



सत्यमेव जयते

REPORT

OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

IX
53-B-4

FOR THE YEAR
1973-74

(CIVIL)

GOVERNMENT OF WEST BENGAL

TX
93-8-1

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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1973-74 together with other points arising from audit of financial transactions of the Government of West Bengal for the year 1973-74. It also includes :

- (i) certain points of interest arising from the Finance Accounts for the year 1973-74;
- (ii) matters relating to certain bodies and authorities the accounts of which are audited by the Indian Audit and Accounts Department; and
- (iii) comments on Jute Development Scheme, Hill Cattle Development Scheme, Scheme for development of large derelict fisheries, Emergency water supply scheme in Calcutta Metropolitan District, Greater Calcutta Milk Supply Scheme and Directorate of Cinchona and other Medicinal Plants.

2. The cases mentioned in the Report are among those which came to notice of Audit in the course of test audit of the accounts during the year 1973-74 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 1973-74 have also been included wherever considered necessary.

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

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

CHAPTER I

GENERAL

Financial review: The receipt and the expenditure of the Government for 1973-74 and the preceding two years as also the surplus/deficit for these years were as follows:

	1971-72	1972-73	1973-74
<i>(In crores of rupees)</i>			
(i) Revenue			
Revenue receipts	4,25.43	3,51.22	3,76.50
Revenue expenditure	4,02.54	4,10.73	3,79.19
Revenue surplus (+)/deficit (-)	(+22.89	(-)59.51	(-)2.69
(ii) Debt			
Public debt (other than floating debt) (net)			
Increase (+)/decrease (-)	(+37.96	(+97.85	(+96.50
Floating debt (net)			
Increase (+)/decrease (-)	(+11.20	(+11.15	(+25.43
Total debt (net)			
Increase (+)/decrease (-)	(+49.16	(+1,09.00	(+1,21.93
(iii) Loans and advances by the State Government (net)			
Increase (-)/decrease (+)	(-)36.48	(-)41.51	(-)49.91
(iv) Contingency Fund (net)			
Increase (+)/decrease (-)	(+0.03	(-)0.01	(-)0.03
(v) Public Account (net)			
Increase (+)/decrease (-)	(-)23.84	(+22.35	(+16.97
(vi) Capital expenditure outside the revenue account			
Increase (-)/decrease (+)	(-)30.37	(-)45.90	(-)45.84
Net surplus (+)/deficit (-)	(-)18.61	(-)15.58	(+40.43
Opening cash balance	(-)6.76	(-)25.37	(-)40.95
Net surplus (+)/deficit (-)	(-)18.61	(-)15.58	(+40.43
Closing cash balance	(-)25.37	(-)40.95	(-)0.52

2. **Budget and actuals**—(a) *Revenue receipts*: The actuals of revenue receipts for 1973-74 as compared with (a) the budget estimates and (b) the budget estimates *plus* additional taxation levied during the year along with the corresponding amounts for 1971-72 and 1972-73 are given below :

Year	Budget	Budget <i>plus</i> additional taxation	Actuals	Variations between columns (4) and (3)	
				Amount of increase (+) decrease (-)	Percen- tage
1	2	3	4	5	6
(In crores of rupees)					
1971-72	3,66.15	3,67.33	4,25.43	+58.10	16
1972-73	3,51.31	3,56.81	3,51.22	-5.59	2
1973-74	3,77.54	3,77.54	3,76.50	-1.04	0.3

(b) *Expenditure on revenue account*: The expenditure on revenue account during 1973-74 as compared with (a) the budget estimates and (b) the budget estimates *plus* supplementary provision along with the corresponding amounts for 1971-72 and 1972-73 are given below :

Year	Budget	Budget <i>plus</i> supple- mentary	Actuals	Variations between columns (4) and (3)	
				Amount of increase (+) decrease (-)	Percen- tage
1	2	3	4	5	6
(In crores of rupees)					
1971-72	3,84.92	4,94.19	4,02.54	-91.65	19
1972-73	3,74.09	4,10.30	4,10.73	+0.43	0.1
1973-74	3,93.03	4,14.89	3,79.19	-35.70	9

3. **Revenue receipts:** (a) The revenue receipts during 1973-74 (Rs.3,76.50 crores) increased by Rs.25.28 crores over those in 1972-73 (Rs.3,51.22 crores). The increase is analysed below:

	Receipts		Increase (+) Decrease (-)	Per- centage
	1972-73	1973-74		
(In crores of rupees)				
<i>(i) Receipts from Government of India</i>				
(a) State's share of divisible Central taxes ..	87.60	96.26	+8.66	10
(b) Statutory grants	10.92	6.76	-4.16	38
(c) Other grants	43.83	42.09	-1.74	4
<i>(ii) Revenue raised by State Government</i>				
(a) State taxes, duties and other principal heads of revenue	1,47.00	1,65.95	+18.95	13
(b) Central taxes leviable for the purpose of and collected by the State Government	26.84	25.14	-1.70	6
(c) Receipts under water rates, betterment levy, rents from buildings and other receipts	35.03	40.30	+5.27	15
Total ..	3,51.22	3,76.50	+25.28	7

(b) Receipts from Government of India during 1973-74 were Rs.1,45.11 crores as against Rs.1,42.35 crores in 1972-73. These constituted 38.54 per cent of the total revenues (Rs.3,76.50 crores) in 1973-74 as against 40.53 per cent of the total revenue receipts (Rs.3,51.22 crores) in the previous year. The increase of Rs.2.76 crores during 1973-74 was due to larger receipts from the net proceeds of divisible taxes (Rs.8.66 crores) partly counterbalanced by less receipt of statutory and other grants (Rs.5.90 crores). More information on the subject has been given in the Report of the Comptroller and Auditor General of India for the year 1973-74 (Revenue Receipts)—Government of West Bengal.

(c) Revenue raised by the State Government during 1973-74 also rose by Rs.22.52 crores as compared with that in 1972-73. Variations above Rs.1 crore occurred under:

Head of Account	1972-73	1973-74	Increase (+) Decrease (-)	Remarks
(In crores of rupees)				
Land Revenue	5.23	7.32	+2.09	Increased receipts from the management of <i>ex-Zamindari</i> estates.
State Excise Duties	18.90	20.26	+1.36	Increased receipts under "country spirits".

Head of Account	1972-73	1973-74	Increase (+) Decrease (-)	Remarks
<i>(In crores of rupees)</i>				
Sales Tax	91.24	1,01.69	+10.45	Increased receipts owing to normal growth of trade and commerce.
Stamps	9.48	13.40	+3.92	Increase in sale of stamps.
Interest	5.23	8.68	+3.45	Increase in receipt of interest on loans to West Bengal State Electricity Board and to Departmental Commercial Undertakings.
Miscellaneous Social and Developmental Organisations	2.40	6.11	+3.71	Increased recoveries on account of Employees' State Insurance Corporation's share of expenditure.
Miscellaneous	4.63	3.36	-1.27	Less receipts on account of relief to refugees from erstwhile East Bengal.

(d) *Taxation measures*: No post-budget taxation measures were taken during the year. Government, however, anticipated at the budget stage additional revenue of Rs.2.17 crores from levy of surcharge at different rates on existing taxes under the Acts mentioned below:

	Estimated yield for 1973-74
<i>(In crores of rupees)</i>	
1. The Bengal Motor Vehicles Taxation Act, 1932	0.10
2. The Bengal Finance (Sales Tax) Act, 1941	} 1.10
3. The West Bengal Sales Tax Act, 1954	
4. The Bengal Amusement Tax Act, 1922	0.92
5. The Indian Stamps Act, 1899 (in its application in West Bengal)	0.05
Total	2.17

The actual yield during the year from the above measures has not been intimated (April 1975).

4. **Arrears of revenue:** Information about arrears of revenue as on the 31st March 1974 could not be supplied in spite of all efforts, by the Board of Revenue, Excise Department, Home (Transport) Department, Finance (Taxation) Department, Finance Department, Municipal Services Department, Agriculture Department, Fisheries Department, Commerce and Industries Department, Cottage and Small Scale Industries Department, Public Works Department, Forest Department and Housing Department. These were responsible for collection of land revenue, irrigation receipts and receipts from multipurpose river schemes, State excise duties, taxes on vehicles, other taxes and duties, interest, licence fees for fire services, agricultural receipts, receipts from fisheries, receipts from industries, receipts from cottage and small scale industries, public works receipts, forest receipts and receipts from housing schemes respectively. Actual realisations by these authorities during 1973-74 were Rs.97.47 crores (26 per cent of the total revenue) against the estimated receipts of Rs.1,04.64 crores.

According to the information received from the remaining Departments arrears in collection of revenue and other receipts at the end of March 1974 were Rs.69,49.97 lakhs as shown below :

Nature of revenue	Arrears	Average annual revenue during 1969-70 to 1973-74	Percentage of arrears to the average annual revenue
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(In lakhs of rupees)

Finance Department—

Sales Tax	66,64.64	70,90.48	83
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Arrears were stated to be due to (i) irrecoverable demands accumulated since 1941 not being written off regularly, (ii) *ex parte* assessments resulting in considerable increase in demands on account of disallowance of claims under section 5(2) (a) (ii) of Bengal Finance (Sales Tax) Act, 1941, following the judgment in the case of Kedarnath Jute Mills and (iii) increase in the number of assessment cases during the years 1971-72 to 1973-74.

Agricultural income tax	2,44.62	1,24.03	197
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Arrears to the extent of Rs. 1,30.83 lakhs were reported to be covered by certificate proceedings.

Home (Jails) Department—

Jails and jail manufactures	40.71	19.47	209
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Reasons not stated.

Total	69,49.97	72,33.98	..
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5. **Expenditure on revenue account:** Expenditure on revenue account in 1973-74 (Rs.3,79.19 crores) was less by Rs.31.54 crores than in 1972-73 (Rs.4,10.73 crores). Variations are explained below:

	Expenditure		Increase(+) Decrease(-)
	1972-73	1973-74	
(In crores of rupees)			
(i) Collection of taxes, duties and other principal revenues	12.22	12.85	+0.63
(ii) Debt Services	49.37	50.58	+1.21
(iii) Administrative Services—			
Police	30.71	35.37	+4.66
Increase was due to more expenditure on District Executive Force and loss on sale of foodstuff at subsidised rates.			
Other Administrative Services	23.97	24.33	+0.36
Total ..	54.68	59.70	+5.02
(iv) Social and Developmental Services—			
Education	79.32	84.66	+5.34
Increase was due to more expenditure on development schemes and grants for secondary education.			
Medical	24.48	26.76	+2.28
Increase was due to more expenditure on development schemes for medical education and hospitals and dispensaries.			
Agriculture	27.64	17.63	-10.01
Decrease was due to less expenditure on lift irrigation and tubewells.			
Industries	6.21	7.60	+1.39
Increase was due to more expenditure on development schemes and cottage and small scale industries.			
Other Social and Developmental Services ..	37.03	38.70	+1.67
Total ..	1,74.68	1,75.35	+0.67
(v) Multipurpose River Schemes, Irrigation and Electricity Schemes	11.69	11.34	-0.35
(vi) Public Works (including Roads) and Schemes of Miscellaneous Public Improvements—			
Public Works	18.20	12.70	-5.50

Decrease was due to less expenditure on Repairs—Buildings and Communications.

	Expenditure		Increase (+) Decrease (-)
	1972-73	1973-74	
(In crores of rupees)			
Other heads	3.33	2.00	-1.33
Total ..	21.53	14.70	-6.83
(vi) Transport and Communications (other than Roads)	0.96	0.73	-0.23
(vii) Miscellaneous—			
Famine Relief	17.87	7.64	-10.23

Decrease was due to less expenditure on gratuitous relief and other relief operations.

Miscellaneous	58.36	35.98	-22.38
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Decrease was due to less expenditure on relief to refugees from erstwhile East Bengal.

Other heads	8.97	9.98	+1.01
Total ..	85.20	53.60	-31.60
(ix) Other heads	0.40	0.34	-0.06
Total—Revenue Expenditure	4,10.73	3,79.19	-31.54

6. **Expenditure outside the revenue account:** (a) Expenditure outside the revenue account includes, besides capital expenditure, loans and advances paid by Government. Expenditure on capital account during the three years ending 1973-74 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary grants is shown below (Loans and advances are dealt with in paragraph 7):

Year	Budget	Budget <i>plus</i> supplementary	Actuals	Variations between columns (4) and (3)	
				Amount of decrease	Percentage
1	2	3	4	5	6
(In crores of rupees)					
1971-72	37.61	43.77	30.37	13.40	30
1972-73	48.82	69.89	45.90	23.99	34
1973-74	54.65	59.27	45.84	13.43	23

(b) Further analysis of expenditure outside the revenue account is given below :

	During 1973-74	During 1971-72 to 1973-74	Total up to 1973-74
<i>(In crores of rupees)</i>			
I—Capital expenditure on—			
(i) Irrigation and Multipurpose river schemes ..	17.07	43.79	2,24.05
(ii) Other commercial departments/undertakings, schemes of Government trading, industrial development and agricultural schemes.	17.52	40.84	83.59
(iii) Compensation to land holders, etc., on abolition of Zamindari system.	2.05	9.13	40.38
(iv) Public Works	8.10	27.91	2,55.06
(v) Miscellaneous such as capital outlay on forests and payment of commuted value of pensions.	0.20	0.44	1.47
(vi) Electricity schemes .. .. .	..	..	1.28
(vii) Appropriation to Contingency Fund .. ..	..	..	5.00
Total—Capital expenditure	45.84	1,22.11	6,10.83
II—Net outgo under loans and advances by State Government, i.e., after taking into account recovery of loans.	49.91	1,27.89	3,59.38
Total	95.75	2,50.00	9,70.21

Further details of capital expenditure are given in Statements nos. 2 and 13 of Finance Accounts, 1973-74.

(c) The sources from which expenditure outside the revenue account including that on loans and advances was met during 1973-74 and the three years ending 1973-74 are given below :

	1973-74	1971-72 to 1973-74
<i>(In crores of rupees)</i>		
I—Net additions to—		
(i) Permanent Debt	7.98	24.35
(ii) Floating Debt	25.43	25.48
(iii) Loans from Government of India	86.22	2,21.47
(iv) Loans from other sources	2.30	8.79
(v) Unfunded Debt (mainly Provident Funds)	4.98	14.68
II—Other capital receipts—		
Mainly deposits (net) received by Government and withdrawals from Contingency Fund.	4.60	1.31
III—Receipts from encashment of securities and decrease in cash balance	—33.07	—6.76
Total—Receipts	98.44	2,39.32
Less—Deficit on revenue account	—2.69	—39.32
Net resources available for expenditure outside the revenue account	95.75	2,50.00

7, Loans and advances: (a) The actuals of disbursements under loans and advances by the State Government for 1973-74 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision along with the corresponding amounts for 1971-72 and 1972-73 are given below:

Year	Budget	Budget <i>plus</i> supple- mentary	Actuals	Variations between columns (4) and(3)	
				Amount of decrease	Percent- age
1	2	3	4	5	6
(In crores of rupees)					
1971-72	26.71	42.39	42.04	0.35	1
1972-73	34.12	49.08	47.58	1.50	3
1973-74	42.18	62.10	59.17	2.93	5

(b) The budget estimates and actuals of recoveries of loans and advances for the three years ending 1973,74 are given below:

Year	Budget	Actuals	Variations between columns (3) and (2)	
			Amount of increase+ decrease—	Percentage
1	2	3	4	5
(In crores of rupees)				
1971-72	5.48	5.56	+0.08	1
1972-73	12.22	6.07	-6.15	50
1973-74	5.88	9.26	+3.38	57

The rise in actual recoveries was due to more repayments under Loans to Local Funds, Private Parties, etc., (Rs.4.28 crores) and Loans to Government servants (Rs.0.44 crore), partly counterbalanced by less recoveries under Loans and Advances to Displaced Persons (Rs.1.29 crores) and Loans and Advances under C.D.P., N.E.S., etc. (Rs.0.05 crore).

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

	On 31st March 1973	On 31st March 1974
(In crores of rupees)		
(i) Loans to Municipal Corporations and Municipalities ..	14.44	14.03
(ii) Loans to District and other Local Fund Committees ..	2.47	2.71
(iii) Loans to Co-operative Institutions and Banks ..	5.21	4.60
(iv) Loans under Community Development Projects ..	4.62	4.57
(v) Loans and advances to displaced persons ..	26.97	27.18
(vi) Advances to cultivators ..	30.40	32.19

Advances were given mainly for purchase of seeds, cattle, fertilisers and pesticides.

	On 31st March 1973	On 31st March 1974
	(In crores of rupees)	
(vii) Loans and advances to Statutory Corporations, Boards and Government Companies	1,37.62	1,61.68
<p>Loans were given mainly to seven Statutory Corporations (Rs. 28.59 crores), State Electricity Board (Rs. 80.23 crores), Calcutta Metropolitan Development Authority (Rs. 2.00 crores), and eight Government Companies (Rs. 49.91 crores). Loans advanced during 1973-74 were mainly for meeting current liabilities, implementation of development schemes and augmentation of capital.</p>		
(viii) Miscellaneous loans and advances	83.71	1,07.53
(ix) Loans to Government servants	4.03	4.89
Total	3,00.47	3,59.38

Further details of loans and advances are given in Statements nos. 5 and 18 of Finance Accounts, 1973-74.

(d) *Non-settlement of terms and conditions of loans*: The terms and conditions of repayment of Rs.2,23.60 crores given as loans (in 560 cases) to statutory corporations, etc., have not been settled and no repayment has, therefore, been made. Some of these loans were paid as far back as 1955-56. Loans to West Bengal State Electricity Board (Rs.80.77 crores in 106 cases), Calcutta Metropolitan Development Authority (Rs.57.05 crores in 32 cases), Durgapur Projects Ltd. (Rs.27.34 crores in 23 cases), Calcutta State Transport Corporation (Rs.20.75 crores in 106 cases), Durgapur Chemicals Ltd. (Rs.12.84 crores in 42 cases), West Bengal Small Industries Corporation Ltd. (Rs.5.15 crores in 9 cases), West Bengal Development Corporation (in liquidation) (Rs.4.10 crores in 31 cases) and Hooghly River Bridge Commissioners (Rs.3.10 crores in 3 cases) accounted for 94 per cent of these loans. In most of these cases, fresh loans were given in 1973-74 although terms and conditions for the earlier loans have not been settled. The reasons for the delay in settling the terms and conditions were not intimated by the State Government. Details of the loans are given in Statement no. 5 of Finance Accounts, 1973-74.

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

	Position as on		
	31st March 1972	31st March 1973	31st March 1974
Cases of loans	478	511	560
(In crores of rupees)			
Amount	1,58.11	1,84.74	2,23.80

(e) *Recoveries in arrears*: In the case of loans at serial numbers (i), (ii), (v) (in part), (vii) and (viii) (in part) of sub-paragraph (c) above, detailed accounts of which are maintained in the Audit Office, recovery of Rs.18,10.67 lakhs (principal: Rs.14,58.37 lakhs; interest: Rs.3,52.30 lakhs) was in arrears (in 797 cases) on 31st March 1974 as shown below; of that, recovery of Rs.6,28.02 lakhs (in 461 cases) (principal: Rs.4,87.46 lakhs; interest: Rs.1,40.56 lakhs) was in arrears for more than three years.

Department	Number of loans	Principal (In lakhs of rupees)	Interest
Municipal Services—			
Municipal Corporations and Municipalities ..	341	2,11.50	56.72
Health—			
Municipalities	47	16.82	24.20
Agriculture—			
Municipalities	3	0.45	0.13
Panchayats—			
Municipal Corporation and Zilla Parishads ..	20	29.08	5.07
Development and Planning (Town and Country Planning)—			
Local Bodies	4	0.14	9.62
Housing—			
Local Bodies	3	0.82	1.17
Home (Transport)—			
Calcutta Tramways Company Ltd.	65	6,92.85	79.94
Commerce and Industries—			
Government Company	43	3,68.71	52.32
Cottage and Small Scale Industries—			
Statutory Corporation	3	5.14	3.10
Finance—			
Calcutta Metropolitan Development Authority ..	2	..	49.79
Fisheries—			
Government Company	4	3.45	2.19
Animal Husbandry and Veterinary Services—			
Government Company	5	..	3.62
Education—			
Universities and other Educational Institutions	126	20.85	12.65
Refugee Relief and Rehabilitation—			
Industrial concerns and Municipalities ..	131	1,07.66	51.78
Total	797	14,58.37	3,52.30

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

	31st March 1972	31st March 1973	31st March 1974
	<i>(In lakhs of rupees)</i>		
Total overdue amount	6,41.19	16,19.33	18,10.67
Amount overdue for more than three years ..	4,07.04	7,46.69	6,28.02

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

- (i) Cottage and Small Scale Industries
- (ii) Co-operation
- (iii) Agriculture and Community Development
- (iv) Animal Husbandry and Veterinary Services
- (v) Housing
- (vi) Relief and Welfare

(f) *Utilisation certificates*: Out of 689 utilisation certificates (Rs.13,67.79 lakhs) to be received by Audit for loans given by Government up to 31st March 1973, 149 certificates (Rs.1,76.15 lakhs) were received leaving 540 certificates (Rs.11,91.64 lakhs) to be received (February 1975). The Department-wise break-up is given below:

Department	Number of outstanding utilisation certificates	Amount <i>(In lakhs of rupees)</i>	Year to which the earliest outstanding certificate relates
Co-operation	152	3,91.72	1960-61
Cottage and Small Scale Industries ..	114	88.58	1957-58
Health and Family Planning	27	2,39.00	1957-58
Municipal Services	117	69.41	1958-59
Panchayats	103	1,93.74	1968-69
Development and Planning	24	2,06.67	1967-68
Refugee Relief and Rehabilitation ..	3	2.52	1963-64
Total	540	11,91.64	

No rules have so far (April 1975) been made for ensuring submission of utilisation certificates by the defaulting local bodies.

No time limit for submission of utilisation certificates has been prescribed by Government (April 1975).

8. **Debt:** (a) Details of public debt transactions are given below :

				Receipts during the year	Repayments during the year	Net increase during the year
<i>(In crores of rupees)</i>						
Permanent debt	..	..	..	8.81	0.33	7.98
Floating debt	..	..	..	2,54.48	2,29.05	25.43
Loans from Government of India	..	..	..	1,82.69	96.47	86.22
Other loans	..	..	..	2.98	0.68	2.30
Total	..	..	..	4,48.46	3,26.53	1,21.93

Open market loan of Rs.7.76 crores (5½ per cent West Bengal Loan, 1985) was raised in 1973-74. The loan is redeemable at par in August 1985. The entire amount was collected in cash. In addition, the Government issued West Bengal Estate Acquisition Compensation Bonds for Rs.0.55 crore for payment of compensation to land holders, etc., on abolition of Zamindari system.

(b) No law under Article 293 of the Constitution has been passed by the State Legislature laying down the limits within which State Government may borrow on the security of the Consolidated Fund of the State. The outstanding public debt at the end of March 1974 was Rs.9,71.47 crores. Analysis of the debt compared with the corresponding amounts at the end of the two preceding years is given below :

				At the end of		
				1971-72	1972-73	1973-74
<i>(In crores of rupees)</i>						
Permanent debt	..	..	..	93.02	1,00.98	1,08.96
Floating debt	..	..	..	11.20	0.05	25.48
Loans from Government of India	..	..	..	6,17.05	7,26.38	8,12.60
Other loans	..	..	..	19.27	22.13	24.43
Total	..	..	..	7,40.54	8,49.54	9,71.47

(c) In addition to public debt, unfunded debt (comprising mainly the General Provident Fund balances of Government servants) and the balances at the credit of Depreciation and other Reserve Funds as also certain deposits, to the extent they have not been separately invested but are merged

with general cash balance of Government, constitute liability of Government. Taking the public debt and those liabilities together, the debt position of Government was as follows:

	At the end of		
	1971-72	1972-73	1973-74
	<i>(In crores of rupees)</i>		
Public debt	7,40.54	8,49.54	9,71.47
Unfunded debt	34.34	39.65	44.63
Depreciation reserves and earmarked funds ..	43.84	46.80	54.04
Deposits of local funds and civil deposits ..	56.55	56.21	61.37
Total	8,75.27	9,92.20	11,31.51

9. Ways and means advances and overdrafts from the Reserve Bank of India: Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank minimum balance of Rs.50 lakhs at the end of each working day. When the balance falls below the agreed minimum, the deficiency is made good by the Bank by giving ordinary and special ways and means advances according to limits fixed by it from time to time. The limit for normal ways and means advances was fixed as Rs.6.00 crores for 1973-74. In addition, special ways and means advances not exceeding Rs.1.90 crores could also be made available against Government of India securities held by State Government. Both the advances carry interest at one per cent below the Bank rate in force. If even after taking these advances, Government is not able to maintain the prescribed minimum balance, the Bank allows overdrafts and charges interest at the Bank rate on these overdrafts.

How far Government was able to maintain the minimum balance with the Bank in 1973-74 is shown below:

(i) Number of days on which the minimum balance was maintained without obtaining any advance ..	138
(ii) Number of days on which the minimum balance was maintained by taking ordinary and special ways and means advances	102
(iii) Number of days on which overdrafts had to be taken as the minimum balance could not be maintained even after taking ordinary and special ways and means advances to the full extent	125

(a) *Ways and means advances:* At the end of the previous year Rs.0.05 crore were outstanding as ways and means advances. During the year the Government obtained Rs.1,03.23 crores as ordinary and special ways and means advances. Of these, Rs.93.58 crores were repaid before the close of the year leaving a balance of Rs.9.70 crores. Rupees 0.30 crore were paid as interest on these advances.

(b) *Overdrafts*: During the year on 103 occasions the cash balance of the Government with the Bank was, even after availing of ordinary and special ways and means advances, below the prescribed minimum. Rupees 1,50.73 crores were obtained as overdrafts and a sum of Rs.1,34.95 crores was repaid during the year leaving a balance of Rs.15.78 crores. Rupees 0.07 crore (including arrear liability of Rs.0.01 crore) were paid to the Bank as interest on overdrafts and a sum of Rs.0.04 crore remained as undischarged liability towards interest.

The interest paid to the Bank on the ways and means advances and overdrafts during the three years ending 1973-74 is given below:

		Amount	
		(In crores of rupees)	
1971-72	0.26
1972-73	0.38
1973-74	0.37

10. Loans from Government of India: Loans received from the Government of India and outstanding at the end of 1973-74 were Rs.8,12.60 crores; these formed 84 per cent of the total public debt (Rs.9,71.47 crores).

In 1973-74 the State Government received Rs.4.32 crores as ways and means advances for plan schemes; of that amount, Rs.0.68 crore were subsequently adjusted as loans and Rs.3.43 crores as grants leaving Rs.0.21 crore unadjusted at the close of the year.

The State Government obtained from the Government of India in 1973-74 Rs.1,82.69 crores (including ways and means advances of Rs.0.68 crore converted into loan and Rs.0.21 crore remaining unadjusted) as loans for development (Rs.35.72 crores) and other purposes (Rs.1,46.97 crores). Details of loans outstanding on 31st March 1974 are given in Statement no. 17 of Finance Accounts, 1973-74. On 31st March 1974, Rs.0.92 crore were overdue for payment as interest to the Government of India (other than rehabilitation loans); details are given in Statement no. 4 of Finance Accounts, 1973-74.

Rehabilitation loans: Up to the end of 1973-74 the State Government obtained from the Government of India Rs.66.89 crores as loans for rehabilitation of displaced persons from erstwhile East Pakistan out of which Rs.4.13 crores were repaid and Rs.19.11 crores were remitted (total: Rs.23.24 crores) leaving a balance of Rs.43.65 crores. Of these loans, terms and conditions of repayment in respect of five loans of Rs.1.19 crores sanctioned between 1958-59 and 1965-66 are yet to be settled. The terms and conditions, as they stood, of other loans are not being complied with by the State Government. They pay to the Government of India every year whatever amount is collected from the borrowers during the year.

According to the original terms and conditions, regardless of the remissions sanctioned, Rs.58.58 crores (principal: Rs.37.93 crores; interest: Rs.20.65 crores) fell due for payment; of this, Rs.19.11 crores (including Rs.0.18 crore remitted during 1973-74) were adjusted as remission of loans (principal) up to the end of 1973-74.

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

	1971-72	1972-73	1973-74
	(In crores of rupees)		
(i) Interest paid by State Government ..	36.26	42.86	43.31
(ii) <i>Deduct</i> —			
(a) Interest received on loans and advances by State Government	0.89	0.75	3.34
(b) Interest realised on investment of cash balance	0.09	0.15	0.01
(c) Interest on capital advanced to Damodar Valley Corporation	(a)	(a)	(a)
(iii) Net burden of interest on revenue [(i) minus (ii)]	35.28	41.96	39.96
(iv) Percentage of net interest to total revenue receipts	8.29	11.94	10.61

In addition, there were certain other receipts and adjustments (Rs.5.34 crores) such as interest received from Commercial Departments, interest on arrears of revenue, etc. If these are also taken into account, the net burden of interest on revenue was Rs.34.62 crores (9.19 per cent of revenue). During the year interest due on certain loans from the Government of India was not paid by the State Government (cf. paragraph 10).

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

- (i) *Depreciation fund:* A sum equal to 1½ per cent of the total nominal value of the loan is credited to a depreciation fund for purchasing the securities of the loans for cancellation.
- (ii) *Sinking fund:* In addition to the above, an annual credit is afforded to sinking fund for amortisation of loans at such rates as Government may from time to time decide.

During 1973-74 Rs.7.27 crores were credited to depreciation funds and sinking funds from revenues. Rupees 0.77 crore were received as interest on investment therefrom.

(a) Payment of interest (Rs. 31.61 crores up to the end of 1973-74) was withheld by Damodar Valley Corporation pending adjustment against its dues from the State Government on account of water rates and deficits on irrigation, power and flood control.

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

Year	Opening balance at the credit of the funds	Net receipt during the year	Total	Total investment	Amount not invested
<i>(In crores of rupees)</i>					
1971-72	46.43	2.11	48.54	14.31	34.23
1972-73	48.54	1.70	50.33	13.25	37.08
1973-74	50.33	8.04	58.37	15.25	43.12

The balances in these funds amounting to Rs.43.12 crores which were not actually invested were utilised to augment the general cash balance of the State.

No amortisation arrangement has been made for repayment of loans from the Government of India (Rs.8,12.60 crores) and autonomous bodies (Rs.24.43 crores).

13. **Guarantees:** Government has given guarantees in favour of Statutory Corporations and Boards, Co-operative Institutions, Government Companies and Joint Stock Companies, etc., for repayment of bonds, debentures, loans and interest thereon, the maximum amount of guarantees on 31st March 1974 being Rs.2,02,54.43 lakhs as shown below :

Organisations	Department	No. of organisations receiving guarantee	* Maximum amount guaranteed	Sum guaranteed outstanding on 31st March 1974
<i>(In lakhs of rupees)</i>				
1. Statutory Corporations and Boards	Public Undertakings	1 (seven guarantees)	6,04.26	6,04.26
	Power	1 (fiftyfour guarantees)	86,18.73	86,18.73
	Development and Planning (Town and Country Planning)	1 (five guarantees)	38,50.00	38,50.00
	Public Works (Town and Country Planning)	1 (one guarantee)	7,70.00	7,70.00
	Home (Transport)	2 (seven guarantees)	5,34.98	5,34.98
2. Co-operative Banks and Institutions	Co-operation	14 (sixtyfour guarantees)	43,19.22	13,32.27

Organisations	Department	No. of organisa- tions receiving guarantee	Maximum amount guaranteed	Sums guar- anteed out- standing on 31st March 1974
<i>(In lakhs of rupees)</i>				
3. Joint Stock Companies	Public Works ..	1 (one guarantee)	10.00	2.37
	Closed and Sick Industries	13 (eighteen guarantees)	4,94.87	4,94.87
4. Government Companies	Commerce and Industries	2 (two guarantees)	1,30.00	1,30.00
	Public Under- takings	5 (six guarantees)	8,72.37	8,67.37
	Cottage and Small Scale Industries	1 (one guarantee)	50.00	26.07
	Total ..	42	2,02,54.43	1,72,30.92

Further details of the guarantees are given in Statement no. 6 of Finance Accounts, 1973-74.

In most of the cases no securities have been pledged against these guarantees which constitute contingent liabilities of the State Government. No ceiling limit for giving of such guarantees has yet been fixed.

Government decided in June 1974 to charge with immediate effect a fee at the rate of 50 paise per annum per every Rs.100 of the sums to be guaranteed except in the case of concessional finance provided by the Reserve Bank of India to the co-operative institutions.

14. Investments: In 1973-74 Government invested Rs.5.35 crores in Statutory Corporations (Rs.0.10 crores), Government Commercial and Industrial Undertakings (Rs.3.27 crores) and Co-operative Institutions (Rs.1.98 crores). The total investment in the share capital and debentures of different concerns at the end of 1971-72, 1972-73 and 1973-74 was Rs.31.31 crores, Rs.34.13 crores and Rs.39.46 crores respectively. The dividend/interest received therefrom was Rs.3.14 lakhs (0.10 per cent.), Rs.3.63 lakhs (0.10 per cent) and Rs.4.73 lakhs (0.12 per cent) respectively. Further details are given below:

	No. of concerns	Investment at the end of	Dividend/ interest received during the year	Percentage of return on investment
<i>(In lakhs of rupees)</i>				
1971-72				
(i) Statutory Corporations ..	2	60.77	..	..
(ii) Government Companies ..	14	21,91.19	..	..
(iii) Banks ..	1	5.71	..	..
(iv) Joint Stock Companies and Part- nerships.	7	63.32	0.07	0.1
(v) Co-operatives ..	..	8,10.53	3.07	0.4
Total ..	..	31,31.52	3.14	0.10

	No. of concerns	Investment at the end of	Dividend/ interest received during the year	Percentage of return on investment
(In lakhs of rupees)				
1972-73				
(i) Statutory Corporations	.. 3	92.77 (a)	..	..
(ii) Government Companies	.. 15	21,95.09	..	..
(iii) Banks	.. .. 1	5.71	0.42	7.36
(iv) Joint Stock Companies and Partnerships.	7	63.32	..	0.1
(v) Co-operatives	.. .. 1,884	10,56.37	3.21	0.32
Total	.. .. 1,910	34,13.26	3.68	0.10
1973-74				
(i) Statutory Corporations	.. 2	72.77	1.23 (b)	1.69
(ii) Government Companies	.. 21	25,51.94	(c)	..
(iii) Banks	.. .. 1	5.71	1.27	22.24
(iv) Joint Stock Companies and Partnerships.	7	63.32 (d)	0.10	0.16
(v) Co-operatives	.. .. 1,884 (e)	12,51.76	2.13	0.17
Total	.. .. 1,915	39,45.50 (f)	4.73	0.12

(a) Includes Rs. 30.00 lakhs relating to West Bengal State Textile Corporation Ltd., Government Company, which has been shown under "(ii) Government Companies" during 1973-74.

(b) One Statutory Corporation has been running at a profit but no dividend declared.

(c) Seven companies (investment: Rs. 4,19.28 lakhs) incurred cumulative loss of Rs. 14,01.22 lakhs (approximate) up to 1972-73; two companies (investments: Rs. 2,06.15 lakhs) had earned profit but did not declare any dividend; one company (investment: Rs. 0.01 lakh) earned profit and paid dividend of Rs. 60; and information regarding eleven companies (investments: Rs. 19,26.50 lakhs) is awaited (February 1975).

(d) Includes Rs. 0.62 lakh for which information is awaited (February 1975) from departmental officers.

(e) Complete information not received (February 1975) from departmental officers.

(f) Excludes Rs. 2.31 lakhs shown as invested in co-operative banks and societies up to 1967-68.

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

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

Further particulars of investments are given in Statement no. 14 and Appendix II of Finance Accounts, 1973-74.

15. **Utilisation certificates:** During 1973-74 Rs.84.32 crores were paid as grants to local bodies (Rs.46.05 crores), private institutions and individuals (Rs.37.24 crores) and co-operative institutions (Rs.1.03 crores); this formed 22.2 per cent of Government's total expenditure (Rs.3,79.19 crores) on revenue account. The grants were paid mainly for the maintenance and construction of buildings, of educational institutions, maintenance of hospitals and charitable institutions, maintenance and improvement of roads and communications under municipalities and for development of co-operative societies. Amounts by broad purposes of the grants are shown below:

				Building grants	Maintenance grants	Other grants
<i>(In lakhs of rupees)</i>						
Local Bodies—						
Recurring	..	..	..	..	45,30.25	32.50
Non-recurring	..	..	..	13.91	26.68	1.72
Co-operative institutions—						
Recurring	..	..	..	..	12.12	0.01
Non-recurring	..	..	..	..	4.17	86.28
Others—						
Recurring	..	..	..	..	34,61.98	0.08
Non-recurring	..	..	..	10.50	2,13.45	38.10
Total	..	..	..	24.41	82,48.65	1,58.69

Departmental Officers sanctioning the grants are required to certify to Audit proper utilisation of grants. Utilisation certificates for Rs.16.16 crores were received in Audit during 1973-74 and those for Rs.1,08.79 crores (in 26,871 cases) paid as grants up to March 1973 are awaited (September 1974). The Department-wise details are given in Appendix I(a). Of these, 12,360

certificates for Rs.42.67 crores are awaited for more than three years. Utilisation certificates above Rs.25 lakhs were outstanding for more than three years against each of the Departments mentioned below :

Department	Number of certificates	Amount (In lakhs of rupees)
Education	10,375	32,87.64
Municipal Services	56	4,64.67
Health and Family Planning (Medical Branch)	506	1,73.83
Public Works	575	1,54.59
Co-operation	302	1,01.43
Housing	16	25.71

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

The names of institutions to which grants of Rs.5 lakhs and above were paid by various Departments up to 31st March 1973 and from whom utilisation certificates are awaited are detailed in Appendix I(b).

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

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

17. **Summary:** (a) The following table compares the expenditure during 1973-74 with the total of voted grants and charged appropriations:

	Grants/ appropriations	Actual expenditure	Excess + Saving -	Percentage
<i>(In crores of rupees)</i>				
Voted—				
Original	4,95.29	5,38.98	4,97.81	-41.37
Supplementary	43.69			
Charged—				
Original	1,33.92	3,24.03	3,77.80	+53.77
Supplementary	1,90.11			
Total	8,63.01	8,75.41	+12.40	1

Expenditure shown above does not include Rs.0.05 crore spent out of advances from the Contingency Fund which were not recouped to the Fund till the close of the year.

The total excess of Rs.12.40 crores was the net result of excess of Rs.61.87 crores in eight grants (Rs.6.21 crores) and two appropriations (Rs.55.66 crores) partly offset by saving of Rs.49.47 crores in fortysix grants (Rs.47.58 crores) and twentyeight appropriations (Rs.1.89 crores).

(b) Further details are given below:

	Revenue	Capital	Loans Fund advances	Public Debt	Total
<i>(In crores of rupees)</i>					
Authorised to be spent (Grants and appropriations)—					
Original	4,16.67	85.90	42.18	84.46	6,29.21
Supplementary	21.86	4.62	19.92	1,87.40	2,33.80
Amount transferred to the Contingency Fund.	..	..	..	..	..
Total	4,38.53	90.52	62.10	2,71.86	8,63.01
Actual expenditure (Grants and appropriations).	4,12.99	76.72	59.17	3,26.53	8,75.41

18. **Supplementary grants/appropriations:** Supplementary provision of Rs.2,33,80.38 lakhs (37 per cent of the total original provision) was obtained under twentyfive voted grants (Rs.43,69.15 lakhs) and twentyone charged appropriations (Rs.1,90,11.23 lakhs).

Details given in Appendix III would show that—

- (i) In ten cases, the supplementary* grants/appropriations of Rs.10,05.51 lakhs proved unnecessary,
- (ii) in five cases, the supplementary grants/appropriations proved excessive as out of a total supplementary provision of Rs.7,17.39 lakhs, only Rs.5,04.05 lakhs were utilised, and
- (iii) in four cases, the supplementary provisions proved inadequate as total supplementary provision of Rs.1,90,96.83 lakhs was obtained but yet there was a final excess of Rs.60,28.76 lakhs.

19. **Excess over voted grants:** The following eight cases of excess over voted grants require to be regularised under Article 205 of the Constitution :

Serial No.	Grant	Total provision		Expenditure	Excess
		Rs.	Rs.	Rs.	Rs.

(1) 7—Stamp—

Original	30,65,000	} 30,45,000	32,82,311	2,17,311
Supplementary			

Excess occurred mainly under “A—2—Charges for sale of stamps (discount)” (provision Rs.13.00 lakhs; expenditure Rs.16.79 lakhs). Reasons for the excess have not been intimated (April 1975).

(2) 14—Jails—

Original	3,25,27,000	} 3,49,53,000	3,61,24,279	11,71,279
Supplementary	24,26,000			

Excess occurred mainly under “A(d)—District Jails” (provision Rs.89.70 lakhs; expenditure Rs.1,05.86 lakhs) due to increase in prices of all articles and rise in prison population and also adjustment of expenditure of the new (converted) jails at Bankura and Malda. Excess also occurred under “B—Jail Manufactures—(e)—Central Jails” (provision Rs.8.52 lakhs; expenditure Rs.15.51 lakhs). Reasons for the excess have not been intimated (April 1975). The excess was partly offset by saving under other group heads.

(3) 21—Public Health—

Original	16,21,93,000	} 16,21,93,000	16,37,59,742	15,66,742
Supplementary			

Excess occurred mainly under "K—Suspense" (provision Rs.3,00.00 lakhs; expenditure Rs.4,49.00 lakhs) and under "J—Development Schemes—(i)—Fourth Five-Year Plan" (provision Rs.2,21.30 lakhs; expenditure Rs.2,79.06 lakhs). Reasons for the excess have not been intimated (April 1975). The excess was partly offset by saving under other group heads.

Serial No.	Grant	Total provision	Expenditure	Excess
		Rs.	Rs.	Rs.
(4)	27—Industries—Cottage Industries—			
	Original	3,30,48,000	3,84,22,000	4,10,62,822
	Supplementary	53,74,000			26,40,822

Excess partly offset by saving occurred mainly under "35—Industries—A—Cottage Industries—2—Development of Cottage and Small Scale Industries" (provision Rs.1,58.49 lakhs; expenditure Rs.1,83.00 lakhs) due to larger contingent expenditure and under "B—Development Schemes—I—Fourth Five-Year Plan" (provision Rs.52.34 lakhs; expenditure Rs.61.98 lakhs) due to more expenditure under (a) 'Handloom' owing to payment of arrear rebate claims on sale of handloom cloth, (b) 'Khadi and Village Industries' owing to payment of rebate including arrear on sale of cotton khadi and silk khadi and (c) 'Sericulture' owing to purchase of cocoons, coal, etc., not provided for in the budget. Excess also occurred under "96—Capital outlay on Industrial and Economic Development—Cottage Industries—D—Development Schemes—(a)—Fourth Five-Year Plan—Village and Small Industries—Handloom" (provision Rs.19.50 lakhs; expenditure Rs.24.70 lakhs) due to formation of Handloom and Powerloom Development Corporation as a result of post-budget decision and under "9—Area Development" (provision Rs.34.00 lakhs; expenditure Rs.38.00 lakhs).

(5) 28—Industries—Cinchona—

Original	76,46,000	76,46,000	77,84,442	1,38,442
Supplementary			

Excess occurred mainly under "A—Cinchona Plantations" (provision Rs.75.66 lakhs; expenditure Rs.77.48 lakhs) due to increase in dearness allowance of labour.

(6) 32—Miscellaneous Social and Developmental Organisations—Excluding Welfare of Scheduled Tribes and Castes and other Backward Classes—

Original	5,55,83,000	5,55,83,000	6,82,72,688	1,26,89,688
Supplementary			

The excess of Rs.1,26.90 lakhs which was the net result of excess of Rs.1,85.39 lakhs under 28 sub-heads and saving of Rs.58.49 lakhs under 43 other sub-heads occurred mainly under "E—Suspense" (provision Rs.5,00

lakhs; expenditure Rs.1,80.81 lakhs) due to inadequate provision owing to wrong estimate. In 1972-73 also, an excess of Rs.1,35.71 lakhs occurred under this sub-head for similar reason.

Serial No.	Grant	Total provision	Expenditure	Excess
		Rs.	Rs.	Rs.
(7) 34—Public Works—				
Original	20,44,87,000	} 22,54,62,000	26,48,79,119	3,94,17,119
Supplementary	2,09,75,000			

Excess which was the net result of excess of Rs.6,02.32 lakhs under 10 sub-heads and saving of Rs.2,08.15 lakhs under 33 other sub-heads occurred mainly under "I—Suspense" (provision Rs.5,98.55 lakhs; expenditure Rs.11,39.50 lakhs), "F—Tools and Plant" (provision Rs.40.00 lakhs; expenditure Rs.52.72 lakhs), and "A—Original Works" (provision Rs.1.00 lakh; expenditure Rs.3.38 lakhs). Reasons for the excess have not been intimated (April 1975). In the previous year the excess over the grant was Rs.14,74,89,266 of which Rs.7,45.93 lakhs were under "I—Suspense". Reasons for this excess were not intimated last year also.

(8) 39—Pensions and other Retirement Benefits—				
Original	4,27,23,000	} 5,20,36,000	5,62,86,157	42,50,157
Supplementary	93,13,000			

Excess occurred mainly under "A—Superannuation and retired allowances" (provision Rs.3,63.85 lakhs; expenditure Rs.3,81.05 lakhs), "D—Gratuities" (provision Rs.1,22.68 lakhs; expenditure Rs.1,45.38 lakhs) and "120—Payments of Commuted Value of Pensions" (provision Rs.15.00 lakhs; expenditure Rs.19.90 lakhs) due to increase in the number of pensioners and gratuity and commutation cases and adjustment of arrear pensions, gratuities and commuted value of pensions paid in other States. Excess of Rs.59,66,342 occurred in this grant during 1972-73 also.

20. Excess over charged appropriations: Expenditure exceeded charged appropriations in the following two cases; the excess requires regularisation:

Serial No.	Appropriation	Total appropriation	Expenditure	Excess
		Rs.	Rs.	Rs.
(1) 50—Pre-Partition Payments—				
Original .. ..	.. ..	} 1,04,000	1,04,916	916
Supplementary	1,04,000			

Excess was due to less provision under "B—Claims passed by the Application Committee".

(2) Public Debt—				
Original	82,75,03,000	} 2,70,15,24,000	3,25,80,91,664	55,65,67,664
Supplementary	1,87,40,21,000			

Excess occurred mainly under "A—II—Floating Debt—Other Floating Loans—(a) Ways and Means advances from Reserve Bank of India" (total appropriation Rs.1,64,50.00 lakhs; expenditure Rs.2,28,52.73 lakhs) due to repayment of overdraft from the Bank and adjustment of the shortfall in the minimum balance of the State Government with the Bank, and "A—I—Permanent Debt" (total appropriation Rs.20.00 lakhs; expenditure Rs.33.23 lakhs) due to repayment of expired market loans (Rs.8.57 lakhs) and payment of Estate Acquisition Compensation Bonds on maturity (Rs.4.66 lakhs). An overall excess of Rs.23,25,11,282 occurred in this appropriation in 1972-73, the major excess of Rs.28,77.82 lakhs (partly offset by saving under other group heads) was under "A—II—Floating Debt—Other Floating Loans—(a) Ways and Means advances from Reserve Bank of India" and for similar reasons as mentioned for the excess during 1973-74.

21. **Savings in grants/appropriations:** (i) *Grants:* In twenty grants saving exceeded 10 per cent of the total provision; in ten of these, saving ranged from 23 to 40 per cent (details are given in Appendix IV). Some of the grants which closed with substantial saving are mentioned below:

Grant	Total provision	Saving (and its percentage to the total provision)
(In crores of rupees)		
2—Land Revenue	13.10	1.84 (14)

Saving occurred mainly due to general cut imposed by Government and payment of compensation mainly to small intermediaries under "Final compensation in lieu of lands" (Rs.0.72 crore) and "payment by Estate Acquisition Bonds" (Rs.0.22 crore).

22—Agriculture	27.59	2.95 (11)
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Saving occurred mainly due to less expenditure under "Intensive Food Production Scheme" owing to non-availability of estimated quantity of chemical fertilisers from the Central pool and non-adjustment of expenditure on stocks received in the later part of the year (Rs.4.38 crores). Under Intensive Food Production Scheme, a saving of Rs.1.84 crores occurred in 1972-73 which also was attributed to non-availability of estimated quantity of chemical fertilisers from the Central pool.

29—Community Development Projects, etc. ..	10.92	1.74 (16)
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Saving occurred mainly due to non-availability of estimated amount of assistance from the Government of India under "Central Sector Schemes" (Rs.1.57 crores).

Grant	Total provision	Saving (and its percentage to the total provision)
<i>(In crores of rupees)</i>		
33—Irrigation	40.39	9.23 (23)

Saving occurred mainly due to non-utilisation of entire provision under "42—Multipurpose River Schemes—Other Revenue Expenditure—Damodar Valley Project (Rs.5.02 crores), partial implementation of development schemes (Central Sector Schemes) under "99—Capital Outlay on Irrigation, Navigation, etc." (Rs.2.86 crores) and partial utilisation of provision under "44—Irrigation, Navigation, etc.—Navigation Embankment and Drainage Works—Works" (Rs.2.03 crores). Saving under the last item was partly due to cease-work by the engineers (Rs.0.97 crore). Reasons for the balance saving have not been intimated (April 1975).

48—Miscellaneous—

Other Miscellaneous Expenditure ..	16.82	2.56 (15)
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Saving occurred mainly due to (i) non-utilisation of entire provision under "Development Schemes—Fourth Five-Year Plan—Employment" (Rs.0.93 crore), (ii) partial implementation of scheme "Salt Lake Reclamation Scheme" (Rs.0.87 crore) and "Construction of houses under the hire-purchase Scheme" (Rs.0.77 crore) reasons for which have not been intimated (April 1975) and (iii) non-implementation of the scheme "Construction of houses for flood and fire affected people" (Rs.0.25 crore) owing to post-budget decision. A saving of Rs.1.00 crore under the scheme at item (iii) occurred in 1972-73 also for similar reason.

49—Miscellaneous—

Expenditure on Displaced Persons ..	13.55	5.38 (40)
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Saving occurred mainly under (i) "Loans and Advances to Displaced Persons" (Rs.1.60 crores) partly due to non-acquisition of adequate lands for rehabilitation of displaced persons, (ii) "Relief to Refugees from Bangladesh" (Rs.1.12 crores) mainly due to non-adjustment of cost of stores supplied by other Departments and non-payment of suppliers' bills owing to disputes pending in court, (iii) "Irrecoverable Loans to Displaced Persons Written Off" (Rs.0.92 crore) mainly due to less adjustment of remissions owing to pre-occupation of the staff in the settlement of accounts on relief to evacuees from Bangladesh, (iv) "Primary Education Schemes" (Rs.0.55 crore) reasons for which have not been intimated (April 1975) and (v) "Scheme for Colonisation" (Rs.0.47 crore) mainly due to delay in finalisation of the case of land acquisition and non-release of funds by the Government of India.

Grant	Total provision	Saving (and its percentage to the total provision)
(In crores of rupees)		

53—Capital Outlay on Public Works	11.71	1.79 (15)
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Saving occurred mainly under (i) "Original Works—Buildings" (Rs.1.98 crores) due to non-finalisation of the scheme "Construction of six-storeyed and four-storeyed buildings", non-availability of land/site, non-receipt of land acquisition debit memo, non-finalisation of schemes and scarcity of materials and (ii) "Development Schemes—Fourth Five-Year Plan—Other Development Schemes—Capital Outlay on Other Works—Miscellaneous" (Rs.0.25 crore) due to non-sanction of the scheme by the administrative Department. A saving of Rs.1.61 crores occurred in this grant during 1972-73 also.

54—Capital Outlay on Schemes of Government Trading.	14.36	3.92 (27)
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Saving occurred mainly under "Other Miscellaneous Schemes" (Rs.6.81 crores) mainly due to a post-budget decision to discontinue the scheme for purchase of non-cereal essential commodities. A saving of Rs.7.43 crores occurred under this grant during 1972-73 also bulk of which was under "Other Miscellaneous Schemes" (Rs.6.92 crores).

(ii) *Charged appropriation*: In eight appropriations, the saving exceeded 20 per cent of the total appropriation; in two of these, saving was cent per cent as there was no expenditure at all (details given in Appendix IV).

22. Unutilised provision due to non-implementation/partial implementation of development schemes: The major schemes which remained wholly or partially unimplemented during 1973-74 (unutilised sums ranging from 33 per cent to 100 per cent of the provisions) are shown in Appendix V.

23. Surrender of savings: The rules require that unutilised amounts should be surrendered as soon as the possibility of saving is envisaged. However, the entire amount of Rs.13.68 crores was surrendered only on the 30th March 1974.

In sixteen grants/appropriations against the available saving of Rs.21.51 crores, the amount actually surrendered was Rs.2.80 crores; in 24 grants/appropriations there were savings of Rs.12.70 crores but no amount was surrendered.

24. New instrument of service: The Public Accounts Committee in para 11.9 of their Report (presented to the Assembly on the 18th April 1974) on the Appropriation and Finance Accounts for 1968-69 and Audit Report thereon directed the Finance Department to fix immediately the criteria for "new instrument of service". The Committee also directed that no expenditure on "new service"/"new instrument of service" should be incurred from the Consolidated Fund of the State without the approval of the Legislature.

The State Government have not fixed any criteria for "new instrument of service" as yet (April 1975).

25. Reconciliation of departmental figures: With a view to ensuring effective control over expenditure, the departmental officers are required to reconcile periodically the departmental figures of expenditure with those booked in the Accounts Office before the close of the accounts for a year. Failure to or delay in such reconciliation by the controlling officers was brought to the notice of the Finance Department of Government but the reconciliation is still (April 1975) heavily in arrears in some Departments.

During 1973-74 in 68 cases reconciliation was not done for all the twelve months while in 64 cases it was not done for periods ranging from one month to eleven months of the year. The reconciliation in respect of the accounts for 1971-72 and 1972-73 remains incomplete in 4 and 14 cases respectively. The Assistant Director of Public Instruction (Refugee Relief and Rehabilitation Department) and the Assistant Secretary, Education Department have not reconciled the accounts for any year since 1969-70.

CHAPTER III

CIVIL DEPARTMENTS

Agriculture and Community Development Department

26. **Citrus Farm at Banguria:** A farm for cultivation of citrus fruits was established (June 1965) during the Third Five-Year Plan at Banguria about 30 kms north of Krishnanagar in the district of Nadia. It was intended to be the nucleus for sweet oranges and other citrus fruits farm for extensive cultivation in the adjoining areas. The farm was laid on an area of about 103 acres of Government vested land of which about 53 acres were utilised for plantation of citrus and other fruits up to 1970-71. About 32 acres of the planted area were destroyed by floods in July 1971, of which 5.45 acres were subsequently replanted by other non-citrus saplings in 1972-73.

Under favourable soil and climatic conditions, citrus trees normally yield crops on a commercial scale from the seventh to the eighth year of their plantation though they begin to bear fruits from about the fourth to the fifth year. Production of citrus fruits has not commenced yet (November 1974).

The farm is located about 7 kms away from the nearest pucca road (NH 34) linked by a katcha road reported to be difficult to negotiate during the rainy season. Owing to this difficulty it has been stated that the employees are generally reluctant to stay in the farm. The following posts remained vacant for the periods mentioned below :

- (a) *Farm Superintendent* (1): Post lying vacant from 15th March 1970 to date (April 1975).
- (b) *Field Assistant* (Sanctioned posts 3): One post was vacant from 21st August 1967 to 6th May 1969 and another from 11th November 1970 to date (April 1975).
- (c) *Gardener* (Sanctioned posts 3): One post vacant from 1st January 1968 to 1st September 1968.
- (d) *Tractor Driver* (Sanctioned posts 2): One post lying vacant from 1st April 1967 to 25th October 1968 and the other from 1st April 1967 to 24th January 1971.
- (e) *Tractor Mate* (Sanctioned post 1): Vacant since 25th January 1971 to date (April 1975).
- (f) *Light Tractor-cum-Pump Driver* (Sanctioned post 1): Post remained vacant from 1st April 1967 to 29th May 1969 and from 2nd June 1973 to date (April 1975).

To augment revenue from the beginning, other crops like cereals, pulses, jute seeds, vegetables, etc., were grown over an area of 24.58 acres in the inter-spaces of the orchard and other areas. Details of the total sales of such produce and the expenditure incurred on the farm are given below :

				Expendi- ture incurred	Sales of produce
(In rupees)					
1965-66 ..	..	..	..	93,588	1,423
1966-67 ..	..	..	..	2,01,799	7,940
1967-68 ..	..	..	..	62,763	32,908
1968-69 ..	..	..	..	70,937	15,958
1969-70 ..	..	..	..	83,197	21,722
1970-71 ..	..	..	..	70,934	14,066
1971-72 ..	..	..	..	76,776	1,769
1972-73 ..	..	..	..	35,978	5,683
1973-74 ..	..	..	..	62,304	5,355
Total ..	..	..	..	8,48,276	1,06,824

Out of the sales mentioned above a sum of Rs.38,321 remained outstanding up to May 1974. The decline in sale proceeds was attributed, among other things, to the stoppage of raising crops in the inter-spaces of orchards, lest it affected the citrus plantation.

About two-thirds of the farm gets submerged during the rainy season because of poor drainage, and it was stated (November 1974) that the land was unsuitable for citrus cultivation as this crop required a sub-tropical dry climate with distinct summer and winter seasons and low rainfall. It was also stated that the establishment of this farm as a commercial venture was a hasty decision taken on the basis of initial success of citrus root-stock trials conducted at Krishnanagar. Further researches were stated to have indicated that there was no scope for growing sweet oranges on a commercial scale in this zone.

The matter was reported to the Government in October 1974; a reply is awaited.

27. Unnayani Township: In order to relieve congestion in Calcutta and to provide the middle class sections with new opportunities of employment in small industries, professions and trade, Government proposed in 1951 to set up 11 village townships. It was expected that this would, in course of time, assist the integrated development of these townships and the surrounding rural areas. Of the eight townships set up so far, one located at Unnayani in Barsul (85 kms from Calcutta) in Burdwan district was set up in 1953-54 on 496.13 bighas of acquired land (cost Rs.1.76

lakhs). Out of 496.13 bighas of land acquired, an area of 336.08 bighas was developed by the Construction Board of the State Government (up to March 1956) at a cost of Rs.4.72 lakhs leaving 160.05 bighas of land yet to be developed.

27.2. Construction of 141 houses of different types and a shopping centre, etc., on an area of 139.62 bighas of land was completed at a total cost of Rs.18.02 lakhs between April 1956 and March 1963. Two hundred and nine residential plots (79 bighas) were earmarked for dwelling houses and 27 plots (19.75 bighas) were set apart for shops/business centres to be constructed by private individuals. Another 22.84 bighas of developed land was allocated for a high school (5.39 bighas), police station (1.41 bighas), parks and playgrounds (16.04 bighas) and 47.76 bighas were earmarked for tanks, orchards, etc. The balance of 27.11 bighas of the developed land and 160.05 bighas of undeveloped land were earmarked for leasing out to industries.

27.3. Utilisation of facilities created

27.3.1. Twentyeight houses (out of 141), 58 residential plots (out of 209) and the plot for high school (5.39 bighas) were sold (February 1958) to the Education Department for Rs.2.19 lakhs. The remaining 113 houses have been let out since 1956 on monthly rental (at standard rent) to Government Departments/Government servants and private individuals. Mention was made in para 70 of the Audit Report, 1965 about outstanding rents due from the occupiers of these houses which had amounted to Rs.0.54 lakh at the end of March 1964. The position of outstandings had subsequently deteriorated and as at the end of March 1974 the position was as indicated below :

Occupants	Amount outstanding towards		
	House rent	Water charges	Total
	(In lakhs of rupees)		
Government Departments/servants	0.92	0.20	1.12
Private individuals	1.13	0.26	1.39
Total	2.05	0.46	2.51

Government issued instructions to the Block Development Officer, Burdwan in November 1967 to realise these arrears either amicably or by legal process, if necessary. The Block Development Officer stated (October 1974) that recovery of arrears was not possible due to inadequate staff, paucity of funds, and inaction of the disbursing officers to effect recovery on rent rolls sent to them.

27.3.2. The shopping centre consisting of one permanent shed and 12 shop rooms constructed in 1956, did not attract lessees as there was a *hat* nearby. The shop rooms have been let out on different dates since 1956, at a monthly rent of Rs.8 per room. The total outstanding rent due from the occupants up to August 1974 stood at Rs.5,392.

27.3.3. The remaining 151 (290 *minus* 58) residential plots intended for allotment to private individuals for constructing dwelling houses on 99 years lease basis (on payment of *Salami* at the rate of Rs.2,680 per bigha) have not been allotted so far (April 1975). Applications received (105 received up to December 1968 and 20 more in December 1970) have been kept pending. The plots were to be allotted on the recommendations of a Committee, first constituted by the Government in June 1963 and reconstituted several times thereafter, and after it was last reconstituted in February 1970, no meetings could be held so far (February 1975) for want of quorum.

27.3.4. None of the 27 plots earmarked for allotment to private persons for construction of shops/business centres, on lease basis, (on payment of *Salami* at the rate of Rs.2,170 per bigha) has been allotted so far (April 1975). A list of 28 parties who had applied for allotment of such plots was to be approved by a Block Level Committee as stipulated by the Government in October 1957, but the Committee has not yet been set up (April 1975).

27.3.5. Of the land (187.16 bighas) earmarked for setting up industries, 87 bighas were leased out to four industrial units of which one did not come up. The three industrial units set up are a textile mill, a refractory works and a barbed-wire unit. Out of a total *Salami* of Rs.1.32 lakhs payable by the four industries, Rs.0.79 lakh are yet (April 1975) to be realised.

27.3.6. Besides, 117.61 bighas of land set apart for a police station (1.41 bighas), parks and playgrounds (16.04 bighas) and the industrial sector (100.16 bighas) have also remained unutilised so far (April 1975).

27.4. *Maintenance of township*: According to the Block Development Officer, the roofs of most of these buildings which have not been repaired ever since construction, had developed leaks over the years. The roads and the drains in the township were in a badly damaged state, awaiting repairs. The areas surrounding the buildings are water-logged during rainy season, making living conditions difficult and unhygienic. In spite of attention of the concerned authorities having been drawn by the Block Development Officer to the need to undertake essential repairs, nothing is stated to have been done so far (April 1975).

27.5. *Evaluation*: According to the 1971 Census the population of Unnayani was 1,056. According to the Block Development Officer (October 1974), no progress had been achieved in regard to the provision of employment in small industries, etc., and the establishment of the township had not brought about any change in the living conditions of the people of the surrounding rural areas.

No evaluation of the Unnayani Township Scheme has yet (April 1975) been made by the Government.

28. Jute Development Programme

28.1. Introduction

28.1.1. With a view to achieving self-sufficiency in internal production of raw jute the Government of India undertook in 1948-49 a scheme for jute development. The scheme was financed and administered by the Government of India till June 1950, after which the administration of the scheme was entrusted to the Director of Agriculture, Government of West Bengal who was appointed *Ex-officio* Central Jute Development Officer.

28.1.2. Schemes for jute development which were included under the various Five-Year Plans and details of the measures taken under the various plans, and more particularly the Special Package Programme undertaken during the Fourth Plan (1969-74) are detailed in the succeeding paragraphs.

28.2. *First Five-Year Plan (1951-56)*: The Central scheme for jute development referred to in paragraph 28.1.1 was continued during the First Plan, the emphasis being more on extending the area under jute. During the First Plan the average annual area under jute in the State increased approximately from 4.41 lakh acres to 7.27 lakh acres (64.8 per cent) and the average production from 11.26 lakh bales to 19.55 lakh bales (73.6 per cent).

28.3. *Second Five-Year Plan (1956-61)*: The Jute Development Scheme earlier taken up by the Government of India was transferred to the State Government in April 1956, and was implemented in the State during the Second Plan, under the description "Normal Jute Development Scheme". This scheme was aimed at increasing the annual average production from 19.55 lakh bales to 20.85 lakh bales and the average yield from 2.69 bales per acre to 3 bales per acre by intensive use of fertilisers, use of improved strains of seeds, etc. During the Plan period the average area under cultivation (7.80 lakh acres) exceeded the target by 0.85 lakh acres (12 per cent). However, production (20.09 lakh bales) fell short of the target by 0.76 lakh bales (14 per cent) and the average yield obtained was only 2.58 bales per acre. The reasons, apart from vagaries of nature, attributed to the shortfall in average yield were inadequate availability of fertilisers and improved seeds. Only 58 per cent and 50 per cent respectively of the estimated requirements of fertilisers and improved seeds were actually utilised during this plan period. The total expenditure incurred on jute development schemes during the Second Plan amounted to Rs.32.90 lakhs.

28.4. *Third Five-Year Plan (1961-66)*: The Normal Jute Development Scheme referred to above was continued during the Third Plan also. As against the average annual production of 20.09 lakh bales, from 7.80 lakh acres in the Second Plan, the Third Plan set a target of 31.71 lakh bales from 8.96 lakh acres by improving the average annual yield to 3.54 bales per acre. The higher yield per acre was sought to be

achieved by providing the inputs and other facilities detailed below, besides also taking various plant protection measures :

- (a) Sale of improved strains of jute seeds from the State farms at a subsidy of 50 per cent.
- (b) Sale of fertilisers (ammonium sulphate) at the rate of 100 lb. per acre.
- (c) Adoption of the line sowing method by seed-drills and inter-culture by wheel-hoes.
- (d) Digging of 1,200 new retting tanks and desilting of 600 existing tanks annually by providing a subsidy of 50 per cent of the cost of excavation to provide better facilities for washing of jute fibre.

Details of the implementation of the above programme are given below :

	Target for supplies (In 1,000 tons)	Actual supplies (In 1,000 tons)	Area planned to be covered (In 1,000 acres)	Area covered	Percent- age of (4) to (3)
	(1)	(2)	(3)	(4)	(5)
Improved seeds	0.370	0.289	148	114	77
Ammonium sulphate	176.00	49.000	3,870	1,018	26
Line sowing .. ..	..	..	301	73	24

Ten thousand seven hundred and fifteen retting tanks were sunk and desilted as against the plan target of 9,000 and a sum of Rs.11.16 lakhs was paid to growers as subsidy. The target for plant protection coverage was also exceeded substantially (8.50 lakh acres as against 2.50 lakh acres targetted).

The shortfall in the supply of improved seeds was attributed to the inability of the State farms to make available the quantity of seeds required. The shortfall in the supply of ammonium sulphate was ascribed to non-availability of the full quota of the State. Improved implements like seed-drills, etc., (purchased for Rs.8.27 lakhs), the use of which was expected to increase the yield by 25 per cent per acre, were not found to be popular with the cultivators because of their reported slower out turn compared to traditional sowing of seeds by manual labour, and hence there was a substantial shortfall in the area covered by these measures.

In addition to the Normal Jute Development Scheme referred to above, the Government introduced a Package Programme in the last year (1965-66) of the Third Plan in the districts of Nadia, Murshidabad and West Dinajpur, aimed at concentrated intensive cultivation to increase the yield on a total area of 46,500 acres during 1965-66. This modest effort, however, had no significant effect during the Third Plan either on production or on the average yield per acre.

The actual average yield per acre during the Third Plan was only 2.86 bales as against 3.54 bales planned for. There was, however, an increase in the average acreage under jute (21.5 per cent), thereby achieving an average annual production of 31.16 lakh bales as against the target of 31.71 lakh bales. Although sufficient stagnant retting facilities were also created at a cost of Rs.11.16 lakhs during the Third Plan there was no significant improvement in the quality of jute as was seen from an assessment by the Sub-group for the formulation of the Fourth Plan. Production was, however, poor during the last year of the Third Plan, viz., 1965-66, because of adverse weather during the sowing season and the ratio of prices of paddy and jute becoming adverse to jute.

28.5. *Three Annual Plans (1966-69)*: The Package Programme introduced in 1965-66 was continued in Nadia, Murshidabad and West Dinajpur from 1966-67 and extended to Cooch Behar and Jalpaiguri districts from 1967-68, thus covering all the major jute growing districts in the State. The Package Programme was proposed to be taken up in 84 Blocks of these districts in 142 units of 5,000 acres each (further divided into sub-units of 500 acres each). A Village Level Worker was assigned to work in each sub-unit for one year in rotation, thereby covering 50 per cent of the Package Programme area in a spell of 5 years. The total area to be covered under the Package Programme during the Three Annual Plans was 1.89 lakh acres. The average annual production of raw jute proposed to be achieved both from Package and non-Package area, was 40.78 lakh bales. The area covered by the Package Programme was expected to yield 0.85 bales more per acre as compared to the non-Package area.

The measures contemplated for development of jute under the Package Programme and the extent to which those were actually implemented during the Three Annual Plans are indicated below:

- | | |
|--|--|
| <p>(a) Supply of improved seeds to growers at 1.4 kg. per acre with 54 paise per kg. as Government of India subsidy.</p> | <p>As against the estimated requirement of 264 tonnes of seed for the Package area, 208 tonnes were supplied; the shortfall was due to inability of the State farms to meet the demand.</p> |
| <p>(b) Encouraging the use of fertiliser mixtures and organic manure. Subsidy of Rs. 50 per ton was admissible towards cost of preparation of fertiliser mixture if prepared and distributed by the Co-operative Societies; subsidy element to be shared by the State and Central Governments in the ratio of 50 : 50.</p> | <p>The quantity required to cover the Package area was 18,850 tonnes whereas only 15,934 tonnes were supplied. The shortfall was due to non-availability of the full State quota of fertiliser from the Government of India. Subsidy estimated at Rs. 5.88 lakhs. Subsidy was withdrawn in 1967-68 by the Government of India.</p> |
| <p>(c) Line sowing by use of seed-drills/wheel-hoes. 100 to be sold to growers in each unit of 5,000 acres at a subsidy of 50 per cent. Subsidy to be shared as above.</p> | <p>Only 50 per cent of the Package area could be covered by line sowing due to poor response of cultivators in using the implements some of which developed defects.</p> |

- | | |
|---|--|
| (d) Setting up of demonstration centres to display and popularise the package of practices on growers' plots (10 acres each). The entire expenditure to be shared as above. | Only 140 centres were set up as against the target of 150 because of non-sanction or delay in receipt of sanction. |
| (e) Sale of pesticides to growers at 50 per cent subsidy. Subsidy to be shared as above. | Not supplied departmentally and growers had to make their own arrangements to procure these. |
| () Construction and improvement of 7,490 retting tanks by beneficiaries; 50 per cent of cost to be shared equally by the Government of India and the State Government. | This was not implemented. |
| (g) Arranging of credit facility to growers through the co-operative societies. | No such financial support was given as the co-operative societies had not developed to cater to this need. |

About 10 per cent of the average area under jute in the five districts was covered by the Package Programme during the three Annual Plans. But this did not result in the expected increase in the average yield per acre in these five districts as compared to that in the other areas in the State.

As the performance of the Package Programme measures has not been separately recorded in the reports of the Indian Jute Development Council, it has not been possible to indicate precisely the effectiveness of the measures taken to increase the yield per acre. The total expenditure incurred on Jute Development Programme during the three Annual Plans was Rs.46.32 lakhs.

28.6. *Fourth Five-Year Plan (1969-74)*

28.6.1. *Special Package Programme*: A high-powered committee on export oriented commercial crops appointed by the Government of India recommended (1967-68) that instead of diffusing efforts and scarce inputs over too wide an area, these should be concentrated in suitable smaller area (with adequate natural retting facilities) where these could be expected to give better results both quantitatively and qualitatively. In pursuance of this, Government of India decided in 1968-69 to introduce a Special Package Programme to cover 10 per cent of the total area under jute with the object of increasing the yield in that area by 2 bales per acre as also to improve the quality of the fibre. In the rest of the jute-growing area, the Normal Jute Development Scheme, as also the practices under the Package Programme referred above, was to be continued. In the Fourth Five-Year Plan proposals on jute, the annual requirement of raw jute of the country was assessed at 74.3 lakh bales by the end of the Fourth Plan, of which 43 lakh bales were expected from West Bengal. This was sought to be achieved by increasing the unit yield to 3.35 bales per acre. The targets and achievements under the Special Package Programme as also the Normal Jute Development Scheme during the Fourth Plan are given in Annexure A.

28.6.2. The main contents of the Special Package Programme are indicated below :

Name of inputs/machinery/equipment	Scale of requirements/expenditure	Mode of distribution/sale to cultivators	Extent of State assistance/subsidy
(a) Improved seeds ..	3 to 2 kg. per acre according to types	50 per cent of cost <i>plus</i> transport charges to be realised from cultivators.	The balance 50 per cent by Government of India.
(b) Fertilisers—			
(i) Foliar spraying of urea.	10 kg. per acre ..	To be distributed free of cost.	The entire cost except incidental charges met by Government of India.
(ii) Low volume power sprayers for spraying urea.	1 per 75 acres ..	To be lent free of charges. Fuel cost of Rs. 3 per acre payable to the growers for operating sprayers.	50 : 50 between State and Government of India for sprayers and entire fuel cost by Government of India.
(iii) Soil application of nitrogen.	20 to 30 lbs. per acre.	Cultivators to be persuaded to purchase requirements at their own cost from dealers.	No financial liability to State Government but Government was to ensure availability of sufficient stock at the time of sowing.
(c) Seed-drills/wheel-hoes (for line sowing and interculture).	1 set per 5 acres ..	To be lent to the farmers free of charge.	Entire cost borne by State Government.
(d) Weedicides ..	Rs. 80 per acre ..	To be supplied to the farmers free of cost.	Entire cost borne by Government of India.

In addition to the above transport charges of machinery and equipment, storage charges and the expenditure on additional staff employed on the Special Package Programme were to be borne by the Government of India.

28.6.3. Details of implementation of the above measures, as gathered from information furnished by the State Government to the Indian Jute Development Council, are given in Annexure B, which shows that the coverage of the area under cultivation by different measures, were disproportionate to each other.

28.7. The following points were noticed by audit during a test check of the accounts :

28.7.1. *Supply of certified seeds*: The responsibility for supply of improved jute seeds (capsularies/olitorious) was entrusted to the National Seeds Corporation. The National Seeds Corporation had certified that

seeds were sold to the growers of both the Special Package and non-Package areas, through dealers appointed by the Corporation, on payment of 50 per cent of the price of seed *plus* transport charge. The cost of seed less the amount so recovered from the growers, was paid as subsidy to the National Seeds Corporation out of another Centrally-sponsored scheme (Subsidised Distribution of Certified Seeds) introduced in 1969-70.

The total area covered by the National Seeds Corporation during the first four years (1969-70 to 1972-73) of the Fourth Plan, is indicated below :

	Target of coverage of area by seeds supplied by National Seeds Corporation.	Estimated quantity of seeds.	Area actually covered with seeds supplied by National Seeds Corporation.	Actual quantity of seeds supplied by National Seeds Corporation sold.
	(In lakh acres)	(In quintals)	(In lakh acres)	(In quintals)
Special Package Area	.. 2.49	} 22,286	1.84	} 16,973 (3.2 kg per acre)
Non-Package Area	.. 6.24		3.79	
Total	.. 8.73 (2.5 kg per acre)		5.63	

The basis on which the quantity of 22,286 quintals was fixed as the requirement for 8.73 lakh acres which gives an average seed rate of only 2.5 kg per acre was not known. The actual seed saturation was 3.2 kg per acre on an average and satisfied the prescribed seed-rate. The main reason for non-fulfilment of the estimated seed target was reported to be non-availability of certified jute seeds. But on enquiry, the District Agricultural authorities of three major jute-growing districts stated that 677 quintals of seeds supplied by the National Seeds Corporation remained unsold with their dealers during 1970-71 and 1971-72.

It was also learnt from the District Agricultural authorities of five districts that 1,042 quintals of seeds supplied by the National Seeds Corporation in 1969 for sowing in 1970, were revalidated by National Seeds Corporation for use in 1971. Out of this, 617 quintals were actually sold to the growers during 1971-72. The germination percentage of those revalidated seeds was found to vary between 30 and 78 per cent against the standard minimum of 80 per cent.

28.7.2. *Supply of fertiliser for soil application*: The scheme of jute cultivation both in the Special Package and non-Package areas included application of 9 kg to 13.50 kg of nitrogenous fertilisers per acre at the time of sowing. For this purpose Government was expected to make available the fertilisers through nominated dealers from whom the growers were to purchase the required quantity at their own cost.

Details are given below of the soil application of fertilisers by the growers both in the Special Package and non-Package areas during the first four years (1969-70 to 1972-73) of the Fourth Plan.

	Total targetted area	Total area cultivated	Total area covered by soil application	Percentage of (b) over (a)
		(a)	(b)	
	<i>(In lakh acres)</i>			
Special Package area - ..	2.61	2.58	1.35	52.3
Non-Package area ..	42.32	38.76	6.74	17.4
Total ..	44.93	41.34	8.09	19.5

The shortfall was ascribed to non-availability of fertiliser allocation to meet the total requirements of the State.

28.7.3. *Foliar spraying of urea in Special Package area:* (a) On the basis of findings of a pilot project it was found that an additional yield of 0.7 bale per acre could be derived by foliar spraying of urea by low-volume power sprayers. To be effective the spraying was to be done in two spells—once when the plants were 30 to 40 days old and again 15 days thereafter. The foliar spraying was not effective if done in rains or when the plants were over 2 months old. Under the Special Package Programme urea was to be issued to the cultivators at the rate of 10 kg per acre free of cost and sprayers were also to be made available free of charge. The “optimum time” within which the two spells of foliar spraying of urea were to be done was “end of May”, for the northern districts (Cooch Behar, Jalpaiguri, West Dinajpur and Malda) and “mid-July”, for the southern districts (Murshidabad, Nadia, Hooghly, etc.). A test check of the accounts of these seven districts showed that during the years 1970-71 to 1972-73, 3,207 tonnes (value Rs.31.59 lakhs) of urea were received for foliar spraying during the above optimum period, and 1,050 tonnes of urea (value Rs.9.78 lakhs) received subsequently was also issued to growers. The records maintained did not show the actual dates of spraying to ascertain whether spraying was done under proper departmental supervision as required.

In order to see how 3,207 tonnes of urea issued during the optimum spraying period was utilised, the log books of low-volume power sprayers supplied to the growers in the seven districts were test-checked. It was seen that foliar spraying was done in a single spell instead of twice as required, and only 359 tonnes were sprayed by means of low-volume power sprayers. The District Agricultural authorities stated that some urea was sprayed by using hand-sprayers but this method would have produced a jet, and not a mist which was essential for effective foliar spraying. Thus it could not be ascertained whether the entire quantity of urea (4,257 tonnes) issued to cultivators free of cost (value Rs.41.37 lakhs) was fully

and properly utilised for carrying out the foliar spraying programme of urea. In particular, the supplies made after the optimum time had passed could not have yielded the desired results even if actually sprayed.

(b) *Lack of supervision*: Each Jute Field Assistant (appointed under the Special Package Programme) in charge of a block of 200 acres, was expected to personally supervise the spraying to ensure the application of urea solution of the required concentration in time. The records maintained did not show that the Assistants had supervised the spraying operations.

(c) *Unsatisfactory performance of sprayers purchased*: Six hundred and sixtyseven low-volume power sprayers (knapsack motorised) costing Rs.5.29 lakhs (Rs.795 each) were purchased (March 1971) from four firms. The normal life of the sprayers was stated to be five years with a guarantee period of six months. The samples of sprayers were not examined and approved by the Expert Committee before acceptance of tenders. The approved specifications were not intimated to the consignees or users in the districts. The sprayers were delivered by the firms direct to the district authorities according to the despatch instructions but these could not be checked by the district authorities with reference to specifications, as required. The performance of the sprayers was reported to be not satisfactory in actual use and many of them went out of order even during the guarantee period. It was reported that suppliers did not rectify the defects though called upon to do so. Out of 500 newly purchased sprayers issued to seven districts, only 365 were lent to the growers during 1971-72 and 1972-73, respectively, and the remaining 135 (value Rs.1.07 lakhs) remained idle. The total number of sprayers (821 including 500 purchased) available in these districts, was inadequate (optimum requirement was 2,572) for carrying out the foliar spraying programme and the situation was further aggravated by the defects that developed in a large number of the new ones purchased.

28.7.4. *Ground spraying of urea in non-Package area*: The scheme was sanctioned by the Government of India to cover one lakh acres in 13 districts, only for 1971-72. The expenditure on urea which was to be issued free of cost to the growers, was to be borne by the Government of India.

Details showing the quantity of urea issued, the area actually sprayed, the quantity utilised and the additional yield obtained have not been maintained. However, test-check of the records in seven districts showed that in order to cover 0.83 lakh acres by ground spraying, 812 tonnes of urea (value Rs.7.31 lakhs) were received and issued (the average working out to less than 1 kg against the prescribed rate of 10 kg per acre) between May and July 1971. The plants were by then already over two months' old and the effectiveness of ground spraying would have been limited. No records were produced to show that the ground spraying operations were supervised by the Jute Field Assistants to ensure timely and actual utilisation of urea in prescribed concentration.

28.7.5. *Aerial spraying of urea in non-Package area*: (a) As ground spraying could cover only about 10 per cent of the non-Package area a centrally-sponsored scheme of aerial spraying of urea by helicopter was taken up. During 1971-72 and 1972-73, 5,000 and 56,000 acres, respectively were targetted to be aerielly sprayed at a cost of Rs.2.81 lakhs and 39.58 lakhs without any recovery of cost from the growers. The extent to which aerial spraying was implemented and the cost incurred thereon are indicated below:

Year	District	Target (acres)	Area sprayed (acres)	Cost of spraying		
				Urea	Helicopter charge	Total
(In lakhs of rupees)						
1971-72	Murshidabad	5,000	2,500	0.22	1.10	1.32
1972-73	West Dinajpur	56,000	7,040	0.61	2.75	3.36
	Total	61,000	9,540	0.83	3.85	4.68

The shortfall in achieving the target was ascribed to late receipt of the allotment of urea from the Government of India and to the non-availability of the required quantity. The helicopter charges alone amounted to Rs.44 per acre in 1971-72 and Rs.39 in 1972-73. As against this, the fuel cost was only Rs.3 per acre for the low-volume power sprayers used in ground spraying. Had arrangements for acquiring the required number of low-volume power-sprayers been made in time, the expenditure incurred on aerial spraying could have been utilised to much better advantage.

(b) The following points were noticed in regard to implementation of the scheme of aerial spraying in the above two districts:

(i) *Spraying*: The normal sowing season for jute in Murshidabad is between "mid-April and mid-May" and that in West Dinajpur is between "mid-February and end-March". The effective period for aerial spraying of the jute crop and the dates on which the spraying was actually done, are given below:

District	Prescribed period		Spraying actually done	
	1st spraying	2nd spraying	1st spraying	2nd spraying
Murshidabad	Last week of May 1971 (40th day)	2nd week of July 1971 (60th day)	20.7.1971 to 1.8.1971	2.8.1971 to 10.8.1971
West Dinajpur	2nd week of May 1972 (40th day)	Last week of July 1972 (60th day)	(Sprayed in two spells between 5.6.1972 and 2.7.1972).	

This indicates that in Murshidabad spraying was done even after 60 days and during the period of heavy rains when most of the urea was washed away. In West Dinajpur the actual spraying of urea was done 80 to 90 days after sowing. The spraying operations were, therefore, not done in accordance with the time schedule prescribed.

(c) *Assessment of yield*: In the case of West Dinajpur, the yield of the area covered by aerial spraying compared with that in other non-Package area was as follows :

	Kg. per acre
Average yield in the district (local)	537
Additional yield expected to be derived through aerial spraying	140
Total expected yield by aerial spraying	677
Actual yield of areas covered by aerial spraying :	
Single spraying	464
Double spraying	510

Since the actual yield in the area covered by double spraying was even lower than the average yield of the entire district, the expenditure of Rs.3.36 lakhs incurred on the aerial spraying in the district should be deemed to have failed to achieve the desired result.

No assessment of the impact of the scheme in Murshidabad district where Rs.1.32 lakhs were spent on aerial spraying, was possible as spraying was taken up during the monsoon period and the areas sprayed had suffered from heavy floods.

28.7.6. *Old stock of implements used in Special Package Programme* : Improved cultural practices like adoption of line sowing and interculture by seed-drills and wheel-hoes (one each per 5 acres) were intended to be applied to the entire jute area annually covered by the Special Package Programme. The implements were to be lent to the growers free of charge. The entire cost of such implements was to be borne by the Central Government.

No fresh purchase of equipment was made. A large number of such implements (value Rs.9.82 lakhs) purchased long before (during 1963 to 1967) under a State-sponsored scheme referred to in paragraph 25 of the Report of the Comptroller and Auditor General of India for 1972-73 were transferred to the Special Package Programme.

The following table indicates details of the availability and utilisation of such old implements in the Special Package area in the seven districts :

	1969-70	1970-71	1971-72	1972-73
	<i>Numbers</i>	<i>Numbers</i>	<i>Numbers</i>	<i>Numbers</i>
Number of sets in stock	3,725	7,503	10,524	10,934
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Area cultivable with the available sets (5 acres per set).	16,625	37,515	52,600	54,670
Actual area covered by use of these implements.	7,900	28,000	50,000	24,000

Although the seed-drills and wheel-hoes in stock were, in number, more or less adequate for the purpose, those were either not issued to growers or were not fully utilised by them.

The reasons for the shortfall in the area covered by the improved implements particularly during 1969-70 and 1972-73, were the low capacity of seed-drills and the defects which developed during the prolonged storage of the implements. It was further stated that in some districts as much as 70 per cent of the implements had been lying in unserviceable condition in 1972-73.

28.7.7. *Meagre irrigation facilities*: Jute cultivation still continues largely to suffer from the uncertainties of rains at the appropriate time. As seen from the table below, the irrigated area under jute was 3.55 per cent of the total area under jute as compared to 2.24 per cent before the Fourth Plan commenced:

Year	Total area under jute		Total jute area irrigated		Percentage of (b) over (a)
	<i>(In 1,000 acres)</i>		<i>(In 1,000 acres)</i>		
	(a)	(b)	(a)	(b)	
1968-69	..	664.0	15.0	2.24	
1969-70	..	1,081.0	17.5	1.66	
1970-71	..	1,006.0	20.0	1.99	
1971-72	..	1,139.0	30.0	2.63	
1972-73	..	910.0	32.0	3.55	
1973-74	..	1,046.0	..	..

28.8. *Marketing*

28.8.1. *Quality Control through grading*: As no standards or specifications had been laid down for determining the grade and fibre quality of jute, the Indian Standard Institution evolved in 1950 some specifications for grading of jute. The State Government introduced in 1956-57, a scheme of jute grading and marketing by setting up five mobile demonstration centres in selected areas so that the primary producers could get better prices by following the Indian Standard Institution specification. In 1967 the Indian Jute Development Council stated that the Indian Standard Institution specification being more dependent on subjective assessment could not benefit the growers. The specifications were accordingly revised in 1969 by grading jute fibre under 16 sub-grades. Thereafter a scheme was taken up in 1970-71 under the Special Package Programme for introducing the revised grading. The scheme envisaged imparting intensive training to 100 persons (to be selected from among jute growers)

in the revised grading standards so that they could disseminate such technique amongst other growers. Up to 1971-72 only 60 persons were trained at a cost of Rs.0.83 lakh.

No assessment of the improvement in the quality of jute as a result of implementation of the Special Package Programme has been made. However, laboratory tests conducted by the Jute Technological Research Laboratory, Calcutta of samples collected between 1968 and 1970 from the markets of six districts in which the Special Package Programme was implemented, indicated that the quality was no better. The samples were, however, considered as an admixture of jute grown in the Special Package and non-Package areas of the districts.

The Indian Jute Development Council in its approach paper for the Fifth Five-Year Plan observed that the implementation of Special Package Programme could not produce any significant impact on the overall quality improvement because of its small coverage.

28.8.2. *Pricing and marketing*: The traditional market structure is a three-tier one. The market arrivals are mopped up by the local bulk purchasers who sell their stock in bulk to the jute mills. Under this structure the jute growers generally get little benefit from any increase in prices of raw jute.

The Indian Jute Development Council observed in 1971 that the low return realised by the jute growers could be ascribed to the lack of regulatory measures in the market which permitted manipulation of weights, deliberate under-estimation of quality grades when jute was presented in unassorted lots, the absence of a reliable market intelligence system which tended to place the growers in a disadvantageous position as compared to the bulk buyers and the confusion created by linking prices with different units of weight. The other weaknesses in the marketing structure pointed out by the Council were the arbitrary practice of making allowances and deductions and the insufficient scope of operations of the agency entrusted with the job of effecting bulk purchase of jute from the growers. The measures taken by the Government, *viz.*, the issue of minimum and maximum purchase quotas to the mills by the Jute Commissioner, the minimum price support announced by the Government and the setting up of the Jute Corporation of India to purchase jute have not been entirely successful in remedying this situation. The Jute Corporation of India started functioning from 1971-72, and procured 0.72 lakh, 0.90 lakh and 7 lakh bales in 1971-72, 1972-73 and 1973-74 respectively. This constituted 2, 3 and 19 per cent of the total production of jute in these years. As on 31st March 1973 there were 69 regulated markets in the State for jute and 101 market intelligence centres.

The growers usually sell their produce between September and November when their need for funds is most acute. During this period the local bulk purchasers succeed in forcing the growers to part with their produce at dictated prices for want of holding capacity in the absence of any

organised scheme for providing loans to the growers through the nationalised banks and co-operative societies either for purpose of cultivation or for holding of the produce till better prices are secured, the growers tend to suffer under the traditional "dadan system" practised by the village money lenders/local bulk purchasers under which loans carrying high rates of interest are given to growers who are often forced to sell their produce to repay these loans when the crop is ready irrespective of whether the ruling price is remunerative or not. The uncertainties in the selling price of jute, the progressively increasing cost of inputs, and the possibility of cultivating other crops which hold out prospects of better returns have been affecting the incentive for cultivating jute.

ANIMAL HUSBANDRY AND VETERINARY SERVICES DEPARTMENT

29. Hill Cattle Development Scheme

29.1. *Introduction*: A scheme for cross-breeding of cattle in the hilly areas and those with heavy rainfall was undertaken by the Government in co-operation with the Indian Council of Agricultural Research. The scheme was commenced with one main centre and five artificial insemination sub-centres opened in Darjeeling district in January 1956. The area covered comprised Sadar and some other parts of Kurseong subdivisions. The main centre and the sub-centres were intended to carry out at owners' request artificial insemination at the owners' door of all breedable cows under the respective jurisdiction of the centres. The main centre was, in addition, required to distribute semen to the sub-centres and co-ordinate their activities.

29.2. *Objectives*: The main objectives of the scheme were to find out:

- (i) the potentialities of cross-breeding,
- (ii) how far milk production could be augmented through cross-breeding,
- (iii) what proportion of foreign blood could thrive best under what conditions, and
- (iv) the effect of packing, storage and transportation of semen on its motility and other qualities.

29.3. *Programme/Method*: The scheme was designed mainly to grade up the local breeds with exotic bulls by artificial insemination. The scheme also envisaged maintenance of complete records of the daily milk yield of each adult cow in the scheme area, branding for identification of female progeny, identification of all animals inseminated under the scheme, following up the results of insemination, protection of animals against contagious diseases, etc.

29.4. *Administration*: While the scheme in association with the Indian Council of Agricultural Research, which ended in March 1967, was still in progress, the State Government started in February 1964 a similar

scheme under the name "Hill Cattle Development Scheme" by setting up a centre at Kalimpong and two sub-centres thereunder. This was expanded in April 1967 by bringing in all the existing centres and sub-centres opened earlier with the participation of the Indian Council of Agricultural Research. In March 1970 an additional centre at Siliguri was started. In all, during March 1974 twenty sub-centres were functioning under the three main centres at Darjeeling, Kalimpong and Siliguri.

29.5. *Performance*: Artificial insemination of an animal in the breeding age should normally be done at intervals of 16 months. Hence, during the ten-year period from 1964-65 to 1973-74, there should have been at least 62,000 cases of artificial insemination. But the total number of inseminations done during the period was only 19,700.

29.5.1. *Inadequacy of records*: The registers maintained were not reviewed periodically by any responsible officer. Particulars regarding sale/transfer/death, date of birth/purchase, stage of lactation of the cows were not recorded in the Livestock Register at all. Details of milk yields were not recorded systematically so as to indicate the quantity of yield by local cows or by the first progeny or the second progeny except in respect of a few selected cows of Darjeeling and Kalimpong areas up to 1970-71. Thereafter, this was discontinued in all the sub-centres of Kalimpong and many of the sub-centres of Darjeeling. Milk recording was not done at all in the Siliguri Centre right from the beginning. In the absence of such records the effect of cross-breeding on the yield of milk could not be ascertained. Further, the animals which had been inseminated under the scheme were required to be branded systematically for facility of identification and collection of statistics but this was not done in most cases. The scheme provided for castration of scrub bulls within the intensive area by persuasion. But, in fact, out of 3,530 male calves born during the period from 1964-65 to 1973-74, only 2,050 (58 per cent) were castrated. The performance was markedly poor in the Siliguri Centre from August 1971 to May 1972, after which there was practically no activity. This was attributed to the fact that semen generally received from Kalimpong after 72 to 96 hours of collection had poor or nil motility.

29.6. *Semen collection station*: Up to June 1964, semen used to be transported initially from Tollygunge and thereafter from Haringhata by air. Afterwards, supply of semen was effected from Southern Regional Station at Bangalore by air, but since semen carried over a long distance was found to have low fertility, a Central Semen Collection Station was set up in June 1964 at Kalimpong and semen collected there was supplied to the main centres for further distribution among the sub-centres. The average motility of semen at the time of despatch was recorded in the register at Central Semen Collection Station only up to 1969-70 and it was seen that the motility of semen despatched during the years 1967-68, 1968-69 and 1969-70 was 2.86, 2.87 and 2.47 respectively, on average, as against the optimum standard of 5. As a result of the low motility of the

semen supplied, conception was successful only in 36 per cent of the cases, on average, as against 50 per cent during the period Indian Council of Agricultural Research was associated with the scheme. The shortfall was attributed to

- (i) poor quality of semen,
- (ii) poor general health of the animals,
- (iii) reproductive diseases,
- (iv) time and length of oestrus, and
- (v) lack of skilled personnel.

The records showed that bulk of the semen despatched by the Central Semen Collection Station could not be used by all the centres, the quantum of utilisation having declined from 47 per cent in 1968-69 to 24 per cent in 1973-74. According to the local office, the low utilisation was mainly because of irregular supply due to bad road conditions and local transport problems.

29.7. *Expenditure*: During the period 1964-65 to 1973-74, a total amount of Rs.10.09 lakhs was spent on the scheme as shown below:

Year	Amount (In lakhs of rupees)
1964-65	0.18
1965-66	0.19
1966-67	0.19
1967-68	0.56
1968-69	1.54
1969-70	1.36
1970-71	1.31
1971-72	1.34
1972-73	1.67
1973-74	1.75
Total	10.09

29.8. *Feeding*: Hill cattle are fed on green leaves, grass, etc., available from the local forest throughout the year, except in winter. In winter, animals are fed mostly with leaves of trees, and where possible, with mustard oil cake and crushed maize stalks. Distribution of balanced cattle feed for the cross-bred milch cows of the scheme area, started for the first time in the year 1972-73 and during the two years 1972-73 and 1973-74, 32 and 48 tonnes of balanced cattle feed respectively were supplied to the farmers as against the total requirement of 9,380 and 9,634 tonnes respectively calculated at 2 kgs per cow per day.

29.9. *Conclusion*: The scheme covered only 8.12 per cent of the total breedable cow population of 1,62,437 (1972 livestock census) of the scheme area. Such a small coverage obviously failed to create any tangible impact on the milk production in the area. Further, in the absence of necessary data of milk recording in most of the sub-centres, the impact of the operation on milk yield was not susceptible of verification. From the available records, it transpired that the average daily yield of milk per cow declined from 10.5 lbs in 1967-68 to 9.1 lbs in 1973-74.

COMMERCE AND INDUSTRIES DEPARTMENT

30. **Imported machines not brought into use**: An order for supply of three imported horizontal turret lathe machines required in the Industrial Training Institutes at Malda, Midnapore and Berhampore, as standard training equipment, was placed in December 1965 through the Director General of Supplies and Disposals, New Delhi, at a cost of Rs.1.49 lakhs for delivery by the 31st August 1966, F.O.R. Bombay. The contractor was responsible for the safe delivery of stores at the destination in good condition. Payments amounting to Rs.1,19,520 were made in March and April 1968 on account of the three machines. For railway freight, credit notes were issued but the amount thereof could not be ascertained from the Institute.

Two machines were despatched from Bombay in February 1968 and the third in April 1968, to the Principal, Industrial Training Institute, Tollygunge who was to arrange for their despatch to the user units. The consignments were received in April and May 1968 in severely damaged condition with a large number of accessories and parts missing. Open delivery of the consignments was taken after joint inspection by the consignor firm, the consignee and the railway authorities in May 1968 and November 1968. Authority was given in July 1968 by the Principal, Industrial Training Institute, Tollygunge to the consignor firm to claim on his behalf compensation from the Railways and the insurance company. In July 1968 the consignor firm supplied a few spare parts but the bulk of the missing parts were not supplied and in view of restrictions on import of spares from foreign countries, they proposed to replace those parts by indigenous ones. The Government of India, who had borne 60 per cent of the cost of these machines, concurred in March 1970 to this proposal without liability of additional cost, provided the indigenous parts were suitable and requested the Director General of Supplies and Disposals to take necessary action to rectify the defect and to put the machines in working order. The Department also requested (July 1970) the Director General of Supplies and Disposals to issue instruction to the supplying firm for rectifying the defect: information regarding action taken by the Director General of Supplies and Disposals is awaited (January 1975).

Although a few missing parts were supplied by the firm in July 1968 a good number of them are yet to be replaced (January 1975). The value of parts already supplied and parts yet to be supplied is not known. In the

meantime, however, the firm had preferred a claim of Rs.1.13 lakhs on the Railways and also preferred a claim with the insurance company. Particulars of the amounts, if any, realised by the firm on these claims are awaited (January 1975).

The machines are lying idle in the Industrial Training Institute, Tollygunge, and the training in special operations for which these machines were ordered could not be imparted in the absence of the machines till January 1975.

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

31. **Installation of powerlooms:** Following the recommendations of the Mehta Committee, set up by the Government of India in January 1963 for suggesting, *inter alia*, measures for establishment of the powerloom industry on a stable footing, West Bengal was allotted a quota of 6,000 powerlooms in July 1966, to be set up during the Fourth Five-Year Plan to meet the shortage in production of textiles. The Committee suggested 50 per cent of the powerlooms to be allotted to the co-operative sector, but the State Government was allowed a free hand to allocate the looms to co-operative or private sectors according to local conditions.

Applications were received from intending co-operatives and individuals for installation of the powerlooms during 1966-67 and 1968-69, but actual allotment commenced only in 1971-72 as the Selection Committee appointed by the Government to recommend suitability of the applicants was reconstituted a number of times and did not start functioning till then. A number of applicants were reported to have become disinterested because of the delay. Based on the recommendations of the Selection Committee, orders for allotment of 5,334 powerlooms out of the quota of 6,000, allocated to the State, were issued by the Government as follows up to March 1975:

Year						Numbers allotted
1971-72	..	..	..	..	..	} 1,864
1972-73	..	..	..	..	..
1973-74	..	..	..	..	..	2,869
1974-75	..	..	..	..	..	601
				Total	..	5,334

Of these, 800 powerlooms were allotted to the co-operative societies and the rest to individuals.

For installation of powerlooms the co-operative societies were given loan assistance at the rate of Rs.3,000 per loom which was repayable with interest in ten equated annual instalments. The rate of interest was 8 per cent per annum, with a reduction of 2 per cent for punctual payments.

The position of loans paid to the co-operatives so far (March 1975) was as under:

Year	Loans paid	Amount realisable up to March 1975 including interest	Amount actually recovered
(In lakhs of rupees)			
1971-72	9.60	5.18	Nil
1972-73	10.80	3.88	Nil
Total ..	20.40	9.06	Nil

Payment of such loans was stated to have been discontinued from 1973-74, but no reasons were indicated by the Department. Particulars regarding actual installation of powerlooms and production could not be furnished by the Department. It was, however, stated that most of the allottees did not get (September 1974) the textile permit from the Textile Commissioner, essential for procurement of the powerlooms and it was apprehended (September 1974) that the actual installation of the powerlooms would take at least two more years. Loans totalling Rs.22.32 lakhs have been disbursed till March 1973.

32. Supply of processed clay for sanitary wares and electrical goods: Mention was made in paragraph 32 of the Audit Report, 1968, about the cumulative loss of Rs.3.84 lakhs between April 1962 and March 1967 in the servicing-cum-production schemes at Belghoria sponsored under the auspices of College of Ceramic Technology, Beliaghata.

The scheme which was first implemented at the premises of the College at Beliaghata and subsequently (1958-59) extended to the premises of Messers A. K. Sarkar Industries at Belghoria (another Government unit acquired for implementation of a number of ceramic development schemes) was taken up in 1956-57 for developing ceramic industries and was to run on a commercial basis. Under the scheme, processed clay for production of sanitary wares and electrical goods was supplied to various cottage units, some of which were run by the ex-students of the College, who were also offered use of the firing facilities in the kilns of the College against payment of charges. An Evaluation Committee set up by Government in July 1963 to go into the various ceramic development schemes implemented during the Second and Third Five-Year Plans recommended in May 1964 that the main four ceramic schemes should be merged and implemented as one.

The Department had informed the Public Accounts Committee in November 1972 that in order to run the scheme on full-fledged commercial basis, it had been decided to shift the unit functioning at the College premises at Beliaghata to the more spacious premises in Belghoria where

certain additions and alterations had been carried out and that it was expected to show better results after shifting. It was also stated that the scheme had already secured orders for Rs.7.50 lakhs and was expected to earn a profit approximately of Rs.0.53 lakh on the further orders.

However, the Beliaghata unit has not yet been shifted to Belghoria and new machinery (cost Rs.0.50 lakh) is also lying uninstalled there (November 1974).

A review of the working of the scheme between 1967-68 and 1973-74 revealed a further accumulation of losses of Rs.28.19 lakhs as detailed below :

Year	Number of units served		Output				Expenditure	Sales including miscellaneous receipts	Annual loss
	Target	Achievement	Installed capacity	Target	Achievement				
			<i>(In tonnes)</i>				<i>(In lakhs of rupees)</i>		
1967-68	..	60	64	1,200	243.80	302	4.35	2.13	2.22
1968-69	..	60	68	1,200	243.80	477	6.63	4.82	1.81
1969-70	..	60	68	1,200	243.80	410	9.28	5.37	3.91
1970-71	..	60	68	1,200	243.80	278	8.77	4.56	4.21
1971-72	..	60	68	1,200	243.80	214	7.22	2.67	4.55
1972-73	..	60	68	1,200	243.80	209	9.89	3.99	5.90
1973-74	..	60	68	1,200	243.80	155	8.92	3.33	5.59
								Total	28.19

It would appear from the above that the target of production had all along been fixed too low in comparison to the installed capacity. No reasons for such low fixation of target were communicated by the Department.

It may be pointed out in this connection that though the strength of labour-force directly engaged in production had increased from 142 on 1st April 1967 to 186 on 31st March 1974, this had no effect on the targets fixed or the production achieved. On the contrary, the production showed a steep downward trend since 1970-71.

The recurring annual losses were attributed by the Department mainly to :

- (i) increased sanction of dearness allowance to staff and financial benefits to the casual workers from 1967,
- (ii) inadequate working space and storage facilities for raw materials,
- (iii) labour troubles and go-slow tactics adopted by workers and low productivity of the workers, and
- (iv) inadequate arrangements for marketing of the finished goods.

As there was no system of standard costing, the Department could not indicate the extent of loss on account of each of these reasons.

The scheme along with a few other ceramic development schemes has been transferred to the Department of Public Undertakings with effect from January 1975 with all assets and liabilities for operation on commercial lines under an organisation to be set up by that Department.

33. Scheme for Industrial Estates: As entrepreneurs of small scale industries faced difficulties in finding resources for investment in capital assets like land, factory sheds, power, facilities for water supply, etc., Government decided to build industrial estates providing built-up accommodation, together with the necessary infrastructure for establishing industrial units in these estates. As in other States, industrial estates were set up in West Bengal as a "Plan Scheme" commencing from the Second Five-Year Plan. Central assistance towards this was received in the shape of loans.

Besides encouraging growth of small scale industries, the industrial estates were expected to attract industries out of the congested areas to these premises resulting in decentralised industrial development in small towns and large villages, and thus help the growth of ancillary industries.

33.2. Industrial estates were set up between 1956-57 and 1967-68 at the locations indicated below and the capital expenditure incurred thereon up to March 1974, was :

Name of estate	Capital invested
	<i>(In lakhs of rupees)</i>
Kalyani	... 49.23
Baruipur Unit I	... 5.69
Saktigarh	... 4.77
Howrah	... 71.35
Baruipur Unit II	... 5.82
Manicktala	... 6.82
Siliguri	... 8.03

The Siliguri Industrial Estate (9 sheds) was under the occupation of the Defence Department since construction (1962). It was finally released in February 1974, and handed over to the West Bengal Small Industries Corporation Ltd., in March 1974, for administrative and allotment purposes. A sum of Rs.3.68 lakhs representing rent was realised up to the 31st March 1974 from the Defence Department. Besides, land acquired in 1966 in Calcutta (cost Rs.5.41 lakhs) for setting up an industrial estate for hide and leather units was also handed over (January 1974) to the West Bengal Small Industries Corporation Ltd. for construction of an industrial estate and three blocks were stated to be under construction (January 1975). Particulars of other six industrial estates are given in the Annexure C.

33.3. According to the Department the area suitable for the development of cottage and small scale industries was located first and then acquired either through the normal process of land acquisition or by outright purchase. The annexure indicates the time taken for the setting up of each industrial estate from the date of taking possession of land to the date(s) of handing over the shed(s) by the construction agencies.

While 10 sheds of the Kalyani Industrial Estate (total sheds 20) had a time-lag of 6½ years between the date of taking over possession of land and the date of handing over of the sheds by the construction agencies, there was a time-lag of 9 years in respect of 12 sheds of the Baruipur Industrial Estate Unit No. II.

In many cases there was considerable delay in letting out sheds to entrepreneurs after these were handed over to the Department by the construction agencies. Particulars of the number of sheds in different estates, let out after one year or more, from the date of completion are given below :

Saktigarh	Howrah	Kalyani	Manicktala	Total sheds	Time-lag
2	11	1	3	17	1 to 2 years
1	4	2	..	7	2 to 3 years
..	3	1	..	4	3 to 4 years
1	..	..	..	1	4 to 5 ½ years
1	..	1	..	2	5 to 7 years
3	..	4	..	7	7 to 9½ years

Out of a total 157 sheds in the six estates, 146 were let out to entrepreneurs from time to time and 11 sheds (8 in Saktigarh and 3 in Baruipur II) were not let out at all from inception. Out of 146 sheds let out, 136 sheds were in occupation as on 31st March 1974 and the remaining 10 sheds in the Saktigarh Industrial Estate remained vacant for 717 shed-months between February 1963 and September 1971. The total vacancy in term of shed-months was 1,997 (1,280 + 717), about 9.14 per cent of the total available shed-months of 21,854 in the six estates.

33.4. After a study of the working of the industrial estates, the Development and Planning Department of the State Government reported in September 1968 that no prior studies or surveys had been made in selecting the sites, and that most of the sites might have been selected under the general impression that areas around Calcutta where many industries were already functioning, would be suitable. Such an approach, according to the Report, did not contribute to the objective of decentralisation of industries from the congested areas or to the objective of promoting industrial activity in backward areas and districts. It was also stated that the Department had not taken adequate steps to remove the situational disadvantages and to provide adequate amenities even in respect of the sites

selected or to set up an adequate organisation on the spot for proper management of the estates with the result that difficulties were not resolved in time or reported to the right quarters for redress. The Directorate stated that the main difficulties faced by these estates were paucity of raw materials. Besides, the following difficulties were also reported by some of the estates :

Kalyani: Delay in getting bank finance and lack of maintenance of sheds, sewerage, etc.

Howrah: Internal and approach roads in a bad state and inadequate lighting and water supply arrangements.

Baruipur: Inadequate watch and ward staff.

The industrial units in occupation of the 136 sheds as on 31st March 1974 either in whole or in part were of the following categories :

Industries				Number
Textile	...	...	...	8
Chemical	...	...	...	10
Engineering	...	...	...	108
Others	...	...	...	15
			Total	141

Engineering units formed the majority of the units located in the industrial estates; but this, according to the study of the Planning Department, was not the result of any conscious planning but only reflected the predominance of the engineering industry in and around Calcutta. No techno-economic surveys had been made before setting up the industrial estates and the particular type of industries to be developed in designated areas had not been identified.

Units or industries to be developed in an estate were not selected in advance of the construction of the sheds with the result that some of the actual users found the plinth of the sheds not strong enough for their machines and the design appropriate.

33.5. Rates of lease rent for sheds in Howrah, Kalyani and Saktigarh Industrial Estates were fixed finally on 10th June 1968, and were made effective from the dates of execution of lease agreements or from such retrospective dates as might be agreed to by the occupants. Prior to the fixation of the final rents in respect of the above estates, provisional rents were being charged. The agreement in respect of sheds which had already been allotted were to be executed by 1st September 1968. In the case of the Baruipur Industrial Estate Units I and II, rates of lease rent were fixed finally on the 26th April 1971 and these rates were to take effect from

the dates of occupation of sheds. The rates of lease rent in respect of the Manicktala Industrial Estate were fixed on the 13th April 1970, and sheds in this estate were all let out after that date. Out of 157 sheds in the six industrial estates, 70 lease agreements were registered (February 1975). In some cases legal steps were stated to have been taken against the parties in default.

33.6. As on the 31st March 1974, a total amount of Rs.47.48 lakhs, on account of rent for sheds in the six estates was outstanding as per figures furnished by the estates authorities. In addition to arrears of rent, interest amounting to Rs.13.80 lakhs for default in payment of rent by the tenants of the Howrah and Kalyani Estates was overdue up to the 31st March 1974. The other estates were unable to furnish particulars of the amount of interest due on the arrears of rent. The outstanding rent and the year-wise analysis thereof are indicated below:

Industrial estate	Amount due	
	Rent	Interest
	<i>(In lakhs of rupees)</i>	
Kalyani	27.37	11.51
Baruipur Unit I	6.60	Not available
Saktigarh	0.56	Not available
Howrah	11.15	2.29
Baruipur Unit II	0.76	Not available
Manicktala	1.04	Not available
Total	47.48	13.80

Years to which the dues relate	Amount
	<i>(In lakhs of rupees)</i>
1959-60 to 1963-64	4.36
1964-65 to 1968-69	15.65
1969-70	3.72
1970-71	4.73
1971-72	5.59
1972-73	6.91
1973-74	6.52
Total	47.48

It was noticed that the entrepreneurs of four units of industries who had occupied sheds in the Kalyani Industrial Estate had deserted. Rent of Rs.1.83 lakhs, not included in the total outstanding rent indicated above,

was due from them. The large accumulation of dues was attributed by the Department (May 1974) to non-payment of rents by the entrepreneurs. The Department also stated that the following steps had been taken for realisation of the dues :

- (i) Individual follow-up with the tenants.
- (ii) Issue of formal notices for payment of dues.
- (iii) Institution of certificate cases in some cases.

33.7. Twentytwo units of industries occupying 21 full sheds and 8 part sheds in different estates were not functioning. Particulars of these units and the dates from which these had not been functioning are given below :

Industrial estate	No. of units	No. of sheds occupied	Date from which not functioning
Baruipur Unit I	1	4	June 1963
	3	3	August 1966
Baruipur Unit II	1	1	February 1970
Howrah	1	1	} November 1967 1972 July 1968 1969
		1	
	1	3	
	1	2	
	1	1	July 1969
	1	1	1971
Kalyani	4	4	
	7	7	} Could not be stated by the authorities.
		(Part sheds)	
Manicktala	1	1	June 1972
		(Part shed)	

Reasons for non-functioning of the above units were not known (May 1974) to the estates authorities.

EXCISE DEPARTMENT

34. **Grant of subsidy to distilleries:** The price of country spirit is controlled by Government's right from the stage of manufacture up to its point of sale. The wholesale price at which the distilleries are required to sell country spirit to the retailers is fixed by Government after taking into account, *inter alia*, the landed cost of molasses. As there was considerable increase in the landed cost of molasses during the early part of 1967 (varying from Rs.134 to Rs.214 per tonne as against Rs.80 adopted by Government in fixing the wholesale price), the distilleries represented for an upward revision of the wholesale price of liquor. Government, however, considered the increase in the landed cost of molasses to be a temporary phase because of the wide variation in prices from consignment to consignment. Instead of revising the wholesale price which might adversely affect

demand for liquor leading to a shortfall in excise revenue, Government decided to compensate the distilleries by subsidising to the extent of 90 per cent of the excess cost of molasses utilised over and above the base of Rs.80 per tonne adopted in fixing the wholesale price.

Payment of such subsidy was discontinued with effect from the 5th August 1968 on grounds of administrative difficulty and the wholesale price was raised from 64 paise to 80 paise per L.P. litre on *ad hoc* basis. The total amount so paid to the different distilleries during the period 22nd May 1967 to 4th August 1968 was Rs.11.91 lakhs.

The revenue earned by the Government on account of sale of country spirit during several years prior to and after the revision of wholesale price was as follows :

				Quantity of country liquor manufactured	Revenue earned
				(Proof litres in lakhs)	(Rupees in crores)
1965-66	..	..	..	89.97	7.17
1966-67	..	..	..	88.64	8.14
1967-68	..	..	..	68.67	7.63
1968-69*	..	..	..	42.50	7.26
1969-70	..	..	..	60.04	9.40
1970-71	..	..	..	84.58	10.47
1971-72	..	..	..	78.35	10.88
Total	..	..	..	5,12.75	60.95

*Year during which the wholesale price was revised.

Notwithstanding the upward revision of the wholesale price in 1968-69, there was an upward trend in the collection of revenues. Payment of subsidy to the distilleries to the extent of Rs.11.91 lakhs from Government revenues proved uneconomic.

The Department stated (December 1974) that the wide variations in the landing cost of molasses made it impossible to refix the cost price of country spirit accurately and hence, the payment of subsidy as a stop-gap measure was the only alternative left for avoiding dislocation in the supply. However, such variations in the cost of molasses were not unusual and continued even when the price of country liquor was fixed at 64 paise per L.P. litre and also when it was raised to 80 paise per L.P. litre. Besides, the grant of subsidy to the distilleries in preference to refixation of the retail price was a departure from the normal procedure followed.

FISHERIES DEPARTMENT

35. **Review on the scheme for development of large derelict fisheries in West Bengal:** Under this scheme, implemented from 1957-58, large derelict water areas, mostly those vested in Government, were to be reclaimed

and developed at Government cost and under Government supervision for fish farming with the object of augmenting fish production and alleviating economic distress prevalent among professional fishermen.

No papers to indicate that there was any comprehensive programme specifying the area to be developed could be produced to audit. As on 31st March 1974, 31 farms covering 1,858 acres were functioning under this scheme; 23 being fresh water farms (1,671.32 acres) and the remaining 8 being brackish water farms (187.12 acres). According to the Directorate of Fisheries, the expenditure on reclamation and development of these farms amounted to Rs.32.41 lakhs up to 1973-74. The expenditure incurred on salaries and contingencies up to March 1974 amounted to Rs.66.60 lakhs.

35.2. *Reclamation and development*

35.2.1. The effective area of brackish water farms was 117.37 acres; the remaining area (~~69~~ 75 acres) being used for embankments and surrounding lands. The effective area of the 11 fresh water farms (942.57 acres) in respect of which details are available, was 754.36 acres.

35.2.2. *Works not executed*: It was stated by the departmental officers that in fourteen fresh water farms, where development and reclamation works estimated to cost Rs.17.07 lakhs were considered to be necessary, expenditure to the extent of only Rs.5.10 lakhs had been incurred up to March 1974 and the works had been completed only in three farms. The non-completion of reclamation and development works seriously affected production, as may be seen in the instances given below:

- (a) In three farms (234.05 acres) in Cooch Behar district, capital works estimated to cost Rs.4.59 lakhs were not executed for want of sanction. Tendered rate was high. Although non-recurring expenditure of Rs.0.59 lakh and recurring expenditure on pay and allowances to the extent of Rs.0.41 lakh had been incurred from 1967-68 to September 1972, the only receipts were from catches of wild fish which fetched about Rs.4,000 per annum.
- (b) The raising of embankment and construction of hume pipe culverts in the Amdah Beel farm could not be completed due to resistance of the local people and objection from the Irrigation and Waterways Department. The farm yielded a revenue of only Rs.0.10 lakh from 1965-66 to 1973-74 though a sum of Rs.2.09 lakhs was spent on salaries and contingencies during the period.
- (c) The developmental works of Matikata Beel fish farm (Block No. II), Kalyani, spread over 28.10 acres were suspended from October 1971 due to dispute with the contractor entrusted with the work. Receipts from the farm from 1965-66 to 1971-72 amounted to only Rs.5,000 as against an expenditure of Rs.0.23 lakh on capital works and Rs.0.16 lakh on pay and allowances.

35.3. *Production of fish*: As indicated in paragraph 57.11 of the Report of the Comptroller and Auditor (General of Indian, 1971-72, the average production of fish from fresh water tanks, as published by the Indian Council of Agricultural Research, was 600 kg. per hectare per annum or 240 kg. per acre. The Government of West Bengal had estimated (1970) that an annual production of up to 450 kg. per acre could be achieved in fresh water tank fisheries, 330 kg. per acre in beel fisheries and about 370 kg. per acre in brackish water farms. It was also stated (September 1974) that according to latest research in fishery, production could be increased to about 12 quintals per acre with a cultural expense of about Rs.4,000 per acre. The targets of fish production actually adopted and the achievement of the two types of farms were not available in all cases till October 1974; those available are summarised in the statement below :

Year	No. of farms*	Effective area in acres†	Fish production		Fry/Fingerling production		
			Target	Achievement	Target	Achievement	
			(In kilograms)		(Number in thousands)		
A. Fresh water farms :							
1966-67	4	172.64	20,188	17,595	17,45	11,75	
1967-68	7	725.11	1,35,963	47,589	26,60	4,09	
1968-69	10	845.62	1,58,113	68,121	24,91	10,69	
1969-70	18	912.52	1,65,338	45,418	19,11	1,11	
1970-71	18	912.52	1,68,088	32,989	28,86	14,28	
1971-72	13	912.52	69,238	21,584	30,46	18,22	
1972-73	7	691.93	35,498	40,539	40,95	5,70	
1973-74	7	691.93	27,038	8,164	23,03	9,46	
B. Brackish water farms :							
1966-67	7	66.96	35,102	10,963	} Not available	3,74	
1967-68	8	93.08	49,202	9,217		81	
1968-69	7	66.96	35,202	9,240		1,57	
1969-70	7	66.96	38,300	11,617		7,04	
1970-71	7	84.32	41,102	10,659		5,09	
1971-72	7	84.32	39,102	11,765		13,91	
1972-73	8	93.08	44,550	7,721		14,80	
1973-74	8	93.08	44,550	7,126		17,30	

*Includes only farms in respect of which information is available.

†Takes into account whole area where effective area has not been separately indicated.

35.3.2. The productivity of fish per acre (in kilogram) aimed at and actually achieved are shown below :

Year	Fresh water farms		Brackish water farms				
	Target	Achievement	Target	Achievement			
1966-67	117	102	524	164
1967-68	188	66	529	99
1968-69	187	81	526	138
1969-70	181	50	572	173
1970-71	184	36	488	126
1971-72	76	24	464	140
1972-73	51	59	479	83
1973-74	39	12	479	77

No explanation was available as to why productivity targets were fixed at a rate much lower than that anticipated in the case of fresh water farms and at a higher rate in the case of brackish water farms, or why the targets were revised from year to year.

35.3.3. Apart from the adverse effect of non-completion of capital works, production was also affected by the following factors, as mentioned by local officers in charge of the farms :

- (a) Natural calamities like drought, floods, etc.
- (b) Depletion of stock due to extensive unauthorised fishing.

In Mathura Beel (about 500 acres) unauthorised fishing was a serious problem and stocking of the beel by fresh fingerlings was discontinued from 1969-70. The annual catch had risen from 13,362 kg. in 1964-65 to 46,650 kg. in 1968-69 but declined thereafter to only 2,380 kg. in 1973-74.

- (c) Growth of unwanted aquatic weeds which rendered the water area unsuitable for growth or catching of fish (Shyambundh and Babirbundh farms—60.29 acres).
- (d) Unevenness of bottom and presence of logs and trees (Subhas Sarobar—39.67 acres) and reservation of tanks for drinking water purposes (Sahibbundh—53 acres) which prevent effective netting operations.
- (e) Type of soil (laterite) in the tanks in Purulia being less suitable than other types for the growth of fry/fingerlings.

The Directorate of Fisheries has not clarified the circumstances under which areas which cannot be fully controlled or developed due to technical unsuitability or other reasons were selected for pisciculture and development.

35.4. *Sale price of fish*: The catches are generally disposed of on the spot by sale to the public, co-operatives of fishermen, educated unemployed youths, etc. The sale prices of various types of fish are fixed by the Director of Fisheries from time to time and the rates fixed were generally found to be about Re.0.50 per kilogram below the market rate prevailing. The average price fetched by sale of fish in the years from 1966-67 in a number of farms in respect of which detailed information is available and the minimum and maximum average prices secured in each year are indicated in the table below:

Year			No. of farms	Annual average price of fish in all the farms in column 2 taken together	Minimum	Maximum
	(Rs. per kilogram)					
1966-67	4	2.97	2.67	4.03
1967-68	4	2.75	2.61	3.67
1968-69	7	4.27	2.00	4.54
1969-70	10	3.16	1.66	6.53
1970-71	—	..	10	3.16	2.25	5.30
1971-72	10	3.21	1.80	4.83
1972-73	—	..	9	2.94	2.25	4.70
1973-74	—	..	4	3.95	3.60	4.80

The variations were stated (September 1974) to be due to differences in proportion of various types of fishes in the catches. As the tanks were generally to be stocked with the more valuable major carps and cyprinus carpio types, the low unit prices realised would appear to require further examination.

35.5. *Benefits derived by fishermen*: Information regarding the benefits derived by fishermen as wages and share of catches is awaited from the Directorate (November 1974). Information available from the farms indicated that in the Mathura Beel farm (500 acres) Rs.0.42 lakh were paid as wages and 76,114 kg. of fish given as share of catches from 1964-65 to 1972-73. The Junput farms (187 acres) provided wages aggregating to Rs.14,290 to about 6,000 daily-rated labourers during the years 1971-72 to 1973-74.

FOOD AND SUPPLIES DEPARTMENT

36. **Departmental procurement of essential non-cereal commodities**: In order to check the rise in prices of essential commodities due to speculative activities of traders, Government decided in October 1972 to build up buffer stocks of some essential non-cereal commodities for releasing the same at reasonable prices through the public distribution system. For this purpose

a Directorate of Non-cereal Essential Commodities was set up in December 1972 under the Food and Supplies Department. The Directorate was assisted by the other staff in the Food and Supplies Department in purchasing and handling these commodities.

36.2. A cash credit of Rs.2 crores was arranged from a nationalised bank in December 1972 (increased to Rs.5 crores in March 1973) to finance the purchases. The rate of interest was 2.5 per cent above the bank rate ruling from time to time, subject to a minimum of 8.5 per cent on the outstanding balance in the cash credit account. Up to August 1974, the accrued interest on the cash credit borrowings amounted to Rs.18.97 lakhs of which Rs.15.12 lakhs were paid to the bank.

36.3. Although Article 266(1) of the Constitution of India required that all loans and ways and means advances raised by the Government should be part of the Consolidated Fund of the State, the total amount of Rs.182.08 lakhs actually obtained from the bank under the cash credit arrangement was not taken into the Consolidated Fund of the State. Similarly, Rs.20.48 lakhs collected as the sale proceeds of various commodities purchased by the Directorate were till October 1973 deposited into the bank direct in repayment of the cash credits availed of, without crediting them to the Consolidated Fund. Thereafter all sale proceeds were credited to the Consolidated Fund from which amounts required for the repayments of outstanding cash credits as also interest thereon were withdrawn. Details of the financial arrangements and expenditure are given below :

	<i>(In lakhs of rupees)</i>
Total cash credit facility availed of from the bank ..	182.08
Interest accrued thereon till August 1974	18.97
Total dues to the bank	201.05
Amounts repaid to the bank direct from sale proceeds till October 1974.	20.48
Amounts withdrawn from the Consolidated Fund to make payments to the bank.	161.60
Interest charges paid till October 1974	15.12
Total payments to the bank	197.20
Balance due	3.85

The sale proceeds credited to the Consolidated Fund up to October 1974 amounted to Rs.170.04 lakhs and a further sum of Rs.14.48 lakhs was due from Refugee Relief and Rehabilitation and Relief and Welfare Departments. No profit and loss account of the scheme has been prepared as yet (April 1975).

36.4. The major activities of the scheme are reviewed in the following paragraphs:

(A) *Masoor dal*: When setting up the Directorate, the Government had ordered that purchases from outside the State were to be made preferably through the National Agricultural Marketing Co-operative Federation although the prices quoted by the Federation might be higher than that quoted by the trade. Accordingly, an order was placed on the Federation in November 1972 for the supply of 485 tonnes of masoor dal, and no quotations were formally obtained from any other source. The prices approved in November 1972 were Rs.148 per quintal for 403 tonnes of masoor dal of small (split) variety and Rs.168 per quintal for 82 tonnes of big (split) variety. As against 484.63 tonnes despatched by the Federation from Bombay by rail, 468.42 tonnes were received between December 1972 and March 1973 in State Government's godowns at Cossipore and Lake. Claims for the balance of 16.21 tonnes (Rs.0.25 lakh) being the shortage during rail transit, were lodged with the Railways in two instalments on 28th February 1973 and 9th March 1973 and are still pending. As the two varieties of masoor dal got mixed up, a pooled *ex-godown* wholesale issue rate of Rs.170 per quintal was worked out and the consumers' rate was fixed at Rs.180 per quintal after providing a dealer's margin of Rs.10 per quintal.

The ration shops in Calcutta lifted 185.68 tonnes of masoor dal in January and February 1973 on pre-payment of Rs.3.16 lakhs. This was to be sold to consumers at 250 gms per head per week. As against approximately 79.61 lakh ration card holders in the city, the quantity released was adequate to meet the requirements of about 7.5 lakhs for one week. The Directorate of Rationing, however, doubted (January 1973) whether the poor quality of the dal which contained an admixture of un-husked grains, dust and other foreign matter, would be acceptable to consumers. The State Quality Control Directorate had also earlier (November 1972) observed on the basis of testing of samples that out of the supplies made by the Federation, 341 tonnes were sub-standard. The General Secretary of the Area Ration Shop-Owners' Association also stated (February 1973) that the market price of such dal was not above Rs.110 per quintal and hence no further quantity was lifted by the ration shops.

The Directorate thereupon negotiated with an association of dal mills for the sale of dal and the association lifted 142.90 tonnes of masoor dal at Rs.170 per quintal. This was intended to be distributed to consumers on production of ration cards at 250 gms per week through 100 grocers

selected by the association. The Directorate stated (March 1974) that according to the records no inspecting staff were detailed, nor did the Government require this to be done, to ensure that the dal so supplied was actually sold to the consumers at the stipulated price. Another 27.58 tonnes of dal was issued to the Refugee Relief and Rehabilitation Department between February and March 1974 at Rs.170 per quintal for consumption in the Homes and Infirmaries run by that Department and the remaining quantity was sold by auction in July 1974 at Rs.1,666 per tonne.

While the Directorate was distributing through the public distribution system major dal of indifferent quality at Rs.1.80 per kg., the retail price ruling in the market was about Rs.1.90 to Rs.2.00 during January 1973 to June 1973.

(B) *Gram dal*: Government decided in December 1972 to purchase 1,500 tonnes of whole gram from the Food Corporation of India at Rs.1,000 per tonne. This was intended to be issued to selected millers at Rs.1,100 per tonne from the Food Corporation of India godowns. The millers were to convert the gram into dal and issue it to the Area Ration Shops at the approved *ex-mill* price of gram dal, on the basis of permits given by the Directorate. Though whole gram was purchased in December 1972, the Tender Committee could finalise the rates with a group of five mills only in February 1973 for milling of the gram. According to the rates accepted for every quintal of whole gram lifted by him from the Food Corporation of India godown at Rs.110 per quintal, the miller was to supply 75 kg. of clear gram dal to the permitted Area Ration Shops at Rs.140 per quintal after adjusting the price of *bhusi* (chaff and remnants) to be retained by the mills at Rs.60 per quintal, refraction loss to the extent of 3 per cent and milling charges of Rs.8.20 per quintal of whole gram. The mills were to sell the gram dal at Rs.140 per quintal to the permitted Area Ration Shops who in turn were to sell it to consumers after adding their margin of Rs.10 per quintal.

Out of 1,488 tonnes of whole gram purchased from Food Corporation of India for which payments were made straightaway, 1,351.30 tonnes only were lifted by five millers between March and June 1973 from the Food Corporation of India godowns. Four millers who had lifted 820 tonnes of whole gram should have supplied 615 tonnes of clear gram dal to the Area Ration Shops. But only 593 tonnes were released by them for sale and no explanation was available (September 1974) for the shortfall of 22 tonnes of clear gram dal. Another lot of 531.30 tonnes was lifted by the fifth miller but no information was available (September 1974) regarding the quantity of dal produced and released by him for sale through the Area Ration Shops, as the relevant records were stated to be under police custody. Out of the remaining whole gram lying in the Food Corporation of India godown, 133.90 tonnes were issued to the District Magistrate, Midnapore in September 1973 for gratuitous relief. The balance 2.80 tonnes was not lifted and its value (Rs.2,800) is yet to be recovered from the Food Corporation of India.

(C) *Kalai*: Government decided in December 1972 to procure 12,500 tonnes of kalai from three districts (West Dinajpur 6,500, Malda 5,000 and Cooch Behar 1,000) through agents appointed for the purpose by the District Officers. The agents were to purchase kalai of the prescribed specification at Rs.146 per quintal (including cost of gunny bag Rs.2.75 and their agency commission Rs.3.25) delivered and stacked in the authorised godown. The *ex-godown* wholesale selling rate of bagged kalai was fixed (February 1973) at Rs.175 per quintal. By May 1973, 7,439 tonnes of kalai was purchased through the agents at a cost of Rs.1,08.61 lakhs. But further procurement was considered to be not possible until the congestion in the hired godowns was reduced by quick disposal of a substantial portion of the procured stock. As regards reasons for procuring such a large quantity, the Department stated (April 1975) that "no exact assessment was made obviously because there might have been many difficulties in the first year of procurement". As the response to the enquiries made in March 1973 from other kalai consuming States was not encouraging, representatives of the Directorate were sent in April 1973 with samples of kalai to Tamil Nadu, Andhra Pradesh and Punjab. But even this did not succeed in liquidating the stocks built. A firm in West Dinajpur offered in April 1973 to buy the entire stock procured in that district (6,135 tonnes) at Rs.175 per quintal, but this offer was not accepted.

Twentyeight non-standard godowns were hired in the three districts for storing of kalai. As it was feared that during the monsoon the stocks which were already deteriorating due to infestation might further deteriorate due to floods, it was decided to move 4,000 tonnes of kalai from the godowns in low-lying areas to Calcutta for issue through the public distribution system. Up to March 1974, 189 tonnes were brought and stored in the godowns of the State Warehousing Corporation at Howrah. As the ration shop owners could not ensure distribution of kalai dal before inspecting samples, and milling kalai was expected to lead to a further increase in the issue price of dal, to avoid deterioration of stock efforts were made in July 1973 to sell the entire quantity on an "as is where is" basis by inviting open tender. The highest rate obtained was Rs.145.50 and Rs.111.00 per quintal for the supplies kept in the Raigunj godown and Dalkhola godown respectively.

A Cabinet Sub-Committee formed in August 1973 recommended that a part of the stock may be utilised for relief purposes. Accordingly, 6,919 tonnes (value Rs.121.09 lakhs at Rs.175 per quintal) out of 7,439 tonnes of kalai procured by the Directorate was issued (between September 1973 and January 1974) to the Relief and Welfare Department for distribution as gratuitous relief in flood-affected areas. The ruling market price of kalai in September 1973 was Rs.135 per quintal in West Dinajpur and 141.80 in Malda. In Calcutta when (April-July 1973) the Directorate wanted to sell kalai at Rs.175 per quintal through the public distribution system, the ruling market price was between Rs.195 and Rs.225 per quintal during April-July 1973.

(D) *Sugar*: To deal with the artificial scarcity of sugar created by speculative traders in pre-Puja weeks, Government negotiated in September 1972 the purchase of 5,000 tonnes of sugar from sugar mills in Maharashtra. The *ex*-mills price was Rs.235 per quintal of which Rs.5 per quintal was payable by the mills as administrative charges of the Government of Maharashtra.

Government authorised 24 licensed sugar importers to bring this sugar into West Bengal at their cost and to hold it under Government control for distribution during the Puja period of 1972. Accordingly, the importers moved 4,991 tonnes of sugar (49,784 bags) into West Bengal during November-December 1972, by which time the Puja festival was over. In February 1973 Government decided that 3,000 tonnes of this sugar would be purchased by Government at the importers' *ex*-godown rates for creating a buffer stock and the remaining 2,000 tonnes was to be distributed by the importers to non-domestic bulk consumers to whom permits would be issued.

As against the price of Rs.235 per quintal at which sugar was purchased from the sugar mills in Maharashtra the importers' *ex*-godown rate was fixed at Rs.330, the Government's *ex*-godown wholesale rate at Rs.342 by addition of Rs.12 per quintal as administrative charges and the retail rate at Rs.350 by adding Rs.8 as dealers' and retail margin. The 49,784 bags imported were disposed of as under :

	Bags
Sold by importers to non-domestic bulk consumers	17,102
Purchased by Government at the end of February 1973 for building buffer stock.	15,980
Sold by importers in free market to other consumers	16,702

It was stated that importers were permitted to sell sugar in the free market as the open market price of sugar had been decreasing since March 1973 and it was apprehended that stocks may deteriorate because of prolonged storage.

The quantity purchased by the Government in February 1973 at Rs.51.46 lakhs for creating buffer stock was stored in a godown hired from the Commissioners for the Port of Calcutta. The entire stock was offered in February 1973 for sale to *bona fide* bulk consumers. A biscuit manufacturer purchased 400 bags (40 tonnes) and a Government Department 4 bags (4 quintals) at Rs.342 per quintal. On the grounds that the market price was progressively falling and the sugar was likely to get moist, open tenders were invited on 28th May 1973 to dispose of the balance (15,576 bags) stock, and the entire quantity was sold between July and September 1973 to a sugar importer who quoted the highest rate (Rs.342.77 per quintal) when the market price was between Rs.355.75 and Rs.365.75 per quintal.

Thus the sugar purchased with the object of arresting the high price of sugar during the pre-Puja period did not serve the purpose and even the buffer stock created by the Government was handed over to trade for open market sale without any control over the price or the manner of distribution.

HOME (DEFENCE) DEPARTMENT

37. **Non-recovery of Government dues:** Land measuring 88.98 acres (86 holdings) within the Halisahar Municipality, initially requisitioned (1944-45) for use by the Government of India was handed over with structures erected thereon, to the State Government in 1950, for setting up a training centre for the National Volunteer Force.

As per agreement with the Government, the rent compensation payable to the owners of the 86 holdings was, *inter alia*, inclusive of municipal taxes which the Halisahar Municipality recovered from the owners up to March 1956. Thereafter the Municipality amalgamated all the holdings into one and assessed municipal taxes in the name of the N.V.F. training centre. Tax bills as and from the first quarter of 1956-57 were presented to the Commandant for payment as the Municipality could not receive taxes from individual owners after the amalgamation. Under section 140 of the Bengal Municipal Act, 1932, when the land and the buildings thereon belong to different parties, the municipal taxes are realised from the owner of the buildings who, in turn, was entitled to recover the proportionate tax on land from the owner of the land.

As the bills presented by the Municipality since 1956-57 were not paid by the Commandant, the Municipality threatened (December 1970) recovery of arrear taxes and interest thereon by issue of distress warrant. Government sanctioned (January 1971) payment of Rs.0.66 lakh towards arrear taxes (paid in February 1971) and Rs.0.27 lakh on account of interest thereon (paid in March 1971) up to the third quarter of 1969-70, subject to the recovery of proportionate tax on land from the owners of land by deduction from rent compensation after obtaining necessary particulars from the Municipality. A further sum of Rs.0.24 lakh representing municipal taxes up to the fourth quarter of 1973-74, has been paid so far (October 1974).

The full amount of rent compensation (Rs.13,893 per annum) has, however, been paid to the owners of land by the Land Acquisition Collector up to March 1974 without effecting recovery of proportionate municipal taxes from the owners, since the particulars of municipal assesses obtained from the Municipality and furnished to him by the Directorate did not tally with the assessment records of his office. The Directorate proposed (August 1974) acquisition of the land as a measure of solution to the problem and the proposal was stated (March 1975) to be under consideration of Government. Apart from the non-recovery of the proportionate tax from

the owners of the land, the Department had to bear interest charges to the extent of Rs.0.27 lakh which could have been avoided had the municipal taxes been paid in time.

The matter was reported to Government in September 1972; reply is awaited.

INFORMATION AND PUBLIC RELATIONS DEPARTMENT

38. Purchase of pine-wood: The Department invited tenders on 15th February 1971 for 1,800 pine-wood pieces of twelve different sizes and lengths for use in packing, preparation and display of exhibits. The tender notice did not indicate the unit for which quotations were to be given. Three tenders received contained offers for three different units, viz., per square foot, per cubic foot and per piece. The tender of the lowest and the next lowest tenderers who had quoted on the basis of per piece and per cubic foot respectively were both rejected and the order for 1,800 pieces was placed on the highest tenderer in August 1971. Contrary to the practice prevailing in the Department for payment on the basis of cubic foot, the order on this firm stipulated payment on the basis of square foot. Orders were placed for another 700 pieces in October 1972 which included 250 pieces of sizes not specified in the original tender. The firm supplied only 1,138 pieces during 1971-72 and the balance in 1972-73. As payment was on the basis of square foot for this item, it was not clear as to how the Department had satisfied itself about the reasonableness of the rate. The purchase from this firm resulted in extra expenditure of approximately Rs.0.55 lakh as compared to the lowest tender.

In April 1975 the Department wrote to the firm asking it to refund Rs.0.55 lakh "erroneously" paid on the basis of square foot instead of the rate of Rs.12.00 per cubic foot which was the market rate and should have been paid.

The matter was reported to Government in July 1974. Their reply was awaited (April 1975).

REFUGEE RELIEF AND REHABILITATION DEPARTMENT

39. Maintenance of Homes and Infirmaries for displaced persons: Number of refugees from erstwhile East Pakistan sought shelter in India, from time to time during the period 1947-1970. This large influx, virtually in a state of destitution, posed a great human and social problem of care and rehabilitation particularly in respect of orphans, unattached women with or without children and the old and decrepit. Permanent Liability Homes and Women's Homes/Infirmaries were set up by the State Government with the ultimate object of rehabilitating as many of them as possible.

Men and women above 60 and 50 years of age respectively who were physically incapable of work and had no other relation to support them. were eligible for admission into these Homes and Infirmaries. These institutions also admitted widows, unattached women, girls and orphan boys up to 16 years of age.

There were 9 such institutions in 1951 including 2 Children's Homes. The number increased to 29 in 1956 and later, decreased to 20 in 1959 and exist (March 1974). Number of inmates as on 31st March in the years 1970, to 1974 were:

As on 31st March	Women's Homes	Permanent Liability Homes	Children's Homes	Total inmates
1970	12	6	2	26,270
1971	12	6	2	24,870
1972	12	6	2	22,410
1973	12	6	2	18,610
1974	12	6	2	17,220

39.2.1. The inmates were provided with cash doles for food, clothing, educational, medical and vocational training facilities. The *per capita* ceiling of monthly expenditure fixed by the Government of India from time to time was:

Date	Rate	Date	Rate
	Rs.		Rs.
1-4-1960	21	1-1-1969	35
1-4-1964	25	1-4-1973	40
1-2-1967	28	1-6-1973	50

The weighted average of *per capita* rate of expenditure on the inmates during the last five years ending March 31, 1974 was Rs.37.66 per month.

The details of the grants received from the Government of India by way of reimbursement (subject to the above ceiling) and the expenditure incurred by the State Government during the last five years ending March 1974 are given below:

Year	Grant received from the Government of India	Expenditure incurred by the State Govern- ment	Amount spent by the State Government in excess
	(In lakhs of rupees)		
1969-70 ..	108.35	128.29	19.94
1970-71 ..	104.16	130.30	26.14
1971-72 ..	99.20	111.03	11.83
1972-73 ..	84.78	111.17	26.39
1973-74 ..	74.09	108.94	34.87

The amounts spent in excess by the State Government were stated to be to meet the inadequacy of the *per capita* scale of financial assistance from the Government of India.

39.2.2. A test-check of the expenditure on stores for these Homes revealed *inter alia*:

- (a) Out of 1,903 bundles and 1,259 pieces of galvanised iron sheets purchased (September 1969) by the State Government at a cost of Rs.3.52 lakhs for rehabilitating families, 731 bundles and 1,247 pieces were stated to have been utilised up to July 1974, leaving a balance of 1,172 bundles and 12 pieces in stock (value Rs.2.17 lakhs) due to, it is reported, slow progress of rehabilitation.
- (b) Aluminium utensils like plates, etc., purchased at Rs.0.26 lakh in 1964-65 and lying unutilised were stated to be in excess of requirements (July 1974).

39.3.1. Primary education was imparted to children but out of 5,332 children 1,070 (about 21 per cent) were not attending any school on March 31, 1974.

A training-cum-work centre was required to be set up in each Home/Infirmiry for imparting compulsory and intensive training to women up to 40 years of age. There were, in 5 homes, 8 such centres out of which 6 centres were closed down between March 1968 and January 1973.

The number of women inmates eligible for training from year to year, could not be ascertained. The number, receiving training *vis-a-vis* the total number of inmates in the Women's Homes, from 1970 to 1974, were:

Year	Number of inmates on 31st March	Number of women trained
1969-70	8,993	147
1970-71	8,044	73
1971-72	6,961	64
1972-73	5,744	62
1973-74	5,092	48

39.3.2. The Committee of Review of Rehabilitation Work in West Bengal, constituted (1958) by the Government of India, stated in their 11th Report (January 1973) that basic educational and vocational training facilities in most of the Homes were lacking.

39.4.1. Another Review Committee was constituted in the mid-fifties with a representative each, of the Government of India, Government of West Bengal and the Superintendent of the Home concerned to scrutinise each case annually and recommend measures for their rehabilitation within six months. Details of the number of families and inmates recommended

for rehabilitation by the Committee, the extent to which they could be rehabilitated and the number awaiting rehabilitation, at the end of each of the last five financial years ending March 1974 are given below :

Year	Number at the beginning of the year		Fresh cases recommended for rehabilitation		Number actually rehabilitated		Number awaiting rehabilitation at the end of the year	
	F	I	F	I	F	I	F	I
1969-70	658	1,270	2,255	8,067	379	979	2,534	8,367
1970-71	2,534	8,367	667	1,379	665	1,852	2,536	7,594
1971-72	2,536	7,594	460	2,070	373	1,175	2,623	9,389
1972-73	2,623	9,389	384	873	970	3,100	2,037	7,162
1973-74	2,037	7,162	231	1,072	367	1,021	1,901	7,213

(F = Families, I = Inmates)

SCHEDULED CASTES AND TRIBES WELFARE DEPARTMENT

40. Co-operation (Graingolas, Labourers' and Forest Co-operatives):

According to the 1971 Census the tribal population in the State was 25.33 lakhs, about 5.7 per cent of its total population. The tribal people are concentrated in the districts of Jalpaiguri, Midnapore, Purulia and Burdwan. Their economy is mainly based on agriculture, the majority, however, being either landless or with uneconomic holdings.

With a view to ameliorating their economic condition a centrally-sponsored scheme "Co-operation" was launched by the State Government in the First Five-Year Plan. The scheme which has been continued in the subsequent Plan periods also has three distinct components, namely, Graingola Co-operatives, Labourers' Co-operatives and Forest Co-operatives.

40.1.1. *Graingola Co-operatives*: Initially, the Graingola Co-operatives were organised as single purpose societies for providing cheap credits in kind during scarcity. On the recommendation of the National Development Council, their activities were reorganised in 1959-60 as graingola-cum-credit societies to cover cash credit requirements of the members for agricultural operations. In order to enable these societies to cater to the needs of the rural members, producers as well as consumers, these were again organised during the Third Five-Year Plan on the model of Service Co-operatives at Panchayat or village level. The societies were thus expected to (a) provide cheap credit, in cash or in kind, for production and consumption purposes, and facilities for better marketing of the agricultural produce of members, (b) supply improved seeds, manure and implements for agricultural operations and (c) cater the daily necessities of the rural members. The membership of each of these societies was to comprise 70 per cent from the Scheduled Tribes and 30 per cent from the Scheduled Castes. Grain loans of short duration were to be granted in the months of June and July when there is generally an acute shortage of foodgrains, and were to be realised in kind together with interest at 25 per cent per annum with a rebate of 12½ per cent for prompt repayment. The rebate so earned by the members was to be retained in the society as a personal deposit of

the members concerned. Grain loans drawn in subsequent years to the extent of these personal deposits, were to bear interest at the reduced rate of 6½ per cent per annum. Each graingola co-operative society was entitled to receive assistance from the Government in the form of a non-recurring grant ranging from Rs.10,000 to Rs.11,950, to meet the cost of paddy reserve, construction of godowns and for purchase of shares of the Central Co-operative Bank of the area for getting crop loans, as and when necessary. In addition, a recurring annual grant of Rs.1,000 to meet the cost of establishment was also extended to each society.

40.1.2. *Labourers' Co-operatives*: For checking exploitation of tribal labourers by contractors engaged in civil works undertaken by the Government, it was proposed to set up labourers' co-operatives of tribal people and give them financial assistance. As it was not considered possible for the tribal people to pool adequate resources amongst themselves it was decided to grant to each of these co-operatives a non-recurring subsidy of Rs.7,000 to be used mainly as working capital, and a recurring annual subsidy of Rs.1,500, to meet the cost of establishment. At least 70 per cent of the membership of these co-operatives was to consist of tribal people working or intending to work as labourers. For being eligible for Government assistance, each co-operative was required to have at least 50 members.

40.1.3. *Forest Co-operatives*: Forests are owned by the State. Contract for collection of the forest produce is generally given out to private contractors. These contractors usually employ on low wages hired labourers, most of whom are from the tribal community in the vicinity of the forest areas. With a view to protecting the tribal people from exploitation, a scheme was taken up for organising these labourers into co-operatives. Since it was not possible for the poor tribal population to form any co-operatives with their own resources, the Government decided to give a non-recurring grant of Rs.2,000 to each co-operative subject to the condition that there were at least 20 members in each co-operative and that 70 per cent of the members were from the tribal community.

40.2. *Achievements*

40.2.1. (a) *Graingola Societies*: The total number of graingola co-operatives established during the various Plan periods were:

First Five-Year Plan (1951-56)	..	..	30
Second Five-Year Plan (1956-61)	..	..	117
Third Five-Year Plan (1961-66)	..	..	282
Annual Plans for three years (1966-69)	..	..	48
Fourth Five-Year Plan (1969-74)—			
1969-70—26	..	}	
1970-71—17	..		
1971-72—15	..		100
1972-73—21	..		
1973-74—21	..		
Total	-	..	572

Number of co-operatives actually functioning and the total assistance they received by way of recurring annual grants during the Fourth Five-Year Plan were :

Year			Number of co-operatives functioning properly	Annual grant received
<i>(In lakhs of rupees)</i>				
1969-70	..	..	234	1.99
1970-71	..	..	248	2.17
1971-72	..	..	215	1.98
1972-73	..	..	201	1.84
1973-74	..	..	142	1.38
			Total	9.36

It would thus be seen that out of 572 graingola co-operatives set up since the inception of the scheme, only 142 were functioning at the end of the Fourth Five-Year Plan. Non-recurring assistance given by Government to the 430 moribund/semi-moribund co-operatives amounted to Rs.45.10 lakhs. Of the 430 societies which had become moribund or semi-moribund, 115 had failed before they completed five years of operation and of these, 70 failed before three years of operation. Out of 142 co-operatives functioning at the end of the Fourth Five-Year Plan, only 53 had completed 10 years. Government attributed the gradual decline in the number of co-operatives to the following reasons :

- (i) There was no scheme to provide 'supplemental' and secondary assistance to the 'dying' and 'dormant' societies due to non-realisation over consecutive years of paddy loans due to drought and other natural hazards,
- (ii) although the graingola co-operatives could take up other service functions for vitalising their financial resources, they failed to do so because of lack of any control organisation to provide necessary guidance and assistance. As a result, a setback in the paddy loan operations hit at the very root of their financial viability, and
- (iii) flow of crop loans from the Central Co-operative Bank to these societies was also not regular.

A test-check of several co-operatives opened in four districts, viz., Jalpaiguri, Bankura, Burdwan and 24-Parganas, revealed the following position:

District	Total tribal population (In lakhs)	Number of societies functioning properly as on 31st March 1974	Number of members on the roll during			Number of members who actually received benefits during		
			1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
Jalpaiguri	4.29	4	3,860	Not available	Not available	515	Not available	
Bankura	2.09	13	10,799	1,015	11,226	2,699	2,915	3,126
Burdwan	2.29	14	1,982	2,761	3,288	804	1,583	2,110
24-Parganas	1.37	5	1,623	1,740	1,871	620	941	137

According to information supplied by Government on the working of the graingola societies, out of 40,868 members stated to have been enrolled by the end of 1969-70, only 20,687 members availed of the benefits up to 1970-71. This represented 50 per cent of the total members, less than 10 per cent of the total tribal population of the State.

40.2.2. *Labourers' Co-operatives*: Up to the end of the Fourth Five-Year Plan, 25 labourers' co-operatives were set up. These received a total assistance of Rs.1.75 lakhs as non-recurring grant and Rs.0.24 lakh as recurring annual grant till 1973-74. But of the 25 co-operatives set up, only three were actually functioning at the end of 1973-74. Fifteen of the remaining 22 co-operatives became moribund before they completed three years of operation and five more before they completed five years. Of the three societies functioning, the oldest society was set up in 1966-67 and the last society in 1972-73. The following table shows the performance of two societies for the last five years, while information regarding the third one has not been furnished by the Directorate so far (December 1974):

(1) Value of work secured	Rs.	..	..	Rs. 3.71 lakhs.
(2) Profit earned	..	..	..	Rs. 0.26 lakh
(3) Mandays of employment	..	..	..	2, 90,933 days.

As per information furnished by the State Government, out of 3,586 members enrolled in the labourers' co-operatives all over the State up to 1970-71, only 430 persons, representing 14 per cent of the total members, actually derived benefit.

40.2.3. *Forest Co-operatives*: As against the target of six and four forest co-operatives to be set up in 1969-70 and 1970-71 respectively, only one co-operative was set up in Purulia district during 1969-70, but it has not started functioning so far (January 1974).

40.3.1. From a consolidated report furnished by the Department, it was seen that up to the year 1970-71, some profits (in cash or in kind) had accrued to some of the co-operatives situated in the districts of Bankura, 24-Parganas, Birbhum and Murshidabad, while those situated in the districts of Hooghly and Midnapore had suffered losses. In respect of the co-operatives situated in the districts of Burdwan, Nadia, Jalpaiguri and West Dinajpur, the profit and loss accounts for 1970-71 were stated to have not yet been drawn up (December 1974).

40.3.2. The Commissioner for Scheduled Castes and Scheduled Tribes, in his report for 1970-71, observed that information about the functioning of majority of the graingolas was not available and that 22 graingolas in Jalpaiguri and 12 in Nadia district were incurring losses.

The Special Officer, Scheduled Castes and Tribes Welfare, Bankura and Midnapore, reported that no follow-up action was taken to review the working conditions of the co-operatives set up to ameliorate the economic condition of the tribal people. The Assistant Registrar of Co-operative Societies, responsible for the audit of the societies, attributed (August 1973) the failure of the societies to the following reasons:

- (i) lack of supervision by the Board of Management,
- (ii) non-receipt of financial assistance from the Government, and
- (iii) crop failure during the last few years leading to non-recovery of loans and advances.

40.3.3. A study team set up by the Government of India in December 1971, recommended (January 1974) that the primary co-operative societies at the *hat* level, should provide all the important services needed by the tribals, *viz.*, short and medium term production credit, consumption credit, distribution of inputs and consumer goods, marketing assistance, etc., and that suitable higher level organisations should be pressed into service to supervise and guide the activities of the societies at the primary level.

Government stated (August 1974) that they were contemplating implementation of the steps suggested by the Study Team in the near future.

41. **Miscellaneous irregularities, losses, etc.:** In 77 cases, Rs.0.81 lakh representing mainly losses due to theft, fire, irrecoverable revenue, duties and advances, remission of revenue, and the like were written off/waived during 1973-74. The details are given in Appendix VI.

ANNEXURES

ANNEX

(Referred to in

Year	Number of districts covered under the Special Package Programme	Area under Jute (In lakh acres)		Total	Production (In lakh bales)		Total
		In the Special Package area	In the Normal Jute Development Scheme area		In the Special Package area	In the Normal Jute Development Scheme area	
1	2	3	4	5	6	7	8
1969-70—							
Target ..	7	0.25	11.25	11.50	1.18	35.39	36.57
Actual ..	7	0.25	10.56	10.81	1.18	32.52	33.70
1970-71—							
Target ..	8	0.53	11.03	11.56	2.51	35.31	37.82
Actual ..	8	0.53	9.53	10.06	2.50	24.12	26.62
1971-72—							
Target ..	11	1.20	10.67	11.87	5.06	34.16	39.22
Actual ..	11	1.20	10.19	11.39	5.04	29.38	34.42
1972-73—							
Target ..	8	0.63	9.37	10.00	2.83	32.17	35.00
Actual ..	8	0.59	8.49	9.08	3.06	24.06	27.12
1973-74—							
Target ..	8	NA	..	10.00	NA	NA	38.00
Actual ..	8	0.63	9.83	10.46	NA	NA	36.73

URE A

paragraph 28.6.1)

Yield per acre (In bales)		State average	Plan expenditure (In lakhs of rupees)		Total
In the Special Package area	In the Nor- mal Jute Develop- ment Scheme area		In Special Package Programme	In Normal Jute Deve- lopment Scheme	
9	10	11	12	13	14
4.72	3.15	3.25	..	..	..
4.7	2.81	3.12	8.06	20.88	28.94
4.72	3.20	3.28	..	..	..
4.7	2.53	2.65	14.42	32.04	46.46
4.72	3.20	3.30	..	..	..
4.2	2.88	3.02	43.91	43.33	87.24
4.72	3.43	3.50	..	..	..
4.4	2.83	2.99	29.71	23.28	52.99
4.72	NA	3.50	..	..	..
..	NA	3.22	20.48	19.39	39.87

Note: As no separate figures of production under Special Package Programme are available either from the State Government or from the reports of the Indian Jute Development Council which only publishes acreage yield on the basis of crop-cutting results, the break up of figures of production under Special Package area has been worked out with reference to the acreage yield and respective area under Special Package Programme. The corresponding figure for target has been taken as 4.72 bales per acre, i.e., 2 bales in addition to the average acreage yield of 2.72 bales per acre derived during the three Annual Plans. In so far as figures under Normal Jute Development Area from 1972-73 and 1973-74 are concerned those include figures under the Intensive Jute District Programme which has not been covered by this review.

NA=Not available.

ANNEXURE B

(Referred to in paragraph 28·6·3)

Measures/Activities	Year	Area to be covered	Quantity targetted to be supplied	Quantity actually supplied	Percentage of coverage
		(1000 acres)	(quintals)	(quintals)	
Improved seeds	1969-70	25·00	670·00	431·20	64
	1970-71	44·00	1,179·00	1,109·00	100
	1971-72	120·00	3,000·00	2,075·00	64
	1972-73	60·00	1,500·00	1,017·10	67
	1973-74	62·50	1,552·00	1,552·00	100
Soil application of nitrogen	1969-70	25·00	283·51	180·50	64
	1970-71	44·00	603·30	274·90	47
	1971-72	120·00	1,360·80	848·00	64
	1972-73	60·00	680·40	310·30	46
	1973-74	46·00	..	..	..
Foliar spraying of urea by low volume power sprayer	1969-70	25·00	250·00	200·00	80
	1970-71	44·00	532·00	511·10	94
	1971-72	120·00	1,200·00	1,200·00	100
	1972-73	60·00	600·00	547·00	100
	1973-74	62·50	620·00	543·25	88
Line sowing by seed-drills/wheel-hoes.	1969-70	25·00	..	7·90	32
	1970-71	44·00	..	27·49	59
	1971-72	120·00	..	49·69	42
	1972-73	60·00	..	23·50	41
	1973-74	25·00	..	19·00	76

Area
actually
covered
(1000 acres)

ANNEXURE C

ANNEXURE C

(Referred to in paragraph 33-2)

Particulars of the Industrial Estates

Name of Industrial Estate	Number of sheds	Date of taking decision to set up the estate	Land acquired/purchased	Possession of land taken in	Date of taking over of the estate from the construction agencies	Sheds	When sheds let out first	Remarks
Kalyani	24	1956-57	30.20 acres (acquired)	1958	June 1959 to December 1960	14	13 sheds between April 1959 and July 1964 and 11 sheds between October 1970 and May 1972.	4 sheds were occupied in April 1959 by entrepreneurs before completion.
Baruipur Unit I	22	February 1958	2.87 (acquired)	1957-58	October 1958	8	22 sheds between October 1958 and February 1962.	
					December 1958	5		
					July 1959	7		
					December 1961	1		
Saktigarh	20	Not available	3.00 (acquired)	Not available	August 1961	8	8 sheds between May 1962 and December 1965 and 4 between May 1968 and February 1971.	8 sheds vacant since commencement.
					February 1962	1		

Howrah	..	76	July 1960 (Date on which scheme was technically sanctioned by the Government of India).	32.00 (acquired)	1960	January 1962 ..	All sheds	All sheds occupied between 1962 and 1966.
Baruipur Unit II		12	March 1963	1.90 (purchased)	1962-63	March 1972 ..	All sheds	3 sheds in 1967 and 6 sheds in 1971 and 1972.
Manicktala	..	3	1967-68 ..	0.68 (purchased)	Not available	June 1970 ..	All sheds	All sheds occupied in 1972.

CHAPTER IV

MISAPPROPRIATION, DEFALCATION, ETC.

42. Misappropriations and defalcations: The cases of misappropriations, defalcations, etc., of Government money, reported up to 31st March 1974 and on which final action was pending at the end of March 1974, were as follows:

	Number of cases	Amount <i>(In lakhs of rupees)</i>
Cases outstanding at the end of March 1973 ..	449	32.86
Cases reported during 1973-74	7	1.30
Cases disposed of during 1973-74 ..	1	0.01
Cases outstanding at the end of March 1974 ..	455	34.15

Department-wise and year-wise analysis of the outstanding cases is given in Appendix VII. Of the 455 cases outstanding at the end of March 1974, 303 cases (amount: Rs.13.93 lakhs) were outstanding for more than five years. Sixtythree per cent of these old cases related to Land Utilisation and Reforms and Land and Land Revenue Department.

CHAPTER V

WORKS EXPENDITURE

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

Department	Expenditure incurred without sanctioned estimate		Expenditure incurred on works more than 5 per cent in excess of sanctioned estimate	
	Number	Expenditure up to March 1974	Number	Expenditure up to March 1974
		(In crores of rupees)		(In crores of rupees)
Irrigation and Waterways	3,513	50.64	239	6.54
Public Works	300	17.41	7	0.40
Public Works (Roads)	102	7.69	32	1.24
Public Works (Construction Board) ..	38	1.37	..	..
Health and Family Planning	31	2.99	4	0.21
Housing	15	3.85	3	0.19
Agriculture and Community Development ..	10	0.31	..	..
Total	4,009	84.26	285	8.58

These included twentyeight works detailed in Appendix VIII, twenty-six of which were taken up without sanctioned estimate; on the other two works expenditure exceeded the sanctioned estimate by more than 150 per cent.

(b) *Vouchers not furnished:* Vouchers for Rs.1,82.14 lakhs were not furnished to Audit. Department-wise and year-wise analysis of the vouchers not furnished is given in Appendix IX.

AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT

44. **Infructuous expenditure on acquisition of a cold storage:** The Government decided in 1965 to purchase a cold storage for the preservation of seed potatoes in the potato growing district of Hooghly. Out of three offers received in response to tenders invited in August 1965, that of Company 'X' amounting to Rs.8.50 lakhs was adjudged to be the lowest by the tender committee in December 1965 and was recommended for acceptance by the Government. The Government decided (March 1966) to requisition with immediate effect the cold storage with land, buildings, equipment and appliances, etc., to be acquired in due course, under the provisions of West Bengal (Land Requisition and Acquisition) Act, 1948 on an agreed basis, and instructed the Collector, Hooghly to hand over possession of the cold storage premises to a representative of the Chief Engineer (Agriculture) and the Director of Agriculture (*Ex-officio*) at the very earliest.

Possession of the cold storage was taken over on 1st April 1966, but although the Collector, Hooghly had been instructed on 15th March 1966 to send immediately a firm estimate for the cost of acquisition of the aforesaid property, the valuation of the plant, machinery and buildings could not be finalised promptly by the Collector, Hooghly due to delays at various stages as shown below :

- (a) The Executive Engineer who was asked in August 1966 to report on the valuation of the plant and machinery, assessed it at Rs.3.76 lakhs in June 1967. This was forwarded to the Government by the Chief Engineer (Agriculture) in September 1967 with his recommendation that the valuation as assessed was reasonable. This estimate was approved by the Government and communicated to the Collector, Hooghly only in June 1968.
- (b) The Collector, Hooghly considered the assessment to be excessive and suggested to the Commissioner, Burdwan in December 1968 that the Government might get it checked by the Superintending/Chief Engineer, Public Works Department before sanctioning the estimate. It was also suggested that the assessment of plant and machinery might also be subjected to further scrutiny, if necessary.
- (c) The Government decided (July 1969) to have the assessment of the buildings and the plant and machinery checked jointly by the Superintending Engineer, Public Works Department and the Chief Engineer (Agriculture) and sent the same to Public Works Department (July 1969) for necessary check. The value of the buildings and structures was assessed at Rs.3.40 lakhs by the Superintending Engineer on 3rd December 1970 as against the original assessment of Rs.3.76 lakhs. The plant and machinery

were assessed at Rs.2.77 lakhs on 28th July 1971 by the Additional Chief Engineer (Electrical) of Public Works Department. But no formal orders were issued by the Government fixing the amount of compensation on the basis of any of these assessments.

In the meantime, the Government decided (August 1967) to de-requisition with immediate effect the cold storage which had been under requisition since 1st April 1966 for acquisition as it was no longer required for the public purpose for which it had been requisitioned. But the cold storage could not be de-requisitioned since with the publication in October 1966 of the notice under section 4(1a) of the Act, the property had vested absolutely in the State Government. No compensation had also been paid to the owners as the amount of compensation had not been finalised. The owners filed a civil suit against the Government in March 1969 and obtained a decree from the High Court in November 1971 for payment within three months from the date of the decree, of the cost of the cold storage (Rs.8.50 lakhs) together with interest thereon at 6 per cent per annum with effect from 1st April 1966 together with costs. Out of this a sum of Rs.3.81 lakhs with interest thereon was to be paid to the West Bengal Financial Corporation to whom the owners had mortgaged the cold storage while obtaining a loan of Rs.3.50 lakhs in December 1963. The appeals filed by the Government having been lost a sum of Rs.12.19 lakhs was paid in December 1973. Thus the cold storage which could have been purchased outright at a cost of Rs.8.50 lakhs, or even at a reduced cost of Rs.6.17 lakhs (Rs.3.40 lakhs for buildings, etc., and Rs.2.77 lakhs for plant and machinery as finally assessed by the Public Works Department), had the valuation of the property been completed reasonably soon after acquiring it, ultimately cost the Government Rs.12.19 lakhs.

The cold storage was not put to any use ever since it was acquired in April 1966 and a further expenditure of Rs.0.41 lakh was incurred up to 31st March 1974 on running charges by way of wages of darwan, cost of electricity, miscellaneous contingent charges on additions and alterations. As the Government have not been able to dispose of the cold storage as yet (a proposal to hand it over to the Co-operation Department having not materialised) the entire expenditure of Rs.12.60 lakhs (Rs.12.19 lakhs *plus* Rs.0.41 lakh) already incurred has proved to be an infructuous investment with further infructuous expenditure being incurred on its maintenance.

FOREST DEPARTMENT

45. **Darjeeling-Rangeet Valley Ropeway Scheme:** The construction of the 8.3 kilometre long Darjeeling-Rangeet Valley ropeway was included in the State sector of the Third Five-Year Plan as one of the schemes for improvement of communications in forest areas. The Government of India released in March 1963 foreign exchange not exceeding Rs.6.30 lakhs for import of equipment. The total payment to foreign suppliers of equipment

and design amounted to Rs.5.87 lakhs. Construction was taken up in 1965-66. Administrative approval of the Government was accorded in March 1968 for a total sum of Rs.28.50 lakhs. The actual expenditure on construction amounted to Rs.29.44 lakhs up to the end of 1972-73.

The broad objectives of the scheme were:

- (a) to provide facilities for transportation of forest, dairy and agricultural products from Rangeet Valley to Darjeeling and to the three tea estates *en route*.
- (b) creation of transport facilities for forest, dairy and agricultural products of Sikkim, and
- (c) development of tourism in the Darjeeling area.

The ropeway originally expected to be commissioned in October 1967, was actually commissioned on 8th May 1968, due to delay in receipt of some materials. Passenger traffic over the ropeway, which had four sections involving transshipment of goods and passengers at three intermediate stations, commenced from 18th September 1968. Shortly thereafter, on 4th October 1968 the ropeway went out of commission when one of the trestles was damaged by a landslide. It was repaired and recommissioned on 20th March 1969 but worked intermittently owing to reported power failures, landslides, breakdowns, etc. Details of the actual number of days of working of the various sections of the ropeway during the five years 1969-70 to 1973-74 and the number of days it was shut down are given below:

Year	Total number of working days excluding holidays	Number of days each section of the ropeway worked during the year				Number of days the sections were shut down
		Section 1	Section 2	Section 3	Section 4	
1969-70 ..	286	159	146	146	116	127
1970-71 ..	285	141	131	131	115	144
1971-72 ..	287	101	87	87	80	186
1972-73 ..	300	172	150	150	100	128
1973-74 ..	300	243	180	180	150	57

The large number of idle days during the three years 1969-70 to 1971-72 were attributed to non-availability of adequate power from the State Electricity Board. During 1972-73 and 1973-74, shut down was attributed to non-availability of traffic (54 and 27 days), maintenance works being

carried out (41 and 10 days) and non-availability of power (33 and 20 days). It appears that no alternative arrangement was contemplated in case of power failure.

According to the report (January 1968) of a Study Team appointed by Government for considering the staffing pattern at the time of according administrative approval for the scheme, the ropeway was expected to work for 300 days in a year and carry annually 3,890 tonnes of goods. In addition, it was expected to carry, 12,480 passengers during the tourist season (about 130 days). The actual traffic carried during the four years 1970-71 to 1973-74, as per figures made available to audit, was as indicated below :

Year	Traffic estimated to be carried		Actual traffic obtained			
	Goods	Passengers	Goods	Passengers		
	<i>Tonnes</i>		<i>Tonnes</i>			
1970-71	3,890	12,480	360	272
1971-72	3,890	12,480	195	1,603
1972-73	3,890	12,480	74	4,733
1973-74	3,890	12,480	55	8,308

The ropeway was expected to be self-financing, with an estimated annual income of Rs.3.90 lakhs and annual expenditure (including depreciation and interest on capital) of Rs.3.68 lakhs, leaving a surplus of Rs.0.22 lakh each year. The actual working of the scheme during the period up to 1973-74 has, however, resulted in losses year after year as indicated below :

Year	Working loss	Interest and depreciation	Total loss during the year	Loss as a percentage of capital
	Rs.	Rs.	Rs.	
1968-69	13,975	2,48,866	2,62,841	9.2
1969-70	44,995	2,75,596	3,20,591	10.9
1970-71	68,163	2,76,316	3,44,479	11.7
1971-72	61,158	2,76,616	3,37,774	11.1
1972-73	53,136	2,76,616	3,29,752	11.2
1973-74	51,113	2,76,616	3,27,729	11.2
Total ..	2,92,540	16,30,626	19,23,166	65

The recurring losses were attributed to the earnings from the ropeway being considerably less than the original anticipation while the expenditure on operation and maintenance (excluding depreciation and interest on capital) did not show any corresponding decrease, as may be seen from the following table:

		1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
Estimated receipts							
Rs. 3,90,600	Actual (Rs.)	8,575	40,819	13,838	16,415	28,074	44,705
	Percentage	2.2	10.5	3.5	4.2	7.2	11.4
Estimated expenditure							
(a) Staff :							
Rs. 80,000	Actual (Rs.)	22,551	66,907	52,088	56,176	66,768	69,800
	Percentage	28.2	83.6	65.1	70.2	83.5	87.2
(b) Operating expenses :							
Rs. 17,000	Actual (Rs.)	Nil	18,907	29,913	21,397	14,442	26,018
	Percentage	..	111.2	176.0	125.9	84.9	153
(c) Total :							
Rs. 97,000	Actual (Rs.)	22,551	85,814	82,001	77,573	81,210	95,818
	Percentage	23.2	88.5	84.5	80.0	83.7	98.7

The total loss incurred on the scheme up to 1973-74 has thus eroded more than half of the capital invested and the goods traffic anticipated to be handled by the ropeway has not reached even a small portion of its capacity, even after five years of its operation.

The matter was brought to the notice of Government in August 1973; no reply has been received (February 1975).

HEALTH AND FAMILY PLANNING DEPARTMENT

46. **Emergency Water Supply Scheme in the Calcutta Metropolitan District:** Mention was made in paragraph 35 of the Audit Report, 1971-72, about the Water Supply Scheme for Barasat. It was a part of the larger scheme of the Calcutta Metropolitan Planning Organisation for supply of water to 31 areas in the Calcutta Metropolitan District, comprising 16 municipal towns, 14 non-municipal urban areas and Tollygunge area of the Calcutta Corporation. The implementation of the scheme was reviewed by Audit in 1973-74.

Execution of work for the Tollygunge area was entrusted to the Calcutta Improvement Trust and the rest to the State's Public Health Engineering Directorate. When the scheme was approved in 1964, it was estimated that the works would be completed within a period of 2 years, i.e., by 1966. The progress till the end of March 1974 was as under :

Sl. No.	Name of the area	Population (1961)	Date of commencement of work	Date of completion of work	If not completed, physical progress (Percentage)	Sanctioned estimate	Expenditure till March 1974
<i>(In lakhs of rupees)</i>							
<i>Municipal areas—</i>							
1.	Titagarh ..	76,157	August 1964	September 1969	..	11.14	13.79
2.	Panihati ..	93,900	July 1964	..	95	29.62	30.93
3.	Khardah ..	28,362	July 1964	January 1969	..	15.46	16.39
4.	Baruipur ..	14,649	August 1965	..	95	5.51	8.87
5.	Budge Budge	39,912	August 1965	..	95	14.29	12.78
6.	Barrackpore	64,219	September 1964	One zone out of four completed in May 1970.	One zone out of 4	16.67	17.17
7.	North Barrackpore.	56,838	October 1964	One zone out of four completed in November 1970.	One zone out of 4	18.23	19.84
8.	New Barrackpore.	25,161	June 1969	..	87	8.04	8.34
9.	Chandannagore	67,854	October 1964	Distribution system in progress.	..	33.45	46.44
10.	Baidyabati ..	65,000	October 1964	October 1967	..	16.52	18.00
11.	Serampore ..	1,00,000	October 1964	In progress	..	20.91	13.96
12.	Kotrang ..	38,000	October 1964	In progress	..	20.91	10.33
13.	Howrah ..	5,14,000	April 1964	In progress	..	119.37	144.37
14.	Kanchrapara	71,149	October 1964	Augmentation scheme in progress.	..	14.96	11.26
15.	Naihati ..	81,700	February 1966	In progress	..	6.69	9.24
16.	Barasat ..	30,000	February 1965	June 1968	..	15.80	18.16

Sl. No.	Name of the area	Population (1961)	Date of commencement of work	Date of completion of work	If not completed, physical progress (Percentage)	Sanctioned estimate	Expenditure till March 1974
(In lakhs of rupees)							
<i>Non-municipal areas—</i>							
17.	Rajpur ..	24,934	July 1966	..	90	12.94	14.27
18.	Panchur ..	26,167	September 1972	..	20	8.04	4.49
19.	Haltu ..	24,941	July 1967	..	90	8.04	7.74
20.	Garfa ..						
21.	Jadavpur ..	15,051	June 1967	..	95	5.78	5.55
22.	Santoshpur ..						
23.	Bansdroni ..	13,104	October 1972	..	25	5.17	4.84
24.	Purbaputinary }						
25.	Nungi ..	50,000	September 1972	..	30	9.10	9.38
26.	Deulpara ..	17,794	March 1968	August 1972	..	5.90	5.65
27.	Nabagram ..	18,840	December 1968	May 1972	..	4.32	4.67
28.	Bauria ..	17,000	April 1964	In progress	..	11.64	3.04
29.	Fort Gloster }						
30.	Uluberia ..	18,000	April 1964	In progress	..	7.62	5.95
<i>Calcutta Corporation area—</i>							
31.	Tollygunge ..	3,50,000 (1971)	August 1966	In progress	..	362.10	270.64

Thus by March 1974, work had not been completed in 25 cases out of 31. Delay in execution was attributed, *inter alia*, to—

- (i) non-availability of land due to Court injunction (4 cases),
- (ii) non-availability of materials such as pipes, pumps, etc., which were to be supplied departmentally (5 cases),
- (iii) disputes with the Municipalities on digging up the roads,
- (iv) delay in execution by the contractors,
- (v) changes of site, and
- (vi) changes in the scope of work during its execution.

On completion, the operation and maintenance was to be done by the Municipalities in municipal areas, by the State Public Health Engineering Directorate in non-municipal areas and by the Calcutta Corporation in the Tollygunge area. The revenue from water rates was expected to meet the

cost of operation and maintenance. Out of six completed schemes, those at Baidyabati, Deulpara and Nabagram, have, however, not yet (May 1974) been handed over to the Municipalities. The scheme at Baidyabati was completed in October 1967 but the municipal authorities refused to take it over until some defects in the work pointed out by the Municipality in January 1974, were rectified. Although the Deulpara and Nabagram Schemes had been completed in August 1972 and May 1972 respectively, house connections have not been given yet (May 1974) on the ground that the draft House Connection Rules submitted by the Public Health Engineering Directorate to Government in December 1972 had not been approved (May 1974). Water was being supplied through street stand posts. As charges for supply of water as per the abovementioned rules have not been determined no recovery can be made. The expenditure incurred till March 1974 is Rs.39,890.

The following schemes were partly handed over to the Municipalities concerned on the dates indicated against them :

(1) North Barrackpore ..	..	1 zone out of 4 in November 1970
(2) Chandannagore ..	..	Partly on 6th February 1970
(3) Serampore ..	..	Partly on 23rd June 1967
(4) Kotrang ..	..	Partly on 13th October 1972
(5) Howrah ..	..	Partly from 1967 onwards
(6) Naihati ..	..	Only two tube wells in July 1967.

As in the case of completed schemes, water is being supplied through the street stand posts free of cost in these cases, irrespective of whether the schemes have been handed over or not to the concerned authorities. The only exception is Titagarh where house connections have been provided.

It was estimated at the time of formulating the scheme that the revenue earned would be enough to meet the maintenance and operational costs and to repay the loans with interest. Till March 1974, not a single completed scheme was self-sufficient. Even in Titagarh, where house connections had been provided, the receipts were Rs.2.10 lakhs during the period from 1969-70 to 1971-72 and were barely sufficient to meet the direct working expenses. A few other features noticed were as under :

(i) In Deulpara a large compact area with a population of 18,400 was excluded from the scheme in spite of its being closely interrelated.

(ii) Due to wrong selection of site for construction of a reservoir for the New Barrackpore Scheme, an expenditure of Rs.30,860 proved infructuous as the abandoned work was of no use.

(iii) Similar expenditure of Rs.27,994 in Nungi proved infructuous because of abandonment of work due to non-availability of suitable water-bearing strata.

(iv) In Baruipur, a populous area covering 20 roads was left out of the benefits of the scheme.

(v) The Emergency Water Supply Scheme for Howrah Municipality (estimated cost Rs.119.37 lakhs) was originally intended to cover 19 zones (one zone abandoned subsequently), each zone being provided with two tube-wells and infrastructures like overhead reservoirs, distribution system, etc. The scheme was being executed by the Public Health Engineering Directorate, in stages from 1964 onwards. Out of 36 tube-wells planned, 20 tube-wells (including 2 drilled by Exploratory Tube wells Organisation) were handed over to the Municipality commencing from 1967. By 1973, 15 out of the remaining 16 tube-wells and some of the components like overhead reservoir, distribution system, etc., were completed and being maintained by the Directorate. When the Directorate proposed to transfer the completed components to the Municipality in 1973, the latter refused to take over the units pending rectification of defects. In view of the refusal of the Municipality to take over the water supply scheme the Calcutta Metropolitan Development Authority decided in May 1973 to take back all the works so far handed over and entrust for maintenance to the Public Health Engineering Directorate. The decision is yet (November 1974) to be given effect to. The Municipality also conducted a survey of the entire scheme in 1974 which revealed that as many as nine tube wells and some other components were defective in many respects. The Public Health Engineering Directorate has also noticed that in some zones there was large-scale theft of equipment such as pumps, starters, motors, etc., which had been installed and in some zones even the head works had been ransacked by the local hooligans. The Directorate is yet to assess the reasons for defective functioning of the schemes and to take remedial action to commission the defective tube wells.

The schemes drawn up in 1962 suited the conditions then prevailing. But major changes had taken place thereafter due to rise in population and construction of new roads and lanes in the interior of the localities.

As against the administrative approval for Rs.4.33 crores, a sum of Rs.4.65 crores was spent on the scheme up to 31st March 1974, although only 6 out of 30 individual schemes had been completed till then. Additional sums required for completion of the works have not been estimated.

Water supply scheme at Tollygunge executed by the Calcutta Improvement Trust envisaged initially (1962) supply of piped water to a projected (1981) population of 3.55 lakhs in an area of 7.44 square miles of the erstwhile Tollygunge Municipality (merged into Calcutta Corporation in 1953) at a cost of Rs.3.21 crores. Due to addition of the new area of Jodhpur Park within the scope of the scheme as also the upward revision of the projected (1981) population to 4.00 lakhs (Census Report of 1971 having showed that the population had already reached 3.50 lakhs), the

scheme was revised (September 1973) to Rs.362.10 lakhs. The scheme was expected to be completed in two years from the date of its commencement. The work commenced in 1966 has not yet been completed. Total expenditure incurred up to 31st March 1974 was Rs.270.64 lakhs.

It was stated by the Calcutta Improvement Trust (April 1974) that the Calcutta Corporation had not formally taken over any part of the completed works in spite of repeated requests. On enquiry the Calcutta Corporation stated (June 1974) that the installations could not be taken over by them for want of funds required for maintenance. Even in respect of those maintained by them, it was stated that bills for electricity consumed to the extent of Rs.15 lakhs could not be paid for want of funds. The Corporation also stated that no water rate in the area covered by Tollygunge scheme was being collected by it as there was no provision for doing so in the existing Calcutta Municipal Act. Water is being supplied through street stand posts and house connections.

Slow progress of work by the Calcutta Improvement Trust was attributed to the following:

- (a) Increase in scope of the work—As against 196 kms of pipeline originally estimated to be laid, the present estimate was 320 kms. A larger number of tube wells (60 as against 37) were needed to be sunk and iron eliminators were required to be provided.
- (b) Difficulties in procuring materials like steel, cement, pipes, etc.
- (c) Increase in area of operation due to the addition of new area of Jodhpur Park and increase in projected population from 3.5 lakhs to 4 lakhs.
- (d) Delay ranging from 1 year to 4½ years in getting possession of lands for the fourteen zonal head work sites.

Calcutta Improvement Trust authorities stated (April 1974) that they had framed the scheme on the assumption that Government would place the Trust in funds to the full extent required for execution and that they would not be required to make any payments towards repayment of such funds or any interest thereon.

Ten years after the scheme was drawn up and after more than the estimated amount was spent in the case of municipal and non-municipal schemes and 84 per cent in respect of Tollygunge area, the full benefits of the scheme have not so far (June 1974) accrued.

IRRIGATION AND WATERWAYS DEPARTMENT

47. **Uneconomic maintenance of a steam launch:** A steam launch acquired by the Department in 1905 for carrying on inspection in the Sundarban areas not accessible by vehicular traffic, was maintained during the period 1967-68 to 1969-70 at a cost of Rs.1.21 lakhs. The Department

issued an order in December 1970 directing that no further expenditure should be incurred on the launch and that steps should be taken for its disposal. The Department also observed that though huge expenditure was being incurred on the maintenance and repair of the launch it was not being used by any senior officer for inspection work in the interior Sundarban areas as originally envisaged. It was stated to have been used by other officials for journeys to places which were connected by motorable roads.

Despite these orders the launch was continued to be maintained and a sum of Rs.3.45 lakhs was incurred on its upkeep and maintenance during the period 1970-71 to 1973-74 and during the period from January 1971 to December 1972 the launch was used for 25 days only. The launch has not yet been disposed of and has been transferred to another Irrigation division in June 1974.

The matter was brought to the notice of Government in February 1973; reply is still awaited.

48. **Contai Basin Drainage Scheme:** With a view to combating the chronic annual inundation and heavy rainfall, which affected cultivation because of inadequate drainage facilities in about 223 sq. kms of land in Contai subdivision in Midnapore district as also to improving the general sanitation of the area, the Contai Basin Drainage Scheme was prepared in 1962. The scheme followed the recommendation of the West Bengal Flood Enquiry Committee 1959, to be executed on a priority basis.

The scheme was in two parts to be taken up in stages. Part I covered North Contai Basin, New Panipiya Basin and Old Panipiya Basin with a total area of 115 sq. kms and was to be taken up first. It was to provide drainage for the entire discharge of this area directly into the sea through the remodelled Panipiya canal with provision for additional sluicing at a cost of Rs.36.25 lakhs. Part II covered five other sub-basins with a total area of 108 sq. kms which had independent drainage outlets and was to succeed Part I of the scheme after evaluation of its achievements.

Part I of the scheme was approved by the Government in July 1963 and was scheduled to be completed in five years. The following benefits were expected to accrue after its implementation:

- (a) 21.86 sq. kms of low-lying area would derive full agricultural benefits.
- (b) The balance area suffering from partial drainage congestion would also get relief.
- (c) There would be additional annual yield of paddy (4,005 tonnes) and straw (6,051 tonnes) at an estimated value of Rs.13.60 lakhs.
- (d) Sanitation would improve with improved drainage system.
- (e) Additional benefits in the shape of increase in employment potential, betterment of navigational facilities especially during the monsoon months, etc., would accrue.

Work on the scheme commenced in May 1963, was scheduled to be completed in 1968. The following table indicates the details of the estimate and the actual expenditure incurred during the eleven years up to March 1974 when the work had not been completed:

Nature of work	Original estimate	Actual expenditure up to March 1974
	<i>(In lakhs of rupees)</i>	
1. Preliminary survey and construction of boundary pillars	0.03	0.03
2. Compensation for land	6.24	6.97
3. Regulators	14.97	10.02
4. Bridges	2.35	3.87
5. Buildings	0.55	0.55
6. Earth work, dressing, turfing, etc.	9.98	8.90
7. Miscellaneous	0.30	0.18
8. Maintenance during construction	0.25	0.09
9. Tools and plant	0.50	0.05
10. Work-charged establishment	0.20	0.27
11. Contingencies at 3 per cent	0.87	0.04
12. Materials .. .. .	..	0.81
Total	36.24	31.78

The actual expenditure incurred up to March 1974 constituted 88 per cent of the provision in the estimate. According to a forecast of the Division executing the scheme (August 1974), completion of Part I of the scheme would require a further expenditure of about Rs.6 lakhs after decision is taken regarding the construction of a lockgate at Mosagaon. No decision has been taken on this matter (December 1974) and no provision was made in the budget for 1973-74. Expenditure incurred on the scheme during 1973-74 (Rs.0.11 lakh) is yet to be regularised.

The reasons mentioned by the Division for the delay in completion of the work are:

- (a) Delay in acquisition of land through the Land Acquisition Collector.
- (b) Non-availability of funds in time as required to maintain the time schedule.
- (c) Delay in finalisation of sites for structures due to change of alignments to accommodate public demands.
- (d) No decision regarding construction of lockgate at Mosagaon.

Work on Part II of the scheme was taken up in January 1974, even though the requisite administrative approval and technical sanction have not yet been accorded and the results of Part I of the scheme have not been evaluated yet (December 1974).

49. Nawi Basin Drainage Scheme: For want of proper drainage outlet, the Nawi Basin with a catchment area of 212.38 sq. kms. lying mainly east of Barrackpore Trunk Road from Rajarhat to Halisahar in Barrackpore and Barasat subdivisions of 24 Parganas district, used to get submerged whenever there was heavy rainfall during the monsoon. The stagnant water caused serious damage to the standing crop every year over an area of 87.33 sq. kms., rendered another 11.66 sq. kms. fallow on account of flooding and hit adversely cultivation in the remaining area. The average annual loss was estimated to be Rs.13.38 lakhs.

49.2. A scheme was drawn up in April 1963 to save the area from such devastation caused by floods by resuscitating and remodelling the whole of the Nawi Khal, about 29.62 kms. in length, and excavating a number of branch channels from different low-lying areas leading their discharges into the main canal of Nawi Khal. The scheme, expected to benefit standing crop over an area of about 52.36 sq. kms., was approved by Government in January 1964 and technically sanctioned for Rs.93.65 lakhs in July 1964. The work commenced in 1965-66 and was expected to be completed in five years.

49.3. As the channel passed mostly through urban and semi-urban areas within Greater Calcutta area, it was stated that there were difficulties in acquiring the land required for the excavation of the channel to full section in many places causing thereby delay in the execution of work.

49.4. The original estimate was revised in August 1973 to Rs.281.07 lakhs but has not been technically sanctioned so far (August 1974). The following table indicates the estimates under various sub-heads of the scheme and the actual expenditure incurred up to March 1974:

Name of sub-heads	Original estimate (1963)	Revised estimate (1973)	Progressive expenditure up to 1973-74
<i>(In lakhs of rupees)</i>			
Preliminary	0.06	0.06	0.02
Land	17.37	21.63	3.27
Works .. .. .	..	24.99	18.46
Regulators	4.55	2.75	2.39
Cross-drainage work	0.50	0.08	1.06
Bridges	19.17	70.24	26.54
Buildings	1.68	1.27	1.18
Earthwork	49.38	129.03	118.96

Name of sub-heads	Original estimate (1963)	Revised estimate (1973)	Progressive expenditure up to 1973-74
<i>(In lakhs of rupees)</i>			
Miscellaneous	0.13	5.02	3.20
Maintenance	0.26	12.80	3.42
Tools and plant	0.70	2.70	0.05
Materials .. .. .	..	..	5.77
Work-charged establishment .. .. .	..	5.89	3.64
Contingencies	0.04	..	0.01
Advance to workmen .. .. .	..	..	0.02
Losses on stock .. .. .	..	0.67	..
Flood damage works .. .. .	..	..	0.05
Indirect charges .. .. .	..	3.72	..
Advance to Railways .. .. .	..	..	12.29
Receipts and recoveries on Capital Account .. .. .	..	(-)0.18	(-)0.02
Total ..	98.79	281.07	200.31

Although the work was expected to be completed in five years, i.e., by 1969-70, only 70 per cent structural work and 90 per cent earth work were stated to have been completed up to March 1974. This comprised completion of 3 sluices and 18 bridges against the target of 3 sluices and 36 bridges respectively and linear excavation of 36.38 kms. of main canal and branch channel against the targetted length of 44.50 kms.

49.5, The following reasons were given for the upward revision of the estimate :

- (a) Since 1963, the cost of materials and labour had considerably increased.
- (b) Because of the gradual siltation of the tidal channel in monsoon months, during the 10 years since April 1963 when the scheme was first approved, there was an increase in quantity of earth work from 1542 lakh cft. to 2097 lakh cft. in the Revised Estimate.
- (c) As land for depositing spoils was not available, spoils had to be carried to distant low places involving extra cost. As against the sanctioned rate of Rs.3 per 100 cft. of earth work the actual expenditure averaged Rs.5.95 per 100 cft.

- (d) During actual construction it became necessary to protect the channel banks by protective measures, such as, brick block pitching which was not anticipated earlier.
- (e) A new railway bridge over the Nawī Khal at its crossing with the Calcutta-Bongaon railway line was originally estimated to cost Rs.4.75 lakhs. The cost has been revised to Rs.21.29 lakhs by the Railway Authorities.
- (f) In order to accommodate the demands of local people, nine additional road bridges had to be provided over the Nawī Khal at a cost of Rs.9.80 lakhs (approximate).

49.5.1. The reasons for the slow progress were stated to be:

- (a) non-allotment of sufficient funds by the competent authority,
 (b) delay in acquisition of land, and
 (c) increase in the quantity of work due to execution of some extra items of work, gradual siltation of the tidal canal during monsoon, side slip, etc., necessitated by prolonged execution of the work.

49.6. The revised estimate indicated that standing crop over an area of 87.33 sq. kms. which would otherwise have been damaged on account of floods would be saved and the value of the additional annual production would be about Rs. 145.78 lakhs. Besides, *Boro* cultivation was also considered to be possible along the fringes of the beel area which would be drained after the monsoon. The value of the annual additional *Boro* crop was estimated as Rs.29.85 lakhs.

49.7. As against the targetted area of 21,580 acres, the area actually benefited by the scheme was as under:

				Acres
Up to 1968-69	...	...	...	6,000
Up to 1969-70	...	...	..	14,000
Up to 1970-71	...	...	...	15,000
Up to 1971-72	...	..	...	16,000
Up to 1972-73	...	...	...	17,500
Up to 1973-74	...	...	..	17,500

But no reports of the additional agricultural yield were available so far (August 1974).

49.8. According to the Superintending Engineer, a drainage scheme by resuscitating a defunct open tidal drain was bound to be costly if the execution was continued for a long period and it would be in the interest of economy to complete the scheme as quickly as possible.

CHAPTER VI

STORES AND STOCK ACCOUNTS

50. **Stores and stock accounts:** I (a) A synopsis of some important stores accounts for 1973-74 which have been received is given below :

Department	Stores	Opening balance	Receipt	Issues	Closing balance
<i>(In lakhs of rupees)</i>					
Health and Family Planning—					
Kanchrapara T. B. Hospital.	Instruments, appliances, drugs, dressings, beddings, clothings, crockery, etc.	3.67	5.48	6.95	2.20
Irrigation and Waterways.	Small stores, building materials, etc.	2,07.18	2,40.43	1,97.19	2,50.42
Public Works ..	Ditto ..	3,95.87	6,69.51	5,74.67	4,90.71
Public Works (Roads).	Ditto ..	1,84.74	3,68.50	3,06.30	2,46.94

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

Serial No.	Department	Year of account	Reasons for non-preparation of stores accounts as intimated by Department
1.	Information and Public Relations—		
	Consolidated store accounts ..	1970-71 onwards	Paucity of staff.
2.	Agriculture and Community Development—		
	Consolidated store accounts of Intensive Food Production Scheme.	1972-73 onwards	Reasons not intimated.
3.	Education—		
	Bengal Engineering College, Shibpur	1969-70 onwards	Non-determination by the Government of the principle of valuation of stores destroyed (May 1970) during student unrest.
4.	Commerce and Industries—		
	(i) West Bengal Government Press and Raj Bhavan Press.	1972-73 onwards	Reasons not intimated.
	(ii) West Bengal Stationery Office	1973-74	Ditto.

Serial No	Department	Year of account	Reasons for non-preparation of stores accounts as intimated by Department
5. Home (Jails)—			
(i)	Consolidated stores accounts of Presidency and Central Jails.	1972 onwards	Non-receipt of accounts from constituent jails.
(ii)	Jail Depot	1972 onwards	Non-receipt of invoices from different jails.
(iii)	Alipore Central Jail Press ..	1973-74	Non-receipt of value of stores supplied by the Superintendent of Stationery, West Bengal.
6. Health and Family Planning—			
(i)	Consolidated stores accounts of principal State hospitals.	1972-73 onwards	Reasons not intimated.
(ii)	Central Medical Stores ..	1973-74	Ditto.
7. Animal Husbandry and Veterinary Services—			
	Central Medical Stores ..	1973-74	Ditto.

11. *Public Works stock*: Out of 242 Public Works Divisions from which particulars were called for by Audit, 31 Divisions intimated that stocks were not held by them. Detailed information could be had from only 28 Divisions. The following were among the irregularities noticed:

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

(a) In nineteen Divisions, the stock held on the 31st March 1974 exceeded the reserve limit by Rs.1,33.36 lakhs, as indicated below:

Department	No. of Divisions	Amount in excess of the reserve limit on the 31st March 1974	Remarks
		(In lakhs of rupees)	
(1)	(2)	(3)	(4)
Public Works (Roads) ..	3	37.97	In one Division the excess (Rs. 26.25 lakhs) continued from 1968-69.
Public Works	5	44.01	Of the 5 Divisions, 3 Divisions accounted for the excess of Rs. 43.15 lakhs. The excess persisted from 1965-66 in one Division and from 1966-67 in another.
Irrigation and Waterways ..	10	47.89	Of the 10 Divisions, 5 Divisions accounted for the excess of Rs. 39.61 lakhs. The excess persisted from 1963-64 in one Division and from 1968-69 in three Divisions.
Housing	1	3.49	
Total	19	1,33.36	

(b) In respect of three Divisions which held stock of Rs.15.54 lakhs on the 31st March 1974, no reserve limit of stock has been fixed.

(ii) *Closing of stock registers*: The register of stock in a Public Works Division is required to be closed at the end of each year and reviewed by the Divisional Officer to ensure that stock consists only of necessary and serviceable articles and that the stores are priced within the prevailing market rates. The closing of stock registers was in arrears in all the twentyeight Divisions which supplied the information. Nine Divisions had not closed the stock registers for over five years and fourteen Divisions for two to five years.

CHAPTER VII

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

51. According to the provisions of section 14 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, bodies and authorities substantially financed by grants and loans from the Consolidated Fund are to be audited by Comptroller and Auditor General. The State Government were accordingly requested (March 1974) to furnish information about grants and loans given to various bodies and authorities and their expenditure for each of the years since 1971-72. No information was, however, received from the major departments like Education, Medical, Industries, Social Welfare, Agriculture and Co-operation which normally release substantial grants and loans, though several reminders were issued up to April 1975.

From the records available in the office of the Accountant General, it was seen that at least 80 bodies had received grants/loans from the Government of Rs.5 lakhs or more each during 1971-72 and 1972-73. Audit of 32 such bodies and authorities which were substantially financed by the Government was undertaken. Some of the important points noticed during audit are given in the succeeding paragraphs.

EDUCATION DEPARTMENT

52. **Jadavpur University:** The accounts of Jadavpur University for the year 1971-72 came under the audit of the Comptroller and Auditor General of India under section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as the University was substantially financed by grants and loans from the Government in that year. The Annual Accounts and the Balance Sheet together with the schedules for the year drawn up provisionally were received in Audit in December 1974.

According to the Annual Accounts of the University for 1971-72, the grants from Government amounted to 84.2 per cent of the total revenue expenditure as shown below:

Receipts from own sources	Grants from University Grants Commission and Council of Scientific and Industrial Research	Grants from Government of India and State Government	Total receipt on revenue account	Total revenue expenditure
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(In lakhs of rupees)

11.88

11.81

1,35.99

1,59.88

1,61.46

The capital expenditure of the University is generally met by grants from the University Grants Commission and the Government of West Bengal for construction of buildings, purchase of equipment, furniture, books and journals. The position of the capital account for 1971-72 was as under :

From whom received	Unspent balance of previous years	Amount of grant received during 1971-72	Total amount available	Amount spent during the year	Unspent balance as on 31st March 1972
<i>(In lakhs of rupees)</i>					
University Grants Commission	14.71	8.50	26.56	11.97	14.59
Government of West Bengal		3.35			

As the accounts for the year had not been kept separately in respect of each grant, the unspent balance of Government grant in capital account could not be ascertained.

The capital account closed with an unutilised balance of Rs.14.59 lakhs on the 31st March 1972 but the cash book of the University closed on that date with a net balance of Rs.0.21 lakh, thereby indicating that almost the entire amount of the unutilised balance of capital grants had been utilised for other purposes.

Internal audit: Under rule 56(b) of the Jadavpur University Rules, as amended, the internal audit of the accounts of the University is to be conducted by the Audit Officer under the direction of the Finance Officer. A post of the Audit Officer which was created in 1970 was not operated, it is reported, due to paucity of funds.

State of Annual Accounts: The balances in cash book were not reconciled with the Bank statements for the years 1970-71 and 1971-72. The postings in Advance Ledger for 1972-73 onwards had not been completed, nor had the unadjusted balances of previous years been brought forward. As a result, the current position of old outstanding balances of advances could not be ascertained.

Cash Balance: The overdraft drawn by the University on the State Bank of India, Jadavpur University Branch as on 31st March 1972 was Rs.2.39 lakhs. The University simultaneously had, however, a balance of Rs.2.60 lakhs at its credit in two accounts with two branches of Messers National and Grindlays Bank Ltd. on that date. The University had drawn overdrafts on the State Bank of India from time to time even though it had sufficient balance with Messers National and Grindlays Bank Ltd. to cover the entire or at least a major part of the overdrafts. Interest charges amounting to Rs.0.03 lakh paid on these overdrafts during 1971-72 were thus avoidable.

Outstanding loans: The total loan liability of the University as on 31st March 1972 worked out to Rs.9.23 lakhs as detailed below:

<i>(In lakhs of rupees)</i>			
Due to Government of India	..	..	6.52
Due to Government of West Bengal	..	..	2.67
Due to World University Service (India National Committee)			0.04
Total	..	..	9.23

The University has not so far (November 1974) made any repayment of the loan of Rs.1.60 lakhs received in June 1962 from the Government of West Bengal for construction of staff quarters. The loan bearing interest at 4½ per cent was repayable in equated annual instalments of Rs.10,514.32 commencing from June 1963. The University moved the Government in September 1964 for conversion of the loan into an outright grant. The approval of the Government to the proposal has not yet been received (November 1974).

No loan register was maintained by the University to watch the progress of repayment of the loans according to the terms governing these loans.

Charge of expenditure to State Government without approval: Extra remuneration to teachers borne on the regular strength of the University was payable to the extent of one-fifth of their regular pay for services rendered on the part-time Degree course in Engineering out of a specific grant received from the State Government. In several cases this was paid in excess of the permissible limit and Government declined (September 1972) liability for such excess expenditure. A sum of Rs.2.11 lakhs had been paid in excess to the teachers on this account between 1967-68 and 1971-72. The liability for the excess payment ultimately devolved on the State Government as the net revenue deficit of the University was being met by maintenance grants released by them each year and the University had no other source to meet this liability.

Fifty per cent of the cost of passage money of the University teachers going abroad to attend conferences and seminars was provided by the University Grants Commission. The remaining fifty per cent of the expenditure was charged by the University to the grant account of the State Government. The Government had once earlier (December 1970) expressed their inability to share such expenditure in a particular case. Since then, however, a total sum of Rs.0.22 lakh (September 1970 to January 1972) being the balance of such expenditure not met out of funds provided by University Grants Commission was debited to the grant account of State Government without their specific approval.

According to the terms stipulated by the University Grants Commission for an annual grant for maintenance of "U.G.C. Unit", the maintenance cost was to be restricted to Rs.6,000 per annum. A total sum of Rs.0.20 lakh, being the expenditure during 1969-70 to 1971-72 in excess of this limit was,

however, charged to the State Government either directly through the "Unassigned Grants Scheme" or by debit to the "General Maintenance Grant Account", which was borne entirely by the State Government as part of the deficit.

Outstanding Advances: The balances under outstanding advances have been increasing from year to year as would be seen from the table below:

As on	Amount of advance outstanding
	(In lakhs of rupees)
31-3-1970	8.10
31-3-1971	9.58
31-3-1972	12.19

Out of the total advance of Rs.12.19 lakhs outstanding on 31st March 1972, Rs.3.00 lakhs were pending for Puja advance to staff for over one year. The University advanced a total sum of Rs.10.45 lakhs to its staff on the occasion of the Puja festival during the five years from 1969-70 to 1973-74, the major portion of which (Rs.9.36 lakhs) remained outstanding on 31st March 1974 as the recovery of the advance from the non-teaching (excluding officers) and subordinate staff was not made (except Rs.5 in each case from the salary for August 1974 for the advance granted in 1973) so far (November 1974).

The University decided (July 1974) to start recovery of the Puja advance paid in 1973 only at Rs.5 per month from the salary of August 1974, subsequent instalments being recovered from salary of December 1974 onwards "till the realisation of the full amount paid as Puja advance in 1973". As regards Puja advance paid during 1969-70 to 1971-72 the University has addressed the State Government for a decision on waiving of the recoveries wholly or partly. A decision in the matter is awaited (December 1974).

53. District School Boards: In order to cater for progressive expansion, management and control of primary education in the rural areas of the State to provide primary education to all children and to make it compulsory within ten years of its enactment, the Bengal (Rural) Primary Education Act, 1930 was promulgated by the Legislature of Bengal in 1930. District School Boards, set up under the Act, are now functioning in 15 districts of West Bengal.

The principal sources of revenue of the District School Boards are:

- (i) Education cess under Cess Act, 1880 [read with section 32 of the Bengal (Rural) Primary Education Act, 1930.]
- (ii) Taxes imposed under section 34 of the Bengal (Rural) Primary Education Act, 1930.
- (iii) Government grants and contributions.

Audit of the accounts for 1971-72 of the following eight District School Boards was completed and the accounts for the remaining District School Boards were not made available to audit. The total amount of grants and loans received from Government by these School Boards and the expenditure incurred during 1971-72 were as below :

Name of District School Board	Grants and loans received from Government	Total expenditure	Percentage of grants and loans to total expenditure
<i>(In lakhs of rupees)</i>			
Burdwan	4,67.12	2,05.50	227
Hooghly	2,55.76	1,86.80	136
Howrah	2,31.39	1,34.19	172
Birbhum	2,28.84	1,31.38	174
Murshidabad	1,97.42	1,47.97	133
Purulia	1,21.78	1,10.48	110
West Dinajpur	1,14.32	98.58	115
Darjeeling	70.52	44.18	160

Government grant lying idle indefinitely: A sum of Rs.1.89 lakhs placed at the disposal of the then Superintendent of Education, Purulia by the Director of Public Instruction, West Bengal, in 1957-58 could not so far be utilised as the purpose for which the grant was to be utilised had not yet been indicated by the State Government (March 1974).

Unauthorised diversion of Government Grants: Four District School Boards diverted Government grants to the extent of Rs.2,24.89 lakhs sanctioned for specific purposes for their general use without approval of Government as shown below :

Name of District School Board	Amount diverted up to 31st March 1972
<i>(In lakhs of rupees)</i>	
Murshidabad	1,31.20
Burdwan	74.68
Hooghly	16.63
Birbhum	2.38
Total	2,24.89

Development grants remaining unutilised for a long time: Grants received from Government specifically for the development of primary education were not fully utilised by the District School Boards as shown below. The unutilised sum of Rs.64.92 lakhs was neither refunded nor were effective steps taken by the District School Boards to utilise the grants for the purposes intended.

Name of District School Board				Total amount unutilised as on 31st March 1972
				(In lakhs of rupees)
Hooghly	..	..	..	17.50
Burdwan	..	..	..	15.91
Howrah	..	..	..	10.64
Murshidabad	..	..	..	10.55
Birbhum	..	..	..	3.29
West Dinajpur	..	..	..	2.94
Darjeeling	..	..	..	2.46
Purulia	..	..	..	1.63
Total				64.92

Grants paid for students' amenities lying unutilised: Grants paid by Government between 1970-71 and 1971-72 to provide amenities to students like free supply of approved text books, slates and pencils for needy children, mid-day meals for school children, scholarships to girl students, etc., were not fully utilised by seven District School Boards. The total of such unutilised grants worked up to Rs.4.53 lakhs as detailed below:

Name of District School Board				Total amount unutilised as on 31st March 1972
				(In lakhs of rupees)
Howrah	..	..	..	1.15
Burdwan	..	..	..	0.93
Birbhum	..	..	..	0.71
Hooghly	..	..	..	0.53
West Dinajpur	..	..	..	0.45
Murshidabad	..	..	..	0.39
Darjeeling	..	..	..	0.27
Total				4.53

Construction of Junior Basic Schools: Out of grants of Rs.4.41 lakhs and Rs.2.28 lakhs paid to Burdwan and Hooghly District School Boards respectively up to 1952-53 for construction of Junior Basic Schools, Rs.0.51 lakh and Rs.0.33 lakh remained unspent on 31st March 1972.

Advances lying unrecovered/unadjusted: Rupees 17.29 lakhs granted between 1949-50 and 1960-61 to eight District School Boards to enable them to meet their share of the cost of construction of the Junior Basic Schools have not been repaid so far.

Maintenance of teachers in excess of the prescribed norm: The teacher-taught ratio prescribed by Government in April 1969 envisaged three teachers up to a roll strength of 135 and one additional teacher for every forty additional pupils or part thereof. This was not followed by six District School Boards who had 414 teachers in surplus during 1971-72 as shown below. As per Government orders issued in 1969 these teachers could not be transferred against their will, although rationalisation by suitable transfer with the consent of the teachers was permissible.

Name of District School Board					Number of surplus teachers maintained in 1971-72
Darjeeling .. .. .	..	..	..	..	127
Hooghly .. .. .	..	..	..	..	104
Murshidabad .. .. .	..	..	..	..	98
Birbhum .. .. .	..	..	..	..	53
Burdwan .. .. .	..	..	..	..	21
Purulia .. .. .	..	..	..	..	11
			Total ..		414

54. Grants released to Shri Chaitanya College, Habra during 1971-72 to 1973-74 and the expenditure of this college during this period was as below :

	1971-72		1972-73		1973-74	
	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure
	(In lakhs of rupees)					
Shri Chaitanya College, Habra	7.50	8.00	6.28	8.80	6.60	8.27

In this college a hostel building was constructed in 1962 at an approximate cost of Rs.2 lakhs to accommodate 66 boarders. Only 13 boarders resided in the hostel during 1970-71 and 3 in 1971-72. The hostel was thus practically vacant from 1970-71 till the date of audit (October 1974). It was stated by the college authorities (October 1974) that they had been considering the proposal of utilising a portion of the building for holding classes and to let out the remaining space to the N.C.C. An amount of Rs.0.72 lakh sanctioned during 1960-61 and 1961-62 for construction of Principal's quarters, teachers' quarters and workshop was not utilised for these purposes but spent for maintenance of the college. Further, no details, i.e., period of payment, nature of advance, person to whom paid, mode of recovery or adjustment, etc., of an amount of Rs.0.09 lakh appearing as advance in accounts could be furnished.

(ii) Iswar Chandra Vidyasagar Polytechnic, Jhargram was paid Rs.5.45 lakhs, Rs.5.18 lakhs and Rs.6.15 lakhs as grants-in-aid from the State Government during the years 1971-72, 1972-73 and 1973-74 as against its total expenditure of Rs.5.68 lakhs, Rs.5.81 lakhs and Rs.6.24 lakhs respectively during the afore-said years. A test check of the records revealed that an amount of Rs.4.97 lakhs received in March 1968 by the institution as loan from the Government of India for construction of a Students' Hostel, was payable to the Construction Board of the State Government which undertook the construction. But no payment was found to have been made to the Construction Board till the date of audit (December 1974) and the amount was kept in fixed deposit. The total amount of interest earned during the period covered by audit was Rs.0.79 lakh. It was stated by the Polytechnic authorities that no payment was made to the Construction Board as they had rendered no accounts.

There are three hostels attached to this institution with capacity for accommodating 90 boarders in each. The total number of boarders residing in all the three hostels during 1971-72, 1972-73 and 1973-74 was 22, 34 and 48 respectively. The cost of maintenance of the hostels was far in excess of the receipt from the boarders as indicated in the table below:

			Income from hostels	Expenditure on hostels	
			<i>(In lakhs of rupees)</i>		
1971-72	·05	·26
1972-73	·07	·27
1973-74	·07	·31

MUNICIPAL SERVICES DEPARTMENT

55. **Municipalities:** The Bengal Municipal Act, 1932, as amended from time to time regulates the functioning of ninety Municipalities and two Notified Area Authorities in West Bengal. The main functions of these autonomous bodies include street lighting, water supply, maintenance of conservancy services, construction and maintenance of street drains, parks, playgrounds, hats and bazars, management of sanitation and public health, primary education, etc.

The principal sources of revenue of these urban bodies are as follows:

- (i) Rates (holding, conservancy, water and lighting) imposed on the valuation of holdings.
- (ii) Taxes on trades, professions and callings.
- (iii) Licence fees imposed on traders, owners of animals and vehicles, etc.
- (iv) Rent from lands and buildings.
- (v) Grants from Government.

The accounts of four municipalities, viz., Kanchrapara and Khardah in the Greater Calcutta Area and Katwa and English Bazar for the years 1971-72 and 1972-73 were specially reviewed for the purposes of this report.

(i) The assistance received by the four municipalities from the State Government in the form of loans and grants *vis-a-vis* expenditure during the years 1971-72 and 1972-73 with details of purposes are given below:

Municipalities	Year	Grants	Purpose	Expendi- ture	Loans	Purpose	Expendi- ture
(In lakhs of rupees)							
Kanchrapara ..	1971-72	9.63	Payment of dearness allowance, <i>ad hoc</i> allowance, construction of sweepers' quarters, sinking of tube wells, improvement of roads, etc.	7.66	0.83	Improvement of water supply, development of roads and drains and payment of <i>ad hoc</i> allowance.	0.83
	1972-73	3.93		5.13	0.12		0.12
English Bazar ..	1971-72	5.09	Improvement of roads, payment of dearness allowance, improvement of markets, communications, etc.	4.33	10.46	Improvement of water works, development of roads, ways and means position, repair to roads.	10.46
	1972-73	4.97		3.90	0.65		0.65
Kotwa ..	1971-72	1.41	Improvement of educational facilities, communication and water works.	7.40	2.88	Improvement of water supply, ways and means position, repair to roads damaged by flood, sinking of tube wells and payment of personal pay to the employees.	2.88
	1972-73	3.64		10.18	0.54		0.54
Khardah ..	1971-72	8.26	Improvement of roads, maintenance of primary schools, payment of dearness allowance to staff.	2.55	2.83	Development of roads and drains and improvement of ways and means position.	2.83
	1972-73	4.43		4.50	0.10		0.10

(ii) In the matter of demand and collection of rates of these four municipalities during the years 1971-72 and 1972-73, it was found that the percentages of collection in these four municipalities were far below the norm of 85 per cent fixed by the State Government as the minimum standard of good collection. Details are given below :

Municipality	Year	Arrear demand	Current demand	Total demand	Total collection	Percentage of collection
(In lakhs of rupees)						
Kanchrapara	.. 1971-72	Demand not compiled	..	..	2.26	..
	1972-73	7.92	4.52	12.44	2.37	19.0
Khardah ..	.. 1971-72	2.64	4.06	6.70	3.53	52.6
	1972-73	3.08	4.04	7.12	3.40	47.7
Katwa ..	.. 1971-72	0.43	2.22	2.65	1.69	64.0
	1972-73	0.63	2.04	2.67	1.97	73.7
English Bazar	.. 1971-72	5.01	6.30	11.31	4.33	38.2
	1972-73	6.09	5.59	11.68	5.69	48.7

(iii) The position of realisation of trade taxes, licence fees, rents, etc., is given below:

Municipality	Year	Total demand of licence fee and trade tax including arrear demand	Total collection	Percentage of collection	Total demand of fixed rents including arrear demand	Total collection	Percentage of collection
		(In lakhs of rupees)			(In lakhs of rupees)		
Kanchrapara	1971-72	Not available	Not available	..	0.15	0.09	60.0
	1972-73	0.88	0.32	36.3	0.15	0.07	46.6
Khardah ..	1971-72	0.17	0.15	88.2	0.10	0.01	10.0
	1972-73	0.17	0.16	94.1	0.12	0.01	8.3
Katwa ..	1971-72	0.22	0.16	72.7	2.18	0.36	16.5
	1972-73	0.25	0.19	76.0	2.22	1.52	68.4
English Bazar	1971-72	0.99	0.79	79.8	1.11	0.68	61.2
	1972-73	1.03	0.66	64.0	0.52	0.39	75.0

Other points: The net deficit of the municipalities as on 31st March 1973 after setting off liabilities is indicated below:

Municipality	Cash balance	Cash balance less unspent Government grant and loan	Unpaid loan instalment with interest due thereon	Unpaid Provident Fund subscription and contribution	Other liabilities/unpaid bills	Total liabilities	Deficit of cash balance after setting off liabilities
<i>(In lakhs of rupees)</i>							
Kanchrapara	3.26	1.15	..	..	1.35	1.35	-0.20
Khardah ..	1.73	-1.61	..	0.22	2.90	3.12	-4.73
Katwa ..	1.07	-3.05	1.38	0.26	1.46	3.10	-6.15
English Bazar	9.28	0.07	5.68	1.47	1.89	9.04	-8.97

(i) Katwa and English Bazar municipalities failed to pay to Government instalments of loans due with interest accrued thereon amounting to Rs.1.38 lakhs and Rs.5.68 lakhs respectively as on 31st March 1973 although under the relevant Act, such payments are first charge on the municipal funds.

(ii) Khardah, Katwa and English Bazar municipalities defaulted deposits of subscriptions deducted from the salaries of the staff to the employees' provident funds including municipal contribution amounting to Rs.0.22 lakh, Rs.0.26 lakh and Rs.1.47 lakhs respectively as on 31st March 1973.

(iii) Khardah and Katwa municipalities diverted grants and loans paid by Government in previous years for specific purposes like road development, sinking of tube wells, construction of sweepers' quarters, improvement of drains, water works, etc., to the extent of Rs.1.61 lakhs and Rs.3.05 lakhs respectively as on 31st March 1973 for their general purposes.

(iv) The four municipalities also failed to maintain, after setting off all liabilities, minimum closing balance of two months' recurring charges, obligatory under relevant provisions of the Act and Rules.

(v) All the four municipalities failed to utilise promptly and in the best interest of the rate-payers, grants paid by the Government for development of roads and communications in the municipal areas. The position of such grants unutilised as on 31st March 1973, is given below:

Municipality	Year	Grants received	Unutilised balance as on 31st March 1973
<i>(In lakhs of rupees)</i>			
Kanchrapara ..	.. 1971-72	9.63	2.96
	.. 1972-73	3.93	2.11
Khardah ..	.. 1971-72	8.26	2.54
	.. 1972-73	4.43	3.34
Katwa ..	.. 1971-72	1.41	1.76
	.. 1972-73	3.64	2.05
English Bazar ..	.. 1971-72	5.09	2.34
	.. 1972-73	4.97	2.89

(vi) There was overdrawal of subvention from Government for payment of dearness allowance to employees to the extent of Rs.0.16 lakh by the following municipalities :

Municipality	Year	Amount
		(In lakhs of rupees)
English Bazar	1970-72	0.02
Katwa	1971-72	0.04
Khardah	1971-72	0.10

Irregularities relating to the water works: Water supply schemes were executed in Kanchrapara, Khardah and English Bazar municipalities by the Public Health Engineering Directorate. The irregularities noticed in this connection are given below:

(i) To enable the municipalities to pay to the Public Health Engineering Directorate their one-third share of the estimated cost of the water works, Government paid loans to Khardah, Kanchrapara and English Bazar municipalities to the extent of Rs.5.16 lakhs, Rs.4.99 lakhs and Rs.3.67 lakhs respectively. The municipalities, however, have not paid so far any instalments due.

(ii) Audited statements of accounts have not yet been obtained by the municipalities from the Public Health Engineering Directorate and necessary adjustment of advances paid to the Department has not been effected in the books of accounts.

(iii) Details of the schemes handed over to the municipalities are given below :

Municipality	Scheme	Date of handing over
Khardah ..	Water supply scheme—	
	Zone I	July 1971
	Zone II	November 1972
Kanchrapara ..	Water supply scheme—	
	1st scheme	October 1954
	Augmentation of water supply	December 1964
	Emergency scheme	June 1972
English Bazar ..	Water supply improvement scheme	March 1971

The municipalities have not obtained particulars about the price and life of the plant and machinery of the water works from the Public Health Engineering Directorate for the purpose of calculating contribution payable to the Water Works Depreciation Fund as per rules.

(iv) The plant and machinery of the water works have not yet been entered in the books of the municipalities and the value thereof has not been shown as asset in the Balance Sheet.

PANCHAYATS DEPARTMENT

56. **Zilla Parishads.**—*Constitution and objectives:* Zilla Parishads were set up in the State under the West Bengal Zilla Parishads Act, 1963, as the apex of a four-tier Panchayati Raj set up chiefly for maintaining and improving roads and other communications in rural areas, providing drinking water, construction and maintenance of rest houses and administering cattle pounds and ferries within the district. A revision to reduce the four-tier set-up to a three-tier one has been contemplated under the West Bengal Panchayat Act, 1973, but with the reconstitution of Panchayati Raj bodies yet to be finalised pending elections under the new Act, the 15 Zilla Parishads in the State continue to be governed by the Act of 1963.

Sources of finance and revenue: The source of finance of the Zilla Parishads in the State was mainly loans, grants for specific purposes, augmentation grants and grants in lieu of collection of land revenue and cess received from the State Government. All the 15 Zilla Parishads were substantially financed by Government during 1971-72. The audit of accounts for 1972-73 in respect of five Zilla Parishads was completed out of which four Zilla Parishads were substantially financed by Government. The receipt and expenditure of these Zilla Parishads for the years 1971-72 and 1972-73 were as below:

Year	Receipt from own sources	Grants from Government	Loans from Government	Loans/grants from other sources	Total receipt	Total expenditure
(In lakhs of rupees)						
1971-72 (15 Zilla Parishads)	6.08	93.87	95.76	4.00	199.66	167.66
1972-73 (4 Zilla Parishads)	1.08	59.10	..	1.00	61.18(A)	84.05

(A) Does not include previous years' unspent balance of loans and grants amounting to Rs. 47.40 lakhs.

Collection of revenue: Average total collection of revenues from Parishads' own sources, which included mainly fixed demands from rent of land and rents from lease of cattle pounds and ferries, worked out to only 3 and 4 per cent of their total receipts during 1971-72 and 1972-73, respectively. Percentage of total revenue collection on the total fixed demand of the Parishads for 1971-72 and 1972-73 was 25 and 24, respectively as shown below:

Year	Total demand	Total collection	Remission, etc.	Balance	Percentage of collection to demand	
(In lakhs of rupees)						
1971-72 (15 Zilla Parishads)	..	23.88	6.03	0.02	17.83	25
1972-73 (4 Zilla Parishads)	..	4.52	1.08	..	3.44	24

The 24 Parganas Zilla Parishad had not realised (March 1975) a total rent of Rs.67,444 due from the Health Department for occupation of different inspection bungalows of the Parishad by the Sanitary Inspectors of the Department for the period from January 1959 to March 1972.

Internal audit: The internal audit of the accounts of the Parishads which is normally a function of their Standing Finance Committees, devolved on the Administrator of the Parishads appointed by the State Government. But the accounts of the Hooghly and Birbhum Zilla Parishads (for 1971-72 and 1972-73) and the Burdwan, Midnapore, Murshidabad, Malda, West Dinajpur and Darjeeling Zilla Parishads (for 1971-72) were not subjected to any internal audit.

The internal audit of the accounts of the 24 Parganas Zilla Parishad was not done at the end of each quarter, as provided in the rules and misappropriation of a sum of Rs.24,688 which commenced in December 1971 could not thus be detected till audit in January 1973. It was reported that out of the total sum misappropriated, Rs.6,372 had been realised from the dues of the employee concerned, leaving a balance of Rs.18,316, for the recovery of which a money suit had been instituted in September 1974.

Non-utilisation of Government grants: Five Zilla Parishads failed to utilise the balances of Government grants for specific development works for years together and did not refund the unspent amounts (*vide* Appendix X).

Government loans for flood damages: A total sum of Rs.2,04.81 lakhs sanctioned by Government as loan to the Zilla Parishads for restoration of roads, bridges, culverts, etc., damaged by floods was received by them between 1968-69 and 1971-72. The terms and conditions of the repayment of these loans were, however, notified only in February 1973. The loans were repayable in ten equal instalments together with interest at 8 per cent per annum thereon subject to a rebate of 2½ per cent for timely repayment. No instalment of principal or interest in respect of these loans was paid in 1971-72. While Midnapore, Howrah and Darjeeling Zilla Parishads requested the Government (in September and March 1973) for conversion of the loans into outright grant, Jalpaiguri Zilla Parishad asked (December 1971) for converting a portion of the loan into grant or deferring repayment and the Hooghly Zilla Parishad sought (May 1973) exemption from repayment of the same.

No loan registers were maintained by the Howrah, Burdwan and Cooch Behar Zilla Parishads to keep watch over the appropriation of such loan money for the purpose intended and repayment thereof.

Overdrawal of subvention on account of payment of dearness allowance, etc.:

A total sum of Rs.25,784 was overdrawn on account of subvention towards payment of dearness allowance and improvement of salary of the staff by five Zilla Parishads because of non-compliance with instructions issued by the State Government for drawal of such grants as shown below:

Name of Zilla Parishad	Year of account	Amount over drawn Rs.	Circumstances of overdrawal
Burdwan	1971-72	2,120	Subvention towards dearness allowance drawn for Rs. 2,03,818 instead of Rs 2,01,698 admissible (fixed).
	1971-72	1,828	Excess drawal of subvention for improvement of salary for persons not on roll strength.
Murshidabad	1970-71	8,820	Subvention for dearness allowance for non-exclusion of existing dearness allowance for the purpose of calculation of basic pay.
Midnapore	1971-72	7,152	Subvention towards dearness allowance drawn for Rs. 1,90,119 instead of Rs. 1,82,967 admissible (fixed).
24 Parganas	1971-72	3,458	Subvention towards dearness allowance drawn for Rs. 2,25,467 instead of Rs. 2,22,009 admissible (fixed).
West Dinajpur	1969-71	2,911	Excess drawal of dearness allowance subvention for (i) payment of actual dearness allowance at lower rate (Rs. 2,772), (ii) irregular drawal for a suspended employee (Rs. 89) and (iii) excess drawal for persons on leave without pay (Rs. 50).

Diversion of Government grants and loans: Unspent balances of Government grants and loans given for specific purposes were appropriated towards general purposes by three Zilla Parishads without the approval of Government to the extent shown below:

Name of Zilla Parishad	Position as on	Unspent balance of Government grant/loan	Cash balance including investment	Amount appropriated
<i>(In lakhs of rupees)</i>				
Burdwan	31-3-1972	13.81	11.45	2.86
Purulia	31-3-1972	5.02	3.87	1.15
24 Parganas	31-3-1972	12.85	8.40	4.45

**MUNICIPAL SERVICES DEPARTMENT, PANCHAYATS DEPARTMENT,
EDUCATION DEPARTMENT**

57. Results of audit in general (Zilla Parishads, District School Boards and Municipalities)

(a) The amounts involved in different types of irregularities and omissions in Zilla Parishads, District School Boards and Municipalities noticed in course of audit for the year 1971-72 are summarised below :

	Municipalities (Municipal Services Department)	Zilla Parishads (Panchayats Department)	District School Boards (Education Department)	Total
<i>(In lakhs of rupees)</i>				
1. Misappropriation of collection money ..	0.16	..	..	0.16
2. Excess payment	1.18	0.15	0.08	1.41
3. Avoidable/extra expenditure	2.13	0.05	0.40	2.58
4. Unauthorised expenditure	0.99	0.09	6.46	7.54
5. Irregular/illegal expenditure	0.43	0.07	0.65	1.15
6. Loss, infructuous/wasteful expenditure ..	1.44	0.31	..	1.75
7. Theft of municipal cash/stores lost by theft	0.21	0.23	..	0.44
8. Advance not adjusted	116.21	30.00	27.53	173.74
9. Tenders/quotations not invited ..	1.16	..	0.04	1.20
10. Non-payment of Government loan instalment including interest	37.53	..	3.49	41.02
11. Distribution list of Government publications, slates and maps, etc., wanting	..	..	2.01	2.01
12. Recovery of cost/realisation of short credit/shortage in stores/cash	0.17	..	..	0.17
13. Vouchers wanting	0.17	..	..	0.17
Total	161.78	30.90	40.66	233.34

(b) The Bengal Municipal Act and the Bengal (Rural) Primary Education Act governing the Municipalities and District School Boards respectively empower the Auditor to disallow any item of illegal payment, loss or deficiency and to surcharge or charge such items for recovery of the amounts involved. Ninety surcharge cases have been finalised and another 164 more cases relating to Municipalities and District School Boards covering a total amount of Rs.9.00 lakhs were pending at various stages of processing (November 1974).

Section II

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

59. Education Department

Recurring and non-recurring grants-in-aid are released every year by the Education Department|Directorate to non-Government private colleges and sponsored colleges for various purposes including, among others, grants to meet the deficit towards cost of maintenance according to scale of expenditure fixed by Government, grants for payment of dearness allowance at Government rates, grants for payment of interest relief, etc. The number of colleges receiving grants-in-aid during the years 1971-72 to 1973-74 and the amount released during these years were:

Amount released as grant (In lakhs of rupees)						
			Number of colleges	Recurr- ing	Non- recurring	Total
1971-72	..	..	228	148.79	288.65	437.44
1972-73	..	..	233	299.32	246.15	545.47
1973-74	..	..	233	218.03	368.44	586.47

Various conditions are attached to the different types of grants. Regarding the procedure by which the sanctioning authority satisfied itself that the conditions governing the grant had been fulfilled by the recipient of the grant, the Education Directorate stated (January 1975) that in the absence of any procedure laid down in the Codes and Manuals, it had not been possible to follow a uniform practice by different officers releasing grants from the Education Directorate and that the utilisation of a grant was checked with reference to the accounts of the college submitted to the Directorate duly audited by Chartered Accountants and their reports thereon.

It was noticed that the grants are generally released in four to five instalments during the year—the first three on an *ad hoc* basis keeping in view the amount paid for corresponding period in the previous year and the last one or two instalments on receipt of the annual audited accounts of the previous year and the budget estimate of the institution for the current year. According to an order issued by the Director of Public Instruction in May 1965, sanctioning authorities were not to release grants-in-aid without obtaining or having on record proper disbursement certificate and utilisation certificate in respect of the grants released previously. A suitable register was also prescribed for keeping watch over regular receipt of the disbursement and utilisation certificates. Register, as prescribed, could not, however, be produced to Audit by the Education Directorate for the grants mentioned above. A test check of the records of the Directorate relating to 14 colleges selected at random, revealed that amounts of Rs.19.73 lakhs, Rs.34.54 lakhs and Rs.24.76 lakhs were released as maintenance grants to the colleges during the years 1971-72, 1972-73 and 1973-74 respectively, but the

disbursement and utilisation certificates in respect of the grants released earlier were not available on record. It was stated by the Directorate that there was provision for local inspection of the accounts and utilisation of the grants by officials of the Education Directorate. It was, however, noticed that during the last four years (up to December 1974) local inspection of only fourteen colleges was done; it was stated (December 1974) that such local verification in all cases was not possible due to paucity of staff and was done only if any irregularity was specifically brought to the notice of the Directorate.

Unspent balance, if any, of the grant released in earlier years is required to be adjusted from the last instalment released during the current year.

A test check of the records of the Directorate as also of some selected grantee institutions revealed:

- (i) Unspent balances of Rs.0.50 lakh and Rs.0.55 lakh out of grants released to Sripatsingh College, Murshidabad and Kalimpong College respectively in 1972-73, were yet to be adjusted (December 1974), although grants were released in full during 1973-74.
- (ii) An amount of Rs.0.30 lakh paid to Malda Women's College, as hostel grant during 1971-72, could not be utilised till the date of audit (February 1974) and was deposited in the Bank Account of the College.
- (iii) Information about utilisation of grant of Rs.4.16 lakhs released up to 1971-72 to Basanti Devi College, Calcutta for construction of building could not be furnished by the Education Directorate (December 1974).

Section III

60. Important points noticed as a result of the scrutiny conducted under section 19(3) of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are given in the succeeding paragraphs.

MUNICIPAL SERVICES DEPARTMENT

61. **Calcutta Corporation:** The annual accounts for the years from 1963-64 onwards have not yet been submitted to Audit (November 1974). In the absence of the annual accounts, only Interim Audit Reports for the years up to 1970-71 were issued. As many as 678 paragraphs in the Interim Audit Reports and Final Audit Reports had not yet been (November 1974) answered by the Corporation. About 237 paragraphs were over ten years old.

The position of receipts and expenditure of the Revenue and other Funds of the Corporation for the year 1971-72, as per preliminary accounts is noted below:

			Receipts during 1971-72	Expendi- ture during 1971-72
<i>(In lakhs of rupees)</i>				
Revenue Fund	..	..	1,523.10	1,726.82
Suspense Head (Advance and Deposits)	..		418.09	376.48
Loan Fund	..	..	90.51	163.07
Combined Cart Registration Fund	..	..	4.99	4.99
		Total	2,046.69	2,271.36

A statement showing receipts and expenditure of the Calcutta Corporation under the Revenue Fund and Loan Fund for the year 1971-72 is noted below:

Heads	Receipts (In lakhs of rupees)	Percen- tage to total receipts	Heads	Expendi- ture (In lakhs of rupees)	Percen- tage to total expendi- ture
<i>A. Revenue Fund</i>					
1. Consolidated rates (including service charges from Central Government properties)	711.57	46.41	1. Conservancy ..	537.85	31.14
2. Licence fee, Trade tax and other receipts	211.77	13.81	2. Water works ..	367.43	21.23
3. Government grants (other than Entry Tax)	255.92	16.69	3. Drainage and roads	150.72	8.72
4. Entry Tax grant from Government	288.28	18.80	4. Lighting ..	61.32	3.55
5. Grants from Calcutta Metropolitan Development Authority	19.00	1.24	5. Loan charges ..	79.72	4.62
6. Miscellaneous receipts	12.56	0.84	6. Contribution to Calcutta Improvement Trust	35.00	2.02
7. Ways and Means advances loan from Union Government for replenishment of non-Revenue Fund and to meet other old liabilities	34.00	2.21	7. General Administration	217.62	12.62
			8. Miscellaneous and other charges	276.96	16.05
		
Total	1,523.10	100.00		1,726.82	100.00

Heads	Receipts (In lakhs of rupees)	Percentage to total receipts	Heads	Expenditure (In lakhs of rupees)	Percentage to total expenditure
<i>B. Loan Fund</i>					
1. From Union Government—			Housing Scheme ..	1.36	0.86
(a) Housing Scheme 1.61	3.23	3.57	Miscellaneous services	14.97	9.17
(b) Subsidy for Housing Scheme 1.62			Repayment of loans	1.10	0.67
2. Loans from Calcutta Metropolitan Development Authority	86.00	95.02	Calcutta Metropolitan Development Authority Projects	114.35	70.12
3. Miscellaneous sources	1.28	1.41	Water Supply and Sanitation	32.29	19.18
Total ..	90.51	100.00		164.07	100.00

It may be seen from the above statement that the total of grants and loans received from the Government, including Calcutta Metropolitan Development Authority, amounted to 33.54 per cent of its total receipts of Rs.20,46.69 lakhs during 1971-72 (38.96 per cent of the Revenue Fund and 98.59 per cent of the Loan Fund). The Corporation received Rs.5,81.43 lakhs (Rs.37.23 lakhs as loans and Rs.5,44.20 lakhs as grants) and Rs.1.06 lakhs (Rs.86 lakhs as loans and Rs.19 lakhs as grants) from Governments and Calcutta Metropolitan Development Authority, respectively, which constituted 30.22 per cent of the total expenditure of the Corporation.

The total amount of outstanding advances was Rs.4,69.16 lakhs as on 31st March 1972. Out of this, bills amounting to Rs.28 lakhs were pending for adjustment and advances for Rs.3,76.16 lakhs were outstanding for more than three years. The Calcutta Corporation issued debentures from time to time, the total value of which amounted to Rs.6,76.70 lakhs on 31st March 1972.

The figures of gross demand, collection and unrealised balance of Consolidated Rates on holdings available only up to the year 1968-69 were:

	Gross Demand	Collection	Remission	Outstanding demand as on 31st March 1969
<i>(In lakhs of rupees)</i>				
Arrear	891.64	
Current	840.15	
			<hr/> 1,731.79	662.52
				Figures not furnished
				1,103.97

The percentage of collection to the total demand worked out to 38.26. The State Government had fixed (in the case of Municipalities governed by the Bengal Municipal Act, 1932), a collection of 85 per cent of the total demand as the standard of minimum satisfactory collection of rates assessed on holdings.

DEVELOPMENT AND PLANNING (TOWN AND COUNTRY PLANNING) DEPARTMENT

62. **Calcutta Improvement Trust:** A misappropriation of Rs.0.90 lakh collected as rent from tenants of houses under the Housing Scheme of the Trust was detected in audit in September/November 1973. Out of this, a sum of Rs.0.36 lakh was subsequently recovered and credited to the Trust between October 1973 and January 1974, leaving a balance of Rs.0.54 lakh still to be recovered. The matter is under police investigation (November 1974).

The misappropriation was rendered possible by the non-observance of the accounting rules of allowing the collecting agencies themselves, to write out the rent bills issued to them during August 1969 to September 1973, and to keep with them the counterfoils of such bills (whereon dates of collection were not noted). Non-observance of the provisions of the account rules prescribing a verification of the outstanding rent bills and the balance of Tenants' Ledgers with collection accounts, was responsible for the non-detection of the misappropriation by the Trust's office.

Section IV

63. Other important points noticed during scrutiny of the accounts of local bodies and authorities are given in the succeeding paragraphs.

MUNICIPAL SERVICES DEPARTMENT

64. Municipalities within Greater Calcutta area

64.1. Audit of 28 municipalities in and around Calcutta revealed the following:

Collections of rates, licence fees, trade taxes and fixed rents are the main sources of municipal revenue besides Government grants and loans for specific purposes. The municipalities included in Greater Calcutta area also received grants against their share of Entry Tax and financial assistance from Calcutta Metropolitan Development Authority for executing development schemes. The 28

municipalities received Government grants, Government loans, grants against Entry Tax and financial assistance from Calcutta Metropolitan Development Authority aggregating Rs.3,43.85 lakhs during 1971-72, while collections from their own sources of revenue, *viz.*, rates, licence fees, trade taxes and fixed rents during the same year were Rs.2,04.03 lakhs (59.3 per cent) of the total grants and loans.

Collection of rates by the municipalities, which was their major source of revenue, was much below 85 per cent of the total demand, *i.e.*, the standard of minimum satisfactory collection, as fixed by the State Government. The total demand of the 28 municipalities on account of rates was Rs.5,73.75 lakhs during 1971-72 against which their net realisation was Rs.1,92.61 lakhs only (33.5 per cent). The percentage of collection in the New Barrackpore, North Dum Dum, South Dum Dum, Garden Reach, Halisahar and Rajpur municipalities did not amount to even 20 per cent of their total demand.

64.2. *Financial position*: Most of the municipalities within the Greater Calcutta area continued to suffer from financial difficulties during 1971-72. The closing cash balances of twenty municipalities within the area as on 31st March 1972 were not sufficient to cover their unpaid liabilities in spite of the ways and means position of these municipalities having been substantially augmented by grants against their share of Entry Tax besides other grants. The total deficit of these twenty municipalities as on 31st March 1972 after setting off liabilities worked out to Rs.1,25.58 lakhs. Ten municipalities failed to deposit in the Provident Fund Accounts of the employees the subscription deducted from the salary and municipal contributions due thereon totalling Rs.10.10 lakhs. Under the rules, the municipalities were required to maintain a minimum cash balance equivalent to two months' recurring charges but none of the twenty municipalities was left with any surplus cash balance after setting off liabilities. The cash balances of Bhadreswar and Rishra municipalities were not enough to meet two months' recurring charges even before setting off the liabilities.

64.3. *Irregular diversion of Government grants and loans*: Six municipalities, *viz.*, Hooghly-Chinsurah, Barrackpore, Serampore, Bhadreswar, Rajpur and Garden Reach diverted Government grants and loans received for specific purposes to the extent of Rs.7.23 lakhs as on 31st March 1972 for meeting their general expenses, even after the receipt

of grants amounting to Rs.24.90 lakhs from 'Entry Tax' as detailed in the table below. Such diversion of Government grants and loans received for specific purposes was contrary to the provisions of the Act.

Name of Municipality	Grant against Entry Tax received during 1971-72	Cash balance on 31st March 1972	Unspent Government grant	Unspent loan received from Government and other sources	Total (4+5)	Amount by which cash balance falls short of the aggregate of unspent Government grants and loans (6-3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
/						
(In lakhs of rupees)						
1. Hooghly-Chinsurah	3.64	4.01	5.98	2.00	7.98	3.97
2. Barrackpore ..	4.18	3.14	2.95	0.66	3.61	0.47
3. Serampore ..	4.94	2.96	4.23	..	4.23	1.27
4. Bhadreswar ..	2.46	0.56	0.78	..	0.78	0.22
5. Rajpur ..	1.72	1.28	1.30	..	1.30	0.02
6. Garden Reach ..	7.96	6.24	7.52	..	7.52	1.28
Total ..	24.90	18.19	22.76	2.66	25.42	7.23

64.4. *Position of utilisation of grants received for development of roads and communications:* The municipalities within the Greater Calcutta area were in receipt of development and communication grants from the Government as well as financial assistance from Calcutta Metropolitan Development Authority for development and improvement of roads and communications, etc., within the municipal area. The utilisation of Calcutta Metropolitan Development Authority grants was to the extent of 83.4 per cent of the total grants received. Out of general grants of Rs.42.16 lakhs (including unspent balance of previous year) placed at the disposal of 28 municipalities during 1971-72, a net amount of Rs.6.01 lakhs was utilised by these bodies during that year, the percentage of the amount utilised on the total amount of such grants being only 14.2. Panihati, Rishra and Konnagar municipalities did not utilise any amount in 1971-72 out of the grant of Rs.1.64 lakhs received by them.

64.5. *Water supply arrangements:* The Water Supply Scheme of Bally Municipality estimated to cost Rs.23.20 lakhs was executed by the Public Health Engineering Directorate of the State Government and handed over to the municipality on 1st November 1961. As three, out of seven, 6 inch dia deep tube-wells went out of order, an augmentation scheme of

Rs.1.45 lakhs for sinking three deep tube wells, including extension of pipe lines and renovation of the iron elimination plant was again executed by the Public Health Engineering Directorate. No steps were, however, taken to replace 0.19 lakh r.ft. of pipe lines, which had been choked up due to heavy sedimentation, and, as a result, the existing daily supply of water was limited to 2.95 lakh gallons for a population of 1.02 lakhs.

64.6. *Overdrawal of Government subvention for payment of dearness allowance*: Nineteen municipalities within the Greater Calcutta area overdraw subvention paid by Government towards payment of dearness allowance to their employees to the extent of Rs.3.04 lakhs during 1970-71 and 1971-72.

64.7. *Loss on account of misappropriation or excess payment*—
(a) *South Dum Dum Municipality*: Misappropriation of a sum of Rs.0.37 lakh collected from rate-payers on account of taxes due from them during 1970-71 to 1972-73 was detected in audit. Moreover, no account of 1969 Receipt Books received by the office during the period 1969-70 to 1972-73 for collection of such taxes was available. Results of investigation and action taken in the matter, suggested by Audit in April 1974, were still awaited (November 1974).

(b) *Serampore Municipality*: (i) Advances totalling Rs.0.20 lakh were paid to a contractor between August 1970 and March 1972 for execution of twentyfour works without taking into account the value of work done or materials brought to site. Eight such works were not at all taken up for execution while final bills in respect of the remaining ones were paid without effecting any recovery of the advances made to the contractor. As no earnest money or security deposit had been taken from the contractor in respect of these works, and no other bill of the contractor was pending, the municipality ran the risk of loss of the entire amount of Rs.0.20 lakh irregularly advanced. The amount is still unrecovered (February 1974).

(ii) It was detected in audit in December 1973 that in respect of eighteen works done by seven contractors the full quantity of materials as required in the specifications was not used. In spite of that payment was made as per estimates resulting in overpayment of Rs.0.20 lakh. The amount is yet to be recovered from the contractors (February 1974).

65. *Municipalities outside Greater Calcutta area*—(a) *Irregular diversion of Government grants and loans*: Government grants and loans received for specific purposes were irregularly diverted to the extent of Rs.0.29 lakh by 22 municipalities as on 31st March 1972 for meeting their general expenses. Such diversion of Government grants and loans was contrary to the provisions of the Bengal Municipal Act.

(b) *Overdrawal of subvention for payment of dearness allowance*: Government subvention towards payment of dearness allowance to the staff was drawn in excess by 20 municipalities, to the extent of Rs.1.84 lakhs.

CHAPTER VIII

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

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

On 31st March 1974 there were 19 departmentally managed Government commercial and *quasi-commercial* undertakings. A synoptic statement showing the summarised financial results of two undertakings based on the latest available accounts is given in Appendix XI.

67. **Delay in preparation of *pro forma* accounts:** Out of the 19 undertakings, three have not prepared their *pro forma* accounts since inception and the accounts of the remaining 16 undertakings are in arrears for different periods, *vide*, details in Appendix XII.

In addition, the accounts of Brooklyn Ice Plant and Cold Storage, which was closed in March 1968 and of Durgapur State Transport Board, which was converted into a Corporation on 7th December 1973, are in arrears since 1965-66 and 1966-67 respectively.

The importance of timely finalisation of *pro forma* accounts has been stressed in successive Audit Reports. Government issued instructions in May 1960 for timely preparation of accounts and their submission to Audit. The Public Accounts Committee has also been repeatedly stressing the need for preparation of the accounts in arrears. However, the delay in preparation of *pro forma* accounts is persisting.

**ANIMAL HUSBANDRY AND VETERINARY SERVICES
DEPARTMENT****68. Greater Calcutta Milk Supply Scheme****68.1. Introduction**

68.1.1. The Scheme, commissioned in November 1948 for the establishment of a Central Livestock Research-*cum*-Breeding Station, was augmented in March 1961 to include other ancillary activities, *viz.*,

- (a) distribution of cow milk and toned milk in Calcutta and its environs,
- (b) distribution of butter and ghee,
- (c) supply of cattle feed concentrates, fodder, etc.

The Scheme was also intended to remove from Calcutta all the milch and dry cattle, and to transfer them to the milk colonies set up at Haringhata and Kalyani. Some aspects of the working of the Scheme were mentioned in paragraph 98 of the Audit Report, 1969.

68.1.2. The major objectives of the Scheme are :

- (a) to evacuate about 40,000 cattle from *khatalis* in the city and to settle 28,000 milch cattle, along with their owners in the milk colonies set up at Haringhata and Kalyani;
- (b) to set up a dry stock wing to house the remaining 12,000 dry animals;
- (c) to establish a Central Dairy at Belgachia to handle 1,40,000 litres of milk per day and to organise its distribution in the Greater Calcutta area;
- (d) to establish milk collection-*cum*-chilling centres in rural areas;
- (e) to re-arrange and renovate the existing dairy at Haringhata to enable it to distribute 50,000 litres of milk per day;
- (f) to establish a 2,700 acre fodder farm at Kalyani to provide green fodder to the animals housed in the milk colonies at Haringhata and Kalyani;
- (g) to advance loans for purchasing cattle to cattle-owners who settle in the milk colonies; and
- (h) to distribute cattle feed to animals housed in the milk colonies.

The operation of the Scheme was entrusted to the Directorate of Dairy Development in April 1965.

68.2. Procurement of milk

68.2.1. The scheme depends for procurement of raw milk mainly on the following sources :

- (i) Milk collection-*cum*-chilling centres,
- (ii) Milk colony,
- (iii) State dairy farms,
- (iv) Local milk producers in the vicinity of the dairies.

68.2.2. The table below indicates the quantity of raw milk collected from these sources during the three years ending 1973-74:

Sources	1971-72	1972-73	1973-74
	(In lakh litres)		
(i) Milk collection- <i>cum</i> -chilling centres ..	56.16	56.56	115.26
(ii) Milk colony	29.31	39.42	39.69
(iii) State dairy farms	31.37	48.67	43.23
(iv) Local procurement	22.44	23.07	43.14
Total	139.28	167.72	241.32

Milk collection centres

68.2.3. As on 31st March 1974, seventeen milk collection-cum-chilling centres had been set up in the rural areas around Calcutta to collect raw milk from producers and to test, chill and transport it to the dairies at Belgachia and Haringhata. Seven chilling centres were attached to the Belgachia Dairy and the remaining centres (ten) to the Haringhata Dairy.

68.2.4. The table below indicates the capacity of the milk collection-cum-chilling centres for handling milk and the average quantities procured daily during the three years ending 1973-74:

Name of the centres	Capacity (In litres per day)	Average daily collection during		
		1971-72	1972-73	1973-74
Berachampa	10,000	3,002	2,154	2,672
Beldanga	10,000	3,357	3,442	7,474
Bethuadahari	10,000	2,272	2,035	4,841
Fulia	10,000	2,980	1,190	4,175
Mogra	4,000	305	82	139
Saktigarh	4,000	403	81	505
Basirhat	4,000	Nil	1,520	1,663
Habra	4,000	595	779	1,354
Lalgola	4,000	936	1,975	3,063
Tehatta	4,000	607	390	835
Chakda	4,000	Nil	247	1,272
Chittrasali	4,000	Nil	111	877
Dhaniakhali	3,600	24	28	55
Champadanga	1,800	161	146	283
Palassey	1,800	744	548	1,369
Bahadurpur	1,800	Nil	767	1,002
Kamarkundu	1,800	Nil	Nil	Nil
Total	82,800	15,386	15,495	31,579
<i>Percentage of actual collection to available capacity.</i>		18.6	18.7	38.1

68.2.5. The main reason for the shortfall in procurement of milk in the chilling centres was stated by the Directorate (January 1974) to be the stiff competition from the *chhana* trade and the low procurement prices paid by the Directorate as compared to the prevailing wholesale price for milk in the private market. The procurement prices fixed by the Department in August 1968 were Rs.1.20 to Rs.1.25 per litre for cow milk and Rs.1.50 to Rs.1.70 for buffalo milk, depending on quality. The procurement prices

were subsequently revised twice—once in September 1972 (Rs.1.40 and Rs.1.82 per litre for cow milk and buffalo milk respectively) and again in June 1974 (Rs.1.75 per litre for cow milk and Rs.2.29 per litre for buffalo milk).

68.2.6. Three chilling centres (cost Rs.0.71 lakh) installed/established in 1965 (two) and 1968 (one) were closed down in 1966 and 1972 respectively due to short supply of milk. Most of the milk was being transported to the city by the producers and middlemen. Kamarkundu Chilling Station set up in December 1965 was closed down in September 1967 and reopened in January 1968 in the hope of getting milk from local producers/suppliers. Efforts were also stated to have been made by the Management to divert to this centre 50 per cent of milk produced under Small Farmers' Development Agency Scheme. From October 1970 to December 1974 there was no collection of milk at this centre and in January 1975 only 6,963 litres of raw milk were collected as against the installed capacity of 55,800 litres. Full complement of staff was, however, retained (annual cost Rs.0.19 lakh) at the centre.

68.2.7. The under-utilisation of capacity results in high cost of procurement of milk since each chilling station has to maintain some staff irrespective of the quantity of milk procured.

68.2.8. The Estimates Committee observed in their 14th Report (March 1973) that it was possible to augment procurement by forcing trends to counteract diversion of milk to the sweetmeat trade. The Committee recommended that some regulatory measures should be tried before any decision was taken to increase the procurement price of milk. However, the procurement price was increased with effect from June 1974 without enforcement of any regulatory measures. According to the Directorate, increase in procurement price alone, without taking other regulatory measures, would not be sufficient to improve procurement.

68.2.9. The milk procured is paid at varying rates on the basis of its fat content and solid-not-fat content, as certified by the officer-in-charge of chilling centre where milk is received. A test check of the records showed that the fat contents certified by the chilling centres were higher than that shown in random tests conducted by the quality control cells in the dairies. The resultant excess payments to the milk producers, revealed by the test-check, aggregated Rs.1.53 lakhs during the periods from March 1972 to June 1972 and from April 1973 to March 1974. No regular procedure for cross-checking and adjustment of payments on the basis of laboratory tests has been introduced so far (March 1975).

The Management stated (September 1974) ".....enormous discrepancies are generally being observed..... Such discrepancies in fat percentage and S.N.F. figures are putting the Government to colossal financial loss". The Directorate also stated that "the reason for variation of test results at two ends which is sure to vary is too complicated to reconcile before effecting payment" to the suppliers.

Milk colonies

68.2.10. The following table shows the average daily procurement from the milk colonies and the average yield of a *murah* buffalo, as against the standard yield of 7 litres, during the three years ending 1973-74:

Year	Average number of milch cattle during the year	Average daily procurement during the year	Procurement per milch animal per day
		(In litres)	(In litres)
1971-72	1,844	8,030	4.3
1972-73	1,935	10,801	5.6
1973-74	2,063	10,873	5.3

The low yield has been attributed by the Management (March 1975) to (i) different characteristics of breeding, (ii) insufficient balanced feed, (iii) declining potentiality due to age, (iv) variation during lactation period, and (v) lack of efficiency of the milkmen.

68.2.11. Seven out of sixteen units in milk colonies at Haringhata (capital cost: Rs.161.26 lakhs), were expected to house 7,632 milch and 1,272 dry animals. The Directorate rented out standing accommodation for milch cattle. In order to popularise the milk colonies, rents were fixed at rates lower than those in city *khatahs*, free accommodation was provided to attendants and no charges were being levied for electricity, water and veterinary services. Despite these facilities and passing of the West Bengal Cattle Licensing Act, 1959 for forcible removal of *khatahs* from the city, the number of licensees and animals in the milk colonies have been decreasing as will be seen from the table below:

Year	Average number of licensees during the year	Available accommodation	Average herd strength during the year	Percentage of shortfall in occupancy
1969-70	58	8,904	5,653	36.5
1970-71	44	8,904	3,590	59.7
1971-72	28.5	8,904	2,043	77.0
1972-73	27	8,904	2,142	75.9
1973-74	27	8,904	2,308	74.1

The Management stated (November 1972) that the price offered for procurement of raw milk was not sufficiently economical for the maintenance of the herd and this resulted in withdrawal of animals from the milk colony.

68.2.12. Had the available accommodation in the milk colonies been fully utilised, the Directorate could have realised Rs.9.18 lakhs as rent each year. As against this, the actual rents realised during the three years 1971-72, 1972-73 and 1973-74 were Rs.1.82 lakhs, Rs.2.28 lakhs and Rs.2.60 lakhs respectively.

68.2.13. Nine of the sixteen units in the milk colonies (capital cost Rs.165.16 lakhs) are being utilised as State dairy farms under the Directorate of Animal Husbandry. These were expected to make available 15,000 litres of raw milk per day by 1971-72. The table below indicates the target and actual procurement per day during the three years ending 1973-74:

Year	Target	Actual procurement	Percentage of actual procurement to target
	(In litres)		
1971-72	15,000	8,594	57.3
1972-73	15,000	13,334	88.9
1973-74	15,000	11,842	78.9

As against the accommodation available for 15,800 animals in the dairy farms, there were only 10,150 animals at the end of 1973-74.

68.3. Processing and bottling

68.3.1. The table below indicates the installed capacity of the dairies, average daily output and the shortfall during the five years ended 1973-74:

Year	Installed capacity (per day)	Average daily output	Shortfall	Percentage of shortfall to installed capacity
	(In lakh litres)			
1969-70	2.30	1.43	0.87	37.8
1970-71	2.30	1.32	0.98	42.6
1971-72	2.30	1.37	0.93	40.4
1972-73	2.30	1.51	0.79	34.3
1973-74	2.30	1.60	0.70	30.4

The shortfall in milk processing was due to non-availability of raw milk in adequate quantity.

68.3.2. Up to September 1974, three varieties of milk, viz., cow milk (fat content 4.5 per cent), standard milk (fat content 3 per cent) and double-toned milk (fat content 1.5 per cent) were being processed for distribution. From September 1974, only two varieties, viz., standardised milk (fat content 1.75 per cent) and double-toned milk (fat content 1.5 per cent) are being distributed. Reconstituted skimmed milk powder and butter

oil are used in the preparation of standard and double-tone milk to bring it up to the specified fat and solid-not-fat contents. Owing to non-availability of adequate quantity of raw milk, there was a reliance on skimmed milk powder and butter oil received under the World Food Programme assistance for generating resources for developing the dairy industry in India. The following table indicates the extent to which raw milk was utilised in the total quantity of milk processed for distribution under the Scheme:

Year	Total quantity of milk produced	Total quantity of raw milk used	Percentage of raw milk to total milk produced
<i>(In lakh litres)</i>			
1971-72	501.50	139.28	27.8
1972-73	551.82	167.72	30.4
1973-74	582.17	241.32	41.4

68.3.3. Bottling plants are functioning in the Central Dairy, Belgachia (capacity: 40,000 bottles per hour) and in the Haringhata Dairy (capacity: 12,000 bottles per hour). The table below shows the performance of the bottling plants for the three years ended 1973-74:

	Installed capacity	Optimum capacity (75 per cent of installed capacity)	Requirement as per commitment to customers	Actual outturn	Achievement (Percentage of actual performance to optimum capacity)
	(1)	(2)	(3)	(4)	(5)
<i>(In lakh bottles)</i>					
Belgachia Plant :					
<i>(3 shift operation)—</i>					
1971-72	3,504.00	2,628.00	986.06	570.99	21.7
1972-73	3,504.00	2,628.00	1,070.98	576.15	21.9
1973-74	3,504.00	2,628.00	1,116.20	585.54	22.3
Haringhata Plant :					
<i>(2 shift operation)—</i>					
1971-72	700.80	525.60	18.94	9.08	1.7
1972-73	700.80	525.60	32.66	15.40	2.9
1973-74	700.80	525.60	48.14	22.14	4.2

The low utilisation of capacity was attributed (May 1974) by the Directorate to frequent breakdowns caused by salinity in water and by load-shedding.

68.3.4. Breakage of milk bottles in the two dairies was valued at Rs.56.97 lakhs during the three years shown in the table given below :

		Number of bottles filled	Number of bottles broken	Approximate value of bottles broken	Percentage of broken bottles to bottles filled
		(In lakhs)		(In lakhs of rupees)	
Belgaohia Plant :					
1971-72	.. ..	570.99	26.40	14.58	4.62
1972-73	.. ..	576.15	29.21	16.12	5.08
1973-74	.. ..	585.54	34.52	20.71	5.89
Haringhata Plant :					
1971-72	.. ..	9.03	0.74	0.40	8.19
1972-73	.. ..	15.40	3.18	1.75	20.65
1973-74	.. ..	22.14	6.30	3.47	28.45

68.3.5. The Management stated (November 1972) that apart from lack of proper supervision and control over the return of bottles, a contributory factor for the high loss of bottles was the corrosive action of water used on account of which the bottling plant did not function properly. The Estimates Committee recommended (March 1973) that the handling loss in bottles should be brought within a limit of 0.5 per cent.

68.3.6. One kilogram of aluminium foil is required to seal 3,014 bottles. During the three years ended 1973-74, 1779.25 lakh bottles were sealed in the two bottling plants. As against the requirement of 59,633 kg. of aluminium foil for sealing the bottles, the quantity issued from the stores was 94,453 kg. The excess consumption was valued at Rs.4.19 lakhs.

68.4. Distribution

68.4.1. Milk is being supplied to about 2.5 lakh card holders through 613 sales depots and direct to over 310 bulk consumers, like hospitals and institutions. Standard milk constituted about 66.6 to 72.3 per cent of the total quantity of milk distributed up to August 1974.

68.4.2. On several occasions, milk has to be sent from the Central Dairy to the sales depots in cans because of the shortage of bottles or due to breakdown of the bottling plant. The following table shows the quantities

of milk supplied to depots from the Central Dairy at Belgachia in cans and bottles during the three years ended 1973-74 :

Year	Total quantity of milk distributed for sale	Quantity supplied in bottles	Quantity supplied in cans	Percentage of milk supplied in cans
	(In lakh litres)			
1971-72	494.53	285.50	209.03	42.27
1972-73	535.49	288.08	247.41	46.02
1973-74	558.10	292.77	265.33	47.54

68.4.3. Losses due to spillage, curdling, etc., occur at several stages, viz., procurement of raw milk, processing in the dairy and distribution. No norm has been prescribed so far (March 1975) for loss/wastage of milk in handling, processing and distribution. The approximate loss suffered on this account during the three years ended 1973-74 was Rs.97.69 lakhs as indicated in the following tables :

A. Loss in procurement of raw milk

Year	Total quantity of raw milk handled	Quantity of milk lost	Approximate value of milk lost	Percentage of loss to milk handled
	(In lakh litres)		(In lakhs of rupees)	
1971-72	139.28	8.44	11.81	6.05
1972-73	167.72	2.94	4.11	1.75
1973-74	241.32	9.04	12.06	3.74
			28.58	

B. Loss in processing

Year	Total quantity of milk processed	Quantity of milk lost	Approximate value of milk lost	Percentage of loss to milk processed
1971-72	501.50	9.74	12.07	1.9
1972-73	551.82	7.38	9.15	1.3
1973-74	582.17	13.46	16.69	2.3
			37.91	

C. Loss in distribution

Year	Total quantity of milk distributed	Quantity of milk curdled	Approximate value of milk curdled	Percentage of milk curdled to milk distributed
1971-72	501.50	7.91	9.80	1.57
1972-73	551.82	5.61	6.96	1.02
1973-74	582.17	11.65	14.44	2.00
			31.20	

The Management stated (March 1975) that the milk was found to have curdled when it reached the dairies due to the variation of temperature for a length of time.

68.4.4. Milk returned unsold from the depots but fit for further processing is "separated" to extract cream. The skimmed milk, if fit for human consumption, is used for the production of standard milk and double toned milk. The rest is drained out. The table below indicates the position in this regard during the three years ended 1973-74 :

Year	Quantity of milk separated	Quantity of cream obtained	Quantity of skimmed milk used	Quantity of skimmed milk drained out	Approximate value of skimmed milk drained out	Percentage of milk drained out to milk separated
	(In lakh kilogram)				(In lakhs of rupees)	
1971-72 ..	16.93	1.11	3.38	12.44	5.29	73.5
1972-73 ..	12.67	0.66	1.63	10.38	6.46	81.8
1973-74 .	19.97	0.68	0.60	18.69	15.69	93.5
					27.44	

No norm has been prescribed so far (April 1975) regarding the quantity of cream to be obtained from separated milk.

The Management stated (March 1975) that the milk returned unsold was mixed milk containing cow milk, standard milk and double toned milk and contained less fat than in raw milk. A major portion of skimmed milk obtained after separation had to be rejected as the same was found unfit for processing and the rejected skimmed milk had to be drained out having no suitable alternatives. The separating machine in the Central Dairy, Belgachia went out of order in March 1973 and pending receipt of spare parts, the milk returned unsold is being drained out (March 1975) without extracting cream. During 1974-75 (up to January 1975) 8.71 lakh litres of milk (valued Rs.10.89 lakhs) were thus drained out.

68.5. Pricing

68.5.1. The selling price of milk is determined by Government from time to time. The following table indicates the prices fixed since 1968 :

	(In rupees per litre)		
	7th January 1968	9th Septem- ber 1968	11th July 1974
Cow milk (fat content 4.5 per cent) ..	1.72	..	2.00
Standard milk (fat content 3 per cent) ..	1.04	1.16	1.50
Double toned milk (fat content 1.5 per cent)	0.76	0.84	1.00

68.5.2. No costing system has been introduced so far (April 1975). Periodical statements showing the cost of production of different varieties of milk are not being prepared. The average cost of production of all varieties of milk and the average selling price are worked out at the end of each year. The following table shows the average cost of production, the selling price per litre and the total loss suffered during the five years ended 1972-73 :

Year	Average cost of production	Average selling price	Total loss on the quantity of milk sold during the year
	(In rupees)	(In rupees)	(In lakhs of rupees)
1968-69	1.24	1.10	70.98
1969-70	1.35	1.18	88.73
1970-71	1.46	1.19	130.16
1971-72	1.47	1.17	150.45
1972-73	1.60	1.24	198.65
1973-74	(Information awaited)		

The Management stated (December 1974) that until the accounting system was reorganised on commercial principles it was not possible to introduce costing in proper form. The loss has been attributed to Government's policy of selling milk to the public at a cheaper price with the object of stabilising the price of milk on the one hand and helping the weaker sections of the population in getting milk within their purchasing power on the other.

68.6. *Inventory control and purchases*

68.6.1. As on 31st March 1974, there were 14,000 items valued at Rs.135 lakhs held in stores.

68.6.2. A test check of the stores records during August/September 1974 revealed the following :

- (i) The minimum, maximum and re-ordering levels of stores and spares had not been fixed.
- (ii) No Stores Manual had been compiled.
- (iii) There was no system of advance material planning by submission of annual indents, to effect bulk purchases. During 1973-74, automobile spares valued at Rs.1.71 lakhs and stationery articles valued at Rs.0.85 lakh were purchased by the Central Dairy, Belgachia on piecemeal indents.

- (iv) There has been accumulation of non-moving and slow-moving items valued at Rs.12.80 lakhs out of a total inventory of Rs.135 lakhs, as detailed below :

(a) **Value of stores which did not move for three years or more**

(In lakhs of rupees)

(i) Dairy and general stores	2.30
(ii) Automobile stores	0.41
(iii) Butter wrapping foil	0.86
(iv) Spares for tractors	1.00

(b) **Value of stores which did not move for two to three years**

(i) Dairy and general stores	0.41
(ii) Automobile stores	0.26

(c) **Value of stores which did not move for one year to two years**

(i) Dairy and general stores	7.08
(ii) Automobile stores	0.48

Total	12.80
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- (v) Periodical review of inventory in order to assess and dispose of surplus/obsolete items of stores and spares, was not conducted.
- (vi) Stores ledgers were being maintained, but these were not reconciled with the financial accounts.
- (vii) During the years 1971-72 and 1972-73, 24,110 kg. and 37,819 kg. of skimmed milk powder valued at Rs.1.45 lakhs and Rs.2.08 lakhs respectively received under the World Food Programme, became damaged and unfit for human consumption due to prolonged and improper storage. The Management stated (December 1973) that the dairy received large quantities of skimmed milk powder during the period from June 1969 to November 1969, but could not utilise the same because the average collection of raw milk during 1969-70 and 1970-71 had improved. The Management further stated that stagnant water in and around the godown caused rapid deterioration of the milk powder and that in the absence of storage facility there was no scope to remove the good quality powder to any other suitable place for re-stacking.

(viii) During the years 1971-72 to 1973-74 the following shortages of milk cans and can lids were noticed :

Dairy	Year	Number of cans/lids		Value
				<i>(In lakhs of rupees)</i>
Belgachia—	1971-72	..	454 Cans	0.82
	1972-73	..	201 Cans	0.36
	1973-74	..	610 Cans	1.10
Haringhata—	1971-72	..	692 Cans	1.25
	1972-73	..	522 Can lids	0.16
	1973-74	..	622 Can lids	0.19
				3.88

The loss of cans of Haringhata dairy during the years 1972-73 and 1973-74 could not be assessed as proper accounts in respect of cans were not maintained.

The Management stated (August 1974) that loss of milk cans and can lids were noticed at different selling and distribution centres and also at the collection centres, but due to indirect system of delivery, the losses could hardly be pinpointed. The Management attributed the loss to :

- (a) supply of cans and can lids at odd hours to various centres when no responsible staff were present to take delivery of the stock, and
- (b) want of storage facility.

(ix) Physical varification of all the inventory had never been carried out at the close of the years. As a result, it was not possible to locate wastages and/or losses due to pilferage, etc. The book balances as per the quantitative ledgers were taken as the closing stock and the consumption of stores during a year was determined with reference to the opening and closing stocks for the year. However, the physical inventory of certain stores taken by the departmental officers at the end of the financial years 1971-72 and in July 1974 revealed the following shortages of stores :

Particulars	1971-72		1973-74	
	Quantity	Value	Quantity	Value
		<i>(In lakhs of rupees)</i>		<i>(In lakhs of rupees)</i>
Petrol (in litres)	4,227	} 0.33	17,257	0.45
High speed diesel pil (in litres)	30,392		35,861	0.38
Milk bottles (number)	34,735	0.16	..	..
Corrugated tin welding fly (in pieces) .. ..	..	..	225	0.02
		0.49		0.85

Besides, out of a total receipt of 5.59 lakh milk bottles, 10,783 bottles valued at Rs.0.06 lakh were received short from the supplier during the period from 1st July 1972 to 31st August 1973.

- (x) There was no reconciliation of the sales receipts of a particular day/week/month with the quantity of milk issued for sale. Similarly, no reconciliation was made between the quantity of raw milk and other materials put into processing and the output of milk and milk products.
- (xi) As indicated in paragraph 3.4 and 4.3, no standards had been laid for the loss and wastage of milk, bottles and by-products during handling and processing of milk.
- (xii) No records were maintained to reconcile the total fat and solid-not-fat content in milk purchased from day to day with the disposal thereof, even though payments were to be made to the suppliers of milk on the basis of fat and solid-not-fat content in the raw milk. During the period from 1971-72 to 1973-74, 12,506 tonnes of skimmed milk powder (value Rs.687.85 lakhs), as detailed below, were consumed both at the Central and Haringhata dairies to make up the deficiencies of solid-not-fat in the milk issued for distribution:

Year				Quantity of skimmed milk powder consu- med	Value
				(In kilograms)	(In lakhs of rupees)
Haringhata Dairy :					
1971-72	..	..	..	16,095	0.89
1972-73	..	..	..	2,66,335	14.65
1973-74	..	..	..	4,36,355	24.00
Central Dairy :					
1971-72	..	..	..	36,43,418	200.39
1972-73	..	..	..	40,41,679	222.29
1973-74	..	..	..	41,02,447	225.03

(xiii) No standard has been laid down for mixing skimmed milk powder with water for producing reconstituted skimmed milk. The percentage of utilisation of skimmed milk powder for production of reconstituted skimmed milk varied widely during different years as shown in the table below :

Year	Quantity of reconstituted skimmed milk used for standard milk (In kg)	Quantity of skimmed milk powder used (In kg)	Percentage of skimmed milk powder to reconstituted skimmed milk
Central Dairy :			
1971-72 ..	87,78,070	8,26,550	9.41
1972-73 ..	30,65,545	3,03,880	9.91
1973-74 ..	43,55,600	4,17,037	9.57
Haringhata Dairy :			
1971-72 ..	98,947	9,309	9.40
1972-73 ..	24,18,817	2,10,907	8.72
1973-74 ..	35,12,088	3,21,765	9.10

Year	Quantity of reconstituted skimmed milk used for production of double-toned milk (In kg)	Quantity of skimmed milk powder used (In kg)	Percentage of skimmed milk powder to reconstituted skimmed milk
Central Dairy :			
1971-72 ..	42,71,300	4,29,079	10.04
1972-73 ..	51,32,057	5,31,128	10.34
1973-74 ..	65,41,760	6,92,653	10.58
Haringhata Dairy :			
1971-72 ..	49,746	5,285	10.62
1972-73 ..	5,77,233	55,428	9.60
1973-74 ..	11,54,547	1,14,590	9.92

The Management stated (August 1974) that though there was no fixed standard proportion of mixing skimmed milk powder with water, the proportion was generally 1 : 9 or 1 : 10 depending on solubility and moisture content.

68.6.3. Sealed tenders were invited on 4th April 1971 for the purchase of 36 lakh half litre milk bottles of ISI specifications. The only tender received was Rs.42.75 per 100 bottles plus excise duty and sales tax. The Tender Committee accepted the offer and an order was placed in October 1971 for the supply of the entire quantity. The supply was completed in

November 1972. The same firm had supplied at the rate of Rs.39.25 per 100 bottles between May and October 1971 when tenders had been invited in January 1971 for purchase of 12 lakh bottles of the same specifications. Had the Department assessed the requirement of bottles correctly there would have been no need to place a fresh order within three months of the earlier purchase. The extra expenditure on the second purchase compared to the rate of earlier purchase amounted to Rs.1.26 lakhs.

68.6.4. An order was placed in December 1972 on the same firm for purchase of 24 lakh half litre milk bottles at the rate of Rs.51.82 per 100 bottles after inviting fresh tender; the delivery was to be effected within six to eight weeks from the date of order. The order did not indicate the number of bottles to be supplied weekly/fortnightly/daily to complete the supply. The firm supplied 18.16 lakh bottles by March 1973 and a further 2.47 lakhs during June 1973. The firm expressed its inability (29th June 1973) to supply the remaining number due to labour trouble in its factory at Rishra. However, the firm agreed to supply 4 lakh bottles from their factory in Bahadurgarh at an extra cost of Rs.7.98 per 100 bottles. The Management accepted the offer and an order was placed with the firm in July 1973. Four lakh bottles were accordingly supplied between 11th July and 5th August 1973, which involved an extra expenditure of Rs.0.32 lakh.

68.7. Organisation

68.7.1. The Scheme is managed by the Milk Commissioner, West Bengal, who is assisted by other officers, viz., Dairy Engineers, Dairy Development Officer, Deputy Milk Commissioners and Sales Officers in accordance with the powers delegated to them. The total number of officers employed on the Scheme was 65 as on 31st March 1974.

68.7.2. No project report had been prepared when the Scheme was implemented. The Management stated (April 1969) that it was not possible to indicate the staff strength with reference to the installed capacity. The table below indicates the number of staff employed and the expenditure incurred on the establishment during the three years ended 1973-74:

Year	Number of staff		Total	Expenditure on salaries and wages (In lakhs of rupees)		
	Regular	Muster roll				
1971-72	3,541	1,355	4,896	122.24
1972-73	3,879	1,516	5,395	141.53
1973-74	3,935	1,856	5,791	151.80

While the staff strength increased by 18 per cent by the end of 1973-74, the volume of milk produced and sold increased by 16 per cent, with the result that the average annual turn-over per employee decreased from Rs.12,701 in 1971-72 to Rs.12,446 in 1973-74. During the same period, the average annual cost per employee increased from Rs.2,497 to Rs.2,621

68.7.3. Expenditure on account of overtime allowance to the staff has been increasing steadily from year to year as will be seen from the following table:

	1971-72	1972-73	1973-74
	(In lakhs of rupees)		
Expenditure on salaries and wages ..	119.74	137.98	146.31
Expenditure on overtime	2.50	3.55	5.49
Percentage of overtime to salary and wages	2.1	2.6	3.7

Payment on account of overtime allowance to the Transport Department of the Scheme accounted for 71.3, 61.4 and 45.3 per cent of the total expenditure on overtime during 1971-72, 1972-73 and 1973-74 respectively.

68.8. Sundry debtors

68.8.1. Personal ledger accounts and advance registers maintained at the Central Dairy, Belgachia and the Haringhata Dairy revealed that Rs.2.20 lakhs (Haringhata Dairy: Rs.1.34 lakhs and Central Dairy: Rs.0.86 lakh) representing advances given to different officers of the organisation for purchase of spare parts, stationery articles, repair of vehicles, etc., up to 31st March 1974 remained unadjusted (October 1974).

The delay in adjustment has been attributed by the Management (March 1975) to:

- (a) delay owing to inter-sectional correspondence or correspondence with suppliers to settle disputes regarding quality or quantity of supplies made,
- (b) delay in receipt of Government orders in cases where the expenditure needed sanction,
- (c) delay in issuing modified orders where necessary,
- (d) delay in obtaining full supply against orders, and
- (e) lapse on the part of the defaulting officers in making adjustment of the advances.

68.8.2. In February 1971, Government permitted the customers to make payment by cheques, money orders, drafts and postal orders. Large number of cheques and drafts received, were not encashed in time. As the Department apprehended in May 1972 a loss of Rs.11.28 lakhs on this account, payment in cash only was re-introduced with effect from June 1972. A special cell set up in the Commercial and Enforcement Branch of the Directorate to deal with cases of dishonoured and uncashed cheques, etc., has been able to realise a sum of Rs.6.68 lakhs so far (March 1975). Rupees 4.60 lakhs are still to be recovered. The Management stated in September 1974 that the recovery could not be made due to non-availability of or incomplete address of the customers.

68.8.3. The balances under sundry debtors as on 31st March 1974 (taking into account recoveries up to October 1974) amounted to Rs.25.97 lakhs. The table below indicates the position of debts due from Government departments and private parties :

Year to which the debts relate				Due from Govern- ment depart- ments	Due from private parties
<i>(In lakhs of rupees)</i>					
Up to 1966-67	..	..	..	3.03	0.17
Balances pertaining to 1967-68 to 1970-71	..		..	0.71	0.27
1971-72	..	..	..	0.41	..
1972-73	..	..	..	1.29	..
1973-74	..	..	..	16.16	3.93
				21.60	4.37

The Management stated in November 1974 that the chances of recovery of Rs.19,626 lying outstanding against 33 private institutions and 93 individuals were remote and, therefore, write off of this amount was under consideration.

68.8.4. Loans are granted by the Milk Commissioner to licensees in the Haringhata Milk Colony to purchase milch cattle on the condition that the loan together with interest thereon at 8 per cent per annum is repaid by them within 210 to 270 days by deduction from the bills for milk supplied to the Scheme. The table below indicates the position in regard to the loans disbursed during the five years ended 1973-74 :

Year				Amount allotted by Go- vernment for sanction- ing of loans	Amount of loans disbursed	Number of animals covered by loans disbursed
<i>(In lakhs of rupees)</i>						
1969-70	..	..	..	7.39	5.19	1,068
1970-71	..	..	..	2.00	1.90	390
1971-72	..	..	..	8.00	4.35	448
1972-73	..	..	..	7.00	6.56	675
1973-74	..	..	..	8.00	6.38	656

If all the milch cattle purchased out of the loans sanctioned under the Scheme since 1969-70 had been retained in the colony, the total number as on 1st April 1974 would not have been less than 3,237 as against the actual strength of 1,776. There is no provision in the loan agreement to retain the loanee's cattle in the milk colony after clearance of the loan, including interest.

68.9. *Financial results*

68.9.1. Although the Scheme is run on commercial lines (declared as commercial in August 1950), *pro forma* accounts have not been prepared since 1967-68. The accounts for 1966-67 showed a loss of Rs.100.75 lakhs. In the absence of the *pro forma* accounts, the financial results of the Scheme for later years are not known. However, in statements circulated in February 1973 and March 1974 with the annual budget documents of Government, the following position was indicated for the three years ended 1973-74 :

	1971-72 Actuals	1972-73 Actuals	1973-74 Estimated
<i>(In lakhs of rupees)</i>			
Total capital outlay at the end of the year	817.38	887.11	978.94
Income <i>plus</i> closing stock	656.42	823.61	1,011.00
Expenditure <i>plus</i> opening stock	751.63	974.68	1,214.40
Cash loss during the year	95.21	151.07	203.40
Depreciation	35.91	36.13	39.82
Interest	48.46	51.14	55.98
Net loss for the year	179.58	238.34	2.9920

68.9.2. The Public Accounts Committee in their Report (March 1973) on the Appropriation Accounts and the Finance Accounts for 1966-67 and 1967-68 and the Audit Reports thereon, expressed their surprise that the commercial principles of accounting were yet to be introduced. The Committee were of opinion that such default was fraught with grave consequences. The Committee impressed on the Department that drawing up of the actual trading and profit and loss account was of paramount importance.

68.9.3. No Accounting Manual has been prepared (March 1975). The Directorate stated (November 1972) that the State Government was considering the question of framing an Accounting Manual for all the commercial undertakings of the Government.

68.10. *Other topics of interest***A. Idle equipment**

68.10.1. As a result of shortfall in procurement of the required quantities of raw milk, the following machines purchased for manufacturing milk powder, cheese and butter could not be put to use :

Name of machine	Cost <i>(In lakhs of rupees)</i>	Date of purchase	Date of commissioning	Lying idle from	Remarks.
(a) Double-drum dry milk machine	0.33	February 1962	Not yet commissioned	February 1962	The machine received under reimbursible procurement programme of UNICEF is awaiting disposal (March 1975)
(b) Pilot size plant for producing cheese	0.47	June 1964	Not yet commissioned	June 1974	The Management stated (August 1974) that before finally deciding to dispose of the plant it is being examined if it can be profitably utilised for salvaging substandard milk.
(c) Butter making plant	2.30	May 1964	January 1966	April 1972	The machine has not produced any butter since 1972-73
(d) Butter wrapping machine	0.35	April 1965	January 1967	July 1969	The Management stated (November 1974) that the machine would be brought to working condition when required.

68.10.2. A complete set of pasteurisation plant (cost Rs.1.89 lakhs) acquired in February 1974 has neither been installed nor even inspected so far (March 1975). It is lying in packed condition. Ninety per cent of its cost was paid to the supplier in February 1974.

B. Sale of subsidised milk

68.10.3. The Food and Agricultural Organisation, under the auspices of UNICEF sponsored a milk conservation project in India in 1959. Under this project the UNICEF offered material assistance in the form of plant and equipment to the extent of Rs.88.37 lakhs (\$16,00,000) towards the establishment of the Central Dairy, Belgachia. Under the Scheme, the Directorate was committed to distribute double toned milk among the low income population in the city at a subsidy of not less than 6 paise per litre and thereby to liquidate the total matching commitment of Rs.132.56 lakhs (1.5 times the value of the UNICEF assistance) of the State Government by December 1972. The Scheme came into operation in December 1963.

The table below indicates the total quantity of double toned milk sold at subsidised rate and the amount of matching commitment liquidated by the Directorate up to the year 1973-74:

Year	Quantity of milk sold at subsidised rate	Amount of matching commitment liquidated
	(In lakh litres)	(In lakhs of rupees)
December 1963 to March 1964 ..	0.84	0.05
1964-65	13.83	0.83
1965-66	37.39	2.36
1966-67	40.42	3.23
1967-68	40.50	3.24
1968-69	39.09	3.13
1969-70	34.08	2.73
1970-71	32.36	2.59
1971-72	33.49	2.68
1972-73	36.37	2.91
1973-74	45.45	3.64
Total ..	353.82	27.39

The Directorate stated in February 1974 that it had tried to boost the sale of subsidised double-toned milk in order to liquidate the matching grant, but due to countrywide crisis of skimmed milk powder the sale could not be boosted.

C. Transport

68.10.4. A fleet of 175 vehicles of various types is maintained under the Scheme. Out of these, 55 were lying idle as on 31st March 1974, the number remaining idle for more than one year being 43.

The Management stated in November 1974 that machining and overhauling jobs were being delayed due to non-availability of crank shaft, engine head, pistons, etc. As no records showing the vehicle-wise cost of repairs and maintenance were maintained, it was not possible to ascertain the cost of repairs and maintenance of each type of vehicle or to assess whether the maintenance of any of these vehicles was uneconomical.

68.10.5. Although about 30 per cent of the fleet was lying idle for over one year, the Directorate is still maintaining full complement of running and maintenance staff (maintenance staff—267 and drivers—268, the total maintenance staff and drivers relating to idle vehicles being 170).

68.10.6. The Directorate procured 20 chassis of vehicles during March-April 1974 from a local firm at a total cost of Rs.16.89 lakhs for constructing milk vans. Though tenders were invited in May 1974 for body building, these were finalised only in March 1975 and a Calcutta firm was entrusted

with the work of body building. Seven chassis have been shifted to work site of the contractor and the remaining chassis are lying in the Central Dairy in the open yard (March 1975).

D. Extent of demand met

68.10.7. The daily requirement of milk in Greater Calcutta area was estimated by the Milk Commissioner in December 1974 at 13.16 lakh litres by the end of 1975. The Directorate took up the following expansion programme during the Fourth Five-Year Plan to meet the demand up to 7.50 lakh litres :

- (a) Re-arrangement and reuovation of Haringhata Dairy to enable it to function as fluid milk plant capable of distributing 50,000 litres of milk per day.
- (b) Expansion of Central Dairy at Belgachia to handle 3 lakh litres of milk per day, and
- (c) Establishment of a liquid milk plant at Dankuni near Calcutta to handle 4 lakh litres of milk per day.

Expansion work under items (a) and (b) has been completed at a cost of Rs.85.77 lakhs (up to December 1974) but the same has not yet been commissioned owing to non-availability of milk. Work under item (c) is still continuing (March 1975).

Although the Scheme has been functioning for about 13 years now, it has been able to meet only about 12 per cent of the milk requirement of Greater Calcutta.

COMMERCE AND INDUSTRIES DEPARTMENT

69. Directorate of Cinchona and other Medicinal Plants

69.1. Introduction

The West Bengal Government Directorate of Medicinal Plants started functioning from 1st August 1955. It was merged in January 1970 with the Directorate of Cinchona which had been looking after the cultivation of cinchona. Apart from the cultivation of cinchona, the Directorate has been growing other medicinal plants, viz., ipecac, cardamom, etc., in the four plantations at Mungpoo, Munsong, Rongo and Latpanchar.

69.2. Production

69.2.1. Quinine is derived from the bark of cinchona tree. In the plantation the cinchona trees have a life cycle of 16 years. Bark is obtained in three stages mentioned below :

- (a) Thinning and salvaging operations are carried out in the fourth and twelfth years of the plant when a yield of about 100 to 120 kg. of bark (dried) per acre is expected each time. In this process, some branches are lopped off and plants with unsatisfactory growth are uprooted.

- (b) 'Coppicing' operation is carried out in the eighth year when the plant is cut at a height of about 6 to 8 inches from the ground level and the entire bark from the cut plant is taken. About 700 to 800 kg. of bark are expected to be recovered from one acre during this operation.
- (c) The plant is uprooted in the sixteenth year when a yield of about 1,000 to 1,200 kg. of bark per acre is expected.

69.2.2. The area under cultivation of the main products and the actual production achieved in the four plantations during the five years ending 1973-74 are given in the Annexure. The production of cinchona bark per acre of land varied in the different plantations, as shown in the following table :

			(Kg. per acre)			
			1970-71	1971-72	1972-73	1973-74
Mungpoo	..	..	1,343	2,803	2,094	2,071
Munsong	..	..	3,259	2,015	3,086	1,462
Latpanchar	..	..	3,704	3,097	5,660	2,992
Rongo	..	..	4,574	4,095	2,391	5,975

The Directorate have not intimated the reasons for the variations in the yield per acre in the four plantations from year to year.

69.2.3. Owing to eradication of malaria in the country in early fifties and growing use of synthetic drugs and availability of cheaper quinine produced in Indonesia, there was a slump in the market for the Indian quinine. Thereafter, the cultivation of emetine-yielding Ipecac plants was taken up to divert labour used on cinchona cultivation. Government ordered in July 1955 that the annual production of quinine sulphate and harvesting of cinchona bark should be reduced, the production of cinchona febrifuge should be stopped for the next two or three years, the area under cinchona should be gradually reduced by about 2,000 acres over a period of five to six years and the cultivation of other commercial crops should be taken up. The experimental production of maize, potatoes, etc., did not show encouraging results and, therefore, the cultivation of tung nuts, cardamom and coffee were continued since July 1955 as major subsidiary crops. It was decided by Government in 1967 to gradually reduce the coffee block as it was found to be uneconomical. In all 45,262 kg. of coffee (cost Rs.5.53 lakhs) were produced between 1961-62 and 1971-72 and Rs.1.99 lakhs were realised by sale of coffee.

69.2.4. As regards tung nuts and cardamoms, the following table indicates the expenditure incurred on their production and the sales revenue during the three years ending 1973-74 :

		Production	Expendi- ture	Sales	Closing stock	
		(In kg)		(In rupees)	(In kg)	
<i>Tung</i>						
1971-72	15,840	57,718	1,05,444	20,329
1972-73	46,868	59,505	86,379	23,389
1973-74	45,759	19,375	2,75,603	6,848
<i>Cardamom</i>						
1971-72	2,119	29,314	27,911	3,289
1972-73	3,304	30,778	Nil	6,593
1973-74	5,050	36,159	Nil	11,643

The cultivation of cardamom has not been profitable. The Directorate stated (July 1974) that steps were being taken to dispose of the old stocks by inviting tenders.

69.2.5. Cultivation of ipecac commenced in July 1953 following the slump in the demand for quinine and diversion of land under cinchona to other products. The roots and stem of the plant contain emetine, a drug widely used for treatment of amoebic dysentery. Up to 1971-72 the Directorate produced 1,67,801 kg. of ipecac at a cost of Rs.305.11 lakhs and realised Rs.187.35 lakhs from sales of 1,53,144 kg. (approximately). But the advent of synthetic drug (emetine) in the market from 1972-73 seriously affected the demand and cultivation of ipecac thereafter has not been found to be profitable. The following table shows the total expenditure on cultivation of ipecac and the sales receipts during the three years ending 1973-74 :

				Total expendi- ture incurred	Sales receipts	
				(In lakhs of rupees)		
1971-72	..	..	..	54.00	22.62
1972-73	..	..	..	53.02	4.15
1973-74	..	..	..	54.06	4.13
Total				..	161.08	30.90

New planting of ipecac was stopped from 1974-75. The existing blocks, however, would be maintained till maturity (i.e., about four years) and nucleus cultivation would be carried out thereafter to provide for future expansion, if necessary. As on 31st August 1974, the Directorate had in stock 33,494 kg. of ipecac valued about Rs.43.54 lakhs. The Directorate stated (July 1974) that efforts were being made to dispose it of.

69.2.6. Demand for Indian quinine picked up after 1962 because of additional demand for quinine and quinine derivatives for use in analgesic drugs, restorative tonics, soft drinks and in the treatment of cardiac ailments. Therefore, the Directorate prepared in 1965-66 a working plan for the period 1965-66 to 1985-86 for increasing the area under cultivation of cinchona from 3,567 acres to 4,252 acres and the production of cinchona bark from 8.05 lakh kg. to 9.31 lakh kg. Government also directed in January 1965 to increase the production of quinine in the Mungpoo factory to 24,000 kg. and later to 30,000 kg, if justified by demand, and to replant with improved strains of cinchona trees an area not exceeding 4,000 acres.

69.2.7. The table below indicates the area under cinchona and the yield during the years 1970-71 to 1973-74, according to the working plan and that achieved :

		1970-71	1971-72	1972-73	1973-74
Area under cinchona (acres)	Working plan ..	2,919.19	2,966.30	2,997.30	3,038.30
	Actual	3,413.91	3,575.97	3,655.72	3,494.44
Yield of bark (kg)	.. Working plan	6,19,834	6,24,210	6,13,110	6,56,460
	Actual	5,99,197	4,94,880	7,01,182	5,88,643

Note : The table excludes the Rongo plantation which was not included in the working plan.

While the targets in regard to area had been achieved, the targets in respect of bark production had not been achieved during the last four years. Taking into account the various types of operations, *viz.*, thinning, coppicing and uprooting, the estimated yield of cinchona bark per acre, according to the working plan and that actually achieved was as follows :

Year				Estimated yield	Actual yield	
(In kg per acre)						
1971-72	4,194	2,571
1972-73	4,296	3,613
1973-74	3,613	2,178

69.2.8. The yield per acre in respect of each of the plantations, compared to that assumed in the working plan during the three years ending 1973-74 was as shown below :

	(All figures in kg)								
	Uprooting			Coppicing			Thinning		
	1971-72	1972-73	1973-74	1971-72	1972-73	1973-74	1971-72	1972-73	1973-74
As per working plan	2,158	2,200	2,159	1,800	1,800	1,120	236	296	334
Actual yield									
Mungpoo	1,848	1,304	1,092	280	577	803	475	213	176
Munsong	700	1,984	1,010	1,186	1,011	322	129	91	130
Latpanchar	1,919	2,258	1,994	708	2,271	716	470	631	282

69.2.9. The Directorate assessed in June 1962 that about 11 lakh lb of bark (5 lakh kg.) had to be produced if 35,000 lb (15,910 kg.) of marketable quinine sulphate were to be produced at the rate of recovery of about 3.2 per cent. It was also estimated that on an average, for bark yield of 2,138 kg. per acre, and uprooting and coppicing of 1/16th of the acreage each year, 3,745 acres had to come under cinchona cultivation. On this basis the target of yield set in the working plan, viz., 9.31 lakh kg. of bark could be achieved only if 6,973 acres were brought under cinchona against 4,252 acres indicated in the working plan.

69.2.10. The average percentage of quinine content in the cinchona barks during the five years ending 1973-74 was as follows :

1969-70	1970-71	1971-72	1972-73	1973-74
4.12	3.97	3.94	3.84	3.84

The reasons for the deterioration in the yield have not been investigated by the Directorate.

69.2.11. A Research Section was set up at Mungpoo in 1953 with a Soil Chemist and a Horticulturist, with the object of raising the quinine content of the bark. A Soil Expert from the Government of India who visited the plantation in November 1954 pointed out that the yield was gradually decreasing because of deterioration in fertility of soil. He recommended a reconnaissance soil survey of the area to be completed first within a specified period and investigations to be carried out on the role of fertilisers in the growth of cinchona trees and qualities of bark. The requisite staff recommended for the purpose were sanctioned by the Government in November 1957. The Expert visited the plantations again in November 1958 and September 1968. In 1968 he observed that most of the sanctioned staff as per his recommendations had not been recruited. He stressed the importance of carrying out research as a continuous process and recommended further strengthening of the Research Station.

69.2.12. Out of the total nine technical staff members sanctioned in November 1957 for the Soil Wing, six posts had not been filled up to March 1975. The formula for quantum of fertiliser to be applied, fixed in 1967 for the cinchona extension areas, continues to be followed even now (April 1974). The plantation Management of Mungpoo stated (January 1973) that a systematic programme for application of fertilisers could not be introduced because of absence of technical staff in the Soil Wing and of authentic soil maps.

69.2.13. A Horticultural Wing was set up in 1953 at Mungpoo to improve the quality of cinchona tree for increasing both the quantity and the quinine content in the bark. The post of Horticulturist has been lying vacant from March 1965; the post of Assistant Horticulturist was also vacant from 1970 to January 1978.

69.2.14. The Directorate commenced a scheme in 1953 for improvement of quinine content of cinchona plants. As the scheme reportedly failed to achieve this objective it was given up in 1973. The expenditure on the scheme in Mungpoo plantation alone amounted to Rs.1.16 lakhs during 1970-71 to 1972-73.

69.3. *Factory*

69.3.1. The quinine factory at Mungpoo has the capacity to process 8.8 lakh kg. of dry bark per year. The manufacturing process consists of extracting quinine and other alkaloids by first reducing the bark to a fine powder, mixing it with lime and dissolving it in a solvent oil in the presence of caustic soda. The alkaloids dissolved in the oil are extracted by the reaction of sulphuric acid. The quinine sulphate, so formed, is purified by repeated crystallisation and treated with activated carbon for whitening. The other alkaloids contained in the solution, such as quinidine, cinchonine, etc., are recovered by adding caustic soda and other agents.

69.3.2. The following table gives the total quantity of bark processed in the factory during the five years ending 1973-74 and the actual quantity of various products manufactured.

Year	Products manufactured					
	Total quantity of bark processed	Percentage to rated capacity	Quinine sulphate	Quinidine	Febrifuge	
	(In kilograms)			(In kilograms)		
1969-70	.. 6,82,800	77	24,460	32.50	6,242	
1970-71	.. 8,09,700	92	27,020	89.00	6,372	
1971-72	.. 6,97,400	79	26,260	95.01	6,576	
1972-73	.. 5,36,400	60	19,300	450.00	4,895	
1973-74	.. 7,09,200	80	23,760	1,050.00	5,552	

69.3.3. There is no system whereby the quinine content in a particular batch of bark is assessed so as to check whether in the process of actual manufacture the entire quinine and alkaloid contents have been extracted. However, the records maintained in the factory show that the efficiency of recovery was about 89 to 90 per cent since 1971. A committee set up by the Government of India in 1966 to prepare a programme for developing and expanding the production of cinchona and quinine products observed (May 1966) in their report that by improving the efficiency of extraction and crystallisation by using modern equipment, the efficiency of recovery could go up to 97 to 98 per cent. There was, however, no indication of the cost involved or the type of modernisation visualised.

69.3.4. The Directorate informed Government in May 1967 that it was aware of the drawbacks of the existing method and that it was contemplating a complete modification of the extraction process to that employed in the

European quinine factories. A project report for modernisation of the factory was obtained from a firm of engineers in Bombay in April 1970 at a cost of Rs.15,000. As the Directorate could not prepare any phased programme for implementing the modernisation scheme, Government kept the scheme in abeyance in January 1971. Out of Rs.30 lakhs sanctioned by Government in 1966-67, Rs.73,498 were spent up to 1970-71 on the scheme. The factory Management stated (November 1973) that further improvement in the efficiency of extraction was not possible unless a close circuit system was adopted.

69.3.5. The factory with an annual installed capacity to process 8.8 lakh kg. of bark is capable of handling about 3,200 kg. per day. The number of days the factory worked and the reasons for days lost during the three years ending 1973-74 are given below :

	1971-72	1972-73	1973-74
Number of days the factory worked	261	225	257
Reasons for days lost :			
(a) Want of cinchona bark .. ..	..	9	..
(b) Want of solvent oil and other materials ..	3	28	..
(c) Other reasons (strike, breakdown, etc.) ..	21	23	28
Total days lost ..	24	60	28

69.3.6. The more important raw materials and chemicals used in the factory are solar oil, caustic soda, lime and sulphuric acid. No norms have been laid down regarding their consumption in the manufacture of quinine. The actual consumption recorded during 1972-73 and 1973-74 per 100 kg. of bark processed was as follows :

	1972-73	1973-74
Solar oil (litre)	8	13
Caustic soda (kg.)	9	9
Sulphuric acid (kg.)	7	8
Lime (kg.)	9	10

Standards have also not been fixed for measuring the production of salts, viz., quinine hydrochloride, quinidine sulphate, etc., with reference to the production of quinine sulphate and cinchona febrifuge so as to assess the efficiency of production.

69.3.7. In 1970 the factory developed a technique for isolation of quinidine sulphate from cinchona febrifuge. One hundred kilograms of the febrifuge was expected to yield 16 kg. of quinidine sulphate and 6 to 8 kg. of quinine sulphate. The average price of quinidine sulphate was Rs.595 per kg. and that of febrifuge Rs.63 per kg. Even after the technique of isolating quinidine was known, the Directorate exported 11,500 kg. of cinchona febrifuge during the years 1969-70 to 1972-73. Had quinidine

sulphate and quinine sulphate been isolated from it, the Directorate could have earned an additional revenue of Rs.3.70 lakhs. The estimated cost of isolation against the additional revenue could not, however, be furnished by the Directorate.

69.3.8. The committee set up by the Government of India in 1966 for development and expansion of production observed that it would be more profitable to re-locate the factory in the plains as the cost of movement of dried bark might be less than the cost of moving other materials, viz., coal, furnace oil, chemical solvents, etc. The Directorate also confirmed in May 1967 that it would be more economical to re-locate the factory in the plains after modernisation but the detailed economies of such re-location were not available.

69.4. *Marketing*

69.4.1. The Directorate has a sales depot in Calcutta which handles all the sales—domestic as well as export sales. Domestic sales are effected to commercial and manufacturing firms on the basis of the recommendations of the Drugs Controllers in the respective States. Sales to medical practitioners are made by the Director of Cinchona and other Medicinal Plants. In the case of individuals, sales up to 100 grms per head are made by Sales Manager. A Sales Committee appointed by Government in July 1968 examined the tenders received and negotiated with the parties for export sales.

69.4.2. The quantity of quinine products manufactured and sold during the five years ending 1973-74 are given below :

Year	Opening balance		Production in factory.	Total	Sales	Issued to process	Total disposal (4+5)	Closing stock		Difference (+) (-)	
	(a) In factory (b) in sales depot	(1)						(2)	(3)		(4)	(5)	(6)	(7)	(8)
1969-70	..	(a) 4,642 (b) 3,024	29,965	37,631	23,886	6,503	30,389	(a) 5,081 (b) 2,889	7,970	(+) 728	
				(All figures in kg.)							
1970-71	..	(a) 5,081 (b) 2,889	44,045	52,015	23,508	20,124	43,632	(a) 3,149 (b) 5,306	8,455	(+) 72	
1971-72	..	(a) 3,149 (b) 5,306	36,610	45,074	20,491	12,125	32,616	(a) 6,955 (b) 3,011	9,966	(-) 2,492	
1972-73	..	(a) 6,955 (b) 3,011	28,985	38,961	16,928	11,612	28,540	(a) 6,277 (b) 3,232	9,509	(-) 902	
1973-74	..	(a) 6,277 (b) 3,232	29,120	38,629	21,761	6,700	28,461	(a) 8,258 (b) 2,837	11,095	(+) 927	

Note : The difference in column 8 above was attributed to non-finalisation of stores accounts by the Directorate (October 1974).

The table below indicates the domestic and export sales during the five years ending 1973-74 :

Year	Domestic sales			Export sales		
	Quantity (Kg.)	Value <i>(In lakhs of rupees)</i>	Average value per kg. <i>(Rupees)</i>	Quantity (Kg.)	Value <i>(In lakhs of rupees)</i>	Average value per kg. <i>(Rupees)</i>
1969-70 ..	12,471	25.92	280	11,415	44.16	395
1970-71 ..	9,183	23.75	258	14,325	50.79	354
1971-72 ..	5,461	16.70	305	15,030	52.98	352
1972-73 ..	5,578	17.95	322	11,350	54.53	480
1973-74 ..	6,461	18.63	270	15,300	106.93	699

As may be seen from the above, the average sales realisations were higher in the case of export sales.

69.4.3. The Directorate stated (July 1974) that unauthorised diversion of quinine, earmarked for domestic consumption, to export market was being checked by requesting the Drugs Controllers in the States to exercise greater vigilance while recommending allotment of cinchona products to manufacturers within their respective States and to verify from the records of the firms that the quinine products purchased were actually utilised in the manufacture of authorised products. The Customs and Enforcement authorities were also stated to be exercising checks to prevent smuggling out of cinchona products.

69.4.4. Internal selling prices are fixed by Government with reference to the cost of production. The price so fixed has to be approved by the Government of India under the Drugs (Prices Control) Order, 1970. The prices were last revised in April 1974.

69.4.5. Export demand commenced from 1964-65. Export sales had been made through Indian exporting agency on the basis of open tenders. It was seen that only eight to ten Indian firms had been quoting and lifting quinine for export. Attempts made by the Directorate in 1967-68 and 1968-69 to invite global tenders were not successful since the prices offered were not found to be reasonable.

69.4.6. Most of the exports went to East European countries, but sales were not routed through Government trading channels. As seen from the bills of lading, the Indian agents earned Rs.11.07 lakhs as commission from the amounts realised from the foreign buyers during the years 1970-71 to 1972-73. The Directorate stated (June 1973) that they were not aware as to why the foreign buyers did not purchase direct, instead of through agents.

As international demand fell in mid-sixties, stocks of quinine accumulated in the sales depot and the factory. A sales committee was set up by the Government in July 1968 to boost the export sales.

69.4.7. The committee appointed by the Government of India in 1966 for development and expansion of production stated (May 1966) that the Cinchona Directorates in Tamil Nadu and West Bengal should try to get the assistance of the Export Promotion Council, the Institute of Foreign Trade, the Basic Chemicals, Pharmaceuticals and Soap Export Promotion Council (CHEMIXIL) and similar agencies instead of negotiating with the exporters individually. The Directorate stated (July 1974) that it had become a member of the Basic Chemical and Pharmaceuticals Export Promotion Council and in the opinion of the Council the Directorate should give preference to Indian exporters rather than to overseas buyers who might not lift the quantities regularly.

69.5. *Manpower analysis*

The Directorate of Cinchona located at Mungpoo and the Directorate of Medicinal Plants located in Calcutta were merged in January 1970 in the Directorate of Cinchona and other Medicinal Plants headed by a Director. The new Directorate is located in Calcutta along with its accounts office and sales wing since March 1970.

In February 1975, Government decided to shift the headquarters of the Directorate from Calcutta to Mungpoo in the interest of regular supervision of plantations. Each of the plantations at Mungpoo, Munsong, Latpanchar and Rongo has a Manager, assisted by Assistant Manager or Divisional Officer for each of the Divisions under the plantation. A Quinologist heads the factory at Mungpoo, assisted by three Assistant Quinologists. The Research Section is also located in Mungpoo. The following senior posts remained vacant for the periods indicated against each:

Quinologist ..	.. From 9th September 1970 to 13th September 1972.
Assistant Quinologist ..	.. All the three posts were vacant from 1st April 1960 to 30th April 1974 except for one post filled up on 1st May 1974.
Soil Chemist ..	.. Vacant from November 1973.
Analytical Chemist ..	.. Vacant from November 1957.
Horticulturist ..	.. Vacant from 1st March 1965.
Soil Surveyor ..	.. Vacant from November 1957.
Assistant Soil Surveyor ..	.. Vacant from November 1957.

69.5.2. The manpower employed in the plantations and the factory at the end of the year and the salaries, wages, etc., paid during the three years ending 1973-74 were as under :

	Manpower at the end of the year						Expenditure on salaries and wages during the year		
	1971-72		1972-73		1973-74		1971-72	1972-73	1973-74
	Officers	Others	Officers	Others	Officers	Others	<i>(In lakhs of rupees)</i>		
Quinine factory	2	197	1	187	1	192	5.35	5.26	5.58
<i>Plantations</i>									
Mungpoo ..	4	1,369	4	1,364	4	1,366	20.14	22.63	23.83
Munsong ..	5	972	4	1,008	3	1,028	16.40	19.27	19.65
Letpanchar	N.A.	N.A.	N.A.	N.A.	2	453	7.94	8.28	8.82
Rongo ..	1	345	1	349	1	349	1.15	1.00	1.13

N. A.—Not available.

In addition, the employees were allowed free supply of firewood for their use, free accommodation, and use of land for cultivation. Arrangements were also made departmentally to supply on 'no-profit no-loss' basis wheat and rice to each worker and his dependants not exceeding three in number, as applicable to labourers working in plantations.

69.6. Accounts

69.6.1. *Pro forma* accounts of the Directorate for the year 1962-63 were received in January 1971, but Government intimated (June 1972) that these accounts were not approved on account of over-valuation of assets. The accounts for the subsequent period from 1963-64 to 1967-68 were received from the Directorate up to September 1974. As the accounts for the year 1962-63 had not been approved by Government, the accounts from 1963-64 onwards could not be taken up for audit. The matter is under correspondence with Government for expediting the valuation of assets. The financial results as shown in the unaudited accounts are as follows :

<i>(In lakhs of rupees)</i>						
					Capital employed	Profit(+) Loss (-)
1962-63	..	..	..	..	199.65	(-) 0.59
1963-64	..	..	..	..	183.03	(-)19.50
1964-65	..	..	..	..	139.00	(-)24.17
1965-66	..	..	..	..	80.20	(+)32.25
1966-67	..	..	..	..	45.50	(+)67.32
1967-68	..	..	..	..	103.72	(+)17.37

Pending finalisation of revaluation of assets, no *pro forma* accounts have been received from the organisation for the years 1968-69 onwards.

The table below indicates the working results (on cash basis) of various activities, on the basis of data supplied by the Directorate, for the three years ending 1973-74:

				(In lakhs of rupees)		
				1971-72	1972-73	1973-74
<i>Cinchona/Quinine</i>						
Receipts	..	..	..	78.14	73.47	125.60
Expenditure	..	..	..	62.68	67.32	79.70
Profit	..	..	..	(+)15.46	(+) 6.15	(+)45.90
<i>Ipecac</i>						
Receipts	..	..	..	22.62	4.15	4.13
Expenditure	..	..	..	54.00	53.00	54.00
Loss	..	..	..	(-)31.38	(-)48.85	(-)49.87
<i>Tung nuts</i>						
Receipts	..	..	..	1.05	0.86	2.76
Expenditure	..	..	..	0.58	0.59	0.19
Profit	..	..	..	(+) 0.47	(+) 0.27	(+) 2.57
<i>Cardamom</i>						
Receipts	..	..	..	0.28	Nil	Nil
Expenditure	..	..	..	0.29	0.31	0.36
Loss	..	..	..	(-) 0.01	(-) 0.31	(-) 0.36

Ipecac cultivation was declared as commercial scheme with effect from 1973-74. Separate *pro forma* accounts were to be prepared in respect of that scheme from 1st April 1973 onwards.

69.6.2. The factory does not follow any process costing system and, therefore, the cost of each process, including the effect of idle time, cannot be calculated. The costs of production per kg. worked out by the Directorate in 1969-70 and 1972-73 were as follows:

	Quinine sulphate		Cinchona fabrifuge	
	1969-70	1972-73	1969-70	1972-73
	Rs.	Rs.	Rs.	Rs.
Direct conversion cost	18.53	22.02	18.53	22.02
Cost of materials and labour	4.13	5.24	0.78	1.44
Packing cost	2.40	3.70	1.34	1.45
Overhead charges	15.21	14.40	4.68	4.33
Total	40.27	45.36	25.33	29.24

Cinchona bark was priced at Rs.6.25 per kg. in the calculations made in 1969-70 and at Rs.9.68 per kg. in 1972-73. But even in the Mungpoo Plantation where no additional expenditure was necessary for the transportation of bark to the factory, 1.32 lakh kg. of bark had been produced during 1972-73 at a cost of Rs.16.97 lakhs which worked out to Rs.12.86 per kg.

ANNEXURE

(Referred to in paragraph 89. 2.2)

Mungpoo plantation

	1969-70	1970-71	1971-72	1972-73	1973-74
1. Land used for Cinchona including land kept fallow for Cinchona extension (<i>in acres</i>)	1,646	1,698	1,526	1,587	1,611
2. Cinchona bark produced (<i>in lakh kilograms</i>)	1.30	0.75	0.73	1.32	1.26
3. Land under Ipecac (<i>in acres</i>) ..	317	317	317	317	317
4. Ipecac produced (<i>in lakh kilograms</i>)	0.10	..	0.05	0.05	0.06
5. Land under Cardamom (<i>in acres</i>)	92	92	92	92	92
6. Cardamom produced (<i>in lakh kilograms</i>)	0.01	0.01	0.01	0.02	0.02
7. Land under Tung (<i>in acres</i>) ..	285	235	197	197	97
8. Tung produced (<i>in lakh kilograms</i>)	0.11	0.12	0.10	0.10	0.03
9. Land under other forests and jungle (<i>in acres</i>)	5,510	5,509	4,535	5,452	5,500
10. Value of produces realised (<i>in lakhs of rupees</i>)	0.05	0.05	0.07	0.04	0.05

ANNEXURE—*contd.*

Munsong plantation

	1969-70	1970-71	1971-72	1972-73	1973-74
1. Land used for Cinchona including land kept fallow for Cinchona extension (<i>in acres</i>)	2,763	2,789	2,767	2,711	2,917
2. Cinchona bark produced (<i>in lakh kilograms</i>)	3.59	3.64	2.62	3.59	2.71
3. Land under Ipecac (<i>in acres</i>) ..	..	..	..	..	..
4. Ipecac produced (<i>in lakh kilograms</i>) ..	..	..	..	..	..
5. Land under Cardamom (<i>in acres</i>)	105	105	105	105	34
6. Cardamom produced (<i>in lakh kilograms</i>)	0.004	0.03	0.01	0.02	0.03
7. Land under 'Tung (<i>in acres</i>) ..	437	437	437	418	398
8. Tung produced (<i>in lakh kilograms</i>)	0.45	0.54	0.48	0.34	0.40
9. Land under other forests and jungle (<i>in acres</i>)	270	270	270		0
10. Value of produce realised (<i>in lakhs of rupees</i>)	0.14	0.27	0.29	1	0.7

ANNEXURE—*contd.*

	Latpanchar plantation				
	1969-70	1970-71	1971-72	1972-73	1973-74
1. Land used for Cinchona including land kept fallow for Cinchona extension (<i>in acres</i>)	1,071	1,071	1,133	1,133	1,161
2. Cinchona bark produced (<i>in lakh kilograms</i>)	1.51	1.61	1.60	2.10	1.92
3. Land under Ipecac (<i>in acres</i>) ..	14	14	18	18	18
4. Ipecac produced (<i>in lakh kilograms</i>)	..	0.004	0.002	0.01	0.01
5. Land under Cardamom (<i>in acres</i>)	..	..	..	..	..
6. Cardamon produced (<i>in lakh kilograms</i>)	..	..	..	..	..
7. Land under Tung (<i>in acres</i>) ..	85	85	18	18	4
8. Tung produced (<i>in lakh kilograms</i>)	0.02	0.07	0.01	0.03	0.02
9. Land under other forests and jungle (<i>in acres</i>)	788	788	788	788	788
10. Value of produces realized (<i>in lakhs of rupees</i>)	0.08	0.07	0.07	0.08	0.10

ANNEXURE—*concl.*

Rohgo plantation

	1969-70	1970-71	1971-72	1972-73	1973-74
1. Land used for Cinchona including land kept fallow for Cinchona extension (<i>in acres</i>)	200	208	204	210	310
2. Cinchona bark produced (<i>in lakh kilograms</i>)	0.29	0.22	0.27	0.40	0.39
3. Land under Ipecac (<i>in acres</i>) ..	..	..	..	..	..
4. Ipecac produced (<i>in lakh kilograms</i>)	..	..	..	..	..
5. Land under Cardamom (<i>in acres</i>)	..	..	..	..	..
6. Cardamom produced (<i>in lakh kilograms</i>)	..	..	..	..	..
7. Land under Tung (<i>in acres</i>) ..	..	..	..	—	—
8. Tung produced (<i>in lakh kilograms</i>)	..	..	..	—	—
9. Land under other forests and jungle (<i>in acres</i>)	3,276	3,267	3,272	3,266	3,166
10. Value of produces realised (<i>in lakhs of rupees</i>)	0.14	0.10	0.16	0.16	0.15

CHAPTER IX

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

70. **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 enable it to expedite their settlement.

The following table shows the number of audit observations issued up to the end of March 1974 and outstanding at the end of September 1974 as compared with the corresponding position indicated in two preceding reports :

(1)	As at the end of September 1972 (2)	As at the end of September 1973 (3)	As at the end of September 1974 (4)
Number of observations	8,510	8,845	8,109
Amount (<i>In crores of rupees</i>)	28.13	30.23	41.20

The following Departments have comparatively heavy outstanding observations :

Serial No. (1)	Department (2)	Number (3)	Amount (4) <i>(In lakhs of rupees)</i>
1.	Relief and Welfare	1,095	27,10.32
2.	Animal Husbandry and Veterinary Services	223	7,96.73
3.	Agriculture and Community Development (Agriculture Branch)	497	99.18
4.	Education	1,107	76.48
5.	Information and Public Relations	42	55.89
6.	Health and Family Planning (Public Health Branch)	314	50.75
7.	Cottage and Small Scale Industries	201	49.70
8.	Irrigation and Waterways	89	41.24
9.	Home (Constitution and Election)	601	36.63
10.	Agriculture and Community Development (Community Development Branch)	1,151	35.78
11.	Finance	55	29.11
12.	Development and Planning (Town and Country Planning Branch)	16	27.97
13.	Home (Transport)	81	26.78
14.	Scheduled Castes and Tribes Welfare	285	22.86

The following are some of the major reasons for which audit observations have remained outstanding :

Serial No.	Nature of observation	Number	Amount
(1)	(2)	(3)	(4)
			<i>(In lakhs of rupees)</i>
1.	Detailed contingent bills for lump sum drawals not received ..	2,354	37,50.76
2.	Payees' receipts, vouchers, etc., not received	1,336	1,43.28
3.	Sanctions for contingent and miscellaneous expenditure not received	594	72.20
4.	Sanctions for establishment not received	547	60.65

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 the Audit Officer by the 25th of the month succeeding that to which the abstract contingent bills relate.

In the absence of detailed contingent bills, it is difficult for Audit to know whether the amount has been spent on the purpose or purposes for which the advances were drawn. Rupees 37,50.76 lakhs are held under observations as detailed contingent bills have not been received in the Audit Office. The Departments with comparatively heavy outstandings are mentioned below :

Department	Amount
	<i>(In lakhs of rupees)</i>
Relief and Welfare	27,08.68
Animal Husbandry and Veterinary Services	7,91.02
Education	68.11
Health and Family Planning	42.09
Finance	27.96
Agriculture and Community Development (Agriculture Branch) ..	27.70
Home (Constitution and Election)	22.44
Home (Transport)	21.72
Information and Public Relations	19.85

It will be seen that a sizeable portion of the total outstandings is due to non-submission of payees' receipts and vouchers. The Departments with comparatively heavy outstandings on this count were:

Department	Number	Amount (In lakhs of rupees)
Information and Public Relations	21	36.48
Scheduled Castes and Tribes Welfare	205	18.99
Agriculture and Community Development (Agriculture Branch) ..	82	14.94
Education	139	11.26
Home (Constitution and Election)	173	10.04
Agriculture and Community Development (Community Development Branch)	67	6.13

71. Outstanding inspection reports: Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to Heads of Offices and to the next higher Departmental authorities through audit inspection reports. The more important irregularities are reported to the Heads of Departments and the Government. The Government has prescribed that first replies to inspection reports should be sent by the Heads of Offices to the respective Heads of Departments within three weeks from the date of receipt of the inspection reports. The Heads of Departments should further transmit such explanations along with their comments to the Accountant General within two months from the date of receipt of the explanation from their subordinate offices.

At the end of September 1974, inspection reports issued up to March 1974 were not settled fully as shown below with corresponding figures for the earlier two years:

(1)	As at the end of Septem- ber 1972	As at the end of Septem- ber 1973	As at the end of Septem- ber 1974
	(2)	(3)	(4)
Number of inspection reports	9,389	10,389	9,005
Number of paragraphs	50,574	55,752	48,166

The following Departments have comparatively heavy outstanding inspection reports:

Serial No.	Department			Number of inspection reports	Number of paragraphs
(1)	(2)			(3)	(4)
1.	Agriculture and Community Development	..	..	1,925	13,263
2.	Health and Family Planning	..	..	921	4,442
3.	Board of Revenue	..	..	422	4,256
4.	Public Works	..	..	548	3,992
5.	Irrigation and Waterways	..	..	406	3,253
6.	Refugee Relief and Rehabilitation	..	..	726	2,832

Of the 9,005 reports outstanding at the end of September 1974, first replies in respect of 1,002 reports were not received.

T. B. Nagarajan

CALCUTTA,

(T. B. NAGARAJAN)

The 26 AUG 1975 1975.

Accountant General, West Bengal.

Countersigned.

A. Bakshi

(A. BAKSI)

NEW DELHI
The 1 SEP 1975 1975.

Comptroller and Auditor General of India.

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APPENDIX

(Reference : Paragraph 15,

Utilisation certificates awaited in September 1974 for grants paid

Department	Up to 1968-69		1969-70	
	No. of certificates	Amount	No. of certificates	Amount
				<i>(Amounts in</i>
Education	3,081	5,09.41	2,804	11,42.06
Municipal Services	19	80.57	24	1,76.52
Finance (Budget) .. .. .	..	..	..	..
Health and Family Planning (Medical Branch) ..	186	40.97	169	70.06
Public Works	369	1,03.25	91	19.56
Co-operation	162	68.96	97	17.20
Agriculture and Community Development ..	9	7.96	5	5.20
Relief and Welfare	47	8.85	7	2.96
Refugee Relief and Rehabilitation	46	12.06	17	4.21
Housing	12	23.51	..	..
Scheduled Castes and Tribes Welfare ..	..	..	..	..
Health and Family Planning (Public Health Branch).	..	..	..	..
Home (Defence)	1	0.01	2	0.02
Animal Husbandry and Veterinary Services ..	..	..	..	..
Judicial .. .. .	..	..	..	..
Finance (Audit) .. .. .	..	..	20	0.14
Cottage and Small Scale Industries .. .. .	..	..	..	..
Home (Political) .. .. .	..	..	2	0.26
Panchayats	2	0.05	2	0.11
Home (General Administration)	7	0.02	6	0.03
Home (Transport)	1	0.05
Information and Public Relations
Total	3,941	8,55.62	3,247	14,38.38

I (a)

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by Government up to 31st March 1973

1970-71		1971-72		1972-73		Total	
No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount
4,490	16,36.17	7,060	21,23.70	6,012	25,56.05	23,447	79,67.39
13	2,07.58	11	4,39.94	14	4,01.44	81	13,06.05
1	0.10	2	1,00.25	5	5,67.50	8	6,67.85
151	62.80	216	70.81	205	65.93	927	3,10.57
115	31.78	127	32.94	135	35.04	837	2,22.57
43	15.27	53	16.25	75	39.34	430	1,57.02
4	0.60	17	27.70	20	41.72	55	83.18
307	12.32	82	32.04	33	18.29	476	74.46
12	3.98	20	7.26	30	10.62	125	38.13
4	2.20	..	..	1	0.17	17	25.88
..	..	86	3.20	145	8.16	231	11.36
..	..	..	..	71	8.40	71	8.40
..	..	1	2.76	1	0.14	5	2.93
..	..	..	.	11	1.58	11	1.58
1	0.25	..	..	1	0.20	2	0.45
23	0.26	..	..	..	..	43	0.40
..	..	29	0.10	47	0.26	76	0.36
..	..	..	..	..	..	2	0.26
1	0.02	..	..	..	..	5	0.18
7	0.02	..	..	..	..	20	0.07
..	..	..	..	..	..	1	0.05
..	..	..	..	1	0.02	1	0.02
5,172	19,73.35	7,704	28,56.95	6,807	37,54.86	26,86	1,08,79.16

(Lakhs of rupees)

APPENDIX I(b)

(Reference : Paragraph 15, Page 21)

Statement showing the names of grantees in respect of whom utilisation certificates for Rs. 5 lakhs and above are awaited

Department sanctioning the Grant	Grantees	Up to 1968-69	1969-70	1970-71	1971-72	1972-73	Total
Education	Calcutta University ..	..	..	..	..	1,17.52	1,17.52
	Jadavpur University ..	..	..	..	..	1,10.06	1,10.06
	Rabindra Bharati University ..	..	..	..	..	22.94	22.94
	Regional Engineering College, Durgapur ..	..	..	..	..	19.01	19.01
	Scottish Church College ..	..	..	..	..	9.16	9.16
	Surendra Nath College ..	..	..	..	..	6.29	6.29
	Vidyasagar College ..	..	..	..	..	7.90	7.90
	Asutosh College ..	..	..	..	..	6.33	6.33
	Bangabasi College ..	..	..	..	..	7.26	7.26
	City College ..	..	..	..	..	6.27	6.27
	Acharya Prafulla Chandra Polytechnic ..	..	..	..	..	7.02	7.02
	Central Calcutta Polytechnic ..	..	..	..	..	5.09	5.09
	Jnanachandra Ghosh Polytechnic ..	..	..	..	..	6.32	6.32
	Ramkrishna Mission Silpapith, Belghoria ..	..	..	..	..	6.39	6.39
	Ramkrishna Mission Boys' Home, Narendrapur.	..	..	..	..	13.61	13.61

Indian Association for Cultivation of Science, Jadavpur.	..	..	..	..	..	5.12	5.12
Technical Teachers' Training Institute	..	..	..	..	..	12.28	12.28
Atomic Energy Commission	..	..	..	..	..	5.76	5.76
Sainik School, Purulia	..	..	..	..	..	5.25	5.25
Kalyani, University ..	..	18.21	..	..	33.97	20.54	1,00.30
North Bengal University	..	..	..	..	24.38	32.35	72.28
Burdwan University	..	..	..	..	23.50	15.37	58.87
District School Board, Purulia ..	..	..	..	..	54.97	63.79	2,12.15
District School Board, Bankura	..	..	..	..	92.66	68.65	2,58.30
District School Board, Hooghly	..	..	..	..	19.55	26.97	1,15.85
District School Board, Nadia ..	..	..	..	..	6.65	48.97	1,13.62
District School Board, Howrah ..	..	..	..	..	46.53	21.60	1,52.43
District School Board, Burdhum	..	..	..	..	95.60	1,43.27	2,88.77
District School Board, Burdwan	..	..	..	..	1,90.65	50.07	2,71.57
District School Board, West Dinajpur	..	27.36	..	24.50	81.08	20.73	1,97.34
Public Works .. Calcutta Corporation	..	5.50	..	..	5.50	..	11.00
Co-operation .. Jalpaiguri District Central Co-operative Bank Ltd.	..	..	..	..	(a)6.48	..	6.48
West Bengal State Co-operative Bank Ltd.	..	..	..	..	..	..	20.00
Agriculture and Community Development .. Kalyani University	..	..	..	..	..	26.45	63.60
Total	..	51.07	24.50	6,81.52	5,88.76	10,26.29	23,22.14

(a) Omitted to be included in the previous year.

APPENDIX II

(Reference : Paragraph 16, Page 21)

Cases where the verification and acceptance of balances have been unduly delayed

Heads of Account	Number of acceptances awaited	Earliest year from which acceptances are awaited	Balance on 31st March 1974 (In lakhs of rupees)
O—Public Debt—			
Loans from the Central Government ..	58	1969-70	8,12,59.63
Q—Loans and Advances by State and Union Territory Governments—			
Loans to Local Funds, Private Parties, etc.—			
(i) Loans to Municipal Corporations and Municipalities.	529	1964-65	14,23.28
(ii) Loans to District and Other Local Fund Committees.	178	1962-63	2,70.74
(iii) Loans to Co-operative Institutions and Banks.	14	1972-73	2,54.43
(iv) Loans and Advances under Community Development Programme.	10	1972-73	2,78.47
(v) Loans to Displaced Persons ..	99	1967-68	26,60.11
(vi) Advances to cultivators	6	1970-71	30,99.44
(vii) Loans to Statutory Corporations, Boards and Government Companies.	9	1965-66	1,51,98.21
(viii) Miscellaneous Loans and Advances ..	52	1971-72	65,87.66
T—Deposits and Advances—			
(i) Deposits of Local Funds	95	1970-71	15,45.39
(ii) Deposits on account of cost price of liquor, ganja and bhang.	2	1968-69	48.92
(iii) Deposits for work done for Public Bodies or private individuals.	289	1968-69	4,42.26
(iv) Personal Deposits	1,145	1971-72	9,11.63

APPENDIX III

APPENDIX III

(Reference : Paragraph 18, Page 23)

Grants/appropriations in which supplementary provisions were obtained and the extent to which they remained unutilised or proved inadequate

Particulars of grants/appropriations	Voted or charged	Amount of grant/appropriation		Total	Actual expenditure	Saving—Excess+
		Original	Supplementary			
(In lakhs of rupees)						
(4) Grants/appropriations in which the supplementary provisions proved unnecessary—						
11—Parliament, State/Union Territory Legislature	Voted	71.25	0.45	71.70	55.13	-16.57
17—Miscellaneous Departments—Excluding Fire Services	Voted	7,30.16	22.34	7,52.50	6,86.94	-65.56
22—Agriculture—Agriculture	.. Voted	24,84.66	2,74.69	27,59.35	24,64.05	-2,95.30
26—Industries—Industries	.. Voted	8,49.20	51.88	9,01.08	8,15.65	-85.43
33—Irrigation	.. Voted	35,91.40	4,47.69	40,39.09	31,15.66	-9,23.43
41—Stationery and Printing	.. Voted	1,27.07	1.46	1,28.53	1,13.52	-15.01
48—Miscellaneous—Other Expenditure.	Miscellaneous Voted	15,85.18	1,46.81	16,81.94	14,25.83	-2,56.11
..	Charged	3.21	5.17	8.38	..	-8.38
52—Capital Outlay on Multipurpose River Scheme—Damodar Valley Project	Voted	4,93.50	30.26	5,23.76	4,45.28	-78.48
54—Capital Outlay on Schemes of Government Trading	Voted	14,11.46	24.76	14,36.22	10,44.18	-3,92.04

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APPENDIX

(Reference : Paragraph 15,

Utilisation certificates awaited in September 1974 for grants paid

Department	Up to 1968 69		1969 70	
	No. of certificates	Amount	No. of certificates	Amount
Education	3,081	5,09.41	2,804	11,42 06
Municipal Services . . .	19	80 57	24	1,76 52
Finance (Budget) .. .	..	..	..	..
Health and Family Planning (Medical Branch) ..	186	40 97	169	70 06
Public Works	369	1,03 25	91	19 56
Co-operation	162	68 96	97	17 20
Agriculture and Community Development ..	9	7 96	5	5 20
Relief and Welfare	47	8 85	7	2 96
Refugee Relief and Rehabilitation	46	12 06	17	4 21
Housing	12	23 51	..	..
Scheduled Castes and Tribes Welfare ..	..	..	..	..
Health and Family Planning (Public Health Branch).	..	..	..	..
Home (Defence)	1	0.01	2	0 02
Animal Husbandry and Veterinary Services ..	..	..	..	..
Judicial .. .. .	..	..	..	..
Finance (Audit) .. .. .	..	..	20	0.14
Cottage and Small Scale Industries ..	..	..	..	..
Home (Political) .. .. .	..	..	2	0 26
Panchayats	2	0.05	2	0 11
Home (General Administration)	7	0.02	6	0 03
Home (Transport) .. .. .	..	..	1	0.05
Information and Public Relations .. .. .	..	..	..	..
Total	3,941	8,55.62	3,247	14,38.38

(Amounts in

I (a)

Page 20)

by Government up to 31st March 1973

1970-71		1971-72		1972-73		Total	
No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount
4,490	16,36.17	7,060	21,23.70	6,012	25,56.05	23,447	79,87.39
13	2,07.58	11	4,39.94	14	4,01.44	81	13,06.05
1	0.10	2	1,00.25	5	5,07.50	8	6,67.85
151	62.80	216	70.81	205	65.93	927	3,10.57
115	31.78	127	32.94	135	35.04	837	2,22.57
43	15.27	53	16.25	75	39.34	430	1,57.02
4	0.60	17	27.70	20	41.72	55	83.18
307	12.32	82	32.04	33	18.29	476	74.46
12	3.98	20	7.26	30	10.62	125	38.13
4	2.20	..	..	1	0.17	17	25.88
..	..	86	3.20	145	8.16	231	11.36
..	..	..	..	71	8.40	71	8.40
..	..	1	2.76	1	0.14	5	2.93
..	..	..	..	11	1.58	11	1.58
1	0.25	..	..	1	0.20	2	0.45
23	0.26	..	..	..	..	43	0.40
..	..	29	0.10	47	0.26	76	0.36
..	..	..	..	..	..	2	0.26
1	0.02	..	..	..	..	5	0.18
7	0.02	..	..	..	..	20	0.07
..	..	..	..	..	..	1	0.05
..	..	..	..	1	0.02	1	0.02
5,172	19,73.85	7,704	28,56.95	6,807	37,54.86	26,86	1,08,79.16

lakhs of rupees)

APPENDIX I(b)

(Reference : Paragraph 15, Page 21)

Statement showing the names of grantees in respect of whom utilisation certificates for Rs. 5 lakhs and above are awaited

Department sanctioning the Grant	Grantees	Up to 1968-69	1969-70	1970-71	1971-72	1972-73	Total
Education	Calcutta University ..	..	..	..	..	1,17.52	1,17.52
	Jadavpur University ..	..	..	..	..	1,10.06	1,10.06
	Rabindra Bharati University ..	..	..	..	..	22.94	22.94
	Regional Engineering College, Durgapur ..	..	..	..	..	19.01	19.01
	Scottish Church College ..	..	..	..	..	9.16	9.16
	Surendra Nath College ..	..	..	..	..	6.29	6.29
	Vidyasagar College ..	..	..	..	..	7.90	7.90
	Asutosh College ..	..	..	..	..	6.33	6.33
	Bangabasi College ..	..	..	..	..	7.26	7.26
	City College ..	..	..	..	..	6.27	6.27
	Acharya Prafulla Chandra Polytechnic ..	..	..	..	..	7.02	7.02
	Central Calcutta Polytechnic ..	..	..	..	..	5.09	5.09
	Jnanachandra Ghosh Polytechnic ..	..	..	..	..	6.32	6.32
	Ramkrishna Mission Silpaitih, Belghoria ..	..	..	..	..	6.39	6.39
	Ramkrishna Mission Boys' Home, Narendrapur.	..	..	..	..	13.61	13.61

Indian Association for Cultivation of Science, Jadavpur.	..	..	..	..	5-12	5-12
Technical Teachers' Training Institute	..	..	..	..	12-28	12-28
Atomic Energy Commission	..	..	..	..	5-76	5-76
Sainik School, Purulia	..	..	..	..	5-25	5-25
Kalyani, University ..	18-21	..	..	..	27-58	1,00-30
North Bengal University	..	..	..	..	15-55	72-28
Burdwan University	..	..	..	..	20-00	58-87
District School Board, Purulia ..	..	..	..	..	93-39	2,12-15
District School Board, Bankura	..	..	..	..	96-99	2,58-30
District School Board, Hooghly	..	..	..	..	68-33	1,15-85
District School Board, Nadia ..	..	..	..	..	58-00	1,13-62
District School Board, Howrah ..	..	..	..	..	84-30	1,52-43
District School Board, Birbhum	..	..	..	..	49-90	2,88-77
District School Board, Burdwan	..	..	..	..	30-85	2,71-57
District School Board, West Dinajpur	..	27-36	..	..	43-67	1,97-34
Public Works .. Calcutta Corporation	..	5-50	..	..	..	11-00
Co-operation .. Jalpaiguri District Central Co-operative Bank Ltd.	..	..	..	..	..	6-48
West Bengal State Co-operative Bank Ltd.	..	..	..	..	20-00	20-00
Agriculture and Community Development .. Kalyani University ..	..	..	..	..	37-15	63-60
Total ..	51-07	24-50	6,81-52	5,88-76	10,26-29	23,22-14

Omitted to be included in the previous year.

APPENDIX II

(Reference : Paragraph 16, Page 21)

Cases where the verification and acceptance of balances have been unduly delayed

Heads of Account	Number of acceptances awaited	Earliest year from which acceptances are awaited	Balance on 31st March 1974 (In lakhs of rupees)
O—Public Debt—			
Loans from the Central Government ..	58	1969-70	8,12,59.63
Q—Loans and Advances by State and Union Territory Governments—			
Loans to Local Funds, Private Parties, etc.—			
(i) Loans to Municipal Corporations and Municipalities.	529	1964-65	14,23.28
(ii) Loans to District and Other Local Fund Committees.	178	1962-63	2,70.74
(iii) Loans to Co-operative Institutions and Banks.	14	1972-73	2,54.48
(iv) Loans and Advances under Community Development Programme.	10	1972-73	2,78.47
(v) Loans to Displaced Persons ..	99	1967-68	26,80.11
(vi) Advances to cultivators	6	1970-71	30,99.44
(vii) Loans to Statutory Corporations, Boards and Government Companies.	9	1965-66	1,51,98.21
(viii) Miscellaneous Loans and Advances ..	52	1971-72	65,87.66
T—Deposits and Advances—			
(i) Deposits of Local Funds	95	1970-71	15,45.39
(ii) Deposits on account of cost price of liquor, ganja and bhang.	2	1968-69	48.92
(iii) Deposits for work done for Public Bodies or private individuals.	289	1968-69	4,42.26
(iv) Personal Deposits	1,145	1971-72	9,11.63

APPENDIX III

APPENDIX III

(Reference : Paragraph 18, Page 23)

Grants/appropriations in which supplementary provisions were obtained and the extent to which they remained unutilised or proved inadequate

Particulars of grants/appropriations	Voted or charged	Amount of grant/appropriation		Total	Actual expenditure	Saving—Excess+
		Original	Supplementary			
<i>(In lakhs of rupees)</i>						
(i) Grants/appropriations in which the supplementary provisions proved unnecessary—						
11—Parliament, State/Union Territory Legislature	Voted	71.25	0.45	71.70	55.13	-16.57
17—Miscellaneous Departments—Excluding Fire Services	Voted	7,30.16	22.34	7,52.50	6,86.94	-65.56
22—Agriculture—Agriculture	Voted	24,84.66	2,74.69	27,59.35	24,64.05	-2,95.30
26—Industries—Industries	Voted	8,49.20	61.88	9,01.08	8,15.65	-85.43
33—Irrigation	Voted	35,91.40	4,47.69	40,39.09	31,15.66	-9,23.43
41—Stationary and Printing	Voted	1,27.07	1.46	1,28.53	1,13.52	-15.01
46—Miscellaneous—Other Expenditure.	Miscellaneous Voted	15,35.18	1,46.81	16,81.94	14,25.83	-2,56.11
..	Charged	8.21	5.17	8.38	..	-8.38
52—Capital Outlay on Multipurpose River Schemes—Damodar Valley Project	Voted	4,98.50	30.26	5,23.76	4,45.28	-78.48
54—Capital Outlay on Schemes of Government Trading	Voted	14,11.46	24.76	14,36.22	10,44.18	-3,92.04

(ii) Grants/appropriations in which the supplementary provisions proved excessive—

3—State Excise Duties	..	..	Voted	1,86.14	17.59	1,53.78	1,40.80	-12.93
38—Famine Relief	..	..	Voted	3,78.08	5,37.11	9,15.19	8,44.01	-71.18
43—Miscellaneous—Contributions	..	..	Voted	14,36.26	1,53.50	15,89.76	14,66.58	-1,23.18
46—Miscellaneous—Youth Services	..	..	Voted	7.02	2.39	9.41	7.08	-2.33
53—Capital Outlay on Public Works	..	..	Charged	..	6.30	6.30	3.08	-3.22

(iii) Grants/appropriations in which the supplementary provisions proved inadequate—

27—Industries—Cottage Industries	..	..	Voted	3,30.48	53.74	3,84.22	4,10.63	+26.41
34—Public Works	..	..	Voted	20,44.87	2,09.75	22,54.62	26,48.79	+3,94.17
39—Pensions and other Retirement Benefits	..	..	Voted	4,27.23	93.13	5,20.36	5,62.86	+42.50
Public Debt	..	..	Charged	82,75.03	1,87,40.21	2,70,15.24	3,25,30.90	+55,65.68

APPENDIX IV

(Reference : Paragraph 21, Page 26)

Savings exceeding Rs. 1 lakh in each case under voted grants/charged appropriations

Serial No.	Number and name of the Grant	Total Grant	Expenditure	Saving	Percentage of saving
A—Voted Grants					
<i>(In lakhs of rupees)</i>					
I—Cases where the savings were 20 per cent or more of the total grant—					
(1)	9—Interest on Debt and Other Obligations.	1,25·00	90·97	34·03	27
(2)	11—Parliament, State/Union Territory Legislature.	71·70	55·13	16·57	23
(3)	23—Agriculture—Fisheries ..	98·81	72·80	26·01	26
(4)	33—Irrigation	40,39·09	31,15·66	9,23·43	23
(5)	37—Road and Water Transport Schemes.	93·26	56·43	36·83	39
(6)	45—Miscellaneous—Sports ..	59·18	41·16	18·02	30
(7)	46—Miscellaneous—Youth Services.	9·41	7·08	2·33	25
(8)	49—Miscellaneous—Expenditure on Displaced Persons.	13,55·42	8,17·49	5,37·93	40
(9)	51—Capital Outlay on Industrial and Economic Development—Public Undertakings.	62·25	45·15	17·10	27
(10)	54—Capital Outlay on Schemes of Government Trading.	14,36·22	10,44·18	3,92·04	27
II—Cases where the savings exceeded 10 per cent but were less than 20 per cent of the total grant—					
(1)	2—Land Revenue	13,09·81	11,25·89	1,83·92	14
(2)	22—Agriculture—Agriculture ..	27,59·35	24,64·05	2,95·30	11
(3)	25—Co-operation	2,03·32	1,79·48	23·84	12
(4)	29—Community Development Projects, etc.	10,92·10	9,17·77	1,74·33	16
(5)	41—Stationery and Printing ..	1,28·53	1,13·52	15·01	12
(6)	44—Miscellaneous—Panchayats	3,70·71	3,12·70	58·01	16
(7)	47—Miscellaneous—Civil Defence	2,05·00	1,72·42	32·58	16
(8)	48—Miscellaneous—Other Miscellaneous Expenditure.	16,81·94	14,25·83	2,56·11	15
(9)	52—Capital Outlay on Multipurpose River Schemes—Damodar Valley Project.	5,23·76	4,45·28	78·48	15
	53—Capital Outlay on Public Works.	11,71·06	9,91·59	1,79·47	15

APPENDIX IV—*Concl'd.*

Serial No.	Number and name of the appropriation	Total appropriation	Expenditure	Saving	Percentage of saving
<i>B—Charged Appropriations</i>					
<i>(In lakhs of rupees)</i>					
(1)	2—Land Revenue	5.70	4.53	1.18	21
(2)	19—Education	1.76	0.48	1.28	73
(3)	28—Industries—Cinchona	1.15	..	1.15	100
(4)	33—Irrigation	2.22	0.05	2.17	98
(5)	43—Miscellaneous—Contributions	3.34	0.32	3.02	92
(6)	48—Miscellaneous—Other Miscellaneous Expenditure.	3.33	..	3.33	100
(7)	49—Miscellaneous—Expenditure on Displaced Persons.	1,23.60	17.55	1,06.05	86
(8)	53—Capital Outlay on Public Works.	6.80	3.03	3.72	55

APPENDIX V

(Reference : Paragraph 22, Page 28)

Unutilised provision due to non-implementation/partial implementation of development schemes

Serial No.	Scheme (Department)	Grant No.	Provision in 1973-74	Saving in 1973-74 (and its percentage)	Remarks	Savings during the previous years (and their percentage).
(1)	(2)	(3)	(4)	(5)	(6)	(7) (8)
A—Development schemes in the State Sector (other than Centrally-sponsored schemes and Central Sector schemes)						
<i>(In lakhs of rupees)</i>						
1.	Lift irrigation by supply of pump sets (Agriculture)	22	74.16	74.16 (100)	Post-budget decision for execution of the scheme through the West Bengal State Minor Irrigation Corporation Ltd.	.. ..
2.	Investment in shares of Co-operative Organisations (Co-operation)	26	1,70.00	72.70 (43)	Economy in expenditure and non-receipt of proposals which fulfilled the conditions for receiving assistance.	.. ..
3.	Integrated subsidised housing scheme for industrial workers and weaker sections of the community (Housing)	48	35.37	30.60 (86)	Diversion of funds for meeting additional requirements under another scheme reasons for which have not been intimated.	.. ..
4.	Development of border district affected by Indo-Pak war (Public Works)	53	25.00	25.00 (100)	Non-sanction of the scheme. . . .	.. ..
5.	Raniganj coalfield area water supply (Public Health)	21	50.00	24.50 (49)	Reasons have not been intimated.	18.37 (37) 25.98 (52) 1971-72 1972-73
6.	Medical education—Medical (Medical and Public Works)	20 53	48.00 15.00	12.36 8.52	Reasons have not been intimated.	17.50 (33) 20.88 (33)

7. Incentive scheme for industrial growth in West Bengal (Industries—Industries)	26	20-00	20-00 (100)	20-00 (100)	1972-73	30-00 (100)
8. Development of Sundarbans area (Agriculture)	22	20-00	19-99 (100)	19-99 (100)	1972-73	12-00 (100)
9. Cattle development project in Malda and West Dinajpur districts (Animal Husbandry)	24 48	12-00 5-00	12-00 4-99	12-00 4-99	..	..
		17-00	16-99 (100)	16-99 (100)		
10. Improvement of transport facilities in Siliguri area (Development and Planning—Town and Country Planning)	32	15-34	15-34 (100)	15-34 (100)	..	..
11. Westinghouse Saxby Farmers Ltd. (Public Undertakings)	51	15-25	15-25 (100)	15-25 (100)	..	..
12. Development of Sundarbans (Development and Planning)	32	35-00	14-85 (42)	14-85 (42)	..	..
13. Agricultural programme—Minor irrigation—Minor drainage schemes (Irrigation and Waterways)	33	27-00	14-76 (55)	14-76 (55)	1971-72 1972-73	24-64 (71) 17-48 (51)
14. Hinghlow irrigation (Irrigation and Waterways)	35	25-00	14-42 (58)	14-42 (58)	..	..
15. Middle income group housing (Housing) ..	48 56	10-00 25-00	8-78 5-33	8-78 5-33	..	..
		35-00	14-11 (40)	14-11 (40)		
16. Urban water supply (for municipalities having population of 20,000 or less) (Public Health)	21	22-00	13-00 (59)	13-00 (59)	1971-72 1972-73	7-98 (32) 11-26 (46)

APPENDIX V—*contd.*

(Reference : Paragraph 22, Page 28)

Unutilised provision due to non-implementation/partial implementation of development schemes

Serial No.	Scheme (Department)	Grant No.	Provision in 1973-74	Saving in 1973-74 (and its percentage)	Remarks	Savings during the previous years (and their percentage).
(1)	(2)	(3)	(4)	(5)	(6)	(7) (8)
17.	Saharajore irrigation Scheme in Purulia district (Irrigation and Waterways)	33	16.00	12.83 (80)	Reasons have not been intimated.	.. ..
18.	Polytechnics—Diploma Course (Public Works)	53	12.47	12.23 (98)	Non-finalisation of schemes. . .	.. ..
19.	Bhuri Shyamsundarpur beel drainage scheme (Irrigation and Waterways)	33	11.00	10.89 (99)	Reasons have not been intimated.	.. ..
20.	Campus Works, Stadium, etc. (Education)	45	30.06	10.88 (36)	Reasons have not been intimated.	.. ..
21.	West Bengal Industrial Infrastructure Development Corporation (Industries—Industries)	26	10.00	10.00 (100)	Imposition of general cut (Rs. 8.00 lakhs) and release of loan instead of grant to the West Bengal Industrial Infrastructure Development Corporation.	.. ..
22.	Strengthening of Education Administration (Education)	19	13.18	9.96 (75)	Reasons have not been intimated.	1972-73 13.28 (78)
23.	Purchase of debentures of Land Mortgage Banks and Agricultural Refinance Corporation (Industries—Industries)	26	27.00	9.51 (35)	Reasons have not been intimated.	1971-72 7.00 (33) 1972-73 33.54 (77)
24.	Incentive for dispersal of small scale industries (Industries—Cottage Industries)	27	10.00	8.81 (88)	Reasons have not been intimated.	1972-73 7.67 (85)

25. Ayurvedic system of Medicine (Medical and Public Works)	20 53	10.25 5.00 <hr/> 15.25	5.58 3.12 <hr/> 8.70 (57)	Reasons have not been intimated	.. ..	..
26. Plant protection including Control of wild animals (Agriculture)	22	20.00	8.04 (40)	Mainly, economy measures and non-availability of pesticides of standard quality.	..	..
27. State Planning Board (Development and Planning)	32	9.80	7.50 (76)	Economy in expenditure and post-budget decision in pursuance of Planning Commission's directives not to create any technical post in the Board.	..	..
28. Establishment and development of seed farms. (Agriculture)	22	10.00	7.16 (72)	Mainly, economy measures, non-availability of equipment and suspension of work by the engineers.	1972-73	5.72 (57)
29. Establishment of seed farms for production of quality seeds through artificial breeding of Indian major carps by hormonal treatment (Fisheries)	33	10.70	6.94 (65)	Reasons have not been intimated.	.. 1972-73	8.52 (71)
30. Post-graduate Medical Education and Research Institutes (Medical and Public Works)	30 53	9.00 4.00 <hr/> 13.00	1.76 3.92 <hr/> 5.68 (44)	Reasons have not been intimated.	.. ..	..
31. Development of derelict fisheries in the State of West Bengal (Fisheries)	23	13.00	5.93 (41)	Reasons have not been intimated.	.. ..	..
32. Agricultural information and publicity (Farm advisory Service) (Agriculture)	22	10.00	4.69 (47)	Mainly, non-finalisation of proposals for production of films on agriculture.	1972-73	5.00 (50)
B—Centrally-sponsored schemes (New schemes)						
1. Investigation and survey of irrigation, drainage and flood control works (Irrigation and Waterways)	33	72.00	67.10 (93)	Reasons have not been intimated.	.. 1970-71	11.22 (75)
					1971-72	15.87 (78)
					1972-73	24.51 (82)

APPENDIX V—contd.

(Reference : Paragraph 22, Page 28)

Unutilised provision due to non-implementation/partial implementation of development schemes

Serial No.	Scheme (Department)	Grant No.	Provision in 1973-74	Saving in 1973-74 (and its percentage)	Remarks	Savings during the previous years (and their percentage).
(1)	(2)	(3)	(4)	(5)	(6)	(7) (8)
2.	Intensive jute district programme (Agriculture)	22	82.00	34.73 (42)	Curtailement on the basis of funds released by the Government of India.	.. ..
3.	Scholarships to scheduled castes students reading in post-secondary stage (Scheduled Castes and Tribes Welfare)	31	60.00	32.11 (53)	Reasons have not been intimated.	.. ..
4.	Agricultural credit stabilisation fund (Co-operation)	25 56	22.50 7.50	18.75 6.25	Non-receipt of proposals which fulfilled the conditions for payment of grants/loans.	1970-71 13.00 (65) 1971-72 19.15 (70) 1972-73 30.00 (100)
			30.00	25.00 (83)		
5.	Soil conservation in the river valley project—Soil conservation works in the upper catchment area of the Kangsabati river (Forest)	42	36.26	21.25 (59)	Release of less funds by the Government of India (Rs. 14.26 lakhs) and partial execution of the work by the Agriculture Directorate (Rs. 6.99 lakhs).	1971-72 12.00 (44) 1972-73 11.01 (41)
6.	Cotton demonstration and development in Sunderbans and coastal belts in West Bengal (Agriculture)	32	39.72	20.49 (51)	Reduction of target.	.. .. 1972-73 10.49 (34)
7.	Margin money to co-operative marketing societies for distribution of fertiliser and other agricultural inputs (Co-operation)	26	50.00	20.00 (40)	Economy in expenditure and non-receipt of proposals which fulfilled the conditions for receiving assistance in the shape of share capital contribution.	1971-72 7.00 (47) 1972-73 50.00 (100)

8. Special package programme on jute in West Bengal (Agriculture)	22	36.10	15.62 (43)	Curtailment of programme on the basis of the Government of India's allocation and requirement of the State.	1972-73	19.20 (39)
9. Setting up of units for processing agricultural produce (Co-operation)	26	20.00	15.03 (75)	Economy in expenditure and non-receipt of proposals which fulfilled the conditions for receiving assistance in the shape of share capital contribution.	1972-73	22.64 (75)
10. National loan scholarships (Education)	56	30.00	14.80 (49)	Reasons have not been intimated.	..	..
11. Family Planning, Maternity and Child Welfare (Health and Family Planning)	48	15.00	14.44 (96)	Reasons have not been intimated.	..	..
12. Development of Hindi and other Languages (Education)	19	27.00	13.58 (50)	Curtailment of programme owing to economy measure (Rs. 9.00 lakhs). Reasons for the remaining saving (Rs. 4.58 lakhs) have not been intimated.	1971-72	15.16 (64) 9.99 (45)
13. Development of co-operative processing societies and cold storages (Co-operation)	56	20.00	13.46 (67)	Curtailment of programme owing to economy measure and non-receipt of adequate proposals.	..	..
14. Control of Tuberculosis (Public Health and Public Works)	21 53	9.00 4.00	6.92 4.00	Non-adoption of any programme (Rs. 4.00 lakhs). Reasons for the remaining saving of Rs 6.92 lakhs have not been intimated.	..	..
		13.00	10.92 (84)			
15. Post-graduate medical education and research (Medical and Public Works)	20 53	16.00 6.50	2.80 6.04	Reasons have not been intimated.	..	..
		16.50	8.84 (53)			
16. Transport (under Family Planning programme) (Health and Family Planning)	21	16.00	8.53 (53)	Reasons have not been intimated.	1972-73	22.96 (69)
17. Establishment of co-operative storage godowns (Co-operation)	56	13.00	8.38 (64)	Curtailment of programme owing to obsolescence of economy and non-receipt of qualified proposals.	..	..

APPENDIX V—*contd.*

(Reference: Paragraph 22, Page 28)

Unutilised provision due to non-implementation/partial implementation of development schemes

Serial No.	Scheme (Department)	Grant No.	Provision in 1973-74	Saving in 1973-74 (and its percentage)	Remarks	Savings during the previous years (and their percentage).
(1)	(2)	(3)	(4)	(5)	(6)	(7) (8)
18.	Establishment and maintenance of rural family welfare planning sub-centres (Health and Family Planning)	21	13.00	8.18 (63)	Reasons have not been intimated.	.. ..
19.	Project for intensive development of small industries in rural areas (Industries—Cottage Industries)	56	11.00	7.85 (71)	Reasons have not been intimated.	.. ..
20.	Accelerated programme of consumers' co-operatives (Co-operation)	25 26 56	1.40 6.00 3.00	1.22 3.11 2.74	Non-receipt of proposals which fulfilled the conditions for payment of grants/loans (Rs. 3.96 lakhs) and non-sanction of certain proposals by the Government of India (Rs. 3.11 lakhs).	.. ..
			10.40	7.07 (68)		
21.	State Planning Board (Development and Planning)	32	10.00	6.32 (63)	Economy in expenditure and post-budget decision in pursuance of Planning Commission's directives not to create any technical post in the Board.	.. ..
22.	Compensation (under Family Planning programme) for vasectomy (Health and Family Planning)	21	15.50	5.52 (36)	Reasons have not been intimated.	.. ..

C—Central Sector schemes

1. Drainage schemes (Irrigation and Waterways)	33	6,90-00	2,86-45 (41)	Reasons have not been intimated.	..	..
2. Rural water supply—Accelerated programme (Public Health)	21	2,00-00	1,73-50 (87)	Curtailment of expenditure in terms of the Government of India's instructions (Rs. 1,30-00 lakhs). Reasons for the remaining saving (Rs. 43-50 lakhs) have not been intimated.	1972-73	100-00 (100)
3. Crash scheme for rural employment (Agriculture and Community Development—C.S.R.E.)	29	4,50-00	1,51-87 (34)	Mainly, less amount of grant released by the Government of India.	..	..
4. Subsidised housing scheme for plantation workers (Housing)	48 56	10-00 15-00	10-00 14-52 <hr/> 24-52 (98)	Non-payment of subsidy owing to non-completion of work as per terms and conditions (Rs. 10-00 lakhs) and less payment of loans owing to non-renewal of lease of gardens under the Estates Acquisition Act, non-completion of formalities for sanction of loans and suspension of work due to high cost and non-availability of cement at controlled rate.	..	..
5. Pilot intensive rural employment programme (Agriculture and Community Development—C.S.R.E.)	29	20-00	5-38 (27)	Mainly, less amount of grant released by the Government of India.	..	..

APPENDIX VI

(Reference : Paragraph 41, Page 76)

(a) Cases of loss, etc. (each item not exceeding Rs. 5,000) written off in 1973-74

Serial No.	Department	Write off of losses, irrecoverable revenues, duties, advances, etc.		Waiver of recovery	
		Number	Amount Rs.	Number	Amount Rs.
1.	Agriculture and Community Development	40	562	..	..
2.	Animal Husbandry and Veterinary Services	22	3,103	..	..
3.	Board of Revenue	1	800	..	..
4.	Forest	1	890	1	60
5.	Health and Family Planning	1	440	..	..
6.	Home (Police)	2	4,870	..	..
7.	Information and Public Relations	4	5,191	..	..
8.	Land Utilisation and Reforms and Land and Land Revenue	3	276	..	..
9.	Legislative	1	719	..	..
	Total	75	16,851	1	60

(b) Cases of loss, etc. (each item exceeding Rs. 5,000) written off in 1973-74

1.	Information and Public Relations	1	63,800	..	..
	Total	1	63,800	..	..

APPENDIX VII

APPENDIX

(Reference: Paragraph 42,

Cases of misappropriation not finalised

Sl. No.	Department	Reported up to 31st March 1969		Reported in 1969-70		
		No.	Amount	No.	Amount	
			Rs.		Rs.	
1.	Agriculture and Community Development	..	34	2,67,107	11	67,411
2.	Animal Husbandry and Veterinary Services	..	1	5,000	1	17,000
3.	Board of Revenue	.. ..	6	31,685	1	4,034
4.	Cottage and Small Scale Industries	.. ..	3	72,619	1	877
5.	Co-operation	.. ..	..	..	..	..
6.	Education	.. ..	2	9,467	22	2,06,192
7.	Excise	.. ..	2	39,538	..	..
8.	Finance	.. ..	1	1,695	1	116
9.	Food and Supplies	.. ..	8	1,40,601	..	..
10.	Health and Family Planning	.. ..	9	27,682	5	1,39,222
11.	Home (Police)	.. ..	10	84,104	..	..
12.	Home (Tourism)	.. ..	..	..	..	..
13.	Information and Public Relations	.. ..	3	917	..	..
14.	Irrigation and Waterways	.. ..	3	1,50,696	..	..
15.	Judicial	.. ..	1	3,718	1	146
16.	Land Utilisation and Reforms and Land and Land Revenue	.. ..	192	4,65,016	18	27,260
17.	Public Works	.. ..	1	354	..	..
18.	Public Works (Construction Board)	.. ..	1	797	..	..
19.	Relief and Welfare	.. ..	25	73,905	..	..
20.	Refugee Relief and Rehabilitation	.. ..	1	18,268	..	..
	Total	.. ..	303	13,93,169	61	4,62,258

(a) 2 cases (Rs. 3,351) have been transferred from Home (General Administration) Department (1 case for Rs. 787 relating to 1968-69 and 1 case for Rs. 2,564 relating to 1969-70).

(b) 4 cases (Rs. 19,658) have been transferred from Home (General Administration) Department (2 cases for Rs. 12,983 relating to the period up to 1968-69, 1 case for Rs. 4,034 relating to 1969-70 and 1 case for Rs. 2,641 relating to 1971-72).

(c) 1 case for Rs. 116 relating to 1969-70 has been transferred from Home (General Administration) Department.

VII

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on 31st March 1974

Reported in 1970-71		Reported in 1971-72		Reported in 1972-73		Reported in 1973-74		Total	
No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.
7	1,52,237	1	2,617	1	60,492	1	6,961	55	(a)5,56,825
1	26,330	1	6,141	..	..	..	..	4	54,471
34	1,03,434	3	15,898	1	82,236	3	12,478	48	(b)2,49,765
..	..	1	18,505	..	..	..	..	5	92,001
..	..	1	557	..	..	..	..	1	557
2	83,314	..	..	..	..	1	31,800	27	3,30,773
..	..	..	..	..	..	..	..	2	39,538
..	..	..	..	1	228	1	236	4	(c)2,275
..	..	..	..	..	..	..	..	8	1,40,601
6	6,29,134	2	24,794	1	59,172	..	..	23	8,80,004
..	..	2	9,049	..	..	..	..	12	93,153
..	..	..	..	1	1,15,628	..	..	1	1,15,628
..	..	..	..	..	..	..	..	3	917
..	..	2	7,452	..	..	..	..	5	1,58,148
..	..	..	..	..	..	..	..	2	3,864
5	15,712	7	4,264	4	12,227	..	..	226	5,24,479
..	..	..	..	..	..	..	..	1	354
..	..	..	..	..	..	1	78,900	2	79,697
..	..	..	..	..	..	..	..	25	73,905
..	..	..	..	..	..	..	..	1	18,268
55	10,10,161	20	89,277	9	3,29,983	7	1,30,375	455	34,15,223

APPENDIX VIII

(Reference : Paragraph 43(a), Page 85)

(A) Works executed without sanctioned estimate

Serial No.	Department/Division	Works	Year from which expenditure is being incurred	Amount (In crores of rupees)
<i>Irrigation and Waterways</i>				
1.	Bankura Irrigation	.. Excavation of Bishnupur branch canal.	1962-63	1.92
2.	Bankura Irrigation	.. Excavation of Distributory 2 of Bishnupur branch canal.	1962-63	0.56
3.	Bankura Irrigation	.. Excavation of Distributory 4 of Bishnupur branch canal.	1962-63	0.66
4.	Kangsabati Left Bank	.. Construction of Kumari dam ..	1961-62	3.88
5.	Kangsabati Left Bank	.. Construction of Kangsabati earthen dam.	1957-58	2.32
6.	Kangsabati Mechanical	.. Obtaining of earth moving machinery.	1956-57	1.56
7.	Kangsabati Canals II	.. Excavation of tail channel at left bank head regulator at Mukta-manipur.	1960-61	0.55
8.	Kangsabati Canals II	.. Excavation of right bank main canal	1963-64	2.18
9.	Kangsabati Canals II	.. Excavation of Supur main canal ..	1960-61	1.80
10.	Kangsabati Canals V	.. Excavation of Tarafeni south main canal (North).	1964-65	1.28
11.	Kangsabati Canals I	.. Excavation of Garbeta branch canal	1959-60	0.54
12.	Kangsabati Canals IV	.. Excavation of Midnapore branch canal.	1965-66	0.65
13.	Calcutta Drainage Outfall	Remodelling of the C.D.O. system Phase I.	1968-69	1.87
14.	Calcutta Drainage Outfall	Remodelling of the C.D.O. system Phase II.	1970-71	3.01
15.	Mahananda Embankment	Construction of earthen embankment in connection with Mahananda embankment scheme (Fular branch).	1972-73	0.89
16.	Mahananda Embankment	Construction of earthen embankment in connection with Mahananda embankment scheme (Barsai branch).	1972-73	0.52
17.	Mahananda Embankment	Collection of materials in connection with Mahananda embankment.	1972-73	0.77
18.	Salt Lake Reclamation	.. Construction of temporary sheds in N. S. L. for accommodation of Bangladesh area people.	1971-72	0.65

APPENDIX VIII—*concl.*

Serial No.	Department/Division	Works	Year from which expenditure is being incurred	Amount (In crores of rupees)
<i>Irrigation and Waterways</i>				
19.	Salt Lake Reclamation	.. Construction of road in Sector II ..	1971-72	1.00
20.	Salt Lake Reclamation	.. Drainage and sewerage works in N. S. L. area Sector II.	1969-70	0.70
21.	Salt Lake Construction	.. Construction of sewerage and drainage works in Sector II.	1969-70	0.73
22.	Salt Lake Construction	.. Construction of road in Sector II ..	1971-72	0.57
23.	Midnapore Construction	.. Excavation of Reach IV of Dubda Basin Drainage Scheme.	1973-74	0.51
<i>Public Works (Construction Board)</i>				
24.	Rehabilitation Division	.. Construction of hutments at Gamarbani in the district of Bankura for accommodation of evacuees from East Bengal.	1971-72	0.82
<i>Public Works</i>				
25.	Jalpaiguri Construction	.. Expansion of waterways of the road bridge over river Teesta near Jalpaiguri town.	1973-74	0.80
26.	Calcutta Metropolitan Development Authority I.	Construction of new Woodburn Block at N. R. Sarkar Medical College.	1972-73	0.54
Total .. .				31.23

(B) Works on which expenditure exceeded the sanctioned estimate by more than 150 per cent

Serial No.	Department/Division	Works	Sanctioned estimate	Actual expenditure up to March 1974	Percentage of excess over sanctioned estimate	Year in which excess first occurred
<i>(In lakhs of rupees)</i>						
<i>Irrigation and Waterways</i>						
1.	Kangsabati Canals II.	Excavation of Indpur main canal.	27.96	73.42	163	1963.64
2.	Kangsabati Canals III.	Excavation of Bishnupur branch canal.	10.00	55.92	459	1967.68

APPENDIX IX

(Reference : Paragraph 43(b), Page 85)

Department-wise and year-wise analysis of the unvouched outlay on 31st March 1974(i) *Department-wise analysis*

Serial No.	Department			Number of items	Amount (In lakhs of rupees)
1.	Agriculture and Community Development	..	..	2,067	88.80
2.	Irrigation and Waterways	..	..	294	64.82
3.	Public Works (Construction Board)	..	..	203	14.86
4.	Development and Planning	..	..	45	11.82
5.	Public Works	..	..	13	1.84
	Total	..	..	2,622	1,82.14

(ii) *Year-wise analysis*

Year				Number of items	Amount (In lakhs of rupees)
Up to 1969-70	..	..	..	287	55.90
1970-71	..	..	..	318	14.53
1971-72	..	..	..	420	21.42
1972-73	..	..	..	868	44.38
1973-74	..	..	..	729	45.91
	Total	..	..	2,622	1,82.14

APPENDIX X

(Reference : Paragraph 56, Page 117)

Statement showing percentage of utilisation of Government grants for specific purposes as on 31st March 1972 and 31st March 1973

Name of Zilla Parishad	Year of receipt	Amount of grant	Amount utilised	Position as on	Percentage of utilisation
<i>(In lakhs of rupees)</i>					
Burdwan	.. 1966-67	2.46	1.75	31st March 1972	71
West Dinajpur	.. 1966-67 and 1968-69	1.10	0.50	31st March 1972	45
Midnapore	.. 1966-67 to 1968-69	0.84	0.49	31st March 1972	58
Howrah	.. 1965-66 and 1966-67	2.43	1.38	31st March 1973	57
Bankura	.. 1965-66 to 1968-69	1.36	0.50	31st March 1973	37

APPENDIX

*(Reference: Paragraph 66,***Statement showing summarised financial results of departmentally managed**

Serial No.	Name of the concern	Year of account	Capital at close	Mean capital	Free reserve
1	2	3	4	5	6
			Rs.	Rs.	Rs.
1.	Greater Calcutta Milk Supply Scheme.	1965-66	2,66,55,108	2,70,44,541	Nil
2	Scheme for Production of Shark Live: Oil, Fishmeal, etc.	1964-65	71,876	68,024	Nil

XI

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Government commercial and quasi-commercial undertakings

Net block	Deprecia- tion	Turnover	Net Profit(+) Loss(-)	Interest charged added back	Total (10+11)	Percentage of total return on mean capital and free reserve
7	8	9	10	11	12	13
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
2,87,68,250	23,78,567	3,37,06,987	(-)73,18,872	17,11,773	(-)56,06,899	(-)20.70
13,970	3,242	32,177	(+)1,319	4,011	(+)5,330	(+)7.83

APPENDIX XII

(Reference : Paragraph 67, Page 128)

Arrears in preparation of *pro forma* accounts

Serial No.	Name of the scheme/undertaking	Name of the Department	Year from which accounts are due	Remarks
(a) Undertakings whose <i>pro forma</i> accounts have not been prepared since inception :				
1.	Oriental Gas Company's Undertaking.	Commerce and Industries.	1960-61	Amount of compensation payable has not been fixed and gas rental abstracts have not been prepared. The Department stated, (November 1974) that the Tribunal for the purpose of determining the compensation money could not be appointed by Government as the owners of the company had filed a suit in the Supreme Court in 1971 challenging constitutional validity of the Oriental Gas Company Act, 1960 and the matter was <i>sub judice</i> .
2.	Industrial Estates at Kalyani.	} Cottage and Small Scale Industries.	1956-57	The Directorate stated in May 1975 that the accounts could not be prepared for want of trained and qualified personnel.
3.	Industrial Estates at Barnipur.		1958-59	
(b) Other undertakings whose <i>pro forma</i> accounts are in arrears :				
1.	Durgapur Board.	Industries Public Undertakings	1961-62	
2.	Central Organisation.	Engineering Cottage and Small Scale Industries.	1971-72	
3.	Integrated Wood Industries Scheme at Durgapur, Kalyani and Siliguri.	Ditto	.. 1965-66	In September 1970, ' <i>pro forma</i> accounts for each Unit for the period 1960-61 to 1964-65 were received, but the same could not be taken up for audit as the consolidated accounts for the schemes, on which certificate is to be issued, have not been received so far (March 1975).
4.	Directorate of Brick Production (Formerly Brick and Tile Board).	Development and Planning.	1972-73	
5.	Mechanised Brick Factory at Palta.	Ditto	.. 1972-73	
6.	Scheme for Production of Shark Liver Oil, Fishmeal, etc.	Fisheries	.. 1966-67	

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Serial No.	Name of the scheme/undertaking	Name of the Dept.	Year from which accounts are due	Remarks
7.	Silk Reelers' Co-operative and Allied Organisation.	Cottage and Small Scale Industries.	1956-57	
8.	Greater Calcutta Milk Supply Scheme.	Animal Husbandry and Veterinary Services.	1967-68	
9.	Government Cinchona Plantation.	Commerce and Industries.	1962-63	The Directorate of Cinchona and other Medicinal Plants, West Bengal has been submitting <i>ad hoc</i> accounts pending valuation of the assets of the Directorate in the Darjeeling district as at 1st April 1962. The <i>ad hoc</i> accounts could not be taken up for audit as the same were not approved by Government. The Department stated in November 1974 that action on preparation of <i>pro forma</i> accounts was not possible unless the accounts for the base year, viz., 1962-63 was finalised and the report of the Commercial Accounts Officer of the Finance Department in regard to the valuation of the assets was still awaited.
10.	Government Quinine Factory, Mungpoo.			
11.	Quinine Sales Depot, Calcutta.			
12.	Surgical Instruments Servicing Station, Baranipur.	Cottage and Small Scale Industries.	1969-70	
13.	Government Sales Emporia in Howrah and Calcutta.	Ditto	.. 1951-52 to 1962-63 and from 1969-70	
14.	Government Saw Mills, Siliguri.	Forests	.. 1973-74	
15.	Kanchrapara Development Area (Kalyani - Township) Scheme.	Development and Planning.	1961-62	
16.	Consolidated <i>pro forma</i> accounts of "hats" under the management of Government.	Board of Revenue	1972-73	