhs for the period from May 1981 was not over. Nevertheless, no steps were taken by the Port Trust to review the cases and revise the demands. The amount of revenue thus lost to the Port Trust due to incorrect categorisation as well as failure to revise the demands within the prescribed time limit amounted to Rs.48.42 lakhs.

In November 1983 the Port Trust accepted the audit views. Later in December 1983, the Port Trust stated that it had decided to treat daughter vessels engaged in lighterage operations as foreign vessels and collect charges accordingly from 6th November 1983. Notwithstanding this, daughter vessels chartered for lighterage operations for bringing foreign cargo continued to be categorised as coastal. In the case of 2 such demands raised in November/December 1983, the short levy amounted to Rs.1.09 lakhs. On this being pointed out in audit (May-July 1985), the Port Trust revised the demand to make good the short levy and collected the amount in July/August 1985.

(b) *Loss on sale of scrap iron :*

Tenders were invited by the Port Trust in November 1983 for the sale of scrap iron on annual contract basis. The approximate quantity of scrap iron likely to be available for sale during the year was indicated in the tender notice as 550 tonnes. Two offers were received-one for a rate of Rs.500 per tonne from a public sector undertaking

'A' and the other, for a rate of Rs.1401 per tonne from a private firm 'B'. On negotiation by the Port Trust, firm 'A' offered (March 1984) revised per tonne rates of Rs.800 for steel scrap, Rs.700 for steel chain and Rs.200 for other items like wire ropes, damaged drums etc.

Stating that the higher offer made by the private firm was not realistic, the Port Trust accepted the lower offer of firm 'A'. In this connection, it was seen that; (i) the average rate fetched by the Port Trust on sale of scrap during 1982-83 for items other than wire ropes and empty drums was more than Rs.1280 per tonne while the rate fetched for wire ropes and empty drums was Rs.300 per tonne, (ii) the rates per tonne fetched by Madras Port Trust for sale of scrap (other than damaged drums for which the rate was per barrel) during 1983-85 ranged between Rs.1225 and Rs.5260 and (iii) the rates per tonne fetched by Visakhapatnam Port Trust for scrap (other than empty drums for which the rate was per barrel) during 1984 ranged between Rs.1050 and Rs.2850. Compared to these, the rate offered by firm 'B' could not be considered unrealistic.

Between April and November 1984, firm 'A' removed 818 tonnes of scrap (Steel Scrap : 749 tonnes; Steel chain : 5 tonnes; Other items: 64 tonnes). The loss to the Port Trust due to non-acceptance of the higher offer of firm 'B' worked out to Rs.5.31 lakhs.

The Ministry stated (January 1986) that it was in view of the overwhelming advantage in dealing with a public sector undertaking that the rates of firm 'A' though lower, were accepted by the Port Trust. However, the Port Trust stated (November 1985) that in view of the audit observation the contract for sale of scrap in 1985 had been settled accepting the higher offer of a private firm.

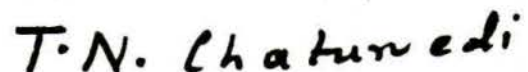


(D.K. CHAKRAVORTY)  
Director of Audit-I, Central Revenues.

New Delhi :  
The

27 APR 1986

Countersigned



(T.N.CHATURVEDI)  
Comptroller and Auditor General of India.

New Delhi :  
The

28 APR 1986

**APPENDIX I**  
(Vide sub-paragraph 1.2.2)

**Outstanding Utilisation Certificates**

Ministry/ Department	Period to which grants relate (upto September 1983)	Number of utilisation certificates outstanding at the end of March, 1985	Amount
1	2	3	4
(In lakhs of rupees)			
<b>Commerce</b>			
(i) Commerce	1976-77	3	5.00
	1977-78	4	5.19
	1978-79	7	53.31
	1979-80	39	331.52
	1980-81	29	204.64
	1981-82	38	331.00
	1982-83	35	392.00
	1983-84	35	429.00
		<b>190</b>	<b>1751.66</b>
(ii) Textiles	1977-78	5	12.19
	1978-79	49	173.93
	1979-80	60	138.65
	1980-81	29	37.35
	1981-82	45	244.04
	1982-83	72	175.50
	1983-84	36	236.61
		<b>296</b>	<b>1018.27</b>
<b>Energy</b>			
(i) Power			
(ii) Non-Conventional energy sources			Awaited
<b>Education and Culture</b>			
(i) Education	1976-77	262	307.15
	1977-78	257	540.29
	1978-79	543	628.55
	1979-80	449	740.34
	1980-81	319	1138.58
	1981-82	331	1799.40
	1982-83	766	4316.95
	1983-84	143	1151.65
		<b>3070</b>	<b>10622.91</b>
(ii) Culture	1976-77	121	82.98
	1977-78	88	15.76
	1978-79	72	81.51
	1979-80	99	132.11
	1980-81	119	122.99
	1981-82	164	180.11
	1982-83	271	271.94
	1983-84	120	176.31
		<b>1054</b>	<b>1063.71</b>
<b>Defence</b>			
Aeronautics	1976-77	19	44.88
	1977-78	36	47.18

1	2	3	4
(In lakhs of rupees)			
	1978-79	21	25.04
	1979-80	36	55.31
	1980-81	50	85.91
	1981-82	64	111.37
	1982-83	60	118.30
	1983-84	57	128.85
		<b>343</b>	<b>616.84</b>
External Affairs	1977-78	1	0.02
	1978-79	1	9.87
	1982-83	7	20.58
		<b>9</b>	<b>30.47</b>
<b>Finance</b>			
(i) Economic Affairs	1978-79	2	5.12
	1979-80	2	5.41
	1981-82	2	20.10
	1982-83	2	0.14
	1983-84	1	50.00
		<b>9</b>	<b>80.77</b>
(ii) Revenue	1982-83	4	7.04
	1983-84	3	8.50
		<b>7</b>	<b>15.54</b>
(iii) Central Board of Direct Taxes	1976-77	6	0.21
	1977-78	8	0.24
	1978-79	8	0.20
	1979-80	8	0.21
	1980-81	9	0.30
	1981-82	8	0.33
	1982-83	11	0.35
	1983-84	4	0.50
		<b>62</b>	<b>2.34</b>
<b>Food and Civil Supplies</b>			
(i) Civil Supply	1977-78	14	138.49
	1979-80	7	202.56
	1980-81	8	3.44
	1981-82	7	11.08
	1982-83	4	11.20
	1983-84	2	20.13
		<b>42</b>	<b>386.90</b>
(ii) Food	1976-77	4	2.06
	1977-78	2	1.02
	1978-79	2	3.00
	1979-80	5	5.88
	1980-81	6	13.67
	1981-82	7	11.51
	1982-83	5	18.20
	1983-84	2	16.21
		<b>33</b>	<b>71.55</b>
<b>Health and Family Welfare</b>			
(i) Health	1976-77	106	185.71
	1977-78	89	234.94
	1978-79	85	949.65
	1979-80	142	324.93
	1980-81	86	414.79
	1981-82	140	363.87
	1982-83	181	1004.21

1	2	3	4	1	2	3	4
		(In lakhs of rupees)				(In lakhs of rupees)	
	1983-84	66	1418.76	Irrigation	1981-82	1	0.46
		<b>895</b>	<b>4896.86</b>	Information and Broadcasting	1976-77	3	43.00
(ii) Family Welfare	1976-77	26	13.38		1977-78	2	50.00
	1977-78	23	35.44		1978-79	1	22.18
	1978-79	21	78.58		1982-83	1	4.22
	1979-80	31	99.88			7	<b>119.40</b>
	1980-81	34	122.09	Labour	1978-79	3	18.24
	1981-82	57	244.43		1979-80	2	1.23
	1982-83	76	266.69		1980-81	2	27.27
	1983-84	33	138.10		1981-82	2	0.83
		<b>301</b>	<b>998.59</b>		1982-83	2	42.48
Home Affairs					1983-84	8	137.16
(i) Home Affairs	1976-77	14	80.38			<b>19</b>	<b>227.21</b>
	1977-78	21	133.70	Planning			
	1978-79	29	115.13	(i) Planning	1976-77	1	1.67
	1979-80	37	134.56	Commission	1977-78	1	2.78
	1980-81	57	148.49		1978-79	1	4.56
	1981-82	78	179.39		1979-80	1	13.39
	1982-83	47	212.56		1980-81	29	40.73
	1983-84	16	68.43		1981-82	20	13.63
		<b>299</b>	<b>1072.64</b>		1982-83	15	9.01
(ii) Delhi	1976-77	5	95.67		1983-84	26	69.35
	1977-78	138	1430.39			<b>94</b>	<b>155.12</b>
	1978-79	181	1556.07	(ii) Statistics	1977-78	9	303.27
	1979-80	135	2531.21		1978-79	7	361.63
	1980-81	146	839.80		1979-80	9	1249.00
	1981-82	218	1531.88		1980-81	10	363.70
	1982-83	192	2625.11		1981-82	9	396.42
	1983-84	181	1486.53		1982-83	6	210.00
		<b>1196</b>	<b>12096.66</b>		1983-84	10	551.24
(iii) Chandigarh	1976-77	48	116.97			<b>60</b>	<b>3435.26</b>
	1977-78	69	194.89	Shipping and Transport			
	1978-79	90	73.38	Works and Housing		Awaited	
	1979-80	82	63.56	Electronics	1976-77	35	83.71
	1980-81	62	77.25		1977-78	52	143.76
	1981-82	55	2843.68		1978-79	64	209.60
	1982-83	56	96.97		1979-80	149	427.37
	1983-84	43	272.77		1980-81	173	446.20
		<b>505</b>	<b>3739.47</b>		1981-82	260	862.01
(iv) Andaman and Nicobar Admn.	1980-81	26	1.96		1982-83	137	433.93
	1981-82	3	0.07		1983-84	64	184.36
	1982-83	20	9.38			<b>934</b>	<b>2790.94</b>
	1983-84	7	4.86	Environment	1976-77	10	3.93
		<b>56</b>	<b>16.27</b>		1977-78	30	10.84
Industry					1978-79	65	33.04
(i) Industrial Development	1979-80	19	1031.70		1979-80	53	37.13
	1980-81	9	141.27		1980-81	45	15.90
	1981-82	21	1282.44		1981-82	101	59.99
	1982-83	17	3494.50		1982-83	156	197.63
	1983-84	11	2026.43		1983-84	100	134.30
		<b>77</b>	<b>7976.34</b>			<b>560</b>	<b>492.76</b>
(ii) Small Scale Industries	1982-83	1	0.09	Ocean Development	1981-82	4	190.00
					1982-83	7	155.06

1	2	3	4	1	2	3	4
		(In lakhs of rupees)				(In lakhs of rupees)	
	1983-84	10	204.40	Rural Development	1976-77	16	297.97
		21	549.46		1977-78	25	597.20
Science and Technology	1976-77	142	225.22		1978-79	42	1344.87
	1977-78	313	506.12		1979-80	53	1131.81
	1978-79	379	553.43		1980-81	78	1657.50
	1979-80	432	839.64		1981-82	58	1496.19
	1980-81	439	926.19		1982-83	51	2054.75
	1981-82	666	1479.91		1983-84	30	6865.00
	1982-83	988	2317.64			353	15445.29
	1983-84	417	6359.14	Ministry of Steel & Mines			
		3776	13207.29	Department of Mines	1980-81	2	4.96
Space	1976-77	1	0.05		1981-82	9	60.70
	1977-78	1	0.15		1982-83	1	0.50
	1978-79	2	0.07		1983-84	6	56.28
	1979-80	6	0.69			18	122.44
	1980-81	15	2.03	Ministry of Transport			
	1981-82	18	8.21	Deptt. of Civil Aviation	1980-81	4	2.32
	1982-83	67	49.44		1981-82	4	3.54
	1983-84	21	8.49		1982-83	5	4.11
		131	69.13		1983-84	9	4.26
Sports	1983-84	33	8.70			23	14.23
				Ministry of Law & Justice	1981-82	3	1.76
Social Welfare	1976-77	237	227.95		1982-83	20	6.12
	1977-78	100	87.66		1983-84	24	21.30
	1978-79	86	137.09			47	29.18
	1979-80	88	128.47	Ministry of Urban Development	1981-82	29	19.69
	1980-81	106	113.21		1982-83	47	27.26
	1981-82	177	660.61		1983-84	7	9.00
	1982-83	227	276.89			83	55.95
	1983-84	345	591.03	Ministry of Tourism	1983-84	5	17.52
		1366	2222.91				
Ministry of Agriculture and Rural Development				Department of Personnel and Administrative Reforms	1976-77	NOT	9.89
Department of Agriculture and Rural Co-op.	1976-77	47	139.95		1977-78	AVAIL-	39.93
	1977-78	49	220.58		1978-79	BLE	55.63
	1978-79	68	141.53		1979-80		63.53
	1979-80	60	382.56		1980-81		66.26
	1980-81	35	343.11		1981-82		24.75
	1981-82	58	947.05		1982-83		68.49
	1982-83	74	861.51		1983-84		38.18
	1983-84	39	2479.56				366.66
		430	5515.85	Grand Total		16406	91,303.64