

To be treated as confidential till
presented before the Legislature.

THE AUDIT REPORT

1962



सत्यमेव जयते

IX

GOVERNMENT OF WEST BENGAL

**THE AUDIT REPORT
1962**



सत्यमेव जयते

Recd. from the
Fini. (approx.) Dept.
on 2.8.62
No. 67-1/62
Free of cost.

IX
054 (272)

©

Government of West Bengal
Finance Department, 1962



38186

Errata to the Government of West Bengal Audit Report, 1962

- Page 1—Para. 2, 1958-59 last Col. Read $\frac{+1.04}{}$ for “+1.03”.
- Page 1—Para. 2, 2nd Sub-para. Read “Rs. 0.70 crore” for “Rs. 0.70 crores”.
- Page 1—Para. 2, fourth Sub-para. Read “(including ‘Sales Tax’), etc.” for “(including ‘Sales Tax’ etc)”.
- Page 3—Para. 3, I—Capital Ex-
penditure on (ii) figure against
1960-61. Read $\frac{-0.90}{}$ for “-0.90”.
- Page 6—Para. 6, 1st line .. Read $\frac{\text{‘Rehabilitation loans’}}{\text{‘Rehabilitation loan’}}$.
- Page 11—Para. 12, line over the
Statement. Read $\frac{\text{‘available’}}{\text{‘asavailable’}}$.
- Page 21—Para. 27, lines 7 and 15. . . Read $\frac{\text{‘powdered’}}{\text{‘powered’}}$.
- Page 23—Para. 29, heading, 2nd
Col. Read $\frac{\text{‘items’}}{\text{‘itmes’}}$.
- Page 23—Para. 29, last line .. Read $\frac{\text{‘continues’}}{\text{‘continous’}}$.
- Page 23—Statement, last Col.
against 1958-59. Read $\frac{1.88}{}$ for “1.83”.
- Page 23—Para. 30, Sub-para. 2 .. Insert the word $\frac{\text{‘which’}}$ between the words “tube-wells”
and “contained”.
- Page 23—Para. 31, 3rd line .. Read $\frac{\text{‘contractor’s firm’}}{\text{‘contracting firm’}}$.
- Page 25—Para. 33, Penultimate line Read “under” for “onder”.
- Page 29—Para. 29, line 8 .. Read $\frac{\text{‘ledger’}}{\text{‘ladger’}}$.
- Page 30—Para. 37(2), line 1 .. Read $\frac{\text{‘Transport’}}{\text{‘Transpost’}}$.
- Page 30 ^{Para 38} / Line 5 .. Read $\frac{\text{‘utilising’}}{\text{‘utilising’}}$ for “utilising”.
- Page 38—Para. 48, last sub-para.,
line 1. Read $\frac{\text{‘have’}}{\text{‘has’}}$.
- Page 45—Para. 51 (vi) (vii) (a),
lines 2 and 13. Read $\frac{\text{‘stores’}}{\text{‘store’}}$.
- Page 47—Para. 54, line 4 .. Read $\frac{\text{‘waste’}}{\text{‘wase’}}$.
- Page 51—Para. 56A, line 10 .. Read $\frac{\text{‘amounted to’}}{\text{‘amountin to’}}$.
- Page 51—Para. 56A, line 11 .. Read $\frac{\text{‘depreciation’}}{\text{‘depreccation’}}$.
- Page 52—Para. 57, last sub-para.,
2nd line. Read $\frac{\text{‘tons’}}{\text{‘ton’}}$.
- Page 54—Para. 60, last Sub-para,
line 6. Read $\frac{\text{‘those’}}{\text{‘these’}}$.
- Page 56—Against “12—Municipali-
ties” last Col., line 3. Read $\frac{\text{‘the rates in’}}{\text{‘in the rates’}}$.
- Page 58—Heading .. Read $\frac{\text{‘Local’}}{\text{‘Lodal’}}$.
- Page 69—Receipts side, Item 2(b) Read $\frac{\text{‘283’}}{\text{‘281’}}$.
- Page 74—Heading of Col. 4 .. Read $\frac{\text{‘Utilisation’}}{\text{‘utilistaion’}}$.
- Page 76—Col. 1, item 1 .. Read $\frac{\text{‘Quinine Sulphate B. P.’}}{\text{‘Quinine Sulphate B.F.’}}$.

TABLE OF CONTENTS

The Audit Report.						Reference to	
						Paragraph.	Page.
Page 1	Introductory .. .. .	..	..	..	..	1	v—vi
Page 1	CHAPTER I—GENERAL .. .. .	..	..	..	..	2—8	1—6
Page 1	CHAPTER II—APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE.					9	7—8
	Excesses Over Voted Grants .. .. .	..	..	..	..	10	9—10
Page 2	Excesses Over Charged Appropriations					11	10
Page 2	Control Over Expenditure .. .. .	..	..	..	..	12	11—12
Page 2	Delay in submission of materials for the Appropriation Accounts					13	12
Page 2	CHAPTER III—CIVIL DEPARTMENTS						
	Section I—Defalcations, etc.						
Page 3	Finance Department .. .. .	..	..	..	..	14(a)	13
Page 3	Police Department .. .. .	..	..	..	..	14(b)(c)	13
Page 3	Department of Health .. .. .	..	..	..	..	14(d)	14
Page 3	Department of Agriculture and Food Production					14(e)	14
Page 3	Cottage and Small-Scale Industries Department					14(f),	15
Page 3	Food, Relief and Supplies Department					14(g)	15
Page 3	Food, Relief and Supplies Department—Misappropriation					15	15
Page 3	Section II—Other Financial Irregularities.						
Page 3	Land and Land Revenue Department					16	16
Page 3	Finance Department .. .. .	..	..	..	..	17	16
Page 3	Education Department .. .. .	..	..	..	..	18	16
Page 40	Cottage and Small-Scale Industries Department					18	16—17
Page 47	Department of Fisheries .. .. .	..	..	..	..	19	17
Page 51	Animal Husbandry and Veterinary Services Department					20	18
Page 51	Cottage and Small-Scale Industries Department					21	18
Page 51	Refugee, Relief and Rehabilitation Department					22 to 25	18—20
Page 51	CHAPTER IV—WORKS EXPENDITURE					26	21
	Irrigation and Waterways Department .. .. .	..	..	..	..	27 to 29	21—23
	Housing Department .. .. .	..	..	..	..	29	22
	Department of Health .. .. .	..	..	..	..	30,31	23—24
	Public Works Department .. .. .	..	..	..	..	32	24
	Development Department .. .. .	..	..	..	..	33,34	24—25

	Reference to	
	Paragraph.	Page.
CHAPTER V—AUDIT OF STORES AND STOCK ACCOUNTS	35	26—28
Non-submission of Store Accounts	36	29
Department of Health	37,38	29—30
Commerce and Industries Department	39	31
Public Works Department	40,	31,
CHAPTER VI—RECEIPTS.		
Department of Local Self Government and Panchayats ..	41	32
Public Works Department	42	32
Development Department	42,	32
CHAPTER VII—LOANS AND ADVANCES, SUSPENSE, AND REMITTANCE TRANSACTIONS.		
Land and Land Revenue Department	44	33
Department of Fisheries	45	38
Cottage and Small-Scale Industries Department	46	33—36
Public Works Department	47,48	36—38
Development Department	47,48	36—38
Irrigation and Waterways Department	47,48	36—38
CHAPTER VIII—GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES.		
Statutory Corporations	49	39
Calcutta State Transport Corporation	50	40—42
The West Bengal State Electricity Board	51	42—46
West Bengal Financial Corporation	52	46—47
West Bengal State Ware-housing Corporation	53	47
<i>Government Companies.</i>		
The Kalyani Spinning Mills Limited	54	47—48
Government Commercial and Quasi-Commercial Undertakings	55,56	48—50
Cottage and Small-Scale Industries Department	56A	51
Department of Agriculture and Food Production	57	51—52
Food, Relief and Supplies Department	58	52
Development Department	59	52—53
Co-operation Department	60	53—54
Investments in Co-operative Institutions and Banks ..	61	54

	Reference to	
	Paragraph.	Page.
CHAPTER IX—AUDIT OF GRANTS-IN-AID	62	55—57
CHAPTER X—LOCAL AUDIT AND INSPECTION ..	63	58—59
Outstanding Audit Objection	64	59
CHAPTER XI—OTHER TOPICS OF INTEREST ..	65	60
Scheme for the abolition of Zamindary System ..	65	60—61
Appendix I—Statement showing Savings under Voted Grants ..	..	62—63
Appendix II—Statement on Review of Works Expenditure ..	..	64—66
Appendix III—Store Accounts .. ..	..	67—79
Appendix IV—List of Wanting Pro forma Accounts ..	..	80—81
Appendix V—Pro forma Accounts .. ..	..	82—89

INTRODUCTORY

Certain changes in the form and arrangement of material in the Appropriation Accounts and the Audit Report have been introduced this year as indicated below :—

(1) The Appropriation Accounts have been published as a separate compilation; these accounts have been prepared by convenient groups of sub-heads instead of by each sub-head with a view to focussing attention on more important matters and enhancing the usefulness of the publication.

(2) This compilation contains only the Audit Report, 1962. The material in this Report is arranged in the following order:

(1) Chapter I incorporates certain points of interest arising out of the Finance Accounts, 1960-61, which are published as a separate compilation, presenting the accounts of the receipts and out-goings of Government and the financial results disclosed by the Revenue and Capital Accounts, the accounts of the Public Debt and the liabilities and assets of Government.

(2) Chapter II embodies comments on the Appropriation Accounts with particular reference to the efficiency of budgeting and control over expenditure.

(3) Chapters III and IV deal with cases of financial irregularities, losses, etc., noticed in audit of expenditure relating to Civil Departments and Public Works. Minor irregularities, losses, etc., included previously in notes under the respective grants have now been included in the Audit Report itself, wherever necessary.

The Detailed Statement of Expenditure on important New Works hitherto appended to the Appropriation Accounts has been replaced by a review included in Chapter IV containing comments regarding works taken up without proper sanctioned estimates or budget provision.

(4) Chapters V and VI relate to Audit of Stores and Stock Accounts and Audit of Receipts. The former also contains a synoptic statement of the transactions (and balances) of important Stores Accounts other than those relating to Government Commercial and Quasi-Commercial Departments/Undertakings together with comments thereon, wherever necessary.

Chapter VII contains comments relating to transactions under Loans, Advances, etc.

(5) Chapter VIII contains a synopsis of the financial results of (i) Statutory Corporations, (ii) Government Companies and (iii) Government Commercial and Quasi-Commercial Undertakings and draws attention to points of interest relating to selected units. The pro forma Annual Accounts of the important Government Commercial and Quasi-Commercial Undertakings have been included in the Appendix to the Report.

(6) Chapters IX and X deal with Audit of Grants-in-aid and outstanding Inspection Reports and Audit Objections.

(7) Chapter XI deals with Other Topics of Interest.

The financial irregularities, losses etc., commented upon in the Report relate mostly to cases which came to the notice of audit during the year 1960-61; cases which came to notice in earlier years but could not be dealt with in previous Audit Reports have also been included. Certain matters relating to the period subsequent to 1960-61 have also been included wherever considered necessary for the purpose of this Report.

CHAPTER I

General

2. The revenue receipts and expenditure on Revenue Account during the last five years were as shown below:—

			(In crores of rupees).		
Year.			Revenue Receipts.	Expenditure on Revenue Account.	Difference of Revenue Surplus(+) Revenue Deficit (—)
1956-57	..	..	57.61	71.20	—13.59
1957-58	..	..	68.28	70.18	—1.90
1958-59	..	..	80.39	79.35	+1.04
1959-60	..	..	91.64	85.88	+5.76
1960-61	..	..	96.04	93.04	+3.00

The year 1960-61 closed with a revenue surplus of Rs. 3 crores as against the deficit of Rs. 1.06 crores expected in the budget. On the receipt side the increase was mainly under the heads "Taxes on Income other than Corporation Tax" (due to larger assignment of share of Income-tax by the Central Government) Rs. 6.13 crores, "Sales Tax" (due to normal growth and collection of arrears) Rs. 2.61 crores and "Miscellaneous" (due to larger recoveries from Central Government in respect of expenditure on displaced persons) Rs. 2.53 crores partly counterbalanced by short-falls under "Civil Administration" Rs. 1.81 crores and "Miscellaneous Adjustments etc." Rs. 3.15 crores. The increase in expenditure was under "Miscellaneous" (due to large-scale relief operations in areas affected by floods) Rs. 5.39 crores, partly counterbalanced by less expenditure under "Irrigation" Rs. 0.70 crores and "Extraordinary items" Rs. 1.46 crores.

No new tax was levied during the year nor any changes made in the existing taxes.

The increase in revenue under "Land Revenue" and "Other Taxes and Duties" (including "Sales Tax"), etc., over the last 5 years is shown below:—

			(In crores of rupees).				
			1956-57	1957-58	1958-59	1959-60	1960-61
Land Revenue	..	..	4.44	5.44	5.74	5.04	6.33
State Excise Duties	..	..	5.05	5.25	5.46	6.02	6.17
Taxes on Vehicles	..	..	1.37	1.63	1.53	2.06	2.19
Other Taxes and Duties	..	..	17.30*	18.93*	8.16	9.17	9.12
Sales Tax	..	..	..	..	16.65	17.11	19.73
Receipts of Departments dealing with Administrative, Social and Development Services, such as Education, Agriculture and Industries, etc.			6.20	7.22	9.27	11.14	10.69
Receipts on account of displaced persons and other miscellaneous receipts.			3.09	4.92	4.79	10.22	7.12

*Includes receipts on account of "Sales Tax".

The increase under Sales Tax was mainly due to larger receipts from Inter-State Sales Tax, normal growth and increased arrear collections.

The increase under Administrative, Social and Development Services is due mainly to larger grants from the Centre.

Non-realisation of Water rates

Arrears to the extent of Rs. 1.16 crores on account of Water-rates up to 1960-61 were outstanding (31st March, 1961) in respect of the Commercial Irrigation Schemes as detailed below :

Year.	Midnapur Canal.	Eden Canal.	Damodar Canal.	Bakreswar Irrigation Canal.	(In lakhs of rupees).		
					Mayurakshi Reservoir Project.	Total.	
1	2	3	4	5	6	7	
Up to 1955-56	..	·08	·90	2 70	·02	9·56	13 26
1956-57	1·11	·01	12·78	13 90
1957-58	·77	2·13	..	19·14	22 04
1958-59	20·87	20·87
1959-60	..	·15	..	..	·03	11·80	11·98
1960-61	..	·81	..	..	·17	33 03	34·01
Total	..	1·04	1·67	5·94	·23	107·18	116·06

Some of these outstandings are several years old. Figures against the last scheme do not take into account the unassessed revenue in respect of a large area of land about 478,778 acres brought under compulsory irrigation under the Bengal Development Act during the years 1954-55 to 1960-61. It was stated by the Revenue Officer in July, 1961, that though the rates of Improvement Levy was fixed and declared by Government in December, 1958, the assessment work could not be completed in time due to non-availability of adequate staff for additional work.

Expenditure

2A. The increase of Rs. 21.84 crores in Expenditure on Revenue Account since 1956-57 has been under the following heads :

	1956-57	1957-58	1958-59	1959-60	1960-61	(In crores of rupees).	
						Increase since 1956-57	
Administrative Services—							
Police	7·13	7·77	7·85	8·03	8·35	1·22
Other Administrative Services	6·51	7·32	6·99	7·91	8·28	1·77
Total	13 64	15 09	14·84	15·94	16·63	2·99
Social and Development Services—							
Education	10·08	11·38	12·93	15·95	16·76	6·68
Medical and Public Health	5·45	6·11	6·24	7·83	8·82	3·37
Welfare of Scheduled Tribes, Castes and other Backward Classes	..	·02	·02	·03	·03	·03	·01
Other Social and Developmental Services	7·28	8·36	8·96	9·65	10·42	3·14
Total	22·83	25·87	28·16	33·46	36·03	13·20
Other Services—							
Interest Charges	1·87	2·43	2·98	3·49	4·58	2·71
Civil Works (Buildings and Roads)	..	3·60	3·90	3·80	3·98	4·62	1·02
Forest	·94	·98	·94	1·08	1·28	·34
Other Miscellaneous Services	28·32	21·91	28·03	27·93	29·90	1·58
Total	34·73	29·22	36·35	36·48	40·38	5·65

The main increase has been under "Police" in the "Administrative Services", under "Education" in the "Social and Development Services" and under "Interest Charges" in the "Other Services".

The Social and Developmental Services account for more than half the total increase of Rs. 21.84 crores. The percentage of expenditure on these services to the total expenditure met from Revenue has gone from 32.06 in 1956-57 to 38.72 in 1960-61.

Expenditure Outside the Revenue Account.

3. For expenditure outside the Revenue Account, the resources available to the State Government during 1960-61 and the preceding 4 years were as follows :

Net additions to—	(In crores of rupees)	
	1960-61	1956-57 to 1960-61
I. (i) Permanent Debt	7.05	26.97
(ii) Floating Debt .. .. .	..	..
(iii) Loans from Central Government	19.88	119.38
(iv) Loans from other sources and Unfunded Debt	2.56	7.37
II. Miscellaneous (mainly excess of deposits, etc., received by Government over repayment on that account).	4.30	15.48
III. Revenue Surplus	3.00	..
Total	36.79	169.20

An analysis of the expenditure incurred from the resources referred to above is given below :

I. Capital Expenditure on --	(In crores of rupees).	
	1960-61	1956-57 to 1960-61.
(i) Irrigation and Multipurpose River Valley Schemes	5.05	44.23
(ii) Other Commercial Departments/Undertakings, Schemes of Government Trading, Industrial Development, Road and Water Transport and Agricultural Schemes.	—90	5.10
(iii) Other Capital expenditure —		
Compensation to Land holders, etc., on the abolition of the Zamindari System.	1.45	6.07
Capital Outlay on Civil Works	17.06	61.78
Miscellaneous Capital Outlay on other works and Payments of Commuted value of Pensions.	0.09	0.31
II. Net outgo under "Loans and Advances by the State Governments" i.e., after taking into account repayments of loans.	7.31	29.72
III. Revenue Deficit .. .. .	..	5.70
IV. Increase in Cash Balance and Investment	6.73	16.29
Total	36.79	169.20

As brought out in the above statements, the State Government raised during 1960-61, a loan of Rs. 7.05 crores in the open market and took loans

amounting to Rs. 19.88 crores (net) in that year from the Central Government towards the financing of schemes under the Second Five-Year Plan, rehabilitation of displaced persons. The cash balance and investments increased by Rs. 6.73 crores during the year the balance at the end of the year being Rs. 29.41 crores (Cash Balance Rs. 2.20 crores; Investments Rs. 27.21 crores). An appreciable amount of the loans taken by the State Government thus remained unspent and only increased the amount invested carrying a much lower rate of interest and contributed to the increased cash balance. The cash balance with the Bank earns no interest and the investments earn only 2.56 per cent. on an average. ✓

The above statements also indicate that 46 per cent. of the resources available to the State Government during 1960-61 was spent on Capital Outlay on Civil Works, 20 per cent. on Loans and Advances and 14 per cent. on Irrigation and Multipurpose Schemes. There were mainly two important Multipurpose River Schemes entirely financed by the State Government, viz., Mayurakshi Reservoir Project and Kangsabati Reservoir Project. The capital outlay at the end of 1960-61 on these two projects stood at Rs. 15.26 crores and Rs. 4.91 crores, respectively. The Revenue Accounts of these Projects have not yet been opened. The loss on working, after taking into account the receipts and interests payable on capital, amounting to Rs. 75.76 lakhs and Rs. 17.53 lakhs, respectively has been capitalised. There are no other productive Irrigation Schemes in the State.

The progressive capital outlay on compensation to land holders, etc., on the abolition of the zamindari system amounted to Rs. 6.07 crores against which the net receipts during 1960-61 were Rs. 86.18 lakhs. The receipts and expenditure arising on this account have been reviewed in detail in paragraph 65 at pages 60-61 of the Report.

Investments in the shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Societies amounted to Rs. 2.21 crores.

Of the four Statutory Corporations in the State, viz., The Calcutta State Transport Corporation, The West Bengal Financial Corporation, The West Bengal Warehousing Corporation, and the State Electricity Board, the first two made profits while the last two incurred losses. The working of the Corporations has been reviewed in paragraphs 50 to 53 at pages 40 to 47 of the Report.

4. Government Commercial undertakings: There are 23 Commercial and quasi-Commercial Schemes under the State. The pro forma profit and loss accounts for the year 1960-61 have not been finalised in respect of any of the schemes, and therefore their financial results are not ascertainable. Accounts of some of the schemes relating to earlier years have been reviewed in paragraphs 55-56 at pages 48 to 51 of the Report.

The only Government Company in the State during the year, viz., the Kalyani Spinning Mills Ltd., in which Government investment amounted to Rs. 1.40 crores, incurred a net loss of Rs. 3.02 lakhs in the first year of its working, mainly on account of depreciation of fixed assets.

5. Investments of Government in the shares of Joint Stock commercial concerns, etc: The State has not invested in the shares of Joint Stock Companies after 1952-53. As against Rs. 1.70 lakhs invested in West Bengal Salt Co. Ltd. between 1950-51 and 1952-53, Government have received a return of Rs. 16,350 up to 1960. Dividends in 1958 and 1960 were 1½ per cent. and 2 per cent. respectively and none in 1959. The return on the investment has thus been insignificant.

The investment of Government in the shares of Co-operative Institutions up to 1960-61 amounted to Rs. 31.91 lakhs. The results of working of the Institutions are shown in paragraph 61 at page 54 of the Report.

In addition, the State has also been advancing loans to Joint Stock Companies for the promotion of industries under the State-aid to Industries Act, 1931. The amount due for repayment on account of principal of loans granted up to 31st March, 1960 but not repaid up to August 1961 stood at Rs. 8.38 lakhs. Certain irregularities noticed in this connection are shown in paragraph 46 at page 34 of the Report.

6. Debt position of the State: Under Article 293 of the Constitution the executive power of the State Government extends to borrow within the territory of India upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the legislature of the State. The legislature of the State has not laid down any limit on the borrowings of the State. The increase in the debt since 1st April, 1950, has been as follows:

						(In crores of rupees).		
						Permanent Debt.	Loans from the Central Govt.	Other Debts.
1st April, 1950		14	4
1st April, 1955	..	..	..	..	7	105	10
1st April, 1958	..	..	..	..	22	190	7
1st April, 1960	..	..	..	..	35	236	11
1st April, 1961	..	..	..	..	42	256	14

Arrangements for amortisation of permanent debt have been made. A sum of Rs. 2.49 crores was adjusted during the year 1960-61 to the Sinking Funds which stood at Rs. 10.95 crores at the end of the year. The following table shows the annual contributions to the Sinking Fund and the interest charges paid on permanent debt since 1950-51:

						[In crores of rupees.]	
						Sinking Fund.	Interest.
1950-51	..	..	..	..	..	..	..
1955-56	..	..	..	..	..	0.59	0.43
1958-59	..	..	..	..	..	1.54	0.99
1959-60	..	..	..	..	..	2.08	1.23
1960-61	..	..	..	..	..	2.49	1.52

In respect of other debts, the net interest charges paid which takes into account the interest received by the State Government from loans and advances and investments since 1950-51 are given below:

						[In crores of rupees.]	
1950-51	..	..	..	..	..	0.37	
1955-56	..	..	..	..	..	2.28	
1958-59	..	..	..	..	..	5.55	
1959-60	..	..	..	..	..	2.40	
1960-61	..	..	..	..	..	2.97	

The Government did not consider any amortisation arrangement necessary in respect of loans from the Central Government. The repayment of loans taken from the Central Government has not been regular in the case

of Rehabilitation loans, Loans for Mayurakshi Project, Chemical Fertiliser under Grow More Food Scheme, Loans for Educational Development, Cottage and Small Scales Industries (other than Handloom Industry) and loans for Handloom Industry.

As regards the Rehabilitation loans, the revised terms and conditions of repayment are still undecided. Sums of Rs. 18.81 crores on account of principal and Rs. 8.34 crores on account of interest remained outstanding towards repayment on this account according to the original terms and conditions of repayments.

The terms and conditions for repayment of the loans for the Mayurakshi Reservoir Project were revised in November, 1961 and all the amounts of principal and interest due up to 1961-62 according to these terms and conditions were repaid in March, 1962.

The overdue amounts on account of principal and interest on 31st March, 1961 on other Central Government loans are indicated below :

(In lakhs of rupees).

			Principal.	Interest.
Chemical Fertiliser under Grow More Food Scheme	..	..	215.41	10.12
Loans for Educational Development	..	..	16.51	7.94
Cottage and Small-Scale Industries (other than Handloom)	..	..	18.33	8.03
Handloom Industry	..	..	10.85	0.87

7. Guarantees given by the Government of West Bengal in respect of loans raised by Statutory Corporations, etc: Under the Constitution, the State is empowered to give guarantees in respect of loans raised by others within such limits as may be fixed by the legislature. The legislature of the State has not laid down any limit on the powers of the Government to give guarantees.

The State Government has given guarantees in respect of loans and capital raised by the State Financial Corporation, the Commissioner for the New Howrah Bridge, Co-operative Institutions and National Sugar Mills Ltd. (Rs. 25.75 lakhs). Against the maximum guaranteed amount of Rs. 7.56 crores, the loans and capital outlay raised and outstanding against these institutions amounted to Rs. 4.34 crores on 31st March, 1961.

8. Arrears in recovery of loans and advances: The total loans and advances given by the State Government as on 31st March, 1961 amounted to Rs. 67.70 crores. The principal classes of loans granted by Government are loans to Calcutta Corporation, Port Trust and other Port Funds (Rs. 1.57 crores), loans to Municipalities (Rs. .76 crore), advances to cultivators (Rs. 5.33 crores), loans and advances to displaced persons (Rs. 39.97 crores) and miscellaneous loans and advances (Rs. 17.14 crores). The overdue amount of loans recoverable from Municipalities, District Boards and Calcutta Corporation at the close of the year 1960-61 was Rs. 19.49 lakhs (principal Rs. 10.78 lakhs plus interest Rs. 8.71 lakhs). The information regarding the amount of recoveries in arrears in respect of other loans for which the detailed records are maintained by Departmental Officers are not available.

The position regarding recovery of loans and advances to agriculturists and displaced persons have been dealt with in paragraphs 44 and 25 of the Report.

CHAPTER II

Appropriation Audit and Control over Expenditure

9. (I) The following table compares the expenditure during the year with the total of voted grants and charged appropriations:

				(In crores of rupees.)		
Grants/Appropriations.				Actual Expenditure.	Excess (+) Savings (-)	Remarks.
Voted—						
Original			131.20	} 118 02	-24.81	
Supplementary			11.63			
Charged—						
Original			20.44	} 14.66	-6.21	
Supplementary			0.43			
			163.70	} 132.68	-31.02	

Although supplementary grants were taken under 23 grants, they proved entirely unnecessary in five cases, as the expenditure did not even come up to the original grant. In five cases (viz., 2—Land Revenue, 16—Jails, 27—Industries-Industries, 35—Famine and 36—Privy Purses and allowances of Indian Rulers), the supplementary grants proved excessive; the savings ranged from 5 to about 16 per cent. of the total grant in 4 cases.

On the other hand, there were seven grants (viz., 6—Registration, 14—General Administration, 15—Administration of Justice, 18—Ports and Pilotage, 20—Charges on account of Education, 33—Miscellaneous Departments—Excluding Fire Services and 37—Superannuation allowances and pensions) under which the supplementary grants obtained proved inadequate and there was an excess over the final grant. It thus appears that there is scope for a closer estimation of the requirements before supplementary demands are placed before the Legislature.

There were 17 grants under which the savings exceeded 10 per cent. (vide Appendix I) and in 13 of these, the savings exceeded 20 per cent. (ranging from 29.39 to more than 100 per cent.). In 19 grants, the savings were less than 10 per cent.

(II) Large savings occurred in grants, such as Irrigation, Public Health, Miscellaneous—Other Miscellaneous Expenditure, Community Development Projects, Road and Water Transport Schemes, Multipurpose River Schemes, Civil Works and Loans and Advances. Under these grants, against a total grant of Rs. 56.01 crores, the unutilised amount came to Rs. 19.48 crores.

Substantial savings under some of the heads occurred because implementation of the schemes and progress of expenditure were not achieved to the extent anticipated at the time provision was made as indicated below :

				(In lakhs of rupees.)	
Scheme.				Funds provided.	Actual Expenditure.
1. Schemes Under Public Health---					
(i) Malaria-cum-Filaria Control				80.29	50.52
(ii) National Urban Water Supply and Sanitation				84.85	8.13
(iii) Rural Water Supply and Sanitation				90.00	59.34
2. Schemes for development of Agriculture					
3. Scheme for establishment of a slaughter house in Calcutta					
4. Scheme for expansion of training facilities under Labour and Labour Welfare.				14.00	..
5. Housing Schemes including Stum clearance and rural housing.				335.87	140.32
6. Dairying and Milk Supply				114.00	72.55
7. Schemes under Community Development Projects—					
(i) Health and rural sanitation				53.47	11.77
(ii) Housing				35.81	12.04
(iii) Social Education				29.35	10.55
8. Civil Works for Education, Medical, Industries, Agriculture, etc. Departments under Development Schemes.				358.24	178.08

The savings in the other cases have been explained as largely due to less outlay on Mayurakshi Reservoir Project, less advances to the Damodar Valley Project, smaller amounts of loans granted to Presidency Corporations and loans under Centrally-sponsored schemes, transfer of the State Transport Services in Calcutta and surrounding areas and in Cooch Behar to the State Transport Corporation.

The percentage of total savings taking the aggregate of voted grants together was 17.37 against 11.13 and 15.26 in the preceding two years.

(III) Against charged appropriations, the entire provision of Rs. 23.98 lakhs for payment of interest on capital under Road and Water Transport Schemes remained unutilised due to transfer of the State Transport Services in Calcutta and surrounding areas and in Cooch Behar to the State Transport Corporation. There was also a saving of 51.18 per cent. on the amount of Rs. 10.82 crores under Public Debt. There was no occasion for drawal or repayment of Cash Credit Advances from the State Bank of India. This and smaller repayment of loans from the Union Government mainly accounted for the savings. The other items of savings under charged appropriations do not call for any special notice.

10. **Excesses over Voted Grants :** The voted grant was exceeded in the following nine cases which require regularisation under Article 205 of the Constitution. The main causes which led to the excesses are also given below :

Number and Name of Grant.	Original Grant.		Supplementary Grant.		Final grant.		Excess.	Percentage of excess.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
6—Registration	24,23,000	89,000	25,12,000	25,14,282	2,282	0-09	0-09	
The excess is small.								
14—General Administration	3,39,28,000	22,21,000	3,61,49,000	3,64,59,333	3,10,333	0-86	0-86	
Mainly under Secretariat and Headquarters Establishment and District Administration due to increased activities.								
15—Administration of Justice	89,85,000	5,51,000	95,36,000	97,84,475	2,48,475	2-61	2-61	
Mainly due to refixation of pay of the officers of the West Bengal Civil Service (Judicial) promoted to the West Bengal Higher Judicial Service.								
18—Ports and Pilotage	11,83,000	1,46,000	13,29,000	13,47,361	18,361	1-38	1-38	
Mainly due to heavy repair charges of a number of pooled launches.								
20—Charges on account of Education	13,75,69,000	2,04,27,000	15,79,96,000	16,76,00,859	96,04,859	6-08	6-08	
Mainly larger expenditure on Development Schemes on account of multipurpose Schools, introduction of free elementary education and expansion of basic education, improvement of teaching facilities in higher secondary schools, improvement of teachers' training facilities and their condition and quality of service, housing for students in secondary schools and youth welfare activities.								
21—Medical	6,60,62,000	..	6,60,62,000	6,72,71,209	12,09,209	1-83	1-83	
Mainly under 'Suspense' due to less recoveries on account of supply of medical stores than anticipated.								
30—Miscellaneous Departments—Fire Services.	30,83,000	..	30,83,000	39,88,146	5,146	0-12	0-12	
The excess is small.								
33—Miscellaneous Departments—Excluding Fire Services.	50,37,000	6,55,000	56,92,000	66,72,406	9,80,406	17-22	17-22	
Mainly due to larger transactions under sub heads (i) Stock (ii) Miscellaneous P. W. Advances and (iii) Purchases under "Suspense" than originally anticipated.								

Number and Name of Grant.	Original Grant.	Supplementary Grant.	Final grant.	Expenditure.	Excess.	Percentage of excess.
	2 Rs.	3 Rs.	4 Rs.	5 Rs.	6 Rs.	7
37—Superannuation Allowances and Pensions.	1,62,39,000	2,11,000	1,64,50,000	1,68,77,207	4,27,207	2.59

The State Transport undertaking, which was originally a Government Commercial Department, having been converted into an autonomous body during the year, the provision for pensionary charges made under the head 'deduct-pensionary charges transferred to Commercial Departments' could not be utilised.

Though the number of grants under which excesses occurred remained the same as in the last year, the amount of excess in the year under report was lower as may be seen from the table given below :—

Year.	Number.		Amount. (In lakhs of Rs.)
	Number.	Amount.	
1956-57	..	3	11.32
1957-58	..	7	11.55
1958-59	..	11	2,33.92
1959-60	..	9	3,33.72
1960-61	..	9	1,28.06

11. **Excesses over Charged Appropriations** : Charged Appropriations were exceeded in the following four cases which require regularisation

Number and Name of Appropriation	Original Appropriation.	Supplementary Appropriation.	Final Appropriation.	Expenditure.	Excess.	Percentage of excess.
	2 Rs.	3 Rs.	4 Rs.	5 Rs.	6 Rs.	7
34—Civil Works	..	15,46,000	18,81,000	19,13,527	32,527	1.72
Mainly due to expenditure on supply and installation of one set of passenger lift at Raj Bhaban for which no provision was made in the budget.						
41—Miscellaneous—Expenditure on Displaced persons.	..	19,27,000	33,04,000	33,04,041	41	0.001
The excess is small.						
43—Extraordinary charges Due to larger payment of decretal costs.	5,000	6,244	1,244	24.28
10—Interest	..	20,99,000	22,54,000	22,74,824	20,824	0.92
Due to larger adjustment of interest charges on the increased capital outlay on Works.						

12. Control over expenditure: Each grant or appropriation is divided into several units and placed at the disposal of one or more Controlling Officers who should secure as close an approximation as possible between the actual expenditure and the final grant or appropriation as the case may be. The object is to ensure that the money expended has been applied to the purpose or purposes for which the grants and appropriations have been made and that the amount of expenditure does not exceed the amount of provision. But it would appear that the control to the desired extent was not exercised as cases of over budgeting, unnecessary provision of funds or reappropriations, savings and excesses continued to occur. Paragraph 9(Γ) brings out the grants where the supplementary grants proved unnecessary, excessive or inadequate. In the case of following grants the surrender of funds made at the end of the year was in excess of the available amounts:

Number and name of grant/Appropriation.	Saving.	Amount surrendered.
	Rs.	Rs.
4—Stamps	34,080	1,01,000
14—General Administration—charged	1,745	19,841
19—Scientific Departments	1,293	4,500
26—Charges on account of Co-operative Credit	23,30,024	24,26,304
27—Industries—Industries—charged	19,066	22,900
29—Industries—Cinchona	2,07,061	2,17,000
41—Miscellaneous—Expenditure on Displaced Persons	48,18,966	58,39,204
47—Road and Water Transport Schemes	3,38,00,041	3,40,39,849

Some important instances of defective control in the case of individual group heads are enumerated below:

*Savings: Grant No. 11—Irrigation—Group Head—L-1, Works.—*An original provision of Rs. 1.15 crores was made for works in the Kangsabati Reservoir Project. The expenditure for the year came up to Rs. 1.38 crores. A reappropriation of Rs. 43.55 lakhs was made in March, 1961 which proved excessive to the extent of nearly Rs. 20 lakhs.

*Grant No. 21 Medical—Group Head L(b)-Development Schemes—Second Five-Year Plan.—*The expenditure under this head was Rs. 1.34 crores against the original provision of Rs. 1.53 crores. Additional funds provided by reappropriation in March, 1961 to the extent of Rs. 16.21 lakhs proved entirely unnecessary.

*Grant No. 27—Industries—Industries—Group Head I(a)-A—Scheme for setting up of 3 Spinning Mills—Deduct.—*The Government spent Rs. 65.62 lakhs on the Kalyani Spinning Mills when the Mill was under their management. When the Kalyani Spinning Mills Ltd. was established in January, 1960, the Government invested Rs. 70 lakhs in the share capital of the Company in March, 1961 subject to recovery of the amount spent by them. No provision for the recovery was made under the above head. Actual recovery of the amount resulted in the saving under the head.

*Grant No. 32—Misc. Departments—Welfare of Scheduled Tribes and Castes and other backward Classes—Group Head B(iii)-C—Other Backward Classes.—*The saving of over Rs. 5 lakhs out of a final grant of about Rs. 19 lakhs was explained as due to non-receipt of timely reports of requirements from the Drawing Officers. This shows that adequate arrangements were not made to get the figures in time for effective control.

Grant No. 34—Civil Works—Group Head D—Repairs—Voted.—Against a provision of Rs. 2.79 crores the expenditure was only Rs. 2.21 crores. A sum of Rs. 5.08 lakhs was transferred from this group head by reappropriation to other group heads in March, 1961 and the final saving amounted to Rs. 53.57 lakhs. This shows that the Department could not estimate its requirements correctly even at the end of this year. The explanation for this large saving is still awaited (March, 1962).

Excesses—

Grant No. 20—Education—Group Head W(ii)—Development Schemes—Second Five-Year Plan.—Though the original provision of Rs. 5.15 crores was augmented by a Supplementary grant of Rs. 1.87 crores in March, 1961 and a reappropriation of Rs. 64.74 lacs in the same month there was an excess of Rs. 1.13 crores at the end of the year which was explained as due to larger expenditure on plan schemes. But no explanation was forthcoming as to why the large excess could not have been anticipated and provided for.

Grant No. 23—Charges on Account of Agriculture—Group Head L(c)(i)—Intensive Food Production Scheme.—The entire excess of Rs. 18.56 lakhs remained uncovered. The explanation for this excess is still awaited.

Grant No. 27—Industries—Industries—Group Head L(a)—2—Investment in Share capital of Kalyani Spinning Mills Ltd.—An investment of Rs. 1.05 crores was made in the above company and this was in accordance with the provision made in the Revised Estimate. Still the major portion of the expenditure was left uncovered as funds to the extent of Rs. 39.03 lakhs only were provided for by supplementary grant and reappropriation.

Grant No. 34—Civil Works—Group Head J(i) 7—Civil Works—Against a total provision of Rs. 62.80 lakhs in the original and supplementary grants the expenditure came up to Rs. 1.18 crores. The excess of Rs. 55 lakhs further increased to Rs. 56.16 lakhs due to a transfer of funds from this head by reappropriation in March 1961 to the extent of Rs. 88,595. This shows that the Department could not estimate its requirements correctly even at the end of the year. The excess which is over 90 per cent. of the final grant still remain un-explained.

Grant No. 46—Civil Works—Group Head F(II)—7—Industries.—There was an excess of Rs. 8.35 lakhs under this head. This was due mainly to an outlay of Rs. 13.60 lakhs on a work for which the original budget provision of Rs. 8.14 lakhs was reduced to Rs. 4.92 lakhs. This indicates defective control over expenditure on works.

13. **Delay in submission of materials for Appropriation Accounts:** The information required for framing the explanations for variations in the case of 224 group heads in the Appropriation Accounts was not received from the Controlling Officers in time or was incomplete. These heads formed 74.26 per cent. of the number of group-heads in respect of which variation had to be explained. The failure has occurred inspite of the fact that the occurrence of such delays has been commented upon in successive Audit Reports and was also brought to the notice of the Government during the year. The result of such delays in the submission of material for the Appropriation Accounts is that the report furnished to the Legislature is incomplete in certain essential respects.

CHAPTER III

Civil Departments

SECTION I—DEFALCATIONS, ETC.

14. **Defalcations:** The following cases of defalcations of cash and stores have come to notice of audit:—

Particulars.

Remarks.

Finance Department.

- (a) A sum of Rs. 1,000 was drawn in July, 1959 from a Treasury under "discretionary grants by the District Officers". In August, 1959 a similar sum was again drawn quoting the same sanction and on the same account. When the matter was taken up by Audit, it was reported in November, 1959 that the second amount was debitabale to "other election charges." As a result of subsequent investigation, however, it was reported by the Treasury Officer in March, 1961 that the second payment was a fraudulent one.

Police investigation to ascertain the total amount of defalcation was stated to be in progress (March, 1962). Departmental proceedings against the Government servants concerned who are under suspension are pending.

Further, at the time of compilation of accounts of the same Treasury for September 1960 and December, 1960, discrepancies of Rs. Rs. 7,957 and Rs. 4,190 respectively were found between the total amounts of payments shown in the vouchers and in the lists of payments. When this was taken up with the Treasury Officer he replied in February, 1961 that as a result of investigation it had been found that the amounts had been withdrawn fraudulently from the Treasury in those months.

Police Department.

- (b) The receipts of the Police Directorate amounting to Rs. 12,964 sent to the Bank for deposit on different dates between the 28th November, 1959 and the 26th December, 1959 were misappropriated and forged challans were placed in the office file. The Commissioner of Police stated that these remittances to the Bank were verified from time to time.
- Under the rules, when remittances were appreciable, a consolidated receipt of all remittances should, as soon as possible after the end of the month, be obtained for verification with the postings in the Cash Book. Had this been done at the end of November, 1959, the major portion of the misappropriation in December, 1959 involving Rs. 9,043 could have been avoided. The matter was stated to be under police investigation and information regarding the action taken against the officers at fault is awaited.
- (c) In another case a Sub-Inspector attached to a Court Malkhana was alleged to have removed cash and other valuables in the Malkhana during the period from the 3rd January, 1953 to 29th July, 1958 when he was in charge of Malkhana. The defalcation came to light in July, 1958 after the Sub-Inspector had been transferred from there. He was suspended in December, 1958 and departmental, investigation conducted between October 1958 and March, 1959 showed the total value of loss to be Rs. 8,809.
- It was reported in January 1961 that the criminal case against the Sub-Inspector initiated in May, 1959 was pending for want of Government order allotting a Special Court where the case would be tried and that departmental proceedings against the officer at fault have been kept in abeyance till the disposal of the criminal case.

Particulars.

Remarks.

Department of Health.

- (d) Following a report of shortage of cash to the extent of Rs. 2,977 noticed in the Medical College Hospital, Calcutta, during physical verification on the 24th July, 1960 a special audit of the accounts for the period from April, 1956 to February, 1960 brought to notice a defalcation amounting to Rs. 49,000 approximately as stated below—
- A criminal case stated to have been instituted against the persons concerned is still (March, 1962) sub-judice.
- (i) Four cheques for Rs. 113, Rs. 107, Rs. 1,644 and Rs. 696 of different dates payable to suppliers were recorded in the Cash Book as Rs. 5,113, Rs. 5,107, Rs. 7,644 and Rs. 6,696 respectively. The cash balances on the respective dates were thus understated and the amount thus made available, totalling Rs. 22,000 was misappropriated.
- (ii) The total of 14 cheques amounting to Rs. 2,361 entered on the receipt side of Cash Book on 4th March, 1959 was not included in the total of the receipts for the day. Subsequent disbursements of the cheques between 9th March, 1959 and 31st March, 1959 were accounted for on the payment side. Cash balance available to the extent of understatement was misappropriated.
- (iii) Labour Room Confinement fees amounting to Rs. 600, received between 30th May, 1959 and 16th December, 1959 were not accounted for.
- (iv) The shortage of cash of Rs. 2,977 found by the Officer-in-Charge of the Hospital on physical verification on 24th February 1960 was found to be understated. The real shortage amounted to Rs. 23,977 as it was noticed that in four uncashed cheques the amounts had been tampered with so as to show an excess amount.

Department of Agriculture and Food Production.

- (e) A case in which a clerk in the Poultry Multiplication Centre, Kalimpong, fraudulently encashed some bills during the period from March, 1958 to September, 1958 by forging the signature of the then Deputy Director of Agriculture of the Range and misappropriated the proceeds thereof came to the notice of the Department in July, 1959. The relevant records and bill extracts were stated to have been kept with or destroyed by the clerk. The misappropriation came to notice when discrepancies between departmental statements of accounts and Accounts Office figures during those months were brought to the notice of the Deputy Director of Agriculture in July, 1959. The amount involved in the alleged misappropriation is estimated to be about Rs. 6,000. The case was reported to the Police on the 12th July, 1959 and the clerk concerned was placed under suspension from that date.
- It was stated in August, 1960 that a criminal case had been instituted by the Police. Departmental enquiry had also been started. The results are still awaited (March, 1962).

Particulars.

Remarks.

Cottage and Small Scale Industries Department.

- (f) On June, 1960, some pages of the Cash Book of the Personal Ledger Account of the Deputy Director of Industries (Cottage), West Bengal, were found to have been torn. A detailed check undertaken departmentally showed that a cheque drawn on the 5th May, 1960 for Rs. 5,000 had been altered to Rs. 25,000 by interpolation. The cheque was encashed by the Clerk-cum-Typist from the Bank on the 5th May, 1960 and the excess amount of Rs. 20,000 out of the same was alleged to have been misappropriated.
- The Clerk-cum-Typist, who was entrusted with the work of writing out cheques as well as of maintaining the Cash Book, had not furnished any security.
- He has been placed under arrest and police investigation as well as departmental enquiry into the matter are proceeding. The results of the same are awaited (March, 1962).

Food, Relief and Supplies Department.

- (g) A case of fraudulent delivery of 242 maunds of rice valued at Rs. 4,023 from a District Reserve Centre between the periods from 17th May, 1955 to 4th October, 1955 were reported to Audit in May, 1959. The Nazir of the Office and Ration dealer concerned had been suspended.
- Fixation of responsibility for the loss was stated to be pending. The police enquiry started in September, 1959 has not yet been finalised.

FOOD, RELIEF AND SUPPLIES DEPARTMENT

15. **Misappropriation:** It was reported in a note below the Appropriation Account for Grant No. 36—Capital Outlay on Provincial Scheme of State Trading for the period 15th August, 1947 to 31st March, 1948 (published along with the Audit Report, 1949) that a private firm employed as an agent to collect sale proceeds of Government stores failed to remit into the Bank the daily collections in full and that during 1947-48, a total sum of more than Rs. 5 lakhs had been withheld in this way.

When, in 1943, the firm first took up the work of collection on behalf of Government, they had furnished security deposit to the extent of Rs. 80,000 in cash and Government securities and a Fidelity Bond for Rs. 2 lakhs which was subsequently enhanced to Rs. 4 lakhs. The Fidelity Bond for Rs. 4 lakhs executed last by the firm in January, 1947 lapsed on the 31st December, 1947 and was not renewed.

The firm habitually delayed remittances into the Bank and when the agency was terminated on the 25th June, 1948, a sum of Rs. 5.81 lakhs was due from them. A criminal suit was instituted against the firm on that day for recovery of Government dues, which according to departmental calculation came to Rs. 4.15 lakhs, after adjustment of the security deposit and other sums due to them. The suit was, however, withdrawn in February, 1949, as Government had not entered into a written agreement with the firm.

Subsequent investigations and enquiries made by Government showed that the firm had ceased to function from December, 1955 and the financial status of the firm was far from satisfactory. Government, accordingly filed a civil suit on the 15th April, 1958, the result of which is not yet known (March, 1962).

SECTION II—OTHER FINANCIAL IRREGULARITIES.

LAND AND LAND REVENUE DEPARTMENT

16. Recovery due from the Nawab of Murshidabad: With the enforcement of the West Bengal Estates Acquisition Act, all intermediary interests in the State of West Bengal vested in the State Government with effect from 1st Baisakh, 1362 B.S. (15th April, 1955); raiyati interests, however, vested in the State Government with effect from 1st Baisakh, 1363 B.S. (14th April, 1956) on the implementation of Chapter VI of the Act. Accordingly the intermediary and raiyati interests in respect of Murshidabad Estate vested in Government with effect from the above dates. The Nawab of the Estate filed a petition in the High Court on the 22nd November, 1954 and obtained an ad-interim injunction from the Division Bench of the Court on the 5th September, 1955 restraining the State Government from taking possession of the Estate. The Government took possession of the raiyati and intermediary interests below and above those of Nawab, realised rents, etc., from the estates of the raiyats and intermediaries whose interests had thus been acquired and paid to the Nawab only the amount that would have been payable to him by intermediaries and raiyats, had these interests not been acquired under the Act. A sum of Rs. 4.71 lakhs was thus paid to the Nawab during the period from December, 1957 to March, 1958.

Although the decision of the Court dismissing the petition of the Nawab was given in February, 1959, the amount paid to the Nawab is still pending recovery. Government have stated that, after adjusting a refundable amount of Rs. 2.72 lakhs paid to Government by the Estate as its rents, cesses, etc., payable to the intermediary interests, a balance of Rs. 1.99 lakhs remains to be recovered from the Estate.

FINANCE DEPARTMENT

17. Retention of heavy cash balances in the Nazarat for a long time: Under the Financial Rules money should not be drawn unless required for immediate disbursement and where disbursement cannot be made within the prescribed period money should not be held over but returned into the treasury.

A review of the cash balances in different Nazarats of the District Collectorate showed that heavy amounts had been retained in cash for long without any apparent justification. From the reports so far (October, 1961) obtained from 13 out of the 15 collectorates it came to notice that amounts representing pay, Travelling Allowance, contingencies like House Building grants, Test or Gratuitous Relief drawn long before had not been disbursed but carried over from year to year in cash book. The total of the undisbursed amounts up to the end of September, 1960 aggregated Rs. 2.41 lakhs. Out of this balance, Rs. 59,179 was outstanding for more than one year and some of the items relate to amounts drawn as early as in 1951-52. It would thus appear that adequate supervision had not been exercised on the drawal, disbursement and refund of money by the collectorates.

EDUCATION DEPARTMENT

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

18. Withdrawal of money in advance of requirement to avoid lapse of budget allotment: (a) Out of the loans advanced by the Government of India under the "Low Income Group Housing Scheme" the State Government sanctioned in 1959-60 allotments aggregating Rs. 29.61 lakhs to the

Director of Public Instruction for payment of loans to different non-Government education institutions for construction of 494 residential quarters for the teaching staff. The entire amount was drawn by the Director on the 31st March, 1960; a sum of Rs. 16.74 lakhs was disbursed therefrom in the following financial year between June, 1960 to July, 1961; a sum of Rs. 3.99 lakhs was refunded as late as May, 1961 as the institutions were stated to have failed to receive payments in spite of reminders. The balance of Rs. 8.88 lakhs remained undischarged with the Director up to August, 1961. Evidently it was not possible to disburse the huge amounts either in 1959-60 or immediately thereafter.

According to the scheme the loan could be released only in instalments. A sum of Rs. 4.80 lakhs representing full amount of sanctioned loan was disbursed in contravention of the provision of the scheme.

The irregular withdrawal in this case has not only meant unnecessary locking up of Government funds but also avoidable payment of interest to the Government of India at 4½ per cent. per annum on the un-utilised amount.

(b) Against a sanction accorded on the 12th March, 1960, by the Cottage and Small Scale Industries Department for an expenditure of Rs. 3.09 lakhs on the purchase and installation of machinery kiln, apparatus, etc., an amount of Rs. 3.07 lakhs was drawn by the Superintendent, Bengal Ceramic Institute, towards the end of March, 1960. Out of this amount, a sum of Rs. 2.97 lakhs was disbursed during the period from May, 1960 to September, 1961 and an amount of Rs. 279 was refunded to the Bank during January, 1961 to September, 1961. Detailed contingent bills in support of payment of the balance are yet to be received by Audit.

Drawal of funds in both these cases in advance of requirements is in contravention of the financial rules and constitutes a serious irregularity. The drawal is also in contravention of the Annual Appropriation Act which authorises withdrawals from the Consolidated Fund of the State of amounts required for expenditure during the financial year referred to therein.

DEPARTMENT OF FISHERIES

19. **Entertainment of staff without adequate work:** In connection with the implementation of the scheme of Mechanised Coastal Fishing, the Directorate of Fisheries acquired two "Bachari" type boats in June, 1958 at a cost of Rs. 15,860. Each of these boats was operated for 210 hours in all during the period from June, 1958 to February, 1960. A sum of Rs. 11,386 was spent on the crew during this period.

The boats were considered unsuitable for coastal operation in January, 1960 and as boats with greater horse power were necessary for negotiating coastal currents and enabling the fishermen to go a further distance in search of quality fish, two other boats were purchased and fitted with 30 H.P. diesel engines in February, 1960 at a total cost of Rs. 40,179. The operational crew for these (new) boats was also entertained in March, 1960. But approval to the operation of the scheme during 1960-61 was accorded by Government only on the 20th February, 1961 when the working season for that year was practically over. The expenditure of Rs. 9,407 on account of pay and allowances of the crew of all the four boats, till the end of the year, thus proved infructuous.

The two engines referred to above were purchased at a cost of Rs. 25,579 involving an extra cost of Rs. 4,569 over a lower tender on the ground that the lower tenderer had asked for import licence which could not be obtained within a reasonable time.

ANIMAL HUSBANDRY AND VETERINARY SERVICES DEPARTMENT

20. Expenditure on maintenance of Bulls declared unfit for breeding purposes: Prior to the merger of the Purulia District with West Bengal on 1st November, 1956, 53 bulls were distributed by Bihar Government for being kept in the custody of caretakers spread over different thanas in the District for breeding purposes, the caretakers being paid Rs. 30 per month per bull as maintenance allowance. The West Bengal Government sanctioned the maintenance allowance from the date of the merger. After examining the bulls during his inspection in 1957, the District Livestock Officer, Purulia, recommended on the 26th December, 1957, that the bulls should be disposed of as all of them had been found unfit for breeding purposes. Six bulls died, and 47 bulls that survived were ultimately sold by auction during November, 1958 and December, 1958. Government incurred avoidable expenditure to the extent of about Rs. 16,000 by way of maintenance allowance for the bulls from the date they were declared unfit for breeding purpose till the date of their final disposal by auction.

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

21. Avoidable extra-expenditure: In the Surgical Instrument Servicing Centre under the Community Project Officer (Industries), Baruipur, an order for the supply of 'Pneumatic Power Hammer' was placed on 21st August, 1957 on the lowest tenderer for Rs. 16,327 including Sales Tax. The firm enquired on the next day whether, in view of the expected arrival of a new consignment in November-December, 1957, the delivery out of that consignment would suit the convenience of the Centre. No reply to the firm was issued. However, without cancelling the earlier order, the Centre invited fresh tenders on the 22nd November, 1957 and purchased the hammer for Rs. 23,625 including Sales Tax on the 6th March, 1958 from the firm which tendered lowest on that occasion. This involved the Government in an avoidable extra-expenditure of Rs. 7,298.

It was explained by the Department that the former firm having expressed their inability to deliver the machine as per purchase order, the representative of the firm was repeatedly called for personal interview but did not turn up. It is not clear why a written communication was not sent to the firm in reply to their enquiry regarding the acceptability of supply in November-December, 1957.

The machine purchased on the 6th March, 1958 had not been used till the date of audit in January, 1961. The delay in installation was attributed by the Department to the want of sanction of the installation charges by Government and also to the non-construction of the Factory shed by the Public Works Department.

REFUGEE RELIEF AND REHABILITATION DEPARTMENT

22. Non-recovery of expenditure incurred on a Township Project: The execution of a Township Project at Habra for the housing of displaced persons from East Pakistan was undertaken by the State Government at an estimated cost of Rs. 2.03 crores in 1949 with the intention to recover the expenditure incurred on this account by sale of plots of lands and buildings to the allottees. An expenditure of Rs. 1.25 crores was incurred on the Project up to February, 1960. This included the cost of acquisition of 4,000 bighas of land and the cost of construction of 3,000 houses.

Two thousand five hundred and forty-seven houses were stated (January, 1962) to have been allotted to the refugee families from time to time up to 1960-61, 105 houses were occupied by schools, Government Offices, Clubs,

etc. The remaining 348 houses were in unauthorised occupation of trespassers against whom legal proceedings had been started for their eviction. According to the agreement executed by the allottees the cost of construction of the house, together with the proportionate cost of acquisition of land, development expenses, etc., was to be recovered from them in twenty equal instalments and pending ascertainment of the said cost of construction and development, etc., each tenant was to pay to Government a rent of Rs. 250 annually, while the house allotted to Government Offices carry a monthly rental of Rs. 20 each.

A sum of Rs. 6,80,550 was stated (January, 1962) to have been realised on account of initial advance only from the allottees and Rs. 2,000 on account of rent of Government offices.

Allotment of the houses had been made on different dates commencing from the year 1950. The particulars as regards the dates of allotment of all these houses or the details of calculation of the realisation of Rs. 6,80,550, or the amount of unrealised rent could not be furnished to Audit (February, 1962). From the available records at the time of audit it was noticed that 2,360 houses were allotted on different dates during 1950 to 1959. On the assumption that the first instalment of Rs. 250 had been paid in all these cases, the amount of unrealised rent (up to December, 1960) worked out to Rs. 38.21 lakhs.

Besides, an expenditure of Rs. 3.90 lakhs was incurred on the construction of a Central market at the above township, consisting of 144 stall rooms, 84 covered stalls and 288 open and uncovered stalls. Although the possession of all the stall rooms and covered stalls except 6 rooms and 2 stalls were given to the allottees on different dates commencing from the middle of December, 1957, it was decided by Government to collect rent with effect from the 1st August, 1958 only. A sum of Rs. 3,350 only was recovered from the shop and covered stall-keepers and Rs. 997 from the uncovered stall holders up to February, 1961, against which an expenditure of Rs. 25,420 (at the rate of Rs. 820 per month) was incurred in the administration of the market. A total amount of Rs. 1,04,915 was outstanding as unrealised rent pertaining to the above period.

23. Nugatory Expenditure: Four hundred and twenty seven acres of land in three different places in the Sadar subdivision of Bixbhun district were acquired by the Refugee Relief and Rehabilitation at a cost of Rs. 1.22 lakhs between 1951 and 1958, for resettlement of agricultural displaced families from East Pakistan. Lands at two of these places were made out into 314 plots and a sum of Rs. 24,915 was spent for sinking 8 tubewells. 254 refugee families were settled in these plots and House Building loans amounting to Rs. 1.26 lakhs and Horticulture and Maintenance loans amounting to Rs. 1.16 lakhs were also disbursed to them. Out of 254 families, 240 families left the rehabilitation sites after receiving the loans, but 133 of them were later on settled in another rehabilitation site. 42 families among those who left the site and 8 families out of the 14 families who stayed behind were subsequently rehabilitated in an urban scheme. Thus only 6 families continued to stay in the site acquired and developed for 314 families.

No action was taken to realise the loans amounting to Rs. 1.28 lakhs granted to the 133 families. Original loan of Rs. 46,026 granted to 42 families were adjusted against urban loans allowed to them later on, but bonds were taken from them for lesser amounts only. Loans amounting to Rs. 51,042 had become irrecoverable.

In the third piece of land measuring 269 acres, acquired at a cost of Rs. 86,971, no displaced family had been resettled up to May, 1961. It was stated by the District authorities that out of the above, land measuring 181 acres acquired in Muradihi and Sekhampur for Rs. 55,480 was not suitable

for agricultural purposes and therefore unsuitable for settlement of agriculturist families.

This was brought to the notice of Government in July, 1961 but no reply has been received up to March, 1962.

24. Infructuous Expenditure: Premises No. 16, Cossipore Road, was requisitioned by the Refugee Relief and Rehabilitation Department on December 9, 1958 with the object of shifting the inmates of the Cossipore Women's camp to that house, so that the Food Department might utilise the sheds of the Cossipore Godown, then under the occupation of the Women's camp. On inspection of the house by the Officers of the State Government on the 19th January, 1959, it was found that the existing sanitary and water supply arrangements were not sufficient to meet the requirements of the number of inmates to be shifted there, and that the house would not accommodate even 300 families as against the population of about 1,282 families of the Women's Camp.

It was, therefore, decided not to shift the inmates of the Camp to the premises and that the Food Department might acquire some other godown. Accordingly the house was de-requisitioned on the 29th August, 1959.

The house remained vacant for the entire period of requisition and Government paid Rs. 19,039 as rent.

25. Expenditure on Relief and Rehabilitation of displaced persons:

(a) Expenditure incurred during 1960-61 on (i) Relief and Rehabilitation of displaced persons, (ii) Dispersal of displaced college students from Calcutta, and (iii) Administration of a Township for displaced persons amounted to Rs. 6.55 crores including the expenditure on officers and staff. The expenditure on "Relief" and "Rehabilitation" proper amounted to Rs. 2.95 crores and Rs. 2.33 crores, respectively. Of this amount a sum of Rs. 3.46 crores was realised from the Government of India.

(b) A sum of Rs. 2.20 crores was also advanced to displaced persons on account of various kinds of loans during the year. The total amount of loans advanced to displaced persons at the end of 31st March, 1961 amounted to Rs. 39.97 crores. Particulars regarding the amount, the number of cases in which recoveries were overdue up to the 31st March, 1961 and the year-wise break up have not been furnished by Government this year also.

Recoveries against loans to displaced persons are the responsibility of the District Officers who maintain accounts in respect of each loanee. Reports received direct from seven out of 15 District Officers, however, show that out of Rs. 10.06 crores and Rs. 1.37 crores which fell due for payment on account of instalments of principal and interest respectively before the 31st March, 1961, instalments of principal amounting to Rs. 10.01 crores and interest of Rs. 1.36 crores remained uncollected on 1st April, 1961. Reports from other District Officers are still awaited (March, 1962). The failure to recover the loans has been generally attributed to unsatisfactory pecuniary conditions of displaced persons.

(c) The expenditure incurred on account of pay and allowances of officers and establishment at Headquarters as well as in the districts and camps and also on account of staff connected with the administration of different schemes amounted to Rs. 1.11 crores.

This works out to 14.8 per cent. of the amount spent on Relief and Rehabilitation proper including amount advanced as loans (the percentage excluding the loans, being 20.9). Corresponding percentages in the previous four years were as follows:—

1956-57	..	..	..	..	..	8.8
1957-58	..	..	..	..	..	10.3
1958-59	..	..	..	..	..	13.4
1959-60	..	..	..	..	..	14.7

CHAPTER IV

26. Works Expenditure: The financial rules of the Government prescribe that for every Public Works to be carried out a detailed estimate should be prepared for the sanction of the competent authority and that no work shall be commenced or liability incurred in connection with it until funds are made available.

It was however seen that expenditure amounting to Rs. 7.15 lakhs on 56 works costing over Rs. 2 lakhs each had been incurred during 1960-61 without budget provision. The progressive expenditure up to the end of the year under report on these works amounted to Rs. 5.67 crores. Expenditure amounting to Rs. 25.30 lakhs had been incurred on 3 such works without budget provision and sanctioned estimates.

In respect of 6 works costing over Rs. 5 lakhs each provision had been made in the budget but expenditure amounting to Rs. 59.78 lakhs was incurred up to the end of 1960-61 without the estimates having been sanctioned. In respect of 15 such works, the sanctioned estimates have been exceeded by more than 10 per cent., the amount of such excess awaiting regularisation being Rs. 72.46 lakhs as against the sanctioned estimates of Rs. 1.37 crores.

Eight works estimated to cost more than Rs. 5 lakhs each which were included in the budget for the year were not executed.

Details of works by Departments and names of some important works in respect of which the above irregularities occurred are given in Appendix II.

IRRIGATION AND WATERWAYS DEPARTMENT

27. Overpayment: In the course of excavation of rock in connection with the construction of Left Bank Head Sluices and Saddle Spillway of the Kangsabati Project, a certain quantity of powdered rock and small stones were obtained. It was stated that these were found unsuitable for rock toe and boulder pitching work; but were suitable for and actually utilised in the shoulder fill zones of the earthen dam. As transportation of powdered rock was not covered by the original tender, a provisional rate of Rs. 40 per thousand cft. (with the percentage deduction of the main tender) was allowed up to the 14th Running Account Bill, and later on fixed finally at Rs. 82.50 per thousand cft. Payments made up to March, 1961 for the transportation of powdered rock during the period from February, 1959, to July, 1960 were objected to in Audit in regard to the method of measurement, the quantity paid for and the rate of Rs. 82.50 per thousand cft. finally allowed.

No direct measurements of the powdered rock, etc., transported to the shoulder fill zones were made. The quantities were arrived at indirectly by increasing by 55 per cent. the quantities of excavations as recorded in the Measurement Books to cover the voids and by deducting therefrom such quantities as had been carried by the contractor under other items or used by him in construction work (both recorded in the Measurement Book). In accordance with these calculations payment was made for the transportation of 37.99 lakh cft. of powdered rock, etc.

38186

While admitting that the procedure followed was not a direct method, the Chief Project Engineer stated that the procedure of measurement of the quantities by taking measurements of the length, breadth and height of the Trucks and a suitable deduction made for voids was not practicable. No reasons have, however, been given by the Chief Project Engineer for this view. Under the procedure adopted by the Project authorities there could be no guarantee that the materials for which the transport charges had been paid, had actually been carried to their destination.

The percentage addition of 55 to cover the voids, which was stated to have been arrived at as a result of experiment, was too high as compared with 30 per cent. approved by the Chief Engineer, Irrigation and Waterways Department for rock excavations in canal works; and this lower percentage had already been in vogue in the division and it was stated by the Executive Engineer that, in one of their verifications, this percentage had been found to be very nearly correct. In the Project, 55 per cent. has been allowed for voids against 30 per cent. in the Irrigation Department but this has not been on the basis of any recorded experiments. If void had been allowed at 30 per cent. instead of 55 per cent. over pit head measurements, the quantities of powdered rock for purposes of payment would have been reduced to 31.86 lakhs. cft.

In the matter of transport the item of work did not, in the opinion of Audit, differ from the "Weathered rock susceptible to consolidation" for which the Project authorities had allowed a rate of Rs. 35 per thousand cft.

The extra expenditure as a consequence of the high supplementary rate allowed for transportation and the computation of voids at 55 per cent. instead of the usual 30 per cent. has been estimated at Rs. 2.14 lakhs.

28. Maintenance of Diesel Power Tug:—One Diesel Power Tug is being maintained in the Canals Division since 1952-53 for the purpose of towing and inspection, but has not been put to any service at all since that date. Expenditure on maintenance and entertainment of staff of the tug amounted to Rs. 15,274 during the five years up to 1960-61. It would thus appear that the entire expenditure was unnecessary. There was a proposal to transfer the Diesel Power Tug to another division after necessary repairs but action had not been taken up to March, 1962.

IRRIGATION AND WATERWAYS DEPARTMENT, DEPARTMENT OF HEALTH, HOUSING DEPARTMENT, PUBLIC WORKS DEPARTMENT, REFUGEE, RELIEF AND REHABILITATION DEPARTMENT, DEVELOPMENT DEPARTMENT.

29. Unvouched Expenditure: An officer entrusted with payment of money is required to obtain for every payment he makes, a voucher setting forth full and clear particulars of the claim supported by an acknowledgment of the person to whom or on whose behalf payment has been made. In all cases in which it is not possible for the disbursing officer to support a payment by a voucher or by the payee's receipt, he is required to submit a certificate of payment signed by him and countersigned by his superior officer.

The rules were, however, not strictly followed by Public Works Disbursing Officers, and this has resulted in a large number of objections remaining

outstanding for several years on account of unvouched outlay as detailed below :

Year.	Rs. (In lakhs of rupees).	
	No. of Rs.	Amount.
For the period up to—		Rs.
1951-55	29	·69
1955-56	28	·45
1956-57	37	1·44
1957-58	157	2·78
1958-59	139	1·88
1959-60	316	4·85
1960 61	299	3·46
Total	1,005	15·55

The outstandings were reported every year through the Annual Review on the working of Public Works Divisions and were also pursued with the Departmental Officers at various levels including the Administrative Department. But the position (continued) to be unsatisfactory

DEPARTMENT OF HEALTH

30. **Infructuous expenditure:** A National Urban Water Supply Scheme was formulated by the State Government outside the Plan to be financed out of loan assistance received from the Government of India with the purpose of development of water supply in urban areas. The execution of the work was entrusted to the Public Health Engineering Department and the cost was to be apportioned between Government and the Municipality concerned in the proportion of 2:1.

As a part of this Scheme, the Public Health Engineering Department sank two tube-wells in the Budge Municipal area during 1955-56 at a total cost of Rs. 60,756 without any test boring at the site. The water of these tube-wells, contained a high percentage of iron and chloride was unpalatable and was not being used by the residents for drinking purposes. The Municipal Commissioners proposed that the defects should be rectified by the installation of a water softening plant or making deeper test borings and connecting them to the present water works. These proposals could not, however, be taken up as it was held by the Public Health Engineering Department that this would not be a suitable proposition in view of the heavy capital and maintenance costs and the low water rate income of the Municipality. The expenditure of Rs. 60,756, out of which Rs. 40,504 was borne by the Government as its share, incurred on the sinking of tube-wells without prior investigation thus appears to have been rendered infructuous.

31. **Recovery not effected:** The construction of masonry surface drains in 'B' Block, Kalyani, was entrusted by the Kanchrapara Development Area Division of the Public Health Engineering Branch to a contracting firm under three different contracts in the year 1956-57. The firm were to carry out the work according to the departmental specifications and were to be charged at the rate of Rs. 120 per ton for the cement which was to be issued to them departmentally. In respect of the two out of the three contracts it was found on completion of the work that the contractor had used less cement to the extent of 114.7 tons than would be required under the formula. The Chief Engineer accordingly ordered in June, 1957 and March, 1958 that proportionate reduction of rates for items of cement work should be made. The amount recoverable from the contractor was calculated at Rs. 15,140; but no recovery has so far (March, 1962) been made.

The case was brought to notice of the Chief Engineer in August, 1960, and the Government in June, 1961. Their final reply is awaited (March, 1962).

PUBLIC WORKS DEPARTMENT

32. **Extra-expenditure:** In connection with the widening of Dostipur-Falta Road in the Alipore Division under the Presidency Circle of the Works and Buildings Department, two separate tenders were accepted by the Superintending Engineer of the Circle in September, 1958 and February, 1959. The tenders had been invited on an overall percentage above or below the departmental schedule of rates.

According to the departmental schedule of rates of the Circle the rates of supply of stone metal and stone chips were Rs. 90 and Rs. 110 per hundred cft.; the schedules of probable items of work issued to the contractors with the tender notices showed, however, the rate of Rs. 110 per hundred cft. both for stone metals and stone chips. The error resulted in an extra expenditure of Rs. 13,587.

DEVELOPMENT DEPARTMENT

33. **Infructuous expenditure:** (a) During the rainy season of 1956 it was noticed that a section of the Panskura-Ghatal Road under the Howrah Construction Division, Development (Roads) Department, the construction of which was commenced in January, 1956 and completed in June, 1959, had settled unevenly between the 7th and 9th mile. That portion of the road had accordingly to be picked up and re-metalled after soil stabilisation at a cost of Rs. 40,918.

According to the Chief Engineer of the Department who inspected the site in February, 1957, the uneven sinking of the road crust was due to the fact that the section of the road passed through black cotton soil. The Department, however, stated in November, 1960, that the poor quality of the soil could not be judged by visual inspection and that the system of testing soils during investigations and before preparing estimates was not in vogue in the Department due to certain drawbacks. It was also stated that the technique of soil stabilisation was of recent introduction in the Department. Failure to test the soil and treat the same before undertaking construction of the road work resulted in an infructuous expenditure of Rs. 40,918.

Comments of the Chief Engineer to whom a reference was made in January, 1961, are awaited. The matter has since been brought to the notice of Government in August, 1961. Their reply is also awaited (March, 1962).

(b) An expenditure of Rs. 9,728 incurred during March, 1956 and December, 1956, on the construction of a R.C. trestle Pile Bridge in the North Bengal Road Construction Division was rendered infructuous as it was realised only in the course of construction that such a bridge could not be constructed in that area owing to the peculiar nature of the soil.

A modified timber pile bridge was subsequently constructed and the labour rate items were got executed as supplementary items of the original contract at 4.30 per cent. above the departmental rates through the same contractor. No fresh tenders were invited although the prevalent rates in the locality were about 25 to 35 per cent. lower than the departmental rates. The additional expenditure on this account was Rs. 3,970.

It has been explained that the additional work was entrusted to the working contractor on the consideration that he had done some work and

incurred liabilities for which he might claim compensation. There appears to be no justification for this concession since the contractor was not entitled to any compensation for curtailment of work due to change in specification, design, etc.

The matter was brought to the notice of Government in February, 1961, and their remarks are awaited (March, 1962).

(c) Four manure pits were constructed by the Haringhata Division, Construction Board, in the Haringhata Milk Colony—one in 1954 and three others in 1957—at a total cost of Rs. 2.28 lakhs. The Milk Commissioner reported in November, 1959, that the manure pits could not be used for the purpose due to the percolation of sub-soil water characteristic of the area. It was also stated that the percolation of water could, to some extent, be prevented by using water-proof cement for the walls; but since the area covered was large, the remedy could not be applied owing to the heavy expenditure involved.

A proposal is stated to be now under consideration to convert the manure pits into straw godowns.

(d) In August, 1956, Government employed a private firm, Messrs. Viswakarma Construction (Private) Limited for drawing up plans, specifications and estimates of the Gariahat Housing Scheme estimated to cost Rs. 25.79 lakhs for a lump sum fee of Rs. 23,000 as it was felt that the scheme demanded architectural personnel with special skill which the Construction Board executing the work did not possess. According to the orders, payment of fees was to be made after the firm had submitted to the Chief Engineer, Construction Board, all details regarding plans, specifications and estimates and the latter was satisfied that they would enable him to invite tender for the scheme. On receipt of the said plans and specifications no technical scrutiny was, however, conducted by the department and the lump sum fee of Rs. 23,000 was paid to the firm in May, 1957, under the directions of the Chief Engineer.

Before commencement of the actual structural operations, when details were checked up, it was found that the design prepared by the firm was defective and the foundation insufficient. Revised designs, etc., were, therefore, drawn up by the Designs Division of the Construction Board in February, 1958, and the work was executed according to the revised design.

It was opined by the Chief Engineer, Construction Board, in January, 1958, that plans and estimates, etc., prepared by Messrs. Viswakarma Construction (Private) Limited had not proved satisfactory and useful and that it was to be construed that they had been paid for defective work.

34. Extra-payment to a Contractor: In the Howrah Division of the Construction Board, the work of the construction of a group of buildings (50 houses in Block B, Jhargram) was entrusted to a contractor at 17 per cent. less than the estimated cost. There was a provision that in respect of supplementary items of work, not provided for in the original contract, payment would be made at the rates entered in the schedule of rates of the Presidency Circle (Works and Buildings) in force at the time of acceptance of the contract less the percentage reduction allowed by the contractor over the original estimate. In actual practice four supplementary agreements were entered into for additional items of work entrusted to the contractor and the rates were fixed with reference to the market rates of labour and material plus contractor's profit and not with reference to Schedule of Rates as provided in the original agreement. This resulted in an extra payment of Rs. 3,531 to the contractor.

CHAPTER V

Audit of Stores and Stock Accounts

35. A synopsis of important Stores Accounts (excluding those relating to Government Commercial and Quasi-Commercial Departments/Undertakings, etc.) is given below. Further details are given in Appendix III.

Ministry/Department.	Description.	Opening Balance.	Receipts.	Issues.	Closing to Balance.	Remarks.
1	2	3	4	5	6	7
1. Medical	Instruments and appliances, medicines, bedding etc. in Principal State Hospitals (except Kanchrapara T. B. Hospital) in West Bengal for the year 1958-59.	18.81 (A)	45.90	43.43 (B)	21.28	(A) Variation of Rs. 93 in the opening balance with the closing balance of last year is due to correction of ledger of Beliaghata I. D. Hospital. (B) Includes depreciation, loss, shortage amounting to Rs. 955.
						(a) Value of Stores obtained from the defunct Lake Medical College, Calcutta, as well as the equipments received as free gifts from UNICEF or other non-Government sources was not included in the Store Accounts, although the need for their inclusion was stressed in previous Audit Reports.
						(b) In the case of four hospitals, the Store Accounts represented the value of Stores held in the Central Godown only and excluded the value of Stores held in the sub-stores of different wards of the hospitals.
						(c) In one hospital valuation of Stores (Rs. 32,044) was made on the basis of price list of previous year as the up-to-date priced Catalogue was not available.
						(d) In another hospital, value of stores belonging to the Venereal Diseases Department was left out of the Store Accounts.
2. Medical	Central Medical Stores, Health Services, West Bengal, for the year 1958-59.	28.74 (C)	122.65 (D)	122.81	28.58	(C) Variation of Rs. 16,046 in the opening balance with the closing balance of last year is due to correction of Ledger and valuation. (D) Includes net excess of Rs. 6,123 found on physical verification of stock.

(a) The Store Accounts exclude the balances of Stock lying in the District Reserve Stores which form a part of the Central Medical Stores.

(b) In respect of Stock worth Rs. 96,136 there were no issues during the year.

(c) In 27 cases, purchases of equipments and medicines were made in excess of requirements for the year resulting in an avoidable locking up of Government money to the extent of Rs. 1,85,755 (see also paragraph 37 at page 29 of the Report).

3. Home (Jails) .. Tools and Plant, Raw Materials and finished goods in the Manufactory Department of the Presidency and the Central Jails in West Bengal for the year 1959. 7-42 23-66 23-50 (E) 7-58 (E) Includes Rs. 1,632, Rs 4,646 and Rs. 10,277 relating to loss, depreciation, revaluation respectively.
4. Agriculture .. Intensive Food Production Schemes under the Directorate of Agriculture for the year 1959-60. 19-83 39-55 37-24 (F) 22-14 (F) Includes Rs. 7,77,634 being loss due to subsidised rate and Rs. 38,100 being the amount of shortage.
- (a) No effective check over the receipts of stock in the Agricultural Stores from different sources, could be exercised for want of quarterly returns in respect of all consignments to Sub-divisions. This defect had been pointed out in all previous accounts since 1952-53 onwards.
- (b) The value of the shortage in different stores amounted to Rs. 38,100. The loss requires to be regularised.
- (c) Values of various articles of stores could not be furnished; as such they could not be incorporated in the Value Accounts.
5. Commerce and Industries Government Cinchona Plantation for the year 1959-60. 42-92 18-88 16-06 45-74 (G) Includes Rs. 45 on account of excess quantity found on physical verification and Rs. 33,890 on account of appreciation of value due to change in metric measures and fixation of rate thereof.
- (a) The closing balance of Cinchona bark at the end of 1959-60 registered an increase of 6.5 per cent. over that of 1958-59. The balance appeared to be high since the sales during the year was only one-third of the closing balance for 1959-60.
- (b) The opening balance of Cinchona bark was valued at the rate of Rs. 1-125 per lb. whereas the receipts, issues and closing balance were valued at the rate of Rs. 2-50 per kg. This resulted in an appreciation in the value of closing balance to the extent of Rs. 33,890 (see also paragraph 39 at page 58 of the Report).
6. Commerce and Industries Government Quinine Factory, Mungpo for the year 1959-60. 37-13 47-40 46-72 37-81 (H) Includes Rs. 368 on account of excess quantity found on physical verification.
- (I) Includes Rs. 3,967 on account of shortage found on physical verification.
- (a) A comparison of the quantities of dry bark shown to have been received by the Quinine Factory during 1959-60 with those issued by the several plantations showed that the following quantities were received short :—
- | | |
|--|---------------------------|
| Latpanchor Plantation | 4,221 lbs. (1916-334 kg.) |
| Munsong Plantation | 1,495 lbs. (678-730 kg.) |
| Rongo Plantation (Cinchona bark) | 533 lbs. (241-982 kg.) |
| Rongo Plantation (Russian bark) | 150 lbs. (68-100 kg.) |
- (b) Sales tax paid at the time of purchase of Stores was not included in full in all cases in the purchase price of Stores entered in the Stores Ledger.
- (c) The closing balances of Crude Quinine Sulphate and Cinchona Febrifuge as on the 31st March, 1960 were not verified physically.
- (d) Shortage and losses valued at Rs. 3,967 shown in the accounts were written off by the Director, Cinchona, during the year.

(In lakhs of rupees.)

Ministry/Department.	Description	Opening Balance.	Receipts.	Issues.	Closing Balance.	Remarks.
1	2	3	4	5	6	7
7. Commerce and Industries	Government Quinine Sales Depot, Calcutta, for the year 1959-60.	3.83	19.33 (J)	18.10 (K)	5.06	(J) Includes Rs. 42,791 on account of appreciation due to sale at rates higher than the minimum selling rates.
						(K) Includes Rs. 1,739 on account of depreciation and shortage found on physical verification.
						(a) The total sale of the Depot during the year was Rs. 18.08 lakhs as against Rs. 23.19 lakhs during the last year. There was thus a fall of 22 per cent. in the sale and an increase of 32 per cent. in the closing stock as compared with the previous year.
						(b) The loss due to shortage and depreciation was Rs. 1,738 during the year as against Rs. 227 during the previous year. The losses were written off under orders of the competent authority.
8. Irrigation and Waterways	Departmental Stock for the year 1960-61.	8.31	11.22	5.14	14.39	
9. Public Works	.. Departmental Stock for the year 1960-61.	79.24	248.35	231.22	96.37	
10. Development (Roads)	.. Departmental Stock for the year 1960-61.	29.38	47.40	49.50	27.28	
						(a) Certificates of annual verification of balances have not been received from 46 out of 48 divisions.
						(b) The stock accounts are in arrears from 1947-48, 1951-52, 1954-55, 1957-58, 1958-59, 1959-60 and 1960-61 in respect of 1, 1, 2, 4, 10, 17 and 11 divisions respectively.
						(c) Reserve Stock limits of 16 divisions have exceeded but the excesses have not been regularised.
						(d) Reserve Stock limits in respect of 6 divisions are yet to be fixed.
						(e) The increase in the closing balances of 23 of these divisions is due to less issue of materials.
						(f) The closing balances in respect of 3 divisions showed minus balances but the reasons therefor have not been intimated by the Divisional Officers.

36. Non-submission of Store Accounts: The Accounts of Stores and Stock detailed below which are to be audited and incorporated, if necessary in the Appropriation Accounts have not yet been furnished by the Departments concerned.

Serial No.	Descriptions.	Year of Accounts.
1	Store Accounts of Home (Publicity Department)	1959-60 to 1960-61.
2	Store Accounts of Jail Department	From 1958 onwards.
3	Store Accounts of the Kanchrapara T. B. Hospital ..	1960-61.
4	Consolidated Store Account of the Intensive Food Production Schemes under the Directorate of Agriculture, West Bengal.	1960-61.
5	Stores Accounts of —	
	(1) Government Cinchona Plantations	} 1960-61.
	(2) Quinine Factory at Mangpoo	
	(3) Quinine Sales Depot	
6	Stores Accounts of West Bengal Government Stationery Office, Calcutta.	1960-61.

DEPARTMENT OF HEALTH

37. Central Medical Stores: (a) *Verification of Stores:* The Central Medical Stores handles medicines and equipments worth over a crore of rupees every year in respect of which the need for physical verification was being stressed by Audit. A special officer of the State Government took up the verification in 1956 of about 90 per cent. of the items of stores and it led to the discovery of shortages to the extent of Rs. 3.35 lakhs in some items and excesses to the extent of Rs. 1.36 lakhs in some others. A new stores ledger was opened in 1957-58 with the ground balances as the opening balances, without conducting an investigation into the shortages, and without obtaining orders of any competent authority. The Government stated in December, 1961 that the matter was considered by a Special Officer appointed for the purpose and the question of write-off, on the basis of his report, was under their consideration.

(b) *Medicines and other stores lying unutilised:* 296 items of medicines valued at Rs. 45,358 were lying unutilised for over three years and were awaiting orders of the Condemnation Board for disposal. Government stated in December, 1961 that these medicines had become obsolete due to various factors including invention of modern drugs. Stores worth Rs. 91,144 held for the Public Health Branch were also lying unutilised for two successive years. It was explained by Government that these stores represented mainly anti-malarial drugs and that the demand for these drugs had dwindled down as a result of the success of anti-malarial operations and that the disposal of these stores was under consideration.

(c) *Accumulation of Unserviceable Stores:* During the period of 7th December, 1956 to 31st March, 1959 medicines and equipments worth Rs. 7.24 lakhs were declared either unserviceable or surplus by the Central Condemnation and Disposal Board. The total value of such unserviceable or surplus stock by the end of March, 1960 was reported to be as much as Rs. 14.44 lakhs showing an increase of over Rs. 7 lakhs in course of one year.

(d) *Avoidable extra expenditure:* (i) Tenders for purchase of medicines and equipments by the Central Medical Stores are considered by a Tender Committee. In a number of cases the lowest tenders were not accepted but no reason for acceptance of higher tenders was found on record. The extra expenditure incurred on this account was Rs. 45,660 in 1958-59 and Rs. 1,23,533 in 1959-60.

In regard to the purchase of the year 1958-59 it was stated by the Department in November, 1960 that the Tender Committee might have forgotten to record reasons in each case as required under financial rules, but that the purchases were made on the advice of the experts. As regards the purchases of the year 1959-60 from firms other than the lowest, the Department stated that the decision was based on the consideration that the firms were reliable or that preference was given to the existing suppliers. No records were however made available in support of the reasons stated.

(ii) For supply of one particular medicine—Tab-Ido-Chloro Hydroxy quinotine—orders were placed for 40 per cent. of supply on the lowest tenderer and the remaining 60 per cent. on two higher tenderers at their own rates instead of on the lowest tenderer for the entire supply. This resulted in an extra expenditure amounting to Rs. 22,068. No reasons were given for purchasing medicines at varying rates from firms other than the lowest.

(e) *Appointment of Transport Contractor without calling for tenders:* The cost of road transport of medicines and equipments to the outlying hospitals during the year 1959-60 was Rs. 1.95 lakhs (approximately) and the transport was arranged through a selected transport contractor instead of calling for tenders. It was stated by the Department that no open tender was invited due to 'flood emergency'. Such emergency being confined to some districts on exceptional occasions only it was not clear why the contract for the entire year for all the districts should have been awarded without inviting open tenders.

38. Free gift of Stores: Unserviceable, obsolete or surplus stores as well as stores incapable of being repaired economically of the various State Hospitals, Health Centres and other institutions under the Department of Health are being made over free of cost to a non-Government Committee known as the 'Amenity Committee' since 1956-57 for utilising them or the sale proceeds thereof in the way the Committee thinks best for the benefit of Hospital patients and employees of the Health Department.

The book/replacement value of such free issues to the Amenity Committee during the period from 1956-57 to 1960-61 is shown below yearwise:—

(In lakhs of rupees).

Year.	Value.
1956-57	1.29
1957-58	2.60
1958-59	10.55
1959-60	7.60
1960-61	9.09
Total ..	31.13

COMMERCE AND INDUSTRIES DEPARTMENT

39. Loss in the disposal of Cinchona Bark: In terms of an agreement entered into by the Government of West Bengal on 19th December, 1960 two hundred tons of Cinchona bark were sold at Rs. 2.11 lakhs to a company for export to Europe. The cost of production of the aforesaid quantities of bark being estimated at Rs. 5.08 lakhs the deal has resulted in a loss of Rs. 2.97 lakhs without taking into account the cost of transportation amounting to Rs. 29,141 from the factory-site to Calcutta. The sale of the bark at a loss has been justified on the grounds of (i) accumulation of huge stocks involving locking up of capital, recurring expenditure for storage and risk of deterioration in quality; (ii) earning of valuable foreign exchange; and (iii) opportunity for sale in the international market created by the crisis in Congo.

PUBLIC WORKS DEPARTMENT

40. Non-maintenance of numerical account of spare parts: The failure to maintain numerical account of spare parts of motor vehicles and road rollers (valued at Rs. 61,962) purchased by the Darjeeling Division during the period April, 1957 to September, 1959 and the absence of any record of the old parts received and disposed of since December, 1951 were brought to the notice of the Chief Engineer in December, 1960. His reply is awaited (March, 1962).

CHAPTER VI

Receipts.

DEPARTMENT OF LOCAL SELF GOVERNMENT AND PANCHAYATS

41. **Loss of Revenue:** Consequent on the introduction of the revised procedure for assessment of licence fees under the West Bengal Fire Service Act, 1950, with effect from 1st August, 1957, re-assessment of licence fees of warehouses in respect of certain Jute Mills was expected to result in an enhancement of the licence fee by Rs. 5,000, on an average, per mill. The re-assessment was not, however, completed in more than 70 cases of Jute Mills even by February, 1961, and thus the enhanced licence fee of Rs. 5,000 per annum or so per warehouse could not be collected in respect of those Jute Mills. It would appear that this delay has resulted in a loss of revenue to Government of over Rs. 3.50 lakhs per annum with effect from 1st August, 1957.

It was explained by the Directorate that the existing complement of staff was inadequate for the purpose and Government had been approached in December, 1956 for sanctioning some extra staff (annual establishment cost of Rs. 39,000 approximately).

No staff has however been sanctioned so far March, 1962.

PUBLIC WORKS DEPARTMENT

42. **Outstanding Rent:** No rent has been realised since December, 1953, from a private party to whom a Government residence intended for a section officer, was let out on hire in May, 1948, at a concessional rate of Rs. 10 per month which was much lower than the standard rent of Rs. 20 fixed for Government servants. The amount of rent outstanding on 31st May, 1961, was Rs. 900. Government issued orders in November, 1961, for recovery of the amount from the tenant or institution of eviction proceedings against him. Further developments are awaited (March, 1962).

DEVELOPMENT DEPARTMENT

43. **Non-realisation of revenue:** The ferries at Khari Bridge and Harinkhola under the control of Hooghly Construction Division were leased out by auction in April, 1958, for Rs. 17,110 and Rs. 20,000 respectively. The amounts were payable by the lessees for the period from 1st April, 1958 to 31st May, 1959, in four equal quarterly instalments commencing from April, 1958. The lease agreements in these cases were required to be executed within 10 days from the date of auction but the department made over the ferries to the lessees in April, 1958, without executing the necessary agreements with them. The drafts of the agreements were ready only in March, 1959, but the lessees refused to sign. They also defaulted in the payment of ferry rents and as a result Rs. 17,110 being the entire amount of rent of Khari Bridge ferry and Rs. 10,365 in respect of the other ferry (Rs. 10,000 against the ferry rent of Rs. 20,000 and Rs. 365 on account of hire charges of Tools and Plant) were in arrears even after two years of the expiry of the lease period.

The matter was brought to the notice of Government in June, 1960. The case in respect of Khari Bridge ferry is reported to be *sub judice* (March, 1962). The action taken in the other case has not, as yet, (March, 1962) been intimated to Audit.

CHAPTER VII

Loans and Advances, Suspence and Remittance Transactions

LAND AND LAND REVENUE DEPARTMENT

44. **Delay in recovery of loans:** Loans and advances to agriculturists such as loans to small Jute growers, land improvement loans, to artisans, house building loans including for floods, cattle purchase and fertiliser loans etc. are paid by the District Officers who are also responsible for watching their recoveries. In nine districts, against Rs. 4.78 crores on account of principal and Rs. 71.46 lakhs on account of interest due for recovery by the 31st March, 1961, Rs. 1.76 crores and Rs. 26.66 lakhs respectively only had been recovered. It would thus appear, that recoveries have not been regularly effected.

No information was available to Audit in respect of the other six districts. The failure to recover the loans has been generally attributed to the acute distress prevailing amongst the agriculturists for several years.

DEPARTMENT OF FISHERIES

45. **Unfruitful loans:** Under the scheme for development of beel fisheries the State Government granted loans aggregating Rs. 1.11 lakhs during the period from August, 1950 to October, 1952, to the owners or lessees of four water-areas viz., (i) Chalantika Fisheries, (ii) Manday Beel, (iii) Natabera Fisheries, (iv) Sasadanga Baor, for developing them into remunerative fisheries. The terms of the loan were that individual banking accounts, to be operated jointly, where necessary, by the loanee and the Director of Fisheries, would be opened by the loanees, necessary accounts would be maintained by them and 50 to 75 per cent. of the profits would be set apart for repayment of loan with interest. The loans were secured against mortgage of the water-areas until complete repayment, together with interest at 6½ per cent., within a period of four years.

The terms and conditions of loan were not adhered to by any of the loanees. In the first three cases, the loans were not utilised for proper development of water-areas.

In all the four cases, legal steps have been found necessary to realise Government dues but a major portion of the amount (Rs. 93,862) was still outstanding at the end of April, 1961. The interest up to the date of filing suit in three cases amounted to Rs. 32,996 and in the fourth case Rs. 225 up to the end of April, 1961. The expenditure on legal action up to date amounted to Rs. 4,652.

COTTAGE AND SMALL-SCALE INDUSTRIES DEPARTMENT

46. **Irregularities in the payment of loans under the Bengal State Aid to Industries Act, 1931:** The Director of Industries is responsible for watching the proper utilisation and regular repayment of the loans granted by the Government under the Bengal State Aid to Industries Act, 1931, for promotion and development of industries. 296 units were granted loans amounting to Rs. 22.39 lakhs during 1st March, 1950 to 31st March, 1960. It has been stated by the Department that the amount recoverable on account of principal up to the 31st March, 1960, was Rs. 13.08 lakhs against which a total sum of Rs. 4.70 lakhs representing 35 per cent. only

of the total dues had been recovered (August, 1961). The correctness of these figures could not be verified in audit in the absence of suitable departmental records. It has been stated that in some cases certificate proceedings have been instituted.

Some of the irregularities noticed in Audit are mentioned below :

(1) A loan of Rs. 90,000 was paid to an industrialist in two instalments of Rs. 50,000 and Rs. 40,000 on 1st April, 1952 and 4th March, 1953, under the Act for the purpose of development of his X-Ray apparatus Manufacturing Industry. It was secured by the mortgage of movable and immovable property of the firm in favour of Government. The entire amount of the loan was repayable in eight equal annual instalments of Rs. 11,250 together with interest at 8 per cent. per annum, a rebate of $1\frac{3}{4}$ per cent. being allowed if instalments with interest thereon were paid within seven days of the due dates. The loanee defaulted in making repayments of both principal and interest from the very first instalment which fell due on 1st April, 1954.

In the meanwhile, the loanee had supplied equipments to a Government hospital valued at Rs. 56,000. In March, 1956, when a sum of Rs. 37,063 had become due from the loanee (principal Rs. 22,500 and interest Rs. 14,563), and another instalment of Rs. 11,250 plus interest was to fall due on 1st April, 1956, it was ordered by Government that a sum of only Rs. 21,421 (principal Rs. 1,233 and interest Rs. 20,188) should be adjusted against his claim. Although the loanee did not repay the loan instalments and interest regularly, no action was taken against him before March, 1961, when a certificate case was instituted for recovery of the dues amounting to Rs. 1,16,045 (principal Rs. 88,767 and interest, calculated up to 28th February, 1961 Rs. 27,278). The result of certificate case is not yet known.

In a reply, Government stated (August, 1961) that the Directorate of Industries inspected the concern from time to time between September, 1953 and March, 1958 and that the audited balance-sheet of the firm had been received, which showed a profit. If so, it is not clear why appropriate action was not taken in time for recovery of the loan instalments and interest.

(2) A loan of Rs. 72,000 was granted in 1954 to a person for development of leather goods manufacture, agriculture, horticulture and dairy farming. The first instalment of Rs. 40,000 was paid on the 30th March, 1954. The second instalment of Rs. 32,000 was paid on the 3rd November, 1954, without examining the proper utilisation of the first instalment. The loanee died on 6th June, 1955, before the repayment of the first instalment of loan fell due. An enquiry by the Department in July, 1955, showed that the Government loans had been mostly spent in liquidating the debts previously incurred by the loanee and that was why he had been evading production of accounts. As a result, no development of the industry was possible and the financial position of the concern was reported by the departmental auditor in May, 1956, to be very unsound. So far a sum of Rs. 8,000 has been paid by the heirs of the loanee against the amount of Rs. 95,256 (principal Rs. 72,000 and interest Rs. 23,256) calculated to be due on the 15th June, 1961. Certificate proceedings instituted in November, 1960, were subsequently withdrawn in March, 1961.

(3) A loan of Rs. 65,000 was paid on the 28th March, 1955, to an individual for development of dairy business, although the Milk Commissioner did not recommend more than Rs. 10,820 and even the applicant agreed to the grant of a loan of Rs. 34,320. The loan was not utilised for the purpose for which it was granted and the dairy business ceased to exist

since the middle of 1956 when certificate proceedings were started. After taking into consideration the payment of Rs. 17,000 stated to have been made by the loanee to the Certificate Officer a sum of Rs. 67,860 (principal Rs. 62,836 plus interest up to the 31st March, 1961, Rs. 5,024) remains due from the loanee.

The Government have stated (January, 1962) that the loan is adequately secured against movable property valued at Rs. 2.30 lakhs and that the party concerned has since proposed repayment of the entire loan at a time if interest dues were remitted by Government. The proposal is now under consideration of Government.

(4) A loan of Rs. 50,000, towards purchase of machinery (Rs. 32,500) and working capital (Rs. 17,500), was paid on 2nd April, 1952, to an individual for development of a paint industry. The loan was granted on incorrect statements made by the applicant about the value of machinery and the other capital invested in his business.

Investigations in June, 1953, just after disbursement of loans showed that the loanee spent the loan mainly for the purchase of raw material and Rs. 1,750 on purposes other than those for which the loan was granted.

The Government stated in March, 1962, that the individual offered landed properties valued at Rs. 1,17,660 as collateral securities, but the report of valuation of the property could not be made available to audit nor could it be ascertained whether the property offered had been actually mortgaged to Government before disbursement of the loan.

Certificate proceedings were started in June, 1957 and a sum of Rs. 23,329 was stated (January, 1962), to have been realised in these proceedings, leaving a balance of Rs. 22,229 plus interest still to be realised.

(5) The following cases would further show that the value of properties on the security of which loans are granted were not properly assessed at the time of grant of loan :—

(a) A loan of Rs. 24,000 was paid on the 30th March, 1951, to a Private Limited Company against mortgage of machinery valued at Rs. 48,500. The loan was repayable in ten equal annual instalments of Rs. 2,400 each commencing from the first anniversary of the date of payment of the loan. In view of the unsatisfactory working of the concern the loan was terminated and certificate proceedings instituted on the 9th September, 1955 when the dues on account of principal and interest were calculated to be about Rs. 18,938. The properties worth Rs. 48,500 hypothecated to Government in February, 1951, were sold by the Certificate Officer by public action in April, 1956, at a little over Rs. 10,000. The Company is now defunct and no information regarding the position of the Government dues is available.

(b) A loan of Rs. 4,500 was paid on the 14th October, 1951, to an individual for development of his silk rearing and silk reeling industry. The loan was repayable in five annual instalments of Rs. 900 each commencing from the first anniversary of the date of payment of the loan. As no instalment was paid, certificate proceedings were instituted on the 10th October, 1953, for Government dues amounting to Rs. 5,450. The properties hypothecated to Government were valued at Rs. 9,500 at the time of grant of loan but the sale by public auction on the 27th September, 1955, fetched only Rs. 500. The loanee has since died and it has been stated that there are no properties from the sale of which Government dues can be realised.

(c) In another case the mortgaged properties valued at Rs. 23,557 against which a loan of Rs. 11,500 was paid in June, 1951 and is outstanding, fetched only Rs. 7,500 on sale in March, 1958.

(6) Section 22(c) of the Act lays down that the owner of an industry, shall submit during the continuance of State Aid to such industry, the accounts relating to the industry for such audit as may be prescribed. No rules have so far (November, 1961), been framed by Government nor orders issued in this respect prescribing the exact nature of audit to be applied to the loanees' accounts. Out of 72 cases of loans paid during 1959-60, only one case was inspected by the departmental staff

(7) According to the rules made under the Act loans up to Rs. 2,000 can be granted by the Director of Industries in the Calcutta Municipal Area on the execution of a personal bond by the loanees but it was noticed that out of 57 persons granted loans totalling Rs. 53,520 over the period September, 1956 to March, 1960, repayment was being made by one person only. In some cases the summons issued by the Certificate Officer could not be served as the defaulters concerned were not found at the place of business or address stated in the application (e.g., Rs. 6,500 paid to 6 persons during the years 1956 to 1958.)

PUBLIC WORKS DEPARTMENT, DEVELOPMENT DEPARTMENT, IRRIGATION AND WATERWAYS DEPARTMENT

47. Large accumulation of balances under the Suspense heads "Miscellaneous Public Works Advances" and "Purchases". The Suspense heads "Miscellaneous Public Works Advances" and "Purchases" are not final heads of accounts. The former head accommodates, as a temporary measure, sales on credit, expenditure on deposit works in excess of deposits received, losses, retrenchment and errors, etc., and is cleared mainly on realisation of Government dues. The debit balance under this head represents mostly amounts recoverable from outside parties. It is desirable that outstandings under this head should be cleared without delay.

The latter head "Purchases" accommodates value of stores received from suppliers or other divisions, for which payment has not yet been made and this is cleared on payment of cost or its adjustment by transfer. It is necessary that such liabilities should be liquidated quickly.

On account of delay in making adjustment of recoveries or payments, the balances under these two suspense heads (viz., "Miscellaneous Public Works Advances" and "Purchases") have been gradually mounting up as shown below :

(a) *Miscellaneous Public Works Advances*: The outstanding balance under this head was Rs. 2.71 crores out of which a sum of Rs. 2.35 crores related to items which were outstanding for more than one year. The department-wise details of the outstandings are given below:—

Department	(In lakhs of rupees).	
	Total amount outstanding to the end of 1960 C1.	Amount outstanding for more than one year.
1	2	3
Public Works Department	59.61	32.25
Development (Roads) Department .. .	17.99	15.34
Irrigation and Waterways Department including Mayurakshi and Kangsabati Reservoir Projects.	1,93.13	1,87.44

Out of the outstanding (debit) balance of Rs 2.35 crores of more than one year old, a sum of Rs. 57.93 lakhs was outstanding for the following reasons :

(In lakhs of rupees)	
(i) Expenditure on deposit works in excess of deposits received	7 43
(ii) Cost of stores supplied to Government officials pending recovery	2 14
(iii) Cost of stores supplied to Private parties pending recovery	5 30
(iv) Cost of stores found short and kept in suspense	88
(v) Recoverable payments	42 18

(b) *Purchases* : The outstanding (credit) balance under this head upto 1957-58 but not cleared upto the end of 1960-61 was Rs. 1.42 crores. The department-wise details of these figures are given below :

(In lakhs of rupees)	
Public Works Department	50 78
Development (Roads) Department	57 30
Irrigation and Waterways Department, including Mayurakshi and Kangsabati Reservoir Projects.	33 46

The necessity for clearing the very large amounts lying unadjusted under the suspense heads has been brought to the notice of the Public Works Divisional Officers from time to time. It is likely that some of the outstandings are due to failure on the part of the divisions to link the payments with the outstandings under this head.

48. **Heavy balances under 'Public Works Remittances:** (a) Cash remitted by officers of the Public Works Department to Treasury/Bank is classified under 'Public Works Remittances—Remittances into Treasury'. At the close of the month, each Public Works Officer is required to submit to the Audit Office a schedule of monthly settlement with treasuries supported by Consolidated Treasury Receipts. There should, therefore, be no outstandings under this head at the close of the year, except remittance in transit, but actually an amount of Rs 23.07 lakhs was outstanding due to non-submission of Consolidated Treasury Receipts pertaining to the period from 1956-57 to 1960-61.

Similarly the amounts drawn by officers of the Public Works Department by issuing Public Works Cheques on the Treasury/Bank are classified under 'Public Works Remittances—P.W. cheques' and the Divisional Officers are required to submit to the audit office a memorandum of P.W. cheques supported by Certificates of Treasury Issues. But due to non-receipt of these documents in a very large number of cases, a sum of Rs. 3.60 crores was outstanding for the period from 1957-58 to 1960-61.

The non-submission of Certificate of Treasury Remittances and Certificates of Treasury Issues had been brought to the notice of Divisional Officers regularly and Government from time to time, but there had been no improvement in the position. The abnormally heavy outstandings were attributed to lack of proper co-ordination between Treasuries and P.W. Divisions.

(b) Transactions originating on behalf of Public Works Divisions in other Civil offices are passed on to the Divisions through the remittance head 'Public Works Department'. Similarly transactions appearing in the books of one P.W. Officer but adjustable in the books of another P.W.

Officers are classified under 'P.W. Remittances—Transfer between P.W. Officers'. Under the rules, all items of the above nature have to be promptly adjusted by the officers of the Public Works Department, so that all transactions of a year may be settled before the accounts of the year are finally closed. In actual practice, however, there was considerable delay in adjustment of such transactions with the result that a net debit of Rs. 6.30 crores was outstanding under the former head at the end of 1960-61 and Rs. 3.67 crores under the latter head.

The abnormally heavy outstandings under these heads have to be ascribed to lack of proper co-ordination between divisions and the treasuries concerned.

CHAPTER VIII

Government Commercial and Trading Activities

STATUTORY CORPORATIONS

49. The financial results of the Statutory Corporations in West Bengal are summarised below:—

	Calcutta State Transport Corporation.	The West Bengal State Electricity Board.	West Bengal Financial Corporation.	West Bengal State Warehousing Corporation.
1. Date of incorporation.	15th June, 1960	1st May, 1955	1st July, 1954	31st March, 1958.
2. Paid up capital—				
(i) Govt. share ..	Rs. 4.69 crores	Nil	Rs. 31.77 lakhs	Rs. 16 lakhs.
(ii) Other sources	Nil	Nil	Rs. 68.23 lakhs	Rs. 14 lakhs.
3. Loans received from Govt.	Rs. 1 crore	Rs. 11.59 crores	Nil	Nil
From other sources.	Nil	Nil	Rs. 1 crore	Nil
4. Free Reserve ..	Nil	Nil	Rs. 1.84 lakhs	Nil
5. Total Capital employed.	Rs. 5.69 crores	Rs. 11.59 crores	Rs. 2.02 crores	Rs. 30 lakhs.
6. Block Assets ..	Rs. 4.28 crores	....	Nil	...
7. Depreciation ..	Rs. 37.41 lakhs	....	....	....
8. Net profit (+) or loss. (—)	Rs. 28.13 lakhs	....	+Rs. 3.21 lakhs	(—) Rs. 26,000
9. Percentage of return on capital employed.	(a) 5.52	....	(b) 3.18	(—) .87
10. Remarks.	The above figures are according to the Accounts, 1959-60.	As the accounts of the Board since 1956-57 have not been finalised, no figures are given against items 6 to 9 above.	The above figures are according to the Accounts, 1960-61.	The above figures are according to the Accounts, 1960-61.

(a) For the purpose of working out this percentage, interest amounting to Rs. 3 lakhs on loan taken by the Corporation from Government has been added to profits as shown in item (8).

(b) For the purpose of working out this percentage, interest amounting to Rs. 4.50 lakhs on loans taken by the Corporation from Government has been added to profits as shown in item (8).

THE CALCUTTA STATE TRANSPORT CORPORATION

50(I). The Corporation was established by the Government on the 15th June, 1960 under the Road Transport Corporations Act, 1950, as amended by the Road Transport Corporations (West Bengal Amendment) Act, 1959. Prior to the formation of the Corporation, the bus services in Calcutta and suburban areas were controlled and organised as an undertaking of the State Government. The scheme for the nationalisation of bus services was started in 1955-56 and sums of Rs. 164.37 lakhs and Rs. 170.22 lakhs were spent by the Government on this scheme in the First and Second Five-Year Plans, respectively.

(II) The Pro forma Accounts for the year 1959-60, when the organisation was run as a Government department, were received for audit in January, 1962 and are under check. The accounts for 1960-61 have not yet been prepared by the Corporation. The working results of the undertaking after formation of the Corporation cannot, therefore, be reviewed at this stage. The working results of the undertaking for the pre-Corporation period are indicated below:

Year.	Revenue receipts.	Revenue expenditure.	Net profit (+) Loss (-)
Up to 1954-55	4,14.78	5,03.81	(-) 89.03
1955-56	1,81.33	1,55.32	(+) 26.01
1956-57	2,19.05	1,98.77	(+) 20.28
1957-58	2,58.89	2,45.78	(+) 13.11
1958-59	3,07.66	2,88.47	(+) 19.19
1959-60	3,69.40	3,40.97	(+) 28.43

The losses in the earlier stages were mainly due to the plying of petrol buses and competition by private operators on the routes on which State buses were run. Gradually, the petrol-driven buses were replaced by diesel buses and the routes were nationalised. These two factors largely account for the increase in the revenue earning in the later years which wiped out the previous losses. The wage bill of the Corporation increased due to the revision of pay scales in 1958, introduction of the scheme for Contributory Provident Fund in 1956 and larger number of vehicles on the routes.

(III) On the 20th January, 1960, the State Government revised the fare structure in terms of decimal coinage and enhanced the fares by 1 nP. at certain stages of the different routes. The revised rates were intended to bring additional income to the Corporation.

(IV) Under section 47B of the Road Transport Corporations Act, 1950, as incorporated by the Road Transport Corporations (West Bengal Amendment) Act, 1959, all rights, properties and assets acquired and all debts and obligations incurred by the State Government in connection with the transport organisation vested in the Corporation and all expenditure incurred by the State Government in acquiring the properties and assets which passed to the Corporation on its formation and declared as such within six months of the establishment of the Corporation, was to be treated as capital advanced to it and the terms and conditions thereof were to be determined by the State Government. The amount of such capital has not been declared and the matter is stated to be still (February, 1962)

under correspondence with the State Government. In addition, the Corporation also received loans from the Government of India and the State Government. Till the end of 1960-61, loans amounting to Rs. 125 lakhs were received from the Government of India (Ministry of Rehabilitation) through the State Government for the purchase of buses and providing employment to displaced persons, and also other loans amounting to Rs. 24.23 lakhs were received from the State Government. The terms and conditions of these loans have not yet been settled.

(V) (a) **Delay in recovery of dues:** Charges for (a) chartered trips and (b) advertisement in buses were not realised promptly, resulting in outstanding balances of Rs. 61,013 and Rs. 3,815 respectively at the end of September, 1961. A sum of Rs. 17,374 representing chartered trip charges for the period from 1955-56 to 1959-60 still remained unrealised (February, 1962).

(b) **Extra expenditure due to non-acceptance of the lowest tender:** (i) Open tenders for the supply of 50 bus body kits were invited in 1960-61. Quotations were received from two firms, viz., Messrs. Jayananda Khira and Co. Private Ltd., Bombay and Messrs. Hyderabad Allwyn Metal Works, Ltd., Hyderabad. The rate offered by the former firm was Rs. 10,968 per kit if the order was for 50 kits and Rs. 11,289 if the order was for 25 kits. The rate quoted by the other firm was Rs. 11,556 per kit irrespective of the number of kits ordered. Instead of Placing the entire order with the first firm whose rates were lower, the order was split up equally between the two firms without assigning any reason, which resulted in an extra expenditure of Rs. 22,738.

(ii) In another case, quotations were invited for the purchase of High Speed Diesel Oil at a depot from Messrs. Burmah Shell Oil Storage and Distribution Company, Messrs. Caltex (India), Ltd. and Messrs. Standard Vacuum Oil Co. in September, 1960. The rates quoted by the first two firms were identical, viz., Rs. 449.58 nP. per kilolitre, and higher than the rate of Messrs. Standard Vacuum Oil Co., which was Rs. 440.41 nP. per kilolitre.

The lowest tenderer was not selected on the ground that he was the supplier at other depots and in case of a lock-out or strike in the industry, it would be desirable to have a different supplier. The order was, therefore, placed on Messrs. Burmah Shell Oil Storage and Distribution Co., Ltd., in October, 1960 for supply of the oil for one year, even though the Corporation was having already a third supplier at another depot from whom they could have obtained supplies in case of emergencies. This has resulted in an extra expenditure of Rs. 39,300 approximately to the Corporation to the end of October, 1961.

It will thus be seen that in both these cases the advantage of competitive tenders was lost without adequate justification.

(c) **Workshop:** (i) Estimates were not prepared for all jobs undertaken in the Workshop and there have been abnormal delays in completion of jobs. An amount of Rs. 17.59 lakhs was outstanding for recovery from the various departments of the State Government on the 31st March, 1961, out of which a sum of Rs. 7.74 lakhs related to the period prior to setting up of the Corporation.

(ii) The cost and financial accounts are not being reconciled regularly.

(d) **Delay in adjustment of cash advances:** The Corporation frequently gives advances to its employees out of its cash balances of the main office comprising of permanent imprest, undischursed pay and allowances, etc., for various purposes, such as purchase of stores and contingent expenditure,

but inordinate delay occurs in adjusting these advances in violation of the instructions issued by the State Government requiring adjustment of advances within the month of payment.

The total amount of advances remaining unadjusted on 31st March, 1961, was Rs. 34,674, out of which Rs. 16,567 related to the pre-Corporation period and included some advances granted as far back as 1954-55.

Also the Advance Register is not maintained properly in as much as it is not closed monthly and the unadjusted items are not brought forward from month to month thereby involving the risk of some of the items being lost sight of. From the present state of this Register, the amount of unadjusted advances cannot also be ascertained correctly.

THE WEST BENGAL STATE ELECTRICITY BOARD

51. (I) The Board was established on 1st May, 1955, by the Government of West Bengal under section 5 of the Electricity Supply Act, 1948. The Act was amended on 30th December, 1956, to bring the State Electricity Board under the purview of audit of the Comptroller and Auditor-General of India. At the time the Act was amended the private auditors appointed by the State Government under section 69 of the Act as it stood before the amendment of 1956, were still conducting the audit of the accounts for the year 1955-56. It was, therefore, decided that the Comptroller and Auditor General would arrange for the audit of the Board's accounts for 1956-57 and subsequent years.

The final accounts of the Board for 1955-56 have not yet (January, 1962) been certified by the private auditors for want of the working data on the basis of which the accounts were compiled. The accounts for 1956-57 were submitted to audit in July, 1960 but as the detailed compilation sheets leading up to the figures shown in the final accounts were not made available, the accounts could not be checked in full and the completion of audit is pending preparation of these documents by the Board. This has already been brought to the notice of the Board (March, 1961).

The accounts for 1957-58 were submitted to audit on the 19th December, 1961. As these were based on incorrect figures, they were returned to the Board on 22nd December, 1961 for necessary action and have not yet (February, 1962) been received back. The accounts for 1958-59 and subsequent years have not been prepared so far though under section 69(1) of the Act the accounts are required to be prepared annually.

The working results of the Board as collected from the statistics compiled by it are reproduced below:—

(In lakhs of rupees.)

Year.			Revenue receipts.	Revenue expenditure.	Net deficit.
1			2	3	4
1955-56 (11 months)	..	..	31.62	38.46	(-) 6.84
1956-57	..	..	52.65	66.66	(-) 14.01
1957-58	..	..	82.93	113.34	(-) 30.41
1958-59	..	..	111.89	129.77	(-) 17.88
1959-60	..	..	136.51	144.22	(-) 7.71

As the statistical figures for the year 1960-61 have not been compiled by the Board as yet, the working results for that year are not available.

(II) The expenditure on capital account incurred by the State Government prior to the formation of the Board, which for the purpose of the Act should be deemed as loan advanced to the Board, has not yet (March, 1962) been declared by the State Government. The Board, however, estimated the amount of the loan and the value of assets taken over at Rs. 202.52 lakhs and Rs. 228.81 lakhs respectively on a provisional basis. It has not been possible to verify these figures in audit as the final pro-forma accounts of all the electricity schemes of the Government of West Bengal up to 30th April, 1955, i.e., the date immediately preceding the date of establishment of the Board, have not yet been prepared by the Board.

(III) After the formation of the Board the entire capital expenditure is being met from the loans advanced by the State Government under section 64 of the Act against project reports submitted by the Board. The State Government has advanced long term loans totalling Rs. 9.56 crores up to 31st March, 1961, for construction and execution of seven schemes, viz., Scheme for Normal Extension (Rs. 1.09 crores); Scheme for Jaldhaka Balasun Hydro Investigation (Rs. 0.5 crores); Scheme for Expansion of Power to Urban and Rural areas (Rs. 1.55 crores); Schemes under Community Development Project (Rs. 0.96 crores); Schemes under the Second Five-Year Plan (Rs. 4.10 crores); Railway Track Electrification (Rs. 1.63 crores) and Relief and Rehabilitation Scheme (Rs. .24 crore).

The rates of interest on these loans have not yet been settled by the State Government.

The important schemes under execution at present are indicated below, together with the estimated expenditure on each and the target date of completion:—

Name of Schemes.	(in lakhs of rupees).	
	Sanctioned estimate	Target date of completion.
1. Electrification of six schemes under 2nd Five-Year Plan ..	68.44	March, 1961
2. Rural Electrification schemes under 2nd Five-Year Plan ..	27.52	Ditto.
3. Integrated scheme for Sheorafulli, Haripal, etc. ..	10.38	Ditto.
4. Electrification scheme in transferred territories in Purulia under 2nd Five Year Plan.	16.49	Ditto.
5. Jaldhaka Hydro-electric Project	4,37.00	1963-64
6. Additional Community Development Project Schemes ..	43.30	March, 1961
7. Railway electrification	3,20.00	1963-64

The schemes referred to at items 1 to 4 and 6 have not so far been completed as programmed. As the compilation of accounts by the Board for the year 1957-58 and onwards is in arrears and as schemewise accounts of expenditure have not been maintained, it has not been possible to ascertain the actual up to date expenditure on each scheme *vis-a-vis* the sanctioned estimates.

(IV) 94 per cent. of the total electric energy is purchased in bulk from Damodar Valley Corporation, Calcutta Electric Supply Corporation, Mayurakshi Hydrel Plant of the State Government and Dissergarh Power Supply, the remaining 6 per cent. being obtained in equal proportion from the Board's Hydrel Plant at Kurseong and Diesel Stations at some places. An examination of the accounts of these Diesel Stations shows that revenue receipts do not generally cover the direct cost of production and distribution. For example, during the year 1958-59, the revenue was Rs. 87,250 against the cost of production and distribution, Rs. 1,60,090.

The sale of energy obtained by purchase is made at two different rates, depending upon the grids from which the energy is obtained. These rates

vary from 22 nP. to 41 nP. in respect of consumption for domestic and business purposes and from 13 nP. to 16 nP. in respect of consumption for heating devices, etc.

(V) **Incorrect assessment and non-assessment of revenue:** The revenues of the Board are derived primarily from the sale of electricity. The Board also realises receipts on capital account from its customers on account of assisted internal wiring and house service connection schemes and house service connection charges.

A test check of the accounts for 1956-57 to 1958-59 indicated that a total amount of Rs. 10.05 lakhs was realised short due to incorrect assessment and non-assessment of revenue and capital receipts by the Board.

The above amount comprises of the following items:

Under-assessment due to incorrect preparation of estimates of different works—Rs. 26,000.

Non-realisation of minimum charges and rent of meters as per agreements with the consumers—Rs. 2.27 lakhs.

Incorrect assessment of sale price of electricity—Rs. 7.12 lakhs.

Non-levy of surcharges for late payment of bills—Rs. 40,000.

(VI) Some instances involving heavy amounts of incorrect assessment and non-assessment of revenue against individual consumers are detailed below:—

- (i) The agreement of the Board with an Educational Institution for supply of energy contained a clause that if the energy used for lights and fans exceeded 10 per cent. of the total monthly consumption, then instead of scale of rates set forth in a schedule to the agreement, a higher scale of rates fixed by the Board should be applicable. Though the ratio of energy consumed on lights and fans to the total energy was estimated to range between 40 to 55 per cent., recoveries were made only at the lower rates. The abandonment of revenue up to March, 1959 on this account was estimated at Rs. 2.19 lakhs. The Board and the Educational Institution agreed in April, 1960, after discussion, that the higher rates should be made applicable from April, 1960, taking the domestic lighting load as between 10 to 30 per cent. and that the rates prior to April, 1960 would not be revised. This decision had resulted in an abandonment of claim amounting to Rs. 4.19 lakhs against the Institution.
- (ii) Agreements of the Board with two companies provided for payment of guaranteed minimum amounts on account of energy charge and demand charge for the first five years. As against the total claim of Rs. 2.83 lakhs due for the first three years, the companies paid Rs. 1.41 lakhs only and the balance amounting to Rs. 1.42 lakhs is yet to be recovered from the companies.
- (iii) The general conditions of supply of energy to a Cotton Mill provided for installation of a meter for measuring the energy consumed on lights and fans, etc., for deciding the percentage of such consumption and the rates applicable. No meter was installed and the Mill was charged only at lower rates than applicable. A review of the loads on lights and fans in the premises conducted in March/April, 1961 showed that the percentage of consumption was such that higher rates should have been charged. The amount of undercharge for 1958-59 alone in this case amounted to Rs. 83,635.

- (iv) Under an agreement with the Board, a limited company guaranteed to consume a minimum quantity of energy every year and pay for it a minimum guaranteed amount (excluding coal and power factor surcharges). The Board agreed, in contravention of the rates chargeable, to recover only the guaranteed minimum during the first year and not to levy any charge on account of coal and power factor surcharges on the ground that the consumer paid at the maximum rate of 13 nP. per unit during the period and that it was not possible to segregate the coal and power factor surcharges leviable. The abandonment of claim in this case amounted to Rs. 54,031.
- (v) In respect of many bulk consumers, it was found that even though the agreements provided for recovery of minimum amounts and bills therefor were prepared by the Board for realising the shortfall, no recovery has so far been made. The amount of such bills stands at Rs. 47,346 in one district alone.

The recovery of the above amount has been suggested to the Board. Their reply is awaited (January, 1962).

- (vi) The other losses found during local audit are shown below:
- Loss of cash (involved in 8 units)—Rs. 9,185
 - Loss of stores due to—
 - (i) theft (10 units)—Rs. 36,916
 - (ii) other causes (Construction Division West and other units) Rs. 11.72 lakhs.
 - Infertuous expenditure (seven instances)—Rs. 19,121

The loss of Rs. 11.72 lakhs referred to above includes an amount of Rs. 11.42 lakhs representing the book balances of stores at the time of the closure of some construction camps under a Construction Division. The utilisation of these stores could not be pointed out to audit. The physical existence of these stores could not also be certified by the Board.

These losses were reported to the Board through Inspection reports, some of which were issued in April, 1959 and June, 1959. Under standing orders of the State Government replies of the Board to these reports should have been sent within three months from the date of receipt of the report. No replies of the Board to these reports numbering 57 and involving 1,148 paras issued up to the 31st January, 1961 have so far been received (January, 1962).

- (vii) Besides the losses stated above, following irregularities were also pointed out in these inspection reports:—
- (a) Ineffective control over cash and stores—In the case of construction camps, cash books and store ledgers for consumable stores and tools were not maintained while in the case of some subdivisional units these records were maintained for only part of a year; where cash books and stores ledgers for consumable stores and tools as well were maintained, verification of physical balances of cash, stores and tools was not conducted. Further receipts in support of remittances of moneys and acknowledgements for stores issued were not kept on record. Similarly, payee's receipts for moneys shown in the cash books as paid were not forthcoming. Indents in support of issues of stores were also not available. Adjustments in the store ledgers for shortages and excesses of stores,

where physical verification was conducted, were not carried out. In several cases stores received were also not accounted for in the stores ledgers. Surplus and obsolete stores were not segregated and action for their disposal not taken. Suitable accounts showing movement of meters were not maintained.

- (b) Account of fixed assets not maintained—Block accounts showing the nomenclature of fixed assets taken over as well as those acquired subsequently indicating their original cost, location, life of assets and rate of depreciation and residual value etc., were not maintained.
- (c) Accounts of capital expenditure not maintained—In respect of works undertaken by the Board, necessary estimates of works were not prepared nor any accounts connected with works expenditure, like works abstract, materials-at-site accounts, contractors' ledgers, muster rolls, registers of works, etc., were kept. In respect of service connections given or internal wiring done for consumers, the actual expenditure was not compared with detailed estimates for work, where they have been prepared.
- (d) Accounts not properly maintained—Personal ledger accounts of debtors and creditors were not maintained. The consumers' accounts in the consumers' ledger were not properly reviewed with reference to the energy bills prepared. Similarly, the account of utilisation of vehicles was not properly maintained.
- (e) In the case of charges paid to transport contractors for movement of stores, materials, etc., tenders were found to have been called for in some cases and selection of contractors made after the work had been performed by the contractors. For defaults on the part of the contractors in the execution of works, the penalties in terms of the contract were not enforced in several cases.

WEST BENGAL FINANCIAL CORPORATION

52. The Corporation was established for providing financial assistance to the industries in the State. The capital invested by Government stood at Rs. 31.77 lakhs on 31st March, 1961.

During the year the Corporation disbursed loans aggregating Rs. 21.02 lakhs against Rs. 50.05 lakhs sanctioned. The lending rate was reduced from 7 per cent. to 6½ per cent. from 10th May, 1960. The Corporation raised its Working Capital by issue of Debenture Bonds for Rs. 50 lakhs in March, 1958 and Rs. 50 lakhs in March, 1960. A large part of the finances raised by Debenture Bonds during 1959-60 was not required during 1960-61 and the balances were invested in short term deposits carrying an interest rate of 2½ per cent., the highest amount deposited in a month being Rs. 58.75 lakhs and the lowest Rs. 44.50 lakhs. The financing of the Corporation by issue of bonds had not therefore, been advantageous to the Corporation.

To overcome the drawbacks in the existing system of obtaining funds, the Corporation is taking steps to obtain finance from the Refinance Corporation for Industry Limited who have already agreed to extend refinancing facilities to State Finance Corporations.

The net profit for the year was insufficient to cover the guaranteed dividend of Rs. 3.5 lakhs and the deficiency to the extent of Rs. 37,521 (as against Rs. 1.10 lakhs in the preceding year) was made good by the Government under section 6 of the State Financial Corporation Act, 1951. The aggregate amount of subvention so far paid by the Government stood at Rs. 11.87 lakhs as against the sum of Rs. 7.44 lakhs earned as dividend on the capital invested by them.

WEST BENGAL STATE WAREHOUSING CORPORATION

53. The West Bengal State Warehousing Corporation was established for providing warehousing facilities for the agricultural produce in the State.

The earnings of the Corporation from various sources during the last two years are shown below:—

	1959-60	1960-61.
	Rs.	Rs.
Warehousing Charges	35,910	1,20,832
Interest on Securities and Bank Deposits	68,629	53,885
Fertiliser distribution on Government Account	21,754	1,15,754
Government Stock-Handling Charges	3,969	1,13,951
Miscellaneous	33	1,733
Total ..	1,30,295	4,06,155

During the year 1960-61, the Corporation had 20 rented warehouses with a storage capacity of 18,000 tons. On an average, about 70 per cent. of the storage capacity of the Corporation remained un-utilised representing an earning capacity of Rs. 5.22 lakhs.

A substantial portion of the working capital (Rs. 26 lakhs during 1959-60 and Rs. 18 lakhs during 1960-61) continued to remain invested in short term deposits and other loans yielding a very low rate of interest. With a view to avoid renting private godowns with high rent which largely contributed to the loss, the Corporation decided to construct its own godowns, but so far no warehouse has been constructed.

GOVERNMENT COMPANIES

The Kalyani Spinning Mills Limited

54. The Mill was incorporated on 13th January, 1960 with an authorised capital of Rs. 250 lakhs to produce and supply standard quality yarn of finer counts to Handloom weavers. Annual production of 24.11 lakh lbs. of yarn and 7.23 lakh lbs. of waste valued at Rs. 1.78 crores and Rs. 4.23 lakhs respectively was estimated with the installation of 50,000 spindles.

The paid up capital of the company contributed entirely by the Government was Rs. 1.40 crores on 31st March, 1961. Production was commenced in February, 1961 and with the working of 7878 spindles up to 31st March, 1961, 10,000 lbs. of yarn valued at Rs. 27,902 was produced.

The Company suffered a loss of Rs. 3.02 lakhs during the first year of its operation (i.e., from 13th January, 1960 to 31st March, 1961 for which the accounts were prepared) mainly on depreciation of fixed assets.

An adequate system of costing has not yet been introduced in the Company.

Government Commercial and Quasi Commercial undertakings.

55. (a) During the year, 23 commercial and quasi-commercial schemes were worked departmentally. The Pro forma Profit and Loss accounts for the year 1960-61 have not been finalised in respect of all the schemes. The financial results of the working of these schemes could not therefore be ascertained. In respect of a large number of schemes, the Pro forma Accounts for earlier years were also awaited though the importance of furnishing the Pro forma Accounts was stressed in successive Audit Reports. Special measures to bring the accounts up to date are required to be taken. Details of Pro forma Accounts which are still awaited are given in Appendix IV.

(b) In respect of the scheme for Industrial Centres the pro forma accounts of which are due since inception in 1947-48, it has been decided by Government that such accounts should be maintained from the year 1956-57 only. The reasons stated by Government for this step are that the scheme was initially run on a temporary basis on an experimental measure, that the records were not maintained on commercial principles and that for the compilation of the old accounts, the relevant records would not be readily available after such a long period. Accordingly the accounts for 1956-57 and 1957-58 were prepared and submitted to audit in April, 1961 but their scrutiny has been kept in abeyance as desired by Government pending their check by the Commercial Accountant of Government.

56. The financial results of certain schemes, as shown in the Pro forma Accounts, are summarised below:—

Serial No.	Name of the concern.	Year of account.	Turn over	(In lakhs of rupees).		Remarks.
				Profit (+)	Loss (-)	
1.	Band Saw Mills, Siliguri	1958-59	10 42	(+)	1 60	
		1959-60	7 59	(+)	1 60	
2.	Scheme of State Trading on Rice, Paddy and Gram.	1956-57	5,20 32	(-)	111 40	
		1957-58	7,28 68	(-)	84 41	
3.	Scheme of State Trading on Wheat and Wheat Products.	1957-58	6,95 09	(-)	52 57	
4.	Brooklyn Ice Plant and Cold Storage.	1958-59	5 05	(+)	40	
		1959-60	4 93	(+)	19	
5.	Scheme for supply of Concentrates and Fodders to the Licensees of Milk Colony.	1957-58	4 90	(+)	05	
		1958-59	7 83	(+)	04	
		1959-60	6 43	(+)	01	
6.	Schemes for Controlled sale of Skim Milk Powder in West Bengal.	1958-59	26 96	(+)	1 07	
		1959-60	33 22	(+)	2 89	

Details of accounts have been given in Appendix V to the Report.

(1) **Band Saw Mills, Siliguri:** Timber is supplied by the Mills to the Railways, other Central and State Government Departments, casual purchasers at scheduled rates and by public auctions to private purchasers.

There was a reduction in the quantity and value of timber sold during 1959-60 as compared with the previous year; 94,000 cft. valued at Rs. 7.59 lakhs as against 1.45 lakh cft. valued at Rs. 10.42 lakhs in the previous year. The decrease was mainly due to decline in the sales through public auction after July, 1959 for want of offers.

No value account of several items of stores was maintained with the result that the value of closing stock shown in the balance sheet stands deflated to that extent. No physical verification of logs lying in the forest depots was conducted during 1959-60 and the closing balance as shown in the Profit and Loss accounts represents book balance only.

(2) **Scheme for State Trading in Rice and Paddy:** Under this scheme paddy, rice and gram are procured and distributed by the State Government.

During the year 1957-58 the sales of paddy, rice and gram amounted to 40.52 lakh maunds valued at Rs. 7.29 crores as against 31.29 lakh maunds valued at Rs. 5.20 crores in the previous year. The net loss on trading was Rs. 84.41 lakhs as against Rs. 111.40 lakhs in the previous year.

Under orders of Government interest on capital outlay and depreciation on fixed assets have not been taken into account in the Trading and Profit and Loss Accounts. The loss including element of depreciation and interest on capital could not be assessed as a complete list of fixed assets such as buildings, equipments, etc., has not been appended to the balance sheet as decided by Government in February, 1950.

The godown and transit shortages during the year amounted to Rs. 15.19 lakhs which worked out to 1.36 per cent. of the total expenditure. The shortage shown in the Profit and Loss Account still remains to be formally written off by Government (see also paragraph 58 of the report).

(3) **Scheme for State Trading in Wheat and Wheat-Products:** Under the Scheme wheat and wheat-products are procured and distributed by the State Government.

During the year 1957-58, the sales of wheat and wheat-products amounted to 46.37 lakh maunds valued at Rs. 6.95 lakhs. The net loss on trading was Rs. 52.66 lakhs.

Under orders of Government interest on capital outlay and depreciation on fixed assets have not been taken into account in the Trading and Profit and Loss Accounts. The loss including element of depreciation and interest on capital could not be assessed as a complete list of fixed assets such as buildings, equipments, etc., has not been appended to the balance sheet as decided by Government in February, 1950.

The godown and transit shortages during the year amounted to Rs. 18.09 lakhs which was 1.92 per cent. of the total expenditure. The shortage shown in the Profit and Loss Account still remains to be formally written off by Government.

Payments into Treasury had not been linked up with cash sales of wheat and atta to the extent of Rs. 3.04 lakhs and Rs. 17.56 lakhs respectively.

Acceptance of debits against sales of wheat and atta for gratuitous relief and test relief was pending in February, 1961 to the extent of Rs. 9.93 lakhs and Rs. 18.76 lakhs respectively.

Consignees's acknowledgment is still (February, 1961) awaited in respect of 43,520 maunds of wheat valued at Rs. 6.09 lakhs issued during 1957-58 and included under "Stock-in-Transit" in the balance sheet for the year.

(4) **Brooklyn Ice Plant and Cold Storage:** Under the scheme, potato seeds are procured and preserved in the cold storage for distribution among the cultivators by the State Government.

The accounts of the scheme were due from the year 1950-51. Since the records and accounts were not maintained on commercial principles prior to 1958-59 Government decided in November, 1960 that the preparation of the accounts till the end of the year 1957-58 should be waived and that the accounts should be maintained on commercial system from the year 1958-59 only.

During the years 1958-59 and 1959-60, on a turn-over of Rs. 5.05 lakhs and Rs. 4.93 lakhs respectively, the net profits amounted to Rs. 39,756 and Rs. 19,050. The fall in profit was mainly due to decline in sale of seed potatoes and more expenditure under contingencies.

Since commercial accounts prior to 1958-59 were not available, it could not be verified in audit whether depreciation of assets had been calculated correctly and the assets and liabilities have been properly valued and taken into account on 1st April, 1958. The management certified that there were no undisclosed assets and liabilities. Sundry debtors balances amounting to Rs. 16,103 could not be verified from the books but was certified to exist by the management.

Withdrawals from treasury included under Government capital in the balance sheet as at 31st March, 1959 and 31st March, 1960 did not agree with the figures in the books of the Accountant General. An excess of Rs. 23,875 (1958-59) and deficit of Rs. 67,454 (1959-60) were noticed between the figures. Similarly excesses of Rs. 2,75,842, and Rs. 1,94,801 respectively over the Accountant General's figures were noticed in respect of remittances to Government account on 31st March, 1959 and 31st March, 1960. These are yet to be reconciled (see also paragraph 57 of the report).

(5) **Scheme for supply of concentrates and Fodders to the Licensees of Milk Colony:** Under this scheme, the concentrates and fodders are procured and supplied to the Licensees of Milk Colony by the State Government.

During the years 1957-58, 1958-59 and 1959-60, the sales were Rs. 4.90 lakhs, Rs. 7.83 lakhs and Rs. 6.43 lakhs respectively. The net profit during the year 1959-60 was Rs. 718 as against Rs. 3,583 and Rs. 5,459 during the years 1958-59 and 1957-58 respectively. The decline in profits was primarily due to increase in operational expenses, which rose in 1959-60 by nearly 25 per cent. over that for the year 1958-59.

The closing balances of Fodders, etc., at the end of the year as shown in the accounts could not be verified since no schemewise stock registers were maintained.

(6) **Scheme for controlled sale of Skim Milk Powder in West Bengal:** The scheme aims at the purchase and distribution of Skim Milk Powder in West Bengal.

During the years 1958-59 and 1959-60, the sales were Rs. 26.96 lakhs and Rs. 33.22 lakhs respectively, net profits during these two years being Rs. 1.07 lakhs and Rs. 2.89 lakhs respectively.

The stock of Skim Milk Powder at the end of the year 1959-60 was not physically verified.

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT.

56A. **Sales Emporia:** The Department is running Sales Emporia at different places in the State for popularising and marketing of handloom and silk goods and other handicrafts. No Pro forma accounts showing the working results of the Emporia since their inception in June, 1951 have been received so far in audit. According to the figures available to Audit in respect of some of the emporia the direct losses for the years 1957-58, 1958-59 and 1959-60 were Rs. 29,000, Rs. 42,000 and Rs. 82,000 respectively. According to the departmental figures the progressive capital outlay up to the end of 1959-60 stood at Rs. 2.73 lakhs and progressive loss in the running of the emporia from 1954-55 till 1959-60 amounted to Rs. 1.97 lakhs. The loss takes into account only interest on capital and depreciation but not audit and certain other overhead charges. Besides the heavy expenditure on establishment and a steep fall in gross receipts in 1959-60, the following factors have contributed to the loss:

- (a) *Accumulation of unmarketable stock in Emporia:* During the year 1959-60, textile goods and crafts, etc., amounting to Rs. 77,864 which had been purchased and found unmarketable were returned unsold to the Main Emporium by the branches.
- (b) *Shortage:* The book value of closing stock of silk goods on 31st March, 1959, at the main sales emporium stood at Rs. 89,000 but the physical verification held on the date showed a shortage valued at Rs. 47,201 which included goods worth Rs. 8,346 stated to have been lost through burglary. The causes of the large shortage (Rs. 38,855) were not investigated nor responsibility for the loss fixed.
- (c) *Wasteful expenditure:* A portion of the premises, 7/1, Lindsay Street was requisitioned on the 10th June, 1958 for opening a sales emporium for sale of utility products, but the vacant possession thereof could not be obtained till 31st March, 1959. The selection of a contractor and the settlement of his terms for the decoration and furnishing of the premises took nine months. The contractor took nearly a year to complete the work as against three months stipulated in the work order. The rent paid for the period during which the premises could not be utilised amounted to Rs. 25,000 (excluding rent for three months that would have usually been required for the work).

DEPARTMENT OF AGRICULTURE AND FOOD PRODUCTION

57. **Loss due to delay in disposal of Surplus machinery and plants:** Four Portable Universal Coolers, two Waksha Sets, two Buckey Sets with generator and one 45 tons Ice Plant were purchased by the Agriculture Department in 1946 at a total cost of Rs. 4.18 lakhs for the Brooklyn Ice Plant and Cold Storage Scheme for production of ice and preservation of perishable goods in cold storage. Another 500 tons cold storage plant was purchased in 1949 for Rs. 35,235 for the extension of the cold storage plant.

The Portable Universal Coolers were not required from the very beginning as they were deemed surplus in the list of items purchased for running the scheme. Action for their disposal was initiated in September, 1951 and they were ultimately disposed of in June, 1955 for Rs. 1,500 against the purchase price of Rs. 20,000. With the availability of electric power from the Calcutta Electric Supply Corporation, the electrical equipment, namely, Waksha Sets and Buckey Sets was rendered surplus in 1949-50 and sold in March, 1956 for Rs. 66,271 against the purchase price

of Rs. 3.14 lakhs involving a further loss of Rs. 2.47 lakhs. The losses referred to above were written off by Government in July, 1957 and November, 1957.

The scheme for production of ice having proved unremunerative, the 45 tons Ice Plant purchased for Rs. 84,500 has been lying idle in stock since 1949. The 500-ton Cold Storage Plant acquired in 1949 also has been lying idle (in packed condition) since then owing to the abandonment of the proposal for extension. It was stated by Government in February, 1961 that these two plants were proposed to be taken over by the Development Department for their Deep-Sea Fishing Scheme. The proposal has, however, not yet (June, 1961) materialised.

FOOD, RELIEF AND SUPPLIES DEPARTMENT

58. **Shortage of foodgrains in transit and storage:** In July, 1954 the State Government prescribed certain permissible limits for transit and storage shortages of various foodgrains. These limits varied according to the type of conveyance used, place of storage and also of different types of commodities stored. The local test audit of the accounts of purchase and distribution of foodgrains for 1959-60 brought to notice that transit and storage shortages were of the order of 9,206 maunds and 5,034 maunds valued at Rs. 1,52,144 and Rs. 90,224 respectively against the permissible limits of 4,305 maunds and 2,851 maunds valued at Rs. 74,602 and Rs. 50,606 respectively.

In December, 1961 the Government stated that the following action had been taken regarding the shortages:—

	Quantity in mds.	Value in Rs.
<i>Transit Shortages :—</i>		
Claims accepted by the Railways	106	1,976
Claims repudiated by the Railways	1,049	18,514
Claims pending with the Railways	429	6,784
Claims not preferred as the seals in the wagons were found in tact	2,024	34,522
Total	3,608	61,796
<i>Storage Shortages :—</i>		
Shortages in the process of recovery	235	4,588
Normal trading loss due to handling and long storage, which is being written off	631	12,620
Total	866	17,208

No information regarding the balance of 598 maunds of transit shortages valued at Rs. 90,348 and 4,168 maunds of storage shortages valued at Rs. 73,016 could be furnished.

DEVELOPMENT DEPARTMENT

59. **Loss in the Scheme for manufacture and sale of bricks and tiles:** In November, 1957, the State Government sanctioned the constitution of a Rural Brick and Tile Board for the implementation of the scheme for the manufacture and sale of bricks and tiles.

Two brick kilns opened by the Board at Nadia worked for only one season from March, 1958 to May, 1958. A capital expenditure of Rs. 9,758 was incurred and the working expenses amounted to Rs. 49,940. No Pro forma Accounts for ascertaining the financial results of the scheme were prepared. A rough Trading and Profit and Loss Account up to 1960-61 prepared by Audit from the available particulars showed a loss of Rs. 27,749. This loss does not include the element of capital charges, indirect charges on account of cost of supervision of office, interest on capital, depreciation, etc. The land valued at Rs. 2,583 was transferred to another Department in February, 1961; the other assets of the scheme have not yet been disposed of (May, 1961). In addition, proper accounts were not maintained. Separate cash book or other primary records like stock register of finished bricks, production account, etc., were not maintained. Cash transactions were, with certain exceptions, entered in the cash book of the Rural Reconstruction Department.

One tile factory opened at Burdwan also worked for only one season between March, 1958 and July, 1958. An expenditure of Rs. 3,313 in all including Rs. 1,235 on certain assets was incurred on this factory. The working results of the operation could not be worked out even on a rough basis in this case as no separate account records were produced to audit by the Executive Engineer, Rural Reconstruction, West Division.

CO-OPERATION DEPARTMENT

60. Scheme for setting up of Agricultural Marketing Co-operative Societies: The object of the scheme is to organise 115 Primary Large-sized Agricultural Marketing Co-operative Societies and one Apex Marketing Society during the Second Five-Year Plan period for providing better arrangement of storage and sale of agricultural implements and products. State assistance promised to the societies is in the shape of contribution to share capital, loans and grants for the construction of storage godowns and subsidy for the maintenance of staff.

The total State assistance paid on various counts during the said period was as follows:

- (i) Construction of Storage godowns—
 - (a) Loan—Rs. 18.83 lakhs.
 - (b) Grants—Rs. 6.28 lakhs.
- (ii) Investment in share capital Rs. 9.30 lakhs.
- (iii) Subsidy for maintenance of staff—Rs. 95,495.

The storage godowns for the construction of which the above loans and grants have been paid, have not been hypothecated to Government in many cases owing to difficulty in the issue of non-encumbrance certificates by the Registration authorities concerned. Utilisation Certificates for loans granted for the purpose have been received for Rs. 30,000 only and total recovery (the figure for the total amount due has not been furnished by the Department) of principal with interest amounted to Rs. 41,972 so far (June, 1961). In September, 1961 Government stated that the initial difficulty for hypothecation having been resolved since, all pending cases were being pursued and also intimated further recovery of principal of Rs. 2,000 and interest of Rs. 1,185. Of the total sum of Rs. 9.30 lakhs invested in shares, two societies have been asked to refund the share moneys invested in them,

amounting to Rs. 25,000 and Rs. 20,665 respectively, because of their failure to work within the framework of the Scheme. Share capital to the extent of Rs. 7,392 only was repaid in 1960-61 against Rs. 26,260 due for repayment. Share certificates in 67 cases for a total sum of Rs. 4.28 lakhs have not been received. Out of 246 Audit Reports of the Societies due up to 1960-61, only 47 were received. The reports of those received indicated that profit had been made by 60 per cent. of the societies, yet only one society has paid a dividend of Rs. 190 (at the rate of 1.9 per cent.) on the share capital of Rs. 10,000 invested by Government.

61. Investments in Co-operative Institutions and Banks: Annual Accounts of the Institutions for the years 1959-60 and 1960-61 along with the Audit Reports have not been received. Audit Reports along with the annual accounts received in respect of 8 Agricultural Marketing Societies relating to the year 1956-57, 13 relating to the year 1957-58 and 7 relating to the year 1958-59 indicate that during these three years, 5, 8 and 3 societies worked at a profit and 3, 5 and 4 societies respectively at a loss.

CHAPTER IX

Audit of Grants-in-aid

62. Grants are sanctioned to local bodies by the State Government either for general or special purposes. The accounts of the expenditure therefor are audited by the Examiner, Local Audit Department, who is required to certify that the grants were utilised properly and in accordance with the conditions prescribed by Government. In addition, grants are also sanctioned by the various Departments of Government to Institutions other than local bodies. Under the rules, the Departments concerned are required to furnish utilisation certificates in respect of these grants to the Accountant General for Audit purposes, where necessary.

(a) The nature of the irregularities arising out of the audit of the accounts of grants-in-aid paid to District School Boards, District Boards and Municipalities conducted by the Examiner, Local Audit Department are summarised below:

- (i) Certificates of utilisation of grants amounting to Rs. 3.07 lakhs are awaited from 6 District School Boards for more than one year.
- (ii) Out of total grants of Rs. 16.59 lakhs paid during 1958-59 and 1959-60 to 34 District School Boards, Municipalities, etc., an amount of Rs. 2.65 lakhs was found excessive or inadmissible.
- (iii) Four District School Boards and the Zoological Garden Fund utilised grants amounting to Rs. 15.32 lakhs for purposes other than those for which they were paid.
- (iv) Details of certain individual cases of major irregularities are shown below:

Purpose of Grant.	Year of Grant.	Amount.	Comments.
<i>Midnapore District School Board</i> —For construction of Junior Basic School Buildings and improvement of accommodation of Primary Schools.	1958-59 ..	Rs. 35, 721	Entire expenditure of Rs. 66,804 was debited against Government grant instead of only the admissible amount of Rs. 31,083.
<i>Purulia Municipality</i> —For payment of dearness allowance to teaching staff.	1958-59 ..	Rs. 5,853	As against Rs. 15,049 actually spent, Rs. 20,902 was recovered from Government.
<i>Jalpaiguri District School Board</i> —Grants for various purposes such as Grants for D. A., Maintenance grants for Schools, expansion of basic education etc.	1959-60 ..	Rs. 2.69 lakhs.	Grants were utilised for purposes other than those for which they were intended without proper sanction of Government.

Purpose of Grant.	Year of Grant.	Amount.	Comments.
12 <i>Municipalities</i> —Subvention for raising the emoluments of the employees of the Municipality to the level of emoluments of Government servants or Minimum Rates of wages, whichever are less.	1959-60 ..	Rs. 1.57 lakhs.	No subvention was admissible as the wages of the employees were higher than the rates the Minimum wages order.
<i>District School Board 24 Parganas</i> —(a) Grant for improved accommodation of Schools.	1959-60 .	Rs. 40,000	According to the terms, the grant payable was subject to a maximum of Rs. 2,000. The Board granted Rs. 2,750 to each school and debited Government account to that extent instead of Rs. 2,000 only.
(b) Maintenance of Government sponsored Junior Basic Schools under the First and Second Five Year Plan.	1959-60 .	Rs. 31,691	As against 80% of the cost for maintenance debitible to Government Grant, full maintenance cost was debited to Government.
<i>Hooghly-Chinsurah Municipality</i> —Motor Vehicle Tax Grant.	1958-59 ..	Rs. 15,998	The Grant received could not be spent in 1959-60 also and should have been refunded in the absence of Government sanction permitting utilisation in 1960-61 or later.

(b) The following irregularities were noticed in the audit of other Grants-in-aid:

- (i) The certificates of the departmental officers showing that the grants drawn during 1958-59 and 1959-60 had been utilised by the grantees for the purpose for which they had been sanctioned and that conditions were attached to them had been fulfilled were awaited in the following cases:

Department	Number of cases.	Amount. Rs.
Education Department ..	.. 4 cases	1,55,683
Industries Department ..	.. 1 case	82,402
Co-operation Department ..	.. 1 case	83,514
General Administration ..	.. 1 case	25,617

- (ii) One of the conditions of grants-in-aid is that the unutilised portion should be refunded to Government. A total amount of Rs. 59,382 remaining unutilised out of 4 grants sanctioned by the Education Department, had not been so refunded by the grantees concerned.
- (iii) In 8 cases involving Rs. 3.55 lakhs in the Education Department, important documents such as payees' receipts, audited accounts, etc., could not be produced to Audit.

(iv) Details of certain individual cases of major irregularities are shown below :

EDUCATION DEPARTMENT.

Purpose of Grant.	Year of Grant.	Amount. Rs.	Comments.
<i>District Social Education Officer, Bankura—</i>			
Non-recurring grants for construction of buildings for rural library and purchase of books, furniture etc. payable to rural libraries.	1959-60 ..	20,303	The amounts drawn from the treasury were kept in a private account in a branch of the State Bank of India. The unspent balance of Rs. 20,303 on 31st March, 1960 related to grants drawn in 1956-57, 1957-58 and 1958-59.
<i>District Social Education Officer, Birbhum—</i>			
Non-recurring and recurring grants payable to rural libraries.	1959-60 ..	34,498	Rs. 40,830 was drawn in September 1959 and deposited in postal Savings Bank accounts. Upto May, 1960 Rs. 3,000 only was spent and another Rs. 3,332 was refunded in March, 1960.
<i>Director of Public Instruction—</i>			
(a) Expenditure on Labour and Social Service Camps.	1959-60 ..	57,203	Utilisation certificates and accounts are still awaited.
(b) Howrah District Library— for construction of building.	1959-60 ..	26,485	Ditto.

THE WEST BENGAL KHADI AND VILLAGE INDUSTRIES BOARD.

(c) **Irregularities in the utilisation of grants-in-aid and repayment of loans:** The Board received grants from the State Government and the All India Khadi and Village Industries Commission for development of Khadi Industry. The local audit of the accounts of the Board for the years 1957-58 to 1959-60 indicated that :

- (1) Out of Rs. 1.95 lakhs received as grants on account of stipend and tuition fees for 3,000 trainees, a sum of Rs. 1.15 lakhs could only be spent for 2,083 trainees, leaving a balance of Rs. 80,355 which was diverted towards other training expenses.
- (2) Two loans of Rs. 60,000 and Rs. 2 lakhs were granted by the Commission to the Board for 1958-59 and 1959-60 respectively for purchase of stocking commodities. Out of these loans, the Board could spend only Rs. 42,536 and Rs. 1.63 lakhs for the two years. The unspent balance of Rs. 17,454 in the year 1958-59 was also diverted to other purposes without obtaining prior approval. 75 per cent. of these loans which were repayable at the end of 12 months from the date of payment were also found to have not been repaid, though overdue.

CHAPTER X

Local Audit and Inspection

63. Important irregularities and defects in accounts noticed during local audit and inspections are included in Inspection Reports and sent to Departmental Officers for necessary action. Copies of the Inspection Reports are also forwarded to the heads of departments and - the Administrative departments of Government. The points mentioned in the Inspection Reports should receive special attention and should be settled expeditiously so that the irregularities may not persist or recur. That this was not done to the required extent is indicated by the fact that 3,562 Inspection Reports with 15,180 paragraphs issued up to 31st March 1961 have remained undisposed of for considerably long periods as indicated below:

	Number of reports outstanding.	Number of Paras outstanding.
Issued upto 31-3-56 (More than 5 years old)	.. 721	1,754
Issued between 1-4-56 and 31-3-59 (More than 2 years but less than 5 years old).	1,137	4,288

In respect of 24 reports more than 5 years old and 139 reports more than 2 years old, even the first replies were not received in Audit (November 1961) even though they were due to be received within 3 months from the date of issue of reports.

The names of the departments with comparatively heavy outstandings are shown below:

Department.	Number of Reports and paras outstanding for more than 2 years but less than 5 years.		Number of Reports and paras outstanding for more than 5 years.	
	1/R	Paras.	1/R	Paras.
Education	62	165	41	130
Medical	78	229	22	43
Agriculture	49	134	33	68
Industries	44	205	39	106
Famine Relief	62	252	30	104
Food	58	139	43	67
Public Works	43	261	27	92
Refugee, Relief and Rehabilitation	315	915	323	836
Development	73	377	35	120
Irrigation and Waterways	61	260	10	16

Delays in settlement of outstanding objections were also brought to the notice of the departments concerned periodically. It has been noticed that certain types of irregularities are persisting, for want of adequate action on the part of the departments. A few important irregularities, found to have been recurring are mentioned below by way of illustration:

- (a) Non-preparation or delay in preparation of Pro forma Accounts indicating the working results of Commercial and semi-Commercial undertakings of Government; (see also paragraph 55 of the report);
- (b) Non-recovery of rent from staff not entitled to rent-free quarters;
- (c) Irregular payment on house-building and other loans to refugees; (see also paragraph 25 of the report);

- (d) Non-recovery of loans granted to refugees, agriculturists in respect of fertilisers and for other reasons; (see also paragraph 44 of the report);
- (e) Purchase of equipment and other stores without calling for quotations or tenders;
- (f) Payments of grants-in-aid to Schools without regard to the specific conditions governing the grants; non-production of utilisation certificate in respect of grants-in-aid paid to Schools;
- (g) Withdrawal of moneys not required for immediate disbursements to avoid lapse of Budget grant; (see also paragraph 18 of the report);
- (h) Physical verification of stores not conducted periodically;
- (i) Non-realisation of security deposits from staff entrusted with handling of cash and stores.

Outstanding Audit Objections.

64. 29,241 items of objections with their money value amounting to Rs. 68.54 crores relating to the accounts for the period up to March, 1961 were outstanding in the books of the Audit Office on the 31st July, 1961. These include 15,682 items more than one year old amounting to Rs. 41.99 crores. Some of the items date back to 1948-49. The Departments/Major Heads with heavy outstandings and nature of objections are given below:

(Figures in crores of rupees).

Department Major Head.	Non sanction of estimate.	Excess Over estimate.	Non- submission of D. C. Bills.	Non submission of vou- chers and stamped receipts.	Other reasons.	Total.
1	2	3	4	5	6	7
Medical .. ..	..	..	..	1.60	.02	1.62
Agriculture and Food Pro- duction. .. ..	..	..	.04	.07	1.36	1.47
Famine .. ..	..	..	..	..	2.84	2.84
Food .. ..	..	..	2.97	.06	23.50	26.53
Public Works	8.30	.69	..	..	.24	9.23
Development	6.65	.58	..	..	1.12	8.35
Irrigation	7.30	.74	..	..	1.46	9.50
Health	3.97	.26	..	..	.04	4.27
Development (Roads) .. ..	.61	.85	..	..	.09	1.55

The amount outstanding against Medical Department for non-submission of vouchers and stamped receipts represents mainly the payments made on account of cost of dietary articles purchased for the hospitals and cost of petrol and medicines purchased by the Central Medical Stores. The amount outstanding against Food Department for non-submission of Detailed Contingent Bills and under the column "Other Reasons" represents advance payments made to other Governments for purchase of rice and paddy and non-receipt of acceptance from the Controller of Finance, Food, Relief and Supplies Department, West Bengal, of debits for the supply of rice and wheat received from the Government of India.

Special measures are required to be taken by Government to clear up the outstanding objections by furnishing the Audit Office with necessary sanctions, explanations, countersigned bills, payees' receipts and other documents, etc. The inordinate delays on the part of Controlling Authorities in taking action to submit detailed bills and vouchers must be regarded as serious lapse since the entire expenditure in respect of which detailed bills and vouchers are not submitted escapes audit scrutiny, altogether for an unusually long period.

CHAPTER XI

Other Topics of Interest

65. Scheme for the abolition of Zamindary System: The following table shows the gross receipts and the total expenditure on the Scheme for 1960-61 and the preceding 5 years:—

	(In lakhs of rupees).			(In lakhs of rupees).	
	1955-56 to 1959-60. (5 years).	1960-61. (6th year).		1955-56 to 1959-60. (5 years).	1960-61. (6th year).
Receipts.		Expenditure.			
(a) Land Revenue receipts from Ex-Zamindary Estates.	*15,66.65	4,58.73	(a) Cost of management of Ex-Zamindary Estates and Collection of Revenue.	5,37.80	2,32.54
(b) Collection from Government Estates ..	3,73.47	72.94	(b) Staff employed for calculation of ad-interim compensation.	1,26.96	27.34
(c) Rates and Cesses of lands ..	3.99	10.65	(c) Staff employed for payment of final compensation.	51.00	59.32
(d) Collection of payments for services rendered — Recoveries on account of Certificate Establishment.	.45	..	(d) Payment of ad-interim compensation to intermediaries including annuities to Debutter Estates.	5,14.74	1,58.16
(e) Forest Receipts from vested forests managed by the Forest Department.	.05	47.91	(e) Expenditure on major Settlement Operation in connection with the Estate Acquisition Scheme.	4,11.56	..
			(f) Payment of Union Boards on account of resumed Chowkidari Chakran lands.	10.47	3.09
			(g) Charges for administration of Certificate Establishment.	7.84	7.78
			(h) Works ..	3.38	..

(4) Miscellaneous—Contribution Grants to Local Bodies in lieu of ex-intermediaries, shares and cesses in respect of estates and interests vested to Government under West Bengal Estates Acquisition Act, 1953. 46.68 15.82

(j) 82—Capital Account of Other State Works outside the Revenue Account—Other Schemes—Construction of building in connection with Estates Acquisition Scheme. -04 ..

Total	..	19,44.61	5,90.23	Total	..	17,10.47	5,04.05
-------	----	----------	---------	-------	----	----------	---------

*Includes a sum of Rs. 27.08 lakhs on account of collection from Estates held directly by Government.

Owing to the non-completion of the Survey and Settlement Operation in all the districts and also for want of final publication of the Compensation Assessment Rolls, the total compensation payable cannot be ascertained at this stage. However, compensation payable in cash and in bonds has been tentatively estimated by the Board of Revenue at Rs. 19.7 crores and Rs. 39.41 crores respectively. In addition, payment of annuities of Rs. 5.5 lakhs per annum to Sanja holders for 25 years and perpetual annuities of Rs. 17 lakhs per annum to religious and charitable units is also involved.

CALCUTTA :

The 2 JUN 1962

P. K. BARDHAN,
Accountant-General, West Bengal.

Countersigned.

A. K. ROY,

Comptroller and Auditor General of India.

NEW DELHI:

The 7 JUN 1962

APPENDIX I

(See paragraph 9 of the Report)

I.—Statement showing Savings under Voted Grants

(In lakhs of rupees.)

Number and name of Grant.	Original Grant.	Supply Grant.	Total Grant.	Expendi- ture.	Saving.	Percentage of Saving.
1	2	3	4	5	6	7
I.—Cases where the savings amounted to 20 per cent. or more of the total grant.						
11 Irrigation ..	6,96·14	..	6,96·14	4,17·88	2,78·26	39·97
12 Interest ..	·01	..	·01	..	·01	100
22 Public Health ..	3,76·12	..	3,76·12	2,09·06	1,67·06	44·42
24 Agriculture-Fisheries	36·95	..	36·95	22·72	14·23	38·52
25 Charges on account of Animal Husbandry.	1,47·38	..	1,47·38	82·21	65·17	44·21
26 Charges on account of Co-operative Credit.	65·58	..	65·58	42·28	23·30	35·53
28 Industries-Cottage Industries.	1,99·05	..	1,99·05	1,30·25	68·80	34·56
42 Community Development Projects.	4,74·86	..	4,74·86	2,73·43	2,01·43	42·41
44 Pre-partition payment	6·50	..	6·50	3·80	2·70	41·52
47 Road and Water Transport Schemes.	4,36·77	..	4,36·77	98·77	3,38·00	77·38
45 Multipurpose River Schemes.	5,75·55	..	5,75·55	2,60·36	3,15·19	54·76
46 Civil Works ..	9,12·99	..	9,12·99	6,44·70	2,68·29	29·39
48 Capital Outlay on Schemes of Government Trading.	..	..	..	—2,11·42	2,11·42	Above 100 per cent.
II.—Cases where the savings exceeded 10 per cent. but were within 20 per cent. of the total grant.						
27 Industries-Industries	1,33·98	43·94	1,77·92	1,49·83	28·09	15·79
32 Miscellaneous Departments, Welfare of Scheduled Tribes and Castes and other backward classes.	1,34·77	6·00	1,40·77	1,14·02	26·75	11·11
40 Miscellaneous-Other Miscellaneous Expenditure.	12,74·27	1,25·80	14,00·07	11,96·71	2,03·36	14·52
50 Loans and Advances by State Governments.	8,52·47	94·72	9,47·19	7,70·83	1,76·36	18·62

APPENDIX I—*concl.*

Number and name of Grant.	Original Grant.	Supply Grant.	Total Grant.	(In lakhs of rupees.)		
				Expenditure.	Saving.	Percentage of Saving.
1	2	3	4	5	6	7
III.—Cases where the savings were below 10 per cent. of the total grant.						
1 Taxes on Income other than Corporation Tax and Estate Duty.	5.95	.08	6.03	5.98	.05	.89
2 Land Revenue ..	5,94.65	47.00	6,41.65	6,18.52	23.13	3.60
3 State Excise Duties ..	44.89	1.24	46.13	45.03	1.10	2.37
4 Stamps	9.70	..	9.70	9.36	.34	3.51
5 Forest	1,28.97	..	1,28.97	1,27.97	1.00	.77
8 Sales Tax ..	25.77	..	25.77	25.10	.67	2.60
9 Other Taxes and Duties	12.95	..	12.95	11.88	1.07	8.26
16 Jails	1,04.08	6.07	1,10.15	1,04.57	5.58	5.07
17 Police	8,09.87	30.96	8,40.83	8,34.74	6.09	.72
19 Scientific Departments	.75	.06	.81	.80	.01	1.59
23 Charges on account of Agriculture.	4,86.23	..	4,86.23	4,43.09	43.14	8.87
29 Industries-Cinchona ..	33.76	..	33.76	31.69	2.07	6.13
34 Civil Works ..	4,54.65	14.69	4,69.34	4,42.92	26.42	5.62
35 Famine	2,68.40	5,35.41	8,03.81	7,56.26	47.55	5.91
36 Privy Purses and Allowances of Indian Rulers.	1.69	.16	1.85	1.73	.12	6.61
38 Charges on account of Stationery and Printing.	79.50	2.78	82.28	78.66	3.62	4.39
39 Miscellaneous-Contributions.	1,90.64	11.35	2,01.99	1,99.94	2.05	1.01
41 Miscellaneous-Expenditure on Displaced Persons.	5,74.34	..	5,74.34	5,26.15	48.19	8.39
43 Extraordinary Charges	2,16.09	..	2,16.09	2,07.85	8.24	3.81

APPENDIX II

(See paragraph 26 of the Report)

Statement on Review of Works Expenditure

	(in lakhs of rupees).							
	Irrigation and Waterways Department.		Public Works Department.		Development Department.		Total.	
	No. of Works.	Amount.	No. of Works.	Amount.	No. of Works.	Amount.	No. of Works.	Amount.
1. Expenditure incurred up to the end of the year under report on works costing over Rs. 2 lakhs.	4	57.02	17	241.39	35	269.00	56	567.41
(a) Without specific budget provision	..	..	3	25.30	..	..	3	25.30
(b) Without budget provision and sanctioned estimates.	3	.33	..	..	5	.25	8	.58
2. Works estimated to cost more than Rs. 5 lakhs each included in the budget but not executed.	1	5.30	3	28.14	2	26.34	6	59.78
3. Expenditure incurred upto the end of the year under report on works costing over Rs. 5 lakhs provided for in the Budget for which estimates have not been sanctioned.	..	..	3	61.73	12	147.63	15	209.36
4. Expenditure in excess of sanctioned estimates by more than 10 per cent. on work costing above Rs. 5 lakhs provided for in the Budget.								

APPENDIX II—contd.**Names of some important works in respect of which the above irregularities occurred.**

Sl. No.	Name of the work.	Expenditure to end of 1960-61.	Re
		Rs.	
Expenditure incurred without budget provision.			
<i>A. Irrigation Department.</i>			
1.	Ganga Barrage Investigation	7,70,198	
2.	Remodelling of Calcutta Corporation outfall System from Bantola to Kulti.	30,96,030	
<i>B. Public Works Department.</i>			
3.	Establishment of a Girls' Home in the Gope Palace ..	7,15,815	
4.	Polytechnics Extension Schemes—Asansol Polytechnic ..	2,84,666	
<i>C. Development Department.</i>			
5.	Construction of Mograhat—Usthai Section of D. B. Usthai Road.	1,22,446	
6.	Advance collection of materials for Canning Herobhangahat Road.	1,30,802	
7.	Construction of Feeder Road from D/H to Harwood Point	2,64,997	
8.	Mogra—Sultangacha—Khanpur—Dasghara (Madhabpur)	14,11,636	
Expenditure incurred without budget provision and sanctioned estimate.			
<i>B. Public Works Department.</i>			
9.	Construction of a 5-storeyed building in Writers' Buildings, Calcutta in the space between Blocks II and III.	9,18,725	
10.	Improvement of Burdwan Arambagh Road towards Arambagh end.	2,13,582	
Works included in the budget but not executed.			
<i>A. Irrigation Department.</i>			
11.	Soil conservation Scheme in Kaleghai and other areas ..	..
Expenditure incurred with budget provision but without sanctioned estimate.			
<i>A. Irrigation Department.</i>			
12.	Further development of River Research Institute ..	5,30,269	

APPENDIX II—*concl'd.*

Sl. No.	Name of the work.	Expenditure to end of 1960-61. Rs.	Remarks.
<i>B. Public Works Department.</i>			
13.	Construction of buildings for accommodation of officers and men of West Bengal Police at 20 Dum Dum Road.	7,42,493	
14.	Construction of quarters for Police Officers' and men at Jadavpur in the district of 24-Parganas.	12,21,386	
15.	Construction of 64 sets of Sub-Inspectors' and Sergeants' quarters on the Belghoria Land.	8,50,445	
Excess over sanctioned estimate.			
<i>B. Public Works Department.</i>			
16.	Construction of buildings for the accommodation of the Calcutta Armed Police Battalion.	22,21,475	
<i>C. Development Department.</i>			
17.	Machada—Tamluk Road	17,11,160	
18.	Purbabishnupur—Raidighi Road	16,11,651	
19.	Kholapota—Badmia—Malandpur—Habra	18,37,121	

APPENDIX III

(See paragraph 35 of the Report)

Consolidated Store Accounts of the Principal State Hospitals (Except Kanchrapara T. B. Hospital) in West Bengal for the year 1958-59.

	Instruments and appliances.		Medicines, Drugs and Dressing.		Bedding and clothing.		Crockery.		Miscellaneous.		Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1. Opening balance..	..	13,76,059	..	3,02,104	..	94,856	..	5,428	..	1,02,663	18,81,110
Receipts.											
2. (a) By Local Purchase	1,59,014	..	23,250	..	13,874	..	594	..	59,193	
(b) From other Government Departments	9,00,861	..	30,30,273	..	1,99,569	..	6,831	..	1,96,033	
(c) From other sources	111	..	2	..	20	
Total	10,59,875	..	30,53,523	..	2,13,554	..	7,427	..	2,55,246	45,89,625
Issues.											
3. (a) Issue during the year	9,75,935	..	29,13,337	..	2,12,899	..	8,276	..	2,31,744	
(b) Depreciation, loss, shortages, etc.	347	..	603	..	..	..	..	..	5	
Total	9,76,282	..	29,13,940	..	2,12,899	..	8,276	..	2,31,749	43,43,146
4. Closing balance	14,59,652	..	4,41,687	..	95,511	..	4,579	..	1,26,160	21,27,589

APPENDIX III—*contd.*

Value Accounts of the Central Medical Stores, Health Services, West Bengal for the Period from 1st April 1958 to 31st March, 1959.

	Instruments and appliances.		Medicines, Drugs and Dressing.		Bedding and clothing.		Crockery.		Miscellaneous.		Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
1. Opening Balance	12,88,120	10,24,485	3,22,716	86,160	1,36,214	28,57,695					
Addition and deduction from the opening balance due to correction of Ledger and valuation.	+12,176	-11,507	+3,433	+19,133	-7,189	+16,046					
Total	13,00,296	10,12,978	3,26,149	1,05,293	1,29,025	28,73,741					
2. Receipts :											
(a) By local purchase	20,97,831	87,52,682	5,82,440	48,806	4,31,899	1,19,13,658					
(b) From other departments	15,124	2,04,799	1,20,917	Nil	4,418	3,45,258					
Total	34,13,251	99,70,459	10,29,506	1,54,099	5,65,342	1,51,32,657					
3. Issue during the year : (including unserviceable, condemned and surplus stores made over to Amenity Committee or destroyed as per recommendation of the Central Condemnation Board).											
4. Depreciation, shortage, write-off etc.	5,505 (excess)	327 (excess)	188 (excess)	62 (excess)	41 (excess)	6,123 (excess)					
Closing balance	12,85,230	11,71,354	2,49,345	53,636	97,935	28,57,500					

APPENDIX III—*contd.*

Consolidated Store Account of the Manufactory Department of the Presidency and the Central Jails in West Bengal for the year 1959.

RECEIPTS				ISSUES				
Items.	Tools and Plant.	Raw Materials.	Finished Goods.	Total.	Tools and Plant.	Raw Materials.	Finished Goods.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Opening balance ..	42,426	4,19,878	2,79,216	7,41,520	1. Issues to:			
2. Purchases from:					(a) Small Jail ..	4,500	8,66,537	3,08,432
(a) Market ..	57,976	8,09,431	14,90,078	..	(b) Other Jails of the State, ..	..	4,143	6,71,297
(b) Small Jail ..	283	4,374	..	..	(c) Other Department of State, ..	..	..	2,87,988
(c) Other Jails of the State.	119	2,770	..	..	2. Sales to Public ..	..	..	22,404
(d) Other Governments outside the State.	..	1,107	..	..	3. Written off:			
					(a) Loss ..	181	981	470
					(b) Depreciation ..	4,640	..	..
					(c) Revaluation ..	..	..	10,277
3. Revaluation ..				23,66,138				
Total ..	1,00,804	12,37,560	17,69,294	31,07,658	Total ..	9,327	8,71,661	14,68,699
					Closing Balance ..	91,477	3,65,899	3,00,595
Grand Total ..	1,00,804	12,37,560	17,69,294	31,07,658	1,00,804	12,37,560	17,69,294	31,07,658

*/(To manufacture).

APPENDIX III—*contd.***Consolidated Profit and Loss Account of the Manufactory Department of the Presidency and the Central Jails in West Bengal for the year 1959.**

<i>Dr.</i>	Rs.	Rs.	<i>Cr.</i>
1. To Opening Balance :			Rs.
(a) Manufactured goods	2,79,216		12,90,121
(b) Unfinished stock in process of manufacture.	13,115		..
	<u> </u>	2,92,331	
2. To add receipts :			1,67,831
(a) Stores	8,66 537		4. By Miscellaneous receipts.
(b) Spares of machine ..	4,500		11,440
(c) As per contra ..	1,67,831		
	<u> </u>	10,38,868	
		<u> </u>	
		13,31,199	
3. Less closing balance			
(a) Manufactured articles.	3,02,595		
(b) Unfinished stock in process of manufacture.	27,473		
	<u> </u>	3,30 068	
		<u> </u>	
		10,01,131	
4. Stores consumed ..		10,01,131	
5. To pay and allowances :			
(a) Dy. Supdt. and Dy. Jailer.	16,097		
(b) Establishment ..	56,816		
	<u> </u>	72,913	
6. To Labour Charges :			
(a) Convicts ..	2,38,079		
(b) Under-trials ..	1,641		
	<u> </u>	2,39,720	
7. To Contingent Charges		35,224	
8. To Stationery and Forms		1,049	
9. To Rent, Rates and Taxes.		23,518	
10. To Pensionary charges		5,520	
11. To Write-off :			
(a) Loss	1,162		
(b) Depreciation ..	4,646		
	<u> </u>	5,808	
12. To Balance (Net profit)		84,500	
	<u> </u>	<u> </u>	
Total ..		14,60,392	Total ..
		<u> </u>	<u> </u>
		14,60,392	14,60,392

APPENDIX III—*contd.*

Consolidated Store Accounts of Intensive Food Production Schemes under the Director of Agriculture, West Bengal, for the year 1959-60.

	Seeds.		Manures.		Implements.		Insecticides.		Miscellaneous.		Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Balance	3,82,359	..	43,734	..	11,98,867	..	3,12,113	..	45,574	19,82,647
Receipt in Store	25,77,662	..	82,436	..	5,71,224	..	6,32,583	..	91,273	39,55,178
Total	29,60,021	..	1,26,170	..	17,70,091	..	9,44,696	..	1,36,847	59,37,825
Issue	20,63,146	..	52,089	..	4,63,241	..	2,73,212	..	56,513	29,08,301
Loss due to subsidised rate	5,00,184	..	21,784	..	1,02,018	..	1,44,396	..	9,252	7,77,634
Shortage	24,370	..	1,214	..	336	..	12,049	..	131	38,100
Total	25,87,700	..	75,087	..	5,65,595	..	4,29,657	..	65,896	37,23,935
Closing Balance	3,72,321	..	51,083	..	12,04,496	..	5,15,039	..	70,951	22,13,890

Offices.	Particulars.	Utilisation or Issues		Shortage, Depreciation, Loss		Closing Balance		Remarks.
		Quantity	Value	Quantity	Value	Quantity	Value	
1	2	Kg.	Rs.	Kg.	Rs.	Kg.	Rs.	9
1. Director's Office at Mungpoo.	1. Stores, Tools and Implements, etc.	..	8,684	..	..	..	889	
	Total	..	8,684	..	..	..	889	
2. Manager, Government Cinchona Plantation, Mungpoo.	1. Cinchona Bark	..	5,08,155	..	..	8,95,966	22,39,915	at Rs. 2.50 per Kg.
	2. Ipecac Root	..	1,931	..	..	..	..
	3. Manures, Implements, etc.	..	38,809	..	..	..	17,381	
	Total	..	5,48,895	..	..	..	22,57,296	
3. Manager, Government Cinchona Plantation, Munsong.	1. Cinchona Bark	..	6,21,093	..	..	7,73,165	19,32,915	
	2. Manures, Implements and Other Stores.	..	36,160	..	..	..	11,747	
	Total	..	6,57,253	..	..	..	19,44,662	
4. Assistant Manager-in-Charge, Government Cinchona Plantation, Latpanchor.	1. Cinchona Bark	..	2,00,230	..	..	1,05,997	2,64,992	
	2. Manure, Implements and Other Stores.	..	36,765	..	..	..	23,653	
	Total	..	2,36,995	..	..	..	2,88,645	
5. Government Cinchona Plantation at Rongo.	1. Cinchona Bark	..	1,53,940	..	..	32,992	82,480	
	Total	..	1,53,940	..	..	..	82,480	
	Grand Total	..	16,05,767	..	..	..	45,73,982	

APPENDIX III—*contd.*

Store Account of the Government Quinine Factory at Mungpoo for the year, 1959-60.

Particulars.	Opening Balance.		Receipt.		<i>Utilisation</i> Issues and Sales	
	Quantity	Value	Quantity	Value	Quantity	Value
1	2	3	4	5	6	7
Cinchona Bark (a)	Kg.	Rs.	Kg.	Rs.	Kg.	Rs.
Quinine Sulph B. P. (b)	1,26,459	3,13,636	6,12,244	15,30,610	6,34,785	15,84,804
Quinine Sulph Tablets (c)	8,670	7,52,552	21,888	19,26,144	19,391	16,98,136
Other Quinine Salts (d)	284.618	22,884	1,492.316	1,18,639	1,697.712	1,35,231
Cinchona Febrifuge and other mixed Alkaloids (e)	2,665	2,58,403	7,437	7,21,389	8,384	8,13,163
Other Cinchona Products (f)	65,236	20,07,389	1,156	41,842	1,239	40,437
Oil chemicals etc.	6	333	10	770	9	620
	..	3,57,811	..	4,00,196	..	3,95,674
Total .. ..	..	37,13,008	(A)	47,39,590	(C)	46,68,065

Particulars.	Shortage and Losses.		Excess.		Closing Balance.	
	Quantity	Value	Quantity	Value	Quantity	Value
1	5	6	7	8	9	10
Cinchona Bark (a)	Kg.	Rs.	Kg.	Rs.	Kg.	Rs.
Quinine Sulph B. P. (b) .. ..	..	..	..	..	1,03,918	2,59,442
Quinine Sulph Tablets (c) .. ..	..	..	..	..	11,167	9,80,560
	..	..	..	..	79.222	6,292

Other Quinine Salts (d)	..	..	..	..	1,718	1,66,629
Cinchona Febrifuge and other mixed Alkaloids (e)	..	..	..	..	65,153	20,08,794
Other Cinchona Products (f)	..	..	..	..	7	483
Oil chemicals etc.	..	..	3,967	..	368	3,58,734
Total	..	(D)	3,967	(B)	368	37,80,934

Rates of Receipts.

(a) Cinchona Bark
 (b) Quinine Sulph, B.P.
 (c) Quinine Sulph, Tablets
 (d) Other Quinine Salts, Quinine Alkaloids (Other Salts Tablets, Other Quinine Salts net content)
 (e) Totacama Cinchona Febrifuge and other mixed Alkaloids
 (f) Other Cinchona Products (Salts or Other Cinchona Alkaloids).

Rates of Issues.

(a) Rs. 2.4966 per Kg.
 (b) Rs. 87.573427 "
 (c) Rs. 79.641531 "
 (d) Rs. 96.989903 "
 (e) Rs. 30.527256 "
 (f) Rs. 68.9375 "

Rs. 33,1579/Kg; Rs. 37,442923/Kg.

Stores in Stock }
 On 31-3-60 } Rs. 5,28,126.00

Stores in transit }
 on 3-3-60 } Rs. 30,608.00

(A) + (B) = Rs. 47,39,958.

(C) + (D) = Rs. 46,72,032.

APPENDIX III—*contd*

Store Account of the Government Quinine Sales Depot, Calcutta for the year, 1959-60.

Particulars of Stores	Opening Balance	Appreciation due to sale at rates higher than the minimum selling rates.	Receipts	Total	Utilisation and Sales etc.	Depreciation, Loss, shortage written off.	Result of verification if any and Revaluation.	Total	Closing Balance
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	2	3	4	5	6	7	8	9	10
1. Quinine Sulphate B.P. ..	1,94,743	15,757	9,79,210	11,89,710	9,56,984	..	..	9,56,984	2,32,726
2. Quinine Sulphate Tablets	14,802	2,638	1,43,021	1,60,461	1,34,113	..	..	1,34,113	26,348
3. Other Quinine Salts ..	1,31,817	20,735	7,18,843	8,71,395	6,53,512	17	..	6,53,529	2,17,866
4. Cinchona Febrifuge and Other Mixed Alkaloids.	36,801	1,927	32,279	71,007	49,818	..	..	49,818	21,189
5. Other Cinchona Products	241	90	1,059	1,390	1,277	..	..	1,277	113
6. Cinchona Bark ..	3,040	327	1,200	4,567	3,352	(Free Sample)	1	3,353	1,214
7. Other Subsidiary ..	1,737	1,317	14,785	17,839	9,358	(Value written off)	25	11,079	6,760
Total ..	3,83,181	42,791	18,90,397	23,16,369	18,08,414	1,739	..	18,10,153	5,06,216
			19,33,188		18,10,153				

APPENDIX III—*contd.***Irrigation and Waterways Department (Division-wise details of Stores Accounts for 1960-61.**

Name of Divisions.			Opening Balance	Receipt during the year.	Issue during the year.	Closing Balance.
			Rs.	Rs.	Rs.	Rs.
1.	Damodar Canal	.. ..	8,914	21,264	10,880	19,298
2.	Canals	.. ..	79,500	2,28,117	39,249	2,68,368
3.	East Midnapore	.. ..	2,01,100	1,83,420	1,02,832	2,81,688
4.	Hooghly Irrigation	.. ..	1,656	..	..	1,656
5.	Bankura Irrigation	.. ..	81,821	..	..	81,821
6.	Jalpaiguri Irrigation	.. ..	2,99,002	1,46,141	36,106	4,09,037
7.	Cooch Behar Irrigation	.. ..	41,590	4,20,714	2,28,352	2,33,952
8.	East Sundarban (Renamed as Basirhat Irrigation)	.. ..	95,135	1,02,324	82,125	1,15,334
9.	Guskhara Irrigation	.. ..	21,975	5,171	13,081	14,065
10.	Malda Irrigation	.. ..	..	15,145	1,545	13,600
			8,30,693	11,22,296	5,14,170	14,38,819

APPENDIX III—*contd.***Public Works Department, Division-wise details of Stores Accounts for 1960-61.**

Name of Divisions		Opening Balance.	Receipt during the year.	Issue during the year.	Closing Balance.
Voted.		Rs.	Rs.	Rs.	Rs.
1.	City Division	10,77,061	30,63,787	32,57,585	8,83,263
2.	Suburban Division	9,54,930	7,41,893	9,36,930	7,59,893
3.	Hooghly Division	2,16,514	10,21,065	9,72,664	2,64,915
4.	Midnapore Division	4,47,606	14,11,941	9,92,233	8,67,314
5.	Darjeeling Division (including Special repairs)	4,85,987	21,24,071	31,05,253	(-),4,95,195
6.	North Calcutta Division	3,73,486	9,93,055	10,78,851	2,87,690
7.	B. E. College Construction Division	2,27,060	8,34,421	7,81,319	2,80,762
8.	Calcutta Construction Division	16,026	6,92,376	4,97,234	2,11,168
9.	Jalpaiguri Division	7,87,652	16,36,136	13,69,088	10,54,700
10.	Western Electrical Division	1,75,851	67,027	67,291	1,75,587
11.	Calcutta Electrical Division	13,960	1,58,582	1,37,042	35,500
12.	Northern Electrical Division	9,495	58,729	50,297	17,927
13.	Berhampore Division	2,53,297	11,63,388	9,16,204	5,00,481
14.	Cooch Behar Division	5,31,757	5,37,907	5,88,561	4,81,103
15.	Malda Division	67,568	11,96,059	10,93,312	1,70,315
16.	Purulia Division	5,94,174	10,30,580	14,05,635	2,19,119
17.	Alpore Division	2,40,215	10,40,135	8,47,161	4,33,189
18.	Suburban Electrical Division	23,962	1,24,555	1,22,057	26,460
19.	Burdwan Division	3,72,137	12,66,159	12,02,070	4,36,226
20.	Howrah Division	3,64,585	8,00,752	7,65,479	3,99,858
21.	Nadia Division	4,49,288	12,73,625	7,69,164	9,53,749
22.	Workshop Electrical Division	2,40,417	12,67,110	10,34,110	4,73,417
23.	West Dinajpur Division .. ..	..	9,33,345	4,11,394	5,21,951
24.	Bankura Division .. ..	..	8,34,749	2,88,080	5,46,669
25.	Birbhum Division .. ..	..	5,21,644	4,02,300	1,19,344
Total		79,23,628	2,47,93,091	2,30,91,314	96,25,405
Charged.					
Governor's Estate		961	41,687	30,827	11,821

APPENDIX III—*concl'd.***Development (Roads) Department, Division-wise details of Store Accounts for 1960-61.**

Name of Divisions.	Opening Balance	Receipt during the year.	Issue during the year.	Closing Balance.
	Rs.	Rs.	Rs.	Rs.
1. Burdwan Construction Division ..	67,547	53,270	70,084	50,733
2. Hooghly Construction Division ..	92,387	7,93,940	6,71,163	2,15,164
3. Malda Construction Division ..	5,670	5,49,235	5,25,111	29,794
4. Murshidabad Construction Division	6,00,701	6,99,857	6,24,162	6,76,396
5. Mechanical Division	18,77,673	6,86,983	10,02,983	15,61,673
6. Midnapore Construction Division	(-)1,32,507	1,36,085	1,32,760	(-)1,29,182
7. Nadia Construction Division ..	55,128	1,08,987	1,10,615	53,500
8. West Dinajpore Construction Division (Since renamed as Darjeeling Construction Division).	(-)63,933	6,40,877	5,31,301	45,643
9. 24-Parganas Construction Division	2,48,024	4,88,851	4,84,231	2,52,644
10. North Bengal Road Construction Division (Since renamed as Cooch Behar Construction Division)	1,57,090	3,77,341	5,97,152	(-)62,721
11. Howrah Construction Division ..	14,206	1,08,810	1,09,685	13,331
12. Bankura Construction Division ..	16,159	95,760	91,328	20,591
Total	29,38,145	47,39,996	49,50,575	27,27,566

APPENDIX IV

(See paragraph 55 of the Report)

List of wanting *Pro-forma* Accounts(a) In the following cases, the *pro-forma* accounts have not been prepared since inception :—

Serial No.	Description.	Period.	Remarks.
1.	Scheme for Deep Sea fishing with the help of Danish Trawlers and Japanese Cutters.	1949-50 to 1960-61	
2.	Scheme under the Director of Dairy Development, Animal Husbandry and Ex-Officio Milk Commissioner, West Bengal—		
	(1) Scheme for distribution of toned and cow's milk.	} 1950-51 to 1960-61	
	(2) Scheme for manufacture of butter and ghee.		
	(3) Livestock Research—cum—Breeding Station at Haringhata.		
	(4) Greater Calcutta Milk Supply Scheme	1955-56 to 1960-61	
3.	Government Sales Emporia ..	1951-52 to 1960-61	Incomplete accounts for some of the earlier years returned for rectification of defects are still awaited. (January 1962).
4.	Kanchrapara Area Development Scheme	1949-50 to 1960-61	Government decision in respect of Pro-forma Accounts since inception has not yet (January, 1962) been received.
5.	Durgapur Industries Board ..	1956-57 to 1960-61	
6.	Durgapur Brick Board ..	1956-57 to 1960-61	The accounts upto March, 1960 returned for rectification of defects, are still awaited. (January 1962).
7.	Fuha Township ..	1952-53 to 1960-61	
8.	Scheme for Production Centres ..	1954-55 to 1960-61	Consolidated accounts for all the Centres called for are still awaited. (January, 1962).
9.	Integrated Wood Industries scheme under the Director of Industries (Durgapur, Kalyani and Siliguri Centres).	1956-57 to 1960-61	Pro-forma Accounts upto 1959-60 returned by Audit are still awaited. (January, 1962).
10.	Silk Reelers' Co-operative Organisation	1948-49 to 1960-61	Accounts upto 1951-52 returned by Audit for recasting in August, 1958 are still awaited. (January, 1962.)

APPENDIX IV—concl'd.

(b) In the following cases *pro-forma* accounts have not been prepared for the periods noted against each :—

Serial No.	Description.	Period.	Remarks.
1.	State Transport Services, Cooch Behar	1955-56 to 1959-60 (upto 14th April, 1960 i.e. pre-corporation period).	Accounts for the years 1955-56 and 1956-57 returned for correction in February, 1961 are still awaited (January, 1962).
2.	State Transport Services in Calcutta and surrounding areas.	1959-60 and 1960-61 (up to 14th June, 1960 i.e. pre-corporation period).	
3.	The consolidated <i>pro-forma</i> Accounts of 'hats' under the management of State Government.	1956-57 to 1960-61	
4.	Scheme for State Trading on Rice and Paddy.	1959-60 and 1960-61	
5.	Scheme for State Trading on Wheat and Wheat Products.	Ditto	
6.	Sales Account of Rice and Wheat received from the Central Reserve Department of Government.	1958-59 to 1960-61	
7.	Central Engineering Organisation, Dसनगर, Howrah.	1960-61	
8.	Brooklyn Ice Plant and Cold Storage ..	1960-61	

APPENDIX V

(See paragraph 56 of the Report)

Extraction Manufacturing, Profit and Loss Account—1959-60, of Band Saw Mills.

Dr.	1958-59.		1959-60.		Cr.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
To—						
Opening Stock of Logs and Sawn timber	3,29,474	4,20,320	Sales	..	..	10,06,928
Royalty on logs and value of sawn timber	4,87,068	4,89,387	Miscellaneous Receipts	..	..	34,113
Extraction charges	1,86,247	1,74,594	Value of logs used departmentally	..	..	923
Audit fees	4,560	4,960	Closing Stock of logs and sawn timber	..	..	4,20,320
Milling expenses	2,07,894	1,61,132				
Interest on capital outlay	26,351	46,251				
Administration and Office Expenses	49,442	64,299				
Selling and Distribution Expenses	10,902	12,885				
Loss and disposal of Unserviceable plants etc.	78	..				
Provision for bad and doubtful debts	100	100				
Net Profit for the year	1,60,168	1,60,360				
Total	14,62,284	15,34,288	Total	..	..	14,62,284
						15,34,288

APPENDIX V—Contd.

Balance Sheet of Band Saw Mills, Silihuri as at 31st March, 1960.

Capital and Liabilities.	As on 31st March, 1959.		Properties and Assets.		As on 31st March, 1959.		As on 31st March, 1960.	
	Rs.	Rs.	Fixed Assets	Current Assets	Rs.	Rs.	Rs.	Rs.
Government Capital	..	9,14,215	14,85,232	..	..	4,23,052	6,19,662
Royalty Payable	..	3,625	18,241	..	..	4,46,257	7,99,235
Sundry Creditors	..	48,520	21,079	Sundry Debtors and Loans and Advances	..	97,051	1,05,655	
Total	..	9,66,360	15,24,552	Total	..	9,66,360	15,24,552	

Scheme of State Trading on Rice, Paddy and Gram.

Dr.	1956-57.		1957-58.		Particulars.	1956-57.		1957-58.	
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Stock	..	25,12,454	23,69,023	Sales	..	..	5,20,31,899	7,28,67,953
Stock in Transit	..	34,467	..	Miscellaneous Receipts	..	..	1,24,062	2,17,509
Purchases	..	5,07,45,848	9,98,23,321	Shortages (1956-57 : 65,492mds)	..	..	..	..
Incidental and Freight Charges	..	22,86,594	40,77,457	(1957-58 : 87,472mds)	..	..	..	..
Sales Tax	..	1,12,623	169	Closing Stock	..	..	23,68,023	3,00,65,724
Overhead charges	..	97,90,951	52,47,516	Net Loss	..	..	1,11,40,246	84,41,028
Audit charges	..	1,82,293	74,818		..	..	..	..
Total	..	6,56,65,230	11,15,92,304	Total	..	Total	6,56,65,230	11,15,92,304	

APPENDIX V—Contd.

Scheme of State Trading on Rice, Paddy and Gram.

BALANCE SHEET AS AT 31ST MARCH, 1958.

Liabilities.	1956-57. Rs.	Assets. Rs.	1956-57. Rs.	1957-58. Rs.
63—Extraordinary Charges Account.	14,64,24,357	Net Outlay (Gross Receipt minus expenditure).	7,15,75,347	4,83,48,240
22—Interest Account ..	24,39,721	Procurement Bonus Account ..	64,862	64,862
Audit Charges ..	22,32,200	Suspense Account ..	..	..
Suspense Account (A.R.C.P.'s P.L.A/c. and Cash Cr. Account).	3,17,772	Exchange Account ..	25,21,714	..
Sundry Creditors Account (Miscellaneous Purchase Account).	55,68,392	C. R.'s Account ..	3,27,980	30,79,256
Government of India and other Governments.	2,95,90,849	Advance Account ..	76,613	76,613
Outstanding Interest Account	7,155	Undivided Bengal Suspense Account.	12,77,640	12,77,640
Reserve for Procurement Bonus Account.	87,85,310	Sundry Debtors' Account } Mills and Parties' Account }	41,89,638	..
Excess of Assets over Liabilities Account.	22,21,614	Other Government Departments Account.	58,74,921	1,00,44,175
Refund due to parties A/c.	10,03,130	Advances from Government of India Account.	40,36,991	40,38,634
Refund due to parties (S.M.R.) Account.	28,112	Stock-in-trade Account ..	23,69,023	3,00,65,724
Road Development Fund Account.	9,83,856	Profit and Loss Account— Balance as per last Account	..	10,72,81,450
Liabilities for Sales Tax Account.	1,055	<i>Add this year's Net Loss</i>	1,11,40,246	11,57,22,478
Total ..	19,96,01,523	Total ..	19,96,01,523	21,27,17,622

APPENDIX V—Contd.

Scheme of State Trading on Wheat and Wheat Products.

STOCK, TRADING AND PROFIT AND LOSS ACCOUNT OF WHEAT AND WHEAT PRODUCTS FOR 1957-58.

Dr.	1957-58.	Particulars.	1957-58.	Cr.
	Rs.		Rs.	
To Opening Stock	By Sales	.. ..	6,95,08,792
Purchases	Miscellaneous receipts including interest	.. ..	36,421
Incidental and Other Indirect Charges	Shortages (127,652 mds.)	.. ..	..
Audit Charges	Stock in transit	.. ..	36,06,908
		Closing Stock	.. ..	1,56,43,399
		Net Loss	.. ..	52,66,606

			9,40,62,126	-----
			9,40,62,126	-----

APPENDIX V—Contd.

Scheme of State Trading on Wheat and Wheat Products

BALANCE SHEET AS AT 31ST MARCH, 1958.

	Liabilities.		Assets.	
	Rs.	Rs.	Rs.	Rs.
Net Outlay (Gross Receipts) ..		1,17,46,008	Sundry Debtors ..	1,16,67,200
63—Extraordinary Charges ..		7,97,42,505	Other Governments and Departments ..	1,62,86,426
Audit Charges ..		11,27,627		<u>2,79,53,626</u>
Interest Account ..		13,77,031	Investment and P. Deposits of Advances	50,000
Outstanding Interest ..		10,029	Stock in Transit ..	36,06,908
Sundry Creditors—			Stock in Trade ..	1,56,43,399
G. I. for purchases, Incidentals and price differentials ..	2,30,32,065		C. R.'s Suspense (Awaiting Transfers) ..	1,71,274
Other Miscellaneous Liabilities ..	1,01,39,014	3,31,71,079	Deposits in Reserve Bank of India Undivided Bengal suspense Accounts—	
			Segregated ..	1,36,60,178
Refund due to parties ..		9,750	Unsegregated ..	11,75,643
M. R. Dealers Suspense ..		76,848	Deposits in Advance from M. R. Dealers	76,848
Security Deposits (Flour Mills) ..		50,000	Cheques in hand ..	1,28,879
Undivided Bengal Suspense Account ..		1,48,35,821	Profit and Loss Account as per last Account	7,45,42,216
Reserve Bank of India Account A. G. West Bengal o. 85A—Capital Outlay.		1,28,879	For this year ..	52,66,606
				<u>7,98,08,822</u>
		<u>14,22,75,577</u>		<u>14,22,75,577</u>

APPENDIX V—Contd.

Brooklyn Ice Plant and Cold Storage

TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEARS 1958-59 AND 1959-60.

Dr.	1958-59. Rs.	1959-60. Rs.	Particulars.	1958-59. Rs.	1959-60. Rs.	Cr.
To Opening Stock	2,55,055	By Sales .. .. .	..	..
Purchases	2,84,750	Miscellaneous Receipts .. .. .	..	758	20,148
Salary and Wages	56,864	Closing Stock .. .. .	..	2,77,592	2,78,114
Other Miscellaneous Expenditure	1,21,904				
Interest on Government Capital	25,199				
Net Profit	39,756				
		<u>7,83,528</u>			<u>7,91,580</u>	

Brooklyn Ice Plant and Cold Storage'

BALANCE SHEET AS AT 31ST MARCH, 1959 AND 31ST MARCH 1960.

Liabilities and Government Capital.	1958-59. Rs.	1959-60. Rs.	Assets and Properties.	1958-59. Rs.	1959-60. Rs.
Government Capital	6,65,645	Fixed Assets .. .. .	..	98,554
Add Profit during the year	39,756	Current Assets .. .. .	..	2,77,592
		<u>7,05,401</u>	Sundry Debtors .. .. .	..	3,77,173
Sundry Creditors	47,918			
		<u>7,53,319</u>			
		<u>8,08,634</u>			
		<u>7,83,528</u>			<u>7,91,580</u>

APPENDIX V—Contd.

Scheme for supply of concentrates and Fodder to the Licensees of Milk Colony.

Dr.	TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEARS 1957-58 TO 1959-60.							
	1957-58. Rs.	1958-59. Rs.	1959-60. Rs.	C 1959-60. Rs.				
To Opening Stock .. .. .	..	80,414	42,276	By Sales .. .. .	..	4,90,210	7,82,864	6,42,769
Purchases	5,45,262	7,03,821	6,07,297	Closing Stock .. .. .	..	80,414	42,276	47,809
Wages	13,803	24,384	24,080					
Office and Contingent Expenditure.	5,900	12,738	16,007					
Audit Fee	200	200	200					
Net Profit	5,459	3,583	718					
	5,70,624	8,25,140	6,90,578			5,70,624	8,25,140	6,90,578

Scheme for supply of concentrates and Fodder to the Licensees of Milk Colony.

BALANCE SHEET AS AT 31ST MARCH, 1958, 31ST MARCH, 1959 AND 31ST MARCH, 1960.

Capital and Liabilities.	Properties and Assets.						
	1957-58. Rs.	1958-59. Rs.	1959-60. Rs.	1957-58. Rs.	1958-59. Rs.	1959-60. Rs.	
Government Capital	1,00,200	1,05,859	1,09,642	Current Assets	80,414	42,276	47,809
Add—Profit during the year	5,459	3,583	718	Sundry Debtors	39,626	44,887	48,099
Personal Ledger Account No. I .. .. .	..	..	50,000	Amount due from other Schemes	3,348	35,887	76,370
Sundry Creditors	65,595	74,322	77,077	Cash and Bank Balances	60,591	72,158	88,441
Amount due to other schemes	12,725	11,444	23,282				
	1,83,979	1,95,208	2,60,719				
				1,83,979	1,95,208	2,60,719	

APPENDIX V—Concl'd.

Scheme for controlled sale of Skim Milk Powder in West Bengal.

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEARS 1958-59 AND 1959-60.	
Dr	Cr.
1958-59. Rs.	1959-60. Rs.
To Opening Stock	26,96,049
Purchases	33,22,016
Office and contingent expenditure	1,703
Audit Fee	4,22,998
Net Profit	34,30,512
	<u>37,46,717</u>
	<u>34,30,512</u>
	<u>37,46,717</u>

Scheme for controlled Sale of Skim Milk Powder in West Bengal

BALANCE SHEET AS AT 31ST MARCH, 1959 AND 31ST MARCH, 1960.

Capital and Liabilities.	1958-59. Rs.	1959-60. Rs.	Properties and Assets.	1958-59. Rs.	1959-60. Rs.
Government Capital	600	1,08,437	Fixed assets less depreciation	24,553	90,741
Add—Profit during the year	1,07,237	2,89,092	Current Assets	7,32,588	4,23,192
Loans and Advances	4,841	5,356	Investments	981	4,633
Current liabilities and provisions	1,15,808	1,31,063	Amount due from other schemes	..	3,44,683
Sundry Creditors	4,77,576	29,702	Cash and Bank balances	9,131	22,389
Amount due to other schemes	61,191	3,21,988			
	<u>7,67,253</u>	<u>8,85,638</u>		<u>7,67,253</u>	<u>8,85,638</u>