



**REPORT OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR ENDED 31ST MARCH 1997**

**NO. 4
(CIVIL)**

GOVERNMENT OF MADHYA PRADESH



OFFICE OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDED 31st MARCH 1951

NO. 4
(C/11)

GOVERNMENT OF INDIA

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FOR THE YEAR ENDED 31 MARCH 1997

NO.4 (CIVIL)

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xvii	3rd line	garage	Garage
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3.	3rd line	separate	Separate
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17.	Last line	deposits	Deposits
18.	11th line from bottom	Advance	Advances
80.	15th line	government	Government
165.	11th line from bottom	district	District
356.	21st line	rates	Rates
357.	17th line	employment and training	Employment and Training
358.	4th line	Guarage	Garage

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PREFATORY REMARKS

This report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the audit of the financial transactions of the Government of Madhya Pradesh.

2. The Report containing the observations of Audit on Statutory Corporations, Boards and Government Companies and the Reports containing the observations of Audit on Revenue Receipts and Works and Forests are presented separately.

3. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 1996-97 as well as those which have come to notice in earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 1996-97 have also been included, where considered necessary.

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OVERVIEW

This Report includes two chapters containing the observations of Audit on the Finance Accounts and appropriation Accounts of the Government of Madhya Pradesh for the year 1996-97 and three other chapters comprising 6 reviews and 57 paragraphs, based on the audit of certain selected schemes and programmes and of the financial transactions of the State Government. A synopsis of the important findings contained in the reviews and the more important paragraphs is presented in this Overview.

1. Accounts of the State Government

During the year while the assets of the State Government increased by about 4.49 per cent, the liabilities increased by 3.14 per cent only. However, over the period from 1992-93 to 1996-97 the average rates of growth in assets and liabilities were 8.03 per cent and 10.09 per cent respectively. Therefore, if the gap between the growth rates of assets and liabilities is not eliminated the liabilities may soon overtake the assets.

The total receipt and expenditure on revenue account during the year were Rs.10014.23 crore and Rs.11462.05 crore respectively, resulting in a revenue deficit of Rs.1447.82 crore. The revenue deficit and fiscal deficit showed an increasing trend during 1994-97. Even after adjusting the capital surplus of

Rs.666.68 crore there was a net deficit of Rs.781.14 crore in the Consolidated Fund of the State. Borrowed funds constituted 23.81 per cent of the State receipts.

Revenue receipts increased from Rs.8653.47 crore in 1995-96 to Rs.10014.23 crore in 1996-97. The share of tax revenue and non tax revenue constituted 41 per cent and 20 per cent respectively of the total revenue receipts. The tax revenue increased by Rs.585.31 crore and non tax revenue by Rs.196.80 crore over the previous year. However, the rate of growth of tax revenue came down from 22.6 per cent in 1995-96 to 16.6 per cent in 1996-97.

Grant in aid from Central Government and State share of union taxes and duties accounted for 39.3 per cent of revenue receipts.

Interest payment consumed 33.54 per cent of tax revenue. The capital expenditure increased by Rs.160.38 crore (18.64 per cent) over previous year.

53 projects pertaining to Water Resources Department and Public Health Engineering Department were incomplete resulting in cost over run of Rs.5980.07 crore.

Government made further investment of Rs.47.38 crore in Statutory Corporations, Government Companies, Joint Stock Companies, Co-operative Banks and Societies in 1996-97. Dividend of Rs.2.81 crore was paid by 21 concerns having investment of Rs.91.59

crore. Of the total 176 State Government enterprises as on 31 march 1997 only 21 had paid dividend/interest, the return on investment in these enterprises being a little over 3 per cent only.

Fiscal deficit during the year was Rs.1926.24 crore and registered an increase of 18 per cent over the fiscal deficit in the preceding year.

The revenue deficit accounted for over 75 per cent of the fiscal deficit as compared to about 13 per cent in the preceding year.

Loans amounting to Rs.1065.29 crore were received from Government of India, out of which Rs.638.11 crore were utilised for payment of interest.

Internal debt had increased from Rs.2391.87 crore in 1995-96 to Rs.2741.13 crore during 1996-97. The net indebtedness to Government of India had been consistently increasing during the last five years and stood at Rs.6585.38 crore at the end of the year 1996-97. A major part of the loans from the Central Government was utilised on repayment.

Ways and Means advances and Overdraft were availed of by the State Government on 171 days and 24 days respectively on which an interest of Rs.5.02 crore was paid.

(Paragraph 1)

2 Appropriation audit and control over expenditure

As against the provision of Rs.17713.80 crore, the actual expenditure during 1996-97 was Rs.15548.83 crore resulting in saving of Rs.2164.97 crore.

Supplementary provision of Rs.569.79 crore obtained in 53 cases during August 1996 (Rs.85.34 crore), December 1996 (Rs.170.86 crore) and in March 1997 (Rs.313.59 crore) proved unnecessary. In 19 cases, the expenditure during the year exceeded the provision by Rs.231.39 crore. Such excesses pertaining to the years 1989-90 to 1995-96 totalling Rs.1596.58 crore had not been regularised (October 1997).

In 61 cases, there was a saving of Rs.1 crore or more in each case which was also more than 10 per cent of the provision. This included 36 cases where saving had been exceeding Rs.1 crore as well as 10 per cent of provision persistently during last three years 1994-95 to 1996-97. In 2 cases the entire provision remained unutilised during the year.

In 7 cases, funds amounting to Rs.46.91 crore were surrendered though there were eventual excesses amounting to Rs.146.48 crore indicating incorrect estimation of savings.

Out of the total savings of Rs.1574.42 crore in 129 cases, savings to the tune of Rs.563.33 crore were not surrendered. This included savings to the tune

of Rs.505.67 crore in 25 cases where savings exceeded Rs.5 crore in each case.

During 1996-97, the expenditure incurred during March 1997 was Rs.999.56 crore (51 per cent of the total expenditure of Rs.1941.14 crore) in 16 grants.

Rs.3.14 crore advanced from Contingency Fund had not been recouped.

During 1996-97, recoveries/credits to be adjusted in accounts as reduction of expenditure were estimated at Rs.812.44 crore against which the actual recoveries were Rs.492.44 crore.

Out of total balance of Rs.97.48 crore in 284 Personal Deposit Accounts (PDAs), 11 PDAs were having balances of Rs.72.51 crore as on 31 March 1997. Of Rs.53.87 crore relating to central schemes available during 1996-97, Rs.15.65 crore were diverted for purposes other than those for which the funds were meant. There was a balance of Rs.18.72 crore in PDAs representing unutilised funds meant for central schemes.

Keeping huge amounts in PDAs and exhibiting them as final expenditure by debit to the concerned head not only resulted in non-utilisation of funds meant for Central Schemes, but also depicted incorrect picture of expenditure in the accounts. Further such transfer of funds indicated that PDAs were being used

as a medium for avoiding lapse of budget grant and for providing unintended financial support to the State Government by diversion of Central Schemes funds. During 1996-97 Rs.458.20 crore were drawn, mainly in the month of March 1997, after exhibiting them as final expenditure under various heads, and credited to major head "8443-Civil Deposits". Out of this Rs.145.70 crore pertained to Central Government Schemes.

Fraudulent drawal of pension amounting to Rs.22.62 lakh in respect of defence personnel also came to notice in the Sagar, Ujjain and Balaghat treasuries during 1993-94, 1995-96 and 1996-97.

(Paragraph 2)

3. Sanction, procurement and utilisation of vehicles in selected Government Organisations

A review of the sanction, procurement and utilisation of vehicles in 8 Government organisations revealed the following significant irregularities.

- 37 vehicles costing Rs.1.04 crore were purchased by the Agriculture Department for 'National Watershed Area Development Project' without any provision for the purchase under the project. 6 riot control vehicles and 3 hydraulic cranes costing Rs.59.47 lakh were purchased by Director General Police which were found unsuitable and had not been put to use.

- Despite ban on purchase of petrol vehicles, 44 petrol vehicles costing Rs.83.39 lakh were purchased by State garage. In violation of Government orders (January 1983) more than one vehicle was provided to the ministers/officers resulting in extra expenditure of Rs.59.76 lakh during the period 1992-97.

- Hire charges amounting to Rs.26.87 lakh were outstanding for the period 1972-97 in respect of vehicles provided by State Garage to State guests/dignitaries. Rs.85.41 lakh towards petrol supplied on credit by State Garage to the different Government organisations upto 1996-97 were outstanding for recovery.

Expenditure of Rs.46.25 lakh on repairs of vehicles was noticed to have been made in excess of the norms laid down by the Government. Log books of vehicles in the State Garage were incomplete in all the cases and entries for 3 to 46 months were made in the log books of 29 vehicles on a single day.

(Paragraph 3.18)

4. Employment Assurance Scheme

The Employment Assurance Scheme was launched by Government of India in 1993 with the objective of (i) providing gainful employment for 100 days to all adults in rural areas and (ii) creating durable community assets and economic infrastructure for sustained employment and development. The expenditure

on the scheme was to be shared between Government of India and the State Government in the ratio of 80 : 20.

A review of the implementation of the scheme from 1993-94 to 1996-97 was conducted during October 1996 to October 1997 in 8 districts. Some of the significant findings were as under :

The guidelines required preparation of shelf of projects. In some districts the shelf of projects was not prepared at all. In others it was prepared with a delay of 2 to 10 months. Out of 11,197 works sanctioned at a cost of Rs.188.17 crore, in the test-checked districts, only 77 works estimated at Rs.2.72 crore (1 per cent) related to the shelf of projects.

- Funds provided for implementation of the scheme were grossly inadequate to meet the objectives. Against the requirement of Rs.2293.72 crore for payment of wages to the registered persons in the state during 1993-97, for providing employment for the targeted 100 days in a year, only Rs.491.95 crore (21 per cent) were provided.

- Rs.142.07 crore remained unutilised at the end of March 1997. 29 to 83 per cent of expenditure was incurred during farming season contrary to the requirement of providing work during lean agricultural season. Rs.26.22 crore were spent on works not covered under the scheme.

- The prime objective of providing gainful employment for 100 days in a year was not achieved. The employment generation ranged between 5 and 30 days per person per year.

- While the scheme provided for creation of durable assets, kuchcha rural link roads of undurable nature were constructed at a cost of Rs.11.74 crore.

- State Level Coordination Committee responsible for monitoring the implementation of the scheme did not review the important areas like execution of work and employment generation.

(Paragraph 3.27)

5. Member of Parliament Local Area Development Scheme

The Government of India launched the "Member of Parliament Local Area Development Scheme" in December 1993 which was designed to enable Members of Parliament to recommend works of capital nature to be carried out in their constituency. Each MP was to suggest to the District Collector works to the tune of Rs.1 crore per year to be taken up in his/her constituency.

Expenditure incurred on the scheme during 1993-94 to 1996-97 was only 55 per cent of the total allocation leaving unutilised balance of Rs.48.94 crore. An expenditure of Rs.27.57 crore debited to the scheme during 1993-97 was not actually incurred.

Works costing Rs.45.23 crore were executed unauthorisedly without obtaining approval/proposal from MPs. In Raipur and Ujjain districts 709 works costing Rs.3.37 crore were executed without obtaining technical sanctions. In 5 test-checked districts expenditure of Rs.1.54 crore was incurred during 1993-97 on 127 works not permissible under the scheme.

359 petty capital works were carried out in Bhopal and Sehore constituencies at the cost of Rs.1.34 crore though no such works were to be undertaken in terms of the guidelines of the scheme.

While expenditure of Rs.94.54 crore had been incurred utilisation certificate in respect of only 1939 works for Rs.16.30 crore (17 per cent) were obtained from the agencies till the end of 1996-97.

79 out of 84 computers purchased in (January-May 1997) in Bilaspur, Durg, Raipur and Rajnandgaon districts at the cost of Rs.64.16 lakh had not been installed.

(Paragraph 3.33)

6. Integrated Audit of Public Health and Family Welfare Department

A review of records for the period 1994-95 to 1996-97 conducted in the offices of Director, Medical Services and 11 out of the 47 Chief Medical and Health Officers in the State revealed that :

In the absence of monthly expenditure reports, budget estimates and nominal rolls from the Drawing and Disbursing officers the budget proposals were prepared on the basis of assumed figures.

There was lack of expenditure control as the Drawing and Disbursing officers were not maintaining expenditure control registers and were either not submitting monthly expenditure returns or were sending these returns late. There were cases of drawal of funds in excess of allotment under specific schemes/programmes resulting in excess withdrawals of Rs.50 lakh and above.

Supplementary provision of Rs.13.35 crore and Rs.12.01 crore during 1994-95 and 1995-96 respectively proved unnecessary.

There were persistent savings in a large number of schemes/programmes. In 5 cases, expenditure fell short by Rs. one crore and above during 1994-95 and 1995-96. There were 11 schemes/programmes involving substantial savings of Rs.5 crore and above. Rs. 48.69 crore were drawn in the last month of the financial year and kept in Civil Deposits to avoid lapse of budget appropriations during 1994-97.

Rush of expenditure to the extent of 45 and 100 per cent of allotment under various sub heads was noticed during March in 1996-97.

Excess grants-in-aid amounting to Rs.1.49 crore were paid to two institutions during 1994-97.

There was shortage of doctors in the State to the extent of 30 per cent. 18 to 100 per cent of Primary Health Centres were working without doctors in the test-checked districts.

Due to purchase of medicines without budget provision bills for Rs.79.94 lakh were pending for payment in the test-checked districts. Purchase of banned medicines worth Rs.22.72 lakh was also noticed.

20 to 59 per cent of X-Ray machines were lying unserviced. As against Rs.6.68 crore sanctioned for purchase of 294 X-Ray machines only 65 machines valuing Rs.1.27 crore were purchased.

Even though Rs.6.48 crore were sanctioned for purchase of 216 ambulances, no ambulance had been purchased even after a lapse of more than 2 years. 10 to 46 per cent vehicles were out of order in the test-checked districts.

Non-utilisation of funds amounting to Rs.4.06 crore under externally aided project - "Control of Blindness" was noticed.

(Paragraph 3.34)

7. Special Central Assistance to Special Component Plan for Scheduled Castes

For upliftment of Scheduled Castes (SCs), various schemes have been taken up by the departments

of the State from time to time under the Special Component Plan (SCP). To provide the required thrust to these schemes, the scheme of Special Central Assistance (SCA) was launched by Government of India (GOI) in 1980 as an additive to SCP.

Expenditure reported to GOI under SCA exceeded the actual expenditure by Rs.28.45 crore during 1992-96 and Rs.53.26 crore were spent on schemes for which no funds had been spent out of SCP. The expenditure reported in excess included expenditure of Rs.13.28 crore on items not relating to SCs. Rs.12.65 crore were kept in civil deposit, of which Rs.1.43 crore lapsed to State Government on 31st March 1997.

Contrary to the scheme guidelines Rs.33.56 crore were spent on infrastructural development in blocks having less than 50 per cent SC population; Rs.1.08 crore were spent in areas having scanty SC population and Rs.3.08 crore earmarked for specially vulnerable groups were not exclusively utilised for these groups.

Against 6.82 lakh SC families which had crossed poverty line and required nurture to maintain their status, only one lakh families were planned to be assisted during 1992-93 and the performance in these cases was also not monitored.

Under the scheme "electrification of agricultural pumps" the SC Welfare department paid to the MP Electricity Board Rs.5 crore as against the

admissible assistance of Rs.2.18 crore resulting in excess payment of Rs.2.82 crore.

(Paragraph 3.46)

8. Management of ashrams and pre-matric hostels

With a view to provide education to the tribal children living in far-flung areas, Tribal Development Department was running ashrams and pre-matric and post-matric hostels separately for boys and girls providing free lodging facilities. Monthly stipend at rates fixed from time to time to meet their mess expenses was also paid to the students.

A review of 287 out of 1006 ashrams and 559 out of 1833 pre-matric hostels revealed that :

- Unutilised stipend amounting to Rs.39.23 lakh, required to be refunded into treasury was retained by 721 ashrams/hostels.

- The consumption of food grains for providing meals to the students was in excess of norms involving an excess expenditure of Rs.1.33 crore. While the ashrams were providing lunch and dinner to the students, Rs.92.67 lakh were spent under 'Mid Day Meals' programme for providing additional lunch to the same students.

- Articles valuing Rs.38.47 lakh were written off/declared unserviceable before the expiry of prescribed life span. Purchase of fusion tanks at

higher rates resulted in extra expenditure of Rs.14 lakh.

- Stipend amounting to Rs.3.33 crore was paid for disbursement to students in non-Government institutions even though these did not possess the stipulated minimum facilities.

Even though Rs.9.14 crore had been advanced to Madhya Pradesh Housing Board for construction of ashrams/hostels buildings, no building was reported to be complete. Meanwhile Rs.85.47 lakh were spent by the department in hiring accommodation for ashrams/hostels in the test-checked districts.

(Paragraph 3.48)

9. Other points of interest

-- Due to non-entering into an agreement with the banks for payment of interest on unadjusted advance deposits of subsidy, there was a loss of Rs.1.01 crore towards interest.

(Para 3.1)

-- Expenditure of Rs.68.50 lakh remained unfruitful due to non-installation of pump sets on 366 of the 2275 successful tube wells dug in 12 districts.

(Para 3.2)

-- Non construction of a 60 bedded Pulmonary Medicine Centre for providing latest treatment to Bhopal Gas Victims and shortage of specialists/staff resulted in only partial utilisation of equipment

valuing Rs.2.10 crore and non-utilisation of equipment worth Rs.0.55 crore.

(Para 3.8)

-- Due to incorrect estimation, excess amount of Rs.1.07 crore was advanced to World Health Organisation for procurement of medical equipment for Bhopal Gas Victims which resulted in loss of interest of Rs.41.61 lakh to Government.

(Para 3.9)

-- Irregular grant of exemption from payment of sales/purchase tax to a solvent extraction plant not fulfilling the required conditions, resulted in a loss estimated at Rs.4.55 crore.

(Para 3.11)

-- Rupees 3.86 crore remained unrecovered from an industrial unit on account of irregular grant of sales tax exemption and Central/State investment subsidy, and interest.

(Para 3.12)

-- Due to irregular grant of deferment of payment of sales tax on time barred application, an industrial unit derived undue benefit of deferment of sales tax amounting to Rs.80.52 lakh for a period of 10 years on which the Government would incur a loss of interest of Rs.96.62 lakh.

(Para 3.13)

-- Non recovery of full royalty from Madhya Pradesh Rajya Matsya Vikas Nigam for the period from

1986-87 to 1991-92 resulted in avoidable payment of Rs.1.15 crore as interest on ways and means advances/ overdrafts availed by the State Government.

(Para 3.15)

-- Rs.85.57 lakh were paid to Madhya Pradesh State Textile Corporation and Madhya Pradesh State Handloom and Weavers Cooperative Societies as assistance for market development, although the sales of handloom fabrics and garments made out of it had been made to only government departments which were captive buyers and hence no market development was required.

(Para 3.17)

-- Financial assistance of Rs.91.89 lakh was given to a voluntary organisation for holding eye camps in a hospital at Chitrakoot without observing the conditions required to be fulfilled for such assistance.

(Para 3.35)

-- Expenditure of Rs.65.87 lakh incurred on pay and allowances of staff of 4 male multipurpose health workers' training centres proved infructuous as no training activity was organised during 1989-97.

(Para 3.36)

-- Expenditure of Rs.60.70 lakh on pay and allowances of the staff in 20 Primary Health Centres of

Dhar and Satna Districts was infructuous due to non posting of doctors.

(Para 3.37)

-- Non-adherence to the instructions contained in the Madhya Pradesh Treasury Code resulted in defalcation of Rs.18.78 lakh in the office of the Divisional Ayurved Officer Jabalpur.

(Para 3.39)

-- Due to non-observance of prescribed procedure for payment of printing and stationery charges Rs.63.73 crore were outstanding for recovery from various State and Central Government departments.

(Para 3.41)

-- Failure to regulate quantum of grant resulted in payment of excess grant-in-aid of Rs.1.19 crore to Bharat Bhawan Trust, Bhopal in contravention of rules.

(Para 4.3)

-- Rupees 49.21 lakh paid during 1993-96 under Integrated Rural Development Programme by the District Rural Development Agency, Chhindwara were neither recovered nor utilised for the purpose intended.

(Para 4.8)

CHAPTER-I

ACCOUNTS OF THE STATE GOVERNMENT

1.1 Introduction

1.1.1 Structure of the Government Accounts

The accounts of the State Government are kept in three parts.

Part-I Consolidated Fund

All receipts of the State Government from revenues including grants-in-aid, loans and recoveries of loans go into the Consolidated Fund of State, constituted under Article 266 (1) of Constitution of India. All expenditure of Government is incurred from this Fund and no amount can be withdrawn from the Fund without authorisation from the State Legislature. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans etc.)

Part-II Contingency Fund

The Contingency Fund created under Article 267 (2) of the Constitution of India is in the nature of imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus

of this Fund authorised by the Legislature during the year was Rs. 40 crore.

Part-III Public Account

Receipt and disbursements in respect of Small Savings, Provident Funds, Deposits, Reserve Funds, Suspense, Remittances etc which do not form part of the Consolidated Fund are accounted for in Public Account and are not subject to vote by State Legislature.

1.1.2 Annual Accounts

The accounts of the State Government are compiled annually by the Accountant General (Accounts and Entitlement) Madhya Pradesh. These are prepared in two volumes viz, the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, on the other hand, present the details of amounts actually spent by the State Government vis-a-vis the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of grants requires regularisation by the Legislature.

1.1.3 Audit Report

The Finance Accounts and Appropriation Accounts as well as various transactions in these accounts are audited by the Comptroller and Auditor

General of India (CAG) in accordance with CAG's (Duties, Powers and conditions of service) ACT 1971. CAG certifies the accounts and also submits separate Audit Reports to the Governor of the State in terms of Article 151 of the Constitution of India.

CAG's Reports in respect of Government of Madhya Pradesh for the year ended 31 March 1997 are structured as under :

- (i) Report of Comptroller and Auditor General of India for the year ended 31 March 1997 No.1 (Commercial)
- (ii) Report of Comptroller and Auditor General of India for the year ended 31 March 1997 No.2 (Revenue Receipts)
- (iii) Report of Comptroller and Auditor General of India for the year ended 31 March 1997 No.3 (Civil)
- (iv) Report of Comptroller and Auditor General of India for the year ended 31 March 1997 No.4 (Civil)

1.2 Summarised financial position

The financial position of Government of Madhya Pradesh as on 31 March 1997, emerging from Appropriation Accounts and the Finance Accounts for the year 1996-97, supplemented by additional information collected separately, and the abstract of Receipts and Disbursements for the year is given in the following statements :

S T A T E M E N T

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT

Amount as on 31 March 1996	Liabilities	Amount as on 31 March 1997 (Rupees in crore)
2232.43	<u>Internal Debt</u>	2741.12
1900.70	Market loans bearing interest	2352.03
4.70	Market loans not bearing interest	4.65
234.23	Loans from financial and other institutions	384.44
92.80	Ways and Means advances	--
5789.53	<u>Loans and advances from Central Government</u>	6585.37
764.67	Pre-1984-85 Loans	711.63
1915.82	Non-Plan Loans	2229.17
3002.35	Loans for State Plan Schemes	3469.40
9.91	Loans for Central Plan Schemes	71.53
96.78	Loans for Centrally Sponsored Schemes	103.64
27.50	<u>Contingency Fund</u>	36.86
4136.27	<u>Small Savings, Provident Fund, etc.</u>	4639.93
1131.41	<u>Deposits</u>	1509.84
159.43	<u>Overdrafts from Reserve Bank of India</u>	--
430.51	<u>Reserve Funds</u>	477.66
198.27	<u>Suspense and Miscellaneous Balances</u>	225.39
615.29	<u>Surplus on Government Account-</u>	(-) 833.33
1092.79	Accumulated Surplus upto 31st March 1996	615.29
-477.40	Revenue deficit of current year	(-) 1447.82
-0.10	Deduct: Miscellaneous adjustments	-0.80
	-0.78] *	
	-0.02]	
14720.64		15382.86

* Adjustment of Rs.0.02 crore, less exhibited during 1995-96 Under internal debt (Rs.2232.43, instead of Rs.2232.44 loans and advances (Rs.5789.53 instead of Rs.5789.54).

I
OF MADHYA PRADESH AS ON 31 MARCH 1997

Amount as on 31 March 1996	Assets	Amount as on 31 March 1997 (Rupees in crore)
10577.81	<u>Gross Capital Outlay on Fixed Assets</u>	11598.53
717.15	Investment in shares of Companies, Corporations, etc.	764.53*
9860.66	Other Capital Outlay	10834.00
3439.34	<u>Loans and Advances</u>	2897.04
2561.10	Loans for Power Projects	1933.43
821.12	Other Development Loans	901.25
57.12	Loans to Government Servants and Miscellaneous Loans	62.36
15.88	<u>Other Advances</u>	15.38
606.89	<u>Remittance Balances</u>	671.07
80.72	<u>Cash Balance and Investment of Cash Balances</u>	200.84
-12.58	Cash in Treasuries and Local Remittances	4.92
49.92	Deposit with the Reserve Bank of India	16.72
12.80	Departmental Cash Balance including Permanent Advances	10.99
24.70	Cash Balance Investment	162.33
5.88	Earmarked Fund Investment	5.88
14720.64		15382.86

* Does not include investment of Rs.0.01 crore financed from the funds of the former Gwalior State.

STATEMENT
ABSTRACT OF RECEIPTS AND
SECTION-

R E C E I P T S		(Rupees in crore)
I. <u>Revenue Receipts</u>		
(i)	Tax Revenue	4103.50
(ii)	Non Tax Revenue	1974.94*
(iii)	State's Share of Union Taxes	2635.60
(iv)	Non-Plan Grants	74.03
(v)	Grants for State Plan Schemes	437.09
(vi)	Grants for Central and Centrally Sponsored Plan Schemes	789.07
	Revenue deficit carried over to Section B	1447.82
		11462.05

* Non-Tax Revenue includes Rs.269.87 crore on account of interest Receipts.

-II

DISBURSEMENTS FOR THE YEAR 1996-97

'A' : REVENUE

DISBURSEMENTS

(Rupees in crore)

I. Revenue Expenditure

11462.05*

	Sector	Non-Plan	Plan	Total
(i)	General Services	3331.00	12.39	3343.39 [#]
(ii)	Social Services	2813.85	1226.46	4040.31 ^{\$}
(iii)	Agriculture and Allied Activities	683.37	288.20	971.57 ^{**}
(iv)	Rural Development	95.95	704.03	799.98
(v)	Irrigation and Flood Control	154.67	110.34	265.01
(vi)	Energy	1205.71	18.00	1223.71
(vii)	Industry and Minerals	20.08	68.04	88.12
(viii)	Transport	369.70	5.44	375.14
(ix)	Science, Technology and Environment	1.35	2.19	3.54
(x)	General Economic Services	17.56	4.51	22.07
(xi)	Grants-in-aid and contributions	329.21	--	329.21
		9022.45	2439.60	11462.05

* Arrived at after adjustment of recoveries in revenue accounts taken as reduction of expenditure.

The disbursement under General Services includes Rs.1376.22 crore on account of Interest payments.

\$ Rs.40403186425 rounded to Rs.4040.31 crore.

** Rs.9715751260 rounded to Rs.971.57 crore.

S E C T I O N

R E C E I P T S

(Rupees in crore)

II.	<u>Opening Cash Balances and investment of Cash Balance</u>		80.72
III.	<u>Recoveries of Loans and Advances</u>		860.78
(i)	From Government Servants	11.97	
(ii)	From others	848.81	
IV	<u>Overdrafts from Reserve Bank of India</u>		273.35
V	<u>Public Debt Receipts</u>		3126.87
(i)	Internal debt other than Ways and Means Advances	623.67	
(ii)	Ways and Means Advances	1437.91	
(iii)	Loans and Advances from Central Government	1065.29	
VI	<u>Receipts from the Contingency Fund</u>		12.50
VII	<u>Public Account Receipts</u>		12364.14
(i)	Small Savings, Provident Funds, etc.	1203.88	
(ii)	Reserve Funds	107.53	
(iii)	Suspense and Miscellaneous	5463.31	
(iv)	Remittances	3547.21	
(v)	Deposits and Advances	2042.21	

16718.36

- 'B' : O T H E R S

D I S B U R S E M E N T S

(Rupees in crore)

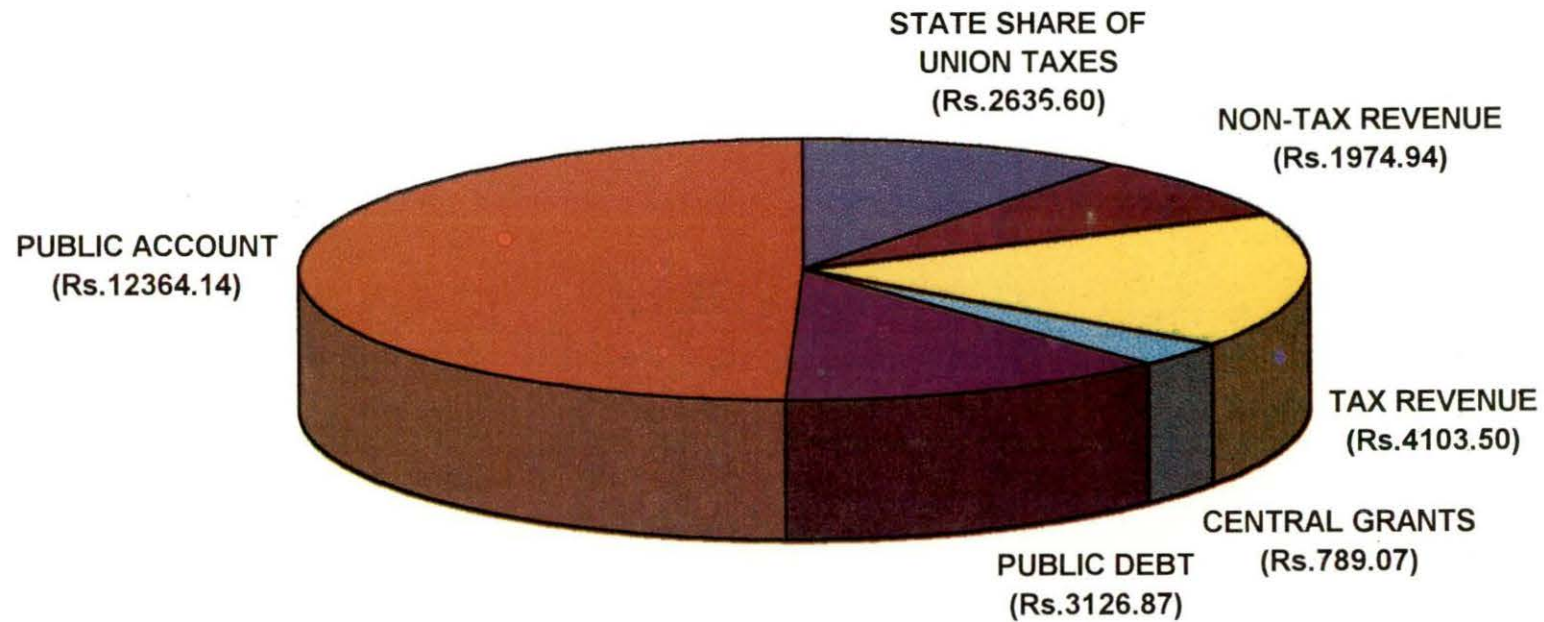
II.	<u>Capital Outlay</u>				1020.72*
	<u>Sector</u>	<u>Non-Plan</u>	<u>Plan</u>	<u>Total</u>	
(i)	General Services	1.89	19.03	20.92	
(ii)	Social Services	3.30	209.22	212.52	
(iii)	Agriculture and Allied Activities	1.56	53.40	54.96	
(iv)	Rural Development	-	84.49	84.49	
(v)	Irrigation and Flood Control	1.71	403.65	405.36	
(vi)	Energy	--	151.12	151.12	
(vii)	Industry and Minerals	0.37	15.30	15.67	
(viii)	Transport	1.17	72.38	73.55	
(ix)	General Economic Services	0.58	1.55	2.13	
		-----	-----	-----	
		10.58	1010.14	1020.72	
		-----	-----	-----	
III.	<u>Loans and Advances Disbursed</u>				318.48
(i)	For Power Projects			187.55	
(ii)	To Government Servants			17.21	
(iii)	To Others			113.72	
IV	<u>Overdrafts from Reserve Bank of India</u>				432.78
V.	<u>Repayment of Public Debt</u>				1822.34
(i)	Internal Debt other than Ways and Means Advances			22.18	
(ii)	Ways and Means Advances			1530.71	
(iii)	Repayment of Loans and Advances to Central Government			269.45	
VI.	<u>Advances from Contingency Fund</u>				3.14
VII.	<u>Public Account Disbursements</u>				11472.24
(i)	Small Savings, Provident Funds etc.			700.22	
(ii)	Reserve Funds			60.38	
(iii)	Remittances			3611.39	
(iv)	Suspense and Miscellaneous			5436.97	
(v)	Deposits and Advances			1663.28	
VIII.	<u>Revenue deficit brought down</u>				1447.82
IX	<u>Cash Balance and Investment of Cash Balance</u>				200.84
(i)	Cash in Treasuries and local remittances			4.92	
(ii)	Deposits with Reserve Bank of India			16.72	
(iii)	Departmental Cash Balances			10.99	
(iv)	Cash Balance Investment			162.33	
(v)	Investment of Earmarked Fund			5.88	
					16718.36

* Arrived at after adjustment of Recoveries in capital accounts taken as reduction of expenditure.

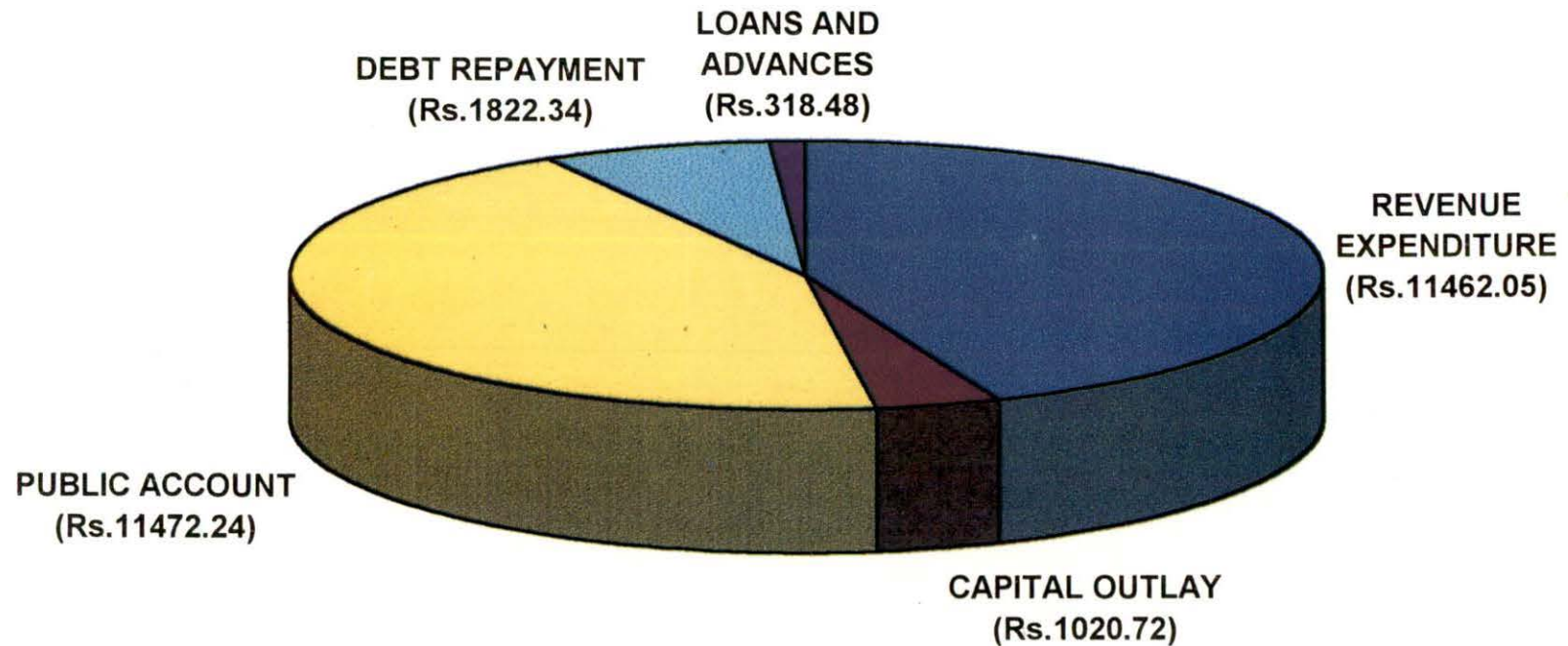
STATEMENT - III
SOURCES AND APPLICATION OF FUNDS FOR THE YEAR 1996-97

S O U R C E S		(Rupees in crore)	A P P L I C A T I O N		(Rupees in crore)
1.	Revenue receipts	10014.23	1.	Revenue expenditure	11462.05
2.	Recoveries of Loans and Advances	860.78	2.	Lending for development and other purposes	318.48
3.	Increase in Debt	1304.53	3.	Capital expenditure	1020.72
4.	Net Receipts from Public Account	891.90	4.	Net Recoupment of Advance taken from Contingency Fund	-9.36
(i)	Increase in Samall Savings	503.66	5.	Increase in closing cash balance	120.12
(ii)	Increase in Reserve Funds	47.15	6.	Repayment of overdrafts	159.43
(iii)	Increase in Deposits and Advances	378.93			
(iv)	Increase in Suspense Balance	27.12			
(v)	Effect on Remittances	-64.18			
(vi)	Miscellaneous Government Accounts (Write off from Head of Accounts closing to balance)	(-) 0.78			
		13071.44			13071.44

RECEIPTS



DISBURSEMENT



Explanatory notes

(a) . The summarised financial statements are based on the Finance and Appropriation Accounts of the State Government and are subject to notes and explanation contained therein.

(b) Government Accounts being mainly on cash basis, the revenue surplus or deficit was worked out on cash basis. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc do not figure in the accounts.

(c) Although a part of the revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by the end use.

(d) Under the Government system of accounting, the revenue surplus or deficit is closed annually to Government account with the result that cumulative position of such surplus or deficit is not ascertainable. The balancing figure of Rs. 1389.38 crore as on 31 March 1983 was, therefore, treated as cumulative surplus for drawing up the first statement of financial position for 1983-84, which took the place of a Balance Sheet.

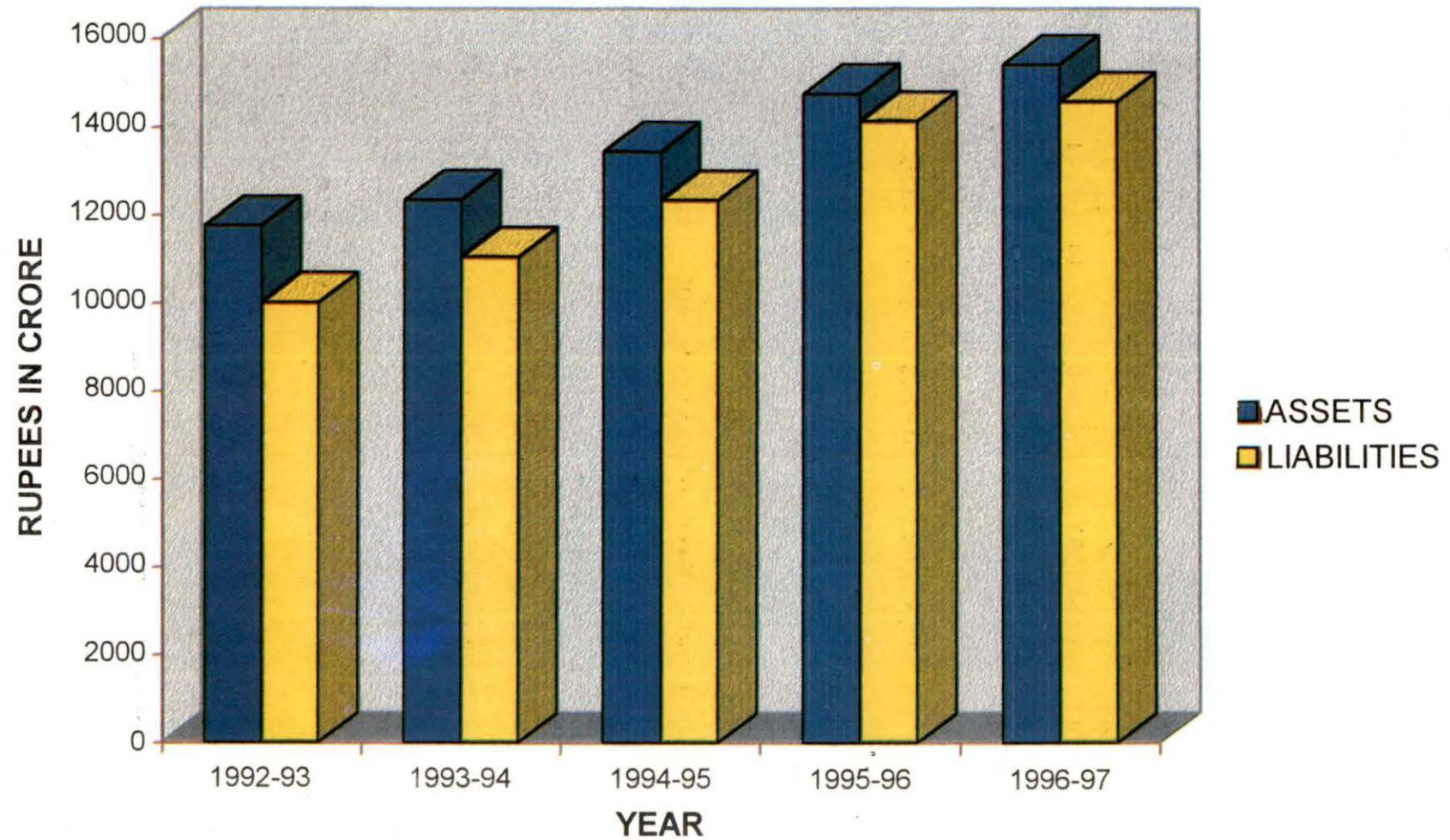
(e) Suspense and Miscellaneous balances include cheques issued but not paid and other payments pending settlements etc. The balance under "Suspense and

Miscellaneous" had increased from Rs. 198.27 crore (credit) as on 31 March 1996 to Rs. 225.39 crore (credit) as on 31 March 1997. *

(f) There was an unreconciled difference of Rs. 0.14 crore (credit) between the figures of Reserve Bank of India, as reflected in the accounts under cash balance, and those intimated by the Reserve Bank of India at the end of July 1997.

Based on these statements and other supporting data the following paragraphs in this chapter present an analysis of the management of the finances of the State Government during 1996-97, relating it to the position obtaining in the preceding four years.

ASSESTS AND LIABILITIES OF THE STATE



1.3.1 Assets and Liabilities

The total assets comprising capital investments and loans and advances etc. and the total liabilities of State Government during current year and preceding four years were as under :

Year	Assets (Rupees in crore)	Percentage increase over the preceding year	Liabilities (Rupees in crore)	Percentage increase over the preceding year
1992-93	11716.00	11.91	9984.25	10.66
1993-94	12299.83	4.98	11016.41	10.34
1994-95	13402.68	8.97	12309.89	11.74
1995-96	14720.64	9.83	14105.35	14.59
1996-97	15382.86	4.49	14549.53	3.14

The assets during 1996-97 had grown by 4.49 per cent whereas the liabilities grew by 3.14 per cent. However, in all the preceding three years the liabilities had grown faster than assets, the average annual growth rate of assets and liabilities over the period from 1992-93 to 1996-97 being 8.03 per cent and 10.09 per cent respectively. Therefore, if the gap between the growth rate of assets and liabilities is not eliminated liabilities may soon overtake the assets.

1.3.2 Financial position of the state

(i) During 1996-97 the revenue receipts of the State Government were Rs.10014.23 crore against which the revenue expenditure was Rs.11462.05 crore, resulting in revenue deficit of Rs.1447.82 crore constituting 14.46 per cent of the Revenue Receipts.

(ii) The revenue receipts of the State Government comprised tax-revenue (Rs.4103.50 crore), non-tax revenue (Rs.1974.94 crore), State share of Union taxes

and duties (Rs.2635.60 crore) and grant-in-aid from Central Government (Rs.1300.19 crore).

The main sources of tax revenue were taxes on sales and trades etc. (42.19 per cent), state excise (18.90 per cent), taxes and duties on electricity (12.58 per cent) taxes on vehicles and passenger goods (15.5 per cent).

Non-tax revenue came mainly from General Services (5.47 per cent), Social services (2.87 per cent) and Economic services (77.85 per cent).

(iii) The revenue expenditure of Rs. 11462.05 crore was on General Services- Rs.3343.39 crore (29.17 per cent), Social Services- Rs.4040.31 crore (35.25 per cent), Economic Services- Rs.3749.14 crore (32.71 per cent) and Grant-in-aid contributions- Rs.329.21 crore (2.87 per cent). The Non-Plan expenditure accounted for 78.72 per cent, whereas Plan expenditure was only 21.28 per cent of total revenue expenditure.

(iv) The capital expenditure of the State Government was Rs.1020.72 crore which was distributed among General Services Rs.20.92 crore (2.05 per cent), Social Services Rs.212.52 crore (20.82 per cent) and Economic Services Rs.787.28 crore (77.13 per cent).

(v) The Public Debt of the State Government increased by 1145.10 crore during 1996-97, thereby pushing up the burden of interest payment and servicing of debt. The interest payment (Rs.1376.22 crore) constituted 12 per cent of revenue expenditure of the State.

(vi) Against the total budget provision of Rs.2636.12 crore in the head shown in Appendix II of Appropriation Accounts 1996-97, expenditure of Rs.2210.00 crore was booked under the relevant major heads. Of this, Rs.415.49 crore (19 per cent) were not actually spent for the purpose for which they were meant but credited to the major head 8443 - Civil deposits. Thus, the actual expenditure was inflated by

Rs.415.49 crore and the credits to Civil Deposits were made with a view to avoid lapse of budget grant. Of this, Rs.145.70 crore pertaining to different Central Government schemes as per details given in para 2.2.17.2 (ii) of this report, were credited to the head 8443 - Civil Deposits.

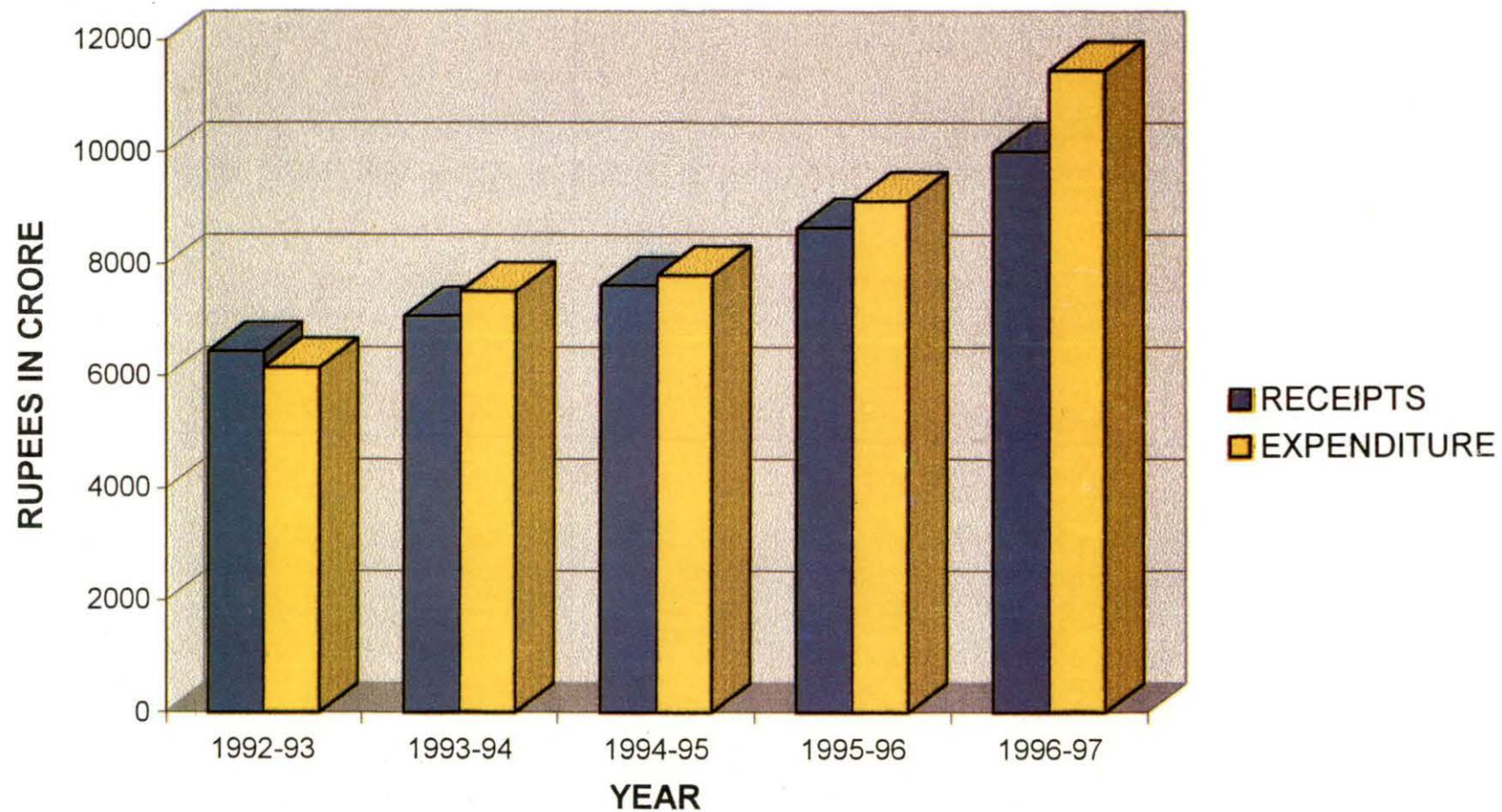
1.3.3 Consolidated Fund

The receipt and expenditure under the Consolidated Fund of the State for 1996-97 alongwith previous financial year were as under :

Receipt			Expenditure		
Rupees in crore					
1995-96		1996-97	1995-96		1996-97
		Revenue Account			
8653.47	Revenue Receipt	10014.23	9130.87	Revenue Expenditure	11462.05
477.40	Deficit	1447.82			
9130.87	Total	11462.05	9130.87	Total	11462.05

Capital Account					
--	Capital Receipts	--	860.34	Capital Expenditure	1020.72
37.43	Recoveries of Loans and Advance	860.78	333.15	Loans and Advances Disbursed	318.48
3317.41	Receipt booked as Public Debt	3400.22	2069.49	Repayment of Public Debt	2255.12
3354.84		4261.00	3262.98		3594.32
--	Capital deficit	--	91.86	Capital surplus	666.68
385.54	Net deficit in Consolidated Fund of the State		781.14		

REVENUE RECEIPTS AND REVENUE EXPENDITURE



Receipts in the Consolidated Fund of the State had increased by 18.88 per cent from Rs.12008.31 crore in 1995-96 to Rs.14275.23 crore in 1996-97. Public Debt receipts (borrowed funds) constituted 23.81 per cent of the receipts in the Consolidated Fund during 1996-97.

Net deficit in Consolidated Fund of the State stood at Rs.781.14 crore during 1996-97 which constituted an increase of Rs.395.60 crore (102.60 per cent) over the previous year.

1.4 Revenue Receipts

1.4.1 Trend of revenue receipts during the period of five year was as under :

S.No.	Year	Budget Estimate (Revised)	Actual Revenue Reciepts	Increase(+)/ Decrease(-) over previous year	Percentage of increase(+) decrease(-) over previous year
(Rs. in crore)					
1.	1992-93	6462.39	6442.59	1065.60	19.8
2.	1993-94	7331.01	7069.79	627.20	9.7
3.	1994-95	8145.22	7618.28	548.49	7.8
4.	1995-96	9203.50	8653.47	1035.19	13.6
5.	1996-97	10377.57	10014.23	1360.76	15.7

The increase in revenue receipt during 1996-97 (15.7 per cent) was marginally higher than that in the previous year. However, they failed to reach, as in the preceding years from 1992-93 to 1995-96, the level of Budget Estimates. The maximum short fall in

the actual revenue receipts with reference to Budget Estimate was 6.47 per cent during 1994-95 and 5.9 per cent in 1995-96 . The shortfall with reference to Budget Estimate during 1996-97 was 3.5 per cent. The actual revenue receipt during 1996-97 comprised tax revenue Rs.4103.50 crore (41.00 per cent), Non Tax Revenue Rs.1974.94 crore (20 per cent), Central grants: Rs.1300.19 crore (13.00 per cent), and share of union taxes and duties Rs.2635.60 crore (26.00 per cent).

1.4.2 Tax Revenue

The growth of Tax revenue mobilised by the State Government during the last five years was as under :

Year	Budget Estimates (Revised)	Tax Revenue	Percentage growth over the previous year	Tax Revenue as percentage of total Revenue receipts
(Rupees in crore)				
1992-93	2312.33	2333.62	10.2	36.22
1993-94	2817.71	2677.11	14.7	37.87
1994-95	2967.56	2870.61	7.2	37.68
1995-96	3474.94	3518.19	22.6	40.66
1996-97	4001.36	4103.50	16.6	40.98

The percentage of Tax revenue to total revenue receipts during 1992-93 ranged between 36.22 per cent and 40.98 per cent. Though the Tax revenue has been growing over the preceding years the rate of growth which was 22.6 per cent in 1995-96 has sharply come down to 16.6 per cent this year mainly on account of decline in receipt of stamps and registration fees, taxes on vehicles, taxes on goods and passengers and

taxes and duties on electricity. Reasons for decline in tax revenue were not available.

The increase of Rs.585.31 crore during 1996-97 over previous year was mainly due to more receipts from State Excise (Rs.126.87 crore), Taxes on sales, trade etc. (Rs.211.66 crore), Stamps and Registration (Rs.43.41 crore).

1.4.3 Non-Tax Revenue

The trend in Non-Tax Revenue during the five years was as under:

Year	Budget Estimates	Non-Tax Revenue	Percentage growth over the previous year	Non-Tax Revenue as percentage of total Revenue receipts
(Rs. in crore)				
1992-93	1376.00	1440.24	38.5	22.35
1993-94	1372.47	1403.73	-2.5	19.85
1994-95	1515.99	1615.21	15.0	21.20
1995-96	1748.92	1778.14	10.1	20.54
1996-97	1895.32	1974.94	11.07	19.72

Percentage of Non-Tax Revenue to total Revenue receipt during 1992-93 to 1996-97 has consistently declined except during 1994-95. It ranged between 22.35 per cent in 1992-93 and 19.72 per cent in 1996-97. Except for 1993-94 the non-tax revenue has been increasing every year by a margin of above 10 per cent; the increase during 1996-97 was Rs.196.80 crore (11.07 per cent) over previous year. The increase was mainly due to increase in 'Interest Receipt' (Rs.128.85 crore) and Royalty (Rs.46.06 crore) from non ferrous mining and metallurgical industries.

1.4.4 State's share of Union taxes and duties and grant-in-aid from Central Government

Trend of State's share of Union taxes and duties and the central grants-in-aids for the last five years was as under :

States share of	1992-93	1993-94	1994-95	1995-96	1996-97
(Rupees in crore)					
(i) Taxes on income other than Corporation Tax	495.73	637.09	700.63	934.78	1121.63
(ii) Union Excise Duties	1043.90	1044.13	1174.71	1259.55	1513.97
(iii) Central Grants	1129.10	1307.73	1257.12	1162.81	1300.19
Total	2668.73	2988.95	3132.46	3357.14	3935.79
Percentage of total to					
(i) Revenue Receipt	41.42	42.27	41.1	38.79	39.3
(ii) Revenue Expenditure	43.34	39.76	40.11	36.76	34.34

Though the State's share of Union Taxes and duties and Central grants had increased from Rs.2668.73 crore in 1992-93 to Rs.3935.79 crore in 1996-97 (up by 47.48 per cent), the proportion of these receipts as a percentage of total revenue receipts came down from above 41 per cent in 1992-93 to slightly above 39 per cent in 1996-97 even though these were marginally higher as compared to 1995-96.

The share of central grants, which are a major source of receipts of the State Government decreased from Rs.1307.73 crore in 1993-94, to

Rs.1257.12 crore in 1994-95 (3.87 per cent) and to Rs.1162.81 crore in 1995-96 (11.08 per cent). However, during 1996-97 the same had increased by 11.81 per cent over previous year.

1.4.5 Arrears of Revenue

As on 31 March 1997, arrears under following heads of revenue, as reported by the departments were outstanding :

Revenue Head	Amount of arrears as on 31 March 1997	Amount of arrears outstanding for more than five years as on 31 March 1997
(Rupees in crore)		
1. Sales Tax	146.55	65.06
2. Forest	86.91	23.40
3. Co-operation	4.09	--
	237.55	88.46

(i) Out of Rs.237.55 crore, demands amounting to Rs.178.28 crore had been certified for recovery as arrears of land revenue and Rs.10.53 crore had been stayed by High court and other judicial authorities.

(ii) Amount of arrears in 1996-97 increased by Rs.41.77 crore (21.33 per cent) over previous year.

1.5 (a) Revenue Expenditure

Trend of revenue expenditure of the State Government during the five year period ending 1996-97 was as under:

Year	Budget Estimate (Revised)			Actuals			Increase/decrease over the previous year	
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan
(Rupees in Crore)								
1992-93	1478.49	4679.39	6157.88	1385.99	4771.32	6157.31	13.71	722.78
1993-94	1730.02	5638.25	7368.27	1710.57	5807.36	7517.93	324.58	1036.04
1994-95	2200.79	6093.73	8294.52	1759.02	6049.74	7808.76	48.45	242.38
1995-96	2640.16	6908.40	9548.56	2091.21	7039.66	9130.87	332.19	989.92
1996-97	2673.89	9055.42	11729.31	2439.60	9022.45	11462.05	348.39	1982.79

The Plan expenditure had increased from Rs.1385.99 crore in 1992-93 to Rs.2439.60 crore in 1996-97 registering an increase of 76.01 per cent during the period of five years. As against this the Non-Plan expenditure had increased from Rs.4771.32 crore in 1992-93 to Rs.9022.45 crore in 1996-97 registering an increase of 89.09 per cent during this period.

As compared to the preceding year the Plan expenditure in 1996-97 increased by 16.66 per cent whereas the Non-plan expenditure registered an increase of 28.16 per cent.

Except for 1993-94 when it exceeded the budget estimates the total (Non-Plan and Plan) expenditure fell short of Budget Estimates during 1994-95 to 1996-97 by a margin varying between 2.27 and 5.85 per cent.

1.5 (b) Trend analysis of sectoral expenditure

In the Government accounts, the transactions are accounted under various heads which, in turn, are grouped into sectors. The expenditure heads are grouped into General Services, Social Services, Economic Services and Grant-in aid. Specific functions or services are grouped in a sector e.g. Education, Sports, Art and Culture, Health and Family Welfare, Water Supply and Sanitation, Housing and Urban Development etc. are grouped under Social services. Similarly, Agriculture, Rural Development, Irrigation and Flood control, Energy, Industry and Minerals, Transport, Communication, Science Technology and Environment, Tourism, Civil Supplies etc, are included in the Economic services. The General Services include the expenditure on collection of taxes on commodities and services, fiscal services, interest payments, administrative services and pension. The sectoral expenditure therefore broadly indicates expenditure on the group of specific functions, services and grant-in-aid.

The Sector-wise trend of expenditure was as under :

Sector	1992-93	1993-94	1994-95	1995-96	1996-97
(Rs. in crore)					
General Services	1769.47	2106.15	2486.12	2841.97	3343.39
As percentage of total expenditure	28.74	28.02	31.84	31.13	29.17
Social Services	2325.71	2675.07	3018.52	3406.15	4040.31
As a percentage of total expenditure	37.77	35.58	38.66	37.30	35.25
Economic Services	1927.54	2575.19	2133.67	2617.36	3748.14
As a percentage of total expenditure	31.30	34.25	27.32	28.66	32.70
Grant-in-aid	134.59	161.52	170.45	265.39	329.21
As a percentage of total expenditure	2.19	2.15	2.18	2.91	2.87
Total expenditure	6157.31	7517.93	7808.76	9130.87	11462.05

During 1996-97, the revenue expenditure was 29.17 per cent (down from 31.13 per cent) on General Services, 35.25 per cent (down from 37.3 per cent) on Social Services, 32.70 per cent (up from 28.66 per cent) on Economic Services.

1.5.1 Interest payments

The trend of interest payments during the last five year was as under :

Year	Interest paid on					Percentage of interest payment with reference to Tax Revenue
	Internal Debt	Loans received from the Central Government	Small savings provident funds etc.	Others	Total	

(Rupees in crore)						
1992-93	121.90	387.78	198.86	32.95	741.49	31.77
1993-94	149.70	427.46	246.50	44.24	867.90	32.42
1994-95	190.27	489.68	285.59	128.79	1094.33	38.12
1995-96	220.93	557.66	317.89	61.77	1158.25	32.92
1996-97	296.57	638.11	370.04	71.50	1376.22	33.54

The interest payment on Public Debt, Small Savings and Provident fund etc. had increased from Rs.741.49 crore in 1992-93 to Rs.1376.72 crore in 1996-97, registering an increase of 85.60 per cent. The increase in 1996-97 over previous year was Rs.217.97 crore (18.81 per cent). The interest payment was 21.44 per cent of borrowings (Rs.6419.02 crore) during 1996-97.

A large part of tax revenue mobilised by State Government had been utilised for meeting the expenditure on interest payments which ranged from 31.77 per cent in 1992-93 to 38.12 per cent in 1994-95. During 1996-97 it was 33.54 per cent of the tax revenue.

1.5.2(a) Financial Assistance to local bodies

Trend of financial assistance to local bodies during the last five years was as under :

Purpose of assistance	1992-93	1993-94	1994-95	1995-96	1996-97
(Rs. in crore)					
(i) Education	95.68	282.66	112.68	185.42	203.46
(ii) Water supply, sanitation, housing and urban Development	6.60	7.37	14.49	26.03	24.52
(iii) Cooperatives	46.14	24.22	24.59	27.33	7.12
	148.42	314.25	151.76	238.78	235.10

Financial assistance to local bodies has increased from Rs.148.42 crore in 1992-93 to Rs.235.10

crore in 1996-97, registering an increase of 58.40 per cent Educational institutions including universities were major beneficiaries whose share increased from Rs.95.68 crore in 1992-93 to Rs.282.66 crore in 1993-94, which constituted 195.42 per cent during one year only. It, however, dropped to Rs.112.68 crore in 1994-95 and adopted increasing trend upto 1996-97. The financial assistance to educational institutions was 86.65 per cent and the assistance for water supply, sanitation, housing and urban development was 10.44 per cent of the total assistance to local bodies during 1996-97.

1.5.2(b) Financial assistance to Public undertakings

The financial assistance given to Public undertakings during last five years was as under :

Name of public undertakings	1992-93	1993-94	1994-95	1995-96	1996-97
(Rs. in crore)					
Madhya Pradesh Electricity Board	326.03	583.68	213.82	310.44	1079.15
Other Public Undertakings	1.91	1.47	2.41	3.09	4.48
Total	327.94	585.15	216.23	313.53	1083.63

Financial assistance to public undertakings increased from Rs.327.94 crore in 1992-93 to Rs.1083.63 crore in 1996-97, registering an increase of 230.43 per cent. The increase of assistance during 1996-97 over previous year was Rs.770.10 crore (246 per cent). The

Madhya Pradesh Electricity Board was the main beneficiary of this assistance and received Rs.1079.15 crore (99.59 per cent) out of the total assistance of Rs.1083.63 crore to public undertakings during 1996-97. The financial assistance to MPEB during 1996-97 increased by 247.62 per cent over previous year mainly due to more rural electrification subsidy.

1.5.3 Loans and Advances by State Government

(i) The State Government had been advancing loans to Government Companies, Corporations, Autonomous Bodies, Co-operatives, Non-Government Institutions, etc. for development and non-development activities. The position of such loans for the period from 1992-93 to 1996-97 is given below :

	1992-93	1993-94	1994-95	1995-96	1996-97
(Rupees in Crore)					
- Opening Balance	2738.98	3064.24	2791.23	3143.62	3439.34
- Amount advanced during the year	359.00	223.70	387.29	333.15	318.48
- Amount repaid during the year	33.74	496.71	34.90	37.43	860.78
- Closing Balance	3064.24	2791.23	3143.62	3439.34	2897.04
- Net addition	325.26	(-)273.01	352.39	295.72	-542.30
- Interest received and credited to revenue	341.88	215.95	213.11	141.02	269.87

The amount of loans and advances decreased by 4.40 per cent during 1996-97, in comparison to the previous year. The interest receipt, however, increased by 91.37 per cent during this period. Due to improvement in the loan repayment position the loans

and advances outstanding at the end of the year declined by about 16 per cent.

(ii) Out of loan advanced to various bodies by the State Government, the detailed accounts of which are kept in the office of the Accountant General (Accounts and Entitlements), recovery of Rs.64.93 crore (Principal Rs.38.03 crore; interest: Rs.26.90 crore) was in arrears as on 31 March 1997.

(iii) - Madhya Pradesh Financial Code requires maintenance of loan accounts by the office of the Accountant General in respect of loans to bodies and undertakings and by the departmental authorities in respect of loans to individuals/third parties. The Government of Madhya Pradesh, Finance Department further instructed (May 78, March 1992) that departments disbursing loans should maintain a register in the prescribed proforma in three parts with effect from 1 April 1978 with a view to ascertain the position of principal and interest due from each loanee in respect of all types of loans in order to ensure timely action for recovery. The departmental officers are required to intimate their respective Heads of Departments and the Government in administrative department yearly the position of arrears in respect of loans with interest thereon. The departments are also required to intimate the outstanding balances at the end of each year to the Finance Department and the Accountant General.

In respect of loans the detailed account of which are maintained by the departmental officers, the amount due for recovery at the end of 1996-97 was Rs.10.40 crore (Principal); out of this, Rs.10.12 crore (principal) were outstanding for more than three years. The information about the position of over due interest had not been furnished by the departments concerned.

Schemewise position of arrears of loans was as under :

Name of the Scheme	Amount in arrears (Rs. in crore)
(i) Medical Schemes	0.04
(ii) Education Schemes	0.12
(iii) Rural Development Schemes	2.19
(iv) Social Welfare and Nutrition Schemes	4.21
(v) Other Social Service Schemes	3.42
(vi) Tribal area Sub-plan	0.33
(vii) Miscellaneous Loans	0.09
Total	10.40

1.6.1 (a) Capital Expenditure

Assets are created mostly out of capital expenditure. In addition financial assets arise from money invested in institutions or undertakings outside Government i.e. Public Sector Undertakings (PSUs), Corporations, etc. and loans and advances. Trend of capital expenditure for the last five years was as under :

Year	Budget Estimates	Capital Expenditure			Percentage increase(+) or decrease(-) over the previous year	Percentage of capital expenditure with reference to total expenditure
		Plan	Non-Plan	Total		
(Rs. in crore)						
1992-93	815.96	818.61	17.71	836.32	8.72	11.96
1993-94	788.23	790.91	16.48	807.39	(-) 3.46	9.70
1994-95	972.28	859.11	14.90	874.01	8.25	10.07
1995-96	839.53	851.63	8.71	860.34	(-) 1.56	8.61
1996-97	1128.63	1010.14	10.58	1020.72	18.64	8.18

Capital expenditure increased from Rs.836.32 crore in 1992-93 to Rs.1020.72 crore in 1996-97 indicating an increase of 22.04 per cent over a span of five years. During 1996-97 capital expenditure registered an increase of 18.64 per cent over the previous year though it fell short of Budget Estimates by Rs.107.91 crore.

Except for 1994-95 and 1996-97 the actual capital expenditure has been exceeding the budget estimates by about 2.5 per cent.

1.6.1(b) Trend analysis of sectoral capital expenditure

The Capital expenditure heads are grouped into General Services, Social Services and Economic

Services. The sectorwise Capital expenditure for the last five years was as under :

Year	General Services	Social Services	Economic Services	Total Expenditure
(Rupees in crore)				
1992-93	7.87 (0.94)	112.89 (13.50)	715.56 (85.56)	836.32
1993-94	10.24 (1.27)	113.11 (14.00)	684.04 (84.73)	807.39
1994-95	11.98 (1.37)	151.68 (17.36)	710.35 (81.77)	874.01
1995-96	11.12 (1.29)	140.00 (16.28)	709.22 (82.43)	860.34
1996-97	20.92 (2.05)	212.52 (20.82)	787.28 (77.13)	1020.72
Total	62.13	730.20	3606.45	4398.78

Note : Figures in brackets show the percentage of capital expenditure to total expenditure.

The expenditure on General Services and Social Services had increased from 0.94 per cent and 13.50 per cent in 1992-93 to 2.05 per cent and 20.82 per cent in 1996-97 respectively. However, the expenditure on Economic Services had declined from 85.56 per cent in 1992-93 to 77.13 per cent in 1996-97. While the increase in the expenditure on General and Social Services during 1996-97 was substantial (0.76 per cent and 4.54 per cent respectively of the total expenditure) the expenditure on Economic Services

registered a sharp decline from 82.43 per cent in 1995-96 to 77.13 per cent in 1996-97.

1.6.2 Investments and returns

The investments by Government in Statutory Corporations, Government Companies, Joint Stock Companies, Cooperative Banks and Societies and Bodies alongwith dividends/interest received during the five years ending 1996-97 were as under :

Year	Total investment at the end of year	Dividend/ interest received during the year	Percentage of dividend/ interest received to the total investment
(Rs. in crore)			
1992-93	630.52	2.98	0.47
1993-94	658.29	0.80	0.12
1994-95	676.03	0.79	0.11
1995-96	717.16	1.61	0.22
1996-97	764.53*	2.81	0.37

In 1996-97 the Government invested Rs.47.38 crore in the share capital of Statutory Corporations (Rs.18.89 crore), Government Companies (Rs.1.75 crore) and Cooperative Institutions (Rs.26.74 crore). The total capital investment by the Government in the share capital and debentures of different concerns as on 31

* Excludes investment of Rs.0.01 crore from funds of former Gwalior State.

March 1997 was Rs.764.53 crore as against Rs.630.52 crore in March 1993. Dividends/interest during this period had decreased from Rs.2.98 crore to Rs.2.81 crore. The return on investments, though picked up marginally in 1995-96 and 1996-97, has shown an overall declining trend over the last five years and continues to be very small in amount. This may be a cause for concern especially in view of the fact that of the total 176 State Government enterprises as on 31 March 1997 only 21 enterprises having investments of Rs.91.59 crore had paid dividend/interest of Rs.2.81 crore during the year 1996-97. Thus, while the overall return on investment in the dividend paying units was a little above 3 per cent a majority of the units had not paid any dividend at all.

1.6.3 Incomplete works

There were 53 major ongoing projects as on 31 March 1997 of which 51 pertained to Water Resources Department and 2 to Public Health Engineering Department. An expenditure of Rs.5539.34 crore had been incurred on these projects upto March 1997 against the original estimate of Rs.3656.64 crore which had been revised to Rs.9636.71 crore. Out of these, 1 project involving expenditure of Rs.26.72 crore was sanctioned in 1969, 29 projects/works involving expenditure of Rs.2351.07 crore were sanctioned during 1970-80, 10 projects involving expenditure of Rs.2775.97 crore were sanctioned during 1980-90 and 13 projects/ works

involving expenditure of Rs.385.58 crore were sanctioned after 1991.

The overall cost overrun for all these projects/works taken together was 263.54 per cent with reference to the latest revised estimates of Rs.9636.71 crore. The cost overrun was 2290.00 per cent in one case, between 1090.00 per cent and 1849 per cent in 6 cases, 580.59 per cent and 866.00 per cent in 8 cases, 200.94 per cent and 470.63 per cent in 10 cases, 100.26 per cent and 183.92 per cent in 7 cases, and 3.07 per cent and 61 per cent in 14 cases as detailed in Appendix-I.

Four projects - Rampur Khurd, Budhna, Gej and Chherpane required to be completed by December 1988, March 1990, March 1990 and June 1990 respectively - were still incomplete.

1.7 Deficit

1.7.1 Revenue Deficit

The revenue deficit indicates the gap between revenue receipts and revenue expenditure. Trend of revenue deficit for the last five years was as under :

Year	Budget Estimates	Revised Estimate	Actual revenue deficit/surplus (-) (+)	Revenue deficit as a percentage of fiscal deficit
(Rupees in crore)				
1992-93	(+)240.37	(+)304.51	(+)285.28	Nil
1993-94	(+)546.59	(-)37.26	(-)448.14	45.61
1994-95	(-)30.71	(-)149.30	(-)190.48	13.44
1995-96	(-)472.61	(-)345.06	(-)477.40	29.23
1996-97	(-)565.48	(-)1351.73	(-)1447.82	75.16

Thus, except for 1992-93 which had a revenue surplus of Rs.285.28 crore the revenue deficit had been a continuous feature since 1993-94. It increased sharply from Rs.190.48 crore during 1994-95 to Rs.477.40 crore during 1995-96 (150.63 per cent) and then to Rs.1447.82 crore (203.27 per cent) during 1996-97. The upward trend in revenue deficit indicates that the borrowings of the Government are being used to finance revenue expenditure which may have the effect of aggravating the financial position of the Government by pushing up the debt service burden.

The revenue deficit accounted for 75.16 per cent of the fiscal deficit during 1996-97, as compared to 13.46 per cent during the preceding three years.

The actual revenue deficit during 1996-97 overshot the Budget Estimates by 156 per cent.

The revenue deficit during 1995-96 was because of increased expenditure inter alia on expenditure on payment of additional instalment of dearness allowance as well as relief to pensioners, photo identity cards to voters, additional rural electrification subsidy to Madhya Pradesh Electricity Board and, higher interest burden. In 1996-97 it was mainly on account of increased payment of rural electrification subsidy to Madhya Pradesh Electricity Board.

1.7.2 Fiscal Deficit

The fiscal deficit may be defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aid received).

Position of fiscal deficit during the last five years was as under :

Year	Fiscal deficit	Percentage increase over previous year
(Rupees in crore)		
1992-93	876.30	--
1993-94	982.52	12
1994-95	1416.88	44
1995-96	1633.46	15
1996-97	1926.24	18

The fiscal deficit had been consistently increasing over the period from 1992-93 to 1996-97, the rate of increase ranging from 12 to 44 per cent. The fiscal deficit during the current year was up by 18 per cent as compared to that in the previous year.

1.8 Public Debt

Public Debt comprises internal and external debt. It has vital link with all aspects of public finance, taxation and expenditure policies, budget surplus and deficits, trade and balance of payments, development expenditure and economic growth.

The Constitution of India provided that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may, from time to time, be fixed by an Act of Legislature of the state. No law has been passed by the State Legislature laying down any such limit.

1.8.1 Internal debt

The position of internal debt for the last five years was as under :

Year	Opening Balance	Receipt	Repayment + interest	Closing Balance	Percentage of column 4 to 3
1	2	3	4	5	6
(Rupees in Crore)					
1992-93	1243.55	2062.31	1995.87 + 121.90*	1309.99	102.68
1993-94	1309.99	2772.20	2457.69 + 149.70*	1624.50	94.05
1994-95	1624.50	2903.27	2839.41 + 190.27*	1688.36	104.35
1995-96	1688.36	2535.90	1832.39 + 220.93*	2391.87	80.97
1996-97	2391.87	2334.93	1985.67 + 296.57*	2741.13	97.74
Total		12608.61	11111.03 + 979.37*		

Internal debt had increased from Rs.1309.99 crore in 1992-93 to Rs.2741.13 crore in 1996-97 registering an increase of 109.2 per cent.

The total internal debt including overdrafts raised during the period 1992-97 was Rs.12608.60 crore.

* Figures of interest payment have not been taken into account while working out the closing balance.

As against this the total repayment was Rs.11111.02 crore (principal) and Rs.979.37 crore (interest). This indicated that there was net addition of Rs.1497.58 crore to the internal debt as the total internal debt raised during the period was more than the repayment of the principal during this period.

1.8.2 Other Liabilities

Apart from the borrowing accounted for in the Consolidated Fund of State, there were Small Savings, Provident Funds, Reserve Funds and Deposits which were kept in a separate Public Account. The balances of Public Account, carried forward annually, added substantially to the liabilities of the State Government.

Trend of these liabilities for the last five years was as under :

Year	Opening Balance	Receipt	Repayment + interest	Closing Balance	Percentage of column 4 to column 3
1	2	3	4	5	6
(Rupees in Crore)					
1992-93	3496.37	1771.00	1211.01	4056.36	79.6
			+ 198.88*		
• 1993-94	4056.36	1866.31	1497.06	4425.61	93.4
			+ 266.52*		
1994-95	4425.61	2616.98	1638.81	5203.78	81.2
			+ 203.73*		
1995-96	5203.78	2649.38	2200.86	5692.30	93.7
			+ 317.89*		
1996-97	5692.30	3018.80	2685.15	6621.55	81.5
			+ 376.04*		

* Figures of interest payment have not been taken into account for working out the closing balance.

The liabilities for Small Savings, Provident Fund, Reserve Fund and Deposits had increased from Rs.4056.36 crore in 1992-93 to Rs.6621.55 crore in 1996-97, registering an increase of 63.2 per cent. The increase during 1996-97 over previous year was Rs.929.25 crore (16.3 per cent).

The interest payment on these liabilities had increased from 198.88 crore during 1992-93 to Rs.370.04 crore during 1996-97, registering an increase of Rs.171.16 crore (86 per cent).

1.8.3 Loans and Advances from the Central Government

Position of Loans and Advances from the Government of India for the last five years was as under :

Year	Opening Balance	Receipt	Repayment + interest	Closing Balance	Percentage of column 4 to column 3
1	2	3	4	5	6
(Rupees in Crore)					
1992-93	4052.60	592.19	283.16 +387.78*	4361.63	113.00
1993-94	4361.63	658.46	292.73 +427.46*	4727.36	109.4
1994-95	4727.36	743.83	226.06 +489.68*	5245.13	101.6
1995-96	5245.13	781.51	237.01 +557.66*	5789.54	101.7
1996-97	5789.54	1065.29	269.45 +638.11*	6585.38	85.19

* Figures of interest payment had not been taken into account for working out the closing balance.

The net indebtedness to Government of India had been consistently increasing during the last five years. While the receipt of loans and advances from Central Government had increased from Rs.592.19 crore in 1992-93 to Rs.1065.29 crore in 1996-97, registering an increase of 79.88 per cent, a major part of the loan was utilised for repayment of principal and interest. In fact the amounts of loan received during 1992-93 to 1995-96 were completely utilised for repayment of principal and interest.

1.8.4 Guarantees given by the State Government

The position of contingent liability for guarantees given by the State Government for repayment of loans and payment of interest thereon by the Statutory Corporations, Companies and Co-operatives, etc. was as follows :

As on 31 March	Maximum amount guaranteed (Principal only)	<u>Amount Outstanding</u> Principal Interest	
(Rupees in crores)			
1993	6430.22	719.83	Figures not made available by Government
1994	6838.84	1889.57	
1995	7217.54	287.35	
1996	7234.39	439.71	
1997	8351.60	3477.81	

* Amount of interest has been intimated against Rs.3227.98 crore (Principal)

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

The outstanding guarantees of the State Government increased from Rs.719.83 crore in 1992-93 to Rs.3545.77 crore including interest in 1996-97 which constituted an increase of 392.58 per cent.

1.9 Ways and Means Advances

Under the agreement with the Reserve Bank of India the State Government has to maintain with the Bank a minimum balance of Rs.0.80 crore on each day of the week. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ways and means advances, overdrafts from the bank. The extent to which the Government maintained the minimum balance with the Bank during the period from 1992-93 to 1996-97 is given below :

	1992-93	1993-94	1994-95	1995-96	1996-97
	(No. of days)				
(i) Number of days on which minimum balance was maintained					
(a) Without obtaining any advance	95	56	79	180	170
(b) By obtaining Ways and Means Advances	140	160	114	109	171
(ii) Number of days on which overdraft was taken	130	149	172	77	24

The position of ways and means advances and overdrafts taken by the State Government and interest paid thereon during the five years 1992-93 to 1996-97 is detailed below :

	1992-93	1993-94	1994-95	1995-96	1996-97
(Rs. in crore)					
<u>Ways and Means Advances</u>					
(i) Advances taken during the year(Gross)	685.03	1050.12	1186.23	1316.23	1437.91
(ii) Advances outstanding at the end of year	60.80	82.82	0.00	92.80	--
(iii) Interest paid	4.03	5.17	6.93	3.64	4.20
<u>Over drafts</u>					
(i) Overdrafts taken during the year(Gross)	1163.86	1515.59	1336.70	748.25	273.35
(ii) Overdrafts outstanding at the end of the year	93.38	215.27	0.00	159.43	--
(iii) Interest paid	2.04	2.24	3.93	1.66	0.82

The ways and means advances obtained by the Government had considerably increased from Rs.685.03 crore in 1992-93 to Rs.1437.91 crore in 1996-97 registering an increase of 110 per cent. Number of days on which Ways and Means advance was taken had increased from 109 days during 1995-96 to 171 days during 1996-97, as against this number of days on which over drafts was taken had decreased from 77 days during 1995-96 to 24 days during 1996-97. The payment of interest on ways and means advances had increased by Rs.0.56 crore during 1996-97, over previous year.

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

The summarised position of actual expenditure during 1996-97 against grants/appropriations is as under :

	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Variation saving -/ Excess +
	(1)	(2)	(3)	(4)	(5)
(Rupees in crore)					
I. Revenue					
voted	9834.86	1809.71	11644.57	10411.70 *	- 1232.87
charged	1494.30	31.81	1526.11	1444.22	- 81.89
II. Capital					
voted	1300.57	271.51	1572.08	1103.28 \$	- 468.80
charged	3.50	1.30	4.80	1.38	- 3.42
III Public Debt					
charged	2616.59	--	2616.59	2255.13	- 361.46
IV Loans & Advances					
voted	267.56	82.09	349.65	333.12 \$	- 16.53
Total					
voted	11402.99	2163.31	13566.30	11848.10	- 1718.20
charged	4114.39	33.11	4147.50	3700.73	- 446.77
Grand Total	15517.38	2196.42	17713.80	15548.83 **	- 2164.97

* Before adjustment of recoveries in revenue accounts taken as reduction of expenditure

\$ Before adjustment of recoveries in capital accounts taken as reduction of expenditure

** Includes Rs.458.20 crore (Revenue (voted) : Rs.387.56 crore; Revenue charged : Rs.2.81 crore; Capital (voted) : Rs.67.83 crore) drawn and credited to Major Head 8443-Civil Deposits, 800-Other Deposits under various grants during the year and Rs.12.72 crore (Deposit : Rs.47.70 crore - Disbursement : Rs.34.98 crore) added to the balance in Personal Deposit Account during 1996-97.

2.2 The following results emerge broadly from the appropriation audit :

2.2.1 Supplementary Provision

Supplementary provision (Rs.2196.42 crore) obtained during the year constituted 14 per cent of the original budget provision.

2.2.2 Unnecessary/excessive/inadequate supplementary provision

In 53 cases, supplementary provision of Rs.569.79 crore obtained in August 1996 (Rs.85.34 crore), December 1996 (Rs.170.86 crore) and in March 1997 (Rs.313.59 crore) proved unnecessary because the expenditure was either less than the original provision or, there was no expenditure. These could have been restricted to token provision for new service items wherever necessary. The details of these cases are furnished in Appendix II (a). In 35 cases, as against supplementary provision aggregating to Rs.349.41 crore, the actual requirement of funds was Rs.273.40 crore, the details of which are given in Appendix II (b). In 12 cases, supplementary provision of Rs.1187.65 crore obtained during the year proved insufficient leaving an aggregate uncovered excess expenditure of Rs.223.46 crore as detailed in Appendix II (c).

2.2.3 Saving/Excess over provision

The overall saving of Rs.2164.97 crore was the result of saving of Rs.2396.36 crore in 117 cases of grants (Rs.1949.55 crore) and 48 cases of appropriations (Rs.446.81 crore) partly offset by

overall excess of Rs.231.39 crore*. The excesses in 17 cases of grants and 2 cases of appropriations, as detailed in Appendix III required regularisation under Article 205 of the Constitution of India.

The excess expenditure in respect of 6 cases (Grants No. 20, 24, 58 and 67 under Revenue-Voted and Grant No. 20 and 21 under Capital-Voted) was more than Rs.1 crore and also more than 10 per cent of the provision in each case. Percentage of excess ranged from 11 to 41.

No reason for excess was intimated in respect of all these cases (October 1997) except in respect of Grant No.12 (Revenue:Voted) which was due to reimbursement of free electricity supply by the Electricity Board, Grant No.20 (Capital:Voted) which was due to additional requirement of funds for drinking water supply schemes (Rs.1.40 crore), Grant No.27 (Revenue:Voted) which was due to enhancement of dearness allowance, interim relief, increase in expenditure on rent, rates & taxes and additional requirement for payment of grant in aid, and Grant No.70 (Revenue:Voted) which was due to receipt of instruments against the purchase orders issued during the preceding years.

2.2.4 Unutilised provision

In 61 cases, the expenditure fell short by Rs.1 crore or more in each case and also by more than

* Includes Rs.7.22 crore added to expenditure due to clearance of Suspense Account in Major Head 9658 pertaining to year 1985-86 - 1986-87 in Grant No. 21 and debited to Major Head 6217 in 1996-97 which does not require regularisation.

10 per cent of the total provision. The details are given in Appendix IV. In two cases (Grant No. 86 - Revenue:Voted and Grant No. 58 - Capital:Charged) the entire provision remained unutilised.

2.2.5. Significant cases of savings

In 30 cases, substantial savings of Rs.5 crore and above and also more than 80 per cent of the provision were noticed either due to non-implementation or slow implementation of the plan schemes/projects/programmes. Such cases are given in Appendix V. In 24 cases, the entire provision remained unutilised.

2.2.6 (a) Surrender of savings

Savings in a Grant or Appropriation are to be surrendered to the Government immediately after these are foreseen, without waiting till the end of the year, unless the same are required to meet excesses under some other units. No saving was to be held in reserve for possible future excess. It was, however, noticed that in case of 119 grants/appropriations, as against the total amount of Rs.1964.02 crore surrendered during the year, Rs.1431.01 crore (73 per cent) were surrendered on the last day of the financial year.

2.2.6(b) Injudicious/unrealistic surrender

Funds are required to be surrendered only in the grants where a saving is expected and the amount of expected saving is not less than the proposed surrender.

It was, however, noticed that in 7 cases funds to the extent of Rs.46.91 crore were surrendered

though there were eventual excess amounting to Rs.146.48 crore (Appendix VI (a)) indicating incorrect estimation of savings. In 17 cases, funds to the extent of Rs.497.97 crore were surrendered against the available saving of Rs.414.45 crore (Appendix VI (b)).

2.2.6 (c) Lapsing of budget provision

The rules require that all anticipated savings should be surrendered as soon as the possibility of savings is envisaged.

Out of total available saving of Rs.1574.42 crore in 129 cases, savings to the tune of Rs.563.33 crore were not surrendered and allowed to lapse. Some significant cases, in which savings exceeding Rs.5 crore (aggregating to Rs.505.67 crore) were not surrendered were as under :

S.No.	Number and name of Grant/Appropriation		Total available saving	Amount not surrendered (percentage to total saving in brackets)
(1)	(2)		(3)	(4)
(Rupees in crore)				
Revenue : Voted				
1.	3	Police	17.00	13.61 (80)
2.	6	Expenditure pertaining to Finance Department	508.10	35.66 (7)
3.	13	Agriculture	46.38	10.00 (22)
4.	19	Public Health, Family Welfare and Medical Education	45.62	45.62 (100)
5.	21	Expenditure pertaining to Housing and Environment Department	6.15	5.42 (88)
6.	23	Water Resources Department	16.92	16.92 (100)

(1)	(2)	(3)	(4)
(Rupees in crore)			
7.	29 Administration of Justice and Elections	24.49	6.44 (26)
8.	47 Man Power Planning Department and Technical Education	14.09	5.48 (39)
9.	55 Expenditure pertaining to Women and Child Welfare	10.75	10.75 (100)
10.	64 Special Component plan for Scheduled Castes	163.25	9.45 (6)
11.	74 Externally Aided Projects pertaining to Women and Child Welfare Department	20.82	20.82 (100)
12.	75 Special pool for Tribal Welfare	13.57	6.08 (45)
13.	77 Externally Aided Projects pertaining to Forest Department	20.44	20.44 (100)
14.	80 Financial assistance to Three Tier Panchayati Raj Institutions	80.82	48.92 (61)
15.	82 Financial assistance to Tribal Area sub-plan Three Tier Panchayati Raj Institutions	18.73	10.33 (55)
16.	84 Financial assistance to Three Tier Panchayati Raj Institutions under Special component plan for scheduled castes	13.00	10.95 (84)
Revenue : Charged			
1.	Interest payments and servicing of debt	61.01	58.81 (96)
2.	7 Expenditure pertaining to Commercial Tax Department	14.46	14.45 (100)
Capital : Voted			
1.	23 Water Resources Department	58.03	50.39 (87)

(1)	(2)	(3)	(4)
(Rupees in crore)			
2	41 Tribal Areas Sub-Plan	49.38	26.19 (53)
3.	45 Minor Irrigation-Works	28.11	27.04 (96)
4.	48 Narmada Valley Development	105.11	17.76 (17)
5.	57 Externally Aided Projects pertaining to Water Resources Department	5.87	5.87 (100)
6.	64 Special Component Plan for Scheduled Castes	16.50	6.83 (41)
7.	74 Externally Aided Projects pertaining to Women and Child Welfare Department	46.26	21.44 (46)
TOTAL			505.67

2.2.7 Persistent savings

Savings exceeding Rs.1 crore and by more than 10 per cent of the provision were noticed persistently in all the three years from 1994-95 to 1996-97 in the grants/appropriations detailed in Appendix VII.

2.2.8 Persistent excesses

In the following grants, persistent excess were noticed in all the three years from 1994-95 to 1996-97.

Grant Number	Description of Grant	Amount of excess (Percentage of excess in brackets)		
		1994-95	1995-96	1996-97
(1)	(2)	(3)	(4)	(5)
(Rupees in crore)				
Revenue (voted)				
20	Public Health Engineering	47.17 (15)	20.41 (6)	58.67 (19)
24	Public Works-Roads and Bridges	61.90 (25)	57.99 (21)	57.91 (18)
58	Expenditure on Relief on Account of Natural Calamities and Scarcity	24.14 (26)	3.55 (4)	13.28 (13)
67	Public Works- Buildings	39.12 (19)	68.09 (29)	57.62 (22)
Capital (voted)				
20	Public Health Engineering	0.39 (5)	0.41 (6)	2.58 (41)

2.2.9 Excess over provision relating to previous years requiring regularisation

Under Article 205 of the Constitution of India, expenditure in excess of a Grant/Appropriation is required to be regularised in the manner prescribed in the Constitution.

The excesses for the years 1989-90 to 1995-96, as per details given below, were yet to be regularised by the Government (October 1997).

Year	Number of Grants/ Appropriations	Amount of excess (Rupees in crore)
1989-90	20	112.01
1990-91	22	119.51
1991-92	16	258.58
1992-93	21	189.32
1993-94	21	258.11
1994-95	15	407.46
1995-96	21	251.59
Total		1596.58

2.2.10 Rush of expenditure

Regular flow of expenditure in the year is primary requirement of budgetary control. It was, however, noticed that the expenditure incurred during March 1997 in the following cases ranged between 49 per cent and 102 per cent of the total expenditure during the year indicating the tendency to utilise the budget provision at the fag end of the financial year :

S.No	Grant Number and description of Grant	Total provision	Total expenditure	Expenditure in March	Percentage of Expenditure in March to Total Expenditure
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crore)					
1.	12-Expenditure pertaining to Energy Department	1426.45	1425.88	700.15	49
2.	36-Transport	20.98	20.99	11.73	56
3.	39-Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	55.64	49.53	28.48	58
4.	62-Externally Aided Projects pertaining to Animal Husbandry Department	1.37	1.20	1.07	89
5.	68-Public works relating to Tribal Areas Sub Plan - Buildings	10.83	5.37	2.66	50
6.	69-Expenditure pertaining to Urban Welfare Department	17.90	17.80	9.94	56
7.	70-Externally Aided Projects pertaining to Manpower planning department	54.26	53.87	32.29	60
8.	75-Special Pool for Tribal Welfare	70.08	53.31	33.22	62
9.	77-Externally Aided projects pertaining to Forest Department	60.00	36.25	17.77	49

(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crore)					
10.	78-Externally Aided Projects pertaining to Rural Industries Department	0.65	0.60	0.60	109
11.	80-Financial Assistance to Three Tier Panchayati Raj Institutions	315.98	235.16	124.39	53
12.	88-Upgradation of standards of Administration under recommendation of Tenth Finance Commission-Police	6.31	4.54	2.23	49
13.	89-Upgradation of Standards of Administration under recommendation of Tenth Finance Commission-School Education	22.27	22.27	20.65	93
14.	90-Special problems under recommendation of Tenth Finance Commission -Forest	12.00	12.00	12.00	100
15.	91-Upgradation of Standards of Administration under recommendation of Tenth Finance Commission-Jails	1.32	0.61	0.62	102
16.	92-Upgradation of standards of Administration under recommendation of Tenth Finance Commission-Revenue	2.01	1.76	1.76	100
Total		1941.14		999.56	51

2.2.11 Injudicious/irregular/incorrect re-appropriation

Re-appropriation is transfer of funds within a Grant, from one unit of appropriation where savings are anticipated to another unit where additional funds are required. Financial rules enjoin that Controlling

Officers should review, well in advance, the position of saving/excess in each unit of appropriation and transfer funds within the financial year, from the units where savings are anticipated to the units where additional funds are required.

Scrutiny of re-appropriation orders revealed non-observance of this requirement resulting in incorrect re-appropriations.

Important cases of injudicious re-appropriations (57) involving Rs.1 crore and above in each case are given in Appendix VIII.

2.2.12 Issue of sanction for irregular re-appropriations/surrender

As per instructions (August 1996) of the State Government (i) re-appropriation of funds of more than Rs.10 lakh from one unit to another unit is not permissible without prior approval of the Finance Department (ii) re-appropriation from the heads other than salary and wages to salary and wages heads is not permissible unless such re-appropriation is essential for the purpose of payment of additional dearness allowances, interim relief and bonus etc. According to Financial rules, sanctions for re-appropriations/surrender should be issued before the financial year and transfer of funds through the re-appropriation and amount of surrender should not exceed the budget provision available in concerned heads.

Test check revealed that in 19 cases, sanctions for re-appropriation and surrender involving

Rs.27.59 crore were irregular for the reasons given below :

Serial Number	Number of cases	Grant Number	Amount	Particulars of Irregularities
(Rupees in crore)				
1	1	41	1.74	Sanction of re-appropriations of more than Rs.10 lakh were issued without prior approval of Finance Department
2	4	11,41	0.30	Funds were transferred by re-appropriation to the head 'wages' for the purpose other than payment of Additional D.A/IR and Bonus etc.
3	6	7,8,41,75 and 76	19.50	Sanction were issued after expiry of Financial year 1996-97
4	8	8,41,64 and 76	6.05	Non-availability of funds in the heads from which re-appropriation/surrender was sanctioned
Total	19		27.59	

These re-appropriations/surrenders have not been included in the Appropriation Accounts 1996-97 for arriving at the total Grant or Appropriation.

2.2.13 Advances from the Contingency Fund

The contingency fund of the state is in the nature of imprest placed at the disposal of Governor from which expenditure may, by way of advances be met in emergent/unforeseen cases pending authorisation by the State Legislature.

The corpus of the contingency fund is Rs.40 crore. The supplementary estimates for all expenditure met out of advances from the contingency fund should be presented to the State Legislature, as far as practicable within the same financial year in which the

advances were sanctioned, the recoupment being thus made within that year.

Ninety one sanctions for Rs.48.60 crore were issued for drawal of advance from contingency fund, out of which advances against 46 sanctions (including 2 sanctions for Rs.0.52 crore partially acted upon) for Rs.27.66 crore (57 per cent of the total amount sanctioned) were drawn during 1996-97. Against this amount, Rs.3.14 crore (11.35 per cent) were sanctioned in March 1997 and remained unrecouped till the close of the financial year. 40 sanctions involving Rs.19.45 crore (40 per cent of the amount sanctioned) were not operated upon and the expenditure was met from the Consolidated Fund of the State, 4 sanctions for Rs.0.49 crore were cancelled and 1 sanction for Rs. 1 crore was not acted upon at all. Thus the sanctions were issued in these cases without ensuring that the expenditure was of an emergent nature.

2.2.14 Trend of recoveries

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all recoveries/credits which have been shown separately in the budget estimates. During the year 1996-97, recoveries/credits to be adjusted in accounts in reduction of expenditure were estimated at Rs.812.44 crore (Revenue : Rs.486.58 crore; Capital : Rs.325.86 crore) against which the actual recoveries were

Rs.492.44 crore (Revenue : Rs.393.86 crore; Capital including Public Debt : Rs.98.58 crore).

In 21 cases there was no recovery against the estimated amount of Rs.119.17 crore. In 8 other cases, the actual recoveries fell short of the estimates by Rs.304.73 crore (64 per cent) while in 2 cases, the actuals exceeded the estimates by Rs.100.91 crore (48 per cent). In one case, recovery for Rs.2.99 crore was effected without estimate during the year 1996-97.

Grant-wise details of estimates/actual recoveries, shortfall or excess over estimated recoveries are given in Appendix-I of the Appropriation Accounts for the year 1996-97.

2.2.15 Reconciliation of expenditure figures

To enable the controlling officers to exercise proper control over expenditure standing instructions of the Government provide that the departmental figures of expenditure should be reconciled periodically with those recorded in the books of Accountant General (Accounts and Entitlements) before the close of accounts for the year. It was however, noticed that expenditure of Rs.2182.99 crore drawn under 14 major heads by various controlling officers was not reconciled during the year (Appendix - IX).

Non-reconciliation of expenditure figures by the departments may, apart from ineffective control over expenditure, result in non-detection of cases of frauds and defalcations, if any.

2.2.16 Non-receipt of explanation for excess/saving

After the close of each financial year, the detailed Appropriation Accounts showing final grants/appropriations, the actual expenditure and the resultant variations are sent to the controlling officers requiring them to explain the variation in general and important cases in particular.

Out of 788 heads under which variations were required to be explained for inclusion in the Appropriation Accounts 1996-97, the explanations for variations were either not received (October 1997) or were incomplete in case of 636 heads constituting 81 per cent of the total heads.

2.2.17 Transfer of funds to Public Account/Bank

2.2.17.1 Personal Deposit Account

Personal Deposit Account (PDA) is a class of deposit in Public Account kept at treasury in the nature of banking deposit account, the receipts and payments being recorded in personal ledgers. Rules governing the opening, maintenance, closing etc. of these accounts provide that :

(i) No moneys shall be received for deposit in Public Account unless they are such as by virtue of any statutory provision or of any general or special orders of the Government are required or authorised to be held in custody of the Government.

(ii) Funds of quasi-public institution even though they may be aided by the Government may not be accepted as personal deposits at treasury without the special

permission of the Government for opening of a banking account with that treasury. Such permission may not be granted except after consultation with Accountant General.

(iii) The balances in PDA do not lapse to Government if outstanding for more than three complete years. In cases, however, in which the PDAs are created by debit to the Consolidated Fund the same should be closed at the end of the financial year by minus debit to the Balance of the relevant service heads in the Consolidated Fund. The PDA may be opened next year again if necessary in the usual manner.

(iv) If a PDA has remained unoperated upon for a continuous period of three years the treasury officer should address the Administrator of the account in writing requiring him to show cause within one month, why the balance in the account should not be credited to Revenue Deposits.

(v) A certificate from the Administrator of every Personal Ledger Account (to the effect that the balances claimed by him is of a named amount and detailing his outstanding cheques in order to explain the difference between his balance and that admitted by the Treasury Officer in his plus and minus memorandum) should be transmitted along with clearance register of other class of deposits.

(vi) PDA may be opened only when an officer operating the scheme is not in a position to obtain funds as and when required through contingent bills

from the treasury or where inconvenience is likely to be caused, due to frequent drawing on contingency bills or where the established normal procedure proves inoperative.

There were 284 PDAs having balance of Rs.97.48 crore in respect of Government and semi-government institutions only as on 31 March 1997. With a view to ascertain whether the above mentioned rules were being observed, a test check of records of 10 PDAs* having balance of more than Rs.1 crore and 1 PDA (Deputy Director, Social Forestry, Ujjain) having balance of over Rs.50 lakh as on 31 March 1997 were test checked. The aggregate balance in these accounts at the close of 1996-97 was Rs.72.51 crore (74 per cent) of the total balance of Rs.97.48 crore of all PDAs in the entire state.

In addition to this, test check of records of 7 treasuries** at Bhopal (3), Jabalpur (2), Bilaspur

- * (1) Director General of Police, Police Head Quarter Bhopal (DGP)
- (2) Commissioner of Public Instructions Bhopal (CPI)
- (3) Managing Director Madhya Pradesh Laghu Udyog Nigam Ltd., Bhopal (MDMPLUN)
- (4) Managing Director Madhya Pradesh Test Book Corporation, Bhopal (MDMPTBC)
- (5) Managing Director Madhya Pradesh State Cooperative Scheduled Castes Finance Development Corporation, Bhopal (MDMPSCSCFDC)
- (6) Director Rehabilitation Studies Centre Gas Rahat Bhopal (DRSCGR)
- (7) Divisional Forest Officer Social Forestry (DFOSF) Bilaspur
- (8) Divisional Forest officer (DFO) Bilaspur
- (9) Executive Engineer Rural Engineering Services (EERES), Bilaspur
- (10) Executive Engineer Kharang Division Bilaspur.

- ** (1) Bhopal Treasury (2) Vindhyaachal Bhawan, Bhopal
- (3) Vallabh Bhawan, Bhopal (4) City Treasury, Jabalpur (5) Jabalpur Treasury (6) Ujjain Treasury
- (7) Bilaspur Treasury.

(1) and Ujjain (1) was also conducted; it was further supplemented by information collected from the office of Accountant General Madhya Pradesh (A&E) Gwalior. The main findings are as under :

2.2.17.1 (a) Rules regarding opening of PDAs not being followed

(i) Finance department issued instructions (February 1962) that PDA should not be opened without a specific authority from the Accountant General. These instructions were superseded by Government Notification dated 22 November 1994 without consulting the Accountant General. The supersession of Government instructions (February 1962) was contrary to Rule 623 of Central Treasury Rules which specifically mentions as under :

"Money tendered by Government officers acting in their official capacity, and funds of quasi-public institutions may not be accepted as Personal Deposits at a treasury without the special permission of the Government for the opening of a banking account with that treasury. Such permission may not be granted except after consultation with the Accounts Officer (Accountant General) and unless the Government be satisfied that the initial accounts of moneys to be held in such PDAs are properly maintained and are subject to audit."

The matter had been taken up (October 1997) by the Principal Accountant General (A&E) with the Government to review the notification (November 1994) in order to ensure better financial discipline.

(ii) Treasury officer Bilaspur opened PDAs in the name of 5 Divisinal Forest officers of Forest Department, 2 Executive Engineers of Water Resources Department and an Executive Engineer of Rural Engineering Services, without orders of Government as well as without the request of the Administrators of the accounts concerned.

Since these Account holders had not clearly mentioned the detailed classification of the remittances deposited by them through challans, the Treasury Officer credited the amounts under the head 8443-Civil Deposits - 106-Personal Deposits. All these accounts were having aggregate balances of Rs.21.04 crore. The Administrators had not obtained cheque books from the Treasury Officer. A certificate from the Administrator of these Personal Deposit Accounts to the effect that the balance claimed by him was of a named amount and detailing his outstanding cheques in order to explain the difference between the balances and that admitted by the Treasury Officer in his *plus and minus memorandum* was not obtained.

(iii) 14 PDAs in Jabalpur treasury having closing balance of Rs.0.66 crore as on 31 March 1997 were opened without the permission from the State Government.

(iv) The Managing Director, Madhya Pradesh State Cooperative Scheduled Castes Finance Development Corporation, Bhopal opened PD Account without consultation with the Accountant General.

(v) MPLUN continued to operate PDA after 1992-93 without closing it every year and reopening it next year as required under the rules.

(vi) Prior to change of designation as Commissioner of Public Instructions (CPI), Director of Public Instructions (DPI) was operating a PDA in the District Treasury, Bhopal. Subsequently after posting of CPI as Head of Department (HOD), another PDA was opened (February 1996) for depositing the amounts, received under various schemes, in Vindhyachal Treasury Bhopal in the name of CPI, without closing the PDA in the name of DPI which had a balance of Rs.0.38 crore as on 5 February 1996 and which continued (September 1997) to be operated. This was contrary to M.P Treasury Rules.

2.2.17.1 (b) Non-closing of PDAs

None of the PDAs test checked was closed at the close of financial year by minus debit to the relevant service head. Rs.15.41 crore were lying in 110 PDAs without any transaction during the last three years. The closing balances in these accounts at the close of 1994-95, 1995-96, and 1996-97 indicated that rules regarding closing of PD accounts at the close of financial year were not being observed.

2.2.17.1 (c) PDAs - medium for avoiding lapse of budget grants

Various government departments had been drawing funds on Abstract Contingent (A.C.) bills for making advance payment for purchases to MPLUN. The

purchasing departments were directed (June 95) to submit detailed contingent bills within a period of 45 days after the drawal of A.C. bills.

It was however noticed that huge sums were being drawn by the department and placed as advances with MPLUN which in turn was keeping these amounts in PD Account. Adjustments were carried out as and when material/equipment were supplied.

MPLUN had a closing balance of Rs.4.11 crore and Rs.1.07 crore at the close of 31 March 1996 and 31 March 1997 respectively which indicated that the PDAs were being used by the Government Departments to avoid lapse of budget grant.

2.2.17.1 (d) Irregular debit to Consolidated Fund of State

As per provision contained in rule 4(4) of the Madhya Pradesh Road Safety Rules, 1995, Road Safety Fund was created in the year 1995-96. An amount equal to 50 per cent of the amount of the compounding fees collected during previous year under Motor Vehicles Act, was to be credited to a PDA meant for this purpose.

A sum of Rs.5.15 crore deposited in PDA on 26 February 1996 was drawn under head 2055 - Police - Direction and Administration - 800 Other Expenditure, though the sanction issued (24 February 1996) by the Director General of Police was for drawal of this amount from 8443 - Civil Deposits - 800 - Other Deposits. Similarly, against the provision and sanction (March 1997) of Rs.10.15 crore for drawal under head

2041 - Taxes on Vehicles - 101 - Collection Charges, an amount of Rs.14.00 crore was drawn and deposited in PDA during 1996-97. Thus Rs.9.00 crore (Rs.5.15 crore during 1995-96 and Rs.3.85 crore during 1996-97) were irregularly debited to the Consolidated Fund of the State and credited to PDA.

On this being pointed out the amount of Rs.9.00 crore was withdrawn (September 1997) from PDA and credited to revenue of the state.

2.2.17.1 (e) Irregular expenditure out of Personal Deposit Account

The Home (Police) Department issued sanction (October 1996) for purchasing two 8 ton cranes by debiting the head 2055 Police.

It was however noticed that an amount of Rs.0.21 crore was irregularly spent (October 1996) out of PDA for purchasing these cranes.

2.2.17.1 (f) Other points of interest

(i) Funds amounting to Rs.1.82 crore were transferred from a PDA in the name of CPI to a current account in Bank of Maharashtra during the period from October 1996 to March 1997, without sanction of the State Government.

(ii) Vouchers in support of expenditure of Rs.3.85 crore incurred on the Centrally Sponsored Scheme - Operation Black Board were not available with CPI; vouchers of Rs.0.56 crore were however seized by Bureau of Economic Offence wing of the State.

(iii) In Ujjain treasury the amounts in PDA were credited by the Deputy Director (now designated as Divisional Forest Officer Social Forestry) to 8443-Civil Deposits - 106-Personal Deposits; whereas the expenditure from PDA was booked under head 8782 Cash Remittances resulting in balances of Rs.0.56 crore remaining unutilised since 1988-89.

2.2.17.1 (g) Incorrect depiction of accounts

The balances in PDAs at the close of 1994-95, 1995-96 and 1996-97 were Rs.43.68 crore, Rs.60.92 crore and Rs.97.48 crore respectively. Since the amount shown in balance had already been shown as expenditure in the respective heads, the expenditure to this extent was inflated and depicted incorrect picture of accounts of the State Government for these years. In addition, non-utilisation of funds for the schemes for which the amounts were meant delayed the implementation of the schemes and defeated the purpose of providing budget in the respective financial years.

2.2.17.1 (h) Transfer of Central Funds to PDAs and diversion of funds to other schemes/purposes

For implementation of Centrally Sponsored Schemes/Central Sector Schemes, Government of India sanctioned and released funds to the State Government. The schemewise details of Central funds available in PDAs as on 1 April 1996, amount deposited in PDA and balance at the close of the financial year are shown in Appendix X.

The closing balances at the end of the financial years 1995-96 and 1996-97 were Rs.26.59 crore and Rs.18.72 crore respectively. Out of Rs.27.28 crore deposited during 1996-97, Rs.23.80 crore were deposited during the last quarter of the year. Thus, the amounts meant for the schemes during the year could not be utilised and were deposited in the Personal Deposit Accounts.

As per terms and conditions laid down under the Central Schemes "CLASS Project" and "Operation Black Board" unspent balances of Rs.2.41 crore and Rs.0.86 crore respectively as on 31 March 1997 were to be returned to the Central Government unless permission to carry forward was accorded by the Central Government. However, the unutilised balances had not been surrendered to the Government of India.

Further as per conditions laid down by the Central Government unspent balances at the close of financial year under the scheme "Liberation and Rehabilitation of Scavengers" were also required to be surrendered. It was, however, seen that instead of surrendering, the amounts of Rs.5.95 crore and Rs.15.65 crore were diverted during the years 1995-96 and 1996-97 respectively for purposes other than those envisaged under the scheme .

Transfer of funds for Central Schemes to PDAs and diversion of funds to other schemes/purposes not only adversely affected the implementation of these

schemes but also provided unintended financial assistance to the State Government by adding to the cash resources of the state.

2.2.17.2 Transfer of funds to Civil Deposits/Bank etc.

Financial rules provide that no money shall be drawn from treasury unless it is required for immediate disbursement.

It was noticed that Rs.458.20 crore were drawn, mainly in March 1997, under various Major Heads in 48 Grants and credited to the Major Head 8443-Civil Deposits - 800-Other Deposits, after exhibiting them as expenditure in the accounts. An analysis of the details of such deposits involving Rs.1.00 crore and above and aggregating to Rs.415.49 crore (shown in Appendix-II of the Appropriation Accounts 1996-97) revealed the following :

(i) Against the total budget provision of Rs.2636.12 crore in the head shown in Appendix-II *ibid*, expenditure of Rs.2210.00 crore was booked under the relevant major heads. Of this Rs.415.49 crore (19 per cent) were not actually spent for the purpose for which they were meant but credited to the Major Head 8443-Civil Deposits. Thus the actual expenditure was inflated by Rs.415.49 crore and the credits to Civil Deposits were made with a view to avoid lapse of budget grant.

(ii) Of the above, Rs.145.70 crore pertained to different Central Government Schemes* and had been credited to the 8443-Civil Deposits by debiting the various major heads.

(iii) In 20 cases pertaining to various State Plan Schemes and in 12 cases pertaining to various Central Government Schemes, the entire amount drawn (Rs.184.53 crore) was credited to the major head 8443-Civil Deposits-800- Other Deposits. Out of these, the entire budget provision of Rs.139.60** crore in 17 cases pertaining to various State Schemes and Rs.15.50 crore in 6 cases pertaining to various Central Government schemes were utilised for crediting the amounts drawn under various heads to major head 8443- Civil deposits- 800 other deposits.

(iv) Rs.0.29 crore were kept in the form of bank draft by the Commissioner Land Records, Gwalior and Rs.0.70 crore in bank deposit by M.P. Pollution Control Board, Bhopal at the close of financial year 1996-97.

* 0801- Central Sector Scheme : Rs.15.95 crore, 0701- Centrally Sponsored Schemes (Normal) : Rs.37.06 crore, 0702- Centrally Sponsored Scheme (T.S.P.) : Rs.34.57 crore, 0602- Scheme financed out of Additive funds from Government of India for Tribal Sub Plan : Rs.15.00 crore, 0803- Central Sector Schemes (S.C.P.) : Rs.5.74 crore, 0703- Centrally Sponsored Schemes (S.C.P.) : Rs.30.85 crore; 0603- Schemes Financed out of Special Central Assistance from Government of India : Rs.6.53 crore.

** Includes the entire budget provision of Grant No. 89- Upgradation of Standards of Administration under Tenth Finance Commission- School Education (Rs.22.27 crore) and Grant No. 90- Special Problems under recommendation of Tenth Finance Commission (Rs.12.00 crore)

2.2.18 Working of Treasuries

Inspection by the Accountant General of 32 out of 52 treasuries in the State during 1996-97 disclosed, inter-alia, the following irregularities or deficiencies :

- (i) Payment of pension on the basis of fraudulent pension payment orders

A claim for reimbursement of Rs.22.62 lakh raised against the Controller of Defence Accounts, Allahabad through settlement accounts of the Accountant General in January, 1994, February, 1994, March, 1996, May, 1996 and December, 1996 on account of pension payments to certain defence personnel made by Sagar, Ujjain and Balaghat treasuries during 1993-94, 1995-96 and 1996-97 was rejected by that office on the ground that these payment were fraudulent since the pensioners named in the accounts were non-existent.

On verification, the concerned Treasury Officers admitted the irregularity. The matter was reported to the Finance Department in January, 1995 and July and November, 1997. The State Government had initiated action against those responsible in these cases. Details of action taken were awaited (November 1997).

- (ii) Excess drawal on pay bills

A scrutiny of pay bills of the establishment of the Assistant Labour Commissioner at Jabalpur

disclosed overdrawals of Rs.1.75 lakh by manipulation of the total figures of the pay bills, during the period from May 1996 to August 1997. The fraudulent drawals were made possible due to inadequate checks by the Treasury Officer, Jabalpur City.

The irregularity was brought to the notice of State Government in November 1997; action taken had not been intimated (November 1997).

(iii) - Operation of fake allotment orders

The Insurance Medical Officer, Banmore had, during 1996-1997, submitted fictitious allotment orders to the extent of Rs.10.80 lakh to the Treasury Officer, Morena on the basis of which he drew an amount of Rs.8.45 lakh over and above the actual allotment for 1996-97 made by the Director, Employees State Insurance Scheme, Indore in his favour. The overdrawal became possible because the Treasury Officer did not compare the signatures on the allotment orders with the specimen signatures available in the treasury. The irregularity was pointed out to State Government in February 1997; the response had not been received (November 1997).

(iv) Withdrawals in excess of Letters of Credit

With a view to providing funds for public works and forestry activities in time and to ensure rigid expenditure control, the budget controlling officers issue letters of credit (LOC) to each Public

Works/Forest Division. The Treasury Officer is responsible to ensure that the ceilings of LOC are not exceeded by Drawing and Disbursing Officers. The inspection of 18 treasuries during 1995-96 and 1996-97 by Accountant General revealed that an amount of Rs.7.74 crore was drawn in excess of limits prescribed in letters of credit in a number of treasuries, as under:

Sl. No.	Year of inspection	No. of treasuries	No. of Divisions	Amount drawn in excess
				(Rupees in crore)
1	1995-96	7	15	2.91
2	1996-97	11	37	4.83
TOTAL				7.74

The irregularity was brought to the notice of the State Government and Director of Treasuries and Accounts, Bhopal through Treasury Inspection Reports in 1996 and 1997; their response was awaited (November 1997).

2.2.19 Excess payment of family pension and relief - Rs.2.33 lakh

Under the Family Pension Scheme (April 1966), the family pension is admissible to the family of a deceased Government servant only when death of Government official occurs during the service period or after retirement. The rates of family pension were revised in May 1983, June 1983, October 1987 and

September 1993. As per the provisions the re-employed pensioners were not entitled to relief for the period of reemployment and they were bound to furnish a certificate in this regard at the end of June and December each year.

Test check of pension payment cases in Bank in Bhopal district revealed that family pension was paid at inadmissible rate. This resulted in excess payment of family pension and relief to the tune of Rs.0.92 lakh. In other cases relief of Rs.1.41 lakh was paid to the reemployed pensioner. Thus total excess payment worked out to Rs.2.33 lakh.

The matter was brought to the notice of Department/Government (October 1997); in reply the department stated that the excess payment would be recovered.

2.2.20 Expenditure incurred without approval of the Legislature

The rules provide that expenditure on any new item not included in the budget should not be incurred without obtaining specific approval of the Legislature in the form of supplementary Budget Estimates. In case of urgency, such expenditure can be met by obtaining advance from the Contingency Fund of the State pending authorisation by the Legislature. In the following cases, although no provision was made in the budget estimates, expenditure of Rs.1.35 crore incurred without approval of the Legislature.

S.No.	Grant No.	Head of Account	Expenditure incurred / without approval of Legislature
			(Rupees in lakh)
1	27- School Education Capital (voted)	4202-01-201-0101-4189- Expenditure from Shala Bhawan Nidhi	23.67*
2.	55- Expenditure pertaining to Women and Child welfare	2501-01-800-0101-5358- Women and Child Development in Rural Areas	9.07
3.	75- Special pool for Tribal Welfare	2225-02-796-800-0102-9819 special primitive tribes agencies	102.59
TOTAL			135.32

2.2.21 Budgetary procedure and practices

(i) Failure in control over expenditure

In order to have integrated control over expenditure, each subordinate unit is required to furnish monthly statement of expenditure to the Heads of the Department. Test-check of the accounts and records of the following offices in respect of selected grants revealed that monthly statements of expenditure were not received regularly from the subordinate units and also expenditure control registers were not maintained in any of the offices mentioned below :

* Entire expenditure

S.No.	Number and name of Grant	Head of Department
1	11- Expenditure pertaining to Commerce and Industries Department	Commissioner of Industries, Madhya Pradesh, Bhopal
2	30- Expenditure pertaining to Panchayat and Rural Development Department	Development Commissioner, Panchayat and Rural Development Department, Bhopal
3	60- Expenditure pertaining to District Plan Schemes	Member Secretary, State Planning Board, Bhopal
4	75- Special Pool for Tribal Welfare	Commissioner, Tribal Development Bhopal
5	76- Special pool for Welfare of Scheduled Castes	Commissioner, Tribal Welfare, Bhopal

Thus there was lack of proper control and monitoring of expenditure which resulted in (a) heavy excess over the provision under certain sub-heads, (b) non-obtaining of additional provision through supplementary grants/re-appropriations and (c) large savings and non-surrender thereof.

(ii) Defective preparation of budget estimates

As per the financial rules, the estimates for requirement of funds are called annually from subordinate units and budget estimates are prepared and sent to controlling officers for sanction.

Test check of procedure followed in the Energy Department (Grant No.12) revealed that registers and files regarding preparation of budget estimates, revised estimates, appropriations, re-appropriations and surrenders etc. were not maintained by Controlling Officer. Demand for budget estimates and revised estimates were not obtained from the Drawing and Disbursing Officers. It is therefore obvious that the budget estimates were being prepared on an adhoc basis.

(iii) Diversion of funds

Test check of record of Commerce and Industries Department (Grant No.11) revealed that Rs.8.10 crore provided under Major head 4851-Capital Outlay on Village and Small Industries (Rs.5.92 crore) and Major head 6885-Loan for Other Industries and Minerals (Rs.2.18 crore) were diverted to Major Head-6860-Loan for Consumer Industries through re-appropriation in July 1996 by suspending the development work under Major Heads 4851 and 6885 as there was no saving under other plan capital and loan heads.

CHAPTER - III
CIVIL DEPARTMENTS
Agriculture Department

3.1 Loss of interest on deposits with banks

Various schemes of intensive development of blocks in operation in the State provide for grant of subsidy to small and marginal farmers and agriculture labourers. Where subsidy is tied up with loans, the financial institutions estimate the net loan after taking into account the subsidy to be released. The subsidy portion of the dug-well scheme is deposited with banks by the Deputy Directors of Agriculture (DDA) of respective districts, and adjusted subsequently in instalments by crediting individual loan account of the cultivator in parallel with release of loan instalment to him. Agriculture Department decided in September 1979 that in case the subsidy deposited in advance remained unadjusted for more than six months, the bank would be required to pay interest. The Finance Department fixed (October 1988) the rate of interest at 14 per cent.

It was seen that no agreement for payment of interest was entered into with the banks. As a result, no interest could be charged on Rs.1.36 crore of unadjusted subsidy of minor irrigation scheme released by Deputy Directors Agriculture (DDA) Rajgarh (Rs.72.52 lakh), Bilaspur (Rs.16.77 lakh) and Vidisha (Rs.47.19 lakh) pertaining to periods 1990-94, 1989-92 and 1992-95 respectively. The amounts were still (March 1997) lying with the banks despite repeated demands by

DDAs to return the amounts. The loss of interest on these deposits at the rate of 14 per cent fixed by Finance Department worked out to Rs.1.01 crore. Even at the rate applicable for short term deposit (9 per cent) the loss would be Rs.64.66 lakh.

Had an agreement been entered into with the banks for payment of interest on unadjusted advance deposits of subsidy, the loss of interest of Rs.1.01 crore could have been avoided.

The matter was referred to Government in February 1997; reply had not been received (October 1997).

3.2 Unfruitful expenditure on digging of tubewells due to non-installation of pumpsets

Under a government scheme for creation of irrigation facilities, subsidy was available for digging tube wells as well as for installing pump sets in the tube wells.

It was seen that out of 2275 successful tube wells in 12 districts*, pump sets had not been installed (May 1997) in 366 tube wells due to which these were not functional and the expenditure of Rs. 68.50 lakh (Government subsidy Rs.27.35 lakh) on digging the tube wells had remained unfruitful. The Deputy Directors of Agriculture stated that it was for

* Ambikapur, Bhopal, Damoh, Durg, Gwalior, Jabalpur, Jhabua, Kanker (Bastar), Mandla, Morena, Sagar, Ujjain

the beneficiaries to install the pumps and claim subsidy from the department. The reply was not acceptable because the department should have obtained some commitment from the beneficiaries for installation of the pumpsets before investing such huge amounts in digging the tube wells.

The matter was reported to Government in June 1997; reply had not been received (October 1997).

3.3 Failure of Community orchard projects

21 community orchard projects (projects) under Drought Prone Area Programme (DPAP) and one project under Employment Assurance Scheme (EAS) covering an area of 346.50 hectares in Jhabua district were taken up for implementation by Project Officer Horticulture (POH) Meghnagar at the sanctioned cost of Rs.80.41 lakh during the years 1990-91 to 1994-95. The funds for execution of these projects were provided by District Rural Development Agency (DRDA) Jhabua. The projects after completion were to be transferred to the beneficiaries. The following points were noticed :

- (i) Eight projects* including one under EAS were completed by end of March 1995 at a cost of Rs.20.50 lakh. Physical verification of six projects out of the above eight in February 1995 and re-verification of three of these projects in July and September 1996

* 1.Ajab Borali (EAS); 2.Amlipara; 3.Chhaparkhanda;
4.Dhavadipara; 5.Govindpara; 6.Modsagar;
7.Partali; 8.Parwara

revealed that in five projects completed at a cost of Rs.13.33 lakh the rate of survival of plants was zero to 17 per cent due to lack of proper protection and maintenance. In Partali project, expenditure of Rs.2.65 lakh was incurred on plantation done in five hectares only instead of 10 hectares originally planned resulting in excess expenditure of Rs.1.35 lakh in excess of the norms. Physical verification of two projects had not been conducted.

(ii) The works in the remaining 14 projects* were cancelled by DRDA, Jhabua in January 1996 after incurring expenditure of Rs.47.09 lakh.

Physical verification of eight of these projects in February 1995 and re-verification of six out of these eight projects conducted in March to September 1996 revealed that in seven projects the rate of survival of plantation, completed at a cost of Rs.21.92 lakh, was zero to 16 per cent. Improper maintenance and lack of protection were the reasons attributed by department for very low survival percentage. No plantation was done in two projects of Jhabalia and Hidibidi although Rs.1.52 lakh had been spent on wages and purchase of stores. No verification was conducted in the remaining five projects.

(iii) Rs.1.59 lakh were paid in July 1994 for supply of fish meal, neem cake and mango plants. No

* 1.Bhakhatpura; 2.Barkheda; 3.Bhimkund;
4.Dhandalpura; 5.Hidibidi; 6.Jhabalia; 7.Jhiri;
8.Modsagar II; 9.Runni; 10.Samoi; 11.Sarsapura;
12.Semalia; 13.Sujapura; 14.Thikariya para

proof in support of payment such as vouchers, payees' stamp receipts and stock entries of the material received were made available to audit for verification. The supplier had neither supplied the materials nor received the payment in this regard; thus forged payment had been made as per the cash book. The department after investigation found the audit point to be correct but had not taken any action to fix responsibility for the forged payment.

(iv) The maintenance of daily work done register, stock register, register of consumables, preparation of muster rolls and measurement books were entrusted to gardeners (class IV staff), whereas according to codal provisions, this should have been done by the garden superintendent.

Records of 5 projects*, maintenance of which was entrusted to class IV staff, had not been submitted by them to office.

The expenditure of over Rs.35 lakh on 14 projects was rendered infructuous due to failure of orchards. Further, a fictitious payment of Rs.1.59 lakh was made.

The matter was reported to Government in January 1997, reply had not been received (October 1997).

* Bhimkund, Parwara, Runni, Semalia and Sujapura

3.4 **Blocking of funds under the scheme Drip Irrigation System**

Government sanctioned (February 1992) the scheme 'Drip Irrigation System' (DIS) under the Central Sector Scheme¹ 'Integrated Development of Arid Zone Fruits' for optimum utilisation of limited water for increasing production of fruit crops. Under the scheme subsidy at the rate of 50 per cent of the unit cost of DIS, as approved by the National Bank of Agriculture and Rural Development (NABARD), was payable to small, marginal and other farmers having land holding upto 4 hectares. The remaining 50 per cent cost was to be borne by the beneficiary either from his own source or by obtaining loan from the Bank. The drip system was to be purchased from Madhya Pradesh State Agro-industries Development Corporation (Corporation). The beneficiary was required to deposit his share in cash or get the loan sanctioned before the department placed the supply orders with the Corporation. The payment to the Corporation was to be made on supply of the drip system.

It was, however, seen that Assistant Director Horticulture (AD), Sehore and Project Officer Intensive Fruit Plantation (PO), Betul drew from Government account Rs.40.97 lakh² during the period 1991-97 towards subsidy component and made advance payment to

1 **Central Sector Scheme:** A scheme under which assistance is received on certain percentage basis and a part of the expenditure is shared by the State Government.

2. 1991-92 - Rs.10 lakh, 1992-93 - Rs.27.97 lakh, 1996-97 - Rs.3 lakh.

the Corporation. Of this only 7.61 lakh³ were adjusted against the supply of drip sets to 25 beneficiaries. The remaining amount of Rs.33.36 lakh was lying unadjusted with the Corporation.

AD Sehore and PO Betul stated that the scheme could not be implemented as the farmers did not show interest in the scheme and that efforts were made at the Headquarters level to adjust the amount of subsidy lying unspent with the Corporation. Director, Horticulture (Director) while admitting (May 1997) the advance payments did not furnish the details of amount adjusted, reasons for lack of interest in the scheme by the farmers, and the position of the scheme in other districts in spite of repeated (September 97) requests.

As the amount of subsidy was to be paid to the Corporation after sanction of loan by the bank or receipt of the contribution of the beneficiary in cash, placement of funds with Corporation without immediate requirement was in contravention of the provisions of the State Financial Rules.

Of the total amount of Rs.33.36 lakh lying with the Corporation unadjusted, Rs.30.36 lakh remained blocked for periods exceeding 4 to 5 years resulting in avoidable expenditure of Rs.9.94 lakh by way of interest on ways and means advances and overdraft taken by the State Government.

3. 1991-92 - Rs.7.46 lakh (24 beneficiaries); 1995-96 Rs.0.15 lakh (1 beneficiary).

The matter was referred to Government in February 1997, reply had not been received (October 1997).

3.5 Non-preservation of Khus plantation

To increase/stabilize production of crops through low cost land and water conservation techniques, a pilot project for watershed development in rainfed areas was launched by the World Bank. The project involved plantation of Khus around the boundary of fields to check soil erosion. As the Khus plantation was expected to yield results after a few years, it required education of farmers and constant supervision by the implementing agency till the maturity of Khus crop.

No survey was, however, conducted to determine whether the farmers were educated and prepared for this arrangement. The project was implemented by Assistant Soil Conservation Officer (ASCO), Bhopal in 'Parua Nala' watershed during 1988-89 to 1991-92 and in 'Nazirabad' watershed during 1991-92 to 1993-94 by incurring expenditure of Rs.8.51 lakh and Rs.17.86 lakh respectively. Khus was planted around the fields without ensuring farmers' responsibility for its maintenance and preservation. The preservation of Khus crop was also not watched departmentally. The trends of survival of Khus plantation upto June 1994 revealed 60 to 80 per cent survival in the first year, 40 to 60 per cent in the second year, 20 to 40 per cent in the third

year, 20 to 30 per cent in the fourth year and less than 20 per cent in the fifth year. No verification of Khus survival was conducted after June 1994.

Thus, non-preservation of the Khus plantation resulted in infructuous expenditure of Rs.26.37 lakh without getting the intended benefit of prevention of soil erosion.

ASCO, Bhopal stated (June 1995) that the preservation of Khus plantation was not the responsibility of department; it was expected from farmers. The reply was not tenable as the farmers had never been explained the importance of the plantation and their responsibility towards preservation which was evident from ploughing of Khus plantation by farmers, stated to be the primary cause of mortality/non-preservation of Khus plantation by ASCO, Bhopal. This was indicative of the fact that the farmers had not been adequately educated and Team Leader/ASCO failed in discharging his responsibility of constant supervision.

The matter was referred to Government in January 1997; reply had not been received (October 1997).

3.6 Irregular purchases and improper distribution of plants

Rural Development Department sanctioned a scheme of distribution of mango (30,000) and pomegranate (20,000) plants at subsidised rates to small and marginal farmers in Jhabua District under

Drought Prone Area Programme in June 1993. Funds were provided by District Rural Development Agency (DRDA) Jhabua to Project Officer Horticulture (POH) Meghnagar for execution of the scheme during 1993-94. The subsidy was payable to the farmers who were procuring plants from Government nurseries of other States. As against this position, POH, Meghnagar procured the plants from private nurseries of other States and distributed to the farmers at 50 per cent subsidy during 1993-94.

Test-check of the records of POH, Meghnagar conducted in April-May 1996 revealed the following irregularities :

- (1) Against a target of procurement of 30,000 mango plants and 20,000 pomegranate plants, 85,000 mango plants and 27,500 pomegranate plants were purchased resulting in excess purchase valued at Rs.5.54 lakh. Out of these only 70,000 mango plants and 20,000 pomegranate plants were shown distributed to 5584 beneficiaries.
- (2) Contrary to State Purchase Rules, the purchase was made during July 1993 to March 1994 at a cost of Rs.9.53 lakh from private nurseries of Uttar Pradesh and Maharashtra without calling for tenders. Purchases were also not processed through purchase committee as required under the rules.
- (3) To avoid the sanction of Director, Horticulture and Farm Forestry (the competent authority) the purchase orders were split and 17 bills (5 bills of Rs.37,500 and 12 bills of Rs.50,000 each) issued on four dates (3 to

6 bills on each date) from same person were received and payments made.

- (4) The payments were made in cash, whereas rules provided for all payments above Rs.5,000 by bankers' cheque/demand draft.
- (5) 60,000 mango plants were purchased in August/September 1993 at a rate higher than the rate for 25,000 plants purchased in July 1993 resulting in extra expenditure of Rs.1.50 lakh. Justification for purchase at higher rate was not on record.
- (6) Rs.1.77 lakh were spent on transportation of plants taking the total expenditure on plant purchases to Rs.11.30 lakh.
- (7) While the records did not reveal any recovery of farmers' contribution as of April 1996, Rs.4.50 lakh (mango Rs.3.68 lakh and pomegranate Rs.0.82 lakh) were reported to DRDA as having been adjusted as farmers' share in January 1994 by POH, Meghnagar. The number of beneficiaries in each block and amount realised from them as farmers' share was not on record.

Relevant records relating to purchase and distribution of plants, realisation of 50 per cent share of farmers and adjustment of amount by DRDA, were not produced to audit. After this was pointed out by Audit a Committee headed by a Deputy Collector (constituted under orders of Project Officer DRDA, Jhabua) examined the matter and submitted a report which raised doubts about the bonafides of the supplier

and also pointed out that records were deliberately mismanaged and misplaced.

Thus, Project officer (Horticulture) Meghnagar incurred an expenditure of Rs.11.30 lakh in contravention of provision of the scheme by flouting the rules and without maintaining proper records.

The matter was reported to Government in January 1997; reply had not been received as of October 1997.

3.7 Loss on stock.

To provide vegetative conservation system of soil in National Watershed areas and Parua Project*, khus plantation was done in Government Agriculture Farm (Farm), Chached, District Bhopal. 15 lakh khus clumps, valuing Rs.7.50 lakh @ Re.0.50 per khus clump, were shown on stock in the year 1993-94 in an area of 4.09 hectare of irrigated land. These khus clumps were, however, removed from stock and exhibited as loss in farm working accounts in the year 1994-95.

The Farm Superintendent stated (June 1997) that the khus clumps had dried up due to scarcity of water in January and February 1994. According to him the scarcity of water was due to lowering of the water level of a nallah on which the irrigation of the crops of the farm depended and insufficient water from the

* A World Bank assisted scheme in which vegetative conservation system of soil was to be provided by khus plantation under dry farming scheme.

two tube-wells installed in the farm. He stated that the higher authorities were being apprised of the position through the annual reports from the year 1989-90 onwards and had been requested for installation of two additional tube wells.

The reply of Farm Superintendent was not tenable as Khus clumps were to be irrigated along with the main crop and during the relevant period there was no failure of the main crop. Further, mentioning the requirement of 2 additional tube wells only once in the annual report was not an adequate action for enhancing the irrigation facilities.

Lack of proper care/maintenance of khus plantation resulted in loss of Rs.7.50 lakh.

The matter was referred to Government in February 1997; reply had not been received (October 1997).

Bhopal Gas Tragedy Relief and Rehabilitation Department

3.8 Idle outlay on machinery and equipment in Pulmonary Medicine Centre (Gas Rahat) Bhopal

With a view to provide latest treatment and management of respiratory diseases to Bhopal gas victims, Government of Madhya Pradesh decided (March 1990) to establish a 60 bedded Pulmonary Medicine Centre (PMC) consisting of complete medical facilities with highly sophisticated diagnostic and curative equipment. This facility was expected to be useful later also. It was also decided (March 1990) to construct a separate 60 bedded building for the PMC on a vacant land adjacent to a newly constructed 30 bedded hospital at Jahangirabad (Bhopal). To provide facilities to the needy gas victims without delay, PMC was started (December 1994) by making suitable modification to the 30 bedded hospital. Machinery and equipment worth Rs.2.65 crore were imported for PMC during 1992-96.

The space provided for the 60 bedded hospital was, however, utilised for the construction of residential quarters under the Police Housing Schemes. Since the 30 bedded PMC was functioning with an average bed occupancy of 90 per cent, equipment valuing Rs.2.10 crore were underutilised. In addition, equipment worth Rs.54.62 lakh were not used at all for want of specialist staff. As against the proposed staff of 204 for PMC, only 75 persons were posted. Operation

Theatre, cardio thoracic and intensive care units did not function for want of specialist staff.

Government stated (July 1997) that as soon as the New Action Plan was sanctioned by the Government of India, required staff would be appointed and the equipment put to use. It was also stated that provision of Rs.3.00 crore had been made for construction of 30 beds in the PMC. Government further stated that efforts were being made to post specialist staff for making the operation theatre, cardio thoracic surgery and intensive care units operational.

Thus, non construction of a 60 bedded PMC and shortage of specialist/staff resulted in partial utilisation of equipment valuing Rs.2.10 crore and non-utilisation of equipment worth Rs.54.62 lakh respectively.

3.9 Loss of interest due to excess advance given to World Health Organisation and late deposit of refund in the Treasury

To provide better medical facilities to Bhopal gas victims, Chief Medical and Health Officer-Gas Rahat (CMHO-GR) advanced Rs.2.17 crore to the World Health Organisation (WHO), New Delhi during December 1986 to September 1987 (December 1986 : Rs.1.38 crore, March 1987 : Rs.27.66 lakh and September 1987 : Rs.51.25 lakh) for supply of ultra modern machines and equipment for health check, classification and medical documentation. WHO supplied machines and equipment worth Rs.1.10 crore and refunded Rs.1.07 crore in

October 1992. This was deposited into treasury by CMHO-GR in January 1993.

Due to incorrect estimation, excess amount was advanced to WHO which retained it for a long period. The loss of interest to Government at the rate of interest on Government borrowings was Rs.41.61 lakh. Further, due to late (68 days) deposit of the refunded amount Government had to bear a loss of interest of Rs.2.38 lakh.

Thus, Government had to bear a loss of Rs.43.99 lakh due to excessive advances given to WHO for procurement of equipment and late deposit of the refunded money into treasury.

The CMHO-GR stated (March 1997) that decision was taken at Government level to procure equipment from WHO and accordingly money was advanced. As regards late deposit of money into Treasury it was stated that the matter was under investigation.

Matter was referred to Government in January 1997; it was replied (September 1997) that item wise accounts against the advance had not been received from WHO and on receipt of complete details, the position would be clarified. The reply was not relevant as WHO had already refunded the balance amount of Rs.1.07 crore on completion of the supply of machinery and equipment.

3.10 Loss of Rs.20.47 lakh due to expiry of medicines

The rules provide for listing the medicines with short life separately indicating their batch numbers and date of expiry. Such medicines are required to be checked weekly and action for their use or transfer elsewhere has to be initiated two months before the expiry date. Medicines expiring in near future are also required to be kept in the front row in the almirahs/racks to attract attention to their life span for their early issue and avoid any loss due to expiry.

In the office of Chief Medical and Health Officer Gas Rahat (CMHO-GR) Bhopal, batch numbers and life span of medicines were not recorded in stock registers. As a result, short life medicines worth Rs.20.47 lakh could not be utilised on priority within their life span during May 1994 to July 1996. On this being pointed out in audit, CMHO-GR started recording batch numbers and date of expiry in stock registers with effect from 1st January 1997 and referred the case to Government for write off of loss of Rs.20.47 lakh on life-expired medicines.

Thus, non-observance of rules regarding stocking and consumption of short-life medicines within its life span resulted in loss of Rs.20.47 lakh.

The matter was referred to Government in January 1997; it was replied (October 1997) that the matter was under investigation by the Lokayukta.

Commerce and Industries Department

3.11 Irregular grant of Sales Tax exemption

Government by notification dated 23 October, 1981 introduced a scheme of exemption from sales/purchase tax to certain industrial units. The scheme was amended from time to time listing the industrial units which were not eligible for exemption. By an amendment dated 11 October 1990, solvent extraction plant/soyabean solvent extraction plant were added to the list of ineligible industries. By a further amendment dated 9 January 1992 industrial units which had fulfilled before 11 October 1990 at least one of the three conditions viz., (i) 60 per cent or more of the capital issued was paidup (ii) substantial part of factory building was constructed and (iii) firm order for purchase of substantial part of plant and machinery was placed and commercial production had commenced by 31st December 1993 were made eligible for grant of exemption from payment of sales/purchase Tax.

It was noticed that a solvent extraction plant in Kheda-Itarsi, District Hoshangabad, which was incorporated in April 1991 (i.e. after 11 October 1990) and which commenced production in December 1993, was granted (September 1995) exemption from sales/purchase tax for three years. As the unit was a solvent extraction plant and had been incorporated after 11th October 1990, it was not eligible for exemption under the scheme. The exemption given to the unit resulted in an estimated (March 1997) loss of Rs.4.55 crore to the Government.

On this being pointed out by audit, Industries Commissioner stated (April 1997) that the unit had fulfilled one of the required conditions as the promoter of the unit had executed an agreement with the promoter of the supplier firm for supply of plant and machinery in September 1990, which was later ratified by both the parties. The reply was not tenable because solvent extraction plant was not eligible for exemption under the scheme and because both the unit and the supplier of plant and machinery had not been incorporated in September 1990 and as such any agreement between them and their promoters had no legal sanctity. Moreover, the agreement did not specify any period of delivery and mode of payment and as such could not have been treated as a firm order, which was a primary requirement for eligibility for grant of exemption. Incidentally the unit was allotted land for establishment of the plant only in August 1991 which was after the crucial date of 11 October 1990, before which the eligibility conditions were to be met.

Irregular grant of exemption from payment of sales/purchase tax resulted in a loss estimated at Rs. 4.55 crore.

Government stated (October 1997) that the State Level Committee was competent to take a decision in the matter. The reply was not tenable as under the scheme the unit was not eligible for exemption.

3.12 Irregular exemption on payment of sales tax

State Government, by a notification issued in October 1981 (notification), exempted the industries set up in specified districts and having commenced production after 1st April 1981, from payment of sales/purchase tax for a period of two to nine years from the date of commencement of production. In July 1986 it was made obligatory for an industrial unit availing of sales tax exemption to enter into an agreement with the department that it would be run for a period of 5 years from the date of expiry of the period of exemption from sales tax. Rule position was amended by a notification issued in October 1986 which provided for exemption from payment of sales tax only for a period of three to eleven years to new industrial units which had been set-up in specified districts and which had commenced commercial production on or after 1st August 1986.

State Level Committee (SLC) recommended in February 1993 granting of exemption to an industrial unit for a period of 5 years. An inspection of the unit conducted (September 1993) by District Industry Centre, Rajgarh revealed that the unit had already been closed in November 1992. Since the condition for grant of exemption regarding continued production for 5 years from the date of expiry of the period of exemption was not fulfilled in this case (since the unit had started production in January 1988 and the exemption was valid till January 1993 and the unit had not continued production till January 1993 but had closed down in

November 1992) the unit was liable for refund of benefit of tax exemption with interest @ 24 per cent per annum as stipulated in the rules. As such the amount of exemption of Rs.1.04 crore availed of by the unit till 1992-93 had become recoverable along with an interest of Rs.1.49 crore as of March 1997. No action had been taken to recover this amount (Rs.2.53 crore) as of March 1997.

Central/State investment subsidy Rules provide that if an industrial unit goes out of production within 5 years from the date of commencement of production, subsidy availed of by the industrial unit shall be recoverable as arrears of land revenue.

The industrial unit mentioned above was paid Central Investment Subsidy (CIS) of Rs.25 lakh and State Investment Subsidy (SIS) of Rs.15 lakh for pioneer status as per decisions of SLC in March 1986 and October 1989 respectively. Since the unit had been closed within 5 years from the date of commencement of production, Rs.40 lakh paid as CIS and SIS had become recoverable together with interest of Rs.92.70 lakh at the rate of 24 per cent as of March 1997.

Thus, the amount of Rs.3.86 crore on account of recovery of sales tax exemption, Central Investment Subsidy and State Investment Subsidy alongwith interest thereupon remained unrecovered.

In reply Government agreed (October 1997) to recover the State Investment Subsidy and sales tax exemption provided to the unit.

3.13 Irregular grant of Sales Tax Subsidy

Under the Schemes of Exemption from payment of Sales Tax 1981 and 1986 and Madhya Pradesh Deferment of Payment of Tax Rules, 1983 exemption, deferment of sales tax/purchase tax was available to new industrial units only. M.P. Deferment of Payment of Tax Rules, 1986 provided for deferment to industrial units undertaking substantial expansion also. For availing of this exemption/ deferment it was obligatory for the unit to apply within 90 days from the date of commencement of commercial production. After amendment (3rd March 1989) in rules the unit in its application was to opt for either the scheme of 1981 or the scheme of 1986. It was provided in the rules that option once exercised would be final and could not be revised.

An industrial unit was enjoying exemption from payment of sales/purchase tax under the scheme of 1981 for a period of 9 years from 1 February 1983. It expanded its capacity from 28000 MT to 42000 MT in March 1989. In May 1990 the unit submitted an application for deferment of payment of sales tax under the scheme of 1981 (notification of 23rd October 1981) indicating the date of substantial expansion of production as 4 March 1989. State Level Committee (SLC) did not agree (January 1994) to the date of production as stated by the unit and ordered joint inspection by a committee. The committee recommended the date of production as 1 December 1987 and that the unit being an expansion unit was not eligible for benefit under

the scheme of 1981. SLC rejected (November 1994) the application of the unit. On an appeal filed by the unit in February 1995, SLC decided (September 1995) the date of production as 1 November 1988 and granted benefit of deferment of tax under the 1986 rules for 7 years.

The grant of eligibility of deferment of sales tax under the Tax Rules 1986 was irregular for the following reasons :

(i) The application submitted by the unit in May 1990 was not valid as the unit had applied for exemption/deferment of tax under the scheme of 1981 which did not cover cases relating to expansion of capacity.

(ii) Under the rules of 1986 it was obligatory for the unit to apply within 90 days from the date of commercial production. Even accepting 1 November 1988 to be the correct date of commencement of production as decided by SLC the unit should have applied by February 1989. Since the unit had applied subsequent to this date the application was time barred and the unit was ineligible for tax deferment.

(iii) Though the joint inspection ordered by SLC had shown the date of production to be 1 December 1987 SLC had subsequently taken the date of production as 1 November 1988, without assigning any reasons.

On the basis of eligibility certificate erroneously given the unit had derived undue benefit of deferment of sales tax amounting to Rs.80.52 lakh

pertaining to the year 1992-93 only for a period of 10 years on which the Government would incur a loss of interest of Rs.96.62 lakh.

The matter was referred to Government in April 1996; reply had not been received (October 1997).

3.14 Unfruitful expenditure on development of Growth Centre

Government of India (GOI) decided in October 1989 for setting up of six Industrial Growth Centres (Centres) in the State . Fifty per cent of the cost of the centres was to be borne as equity by GOI and State Government in the ratio 2:1 and the balance was to be arranged from All India Financial Institutions, Nationalised Banks and through market borrowings. The centres were to act as magnets for attracting industries to backward areas and accordingly were to be endowed with infrastructural facilities at par with the best available in the country, particularly in respect of power, water, telecommunications and banking. The Centres were to acquire 400 hectares to 800 hectares of land for infrastructure development and for allocation primarily to small and medium sized units.

Chainpura (District Guna), one of the sites selected for establishment of these Centres in October 1989, was cleared for establishment of a centre at a cost of Rs.36.09 crore by GOI in March 1991. The development work of this centre was assigned by State Government to Audyogik Kendra Vikas Nigam, Gwalior (AKVN), a Government of Madhya Pradesh undertaking.

Funds amounting to Rs.1.20 crore received from GOI (Rs.one crore) and State Government (Rs.20 lakh) during March 1990 to April 1992 were transferred to AKVN by the Industries Commissioner. No funds were arranged from financial institutions / market borrowings. An expenditure of Rs.23.33 lakh had been incurred on survey (Rs.0.18 lakh), road work (Rs.0.13 lakh), survey work of water supply scheme (Rs.21.50 lakh) and miscellaneous expenses (Rs.1.52 lakh) by September 1995. In-view of slow progress of expenditure, the State Level Committee while reviewing the progress of new growth centres felt in November 1993 and again in April 1995 that the centre did not qualify for further release of funds from GOI. No further funds had been released by State Government as of March 1997. As a result, the expenditure of Rs.23.33 lakh incurred on the development of Centre was rendered infructuous. While no progress had been made after September 1995 except for an advance of Rs.20.01 lakh made to Collector in March 1997 for land acquisition, the balance amount of Rs.76.66 lakh had not been recovered from AKVN.

Commerce and Industries Department advanced (November 1993/April 1995) the following reasons for non-establishment of the centre :

- (i) The Centre was proposed to be developed for industrial units based on gas because of its nearness to the gas cracker plant of Gas Authority of India Limited. Non-supply of gas by the Gas Authority of India resulted in discouragement to such industries.

- (ii) Since the location was not in the proximity of some big town, it could not attract medium/large sector industries.
- (iii) National Fertilizer Limited, another public sector undertaking having their fertilizer plant nearby did not make any substantial progress for development of ancilliary industries.

The above reasons were not tenable in view of the fact that the Centres were expected to have their own infrastructure and were intended to attract primarily the small and medium industries in the backward areas not in the vicinity of any big town. Moreover, there was no contract or understanding with the Gas Authority of India Limited for supply of gas or with the National Fertilizer Limited for the development of ancilliary industries by them.

The planning of a Centre on the basis of presumed availability of gas and development of ancilliary industries by other public sector enterprises owned by GOI, negligible work done by Audyogik Kendra Vikas Nigam, Gwalior and lack of proper monitoring by Commerce and Industries department resulted not only in non-establishment of the industrial growth centre but also wasteful expenditure of Rs.23.33 lakh.

The matter was reported to Government in January 1997; reply had not been received (October 1997).

Fisheries Department

3.15 Non recovery of royalty

The Department of Fisheries (department) is required to recover the royalty, based on the fish extracted by Madhya Pradesh Rajya Matsya Vikas Nigam (Nigam).

No royalty was paid by the Nigam from 1986-87 till the end of 1991-92 and an amount of Rs.1.39 crore had fallen due. The Nigam restarted making payment of the royalty in 1992-93 but the amount paid every year from 1992-93 to 1995-96 was less than the royalty payable resulting in accumulation of arrears of royalty amounting to Rs.3.06 crore in 1996-97 (upto December 1996). Meanwhile, Government had been managing its cash requirement by ways and means advances/over drafts. The interest on ways and means advances/over drafts for the arrears of royalty not realised in the corresponding period worked out to Rs.1.15 crore which could have been avoided had the royalty been recovered as and when it fell due.

The non-recovery of full royalty from the Nigam for a period upto 11 years, thus, resulted in avoidable payment of Rs.1.15 crore as interest on ways and means advances/over drafts availed of by the Government.

On this being pointed out in audit (April 1997) Government stated that the Nigam had not paid the

royalty because of their adverse financial position. The reply of the Government (Director) was not tenable as available certified copies of the annual accounts of the Nigam for the period 1992-96 showed an aggregate profit of Rs.1.36 crore which was sufficient to meet the liability on account of payment of outstanding royalty of Rs.1.26 crore for the respective years.

Geology and Mining Department

3.16 Belated receipt of claims

Director of Geology and Mining (Director) had been executing exploration work for Coal Mines Authority Limited (CMAL), presently known as Coal India Limited (CIL) since February 1975. According to the agreement entered into in February 1975 between CIL and the Director, CIL is required to arrange payment for the work done by the Director within 30 days of the receipt of running bill and within 90 days of the receipt of final bill. There is no safeguard clause in the agreement to ensure timely payment within the above prescribed time.

CIL had been making timely payments till 1993. However, against the total bills amounting to Rs.2.00 crore preferred by the Director during July 1993 to November 1996 for the work done by him, CIL paid only Rs.1.52 crore and that too with a delay ranging from 4 to 14 months after the due date of payment. The remaining bills amounting to Rs.48.32 lakh pending for 2 to 23 months beyond the prescribed time limit had not yet been paid (February 1997) by CIL. While the funds stood blocked with CIL, the Government had been taking ways and means advances and overdrafts for meeting its cash requirements. Interest paid on such ways and means advances/overdrafts for the corresponding period for which the amount stood blocked with CIL worked out to Rs.12.80 lakh against which no

recovery would be made from CIL in absence of any liquidated damages/safeguard clause.

In the absence of liquidated damage clause in the agreement with CIL, the Government suffered a loss of Rs.12.80 lakh.

Director stated (March 1997) that while framing new terms and conditions, efforts would be made to incorporate restrictive provisions. The Government replied (October 1997) that had this work not been taken up by the department, the receipt of additional royalty by way of opening of new mines, could have been adversely affected which would have been more disadvantageous to the state than the loss on account of payment of interest on ways and means advances/overdraft.

The reply of the Government was not tenable as it was the responsibility of the government to ensure timely payment of its dues. Thus, non-inclusion of liquidated damages clause in the agreement by the department resulted in loss of Rs.12.80 lakh to Government.

Gramodyog Department

3.17 Unintended market development assistance on assured sales

Government of India (GOI), Ministry of Textiles, introduced the marketing development assistance scheme (Scheme) from the financial year 1988-89 to provide assistance to Handloom Apex Cooperative Societies/Handloom Development Corporations and Primary Handloom Cooperative Societies for market development. The assistance, to be shared equally by the State Government and GOI, was payable on the basis of total sales turnover of handloom fabrics and garments made out of it (excluding Janta Cloth).

Since the State Government rules make it obligatory for the State Government departments, cooperative bodies and Boards owned or controlled by Government to procure goods produced by State Apex Societies and Handloom Development Corporations for their departmental use (Government sales) such Government sales do not require any market development. The scheme, however, did not specifically provide for exclusion of such sales from payment of assistance.

Commissioner, Handlooms, Madhya Pradesh paid Rs.1.37 crore to Madhya Pradesh State Textile Corporation and Madhya Pradesh State Handlooms and Weavers' Cooperative Societies during 1995-96 on the basis of total sales turnover during 1992-93 to 1994-95 including Rs.85.57 lakh on account of Government sales

resulting in payment of unintended assistance for market development on sales.

On this being pointed out in audit (April 1997) the Government stated (September 1997) that there was no mention in the rules regarding non-payment of market development assistance on government sales. Accordingly payment for market development assistance was in order.

The reply of the Government was not tenable since no extra expenditure was required in effecting Government sales and therefore, payment of assistance was unjustified.

Absence of a specific provision disallowing assistance for market development on Government sales resulted in unintended assistance of Rs.85.57 lakh.

Home Department

3.18 Sanction, procurement and utilisation of vehicles in selected Government Organisations

3.18.1 Introduction

In order to observe the effectiveness of the system of acquisition and utilisation of vehicles in Government departments a review of sanction, procurement and utilisation of vehicles was undertaken. The results are discussed in the succeeding paragraphs.

3.18.2 Organisational set-up

There was no nodal agency at the State level for control/information of the vehicles used by the various departments/autonomous bodies/State Government undertakings. The departments using the vehicles were responsible for their purchase/procurement and utilisation.

3.18.3 Audit Coverage

The records relating to sanction, procurement and utilisation of vehicles for the period from 1992-93 to 1996-97 were test-checked during May to July 1997 in the undermentioned organisations :

- (i) Director of Agriculture (D.A.)
- (ii) Inspector General of Prisons (IG Prisons)
- (iii) Director General of Police (DGP)
- (iv) Superintendent of State Garage (SSG)
- (v) Commissioner M.P. Housing Board (Board)
- (vi) Audyogik Kendra Vikas Nigam, Gwalior (AKVN)
- (vii) M.P. State Mining Corporation (Corporation)
- (viii) Optel Telecommunications Ltd. (Optel)

Note : The abbreviations used in this review are listed alphabetically and expanded in Glossary at Appendix-XVI (Page 356).

The points noticed are given in the succeeding paragraphs.

3.18.4 Highlights

- 37 vehicles costing Rs.1.04 crore were purchased by the Agriculture department for 'National Watershed Area Development Project' without any provision for the purchase under the project.

(Paragraph 3.18.6.1)

- Four vehicles were purchased at a cost of Rs.10.08 lakh for a training cum information centre even though the training centre had not been set up.

(Paragraph 3.18.6.2 (a))

- Rs.59.47 lakh were spent on purchase of 6 Riot Control Vehicles and 3 Hydraulic Cranes by DGP. The Vehicles and cranes were found unsuitable and had not been put to use.

(Paragraph 3.18.6.3)

- In violation of economy instructions, irregular expenditure of Rs.11.88 lakh was incurred on decoration, air-conditioners and stereos etc. for vehicles.

(Paragraph 3.18.6.4 (b))

- Despite ban on purchase of petrol vehicles, 44 petrol vehicles valuing Rs.83.39 lakh were purchased by the State Garage.

(Paragraph 3.18.6.6)

-- Contrary to Government orders (January 1983) more than one vehicle was provided to the ministers/officers resulting in extra expenditure of Rs.59.76 lakh during the period 1992-97.

(Paragraph 3.18.7.1)

-- Hire charges amounting to Rs.26.87 lakh were outstanding for the period from 1972-73 to 1996-97 in respect of vehicles provided by State Garage to the State guests/dignitaries.

(Paragraph 3.18.8.1)

-- Rs.85.41 lakh being the cost of petrol supplied on credit upto 1996-97 by the State Garage to the different Government organisations were outstanding for recovery.

(Paragraph 3.18.8.2)

-- Expenditure of Rs.46.25 lakh on repairs of vehicles was made in excess of the norms laid down by Government for repairs of vehicles in 3 Government organisations, 1 autonomous body and 3 State Government undertakings.

(Paragraph 3.18.8.3)

-- Excess consumption of fuel costing Rs.16.30 lakh during the years 1992-97 was noticed in Police Department and Optel.

(Paragraph 3.18.8.4)

-- Systematic record of vehicles was not maintained in the State Garage. Proper maintenance of log books was found wanting in the office of Director of Agriculture and Superintendent State Garage. Complete details of entries in respect of 23.55 lakh kms journey performed were not indicated in the log books. Entries for 3 to 46 months were made in log books of 29 vehicles belonging to Superintendent State Garage on a single day.

(Paragraph 3.18.10)

3.18.5 Availability of vehicles

As on 31 March 1997, these organisations owned 4068 vehicles as follows :

Sl.No.	Name of organisation	Number of Vehicles
1.	Director of Agriculture	457
2.	Inspector General of Prisons	132
3.	Director General of Police	3128
4.	Superintendent of State Garage	176
5.	Commissioner M.P. Housing Board	81
6.	Audyogik Kendra Vikas Nigam, Gwalior	21
7.	M.P. State Mining Corporation	54
8.	Optel Telecommunications Limited.	19

No record of sanctioned strength of vehicles was available in any organisation except DGP. Of 4068 vehicles, 21 were air conditioned (AC) vehicles.

Although no norms regarding entitlement of AC vehicles had been laid down by Government, AC vehicles were allotted to 7 officials who as per the norms for officers in Central Government in like category of pay are not entitled to Air Conditioned vehicles.

3.18.6 Purchase of vehicles

3.18.6.1. Irregular sanction for purchase of vehicles

(a) DA sanctioned Rs.1.04 crore for purchase of 37 vehicles between December 1995 and March 1996 for the 'National Watershed Area Development project'. The vehicles were purchased between April and June 1996 from manufacturers on rate contract with Director General Supplies and Disposals. Following irregularities were noticed :

- (i) The vehicles were purchased for "Establishment and Management" even though there was no provision for purchase of vehicles under this component of the project. The component provided for payment of pay and allowances of the staff only.
- (ii) Further, purchases were to be made against replacement of condemned vehicles as per the sanction but the DA purchased 30 vehicles for which replacement had already been taken under 'National Agriculture Extension' project in 1991-92.

Thus, purchase of vehicles amounting to Rs.1.04 crore was irregular.

In reply, DA stated (July 1997) that the term 'establishment and management' was wide enough to include purchase of vehicles also.

Reply of the department was not acceptable in view of the specific mention that funds under this component were to be used for 'pay and allowances' only.

(b) Government sanctioned (March 1996) Rs.16.87 lakh for purchase of 5 vehicles stating that the vehicles could be purchased in April 1996 or in later months against the budget provision of 1995-96.

The sanction accorded by the Government was defective as it authorised the purchases in succeeding year against the budget provision of previous year and was against the principles of government accounting.

3.18.6.2 Infructuous expenditure on purchase of vehicles

(a) In order to provide training to the farmers and officers of the DA a 'Training cum Information Centre' (Centre) was to be established under National Agriculture Extension Project at Barkhedi Kalan, Bhopal by March 1993. DA purchased (May/June 1993) 4 vehicles for the Centre at a cost of Rs.10.08 lakh against Government sanction (March 1993), even though the building of the Centre had not been constructed till July 1997. Consequently, the vehicles were being used

for purposes other than the project activities resulting in infructuous expenditure of Rs.10.08 lakh.

DA stated (July 1997) that the purchases were made in anticipation of establishment of the Centre. The reply was not tenable in view of the fact that the purchases were made even before the commencement of the construction.

(b) As per provisions under the Danida scheme "Madhya Pradesh Women in Agriculture", 2 vehicles were to be provided in a district. The scheme was to be implemented with effect from 1994-95 in eight districts¹ of the State.

DA purchased 4 vehicles (July 1996) costing Rs.11.11 lakh under this scheme though, as of July 1996, the scheme had been implemented in only one district (Jabalpur). As such 2 vehicles remained surplus during the period July 1996 to July 1997 and were being used as pool vehicles. This resulted in irregular expenditure of Rs.5.56 lakh.

On being pointed out (July 1997) DA replied that the scheme had been implemented in all the districts and the surplus vehicles had since been transferred (October 1997) to Assistant Soil Conservation Officers (ASCO) Bari (Raisen) and Gaderwara (Narsinghpur). It was ascertained (November 1997) from the ASCO Gaderwara that neither the vehicle

1 Bilaspur, Chhindwara, Jabalpur, Mandla,
Narsinghpur, Raisen, Rewa and Shahdol

was received nor the scheme was being implemented. ASCO Bari intimated that vehicle was received and was being utilised for the scheme.

3.18.6.3 Idle outlay on purchase of vehicles

(a) Under the scheme "Modernisation of Police Forces" 6 Riot Control Vehicles (Vajra Agni Versa) costing Rs.36 lakh were purchased (June 1995) from Defence Research and Development Organisation, New Delhi. The Tear Gas Smoke Unit, Border Security Force, Gwalior suggested suitable repairs and modifications of the launchers of the vehicles before being put to use. As of July 1997, the necessary modifications had not been carried out on account of which these vehicles could not be used. Moreover smoke shells to be fired by the smoke shell launchers fitted on these vehicles were also not available.

Thus the funds spent on the purchase of riot control vehicles valuing Rs.36 lakh remained blocked.

(b) 3 Hydraulic Cranes (5 ton) costing Rs.23.47 lakh were purchased by Police Department for traffic police during March 1996 even though the same were found unsuitable by the Technical Committee. The vehicles were lying idle since the time of their purchase due to their unsuitability on account of poor mobility, absence of steering system etc. This resulted in idle outlay of Rs.23.47 lakh.

3.18.6.4 Irregular purchases

(a) Between November 1993 and August 1995, Optel purchased 5 vehicles costing Rs.15.43 lakh as replacement of condemned vehicles. It was noticed (July 1997) that the purchases were made without auction of condemned vehicles as required under Government instructions (May 1983).

5 vehicles costing Rs.17.51 lakh were purchased by Optel between May 1994 and March 1996 without approval of its Board of Directors.

(b) In order to secure economy in Government expenditure on the use of vehicles, State Government issued instructions (July 1983) completely banning purchase of air conditioners, stereo, tape recorders and car radio.

Contrary to the above instructions DGP, SSG and M.P. Housing Board purchased air conditioners, tape recorders, fans and other decoration items costing Rs.11.88 lakh during 1992-97.

3.18.6.5 Extra expenditure on purchase of vehicles

Government sanctioned (November 1996) Rs 92.00 lakh to purchase vehicles for twenty four newly opened sub-jails. IG Prisons sought the advice of the Technical Adviser of the Police Department regarding the type of vehicle to be purchased. The Technical Adviser of the Police department recommended (November 1996) TATA-407 mini trucks in view of its low purchase and maintenance cost. In February 1997, IG Prisons

purchased 6 vehicles (mini trucks) of different make at a cost of Rs 27.02 lakh as against Rs.20.64 lakh of TATA-407 make resulting in extra expenditure of Rs.6.38 lakh.

3.18.6.6 Injudicious purchase of Petrol driven cars

Government decided (June-1979) not to purchase petrol vehicles for Government use.

Contrary to the above instructions, SSG purchased 44 petrol Ambassador cars costing Rs 83.39 lakh during 1992-97.

On this being pointed out, SSG stated (July 1997) that the ministers demanded petrol vehicles and that the proposals for the purchase of petrol vehicles had been accepted by the Government.

3.18.7 Allotment of vehicles

3.18.7.1 Excess allotment of vehicles

According to the provisions contained in Madhya Pradesh Mantri (Vetan Tatha Bhatta) Adhiniyam, 1972 (Act), cabinet and state ministers were required to be given a suitable motor vehicle with motor fuel limited to 350 and 300 litres per month respectively. Similarly, Government clarified (January 1983) that in no case more than one vehicle could be allotted to any officer.

Test check of records of 4 Government organisations and Madhya Pradesh Housing Board revealed that vehicles were allotted to ministers, secretaries

and other officers in excess of the norms resulting in extra and irregular expenditure of Rs 59.76 lakh during the period 1992-97 as detailed below:-

Sl. No.	Name of the organisation	No. of excess vehicles	Year	Repairs	POL	Pay of driver
(Rupees in lakh)						
1.	Director of Agriculture	8	1992-97	1.26	1.32	0.95
2.	I.G. Prisons	3	1992-97	0.77	0.86	--
3.	D.G. Police	16	1992-97	7.14	9.78	--
4.	M.P. Housing Board	8	1994-97	3.77	7.63	--
5.	State Garage	4	1992-97	1.57	16.03	8.68
		39		14.51	35.62	9.63

(Grand Total Rs.59.76 lakh)

Details of the persons to whom more than one vehicle was allotted are given below :

Sl. No.	Name of the organisation	Minister/Designation of officer to whom allotted	No. of excess vehicles	Period	Maintenance and repairs	POL	Pay and allowances of drivers
1.	2.	3.	4.	5.	6.	7.	8.
(Rupees in lakh)							
1.	Director of Agriculture	I. Minister of Agriculture	1	5/92 to 11/92	0.12	0.16	0.12
		II. State Minister of Agriculture	3	1992-97	0.99	0.87	
		III. Under Secretary Agriculture Department	2	2/94 to 5/95	0.15	0.12	
		IV. Project Co-ordinator	2	1996-97	--	0.17	
	IG Prisons	I. Minister, Jails	3	1994-97	0.77	0.86	

1.	2.	3.	4.	5.	6.	7.	8.
(Rupees in lakh)							
3.	D.G. Police	I. Chief Minister, his office and residence	4	1992-97	1.60	2.90	--
		II. Ex-Chief Minister	1	1992-97	1.01	1.24	--
		III. Home Minister	4	1992-97	2.30	2.83	--
		IV. Chief Secretary	2	1992-97	0.83	0.77	--
		V. Director General of Police	5	1992-97	1.40	2.04	--
4.	M.P.Housing Board	I. Chairman	4	1995-97	1.55	2.72	--
		II. Minister of Housing and Environment	3	1994-97	1.41	4.38	--
		III. Chief Minister's residence	1	1994-96	0.81	0.53	--
5.	State Garage	I. Chief Minister's residence	4	1992-97	1.57	16.03	8.68
			39	--	14.51	35.62	9.63

No explanation was furnished by any department except SSG who stated that the vehicles had been allotted as per directions of Home department. The reply was not acceptable in view of the clear provisions in the Act and the Government instructions prohibiting deployment of more than one vehicle for use by one authority.

3.18.7.2 Allotment of vehicles to officers not entitled

As per Government orders issued in October 1973, officers below the rank of a Deputy Secretary were not entitled to Government vehicles from the State Garage. It was, however, noticed that vehicles were

allotted to Under-Secretary, Home (General) Department, Section Officer, Urban Area Enquiry Committee and Secretary, Freedom Fighter Memorial Committee who were not entitled to a Government vehicle.

SSG stated (July 1997) that the vehicle was allotted to Under Secretary (Home) as a pool vehicle . The reply was not acceptable as the vehicle had been allotted by name. No justification for allotment of vehicles to other officers was furnished.

3.18.8 Utilisation of vehicles

3.18.8.1 Outstanding dues on account of hire charges

The Vehicles from the State Garage could be provided for use to State guests and other dignitaries on requisition either from State Protocol officer or the department concerned . On the basis of requisition, a vehicle was to be issued by the State Garage. Hire charges for the journeys performed were to be verified by the officer using the vehicles and recovered from the indenting department.

A test check of the records of SSG revealed (July 1997) that hire charges amounting to Rs 26.87 lakh were outstanding for recovery from 1972-73 to 1996-97. Of this, Rs 18.45 lakh pertained to the period prior to 1992-93. Hire charges in respect of 34 vehicles allotted to the Divisional Commissioners had not been worked out.

3.18.8.2 Non-recovery of cost of petrol supplied on credit

A petrol pump was attached to the State Garage for supplying petrol to Government vehicles on credit.

A test-check of records of State Garage revealed (June/July1997) that Rs 85.41 lakh, being the cost of petrol supplied on credit upto 1996-97, had not been recovered from the concerned departments.

SSG replied that the bills were sent to the concerned ministers/officers for verification but due to transfer/retirement and completion of terms of ministers, verification could not be done. However, action was being taken to recover the dues.

3.18.8.3 Excess expenditure on repairs

As per orders of State Government (April 1992 and June 1993) expenditure on repairs of vehicles could be incurred as under:-

Year	Vehicles upto 18H.P. (per vehicle per annum)	Vehicles more than 18 H.P.
1992-93	Rs 6000	Rs.10000
From1993-94 to 1996-97	Rs 10000	Rs.15000

The power to incur expenditure upto the above financial limit vested with the Head of office. If expenditure exceeded the above limits, sanction of next higher authority was necessary but in no case the expenditure was to exceed Rs.12000 during 1992-93 and

Rs.20,000 per annum per vehicle in subsequent years. In case of State Garage the maximum admissible limit of repairs was restricted to Rs.12000 per annum per vehicle. Scrutiny of records of 3 Government organisations, 1 autonomous body and 3 State Government undertakings revealed excess expenditure on repairs during 1992-97 amounting to Rs.46.25 lakh as detailed below:-

S.No.	Name of Organisation	No of vehicles	Actual expenditure	Expenditure as per prescribed norms	Excess expenditure
1	2	3	4	5	6
(Rupees in lakh)					
1.	I.G. (Prisons)	11	3.06	1.62	1.44
2.	D.G.P	654	113.79	78.13	35.66
3.	S.S.G.	9	1.57	1.08	0.49
4.	Board	20	7.46	3.76	3.70
5.	AKVN	22	7.49	4.32	3.17
6.	Corporation	11	2.99	2.12	0.87
7.	Optel	4	1.72	0.80	0.92
TOTAL		731	138.08	91.83	46.25

No action was taken by the concerned organisation to get the excess expenditure regularised.

3.18.8.4 Excess consumption of fuel

(i) Director General (Police) laid down (August 1992) norms for the average mileage² for each category of new vehicle in the Police Department.

- 2 Maruti omni-12, Tata Mobile 207-13, Maruti Gypsy-11, Bajaj Tempo Trax-10, Eicher Canter-6, Tata Mini Truck 608-6, Tata Mini Truck 407-8 and Mahendra Nissan-9

It was however noticed that vehicles consumed excess petrol/diesel as compared to the norms resulting in extra expenditure of Rs.14.67 lakh, during 1992-97 as per details given below :

Year	Diesel/Petrol Admissible as per norms (I n l i t r e s)	Actual consumption	Excess consumption	Rate per litre (Rs.)	Amount (Rupees in lakh)
1.	2.	3.	4.	5.	6.
1992-93	Diesel 2651.00	3178.00	527.00	5.91	0.03
1993-94	Petrol 10294.00	17338.50	7044.50	18.20	1.28
	Diesel 25535.00	30533.00	4998.00	6.73	0.34
1994-95	Petrol 44206.00	52307.00	8101.00	18.20	1.47
	Diesel 80121.00	95427.00	15306.00	7.74	1.19
1995-96	Petrol 66441.00	79424.00	12983.00	19.20	2.49
	Diesel 111201.00	133334.00	22133.00	7.75	1.72
1996-97	Petrol 72934.50	88887.50	15953.00	23.65	3.77
	Diesel 129666.00	156517.00	26851.00	8.88	2.38
					14.67

The prescribed and the actual mileage per litre of petrol/diesel in respect of vehicles of DGP for 1993-94 are given in Appendix-XI. Wide variations were noticed in actual mileage in respect of the vehicles of the same make and purchased at the same time as shown below. No reasons were given by the DGP for excess consumption of petrol/diesel.

Sl. No.	Vehicle No. & make	Name of Unit	Prescribed mileage per litre	Actual mileage per litre
1.	MP03/0698 Maruti Gypsy	Superintendent of Police, Gwalior	11	2.01
2.	MP03/0693 Maruti Gypsy	Superintendent of Police, Jabalpur	11	10.41
3.	MP03/1048 Maruti Gypsy	Superintendent of Police, Bhopal	11	10.20
4.	MP03/1069 Maruti Gypsy	Superintendent of Police, Bhopal	11	5.31
5.	MP03/188 Tata 407	Superintendent of Police, Bhind	8	7.35
6.	MP03/1882 Tata 407	Superintendent of Police, Bhind	8	4.68
7.	MP03/1800 Allwyn Nissan	Superintendent of Police, Bhind	9	5.77
8.	MP03/1954 Allwyn Nissan	Superintendent of Police, Bhind	9	5.85
9.	MP03/1799 Allwyn Nissan	Superintendent of Police, Bhind	9	8.04
10.	MP03/0824 Allwyn Nissan	Superintendent of Police, Bhind	9	7.87
11.	MP03/0827 Allwyn Nissan	Commandant 2nd Bn. SAF, Gwalior	9	8.92

(ii) Government issued (January 1990) instructions regarding consumption of petrol for vehicles allotted to departmental officers limiting it to 100 litres per month per vehicle. Government further reduced (October 1990) the limit of consumption of petrol by 15 per cent.

During test-check of records of Optel, it was noticed (July 1997) that consumption of petrol in excess of admissible limit resulted in extra

expenditure of Rs.1.63 lakh during the period 1994-96 as detailed below :

Year	Admissible limit as per norms	Actual consum- ption	Excess consum- ption	Rate per litre	Amount (Rs. in lakh)
(I n l i t r e s)					
1994-95	5440	9788	4348	19.00	0.83
1995-96	6290	10513	4223	19.00	0.80
Total					1.63

3.18.9 Requisition of Vehicles

Government issued (July 1992) instructions for requisition of vehicles of other departments for law and order, VIP duty and election etc., for the minimum period only. For such requisition, the indenting department was liable to pay rent at the rate of Rs.100 per day per vehicle in terms of Government orders of January 1983.

Test-check of the records of DA and AKVN revealed (July 1997) that during the period 1992-97, 94 vehicles of the departments had been requisitioned for 2798 days in Bhopal, Gwalior and Morena districts for law and order, VIP duty and elections. However, no action was taken to recover the rent amounting to Rs.2.80 lakh from District Administration and Election Officers of the districts.

The departments stated (July 1997) in reply that action would be taken to recover the rent.

3.18.10 Irregular maintenance of records/log books

(i) As per provisions contained in Madhya Pradesh Financial Code and Treasury Code a separate stock account should be kept in a form prescribed by Head of Department to enable a ready verification of stores and check of accounts at any time but no such form was prescribed by the Head of Department. The SSG did not maintain systematic record of vehicles. The stock-registers of the vehicles were incomplete as these did not contain references to sanction, supply order number and date, proforma invoice and date of payments, date of receipt of vehicle and other descriptions in the stock-register with the result that the correct position of vehicles could not be ascertained. The stock-register indicated a balance of 165 vehicles whereas the actual number of vehicles available, as intimated by SSG on 31st March 1997 was 178.

SSG replied (July 1997) that 2 vehicles belonging to the State-Legislature were inadvertantly included in the balance. There was still a discrepancy of 11 vehicles which needed reconciliation.

(ii) Details of 23 out of 34 vehicles allotted to 9 Divisional Commissioners were not available with SSG. No action was taken to call for details from the concerned allottees to complete the records.

(iii) Government decided (March 1988) to prepare a directory of vehicles in all Government departments to evaluate and monitor the availability of vehicles. No

such directory had been prepared by the SSG as of September 1997.

(iv) A test-check of the log books of SSG and DA revealed (June/July 1997) that the log books were not being properly maintained. In respect of State Garage log books of 178 vehicles were called for, out of which 38 log books were not produced to audit. The log books produced to audit were found incomplete in all the cases. Complete details i.e. places visited, purpose of journey were not indicated/specified in respect of 22.17 lakh km in 90 cases. Log books of 42 vehicles were not verified by competent authority.

Similarly, out of 34 vehicles DA did not produce log books of 7 vehicles. Log books of 6 vehicles covering a journey of 1.38 lakh km were found to be incomplete as no specific purpose of journey was mentioned in the log books. In case of log books of 3 vehicles journey was not verified by the competent authority.

(v) In case of ministerial staff car, total mileage run was to be recorded daily in the log book. Contrary to these instructions daily accounts were not maintained in any of the 29 log books of vehicles allotted to ministers/Parliamentary Secretaries during the period 1992-97. Entries for 3 to 46 months were made on a single day and these were not attested. Consequently correctness of the entries made in respect

of 13.40 lakh Km journeys performed during the period March 1990 to May 1997 could not be ascertained.

3.18.11. Other points of interest

(i) Three vehicles costing Rs.5.20 lakh pertaining to the Office of the Dy. Director Agriculture Rewa, Bhopal and Assistant Soil Conservation Officer Shivpuri were stolen between October 1992 and January 1994. No action was taken by the department to conduct a detailed enquiry and fix responsibility for the loss.

(ii) An Ambassador Car costing Rs.1.73 lakh purchased by State Garage in March 1994 met with an accident in April 1995. Though the First Information Report was lodged in April 1995 no action was taken to file suit for compensation. The vehicle had remained off-road since April 1995 for want of heavy repairs.

The matter was referred to Government in September 1997; reply had not been received (October 1997).

Jail Department

3.19 Avoidable expenditure on purchase of blankets

The Central Jail, Jabalpur had a blanket factory with 36 looms for training convicted prisoners to help them get meaningful employment after release and for meeting the internal requirement of the Jail. The estimated annual production capacity of the factory was 21,600 blankets. The number of blankets produced per year during 1987-88 to 1990-91 ranged between 2150 and 7925 as the capacity of the factory was not fully utilised for want of wool. The factory also produced during August 1991 to May 1992, 3371 blankets using woollen thread received from Central Jail, Indore. No blankets were produced during the period from June 1992 to December 1995 reportedly for want of wool.

During 1994-96 Inspector General of Prisons (IGP), Bhopal purchased 31,322 blankets at a cost of Rs.56.81 lakh at rates varying from Rs.150.50 to Rs.195.50 per blanket weighing 1.5 to 2 kilogram. The average production cost of blankets (weighing 2.05 kg) in the Jail Blanket Factory (assessed in August 1996) was Rs.125.10 per blanket.

Had the blankets been produced in the Jail Blanket Factory, the department could have saved Rs.17.63 lakh taking the average cost of Rs.125.10 per blanket. The Superintendent Central Jail Jabalpur stated (May 1996) that the blankets were not produced for want of wool. This was not acceptable because

similar blankets were being produced in the market and no efforts had been made to procure wool.

IGP stated (July 1996) that the blankets were purchased from market as the blankets produced on Jail looms were sub-standard. This was again not acceptable since the Superintendent had reported (July 1995) to IGP Bhopal that blankets of quality better than those purchased from outside could be produced at the Jail Factory if one additional pressing machine was made available to it.

Thus, non-production of blankets at Central Jail, Jabalpur resulted in avoidable expenditure of Rs.17.63 lakh besides depriving the prisoners of the valuable training to help them get meaningful employment after release.

Government replied (October 1997) that the looms in the Jail factory were old and unserviceable and as such it was not possible to cater to the need of blankets for the prisoners of the State. The reply was not acceptable as the Superintendent, Central Jail, Jabalpur had specifically stated that all looms were in working condition and could not be utilised due to non-availability of wool.

Labour Department

3.20 Irregular/avoidable payment of electricity charges

(i) According to Electricity Duty Act 1949, no electricity duty is payable where electric energy is sold or supplied to Government departments for consumption. Similarly as per Madhya Pradesh Electricity Board's (MPEB) circular (July 1991), Government departments are also exempted from payment of security deposit.

The Office of the Superintendent, Employees State Insurance Scheme (ESIS) Hospital, Nandanagar, Indore, however, paid Rs.13.05 lakh as Electricity duty in monthly electricity bills during 1990-97 (Upto December 1996) and Rs.2.47 lakh as security deposit during 1994-95 to MPEB resulting in irregular payment of Rs.15.52 lakh.

(ii) ESIS was required to maintain an average monthly power factor* of 85 per cent (90 per cent with effect from February 1992) failing which a surcharge on account of low power factor was payable to MPEB. ESIS did not maintain the power factor at the desired level and paid surcharge totalling Rs.1.38 lakh during 1991-1997 (upto December 1996). Had ESIS taken timely action for installation of capacitor, the payment of

* Average monthly power factor means the ratio of total Kilo Watt hours to the total Kilo Volt Ampere hours supplied during the month.

Rs.1.38 lakh on account of low power factor surcharge could have been avoided.

Thus ESIS made irregular/avoidable payment of Rs.16.90 lakh on account of Electricity Duty, Security deposit and surcharge for not maintaining desired power factor.

The matter was referred to Government in May 1995; it was replied (October 1997) that the matter relating to electricity duty and installation of capacitor had been taken up with Energy Department and ESI Corporation and the results would be intimated in due course. As regards refund of security deposit it was stated that necessary orders in this regard had been issued by the Executive Director MPEB Indore Region in September 1997. However, position of refund/adjustment of security deposit was still awaited (November 1997).

Mahila Evam Bal Vikas Department

3.21 Excess payment/ infructuous expenditure on supply of milk under the Special Nutrition Programme

District Mahila Evam Bal Vikas Adhikari, Jabalpur (MEBVA) was supplying nutritious food to women and children under the Special Nutrition Programme of the Integrated Child Development Scheme (ICDS). As per the standards fixed by Director, Mahila Evam Bal Vikas (Director) in January 1994 the food supplied should provide 10 grams protein and 300 calories to each beneficiary and the expenditure should be limited to Re.1 per beneficiary (Rs.2 in case of pregnant/feeding mothers/ malnourished children). The suggested items of food were Daliya, Khichdi, Panjiri and Laddu etc. In August 1994 milk was also added to the list of permitted items provided it had the required protein and calorie content. If on test check the protein/calorie content of the milk fell short of the requirement then proportionate deduction was to be made from the supplier's bill.

In June 1993 Jabalpur Dugdha Sangh Sahkari Limited (Sangh) offered to supply milk to MEBVA at the rate of Rs.6.34 per litre for consumption in 274 Anganwadi Centres in Jabalpur district in the year 1993-94. Collector, Jabalpur, while approving the proposal, directed that the milk supply could be had from Sangh after entering into an agreement with it. MEBVA, however, without entering into any agreement, purchased 3.57 lakh litres of milk (Rs.31.45 lakh

including transportation charges) from Sangh at the rate of Rs.8.40 per litre between October 1993 and March 1994 and 4.24 lakh litres (Rs.40.70 lakh) at the rate of Rs.9.60 per litre between April 1994 and December 1995. The purchase of milk at higher than the agreed rate resulted in excess payment of Rs.7.36 lakh to the Sangh during 1993-94.

The prescribed testing of milk was also not done till November 1994 when a chemical analysis organized through Ministry of Human Resources Development, Government of India showed that the milk contained only 89 calories and 3.25 grams of protein per 100 grams which was far below the prescribed limit. As a result of this shortfall Rs.51.05 lakh were required to be recovered from Sangh. However, MEBVA could not recover the amount in the absence of any formal agreement with Sangh. The deficiency in the milk supplied also resulted in inadequate nutrition to the beneficiaries despite an expenditure of Rs.72.15 lakh during October 1993 to December 1995.

MEBVA stated (May 1995 and September 1996) that payment had been made as per the norms fixed by Government and that in the absence of clear orders from Directorate for stopping the supply the arrangement for supply of milk continued and no deduction on account of deficiency in the prescribed protein and calorie content was made. The reply was not tenable as it was the responsibility of MEBVA to enter into a proper agreement with the Sangh as directed by the Collector

Jabalpur, periodically test the quality of the milk supplied and to effect recoveries from the bills of the supplier for any deficiency in the quality. Incidentally it was also found that the beneficiaries had been supplied only 75 and 150 ml of milk against the prescribed quantity of 100 and 200 ml during 1993-94.

The matter was referred to Government in January 1997; reply had not been received (October 1997).

3.22 Short delivery of commodities worth Rs.59.95 lakh

Mahila Evam Bal Vikas (MEBV) Department and Nagarik Aapoorti Nigam (NIGAM) executed an agreement (January 1994) for transportation of various materials received as gift at Vishakhapatnam Port from Cooperative for American Relief Everywhere (CARE). The material was to be transported to various units of Integrated Child Development Schemes in the State and the cost of short delivered CARE material was recoverable from the NIGAM.

Out of 7348.89 MT of CARE material received at Vishakhapatnam Port, only 6974.23 MT was delivered during November 1994 to March 1995. This resulted in short delivery by the Nigam of 374.66 M.T. food material worth Rs.59.95 lakh.

Commissioner, MEBV stated (February 1997) that action would be taken after ascertaining the

facts. No progress in this regard was intimated till August 1997.

Thus, Rs.59.95 lakh, the cost of short delivery of 374.66 M.T. of CARE material, was not recovered from the Nigam.

The matter was referred to Government (April 1996 and January/July 1997); reply had not been received (October 1997).

3.23 Extra expenditure under nutrition programme

Under the 'Mid-day meal' scheme run by Mahila Evam Bal Vikas Department, District Mahila Evam Bal Vikas Adhikari (MEBVA), Jagdalpur arranged to supply the raw-materials such as wheat, maize and sugar to Udyami Vikas Sansthan (Sansthan), Jagdalpur for preparation of energy food (Panjeeri) and its distribution to children of Primary Schools. The cost of preparation of Panjeeri worked out to Rs.515.62 per quintal upto January 1994 and Rs.572.20 per quintal from February 1994 onwards.

Around the same time MEBVA, Jagdalpur purchased 4,152 quintals of Panjeeri from Keshkal Sahkari Vipnan Sansthan Maryadit (Society), Kondagaon, district Bastar during the period from August 1993 to October 1994 at the rate of Rs.733 per quintal (831.25 quintal), Rs.730 per quintal (2410.25 quintal) and Rs.863 per quintal (910.50 quintal). The purchase of Panjeeri from Society without inviting tenders resulted

in extra expenditure of Rs.9.62 lakh as compared with the cost of preparation of Panjeri supplied by the Sansthan.

MEBVA, stated (October 1996) that the rates of Sansthan were without transportation charges while the rates of Society were inclusive of transportation charges. He also stated that panjeeri was purchased from the Society in order to ensure timely supply of panjeeri.

The reply was not tenable because even after considering the transportation charges laid down by MEBVA (Rs.24.33 per quintal) the extra expenditure incurred on purchase of panjeeri would come to Rs.8.61 lakh.

Thus, purchase of energy food (panjeeri) at higher rates resulted in extra expenditure of Rs. 8.61 lakh.

The matter was referred to Government in December 1996; reply had not been received (October 1997).

3.24 Infuctuous expenditure on purchase of community solar cookers

Without ascertaining demand, suitability and utility of solar cookers for preparation of food for the beneficiaries at Anganwadi Centres (Centres), 244 Community Solar Cookers were procured at a cost of Rs.7.52 lakh and supplied (1986-87) to three Project

Officers, Integrated Child Development Schemes (Bhagwanpura: 13; Newali: 95 and Sendhwa: 136) of Khargone District.

The solar cookers were never used at the Centres because their small size was inadequate for cooking food for 30-40 beneficiaries at the centres and also because the time taken for cooking in the cookers was more than the time fixed for the Centres (9 A.M. to 12 A.M.). The cookers were lying unutilised as of July 1997. As a result, the expenditure of Rs.7.52 lakh on procurement of cookers proved infructuous.

The matter was referred to Government in August 1995 and September 1996; reply had not been received (October 1997).

Manpower Planning Department

3.25 Uneconomical purchase of furniture

The World Bank guidelines permit purchase of furniture through local competitive bidding procedure, as all the furniture is available from local manufacturers at very economical prices and foreign firms are unlikely to bid.

Director, Technical Education purchased in July 1993, various items of furniture from a Nagpur based firm (being the lowest tenderer) under the Technical Education Project financed by the World Bank to meet the requirement of class rooms, computer centres, offices and hostels. While finalising the competitive rates through invitation of tenders, no comparison was made with the rates of Madhya Pradesh Laghu Udyog Nigam (MPLUN), the normal source of purchase for the Government requirement. As per the 'Store Purchase Rules', it is obligatory for all Government departments to purchase the reserved items from MPLUN without inviting tenders and by placing direct supply orders to MPLUN. It was observed that a number of items of furniture that were purchased from this firm could have been purchased from MPLUN with same specification at comparatively economical prices. The purchase of these items from this firm instead of MPLUN resulted in extra avoidable expenditure of Rs.22.96 lakh.

On being pointed out in audit in May 1994, the Manpower Planning Department granted ex-post-facto permission in December 1994 to dispense with the requirement of application of 'Store Purchase Rules' with regard to these items for purchase under World Bank Scheme without giving any proper justification. The department's decision dispensing with the rules making the purchase of these items from MPLUN obligatory, in no way could imply dispensing with the canons of financial propriety, as the rates of MPLUN were economical and could have been made the basis for comparison and adjudging the reasonability of rates.

On this being pointed out in audit (May 1997) the Government stated (September 1997) that specifications of the tendered furniture were different from those given in MPLUN catalogue and as such their prices could not be compared. The reply of the Government was not tenable since the comparison of the prices had been done in respect of those items of furniture which were actually on catalogue of MPLUN having the same specifications.

Thus purchase of furniture of same specification from a private firm at a higher rates as compared to rates of MPLUN resulted in avoidable expenditure of Rs.22.96 lakh.

Medical Education Department

3.26 Avoidable expenditure on electricity supply

According to notifications of Madhya Pradesh Electricity Board (MPEB), consumers with High Tension (HT) connections were required to maintain a minimum average monthly power factor of 85 per cent upto January 1992 and 90 per cent thereafter failing which an additional charge was payable to the MPEB.

D.K. Hospital, Raipur; M.Y. Hospital, Indore; and Chief Medical and Health Officer (CMHO), Dewas did not maintain the power factor at the desired level and paid additional charge totalling Rs.25.08 lakh between April 1991 and February 1997 (Raipur : Rs.8.50 lakh; Indore : Rs.15.41 lakh and Dewas : Rs.1.17 lakh).

Superintendent, M.Y. Hospital, Indore stated (April 1997) that sanction for installation of capacitor (cost Rs.1.53 lakh) was awaited from Government for which proposal had been submitted in November 1995. While CMHO, Dewas failed to maintain power factor even after revising the contract demand, Superintendent, D.K. Hospital, Raipur did not intimate the remedial action taken.

Non-maintenance of power factor by the three hospitals resulted in avoidable expenditure of Rs.25.08 lakh.

The matter was referred to Government in October 1996; reply had not been received (October 1997).

Panchayat and Rural Development Department

3.27 Employment Assurance Scheme

3.27.1 Introduction

'Employment Assurance Scheme' (EAS) a centrally sponsored scheme, was launched by Government of India (GOI) on 2nd October 1993, with the following objectives :

- (i) providing gainful employment for 100 days during lean agricultural season in manual work, to all adults in rural areas who were in need of work, and
- (ii) creation of durable community assets and economic infrastructure for sustained employment and development. The expenditure on the scheme was to be shared between GOI and the State Government in the ratio of 80 : 20.

Guidelines for implementation of EAS were issued by GOI in September 1993. The objectives of EAS were sought to be achieved through (a) execution of work projects relating to watershed development including land protection, afforestation, agro-horticulture*, (b) horticulture**, (c) silvi-pasture, minor irrigation tanks, village tanks, link roads, Primary Schools and Anganwadi buildings. The funds on

Note : The abbreviations used in this review are listed alphabetically and expanded in Glossary at Appendix-XVI (Page 356).

* Included in Rajeev Gandhi Water shed Development Programme with effect from July 1995.

** Included in KALPATARU (Employment Assurance Horticulture Development Scheme)

these three activities were allocated in the ratio 50:20:30 with effect from July 1995. Prior to this, allocation of funds was in the ratio of 40 : 20 : 20 : 20 for water shed development works, minor irrigation works, rural link roads and construction of school buildings/anganwadi respectively.

The scheme was initially taken up in 223 identified (backward) blocks of 23 districts and extended to 296 blocks of 37 districts in December 1994.

3.27.2 Organisational set-up

A state level co-ordination Committee (SLCC) for the Rural Development Programmes consisting of 43 members including 14 Secretaries/Principal Secretaries and a representative of GOI and headed by Chief Secretary was responsible for overall supervision, guidance and monitoring of EAS. The Development Commissioner (DC) Panchayat and Rural Development Department was the nodal agency for implementation of the scheme. District Collectors were designated as the "Implementation Authorities" and were responsible for implementation of the scheme through District Rural Development Agencies (DRDAs).

3.27.3 Audit Coverage

A review of implementation of the scheme from 1993-94 to 1996-97 was conducted during October 1996 to October 1997 in the offices of DC, the DRDAs and 95 Government agencies executing the works under EAS and

41 out of 92 Block Development Officers (BDOs)/Chief Executive Officers (CEOs), Janpad Panchayat in 8 test-checked districts* (covering 84 per cent of expenditure in these districts). The results of the test-check are mentioned in the succeeding paragraphs.

3.27.4 Highlights

-- The guidelines required preparation of shelf of projects. No comprehensive plan for implementation of the scheme was prepared for the state as a whole. While in some districts the shelf of projects was not prepared at all, in others it was prepared with a delay of 2 to 10 months. In three districts the shelf of projects was prepared without any survey.

(Paragraph 3.27.5.1)

-- The scheme envisaged expenditure of 40 per cent of funds on water conservation etc and 60 per cent on minor irrigation works, link roads and primary school/anganwadi buildings. The sector-wise details of expenditure was not maintained. In some districts where the records were maintained 29 per cent funds had been spent on works not covered under these categories. In five districts only 0 to 16 per cent of funds had been spent on water conservation works, 2 to 39 per cent on construction of primary school buildings and 0 to 43 per cent on Rural Link Roads during 1993-96. Rs.26.22 crore were spent on works not covered under the scheme.

(Paragraph 3.27.5.2)

* Bilaspur, Khandwa, Khargone, Morena, Raigarh, Sagar, Shahdol and Surguja.

-- Rs.142.07 crore remained unutilised as of March 1997. Utilisation of funds during 1993-94 and 1995-96 was only 35 per cent and 79 per cent respectively, the extent of underutilisation being as high as 91 per cent at some places.

(Paragraph 3.27.6 (i))

-- Funds provided for implementation of the scheme were grossly inadequate to meet the objectives. Against the requirement of Rs.2293.72 crore for payment of wages to the registered persons in the State during 1993-97 for the targeted 100 days in a year, only Rs.491.95 crore (21 per cent) were provided.

(Paragraph 3.27.6 (iii))

-- An amount of Rs.6.67 crore remained out of Government Account and consequently out of purview of statutory audit.

Advances of Rs.6.67 crore received from District Collectors were adjusted on the basis of utilisation certificates, but muster rolls for Rs.4.36 crore were lying un-passed. Therefore the genuineness of the payments was doubtful.

(Paragraph 3.27.6 (iv))

-- No records of employment generation were kept. The employment generation reported was worked out on notional basis by dividing the expenditure by minimum wage rate and ranged between 5 and 30 days per

person per year against the target of 100 days per year.

(Paragraph 3.27.7)

-- While the scheme was to give employment to workers registered for the purpose the implementing agencies were employing workers irrespective of whether they had been registered or not for the purpose.

(Paragraph 3.27.7.1 (i))

-- While the scheme envisaged providing work during lean agricultural season 29 to 83 per cent of expenditure was incurred during farming season.

(Paragraph 3.27.7.2)

-- In respect of works executed through village panchayat the volume and quality of work done were not recorded due to which the correctness of payment of wages was not verifiable.

Delay in payment of wages ranged upto 7 months in the districts test-checked.

(Paragraph 3.27.7.3 (a) (iii and ix))

-- Instead of paying directly to the labourers payment was made to their headmen and to Sub Engineer in certain cases. Wherever payment was made directly, it was not done in the presence of Panch, Sarpanch or block committee members, as required.

(Paragraph 3.27.7.3 (a) (ii, iv and v))

-- Instead of getting the work done departmentally as envisaged in the scheme, Rs.40.09 crore were provided to village panchayats by Chief Executive Officers and Block Development Officers in eight test-checked districts for execution of work. No records of such work were available.

(Paragraph 3.27.8.1)

-- Whereas the scheme provided for creation of durable assets, kuchcha rural link roads were constructed at a cost of Rs.11.74 crore in eight test-checked districts.

(Paragraph 3.27.8.3)

-- Eight works costing Rs.41.70 lakh inspected by a vigilance squad in Jhabua district did not exist.

(Paragraph 3.27.8.4 (b))

-- Non-deduction of contractors' profit from the work estimates resulted in excess expenditure of Rs.15.21 crore in 8 test-checked districts.

(Paragraph 3.27.9)

-- District/Block level committees required to be formed for monitoring and supervision of works were not formed in any of the test-checked districts. Six-monthly reports required to be submitted to the State and Central Government had not been submitted.

(Paragraph 3.27.10)

3.27.5 Planning

3.27.5.1 Plan preparation

DRDAs were required to obtain, in October every year, block-wise plans from executing agencies. Based on these plans, a shelf of projects, including works that could be completed within two years, was required to be finalised by December every year by each DRDA. No comprehensive plan for all the districts was available with DC.

(i) Shelf of projects was not prepared in Bilaspur and Sagar districts.

(ii) Shelf of projects was prepared in Morena, Surguja and Shahdol districts, without conducting survey. As such these included only the number of works without giving details of their location and employment likely to be generated as required in the guidelines.

(iii) In Khandwa and Khargone districts, the shelf of projects was prepared with a delay of 2 and 10 months respectively.

(iv) In Raigarh district, no separate plan was prepared for EAS. A Common Annual Action Plan for Jawahar Rojgar Yojana, Intensive Jawahar Rojgar Yojana and Employment Assurance Scheme was, however, prepared without mentioning the names of blocks and executing agencies.

3.27.5.2 Plan Implementation

Out of 11,197 works (estimated cost Rs.188.17 crore) sanctioned by 8 DRDAs during 1993-94 to 1996-97, only 77 works, estimated at Rs.2.72 crore (1 per cent) related to the shelf of projects prepared.

According to guidelines, 40 per cent of the allocation was to be spent on water conservation, vegetative barriers, afforestation, agro-horticulture, silvi-pasture etc. The remaining 60 per cent of allocation was to be spent on minor irrigation works, link roads and primary school/ 'Anganwadi' buildings.

In the districts test-checked, sectorwise details of works taken up and expenditure incurred were not kept. A half-yearly report containing details of each category of works sanctioned, completed and in progress vis-a-vis expenditure incurred required to be submitted by DRDAs to DC had also not been furnished.

In 5 districts* which furnished the sectorwise details of expenditure, only 0 to 16 per cent of funds had been spent on water conservation works, whereas 2 to 39 per cent of allocations had been spent on construction of primary school buildings, and 0 to 43 per cent on Rural Link roads during 1993-96. Rs.26.22 crore out of Rs.91.59 crore (29 per cent) were spent on works not covered under any of these categories.

* Bilaspur, Khargone, Sagar, Shahdol and Surguja.

3.27.6 Financial outlay and expenditure

Expenditure on EAS was shared between central and state Governments in the ratio of 80:20. Yearwise details of release of funds by Central and State Government and expenditure incurred against the scheme during 1993-94 to 1996-97 were as under:

(Rupees in crore)

Year	Funds released by		Total	Expenditure	Percentage of utilisation of fund
	Central Government	State Government			
1	2	3	4	5	6
1993-94	56.95	14.24	71.19	25.06	35
1994-95	143.50	36.56	180.06	180.41	100
1995-96	229.40	62.06	291.46	229.52	79
1996-97	226.70	50.52	277.22	242.87	88
Total	656.55	163.38	819.93	677.86	

(i) An amount of Rs.142.07 crore was lying unutilised as of March 1997. Only 35 and 79 per cent of funds were utilised during 1993-94 and 1995-96 respectively. The under utilisation was to the extent of 91 per cent (Sagar during 1994-95), 89 per cent (Raigarh during 1993-94) and 63 per cent (Morena during 1995-96).

(ii) No specific provision for this scheme was made in the annual budget estimates of the State Government. The share of the State Government was provided to DRDAs out of budget provision made under

another centrally sponsored scheme 'Jawahar Rozgar Yojna (JRY) .

(iii) At the end of March 1994, March 1995, March 1996 and March 1997, the number of registered persons in the State for seeking employment under the scheme were 10.10 lakh, 12.05 lakh, 18.47 lakh and 26.42 lakh respectively. The minimum funds required (at 60 per cent wage component) for providing 100 days' employment, at minimum wage rates fixed from time to time were Rs.2293.72 crore. As against this the amount actually provided during 1993-97 was Rs.491.95 crore, which was only 21 per cent of the requirement and was sufficient for providing employment ranging from 15 to 29 days per year to each registered person as per details given below :

Year	Number of registered persons (in lakh)	60 per cent of the minimum wage rate prevalent in most part of the year (Rs. per day)	funds needed for providing 100 days employment at the rate of 60 per cent of minimum wage rate (Col. 2 X 3) X (100) (Rupees in crore)	Funds provided for 60 per cent of wage component	Percentage of fund/employment provided per capita
1	2	3	4	5	6
1993-94	10.10	28.20	284.82	42.71	15
1994-95	12.05	30.80	371.14	108.04	29
1995-96	18.47	33.60	620.59	174.87	28
1996-97	26.42	38.50	1017.17	166.33	16
Total			2293.72	491.95	21

(iv) All receipts and expenditure from the Consolidated Fund of India and of the State are subject to statutory audit. An amount of Rs.6.67 crore received from the District Collector was spent by Divisional Forest Officers (DFOs) of Khandwa, Khargone, Morena, Raigarh, Sagar, Shahdol and Sarguja districts during 1993-94 to 1996-97 on the work projects sanctioned by DRDAs.

Transactions relating to this amount were not found exhibited in the regular Cash Book of the department, in contravention of rule 204 and 206 of Madhya Pradesh Forest Financial Rules 1979, resulting in non exhibition of above amount in the monthly accounts of these divisions, submitted to Accountant General, Madhya Pradesh. Thus the entire amount, which formed part of the Consolidated Fund of India and of the State, remained out of the Government accounts and consequently out of the purview of the statutory auditors. On this being pointed out it was stated that a separate cash book was maintained for recording the transactions relating to these funds received from the collector.

Though the entire amount of advance of Rs.6.67 crore received from district collector was found to have been adjusted against the Drawing and Disbursing Officers (DDOs) on the basis of utilisation certificates furnished by them, it was noticed that muster rolls for Rs.4.36 crore, pertaining to payment of wages to labourers engaged on EAS Works, were lying

unpassed. As such the reliability of the utilisation certificates and authenticity of expenditure of Rs.4.36 crore was doubtful.

3.27.7 Generation of employment

No records of employment generated were kept. For purpose of informing GOI, the employment generated was being computed by dividing the expenditure by minimum wage rate presuming that 60 per cent expenditure had been incurred on wages. The employment generation so reported on notional basis ranged between 5 and 30 days per registered person per year.

3.27.7.1 Registration of workers

(i) The works were required to be executed through workers who were registered for this purpose. The number of persons registered in the state was 10.10 lakh, 12.05 lakh, 18.47 lakh and 26.42 lakh respectively during 1993-94 to 1996-97. In Baramkela block of Raigarh district no person was registered under EAS.

The executing agencies like Public Works Department, Irrigation and Forest departments, however, got the work done through available workers irrespective of whether these workers were registered for this purpose or not, making the process of registration a futile exercise.

(ii) Every family whose members got themselves registered for work, was to be issued a family card

giving details of family members and the employment provided to each worker during the year.

The distribution of family cards to the workers was not monitored by DRDAs/Blocks. While DRDA Raigarh reported that 9,350 family cards had been issued to BDO Baramkela, no person was registered for seeking employment in Baramkela.

3.27.7.2 Period of providing work

The work under the scheme was to be taken up during the lean agricultural season only. In 6 test-checked districts, however, 29 to 83 per cent expenditure was incurred during farming season during 1993-94 to 1996-97.

3.27.7.3 Payment of wages

(a) The guidelines envisaged execution of all EAS works departmentally. In no case contractor, middle man or any such intermediary agency was to be engaged. Under the scheme, rate of wages to be paid were to be minimum agricultural wages for the unskilled labour as notified by the State Government from time to time. Payment of wages was to be based on quality and quantity of work by each worker. Standards and specification for each work were to be prescribed. Wages were to be paid weekly at work-site in the presence of local persons like 'Sarpanch', 'Panch' and 'Block committee members' etc. The following points were noticed.

(i) The quantity of work to be turned out by an unskilled worker in a day was not specified. In the

districts test-checked an amount of Rs.115.47 crore was paid as wages during 1993-94 to 1996-97 without correlating it with the quantity of output.

(ii) Payment of wages to the workers was not made in presence of 'sarpanch', 'panch', 'block committee members' etc. in the test-checked districts.

(iii) Delays in payment of wages by 35 executing agencies ranging upto seven months were noticed in 172 cases in 7 districts* during 1994-97.

(iv) Instead of paying wages directly to the workers, Rs.1.18 crore were paid to labour headman by Assistant Commissioner, Tribal Development Bilaspur (during 1994-95 : Rs.46.03 lakh; 1995-96 : Rs.71.34 lakh) and by Executive Engineer, Water Resources Division Raigarh (during 1994-95 : Rs.0.43 lakh) towards cost of labour and material.

(v) An amount of Rs.14.57 lakh was paid on running bills to sub-engineers of the development blocks by BDOs Kharsia (district Raigarh), Baikunthpur, Bhaiyathan and Shankargarh (Surguja district) during 1994-97 on account of wages and material. No muster rolls or vouchers were prepared for making payment of wages. As such the payments could not be verified in audit.

(vi) Rs.6.58 lakh were paid without obtaining muster rolls and vouchers by BDOs Baramkela and Pussore (Raigarh district) during 1994-97.

* Bilaspur, Khandwa, Khargone, Morena, Raigarh, Shahdol and Surguja.

(vii) During 1993-94 to 1996-97, an amount of Rs.12.05 lakh was paid by 6 Divisional Forest Officers to the labourers on plain paper without giving the details as required in muster rolls.

(viii) Trucks and tractors were irregularly engaged on muster-roll for transportation of construction material in 8 test-checked districts thereby accounting the transportation charges as wage component. As no separate record for such payments was kept, the total amount so paid could not be worked out.

(ix) Neither the volume of work done nor the measurement of work was recorded on the muster rolls in respect of works executed through village panchayats. The correctness of payment of wages, thus, could not be verified.

(x) Date-wise attendance of labourers was not marked on muster rolls by BDO Kesli, (Sagar district) and by CEO, Anuppur (Shahdol district). Only total period of muster-roll was recorded in these cases defeating the very purpose of preparation of muster-rolls.

(b) Distribution of foodgrains as part of wages

(i) To enable the workers to obtain foodgrains at prices not higher than those which may be notified from time to time for the scheme by GOI, the guidelines contemplated payment of a part of wages in the form of foodgrains not exceeding 2 kgs per manday and not exceeding 50 per cent of wages in cost. No food grain

was distributed in Sagar; Shahdol (1994-95) and Khandwa; Surguja (1993-94).

(ii) The food grains for this scheme were not allocated separately. The allocations made under JRY were utilised. No separate account for distribution of foodgrains under EAS was kept.

(iii) In the districts test-checked, instances of issue of food grains to truck owners as a part payment of transportation charges were also noticed. Food grains of concessional rate were also provided to suppliers of building material in lieu of payment of their bills by 4 test-checked executing agencies*. In absence of separate records for this purpose, the quantity of food grains so distributed could not be worked out.

3.27.8. Execution of works

3.27.8.1 Test-checked districts incurred an expenditure of Rs.127.73 crore on works. All these works were required to be executed departmentally. However, Rs.40.09 crore (31 per cent) were provided to CEO/BDO who placed these funds at the disposal of village panchayats for execution of works. The actual execution of these works could not be verified due to non-availability of any record in this respect. On this being pointed out, DC stated (February 1996) that

* KHANDWA - CEO Khandwa, Pandhana and Integrated Tribal Development Project Khandwa.
KHARGONE - Gram Panchayat Ojhar of Rajpur block.

district authorities would be directed to provide the amounts directly to the panchayats to make them an executing agency. No action had, however, been taken so far (October 1997).

3.27.8.2 Minor Irrigation Works

20 per cent of funds were to be allocated for minor irrigation works such as minor irrigation, percolation and village tanks, canal works etc. In the test-checked districts where information was made available, percentage of expenditure on Minor Irrigation works was 17 (Bilaspur), 13 (Surguja), 30 (Khargone), 37 (Sagar) and 39 (Shahdol) during 1993-94 to 1996-97. In these districts 825 works costing Rs.18.56 crore were carried out during 1993-94 to 1996-97 as per information furnished by DRDAs. Further information regarding proper functioning of these projects after construction was not available. Work-wise details of the works executed, amount spent and irrigation potential (targeted vis-a-vis actually created) were not kept.

(a) Rs.1.92 crore were spent in seven of the test-checked districts (excluding Sagar) for construction of stop dams, culverts, causeway, school buildings etc.. While such works were normally executed by Irrigation and Rural Engineering Services (RES) divisions, the work was got done through Forest department. Measurements of these works were not

recorded in the forest divisions test-checked. As such the work done could not be verified.

(b) As per the guidelines issued by Government of India, only those works could be sanctioned under EAS which would result in creation of durable assets. 77 works of deepening of existing tanks sanctioned by DRDA Shahdol at a cost of Rs.1.07 crore during 1995-96 were cancelled in June 1995, after incurring an expenditure of Rs.3.74 lakh on 19 tanks. In Raigarh district, work of repair to Krishanpur dam sanctioned in 1994-95 for Rs.6.35 lakh was cancelled in March 1997 by DRDA after incurring an expenditure of Rs.2.45 lakh resulting in infructuous expenditure of Rs.6.19 lakh. No reasons for cancellation of works were furnished by DRDAs.

3.27.8.3 Construction of rural link roads

Rural link road works were to be selected and taken up on the basis of the Master Plan prepared for the district and were to be of durable nature. 20 per cent of the total scheme fund was to be spent for the purpose against which only 19 and 8 per cent were spent by Shahdol and Surguja districts respectively. In Bilaspur, Khargone and Sagar districts 29, 32 and 51 per cent of funds were spent on this item of work respectively during 1993-94 to 1996-97.

Whereas the scheme provided for creation of durable assets, kuchcha rural link roads (825 cases)

were constructed at a cost of Rs.11.74 crore in eight districts*.

Before sanctioning the work of construction of roads, it was not ensured whether these figured in the Master Plan of the district or not, as required under the scheme.

3.27.8.4 Maintenance of assets

(a) The assets created under the scheme were to be maintained by the State, and District level departments. Small assets like check dams, nalabunds, vegetative barriers etc. were to be handed over to the local bodies concerned for maintenance. Adequate funds were to be provided by the State Government for maintenance of these assets taken over by the respective departments. Inventory of assets created under the scheme were to be maintained by each implementing agency. In the districts test-checked, 6179 assets were created during 1993-94 to 1996-97. Neither the inventory of these assets was maintained nor these assets were handed over to the departments concerned/local bodies. Provision of funds for maintaining assets was also not made in the state budget.

(b) The assets had not been physically verified.

(i) In Jhabua district, a vigilance squad

* Bilaspur, Khandwa, Khargone, Morena, Raigarh, Sagar, Shahdol and Surguja.

conducted (March 1995) inspection of EAS works. It was noticed that 8 works costing Rs.41.70 lakh (5 of which costing Rs.29.78 lakh had been completed as per record) did not exist.

(ii) In another case a tank constructed at a cost of Rs.6.58 lakh in 'HATYADELI' in Jhabua district in 1994-95 failed due to seepage. (iii) Horticulture plantation carried out during 1993-94 out of EAS funds in 'Ajab Borli' (district Jhabua) costing Rs.1.69 lakh was found dead for want of maintenance and water supply. Amount spent on these works Rs.8.27 lakh thus proved wasteful. On this being pointed out, it was stated (October 1997) by Commissioner Indore Division that the matter was under investigation.

3.27.9 Extra expenditure due to non-deduction of contractor's profit

According to the instructions issued by Government of India and State Government, all EAS works were to be carried out departmentally. Technical sanction for the works was to be accorded as per departmental norms of the executing agency. Scrutiny of the estimates, sanctioned by various departments and RES divisions revealed that these were based on current schedule of rates (CSR) and on task rates fixed by Collectors, in some cases. The rates given in CSR include an element of contractor's profit to the extent of 10 per cent, which was required to be deducted at the time of passing estimates for departmental works. However, this was not done resulting in an excess

avoidable expenditure of Rs.15.21 crore in eight test-checked districts* during 1993-94 to 1996-97.

On this being pointed out, DC confirmed (May 1996) that the element of contractor's profit was not permissible on departmental works but reserved his comments pending examination of estimates. Further reply was still awaited (May 1997).

3.27.10 Monitoring and supervision

(i) SLCC was required to meet at least once a quarter and review the preparation of shelf of project/annual action plans, execution of projects, payment of wages to labourers, timely release of funds to implementing agencies, proper maintenance of records, timely submission of reports, etc. SLCC met only twice in 1993-94 and 1994-95, thrice in 1995-96 and only once during 1996-97. Important items like execution of works and employment generation etc. were not reviewed by SLCC as required.

(ii) The Committees at district and Block level were to be constituted for supervision of implementation of the scheme. The DC stated (April 1996) that District and Block Level Committees had been formed, but the dates of their formation and suggestions received, if any, were not on record. In the eight test-checked districts, no such Committee was

* Bilaspur-Rs.300.63 lakh; Khandwa-Rs.77.20 lakh;
Khargone-Rs.201.17 lakh; Morena-Rs.29.01 lakh;
Raigarh-Rs.250.71 lakh; Sagar-Rs.17.85 lakh;
Shahdol-Rs.192.95 lakh and Surguja-Rs.451.36 lakh

found to have been formed. On this being pointed out, the DC stated (October 1997) that reasons for non formation of these committees would be enquired from the districts.

(iii) Officers dealing with EAS at state headquarters and those incharge of the implementation of the EAS projects at various lower levels were required to visit the sites of work projects regularly to ascertain whether the programme was being implemented satisfactorily and execution of works was in accordance with the sanction and other parameters prescribed for the scheme. In the districts test-checked, no record showing details of inspections conducted or any corrective action taken as a result of these inspections was available at District/Block level.

(iv) Divisional Commissioners were required to constitute vigilance squads for inspections of EAS works in the districts under their jurisdiction. As against 12 (monthly) inspections prescribed for each year, no inspections were conducted during 1993-94 to 1995-96 in the test-checked districts except Shahdol where only one inspection was conducted during 1993-94; however, no report was sent to D.C. Office.

(v) DRDA was to submit monthly and six monthly reports to the State Government regularly as prescribed by GOI. Monthly Progress Reports received from districts were never analysed by DC to examine their correctness. The half-yearly reports containing detailed information of work projects executed and

sectoral distribution of expenditure were neither called for from the districts nor submitted to GOI. No evaluation studies of EAS had been conducted in the State so far (October 1997).

The matter was referred to the Government (June 1997), the reply had not been received (October 1997);

3.28 Non-enforcement of provisions of contract

Rural Engineering Services (RES) enter into contracts for execution of various works which invariably provide that if any work is left incomplete by the contractor, RES shall arrange the work to be completed through another contractor or agency and any extra cost incurred for completion of work would be recoverable from the defaulting contractor. However, it was observed that in all such cases the excess cost incurred had generally not been recovered from the contractors.

During the period from 1987-88 to 1996-97 Rs.16.42 lakh incurred extra on completion of 36 works left incomplete by 17 contractors in two Divisions (Mandla 26 works : Rs.14.76 lakh and Sagar 10 works : Rs.1.66 lakh) remained unrecovered.

The contracts entered into with contractors by RES Divisions, Mandla also provided that any payment made through running bills shall be treated as advance against the final payment. Such payments were to be

adjusted in final bills taking into account the standard of work.

11 such works executed by 7 contractors during December 1989 to February 1991 were still incomplete when inspection was conducted by Sub-Divisional Officer/Executive Engineer RES Mandla in May 1994. An amount of Rs.5.11 lakh was spent by RES division on these works. As a result, a notice for recovery of amounts totalling Rs.5.11 lakh in terms of contracts was also issued to these contractors. However, no recovery was enforced.

The non-enforcement of provisions of the contracts resulted in extra expenditure of Rs.21.53 lakh which was recoverable from the contractors but against which no recovery had been made.

Executive Engineer, RES, Mandla and Sagar stated (May 1997) that action for recovery of extra cost was being taken.

The matter was referred to Government in January 1997; reply had not been received (October 1997).

3.29 Non-recovery of outstanding advances lying against various Sarpanch/Panch/Pradhan and Administrators

Treasury rules require that temporary advances should be adjusted as quickly as possible and

in no case the adjustment should be delayed beyond three months.

Block Development Officer (BDO), Hanumana, district, Rewa advanced during 1979-80 to 1992-93, Rs.39.31 lakh to Sarpanch/Panch/Pradhan and Administrators of Gram Panchayat for execution of 75 works under various schemes such as Rural Landless Employment Guarantee Programme, National Rural Employment Programme and Jawahar Rojgar Yojna. It was observed that the grants/advances were not released by BDO on the basis of progress of work as stipulated in the agreement. In 11 cases no work was executed against the advance of Rs.1.47 lakh released and in remaining 64 cases, work valuing Rs.26.16 lakh was executed, leaving an unspent balance of Rs.11.68 lakh outstanding for recovery.

BDO stated (August 1997) that revenue recovery certificates/notices had been served/were being served on the defaulters. The reply of the department was not tenable as no satisfactory progress regarding recovery of outstanding amount could be achieved by the department during the last 4 to 18 years. Possibilities of misutilisation/defalcation of unspent government money could also not be ruled out.

Due to release of funds not commensurate with the progress of work and ineffective action for recovery an amount of Rs.11.68 lakh was outstanding for a long time against the defaulting executing agencies.

The matter was referred to Government in January 1994, December 1996 and January 1997; reply had not been received (October 1997).

3.30 Unfruitful expenditure on Kuteers

Under Indira Awas Yojna (a centrally sponsored scheme) the Block Development Officers (BDO) Dindori (District Mandla), Bhanwara (District Jhabua) and Udaipura (District Ambikapur) constructed 25 Kuteers during June 1988, 100 Kuteers during 1987-90 and 44 Kuteers during 1987-90 respectively at a total cost of Rs.18.75 lakh (Rs.2.09 lakh+Rs.11.75 lakh+Rs.4.91 lakh) for allotment free of cost to homeless and landless poor families of Scheduled Tribes/Scheduled Castes and bonded labourers.

Out of the 169 Kuteers, beneficiaries were living only in 56 Kuteers (Bhanwara) and 11 Kuteers (Udaipura) were being used as Anganwadi centre, while remaining 76 Kuteers (cost Rs.7.76 lakh) were in collapsed/damaged condition and 26 Kuteers (cost Rs.2.99 lakh) were lying vacant.

The Kuteers were vacated/not occupied by the beneficiaries soon after these were allotted to them on completion due to non-availability of basic facilities viz., water and electricity etc. and the small size of Kuteers and had become unfit for habitation.

BDO Dindori stated (May 1996) that the question of reallotment of the kuteers did not arise as

the kuteers were not fit for habitation. BDO Udaipura and Bhanwara stated (February 1997 and March 1997) that action was being taken for reallocation of vacant Kuteers. No proposal had so far (May 1997) been moved for making the collapsed/damaged Kuteers habitable or writing them off.

The expenditure of Rs.10.75 lakh on construction of 102 Kuteers (collapsed/vacant Kuteers) without basic facilities had, thus, become unfruitful.

The matter was referred to Government in August 1995, October 1996 and April 1997; reply had not been received (October 1997).

3.31 Irregular release of funds to a District Panchayat

Financial rules provide that money should not be withdrawn from treasury unless it is required for immediate disbursement and unspent balance, if any, should be refunded promptly.

Government sanctioned (July 1986) Rs.5.50 lakh for construction of office building of District Panchayat, Bhopal with the condition that the payment would be released (in three instalments) after ensuring that the available accommodation with the District Panchayat was not sufficient and that land was also available with the panchayat. Further, the second instalment was payable only after obtaining the utilisation certificate for the first instalment. The building was to be completed in 1986-87.

Although no land was available with the District Panchayat, Bhopal, Deputy Director Panchayat and Social Welfare, Bhopal (DD) withdrew Rs.5.50 lakh in December 1986 and, to avoid its lapse, deposited it in saving account with a bank in the name of Secretary, District Panchayat, Bhopal where it was still lying unutilised (May 1997) and interest of Rs.3.47 lakh was earned thereon till March 1997.

DD Bhopal stated (May 1997) that the Government had not allotted the land to District Panchayat and that the money alongwith interest could not be taken back as no instruction in this regard had been received from Director Panchayat and Social Welfare / Government.

Thus, irregular release of funds to District Panchayat without satisfying the condition laid down by the Government resulted in blocking of Rs.5.50 lakh out of Government account for last 10 years alongwith interest earned thereon.

The matter was referred to Government in January 1995 and May 1996; reply had not been received (October 1997).

3.32 Undue financial benefit to contractors

Under the Vanijya Kar Adhiniyam 1994, (Adhiniyam), commercial tax at the rate of 2 per cent is deductible from the bills of the contractor if the

works contract is for a value exceeding one lakh rupees. Similarly in cases of contracts for sale or supply of goods, commercial tax at the rate of four per cent is deductible from the supplier's bills provided the value of tax exceeds rupees five thousand. In case of failure to deduct the commercial tax at the rate of two per cent from the bills of contractor, the paying officer is liable to pay penalty at the rate of twenty five per cent of the commercial tax. Any sum remaining unpaid was recoverable as arrears of land revenue.

Executive Engineers (EE), Rural Engineering Services (RES) Divisions Kanker and Sagar failed to deduct commercial tax amounting to Rs.2.72 lakh (Kanker: Rs.1.39 lakh and Sagar: Rs. 1.33 lakh) from the contractor's bills during the period May 1995 to January 1997 on which a penalty Rs.0.68 lakh, was leviable.

In another case as against the commercial tax of Rs.2.54 lakh (at the rate of four per cent) recoverable from the supplier's bills only Rs.0.74 lakh were deducted by EE, RES, Jagdalpur and Block Development Officer (BDO) Shahnagar (district Panna) did not recover Rs.0.90 lakh resulting in short/non recovery of Rs.2.70 lakh.

EE, RES, Kanker and Sagar and BDO, Shahnagar stated that action for recovery would be taken. EE, RES, Jagdalpur stated (October 1996) that Commercial Tax at the rate of 2 per cent only was deductible in

cases of contract for material supply. The reply was not correct as in such cases deduction of tax at 4 per cent was to be made.

Thus, non-deduction/short recovery of Commercial Tax at source from the contractor's bills resulted in undue financial benefit worth Rs.5.42 lakh to the contractors.

The matter was referred to Government in March, June, December 1996 and January, March 1997; reply had not been received (October 1997).

Planning, Economic and Statistics Department

3.33 Member of Parliament Local Area Development Scheme (MPLADS)

3.33.1. Introduction

In December 1993, the Government of India launched the "Member of Parliament Local Area Development Scheme" (MPLADS) which enabled Members of Parliament (MPs) to recommend capital works to be carried out in their constituency. Each M.P. could suggest to District Collectors works to the tune of Rs.1 crore per year to be taken up in their constituency. Elected members of Rajya Sabha were to select works for implementation in any district from the State from which they were elected. Nominated members of Lok Sabha or Rajya Sabha may also select works for implementation in any one district, but within one State of their choice.

Works required to be executed under the scheme were to be of durable nature. Construction works like buildings, roads, bridges and culverts, minor irrigation, forestry, horticulture and those relating to civic amenities like light, drinking water, public

Note: The abbreviations used in this review are listed alphabetically and expanded in Glossary at Appendix XVI (Page 356).

toilets, bus sheds etc., were to be taken up under the scheme. However, works relating to construction of office and residential buildings of Central and State Government Organisations, trusts and societies, special repairs and maintenance, memorials, acquisition of land and payment of compensation, places of religious worship and assets of individual benefits were not permissible under the scheme. The works were to be executed either by Government or Panchayati Raj institutions or any other reputed non-governmental organisation and the engagement of private contractors was prohibited.

Funds released by the Government of India under the scheme did not lapse, release of funds was to be in accordance with progress of works.

3.33.2 Organisational set-up

At national level the scheme was being monitored by the Department of Programme Implementation, Government of India. At state level, the member secretary, Planning Board was the monitoring authority. The District Collector was the nodal officer for implementation of the scheme in the district and the works were executed by the local offices of the implementing agencies.

3.33.3 Audit coverage

A test check of the record relating to the execution of works recommended by 15¹ and 8² members out of the 40 Lok Sabha and 17 Rajya Sabha members respectively was conducted and the results are mentioned in the succeeding paragraphs.

3.33.4. Highlights

-- Expenditure incurred on the scheme during 1993-94 to 1996-97 was only 55 per cent of the total allocations leaving unutilised balance of Rs.48.94 crore. An amount of Rs.27.57 crore debited to the scheme during 1993-97 was not actually spent.

(Paragraph 3.33.5.1)

-- 4123 works costing Rs.45.23 crore were executed unauthorisedly without obtaining approval/proposal from the MPs.

(Paragraph 3.33.6.2)

-- In Raipur and Ujjain districts 709 works costing Rs.3.37 crore were executed without obtaining technical sanction.

(Paragraph 3.33.6.3)

-- In 5 test-checked districts expenditure of Rs.1.54 crore was incurred during 1993-97 on 127 works not permissible under the scheme.

(Paragraph 3.33.6.4)

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- 1 Bastar, Bhopal, Bilaspur, Chhindwara, Gwalior, Indore, Jabalpur, Janjgir, Kanker, Mahasamund, Raipur, Saragarh, Sehore, Ujjain and Vidisha.
2 Bhopal, Bilaspur, Chhindwara, Gwalior, Indore, Jabalpur, Sehore and Ujjain

-- 359 petty capital works were carried out in Bhopal and Sehore constituencies at the cost of Rs.1.34 crore though no such works were to be undertaken in terms of the guidelines of the scheme.

(Paragraph 3.33.6.5)

-- Utilisation certificates in respect of only 1939 projects for Rs.16.30 crore were obtained from the agencies till the end of 1996-97 while expenditure of Rs.94.54 crore had been incurred.

(Paragraph 3.33.7)

-- 79 computers out of 84 purchased in January-May 1997 at a cost of Rs.64.16 lakh had not been installed in Bilaspur, Durg, Raipur and Rajnandgaon districts.

(Paragraph 3.33.8.4)

-- Neither the scheme was monitored at any level nor the scheme had been evaluated. Inspection Reports of district heads and other senior executive officers were not on record.

(Paragraphs 3.33.9.1 and 3.33.9.2)

3.33.5 Financial outlay and expenditure

3.33.5.1 The scheme was fully financed by Government of India. The funds allocated, expenditure incurred and unspent balance during the period 1993-94 to 1996-97 were as under :

(Rs. in crore)

Year	Opening Balance	Fresh allocations	Total Funds available	Expenditure actually incurred	Expenditure booked but not incurred	Total	Unspent Balance
1993-94	--	2.70	2.70	1.98	0.07	2.05	0.65
1994-95	0.65	57.00	57.65	48.08	5.33	53.41	4.24
1995-96	4.24	55.00	59.24	36.45	8.78	45.23	14.01
1996-97	14.01	56.25	70.26	7.93	13.39	21.32	48.94
		170.95	189.85	94.44	27.57	122.01	

Shortfall in expenditure was attributed to non submission of proposals by MPs.

3.33.5.2 Soon after receipt of completion certificate from the executing agency, the District Collectors were to initiate steps to recover unspent balance remaining with the agency. It was observed that Rs.8.57 lakh were lying un-utilised with the executing agencies for more than two years in respect of 39 works (Indore 8 works : Rs.4.86 lakh, Raipur 5 works : Rs.1.29 lakh, Sehore 14 works : Rs.0.67 lakh and Ujjain 12 works : Rs.1.83 lakh). Amounts advanced to the agencies by the district head were booked as final expenditure under the scheme.

3.33.6 Implementation of the scheme

3.33.6.1 During 1993-94 to 1996-97, 18594 works costing Rs.177.15 crore were recommended by the concerned MPs of which only 15098 works (81 per cent) costing Rs.146.64 crore were sanctioned by District Collectors. Reasons for non-sanction of 3496 works costing Rs.30.51 crore were not on record.

3.33.6.2 Sanctions were to be accorded only on written recommendation of the MPs on their letter pads and under their signatures. According to the information furnished by Rajya Yojna Mandal Office, Bhopal, 4123 works were sanctioned for Rs.45.23 crore during 1993-94 (116 works : Rs.91.26 lakh), 1994-95 (1768 works : Rs.19.77 crore), 1995-96 (1846 works: Rs.19.95 crore) and 1996-97 (393 works : Rs.4.59 crore) without obtaining approval/proposal from the MPs. Expenditure on these works was unauthorised and needed regularisation.

3.33.6.3 According to the guidelines issued by Government of India, all works recommended by the Lok Sabha/Rajya Sabha member were required to be executed through Government agencies strictly following established procedures. In Raipur and Ujjain districts Rs.31.48 lakh and Rs.3.06 crore were released by the District Collectors for execution of 11 and 698 works respectively without obtaining technical sanction from

the competent technical functionaries in contravention of the provisions contained in the guidelines.

3.33.6.4 Repair works other than special repairs of restoration/upgradation of durable assets were not permissible under the scheme. In Ambikapur, Bhopal, Indore, Raipur and Rajnandgaon districts petty repair works like patch repair of roads, drinking water well, culverts, tube light, sodium lamps etc. were carried out in contravention of provision contained in the guidelines and an expenditure of Rs.1.54 crore was irregularly incurred on 127 such inadmissible works. On this being pointed out, it was stated that works were carried out on the recommendations of the MPs only.

3.33.6.5 Only developmental works of capital and durable nature based on locally felt needs were to be carried out under the scheme. It was however observed that in Bhopal and Sehore constituencies, 359 petty works of kharanja and kachcha roads costing Rs.0.05 to 0.15 lakh each were sanctioned and carried out at a cost of Rs.1.34 crore (during 1994-95 : Rs.1.29 crore and 1995-96 : Rs.4.95 lakh). Thus expenditure on creation of non-durable assets worth Rs.1.34 crore was not covered under the scheme.

3.33.6.6 According to the guidelines, the works taken up under the scheme should be completed within one or two working seasons. It was observed that 16 and 729 works taken up during 1993-94 and 1994-95 respectively were incomplete at the end of 1996-97 for more than two

years. In Bhopal, it was seen during test-check that out of 44 works selected for execution during 1994-95 and reported as incomplete actually 17 works (estimated cost Rs.23.14 lakh) had not been taken up as of May 1997. On this being pointed out it was stated that delay was caused due to land disputes, change of sites by MPs etc.

3.33.6.7 10 works taken up under the scheme (during 1994-95: 1 work; 1995-96: 7 works and 1996-97: 2 works) were abandoned/incomplete after incurring expenditure of Rs.10.08 lakh. The main reason for non-completion/abandonment was stated to be encroachment of site of work by public. Details of such works are given below :

(Rs. in lakh)							
Sl. No.	Year	Details of Project	Date of start	Date on which abandoned	Stage at which abandoned	Expenditure incurred	Reasons for abandonment/non-completion
1.	1994-95	1	26.3.1995 1994-95	2.8.1995	At plinth	0.32	Due to dispute of land
2.	1995-96	7	1995-96	1995-96	30%	9.15	Due to enroachment of land
3.	1996-97	2	1996-97	1996-97	30%	0.61	land
Total		10				10.08	

3.33.6.8 During the period from 1993-94 to 1996-97, 15320 proposals for work projects were received in 40 constituencies of which 8331 (54 per cent) were reported complete, 4921 (32 per cent) were in progress and 2168 proposals (14 per cent) had not been taken up for execution in subsequent years. Of the 4921 works in

progress 16 works since 1993-94, 729 works since 1994-95 and 1,839 works since 1995-96 were pending. Even though 8331 projects costing Rs.94.54 crore were reported to be complete no asset registers were found maintained at the district level.

3.33.7 Utilisation certificates in respect of only 1939 projects (15 per cent) involving an expenditure of Rs.16.30 crore (17 per cent) were received while expenditure of Rs.94.54 crore had been incurred as of 31 March 1997. Year-wise details of projects taken up, completed and expenditure incurred were as under :

(Rs. in lakh)

Sl. No.	Year	No. of projects	No. of projects completed	Funds released (Rupees in lakh)	Actual expenditure (Rupees in lakh)	No. of projects, year of issuing utilisation certificates
1.	1993-94	267	251	204.91	197.55	94 1993-94
2.	1994-95	4663	3934	5340.87	4808.23	853 1994-95
3.	1995-96	5628	3789	4522.83	3655.16	909 1995-96
4.	1996-97	2694	357	2110.14	793.05	83 1996-97
Total		13252	8331	12178.75	9453.99	1939

3.33.8 Other points of interest

3.33.8.1 Wasteful expenditure- Rs.1.44 lakh

An amount of Rs.2.00 lakh was sanctioned to Divisional Forest Officer (DFO), Satna for plantation of 19500 mango trees, whereas only 1038 trees had been planted, of which none survived. The entire expenditure was thus rendered wasteful.

3.33.8.2 Non-recovery of funds for cancelled works- Rs.17.55 lakh

In Bilaspur district 14 works costing Rs.17.55 lakh were cancelled during 1994-97. Amount released (Rs.17.55 lakh) for execution of these works was still lying with the executing agencies.

3.33.8.3 Excess expenditure over allotment- Rs.61.57 lakh

In Satna district Rs.77.00 lakh were allotted during each of the years 1994-95 and 1995-96 against which the expenditure incurred by the agency was Rs.1.00 crore and Rs.1.16 crore respectively. The excess expenditure was met by diversion of funds from other schemes of DRDA which was irregular. No reasons for excess expenditure over and above the allotted amount were intimated.

3.33.8.4 Irregularities in purchase of computers

In Raipur constituency 59 computers were purchased at the cost of Rs.29.80 lakh (January, February and May 1997) from firms on quotation basis without giving wide publicity as required under Rule 2(24) of MP Store Purchase Rules. The purchase of computers was not recommended by MP of the constituency. Out of the above, 5 computers costing Rs.3.34 lakh were being used for office work which was not permissible. The details of installation of the remaining computers were not made available to audit.

Similarly 25 computers worth Rs.37.70 lakh were purchased in Rajnandgaon (5- Rs.7.68 lakh), Durg

(5- Rs.7.62 lakh) and Bilaspur (15- Rs.22.40 lakh). In Bilaspur district advance payment of Rs.22.40 lakh was made to the supplier in February 1997, but computers were not supplied till July 1997.

The prescribed procedure of inviting tenders after giving wide publicity and effecting purchase at lowest rates was not adopted in these cases.

3.33.9 Monitoring, evaluation and reporting

3.33.9.1 The schedule of inspections required to be conducted by various levels was not prescribed at State/District level. The District Collector was required to inspect atleast 10 per cent of the works every year. The information regarding actual number of inspections conducted and works visited by District Collectors each year was not available. It was stated that agencies were asked by District Planning Officer to submit the details of the same, which were still awaited. Details of inspections conducted by senior officers of the implementing agencies to ensure execution of works as per prescribed specification and that these were progressing satisfactorily, were not on record.

3.33.9.2 The scheme was not evaluated at any time during 1993-94 to 1996-97 to see whether it was fulfilling its objective of area development in proper manner.

The matter was reported to the Government (September 1997). The Government stated (September 1997) that since the money was given directly to the Collectors, the reply would be furnished by Government of India. The reply was not tenable since for effective implementation of the works taken up under this scheme, each State Government/UT Administration were to designate one nodal department for physical monitoring through field inspection and for coordination with the Department of Programme Implementation, Government of India. The Heads of Districts were to visit and inspect atleast 10 per cent of these works every year. Similarly, the senior officers of implementing agencies were responsible for regularly visiting the work spots and ensure that the works were progressing satisfactorily as per the prescribed procedures and specifications. Likewise, officers at the sub-divisional and block level were to closely monitor the implementation of these works through visits to work sites. The Head of the District was to also involve the Members of Parliament in such inspections and monitoring to the maximum extent feasible and also furnish monitoring reports once in two months to the MPs and the Department of Programme Implementation, Government of India.

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

3.34 Integrated audit of Public Health and Family Welfare Department

3.34.1 Introduction

In the State, there is a multi tier health and family welfare services delivery system. This system consists of sub-health centres, primary health centres (PHC), community health centres (CHC), civil hospitals, district hospitals and other special health care institutions like leprosy homes, cancer hospitals and teaching hospitals attached to medical colleges etc. In order to promote people's participation in health and family welfare activities, community level volunteers such as traditional birth attendants and Jan Swasthya Rakshaks have been identified and trained to promote population participation in health related activities.

In Madhya Pradesh there were 42 district hospitals, 77 Civil dispensaries, 191 CHCs, 299 Block PHCs, 1542 Sector PHCs, 11936 Mini-PHCs and 225 other hospitals (March 1997).

3.34.2 Organisational set-up

The Public Health and Family Welfare

Note: The abbreviations used in this review are listed alphabetically and expanded in Glossary at Appendix XVI (Page 356).

Department (Department) is headed by Principal Secretary. The Directorate was managed and controlled by (i) Commissioner (Health), (ii) Director, Medical Services (DMS), (iii) Director, Public Health and Family Welfare (iv) Director, Epidemic Control, (v) Director, Information, Education and Communication (I.E.C), (vi) Director, Danish International Development Agency (DANIDA) and (vii) Controller, Food and Drugs at the State level, assisted by Joint Directors, Health Services (JDHS), at the divisional level and Chief Medical and Health Officers (CMHO) at the district level. DMS is the coordinating authority for the activities of all the directors and is also in charge of the budgetary coordination and control.

3.34.3 Audit Coverage

Test check of records for the period 1994-95 to 1996-97 was conducted during April 1997 to August 1997 in the Offices of Director, Medical Services and 11 CMHOS* of the 47 CMHOs in the State. The results of test-check are mentioned in succeeding paragraphs.

3.34.4 Highlights

-- The budget proposals were prepared in absence of monthly expenditure returns, budget estimates and nominal rolls from the Drawing

* Ambikapur, Barwani (Khargone), Bhopal, Hoshangabad, Indore, Jabalpur, Mandsaur, Morena, Raipur, Shahdol and Shajapur.

and Disbursing Officers on the basis of assumed figures. There was lack of expenditure control as the DDOs were not maintaining expenditure control registers and were either not submitting monthly expenditure returns or were sending these returns late.

(Para 3.34.6.1, 3.34.6.2 and 3.34.6.8)

-- There were cases of drawal of funds in excess of allotment under specific schemes/programmes resulting in excess withdrawals of Rs.50 lakh and above. Supplementary provisions of Rs.13.35 crore and Rs.12.01 crore during 1994-95 and 1995-96 respectively proved un-necessary due to inability to spend the allotments.

(Para 3.34.6.3 and 3.34.6.4)

-- There were a large number of schemes/programmes with persistent savings. In 5 cases, expenditure fell short by Rs.1 crore and above during 1994-95 and 1995-96. There were 11 schemes/programmes involving substantial savings of Rs.5 crore and above.

(Para 3.34.6.5)

-- Rs.48.69 crore were drawn in the last month of the financial year and kept in Deposits (K-Deposit-8443) to avoid lapse of budget appropriations during 1994-97.

(Para 3.34.6.9)

-- Rush of expenditure to the extent of 45 and 100 per cent of allotment under various sub-heads in March during 1996-97 was noticed.

(Para 3.34.6.10)

-- Excess grants-in-aid amounting to Rs.1.49 crore were paid to two institutions during 1994-97.

(Para 3.34.6.14)

-- There was a shortfall of doctors in the State to the extent of 30 per cent. 18 to 100 per cent of PHCs were working without doctors in the test-checked districts.

(Para 3.34.7)

-- Expenditure on purchase of medicines without budget provision resulted in pending bills of Rs.79.94 lakh in test-checked districts.

(Para 3.34.8.2)

-- Instances of purchase of banned medicines worth Rs.22.72 lakh were noticed.

(Para 3.34.8.3)

-- 20 to 59 per cent of X-Ray machines were lying unserviceable. As against Rs.6.68 crore sanctioned for purchase of 294 X-Ray machines, only 65 machines valuing Rs.1.27 crore were purchased.

(Para 3.34.9.1 and 3.34.9.3)

-- Though Rs.6.48 crore were sanctioned for purchase of 216 ambulances no ambulance was purchased even after a lapse of more than 2

years. 10 to 46 per cent vehicles were out of order in test checked districts.

(Para 3.34.10.1 and 3.34.10.2)

-- Non-utilisation of funds amounting to Rs.4.06 crore under externally aided project "Control of Blindness" was noticed.

(Para 3.34.11.1)

-- The working of the hospitals in the State was not monitored at any level.

(Para 3.34.12)

3.34.5 Financial outlay

The department incurs expenditure under two Major Heads, "2210 Medical and Public Health" and "2211-Family Welfare".

The details of allotment and expenditure as per figures booked by the Accountant General were as below:

(Rupees in crore)			
Year	Allotment	Expenditure	Excess (+) / Savings (-)
1993-94	376.97	360.43	(-)16.54
1994-95	439.59	393.23	(-)46.36
1995-96	482.35	403.30	(-)79.05
1996-97	547.21	500.17	(-)47.04

The department attributed the savings to non adjustment of cost of material receivable from Government of India for which budget provision had been

made, but the details of cost of material were not available with the department.

Despite overall savings against total allotments in all the three years large number of excess withdrawals over allotments under certain sub heads were noticed during these years as brought out in succeeding paragraphs.

3.34.6. Financial management and control

3.34.6.1 Budgetary procedure and practices

Annual budget estimates (BEs) were to be prepared in September-October of the preceding year. Every head of office was required to prepare budget estimates in respect of salaries and contingent expenditure. In respect of hospitals, requirement of medicines, diet, equipment, hospital contingencies, etc. were to be worked out. Only the expenditure on sanctioned posts and the existing budget items were to be included in budget estimates. For new items, separate proposals with full details were required to be made on a form called schedule of new demands. The budget estimates were required to be based on actual expenditure for the 5 preceding months (upto August) and estimated figures of expenditure for remaining 7 months (September to March).

During the year 1996-97 monthly expenditure statements upto August 1996 had been received from only 12 of the 47 CMHOS. Similarly, out of 90 institutions budget proposals from 22 institutions and nominal

rolls* from 16 institutions were received. The position was similar during 1994-95 and 1995-96.

Since the nominal rolls were not received from all the institutions, the budget proposals were based on assumed figures. Director stated (August 1997) that despite repeated instructions for submission of Monthly Expenditure Returns (MER), Budget Estimates (BE) and Nominal Rolls were not submitted by the districts and consequently budget provisions for them were being made by giving an increase of 2 to 5 per cent on the previous year's figures of budget allotments.

3.34.6.2 Non-maintenance of records relating to Budget Control

(a) Budget control register showing the position of budget allotment, expenditure against the allotment, flow of expenditure sub-head wise, excess/savings/surrenders etc. were not maintained except for Major Head 2211 which was also incomplete.

(b) Control registers in respect of receipt of Monthly Expenditure Reports (MER), Nominal Rolls, Budget proposals and excess/saving and surrenders statements were incomplete for Major Heads 2210-Medical and 2211-Family Welfare, as the above reports were either received late or not received from CMHOs.

(c) As a result of the MERs not being received regularly from the D.D.Os information about the total

* Nominal roll contain information regarding no. of sanctioned posts and details of vacant posts required for preparation of BEs of pay of establishment.

expenditure and progressive expenditure DDOs wise was not available in time.

(d) Copies of allotment of funds were not being endorsed to Treasury Officers (TOs) concerned by DMS resulting in excess expenditure over the allotment by the Department. DMS while giving allotments every time had directed DDOs to make available copies of allotments to TOs which were not made available to them by any of the DDOs in test-checked districts. However, TOs depended on whatever DDOs had shown as allotment in bills submitted for payment.

This indicated lack of proper control and monitoring resulting in (i) heavy excesses over the allotment under certain sub-heads (ii) withdrawal of funds without provision and (iii) unrealistic supplementary provision etc.

3.34.6.3 Excess withdrawals over budget allotment

(a) Funds were drawn in excess of budget provisions during 1994-95 to 1995-96 with excess withdrawals ranging between Rs.50.57 lakh and Rs.5.11 crore. The details are given in Appendix-XII.

In 6 CMHOs[#] a number of cases of excess withdrawals ranging between Rs.0.50 lakh and Rs.37.60 lakh were noticed under various sub-heads, schemes and programmes. CMHOs replied (April-June 1997) that most of the excess withdrawals were due to increase in DA of the staff. The reply was not tenable since the excess could be regularised by supplementary grant.

[#] Ambikapur, Barwani, Bhopal, Hoshangabad, Raipur and Shahdol

(b) In Ambikapur, Rs.44.34 lakh (Rs.13.42 lakh: 1994-95; Rs.13.08 lakh: 1995-96 and Rs.17.84 lakh: 1996-97) were paid as Tribal Allowance to the staff of CMHO without any budget allotment.

3.34.6.4 Unnecessary supplementary provision

Scrutiny of grant No. 19 during the years 1994-95 and 1995-96 as per Appropriation Accounts revealed that:

(i) the actual expenditure was less than even the original provision and hence supplementary provision of Rs.13.35 crore and Rs.12.01 crore made during 1994-95 and 1995-96 respectively proved unnecessary.

(ii) while savings of Rs.14.86 lakh and Rs.45.00 lakh only were anticipated and surrendered only on 31st March 1995 and 31st March 1996 respectively, the actual savings were Rs.37.83 crore and Rs.72.91 crore.

(iii) supplementary provision of Rs.2.50 lakh made during 1995-96 under charged head was unnecessary as the entire provision of Rs.11.50 lakh remained unutilised.

(iv) there were a number of schemes/programmes (sub heads) where supplementary provision proved unnecessary during 1994-95 and 1995-96 because of the final savings ranging between Rs.3 lakh and Rs.37.87 crore. DMS replied (August 1997) that the supplementary provision could not be utilised due to late receipt of

sanction for expenditure or ban imposed on withdrawals by Government.

3.34.6.5 Persistent savings

(a) In 5 cases (under Grant No. 19 and 61) the expenditure during 1994-95 and 1995-96 fell short by Rs. 1 crore and above ranging between 16 per cent and 96 per cent of the total allocation. In CMHO, Indore there were persistent savings of Rs.8.80 lakh, Rs.9.14 lakh and Rs.7.67 lakh against allotment of Rs.9.20 lakh, Rs.9.79 lakh and Rs.9.48 lakh under Gandhi Basti Mobile Unit during 1992-93, 1993-94 and 1994-95 respectively due to non posting of staff under the scheme. Similarly under Grant No.61 sub-head 'Externally Aided Projects', pertaining to Public Health and Family Welfare, there were persistent savings during last 3 years 1993-94 to 1995-96 ranging between Rs.1.67 crore and Rs.14.16 crore.

(b) In 11 cases* substantial savings of Rs.5 crore and above (upto 100 per cent of the provision) were noticed during 1994-95 and 1995-96, due to non adjustment of cost of material received from Government of India.

* 1994-95 : Grant No.-19, Public Health and Family Welfare (PHFW) Rs.12.50 crore, immunisation : Rs.6.15 + Rs.6.15 crore, other Services and Supplies : Rs.12.50 crore

1995-96 : Grant No.-19 : Public Health and Family Welfare; Maternity and Child Health : Rs.5.50 crore, other services and supplies : Rs.14.50 + Rs.14.50 crore; Immunisation : Rs.6.50 crore + Rs.6.50 crore; Malaria : Rs.9.00 crore; Maternity and Child Health : Rs.5.50 crore.

DMS further replied (August 1997) that savings under some sub head were on account of the MERs, BEs and Nominal rolls not being received in time on account of which the budget estimates were prepared on the basis of budget allotment of previous years.

3.34.6.6 Non-accounting of revenue receipts in Government account resulting in excess demand in budget estimates

Government rules provide that budget estimates sent to the head of the department should include revenue receipts of the hospital viz. revenue from X-Ray charges, pathology charges, private wards, doctor's board fee etc. by reducing it from the estimated expenditure of that unit. In CMHOs, Bhopal, Hoshangabad and Shahdol revenue of Rs.18.2 lakh realised during 1994-95 to 1996-97 was not deposited in Government account. Instead the revenue was deposited with "Red Cross Society" or "Rogi Kalyan Samiti", by CMHOs both of which were non-government bodies. Even after being pointed out by audit, no action was taken to effect recovery.

While forwarding budget proposals the revenue receipts were not deducted from the estimated expenditure of the respective years. Thus revenue realised from the above sources remained out of Government account. The Director accepted the facts (July 1997) and stated that in future proper check would be done at directorate level.

3.34.6.7 Non/late submission of excess/savings, surrender statements and nominal rolls

(a) Each DDO was to review well in advance the position of savings and excesses against allotment and submit statement of savings/surrenders and demand for additional funds, if required, in January based on the actual expenditure upto December to the Controlling Officer to enable him to make necessary re-appropriation within the same grant during that year.

In 1996-97, of the 47 CMHOs, only 5 CMHOs sent the saving and surrender statements in time, 20 CMHOs did not send the statements and the remaining 22 sent them late.

For CMHOs, Hoshangabad, Shahdol and Bhopal there were huge differences between actual progressive expenditure in MER and that reported to DMS, ranging between Rs.0.10 lakh and Rs.90.64 lakh during 1995-96 and 1996-97.

(b) Nominal rolls required to be received in June were not received from 32 district CMHOs during 1996-97. The position was similar in other years.

3.34.6.8 Expenditure control

In order to have control over expenditure, each DDO was required to furnish MERs to the Head of the Department on the 10th of the following month. Test-check of MERs and account records for the period 1994-95 to 1996-97 of 6 CMHOs* revealed the following points.

* Barwani, Hoshangabad, Jabalpur, Mandsaur, Raipur and Shahdol

- (i) In none of the test-checked districts expenditure control register was maintained properly.
- (ii) MERs were either not sent or were sent late by 2 to 166 days. CMHOs stated that due to shortage of staff and heavy number of bills MERs, could not be prepared and submitted in time.
- (iii) Expenditure of Rs.1.81 lakh incurred in May 1996 in Shahdol district was not reflected in MER sent to the Directorate.
- (iv) In Raipur district MER for March 1996 showing expenditure of Rs.4.48 lakh under MH-2211-FW was not sent to Directorate.
- (v) In Mandsaur and Raipur there were discrepancies in MERs and the figures reported to the Directorate.

3.34.6.9 Keeping of funds amounting to Rs.48.69 crore under Civil Deposit

- (i) The financial rules of the government prohibit drawal of money from the treasury unless it is required for immediate use. Funds amounting to Rs.48.69 crore were drawn during 1994-97 for various purposes viz., purchase of medicines and kits, machines and equipment, vehicles, X-Ray machines etc. by DMS and kept under Civil-Deposits for periods ranging between 5 months and 3 years. It was noticed that the sanctions

were generally issued on the last day of the financial year and the funds kept under Civil Deposit to avoid lapse of budget grants. Such premature drawal of money not only inflated the expenditure figures but also adversely affected the implementation of programmes/schemes which could not be implemented for lack of funds. Rs.39.52 crore* were still lying in balance under Civil Deposits (August 1997) which included Rs.5.80 crore pertaining to Centrally Sponsored Scheme (Indian Population Project - 6) in contravention of guidelines of the scheme issued by Government of India. The programme had since been closed (March 1997).

3.34.6.10 Rush of expenditure

(i) Government rules enjoin that there should not be unnecessary rush of expenditure at the fag end of the financial year just to avoid lapse of budget grant. Almost all CMHOs test checked had incurred heavy expenditure on purchase of medicines, equipment, material and supplies in March during 1994-95 to 1996-97 the expenditure in March alone ranged between 45 and 100 per cent of the allotted funds under various sub-heads.

(ii) Similarly in Directorate also, heavy expenditure in the month of March 1997 (74 per cent of the total expenditure of Rs.9.73 crore) was incurred on purchases.

* Rs.4.97 crore: 1993-94; Rs.15.31 crore: 1994-95 and Rs.19.24 crore: 1996-97.

3.34.6.11 Retention of heavy cash balances

Financial rules provide that head of Administrative Department should exercise an effective control over expenditure and all undisbursed amounts for more than three months should be remitted into treasury.

(i) It was noticed that heavy cash balances ranging between Rs.6.16 lakh (July 1994) and Rs.1.16 crore (March 1997) were kept at the end of each month during 1994-95 to 1996-97 by the DMS. Although cash balance was being analysed every month DDO failed to reduce the cash balance.

(ii) No balance was to remain under 'Contingency' head at the end of the financial year i.e. March. Heavy cash balances ranging between Rs.6.55 lakh and Rs.78.58 lakh were kept under 'Contingency' at the end of the financial years during 1994-97*.

DMS replied (August 1997) that due to receipt of budget allotment at the end of the financial year bankers cheques were issued instead of cheques/banks drafts in favour of firms/institutions. Payments continued to be made even after the close of the financial years.

3.34.6.12 Retention of government funds out of Government account Rs.21.75 lakh

Government conveyed (January 1996) its acceptance to CMHO, Indore, to carry out family Welfare operations without payment of compensation to the

* 1994-95: Rs.6.55 lakh, 1995-96: Rs.40.07 lakh, 1996-97: Rs.78.58 lakh

beneficiaries under Family Welfare Programme. Rs.21.75 lakh (Rs.18.75 lakh Central Share and Rs.3 lakh State share) provided under budget were drawn (March 1997) and kept in bank. The amount was shown as final expenditure. Keeping of central assistance amounting to Rs.18.75 lakh in bank was irregular.

3.34.6.13 Lapse of budget provision

All anticipated savings were to be surrendered as soon as possibility of savings was envisaged. In 5 test checked districts* substantial savings of Rs.24.46 lakh during 1994-97 were not surrendered resulting in lapse of budget on account of non-maintenance of expenditure control registers which was indicative of improper monitoring by the DDOs.

3.34.6.14 Excess payment of grant-in-aid

Grants-in-aid could be given both for recurring and non-recurring purposes. While non-recurring grant was to be limited to 50 per-cent of the cost of construction of building and purchase of furniture and equipment, the recurring grant was admissible to the extent of 75 per cent of the difference between the expenditure and receipts of the institutions during the year. These rules could be relaxed by issue of an order, special or ordinary, in

* Barwani : Rs.1.39 lakh (1995-97), Bhopal :Rs.8.77 lakh (1994-97), Mandsaur : Rs.13.30 lakh (1994-97), Raipur : Rs.0.75 lakh (1995-96), Shahdol : Rs.0.25 lakh (1996-97).

terms of Rule 3 (19) of Grant-in-Aid rules 1968. DMS sanctioned excess grant-in-aid amounting Rs.1.83 crore to two institutions, namely, Jan Vikas Nyas and Cancer Hospital**, Gwalior and Cancer Seva Samiti***, Bhopal during 1994-97. Of this Rs.33.81 lakh were recovered from Jan Vikas Nyas and Cancer Hospital, Gwalior at the instance of audit. No ordinary or special order relaxing the rules, as per requirement of the grant-in-aid rules in force were issued by the Government. Due to the excess payment of grant-in-aid amounting to Rs.1.49 crore there was loss of interest of Rs.13.69 lakh (@ 7 per cent at the end of March 1997).

3.34.6.15 Quality of accounts

(i) Test-check of quality of accounts of the Department compiled in Office of the Accountant General (Accounts and Entitlement) revealed that 594 vouchers of Rs.68.30 lakh under Major head 2210 - Medical and 2211 - Family Welfare were not received from treasuries during 1994-95 to 1996-97. The amount was being reflected in the objection book (June 1997). The possibility of over payment could not be ruled out.

(ii) Rs.19.24 crore were drawn by DMS during March 1997 and transferred to Civil Deposits to avoid lapse of budget allotment. The amount had not been withdrawn till June 1997.

** Jan Vikas Nyas and Cancer Hospital, Gwalior
1994-95- Rs.29.72 lakh, 1995-96-Rs.33.81 lakh
and 1996-97-Rs.64.67 lakh.

*** Cancer Sewa Samiti Bhopal 1994-95-Rs.25 lakh,
1996-97-Rs.30 lakh.

3.34.7 Human Resource Management

(a) As against 7228 sanctioned posts of doctors (Assistant Surgeons, Dental Surgeons, Specialists etc.) in the Directorate, 5028 doctors were on actual working strength as on 31st March 1997 resulting in shortage of 30 per cent. Similarly of the 2723 sanctioned posts of compounders there was shortage of 560 compounders (21 per cent).

(b) Out of 1542 sector PHCs, 462 PHCs (30 per cent) were functioning without doctors in the State.

(c) In the test checked districts, the shortfall in the working strength of doctors (Class-I and Class-II) ranged between 20 per cent and 40 per cent. The CMHOs attributed the shortfall to non-posting of doctors by Government.

In 9 test checked CMHOs*, out of 470 Sector single doctor PHCs, 202 PHCs were functioning without doctor for periods ranging between 1 year and 4 years. The number of such PHCs in the test-checked districts ranged between 18 per cent and 100 per cent where only compounder level workers were looking after medical care services of the rural population and hence could not be termed as functional. Expenditure on pay and allowances on other staff viz. Compounder, Male worker, Dresser and Ward boy etc. posted in these sector level

* Ambikapur, Barwani, Hoshangabad, Jabalpur, Mandsaur, Morena, Raipur, Shahdol and Shajapur.

PHCs to the extent of Rs.3.78 crore during 1994-95 to 1996-97 was thus not fully utilised.

3.34.8 Inventory control and purchase of medicines

3.34.8.1 Annual Stores and Stock Accounts were required to be prepared according to the instructions issued by Public Health and Family Welfare Department from time to time. None of the CMHOs of the test-checked districts had prepared annual stores and stock account from 1994-95 and sent to the DMS.

3.34.8.2 Government rules prohibit purchase of medicines or incur any liability in anticipation of budget provision. However, 6 CMHOs** purchased during 1994-97 medicines worth Rs.79.94 lakh for which no allotment was available resulting in liability of Rs.79.94 lakh in the subsequent years.

DMS replied (August 1997) that show cause notices were being served to the defaulting officers.

3.34.8.3 Government of India, Ministry of Health and Family Welfare had banned (17 December 1996) the purchase of tablets and injections having combination of Analgesic with Antispasmodic drugs. Similar orders had also been issued (10th January 1997) by the Controller of Food and Drugs Administration, Bhopal.

** Barwani, Bhopal, Hoshangabad, Morena, Mandasaur and Shahdol

Orders for supply of medicine kits containing aforesaid banned medicines were placed (1 November 1996) with Laghu Udhog Nigam (LUN), a State Government undertaking with stipulated date of supply as 15th December 1996. Since LUN showed its inability to supply medicines by 15th December 1996, DMS on 28th January 1997 extended the date of supply upto 10th February 1997 with the directions to supply drug kits with or without Analgesic-Antispasmodic tablets/injections (banned medicines). Accordingly LUN also directed its suppliers (28th January 1996) to supply the drug kits as per the order placed. LUN supplied banned medicines worth Rs.22.72 lakh after the date of imposing ban on the above combination of medicine tablets and injections. Test check of 2 CMHOs (Indore and Ujjain) revealed that the banned medicines had been used in PHCs/CHCs and Civil Dispensaries (October 1997)

DMS stated (August 1997) that the sales of the aforesaid combination of Analgesic with Antispasmodic drugs had not been banned by the Government at the time of the placement of the supply order. The contention of DMS was not tenable since the extension for supply of medicines was granted after the ban orders.

Similarly Bhopal CMHO also purchased (April 1997) 50000 tablets of Analgesic with Antispasmodic combination for Rs.18,500 through LUN, CMHO stated (August 1997) that he was not aware of such orders of banned medicines.

3.34.8.4 Government instructions provide that medicines should be purchased from LUN and other articles like rolled bandage, mattresses/liveries etc. from M.P. State Textile Corporation (STC)/ M.P. State Bunkar Sahkari Samiti Maryadit/M.P. Khadi and Gramodhyog Board. Articles not available with these firms may be procured from private firms. However, 8 CMHOs* purchased medicines and other articles worth Rs.69.85 lakh from private dealers during 1994-95 to 1996-97 without inviting tenders or calling for quotations.

DMS replied (August 1997) that CMHOs were being warned not to repeat the mistakes in future and that their explanations were being called for.

3.34.9 Purchase and installation of X-Ray machines

3.34.9.1 Government sanctioned Rs.75.60 lakh and Rs.5.92 crore in 1993-94 and 1994-95 respectively for purchase of 294 X-Ray machines at the rate of Rs.1.70 lakh per machine for issue to 294 Primary Health Centres. DMS kept the entire amount (March 1994 Rs.75.60 lakh and March 1995 Rs.5.92 crore) under K-Deposits (8443-Civil Deposits not bearing interest), and placed orders (November 1996) for supply of only 65 machines (value Rs.1.11 crore) for those centres where dark rooms and electricity connections were reported to be available. The X-Ray machines were supplied in

* Ambikapur, Bhopal, Indore, Barwani, Shajapur, Morena, Shahdol and Mandsaur

January 1997. Even though sanction for payment for these 65 X-Ray machines was accorded in August 1997, payment had not been made. The entire amount was still lying in deposit. DMS also sanctioned (March 1997) Rs.16.25 lakh for purchase of accessories at the rate of Rs.25,000 for each X-Ray machine.

3.34.9.2 The position of installation of X-Ray machines in various PHCs in 4 test-checked district CMHOs as of June 1997 was as under :

Serial Number	Name of District	Number of X-Ray machines supplied	Number of X-Ray machines installed	Number of machines not installed
1.	Ambikapur	18	5	13
2.	Balaghat	7	--	7
3.	Morena	2	--	2
4.	Shahdol	1	--	1
Total		28	5	23

Out of 28 X-Ray machines, 23 (82 per cent) were not installed and were lying in packed condition (June 1997). Further out of 5 machines installed only 1 machine was functioning in Ambikapur. The CMHOs replied (April-June 1997) that the machines could not be installed due to non-availability of dark rooms and electricity connections. Similarly the posts of machine operators had not been sanctioned nor the machine operators were available at places where the X-Ray machines had been supplied. CMHOs had also purchased

accessories worth Rs.7 lakh in March 1997 which were lying idle.

3.34.9.3 In 4 CMHOs* test-checked, 9 to 85 per cent of CHCs/PHCs were without X-Ray machine** and 20 per cent to 59 per cent of X-Ray machines had been lying unserviced for 5 months to 4 years.

3.34.10 Purchase and utilisation of vehicles

3.34.10.1 Government sanctioned (31 March 1995) Rs.6.48 crore for purchase of 216 ambulances for 81 Block level PHCs and 135 PHCs falling under tribal and general category areas respectively.

Since the sanction had been accorded at the fag end of the financial year, the amount (Rs.6.48 crore) was drawn and deposited under 'K-Deposits', (Civil Deposits - non interest bearing). In May 1995 the Departmental Purchase Committee recommended purchase of 200 Jeep ambulances and 16 Tempo Traveller ambulances. Even after more than 2 years, due to non issue of sanction by Government for release of amount from Civil Deposits, ambulances had not been purchased and the amount was lying unutilised under Deposit (July 1997). Non-utilisation of funds deprived 81 Block level PHCs of tribal area and 135 PHCs of general category area of the facility of ambulance services.

* Ambikapur, Barwani, Mandsaur, and Shahdol.

** (85 per cent: Mandsaur, 71 per cent: Shahdol; 42 per cent: Barwani; 9 per cent Ambikapur).

Due to price escalation there would be an extra expenditure of Rs.2.17 crore as of June 1997 as compared to the DGS and D rates at the time of issue of Government sanction in May 1995.

The DMS replied (October 1997) that matter regarding release of amount from Civil Deposits was pending with Government.

3.34.10.2 10 to 46 per cent of vehicles allotted to 7 CMHOs** for implementation of various schemes/programmes were out of order for a period ranging between 1 month and 3 years as of March 1997.

The CMHOs replied (April-June 1997) that vehicles remained out of order due to lack of funds. It was further observed that most of the vehicles allotted to PHCs/CHCs could not ply to their maximum capacity because of shortage of drivers.

DMS stated (July 1997) that since the drivers were under the control of CMHO, the position was being enquired from them.

3.34.10.3 As per orders of Government all officers entitled to vehicles were to be allotted one vehicle only. The Director could utilise two vehicles as staff cars and the ministers were to be provided vehicles by the State Garage.

** Barwani, Bhopal, Hoshangabad, Morena, Raipur, Shahdol and Shajapur.

It was, however, observed that vehicles provided by Government of India, World Bank or other foreign agencies under various programmes/schemes being implemented by the Department were allotted to various officers/ministers without entitlement. One vehicle each was provided to Principal Secretary, Health Services, Director, Health Services, Director Public Health and Family Welfare, Director, Epidemic and State Minister of Health and three vehicles to the Minister, Health Services out of the vehicles meant for implementation of the schemes in addition to their entitlement, which was irregular.

3.34.10.4 Ambulances meant for carrying patients were misutilised by CMHOs Bhopal, Hoshangabad, Jabalpur and Shahdol for carrying doctors and para medical staff. Expenditure of Rs.8.27 lakh incurred on POL and repairs during 1994-97 was thus unfruitful.

3.34.10.5 The Department condemned five vehicles, received under various schemes/programmes from Government of India, in February 1997 although the vehicles had not completed the minimum prescribed mileage. Of these, 4 vehicles had not even covered 50 per cent of the prescribed mileage.

The Department stated (August 1997) that the vehicles had been condemned as per instructions of the Government of India because these were obsolete and their manufacture had been stopped by the manufacturers.

3.34.11 Programme Management.

3.34.11.1 Control of Blindness Project

The National Programme for Control of Blindness (NPCB) had been unable to prevent increase in the number of untreated cases because of financial, managerial and technical constraints. With a view to cope with the situation and upgrade the quality of cataract surgery, expand services to the under privileged sector and reduce the backlog of untreated cataracts, the project 'Control of Blindness' was launched in April 1994 with assistance from the World Bank.

(i) Out of the total assistance of Rs.10.51 crore released during 1994-97 under NPCB and World Bank Project the State Government had an unspent balance of Rs.4.06 crore (39 per cent) at the end of 1996-97.

(ii) There was shortfall in the number of cataract operations performed even though there was no paucity of funds. The position was as under:-

Year	Targeted number of cataract operations during the year	Achievement during the year	Percentage of shortfall
1994-95	2,00,000	1,60,567	20
1995-96	2,20,000	1,74,731	21
1996-97	2,50,000	2,12,954	15

Government had established 12 District mobile units (DMUs) during 1994-95. Only 6 CMHOs had furnished expenditure figures in respect of mobile units and in respect of the remaining units the amount allotted was treated as expenditure. Similarly during 1995-96, of 19 CMHOs provided with financial assistance under the project only 9 had furnished expenditure figures while in respect of the remaining 10 the amount allotted was taken as expenditure.

Even though over eighty per cent target was shown as achieved, no expenditure was incurred on purchase of medicines during the years 1994-95 to 1996-97. Reasons for performing cataract operations without purchase of medicines were not furnished to audit.

3.34.11.2 Jeewan Jyoti: Mobile Dispensaries Scheme

With a view to provide medical facilities to the tribal people living in the remote and inaccessible areas who could not take full advantage of existing health facilities available in urban localities, Jeewan Joyti Mobile Health Dispensaries Scheme (MHD) was launched during 1988-89 under the supervision and control of CMHOs.

Each MHD had to visit six hat bazars (weekly markets) in a block in a week to provide medical treatment on the spot and transport serious and emergent cases to hospitals where facilities for proper treatment existed. For this purpose each unit was provided with one vehicle.

The targeted number of visits, visits made and the percentage shortfall in the test checked CMHOs Barwani, Raipur and Shahdol were as under:

Name of District/ Mobile Health Dispensaries	Targeted number of visits in a year	1994-95		1995-96		1996-97	
		Achieve- -ment	Shortfall percentage	Achieve- -ment	Shortfall percentage	Achieve- -ment	Shortfall percentage
<hr/>							
1. RAIPUR							
(i) Gariaband	312	NA	--	33	89	40	87
(ii) Mainpur	312	NA	--	19	94	16	95
2. BARWANI (Khargone)							
(i) Rajpur	312	11	96	11	96	28	91
(ii) Bhikangaon	312	56	82	96	69	111	64
(iii) Parselmal	312	59	81	41	87	18	94
(iv) Bhagwanpura	312	64	79	28	91	55	82
(v) Maheshwar	312	40	87	42	87	89	71
3. SHAHDOL							
(i) Jaithari	312	58	81	70	78	Nil	100
(ii) Jaisinghnagar	312	240	23	131	58	25	92
(iii) Kotma	312	192	38	55	82	18	94

(i) Even though Rs.23.39 lakh (69 per cent of allotment) out of Rs.33.89 lakh on purchase of medicines, P.O.L. and material were utilised during 1994-97 there was shortfall in the number of visits ranging between 23 per cent and 100 per cent.

(ii) Vehicles allotted to 10 MHDs (Barwani 5, Raipur 2 and Shahdol 3) were either out of order or were being used for other purposes.

(iii) No separate records for expenditure on the scheme were maintained.

The CMHOs agreed that the achievement was low due to the vehicles remaining out of order most of the times and also that the vehicles were used for other programmes.

3.34.11.3 Vatsalya Yojna

The scheme 'Vatsalya Yojna' was launched in October 1991 with the object to improve medical facilities for poor women before and after pregnancy in order to reduce the number of death of new born children during and after delivery.

Budget allotment under the Scheme was provided from District Integrated Child Development Scheme (ICDS). Under the scheme landless women of rural areas were to be paid Rs.500 after first and second delivery only. The amount was to be paid immediately after delivery by opening a saving account in Post Office or Bank near her village. If facility of bank or post office was not available the payment could be made in cash under special circumstances with the permission of the Collector.

Test check of records of CMHO, Barwani, Hoshangabad, Raipur and Shahdol revealed the following:

(i) Rs.8.99* lakh were paid during 1994-97 in cash without obtaining permission of Collector, instead of through post office or bank.

(ii) Rs.6.17** lakh were paid late by 2 to 3 years thus defeating the purpose of providing immediate relief just after the delivery to the beneficiaries. The payments were made without verification of registration number of government hospital / centre where the delivery took place, name of the centre of delivery, and name in survey list of persons below poverty line.

Reply of DMS was awaited (August 1997).

3.34.12 Inspection and Monitoring

The M.P. Medical Manual enjoins upon the DMS to inspect once a year a District Hospital and issue inspection note to the CMHO. Compliance report on the inspection note was to be furnished by the CMHO within 2 months. CMHO was required to inspect every month one branch of the District Hospital so that each branch gets inspected once in every six months.

No such inspection was conducted by the Director and CMHO in the test checked districts. It was, however, replied by DMS (August 1997) that inspections were conducted by senior officers of the

* Barwani:Rs.3.33 lakh; Hoshangabad Rs.2.16 lakh; Raipur Rs.2.74 lakh; Shahdol Rs.0.76 lakh.

** Barwani:Rs.3.33 lakh; Hoshangabad Rs.2.17 lakh; Raipur Rs.0.43 lakh; Shahdol Rs.0.24 lakh.

Directorate from time to time, but no inspection notes were issued.

3.34.13 Position of Outstanding Inspection Reports/Audit Reports

(a) A detailed analysis of the position of Outstanding Inspection Reports (IRs) relating to the Department revealed that 361 IRs containing 718 paragraphs involving an amount of Rs.28.84 crore issued upto September 1996 and not settled till the end of March 1997 were outstanding. In most of the cases even first reply of the IRs was not furnished by the Department. The year-wise position of outstanding IRs and paras was as under :

Year	Number of IRs	Number of out-standing paragraphs	Amount involved (Rs. in lakh)
1990-91	65	79	546.07
1991-92	69	75	368.43
1992-93	51	66	338.03
1993-94	08	08	196.68
1994-95	50	58	247.82
1995-96	65	223	660.00
1996-97	53	209	527.26
Total:	361	718	2,884.29

A High power Committee in consultation with the State Government was constituted for the purpose for settling Inspection Reports and its paras. During

the period 1994-95 to 1996-97 only 2 meetings (October 1995 and January 1997) of High Power Committee were held and as a result of these meetings Inspection Reports containing 240 paras were settled.

(b) 27 paragraphs / reviews of the Department appeared in Audit Reports during 1989-90 to 1995-96 of which reply of 22 audit paras/reviews had not been received. Out of these 27 paras, 13 paras were selected by PAC for oral discussion but none of the paras had been discussed (October 1997).

Action taken notes were awaited on 18 paras relating to the period 1980-81 to 1985-86 which were discussed by PAC (October 1997).

The matter was referred to Government in September 1997; reply had not been received (October 1997).

3.35 Irregular financial assistance to a voluntary organisation

Government of India (GOI) launched in September 1976 the "National Programme for Prevention of Visual Impairment and Control of Blindness" (Programme). Under this programme, camps were to be organised in rural areas to provide comprehensive eye-care and medical and surgical treatment for prevention and control of eye diseases. Voluntary organisations holding such camps were entitled to financial assistance for conducting intraocular operations

(Operation) and post operative care for the patients. As per the GOI guidelines the camp should be held at a place where no such camp was organised during the last 3 months.

Chief Medical and Health Officer (CMHO) Satna granted permission to conduct eye camps in the Janki Kund Hospital (Hospital) Chitrakoot run by a voluntary organisation (organisation) during the period from 1986-87 to 1994-95. Financial assistance amounting to Rs.91.89 lakh was paid to the organisation for these years. It was noticed in audit that the camps were organised in a regular hospital and not in rural areas and without observing the condition that no such camp was organised during the last 3 months. Director, Medical Services (DMS) had, on the recommendation of CMHO, granted special permission for organising the camps in the Hospital in 1986-87 (8617 operations) and 1987-88 (10859 operations).

CMHO Satna stated that the organisation was eligible for the financial assistance and sanction had been accorded by the head of department from time to time. The reply was not tenable since there was no provision in the guidelines for granting special sanction and the camps organised did not fulfill the conditions laid down in the guidelines.

Thus, the financial assistance of Rs.91.89 lakh given to voluntary organisation was irregular and not covered under the rules issued by GOI.

The matter was referred to Government in April and October 1996; reply had not been received (October 1997).

3.36 Idle Health Workers Training Centres

Twenty two Female Health Workers Training Centres (Centres) had been functioning in the State since September 1980 for imparting induction training to female health workers. The number of Centres was increased to 26 in the year 1982 and to 36 in the year 1988.

Director, Medical Services (DMS) issued instructions (April/December 1988 and June 1989) to discontinue the induction training for female health workers. He subsequently ordered (October 1989) to start a 10-days refresher course every month for all Auxillary-Nurse-Midwife/Female Health Workers. This course was required to be conducted by the tutors engaged in the Centres. Following a decision to restructure the Centres (December 1993), 19 out of 36 centres were converted into Male Multipurpose Health Workers Training Centres to train 2824 Male workers and 4 centres were merged with the remaining 13 female centres.

Four of these training Centres on which an expenditure of Rs.65.87* lakh had been incurred by way

- * Bhind : Rs.15.53 lakh; July 1989 to March 1994
(except January 1991 to June 1992)
Dhar : Rs.13.59 lakh; April 1994 to March 1997
Panna : Rs.25.03 lakh; April 1989 to March 1997

of pay and allowances of staff did not conduct any training activity during the period from April 1989 to March 1997.

The concerned CMHOs and Superintendent D.K. Hospital Raipur stated that due to non receipt of instructions regarding continuation of training from the Director, the training programmes could not be organised and that despite bringing the matter to the notice of higher authorities, no action was taken by DMS/Government to deploy/adjust the idle staff.

Thus, due to lack of proper planning, expenditure of Rs.65.87 lakh incurred on pay and allowances of staff of training Centres proved infructuous.

The matter was referred to Government in November 1996; reply had not been received (October 1997).

3.37 Functioning of Health Centres without doctors

With a view to provide medical care and health facilities to the public living in rural areas of the State, Primary Health Centres (PHCs) and Mini PHCs were established. According to staffing pattern certain staff including one doctor under Minimum Need Programme was to be provided in these PHCs.

Raipur : Rs.11.72 lakh; September 1994 to March 1997

Test check revealed that 8 PHCs in Dhar district since August 1994, 10 PHCs from March 1991/August 1996 till date (April 1997) and 2 PHCs from August 1994 and January 1996 in Satna district had functioned without any doctor till the posting of doctors in January 1997. The patients could not have benefited from these PHCs in the absence of doctors while an expenditure of Rs.60.70 lakh had been incurred on account of pay and allowances of staff during March 1991 to March 1997.

The Government stated (October 1997) that 46 out of 52 posts in Dhar District and 42 out of 47 posts of doctors in Satna had been filled up in June 1996 but due to various reasons the doctors got their transfers cancelled or proceeded on long leave. As a result the posts remained vacant. It was further stated that compounders were capable of providing first aid and necessary guidance to patients. It was also stated that suitable measures for posting of doctors in PHCs were being taken. The reply was not tenable as a compounder was not legally authorised to prescribe medicines.

Thus, due to non-posting of doctors, the desired assistance had not been given to the patients and the expenditure of Rs.60.70 lakh in 20 PHCs in Dhar and Satna districts on pay and allowances of the staff was largely infructuous.

3.38 Unnecessary liability of electricity charges of Rs.24.22 lakh due to improper assessment of contract demand and non-payment of electricity bills

A hundred bedded hospital 'Indira Gandhi Mahila Evam Bal Chikitsalaya' (IGMBC) for gas victims was constructed (June 1994) in the premises of Sultania Zanana Hospital Bhopal at a cost of Rs.6.13 crore by Gas Relief and Rehabilitation Department (GRRD). As of April 1997, the possession of the hospital building had not been taken over by the GRRD on account of various construction defects. The Superintendent, Sultania Zanana Hospital, Bhopal (Superintendent) on the directions of the Government entered into an agreement (June 1994) with Madhya Pradesh Electricity Board (MPEB) for a High Tension connection (HT) of 800 KVA load. Since the new hospital had not started functioning, the office of Superintendent IGMBC was accommodated on the ground floor of the building. The out patient department, however, had not started functioning for want of requisite staff.

The actual consumption of electricity was far below the contracted demand. The electricity bills were being received in the name of Superintendent but payment was not being made as it had to be made by GRRD. The accumulated liability including surcharge for low power factor and non-payment of bills so far (March 1997) amounted to Rs.24.22 lakh. Chief Medical and Health Officer - Gas Rahat intimated (April 1997) that as against the contracted demand of 800 KVA load, the present demand was for only 100 KVA which would go upto 400 KVA after the hospital started functioning.

This indicated that the contracted demand was much in excess of required demand. Had the demand been properly assessed, huge liability for payment of electricity charges without actual consumption could have been avoided. The Superintendent stated (April and August 1997) that all the electricity bills were being sent to IGMBC for payment and action for resolving the problem of payment of bills was in hand.

Thus, improper assessment of contract demand for HT power supply and non-payment of bills resulted in accumulated liability of electricity charges worth Rs.24.22 lakh till March 1997.

The matter was referred to Government in April 1997; reply had not been received (October 1997).

3.39 Defalcation of Rs.18.78 lakh

Rule 167 of the Madhya Pradesh Treasury Code Volume-I inter-alia, contemplates that Treasury Officer should check the arithmetical computations on the bills, so as to prevent any fraudulent drawal due to arithmetical inaccuracy made wilfully or kept inadvertently in the bills presented for payment. Further, Rules 53 (ii) and 291 ibid, require that the officer-in-charge of the cash book should (i) attest all monetary transactions in the cash book in token of check and (ii) particularly examine the accounts once in a month to see reasons for possible excess over budget allotment.

In the office of Divisional Ayurved Officer, Jabalpur (DAO), it was noticed (September 1997) that

during June 1993 to July 1997 the amount of gross totals of the bills on account of pay and allowances of the staff was inflated and excess amount was drawn from treasury, accounted for in the cash book and shown as disbursed fictitiously. Test-check further revealed that the actual disbursement of pay and allowances of the staff during June 1993 to July 1997 worked out to Rs.1.95 crore against which Rs.2.14 crore were drawn from treasury and shown as disbursed. The excess amount of Rs.18.78 lakh were defalcated. During this period duties of both the Head clerk and Accountant were performed by the Head Clerk which facilitated the defalcation. DAO, Jabalpur while admitting the irregularity stated (September 1997) that as soon as the case came to notice in August 1997, an amount of Rs.1.92 lakh was recovered from the official responsible for defalcation and remitted (August 1997) into treasury.

Non-adherence to the instructions contained in Madhya Pradesh Treasury Code-Vol.I by the Treasury Officer and Divisional Ayurved Officer Jabalpur resulted in defalcation of Rs.18.78 lakh.

Matter was referred to Government in September 1997; reply had not been received (October 1997).

Public Relation Department

3.40 Ineffective renting/ non-renting of accommodation

Director, Public Relations has owned 935 sq.ft of space in excess of requirement at World Trade Centre, Colaba, Bombay since February 1981. Air-conditioning and service charges for the space were payable to World Trade Centre as per 99 years lease-agreement with them.

Out of this, 335 sq.ft was rented to Madhya Pradesh State Tourism Development Corporation (MPSTDC) with effect from March 1982 and 600 sq.ft to Madhya Pradesh Audyogik Vikas Nigam (MPAVN) with effect from December 1983, without execution of any agreement and without fixation of rent. Due to non-fixation of rent, no recovery could be made till December 1987. In January 1988, the rent was fixed at Rs.25 per sq.ft per month. Arrears of rent recoverable upto December 1987 at this rate worked out to Rs.13.21 lakh and at the rate of Rs.8375 and Rs.15000 per month from MPSTDC and MPAVN respectively with effect from January 1988. As against this, no recovery was ever made. The accommodation was vacated by MPAVN in November 1990. The total amount recoverable upto March 1997, thus, worked out to Rs.27.76 lakh (MPSTDC: Rs.15.16 lakh and MPAVN: Rs.12.60 lakh).

The area of 600 sq.ft vacated by MPAVN had not been utilised after November 1990. The loss of rent

on account of vacant accommodation even at the rate fixed in January 1988 worked out to Rs.11.40 lakh. In addition, an amount of Rs.3.51 lakh had been paid on account of air-conditioning and service charges to World Trade Centre resulting in a total loss of Rs.14.91 lakh on account of vacant accommodation.

While an amount of Rs.27.76 lakh on account of rent remained unrecovered, a loss of Rs.14.91 lakh had also been incurred on account of vacant accommodation.

Director, Public Relations stated (July 1996) that the matter regarding recovery of rent was under consideration at Government level and that he did not want to rent out the accommodation to any department/corporation in haste to avoid the recurrence of situation of non recovery of rent. Government while accepting the above facts stated (September 1997) that it would not be appropriate to say that any loss on account of vacant accommodation had occurred as the same was now being used by Information Centre and no proposal for renting out the accommodation was pending with the department. The reply was not acceptable in view of the fact that recovery had been pending for more than 8 years even after fixation of rent and the accommodation, which was in excess of requirement of Information Centre, had been lying vacant for more than 6 years.

Revenue Department

3.41 Non-recovery of printing and stationery charges due to non-observance of procedure

Government Regional Presses were established to provide stationery and printed material to the departments of State and Central Government situated within the state. Prior to 1976-77 printing and binding work of Government departments was being executed on non-commercial basis without charging any cost for the work. In order to bring economy in expenditure and efficiency in working of Government presses, Government decided (February 1976) that from 1976-77 printing work shall be executed on commercial basis and Government Departments were required to make payment for the work done from the budget allotments placed at their disposal. In cases of non-availability of allotment, concerned departments were required either to obtain advance from contingency fund or to obtain supplementary grants for payment for the work done. The departments were expected to make payment either through bank drafts, challan or in cash. Government reiterated the necessity of payments for printing/ stationery charges in December 1994.

Records (August 1996) of Controller, Printing and Stationery, M.P. Bhopal (Controller) revealed that Rs.63.73 crore (5 Presses: Rs.63.47 crore; 5 Government Stationery Depots: Rs.26 lakh) pertaining to the period 1976-1996 were outstanding for recovery against various departments of State and Central Government.

Controller stated (August 1996, March/September 1997) that letters were issued to the concerned departments from time to time and also by Principal Secretary, Revenue Department but these had not yielded any results. It was decided (June 1997) by Government that Printing Department would supply updated department wise details of pending bills to Finance Department which would also issue direction to all the departments to clear the pending dues within two months and the Administrative Department would accelerate the recovery proceedings.

Due to non-observance of the prescribed procedure for ensuring payment of printing and stationery charges, Rs.63.73 crore were outstanding for recovery from various State and Central Government departments.

The matter was referred to Government in December 1996 and January 1997; reply had not been received (October 1997).

3.42 Blocking of money and avoidable loss of interest

Till April 1995, all Government Departments/ Offices were being supplied stationery through 5 Government stationery Depots-Bhopal, Gwalior, Indore, Jabalpur and Rajnandgaon (Depots). The Department of Revenue decided in April 1995 to centralise the procurement of stationery according to which 35 listed stationery items were to be supplied to 74 heads of

departments only from Bhopal Depot and the distribution of stationery from the remaining four depots was stopped. The supply of stationery items was to be made strictly on advance payment basis. Remaining departments were free to procure the stationery as per the sanctioned budget and financial powers observing store purchase rules.

At the time of implementation of the revised policy opening value of available stationery stock with the 5 depots was Rs.47.72 lakh (Bhopal : Rs.7.98 lakh; Gwalior : Rs.19.70 lakh; Indore : Rs.7.60 lakh; Jabalpur : Rs.8.45 lakh; Rajnandgaon : Rs.3.99 lakh). Articles valuing Rs.2.59 crore were procured for Bhopal depot during 1995-96 (including articles worth Rs.34.00 lakh received on transfer from other depots) in view of the revised policy. Out of available total stock worth Rs.2.67 crore with Bhopal depot, issues during the year were Rs.84.55 lakh (31.67 per cent) only thus leaving closing stock valuing Rs.1.83 crore which was more than double of stock issued during 1995-96. Stock worth Rs.24.06 lakh was further procured during 1996-97. Against available stock worth Rs.2.07 crore issues during 1996-97 were only for Rs.65.10 lakh (31.45 per cent) leaving closing stock worth Rs.1.42 crore (nearly equal to stock consumed during 1994-1996 in two years). Further stock worth Rs.14.38 lakh remained unutilised in 4 stationery depots (Gwalior : Rs.4.64 lakh; Indore : Rs.3.81 lakh; Jabalpur : Rs.1.96 lakh; Rajnandgaon : Rs.3.97 lakh) since 1995-96 as of March 1997. Thus

there was a blocking of stationery valuing Rs.1.56 crore in 5 depots during 1996-97.

Government (Revenue Department) while endorsing the views of Controller Printing and Stationery stated (February/June 1997) that lifting of stationery articles was not according to anticipation and 16 out of 74 heads of departments did not turn up to collect their requirements during 1995-97 and rest of the departments lifted less stationery due to sudden change in the Government policy for supplying stationery on advance payment. Government further stated that the departments started procuring stationery from the open market without obtaining non-availability certificate from the Depot which caused excess storage of stationery. It was also stated that Finance Department was being approached to reconsider the issue and to instruct all departments to obtain their stationery requirement from Bhopal depot.

Thus non-adherence to the revised policy of procurement and supply of stationery items during 1995-97 resulted in blocking of funds worth Rs.1.56 crore; besides, the Government had to bear an avoidable loss of interest of Rs.12.06 lakh on its ways and means advances/ overdrafts to meet the cash requirement.

The matter was referred to Government in January 1997; final reply had not been received (October 1997).

3.43 Excess payment on acquisition of land

Ujjain was brought under Land Ceiling Act with effect from November 1990. The Department of Revenue instructed Collector, Ujjain (July 1991) to finalise the land acquisition proceedings on payment of compensation under Land Ceiling Act subject to condition that if the land was subsequently exempted from land ceiling, the additional compensation under Land Acquisition Act could be paid later.

Land Acquisition Officer, Ujjain (LAO), however, acquired 2.863 hectares of land for construction of a bus stand and paid Rs.7.86 lakh to the land owner in February 1992. As the land was covered under the Land Ceiling Act, a compensation of only Rs.1.43 lakh was payable. This resulted in excess payment of Rs.6.43 lakh. Out of this, an amount of Rs.0.89 lakh was recovered against another proceeding of land acquisition against the same landlord in July 1994 leaving an unrecovered amount of Rs.5.54 lakh. LAO stated (March 1997) that though efforts were being made to recover the excess payment made, it had not been possible to recover the amount.

Thus, wrong application of the provisions of Land Acquisition Act for payment of compensation covered under Land Ceiling Act resulted in excess payment of Rs.5.54 lakh.

Matter was referred to Government in October 1996 and January 1997; reply had not been received (October 1997).

3.44 Excess release of grant-in-aid to local bodies

The work of maintenance of hand pumps was transferred (August 1995) from Public Health Engineering Department (PHED) to local bodies (Janpad/Gram-Panchayats) and Rs.48.11 lakh (proportionate amount for 8 months) were placed at the disposal of Collector, Bastar in 1995-96 for disbursement to 1333 Gram Panchayats for the maintenance of 14432 hand pumps at the rate of Rs.500 per hand pump per year.

Records of Office of the Collector, Bastar (August 1996) revealed that PHED Jagdalpur had spent Rs.5.27 lakh on maintenance of 7482 hand pumps of 17 Janpad Panchayats during August-October 1995. Although PHED had intimated (4th November 1995) to Collector to deduct/adjust the amount from subsequent grants, Rs.5.27 lakh were not adjusted by the Collector while releasing the grants. This resulted in excess release of grants amounting to Rs.5.27 lakh to Janpad Panchayats.

Collector, Bastar stated (April 1997) that necessary instructions had been issued in November 1995 for the adjustment. Till April 1997 the amount had not been recovered/ adjusted from the Janpad/Panchayats.

Thus an amount of Rs.5.27 lakh already spent by PHED remained unrecovered/unadjusted from Janpad/Panchayats for a long period.

The matter was referred to Government in April 1997; reply had not been received (October 1997).

3.45 Unauthorised expenditure out of deposits for land compensation

For acquisition of land under various schemes, the Collector receives advance for payment of land compensation. Till the compensation is determined/decided and paid, the amount of deposits received for land compensation is retained with the Collector. The amounts are kept in bank. Although Rule 7 of Madhya Pradesh Treasury Code Volume I does not provide for utilisation of the deposits made for compensation for acquisition of land or the bank interest thereon for meeting any departmental expenditure, Collectors, Ujjain, Shivpuri, Gwalior and Indore utilised during 1990-91 to 1995-96 Rs.26.33 lakh out of these deposits and interest earned on them to meet departmental expenditure such as purchase of jeep, cars, tyre-tubes, petrol, oil, lubricants and repair of vehicles. Only Collector, Ujjain recouped Rs.3.75 lakh in subsequent years leaving a balance of Rs.22.58 lakh even after 2 to 6 years of their unauthorised diversion.

The utilisation of deposit on account of land compensation and interest thereupon for meeting contingent expenditure, thus, resulted in unauthorised expenditure of Rs.22.58 lakh.

Collectors, Gwalior, Shivpuri and Ujjain stated (between May 1996 and March 1997) that departmental expenditure was incurred out of interest earned on deposits of compensation and was being recouped on receipt of allotment. Collector, Indore did not offer any comments. The reply was not acceptable in view of the fact that the rules specifically provided for incurring departmental expenditure only under the authority of legislature. Moreover, the expenditure had not been regularised for 2 to 6 years.

The matter was referred to Government in December 1996; reply had not been received (October 1997).

Scheduled Caste Welfare Department

3.46 Special Central Assistance to Special Component Plan for Scheduled Castes

3.46.1 Introduction

For upliftment of scheduled castes(SCs), various schemes have been taken up by various departments of the State from time to time under special component plan (SCP). To provide required thrust to these schemes, the scheme of special central assistance (SCA) for SCs was launched by Government of India (GOI) in 1980. SCA was an additive to the SCP of the State and was expected to be an effective instrument in catalysing and strengthening the SCP. SCA was not linked to any programme or scheme. SCA was intended to be used only for income generating schemes to enable the SC families to cross poverty line. SCA provided was utilised in 42 schemes as detailed in Appendix-XIII taken up by 12 departments during 1992-93 to 1996-97. The necessity for use of SCA for development of specially vulnerable groups among SCs was also stressed. Infrastructure development programmes in blocks having 50 per cent or more SC population was also brought within the purview of SCA with effect from July 1993.

3.46.2 Organisational set-up

The schemes under SCP (including SCA) were implemented by respective departments to which these

Note : The abbreviations used in this review are listed alphabetically and expanded in Glossary at Appendix-XVI (Page 356).

were allocated. At state level, the Directorates of these departments were responsible for execution of the schemes. At the district level, the Collectors were responsible for implementing and monitoring the schemes. Wherever necessary, the implementation of the scheme was also entrusted to public sector undertakings/autonomous bodies/local bodies. The Director, Tribal Area Development Planning, Bhopal (TADP) was the nodal agency responsible for planning, coordination and monitoring of SCA.

3.46.3 Audit Coverage

Twenty six SCP schemes as detailed in Appendix-XIV implemented by nine departments¹ covering 84 per cent of SCA during 1992-93 to 1996-97 were test-checked during the period from February 1996 to February 1997, in the offices of the Director TADP, concerned directorates and eight district offices² covering about 23 per cent SC population in the State. Relevant information wherever necessary was also obtained from concerned public sector undertakings and autonomous bodies. The results of the test-check are mentioned in the succeeding paragraphs.

3.46.4 Highlights

-- There was over reporting of expenditure under SCA. During the period from 1992-93 to 1995-96 the

1 Agriculture, Energy, Gramodyog, Higher Education, Mahila Evam Bal Vikas, Public Health and Family Welfare, Revenue, Scheduled Caste Welfare and Urban Welfare Departments.

2 Bastar, Bilaspur, Dhar, Durg, Khargone, Mandla, Raipur and Shahdol

expenditure reported (Rs.94.83 crore) under SCA exceeded the actual expenditure by Rs.28.45 crore. Out of Rs.66.38 crore actually spent, Rs.53.26 crore (80 per cent) were spent on schemes for which no funds had been spent out of SCP. The expenditure reported in excess (Rs.28.45 crore) included Rs.13.28 crore on items which were not even related to SCs.

(Paragraph 3.46.5.1 & 3.46.5.5)

-- Rs.12.65 crore were kept in civil deposit, of which Rs.1.43 crore lapsed to State Government on 31 March 1997. By this process, central assistance was converted into state revenue.

(Paragraph 3.46.5.3)

-- No survey of SC house holds for preparation of taluk wise list of villages in decending order of SC population was conducted though an expenditure of Rs.36 lakh was incurred from SCA on pay and allowances of the staff sanctioned for survey.

(Paragraph 3.46.6.1)

-- The claim of Director, TADP of uplifting 30.32 lakh SC families above poverty line during 1980-81 to 1995-96 against 19.25 lakh SC families available in the State was unreasonable.

(Paragraph 3.46.6.2)

-- Rs.1.08 crore were spent out of SCA in areas having scanty SC population, though no schemes were undertaken in many SC predominant areas already identified.

(Paragraph 3.46.6.3)

-- While the guidelines envisaged expenditure on infrastructural development programmes in blocks having 50 per cent or more SC population, Rs.33.56 crore were spent on infrastructural development in blocks having less than 50 per cent SC population.

(Paragraph 3.46.6.5)

-- Benefits of Rs.70.43 lakh were passed on to people not belonging to SC category in four schemes.

(Paragraph 3.46.6.6)

-- Rs.3.08 crore earmarked for schemes for specially vulnerable groups were not exclusively utilised for the vulnerable groups.

(Paragraphs 3.46.6.8)

-- Against 6.82 lakh SC families which had crossed poverty line and required nurture to maintain their status, assistance was planned to be given to only one lakh SC families in 1992-93. Even in these cases, the performance was not monitored.

(Paragraph 3.46.7)

-- Assistance of Rs.2.82 crore was paid in excess to Madhya Pradesh Electricity Board and utilisation to the tune of Rs.9.62 crore was excess reported to GOI.

(Paragraph 3.46.8.5)

3.46.5 Finance

The release and utilisation of SCA during five years ended 1996-97 was as under:

Year	Amount released by GOI	Amount Spent		Unspent Balance	Excess reported to GOI
		As reported to GOI (Rupees)	Actually spent (in crore)		
1992-93	18.39	20.00	9.90	8.49	10.10
1993-94	28.04	27.94	20.64	7.40	7.30
1994-95	20.98	25.87	18.23	2.75	7.64
1995-96	24.25	21.02**	17.61**	6.64	3.41
1996-97	19.10	14.19*	18.11	0.99	NA*
Total	110.76	109.02	84.49	26.27	28.45

** This includes Rs.3.90 lakh defalcated in Durg district under self-employment scheme.

* Final utilisation certificate for 1996-97 was not issued (October 1997).

3.46.5.1 The expenditure reported to GOI was Rs.28.45 crore (43 per cent) more than the actual expenditure. Director, TADP intimated (May 1996) that the expenditure was reported to GOI on the basis of discussions with implementing departments. Further analysis, however, revealed that this expenditure included :

(a) Rs.14.09 crore during 1992-93 to 1995-96 on account of SCP schemes,

(b) Rs.13.28 crore during 1992-93 to 1995-96 on items not related to SCs.

As SCA was additive to SCP and not substitutive to it, incurring of expenditure on SCP and other activities out of SCA defeated the very purpose of SCA. GOI also observed in October 1994 that substantial amounts from SCA had been utilised for the

schemes where SC beneficiaries were not visible and requested the State Government to take immediate steps for reorganising the monitoring machinery. No corrective action was, however, taken.

3.46.5.2 The unspent balances ranging from Rs.8.49 crore to Rs.26.27 crore were carried forward year after year during 1992-93 to 1996-97 without the approval of GOI except for an amount of Rs.2.30 crore during 1996-97. The unspent balances were required to be refunded to GOI under the scheme.

3.46.5.3 An amount of Rs.12.65 crore was kept under civil deposit during 1988-89 to 1996-97 against which utilisation certificates had been issued. This included a sum of Rs.1.43 crore deposited prior to 1994-95, which lapsed to State Government under state financial rules, being more than three years old on 31 March 1997. Thus, by keeping money in civil deposit for a long period, central assistance was converted into State Government revenue.

3.46.5.4 Rs.10.94 crore for which utilisation certificates had been issued during 1992-93 to 1995-96 were lying with implementing agencies as fixed deposit, Bank Draft, etc. as on 31 March 1996.

3.46.5.5 Although SCA was required to be utilised along with SCP, and not in isolation, Rs.53.26 crore

were spent out of SCA on schemes for which no fund had been spent out of SCP.

3.46.5.6 With a view to avoid delays in sanctions, release of funds etc., GOI decided (August 1982) that certain amount from SCA fund should be placed as nucleus fund at the disposal of the district Collectors for utilising it for income generating programmes of economic development of SCs. Accordingly, State Government earmarked Rs.26.90 crore as untied fund during 1992-93 to 1995-96. Contrary to the guidelines, the entire fund was utilised for infrastructure (para 3.47.6.5 refers).

3.46.6 Physical Performance

3.46.6.1 Survey

With a view to implement meaningful and need based programme for economic development of SCs on a systematic and sufficiently specific basis, a detailed survey of SC households was to be conducted and a taluk-wise list of villages in descending order of SC population was to be prepared. An expenditure of Rs.36.00 lakh was incurred from SCA on pay and allowances of the staff sanctioned for survey work during 1992-93 to 1996-97. No survey was, however, conducted by the staff deployed.

3.46.6.2 Achievement of objectives

SCA was required to be spent on family oriented income generating economic development programmes to enable SC families to cross the poverty

line. Contrary to the guidelines an amount of Rs.47.77 crore (44 per cent of SCA) was utilised during 1992-93 to 1996-97 on the schemes not related to economic development activities of income generation. The Director TADP intimated (July 1997) that the schemes of human resources development were taken up according to the needs of SC people. The Assistant Commissioners/District organisers stated (February 1996-February 1997) that the departmental schemes were not implemented on the basis of families living below poverty line and the benefits were given to all SC families irrespective of the fact whether they were living below poverty line or not.

As per 1981 census report, there were 14.02 lakh SC families of which 80 per cent (11.22 lakh) were estimated to be below poverty line. Director, TADP intimated that 21.41 lakh SC families had been uplifted above poverty line during 1980-92. However, on the basis of survey conducted by the Rural Development Department in 1992, the number of families living below poverty line was estimated to be 12.04 lakh. Even after implementation of the scheme for 12 years and spending Rs.128.06 crore on it from SCA, the number of SC families living below poverty line increased from 11.22 lakh in 1981 to 12.04 lakh in 1992. Thus, the claim of nodal agency of uplifting 21.41 lakh SC families above poverty line during 1980-92 was unreasonable as there were only 19.25 lakh SC families in the state on the basis of census report 1991.

Director, TADP intimated that during 1992-93 to 1995-96 another 8.91 lakh SC families had crossed poverty line. 2.02 lakh families were further assisted during 1996-97. However, the basis on which such claim was made was not made available for verification. Director, TADP could also not inform (May 1996) the number of SC families remaining below poverty line at the end of 1995-96 after having uplifted 30.32 lakh SC families. On being enquired the basis of claiming upliftment of 30.32 lakh SC families above poverty line during 1980-96, Director TADP intimated (April and July 1997) that these families were assisted to bring them above poverty line, that the number of SC families which crossed the poverty line was not available as the survey had not been done and that being a large state, survey was a time-taking job. Director, Scheduled Castes Development (SCD) who had implemented 17 schemes involving SCA amounting to Rs.64.87 crore during 1992-93 to 1996-97 had not even laid down any targets in any of these years.

3.46.6.3 Selection of areas/distribution of schemes

With a view to concentrate the development activities in SC predominant areas, 472 pockets of SC concentration; 12 districts, 110 blocks and 17,802 villages having 20 per cent or more SC population; 7,808 villages having 80 per cent and more SC population; 33,777 SC wards in rural areas; 2,900 villages having 50 per cent or more SC population, 5 most deprived groups and 18 tahsils having below one per cent

literacy among SC families were identified. However, no schemes were taken up for these areas specifically. SCA was also spent in areas having scanty SC population. In some districts, expenditure was incurred in villages, bastis and wards which were not SC predominant. Rs.86.59 lakh were spent from SCA in urban areas of Anuppur (Rs.71.56 lakh) and Umaria (Rs.5 lakh) in district Shahdol; and Thandla, district Jhabua (Rs.10.03 lakh) during 1994-96 for providing basic facilities whereas the SC population of the wards in these districts ranged between 0 and 25 per cent only. Similarly, in Dhar and Shahdol districts, SCA fund to the tune of Rs.21.30 lakh were utilised for providing basic facilities in the villages with SC population less than 50 per cent.

3.46.6.4 Overlapping of schemes

The schemes implemented by various departments were overlapping. In the absence of any mechanism to prevent a beneficiary to derive benefit for the same objective from more than one scheme, the possibility of a beneficiary obtaining repeated benefit at the cost of others was not ruled out. Government stated (February 1997) that financial assistance to a beneficiary for a particular purpose was provided from one source only. The mechanism/system by which this was ensured was, however, not made available by the Director, TADP. The Government, however, while preparing the draft Eighth Plan (November 1991)

estimated such multiple counting at 30 per cent of the beneficiary families.

3.46.6.5 Infrastructure

The scope of SCA was extended in July 1993 to include infrastructural development programmes in blocks having 50 per cent or more SC population subject to the condition that the SCA allocation should be made use of in such a way as to encourage larger efforts of development of SCs on the part of the State. Contrary to the guidelines, the expenditure to the extent of Rs.33.56 crore (including nucleus fund amounting to Rs.26.90 crore referred to in para 3.46.5.6) was incurred on infrastructural development during 1992-93 to 1996-97 even while there was no block having 50 per cent or more of SC population in the State as per 1991 census report. This included an amount of Rs.7.08 crore spent even prior to July 1993 during which period expenditure on infrastructure was not permissible.

3.46.6.6 Benefit given to non-SC beneficiaries

Rs.70.43 lakh were spent during 1992-93 to 1996-97 from SCA on the beneficiaries who did not belong to SC category in four schemes viz. Vatsalya Yojna, Ayushmati Yojna, Training to educated youth in electronics and self-employment scheme.

Besides, medicines worth Rs.1.87 crore purchased by Director, Health Services for providing medical facilities to the SC people through Primary Health Centres were utilised for the treatment of all the patients including non-SC patients. Director,

Health Services stated (February 1997) that it was not in public interest to provide these medicines to some patients and to deny the others. The reply was not acceptable in view of the fact that the expenditure was not shared on the basis of the proportion of SC beneficiaries.

3.46.6.7 Help to persons above poverty line

Under the Scheme of incentive to SC girls for education, the nodal department spent Rs.5.24 crore exclusively from SCA for payment of incentive to 1.05 lakh girls (Rs.500 per girl) who were admitted to Class VI during 1992-93 to 1996-97. This included Rs.5.82 lakh paid to 1165 SC girls belonging to the families living above poverty line.

3.46.6.8 Programmes for specially vulnerable groups

SCA laid special emphasis on programmes for specially vulnerable groups namely sweepers, scavengers and bonded labourers, etc.. Accordingly an amount of Rs.3.08 crore was spent on the schemes of employment assistance to denotified castes and persons engaged in unclean occupations. The entire amount was utilised by the Madhya Pradesh State Co-operative Scheduled Castes (Finance and Development) Corporation (SCFDC) under Self Employment Schemes for SCs defeating the purpose of separate schemes for specially vulnerable groups. It could also not be verified in audit whether the amount was actually utilised for these groups as no separate records for this purpose were maintained.

3.46.7 Non-maintenance of level achieved

Financial assistance in different doses was required to be given to the beneficiary families which had been brought above poverty line but still required nurture to prevent them from sliding back into poverty. Though the number of such families was estimated at 6.82 lakh in November 1991, supplementary/back-up assistance was targeted to be provided to only 4.65 lakh families during 1992-93 to 1996-97. Out of these only one lakh families (15 per cent) were planned to be assisted during 1992-93, exposing 85 per cent of the families to the danger of going back to below poverty line during the year. Further, actual performance against these targets was not monitored. The Director TADP could not intimate (July 1997) the number of families to whom supplementary/back up assistance was provided during 1992-93 and subsequent years.

3.46.8 Other interesting aspects

Wasteful/avoidable/excess expenditure noticed were as under :

3.46.8.1 Adhikar Abhiyan (Revenue Department)

For complete development of SCs who had been allotted forest land, financial assistance for improved seeds, fertilisers, pesticides and agricultural implements was provided under Adhikar Abhiyan Scheme with the help of SCA. Under the scheme 5889.14 hectare land was allotted to 5108 beneficiaries assisted during 1990-91 to 1993-94. However, against the admissible

assistance of Rs.58.89 lakh at Rs.1000 per hectare, assistance of Rs.71.70 lakh was provided resulting in excess expenditure of Rs.12.81 lakh. No study of the impact of assistance on the beneficiaries' income was made.

3.46.8.2 Professionalisation of unclean occupation (SC Welfare Department)

Under the scheme of professionalisation of unclean occupation, grant-in-aid at the rate of 50 and 80 per cent of estimated expenditure was paid to local bodies for construction of Sulabh Shauchalayas and conversion of dry latrines into flush ones respectively. In case works were completed in less than the sanctioned estimated cost, Government share was to be refunded on pro-rata basis. The works were required to be completed within six months failing which the amount was refundable with interest at the rate of 10 per cent. Rs.30 lakh were drawn by Assistant Commissioner, Tribal Welfare (ACTW) Durg (Rs.14 lakh) and District Organiser, Scheduled Caste Development, Raipur (Rs.16 lakh) in March 1990 for construction of Sulabh Shauchalayas and conversion of dry latrines and paid to the Municipal Corporation (MC) Durg (April 1990) and MC Raipur (September 1990). MCs completed works valued at Rs.9.68 lakh on which grant of Rs.4.32 lakh was admissible on pro-rata basis. Expenditure of Rs.3.29 lakh was incurred on works which remained incomplete as of July 1997, even after 2 to 3 years of expenditure having been incurred resulting in

unfruitful expenditure. The remaining amount was either retained by MCs or unauthorisedly utilised for payment of pay and allowances to their staff.

Thus, the grant of Rs.25.68 lakh had become recoverable from MCs. No action for recovery of this amount had been taken. On being pointed out, ACTW, Durg (September 1996) and District Organiser, SCD, Raipur (June 1996) stated that action for recovery would be taken.

**3.46.8.3 Training to educated youth in electronics
(SC Welfare Department)**

A grant of Rs.2.66 crore was released by the State Government out of SCA to Madhya Pradesh Council for Employment and Training (MPCET) during 1991-92 to 1996-97 for training educated youth belonging to scheduled castes in electronics for self-employment and creation of infrastructure required for this purpose. MPCET imparted the training through non-government organisations (NGOS) on payment of Rs.750 per month per trainee. No infrastructure/establishment was required for this purpose. However, an expenditure of Rs.70.98 lakh was incurred on establishment of MPCET. As a result, against the target of training 6713 youth with an expenditure of Rs.3.20 crore, only 2828 youth (42 per cent) could be trained after incurring an expenditure of Rs.2.04 crore during 1991-92 to 1996-97.

Under the scheme only the scheduled castes educated youth belonging to the families below poverty line were to be imparted training which was not

ensured. Of the 2828 youth, 231 candidates belonged to non-SC categories. Out of 2828 educated youth, only 445 trainees trained could be assisted in providing employment. As such the entire expenditure on imparting training proved largely unfruitful.

3.46.8.4 Self-employment schemes (SC Welfare Department)

During 1992-93 to 1996-97, SCP funds amounting to Rs.2.47 lakh were utilised on three schemes of self-employment, namely, employment assistance to persons engaged in unclean occupations, employment assistance to denotified castes and self-employment (for remaining SCs). The additive component of SCA amounting to Rs.19.71 crore (798 times) was shown as utilised though Rs.7.80 crore were kept in civil deposits. The schemes were implemented by Director, SCD through SCFDC. Although SCFDC had not maintained separate record for physical/financial achievements under these schemes, Director, SCD had been reporting the physical and financial achievements under each scheme separately to Director, TADP. While the basis on which such information could be made available by Director, SCD was not made available to audit, the sum total of the achievement under three schemes reported by Director, SCD was at variance with the total achievement reported by SCFDC to Director, SCD from time to time by upto 47 per cent as detailed below:

	1992-93	1993-94	1994-95	1995-96	1996-97
	(Number of beneficiaries)				
(a) As per Director SCD					
(i) Self employment scheme	7890	10390	11200	17224	13000
(ii) Employment assistance to persons engaged in unclean occupation	2850	980	700	700	700
(iii) Employment assistance to denotified castes	750	1150	700	700	700
Total	11490	12520	12600	18624	14400
(b) As per SC FDC	10370	16814	15074	18692	9778
(c) Variation	1120	(-)4294	(-)2474	(-)68	4622
Per cent variation	(10)	(34)	(20)	(0.04)	(47)

Further, the physical and financial achievements reported by the SCFDC were required to be based upon the information available with their district units. An analysis of the records, however, revealed that physical and financial achievements reported by SCFDC in their annual reports were at variance with the records of their district units as detailed below :

District	Physical and financial achievements							
	As reported by the SCFDC				As reported by the district units			
	Number of beneficiaries		Expenditure (Rs.in lakh)		Number of beneficiaries		Expenditure (Rs.in lakh)	
	1994-95	1995-96	1994-95	1995-96	1994-95	1995-96	1994-95	1995-96
Dhar	207	257	5.94	12.02	162	154	7.18	8.20
Durg	542	274	24.17	16.09	726	283	33.70	16.63
Khargone	355	420	17.11	22.03	0	0	0.00	0.00
Mandla	42	180	1.99	10.81	608	180	9.01	9.95
Raipur	1652	485	32.17	25.13	1916	485	29.90	24.37
Shahdol	70	109	2.34	5.05	115	109	4.16	5.91

Due to lack of monitoring the district units of the SCFDC were not in a position to intimate whether (a) the beneficiaries assisted were continuing the business, (b) there was an increase in the income of beneficiaries or (c) they were repaying the loan instalments.

3.46.8.5 Electrification of agricultural pumps (Energy Department)

During the VIII Plan, the Government introduced a scheme to energise irrigation wells in order to augment agricultural production under the scheme. Of the total estimated cost of Rs.20,000 per pump, Rs.8000 per pump was to be borne by Madhya Pradesh Electricity Board (MPEB), Rs.4500 by the SC Welfare Department and the balance by the other departments as laid down in State Government orders (October 1993). Pumps energised, assistance released, utilisation reported and assistance admissible during 1994-97 were as under :

Year	Number of pumps energised	Assistance released by SC Welfare Department	Utilisation reported to GOI	Assistance admissible	Assistance excess paid	Utilisation excess reported
(Rs. in crore)						
1994-95	2852	1.00	7.52	1.28	(-) 0.28	6.52
1995-96	1000	2.00	2.00	0.45	1.55	1.55
1996-97	1000	2.00	2.00	0.45	1.55	1.55
Total	4852	5.00	11.52	2.18	2.82	9.62

Thus, the assistance of Rs.2.82 crore was paid in excess to MPEB and utilisation to the tune of Rs.9.62 crore was excess reported to GOI.

Further, of Rs.7.52 crore reported as utilised during 1994-95, Rs.1.82 crore pertained to the scheme of single point connection for domestic purposes. Director, TADP intimated (June 1996) that the claims of MPEB were not analysed as it was technical matter. Thus, due to non-exercise of any check by the nodal agency, the whole of the unit cost was claimed by MPEB from nodal department resulting in excess release of assistance and incorrect utilisation certificates.

3.46.9 Monitoring and evaluation

3.46.9.1 Director TADP, the nodal agency responsible for monitoring was receiving information/data from implementing agencies but no independent check of this information was conducted.

3.46.9.2 In the test-checked districts no committee was constituted for coordination of various schemes to prepare check-lists of programmes and to ensure avoidance of multiple counting of beneficiary families.

3.46.9.3 Director TADP also intimated that there were standing instructions to all Regional Tribal and Scheduled Caste Development Authorities (RTSCDA) to send their field officers to various development departments to monitor the implementation of family oriented programmes. Additional Commissioners, RTSCDA

Bilaspur and Raipur, however, intimated (June 1996) that no such exercise was conducted as it did not concern RTSCDA.

3.46.9.4 The evaluation of the schemes under SCA was entrusted to the Director, Tribal Research Institute, Bhopal. No separate evaluation reports exclusively in respect of schemes/programmes financed from SCA to SCP for SCs was, however, conducted. However, during 1992-97 three under mentioned SCA schemes were evaluated along with schemes run with other funds.

- (i) SC/Tribal beneficiaries in Madhya Pradesh under Adhikar Abhiyan in Kukshi Block of Dhar District 1992-93.
- (ii) Grant of loan and subsidy under self-employment programme by the SCFDC in Mandla District 1995-96.
- (iii) Assistance to Scheduled Castes in Mandla district 1996-97.

Major deficiencies noticed from the evaluation reports were as under :

- (a) Of 21 beneficiaries assisted under Adhikar Abhiyan, only 2 beneficiaries were evaluated. Of these, one beneficiary was not found to be resident of the concerned village while the other could not derive any significant income as the land was stony.
- (b) As per evaluation reports under self-employment programme, most of the beneficiaries belonged to the areas which were not easily accessible. Their cases were prepared without spot verification.

- (c) 50 beneficiaries to whom subsidy of Rs.1.73 lakh was sanctioned during 1991-93, could not benefit as they were not sanctioned loans by banks.
- (d) 46 beneficiaries became debtors as the pigs supplied to them died due to unfavourable climate, non-availability of water and delayed vaccination.

No remedial measures/action were taken on the evaluation reports.

The matter was referred to Government in April 1997; no reply had been received (October 1997).

3.47 Infructuous expenditure on Training cum Production Centre due to non-imparting of training

A Training cum Production Centre (TCPC) at Bhopal was established (1980) by Government to impart training to 54 Scheduled Caste candidates every year in four trades viz., carpentry (18), stitching (12), sheet metal (12) and chalk soil (12) under the control of District Organiser, Tribal Welfare (DOTW) Bhopal.

During the period from July 1991 to July 1996 an expenditure of Rs.6.04 lakh was incurred on establishment and rent of TCPC but no candidate was trained.

DOTW stated (October 1996) that training was not imparted due to non-availability of willing trainees. The reply was not tenable as no efforts were made for the selection of suitable candidates for training and the matter was also not brought to the

notice of the Director Scheduled Caste Welfare/Government.

Due to non-imparting of training in TCPC during a period of 5 years, expenditure of Rs.6.04 lakh incurred thereon proved infructuous.

Matter was referred to Government in January 1997; reply had not been received (October 1997).

Scheduled Tribes Welfare Department

3.48 Management of ashrams and pre-matric hostels

3.48.1 Introduction

With a view to provide education to the tribal children living in far-flung areas Tribal Development Department was running ashrams¹, pre-matric and post-matric hostels² separately for boys and girls providing free lodging facilities. They were also being paid monthly stipend at rates fixed from time to time to meet their mess expenses. As per instructions (July 1973) of the Government, the intake of Schedule Tribes, Schedule Castes and general students in these ashrams/hostels was to be 90, 5 and 5 per cent respectively. The management of these ashrams and hostels was governed under Hostel Rules 1966-67 and instructions issued in this regard by the Government as well as by the Commissioner Tribal Development Madhya Pradesh Bhopal from time to time.

3.48.2 Organisational set-up

Commissioner, Tribal Development, Madhya Pradesh, Bhopal (Commissioner) was the Head of Tribal Development (TD) Department and was being assisted by

Note : The abbreviations used in this review are listed alphabetically and expanded in Glossary at Appendix-XVI (Page 356).

- 1 Ashram : residential schools for students of Class I to V including middle level ashram for students upto Class VIII
- 2 Pre-matric/Post-matric hostels : Where residential facilities for students of Class VI to X and XI to XII respectively were provided.

10 Deputy Commissioners at divisional level and 21 Assistant Commissioners (ACs) at district level. The ashrams/hostels run by the Department were functioning directly under the control of ACs, Block Education Officers (BEOs), TD and Principals Government Higher Secondary Schools TD. The Hostel Superintendent was in-charge of individual ashram and hostel. No departmental set-up had, however, been approved by the Government so far (July 1997).

3.48.3 Audit Coverage

A test-check of the records of the Commissioner, 287³ out of 1006 ashrams and 559³ out of 1833 pre-matric hostels pertaining to the period from 1992-93 to 1996-97 was conducted between September 1996 and May 1997. The scope of the review was limited to the management of ashrams and pre-matric hostels (hostels) run by Tribal Development Department. The results of the review are indicated in the succeeding paragraphs.

3.48.4 Highlights

Unutilised stipend amounting to Rs.39.23 lakh, required to be refunded in the treasury, was retained by 721 ashrams/hostels.

(Paragraph 3.48.5.3)

3 Ambikapur (51 ashrams, 91 hostels), Bilaspur (52 ashrams, 104 hostels), Dhar (51 ashrams, 79 hostels), Jhabua (45 ashrams, 75 hostels), Khargone (24 ashrams, 70 hostels), Mandla (11 ashrams, 14 hostels), Raigarh (27 ashrams, 63 hostels) and Raipur (26 ashrams, 63 hostels)

-- The consumption of foodgrains for supplying meals to the students was in excess of norms involving an excess expenditure of Rs.1.33 crore.

(Paragraph 3.48.5.4)

-- While the ashrams were providing lunch and dinner to the students, Rs.92.67 lakh were spent for providing additional lunch to the same students under Mid day meals programme.

(Paragraph 3.48.7)

-- Articles valuing Rs.38.47 lakh were written-off/declared unserviceable before the expiry of prescribed life span.

(Paragraph 3.48.5.7)

-- Stipend amounting to Rs.3.33 crore was paid for disbursement to students in recognised non-Government institutions even though these did not possess the stipulated minimum facilities.

(Paragraph 3.48.6)

-- Rs.4.27 lakh withdrawn by the hostel superintendents had not been accounted for in cash book indicating possible defalcation.

(Paragraph 3.48.8.1)

-- Purchase of fusion tanks at higher rates resulted in extra expenditure of Rs.14 lakh.

(Paragraph 3.48.8.2)

-- Even though Rs.9.14 crore were advanced to Madhya Pradesh Housing Board for construction of ashrams/hostels, no building was reported to be complete. Meanwhile Rs.85.47 lakh were spent by the

Department in hiring of accommodation for ashrams/hostels in the test-checked districts.

(Paragraph 3.48.8.3)

-- 156 ashrams/hostels superintendents had not handed over important records viz. cash books, bank pass books and diet registers etc. to their successors.

(Paragraph 3.48.8.5)

3.48.5 Management of ashrams/hostels

3.48.5.1 The table below indicates the number of seats available during 1992-97 for admission to the ashram/hostel vis-a-vis seats actually filled in, in the districts⁴ test-checked :

Year	Number of seats ⁵					
	Available		No of seats filled		No. of vacant seats	
	Ashrams	Hostels	Ashrams	Hostels	Ashrams	Hostels
1992-93	8675	10944	7953	10398	722	546
1993-94	9290	14754	8399	13980	891	774
1994-95	12815	15164	12585	14774	230	390
1995-96	15935	18449	15146	17864	789	585
1996-97	16105	18624	15816	18356	289	268
Total	62820	77935	59899	75372	2921	2563

4 Ambikapur, Bilaspur, Dhar, Jhabua, Khargone, Mandla, Raigarph and Raipur

5 Except Mandla, Jhabua, Ambikapur for the year 1992-94 and Khargone for the year 1992-95 for which information was not available

It would be seen from the table above that seats ranging between 230 to 891 were lying vacant in ashrams, while seats ranging from 268 to 774 remained vacant in the hostels. The ACs attributed (October 1996-May 1997) the vacancies to non-availability of students. The reply was not tenable as the department had not conducted any census of child population. However, the information collected by Rajiv Gandhi Prathamik Siksha Mission under Lok Sampark Abhiyan during 1996 showed that child population (5-14 years) belonging to Scheduled Tribe category in 5 of the test-checked districts alone was 11.05 lakh (Ambikapur 2.69 lakh, Dhar 2.08 lakh, Jhabua 1.38 lakh, Mandla 1.29 lakh and Khargone 3.61 lakh). Further a comparison of the total number of seats available (1996-97) in the ashrams/hostels in 3 out of the 8 test-checked districts for which information regarding the child population in the age group of 5 to 14 years was available, showed that the ashrams/hostels functioning (1996-97) in these districts were catering only to 1 to 3 per cent of the child population of this age group. (Ambikapur 3, Dhar 3 and Khargone 1 per cent).

3.48.5.2 The records regarding follow-up action in respect of students who had left the ashram/hostel after successful completion of education or on account of failures in annual examination or for any other reason(s), were not maintained by the ashrams/hostels. The actual drop out rate of the students therefore could not be ascertained. However, the number of

students enrolled in class X was found to be less than the number enrolled for class IX by 15 to 30 per cent.

Enabling the students to secure employment for their economic development was the main objective of these ashrams/hostels. The Hostel Rules also required the Hostel Superintendent to remain in touch with ex-students and help them in securing employment and training. There was, however, no evidence to indicate whether the Hostel Superintendents kept contact with the ex-students or the extent to which help, if any, was given to them in securing employment and training. The information regarding the number of students who actually secured employment was also not available. The extent to which these ashrams/hostels had helped the tribal children in their development therefore could not be ascertained. Commissioner intimated (July 1997) that no such follow-up action was being taken by the department.

3.48.5.3 In order to meet the mess expenses, the students residing in ashrams/hostels were paid stipend at the rate of Rs.150 per month to boys and Rs.160 to girls till November 1993. The rate of stipend was raised with effect from December 1993 to Rs.250 per month for boys and Rs.260 per month for girl students. The stipend was paid for 10 months in an academic session through bank and was subsequently credited to a joint bank account of the hostel mess committee and the superintendent of the concerned hostel. The amount of

stipend remaining un-utilised at the end of the academic session was required to be refunded into treasury. However, it was noticed that stipend remaining unspent with 721 ashrams/hostels test-checked was Rs.12.10 lakh at the end of 1992-93, Rs.32.12 lakh at the end of 1993-94, Rs.31.60 lakh at the end of 1994-95 and Rs.39.23 lakh at the end of academic session of 1995-96. Commissioner was, however, not aware of the total unspent stipend lying in the banks for the entire state and no steps were taken to get the same refunded to the Government.

To check the correctness of the amount deposited/withdrawn and ascertain the total unspent balances lying with the banks no reconciliation was got done by the Commissioner and the concerned ACs.

3.48.5.4 Based on the recommendations of Director of Health Services (Technical) Madhya Pradesh, Bhopal and after providing for 1600-1800 calories per day per student in the age group of 6 to 11 years and 2200-2400 calories for students in the age group of 11 to 14 years, Commissioner prescribed (February 1995) 340 gram (wheat 240 gram and rice 100 gram) and 420 gram (wheat 300 gram and rice 120 gram) respectively per meal per day to each student.

The table below shows the number of meals provided to the students, quantity of foodgrains consumed, and consumption of foodgrains as worked out

on the basis of the scale laid down, during 1992-93 to 1996-97 :

Year	Number of diets provided		Quantity of foodgrains consumed		Quantity of foodgrains as per scale laid down per meal		Excess consumption of foodgrains		Percentage of excess consumption of foodgrains to scale laid down	
	(In lakh)									
	Ashrams	Hostels	Ashram	Hostel	Ashram	Hostel	Ashram	Hostel	Ashram	Hostel
(Q u a n t i t y i n q u i n t a l s)										
1992-93	34.98	444.34	7880	11356	5946	9331	1934	2025	32	22
1993-94	4.18	49.81	9860	13351	7102	10461	2758	2890	39	28
1994-95	46.82	51.16	11024	13811	7960	10744	3064	3067	38	29
1995-96	47.28	52.28	11121	13891	8037	10979	3084	2912	38	27
1996-97	38.58	44.27	8800	11891	6559	9330	2241	2561	34	27
Total	171.84	641.86	48685	64300	35604	50845	13081	13455	37	26
(26536)										

The value of excess consumption worked out to Rs.1.33 crore.

Besides, the Dean Government Gajra Raja Medical College Gwalior, in response to an audit enquiry stated (October 1997) that maximum quantity of foodgrains ranging between 258 and 291 gram could be provided to the children in the age group of 6 to 11 years, 355 to 391 gram to the children in the age group of 11 to 14 years and 420 to 452 gram to those in the age group of 15 to 18 years of age per day. It was also stated that excess of permissible limit of carbohydrate would lead to obesity, dental caries and Ischeamic heart disease.

Further, wide variations in the consumption of foodgrains per student per day ranging between 0.420 Kg and 0.628 Kg per student per day were noticed in the ashrams/hostels, in the 8 test-checked districts⁶.

Reasons for such wide variations were not analysed by the department.

3.48.5.5 In order to ensure that the students were given balanced, nutritional diet Commissioner instructed (February 1995) for maintenance of growth charts recording height and weight of the students at the time of admission and every month thereafter. The growth-charts were, however, not maintained in any of the ashrams/hostels test-checked. Further, doctors were required to visit the ashrams/hostels once in a month. However, the general health of the students was not checked by the doctors of the Primary health centres/dispensaries/hospitals located in the same village/town.

3.48.5.6 Under Hostel Rules certain essential items viz, beds, mattresses, blankets, thali, glasses etc., were required to be provided to each ashram/hostel on the basis of number of seats sanctioned. A comparison of these items available (October 1996-May 1997) in the ashrams/hostels with the sanctioned number of seats and the maximum number of students enrolled during 1992-97 revealed that in some ashrams/hostels these items were available in excess of the requirement resulting in

6 Ambikapur, Bilaspur, Dhar, Jhabua, Khargone, Mandla, Raigarh and Raipur

their non-utilisation while in others the number was short of requirement as shown in Appendix-XV.

Due to supply of material without taking into account the sanctioned number of seats or the actual number of students enrolled and improper management, the essential items valuing Rs.37.62 lakh were lying unutilised in 21 to 387 ashrams/hostels. Further, while there were 8420 thalis and 7138 glasses in excess of requirement in certain ashrams/hostels test-checked the deficiency was of 4576 thalis and 7029 glasses in other ashrams/hostels. In the ashrams/hostels test-checked in Ambikapur and Khargone districts, 2277 and 561 blankets in 85 and 39 ashrams/hostels respectively were available in excess of the requirement while in other 72 ashrams/hostels (Ambikapur 41 and Raigarh 31) 1161 blankets (Ambikapur 727 and Khargone 434) were found less than the requirement depriving 1161 tribal children of the blankets.

It was also noticed that essential material like beds, mattresses, darris, pillows, blankets and thalis etc. was not available for all the students enrolled in the test-checked ashrams/hostels and the extent of shortage was 8020 beds, 9686 mattresses, 7189 blankets, 10723 darris, 13773 pillows, 4576 thalis, 7029 glasses, 24147 bedsheets, 45393 katoris, 23961 chairs and 25698 tables as compared to the number of students enrolled. Accordingly percentage of deprivation of students was 27 for beds, 33 for mattresses, 25 for blankets, 37 for darris, 47 for pillows, 16 for thalis, 24 for glasses, 41 for

bedsheets, 77 for katoris, 82 for chairs and 88 per cent for tables in the ashrams/hostels test checked.

3.48.5.7

(a) Commissioner prescribed life span of the various essential articles provided to ashrams/hostels. Test-check, however, revealed that 6231 articles valuing Rs.12.76 lakh were written-off much before the expiry of the prescribed life span.

(b) 12422 articles valuing Rs.25.71 lakh were declared unserviceable prior to the expiry of the prescribed life span of the articles. Writing off and declaring articles unserviceable before expiry of prescribed life span was one of the reasons for the deficiency of these articles in the ashrams/hostels test-checked as mentioned in the paragraph supra.

3.48.5.8 In 666⁷ ashrams/hostels articles valuing Rs.1.26 crore were lying unserviceable. Since the details regarding the month and year of their purchase were not available it could not be ascertained whether the articles were declared unserviceable only after the expiry of their prescribed life span.

3.48.5.9 It was noticed that physical verification of stores and stock was not conducted during 1992-93 to 1996-97 in any of the ashrams/hostels test-checked. In one hostel in Bilaspur district material worth Rs.0.70 lakh was not handed over by the Hostel Superintendent. In respect of a hostel in Ambikapur district no

7 Ambikapur : 85, Bilaspur : 148, Dhar : 120,
 Jhabua : 62, Khargone : 83, Mandla : 28,
 Raigarh : 59 and Raipur : 81.

material pertaining to the period prior to February 1994 was available in the hostel as reported by the Hostel Superintendent.

3.48.5.10 Hostel Rules required the ashram/hostel Superintendent to maintain inspection register to keep record of the inspection notes of the inspection conducted by circle organiser/AC and to ensure compliance of their orders. No such register was, however, maintained in the ashrams / hostels test checked. Hence the position regarding inspection of these ashrams/hostels during 1992-97 could not be ascertained.

3.48.6 Irregular payment of stipend to students in ashrams/hostels run by recognised non Government institutions

Hostel Rules 1994 provide that payment of stipend to the students admitted in ashrams/hostels run by non-Government institutions may be paid after ensuring the availability of the essential facilities viz., (i) bed rooms in proportion to the number of students (ii) kitchen and store room (iii) dining hall (iv) adequate arrangement of light and drinking water (v) latrines (vi) play ground (vii) availability of beds , mattresses, tables, chairs etc. It was, however, noticed that in spite of the non-availability of the essential items and minimum facilities stipend amounting to Rs.3.33⁸ crore was paid during 1994-95 to

8 Bilaspur (3 - Rs.1.43 lakh) Dhar (10 - Rs.29.44 lakh), Jhabua (19 - Rs.60.50 lakh), Khargone (11 - Rs.38.36 lakh) Mandla (30 -Rs.88.72 lakh) and Raigarh (40 - Rs.114.65 lakh)

1996-97 to 113 ashrams/hostels whose records were made available. Of this, Rs.99.80 lakh were paid to 35 ashrams/hostels even without ascertaining the availability of essential items and minimum facilities, while Rs.2.33 crore were paid to 78 ashrams/hostels even when facilities for beds, mattresses, chairs, tables, latrines etc. were not found available in 72, 70, 71, 70, 27 ashrams/hostels respectively. On this being pointed out, the ACs stated (December 1996 - May 1997) that payments were made as per the instructions of higher authorities. No such instructions were however, found on record.

3.48.7 Mid day meals programme

Even while the Scheduled Tribes Welfare Department was providing lunch and dinner to the students residing and studying in the ashrams/hostels, it was noticed that 45138 students of Class I to V residing and studying in ashrams were provided additional meals under the Prime Minister's Mid Day Meals Programme introduced from 2nd October 1995. The meal comprised 100 gram wheat/rice per student per day plus incidental expenditure of Re.0.75 per student per day. Expenditure of Rs.92.67⁹ lakh had been incurred during 1995-96 and 1996-97 under this scheme in the test-checked districts.

Provision of mid-day meal to the students under a different programme while the department was

9 (Ambikapur Rs.11.12 lakh, Bilaspur Rs.6.95 lakh, Dhar Rs.15.61 lakh, Jhabua Rs.23.92 lakh, Khargone Rs.10.06 lakh, Mandla Rs.10.68 lakh, Raigarh Rs.9.57 lakh and Raipur Rs.4.76 lakh)

already providing lunch and dinner and consuming foodgrains in excess (32 per cent) of the norms, was unjustified. It was not clear as to how the students could consume two lunches - one provided by the Department and the other by Panchayat and Rural Development Department - at the same time. Expenditure of Rs.92.67 lakh under Mid Day Meals Programme was therefore not free from doubt and the funds to this extent were suspected to have been defalcated.

3.48.8 Other topics of interest

3.48.8.1 For meeting the day to day expenditure of mess, money was withdrawn from the bank by the hostel superintendent and was required to be accounted for in the cash book of the ashrams/hostels. It was, however, noticed that in 27 hostels Rs.4.27 lakh withdrawn from banks between April 1992 to May 1996 by the hostel superintendents (Ambikapur: 16 hostels - Rs.1.55 lakh; Dhar: 2 hostels - Rs.1.62 lakh and Raigarh: 9 hostels - Rs.1.10 lakh) were not accounted for in the hostel cash books and therefore these amounts were suspected to have been defalcated.

3.48.8.2 From the report of internal audit it was noticed that during 1991-92, 70 plastic moulded overhead tanks (fusion tanks) of 4000 litres capacity were purchased by AC in Ambikapur district at the rate of Rs.7.10 per litre at a cost of Rs.22.27 lakh (cost Rs.19.88 lakh + sales tax Rs.2.39 lakh) from an Indore based consumer co-operative store, while an Ambikapur based firm had offered (August 1991) to supply the

fusion tank of same capacity @ Rs.2.10 per litre. The purchase of 70 fusion tanks at the higher rate of Rs.7.10 per litre thus resulted in extra expenditure of Rs.14 lakh. The fusion tanks were lying un-utilised since these could be utilised only after construction of platform and tube-wells. These records had been seized by the Economic Offence Wing.

Thus the entire expenditure of Rs.22.27 lakh incurred on purchase of plastic moulded overhead water tanks remained unfruitful.

3.48.8.3 The Madhya Pradesh Housing Board Bhopal (the Board) is the department's building construction agency. An amount of Rs.9.14 crore was advanced to the Board during 1992-96 for construction of 78 buildings (10 post matric hostels, 18 pre-matric hostels and 50 ashram buildings). No details regarding schedule of construction of buildings, expenditure incurred and number of buildings constructed were available (September 1996) with Commissioner. The Board, however, reported (July 1996) that it had spent Rs.3.73 crore though no building was complete. Thus, while Rs.9.14 crore paid by the department remained blocked with the Board the department spent Rs.85.47 lakh on rent of buildings hired during 1992-93 to 1996-97 for 119 ashrams/hostels in the district test-checked.

3.48.8.4 One ashram building at Amapani in Ambikapur district in 1995-96 was constructed by the Block Development Officer Lakhanpur at a cost of Rs.7.44 lakh. This fact was reported (March 1996) to the Board

by the Project Administrator, Integrated Tribal Development Project, Ambikapur. Meanwhile the Board had also incurred an expenditure of Rs.3.77 lakh till March 1996 on construction of another building for the same ashram. The Board reported (April 1996) that since the work of the building upto plinth level was in progress, it was not possible to stop the work. Thus due to lack of co-ordination between the two departments nugatory expenditure of Rs.3.77 lakh was incurred (April 1996) on construction of ashram building at Amapani.

3.48.8.5 It was reported by 156 ashrams/hostels superintendents that the important records viz., cash books, bank pass books and diet registers etc., pertaining to the period 1992-93 (80), 1993-94 (39), 1994-95 (20), 1995-96 (8) and 1996-97 (9) were not handed over by their predecessors. Reasons for not handing over of these important records and action taken against the defaulters were not on record.

3.48.9 Monitoring and evaluation

No evaluation of the functioning of the ashrams and hostels was conducted. Reasons for various deficiencies such as lack of follow-up action, high percentage of failures/dropouts in class X, providing foodgrains in excess of stipulated quantity, non-refund of unspent balances of stipend, providing essential items in excess of requirement, write-off and declaring articles unserviceable prior to the expiry of the prescribed life span etc., were not analysed. No

reports had been prescribed (July 1997) for effective monitoring of the functioning of the ashrams/hostels.

The above points were referred to Government in July 1997; reply had not been received (October 1997).

School Education Department

3.49 Excess regularisation of daily wagers

State Government decided in January 1990 to regularise the services of daily wagers appointed till 31 December 1988 and treat them as a part of establishment. Such regularisation was subject to scrutiny of individual cases and sanction of posts (where corresponding post was not available).

Deputy Director, Education, Hoshangabad (DD), however, regularised during March 1995 to August 1995 the services of 106 daily wagers engaged after 31 December 1988, in various educational institutions of Hoshangabad without even obtaining the sanction for posts. After the irregularity came to notice (March 1995, May 1995 and August 1995), Joint Director, Education directed all the Principals of schools in May 1996 that the peons paid out of contingency recruited after 1988 be paid daily wages only. Based on these orders, the regularisation of 106 employees was set aside and they again started getting paid as daily wagers with effect from 1 May 1996. By this time, an excess payment of Rs.17.18 lakh on account of salary had been made to these daily wagers.

The Government stated (September 1997) that State Administrative Tribunal (SAT) Jabalpur had allowed (February 1997) interim relief till the disposal of the petition and as such requisite action would be taken on receipt of final decision of the Tribunal. All the

subsequent events of reversion of the peons and the case before SAT would not have arisen had the Deputy Director not regularised the services of these persons in clear violation of Government orders of January 1990.

Thus, the regularisation of 106 employees in violation of the Government orders of January 1990 resulted in excess expenditure of Rs.17.18 lakh.

Urban Welfare Department

3.50 Excess/Irregular payment of grant-in-aid to local bodies

Under Environmental Improvement of Urban Slum Scheme (EIUS), Government issued instructions (April 1991) for releasing grant-in-aid to local bodies on the basis of their categorisation based on their annual financial income. While local bodies falling under category 'A' could be given grant in aid to the extent of 50 per cent, those under category 'B' and 'C' were eligible for grant upto 80 per cent of the cost of works.

Records of office of the Collector, Bastar (July-August 1996) revealed that against Rs. 23.79 lakh payable, Collector, Bastar released grant-in-aid of Rs. 33.31 lakh for completion of 52 works to four local bodies (Dantewada, Jagdalpur, Kanker and Kondagoan) during the period from 1992-93 to 1995-96 without observing the norms laid down by the Government. This resulted in excess payment of Rs. 9.52 lakh. In addition, grant-in-aid amounting to Rs. 7.10 lakh was released for 10 works not covered under the scheme.

Thus, non-adherence to the instructions of Government resulted in excess/irregular payment of Rs.16.62 lakh to four local bodies.

Collector, Bastar stated (August 1996) that matter would be examined.

The matter was referred to Government in October 1996 and March 1997; reply had not been received (October 1997).

Veterinary Department

3.51 Blocking of funds under Piggery Development Programme

For improving the living conditions of the families living below poverty line, a Piggery Development Programme (Programme) was taken up by the Veterinary Department (Department) under Tribal sub-plan and special component plan financed by Government of India. According to instructions of the State Government (October 1988) the programme was to be executed by the Madhya Pradesh Rajya Pashudhan Evam Kukkut Vikas Nigam (Nigam). Under the programme, grant for repair of old pig-house was to be paid by the Director, Veterinary Services, Bhopal (Director) and grant for purchase of pigs was to be paid by District Rural Development Agency (DRDA) to each beneficiary. The grants were payable by the Nigam subject to the sanction of loan by the banks to the beneficiaries for purchase of pig-food and medicines etc.

Funds totalling Rs.2.55 crore were received by the Director during 1993-97 (January 1997) for grant of assistance to 1479 beneficiaries in the district of Durg, Mandla, Raipur, Rajnandgaon, Seoni and Surguja. Funds as and when received by the Director were placed at the disposal of Nigam without ascertaining that the amount given earlier had been spent. The year-wise position of financial and physical targets achieved vis-a-vis the targets fixed during this period were as under :-

Year	Target fixed		Target Achieved	
	Funds allocated (Rupees in lakh)	No. of beneficiaries	Funds utilised (Rupees in lakh)	No. of beneficiaries
1993-94	14	140	7	70
1994-95	121	720	37	285
1995-96	--	--	--	--
1996-97 (Upto January 1997)	120	619	--	--
Total	255	1479	44	355

Expenditure of Rs.44 lakh only for 355 beneficiaries was incurred by the Nigam leaving an unspent balance of Rs.2.11 crore blocked for 1 to 4 years depriving 1124 beneficiaries of the required assistance.

The matter was referred to Government in January 1997. The Government attributed (June 1997) the reasons for delay in utilisation of funds by the Nigam to the introduction of Panchayati Raj in the State in the year 1993-94 under which selection of beneficiaries and preparation of loan cases were to be initiated by gram sabha and finally approved by the District Panchayat.

Thus, Rs.2.11 crore remained blocked for 1 to 4 years and 1124 beneficiaries intended to be assisted were deprived of any assistance.

3.52 Wasteful expenditure on improvement of animal species

For improvement of species of Livestock of Indian origin, Government sanctioned in March 1993 Rs.19.98 lakh for the cattle breeding farm Ratauna, District Sagar (farm) under a centrally sponsored scheme (scheme). Out of this Rs.6.00 lakh were to be spent on procurement of superior livestock* and the remaining amount was to be utilised for irrigation facilities, civil works and purchase of agriculture equipment. The entire amount was drawn in advance by Joint Director, Veterinary Services, Sagar.

The civil works were completed in December 1994 and equipment were purchased during 1993-94 to 1996-97, incurring an expenditure of Rs.13.98 lakh. However, no livestock had been procured till March 1997 as the purchase committee formed for the purpose could not take tangible action for procurement due to non-availability of members, even though an advance of Rs.6.00 lakh had been paid to Rajya Pashudhan Evam Kukkut Vikas Nigam in April 1993 for this purpose. The Joint Director stated (March 1997) that the civil works constructed and the equipment received were being utilised for maintenance of the existing cattle not covered under the scheme. The reply was not tenable as sufficient facilities for the existing cattle already existed and the new facilities were not required for the existing cattle.

* 20 Tharparkar cows, 2 bulls, 30 Murrah buffaloes and 2 murrah bulls

Thus, construction of civil work and purchase of equipment without procurement of livestock resulted in non-achievement of objective of improvement of species of animals by the farm even after incurring an expenditure of Rs.13.98 lakh and blocking of Rs.6.00 lakh for four years.

The matter was referred to Government in January 1997; reply had not been received (October 1997).

Vidhan Sabha Sachivalaya

3.53 Non recovery of telephone charges from Members of Legislative Assembly

The members of Legislative Assembly (MLAs) are provided with telephones, which are registered in the name of Secretary, Vidhan Sabha. The payment of bills are made by the Secretary, Vidhan Sabha. MLAs are entitled to 15 local calls per day when Vidhan Sabha is in session and 7 calls per day when Vidhan Sabha is not in session over and above the free calls permitted by the Department of Telephones. All other expenditure such as trunk calls, phonograms etc is to be borne by the MLAs. The entire amount of telephone bills is paid by the Vidhan Sabha and the amount payable by MLAs is required to be recovered by Vidhan Sabha from the pay and allowances of the MLAs through the respective treasuries.

As against Rs.30.47 lakh which were recoverable from the bills paid by the Vidhan Sabha during 9th and 10th Vidhan Sabha (1990 to 1996), recovery of only Rs.10.87 lakh was effected leaving an amount of Rs.19.60 lakh unrecovered from 408 MLAs as of September 1997. Secretary, Vidhan Sabha stated (February 1997) that the treasuries were not intimating details of recoveries made from MLAs in spite of repeated reminders. The Director of Treasuries intimated (May 1997) that necessary instructions had been issued to treasuries for effecting recoveries.

Non recovery of excess expenditure incurred by MLAs on telephone calls by treasuries had, thus, resulted in an amount of Rs.19.60 lakh remaining unrecovered for 1 to 7 years.

The matter was referred to Government in (January 1997); final reply had not been received (October 1997).

3.54 Loss due to non-recovery of medical advances from Members of Legislative Assembly

According to Madhya Pradesh Vidhan Sabha Pay, Allowances and Pensions Act 1972, Members of Legislative Assembly (MLAs) are entitled to such medical facilities for reimbursement of medical treatment and treatment taken outside the state as are available to State Government servants. Medical advances are also allowed to MLAs on the recommendation of Medical Officers. The adjustment bills against the medical advances are required to be submitted within six months, failing which recoveries were to be made through Treasuries.

Medical advances amounting to Rs.7.39 lakh were given to 7 MLAs during November 1982 to October 1994 (3 cases 1982-84 : Rs.5.28 lakh and 4 cases 1992-94 : Rs.2.11 lakh). Out of seven, 5 MLAs, against whom Rs.6.19 lakh were outstanding, expired during July 1984 to November 1994. Neither the medical adjustment bills were submitted by MLAs nor recovery of the outstanding

advances was initiated by the Vidhan Sabha Sachivalaya even after a lapse of 3 to 14 years.

Government stated (September 1997) that outstanding advances (Rs.6.19 lakh) in cases of five deceased MLAs were written off and in two cases recovery was yet to be made. Had action for recovery/adjustment of advances been taken in time advances would not have remained outstanding and the loss on this account could have been avoided.

Thus, delay in initiating action for recovery of medical advances given to MLAs resulted in a loss of Rs.6.19 lakh.

Chapter-IV

Financial assistance to authorities and bodies

4.1 General

4.1.1 Autonomous bodies and authorities are set up to discharge generally non-commercial functions of public utility services. These bodies/authorities receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies and Companies Act, 1956, etc. to implement certain programmes of the State Government. The grants are intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of school and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

During 1996-97, financial assistance of Rs. 1040.58 crore was sanctioned to various autonomous bodies and others broadly grouped as under :

Name of institutions	Amount of assistance paid (Rupees in crore)
1. Universities and Educational Institutions	70.71
2. Municipal Corporations and Municipalities	366.65
3. Zilla Parishads and Panchayati Raj Institutions	2.83
4. Development Agencies	523.24
5. Hospitals and other charitable Institutions	0.66
6. Other Institutions	76.49
TOTAL	1040.58

4.1.2 Delay in submission of accounts :

In order to identify the institutions which attract audit under section 14/15 of the Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, Government/Heads of Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Though Government is requested every year to furnish this information, the information in respect of the following 7 organisations was awaited as on 30-6-97 for a number of years as indicated below :

S.No.	Name of the Organisation	Year for which information had not been furnished
1.	M.P. Uchha Shiksha Anudan Aayog, Bhopal	1992-93 to 93-94
2.	M.P. Antyavyavsai Sahakari Vikas Nigam, Bhopal	1992-93 to 95-96
3.	M.P. Beej Pramanikaran Sansthan, Bhopal	1992-93 to 95-96
4.	Rajeev Gandhi Prathamik Shiksha Mission, Bhopal	1994-95 to 95-96
5.	M.P. Kala Parishad	1989-90 to 95-96
6.	Jawahar Lal Nehru Krishi Vishwavidyalaya, Jabalpur	1992-93 to 95-96
7.	M.P. Housing Board, Bhopal	1995-96

The audit of accounts of the following bodies had been entrusted to the Comptroller and Auditor General of India for periods detailed below :

S.No.	Name of body	Period of entrustment	Date of entrustment
1.	M.P. State Co-operative Federation, Bhopal	1992-93 onwards	16.5.1997
2.	M.P. State Corporation Oil Producing Federation, Bhopal	1992-93 onwards	16.5.1997
3.	Jawahar Lal Nehru Krishi Vishwa Vidyalaya, Jabalpur	1992-93 onwards	16.5.1997
4.	M.P. Housing Board, Bhopal	1992-93 to 1996-97	8.7.1992
5.	M.P. Udyami Vikas Sansthan, Bhopal	1991-92 to 1995-96	6.2.1992

4.1.3 Audit arrangement

The primary audit of local bodies (Zilla parishads, Nagar Palikas, Town Area/Notified Area Committee and Panchayati Raj Institutions), educational institutions and others is conducted by Director Local Fund, M.P., Gwalior. Audit of Co-operative societies is conducted by the Registrar Co-operative Societies, M.P., Bhopal.

Out of 485 units of 59 bodies, 348 units attracted audit under Comptroller and Auditor General's (DPC) Act, 1971 during the year 1995-96. Out of these audit of 279 units was taken up till June 1997.

Co-operation Department

4.2 Co-operative institutions

4.2.1 (a) Investment in share capital

The position regarding total number of co-operative societies in the State registered under the Madhya Pradesh Co-operative Societies Act, 1860, their total paid up capital, the number of societies in which Government had contributed to their share capital and the amount of share capital invested upto the end of the following three years was as under :

As on	Societies Registered		Societies with Government Investment	
	Number	Paid up capital (Rs. in crore)	Number	Amount (Rs. in crore)
31.3.95	30,162	317.72	22,247	267.86
31.3.96	31,312	388.76	22,413	285.46
31.3.97	34,465	508.53	22,697	306.19

Share capital amounting to Rs. 2.20 crore (145 societies) was retired during the year 1996-97 as against Rs. 15.98 crore (1232 societies) which were due for retirement during 1996-97. The Commissioner cum-Registrar, Co-operative Societies stated (June,97) that 4011 co-operative societies, in which Rs.46.95 crore had been invested, were running in loss and were not in a position to repay the Government Share Capital.

As on 31 March 1997, 3,328 Cooperative Societies having Government investment amounting to Rs. 0.68 crore were under liquidation.

4.2.1 (b) Financial assistance

Share capital contributed and financial assistance granted to the societies in various forms during last three years as reported by Commissioner cum- Registrar Cooperative Societies in June 1997 were as under :

Year	Share Capital		Grants and subsidy		Loans	
	No. of societies	Amount (Rs. in crore)	No. of societies	Amount (Rs. in crore)	No. of societies	Amount (Rs. in crore)
1994-95	630	5.92	110	14.20	114	17.26
1995-96	166	17.60	138	28.35	114	12.35
1996-97	284	20.72	115	13.49	126	8.08

Government investments through debentures were to the extent of Rs.24.73 crore (including Rs.1.96 crore during the year) as at the end of March 1997 in one society viz., Madhya Pradesh State Co-operative Land Development Bank Ltd., Bhopal.

(c) Details of societies with Government investment running under loss during the years 1994-95 to 1996-97 were as under :

Year	No. of Societies	Government investment in these societies (R u p e e s i n c r o r e)	Losses incurred during the year	Total losses incurred at the end of the year
1994-95	3,415	40.18	19.22	121.90
1995-96	3,615	42.58	21.44	143.34
1996-97	4,011	46.95	23.68	157.89

4.2.2 Dividend

The details of dividend received from co-operative institutions and percentage of return to total investment during years 1994-97 were as under :

Year ending	Total investments at the end of the year (Rupees in crore)	Amount of dividend received	Percentage* return on investment
31.3.95	267.86	0.0737	0.028
31.3.96	285.46	0.0697	0.026
31.3.97	306.18	0.0575	0.019

4.2.3 Guarantees

Government had also guaranteed repayment of loans taken by 12 Co-operative societies to the extent of Rs. 2319.25 crore upto 31 March 1997, out of which Rs. 1245.09 crore were outstanding against the 12 societies as on 31 March 1997.

4.2.4 Outstanding loans and interest

As on 31 March 1997, the total amount of loans advanced to 3,555 societies was Rs. 10,797.40 crore. As on 31 March 1997, Rs.45.01 crore towards principal from 2,105 societies and Rs.28.84 crore towards interest from 1,911 societies were due for payment but had not been paid.

* Percentage has been worked out on the investment at the beginning of the year plus 50 per cent of the investment made during the year minus 50 per cent of the share capital retired during the year of return on investment

The Registrar, Co-operative Societies stated (June 1997) that instructions had been issued to the District and Divisional officers to recover the overdue amount of loan and interest.

4.2.5 Arrears of audit

As of 31 March 1997, audit of accounts of societies by the Registrar was in arrears for a period exceeding three years (1,150 societies) ; for 2 to 3 years (521 societies) ; for 1 to 2 years (1,157 societies) and upto 1 year (5,179 societies). The Registrar attributed (June, 1997) the arrears in Audit to shortage of audit staff.

Audit fee amounting to Rupees 4.09 crore was outstanding for recovery by the Registrar as on 31 March 1997.

Culture Department

4.3 Excess payment of grant-in-aid

Madhya Pradesh non-government cultural institutions grants-in-aid rules (Rules) provide that grants-in-aid to non-government cultural institutions should not exceed the net deficit (excess of expenditure over income) of the institution. Sanctions issued under these rules specify that the grant should be utilised within the year in which it is sanctioned and at the end of the year the amount remaining unspent should be refunded to treasury immediately. The Rules also provide for deduction of any excess grant paid during the current/previous years from the last instalment of grant payable on last day of February each year. As such the institutions were not expected to have any surplus at the end of any year.

The Department of Culture had been paying grants-in-aid specifically for maintenance to Bharat Bhawan Trust, Bhopal (Trust) in excess of the deficit of the Trust year after year. As a result, the Trust had an accumulated excess of Rs.1.24 crore (upto 1987-88 : Rs.84.02 lakh and from 1988-89 to 1994-95 : Rs.40.21 lakh) at the end of 1996-97. Instead of refunding the unspent balance of the grant-in-aid for maintenance as provided in the sanctions issued by Government the Trust invested Rs.51.23 lakh in fixed deposit and purchased assets worth Rs.67.46 lakh out of the accumulated surplus.

Though income and expenditure accounts were regularly submitted by the Trust and the department had means to know the amount of excess of income over expenditure every year it did not regulate the quantum of grants to the Trust for the subsequent years as required under the Rules. This resulted in excess payment of Grant-in-aid of Rs.1.19 crore.

The payment of excess grant in contravention of rules resulted in blocking of Rs.1.19 crore.

The matter was referred to Government in February 1997; reply had not been received (October 1997).

4.4 Excessive publication of Urdu Books

To promote creative and critical Urdu literature, Madhya Pradesh Urdu Academy, Bhopal (Academy) publishes and sells Urdu books. A minimum of 1000 books were published at a time for any publication.

60,100 copies of 55 Urdu Books (1000 copies each of 51 books, 1500 copies each of 2 books, 1100 copies of one book and 5000 copies of another book) were published during 1979-91 by incurring an expenditure of Rs. 8.30 lakh. Out of 5000 copies of a book published in 1988, 4640 copies remained unsold as of March, 1997. Of the remaining books, 43005 copies (ranging between 353 to 957 per book) remained unsold as of 31 March 1997. Thus the expenditure of Rs. 7.51

lakh incurred on printing of the books remaining unsold could not be realised. Royalty totalling Rs. 0.49 lakh was also paid on books remaining unsold resulting in total unfruitful expenditure of Rs. 8.00 lakh.

Thus, by publishing 1000 to 5000 copies of each book instead of deciding the number on the basis of market demand and payment of royalty on unsold books, Madhya Pradesh Urdu Academy, Bhopal incurred wasteful expenditure of Rs. 8.00 lakh.

The Academy stated (March 1997) that keeping in view the sales turnover, only 500 copies of books would be published in future. The poor sale of the books indicated that the academy had not been able to achieve its objective of promoting the sale of Urdu books since 1979.

The matter was referred to Government in March 1997; reply had not been received (October 1997).

Housing and Environment Department

4.5 Delay in execution of a contract

Madhya Pradesh Housing Board (MPHB) invited tenders in December 1989 for the work 'Additional Area Development Scheme at Makodia Aam Ujjain, Slice-I' estimated at Rs.24.27 lakh. The work was awarded to the lowest tenderer in February 1990 for Rs.40.02 lakh. The work was to be completed within six months. Chief Engineer made Deputy Housing Commissioner and Executive Engineer personally responsible for getting the work completed in the time limit.

According to the conditions of contract, the contractor was to pay compensation at the rate of one per cent for every day the work remained uncommenced or unfinished subject to total compensation not exceeding ten per cent of the estimated cost. The contract also provided for extension of time for completion if the contractor faced any unavoidable hindrance in the execution of the contract.

The work was completed in May 1993 after a delay of 33 months. Preliminary works such as drawing, design and layout etc., without which the work could not have been executed by the contractor, were not executed by MPHB. As a result, extension of 28 months (upto December 1992) was granted to the contractor and a price escalation of Rs.7.79 lakh was paid for this period.

The delay of 5 months from January 1993 to May 1993 was attributed to the contractor for which compensation of Rs.2.43 lakh was recoverable from the contractor. As against this compensation, a penalty of Rs.0.12 lakh was levied resulting in less recovery of Rs.2.31 lakh.

Thus, due to non-completion of preliminary works required to be completed before award of work and less recovery of compensation due to delay on part of contractor in completion of work, MPHB suffered a loss of Rs.10.10 lakh on the 'additional area development scheme at Makodia Aam Ujjain Slice-I'.

The matter was referred to Government in February 1997; reply had not been received (October 1997).

Panchayat and Rural Development Department

4.6 Infructuous/irregular expenditure under Jeewan Dhara Yojna

With a view to provide open irrigation wells free of cost to poor, small and marginal farmers belonging to Scheduled Castes, Scheduled Tribes and freed bonded labourers, "Jeewan Dhara", a Centrally Sponsored Scheme, was launched by Government during 1988-89 under the scheme Jawahar Rojgar Yojna (JRY). Grants-in-aid were to be paid as per scale prescribed by National Bank for Agriculture and Rural Development (NABARD).

A physical verification of wells by District Rural Development Agency (DRDA), Jabalpur, conducted in July 1994 brought out the following irregularities :

- (i) 36 wells (grant Rs.3.69 lakh) were not found constructed on site;
- (ii) 21 wells (grant Rs.1.96 lakh) were found incomplete;
- (iii) In 9 cases (grant Rs.1.25 lakh) the farmers had constructed wells on land belonging to Government or others; and
- (iv) 5 wells (grant Rs.0.41 lakh) were not found successful.

No action to recover the grants from the farmers who had not constructed the wells or constructed them on land belonging to Government or others had been initiated.

Executive Director, DRDA Jabalpur stated (January 1997) that the physical verification was being done again and in case the irregularities were persisting necessary action would be taken to recover the amounts. In June 1997 he reiterated the same reply. Though the verification of report of 1993 showed the above irregularities and under the guidelines of JRY physical verification of assets was to be done on continuous basis soon after completion of works, the department had failed to conduct another physical verification during the past four years.

Thus, irregular/infructuous payment of grant-in-aid amounting to Rs.7.31 lakh was made under JRY during 1988-93.

The matter was referred to Government in February 1997, reply had not been received (October 1997).

4.7 Loss of interest of Rs.15.27 lakh

Under Jawahar Rozgar Yojana (JRY), foodgrain is distributed to labourers as a part of wages from November 1992, through Public Distribution System (PDS). Nagrik Apoorti Nigam (NAN) has been authorised to work as an agent of State Government for lifting foodgrains from Food Corporation of India (FCI) to PDS. The quantity of foodgrain is allotted to the District Rural Development Agency (DRDA) by the Development

Commissioner. DRDA makes advance payment to NAN for the cost of foodgrains.

Advance payments of Rs.2.56 crore for 5000 M.T. of wheat in 1994-95 and Rs.2.89 crore for 5500 MT of wheat in 1995-96 were made by the DRDA Sidhi to NAN against which wheat costing Rs.89.89 lakh in 1994-95 and Rs.1.21 crore in 1995-96 was lifted less resulting in non-adjustment of excess payments of Rs.2.11 crore.

DRDA deposits its cash in saving account and earns an interest at the rate of 5 per cent.

Thus, non-adjustment of excess payments at the end of year resulted in blocking of funds Rs.2.11 crore and subsequent loss of interest of Rs.15.27 lakh.

The matter was referred to Government in March 1997; reply had not been received (October 1997).

4.8 Mis-utilisation of Grant-in-aid

Under Integrated Rural Development Programme, grant- in- aid of Rs.4000 in each case is paid to the beneficiaries living below poverty line through banks to purchase assets like milch animals, bullock carts etc., so as to increase their income. In case of any beneficiary not utilising the funds or selling the assets within a year of purchase, the amount was recoverable from the beneficiary. A physical verification of assets, purchased out of grant (paid by District Rural Development Agency, Chhindwara) by the

beneficiaries during 1993-96, conducted by the department in April 1994, 1995 and 1996 revealed that 560 beneficiaries, who had purchased assets worth Rs.22.40 lakh in 1993-96, sold their assets in the year of purchase (1993-94 : 302 beneficiaries Rs.12.08 lakh, 1994-95 : 88 beneficiaries Rs.3.52 lakh and 1995-96 : 170 beneficiaries Rs.6.80 lakh) and 224 beneficiaries did not purchase the assets at all after receiving grant of Rs.26.81 lakh during 1995-96.

The above amount of Rs.49.21 lakh paid under Integrated Rural Development Programme during 1993-96 was neither recovered nor utilised for the purpose for which it was granted although the District Rural Development Agency was empowered to recover the amount.

The matter was reported to Government in March 1997; reply had not been received (October 1997).

CHAPTER V

Inadequate follow up action

Medical Education Department

5.1 Avoidable expenditure on electricity charges

Paragraph 3.15 of the Report of the Comptroller and Auditor General of India for the year 1984-85 (Civil) mentioned avoidable extra expenditure of Rs.13.13 lakh on electricity charges in the office of the Superintendent Medical College Hospital Jabalpur due to non revision of contract demand of High Tension connection. The Public Accounts Committee in its 132 report (January 1990) recommended that the department should make serious inquiry and take strict action against the delinquent officials and issue necessary instructions to all concerned to avoid recurrence in future.

Further scrutiny (May-June 1997) of records for the period 1994-97 revealed that the earlier agreement for 200 KVA was revised with effect from 1st December 1983 to 1058 KVA without assessing the requirement properly on the basis of actual consumption. According to notification of Madhya Pradesh Electricity Board (MPEB), the billing demand would be (i) actual maximum demand during the month, (ii) 75 per cent of the contract demand as per agreement or (iii) 60 KVA, whichever was higher. MPEB was therefore taking charge for 794 KVA being 75 per cent of the contract demand against the actual consumption ranging from 276 to 435 KVA during the above period

resulting in extra avoidable payment of Rs.15.04 lakh to MPEB.

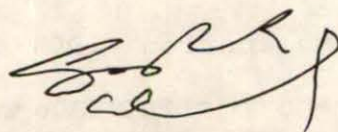
Thus, injudicious revision of agreement without taking into account the actual maximum consumption had again resulted in an extra avoidable payment of Rs.15.04 lakh to MPEB, during the period 1994-97.

Besides, the department had not taken any action against the delinquent officials as recommended by the PAC in January 1990 and issued instructions to avoid recurrence in future only in March 1997.

The matter was referred to Government in June 1997. The Government intimated (August 1997) that the matter regarding revised agreement was under consideration with MPEB and the bills would be sent as per the revised agreement from August 1997.

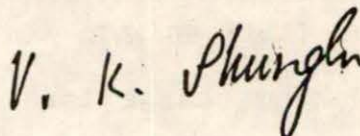
Gwalior
The

5 MAY 1998



(SUSHMA SHARMA)
Accountant General (Audit)-I
Madhya Pradesh

Countersigned



New Delhi
The

(V. K. SHUNGLU)
Comptroller and Auditor General of India

6 MAY 1998

APPENDICES

APPENDICES

Appendix-I
(Reference : paragraph 1.6.3 at page 37)

Details of the ongoing Projects and the cost over run

S.No.	Name of Project	Year of Sanction	Original estimated cost	Revised Date of completion	Revised estimated cost	Expenditure upto to the end of March 1997	Percentage of col. 6 to 4
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(R u p e e s i n c r o r e)

I.							
1.	Sindh Phase- II	1978	25.43	March 2003	607.67	87.47	2290
II.							
1.	Rampur Khurd	1978	1.50	Dec. 1988	17.85	17.83	1090.00
2.	Jonk	1973	4.13	June 1997	49.99	44.92	1110.41
3.	Bawanthadi	1975	11.81	March 2002	148.03	66.68	1153.42
4.	Budhna	1979	2.33	March 1990	28.99	29.52	1144.20
5.	Kodar	1974	2.95	March 1999	38.28	38.78	1197.62
6.	Mand D/s	1976	2.51	March 1998	48.92	38.44	1849.00
III.							
1.	Upper Wainganga	1975	28.50	March 2002	193.97	151.44	580.59
2.	Mahi	1981	27.10	June 2007	192.85	102.56	612.00
3.	Kolar	1979	25.75	Dec. 1998	185.00	157.35	618.44
4.	Kaliasote	1980	7.84	March 1998	59.12	54.11	654.00
5.	Bariarpur	1978	18.40	June 2003	143.00	84.67	677.17
6.	Gej	1980	5.20	March 1990	42.02	24.16	708.00
7.	Kosparteda	1980	6.01	March 2005	49.30	8.01	720.29
8.	Chhirpani	1980	4.31	June 1990	41.65	36.68	866.35
IV.							
1.	Sagar	1980	10.63	March 2005	31.99	1.17	200.94
2.	Bah	1980	13.98	March 2005	54.30	3.47	288.41

S.No.	Name of Project	Date of Sanction	Original estimated cost	Revised Date of completion	Revised cost	Expenditure upto to the end of March 1997	Percentage of col. 6 to 4
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3.	Kunwari LIS	1973	0.96	June 2004	3.80	0.33	295.83
4.	Hasdeo Bango	1982	195.37	March 2003	858.31	506.84	339.32
5.	Bhander Canal	1972	2.04	March 1999	9.49	12.03	365.20
6.	Barnai	1984	4.26	June 1998	21.50	11.03	404.69
7.	Balar	1976	2.46	March 1998	12.54	11.28	409.75
8.	Dholawad	1977	4.64	March 1998	24.52	19.63	428.44
9.	Barchar	1981	3.50	March 1999	19.63	13.75	460.86
10.	Mahanadi (Reservoir)	1983	214.40	March 2005	1223.45	384.25	470.63
V.							
1.	Fench Valley (P.H.E)	1979	998.70	2002	2000	1271.76	100.26
2.	Fench (D/s)	1988	91.60	June 2003	184.04	3.32	101.00
3.	Barna	1969	15.26	March 1999	31.25	26.72	104.78
4.	Makroda	1976/ 1996	9.07	March 1998	19.82	7.71	118.52
5.	Ghunghutta	1983	19.09	March 1998	50.52	45.18	165.00
6.	Pairi	1977/ 1973	11.96	March 1998	33.54	43.43	180.43
7.	Bansagar	1989	448.03	June 2005	1281.00	567.27	185.92
VII.							
1	Dejla Dewada	1982/ 1996	50.12	March 1998	51.66	51.69	3.07
2.	Bundla	1980/ 1996	15.22	March 1998	16.48	14.44	8.27
3.	Lakhundar	1984/ 1997	29.81	March 1999	34.07	28.94	14.29

S.No.	Name of Project	Date of Sanction	Original estimated cost	Revised Date of completion	Revised cost	Expenditure upto to the end of March 1997	Percentage of col. 6 to 4
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
4.	Choral	1979/ 1996	35.86	June 1998	41.97	39.93	17.03
5.	Urail	1979/ 1995	18.51	June 2001	22.01	21.13	18.91
6.	Thanwar	1972/ 1991	22.76	March 1999	27.20	24.37	19.50
7.	Rajghat Unit-I	1983	107.00	March 2003	133.50	111.18	24.76
8.	Tillar	1979/ 1996	35.22	March 1998	45.03	38.47	27.85
9.	Chirmiri (P.H.N)	1982	933.00	March 1998	1200.00	1100.00	28.61
10.	Bandia	1980/ 1996	12.38	March 1998	17.33	11.47	39.98
11.	Dudhi	1979/ 1996	17.26	March 1998	24.37	14.90	41.19
12.	Matiyari	1978/ 1996	48.31	March 1998	71.83	53.54	48.68
13.	Banjar	1979	5.30	June 1998	8.07	6.68	52.26
14.	Chandora	1980	10.80	March 1998	17.39	15.25	61.00

Notes :

1. There was no cost overrun in 2 cases (Sanjay Sagar, Shindh Phase I).
2. Figures of original estimates in 5 cases were not made available (Gopad LIS, Mahan, Shivnath D/s, Mahour and Bilaspur D/s).

APPENDIX-II (a)

(Reference: Paragraph 2.2.2 at page 47)

Cases where supplementary provision proved unnecessary

S.No.	Number and description of grant/ appropriation	Original grant/ appropriation	Supplementary grant/ appropriation obtained in			Actual expenditure	Saving
			August 1996	December 1996	March 1997		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rupees in crore)							
(A)	Revenue: Voted						
1.	1-General Administration	46.96	1.06	1.28	2.32	43.98	7.64
2.	2-Other Expenditure pertaining to General Administration Department	8.14	0.14	1.23	--	7.02	2.49
3.	5-Jails	41.95	--	1.62	0.78	40.02	4.33
4.	6-Expenditure pertaining to Finance Department	1090.73	1.18	0.52	124.78	709.11	508.10
5.	7-Expenditure pertaining to Commercial Tax Department	114.12	0.18	0.15	5.13	108.19	11.39
6.	9-Expenditure pertaining to Revenue Department	23.30	--	0.10	--	17.44	5.96
7.	11-Expenditure pertaining to Commerce and Industry Department	37.47	0.17	3.87	0.77	32.47	9.81
8.	13-Agriculture	220.77	8.33	7.01	17.35	207.08	46.38
9.	17-Co-operation	29.53	--	--	2.27	27.53	4.27
10.	19-Public Health, Family Welfare and Medical Education	491.05	0.21	6.01	20.73	472.38	45.62

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rupees in Crore)							
11.	23-Water Resources Department	225.76	--	--	8.33	217.17	16.92
12.	26-Expenditure pertaining to Culture Department	12.97	--	0.22	0.61	12.51	1.29
13.	28-State Legislature	10.58	0.18	0.15	0.83	10.17	1.57
14.	29-Administration of Justice and Elections	113.73	0.22	--	2.54	92.00	24.49
15.	30-Expenditure per- taining to Panchayat and Rural Development Department	383.96	0.73	13.48	8.16	283.33	123.00
16.	31-Expenditure per- taining to Planning Economics and Statistics Department	15.83	--	--	0.49	12.69	3.63
17.	34-Social Welfare	15.67	--	0.02	0.18	14.48	1.39
18.	41-Tribal Areas sub-plan	631.64	25.75	27.03	8..32	559.02	133.72
19.	43-Sports and Youth Welfare	19.32	--	--	1.82	14.09	7.05
20.	45-Minor Irrigation Works	43.86	--	--	3.77	37.13	10.50
21.	47-Man Power Planning Department and Technical Education	91.48	0.03	--	0.24	77.66	14.09
22.	49-Scheduled Caste Welfare	38.50	0.35	--	1.34	38.37	1.82
23.	51-Religious Trusts and Endowments	2.02	0.17	--	0.16	1.56	0.79
24.	55-Expenditure per- taining to Women and Child Welfare	74.44	0.63	4.01	0.20	68.53	10.75
25.	56-Rural Industries	25.49	0.18	0.73	0.48	20.87	6.01
26.	64-Special Component Plan for Scheduled Castes	447.13	3.79	24.16	3.13	314.97	163.24

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rupees in Crore)							
27.	80-Financial Assistance to Three Tier Panchayati Raj Institutions	278.43	--	35.00	2.55	235.16	80.82
28.	82-Financial Assistance to Tribal Area Sub- Plan-Three Tier Panchayati Raj Institutions	84.98	2.24	--	1.68	70.17	18.73
29.	84-Financial Assistance to Three Tier Panchayati Raj Institution under Special Component Plan for Scheduled Caste	26.64	3.00	--	--	16.64	13.00
30.	92-Upgradation of standards of Administration under recommendation of 10th Finance Commission- Revenue	--	--	0.25	--	--	0.25
Total (A)		4646.45	48.54	126.84	218.96	3761.74	1279.05
(B) Revenue: Charged							
1.	Interest payments and Servicing of Debt 1410.86	--	--	--	26.37	1376.22	61.01
2.	8-Land Revenue and District Administration 0.58	--	--	--	0.05	0.29	0.34
3.	18-Labour 0.01	--	--	0.02	--	0.01	0.02
4.	19-Public Health, Family Welfare and Medical Education 0.12	--	--	--	0.04	--	0.16
5.	40-Expenditure pertaining to Command Area Development Department 0.01	--	--	--	0.01	--	0.02
6.	44-Higher Education 0.01	--	--	--	0.01	--	0.02
Total (B)		1411.59	--	0.02	26.48	1376.52	61.57

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rupees in Crore)							
(C)	Capital: Voted						
1.	1-General Administration	0.20	0.10	--	--	--	0.30
2.	6-Expenditure per- taining to Finance Department	149.87	3.14	2.00	--	24.65	130.36
3.	10-Forest	0.94	--	0.89	--	0.25	1.58
4.	23-Water Resources Department	268.02	0.80	0.10	11.11	222.00	58.03
5.	39-Expenditure pertaining to Food and Civil Supplies and Consumer Protection Department	9.50	0.64	1.30	--	7.53	3.91
6.	41-Tribal Areas Sub-Plan	153.50	20.55	4.91	1.16	130.74	49.38
7.	45-Minor Irrigation- Works	71.46	3.98	14.85	--	62.18	28.11
8.	48-Marmada Valley Development	303.48	--	3.40	54.51	256.28	105.11
9.	56-Rural Industries	3.26	--	0.07	--	3.16	0.17
10.	57-Externally Aided Project pertaining to Water Resources Department	17.12	--	5.00	--	16.25	5.87
11.	64-Special Component Plan for Sechduled Castes	58.80	7.50	7.51	0.16	57.47	16.50
12.	68-Public Works relating to Tribal Areas Sub Plan- Buildings	7.68	--	3.15	--	5.37	5.46
13.	76-Special pool for welfare of Scheduled Caste	20.59	--	0.70	0.25	14.37	7.17
14.	81-Financial Assistance to Urban Bodies	13.30	--	0.12	--	13.29	0.13
Total (C)		1077.72	36.71	44.00	67.19	813.54	412.08

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rupees in Crore)							
(D)	Capital: Charged						
1.	23-Water Resources Department	0.20	--	--	0.20	--	0.40
2.	48-Narmada valley Development	0.30	0.09	--	0.70	0.23	0.86
3.	67-Public Works- Buildings	--	--	--	0.06	--	0.06
Total (D)		0.50	0.09	--	0.96	0.23	1.32
Grant Total:		7136.26	85.34	170.86	313.59	5952.03	1754.02
(A) + (B) + (C) + (D)							

APPENDIX-II (b)

(Reference: Paragraph 2.2.2 at page 47)

**Cases where
supplementary provisions obtained proved excessive**

Sl. No.	Number and description of grant/appro- priation	Original grant/ appropriation	Supplementary grant/appro- priation	Actual expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crore)					
(A)	Revenue: Voted				
1.	3-Police	556.58	50.01	589.59	17.00
2.	4-Other Expenditure pertaining to Home Department	3.18	0.64	3.21	0.61
3.	8-Land Revenue and District Administration	00.22	13.83	208.45	5.60
4.	14-Expenditure per- taining to Animal Husbandary Department	93.61	4.23	94.28	3.56
5.	15-Dairy Development	20.05	9.57	23.33	6.29
6.	16-Fisheries	11.43	2.95	13.56	0.82
7.	18-Labour	25.30	2.12	26.42	1.00
8.	21-Expenditure per- taining to Housing and Environment Department	20.73	6.83	21.41	6.15
9.	25-Expenditure pertaining to Mineral Resources Department	7.61	2.85	10.15	0.31
10.	32-Expenditure pertaining to Public Relation Department	15.13	5.44	19.53	1.04
11.	39-Expenditure per- taining to Food, Civil Supplies and Consumer Protection Department	38.98	5.19	42.00	2.17
12.	46-Science and Technology	2.61	0.12	2.70	0.03

(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crore)					
13.	54-Expenditure per- taining to Agricultural Research and Education	20.86	2.65	21.97	1.54
14.	65-Aviation Department	3.72	1.67	4.94	0.45
15.	66-Welfare of Backward Classes	40.44	16.27	56.14	0.57
16.	69-Expenditure pertaining to Urban Welfare Department	6.82	8.48	15.20	0.10
17.	72-Expenditure per- taining to Gas Tragedy Relief Works	1.12	22.06	13.85	9.33
18.	81-Financial Assistance to Urban Bodies	311.02	78.82	389.58	2.26
19.	88-Upgradation of standard of Adminis- tration Under Recommen- dation of 10th Finance Commission-Police	--	3.89	2.30	1.59
20.	91-Upgradation of standard of Adminis- tration under Recommen- dation of 10th Finance Commission-Jails	--	1.32	0.61	0.71
Total (A)		1379.41	238.94	1559.22	59.13
(B)	Revenue: Charged				
1.	1-General Administration	3.98	0.45	4.02	0.41
2.	20-Public Health Engineering	0.06	0.19	0.20	0.05
3.	29-Administration of Justice and Elections	7.72	1.28	8.97	0.03
4.	81-Financial assistance to Urban Bodies	17.85	3.32	21.06	0.11
Total (B)		29.61	5.24	34.25	0.60

(1)	(2)	(3)	(4)	(5)	(6)
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(Rupees in crore)

(C) Capital: Voted

1.	2-Other Expenditure pertaining to General Administration Department	--	1.75	1.64	0.11
2.	9-Expenditure pertaining to Revenue Department	0.60	2.00	2.46	0.14
3.	11-Expenditure pertaining to Commerce and Industry Department	10.35	13.66	23.63	0.38
4.	17-Co-Operation	15.70	13.57	26.08	3.19
5.	21-Expenditure pertaining to Housing and Environment Department	25.96	30.89	55.99	0.86
6.	24-Public Works- Roads and Bridges	18.62	7.91	25.61	0.92
7.	55-Expenditure pertaining to Women and Child Welfare Department	0.04	0.92	0.74	0.22
8.	60-Expenditure pertaining to District Plan Schemes	40.40	13.63	53.01	1.02
9.	67-Public Works- Buildings	50.71	11.62	58.81	3.52
10.	72-Expenditure per- taining to Gas Tragedy Relief Works	Token	9.12	3.30	5.82

Total (C)	162.38	105.07	251.27	16.18
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(D) Capital: Charged

1.	24- Public Works - Roads and Bridges	0.10	0.16	0.16	0.10
Total (D)		0.10	0.16	0.16	0.10

Grant Total (A)+(B)+(C)+(D)	1571.50	349.41	1844.90	76.01
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APPENDIX-II (c)
(Reference Paragraph 2.2.2 at page 47)

Cases where supplementary provision was insufficient

Sl. No.	Description of grant/ appropriation	Supplementary Provision	Final excess
(1)	(2)	(3)	(4)
(R u p e e s i n c r o r e)			
A. Revenue: Voted			
1.	10-Forest	40.93	1.24
2.	12-Expenditure pertaining to Energy Department	886.47	0.03
3.	20-Public Health Engineering	54.86	58.67
4.	24-Public Works-Roads and Bridges	70.08	57.91
5.	27-School Education	58.06	25.45
6.	33-Tribal Welfare	27.38	2.97
7.	36-Transport	7.52	0.01
8.	44-Higher Education	14.48	0.92
9.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	5.00	13.28
10.	67-Public Works-Buildings	9.49	57.62
Total (A)		1174.27	218.10
(B) Capital: Voted			
1.	20-Public Health Engineering	0.10	2.58
2.	42-Public Works relating to Tribal Areas Sub Plan-Roads and Bridges	13.28	2.78
Total (B)		13.38	5.36
Grant Total: (A) + (B)		1187.65	223.46

APPENDIX-III

(Reference: Paragraph 2.2.3 at page 48)

**Excess over Grant/Appropriation requiring
regularisation**

Sl. No.	Grant Number and Name	Total Grant/ Appropriation	Actual Expen- diture	Amount of Excess (Percentage of Excess)	Main Reasons
1	2	3	4	5	6
		(Rs.)	(Rs.)	(Rs.)	
(A)	Revenue : Voted				
1.	10-Forest	4220713000	4233125764	(+)12412764	Not intimated (October 1997)
2.	12-Expenditure pertaining to Energy Department	12149865200	12150177268	(+)312068	Reimbursement of free electricity supply by Electricity Board
3.	20-Public Health Engineering	3073034900	3659758559	(+)586723659	Not intimated (October 1997)
4.	24-Public Works- Roads and Bridges	3138741200	3717809134	(+)579067934	Not intimated (October 1997)
5.	27-School Education	14323260700	14577778256	(+)254517556	Enhancement of DA/IR increase expenditure on rent, rates and taxes and other allowances, additional requirement for payment of grant-in- aid (Rs.17.63 crore)
6.	33-Tribal Welfare	3899926100	3929587383	(+)29661283	Not intimated (October 1997)
7.	36-Transport	209539100	209610403	71303	Not intimated (October 1997)
8	44-Higher Education	1993437200	2002678964	(+)9241764	For promoting activities of national service scheme organised by the students (Rs.0.39 lakh), for balance excess reasons not intimated (October 1997).
9.	58-Expenditure on Relief on account of Natural Calamities and Scarcity	1027300000	1160074618	(+)132774618	Not intimated (October 1997)

1	2	3	4	5	6
		(Rs.)	(Rs.)	(Rs.)	
10.	67-Public Works-Buildings	2582335300	3158492859	(+) 576157559	Not intimated (October 1997)
11.	70-Externally Aided Projects pertaining to Man Power Planning Department	409060100	412788504	(+) 3728404	Receipt of instruments against the purchase order issued during the preceeding year
Total (A)		47027212800	49211881712	2184668912	
(B) Revenue : Charged					
1.	15-Dairy Development	255600	280546	24946	Not intimated (October 1997)
2.	30-Expenditure pertaining to Panchayat and Rural Development Department	121200	512398	(+) 391198	Not intimated (October 1997)
Total (B)		376800	792944	416144	
(C) Capital : Voted					
1.	20-Public Health Engineering	62841100	88665054	(+) 25823954	Additional requirement of funds for drinking water supply schemes (Rs.1.40 crore)
2.	21-Expenditure pertaining to Housing & Environment Department	568490500	632080452	(+) 63589952	Due to clearance of expenditure of Rs.721.72 lakh of MH 9658 suspense account pertaining to year 1985-86, 1986-87 and debited to MH 6217- in 1996-97. This excess does not require regularisation
3.	27-School Education	Nil	2366992	(+) 2366992	Not intimated (October 1997)
4.	32-Expenditure pertaining to Public Relations Department	2500000	2557513	(+) 57513	Not intimated (October 1997)
5.	42-Public works relating to Tribal Areas Sub Plan-Roads and Bridges	374111500	401945934	(+) 27834434	Not intimated (October 1997)

1	2	3	4	5	6
		(Rs.)	(Rs.)	(Rs.)	
6.	61-Externally Aided Projects pertaining to Public Health, Family Welfare and Medical Education Department	15260000	24394244	(+)9134244	Not intimated (October 1997)
	Total (C)	1023203100	1152010189	128807089	

Grand Total (A+B+C)	48050792700	50364684845	2313892145
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APPENDIX-IV

(Reference : Paragraph 2.2.4 at Page 49)

Cases of unutilised provision

Grant No.	Description of grant	Amount of saving (Rupees in crore) (Percentage of provision)	Main Reasons for Saving
1	2	3	4
Revenue : Voted			
1	General Administration	7.64 (15)	Non-receipt of proposals for grant-in-aid (Rs.0.37 crore), to provide funds for construction of building of State Election Commission in Grant No.67 (Rs.1.97 crore), non-appointment of vigilance officer and non formation of vigilance committee in 38 districts (Rs.0.66 crore); Post remaining nt (Rs.0.02 crore). Non-receipt of sanction (Rs.0.05 crore). Reasons for balance saving have not been intimated (October 1997).
2	Other Expenditure pertaining to General Administration Department	2.49 (26)	Non payment of pension in time to the beneficiaries.
6	Expenditure pertaining to Finance Department	508.10 (42)	To make provision under different grants and heads and for payment of dearness allowance at increased rates and for new externally aided projects under relevant major heads of the concerned department (Rs.471.71 crore). Reasons for balance saving have not been intimated (October 1997).
9	Expenditure pertaining to Revenue Department	5.96 (25)	Economy cut, non-purchase of stationery and printing machines (Rs.4.31 crore) Post remaining vacant (Rs.0.12 crore), making provision of advertisement bills in Grant No.32 (Rs.0.05 crore). Reasons for balance saving have not been intimated (October 1997).

1	2	3	4
11	Expenditure pertaining to Commerce and Industry Department	9.81 (23)	Non-utilisation of funds for maintenance purposes, office expenses and promotion and less expenditure in salaries (Rs.6.11 crore) and non receipt of demand and verified cases for electricity subsidy (Rs.0.99 crore). Revision of rates for training programme of beneficiaries (Rs.1.50 crore). For Sick Textile Mills (Rs.0.27 crore).
13	Agriculture	46.38 (18)	Provision of funds made for commercial crops (Rs.0.27 crore) lesser demand from subordinate offices (Rs.0.43 crore), Lump sum provision for re-appropriation in supplementary Budget (Rs.3.23 crore), adequate reasons for balance saving have not been intimated.
15	Dairy Development	6.29 (21)	Diversion of funds to other milk schemes, less expenditure on pay and allowances, transfer of milk schemes to Dugdh Mahasangh, less collection of milk, non-release of the funds by Government of India, less receipt of sanction.
17	Co-operation	4.27 (13)	Economy cut (Rs.0.38 crore) and non-receipt of sanction from Government (Rs.2.09 crore), less utilisation of the provision under integrated co-operative Development project, Raisen (Rs.0.17 crore), reasons for balance saving have not been intimated (October 1997).
21	Expenditure pertaining to Housing and Environment Department	6.15 (22)	Adequate reasons not intimated (October 1997).
28	State Legislature	1.57 (13)	Non restoration of railway concession to Ex MLAs and non printing of coupons by Central Railway, less expenditure on electricity charges, less payment of interest subsidy to MLAs due to delay in purchase of vehicles and economy measures.

1	2	3	4
29	Administration of Justice and Elections	24.49 (21)	Non conduct of the proposed revision of electrol rolls by the election commission non-receipt of sanction for payment of bills for printing etc., non-submission of bills by the contractor engaged in preparation of photo identity cards and slow progress of work.
30	Expenditure pertaining to Panchayat and Rural Development Department	123.00 (30)	Non-receipt/less receipt of funds from Government of India and non-receipt of demand from DRDA/ Division. Release/ Direct remittance of funds by GOI directly to DRDA, Economy cut, post remaining vacant and non-receipt of sanction from Finance Department.
31	Expenditure pertaining to Planning, Economics and Statistics Department	3.63 (22)	Post remaining vacant and economy measures (Rs.1.02 crore). Reasons for balance saving have not been intimated (October 1997).
35	Rehabilitation	1.67 (58)	Non utilisation of funds and non-receipt of sanction for Shahpur project (Rs.0.90 crore), transfer of Mana Camp's hospital alongwith the staff resulting saving in electricity, medical expenses and office expenses, and economy measure (Rs.0.14 crore), non-receipt of appropriate proposals from the District Collectors for writing off loans granted to displaced persons prior to 1-4-1984 (Rs.0.28 crore).
40	Expenditure pertaining to Command Area Development Department	1.84 (27)	Transfer of scheme and staff to Agriculture Department (Rs.0.35 crore), non passing of bills by treasury (Rs.0.03 crore), post remaining vacant (Rs.0.39 crore), abolition of Cada Road Division (Rs.0.16 crore).
41	Tribal Areas Sub Plan	133.72 (19)	Transfer of funds directly to DRDA by GOI, non-receipt of funds from GOI, non-receipt of demand/sanction from Government.

1	2	3	4
43	Sports and Youth Welfare	7.05 (33)	Non-sanctioning of central share (Rs.1.48 crore) and State Share (Rs.2.56 crore) for construction of T T Nagar Stadium. Poor attendance of NCC cadets in parades resulted in saving of expenditure in refreshment/washing allowance, TA, Post remaining vacant and adoption of economy measures (Rs.1.00 crore), non-organising of youth festivals (Rs.0.40 crore), non-receipt of sanction from Government (Rs.0.20 crore).
45	Minor Irrigation Works	10.50 (22)	Not intimated (October 1997).
47	Man-Power Planning Department and Technical Education	14.09 (15)	Post remaining vacant, non-receipt of sanction for opening institutions from All India Technical Education Councils and conduct of less tours, receipt of less demand non-supply/receipt of furniture and office equipment, tools machines and other material within stipulated time, non-filling of posts (Rs.4.06 crore), non-availability of eligible educated unemployed persons for payment of relief (Rs.4.50 crore). Reasons for balance saving have not been intimated (October 1997).
55	Expenditure pertaining to Women and Child Welfare	10.75 (14)	Due to closure of integrated school health and nutrition programme scheme (Rs.6.00 crore). Reasons for balance saving have not been intimated (October 1997).
56	Rural industries	6.01 (22)	Economy measures (Rs.0.10 crore), non-receipt of proposals for assistance (Rs.4.03 crore), due to implementation of new schemes (Rs.0.10 crore). Reasons for balance saving have not been intimated (October 1997).
61	Externally Aided Projects pertaining to Public Health and Family Welfare Department	2.07 (19)	Not intimated (October 1997).

1	2	3	4
63	Externally aided projects pertaining to Public Health Engineering Department	3.73 (83)	Not intimated (October 1997).
64	Special Component plan for Scheduled Castes	163.25 (34)	Post remaining vacant and economy measures (Rs.1.00 crore), receipt of less allocation of funds from GOI (Rs.140.75 crore), non-passing of bills by treasury (Rs.0.72 crore) non-receipt of sanction from Government (Rs.2.79 crore), transfer of scheme to Centrally sponsored scheme (Rs.0.89 crore), non-availability of eligible applicants (Rs.1.26 crore).
72	Expenditure pertaining to Gas Tragedy Relief works	9.33 (40)	Late receipt of allotment and non-receipt of sanction from Finance Department (Rs.3.19 crore). Reasons for balance saving have not been intimated (October 1997).
73	Externally aided projects pertaining to Housing and Environment Department	31.05 (82)	Non receipt of assistance from Government of India and Government of Japan.
74	Externally Aided Projects pertaining to Women and Child Development Department	20.82 (47)	Not intimated (October 1997).
75	Special pool for Tribal Welfare	13.57 (23)	Non-utilisation of funds by the district (Rs.2.06 crore) non receipt of sanction (Rs.0.68 crore).
76	Special pool for Welfare of Scheduled Castes	9.36 (24)	Receipt of excess provision than requirement and non passing of bills for scholarships (Rs.1.50 crore). Non-receipt of sanction from Government and non-opening of new hostels, non fixation of rent and non-receipt of demand (Rs.1.82 crore). Reasons for balance saving have not been intimated (October 1997).
77	Externally Aided Projects pertaining to Forest Department	20.44 (41)	Not intimated (October 1997).

1	2	3	4
79	Externally Aided Project pertaining to Urban Welfare Department	3.89 (44)	Non-receipt of sanction from the Finance Department.
80	Financial assistance to Three Tier Panchayati Raj Institutions	80.81 (26)	Less demand for mid day meal (Rs.4.13 crore). Reasons for balance saving have not been intimated (October 1997).
82	Financial assistance to Tribal Area sub Plan three tier Panchayati Raj Institutions	18.73 (21)	Erroneous provision made (Rs.2.35 crore). Reasons for balance saving have not been intimated (October 1997).
84	Financial assistance to three tier Panchayati Raj Institutions under Special Component Plan for Scheduled Castes	13.00 (44)	Non-receipt of sanction from the Government (Rs.1.00 crore). Reasons for balance saving have not been intimated (October 1997).
85	Financial assistance to urban bodies under special Component Plan for Scheduled Castes	1.20 (32)	Not intimated (October 1997).
86	Externally aided projects pertaining to Culture Department	1.50 (100)	Not intimated (October 1997).
88	Upgradation of standards of admini' ration under recommendation of Tenth Finance Commission- Police	1.60 (41)	Not intimated (October 1997).
Revenue: Charged			
7	Expenditure pertaining to commercial tax Department	14.46 (100)	Not intimated (October 1997).
10	Forest	3.52 (31)	Excess budget provision than the actual amount of Forest Development fund.
Capital: Voted			
6	Expenditure pertaining to Finance Department	130.32 (84)	To make provision for newly sanctioned and externally aided projects under relevant major heads of the concerned department (Rs.126.52 crore). Economy measures non- utililisation of funds and late receipt of demand (Rs.3.81 crore).
8	Land Revenue and District Administration	2.46 (70)	Economy measures and non- receipt of demand from district (Rs.2.09 crore).

1	2	3	4
10	Forest	1.58 (86)	Not intimated (October 1997).
13	Agriculture	8.04 (89)	Not intimated (October 1997).
17	Co-operation	3.19 (11)	Non-receipt of proposal and submission of proposals for actual share (Rs.0.60 crore), non-receipt of sanctions (Rs.1.93 crore), recoupment of funds paid out of contingency fund (Rs.0.10 crore), receipt of sanctions for lesser amount (Rs.0.16 crore).
23	Water Resources Department	58.03 (21)	Post remaining vacant (Rs.1.42 crore), non purchase of machinery and equipment (Rs.0.60 crore), transfer of funds to Ban Sagar Project (Rs.1.50 crore) and non-finalisation of agencies for works (Rs.9.36 crore). Reasons for balance saving have not been intimated (October 1997).
33	Tribal Welfare	1.85 (93)	Non Receipt of sanction from the Government.
39	Expenditure pertaining to Civil Supplies and Consumer Protection Department	3.91 (34)	Economy cut (Rs.0.25 crore). Reasons for balance saving have not been intimated (October 1997).
40	Expenditure pertaining to Command Area Development Department	3.01 (78)	Modification of central share (Rs.2.67 crore)
41	Tribal Areas Sub Plan	49.38 (27)	Non receipt of sanction (Rs.1.91 crore). Reasons for balance saving have not been intimated (October 1997).
45	Minor Irrigation Works	28.11 (31)	Transfer of scheme under NABARD (Rs.1.41 crore). Reasons for balance saving have not been intimated (October 1997).
49	Narmada Valley Development	105.11 (29)	Non completion of survey work and post remaining vacant, slow progress of work, low pace of rehabilitation work and non-passing of awards for land acquisitions.

1	2	3	4
57	Externally Aided Projects pertaining to Water Resources Department	5.87 (27)	Slow progress of work (Rs.1.00 crore). Reasons for balance saving have not been intimated (October 1997).
64	Special Component plan for Scheduled Castes	16.50 (22)	Provision of funds for construction of police housing (Rs.2.00 crore), non-receipt of administrative sanction for work (Rs.2.69 crore), non-receipt of allocation of 2nd supplementary (Rs.1.49 crore), less receipt of demand (Rs.0.33 crore).
68	Public Works relating to Tribal Areas Sub- Plan-Buildings	5.46 (50)	Non-receipt of Administrative sanction for work.
72	Expenditure pertaining to Gas Tragedy Relief works	5.82 (64)	Non-receipt of sanction for expenditure (Rs.5.65 crore).
74	Externally aided projects pertaining to women and Child Development Department	46.25 (56)	Not intimated (October 1997).
75	Special pool for Tribal Welfare	3.20 (26)	Non-receipt of administrative sanction for work (Rs.1.50 crore). Reasons for balance saving have not been intimated (October 1997).
76	Special pool for welfare of scheduled castes	7.17 (10)	Non-receipt of sanction from Government (Rs.2.00 crore). Reasons for balance saving have not been intimated (October 1997).
77	Externally Aided Projects pertaining to Forest Department	3.31 (32)	Non-utilisation of funds resulting from procedural restrictions laid down by World Bank for procurement expenditure (Rs.2.80 crore).
Capital : Charged			
	Public Debt	361.46 (14)	Receipt of lesser amount of loan from RBI, non-receipt of loans from the Central Government, submission of lesser no. of bonds for encashment by the bond holder than estimated (October 1997).
58	Expenditure on Relief on account of Natural Calamities and Scarcity	1.00 (100.0)	Not intimated (October 1997).

APPENDIX-V

(Reference to Paragraph 2.2.5 at Page 49)

Cases involving substantial savings under schemes

Sl. No.	Number and name of grant	Name of scheme	Amount of savings	Percentage of savings
(1)	(2)	(3)	(4)	(5)
(Rupees in crore)				
Revenue: Voted				
1.	6- Expenditure pertaining to Finance Department	2070-800-0101-5348 pool for new externally aided project	77.52	100.0
2.	6- Expenditure pertaining to Finance Department	2070-800-0102-5348- Pool fund for new externally aided project	30.00	100.0
3.	6- Expenditure pertaining to Finance Department	2070-800-0103-5348- Pool fund for new externally aided project	19.00	100.0
4.	7- Expenditure pertaining to Commercial Tax Department	2030-02-797-6901- Transfer of case levied on transfer of lands under Madhya Pradesh Upkar Adhiniyam 1982 to Rural Development fund	5.90	100.0
5.	19- Public Health, Family Welfare and Medical Education	2210-06-800-0801-1801- Aid and material under T.C.A. Programmes	9.08	100.0
6.	19- Public Health, Family Welfare and Medical Education	2211-80-890-0801-264- Other services and supplies	14.70	100.0
7.	19- Public Health, Family Welfare and Medical Education	2211-800-0801-2749- Maternity and child health	5.52	100.0
8.	19- Public Health, Family Welfare and Medical Education	3606-237-0801-264- Other services and supplies	15.72	100.0
9.	19- Public Health, Family Welfare and Medical Education	2211-800-0801-6106- Universal immunization	6.98	100.0
10.	19- Public Health, Family Welfare and Medical Education	3606-237-0801-3485- Mother and Child Health	05.77	100.0

(1)	(2)	(3)	(4)	(5)
11.	19- Public Health, Family Welfare and Medical Education	3606-237-0801-4244 Malaria	9.00	100.0
12.	19- Public Health, Family Welfare and Medical Education	3606-237-0801-6098 Immunization	6.82	100.0
13.	23- Water Resources Department	2701-01-001 Executive Establishment	7.28	100.0
14.	33- Tribal Welfare	2225-02-800-0101-9050 Minimum needs programme special SI nutritious schemes	9.28	88.0
15.	41- Tribal Areas Sub-Plan	2501-02-796-800 Water catchment area. Treatment/development/activities under draught prone area programme	7.31	100.0
16.	58- Expenditure on relief on account of Natural Calamities and Scarcity	2702-80-800-3819- minor irrigation (Agriculture)	6.48	86.0
17.	80- Financial assistance to Three Tier Panchayati Raj Institutions	2202-01-800-0801 Grant for mid-day meal	13.00	100.0
18.	80-Financial assistance to three Tier Panchyati Raj Institutions	3054-04-337-8408 Grant-in-aid to Panchayats for maintenance of Rural Roads	62.04	97.0
19.	84- Financial assistance to Three Tier Panchayati Raj institutions Under Special component Plan for Scheduled Castes	3054-04-337-0103-5170- Grant to Panchayat for construction of Rural Roads	6.00	100.0
Revenue- Charged				
1.	7- Expenditure pertaining to Commercial Tax Department	2030-02-797-6002- Transfer of the additional stamp duty levied under Madhya Pradesh Panchayati Raj Adhiniyam to Panchayat land Revenue SPP	14.44	100.0
Capital- Voted				
1.	6- Expenditure pertaining to Finance Department	4070-800-0101-5349- pool fund for new externally aided projects	77.52	100.0
2.	6- Expenditure pertaining to Finance Department	4070-800-0102-5348 pool fund for new externally aided projects	30.00	100.0

(1)	(2)	(3)	(4)	(5)
3.	6- Expenditure pertaining to Finance Department	4070-800-0103-5348 pool fund for new externally aided projects	19.00	100.0
4.	13- Agriculture	6401-800-2974- to seed corporation for the distribution of seeds, manures and fertilisers	5.00	100
5.	23- Water Resources Department	4701-01-202-0101-541- Suspense	12.54	84.0
6.	45- Minor irrigation	4702-101-0101 Implementation of Irrigation Schemes under loans received in 2nd phase of NABARD	14.85	100
7.	45- Minor Irrigation	4702-101-0101-2339 Direction and Administration (prorata)	8.32	97
8.	48-Narmada Vally Development	4801-80-800-0101-4406- Expenditure land acquisition and other work in submerged areas of Sardar Sarovar	112.99	86
9.	64- Special Component Plan for Scheduled Castes (19-Public Works Department)	5054-03-101-Bridges Construction of Bridges and culverts in scheduled predominant areas	6.00	100
Capital: Charged				
1.	Public Debt	6004-01-105-1059- Manures and Fertilisers- Short term loans	21.00	100.0

APPENDIX-VI

Reference: Paragraph 2.2.6(b) at Page 50)

(a) Cases of Injudicious/Unrealistic surrender

Sl. No.	Grant Number and name	Excess over provision	Amount surrendered
		(Rupees in crore)	
Revenue: Voted			
1.	10- Forest	1.24	2.70
2.	24- Public Works- Road and Bridges	57.91	12.00
3.	27- School Education	25.45	24.39
4.	33- Tribal Welfare	2.97	4.56
5.	44- Higher Education	0.92	0.06
6.	67- Public Works- Buildings	57.62	1.91
7.	70- Externally aided Projects pertaining to Man Power Planning Department	0.37	1.29
Total		146.48	46.91

(b) Cases of Injudicious surrender

Sl. No.	Grant number and name	Available saving	Amount surrendered
1	2	3	4
(Rupees in crore)			
(A)	Revenue: Voted		
1.	2- Other Expenditure pertaining to General Administration Department	2.49	2.76
2.	4-Other Expenditure pertaining to Home Department	0.61	0.77
3.	8-Land revenue and District Administration	5.60	6.94
4.	30- Expenditure pertaining to Panchayat and Rural Development Department	123.00	150.62
5.	34-Social Welfare	1.39	1.41
6.	41- Tribal Areas Sub-Plan	133.72	176.78
7.	48-Narmada Valley Development	0.74	0.91
8.	50-Expenditure pertaining to twenty points Implementation Department	0.01	0.14
9.	72- Expenditure pertaining to Gas Tragedy Relief Works	9.33	9.52
10.	81- Financial Assistance to urban bodies	0.26	3.46
11.	91- Upgradation of standards of Administration under recommendation of Tenth Finance Commission-Jails	0.71	0.83
Total		277.86	354.14

1	2	3	4
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(B) Revenue: Charged

1	10- Forest	3.52	3.59
	Total (B)	3.52	3.59

(C) Capital: Voted

1.	6- Expenditure pertaining to Finance Department	130.36	131.36
2.	21- Expenditure pertaining to Housing and Environment Department	0.86	4.59
3.	24- Public Works- Road and Bridges	0.92	2.86
4.	56- Rural Industries	0.17	0.34
5.	70- Externally Aided Project pertaining to Man-Power Planning Department	0.76	1.09
	Total (C)	133.07	140.24

Grand Total (A + B + C)	414.44	497.97
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APPENDIX-VII

(Reference : Paragraph 2.2.7 at page 52)

Cases of persistent savings

Number and Name of grant	Amount of Saving (percentage of saving in brackets)		
	1994-95	1995-96	1996-97
	(1)	(2)	(3)
(Rupees in Crore)			
Revenue: Voted			
1 General Administration	42.03	6.94	7.64
	(42)	(16)	(15)
2 Other Expenditure pertaining to General Administration Department	1.53	2.50	2.49
	(27)	(35)	(26)
6 Expenditure pertaining to Finance Department	434.70	423.79	508.10
	(52)	(44)	(42)
11 Expenditure pertaining to Commerce and Industry Department	15.43	5.72	9.81
	(37)	(10)	(23)
29 Administration of Justice and Elections	74.73	43.27	24.49
	(60)	(36)	(21)
30 Expenditure pertaining to Panchayat and Rural Development Department	94.93	159.17	123.00
	(27)	(32)	(30)
31 Expenditure pertaining to Planning Economics & Statistics Department	2.57	1.80	3.63
	(22)	(14)	(22)
35 Rehabilitation	1.49	1.57	1.67
	(47)	(53)	(58)
40 Expenditure pertaining to command Area Development Department	1.63	1.29	1.84
	(20)	(17)	(27)
41 Tribal Area Sub-Plan	137.52	199.05	133.72
	(22)	(26)	(19)
43 Sport and Youth Welfare	3.75	1.95	7.05
	(21)	(11)	(33)
45 Minor Irrigation Works	4.84	6.87	10.50
	(12)	(15)	(22)
47 Man-Power planning Department and Technical Education	10.98	13.89	14.09
	(16)	(16)	(15)

(1)	(2)	(3)	(4)
55 Expenditure pertaining to Women and Child Welfare	13.44 (21)	16.00 (23)	10.75 (14)
61 Externally Aided Projects pertaining to Public Health, Family Welfare and Medical Education Department	5.35 (31)	14.16 (61)	2.07 (19)
64 Special Component plan for Scheduled Castes	109.34 (30)	168.94 (36)	163.25 (34)
72 Expenditure pertaining to Gas Tragedy Relief Works	13.58 (36)	6.79 (29)	9.33 (40)
74 Externally Aided Project pertaining to Women and Child Welfare Department	17.04 (58)	35.58 (66)	20.82 (47)
75 Special pool for Tribal Welfare	6.59 (15)	18.97 (34)	13.57 (23)
76 Special Pool for Welfare of Scheduled Castes	6.04 (26)	17.93 (51)	9.36 (24)
Revenue: Charged			
10 Forest	2.79 (40)	3.59 (34)	3.52 (31)
Capital: Voted			
6 Expenditure pertaining to Finance Department	261.21 (94)	176.48 (90)	130.32 (84)
8 Land Revenue And District Administration	3.56 (56)	2.68 (77)	2.46 (70)
10 Forest	4.05 (47)	1.03 (79)	1.58 (86)
13 Agriculture	22.01 (88)	23.23 (91)	8.04 (89)
23 Water Resources Department	51.31 (19)	56.79 (22)	58.03 (21)
39 Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	2.16 (22)	6.10 (55)	3.91 (34)
40 Expenditure pertaining to Command Area Development Department	4.61 (46)	3.24 (34)	3.01 (78)

(1)	(2)	(3)	(4)
41 Tribal Area Sub Plan	22.53 (15)	51.39 (29)	49.38 (27)
45 Minor Irrigation Works	19.51 (31)	17.51 (27)	28.11 (31)
48 Narmada Vally Development	131.12 (34)	85.39 (27)	105.11 (29)
57 Externally Aided Project pertaining to Water Resources Department	15.55 (26)	9.20 (23)	5.87 (27)
64 Special Component plan for Scheduled Castes	9.76 (11)	16.64 (22)	16.50 (22)
68 Public Works relating to Tribal Areas Sub-Plan Buildings	3.03 (80)	1.63 (32)	5.46 (50)
72 Expenditure pertaining to Gas Tragedy Relief Works	4.73 (25)	2.97 (34)	5.82 (64)
Capital: Charged			
58 Expenditure on Relief on account of Natural Calamities and Scarcity	1.00 (100.0)	1.00 (100)	1.00 (100)

APPENDIX-VIII

(Reference paragraph 2.2.11 at page 56)

Injudicious/irregular/incorrect reappropriation/ surrender

- (a) Some of the cases in which funds were injudiciously withdrawn by reappropriation/surrender although accounts already showed excess over provision are mentioned below:

Sl. No.	Grant number and head of account	Original plus supplementary provision	Actual Expenditure	Excess after Re-appropriation	Reappropriation/Surrender
1	2	3	4	5	6
(Rupees in crore)					
1.	8-Land Revenue and District Administration 2053-094-619 Establishment of sub division	25.53	28.05	4.78	(-) 2.26
2.	19-Public Health, Family Welfare and Medical Education 2210-01-110-0101-1491 Strengthening and improvement of medical facilities of district Headquarters Hospital	11.22	13.57	13.52	(-) 1.17
3.	23-Water Resources Department 2701-03-800-2250 Canals and tanks	18.66	21.45	6.05	(-) 3.26
4.	23-Water Resources Department 4701-03-800-0101-3368 Construction work of Medium Irrigation Scheme	4.79	7.82	4.72	(-) 1.69
5.	30-Expenditure pertaining to Panchayat and Rural Development Department 2501-01-001 0701-9375- Grant in aid to District Rural Development Authority	5.32	10.59	6.79	(-) 1.52
6.	30-Expenditure pertaining to Panchayat and Rural Development Department 2515-101-0101-2474 Changes in connection with the Panchayati Raj Institutions	32.08	33.86	2.80	(-) 1.02
7.	30-Expenditure pertaining to Panchayat and Rural Development Department 2515-800-1208 Rural Engineering Service	7.89	8.94	2.15	(-) 1.10

8.	41-Tribal area sub plan 22- Panchayat and Rural Development Department 2501-01-796-101-0102- 4972-Grant in aid to District Rural Development Agencies	12.84	17.39	6.10	(-) 1.55
9.	41-Tribal Areas Sub-plan 22-Panchayat and Rural Development Department 2501-02-796-101-0702- 4225- Irrigation Scheme	3.60	11.43	9.63	(-) 1.80
10.	45-Minor Irrigation Works 4702-101-0101-3803- Minor and Micro minor irrigation scheme	15.73	21.41	7.09	(-) 1.41
11.	64-Special Component Plan for Schedule Castes 22-Panchayat and Rural Development Department 2501-01-800-0103-657 Integrated Rural Development Schemes	15.98	19.19	4.64	(-) 1.43
12.	64-Special Component Plan for Schedule Castes 25-Schedule Casate Schedule Tribes and Backward Classes welfare Department 2225-01-277-703-327 Scholarships/ Ashrams for children of persons engaged in unclean occupations	3.00	6.61	4.87	(-) 1.26
13.	80-Financial Assitance to three tier Panchayati Raj Instututions 2235-60-102-9142- Social Security Pension	60.00	64.83	6.30	(-) 1.47

- (b) Some of the cases in which funds were injudicially withdrawn by reappropriation/surrender in excess of available saving resulting in final excess are mentioned below :

Sl. No.	Grant number and head of account	Original plus Supplementary provision	Actual Expenditure	Reappro- priation/ Surrender	Available saving	Excess
1	2	3	4	5	6	7
(Rupees in crore)						
1.	2-Other Expenditure pertaining to General Administration Department 2235-60-107-4674 Allowances and gratuities to freedom fighters	4.80	3.07	(-) 2.64	1.73	0.91
2.	6-Expenditure pertaining to Finance Department 7610-201-9085- House Building advances to other Government Servants	7.75	5.91	(-) 3.02	1.84	1.18
3.	7-Expenditure pertaining to Commercial Tax Department 2039-104-4173- Purchase of liquor and spirits	44.00	25.14	(-) 21.63	18.46	2.77
4.	10-Forest 2406-01-102-0801-6027 Development of integrated waste land scheme	6.00	4.70	(-) 2.97	1.30	1.67
5.	24-Public Works Roads and Bridges 3054-05-337-0801-165 Construction of roads of Inter State or Economic Importance	2.61	2.35	(-) 1.50	0.26	1.24
6.	27-School Education 2202-04-001-0801-1219 Rural Functional Literacy Project and Nilayam Centres	3.32	1.99	(-) 1.65	1.33	0.32
7.	30-Expenditure pertaining to Panchayat and Rural Development Department 2505-60-001-0701-6120 Jawahar Rojgar Yojna/Rajeev Gandhi Shed Development Mission	263.63	157.96	(-) 122.30	105.67	16.63
8.	30-Expenditure pertaining to Panchayat and Rural Development Department 2515-001-0101-1033- Development Block Office	36.68	31.50	(-) 6.45	5.18	1.27

1	2	3	4	5	6	7
(Rupees in crore)						
9.	41-Tribal area sub-plan 22-Panchayat and Rural Development Department Head-2505-01-796-701-0702- 9376-Jawahar Rojgar Yojna	305.28	168.51 (-)	143.78	136.77	7.01
10.	48-Warmada Valley Development 4801-206-0101-4654 Establishment forest cell	4.76	3.98 (-)	1.26	0.78	0.48
11.	55-Expenditure pertaining to women and child welfare 2036-02-102-0101-9052 Integrated School Health and Nutrition Programme	6.00	0.10 (-)	6.00	5.90	0.10
12.	56-Rural industries 2851-110-0801-6232 Assistance for establishment of Handloom development centre dying house	2.63	0.35 (-)	2.39	2.28	0.11
13.	61-Externally aided project pertaining to Public Health and Family Welfare Department 2210-01-200-0801-8228 World Bank aided cataract eradication project	4.35	3.63 (-)	1.20	0.72	0.48
14.	64-Special component plan for scheduled castes 22-Panchayat and rural Development Department 2505-01-702-0703-9376 Jawahar Rojgar Yojna	291.15	158.23 (-)	139.31	132.92	6.39
15.	64-Special component plan for scheduled castes 42-Man Power Planning Department 2236-02-101-0103-5161 Allowances to unemployed	2.20	1.27 (-)	1.11	0.93	0.18
16.	72-Expenditure pertaining to Gas Tragedy Relief Works 2210-01-001-2332 Direction and Administration	5.98	4.92 (-)	1.61	1.06	0.55
17.	72-Expenditure pertaining to Gas Tragedy Relief Works 2210-01-001-6016 Jawahar Lal Nehru Hospital	3.28	2.09 (-)	1.33	1.19	0.14

1	2	3	4	5	6	7
(Rupees in crore)						
18.	75-Special Pool for Tribal Welfare 25-Schedule Tribes and Schedule castes welfare Department 2225-02-796-277-0102-493 Ashram	13.42	12.51	(-) 2.05	0.91	1.14
19.	80-Financial Assistance to three tier Panchayati Raj Institutions 2202-01-103-0101-8404 Grant for mid day meals	23.58	20.84	(-) 4.14	2.74	1.40
20.	80-Financial Assistance to three tier Panchayati Raj Institutions 2515-101-0101-8209 Honorarium and other amenities	7.50	5.20	(-) 2.96	2.30	0.66
21.	82-Financial assistance to three tier Panchayati Raj Institutions under Tribal area sub-plan 25-Schedule caste and schedule tribes welfare Department 2236-02-796-101-0102-5169 Mid day meal programme in schools	28.00	25.17	(-) 4.64	2.83	1.81

- (c) Some of the cases of unnecessary augmentation of funds by re-appropriation despite saving under the relevant grant are mentioned below :

Sl. No.	Grant number and head of account	Original plus Supplementary provision	Actual Expenditure	Saving	Reappropriation
1	2	3	4	5	6
(Rupees in crore)					
1.	Interest payment and servicing of debt (Revenue charged) 2049-03-104-4487 Interest on General Provident Fund	368.24	358.37	9.87	(+) 21.80
2.	23-Water Resources Department 2701-01-201-6135-Canal	11.54	6.60	4.94	(+) 1.35
3.	23-Water Resources Department 4701-03-800-0101-3743 National Water Management Scheme	1.00	--	1.00	(+) 2.54
4.	23-Water Resources Department 4701-03-800-0101-8343 Completion of medium irrigation project under NABARD Assistance Rampura Khurd	3.03	1.00	2.03	(+) 1.97
5.	48-Narmada Valley Development 4701-01-2411-0101-2428 Executive Establishment unit I and II	11.05	8.44	2.61	(+) 1.73

- (d) Cases in which funds were injudicially augmented by reappropriation more than the amount required to cover the excess of expenditure over the provisions are mentioned below :

Sl. No.	Grant number and head of account	Original plus Supplementary provision	Actual Expenditure	Excess	Reappropriation
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crore)					
1.	Interest payment and servicing of debt 2049-03-104-807 Interest on work men's contributory provident fund	2.75	4.70	1.95	(+) 2.25
2.	8-Land Revenue and District Administration 2029-103-1472 District Charges	75.54	75.96	0.42	(+) 1.53
3.	13-Agriculture 2401-001-0101-4112 Staff expenditure for the first phase of the intensive extension project pertaintint to World Bank	10.97	13.03	2.06	(+) 2.30
4.	13-Agriculture 2401-102-0701-8312 Integrated grain Development Scheme (core grain)	3.94	6.00	2.06	(+) 2.50
5.	13-Agriculture 2401-113-4204- State Machine Tractor Station Scheme	4.51	6.28	1.77	(+) 1.98
6.	29-Administration of Justice and Elections 2015-105-4311- Charges for conduct of elections to parliament	12.57	20.28	7.71	(+) 8.02
7.	48-Narmada Valley Development 4701-01-233-0101-9128 Dam and Attached Works	25.87	28.10	2.23	(+) 8.25
8.	76-Special pool for Welfare of Schedule Castes 34-Public Health Engineering Department 2215-01-800-0103-4379 Water Supply Scheme for problem villages	3.90	6.23	2.33	(+) 3.60

APPENDIX-IX

(Reference: Paragraph 2.2.15 at Page 59)

Non reconciliation of expenditure figures

Sl. No.	Head of Account	Grant Number	Amount of expenditure reconciled during the year
(1)	(2)	(3)	(4)
(Rupees in crore)			
1.	2020	7	0.24
2.	2030	7	11.99
3.	2053	8 and 50	15.45
4.	2054	6	24.93
5.	2055	1,3	0.45
6.	2056	1	1.52
7.	2070	1,2,3,6, 8,11,21,32, 36,65,81 and 82	1.12
8.	2202	26,27,32, 34,44,64, 67,75,76,80, 81 and 84	1775.34
9.	2235	1,2,29, 32,34,35, 41,47,55, 61 and 64	125.28
10.	2236	55,64 82 and 84	55.77
11.	2245	58	39.29
12.	2250	2,11 and 14	0.71
13.	2401	13,41 and 64	19.04
14.	2406	10	111.86
Total			2182.99

APPENDIX - X
(Reference : Paragraph 2.2.17.1 (h) at page 68)

**Scheme-wise position of central funds transferred to
Personal Deposit Accounts**

Sl. No.	Name of PD Account Holder	Name of the Scheme	Opening balance under the scheme as on 1-4-1996	Amount deposited out of funds released for the scheme ----- In FDA during the year 1996-97		Expenditure During last quarter of the year	Closing Balance as on 31-3-1997
(Rupees in crore)							
1.	MDMPTBC, Bhopal	Non-formal Education	0.81	1.35	1.35	0.81	1.35
2	CPI, Bhopal	a. Computer Literacy and studies in school (CLASS) Project	2.25	1.37	1.37	1.21	2.41
		b. Operation Black Board	2.00	1.42	-	2.56	0.86
		c. Vocational Education	-	3.03	3.03	-	3.03
		d. Environmental Education	-	0.19	0.19	-	0.19
		e. UNICEF	-	0.01	-	-	0.01
3.	MD MPSCSCFD Bhopal	a. Self Employment Scheme	1.13	0.50	-	1.63	-
		b. National Scheme for Liberation and Rehabilitation of Scavengers	8.72*	17.47	17.47	22.98**	3.21
		c. Agriculture Subsidy	1.30	-	-	-	1.30
		d. Relief Scheme/ Eradication of Atrocities	3.14	-	-	1.21	1.93
4.	MD MPLUN Bhopal	a. IPP-6 World Bank assisted Project	1.75	1.94	0.39	3.34	0.35
		b. ICDS Project	1.74	-	-	1.39	0.35
5.	DCRS Gas Rahat Bhopal	ICMR Project (Central Share)	3.75	-	-	0.02	3.73
TOTAL			26.59	27.28	23.80	35.15	18.72

* Does not include Rs.5.95 crore diverted for other purposes.

** Includes Rs.15.65 crore diverted for other purposes.

(Reference : Paragraph 3.18.8.4(i) at page 126)

**Statement showing the
excess consumption of POL over prescribed norms
resulting extra expenditure on vehicles purchased during 1993-94**

Sl. No.	Vehicle No. and make	Prescribed km per litre	Total km run	POL consumed	Average km per litre	Diesel/ petrol
1.	2.	3.	4.	5.	6.	7.
1.	<u>PHQ MT Pool Bhopal</u>					
(1)	MP03/0641 Tata 407	8	29561	3939	7.50	Diesel
(2)	MP03/0589 Alwyn Nissan	9	17061	2753	6.20	-do-
(3)	MP03/0615 Tata 207	13	7230	1389	5.21	-do-
(4)	MP03/0987 Maruti Gypsy	11	9221	930	9.42	Petrol
2.	<u>S.P. Gwalior</u>					
(1)	MP03/0698 Maruti Gypsy	11	14607	7269	2.01	Petrol
(2)	MP03/0588 Alwyn Nissan	9	17456	2127	8.21	Diesel
(3)	MP03/0637 Tata 407	8	16100	2063	7.80	-do-
3.	<u>S.P. Bhind</u>					
(1)	MP03/1887 Tata 407	8	12712	1730	7.35	-do-
(2)	MP03/1800 Alwyn Nissan	9	1546	268	5.77	-do-
(3)	MP03/1954 Alwyn Nissan	9	2645	452	5.85	-do-
(4)	MP03/1799 Alwyn Nissan	9	2887	359	8.04	-do-
(5)	MP03/1882 Tata 407	8	9765	2086	4.68	-do-
(6)	MP03/1803 Alwyn Nissan	9	10611	1323	8.02	-do-
(7)	MP03/0824 Alwyn Nissan	9	14911	1894	7.87	-do-
(8)	MP03/0749 Maruti Gypsy	11	25779	2433	10.60	Petrol
4.	<u>S.P. Jabalpur</u>					
(1)	MP03/0693 Maruti Gypsy	11	18319	1759	10.41	Petrol
(2)	MP03/0907 Alwyn Nissan	9	8885	1103	8.06	Diesel
5.	<u>S.B.M.T. Pool, Bhopal</u>					
(1)	MP03/1173 Maruti Gypsy	11	6896	762	9.05	Petrol
(2)	MP03/1052 Maruti Gypsy	11	4779	531	9.00	Petrol

1.	2.	3.	4.	5.	6.	7.
6.	<u>SP Sagar</u>					
(1)	MP03/0651 Tata 407	8	18010	2398	7.51	Diesel
(2)	MP03/0897 Tata 407	8	14644	1836	7.98	-do-
(3)	MP03/1049 Maruti Gypsy	11	1433	167	8.58	Petrol
7.	<u>2nd Bn. SAF Gwalior</u>					
(1)	MP03/0662 Maruti Gypsy	11	22535	2365	9.53	Petrol
(2)	MP03/0585 Alwyn Nissan	9	6257	761	8.22	Diesel
(3)	MP03/0827 Alwyn Nissan	9	4557	511	8.92	-do-
8.	<u>S.P. Bhopal</u>					
(1)	MP03/0801 Alwyn Nissan	9	2424	305	7.95	Diesel
(2)	MP03/0002 Alwyn Nissan	9	4404	577	7.63	-do-
(3)	MP03/0822 Alwyn Nissan	9	325	45	7.22	-do-
(4)	MP03/0852 Alwyn Nissan	9	2444	398	6.14	Diesel
(5)	MP03/0853 Alwyn Nissan	9	825	165	5.00	-do-
(6)	MP03/0874 Tata 407	8	2559	349	7.33	-do-
(7)	MP03/1048 Maruti Gypsy	11	2695	264	10.20	Petrol
(8)	MP03/1050 Maruti Gypsy	11	5368	557	9.64	-do-
(9)	MP03/1069 Maruti Gypsy	11	1597	301	5.31	-do-
(10)	MP03/0848 Eicher Canter	6	2111	460	4.59	Diesel
(11)	MP03/0849 Eicher Canter	6	2128	475	4.48	-do-
(12)	MP03/0850 Eicher Canter	6	1014	212	4.78	-do-
(13)	MP03/0851 Eicher Canter	6	2259	555	4.07	-do-

APPENDIX-XII

(Reference: Paragarph 3.34.6.3 at page 194)

Cases of excess withdrawals over budget allotment

Grant No. and Scheme	Allotment	Expenditure	Excess
(Rupees in crore)			
1994-95			
Grant No. 19-2210:			
2283-Direction and Admn.	4.23	4.93	0.70
3506-Mental Hospital	1.11	1.80	0.69
2606-Dispensaries for Welfare of BC	6.87	7.76	0.89
2777-PHC (State Plan)	8.44	10.30	1.86
1491-Strengthening and Improvement of Medical facilities of Distt. Hosp.	8.78	10.21	1.43
1493-Improvement of Medical facilities in Hosp. other than Distt. H.Q., Hospital	2.65	3.57	0.92
2777-PHC-Rural Health Services	47.23	49.21	1.98
1227-Village Health Centre & Dispensaries	1.98	2.49	0.51
2607-Dispensaries for Welfare of BC	7.45	8.13	0.68
1801-Aid material under TCA Programme	9.08	12.59	3.51
4601-Sterilization	9.13	10.41	1.28
4244-Malaria	9.00	12.59	3.59
3606-Aid material & Equipment	10.65	12.59	1.94
014 -Medical and P.H.			
Grant No. 41-2210			
2779- PHC	9.00	14.12	5.12
4245- Malaria, CSS-TSP	9.91	10.42	0.51
1995-96			
Grant No. 19-2210:			
2283-Direction and Admn. (Rajiv Gandhi Mission)	5.52	6.03	0.51
748-Dispensaries	11.06	11.76	0.70
2606-Dispensaries for Welfare of BC	7.94	8.76	0.82
993-T.B. Hospitals	8.37	9.39	1.02
2777-PHC (SPS-Normal)	9.17	10.87	1.70
1491-Strengthening and Improvement of medical facilities of District H.Q. Hospitals	10.45	11.14	0.69

Grant No. and Scheme	Allotment	Expenditure	Excess
(Rupees in crore)			
1493-Strengthening and Improvement of medical facilities in hospitals other than H.Q. Hospitals Rural Health Services- All op.	3.10	3.68	0.58
2777-PHC (SPS Normal)	41.52	46.08	4.56
1227-Village health centres- Dispensaries	2.10	2.70	0.60
748-Dispensaries	4.55	5.39	0.84
StatePlan Scheme-			
2607-Dispensaries for Welfare for BC	8.01	8.96	0.95
858-Laprosy Control Programme	3.94	4.50	0.56
Centrally Sponsored Scheme-			
4244-Malaria	20.96	21.74	0.78
Central Sector Scheme-			
858-Laprosy Control Programme	5.27	5.88	0.61
1200-Rural Family Welfare Services	26.84	30.31	3.47
StatePlan Scheme-			
4601-Sterilization	0.95	1.51	0.56
C.S.S (Normal)			
6216-P.P. Centre	2.99	3.60	0.61

APPENDIX-XIII

(Reference : Paragraph 3.46.1 at page 236)

Statement showing the name of schemes and implementing departments

S.No.	Name of Scheme	Name of Department
1.	Family - oriented agriculture programme	Agriculture Department
2.	Fruit plantation scheme	--do--
3.	Subsidy for distribution of pigs on exchange basis	Veterinary Department
4.	Inland fisheries - development of fisheries in inland lakes and rivers	Fisheries Department
5.	Van Vyavasthapan and Assistance to SCs under Adhikar Abhiyan	Revenue Department
6.	Electrification of Agriculture pumps	Energy Department
7.	Assistance to Primary Health Centres	Public Health and Family Welfare Department
8.	Assistance for establishment of family-oriented to Khadi Board	Gramodyog Department
9.	Assistance to Weavers	--do--
10.	Assistance to Handloom Weavers Federation for handloom development	--do--
11.	Development of Handloom weavers through regional development authorities - initiating carpet craft scheme in Rajgarh	--do--
12.	Assistance to Co-operative societies for Training and Production	--do--
13.	Training to SC leather artisans	--do--
14.	Supply of instruments, Handpullers to SCs	--do--

S.No.	Name of Scheme	Name of Department
15.	Self-employment scheme for trainees	Gramodyog Department
16.	Purchase of essential comodities for Hostels	--do--
17.	Development work of sericulture industries	--do--
18.	Supply of drinking water in problem villages	Public Health Engineering Department
19.	Ayushmati Yojna	Mahila Evam Bal Vikas Department
20.	Vatsalya Yojna	--do--
21.	Book Bank Scheme	Higher Education Department
22.	Improvement of slums	Urban Welfare Department
23.	Construction of "Rain Baseras"	--do--
24.	Self-Employment Scheme	Scheduled caste welfare Department
25.	Grant to voluntary organisations for education and development	--do--
26.	Agriculture Development Programme	--do--
27.	Professionalisation of unclean occupation	--do--
28.	Employment assistance for persons in unclean occupation	--do--
29.	Assistance for employment of denotified Tribes/Castes	--do--
30.	Seats in TCPCS for persons engaged in unclean occupations	--do--
31.	Hostels in tailoring centre for Bachhada, Bedia Caste Women	--do--

S.No.	Name of Scheme	Name of Department
32.	Development of SC colonies	--do--
33.	Grant for infrastructure/ training for educated youth in electronics	Scheduled caste Welfare Department
34.	Incentive to SC girls for education	--do--
35.	Scheme for Assistance to SCs	--do--
36.	Programme for most deprived Castes	--do--
37.	Grant for employment- information centre	--do--
38.	Supply of smokeless chulhas	--do--
39.	Untied fund for Regional programme	--do--
40.	Economic assistance for persons in unclean occupations	--do--
41.	Self employment scheme for persons engaged in unclean occupation	--do--
42.	Grant-in-aid to landless SC farmers for purchase of land	--do--

APPENDIX-XIV

(Reference : Paragraph 3.46.3 at page 237)

Statement showing the name of schemes test-checked

S.No.	Name of Scheme
1.	Fruit plantation scheme
2.	Van Vyavasthapan and Assistance to SCs under Adhikar Abhiyan
3.	Electrification of Agriculture pumps
4.	Assistance to primary Health Centres
5.	Development work of sericulture industries
6.	Ayushmati Yojna
7.	Vatsalya Yojna
8.	Book Bank Scheme
9.	Construction of "Rain Baseras"
10.	Self-Employment Scheme
11.	Grant to Voluntary organisations for education and development
12.	Agriculture Development programme
13.	Professionalisation of unclean occupation
14.	Employment assistance for persons in unclean occupation
15.	Assistance for employment of denotified tribes/ Castes.
16.	Seats in TCPCS for persons engaged in unclean occupations.
17.	Hostels in tailoring centre for Bachhada, Bedia Caste women
18.	Development of SC Colonies
19.	Grant for infrastructure/ training for educated youth in electronics
20.	Incentive to SC girls for education
21.	Scheme for assistance to SCs
22.	Programme for most deprived castes
23.	Grant for employment information centre
24.	Supply of smokeless chulhas
25.	Untied fund for Regional Programme
26.	Economic assistance for persons in unclean occupations

APPENDIX-XV

(Reference : Paragraph 3.48.5.6 at page 267)

**Statement showing the number of essential items provided to ashrams/hostels
in excess/defecient of the requirement**

Article	Ambikapur		Bilaspur		Dhar		Jhabua		Khargone		Mandla		Raigarh		Raipur		Total	
	(+)*	(-)*	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)
Beds/	290	1127	205	1873	278	1236	193	1308	286	473	71	466	358	805	180	732	1861	8020
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Takhat	(39)	(77)	(18)	(112)	(25)	(61)	(19)	(67)	(37)	(36)	(5)	(22)	(30)	(43)	(20)	(58)	(193)	(476)
Mattress	482	2052	287	2182	695	1049	268	1290	302	854	148	428	863	686	163	1145	3208	9686
	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	(36)	(75)	(28)	(106)	(40)	(55)	(21)	(72)	(27)	(50)	(8)	(20)	(27)	(34)	(15)	(65)	(202)	(477)
Blankets	2277	727	595	1624	459	1240	267	1174	561	434	338	384	360	617	107	989	4964	7189
	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	(85)	(41)	40)	(86)	(32)	(65)	(28)	(61)	(39)	(31)	(13)	(15)	(27)	(36)	(12)	(66)	(276)	(401)
Darri	959	1346	318	2574	304	1827	282	1287	459	910	100	665	530	788	78	1326	3030	10723
	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	(53)	(65)	(21)	(113)	(26)	(79)	(24)	(70)	(28)	(51)	(6)	(21)	(27)	(43)	(9)	(71)	(194)	(513)
Pillows	250	2398	291	3037	470	1390	388	1511	185	1638	78	610	758	1561	65	1628	2485	13773
	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	(22)	(94)	(16)	(114)	(27)	(62)	(22)	(74)	(16)	(66)	(6)	(20)	(21)	(41)	(7)	(77)	(137)	(548)
Thali	1411	691	1369	1252	1217	789	680	506	1202	465	310	261	1515	260	716	352	8420	4576
	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	(74)	(39)	(62)	(63)	(48)	(38)	(50)	(19)	(53)	(26)	(13)	(6)	(45)	(26)	(42)	(30)	(387)	(247)

* (+) indicates items available in excess of requirement.

(-) indicates items found deficient

Article	Ambikapur		Bilaspur		Dhar		Jhabua		Khargone		Mandla		Raigarh		Raipur		Total	
	(+)*	(-)*	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)
Glasses	1451	1082	976	1421	834	1441	1295	653	526	1116	369	262	997	504	690	550	7138	7029
	----	----	---	----	---	----	----	---	---	----	---	---	---	---	---	---	----	----
	(64)	(56)	(49)	(74)	(31)	(71)	(60)	(34)	(35)	(52)	(11)	(11)	(42)	(31)	(38)	(37)	(330)	(366)
Bedsheets	1013	2957	723	4210	267	4244	466	3173	398	2506	166	1401	1063	2764	89	2892	4185	24147
	----	----	---	----	---	----	---	----	---	----	---	----	----	----	---	----	----	----
	(40)	(86)	(34)	(102)	(12)	(101)	(24)	(78)	(20)	(73)	(4)	(27)	(19)	(53)	(7)	(78)	(160)	(598)
Katori	62	8114	60	7723	239	7219	12	6878	32	4535	7	2500	197	5206	156	3218	765	45393
	--	----	--	----	---	----	--	----	--	----	--	----	---	----	---	----	---	----
	(2)	(142)	(2)	(137)	(6)	(114)	(2)	(107)	(3)	(94)	(1)	(30)	(7)	(72)	(5)	(72)	(28)	(768)
Chairs	19	4428	38	4318	5	3490	6	3143	46	2739	--	1289	115	2658	47	1896	276	23961
	--	----	--	----	--	----	--	----	--	----	--	----	---	----	--	----	---	----
	(2)	(143)	(3)	(137)	(1)	(119)	(1)	(109)	(7)	(94)		(31)	(11)	(69)	(5)	(78)	(30)	(780)
Table	Nil	4972	24	4289	20	3733	25	3325	5	3464	--	1292	92	2766	42	1857	208	25698
		----	---	----	---	----	---	----	---	----		----	---	----	---	----	---	----
		(145)	(4)	(137)	(1)	(120)	(3)	(109)	(2)	(101)		(31)	(8)	(71)	(3)	(63)	(21)	(777)
Total	8214	29894	4886	34503	4788	27658	3882	24248	4002	19134	1587	9558	6848	18615	2333	16585	36540	180195

Note: Figures in bracket indicates number of ashrams/hostels

* (+) indicates items available in excess of requirement.
 (-) indicates items found deficient.

APPENDIX-XVI

Glossary of Abbreviations

Abbreviations	Expanded Forms
ACTW	Assistant Commissioner Tribal Welfare
AKVN	Audyogik Kendra Vikas Nigam
ASCO	Assitant Soil Conservation Officer
BDA	Bilaspur Development Authority
BDO	Block Development Officer
BEO	Block Education Officer
MPHB	Madhya Pradesh Housing Board
CHC	Community Health Centre
CEO	Chief Executive Officer
CMHO	Chief Medical and Health Officer
CMO	Chief Municipal Officer
MPSMC	Madhya Pradesh State Mining Corporation
CSR	Current Schedule of rates
DA	Director of Agriculture
DANIDA	Danish International Development Agency
DC	Development Commissioner
DFO	Divisional Forest Officer
DGP	Director General of Police
DGS & D	Director General Supply and Disposal
DMS	Director Medical Services
DMU	District Mobile Unit
DRDA	District Rural Development Agency

Abbreviations**Expanded Form**

EAS	Employment Assurance Scheme
ICDS	Integrated Child Development Scheme
IEC	Information, Education and Communication
IG Prisons	Inspector General Prisons
IPP 6	Indian Population Project 6
JDHS	Joint Director Health Services
JRY	Jawahar Rojgar Yojna
LUN	Laghu Udyog Nigam
MC	Municipal Corporation
MHD	Mobile Health Dispensary
MP	Member of Parliament
MPCET	Madhya Pradesh Council for employment and training
MPEB	Madhya Pradesh Electricity Board
MPLADS	Member of Parliament, Local Area Development Scheme
NGO	Non Government Organisation
NPCB	National Programme for Control of Blindness
Optel	Optel Telecommunication Limited
PHC	Primary Health Centre
RTSCDA	Regional Tribal Scheduled Caste Development Authorities
SCA	Special Central Assistance
SCD	Scheduled Caste Development
SCFDC	Scheduled Caste Finance and Development Corporation
SCP	Special Component Plan

Abbreviations**Expanded Form**

SLCC

State Level Coordination
Committee

SSG

Superintendent State Guarage

STC

State Textile Corporation

TADP

Tribal Area Development
Planning

TD

Tribal Development