



सत्यमेव जयते

REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA

FOR THE YEAR ENDED 31 MARCH 1990  
NO. 13 OF 1991

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UNION GOVERNMENT—CIVIL



GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

NEW DELHI

1951

GOVERNMENT OF INDIA

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COMPTROLLER AND AUDITOR GENERAL  
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## PREFATORY REMARKS

This Report for the year ended 31 March 1990 has been prepared for submission to the President under Article 151 of the Constitution.

2. It relates mainly to matters arising from the test audit of the financial transactions of some of the Civil Departments of the Union Government.

3. This Report includes, among others, reviews on :-

- (a) Central Reserve Police Force
- (b) Outside Production, Doordarshan
- (c) Working of Letter Presses at New Delhi

4. This Report also includes reviews on Soil Conservation Schemes and Technology Mission on Drinking Water relating to Andaman and Nicobar Islands Administration.

5. The cases mentioned in this Report are among those which came to notice in the course of audit during 1989-90 as well as those which came to notice in earlier years but could not be dealt with in the previous Reports; matters relating to the period subsequent to 1989-90 have also been included, wherever considered necessary.

MEMORANDUM

The following information was obtained from a review of the records of the Department of the Interior, Bureau of Land Management, regarding the proposed acquisition of land for the establishment of a national monument in the State of California.

The proposed monument is situated in the County of San Diego, California, and covers an area of approximately 10,000 acres. The land is currently owned by private individuals and is being offered for sale to the United States Government.

The proposed monument is of great scientific and historical interest, and its acquisition by the Government is deemed to be in the public interest. It is recommended that the proposed acquisition be approved, and that the necessary steps be taken to complete the purchase of the land.

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## OVERVIEW

The Audit Report for the year ended 31 March 1990 contains 44 paragraphs including 5 reviews. The points highlighted in the Report are given below:-

### **I. Ministry of Home Affairs**

*Central Reserve Police Force:-* The annual expenditure of the CRPF had increased from Rs. 162.40 crores in 1984-85 to Rs. 334.06 crores in 1989-90. According to the CRPF, the growth and development of the force had taken place more in an adhoc and haphazard manner rather than in a planned manner. Against the proposed creation of 13 battalions during 1987-88 to 1990-91, the Ministry sanctioned 10 battalions to be raised during the calendar year 1988 alone; this resulted in considerable difficulties in providing arms and ammunitions to the newly raised battalions. This also strained the training capacity of the CRPF.

The deficiency in some of the arms ranged between 11 and 38 per cent of the authorisation. The shortfall in quantity of arms demanded and quantity supplied ranged between 67 and 100 per cent and ammunition and explosives between 36 and 100 per cent. The shortfall in supply largely affected training and fire practices besides affecting efficiency and effective performance. There was also a necessity of upgradation of arms supplied to the CRPF.

The implementation of CRPF's

plans for modernisation of signal communications was tardy. The induction of new equipment fell short of the quantity demanded by 31 to 78 per cent during 1985-90.

A test check of 27 training courses in telecommunications revealed shortfalls ranging between 15 and 24 per cent of the number of trainees actually called for the course. The shortfall in rotational training to radio operators ranged from 23 to 43 per cent during 1984 to 1989.

Shortfall in utilisation of training capacity of the training institutions ranged from 11 to 46 per cent during 1984 to 1989. No external evaluation system was in existence.

Recruits training centres were unable to meet the training requirements of new recruits; 25,725 recruits were trained in battalions and group centres. The force could not impart rotational training to 3,810 out of 4,572 companies during 1980 to 1989.

The Peace Keeping Elements sanctioned in November 1980 and April 1983 were found in May 1987 to be too heavy a burden on the State Exchequer and were pruned. A sum of Rs.9.53 crores spent on these elements from 1981-82 to 1988-89 thus proved to be largely unproductive.

The CRPF has no system of

monitoring and evaluation.

(Paragraph 1)

*Non-recovery of registration fees and long term visa fees:-* Foreigners coming to India on visa for more than 120 days are required to get themselves registered within seven days of their arrival in India. A fee of Rs.50 is charged from the citizens of Commonwealth countries and Ireland for such registration from 19th June 1984. Audit observed that registration fees amounting to Rs.16.18 lakhs for the period from 1985 to 1990 recoverable by the Foreigners Registration Offices at Bombay, Nagpur and Pune had not been recovered. It was also noticed that long term visa fee chargeable from the foreign nationals whose stay exceeded six months was not being charged by the three Foreigners Registration Offices till September 1988. The three offices started charging the fees and collected revenue totalling Rs.80 lakhs till July 1990.

(Paragraph 2)

II. Ministry of Industry  
(Department of Industrial  
Development)

*Release of funds to the National Federation of Industrial Co-operatives Limited:-* The National Federation of Industrial Co-operatives Limited, had been incurring losses continuously since 1981-82. Examination of the working of the Federation by the Department in 1985 revealed that it had not been meeting the objectives for which it was set up. Department's attempt to revive the Federation did not improve its performance. It continued to incur losses. The Department attributed in 1988 the

poor performance of the Federation to mismanagement and indiscriminate recruitment. The Department continued to release funds totalling Rs.3 crores till 1989-90 without taking effective steps to streamline the working of the Federation.

(Paragraph 3)

*Unfruitful expenditure on excavation of brine supply channel :-* The excavation of a separate brine supply channel of 9 kms length was completed in March 1984 at a cost of Rs.19.87 lakhs to make available undiluted brine to the salt factories in East Godavari district. Against the targetted production of 35000 tonnes of salt, the actual production of salt ranged between 9291 and 24955 tonnes during 1984 to 1989. Thus the purpose for which the channel was excavated had not been secured. Against Rs.6.96 lakhs recoverable from the beneficiaries as their share towards the cost of excavation, only Rs.0.02 lakh could be recovered.

(Paragraph 4)

III. Ministry of Information and  
Broadcasting

*Outside Production - Doordarshan :-* Doordarshan incurred expenditure of Rs.55.92 crores during 1985-90 on programmes produced by outside producers. Doordarshan did not have information regarding the total number of proposals received, contracts entered into and programmes completed each year. 73 programmes contracted with the producers between February 1986 and March 1990 involving advance payments of Rs.203.97 lakhs were pending for completion till October 1990. Fifty programmes received generally between June 1987 and

March 1990 for Rs.121.39 lakhs were awaiting telecast upto October 1990, some of them due to change in the political scenario. No effective action was taken against producers for delays in production, and monitoring by the Kendras was weak. Cases were noted in Audit in which further programmes were allotted to producers who had not delivered the programmes already allotted to them.

Doordarshan did not maintain a panel of producers. The producers were stated to have been selected by the Director General on the basis of their experience or eminence. Doordarshan should lay down criteria for selection of producers for the benefit of producers themselves.

No specific guidelines or norms were issued for functioning of the Costing Committee which assessed the cost of each programme. The Costing Committee should examine the different elements of cost and record their views on the reasonableness of the rate structure.

There was no proper procedure for sharing of copy rights with the producers. Income tax amounting to Rs.71.93 lakhs was not deducted at source from the payments made to the producers.

Lack of co-ordination between two branches of Doordarshan resulted in payment of additional amount of Rs.3.90 lakhs for a programme which had earlier been contracted with the same producer at a lower rate. One programme already produced in-house and telecast thrice in the preceding year was again got produced by an outside producer for Rs.1.25 lakhs. A telefilm which did not find sponsors and was eligible for a royalty of only Rs.0.32 lakh per

telecast was bought outright by Doordarshan for Rs.4 lakhs; the telefilm was telecast twice. Advance payment of Rs.10.5 lakhs was made to a producer in contravention of the prescribed schedule of payment. No schedule of completion was prescribed; the serial which was contracted in February 1989 was still pending completion.

The cost of another film was enhanced from Rs.5 lakhs to Rs.8.50 lakhs without justification. The film was completed after a delay of 14 months and was telecast 31 months later in late night transmission although it was known that the print quality was not worthy of telecast.

The cost of production of seven episodes serial was enhanced from Rs.12.60 lakhs to Rs.14 lakhs; the serial had not been delivered so far despite advance payment of Rs.5.60 lakhs. Another programme for which advance payment of Rs.2 lakhs was made in February 1987 had not been completed. The number of episodes was increased in one case by reducing the duration of episodes, thereby resulting in additional expenditure of Rs.3.50 lakhs for a total increase of only ten minutes. Two programmes for which an advance payment of Rs.9.6 lakhs was made were cancelled after incurring an expenditure of Rs.2.03 lakhs.

(Paragraph 5)

*Purchase of dining hall and shopping complex at Asiad Village Complex, New Delhi:-* Doordarshan paid Rs.8.13 crores in October and November 1986 to the Delhi Development Authority as the cost of dining hall and shopping complex in Asiad Village Complex for establishment of its Central Production Centre. The cost

included Rs.0.27 crore on account of contingent liabilities on account of arbitration cases which were still under arbitration and also interest and maintenance charges thereon at the prescribed rates. As the amount had not been actually incurred by the DDA, this resulted in excess payment of Rs.42.49 lakhs (including Rs.15.49 lakhs on account of interest and maintenance charges). Further Doordarshan had paid Rs.5 crores to DDA in October 1986, but it paid interest even on this amount upto November 1986. This resulted in a further excess payment of Rs.5 lakhs. The ownership of the property had not been formally transferred to Doordarshan, nor any purchase deed/sale deed registered so far.

(Paragraph 6)

*Blocking of funds :-* Doordarshan purchased, in July 1988, one 35mm film-editing and viewing table for editing and viewing films for its Central Production Unit at a cost of Rs.7.08 lakhs including Rs.2.93 lakhs in foreign exchange. The equipment had not been used except for 17 hours on five days in July 1989. The purchase thus, resulted in idle investment and blocking of funds.

(Paragraph 8)

*Non-commissioning of diesel generator set :-* Civil Construction Wing Division No. 1, All India Radio, New Delhi paid Rs.4.51 lakhs in 1987 against the total cost of Rs.4.76 lakhs for 200 KVA diesel generator set alongwith spares, for the Central Production Centre, Doordarshan. The Division did not ensure the engine-witness testing of the equipment at the supplier's works as stipulated in the agreement. During the course of

testing in May 1988, the engine was found incapable of carrying the 10 per cent overload; the alternator was also suspected to be old and got burnt. As a result, the set could not be commissioned; the Division had to hire a set on which an amount of Rs.0.72 lakh including charges for an operator had been spent upto July 1990. Further, work for supply and erection of a new 200 KVA alternator was awarded to another contractor for Rs.1.82 lakhs in January 1991.

(Paragraph 9)

#### IV. Ministry of Steel and Mines

*Idle capital outlay :-* The Geological Survey of India (GSI) purchased through the Director General, Supplies and Disposals (DGSD) a maxiprobe EMR 16 electro-magnetizing prospecting equipment from a foreign firm at a cost of US \$1.80 lakhs (Rs.23.12 lakhs) in July/September 1984. The engineers of the supplier firm, which was inter alia responsible for the installation of the equipment and its demonstration, visited India in October-November 1986 and in the process of testing the equipment, found certain parts defective. These had not been replaced so far. Consequently, the equipment was able to collect data upto 350 metres depth in some areas of Rajasthan instead of its projected capacity of more than one kilometre and remained underutilised for the last six years.

(Paragraph 10)

#### Ministry of Steel and Mines/Urban Development

*Construction of residential quarters at Hyderabad :-* 428 residential

quarters (Type I to V) constructed by the CPWD during June 1985 to January 1988 at a total cost of Rs.420.64 lakhs for the officers of the Geological Survey of India remained unoccupied (June 1990) for want of water and electricity supply. This resulted in loss of licence fee amounting to Rs.11.21 lakhs and avoidable payment of house rent allowance amounting to Rs.50.26 lakhs till June 1990.

The delay in communication of design and drawings to the contractor and supply of materials because of lack of proper planning for procurement also resulted in payment of Rs.8.76 lakhs towards compensation for increase in prices of material and labour.

(Paragraph 11)

#### V. Ministry of Surface Transport (Border Road Development Board)

*Construction of a bridge:-* The contract for construction of a permanent bridge sanctioned by the Ministry of Shipping and Transport at an estimated cost of Rs.48.64 lakhs in September 1982 (revised to Rs.84.25 lakhs in September 1984) was concluded 21 months later in June 1984. The work was to be completed by August 1987, subsequently extended to December 1988. The contract was cancelled in December 1988 at the risk and cost of contractor as the progress of work was only 34.69 per cent. Examination of work by the Technical Examiner during 1986-87 and investigation by three courts of inquiry during June 1988 to April 1989 revealed certain construction defects and cracks etc. Remedial measures suggested by the Technical Examiner were not implemented

properly. The court of inquiry also recommended extra work for protection of foundation which was estimated to cost Rs.5.93 lakhs.

Extra work was necessitated due to lack of effective supervision during construction and non implementation of remedial measures suggested by the Technical Examiner. Even after 18 months of cancellation of the contract, the left over work and extra work for protection of foundation was yet to be contracted.

(Paragraph 12)

#### VI. Ministry of Textiles

*Construction of Crafts Museum:-* Release of funds amounting to Rs.64.90 lakhs in March 1982 and March 1983 by the Ministry of Textiles to the Trade Fair Authority of India for construction of Phase-II, Crafts Museum building even before availability of site resulted in blocking up of funds for about five years. The payment of Rs.1.24 lakhs to the architect for the preparation of drawings was rendered infructuous as the site proposed initially did not become available.

(Paragraph 15)

#### VII. Ministry of Urban Development

*Working of Letter Presses at New Delhi:-* The Government of India Presses are departmentally managed undertakings for executing printing jobs of government publications under over all control of the Directorate of Printing. The Presses cater to the printing needs of Government on "no profit-no loss" basis.

The Minto Road and Ring Road Presses had been employing 1700 and

1300 personnel respectively as in March 1990. The capacity utilisation of printing machines vis-a-vis capacity as assessed by the Directorate in 1986 was upto 19 per cent in Minto Road and 33 per cent in Ring Road Presses during 1986-90. Despite capacity remaining grossly under-utilised, 1634 printing works were got done through private printers at Rs.67 lakhs during 1986-90. Also, an amount of Rs.41 lakhs on account of jobs got executed through private printers was recoverable from the indenting departments.

Bills for 5614 job works completed during October 1985 to August 1987 had not been raised by the Ring Road Press. Further dues amounting to Rs.1381 lakhs for the period 1976-90 in respect of bills raised by Minto Road and Ring Road Presses were pending realisation from the various indenting departments as in March 1990.

In Minto Road Press, metal dross worth Rs.52 lakhs was lying undisposed since 1987 and in another case of disposal of metal dross residue, non-enforcement of terms and conditions of the contract led to a loss of Rs.4.28 lakhs.

(Paragraph 16)

*Expenditure incurred in excess of deposits:-* For financing execution of works of non Government bodies or organisations, deposit representing the estimated cost of work should be realised by Central Public Works Department before incurring any liability. However, a total expenditure of Rs.1188 lakhs in excess of the deposits received was incurred on such works by 36 units

of the Central Public Works Department in Delhi till March 1990.

(Paragraph 17)

*Infructuous expenditure on a water supply scheme:-* Construction of a water supply scheme for providing drinking water to Border Police at Reckong Peo sanctioned in February 1974 and completed in 1981 (except internal distribution system) at a cost of Rs.11.73 lakhs by the CPWD was abandoned as (i) the source of water at an altitude of 10,500 feet was liable to freeze and (ii) the pipeline was not able to withstand pressure and was liable to be damaged by landslides during rainy season.

Detailed survey and investigation had not been done before taking up the execution of the scheme. As a result, Rs.11.73 lakhs incurred on the scheme did not serve the intended purpose. Expenditure of Rs.0.62 lakh was also incurred on dismantling of a portion of the pipeline; the remaining length of the pipeline was not dismantled as it was not considered cost effective to do so.

(Paragraph 18)

*Delay in provision of power connection to residential quarters at Hyderabad :-* Construction of 192 residential quarters at Uppal, Hyderabad for Survey of India personnel was completed during March - June 1988 at a cost of Rs.222.99 lakhs. Wooden boards where electricity meters were to be installed were not fixed till June 1989. The quarters were ultimately handed over to the user department only in August 1989 after provision



of electricity connections. The delay in occupation of the quarters due to failure to take timely action resulted in loss of licence fee of Rs.1.60 lakhs besides avoidable payment of Rs.7.50 lakhs towards house rent allowance.

(Paragraph 19)

#### VIII. Ministry of Water Resources

*Implementation of an irrigation scheme :-* A centrally sponsored scheme to promote efficient use of available water resources through use of solar pumps, wind mills, sprinklers, drip systems, hydrams, water turbines, man or animal operated pumps for stepping up agricultural production was launched in 1982-83.

Progress of installation of irrigation devices in the States was very tardy. There was no effective monitoring and evaluation of implementation of the scheme by the Ministry. Only 45 per cent of central subsidy released to 15 States during 1982-90 was utilised leaving Rs.470 lakhs unutilised till March 1990. The subsidy of Rs.13.38 lakhs was not utilised in three States. Despite the unutilised funds, additional funds were released to two States during 1989-90. The implementation of the scheme was not monitored and there was no evaluation.

(Paragraph 25)

#### IX. Ministry of Welfare

*Provision of rehabilitation services :-* The District Rehabilitation Centre, Kharagpur, established in December 1983 for providing a package of services for rehabili-

tation of disabled population in rural areas, incurred total expenditure of Rs.28.05 lakhs upto March 1989 of which staff, office furniture and equipment alone accounted for Rs.21.58 lakhs. Out of 7807 disabled persons identified, 2176 persons were treated or were under treatment and only 485 persons were actually rehabilitated. Equipment worth Rs.2.19 lakhs purchased during 1984-89 could not be utilised for period ranging upto six years.

(Paragraph 27)

#### X. Union Territories

##### Andaman and Nicobar Islands Administration

*Soil Conservation Schemes :-* Against the target of covering 2,350 hectares at an approved outlay of Rs.26.91 lakhs under the soil conservation schemes, the area actually covered was only 305.65 hectares after incurring expenditure of Rs.8.11 lakhs. Payment of interest amounting to Rs.1.63 lakhs was relaxed by Administration without ensuring whether the minimum follow up programme was carried out by the cultivators.

Against the target of 60,000 samples of soil to be tested for the period 1985-90, only 17,762 samples were tested. Test results of 6,944 soil samples were not made available to cultivators.

Utilisation of tractors was much less than the expected hours of operation; the tractors were hired to the cultivators at a concessional rate of Rs.35 per hour as against the operational cost of Rs.108 per hour.

Survey of the land affected by saline water was not undertaken during the Seventh Plan period. A detailed study of the impact of soil conservation schemes, on the lines suggested by Planning Commission, had not been made.

(Paragraph 28)

*Technology Mission on Drinking Water* :- To ensure sustained availability of adequate drinking water to the residents, a scheme was drawn up in 1986. The review revealed that against the available fund of Rs.11.04 lakhs, during the period 1987-90, Rs.3.87 lakhs (35 per cent) had been spent. Out of the provision for 24 sanitary wells to cover the needs of 9477 residents, only 8 wells had been provided catering to the needs of 3059 residents (32 per cent). The laboratory intended for assessment of quality water had not been set up. Monitoring of the progress and performance evaluation of the scheme had not been made.

(Paragraph 29)

*Delay in execution of a road work* :- The objective of linking isolated settlements in the Bay Islands by construction of a road of 9.6 Km. took 19 years to achieve as against the envisaged period of six months. The expenditure which was estimated at Rs.4.38 lakhs, subsequently amounted to Rs.45.87 lakhs due to changes in specification and time overrun.

(Paragraph 30)

*Grants to Andaman Adim Janjati Vikas Samiti* :- Grants amounting to Rs.95.02 lakhs were released to Andaman Adim Janjati Vikas Samiti by the Director Tribal Welfare during

1985-90 for the welfare of primitive tribes of the Islands. Unspent balance of Rs.84.34 lakhs inclusive of interest amounting to Rs.18 lakhs as on 31st March 1990 remained unrefunded. It was also seen that contrary to the provisions, grants amounting to Rs.79.99 lakhs were released in the last quarter of the financial years including Rs.67.49 lakhs in the month of March.

(Paragraph 31)

*Non-recovery of licence fee* :- The Administration granted licences to four persons to vend liquor in retail within the Union Territory from April 1987 to March 1988 on the basis of auction against a total bid money of Rs.55.36 lakhs recoverable in four instalments. The Administration recovered the first two instalments; the remaining two instalments amounting to Rs.27.68 lakhs could not be recovered as the vendors were not traceable. Reauction for selection of new vendors was also not conducted.

(Paragraph 32)

*Loss due to expiry of shelf life of medicines* :- Medical Stores Depot, Calcutta, supplied medicines worth Rs.241.55 lakhs in 1987-88 to the Director of Health Services (DHS), Andaman and Nicobar Islands for Government hospitals in the Union Territory of which medicines worth Rs.51.35 lakhs were not received by DHS. Contrary to the provisions that no indenter was to receive stores having a shelf life of less than six months, medicines worth Rs.190.20 lakhs received by DHS included medicines costing Rs.23.34 lakhs, shelf life of which had either expired or had a shelf life of one to four months. Failure

on the part of DHS to get the medicines replaced resulted in a loss of Rs.23.34 lakhs.

(Paragraph 33)

*Delay in construction of class rooms :-* In January 1985, Kendriya Vidyalaya Sangathan, New Delhi had sanctioned a sum of Rs.26.86 lakhs for construction of 12 class rooms for Kendriya Vidyalaya at Port Blair. The deposit work was taken up by Andaman Public Works Department (APWD) in September 1985 but could not be completed within the stipulated period of 18 months. Delay in completion resulted in escalation of cost of labour and material and revised sanction for Rs.41.43 lakhs had to be obtained in November 1987. Only 10 rooms had been completed by April 1990 at a cost of Rs.40.65 lakhs. Delay in work resulted in increase in expenditure of Rs.13.79 lakhs.

(Paragraph 34)

*Avoidable expenditure on road work:-* The Andaman Public Works Department took nearly four years to complete the widening and improving a stretch of 1.05 kms of a road while it was expected to be completed within one working season. The sanctioned expenditure exceeded by Rs.16.92 lakhs.

(Paragraph 35)

*Procurement of sisal ropes of wrong specification :-* The Director, Shipping Services procured 40 coils of sisal ropes (20 coils each in size of 96 mm dia and 76 mm dia) for Rs.5.95 lakhs in lengths of 220 metres for use in ships. The Directorate accounted for 34 coils between June and December 1982. Six coils valued at Rs.0.89 lakh

remained unaccounted. As the ropes were too large to be of any use, 19 coils were cut in three lengths in November 1983 incurring an avoidable expenditure of Rs.2.42 lakhs for resizing them. Eleven coils costing Rs.2.01 lakhs got completely damaged. Had the Directorate taken action to procure ropes of right specification a total loss of Rs.5.32 lakhs could have been avoided.

(Paragraph 36)

*Loss due to leakage of asphalt:-* In March 1980, Andaman Public Works Department placed an order for supply of 2000 tonnes of asphalt in non-returnable new steel drums. Out of 13230 drums (2021.76 tonnes) received in Madras, between September 1980 and March 1981, 10519 drums were shipped to Port Blair between December 1980 and April 1981. 2571 drums lying in leaking condition were declared unsuitable for shipment by sea to Port Blair. In November 1987, it was proposed to dispose of the defective drums locally but no action was taken (February 1990); the records were reported untraceable. A survey report was proposed to be prepared for obtaining write off sanction. The acceptance of the defective supply resulted in a loss of Rs.4.41 lakhs.

(Paragraph 37)

#### Daman and Diu Administration

*Irregular/Wasteful expenditure :-* The Collector, Daman purchased two excavators from a supplier in Bombay in March 1988 at a cost of Rs.19.91 lakhs. The purchase was made without inviting open tenders depriving the Government the benefit of competitive rates. While one

excavator was used for 183 hours during August 1988 to December 1989, the other one was used only for 14 days during August to September 1988.

The Administration acquired three mechanical road sweepers and two refuse compactors at Rs.34.79 lakhs in January/February 1988 in order to modernise the existing

system for removal of garbage and placed them at the disposal of the Municipalities of Daman and Diu. The purchase was made directly from a firm without inviting tenders. There was no requirement from the municipalities for the equipment and there was no evidence that the same had been put to use.

(Paragraph 43)

## CHAPTER I

### Ministry of Home Affairs

#### 1. Central Reserve Police Force

##### 1.1 Introduction

The Crown Representative's Police, was raised on 27th July 1939. On 28th December 1949, it was renamed as Central Reserve Police Force (CRPF). It was presented with colours on behalf of the President, on 19th March 1950.

The primary duty of the CRPF is the restoration and maintenance of law and order. It can also be deployed for any other purpose as directed by the Central Government.

##### 1.2 Scope of Audit

The accounts of the CRPF are audited under Section 13 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. This review is based on test-check from March to December 1989 of records at the CRPF Headquarters Office and Group Centre, Jharoda Kalan, Delhi for the years 1984-85 to 1989-90.

##### 1.3 Organisational set-up

The CRPF, which functions under the Ministry of Home Affairs (Ministry), is headed by Director General. For the purpose of deployment of CRPF, the country is divided into five sectors - Eastern, Northern, North-Eastern, North-Western and Southern sectors. The North-Western Sector is headed

by an Additional Director General and each other sector by an Inspector General of Police. The administrative control of a range is vested in a Deputy Inspector General of Police. Each range has got certain number of battalions attached to it. Actual field work is performed at the battalion level. Battalions are generally attached to Group Centres which do house-keeping for battalions, maintain service records, draw pay and allowances and provide stores and equipments. Some battalions look after their own house-keeping functions etc.

##### 1.4 Highlights

- The Central Reserve Police Force has a present strength of 93 battalions including one mahila battalion and one Special Duty Group. Against the proposed creation of 13 battalions during 1987-88 to 1990-91, the Ministry sanctioned 10 battalions to be raised during the calendar year 1988. The creation of a large number of battalions in one year strained the training capacity of the CRPF.
- The deficiency in some of the arms ranged between 11 and 38 per cent of the authorisation. The shortfall in quantity of arms demanded and quantity supplied ranged between 67 and 100 per cent and in ammunition and explosives between 36 and 100

per cent. The shortfall in supply largely affected training and fire practice besides affecting its efficiency and effective performance. There was also a necessity of upgradation of arms supplied to the CRPF.

The implementation of CRPF's plans for modernisation of signal communication was tardy. The induction of new equipments fell short of the quantity demanded by 31 to 78 per cent during 1985-90.

A test check of 27 training courses in telecommunications revealed shortfalls ranging between 15 and 24 per cent of the number of trainees actually called for. The shortfall in rotational training to radio operators ranged between 23 and 43 per cent during 1984 to 1989.

The training capacity remained underutilised from 1984 to 1989: 11 to 42 per cent in the case of Internal Security Academy, 21 to 45 per cent in the case of Central Training College, Neemuch and 21 to 46 per cent in the case of Central Training College, Avadi. No external evaluation system existed; evaluation was being done only on the basis of feed back received from the trainees at the end of the course. The Recruits Training Centres were unable to meet the training requirements of new recruits. 25725 recruits were trained in battalions and group centres. Rotational training could not be

imparted to 3810 out of 4572 companies during 1980 to 1989.

- During 1984-90, out of 1122 chassis to be issued for fabrication within a month, the CRPF could not issue 240 chassis costing Rs.480.62 lakhs within three months and 130 chassis costing Rs.278.22 lakhs within six months.

- The Peace Keeping Elements sanctioned in November 1980 and April 1983 were found, in May 1987, to be too heavy a burden on the State exchequer and were pruned. An expenditure of Rs.9.53 crores on this account proved largely unproductive.

- During 1984-89, against the budget provision of Rs.2032.30 lakhs, for construction of buildings, the CRPF incurred expenditure of Rs.1785.40 lakhs.

- Buildings constructed at Jharoda Kalan at a cost of Rs.2.37 crores during 1970 to 1977 were declared unsafe for habitation in 1979. Responsibility in the matter had not been fixed.

- The shortfall in internal audit ranged from 30 to 63 per cent during 1984-90.

- The CRPF has no system of monitoring and evaluation.

#### 1.5 Financial outlay

The summarised position of expenditure of the CRPF during 1984-85 to 1989-90 against the budget provision was as under :-

(In crores of rupees)

Year		Original grant/ charged appro- priation	Supplemen- tary grant/ appropria- tion	Total	Actual expendi- ture	Saving
1984-85	Voted	132.62	30.62	163.24	162.40	0.84
	Charged	0.01	-	0.01	-	0.01
1985-86	Voted	158.10	33.78	191.88	190.21	1.67
	Charged	0.01	-	0.01	-	0.01
1986-87	Voted	192.20	30.50	222.70	220.05	2.65
	Charged	0.01	-	0.01	0.01	-
1987-88	Voted	238.85	18.43	257.28	256.33	0.95
	Charged	0.01	0.09	0.10	0.04	0.06
1988-89	Voted	266.02	38.87	304.89	304.39	0.50
	Charged	0.10	-	0.10	0.06	0.04
1989-90	Voted	296.17	37.53	333.70	333.95	-*
	Charged	0.20	-	0.20	0.11	0.09

\* Excess Rs.0.25 crore.

The Ministry stated, in October 1990, that saving in voted grant in 1986-87 was due mainly to non-materialisation of indents for motor vehicles, machinery and equipment and non-receipt of bills for arms and ammunition from Army authorities.

#### 1.6 Growth of the CRPF

The force, which began in July 1939 with a strength of less than one battalion, increased to 24 battalions by 1967. The first major expansion of CRPF took place in 1968 when from 24 battalions it expanded to 46 battalions. The number of battalions stood at 66 in 1981. CRPF has now 93 duty battalions including one mahila battalion and one Special Duty Group formed in 1985.

The number of group centres increased from 14 in 1968 to 19 in 1986.

The signal set up was reorganised into battalion in the year 1965. The first signal battalion was formed in 1965 followed by second, third, fourth and fifth in 1968, 1969, 1985 and 1988 respectively. The Signal Group Centre/Signal Training College (Telecommunications) was established in 1970.

In a draft note for the Cabinet Committee on Political Affairs (CCPA) submitted by the CRPF to the Ministry in February 1986, the CRPF stated that the growth and development had taken place more in an *ad-hoc* and haphazard manner rather than in a planned manner. Accordingly expansion and upgradation of group centres and raising of 13 battalions during 1987-88 to 1990-91 were proposed. These proposals were not sent to the CCPA by the Ministry in view of the Ministry of Finance direction to observe utmost economy in

administrative expenditure.

Out of 13 battalions proposed, nine were to cater to the requirement of training. The Ministry sanctioned 10 battalions in 1988 which were to be raised during 1987-88 (3) and 1988-89 (7). The additional strength was to augment the strength of the CRPF and make available companies for annual rotational training.

Considerable difficulties were faced in providing arms and ammunitions to the newly raised battalions. It was also observed that the creation of a large number of battalions in 1988 strained the training capacity of CRPF.

The Ministry stated as follows in October 1990, "It is not correct to say that the growth has been in a haphazard manner. It may be pointed out that it is not possible to predict with any precision the law and order situation that may emerge in the future. It is not something for which incremental growth can be predicted because there are many imponderables in this situation. The additions to the CRPF were made keeping in view

the requirements of the posts to meet the law and order situation from time to time".

#### 1.7 Arms and ammunitions

(a) *General:* Procurement of arms, ammunitions and explosives is made on the basis of forecast and firm demands forwarded to the Border Security Force (BSF) who consolidate the demands in respect of all the Central police organisations and send these to the Ministry. The Ministry after necessary scrutiny sends the demands to the Ministry of Defence for release of supply through the Central ordnance depots/ordnance factories.

The forecast demand was normally made two years in advance and firm demand one year in advance. From 1989-90, the forecast demand was to be made once in four years.

(b) *Force level authorisation and holding of arms:* The table below gives the authorisation and holding of some of the items of arms for the years from 1986 to 1989 in which there are large surplus/deficiency :-

Description	Year	Percentage surplus/deficiency(-)
1	2	3
(a) Rifle	1987	11
7.62mm	1988	15
SL/BA	1989	11
(b) Pistol	1986	(-)11
9mm	1987	(-)12
	1988	(-)12
(c) CM Sten 9mm	1988	14
SAF Carbine	1989	17



1	2	3
(d) Pistol	1986	(-)29
Signal 1"	1987	(-)30
	1988	(-)30
	1989	(-)38
(e) Rifle No.1	1989	(-)12
MK III		
GF/Projector		
Grenade		

SL=Self Loading, BA=Bolt Action,  
 SAF=Semi Automatic Fire, GF=Grenade Fire,  
 MK=Make, CM=Carbine Machine.

In the cases of (a) and (c) the surplus ranged between 11 and 17 per cent of the force level authorisation and in the cases of (b) and (d), the deficiency ranged between 11 and 38 per cent.

The CRPF stated, in August 1989, that the additional holding of rifles was due to (i) issue of self loading rifles (SLRs) to each battalion/ group centre over and above bolt action rifles (BARS) for purposes of training, (ii) issue of a limited number of SLRs to training centres for training of recruits and for inservice courses and (iii) issue of SLRs to Punjab-based units in addition to BARS for operational use. It is not understood why the force level authorisation could not be determined after taking into account the training requirement. The CRPF attributed excess of sten guns/ SAF carbines to old sten guns which were required to be replaced by SAF carbines. The

Ministry stated as follows in October 1990, "The surplus holding of rifle 7.62 mm (Bolt Action), Sten Machines 9 mm mentioned at (a) and (c), are due to (i) non-availability of SLRs and Carbine Machines SAF as per requirements and entitlement, (ii) requirement of CRPF units in Punjab and Jammu and Kashmir and (iii) regular expansion of CRPF. However, CRPF have been asked to surrender surplus bolt action 7.62 mm rifles and old stens in the event of SLRs and carbines becoming available to them. The urgent requirements of State/ Union Territory Police Forces for stens and rifles 7.62 mm (BA) are also being met by diverting surpluses from CRPF".

(c) Demand and supply of arms: A statement showing the demand projected by the CRPF and supply of arms, between 1984-85 and 1989-90, is given below:-

Nomenclature	Quantity demanded	Quantity supplied	Shortfall	Percentage shortfall
Pistol Browning 9mm 1A/FN/HP	2,761	900	1,861	67
Pistol Signal 1"/Projector Miniflare 1A (in lieu of Pistol Signal 1")	301	21	280	93
Gun Machine 7.62 mm 1A/ 1B/1C with spare barrel	1,916	237	1,679	88
Carbine Machine 9 mm 1A SAF	2,600	129	2,471	95
Projector Grenade 1A	734	70	664	90
Projector grenade	800	-	800	100
Gun Machine 7.62 mm (LMG) Drill/Practice	250	-	250	100

The Ministry stated as follows in October 1990, "In view of the shortages of weapons even in the Army, the allocations of arms and ammunition were not received from Ministry of Defence/Army Headquarters as per our requirements. Continued efforts were made by MHA to obtain releases for maximum number of weapons and issued to CRPF as per their authorisation and requirements".

The Ministry clarified, in December 1990, that the carbine machine 9mm 1A SAF is to replace some of the older version of the sten guns.

(d) *Ammunition and explosives:* The percentage of deficiency of some of the items of ammunition and explosives vis-a-vis actual holding ranged from 51 to 100 per cent.

The shortfall between demand and supply of some of the ammunition and explosives ranged from 36 to 100 per cent. The CRPF attributed, in July 1989, the shortfall in supply mainly to insufficient production capacity of ordnance factories. On a specific Audit query as to how the CRPF was meeting its deficiencies in respect of arms and ammunition, the CRPF stated, in July 1989, that the

shortages were met by using their reserve stock. The CRPF further stated that the shortfall in supply largely affected training and fire practice, besides affecting the efficiency and effective performance of the force.

(e) *Upgradation of arms:* Between 1981 and 1988, the CRPF projected to the Ministry the need for replacement of arms by upgrading them. The Ministry, either did not agree to the proposals keeping in view the duties of CRPF or supplied modern arms in certain specified cases to the extent felt necessary by them. In a note submitted to the Ministry, in April 1989, the CRPF pointed out that the basic weapon of the constabulary continued to be a bolt action rifle which was far from adequate to meet the requirements of the situations in which the force was operating at present and the bulk of the existing sten guns held by the force were also old and outdated. Further, the CRPF was often being deployed in half section strength in many places. According to the present authorisation, only one sten gun was available per section. Therefore, when deployment was done in half-section strength, one half had to perform duties without any close quarter battle weapon. Barring a few battalions deployed on operational scale, a CRPF unit was authorised only one Light Machine Gun per platoon, which according to the CRPF was inadequate. Accordingly, CRPF made specific proposals for augmentation of weapons. The CRPF followed this up with a fresh projection in August 1989 with financial implication of Rs.39.24 crores which included purchase of 300 sniper rifles.

The Ministry, in September 1989, agreed to supply the upgraded weapons at existing scale. Regarding sniper rifles it was decided that the need might be placed before the Assessment Committee; it had not been done till February 1990. The Ministry stated, in October 1990, that requirement of CRPF for additional weapons and upgradation of the scale etc. were reviewed by them from time to time and releases made depending upon the availability of weapons, actual deployment/ requirements of the force and law and order scenario etc. A final view was yet to be taken with regard to requirement of CRPF for sniper rifles.

#### 1.8 *Telecommunications*

(a) *General:* The signal set-up of the CRPF is organised as Signal Range with Deputy Director (Communications) as the Deputy Inspector General of the Signal Range in addition to his duties as Staff Officer to the Director General. The Range consists of five signal battalions with battalion headquarters at New Delhi, Hyderabad, Mohali, Neemuch and Rampur. The Signal Group Centre-cum-Signal Training College (Telecommunications) is located at Ranchi.

(b) *Shortfall in signal training:* The Central Training College (Telecommunications) imparted training to signal group of the CRPF of different categories e.g. basic post-entry training for direct recruits, inservice training etc.

A test check of 27 courses conducted by the College from 1984

to 1989 revealed shortfall ranging from 15 to 24 per cent of the capacity of trainees in the courses. The CRPF stated, in May 1989, that the shortfall was mainly due to unwillingness of candidates in attending the course, sickness, urgent domestic commitments etc.

In addition, four courses, which were planned and approved to be conducted (one in each year from 1984 to 1987), were actually not conducted. The Ministry stated, in October 1990, that the four courses had to be cancelled for conducting additional basic courses for newly raised battalions.

(c) *Shortfall in rotational refresher training* : According to instructions, atleast 200 Naiks or radio operators per battalion were to undergo rotational training during a calendar year. Refresher training given to radio operators from 1984 to 1989 revealed shortfall in the number of trainees from 23 to 43 per cent.

The Ministry stated, in October 1990, that the shortfall occurred mainly due to the fact that some personnel expressed unwillingness in the last moment and also because of the operational commitments, some of the personnel could not be spared by the units.

(d) *Non-receipt of high frequency equipments from Bharat Electronics Limited*: As prescribed in the Signal Manual, all High Frequency (HF) radio equipments, accessories and spares are to be procured from Bharat Electronics Limited (BEL) through the Director Co-ordination, Police

Wireless (DCPW).

Against 532 numbers of equipments ordered between January 1986 and November 1988, to be delivered by March 1990, 201 equipments valued at Rs.1.30 crores had not been received upto August 1990. The shortfall in supply constituted 38 per cent.

The CRPF stated, in October 1990, that the shortfall was presumably attributed to the vast commitments of the firm for meeting the demand of all Central police organisations, other organisations and Defence etc.

The CRPF also stated, in June 1990, that in the absence of the equipments it was compelled to use the equipments which had already outlived their utility. The Ministry stated, in October 1990, that to cope with work-load, existing equipments were used after necessary repairs.

(e) *Modernisation of signal/telecommunication in CRPF*: As part of the modernisation plan for communication, the CRPF was to replace old equipment by new equipment in a phased manner. At the instance of DCPW, the CRPF sent two modernisation plans for signal communication to DCPW in September 1985 and December 1987. The plans were drawn keeping in view the funds available with the CRPF.

The CRPF did not monitor any follow-up action whether the plans sent to DCPW were approved or not. It was, however, seen that during 1985-86 to 1989-90 the quantity inducted considerably fell short of

quantity demanded as per table below:

Year	Number of items of equipments	Quantity of equipments to be inducted	Quantity actually inducted	Shortfall	Percentage of short-fall
1985-86	4	347	76	271	78
1986-87	6	876	411	465	53
1987-88	3	73	22	51	70
1988-89	4	646	377	269	42
1989-90	15	862	597	265	31

The Ministry stated, in October 1990, that modernisation plan was being implemented subject to budgetary constraints and availability of equipments.

#### 1.9 Training

(a) *General*; The CRPF imparts training to the officers and men, mainly at Internal Security Academy, Mount Abu (ISA), Central Training Colleges (CTCs) at Avadi and Neemuch, Recruits Training Centres (RTCs) at Avadi, Neemuch and Pallipuram and battalions, group centres and workshops.

A forecast of training programmes is issued generally a month in advance of the calendar year indicating the duration and capacity of each cadre/course planned during the following year. All nominees and reserves are tested at the end of a pre-course training course at battalion level by a board of officers and only those who qualify in test are deputed to undergo the course.

Out of 245 training courses planned from 1984 to 1988, the CRPF could not conduct 32 courses. The shortfall during the years was 15 per cent excepting during the year 1986 when it was 9 per cent. The CRPF stated, in July 1989, that the courses were generally postponed when necessity to conduct promotional courses arose. Besides, these were delayed due to heavy operational commitments and extra courses ordered by the Ministry.

A test check of the training courses for the years 1984 to 1989 showed heavy shortfall in utilisation of training capacity: 11 to 42 per cent in the case of Internal Security Academy, 21 to 45 per cent in the case of Central Training College I, Neemuch and 21 to 46 per cent in the case of Central Training College II, Avadi. The CRPF attributed the shortfall to (i) non-utilisation of allotted seats by the concerned group centres, (ii) late nomination/cancellation by State Governments/Central police organisations on

account of exigency of service and (iii) operational commitments. The Ministry stated, in October 1990, that efforts were being made to ensure that nominees joined the course.

No external evaluation system was in existence. The CRPF stated that the evaluation was being done on the basis of feed back from the trainees at the end of each course.

(b) *Recruits training* : The three RTCs (two upto 1986) have a training capacity of 1215 recruits each. Consequently, out of 44186 recruits to be trained from 1984 to 1989, the CRPF could train only 18,461 in the three RTCs. The balance of 25,725 recruits were stated to have been trained by the CRPF in battalions and group centres.

On a specific Audit query whether the centres had adequate trained staff and training aids and whether standard of recruits trained in battalion/ group centres was of the desired results, the CRPF stated, in October 1989, that the training was satisfactory. The Ministry stated, in October 1990, that special efforts were made to ensure that whenever training was imparted in group centres to newly raised battalions, it was at par with training imparted by RTCs.

(c) *Rotational training*: In consultation with the Ministry, the CRPF decided, in January 1977, to deploy only five companies in a CRPF battalion and the sixth company was to be retained as training reserve at battalion headquarters. This company was to be made available for rotational training of eight weeks' duration. The

training was necessary to keep the morale and upgrade its professional skills.

During 1980 to 1989 the CRPF could not impart rotational training to 3810 out of 4572 companies. The shortfall which was 58 per cent in 1982 ranged between 84 and 99 per cent during 1983 to 1989.

The Ministry attributed, in October 1990, the shortfall to heavy deployment of the force for various operational duties.

According to the CRPF (February 1986) continuous long term deployment had put an end to the reserve character of the force and inadequacy of training facilities had resulted in further dilution of training which had its adverse effects not only on the efficiency and morale of the force but also on its discipline and general effectiveness.

The Ministry sanctioned 10 more battalions in 1988 for augmenting the strength of the force and to enable release of the companies to undergo annual rotational training. The new battalions became functional from March 1989 after completion of their basic training; during April-December 1989, 300 deployed companies of the force could have been released for their rotational training of eight weeks each. However, out of a strength of 558 companies, only 117 companies completed their annual rotational training during 1989. The CRPF stated, in January 1990, that the Ministry had been approached to review the deployment of the force and arrange to release all companies at the earliest from

operational duties so that refresher training could be imparted to all the CRPF battalions in rotation.

(d) *Annual range classification firing - inadequacy of training facilities:* The CRPF conducts annual range classification firing with weapons like rifle, stengun, pistol and light machine gun. The personnel are required to carry out classification firing twice a year. The personnel of each battalion carry out firing practices wherever they are deployed. These practices are done within the ammunition authorised to CRPF units.

The CRPF had a short range firing at Group Centre, Delhi only. Group Centre II, Ajmer was using improvised firing range available near the campus. Group Centre, Dimapur had a temporary long firing range. There was no long firing range with any of the group centres.

Due to non-availability of firing ranges, the CRPF personnel had to travel long distances to ranges of State Police or Army authorities who, according to the CRPF, generally did not make available their ranges for requisite time. Thus adequate training in handling the firing weapons was not given to the personnel.

The non-existence of firing ranges in the CRPF was considered by CRPF as a major handicap which adversely affected the efficiency of the force while carrying out operations in the field.

On an Audit query whether any system existed to ensure that the training imparted was adequate, the CRPF stated, in August 1989, that the issue was of technical nature and it was difficult to furnish the information sought for.

(e) *Purchase of training aids:* The Ministry approved in 1974 the scales of various items of stores, equipment, furniture and training aids for Central Training Colleges and Recruits Training Centres.

The CRPF proposed, for the first time, in January 1988, to the Ministry a revision/ inclusion of modern training aids amounting to Rs.50.23 lakhs. The Ministry stated, in October 1990, that this was under examination.

(f) *Reorganisation of ISA, RTCs and CTCs:* The CRPF had been experiencing shortage of staff in the ISA, RTCs and CTCs because the force had grown in all dimensions since the training centres were formed and capacity of each course had undergone change without additional staff to meet the requirement of training.

The Ministry stated, in October 1990, that this was under examination by them.

#### 1.10 Motor transport

(a) The CRPF had (August 1990) a fleet of 4,448 vehicles comprising 2068 heavy, 943 medium, 1121 light vehicles and 316 motor cycles. The authorisation of the vehicles is as per scale worked out by the Ministry in 1974.

The shortfall in vehicles

ranged upto 13 per cent in the case of heavy vehicles, 14 and 22 per cent for medium vehicles, upto 14 per cent for light vehicles and 6 to 18 per cent in the case of motor cycles during 1987 to 1990. The CRPF stated, in November 1989, that the shortfall in holding was mainly due to paucity of funds.

All vehicles are received at headquarters irrespective of whether fabrication is required or not. In respect of those vehicles for which fabrication is required, Director General of Supplies and Disposals (DGSD) calls for tenders and after completion of fabrication, the vehicles are despatched to the units by the CRPF. In respect of vehicles for which no body building is required, these are also despatched from headquarters to the units.

During 1984-85 to 1989-90, the CRPF issued 1122 chassis costing Rs. 2385.90 lakhs for fabrication. Out of this 752 chassis costing Rs.1627.06 lakhs were issued within three months, while in the remaining cases, the time taken was between three and six months (240 chassis: cost Rs.480.62 lakhs) and more than six months (130 chassis: cost Rs.278.22 lakhs). The delay in issue of chassis for body building resulted in blocking of funds.

The CRPF stated, in November 1989, that chassis were given for fabrication to body builders in accordance with the terms of acceptance of tender and on the basis of bank guarantee provided by the firm. The CRPF also stated, in December 1989, that it was practically not possible to have any meaningful control on the work

which was got executed from firms through DGSD. The Ministry stated, in October 1990, that piece meal procurement of chassis was not feasible.

(b) *Training of drivers:* The CRPF has a sanctioned strength of 6834 drivers (November 1989). Training to the drivers is being given by a wing in Central Training College I.

The Central Road Research Institute, Delhi had conducted a sample study of CRPF drivers in 1977 and had tested 100 drivers. In its recommendations it had stated that CRPF drivers need training in terms of beginner's training, refresher courses and remedial training.

It was observed that from 1983 to 1989, CRPF fleet was involved in 803 accidents resulting in killing of 45 and injury to 973 CRPF persons and killing of 56 and injury to 313 civilians.

In February 1986, CRPF intimated to the Ministry that although some drivers and mechanic training courses were arranged at Group Centres, in the absence of regular staff and vehicles, the training imparted was not only limited but faulty in many respects. It, therefore, proposed establishment of a Motor Training School. The proposal was not agreed to by the Ministry in May 1986 because of financial constraints. The Ministry stated, in October 1990, that the proposal for creation of Motor Training School was under examination.

#### *1.11 Peace Keeping Elements*

In November 1980 and April 1983, the Ministry sanctioned six



Peace Keeping Elements (PKEs) for the CRPF, consisting of 244 personnel each, to provide relief and succour to victims of communal riots and natural calamities by way of medical cover to injured personnel, fire fighting, construction of small camps and hutments and provision of food and running kitchens. In addition, 11 persons were provided for looking after administration work in April 1983. Thus the total strength of PKEs sanctioned worked out to 1475. These were detached from normal battalions and attached to Group Centres, Delhi, Dimapur, Gandhi Nagar, Guwahati, Hyderabad and Pinjore. In addition, the Ministry provided PKEs with 396 vehicles (66 vehicles for each PKE) costing Rs.3.24 crores. According to the Ministry (October 1990) Rs.9.53 crores were incurred on PKE from 1981-82 to 1988-89 as per records available with the CRPF.

A Committee of senior functionaries of CRPF observed, in May 1987, that only pioneer elements and, to some extent, medical platoon of the PKE had been used on a few occasions. It was opined that the whole PKE was too heavy a burden on the State exchequer and only a pioneer element and medical platoon and some vehicles for their movements and a skeleton administrative staff needed to be retained. Thus the expenditure of Rs.9.53 crores proved largely unproductive.

Out of 1475 posts of PKE, the Ministry abolished 1044 posts (88 posts in December 1987, 137 posts in July 1989, 811 posts in May 1990 and 8 posts in October 1990). Similarly, of the total fleet of 396 vehicles only 30 vehicles were to be retained and the adjustment of

remaining 366 vehicles against requirements of regular CRPF battalions was being considered. The total financial implication by surrendering 1044 posts and 366 vehicles in 1989-90 was worked out by the CRPF to be around Rs.4.95 crores: recurring Rs.2.08 crores, non-recurring Rs.2.87 crores.

#### 1.12 Construction works

Construction works of the CRPF were executed through Central Public Works Department (CPWD).

(a) *Budget provision and expenditure:* During 1984-85 to 1988-89 against the budget provision of Rs.2032.30 lakhs for construction of building for CRPF, expenditure of Rs.1785.40 lakhs was incurred resulting in under utilisation of Rs.246.90 lakhs. This was attributed by the CRPF to non-completion of a number of works.

The Ministry admitted, in December 1990, that there was considerable shortfall of accommodation in the CRPF. Therefore, planning for construction of accommodation to overcome the shortfall at various locations/stations of the CRPF was done. The requirement of the budget was projected. However, allocation of funds was not received according to the requirement. Available funds were utilised generally for works originally planned.

(b) *Slow progress of works:* From November 1987, the CRPF started getting consolidated progress reports for all CRPF works, entrusted to CPWD throughout the country, giving information regarding sanction date and amount, physical progress and possible date of completion.

However, information regarding date of commencement of work, due and actual date of handing over of completed works to CRPF was not furnished. A perusal of the report

ending March 1990 revealed that ten works sanctioned during 1976-77 to 1987-88 were still in progress as under:

Year	Completed more than 90 per cent		Completed more than 80 percent		Completed more than 40 percent		Total	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost
	(Cost in lakhs of rupees)							
1978-79	1	275.20	1	275.20	1	116.40	3	666.80
1983-84	1	13.20					1	13.20
1984-85	1	21.90					1	21.90
1986-87	1	19.20					1	19.20
1987-88	2	33.50	2	31.92			4	65.42
	6	363.00	3	307.12	1	116.40	10	786.52

The Ministry stated, in October 1990, that the slow progress of works was taken care of in the periodical meetings. The Ministry also stated that upto 1988-89 works budget of CRPF was controlled by the CPWD and allocation was made by the Ministry of Urban Development. Work was carried out by the CPWD, who also monitored it and no information regarding progress of work was received. Now the budget was controlled by the Ministry and the progress is monitored by it.

(c) *Defective construction of buildings at Group Centre, Jharoda Kalan:* Paragraph 17 of the Advance Report of the Comptroller and Auditor General of India for the year 1979-80 Union Government- Civil dealt with the defects in residential and non-residential buildings for Central

Reserve Police Force at Jharoda Kalan, Delhi. The buildings were constructed through the CPWD during 1970-77 for Rs.2.37 crores. The normal life of the pucca constructed building is for a period of 80 to 100 years. In 1979 most of these buildings had developed major defects and were, consequently, declared unsafe for habitation.

In November 1983, the matter was referred by the CPWD to the Central Building Research Institute, Roorkee (CBRI) for their expert opinion and to carry out detailed investigations for all buildings. As a sample, the CBRI investigated four buildings. According to the report of the CBRI, submitted in November 1984, the main cause of deterioration of the buildings was intensive cracking of RCC members

as a result of extensive corrosion of reinforcement in the members. The corrosion of reinforcement was attributed to brackish water containing deleterious salts. The CBRI also stated that by applying remedial treatment in various buildings, life might be extended by about 10 to 15 years.

The CPWD did not fix individual responsibility on the plea that though the engineering staff was aware of the ill effects of saline water, there being no other source available in the area when construction was taken up, initially, the available tube-well water was used, and that the effect was accelerated due to external salinity in the earth and other environments' and continued wetting of floors, etc. by brackish water supplied and used for domestic purposes, due to acute shortage of potable water in the campus.

The CRPF reported to the Ministry, in August 1988, that the CPWD examined the matter further and declared seven buildings at Jharoda Kalan (valuing at Rs.36.98 lakhs and constructed between 1972-73 and 1973-74) as unsafe and beyond repairs. On demolition, these structures would yield material worth Rs.4.44 lakhs.

To rehabilitate such buildings by necessary repairs, the CPWD, in March 1990, estimated Rs.48.33 lakhs to be spent on repairs to the 10 buildings during 1988-89 and 1989-90. The actual amount spent was, however, not made known to Audit. The Ministry stated, in October 1990, that seven buildings were declared unsafe by CPWD; necessary repairs had been carried/were being carried out in five buildings and sanction had been

issued for demolition of two buildings.

#### *1.13 Outstanding dues from State Governments on account of deployment of CRPF*

The CRPF recovers charges at prescribed rates from the States in which these were deployed for maintenance of internal security.

In paragraph 24.3 of the Report of the Comptroller and Auditor General of India for the year 1984-85, Union Government (Civil) the heavy outstanding amounting to Rs.21 crores was reported. The Ministry stated, in October 1986, in the action taken note that efforts were being made to recover/adjust the dues. It was observed that the outstanding dues had substantially increased to Rs.143.49 crores in 1989-90.

Out of the total outstanding amount of Rs.143.49 crores, Rs.121.04 crores (84 per cent) were outstanding from the Punjab Government from 1985-86. The Ministry stated, in October 1990, that it was taking necessary action to sort out the issue in consultation with the Ministry of Finance.

#### *1.14 Internal audit*

The scheme of departmentalisation of the Union Government accounts provides for setting up an efficient internal audit organisation to ensure both accuracy in accounts and in the operation of accounts set-up.

The number of establishments/offices of the CRPF envisaged to be audited during 1984-85 to 1989-90 and the numbers

actually audited are given below :-

Year	Number of offices to be audited	Numbers actually audited	Shortfall	Percentage
1984-85	132	93	39	30
1985-86	130	85	45	35
1986-87	136	93	43	32
1987-88	136	50	86	63
1988-89	148	88	60	41
1989-90	164	81	83	51

The shortfall in audit was stated mainly due to tremendous expansion of the force since 1982 without increase in the strength of the audit parties. The CRPF stated, in October 1990, that till additional parties were sanctioned, the shortfall to the extent possible was being reduced by adjusting/modifying tour programmes.

Test check by internal audit of the accounts revealed overpayments of Rs.44.27 lakhs and Rs.27.50 lakhs in 1988-89 and 1989-90 respectively. The details of overpayments in respect of earlier years were not readily available with the CRPF. The overpayments related to incorrect fixation of pay under the revision of pay rules, excess payment of travelling allowance, leave travel concession, etc. In addition, other important irregularities in the system followed in accounting, purchases, etc., where the monetary effects could not be directly computed but which have an effect on the financial administration of the CRPF, were also noticed.

In December 1990, 3844 audit objections (money value not known) were pending as on 31st March 1989; out of these 749 were for the years from 1970-71 to 1984-85.

The CRPF stated, in October 1989, that these objections remained pending owing to staff constraints faced by them in pursuing the objections.

*1.15 Overpayment of TA/DA with ration money of Rs.7 lakhs*

According to the TA rules as applicable in July 1979, the CRPF personnel were entitled to draw either ration money plus depressed rate of detachment allowance or draw the detachment allowance at normal rates whichever was beneficial to them. The option once exercised was valid for the entire duration of deployment in any particular place.

In March 1980, the CRPF sent to the Government a proposal for approval for restoring the condition of exercising option by CRPF

personnel to draw ration money plus depressed detachment allowance or to draw only detachment allowance whichever was beneficial to them at any time.

The rates of TA/DA were revised in January 1983. The CRPF instructed the field offices, in February 1983, in anticipation of Government orders, that personnel of CRPF might exercise their option afresh either to draw ration money plus depressed daily allowance or detachment allowance whichever was beneficial to them presuming that the proposal in this regard pending with Government would be considered favourably. The Government, however, did not decide the issue in favour of CRPF. The CRPF, therefore, issued instructions in July 1984 for withdrawal of exercise of fresh options.

The Fourth Pay Commission also did not make any specific recommendations in this regard. In the meantime, a sum of Rs.7 lakhs had already been overpaid to the employees by the CRPF during February 1983 and July 1984.

In August 1988 the CRPF approached the Ministry to consider the desirability of waiving off recovery of Rs.7 lakhs as a special case. The Ministry, however, did not favour the waiver of recovery and asked for fixing responsibility for issue of wrong orders. Meanwhile, the CRPF asked in October 1989 group centres to recover the amount overpaid in suitable monthly instalments from those who were still serving. In respect of persons who had already left service on superannuation, dismissal or discharge etc. the

group centres had been asked to intimate if any amount was available in Government account for adjustment. The CRPF did not have any information whether any amount had been recovered from the persons so far.

The Ministry stated, in October 1990, that proposal for writing off amount due from personnel who were no longer in service would be examined in the Ministry as per rules.

#### *1.16 Monitoring and evaluation*

In 1939, when the CRPF was constituted, the main function of the force was to maintain law and order. Since 1939, the duties of CRPF have undergone a sea change. However, it has been observed that the force does not have any system of monitoring or evaluation. The Ministry stated, in October 1990, that it was examining the proposal.

#### **2. Non-recovery of registration fees and long term visa fees**

The Visa Manual 1981 provides that foreigners holding visa for 120 days or less are not required to get themselves registered. Those coming on visa for more than 120 days are required to get registered within seven days of their arrival in India.

The instructions of Government of India, Ministry of Home Affairs issued in June 1984 stipulated that a fee of Rs.50 would be charged from the citizens of Commonwealth countries and Ireland for registration from 19th June 1984. The fees collected by the Foreigners Registration Offices are to be credited to Union Government as

revenue receipts.

A test check of the records of Foreigners Registration Offices at Bombay, Nagpur and Pune during October 1988, January 1989 and March 1989 revealed that registration fees

had not been recovered by these offices. The loss of revenue on account of non-recovery of the fees in cases where foreigners stay exceeded 120 days was to the extent detailed below :

Registration office	Period (calendar year)	Number of cases	Loss of revenue (Rs. in lakhs)
Bombay	1986 to 1990	24329	12.16
Nagpur	1985 to 1990	281	0.14
Pune	1987 to 1990	7759	3.88
	Total	32369	16.18

The offices agreed to effect the recoveries.

Long term visa fee at the prescribed rates for foreign nationals is charged when their stay exceeds six months as per the Visa Manual. The fee is recoverable in one instalment by the Foreigners Registration Offices concerned. The offices at Bombay, Nagpur and Pune were not charging the fees till September 1988. On the omission

being pointed out by Audit in October 1988, the offices started charging long term visa fees from October 1988 and January 1989 from foreigners whose stay exceeded six months. As a result revenue totalling Rs.80 lakhs was collected in Bombay, Nagpur and Pune till July 1990.

The matter was referred to the Ministry in August 1990; reply has not been received (March 1991).

## CHAPTER II

### Ministry of Industry

#### (Department of Industrial Development)

#### 3. Release of funds to the National Federation of Industrial Cooperatives Limited

The National Federation of Industrial Cooperatives Limited, was set up in 1966 for development and promotion of industries by providing assistance to industrial cooperatives, inter-alia, by way of supply of raw material, technical innovation and marketing support. The overall control/supervision of the Federation is vested in the Board of Directors consisting of fifteen elected members, one representative of the State Trading Corporation of India and not more than three nominees of the Government of India.

The Department of Industrial Development invested a sum of Rs.116 lakhs till 1989-90 in the share-capital of the Federation which constituted about 97 per cent of its total share capital of Rs.120.18 lakhs. Besides, grants-in-aid totalling Rs.194.88 lakhs were also released to the Federation during 1966-67 to 1989-90.

The Federation had been incurring losses continuously since 1981-82. Losses incurred from 1981-82 to 1984-85 amounted to Rs.53.56 lakhs. The working of the Federation was examined by the Ministry in depth in 1985 when it came to the conclusion that the Federation had not been meeting the objectives for which it was set up. Though the Department felt that the Federation

could be closed down, it was decided that an attempt be made to revive the Federation by appointing a senior officer from the Planning Commission as its Managing Director. This was done in January 1986 but there was no perceptible improvement in the performance of the Federation. Another exercise had also been envisaged in regard to the revamping the Board of Directors.

The Federation, however, continued to incur losses. The losses incurred during 1985-86 and 1986-87 were to the tune of Rs.16.64 lakhs and Rs.23.75 lakhs respectively. Financial results for 1987-88 onwards were not available with the Department as audit of accounts for these years was stated to be in progress (December 1989). The Federation had accumulated liability totalling Rs.1 crore as in June 1988, for payments to suppliers, State co-operative societies etc.

The poor performance of the Federation was attributed by the Department in October 1988 to (i) mismanagement of the affairs of the Federation, (ii) lack of responsibility on the part of the Board of Directors and (iii) indiscriminate recruitment over the years. Without ensuring action for streamlining the working of the Federation, the Department released assistance to the Federation by way of share capital and grants-in-aid totalling Rs.2.18 crores during 1985-86 to 1989-90.

Department of Industrial Development stated, in March 1990, that in pursuance of the Cabinet Committee's decision in 1988, the Ministry of Agriculture was requested to take over the subject matter of industrial cooperatives from that Department. Ministry of Agriculture, however, did not agree to the proposal and set up, in February 1989, an inquiry committee to go into the working of the Federation. The report submitted by the committee, a copy of which was received from the Ministry of Agriculture, was stated to be under consideration of the Department of Industrial Development.

Thus, no concrete measures were taken to streamline the management of the Federation to which Government had released assistance totalling more than Rs.3 crores.

Ministry stated, in February 1991, that based upon the recommendations of a committee submitted in February 1990, steps were being taken to revamp the organisation.

#### 4. Unfruitful expenditure on excavation of brine supply channel

A new channel was excavated in

March 1984 incurring an expenditure of Rs.19.87 lakhs to facilitate the salt factories to have undiluted brine. The investment proved unfruitful. The proportionate cost of Rs.6.94 lakhs could not also be recovered from the salt factories.

The requirements of brine of salt factories at Penuguduru and Guruzanapalli in the East Godavari District of Andhra Pradesh were met from tidal waters of Patherlagedda drain which emptied itself into the Bay of Bengal. As the tidal waters were diluted by sweet water from drains from paddy fields, thereby affecting salt production, a separate brine supply channel of nine kms length was excavated for the benefit of salt manufacturing licencees at a cost of Rs.19.87 lakhs to make available undiluted brine to the salt factories. The excavation was completed in March 1984. Proportionate cost at one third of the cost of excavation together with interest to be recovered from the beneficiary salt manufacturing licensees was placed provisionally at Rs.6.96 lakhs (March 1990).

The targets laid down for the channel and actuals before excavation and after excavation of the channel were as follows:



Activity	Position before excavation of brine channel 1983	Target set for the brine channel	Achievements					
			1984	1985	1986	1987	1988	1989
Area cultivated (in acres)	676.06	2000	658.78	692.87	646.45	710	350	480
Short fall in Area (Percentage)	-	-	67	65	68	65	83	76
Salt production (in tonnes)	14803	35000	11083	24955	12414	19739	9291	13063

It will be seen that the shortfall in targetted area under salt production varied from 65 to 83 per cent and the area cultivated decreased by 29 per cent from 676.06 acres in 1983 prior to excavation of the channel to 480 acres in 1989. Thus, the proposed benefits out of the brine supply channel excavated at a cost of Rs.19.87 lakhs had not been secured.

It was noticed from a representation of salt manufacturing licensees in February 1986 that undertaking to bear the proportionate cost on construction of the channel was given with the hope of getting brine during the period January to March when the Patherlagedda drain contained sweet water. However, during this crucial period, the new channel also contained sweet water with the result that they were not benefitted and they had to depend on borewell brine. Many of them were forced to take up manufacture of salt after 15th March when they get brine even from Patherlagedda drain.

The Salt Commissioner had attributed (February 1990) the non-utilisation of the brine channel to the paddy fields that had sprung up subsequently discharging surplus water into the channel. As the new channel was excavated only because of dilution of the Patherlagedda drain by sweet water from paddy fields, failure to prevent the dilution into the new channel rendered the investment of Rs.19.87 lakhs unfruitful.

Though the Salt Commissioner claimed, in February 1990, that the beneficiary salt manufacturing licensees were utilising the channel from 1984, the recovery (February 1990) was Rs.0.02 lakh only out of Rs.6.96 lakhs recoverable from the beneficiaries. The reasons were obviously due to the beneficiaries being not benefitted by the new channel.

The Ministry stated, in May 1990, that their comments would be sent in due course. The comments were not received (January 1991).

## CHAPTER III

### Ministry of Information and Broadcasting

#### 5. Outside Production-Doordarshan

takes into account the Ministry's reply furnished in February 1991.

##### 5.1 Introduction

Doordarshan follows a system of assigning the production of programmes to outside producers. These include programmes on centenaries and anniversaries, news and current affairs, sports, national integration, telefilms, teleplays, documentaries and serials on youth, environment, culture, development, science and technology etc. Programmes are also produced in-house by Doordarshan.

##### 5.2 Scope of Audit

A test-check of records of Director General, Doordarshan, and Delhi Doordarshan Kendra, relating to the production of programmes by outside producers for the years 1986-89 was conducted by Audit during June to October 1989. The results of test-check were communicated to Doordarshan in January 1990.

Doordarshan stated, in March 1990, that the framework of rules, regulations and procedures relating to outside programmes had been steadily streamlined year after year, with the experience gained. It added that Audit had 'thrown considerable light on several aspects which need further attention' and 'these will be followed up' so that the scheme becomes more effective and fruitful.

The review has been updated for 1989-90 to the extent possible and

##### 5.3 Organisational set up

Normally all individual proposals are received at various Doordarshan Kendras whereas film serials are handled by the Director General (DG), Doordarshan, Delhi. After scrutiny by the Kendra's screening committee, the proposals are sent to the DG for final approval. The proposals are put up before the Costing Committee set up in the DG's office which, besides the DG, comprises the following members:-

- (i) Additional Director General - Doordarshan;
- (ii) Deputy Director General (concerned);
- (iii) Director (Finance), Doordarshan;
- (iv) Controller of Programmes (concerned); and
- (v) Deputy Controller of Programmes (concerned)

The Committee's decision is communicated to the producer. After the consent of the producer with regard to price offered by Doordarshan and other terms is received, the Directorate issues necessary sanction for payment to the producer. The contracts are executed by the Doordarshan Kendra concerned. The type of film to be produced, time schedule, mode of

payment and other terms and conditions are specified in the contract.

The themes of programmes are decided by DG and the officers designated by him on the basis of programme requirements. Scheduling of programmes for telecast is done on the basis of requirement of particular programme at appropriate time.

#### 5.4 Highlights

- Doordarshan did not have information regarding total number of proposals received, contracts entered into and programmes completed each year.
- Producers were stated to be decided by the Director General on the basis of their experience or eminence. There is no panel of producers. The criteria for selection of producers should be laid down clearly for the benefit of producers themselves.
- The Costing Committee should examine the different elements of cost and record their views on the reasonableness of the rate structure.
- Seventy three programmes contracted with the producers between February 1986 and March 1990 involving advance payments of Rs.203.97 lakhs were pending for completion till October 1990. There was no systematic monitoring at Kendras. No effective action was taken against defaulters or their sureties.
- Though a particular producer failed to produce the programme within the stipulated period, the producer was awarded contract for further programmes.
- Security deposit obtained from the producers was not deposited in Government account.
- Income tax amounting to Rs.71.93 lakhs had not been deducted at source from the payments made to the producers.
- Fifty programmes received generally between June 1987 and March 1990 at Rs.121.39 lakhs had not been telecast upto October 1990, some of them due to the change in the political scenario.
- Doordarshan did not have a proper procedure for sharing of copy-rights of programmes produced by outside producers.
- Lack of co-ordination between two branches of Doordarshan resulted in payment of an additional amount of Rs.3.90 lakhs on a programme earlier contracted with the producer at a lower rate.
- One programme already produced in-house and telecast thrice was awarded further to an outside agency resulting in avoidable expenditure of Rs.1.25 lakhs.
- A telefilm approved earlier as a sponsored programme and subsequently proposed for exhibition on payment of royalty at Rs.0.32 lakh per

telecast was purchased for Rs.4 lakhs. The telefilm had been telecast only twice.

Advance payment of Rs.10.5 lakhs was made in February 1989 for a six part documentary serial for a total budget of Rs.70 lakhs in contravention of the prescribed schedule of payment. The contract with the producer did not prescribe the scheduled date of completion; the serial had not been completed.

An amount of Rs.5 lakhs sanctioned for the production of a film was enhanced to Rs.8.5 lakhs without justification. The production of the film was also delayed by 14 months. The film was telecast after 31 months of its receipt although Doordarshan was aware that the print quality was not worthy of telecast.

Doordarshan agreed to enhance the cost of a documentary from Rs.6.3 lakhs to Rs.8 lakhs and gave 30 per cent foreign sale rights in favour of the producer after the contract was signed. The producer was also allowed more favourable schedule of payment.

The cost of a serial of seven episodes accepted by Doordarshan in November 1988 was enhanced from Rs.12.6 lakhs to Rs.14 lakhs. The serial was yet to be completed though advance payment of Rs.5.60 lakhs was made in December 1988 and December 1990.

- An increase of 10 minutes in the total duration of a serial (10 episodes) led Doordarshan to bear an additional expenditure of Rs.3.5 lakhs when the contracted rate was Rs.1.75 lakhs per episode of 30 minutes duration. Although all the episodes were stated to have been delivered in January 1990, their telecast was yet to be decided.
- A telefilm contracted in February 1987 for which Doordarshan made advance payment of Rs.2 lakhs had not been produced so far.
- Two programmes for which advance payment of Rs.9.6 lakhs was made in March 1990, were cancelled; the producers refunded the amount of advance in July 1990 after deducting Rs.2.03 lakhs on account of expenditure already incurred.

#### 5.5 Financial outlay

The budget allocation and actual expenditure (both Plan and non-Plan) on programmes made by outside producers during 1985-86 to 1989-90 were as under:-

(In lakhs of rupees)

Year	Budget allocation	Expenditure
1985-86	40.00	40.00
1986-87	600.00	231.35
1987-88	528.95	853.44
1988-89	1023.90	2190.77
1989-90	2753.16	2276.23
<b>Total</b>	<b>4946.01</b>	<b>5591.79</b>

The expenditure on programmes made by outside producers

rose from Rs.40 lakhs in 1985-86 to Rs.2276.23 lakhs in 1989-90. Doordarshan stated, in November 1990, that in view of the encouraging results of the scheme, and the necessity of producing need based programmes engaging outsiders, a sizeable increase was made in the budget allocation for 1989-90. While the expenditure fell short of budget provision during 1986-87 and 1989-90 by 61 and 17 per cent, the expenditure exceeded the budget provision by 61 per cent and 114 per cent during 1987-88 and 1988-89 respectively. While explaining the reasons for excess/savings Doordarshan stated, in June 1990, that depending upon the directives of Government as per the requirements from time to time, fresh programmes were considered on variety of themes, and many factors had a bearing on the completion of topical/current affairs programmes

The Ministry added, in February 1991, that the actual expenditure incurred year-wise, from

	1985-86	1986-87	1987-88	1988-89	1989-90	Total
Current affairs	Nil	Nil	35	51	84	170
Telefilm/ documentary	5	7	29	96	66	203
Morning transmission	Nil	25	106	183	112	426
	5	32	170	330	262	799

According to Doordarshan, by and large Delhi Kendra had a larger share of commissioned programmes than other Kendras.

The Ministry stated, in February 1991, that with the

1986-87 to 1989-90 depended on a variety of factors like programme requirements of Doordarshan, programmes which were completed during a particular financial year and the liability committed during a particular financial year which rolled on to the next financial year and the fluctuations, in time schedule in respect of the programmes received from outside producers.

#### 5.6 Physical performance

Doordarshan did not furnish information regarding the total number of proposals received from outside producers and the number of contracts entered into at Delhi as well as at other Kendras for different categories of programmes. Doordarshan Kendra Delhi, intimated (October 1990) that in all 799 contracts were entered into with the outside producers during the period 1985-90 as per details given below. Information regarding the number of programmes completed in each year was not furnished.

tremendous expansion of the network and the requirement of programmes, it was difficult at the initial years to lay down a solid data base. In order to streamline the procedure of commissioning of programmes, a Central Commissioning Unit had since

been set up headed by a Controller of Programmes in Doordarshan which oversees the commissioning of programmes. It was proposed to introduce computers in the maintenance of records pertaining to outside producers in a phased manner.

#### 5.7 Selection of producers

The producers were decided by the DG on the basis of their previous experience or eminence. Doordarshan did not maintain a panel of producers. Doordarshan also admitted, in February 1990, that surveys/studies had not been conducted with the sole idea of getting feedback on programmes produced by outside agencies.

The Ministry stated, in February 1991, that inviting tenders on the lines of Films Division would not be operationally feasible in Doordarshan and that the maintenance of selected panel of producers would debar entry of fresh talent.

It is felt in Audit that the criteria for selection of producers should be laid down clearly for the benefit of producers themselves.

#### 5.8 Costing

The cost of each programme was assessed by the Costing Committee. Doordarshan stated, in July and September 1989, that there were no standard rates prescribed for production of different categories of programmes and the cost of each programme was determined by the Costing Committee taking into account the budget break-down projected by the producer. Also the cost/budget was decided keeping in view the requirement of programmes/script,

for example, kind of sets/props, costumes, cast, format used (16mm/35mm, u-matic) and number of shifts required for shooting (outdoor-indoor), transportation, boarding and lodging, quality of creative crew deployed etc. Doordarshan further stated, in March 1990, that though each case was examined on merits by the Costing Committee, the average rates for some categories were invariably kept in view.

It was observed in Audit that no specific guidelines/norms were issued either by the Ministry or by Doordarshan for the functioning of the Costing Committee.

Doordarshan stated, in March 1990, that decisions were essentially arrived at on collective deliberations and details of discussions were not recorded.

While arriving at the cost of a particular production, Doordarshan did not offer its comments on individual items or different elements of cost. Instead, a total amount recommended was mentioned in the agenda papers submitted to the Costing Committee. Doordarshan stated, in March 1990, that details available in each proposal were being examined on file, before these were presented to the Costing Committee. Test-check of the files made available to Audit, however, revealed that no examination of different elements of cost in regard to their reasonableness or otherwise was done.

The Ministry admitted, in February 1991, that no written guidelines had been issued to regulate the working of the Costing Committee because it was apprehended

that such guidelines could curb the creative functioning of the Costing Committee. Fixing of uniform rates was also not considered feasible as it could result in unintended benefits to some producers. It is felt in Audit that the Costing Committee should examine the different elements of cost and record their views on the reasonableness of the rate structure.

### 5.9 Delay in production

5.9.1 In accordance with the agreements with the producers, programmes farmed out to outside producers were required to be generally completed within three to four months. Seventy three programmes for which agreements were entered into between February 1986 and March 1990 were pending completion till October 1990. Rupees 203.97 lakhs had been paid as advance to the producers of these programmes. Year wise position of the pending programmes and advance payments is given below:

Year	Number of programmes	Amount (Rupees in lakhs)
1985-86	1	0.63
1986-87	1	2.00
1987-88	4	5.84
1988-89	38	143.92
1989-90	29	51.58
Total	73	203.97

Under the agreement with the producer, in the event of the

failure to complete the production work of the TV film within the stipulated period, the security deposit of the producer was liable to be forfeited and he was also liable to make good any loss or damages which might be sustained by the Government by reason of such failure. It was also lawful for the Government to terminate the agreement on that account and take any other action which might be deemed necessary.

Apart from a few reminders, no other action was taken by the Delhi Doordarshan Kendra in respect of the producers who failed to produce the programmes within the stipulated time. Monitoring of the progress of the production of programmes commissioned by Doordarshan was done by the respective Kendras, who signed contracts with the producers. Doordarshan admitted in September 1989 that there was no systematic monitoring in case of certain Kendras; it was now trying to introduce a specific clause in the contract itself, which might deter the producer from making avoidable delays. Doordarshan further stated, in December 1990, that action was being initiated to amend the contract form and a clause for penal interest would be provided in the revised contract.

The Ministry also admitted, in February 1991, that many cases of delay were due to weak monitoring by the Kendras; Doordarshan had been asked to initiate action against those producers who failed to be persuaded to complete the assignments even after the extended time limits and that Doordarshan proposed to incorporate a stringent time frame in the contract linked with the stages of

payments vis-a-vis production. The Ministry also stated that timely follow-up action and monitoring had been stepped up to prevent slippages in production schedule.

5.9.2 In the following cases noticed in test check though a particular producer failed to produce the programme within the stipulated period, he was awarded contracts for further programme(s).

(a) A firm was awarded production of a programme "Morning Moods" in June 1988 for Rs.7 lakhs and advance payment of Rs.2.80 lakhs was made to it in June 1988. The production of the programme was required to be completed by September 1988. Although the firm had not completed any episode, the production of three more programmes (cost Rs.7.45 lakhs) was entrusted to the firm in December 1988, February and March 1989 and advance payments totalling Rs.2.98 lakhs were made in December 1988, March 1989 and May 1989. In two of these cases, the due dates of completion of the programmes were not found recorded in the contracts; these programmes were completed in November 1989 and July 1990 i.e. in a period of nine and nineteen months respectively against the normal period of three to four months. In the third case, the programme which was required to be completed by the end of August 1989 was actually delivered only in February 1990. The final copies of the serial "Morning Moods" were delivered in January 1990, and the serial was telecast between July and September 1990.

(b) A firm was entrusted with the production of programme "Golden Hawks" at a cost of Rs.7.5 lakhs and paid Rs.2 lakhs as advance in March 1988. The programme, which was

required to be completed by July 1988, had not been completed so far (December 1990). Delhi Kendra informed, in May 1990, that the producer was paid the advance of Rs.2 lakhs in respect of four episodes only, for which the agreement was signed in March 1988 and that four (out of six) episodes were received in March 1990. The firm was awarded production of another programme costing Rs.17.50 lakhs and given advance payment of Rs.7.00 lakhs in July 1988. This programme which was required to be completed by December 1988 was actually completed and delivered in November 1989 i.e. after a delay of 11 months.

The Ministry stated, in February 1991, that Doordarshan was convinced that the producers had the necessary infrastructure and expertise to produce programmes without compromising on quality and that the programmes were being scheduled for telecast in chain from different Kendras. The fact however, remains that the completion of programmes was considerably delayed and Doordarshan had assigned additional programmes to the producers despite the delays.

5.9.3 In the instructions issued to Kendras in October 1984, Doordarshan had emphasised that in cases of inordinate delays, the Kendras should consider sending their recommendations for black listing the producer concerned. Information regarding previous pending programme(s) with the producer was not being submitted to the Costing Committee. Nor was this included in the proforma in which proposals were being put up to the Committee. Doordarshan stated, in March 1990, that the same was now being included in the agenda for



the Costing Committee so as to cut down delays and to ensure better quality with 'one-at-a-time' policy.

5.9.4 There was no system for obtaining bank guarantees from the producers for the advance payments made to them in connection with assignment of programmes. Doordarshan stated, in July 1989, that the agreement with the producers already provided necessary safeguards in respect of advance payment. Nevertheless the agreement did not contain any provision for safeguard in respect of advance payment, it only dealt with provision of surety. In the 73 cases mentioned above no recovery had been made from the persons who stood surety for the producers as per the agreement. Doordarshan stated, in March 1990, that atleast in one case action had been initiated to recover the amount from the persons who stood surety. This case has been discussed elsewhere in this review.

#### 5.10 Security deposit

The amount of security deposit of Rs.500 obtained from the producers was not being deposited in the Government account as a matter of practice. In some cases, it was noticed that the amount of security deposit was accepted even in the form of cheques which were not credited to Government account. On being pointed out by Audit, Doordarshan issued instructions, in March 1990, to all Kendras that the amount of security deposit should be credited soon after receipt.

#### 5.11 Recovery of income tax

As per the Income Tax Act, 1961, income tax at 2 per cent was to be deducted at source in respect

of contracts exceeding Rs.10,000. No provision for deduction of income tax at source was found made in the agreements with the producers. Doordarshan issued instructions, in June 1989, to all Kendras to deduct 2 per cent income tax at source while making payments exceeding Rs.10,000 to outside producers.

An amount of Rs.3596.56 lakhs had been incurred during the period 1985-86 to 1989-90 (till May 1989) on programmes made by outside producers. As such Rs.71.93 lakhs which should have been deducted towards income tax at source from the payments made to the producers had not been recovered and credited to Government account.

#### 5.12 Programmes pending telecast

Fifty programmes received by Doordarshan generally between June 1987 and March 1990 had not been telecast upto October 1990. Expenditure of Rs.121.39 lakhs had been incurred on the production of these programmes (upto March 1990). Out of 50 programmes, there was no likelihood of telecast in five cases (amount Rs.7.20 lakhs), the likelihood of telecast existed in two cases (amount Rs.9.35 lakhs) while no indication for telecast was forthcoming in the remaining 43 cases (amount Rs. 104.84 lakhs).

Doordarshan stated, in July 1989 and in February 1991, that with the change in the political scenario and sensitivities of the subjects, some of the programmes could not be telecast. But some part of the programmes may be used whenever an opportunity arises. Some programmes were stated to be sensitive or having lost their topicality. It was further stated, in March 1990 and in February 1991,

that some of these productions constitute useful documentation and archival material.

### 5.13 Copyright

Normally, when Doordarshan commissions a programme to be produced by an outside production agency the funding is done by Doordarshan. All rights of the product i.e. programme/film should ordinarily vest in Doordarshan. Doordarshan stated, in September 1989, that there were cases, such as when it was felt that the actual production expenses to be incurred by the production agency were likely to go beyond the price paid by Doordarshan, the sharing of rights was negotiated with the producer. Rights, such as theatrical exhibition, marketing abroad etc. were shared by Doordarshan with the production agency as per mutual agreement on case to case. With regard to the system and necessity of sharing of rights with some producers on a selective basis, Doordarshan stated, in November 1989 and in December 1990, that a procedure was being worked out to evolve a pattern for the sharing of rights which would be annexed to the agreement signed, wherever necessary, and that a fool proof methodology was being worked out in detail.

According to the information furnished by the Ministry in February 1991, Doordarshan had shared copy rights with the producers in 19 cases, out of which 4 cases pertained to the Delhi Kendra. A scrutiny of three out of the four cases relating to the Delhi Kendra, for which files were made available to Audit showed as under:

(i) In one case -Portrait of the Director- the budget of Rs.2 lakhs per episode as proposed by the producer was agreed to in full; nevertheless 30 per cent of the foreign telecast rights were to be shared with the producer.

(ii) In another case -Crossing-The Indians Abroad- against the estimated cost of Rs.65.27 lakhs, including Rs.4.75 lakhs towards profit, Doordarshan agreed to a total payment of Rs.70 lakhs with 40 per cent foreign telecast rights shared with the producer as an alternative to the producer's offer of total payment of Rs.75 lakhs with all rights, national and international, vesting in Doordarshan. Thus, Doordarshan surrendered 40 per cent foreign telecast rights for a saving of Rs.5 lakhs.

Thus, there was no system to regulate the sharing of copyrights with the producers. The Ministry stated, in February 1991, that it had now been decided to work out a broad formula which would be appended to the contracts for consolidated assignments on a uniform basis.

### 5.14 Audience research

Doordarshan had 18 Audience Research Units attached to various programme centres all over India. The Audience Research Unit at Headquarters coordinates and supervises the entire activities. Two types of researches were being undertaken - formative and summative. Under the former, preproduction research is carried out. Summative type of research is post-telecast and undertaken to find out viewership, comprehension,

utility and reactions on the programmes telecast.

A study of the surveys conducted by the Audience Research Unit during 1988-89 showed that these included 23 programmes of morning transmission, 19 programmes of current affairs and one telefilm produced by outside producers. The maximum viewership of these programmes was 13 per cent in the case of morning transmission, and 28 per cent in the case of telefilm. The maximum viewership in respect of current affairs which related to Delhi only was 7 per cent.

The viewership survey for 1989-90 related only to Delhi in respect of morning transmission and current affairs. Whereas out of 90 programmes of morning transmission, 25 had average maximum viewership ranging from 10 to 28 per cent and 65 upto 9 percent; percentage of viewership in respect of 27 current affairs programmes covered in the survey was nil in 4 cases, upto 9 in 16 cases and between 12 and 32 in 7 cases. The three telefilms had better ratings, with all India viewership ranging between 25 and 45 per cent.

The Ministry stated, in February 1991, that audience research figures alone need not be deemed to be the only criteria for judging the merit of the outside productions and that Doordarshan, being a public service medium, did not necessarily assign programmes keeping only audience rating in view which was expected to fluctuate in respect of current affairs programmes containing social messages, etc.

But, audience rating is a necessary and an important input for

deciding the programmes.

#### 5.15 Programmes produced by outside producers

5.15.1 *National Integration*: A programme on National Integration was approved by the news and current affairs cell of Doordarshan, in December 1987, at the rate of Rs.0.40 lakh per episode of 10 episodes. Against the admissible amount of advance of Rs.0.80 lakh payable on approval of the script as per the normal schedule of payment, an amount of Rs.1.60 lakhs was paid to the producer as advance in December 1987. Subsequently, in August 1988, the Morning Cell approved the same programme but at an enhanced rate of Rs.0.70 lakh per episode for 13 episodes. Doordarshan thus paid an additional amount of Rs.3.90 lakhs for a programme which had already been contracted with the producer at a lower rate. Doordarshan also did not recover any amount towards interest on the advance of Rs.1.60 lakhs paid to the producer in December 1987 which was refunded in June 1989. The programme was delivered by the producer in March 1989.

It was stated, in September 1989, that the producer realised that the project was costlier one and also the duration was required to be more. The Ministry also contended in February 1991 that the second programme had an enlarged scope, justifying the increase. However, in both the cases, the episodes were of ten minutes duration each. Doordarshan admitted that there was lack of co-ordination between the two branches—Current Affairs Wing and Morning Transmission Section; and stated that with the formation of the

Central Commissioning Unit, it was hoped to plug all such loopholes (March 1990).

A survey conducted by the Audience Research Unit to know the viewership of the programme indicated that it was limited to five to ten per cent (Delhi and Madras).

Pending completion of the programme on National Intergration, the producer was awarded another programme costing Rs.19.50 lakhs in October 1988 for which advance payment of Rs.7.80 lakhs was given in November 1988. The payment of advance in this case also was not strictly according to the standard schedule of payment which envisaged advance payment of only 20 per cent of the cost on approval of script. This programme was required to be completed by December 1988 but all the 13 episodes were stated to have been received and telecast between September 1989 and December 1990.

The Ministry stated, in February 1991, that the producer was entrusted with the responsibility of producing two programmes simultaneously as he had the expertise and infrastructure to undertake more than one programme at a time.

The Ministry also stated that to avoid any possible inadvertent lack of coordination between the various programmes units which commission programmes under different heads of budget, the commissioning activity had since been centralised.

**5.15.2 Lotus Temple of Bahais:** In January 1988, Doordarshan accepted the proposal of a producer for

production of film "Lotus Temple of Bahais" of 20 minutes duration for Rs.1.25 lakhs. Subsequently, in February 1988, Delhi Kendra informed the DG that a programme on "Lotus Temple of Bahais" had already been produced by Delhi Doordarshan itself and had been telecast thrice in the preceding year. Accordingly, Doordarshan advised the producer, in February 1988, to stop work on the film till further orders. However, the production of film was revived, in May 1988, on the representation of the producer. The absence of proper scrutiny of proposals at directorate level before submission to the Costing Committee resulted in avoidable expenditure of Rs. 1.25 lakhs.

The Ministry stated, in February 1991, that since the programme was duly approved by Doordarshan, the expenditure incurred thereon could not have been avoided and that it was the relative merit of the outside production which had a decisive role to play in commissioning the programme.

The all-India viewership of the programme, as conducted by an outside agency was only one percent; the viewership was nil in Delhi.

**5.15.3 Angootha Chhap:** The telefilm "Angootha Chhap" was submitted by the producer, in May 1987, for possible telecast on Doordarshan and was approved by Doordarshan in September 1987, as a sponsored programme. The producer could not find a sponsor for the film and suggested, in October 1987, that Doordarshan could directly show the film without a sponsor. As per the rate card, the royalty permissible was Rs.0.32 lakh for a film of 55 minutes duration,

and the producer was informed accordingly in November 1987. Since this was not acceptable to the producer, Doordarshan agreed to the proposal of the producer to purchase the film, with world-wide copyrights for Rs.4 lakhs. Although approval of the Costing Committee was obtained, there was no indication to show that the reasonableness of cost was examined. The film was telecast twice in April 1988 and September 1989.

Doordarshan stated, in May 1990, that the rate of Rs.0.32 lakh on account of royalty payment for documentary films and children's films was for a mere one time telecast and the film was purchased for any number of telecasts. The Ministry also stated, in February 1991, that the decision to purchase the film was taken by Doordarshan after considering the high repeat potential of the film, its educative theme on adult literacy and the subtle message it brought home effectively.

It was observed that the viewership of the film, which was telecast only twice, was not undertaken under the panel survey of the Audience Research Unit of Doordarshan. However, all India viewership of the April 1988 telecast as conducted by an outside agency was reported at 38 per cent. The Ministry stated, in February 1991, that the viewership was likely to increase in future telecast because it propagated adult education.

5.15.4 *Crossing - The Indians Abroad*: Doordarshan awarded the production of six part documentary serial of 50 minutes' duration each in 16 mm colour, in February 1989, for a total budget of Rs.70 lakhs

plus 40 per cent foreign sale rights in favour of a producer.

The first instalment of Rs.10.50 lakhs (15 per cent of the sanctioned amount) was released in February 1989 on signing of the contract. The second instalment of Rs.21 lakhs (30 per cent of the sanctioned amount) was released in March 1990 on approval of the script. The scheduled dates of completion of various stages of work for regulating payments were not found mentioned in the contract with the producer. In terms of general schedule of payments applicable, no payment was admissible to the producer on signing of the contract. The payment of Rs.10.5 lakhs on signing of the contract resulted in unauthorised aid to the producer with an interest benefit of Rs.1.26 lakhs computed at 12 per cent per annum. The payment of the second instalment of Rs. 21 lakhs on approval of the script was also irregular and resulted in further unauthorised aid. The basis on which the cost of Rs.70 lakhs was considered reasonable was also not available. The serial had not been completed.

Doordarshan stated, in March 1990, that the total cost was considered quite reasonable by the Costing Committee. Doordarshan also informed, in February 1991, that shooting schedule of the serial had been completed in London in September 1990.

5.15.5 *Khamoshi kay dairey*: The production of a film titled "Khamoshi Kay Dairey" was assigned to a producer in the category of sponsored tele-film in October 1985. As the producer could not get sponsors for the film, Doordarshan agreed, in July 1986, to a proposal of May 1986 of the producer to

the production of the film at a cost of Rs.5 lakhs. The agreement was entered into in January 1987. In February and April 1988, the producer approached Doordarshan for enhancement of cost to Rs.9 lakhs on the ground that the actual cost of production was more because it involved producing the film in 16mm in colour. The producer also agreed to forego the video rights of the film in favour of Doordarshan for a consideration of Rs.3.5 lakhs. This was agreed to by Doordarshan and an additional amount of Rs.3.5 lakhs was sanctioned in May 1988. It was observed in Audit that the original sanction was for production of film in 16 mm in colour and as per the agreement between producer and Doordarshan, telecasting rights of telefilms in India and abroad would vest with Doordarshan in perpetuity and all other rights would remain with the producer. There was, therefore, no justification for enhancement of the cost of film from Rs.5 lakhs to Rs.8.5 lakhs and additional expenditure of Rs. 3.5 lakhs was avoidable. The film which was required to be completed by March 1987 was also delayed and was completed in May 1988. Although Doordarshan stated, in June 1990, that the print quality of the film was not worthy of telecast, the film was telecast in December 1990 in the late night transmission. The Ministry stated, in February 1991, that by agreeing to increase in cost from Rs.5 lakhs to Rs.8.5 lakhs, Doordarshan obtained full marketing rights including the overseas rights of the film. This was not correct. In any case, acquisition of copyrights of a film, whose print

quality was not worthy of telecast, was of no use.

*5.15.6 Spirit Possession :* In March 1988, Doordarshan agreed to a proposal of a producer for production of documentary titled "Spirit Possession" of 60 minutes duration at a cost of Rs.6.3 lakhs. The copyright of the documentary was to vest in Doordarshan. Although the producer signed the agreement in March 1988, she did not furnish the necessary prescribed sureties. In November 1988, the producer approached Doordarshan for enhancement of cost to Rs.12.98 lakhs due to delay. Doordarshan agreed to an enhancement of Rs.1.7 lakhs plus transfer of 30 per cent foreign sale rights in favour of the producer in December 1988. The producer was also allowed revised schedule of payment in departure from the normal schedule and Rs.4.80 lakhs were paid in December 1988 as on account payment (Rs.3.20 lakhs) and payment on commencement of shooting (Rs.1.60 lakhs). Doordarshan granted, in January 1990, a further enhancement of Rs.0.77 lakh for sub titles and extended duration.

The full contractual formalities were completed only in December 1988. However, it was observed in Audit that the producer had already signed the contract, in March 1988, which had also been countersigned by the Director, Doordarshan Kendra, New Delhi. The grant of further concessions to the producer by way of enhancement of total cost, transfer of 30 per cent foreign sale rights and more favourable schedule of payments was

therefore, irregular. The programme which was completed in July 1990 had not been telecast so far in India.

The Ministry stated, in February 1991, that while enhancing the budget, Doordarshan had taken into account the potentiality of this documentary in marketing abroad.

5.15.7 *Ekas ke Hum Barik* : In November 1988, Doordarshan accepted the proposal of a producer for the production of a seven episode serial each of 25 minutes duration at the rate of Rs.1.8 lakhs per episode (total Rs.12.6 lakhs). In April 1989, the producer represented for enhancement in the cost per episode in view of the higher cost of production involved. Doordarshan agreed, in September 1989, to pay at the rate of Rs.2 lakhs per episode on the ground that a similar rate had been agreed to in the cases of two other producers. It was stated, in September 1989, that the increase in the budget was justified in the interest of quality and requirement of the production. No scheduled date of completion had been prescribed, although advance payment of Rs.5.60 lakhs was made in December 1988 and in December 1990. Delhi Kendra intimated, in May 1990, that in response to a reminder, the producer had informed that two episodes had been submitted to the DG and that the producer had represented for enhancement of cost to Rs.4 lakhs per episode and increase in the total number of episodes to 25. The programme was yet to be completed (January 1991).

5.15.8 *Portrait of the Director*: In May 1988, Doordarshan accepted the proposal of a producer for production of a 13 part serial of 30

minutes duration each in English at Rs.2 lakhs per episode (total Rs.26 lakhs) with all rights excepting 30 percent of foreign telecast rights. The approval was subject to the condition that the producer would discuss the project with Doordarshan regarding inclusion of persons in the series. In January 1989, the rate per episode was revised to Rs.2.30 lakhs of 40 minutes duration each and two additional episodes were also to be included in the serial. The personalities to be included in the additional episodes were strictly not Directors. However, in May 1989, the producer expressed his inability to produce all the episodes and requested Doordarshan to close the agreement after production of six episodes. A part payment of Rs.12.24 lakhs had already been made upto February 1989 to the producer for all the 15 episodes. The producer delivered in all six episodes in June 1989. Doordarshan intimated in January 1991 that the six episodes were telecast between August and September 1990 and that the producer had been paid Rs.13.80 lakhs in final settlement for all the six episodes by October 1990.

5.15.9 *Rishta*: The production of the serial 'Rishta' comprising eight episodes of 30 minutes' duration each at Rs.1.75 lakhs per episode (total Rs.14.00 lakhs) was accepted by Doordarshan in August 1988. In March and April 1989, the producer approached Doordarshan for enhancement in the rate per episode to Rs.2 lakhs per episode. Although no increase in the rate was agreed to by Doordarshan, Doordarshan allowed the producer to produce ten episodes, each of 25 minutes duration at Rs.1.75 lakhs per episode. Thus because of an increase of 10 minutes in the total

duration of all the episodes, Doordarshan agreed to an additional expenditure of Rs.3.5 lakhs in the production of the serial. An amount of Rs.7 lakhs was paid to the producer in December 1988 and June 1989. The scheduled date of completion was not found recorded in the agreement. It was intimated that all the episodes were delivered in January 1990 and its telecast was yet to be decided (December 1990).

Doordarshan stated, in March 1990, that due to problems of slotting the serial for telecast, it was decided to cut down the duration to 25 minutes each, and increase the number of episodes by two, in order to ensure the continuity of the story and its proper treatment. The additional expenditure thus sanctioned had therefore gone into making of two additional programmes as well as to partially meet the demand of the producer for enhanced budget. The demand of the producer for increase in the budget had, however, been rejected earlier by the Costing Committee in November 1988.

Doordarshan had withheld the balance payment of the producer (10 per cent of the sanctioned amount) pending formalities as per agreement.

The Ministry was of the opinion that the likely gains from commercial advertisements would far outweigh the expenditure that had been incurred on the serial (February 1991).

*5.15.10 Tripti:* In July 1986, Doordarshan accepted the proposal of a producer for the production of a telefilm titled "Tripti" of 90 minutes' duration in 16mm in colour for Rs.5 lakhs. The agreement was

entered into with the producer and an advance payment of Rs.2 lakhs (being 40 per cent of the sanctioned amount) made in February 1987. The stipulated date of completion was not found recorded in the agreement.

It was observed in Audit that even the rough cut of the film had not been submitted by the producer till April 1990. Doordarshan wrote to the producer in March and August 1987 but the letters were returned undelivered. Doordarshan thereafter wrote to two sureties in February 1988; there was no response from one of the sureties, while the other surety furnished the new address of the producer. The letter sent to the producer at the new address was also received back undelivered. Instructions were issued to Delhi Kendra in May 1989 to initiate action against the producer for withdrawal/cancellation of the offer and seek refund of the advance with interest; final letter was issued in December 1989. Thus there was slackness in pursuing the matter with the producer.

The Ministry informed in February 1991, that Doordarshan had sought advice from the Ministry of Law in January 1991 and that further action, as per the terms of contract, would be taken on receipt of the legal advice.

*5.15.11 News Magazine in Hindi :* In March 1990, Doordarshan awarded the work of production of a programme titled "News Magazine in Hindi" to two producers at the rate of Rs.2 lakhs per episode for six episodes each (total Rs.24 lakhs).

An amount of Rs.9.6 lakhs being 40 percent of the sanctioned amount was paid to the producers in March 1990. Income tax amounting to



Rs.0.19 lakh was deducted at source from the advance payment to the two producers.

Subsequently, in April 1990, Doordarshan decided to cancel the two programmes. The producers refunded an amount of Rs.7.39 lakhs in July 1990 after deducting Rs.2.03 lakhs on account of expenditure already incurred by them on the production of these programmes. Doordarshan stated, in November 1990 and January 1991 that the programmes were cancelled as 'it was decided to produce the programmes as in-house production' and that there was possibility of the usage of the material for production of in-house programme.

*5.15.12 Corruption and the Common Man:* Doordarshan accepted the proposal of a producer for the production of a programme titled "Corruption and the Common Man" in February 1990 for an amount of Rs.1.25 lakhs.

An amount of Rs.0.50 lakh being 40 per cent of the sanctioned amount was paid to the producer in March 1990.

Doordarshan stated, in November/December 1990, that the programme was not done very professionally and that it might not be able to telecast it even on Channel II. However, Doordarshan proposed to impress upon the producer to modify and make it professionally worth telecast.

6. Purchase of dining hall and shopping complex at Asiad Village Complex, New Delhi

The Ministry of Information and Broadcasting (Ministry) accorded sanction to the incurring of expenditure of Rs.five crores and Rs.3.13 crores in October and November 1986 respectively for the acquisition of dining hall and shopping complex in Asiad Village Complex, Siri Fort, New Delhi from the Delhi Development Authority (DDA), for establishment of studios of Central Production Centre by Doordarshan. The amounts were paid by Doordarshan to the DDA in October and November 1986 respectively. Doordarshan paid a further amount of Rs.0.45 crore to the DDA in January and August 1989 towards the cost of land. The ownership of the property had not been formally transferred to Doordarshan nor any purchase/sale deed registered in this regard so far (January 1991).

According to the approved principle of costing for disposal of Asiad properties to be sold to Government agencies, as agreed to in January 1986, the cost price of non-residential buildings and residential flats in the complex will comprise cost of acquisition of land as and when decided, actual cost of development of land, cost of construction of building, departmental charges at the rate of 15 per cent, maintenance charges at the rate of 2.5 per cent per annum, and interest at the rate of 12 per

cent per annum on blocked up capital.

Scrutiny of records show that the amount of Rs.8.13 crores paid for the dining hall and shopping complex included Rs.0.27 crore towards provision for contingent liabilities based upon arbitration cases under consideration of arbitrators'. This was also taken into account for determining the amounts of maintenance and interest charges. The arbitration case has not been finalised so far (January 1991). As the expenditure had not been actually incurred by the DDA, this should have been excluded from the cost of construction of building and for determining the maintenance and interest charges. Failure to do so resulted in excess payment of Rs.42.49 lakhs (including Rs.15.49 lakhs on account of maintenance and interest for the period December 1982 to 15th November 1986) to the DDA. Also, although an amount of Rs. five crores had been paid to DDA on 15th October 1986, the Ministry nevertheless paid interest at the rate of 12 per cent per annum on the cost of construction upto 15th November 1986. This resulted in further excess payment of Rs. five lakhs to the DDA.

Thus a total amount of Rs.47.49 lakhs had been paid in excess to the DDA for the property. The cost of construction etc. worked out by the DDA was also not verified by the Ministry/Doordarshan from the original records of the DDA.

The Ministry stated, in February 1991, that since the DDA

had itself accepted a minimum liability of Rs.0.27 crore in relation to the disputes which had arisen consequent upon the acquisition of works relating to the properties in question, this amount was in any case to be taken into account sooner or later while computing the costs. The Ministry also justified payment of interest on Rs.5 crore on the plea that there was no provision to make the payment in instalments but the properties were nevertheless handed over to Doordarshan before the complete payment was made at the insistence of the Government.

The reply was not tenable as according to the approved principle of costing for disposal of Asiad properties, the DDA was required to be paid only with reference to the actual expenditure incurred by it, to the exclusion of any contingent liabilities. Interest on blocked capital was required to be paid only for the period for which funds of the DDA remained invested; once payment was made by Doordarshan to the DDA, the question of making payment on account of interest on the same amount did not arise.

#### 7. Non realisation of outstanding dues and interest

Commercial Broadcasting Service, All India Radio (AIR) deals with commercial advertisements broadcast on primary channel (Delhi and Rohtak). According to the terms and conditions of the contract with the agencies', the AIR would issue monthly bills and the advertisers were required to pay all the bills

promptly. In the case of accredited agencies, payment was to be made within 45 days from the first of the month following the date of broadcast while the non-accredited agencies were required to make payment not later than 15 days before the broadcast. The agencies were responsible for payment of advertisements and related bills severally as well as jointly with the advertisers. The departmental regulations also provided that at the end of each month, an abstract of outstanding bills would be prepared and reviewed by the Station Director for initiating proper action for realising the outstanding dues. An Agent's ledger is also required to be maintained to record the total amount billed for in respect of each agent and the payments received thereagainst and the amount due to or from the agencies is required to be got confirmed by them at regular intervals and at the end of the financial year.

The AIR had not maintained any record to work out the outstandings from month to month and the abstract of outstanding bills. The prescribed Agent's ledger was also not maintained. However, as per information furnished to Audit in July 1990, bills amounting to Rs.13.77 lakhs were outstanding from 1985-86 to 1989-90 against 13 agencies out of which Rs.12.73 lakhs pertained to the Directorate of Advertising and Visual Publicity alone. Rupees 3.78 lakhs were reported recoverable as interest upto March 1990 on the total outstanding payments.

Interest at 18 per cent per annum on amounts not paid within the stipulated time was also chargeable from the date following that on which the payment was due. It was observed that interest bills amounting to Rs.3.32 lakhs were not raised in 406 cases from 1987-88 to 1989-90 even though payment of the bills was delayed; delay ranging from 1 to 24 months. This resulted in undue benefit to the parties for which no reasons were on record.

The Ministry stated, in December 1990, that instructions had been issued to the AIR to ensure that such lapses in the maintenance and review of records did not occur in future. As a result of the steps taken to secure realisation of outstanding dues recovery totalling Rs.1.03 lakhs from the DAVP and other agencies had been made. Besides interest bills had been issued after computing these upto March 1990. The Ministry also informed that in future such bills would be issued to the defaulting agency on monthly basis.

#### 8. Blocking of funds

Doordarshan purchased, in July 1988, one 35 mm film- editing and viewing table for editing and viewing 35 mm films with optical sound for its Central Production Unit at a cost of Rs.7.08 lakhs including Rs.2.93 lakhs in foreign exchange and agents commission Rs.0.22 lakh, out of which agents commission amounting to Rs.0.04 lakh was still payable. The purchase was made on the basis of two quotations received in response to limited

tender enquiry and the equipment was warranted for a period of 12 months.

The equipment had not been used except for 17 hours on five days in July 1989. The purchase thus resulted in idle investment and blocking of funds amounting to Rs.7.04 lakhs.

On being pointed out in audit, Doordarshan stated, in June 1990, that the equipment was being regularly tested and film based productions were already being planned and the equipment would be useful.

The Ministry admitted in November, 1990 that the equipment was used rather sparingly. They also contended that optimum utilisation of the various technical facilities installed in a highly sophisticated television studio set-up was possible only after a passage of time when the programme planning for the unit stabilizes at the desired level.

**9. Non-commissioning of a diesel generator set**

Civil Construction Wing, Division No. 1, All India Radio New Delhi, placed an order with a firm for the supply and erection of a 200 KVA diesel generator set for the Central Production Centre, Doordarshan, in May 1987 at a total cost of Rs.4.76 lakhs including spares. The set was received in July 1987 and part payment of Rs.4.51 lakhs was made to the supplier in July and December 1987.

As per the agreement, the supplier was required to demonstrate trouble free operation of the set on full load and no load for a period of not less than 72 hours before handing over the set. The required tests were carried out in February 1988 for eight hours only. During the course of testing in May 1988 it was found that the engine was not capable to carry 10 per cent overload and the alternator was suspected to be old. The Division reported to the supplier in June 1988 that the alternator had failed to develop the required voltage.

Under the agreement, engine witness testing was to be arranged at the supplier's works. According to the information furnished by the Division in September 1990, no such testing was done and the Division did not insist for the same. The Division stated that the firm had stood guarantee for 12 months against any manufacturing defect for the alternator which had got burnt during testing of the set after installation.

The Division had to hire a set n which an amount of Rs.0.72 lakh had been spent including charges for an operator upto July 1990.

The Division stated, in August 1990, that action for replacement of the alternator was being taken at the risk and cost of the supplier. It added in February 1991, that the work for supply and erection of new 200 KVA alternator had been awarded to a contractor for Rs.1.82 lakhs in January 1991.

The Division's action to release the payment of Rs.4.51 lakhs on receipt of the equipment without ensuring compliance with the vital conditions of testing resulted in unfruitful expenditure of Rs.4.51

lakhs besides the expenditure on hiring of alternate set.

The matter was referred to the Ministry in September 1990; reply has not been received (March 1991).

## CHAPTER IV

### Ministry of Steel and Mines

#### 10. Idle capital outlay

The Geological Survey of India (GSI) placed an indent in January 1984 on the Director General, Supplies and Disposals (DGSD), for procurement of a maxiprobe EMR 16 electro-magnetizing prospecting equipment. DGSD placed an order in May 1984 on a foreign firm for US \$ 1.80 lakhs (Rs.23.12 lakhs) to be paid on proof of despatch. The equipment was purchased under the credit agreement of April 1981 between Government of India and the Government of Canada for geophysical exploration programme.

The equipment was received by GSI in July and September 1984. As per the terms and conditions, the firm was to send their engineers to India for installation, demonstration and case demonstration of specific geological problems. The foreign firm was to impart free in-plant training to two GSI officers in Toronto. After protracted correspondence, the firm's engineers visited India in October - November 1986 and in the process of testing the equipment, found certain parts defective. The President of the firm gave a written undertaking to replace the defective parts but the firm did not honour it. The GSI spent Rs.0.84 lakh on air tickets and Rs.0.15 lakh on boarding and lodging for the visiting team. The matter regarding replacement of defective parts and installation of the equipment was taken up with the firm both by GSI and DGSD in July 1987, but the firm did not respond. The position did not improve even after taking up the matter with the

foreign High Commission. No legal action was taken either by GSI or by DGSD.

The Ministry stated, in August 1990, that GSI, by deploying the equipment, was able to collect data upto 350 metres depth in some areas of Rajasthan instead of its projected capacity of more than one kilometre due to non-replacement of defective parts, commissioning and case demonstration of the equipment. The Ministry further stated that GSI was hampered due to operation of clauses of a contract entered into by DGSD whereby payment had to be released on proof of shipment instead of ensuring payment contingent upon satisfactory installation, testing and commissioning of the equipment. Blacklisting of the firm and exploring the possibility of recovery of the cost of the computer, software and other incidentals amounting to US \$90,000 through legal action were the other measures contemplated.

Thus, an equipment of the value of Rs.23.12 lakhs, imported in 1984, remained under-utilised for the last six years.

#### Ministry of Steel and Mines/Urban Development

#### 11. Construction of residential quarters at Hyderabad

Government of India sanctioned Rs.407.29 lakhs in July 1983 for construction of residential quarters for officers of the Geological Survey of India (GSI) at Hyderabad.

Central Public Works Department (CPWD) took up the construction of 428 quarters (Type I to V) during March 1984 to July 1985 and completed the civil works during June 1985 to January 1988. Internal water supply and sanitary systems were completed along with the civil works and external drainage works by December 1985. The electrical works, except fixing of fans, were also completed between August 1988 and February 1989. The total expenditure incurred on the works was Rs.420.64 lakhs.

The quarters, however, remained unoccupied (June 1990) for want of water and electricity supply. Calculated on the basis of minimum of the time scales, the loss of licence fee on 428 vacant quarters would amount to Rs.11.21 lakhs and avoidable payment on house rent allowance to Rs.50.26 lakhs (January 1986 to June 1990).

The agreements for construction of the quarters stipulated that escalation in the prices of material and labour required for the work during the

period of contract should be paid to the contractors. Due to delay (i) in supply of materials (three to 15 months) and (ii) in communication of designs and drawings (two and a half months), extensions were granted. The reasons for the delays were attributed to non-availability of materials. It was observed in audit from the stock accounts that materials were available for a period of 10 months (October 1985 to July 1986) during which period extensions were granted. For a period of 10 months (August 1986 to May 1987) stocks were not available. During these extended periods the contractors were paid Rs.8.76 lakhs towards compensation for increase in prices of material and labour. If proper advance planning for procurement of materials had been taken and delay in communicating the drawings had been avoided, the escalation payment could have been avoided.

The matter was referred to Ministries in August 1990; their replies have not been received (October 1990).

## CHAPTER V

### Ministry of Surface Transport

#### (Border Road Development Board)

#### 12. Construction of a bridge

In September 1982, the Ministry of Shipping and Transport, sanctioned construction of a permanent bridge at a location as a part of grants-in-aid to the State Government at an estimated cost of Rs.48.64 lakhs (revised to Rs.84.25 lakhs in September 1984). The contract for construction was concluded by the Chief Engineer on 30th June 1984 at a cost of Rs.82.60 lakhs according to which the work was to be completed by August 1987.

In accordance with the contract, the contractor was paid mobilisation advance of Rs.8.26 lakhs against bank guarantees in October 1984. The contractor was paid ten running account payments for work done, the last one on 5th July 1988, amounting to Rs.23.43 lakhs. Due to time taken in approval of drawings by the Department, abnormal rains and flood and approval of foundation level by the Department, the contractor was granted extension upto December 1988. As there was no progress in the work despite issue of notices the contract was cancelled on 22nd December 1988 at his risk and cost when the progress of the work was 34.69 per cent. The cost of left over work at old contract rates was Rs.53.95 lakhs and expenditure booked Rs.32.82 lakhs.

Examination of work by the Technical Examiner (TE) during 1986-87 and also investigations by three courts of inquiry held from June

1988 to April 1989 revealed that abutments had bulged out, cracked on the two ends and hair cracks had also developed. Its verticability was also doubtful. Remedial measures suggested by TE were not properly implemented. Further, foundation for one side of bridge was laid at RL 89.3 instead of RL 85.00. A court of inquiry blamed (July 1988) three officers for their lapses in this regard and disciplinary action as per orders of competent financial authority was taken. Extra work for protection of foundation laid at RL 89.3 was estimated by another court of inquiry in 1989 at Rs.5.93 lakhs. This court of inquiry also recommended inclusion of extra work for protection of foundation in fresh tenders.

The Chief Engineer intimated Audit, in May 1990, that technical part of risk and cost tender had been opened and the priced part would be opened after settlement of conditions of the tender. Out of mobilisation advance, Rs.2.55 lakhs was still to be recovered as the contractor had obtained a stay order from the High Court.

The Border Road Development Board while commenting on the failure in implementing remedial measures suggested by TE stated, in October 1990, that the contractor was ordered to execute the corrective and protective measures but he failed to do it satisfactorily and subsequently left the work. It added that remedial measures have been catered to in



risk and cost tender.

To conclude:

- The department failed to effectively supervise the work at the execution stage which necessitated extra work for protecting the foundation costing Rs.5.93 lakhs.
- There was failure in implementing remedial measures for cracks, etc. suggested by the TE.
- The department took 21 months to conclude the contract for the bridge.

Even after a lapse of one and a half years of cancellation of contract, the left over work and extra work for the protection of the foundation was yet to be contracted.

(Roads Wing)

13. Extra expenditure due to retendering

Tenders for the supply of stone material at an estimated cost of Rs.12.20 lakhs for strengthening/hard shouldering Km.166 to 171 of Sher Shah Suri Marg (National Highway No.1) in Kurukshetra district were opened in January 1986 by the Public Works Department, Harayana, Karnal. The offer of contractor 'A' at Rs.12.81 lakhs was the lowest which was further reduced to Rs.12.70 lakhs after negotiations. The case was sent to the Superintending Engineer in February-March 1986 for approval of the Engineer-in-Chief (EIC). The EIC returned the tenders unapproved on 28th March 1986 and advised their recall for wide publicity so as to ensure reasonable rates.

The tenders were reinvited in June 1986. A single tender (valid for three months) of contractor 'B' at Rs.13.68 lakhs was received. On negotiation, the contractor reduced it to Rs.13.40 lakhs. The Executive Engineer, in view of the rising trend in the market rates, recommended to the Superintending Engineer in July 1986 early acceptance of the negotiated rates of contractor 'B'. The tenders could not, however, be finalised as the contractor declined to reduce the rates further to the extent of the rates offered by contractor 'A' in January 1986. The contractor was asked (September 1986) to extend the validity period but he refused.

Without obtaining the approval of the competent authority for splitting up the work, the Superintending Engineer approved on 16th December 1986 detailed notice inviting tenders in three parts to which no offers were received. Fresh tenders were again invited in March 1987 and opened on 29th April 1987. Two parts of the work were allotted to contractor 'B' at Rs.6.07 lakhs and Rs.4.94 lakhs and the third part to contractor 'A' at Rs.5.47 lakhs in July 1987. Based on the quantities finally received by the department, these three contracts were completed in January 1989, March 1988 and April 1988 respectively at a cost of Rs.5.80 lakhs, Rs.4.77 lakhs and Rs.5.40 lakhs.

As a result of non-acceptance of the lowest negotiated offer of contractor 'A' in January 1986 and by splitting up the work in three parts later on, the department had to bear extra expenditure of Rs.3.67 lakhs with reference to actual supplies made. The extra expenditure compared to negotiated offer of contractor

'B' in June 1986 would amount to Rs.2.99 lakhs.

The matter was reported to the State Government and the Ministry respectively in June 1989 and May 1990. The department intimated (December 1989) that action against the defaulting officers was being taken. Reply from the Ministry has not been received (November 1990).

#### 14. Injudicious purchase of hume pipes

The National Highway Division, Mangalore, Karnataka Public Works Department purchased 190 hume pipes of 1000 mm diameter for Rs.6.01 lakhs in January 1986 for improvement of National Highway 48. The purchase was based on sanctioned estimate and the entire cost was charged to a work namely, "Improvements to NH 48 from KM 330.525 to 332.520 near Brahmara Kootlu". But only 72 pipes were actually used in the work. When this

was pointed out in Audit, the Divisional Officer replied in March 1990 that 23 pipes had been used in another work. Balance 95 pipes costing Rs.3 lakhs had not been utilised (March 1990). Thus, purchase of pipes in excess of immediate requirements resulted in blocking of funds to the extent of Rs.3 lakhs for more than four years (March 1990).

The matter was referred to Ministry in February 1990. The Ministry replied in November 1990 that out of 118 pipes remaining unused against the above work, 29 pipes (23 during 1989-90 and 6 in June 1990) had been used in another work; the balance was to be utilised on some other works. It was also stated that such a big difference between the actual requirement and original assessment was not anticipated as the reduction became known only during execution of the work.

## CHAPTER VI

### Ministry of Textiles

#### 15. Construction of Crafts Museum

Development Commissioner (Handicrafts) released Rs.64.90 lakhs to the Trade Fair Authority of India (TFAI) in March 1982 (Rs.51.90 lakhs) and in March 1983 (Rs.13 lakhs) for construction of phase II of Crafts Museum building in Pragati Maidan, New Delhi. The site of the proposed building was to be provided by relocating the agriculture and works and housing pavilions. The design of the building was to be such as to imbibe into it an old carved wooden 'haveli' from Gujarat and for this purpose the carved wooden building, 'Javeri Haveli' in Ahmedabad was negotiated for purchase.

An architect was assigned the task of designing the museum building in August 1982. The construction of Crafts Museum as envisaged could not be taken up as Ministry of Agriculture did not agree to make available the site of their pavilion for the construction of museum building. Besides, 'Javeri Haveli' was declared a protected monument by the Government of Gujarat in early 1983 and its sale was banned. Thereupon, it was decided to take up the work by revising the architectural design by confining the construction to the same site excluding area occupied by agriculture pavilion and incorporating in the fresh drawings the dimensions of another 'haveli' to be acquired.

The architect was accordingly requested in February 1985 to revise the plans and architectural

drawings. The architect who had, by then, completed the designing and drawing work keeping in view the plot area which included the agriculture pavilion, insisted on the payment for the work already done by him. The Department paid Rs.1.24 lakhs to the architect in October 1985 for the preparation of plans and drawings which had become redundant.

The commencement of construction of phase II (pile foundation work) of the museum building was taken up only in April 1987, about five years after release of the funds to TFAI.

The case revealed that release of funds amounting to Rs.64.90 lakhs during March 1982 and March 1983 for construction of Crafts Museum building, even before availability of site resulted in blocking up of funds for about five years, besides infructuous payment of Rs.1.24 lakhs to the architect for the preparation of drawings.

The Ministry stated, in October 1990, that due to non-availability of Ministry of Agriculture's land and the restriction imposed by the Government of Gujarat, the whole scheme sanctioned earlier had to be revised. The developments were beyond the control of the department and as such the Government funds remained blocked with Trade Fair Authority of India. It added that the total funds have been fully utilised and the construction work of phase II building was nearly complete.

## CHAPTER VII

### Ministry of Urban Development

#### 16. Working of Letter Presses at New Delhi

##### 16.1 Introduction

The Government of India Presses are departmentally managed undertakings for executing printing jobs of Government publications under the overall control of Directorate of Printing. The presses cater to the printing needs of Government on no profit - no loss basis.

In a letter press, composing is done by types made of alloy and printing done through letter press machines unlike in an offset press where the composing is done by photo-setting and printing through offset press machine.

##### 16.2 Scope of Audit

The working of Letter Press at Minto Road and at Ring Road in New Delhi for the period 1986-87 to 1989-90 was reviewed in audit during May to July 1990.

A copy of the draft review was sent to the Ministry in October 1990 for confirmation of facts and furnishing comments. While no reply was received from the Ministry, the Directorate of Printing furnished comments in April 1991 which were given due consideration while finalising this review.

##### 16.3 Organisational set-up

The Directorate of Printing, an attached office of the Ministry of Urban Development is the nodal

agency for getting printing jobs of the Government done through a network of presses. Each press is headed by a Manager, with a sanctioned strength of 1771 industrial workers and 289 non industrial workers in Minto Road Press and 1184 industrial workers and 243 non industrial workers in Ring Road Press (March 1990). The requisitions for printing received from various departments are allotted to different presses having regard to type of work for which each press is most suited and the capacity of each press.

##### 16.4 Highlights

- Capacity utilisation of the printing machines vis-a-vis assessed capacity was upto 19 per cent and 33 per cent in Minto Road and Ring Road Presses respectively during 1986-90. The Minto Road Press had been employing more than 1700 personnel.
- Make ready operations accounted for 31 to 60 per cent of the available machine hours as against 20 per cent allowed.
- Despite capacity remaining grossly under-utilised, 1634 jobs were got executed through private printers at a cost of Rs.67.31 lakhs during 1986-90. An amount of Rs.40.89 lakhs on account of printing jobs got executed by the Directorate of Printing through private presses was recoverable from indenting departments.

- Delayed preparation of proforma accounts resulted in jobs not being billed on realistic basis. Supplementary bills based on the cost as per audited accounts were raised long after completion of jobs.
- Dues amounting to Rs.458.18 lakhs and Rs.922.57 lakhs for the period 1976-77 to 1989-90 were pending realization from the indenting departments as on 31st March 1990 in Minto Road and Ring Road Presses respectively. Bills for 5614 jobs completed during October 1985 to August 1987 had not been raised by Ring Road Press.
- Shortages and excesses revealed during physical verification of stock in Minto Road Press were not got regularised by the competent authority. Prescribed quinquennial stock taking of dead stock and petty plants had not been carried out since 1975 in Minto Road Press.
- Inaction on the part of Minto Road Press resulted in 3064 quintals of metal dross valuing Rs.52.24 lakhs remaining undisposed from 1987. Non-enforcement of the terms and conditions of contract for disposal of metal dross residue by Minto Road Press resulted in loss of Rs.4.28 lakhs.
- No viable action plan for increasing capacity utilisation in Letter Press unit of Minto Road Press had been framed.

## 16.5 Performance

16.5.1 *Composing machines:* The realistic mechanical composing capacity of lino and mono key board machines of various letter presses was assessed in 1986 by Directorate of Printing after taking into consideration the relevant factors and making allowance for loss of time on account of various items like rest, absenteeism, oiling and cleaning etc. Allowance of 30 per cent of the total time in case of lino machines (except for Minto Road Press where it would be 40 per cent) and 25 per cent in case of mono-key board machines was made while assessing their composing capacity. In Minto Road Press, composing capacity for two shifts was assessed in respect of 34 lino and 26 mono-key board machines as 2.58 lakh A-5 pages (size 14.86 cms x 21.02 cms) while in Ring Road Press, the capacity was assessed in respect of 22 lino and 24 mono-key board machines as 1.79 lakh A-5 pages.

Actual production vis-a-vis assessed composing capacity of the machines varied from 38 to 72 per cent in Minto Road Press and 62 to 78 per cent in Ring Road Press during the period 1986-87 to 1989-90.

In Minto Road Press, idle machine hours constituted 59 to 67 per cent of the available machine hours in respect of lino and 34 to 44 per cent in respect of mono-key board machines during 1986-87 to 1989-90. In Ring Road Press during the same period, it ranged from 51 to 59 per cent in respect of lino and 13 to 19 per cent in respect of mono-key board machines.

Causewise details of idle hours revealed that mechanical defects accounted for 31 per cent of total idle machine hours in Minto Road Press and 26 per cent in Ring Road Press during 1986-87 to 1989-90. Machine hours lost due to mechanical defects was indicative of ineffective maintenance measures adopted by the presses.

Machine hours lost due to absenteeism to total machine hours in lino and mono-key board machines ranged from 16 to 21 per cent in Minto Road Press and 20 to 25 per cent in Ring Road Press during 1986-87 to 1989-90 as against 12 per cent allowed while assessing the capacity of the machines.

Hours spent on liner measure and magazine changing ranged from 7 to 8 per cent in Minto Road Press and 9 to 12 per cent in Ring Road Press during 1986-87 to 1989-90 as against 5 per cent allowed while assessing the capacity of the machines.

The Director of Printing stated in April 1991 that the factors abetting the above position in the Minto Road Press have been

that the lino/mono machines have outlived their normal apex of life. The machines in most cases are beyond repairs. In the case of Ring Road Press, the idle machine hours include time taken for procuring spares which was abnormally high as original spares were not available in the country.

16.5.2 *Printing machines:* The capacity of the serviceable printing machines installed in the Government of India presses was assessed in 1986 by Directorate of Printing after taking into account the relevant factors and giving allowances on a liberal basis for loss of time on account of various items like make ready operations, rest, absenteeism, etc. Total annual capacity (in two shifts) was assessed as 1385.89 lakh impressions in respect of 45 machines at Minto Road Press and 1255.70 lakh impressions in respect of 33 machines at Ring Road Press.

Capacity utilisation of the machines vis-a-vis assessed capacity was only 16 to 19 per cent in Minto Road Press and 28 to 33 per cent in Ring Road Press during 1986-87 to 1989-90 as indicated below:

Year	Assessed capacity (Sheet impressions in lakhs)		Actual output		Percentage utilisation	
	MR*	RR**	MR	RR	MR	RR
1986-87	1385.89	1255.70	264.10	420.48	19	32
1987-88	1385.89	1255.70	219.69	381.47	16	30
1988-89	1385.89	1255.70	241.06	351.84	17	28
1989-90	1385.89	1255.70	255.25	413.58	18	33

\*MR Minto Road Press

\*\*RR Ring Road Press

The Directorate attributed (May 1990) the low productivity to the fact that the machines had outlived their normal span of life and the vacancies occurring in the letter presses were not being filled-in. However, shortage of operatives with reference to sanctioned strength during 1988-89 and 1989-90 in Minto Road Press was 29 and 37 per cent respectively while the capacity utilisation during these years was only 17 and 18 per cent. In respect of Ring Road Press, shortage of staff with reference to sanctioned strength was 1.4 per cent in 1987-88 and 8.9 per cent in 1989-90. The capacity utilisation was disproportionately low, which ranged from 28 to 33 per cent during 1986-87 to 1989-90. The Directorate further stated (April 1991) that it was not always possible to take remedial action because of various constraints and that the capacity of machines in Minto Road Press had been derated by 71 per cent to 400 lakh impressions

per annum from 1st April 1990. Even with reference to derated capacity, the utilisation during the period April-December 1990 as reported by Directorate was only 41 per cent.

16.5.3 Scrutiny in audit revealed that besides shortage of staff, the short-fall in performance was on account of machine hours lost on make ready operations, idle time and absenteeism as detailed below:

(i) Make ready operations: Time spent on make ready operations during 1986-87 to 1989-90 constituted 41 to 60 per cent of the available machine hours in Minto Road Press and 31 to 36 per cent in Ring Road Press as against 20 per cent allowed while assessing the capacity.

(ii) Idle machine hours: Details of idle machine hours in the two presses for the years 1986-87 to 1989-90 were as under:

Year	Available machine hours		Machine hours utilised		Idle machine hours		Percentage of idle machine hours to available machine hours	
	MR*	RR**	MR	RR	MR	RR	MR	RR
1986-87	153562	105865	106741	87112	4682	118753	30	18
1987-88	103927	101933	98627	81718	5300	20215	5	20
1988-89	95976	103233	84760	77889	11216	25344	12	25
1989-90	89515	115666	83796	88183	5719	27483	6	24

MR\* Minto Road Press

RR\*\* Ring Road Press

Idle machine hours to available machine hours ranged from 5 to 30 per cent in Minto Road Press and 18 to 25 per cent in Ring Road

Press during 1986-87 to 1989-90. Mechanical and electrical defects alone accounted for 90 per cent of total idle machine hours in respect

of Minto Road Press and 62 per cent in respect of Ring Road Press during 1986-87 to 1989-90.

(iii) Absenteeism: The hours lost due to absenteeism during 1986-87 to 1989-90 ranged from 16 to 30 per cent in Minto Road Press and 16 to 21 per cent in Ring Road Press as against 12 per cent taken at the time of assessing the capacity utilisation.

Inspite of monitoring by the

Directorate through managerial control returns, there was no improvement in regard to the factors affecting capacity utilisation.

Despite capacity remaining grossly under-utilised, jobs were got executed through private printers. The number of jobs executed through private printers and expenditure incurred thereon during 1986-87 to 1989-90 by the Directorate of Printing was as under:-

Year	Number of jobs executed	Expenditure (Rs. in lakhs)
1986-87	443	14.98
1987-88	433	14.45
1988-89	435	17.00
1989-90	323	20.88
<b>Total</b>	<b>1634</b>	<b>67.31</b>

Payment for the printing jobs initially made by the Directorate is to be recovered from the indenting departments. It was noticed that an amount of Rs.40.89 lakhs was outstanding from 1977-78 to 1989-90 against indenting departments upto March 1990.

In case of printing jobs given to different private printers, paper for printing is issued to them by the Directorate. Scrutiny in Audit of 50 printing jobs given to different private printers during 1985 and 1987, however, revealed that in nine cases, for which contracts were given during 1985, private printers did not return unutilised paper after completion of the jobs. The Directorate also did not initiate any action for the recovery of unutilised paper valuing

about Rs.0.65 lakh. Directorate was asked in May 1990 to review all other cases of similar nature where un-utilised paper was lying with private printers. Directorate stated (April 1991) that out of Rs.0.65 lakh, an amount of Rs.0.14 lakh was still outstanding.

#### 16.6 Proforma accounts

Proforma accounts are to be prepared by Government Presses annually showing, inter-alia, cost of printing and binding including cost of materials and details of capital account and store transactions. Proforma accounts for a financial year are required to be completed for submission to Audit not later than the end of September of the following year by each Press. By March 1991, Minto Road and Ring



Road Presses had submitted the Proforma Accounts upto the year 1985-86 and 1988-89 respectively.

There were delays in the preparation of Proforma accounts ranging from 47 months (1985-86) to 69 months (1982-83) in Minto Road Press and from 7 months (1987-88) to 24 months (1983-84) in Ring Road Press.

Delay in the preparation of Proforma accounts had resulted in having to make supplementary bills based on audited accounts long after completion of jobs.

A Task Force set up by the Ministry in March 1986 had recommended that the Directorate should ensure that the yearly Proforma accounts in all the Government of India Presses were brought up-to-date by December, 1986. The bills to be raised against the indentors were also to be brought up-to-date by March 1987. Despite issue of instructions by the Directorate (July 1986), the work relating to preparation of Proforma accounts and raising of bills continued to be in arrears in the two Presses.

#### 16.7 Costing system

The cost accounting system in the Government of India Presses envisages the preparation of a set of accounts to exhibit the press costs. According to the system costing is done on the basis of hourly rates for different cost centres of the presses i.e. pre-printing (composing), printing, post-printing (binding). To these are added overhead charges and cost of paper and other material.

Value of work for which bills

were raised was far less than the value of work done as per Proforma accounts. While the Minto Road Press had not raised supplementary bills amounting to Rs.1621.47 lakhs upto 1985-86, the Ring Road Press had to raise supplementary bills for Rs.1021.35 lakhs upto 1987-88.

The Department of Administrative Reforms and Public Grievances in their report (submitted in January 1986) on a study of working of Government of India Presses, undertaken in consultation with the Directorate of Printing observed, inter-alia, that according to the indentors, the amount charged by Government of India Presses was very high even upto ten times as compared to that of private printers.

#### 16.8 Billing and dues realisation

Prior to April 1971, expenditure incurred on printing jobs of most of the Ministries/Departments was met out of the budget allotment of the then Chief Controller of Printing and Stationery. The Public Accounts Committee in their Thirty Fourth Report, Fourth Lok Sabha (1968) observed as under:

"The Committee feel that, if all the Ministries and Departments are made to bear the expenditure on their respective publications, it would effectively discourage the present tendency towards reckless over-printing and wasteful expenditure. The committee, therefore, recommend that the expenditure on publications should be provided for in the budgets of all the Ministries/Departments under a separate sub-head in the relevant demand for grant with a specific mention in the Explanatory Notes so

that it receives the attention of Parliament."

It was accordingly decided to treat all Ministries/ Departments of the Government of India as paying from 1st April 1971 and debits were as such raised against them for the jobs done on their behalf.

According to the scheme of departmentalisation of accounts introduced in 1976, inter-departmental adjustments were to be carried out by exchange of cheques or demand drafts instead of settlement of accounts through the Accounts Officers. Thus, the need arose for preferring bills for payments by the departments whose jobs were executed and debit statements were replaced by bills.

According to information made available to audit, outstanding dues as at the end of March 1990, from Government departments amounted to Rs.458.18 lakhs in Minto Road Press and Rs.922.57 lakhs in Ring Road Press. The dues pertained to the period 1976-77 to 1989-90.

The Minto Road Press stated (June 1990) that a list showing the amounts outstanding against different indentors from the year 1976 onwards was under preparation and would be intimated to the

Director of Printing.

The Ring Road Press stated (June 1990) that in regard to realisation of old bills, besides the difficulties faced by the press in locating old documents, the indentors also expressed their difficulties for making payments of bills due to non-availability of records at their end. Due to the reorganisation of Ministries also, it had become increasingly difficult to trace the real indentors for realisation and further stated (July 1990) that bills for 5614 jobs completed during October 1985 to August 1987 had not been raised.

The Directorate stated in April 1991 that instructions have been issued to all the Heads of the Presses for accelerating the process of realising of printing charges.

#### 16.9 Store accounts

Scrutiny in audit revealed that the closing balances of paper and binding materials had been arrived at after adjusting following shortages and excesses found during physical verification in Minto Road Press during 1979-80 to 1982-83 without obtaining sanction of the competent authority for such adjustments.

Year	Material	Shortage (Rupees)	Excess (Rupees)
1979-80	Paper	158085	207366
	Binding	13	-
1980-81	Paper	187832	224337
	Binding	-	-
1981-82	Paper	348664	30890
	Binding	7	-
1982-83	Paper	882649	598772
	Binding	10434	10810

The Directorate stated (April 1991) that the Government of India Press, Minto Road had been directed to submit the proposal of adjustment of excess and shortages for examination and decision.

The basic quantity record of stock transactions are bin cards. Stock balances depicted in them are required to be reconciled periodically with those shown in the store ledger. This reconciliation should be conducted before physical verification of an item is taken-up. Scrutiny of stores account revealed that no such reconciliation was being carried out with the result that in many cases balances as per bin cards did not agree with corresponding balances shown in the ledger.

According to the Hand-book of the Government of India Presses, physical verification of dead stock articles and plants in use is to be conducted every five years and excesses/shortages found as a result of such verification are to be reported to the Directorate for regularisation.

Quinquennial stock verification was not conducted in Minto Road Press after 1975. Scrutiny of the records of Minto Road Press relating to the stock verification conducted during 1975 revealed that there were differences between actual balances found during physical verification vis-a-vis book balances. The records also did not indicate that results of physical verification were reported to the Directorate and sanction for regularisation of the differences obtained. Directorate stated (April 1991) that the process of accounting/weighing the lino and mono metal was very tedious and time

consuming and as such, the same would be taken up separately after completing the quinquennial stock taking of all other dead stock items.

#### *16.10 Disposal of metal dross:*

In pursuance of a study conducted by the Ministry with regard to disposal of surplus/obsolete stores, it was decided (September 1987) by the Directorate that an action plan be prepared for disposal of all unserviceable/obsolete stores. Manager, Ring Road Press was required by the Directorate to float a composite tender for disposal of metal dross lying in the presses in New Delhi and Faridabad. The Manager, Minto Road Press while intimating (October 1987) a quantity of 1100 quintals of metal dross residue for disposal did not report about 3064 quintals of metal dross which was also available for disposal as in October 1987 as per Day Book of Lino/Mono Metal (the register showing the total quantity of available dross and the metal extracted from it from time to time). As a result, the metal dross valuing Rs.52.24 lakhs, valuation based on the rate of Rs.1705 per quintal accepted for disposal of metal dross at Ring Road press, remained without disposal.

The Manager, Minto Road Press was asked (August 1990) to intimate the quantity of metal dross lying in the press in March 1990 but the information was not made available to audit.

There was no system for assessment of quantity of metal dross available by physical verification.

The Directorate stated (April 1991) that the metal dross was held back for reprocessing. However, no action either to reprocess or to dispose off the metal-dross had been taken since October 1987.

Tenders for disposal of 110 tonnes of metal dross (residue) were invited in January 1987 by the Minto Road Press. An offer of Rs.856 per quintal from a firm was accepted (January 1988). According to the terms of the accepted tender, delivery of the material (dross residue) was to be accepted on "as is and where is" basis. The firm, however, accepted the material after sorting, wetting and sieving, leaving behind approximately 50 tonnes of residue having no market value. The firm requested that the equivalent quantity of dross residue be made available from another lot which was acceded to by the Manager, Minto Road Press contrary to the advice (June 1988) of the Directorate.

By allowing the firm to sort out the metal dross residue in contravention of the terms of accepted tender and making up the balance quantity from another lot, the Government was put to a loss of Rs.4.28 lakhs as left over material after sorting, wetting and sieving did not have any market value.

#### *16.11 Replacement programme*

The Public Accounts Committee in their Forty first Report, Fifth Lok Sabha, (April 1972) while expressing concern on the poor performance of the Minto Road Press pointed out that with concerted efforts, it should be possible to attain the capacity and also stressed that short-comings in the press should be attended to on top

priority basis. It also pointed out that as the press was situated in Minto road at a short distance from the headquarters, " it would well act as a model for other Government of India Presses to emulate".

While explaining the low productivity in Letter Presses, the Directorate stated (May 1990) that the letter press system was being gradually replaced by photolitho system.

The Directorate stated (April 1991) that a replacement programme for Ring Road Press was under active consideration. As regards Letter Press unit of Minto Road Press, no replacement programme was contemplated as the unit was to be phased out.

The fact, however, remains that Letter Press unit of Minto Road Press continues to employ more than 1700 members of staff. Besides, spare parts costing Rs.29.01 lakhs had been procured during 1988-90 for meeting the estimated requirement of the Press for the next ten years. Despite this, there was no viable action plan for rehabilitating the unit by improving its capacity utilisation.

#### **17. Expenditure incurred in excess of deposits**

The Central Public Works Department (CPWD) undertakes execution of works for non-Government bodies/organisations, finances for the execution of which are required to be placed at its disposal. Such works are termed 'deposit works'. According to the codal requirements, whenever a 'deposit work' is to be carried out, the estimated cost of the work should be realised by CPWD before

any liability is incurred on account of the work.

Test check in audit during June 1990, revealed that despite the codal provisions and instructions issued by the Ministry, expenditure of Rs.1188 lakhs was incurred by 36 units in Delhi till March 1990 in excess of the deposits received by them. Out of Rs.1188 lakhs, Rs.1070 lakhs were outstanding for periods indicated below in respect of eight autonomous bodies alone :-

	<u>Rupees in lakhs</u>
Less than one year	254
More than one year but less than five years	561
More than five years	255

Out of Rs.428 lakhs due from one autonomous body, work-wise details for Rs.388 lakhs were not available with the CPWD.

The matter was referred to the Ministry in August 1990; no reply has been received (January 1991).

**18. Infructuous expenditure on a water supply scheme**

Construction of a water supply scheme for providing drinking water to Border Police at Reckong Peo was sanctioned in February 1974 for Rs.4.44 lakhs (revised to Rs.13.12 lakhs in September 1975). The scheme was intended to supply water by gravity system through a 11 kilometer long pipeline from a source located at an altitude of 10,500 feet above mean sea level. The work was taken up for construction by Central Public Works

Department (CPWD) Division, Shimla in February 1975 and after the completion of the scheme (except internal distribution system) in 1981 at a cost of Rs.11.73 lakhs, the department abandoned the scheme in January 1982 due to the following reasons:-

- (i) The source of water at an altitude of 10500 feet was liable to freeze during winter months as also threat of avalanches existed.
- (ii) The alignment of the pipeline was such that it was not able to withstand pressure and led to leakages in the pipeline.
- (iii) The pipeline was liable to be damaged by landslides during rainy season.

Another water supply scheme from a source located at a lower altitude was sanctioned in September 1980 for Rs.3.27 lakhs but that too could not be implemented as the Irrigation and Public Health (I&PH) Department of Himachal Pradesh Government did not permit the laying of pipe on the proposed alignment. Alternatively, the State Government agreed (December 1980) to supply 20,000 litres of treated water per day from its own water supply scheme. A pipeline was laid during September-October 1982 from the filter bed of the State Government's water supply scheme for Peo township to the storage tank of CPWD located at a distance of 1,200 metres. The requirements of the Border Police for the period from October 1981 to October 1985 had to be met by deploying departmental vehicles because the internal distribution system had not been laid. The internal distribution system was completed in October 1985 at a cost

of Rs.2.44 lakhs. Thereafter raw water was tapped from the water supply main of State I&PH Department at a point little before the inlet of sedimentation tank and raw water so obtained was stored and cleaned and then brought through Border Police sedimentation and filtration tanks. The I&PH Department intimated (August 1988) that 20,000 litres of water was being supplied to Border Police daily from second week of March 1988 at a cost of Rs.1026 per month.

The Chief Engineer, North Zone, New Delhi ordered (January 1982) the dismantling of 9184 metres pipeline, laid under the original scheme at a cost of Rs.0.31 lakh, which could not be used. Accordingly, an expenditure of Rs.0.62 lakh (including a liability of Rs.0.11 lakh) was incurred on dismantling of 7506 metres pipeline. Executive Engineer, CPWD Division, Shimla intimated (March 1990) that it was not economical and practicable to dismantle the balance 1678 metres pipeline on which an expenditure of Rs.1.29 lakhs had been incurred as the cost of dismantling will be much more than the cost of pipes retrieved. Out of the dismantled pipeline, 2473 metres had been issued to other works and balance 5033 metres was lying in store (March 1990). The sedimentation tank and filter tank constructed at a cost of Rs.3 lakhs were not being used for filtration purposes from March 1988 but for storing the water to supplement the existing storage tank.

Test check (February 1987) of the records of CPWD Division, Shimla revealed that no detailed survey and investigations had been done before taking up the execution of the scheme. As a result, the

expenditure of Rs.11.73 lakhs incurred on it did not serve the intended purpose. In addition, an expenditure of Rs.0.62 lakh was incurred on dismantling of the pipeline.

The Executive Engineer, Shimla Central Division, maintained (March 1988) that the scheme was chosen after two years of survey and enquiry from local PWD authorities. The contention was, however, not tenable in the face of the inspection note of September 1980 of the Assistant Commandant of the Border Police according to which no detailed survey of the full alignment from the source upto the tank was available. Further, a mere no objection certificate was obtained from the State Government in March 1976.

The matter was referred to Ministry in July 1990; reply had not been received (December 1990).

**19. Delay in provision of power connection to residential quarters at Hyderabad**

Government of India sanctioned Rs.230.83 lakhs in January 1986 for construction of 48 numbers of Type I, 80 numbers of Type II and 64 numbers of Type III residential quarters at Uppal, Hyderabad for Survey of India personnel. The quarters were actually completed during the period March-June 1988 at a cost of Rs.222.99 lakhs.

The service connection charges were paid in April 1988 for power connection to the quarters. The Andhra Pradesh State Electricity Board authorities, however, pointed out (June 1989) that wooden boards were yet to be fixed where meters were to be installed. The quarters

were ultimately handed over to the user department only in August 1989 after the electricity connection had been given to the quarters. The delay in occupation of the quarters due to failure to take timely action resulted in loss of licence fee of Rs.1.60 lakhs, besides avoidable payment of Rs.7.50 lakhs towards house rent allowance.

The matter was referred to the Ministries in August 1990. While no reply has been received from the Ministry of Urban Development, the Ministry of Science and Technology replied in December 1990 that the allotment was taken up and completed by October 1989 and that the delay in getting the electrical connections was beyond the control of the Department.

**20. Extra expenditure due to delay in finalisation of plans**

The construction of 90 type II quarters in DIZ area, New Delhi estimated to cost Rs.43.37 lakhs was approved by Government in July 1984. The work was awarded by the Central Public Works Department (CPWD) at Rs.47.42 lakhs to firm 'A' in April 1985 and was to be completed by August 1986.

In accordance with the provisions of the departmental manual, complete architectural and structural drawings are to be made available to the contractors at the time of inviting tenders. This was not done as the building plans were furnished by CPWD to New Delhi Municipal Committee (NDMC) for approval only in February 1986 by which time about 60 per cent of the stipulated period for completion of work had expired.

In July 1986, the firm intimated CPWD that since the department had not got the approval of the plans from NDMC till then and almost the entire stipulated period for the completion of work was over, it was discharged from the contractual obligations. The CPWD, thereupon, decided to close the contract in February 1987.

Tenders were reinvited in June 1987 and the work was awarded in September 1987 to firm 'B' at Rs.51.06 lakhs and was to be completed by October 1988. The work was completed in August 1989. Payment of Rs.49.91 lakhs had been made to firm 'B' up to the last running account bill paid in May 1989, but final bill had not been paid so far (July 1990).

Thus, due to failure of CPWD in making available the approved plans/drawings to firm 'A' the contract with it had to be closed and the work awarded to firm 'B' at a cost higher by Rs.3.64 lakhs. Pending settlement of the final bill of firm 'B', an extra expenditure of Rs.2.49 lakhs had been incurred by CPWD. The completion of the construction of quarters was also delayed by three years.

The matter was referred to the Ministry in August 1990; their reply has not been received (January 1991).

**21. Award of work at higher rates due to erroneous computation of tender offers**

The Central Public Works Department (CPWD) awarded the work "construction of building for Central Council for Research in

Ayurveda and Siddha at Janakpuri, New Delhi" to contractor 'A' at Rs.202.34 lakhs in December 1987 after adjudging his offer as the lowest. Audit scrutiny, however, revealed that offer of the contractor 'B' at Rs.197.38 lakhs was the lowest but his tender was evaluated wrongly at Rs.203.31 lakhs. Contractor 'B's representation dated 8th December 1987 received by the Chief Engineer before the award of the work asking for chance to negotiate, being the lowest tenderer, did not dissuade the department from awarding the work to contractor 'A'.

Incorrect evaluation of tenders resulted in extra cost of Rs.4.96 lakhs.

Accepting the facts, the Ministry stated in October 1990 that exact amount of extra expenditure would be known after the completion of work. They further informed that the matter had been referred to the vigilance unit of the CPWD for investigation and disciplinary action was proposed to be initiated against the persons found responsible for the lapse.

**22. Payment without proper measurement**

The earth work for basement of an office building for Department of Electronics at Lodhi Road Office Complex, New Delhi was awarded in December 1986 by Central Public Works Department (CPWD) to a firm at Rs.2.67 lakhs. Payment for work actually executed amounted to Rs.5.45 lakhs; for excavation of earth it was Rs.1.08 lakhs and for disposal of excavated earth by

mechanical transport with a lead of 10 Kms. it was Rs.4.37 lakhs.

According to the provisions of the departmental manual, initial and final levels were to be recorded at the site where earth was excavated and also at the site where it was disposed of. This is necessary to ensure that the entire quantity of earth excavated was transported to the dumping site. Payment for disposal of earth was to be restricted to lesser of the quantities in cutting or filling.

It was noticed that payment of Rs.4.37 lakhs for disposal of earth was made for the quantity of earth excavated without recording measurements of initial and final levels at the dumping sites. As a result the department did not satisfy itself as to whether the entire quantity of earth excavated was transported to the dumping sites. Codal provisions were, thus, not followed in making payment of Rs.4.37 lakhs for disposal of earth by mechanical transport.

The matter was reported to the Ministry in July 1990; their reply had not been received (January, 1991).

**23. Inadequate supervision leading to execution of defective work**

In June 1982, the Central Public Works Department (CPWD) awarded the work "Construction of National Archives at Janpath, New Delhi including demolition of existing structures" to a contractor at Rs.255.83 lakhs. This included Rs.4.18 lakhs on account of reinforcement cement concrete (RCC)



in voids relating to walls, floors, suspended floors, gun metal cramps, stone work, wall lining etc. The RCC work in walls to be executed up to the eighth floor was completed up to the fourth floor by December 1984.

While the work was in progress, the Quality Control Wing of the Department inspected the work in November 1985 and pointed out that the work of RCC in walls from floor level three to level four was out of plumb. The contractor was directed by the CPWD in August 1986 to dismantle and rectify the defective work. Without taking any action to rectify the defects the contractor continued with the work. After completion of the work of RCC in walls, CPWD decided to reduce the rates payable for various items of RCC work. Against the tendered cost of Rs.4.18 lakhs payments totalling Rs.3.83 lakhs were made to the contractor from January 1984 to March 1989.

Additional Director General, CPWD who inspected the work in July 1989 observed that the building was so shabbily constructed that it was a shame for CPWD. He pointed out that "stone work was neither in plumb nor with a correct workmanship" and suggested necessary administrative action against the contractors as well as the persons incharge of the work.

The CPWD decided in August 1989 to dismantle the work and get it recast at the risk and cost of the contractor. Tenders were called for in October 1989 and the lowest tenderer quoted Rs.11.83 lakhs which was proposed for acceptance. Meanwhile the original contractor obtained a stay order in November

1989 from the High Court restraining the CPWD from placing the contract. Stay order had not been vacated till August 1990.

Thus, faulty supervision and ineffective follow-up action by CPWD resulted in the execution of an unproductive work of Rs.3.83 lakhs.

The matter was referred to the Ministry in September 1990; no reply has been received (January 1991).

#### 24. Overpayment due to incorrect computation of work

The work "Development of land at Shakti Sthal, New Delhi" estimated to cost Rs.42 lakhs was awarded by Central Public Works Department (CPWD) to a firm in March 1986 at Rs.49.90 lakhs. This work involved bringing earth from outside and filling in areas at Shakti Sthal. Cutting the earth from some areas and filling in other areas at the same site was simultaneously got done through other agencies.

The firm had been paid Rs.33 lakhs for execution of 91,328 cum. of earth work till the 13th running account bill. While finalising the firm's bill (14th and final) in August 1989, CPWD noticed that 13,223 cum. of earth obtained from cutting at the Sthal deductible from the total quantity of earth brought to site was not deducted in the earlier computations. The actual quantity of earth work payable worked out only to 82,233 cum. valuing Rs.30.28 lakhs revealing an overpayment of Rs.2.72 lakhs. The overpayment was, however, shown in the books as an advance to the contractor and adjusted against the security deposit of Rs.one lakh in

August 1989 leaving Rs.1.72 lakhs due from the firm.

The matter was referred to CPWD in April 1990 and the Ministry

in July 1990. Overpayment of Rs.1.72 lakhs awaited recovery from the firm (November 1990). Reply of the Ministry was not received (March 1991).

## CHAPTER VIII

### Ministry of Water Resources

#### 25. Implementation of an irrigation scheme

A Centrally sponsored scheme for encouraging irrigation through the use of solar pumps, wind mills, sprinklers, drip systems, hydrams, water turbines, man or animal operated pumps was launched in 1982-83, with a view to making efficient use of water for stepping up agricultural production with the available water resources. Solar pumps and wind mills were later excluded from the scheme during the Seventh Plan period as these items were to be taken up by the Department of Non-Conventional Energy Sources. The scheme was to contribute saving of precious water and energy and to benefit areas where electric power was not available or there were difficulties in economic transport of diesel oil. Under the scheme, subsidy at prescribed percentage of the cost of various devices, was to be provided to farmers. The expenditure on subsidy was to be shared between Central and State Governments on 50:50 basis. The proposed outlay for Sixth Plan was Rs.500 lakhs and for Seventh Plan Rs.1000 lakhs.

Scrutiny of the records of Ministry revealed the following position:-

(i) Against the total Central subsidy of Rs.857.08 lakhs released to 15 States during 1982-83 to 1989-90, the actual expenditure up to March 1990 was only Rs.387.10 lakhs viz. 45 per cent, leaving an unutilised balance of Rs.469.98 lakhs.

(ii) In Bihar, Orissa and Punjab, no expenditure was incurred out of the total Central subsidy of Rs.13.38 lakhs released to these States in 1982-83 (Rs.8.38 lakhs) and in 1988-89 (Rs.5.00 lakhs).

(iii) In seven States viz. Andhra Pradesh, Karnataka, Kerala, Maharashtra, Tamilnadu, Tripura and Uttar Pradesh, extent of non-utilisation of funds ranged between 60 and 95 per cent.

(iv) In Haryana and Madhya Pradesh, even though the State Governments already had unutilised balance of Rs.11.61 and Rs.26.23 lakhs with them in March 1989, additional funds to the extent of Rs.9.28 and Rs.5.58 lakhs respectively were released during 1989-90.

Physical progress in the installation of various devices sanctioned, as per the records of the Ministry, revealed the following position:-

(a) Out of 155 solar pumps and 186 wind mills sanctioned during 1982-83 to 1984-85 for six States, 12 solar pumps and one wind mill were installed in two States till 1989-90.

(b) None of the 141 hydrams and seven water turbines sanctioned during 1982-83 to 1989-90, in four States (Bihar, Karnataka, Madhya Pradesh and Manipur) was installed till March 1990.

(c) Though 535 pumps (man or animal operated) were sanctioned for

the States of Gujarat and Karnataka, no device was installed in the States.

(d) Out of 8677 drip systems sanctioned for six States (Gujarat, Karnataka, Kerala, Maharashtra, Rajasthan and Tamil Nadu) 2354 systems were installed in Maharashtra only.

(e) Out of 18974 sprinklers sanctioned for 13 States (Andhra Pradesh, Bihar, Gujarat, Harayana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamilnadu, Tripura and Uttar Pradesh) 16424 sprinklers were installed in seven States (Gujarat, Harayana, Karnataka, Kerala, Madhya Pradesh, Rajasthan and Uttar Pradesh).

The State Governments were to evaluate the benefits of the scheme and send their reports to the Ministry. No report was received from the States till June 1990.

The responsibility for monitoring and periodical evaluation of the implementation of the scheme rested with the Ministry of Water Resources. The Ministry did not pursue the matter with the State Governments. Only information in respect of the progress of expenditure and the number of devices installed was being received from the States through quarterly reports. As a result of the decision taken after discussion, regarding evaluation of the scheme, in the Planning Commission in March 1990 proposal for entrustment of evaluation studies to the 'Agriculture Finance Consultants Limited, Bombay was under consideration (December 1990).

Thus, a scheme intended to promote efficient use of available water resources for agricultural production was implemented in a lackadaisical manner and was awaiting proper evaluation after seven years of its launching .

The matter was referred to the Ministry in July 1990; no reply has been received (December 1990).

#### 26. Avoidable expenditure in procuring boulders

In March 1986, Farakka Barrage Project Authority had placed two orders, with suppliers 'A' and 'B' for supply of 25,000 cubic metres each of boulder with the stipulation to complete the supplies within three and a half months reckoned from the 15th day after the issue of work orders. The boulders were required for protection works on the right bank of river Ganga between chains 380 and 480 and between chains 200 and 380. The contract value was for Rs.49.13 lakhs and Rs.48.75 lakhs respectively. Due to obstruction from local people, location for supply of boulders by supplier 'A' was shifted between chains 322 and 355 involving a reduction in the value of the order from Rs.49.13 lakhs to Rs.48.75 lakhs. Suppliers 'A' and 'B' had supplied 15,913 cubic metres and 20,653 cubic metres of boulders respectively upto February 1988.

Due to non-requirement of further quantity of boulders at the locations specified, the suppliers were asked, in February 1988, to supply the balance quantity in between chains 100 and 160. For supply of boulders at the new location, supplier 'A' demanded

Rs.219.89 against the original rate of Rs.196.50 per cubic metre which was not accepted (May 1988) by the project authority as the proposal of the executive engineer for accepting the enhanced rate was not supported by valid documents. Supplier 'B' also demanded (February and October 1988) enhancement of rate without quoting specific rate. The contracts with suppliers 'A' and 'B' were closed in June 1989 with mutual agreement so as to avoid legal complications and Rs.31.03 lakhs and Rs.40.27 lakhs were paid to them in May 1990 and March 1989 respectively.

The Technical Advisory Committee (TAC) in its meeting held at Farakka in December 1987, had recommended protection work between chains 97.25 and 102.25 and at chains 138.25 and 144.25. Accordingly, project authority had placed (June 1988) two supply orders

amounting to Rs.18.93 lakhs and Rs.17.16 lakhs respectively, with suppliers 'C' and 'D' for supply of 15,032 cubic metres of boulders with the stipulation to complete supplies within 30 days reckoned from the 15th day after the issue of work orders. The suppliers 'C' and 'D' had completed supplies in May 1989 and March 1989 respectively.

Had the project authority accepted the offer of supplier 'A', an extra expenditure of Rs.1.83 lakhs incurred in the procurement of balance quantity of 9087 cubic metres of boulders could have been avoided as the TAC's recommendation made in December 1987 was much earlier than the rejection (May 1988) of offer of supplier 'A'.

The case was referred to the Ministry and the project authorities in July 1990. No reply has been received (November 1990).

## CHAPTER IX

### Ministry of Welfare

#### 27. Provision of rehabilitation services

A Pilot Project Rehabilitation Centre subsequently renamed as District Rehabilitation Centre (DRC) was established at Kharagpur in Midnapur district in December 1983 for providing a package of services viz, physiotherapy, occupational therapy, speech therapy, hearing aids, orthotic and prosthetic surgical corrections and psychological evaluation for rehabilitating the disabled population in the rural areas. The scheme was entirely funded by Government of India and implemented through Government of West Bengal.

The activities of the DRC commenced in 1984 in Keshiary block through one Primary Health Centre Rehabilitation Unit (PHCRU) and later extended in 1986 in Salboni block through another PHCRU.

A sum of Rs.7 lakhs was received by the DRC during 1983-85. Against total requirement of Rs.42.39 lakhs during 1985-89, Rs.21.82 lakhs including UNICEF assistance (Rs.1.17 lakhs) and miscellaneous receipts (Rs.0.26 lakh) had been received from Government of India. DRC had spent Rs.28.05 lakhs during 1983-89 of which Rs.21.58 lakhs were spent on salaries of staff, office furniture, equipment, etc., and Rs.6.47 lakhs were spent on rehabilitation aids, equipment, training etc.

During two surveys and one resurvey conducted in those blocks in December 1984- January 1985,

December 1986-January 1987 and April -May 1989 by village rehabilitation workers, 7807 disabled persons were identified. According to the Further Action Plan for the period from July to December 1989, 3755 (out of 7807) persons were advised upto June 1989, about the nature of treatment required leaving 4052 persons out of the ambit of the DRC. Of 3755 persons, 885 were treated, 1291 persons had been undergoing treatment and 1579 persons had not been provided with treatment (March 1990). Thus, till June 1989 only eleven per cent of the disabled persons (7807) identified could be treated. Out of 2176 persons treated or under treatment, 1376 were advised rehabilitation and 485 persons only were actually rehabilitated.

Construction of a building for housing PHCRU at Keshiary block for which Rs.1.80 lakhs were received by the Project Co-ordinator District Rehabilitation Centre (PCDRC) during 1985-87 from Government of India could not be taken up due to delay in settlement of terms and conditions about availability of land and non-issue of permission for construction by the State Government till July 1990. The PCDRC, however, diverted Rs.1.62 lakhs to meet the pay and allowances of the staff of the unit without obtaining approval from District Rehabilitation Centre, Central Cell.

During 1984-89, 11 items of equipment viz. industrial oven, portable headlight, refrigerator etc., 769 callipers, 80 hearing aids worth Rs.3.61 lakhs (including six

equipment valuing Rs.0.32 lakh received from UNICEF) were purchased by the District Rehabilitation Centre, Kharagpur out of grant received on account of aids and appliances and office equipment and furniture from Government of India. Of these, 11 items of equipment, 450 callipers, 35 hearing aids valuing Rs.2.19 lakhs could not be utilised (March 1990) for periods ranging up to six years. The reasons advanced by the District Rehabilitation Officer (March 1990) were want of 440 volt electric lines, requisite number of patients, ENT and eye specialists etc.

The insignificant performance of the project was attributed (March

1990) by the District Rehabilitation Officer to (i) non-availability of sufficient accommodation for surgical corrections, (ii) vacancy in the post of physiotherapist for three years, (iii) shortage of accommodation in DRC, PHCRU, short receipt of fund from Government of India, (iv) absence of vocational training centre in the blocks, absence of special schools for those whose hearing was impaired, mentally retarded and for the blind and poor response in disbursing loans to the cases from Integrated Rural Development Programme.

The matter was referred to the Ministry in August 1990; reply has not been received (October 1990).

## CHAPTER X

### Union Territories

#### Andaman and Nicobar Islands Administration

#### 28. Soil conservation schemes

soil testing laboratory (approved outlay: Rs.8.47 lakhs).

##### 28.1 Introduction

The Union Territory of Andaman and Nicobar Islands comprises 8,24,900 hectares of land of which 52,821 hectares (6.4 per cent) are under agriculture and allied activities and a vast area comprising 85 per cent is covered by forest. Heavy rain-fall ranging from 320 cm. to 400 cm. per year and undulating nature of the land cause severe soil erosion resulting in quick loss in fertility of the land necessitating soil conservation measures. Besides paddy land, hilly land allotted for development of plantation also needed proper care. Cultivable land in many places also required reclamation/protection as the land is affected by saline water or by the entry of sea water. Upto the end of Sixth Plan (March 1985), 1350.5 hectares were covered under soil conservation measures and 686 hectares of land were reclaimed/protected from saline water.

##### 28.2 Scope of Audit

A review of the implementation of the following land improvement schemes during the Seventh Plan period (1985-90) in the Islands was undertaken in March-May 1990 :-

(i) Soil conservation (approved outlay: Rs.26.91 lakhs).

(ii) Soil conservation-cum-demonstration centre and strengthening of

(iii) Land shaping and tractor ploughing (approved outlay: Rs.62.26 lakhs).

(iv) Reclamation of saline affected areas for cultivation (approved outlay: Rs.56 lakhs). Against the total outlay of Rs.153.64 lakhs, the expenditure incurred in the Seventh Plan period was Rs.156.20 lakhs.

##### 28.3 Organisational set up

The Director of Agriculture of Andaman and Nicobar Administration is the executive head for implementation of the schemes.

##### 28.4 Highlights

- Against approved outlay of Rs.153.64 lakhs on the scheme the expenditure incurred in the Seventh Plan period was Rs.156.20 lakhs.

- Against the target of covering 2350 hectares under the soil conservation scheme, the area actually covered was only 305.65 hectares reportedly due to low rate of Rs.8 per labour day fixed by the Government compared to the minimum wage of Rs.18 fixed by the Administration. Payment of interest amounting to Rs.1.63 lakhs was relaxed by the Administration without ensuring whether the minimum follow-up programme of the



scheme was carried out by the cultivators.

Against the target of 60,000 fixed from 1985-86 to 1989-90, only 17,762 samples of soil were tested. Test results of 6944 soil samples were not made available to cultivators.

Utilisation of tractors was much less than expected hours of operation; the tractors were hired to the cultivators at a concessional rate of Rs.35 per hour against the operational cost of Rs.108 per hour.

No survey of the land affected by saline water was undertaken

during the Seventh Plan period.

- No action has been taken on the proposal made by the Planning Commission for a detailed study of the impact of the scheme by an independent agency.

#### 28.5 Soil conservation

28.5.1 During the Seventh Plan period, the scheme was to be implemented in 2350 hectares but the area actually covered was 305.65 hectares. As against the approved outlay of Rs.26.91 lakhs, the expenditure incurred was Rs.8.11 lakhs only. The year-wise targets, achievements and the expenditure were as follows:

Year	Targets		Achievements	
	Physical (in hectares)	Financial (in lakhs of rupees)	Physical (in hect- ares)	Financial (in lakhs of rupees)
1985-86				
Paddy 100				
Hilly 250	450	10.00	9.80	Hilly 0.99
Gover- nment 100				land
1986-87				
-do-	450	5.60	18.00	-do- 0.50
1987-88				
-do-	450	2.80	93.69	-do- 1.14
1988-89				
Paddy 100	600	4.60	77.31	-do- 2.24
Hilly 500				
1989-90				
Paddy	400	3.91	106.85	-do- 3.24
Hilly				
Total	2350	26.91	305.65	8.11

Thus, the financial and physical achievements were only 30.14 per cent and 13 per cent respectively. Further, the targets were fixed for private paddy, hilly lands and Government lands but works were undertaken on hilly lands only. The Directorate stated, in March 1990, that shortfall in achievement was mainly due to the low rate fixed for the soil conservation work by the Government of India (Rs.4000 per hectare/ Rs.8 per labour day) compared to the prevailing minimum wages fixed by the Administration (Rs.18 per labour day).

28.5.2 The soil conservation measures were undertaken in the holdings of the cultivator on loan-cum-subsidy basis, the subsidy being in the form of conversion of the outstanding loan into grant. Fifty per cent of the loan was to be treated as subsidy in the fifth year if it was certified by the soil conservation staff that minimum follow-up programme was adopted by the cultivator for four years. The grant of subsidy was also conditional on timely payment of the loan and/or interest thereon. The loan was to be repaid in 15 equal annual instalments on the outstanding balance beginning from the sixth anniversary of the completion of work or the disbursement of the amount, interest alone being payable on the anniversary dates during the first five years.

An analysis of the loan register indicated that as on 31st March 1990, there were 371 persons from whom Rs.11.00 lakhs were to be recovered in respect of loans released upto 31st March 1985. Further, Rs.4.52 lakhs were also

outstanding as interest due from them.

It was seen that the Administration relaxed payment of interest amounting to Rs.1.63 lakhs on loans of Rs.3.72 lakhs granted during Sixth Plan period. The certificates of adoption of follow-up programme in respect of the cases relaxed were not made available to Audit.

Rules provide for payment to cultivators for all works done on the basis of measurements to be recorded in the measurement book. The measurement books for the works carried out under the scheme were not produced for verification of correctness of payment of loans.

Register of Rights and Liabilities of owners of lands showing the cost of work done on the land, total amount of the loan and interest to be recovered, number of annual instalments, date of commencement of recovery etc. required to be maintained was not being maintained.

No register showing the amounts paid to individual cultivators during the Seventh Plan period was opened till June 1990. The Directorate stated, in June 1990, that total number of beneficiaries during Seventh Plan was 136 and amount paid to them was Rs.8.11 lakhs.

The amount for work done by the Directorate on behalf of the cultivators was drawn on contingent bills and the amount received by the cultivators was adjusted under service head instead of the loan head. The Directorate stated, in

June 1990, that measures would be taken to get the amount booked under loan head.

**28.6 Soil conservation-cum-demonstration centre and strengthening of soil testing laboratory**

The main object of the scheme was to make cultivators aware of the impact of the various researches and soil conservation practices by way of practical demonstration to them in the fields, and also to conduct soil trials on different crops with a view to analyse soil fertility and types of fertilizers required for improving the output.

The Directorate stated, in February 1990, that the cultivators/farmers were brought to demonstration farms to make them

aware of the measures to be adopted in the matter of soil conservation. No separate demonstrations in fields were conducted.

Achievements in respect of soil samples tested were well behind the target fixed every year. During the Seventh Plan period only 17,762 samples were tested against the target of 60,000. Achievement rate was only 29.6 per cent. The recommendation sheets forwarded (10,818) were also less than the samples tested (17,762 Nos.). Thus test results of 6,944 soil samples were not available to the cultivators.

The approved outlay and expenditure under the scheme during the Seventh Plan period were as follows:

(In lakhs of rupees)

Year	Outlay	Expenditure	Excess(+) Savings(-)
1985-86	2.38	0.33	(-)2.05
1986-87	1.60	0.10	(-)1.50
1987-88	1.20	1.24	(+)0.04
1988-89	1.20	0.60	(-)0.60
1989-90	2.09	2.09	-
	8.47	4.36	(-)4.11

Low utilisation of fund (51 per cent) was attributed by the Directorate in June 1990 to non-filling of the post of soil chemist and the senior research assistant. The green house constructed in June 1983 at a cost of Rs.0.42 lakh to develop and introduce suitable soil conservation measures, varieties of grass, legumes etc. for giving

effective protection for soil conservation structures could not be put to use for want of proper roofing and water connection.

**28.7 Land shaping and tractor ploughing**

The main object of the scheme was to increase production of food-

grains by intensifying the departmental tractorisation of the land with a view to help farmers to overcome the problem of shortage of bullock power and also to complete the cultivation in time. The scheme envisaged hiring of the departmental

tractors to farmers at a reasonable rate.

The yearwise approved outlay and the expenditure incurred were as shown below:

(In lakhs of rupees)

Year	Approved outlay	Expenditure	Variation Excess (+) Savings (-)
1985-86	8.26	14.62	(+)6.36
1986-87	12.00	22.82	(+)10.82
1987-88	12.50	12.60	(+)0.10
1988-89	12.50	18.42	(+)5.92
1989-90	17.00	21.43	(+)4.43
	62.26	89.89	(+)27.63

The Directorate had not indicated the reason(s) for excess expenditure.

The total number of tractors with the Directorate at the beginning of the Seventh Plan was 63 including 35 tractors received from the Rehabilitation Department consequent upon winding up of its activities in the Islands. Out of these, 13 tractors valued Rs.2.55 lakhs were declared unserviceable in February 1987 and disposed of to the cultivators at prices fixed as scrap

value by a committee appointed for this purpose. The disposal was made during 1988 at a total price of Rs.0.33 lakh. Further 2 tractors in 1985, 9 in 1987 and 25 in 1989 were purchased at a total cost of Rs.38.86 lakhs thereby taking the total number of tractors with the Directorate to 86. It was noticed that utilisation of the tractors in terms of total hour run per annum was much less than the expected 1250 hours of operation per annum per tractor as given below:

*Port Blair, South Andaman*

	No of tractors in operation for the ploughing	Total hour run
1985-86	7	2350.79
1986-87	7	1366.37
1987-88	7	1993.00
1988-89	7	3215.00
1989-90	10	4107.00

	No of tractors in operation for the ploughing	Total hour run
<b>Hut Bay, Little Andaman</b>		
1987-88	3	1695.00
1988-89	5	1892.9
1989-90	5	2754.4
(Records for 1985-86 and 1986-87 were not made available)		

The tractors were hired to the cultivators at a concessional rate of Rs.35.00 per hour as against the operational cost of Rs.108.00 per hour. Further, though the main object of the scheme was to increase production of foodgrains by double cropping, no assessment of the increase in production of foodgrains due to tractorisation was made. The Directorate stated, in June 1990, that a review of the working of the scheme would be made.

#### 28.8 Reclamation of saline affected areas for cultivation

The main purpose of scheme under the Seventh Plan period was to reclaim about 686 hectares (326 hectares already affected and 360 hectares likely to be affected) of lands in different islands of the Union Territory by strengthening the existing bunds, walls and sluice gates etc. survey for reclamation of land affected by saline water was also to be taken up in five different islands. The approved outlay during the plan period was Rs.56.00 lakhs of which Rs.47.00 lakhs was for strengthening of existing protective measures and Rs.9.00 lakhs to carry out survey for reclamation of land affected by saline water. Expenditure of Rs.53.46 lakhs was incurred during the plan period upto March 1990 for strengthening the existing

protective measures in 686 hectares and Rs.0.38 lakh for carrying-out spill over survey work of Sixth Plan period. No survey of the land in the different islands affected by saline water was undertaken during the Seventh Plan period.

#### 28.9 Evaluation of the scheme

The Planning Commission desired (February 1987) that a detailed study of the impact of the soil conservation schemes already implemented should be made by an independent agency. The study was suggested by the Union Government to be carried-out by the Administrative Staff College of India, Hyderabad or Agriculture Finance Corporation of India, Bombay. But no step in this direction was taken by the Directorate till June 1990.

These observations were referred to the Ministry in August 1990 ; reply has not been received.

#### 29. Technology Mission on Drinking Water

##### 29.1 Introduction

The objective of Technology Mission on drinking water, set up in 1986, was to ensure sustained availability of adequate drinking water free from contamination due to excess salinity, fluoride and iron.

content, in villages. The scheme was financed by the Government of India.

According to 1981 census, out of a total population of 1.89 lakhs in the Union Territory of Andaman and Nicobar Islands, 1.39 lakhs were residing in rural areas spread over 491 villages. In April 1985, 40 villages with a population of 24246 were identified as problem villages. These villages had not assured source of drinking water within a distance of 1.6 Km. or had water that contained excess salinity, iron, flouride and /or other toxic elements. Out of 40 problem villages, 14 were covered during the first year of the Seventh Plan before launching of the Technology Mission and the remaining 26 villages were covered in 1986-87 (nine villages), 1987-88 (nine villages) 1988-89 (six villages) and 1989-90 (two villages). All the works were taken up under Minimum Needs Programme (MNP) and Accelerated Rural Water Supply Programme (ARWSP).

Although no village was originally covered under Technology Mission during the Seventh Plan period, 13 villages with 9477 inhabitants already covered under MNP and ARWSP prior to the Technology Mission were taken up during 1988-89 and 1989-90 under Technology Mission for further augmentation of water supply.

### 29.2 Scope of Audit

The implementation of the Technology Mission by the District Rural Development Agency during the period 1987-88 to 1989-90 was reviewed in Audit in May 1990.

### 29.3 Organisational set up

The Andaman Public Works Department was entrusted with the responsibility of preparing detailed project report. District Rural Development Agency (DRDA) was vested with the responsibility for execution and effective implementation of the activities under the scheme. The Secretary-in-charge of Rural Water Supply in the Union Territory was the project co-ordinator.

### 29.4 Highlights

- There has been under utilisation of funds. Against the available amount of Rs.11.04 lakhs, the expenditure incurred during the years 1987-90 was Rs.3.87 lakhs.
- A sum of Rs.1.50 lakhs was paid in April 1988 as an advance to an agency at Nagpur for implementation of the scheme of water supply analysis. Action taken on the recommendations of the institute was not intimated.
- The Directorate commenced execution of providing sanitary wells in March 1989 to cover 13 villages having a population of 9477 for 24 sanitary wells at an estimated cost of Rs.6.00 lakhs and completed the work of eight wells covering population of 3059 at an expenditure of Rs.1.38 lakhs (May 1990). The benefit of the scheme reached only to 32 per cent of population to be covered under the scheme.

- The laboratory, intended for assessment of quality of water, was yet to be set up (November 1990) although a sum of Rs.2.50 lakhs was received in July 1987.
- Monitoring of the progress and performance of the scheme from time to time has not been made. Evaluation of the scheme has also not been made.

#### 29.5 Execution of the scheme

Andaman and Nicobar Island Administration received a grant of Rs.10.00 lakhs in July 1987 from Government of India. The amount was deposited in the bank earning an interest of Rs.1.04 lakhs. The expenditure incurred during 1987-88 to 1989-90 was Rs.3.87 lakhs only leaving an unspent balance of Rs.7.17 lakhs at the end of March 1990. Thus, there has been gross under utilisation of funds.

The grant of Rs.10.00 lakhs was to be spent towards implementation of the following four activities under Pilot Project (Mini Mission) under Technology Mission during 1988-89 and 1989-90.

**29.5.1 Water quality analysis:** A sum of Rs.1.50 lakhs was advanced in April 1988 to National Environmental Engineering Research Institute, Nagpur for taking up the work in water quality analysis. The Institute reported, in December 1990, full utilisation of the amount advanced. Action taken on the recommendations of the Institute was not intimated.

**29.5.2 Provision of sanitary wells:** In December 1988, Government of India sanctioned Rs.6.00 lakhs for construction of 24 wells. The

Directorate commenced execution of providing sanitary wells in March 1989 to cover 13 villages having a population of 9477 for increasing water supply. Only 8 wells covering a population of 3059 had been completed so far (May 1990). An amount of Rs.1.38 lakhs was booked on this account. Three wells were stated to be on the verge of completion and construction of remaining 13 wells was under progress. Delay in completion of wells was attributed to non-availability of materials like cement and M.S. rods. Out of a population of 9477 to be covered under the scheme, only a population of 3059 could be benefited (32 per cent).

**29.5.3 Setting up of laboratory:** Setting up of a laboratory at an approved cost of Rs.2.50 lakhs was sanctioned in December 1988 for assessment of quality of water. This has not been set up (November 1990).

**29.5.4 Awareness camp :** The cost approved in December 1988 for the purpose was Rs.0.50 lakh. Equipments like colour television, video cassette player and public address system worth Rs.0.23 lakh were purchased in March 1990 for organising group meetings and camps with the objective of creating awareness of the advantages of good potable water. The Directorate stated, in May 1990, that programme for organising awareness camps had been drawn up and first such camp was scheduled to be held by the end of May 1990. The balance fund of Rs.0.27 lakh was yet to be utilised. The objective of creating mass awareness among villagers about the utility and benefit of good drinking water was thus yet to be realised.

The Administration intimated, in January 1991, that ten awareness camps had been organised in August and September 1990 incurring an expenditure of Rs.0.03 lakh. The balance amount was proposed to be spent on purchase of a generator set for the purpose of showing video films in awareness camps in remote villages having no electricity.

#### 29.6 Monitoring and evaluation

Monitoring of scheme through submission of monthly report, performance report to the concerned authorities and field visit of project co-ordinator has not been made. Evaluation of the scheme has also not so far been made.

These observations were referred to the Ministry in August 1990; no reply has been received (December 1990).

#### 30. Delay in execution of a road work

The objective of linking isolated settlements in the Bay Islands by construction of a road of 9.6 km took 19 years to achieve as against the envisaged period of six months. The expenditure which was estimated initially at Rs.4.38 lakhs amounted to Rs.45.87 lakhs due to changes in specifications and the time over run.

The Andaman and Nicobar Administration sanctioned in October 1963 Rs.4.38 lakhs for construction of 13.6 kms. of rural road and 68 hume pipe culverts for settlement and colonisation in the Bay Islands from Aerial Bay to Lamia Bay (North Andaman). The estimate was revised to Rs.7.33 lakhs in April 1965 as the road was to be constructed with 55 culverts of different

specifications involving a larger outlay. Subsequently, the length of the road was decreased from 13.6 kms to 9.6 kms to terminate at Kalipur, a place short of Lamia Bay due to reserve forest beyond Kalipur and not much of settlement beyond this point. The work (other than earth work) was taken up departmentally in November 1963.

The work could not be completed within six months as contemplated. By July 1974, formation work alone had been completed and other items namely soling, metalling and painting had been completed for a length of 4.3 kms, 2.1 kms and 1.6 kms respectively. It was decided to construct the remaining portion and also modify a portion of the road already built on the basis of revised specifications for rural roads laid down by Ministry of Transport (Roads Wing) and accordingly another estimate for Rs.20.09 lakhs excluding the cost of major bridges and culverts was submitted in July 1974. The revised specifications entailed an additional expenditure of Rs.1.92 lakhs per kilometre. While undertaking the work as per revised specification, a length of one kilometre had to be relaid as these portions of road were found to be damaged on inspection.

A portion of the road was open to vehicular traffic in March 1982. The work was completed in all respects in March 1984 at Rs.45.87 lakhs against the sanctioned estimate of Rs.7.33 lakhs. Sanction to regularise the excess expenditure of Rs.38.54 lakhs due to changes in the scope of work and delay in implementation had not been accorded.



In June 1988, the Public Works Division attributed the time over-run to (i) peculiar geographical and climatic condition prevailing in the Islands, (ii) non-availability of machineries and material, (iii) typical soil strata and (iv) less out-turn of labour. The Division admitted, in February 1990, that the period of six months specified for the work was unrealistic.

The matter was referred to the Ministry in October 1990; reply has not been received (November 1990).

**31. Grants to Andaman Adim Janjati Vikas Samiti**

Grants amounting to Rs.95.02 lakhs were released by the Director, Tribal Welfare to the Andaman Adim Janjati Vikas Samiti during 1985-86 to 1989-90 for the welfare of primitive tribes of the Islands.

It was observed that grants were released during 1985-86 to 1989-90 to the Samiti without receipt of their audited statement of accounts, though financial rules provide that audited statement of accounts be obtained from the recipient body before sanctioning further grants. The Directorate stated, in April 1990, that the grant-in-aid was released pending submission of audited accounts which were stated to be in arrears for want of competent staff.

Unspent balance out of the grants received by the Samiti during five years was reported to be Rs.84.34 lakhs inclusive of interest amounting to Rs.18 lakhs as on 31st March 1990. The rules regulating the payment of grants-in-aid, require refund of the unspent balances. These were neither refunded by the Samiti nor was the refund insisted

upon by the Directorate as, according to the Chief Secretary, Andaman and Nicobar Administration, such refunds may adversely affect the functioning of the Samiti.

General Financial Rules provide that there should be no occasion for rush of expenditure in the last quarter of the financial year. However, out of total grant of Rs.95.02 lakhs, grants amounting to Rs.79.99 lakhs were released in the last quarters of the five years including Rs.67.49 lakhs released in the month of March alone.

The matter was referred to the Ministry in July 1990; reply has not been received (November 1990).

**32. Non-recovery of licence fee**

The Administration granted licences to four persons to vend liquor in retail within the Union Territory from 1st April 1987 to 31st March 1988 on the basis of auction against a total bid money of Rs.55.36 lakhs. The licence fee was recoverable in four instalments.

The Administration recovered Rs.27.68 lakhs representing 50 per cent of the total bid money within 48 hours of auction leaving a balance of Rs.27.68 lakhs due to be recovered in two instalments before November 1987. But the Administration could not trace out the venders. This resulted in a loss of revenue to the tune of Rs.27.68 lakhs. Re-auction for selection of new venders to make good the loss partially had not been conducted.

The matter was referred to the Ministry in June 1990 and to the Administration in February 1990. Their replies have not been received (November 1990).

33. Loss due to expiry of shelf life of medicines

To meet the requirement of medicines, annual indents are placed by the Director of Health Services (DHS) with Medical Stores Depot (MSD), Calcutta for supply of medicines throughout the year. During 1987-88, MSD supplied medicines worth Rs.241.55 lakhs to DHS of which medicines worth Rs.51.35 lakhs were not received by DHS. The issue vouchers maintained in MSD, however, showed the medicines having been despatched to Port Blair as per instructions' and 'as per discussion'.

As per MSD manual, it is to be ensured that no indenter receives stores which do not have an effective shelf life of six months from the date of despatch from MSD. Out of medicines worth Rs.190.20 lakhs received from MSD in 1987-88, shelf life of medicines worth Rs.18.44 lakhs expired/ decomposed by the time the consignments reached Port Blair in eight batches between July 1987 and May 1988. This included medicines of the value of Rs.3.76 lakhs having an effective life of less than six months at the time of despatch from MSD. In addition, medicines worth Rs.4.90 lakhs, having a short shelf life ranging from one to four months were also received. These medicines could not be utilised by the DHS and were lying in stock. The supply of time-expired medicines was brought to the notice of MSD by DHS in November 1987 and subsequently to Government of India in December 1987 and in January 1988. In February 1988, the DHS sought permission from the Ministry to send back all the medicines worth Rs.23.34 lakhs for replacement. In May 1988, the DHS also took up the matter with the

Director General of Health Services, New Delhi (DGHS).

DGHS asked MSD in May 1988 to persuade the supplier to replace the decomposed/time-barred drugs free of cost to the extent possible and make all out efforts to liquidate the unusable stock either in the Island itself or outside to avoid financial loss to Government and to report the outcome of efforts for replacement of medicines every fortnight. However, there was no response from MSD till June 1990. There was also nothing on record to prove whether MSD had actually taken up the matter with the supplier.

In the meantime, to avoid getting mixed up with the stock of other medicines and also to overcome the problem of space in main stores of DHS, the time expired medicines were kept separately in a building at Port Blair during March to May 1988.

These time expired medicines, stored in a separate building, were completely gutted in a fire accident in January 1989. The case was reported to the police on the following day. A magisterial enquiry was ordered by the Administration in January 1989. The results of the enquiry were awaited (June 1990).

Lack of effective supervision and control over the distribution of medicines to the indenter as per rules before despatch from MSD coupled with its failure to get the medicines replaced by the supplier in time resulted in a loss of Rs.23.34 lakhs.

The MSD, however, stated, in November 1989, that no expired/ decomposed medicines appeared to have been supplied to the Andaman

and Nicobar Islands Administration, Port Blair. This is not corroborated by DHS who stated, in September 1990, that examination of particulars like batch no., manufacturing date, expiry date etc. revealed that 15 drugs worth Rs.7.45 lakhs were time-expired, nine drugs worth Rs.4.90 lakhs had life for one to four months at the time of their receipt by DHS and five drugs worth Rs.10.99 lakhs were decomposed.

The matter was referred to the Ministry in March 1989 followed by a reminder in July 1990 and to the Ministry of Home Affairs in July 1990; reply has not been received (November 1990).

#### **34. Delay in construction of class rooms**

In January 1985, Kendriya Vidyalaya Sangathan, New Delhi (Sangathan) accorded administrative approval and expenditure sanction for Rs.26.86 lakhs for construction of 12 class rooms for Kendriya Vidyalaya at Port Blair. The Andaman Public Works Department (APWD) was the construction agency for the deposit work. The work began in September 1985 and was not completed within the stipulated period of 18 months.

The Sangathan had deposited a sum of Rs.26 lakhs in instalments with the APWD by October 1986. In March 1987, APWD approached the Sangathan for a revised administrative approval and expenditure sanction due to escalation in the cost of labour and materials. The revised sanction for Rs.41.43 lakhs was accorded in November 1987. A further sum of Rs.15 lakhs was also deposited in January 1988.

Out of the 12 class rooms to be constructed, APWD completed eight rooms by September 1988 and two more rooms by April 1990. The remaining two rooms were yet to be completed. An expenditure of Rs.40.65 lakhs had been incurred (October 1990). Delay in execution of work by APWD resulted in increase in expenditure of Rs.13.79 lakhs till October 1990.

APWD attributed the delay and cost overrun to peculiar climatic conditions, heavy rainfall, limited working season, natural calamities and increase in cost of labour and material. These factors, however, were not uncommon in Bay Islands and the department was aware of these constraints while determining the time schedule of 18 months.

The case was referred to the Ministry in July 1990; no reply has been received (November 1990).

#### **35. Avoidable expenditure on road work**

The Public Works department took nearly four years (against anticipated one working season) and exceeded the sanctioned expenditure by Rs.16.92 lakhs in widening and improving 1.05 kms. of a road. The details are given below.

Sanction for Rs.19.55 lakhs was accorded in March 1985 for the work "Improvement to road from Goalghar to Rajniwas via State Library (1.05 kms.)". The work consisted of widening the road on either side to increase the carpet width of the road from 5 metres to 14 metres and construction of retaining wall, toe wall, road-side drain, culverts etc. The entire work was to be completed within one working season but the target date

for completing the road portion of the work was fixed as 10th February 1985, taking into account the visit of high dignitaries to the Island in the later part of the month. The work had commenced in November 1984 in anticipation of sanction and was completed in September 1988 at a total cost of Rs.36.47 lakhs.

Test check conducted by Audit, in January 1990, revealed the following:

(i) The road portion of the work which was to be completed by 10th February 1985, was actually completed on 8th May 1985. In order, however, to cater to the visit of dignitaries to the Island in February 1985, temporary surface painting and beautification of the road was done. An expenditure of Rs.6.00 lakhs was incurred on these items of work for which there was no provision in the estimate. Had the road work been completed in all respects within the scheduled date, the expenditure could have been avoided. Delay in completing the work was attributed (November 1990) by the department to heavy rain and other administrative reasons.

(ii) Against the anticipated period of one working season for the completion of the work, the Department took nearly four years and exceeded the sanctioned expenditure by Rs.16.92 lakhs.

(iii) The road portion of the work was executed departmentally and the remaining items of work such as construction of retaining wall, toe wall etc. were got executed through contractors on the basis of work orders. The Executive Engineer, South Andaman Division stated, in January 1990, that certain portions of the work like retaining wall, toe

wall etc. were awarded to contractors on labour rate because it was thought that this would be more economical and faster than execution by the department. However the work was completed only in September 1988 i.e., almost after four years from the date of starting the work.

The case was referred to the Ministry and Department in July 1990 and November 1990; no reply has been received (December 1990).

### 36. Procurement of sisal ropes of wrong specification

The Director of Shipping Services, Andaman and Nicobar Islands placed an indent in July 1978 on Director General Supplies and Disposals (DGSD) for 40 coil sisal ropes (20 coils each in size of 96 mm dia and 76 mm dia) in lengths of 220 metres for use in ships.

The DGSD procured the sisal ropes from a firm in Calcutta for Rs.5.95 lakhs excluding sales tax, excise duty, packing and freight charges and consigned the same to Port Blair through the interim consignee, Assistant Director(Shipping), Calcutta. The Marine Stores at Port Blair, however, reported accountal for 34 coils between June and December 1982 and 6 coils (3 coils each of 96 mm dia and 76 mm dia) valuing Rs.0.89 lakh remained untraced/unaccounted for. Reasons for short receipt had not been ascertained (November 1990).

Out of 34 coils accounted for, three coils valued at Rs.0.59 lakh were utilised by the Directorate upto February 1986 and one coil valued at Rs.0.18 lakh was sold in

March 1984 to Andaman Lakshadweep Harbour Works. As the ropes were stated to be too large to be used for any useful purpose, the Directorate decided in November 1983 to cut the ropes in three lengths by a local entrepreneur. An expenditure of Rs.2.42 lakhs was incurred during November 1983 and March 1985 for resizing of 19 coils. This resulted in an avoidable expenditure of Rs.2.42 lakhs. The remaining 11 coils (Rs.2.01 lakhs) were reported to have been damaged completely.

There was thus, a total loss of Rs.5.32 lakhs on this account which could have been avoided, had the Directorate taken action to procure ropes of the right specification.

The Directorate stated, in May 1990, that it was a mistake to have specified the diameter as circumference. It was also stated that conversion of ropes into smaller size was a salvage measure and that the case of six missing coils would be investigated.

The matter was referred to the Ministry in April 1990; reply has not been received (November 1990).

### 37. Loss due to leakage of asphalt

In March 1980, the Stores and Workshop Division of Andaman Public Works Department placed a supply order with a firm for supply of 2000 tonnes of asphalt for road works. The asphalt was to be supplied in non-returnable new steel drums. The Department received 2021.76 tonnes (13,230 drums) of asphalt at Madras from the firm between September 1980 and March 1981. Of these, 10519 drums were shipped to Port Blair

between December 1980 and April 1981 and 2571 drums were lying in leaking condition and unsuitable for sea shipment from Madras to Port Blair (September 1981). The position of remaining 140 drums was not ascertainable from the Department.

After inspection of stores by the Assistant Engineer, Andaman Public Works Department, it was proposed by him in November 1981 to dispose of those drums locally through Assistant Director (Shipping), Madras. No action for disposal was, however, taken (February 1990) and the Department proposed to prepare survey report for obtaining write off sanction. The amount paid for those 2571 drums of asphalt could not be ascertained.

The matter was initially referred to the Secretary, erstwhile Ministry of Works and Housing in August 1983. The Principal Engineer-cum-ex-officio Secretary, Andaman Public Works Department, while admitting the loss due to leakage of the asphalt, intimated, in August 1985, that further report would be furnished after obtaining a detailed report from the Executive Engineer concerned. Till January 1990 no report was received by Audit. A statement of the facts was issued to the Department in January 1990. The Department stated in February 1990 that the records were not traceable. The acceptance of supply of asphalt in old leaking drums instead of new steel drums, resulted in a loss of Rs.4.41 lakhs. While admitting that the loss was due to defective supply by the supplier, the Department could not state whether any action was taken against the supplier for defective supply (February 1990).

The matter was referred to the

Ministry in June 1990; their reply has not been received (December 1990).

**38. Non-commissioning of a milling machine**

The Director of Shipping Services (previously designated as Harbour Master, Marine) purchased an universal milling machine from a public sector undertaking in April 1974 at Rs.1.21 lakhs for carrying out repair works at government dockyard. The machine was not commissioned. Spare parts worth Rs.0.29 lakh were procured in November 1983. In November 1984 it was reported that the machine could not be put into operation as no suitable trained operator was available. Under instruction of the Directorate the service engineer of the firm inspected the machine in May 1985. In November 1985 the firm recommended procurement of some spares for carrying out necessary repairs. The spares costing Rs.1.67 lakhs were received in September 1989. The firm was approached in April 1990 to depute their service engineer to put the machine into operation. Nevertheless the machine had not been commissioned till May 1990.

Thus, the purpose for which the machine was procured at Rs.1.21 lakhs remained unfulfilled even after 16 years. The Directorate also spent Rs.1.96 lakhs towards procurement of spares.

The matter was referred to the Ministry and the Administration in April 1990; reply has not been received (November 1990).

**39. Non-installation of a machine**

The Director, Shipping Services, procured one proof loading machine of 50 tonne capacity at Rs.1.25 lakhs through Director General of Supplies and Disposals in August 1982 for testing of slippings of wire ropes, chains and lifting tackle in general. The firm was paid Rs.1.13 lakhs representing 90 per cent of the cost and the balance 10 per cent was required to be paid after the commissioning of the machine by the firm and on the basis of its satisfactory performance. The machine, however, could not be installed as there was no building or shed to house it. It was only in December 1984 that the Directorate initiated action for installation of the machine and approached the Andaman Public Works Department (APWD) for construction of a workshop shed in the Government dockyard for locating the machine. Administrative approval and expenditure sanction for Rs.6.83 lakhs was accorded in October 1986.

APWD intimated, in August 1989, that since no provision for construction of new workshop shed for installation of the machine was available in its budget estimates for the last few years, the work could not be taken up. The Directorate, however, stated, in September 1989, that APWD did not then start work due to its pre-occupation on other projects and that the construction was likely to commence by December 1989. The work had not been taken up by APWD so far (March 1990).

Procurement of the machine

without ensuring a place for its installation/commissioning resulted in blocking of funds to the tune of Rs.1.13 lakhs for more than seven years. The warranty cover of the machine expired long back (January 1984). Due to non-commissioning of the machine the purpose for which the machine was procured viz, the testing of wire ropes and chains of vessels could not be achieved.

The Ministry informed, in January 1991, that workshed building was under construction and expected to be completed soon. As soon as the building was handed over to the Department the machine would be put to use. The Ministry also asked the Administration to conduct an enquiry into the whole matter and fix responsibility for the lapses.

(Chandigarh Administration)

#### 40. Excess release of grants

The Animal Husbandry Department released grants totalling Rs.3 lakhs during 1986-87 to 1988-89 to the Society for Prevention of Cruelty to Animals, Chandigarh for transportation and treatment of injured and sick animals. A scrutiny of the records of the Department disclosed that the Society had utilised only Rs.0.53 lakh during 1986-87 to 1988-89, leaving unspent balances totalling Rs.2.47 lakhs. The Society neither reported the unspent balance at the end of each year to the Department nor the department before releasing grants for the ensuing year, obtained utilisation certificate for the grant released in previous year as

stipulated in the Government sanctions. Accordingly, the unspent balances were not taken into account by the sanctioning authority while sanctioning/releasing grants subsequently.

The matter was referred to the Chandigarh Administration and the Ministry respectively in August 1989 and May 1990. The Administration intimated, in December 1989, that the unspent grant would be utilised by the Society for welfare of animals and establishment of infirmaries for the sick animals. Reply of the Ministry was not received (January 1991).

#### 41. Extra expenditure due to erroneous specification

The work "Replacement of existing overhead high tension line by underground cable along junction 49-50 at Chandigarh" was allotted in February 1986 by Executive Engineer, Electrical Division I, Chandigarh to contractor 'A' for an approximate amount of Rs.8.70 lakhs. In the detailed notice inviting tenders, the specification for laying of 1200 metres aluminium conductor cross link polythene insulated semi-conductor was mentioned erroneously as aluminium tape screened cable instead of copper screened cable. The mistake was detected by the Executive Engineer after allotment of the work to the contractor who, when asked to use copper tape screened cable for the job, demanded higher rate of Rs.677.23 per metre for the revised specification. The Department turned down the demand of the contractor in September 1986.

Fresh tenders were called for in October 1987 and the work was allotted to contractor 'B' at Rs.795 per metre. The work was completed in March 1988 and the final cost worked out to Rs.12.79 lakhs. On the basis of actual quantity of work executed by the second contractor, the Department had incurred Rs.2.32 lakhs more which could have been avoided.

The matter was referred to Chandigarh Administration in April 1988 and the Ministry in June 1990; replies have not been received (April 1991).

#### 42. Misappropriation of Government receipts

Central Public Works Account Code requires that money received by a Government Officer on behalf of Government should at once be brought to account in the cash book.

Detailed audit of receipts of Estate Officer, Chandigarh disclosed misappropriation of Rs.0.69 lakh during the period 1985-86 and 1986-87. Misappropriation was rendered possible due to non-observance of codal provisions and negligence on the part of the drawing and disbursing officer in not exercising the requisite checks on the cash book. Misappropriation occurred due to non-accountal/ part accountal of departmental receipt in the cash book, fictitious entries on payment side of cash book, under-casting of receipt side or non-striking of correct cash balance at the close of the day, etc.

The Chandigarh Administration stated in September 1989 that Rs.0.69 lakh had been recovered.

Disciplinary action against the officers/ officials for failure to adhere to the prescribed system was yet to be taken.

The matter was referred to Ministry of Home Affairs in April 1990. Reply has not been received (December 1990).

#### (Daman and Diu Administration)

#### 43. Irregular/wasteful expenditure

##### 43.1 Purchase of excavators:-

The Public Works Division proposed in January 1988 purchase of two excavator-cum-loaders for Daman and Diu at an estimated cost of Rs.19.91 lakhs for execution of new projects. The requirement was not supported by detailed examination of the number of projects in hand and the number of projects that would be started. Sanction was accorded in January 1988 for the purchase of two excavators. The order for excavators was placed in February 1988 by the Collector, Daman on a supplier in Bombay and two excavators were received in March 1988 at a cost of Rs.19.91 lakhs.

It was noticed in Audit (October 1988) that the purchase was made without inviting open tenders depriving the Government the benefit of competitive rates. As per the details furnished one excavator was used for only 183 hours during August 1988 to December 1989 and the



other for 14 days during August to September 1988.

The Administration of Daman and Diu stated, in August 1989 and June 1990, that the excavators were being used regularly but did not give reasons for placing the order on a single firm.

#### 43.2 Purchase of mechanical road sweepers and refuse compactors:-

The Administration accorded sanction in January 1988 for purchase of three mechanical road sweepers and two refuse compactors for Rs.36.00 lakhs in order to modernise the existing system for removal of garbage. The purchase was made directly from a firm without inviting open tenders. The equipments were received in January/February 1988 at a cost of Rs.34.79 lakhs and placed at the disposal of the Municipalities of Daman and Diu though they had not made any request for the supply. There was no evidence of the equipment having been put to use. The roads in Daman and Diu are also very narrow. The pattern of assistance had not been got approved by the Government of India for the grant.

Purchase of the equipments without assessing the requirements and not putting them to effective use had resulted in blocking of Rs.34.79 lakhs.

The Collectorate to whom the matter was referred in January 1989 did not give any reply. The matter was referred to the Ministry of Home Affairs in May 1990; their reply has not been received (November 1990).

(Lakshadweep)

#### 44. Idling of hydroponic grass unit

A hydroponic grass unit with an output of 150 kgs. per day (cost: Rs.0.95 lakh) was installed in November 1986 in the farm attached to the Animal Husbandry Department for the purpose of experimenting a new technology in the production of grass for the livestock. The main advantage of the equipment was that it did not require any land or soil and required only very little water which could also be reused for production of grass. The purchase was made against technical advice given in June 1985 by the Kerala Co-operative Milk Marketing Federation Limited that it was not easy to maintain the machinery to get trouble free service without having a strong support from highly competent technical personnel. Though the machine was commissioned in December 1986, it had never given good results. This is notwithstanding the fact that a trained person of the supplier firm was retained for maintenance and training and one departmental staff was also given training in the operation/maintenance of the plant. During the period of operation for about 14 months upto February 1988, the machine had worked only for 142 days producing 18,463 kgs. of grass against the expected output of 63,750 kgs. Even out of the quantity of grass so produced, more than 50 per cent of the production (9577 kgs) was rendered as wastage/spoilage. The machine stopped functioning in February 1988 owing to the non-functioning of air

conditioner.

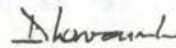
The Director Animal Husbandry stated, in June 1990, that the machinery can be utilised for preserving hatching eggs, till they are transferred to the incubators. Thus the equipment did not achieve

the objective for which it was purchased.

The matter was referred to the Ministry of Home Affairs in July 1990; reply has not been received (December 1990).

New Delhi

The 18 JUL 1991



(DHARAM VIR)  
Director General of Audit,  
Central Revenues-I

Countersigned



New Delhi

The 22 JUL 1991

(C.G.SOMIAH)  
Comptroller and Auditor General of India

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<del>xii</del> <del>(xi)</del>	2	15 from below	effetive	effective
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47	1	10 from below	architerctural	architectural
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