



GOVERNMENT OF MADHYA PRADESH

REPORT
OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR 1974-75
(CIVIL)

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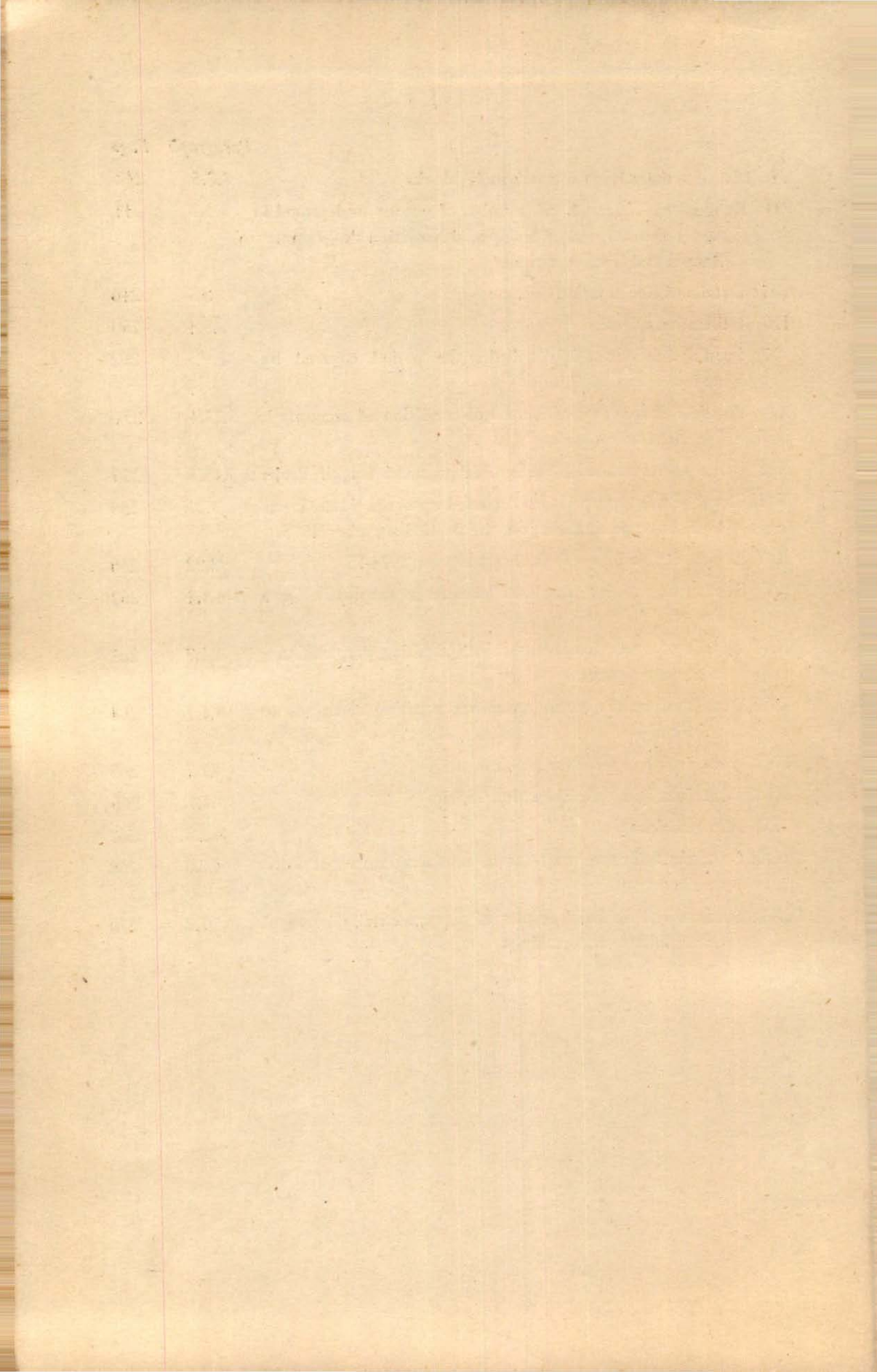
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PREFATORY REMARKS

This Report has been prepared both in Hindi and English for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1974-75 together with other points arising from audit of financial transactions of the Government of Madhya Pradesh. It also includes certain points of interest arising from the Finance Accounts for the year 1974-75.

2. The observations of Audit on Statutory Corporations, Boards and Government Companies and on Revenue Receipts are being presented in separate volumes.

3. The cases mentioned in this Report are among those which came to notice during the course of test audit of accounts during the year 1974-75 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports ; matters relating to the period subsequent to 1974-75 have also been included, wherever considered necessary.

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

CHAPTER 1

GENERAL

1.1 Summary of transactions

Receipts, expenditure and surplus/deficit during 1974-75 are given below with corresponding figures of the preceding year:

	1973-74(*)	1974-75
(1)	(2)	(3)
<i>(In crores of rupees)</i>		
(1) Revenue—		
(i) Revenue raised by the State Government	2,17.78	2,90.69
(ii) Receipts from the Government of India	1,34.06	1,32.69
Total—Revenue	3,51.84	4,23.38
(iii) Revenue Expenditure—		
Non-Plan	2,70.28	3,34.71
Plan	64.11	53.02
Total—Revenue Expenditure	3,34.39	3,87.73
Revenue Surplus (+)	+17.45	+35.65
Revenue Deficit (—)	+17.45	+35.65
(2) Debt—		
(i) Internal Debt—		
(a) Market Loans—		
Receipts	5.55	10.23
Disbursements	0.33	4.95
Surplus (+)	+5.22	+5.33
Deficit (—)	+5.22	+5.33

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

(1)	1973-74(*) (2)	1974-75 (3)
	<i>(In crores of rupees)</i>	
(b) Loans from autonomous bodies—		
Receipts	2.38	3.20
Disbursements	1.96	2.23
<u>Surplus (+)</u>	<u>+0.42</u>	<u>+0.97</u>
<u>Deficit (—)</u>		
(c) Ways and Means advances from Reserve Bank of India—		
Receipts	87.51	2,05.84
Disbursements	80.02	1,97.56
<u>Surplus (+)</u>	<u>+7.49</u>	<u>+8.28</u>
<u>Deficit (—)</u>		
Total—Internal Debt (Net)		
<u>Surplus (+)</u>	<u>+13.13</u>	<u>+14.58</u>
<u>Deficit (—)</u>		
(ii) Loans and Advances from Central Government—		
Receipts	58.05	57.83
Disbursements	54.78	22.79
<u>Surplus (+)</u>	<u>+3.27</u>	<u>+35.04</u>
<u>Deficit (—)</u>		
Total—Debt (Net)		
<u>Surplus (+)</u>	<u>+16.40</u>	<u>+49.62</u>
<u>Deficit (—)</u>		
(3) Capital Expenditure—		
Non-Plan	3.59	4.22
Plan	60.88	76.91
<u>Increase (—)</u>	<u>—64.47</u>	<u>—81.13</u>
<u>Decrease (+)</u>		
(4) Loans and Advances by the State Government—		
Receipts	17.19	20.01
Disbursements	33.96	47.93
<u>Surplus (+)</u>	<u>—16.77</u>	<u>—27.92</u>
<u>Deficit (—)</u>		

(*) Figures on page (1) may please be referred to.

(1)	1973-74(*) (2)	1974-75 (3)
	(In crores of rupees)	
(5) Appropriation to Contingency Fund—		
Increase (—)	—5.00	..
<hr/>		
Decrease (+)		
(6) Contingency Fund (Net)—		
Increase (+)	+4.94	—4.72
<hr/>		
Decrease (—)		
(7) Public Account—		
Receipts	4,95.56	4,80.53
Disbursements	4,46.48	4,52.49
<hr/>		
Increase (+)	+49.08	+28.04
<hr/>		
Decrease (—)		
Net Surplus (+)	+1.63	—0.46
<hr/>		
Net Deficit (—)		
(8) Opening Cash Balance—		
Net Surplus (+)	—26.25	—24.62
<hr/>		
Net Deficit (—)	+1.63	—0.46
<hr/>		
as at (7) above		
Closing Cash Balance	—24.62	—25.08(C)

1.2. Revenue surplus/deficit

(a) *Revenue receipts*.—The actuals of revenue receipts of the Government for 1974-75 as compared with (a) the budget estimates and (b) the budget

(*) Footnote on page (1) may please be referred to.

(C) There are differences between the figures reflected in the accounts (Rs. 25.44 crores) and those intimated by the Reserve Bank (Rs. 24.90 crores) regarding "Deposits with the Reserve Bank" (included in the cash balance). The discrepancies are under reconciliation.

estimates *plus* additional taxation during the year along with the corresponding figures for 1972-73 and 1973-74 are shown below :

Year	Budget	Budget <i>plus</i> additional taxation	Actuals	Variation between columns (4) and (3)	
				Amount of increase(+) decrease(-)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1972-73	2,96.66	3,03.08	3,14.90	+11.82	4.0
1973-74	(*) 3,54.56	(*) 3,54.56	(*) 3,51.84	-2.72	0.8
1974-75	3,91.33	4,08.15	4,23.38	+15.23	3.7

Changes in the existing tax structure and a new tax called the 'Gramin Vikas Kar' were introduced during 1974-75. The Government expected a net additional revenue of Rs. 16.82 crores from these measures (estimated yield from changes in existing taxes and levy of new tax Rs. 19.55 crores counter-balanced by decrease to the extent of Rs. 2.73 crores on abolition of surcharge on land revenue). Details of additional taxation measures adopted and the yield anticipated in each case are given in explanatory note (2) to Statement No. 1 of the Finance Accounts—1974-75.

(b) *Expenditure on revenue account.*—Expenditure on revenue account as compared with (a) the budget estimates and (b) the budget estimates *plus* supplementary provision is shown below :

Year	Budget	Budget <i>plus</i> Supplementary	Actuals	Variation between columns (4) and (3)	
				Amount of decrease	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1972-73	2,86.42	3,02.41	2,74.99	27.42	9
1973-74	3,35.49@	3,60.30@	3,34.39@	25.91	7
1974-75	3,83.69	4,14.39	3,87.73	26.66	6

(c) The year ended with a revenue surplus of Rs. 35.65 crores against a surplus of Rs. 7.64 crores anticipated in the budget.

*Footnote on page (1) may please be referred to.

@Reference is invited to footnote on page (1); figures are recast according to revised classification.

The State has been having a revenue surplus continuously since 1968-69. The figures of revenue surplus for the year under review compared with corresponding figures for the last two years are given below :

Year (1)	Surplus (2)
	(In crores of rupees)
1972-73	39.91
1973-74	17.45 [@]
1974-75	35.65

1.3. Revenue receipts

During 1974-75, revenue receipts (Rs. 4,23.38 crores) showed increase of [@] Rs. 71.54 crores (20 per cent) over those in 1973-74 (Rs. 3,51.84 crores). The increase is analysed below :

(1)	Receipts		Increase (+) Decrease (-) (4)
	1973-74 (2)	1974-75 (3)	
	(In crores of rupees)		

REVENUE RAISED BY THE STATE GOVERNMENT

Tax Revenue—

(i) Taxes on income and expenditure	1.16	1.04	-0.12
(ii) Taxes on property and capital transactions.	21.09	27.64	+6.55
(iii) Taxes on commodities and services	1,06.11	1,44.15	+38.04
Total—Tax Revenue	1,28.36	1,72.83	+44.47

Non-Tax Revenue—

(i) Interest receipts, dividends and profits.	15.13	18.14	+3.01
(ii) Other Non-Tax Revenue—			
(1) General Services	5.59	6.64	+1.05
(2) Social and Community Services	7.19	6.07	-1.12
(3) Economic Services	61.51	87.01	+25.50
Total—Other Non-Tax Revenue	74.29	99.72	+25.43
Total—Non-Tax Revenue	89.42	1,17.86	+28.44
Total—Revenue raised by the State Government.	2,17.78	2,90.69	+72.91

[@] Reference is invited to footnote on page (1); figures are recast according to revised classification.

(1)	Receipts		Increase(+) Decrease(-)
	1973-74	1974-75	
	(2)	(3)	(4)
	<i>(In crores of rupees)</i>		
RECEIPTS FROM THE GOVERNMENT OF INDIA			
(i) Share of net proceeds of Union Taxes—			
(a) Taxes on income other than Corporation Tax.	36.84	37.40	+0.56
(b) Estate Duty	0.74	0.71	-0.03
(c) Union Excise Duties	48.70	55.13	+6.43
(ii) Other grants—			
A—Grants for Non-Plan Schemes—			
(a) Grants under Proviso to Article 275 (1) of Constitution.	4.20	..	-4.20
(b) Grants in lieu of tax on Railway Passengers.	1.61	1.61	..
(c) Grants for different purposes and Schemes.	4.85	2.28	-2.57
B—Grants for State Plan Schemes	13.29	18.52	+5.23
C—Grants for Central Plan Schemes	16.45	5.50	-10.95
D—Grants for Centrally Sponsored Plan Schemes—			
(a) Grants under Proviso to Article 275 (1) of Constitution.	..	1.97	+1.97
(b) Grants for different purposes and Schemes.	7.38	9.57	+2.19
Total—Receipts from the Government of India	1,34.06	1,32.69	-1.37
GRAND TOTAL (Revenue receipts)	@ 3,51.84	4,23.38	+71.54

Sales Tax (Rs. 83.74 crores) was the largest item under "Tax Revenue" and formed 48 per cent of the total tax collected. Forest (Rs. 68.38 crores) was the biggest source under "Non-Tax Revenue", the receipts being 58 per cent of such revenue.

@ Reference is invited to footnote on page (1); figures are recast according to revised classification.

Increase of Rs. 72.91 crores in the revenue raised by the State Government during 1974-75 was mainly under the following heads :—

Head of account	Increase over 1973-74	Reasons for increase
(1)	(2)	(3)
	(In crores of rupees)	
<i>A—Tax Revenue—</i>		
029—Land Revenue	4.56	Due mainly to introduction of new tax " <i>Gramin Vikas Kar</i> " and lowering of limit of exemption from tax on uneconomic holdings.
030—Stamps and Registration fees	1.68	Due mainly to increase in the rates of stamp duty and registration fees.
039—State Excise	6.99	Larger collections due to increase in the rates of duty on various items.
040—Sales Tax	24.71	Due mainly to additional taxation measures adopted during the year.
041—Taxes on Vehicles	0.93	Due mainly to revision in the rates of taxes and fees.
042—Taxes on goods and passengers	1.60	Due mainly to full year's impact of taxation measures introduced in 1973-74, more revenue due to rise in bus fares and carrying of more goods by road.
043—Taxes and duties on Electricity.	2.37	Due mainly to enhancement in the rates of electricity duty and tariff.
045—Other Taxes and Duties on Commodities and Services.	1.43	Due mainly to imposition of additional entertainment taxes and duties.
<i>B—Non-Tax Revenue—</i>		
049—Interest receipts	2.94	Due mainly to larger collection of interest from public undertakings, on loans to local bodies, cultivators and co-operative institutions.

Head of Account	Increase over 1973-74	Reasons for increase
(1)	(2)	(3)
	(In crores of rupees)	
065—Other Administrative Services	0.82	Due mainly to larger fines, forfeitures and general fees realised under administration of justice and more election and civil defence receipts.
082—Public Health, Sanitation and Water Supply.	0.54	Due mainly to larger receipts from urban water supply schemes.
105—Agriculture	0.72	More receipts due mainly to expansion of cultivable area of agriculture farms, increase in production and rise in the prices of produce.
109—Food and Nutrition	0.57	Due mainly to higher recovery of administrative charges on the sale of foodgrains and other essential commodities.
110—Animal Husbandry	0.54	Due mainly to rise in the prices of poultry produce.
111—Dairy Development	2.13	Due mainly to larger receipts from various major and minor milk supply schemes.
113—Forest	19.09	Due mainly to intensive trading in timber, <i>tendu patta</i> and other forest produce.
132—Multipurpose River Projects	0.87	Due mainly to more sale of water from canals of Chambal Project.
133—Irrigation, Navigation, Drainage and Flood Control Projects.	2.23	Due mainly to increased sale of water for irrigation and other purposes.

Receipts from the Government of India during 1974-75 (Rs. 1,32.69 crores) were 31 per cent of the total revenue receipts of the year.

Decrease of Rs. 1.37 crores in the receipts from the Government of India during 1974-75 was due mainly to lesser assistance received for 'Central Plan Schemes' and 'State Non-Plan Schemes', counter-balanced partly by increased grants received for 'State Plan Schemes', 'Centrally Sponsored Plan Schemes' and larger share of 'Union Excise Duties' assigned to the State.

1.4. Arrears of revenue

According to the information furnished by some of the departments, arrears in collection of revenue at the end of 1974-75 were Rs. 48.95 crores against Rs. 25.40 crores at its beginning as analysed below :

Head of Revenue	At the beginning of the year	At the end of the year
(1)	(2)	(3)
	(In crores of rupees)	
Land Revenue	5.60	13.66
Forest	*	11.56
Irrigation	7.86	9.11
Sales Tax	6.96	6.40
State Excise Duties	3.60	3.40
Geology and Mining	*	2.98
Electricity Duty, etc.	0.18	0.71
Stationery and Printing	0.42	0.37
Taxes on Vehicles	0.37	0.30
Administration of Justice	0.25	0.29
Animal Husbandry	0.14	0.13
Labour and Employment	0.02	0.04
	@	
Total	25.40	48.95

Further details are given in the separate Report (Revenue Receipts) of the Comptroller and Auditor General of India for the year 1974-75—Government of Madhya Pradesh.

1.5. Expenditure on revenue account

Expenditure on revenue account during 1974-75 (Rs. 3,87.73 crores) showed increase of Rs. 53.34 crores as compared with 1973-74 (Rs. 3,34.39 crores)£

*Information not furnished by the concerned departments.

(@) Differs from the corresponding figure shown in the Audit Report 1973-74 by Rs. 8.00 crores due to late receipt of the information relating to the Irrigation and the Animal Husbandry Departments.

£Reference is invited to footnote (*) on page (1); figures are recast according to revised classification.

The variation is analysed below (in important cases, the reasons for increase/decrease are also given):

(1)	Expenditure		Increase(+)
	1973-74 (2)	1974-75 (3)	Decrease(-) (4)
<i>(In crores of rupees)</i>			
A—GENERAL SERVICES			
(a) Organs of State	4.33	4.23	-0.10
(b) Fiscal Services			
Land Revenue	7.87	11.10	+3.23
			Due mainly to larger contributions to the development fund " <i>Gramin Vikas Nidhi</i> " and increased expenditure on survey, settlement and land record operations.
State Excise	1.14	2.83	+1.69
			Due mainly to increased purchase of liquor, spirits and opium and revision in the rates of dearness allowance to staff.
Other Fiscal Services	2.34	2.47	+0.13
Total—Fiscal Services	11.35	16.40	+5.05
(c) Interest payments and servicing of debt.	34.80	34.04	-0.76
(d) Administrative Services			
Police	24.78	27.77	+2.99
			Due mainly to more expenditure on the modernisation of police force, full years' effect of expenditure on additional battallions as special armed forces were raised at the end of previous year and revision in the rate of dearness allowance.

(1)	Expenditure		Increase(+)
	1973-74 (2)	1974-75 (3)	Decrease(—) (4)
<i>(In crores of rupees)</i>			
Jails	2.44	3.00	+0.56
	Due mainly to enhancement in the rate of dearness allowance and increase in prices of foodgrains and raw materials required for jail manufactures.		
Stationery and Printing	1.62	2.41	+0.79
	Due mainly to increased purchase of paper and other articles of stationery and larger expenditure due to the printing of special forms and books.		
Public Works	4.18	0.52	—3.66
	Due mainly to less expenditure on machinery and equipment and adjustment of more credit transactions under 'Suspense'.		
Other Administrative Services	11.13	11.55	+0.42
Total—Administrative Services	44.15	45.25	+1.10
(e) Pensions and Miscellaneous General Services			
Pensions and other retirement benefits.	4.35	5.19	+0.84
	Due mainly to larger payments of superannuation, family pensions and other retirement benefits.		
Other Pensions and Miscellaneous General Services.	2.11	1.81	—0.30
Total—Pensions and Miscellaneous General Services	6.46	7.00	+0.54
Total—A—General Services	1,01.09	1,06.92	+5.83

(1)	Expenditure		Increase(+)
	1973-74	1974-75	Decrease(-)
	(2)	(3)	(4)
<i>(In crores of rupees)</i>			
B—SOCIAL AND COMMUNITY SERVICES			
Education	79.71	92.48	+12.77
	Due mainly to revision in the emoluments of staff on increase in the rate of dearness allowance, revision in the pay scales and grant of more scholarships to students.		
Medical	12.65	18.60	+5.95
	Due mainly to more expenditure on diet and other charges at hospitals and dispensaries, larger purchases and rise in prices of medicines, equipment and clothing material.		
Family Planning	3.97	5.14	+1.17
	Due mainly to intensive implementation of "Family Welfare Planning" programme and payment of compensations to persons volunteering for sterilisation.		
Public Health, Sanitation and Water Supply	18.13	19.14	+1.01
	Due mainly to revision in the rate of dearness allowance to staff, more payment of grants and increased expenditure on rural and urban water supply schemes due to good progress of works.		
Housing	3.58	2.42	-1.16
	Due mainly to less expenditure on Government residential buildings.		

(1)	Expenditure		Increase(+)
	1973-74	1974-75	Decrease(-)
	(2)	(3)	(4)
<i>(In crores of rupees)</i>			
Urban Development	1.27	3.16	+1.89
	Due mainly to increased grants to local bodies and expenditure on town planning schemes.		
Social Security and Welfare	17.91	19.78	+1.87
	Due mainly to larger expenditure on various schemes/ programmes for the welfare of scheduled tribes, scheduled castes and backward classes.		
Relief on account of Natural Calamities	13.10	8.77	-5.33
	Due mainly to less expenditure on the execution of various relief works and lesser payments under gratuitous relief.		
Other Social and Community Services	3.51	3.67	+0.16
Total—B—Social and Community Services	1,53.83	1,73.16	+19.33
C—ECONOMIC SERVICES			
(a) General Economic Services	3.86	3.26	-0.60
(b) Agriculture and Allied Services			
Agriculture	9.36	10.46	+1.10
	Due mainly to revision in the rate of dearness allowance, payment of arrears of pay, etc., due to revision in the pay scales and increase in the wages of labour and prices of chemicals and implements required under plant protection schemes.		

	Expenditure		Increase (+)
	1973-74	1974-75	Decrease(-)
	<i>(In crores of rupees)</i>		
Minor Irrigation	2.55	4.45	+1.90
	Due mainly to more expenditure on minor irrigation works and works relating to construction and deepening of wells and tanks.		
Animal Husbandry	5.38	6.73	+1.35
	Due mainly to larger expenditure under the schemes for cattle and poultry development and veterinary and animal health.		
Dairy Development	0.72	3.52	+2.80
	Due mainly to more expenditure on various major and minor milk supply schemes.		
Forest	23.68	36.44	+12.76
	Due mainly to larger collection of <i>tendu patta</i> , more field operations in forests to extract timber, bamboos and other minor forest produce under various State Trading Schemes.		
Community Development	12.55	6.89	-5.66
	Due mainly to discontinuance of Centrally Sponsored Crash Scheme for Rural Employment.		
Other Agriculture and Allied Services	4.68	6.16	+1.48
Total—Agriculture and Allied Services	58.92	74.65	+15.73
(c) Industry and Minerals	2.23	2.62	+0.39
(d) Water and Power Development			
Multipurpose River Projects	0.50	0.55	+0.05

(1)	Expenditure		Increase (+)
	1973-74 (2)	1974-75 (3)	Decrease(—) (4)
	<i>(In crores of rupees)</i>		
Irrigation, Navigation, Drainage and Flood Control Projects	0.66	1.84	+1.18
	Due partly to larger expenditure on machinery and equipment due to rise in prices and partly owing to enhancement in the rate of dearness allowance to staff.		
Power Projects	..	5.10	+5.10
	On account of payment of subsidy to the Madhya Pradesh Electricity Board in lieu of loss suffered by it in 1973-74 in the implementation of rural electrification programme.		
Total—Water and Power Development	1.16	7.49	+6.33
(e) Transport and Communications Roads and Bridges	11.93	18.16	+6.23
	Due mainly to larger expenditure on the maintenance of district and other roads and State Highways, on machinery and equipment and on construction material due to increase in prices and good progress made in the construction of various works.		
Other Transport and Communica- tion Services	0.13	0.07	—0.06
Total—Transport and Communi- cations	12.06	18.23	+6.17
Total—C—Economic Services	78.23	1,06.25	+28.02

(1)	Expenditure		Increase (+)
	1973-74	1974-75	Decrease(—)
	(2)	(3)	(4)
<i>(In crores of rupees)</i>			
D—GRANTS-IN-AID AND CONTRIBUTIONS			
Compensation and Assignments to Local Bodies and Panchayati Raj Institutions.	1.24	1.40	+0.16
Total—Revenue Expenditure	[@] 3,34.39	3,87.73	+53.34

1.6. Capital expenditure

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

Year	Budget	Budget <i>plus</i> Supplementary	Actuals	Variation between columns (4) and (3)	
				Amount of decrease	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
<i>(In crores of rupees)</i>					
1972-73	59.82	64.08	47.05	17.03	26
1973-74	77.38 @	87.84 @	64.47 @	23.37 @	27
1974-75	81.18	91.16	81.13	10.03	11

@ Reference is invited to footnote on page (1); figures are recast according to revised classification.

(b) An analysis of the capital expenditure during and to the end of 1974-75 is given below:

Heads	Expenditure during 1974-75	Progressive expenditure upto 1974-75
(1)	(2)	(3)
	<i>(In crores of rupees)</i>	
<i>Capital expenditure—</i>		
Public Works	0.52	9.66
Other General Services	0.06	0.06
Social and Community Services	9.65	88.76
General Economic Services	2.64	53.51
Agriculture and Allied Services	19.02	1,13.44
Industry and Minerals	1.62	21.72
Water and Power Development	37.00	2,55.89
Transport and Communications	10.62	90.81
Total—Capital expenditure	81.13	6,33.85

(c) *Appropriation to Contingency Fund.*—No appropriation was made from the Consolidated Fund to the Contingency Fund during the year. Cumulative appropriation to the Contingency Fund since the creation of the Fund in 1957 were Rs. 10.00 crores.

(d) *Sources from which Capital Expenditure, etc., were met.*—The Capital expenditure, net expenditure under loans and advances by the State Government and appropriation to the Contingency Fund were as follows :—

	During 1974-75	Upto the end of 1974-75
	<i>(In crores of rupees)</i>	
(i) Net capital expenditure	81.13	6,33.85
(ii) Net loans and advances by the State Government	27.92	2,95.30
(iii) Appropriation to the Contingency Fund	..	10.00
Total	1,09.05	9,39.15

The sources from which capital expenditure, the net expenditure under 'Loans and Advances by the State Government' and 'Appropriation to the Contingency Fund' during and to end of 1974-75 were met are shown below:

Heads	During 1974-75	To the end of 1974-75
(1)	(2)	(3)
	(In crores of rupees)	
Net addition to—		
<i>Debt—</i>		
Internal Debt of the State Government—		
Market Loans	5.33	80.70
Loans from autonomous bodies	0.97	26.88
Advances from the Reserve Bank of India	8.28	15.77
Loans from the Government of India	35.04	4,52.52
Small Savings, Provident Funds, etc.	23.09	1,24.93
Contingency Fund	—4.72	3.98
<i>Reserve Funds—</i>		
Sinking Funds	1.51	29.40
Other Reserve Funds	2.51	5.94
Net balance under Deposits, Advances and Suspense and Miscellaneous, etc.	8.42	26.54
Remittances	—17.00	—38.87
Miscellaneous	3.66	33.82
Decrease (+) in cash balance	+0.46	+25.08
Increase in investments	5.85	—36.72
Revenue Surplus	35.65	1,89.18
Total	1,09.05	9,39.15(*)

1.7. Loans and Advances by the Government

(a) The actuals of disbursements of loans and advances by the Government during 1974-75 as compared with (i) the budget estimates and (ii) the budget

(*) This figure is arrived at after recasting the progressive figure to the end of 1973-74 (from Rs. 8,27.13 crores to Rs. 8,30.10 crores) consequent upon revision in the structure of classification with effect from 1st April 1974.

estimates *plus* supplementary grants alongwith the corresponding figures for 1972-73 and 1973-74 are shown below:

Year	Budget	Budget <i>plus</i> supplementary	Actuals	Variation between columns (4) and (3)	
				Amount of decrease	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1972-73	26.18	44.44	36.78	7.66	17
1973-74	36.72	46.11	33.96@	12.15@	26
1974-75	48.65	64.60	47.93	16.67	26

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

Year	Budget	Actuals	Amount of decrease	Percentage
(1)	(2)	(3)	(4)	(5)
(In crores of rupees)				
1972-73	14.92	11.73	3.19	21
1973-74	19.17	17.19	1.98	10
1974-75	29.16	20.01	9.15	31

(c) The balance of loans outstanding on the 31st March 1975 (Rs. 2,95.30 crores) was more by Rs. 27.92 crores than that outstanding at the beginning of the year [Rs. 2,67.38 crores(T)]. The increase was due mainly to larger payment of loans for "Water and Power Development" (Rs. 8.67 crores), "General Economic Services" (Rs. 7.39 crores), "Social and Community Services" (Rs. 6.56 crores), "Agriculture and Allied Services" (Rs. 2.68 crores), and "Industry and Minerals" (Rs. 1.18 crores).

@Reference is invited to footnote (*) on page (1); figures are recast according to revised classification.

(T) Differs from the corresponding figure shown in the Audit Report 1973-74 by Rs. 1.06 crores due to *pro forma* adoption of the balance relating to Festival Advances on account of revised classification with effect from 1st April 1974.

The balance of loans to the Madhya Pradesh Electricity Board outstanding on the 31st March 1975 was Rs. 1,82.18 crores. This does not include capital expenditure incurred by the State Government on the Gandhi Sagar Power Station which was taken over by the Board on the 1st April 1961 as this component of the amount of loan has not been determined as yet by the Government. The Board has, however, taken the value of the said asset as Rs.9.43 crores in its accounts as loan pending final assessment by the Government.

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

(d) *Delay in recovery of loans and advances.*—Detailed account of certain classes of loans and advances are maintained by the Audit Office while of others are maintained by officers of the State Government. At the end of March 1975, recovery of Rs.1,33.83 lakhs (principal:Rs.66.29 lakhs; interest:Rs.67.54 lakhs) was overdue in respect of loans, the detailed accounts of which are maintained in the Audit Office.

Complete information about arrears in recovery of loans and advances detailed accounts of which are maintained by departmental officers has not been received in Audit. According to the information received (February 1976), recovery of Rs.3.72 crores (principal:Rs.3.17 crores; interest: Rs.0.55 crore) was overdue at the end of 1974-75. Of this, the recovery of Rs.1.94 crores (principal: Rs.1.63 crores; interest: Rs.0.31 crore) was outstanding for more than three years on 31st March 1975.

Further details of recoveries in arrears are given in Statement No. 5 of Finance Accounts 1974-75.

1.8. Debt position of the Government

The debt and other obligations of the Government at the end of March 1975 compared with the corresponding amounts at the end of each of two preceding years are given below :

	1972-73	1973-74	1974-75
(1)	(2)	(3)	(4)
	<i>(In crores of rupees)</i>		
Public debt	5,09.85	5,26.25	5,75.87
Other debt and obligations	1,24.27	1,50.79	1,88.11
Total	6,34.12	6,77.04	7,63.98

1.9. Public debt

(a) An analysis of the public debt outstanding at the end of 1974-75 compared

with the corresponding amounts at the end of the preceding two years is given below :

(1)	1972-73 (2)	1973-74 (3)	1974-75 (4)
<i>(In crores of rupees)</i>			
(1) Long term borrowings—			
<i>(i) Internal Debt</i>			
(a) Loans raised by the Government in open market.	70.15	75.37	80.70
(b) Loans from autonomous bodies	25.49	25.91	26.88
<i>(ii) Loans from the Government of India</i>	4,14.21	4,17.48	4,52.52
(2) Temporary borrowings—			
<i>Internal Debt—</i>			
Ways and Means advances from the Reserve Bank of India.	..	7.49	15.77
Total	5,09.85	5,26.25	5,75.87

The increase in liability of the Government on account of public debt is analysed below :

(1)	Loans raised during 1974-75 (2)	Loans repaid during 1974-75 (3)	Net increase during 1974-75 (4)
<i>(In crores of rupees)</i>			
(1) Loans raised by the Government in open market	10.28	4.95	5.33
(2) Loans from autonomous bodies	3.20	2.23	0.97
(3) Loans from the Government of India	57.83	22.79	35.04
(4) Ways and Means advances from the Reserve Bank of India	2,05.84	1,97.56	8.28
Total	2,77.15	2,27.53	49.62

(b) Open market loans.—During the year, the Government floated a loan (6 per cent Madhya Pradesh State Development Loan, 1984) of Rs.10.56 crores at a discount of one per cent. The total subscription received was Rs.10.47 crores (in cash: Rs.8.57 crores; by conversion of 4½ per cent Madhya Pradesh State Development Loan 1974: Rs.1.90 crores). Of this, Rs.0.27 crore were held in the 'deposit account' pending issue of scrips (31st March 1975).

The 4½ per cent Madhya Pradesh State Development Loan, 1974 fell due for repayment during the year 1974-75. Rupees 4.94 crores were repaid during the year leaving a balance of Rs.0.12 crore at the end of the year.

(c) *Loans from autonomous bodies.*—This class of debt comprises loans obtained by the Government from various autonomous bodies, such as the Life Insurance Corporation of India, the National Agricultural Credit (Long Term Operation) Fund of the Reserve Bank of India, the State Bank of India and other banks, the National Co-operative Development Corporation and the Housing and Urban Development Corporation. During the year, the Government received Rs.3.20 crores as loans from these bodies and made repayment of Rs.2.23 crores. The balance outstanding at the end of the year was Rs.26.88 crores.

(d) *Loans from the Government of India.*—Loans from the Government of India outstanding on the 31st March 1975 (Rs.4,52.52 crores) formed 78.6 per cent of the total public debt of the State. There was a net addition of Rs.35.04 crores in 1974-75 to loans received from the Government of India.

(e) *Ways and means advances from the Reserve Bank of India.*—Under an agreement with the Reserve Bank of India, the Government of Madhya Pradesh has to maintain with the Bank a minimum balance of Rs.40 lakhs on each day. If the daily cash balance of the Government with the Bank falls short of this minimum, the deficiency is made good by rediscounting of the treasury bills. If this is not adequate to maintain the minimum cash balance, ways and means advances (ordinary and special) are given by the bank according to limits fixed by it from time to time. The bank charges interest on these advances at one per cent below the bank rate in force. The balance of ways and means advances outstanding at the beginning of the year was Rs.7.49 crores. During the year, the Government drew on various occasions amount totalling Rs.2,05.84 crores as ways and means advances (ordinary and special) and repaid Rs.1,97.56 crores leaving a balance of Rs.15.77 crores at the close of the year. Rupees 79.86 lakhs were paid as interest to the bank on these advances.

How far the Government was able to maintain the agreed minimum balance with the Bank during the year under report is shown below :

(i) Number of days on which the minimum balance was maintained without obtaining any advance	17
(ii) Number of days on which the minimum balance was maintained by taking ways and means advances.	314
(iii) Number of days on which overdrafts had to be taken as minimum balance could not be maintained even after obtaining ways and means advances to the full extent.	34

1.10. Other debt and obligations

In addition to the public debt, the balance under Small Savings, Provident Funds, etc., and balances at the credit of earmarked and other funds as also certain deposits which have not been invested but are merged in the general cash balance of the Government constitute liability of the Government. The amount of such

liability at the end of 1974-75 was Rs.1,88.11 crores against Rs.1,50.79 crores at the beginning of the year. An analysis of the liability at the end of the year 1973-74 and 1974-75 is given below :

(1)	Total debt outstanding at the end of	
	1973-74 (2)	1974-75 (3)
(In crores of rupees)		
Interest bearing—		
(1) Small Savings, Provident Funds, etc.	1,01.84	1,24.93
(2) Deposits of State Electricity Board and security deposits from consumers —Government Electricity schemes	7.22	5.94
(3) Deposits of State Housing Board	..	0.50
(4) Other Deposits—Deposits of Government companies and Corporations	..	0.06
(5) Miscellaneous Deposits—Deposits of Madhya Pradesh Government Servants' Family Benefit Fund	..	3.02
Non-interest bearing—		
(1) Civil Deposits	20.72	25.28
(2) Deposits of local funds	0.37	0.43
(3) Earmarked funds and deposits	20.63	27.68
(4) Other Miscellaneous Deposits	0.01	0.27
Total	1,50.79	1,88.11

1.11. Arrangements for amortisation

Following arrangements have been made for amortisation of various loans:—

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

(ii) *Depreciation funds*: A sum equal to $1\frac{1}{2}$ per cent of the total nominal value of the loan raised is set apart from revenue every year to form a depreciation fund for purchasing securities for cancellation.

The balance in these funds at the commencement and close of 1974-75 are given below:

(1)	Balance on 1st April 1974 (2)	Additions during the year (3) (In lakhs of rupees)	Withdrawals during the year (4)	Balance on 31st March 1975 (5)
Sinking funds	18,93.36	3,71.01	2,86.77	19,77.60
Depreciation funds	5,23.58	1,05.21	83.54	5,45.25
Total	24,16.94	4,76.22	3,70.31	25,22.85

Out of these funds, Rs.10,35.79 lakhs were invested in securities of the Government of India and Rs.0.08 lakh were invested in the securities of the Government of Madhya Pradesh.

At the end of 1974-75, the State Government had a cash balance of Rs.12.51 crores after taking into account investments out of general cash balance (Rs.26.10 crores) and earmarked funds (Rs.10.51 crores). Further details are given in Statement No. 7 of Finance Accounts 1974-75.

(b) *Loans from the Government of India.*—The Government has made amortisation arrangements for repayment of following loans taken from the Government of India:—

(i)	Additions (net) to sinking funds during 1974-75 (2)	Balance in the sinking funds on the 31st March 1975 (3)
	(In lakhs of rupees)	
(i) Industrial housing loans (Balance outstanding at the end of March 1975: Rs.1.83 lakhs)	—0.04	2.20
(ii) Loans to Madhya Pradesh Government allocated out of the Government of India's Consolidated borrowings, <i>viz.</i> , 4½ per cent Loan, 1973 (Balance outstanding at the end of March 1975: Rs.5,00.00 lakhs).	45.10	4,13.70
Total	45.06	4,15.90

Out of the balance in these funds, Rs.2,17.10 lakhs were invested in the securities of the Government of India. The remaining amount stood merged with the general cash balance of the State.

The Government has not considered it necessary to make any arrangement for amortisation of the remaining loans (Rs.4,47.50 crores) taken from the Government of India.

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

1.12. Service of debt and other obligations

The table below shows the net burden on revenue of interest charges on public debt and other obligations in 1974-75 as compared with that in the preceding two years :

(1)	1972-73 (2)	1973-74 (3)	1974-75 (4)
	<i>(In crores of rupees)</i>		
(1) Interest paid on public debt and other obligations	28.34	30.29	29.53
(2) Less—			
(i) Interest received on loans and advances by the Government	11.61	9.66	13.23
(ii) Interest realised on investment of cash balance	2.07	1.52	1.87
(iii) Interest transferred to accounts of multipurpose river schemes and treated as capital expenditure	2.77	2.74	2.13
(3) Net burden of interest charges on revenue	11.89	16.37	12.30
	<i>Percentages</i>		
(4) Percentage of gross interest to gross debt	4.47	4.47	3.86
(5) Percentage of gross interest to total revenue receipts	9.00	8.91	6.97
(6) Percentage of net interest to total revenue receipts	3.77	4.82	2.90

In addition, there were certain other miscellaneous interest receipts (Rs.0.09 crore) and if these are taken into account, the net burden of interest on the revenue during 1974-75 would be Rs.12.21 crores and that would be 2.88 per cent of the total revenue.

The Government also received Rs.0.83 crore by way of dividends on investments in statutory corporations, companies, banks and various co-operative institutions.

1.13. Investments of the Government

In 1974-75, the Government invested (net) Rs.4.44 * crores in the shares/debentures of statutory corporations (Rs.0.43 crore which also includes investment of Rs.0.05 crore from an advance from the Contingency Fund), Government companies (Rs.1.36 crores) and Co-operative institutions (Rs.2.65 crores).

The total net investment of the Government in the share capital and debentures of different statutory corporations, Government companies, Joint-Stock companies, banks and co-operative institutions at the end of 1972-73, 1973-74 and 1974-75 was Rs.55.98 crores, Rs.58.74 crores and Rs. 63.18 crores respectively. The dividend and interest received therefrom during these years was Rs.0.72 crore (1.3 per cent), Rs.0.75 crore (1.3 per cent) and Rs.0.83 crore (1.3 per cent) respectively.

Details of these investments and dividend received are given in Statement No.14 of Finance Accounts 1974-75.

1.14. Guarantees given by the State Government

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

The amounts guaranteed on behalf of the Madhya Pradesh State Financial Corporation by the State Government, to the end of 1974-75, under Section 6(1), 7(1) and 8(2) of the Act *ibid* were Rs.1,03.50 lakhs, Rs.6,00.11 lakhs, and Rs.50.03 lakhs respectively against which Rs.1,00.00 lakhs, Rs.5,69.96 lakhs and Rs. 0.50 (**) lakh respectively were outstanding on 31st March 1975.

*This does not include the investment of Rs.2.20 lakhs made in 1974-75 in Madhya Pradesh State Dairy Development Corporation Ltd., Bhopal as the debit relating thereto has not appeared distinctly in the accounts. The discrepancy is under reconciliation.

@ This includes investment of Rs. 7.48 crores to the end of 1974-75 in Madhya Pradesh State Government Companies; it differs from the figure (Rs. 8.21 crores) worked out from the accounts of respective companies. The discrepancy is under reconciliation.

(**) This represents principal portion only.

(b) Under Section 66 of the Electricity (Supply) Act, 1948, the State Government may guarantee in such manner as it thinks fit, the payment of the principal and interest of any loan proposed to be raised by the State Electricity Board or of either the principal or the interest. The maximum amount covered by the guarantee given on behalf of the Madhya Pradesh State Electricity Board by the State Government to the end of 1974-75 was Rs.86,00.00 lakhs against which the sum outstanding on 31st March 1975 was Rs.72,59.10 lakhs.

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

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

The maximum amount guaranteed on behalf of the Madhya Pradesh Housing Board to the end of 1974-75 was Rs.8,30.00 lakhs, against which a sum of Rs.4,60.00 lakhs was outstanding on 31st March 1975.

(d) Apart from the above, the State Government had guaranteed (to third parties) the repayment of loans raised, debentures and bonds issued, advances received, cash credit facilities/accommodation on hypothecation of stock, on documentary limits, *etc.*, on behalf of five Government Companies, six Joint-Stock Companies, twelve Co-operative Institutions, seventy one Municipalities, various Panchayats and Mandi Committees, one firm, individuals, *etc.*

The maximum amount guaranteed on their behalf to the end of 1974-75 was Rs.2,47,99.26 lakhs against which the amount actually covered as on 31st March 1975 was Rs.59,10.67 lakhs.

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

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

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

(e) *Guarantee Reserve Fund*.—The State Government had constituted a Guarantee Reserve Fund in 1970-71. The Fund is intended to meet contingent liabilities arising as a result of guarantees given in favour of various institutions,

organisations and local bodies being invoked. Accretions to the Fund are made from revenue at *ad hoc* rate without fixing any percentage with reference to the guarantees given by the Government. To the end of 1974-75, the Government had contributed Rs.70.00 lakhs to the Fund from revenues (the contribution from the revenues during the year 1974-75 being Rs.20.00 lakhs). Investments of the balance in the Fund are made from time to time and the interest realised on the sums invested is credited to the Fund. The total amount invested from the Fund at the end of 1974-75 was Rs.4.89 lakhs (in 1970-71) and interest of Rs.0.27 lakh earned thereon during the year was credited to the Fund.

The balance at the credit of the Fund on 31st March 1975 was Rs.26.71 lakhs.

(f) *Payment in fulfilment of guarantees.*—The guarantees given to the Life Insurance Corporation of India for the repayment of loans taken by 68 municipal committees/corporations were invoked during the year and a sum of Rs.25.37 lakhs was paid by the Government in fulfilment of the commitment resulting from such guarantees. The total amount paid by the Government on this account and to be recovered from various parties to the end of 1974-75 was Rs.76.12 lakhs. Details are available in Statement No. 6 of Finance Accounts 1974-75.

1.15. Grants to local bodies and others

During 1974-75, the Government paid Rs.20,35.57 lakhs as grants to non-Government bodies and institutions for various purposes. Full particulars of grants paid and certain other points of interest about grants are given in Chapter VI.

1.16. Receipt of utilization certificates

The financial rules of the Government require that a certificate, after verification, of proper utilization of grants should be sent by the departmental officers to the Accountant General within a reasonable time.

The delay in furnishing the certificates persists. Out of 12,500 certificates (Rs.16,22.72 lakhs) to be received for grants paid upto March 1974, 3,783 certificates (Rs.3,81.45 lakhs) were received, leaving 8,717 certificates (Rs.12,41.27 lakhs) yet to be received (September 1975).

The departments from whom most of the certificates are awaited are :

Department	Number of certificates awaited	Amount
(1)	(2)	(3)
		(In lakhs of rupees)
Education	681	2,48.75
Community Development Projects	3,168	1,93.55

Department	Number of certificates awaited	Amount
(1)	(2)	(3)
		<i>(In lakhs of rupees)</i>
Tribal and Harijan Welfare	1,123	1,38.35
Co-operation	146	1,22.68
Agriculture	109	1,10.78
Social Welfare	1,175	95.41
Industries	99	77.29
Animal Husbandry	529	74.85
Local Self-Government	113	47.37
General Administration	240	47.26
Public Health Engineering	1,052	37.97
Revenue	87	36.22

The utilization certificates have not been received, although considerable time has passed after the grants were paid. In the absence of certificates, it is difficult for Audit to know even in a general way whether the recipients will have spent the grants for the purpose or purposes for which they were given.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

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

(1)	Grants/ charged appropriations (2)	Expendi- ture (3)	Saving(—) Excess (+) (4)	Percentage (5)
<i>(In crores of rupees)</i>				
Voted—				
Original	5,37.62	5,93.76	5,86.83	—6.93
Supplementary	56.14			
Charged—				
Original	1,35.81	2,35.67	2,65.42	+29.75
Supplementary	99.86			
Total	8,29.43	8,52.25	+22.82	3

The overall excess of Rs.22.82 crores was the result of excess of Rs.71.60 crores in 16 grants (Rs.36.50 crores) and 3 charged appropriations (Rs.35.10 crores) partly off-set by saving of Rs.48.78 crores in 34 grants (Rs.43.43 crores) and 28 charged appropriations (Rs.5.35 crores).

(b) Further details are given below :

(1)	Revenue (2)	Capital (3)	Loans and Advances (4)	Public Debt (5)	Total (6)
<i>(In crores of rupees)</i>					
Authorised to be spent (Grants and charged appropriations)					
Original	4,21.11	1,10.57	48.65	93.10	6,73.43
Supplementary	30.70	9.98	15.95	99.37	1,56.00
Total	4,51.81	1,20.55	64.60	1,92.47	8,29.43

(1)	Revenue (2)	Capital (2)	Loans and Advances (3)	Public Debt (4)	Total (6)
<i>(In crores or rupees)</i>					
Actual expenditure (Grants and charged appropriations)	4,55.74	1,21.05	47.93	2,27.53	8,52.25
Shortfall (—)	+3.93	+0.50	—16.67	+35.06	+22.82
Excess (+)					

2.2. Excess over grants/charged appropriations requiring regularisation

(a) *Grants*.—The excess of Rs.27,01,19,167 in the following 13 grants in Revenue section and of Rs.9,48,97,647 in 4 grants in Capital section requires regularisation under Article 205 of the Constitution:—

S.No.	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.

Revenue Section :

1.	2—Other Expenditure pertaining to General Administration Department	31,83,000	47,44,439	15,61,439
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The excess was due mainly to change in the rates of pension and increase in the number of recipients of gratuitous payments.

2.	3—Police	28,90,16,300	29,56,93,900	66,77,600
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The excess was due mainly to rise in prices of clothing kit, petrol, oil and lubricants, spares, ration, grass, payment of motor warrants, commissions, etc., due to heavy mobilisation and payment of dearness allowance at enhanced rates to staff.

3.	5—Jails	2,78,70,900	2,99,97,271	21,26,371
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The excess was due mainly to increase in the prices of food articles and other materials.

Excess occurred in this grant in 1971-72 (Rs.0.33 lakh), 1972-73 (Rs.13.23 lakhs) and in 1973-74 (Rs.10.15 lakhs) also.

S.No.	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
4.	6—Expenditure pertaining to Finance Department	7,15,02,000	7,27,87,681	12,85,681
		The excess was due mainly to more payment on account of death-cum-retirement gratuity than anticipated.		
5.	8—Land Revenue and District Administration	14,86,79,400	16,10,31,870	1,23,52,470
		The excess was due mainly to payment of arrears as a result of revision of pay scales and increase in the rates of dearness allowance.		
6.	14—Animal Husbandry	6,41,45,300	6,64,43,108	22,97,808
		The excess was due mainly to sanction of additional dearness allowance, enhanced rates of travelling allowance, payment of arrears on account of fixation of pay in the revised scales of pay.		
7.	20—Public Health Engineering	20,15,83,400	22,87,58,396	2,71,74,996
		The excess was due mainly to purchase of materials and expenditure on deposit works in excess of deposits received.		
8.	23—Irrigation works	11,68,89,200	20,44,09,271	8,75,20,071
		The excess was due mainly to more debits under suspense on account of advances, inter-divisional transfer of stores, etc.		
		Excess occurred in this grant in 1972-73 (Rs.28.54 lakhs) and in 1973-74 (Rs.2,43.82 lakhs) also.		

S. No.	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
9.	24—Public Works	49,83,34,100	61,82,56,317	11,99,22,217
		The excess was due mainly to large purchases of stock materials required for execution of more works undertaken departmentally.		
		Excess occurred in this grant in 1972-73 (Rs.4,10.35 lakhs) and in 1973-74 (Rs.10,50.00 lakhs) also. The capital section of this grant too had excess in 1973-74 (Rs.17.67 lakhs).		
10.	26—Languages	11,15,100	11,48,971	33,871
		The excess was due mainly to belated adjustment of cost of Hindi typewriters.		
		Excess occurred in this grant in 1972-73 (Rs. 0.56 lakh) and in 1973-74 (Rs. 1.90 lakhs) also.		
11.	27—Education	91,32,87,200	92,14,22,733	81,35,533
		The excess was due mainly to revision of pay scales, increase in dearness allowance and science training to teachers.		
12.	28—State Legislature and Elections	68,90,000	69,68,082	78,082
		Reasons for the excess have not been intimated (February 1976).		
13.	30—Expenditure pertaining to Panchayat and Community Development Department	4,10,41,000	4,19,94,028	9,53,028
		The excess was due mainly to appointment of development assistants, transfer of senior officers from Revenue Department to Blocks and increased travel expenses.		

S. No.	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
Capital Section :				
1.	9—Other Expenditure pertaining to Revenue and Land Reforms Department	5,50,000	5,59,243	9,243
				The excess was due mainly to more expenditure on purchase of printing machines than anticipated.
2.	23—Irrigation works	60,84,49,500	69,73,19,483	8,88,69,983
				The excess was mainly due to more debits under suspense on account of advances, inter-divisional transfer of stores, etc.
3.	31—Expenditure pertaining to Planning, Economics and Statistics Department	1,00,00,000	1,11,50,000	11,50,000
				Specific reasons for the excess expenditure which occurred mainly under "Employment Promotion Programme" have not been intimated (February 1976).
4.	37—Expenditure pertaining to Town and Country Planning Department	2,91,68,000	3,40,36,421	48,68,421
				The excess was due mainly to advance payment to the contractor (National Building Construction Corporation, Ltd.) as per terms and conditions, accelerated progress of works and rise in cost of cement and iron.
				Excess occurred in this grant in 1973-74 (Rs. 22.63 lakhs) also.

(b) Charged appropriations.—Excess of Rs. 35,08,58,634 in capital section and Rs. 92,801 in revenue section, over charged appropriation in the following

3 cases also requires regularisation:—

S. No.	Number and name of charged appropriation	Total appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
<i>Capital Section :</i>				
1.	Public Debt	1,92,47,58,000	2,27,53,40,305	35,05,82,305
		The excess was mainly due to more repayments of ways and means advances and heavier expenditure on meeting shortfalls in minimum balance than anticipated.		
2.	23—Irrigation works	86,000	3,62,329	2,76,329
		Reasons for the excess have not been intimated (February 1976).		

Revenue Section :

3.	22—Expenditure pertaining to Local Government	19,16,000	20,08,801	92,801
		Reasons for the excess have not been intimated (February 1976).		

2.3. Supplementary grants/charged appropriations

The supplementary provision of Rs. 156 crores (23 per cent of the original provision) was obtained under 38 grants (Rs. 56.14 crores) and 19 appropriations (Rs. 99.86 crores).

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

(i) *Unnecessary supplementary grants/charged appropriations.*—In the following cases the supplementary grants/charged appropriations (exceeding Rs. 5 lakhs each) of Rs. 5,06.97 lakhs remained wholly unutilized as the expenditure did not come even upto the original provision:—

S. No.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs of rupees)					

Revenue Section :

1.	1—General Administration	2,04.03	27.71	2,03.40	28.34
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The shortfall was due mainly to ban on mass public contact tours by the Ministers.

S. No.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supple-mentary grant/charged appropriation	Expendi-ture	Saving
(1)	(2)	(3)	(4)	(5)	(6)
			<i>(In lakhs of rupees)</i>		
2.	7—Expenditure pertaining to Separate Revenue and Registration Department	5,70.21	7.12	5,58.02	19.31
			The shortfall was due mainly to non-purchase of liquor and spirits as full estimated quantity was not required.		
3.	8—Land Revenue and District Administration (<i>Charged</i>)	4,78.84	6.88	2,48.38	2,37.34
			Reasons for the shortfall have not been intimated (February 1976).		
4.	11—Expenditure pertaining to Commerce and Industry Department	2,46.96	13.15	2,01.78	58.33
			The shortfall was due mainly to partial implementation of scheme for industrial and project survey as an economy measure, non-finalisation of some subsidy cases to the Industrial units to be set up in the selected backward districts/areas, non-finalisation of formalities for placing funds with the nationalised banks, decision of the Government to give margin money as "Soft Loan" instead of subsidy, non-implementation of certain other schemes, etc.		
5.	19—Medical, Public Health and Family Planning	32,40.49	13.75	31,06.53	1,47.71
			The shortfall was due mainly to much less number of cases coming up for sterilisation than anticipated and vacant posts.		
6.	22—Expenditure pertaining to Local Government Department	3,15.38	10.50	3,15.03	10.85
			The shortfall was due mainly to economy measures, non-receipt of demands, posts kept vacant and imposition of restrictions on implementation of new items, etc.		

S. No.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
<i>(In lakhs of rupees)</i>					
7. 31—	Expenditure pertaining to Planning, Economics and Statistics Department	1,57.04	65.33	91.01	1,31.36
The shortfall was due mainly to (i) late appointment of the officers, (ii) closure of the scheme for training and self employment of technical unemployed persons, (iii) vacant posts, and (iv) non-implementation of the scheme regarding recruitment and training of additional elementary school teachers, non-opening of sub-primary schools and non-appointment of teachers due to non-receipt of the sanction of the Planning Commission (Government of India) for continuance of the schemes.					
8. 34—	Social Welfare	4,07.25	10.00	2,44.50	1,72.75
The shortfall was due mainly to (i) less demand under schemes relating to adult education, farmers' literacy, youth welfare, women's welfare, family and child welfare, (ii) economy measures and (iii) irregular supply of nutritious food for children.					
9. 37—	Expenditure pertaining to Town and Country Planning Department	82.71	17.06	66.14	33.63
Reasons for the shortfall have not been intimated (February 1976).					
<i>Capital Section :</i>					
1. 10—	Forest	71.51	10.00	30.11	51.40
The shortfall was due mainly to non-availability of labour, material and cement etc., to the required extent.					
2. 11—	Expenditure pertaining to Commerce and Industry Department	3,07.13	85.33	2,38.27	1,54.19
The shortfall was due mainly to non-implementation of sugar, leather and textile schemes and investment not					

S. No.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(In lakhs of rupees)

3.	12—Electricity	11,27.00	2,30.00	8,66.60	4,90.40
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having been made in the share capital of the sugar development, handloom and powerloom development and leather development corporations to the extent contemplated as a measure of economy. The shortfall was due mainly to non-release of loans to the Madhya Pradesh Electricity Board due to difficult ways and means position of the State Government.

4.	17—Co-operation	6,15.87	10.14	3,93.17	2,32.84
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The shortfall was due mainly to non-acceptance of the proposal of investment in Credit Co-operatives by the Reserve Bank of India, non-receipt of application for investment from the Apex Co-operative Bank and less contribution by the State Government in the Co-operatives consequent on less receipt of funds from the Reserve Bank of India.

(ii) *Supplementary grants/charged appropriations which proved excessive.*— Following are the important cases where the supplementary grants/charged appropriations (exceeding Rs. 5 lakhs each) proved excessive :—

S. No.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(In lakhs of rupees)

Revenue Section :

1.	9—Other expenditure pertaining to the Revenue and Land Reforms Department	9,77.11	5,99.65	13,51.02	2,25.74
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The shortfall was due mainly to less release of share by the Government of India on Drought Prone Areas Programme.

S. No.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
<i>(In lakhs of rupees)</i>					
2.	10—Forest	33,53.92	3,29.41	36,57.67	25.66
		Reasons for the shortfall have not been intimated (February 1976).			
3.	30—Expenditure pertaining to Panchayat and Community Development Department (Charged)	18.04	24.00	32.06	9.98
		Reasons for the shortfall have not been intimated (February 1976).			
<i>Capital Section :</i>					
1.	4—Other expenditure pertaining to Home Department	80.68	80.00	1,10.02	50.66
		Reasons for the shortfall have not been intimated (February 1976).			
2.	8—Land Revenue and District Administration.	1,25.00	40.00	1,48.04	16.96
		The shortfall was due mainly to non-payment of <i>Taccavi</i> loans to cultivators who defaulted in payment of land revenue or other dues.			
3.	13—Agriculture	37,02.03	10,25.60	42,16.20	5,11.43
		The shortfall was due mainly to non-receipt of debit from the Pay and Accounts Officer, Ministry of Food and Agriculture, New Delhi for the cost of pooled fertilizers and for paddy purchased through the Registrar, Co-operative Societies, poor demand for pesticides from cultivators and purchase/distribution of pesticides through Agro-Industries Corporation instead of being done departmentally.			
4.	22—Expenditure pertaining to Local Government Department	1.00	24.50	16.73	8.77
		The shortfall was due mainly to economy measures.			

S. No.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
			<i>(In lakhs of rupees)</i>		
5.	40—Expenditure pertaining to Food Department	3,00.00	4,50.00	6,64.17	85.83

The shortfall was due mainly to the advance sanctioned to the Marketing Federation by the State Government being less than envisaged and acceptance of less loans (in kind) by the State Commodities Trading Corporation pending finalisation of wheat accounts of some districts.

(iii) *Inadequate grants/charged appropriations.*—In the following cases the supplementary grants/charged appropriations (exceeding Rs. 5 lakhs in each case) of Rs.11,616.21 lakhs proved inadequate; the final uncovered excess was Rs.4,912.31 lakhs (reasons for excess to the extent received are given in paragraph 2.2):—

S. No.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving Excess
(1)	(2)	(3)	(4)	(5)	(6)
			<i>(In lakhs of rupees)</i>		

Revenue Section :

1.	3—Police	26,65.45	2,24.71	29,56.94	66.78
2.	5—Jails	2,12.39	66.32	2,99.97	21.26
3.	8—Land Revenue and District Administration	13,83.50	1,03.29	16,10.31	1,23.52
4.	14—Animal Husbandry	5,78.95	62.50	6,64.43	22.98
5.	20—Public Health, Engineering	11,18.84	8,96.99	22,87.58	2,71.75

Capital Section:

1.	Public Debt (<i>Charged</i>)	93,10.10	99,37.48	2,27,53.40	35,05.82
2.	23—Irrigation works	58,59.57	2,24.92	69,73.19	8,88.70
3.	31—Expenditure pertaining to Planning, Economics and Statistics Department	..	1,00.00	1,11.50	11.50

2.4. Unutilized provision

(i) Rupees 48.78 crores remained unutilized in 34 grants (Rs. 43.43 crores) and 28 charged appropriations (Rs. 5.35 crores).

(ii) In 32 grants and 4 charged appropriations, the savings (more than Rs. 2 lakhs in each case) were more than 10 per cent of the total provision. The details of these grants and charged appropriations are given in Annexure I.

(iii) Some of the major schemes where the provisions remained substantially/wholly un-utilized, other than those mentioned in paragraph 2.3 are shown below:

S. No.	Grant number and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
		<i>(In lakhs of rupees)</i>		
1.	12—Electricity—State Plan Schemes—Transmission and Distribution Schemes—Loans to Madhya Pradesh Electricity Board (Major Head 734)	13,57.00	4,90.39 (36)	The implementation of the scheme is through the Madhya Pradesh Electricity Board and is meant for power transmission and distribution. Saving occurred due mainly to non-release of loans due to difficult ways and means position of the State Government.
2.	13—Agriculture— II Centrally Sponsored Scheme— Ravine Reclamation Scheme (Major Head 307)	30.42	25.07 (82)	The scheme is intended for avoiding damage to cultivable land by ravines and consequential locking up of agricultural production.
		Total provision:		Rs. 50 lakhs in the Fourth Plan and Rs. 74 lakhs in the Fifth Plan.
		Total expenditure:		Rs. 23.98 lakhs. Saving occurred due mainly to ceiling on expenditure imposed by the Government of India.
3.	14—Animal Husbandry — Applied Nutrition Programme (Major Head 710)	5.00	5.00 (100)	The scheme is intended for improving the level and consciousness of nutrition of

S. No.	Grant number and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
		<i>(In lakhs of rupees)</i>		people in rural areas in vulnerable age groups. Against the total provision of Rs. 1,44.92 lakhs, the actual expenditure incurred to end of March 1975 was Rs. 1,21.81 lakhs. Saving was due to less expenditure incurred as an economy measure.
4.	18—Labour and Employment— III—Central Sector Scheme— Special Employment Programme (Major Head 695)	46.00	46.00 (100)	The scheme is intended for the benefit of all kinds of job-seekers with maximum possible employment orientation. The scheme was taken up in 1972-73 and till 1973-74, Central assistance totalling Rs. 3,77.78 lakhs was received. The State Government were advised to make suitable provision in their annual Plan 1974-75 for continuation of the programme as Central assistance was not envisaged after March 1974. Saving occurred due mainly to stoppage of further assistance by the Government of India.

S. No.	Grant number and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
<i>(In lakhs of rupees)</i>				
5.	18—Labour and Employment—Roads and Bridges—III—Central Sector Schemes—Survey of rural roads (Major Head 337)	25.00	24.47 (100)	The scheme is intended for connecting all villages having population of more than 1,000 by <i>pucca</i> roads with the existing main roads. Reasons for the saving have not been intimated (February 1976).
6.	33—Tribal and Harijan Welfare—Tribal Area Development Projects (Major Head 288)	1,00.00	1,00.00 (100)	The scheme is intended for integrated development of tribal areas and has been sponsored on the advice of the Government of India. Estimated cost in the annual plan for 1974-75 as well as total provision thereunder is Rs. 1.00 lakh. Saving was due to less expenditure incurred as an economy measure.
7.	34—Social Welfare—II—Centrally Sponsored Scheme—Special Nutrition Programme for children in urban areas (Major Head 288)	74.25	45.59 (61)	The scheme is intended for removing nutritional deficiencies among children in the slums of the urban areas. The scheme was implemented as a Centrally Sponsored Scheme from January 1971 to March 1974 and subsequently as a State Scheme.

S. No.	Grant number and group-head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
		<i>(In lakhs of rupees)</i>		
				Expenditure incurred against the Central assistance of Rs. 1,24.83 lakhs was Rs. 1,16.21 lakhs. The saving was due mainly to lesser expenditure having been incurred as an economy measure.
8.	33—Tribal and Harijan Welfare—I—State Plan Schemes—Minimum Needs Programme—Special Nutrition Programme (Major Head 288)	1,25.00	1,25.00 (100)	The scheme is intended for providing special nutrition to expectant mothers and children in the age-group of 0-3 years in rural areas. Total cost of the scheme is Rs. 50 crores. Reasons for the saving of entire provision of Rs. 1.25 crores have not been intimated (February 1976).

2.5. Advances from the Contingency Fund

A Contingency Fund of Rs. 10 crores has been placed at the disposal of the Government to enable it to meet unforeseen expenditure pending authorisation by the State Legislature.

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

One hundred and fifty-one sanctions were issued by the Government during 1974-75 advancing Rs. 18,28.72 lakhs from the Contingency Fund out of which Rs. 6,02.23 lakhs were not recouped till the close of the year.

In the following cases, the amount of advance sanctioned was substantially in excess of the amount withdrawn from the treasury :—

S. No.	Head of Account	Purpose for which advance sanctioned	Amount of advance sanctioned	Amount withdrawn
(In lakhs of rupees)				
1.	229—Land Revenue	Establishment of temporary posts for six months for <i>Krishi Sampatti Kar Adhinyam</i> , 1974	9.44	3.62
2.	537—Capital outlay on Roads and Bridges	Coal production in Parasia--Chhindwara District.	1.50	0.17
3.	214—Administration of Justice	Providing personal staff to 5 additional judges	1.04	..
4.	288—Social Security and Welfare	Construction of roads	0.50	..

2.5. Withdrawal of funds in advance of requirements

Rules provide that no money should be withdrawn from the treasury unless it is required for immediate payment. Significant instances noticed in which substantial amounts were withdrawn but were not utilized during the year of drawal are mentioned below :

(i) *Town and Country Planning Department.*—Amounts totalling Rs. 8.44 lakhs were withdrawn by the Director, Town and Country Planning on 20th, 23rd and 31st March 1973 for construction of sheds, a hotel and a motel and for works to be executed in connection with a milk supply scheme. The entire amount was handed over to the Housing Board. No agreement was entered into with the Board nor were the terms and conditions settled, till the date of Audit (August 1975).

(ii) *Agriculture Department.*—The Deputy Director of Agriculture, Shahdol withdrew amounts totalling Rs. 4,99,200 for *taccavi* payments to cultivators for purchase of pump-sets and deposited the amount in current account with the Central Co-operative Bank, Shahdol on 21st March 1973. Out of the funds drawn, payments to the extent of Rs. 7,000 were made in 1972-73 and Rs. 4,48,620 in 1973-74; Rs. 43,400 were refunded into the treasury in 1973-74. An amount of Rs. 1,80.00 is still to be accounted for. The department stated that the *taccavi* cases were ready when the funds were drawn from the treasury but to safeguard the interest of the Government payments to cultivators were made after installation of the pump-sets by the District Marketing Officer.

CHAPTER III

CIVIL DEPARTMENTS

PLANNING (MANPOWER AND EMPLOYMENT) DEPARTMENT

3.1. Special Employment Programme

3.1.1. *Introductory.*—In April 1972, the Planning Commission asked the State Government to formulate suitable schemes under “Special Employment Programme” keeping in view the following broad aspects :—

- (a) The schemes should be for the benefit of all kinds of job-seekers and should have the maximum possible employment orientation consistent with economy and efficiency.
- (b) The schemes should be in addition to the programmes already initiated by the Government of India.
- (c) The schemes should be of a developmental nature and should fit in with the Plan objectives.
- (d) The schemes should be of a nature which could immediately be launched and of a type which could preferably be executed in a period of one year or so.

It was also indicated that in respect of the schemes approved by the Planning Commission, financial assistance by the Government of India would be admissible upto a ceiling of Rs. 204 lakhs subject to the State Government finding at least an equal amount from its own resources.

Twentytwo schemes, involving a total outlay of Rs. 826.54 lakhs and expected to generate employment for 29,258 persons, were forwarded by the State Government to the Planning Commission in May 1972. After discussion in June 1972 with representatives of the State Government, the Planning Commission approved 13 schemes, gave conditional acceptance to 5, accepted in principle 2 and accorded low priority to one. The Commission did not accept one scheme and in its place, it agreed to include a scheme for the construction of ancillary industrial sheds at Jabalpur pending detailed consideration of the scheme [*vide* para 3.1.3 (3) below].

On 4th July 1972, the condition that the State Government should mobilise at least an amount equal to the Central assistance for financing these schemes was waived by the Government of India and the State Government was informed that the entire contribution of the Central Government during the Fourth Plan period would be in the form of an outright grant.

Central assistance of Rs. 204 lakhs and Rs. 173.78 lakhs was received in 1972-73 and 1973-74 respectively. The State Government were informed

by the Government of India in February 1974 that the programme would not be continued in the Fifth Plan and as such no Central assistance would be provided to the State after March 1974. The State Government were, therefore, advised to make suitable provision to the extent deemed necessary in their Annual Plan for 1974-75 for the continuation of the programme. The State Government made necessary provisions accordingly under the budgets of the concerned departments in 1974-75 and 1975-76.]

3.1.2. *Implementation of the programme.*—Of the 21 schemes approved by the Planning Commission (excluding the scheme for which low priority was accorded by the Commission), 2 schemes were not taken up (*vide* para 3.1.7 below). Out of the remaining 19 schemes, the records and accounts for 15 schemes were test checked by Audit between May and October 1975. The salient features of these 15 schemes are given in the statement below :

Serial number	Scheme	Implementing department	Outlay approved by the Planning Commission	Expenditure incurred *
(1)	(2)	(3)	(4)	(5)
<i>(In lakhs of rupees)</i>				
1.	Construction of sheds at Indore	Industries (A)	8.00	8.02 (upto August 1975)
2.	Ancillary Industrial Estate to meet the requirements of Madhya Pradesh State Road Transport Corporation	Industries (A)	35.00 ‡	23.59 (upto June 1975)
3.	Ancillary Industrial sheds at Jabalpur	Industries (A)	27.44**	22.46 (upto July 1975)
4.	Construction of commercial-cum-residential sheds	Industries (A) } Housing (B) }	24.00	{ 10.61 (upto August 1975) 18.83 (upto March 1975)

*The expenditure figures were collected from the concerned departments between July 1975 and October 1975.

‡Outlay was considered by the Planning Commission as very high.
No modifications have been made by the State Government.

**Approval by the Planning Commission for the outlay is not available.

A Implemented through Madhya Pradesh *Laghu Udyog Nigam*, Ltd.

B Implemented through Madhya Pradesh Housing Board.

Serial number	Scheme	Implementing department	Outlay approved by the Planning Commission	Expenditure incurred *
(1)	(2)	(3)	(4)	(5)
			<i>(In lakhs of rupees)</i>	
5.	Construction of cheap houses and development of plots for slum dwellers in big towns	Town and Country Planning (D)	60.07@	44.71 (upto March 1975)
6.	Development of land near Bhopal for shifting cattle outside municipal limits	Town and Country Planning (C)	54.00@	39.34 (upto July 1975)
7.	Dairy Estate near Bhopal	Veterinary (B)	35.31@	48.67 (upto August 1975)
8.	Establishment of agro-communities by development of land allotted to co-operative farming societies	Agriculture	20.00	0.65 (upto March 1975)
9.	Survey of severely eroded areas along major rivers and their tributaries.	Agriculture	18.00	2.57 (upto March 1975)
10.	Survey of command of important irrigation works for drawing up land shaping and drainage plans	Agriculture	18.00	3.95 (upto March 1975)
11.	Construction of rural godowns	Agriculture (E)	31.00	4.74 (upto March 1975)
12.	Construction of agriculture information and administrative centres in tribal and dacoity areas			
13.	Development of <i>mandi</i> centres with shops, godowns, auction halls, roads, lighting, banking and postal facilities	Agriculture (F)	32.00	8.18 (upto September 1975)
14.	Survey of important rivers for lift irrigation	Irrigation	24.00	3.17 (upto March 1975)
15.	Survey of rural roads	Public Works	50.00	10.38 (upto March 1974)

B Implemented through Madhya Pradesh Housing Board.

C Implemented through Bhopal Municipal Corporation.

D Implemented through two Municipal Corporations, one Municipality, five Town Improvement Trusts and the Madhya Pradesh Housing Board.

*The expenditure figures were collected from the concerned departments between July 1975 and October 1975.

E The scheme 'construction of rural godowns' and the scheme for 'construction of agriculture information and administrative centres in tribal and dacoity areas' were combined into one for implementation.

F Implemented through *Mandi* Committees.

@The outlay as originally approved by the Planning Commission was revised by the State Government. Specific approval of the Planning Commission for the revised outlay is not available.

The points of interest noticed in the execution of these schemes are given in the succeeding paragraphs (The Special Employment Programme is referred to as the programme in these paragraphs and the proposal of the State Government and the approval of the Planning Commission, unless otherwise stated, refer to the proposal made by the State Government in May 1972 and the approval of the Commission communicated in July 1972).

3.1.3. Industries Department

(1) *Construction of sheds at Indore.*—At the request of Madhya Pradesh *Laghu Udyog Nigam Limited* (a private limited company wholly owned by the Government set up with the object of promoting the interests of small-scale industries and helping in their speedy development), the State Government proposed to the Planning Commission, the grant of a loan of Rs. 8 lakhs to the *Nigam* to be utilised for constructing ten new sheds (cost: Rs. 5.25 lakhs) and converting a building, already acquired by the *Nigam*, into six sheds (cost: Rs. 3.50 lakhs) by making additions and alterations. The accommodation was to be let out or sold on hire-purchase basis to unemployed engineers for setting up 16 industrial units which were expected to provide direct or indirect employment to about 300 persons.

The proposal was approved by the Planning Commission.

The Government sanctioned to the *Nigam* a loan of Rs. 4 lakhs in December 1972 at 6 per cent interest per annum and repayable in ten half-yearly instalments, the first equated instalment being due on completion of five years from the date of receipt of the loan. It was stipulated in the sanction order that the construction work should commence within three months and should be completed within eighteen months from the date of receipt of the loan. Immediately thereafter (January 1973), the second instalment of the loan of Rs. 4 lakhs was also sanctioned under the same terms and conditions. These loans were drawn by the *Nigam* in March 1973. According to the terms of the sanctions, the work was to be commenced by June 1973 and completed in September 1974.

The work of additions and alterations to the building for converting it into five (instead of six sheds originally proposed) was commenced in 1972-73 and completed in February 1975. The work was executed through contractors.

The work of construction of five new sheds (out of 10 to be constructed) was let out to a contractor in August 1973 with the stipulation that it should be completed within six months. Only one shed was ready for occupation in December 1973; the remaining four were ready only in January 1975. The bills of some of the contractors were to be finalised (August 1975). The expenditure booked to the end of August 1975 was Rs. 8.02 lakhs (Rs. 3.74 lakhs for additions and alterations; Rs. 4.28 lakhs for new construction). Seven of these 10 sheds were occupied in the months indicated below :

One	in	December	1973
Four	in	January	1975
One	in	February	1975
One	in	May	1975

Three sheds were vacant in September 1975.

The Executive Engineer of the *Nigam* at Indore stated (August 1975) that non-availability of land held up the construction of the remaining five sheds and the matter was under correspondence with the Director of Industries.

(2) *Ancillary Industrial Estate to meet the requirements of Madhya Pradesh State Road Transport Corporation.*—As the purchases of spare parts and other items by the Madhya Pradesh State Road Transport Corporation (annual value about Rs. 2.25 crores) from the industrial units within the State were only about ten per cent of the Corporation's annual purchases, the State Government proposed to the Planning Commission the setting up of an industrial estate under the programme for catering to the needs of the Corporation. For this purpose seventeen sheds were to be constructed to be let out to entrepreneurs. The estate was also to be equipped with a tool room and a laboratory (cost of equipment: Rs.8.11 lakhs). The cost of construction of sheds was estimated at Rs. 35 lakhs, *i.e.*, about Rs. 2.06 lakhs per shed. The employment potential of the scheme was estimated as 1,100 persons.

The Planning Commission, while approving the proposal, considered the proposed cost of construction of the sheds as very high and desired suitable modification of the proposal. No modifications were, however, made and the construction of 17 sheds at Sehore was administratively approved by the Government in March 1973 at a total estimated cost of Rs. 35 lakhs, of which an expenditure of Rs. 15 lakhs was expected to be incurred in 1972-73 and the balance of Rs. 20 lakhs in 1973-74. The work was entrusted in March 1973 to the Madhya Pradesh *Laghu Udyog Nigam* and Rs. 15 lakhs were advanced to the *Nigam* in the same month. The remaining amount of Rs. 20 lakhs was advanced to the *Nigam* on 25th July 1974.

Upto the end of June 1975, Rs. 23.59 lakhs were spent by the *Nigam* on the construction of the sheds. The construction of sheds was not completed and consequently no manufacturing units were set up (August 1975). The delay in construction was attributed (August 1975) by the *Nigam* to non-availability of steel and cement in time and shortage of water.

(3) *Ancillary industrial sheds at Jabalpur.*—In March 1973, the Government administratively approved the construction of one testing laboratory and fifteen sheds at Jabalpur to be allotted to industrialists for the manufacture of items like energy meters, cables, low voltage transformers, bolts and nuts, *etc.*, required by the Madhya Pradesh Electricity Board, with estimated expenditure of Rs. 10 lakhs in 1972-73 and Rs. 17.44 lakhs in 1973-74. These works were also entrusted to the Madhya Pradesh *Laghu Udyog Nigam* and Rs. 10 lakhs and Rs. 17.44 lakhs were advanced to the *Nigam* in March 1973 and March 1974 respectively. The expenditure by the *Nigam* to end of July 1975 was Rs. 22.46 lakhs. The sheds were incomplete (September 1975) for want of flooring, *etc.* Consequently six sheds, allotted by the Industries Department, between May 1975 and September 1975, could not be occupied by the entrepreneurs.

(4) *Commercial-cum-residential sheds at places other than Bhopal.*—Sixty sheds were proposed to be constructed at places other than Bhopal (Employment potential-educated 300 and labour 290) at a cost of Rs. 24 lakhs. The proposal was approved by the Planning Commission. In February 1973, the Government decided to locate these sheds at Ujjain (10 sheds), Rajnandgaon (10 sheds), Damoh (8 sheds), Chhindwara (10 sheds) and Satna (10 sheds) and entrusted the work to the Madhya Pradesh *Laghu Udyog Nigam* in July 1972. A sum of Rs. 12 lakhs was placed at the disposal of the *Nigam* in the same month. No time limit was prescribed for the completion of the work. The 10 sheds at Ujjain were completed in all respects in May 1975 and the 8 sheds at Damoh in July 1975. Water supply arrangements, provision of electric fittings and fixing of rolling shutters for the ten sheds at Rajnandgaon were to be completed (August 1975). The total expenditure to end of August 1975 in these three places (Ujjain, Damoh and Rajnandgaon) was Rs. 10.34 lakhs. The construction in the remaining two places was stated to be in progress (expenditure upto July 1975-Chhindwara: Rs. 0.23 lakh and Satna: Rs. 0.04 lakh). None of the completed sheds was allotted (September 1975) as the Industries Department has not taken possession of the sheds at Ujjain and as the rent for the sheds at Damoh has not been fixed.

3.1.4. *Housing Department*

Commercial-cum-residential sheds at Bhopal.—Against an amount of Rs. 24 lakhs approved by the Planning Commission for the construction of commercial-cum-residential sheds [*vide* para 3.1.3 (4) above], the Government decided in October 1972 to spend only Rs. 12 lakhs for this purpose and to divert the balance of Rs. 12 lakhs for putting up at Bhopal buildings of a type as would generate employment. Accordingly, an amount of Rs. 8 lakhs (Rs. 2.44 lakhs in March 1973 and Rs. 5.56 lakhs in November 1973) for the construction of a market and an amount of Rs. 4 lakhs in March 1973 for the construction of a motel were placed at the disposal of the Madhya Pradesh Housing Board. A further sum of Rs. 7 lakhs (Rs. 4.50 lakhs for the market and Rs. 2.50 lakhs for the motel) was given to the Board in November 1974 out of the budget of the State Government, as the assistance from the Government of India under the programme was not continued in the Fifth Plan period.

The construction of the market was completed in July 1974 (cost: Rs. 12.48 lakhs), with space for accommodating a godown and 14 shops in the ground floor, 14 shops and office accommodation for the Housing Board in the first floor and a restaurant with terrace service in the second floor. All the 14 shops in the ground floor were let out between January 1975 and July 1975 and the godown was let out to a scheduled bank in July 1975. The space available in the first and second floors is being used for the offices of the Housing Board since 1st September 1974. The motel building was ready for occupation in April 1975 (cost: Rs. 6.35 lakhs) and was let out in May 1975 to a private party for running a motel at an annual rent of Rs. 65,100.

The entire expenditure on the construction of the market and the motel was financed out of the capital budget of the Housing Department and the Madhya Pradesh Housing Board acted only as the executing agency. As such the property in the buildings should have vested in the Government and should have been taken over by the Housing Department on completion. This was not done (October 1975). No rent was being paid by the Board for the portion occupied by it. Nor has the Board remitted the rent collected from the other tenants to the Government (October 1975).

3.1.5. *Town and Country Planning Department*

(1) *Construction of cheap houses and development of plots for slum dwellers in big towns.*—In order to augment the provision of Rs. 29 lakhs in the Fourth Plan for removal of slums and construction of cheap houses for slum dwellers and to provide employment to a large number of skilled and unskilled labourers, construction of 1,504 houses (cost: Rs. 37.34 lakhs) and development of 664 plots (cost: Rs. 10.07 lakhs) in 1972-73 was proposed by the State Government under the programme and was approved by the Planning Commission.

The number of houses to be constructed under the programme was increased in December 1973 to 1,970 with a revised outlay of Rs. 50 lakhs against Rs. 37.34 lakhs originally proposed. The Planning Commission was apprised of this in December 1973 by the Government when they sought the approval of the Commission for enhancing the outlay under the scheme from Rs. 47.41 lakhs to Rs. 60.07 lakhs. The approval of the Commission was awaited (September 1975). The development of plots was not taken up (September 1975) for want of funds.

The construction of the houses in different towns was entrusted to two Municipal Corporations, one Municipality, five Town Improvement Trusts and the Madhya Pradesh Housing Board. The above bodies were to be given 50 per cent of the cost as grant and the remaining 50 per cent as loan at 6 per cent interest per annum and recoverable in twenty equated annual instalments commencing from the expiry of one year from the date of grant of the loan.

The following points were noticed in Audit:—

(a) The construction of 206 houses at Bhopal out of 400 houses to be constructed by the Madhya Pradesh Housing Board was not taken up (September 1975) due to non-availability of land at the place originally selected. Again, out of 300 houses to be constructed by the Town Improvement Trust, Indore, the construction of 22 houses has not been taken up (September 1975) as the land selected for this purpose was reported to be under unauthorised occupation. None of the 100 houses to be constructed by the Sagar Municipality has been completed (September 1975) reportedly due to shortage of cement. The Municipal Corporations, Indore and Bhopal, have not taken up the construction of 100 (out of 300) and 44 (out of 100) houses respectively reportedly due to increased cost. The remaining 1,498 houses out of 1,970 houses were reported to have been completed (September 1975).

(b) Out of the houses completed in Indore, Ujjain and Bhopal, 289 houses were not allotted (September 1975) as indicated below :

- (i) The Municipal Corporation, Indore decided to allot the houses only to their own employees belonging to the scheduled castes and dwelling in slums. Only 21 out of the 200 houses were allotted.
- (ii) One hundred houses constructed by the Town Improvement Trust, Ujjain were remaining vacant as the Trust had decided to allot these to persons who would be displaced in due course as a result of the implementation of the scheme of widening of roads of Ujjain Town.
- (iii) Ten houses constructed by the Municipal Corporation, Bhopal remained vacant for want of applicants as allotment was restricted to employees of the Corporation who belonged to the scheduled castes.

(c) According to the scheme approved by the Planning Commission, local materials like bricks, broken stone pieces, sand and timber (which would provide employment to local labour) were mostly to be used in the construction of these houses and the use of materials like cement, asbestos cement sheets, *etc.*, was to be minimal. However, in the houses constructed by the Municipal Corporation, Bhopal, it was observed that about 56 per cent of the estimated cost related to such items of work as reinforced cement concrete column beams, iron work, asbestos cement sheet roofing, *etc.* The Government stated (January 1976) that this was resorted to for increasing the durability of the houses and reducing the cost of maintenance and repairs.

(d) In the original scheme approved by the Planning Commission, the cost per house was estimated at about Rs. 2,000; in December 1973 the cost was estimated by the Town and Country Planning Department at about Rs. 2,500. But the actual cost per house was substantially in excess of these estimates in the case of 256 houses constructed at Bhopal and Indore as under :

Place	Number of quarters	Average cost
(1)	(2)	(3)
		Rs.
Indore	80	4,890
	120	6,512
Bhopal	20	5,255
	36	3,920

The Government stated (January 1976) that the increase in cost was in general due to an overall unprecedented increase in the cost of labour and materials.

(2) *Development of land near Bhopal for shifting cattle outside municipal limits.*—Under the programme, it was proposed to develop two sites near Bhopal,

each having an area of 500 acres for accommodating 3,000 heads of cattle at each site. The cost of development was estimated at Rs. 35 lakhs as under :

	<i>In lakhs of rupees</i>
Development of 400 acres at both the sites for providing accommodation for cattle, cattle owners and fodder storage, <i>etc.</i>	12
Development of 600 acres at both the sites for common facilities such as roads, water supply, drainage, grazing areas, <i>etc.</i>	18
Construction of administrative units, dispensaries, <i>etc.</i>	5
Total	35

During the course of construction, 200 educated persons, 200 skilled labourers and 1,000 unskilled labourers were expected to be employed. The developed plots were proposed to be leased out to cattle owners from whom part of the development cost was to be recovered by way of premium and lease money. Further, shopping area, *etc.*, was also to be developed from which additional income was expected to be derived. The scheme was, in this way, expected to be more or less financially self-sufficient.

It was also visualised that the newly developed plots would act as an incentive for cattle owners to move out of Bhopal, thereby reducing the traffic hazards and insanitary conditions created in the city by the cattle. In addition, the scheme was expected to lead to better management of cattle and increased productivity of milk which by itself would generate additional employment.

The scheme was approved in principle by the Planning Commission with the observation that the cost should be reduced considerably and only Rs. 5 lakhs spent in 1972-73.

The work of developing the plots was entrusted to the Municipal Corporation, Bhopal. After an advance of Rs. 15 lakhs had been given in September 1972 to the Corporation, the Government selected, in November 1972 on the basis of recommendations of "expert authorities of the Corporation, Veterinary Department, Town and Country Planning Department and Irrigation Department", only one site near Kokta village (instead of two sites originally proposed) about 15 kilometres north of Bhopal. The development of plots in this site was decided to be done in two phases. A further advance of Rs. 10 lakhs was paid to the Corporation in February 1973.

An estimate for Rs. 54 lakhs for developing 658 acres near Kokta village (Phase I) was prepared by the Government in December 1973 and sent to the Planning Commission in February 1974. In this phase it was proposed to construct the administrative building, veterinary dispensary, staff quarters, requisite roads and culverts and to develop four dairy sectors (each to accommodate about 1,500 milch cattle), besides providing necessary electrification, water supply and

sewerage arrangements. The substantial increase from the original estimate was explained as under :

"The scheme was drawn up in a hurry and a rule of thumb estimate of Rs. 35 lakhs was submitted. At that time there had not been any proper survey and demarcation of the site. The full requirements of the scheme were also not available. The expenditure on water supply arrangements could also not be clearly determined till such time as the source of supply was developed."

The construction was to be completed by 31st March 1975.

In March 1974, the Planning Commission, to which the revised estimates were sent for approval, objected to the State Government having incurred an expenditure of Rs. 25 lakhs in 1972-73, against Rs. 5 lakhs approved by the Commission without its prior approval and desired to know why there had been delay on the part of the State Government in intimating to them the escalation of cost of the scheme. They also asked for information about the extent to which the scheme had been implemented. The Planning Commission also stated that the scheme was apparently being implemented in stages and it should be considered whether it was still necessary to continue with the remaining portion of the scheme.

No reply was given to the Planning Commission; the Government, however, administratively approved the estimate for Rs. 54 lakhs in March 1974.

In addition to Rs. 25 lakhs paid in 1972-73, the following further sums were paid as advances to the Municipal Corporation:—

	<i>In lakhs of rupees</i>
1973-74	29
1974-75	13

Thus, against the estimate of Rs. 54 lakhs, the Corporation received Rs. 67 lakhs. The expenditure incurred by the Corporation to the end of July 1975 was Rs. 39.34 lakhs. Although the construction was to be completed by 31st March 1975, only the administrative building, veterinary dispensary and staff quarters had been completed by September 1975 and work on other items was in progress.

While deciding in November 1972 to execute the scheme in two phases, the Government had indicated that the construction of cold storage centre, chilling plant and artificial insemination centres would be taken up in Phase II and "before the first phase is completed, the Veterinary Department should also be prepared not only to take up the maintenance of Phase I scheme, but also to continue Phase II scheme; otherwise the very purpose of implementing the Phase I scheme would be defeated". The estimates for the Phase II scheme, sent by the Municipal Corporation, Bhopal to the Government in January 1974, for Rs. 44.69 lakhs did not include the items indicated in November 1972 but provided for the construction of additional buildings, roads, electrification and water-supply arrangements and development of three more dairy sectors; the estimates were not approved by the Government (November 1975).

The probable date of completion of the scheme was not known and no cattle was shifted (December 1975) to the site.

3.1.6. Veterinary Department

Dairy Estate near Bhopal.—A proposal for setting up of a dairy estate near Bhopal at a cost of Rs. 28.50 lakhs was submitted by the State Government to the Planning Commission. The aims and objects for setting up the estate were :

- (a) to create employment for educated and uneducated unemployed persons,
- (b) to provide pure cow's milk for supply to the residents of the capital city, and
- (c) to create conditions for production of cross-breed high yielding cows.

The proposal was accepted by the Planning Commission subject to its being recast on the lines of the recommendations of the National Commission on Agriculture (1971).

The proposal was accordingly recast and the estate, proposed to be set up at Bhadbhada near Bhopal, was estimated to cost Rs. 29.30 lakhs. It was intended to accommodate 250 cowherd families in the estate and each family was to be given six cows (four in the first phase and two in the second phase). Feed and fodder supply, veterinary aid and cattle breeding facilities were to be provided by the Government. The net income per family was estimated at Rs. 9 per day (sale of the average yield of 24 litres at Re. 1 per litre: Rs. 24; expenditure on cost of feed: Rs. 13 and on rent and other charges: Rs. 2).

The scheme was, however, considered further and it was decided in a meeting held in July 1973, attended, *inter-alia*, by the Additional Production Commissioner, Agriculture Department and the Secretary, Housing Department to execute the scheme in two phases as indicated below:

First phase : Setting up of a model farm with about 200 animals to be maintained by the Veterinary Department, which would be the nucleus of a larger farm.

Second phase : Development of 200 plots for 2,000 animals (the ultimate development being of 600 plots for 6,000 animals), which would be leased out to cattle owners.

In July 1973, an estimate for Rs. 35.31 lakhs for executing the first phase, comprising construction of two cattle sheds (60 metres \times 9 metres each), administrative building, requisite roads, culverts and accommodation for laboratory, veterinary hospital, chilling plant, milk processing plant, restaurant, etc., and arrangements for water and electric supply, was submitted to the Government for administrative approval, which was not accorded (September 1975). The increase in the cost of scheme from Rs. 28.50 lakhs to Rs. 35.31 lakhs with reduction in the number of animals to be accommodated from 1,500 to 200 does not appear to have been intimated to the Planning Commission.

In the meantime, a sum of Rs. 59.41 lakhs has been placed at the disposal of the Madhya Pradesh Housing Board for executing the revised scheme as below:

Month and Year (1)	Amount paid (2) <i>(In lakhs of rupees)</i>	Remarks (3)
<i>A. Amount chargeable to the Programme</i>		
March 1973	2.00	..
November 1973	10.00	..
February 1974	23.31	..
Total	35.31	
<i>B. Amount chargeable to the State Plan</i>		
November 1974	7.00	..
March 1975	17.10	Rupees 8.50 lakhs out of this amount were intended for payment of compensation for land acquired.
Total	24.10	
Grand total	59.41	

For setting up the estate, possession of 496.32 acres of private land acquired was taken in April-May 1974. Out of 1,208 acres of Government land transferred by the Public Health Engineering Department to the Veterinary Department, possession of 415 acres was taken upto 15th November 1975.

The expenditure incurred by the Housing Board on 38 different works forming part of the scheme to end of August 1975 was Rs. 42.84 lakhs. Of this, work on eighteen items (estimated cost: Rs. 9.93 lakhs) which included the administrative building, roads, etc., was in progress. The Government stated (January 1976) that all these works were likely to be completed by March 1976.

The Veterinary Department incurred an expenditure of Rs. 5.83 lakhs to end of 1974-75 comprising expenditure on purchase of vehicles, furniture, etc.: Rs. 1.41 lakhs; on land development, construction of roads, wells, etc.: Rs. 2.70 lakhs; on labour wages: Rs. 0.72 lakh; and on establishment and office expenses: Rs. 1.05 lakhs. The establishment was stated to have been engaged on planning and on supervision of green fodder cultivation, etc; an amount of Rs. 0.50 lakh was realised by sale of fodder during 1973-74 and 1974-75.

It was decided at a meeting held in October 1974 (attended also by the Secretary, Town and Country Planning Department and the Additional Employment Commissioner) that the plots to be developed in the second phase would be given on priority basis to educated unemployed persons desirous of taking up dairying as profession, and the plots which could not be so allotted would be given to cattle owners of Bhopal interested in shifting their cattle to the estate. No action for developing the plots was taken (September 1975). The Joint Director, Dairy Estate and Colonisation, in a communication addressed to the Director, Veterinary Services in February 1975, desired that provision of Rs. 12.5 lakhs be made for the purpose from the State Plan as funds under the Special Employment Programme were not available. The funds were not provided (November 1975).

3.1.7. Agriculture Department

(1) Eight schemes (cost : Rs. 148 lakhs) were proposed by the Department under the programme. All the schemes were approved by the Planning Commission. In regard to one of these schemes *viz.*, the scheme for the development of *mandi* centres, the Planning Commission had, however, observed that cost of development for each centre could be reduced from Rs. 8 lakhs to about Rs. 2 to Rs. 3 lakhs. Out of the eight schemes, two schemes (cost : Rs. 45 lakhs) were not implemented (October 1975) by the Government. In the case of the remaining schemes also, the succeeding paragraphs would indicate that the achievements were considerably lower than the targets.

(2) *Establishment of agro-communities by development of land allotted to co-operative farming societies.*—Out of about 500 co-operative farming societies formed by landless labourers who had been allotted land by the Government, the land of 50 societies was proposed to be taken up for development in 1972-73 at a cost of Rs. 20 lakhs (cost per acre was estimated as Rs. 2,000). The following steps were to be taken in this connection to make the land tillable:—

- (a) clearance by felling trees and bushes and their disposal,
- (b) contour survey for deciding the nature of protection against washing,
- (c) breaking of the land,
- (d) providing soil and water conservation measures, and
- (e) development of water resources.

It was estimated that these tasks would provide employment to 2 matriculates, 27 skilled and 143 unskilled labourers besides a large number of casual labourers to be engaged on muster rolls. Upto March 1974 only Rs. 0.38 lakh (Rs. 0.05 lakh in 1972-73 and Rs. 0.33 lakh in 1973-74) were spent on this

and planning. Between April 1974 and August 1974, Rs. 0.27 lakh were spent from the State Plan. Although the land allotted to 34 societies was stated (August 1975) by the Director of Agriculture to have been surveyed under the scheme, all the other steps required for land development have not been taken. A few examples are given below :

- (a) In the land allotted to two societies at Balampur in Bhopal District, only contour survey for 89 acres out of 234 acres was done.
- (b) In Panna District, preliminary survey of 222 acres in 1972-73 and detailed survey of 137 acres in 1973-74 were done.
- (c) Besides spending Rs. 100 on preliminary survey of land of a society in 1972-73, no further work was done in Shajapur District.

The expenditure on the scheme which aimed at increasing productivity of the land allotted to landless labourers, accounted for only 2 per cent of the estimates framed till March 1974 (Rs. 0.38 lakh against Rs. 20 lakhs). While accepting this position, the Government stated (January 1976) that before any development work was taken up, the societies concerned were to pass resolutions to the effect that fifty per cent of the expenditure to be incurred by the Government on works other than survey would be acceptable to them as loan and no society had complied with this requirement.

(3) *Survey of severely eroded areas along major rivers and their tributaries.*—A survey of 90,000 acres (cost: Rs. 18 lakhs) in districts which are more vulnerable to erosion for determining the nature and the extent of the problem was approved by the Planning Commission. This was expected to create employment for 390 educated persons and 1,000 labourers. Survey of 18,000 acres (20 per cent of the area as per the approved scheme) was taken up in Bhind and Chhatarpur Districts in 1972-74 at an estimated cost of Rs. 5 lakhs. Of this, an area of 11,345 acres (expenditure: Rs. 2.57 lakhs) was stated to have been surveyed (August 1975) by employing 65 persons. The survey of only 11,345 acres against 18,000 acres was attributed by the Director of Agriculture (August 1975) to late starting of the survey (January-February 1973) and non-availability of field staff.

(4) *Survey of command of important irrigation works for drawing up land shaping and drainage plans.*—In order to ensure full and proper utilization of water resources for agriculture, preventing water logging and providing proper drainage, it was proposed to carry out advance survey of command areas of irrigation works so that the kind of channels and structure suitable for these areas could be determined. It was proposed to survey 60,000 acres in a year with the help of 10 survey parties at a cost of Rs. 18 lakhs (employment potential—educated technical : 280; educated non-technical : 60; skilled technical : 10; educated unskilled : 40 and labourers : 666). Only 5,644 acres in Jhabua and Guna Districts were stated to have been surveyed during

the period from 1972-73 to 1973-74 at a cost of Rs. 3.41 lakhs, providing employment to 74 persons. The department attributed (August 1975) the coverage of only 5,644 acres against 60,000 acres to non-availability of field staff and late starting of survey in January-February 1973. The work was stopped in August 1974.

(5) *Construction of rural godowns and construction of agriculture information and administrative centres in tribal and dacoit infested areas.*—In consonance with the recommendations of the Storage Committee of the Planning Commission, a scheme was proposed for construction during 1972-73 of 100 godowns, each having a capacity of 100 tons, for storage of agricultural inputs and produce in the rural areas, at a cost of Rs. 15 lakhs. Another scheme was also proposed for the construction of 100 information-cum-administrative buildings and residences for village level workers in tribal and dacoit infested areas at a cost of Rs. 16 lakhs during 1972-73. The Director of Agriculture proposed to the Government in December 1972 that, instead of separate buildings being constructed under these two schemes, 100 buildings each costing Rs. 31,000, which would serve the purposes of both the schemes, may be constructed. This proposal was accepted by the Government in February 1973.

During the period from 1972-73 to 1973-74 only an expenditure of Rs. 4.74 lakhs (against the proposed outlay of Rs. 31 lakhs) was incurred in the seven tribal/dacoit infested districts (Bastar, Jhabua, Mandla, Morena, Shahdol, Surguja and Sidhi) where construction was undertaken. The information collected from four districts, *viz.*, Mandla, Morena, Surguja and Sidhi disclosed the following:—

- (a) In Mandla District, the work on the three buildings proposed to be constructed in the district commenced only in March 1974; in the case of two of these buildings, plastering, flooring and fixing of doors and windows were to be done (August 1975), in the case of the third building, only wall work was completed (August 1975). The allotment of Rs. 0.96 lakh for these three buildings placed at the disposal of the Deputy Director of Agriculture was drawn in full in March 1974. The actual expenditure incurred was not available with the Deputy Director (September 1975).
- (b) In Morena District, construction on the proposed two buildings did not commence (October 1975), although Rs. 550 and Rs. 5,125 had been drawn in March 1973 and March 1974 respectively against the allotment of Rs. 32,000 placed at the disposal of the Deputy Director of Agriculture, Morena in each of these years.
- (c) In Surguja District, the work on two buildings (the construction of the first building taken up in March 1973 and that of another in March 1974) was incomplete; in one case, plastering and flooring were to be done (expenditure incurred: Rs. 0.31 lakh) and in another case,

only foundation work (expenditure : Rs. 0.03 lakh) was done (September 1975).

(d) In Sidhi District, the work on one building commenced in March 1973 and on two other buildings in March 1974. The first one reached the lintel level (expenditure: Rs. 0.33 lakh) and the other two (expenditure: Rs. 0.29 lakh) reached the plinth level (August 1975).

The Director of Agriculture, in a communication addressed to the Government in February 1975, stated that the works were at a stand-still and unless demanded by various Deputy Directors were placed at their disposal in 1976, the works could not be completed. The orders of the Government awaited (August 1975).

(6) *Development of mandi centres with shops, godowns, auction halls, roads, banking and postal facilities.*—It was proposed to develop 4 existing centres as composite *mandi* units, according to standard layouts prescribed by the Agriculture Department, at a total cost of Rs. 32 lakhs. In view of the decision of the Planning Commission (referred to earlier) to reduce the cost of development of each centre to about Rs. 2 to 3 lakhs, it was decided by the Government in March 1973 to develop eight *mandi* units at a cost of Rs. 3 lakhs through *mandi* committees. Each committee was to be given a subsidy of Rs. 5,000 and a loan of Rs. 1,25,000 in each of the years 1972-73 and 1973-74. The loan was to carry interest at a provisional rate of 6.5 per cent per annum and was repayable in 15 annual equated instalments. The committees were also directed to complete the work within two years from March 1973.

The following *mandi* Committees received the assistance:—

Sl.No.	Place	District
(1)	(2)	(3)
1	Sendhwa	Khargone
2	Kukshi	Dhar
3	Mohagaon	Balaghat
4	Chhapra	Seoni
5	Bandha Bazar	Rajnandgaon
6	Charama	Bastar
7	Geedam	Bastar

The assistance admissible in 1972-73 was given to the *mandi* committee, Sendhwa (Khargone District) in March 1973. As the committee could not start construction for want of land, the amount of Rs. 1.50 lakhs along with interest was refunded by it between June 1975 and August 1975. In the place of this committee, an outright grant of Rs. 1.75 lakhs was paid in March 1974 to the *mandi* committee, Kondagaon (Bastar District) for development work there.

The position of construction in September 1975 was as under:

S.No.	Place	Position of the work in September 1975	Amount spent upto September 1975	Remarks
(1)	(2)	(3)	(4)	(5)
			(In lakhs of rupees)	
1	Sendhwa	Only one platform and compound wall have been completed and road work is in progress. For the remaining items tenders are to be called for, after approval of an estimate of Rs. 2 lakhs.	0.96	The delay is stated to be due to non-availability of cement and road rollers.
2	Kukshi	Office building, guestroom, godown and two open platforms for auction were completed in May 1975. Due to non-availability of steel and cement work on covered platform for auction is yet to be taken up.	1.76	..
3	Mohagaon	One open platform has been completed and the work on office-cum-rest house has reached slab level. The other items of work are yet to be taken up.	0.66	..
4	Chhapra	Only the platform for auction has been completed. The storage godown and office building have reached roof level. The other items are to be taken up.	1.56*	*This includes Rs 0.55 lakh on account of the value of cement and steel in stock.
5	Bandha Bazar	Storage godown has been completed. Office building is stated to have been completed but for electric fittings. The other items are to be taken up.	1.06	..
6	Charama	Office building has been completed. Store-room and covered and open platforms for auction have reached plinth level.	1.07	..
7	Geedam	@One open platform has been completed while flooring is in progress in the other. The work on office building and two godowns has reached roof level.	1.11	The delay was attributed by the <i>mandi</i> committee to non-availability of cement, steel, etc. In his inspection report (July 1975) the Deputy Director of Agriculture, South Bastar stated that cement had been issued on loan to members of the committee.
8	Kondagaon	The work on office building, one open platform for auction and store room commenced on 13th September 1975.	..	..

@ Construction of two more auction platforms, one covered platform and approach road was sanctioned in November/December 1975 and tenders were called for in December 1975.

3.1.8. Irrigation Department

Survey of important rivers for lift irrigation scheme.—Under the programme, it was proposed to undertake survey along four important rivers (Parvati in Bhopal Division, Kalisindh in Gwalior Division, Ken in Rewa Division and Shivnath in Raipur Division) with a view to constructing stop dams at as many suitable places as possible along the river basins and thereby providing adequate water for lift irrigation. Each river basin was to be under the charge of an Executive Engineer assisted by four sub-divisions for surveying 80 schemes in a year. The expenditure on surveying 320 schemes in a year was estimated at about Rs. 24 lakhs as under :

In lakhs of rupees

Annual cost of 4 divisions	4.87
Annual cost of 16 sub-divisions	12.63
Cost of survey at Rs. 2,000 per scheme	6.40
Total	23.90

The immediate employment potential was indicated as 160 Engineering graduates and diploma holders, 100 matriculates and 500 unskilled labourers.

The scheme was approved by the Planning Commission. The posts for various divisions and sub-divisions were, however, created in February 1973 and the headquarters of the formations were fixed by the Government in June 1973 with the result that there was no expenditure in 1972-73. The initial budget provision for 1973-74 was Rs. 18 lakhs; this was subsequently reduced to Rs. 9.32 lakhs, since the formations actually came into existence in August 1973. Due to subsequent cut in the budget, the provision was further reduced to Rs. 6 lakhs. The scheme is stated to have been discontinued from 1974-75. The actual performance during 1973-74 was stated to be as under:

River basin	Employment provided				Number of schemes surveyed	Expenditure
Headquarters of Irrigation Survey Division	Engineering Graduates	Engineering diploma holders	Matriculates and others	Labour in mandays	(6)	(7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
						<i>(In lakhs of rupees)</i>
<i>Parvati</i>						
Rajgarh	3	18	15	180*	8	1.63
<i>Kalisindh</i>						
Shajapur	5	11	9	3,381	57**	1.02
<i>Ken</i>						
Panna	3	15	10	16*	14	0.35@
<i>Shivnath</i>						
Bilaspur	2	10	10	3,816	8	0.17@@

*Number of persons employed.

**Includes 4 completed surveys, location of 41 water pockets on topo sheets and feasibility survey of 12 sites.

@ Expenditure to end of December 1973.

@@ Expenditure on wages and salaries only.

3.1.9. Public Works Department

Survey of rural roads.—In order to implement the policy of the Government that all villages with a population of more than 1,000 should be connected by *pucca* roads to the existing main roads, detailed survey, levelling, plotting, survey and testing were considered pre-requisites. A party consisting of 1 engineer, 2 Overseers, 1 Research Assistant, 5 Surveymen and 3 *Mazdoors* (cost : Rs.40,000 recurring and Rs.5,000 non-recurring) would, it was estimated, be able to complete such survey of nearly 200 kilometres per year excluding the period of monsoon from mid-June to mid-October. It was proposed to constitute 100 such parties (86 parties at the rate of 2 for each of the 43 districts and 14 parties at 2 for each Commissioner's division for more important jobs) under the programme. In addition to the estimated expenditure of Rs.45 lakhs for 100 parties, a provision of Rs.5 lakhs for the purchase of 16 pick-up vans at a rate of one for each Public Works Circle was also contemplated. The employment potential was stated to be as under :

Engineering graduates	100
Engineering diploma holders	200
Science graduates	100
Matriculates	500
Labourers	300
Total	1,200

The Planning Commission approved the proposal. They desired that the survey work should be completed within two years.

In December 1972, half the number of proposed posts in each category were sanctioned upto 28th February 1973. In April 1973, all the posts mentioned in the proposals put up to the Planning Commission were sanctioned for one year. The posts were not continued in 1974-75. The details of the employment generated and the expenditure on the scheme during 1972-73 and 1973-74 are as under :

Particulars (1)	1972-73 (2)		1973-74 (3)	
	Number of posts sanctioned in December 1972	Number in position	Number of posts sanctioned in April 1973	Number of posts
Junior Engineers	50	30	100	
Overseers	100	30	200	
Research Assistants	50	21	100	
Surveymen	250	44	500	2
Labourers	150	29	300	1

	1972-73		1973-74	
	Original provision	Expenditure	Original provision	Expenditure
	(In lakhs of rupees)			
Expenditure on the scheme	20.00	2.15	20.00	8.23

It was stated by the Engineer-in-Chief that only a few persons could be employed in 1972-73 due to late receipt of Government sanction for creation of posts and the full sanctioned strength could not be employed in 1973-74 due to observance of lengthy procedure for recruitment laid down in the rules. The total length of roads surveyed in 1972-73 and 1973-74 was reported to be 143 kilometres and 1,434 kilometres respectively.

As stated earlier each survey party was expected to survey about 200 kilometres in one year. The performance of the parties in four circles for which information was collected, as compared with these norms, is given below :

S. No.	Circle	No. of parties formed	When formed	When disbanded	Total length which should have been surveyed	Total length reported to have been surveyed	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
					(In kilometres)		
1	Jabalpur	5	Between August 1973 and October 1973	March 1974	580	168	..
2	Nowgong	6	April 1973	April 1974	580	230	In addition 50 numbers of crossing have been surveyed
3	Ujjain	2	January 1973	March 1974	300	190	..
4	Indore	7	1 in December 1972, 2 in April 1973, 2 in December 1973 and 2 in January 1974	March 1974	700	84	In addition to survey of roads, ninety-eight cross drainages and 2 major bridges were reported to have been surveyed

The matters referred to above were reported to the Government in November 1975.

The observations of the Government were awaited (February 1976) in regard to the schemes mentioned in paras 3.1.3 (2) and (3), 3.1.7 (5) and 3.1.8.

3.2. Half-a-Million Jobs Programme

A test check of the accounts and records relating to the implementation of the Half-a-Million Jobs Programme in the State was conducted by Audit between May 1975 and October 1975. Important points which came to notice are mentioned in the succeeding paragraphs.

3.2.1. *Selection of schemes.*—A team of the Planning Commission, along with representatives of Ministries of Finance, Industrial Development and Education, visited Bhopal on 17th May 1973 and examined 75 schemes, including 9 self-employment schemes proposed by the State Government, mainly with reference to the following :—

- (a) The schemes should be such as could be dovetailed with the existing development programmes or with the programmes to be taken up in the Fifth Plan.
- (b) Emphasis should be laid on self-employment programmes. The schemes should be such as can generate more and more employment and have a multiplier effect. They should be productive and labour intensive. The approach should be to secure maximum employment and investment with minimum Government support. Government funds would be available only for seed capital, margin money, training expenses, etc. Institutional finance should be utilised to the fullest extent possible.
- (c) Training programmes may be undertaken to improve the employment and absorptive potential of the educated unemployed, the requirements of the Fifth Plan with specific reference to the Annual Plan for next year being the basis for such training programmes. Persons provided training in 1973-74 would have to be absorbed in regular posts in 1974-75.
- (d) Funds were not to be used under this programme to expand the various departments of the Government, which would be taken care of according to State Plan/Non-Plan budgets.

After discussions, the State Government was requested to review and recast the proposals.

The Planning Commission approved in all 34 schemes, including 2 self-employment schemes, (total outlay : Rs. 2.57 crores; employment potential : 28,725) between August 1973 and March 1974, as indicated below :

Month of approval	Number of schemes approved	Outlay	Employment potential
(1)	(2)	(3)	(4)
		(In crores of rupees)	
August 1973	15	1.99	18,782
September 1973	12	0.15	2,854
January 1974	2*	0.12	2,780
	4	0.27	3,669
March 1974	1	0.04	640
Total	34	2.57	28,725

*Self-employment schemes.

Three schemes (outlay : Rs.47.08 lakhs; employment potential : 4,722) out of the 34 schemes were not implemented by the State Government. Further, in September 1974 an additional scheme "Training of automobile, diesel electrician-cum-pump mechanics" (outlay : Rs.0.79 lakh; employment potential : 50) was approved by the Planning Commission. The Planning Commission also accorded approval for the continuation during 1974-75 of 18 schemes spilled over from 1973-74.

3.2.2. *Financial assistance from the Central Government and expenditure incurred by the State Government.*—During 1973-74, the State Government received from the Government of India one crore of rupees (grant : Rs.98.49 lakhs and loan : Rs.1.51 lakhs) against which an expenditure of Rs.0.70 crore was incurred.

During 1974-75, a further amount of Rs.23.57 lakhs was received as grant in September 1974 for 18 spill-over schemes. In the State's Budget Estimates for 1974-75 an amount of Rs.1.02 crores was provided for 28 schemes continued during the year. Actually an expenditure of Rs. 0.30 crore only was incurred on 14 schemes during the year. In the other cases the budget provision was either surrendered or re-appropriated to other units of appropriation due to discontinuance of the schemes or non-availability of sufficient number of candidates for training.

3.2.3. *Implementation of the Programme.*—The employment generated and the expenditure incurred during 1973-74 and 1974-75 in regard to the 35 schemes sanctioned by the Planning Commission are given in Annexure II. The details of the extent of gainful employment stated to have been secured by the persons trained under various schemes are contained in Annexure III.

3.2.4. *Self Employment Schemes*

(1) *Industries Department—Scheme for assistance to educated unemployed for plying of taxis.*—This scheme envisaged allotment of 'Ambassador' and 'Fiat' cars out of the State Government's quota to educated unemployed for plying as taxis. A sum of Rs. 6.72 lakhs was provided in the State Budget for 1973-74 under 'Loans and Advances' for paying 10 per cent margin money to eligible candidates. The entire amount was drawn by the Director of Industries on 30th March 1974 and deposited in the State Bank of India and the State Bank of Indore (Rs.3.00 lakhs) and three nationalised banks (Rs.3.72 lakhs) on the same day. No amount was disbursed (December 1975).

(2) *Tribal Welfare Department—Opening of shops for Harijan and Adivasi educated unemployed.*—This scheme, sponsored by the Tribal Welfare Department, envisaged setting up of establishments like flour mills, tailoring shops, provision stores, laundries, etc., by educated unemployed members of scheduled castes and tribes with 85 per cent financial assistance from the Government and

the banks. It was estimated that 500 such establishments would be set up (employment potential : 500) with an outlay of Rs. 25 lakhs as below :

		<i>In lakhs of rupees</i>
Institutional finance from the Nationalised Banks	75 per cent	18.75
Margin money (soft loan) from the Government	10 per cent	2.50
Margin money (contribution by the beneficiaries)	15 per cent	3.75
Total	100 per cent	25.00

Against Rs.2.63 lakhs allotted during 1973-74 for providing 10 per cent margin money by the Government, a sum of Rs.2.58 lakhs was drawn by the Director of Tribal Welfare in March 1974 out of which Rs.2.50 lakhs were deposited in the State Bank of India on 30th March 1974. The balance (Rs.0.08 lakh) was spent on purchase of furniture, etc., during the year for the office of the Director of Tribal Welfare.

In February 1974 the Director of Tribal Welfare approached the Government with a request to provide Rs. 3.75 lakhs for giving subsidies to eligible persons who could not raise enough resources towards their own contribution of 15 per cent of the capital required, due to their economic backwardness. Accordingly, an amount of Rs. 3.75 lakhs was sanctioned by the Tribal Welfare Department in March 1974 from the State's Plan budget for disbursement of subsidy in such cases. This amount also was drawn by the Director of Tribal Welfare and deposited in the State Bank of India in March 1974.

Till August 1975, 28 persons belonging to scheduled castes and 6 persons belonging to scheduled tribes in 14 districts had been extended assistance under this scheme and an amount of Rs. 0.17 lakh paid as margin money (soft loan) and Rs.0. 25 lakh as subsidy.

The delay in implementation of the scheme was attributed (August 1975) by the Director of Tribal Welfare to the time taken by the banks in processing the loan applications and sanctioning them.

3.2.5. *Training Schemes : Schemes intended for developing skills.*—The following training schemes were aimed at imparting skills to the educated unemployed in various technical trades and professions to enable them to set up their own business :—

S.No.	Department/Training Scheme	Nature of training	Number reported to have been trained
(1)	(2)	(3)	(4)
	<i>Agriculture</i>		
1	Employment scheme (Agriculture sector)	Tractor hiring, agriculture input sales, automobile hiring, running dairy units, etc.	900

S. No.	Department/Training Scheme	Nature of training	Number reported to have been trained
(1)	(2)	(3)	(4)
	<i>Employment and Training</i>		
2	Training for diversified trades in third shift	Trades like automobile, motor, tractor and diesel mechanics, printing and hand composition, etc.	1,380
3	On the job training	Operators for heavy earth moving machinery	207
4	Training of electricians and pump-set attendants.	Maintenance of electric pumps, etc.	1,081

The scheme at serial number 1 above was implemented by the Agro-Industries Development Corporation (a State Government Undertaking). The Agro-Service Engineer of the Corporation intimated (August 1975) that 200 trained candidates had set up their own business with financial assistance from banks and about 600 project reports were pending with the banks for clearance. Out of an amount of Rs.8.60 lakhs placed at the disposal of the Corporation by the Government in March 1974 for payment of stipends to the trainees, an amount of Rs. 7.50 lakhs is still lying with the Corporation undisbursed (December 1975). As regards schemes at serial numbers (2) and (4), the Director of Employment and Training, who implemented them, stated (September 1975) that the extent to which the trained persons were gainfully employed could not be ascertained in the absence of a 'Co-ordinating Cell' at the Directorate level. Out of 207 trained under the scheme at serial number (3), only 127 were reported to have been gainfully employed (September 1975).

3.2.6. Education Department

Opening of sub-primary schools in the interior places.—In order to provide primary education facilities especially in villages having population less than 300 at a nominal cost, this scheme envisaged the following:—

- (i) A resident, preferably a lady, of the village, who had passed the Higher Secondary examination was to be asked to run a school upto third standard with a minimum enrolment of 15 students.
- (ii) The school was to be accommodated in the *Janpad Bhavan* or the residence of the teacher or any other suitable place so that no expenditure would be required to be incurred on rent, etc.
- (iii) The teacher was to be paid a remuneration of Rs.100 per month. In addition, a lump sum of Rs.100 per year was to be paid to the teacher for contingent expenditure.

Against the approved target of opening 4,000 such schools in 40 districts in 1973-74, the number opened was 2,648. Information collected by Audit from 32 districts disclosed that 538 out of 2,326 schools opened in those districts were closed down as detailed below :

Number proposed to be opened	Number opened	Number closed during			Total
		1973-74	1974-75	1975-76 upto November 1975	
3,303	2,326	296	143	99	538

The reasons for closing down the schools were stated by the District Educational Officers to be the following :—

- (a) Irregular appointments of persons who were not residents of the villages concerned.
- (b) Absenteeism of teachers.
- (c) Death/resignation of teachers.
- (d) Arrest/enquiry by the Police.
- (e) Non-availability of local candidates.
- (f) Opening of primary schools in the villages.

In Jhabua, Mandla and Surguja Districts, where the population is predominantly tribal, only one, 35 and 54 schools respectively were opened against the proposal to open 103, 146 and 134 schools. In Dhar District, 81 schools could not function due to non-availability of local teachers; only 3 schools were functioning in this district (November 1975).

The Government (January 1976) stated that location of new sub-primary schools equal to the number of those closed down in such areas where educational facilities are completely lacking is under consideration.

3.2.7. Land Records Department

Training of Patwaris.—In order to implement the decision of the Government to undertake amendment survey and updating of record of rights (settlement scheme) in 16 districts, it was considered necessary to appoint 40 additional Revenue Inspectors in each district by promoting experienced and qualified *patwaris*. The resultant vacancies of *patwaris* were proposed to be filled up by appointing matriculates, after giving them training for four months. While the proposal was under consideration of the Planning Commission, the Planning Department of the State Government advised the Director of Land Records on 11th December 1973 to take all preliminary steps for the implementation of the training programme without waiting for the formal sanction of the Government, as the training had to be completed before the end of the financial year. On the 19th December 1973, the Director of Land Records asked the Collectors of the 16 districts to select eligible

candidates for training as *patwaris*; simultaneously, he also sought clarification from the Planning Department whether the trainees should be employed for four months from 1st January 1974 to 30th April 1974 or for the remaining two months of the financial year (*i.e.*,) 1st January 1974 to 28th February 1974. On receipt of clarification from the Planning Department that the training should be upto 28th February 1974 only, the Director of Land Records requested the concerned Collectors on 3rd January 1974 to appoint immediately the requisite number of candidates for training from their own or neighbouring districts. The approval of the Planning Commission for the scheme was communicated on 12th March 1974. The reports of the Collectors with the Director of Land Records indicated that 300 candidates had been selected in 9 districts only out of 16 districts, of which only 180 had reported for training. Only 96 out of 180 trained have so far been absorbed (October 1975) as *patwaris*. The Government stated (February 1976) that the remaining persons were likely to be appointed against the posts arising out of the implementation of the settlement scheme in five districts.

3.2.8. Directorate of Employment and Training

(1) *Training of electricians and pump-set attendants.*—Under this scheme, training was started in 19 Industrial Training Institutes for a period of five months (twelve months in the approved scheme) for 1,081 persons (target: 2,500 persons) with effect from 1st March 1974. The scheme was discontinued from 1st August 1974. The trainees who were on the rolls on 31st July 1974 were given the option to join the regular courses available in the institutes in the session commencing from 1st August 1974. Out of 19 institutes, 18 reported (December 1975) that only 260 trainees out of 903 had joined such courses. Till the date of discontinuance of the scheme, 250 candidates had left the training incomplete in 11 institutes; one was reported to have left the training incomplete in one institute. Similar information in respect of the remaining 7 institutes was awaited (January 1976).

In September 1974, the Government allotted a further sum of Rs.6.97 lakhs to the Director of Employment and Training for recommencing the course and the scheme was restarted in 6 out of the 19 institutes. Except for the institute at Khandwa, which re-admitted 21 trainees who had discontinued their training on the closure of the scheme, these institutes did not admit any of the trainees who had discontinued the training but instead admitted other trainees, who were studying in the senior Electrician and Wiremen trades, to the courses. Four of these institutes have reported (December 1975) that 153 persons had been admitted in the course which commenced on 1st December 1974 and ended on 31st March 1975. They were thus not given full twelve months training as contemplated in the scheme. All the trainees who were admitted in the institute at Khandwa were reported to have completed the training on 31st March 1975. The information in this regard was awaited from the institute at Chhindwara (December 1975).

In 2, out of 19 institutes, an amount of Rs.0.01 lakh was paid as stipend to 22 trainees who left the course incomplete before July 1974. The information

on this point was awaited (December 1975) from 16 institutes. In one institute none left the training incomplete. Six institutes were reported to have incurred an expenditure of Rs. 2.59 lakhs on purchase of equipments for imparting the training. No expenditure on this account was incurred by 10 institutes and information from the other 3 institutes was awaited (December 1975). The expenditure on purchase of equipments in these six institutes alone worked out to 26 per cent of the total approved outlay of Rs.10.00 lakhs for the scheme as against the 15 per cent of the approved outlay allowed as incidental expenditure, which includes purchase of equipment.

(2) *Training of Typists.*—In September 1973, the Planning Commission approved the training of 400 Hindi/English Typists for 3 months against the proposal of the Government to train 800. Accordingly, the Government issued a sanction in November 1973 for Rs.0.50 lakh to cover the stipend at Rs. 40 per month for three months to 400 trainees and other expenses. Eight hundred candidates were reported to have been trained in two batches between January 1974 and July 1974 in ten Industrial Training Institutes at a cost of Rs.0.98 lakh. It was stated by the Director of Employment and Training that in the absence of 'Co-ordinating Cell' at the Directorate level, the extent to which the trained persons were gainfully employed could not be ascertained.

The matters mentioned above were reported to the Government in November 1975. The observations of the Government were awaited (February 1976) in regard to the schemes executed by the Irrigation and the Industries Department.

PANCHAYAT AND COMMUNITY DEVELOPMENT DEPARTMENT

3.3. Applied Nutrition Programme

3.3.1. *Introduction.*—The Government of India sponsored the Applied Nutrition Programme during the Third Five Year Plan in collaboration with the United Nations International Children's Emergency Fund (UNICEF), the World Health Organisation (W.H.O.) and the Food and Agriculture Organisation (F.A.O.). Master Plan was drawn up by the Government of India in February 1963 for the implementation of the programme. The programme was to be implemented by the State Governments.

The programme, which was started in nine selected community development blocks of Madhya Pradesh in 1963-64, aimed primarily at helping the people, especially in the vulnerable groups in rural areas, to improve their level and consciousness of nutrition through (1) education and training of non-officials and officials in improved methods of production, preservation and conservation of balanced food, (2) mobilising individuals (women and youth) and institutions in the rural areas for increasing production of food rich in protein, vitamins and minerals, and (3) developing village resources, with community efforts, to implement supplementary feeding programmes covering vulnerable groups, viz. children, pregnant women and nursing mothers.

(ii) Based on the Master Plan of 1963, a plan of operations for the State was drawn up in May 1964, specifying the contents of and activities under the programme at field level in the nine blocks referred to above. The plan of operations was, however, for a period of three years. Accordingly, the programme was operated in these blocks only upto March 1966.

Another plan of operations for field activities in the State was drawn up in May 1967 applicable from 1965-67 onwards and more blocks were gradually brought under the programme. The operational period of the programme was extended to five years, at the end of which it was expected that the change in the production and consumption habits of the people, brought about through implementation of the programme, would sustain by itself. This plan of operations remained in force till March 1974, when a revised plan of operations was enforced.

(iii) By the end of March 1974, one hundred and five blocks (out of a total of 457 blocks in the State), including nine blocks referred to earlier had been covered under the programme.

From 1966-67, each year the blocks where the programme had already been in operation for five years were to be dropped and fresh blocks were to be selected. The number of fresh blocks brought under operation of the programme every year during the Fourth Plan period and the total number of blocks where the programme was in operation during these years are indicated below :

Year	Number of fresh blocks taken up	Number of blocks (including fresh blocks) where the programme was in operation
(1)	(2)	(3)
1969-70	5	61
1970-71	10	71
1971-72	9	65
1972-73	8	58
1973-74	8	40

(iv) Under the plans of the operations, the Development Department was responsible for the co-ordination of the programme at the State level through the Development Commissioner in co-operation with other State departments involved (Animal Husbandry, Fisheries, Agriculture, etc.). At the district level, this responsibility devolved on the Collector, and at the block level on the Block Development Assistant. To facilitate effective co-operation and co-ordination between different departments concerned at the State level and to guide the implementation of the programme, the plans of operations envisaged the formation of a Co-ordination Committee comprising the Development Commissioner (Chairman) and the Secretaries and the Heads of the concerned departments. The State Co-ordination Committee met in August 1973. In December 1973, the Government reconstituted the Committee and entrusted it with the responsibility for co-ordinating all the nutrition programmes in operation in the State. This Committee met only once in August 1975. The heads of the concerned departments, however, met in May 1974, September 1974 and February 1975.

(v) The various activities undertaken under the programme were as follows:—

- (a) establishment of school/community gardens,
- (b) establishment of poultry units,
- (c) development of fisheries,
- (d) grant to social organisations, and
- (e) training of officials and non-officials.

(vi) Important points disclosed during test check, conducted during July 1975 to October 1975, of the accounts and records relating to the programme in twenty blocks (detailed in Annexure IV), out of 80 blocks which had completed the period of five years of operation, are given in the succeeding paragraphs.

3.3.2. Programme Planning.—(i) According to the criteria laid down by the Government of India, before a block was selected, the nutritional problems in that block and the resources, actual and potential, for tackling them were to be identified by a preliminary survey. No information was available at the State headquarters or at the block level to show that such surveys had been carried out before selecting the blocks.

(ii) According to the plan of operation of May 1967, the programme was to cover, in a phased manner, as many villages in the selected blocks as possible, keeping in view the existence in the villages of facilities and conditions in the following order:—

- (a) spirit of co-operation and adequate village leadership on the part of the village community,
- (b) existence of one active *Mahila Mandal* or *Yuwak Mandal* or possibility of developing such *Mandals*,
- (c) possibility of securing suitable land with irrigation facilities in the vicinity of the village school (s), and
- (d) possibility of establishing inland fisheries on practical and economic basis.

Twentyfive villages were to be covered by the programme in each of the selected blocks.

Out of 20 blocks, in which the test check was done, evidence as to the verification of existence of the prescribed facilities and conditions in the individual villages brought under the programme was available only in Khairagarh and Patan blocks. In Khairagarh block, such a verification was done only in the last year of the operation period (1972-73) and, as a result of the verification, ten of the twentyfive villages approved by the Government in January 1970 were dropped and replaced by other villages as requisite co-operation had not been forthcoming from the village communities of the ten villages dropped. In Patan block, 25 villages were selected in September 1970 on the basis of a survey done in July 1970; but three villages were replaced by other villages, one each in January 1971, November 1971 and March 1974 as adequate co-operation from the village community concerned was stated to be not forthcoming.

In Timarni block, seven of the twentyfive villages approved were found to be deserted and one village had two names both of which were included in the appr-

oved list. In this, as well as in a number of other blocks, the villages selected initially were changed subsequently (at the fag end of the operation period in some cases), with or without sanction of the competent authority, mainly on the grounds of absence of co-operation from village community and the unsuitable location of the selected villages. Improper selection of villages seemed to be one of the main contributory factors for the failure of a large number of production units set up under the programme.

3.3.3. *Finance.*—(i) An expenditure of Rs. 0.85 lakh per year per block for the period of five years was envisaged on both production and development components of the programme. Of this, Rs. 0.34 lakh were to be provided as a grant by the Government of India for (a) digging of school wells (Rs. 0.15 lakh), (b) installation of pumping sets (Rs. 0.05 lakh), (c) assistance to poultry units run by schools or associate organisations (Rs. 0.10 lakh) and (d) assistance to associate organisations for equipment and accessories for fish ponds, *etc.*, (Rs. 0.04 lakh).

The State Government's commitment of Rs. 0.51 lakh comprised expenditure on (a) horticulture (Rs. 0.11 lakh), (b) minor irrigation (Rs. 0.12 lakh), (c) poultry (Rs. 0.14 lakh) and (d) fisheries (Rs. 0.14 lakh). This commitment was to be met by making funds available for the programme areas out of the regular Plan schemes of the concerned departments, *viz.*, Agriculture (Rs. 0.23 lakh), Veterinary (Rs. 0.14 lakh) and Fisheries (Rs. 0.14 lakh).

The three international agencies, UNICEF, WHO and FAO were to supply free of cost equipment like pumping sets, barbed wire, teaching aids, audio-visual materials, jeeps, *etc.*

(ii) During 1969-70 to 1973-74, the Government of India provided to the State Government full assistance at the rate of Rs. 0.34 lakh per block per year. But the State Government did not meet their commitment of providing funds at Rs. 0.51 lakh per block per year, although the Government of India repeatedly emphasised the need for providing the full component of funds for effective implementation of the programme. The following table shows the requirement of funds as envisaged under the programme and the funds actually provided by the Government of India and the State Government:—

Year	Number of blocks where programme was in operation	Requirement of funds to be met by			Funds actually provided by		
		Government of India	State Government	Total	Government of India	State Government	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>(In lakhs of rupees)</i>							
1969-70	61	20.74	31.11	51.85	20.74	3.87	24.61
1970-71	71	24.14	36.21	60.35	24.14	9.56	33.70
1971-72	65	22.10	33.15	55.25	22.10	10.70	32.80
1972-73	58	19.72	29.58	49.30	19.72	10.48	30.20
1973-74	40	13.60	20.40	34.00	13.60	10.01	23.61
Total		100.30	150.45	250.75	100.30	44.62	144.92

Department-wise figures of requirement, provision of funds and expenditure in the State sector are given in Annexure V.

(iii) It would be seen that against the requirement of Rs. 250.75 lakhs for the implementation of the programme according to the plan of operations during the Fourth Plan period, only Rs. 144.92 lakhs were made available. Actual expenditure during the period was, however, Rs. 121.81 lakhs of which Rs. 83.91 lakhs were out of the funds (Rs. 100.30 lakhs) provided by the Government of India. The Central assistance was given as advance to the State Government subject to adjustment on the basis of audited figures of expenditure. During 1974-75, Rs. 3.50 lakhs were deducted provisionally by the Government of India from the Central assistance admissible for that year on account of the sums outstanding against the assistance for previous years ending 1971-72.

The total expenditure on the programme was about Rs. 0.41 lakh per block per year, which was less than fifty per cent of Rs. 0.85 lakh envisaged under the plan of operations.

None of the departments of the State Government concerned with the implementation of the programme had worked out the details of the manner of utilization of the amounts required to be provided by them out of the State funds. The Agriculture Department proposed to provide for fencing, etc., Rs. 2,200 per garden which worked to only Rs. 24,200 per block for 11 school gardens to be set up during the five year period, as against their share of Rs.1.15 lakhs (at the rate of Rs. 0.23 lakh per year). The Veterinary Department was to provide loans to the poultry units to be established by individuals at the rate of Rs. 1,900 per unit; in addition for each unit a subsidy of Rs. 700 was to be given out of the funds provided by the Government of India. But the department did not make provision for the loans during the years 1969-70, 1972-73 and 1973-74 with the result that no such poultry unit could be established during these years.

The expenditure incurred under the programme by the Veterinary and the Fisheries Departments comprised mainly pay and allowances of staff and office contingencies.

3.3.4. *Implementation of the programme.*—(i) The pattern of utilization of Central assistance prescribed by the State Government was not followed in the blocks. In most of the blocks covered by test check the number of production units established for the poultry and fisheries development was less than the number originally prescribed, while assistance was given to a larger number of social organisations (*Mahila Mandals* and *Yuwak Mandals*) than prescribed by the Government. The yearly allotments of funds were generally made in lump sum to the blocks. The prescribed limits for the grants to social organisations were also generally exceeded at the cost of production units. In sixteen (out of twenty) blocks, the number of *Mahila Mandals* to whom assistance was given ranged between 18 to 25 and of *Yuwak Mandals* between 12 to 15 as against the prescribed number of 15 and 10 respectively;

only in Jaithari, Korba, Gharghoda and Meghnagar blocks, the number of such organisations was within the prescribed limits.

(ii) The expenditure was mostly by way of grants to *Gram Panchayats*; the production as well as development units were established and run by them.

The position of various components of the programme, as noticed during the last check of the blocks which had completed the full operational period of five years, was as follows:—

(a) *Establishment of school/community gardens.*—(1) Rupees 16.15 lakhs were paid to *Gram Panchayats* for the establishment of 239 gardens (220 school gardens, 19 community gardens). Of these, work on 71 school gardens and 8 community gardens (amount paid: Rs. 5.05 lakhs) was reported not to have been completed by the 31st March 1975 and no production was obtained from them.

Fourteen, out of the remaining 160 gardens in which production had started, ceased to exist (8 within one year, 2 each within two and three years and one each in four and five years); Rs. 0.91 lakh were paid for establishing these gardens.

The non-completion of the gardens and their ceasing to exist after production had started were stated by the Block Development Assistants to be due to absence of proper irrigation facilities, lack of interest on the part of the *Gram Panchayat*s and/or unsuitable location of gardens. Only in the case of two of these gardens, in Sailana block, the amounts of grants were refunded by the *Gram Panchayats*.

(2) The gardens were to grow such items as fruits, vegetables, groundnuts, etc., and were required to contribute 20 per cent of the produce for free distribution among the school children and the vulnerable sections of the village population. In September 1971, the State Government issued instructions that in case of the school gardens the entire produce should be distributed free of cost among the children and that the maintenance and recurring expenditure on the gardens should normally be borne by the villagers themselves, but where it was not possible to do so the schools could be allowed to grow cash crops on an area not exceeding half of the total area of the garden for the purpose of meeting the maintenance and running expenses.

According to the information furnished by the Block Development Assistants, the total production during the period of operation of the programme from 11 community gardens set up in 10 blocks was 117.46 quintals of which 77.43 quintals were foodgrains and the rest vegetables. The highest production was 59.28 quintals in Narsingharh block, and the lowest, 0.86 quintal in Morena block. Only four community gardens supplied 2.48 quintals of vegetables for free distribution, which worked to about two per cent of the total production of these gardens as against the prescribed percentage of twenty.

As regards school gardens, the total production during the period of operation of the programme from 149 school gardens was reported to be 759.77 quintals which, on an average, worked at about 6 quintals per garden. The production

comprised 311.64 quintals of foodgrains and 448.13 quintals of vegetables. Twentyfour school gardens in nine blocks, which produced 60.71 quintals, did not supply anything for free distribution. In Morena block the records of distribution by 7 school gardens were stated not to be available. The total supply (mostly vegetables) for free distribution from the remaining gardens was stated to be 191.21 quintals. The Block Development Assistants attributed less production from the gardens as well as less supply/non-supply of the produce for free distribution to lack of facilities for irrigation and plant protection, inadequacy of technical guidance provided by the extension staff, lack of interest on the part of the *Gram Panchayats* and the school teachers and/or non-adherence to the conditions of the grants by the *Gram Panchayats*.

(b) *Establishment of poultry units.*—(1) For the establishment of poultry units by the *Gram Panchayats* the programme envisaged financial assistance in the shape of grants at the rate of Rs. 2,900 per unit of 50 layers. Assistance to the individual poultry keepers was admissible at the rate of Rs. 2,600 (Rs. 700 as grant and Rs. 1,900 as loan recoverable in four equal yearly instalments) per unit of 50 layers. The amount was to be spent on the construction of deep litter poultry houses, purchase of birds, poultry feed, etc. The *Gram Panchayats*/individuals were to supply free of cost for a period of five years one thousand eggs for distribution among children and expectant mothers during October to March each year.

In 20 blocks covered by test check, Rs. 7.45 lakhs (loan: Rs. 1.46 lakhs subsidy: Rs. 5.99 lakhs) were paid for the establishment of 187 poultry units by *Gram Panchayats* and 77 poultry units by individuals. Of these, 52 units by *Gram Panchayats* and 9 units by individuals (loan: Rs. 0.17 lakh; subsidy: Rs. 1.57 lakhs), had not been established as on 31st March 1975, reportedly due to lack of interest on the part of the *Gram Panchayats*, non-supply of birds and/or feed by the Government regional poultry farms and/or non-survival of pullets due to malnutrition. The year-wise break-up of the expenditure of Rs. 1.74 lakhs is as follows:—

Year of payment	Amount paid			Number of units for which payment was made
	Loan	Subsidy	Total	
(1)	(2)	(3)	(4)	(5)
	(In lakhs of rupees)			
1968-69	..	0.03	0.03	1
1970-71	0.08	0.14	0.22	8
1971-72	0.09	0.27	0.36	13
1972-73	..	0.67	0.67	23
1973-74	..	2.26	0.26	9
1974-75	..	0.20	0.20	7
Total	0.17	1.57	1.74	61

Only in the case of five *Gram Panchayats* and one individual, the amounts drawn (Rs. 0.17 lakh) were refunded by the *Gram Panchayats*/individual. The position of recovery of loans from the individual poultry keepers was not available in the blocks as it was the responsibility of the Veterinary Department to recover these loans. According to the information furnished (June 1975) by the Director of Veterinary Services, about Rs. 6.41 lakhs were outstanding against the loans paid (Rs. 7.48 lakhs) upto 31st March 1975 in all the blocks in the State.

(2) Of 203 poultry units (135 *Gram Panchayat* units and 68 individual units), in which production commenced, 180 units (119 established by the *Gram Panchayats* and 61 established by individuals) ceased to exist (50 within one year; 7 within two years; 38 within three years; 17 within four years; 8 within five years). Rupees 5.06 lakhs (loan: Rs. 1.16 lakhs; subsidy: Rs. 3.90 lakhs) had been paid for establishing these units. The closures of the units were attributed to lack of interest on the part of the *Gram Panchayats*, heavy mortality of birds and/or rise in cost of feed making the scheme uneconomical.

The remaining twentythree units (16 established by the *Gram Panchayats* and 7 established by individuals) were mostly those which had been established in 1973-74 and 1974-75 and these were working with considerably reduced number of years.

(3) According to the information supplied by the Block Development Assistants, 16 (out of 68) poultry units established by the individuals and 13 (out of 35 units) established by *Gram Panchayats* did not supply any eggs for free distribution. As against the stipulated supply for free distribution of five thousand eggs per unit over a period of five years, the actual supply reported to have been made by the remaining units is given below :

	100 or less eggs (1)	101 to 500 eggs (2)	501 to 1000 eggs (3)	1001 to 2000 eggs (4)	2001 to 4000 eggs (5)
units established by the individuals	21	27	3	1	Nil
units established by the <i>Gram Panchayats</i>	16	38	37	24	7

No action appears to have been taken against the defaulters except in isolated cases. The total supply of eggs for free distribution during the period of operation of the programme was reported to be 0.93 lakh out of the actual production of 1.67 lakhs. According to the Block Development Assistants, less/non-supply of eggs for free distribution was due to irregular collection of eggs from the production centres and/or reluctance of the *Gram Panchayats*/individual poultry keepers to supply eggs during winter.

(c) *Development of fisheries*.—The scheme envisaged establishment of about 20 units (each of 5 acre water area) in each selected block where suitable tanks are available for the development of pisciculture. Financial assistance in the form of subsidy was admissible upto Rs. 2,100 per unit during the first and the second years

of an unit's establishment, thereafter the unit was expected to be self-supporting. The amount was to be spent on renovation of the tank, purchase of fish seed, feed, etc. Each unit was expected to produce on an average 900 to 1000 kilograms of fish per year and was required to supply 200 kilograms of fish per year for free distribution to the villagers.

Out of 20 blocks covered by test check, development of fisheries was taken up in 14 blocks. Rupees 2.03 lakhs were spent in these blocks for establishing 119 units. Out of 119 units, 21 units spread over 10 blocks (expenditure; Rs. 0.2 lakh) did not produce any fish upto 31st March 1975 reportedly due to lack of interest on the part of the *Gram Panchayats*, improper selection of tanks and/or inadequacy of water in the tanks due to scanty rains. Grants for these units were given in 1969-70(3), 1970-71(3), 1972-73(9), 1973-74(5) and 1974-75(1). Of the remaining 98 units, 50 units ceased to exist mostly within one to three years of their formation reportedly because the *Gram Panchayats* failed to do restocking of the tanks with fish seed. Rupees 0.81 lakh had been paid as grants for establishing these units.

(2) According to the information furnished by the Block Development Assistants, 9 units (out of 98) in five blocks did not supply any fish for free distribution; other 7 units in Jaithari block deposited cash with *Mahila Mandals* in lieu of their share of the produce for distribution. Only 3 units in 2 blocks fulfilled their obligation of supplying on an average 200 kilograms or more fish per year for free distribution during the period of their production. The average yearly supply of fish for free distribution by the remaining 79 units during the period of their production was as under:

10 kilograms or less	21 units
More than 10 kilograms but less than 25 kilograms	19 units
25 kilograms or more but less than 50 kilograms	20 units
50 kilograms or more but less than 100 kilograms	11 units
100 kilograms or more but less than 200 kilograms	8 units

The Block Development Assistants attributed less/non-supply of fish for free distribution to non-availability of fishermen on feeding days, difficulties in transportation of fish from the production centres to the distribution centres and/or non-adherence to the conditions of the grants by the *Gram Panchayats*.

(d) *Assistance to Social Organisations*.—As stated earlier, the objective of the programme was to encourage the rural population to produce nutritional rich food and bring about a change in food habits. For achieving this objective it was proposed to seek the co-operation of village organisations like *Mahila Mandals* and *Yuvak Mandals*. Keeping in view the importance of the role which these organisations were required to play, the scheme envisaged financial assistance in the form of grants at the rate of Rs.1,000 per *Mahila Mandal/Yuvak Mandal*. Grants were also admissible for the organisation of feeding programme and demonstrations in nutritive food through 15 *Mahila Mandals* in each block at t

rate of Rs. 250 per year per *Mandal* during

second to fifth year of the operation of the programme for 10 centres, and

third to fifth year of the operation of the programme for 5 centres.

For the purpose of grants, the *Mandals* were to be selected on the following criteria:—

- (a) continued activity over at least for the last one year,
- (b) regularity in participation by members in the activities and the meetings of the *Mandals*,
- (c) good work done in the promotion of any recreational, cultural, economic and community service activities particularly in relation to activities connected with the Applied Nutrition Programme.

It was observed in the course of test check that grants for the *Mandals* were given on the basis of the resolutions passed by the *Gram Panchayats*, but the details of the work done by the *Mandals* were not available. In some cases the *Mandals* were formed just before the sanctions to the grants were accorded.

In the case of *Yuvak Mandals*, Rs. 880 (out of Rs. 1,000) were to be spent on such activities of the applied nutrition as poultry-keeping, dairy development, vegetable and fruit cultivation, etc., the remaining Rs. 120 were meant for purchase of sports material or a petromax lamp and *durri*. Out of 234 *Yuvak Mandals* to whom Rs. 2.32 lakhs were paid in 20 blocks covered by test check, 27 *Yuvak Mandals* in nine blocks (grant: Rs. 0.27 lakh) did not utilize the amount at all; 54 *Yuvak Mandals* in 12 blocks (grant: Rs. 0.54 lakh) purchased only the sports material, petromax lamp and *durri* for amounts totalling Rs. 0.11 lakh, but did not undertake any activity in connection with the Applied Nutrition Programme (Rs. 0.43 lakh were unutilized with *Gram Panchayats*). Twelve *Yuvak Mandals* in five blocks spent the grants (Rs. 0.12 lakh) for purposes not contemplated in the programme and some of these purchased materials for *Bhajan Mandali*, *Ramlila*, etc; one of them in Timarni block purchased land. The remaining 141 *Mandals* purchased cows, goats, etc., or took up poultry farming much after the receipt of grants and participated in the activities of the Applied Nutrition Programme for short periods. The break-up of Rs. 0.70 lakh which remained unutilized upto 31st March 1975 is as follows:—

Year in which the grants were given	Amount unutilized upto 31st March 1975
(1)	(2)
	(In lakhs of rupees)
1969-70	0.19
1970-71	0.07
1971-72	0.22
1972-73	0.19
1973-74	0.03
Total	0.70

Of these, Rs. 0.09 lakh were refunded by 31st March 1975. Fourteen *Yuvak Mandals* in four blocks were reported to have become defunct.

In the case of *Mahila Mandals*, the amount of Rs. 1,000 was to be spent on purchase of equipment, accessories, utensils, etc., prescribed by the Government. Of Rs. 3.52 lakhs paid to 355 *Mahila Mandals* in 20 blocks covered by test check, Rs. 0.47 lakh had not been utilized upto 31st March 1975. The unutilized amount included Rs. 0.29 lakh, the entire amount of grant paid to 29 *Mahila Mandals* (1971-72—20; 1972-73—6; 1973-74—3) in 6 blocks. Of this only Rs. 0.04 lakh were refunded in 1974-75 by four *Mahila Mandals* in Sailana block. In one case in Pandhurna block, the major portion of the grant was reported to have been utilized on repairs to a school building. Eight *Mahila Mandals* in two blocks were reported to have become defunct; in two such cases in Mungeli block, the equipment, etc., purchased out of the grant had not been returned by the *Gram Panchayats* to the block (September 1975).

Rupees 2.38 lakhs were paid to 20 blocks for organising feeding programmes and demonstrations of nutritive food through 337 *Mahila Mandals*. In 45 cases in 5 blocks, Rs. 0.11 lakh were paid during the first year of the operation though not admissible under the scheme. Eleven *Mahila Mandals* (assistance: Rs. 0.06 lakh) in four blocks did not conduct either the feeding programme or the demonstrations, 65 *Mahila Mandals* in five blocks utilized the assistance only in part (Rs. 0.24 lakh out of Rs. 0.53 lakh were unutilized) and 6 *Mahila Mandals* in Damoh block only purchased utensils worth Rs. 0.02 lakh. The unutilized amounts were reported (June 1975 to October 1975) to be lying with the *Gram Panchayats*.

3.3.5 *Other points of interest* : (a) *Irregularities in disbursement of grants.*—
(i) In 18 blocks, Rs. 0.70 lakh were paid as grants for the maintenance and running of pumps of school/community gardens even though pumps had not been supplied to or installed in the gardens.

(ii) In Timarni block, barbed wire and fertilizer worth Rs. 3,542 were supplied in kind by the Agriculture Department for two gardens set up in 1971-72; but in the same year grants (Rs. 3,400) for the same purpose were given in cash also by the Block Development Assistant. No action has been taken to recover the amount paid in excess (October 1975).

(iii) In Meghnagar block, a grant of Rs. 1,000 for the purchase of equipment and Rs. 250 for the demonstrations was given to one *Mahila Mandal* twice over once in 1968-69 by the District Panchayat and Welfare Officer, Jhabua

and again in 1971-72 by the Block Development Assistant. The amount paid in excess was not recovered (September 1975).

(iv) In Korba and Kareli blocks, grants for renovation of tanks for the development of pisciculture were given in excess of the prescribed rate of Rs. 200 per acre, the excess payment on this account being Rs. 5,050 (Korba: Rs. 2,900; Kareli: Rs. 2,150). The amount paid in excess was not recovered (September-October 1975).

(v) In Korba block, Rs. 1,054 were paid irregularly to five units of fisheries development as recurring grant beyond second year of their establishment though under the scheme grants were to be paid only during the first and the second year of their establishment.

(vi) In 1969-70, amounts were drawn in Khairagarh (Rs. 34,583) and Timarni (Rs. 31,000) blocks and kept in the local co-operative banks in the joint accounts of the grantees and the Block Development Assistant/Agriculture Extension Officer. Actual disbursements of the amounts to the grantees were made during subsequent four years. Of the amount drawn, Rs. 3,850 in Khairagarh block and Rs. 2,596 in Timarni block were lying in the banks (September-October 1975).

(vii) In Timarni, Khairagarh, Susner and Kareli blocks, the grants for the construction of wells, pump houses, fencing, etc., were sanctioned and disbursed without preparing estimates on the basis of site conditions. For some works in these blocks the amounts spent were found to be much less than the amount paid for them as grants. The details are as follows:—

S.No.	Name of block	Name of work	Amount given as grant	Expenditure
(1)	(2)	(3)	(4)	(5)
(In rupees)				
1	Timarni	Repair of well at Maniakhedi	2,000	560
2	Timarni	Repair of well at Dudhkachh	2,000	1,300
3	Timarni	Construction of well at Samardha	4,000	3,360
4	Kareli	Repair of well at Bithi	4,000	1,180
5	Susner	Repair of well at Deoli	4,000	2,156
6	Susner	Construction of pump house at Deoli	1,000	582
7	Khairagarh	Construction of well at Pipariya	4,000	3,225

(b) *Equipment.*—(i) The vehicles supplied under the programme by the UNICEF were to be used only for the activities connected with the implementation of the programme. It was observed that out of 18 blocks where the log books were available, in 14 blocks the vehicles were also used for other purposes such as elections, maintenance of law and order, procurement of food grains, scarcity works, small-pox eradication programme, etc. Some examples of such utilization of vehicles are given below:

Name of the block	Total distance run by the vehicles	Distance run for purposes other than those related to the programme
(1)	(2)	(3)
	<i>(In kilometres)</i>	
Patan	58,746	38,941
Khairagarh	58,574	28,562
Jaithari	32,985	13,364
Gharghoda	26,716	9,713
Damoh	28,049	8,742
Isanagar	15,701	5,310

The vehicle for the Patan block was received in March 1971; but upto September 1973, it was kept at the district headquarters and used for purposes other than those related to the programme.

(ii) Articles like barbed wire, pumping sets, garden tools, sewing and knitting machines, radio sets, etc., were received from the UNICEF free of cost. These articles were to be supplied to the schools and the social organisations for effective implementation of the programme. The articles (value not known) mentioned in Annexure VI were lying in stock for 1 to 4 years in 17 blocks.

In Meghnagar block 24 bundles of barbed wire meant for this programme were issued to the Government Agriculture Farm. In Bhandar block, the account of the equipment was not kept properly and it was reported (December 1975) by the Collector, Gwalior that departmental enquiry against the accountant was in progress.

The points mentioned above were brought to the notice of the Government in October 1975; the Government stated (December 1975) that instructions were being issued to the concerned officers for taking suitable remedial measures.

SOCIAL WELFARE DEPARTMENT

4. Special Nutrition Programme

3.4.1. *Introduction.*—In view of the urgent need for special measures to tackle the problem of malnutrition and under-nutrition among children belonging to the lower socio-economic strata, the Government of India formulated in June 1970 a programme for providing supplementary nutrition to children in the age-group 0-3 years in the tribal areas and in the slum areas of capital cities and other cities with large slum concentrations. The programme was later (July 1971) extended to cover children in the age-group 0-6 years and expectant and nursing mothers in the tribal areas and in the slum areas of cities/towns with a population of one lakh or more. In Madhya Pradesh, the programme was implemented as a Centrally sponsored scheme from January 1971 to March 1974 and as a State scheme (non-Plan) thereafter. The responsibility for the implementation of the programme was with the Tribal Welfare Department in respect of the tribal areas and with the Social Welfare Department in respect of the urban areas. The expenditure incurred on the programme and the assistance therefor provided by the Government of India during 1970-71 to 1973-74 were as under :

Year	Expenditure incurred			Central assistance provided for		
	Tribal areas	Urban areas	Total	Tribal areas	Urban areas	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>(In lakhs of rupees)</i>						
1970-71	17.14	1.44	18.58	17.14	5.13	22.27
1971-72	32.63	20.36	52.99	64.06	18.24	82.30
1972-73	41.10	49.32	90.42	135.21	64.66	199.87
1973-74	52.15	45.09	97.24	23.15	36.50	59.65
Total	143.02	116.21	259.23	239.56	124.53	364.09

The Central assistance remained under-utilized to the extent of Rs. 104.86 lakhs till 1973-74. This amount was, however, permitted by the Government of India (August 1974) to be utilized during 1974-75.

The programme envisaged setting up of feeding centres with the help, wherever possible, of municipal bodies, women's organisations and other non-official voluntary organisations. There were to be 100 beneficiaries per centre

in the tribal areas and 200 beneficiaries per centre in the urban areas. These centres were to distribute nutritious food in order to provide—

- (a) 200 calories and 8 to 10 grams of good quality protein to children in the age-group 0—1 year,
- (b) 300 calories and about 12 grams of good quality protein to children in the age-group 1—6 years, and
- (c) 500 calories and about 20 grams of good quality protein to expectant and nursing mothers.

The overall monetary ceiling was 23.5 paise per day per child and 30.5 paise per day per woman. Identity cards were to be issued to the beneficiaries and nutrition assessment schedules, giving the height, weight and health status of each beneficiary were to be maintained at each feeding centre. The beneficiaries' health was to be checked by the Medical Officers twice a year and recorded in the schedules with a view to ascertaining the impact of the programme. Every feeding centre was to be provided with utensils, storing drums and weights and balances subject to a monetary limit of Rs. 250. Multi-vitamin tablets, folic acid, *etc.*, were to be supplied to the beneficiaries and they were to be immunised against smallpox, diphtheria, polio, cholera, *etc.*

A test check of the accounts and records relating to implementation of the programme was conducted in two urban areas, Bhopal and Gwalior.

Important points noticed are mentioned below:

At Bhopal, the programme was implemented from January 1971 to September 1974 through the Municipal Corporation, Bhopal. From October 1974 the programme is being implemented through voluntary organisations. The Bharat Heavy Electricals, Bhopal implemented the programme in its township from January 1971 to April 1974.

At Gwalior, the programme was implemented from April 1971 through the Municipal Corporation and different voluntary organisations.

The expenditure incurred and the number of persons understood to have benefitted, *etc.*, are given at Annexure VII.

3.4.2. Selection of the areas.—In Gwalior, 27 centres (out of 73) with 5,971 beneficiaries (out of 14,700) were in non-slum areas. In Bhopal 18 centres (out of 71) with 3,600 beneficiaries (out of 14,000) were in the Bharat Heavy Electricals township where there were no slums. In May 1973, the Government of India suggested a re-survey of the areas served by the programme so as to close down the centres not located in slum areas and to weed out the beneficiaries belonging to families with a total family

come of Rs. 200 per month. No re-survey of the areas as suggested by the Government of India has been conducted at Gwalior. The Director of Panchayat and Social Welfare, however, stated (January 1976) that, as a result of a limited survey of feeding centres conducted between September and November 1975, children above the age of 6 years who were not reporting to the centres were removed and in their place, other eligible children were admitted.

3.4.3. *Supplementary feeding.*—(a) The table below gives the details of supplementary feeding done at Gwalior as per data furnished by the Social Welfare Department :

Recipes served	Period	Supplies made to each beneficiary per day								
		Children 0-2 years			Children 2-6 years			Expectant and nursing mothers		
		Quantity in milli-litre for milk	Nutrition standard as per contracts made with the suppliers		Quantity in milli-litre for milk	Nutrition standard as per contracts made with the suppliers		Quantity in milli-litre for milk	Nutrition standard as per contracts made with the suppliers	
(1)	(2)	Number for others (3)	Calories (4)	Protein (5)	Number for others (6)	Calories (7)	Protein (8)	Number for others (9)	Calories (10)	Protein (11)
			(In grams)*			(In grams)*			(In grams)*	
weatened reconstituted skimmed milk with—										
i) 1.25 ounces of skimmed milk powder per 200 millilitres	15th April 1971 to 3rd June 1971	250	224	13.4	250	224	13.4	..	..	..
	4th June 1971 to 7th June 1971	100	89	5.21	100	89	5.21	..	..	..
ii) 1 ounce of skimmed milk powder per 200 millilitres	8th June 1971 to 23rd June 1971	100	71	4.17	100	71	4.17	..	..	..
	24th June 1971 to 31st July 1971	250	178	10.43	250	178	10.43	..	..	..
	1st August 1971 to 1st September 1971	200	142	8.34	200	142	8.34	..	..	..

*Applicable to protein only.

Recipes served	Period	Supplies made to each beneficiary per day									
		Children 0-2 years			Children 2-6 years			Expectant and nursing mothers			
		Quantity in millilitre for milk	Nutrition standard as per contracts made with the suppliers	Protein	Quantity in millilitre for milk	Nutrition standard as per contracts made with the suppliers	Protein	Quantity in millilitre for milk	Nutrition standard as per contracts made with the suppliers	Protein	
		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
			<i>(In grams)</i>			<i>(In grams)</i>			<i>(In grams)</i>		
				*			*		*		
	2nd September 1971 to 31st January 1972	200	142	8.34	..	..	..	..	..	..	..
	1st February 1972 to 30th April 1972	150	106	6.26	..	..	..	..	..	..	..
Biscuits manufactured locally with raw material supplied by a foreign agency	2nd September 1971 to 30th April 1972	..	..	..	8	560	15.8	8	560	15.8	..
Slices of fortified bread manufactured by Modern Bakeries	1st May 1972 to 6th August 1974 and 23rd April 1975 onwards	2	300	12.00	2	300	12.00	3	450	18.00	..
Standard minimum nutrition			200	8 to 10		300	12.00		500	20.00	

The recipes served were required to be got periodically analysed in order to ensure that they satisfied the minimum prescribed nutrition standards. But samples of biscuits and bread alone were got analysed and that also only once (in January 1972 for biscuits and in July 1974 for bread). The analysis of the bread disclosed that the nutritive contents of the bread supplied were 2,197 calories and 80.6 grams of protein per loaf as against 3,900 calories and 156 grams of protein as per the contract with the suppliers, namely, Modern Bakeries (India) Limited. This led to a dispute about the price of the bread to be paid and Modern Bakeries (India) Limited stopped the supplies. Consequently, supplementary feeding remained suspended from 7th August 1974 to 22nd April 1975. In the absence of any analysis of the supplies made in the earlier years, the adequacy of the nutrition standard actually supplied during those years could not be verified. A few complaints that the bread supplied was not of consumable quality were, however, found on record.

*Applicable to protein only.

(b) The table below gives the details of supplementary feeding done at Bhopal as per data furnished by the Social Welfare Department :

Recipes served	Period	Supplies made to each beneficiary per day									
		Children 0-2 years			Children 2-6 years			Expectant and nursing mothers			
		Quantity in milli-litre for milk/number for biscuits and bread slices/grams for soya powder	Nutrition standard as per contracts made with the suppliers	Calo-ries	Pro-tein	Quantity in milli-litre for milk/number for biscuits and bread slices/grams for soya powder	Nutrition standard as per contracts made with the suppliers	Calo-ries	Pro-tein	Quantity in milli-litre for milk/number for biscuits and bread slices/grams for soya powder	Nutrition standard as per contracts made with the suppliers
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
			(In grams)			(In grams)			(In grams)		
Sweetened reconstituted skimmed milk with-											
(i) 1.25 ounces of skimmed milk powder per 200 milli-litres	15th January 1971 to 7th June 1971	200	178	10.42	200	178	10.42	..	..	..
(ii) 1 ounce of skimmed milk powder per 200 milli-litres	8th June 1971 to 31st August 1971	200	142	8.34	200	142	8.34	..	..	..
	1st September 1971 to 31st July 1972	200	142	8.34	..	..	..	..	..	..
Biscuits manufactured locally with raw material supplied by a foreign agency	1st September 1971 to 31st July 1972	..	..	..	8	560	15.80	8	560	15.80
	1st August 1972 to 31st August 1972	8	560	15.80	8	560	15.80	8	560	15.80	
Soya powder	21st September 1972 to 29th September 1972	50	394	9.15	50	394	9.15	70	551	12.80	
Slices of fortified bread manufactured by Modern Bakeries	9th October 1972 to 30th April 1974 and 1st October 1974 onwards	2	300	12.00	2	300	12.00	3	450	18.00	
Standard minimum nutrition		200	8 to 10		300	12.00		500	20.00		

The recipes served were not got analysed in order to verify whether they actually contained the nutrition standard as per contracts made with the suppliers. The soya powder supplied from 21st September 1972 onwards resulted in instances of abdominal pain and the feeding programme had to be suspended from 30th September 1972 to 8th October 1972. Feeding also remained suspended from 1st May 1974 to 30th September 1974 due to non-supply of bread by Modern Bakeries (India) Limited on account of a dispute with them about the quality of the bread and the price to be paid.

(c) Vitamin tablets were not distributed at either of the centres. Iron and folic acid tablets which were required to be distributed for 100 days in a year at the rate of 1 tablet per day per beneficiary were not distributed during 1970-71, 1971-72 and 1972-73. In 1973-74, about 4 lakh tablets were distributed at Gwalior and about 4.31 lakh tablets at Bhopal (against the requirement of about 14 lakh tablets at each place). In 1974-75, about 3.37 lakh tablets were distributed at Bhopal only.

3.4.4. Immunisation of beneficiaries.—Immunisation measures at Gwalior were taken from 1971-72, but all the beneficiaries were not covered against various infections as indicated below :

Year	Total number of beneficiaries	Number of beneficiaries immunised against					
		Smallpox	Diphtheria	Polio	Cholera	Typhoid	Tuberculosis
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1971-72	9,520	Nil	Nil	5,140	Nil	Nil	N
1972-73	14,938	14,108	Nil	Nil	3,898	3,600	N
1973-74	14,900	6,480	8,970	396	4,904	Nil	6,94
1974-75	11,700	1,947	1,343	Nil	5,433	Nil	N

At Bhopal, these measures were taken for the first time in 1973-74 only. This was stated to be due to non-availability of requisite facilities earlier. Even so, the immunisation against polio was not done and that against tuberculosis and diphtheria was done in respect of 700 and 2,224 beneficiaries respectively out of 14,000.

The Government stated (December 1975) that the Public Health Department had issued instructions in October 1975 to the concerned District Medical Officer to complete the work of immunisation early.

3.4.5. Assessment of health of beneficiaries.—At Gwalior, the medical check-up of only 180 beneficiaries (out of 14,900) was done once in 1973-74. At Bhopal, it was stated to have been done in respect of all the beneficiaries once in each of the years 1972-73 and 1973-74; but reports of the check-up were not available (May 1975).

3.4.6. *Equipment.*—Upto the year 1972-73, Rs.0.56 lakh and Rs.0.04 lakh were advanced to the Municipal Corporation, Bhopal and the Bharat Heavy Electricals Ltd., respectively for the purchase of utensils, etc., and meeting transportation charges of food. Of this, the details of expenditure of Rs. 0.12 lakh only (by the Municipal Corporation) were available with Deputy Director, Social Welfare, Bhopal.

Both these agencies were to return some equipment (value : Rs. 0.10 lakh in the case of the Corporation; value not known in the case of Bharat Heavy Electricals Ltd.). The matter was reported to be under correspondence (December 1975).

AGRICULTURE AND FOREST DEPARTMENTS

3.5. Ravine Reclamation—Chambal Basin

A test check of accounts and records of the ravine reclamation schemes undertaken in the Chambal basin over the last twenty years was conducted by Audit in July-August 1975. The results of audit scrutiny are given in the following paragraphs:—

3.5.1. *Introduction.*—Extensive systems of gullies, called ravines, along river Chambal, were estimated by the Director of Agriculture in January 1970 to have damaged about 2.43 lakh hectares of cultivable land. In Madhya Pradesh about 100 hectares of good fertile table land degenerates into ravines every year. The locked up production potential in the ravines would, as estimated by the Director of Agriculture in 1970, amount to a million tons of foodgrains annually in addition to fodder, fuel, timber and other industrial raw materials.

3.5.1.2. *Synopsis of the programme.*—Some attention was paid to ravine reclamation in the Chambal basin from 1919. An area of 3,557 acres was stated to have been reclaimed through schemes carried out by the erstwhile Princely State of Gwalior and by the Government of Madhya Bharat. Under the Centrally sponsored scheme for ravine survey (started in the Third Plan period) an area of 1.24 lakh acres was surveyed upto 1968-69 by ground survey methods. Shallow ravines within 20 feet height were earmarked for reclamation by the Agriculture Department so that these could be brought under cultivation. Deeper ravines of more than 20 feet were not considered economical enough to be reclaimed for agriculture purposes and the Forest Department was required to raise forests and grass so as to protect the land from further erosion. In some shallow ravines, the Agriculture Department attempted pasture development and afforestation. Annexure VIII contains the details of the schemes executed/being executed by the Department. It will be seen therefrom that 3,043 acres were reclaimed upto July 1975 through seven schemes started under the State Plan from 1955-56 to 1972-73; six schemes were completed between 1958-59 and 1972-73 and work on one scheme was in progress. In addition, two Centrally sponsored schemes were executed

and 410 acres were reclaimed. Four Centrally sponsored schemes started from 1971-72 to 1974-75 were under execution and 1,758 acres had been reclaimed upto July 1975 under these schemes. The Forest Department was given an annual target of 2,717 acres from 1966-67 to 1973-74 and of 3,132 acres in 1974-75 for afforestation in the ravine areas in Bhind, Morena and Datia Districts under the State Plan. Against the target of 24,868 acres for the nine year period, an area of 24,935 acres was stated to have been taken up for raising forests and grass.

3.5.1.3. In 1970 the Director of Agriculture prescribed that the following measures should be taken for the reclamation of land for agriculture :—

- (a) Application of soil conservation measures like contour bunding to lands lying above the ravines.
- (b) Construction of bunds along the peripheral length of the gully heads.
- (c) Providing outlets for safe disposal of water.
- (d) Converting steep slopes at the gully heads into gentle slopes and stabilising the same.
- (e) Easing and terracing of the shallow gullies by construction of check dams.
- (f) Stabilising and training the water courses of *nalas*.
- (g) Grassland and afforestation treatment for the deeper ravines in suitable compact areas.

3.5.2. *Schemes undertaken by the Agriculture Department.*—The Executive Engineer, Ravine Reclamation Scheme, Morena (who is referred as the Executive Engineer in the succeeding paragraphs) is in charge of the execution of these schemes. He is assisted by three Assistant Soil Conservation Officers at Morena and one at Bhind and the field staff consisting of Agriculture Assistants, Surveyors and office staff.

In the schemes completed prior to 1970 under State Plan, the scope of reclamation work was limited. Only hummocks (ravine tops) were eased. The scope of land reclamation measures was widened in the subsequent schemes. Under Dimni-Chandpur Scheme started in 1967-68, land was levelled partly and terraced.

Under the six Centrally sponsored schemes on which work started in 1971-72 or later and the Hasai-Mewda scheme on which work was started in 1974-75 full levelling and terracing work was done with departmental machines and/or by employing labour.

3.5.2.2. *Provision of irrigation facilities.*—The Central Ravine Reclamation Board, Government of India approved (August 1967) a national policy on reclamation of ravine lands for the guidance of the State Governments. According to this policy the ravines which could be economically reclaimed for agriculture purposes were to be identified giving due consideration to the optimum uses of scarce machinery, equipment and economic resources, which may have to be invested for reclamation. In general, shallow and wide ravines where irrigation was available were to be considered for agriculture.

Again, in October 1969 the Government of India suggested to the State Government that in order to recover the high cost, reclamation for agricultural purposes might be taken up only where irrigation was available or could be provided. They also suggested that irrigation of an intensive nature should be provided so that the reclaimed land could be brought under high yielding varieties and the heavy investment in reclamation recovered within a few years. Further while according sanction in February 1970 to the five Centrally sponsored schemes to be taken up during the Fourth Plan period the Government of India reiterated that irrigation should be provided for all the ravines reclaimed for agriculture and detailed irrigation planning and execution should be done simultaneously with reclamation work so that there was no lag between reclamation and provision of irrigation facilities.

Irrigation facilities both for the Government lands and private lands reclaimed as actually made available (August 1975) or their prospects in the Centrally sponsored schemes are indicated in Annexure VIII.

It will be seen therefrom that irrigation facilities were not provided simultaneously with the execution of the schemes. Irrigation facilities could not be provided to substantial parts of the lands reclaimed as these were in scattered patches and tubewell schemes which were to provide irrigation to some of the areas were in planning stage.

As would be seen from Annexure VIII two State Plan Schemes (Dimmi-Handpur and Hasai-Mewda) on which work was commenced after the laying down of the national policy referred to above, have not been fully provided (August 1975) with irrigation facilities.

3.5.2.3. *Achievement of targets.*—The position of targets fixed and achieved as shown in page 94.

Period	Year	Physical		Financial	
		Area proposed to be reclaimed	Area reported to have been reclaimed	Amount expected to be spent	Expenditure actually incurred*
(1)	(2)	(3)	(4)	(5)	(6)
		<i>(In acres)</i>		<i>(In lakhs of rupees)</i>	
<i>A—Centrally Sponsored Schemes</i>					
Fourth Plan	1969-70	**5000 for the Plan period	..		
	1970-71		76	50.00 for the Plan period	0.73
	1971-72		571		3.06
	1972-73		631		5.02
	1973-74		622		9.77
	Total	5,000	1,900@ 437@@	50.00	18.58
Fifth Plan	1974-75	14,820 for the Plan period	346	74.00 for the Plan period	4.83
	1975-76 (upto June 1975)		34		0.57
	Total	14,820	380	74.00	5.40
<i>B—State Plan Schemes</i>					
Third Plan	1966-67	Not fixed	..	Not fixed	0.01
	1967-68	do.	30	do.	0.60
	1968-69	do.	137	do.	0.49
	Total		167		1.10
Fourth Plan	1969-70	do.	88	do.	0.85
	1970-71	do.	81	do.	0.70
	1971-72	do.	164	do.	1.13
	1972-73	do.	162	do.	1.67
	1973-74	do.	254	do.	3.21
	Total		749		7.56
Fifth Plan	1974-75	do.	200	do.	3.94
	Upto June 1975	1975-76	do.	6	0.12
	Total		206		4.06

*The figures are exclusive of establishment expenditure, cost of machinery and amount payable to other departments for hiring of machinery for some years, as these figures were not readily available with the Executive Engineer, Ravine Reclamation Scheme, Morena.

**2,000 acres to be reclaimed for cultivation, 1,370 acres for plantations and 1,630 acres for construction of structures for soil stabilisation.

@ Area reclaimed for cultivation.

@@ Area covered by plantations and construction of structures for which year-wise break-up was not available.

In addition to the spillover Centrally sponsored schemes of the Fourth Plan, Deori-Atarsama scheme and Manpur scheme were sanctioned for execution by the Government of India in the Fifth Plan period as Centrally sponsored schemes. In December 1974, work on Deori-Atarsama scheme was commenced; the work on Manpur scheme was not started (August 1975) reportedly for want of staff and machinery.

The Government of India paid to the State Government Rs. 27.74 lakhs during the period 1969-70 to 1973-74 on account of Centrally sponsored schemes. They paid a further amount of Rs. 8.50 lakhs to the State Government in 1974-75 for the schemes contemplated or to be taken up during the Fifth Plan.

3.5.2.4. *Delay in execution and increase in cost: (a) Completed schemes.*—The two Centrally sponsored schemes, Budharakhera Block I and Block II, work on which commenced in 1971-73, were completed in 1973-74.

Out of the three State Plan Schemes commenced in 1955-56, one (Chhonda) was completed in 1958-59 and the other two (Bagchini and Nayakpura) in 1961-62. The year of commencement, targeted year of completion and actual year of completion in respect of the remaining three State Plan Schemes were as under :

Scheme	Year of commencement	Targeted year of completion	Actual year of completion
(1)	(2)	(3)	(4)
Deori-Hingona	1959-60	1963-64	1965-66
Jawasa	1962-63	1963-64	1970-71
Dimni-Chandpur	1967-68	1971-72	1972-73

(b) *Schemes under execution.*—Of the four Centrally sponsored schemes under execution (Karari Bhatari, Baretha, Deori-Atarsama and Gutor Katrol), two schemes (Karari Bhatari commenced in February 1972 and Baretha commenced in December 1972) were scheduled to be completed in March 1974. The Executive Engineer stated that these schemes were likely to be completed only in March 1976.

The delay in completion in these cases as well as other schemes was attributed to paucity of bulldozers. It was noticed in Audit that three out of the four bulldozers available in the division (all purchased in April 1972) were idle for want of spares as indicated below :

One from September 1974 to April 1975.

One from April 1975 till date of audit (August 1975).

One from May 1975 till date of audit (August 1975).

It will be seen from Annexure VIII that the actual cost per acre was more than the estimated cost per acre in respect of six out of eight completed schemes. In the case of two of these schemes, viz., Nayakpura and Jawas schemes, the increase was more than 100 per cent. The Executive Engineer attributed this to abnormal increase in the cost of construction materials, petrol and lubricants, and in labour rates.

3.5.2.5. *Delay in auction of Government land.*—According to the instructions issued by the Revenue Department in July 1966, and by the Ministry of Food and Agriculture in February 1970, the Government land reclaimed for cultivation was to be settled by the Collector by auction or by allotment to ex-servicemen after obtaining details from the Agriculture Department. As will be seen from the following data, there was considerable delay on the part of the Agriculture Department in handing over the reclaimed Government land to the Revenue Department which also delayed the disposal of land for considerable periods in five out of eight schemes completed as indicated below :

Scheme	Delay in handing over by the Agriculture Department after completion of the scheme	Time taken in disposal of the land by the Revenue Department
(1)	(2)	(3)
	(Years)	
Chhonda	13	1
Nayakpura	9½	1
Bagchini	5	5 to 7
Deori Hingona	1	5 to 7
Jawasa	5	3

Out of 1,399 acres of cultivable Government land reclaimed under the eight completed schemes, 932 acres have been disposed of by the Collector so far (August 1975). The Collector, Morena suggested to the Government in August 1974 that the cost of reclaimed land should be recovered in five instalments instead of in one lumpsum, considering the high cost of reclamation and the general economic condition of the cultivators so that more bidders could be attracted to the auctions and unauthorised occupation of reclaimed land could be prevented. The orders of the Government were stated to be awaited (February 1976).

3.5.2.6. Due to delay in disposal of reclaimed Government lands some areas were reported to have again become deep ravines. According to the Assistant Soil Conservation Officer, Ravine Survey, Morena only 101.23 acres were available for auction in June 1973, as against the previously reported reclaimed area of 181.84 acres of Nayakpura scheme; the remaining area of 80.61 acres (cost of reclamation about Rs. 0.70 lakh at Rs. 866 per acre) had become unfit for cultivation.

3.5.2.7. *Unauthorised occupation of land.*—In March 1973 the Government instructed the Director of Agriculture that Government land should be auctioned immediately after reclamation and it would not be necessary to wait till the scheme as a whole was completed.

The following areas, reclaimed upto August 1975 under the schemes still under execution, have not been transferred to the Collector for arranging disposal with the result that part of the reclaimed area is reported to have fallen under unauthorised occupation :

Centrally sponsored schemes	Area reclaimed	Area under unauthorised occupation
(1)	(2)	(3)
	(In acres)	
1. Karari-Bhatari	117	19.42
2. Baretha	70	10.05
3. Deori-Atarsama	55	14.15
4. Gutor-Katrol	218	..
Total	460	43.62

The delay in the handing over of the land in these cases, according to the Executive Engineer, was due to the fact that the actual reclamation cost cannot be arrived at until a scheme is completed, and the disposal of land prior to completion of the scheme involved the risk of short recoveries. To overcome the difficulty from 1974-75, Government land reclaimed was allotted to cultivators on temporary lease for one year at a time, pending its final disposal by auction. Out of 471.24 acres of land available (June 1974) only 114.88 acres were temporarily leased out. Possession of 43.62 acres out of the area leased out could, however, not be given to the bidders as the land was illegally occupied.

3.5.2.8. *Recovery of reclamation charges of private land from cultivators.*—In February 1967, the State Government decided that private lands reclaimed under the State schemes would continue to remain with the owners thereof. The expenditure incurred on the reclamation of the land, less the subsidy, was to be treated as *taccavi*, recoverable in 15 instalments. The amount of subsidy was to be calculated at Rs. 250 per acre limited to 50 per cent of the actual cost of reclamation. In Nayakpura scheme the entire cost of reclamation was to be treated as subsidy as the scheme was taken up as a demonstration project. The rate of interest on the loan and other terms and conditions were to be the same as for contour bunding programme which provided *inter-alia* that the rate of interest would be 7 per cent per annum and for delay in payment of interest a penal rate of interest at 14 per cent per annum could be levied. Similar orders were issued by Government of India in February 1970 in respect of privately owned land reclaimed under the Centrally sponsored programme.

There was considerable delay on the part of the Agriculture Department in intimating to the Revenue Department the amounts due for recovery as shown in the statement below:

Scheme	District	Year of completion	Year in which the recovery statement sent to the Revenue Department by the Agriculture Department	Delay in sending the recovery statements	Amount recoverable	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>State Plan</i>					Rs.	
Chhonda	Morena	1958-59	1974	15 years	7,720	No recovery made so far (August 1975)
Bagchini	do.	1961-62	1973	11 years	8,077	Recoveries since made
Deori-Hingona	do.	1965-66	1973	7 years	23,898	No recovery made so far (August 1975)
Jawasa	Bhind	1967-68	Not yet	8 years	3,34,222	Recovery statement not yet submitted by the Executive Engineer
Dimni-Chnandpur	Morena	1972-73	1973	in time	2,88,929	No recovery made so far (August 1975)
<i>Centrally Sponsored Schemes</i>						
Budharakhera Block-1	Morena	May 1973	June 1974	1 year	1,62,154	Recoveries became due from May 1975 but no action had been taken upto August 1975
Budharakhera Block-2	do.	May 1973	May 1975	2 years	1,12,265	
Total					9,37,265	

According to the Executive Engineer the delay in sending the recovery statements was due to the fact that during execution of the scheme the property boundaries got disturbed and there was delay on the part of the Revenue Authorities to resettle the boundaries in order to ascertain the ownership of land. The reason furnished by Collector, Morena in September 1975 for delay in collection of the amounts in certain cases was that the recovery statements stated to have been sent to him by the Executive Engineer between March 1973 and December 1974 were not traceable in his office.

3.5.2.9. *Establishment expenditure not included in the cost of reclamation.*—

Establishment expenditure was not included in the cost of reclamation of private and Government lands and consequently the recoverable cost from private land owners and upset price fixed for Government land was substantially less. It was stated by the Executive Engineer (August 1975) that there were no orders of the Government to include the expenditure on establishment in the cost of reclamation. The expenditure on establishment was Rs. 13.54 lakhs between 1966-67 and 1974-75.

3.5.2.10. *Charges for machinery used in reclamation.*—There was delay on the part of the Executive Engineer in issuing bills for work done by machines and adjustment of the same with consequent delay in debiting these amounts to the accounts of the schemes. The bill for Rs. 2.59 lakhs for machinery made available during the period 21st February 1973 to 23rd June 1973 pertaining to Baretha scheme was issued by the Executive Engineer, Morena in April 1974; but this was adjusted in the accounts of the concerned scheme in December 1975. Bills for 1973 onwards for hire charges of machinery were (August 1975) to be prepared. Bills for work done by tractors and trucks on transportation and first ploughing of land reclaimed under the schemes were not adjusted (August 1975) in the accounts of the schemes. In the absence of the adjustments, the full cost incurred on the individual schemes cannot be worked out.

3.5.2.11. Other points noticed during the test check of accounts and records were as follows:—

(i) *Log Books* : Monthly abstracts showing average consumption of high speed diesel oil/petrol per kilometre/hour were not prepared as provided under the rules. Log Books were also not signed monthly by any responsible officer in token of scrutiny and a number of columns were not filled in.

(ii) *Measurement Books* : In contravention of the rules, the work done by the bulldozers of Agriculture Engineering Wing, Gwalior and of the Executive Engineer, Ravine Reclamation was not recorded in the measurement books in which only entries regarding work done by muster roll labour was recorded.

(iii) *Works Registers* : Works registers of various schemes were not maintained in complete form. Entries were found altered and monthly totals and progressive totals were not found attested by Assistant Soil Conservation Officer/Executive Engineer.

(iv) *Inventory Registers* : These registers prescribed in the rules were not maintained for all tools and equipment showing their value from year to year.

3.5.3. *Afforestation programmes executed by the Forest Department.*—These programmes are under the charge of a Soil Conservation Division located at Gwalior, with three soil conservation ranges at Morena, Bhind and Goraghat. The staff consists of one Divisional Forest Officer (who is referred as the Divisional Forest Officer in the succeeding paragraphs), three Range Officers, field staff like

Foresters and Guards and ministerial staff (August 1975). Every year the programmes are executed in two phases; from October to March—preparation of soil, and construction of check dams, and from April to September—planting of *shisham*, eucalyptus plants, *etc.*, and other vegetation which require very little moisture. The work is done departmentally and a major portion of expenditure consists of payments to labour engaged on muster rolls.

3.5.3.2. *Physical and financial targets.*—The targets fixed and the achievements were as under :

Year	Amount allotted	Expenditure	Target fixed for plantation	Area reported to have been covered
(1)	(2) (In lakhs of rupees)	(3)	(4)	(5)
			(In hectares)	
1966-67	3.21	3.10	1,100	1,094
1967-68	5.22	5.03	1,100	1,080
1968-69	5.99	4.43	1,100	1,093
1969-70	6.24	4.10	1,100	1,107
1970-71	6.00	4.14	1,100	1,136
1971-72	6.25	4.59	1,100	1,151
1972-73	6.50	5.82	1,100	1,130
1973-74	6.00	6.27	1,100	458
1974-75				
(a) Expenditure on works (Plan)	5.00	4.96	1,250	1,845
(b) Expenditure on establishment (non-Plan)	3.61	2.54		
Total	54.02	44.98	10,050	10,094

3.5.3.3. *Selection of plantation sites.*—Prior to 1975-76, the Forest Department did not prepare a working plan for the ravine areas to be brought under afforestation. Only annual programmes were prepared. The sites proposed for afforestation were selected by the Range Officer and approved by the Divisional Forest Officer on the spot, project-wise. For want of a phased programme drawn up in advance, timely selection of sites could not be made and delays occurred in getting the ravine lands transferred from the Revenue Department. Actual area covered in 1973-74 was 458 hectares as against the target of 1100 hectares. In the Annual Administrative Report of 1973-74 of the Soil Conservation Division it was stated that the transfer of land from the Collector was delayed and the full target could not be achieved.

After obtaining no objection certificate from the Tahsildar, Bind in January 1972, work on afforestation of 300 hectares of ravine land in 3 villages in

hind Tahsil was started by the Divisional Forest Officer. In May 1974, the Collector, Bhind permitted the work to be continued in these areas provided the land had not been already reserved for *nistar* (common purposes). The Collector also asked the Divisional Forest Officer, Soil Conservation that the requisition for release of the land should be routed through the Chief Conservator of Forests. An expenditure of Rs. 0.25 lakh was incurred on afforestation work during October 1973 to September 1974. In August 1974 the Tahsildar, Bhind informed the Divisional Forest Officer that the entire area was required for *nistar* purposes and hence could not be transferred to the Forest Department. A formal requisition for the transfer of land sent by the Chief Conservator of Forests in May 1975 was pending with the Collector, Bhind (August 1975).

3.5.3.4. *Inadequate protection to plantations.*—The schemes envisaged full protection to plantations and grass lands by providing barbed wire fencing with single iron posts to prevent trespassing by human beings and animals and the consequent damage to the plantations. Out of the total afforested areas of 10,095 hectares, only about 3,514 hectares were fenced with barbed wire. The plantation journals of 55 schemes (for 6 more schemes journals were not prepared) showed that barbed wire fencing was done in 24 plantations (2,962 hectares) and in the remaining 31 plantations (5,040 hectares) no fencing was done.

3.5.3.5. *Survival rate of plants and trenches.*—The object of the afforestation was three-fold (*i*) to stabilise ravine lands and prevent further erosion, (*ii*) to maintain existing forest growth so as to reclothe the area and (*iii*) to obtain best produce such as grass, fuel, etc.

The Conservator of Forests, Gwalior Circle had stated in November 1968 in reply to an audit query that afforestation is considered successful only when at least 60 per cent plants survive at the end of 3 years (after allowing 2 years for replacement of casualties) and at the end of 10 years, besides the survival of 60 per cent plants, the branches of one tree touch those of others so as to form an umbrella preventing rain water from falling directly on earth. From the handing over reports of charges of old plantations (raised during 1966-67 to 1969-70) to regular Forest Divisions, after the initial period of three years made available to audit, the following picture emerged.

Range	Number of plantations for which charge reports were made available	Number of plantations shown			Remarks
		Good or satisfactory	Poor or low	Total failure	
(1)	(2)	(3)	(4)	(5)	(6)
Bhind	19	5	9	2	In the case of 3 plantations, no observations were found recorded.
Morena	4	4	..	..
Goraghat	5	5	..	..

The eleven plantations in Bhind range which were categorised as 'poor' or 'total failure' covered an area of 3,796 acre out of a total area of 8,350 acre covered with plantations in that range and the expenditure incurred on these eleven plantations was Rs.4.56 lakhs against the total expenditure of Rs.10.0 lakhs.

According to the Divisional Forest Officer, the survival percentage of plantations of 1970 to 1972 which had completed 3 years period was as below :

Survival	Number of plantations			Total
	Range Bhind	Range Morena	Range Goraghat	
(1)	(2)	(3)	(4)	(5)
60 per cent or above	2	..	1	3
50 to 59 per cent	5	1	1	7
40 to 49 per cent	..	3	1	4
30 to 39 per cent	..	..	2	2
		Total		16

3.5.3.6. *Trenches.*—Trenches were dug across the slopes with the twin object of slowing down the velocity of water flow and for growing trees and bushes therein to prevent further soil erosion. Sufficient seeds were stated to have been sown in the trenches. According to the Divisional Forest Officer the trenches are considered as successful if at the end of 3 years at least 5 plants survive in a trench of 10 feet length and 2 to 3 plants in a trench of 5 feet length. As the trenches may be obliterated by rains or by depredation caused by animals, etc., redigging and resowing work is done for 3 years.

The following table shows the percentage of successful trenches (as per record) at the end of the maintenance period :—

Year	Range	Expenditure incurred in lakhs of rupees	Percentage
(1)	(2)	(3)	(4)
1966-67	Bhind, Morena and Goraghat	0.43	69
1967-68	-do-	0.30	74
1968-69	-do-	0.43	66
1969-70	-do-	0.78	83
1970-71	Bhind Morena Goraghat	0.72	82.5 Not available 91
1971-72	Bhind Morena Goraghat		77 84 Not available
	Total		3.56

In the plantation of Kanawar (planted in 1971-72), the successful trenches were only 51 per cent of the total trenches dug.

Reasons for low success of the trenches were stated (August 1975) by the Divisional Forest Officer to be as follows :—

- (a) loss caused by rats, insects, white ants, *etc.*
- (b) drought, excess rain, *etc.*, and
- (c) trespass by the villagers who used the plantations for grazing their animals.

3.5.3.7. *Cost of afforestation per hectare.*—The cost of afforestation including fencing per hectare (worked out on the basis of the funds allotted each year and the targets prescribed) worked out as under:

1966-67	Rs.300 per hectare
1967-68	Rs.350 per hectare
1968-69 to	Rs.400 per hectare (approximately)
1974-75	

The cost of fencing per hectare alone is estimated by the Government at Rs.350 per hectare.

In actual practice the cost per hectare was as under :

Year	Total area	Works expenditure (excluding establishment)	Cost per hectare	Fencing done	Fencing still to be done
(1)	(2)	(3)	(4)	(5)	(6)
	(In hectares)	(In lakhs of rupees)	Rs.	(In hectares)	
1966-67	1094	2.41	221	300	775
1967-68	1080	3.72	345	608	
1968-69	1093	2.81	266	1584	
1969-70	1107	2.32	209	320	787
1970-71	1136	2.29	201	25	1111
1971-72	1151	2.57	223	307	844
1972-73	1130	3.67	325	102	1028
1973-74	1100	3.85	350	..	1100
1974-75	1203	4.96	396	268	935
Total	10094			3514	6580

3.5.3.8. *Plantation journals and Nursery journals.*—For each plantation, a journal was required to be maintained, containing details like map of the plantation, general particulars, construction, sowing, plantation casualties, survival details, details of expenditure and inspection notes. The journals were generally found to be incomplete. For six plantations, journals were not prepared. Inspection notes were generally incomplete or were not found written at all. Details of expenditure, survival position of plants, *etc.*, were also not indicated in many cases.

The journal of each nursery was required to contain the cost of growing the plants. Three permanent nurseries were maintained during the period from 1966-67 to 1974-75 and the number of temporary nurseries varied from 3 to 10 per year. An amount of Rs.3.62 lakhs was spent from 1967-68 to 1974-75 on nurseries. Journals maintained were incomplete in two nurseries and in other cases journals were not at all maintained.

3.5.3.9. *Measurement books and test check of measurements.*—Measurements were recorded on simple registers and not in the prescribed form. The entries were neither signed by the Foresters who were to have recorded the measurements nor were the prescribed certificates recorded. The work done was not checked by the Divisional Forest Officer and his assistants in the course of their tours laid down in the Forest Financial Rules.

3.5.3.10. *Muster rolls and test check of attendance.*—The Range Officer checked attendance only in very few cases, whereas no check was exercised on any occasion by the Divisional Forest Officer himself as prescribed in the Forest Financial Rules.

The matters referred to above were reported to the Government by Audit in October 1975; while remarks of the Forest Department have been received, the remarks from the Agriculture Department are awaited (February 1976).

FOREST DEPARTMENT

3.6. Scheme for the preparation of compost in forest area

During the period of the monsoon (middle of June to October each year) the cattle are sheltered on the fringe of forests in camps (locally called 'Gwadis'). The Government approved in July 1974 a scheme for the preparation of compost by storing and preserving cowdung at Gwadis through the Forest Department. According to the scheme, pits (10 metres x 1 metre x 1 metre) were to be dug and filled half by cowdung and half by leaf debris, etc. Two tonnes of compost were expected to be collected in each such pit in a season and the cost of digging the pits, collection of cowdung, etc., was estimated to be Rs.35 per pit.

3.6.2. An amount of Rs.10 lakhs was sanctioned from the Contingency Fund of the State in August 1974 for implementing the scheme. An expenditure of only Rs.1.80 lakhs was incurred in 1974-75.

3.6.3. The table below compares (i) the number of pits allotted to various Forest Circles by the Chief Conservator of Forests and those actually dug and (ii) quantity of compost expected to be collected and that actually collected.

Name of the Forest Circle	Number of pits allotted	Number of pits dug	Compost expected to be collected	Compost actually collected
(1)	(2)	(3)	(4)	(5)
			(In tonnes)	
1. Balaghat	2,000	204	4,000	32
2. Bastar-North	750	138	1,500	27
3. Bastar-South	750	..	1,500	..
4. Bhopal	2,000	..	4,000	..
5. Bilaspur	1,500	616	3,000	1,04
6. Gwalior	2,000	855	4,000	1,27
7. Hoshangabad	2,000	604	4,000	1,50
8. Indore	2,000	924	4,000	1,71
9. Jabalpur	2,000	760	4,000	1,52
10. Raipur	2,000	1,035	4,000	2,07
11. Rewa	2,000	383	4,000	39
12. Shahdol	1,000	241	2,000	41
Total	20,000	5,760	40,000	10,54

The non-achievement of the target in each of these Forest Circles was attributed by the concerned Conservators of Forests to one or more of the following reasons :—

- (a) Existence of smaller number of *Gwadis*.
- (b) Absence of suitable places for cattle concentration.
- (c) Non-availability of adequate quantity of cowdung for filling up all the pits fully.

3.6.4. It was noticed in audit that, out of 10,541 tonnes collected at a cost (including the cost of digging the pits) of Rs.1.80 lakhs, only 1,821 tonnes were sold in six forest circles for Rs.0.22 lakh and the balance 8,720 tonnes were reported to be lying in pits (November 1975). No compost was sold in the remaining six forest circles; the expenditure incurred in these circles was Rs.0.64 lakh. According to the views of most of the Conservators of Forests, intimated to Audit between August 1975 and November 1975, there was no possibility of sale of the available compost in their Circles due to want of demand or lack of communication facilities.

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

3.7. Advances for the collection of *tendu* leaves

The season for the collection of *tendu* leaves is from 1st to 31st May each year. According to the procedure evolved by the Chief Conservator of Forests in 1965, an agent, appointed by the Government for the collection of *tendu* leaves and/or for the purchase of those leaves from private growers under section 4 of Madhya Pradesh *Tendu Patta (Vyapar Viniyaman) Adhiniyam*, 1964, is to deposit a specified amount as cash security before commencing the operations; this is to ensure that the terms of agency agreement are duly observed. The agent is also entitled to get initially an advance from the Government equal to about eighty per cent of his cash security deposit for meeting the cost of collection and/or purchase of *tendu* leaves. Such advance is to be adjusted to the extent of the cost of collection/purchase of the leaves which are delivered by the agent to the purchasers specified by the Government. Further advances to the agent are also permissible subject to the condition that the amount with the agent is at no time more than his cash security deposit. At the end of each season, the advance, if any, outstanding against each agent is to be adjusted before finalising his account. This procedure is yet to be approved by the Government (October 1975).

A test check of the accounts relating to these advances in five forest divisions (Chhindwara East, Narsimhpur, Panna South, Sagar North and Shivpuri) disclosed that Rs.2.53 lakhs given upto the 1975 season remained to be recovered (October 1975), due to non-observance of the procedure prescribed by the Chief

Conservator of Forests, though the agents had been refunded the security deposits. The break-up of the outstanding advances is as under :

Season	Amount (In lakhs of rupees)
1968	0.11
1973	0.06
1974	1.02
1975	1.34

On this being pointed out by Audit, the Chief Conservator of Forests (Nationalisation) stated (September 1975) that a proposal for levy of penal interest on the advances outstanding against agents from a particular date was being submitted to the Government.

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

3.8. Advance to disbursers

According to the Forest Financial Rules, a subordinate officer who is not authorised to draw cheques against the drawing account of the Divisional Officer may be given a cash advance of suitable amount to enable him to make the disbursements for which he is responsible. Such advances are to be adjusted by disbursement or refund as early as possible, and are to be held at the personal debit of the concerned disbursers till these are so adjusted.

A review of disbursers ledgers kept by sixtyfive forest divisions (out of 112 divisions) disclosed that Rs.5.99 lakhs, given as 'Forest Advances' to the end of March 1974, remained outstanding at the end of March 1975. The break-up is as under :

	(In lakhs of rupees)
Upto 1966-67	0.97
1967-68	0.93
1968-69	0.23
1969-70	0.56
1970-71	0.32
1971-72	0.42
1972-73	1.32
1973-74	1.24
Total	5.99

Of these, Rs.1.55 lakhs were not adjusted as the expenditure incurred was erroneous or irregular and Rs.0.63 lakh related to expenditure incurred without competent sanction (period 1965-66 to 1973-74). An advance of Rs. 88,945 was recoverable from subordinate officials due to non-rendition of accounts for the full amounts advanced to them or the accounts rendered not being found in order. Some of these officials have retired from Government service without repaying Rs.4,800. Recovery and adjustment of the amounts is awaited (August 1975).

During the year 1974-75, a net amount of Rs.5.52 lakhs was added to 'Forest Advances' in these sixtyfive divisions. Of these, Rs.1.11 lakhs were on account of erroneous and irregular expenses and Rs.1.70 lakhs on account of expenditure incurred without competent sanctions. Advances of Rs.23,617 were recoverable from subordinate officials due to non-rendition of accounts or the accounts rendered not being in order.

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

AGRICULTURE (VETERINARY) DEPARTMENT

3.9. Intensive Cattle Development Programme

In 1964-65, the Government of India drew up a model scheme for an 'Intensive Cattle Development Programme' and sponsored its introduction in selected areas all over the country. This programme envisaged intensive application of a package of improved animal husbandry and management practices in projects having about a lakh of breedable bovine population. The projects were to be located in places which provided conditions conducive to good cattle raising with a view to achieving concrete results within the shortest possible time. Each project was expected to cost Rs.115.15 lakhs over a period of five years. Of this, Rs.26.10 lakhs were to be spent on loans to co-operatives and individuals for capital expenditure, Rs.24.50 lakhs on subsidies, Rs.9.65 lakhs on purchase of bulls, equipment, etc., and the remainder on pay and allowances and other operational and maintenance expenditure. According to the Director of Veterinary Services, the projects were expected to raise milk production in the areas covered by them by thirty per cent in five years.

The first project was started in the State at Bhind in 1965-66. Four more projects were started in the years from 1967-68 to 1970-71, including two medium projects at Raipur and Jabalpur which were meant to cover breedable bovine populations of only 0.50 lakh each. Basic details of the five projects started so far are furnished below :

Location	First full year of operation	Proposed coverage in terms of			Milk supply schemes to which linked
		Villages	Bovine population	Breedable bovine population	
(1)	(2)	(3)	(4)	(5)	(6)
			<i>(In lakhs)</i>		
Bhind	1966-67	400	2.26	1.02	Gwalior
Bhopal	1968-69	1,002	3.27	1.15	Bhopal and, from 1973-74 Vidisha also
Indore	1971-72	644	2.93	1.28	Indore and Ujjain
Raipur	1971-72	203	1.40	0.53	Raipur
Jabalpur	1971-72	425	1.50	0.51	Jabalpur and Katni
Total		2,674	11.36	4.49	

Rupees 319.73 lakhs were spent on these projects upto the end of 1974-75

The working of the project at Bhind upto 1969-70 was commented upon in paragraph 32 of the Report of the Comptroller and Auditor General of India for 1969-70. The accounts and records of the operation of the projects at Bhind and Bhopal for five years from 1970-71 to 1974-75 and that of the remaining three projects from 1971-72 (their first full year of operation) to 1974-75 were test checked by Audit during April 1975 to October 1975. Important points noticed are mentioned in the subsequent paragraphs.

3.9.2. *Location and size of projects.*—(i) The first task in the programme of work chalked out in the model scheme was a village-to-village survey of the area selected for the location of the project which was to be undertaken and completed in a short time. Its objectives were to verify and establish the existence of conditions conducive to good cattle raising and to enable decisions to be taken on the size of the project and the area it was to cover. It was also to provide base-line data on initial animal husbandry conditions, levels of milk production, marketing and utilization of milk, feeds and fodder resources, etc., for facilitating periodical evaluation of progress under the project. These evaluations were to be made on the basis of repeat surveys to be undertaken at the beginning of each year. The model scheme emphasised the importance of these surveys and evaluations and contemplated setting up of a strong statistical unit for the purpose in each project. Except in the first project at Bhind, these units were not provided with the full complement of personnel and equipment. Consequently, the initial surveys were delayed and tabulated data became available after the project had commenced effective operation. Decisions on the location, area and size of the projects were taken earlier without the benefit of this data.

(ii) The projects at Bhind, Bhopal and Indore were to have 100 stockman centres each and those at Raipur and Jabalpur, 50 centres each. Each centre was to cover a breedable bovine population of about 1,000 animals. Wide variations were noticed in the breedable bovine populations served by individual stockman centres as shown below:

Range of coverage in terms of breedable bovine population	Number of stockman centres	Breedable bovine population actually covered in lakhs of animals
(1)	(2)	(3)
Above 1,500	27	0.54
1,200 to 1,500	78	1.03
500 to 800	50	0.35
Below 500	6	0.03

3.9.3. *Coverage provided.*—(i) The five projects were meant to cover a total breedable bovine population of 4.49 lakhs (4.57 per cent of the breedable population of the State in 1972). By the end of 1974-75, they were reported to have covered 4.12 lakhs (4.19 per cent). The deficiency was stated to be due to the fact that 24 stockman centres had not been established in the projects at Bhopal and Raipur. The *ad hoc* decision referred to in the next sub-paragraph resulted in a further reduction in this coverage.

(ii) Each stockman centre was expected to serve several villages, the largest number under single centre being 16. As the stockmen experienced difficulties in having to look after a large number of villages at considerable distances from their headquarters, it was decided (December 1971) that the activities of a stockman be limited to three villages located closest to his centre. At that time, 376 stockman centres were looking after 2,434 villages and the decision had the effect of reducing the number of villages to 1,128. Adjacent villages in the project area were thus left uncovered by controlled breeding.

3.9.4. *Breeding (a) Castration.* (i) In order to ensure complete breeding control, the Madhya Pradesh Live-stock Improvement Act, 1950 was to be strictly enforced in the project area and all bulls and young male stock not required by the project for breeding purposes were to be castrated. A mass castration campaign was to be organised throughout the area by the project field staff as soon as the preliminary survey was completed. Thereafter, each stockman was to undertake castration of all male calves not required for breeding purposes in a systematic manner so that the project area could stay free from unauthorised breeding males.

The Madhya Pradesh Live-stock Improvement Act, 1950 was not made applicable to areas covered by the projects at Bhind, Indore, Raipur and Jabalpur. It was made applicable to the Bhopal Project area in September 1970 and a 'Live-stock Officer' was nominated, two years later, in September 1972, for enforcing its provisions. But the Project Officer stated (August 1975) that the Act could not be enforced and that castrations had been done till then only by persuasion.

All the Project Officers stated that complete elimination of unauthorised bulls had not been possible and persuasion had had only limited success due to strong inhibitions in rural populations against castration of bulls.

(ii) Mass castration campaigns were not organised in the projects at Bhind, Indore and Jabalpur. Sporadic efforts, confined to limited areas, were made with *ad hoc* mass castration parties in the Bhopal Project in 1969-70 and in the Raipur project in 1971-72 and 1972-73. The Bhopal Project's campaign of 1969-70 was stated to have covered 50 villages out of 1,002 in the Project area and the Raipur campaign of 1972-73 was reported to have covered 446 animals.

(iii) Project-wise figures of bulls stated to have been castrated or sent to *Gosadans* are shown below :

Project	Total bovine population as per initial survey	Completed years of operation of the project	Animals castrated or sent to <i>Gosadans</i> during the entire period of operation
(1)	(2)	(3)	(4)
	(In lakhs)		(In lakhs)
Bhind	2.26	9	0.78
Bhopal	3.27	7	0.65
Indore	2.93	4	0.43
Raipur	1.40	4	0.15
Jabalpur	1.50	4	

Separate figures for the Project area are not available.

As repeat surveys did not include cattle census, none of the projects was able to state the number of bulls left uncastrated at any time after it commenced work.

Out of 8.73 lakh female bovines of breedable age which required service during the period covered by this review in all the projects, service was provided by the projects only to 2.70 lakhs. This indicates the field left for uncontrolled breeding by bulls which the projects had failed to inspect and license for breeding or castrate.

(b) *Quality of bulls.*—(i) The projects depended on the quality of the bulls used for attaining the objectives of their breeding programme and, therefore, only outstanding bulls of known pedigree and performance should have been used. Pedigree records were not available for any of the bulls used in the projects. The Director of Veterinary Services stated (October 1975) that bulls were purchased mostly from the open market in the home tracts of the breeders concerned through contractors on the basis of breed characteristics and physical specifications and that breeders in those tracts did not maintain pedigree records.

No evaluation of individual bulls on the basis of conception rates was attempted in any of the projects.

(c) *Breeding coverage.*—(i) Complete control over breeding, as envisaged in the project programme, would have been possible only if the projects could serve every female bovine, in their respective areas, which was fit for breeding and came into heat. The service actually provided by each of the five projects during the period covered by this review is compared below with what each was expected to provide :

Project	Artificial insemination		Natural service		Total		Percentage column (7) column (8)
	Animals requiring service	Animals served	Animals requiring service	Animals served	Animals requiring service	Animals served	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(All Figures in lakhs)							
Bhind	1.45	0.91	0.97	0.23	2.42	1.14	47
Bhopal	1.31	0.23	0.87	0.27	2.18	0.50	23
Indore	1.45	0.35	0.97	0.32	2.42	0.67	27
Raipur	0.44	0.07	0.30	0.12	0.74	0.19	26
Jabalpur	0.58	0.10	0.39	0.10	0.97	0.20	21

None of the projects came anywhere near the objective of complete coverage. The oldest project at Bhind, which did the best, achieved 47 per cent. Performance in the other four projects ranged from 21 to 27 per cent. Performance from year to year varied from 11 per cent in Raipur in 1971-72 to 51 per cent in Bhind in 1972-73. The Bhopal Project which had been in operation for over seven years could achieve no more than 27 per cent in 1974-75.

(ii) The model scheme envisaged impregnation of at least 60 per cent of animals coming up for service by artificial insemination and a larger percentage

areas with good communications. The Bhind Project alone achieved the prescribed proportion of 60 to 40 as between artificial insemination and natural service. Animals served naturally outnumbered those inseminated artificially in Bhopal, Raipur and Jabalpur, the disparity being especially marked in Raipur.

(iii) An examination of the records of artificial inseminations done at individual stockman centres disclosed that in the following cases no artificial inseminations were done:—

Year	Indore		Raipur		Jabalpur	
	Number of centres	Breedable bovine population in lakhs	Number of centres	Breedable bovine population in lakhs	Number of centres	Breedable bovine population in lakhs
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1971-72	22	0.25	Not available		38	0.38
1972-73	13	0.16	15	0.14	16	0.17
1973-74	5	0.07	12	0.11	10	0.11
1974-75	4	0.06	Not available		4	0.04

The figures of Bhind, Indore and Jabalpur for 1974-75 and those of Raipur for 1973-74 (the latest year for which figures were available) showed that, though the projects had been in operation for more than three years, artificial inseminations were still being done in negligible numbers at some stockman centres as per details furnished below:

Project	Centres which did 1 to 25 inseminations		Centres which did 26 to 100 inseminations	
	Number of centres	Breedable bovine population in lakhs	Number of centres	Breedable bovine population in lakhs
(1)	(2)	(3)	(4)	(5)
Bhind	1	0.01	7	0.07
Bhopal	Figures not available			
Indore	22	0.27	38	0.46
Raipur	12	0.11	3	0.02
Jabalpur	17	0.17	18	0.19

(iv) Twentyone per cent of all artificial inseminations done by the Jabalpur Project in the years from 1970-71 to 1974-75 were found to have been done at the Artificial Insemination Centre in Jabalpur city although the project was not meant to cover any part of the city's bovine population.

(v) In the case of buffaloes, the Raipur Project did 35 artificial inseminations in 1971-72 and none thereafter. The project, which had covered a breedable buffalo population of 0.06 lakh, had 12 Murrah buffalo bulls in 1971-72, 23 in 1972-73 and 12 in 1973-74 and 1974-75. All of them were deployed in stockman centres for natural service. Eight of these centres had breedable bovine populations of less than 100.

(d) *Utilization of bulls.*—(i) Statistical details of bulls kept by each project from year to year for collection of semen for artificial insemination and natural service and of the extent to which these bulls were actually made use of for these purposes are presented in Annexure IX.

According to the booklet "Cattle keeping in India" published by the Central Council of *Gosamvardhana* (March 1967), a bull can be used for serving 100 cows per year or for making an equal number of collections of semen for artificial insemination. In these projects, however, the number of collections/services which a bull can give was generally taken to be 60 per year. Performance did not match even this expectation except in—

- (a) Raipur Project in 1971-72 and 1972-73 in respect of collections for artificial insemination and in 1974-75 in respect of natural service.
- (b) Indore Project in each of the years from 1971-72 to 1974-75 in respect of natural service.

In most other projects/years, performance was lower than 50 collections/services per bull per year. Collections in the Bhind Project were uniformly poor as they ranged from 20 in 1971-72 and 1973-74 to 28 in 1974-75. The rates for natural service at Jabalpur in 1971-72 and 1972-73 were the poorest recorded.

(ii) More than a third of the diluted semen produced in Raipur Project, nearly one half of what was produced at Indore and more than half of what the other three projects produced, was discarded because it could not be used before it lost its fertilising capacity, *vide* details shown below:

Project	Quantity produced	Number of animals inseminated in project area	Quantity used for these inseminations	Average quantity used per animal	Quantity used in or sent out to non-project areas	Quantity wasted	Percentage of quantity wasted to quantity produced
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(In millilitres)		(In		millilitres)	
Bhind	4,35,588	90,673	1,81,346	2	..	2,54,242	58
Bhopal	5,10,074	23,095	46,190	2	79,840	3,84,044	75
Indore	4,09,707	35,173	1,40,692	4	90,622	1,78,393	43
Raipur	72,350	6,989	28,158	4	19,067	25,125	34
Jabalpur	1,16,791	9,784	39,136	4	..	77,655	66
Total	15,44,510		4,35,522		1,89,529	9,19,459	59
			(28.2%)		(12.3%)		

The ratio of semen wasted to semen produced was highest at Bhopal in each of the five years and never fell below 72.8 per cent. Wastage at Raipur rose from 13 per cent in 1971-72 to 40.2 per cent in 1974-75 in spite of the fact that the average number

of collections per bull came down steadily from 66 in 1971-72 to 40 in 1974-75. There was a similar steady fall in collections per bull from 45 to 33 in Jabalpur, but the percentage of wastage varied unevenly between 53.7 (1974-75) and 73.9 (1973-74). In the case of Bhopal and Indore Projects, quantities shown as sent to non-project areas were stated to have been actually used in inseminations; Raipur Project, however, had no information as to how much of the semen sent out to non-project areas by it was actually utilized.

(e) *Breeding techniques*.—(i) The publication of the Central Council of *Gosamvardhana*, referred to in sub-paragraph (d) (i) above, states that only one millilitre of diluted semen need be used in artificial insemination to effect fertilization. The projects at Bhind and Bhopal inseminated each animal once with 2 millilitres of diluted semen. In the other three projects, however, field workers were instructed to inseminate each animal twice, the inseminations being done about twelve hours apart with 2 millilitres of diluted semen each. This procedure doubled the consumption of semen without effecting any improvement in the results at Raipur and Jabalpur as represented by the calving rates quoted in sub-paragraph (f) below. The calving rate at Indore alone was appreciably better than that at the other four projects.

(ii) Cross-bred animals with high exotic blood are not economical to maintain in rural Indian conditions as they need more and better nutrition and are more susceptible to tropical diseases. Therefore, the first conference of Project Officers held in 1970 had recommended that the cross-breeding efforts should aim at establishing the exotic inheritance of progeny at the 5/8th level. The second conference also held in the same year qualified this recommendation by urging that even this level of 5/8th exotic inheritance should be sought to be bred for only after gaining sufficient experience in cross-breeding and that, in the meantime, only a 50 per cent level should be the aim. Contrary to these recommendations, breeding by artificial insemination with pure Jersey bulls has continued since 1967-68 at Bhopal and since 1970-71 or 1971-72 at Indore, Raipur and Jabalpur; cross-bred Jersey bulls were introduced for the first time in the Bhopal Project alone in 1974-75. In the absence of a follow-up of improved progeny produced by the projects, there were no means of ascertaining how this stock was faring.

(iii) In order to obviate the undesirable effects of inbreeding, the breeding bulls should have been transferred from one centre or project to another. There were no planned or organised transfers in any of the projects including those of Bhind and Bhopal which had been functioning for over nine and seven years respectively.

(iv) Veterinary Field Assistants who were required to handle artificial insemination techniques and implements in the field lacked the training and experience required for doing so and all Project Officers, except the one at Bhind held this out as one of the principal reasons for the poor progress of the artificial

Insemination programme. The Director of Veterinary Services stated (October 1975) that the initial professional course for Veterinary Assistant Surgeons provided only background information on artificial insemination and that neither this course nor the stockmans' course of one year's duration was sufficient to equip project personnel to undertake insemination work in the field. Some of the stockmen posted in projects were being given short courses of training, lasting one to eight days, in the basic technique of artificial insemination, but the Director considered this training also insufficient for field operation. While replying to the observations contained in para 32 of the Report of the Comptroller and Auditor General of India for 1969-70, the Director had stated (November 1970) that in the Fourth Plan period it was proposed to establish a training school for giving intensive training to Veterinary Assistant Surgeons and stockmen. The school was not established, however, as according to the Director, the Government have not sanctioned the setting up of the school.

(f) *Conception and calving.*—The programme of complete controlled breeding could hope to succeed only if the projects were able to ensure that all or most of the animals served by them conceived and calved. This called for a close watch on animals served so that all those which failed to conceive could be got served again at the next appearance of heat and, thereby, the delay in their return to milk kept down to the minimum. There was no such follow-up action at any of the projects. None of the projects except Bhind could state the numbers of animals which had conceived after being served. All of them did have a record of calves born, however, and the results of the breeding activities of the projects as ascertained from this record are presented below :

Project	Artificial insemination			Natural Service		
	Animals served	Calves born	Calving percentage	Animals served	Calves born	Calving percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Bhind	90,673	26,973	30	22,860	10,453	46
Bhopal	23,095	4,646	20	27,187	12,149	45
Indore	35,173	13,725	39	31,487	15,196	48
Raipur	6,989	948	14	11,998	4,080	34
Jabalpur	10,827	2,821	26	11,246	4,817	43

The calving rate as worked out at the Indian Veterinary Research Institute, Izatnagar for 6,768 artificial inseminations done at the Institute from 1946 to 1958 was 53.19 per cent. According to certain publications quoted by the Project Officer at Indore, standard average rates of conception were—

For artificial insemination	45 to 55 per cent in cattle, 35 to 45 per cent in buffaloes.
For natural service	57 per cent in Thari cows, 68.5 per cent in buffaloes.

The results recorded by the projects suffered in comparison with even the poorest of these standard rates especially in the case of artificial insemination. This was attributed by Project Officers to poor fertility of the non-descript and poorly fed cows and she-buffaloes of project areas, use of artificial insemination techniques and instruments by unqualified and inexperienced stockmen, exclusion of calves which were found to be not true to the breeds of project sires and incompleteness of the record of calvings due to failure of owners of the animals served to report calvings.

(g) *Rearing of calves.*—(i) The project programme envisaged the rearing of 2,000 calves being aided by each project in a period of five years with subsidies amounting to Rs. 5 lakhs. During the period covered by this review, only Rs. 0.27 lakh were spent in 1971-72 on 509 calves by all the projects put together. The Project Officer at Raipur, where subsidy was paid only for all calves, stated that cross-bred calves had been lost due to the inability of the project to aid their rearing and that this had caused a severe setback to its artificial insemination programme. Except for the one male reported to be in use for breeding and four females reported to be pregnant at Jabalpur, no information was available as to how these calves had fared.

(ii) In order to demonstrate the superiority of calves produced by the projects and encourage a healthy sense of competition among rearers, the project programme provided for the organisation of calf rallies and award of prizes and certificates at a cost of Rs. 250 per stockman centre per year. As against an outlay of Rs. 5.50 lakhs which activity on this scale would have called for in all the projects taken together during the period covered by the review, only Rs. 0.10 lakh were spent on 34 rallies of which Bhopal Project accounted for 18.

(h) *Milk recording.*—With a view to location of high yielding stocks and utilization of their progeny for breeding purposes, the model scheme required projects to carry out registration and milk recording of all milch animals. The recording was to be done by stockmen "according to a plan for systematic milk recording". No such plan was drawn up and milk recording was not taken up by any of the projects. The Director of Veterinary Services explained (June 1975) that stockmen had multifarious duties which did not allow them sufficient time to undertake milk recording regularly according to the programme.

3.9.5. *Feed and fodder development.*—Cost of cattle feed is, by far, the largest component in the cost of production of milk and, there can be an increase in milk yield only if there is a matching increase in feed resources. Therefore, the project programme laid stress on increasing the production and utilization of green fodder by increasing the area under fodder crops as well as by raising yields per acre by the use of improved cultural, manurial and irrigation practices and high yielding and more nutritious crops. These activities were to be supported by an

outlay of Rs. 34.90 lakhs in each project over five years as per details shown below :

Activity (1)	Physical target (2)	Financial outlay		
		Loan (3)	Subsidy (4)	Other expenditure (5)
<i>(In lakhs of rupees)</i>				
(1) Organisation of demonstrations on cultivator's plots	2,000 demonstrations	..	..	1.00
(2) Supply of seeds and planting material to private cultivators at subsidised rates	75,000 acres	..	7.50	..
(3) Improvement and better management of village grazing areas	1,000 acres	..	1.00	..
(4) Subsidised construction of silo-pits	200 pits	..	0.50	..
(5) Subsidised supply of chaff cutters	1,000 cutters	..	0.50	..
(6) Construction of wells and purchase of pump-sets	200 wells and pump-sets	8.50	1.50	..
(7) Setting up and operating feed mixing units	1 Unit	8.50	2.50	..
(8) Salaries and contingencies	..	..	..	3.40
Total	..	17.00	13.50	4.40

Details of activities under each of these heads during the period covered by the test check are shown in Annexure X. It will be seen that outlays were on a far less ambitious scale than envisaged and achievements claimed were even more modest.

3.9.6. *Milk production and procurement.*—(i) Estimates of daily production in the project area as a whole and average daily production per animal in milk as worked out by sampling techniques in repeat surveys were the only means available for judging performance. The results of the first repeat surveys undertaken at Raipur and Jabalpur had not become available yet (August 1975). The position in the other three projects is set out below :

(a) *Bhind*—

Year (1)	Combined wet average per animal per day (2)	Total milk production per day (3)
	<i>(In kilograms)</i>	<i>(In tonnes)</i>
1966-67	3.159	143.3
1967-68	3.945	149.5
1968-69	4.032	155.1
1969-70	3.686	164.5
1970-71	3.757	167.6
1971-72	3.598	168.5
1972-73	3.848	167.9
1973-74	3.905	167.8

The project programme envisaged selective breeding and improved nutrition as the two main means of increasing production. Allowing one year for conception, gestation and three years for heifer progeny to attain maturity and come in milk, the first effects of selective breeding on milk yield should have become apparent after the project had been in operation for four to five years and production should have gone on increasing thereafter. Judged against this expectation, the figures of total production suggested that the programme of selective breeding had achieved little. The Project started effective operation in 1966-67 and the increases recorded upto 1970-71 would be attributable to better nutrition and not to breeding. There was practically no rise in production thereafter.

(b) Bhopal—

	1969-70	1971-72	1972-73	1973-74	1974-75
(1)	(2)	(3)	(4)	(5)	(6)
Averages in kilograms per day—					
Cows	0.870	0.587	0.663	0.699	0.662
Buffaloes	1.730	1.971	2.109	2.226	2.145
Total milk production in tonnes	Not available	110.08	122.19	128.71	Not available

(c) Indore—

Figures were available only for 1971-72, 1973-74 and 1974-75 and are shown below :

	1971-72	1973-74	1974-75
(1)	(2)	(3)	(4)
Combined daily wet			
average in kilograms	2.0	2.2	2.5
Total production in tonnes	111.68	118.69	136.06

3.9.7. Dairy extension.—(i) Under this component of the project programme 200 Cooperative Societies of milk producers were to be formed in each district in a period of five years and assisted with loans aggregating Rs. 9.10 crores for the following purposes :—

(In lakhs of rupees)

Purchase of high yielding milch animals	3.00
Purchase of feed and fodder	3.00
Purchase of collection, testing and haulage equipment for 200 societies at the rate of Rs. 500 per society	1.00
Equipment, furniture, etc. for 15 milk assembling centres	1.50
Equipment and power supply arrangements for three units for preparation of balanced cattle feed	0.60

(ii) The position regarding the number of societies formed and functioning in each project is shown below :

(1)	Bhind (2)	Bhopal (3)	Indore (4)	Raipur (5)	Jabalpur (6)
Number of societies already existing before commencement of project	2	Not available	8	2	4
Number of new societies formed	30	do.	68	12	29
Number of societies which were active and supplied milk in 1974-75	12	do.	26	7	11
Number of societies which had become defunct or dormant	20	..	50	7	22

None of these societies was given any loan assistance for assembling centres, feed preparation units and purchase of feed and fodder. Only the Bhind Project lent Rs. 0.69 lakh in 1967-68 and 1968-69, through the Co-operative Apex Bank, to six societies for the purchase of 86 milch animals. The projects at Bhind, Indore, Raipur and Jabalpur spent Rs. 0.59 lakh in all on subsidised supply of equipment to 115 societies.

(iii) Analysis of society-wise and yearwise figures of milk stated to have been supplied to milk supply schemes disclosed the following :—

(a) Forty societies (Indore : 32; Jabalpur : 6; Bhind : 2) had not supplied any milk since their formation. Thirtyseven societies (Bhind : 14; Indore : 12; Jabalpur : 11) supplied milk only for one or two years before discontinuing supply. Information required for making this analysis was not furnished by the Bhopal and Raipur Projects.

(b) The Director of Veterinary Services stated (November 1975) that a society could be viable only if it could handle a minimum of 100 litres of milk per day. Societies which received subsidised equipment undertook to supply at least 50 litres of milk per day for five years. An analysis of the quantum of milk supplied by individual societies in 1974-75 disclosed the following cases of meagre supply by these standards :—

Project (1)	Number of societies with a daily average supply of			
	Less than one litre (2)	One to 10 litres (3)	10 to 50 litres (4)	50 to 100 litres (5)
Bhind	..	2	2	3
Bhopal	3	3	10	5
Indore	4	6	7	4
Raipur	Data	not	available	
Jabalpur	..	1	3	3
Total	7	12	22	15

3.9.8. *Incentives and bonuses.*—In order to foster a spirit of healthy competition among cattle owners and their co-operatives for breeding better cattle, increasing milk production, etc., it was proposed to spend Rs. 1.00 lakh per year in each project on production incentives and bonuses for high milk yields and for more milk collection by co-operatives. No such incentives were paid in any of the projects.

3.9.9. *Evaluation.*—In view of the importance and magnitude of the programme, the model scheme contained provision for a continuous critical statistical assessment and evaluation of progress in various phases. These assessments are expected to help in discovering aspects of development which were finding response and could be intensified and those which needed modification. Provision of Rs. 0.20 lakh per project per year was also made for operational studies for promoting efficiency and economy.

There was no record of any calculated and purposeful intensification or slow-down of any project activity on the basis of a documented finding arrived at in survey data. There was also no record of any operational studies being conducted by the statistical unit of any project; no specific measures meant to promote efficiency and economy had been introduced as a result of such studies. Hindered by the ultimate objective of enabling urban milk supply schemes to work upto their rated capacities, achievements fell short of anticipations.

The points mentioned above were referred to the Government in December 1975; their reply is awaited (February 1976).

10. Aquarium at Bhopal

The construction of an aquarium at Bhopal at a cost of Rs. 3.90 lakhs was approved by the Government in February 1965. The work commenced in April 1967. The proposed cost was made up of Rs. 3.35 lakhs for the building and 0.55 lakh for the water supply and import of aquaria glasses for the viewing panels. No composite plan of execution of the project, indicating the sequence in which various points were to be taken up and the dates by which they were to be completed, was drawn up. Initially, the entire work was entrusted to the Public Works Department, but later on the water supply arrangements were allotted to the Public Health Engineering Division while purchase and installation of the viewing glasses and the internal and external decorations were got done by the Fisheries Department. The building was completed by the Public Works Department in November 1971 and handed over to the Fisheries Department in June 1972; installation of internal water supply and power fittings was expected to be completed by October 1975. Rupees 2.42 lakhs were spent on internal and external decorations (October 1975) and thereafter further work was stated to have been suspended due to paucity of funds. By the end of March 1975, Rs. 13.66 lakhs had been spent on the aquarium including Rs. 5.18 lakhs on the buildings. Against the initial estimate of Rs. 3.90 lakhs, the project was expected to cost Rs. 15.00 lakhs in all, including Rs. 6.53 lakhs for water supply arrangements and

import and installation of viewing glasses and Rs. 3.13 lakhs for decorative internal power fittings, etc.

A test audit of the expenditure disclosed the following :—

(i) *Construction of building.*—(a) The work was allotted to a contractor at 1.11 per cent below the scheduled rates current in April 1967 with A. 1968 as the due date of completion. As the contractor could not complete the work upto December 1970, the remaining work was got done by another contractor partly at 44.90 per cent above the current scheduled rates (cost : Rs. 1.18 lakh) and partly on item-rate basis (cost : Rs. 0.45 lakh). The additional expenditure necessitated by the higher rates, which was stated to be recoverable from the original contractor according to the agreement with him had not been worked out upto June 1975. The contractor had, however, written to the department in June 1971 that he would take legal action against the department, on the ground that delay in completion was due to delay on the part of the department in finalisation of the designs and that a portion of the work had to be abandoned 'because the designs as per architect's shape could not be done'.

(b) When the completed building was handed over to the Fisheries Department in June 1972, cracks and other construction defects were noticed by the Fisheries Department and pointed out to the Public Works Department. As the roof had not been made water-proof, seepage started from the cracks and the Fisheries Department requested the Public Works Department, in April 1975 to have this remedied. The cracks in the ceiling were treated with tarfelt (cost : Rs. 0.10 lakh) in June 1975 on the advice of the Engineer-in-Chief. In the meantime, in August 1974, the wood panelling in the reception hall was damaged by seepage and its replacement was expected to cost Rs. 0.02 lakh.

(c) While designing and constructing the 26 aquaria tanks which the building housed, the fact that they would have to be provided with leak-proof glass front was not given due consideration. As a result, when the glass panels were installed from August 1974 to March 1975, vertical slits, six inches wide, had to be cut in all the side walls and glass sheets in wooden frames passed through them from top to end. Reinforced concrete walls had also to be cut, rewelded and patched and the flooring dug up and levelled again. The total extra cost was Rs. 0.6 lakh.

(ii) *Water supply arrangements.*—Though the building was ready in November 1971, water supply works were sanctioned only in September 1972 and their execution was taken up by a Public Health Engineering Division in July 1973. The reasons for not taking up these works along with the construction of the building or immediately on its completion in November 1971 were not stated. The work was stated to have been completed in December 1975, but the installation had not been handed over to the Fisheries Department.

(iii) *Purchase of glass sheets.*—(a) The Fisheries Department imported 38 glass sheets, 32 sheets of 90 inches \times 54 inches size and 6 sheets of 42 inches \times 54 inches size in June 1973 at a total cost of Rs. 3.69 lakhs. Only 26 aquaria tanks were constructed and an equal number of the large size sheets were fitted in them by March 1975. The remaining six large size sheets and all the six small size sheets, imported at a total cost of Rs. 0.93 lakh, remained unutilized. The Director of Fisheries stated (October 1975) that the six extra large size sheets were imported in order to provide for possible "emergency requirements" arising from modifications in the existing tanks and that the small size sheets were meant for construction of additional tanks after works in hand were completed. The plans and estimates of the project did not contain any provision for such smaller tanks and the Director did not state when they were likely to be put up.

(b) The department had the option of purchasing these glasses either with edges nipped (that is, cut by pliers) or ground flat; the cost of the latter was more than that of the former by 40 per cent. The department consulted the Curator of the Taraporewalla Aquarium in Bombay and the Director of Central Inland Fisheries Research Institute at Barrackpore regarding the use of nipped-edged glasses. Both advised that such sheets could be used. The Director of the Central Inland Fisheries Research Institute stated ".....even in case of nipped sheets, the edges will be more or less flat, the only difference being that they will not be hairline straight. Our experience in the construction of big aquaria is that in order to make them perfectly leak-proof the most important factor is the compound used for fixing glass sheets to frames. Once the correct type of the sealing compound is used and the sheets are properly embedded in the same, the type of edge of the plate glass should not make any significant difference in the efficiency of the structure". Plain cut glasses were known to have been used in the aquarium at Bombay and the Curator of the Bhopal aquarium had also expressed the view that rubber lining was to be given over the glasses, they could be fitted even if their edges were not flat ground. The foreign manufacturer had, however intimated that wet ground edges were compulsory for sheets of thickness in excess of 3/8th an inch to obviate risk of breakage and, accordingly, the department purchased sheets with ground edges at an extra cost of Rs. 0.36 lakh. The precise considerations on which the technical opinion given by two Indian authorities in favour of sheets with nipped-edges was ignored notwithstanding their lower cost were not stated.

(d) The ship by which the glasses were despatched arrived in Bombay on 14th April 1973 and, simultaneously, the shipping documents were received by the Director. But the glasses were cleared for delivery only on 28th June 1973. In the meantime rates of customs duty on glass sheets went up and this necessitated an extra expenditure of Rs. 0.52 lakh. The extra expenditure could have been avoided had the department taken timely action to clear the consignment.

3.11. Ice plants and cold storage units

(i) The principal markets for the fisheries industry in the State are at distant places like Calcutta and Delhi. At the time of formulation of the Third Five Year Plan, it was envisaged that large quantities of ice would be needed by fishermen and their co-operatives at main centres of production for preserving, packing and transporting the fish to these markets and that cold storage facilities would also be needed at the centres so that fish could be preserved till transportation was arranged and the flow of the commodity into the markets so regulated as to secure stable economic prices. In order to meet these requirements, ice plants and cold storage units were set up by the Government at the following places during 1965 to 1972;—

Ice plants—Bilaspur, Morena and Gandhisagar Dam.

Cold storage units—Harpalpur, Supela and Bilaspur

One mobile slice ice plant worth Rs. 0.89 lakh was received as a gift from the UNICEF and commissioned at a cost of Rs. 0.04 lakh. Three more ice plants and an equal number of cold storage units were purchased and installed at a total cost of Rs. 2.74 lakhs in buildings put up at a cost of Rs. 1.06 lakhs. Direct expenses on the maintenance and operation of all these plants/units amounted to Rs. 3.16 lakhs upto the end of March 1975 while their gross receipts in the form of sale proceeds of ice and cold storage charges came to Rs. 1.49 lakhs. The four ice plants which had an aggregate installed capacity of 4,161 tonnes per year produced between them only 1,526.6 tonnes of ice during the entire period upto March 1975; the three cold storages which had an aggregate capacity of 5.5 tonnes were used to store only 111.16 tonnes of fish in all for different periods of time.

The acquisition of these units was not preceded by detailed study of the need for them in the places concerned on the basis of the data available regarding production of fish and future projections regarding quantities of fish likely to be produced and sent out to various markets, extent of preservation facilities needed and available and capacity of local fishermen and dealers to make use of the facilities proposed to be provided; nor were the economics of ice production and marketing, economic viability of units of the size contemplated, *etc.*, ascertained. The functioning of all the units proved to be uneconomic. As will be seen from what has been stated in the subsequent paragraphs, only an insignificant fraction of the storage capacities of the cold storages were utilized either because local producers and traders did not find it necessary to use them or because they got better service from bigger private units. The ice plants at Morena and Bilaspur worked only intermittently and when they did work, their production had to be kept far below capacity due to poor demand for ice. The ice plants at Gandhisagar Dam also suffered from poor demand for their product because local requirements were far in excess of their capacity and consumers preferred to secure their supplies under contracts with bigger private plants.

Some salient features of the functioning of these units are mentioned below :

(ii) *Purchase, installation and commissioning.*—(a) Details of cost, installation, etc., of each of these units are shown below :

Unit and its location	Month and year of			Cost		Total
	Purchase	Installation	Commissioning	Plant (with installation expenses)	Building housing the plant	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>(In lakhs of rupees)</i>						
<i>A—Ice plants—</i>						
1. Bilaspur	March 1965	October 1967	October 1967	0.71	0.38	1.09
2. Morena	March 1966	October 1970	January 1972	0.70	0.27	0.97
3. Mobile slice ice plant, Gandhisagar Dam	November 1965	..	May 1968	0.93(A)	..	0.93(A)
4. Gandhisagar Dam	March 1966	March 1971	April 1971	0.70	0.21	0.91
<i>B—Cold storages—</i>						
1. Harpalpur	March 1963	December 1965	December 1965	0.21	0.05	0.26
2. Supela	June 1963	July 1970	August 1971	0.20	0.08	0.28
3. Bilaspur	June 1966	July 1967	October 1967	0.22	0.07	0.29
Total				3.67	1.06	4.73

The cold storage plant at Harpalpur was shifted to Gandhisagar Dam in May 1972 and reinstalled there in September 1972 at a cost of Rs. 0.02 lakh in the building in which the ice plant meant for Gandhisagar Dam was already housed. The mobile ice plant appearing at item A 3 was originally commissioned at Rampura in October 1966. It went out of order very soon thereafter and was eventually brought to Gandhisagar Dam in April 1968 where it was recommissioned in May 1968. The plant at Morena was erected in October 1970, but could be commissioned only in January 1972 due to technical defects and leakage of ammonia gas.

(b) Delay in installation and commissioning of the ice plants at Morena and Gandhisagar Dam was commented upon in paragraph 51 (Appendix VII) of the Audit Report, 1969 and in sub-paragraph 28 (d) of the Report of the Comptroller and Auditor General of India for the year 1969-70.

(A) Includes Rs. 0.89 lakh representing estimated value of the plant which was received as a gift from UNICEF.

(c) The ice plant and cold storage units at Bilaspur remained idle for 32 and 13 months respectively before installation as the buildings for housing them were not ready.

(d) The installation of the cold storage at Supela was delayed by over seven years due to the fact that its building was completed in April 1966 and power connection was made available in June 1970. An amount of Rs. 0.06 lakh was spent on the upkeep of the plant before installation. Commissioning of the plant was delayed further by 13 months for want of customers.

(e) The cold storage plant of Harpalpur was purchased in March 1963 for installation at Tikamgarh but was not installed there. It was shifted to Nowgong in December 1964 and then to Harpalpur where it was installed in December 1965. It could find little use there as private cold storages with larger capacities and offering more varied service had come up at three places in the area. It could not be leased out also as its small capacity rendered its functioning uneconomical. Eventually, it was shifted to Gandhisagar Dam in May 1972 and reinstalled there in September 1972.

(iii) Operation.—(a) Particulars of operation of these units upto March 1975 are given below :

A—Ice plants—

Location	Actual period of operation	Instal- led pro- duction capacity of ice per day	Total wei- ght of ice which should have been produced during the period in column (2)	Actual produ- tion of ice	Sale proceeds of ice	Direct expen- diture on establi- ment and con- tingencies
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(In tonnes)		(In lakhs of rupees)	
1. Ice plant, Bilaspur	October 1967 to March 1971 and December 1971 to March 1975	3	6,216	846.00	0.89	1.32
2. Ice plant, Morena	25th January 1972 to 13th May 1973	3	1,218	93.60	0.07	0.48
3. Mobile slice ice plant, Gandhisagar Dam	26 days during period from October 1966 to March 1975	2.04	58	5.00	..	0.38
4. Ice plant, Gandhisagar Dam	April 1971 to March 1975	3	3,465	582.00	0.45	0.71
	Total		10,957	1,526.60	1.41	2.89

Cold storages—

Location	Actual period of operation	Storage capacity	Total weight of fish stored for different periods	Rent of cold storages	Direct expenditure on establishment and contingencies
(1)	(2)	(3)	(4)	(5)	(6)
		(In tonnes)		(In lakhs of rupees)	
Cold storage, Gandhisagar Dam	December 1965 to February 1966 and September 1972 to March 1975	2.5	79.13*	0.06	0.17
Cold storage, Supela	August 1971 to March 1975	2.5	14.53	0.01	0.10
Cold storage, Bilaspur	October 1967 to March 1971 and April 1973 to March 1975	0.5	17.50	0.01	Combined with Ice plant, Bilaspur
Total			111.16	0.08	0.27

(b) The ice plants remained idle after commissioning during the following

Methods :—

Location	Period for which the plant was idle	Reasons	Remarks
(1)	(2)	(3)	(4)
Ice plant, Bilaspur	1st April 1971 to 7th December 1971	The Fisheries Inspector incharge of the unit proceeded on leave without handing over the keys of the plant.	Rupees 0.08 lakh were spent on establishment and contingencies while the plant remained locked up. (The Inspector concerned is being proceeded against for recovery of Rs. 0.05 lakh stated to have been misappropriated out of sale proceeds of ice).
Ice plant, Morena	14th May 1973 onwards	Technical defects in machinery and leakage of ammonia gas	In August 1975, it was stated by the Department that action was "being taken" to remedy the leakage of gas. The expenditure on establishment and contingencies during the period the plant remained idle amounted to Rs. 0.36 lakh. The defect was not rectified (December 1975).

* Three thousand six hundred and seventy four cans of ice produced by the ice plants at Gandhisagar Dam were also stored in the cold storage there.

Plant and its location	Period for which the plant was idle	Reasons	Remarks
(1)	(2)	(3)	(4)
3. Mobile slice ice plant, Gandhisagar Dam	Entire period since commissioning except for 26 days	Leakage of refrigerant	The officer incharge of the plant reported in August 1975 that the capacity was beyond the capacity of ordinary refrigeration equipment. He requested the officers to repair the leakage of all packings, gaskets, etc., and to be replaced as the material used was unsuitable for tropical climates.
4. Ice plant, Gandhisagar Dam	All days except 96 days in 1971-72, 129 days in 1972-73, 205 days in 1973-74 and 188 days in 1974-75	Frequent breakdown of compressor	An additional compressor was installed in March 1975 as a standby at a cost of Rs. 10 lakh.

The Director of Fisheries stated (June 1975) that the department was considering disposing of the plants at Morena and Gandhisagar Dam as their working was uneconomic and the fishermen of the areas concerned could now own and their own ice plants.

(c) The following points came to notice regarding operation of cold storage plants :—

The cold storage unit at Supela which was commissioned in August 1971 was reported to have remained idle from August 1971 to end of March 1975 except for 51 days in 1971-72; 17 days in 1972-73; 3 days in 1973-74 and 2 days in 1974-75. Low utilization of storage capacity was stated to be due to frequent mechanical breakdowns and lack of interest in the use of the facility on the part of the farmers it was intended to serve. The department is stated to be considering a proposal to shift the unit to Durg (November 1975).

Low utilization of the cold storage at Bilaspur was stated to be due to the fact that local dealers sent away their daily collections by train on the same day to Howrah and other markets.

The matters mentioned above were reported to the Government and to the Director of Fisheries in October 1975. Their comments are awaited (February 1976).

INDUSTRIES DEPARTMENT

Scheme for Educated Unemployed

(i) *Introduction.*—A Central Plan scheme for assisting the educated unemployed, proposed by the Ministry of Industrial Development, was discussed by the members of the Ministry with the representatives of the State Industries Department in a meeting held at New Delhi in October 1971. The guidelines for the implementation of the scheme were laid down in circular dated December 1971 issued by the Ministry to all State Governments. All persons who had passed at least the secondary school examination or its equivalent as well as those who had undergone courses in Industrial Training Institutes were eligible for assistance under the scheme.

The main proposals contained in the Central scheme were—

- (a) setting up of technicians' co-operatives, commercial estates and industrial estates,
- (b) supply of machinery on hire purchase basis, and
- (c) providing equity or margin money for new ventures.

The proposal for setting up technicians' co-operatives was not taken up by the State Government. Similarly, a proposal put forward by the Ministry in 1972 for training of 200 educated unemployed persons and providing a package assistance to atleast 30 of them as a part of the scheme was not also taken up for implementation.

(ii) *Central assistance.*—The entire expenditure on the scheme was to be met by the Government of India, one-third in the form of grants and the remaining two-thirds in the form of loans carrying interest at 6 per cent per annum from the date of drawal. The loan was repayable in 15 annual equated instalments together with interest commencing from the first anniversary of drawal. The amount annually payable by way of principal and interest was payable in four equal instalments.

The following amounts were paid to the State Government by the Government of India for the implementation of the scheme :—

(1)	Loan (2)	Grant (3)	Total (4)
	(In lakhs of rupees)		
March 1972	7.34	3.66	11.00
March 1973	36.03	18.02	54.05
November 1973	25.50	12.75	38.25
March 1974	8.50	4.25	12.75
Total	77.37	38.68	116.05

(iii) *Provision in the State budget.*—The following proposals were sanctioned by the State Government under the Central Scheme :—

Description (1)	Sanctioned in (2)	Estimated cost (3)	Amount allotted			To (7)
			March 1972 (4)	March 1973 (5)	March 1974 (6)	
(In lakhs of rupees)						
1. Setting up of commercial estates—						
(a) Construction of 10 shop-cum-residences at Bhopal (by Madhya Pradesh <i>Laghu Udyog Nigam</i>)	March 1972	5.50	1.00	3.00	1.50	5.
2. Setting up of industrial estates—						
(a) Construction of 2 sheds at Bhopal	March 1972	1.00	1.00	..	..	1.
(b) Construction of 30 sheds at Indore	March 1973	27.00	..	27.00	..	27.
(c) Construction of 60 sheds at 7 places (by <i>Laghu Udyog Nigam</i>)	March 1973	35.00	..	35.00	..	35.
3. Supply of machinery on hire purchase (by <i>Laghu Udyog Nigam</i>)	March 1972	26.20*	10.00	..	16.20	26.
4. Providing equity or margin money (subsidy) for new ventures (through Madhya Pradesh Financial Corporation and commercial banks)	March 1972	18.345	4.00	4.345	10.00	18.3.
5. Preparation of feasibility reports (by Madhya Pradesh <i>Audyogik Vikas Nigam</i> and Madhya Pradesh State Agro-Industries Development Corporation)	March 1974	7.65	..	..	7.65	7.6.
6. Expenditure on staff (Industries Department)	March 1974	0.355	..	..	0.355	0.3.
	Total	121.050*				121.

In March 1972, an amount of Rs. 2.00 lakhs was drawn as an advance from the Contingency Fund and paid to the Madhya Pradesh *Laghu Udyog Nigam* Rs. 1.00 lakh for construction of shop-cum-residences (item 1 above) and Rs. 1.00 lakh for construction of 2 sheds at Bhopal (item 2 (a) above). The amount of Rs. 4.00 lakhs paid to the Madhya Pradesh Financial Corporation for providing equity or margin money for new ventures (item 4 above) and Rs. 10.00 lakh (including Rs. 5.00 lakhs against this scheme) paid to the Madhya Pradesh

*Includes Rs. 5.00 lakhs sanctioned from the State resources.

Laghu Udyog Nigam for supply of machinery on hire purchase (item 3 above) were drawn by diversion of funds provided for State Plan Schemes in the First Supplementary Estimates for 1971-72.

During the next two financial years (1972-73 and 1973-74), Rs.69.35 lakhs were drawn in March 1973 and Rs.35.35 lakhs in March 1974 as advances from the Contingency Fund. The amounts were paid to different institutions as below :

To whom paid	Amount paid	Month of payment	Remarks
(1)	(2)	(3)	(4)
	(In lakhs of rupees)		
Commercial banks	4.35	March 1973	} For item 4 above
	10.00	March 1974	
Madhya Pradesh <i>Laghu Udyog Nigam</i>	65.00	March 1973	For items 1(a), 2(b) and 2(c) above
	17.70	March 1974	For items 1 (a) and 3 above
Madhya Pradesh <i>Audyogik Vikas Nigam</i>	4.65	March 1974	For item 5 above
Madhya Pradesh State Agro-Industries Development Corporation	3.00	-d o-	..

3.12.2. Implementation of the scheme—(i) Setting up of Commercial Estates.—

This component of the Central Scheme aimed at providing employment in semi-urban areas and at 'Growth Centres' developing in new industrial areas and green-revolution' areas. Facilities for shop-cum-residences were to be constructed by the State Government and made available on rental basis. These were to consist of shops displaying manufactured goods. While no working capital was to be provided by the Government to the entrepreneurs, help could be extended to the applicants in obtaining loans from commercial banks. The State Government sanctioned a proposal for the construction of 10 shop-cum-residences under this component of the scheme.

A site in Tantiya Tope Nagar (a predominantly residential area in Bhopal) was selected for this purpose and an amount of Rs.5.50 lakhs was placed at the disposal of the *Laghu Udyog Nigam* (Rs.1.00 lakh in March 1972, Rs.3.00 lakhs in March 1973 and Rs.1.50 lakhs in March 1974) for the construction of a building with 10 shop-cum-residences and a basement. When completed, the shop-cum-residences were expected to provide employment to 10 educated unemployed persons and 20 others. The work order for the construction was issued by the Superintending Engineer, *Laghu Udyog Nigam* in September 1972 and the work was to be completed by March 1973. Actually, the building was ready in February 1974 only. Although the Superintending Engineer, *Laghu Udyog Nigam* offered possession of the building in October 1973 to the Industries Department, the Assistant Director of Industries, Bhopal took possession of the building only towards the end of July 1974 on account of some reported 'deficiencies'.

Advertisements were published in February 1975 calling for eligible candidates to apply for the shop-cum-residences. Although eight shops were allotted in May 1975 in accordance with the prescribed procedure, only four parties executed the agreements and took possession between July and September 1975. Applications were again called for by a second advertisement in July 1975; six shops were vacant (December 1975).

The Executive Engineer, *Laghu Udyog Nigam* was in occupation of the basement of the building from September 1973 to October 1974. No rent has been charged from the *Laghu Udyog Nigam* for occupation of a portion of the building. The office of the Deputy Director of Industries, Bhopal Division shifted to this building in May 1974 occupying the basement first and three of the residences later in August 1973.

(ii) *Setting up of the Industrial Estates.*—Under this component of the Central Scheme, the industrial estates were to be built and given to educated unemployed persons on a subsidised rent for the first five years.

Under the component of the scheme the State Government sanctioned the construction of the following sheds and paid advances to the *Laghu Udyog Nigam* for the purpose :—

	Amount paid (1) (In lakhs of rupees)	Month of payment (2)
Construction of 2 sheds at Bhopal	1.00	March 1972
Construction of 30 sheds at Indore	27.00	March 1973
Construction of 60 sheds at 7 places (Bhopal:15; Ujjain:5; Ratlam:10; Dewas:10; Vidisha:5; Khandwa : 5; Bhilai:10).	35.00	March 1973

When completed these sheds were expected to provide employment opportunities to 3 educated unemployed and 7 others per unit.

Construction of two sheds at Bhopal, sanctioned in March 1972, was complete except for internal electrification and water supply (September 1975). An amount of Rs.1.05 lakhs had been spent on their construction; but the sheds were (September 1975) to be handed over to the Industries Department.

Of the 30 sheds sanctioned in March 1973 by the State Government for construction at Indore, 23 sheds completed at a cost of Rs.24.55 lakhs were taken over by the Industries Department in March 1975. Construction of the remaining seven has not been taken up as the contractor did not take up the work. Nine sheds were stated to have been allotted but only 7 parties had executed the lease deeds (November 1975). In 10 more cases the letters of intent were to be furnished by the selected parties (October 1975). The remaining 4 sheds have been

reserved for functional industrial estate for electronics on which a decision of the Government is awaited (February 1976).

Out of 60 sheds proposed at a cost of Rs.35.00 lakhs in 7 places, 20 sheds (Bhopal 5, Ratlam 10 and Ujjain 5) were stated to have been completed. The five sheds at Bhopal, which were expected to be ready by February 1974, were completed in October 1975 and were (October 1975) to be taken over by the Industries Department. In Ratlam, ten sheds which were expected to be ready by August 1974 were actually completed and were taken over by the Industries Department in February 1975; 5 were allotted to educated unemployed between March and July 1975 and the other five were vacant. In the case of two out of the five vacant sheds, the parties selected were to furnish the letters of intent. Allotment of one shed was stated to be under consideration while another was proposed to be let out to the *Laghu Udyog Nigam* for their raw materials depot (October 1975). The sheds constructed at Ujjain were reported to have been allotted between September 1974 and June 1975.

The sheds at other places were in various stages of construction (September 1975) except Vidisha (5 sheds) which was not (October 1975) taken up as tenders had to be recalled in this case.

Expenditure incurred on the construction of the sheds to the end of June 1975 was Rs. 24.60 lakhs.

(iii) *Supply of machinery on hire purchase basis.*—This component of the scheme aimed at providing machinery required by educated unemployed persons for setting up new ventures. The *Laghu Udyog Nigam* which was to administer it was to be given the amounts required for the purpose as loan for which they were to pay interest at 5 per cent. The orders of the Government were silent about the repayment of the loan by the *Nigam*. The *Nigam* was to recover, in return, 6½ per cent per annum as interest from the beneficiaries. A loan could be sanctioned upto a maximum of Rs. 0.50 lakh in each case; if the hirer was an engineering graduate, the maximum limit could be raised to Rs.1.00 lakh. In all 465 educated unemployed persons were to be provided this facility.

The *Laghu Udyog Nigam* received from the State Government Rs. 26.20 lakhs as loans for this purpose, Rs. 10.00 lakhs in March 1972 (including Rs.5.00 lakhs from the State Government's own resources) and Rs.16.20 lakhs in March 1974. Another amount of Rs.6.00 lakhs was received by the *Nigam* from the State Government under the Special Employment Programme in March 1973. Although the first instalment of Rs.10.00 lakhs was paid to the *Nigam* in March 1972, the terms and conditions for the implementation of this component of the scheme were laid down by the State Government in August 1972. Out of a total amount of Rs. 32.20 lakhs received by them upto the end of March 1974, the *Nigam* had disbursed, upto July 1975, only an amount of Rs.16.31 lakhs to 77 educated unemployed persons (6 in 1972-73 Rs. 0.70 lakh; 33 in 1973-74 Rs. 6.30 lakhs; 30 in 1974-75 Rs.7.16 lakhs and 8 upto July 1975 Rs. 2.15 lakhs).

Further, the loans were advanced by the *Nigam* in March 1973 and March 1974 much in advance of requirements as there were balances of Rs.9.30 lakhs and Rs. 3.00 lakhs with the *Nigam* at the end of the financial years 1972-73 and 1973-74 out of the original amount of Rs.10.00 lakhs paid in March 1972.

An amount of Rs.2.93 lakhs which had become due from the *Nigam* as interest to the Government on the loans to end of 1974-75 has not been paid by them to the Government so far (February 1976). A request for revision of terms and conditions of the loan made by the *Nigam* in July 1975 was not accepted by the Government.

(iv) *Providing equity or margin money (subsidy) for new ventures.*—Under this component of the scheme, for technical entrepreneurs who had a degree or diploma in engineering or those who had undergone courses in Industrial Training Institutes and had experience of working in industry, contribution to the equity or preference capital could be made under the following conditions :—

- (a) Assistance was to be provided for industries normally in those cases where capital required was more than Rs. 2.00 lakhs.
- (b) The unit was set up as a private or public limited company.
- (c) The contribution by the State agency did not exceed 15 per cent of the total capital invested.
- (d) A matching contribution was made by the entrepreneurs except in deserving cases.

For small ventures, whose total capital was below Rs.2.00 lakhs, the State could provide a part of margin money not exceeding 50 per cent on loan taken by the entrepreneur from approved financial institutions, e.g., the Madhya Pradesh Financial Corporation and Commercial banks.

(a) *Amounts placed at the disposal of the Madhya Pradesh Financial Corporation.*—As per Government orders (March 1972) an amount of Rs.4.00 lakhs was placed with the Madhya Pradesh Financial Corporation (a Statutory Corporation) for margin money payable in cases of loans, disbursed by it. This amount was meant to be disbursed during the financial year 1972-73. The Corporation could pay 80 to 85 per cent of the capital required by the educated unemployed for starting new ventures, provided the balance 20 to 15 per cent was raised as matching contribution by the entrepreneurs themselves. In eligible cases half of the matching contribution could be paid as subsidy(seed money) on the basis of sanctions issued by the Director of Industries. The Corporation was liable to pay to the Government 5 per cent as interest on the balance remaining with them.

No amounts were disbursed by the Corporation in 1971-72 and 1972-73. During the next two financial years margin money was released in 4 cases only amounting to Rs.0.62 lakh. The balance was lying with the Corporation and an amount of Rs.0.57 lakh had been credited to the Government upto 31st March 1975.

(b) *Payments through commercial banks.*—By its orders dated March 1973, Government deposited an amount of Rs.4.345 lakhs in 3 commercial banks meeting the requirements of seed money for loans to be advanced by them. Further amount of Rs.10.00 lakhs was deposited with 5 banks in March 1974 (including the three banks in which amounts were deposited in March 1973). Amounts were kept in savings bank accounts. Only an amount of Rs.4.50 was disbursed to end of August 1975 in 36 cases (13 in 1973-74, 2 in 1974-75 and 21 in 1975-76) as margin money/subsidy. The slow progress in the disbursement of the margin money was attributed to delay in development of infrastructure facilities like construction of sheds and slow pace of sanction of loans by financial institutions. On an enquiry from Audit as to the reasons for keeping money in commercial banks, the Government stated in September 1975 that it was resorted to "with a view to facilitate the entrepreneurs and also to avoid procedural delay in drawing the required amounts from the treasury".

As per information furnished by the Director of Industries, one hundred and ten units, each employing about 3 educated unemployed persons and 7 others expected to be benefitted under this component of the scheme. Only ten units (4 through Madhya Pradesh Financial Corporation and 36 through commercial banks) were given financial assistance (September 1975).

(v) *Preparation of feasibility reports.*—The State Government decided in March 1974 to get feasibility reports prepared at a cost of Rs.7.65 lakhs for helping prospective entrepreneurs. Of this, an amount of Rs.4.65 lakhs was paid to Madhya Pradesh *Audyogik Vikas Nigam* (a Government company) in March 1974 for the preparation of feasibility reports for setting up new industries in the State, subject to the condition that a contribution equivalent to half the sanctioned amount was made available by the *Audyogik Vikas Nigam*. It was decided by the Government in July 1974 that feasibility reports should be prepared for industries dealing with "haulage equipment" and "power drills" required by the coal mines which were being developed in the State by Government of India undertakings.

As the *Audyogik Vikas Nigam* did not have the required expertise in the preparation of such feasibility reports, quotations were called for by them in September 1974 from Industrial consultants for the preparation of the reports. Offer of the National Industrial Development Corporation, Ltd., New Delhi to prepare feasibility reports at a cost of Rs.27,500 each, subject to certain conditions regarding payments, was recommended to the Government by the *Nigam* in January 1975. The matter was stated to be under consideration of the Government (September 1975). In the meantime the advance of Rs.4.65 lakhs paid in March 1974 with the *Nigam* since March 1974. Decision regarding the request of the *Nigam* made in August 1974 to the Industries Department to waive the condition of contribution by the *Nigam* was also awaited (September 1975).

An amount of Rs.3.00 lakhs was paid to the Madhya Pradesh State Agriculture Industries Development Corporation in March 1974 for the preparation of feasibility reports on industries to be established by the educated unemployed persons subject to the following conditions :—

- (a) The detailed proposals for the expenditure out of these funds should be got approved by the Government before incurring any expenditure.
- (b) A contribution equivalent to half the sanctioned amount should be made by the Corporation for the scheme.

The Corporation submitted a scheme to the Director of Industries in October 1974 which contained proposals for drawing up feasibility reports on industries to be set up by persons trained by the Corporation in trades like automobile servicing, dairy farming, tractor servicing and supply of agricultural inputs. The details were as follows :—

	<i>In lakhs of rupees</i>
Consultancy charges	2.40
Survey of areas	1.20
Study tours	0.40
Acquiring technical literature	0.50
Total	4.50

Of this the Corporation proposed to meet Rs.1.50 lakhs from its own funds. Approval of the Government was awaited (October 1975).

Meanwhile, the Corporation reported the following expenditure as already incurred by them :—

	<i>In lakhs of rupees</i>
Consultancy charges—	
Salary of training staff—	
1974-75	0.50
1975-76	0.35
(Upto August 1975)	0.85
Survey of areas	
Purchase of technical literature and related machinery and equipment	
Already purchased	1.20
Orders placed	1.00
Incidental expenses	2.20
Total	3.05

The Corporation proposes to spend the balance amount during the current financial year *i.e.*, 1975-76.

3.(i) Leather Tanning Centre, Damoh

A 'Common Facility Centre' for tanning of leather, established in 1958 at a cost of Rs.1.15 lakhs (building : Rs.0.50 lakh; equipment and machinery : Rs.0.65 lakh), ceased to function from 1st November 1971 (the reasons are not available to Audit). The staff (supervisor: 1; machineman:1; lower division workers:2 and semi-skilled workers:4), however, continued (September 1975) to be on the rolls of the centre. In addition, one leather expert was attached to the centre from January 1973 to October 1974 after the centre had already ceased to function. An expenditure of Rs.1.61 lakhs (pay and allowances:Rs.1.54 lakhs and miscellaneous contingent expenditure: Rs.0.07 lakh) was incurred on the centre from 1st November 1971 to the end of September 1975. The staff were stated to have been engaged as additional hands in the office of the Assistant Director of Industries, Damoh and on preventive maintenance duties at the centre.

The centre had finished goods and raw materials worth Rs.0.82 lakh in stock when it stopped functioning (November 1971). The disposal of finished goods (value: Rs.0.67 lakh) by auction/sale between November 1971 and October 1972 fetched Rs.0.31 lakh only. Raw materials (value : Rs. 0.12 lakh) and finished goods (value: Rs.0.03 lakh) lying in stock were reported (October 1975) to be deteriorating with the efflux of time.

The Director of Industries stated (June 1975) that the Government had ordered (March 1974) reviving the centre and the sanction for purchasing hides and raw materials (value: Rs.0.12 lakh) for the centre was awaited from the Government.

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

(ii) Weaving Centre, Ranipur

A temporary post of weaving instructor was sanctioned in 1965-66 for a weaving centre proposed to be established for displaced persons at Ranipur in Shahangabad District. It was filled on 4th March 1966 and although the centre was never opened, the sanction to the post was renewed from year to year and the services of the incumbent were utilized for clerical work in the District Industries Office. Upto the end June 1975, the Instructor had been paid pay and allowances totalling Rs.0.34 lakh, without having discharged the duties of the post to which he had been appointed.

The matter was reported to the Government in March 1971; their reply is awaited (February 1976).

PUBLIC HEALTH AND FAMILY PLANNING DEPARTMENT

3.14. Mobile sterilization/Intra-uterine Contraceptive Device Units

In order to secure optimum utilization of limited resources of trained medical and para-medical personnel available for the Family Planning Programme and to extend the coverage of the programme to rural areas not adequately covered by existing hospitals, dispensaries and primary health centres, the State Government set up 49 mobile sterilization units and 50 mobile *intra-uterine* contraceptive device (referred to, hereafter as IUCD) units in the years 1967-68 and 1968-69. The setting up and functioning of these units was financed wholly with Central assistance.

The accounts and records relating to 39 of these units in 19 districts in 19 years from 1969-70 to 1974-75 were test checked by Audit in the first half of 1975-76. Important points disclosed are mentioned below :

(i) According to information furnished by the District Family Planning cum-Health Officers concerned, Rs.37.05 lakhs were spent on operating these units for six years, including Rs.9.60 lakhs spent on running and maintenance of vehicles. The performance of these units, in terms of sterilizations done and IUCDs inserted, is exhibited below :

Year	Units for which targets were set				Units for which targets were not set		Average performance per unit
	Number of units	Target	Performance	Percentage of performance to target	Number of units	Performance	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A—Sterilization Units :							
1969-70	4	600	62	10	14	666	
1970-71	5	1010	216	21	14	550	
1971-72	10	1525	210	14	9	497	
1972-73	9	2030	253	12	10	1071	
1973-74	6	740	88	12	13	337	
1974-75	5	680	373	55	5	159	
B—IUCD Units :							
1969-70	4	950	555	60	15	402	
1970-71	5	1050	363	35	15	499	
1971-72	9	1465	611	42	11	184	
1972-73	9	1525	575	38	11	81	
1973-74	9	1300	287	22	11	281	
1974-75	6	870	178	20	4	212	

(ii) Certain units did no sterilizations/IUCD insertions at all in certain years. An analysis of such cases is given below :

Number of years in which no sterilizations/insertions were done	Sterilization units		IUCD units	
	Number of units	Expenditure on such units in the years concerned	Number of units	Expenditure on such units in the years concerned
	(1)	(2)	(4)	(5)
		(In lakhs of rupees)		(In lakhs of rupees)
All six years	2	1.74	5	3.60
Five years	..	..	..	..
Four years	1	0.90	1	0.56
Three years	5	2.47	5	2.18
Two years	2	0.91	2	0.48
One year	3	0.48	3	0.32

The sum of Rs.13.64 lakhs spent on these units in the years in which they did no sterilizations/insertions represented 37 per cent of the total expenditure on the working of all the units in the entire period of six years.

Unit-wise analysis of performance of the remaining units is given below :

Year	Number of units in which sterilizations ranged from			Number of units in which IUCD insertions ranged from		
	1 to 50	51 to 100	101 and above	1 to 50	51 to 100	101 and above
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1969-70	3	2	2	2	1	4
1970-71	7	2	3	7	..	3
1971-72	10	2	2	9	1	3
1972-73	10	2	4	8	1	2
1973-74	9	2	1	2	3	3
1974-75	6	..	2	3	..	2

(iii) The following factors appear to have been responsible in a large measure for the poor performance of the units :—

(a) To ensure that the units were put to optimum use, it was suggested that the Government of India, in October 1966, that for each unit, a detailed programme be prepared for one or two months at a time by the District Family Planning Bureau and circulated in advance to the workers concerned at sub-centres, village leaders and voluntary organisations to enable them to do promotional work in advance in the areas proposed to be visited by the unit. Test

checks in the districts of Gwalior, Bhopal, Sehore, Ujjain, Shajapur and Shivpuri disclosed that such programmes were prepared only for one unit, *viz.*, the IUCD unit at Gwalior.

(b) District Family Planning-*cum*-Health Officers were required to fix targets for each unit and to keep a close watch on their achievements. Test checks in the six districts referred to above showed that, out of 19 sterilization units, targets were not fixed for 14 in 1969-70 and 1970-71, 9 in 1971-72, 10 in 1972-73 and 13 in 1973-74; similarly, out of 20 IUCD units, targets were not fixed for 15 units upto 1970-71 and 11 units for subsequent years upto 1973-74. The position did not improve in 1974-75 also and out of 10 sterilization and 10 IUCD units which functioned in that year, targets were not fixed for 5 sterilization units and 4 IUCD units. In seven sterilization units (Mandsaur, Indore, Dhar, Rajgarh, Bhopal and Damoh) and six IUCD units (Ujjain, Mandsaur, Indore, Dhar, Rajgarh and Damoh), no targets were fixed for any of these six years.

In the small number of units for which targets were fixed, the targets varied widely as between different units and also between different years for the same unit.

No guidelines were issued by the Directorate to the District Family Planning-*cum*-Health Officers about how the targets were to be fixed nor was any watch kept by it over the performance of the units in the districts.

(c) The mobile units and their personnel were, often, not used for field work in rural areas not covered by hospitals and dispensaries as contemplated. Instead, the medical officers and staff of the units were attached to hospitals and dispensaries at their headquarters as additional hands and utilized for normal hospital work as well as for family planning work done in those hospitals and dispensaries. Test checks showed that more than one-half of the physical achievements claimed for the units in five of the six districts referred to above represented work done at their headquarters as shown below :

District	Sterilizations			IUCD insertions		
	Total number done	Number done at headquarters of units	Percentage of column (3) to column (2)	Total number done	Number done at headquarters of units	Percentage of column (6) to column (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gwalior	114	79	69	634	316	50
Bhopal	411	411	100	..	..	..
Sehore	55	55	100	410	332	81
Ujjain	1,543	674	44	434	256	59
Shivpuri	73	36	49	83	39	47
Total	2,196	1,255	57	1,561	943	60

(d) Primary records of performance, *e.g.*, the daily case register, IUCD register, sterilization register, individual case cards for sterilizations and IUCD insertions etc., which were required to be maintained by individual units as per the Manual of Family Planning-Records and Returns' were not maintained in four (Bhopal, Ujjain, Shivpuri and Shajapur) of the six districts. Even monthly returns of performance were not submitted by the units in Bhopal, Ujjain and Shajapur to the District Health Officers as prescribed.

(iv) According to the instructions of the Government of India (October 1966 and January 1971), concurrent evaluations of the programme were to be made at each level and progress was to be reviewed from month to month so that shortfalls could be investigated and remedial measures initiated. Such appraisals were not made.

In 1972-73, the Government of India made an appraisal of the functioning of all the mobile units and decided (July 1973) to retain only one unit per district. Accordingly, 27 sterilization units and 26 IUCD units were disbanded with effect from November 1973. After a second appraisal made in 1975, the Government of India decided (April 1975) to have the remaining units also disbanded from July 1975.

While disbanding 53 mobile units from November 1973, the Government of India had decided that surplus vehicles and staff might be utilized elsewhere according to the approved pattern of Central assistance' and a report about the utilization furnished to the Ministry of Health and Family Planning. Accordingly, 33 vehicles were diverted (October 1973) by the State Government for three months for their small-pox eradication campaign. No revised distribution of the vehicles was made at the expiry of the period. In July 1975, the Government of India decided to allocate 49 surplus vehicles to Bihar (38) and Tripura (11) States. The transfer was not effected (September 1975).

These facts were brought to the notice of the State Government and the Director of Health Services in October 1975; their comments are awaited (February 1976).

REHABILITATION DEPARTMENT

3.15. Loans for Rehabilitation of displaced persons from Pakistan

The Government of India is advancing loans since 1948-49 to the State Government for defraying expenditure connected with the rehabilitation of displaced persons from Pakistan in the State, which includes giving of loans to such persons for specified purposes. The loans received and the amounts, excluding interest, due to be repaid to the Government of India as on 31st March 1975 under

these categories, according to the information furnished by the Rehabilitation Commissioner are as follows:—

Category of loan	Period during which loans were received from the Government of India	Total amount of loan received	Unutilised amounts refunded/ transferred	Amount repaid to the Government of India	Amount remitted/ written off/ converted into grant by Government of India	Total of columns (4), (5) and (6)	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(In lakhs of rupees)							
Rehabilitation of displaced persons from West Pakistan	1948-49 to 1973-74	390.56*	11.79	316.18	2.07	330.04	60.52
Rehabilitation of displaced persons from East Pakistan (Old migrants)	1955-56 to 1965-66	99.18	1.99	..	48.75	50.74	48.44
Rehabilitation of displaced persons from East Pakistan (New migrants)	1965-66 to 1974-75	298.60	6.03	..	..	6.03	292.57
Total		788.34	19.81	316.18	50.82	386.81	401.53

3.15.2. According to the terms and conditions initially stipulated by the Government of India, these loans were repayable within periods ranging from 4 to 25 years along with interest. The Government of India, however, issued revised instructions in February 1958 to the effect that the State should pay to the Union the amounts of principal and interest they collect from displaced persons.

Under the Madhya Pradesh Refugees Rehabilitation (Loans) Act, 1949, the Rehabilitation Commissioner acts as the Chief Administrator and the Collectors are declared as controlling authorities for the sanction and disbursement of loans to the refugees. The detailed loan accounts are maintained in the districts.

Important points noticed during test check of the records available with the Rehabilitation Commissioner regarding these loans and the loan accounts in Betul, Durg, Jabalpur, Panna, Raigarh, Raipur, Satna and Surguja Districts are mentioned in the succeeding paragraphs.

3.15.3. *Loans to displaced persons from West Pakistan.*—Information about the total loans paid yearwise by the State Government to the displaced persons from West Pakistan and recoveries of principal and interest to the end of March 1975 was not available with the Rehabilitation Commissioner. According to the

*Excludes Rs. 126.27 lakhs allocated to Maharashtra consequent on the reorganisation of States.

Information given by him, the position of outstanding loans and interest as on March 1967 was Rs. 91.84 lakhs and Rs. 23.82 lakhs respectively, the overdue amounts of principal and interest being Rs. 91.23 lakhs and Rs. 23.17* lakhs respectively. The loans were mostly disbursed to the refugees for starting business or construction/purchase of buildings for residential or business purpose. According to the terms of repayment, as incorporated in the mortgage deeds, the loan was repayable by a displaced person in five years with interest. The outstanding balances in the districts were not reconciled with the plus and minus Memoranda of the treasuries concerned (September 1975). The outstanding amount of loan for the State as a whole was also not reconciled with the amount figures in the books of the Accountant General (September 1975). Information about the total number of loanees against whom loan was outstanding and how much loan had become irrecoverable was not available in the office of the Rehabilitation Commissioner.

In Jabalpur, Durg and Raigarh Districts, the entries in the ledger accounts were not attested. These ledger accounts were transferred from the Collectorate Tehsils concerned for pursuing cases of recovery. Action taken, if any, for issuing demand notices, etc., was not indicated in the ledger accounts. The progress of recovery was found to be irregular and halting. In Raipur loan cases of individual loanees, and the ledger accounts where recovery of loan and interest was yet to be made, were not available to Audit.

In Jabalpur District, out of 213 ledger accounts examined in audit, loan case files of only 18 loanees were available to Audit. The loan case files of 7 loanees of Raigarh Tehsil were found to be incomplete as loan applications were not sanctioned by the Collector and some mortgage deeds were not signed by the loanees concerned. The particulars relating to amount of loan, rate of interest, instalments of interest, etc., were not specified in some mortgage deeds. In 8 cases of Patan District involving loans of Rs. 6,610, no recovery was said to be possible, as loanees were not traceable. In a number of individual ledger accounts of Jabalpur, Raigarh and Katni Tehsils, whereas principal of loan had been adjusted against compensation claims, interest due had not been worked out and adjusted against compensation claims. In some of these cases, the compensation claims had not been got settled.

In Durg District, 211 loan cases out of 286 individual ledger accounts maintained in Durg, Balod and Bemetara Tehsils of the district were not available for audit.

In the remaining 75 cases, utilization certificates and the progress reports, were required to be given by the individual loanees within three days of the completion of the loan, were not obtained. The Collector had also not verified whether the objects for which loans were given had been achieved. In five cases of Durg District involving loan of Rs. 6,218, it was reported that recovery was not possible, as the loanees had either expired or had no property which could be attached.

Excludes 12 districts where information is stated to be not available.

In Raigarh District, there were 226 loan cases in which Rs. 57,871 were outstanding on account of principal. Interest due had not been calculated. In 46 cases, involving loan of Rs. 25,250, the loanees were either reported not to be traceable or were stated to have expired.

3.15.4. *Loans to displaced persons from erstwhile East Pakistan (old migrants).*—According to the information given by the Rehabilitation Commissioner Rs. 29.79 lakhs were disbursed as loan in cash and kind to the displaced persons resettled in Panna, Raigarh, Raipur, Satna and Surguja Districts upto 31st March 1966 and expenditure of Rs. 59.48 lakhs on capital outlay on schemes of Agriculture Improvement and Research, Public Works, etc., and of Rs.1.81 lakhs on account of pay and allowances of staff exclusively appointed for execution of such schemes (a portion of this expenditure were to be subsequently allocated as loans to the concerned displaced persons) was incurred. Thus, against the loan of Rs. 97.1 lakhs received from the Government of India, a sum of Rs. 91.08 lakhs had been spent.

Year-wise position of loans disbursed was not available. The portion of the capital expenditure of Rs. 59.48 lakhs incurred on various schemes, which was to be allocated as loans to the displaced persons, was not (August 1975) determined; allocation of part of the amount was made in some loan accounts where the amount and the beneficiary could be identified.

Under the remission scheme sanctioned by the Government of India in March 1964, the State Government was empowered to sanction remission of loan to the extent of Rs. 1,000 from each loanee and if there was any balance still left even after this remission, the amount in excess of Rs. 2,000 could also be remitted. A sum of Rs. 44.35 lakhs was stated to have been remitted under this scheme during the period 1965-66 to 1968-69. In addition, Rs. 4.40 lakhs, representing maintenance loans out of the loans already disbursed were converted as grants under a scheme sanctioned by the Government of India in July 1967.

The position of loans outstanding along with interest due on 31st March 1975 was not available with Rehabilitation Commissioner. According to the information given by him the outstanding loan and interest due on 31st March 1967 was Rs. 17.18 lakhs and Rs. 17.35 lakhs respectively, after taking into account the remissions sanctioned till that date.

Neither had the outstanding balance of loan for the State as a whole been reconciled with the account figures in the books of the Accountant General at any time nor had the outstanding balances of loan in the districts been reconciled with the plus and minus memoranda of the treasuries concerned. Year-wise position of balance of loan outstanding in each district was not available with the Rehabilitation Commissioner. Similarly, no information was available about the total number of old migrants who had either expired or were not traceable and the total amount of loan outstanding against them which had become irrecoverable. The position of recovery of loans and the condition of accounts, as noticed by Audit in five districts, are indicated in Annexure XI.

In Surguja, Raigarh and Satna Districts, the sanction of the Collector was obtained for disbursement of loans to the displaced persons, as required under the Madhya Pradesh Refugee (Loans) Rules, 1963. The position in Panna and Bilaspur Districts is not known.

3.15.5. *Loans to displaced persons from erstwhile East Pakistan (new migrants).*—Displaced persons from erstwhile East Pakistan who came to India after January 1964 were mostly settled in Shahpur (District Betul), Panna and Nagahi (District Surguja) projects. According to the Rehabilitation Commissioner, Rs. 202.30 lakhs were disbursed as loan in cash and kind to the new migrants and Rs. 98.55 lakhs were spent on schemes of Agriculture Improvement, Research, Industrial and Economic Development and Public Works. Information regarding amount of principal and interest which had become due from loanees was not available either with the Rehabilitation Commissioner or with project authorities (August 1975).

The outstanding balances of loan in the districts were not reconciled with plus and minus memoranda of the treasuries concerned (August 1975). The balance for the State as a whole was also not reconciled with the figures appearing in the books of the Accountant General (August 1975). Year-wise break-up of loans disbursed and capital expenditure incurred under various categories is not available with the Rehabilitation Commissioner (August 1975).

3.15.6. During the year 1966-67, 47 tractors were received from the Government of India to be hired by the migrants in the three projects, on payment of the prescribed charges, for agricultural and other operations. Fifteen tractors were returned back to the Government of India between November 1973 and September 1975. Taking the rated capacity as 1,000 hours per year for each tractor, these tractors could have worked for 3,79,334 hours to end of March 1975. Actually they worked for 1,07,491 hours. The shortfall in the number of hours worked was attributed by the Project Officers mainly to sparing demand from the migrants. A sum of Rs. 2.71 lakhs due to be recovered on account of hire charges for tractors as on March 1975, only Rs. 0.12 lakh were stated to have been recovered (August 1975).

The other points noticed by Audit in these three projects are mentioned in Annexure XII.

The Government stated (January 1976) that the Collectors of the concerned districts had been asked to intimate the amounts of principal and interest of various kinds of rehabilitation loans outstanding as on 31st March 1975 and to furnish the exact position of records pertaining to these loans.

HOME DEPARTMENT

Expenditure on maintenance of aircraft

The uneconomic operation of the aircraft owned by the Government was mentioned upon in paragraph 42 of the Report on the Accounts for the year 1965-66,

Government of Madhya Pradesh. In its Fourteenth Report (March 1969), the Public Accounts Committee recommended, *inter-alia*, the following in this connection :—

“The whole position regarding maintenance of aircraft should be reviewed with a view to economise the Government expenditure and the question of reducing the number of planes should be considered. Such aeroplanes, which are completely uneconomical to Government, should be sold off immediately so that no expenditure on their care and maintenance has to be borne and fair price is fetched in due time.”

The recommendation was not fully complied with (October 1975). A technical check of accounts and records relating to aircraft owned by the Government for the period from 1st April 1972 to 31st March 1975 indicated the following :—

(i) The following table shows the total hours on flight put in by each aeroplane during the above period and the cost of maintenance :—

Year	Name of the aircraft	Total number of flying hours put in by the aircraft	Number of flying hours on			Amount paid by the Government to Madhya Pradesh Flying Club, Bhopal for maintenance	
			Government duty	Private duty	Testing/maintenance		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1972-73 (Details for the period from 1st April 1972 to 15th May 1972 were not made available to Audit)	(1) Duke A-60 (purchased in September 1971)	278	265	5	8	} 2.2	
	(2) Bonanza*	100	87	..	13		
	(3) Queen Air (purchased in April 1968)	Nil	Nil	Nil	Nil		
		Total	378	352	5	21	
	1973-74	(1) Duke A-60	152	132	..	20	} 2.8
(2) Bonanza		48	43	..	5		
(3) Dakota (purchased in November 1973).		123	92	6	25		
(4) Helicopter (purchased in October 1973)		65	25	32	8		
(5) Queen Air		Nil	Nil	Nil	Nil		
	Total	388	292	38	58		
1974-75	(1) Duke A-60	89	78	..	11	} 3.2	
	(2) Bonanza@	59	34	5	20@		
	(3) Dakota	159	105	21	33		
	(4) Helicopter	26	20	..	6		
	(5) Queen Air	5	..	..	5
	Total	338	237	26	75		

* The date of purchase is stated to be not known.

@ Destroyed on 2nd January 1975 in a crash.

The total hours of flights on Government duty decreased progressively during the years 1972-73 to 1974-75, while the amounts paid to the Club for maintenance increased progressively. The cost per flying hour increased from Rs. 620 to Rs. 1,216.

(ii) The agreement for the maintenance of aircraft by the Club setting forth, *inter-alia*, the terms and conditions for the payment of contract amount to the Club for the period from 27th February 1968 to 26th February 1972 was finalised on 7th December 1972. No such agreement was entered into for the period from 27th February 1972 to 31st March 1974 which was attributed (January 1976) by Government to the purchase of two more aeroplanes (one Dakota and one Helicopter) while the matter had been under consideration. The payments for this period totalling Rs. 5.04 lakhs were made between May 1972 and March 1974 on the basis of statements of actual expenditure submitted by the Club; the payment against a further claim of Rs. 0.55 lakh made by the Club is stated to be under consideration of the Government (January 1976). The agreement for three years from 1st April 1974 was finalised on 9th July 1974.

(iii) According to the agreements entered into from time to time with the Club, the Government is to bear the cost of spare parts, *etc.* A sum of Rs. 1.04 lakhs of advances made to the Club for purchase of spare parts, *etc.*, till the end of 1973-74 was awaiting (October 1975) final adjustment. The year-wise details are as under :

Year	Number of items	Amount
(1)	(2)	(3)
(In lakhs of rupees)		
Upto 1967-68	5	0.47
1969-70	2	0.01
1972-73	3	0.16
1973-74	4	0.40
Total	14	1.04

(iv) According to the present agreement, the Club is to service, maintain and operate four aeroplanes and one helicopter. One aeroplane (Queen Air), purchased at a cost of Rs. 13.75 lakhs in 1968, was out of commission from May 1971. Though spare parts, *etc.*, had been purchased for repairing in 1971-72, the aeroplane was made airworthy in August 1975; after flying for 12 hours (Government duty : 5 hours and testing : 7 hours) between 16th August 1975 and 21st September 1975, it again went out of order in September 1975 and was under repairs (October 1975). No proportionate reduction, in terms of the agreement, was made in the case of this aeroplane and also in the case of another aeroplane (Bonanza) which was destroyed in a crash in January 1975, from the contract amount payable to the Club in 1974-75. No reasons for not making the reduction were made available to Audit.

(v) According to the Rules for the Use and Control of the Government Aeroplanes, a plane may not be chartered for a journey between two points connected by regular air service unless it is certified by the Government (Home Department) that it is necessary in the public interest to travel by a chartered plane instead of by regular service. The reasons for chartering a plane in such cases is to be recorded in writing and copy of the order sanctioning the chartering of the Government plane endorsed to Audit, indicating, *inter-alia*, the purpose of journey and names of the entitled persons required to travel by the plane. Although the Government planes were chartered for the journeys from Bhopal to Indore/Gwalior/Delhi/Bombay and *vice versa*, no orders containing the above particulars were issued by the Government for 130 journeys during the periods from 16th May 1972 to 24th May 1973 and from 1st March 1974 to 31st March 1975, when there were regular plane services connecting these places. The Government stated (January 1976) that these journeys were urgent.

(vi) The following registers, required to be maintained by the Accounts Section of the Secretariat, were not found to have been maintained :—

- (a) Register showing the details of the flights of the planes,
- (b) Stock list of accessories and detachable fittings of the planes,
- (c) Records of the repairs carried out to the planes from time to time.

The Government stated (January 1976) that these registers would be maintained in future.

3.17. Supply of police personnel and equipment

At the request of four commercial film producers, in connection with outdoor shooting of films during the period from June 1971 to April 1975 in district Morena (three film producers—one film each) and district Rewa (one film producer—four films), the Inspector General of Police made available to them certain police personnel, arms, ammunition, vehicles, horses, *etc.*, during the location shooting.

The following points were noticed in this connection :—

(a) *Shooting of films in Morena District.*—(i) Outdoor film shooting of one film took place during the period from 16th June 1971 to 24th June 1971. The film producer was given assistance subject to his donating Rs.11,000 and one print in 16 millimetre of complete film to the Police Distress Fund. He was to bear expenditure on transportation, petrol, oil, lubricants and other incidentals. Three thousand police personnel with guns and ammunition and 70 horses with riders for participating in shooting of the film and 100 police personnel for protection and safety of film artistes, *etc.*, were requisitioned by the producer. Information about the personnel, *etc.*, actually provided and cost recoverable therefor was not available either with the police headquarters or with the district officers at Morena. The Superintendent of Police, Morena stated (August 1975) that (to

the extent information was traceable from records available) one company of police personnel, two vehicles with 185 litres petrol and 5 litres mobil oil had been supplied to the film producer who consumed 2,185 rounds (bullets and blank cartridges). Rupees 11,000 were deposited by the producer in July 1971 in the Police Distress Fund, but one print of the film, which had been completed, was not donated to the Fund (January 1976). No claim was made from the film producer for the assistance given. As ascertained (April 1975) from the auditor of the film producer by the police headquarters the film producer was declared as insolvent on 1st October 1974.

(ii) In September 1971, the police headquarters agreed to supply police personnel, arms, ammunition, jeeps, horses, *etc.*, to the second film producer. The shooting of the film took place during the period from 9th November 1971 to 19th November 1971. Rupees 11,000 were donated in November 1971 by the producer to the Police Distress Fund. No details regarding the extent of assistance actually given and the recovery of the cost thereof were available either with the police headquarters or with the district office at Morena.

(iii) The third film producer shot his film during the period from 3rd April 1975 to 28th April 1975. He was called upon to donate Rs.25,000 and one print of complete film in 16 millimetres to the Police Distress Fund and to bear the cost of petrol, oil, lubricants, repairs of vehicles used and damages, *etc.* Based on the information made available to Audit, an amount of Rs.1.09 lakhs (Rs.0.76 lakh cost of 164 police personnel as per police regulations, Rs.0.27 lakh due to deployment of 30 vehicles which covered about 13,785 kilometres and Rs.0.06 lakh on maintenance, transportation and halting charges of 20 horses) is recoverable from the film producer. No bills for payment of the amount were sent to the producer (January 1976). No information was forthcoming in respect of cash donation by the film producer, *i.e.*, Rs.25,000 and one print in 16 millimetres to the Police Distress Fund.

(b) *Shooting of films around Rewa.*—One film was permitted to be shot in November-December 1972. Ninety police personnel, 14 horses and 18 vehicles (total distance covered by the vehicles 32,915 kilometres) were placed at the disposal of the film producer. Rupees 0.86 lakh are recoverable from the film producer on this account. The Commandant, Special Armed Force, 9th Battalion, Rewa initially prepared 34 bills (amount of these bills or original bills or copies of the bills were not available) for recovery from the film producer and submitted them to the Inspector General of Police for approval. These bills were returned by the Inspector General of Police in December 1972 with the following instructions for revising the bills :—

- “(i) Actual cost of transportation of materials supplied from place to place and not the fare or hire charges should be realised from the film producer. Accordingly only the cost of petrol, oil and lubricants would be charged. Damages to materials and vehicles would also be recovered.

- (ii) Expenditure in moving horses supplied from other places and from Rewa would be charged but not the expenditure on feeding of horses supplied.
- (iii) Cost of certain items like tube lights, *etc.*, specially procured for the film producer but returned by him would not be recovered. The actual cost of material broken or lost would, however, be recovered.
- (iv) Police personnel who remained on duty in connection with the shooting of the film would be treated as on duty and paid travelling allowance and daily allowance as per Travelling Allowances Rules. Cost of their service would not be charged from the producer. Their purpose of journey would be for maintaining law and order during film duty.
- (v) Employees of the film producer who were provided accommodation in Police Officer's Mess would be charged at concessional rates."

As a result, a revised claim for Rs.6.6 thousand was sent to the producer and Rs.6.5 thousand was recovered. The film producer agreed to donate Rs.5,001 and arrange one or two film shows in aid of Police Welfare Fund. Rupees 29,519 were collected from two film shows arranged on 2nd and 3rd December 1972 at Rewa and Satna respectively but information regarding credit of Rs.34,520 (Rs.5,001 plus Rs.29,519) to the Police Distress Fund was not available to Audit (July 1975).

Though permission was given to a motion picture producer by the police headquarters to shoot one film in July 1974, it was noticed from the correspondence that three films were shot by the producer during September 1974 to December 1974. One hundred and ninety police personnel, 30 horses and 21 vehicles (total journey performed by vehicles 40,067 kilometres) were placed at the disposal of the producer besides permitting him the use of some quarters and rooms for the film troupe. Rupees 2.34 lakhs were recoverable from the film producers, as confirmed by the Commandant, 9th Battalion, Special Armed Force, Rewa, who also stated that no bills had been sent to the film producer by him till July 1975.

The film producer had agreed to donate Rs.25,000 in advance and donate on completion a print of film in 16 millimetre to the Police Distress Fund; the donations are awaited (January 1976).

The observations of Audit were brought to the notice of the Government in September 1975. The Government stated (January 1976) that the Inspector General of Police had been instructed not to grant any facilities in the form of men and equipment to commercial film producers without the prior sanction of the State Government in future and he should also evolve the terms and conditions under which such facilities could be granted. The Government further stated that more details were being obtained from the Inspector General of Police for examining and ordering recovery of a reasonable charge for the facilities provided to the film producers referred to above.

8. Non-recovery of water charges

During test check of the accounts of the office of the Superintendent of Police, Bhopal in August 1967 it was noticed that the entire expenditure amounting to Rs.23,866 on account of water charges for the residential quarters of police personnel at Bhopal for the period from September 1964 to March 1967 was borne by the department though the Inspector General of Police had decided in September 1964 that only the minimum charge of Rs.6 per meter per month (total amount Rs.186) would be paid from office contingencies and the remaining amount would be apportioned between the occupants of the quarters and recovered from them.

The bills (aggregate value: Rs.54,924) received from the Municipal Corporation for the period from March 1967 to February 1974 were not accepted and paid by the department on the plea that the water supply was not properly done by the Corporation. After discussion with the Corporation in December 1974, it was agreed that Rs.6 against arrears of water charges for this period and Rs.3 against current water charges would be recovered from each occupant every month and the collections would be remitted to the Corporation. In October 1975, the Inspector General of Police informed Audit that the Superintendent of Police had started recovery at the rate of Rs.9 per month from March 1975 from the occupants of police quarters and that it was not possible to effect recoveries for the period prior to March 1967, as the relevant particulars about the occupants were not available. No bills were stated to have been received from the Corporation from March 1974 onwards.

The case was brought to the notice of the Government in April 1972; their reply is awaited (February 1976).

EDUCATION DEPARTMENT

9. National Loan Scholarship Scheme

Introduction.— The scheme was introduced by the Government of India in 1963-64 in order to provide loan assistance for post-matriculation academic studies on easy terms to needy scholars. Funds for paying these loans were provided by the Government of India in the form of interest-free advances to State Governments which were required to administer the Scheme. All amounts recovered from loanes towards principal were to be repaid to the Government of India against advances received; recoveries of interest in cases of default were also to be passed on to that Government.

A test audit of the accounts of the scheme as maintained in the Directorate of Collegiate Education indicated the following position.

3.19.2. *Advances from the Central Government.*—Advances aggregating 213.13 lakhs were received by the Government of Madhya Pradesh under the

Scheme over a period of twelve years from 1963-64 to 1974-75. Rupees 24 lakhs were refunded as undisbursed balances of advances and Rs.2.41 lakhs p back on account of recoveries in the years from 1966-67 to 1969-70 leaving balance of Rs. 186.05 lakhs at the end of 1974-75.

3.19.3. *Loans paid and recoveries effected.*—As against a net sum of Rs.188 lakhs received from the Government of India during these twelve years Rs.188.68 lakhs were paid out as loans to scholars and Rs.7.40 lakhs were recovered from them leaving a balance of Rs.181.28 lakhs outstanding according to the accounts of the State Government. According to corresponding departmental figures as compiled by the Directorate of Collegiate Education, however Rs.188.90 lakhs were paid out and Rs.5.07 lakhs were recovered leaving a balance of Rs.183.83 lakhs. The directorate was not in a position to reconcile the differences between the two sets of figures. Rupees 4.70 lakhs recovered from loanes since 1969-70 had not been passed on to the Government of India as reconciliating of departmental and accounts figures for these years was stated to be incomplete.

3.19.4. *Accounts of loans.*—The directorate had opened ledger accounts for individual loanees for recording payments made and recoveries falling due and effected from time to time. But the ledgers were not written up fully and, almost all cases, contained no information besides the name of the loanee, the course of study and the amount of loan sanctioned. In particular, details of payments and recoveries in instalments had not been posted except in an insignificant number of stray cases. It was stated (October 1975) that it had not been possible to post these transactions as payees' receipts and receipted challans received from disbursing agencies and loanees seldom contained particulars required for linking the transactions with the sanctions concerned. Balances outstanding against individual loanees had not been worked out and got accepted by the scholars concerned.

3.19.5. *Sanctions to loans.*—Loans were paid almost always in arrears in the closing months of each academic year and the stipulations in the rules requiring the annual scholarships to be paid in monthly instalments in the course of the academic year were seldom observed. On analysing the details of amounts aggregating Rs.18.53 lakhs reported to have been drawn in 1973-74 for payments to 4,305 scholars, it was found that—

- (i) rupees 9.80 lakhs, representing more than one half of the total drawal in the year, were drawn in February and March 1974;
- (ii) by the time the drawals were made, the periods of study which the loans were meant to finance had expired, wholly or in part, in respect of Rs.18.48 lakhs to be paid to 4,298 scholars;
- (iii) rupees 5.29 lakhs (2,499 scholars) related to academic years earlier than 1973-74, the earliest year being 1968-69.

The Director explained that the processes which had to precede issue of sanctions invariably took up the larger part of the academic year concerned.

3.19.6 *Disbursement*.—(a) Amounts of sanctioned loans were drawn and disbursed by the heads of the institutions in which the scholars were studying to October 1965. Thereafter, the amounts were drawn centrally by the directorate and remitted to those institutions. Till 1971-72, the directorate did not maintain a record of drafts purchased and sent to disbursing institutions. Even thereafter, receipt of acknowledgements for drafts sent was not watched on the ground that they were being sent by registered post.

(b) The directorate did not keep a watch on the receipt of monthly, six-monthly and annual certificates and statements which heads of disbursing institutions were required to send to it. Such payees' receipts as were received were not posted in ledger accounts for reasons stated in sub-paragraph 3.19.4.

(c) An account of amounts drawn by individual institutions upto October 1965 and those remitted to each of them thereafter was not prepared upto April 1975. Preparation of such institution-wise abstracts of drawals/remittances in each year was attempted at the instance of Audit thereafter, but the abstracts were not to be checked and tallied (October 1975).

(d) The directorate had no information (October 1975) regarding amounts disbursed to scholars, amounts remaining undisbursed with the institutions and amounts remitted back to Government as undisbursed sums. Since 1970-71, payment of advances by the Central Government in each year was made contingent on the State Government certifying that all amounts remaining undisbursed in the year of advances paid in preceding years had been refunded. Such certificates were not recorded although the Director had no means of verifying how far they represented facts. In the course of test audit, receipted challans in support of Rs.0.61 lakh deposited into treasuries in the years from 1968-69 to 1974-75 in disbursing institutions as undisbursed balances of remittances were found to be lying without being linked with the remittances from which the amounts had been left over. They included Rs.0.26 lakh paid back by a non-Government Engineering College in August 1972 on account of undisbursed balances of scholarships payable in the years from 1964-65 to 1969-70.

(e) The Government of India prescribed (July 1965) that the institutions contributing the loan to needy scholars should open a personal ledger account with treasuries, credit the amount of loan received for disbursement in it, pay the loan to the scholars by withdrawal from the account and render periodical accounts to the sanctioning authorities (the directorate). The directorate, however, had no information as to the number of institutions which had opened personal deposit accounts at the treasury as laid down by the Government of India. Out of 70 Government institutions to which remittances were made in 1972-73, only 1 had such an account. Consequently, undisbursed balances of remittances were being held outside the accounts of the Government.

In the case of Government institutions also, it was decided in December 1975 that these amounts could be passed through personal deposit accounts which

they were already operating for funds meant for extra-curricular activities that a separate account need not be opened for loan scholarship funds as laid down in the new procedure. These accounts were not closed at the end of each year and the extent to which loan scholarship funds forming part of the balance held in them had been used for other purposes was not ascertainable.

(f) The procedure of disbursement prescribed by the Government of India in July 1965 contemplated treasuries sending monthly abstracts of personal deposit accounts of loan scholarships to the Director so that he could scrutinize them and arrange for an internal check of the accounts of particular disbursing institutions, whenever necessary. The State Government was to set up a suitable machinery to check that the heads of institutions had actually disbursed the loan scholarships correctly and regularly to scholars and that their disbursement certificates and the accounts rendered by them were correct. These provisions were not adopted by the State Government and the checks were never exercised.

3.19.7. *Waivers and writes-off.*—As an incentive to bright students to take up teaching as a profession, the scheme permitted the State Government to waive recovery of one-tenth of the loan paid to each scholar for each year he served as a teacher in a recognized educational institution. As against 6,775 scholars who had been aided with loans totalling Rs.94.59 lakhs upto 1969-70 and who should have completed their courses upto March 1974, such waivers had been ordered upto March 1975 only in respect of Rs.0.24 lakh recoverable from 68 scholars. Loans due from seven deceased scholars, amounting to Rs.0.13 lakh were written off by the State Government upto March 1975. But in both cases, specific action was taken for obtaining the sanction of the Government of India for reducing balances owed by the State Government correspondingly and these balances have remained unadjusted.

3.19.8. *Recoveries.*—(a) According to the terms on which these loans were paid, recoveries in monthly instalments became due one year after the scholar started earning or three years after the end of the course of study for which assistance was being provided, whichever was earlier. The amount of each instalment was to be fixed as a specified proportion of income in the case of loanees who were earning subject to a minimum of Rs. 25 per month while recoveries were to be effected at this minimum rate from others. Simple interest at six per cent annum was to be charged on overdue instalments. The agreement could be cancelled for any breach of terms in which event, the entire loan or the part still pending recovery became recoverable in a lump sum with interest at the same rate. The agreement contained provisions enabling the Director to proceed against defaulters as in cases of arrears of land revenue.

(b) The directorate had no machinery for keeping itself informed of whereabouts of loanees from time to time, the dates from which they started earning, the emoluments earned by them, etc., and was entirely dependent on such information as the loanees themselves chose to provide. According to

director, the loanees did not care to keep it informed of these details although the loan agreements required them to do so. Most of the letters addressed by the director to the loanees were reported to be coming back undelivered.

(c) Amounts due for recovery from time to time from loanees according to the time schedule prescribed in the rules of the Scheme had not been worked out and posted by the director in individual ledger accounts and, therefore, systematic action for enforcing recoveries as they fell due was not possible. Repayments were almost entirely voluntary.

(d) The director had not worked out the extent of default in respect of recoveries which fell due in each year. Most of the courses for which loans were given lasted three years or less. Even if it is assumed that all scholars failed to find employment within three years of completing the courses and all of them were entitled to make repayments thereafter in monthly instalments of no more than Rs. 25 per month, the total amount due for recovery upto March 1975 could not have been less than Rs. 49.88 lakhs. Against this, only Rs. 5.07 lakhs had been recovered according to the director. Interest due on overdue instalments of recovery had not been worked out and the total amount pending recovery as interest from loanees in default was not known.

3.20. Use of cinema vans

The audio-visual section of the Education Department had the use of a day-light cinema van and a library-cum-cinema van at Gwalior since before 1965-66. An examination of the utilization of these vans during the period from April 1965 to September 1975 disclosed the following:—

(i) The day-light cinema van was used for 29 film shows in the first seven months of 1973-74. It was also used briefly on the occasion of the Gwalior *Mela* in December 1969—January 1970 for purpose other than exhibition of films. Otherwise, it was idle during the entire period from April 1965 to September 1975. During this period (April 1965 to September 1975), Rs. 0.10 lakh were spent on repairs and maintenance of the van and Rs. 1.12 lakhs on the salaries of staff. Poor utilization of the vehicle for the period upto December 1969 was stated to have been due to the organiser having proceeded on long leave and for the subsequent period this was stated to be due to inadequate budget allotments.

(ii) The library-cum-cinema van covered a total distance of 4,575 miles for holding 130 cinema shows and 16,818 miles for other administrative work. It was not at all used for holding cinema shows in the years 1966-67 to 1968-69, 1971-72 and 1974-75. The personnel employed were paid salaries totalling Rs. 0.96 lakh and used largely as additional hands for office work. Rs. 0.29 lakh were also spent on the running and maintenance of the vehicle.

These facts were brought to the notice of the Government in October 1975; their comments are awaited (February 1976).

GENERAL

3.21. Cases of misappropriation of Government money

The following table shows the position of cases (other than 72 cases involving Rs. 20.54 lakhs which are sub-judice) of alleged misappropriation of Government money reported to Audit upto 31st March 1975 but which had not been finalised at the end of September 1975 :—

(1)	Number of cases (2)	Amount (3) (In lakhs of rupees)
Cases (reported upto March 1974) outstanding at the end of September 1974	584*	64.05*
Cases reported during 1974-75	89	17.07
Cases disposed of till September 1975	76	18.50
Cases outstanding at the end of September 1975	597	62.62

According to rules, cases of misappropriation should be dealt with expeditiously and finalised within six months of their detection and cases in which departmental enquiries have been ordered are to be finalised within a year. Nevertheless, there had been considerable delay in their finalisation as shown below :

Period (1)	Number of cases (2)	Amount (3) (In lakhs of rupees)
(i) Over five years	284	24.86
(ii) Over three years but less than five years	99	8.53
(iii) Over one year but less than three years	126	12.19

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

(1)	Number (2)	Amount (3) (In lakhs of rupees)
(i) Awaiting investigation	357	46.09
(ii) Awaiting action against officials	62	5.23
(iii) Awaiting recovery / information about recovery	130	7.74
(iv) Awaiting orders for write-off	48	3.56

The department-wise analysis of the outstanding cases is given in Annexure XIII.

*The figures differ from the previous year's closing balance due to non-inclusion of 21 items (Rs. 1.69 lakhs) pertaining to earlier years in the last year's report as the amount of loss had not been determined.

According to rules, cases of losses, misappropriations, *etc.*, are required to be reported immediately to the Accountant General. A review of the cases pending at the end of September 1975 disclosed delay of over one year in reporting 158 cases involving Rs. 12.41 lakhs to Audit.

Particulars of three cases of misappropriation of Government money are given in the succeeding paragraphs.

3.21.2. During test check of the accounts of the office of the Medical Superintendent, Singhai Munnalal Ramchandra and Lady Elgin Hospital, Jabalpur conducted in August 1974, misappropriation of Rs. 0.85 lakh came to notice. The misappropriation occurred during the period from June 1971 to August 1974. Out of the amount misappropriated, Rs. 307 were recovered from the Accountant in August 1974. The following points came to notice in this connection:—

(i) Physical verification of cash was not done every month by the Medical Superintendent as required under rules. When verification was done at the instance of Audit on 7th August 1974, the cash was found to be only Rs. 3,387.89 as against the book balance of Rs. 88,802.34.

(ii) The cash balance between 31st March 1972 and 31st August 1973 ranged from Rs. 0.25 lakh to Rs. 0.76 lakh whereas the security furnished by the cashier was only for Rs. 513.76.

(iii) Departmental receipts were utilized towards expenditure and not remitted into treasury at regular intervals.

(iv) The analysis of the closing balance at the end of each month was not recorded in the cash book.

(v) The cash book was not closed daily.

(vi) The cash book was not maintained properly. Transactions were not recorded as and when they occurred and attested. Totals were not got checked by a person other than the writer of the cash book. Corrections were not attested and interpolations, overwritings and erasures were frequent.

(vii) Temporary advances paid to subordinates were charged off as final expenditure in the cash book.

(viii) The whereabouts of the duplicate set of keys of the cash chest, required to be deposited in the treasury, were not known to the Medical Superintendent.

(ix) Money receipt books were got printed locally in Jabalpur from a private press and money receipts were not issued over the signature of the Assistant Medical Superintendent who was authorised in this behalf.

(x) Shortages of cash had been detected in May 1971 (Rs. 2,002.20) and March 1973 (Rs. 13,207.63) by the department during physical verification. Against these, Rs. 2,002.20 were recovered in May 1971. No action was taken

for the recovery of Rs. 13,207.63 nor was any disciplinary action taken against the persons at fault. (These shortages of cash were also not reported to Audit as required under Madhya Pradesh Financial Rules).

(xi) The closing balance on 31st August 1973 was not carried forward in the new cash book started from 1st September 1973. This was pointed out to the Superintendent by the Deputy Director of Treasuries and Accounts, Jabalpur who conducted physical verification of cash on 9th July 1974 and could not vouchsafe correctness of the cash balance on this account. But no action was taken to rectify the position.

The case was reported by Audit (October 1974) to the Director of Health Services and the Government suggesting a detailed departmental audit of the accounts. The amount of alleged misappropriation, according to the preliminary report of the departmental audit, forwarded to Audit, in July 1975, worked out to Rs. 0.89 lakh. Investigations started in August 1974 against the cashier, the accountant and the steward, who are alleged to have been mainly responsible for the misappropriation and have been suspended, have not been completed so far (February 1976). A case was registered with the Police in August 1974 and is under investigation (February 1976).

3.21.3. In the course of test check of the accounts of the District Family Planning-cum-Health Officer, Indore, for the period from November 1968 to September 1971, misappropriation of Rs. 0.29 lakh was detected in October 1971. The *modus operandi* was as follows :—

- (i) depicting inflated amounts of temporary advances in the cash book
- (ii) entering fictitious payments in the cash book; and
- (iii) charging off in the cash book the same disbursement for a second time on a different date.

The following points also came to notice in this connection :—

- (i) Physical verification of cash was not done regularly upto September 1970; it was not done at all thereafter.
- (ii) Heavy cash balances ranging upto Rs. 1.00 lakh were allowed to be retained in the departmental chest between April and August 1970. (The security furnished by the Cashier was for Rs. 1,000).
- (iii) Shortages of cash noticed earlier (Rs. 238 on 31st March 1969, Rs. 16 on 31st July 1969, Rs. 2,774 on 31st July 1970 and Rs. 3,000 on 30th August 1970) by the department at the time of physical verification of cash were neither investigated nor reported to higher authorities and the Accountant General as required under rule 10.
- (iv) Detailed analysis of closing cash balance at the end of each month was not recorded in the cash book.

- (v) The entries of payments and adjustments of temporary advances given to subordinates were not recorded in red ink in the cash book as required under orders of the Government. No proper accounts of temporary advances were maintained.

The case was reported (April 1972) to the Government and the Director of Health Services for investigation. The Director intimated (February 1974) that, according to the provisional findings of the department, there was a defalcation of Rs. 0.33 lakh and that action against the delinquent officials was in progress. In December 1974, the Government handed over the case to the State Vigilance Commission. Information about further progress of the case is awaited (February 1976).

3.21.4. During the examination of the schedules and vouchers relating to the Central Section of accounts of the Durg Treasury during the course of audit of vouchers in the office of the Accountant General, it was noticed that certain withdrawals for amounts totalling Rs. 4.02 lakhs had been made under the head "329—Central"—a non-existent Major Head of Account. The Treasury Officer was requested to explain telegraphically on 12th August 1975 how this Head of Account had been operated upon by him without any authority. The Treasury Officer reported on 25th August 1975 that his investigations had revealed that the amounts under this head had been fraudulently drawn. The alleged misappropriation occurred during the period from 27th June 1975 to 8th August 1975.

The *modus operandi* was as follows :—

- (i) A letter purported to have been signed by the Secretary of the Industrial Development Commission, New Delhi (a non-existent organisation) intimating the opening of a regional office of the Commission at Durg from 15th June 1975 and the posting of one Shri C. W. Dixit as Inspecting Officer incharge of that Office was sent to the Treasury Officer with a copy to the State Bank of India, Durg.
- (ii) Bills were drawn reportedly for disbursement of pay and allowances of the staff of the said regional Office, for incurring contingent expenditure and for payment of loans to small scale industrialists. The bills were duly supported by all the necessary documents (which were forged) such as copies of sanctions, last pay certificates, General Provident Fund schedules, invoices, payees' receipts, etc.

The misappropriation was made possible due to the following :—

- (i) The treasury authorities did not adhere to the provision under the rules that payment to a new drawing officer should be made only with a specific authority from the Accountant General or on receipt of a specific direction from the Government/Collector to make payments.

- (ii) The specimen signature of the drawer were not got duly attested another officer whose signatures were already on record with treasury as prescribed in the rules.
- (iii) The treasury authorities did not check whether the Major Head Account under which the bills were drawn was actually in existence.

The case was reported (September 1975) to the Secretary to the Government of Madhya Pradesh, Finance Department suggesting that the loss to the Central Government caused by the negligence of the treasury authorities be borne by State Government. A reply is awaited (February 1976). The case is under investigation (February 1976) by the Police.

3.22. Writes-off of losses, ex-gratia payments and waiver of recoveries

In 1,070 cases, losses due to shortages, theft, irrecoverable revenue, amounting to Rs. 22.41 lakhs were written-off/remitted during 1974-75 by the competent authorities. In addition, in 16 cases, payments totalling Rs. 0.40 lakhs were made *ex-gratia*.

Department-wise details are given in Annexure XIV.

CHAPTER IV

WORKS EXPENDITURE

IRRIGATION DEPARTMENT

Purchases and utilization of machinery

Introductory.—(i) The Irrigation Department functions under the overall control of the Engineer-in-Chief. Under him there are 4 Chief Engineers in charge of specific projects and 4 Chief Engineers in charge of the river basins in the State. Besides, there is a Chief Engineer in charge of investigations. The heavy earth-moving machines of the department are controlled by the Electrical and Mechanical Organisation which is to decide their deployment after taking into account the requirements of the various projects/works in consultation with the respective Chief Engineers. This Organisation which was originally headed by a Superintendent Engineer is since June 1973 headed by a Chief Engineer. The Chief Engineers of projects/river basins are in charge of the compaction units.

(ii) Tenders for the purchase of machinery and stores above Rs.50 lakhs are required to be considered by the Control Board for Major Projects before necessary approval for purchase is given by the Government. Tenders between Rs. 25 lakhs and Rs. 50 lakhs each are to be considered by a committee presided by the Chief Secretary before sanction is accorded by the Government. Purchases below Rs. 25 lakhs are made in different levels from the Engineer-in-Chief to the Executive Engineer according to the delegation of powers.

In November 1966, the Government decided that a 'Stores Purchase Committee' should be set up for each office, dealing with purchases. The Chief Engineer, Irrigation (designation subsequently changed in August 1969 to "Engineer-in-Chief") issued orders in 1967 for the constitution of such committees in his own office as well as in the Circle and Divisional offices to examine the tenders and make recommendations to the competent authority for according sanctions. It was found that out of nine offices audited, Purchase Committees had been constituted in 6 offices only. The proceedings of the meetings, if any, held by the committees in 3 of these offices were not available to Audit.

(iii) The points noticed during the test check of the accounts and records of the Chief Engineer, Electrical and Mechanical and in 2 Circle offices and 6 Divisional offices of the Irrigation Department between July 1975 and November 1975 are given in the succeeding paragraphs.

4.1.2. *Planning for utilization of machinery.*—(i) According to the orders issued by the Engineer-in-Chief, Irrigation in October 1968, a correct assessment of the

work to be done departmentally with earthmoving machinery is to be made by the Superintending Engineers for their respective Irrigation Circles and a realistic programme of work during the working season (October to June) for each year is to be drawn up by the Electrical and Mechanical Organisation after taking into account the requirements of the various Circles. No such programmes for the working seasons of the years 1970-71, 1971-72 and 1972-73 were prepared by the Electrical and Mechanical Organisation. This was attributed by the Superintending Engineer, Electrical and Mechanical to non-receipt from the concerned Superintending Engineers of statements of definite assessment of work to be done for the various projects in progress.

(ii) An attempt was made by the Superintending Engineer, Electrical and Mechanical to prepare the working plan for 1973-74 on the basis of available information in consultation with the Chief Engineers and other officers. After taking into consideration the dependability and availability of machines, the Superintending Engineer, Electrical and Mechanical decided to take up 5 works in 4 basins involving 400 lakh cubic feet of earthwork against 1247 lakh cubic feet to be done during the year. The work was expected to be completed from 1st October 1973 to 15th June 1974. Out of 380 heavy earthmoving machines with the Organisation, only 83 were in working order in that season and it was decided to deploy 77 of these on the works selected. According to the norms followed by the Organisation these machines should have worked 1,07,800 hours between 1st October 1973 and 30th April 1974. But they actually worked for only 14,976 hours during this period (utilization of 14 per cent). The earthwork done during this period was 34.33 lakh cubic feet only. The reasons for the low utilization of the machines were not available to Audit.

(iii) According to information furnished by the Chief Engineer, Electrical and Mechanical, there were about 460 heavy earthmoving machines at the beginning of the working season for 1975-76. Of these, 121 were unserviceable, 121 were under repairs and another 121 were awaiting repairs. Taking into account the available machines in working order, the Chief Engineer, Electrical and Mechanical sent his proposals for deployment of machines for the working season 1975-76 in September 1975 to the Engineer-in-Chief, Irrigation with a request to finalise the programme in a meeting of the Chief Engineers. No such meeting was held and ultimately the programme was finalised by the Chief Engineer, Electrical and Mechanical himself without any firm commitment from the officer-in-charge of the projects that the machines placed at their disposal would be put to optimum use.

(iv) *Utilization of machines.*—(a) It was stated (September 1975) by the Chief Engineer, Electrical and Mechanical that the norms laid down in the Rao and Costs Committee's Report of 1956 were generally followed in fixing the annual working hours of the machines. According to this report, the efficiency factor expected of a new machine should be at least 65 per cent. The Chief Engineer

Electrical and Mechanical had suggested in July 1974 that efforts should be made to achieve and maintain at least the following utilization efficiency :—

Category (1)	Purchased in (2)	Efficiency expected (3)
New machines	1974 or afterwards	60 to 80 per cent
Old machines	1970-74	50 to 60 per cent
Very old machines	Before 1970	30 to 50 per cent

But the actual achievement in the field was far below the percentages applicable as disclosed during a study by the Chief Engineer, Electrical and Mechanical of the utilization of the machines during 1972-73 and 1973-74 as shown below .—

Project or Unit (1)	1972-73		1973-74	
	Number of machines (2)	Overall efficiency percentage (3)	Number of machines (4)	Overall efficiency percentage (5)
Tawa Project	92	16	98	17
Mahanadi Reservoir Project	New project	..	26	18
Electrical and Mechanical Division, Raipur (Mahanadi-Godavari basin)	70	1	75	5
Electrical and Mechanical Division, Korba (Godavari basin, Hasdeo Project)	75	5	80	4
Electrical and Mechanical Division, Satna (Ganga basin and Bargi Project)	55	9	88	10
Electrical and Mechanical Division, Bhopal (Narmada-Tapti basin and Barna Project)	23	24	13	6
Electrical and Mechanical Division, Gwalior (Chambal-Betwa basin)	115	0.04	105	1

(b) Mahanadi Reservoir Project.—(1) A review by Audit of the utilization of machines in the Mahanadi Reservoir Project, where machines worth Rs. 2.50 crores were purchased between July 1973 and November 1974, showed that the actual utilization of the machines was much below their working capacity as per norms. Details are as follows :—

Serial No	Description	Number purchased	Working capacity in hours per annum (working season)	Actual hours utilized in working season of 1974-75	Percentage of utilization
(1)	(2)	(3)	(4)	(5)	(6)
1.	BEML 'C' 229 'F' scrapers	20	40,000	9,571	24
2.	BEML 'D' 120 A-18 dozers	9	18,000	5,478	30
3.	BEML D-50-A-15 tractors with angle dozer	5	10,000	2,762	28
4.	BEML D-50-A-15 tractors (without angle dozers)	8	16,000	2,916	18
5.	BEML-440 motor graders	3	4,500	364	8
6.	Coles crane	1	2,000	94	5
7.	Hypo Leyland truck trailer (Received in March 1975)	1	5,000 kms.	..	..

(2) As verified by Audit from the monthly reports, not more than 6 per cent to 16 per cent of the machines were out of order at a time. Low utilization of machines would, therefore, appear, to be due to purchases having been made in excess of requirements of the project. The Chief Engineer, Mahanadi Project, in a letter to the Secretary, Control Board for Major Projects, in November 1974 stated that out of 16 crawler tractors (D-50-BEML make of 90 horse power) purchased between May 1973 and October 1974, 6 would become surplus to his requirements and could be transferred to other projects. Three crawler tractors (D-50-BEML make) were temporarily loaned to Bargi Project. One of these tractors has not at all been used in the Mahanadi Reservoir Project and of the other two only one had worked for 3 hours and the other for 89 hours since their purchase. The tractors were received back in June 1975.

(3) During the working season of 1974-75 the project had 3 units of heavy earthmoving machinery (each consisting of 6 scrapers, 4 tractors and 2 dozers with two extra scrapers. Even presuming that two of these units were available throughout the season for earthwork in the project (the machines comprising the third unit being treated as standby) they should have handled 9.18 lakh cubic metres of earth work. Actually they were able to give an outturn of 4.94 lakh cubic metres only. The reasons for shortfall given in the quarterly progress reports were irregular supply of petrol, oil and lubricants, inexperienced operators, etc.

(4) Earthwork of 0.665 lakh cubic metres (0.60 lakh cubic metres on the saddle and 0.065 lakh cubic metres on the main dam) was awarded to contractor instead of doing it departmentally through its own machines. It was stated (June 1975) by the Executive Engineer, Electrical and Mechanical, Mahanadi Reservoir Project, that the site of the work of the saddle dam was about 8 kilometres from the workshop and it was uneconomical to take the machines daily to the site work.

(c) *Shifting of a Sub-division.*— As per the orders dated January 1974 of the Chief Engineer, Ganga Basin, the Electrical and Mechanical Sub-division at Gurma nala in Satna District was to be shifted to Beniganj in Chhatrapur District for earthwork in Rangawan Canal then under construction. In the working season of 1973-74 (October to June) the estimated quantity of earthwork to be done was 75.86 lakh cubic feet on chainages 0 to 290 of the canal. The regular staff of the Electrical and Mechanical Sub-division, comprising about 100 working charged operators and other complementary staff, was transferred to Beniganj three months before the close of the season (March 1974) along with 18 heavy earthmoving machines. Hardly 7 lakh cubic feet of earthwork was done during that season. In a meeting held on 4th July 1974 by the Superintending Engineer, Sone and Tons Circle, and attended by the Executive Engineer, Irrigation and Electrical and Mechanical, it was decided that the earthwork to be done by departmental machines during the working season of 1974-75 would be about 20 lakh cubic feet. This could be done by 4 machines. Accordingly the Superintending Engineer, Sone and Tons Circle moved the Chief Engineer, Ganga Basin in September 1974 for shifting the machines elsewhere. Eleven out of the eighteen

machines were shifted to Kunwarpur Project in Surguja District in December 1974 under the orders of the Chief Engineer. As intimated by the Executive Engineer, Electrical and Mechanical, Satna (January 1976) the expenditure incurred on the shifting of men and machines from Gurma *nala* site to Beniganj Rangawan Canal site) and therefrom to Kunwarpur Project site in Surguja District was Rs. 0.73 lakh and Rs. 1.09 lakhs respectively.

(d) *Utilization of tractors in Shivnath Circle.*—Three out of the nineteen D-50 tractors purchased in 1974-75 by the Government for various works in the State were sent to Shivnath Circle, Durg. The tractors were not provided with angle dozer attachments required for levelling the earthwork to the required grades. The tractors could be put to use only for compaction of the earthwork on minor projects where dumping and levelling of the earthwork was completed manually. The tractors, therefore, remained idle till spreading of earth and levelling to the grades was completed manually. Of the three tractors, one worked for 102 hours (No. 2), another for 72 hours (No. 3) and the third for 91 hours (No. 4) during the working season 1974-75.

In reply to an Audit query, the Superintending Engineer, Electrical and Mechanical, Raipur stated (October 1975) that the tractors were intended to be used in works where earth is spread by mechanical means (dozers) whereas they were actually deployed only on compaction work in the projects and this accounted for the low utilization.

(e) *Pairy Project (Raipur District).*—Items of heavy machinery mentioned below were shifted to the Pairy Project site after discussions between Chief Engineer, Mahanadi-Godavari Basin, Raipur and Officers of the Electrical and Mechanical Organisation :

Description of machine	Number	Place from which shifted	Date of shifting
(1)	(2)	(3)	(4)
S. scrapers (No. 7,9,21)	3	Raipur	29th December 1974
D. 40 grader No. 7	1	Raipur	10th January 1975
108 Russian tractor	1	Korba	17th January 1975
D. 20-Allis pusher	1	Raipur	25th January 1975
S. scraper (No. 2.)	1	Raipur	8th February 1975
A T-D 8 dozer (No.1)	1	Balaghat	4th February 1975
100 dozer	1	Korba	14th March 1975
A T-D 8 dozer (No. 6)	1	Bilaspur	15th April 1975
D 40 grader No. 1	1	Not available	4th April 1975

An expenditure of Rs. 0.37 lakh was incurred on shifting these machines to the project site. Supervisory and operational staff were also transferred to the project site and accommodation for the staff and sheds for machines, etc., was provided at the site. During the working season of 1974-75 (October to June), the machines were engaged in preliminary work like jungle clearance, borrow area clearance, making haulage roads, earthwork, levelling and compaction which are

normally required to be taken up before taking up earthwork in the dam. During the five months of the working season of 1974-75 work valued at Rs. 5.48 lakhs was done by these machines.

The Chief Engineer, Mahanadi-Godavari Basin, Raipur recommended to the Government acceptance of the tenders of contractors for earthwork on the left and right banks as the rate quoted by them was Rs. 110 per 10 cubic metres against the rate of Rs. 224 per 10 cubic metres for the work done by the departmental machines. This was accepted by the Government in August 1975. As a result of allotting the work to contractors the above machines, as stated by the Executive Engineer, Electrical and Mechanical, Heavy Earthmoving Machinery Division, Raipur in December 1975, were without work. He also stated that the rate of earthwork by departmental machines would have been Rs. 153 only per 10 cubic metres.

4.1.3. *Chambal Project.*—(i) In 1965 it was decided by the then Deputy Chief Engineer, Chambal Project (work on which commenced in January 1953) to transfer the surplus earthmoving machines like motorised scrapers, dozers and tractors, no longer useful to this project (approximate value: Rs. 109.51 lakhs) on 'as is where is basis' to the Irrigation Department for possible operation by that department. But the administrative control over these machines was transferred to the Electrical and Mechanical Division, Gwalior under the Irrigation Department only in 1970. Most of the machines remained scattered (October 1975) in various places of the Chambal Project area. According to the note of inspection of the Superintending Engineer, Electrical and Mechanical Circle (inspection conducted in December 1973) of 106 machines transferred to the Irrigation Department, 56 were unserviceable due to wear and tear, 9 were unfit for service due to manufacturing defects, 30 needed repairs before use and only 11 were in working order.

(ii) *Unserviceable machines.*—During audit in November 1975, it was noticed that of the 56 machines classified by the Superintending Engineer, Electrical and Mechanical to be unserviceable, only 15 had completed their optimum working life of 10,000 hours each. A scraper (book value: Rs. 0.58 lakh) received on transfer from Bhakra Nangal Project had been in unserviceable condition from the date of receipt itself. The extent of utilization of the remaining 40 machines before their transfer to the Electrical and Mechanical Division under the Irrigation Department was as follows:—

Number (1)	Book value (2) (In lakhs of rupees)	Extent of utilization with reference to optimum working hours (3)
6	2.08	Less than 10 per cent
2	0.71	10 per cent to 25 per cent
10	7.33	25 per cent to 50 per cent
8	6.46	50 per cent to 75 per cent
14	13.10	More than 75 per cent

The period for which these machines have been lying idle are as below:

Number (1)	Book value (2) (In lakhs of rupees)	Period for which lying idle (3) (years)
1	0.58	16
2	1.16	14
4	2.86	13
2	1.90	12
9	6.90	11
12	9.10	16
7	5.08	9
2	1.54	8
1	0.56	7

(iii) *Machines needing repairs.*—It was also noticed in audit (November 1975) that 18 machines out of 30 machines (book value: Rs. 26.70 lakhs) classified as needing repairs had not been brought into use after their transfer till March 1975. The extent of utilization of these machines prior to 1965 (for which only information was available) was as below:

Number (1)	Book value (2) (In lakhs of rupees)	Extent of utilization with refer- ence to optimum working hours (3)
3	4.27	Less than 25 per cent
6	12.08	25 per cent to 50 per cent
6	9.03	50 per cent to 75 per cent
3	3.32	More than 75 per cent

Of these 18 machines, 8 (book value: Rs. 12.76 lakhs) remained idle for over 10 years and 7 (book value: Rs 12.15 lakhs) for over 5 years.

(iv) *Utilization after transfer to Irrigation Department.*—A few of the machines received in working condition and 7 out of 12 machines which were repaired were brought to use between 1969 and 1975 but the hours of work actually done by them were very low compared to the norm of 2000 hours of work per machine during a working season as laid down in the Rates and Costs Committee's Report of 1956 shown below:

Year (1)	Number of machines used (2)	Number of hours for which they should have been used according to norms (3)	Hours for which actually used (4)	Percentage performance (5)
1969-70	4	8000	334	4
1970-71	5	12000	2696	22
1971-72	8	16000	2391	15
1972-73	8	16000	1934	13
1973-74	7	14000	1199	9
1974-75	6	12000	1937	16

4.1.4. *Tawa Project.*—(i) The work on this project commenced in 1956-57. During the period ending March 1971, 91 heavy earthmoving machines were purchased. In addition five scrapers and 3 dozers were transferred from other projects between October 1973 and December 1974. According to the Chief Engineer Electrical and Mechanical, the percentage of utilization of these machines during the last five years was as follows :—

Year (1)	Percentage (2)
1971-72	15.25
1972-73	16.16
1973-74	17.40
1974-75	6.70*

The high percentage of underutilization would indicate that a substantial portion of the expenditure on operational and maintenance staff (Rs. 11.24 lakh) during these years was infructuous.

(ii) According to the figures made available for the period from April 1971 to March 1975, the actual earthwork done by these machines fell short of the target as indicated below :

Year (1)	Target (2)	Achievement (3)	Shortfall (4)
(In cubic metres)			
1971-72	5,66,500	4,57,800	1,08,700
1972-73	4,98,000	4,13,000	85,000
1973-74	6,57,000	6,19,730	37,270
1974-75	4,87,300	3,59,430	1,27,870

The shortfall was attributed mainly to shortage of dumpers and dozers. It was, however, noticed in Audit that more than one-third (which should remain as standbys according to the norm adopted by the department) of these machines were idle and some of these machines were not used at all.

(iii) *Machines which have become surplus.*—As per the assessment made by the Chief Engineer, Tawa Project in May 1975 (and confirmed by the Chief Engineer, Electrical and Mechanical during his inspection of August 1975) machines as mentioned in Annexure XV have become surplus to the requirement of the project. Action taken for transfer of these machines to other projects was not intimated (October 1975).

*The work executed was stated to have been less than the work executed in previous years due to comparatively difficult locations at which the work had to be done.

4.1.5. *Spare parts.*—(i) A precise estimate of the value of spares held by the various units of the Electrical and Mechanical Organisation was not readily available (October 1975).

(ii) The Chief Engineer, Irrigation (now Engineer-in-Chief) ordered in January 1968, that, prior to making purchase of spare parts, each Executive Engineer should prepare an estimate and get it approved by the Superintending Engineer, Electrical and Mechanical who would scrutinise it with reference to the stock position as well as the availability of the spares in other divisions. Instances of unplanned purchases, purchase made without estimates and purchases in excess of requirements are mentioned in the succeeding paragraphs.

(iii) During a test check of the stores of Electrical and Mechanical Division, Satna, it was noticed by Audit in September 1975 that the value of the stock of 24 items of spares required for Caterpillar equipment, and 16 items of spares for Allis Chalmers equipment increased from Rs. 0.54 lakh in April 1972 to Rs. 3.19 lakhs in March 1975 as indicated below :

(1)	Caterpillar equipment		Allis Chalmer equipment	
	Number (2)	Value (3) Rs.	Number (4)	Value (5) Rs.
Opening balance as on 1st April 1972	203	10,150	130	42,820
Receipts from 1972-73 to 1974-75	1,432	2,21,500	372	84,560
Issues from 1972-73 to 1974-75	179	22,400	75	17,940
Closing balance as on 31st March 1975	1,456	2,09,250	427	1,09,440

It was stated by the Executive Engineer, Satna Division in September 1975 that the increase in the stock was due partly to transfers received from certain other divisions and partly to a decision not to repair the Allis Chalmer scrapers which had become uneconomical.

(iv) *Surplus spares.*—In reply to an audit query, the Chief Engineer, Electrical and Mechanical stated in September 1975 that the value of surplus spare parts in the entire department would be of the order of Rs. 2.50 crores, including those stocked by major projects. During an inspection of the machines of the Tawa Project in August 1975, it was noticed by the Chief Engineer, Electrical and Mechanical that surplus spare parts valued Rs. one crore for earthmoving machines were available in the stores due to heavy purchases having been made as the supplying firms were stated to have indicated that the availability of spares would be uncertain and prices were also likely to rise in future.

(v) Instructions were issued by the Chief Engineer, Electrical and Mechanical during his inspection of the Regional Stores at Raipur in September 1973 that the stores should maintain master box files containing details of (i) surplus parts available in the stores, (ii) surplus parts available in other projects/States

as circulated by them; and (iii) demands for spares received from other division projects so that a single officer could arrange for transfer of surplus to other projects/States and carry out inspection and collection of spares available in other projects/ States for required repairs of machines in the State. The information regarding extent to which the procedure has been implemented is awaited (February 1976).

(vi) *Extra expenditure.*—In July 1974, the Director General, Supplies and Disposals (D.G.S. & D.) intimated the Irrigation Department that two firms with whom rate contracts had been entered into in January 1974 for the supply of imported spare parts for Caterpillar equipment, had demanded upward revision of prices due to unprecedented and unexpected price revision by their principals abroad and advised the Irrigation Department to place supply orders to the maximum extent on the firms with the least possible delay, while the request for upward revision was under consideration with them. In October 1974, the D.G.S. & D. informed the Irrigation Department that as the rate contract at the existing rates with these firms had closed on 18th July 1974, those rates would apply to orders placed upto that date only.

It was noticed in Audit that the following orders had been placed on orders of these firms through the D.G.S. & D. between January 1974 and May 1974 :

Serial number	Order placing authority	Month in which orders were placed	Number items
(1)	(2)	(3)	(4)
1.	Superintending Engineer, Electrical and Mechanical, Raipur for Executive Engineer, Electrical and Mechanical Division, Satna	January 1974	176
2.	Executive Engineer, Electrical and Mechanical, Raipur	February 1974	32
		February 1974	48
		April 1974	48
		May 1974	1,027

The order placed by the Superintending Engineer, Electrical and Mechanical was cancelled by him in September 1974 to the extent supplies had not been received. Subsequently, 9 orders for supply of 33 items out of these valued Rs. 0.99 lakh were placed by the Executive Engineer, Electrical and Mechanical Division, Satna in December 1974 and January 1975 outside the rate contract on the same firm.

Similarly, 2 orders—one placed in February 1974 and another placed April 1974 were cancelled by the Executive Engineer, Electrical and Mechanical Division, Raipur in October 1974 'after discussions with the firm's representative

The order placed in May 1974 was cancelled in September 1974, except for 28 items included therein. In October 1974 a fresh supply order was placed with the firm outside the rate contract for 847 items (substantially those included in the order cancelled in September 1974). Spares of the value of Rs.10.49 lakhs were supplied by the firm against this order between November 1974 and July 1975.

As the prices outside the rate contract were 60 per cent above those mentioned in the rate contract of January 1974, the Government had to bear an extra expenditure of about Rs. 4.20 lakhs because the orders were placed outside the rate contract.

(vii) *Excessive purchase of spare parts.*—Four Letourneau scrapers, purchased in 1955, were lying idle since June 1967 in the Electrical and Mechanical Workshop, Bilaspur. In December 1973, the Executive Engineer, Electrical and Mechanical Division No.2, Raipur placed orders with Bharat Earthmovers Ltd., for supply of 459 items of spares for repairing the scrapers. An estimate for these repairs at Rs. 2.22 lakhs was sent by him only in March 1974 to the Superintending Engineer, Electrical and Mechanical, Raipur. The estimate had not been sanctioned (July 1975). In the meantime, 348 out of 459 items were received till July 1975. The bills for 228 out of 348 items supplied, received by the division, till July 1975 were for the value of Rs. 5.42 lakhs against the estimate of Rs. 2.22 lakhs for the repairs.

4.1.6. *Extra expenditure.*—(i) *Purchase of double-drum sheep-foot rollers:* Purchase of 18 double-drum sheep-foot rollers required for compaction work in medium and minor works was sanctioned by the Government in September 1972. Tenders were called for by the Superintending Engineer, Electrical and Mechanical in December 1972 in response to which two firms (one of Calcutta and another of Baroda) sent their offers. The Government permitted (March 1973) the Superintending Engineer, Electrical and Mechanical to hold negotiations with both the firms in order to obtain some clarifications. During negotiations in April 1973, the Calcutta firm agreed to keep their tender open upto 15th May 1973 and offered discounts as below :

Orders upto 29 pairs	No discount
Orders between 30 and 50 pairs	1 per cent
Orders above 50 pairs	1½ per cent

The revised offer of the Calcutta firm was recommended to the Government by the Engineer-in-Chief on 2nd May 1973, with a suggestion that 42 pairs of rollers may be purchased taking into account the requirements of major projects also. In spite of the firm extending the time limit for acceptance from time to time (last extension upto 7th September 1973), no decision was taken till October 1973, when the Government rejected the tenders without giving any reasons and ordered reinvitation of tenders for 18 pairs only. Tenders were accordingly invited in February 1974 and the offer of the Baroda firm, which was the lowest

this time, was accepted in July 1974 by the Engineer-in-Chief. An order for supply of 18 pairs was placed in August 1974. After ascertaining demands from other Circles and Projects, additional orders were placed for 19 pairs between September and December 1974. The rates accepted by the Engineer-in-Chief in July 1974 (Rs. 22,230 per pair) were much higher than the rate quoted by the Calcutta firm in the first call (Rs. 19,875 less 1 per cent discount) and resulted in an extra cost of Rs. 0.98 lakh (including sales tax) to the Government.

(ii) *Purchase of truck chassis.*—In order to meet the requirement of Hasdeo Project, the Chief Engineer, Mahanadi, Bodhghat and Hasdeo Projects requested the Superintending Engineer, Electrical and Mechanical, Raipur in August 1973 to procure 8 truck chassis. He also suggested that purchases might be made through the D.G.S. & D. in case there was a current rate contract or by calling tenders otherwise. The Superintending Engineer, Electrical and Mechanical placed orders for the supply of 4 Dodge truck chassis at Rs.0.58 lakh each (including sales tax and incidental charges) through the D.G.S. & D. on 1st October 1973 against a rate contract in force upto 31st October 1973. Tenders were called for the purchase of another two chassis in November 1973 with the due date for opening tenders as 28th December 1973. Three tenders were received (2 for supply of Hindustan chassis and another for Leyland chassis) and the Superintending Engineer, Electrical and Mechanical recommended (February 1974) acceptance of the tenders for supply of Leyland chassis. But this was rejected by the Chief Engineer of the Project (July 1974) as he wanted to have a fleet of only one type of trucks in the project. Hence a supply order for 2 Dodge chassis was placed in August 1974 with manufacturers outside the rate contract at Rs. 0.85 lakh each. Had the orders been placed through the D.G.S. & D. in October 1973 during the currency of rate contract there would have been a saving of Rs. 0.54 lakh to the Government.

Government sanction for payment of 90 per cent advance (Rs.1.46 lakh) was paid to the firm in July 1975 for the supply of the two trucks required under the rules is still awaited (February 1976).

4.1.7. *Other points of interest.*— (i) At present there is no system of monitoring the performance of the machines at regular intervals with a view to ensuring that only the efficient and useful types of machines are retained and others are phased out. The divisional offices do not have machine-wise information of operational costs and outturn.

(ii) The existing procedure is to purchase plant and machinery debited to a particular project estimate. The entire expenditure on maintenance, operation and special repairs are also debited to the same project. It is, therefore, not possible to ascertain whether the machines are utilized to the optimum capacity and at minimal cost. It was, however, seen from an examination of a list of machines in the Electrical and Mechanical Division, Bhatnagar that the expenditure

occurred on running and maintenance of many machines exceeded the earnings from the same as shown below :

Name of the machine (2)	Expenditure incurred (3)	Earnings with reference to hourly rates (4)
	Rs.	Rs.
<i>1973-74—</i>		
D. W. 10 No. 21 scraper	14,426	9,174
D. 8 No. 8 dozer	23,945	9,732
D. W. 10 scraper No. 24	36,893	19,214
D. W. 10 scraper No. 10	19,172	13,205
7 D. 8 dozers No. 12	5,554	} Not utilized
D. 8 dozers No. 5	1,058	
D. W. 10 scraper No. 2	12,189	
T. D. 9 tractor No. 3	656	
<i>1974-75—</i>		
D. 8 dozers No. 8	22,051	409
D. 8 dozers No. 10	12,411	525
D. W. 10 scraper No. 12	5,497	803
D. W. 10 scraper No. 19	9,985	216
T. D. 18 dozer No. 2	7,791	335
T. D. 24 dozer No. 2 Use	8,937	Not utilized
Motor Grader 12 No. 2	19,101	2,463
D. 8. dozer No. 4 B	1,353	} Not utilized
T. D. 24 dozer No. 15	8,897	

(iii) No rules have been framed so far (February 1976) regarding the condemnation and phasing out of heavy earthmoving and other machines handled by the Electrical and Mechanical Organisation. During a meeting of the Project Review Committee in September 1973 the matter was looked into and the Finance department called for specific proposals from the Engineer-in-Chief, Irrigation and Chief Engineer, Electrical and Mechanical. Draft Rules for phasing out and condemnation of these machines submitted by the Chief Engineer, Electrical and Mechanical in September 1973 are still (February 1976) under consideration of the Government.

(iv) Cases in which machines were lying idle pending preparation of survey reports and submission of proposals for condemnation and write off are mentioned in Annexure XVI. Similarly, cases in which proposals forwarded to higher authorities pending with them for orders are mentioned in Annexure XVII.

(v) There are regional workshops under the Electrical and Mechanical Divisions at Raipur, Satna, etc., for undertaking major repairs of machines and field workshops at the project sites for attending to maintenance and minor repairs. There is considerable delay in preparing the estimates for repairs and approval of the same by the competent authorities. In the meantime, the machines remain lying with engines, etc., opened for inspection or repairs. Instances of such cases are given in Annexure XVIII.

(vi) Some machines repaired at considerable cost went out of commission after working for very short periods as shown in Annexure XIX.

(vii) Seven Allis Chalmers T.S. 200 scrapers purchased at a cost of Rs. 1.20 lakhs each in 1955 were lying idle since 1973 in the Satna workshop. Three of these (Nos. 3 A, 3 B and 7) were considered uneconomical in view of the heavy consumption of spares and lubricants and hence it was decided to phase them out. In spite of this, it was seen that Rs. 0.60 lakh were spent on repairing these machines during 1973-74 and 1974-75.

The matters referred to above were reported to the Government in December 1975; their reply is awaited (February 1976).

4.2. Hasdeo Project

Hasdeo project in Bilaspur District is one of the major Hydro Electric-Irrigation Projects of Madhya Pradesh. The project was proposed to be executed in two phases:

Phase I (estimated cost as per revised estimate*: Rs.10.16 crores)	Unit I	Hasdeo Barrage near Darri village
	Unit II	Left bank canal for gravitational supply of water to the new thermal power house at Korba.
Phase II (estimated *cost— Unit I : Rs.58.92 crores; estimated cost as per revised estimate for works so far sanctioned under Unit II : Rs.10.14 crores)	Unit I	Construction of dam and Hydro-Electric Power Station at Bango.
	Unit II	Construction of left bank canal and right bank canal systems for irrigation.

The estimate for Phase I was revised in 1972 from Rs.3.30 crores sanctioned in March 1963 to Rs.10.16 crores due to construction of additional structures found necessary as a result of model experiments, increase in establishment cost and the extra cost on construction of residential and non-residential buildings for additional staff and offices. The revised estimate has not yet been sanctioned by the Government nor have the accounts of the work been closed so far (January 1976). The booked expenditure to the end of August 1975 was Rs.7.56 crores.

The estimate of Rs.58.92 crores for Phase II (Unit I) of the project, submitted by the Chief Engineer, Investigation Cell in January 1972, is also yet to be approved by the Government (January 1976).

In order to effectively utilize the surplus water available from Hasdeo barrage during monsoons, after meeting the requirements of the power station, the Government administratively approved in August 1967, as a part of Phase II (Unit II), the construction of a pilot scheme (estimated cost : Rs.4.97 crores)

*The estimates are yet (January 1976) to be sanctioned.

provide irrigation from the run of the river by a canal system taking off from the right bank head regulator already constructed under Phase I. The pilot scheme comprises the construction of right bank canal (length: 47.85 kilometres), Janjgir branch canal (length : 22.40 kilometres) and distributories and minors (total length : 501 kilometres). Work on the pilot scheme was commenced in March 1968 and was expected to be completed in June 1974. In May 1971 the Superintending Engineer, Hasdeo Project Circle submitted a revised estimate for Rs.11.32 crores to the Government for approval. The increase in the cost was attributed by him mainly to increase in the cost of labour and materials (Rs.0.64 crore), land acquisition (Rs.0.09 crore), masonry works (Rs.1.50 crores), increase in the quantity of earthwork mainly in the filling reaches and lining of some sections of the main canal (Rs. 2.35 crores) and the distributories and minors (Rs.0.99 crore), and increase in the cost of establishment (Rs.0.78 crore). The irrigation potential, which had been estimated as 1,17,271 acres in 1967, was brought down in the estimate to 1,03,732 based on a critical study of the discharges from the barrage in October (from the year 1967 to the year 1970) and deltas recorded during that month. The number of villages to be benefitted from the main canal and from the Janjgir branch canal was also reduced from 83 to 25 and from 136 to 126 respectively. Revised administrative approval was recorded by the Government in October 1975 for Rs.10.14 crores.

The right bank canal, Janjgir branch canal and major distributories to be constructed under the pilot scheme are now ready. Out of 501 kilometres of distribution system, 224 kilometers to cover 40,000 out of 1,03,732 acres had been completed by March 1975. An amount of Rs.10.17 crores was spent on the scheme to the end of August 1975. The remaining works are expected to be completed by June 1976 at a cost of Rs.1.25 crores. The delay in completion of the work was attributed by the Superintending Engineer, Hasdeo Project Circle in September 1975 to delay in acquisition of land, insufficient number of machines for consolidation and compaction of earthwork and delayed formation of the divisions to handle the canal works.

Important points which came to notice during the test check of the accounts and records of the project are mentioned in the subsequent paragraphs.

4.2.2. Phase I—Construction of Hasdeo Barrage and Left Bank Canal

(1) *Crest Gates.*—(i) *Modification of design:* In the modified designs of the piers of the Hasdeo barrage, approved by the Central Water and Power Commission in August 1963, the top level of the reinforced concrete piers was kept at R.L. (reduced level) 963 and steel trestles were provided above R.L. 963 upto R.L. 965. The contractor (a limited company) for the supply and erection of crest gates including the steel trestles, whose tender for the work had been accepted by the Government in August 1963, suggested in June 1964 that the trestle portion above R.L. 963 be substituted by reinforced cement concrete work as he was countering certain technical difficulties in accommodating the wheel tracks,

groovelines, etc., in the trestles made of steel. He offered a deduction of Rs.0.75 lakh from his lump sum tender if the substitution was accepted. The then Superintending Engineer, Hasdeo Project Circle accepted this modification (August 1964) with the approval of the Central Water and Power Commission as he was of the view that the cost of reinforced cement concrete work involved in raising the piers would be less than Rs. 0.75 lakh. However, the cost of execution of the additional quantity of reinforced cement concrete work involved in raising the height of the piers from R.L. 963 to R.L. 995 came to about Rs.3.99 lakhs, which was due mainly to the fact that the contractor for the barrage had to be paid at Rs.744 per hundred cubic feet for this additional item of work against the stipulated rate of Rs.314 per hundred cubic feet for reinforced concrete work in piers as the increase in the height of piers necessitated a change in the mode of construction. The Government had thus to incur an extra expenditure of Rs.3.24 lakhs.

(ii) *Reimbursement of sales tax.*—The contractor claimed reimbursement of an amount of Rs.0.99 lakh on account of sales tax paid by him to the Government of Orissa on materials used in fabrication of the gates. The Commissioner of Sales Tax, Madhya Pradesh to whom the matter was referred, held the view that there was no contract of sale of materials used in a work where the contract was entire and indivisible for execution and, therefore, no sales tax was leviable on these materials. Instead of advising the contractor to obtain refund of the sales tax paid from the Government of Orissa on the basis of advice given by the Commissioner of Sales Tax, the Irrigation Department ordered in August 1964 reimbursement of the claim of Rs.0.99 lakh to the contractor. The reimbursement was actually made in April 1968.

(2) *Construction of the barrage and appurtenant works*—(i) *Finalisation of the bill.*—The contract for the construction of the barrage and appurtenant works was awarded to the National Projects Construction Corporation Limited (N.P.C.C. Ltd.) in October 1961 and was scheduled to be completed by June 1964. The work was completed in June 1966. No penalty has so far (January 1976) been levied for the delayed completion of the work. The final bill has also not yet been paid to the N.P.C.C. Ltd. (January 1976). Some of the claims (money value: Rs.19.47 lakhs with interest from September 1966) put forward by the N.P.C.C. Ltd., were referred to arbitration in June 1970. Another claim for Rs.0.95 lakh made by the N.P.C.C. Ltd., for the construction of a coffer dam was under consideration of the Government.

(ii) *Provisional payments for dewatering.*—Payment for dewatering in barrage foundations, as quoted by the N.P.C.C. Ltd., and accepted by the department, was to be made on 'cost plus' basis. The N.P.C.C. Ltd., expressed their inability to furnish bills on 'cost plus' basis about three years after start of dewatering operations and demanded dewatering charges at Rs.1.00 per kilowatt hour of energy consumed in the work. The divisional officer in charge of the work had not maintained any records for the purpose nor had he any other means of checking the claim. The Chief Engineer recommended a rate of Rs.0.85 paise per kilowatt hour in March 1968 against the rate of Re.1 claimed by the N.P.C.C. Ltd.

Against a claim of Rs. 10.85 lakhs for dewatering in barrage at Re.1 per kilowatt hour, a provisional payment of Rs.9.23 lakhs has so far been made. Sanction of the Government to the payment of dewatering charges paid at the rates recommended by the Chief Engineer is awaited (February 1976).

(iii) *Provisional payments for general lighting.*—For general lighting in the Hasdeo Barrage works area, the following conditions stipulated by the N.P.C.C. Ltd., were agreed to by the Government :—

“(a) *Contract for spillway portion of Hasdeo Barrage* : Power will be supplied by the department at site of work and general lighting will be the responsibility of the department. Power consumed on Corporation’s machines and colony will be charged at 19 paise per unit.

(b) *Contract for earth dam portion of Hasdeo Barrage* : General lighting of roads and site of work will be done by the department as considered necessary from the point of view of the department at one or more important points on the site of work, colony, etc. The energy consumed by the Corporation for machinery, lighting of colony and lighting of site of work which is not considered necessary for purposes of the department will be charged at a rate of 19 paise per unit. Lighting at quarry sites will be done by the Corporation.”

The N.P.C.C. Ltd., had quoted a lump sum of Rs.3.00 lakhs for the capital work for general lighting in the barrage area, haulage roads and borrow areas in case they were asked to undertake the work. The department did not accept this but provided the main and feeder high tension lines, transformers, low tension feeder and distribution lines and service lines considered necessary for the work; the exact expenditure incurred by them on this account is, however, not readily available. The maintenance and upkeep of the general lighting of the barrage was entrusted to the N.P.C.C. Ltd., who initially presented a bill for Rs.0.19 lakh for maintenance work for the period from November 1962 to July 1963 and later withdrew the bill for presenting a more comprehensive claim.

In a meeting held in April 1966 the N.P.C.C. Ltd., agreed to furnish details of expenditure actually incurred by them duly certified by their Company auditors. However, this could not be done as no separate accounts of this expenditure had been maintained by them. They, therefore, demanded an *ad-hoc* payment at two per cent of the cost of work done for general lighting. The Chief Engineer, Irrigation recommended to the Government, in March 1968, payment of an amount of Rs. 5.4 lakhs to the N.P.C.C. Ltd., on this account as detailed below on the ground that the completion of the earthen dam took one season more and the completion of the barrage took two seasons more than anticipated :

	<i>In lakhs of rupees</i>	
Lump sum offer of the N.P.C.C. Ltd.	3.00	(This as stated earlier was for capital works and not general maintenance)
Additional amount for lighting barrage and earthen dam for one season (1964-65)	1.50	
Additional amount for lighting of barrage for one season (1965-66)	0.90	
Total	5.49	

Already provisional payments of Rs. 3 lakhs in March 1965 and Rs. 2 lakhs in March 1969 had been made on this account.

The matter was referred by the Government to the Chief Engineer, Electrical and Mechanical in May 1974, who observed in his report, *inter-alia*, as under:

".....(The N. P. C. C. Ltd.) did not make their own lighting arrangement but obtained the arrangement made by the department and at best erected a few extra service lines.....A most optimistic estimate of the expenditure.....may be of the order Rs. 50,000 during the whole period of the work....."

The Chief Engineer of the project was asked by the Government to review the payment in the light of the above comments. Final action was to be taken (September 1975). The Superintending Engineer, Hasdeo Project Circle intimated in September 1975 that the payments already made were subject to adjustment on receipt of the Government decision.

(iv) *Excess payment.*—The Superintending Engineer, Hasdeo Project Circle observed, in June 1966, that in the case of excavation of approach channels which was being done by blasting, and had been awarded to piece workers in some of the reaches, it was not possible to excavate to the exact designed profile in rocky reaches at bottom or on side slopes. Hence a tolerance of plus or minus one foot was permitted by him in the case of these piece workers and he ordered that payments be made to them as per actual level reached within the above tolerance. Accordingly, Rs. 0.28 lakh were paid to the piece workers.

In the case of excavation in exit channel, entrusted to the N.P.C.C. Ltd. the Superintending Engineer recommended (October 1966) a similar tolerance for the approval of the Chief Engineer. The Chief Engineer did not, however, approve the proposal. In the meantime Rs. 0.17 lakh had been paid to the N.P.C.C. Ltd. in anticipation of the approval of the Chief Engineer.

In August 1967 the successor Superintending Engineer intimated the Chief Engineer that there was no provision in the agreements entered into with the N. P. C. C. Ltd., and the piece workers for the recommended tolerances nor were such tolerances either necessary or ever given.

Action for recovery of excess payment made totalling Rs. 0.45 lakh has not so far been initiated (January 1976).

(v) *Power supply at Chorabhatti quarry.*—The N. P. C. C. Ltd., offered in May 1963 to complete the work of the Hasdeo Barrage earthen dam and exit channel by June 1965 provided power was made available at Chorabhatti quarry. Although the provision of electric supply at the quarry site was the responsibility of the N. P. C. C. Ltd., as per the agreement, the department spent an amount of Rs. 0.56 lakh for this purpose. By the time the line was energised in October 1964, the N. P. C. C. Ltd., had shifted their operations to another quarry, and did not utilize the power supply at Chorabhatti quarry. The amount spent on

electrification of the quarry was recovered from the N.P.C.C. Ltd., in May 1965. In a meeting held in August 1967 between representatives of the department presided over by the Secretary, Irrigation and the N. P. C. C. Ltd., it was decided that the matter would be examined by the Chief Engineer and proposals for debiting the expenditure incurred by the department to the project account would be submitted to the Government and in the meantime the amount recovered would be refunded to the N. P. C. C. Ltd. The refund was accordingly made to the N. P. C. C. Ltd., in August 1967. The proposals were (December 1975) not submitted to the Government.

(vi) *Payments for re-excavation.*—One of the conditions of the contract with the N. P. C. C. Ltd., for the construction of the earthen dam was that they would be entitled to receive payment for re-excavation of earth from the areas where excavation had been done but which had not, under departmental instructions, been filled in with the required materials before the season was over with the result that the area excavated had got silted up before the commencement of the next season. It was noticed during audit in August 1964 that the N. P. C. C. Ltd., was paid an amount of Rs.1.52 lakhs for re-excavation done by them, even though there were no orders of the department not to fill in the excavated area in the earlier season during which the excavation had originally been done.

The matter was brought to the notice of the Government by Audit in September 1964.

(vii) *Payment at full rate for an incomplete item of work.*—As per the terms of the contract with the N. P. C. C. Ltd., the item of work 'excavation' included 'backfilling' of the excavated material and no extra payment was admissible on this account. In respect of the spillway and right bank head regulator, the N. P. C. C. Ltd., had done only excavation without backfilling. This backfilling was done departmentally through earthmoving machines and piece-rate workers at a cost of Rs. 0.55 lakh. Payments to the N. P. C. C. Ltd., for the excavation done was, however, made at the full rates as per contract (which was inclusive of 'backfilling'). The then Superintending Engineer's contention that 'backfilling' should be considered as an extra item was not accepted by the Chief Engineer in January 1967. The recovery of the amount of Rs. 0.55 lakh had not ^{been} made (December 1975) from the N.P.C.C Ltd.

The matter was reported by Audit to the Government in April 1969.

(viii) *Loss due to damages to central guide bund.*—A part of the central guide bund was damaged in August 1975. The extent of this loss was not ascertained (December 1975). It was stated by the Executive Engineer, Hasdeo Barrage Division (September 1975) that the reasons for the settlement of the bund were under investigation and it might perhaps be due to movement of bed materials during high floods. Final report on the loss and measures taken to prevent recurrence of such losses is awaited (February 1976).

4.2.3. Construction of Pilot Irrigation Scheme

(i) *Avoidable expenditure on dewatering done departmentally.*—The tender accepted by the Government in May 1970 for the work of construction of Right Bank Canal for miles 1 to 3 provided for items of earthwork excluding dewatering. The work was to be completed in June 1972 (later extended upto June 1973). The contractor offered to do the dewatering for a lump sum payment of Rs. 0.50 lakh, against the estimated figure of Rs. 0.39 lakh. This offer was not accepted and it was decided by the Government that dewatering would be done departmentally. The total cost of dewatering done departmentally was Rs. 3.32 lakhs. The Executive Engineer stated in May 1974 that they could not correctly anticipate the position of underground water. Due to seepage from a nearby lake through the wing return of the right bank head regulator, dewatering done was more than originally anticipated.

(ii) *Non-return of steel by a re-rolling firm.*—Due to non-availability of 10 millimetre to 20 millimetre diameter mild steel bars urgently required during 1971 for works in progress, it was decided by the Project authorities to get steel of bigger sizes (available in the stores as surplus since the closure of barrage works) re-rolled into those of required sizes. The tender of a firm of Indore, which *inter-alia*, included the following terms, was accepted in September 1971 and three work orders were issued in the same month by the Executive Engineer, Hasdeo Barrage Division, for re-rolling 200 metric tonnes of steel bars:—

- (a) Charges for handling and binding would be paid extra at Rs. 10.00 per metric tonne.
- (b) The rates for re-rolling were subject to $8\frac{1}{2}$ per cent burning and wastage allowances on original quantity to be re-rolled.
- (c) The re-rolled steel was to be delivered within two months from the date of issue of work orders.

The firm lifted 80,694 metric tonnes of steel bars of 35 millimetre diameter in 3 lots between October and December 1971, and delivered in December 1971, 41,125 metric tonnes of steel bars re-rolled into the required sizes. Making allowance for $8\frac{1}{2}$ per cent burning and wastage on the quantity of steel supplied for re-rolling to the firm, it has still to return 36.10 metric tonnes of steel the cost of which works out to Rs. 0.84 lakh (at the market rate of Rs. 2,345 per metric tonne as in January 1974). No security was obtained from the firm. The Executive Engineer intimated that an amount of Rs. 0.17 lakh due to the firm on account of re-rolling and transportation had been withheld.

The case was brought to the notice of the Chief Engineer / Government by Audit in May 1974. The Chief Engineer sought the permission of the Government to institute civil proceedings against the firm; orders of the Government are awaited (February 1976).

(iii) *Idle plant and machinery.*—Ten scrapers, two dumpers, and six tractors purchased from a foreign supplier in 1964 for the Kharkara Project were transferred to Hasdeo Project between 1969 and 1972. The residual value of these machines was Rs. 27.28 lakhs.

The machines worked for periods ranging from 100 hours to 2,000 hours only in the project. Many of them are lying idle from various dates mainly for want of spares (Annexure XX). The Superintending Engineer, Electrical and Mechanical stated in October 1975 that spares valued at Rs. 5.99 lakhs were required for putting the machines in working order and supplies against orders placed in 1970 with the representatives of the foreign supplier through the Director General of Supplies and Disposals were yet to be received.

(iv) *Non-acceptance of debits for work done by machinery.*—Earthwork including dozing, dumping, levelling, grading, rolling and watering was done by machines of the Electrical and Mechanical Circle. Out of bills for Rs. 39.03 lakhs for the work done during the period from 1969-70 to 1974-75 (December 1974) sent by the Circle, bills for Rs. 11.02 lakhs have not been verified and accepted by the Barrage Division and three Canal Divisions (February 1976).

(v) *Higher payments due to incorrect interpretation of the terms of contract.*—Clause 4.3.13.3 of the special conditions of the contract entered into with some of the contractors on the basis of item rate tenders for excavation in canals reads as follows:—

“In case of such items for which the tender rates exceed the estimate rates on which basis the probable amount of contract has been worked out at the time of calling for tenders by more than 25 per cent and if the quantities of such items exceed the quantities shown in Appendix I of the tender documents by more than 10 per cent the quantity in excess of 10 per cent will be paid at the estimated rates plus or minus the overall percentage of the accepted tender above or below as the case may be to the estimate rates of the total of Appendix I, subject to the maximum of the tendered rates of such items as provided in the agreement”.

It was found during the audit of the accounts of the Barrage Division in January 1969 and Canal Division in December 1972 that due to payment at the rates mentioned in the tender instead of at the rates to be derived for additional quantities under the above clause, an overpayment of Rs. 0.12 lakh was made in five cases.

Subsequently, the Chief Technical Examiner, in May 1975, brought to notice similar overpayments amounting to Rs. 0.45 lakh in respect of payments made against 8 contracts entered into between 1969-70 and 1971-72. Action taken for recovery of the overpayments is yet to be intimated (February 1976).

(vi) *Points brought out by the Chief Technical Examiner.*—The Chief Technical Examiner in his report referred to above also brought to the notice of the department the following matters:—

(a) *Extra cost due to rejection of lower tenders.*—Tenders were called for between November 1968 and March 1969 for seven works for construction of canal, masonry

works and cross drainages costing in all Rs. 43.45 lakhs divided into different reaches. These percentage rate tenders varying between 0.30 per cent below the then current schedule of rates and 19 per cent above (except in one case where the tendered percentage was 45 per cent above), were rejected by the Government as the detailed estimates had not been finalised and sanctioned.

Tenders were again recalled in December 1969 and January 1970 and those received at much higher rates varying between 37.6 per cent and 55.92 per cent above the current schedule of rates were accepted by the Government in May and November 1970.

This resulted in avoidable loss of Rs. 11.53 lakhs to the Government as per details given at Annexure XXI.

(b) *Excess payments due to wrong classification of soils.*—Due to wrong classification of soils at the time of recording measurements, 'hard moorum' was found classified and paid as 'soft rock' and 'soft rock' was classified as 'fissured and fractured rock requiring blasting' and paid for as non-scheduled items. This resulted in overpayment of Rs. 4.52 lakhs in respect of one contract entered into in 1970-71 upto the 28th running account bill paid to the contractor in March 1975. Similarly, in the case of 10 agreements entered into between 1969-70 and 1973-74 and work done by piece workers between 4,530 metres to 19,590 metres of the canal inspected by the Chief Technical Examiner, the formations were found to be generally highly disintegrated rock, hard moorum and hard shale mixed with or without boulders not to be classified as 'soft rock'. Nevertheless, these were classified as soft rock by the Officers-in-charge resulting in an overpayment of Rs. 2.28 lakhs in works executed under the Hasdeo Canal Division No. 1 Korba.

A similar overpayment of Rs. 2.08 lakhs upto March 1974 was noticed in Hasdeo Barrage Division, Korba in respect of work done by another contractor.

(c) *Avoidable loss due to bringing earth from Government lands with uneconomic leads.*—In 15 reaches of the canal inspected by the Chief Technical Examiner between 2,640 metres and 22,860 metres, the leads paid for bringing earth for canal embankment work, resulted in payments higher than the expenditure that would have been incurred had lands nearer the banks of the canal been temporarily acquired and material from the same utilized on construction. The total avoidable expenditure pointed out was Rs. 14.74 lakhs.

(d) *Non-utilization of hard rock cores obtained from excavation.*—In respect of an agreement entered into by the Executive Engineer, Hasdeo Canal Division No. 1, Korba in 1970-71 it was noticed by the Chief Technical Examiner that sufficient material fit for metal breaking could have been obtained from the hard rock cores in small quantities enclosed in soft rock masses obtained during excavation. According to him, these hard rock cores should have been sorted out

carefully and issued to the contractor again for breaking them into graded metal (20 millimetre, 40 millimetre, etc.) for utilization in items involving metal in cement concreting. The omission of the Officer-in-charge to do so resulted in a loss of Rs. 0.30 lakh.

(e) Commenting on the pilot irrigation scheme the Chief Technical Examiner stated in May 1975 :

"The Hasdeo project envisages construction of the pilot section of the right bank canal system sufficient to utilize the available water completely with features and facilities to enable, at a later stage, to enlarge it to full sections and complete system without loss and avoidable and extra cost to the Government. This object is not considered to have been reasonably realised. The project has remained 'pilot scheme' only in benefits and has touched ultimate sections and cost in most of the reaches.

The canal alignment has slid down to uneconomical lower contours involving avoidable large quantities and costs on earthwork and resulting in complicated and costly approaches, junctions and alignments of cross drainage works.

The economics of different alignments have not received proper attention. Costly alignment both in the pilot and ultimate phase was adopted and executed.

There was avoidable long delay of about three years in the finalisation and starting the construction work owing to which the special advantages prevailing at the site were not availed to construct and complete the work during the periods of low price structure. Due to such abnormal delay, the cost of the work has increased by about 40 per cent".

The points raised by the Chief Technical Examiner were reported by him to the Government in May 1975.

4.2.4. Other topics.—Supply of water to Madhya Pradesh Electricity Board:
The Hasdeo barrage was constructed with the object of supplying water to the 200 megawatt thermal power station at Korba. Due to their commitment to supply water from June 1965, the project authorities had to incur an expenditure of Rs. 8.62 lakhs (as per the revised estimates) for providing interim water supply between January 1966 and December 1967 as the construction of spillway gates was not complete. No agreement has so far (February 1976) been entered into between the Irrigation Department and the Madhya Pradesh Electricity Board for supply of water; the draft agreement was sent by the Chief Engineer, Irrigation to the Government for approval in April 1969.

According to the orders of the Government issued in April 1966, provisional assessment of dues from the Board is to be done on the basis of Rs. 600 per million cubic feet of water supplied. The amount due from the Board on this basis is as follows :—

	<i>In lakhs of rupees</i>
For interim water supply upto December 1967	15.08
For gravitational water supply from December 1967 to August 1975	29.07
Total	44.15

No payment was made by the Board till January 1974 when the Government directed them to make an *ad-hoc* payment of Rs. 50.00 lakhs, pending discussion of the case 'on merits'. The Board made a payment of Rs. 34.73 lakhs in March 1974, withholding an amount of Rs. 15.27 lakhs towards work done by them for the Irrigation Department in Rewa region. The Board has not released the withheld amount so far, although the Government intimated the Board in March 1974 of their decision that the cost of the work done in Rewa region should not be paid by the Irrigation Department.

The matters referred to above were communicated to the Government in December 1975 (some of the matters had been referred to the Government earlier also as indicated against them); their reply is awaited (February 1976).

4.3. Tawa Masonry Dam

(i) The construction work of Tawa Masonry Dam was divided into six groups. After inviting tenders, the work in two groups (groups I and II) was awarded (April 1970) to contractor A and the work in the remaining groups (groups III to VI) to contractor B. Clause 5.2.03 of the agreements relating to "Excavation for Dam" provided, *inter-alia*, the following :—

"The excavation shall be made to sufficient depth to secure foundation on sound rock free from weathered materials, open seams or other objectionable defects. The foundation shall have to be taken deeper in places indicated by Engineer-in-Charge and upto the level indicated by him. Whenever further blasting is liable to disturb the rock upon or against which concrete or masonry is to be placed, the use of explosives shall be discontinued and excavation completed by wedging, barring, channelling, line drilling and broaching or other suitable methods. Blasting will also not be allowed for the last 2 or 3 feet depth of the designed foundation level and excavation shall be done by other methods indicated above. The foundation levels are based on indication of preliminary borings and are subject to change as actual site conditions warrant".

It would thus appear that all types of rock excavations were required to be done upto sufficient depth to secure foundation on sound rock with or without blasting and the contractors were to be paid as per the rates in the agreements.

The agreement rates for the item of work "Excavation in all types of rock including conglomerate complete as per specifications with all lifts and leads up to 200 metres and disposal as directed including wet excavation and removal of slush, wedging and barring, etc., where required" were as follows :—

Contractor	Group	Rate per 10 cubic metres
(1)	(2)	(3)
(In rupees)		
A	I	60
	II	100
B	III	150
	IV,V	130
	VI	170

In December 1970, contractor A represented to the Executive Engineer, Tawa Project Division No. 2 that according to him it was clear from the contract provision that out of total rock excavation for foundation of the dam, only 2 or 3 feet in depth were to be removed without using explosives and by any of the methods mentioned in the contract and that any of those methods were very costly compared to excavation with the use of explosives. He stated that he had tendered his rate on the basis of those provisions which included cost of rock excavation by wedging, barring and chiselling only upto 2 or 3 feet and did not include cost of excavation with those methods beyond that depth. He also intended that excavations of faulty zones were not covered by his tendered rates and that excavation in seams and faults was also an additional item which was not covered by any item of schedule of quantities of the contract.

The Executive Engineer, while forwarding (March 1971) the representation to the Superintending Engineer, observed that "the excavation of the faulty zones below the designed levels was a very time consuming and costly proposition and it was, therefore, fair that a suitable rate for the job should be sanctioned for payment for the actual work done below the designed foundation level for removing the shale seams".

On the basis of these recommendations "excavation in confined places with pneumatic methods for removal of shale lenticles below designed foundation grade, etc.," was sanctioned (March 1972) as an extra item of work by the Superintending Engineer and a rate of Rs. 105.93 per cubic metre was approved by him for the work falling in this category. The sanction of a higher rate for the item does not appear to be justified in view of the provisions of clause 5.2.03 of the agreements entered into earlier.

During the course of local audit of the accounts of Tawa Project Division No. 2 it was noticed (April-May 1974) that a certain part of excavation in rock had been treated as an extra item in accordance with the above decision and the contractors paid at the higher rate sanctioned for the extra item instead of at the agreement rates. The amount thus paid extra was Rs. 2.01 lakhs (Rs. 1.18 lakhs to contractor A and Rs. 0.83 lakh to contractor B).

The Chief Technical Examiner (Vigilance), to whom the case was reported (December 1974) by Audit, held the view (January 1975) that the objection raised by Audit with reference to payment of excavation had been verified from the agreement of the work and the contention of Audit was correct.

The matter was reported to the Government in December 1974; their reply was awaited (February 1976).

(ii) Again clause 3.3.13 (B) (a) of the agreements with contractor A for groups I and II provided as follows :—

"In case of such items for which the tender rates exceed the estimated rates on which was based the probable amount of contract had been worked out at the time of calling tenders by more than 25 per cent and if the quantities of such items exceed the quantities shown in sche-

dule 'G' of the tender documents at the time of calling tender by more than 10 per cent the quantity in excess of 10 per cent will be paid at the estimated rates plus or minus over percentage of the accepted tender above or below, as the case may be, to the estimated rate the total of schedule 'G' subject to the maximum of tendered rates of such items as provided in agreement".

During the course of local audit of the accounts of Tawa Project Division No. I, it was noticed (January-February 1973) that payments for the quantities of items of work executed exceeding 10 per cent of the estimated quantities schedule 'G' and for which the rates quoted exceeded the tendered rates by more than 25 per cent were made at the tendered rates instead of at the rates provided in the agreement resulting in excess payment of Rs. 1.91 lakhs. The Executive Engineer, who was advised (February 1973) by Audit to recover the amount overpaid, continued payment to the contractor at higher rates till 12th May 1973 whereafter the claims were regulated under provisions of the agreement. The total amount overpaid to the contractor upto this date (12th May 1973) was Rs. 2.24 lakhs.

The matter was reported to the Government and the Chief Engineer in June 1973. The Chief Engineer recommended (February 1974) that the application of clause 3.3.13 (B) (a) of the agreement be waived in this case as it was not advisable to raise any dispute at that stage of work and, thereby, dislocate its continuation and completion. Final decision of the Government is awaited. In the meantime, the Chief Engineer intimated (October 1975) Audit that Rs. 2.24 lakhs overpaid to the contractor had been recovered and credited to "Deposits" in April 1975 in the first instance and to the work itself in September 1975. It is added, however, that the contractor was "not satisfied" and had lodged claims which "will be finally settled under orders of Government".

4.4. Re-rolling of steel bars

The Superintending Engineer, Electrical and Mechanical Circle, Tawanagar awarded to a firm two contracts for re-rolling a total quantity of 400 tonnes of mild steel bars of bigger diameters into bars of smaller diameters. The work orders, issued on 22nd May 1971 and 21st September 1971 respectively, stipulated *inter-alia*,

- (i) that the re-rolled steel would be delivered within 15 days in the first case and 2 months in the second case from the respective dates of issue of the work orders,
- (ii) that loss of steel due to cutting and burning would be allowed up to seven per cent and that the cost of any shortage over and above this limit would be recoverable from the re-roller at Rs. 1,800 per tonne, and
- (iii) that the re-roller would provide security for the due performance of his contractual obligations or produce, in lieu thereof, a solvent certificate or a bank guarantee for Rs. 50,000 in respect of each contract and that he would be allowed to lift the bars to be re-rolled only after he had done so.

The contractor was allowed to lift 180.668 tonnes of steel on 22nd May 1971 against the first contract although he had not furnished the bank guarantee for

. 50,000 at that time. The bank guarantee was furnished by him only in June 1971. The second work order was issued in September 1971 notwithstanding the fact the contractor had returned only 99 tonnes of re-rolled steel as against a minimum quantity of 168.021 tonnes which he should have returned by the first week of June 1971 against the steel already supplied to him against the first contract. He did not produce any security or a solvency certificate or bank guarantee in respect of the second contract, but was, nevertheless, allowed to lift 30.487 tonnes of bars in September 1971 and 35.060 tonnes in November 1971. He made further deliveries of 9.224 tonnes of re-rolled bars in October 1971, 12.246 tonnes in November 1971, 23.920 tonnes in April 1972 and 9.405 tonnes in July 1972; deliveries ceased, thereafter.

The permissible limit of loss due to cutting and burning at seven per cent of 46.215 tonnes of steel issued to the contractor for re-rolling under both contracts worked out to 17.235 tonnes and he had to deliver at least 228.980 tonnes of re-rolled steel. Against this he delivered only 153.795 tonnes. The cost of 75.185 tonnes, short delivered amounting to Rs. 1.35 lakhs, has not been recovered from him so far (January 1976).

The bank guarantee provided under the first contract was valid upto the end of May 1972 unless got extended and the guarantor was discharged of all liability under it unless a demand or claim was preferred under it within the period of validity. Despite the defaults on the part of the contractor to comply with the terms of the contract, no action was taken upto the end of May 1972 either to get the period of validity extended beyond 30th June 1972 (action was taken for extension upto 30th June 1972; but no information is available whether the extension was actually given by the bank) or to prefer a claim with the bank. When the Executive Engineer did ask the bank on 19th July 1972 to extend the period of validity upto the end of September 1972, the bank replied that the period had already expired. The Chief Engineer sought the permission of the Government to institute a civil suit against the contractor for recovering the sum of Rs. 1.35 lakhs; the permission was awaited (September 1975).

PUBLIC WORKS DEPARTMENT

5. Construction of bridges over Chhoti Mahanadi and Sone-Extra payment

The work of constructing a bridge over river *Chhoti Mahanadi* on Umarihandia-Katni road in Shahdol District was awarded (July 1966) to a contractor at 55 per cent above the current schedule of rates of Rewa Circle. The chapter on "Bridge-work" in this schedule specified the following rates for centering and shuttering work:—

Centering and shuttering for all kinds of superstructure of bridge such as arch slabs, trough slabs, etc., upto 9 metres span	Rs. 18.60 per square metre
Above 9 metres span	Rs. 22.00 per square metre

The rate for centering and shuttering for reinforced cement concrete work on piers and abutments was not laid down in this chapter, but a note at the commencement of the chapter stated that "other chapters of Schedule of Rates shall be applicable to all items of work not covered by this chapter". A rate of Rs. 8.05 per square metre was prescribed for "False work for P.C.C. and R.C.C. works in superstructure" in the chapter on "Roofing" of the Schedule of Rates and, in a schedule appended to the agreement, this was shown as the scheduled rate for 4,000 square metres of centering expected to be required for reinforced cement concrete work below the superstructure level. With the addition of the contractor's percentage, the rate payable worked out to Rs. 12.50 per square metre.

Payments were made at this rate upto the tenth running bill which was paid in December 1969. Meanwhile, the contractor had represented that he should be paid for this work also at the rate of Rs. 22 per square metre. After discussing the claim with the contractor and the Superintending Engineer, Rewa Circle, the Chief Engineer wrote to the Superintending Engineer, on 28th November 1969 asking him to fix a rate for this item of work under clause 13 of the agreement which empowered him to do so for items of work for which there were no scheduled rates. The Chief Engineer, however, pointed out that the work could not be paid for at Rs. 22 per square metre as it involved only side shuttering. The Superintending Engineer examined the cost structure in the light of an analysis furnished by the contractor and on 24th December 1969, fixed the rate for this work at Rs. 22.35 per square metre. The Divisional Officer wrote to the Superintending Engineer (January 1970) pointing out that the rate was nearly double that provided for in the agreement and suggested reconsideration. On receipt of a copy of this letter, the Chief Engineer also wrote to the Superintending Engineer (February 1970) expressing the same view and suggested that the agreed rate of Rs. 12.50 appeared adequate. The matter remained under correspondence between the Chief Engineer and the Superintending Engineer and eventually in June 1971, the former withdrew his suggestion of February 1970 on the ground that the latter was competent to decide the issue and had the information required for doing so. Thereupon, payment was made at the rate of Rs 22.35 per square metre for 4816.82 square metres of centering and shuttering work for reinforced cement concrete in piers and abutments actually done. Payment at the higher rate involved additional expenditure of Rs. 0.47 lakh.

Another contractor, who had been awarded (March 1967) the work of construction of a bridge over river Sone on Anuppur-Jaitpur road in Shahdol District at 36 per cent above the Schedule of Rates of Rewa Circle and on similar terms had claimed the rate of Rs. 22 per square metre for similar work in August 1967 and the claim was rejected by the Superintending Engineer in September 1968. His claims for the work were paid finally in November 1969. In December 1969, he represented that his claim was similar to that of *Chhoti Mahanadi bridge*

and should be decided accordingly. The Superintending Engineer, Rewa Circle, approved (January 1970) a rate of Rs. 23.00 per square metre on the basis of an analysis of costs furnished by the contractor. The matter remained pending upto May 1971 and on receipt of the Chief Engineer's letter of June 1971 referred to in the earlier sub-paragraph, a supplementary payment of Rs. 0.89 lakh was made to the contractor on account of the increased rate. The Chief Technical Examiner (Vigilance) to whom this case was reported by Audit stated (January 1975) that according to the note which appeared in the chapter on "Bridge work" in the Schedule of Rates, payment was due under the agreement only at the scheduled rate of Rs. 8.05 per square metre plus the contractor's percentage and that the extra payment was inadmissible.

The total extra payment in these two cases was Rs. 1.36 lakhs. The matter was reported to the Government in February 1975; their reply is awaited (January 1976).

GENERAL

4.6. (a) Expenditure incurred without sanctioned estimate

A detailed estimate is required to be sanctioned and funds allotted before any new work is commenced or any liability is incurred thereon. From the information collected during local audit of 112, out of about 280 divisions in the State, conducted in the year ending March 1975, it was observed that Rs. 43.71 crores were spent on 1545 works without detailed estimates. Department-wise analysis is given below :

Department (1)	Number of Divisions (2)	Number of works (3)	Expendi- ture (4)
			<i>(In crores of rupees)</i>
Public Works (Buildings and Roads)	48	637	17.10
Irrigation	64	908	26.61
Total	112	1545	43.71

(b) Expenditure incurred in excess of estimates

According to rules, a revised estimate should be got sanctioned by the competent authority in case the expenditure is likely to exceed the sanctioned estimate by more than 5 per cent. From the information collected during the local audit of 99 divisions, conducted upto March 1975, it was noticed that in 879 works, expenditure exceeded the prescribed limits (total excess : Rs. 18.77 crores) ; but

sanctions to revised estimates had not been obtained. Department-wise analysis is given below:

Department	Number of divisions	Number of works	Expenditure in excess of estimate
(1)	(2)	(3)	(4)
			(In crores rupees)
Public Works (Buildings and Roads)	44	539	9.52
Irrigation	55	340	9.25
Total	99	879	18.77

In the following two works, each costing more than rupees ten lakhs, the expenditure upto the 31st March 1975 exceeded the detailed estimates :—

S.No.	Work	Sanctioned estimate	Actual expenditure	Percentage of excess over sanctioned estimate
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
1.	Rannod-Pichhore Road	1.17	15.59	1232
2.	Restoration of Burlai Tank	14.56	18.50	27

4.7. Miscellaneous Public Works Advances

(a) The balance under this head represents value of stores sold on credit expenditure incurred on deposit works in excess of deposits received, losses cash or stores and advances awaiting recovery from Government servants, contractors, etc. Items under the head are to be cleared either by actual recovery or by transfer, under proper sanction or authority, to some other head of account. Non-adjustment or non-recovery of these balances over long periods results in the works accounts remaining undercharged and the possibility of the dues becoming eventually irrecoverable.

A comparison of the balances outstanding under this head as at the end 1973-74 and 1974-75 disclosed an increase of 65.73 per cent as shown below :

S.No.	Name of Department	Balance as at the end of		Percentage of increase
		1973-74	1974-75	
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
1.	Public Health Engineering	6,42.92	11,87.14	84.65
2.	Irrigation (including Tube Wells)	2,25.97	4,37.02	93.40
3.	Public Works (Buildings and Roads)	2,79.88	2,78.89	..
4.	Rehabilitation	1.42	3.17	123.24
	Total	11,50.19	19,06.22	65.73

Rules provide that schedules indicating itemwise details of balances outstanding for more than six months should be sent by the divisions to the Audit Office half-yearly along with their monthly accounts for September and March. During 1974-75, only 152 divisions (out of 280 divisions) sent such schedules and the remaining 128 divisions did not respond to reminders from Audit. According to the schedules received, 43,706 items totalling Rs. 9,49.56 lakhs were outstanding in these 152 divisions at the end of 1974-75 as per details shown below:

	Number of items	Amount (In lakhs of rupees)
Sales on credit	419	9.62
Expenditure incurred on deposit works in excess of deposit	364	4,12.67
Losses, retrenchments and errors	2,974	70.46
Other items	39,949	4,56.81
Total	43,706	9,49.56

Some of the comparatively heavy transactions which have been outstanding over a year, as noticed in the detailed schedules, are mentioned below:

- (i) Advance payments to suppliers remaining unadjusted (Rs. 31.67 lakhs in 27 divisions)
- (ii) Shortages of stock and tools and plant articles (Rs. 9.35 lakhs in 18 divisions)
- (iii) Decretal charges paid to courts and debited to this head instead of obtaining budget provision under relevant final head of account or advances from the Contingency Fund (Rs 4.06 lakhs in 4 divisions)
- (iv) Short supply from suppliers (Rs. 4.01 lakhs in 2 divisions)
- (v) Expenditure incurred without sanction of the competent authority (Rs. 2.94 lakhs in 16 divisions)
- (vi) Amounts recoverable from private persons/firms (Rs. 2.01 lakhs in 6 divisions)
- (vii) Dues outstanding against Government servants who have retired, resigned or expired (Rs. 2.00 lakhs in 29 divisions)
- (viii) Expenditure incurred on behalf of other departments (Rs. 1.89 lakhs in 7 divisions)
- (ix) Advances paid to Land Acquisition Officers (Rs. 1.34 lakhs in 6 divisions)
- (x) Municipal taxes paid for Government residential buildings on behalf of occupant Government servants (Rs. 0.70 lakh in one division)
- (xi) Expenditure incurred without allotment of funds by the Collector (Rs. 0.40 lakh in one division)
- (xii) Telephone and trunk call charges recoverable from officials and others (Rs. 0.61 lakh in 51 divisions)
- (b) The rules provide that when a deposit work is to be carried out, the local body or other party concerned should advance the gross sanctioned expenditure which is payable by it, to the Divisional Officer, in one lump sum, or in instalments

and by such dates as may be specially authorised. Outlay on deposit works required to be limited to the amounts of deposits and amounts spent in excess of the deposits are required to be recovered at once. However, upto the end of March 1975, Rs. 412.67 lakhs on account of expenditure incurred in excess of deposits on 364 works were outstanding for recovery as detailed below :

Department	Number of Works	Expenditure in excess of deposits
(1)	(2)	(3)
		<i>(In lakhs of rupees)</i>
Public Health Engineering	315	3,99.56
Irrigation	10	9.99
Public Works (Buildings and Roads)	39	3.12

The outstandings include Rs. 166.65 lakhs spent by the Public Health Engineering Department on 4 works for which no deposits were received.

CHAPTER V

STORES AND STOCK

GENERAL

Non-receipt of accounts

According to Government instructions, annual consolidated accounts of stores and stock, showing, *inter alia*, stock at the beginning of the year, receipts and issues during the year and the balances at the end of the year are to be furnished to Audit by July every year. Delay in receipt of such accounts has been commented upon in successive Reports of the Comptroller and Auditor General of India. The Committee on Public Accounts observed (Nineteenth Report-April 1971) that, in the absence of the accounts, the departments would not be aware of the latest position of outstanding stock and recommended that effective action be taken to furnish annual consolidated accounts on the prescribed date to the Comptroller General. Nevertheless, delay in submission of such accounts persists and the accounts of the following departments for the years noted against each have not been received (January 1976) :—

Agriculture—

(a) Grow More Food Scheme	1972-73 to 1974-75
(b) Pesticides and Plant Protection	1965-66 to 1974-75
(c) Others	1972-73 to 1974-75
Food	1968-69 to 1974-75
Excise (Opium)	1969-70 to 1974-75
Forest	1972-73 to 1974-75
Jail	1974-75
Stamps	1971-72 (awaited from 17 treasuries)
	1972-73 (awaited from 15 treasuries)
	1973-74 (awaited from 20 treasuries)
	1974-75 (awaited from 23 treasuries)
Medical	1974-75
Public Health	1974-75
Veterinary	1973-74 to 1974-75

5.2. Synopsis of important stores accounts

A synopsis of important stores accounts (excluding those relating to Government Commercial and quasi-Commercial Departments/undertakings) to the extent received is given below :

Department	Description of stores	Year of account	Opening balance on 1st April	Receipts	Issues	Closing balance on 31st March
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(In lakhs of rupees)			
A—Public Works Department—						
1 Irrigation (83 divisions)	Building materials, stores, fuel and timber	1974-75	2,38.70	6,76.65	5,24.56	3,90.79
2 Tawa Project (13 divisions)	do.	do.	1,61.04	3,71.38	2,61.76	2,70.66
3 Chambal Project (2 divisions)	do.	do.	97.06	7.62	9.15	95.53
4 Buildings and Roads (93 divisions)	do.	do.	7,71.56	20,86.71	14,40.31	14,17.96
5 Major Projects (25 divisions)	do.	do.	81.16	4,67.30	3,50.59	1,97.87
6 Tubewells (16 divisions)	do.	do.	7.60	1,56.96	1,64.13	0.43
7 Public Health Engineering (48 divisions)	do.	do.	1,69.45	3,05.49	1,65.10	3,09.84
B—Civil Departments—						
1 Agriculture—						@
Grow More Food Scheme	Seeds, manures, fertilizers and implements	1970-71	1,05.48	50.57	55.45	1,00.60
		1971-72	1,00.60	66.65	75.33	* 91.92
Other than Grow More Food Scheme	Live-stock, tools, plant and machinery, implements, seeds, cattle feed, manures, fertilizers and miscellaneous	1971-72	4,18.34	2,78.16 A	2,41.68 B	4,54.82

@ The closing balance includes shortages and losses valued Rs. 18.64 lakhs awaiting write-off.

* The closing balance includes shortages and losses valued Rs. 19.49 lakhs awaiting write-off.

A Receipts include excesses valued Rs. 2.50 lakhs on stock taking and Rs. 1.11 lakhs due to revaluation.

B Issues include shortages and losses on account of theft, drriage, revaluation and stock taking, etc.

Department	Description of stores	Year of account	Opening balance on 1st April	Receipts	Issues	Closing balance on 31st March
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(In	lakhs	of	rupees)
Forest	Timber and other products	1970-71	3,09.85	5,37.47	5,75.05	2,72.27
		1971-72	2,72.27	7,97.62	9,45.13	1,24.76
	Instruments, plant and machinery, live-stock and other stores	1970-71	68.20	10.35	9.61	68.94
		1971-72	68.94	20.31	7.18	82.07
Jail	Dietary articles, clothing and bedding	1973-74	9.91	1,08.89	1,08.29	10.51
	Manufactory— Tools and plant, raw materials and finished goods.	1973-74	11.31	17.79	17.45	11.65
Medical	Consumable— (Medicines, bedding, clothing, minor instruments and D.D.T.)	1973-74	1,54.68	2,34.86	2,18.41	1,71.13
	Non-consumable— (Heavy plant and machinery, major instruments and vehicles)	1973-74	2,23.07	37.43	7.74	2,52.76
Public Health	Consumable— (Medicines, bedding, clothing, minor instruments and D.D.T.)	1973-74	95.02	1,40.80	1,55.66	80.16
	Non-consumable— (Heavy plant, machinery, major instruments and vehicles)	1973-74	1,50.86	20.04	3.78	1,67.12
Stationery and Printing	Consumable stores	1973-74	91.36*	74.07	83.05	82.38
		1974-75	82.38	1,08.75	78.33	1,12.80
	Other stores	1973-74	22.89	4.63	6.78	20.74
		1974-75	20.74	50.55	13.16	53.13

* Differs from the last year's report due to receipt of figures from two more units.

In the Forest Department, reserve limits of stock have not been fixed after 1967-68. Information regarding regularisation of excesses (Rs. 0.83 lakh) and shortages (Rs. 0.21 lakh) is awaited from the Jail Department (January 1976).

5.3. Reserve limit of stock

Out of 280 divisions (93 Public Works, 139 Irrigation and 48 Public Health Engineering), Stores and Stock accounts of 131 divisions (52 Public Works, 50 Irrigation and 29 Public Health Engineering) were received (October 1975) in Audit Office which disclosed that reserve limit of stock had not been fixed for 63 divisions (42 Public Works and 21 Irrigation). The value of stock held by these 63 divisions on 31st March 1975 was Rs. 7.95 crores. The largest stock held by a single division was Rs. 0.41 crore (Public Works Division, Balaghat).

Of the remaining 68 divisions for which reserve limits of stock had been prescribed, the value of stock held on 31st March 1975 (Rs. 4.21 crores) exceeded the prescribed limit (Rs. 2.57 crores) in 20 divisions (Public Works 6, Irrigation 8 Public Health Engineering 6) by Rs. 1.64 crores. The value of stock in the Electrical and Mechanical Division (Irrigation), Gwalior alone exceeded its reserve limit by Rs. 0.72 crore.

5.4. Stock registers and stock verification

(i) The register of stock in each division is required to be closed at the end of each year and reviewed by the Divisional Officer to ensure that the stock consists only of serviceable articles; the issue price of stores are also to be reviewed in the light of prevailing market rates. Information received (October 1975) from 131 out of 280 divisions disclosed that the registers of stock were not closed and reviewed for the year ending March 1975 in 71 divisions (Public Works 32, Irrigation 29 and Public Health Engineering 10). In 5 of these divisions, the registers of stores and stock account had not been closed for one or more earlier financial years as well. In the Public Works Division I, Guna, the closing of the registers and review of issue prices had not been done since 1954 while in Irrigation Division, Sheopur kalan, the work was in arrears since 1967-68.

(ii) Rules require that stock of stores should be verified at least once a year and the reasons for shortages/excesses investigated and adjustments made promptly. According to information furnished (October 1975) by 131 divisions out of 280, the stock of stores had not been verified at all in 1974-75 in 9 divisions and only partially verified in 17 other divisions. The results of verification have not been made known to Audit (October 1975) by 10 of the divisions in which verification was stated to have been done fully or in part. Shortages totalling Rs. 2.00 lakhs (14 divisions) and excesses of Rs. 0.53 lakh (6 divisions) were awaiting investigation and adjustment (October 1975).

5.5. Minus balances in stores and stock accounts

The stores and stock accounts of 3 Irrigation Divisions closed with minus balances totalling Rs. 7.12 lakhs on 31st March 1975. Of these, the Hasdeo Canal Division I, Korba accounted for a minus balance of Rs. 5.82 lakhs.

5.6. Surplus stores

Stores worth Rs. 9.90 lakhs were declared surplus by 8 divisions. This includes spare parts worth Rs. 5.00 lakhs held by the Electrical and Mechanical Division (Irrigation), Satna since 1966-67, and stocks of steel worth Rs. 2.05 lakhs and Rs. 1.71 lakhs respectively lying in the Public Works Division I, Hoshangabad since 1971-72 and in the National Highways Division, Rewa since 1973-74.

IRRIGATION DEPARTMENT

5.7. Purchase of mild steel black blind pipes

The tender of a firm in Indore for a running contract for the supply of mild steel black blind pipes of 6 inches diameter was accepted by the Government in June 1973. The probable quantity to be purchased by the Directorate of Tubewells against the contract was 65,000 metres. The agreement signed by the Director of Tubewells with the firm provided for payment of 90 per cent of the value of the consignment as advance on proof of despatch although such a facility is normally extended only to firms registered with the D. G. S. & D. and the firm on which the order was placed was not so registered. The agreement did also not provide for inspection of the stores by departmental officers before actual despatch to ensure that the stores offered were according to the specifications agreed to.

In January 1974, the Superintending Engineer, Tubewells Circle, Bhopal placed an order with the firm for supply of 4,000 metres of pipes (probable value : Rs. 2.17 lakhs) to be consigned to the Executive Engineer, Tubewells Construction Division, Raipur.

The firm intimated the Executive Engineer in February 1974 that they had despatched 2,250 metres of pipes and the railway receipt and invoice were being sent through the State Bank of India, Raipur. On receiving an intimation from the Bank, the Executive Engineer issued a cheque for Rs. 1.21 lakhs (full value as per invoice for 2,250 metres instead of only 90 per cent thereof) on 6th March 1974 to the Bank for retiring the railway receipt. An examination of the railway receipt disclosed that only 552 metres of pipes (value: Rs. 0.30 lakh) had been consigned by the firm from New Delhi (and not from their works at Indore) to Raipur. The matter was taken up by the Executive Engineer with the Bank for refund of the excess payment. The Bank declined to withhold the payment to the firm in the absence of an order of attachment from a court. It, however, refunded Rs. 0.12 lakh being the 10 per cent value of the invoice paid by the Executive Engineer.

Another consignment of 1,095 metres was received from the firm through road transport in April 1974. This consignment as well as the earlier supply of 552 metres received against the railway receipt were found to be of an inferior quality and not conforming to the specifications. No payment has been made against the second consignment (February 1976).

After investigation by the Police, a criminal case is stated to have been filed (February 1976) in a court of law,

The Government sanctioned (May 1974) the filing of a civil suit against the firm in the District Court, Raipur where the case is pending (February 1976).

5.8. Purchase of galvanised iron pipes

The Superintending Engineer, Mahanadi Reservoir Project, Raipur invited tenders for the supply of different sizes of pipes required for the project. A number of firms sent their tenders which were opened on 25th April 1973. The lowest rate offered by 4 firms were found to be reasonable. The offers of the firms were open for a period of 4 months *i.e.*, upto 25th August 1973. The tenders were forwarded to the Chief Engineer of the project on 1st August 1973 only, after a lapse of more than three months. The Chief Engineer returned the tenders in September 1973 and advised the Superintending Engineer to make the purchases on rate contract. While enquiries were being made from rate contract holders for supply of the pipes the Superintending Engineer asked the firms which had quoted the lowest rate to extend the dates upto which their offers would be kept open. The firms declined to do so. Due to urgency of the requirement of pipes, fresh tenders were invited in February 1974. The tenders of a local firm at Raipur, which had quoted rates higher than the lowest rates received in the first call, were accepted by the Superintending Engineer and supply order was placed on 18th February 1974. This resulted in an extra cost of Rs. 1.78 lakhs to the Government.

5.9. Purchase of canal outlet gates

For the supply of 80 canal outlet gates (30 of 9 inches x 9 inches and 50 of 6 inches x 6 inches; estimated cost : Rs. 0.20 lakh), tenders were called for on 5th June 1973. Five tenders were received and opened on 26th June 1973. The tender of an Indore firm which had quoted the lowest rates was not considered as there was no power of attorney in favour of the person who had signed the tender form. The rates quoted by other firms were considered high and, therefore, rejected. Tenders were again called in September 1973 but these were rejected as the rates received were considered very high. No tenders were received in the third call (tenders opened on 12th December 1973). Tenders were called for the fourth time on 13th December 1973 giving a time of seven days only. The lowest rate of a Kanpur firm (whose rates were the third lowest in the first call) were accepted by the Executive Engineer and orders were placed in December 1973 and January 1974. It was seen that the rates quoted by this firm and accepted by the Executive Engineer were Rs. 632.50 for gates of 9 inches x 9 inches size and Rs. 426.65 for gates of 6 x 6 inches size whereas the rates quoted by them in the first call were Rs. 225 and Rs. 135 respectively plus 15 per cent for transportation to Durg. The non-acceptance of the lowest rates received in the first call resulted in an extra expenditure of Rs. 0.25 lakh.

(ii) Further, seven repeat orders were placed between February 1974 and October 1974 on the same firm at the same rates accepted in December 1973 for 255 gates of big size and 280 gates of small size valued at Rs. 2.79 lakhs without calling for fresh tenders.

10. Purchases in excess of powers delegated to the officers

In the following cases purchases were made by the officers in excess of the powers delegated to them :—

S. No.	Designation of the Officer	Material purchased	Quantity	Value	Date of placing supply orders	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
				(In lakhs of rupees)		
	Executive Engineer, Electrical and Mechanical Division I, Raipur	Spare parts for caterpillar machines	847 items (one order)	10.83	October 1974	Executive Engineer was competent to purchase spare parts on single tender or limited enquiry upto Rs. 5,000 only.
	Superintending Engineer, Tube-wells Circle, Bhopal	Galvanised iron pipes	30,000 metres (one order)	11.87	December 1974	Superintending Engineer was competent to place orders for Rs. 20,000 only on recognised manufacturers without call of tenders.
	Superintending Engineer, Betwa Circle, Bhopal	Hose pipes	Not available (three orders)	2.29	October-December 1974	Orders were placed on the basis of a single tender from parties who were not manufacturers. No powers for such purchases on single tender are vested with the Superintending Engineer.
	do.	High density polythene pipes	Not available (one order)	2.98	October 1974	As against serial No. 2.

11. Splitting up of purchase orders

According to the Financial Rules of the Government, purchase orders are not to be split up to avoid sanction of higher authorities. Instances of such splitting up noticed in audit are given below :

S. No.	Designation of the officer	Material purchased	Total value of purchases	Number of supply orders issued	Period of purchases
(1)	(2)	(3)	(4)	(5)	(6)
			(In lakhs of rupees)		
	Executive Engineer, Electrical and Mechanical Division, Bhopal	Slotted angle iron	0.83	22	January 1974 to March 1975
	do.	Lead for filling pipes	0.26	6	May-June 1974
	Executive Engineer, Electrical and Mechanical Division, Raipur	Spare parts	0.26	7	February—March 1974
	Executive Engineer, Tandula Irrigation Division, Durg	Steel bars	4.04	23	March 1974

In the first three cases, the supply orders were placed for amounts less than Rs.5,000 in each case so as to bring them within the powers of the Executive Engineer. In the fourth case, the notices inviting tenders were issued on 7th March 1974 in 7 different groups each below Rs. 50,000 to avoid the requirement of 30 days clear time for intending tenderers to make their offers. This short notice tender giving 15 days' time reduced the chances of getting more competitive tenders from re-rollers or authorised stockists.

5.12. Advances given in excess of powers

Under orders issued by the Government, a Superintending Engineer/an Executive Engineer is authorised to make advance payment, for material to be supplied, only to suppliers approved by the D. G. S. & D. upto Rs. 50,000/ Rs. 25,000 on proof of despatch if the contract includes a clause for such advance payments. In the following cases advance payments were made in excess of the powers delegated :—

S.No.	Designation of the officer	Material purchased	Amount of advance	Date of payment
(1)	(2)	(3)	(4)	(5)
<i>(In lakhs of rupees)</i>				
1	Superintending Engineer, Betwa Circle, Bhopal	Reinforced cement concrete pressure hume pipes	1.66	Ist October 1974
Advance payment was made on Ist October 1974 and supply orders were placed on 7th October and 7th December 1974.				
2	Executive Engineer, Irrigation Division, Rewa	Transformer	0.74	December 1971

No tenders were received by the Executive Engineer, Irrigation Division, Rewa in response to a limited tender enquiry made in September 1971 for one transformer of 11 kv/3.3 kv capacity. On telephonic enquiry by the Superintending Engineer, a firm at Bhopal offered, in November 1971, to supply the transformer of the required capacity for Rs. 74,250. The Superintending Engineer, Irrigation Circle, Rewa placed a supply order on this firm in December 1971 and also authorised payment of 95 per cent advance, as the lift irrigation scheme, for which the transformer was required, was to be inaugurated in the third week of December 1971. The transformer received in the same month could not, however, be put to use as the Electricity Board had specified transformers of 33 kv/3.3 kv capacity.

PUBLIC WORKS DEPARTMENT

5.13. Shortage of road material

In August 1972, shortage of road metal, boulders and morrum (value: Rs. 0.55 lakh) was noticed by an Overseer while taking over charge of Jaitpur Section of Sub-Division No. II of Buildings and Roads Division, Shahdol. (Shortage was not reported to Audit as required by rules; it came to notice during local audit in December 1972). On the orders of the Executive Engineer, Buildings and Roads Division, Shahdol, the Sub-Divisional Officer conducted physical verification of the

road material in October—November 1972 and reported tentative shortage of material valued at Rs. 0.59 lakh. The Executive Engineer, while submitting in February 1974 final report indicating shortages of material worth Rs. 0.38 lakh, suggested that necessary action for fixing responsibility and recovering the cost of material found short may be taken by the Superintending Engineer. No action has been taken so far (September 1975).

The matter was reported to the Government and the Chief Engineer in April 1973 (and again in February 1975). The Government intimated (February 1976) that individual responsibility for the shortage had been fixed in August 1975 and that further action was in progress.

MEDICAL DEPARTMENT

5.14. Purchase of saffron

The Joint Director of Ayurveda, Bhopal, placed an order with a firm in Hardwar (which had tendered the lowest rate) in February 1974 for supply of 41 kilograms of saffron, at Rs. 1,575 per kilogram, to the Superintendent, Government Ayurvedic Pharmacy, Gwalior by 11th March 1974. The terms of the agreement stipulated that the cost would be paid by the Superintendent, Government Ayurvedic Pharmacy, Gwalior after laboratory testing proved the saffron supplied to be genuine. The Superintendent received 40.5 kilograms of the substance on 4th March 1974. The Government Analyst, Bhopal who tested a sample, reported on 12th June 1974 that it was of "standard quality". Accordingly, the Superintendent, Government Ayurvedic Pharmacy, Gwalior paid Rs. 0.64 lakh to the supplier on 19th July 1974.

On 15th July 1974, five kilograms of the saffron were sent to the Superintendent, Government Ayurvedic and Unani Hospital, Bhopal and ten kilograms to the Superintendent, Government Ayurvedic Pharmacy, Raipur. The former reported to the Joint Director of Ayurveda on 14th August 1974 that the substance received from Gwalior did not have the smell, colour and taste of genuine saffron. Thereupon, samples were drawn from the quantities received at Bhopal and Raipur and the remainder left at Gwalior and got tested. All three specimens were reported (October 1974) by the Government Analyst to be spurious. The Joint Director of Ayurveda reported (November 1974) the matter to the Director of Medical Services. The State Vigilance Commission undertook investigation of the case and impounded (November—December 1974) the entire quantity of saffron and the records connected therewith from the pharmacies/hospitals at Gwalior, Raipur and Bhopal.

The matter was reported to the Government and the Director of Medical Services in June 1975. The Government informed (September 1975) Audit that the State Vigilance Commission was already seized of the matter and had been directed to expedite the case and on receipt of the Commission's report, the Government would take appropriate action.

TRIBAL AND HARIJAN WELFARE DEPARTMENT

5.15. Shortage of stores

Construction materials like asbestos cement sheets, slotted angles, building stones, etc., valued at Rs. 0.37 lakh purchased during 1971-72 in Dhar District were found short during physical verification conducted in May 1973 by the Assistant Engineer, Tribal Welfare and the District Organiser, Tribal Welfare Dhar.

These shortages were not reported to Audit by the District Organiser, Tribal Welfare, Dhar as required under the financial rules of the Government. Action taken by the department to investigate the shortages and fix responsibility for the loss were awaited in Audit (September 1975).

The matter was reported to the Government in October 1975. The Government stated (February 1976) that the report of the Director of Treasuries and Accounts, who had conducted an investigation in September-October 1975 was awaited.

AGRICULTURE DEPARTMENT

5.16. Unused stocks of "Streptocycline"

According to a programme finalised by the Government of India in May 1966, 1.25 lakh acres of land were to be brought under the high-yielding variety "Taichung Native-1" paddy in Madhya Pradesh in the *kharif* season of 1966. The crop was to be protected against bacterial blight with three sprayings, at specified intervals, of solutions in water of "Streptocycline", an antibiotic bactericidal formulation, and "Aureofungin", an antibiotic fungicide. The requirements of the two drugs for the programme in Madhya Pradesh in the *kharif* season of 1966 were worked out by the Government of India at 1,125 kilograms and 937.5 kilograms respectively. Accordingly, the Directorate of Agriculture ordered 1,125 kilograms of "Streptocycline" and 940 kilograms of "Aureofungin" from the manufacturers in May 1966. "Aureofungin" ordered was not supplied in time for use on the *kharif* crop of 1966 and the order was cancelled in November 1966. The entire quantity of "Streptocycline" was supplied, however, by August 1966 directly to subordinate formations in the districts of Balaghat, Raipur, Bilaspur, Durg and Seoni. Its cost came to Rs. 15.75 lakhs.

According to the manufacturers, "Streptocycline" has a shelf-life of three years. Although the entire quantity purchased was meant to be used in the *kharif* season of 1966, only 488.3 kilograms of the drug (cost: Rs. 6.84 lakhs) had been utilized by the end of March 1975. Out of this, 224.2 kilograms (cost Rs. 3.14 lakhs) were used in the years from 1969-70 to 1973-74 when the drug had already outlived its shelf-life. The Directorate was unable to state how much of the remaining 264.1 kilograms was used in each of the years from 1966-67 to 1968-69 and in 1974-75 (November 1975).

There was an unutilized balance of 636.7 kilograms (cost: Rs. 8.91 lakhs) held in stock at the end of March 1975 which was nearly nine years old. The manufacturers informed the Director that these stocks would not be of any use for the control of bacterial blight of paddy (August 1974) and advised him against using them for seed treatment and spraying (June 1975).

Information is awaited from the Directorate of Agriculture (December 1975) regarding the circumstances in which so little of the "Streptoclyne" was actually used in the *kharif* season of 1966.

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

CHAPTER VI

FINANCIAL ASSISTANCE TO AUTHORITIES AND BODIES

6.1. During 1974-75, Rs.20,35.57 lakhs were paid as grants (five per cent of the total revenue expenditure) to local bodies, educational institutions, etc., as shown below :

	<i>(In lakhs of rupees)</i>
Educational institutions (including Jawaharlal Nehru Krishi Vishwa Vidhyalaya)	8,22.02
Municipalities, <i>Janpad Sabhas</i> , local bodies and <i>panchayats</i> , etc.	7,49.26
Individuals	2,76.13
Religious, charitable, public institutions and voluntary agencies	99.36
Co-operative Societies	43.33
Town Improvement Trusts	29.60
Khadi and Village Industries Board, <i>Bhoodan Yagna</i> Board, etc.	15.87
Total	20,35.57

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

	Purpose of grants	Amount
(1)	(2)	(3)
		<i>(In lakhs of rupees)</i>
Education:	Primary	1,16.21
	Secondary	2,51.40
	Collegiate education(Non-technical)	87.58
	University	1,01.63
	Technical	89.62
	Others	61.24
		7,07.68

(1)	Purpose of grants (2)	Amount (3)
		<i>(In lakhs of rupees)</i>
Medical and Public Health :	Medical	5.00
	Public Health:	
	Water supply and drainage	3,32.41
	Housing:	
	Subsidised Industrial Housing Scheme	17.50
	Others	12.10
		<hr/> 3,67.01
Community Development Projects:	Local Development Works	3,01.11
	Educational institutions	22.63
	Health and rural sanitation	0.15
		<hr/> 3,23.89
Agriculture:	Agriculturists	1,21.73
	Educational institutions	1,03.13
	Others	7.18
		<hr/> 2,32.04
Tribal and Harijan welfare :	Scheduled Tribes:	
	Agriculture	82.30
	Scheduled Castes:	
	Agriculture	25.28
	Voluntary agencies:	
	Education	33.11
	Health, housing, etc.	6.16
		<hr/> 1,46.85
Animal Husbandry:	Educational institutions, etc.	52.49
		<hr/> 52.49
Co-operation :	Co-operative Societies	30.28
	Education	12.76
	Agriculture Credit Fund	0.20
	Others	1.48
		<hr/> 44.72

(1)	Purpose of grants (2)	Amount (3) (In lakhs of rupees)
Industries:	Industries	16.54
	Khadi and Village Industries Board	14.16
	Handloom	0.85
		31.55
Social Welfare :	Youth Welfare	6.64
	Social Education	5.25
	Social Welfare Institutions	1.20
		13.09
Others:	Municipalities, etc.	64.58
	Irrigation	20.85
	Religious and charitable institutions	16.59
	Miscellaneous	14.23
		1,16.25
	Total	20,35.57

Where grants are given for specific purposes, administrative authorities are required to furnish to Audit certificates that the grants were utilized for the purposes for which they were paid. The extent to which delay has occurred in furnishing utilization certificates is mentioned in paragraph 1.16 of chapter I.

6.2. According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971, receipts and expenditure of bodies and authorities substantially financed by grants and loans from the Consolidated Fund attract audit by the Comptroller and Auditor General of India. Again, where any grant or loan is given for any specific purpose from the Consolidated Fund, Section 15 of the above Act prescribes that the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authorities satisfy themselves as to the fulfilment of the conditions subject to which such grants and loans were given. Important points noticed during audit under Section 14 and the scrutiny conducted in accordance with Section 15 together with related matters under Section 13 are given in the succeeding paragraphs.

HOUSING AND ENVIRONMENTAL DEPARTMENT

6.3. Town Improvement Trust, Gwalior

The Town Improvement Trust, Gwalior, originally established in the princely state of Gwalior in July 1918, was brought (April 1961) under the Madhya Pradesh Town Improvement Trusts Act, 1960 with the object of improving the housing and environment at Gwalior by development of plots, slum clearance, etc. A summary of the receipts and payments of the Trust for the year 1972-73 is given below :

Receipts	(In lakhs of rupees)	Payments	(In lakhs of rupees)
Opening balance	5.15	Construction expenses	5.04
Loans from the Government	5.72	Repayment of loans	1.68
Grants from the Government	3.60	Refund of cost of land	0.51
Sale proceeds of land/houses and development charges	2.06	Establishment expenses	1.13
Other receipts such as rents, etc.	1.14	Other miscellaneous expenses	0.35
Deposits and advances	1.07	Deposits and advances	0.73
		Closing balance	9.30
Total	18.74	Total	18.74

The Director, Local Fund Accounts has been appointed as the auditor of the Trust.

6.3.2. The Trust received from the Government, between March 1968 and March 1974, loans of Rs.1.31 lakhs and subsidies aggregating Rs.0.93 lakh for construction of 50 tenements under the Centrally sponsored Slum Clearance Scheme. The Scheme provided a ceiling of Rs. 5,240 towards cost of each tenement. The Trust constructed 36 tenements at a cost of Rs.2.24 lakhs, which works out to Rs.6,222 per tenement. The Government informed (February 1975) the Trust that the expenditure of Rs.0.35 lakh incurred in excess of the prescribed ceiling should be borne by the Trust. The amount is yet to be refunded by the Trust (December 1975).

None of these tenements was allotted to slum dwellers at subsidised rent as envisaged in the Scheme. The tenements were, instead, allotted to others at standard rent; prior approval of the Government was not obtained for this change. The Government stated (October 1975) that the Trust had offered these tenements on subsidised rent on priority basis to the slum dwellers but no slum dweller had turned up to occupy them. The Government added subsequently (December 1975) that action for converting the subsidy into loan and recovery of interest

thereon would be taken on receipt of detailed information of allotments made by the Trust, which had been called for. According to the instructions of the Government of India issued in July 1964, the entire amount of subsidy should be refunded in such circumstances with interest at the rate applicable to the loan.

6.3.3. The Trust acquired land from a private party through the Collector Gwalior in November 1957 without settling the price payable for the land. The land was developed and sold, between September 1958 and November 1963, at Rs.6.87 per square yard which was fixed by the Trust as the reasonable price assuming the value of undeveloped land as Rs.0.12 lakh. The award given by the Land Acquisition Officer in April 1970 required the Trust to pay Rs.0.89 lakh as compensation plus interest at 3 per cent per annum from the date of acquisition to the date of payment. The amount of compensation was paid between April 1971 and September 1972; but the interest was not paid (September 1975). The Trust formed a Committee in July 1971 for investigating the circumstances in which the price had been fixed in 1958. In August 1975, however, the Trust dissolved the Committee without obtaining its findings and authorised its Chairman to investigate the matter and report to the Trust.

6.3.4. Due to the non-existence of rules (required to be framed under Section 14 of the Madhya Pradesh Slum Improvement (Acquisition of Land) Act 1956), *inter-alia*, specifying the name of the authority competent to assess the compensation payable for land acquired in connection with slum clearance, the amount of compensation in such cases is being settled by negotiation and mutual agreement. The Government stated (October 1975) that the 1956 Act was being repealed by a new Act which was under consideration.

6.3.5. The following registers/accounts required to be kept under the Madhya Pradesh Town Improvement Trust Account Rules were not maintained:—

- (i) Acquisition Register
- (ii) Materials Register
- (iii) Register of Trees
- (iv) Register of Buildings and Lands
- (v) Register showing disposal of property
- (vi) Material-at-site Account
- (vii) Contractor's Ledger
- (viii) Site Order Book
- (ix) Demand and Collection Register.

Consequently the assets and liabilities position on a specified date was not ascertainable and no effective watch was possible by the Trust on the realisation of dues. The Trust stated (September 1975) that the concerned staff had been directed to maintain all the prescribed records immediately. Rent of the order of Rs.0.41 lakh as worked out by the Trust for the period ranging from 1966-67 to 1974-75 was pending recovery from 20 occupants of a colony maintained by the Trust. Legal action was stated to have been initiated in these cases (September 1975).

EDUCATION DEPARTMENT

4. Madhya Pradesh Hindi Granth Academy

Introduction.—To facilitate the introduction of regional language as medium of instruction at university level and, more specifically, for the production of books for the purpose, the Government of India introduced (January 1968) a scheme for giving assistance to State Governments. For 1968-69, assistance to State Government was limited to 75 per cent of the approved expenditure, the balance being the responsibility of the State Governments. During the Fourth Plan period (1969-70 to 1973-74), however, Central assistance was to be provided on a 75 per cent basis.

6.4.2. *Organisation.*—The Central scheme contemplated the setting up of suitable machinery by the State Governments, preferably autonomous organisations, for implementing it. Accordingly, the Government of Madhya Pradesh constituted “*The Vishwavidhyalayeen Rachana Academy*” in January 1969 (renamed as “*Madhya Pradesh Hindi Granth Academy*” in April 1970) and registered it as a society under the Madhya Pradesh Registration of Societies Act, 1959. The Academy started functioning from 1st July 1969 and its objectives were to produce university level books in Hindi, original writings as well as translations of standard books in other languages, and to make arrangements for their printing and sale.

The constitution of the Academy provides for a Board of Governors. The annual budget and accounts are approved by the Board; the annual accounts are audited by Chartered Accountants appointed by the Academy.

The receipts and the payments of the Academy for the years 1970-71 to 1973-74 are as under:

Particulars	1970-71	1971-72	1972-73	1973-74
(In lakhs of rupees)				
RECEIPTS				
Grants received from the Government	5.00	10.00	20.00	5.00
Miscellaneous receipts	..	0.24	0.09	0.01
Total	5.00	10.24	20.09	5.01
PAYMENTS				
Administration	0.63	1.26	1.06	1.29
Book production	4.38	11.49	15.18	8.38
Sales expenses	..	0.27	0.39	0.53
Seminars	0.64	0.30	0.08	..
Total	5.65	13.32	16.71	10.20

6.4.3. *Book production.*—(i) *Progress of work:* The scheme of book production formulated initially by the Academy and approved (June 1970) by the Co-ordination

Committee appointed by the Government of India for the purpose of preventing duplication of effort by similar organisations in Hindi speaking States, contemplated publication of 487 books. The number and titles of books allotted were revised subsequently and the total number of books finally approved by the Co-ordination Committee (in 1971) was 645, of which 415 were text books and 230 general books. Details of the number of books published, books under print, books of which manuscripts had been received and books which had been assigned to authors/translators at the end of 1973-74 were as under:

Books allotted	645
Books published	170
Books under print	73
Manuscripts received	121
Books assigned to authors/translators	231
Books not undertaken	50

(ii) *Non-sponsoring of books by universities.*—Out of 170 books published upto March 1974, 55 books including 35 text books prepared on the basis of syllabi contents of universities had not been prescribed or recommended by the universities in the State upto September 1975.

The Academy stated (September 1975) that further steps were being taken to ensure early sponsoring of these books by the universities and that seven text books on "Engineering" and one supplementary book on "Medical Science" could not be got prescribed or recommended by the universities as Hindi had not yet been adopted as the medium of instruction in Engineering institutions and Medical colleges in the State.

(iii) *Printing.*—The number of books brought out declined from 71 in 1971-72 to 58 in 1972-73 and to 41 in 1973-74. Out of seventythree books reported to be under print at the end of March 1974, only 10 books were printed by the end of July 1975.

(iv) *Paper account.*—According to the instructions of the Academy the paper dealers are to supply paper direct to the printing presses. A "Register of Paper Account" is maintained in two parts—Part I showing date-wise details of paper purchased/issued and Part II showing press-wise details of supplies/consumption of paper. The following major deficiencies were noticed in the maintenance of this register :—

- (a) Although date-wise details of paper purchased/issued were recorded, an abstract of quantity of different varieties, sizes and weights of paper purchased together with their cost and the presses to which paper was supplied was not prepared monthly or even yearly in Part I of the register with a view to correlate and agree with the contra entries made in Part II of the register.

- (b) Details of size, weight and variety of paper supplied to the presses were generally not recorded in Part II of the register with the result that the quantum of different varieties and sizes of paper utilized on the production of different books by each press could not be ascertained.
- (c) References to printers' bills, inter-press transfers of paper and details regarding size, pages and number of copies of each book printed were not recorded in Part II of the register.
- (d) Balances of different types of paper in stock with each press on completion of work or at the end of each year were not worked out. Periodical or annual report of stock of paper with each press was also not obtained.

(v) *Cost of production.*—The Job Cost Register maintained for assessing the cost of production of each book was incomplete. The cost of production of each book was not worked out in the Job Cost Register. The most important element of cost, namely, cost of paper, was not recorded in respect of any of the 170 books published.

(vi) *Sales and stock.*—In all, 3.61 lakhs copies of 170 books were printed by March 1974. The number of copies printed in respect of each book varied from 1,000 to 3,000. Of these, 0.13 lakh copies were distributed free of cost and 0.68 lakh copies were sold for Rs. 6.81 lakhs to end of March 1975. The balance in stock on 31st March 1975 was 2.80 lakh copies produced at a cost of about Rs.16 lakhs and having an aggregate marked price of Rs. 36 lakhs. Number of books published each year during the period ending 1973-74 and the number of copies printed, distributed/sold and the balance held in stock as at the end of March 1975 are shown below :

	Year of publication			Total
	1971-72	1972-73	1973-74	
1. Number of books published	71	58	41	170
2. Number of copies (<i>In lakhs</i>)				
(a) Printed	1.48	1.23	0.90	3.61
(b) Distributed free of cost till end of March 1975	0.07	0.04	0.02	0.13
(c) Sold till end of March 1975	0.41	0.18	0.09	0.68
(d) In stock at the end of March 1975	1.00	1.01	0.79	2.80
3. Average annual issues (<i>In lakhs</i>)	0.12	0.07	0.06	0.25
4. Percentage of average annual issues to number of copies printed	8	6	7	7

According to the guide-lines laid down by the Government of India, the number of copies to be printed for each edition of a book should be determined after taking into consideration the demand for at least 4-5 years. The percentages

of average annual issues to the number of copies printed during the three years ending 1973-74 showed that the clearance of the production would require a longer period ranging from 12 to 16 years. As sales were poor, the Academy was unable to realise a large part of the investment made by it in publications already brought out and to plough it back into the production of more books as contemplated by the Government of India. The unsold stocks necessitated an expenditure of Rs. 0.46 lakh to end of March 1975 on hiring of four additional godowns for storage (Rs. 0.39 lakh), insurance (Rs. 0.05 lakh) and pest control (Rs. 0.02 lakh).

Annual physical verification of stock of books was not conducted in any of the three years ending 1973-74. Physical verification done for the first time in November 1974 disclosed shortage of 1,100 books (Marked price : Rs. 0.11 lakh) which was written off (February 1975) by the Academy. Losses of 1,140 books (Marked price : Rs. 0.12 lakh) damaged by white ants, rats, moisture, etc., to end of 1973-74 were also written off by the Academy.

6.5. Irregular release of building grants

In relaxation of the general rules governing 'Building grants' contained in the "Unified Grants-in-aid Rules for non-Government educational institutions", the Government sanctioned grants for school buildings of Rs. 3.16 lakhs and Rs. 1.50 lakhs to 13 *Janpad Sabhas* in the year 1971-72 and to an equal number in the year 1972-73 respectively. These grants were to be released by the District Education Officer, Raipur, subject to the following conditions stipulated in the sanctions:—

- (i) Works estimates upto Rs. 2,500 duly certified by the *Janpad* overseer and those above Rs. 2,500 duly certified by the Public Works Department were to be obtained through the Collector.
- (ii) Completion certificates were to be obtained from the Sub-Divisional Officer (Administration) of the Collectorate.

During audit of the records of the District Education Officer, Raipur (October 1974) it was noticed that the grants of Rs. 3.16 lakhs and Rs. 1.50 lakhs were released by the District Education Officer almost at the close of the financial years concerned on *ad hoc* basis without obtaining the estimates of works. Neither completion reports of the works nor utilization certificates for the grants were received by the District Education Officer (October 1974) even though under the rules such certificates were due to be received in his office in June 1972 and June 1973 in respect of the grants given in 1971-72 and 1972-73 respectively. In the absence of the works estimates, completion reports and utilization certificates, the extent to which the grants were admissible and their utilization for the purpose for which they were given could not be verified.

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

SOCIAL WELFARE DEPARTMENT

6.6. Youth Welfare

Under youth welfare, stipends are given to outstanding sportsmen and grants to sports associations and local bodies for development of play grounds.

Rupees 12.79 lakhs were spent for the purpose during the years 1973-74 and 1974-75.

A scrutiny of sanctions involving grants of Rs. 9.37 lakhs to 260 bodies in 1973-74 and 1974-75 and local audit of six grantee-bodies in 1974-75 and 1975-76 (upto May 1975) disclosed the following points :—

- (i) No rules have been framed so far for regulating the payment of grants-in-aid for construction of swimming pools and utility halls, and special sports meets/championships.
- (ii) The financial rules of the Government required that in the case of grants for specified objects the order should specify the time limit within which the grant, or each instalment of it should be spent by the grantee. The authority sanctioning a grant, while communicating the sanction to the Accountant General, should state whether the audited statement of accounts had been received where required, or whether the grantee had been exempted from submitting the statement. In 20 sanctions for grants of Rs. 1.86 lakhs issued by the Government and the Director of *Panchayats* and Social Welfare during 1973-74 and 1974-75, these conditions were not found incorporated.
- (iii) According to the departmental rules grants are not normally payable to a body unless it has an independent legal status. Grants of Rs. 1.22 lakhs were sanctioned by the Government to 25 bodies which were not registered in 1973-74 and 1974-75. The Director, *Panchayats* and Social Welfare stated (November 1975) that no grants would be released to any unregistered body in future.

TRIBAL AND HARIJAN WELFARE DEPARTMENT

6.7. Excess payment of grant

Under rules framed by the Government, managements of the hostels run by non-official institutions for the benefit of students belonging to scheduled castes/tribes are entitled for a stipend of Rs. 30 (revised as Rs. 40 from 1st July 1973) per month per hostler and management expenses at Rs. 68 per hostler per year. Accordingly, Rs. 1.34 lakhs were paid as grants to two institutions during the years 1971-72, 1972-73 and 1973-74 based on the number of seats in the hostels (35 in one institution and 230 in nine hostels run by another institution). During local audit conducted in October 1974 and May 1975 it was found from the statements furnished by these two institutions that the actual number of students

residing in the hostels during these years fell short of the number of available seats, resulting in excess payment of grant to the extent of Rs. 0.15 lakh.

According to the financial rules of the Government, such excess payments are to be refunded to the Government or adjusted from grants payable in subsequent years. This was not done (October 1975).

The matter was reported to the Government in November 1974, June and September 1975; reply is awaited (February 1976).

6.8. Results of audit by the Director, Local Fund Accounts

The Director, Local Fund Accounts, Government of Madhya Pradesh has been appointed as auditor of local bodies (*viz.*, Municipal Corporations, Municipal Councils, *Janpad Sabhas*, Universities, *etc.*).

The arrears in audit of the accounts of the local bodies as reported by the Director (December 1975) are shown below:

	Number of accounts which remained to be audited at the end of March 1974 (Arrears)	Number of accounts to be audited during the year 1974-75	Total
(1)	(2)	(3)	(4)
Number of accounts to be audited during 1974-75	999*	878	1,877
Number of accounts audited during 1974-75	343	224	567
Number of accounts audit of which remained to be undertaken	656	654	1,310

The arrears in completion of audit of the accounts were attributed to inadequacy of staff, preoccupation of available staff with a number of special audits taken up during the year and curtailment of expenditure on travelling allowances as an economy measure.

According to the information furnished by the Director, the following are some of the important points noticed by him during 1974-75.

(i) *Non-utilization of grants.*—The audits done upto the end of 1974-75 disclosed that, out of the grants sanctioned and paid by various departments to

*The increase of the accounts at the end of March 1974 to be audited during 1974-75 from 703 to 999 was explained by the Director as due to the entrustment of the audit of a larger number of local bodies to him consequent on the coming into force of Madhya Pradesh *Sthaniya Sampariksha Adhiniyam*, 1973.

local bodies, etc., upto March 1974, sums totalling Rs. 91.68 lakhs remained unutilized as shown below :

Year of payment	Education	Local Self Government	Public Health and Public Health Engineering	Town Planning	Other Departments	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In lakhs of rupees)						
1969-70 and earlier years	15.32	7.10	8.58	1.83	4.67	37.50
1970-71	1.09	1.33	1.12	..	0.23	3.77
1971-72	6.10	3.12	0.08	..	2.24	11.54
1972-73	3.17	11.86	0.27	7.40	5.18	27.88
1973-74	0.64	9.32	..	..	1.03	10.99
Total	26.32	32.73	10.05	9.23	13.35	91.68

The local bodies in whose case the unspent balance exceeded Rs. 1 lakh numbered twelve and the amount involved was Rs. 27.90 lakhs; year-wise breakdown of these cases is given below :

Year of payment of grants	Number of local bodies	Amount
(1)	(2)	(3)
(In lakhs of rupees)		
Upto 1969-70	5	11.49
1971-72	1	2.00
1972-73	4	8.38
1973-74	2	6.03

(ii) *Utilization of loans.*—In sub-paragraph (ii) of paragraph 47 of the Report of the Comptroller and Auditor General of India for 1971-72 and sub-paragraphs (i) of paragraph 6.2 of his Reports for 1972-73 and 1973-74, it was stated that utilization of loans could not be verified as most of the local bodies were not maintaining properly their records of expenditure out of grants / loans. The Director stated (January 1976) that this was still the case. Completion certificates had not been received by the Director (March 1975) from four local bodies. Amount of loans outstanding and the year-wise details of outstandings were not forthcoming. The amounts of grants and loans which remained unspent were mostly not refunded to the Government.

(iii) *Arrears of audit fees.*—Recovery of Rs. 13.12 lakhs being the cost of audit was reported to be in arrears from local bodies as on 31st March 1975 as

shown below against Rs 11.45 lakhs only stated to be in arrears at the end of 1973-74:

(1)	Upto 1970-71 (2)	1971-72 (3)	1972-73 (4)	1973-74 (5)	Total (6)
	(In lakhs of rupees)				
(a) Municipal Corporations	2.95	0.99	..	..	3.94
(b) Municipal Councils	2.06	0.67	0.68	0.38	3.79
(c) Universities and other Educational Institutions	2.47	0.84	1.10	0.21	4.62
(d) Miscellaneous Institutions including <i>Mandal Panchayats</i> and <i>Janpad Sabhas</i>	0.08	0.09	0.16	0.22	0.55
(e) Trusts and other funds	0.02	0.07	0.06	0.07	0.22
Total ..	7.58	2.66	2.00	0.88	13.12

The Director stated (January 1976) that action was being taken for realisation of audit fees from the defaulting units.

(iv) Rupees 0.22 lakh were paid to a local body as grant on the basis of incomplete particulars, while grants aggregating Rs. 1.07 lakhs were found paid to two bodies without verification of the fulfilment of the conditions attached to the grants. Rupees 5.08 lakhs were paid to 59 bodies which did not fulfil the conditions governing the grants. Rupees 4.76 lakhs were found paid to three bodies as grants in excess of the limits prescribed.

(v) Two grantees were found to have misutilized grants totalling Rs. 0.07 lakh for purposes other than those for which they were paid, while Rs. 1.03 lakhs were found paid to an University as grant for inadmissible items of expenditure.

(vi) In two cases, buildings and land acquired by local bodies with the aid of grants/loans aggregating Rs. 3.02 lakhs were lying idle for periods ranging from 6 months to 5 years.

(vii) According to the Madhya Pradesh *Sthaniya Nidhi Sampariksha Adhiniyan* 1973, defects or irregularities pointed out in inspection reports are to be remedied or satisfactorily replied to within four months of the receipt of inspection reports. Seven hundred and eighty observations raised upto 1974-75 for a total money value of Rs. 39.19 lakhs relating to expenditure out of grants and loans received from the Government remained unsettled by 62 local bodies.

(viii) The Director informed (December 1975) Audit that utilization of grants aggregating Rs. 120.89 lakhs, received during 1971-72 to 1973-74, from the State Government, University Grants Commission, etc., by the Universities at Rewa and Sagar was not verified by him.

9. Co-operative Institutions

6.9.1. (a) *Investments in share capital.*—According to the information furnished by the Registrar, Co-operative Societies, the total number of societies in the State registered under the Madhya Pradesh Co-operative Societies Act, 1960 at the end of each of the three years ending 30th June 1975, their total paid-up capital, the number of societies in whose share capital Government has made investments, and amount of investments are indicated below:

At the end of June	Societies registered		Societies having Government investment	
	Number	Paid-up capital	Number	Amount
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		(In lakhs of rupees)
1973	18,061	6,487.00	11,474	2,712.22
1974	18,225	6,856.00	11,973	2,894.78
1975	18,195	(Not available)	12,119	3,048.10

(b) *Financial assistance.*—The financial assistance granted to the institutions in various forms during the three years ending 30th June 1975 is indicated below:

Year	Assistance granted in the form of					
	Share capital		Subsidy		Loans	
	Number of societies	Amount	Number of societies	Amount	Number of societies	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(In lakhs of rupees)		(In lakhs of rupees)		(In lakhs of rupees)
1972-73	1,273	407.02	825	97.47	317	219.00
1973-74	499	182.56	615	91.30	25	106.00
1974-75	146	153.32	469	35.17	209	78.00

6.9.2. *Dividends.*—The table below indicates the details of dividends received and percentage of return on total investments during the three years ending 30th June 1975 :

Year	Amount of dividend received	Total investment at the end of the year	Percentage of return on investments
(1)	(2)	(3)	(4)
	(In lakhs of rupees)		
1972-73	13.87	2,712.22	0.51
1973-74	13.10	2,894.78	0.45
1974-75	16.99	3,048.10	0.56

6.9.3. *Debentures.*—The Government invested in the debentures of one Co-operative institution *viz.*, the Madhya Pradesh Co-operative Land

Development Bank Limited, Bhopal. The particulars of investments and interest received during the three years ending 30th June 1975 are indicated below:

Year	Investment in debentures		Interest for the year	Percentage of return
	Investment during the year	Investment at the end of the year		
(1)	(2)	(3)	(4)	(5)
	<i>(In lakhs of rupees)</i>			
1972-73	129.68	892.65	46.12	5.2
1973-74	49.88	942.53	51.21	5.4
1974-75	191.04	1,133.57	52.92	4.7

6.9.4. *Guarantees.*—The Government have also guaranteed repayment of loans to Co-operative Societies to the extent of Rs. 430.13 crores upto June 1974, out of which Rs. 63.52 crores were outstanding in respect of four institutions as on 31st March 1975 according to the information furnished by the Registrar, Co-operative Societies.

6.9.5. *Arrears in audit.*—In accordance with the provisions of the Madhya Pradesh Co-operative Societies Act, 1960 the accounts of the Co-operative Societies are required to be audited by the Registrar, Co-operative Societies every year.

The accounts of 1,114 Co-operative Societies for 1973-74 and earlier years were not audited upto the end of 1974-75. The following reasons were adduced by the Registrar, Co-operative Societies (December 1975) in this connection:—

- (i) non-completion of accounts,
- (ii) non-availability of account books for audit, and
- (iii) records remaining with Police or Courts.

6.9.6. *Audit fees.*—Audit fees due to the Government from Co-operative Societies were in arrears to the extent of Rs. 7.89 lakhs at the end of June 1975. Year-wise break-up of the dues is indicated below :

Year	<i>(In lakhs of rupees)</i>
Prior to 1961-62 to 1972-73	2.81
1973-74	0.14
1974-75	4.94
Total	7.89

Rupees 2.32 lakhs were in arrears for more than three years, of which Rs. 0.34 lakh were in arrears for over 10 years.

6.9.7. *Defalcations and misappropriations.*—Defalcations and misappropriations involving Rs. 33.34 lakhs in 516 cases noticed by the Departmental Auditors from time to time were under police investigation at the end of June 1975.

6.9.8. *Outstanding loans and interest.*—Out of the total sum of Rs. 9.16 crores disbursed as loans to Co-operative Societies upto 31st March 1975, Rs. 6.34 crores were outstanding as on 31st March 1975. The amount of principal and interest overdue as on 31st March 1975 were Rs. 0.96 crore and Rs. 0.64 crore respectively.

CHAPTER VII

COMMERCIAL ACTIVITIES

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

7.2. As on 31st March 1975, there were five departmentally managed commercial and *quasi*-commercial undertakings, *viz.*, Nationalised Text Book Scheme, Bhopal; Sales Dispensary, Indore; Milk Supply Scheme, Bhopal; Training-cum-Production Centre, Chanderi and Government Handloom Factory, Maheshwar. There were also five State trading schemes, *viz.*, Grain Supply Scheme, Purchase and Sale of *Tendu* Leaves, Minor Forest Produce, State Trading in Timber and State Trading in Bamboos. The financial results of three undertakings on the basis of latest available accounts are given in Annexure XXII.

The *pro forma* accounts of the following schemes/undertakings are in arrears (December 1975) for the periods shown against each :—

	Year from which <i>pro</i> <i>forma</i> accounts are awaited	Remarks
(1)	(2)	(3)
Forest Department—		
Purchase and sale of <i>tendu</i> leaves	1965-66	} The forms of accounts were prescribed by the Government during July-August 1975.
Minor Forest Produce	1969-70	
State Trading in Timber	1970-71	
State Trading in Bamboos	1973-74	
Food Department—		
Grain Supply Scheme	1966-67	The accounts for the period up to 1965-66, rendered to Audit (between April 1960 and February 1968), were prepared on the basis of departmental figures without any reconciliation with the figures as per the books of the Accountant General. Such accounts did not also include assets and liabilities on 1st November 1956 allocated as a result of States reorganization.

It was stated by the Directorate of Civil Supplies (March 1974) that the reconciliation of figures relating to certain districts was being taken up for the years 1958-59 and 1959-60 and after completing the work, action would be taken to recast the *pro forma* accounts. Further developments are awaited (January 1976).

(1)	Year from which <i>pro</i> <i>forma</i> accounts are awaited	Remarks
(2)	(3)	
Education Department— Nationalized Text Book Scheme	1960-61	The Scheme was commenced in December 1957 and discontinued in March 1971. Government decided (September 1966) that <i>pro forma</i> accounts of the Scheme should be prepared from 1960-61 onwards. Accounts for 1960-61 and 1961-62 rendered (September 1967) to Audit were found to be incomplete and defective. The Public Accounts Committee in their Nineteenth Report (April 1971), noted the assurance given by the Department that accounts upto 1969-70 would be got prepared within a period of two years. The Controller, Printing and Stationery has, however, proposed (November 1975) to the Government that a statement of affairs as on 31st March 1970 and <i>pro forma</i> accounts for the year 1970-71 only might be prepared. The decision of Government is awaited (December 1975).
Veterinary Department— Government Milk Supply Scheme, Bhopal	1974-75	The Scheme was started in February 1959. <i>Pro forma</i> accounts have not been prepared since inception. In September 1972 the Government condoned the non-preparation of accounts for the period 1958-59 to 1969-70 and directed that the statement of assets and liabilities of the Scheme as on 31st March 1970 might be prepared. Subsequently, however, the Government appointed (August 1974) a Committee of expert valuers, and also decided to take 31st March 1974 as the starting point for evaluation of assets and liabilities for the above purpose. The preparation of statement of affairs is in progress (November 1975).
Co-operation Department— Government Handloom Factory, Maheshwar	1974-75	

PUBLIC HEALTH AND FAMILY PLANNING DEPARTMENT

7.3. Sales Dispensary, Indore

(i) *Introduction.*—The Sales dispensary, Indore, was established by the erstwhile Holkar State with a view to provide medicines to the public at reasonable rates. It started functioning independently from 1st October 1939 with a capital of Rs.0.71 lakh after its separation from the Medical Stores. The dispensary was declared a departmentally managed commercial undertaking in June 1950 and it commenced the preparation of *pro forma* accounts from 1952-53.

The dispensary works under the administrative control of the Civil Surgeon, Indore. It buys medicines, drugs, dressing materials, instruments, etc., from the manufacturers, sole distributors, agents and importers, for sale to the general public, Government hospitals and other departments.

(ii) *Working results*—The working results of the unit for the three years ending 1974-75 are indicated below :

	1972-73	1973-74	1974-75
(1)	(2)	(3)	(4)
	(In lakhs of rupees)		
Capital at the end of the year	1.27	1.86	2.20
Mean capital for the year	1.47	1.52	1.97
Gross fixed assets	0.14	0.14	0.14
Cumulative depreciation	0.08	0.09	0.09
Net assets	0.06	0.05	0.05
Inventory	1.44	1.54	1.50
Sundry debtors and advances recoverable	0.29	0.45	0.73
Sales	3.44	2.85	2.92
<i>Expenditure:</i>			
(a) Purchases	2.83	2.52	2.47
(b) Direct Expenses	0.01	0.01	0.01
(c) Difference between opening and closing stock	0.11	(—)0.10	0.04
Total	2.95	2.43	2.52
Gross profit	0.49	0.42	0.40
Administration and other overheads	0.37	0.40	0.46
Interest on capital	0.08	0.09	0.11
Net profit (+)/Net loss (—)	(+)0.04	(—)0.07	(—)0.17
Total return	0.12	0.02	(—)0.06
Percentage of total return to mean capital	8.2	1.3	..

The dispensary had been running on profit upto 1964-65, but started incurring losses thereafter, except during 1970-71 and 1972-73 when it earned marginal

profits of Rs.0.01 lakh and Rs.0.04 lakh respectively. The total loss during the years 1965-66 to 1974-75 was Rs.0.68 lakh (net). The net loss of Rs.0.07 lakh incurred in 1973-74 and Rs.0.17 lakh in 1974-75 as against the net profit earned in 1972-73 was mainly attributable to reduction in sales from Rs.3.44 lakhs in 1972-73 to Rs. 2.85 lakhs in 1973-74 and Rs.2.92 lakhs in 1974-75. The Department stated (May 1975) that reduction in sales was due to recognition of 94 private chemist shops in Indore by the State Government in September 1973, after which it was no longer necessary for Government servants, for the purpose of re-imbusement of their medical claims, to obtain non-availability certificate from the dispensary before purchasing medicines from the market. The Department also stated (October 1975) that consequent on the construction of shops by the Indore Municipal Corporation on the northern side of the dispensary and closure of the gate on that side by the Public Works Department, the dispensary was not directly accessible from the main road. The Civil Surgeon-in-charge had made (June 1972) certain suggestions to the Joint Director of Health Services, Indore for improving the sales and had, *inter alia*, suggested shifting of the dispensary to a better location, reduction in the margin of profit from 12½ per cent to 10 per cent, incentive to salesman, etc. The decision of the Directorate is awaited (November 1975).

(iii) *Inventory holding*.—The table below indicates the position of opening stock, purchases, sales and closing stock of medicines for the three years ending 1974-75 :

Year	Opening stock	Purchases	Sales	Closing stock
(1)	(2)	(3)	(4)	(5)
	(In lakhs of rupees)			
1972-73	1.55	2.83	3.44	1.44
1973-74	1.44	2.52	2.85	1.54
1974-75	1.54	2.47	2.92	1.50

The closing stock of medicines as at the close of 1974-75 was equivalent to 0.2 months' sales as against 6.4 months' sales in 1973-74 and 5 months' sales in 1972-73.

(iv) *Sundry debtors*.—The table below indicates the total sales and credit sales made to Government departments and hospitals during the year and sundry debtors at the close of each of the three years upto 1974-75 :

Year	Total sales	Credit sales	Debtors	Percentage of debtors to	
				Total sales	Credit sales
(1)	(2)	(3)	(4)	(5)	(6)
	(In lakhs of rupees)				
1972-73	3.44	1.48	0.29	8	20
1973-74	2.85	1.29	0.45	15	27
1974-75	2.92	1.95	0.73	25	37

(v) *Internal audit*.—There was no regular system of internal audit. The internal audit of the dispensary was conducted for the first time in May 1972 by the Directorate of Health Services but the report on the internal audit has not been received by the dispensary (October 1975).

The facts at (i) to (v) above were brought to the notice of the Government (November 1975) who stated (January 1976) that steps were being taken to improve the working of the dispensary.

COMMERCE AND INDUSTRIES DEPARTMENT

7.4. Delay in settlement of accounts of emporia

(i) Twenty departmentally run emporia were transferred by Government to the Madhya Pradesh *Laghu Udyog Nigam* Limited from 1st July 1965. According to a Government memorandum of May 1965 in which the transfer was ordered fixed assets, stores and stocks were to be taken over by the *Nigam* at their depreciated book value as assessed by an *ad hoc* evaluation committee and this value was to be adjusted as Government's contribution to the share capital of the *Nigam*. The manner of adjustment of other assets and liabilities of the emporia including sundry debtors and creditors was not indicated at the time of transfer. An evaluation committee, having as its members a Deputy Director of Industries and a representative each of the Co-operation Department and the *Nigam*, was constituted in July 1966. On the basis of its recommendations (March 1967) Rs.12.13 lakhs representing the value of buildings (exclusive of land), dead stock and stock-in-trade (other than shop-soiled goods which could not be sold even at half their prices) were ordered (December 1967) to be treated as the Government's contribution to the share capital of the *Nigam*. The *Nigam* issued share certificates of this value in favour of Government in March 1968. Adjustments in respect of all other assets and liabilities were to be finalised (October 1975).

(ii) At the time of transfer, the emporia had shop-soiled stock-in-trade worth Rs.1.12 lakhs for which there were no buyers at even half its listed sale price. The committee made an *ad hoc* reduction and assessed the value of these goods at Rs.0.99 lakh and recommended that the goods be sold by auction and the sale proceeds taken to represent their value at the time of transfer. Government accepted this recommendation and ordered (May 1968) that the goods be auctioned by the *Nigam* on a specified date in the presence of a representative of the Director of Industries. These orders were not complied with and the goods were got sold through the emporia in the normal course by allowing *ad hoc* reductions in price. No separate account of the sale proceeds was maintained and the *Nigam* estimated the sale proceeds at 30 per cent of cost price and credited the Director of Industries with Rs.0.29 lakh in its books. A mutually acceptable valuation is still to be arrived at and the final value remains unadjusted (October 1975).

(iii) In accordance with the recommendations of the committee, Government ordered (May 1968) that the lands on which the emporia buildings stood

should be got valued by the Director of Industries through the Collectors of the respective districts. This was also not ~~been~~ done ~~so far~~ (July 1975). The Director of Industries stated (July 1975) that full details of the land were awaited from subordinate officers.

(iv) The committee did not attempt evaluation of other assets and liabilities in the books of the emporia at the time of transfer. It, however, took note of certain difficulties in quantification especially "sundry debtors" and "sundry creditors" and recommended that these assets and liabilities should remain in the books of the *Nigam* "on the account of State Government". The Committee suggested that the *Nigam* might open separate accounts for recoveries and payments on behalf of Government and send periodical statements to the Directorate of Industries; the credit balance after meeting the liabilities were to be transferred to the *Nigam* as share capital. Government held (May 1968) that most of the outstanding debts (Rs.2.32 lakhs) were probably bad and it was the responsibility of the Directorate to collect them or to approach Government for their write-off.

The amounts collected from debtors and those paid to creditors after June 1965 were not known to the Directorate. The *Nigam* had recovered Rs.0.32 lakh from the debtors of the emporia at Bhopal and Sagar, but the amount had neither been remitted to Government account nor adjusted as share capital although the Director of Industries stated (July 1975) "we have thrown the whole responsibility for collection of outstanding dues on *Laghu Udyog Nigam* and requested them to deposit the amount so collected in Government treasury as receipt of the department".

(v) According to the Director of Industries (July 1975), Rs.6.55 lakhs were outstanding against the *Nigam* for goods supplied to the emporia by Government agencies after June 1965. As per the *Nigam's* books of accounts, however, the value of goods received at the emporia amounted to Rs.3.86 lakhs only. The Director of Industries stated (July 1975) that he was pressing the *Nigam* for an early settlement of the dues.

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

8.1. Outstanding audit observations

Audit observations on financial transactions of the Government are reported to the Departmental authorities concerned so that appropriate action is taken to rectify the defects and omissions. Half yearly reports of such observations outstanding for more than six months are also forwarded to the Government to expedite their settlement.

The following table shows the number of audit observations issued upto the end of March 1975 and outstanding on the 30th September 1975 as compared with the corresponding position indicated in two preceding reports:—

	As on 30th September 1973	As on 30th September 1974	As on 30th September 1975
(1)	(2)	(3)	(4)
Number of observations	1,98,817	2,44,592	2,83,99
Amount involved (<i>In crores of rupees</i>)	65.69	82.80	1,07.8

The following departments have comparatively heavy outstanding observations:—

S.No. (1)	Department (2)	Number (3)	Amount (4) <i>(In lakh of rupees)</i>
1.	Irrigation	46,503	24,70.8
2.	Public Works (Buildings and Roads)	40,375	23,94.4
3.	Food and Nutrition	4,128	7,60.0
4.	Public Health Engineering	16,535	6,47.1
5.	Tribal Welfare	15,768	5,96.1
6.	Education	33,927	5,36.2
7.	Agriculture	22,134	4,74.7
8.	Animal Husbandry	11,660	4,15.5
9.	Medical	6,082	4,03.3
10.	Community Development Projects	4,274	3,15.8
11.	Family Planning	7,669	2,53.4
12.	Public Health	9,903	1,67.5
13.	Revenue	8,401	1,45.5
14.	Forest	7,231	1,23.6
15.	Home (Police)	4,902	1,22.3
16.	Panchayat and Social Welfare	4,183	1,13.7
17.	Jail	1,862	99.8
18.	Industries	7,921	55.3

The following are some of the major reasons for which audit observations have remained outstanding:—

S.No.	Name of observation	Number	Amount
(1)	(2)	(3)	(4)
			(In lakhs of rupees)
1.	Payees' receipts not received	1,33,100	49,72.36
2.	Sanctions for reserve limit of stock not received	218	12,08.08
3.	Agreements with contractors/suppliers not received	918	11,97.42
4.	Detailed bills for lump-sum drawals not received	36,004	9,37.74
5.	Vouchers not received	8,784	5,38.54
6.	Sanctions not received for contingent and miscellaneous expenditure	9,047	4,72.98
7.	Overpayments or amounts disallowed in Audit not recovered	10,947	2,01.84
8.	Advances paid to Government servants not recovered	60,255	1,48.13
9.	Sanctions for establishment not received	811	43.06
10.	Delay in re-assessment of Sales Tax cases	1,522	23.99

It will be seen that a sizable portion of the total outstandings is due to non-submission of payees' receipts and vouchers. The departments with comparatively heavy outstandings on this account were :

Department	Amount
(1)	(2)
	(In lakhs of rupees)
Irrigation	13,85.58
Public Works (Buildings and Roads)	10,18.31
Food and Nutrition	5,23.67
Public Health Engineering	4,73.51
Medical	3,02.17
Animal Husbandry	2,90.13
Tribal Welfare	2,82.94
Agriculture	2,59.35
Education	1,56.53
Community Development Projects	1,40.39

The facility of drawing amounts as advances on abstract contingent bills by Disbursing Officers is intended to expedite payments in certain cases, but they are to be followed by detailed contingent bills (containing all particulars of expenditure with supporting documents) which should be sent to Audit Officer by 25th of the month succeeding that to which the abstract contingent bills relate. In the absence of detailed contingent bills, it is difficult for Audit to know even in a general way whether the amount has been spent on the purpose or purposes for which the advances were drawn. Rupees 9,37.74 lakhs are held under observation as detailed contingent bills have not been received in audit office. The departments with comparatively heavy outstandings are mentioned below :

Department (1)	Amount (2) <i>(In lakhs of rupees)</i>
Education	2,07.75
Tribal Welfare	1,58.35
Agriculture	1,29.71
Jails	96.80
Food and Nutrition	84.91

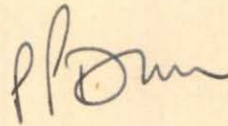
8.2. Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts noticed during local audit and not settled on the spot, are communicated to heads of offices and to the next higher departmental authorities through audit inspection reports. The more important irregularities are reported to the Heads of Departments and the Government. The Government has prescribed that first replies to inspection reports should be sent within five weeks.

At the end of September 1975, 9,422 inspection reports issued upto March 1975 were not settled fully as shown below with corresponding figures for the earlier two years :

(1)	As on 30th September 1973 (2)	As on 30th September 1974 (3)	As on 30th September 1975 (4)
Number of inspection reports	7,860	8,415	9,422
Number of paragraphs	33,545	37,745	44,175

Of the reports outstanding at the end of September 1975, 8,132 reports related to Civil departments, 9 to Commercial departments and 1,281 to Revenue Receipts. These included 1,593 inspection reports (1,324 Civil and 269 Revenue Receipts) for which first replies had not been received till the end of September 1975.



(P. P. DHIR)

Gwalior :

Accountant General, Madhya Pradesh-I.

The

12 9 JUL 1976

Countersigned.

New Delhi :

(A. BAKSI)

The

Comptroller and Auditor General of India.

ANNEXURES

ANNEXURE I

(Reference : Paragraph 2.4 (ii), page 41)

GRANTS/APPROPRIATIONS WHERE SAVINGS EXCEEDED
10 PER CENT OF TOTAL PROVISION

S No.	Number and name of grant/ appropriation	Total grant/ appropriation	Actual expen- diture	Saving (Percentage)
(1)	(2)	(3)	(4)	(5)
<i>(In lakhs of rupees)</i>				
<i>Revenue Section :</i>				
1.	1—General Administration	2,31.75	2,03.41	28.34 (12)
2.	6—Expenditure pertaining to Finance Department (<i>Charged</i>).	12.83	1.36	11.47 (90)
3.	8—Land Revenue and District Adminis- tration (<i>Charged</i>).	4,85.72	2,48.38	2,37.34 (49)
4.	9—Other expenditure pertaining to Reve- nue and Land Reforms Department.	15,76.76	13,51.02	2,25.74 (14)
5.	11—Expenditure pertaining to Commerce and Industry Department.	2,60.11	2,01.78	58.33 (22)
6.	15—Dairy Development	4,81.86	3,51.80	1,30.06 (27)
7.	16—Fisheries	85.44	69.63	15.81 (17)
8.	17—Co-operation	3,29.40	2,22.02	1,07.38 (33)
9.	18—Labour and Employment	4,65.91	2,88.08	1,77.83 (38)
10.	21—Expenditure pertaining to Housing Department.	36.77	24.39	12.38 (33)
11.	30—Expenditure pertaining to Panchayat and Community Development Department (<i>Charged</i>)	42.04	32.06	9.98 (24)

ANNEXURE I—*contd.*

S. No.	Number and name of grant/ appropriation	Total grant/ appropriation	Actual expen- diture	Saving (Percen- tage)
	1	2	3	4
<i>(In lakhs of rupees)</i>				
12.	31—Expenditure pertaining to Planning, Statistics and Community Development Department	2,22.37	91.01	1,31.36 (59)
13.	33—Tribal and Harijan Welfare	21,50.15	18.66.36	2,83.79 (13)
14.	34—Social Welfare	4,17.25	2,44.50	1,72.75 (41)
15.	35—Rehabilitation	95.31	84.47	10.84 (11)
16.	37—Expenditure pertaining to Town and Country Planning Department	99.77	66.14	33.63 (34)
17.	38—Tourism	8.81	5.65	3.16 (36)
18.	39—Archaeology	13.35	8.15	5.20 (39)
19.	40—Expenditure pertaining to Food Department.	1,59.31	91.09	68.22 (43)
<i>Capital Section:</i>				
20.	4—Other Expenditure pertaining to Home Department	1,60.68	1,10.02	50.66 (32)
21.	6—Expenditure pertaining to Finance Department	9,97.05	3,35.11	6,61.94 (66)
22.	10—Forest	81.51	30.11	51.40 (63)
23.	11—Expenditure pertaining to Commerce and Industry Department	3,92.46	2,38.27	1,54.19 (39)
24.	11—Expenditure pertaining to Commerce and Industry Department (<i>Charged</i>)	5.50	2.81	2.69 (49)

ANNEXURE I—concl'd.

S. No.	Number and name of grant/ appropriation	Total grant/ appropriation	Actual expen- diture	Saving (Percen- tage)
1		2	3	4
<i>(In lakhs of rupees)</i>				
25.	12—Electricity	13,57.00	8,66.61	4,90.39 (36)
26.	13—Agriculture	47,27.63	42,16.20	5,11.43 (11)
27.	14—Animal Husbandry	7.83	..	7.83 (100)
28.	15—Dairy Development	9.99	..	9.99 (100)
29.	17—Co-operation	6,26.01	3,93.17	2,32.84 (37)
30.	18—Labour and Employment	1,73.27	53.38	1,19.89 (69)
31.	21—Expenditure pertaining to Housing Department	2,53.40	1,85.50	67.91 (27)
32.	22—Expenditure pertaining to Local Government Department.	25.50	16.73	8.77 (34)
33.	27—Education	26.50	14.17	12.33 (46)
34.	30—Expenditure pertaining to Panchayat and Community Development Department	6.00	1.65	4.35 (73)
35.	35—Rehabilitation	51.49	34.35	17.14 (33)
36.	40—Expenditure pertaining to Food Department	7,50.00	6,64.17	85.83 (11)

ANNE

(Reference: Paragraph

STATEMENT SHOWING THE POSITION OF FUNDS PROVIDED, EXPEN
OF EACH SCHEME UNDER HALF-A-MILLION

S. No.	Department	Name of the scheme	Approved outlay
(1)	(2)	(3)	(4)
A—SELF EMPLOYMENT			
SCHEMES:			
1.	Industries	Assistance to the educated unemployed for plying of taxis	6.72
2.	Tribal Welfare	Opening of shops for <i>harijan</i> and <i>adi-wasi</i> educated un-employed	4.79
			11.51
		Incidentals 5%	0.58
			12.09
B—TRAINING SCHEMES :			
1.	Agriculture	Soil testing service	0.20
2.*	„	Training of tractor operators	0.75
3.*	„	Preparation of agro-economic survey of State	6.64
4@	„	Employment scheme (Agriculture sector)	8.60
5@	„	Job-oriented scheme	0.41
6.	Co-operation	Training of <i>samiti sevaks</i>]	1.80
7.	„	Training of staff in Co-operative Financing Agencies	0.27
8.	„	Training in Co-operative Marketing societies	5.78
9.	„	Stipendiary appointment in <i>Sahakari Bazar</i>	0.09
10.	„	Stipendiary appointment of Managers in Labour contract and construction co-operative societies	0.04
11.	„	Training and stipendiary appointment under Land Development Banks	5.98
12*	Education	Employment of teachers	39.69
13.	„	Opening of sub-primary schools in the interior places	32.00
14.	„	Recruitment and training of additional elementary school teachers	54.00

* Scheme was not implemented.

@ Scheme was implemented by Agro-Industries Development Corporation.

XURE II

3.2.3, page 67)

EXPENDITURE INCURRED AND EMPLOYMENT GENERATED IN RESPECT OF THE JOBS PROGRAMME 1973-74 AND 1974-75

Amount allotted by the State Government		Total	Expenditure incurred		Total	Employment potential anticipated	Actual employment stated to have been generated
1973-74	1974-75	(7)	1973-74	1974-75	(10)	(11)	(12)
(5)	(6)	(lakhs)	(8)	(9)	(rupees)		
(In			of				
6.72	..	6.72	6.72	..	6.72	280	..
2.63	..	2.63	2.58	..	2.58	500	34
9.35		9.35	9.30		9.30	780	34
0.20	0.09	0.29	0.04	0.05	0.09	22	10
..	..	..	..	..	..	500	Nil
..	..	..	..	..	..	335	Nil
9.89	..	9.89	..	..	..	900	200
0.47	..	0.47	..	2.52	2.52	39	13
1.40	0.40	1.80	1.39	0.39	1.78	200	193
0.21	0.02	0.23	0.07	0.02	0.09	20	6
5.78	0.06	5.84	2.18	0.03	2.21	381	155
0.07	0.02	0.09	0.06	0.02	0.08	7	6
0.03	0.01	0.04	..	..	..	3	1
4.34	1.85	6.19	1.86	1.70	3.56	475	256
..	..	..	..	..	..	3687	..
35.90	..	35.90	9.34	..	9.34	4000	2648
57.00	..	57.00	33.41	..	33.41	6000	5139

STATEMENT SHOWING THE POSITION OF FUNDS PROVIDED, EXPEN
OF EACH SCHEME UNDER HALF-A-MILLION

S. No.	Department	Name of the scheme	Approved outlay
(1)	(2)	(3)	(4)
15.	Economics and Statistics	Training course for statistical personnel	13.38
16.	Employment and Training	Survey of employment opportunities	0.12
17.	"	(i) Training for diversified trades in third shift	9.03
		(ii) Appointment of training staff on stipendiary basis	..
18.	"	On the job training	1.75
19.	"	Training of electricians and pump-set attendants	10.00
20.	"	Training of typists	0.48
21.	Forest	Training in survey of forest resources	0.74
22.	"	Training of Foresters and forest guards	11.40
23.	"	Scheme for providing additional employment by Advance job training of Accountants and Lower Division Clerks	0.92
24.	Land Records	Training of <i>patwaris</i>	3.84
25.	Irrigation-Directorate of Tube-wells	Setting up of agro-service centres in tube-well areas	1.05
26.	"	Training of drillers and mechanics	0.77
27.	"	Consultancy service for locating dug-well and tube-well sites and training in revitalization of dug-wells	0.42
28.	Public Health	Training of Radiographers	0.60
29.	"	Training of Laboratory technicians	0.70
30.	"	Training of compounders	0.84
31.	"	Training of T.B. health visitors	0.32
32.	"	Training of dressers	0.48
33.*	Tribal Welfare	Training of automobile, diesel, electrician-cum-pump mechanics	0.69
		Total for B	213.78
		15% for incidental charges	32.07
			<hr/>
		Grand Total A+B	245.85
			257.94

*Scheme was not implemented.

XURE II—concl'd.

EXPENDITURE INCURRED AND EMPLOYMENT GENERATED IN RESPECT OF JOBS PROGRAMME 1973-74 AND 1974-75

Amount allotted by the State Government		Total Expenditure incurred	Total Employment potential anticipated		Actual employment stated to have been generated		
1973-74	1974-75		1973-74	1974-75			
(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(In		lakhs	of		rupees)		
10.04	3.15	13.19	0.06	2.67	2.73	1002	367
0.03	0.10	0.13	0.02	0.10	0.12	10	4
10.38	5.73	16.11	5.03	3.78	8.81	1380	1380
..	..	..	..	..	..	154	20
1.38	1.73	3.11	0.29	1.55	1.84	(Training posts) 250	207
..	11.94	11.94	..	7.79	7.79	2500	1081
1.05	..	1.05	0.64	0.34	0.98	400	800
0.92	0.26	1.18	0.21	0.70	0.91	50	38
8.28	8.27	16.55	5.65	7.55	13.20	1900	1442
1.06	0.49	1.55	0.05	0.36	0.41	230	68
3.31	..	3.31	0.34	..	0.34	640	180
1.05	0.22	1.27	0.08	0.01	0.09	60	..
0.75	0.16	0.91	0.03	0.07	0.10	50	Nil
0.42	0.04	0.46	0.01	..	0.01	30	2
0.15	..	0.15	0.07	..	0.07	100	23
0.18	..	0.18	0.04	..	0.04	100	14
0.17	..	0.17	0.05	..	0.05	120	15
0.15	..	0.15	0.02	..	0.02	40	12
0.14	..	0.14	0.12	..	0.12	160	40
..	0.69	0.69	..	0.31	0.31	50	35
154.75	35.23	189.98	61.06	29.96	91.02	25,995	14,355
164.10	35.23	199.33	70.36	29.96	100.32	26,775	14,389

ANNEXURE III

(Reference: Paragraph 3.2.3, Page 67)

STATEMENT SHOWING THE NUMBER OF PERSONS REPORTED TO HAVE BEEN TRAINED UNDER VARIOUS TRAINING SCHEMES OF HALF-A-MILLION JOBS PROGRAMME DURING THE YEARS 1973-74 AND 1974-75 AND ABSORBED DURING THE FIRST YEAR OF THE FIFTH PLAN

S. No.	Department	Name of the scheme	Number of trainees who completed training	Number of trainees absorbed in existing vacancies in the department in 1974-75	Number of trainees who could be found in other gainful employment
(1)	(2)	(3)	(4)	(5)	(6)
1.	Agriculture	Soil testing service	10	..	..
2.	Agriculture	Employment scheme (Agriculture sector)	200	..	200
3.	Agriculture	Job-oriented scheme	13	..	13
4.	Co-operation	Training of <i>samiti sevaks</i>	193	..	193
5.	Co-operation	Training of staff in Co-operative Financing Agencies	6	..	6
6.	Co-operation	Training in Co-operative Marketing Societies	155	..	113
7.	Co-operation	Stipendiary appointment in <i>Sahakari Bazar</i>	6	..	6
8.	Co-operation	Stipendiary appointment of Managers in labour contracts and construction of Co-operative societies	1	..	1
9.	Co-operation	Training and stipendiary appointment under Land Development Banks	256	..	256
10.	Education	Opening of sub-primary schools in the interior places	2648	*	..
11.	Education	Recruitment and training of additional elementary school teachers.	5139	4900	*
12.	Economics and Statistics	Training course for statistical personnel	367	335	*
13.	Employment and Training	Survey of employment opportunities	4	4	..
14.	Employment and Training	(i) Training for Diversified trades in third shift	1380	..	*
		(ii) Appointment of staff on stipendiary basis	20	20	*
15.	Employment and Training	On the Job training	207	..	127

* Information not available.

ANNEXURE III—concl'd.

S. No.	Department	Name of the scheme	Number of trainees who completed training	Number of trainees absorbed in existing vacancies in the department in 1974-75	Number of trainees who could be found in other gainful employment
(1)	(2)	(3)	(4)	(5)	(6)
16.	Employment and Training	Training of electricians and pumpset attendants	1081	..	*
17.	Employment and Training	Training of typists	800	..	*
18.	Forest	Training in survey of forest resources	38	38	..
19.	Forest	Training of Foresters and Forest guards :			
		Foresters	528	528	..
		Forest guards	914	914	..
20.	Forest	Scheme for providing additional employment by Advance job training of Accountants and Lower Division Clerks	68	68	..
21.	Land Records	Training of <i>patwaris</i>	180	96	*
22.	(Irrigation) Directorate of Tube-wells	Setting up of agro-services centres in tube-well areas	Nil	..	..
23.	(Irrigation) Directorate of Tube-wells	Training of drillers and mechanics	Nil	..	..
24.	(Irrigation) Directorate of Tube-wells	Consultancy service for locating dug-wells and tube-wells sites and training in re-vitalization of dug-wells	2	2	..
25.	Public Health	Training of radiographers	23	23	..
26.	Public Health	Training of laboratory technicians	14	14	..
27.	Public Health	Training of compounders	15	15	..
28.	Public Health	Training of T. B. health visitors	12	12	..
29.	Public Health	Training of dressers	40	40	..
30.	Tribal Welfare	Training of automobile, diesel, electrician-cum-pump mechanics	35	..	35
Total			14355	7009	950

*Information not available.

ANNEXURE IV

(Reference : Paragraph 3.3.1, page 74)

LIST OF BLOCKS TEST-CHECKED BY AUDIT

S. No.	Name of the block	District	Division	Period of operation of the programme
(1)	(2)	(3)	(4)	(5)
1.	Korba	Bilaspur	Bilaspur	1966-71
2.	Mungeli	Bilaspur	Bilaspur	1968-73
3.	Gharghoda	Raigarh	Bilaspur	1968-73
4.	Meghnagar	Jhabua	Indore	1967-72
5.	Badnawar	Dhar	Indore	1968-73
6.	Sailana	Ratlam	Indore	1969-74
7.	Morena	Morena	Gwalior	1968-73
8.	Gohad	Bhind	Gwalior	1969-74
9.	Bhander	Gwalior	Gwalior	1970-75
10.	Jaithari	Shahdol	Rewa	1968-73
11.	Uchehra	Satna	Rewa	1968-73
12.	Susner	Shajapur	Bhopal	1968-73
13.	Narsinghgarh	Rajgarh	Bhopal	1968-73
14.	Timarni	Hoshangabad	Hoshangabad	1968-73
15.	Khairagarh	Rajnandgaon	Raipur	1968-73
16.	Patan	Durg	Raipur	1970-75
17.	Damoh	Damoh	Sagar	1968-73
18.	Isanagar	Chhatarpur	Sagar	1970-75
19.	Kareli	Narsinghpur	Jabalpur	1968-73
20.	Pandhurna	Chhindwara	Jabalpur	1970-75

(Reference : Paragraph

STATEMENT SHOWING DEPARTMENT-WISE REQUIREMENT OF ACTUAL EXPENDITURE INCURRED UNDER APPLIED

Year	Number of blocks where programme was in operation	Agriculture Department			Veterinary Department		
		Requirement as envisaged under the programme	Final provision as per budget	Actual expenditure	Requirement as envisaged under the programme	Final provision as per budget	Actual expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
							<i>(In lakhs)</i>
1969-70	61	14.03	0.44	0.26	8.54	1.48	1.62
1970-71	71	16.33	4.05	2.94	9.94	3.26(A)	3.01(B)
1971-72	65	14.95	3.02	2.49	9.10	4.12(C)	3.35(D)
1972-73	58	13.34	4.11	3.21	8.12	2.70	2.55
1973-74	40	9.20	2.94	3.24	5.60	3.34	3.36
Total	..	67.85	14.56	12.14	41.30	14.90	13.89

(A) Includes loan of Rs. 1.80 lakhs.

(B) Includes loan of Rs. 1.27 lakhs.

(C) Includes loan of Rs. 2.12 lakhs.

(D) Includes loan of Rs. 1.46 lakhs.

XURE V

3.3.3, page 76)

FUNDS, FINAL PROVISION MADE IN THE BUDGET AND
NUTRITION PROGRAMME (STATE SECTOR) 1969-70 TO 1973-74

Fisheries Department

State Sector as a whole

Requirement as envisaged under the programme	Final provi- sion as per budget	Actual ex- penditure	Requirement as envisaged under the programme	Final provi- sion as per budget	Actual ex- penditure
(9)	(10)	(11)	(12)	(13)	(14)
<i>of rupees)</i>					
8.54	1.95	1.54	31.11	3.87	3.42
9.94	2.25	2.00	36.21	9.56	7.95
9.10	3.56	2.53	33.15	10.70	8.37
8.12	3.67	2.44	29.58	10.48	8.20
5.60	3.73	3.36	20.40	10.01	9.96
41.30	15.16	11.87	150.45	44.62	37.90

ANNE

(Reference : Paragraph

LIST OF ARTICLES LYING

S. No.	Name of the block	Names	
		Barbed wire in bundles	Pumping sets
(1)	(2)	(3)	(4)
			(Quantity in
1.	Jaithari	..	2
2.	Isanagar	13	..
3.	Bhander	13	..
4.	Morena	..	2
5.	Gohad	13	..
6.	Mungeli	..	..
7.	Korba	..	..
8.	Gharghoda	..	..
9.	Khairagarh	..	..
10.	Pandhurna	27	..
11.	Damoh	..	..
12.	Susner	..	..
13.	Patan	15	..
14.	Kareli	..	..
15.	Badnawar	..	..
16.	Narsinghgarh	..	..
17.	Sailana	43	..
	Total	124	4

XURE VI

3.3.5, page 84)

IN STOCK IN 17 BLOCKS

of the articles lying in stock

Garden tool sets	Sewing ma- chines	Knitting machines	Transis- tors/radios	Bicycles	Incubators
(5)	(6)	(7)	(8)	(9)	(10)
<i>numbers)</i>					
1	1	..	2	1	..
2	..	..	..	..	..
27	..	..	11	..	..
..	..	..	2	..	..
..
1	..	..	..	..	..
..	..	..	..	..	2
..	..	1	5	..	..
..	..	..	..	1	..
4	..	..	..	..	..
3	..	1	..	..	..
..	3	..	..	..	..
2	..	..	..	..	..
3	..	1	..	..	..
..	..	1	..	..	..
1	..	..	1	..	..
..	1	1	..	1	..
44	5	5	21	3	2

ANNE

*(Reference : Paragraph*EXPENDITURE INCURRED AND NUMBER OF PERSONS
NUTRITION PROGRAMME IN BHOPAL

(1)	Bhopal City					
	1970-71 (2)	1971-72 (3)	1972-73 (4)	1973-74 (5)	1974-75 (6)	Total (7)
1. Allotment of funds (Rupees)	48,400	3,40,922	7,99,973	9,04,562	4,34,722	25,28,579
2. Expenditure incurred (Rupees)	48,400	3,38,011	6,19,266	7,16,488	4,25,205	21,47,370
3(A) Number of beneficiaries (as per target)	6,000	11,200	14,000	14,000	9,600	..
(B) Number of beneficiaries (actual maximum number in a year)						
(a) Children 0-2 years						
(b) Children 2-6 years						
(c) Expectant and nursing mothers						
4. Number of feeding centres established	30	56	71	71	48	..

Break-up of the beneficiaries is not available

XURE VII

3.4.1, page 86)

UNDERSTOOD TO HAVE BENEFITED, ETC. UNDER SPECIAL
AND GWALIOR CITIES

Gwalior City

1970-71 (8)	1971-72 (9)	1972-73 (10)	1973-74 (11)	1974-75 (12)	Total (13)]
..	3,88,671	8,38,298	10,63,233	3,12,447	26,02,649
..	3,88,671	8,38,298	10,14,978	3,12,443	25,54,390
..	9,520	14,938	14,900	14,700	..
..	6,500 2,350	7,532 } 6,088 }	14,110	13,970	..
..	670	1,318	790	730	..
..	33	60	74	78	..

ANNÉ

(Reference: Paragraph 3.5,

DETAILS OF

A—Completed

Scheme	Area reclaim- ed upto July 1975 (in acres)	Estimated cost	
		Rupees in lakhs	Cost in rupees per acre
(1)	(2)*	(3)*	(4)
<i>Centrally Sponsored Schemes :</i>			
Budharakhera Block I	267	2,71,000 (for 358 acres)	757
Budharakhera Block II	143	2,27,873 (for 258 acres)	883
	Total	410	
<i>State Plan Schemes :</i>			
Chhonda	75	15,400	210
Bagchini	584	3,73,320	595
Nayakpura	550	1,96,120	367
Deori Hingona	290	1,56,000	540
Jawasa	452	6,24,270 (for 978 acres)	638
Dimni Chandpur	682	4,54,047 (for 770 acres)	590
	Total	2,633	
	Grand Total	3,043	

Note : *The figures in these columns are based on the data obtained from the department.

@As worked out by the Agriculture Department.

XURE—VIII

page 97)

RECLAMATION SCHEME

Schemes

Actual cost		Percentage of excess over estimated cost	Remarks
Rupees in lakhs	Cost in rupees per acre		
(5) *	(6)	(7)	(8)
2,59,088 (for 267 acres)	970	28*	} The area was stated to have been included in the regular programme of tubewells of Porsa block, but the holdings were small and the cultivators were not getting assistance from financial institutions, as a result of which the facility of irrigation could not be made available.
1,85,136 (for 143 acres)	1,299	47	
18,680	267 @	27	} Irrigation facilities were not provided.
2,61,364	467 @	..	
4,00,596	866 @	136	
1,50,125	519 @	..	
6,05,368 (for 452 acres)	1339	110*	
4,87,200 (for 682 acres)	714	21	

ANNEXURE VIII—*Concl'd.*

B—Schemes Under Execution

Schemes	Area * reclaimed upto July 1975	Area * reclaimed	Remarks
(1)	(2)	(3)	(4)
	(In acres)		
<i>Centrally sponsored Schemes:</i>			
Karari Bhatari	975	30	45.5 acres peripheral land was getting canal water. Six tubewells were proposed for irrigating an area of 355.5 acres. The remaining area of 604 acres was scattered in small patches and would not get irrigation facility.
Baretha	475	89	The tubewells scheme was stated to be under preparation and major part of the project area was likely to get irrigation from tubewells.
Deori Atarsama	74	51	Irrigation facility was being provided simultaneously from canals.
Gutor Katrol	234	396	Irrigation was proposed from tubewells.
Total	1758		
<i>State Plan Scheme:</i>			
Hasai Mewda	412	89	Only peripheral land was receiving canal water. In the remaining land arrangement was yet to be made.
Grand total	2170		

Note : *The figures in these columns are based on the data obtained from the department.

Name of the Project	Artificial Insemination						Average number of collections per bull
	Number of bulls used			Number of Collections made			
	Cattle	Buffalo	Total	Cattle	Buffalo	Total	
Year	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Bhind							
1970-71	12	12	24	196	304	500	21
1971-72	11	10	21	173	241	414	20
1972-73	11	10	21	202	255	457	22
1973-74	7	14	21	153	262	415	20
1974-75	12	12	24	295	367	662	28
Bhopal							
1970-71	10	12	22	241	400	641	30
1971-72	12	11	23	245	401	646	28
1972-73	10	17	27	508	468	976	36
1973-74	10	16	26	626	519	1,145	44
1974-75	11	16	27	642	445	1,087	40
Indore	(C)	(C)	(C)				
1971-72	9	6	15	429	323	752	50
1972-73	10	8	18	482	291	773	43
1973-74	13	10	23	461	235	696	30
1974-75	16	10	26	629	296	925	36
Raipur	(B)		(B)				
1971-72	3.3	..	3.3	193	25	218	66
1972-73	5.0	..	5.0	313	..	313	63
1973-74	5.0	..	5.0	209	..	209	42
1974-75	4.5	..	4.5	178	..	178	40
Jabalpur	(B)	(B)	(B)				
1970-71	2.3	2.0	4.3	143	102	245	57
1971-72	2.5	2.0	4.5	100	101	201	45
1972-73	3.3	2.0	5.3	108	105	213	40
1973-74	3.0	4.7	7.7	107	162	269	35
1974-75	3.0	5.3	8.3	139	138	277	32

(A) Excludes :-

	1971-72	1972-73	1973-74	1974-75
Bulls kept at sub centres not opened	1	6	8	8
Bulls under conditioning	2	2	2	3

(B) Decimals represent bulls stationed for part of year.

XURE IX

3.9.4(d), page 112)

F BULLS

Natural Service

Number of bulls used			Number of services rendered			Average number of services per bull
Cattle	Buffalo	Total	Cattle	Buffalo	Total	
(9)	(10)	(11)	(12)	(13)	(14)	(15)
43	49	92	1,826	3,346	5,172	56
41	48	89	1,568	3,291	4,859	55
41	48	89	1,520	3,303	4,823	54
46	50	96	1,162	3,403	4,565	48
32	39	71	828	2,613	3,441	48
75	71	146	1,362	3,937	5,299	36
72	77	149	1,316	4,012	5,328	36
72	74	146	1,333	4,031	5,364	37
57	72	129	1,242	4,165	5,407	42
32	71	103	1,282	4,507	5,789	56
30	89	119	1,577	6,109	7,686	65
30	97	127	1,531	6,703	8,234	65
28	97	125	957	6,889	7,846	63
28	97	125	838	6,883	7,721	62
(A)	(A)	(A)				
14	12	26	499	323	822	32
34	23	57	1,319	1,096	2,415	42
38	35	73	1,797	1,879	3,676	50
40	35	75	2,469	2,616	5,085	68
20	20	40	105	611	716	18
46	37	83	302	892	1,194	14
46	42	88	724	2,020	2,744	31
43	42	85	1,040	2,038	3,078	36
38	40	78	1,184	2,430	3,614	46

(C) Excludes bulls not used for semen collection as under :

Year	Cattle	Buffalo	Total	Reasons
1971-72	2	6	8	Not available
1972-73	6	4	10	
1973-74	5	3	8	
1974-75	3	3	6	

ANNEXURE X

(Reference: Paragraph 3.9.5, page 116)

FEED AND FODDER DEVELOPMENT ACTIVITIES DURING THE PERIOD COVERED BY REVIEW

(1)	Bhind (2)	Bhopal (3)	Indore (4)	Raipur (5)	Jabalpur (6)
(1) <i>Demonstrations—</i>					
(i) Period of activity	1970-75 (5 years)	1970-75 (5 years)	1971-75 (4 years)	1971-75 (4 years)	1971-75 (4 years)
(ii) Number of demonstration plots	1,931	4,201	1,788	236	437
(iii) Total area of plots in acres	968.5	840.2	447.0	116.8	87.5
(iv) Expenditure in lakhs of rupees	0.67	0.93	0.79	0.10	0.22
(2) <i>Subsidised Supply of Planting Material—</i>					
(i) Period of activity	1970-75 (5 years)	1970-75 (5 years)	1971-75 (4 years)	1971-75 (4 years)	1971-75 (4 years)
(ii) Number of farmers aided	16,004	4,237	2,385	308	1,946
(iii) Area covered in acres	5489.5	3390.0	Not available	519.2	3372.5
(iv) Expenditure in lakhs of rupees	0.78	0.80	0.24	0.11	0.43
(3) <i>Improvement and Better Management of Village Grazing Areas—</i>					
(i) Years of activity	Nil	1970-75 (5 years)	Nil	1971-75 (4 years)	Nil
(ii) Area covered in acres	Nil	157	Nil	390	Nil
(iii) Expenditure in lakhs of rupees	Nil	0.23	Nil	0.39	Nil
(4) <i>Fodder Conservation-Subsidised Construction of Silo Pits—</i>					
(i) Years of activity and number of silo pits (in brackets)	Nil	1970-71(3) 1973-74(1)	1971-72 (10)	Nil	1971-72 (20)
(ii) Expenditure in rupees	Nil	1,750	2,500	Nil	5,000
(5) <i>Subsidised Supply of Chaff-Cutters—</i>					
(i) Years of activity	Nil	1970-74 (4 years)	1971-73 (2 years)	1972-74 (2 years)	1971-74 (3 years)
(ii) Number of cutters supplied—					
(a) Power-driven	Nil	17	85	..	..
(b) Hand-operated	Nil	83	5	19	63
(iii) Expenditure in lakhs of rupees	Nil	0.16	0.48	0.01	0.03
(6) <i>Construction of Wells and Purchase of Pump-Sets</i>	Nil	Nil	Nil	Nil	Nil
(7) <i>Setting up and Operating Feed Mixing Plants</i>					
					One plant got set up in Bhopal Project area with loans of Rs. 3.00 lakhs and subsidies of Rs. 1.60 lakhs paid in 1965-67.

ANNE

(Reference : Paragraph

POSITION OF RECOVERY OF LOANS AND CON

Surguja

Raigarh

- A. *Position of recovery of loans (excluding interest) in August 1975 after remission by the Government.*
- | | |
|---|---|
| Out of Rs. 15.58 lakhs due, no recovery had been made. Rupees 4.16 lakhs were stated to be due from 208 persons who had deserted the settlements. | Only Rs. 0.05 lakh out of Rs. 12.38 lakhs due had been recovered. Rupees 2.94 lakhs were stated to be due from 147 families who had deserted. |
|---|---|
-
- B. *Condition of accounts*
- | | |
|--|--|
| Postings in the ledger accounts were not attested. Loan case files were found to be incomplete. The total disbursement in the ledger accounts was Rs. 34.16 lakhs, while the same according to drawals for this purpose from treasury and other adjustments was Rs. 33.76 lakhs. | Postings in the ledger accounts were not attested. Loan case files were found to be incomplete. The net amount due from each loanee after remission is not shown in the ledger accounts. |
|--|--|

XURE XI

3.15.4, page 142)

DITION OF ACCOUNTS IN FIVE DISTRICTS

Satna	Panna	Raipur
No recovery had been made out of Rs.7.22 lakhs due. Information regarding the number of deserters and the amount due from them was not available with the Collector.	Only Rs. 0.03 lakh out of Rs. 2.97 lakhs had been recovered.	No recovery had been made out of Rs. 3.32 lakhs due nor any information regarding the number of deserters and the amount due from them available with the Collector.
The ledger accounts were not produced to audit. Loan case files were found to be incomplete.	The balances in the ledger accounts were not reconciled with the <i>plus</i> and <i>minus</i> memoranda of the treasury. Loan case files were not available to audit. The total of the individual ledger accounts was Rs. 2.97 lakhs, while the abstract indicated the loan amount as Rs. 3.77 lakhs.	The loan case files and the ledger accounts were not available to audit.

ANNEXURE XII

(Reference : Paragraph 3.15.5, page 143)

OTHER POINTS NOTICED IN SHAHPUR, PANNA AND ARAGAH I
PROJECTS*(Amount in lakhs of rupees)*

(1)	Shahpur (2)	Panna (3)	Aragahi (4)
Total amount of loan paid in cash and kind from 1964-65 to 1974-75.	84.35	18.85	43.18
Number of families who deserted the project in different years.	794	245	Not available.
Total amount of loan outstanding against the families who deserted the project.	Not available.	3.43	Not available.
Amount of expenditure on the construction of houses for settling the migrants, to be treated as loan to them under the orders of the Government, not allotted to the concerned accounts so far (August 1975).	25.57	7.28	..
Expenditure incurred on works like contour-bunding, land reclamation, survey and demarcation, etc., on fields of migrants families (the portion of this expenditure that should be treated as loan to the displaced persons has not been determined).	7.70	6.07	4.97

(Reference : Paragraph

CASES OF MISAPPROPRIATION REPORTED UPTO THE 31st MARCH 1975

S. No.	Name of the Department	Cases reported in 1969-70 and earlier years		Cases reported during 1970-71		Cases reported during 1971-72	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			(In lakhs of rupees)		(In lakhs of rupees)		(In lakhs of rupees)
1.	Education	22	5.36	2	0.43	17	0.89
2.	Revenue	71	3.41	5	0.37	14	1.03
3.	Agriculture	40	2.19	7	1.19	3	0.28
4.	Tribal and Harijan Welfare	24	1.27	2	0.09	6	0.31
5.	Medical	5	1.47	1	0.02	3	0.10
6.	Food	8	3.18	..	..	1	0.14
7.	Irrigation	20	0.68	3	0.21	6	0.19
8.	Public Works	22	2.51	2	0.56	..	..
9.	Industries	7	0.50	1	1.10	1	0.02
10.	Planning and Development	18	1.87	2	0.03	..	..
11.	Police	5	0.64	..	..	..	..
12.	Public Health	5	0.24	1	0.01	4	0.42
13.	Excise	2	0.31	..	..	..	..
14.	Veterinary	6	0.31	4	0.09	2	0.20
15.	Forest	8	0.18	4	0.47	1	0.03
16.	Finance	4	0.30	1	0.11	..	..
17.	Public Health Engineering	8	0.31	..	..	1	0.02
18.	Law	1	0.02	1	0.05	1	0.06
19.	Social Welfare	2	0.02	..	..	..	..
20.	Labour	1	..	..	..	1	0.01
21.	Co-operation	3	0.01	1	0.05	1	..
22.	Tourism	..	..	..	..	..	..
23.	Publicity	1	0.07	..	..	..	..
24.	Stamps	..	..	..	..	..	..
25.	Rehabilitation	1	0.02	..	..	..	..
	Total	284	24.87	37	4.80	62	3.70

XURE XIII

3.21, page 154)

BUT NOT FINALISED TILL THE 30th SEPTEMBER 1975

Cases reported during 1972-73		Cases reported during 1973-74		Cases reported during 1974-75		Total	
No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	(In lakhs of rupees)		(In lakhs of rupees)		(In lakhs of rupees)		(In lakhs of rupees)
2	0.02	12	0.88	10	8.27	65	15.85
7	0.50	6	0.33	14	1.59	117	7.23
5	0.20	5	0.06	8	1.19	68	5.11
8	2.20	4	0.69	3	0.44	47	5.00
7	0.97	5	0.21	3	1.75	24	4.52
..	..	1	0.08	..	..	10	3.40
4	0.32	4	0.51	16	1.43	53	3.34
1	0.02	..	..	5	0.06	30	3.15
2	0.26	..	..	1	0.71	12	2.59
2	0.03	7	0.15	8	0.34	37	2.44
2	1.28	3	0.06	1	0.01	11	1.99
1	0.06	7	0.78	1	0.04	19	1.55
1	0.97	..	..	2	0.11	5	1.39
5	0.21	4	0.39	2	0.18	23	1.38
1	0.01	3	0.09	4	0.17	21	0.95
..	..	1	0.10	2	0.37	8	0.88
..	..	..	..	3	0.15	12	0.48
1	0.01	3	0.10	4	0.10	11	0.34
3	0.16	2	0.14	..	..	7	0.32
2	0.25	1	0.01	..	..	5	0.27
..	..	2	0.09	..	..	7	0.15
..	..	..	..	1	0.13	1	0.13
..	..	1	0.02	..	..	2	0.09
..	..	1	0.05	..	..	1	0.05
..	..	..	..	..	..	1	0.02
54	7.47	72	4.74	88	17.04	597	62.62

ANNE

(Reference : Paragraph

LOSSES, ETC., WRITTEN OFF

S. No.	Name of the Department	Writes -off of losses, irrecoverable revenue, advances, etc.	
		Number of cases	Amount Rs.
(1)	(2)	(3)	(4)
1.	Food	244	6,35,936
2.	State Excise	9	5,92,692
3.	Forest	71	2,57,875
4.	Sales Tax	543	1,80,000
5.	Mineral Resources	17	1,05,297
6.	Irrigation	8	89,312
7.	Agriculture	59	50,039
8.	Veterinary and Dairy	48	48,411
9.	Panchayat and Community Development	6	33,574
10.	Revenue	3	13,977
11.	Home(Police)	11	13,572
12.	Public Works (Buildings and Roads)	5	10,548
13.	Law	7	7,250
14.	Public Health	3	3,340
15.	Education	2	2,976
16.	Social Welfare	1	1,294
17.	Industries	2	894
18.	General Administration	3	73
Total		1,042	20,47,060

XURE XIV

3.22, page 158)

DURING THE YEAR 1974-75

Ex-gratia payments		Waiver of recovery		Remission of revenue	
Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
(5)	(6)	(7)	(8)	(9)	(10)
	Rs.		Rs.		Rs.
..	..	1	896	..	..
..
16	40,443	..	..	..	..
..	7	2,586
..
..
..	2	5,333
..
..
..	..	1	60	6	1,72,276
..	..	1	3,234	..	..
..
..	..	3	1,497	..	..
..	..	1	8,431	..	..
..	..	6	34	..	..
..
..
..
16	40,443	13	14,152	15	1,80,195

ANNEXURE XV

(Reference : Paragraph 4.1.4, page 166)

STATEMENT SHOWING MACHINES* ASSESSED AS SURPLUS IN TAWA PROJECT

Description of the machines (1)	Working condition (2)	Under repairs (3)	Total (4)
Tata P & H shovel	2	..	2
H.M. shovel	1	1	2
H.D. 11 G.C. Taxcavator	2	..	2
H.D. 21 dozer	..	7	7
Cat D 6 tractor	3	..	3
Cat D 7 tractor	1	..	1
Cat D 8 tractor	2	..	2
Buckey crane	..	1	1
Cat 619 scraper	2	8	10
Cat Althey bottom dumper	4	..	4
70 T.D. Eudid dumper	5	7	12
Mogurt dumper	10	..	10
Warco motor grader	1	..	1
Maw India air compressor	1	1	2
Holman air compressor	..	1	1
C.P.T. electric compressor	1	1	2
60 H.P. Skoda diesel pump	3	2	5
40 H.P. K.B. diesel pump	4	6	10
Paqstone stone crusher	1	..	1
Garlik stone crusher	1	..	1
Joy drilling machine (HD 22)	1	..	1
Wagon drilling machine	3	..	1

*Value not available.

ANNEXURE XVI

(Reference : Paragraph 4.1.7 (iv), page 171)

DETAILS OF UNSERVICEABLE MACHINES AWAITING
PREPARATION OF SURVEY REPORTS

No. of machines (1)	Year from which lying unserviceable (2)	Book value of the machines (3)	Year of purchase (4)
<i>(In lakhs of rupees)</i>			
1	1958	1.20	1955
3	1963	0.93	1955
8	1964	3.46	1955
2	1965	0.62	1955
3	1967	4.61	1955
1	1970	1.51	1955
2	1971	1.82	1955
2	Not available	2.48	1955
11	Not available	8.55	1957
4	Not available	5.48	1961-62
6	Not available	Not available	Not available

Note.—These machines are lying in the workshops of Electrical and Mechanical (Light Machinery) Division, Raipur, Electrical and Mechanical (Heavy Earth Moving Machinery) Division, Raipur, Electrical and Mechanical Division, Satna and the Electrical and Mechanical Division, Gwalior.

ANNEXURE XVII

(Reference : Paragraph 4.1.7 (iv), page 171)

DETAILS OF UNSERVICEABLE MACHINES AWAITING SANCTIONS
TO WRITE OFF

No. of machines	Year in which the machine became un-serviceable	Book value of the machines	Month in which proposals for write off were submitted by the divisions	Remarks
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
1	1959	1.51	June 1975	These cases were reported to be pending with the Chief Engineer, Electrical and Mechanical.
1	1961	1.51	June 1975	
4	1962	1.60	September 1974	The case was reported to be pending with the Engineer-in-Chief.
1	1964	1.48	November 1974	These cases were reported to be pending with the Superintending Engineer, Electrical and Mechanical, Raipur.
4	1965	7.22	November 1974	
2	1966	2.22	November 1974	
1	1967	1.02	November 1974	
1	1970	0.70	September 1974	These cases were reported to be pending with the Engineer-in-Chief.
2	1971	2.58	September 1974	
1	Not available	Not available	April 1969	
2	Not available	1.96	December 1969	
1	Not available	Not available	April 1970	
4	Not available	3.18	March 1971	
19	Not available	27.67	Not available	

Note.—The machines are lying in the workshops of Electrical and Mechanical Divisions at Raipur, Bhopal, Satna and Gwalior.

ANNEXURE XVIII

(Reference : Paragraph 4.1.7.(v), page 171)

MACHINES LYING IDLE FOR REPAIRS

S. No.	Name of division	Particulars of machine	Month from which idle	Expenditure incurred on repairs during 1973-74 and 1974-75 Rs.
(1)	(2)	(3)	(4)	(5)
1.	Electrical and Mechanical Division, Satna	Allischalmer-TS. 200 scraper No.5	June 1973	16,149
2.	-do-	-do- No.11	July 1973	7,824
3.	-do-	-do- No.24	July 1973	34,061
4.	-do-	D. 8 Dozer No. 4	March 1975	6,231
5.	-do-	-do- No.12	August 1972	23,330
6.	-do-	TD.9 tractor No.1	April 1973	20,776
7.	-do-	Grader MG 12 No.2	January 1975	21,224
8.	-do-	TD. Scraper No.1	May 1966	15,512

ANNEXURE XIX

(Reference: Paragraph 4.1.7 (vi), page 172)

MACHINES LYING IDLE EVEN AFTER REPAIRS

S. No.	Name of division	Particulars of machine	Expenditure incurred on repairs	Work done	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
			Rs.		
1.	Irrigation Division, Vidisha	TD. 9 Tractor	21,069	20 days between October and December 1974	Went out of order in December 1974. Estimate for repairs for Rs. 20,145 pending with Superintending Engineer, Betwa Circle.
2.	Electrical and Mechanical Division, Satna	DW. 10 Scraper	10,432 (February 1973 to April 1974)	(i) 32 hours in February 1973 (ii) May-June 1974 in Gopalpura Tank	} Lying since August 1974 in Bhopal workshop for repairs
3.	-do-	DW. 10 Scraper No. 21	41,504 (July 1973 to May 1974)	(i) 120 hours in Gopalpura Tank (ii) 225 hours in Kankarkheda project.		} Lying in Bhopal workshop since July 1974 for repairs

ANNEXURE XXI

(Reference: Paragraph 4.2.3, page 179)

IDLE MACHINES

S. No.	Description of machine	Hours worked with project	Date from which lying idle	Residual value
(1)	(2)	(3)	(4)	(5)
				(In lakhs of rupees)
1.	Russian Scraper No. 1	137	May 1972	2.11
2.	-do- No. 2	656	December 1970	2.11
3.	-do- No. 3	450	February 1970	2.16
4.	-do- No. 7	Not available	August 1973	2.21
5.	-do- No. 8	213	Not available	2.25
6.	-do- No. 11	612	January 1970	2.15
7.	-do- No. 12	Not available	April 1969	2.13
8.	-do- No. 13	100	December 1970	1.92
9.	-do- No. 14	406	June 1971	2.02
10.	-do- No. 15	998	February 1973	1.95
11.	Russian Dumper No. 7	666	Not available	0.75
12.	-do- No. 10	658	June 1970	0.75
13.	C-100 Tractor No. 1	1266	Working order	0.79
14.	-do- No. 2	2434	Not available	0.83
15.	-do- No. 3	237	April 1972	0.94
16.	-do- No. 6	2004	Not available	0.86
17.	-do- No. 9	1004	April 1970	0.83
18.	C-108 Tractor No. 14	153	September 1969	0.52
			Total	27.28

ANNE

(Reference: Paragraph

STATEMENT OF EXTRA COST DUE TO

S.
No.

Name of work

(1)

(2)

1. Construction of main canal and cement concrete lining from R.D—0 to 1463 metres
2. Construction of Right Main Canal—excavation from RD-1463 to 1900 metres
3. Construction of Right Main Canal—excavation from RD-1900 to 3300 metres
4. Construction of Right Main Canal—excavation from RD-3300 to 4560 metres
5. Construction of masonry works from RD-7380 to 9060 metres
6. Construction of drainage at RD-10590 metres, 11520 metres, RD-13560 metres and village road bridge at RD-13963 metres
7. Excavation and forming of embankment from RD-14281 to 16770 metres

GRAND TOTAL

XURE XXI

4.2.3, page 180)

NON-ACCEPTANCE OF LOWER TENDERS

Estimated cost	Percentage above or below current schedule of rates as per lowest tenders	Cost of work as per lowest tender	Tenders accepted subsequently (percentage) above the current schedule of rates	Cost of work at the accepted rates	Extra cost
(3)	(4)	(5)	(6)	(7)	(8)
(In lakhs of rupees)		(In lakhs of rupees)		(In lakhs of rupees)	
11.64	8.3 above	12.60			
6.43	7.9 above	6.94			
4.65	0.3 below	4.64	40.55 above	35.42	8.68
2.48	3.3 above	2.56			
<u>25.20</u>		<u>26.74</u>			
4.33	13.8 above	4.93			
3.94	19.0 above	4.69	37.6 above	11.38	1.76
<u>8.27</u>		<u>9.62</u>			
9.98	45.0 above	14.47	55.92 above	15.56	1.09
43.45		50.83		62.36	11.53

ANNEXURE XXII

(Reference: Paragraph 7.2, page 218)

SUMMARISED FINANCIAL RESULTS OF DEPARTMENTALLY
MANAGED GOVERNMENT UNDERTAKINGS

S. No.	Name of concern	Sales Dispensary, Indore	Government Handloom Factory, Maheshwar	Training-cum-Production Centre, Chanderi
	Name of Administrative Department	Public Health and Family Planning	Co-operation	Co-operation
	Period of Account	1974-75	1973-74	1974-75
(1)	(2)	(3)	(4)	(5)
		<i>(In lakhs of rupees)</i>		
1.	Government Capital at the close of the year.	2.20	3.32	7.49
2.	Mean Capital	1.97	2.73	5.26
3.	Block assets (net)	0.05	0.18	0.35
4.	Depreciation to date	0.09	@	@
5.	Turnover	2.92	0.26	0.55
6.	Profit (+)/Loss (-)	(-)0.17	(-)0.97	(-)1.49
7.	Interest on capital	0.11	0.15	0.31
8.	Total return	(-)0.06	(-)0.82	(-)1.18
9.	Percentage of return on mean capital.	..	..	.

@ Depreciation has not been provided.