

REPORT
OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

FOR THE YEAR 1985-86

(CIVIL)

GOVERNMENT OF WEST BENGAL

VOLUME I

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PREFATORY REMARKS

The Report of the Comptroller and Auditor General of India for the year 1985-86 (Civil), Government of West Bengal, has been prepared in two separate volumes for submission to the Governor under Article 151 of the Constitution. This volume relates mainly to matters arising from the Appropriation Accounts of the Government of West Bengal for 1985-86 together with other points arising from audit of financial transactions of the Civil Departments of the Government of West Bengal except those relating to Autonomous Bodies and Authorities audited under the various provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 which have been given in Volume II of this Report.

2. Certain points of interest arising from the Finance Accounts for the year 1985-86 are included in Chapter I of this volume.

3. This volume also includes, among others, paragraphs|reviews on Oilseeds and Pulses Development Programmes, Agricultural Extension and Research Project, Homoeopathic System of Medicine, Minimum Wages for Agricultural Labour, Sundarban Development Project (IFAD) and Surgical Instruments Servicing Station, Baruipur.

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

5. The cases mentioned in the two volumes of the Report are among those which came to notice of Audit in the course of test audit of the accounts during the year 1985-86 as well as those which came to notice in the earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1985-86 have also been included wherever considered necessary.

CHAPTER I

General

1.1 The summarised position of the accounts of the Government of West Bengal emerging from the Appropriation Accounts and the Finance Accounts for the year 1985-86 is indicated in the Statements following :

!—Statement of Financial position of the Government of West Bengal as on 31st March 1986

Amount as on 31st March 1985	LIABILITIES	Amount as on 31st March 1986	Amount as on 31st March 1985	ASSETS	Amount [†] as on 31st March 1986
<i>(Rupees in crores)</i>					
449.25	Internal Debt including Ways and Means Advance (Market Loans, Loans from LIC and Others)	487.97	1,571.98	Gross Capital outlay on Fixed Assets— Investment in shares of Companies, Corporations etc.	194.61
3,106.31	Loans and Advances from Central Government— Pre-1984-85 Loans .. 1,575.03 Non-Plan Loans .. 1,897.30 Loans for State Plan Schemes 142.02 Loans for Centrally Spon- sored Plan Schemes .. 12.03 Loans for Central Plan Schemes 4.32	3,630.70	1,351.12	Other Capital Outlay ..	1,499.31
			17.80	Loans and Advances— Loans for Power Projects .. 705.45 Other Development Loans 836.41 Loans to Government Servants 28.93	1,570.79
				Other Advances	18.09

19.69	Contingency Fund	..	19.96	274.45	Remittance Balance	..	288.67
220.96	Small Savings	..	247.24	38.32	Suspense	..	117.36
277.23	Deposits	..	331.97	961.70	Deficit on Government Account—		
141.64	Overdrafts from Reserve Bank				Accumulated deficit up to		
	of India	..	..		31st March 1985	..	961.70
14.42	Reserve Funds	..	10.87*		Less surplus of current year	93.95	867.75
				14.13	Cash—		
					Cash in Treasuries and Local		
					Remittances	..	4.89
					Departmental Cash Balance		
					including Permanent Advance	9.03	
					General Cash	..	113.48
					Cash Balance Investments	39.51	
						166.91	
					Earmarked Funds Investment	5.22	172.13
4,229.50			4,728.71	4,229.50			4,728.71

*Gross balance including investment of Rs. 5.22 crores

II—Abstract of Receipts and Disbursements for the year 1985-86

Section A—Revenue

(*Rupees in crores*)

RECEIPTS			DISBURSEMENTS			
I—Revenue Receipts			I—Revenue Expenditure			
			Sector	Non-Plan	Plan	Total
(i) Tax Revenue .. ..	..	1,123.76	(i) General Services ..	638.18	0.38	638.56
(ii) Non-Tax Revenue ..	—	186.69	(ii) Social and Community Services	836.12	176.65	1,012.77
(iii) State's share of Union Taxes	..	623.52	(iii) General Economic Services	23.80	9.21	33.01
(iv) Non-Plan Grants .. ..	..	208.29	(iv) Agriculture and Allied Services	172.69	170.07	342.76
(v) Grants for State Plan Schemes	..	73.06	(v) Industry and Minerals	16.40	7.95	24.35
(vi) Grants for Central and Centrally Sponsored Plan Schemes	..	127.90	(vi) Water and Power Development	65.51	1.78	67.29
			(vii) Transport and Communications	70.98	4.06	75.04
			(viii) Grants-in-aid and contributions	66.55	..	66.55
			Total ..	1,890.23	370.10	2,260.33
			II—Revenue Surplus carried over to Section B	..	..	82.89
		2,343.22				2,343.22

Section B—Others

I. Opening Cash Balance including Permanent Advance and Cash Balance Investment ..	14.13								
III. Revenue Surplus brought down ..	82.89								
IV. Recoveries of Loans and Advances—									
(i) From Government servants ..	11.80								
(ii) From others ..	39.65	51.45							
V. Public Debt Receipts—									
(i) Internal Debt other than Ways and Means Advance ..	111.87								
(ii) Ways and Means Advance ..	22.03								
(iii) Loans and Advances from the Central Government ..	816.14								
		950.04							
III. Opening Overdraft from RBI ..									141.64
IV. Capital Outlay—									
	Sector		Non-Plan	Plan	Total				
(i) General Services ..		2.71	3.21	5.92					
(ii) Social and Community Services ..		(—)12.50	17.53	5.03					
(iii) General Economic Services ..		3.08	4.58	7.66					
(iv) Agriculture and Allied Services ..		0.49	10.90	11.39					
(v) Industry and Minerals ..		16.03	11.19	27.22					
(vi) Water and Power Development ..		0.23	48.41	48.64					
(vii) Transport and Communications ..		0.76	15.31	16.07					
	Total ..	10.80	111.13	121.93	121.93				
V. Loans and Advances disbursed—									
(i) For Power Projects ..		117.55							
(ii) To Government Servants ..		16.48							
(iii) To Others ..		137.09							271.12

VI. Recoveries of Advances
from Contingency
Fund .. 0.27

VII. Public Accounts Receipts—

(i) Small Savings and
Provident Funds .. 59.96

(ii) Reserve Funds .. 3.34

(iii) Suspense and Miscella-
neous 1,263.99

(iv) Remittances .. 5,14.68

(v) Deposits and Advances 1,089.61 2,931.58

4,030.36

VI. Repayment of Public Debt—

(i) Internal Debt other
than Ways and Means
Advance 29.29

(ii) Ways and Means
Advance .. 65.89

(iii) Repayment of Loans
and Advances to
Central Government 291.75

386.93

VII. Advances from Contingency
Fund

VIII. Public Account Disburse-
ments—

(i) Small Savings and
Provident Funds .. 33.68

(ii) Reserve Funds .. 12.11

(iii) Suspense and Miscella-
neous 1,331.98

(iv) Remittances .. 528.90

(v) Deposits and Advances 1,035.16

2,941.83

Cash Balance at end—

(i) Cash in Treasuries and
Local remittances 4.89

(ii) Departmental Cash
Balance including
Permanent Advance 9.03

(iii) General Cash Balance 113.48

(iv) Cash Balance Investment 39.51

166.91

4,030.36

III—Sources and Application of Funds for 1985-86

(Rupees in crores)

I. Sources—

1. Revenue Receipts	..	..	..	2,343.22
2. Miscellaneous Receipt on Government Account	..		..	11.05
3. Recoveries from Loans and Advances	..	..	..	51.45
4. Net contribution from Contingency Fund	..		..	0.27
5. Increase in Public Debt, Small Savings, Deposits and Advances				643.84
				<u>3,049.83</u>

Adjustments—

Suspense Balance	..	..	..	(—)79.04	
Reduction in Reserve Funds	..	..	..	(—) 8.77	
Effect of Remittances	..	..	..	(—)14.22	(—)102.03
				<u> </u>	<u> </u>
					2,947.80

II. Application—

1. Revenue Expenditure	..	..	..	2,260.33	
2. Capital outlay	..	..	..	121.93	
3. Lending for Development and other purposes	..	..	..	271.12	
4. Repayment of overdraft	..	..	..	141.64	
5. Increase in Closing Cash Balance	..	..	..	152.78	
				<u> </u>	2,947.80

1.2. Audit Comments on the Accounts of the Government of West Bengal for 1985-86

1. Government accounts being on cash basis, the deficit on Government account as shown in the statement of Financial Position, indicates the position on cash basis, as opposed to accrual basis of Commercial accounting.

2. The abridged accounts in the foregoing statements have to be read with the comments and explanations in the Finance Accounts.

3. There was an unreconciled difference of Rs.406.39 lakhs (Credit) between the figures reflected in the accounts and that intimated by the Reserve Bank under Deposits with Reserve Bank. The difference is under reconciliation (May 1987).

4. With current year's surplus of Rs.93.95 crores, the accumulated deficit on Government account was reduced to Rs.867.75 crores on 31st March 1986.

5. The net addition to Public Debt (Rs.643.84 crores) as adjusted by the effect of Remittance and Suspense balances (-Rs.93.26 crores) and drawal from Reserve Fund (-Rs.8.77 crores) together with Miscellaneous Receipt on Government Account (Rs.11.05 crores) recoveries from Loans and Advances (Rs.51.45 crores) and accretion from Contingency Fund (Rs.0.27 crore) during the year aggregated to Rs.604.58 crores. This, after meeting the total expenditure of Rs.534.69 crores on account of capital outlay (Rs.121.93 crores), lending for development and other purposes (Rs.271.12 crores) and repayment of overdraft (Rs.141.64 crores) generated a surplus of Rs.69.89 crores which together with the current year's revenue surplus of Rs.82.89 crores had in effect been reflected in the increase in closing cash balance (Rs.152.78 crores).

6. Tax revenue (Rs.1123.76 crores) raised by the State Government during 1985-86 increased by Rs.157.73 crores (16.32 per cent) over the tax revenue (Rs.966.03 crores) raised in the previous year. The increase was mainly under Land Revenue (Rs.10.76 crores), Taxes and Duties on Electricity (Rs.22.92 crores) and larger collection (Rs.93.31 crores) under Sales Tax.

The non-tax revenue of Rs.186.69 crores during 1985-86 also increased by Rs.43.09 crores compared to that in the previous year (Rs.143.60 crores). The increase was mainly under Social and Community Services (Rs.33.27 crores) and Economic Services (Rs.8.41 crores).

7. Receipts from Government of India during the year (Rs.1032.77 crores) on account of State's share of Union Taxes (Rs.623.52 crores) and Grants-in-aid (Rs.409.25 crores) formed 44 per cent of the total receipts of the State and were more by Rs.363.80 crores than those of 1984-85 (Rs.668.97 crores). The increase was mainly under Non-Plan Grants (Rs.154.86 crores), State's share of Union Taxes (Rs.151.10 crores) and Grants for State Plan Schemes (Rs.51.82 crores).

8. The revenue expenditure during the year was Rs.2260.33 crores (Plan : Rs.370.10 crores; Non-Plan : Rs.1890.23 crores) as against Rs.2150.54 crores (Plan : Rs.314.82 crores; Non-Plan : Rs.1835.72 crores) during 1984-85 and the budget provision of Rs.2397.37 crores (Plan : Rs.451.55 crores; Non-Plan : Rs.1945.82 crores) during 1985-86. The increase of Rs.109.79 crores in revenue expenditure over the previous year was mainly under Agriculture and Allied Services (Rs.95.22 crores) and General Services (Rs.81.75 crores), partly counterbalanced by less expenditure under Transport and Communication (Rs.57.95 crores) and Social and Community Services (Rs.50.29 crores).

Compared to the budget provision, the shortfall in expenditure (Rs.137.04 crores) was mainly under Education (Rs.35.21 crores), Urban Development (Rs.36.01 crores), Social Security and Welfare (Rs.20.88 crores) and Community Development (Rs.15.53 crores).

9. Capital expenditure during the year was Rs.121.93 crores as against Rs.99.26 crores in 1984-85. The larger capital expenditure (Rs.22.67 crores) during 1985-86 over the preceding year was mainly under Multipurpose River Projects (Rs.12.07 crores), Consumer Industries (Rs.5.95 crores), Irrigation, Navigation, Drainage and Flood Control Projects (Rs.5.53 crores) and Roads and Bridges (Rs.5.15 crores) partly counterbalanced by less expenditure under other heads.

Compared to the budget provision of Rs.238.77 crores during 1985-86 the shortfall in Capital expenditure (Rs.116.84 crores) was mainly under Housing (Rs.43.31 crores), Minor Irrigation, Soil Conservation and Area Development (Rs.14.81 crores), Public Works (Rs.9.20 crores), Education (Rs.11.31 crores), Medical (Rs.8.49 crores) and Co-operation (Rs.6.29 crores).

10. At the end of 1984-85, the balance under Loans and Advances by Government was Rs.1351.12 crores. During 1985-86 Government paid Rs.271.12 crores and recovered Rs.51.45 crores under Loans and Advances. The balance at the end of the year thus stood at Rs.1570.79 crores.

In respect of loans and advances, the detailed accounts of which are maintained by the Accountant General, the terms and conditions of repayment of 1233 number of loans involving a total amount of Rs.768.54 crores were not settled. The earliest loan for which terms and conditions of repayment had not been settled was extended in 1955-56. In respect of 1217 loans, the terms and conditions of repayment of which were settled, the total amount overdue for recovery as on 31st March 1986 was Rs.110.18 crores (Principal : Rs.58.43 crores and Interest : Rs.51.75 crores), the main defaulters being Durgapur Chemicals Limited (Rs.15.65 crores), Durgapur Projects Limited (Rs.15.16 crores), Kalyani Spinning Mills Limited (Rs.12.42 crores), West Begnal State Electricity Board (Rs.10.70 crores) and Westinghouse Saxby Farmer Limited (Rs.10.41 crores). The earliest year to which the arrears relate is 1953-54.

11. The interest paid on debt and other obligations during the year was Rs.274.93 crores as against Rs.244.18 crores during 1984-85. Interest received during the year was Rs.29.82 crores including that from departmental Commercial Undertakings and others as against Rs.30.85 crores during 1984-85. The net interest burden during the year was thus Rs.245.11 crores (10.46 *per cent* of revenue receipts). Interest due to Government from Damodar Valley Corporation at the close of the year amounted to Rs.83.20 crores. Payment of interest due to Government was withheld by the Corporation pending adjustment against the dues from the Government on account of water rates and deficits on irrigation, power and flood control.

12. With fresh investment of Rs.33.10 crores during the current year in Statutory Corporations (Rs.0.24 crore), Government Companies (Rs.25.81 crores), Co-operative Societies (Rs.7.01 crores) and Bank (Rs.0.04 crore), the total investment of the Government in shares and debentures on 31st March 1986 was Rs.194.61 crores. Interest and dividend received during the year on such investments was Rs.38.01 lakhs only representing 0.20 *per cent*. Information on profit earned|loss incurred by the organisations in which investments were made was not available except in 19 cases where cumulative loss was Rs.135.94 crores in 17 cases and profit in two cases was Rs.1.28 crores. Out of 19 cases, information was available up to 1985-86 only in 4 cases and for the remaining 15 cases, the period varied between 1979-80 and 1984-85.

13. The contingent liability for guarantee given by the State Government for repayment of loans etc., by Statutory Corporations, Government Companies and Co-operative Societies etc., on 31st March 1986 was Rs.591.72 crores (against the maximum amount of Rs.1417.66 crores guaranteed). No law under Article 293 of the

Constitution has been enacted by the State Legislature laying down the limits within which the Government may give guarantee on the security of the Consolidated Fund of the State.

During 1985-86, Rs.82.65 lakhs were realised as guarantee fees levied at half *per cent* per annum on outstanding sums guaranteed. Rupees 1154.73 lakhs were due (April 1987) on account of guarantee fees realisable by Power Department (Rs.1114.93 lakhs), Animal Husbandry and Veterinary Services Department (Rs.13.77 lakhs), Public Undertakings Department (Rs.11.75 lakhs), Cottage and Small Scale Industries Department (Rs.7.88 lakhs), Food and Supplies Department (Rs.6 lakhs) and Tourism Department (Rs.0.40 lakh). Information on guarantees-invoked or guarantee fees due was not received from 12 Departments which also gave guarantees.

14. *Ways and Means Advance and Overdraft*

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a minimum daily balance of Rs.1 crore. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ways and means advance|overdraft from the Bank.

During 1985-86, the minimum balance was maintained without taking any advances on 177 days. Ways and means advances (Rs.22.03 crores) were taken on 17 days and overdrafts (Rs.668.40 crores) were taken on remaining 171 days. Both the ways and means advances and the overdrafts were fully repaid by the end of the year including previous year's outstanding balance of Rs.43.86 crores and Rs.144.88 crores respectively along with interest of Rs.3.90 crores on ways and means advances and Rs.9.23 crores on overdrafts.

15. Against the plan provision of Rs.825.28 crores (Revenue : Rs.451.55 crores, Capital : Rs.211.27 crores and Loans : Rs.162.46 crores) the actual expenditure on Plan schemes on all accounts was Rs.677.10 crores during the year resulting in shortfall of Rs.148.18 crores (18 *per cent*),

CHAPTER II

Appropriation Audit and Control over Expenditure

2.1. General

The summarised position of actual expenditure during 1985-86 against grants/appropriations is as follows :—

	Original grant/ appropriation (1)	Supple- mentary (2)	Total (3)	Actual Expen- diture (4)	Variations Saving — Excess + (5)
(Rupees in crores)					
I. Revenue—					
Voted ..	2,027.25	130.09	2,157.34	2,051.34	—106.00
<i>Charged</i>	<i>286.08</i>	<i>0.90</i>	<i>286.98</i>	<i>280.49</i>	<i>—6.49</i>
II. Capital—					
Voted ..	299.55	20.43	319.98	235.22	—84.76
<i>Charged</i>	<i>1.13</i>	<i>0.71</i>	<i>1.84</i>	<i>0.42</i>	<i>—1.42</i>
III. Public Debt—					
<i>Charged</i>	<i>733.54</i>	<i>406.64</i>	<i>1,140.18</i>	<i>1,200.20</i>	<i>+60.02</i>
IV. Loans and Advances—					
Voted ..	228.65	53.58	282.23	271.12	—11.11
Grand Total	3,576.20	612.35	4,188.55	4,038.79	—149.76

2.2. Important results emerging from the Appropriation Audit :

2.2.1. Supplementary provision obtained during the year constituted 17.12 per cent of the original budget provision as against 32.5 per cent in the preceding year.

2.2.2. Supplementary provision of Rs.37.86 crores obtained in 25 cases (Appendix 2.1.) during March 1986 proved unnecessary. In another 15 cases (Appendix 2.2.) additional fund required was only Rs.53 crores against the supplementary grant of Rs.100.74 crores, savings in each case exceeding Rs.10 lakhs.

In 16 cases (Appendix 2.3.) supplementary provision of Rs.464.65 crores proved insufficient by more than Rs.10 lakhs, leaving an aggregate uncovered expenditure of Rs.164.85 crores.

In 4 cases (Appendix 2.4.), on the other hand, expenditure of Rs.8.89 crores was incurred in excess of budget provision without obtaining any supplementary grant.

2.2.3. The overall saving was Rs.323.62 crores in 72 grants and appropriations. The overall excess (Appendix 2.5), on the other hand, was Rs.173.86 crores in 21 grants and appropriations requiring regularisation under Article 205 of the Constitution of India.

2.2.4. In the following grants|appropriations, the expenditure fell short by more than Rs.1 crore each and by more than 10 *per cent* of the total provision :

Description of the Grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
7—Land Revenue (Revenue)	4.79 (16)	Saving of Rs. 2.31 crores on account of Establishment and other charges was due to non-requirement of funds by the District Officers. Reasons for saving of the balance amount have not been intimated (April 1987).
25—Public Works (Capital)	52.45 (74)	Saving occurred mainly due to non-execution of scheme on building for Primary education (Rs. 11.47 crores) through PW Deptt., non-completion of formalities for acquisition of land/buildings (Rs. 3.81 crores), non-sanction of scheme by the administrative departments under M.N.P. under 280-Capital Outlay on Medical (Rs. 3.30 crores), non-sanction of schemes for (i) Upgradation of standard of administration (Rs. 2.78 crores) (ii) for construction of the building (Rs. 1.05 crores) by the administrative deptts., late receipt of administrative approval for buildings under Police Housing Schemes

Description of the Grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
		(Rs. 2.69 crores) and non-sanction of schemes for construction of jails and sub-jails for juvenile offenders and late receipt of administrative approval to the schemes for improvement of the condition of the existing jails (Rs. 4.06 crores).
26—Fire Protection and Control .. (Revenue)	1.05 (15)	Mainly due to non-materialisation of purchase of some equipment and machinery (Rs. 0.86 crore). Reasons for the balance amount have not been intimated (April 1987).
30—Miscellaneous General Services (Revenue)	4.10 (45)	Mainly due to payment of less sales tax and commissions to State Lottery agents for less sale of lottery tickets.
32—Education (Sports) ... (Revenue)	1.49 (29)	Reasons for saving of the entire amount have not been stated (April 1987)
39—Housing ... (Revenue)	6.83 (72)	Reasons for saving have not been intimated (April 1987).
40—Urban Development ... (Revenue)	36.00 (40)	Reasons for saving have not been intimated (April 1987)
40—Urban Development ... (Capital)	3.86 (12)	Due to curtailment in Plan expenditure (Rs. 0.23 crore), non-payment of Ways and Means Advances to Urban land bodies and non-payment of dues to the State Electricity Board (Rs. 0.10 crore). Reasons for savings for the balance amount have not been intimated (April 1987).
44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons and Repatriates) (Revenue)	1.39 (15)	Due mainly to non-writing off of the irrecoverable loans granted to displaced persons (Rs. 1 crore) and less requirement of fund (Rs. 0.16 crore).

Description of the Grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) (Revenue)	9.19 (16)	Due to less receipt of Central assistance than anticipated (Rs. 0.22 crore). Reasons for the balance amount have not been intimated (April 1987).
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) (Capital)	2.03 (21)	Due to less receipt of Central assistance than anticipated (Rs. 0.16 crore) and less receipt of suitable proposals for welfare of Scheduled Tribes (Rs. 0.57 crore). Reasons for the balance amount have not been intimated (April 1987).
46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Repatriates and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) (Revenue)	19.51 (22)	Savings were mainly due to some posts lying vacant, suspension of welfare work attached to the programme and extension of last date of U. A. registration, late receipt of approval of certain schemes by the International Labour Organisation (Rs. 2.86 crores). Reasons for the balance amount have not been intimated (April 1987).
50—Co-operation (Capital) ...	17.19 (61)	Due mainly to non-receipt of adequate number of qualified proposals for financial assistance (Rs. 3.46 crores), non-availability of funds from the National Co-operative Development Corporation (Rs. 3.10 crores), non-receipt of Government order for incurring expenditure from Agriculture Department (Rs. 3 crores) and non-receipt of allotment from Agriculture Department (Rs. 1 crore).
52—Agriculture (Capital) ...	3.79 (47)	Reasons for saving have not been intimated (April 1987).
53—Minor Irrigation, Soil Conservation and Area Development (Capital)	14.05 (65)	Reasons for saving have not been intimated (April 1987).

Description of the Grant	...	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
54—Food (Revenue) ...	...	2.98 (26)	Reasons for saving have not been intimated (April 1987).
54—Food (Capital) —	—	11.74 (56)	Due to non-finalisation of claims of the Food Corporation of India regarding payment of price differential of rice supplied to consumers at subsidised rates during 1973 (Rs. 0.99 crore). Reasons for the balance amount have not been intimated (April 1987).
55—Animal Husbandry (Capital)	...	2.28 (87)	Mainly due to non-release of funds by Government owing to non-finalisation of revised estimates (Rs. 0.56 crore), cut in Plan budget (Rs. 0.61 crore) and non-completion of required formalities owing to non-adjustment of assistance received in kind from the Indian Dairy Corporation (Rs. 0.15 crore).
56—Dairy Development (Capital)	...	1.37 (55)	Due mainly to revised allocation of the Annual Plan Outlay due to Government policy (Rs. 0.23 crore), shifting of priority to other Milk Supply Schemes and non-availability of any viable scheme from the Corporation (Rs. 0.45 crore) and reduction of plan-budget and shifting of priority to other schemes (Rs. 0.22 crore).
59—Community Development ... (Panchayat) (Revenue)	...	3.85 (13)	Due to non-release of further grant owing to non-submission of utilisation certificates by some Zilla Parishads (Rs. 0.35 crore), non-sanction of grants to Gram Panchayats (Rs. 1.33 crores) for various community development activities, non-drawal of Rs. 0.94 crore credited to Special Deposits Fund for payment of additional dearness allowance owing to

Description of the Grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
60—Community Development ... (Excluding Panchayat) (Revenue)	12.07 (15)	subsequent decision of Government of India to pay the same in cash and non-receipt of any proposal for financial assistance (Rs. 0.14 crore). Reasons for the balance savings have not been intimated (April 1987).
61—Industries (Closed and Sick Industries) (Capital)	7.29 (49)	Due mainly to release of less grants owing to restriction imposed on plan expenditure by the Finance Department (Rs. 4.96 crores), receipt of a part of the grant from the Government of India at the fag end of the year (Rs. 3.13 crores) and non-fulfilment of the target set for construction of low cost huts etc. (Rs. 0.23 crore).
62—Industries (Excluding Public Undertakings and Closed and Sick Industries) (Revenue)	5.37 (33)	Mainly due to non or less requirement of funds due to less or non investments/less or non-payment of compensation etc. to the existing taken over/assisted units, closed and sick industrial units, etc. (Rs. 2.55 crores) and non-release of any loan to West Bengal Industrial Development Corporation Ltd. for payment to M/s Bengal Paper Mills Ltd. to enable the the Company to reopen it after clearance of its arrear sales tax (Rs. 1.10 crores). Reasons for the balance amount have not been intimated (April 1987).
62—Industries (Excluding Public Undertakings and Closed and Sick Industries) (Revenue)	5.37 (33)	Due to non-supply of Gas from Durgapur Project Ltd. (Rs. 0.93 crore), obtaining supplementary provision inadvertently (Rs. 0.76 crore), less payment on account of retirement benefits and ex-gratia (Rs. 0.09 crore). Reasons for the balance amount have not been intimated (April 1987).

Description of the Grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
62—Industries (Excluding Public Undertakings and Closed and Sick Industries) (Capital)	3.00 (14)	Saving to the extent of Rs. 1.20 crores was due to 'augmenting the plan provision under '537—Capital Outlay on Roads and Bridges' in connection with the implementation of roads scheme outside Falta Export Processing Zone area. Reasons for the balance amount have not been intimated (April 1987).
63—Village and Small Industries (Excluding Public Undertakings)(Revenue)	3.25 (20)	Due to non-availability of sufficient number of cases for assistance (Rs. 0.38 crore), cut in plan expenditure (Rs. 1.66 crores) and adjustment of payment of Additional Dearness Allowance at enhanced rate under the respective heads (Rs. 0.24 crore). Reasons for the balance savings have not been intimated (April 1987).
71—Road and Water Transport ... (Capital)	9.30 (26)	Due mainly to cut in plan outlay (Rs. 3.49 crores), non-implementation of schemes (Rs. 2.45 crores), restricting the activity of Transport Department of passenger sheds in the Sunderbans (Rs. 0.30 crore) and non-finalisation of selection of site for construction of Administrative Buildings (Rs. 0.15 crore).
78—Public Health (Sewerage and Water Supply) (Capital)	1.50 (20)	Reasons for savings have not been intimated (April 1987).
81—Capital Outlay on Petroleum, Chemicals and Fertiliser Industries (Excluding Public Undertakings) (Capital)	3.90 (96)	Reasons for savings have not been intimated (April 1987).
82—Capital Outlay on Consumer Industries (Excluding Public Undertakings and Closed and Sick Industries) (Capital) Voted	1.73 (57)	Reasons for savings have not been intimated (April 1987).

Description of the Grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
82—Capital Outlay on Consumer Industries (Excluding Public Undertakings and Closed and Sick Industries) (Capital) <i>Charged</i> ...	1.13 (100)	Reasons for savings have not been intimated (April 1987).
84—Investments in Industrial Financial Institutions (Excluding Public Undertakings) (Capital)	3.70 (67)	Due to non-release of further fund to keep the State Government's share contribution to West Bengal Financial Corporation within the ceiling of authorised share capital of Rs. 10 crores (Rs. 0.58 crore). Reasons for balance savings have not been intimated (April 1987).

2.2.5. In addition to those mentioned in 2.2.4. above, substantial savings occurred in the following cases on account of either non-implementation or slow implementation of the Plan Schemes :

Grant or Appropriation	Name of the scheme	Amount of savings (Rupees in crores)	Percentage of savings
34—Education (Excluding Sports and Youth Welfare) (Revenue)	Provision for incentives to the development of elementary education under Minimum Needs Programme	1.08	54
37—Family Welfare (Revenue)	.. Establishment and maintenance of additional Rural Family Welfare Planning Sub-centre	2.90	94
Ditto	.. Compensation for Tubectomy	1.60	40
Ditto	.. Awards	0.97	97
40—Urban Development (Revenue)	Assistance to CMDA for slum improvement under Minimum Needs Programme	5.00	100
Ditto	.. Grants to CMDA for development of CMD areas outside Calcutta	1.00	100

Grant or Appropriation	Name of the scheme	Amount of savings (Rupees in crores)	Percentage of savings
Ditto	.. Special Component Plan for Scheduled Castes—Programmes for liberation of scavengers by conversion of service privies into sanitary latrines in Municipal Areas (State's share)	0.99	66
40—Urban Development (Capital)	Loans for Integrated Development of Small and Medium Towns	3.02	69
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) (Revenue)	Plantation schemes under Tribal Area Sub-Plan	1.71	82
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) (Capital)	Investment in West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation	1.33	53
46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced persons and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) (Revenue)	Supplementary Nutrition Programme for children and expectant Nursing Mothers. (Minimum Needs Programme).	1.04	69
53—Minor Irrigation, Soil Conservation and Area Development (Revenue)	World Bank Project on Development of Minor Irrigation—Dug Wells	1.21	100
Ditto	.. World Bank Project on Development of Minor Irrigation—Shallow Tubewells	1.22	100
Ditto	.. West Bengal Minor Irrigation Corporation—Grant-in-aid for meeting administrative expenses	1.25	100

Grant or Appropriation	Name of the scheme	Amount of savings (Rupees in crores)	Percentage of savings
Ditto ..	Special Component Plan for Scheduled Castes—Intensive and Integrated Rural Development Programme under Other Blocks	2.24	34
Ditto ..	Intensive and Integrated Rural Development under other Blocks	5.96	35
53—Minor Irrigation, Soil Conservation and Area Development (Capital)	Lift Irrigation ..	1.54	60
Ditto ..	World Bank Project on development of Minor Irrigation—Deep Tubewell and Medium duty Tube wells	4.32	99
53—Minor Irrigation, Soil Conservation and Area Development (Capital)	World Bank Project on development of Minor Irrigation—River Lift Irrigation	1.40	100
Ditto ..	Command Area Development Programme in selected areas in West Bengal	1.08	79
66—Multipurpose River Projects, Irrigations, Navigation, Drainage and Flood Control Projects (Revenue)	Irrigation Schemes under Major and Medium Irrigation Projects	1.46	46
Ditto (Capital) ...	Protective Works under Flood Control and Anti-sea Erosion Projects	4.02	60
71—Road and Water Transport Services (Capital)	Transportation Operation Improvement Programme	2.00	100
Ditto ...	Restoration of Metro Corridor	2.00	100
76—Public Undertakings (Capital)	West Dinajpur Spinning Mills	1.34	100
78—Public Health, Sanitation and Water Supply (Sewerage Supply) (Revenue)	Accelerated Rural Water Supply Programme	9.95	50

Grant or Appropriation	Name of the scheme	Amount of savings (Rupees in crores)	Percentage of savings
81—Capital outlay on Petroleum, Chemicals and Fertiliser Industries (Excluding Public Undertakings) (Capital)	Setting up of a Petro-chemical complex at Haldia	3.47	99

2.2.6. Persistent savings were noticed in the following cases :

Description of the grant	Percentage of savings		
	1983-84	1984-85	1985-86
40—Urban Development (Capital) ...	42	35	12
40—Ditto (Revenue) ...	15	28	40
44—Social Security and Welfare (Relief and Rehabilitation of displaced persons and Repatriates) (Revenue)	19	26	15
44—Ditto (Capital) ...	40	43	50
46—Social Security and Welfare (excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of SCs/STs and other Backward Classes) (Revenue)	23	42	22
54—Food (Capital) ...	58	41	56
59—Community Development (Panchayat) (Revenue) ...	12	22	13
76—Public Undertakings (Capital) ...	35	29	3

2.2.7. In the following grants the expenditure exceeded the approved provision by more than Rs.25 lakhs and also by more than 10 per cent of the total provision :

Description of the grant	Amount of excess (Rupees in lakhs) (Percentage of excess)	Reasons for excess
6—Collection of Taxes on Income and Expenditure (Revenue)	84.26 (98)	Reasons for excess have not been intimated (April 1987).
25—Public Works (Revenue) ...	3491.86 (80)	Reasons for excess have not been intimated (April 1987)
39—Housing (Capital) ...	161.70 (14)	Reasons for excess have not been intimated (April 1987)

Description of the grant	Amount of excess (Rupees in lakhs) (Percentage of excess)	Reasons for excess
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects (Revenue)	508.43 (11)	Reasons for excess have not been intimated (April 1987).
66—Ditto (Capital)	1078.16 (12)	Reasons for excess have not been intimated (April 1987).
67—Power Projects (Capital) ..	3188.30 (41)	Reasons for excess have not been intimated (April 1987).
70—Roads and Bridges (Revenue) ..	1097.68 (34)	Reasons for excess have not been intimated (April 1987).
78—Public Health (Sewerage and Water Supply) (Revenue)	712.98 (14)	Reasons for excess have not been intimated (April 1987).

2.2.8. Persistent excesses were noticed in the following cases :

Description of the grant	Percentage of excess		
	1983-84	1984-85	1985-86
25—Public Works (Revenue)	82	57	80
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects (Revenue)	26	5	11

2.2.9. In spite of repeated recommendations of the Public Accounts Committee rush of expenditure in the month of March was noticed in the following cases :

Description of the Major head and grant	Total provision	Total expenditure	Expenditure during March	Percentage of expenditure during March to	
				Total provision	Total expenditure

(Rupees in crores)

288—Social Security and Welfare (Grant Nos. 43, 44, 45 and 46)	141.91	118.36	38.69	27	33
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Description of the Major head and grant	Total provision	Total expenditure	Expenditure during March	Percentage of expenditure during March to	
				Total provision	Total expenditure
488—Capital outlay on Social Security and Welfare (Grant No. 45)	6.95	6.90	4.44	64	64
308—Area Development (Grant Nos. 45 and 53)	44.08	40.58	13.98	31	34
289—Relief on account of Natural Calamities (Grant No. 47)	31.12	32.98	18.62	60	56
306—Minor Irrigation (Grant Nos. 45 and 53)	38.33	36.45	12.40	32	34
506—Capital outlay on Minor Irrigation (Grant Nos. 53 and 45)	22.08	7.34	5.97	27	81
334—Power Projects (Grant No. 67)	20.00	20.00	10.33	52	52
284—Urban Development (Grant No. 40)	90.22	54.20	18.97	21	35
312—Fisheries (Grant Nos. 45 and 57)	10.62	10.20	3.51	33	34
321—Village and Small Industries (Grant Nos. 63 and 45)	16.59	13.02	4.90	30	38
254—Treasury Accounts and Administration (Grant No. 20)	5.60	4.98	2.31	41	46
247—Other Fiscal Services (Grant No. 14).	1.72	1.62	0.64	37	39
481—Capital outlay on Family Welfare (Grant No. 25)	0.50	0.72	0.58	116	81
298—Co-operation (Grant Nos. 50 and 45)	24.48	24.68	22.52	92	91
363—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Grant Nos. 54 and 74).	67.06	66.51	33.55	50	50

2.3. Irregular or inadequate reappropriation

Important instances where provision required for expenditure under individual sub-heads within a grant or appropriation was not properly regulated during the year by reappropriation or surrender of funds, are indicated in the notes and comments below the concerned grants in the Appropriation Accounts for the year.

2.4. New Service|New Instrument of Service

The rules provide that expenditure on any item coming under 'New Service|New Instrument of Service' not included in the Budget should not be incurred without obtaining the specific approval of the Legislature in the form of Supplementary Demand for grant. In case of urgency, such expenditure can be met from out of advance from the Contingency Fund of the State pending authorisation by the Legislature. In the cases detailed in the Appendix 2.6 expenditure was incurred without obtaining supplementary grant or an advance from the Contingency Fund though they satisfied the criteria for being treated as New Service or New Instrument of Service.

2.5. Advances from the Contingency Fund

A Contingency Fund of Rs.20 crores is placed at the disposal of the Government to meet unforeseen expenditure not covered by the Appropriation Act.

The rules provide that advances from the Fund can only be made to meet unforeseen expenditure of such emergent nature that postponement thereof till the enactment of the Supplementary Appropriation Act would be undesirable.

The Supplementary estimate 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 are sanctioned, the recoupment being thus made within that year.

The total amount of advance drawn from the Contingency Fund and recouped during 1985-86 was Rs.3,87,61,567. Advances remaining unrecouped at the end of 1984-85 was Rs.30,99,152, out

of which Rs.26,67,225 were recouped during 1985-86. The following table shows the cases where recoupments were delayed or is yet to be made (31st March 1987) :

Sl. No.	Head of account	Amount	Month of sanction/ withdrawal	Year in which recouped
		Rs.		
1.	537—Capital outlay on Roads and Bridges	13,32,473	March 1983	Recouped in 1985-86
2.	506—Capital outlay on Minor Irrigation, Soil Conservation and Area Development	33,000	September 1983	Not yet recouped
3.	505—Capital outlay on Agriculture	1,29,829	March 1984	Recouped in 1985-86
4.	280—Medical	24,079	March 1984	Not yet recouped
5.	259—Public Works ..	1,33,418	March 1984	Not yet recouped
6.	295—Other Social and Community Services	5,00,000	June 1984	Recouped in 1985-86
7.	252—Secretariat-General Services ..	1,27,100	July 1984	Not yet recouped
8.	288—Social Security and Welfare	1,15,000	July 1984	Recouped in 1985-86
9.	505—Capital outlay on Agriculture	41,947	August 1984	Recouped in 1985-86
10.	306—Minor Irrigation ..	91,345	October 1984	Not yet recouped
11.	509—Capital outlay on Food	17,984	November 1984	Ditto
12.	213—Council of Ministers ..	5,000	January 1985	Ditto
13.	255—Police	82,543	February 1985	Recouped in 1985-86
14.	337—Roads and Bridges ..	95,436	March 1985	Ditto
15.	537—Capital outlay on Roads and Bridges	3,37,060	March 1985	Ditto

In the case of Serial Nos. 2,4,5,7,10,11 and 12 though supplementary budget provision was obtained during 1985-86 no recoupment/part recoupment to the Fund was made for non-issue of order by the Finance Department.

2.6. Trend of recoveries and credits

Under the system of gross budgeting followed by the State Government, grants and charged appropriations authorised by the Legislature are for gross expenditure and exclude all credits/ recoveries which are adjusted in the accounts in reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates. During the year 1985-86, such recoveries were anticipated at Rs.130 crores (Revenue : Rs.46.95 crores and Capital : Rs.83.05 crores). Actual recoveries during the year, however, were Rs.185.21 crores (Revenue : Rs.71.50 crores and Capital : Rs.113.71 crores). Some of the major shortfalls/ excesses in recoveries are detailed below; reasons therefor have not been intimated (April 1987) :

Description of the grant	Budget Estimates	Actuals	Shortfall — Excess +
(Rupees in crores)			
21—Police (Revenue)	2.43	..	— 2.43
22—Jails (Revenue)	0.15	..	— 0.15
25—Public Works (Revenue)	15.00	50.70	+35.70
36—Medical (Revenue)	16.59	..	—16.59*
39—Housing (Revenue)	0.30	..	— 0.30
39—Housing (Capital)	4.30	27.52	+23.22
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and other backward classes) (Revenue)	0.11	..	— 0.11
50—Co-operation (Revenue).. ..	0.20	0.05	— 0.15
50—Co-operation (Capital) .. ..	..	0.13	+ 0.13
52—Agriculture (Revenue)	0.53	..	— 0.53
54—Food (Capital)	21.01	9.26	— 11.75
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects (Revenue)	0.65	3.32	+ 2.67
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects (Capital)	44.55	54.74	+10.19
70—Roads and Bridges (Capital)	13.14	21.99	+ 8.85
78—Public Health, Sanitation and Water Supply (Sewerage and Water Supply) (Revenue)	9.00	15.42	+ 6.42

*Actual recovery was Rs. 28,045.

2.7. Reconciliation of Departmental figures*

To ensure effective control over expenditure, all Departmental Officers are required to reconcile monthly their respective departmental expenditure with those booked in the Office of the Accountant General (A&E) before the close of accounts for a year. This also enables the Controlling Officers to detect in early stages frauds and defalcations, if any. The reconciliation is heavily in arrears in some departments, although this was periodically brought to their notice.

During 1985-86 reconciliation was not done for all the twelve months by 184 out of 202 Controlling Officers, this was not done for varying periods of less than twelve months by 17 Controlling Officers.

The above position was brought to the notice of the Finance Department for issuing necessary instructions to all the departments for immediate completion of verification work. The total amount remaining unreconciled for the year 1985-86 was Rs.894.08 crores approximately.

The number of wanting reconciliation certificates for the various years was 2044 as shown below :

1979-80	24
1980-81	60
1981-82	48
1982-83	80
1983-84	456
1984-85	540
1985-86	836
Total ..	<u>2044</u>

2.8. Non-receipt of explanation for savings/excesses

The explanations for variation between grant/appropriation and corresponding expenditure were not received at all or were received in an incomplete form (March 1987) in respect of 853 heads (812 heads in 1984-85). These formed 78 *per cent* of the number of heads (1087), the variations under which needed explanation. Non-submission or delay in submission of information required for the Appropriation Accounts results in the Audit Report remaining incomplete in certain essential respects.

CHAPTER III
CIVIL DEPARTMENTS
AGRICULTURE DEPARTMENT

3.1. Oilseeds Development Programme

3.1.1. Introduction

West Bengal is deficient in production of oilseeds. A substantial part of the demand for edible oil is met by importing oilseeds from other States in India. In order to augment the production of oilseeds with a view to bridging the gap between demand and supply of edible oils, several oilseeds development programmes were launched by the Government of India (Ministry of Agriculture and Rural Development) and the State Government. The main objective of the programmes was to encourage farmers to increase production of oilseeds by increasing the area under various oilseeds crops and increasing productivity by distribution of improved varieties of oilseeds and adopting improved technology. The programme of oilseeds development also formed part of the 20-point programme. Mustard, seasamum, linseed and groundnut constitute the major oilseeds of the State.

3.1.2. Organisational set up

The Director of Agriculture, West Bengal (DAWB) who was specially assisted by a Deputy Director of Agriculture (Oilseeds) for oilseeds development programmes was in overall charge of the implementation of the programme in the State.

3.1.3. Programmes and financing pattern

Various components of the programmes and pattern of financing thereof were as under :

Sl. No.	Name of the programme/ scheme	Year of adoption	Component	Pattern of assistance	
				Central	State
Centrally sponsored schemes					
(i)	Development of Sunflower (CSSDS)	1972-73	1. Staff 2. Minikits 3. Demonstration 4. Transport, handling etc. 5. Contingencies	50	: 50

Sl. No.	Name of the programme/scheme	Year of adoption	Component	Pattern of assistance	
				Central	State
(ii)	Development of rapeseed-mustard under Intensive Oilseed Development Programme (IODP)	1980-81	1. Staff 2. Minikits 3. Demonstration 4. Transport, handling etc. 5. Plant protection	50	: 50
(iii)	Project for extension of pure crop of Rapeseed-Mustard under National Oilseed Development Project (NODP)	1984-85	1. Seed subsidy 2. Plant protection 3. Subsidy on farm implements 4. Demonstration 5. Seed minikits 6. Fertiliser minikits 7. Staff, TA and contingencies	100	: 00
(iv)	Intensive oilseed development programme of Sunflower under NODP	1984-85	1. Certified seeds 2. Distribution of seed minikits 3. Distribution of fertiliser minikits 4. Demonstration 5. P P Implements 6. Farm implements 7. Staff, TA and contingencies	100	: 00
(v)	Free distribution of minikits of seeds and fertilisers for oilseeds and pulses for assisting small and marginal farmers (MSMF)	1983-84		50	: 50
State Sector Schemes :					
(vi)	Development of Oilseeds including Sunflower under State Plan (DOSP)	NA	Demonstration	00	: 100
vii)	Minikit demonstration programme under State Plan (MDPSP)	1977-78	Minikit Demonstration	00	: 100

(NA = Not available)

While the centrally sponsored schemes on development of sunflower and rapeseed-mustard were operated in 4 (24-Parganas North, 24-Parganas South, Howrah and Midnapore) and 10 (Burdwan, Birbhum, Hooghly, Malda, Midnapore, Murshidabad, Nadia, West Dinajpur, 24-Parganas North and 24-Parganas South) districts respectively, MSMF, DOSP and MDPSP were implemented in all the 17 districts.

3.1.4. *Finance*

Against total expenditure of Rs.60.01 lakhs for implementation of the schemes on development of sunflower and rapeseed-mustard during 1980-86, share of Central Government's expenditure worked out to Rs.57.95 lakhs. Rupees 56.02 lakhs were actually received by the State Government as Central assistance during 1980-86. The reasons for short receipt of Central assistance were not stated (November 1986) by the Department. About 48.11 *per cent* of the available funds (Rs.238.90 lakhs) under DOSP could not be utilised during 1980-85 mainly due to non-allotment of funds by the Department.

3.1.5. *Results of audit*

The records of the Department|Directorate of Agriculture as well as those of 4 districts (Malda, Murshidabad, Nadia and 24-Parganas South) relating to the period from 1980-81 to 1985-86 were test checked in audit between April 1986 and July 1986. The points noticed are given below :

3.1.6. *Development of Sunflower under CSSDP and NODP*

With a view to popularising the cultivation of sunflower and increasing its area in the monocropped coastal tracts of Sunderbans with the ultimate aim of increasing the production of oilseeds in the State and to introduce sunflower as a second crop after long duration aman paddy, the scheme of development of sunflower was adopted in West Bengal.

Against Rs.16.32 lakhs sanctioned for the implementation of various components (seed, demonstration, minikits, etc.) of the programmes during 1980-86 Rs.13.09 lakhs were actually spent.

3.1.7. *Seed*

It was found that despite the ability of West Bengal Agro-Industries Corporation Limited (WBAIC) to supply sunflower seed for development of sunflower under NODP, the entire fund (Rs.0.75 lakh) remained unutilised during 1984-85 in the absence of timely requisitions for seeds by the Principal Agricultural Officers (PAOs).

Reasons for non-allotment of fund for subsidy on seed during 1985-86 by the State Government were not made available (November 1986).

3.1.8. *Demonstration*

The scheme provided for laying out demonstration under the supervision of Agriculture Department on the plots of selected farmers with seeds, fertilisers and pesticides for motivating farmers to adopt improved practices in cultivation of sunflower. The objective was also to demonstrate to the cultivator that yield per hectare was higher in demonstration plots as compared to the plot under control of the cultivator. Subsidy to meet the cost of inputs was to be paid in kind.

No criterion was laid down by the department to judge the success of a demonstration, nor did the reports on the results of demonstration, the submission of which by the AROs/ADO was found to be erratic, indicate the comparative yield between the demonstration plots and the plots under the control of the cultivators. Test check of records revealed that in several cases yield of oilseeds in demonstration plot was far less than the average yield of oilseeds in the district. In 24-Parganas (South) the average yield in 640 sunflower demonstration plots (subsidy : Rs.1.60 lakhs) was 400 kg per hectare while the average yield in the District was 721 kg per hectare during 1984-85 to 1985-86. Thus, the demonstrations were not successful. The reasons for low yield in demonstration plots were neither investigated nor stated (November 1986) by the district authorities.

3.1.9. *Seed and fertiliser minikits*

Free distribution of seed and fertiliser minikits to farmers was taken up under NODP from 1984-85; the particulars of physical achievements against targets fixed during 1984-86 were as below :

	Target		Achievement	
	Seeds	Fertiliser	Seeds	Fertiliser
	(In number)		(In number)	
1984-85 ..	3000	345	1522	330
1985-86 ..	20000	1000	19000	755
Total ..	23000	1345	20522	1085

According to progress reports furnished (April 1985 and March 1986) to Government of India the shortfall was due to shortage of

specific varieties of seeds and non-availability of fertilisers. As a result of failure to distribute 2478 number of seed minikits during 1984-86, 620 hectares of land could not be brought under cultivation of sunflower. Information about remedial measures taken to avoid a recurrence of such failure in future was not furnished (November 1986) by Government.

3.1.10. *Evaluation*

Evaluation of the programmes on development of sunflower was not made (November 1986) by Government. The table below would indicate that area under cultivation of sunflower declined in the State in 1984-85 as compared to 1979-80 while increase in total production of the crop during 1984-85 compared to 1979-80 was also not significant.

Year		Area (In thousand hectares)	Production (In thousand tonnes)	Productivity (Kilogram per hectare)
1979-80	..	2.0	0.4	200
1980-81	..	2.2	0.4	182
1981-82	..	1.9	0.3	158
1982-83	..	0.7	0.4	571
1983-84	..	2.1	1.3	619
1984-85	..	1.7	0.8	471
1985-86	..	NA	NA	NA

(NA = Not available)

The Department stated that the cultivation of sunflower was not popular in the State due to the following reasons :

- (i) Non-availability of improved varieties of seeds ;
- (ii) Poor marketability and low profitability of the crop;
- (iii) Damage of sunflower heads by birds;
- (iv) Lack of field staff to motivate farmers; and
- (v) Lack of protective irrigation facilities.

The annual progress reports for 1980-81 onwards disclosed that Government was aware of these constraints. The justification for incurring expenditure on implementation of the programme against these constraints was however not made available (November 1986) by Government. From 1986-87 the programme on development of sunflower was excluded from the purview of NODP.

3.1.11. *Rapeseed-Mustard under IODP and NODP*

Rapeseed-Mustard is the most important oilseed of the State covering about 50 *per cent* of the total oilseeds area. During 1980-81 Government of India allocated Rs.4.75 lakhs under IODP for meeting expenditure on staff (Rs.1.00 lakh), minikit trials (Rs.0.10 lakh), laying out demonstration (Rs.0.23 lakh), adopting plant protection (PP) measure (Rs.3.10 lakhs) besides contingency (Rs.0.15 lakh) and transport and handling (Rs.0.17 lakh). Against Rs.4.75 lakhs, Rs.3.60 lakhs were sanctioned by the State Government but only Rs.2.14 lakhs out of Rs.3.10 lakhs were spent on Plant protection measure and the entire allotted amount (Rs.0.50 lakh) on minikit demonstration and transport-handling remained unutilised. While the reasons for non-utilisation of fund (Rs.0.96 lakh) on PP measure were attributed to less attack of 'Aphid', the reasons for failure to utilise Rs.0.50 lakh on minikit demonstration and handling and transport were not stated (November 1986).

Particulars of physical achievement against expenditure of Rs.2.14 lakhs on PP measure were not furnished (November 1986) nor were the reasons for which IODP was not implemented in the State from 1981-82 to 1983-84 stated (November 1986).

With the introduction of NODP from 1984-85, Government of India sanctioned funds (Rs.6.03 lakhs) for additional staff in one selected district (Burdwan). The posts were not, however, filled in (July 1986) by the State Government, reasons for which were not stated (November 1986).

NODP was implemented in ten selected districts of the State during 1984-86 with the existing staff of the State Government.

Against total outlay of Rs.73.95 lakhs for the period from 1984-85 to 1985-86, Rs.57.95 lakhs were sanctioned for providing subsidies on seed, farm implements, minikits, etc., but Rs.44.78 lakhs were actually spent resulting in savings of Rs.13.17 lakhs. Shortfalls in achieving the physical targets during 1984-86 were significant in case of seed (68.4 *per cent*) and farm implements (58.8 *per cent*).

According to progress reports submitted (April 1985 and March 1986) by the DAWB to Directorate of Oilseeds, Hyderabad, shortfalls were mainly due to dearth of seeds and implements. Nothing was available from records produced (July 1986) to audit to indicate that measures were taken to overcome the shortage of inputs.

3.1.12. *Seed*

The project envisaged supply of certified seeds by the district agricultural authorities at a subsidised price to farmers with a view

to providing incentives to the cultivators of oilseeds for undertaking cultivation of rapeseed-mustard.

Out of Rs.0.70 lakh allotted to 4 districts for providing subsidies on seed during 1984-86, one district (24-Parganas South) could not utilise the entire amount (Rs.0.05 lakh) while percentage of utilisation of funds (Rs.0.65 lakh) in other 3 districts (Malda, Nadia and Murshidabad) was as low as 20. Against 5060 hectares of land targeted to be covered in Nadia (3560 hectares) and Murshidabad (1500 hectares) districts during 1984-86 by seed subsidy, achievement was 1116 hectares (22 *per cent*). The report on physical progress in Malda district was not made available (November 1986) nor were the reasons for shortfall stated (November 1986) by the PAOs|SAOs. It was, however, found in audit that no advance planning for production|procurement of the certified seeds was made by the district agricultural authorities to utilise the subsidy on seeds for the benefit of the farmers.

3.1.13. *Plant Protection measures*

The programme contemplated adoption of plant protection measures by farmers to avoid loss of crop production due to diseases and insects|pests. Accordingly, provision was made under NODP for certain incentives which included 50 *per cent* subsidy on the cost of Plant Protection Equipment (subject to a maximum of Rs.250) and chemicals. West Bengal Agro-Industries Corporation Limited (WBAIC) and the local authorised dealers of chemicals were to supply the equipment (hand sprayer) and chemicals to the farmers.

Against an allotment of Rs.14.63 lakhs made to 4 districts test checked during 1984-85 and 1985-86 for PP equipment, PP chemicals and PP van. the expenditure was Rs.10.47 lakhs resulting in a saving of Rs.4.16 lakhs.

In Murshidabad and Nadia districts, 410 plant protection equipment worth Rs.1.02 lakhs supplied by West Bengal Agro-Industries Corporation Limited were reported to be sub-standard. While the complaints in this regard were not investigated (July 1986) by Officers of Nadia district, the SAO of Murshidabad district, however, admitted (July 1986) that the complaints were genuine and appropriate action had already been taken; further report regarding recovery of cost for supply of sub-standard equipment is awaited (November 1986).

A PP van which was purchased at a cost of Rs.1.73 lakhs in 1984-85 for use by oilseed growing districts was allotted to PAO,

Murshidabad who did not accept the vehicle on ground of non-availability of staff. The whereabouts of the van and its utilisation by the DAWB were not intimated to audit (November 1986).

3.1.14. *Farm implements*

NODP envisaged payment of subsidy to farmers on sprinkler sets subject to a maximum of Rs.5000 per set as well as 50 *per cent* subsidy on seed drills|seed-cum-fertiliser drills|harvestors, etc., subject to a maximum of Rs.250 to Rs.500 per implement.

A significant amount allocated for farm implements could not be utilised by the Directorate during 1984-86 owing to non-availability of specific farm implements. Annual progress report for April 1985 submitted by the DAWB to the Directorate of Oilseeds, Hyderabad indicated that 50 *per cent* of the amount sanctioned (Rs.2.50 lakhs) during 1984-85 was diverted for payment of subsidy on PP equipment.

Out of 4 districts to whom Rs.1.04 lakhs were allotted during 1984-86 for providing subsidy on farm implements, 3 districts (Malda, Nadia and 24-Parganas South) could not utilise Rs.0.66 lakh (97 *per cent*) and consequently 263 against targeted 270 farm implements could not be distributed to farmers at subsidised price. In other district (Murshidabad) 91 *per cent* of the fund (Rs.0.36 lakh) allotted for the purpose was, however, utilised. Reasons for shortfall in utilisation of funds in the districts were not furnished (November 1986).

3.1.15 *Demonstration*

The scheme provided for laying out demonstrations under the supervision of Departmental Officers on the plot of selected farmers with seed fertiliser and pesticides for motivating farmers to adopt improved practices. The objective was also to demonstrate to the cultivator that yield per hectare was higher in demonstration plots as compared to the plot under the control of the cultivator. Subsidy (at the prescribed rates per hectare) to meet the cost of inputs was to be paid in kind (and not in cash) in case of successful demonstration only.

Out of Rs.0.96 lakh provided to 4 districts (Malda, Murshidabad, Nadia and 24-Parganas South) during 1984-85 and 1985-86 for conducting 320 demonstrations in 160 hectares of land, Rs.0.86 lakh were spent for conducting 286 demonstrations on 143 hectares of land. Reasons for shortfall were attributed to shortage of seeds.

No criterion was laid down by the Department to judge the success of demonstration. Reports on the result of demonstration,

the submission of which by the ADO/AEO was erratic, did not indicate the comparative yield between demonstration plots and the plots under the control of cultivators as a result of which audit could not verify the success of the demonstrations. Average yield of demonstration plot in four districts varied between 800 kilograms and 1000 kilograms per hectare which was lower than the yield of targeted 1500 kilograms per hectare fixed (July 1981) by the DAWB for demonstration plot. The achievement in demonstration plots was not also significant when compared to the average yield which was 827 kg. per hectare to 900 kg. per hectare in 4 districts. No reasons for lower yield in demonstration plots were stated (November 1986). PAO, Nadia, however, admitted (July 1986) that results of demonstration were not commensurate with the cost.

No records showing the extent of supervision conducted by Officers at various levels were produced to audit. ADOs of two districts (Nadia and Malda), however, stated (July 1986) that supervision of demonstration plots could be made to the extent of 60 per cent and 10 per cent respectively of the total demonstration centres.

3.1.16. *Seed Minikits*

The scheme contemplated free supply of seed minikits to farmers with seeds of improved varieties sufficient to cover an area of 0.5 hectare which was, however, reduced to 0.25 hectare by the State Government as the ceiling cost of Rs.20 fixed by Government of India was not adequate to cover 0.5 hectare. The modifications resulted in shortfall in area coverage to the extent of 0.04 lakh hectare in the State against expenditure of Rs.3.10 lakhs during 1984-86.

In 4 districts test checked 5444 seed minikits (value : Rs.1.08 lakhs) were distributed against the target of 6375 minikits (value : Rs.1.28 lakhs) during 1984-85 and 1985-86. Reasons for shortfall were attributed (July 1986) to shortage of seeds. Action taken to procure seeds by the State Government was not available (November 1986) from records.

3.1.17. *Fertiliser Minikit*

The project contemplated free distribution of fertiliser minikit (cost : Rs.200) which was to contain 15-20 kg nitrogen and 15-20 kg phosphate.

In 4 districts (Malda, Murshidabad, Nadia and 24-Parganas South), 1283 fertiliser minikits (value : Rs.2.55 lakhs) were

distributed against the target of 1415 kits (value : Rs.2.83 lakhs) during 1984-85 and 1985-86. Non-availability of fertiliser was assigned (July 1986) as the reason for this shortfall. Further, in these districts fertiliser minikits were supplied to the cultivators direct by the suppliers against delivery orders issued by the Agriculture Development Officers. No arrangements were made by the district authorities to ensure their actual utilisation. In the absence of the records in this regard it could not be verified in audit (July 1986) whether the fertiliser minikits worth Rs.2.55 lakhs were actually utilised by the farmers.

In Nadia 226 minikits distributed were estimated to contain 6780 kg of fertiliser (nitrogen : 3390 kg and Phosphate : 3390 kg) as per prescribed norms. These, however, contained 8983 kg of fertilisers (Nitrogen : 3995 kg, Phosphate : 3010 kg and potash : 1978 kg). Moreover, the reasons for inclusion of Potash and non-inclusion of Phosphate in these minikits as per norms were not stated (July 1986).

3.1.18. *Free distribution of minikits of seeds and fertilisers for oilseeds and pulses for assisting small and marginal farmers (MSMF)*

The scheme, introduced by Government of India from 1983-84, provided an outlay of Rs.1 lakh per block for free distribution of seeds and fertilisers for oilseeds and pulses including land development with a view to increasing agricultural production and assisting small and marginal farmers preferably belonging to Scheduled Castes (SC) and Scheduled Tribes (ST). Part of the programme concerning land development (estimated outlay : Rs.0.30 lakh) was not, however, implemented by the State Government during 1983-84 and 1984-85 and entire provision per block was utilised for distribution of minikits of oilseeds and pulses. During 1985-86 separate allocation for land development was envisaged under the scheme and outlay for minikits of oilseeds and pulses was fixed at Rs.0.50 lakh per block. Each minikit of oilseeds was to contain seed and fertiliser sufficient to cover 0.33 acre of cultivable land and to benefit one family.

Thirty *per cent* of the total beneficiaries were to belong to SC|ST communities. During 1983-84 and 1984-85, 329147 minikits of oilseeds were distributed to 329147 persons which included only 6 *per cent* SC|ST beneficiaries in 1983-84 and 22.80 *per cent* in 1984-85. Reasons for shortfall in covering the targeted quantum of SC|ST population in 1983-84 (24 *per cent*) and 1984-85 (7.20 *per cent*) were not stated (November 1986).

During 1985-86 no fertiliser was distributed with the minikits of oilseeds (cost : Rs.76.89 lakhs) the reasons for which were not stated (November 1986) nor was the yield rate ascertained (July 1986) by the Directorate to assess the productivity in these cases.

In 2 (Malda and Murshidabad) out of 4 districts test-checked no supervision to ensure that the minikits were actually utilised for sowing purpose and not merely misutilised by farmers was made due to shortage of staff while in the other 2 districts failure to conduct supervision worked out to 95 per cent (Nadia) and 81 per cent (24-Parganas South) during 1983-84. In the absence of documentary evidence in support of supervision of cultivated plots, audit could not verify the actual utilisation by farmers of minikits of oilseeds worth Rs.82.33 lakhs for the period from 1983-84 to 1985-86 in these 4 districts.

In several cases minikits were distributed by Panchayat Samitis instead of by AEOs/ADOs. Muster rolls in support of distribution of 700 minikits of oilseeds worth Rs.0.11 lakh during 1985-86 were not submitted by one Panchayat Samity of one district (Nadia).

Complaints about sub-standard quality of seeds worth Rs.4.94 lakhs supplied by WBAIC during 1983-84 along with 6500 minikits of mustard (yellow sarson) were not investigated by the DAWB to whom the matter was referred (October 1983) by the PAO, Malda. The reasons for the failure were not stated (November 1986).

West Bengal State Seed Corporation Limited (WBSSC) was one of the agencies responsible for supplying the minikits of oilseeds under the scheme. As per Sixth Plan of the State, the Corporation was to achieve targeted production of 12000 MT of certified seeds at the terminal year (1984-85) of the Plan. But it produced only 276.95 MT of seeds which was only 2.30 per cent of the target. The reasons for shortfall in targeted production and its impact on supply of minikits of oilseeds to farmers were not stated (November 1986).

3.1.19. *Development of oilseeds including sunflower under State Plan (DOSP)*

The State Government adopted oilseeds development schemes including sunflower for increasing production of oilseeds by conducting demonstrations with free inputs (viz., seeds, fertiliser, plant protection chemicals, etc.) in farmers' plots. Each demonstration was to cover 0.33 acre of land.

Against Rs.238.90 lakhs provided in budget for DOSP during 1980-81 to 1984-85, Rs.123.96 lakhs were spent resulting in savings of Rs.114.94 lakhs (48.11 per cent). Reasons for savings were not

stated (November 1986). Out of Rs.14 lakhs provided in the budget during 1983-84 and 1984-85 for laying out demonstrations exclusively on the plots of the Scheduled Caste|Scheduled Tribe farmers, Rs.13.67 lakhs (97.6 *per cent*) could not be utilised.

During 1980-81, 159218 demonstrations were conducted in the State against targeted number of 181500 demonstrations. Reasons for shortfall and information about the physical progress of the scheme for the period from 1981-82 to 1985-86 were not furnished (November 1986) by the DAWB.

In 4 districts test checked 20929 demonstrations (cost : Rs.19.99 lakhs) were conducted against the target of 54392 (cost : Rs.30.91 lakhs) during 1980-81 to 1985-86. As a result of failure to conduct 33463 demonstrations (61.5 *per cent*) an equal number of farmers were deprived of the benefit during 1980-86.

Reports on the results of demonstration the submission of which by the ADOs|AFOs was erratic, did not indicate the comparative yield between the demonstration plots and the plots under the control of the cultivators. Consequently audit could not assess the achievement in demonstration plots. No reports|returns showing achievement on demonstration plots vis-a-vis other plots were also obtained|maintained by the Department|Directorate. In three districts (Malda, Murshidabad and Nadia) 2343 demonstrations of groundnut cultivation were conducted during 1980-86 without rhizobium culture and soil treating chemical, reasons for which were not stated (November 1986). This resulted in loss of yield to the extent of about 43.9 MT of groundnut.

3.1.20. *Minikit Demonstration Programme under State Plan (MDPSP)*

The programme, adopted by the State Government in 1977-78, contemplated free distribution of minikits containing seed and fertiliser to popularise improved varieties of different crops including oilseeds and to assist the poor farmers in their efforts to increase production. Each minikit was to cover 0.33 acre of land and to benefit one farmer to be selected by the Panchayat Samity. The programme was not implemented from 1983-84 onwards following the introduction of the Centrally sponsored scheme of free distribution of minikits of oilseeds and pulses for assisting small and marginal farmers.

In one district (Malda) seeds contained in 10000 Mustard minikits worth Rs.0.39 lakh supplied by West Bengal State Co-operative Marketing Federation Limited (BENFED) during 1982-83 were found to be of sub-standard quality by the PAO of the

districts. Information about investigation conducted, if any, by the DAWB against supply of sub-standard seeds was not furnished (November 1986).

During 1982-83 BENFED supplied 5000 minikits of mustard (Yellow sarson) worth Rs.4.85 lakhs to a district (Nadia). In course of supervision of the cultivated plots the district Agronomist detected (January 1983) that the seeds supplied with the minikits were not of approved variety which resulted in lesser yield to the extent of about 50 per cent. The matter was not investigated (July 1986) by the Department.

3.1.21. *Miscellaneous*

QUALITY CONTROL OF FERTILISERS|PESTICIDES

With a view to ensuring quality of the fertilisers and pesticides utilised in the State for increasing production of oilseeds, the DAWB instructed the District Agricultural Officers to draw samples of fertilisers and pesticides for laboratory test. A test check of records of the four districts (Malda, Nadia, Murshidabad and 24-Parganas south) for the period 1984-85 to 1985-86 revealed that adequate action was not taken by the district authorities to get the quality of fertiliser|pesticides tested in laboratories. Against a target of 1648 samples of fertilisers (1558) and pesticides (90) to be drawn during 1984-85 and 1985-86, 498 samples of fertilisers (423) and pesticide (75) were drawn while 245 samples (fertiliser : 185 and pesticide : 60) were actually tested during the same period. 51 (fertiliser : 35 and pesticide : 16) out of 245 samples having been found to be of sub-standard quality on laboratory test, prosecution cases were initiated by the Department in 11 cases. Corrective measures were not taken in several cases, reasons for which were not stated (November 1986).

3.1.22. *Monitoring*

There was no machinery with the Directorate to exercise adequate control over the functions of the District Officers towards implementation of oilseeds development programmes including utilisation of funds and development of oilseeds cultivation. At district level, meetings were held to monitor the progress of the scheme but no records were maintained to indicate the extent of monitoring done and follow up action taken in this regard. JDA Krishnagar Range admitted (July 1986) that such records were not maintained.

Records relating to oilseeds development programmes were not maintained properly by the Directorate and district officers of 4 districts test checked. Advance planning for procurement of seeds,

fertilisers and pesticides was not made nor was the selection of beneficiaries made well in advance of the cropping seasons.

3.1.23. *Evaluation*

As envisaged in the scheme of MSMF, no State level committee headed by the Member, Board of Revenue and Secretary, Rural Development was set up (July 1986) to evaluate the programme. Evaluation of any other oilseeds development programme or any component thereof was also not made (July 1986) by any Government Officer/agency.

3.1.24. *Conclusion*

Implementation of the programmes suffered mainly from under-utilisation of funds, failure on the part of the department to produce and procure required quantity of improved varieties of seeds/other inputs and absence of proper implementing machinery. Benefits derived at the end of 1985-86 out of implementation of various oilseed development schemes were marginal in spite of substantial expenditure (Rs.697.98 lakhs) incurred during 1980-86. Proper efforts were not made by the State Government for successfully implementing the various oilseeds development programmes.

3.1.25. *Summing up*

SUNFLOWER

In 640 cases, unsuccessful demonstrations involving Rs.1.60 lakhs during 1984-86 were noticed.

As a result of failure to distribute 2478 number of seed minikits during 1984-86, 620 hectares of land could not be brought under cultivation of sunflower.

RAPE-MUSTARD UNDER IODP AND NODP

Fortyone *per cent* of the funds provided for development of rapeseed-mustard during 1980-81 under IODP could not be utilised.

Complaints about sub-standard quality of 410 PP equipment involving Rs.1.02 lakhs supplied by a Corporation in 2 districts during 1984-86 were not investigated.

Significant amounts on two components viz., seed and farm implement could not be spent under NODP during 1984-86.

MSMF

During 1983-84 and 1984-85, 329 minikits of oilseeds were distributed under MSMF to 329147 persons which included only

6 per cent SC|ST beneficiaries in 1983-84 and 22.80 per cent in 1984-85 against targeted 30 per cent.

WBSSC could achieve only 2.30 per cent of the targeted production of certified seeds at the end of the Sixth Plan of the State.

MDFSP

Seeds supplied in 5000 minikits of mustard (yellow sarson) by an organisation (BENFED) to a district were not of approved variety which resulted in lesser yield to the extent of about 50 per cent.

DOSP

More than 48 per cent of the budget provision for the period 1980-81 to 1984-85 could not be utilised for oilseeds development programme under State Plan.

Out of Rs.14 lakhs provided in the budget during 1983-84 and 1984-85 for laying out demonstrations exclusively on the plots of SC|ST farmers, Rs.13.67 lakhs (97.6 per cent) remained unutilised.

No evaluation of the oilseeds development programmes was made by Government.

Implementation of the programmes suffered mainly from under utilisation of funds, failure on the part of the Department to produce and procure quality seeds and absence of proper implementing machinery.

3.2. Pulses Development Programme

3.2.1. Introduction

West Bengal is deficient in production of pulses. A substantial part of the demand for pulses is met by importing pulses from other States in India. In order to augment the production of pulses with a view to bridging the gap between the demand and supply of pulses and providing much needed nutrition to the people, several pulses development programmes were launched by the Government of India (Ministry of Agriculture and Rural Development) and the State Government. The main objectives of the programmes were to encourage the farmers to increase production of pulses by increasing the area under various pulses crops and increasing the productivity by distribution of improved varieties of seeds and adopting improved technology. The programme of pulses development also formed part of the new 20-point programme. Gram, urad, lentil, moong and arhar constitute the major pulses of the State.

3.2.2. *Organisational set up*

The Director of Agriculture, West Bengal (DAWB) who was specially assisted by a Joint Director of Agriculture (Pulse) for pulses development programmes was in overall charge of the implementation, monitoring and evaluation of the programmes.

3.2.3. *Programmes and financing pattern*

Besides Pulses Development (PDSP), Soyabean Development (SDSP) and Minikit Demonstration Programmes (MDPSP) under State Plan, several centrally sponsored schemes namely, Intensive Pulse Development Programme (IPDP-started from 1972-73), Summer Moong Production Programme (SMPP-started from 1982-83), Free Distribution of Minikits of Seeds and Fertilisers of Oilseeds and Pulses for assisting small and marginal farmers (MSMF-started from 1983-84) and Central sector scheme of Minikit Demonstration of Pulses (MDP-started from 1981-82) were adopted in the State. While the entire expenditure under MDP was to be borne by the Government of India, expenditure under MSMF was to be shared equally between the State and the Central Government. Under IPDP, expenditure on the components of Demonstration, Breeder seed, Plant Protection Equipment, Plant Protection Chemicals, Rhizobium culture and staff were to be shared between the State and the Centre equally and those on Foundation Seed, Certified seed and operational charges were to be borne by the Government of India fully. Similarly, under SMPP, the expenditure on the components of Irrigation and seed were to be borne wholly by the Government of India and that on Demonstration and publicity were to be shared on 50 : 50 basis.

-The programmes were implemented in all the 17 districts of the State.

3.2.4. *Finance*

Against Rs.1254.90 lakhs provided in the budget during 1980-81 to 1985-86 for implementation of various pulses development programmes (IPDP including SMPP and PDSP: Rs.232.90 lakhs, MSMF : Rs.1011 lakhs, MDPSP : Not available and SDSP : Rs.11 lakhs), State Government spent Rs.639.14 lakhs on these programmes (IPDP including SMPP and PDSP : Rs.80.57 lakhs, MSMF : Rs.417.05 lakhs, MDPSP : Rs.138.63 lakhs and SDSP ; Rs.2.89 lakhs).

3.2.5. *Test check*

The records of the Department|Directorate of Agriculture and four districts, namely Malda, Murshidabad, Nadia and 24-Parganas

(South) were test checked in audit during April and July 1986. The points noticed during audit are mentioned in the succeeding paragraphs.

3.2.6. *Overall progress*

It was envisaged under the Sixth Plan to raise the annual production of pulses to 5 lakh tonnes, to bring additional 1 lakh hectare under pulses cultivation and to raise the productivity to 715 kilogrammes per hectare by the end (1984-85) of the plan period (1980-85). The targets for 1985-86 were to cover 5 lakh hectares under pulses cultivation and achieve production of 3 lakh tonnes. The targeted area under cultivation and production of pulses in the State fell short by 281.7 thousand hectares and 278.6 thousand tonnes respectively at the end (1984-85) of the 6th Plan and by 85 thousand hectares and 85.4 thousand tonnes respectively during 1985-86 despite incurring of substantial expenditure totalling Rs.639.14 lakhs by Government during 1980-86 on various pulses development programmes. The targeted productivity was also not achieved at the end of 1984-85 (586 kilogram per hectare) or 1985-86 (637 kilogram per hectare). Both the area under cultivation and production of pulses declined from 559.4 thousand hectares and 304.5 thousand tonnes respectively in 1979-80 to 415 thousand hectares and 264.6 thousand tonnes respectively in 1985-86. The reasons for shortfall in production of pulses were attributed by the Department to the following :

- (i) Shortage of specific improved varieties of seeds; and
- (ii) inclination of farmers to go in for more profitable crops like boro paddy, wheat, etc.

3.2.7. *Intensive Pulses Development Programme (IPDP) including Summer Moong Production Programme (SMPP)*

While the programme was implemented in all the 17 districts of the State, one district (Murshidabad) was selected as intensive pulse cultivation district for which 2 Officers and 9 staff were sanctioned under the scheme in addition to existing State level Officers and staff (Officers : 2 and staff : 3). In other 16 districts, the scheme was implemented with the existing staff of the State Government.

According to reports furnished by the DAWB to the Directorate of Pulses Development, Lucknow, against Rs.97.24 lakhs provided for implementation of IPDP and SMPP during 1980-81 to 1985-86, total expenditure was Rs.53.62 lakhs out of which Central Government's share of expenditure was Rs.32.79 lakhs. Central assistance actually received by the State Government during the

period being Rs.33.94 lakhs, the extent of unutilised central assistance was Rs.1.15 lakhs. Reasons for shortfall in expenditure (Rs.43.62 lakhs including Central assistance of Rs.1.15 lakhs) were not stated (November 1986) by Government.

As a result of delay in allotment of funds to districts, the IPDP could not be implemented during Khariff season almost in all the years during 1980-86 as will be evident from the following table :

Year	Sanction by Government of India		Date of allotment of funds to district
	Date	Amount	
			(Rupees in lakhs)
1980-81	May 1980	17.67	August 1980
1981-82	August 1981	12.66	November 1981 and January 1982
1982-83	May 1982	7.30	July 1982
1983-84	June 1983	17.70	September 1983
1984-85	May 1984	16.40	September 1984
1985-86	June 1985	17.70	October 1985

Against Rs.68.73 lakhs provided during the years from 1980-81 to 1985-86 for various components of the IPDP, Rs.35.39 lakhs were actually spent resulting in savings of Rs.33.34 lakhs mainly under Demonstration, Plant Protection Equipment and Rhizobium Culture. Shortfalls in achieving the physical targets were significant in case of Foundation Seed (96.8 per cent), Operational charges (81.50 per cent), Plant Protection Chemicals (71.71 per cent) and Certified/Truthfully labelled Seeds (70.55 per cent) which were mainly due to delay in sanction of funds and non-inclination of farmers to avail of the subsidies.

3.2.8. Demonstration

The scheme provided for laying out demonstration under the supervision of Agriculture Department on different pulses crops on the plots of selected farmers with seeds, fertilisers, pesticides and rhizobium culture for motivating farmers to adopt improved practices. The objective was also to demonstrate to the cultivators that yield per hectare was higher in a demonstration plot compared to the plot under the control of the cultivator. Subsidy (at the rate of Rs.275 per hectare up to 1981-82 and thereafter at the rate of Rs.375 per hectare) to meet the cost of inputs was to be paid in kind (and not in cash) in case of successful demonstration only.

Out of Rs.6.62 lakhs provided to 4 districts (Malda, Murshidabad, Nadia and 24-Parganas South) during 1980-81 to 1985-86 for conducting demonstration of pulses in 2228 hectares of land, Rs.3.53 lakhs were spent (shortfall : Rs.3.09 lakhs) covering 1208 hectares (shortfall : 1020 hectares). In all the cases (1208 hectares), demonstrations were conducted without rhizobium culture for 6 years which resulted in lesser yield (10 *per cent* of average normal yield) of pulses to the extent of about 67.6 MT. The reasons for the shortfalls and non-supply of rhizobium culture were not stated (November 1986).

No criterion was laid down by the Department to judge the success of demonstration. Reports on the results of demonstration, the submission of which by the ADOs/AEOs was erratic, did not indicate the comparative yield between the demonstration plots and the plots under the control of cultivators. In 3 districts (Malda, Murshidabad and Nadia), yield of pulses was 125 kg to 488 kg per hectare in 347 demonstration plots (cost : Rs.0.35 lakh) during 1980-81 to 1984-85 as against the average yield of 534 kg per hectare of pulses in the districts as revealed during test check of records. The reasons for low yield in demonstration plots were neither investigated nor stated (November 1986) by the district authorities. PAO, Nadia, however, admitted (July 1986) that the results of demonstrations were not commensurate with the expenditure incurred.

Between 1980-81 and 1982-83, Rs.0.40 lakh, being the cost of inputs for laying out demonstration, were paid in cash to 170 farmers of Malda district violating the pattern of assistance contemplated in the scheme. Actual utilisation of funds by the farmers was not watched by the district authorities in these cases.

A sum of Rs.0.54 lakh which was reallocated (March 1981) by the DAWB to PAO Murshidabad for IPDP was diverted (March 1981) for distribution of gram minikit under MDPSP.

No records showing the extent of supervision made on demonstration plots by officers at various levels were produced to audit as a result of which the adequacy or otherwise of the supervision could not be ascertained during test check of records of the districts.

3.2.9. Seed

Under IPDP, financial assistance was provided by Government of India to subsidise the cost of production of breeder seed and foundation seed and to reduce the cost of production of certified seeds/truthfully labelled (TL) seeds for supply to farmers. West Bengal State Seed Corporation Limited (WBSSC), Pulses and Oilseeds Research Station

(PORS), Berhampur and several seed multiplication farms of the State Government were engaged in the production of seeds.

Requirement of seeds for each year from 1980-81 to 1985-86 for implementation of various pulses development programmes in the State was not assessed by Directorate JDA (Pulse) nor was advance planning for production and procurement of seeds undertaken.

3.2.10. *Breeder Seeds*

Of Rs.2.28 lakhs provided to the JDA (Pulse), Pulses and Oilseeds Research Station (PORS), Berhampore during 1980-81 to 1985-86 for production of breeder seeds of pulses under IPDP Rs.2.08 lakhs were spent; but the quantity of seeds produced was not identifiable from the total quantity of 32.8 MT of breeder seeds and TL seeds (came out in the process) of pulses and oilseeds produced during the period under different schemes including IPDP, as the records were not maintained separately. Against the stock of seeds (29 MT) produced up to 1984-85, 19 MT were distributed to Government agencies and farmers leaving 10 MT (Cost : Rs.3.57 lakhs) of seeds the whereabouts of which were not recorded in the stock books. Quantity of seeds distributed out of the seeds (3.8 MT) produced during 1985-86 was also not available (November 1986) from the records.

For production of 32.8 MT of seeds, admissible labour cost (at the rate of Rs.6.60 per kilogram) as per cost schedule adopted by PORS was Rs.2.17 lakhs. But Rs.13.48 lakhs were spent to meet the cost of labour for production of 32.8 MT of breeder TL seeds during 1980-86 resulting in extra-expenditure of Rs.11.31 lakhs. The Joint Director of Agriculture (Pulse), however, stated (August 1986) that Rs.2.72 lakhs were spent towards cost of labour for production of seeds and the balance amount of Rs.10.76 lakhs was spent for non-cultivation work, like watching/guarding of farm properties, field experiments, etc. The fact remains that funds provided for labour wages under different projects were spent for production of 32.8 MT of breeder TL seeds which resulted in increased labour cost.

3.2.11. *Foundation seed*

No fund was provided by Government of India under IPDP for production of foundation seed during 1980-81 and 1981-82, the reasons for which were not available (November 1986) from the records of the Department.

During 1982-83 to 1984-85 only Rs.0.02 lakh were spent in the State for foundation seed against allocation of Rs.0.60 lakh. The reasons for significant shortfall (96 per cent) were not stated

(November 1986) by the Department. While one district (Murshidabad) surrendered the entire fund (Rs.0.07 lakh) allocated during 1985-86 due to non-availability of breeder seeds from which foundation seeds were to be produced, the achievement of the State as a whole for 1985-86 was not available (November 1986).

3.2.12. *Certified and truthfully labelled (TL) seeds*

Of Rs.11.39 lakhs provided to 4 districts test checked during 1980-81 to 1985-86 for distribution of 61.70 MT of certified and TL seeds to farmers at subsidised rates, only Rs.1.22 lakhs were spent against distribution of 7.27 MT of seeds. The reasons for shortfall were attributed to late receipt of funds and non-availability of seeds.

Entire funds aggregating Rs.4.88 lakhs allotted in the respective years could not be utilised by 4 districts test checked for 1 year to 6 years between 1980-81 and 1985-86. Against actual utilisation of Rs.0.20 lakh during 1984-85 and 1985-86, an expenditure of Rs.1.65 lakhs was shown in the report furnished by PAO, Murshidabad which led to incorrect exhibition of financial progress; the reply of the Department in the matter was not made available (November 1986).

3.2.13. *West Bengal State Seed Corporation Limited (WBSSC)*

WBSSC, which was set up in 1980-81 with an authorised capital of Rs.5 crores with the main objective of producing and processing qualitative certified seeds, actually started production of pulse seeds from 1983-84 through registered growers and Government farms. At the end of the Sixth Plan (1984-85), the Corporation was to achieve a targeted production of pulse seeds to the extent of 6000 MT. Up to 1984-85, WBSSC could produce only 92.2 MT of pulse seeds which was 1.54 per cent of the target. Yearwise position of production of certified seeds of pulse from 1983-84 to 1985-86 against target is as below :

Year	Target	Achievement	Shortfall
	(In metric tonnes)		
1983-84	150.0	69.5	80.5
1984-85	138.5	22.7	115.8
1985-86	60.0	23.8	36.2

The Management of the Corporation stated (November 1986) that non-availability of specific varieties of seeds led to non-achievement of the target and the seed processing plant could not be installed

(November 1986), as envisaged in the Sixth Plan, in consideration of the low volume of production and economy.

3.2.14. *Plant protection measures*

The programme contemplated adoption of plant protection measures by farmers to avoid loss of crop production due to diseases and insects/pests. Provision was made under IPDP for certain incentives which included 50 *per cent* subsidy on the cost of plant protection equipment (subject to a maximum of Rs.250) and chemicals and 100 *per cent* subsidy on operational charges.

Against an allotment of Rs.6.65 lakhs during 1980-81 to 1985-86 in respect of 4 districts test checked, the expenditure was Rs.3.64 lakhs resulting in a shortfall of Rs.3.01 lakhs. Significant amount on plant protection chemicals and operational charges could not be utilised mainly due to delay in sanction of funds and non-inclination of farmers to avail of the subsidy as stated (July 1986) by the district officers.

Although the benefit of subsidy (Rs.3.28 lakhs) on PP equipment (hand sprayer) was passed on to the farmers it was not ascertainable from the records of the districts test checked that the equipment was actually utilised for development of pulses.

3.2.15. *Rhizobium culture*

The newly evolved technique of Rhizobium culture increases yield of pulses by 10 to 15 *per cent*. The programme envisaged production of rhizobium culture and its distribution to farmers. In West Bengal, funds were provided to two laboratories (Tollygunge and Berhampore) of the State Government for acquisition of apparatus and equipment for production of rhizobium culture.

LABORATORY AT TOLLYGUNGE

Although a sum of Rs.1 lakh was spent in 1973-74 for acquisition of apparatus and equipment for the laboratory at Tollygunge, actual production of rhizobium culture was not started before 1980-81 due to non-installation of the apparatus and equipment and non-availability of required power. Out of Rs.8.94 lakhs provided to the laboratory between 1973-74 and 1985-86 for strengthening the laboratory (Rs.4.42 lakhs) and production of rhizobium culture (Rs.4.52 lakhs), Rs.4.28 lakhs (47.87 *per cent*) could not be utilised mainly due to shortage of staff, insufficient power supply and non-receipt of advance requisition for the product from PAOs/SAOs of the districts as stated (May 1986) by the Agricultural chemist of the laboratory. Against production capacity of 21 MT of rhizobium

culture during 1980-86, only 2.81 MT could be produced by the laboratory resulting in under-utilisation of capacity to the extent of 81.8 per cent to 98.5 per cent between 1980-81 and 1985-86.

Funds aggregating Rs.0.47 lakh were diverted by the laboratory for utilisation on purposes not connected with the programme while Rs.0.66 lakh meant for production of rhizobium culture was utilised (1980-86) for purchase of equipment. Equipment worth Rs.1 lakh was purchased (1973-74) without inviting open tenders. Failure to obtain supply of an equipment from the lowest tenderer entailed (May 1986) extra expenditure of Rs.0.19 lakh to Government.

No target of production was fixed for the laboratory. No register to record the quantity of rhizobium culture produced and distributed was maintained by the laboratory nor were acknowledgements obtained from the PAOs|SAOs to whom rhizobium culture weighing 2.72 MT (cost : Rs.1.76 lakhs) was supplied during 1980-84, the balance quantity of 0.09 MT (cost : Rs.0.06 lakh) having deteriorated owing to prolonged storage.

LABORATORY AT BERHAMPUR

Out of Rs.2.60 lakhs provided (January 1986) for strengthening the laboratory (Rs.2 lakhs) and production (Rs.0.60 lakh) of rhizobium culture, equipment and raw materials worth Rs.1.90 lakhs and Rs.0.60 lakh respectively were purchased (March 1986); but delivery of one item (cost : Rs.0.55 lakh) of equipment could not be obtained (June 1986) against which an advance payment of Rs.0.27 lakh was made. The laboratory could not be put to operation (June 1986) for production of rhizobium culture owing to non-installation of the instrument and non-availability of power supply.

3.2.16. *Summer moong production programme (SMPP)*

Summer moong, the cultivation of which is normally undertaken in West Bengal during February and March under assured irrigation, is a short duration crop of about 65-70 days. Government of India adopted the programme in 1982-83 with a view to increasing the production of moong for which financial assistance was admissible for organising demonstration and publicity and providing subsidies on irrigation and certified|truthfully labelled seeds at prescribed rates.

Funds were provided by Government of India (GI) for the operation of the programme from 1982-83 but the State Government could not implement the scheme before 1983-84 owing to delay in allotment of funds. Against an allotment of Rs.8.83 lakhs during 1983-84 to 1985-86, the expenditure was Rs.2.48 lakhs resulting in shortfall of Rs.6.35 lakhs (71.9 per cent). Reasons for shortfall

and delay in allotment of funds (Rs.1.89 lakhs) provided by GI during 1985-86 were not stated (November 1986) by the Department.

Against the targets of 415.5 hectares, 1894.2 hectares and 454 hectares of area to be covered by demonstration, irrigation and publicity respectively during 1983-84 to 1985-86, achievements were 315.5 hectares (Demonstration), 831 hectares (Irrigation) and 261 hectares (Publicity). Only 196 quintals of certified TL seeds were supplied during the years from 1983-84 to 1985-86 against targeted quantity of 2968 quintals. Reasons for shortfall in performance were not furnished (November 1986) by the Department.

Component-wise position of the utilisation of funds and physical achievement in the four districts test-checked are indicated below :

Demonstration : Out of Rs.0.65 lakh provided to 4 districts during 1983-84 to 1985-86 to cover 171.5 hectares of area under demonstration, Rs.0.42 lakh were spent and only 123.5 hectares of land were covered.

No Rhizobium culture was provided in any demonstration though contemplated in the scheme.

Irrigation : Of Rs.1.40 lakhs allotted to 4 districts for payment of irrigation subsidy to farmers, only Rs.0.03 lakh were spent by two districts (Malda and Murshidabad) against allotment of Rs.0.54 lakh during 1983-84 to 1985-86. No expenditure could be incurred by two other districts against allotment of Rs.0.86 lakh [Nadia : Rs.0.48 lakh and 24-Parganas (South) : Rs.0.38 lakh] during 3 years; the reasons for which were not furnished.

Seeds : Against Rs.1.88 lakhs provided to 4 districts during 1983-84 to 1985-86 to make available certified TL seeds at subsidised rates to farmers, only Rs.0.02 lakh were spent by two districts (Malda and Murshidabad) against allotment of Rs.0.71 lakh for distribution of 4.10 quintals of certified seeds and 13.33 quintals of TL seeds to farmers. Other 2 districts failed to utilise the entire funds (Nadia : Rs.0.63 lakh and 24-Parganas South : Rs.0.54 lakh) allotted during 1983-84 to 1985-86 due to non-availability of seeds.

Publicity : Of Rs.0.25 lakh provided for meeting the publicity expenses to 4 districts during 1983-84 to 1985-86, Rs.0.11 lakh were spent for printing of leaflets. One district (Murshidabad) incurred an expenditure of Rs.0.02 lakh towards conveyance charges out of funds provided for publicity purposes.

Absence of advance planning and adequate follow-up action were the main reasons for shortfall in expenditure.

The table below indicates that the programme had little effect on production of Summer moong during 1983-84 onwards compared to 1982-83 :

Year		Area covered (In 000 hectares)	Production (In 000 tonnes)
1982-83	...	30.6 (46.3)	16.9 (25.1)
1983-84	...	28.7 (41.7)	15.8 (22.7)
1984-85	...	30.7 (36.2)	16.4 (24.7)
1985-86	...	NA	NA

(Figures in bracket indicate total production of Kharif, rabi and summer moong and area under cultivation thereof).

3.2.17. *Central Sector Scheme of Minikits Demonstration of Pulses (MDP)*

With a view to popularising promising pre-release/newly released varieties of seeds through farmers' participation and bringing more areas under cultivation of pulses, Government of India introduced (1981-82) the scheme which envisaged minikit demonstration of pulses on farmers' field preferably those who were small, marginal, SC and ST farmers. Each minikit of pulses which was to contain seed, rhizobium culture and a leaflet in local language was to cover 0.1 hectare of land. The cost of seed, treatment, packing, bagging, printing of literature, etc., was to be reimbursed to the State Department of Agriculture/concerned organisation like State Seed Farms Corporation of India Limited (SFCIL) by the Director, Directorate of Pulses Development, Lucknow.

According to the records of the Directorate, 37,627 minikits of moong, Urad, Gram, Cowpea, Pea and Summer moong were distributed during 1981-82 to 1984-85 against the target of 46,100 minikits. Audit could not, however, verify the achievements with reference to the basic records besides examination of other aspects of the implementation of the scheme during 1981-85 due to non-production and non-maintenance of records systematically by the Directorate.

Against 14800 minikits of Arhar, Urad, Cowpea, Gram, Pea, lentil and Moong to be distributed in Kharif (6200), Rabi (4100) and summer (4500) seasons during 1985-86 for which allocation of funds to the extent of Rs.3.70 lakhs was made (June 1985) by Government of India, the DAWB after ascertaining the stock position of seeds in State Seed Farms allotted (October 1985) 5535 minikits

of gram and moong during rabi and summer seasons to 9 districts. Four (Malda, Nadia, Hooghly and Midnapore) out of 9 districts could not at all distribute the allotted minikits numbering 2320 due to non-availability of seeds which were sold out by the State Seed Farms in the meantime. Out of 3215 minikits (cost : Rs.0.80 lakh) to be distributed by the other 5 districts (Murshidabad, Howrah, Birbhum, 24-Parganas North and 24-Parganas South), only 1477 (cost : Rs.0.36 lakh) minikits were distributed under demonstration programmes leaving 1738 (cost : Rs.0.44 lakh) minikits undistributed. Rhizobium culture was not provided by 4 out of 5 districts in demonstrating 857 minikits. No minikit demonstration for kharif season totalling 6200 was made under the programme due to non-availability of seeds as intimated (July 1986) by the JDA (Pulse).

Thus, during 1985-86 the State Government distributed only 1477 minikits under the programme at an expenditure of Rs.0.36 lakh from its own resources pending release of funds by GI and made arrangement for distribution of 708 minikits (cost : Rs.0.35 lakh) provided by the SFCIL leaving Rs.2.99 lakhs of Central allocation unutilised and 12542 minikits undistributed. The information about reimbursement of the cost (Rs.0.36 lakh) by the Government of India for 1985-86 was not furnished (November 1986).

Against an allotment of 16100 minikits for demonstration in 3 districts (Murshidabad, Nadia and 24-Parganas South) during 1981-82 to 1984-85, 15991 minikits were distributed. The information relating to Malda district was not furnished (November 1986). In 2 districts (Nadia and 24-Parganas South) rhizobium culture was not provided in 3161 minikits during 1981-82 to 1985-86, reasons for which were not stated (November 1986).

3.2.18. *Free distribution of minikits of seeds and fertilisers for oilseeds and pulses (MSMF)*

The scheme, introduced by Government of India from 1983-84, provided an outlay of Rs. 1 lakh per block for free distribution of seeds and fertilisers for oilseeds and pulses including land development with a view to increasing agricultural production and assisting small and marginal farmers preferably belonging to scheduled castes (SC) and scheduled tribes (ST). Part of the programme concerning land development (estimated outlay Rs.0.30 lakh) was not, however, implemented by the State Government during 1983-84 and 1984-85 and the entire provision per block was utilised for distribution of minikits of oilseeds and pulses. During 1985-86 separate allocation for land development was envisaged under the scheme and outlay for minikits of oilseeds and pulses was fixed at Rs.0.50 lakh per block. Each minikit of pulses was to contain seed, fertiliser and rhizobium

culture sufficient to cover 0.33 acre of cultivable land and to benefit one family. West Bengal Agro-Industries Corporation Limited (WBAIC), West Bengal State Co-operation Marketing Federation Ltd (BENFED) and West Bengal State Seed Corporation Ltd (WBSSC) were to arrange for the supply of minikits to the district agricultural authorities up to the block level.

Against a total allocation of Rs.837.50 lakhs (oilseeds and pulses) for the period from 1983-84 to 1985-86, expenditure incurred was Rs.819.17 lakhs (shortfall : Rs.18.33 lakhs) which included Rs.427.06 lakhs for distribution of minikits of pulses. Reasons for shortfalls were not stated (July 1986).

The table below indicates the number of minikits of pulses distributed against targets fixed by the State Government and persons benefited under the scheme :

Year	Target	Achievement	Shortfall (Figures in number)	Persons benefited
1983-84 ...	2,74,290	2,71,145	3,145	2,71,145 (6)
1984-85 ...	1,73,400	1,64,900	8,500	1,64,900 (22.80)
1985-86 ...	1,42,833	1,42,813	20	1,42,813 (37.21)
Total ...	5,90,523	5,78,858	11,665	5,78,858

(Figures in bracket indicate the percentage of SC/ST beneficiaries)

The reasons for shortfall were not stated (November 1986) by the Department. As a result of failure to distribute 11,665 number of minikits (lentil, gram and urad) involving Rs.5.29 lakhs, about 1565 hectares of land could not be brought under cultivation of pulses.

During 1985-86 no fertiliser and rhizobium culture was distributed with the minikits of pulses (cost : Rs.79.73 lakhs) the reasons for which were not stated (November 1986) nor was the yield rate ascertained (July 1986) by the Directorate to assess the productivity in these cases.

In 4 districts test checked 2.15 lakh minikits (value : Rs.151.73 lakhs) were distributed against a target of 2.24 lakh minikits (value : Rs.167.78 lakhs) during 1983-84 to 1985-86. The reasons for shortfall were attributed to dearth of specific seeds of improved varieties, shortage of fertiliser and delay in supply of inputs.

In 2 (Malda and Murshidabad) out of 4 districts test checked, no supervision to ensure that the minikits were actually utilised for

sowing purpose and were not otherwise misutilised by farmers was made due to shortage of staff while in other 2 districts failure to conduct supervision worked out to 95 *per cent* (Nadia) and 81 *per cent* (24-Parganas South) during 1983-86. In the absence of documentary evidence in support of supervision of cultivated plots, audit could not verify the actual utilisation of minikits of pulses by farmers worth Rs.151.73 lakhs for the period from 1983-84 to 1985-86 in respect of 4 districts test checked.

In several cases minikits were distributed by Panchayat Samities instead of by AEOs/ADOs of the Agriculture Department. Muster rolls in support of distribution of 1200 minikits of pulses worth Rs.0.90 lakh pertaining to the period from 1984-85 to 1985-86 were not submitted by one Panchayat Samiti of one district (24-Parganas South).

Complaints about sub-standard quality of seeds worth Rs.3.80 lakhs supplied by West Bengal Agro Industries Corporation Ltd. (WBAIC) during 1983-84 along with 10000 minikits of gram were not investigated by the DAWB to whom the matter was referred (November 1983) by the PAO, Malda.

Though the scheme contemplated distribution of both seed and fertiliser along with the minikits, 15,750 minikits of Gram and lentil were distributed without fertiliser (cost : Rs.8.66 lakhs) in two districts (Malda and Murshidabad) during 1983-84; the reasons for which were not stated (November 1986).

3.2.19. *Minikit Demonstration Programme under State Plan (MDPSP)*

The programme, adopted by the State Government in 1977-78, contemplated free distribution of minikits containing seed and fertiliser to popularise improved varieties of different crops including pulses and to assist the poor farmers in their efforts to increase production. Each minikit was to cover 0.33 acre of land and to benefit one farmer to be selected by the Panchayat Samity. The programme was wholly financed by the State Government, but minikits of pulses were not distributed under the programme from 1983-84 onwards following the introduction of the centrally sponsored scheme of free distribution of minikits of oilseeds and pulses for assisting small and marginal farmers.

Against 4.70 lakh minikits (value : Rs.159.68 lakhs) targeted to be distributed between 1980-81 and 1982-83, 0.60 lakh minikits of gram (value : Rs.21.05 lakhs) could not be distributed in 1982-83 the reasons for which were not furnished (November 1986) by the DAWB.

Test check of records of Malda district revealed that 9069 minikits (Cost : Rs.1.50 lakhs) of pulses (Moong : 255 and Kalai : 8814) were not distributed during 1980-81 due to late receipt of allotment and non-availability of seeds; but the failure was not exhibited in the records of the Directorate. During 1980-81, 3745 moong minikits were distributed in Nadia (2000) and Malda (1745) districts without rhizobium culture the reasons for which were not stated (July 1986).

3.2.20. *Pulses development scheme under State Plan (PDSP)*

The State Government adopted pulses development scheme for increasing production of pulses in the State by conducting demonstrations with free inputs (seeds, fertilisers, plant protection chemicals and rhizobium culture) in farmers' plot. The objectives were also to motivate farmers for adopting improved package of practices and to bring new areas under cultivation of pulses by creating awareness among farmers. Each demonstration for which financial assistance at the rate of Rs.25 (Rs.52 from 1985-86) and Rs.50 (Rs.75 from 1985-86) for non-lateritic and lateritic areas respectively was provided by the State Government, was to cover 1/8th of an acre and to benefit 15 farmers.

Out of Rs.14.28 lakhs provided by the State Government from 1980-81 to 1982-83, Rs.10.79 lakhs were spent leaving Rs.3.49 lakhs unutilised. Against 49466 number of demonstrations targeted to be conducted in the State during 1980-81 to 1982-83, achievement and shortfall were 40826 and 8640 respectively. The reasons for shortfall were attributed (1984) by the Department to shortage of suitable improved varieties of seeds and inclination of farmers for cultivation of more profitable crops like boro paddy, wheat, etc. As a result of failure to conduct 8640 (estimated cost : Rs.2.16 lakhs) demonstrations, 1080 acres of land could not be brought under cultivation of pulses.

Against the budget provisions of Rs.29.75 lakhs during 1983-84 (Rs.16.50 lakhs) and 1984-85 (Rs.13.25 lakhs), no funds were released by the State Government for implementation of the programmes during these years reasons for which were not stated (November 1986).

For conducting 12350 demonstrations under the scheme in non-lateritic (6350) and lateritic (6000) areas the Department released (November 1985) Rs.13.42 lakhs against a proposal moved (April 1985) by the DAWB for implementing the scheme in kharif and rabi seasons during 1985-86. As a result of delay of over 6 months in releasing funds by the Department, the reasons for which were not

stated (November 1986), no demonstration in kharif and rabi seasons could be undertaken. A sum of Rs.9.82 lakhs out of Rs.13.82 lakhs was allotted (November 1985) by the Director to 10 districts falling in non-lateritic belt for conducting 7550 demonstrations of summer moong, the achievements against which were not stated (November 1986). Thus, Rs.3.60 lakhs could not be utilised by the Directorate to conduct 4800 demonstrations in lateritic areas due to delay in sanctioning funds by the Department.

In 3 districts (Malda, Nadia and 24-Parganas) test checked 13865 demonstrations (cost : Rs.4.62 lakhs) were conducted against the target of 16543 demonstrations (cost : Rs.5.94 lakhs) during 1980-81 to 1985-86; the reasons for shortfall were attributed to non-availability of seeds and delay in sanction of funds. No records showing financial and physical achievement of the programme could be furnished (July 1986) by Murshidabad district.

In Jangipur Block-I of Murshidabad district average yield per hectare in respect of 100 demonstrations of pulses conducted during 1985-86 varied between 112 kilograms and 336 kilograms which was far below the average yield (1010 kilograms per hectare) of the district. The reasons for low yield were attributed (July 1986) to inexperience of the farmers.

Shortfall in conducting prescribed supervision of the demonstration centres by PAOs|SAOs in 3 districts (Malda, Nadia and 24-Parganas South) was 90 per cent which was stated to be due to shortage of staff.

3.2.21. Soyabean Development Scheme under State Plan (SDSP)

With a view to popularising and increasing production of soyabean in the State, Government of West Bengal launched soyabean development scheme which envisaged motivating farmers for adopting improved package of practices by conducting demonstrations with free inputs (seed, fertiliser, pesticides, rhizobium culture, etc.). Each demonstration was to cover 1/8th of an acre and benefit 15 farmers.

Against budget provision of Rs.11 lakhs State Government released Rs.6.99 lakhs during 1980-84 (Rs.6 lakhs) and 1985-86 (Rs.0.99 lakh) for soyabean development of which Rs.4.10 lakhs (58.7 per cent) could not be utilised. The scheme could not be implemented during 1984-85 as a result of non-release of funds by the Department against budget provision of Rs.1 lakh, the reasons for which were not furnished (November 1986). Against 15301 number of demonstrations targeted to be conducted between 1980-81 and 1985-86, 9198

demonstrations could not be conducted for which 1150 acres of land could not be subjected to cultivation of soyabean and 1.38 lakh persons were deprived of the benefit; the reasons for which were not furnished by the Department (March 1987).

Out of Rs.1.03 lakhs allotted to 4 districts test checked during 1980-81 to 1985-86 for conducting 3382 number of demonstrations under SDSP, Rs.0.62 lakh were spent and 2270 number of demonstrations were actually conducted. The results of such demonstration were, however, not recorded. Late receipt of sanction for funds, non-availability of improved variety of seeds, lack of marketing facilities and inclination of farmers to go in for more profitable crops were advanced (July 1986) by the District Officers as the main reasons for shortfall in financial and physical achievements.

During 1983-84 and 1985-86 an expenditure of Rs.0.07 lakh incurred in conducting 126 demonstrations under SDSP became infructuous in one district (Nadia) owing to non-formation of pods or grains inside the pods; the reasons for which were not investigated (July 1986).

The scheme thus failed to produce any impact on extension of area under cultivation and production of soyabean in the State at the end of 1985-86.

3.2.22. *Monitoring*

There was no mechanism with the Directorate to exercise adequate control over the functions of the District Officers in the matter of implementation of the pulses development schemes including utilisation of funds and field work. In 4 districts test checked, meetings were held to monitor the progress of the schemes but no records were maintained to indicate the extent of monitoring done and follow up action taken in this regard. JDA, Krishnagar Range admitted (July 1986) that such records were not maintained.

Records relating to pulses development programme were not maintained properly by the Directorate and district offices of 4 districts test checked. Advance planning for procurement of seeds, fertilisers, pesticides and rhizobium culture was not made nor was the selection of beneficiaries made well in advance of the cropping seasons.

3.2.23. *Evaluation*

No evaluation of the programmes as a whole or any component thereof was made (July 1986) by any Government Officer or Government agency.

The implementations of the programmes suffered mainly from under-utilisation of funds, failure on the part of the Department to produce and procure required quantity of quality seeds and absence of proper implementing machinery.

3.2.24. *Summing up*

—The area under cultivation as well as production of pulses in the State declined from 559.4 thousand hectares and 304.5 thousand tonnes respectively in 1979-80 to 415 thousand hectares and 264.6 thousand tonnes respectively in 1985-86 despite incurring of expenditure to the extent of Rs.639.14 lakhs on various pulses development programmes during 1980-86.

—Out of Rs.97.24 lakhs provided during 1980-86 for IPDP and SMPP, Rs.43.62 lakhs (44.8 *per cent*) remained unutilised while central assistance aggregating Rs.1.15 lakhs relating to the period from 1980-81 to 1985-86 could not be utilised by the State Government.

—Yield in 347 demonstration plots under IPDP was 125 kg to 488 kg per hectare as against the average yield of 534 kg per hectare in three districts. Rhizobium culture was not used in 1208 demonstrations conducted in 4 districts.

—Extra expenditure of Rs.11.31 lakhs was incurred by PORS Murshidabad by way of entertainment of extra labour in course of production of breeder seeds.

—Substantial amount of fund earmarked for seeds, plant protection chemicals and operational charges could not be spent during 1980-86. WBSSC could achieve only 1.54 *per cent* of the targeted production of certified seeds during Sixth Plan period.

—Production capacity of Rhizobium culture of one laboratory remained unutilised to the extent of 81.8 *per cent* to 98.5 *per cent* during 1980-86.

—About 72 *per cent* of the fund provided under SMPP could not be utilised during 1983-84 to 1985-86.

—Under MDP 12542 out of targeted 14800 minikits could not be distributed during 1985-86.

—During 1983-84 to 1985-86, 11665 minikits (value : Rs.5.29 lakhs) could not be distributed under MSMF. Complaints against supply of substandard quality of seeds involving Rs.3.80 lakhs during 1983-84 were not investigated.

—Under MDPSP 0.60 lakh minikits involving Rs.21.05 lakhs could not be distributed during 1982-83. Between 1980-81 and 1985-86 13,404 demonstrations (cost Rs.5.76 lakhs) could not also be conducted under PDSP.

—Under soyabean Development Programme 58.7 *per cent* of the funds provided during 1980-86 could not be utilised. Production of soyabean in the State declined in 1985-86 compared to 1979-80.

—No fund was released by the State Government during 1984-85 for implementation of pulses and soyabean development programme (State Plan).

—No evaluation of the pulses development programmes as a whole or any component thereof was made (July 1986) by Government.

—The implementation of the programmes suffered mainly from under-utilisation of funds, failure to produce and procure required quantity of seeds and absence of proper implementing machinery.

The points mentioned above were communicated to Government in September 1986; reply has not been received (May 1987).

3.3. Agricultural Extension and Research Project

3.3.1. *Introductory*

In order to consolidate and strengthen the State's reorganised extension services and for upgrading and developing the adaptive research facilities, a project assisted by the World Bank was drawn up by the State Government and approved by the World Bank in 1977 with the objective of achieving sustained improvement in agricultural production. The activities envisaged under the Project are :

- (a) extending the Training and Visit (T&V) system to all the 17 agricultural districts of the State,
- (b) providing additional staff, housing and transport to Extension, Research and Monitoring wings of the Directorate,
- (c) improvement of 7 existing (later revised to 5) Gram Sevak Training Centres by constructing additional class rooms and housing and providing them with vehicles and modern teaching aids,
- (d) developing and upgrading 6 Commodity Research Stations (CRS), establishing another 6 Zonal Adaptive Research Stations (ZARS) and 50 Sub-divisional Adaptive Research Farms (SARF) for strengthening and

spreading adaptive research in all the agro-climate zones of the State,

- (e) providing up to 15 man months of consultancy services to assist with development of the research stations and also training fellowships for research workers in India and abroad.

The credit agreement with the World Bank was signed in June 1977 and the project was scheduled to be completed within five years. As per the Appraisal Report, all Civil Works were to be completed by November 1980 but schedule for starting and completing extension, research and training activities was not indicated therein. The scheduled date of completion was extended up to March 1985. Thereafter, the Project had been in progress under State Plan resources.

Government stated (February 1987) that though the project had started officially in 1977, the field work actually started during 1980-81 and continued till March 1985.

3.3.2. *Organisational set up*

The Agriculture Department is in overall charge of the Project. All extension and research activities would be carried out by the field staff under the Director of Agriculture, West Bengal (DAWB). At the district and sub-divisional levels, the Principal Agricultural Officers (PAO) and Sub-divisional Agricultural Officers (SAO) control the extension works while Agricultural Development Officers (ADO) Agricultural Extension Officers (AEO) and Krishi Projukti Sahayaks (KPS) under SAOs deal directly with farmers. Adaptive research is the responsibility of the Additional Director for Research. Senior Scientists are in charge of Research Stations.

It was noticed that shortage of staff with reference to the requirement was 48 per cent in the extension activities, 79 per cent in research activities, 58 per cent in Training Centres and 33 per cent in Monitoring and Evaluation Wing. The DAWB stated (September 1986) that manning of these posts could not be done due to several injunctions of court of law and due to paucity of staff, all the blocks in the State could not be covered by the field level extension organisation and, as a result, the technical messages could not be disseminated to the farming community.

3.3.3. *Pattern of assistance, Financial outlay, Budget Provision and expenditure*

According to the Agreement, out of total estimated cost of Rs.2533 lakhs, State Government was to bear expenditure of Rs.1453

lakhs and the World Bank was to provide US \$ 12 million as detailed below :

Component	Percentage of re-imbusement	World Bank assistance (US \$ Million)
(i) Civil Works ...	90	9.0
(ii) Equipment and Vehicle	90	2.2
(iii) Training and consultancy	100	0.8
	Total ...	12.0

Against the total estimated project cost of Rs.2533 lakhs, Rs.4515.26 lakhs were provided in the budget between 1977-78 and 1985-86 and Rs.2412.14 lakhs were spent thereagainst.

There had been slow progress in expenditure ranging between 10 and 36 *per cent* during 1977-78 to 1981-82 but it picked up in 1982-83 (95 *per cent*). In 1983-84, the provision was exceeded by 195 *per cent*, while in 1984-85 and 1985-86 expenditure incurred was 78 and 85 *per cent* respectively of the budget provision. The slow progress in expenditure was attributed (September 1986) by Government to delay in appointment of staff under this project due to court injunction.

3.3.4. *Under-utilisation of World Bank assistance*

Out of total World Bank assistance of about Rs.1080 lakhs (US \$ 12 Million) available, reimbursement of Rs.762.49 lakhs (71 *per cent*) was stated to have been received up to March 1986. Information about amounts claimed and reimbursible was not furnished by the Department (September 1986). In the absence of break-up of expenditure under relevant heads, the amount of assistance actually receivable from the World Bank could not also be worked out in audit. Thus, there was an under-utilisation of World Bank assistance of about Rs.317.51 lakhs (US \$ 3.53 Million). Government stated (September 1986) that the residual amounts which could not be claimed in time remained unadjusted.

3.3.5. *Test-check*

Records of the Department, Directorate and field offices in Bankura, Jalpaiguri, Nadia and 24-Parganas (South) districts for the period from 1977-78 to 1985-86 were test-checked in audit in April to July 1986 and the following points were noticed.

CIVIL WORKS

3.3.6. *Shortfall in achievement*

Various constructional works viz., residential houses, office buildings, laboratory complex, class rooms, etc. were required to be taken up under the project. A Building Implementation Cell was set up by the Department for the purpose. According to the Project Appraisal Report, such constructional works, required for strengthening the infrastructure, were to be started in 1977 and completed within 3 years in a phased manner.

The works were, however, actually taken up in 1981 and are in different stages of progress (January 1987). Of the total estimated cost of Rs.1035.77 lakhs envisaged, only Rs.589.60 lakhs (57 per cent) could be spent up to 1985-86. Construction of offices of Sub-divisional Agricultural officer, residences of AEOs, essential for ensuring extension activities was not taken up at all. Of the targeted 1000 KPS quarters and 25 conference halls (subsequently refixed by the department at 299 Nos. and 24 Nos. respectively, mainly due to non-availability of sites for KPS quarters), 4 KPS quarters and 9 halls were still under construction (February 1987). Under research activity, of the targeted 537 constructional works, only 381 Nos. were completed up to February 1987, the shortfall being 20 per cent. Under training activity, construction of hostels, workshop hostels, workshop, auditorium and staff quarters were not taken up at all (February 1987). The delay was ascribed by the Department to the site-selection problem, inaccessibility and remoteness of sites, non-availability of building materials and difficulties in co-ordination of works between the Agriculture and Public Works Departments, etc.

It was, however, noticed in audit that no survey work, essentially required for determining location and selection of sites, was conducted and the constructional works suffered due to lack of planning and co-ordination. Consequently, the contemplated strengthening of the infrastructure was not provided. Although the construction of residences of the KPSs near the farmers' field was considered to be the key to success of the project, out of 1000 Nos. required construction of only 295 Nos. against the targeted 299 Nos. was as such and in itself a setback to the project as they had to stay out of their respective area of operations.

3.3.7. *Delay in construction and handing over*

Civil Works, required to be completed within the first three years of the implementation of the project, were only partly completed during the last three years of the project.

The delay in completion of Civil Works ranged between 2 months and 26 months and the handing over was also delayed by 1 to 8 months after the completion of construction. Delays in construction were attributed by the Executive Engineer concerned, to disturbance created by the miscreants on the sites, delays in shifting high tension overhead line, non availability of sites and materials, change of specifications, labour problems, etc. and the matter was stated to have been taken up with the department.

The Department, however, did not offer any comment (February 1987).

3.3.8. *Non-utilisation|misutilisation of buildings*

Out of four 25-bedded dormitories constructed between 1981 and August 1984 at Krishnanagar, Ranaghat, Mohitnagar and Kakdwip for providing accommodation to personnel on training and officers on tour at a cost of Rs.17.06 lakhs, the dormitory at Krishnanagar was utilised for housing the office of the Principal Agricultural Officer (PAO), Nadia, while the three others remained unutilised (July 1986) for want of furniture as per records of the local offices. In February 1987, Government, however, stated that the office of the PAO (Nadia) was expected to be shifted shortly to the newly constructed District building complex and the dormitory would be utilised for the T&V programme and that the other dormitories were being utilised for the programme for workshops, seminars, colloquia, etc. of the range. Further, furniture, bedding, crockery, etc. worth Rs.1.14 lakhs purchased (March 1985) by the Officer-in-charge of CRS, Krishnanagar, for this dormitory remained unutilised (July 1986). Out of Rs.3.42 lakhs sanctioned for purchase of furniture, crockery, bedding, etc. for three dormitories at Ranaghat, Mohitnagar and Kakdwip, Rs.1.14 lakhs were not utilised by the CRS, Ranaghat, furniture worth Rs.0.90 lakh were provided in the dormitory at Kakdwip. An amount of Rs.1.22 lakhs was advanced (March 1985) to the Wood Industries Centre, Siliguri (Rs.0.98 lakh) and Kalyani (Rs.0.24 lakh) for supply of furniture to the dormitories at Mohitnagar and Kakdwip respectively. Receipt of furniture was, however, awaited (January 1987) in both the dormitories.

3.3.9. *Non-allotment|non-occupation of staff quarters*

(i) Out of 62 residences for KPSs taken up for construction in 4 districts at an estimated cost of Rs.27.90 lakhs, construction of 60 quarters was completed between January 1981 and July 1985 at a cost of Rs.26.40 lakhs. Of the 60 quarters taken over between March 1985 and July 1985, 26 numbers were allotted by the PAOs concerned and occupied by the KPSs while the remaining 34

quarters (cost : Rs.15.54 lakhs) either remained unallotted or unoccupied (January 1987).

(ii) Out of 10 quarters (cost : Rs.6.23 lakhs) for Farm Managers constructed between April 1983 and July 1984, 3 (cost : Rs.1.83 lakhs) remained vacant (January 1987).

Government stated (February 1987) that the quarters for the KPSs and the Farm Managers remained unoccupied due to non-fixation of standard rent, defective construction in some areas and absence of drinking water facility etc. and those were being looked into for early solution.

3.3.10. *Defects in constructional works*

Defects like cracks in floors and wood works, damp walls, leakage in rain water pipes and roofs, uneven bathrooms, damaged glass house, etc. were noticed by the Director of Agriculture, West Bengal during his visits in December 1984 to the Civil Works (cost : Rs.53.43 lakhs) in the ZARS, Kakdwip. In spite of repeated reminders, the defects were not set right by the EEPWD (July 1986), who, however, submitted an estimate of repairs at Rs.0.89 lakh in March 1986, sanction to which was awaited (January 1987).

EXTENSION ACTIVITIES

3.3.11. *Introductory*

According to the extension programme envisaged in the project, an estimated 4 million farm families in the State were to be divided into 4000 groups of 800-1200 families each to which one Village Extension worker (VEW) or Krishi Projukti Sahayak (KPS) would be allocated. For concentrating on extension efforts and achieving a visible impact of increased production, the VEW/KPS was to concentrate on selected contact farmers (10-15 from each group), having potential for influencing other farmers and willingness to collaborate with extension workers in following prescribed recommendations. It was envisaged that the project would directly benefit 3.20 lakh contact farmers and through them at least 20 lakh farm families within the project period i.e. by March 1985. In none of the districts test-checked, was there any evidence of planning on different activities nor were any guidelines received from Government except on selection of contact farmers.

3.3.12. *Physical progress of extension programme*

According to the Project Completion Report (June 1985), the first batch of 500 KPSs started working under the extension programme from January 1981 and by the end of March 1986 the

strength rose to 1965 (49 *per cent*) against the requirement of 4000. According to Government, the targets for coverage in respect of farm families, contact farmers and number of visits by KPSs, ADOs, SAOs were 40 lakhs, 3.20 lakhs and 432 (a year) respectively and no target had been fixed for visits by Research Personnel. Government stated (February 1987) that achievement was about 50 *per cent* of the targets. In the absence of any record, the actual benefit vis-a-vis increased agricultural production and consequential increases in farm income could not be ascertained in audit. During test-check of record in four districts, the following points were noticed :

(i) *Shortfall in extension staff :*

According to Government (February 1987), out of 1165 extension staff required in 4 districts, 543 (47 *per cent*) were posted. Test check, however, revealed that in 16 blocks of Bankura Sadar (North) and (South), against requirement of 193 KPSs each year, shortfall varied between 129 in 1981-82 and 117 in 1984-85. In Rajganj block under SAO Sadar, Jalpaiguri and 6 blocks in Nadia District, no KPS was posted in 1984-85 against the requirement of 23 and 63 respectively. Non-posting of the required number of extension staff had thus affected the implementation of the extension programme.

(ii) *Shortfall in extension services :*

Targets and achievements of contact farmers, farm families benefited and visits of KPS, ADOs, etc. were not furnished for three districts while the reported performance in Bankura district between 1981-82 and 1984-85 was poor.

The farmers' families actually benefited varied between 39 *per cent* (1981-82) and 54 *per cent* (1983-84) of the targeted number of families. The visits of KPS and ADOs etc. to the farmers' fields fell short by 23 (1983-84 and 1984-85) to 33 *per cent* (1981-82). The supervisions exercised by the ADOs which varied between 15 and 19 *per cent*, and by the SAOs varying between 7 and 9 *per cent*, of the targeted visits also added to the low performance of the extension programme in the district where an expenditure of Rs.56.12 lakhs was incurred on the scheme between 1981-82 and 1984-85.

(iii) *Inadequate activities of KPSs, ADOs, etc.*

An examination of the visit schedules, tour diaries of KPSs and ADOs and fortnightly bulletins of the PAOs showed that visits of the KPSs to their specified area of operation were far less than that prescribed. Attendance of the contact and non-contact farmers on the fortnightly scheduled dates was insignificant, (indicating low-motivation of the contact farmers) and prescribed quarterly evaluations were never recorded in the tour diaries of the KPSs. The supervising ADOs had never recorded any remarks on the tour diaries of the KPSs. The number of field visits by ADOs varied between 1 and 4 days against at least 8 days per fortnight. Thus, in the absence of the prescribed number of visits by the KPSs and ADOs, the T and V programme was affected and the farmers could not be motivated to adopt improved agricultural practices.

The SAOs supervised the activities of the KPSs, ADOs, SMSs only once or twice in a month against the prescribed 15 days. The PAO and JDA did not supervise at all against the prescribed visits of 10-12 days in a month.

Government stated (February 1987) that KPSs met 35 per cent of contact farmers in their fields and that 64.7 per cent of contact farmers were aware of their role. Government further stated that adoption rate was 38.2 per cent and that was not considered low in view of short span of time.

(iv) *Deficiencies in extension field training*

No records were maintained in any district relating to the training which the KPSs and ADOs received from the SMSs and the SMSs from the Research personnel according to the specific training schedules. In Jalpaiguri district, training could not be given to the ADOs and KPSs fully owing to the non-construction of the conference Halls. As a result of deficiencies in training and also due to non-maintenance of records, the number of problems brought out and sent to the Research Stations and the number of occasions on which the Research Personnel attended the training could not be ascertained in audit.

RESEARCH ACTIVITIES

3.3.13. *Introductory*

For laying stress on solving farmers' problems related to rice, pulses, oilseeds, fruits, vegetables, etc. under both irrigated and under-irrigated conditions, schemes for upgrading of 6 existing Commodity Research Stations (CRSs) setting up and staffing six Zonal Adaptive Research Stations (ZARSS) and fifty Sub-divisional Adaptive Research Farms (SARFs), providing fellowship and short-term consultancy services to improve the quality of staff and to upgrade the research programme, etc were envisaged.

Farmers' problems received from KPSs were dealt with in the ZARSS which sent back their recommendations to the KPSs for onward diffusion among the farmers.

3.3.14. *Low performance of the Research Units*

The performance of Research Units (CRS and ZARS) set up at a cost of Rs.236.05 lakhs and equipped at a cost of Rs.26.10 lakhs was generally unsatisfactory.

Except in Nalhati ZARS, performance in all the Research Units was poor. There were hardly any field trials conducted. Very few recommendations were made and there was little or no inter action with the farmers as evidence by the small number of problems received for resolution. According to the Authorities of the units, non-utilisation|under-utilisation of the units was on account of shortage of staff.

While admitting the defects pointed out in audit. Government stated (February 1987) that "true, participation of the research staff in the monthly workshop occasionally is not sufficient. Due to understaffing of both the CRS and ZARS it becomes practically impossible for the Scientists to attend to all the monthly workshops that are organised at seven ranges, particularly at the time when field work in the Stations is at its peak. Once all the posts provided and created so far are filled up, there will be no problem for the Scientists to attend the monthly workshop for participation in its deliberations".

3.3.15. *Shortage of staff*

Out of 91 staff required in 3 CRSs and 4 ZARSS, 19 (21 per cent) were in position in August 1986. The shortage of staff was due, as stated by Government in February 1987, to various injunctions of The Calcutta High Court. With 21 per cent of the required staff, the units failed to evolve improved technology to meet the problems of the farmers.

Thus, 4 ZARSs established and 3 CRSs strengthened at a total cost of Rs.262.15 lakhs between 1978-79 and 1984-85 and maintained at a cost of Rs.25.08 lakhs did not function as per the project requirement.

3.3.16. *Training*

Pre-service training was to be imparted to the KPSs for a period of six months. After working in the field for at least a year, the KPSs were again to be brought back to the respective Gram Sevak Training Centre (GTC) for refresher training for another period of 6 months. All senior officers posted at the district level were utilised as trainers. The programme for fortnightly training session for the entire year was also to be drawn up and circulated from the district level up to the KPS.

It was noticed, however, that the shortfall in training of different categories of staff varied between 3 and 96 *per cent*.

Out of 120 trainers to be trained between 1981 and March 1985, 60 could be trained up to June 1985. Non-filling up of the vacancies and non-positioning of staff in time reportedly stood in the way of utilisation of the provision made in the Project.

OTHER POINTS OF INTEREST

3.3.17. *Provision of vehicles*

As the implementation of the project depended on the successful diffusion of extension methodology and dissemination of laboratory results to the fields, extensive field duties were required. According to the Project document different types of vehicles were to be provided at district and sub-divisional level, while motorcycles and cycles were to be provided to the ADOs and KPSs respectively. Out of 203 vehicles targeted to be provided under the Project, 88 vehicles (43 *per cent*) were purchased at a cost of Rs.80.68 lakhs. Against the target of purchase of 3 cars, 9 Ambassador cars (Headquarters : 3 and Range Offices : 6) were purchased between 1981-82 and 1984-85 at a cost of Rs.6.30 lakhs. Distribution of the remaining 79 vehicles was not furnished (July 1986) by the DAWB. During test-check in 4 districts the points mentioned below were noticed :

- (i) One station wagon purchased in May 1978 by the Authority of the CRS Ranaghat at a cost of Rs.0.44 lakh was utilised by the Directorate from the date of purchase. No driver was posted at CRS for the vehicle up to July 1986.

- (ii) One diesel jeep (value : Rs.0.94 lakh) purchased by the DAWB in 1984-85 and handed over to the ZARS, Kakdwip remained unutilised for want of a driver (August 1986).
- (iii) One truck (value : Rs.1.06 lakhs) purchased in September 1978 by the Authority of the CRS, Bethuadahari was handed over to the DAWB in June 1981 for 15 days on requisition. The vehicle was, however, not returned (June 1986).

3.3.18. *Unnecessary purchase of furniture*

Furniture, crockery, etc. purchased (September 1985) by the Principal Agricultural Officer, Jalpaiguri at a cost of Rs.1 lakh for use in 2 Conference Halls, construction of which was stated to be in progress, remained unused (January 1987). Government stated (February 1987) that due to paucity of funds the works of conference halls could not be completed and the materials purchased therefor utilised.

3.3.19. *Non-utilisation of equipment*

Equipment, instruments and furniture valued at Rs.8.68 lakhs purchased between 1979-80 and 1984-85 by the Authorities of 2 ZARSs and 1 CRS remained unutilised (July 1986) for periods ranging from about 1 to 6 years. In February 1987, Government stated that due to shortage of staff the equipment, etc. could not initially be utilised and that these were now being used though shortage of staff was affecting its proper utilisation.

3.3.20. *Monitoring and evaluation*

The Monitoring and evaluation survey unit was set up in 1978-79 for assessing the impact of the implementation of the Project on the farmers. The unit actually started functioning through regular survey in fields and publishing its reports from the Rabi season of 1982-83. The expenditure on evaluation and survey up to 1982-83 amounted to Rs.25.62 lakhs. Government attributed (February 1987) the time lag in this regard to non-existence of field level extension staff, non-completion of formalities for recruitment of such staff and non-finalisation of schedule/questionnaire in consultation with Government of India before Rabi season 1982-83. The cell conducted surveys on extension activities according to the prescribed schedule and found that awareness about the existence of KPSs needed improvement in 7 districts, the performance of KPSs was poor in 9 districts, messages of improved practices evolved in the research wings were not always disseminated to the farmers in their fields, farmers

did not adopt the recommended practices diffused by the extension personnel owing to the high cost of fertilisers, pesticides, etc., shortage of labour, non-availability of manure, seeds, fertilisers, etc. No survey on research was conducted nor was the total number of farmers who actually benefited from the project ascertained (July 1986).

Government admitted (February 1987) that no special study on research activities had been conducted by the Unit and that in such specialised areas, the unit had no sufficient expertise. They further stated that the study on the number of farmers benefited was made on a sample basis.

3.3.21. *Summing up*

The Project aimed at achieving sustained improvement in agricultural operation by consolidating and strengthening extension services and upgrading and developing the adaptive research facilities was to be taken up in 1977-78 and completed within five years. According to the Appraisal Report, all the Civil Works were to be completed by November 1980 but the schedule of starting and completion of extension, research and training activities was not specified therein. Project had started officially in 1977 while the field activities started only from 1980-81. District-wise advance planning and the surveys required to be conducted were, however, not done. Against the projected outlay of Rs.2533 lakhs, Rs.2412.14 lakhs were utilised between 1977-78 and 1985-86. Buildings and quarters constructed at a cost of Rs.34.43 lakhs remained unutilised. A few other buildings constructed at a cost of Rs.53.43 lakhs were found to be full of defects. In four districts test-checked extension works were found deficient. There had been little or no supervision. In the research wing there were hardly any field trials conducted, very few recommendations made and there was little or no interaction with the farmers. Monitoring and evaluation work started only from 1982-83. The reports revealed lack of awareness of the existence of KPSs, poor performance of KPSs, non-dissemination of messages of improved practices, etc. No survey on research works was conducted nor were increase in agricultural production and consequential increases in farm income assessed.

EDUCATION DEPARTMENT

3.4. **Functioning of a sub-standard Polytechnic**

The Government of India, Ministry of Rehabilitation established a vocational training centre at Fulia (in Nadia district) in August 1950 as one of the basic Programmes of the Rehabilitation Scheme.

State Government took over control of the centre from the Government of India from August 1953 for training of 200 displaced students (with grants from Government of India) in 14 streams with one year trade courses in Engineering for their economic rehabilitation. The trainees having refugee status admitted into the institution were to get monthly stipend of Rs.30 each with no tuition fees payable by them. There was also provision for admission of non-refugee students (10 *per cent*) who were to pay tuition fee of Rs.6 per month and were not entitled to any stipend.

The Apprentices Act promulgated in 1961 (subsequently amended in 1973) provided duration of training in trade courses in various Industrial Training Institutes in the State for 2 years; but the training in various engineering trades with one year's course in this institution remained unchanged. The passed out students from this institution had, therefore, been facing difficulties in securing training and placement in industrial establishments. This was reported by the Superintendent of the Polytechnic to the Director of Technical Education, West Bengal in November 1972. In May 1974, the Director brought the matter to the notice of Government. Accordingly, a Committee was appointed by Government in August 1979 to suggest re-orientation of the existing curriculum and duration for bringing the trade courses offered by the Institute under the purview of the Apprentices Act. Delay in re-organising the trades to bring it under the purview of the Apprentices Act had affected the institution. Between 1960-61 and 1978-79, out of the total intake capacity of 3800 students in different trades, 3166 (3097 : refugee and 69 : non-refugee) students were admitted and 2697 were actually trained in the institution at a total cost of Rs.24.31 lakhs.

The institution remained defunct as no trainees were admitted between 1979-80 and 1985-86 excepting in 1982-83 owing to agitation of students demanding enhancement of rates of stipends to the eligible students, filling up of vacancies in the staff set-up and for bringing the course of the institution under the purview of the Apprentices Act. In 1982-83, 143 students were, however, admitted but 70 students had ultimately deserted the course. During the period from 1979-80 to 1985-86, Rs.23.81 lakhs were spent by the State Government for running the institution.

Meanwhile, in September 1980, the Committee (appointed by Government in August 1979) recommended re-organisation of 12 out of 14 trades of the Polytechnic. Government accorded administrative approval to the re-organisation of 4 trade courses initially in November 1985 and stated that re-organisation of other courses would be considered later on. According to the Superintendent (July

1986), re-organised course in four trades was expected to be started in August 1986 on receipt of sanction for creation of additional posts required for the purpose.

With the enactment of the Apprentices Act 1961, re-organisation of the Polytechnic on the pattern of the Industrial Training Institutes was necessary in order to remove the difficulties that the students passing out of the institution were facing in securing training and placement in Industrial Establishments as the trade courses were not recognised under the Apprentices Act. But owing to inordinate delay in re-organising the trades, the institution had practically failed to fulfil its basic objectives of economic rehabilitation of the displaced persons by imparting effective training over the years leading to unfruitful outlay of Rs.48.12 lakhs incurred by Government for running the institution during the period from 1960-61 to 1985-86 with its old unrecognised one year trade courses.

Government stated (December 1986) that in consideration of financial limitation it was decided to reorganise 4 courses and action on remaining 8 courses would be taken later.

FINANCE DEPARTMENT

3.5. Irregular payment of subsidy

For encouraging construction of new cinema halls and enabling the owners to have funds for meeting a part of the Capital expenditure, Government decided in March 1983 to grant to the owners of new and permanent cinema halls, commissioned in West Bengal between April 1983 and March 1986, a subsidy equal to the aggregate of the entertainment tax, surcharge and additional surcharge actually paid in respect of all shows during the period of one year from the first day of cinematographic exhibition screened in that cinema hall provided the application for subsidy was in order and the applicant had not infringed any provisions of the Bengal Amusement Tax Act, 1922 and the Rules made thereunder. A formal Government order in this regard was issued in December 1983.

On the basis of a recommendation made (November 1984) by the District Magistrate (DM), Midnapore, Government sanctioned (April 1985) payment of subsidy of Rs.3.55 lakhs related to the cinematographic exhibition during the period from July 1983 to June 1984 to the owner of a cinema hall at Contai. The amount was drawn and paid to the owner by the DM in May 1985. Test check in audit in January 1986 showed that the instant cinema hall was completed in January 1981, but cinematographic exhibition was

started in the hall regularly from December 1980 on the basis of a temporary licence. As the exhibition in the hall was started long before the admissible period (April 1983 to March 1986), the owner of the hall was not eligible for subsidy which was payable for one year only from the first day of the cinematographic exhibition.

Thus, the payment of subsidy of Rs.3.55 lakhs to the proprietor of the cinema hall at Contai was irregular as it did not conform to the basic conditions laid down in the Government order in this regard.

The matter was reported to Government in March and July 1986; reply has not been received (May 1987).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.6. Unfruitful expenditure on surplus staff

For treatment of persons suffering from mental diseases, selected by the Central Selection Committee under the Directorate, Government sanctioned in September 1979 opening of a 350 bedded hospital at Berhampore in Murshidabad district. The Hospital was opened in June 1980 with 150 beds in the premises of a century-old dilapidated building of a defunct school and according to the Superintendent of the hospital the daily average occupancy of beds was 125. The remaining beds, as stated (December 1986) by the Assistant Director of Health Services (Mental), West Bengal (ADHSMWB) could not be used due to the reluctance of the parties to take their patients to Berhampore.

While the number of beds was not increased, contrary to the Government order (September 1979) that the sanctioned posts should be filled in gradually as and when the number of beds is increased, the staff entertained in the hospital during June 1980 to March 1986 exceeded the norms prescribed by Government, as detailed below :

Name of the post	Number of staff admissible	Number of staff in position	Excess staff
General Duty Attendants (GDAs)	30	187	157
Sweeper ...	13	49	36
Nurse ...	15	22	7
Cook ...	4	16	12
Washerman ...	3	5	2
Storkeeper ...	3	5	2
Laboratory Assistant	2	4	2
Wardmaster ...	2	4	2
Total ...	72	292	220

Out of 187 General Duty Attendants, 90 were stated to have been deployed daily in the wards of the Hospital in 3 shifts, 27 were engaged on works outside the Hospital and the remaining 70 were deployed in Kitchen, Pharmacy, Accounts Office, etc. The Superintendent of the Hospital did neither fix any norm for distribution of work nor furnish the mode of utilisation of the services of surplus staff.

The Superintendent of the hospital reported (March 1986) to the ADHSMWB that though there were further demands for the beds it could not be increased due to the dilapidated condition of the buildings and if the beds were increased to 250 as suggested (December 1985) by the Director of Health Services after improving the conditions of the buildings and preparing cabins and cells as proposed by the Executive Engineer, Berhampore Public Works Divisions in July 1983, there would have been no surplus staff. Further development was awaited (December 1986).

Thus, the total expenditure of about Rs.87.57 lakhs, being the pay and allowances of 220 surplus staff of the Hospital from June 1980 to March 1986, proved wasteful.

The matter was referred to Government in April and July 1986; reply has not been received (May 1987).

3.7. Unfruitful expenditure on mobile clinic

For providing free mobile health services, augmenting hospital facilities and thereby minimising overcrowding of the hospital, Government sanctioned in December 1976 opening of a mobile clinic attached to the Vidyasagar Hospital, Behala for functioning in Behala area. The van (cost : Rs.1 lakh) on which the clinic was to be set up was provided by the Calcutta Metropolitan Development Authority in January 1977 to the State Health Transport Organisation (SHTO) now under the charge of Assistant Director of Health Services, Transport, West Bengal (ADHSTWB). The Superintendent of the hospital, however, took delivery of the van in February 1980; reasons for delay in delivery were not furnished either by the ADHSTWB or by the Superintendent. The Superintendent, however, reported in March 1980 to the SHTO that the van could not be utilised in the absence of essential accessories. These had not been supplied up to July 1986 by the Central Medical Stores which procure spares etc., centrally. He also reported to the Deputy Director of Health Services (Planning and Development), West Bengal between August 1980 and July 1986 that the mobile clinic could not be opened in the absence of the accessories necessary for maintenance of the van and also for non-posting of Medical Officer

for the clinic although other staff viz., one Public Health Nurse, one Clerk, one Pharmacist, one Driver and three General Duty Attendants were posted for the clinic as sanctioned by Government from February 1980 onwards. The Medical Officer, however, joined the hospital in March 1984 but the clinic could not be opened as the Superintendent did not consider the van fit for running a mobile clinic. The sanction for a sum of Rs.0.10 lakh for repair and renovation of the van proposed by the Superintendent in January 1985 was awaited (July 1986). The van had, however, been used for carrying stores from Central Medical Stores, trainee nurses from the hospital to Baruipur, etc. The services of the staff meant for the clinic had been utilised for regular hospital work in addition to the existing staff.

Thus, the free mobile health services envisaged could not be rendered to the people and the expenditure of Rs.6.13 lakhs (Rs.1 lakh for purchase of van and Rs.5.13 lakhs on pay and allowances of staff for the clinic up to July 1986) proved unfruitful.

The matter was reported to Government in April 1986 and August 1986; reply has not been received (May 1987).

3.8. Underutilisation of Floating Clinic

For providing mobile laboratory investigation services (pathology, simple bio-chemistry, radiology and electro cardiography) to the people (predominantly scheduled castes|tribes) living in the riverine areas of the Sunderbans in 24-Parganas district, Government set up in August 1983 on an experimental basis a floating clinic provided with equipment and instruments worth Rs.1.41 lakhs on a launch hired (lowest tender basis) at a monthly rental of Rs.0.12 lakh. Out of 9 members of staff sanctioned for the clinic, 8 have been in position and the post of E.C.G. Technician has remained unfilled (June 1986).

No activities on bio-chemistry and electro cardiography were taken up from the inception of the programme. Between August 1983 and July 1985, 749 pathological cases and 755 X-ray tests were conducted. The number of pathological investigations and X-ray tests went down from 152 and 217 in September 1983 to 84 and 1 respectively in July 1985, after which investigation services were suspended and the launch was being utilised for carrying medical stores to different health units and for Family Welfare programmes in different health centres. The CMOH stated (March 1986), "Erratic and low performance of Diagnostic launch services have been caused mainly for want of permanent posting of Medical Officer (1), Laboratory Assistant (2), X-ray Technician (1), E.C.G. Technician (1), Male Nurse (1) and GDA|Sweeper (3)". The performance of

the clinic was never reviewed and the impact of the experimental scheme was not analysed by the Director of Health Services, West Bengal. Thus, the floating clinic maintained at a cost of Rs.4.88 lakhs remained mostly underutilised during the entire period and equipment and instruments worth Rs.1.41 lakhs have remained unutilised since July 1985.

The matter was reported to Government in December 1985 and July 1986; reply has not been received (May 1987).

3.9. Irregular utilisation of fund

Government sanctioned in May 1983, Rs.10 lakhs for carriage of water through tankers in the drought affected rural areas of the Midnapore district and placed the fund at the disposal of the District Magistrate (DM) with the stipulation that the utilisation certificates were to be submitted by March 1984.

Of Rs.10 lakhs, Rs.4.95 lakhs were advanced between August 1983 and March 1984 to Block Development Officers (Rs.2.36 lakhs), the Haldia Development Authority (Rs.2 lakhs), the Zilla Parishad (Rs.0.11 lakh), various schools (Rs.0.20 lakh) and others (Rs.0.28 lakh) for sinking and resinking of tubewells. The DM further advanced Rs.1.59 lakhs to Agri. Irrigation Department for construction of a swimming pool and a pump-house in Midnapore town and Rs.0.40 lakh to the West Bengal State Electricity Board for energising the pump-sets not contemplated in the programme.

It was stated (January 1987) by the DM that the swimming pool was required to create a permanent source of drinking water from where water might be carried through tankers for supply to the affected people. The district authority further stated (January 1987) that in the absence of completion reports and utilisation certificates to be received from the agencies concerned it was not known whether the works had been completed and were being properly utilised, and that steps were being taken to get those reports/certificates from the concerned agencies.

The remaining amount of Rs.3.06 lakhs was spent in December 1985 on hiring of one vehicle for supply of drinking water at the residences of the DM, 2 Additional DMs and the district circuit house between December 1983 and December 1985 (Rs.1.58 lakhs), and two other vehicles for clearance of garbage in municipal areas of Midnapore town between February 1985 and December 1985 (Rs.1.48 lakhs). It was stated (January 1986) by the DM that as the supply of water by the municipality was inadequate and the existing pipelines to the residences of the officers and the circuit house had not been functioning properly, and owing to paucity of funds

with the municipality, the cost of supply of water and garbage clearance was met by diversions from the drought relief fund.

Thus, the purpose of providing immediate relief to the drought affected people in rural areas was not served as funds were diverted for works not directly covered by the sanction.

The matter was referred to Government in March and September 1986; reply has not been received (May 1987).

3.10. Purchase of X-ray machine of lower capacity

Government sanctioned in December 1984 purchase of one 100 Milli Ampere at 100 Kilo Voltage Peak Fullwave Rectified X-ray machine with X-ray control and other accessories for examination of patients at Berhampore Mental Hospital in Murshidabad district. The machine purchased by the Superintendent of the Hospital from a State Government undertaking and installed on 2nd March 1985 in the Hospital, was found during demonstration to be of 70 KVP instead of 100 KVP. This machine (70 KVP) having lesser capacity was found by the Superintendent, unsuitable for skiagram requiring deeper penetration and prolonged exposures. The demonstration was, however, found by the Superintendent and one X-ray technician borrowed from another hospital in the district, to be satisfactory and full cost of Rs.1.68 lakhs was paid to the undertaking on 30th March 1985 on the ground of financial stringency of the supplier. The matter of replacement of the machine by a machine of the required capacity was taken up with the undertaking only in July 1986, more than a year after its installation; reasons for delay were not stated by the Superintendent (July 1986).

The posts of a Radiologist and an X-ray technician in the department have not been created for the Hospital so far (November 1986) and the machine was not replaced till November 1986.

The machine (value : Rs.1.68 lakhs) could not be pressed into service to the benefit of the patients of the Hospital for about 2 years.

The matter was referred to Government in April 1986; reply has not been received (May 1987).

3.11. Homoeopathic System of Medicine

3.11.1. *Introductory*

With a view to extending medical facilities to common people who can ill-afford the allopathic system of medical facilities owing to insufficient number of hospitals and health units, inadequate supply of necessary drugs and equipment and insufficient transport facilities for carrying patients to the nearest health centre, Government introduced the Homoeopathic system of medicine in 1973-74 when

some State Homoeopathic Dispensaries were set up in districts. A separate machinery for all-round development and promotion of all the activities connected with the system was introduced in the State in 1975-76. The activities under this system include, setting up of State Sponsored Homoeopathic Colleges, setting up of State Homoeopathic Dispensaries (SHDs), setting up of Gram Panchayat Dispensaries (GPDs), extension of the System in Primary and Subsidiary Health Centres (PHC|SHC), establishment of one Central Medical Store and 5 Regional Stores, establishment of a Drug Production and Research Centre at Kalyani in Nadia district, training of compounder-cum-dresser and taking over of management of four Homoeopathic degree colleges by Government for development of uniform standard in education.

3.11.1.1. *Organisational set up*

Director of Homoeopathy, West Bengal (DHWB) and Director of Panchayat, West Bengal (DPWB) are in overall control of the implementation of the activities envisaged in the System. At the district level, the Chief Medical Officers of Health (CMOH) look after the performance of the State Homoeopathic dispensaries and also dispensaries attached to the PHC|SHC, while the District Panchayat Officers (DPOs) monitor the performance of the Gram Panchayat Dispensaries (GPDs) run at the Gram Panchayat (GP) level.

3.11.2. *Budget provision and expenditure*

Against the total budget provision of Rs.818.60 lakhs, expenditure incurred between 1973-74 and 1985-86 aggregated to Rs.630.27 lakhs. Total expenditure fell short of the provision by Rs.188.33 lakhs (23 per cent), reasons for which were not furnished by DHWB (March 1987).

3.11.3. *Physical Progress*

During 1973-74 to 1985-86 in all 155 SHDs had been set up and management of 4 Degree Colleges had been taken over as targeted. But while Homoeopathic system of medicine had been extended to 237 PHCs|SHCs against 242 targeted, only 421 GPDs had been set up against the target of 3305 GPDs: the shortfall was 87 per cent of the target during the period.

Other schemes like establishing of the State Homoeopathic Colleges, the Drug Production and Research Centre and the Central Medical Stores and Regional Stores, and the training Scheme of Compounders-cum-dressers could not be implemented even after a lapse of ten years.

3.11.4. Records maintained in the Directorate and in the offices of CMOH, DPO and respective dispensaries in four districts viz., Cooch Behar, Burdwan, Hooghly and Nadia for the period from 1975-76 to 1985-86 were examined by audit during the period from April to July 1986 and the points noticed during test-checks are mentioned in the succeeding paragraphs.

3.11.4.1. *Setting up of State Sponsored Homoeopathic Colleges*

A State Homoeopathic Medical College and Hospital with 250 seated Hostel on a plot measuring 16 acres (value : Rs.19.20 lakhs) at Salt Lake City was proposed to be set up in October 1980 by Government at an estimated cost of Rs.191.17 lakhs. At the instance of Government of India, the State Government decided in March 1982 to hand over the land, the building and other infrastructure, constructed at a cost of Rs.223 lakhs up to 1985-86, to the Central Government for the Scheme of setting up a National Institute of Homoeopathy on an adjoining land of 20 acres. State Government agreed to bear the cost of land (16 acres) of Rs.19.20 lakhs but out of Rs.223 lakhs so far spent by State Government on construction of the building and other infrastructure, Rs.195.25 lakhs had been reimbursed by the Central Government. The building and other infrastructure were, however, not formally handed over to Government of India (July 1986).

3.11.4.2. *State Homoeopathic Dispensaries (SHDs)*

155 SHDs were set up during 1973-74 to 1983-84 as targeted. The cost involved for setting up the SHDs mostly accommodated in Government hospitals/Primary Health Centres amounted to Rs.3.10 lakhs, being the cost of furniture and fittings. The SHDs were set up since 1973-74 but the Medical Officers (MOs) were provided only from 1983-84 and by 1985-86 in all 92 were provided with MOs in 1983-84 (62), 1984-85 (9) and 1985-86 (21). As a result 93, 84 and 63 SHDs involving maintenance cost of Rs.5.03 lakhs were without MOs in 1983-84, 1984-85 and 1985-86 respectively. Out of 155 compounders-cum-dressers required, 118 had so far been posted to the SHDs. Against Rs.3.26 lakhs admissible for maintenance of 155 SHDs in 1984-85, Rs.1.34 lakhs were allotted by Government; reasons for shortfall in allotment of Rs.1.92 lakhs and in posting of MOs and compounders were not furnished (July 1986). The concerned CMOHs stated (June-July 1986) that in the absence of the MOs, Compounders managed to run the dispensaries. During 1981 to 1985 (excluding 1983 due to figures not available) 5.55 lakh patients were treated in 9 to 14 SHDs from which returns were sent to the DHWB. As admitted by the CMOHs concerned, the activities of the SHDs maintained at a cost of Rs.19.53 lakhs were not supervised between 1980-81 and 1985-86.

OTHER POINTS

- (i) As SHDs were mostly accommodated in the Sadar Hospitals, PHCs those ran for a limited period in a day so as not to disturb the activities of the Hospitals. The concerned CMOH stated (June-July 1986) that accommodation for dispensaries at Rs.50 per month, sanctioned by Government, was not available.
- (ii) In four districts test-checked, working hours in 10 SHDs were found to be 2 to 6 hours in a day as per order of the CMOHs, as a result the services of MOs, Compounders and GDAs could not be utilised in full.
- (iii) From 1980-81, SHDs were allotted Rs.900 per annum for medicine. According to the concerned CMOHs (June-July 1986), the amount was inadequate to meet the requirement which led to the dispensaries running without medicines.

3.11.4.3. *Gram Panchayat Dispensaries (GPDs)**Number of GPDs set up*

Government decided (March 1978) to set up one Homoeopathic Dispensary in every Gram Panchayat (GP) of the State with a part time MO and part time compounder at a consolidated monthly salary of Rs.250 and Rs.150 respectively. Out of 3305 GPs in the State, the Homoeopathic Dispensaries were set up in 421 GPs (13 per cent) between 1977-78 and 1985-86. The percentage of number of GPs in which GPDs were set up varied between 1.91 per cent in West Dinajpur district and 23.5 per cent in Midnapore district. Reasons for shortfall (87 per cent) in setting up of GPDs and uneven distribution thereof were not stated (July 1986) by the DPWB.

Performance of GPDs

The total number of patients treated in 421 GPDs from 1981-82 to 1985-86 was not ascertained by the Directorate nor was any instruction for the submission of periodical returns issued (July 1986). Number of patients treated in 1 to 20 GPDs of 4 districts between 1981-82 and 1985-86 was 10.70 lakhs.

Delay in appointment of MOs and Compounders

In 3 districts, MOs and Compounders were posted 9 to 96 months after setting up of 19 dispensaries. In 5 of these dispensaries MOs were not posted from the start of the GPDs in April 1977 (1), October 1982 (3) and December 1984 (1) while in 3 of these GPDs Compounders were not posted at all although set up in October 1982 (2) and December 1984 (1).

GPDs running without MOs and Compounders

The working days of GPDs without MOs varied between 38 and 64 per cent while that without Compounders varied between 36 and 100 per cent in 25 GPDs test-checked in 4 districts. In the absence of the MOs, Compounders, although not technically competent, had run the GPDs and in the absence of both, GPDs remained closed.

Delay in payment of salary

Out of Rs.106.13 lakhs payable as consolidated salaries of MOs and Compounders of 421 GPDs between 1977-78 and 1985-86, Rs.87.42 lakhs were paid by the concerned Block Development Officers during the years in which they rendered services, Rs.18.71 lakhs were paid 1 to 3 years after they had rendered their services and payment of Rs.9.13 lakhs for services rendered during 1985-86 was awaited (July 1986). Reasons for delay in payment of salaries were not stated (July 1986) by the DPWB. The rates of consolidated salaries of Rs.250 and Rs.150 per month for each MO and Compounder respectively, fixed in 1975-76, were not revised till July 1986.

Working hours of GPDs

Test-check in 4 districts showed that the duration of services rendered by the MOs and Compounders was 3 hours per day for 2 days in a week in GPDs of Burdwan district and 4 hours for 3 days in a week in GPDs of Cooch Behar district against 4 hours a day excepting Sundays and Holidays prescribed.

Management of GPDs

According to the orders of the DPWB, the Gram Panchayats where the GPDs are to be set up are to provide free accommodation with necessary furniture and equipment and medicines for which a nominal fee of 10 paise per patient was to be realised. The entire amount of fees collected was to be deposited to the Gram Panchayats for replenishing the stock of medicines. Test-check of records of GPDs showed that fees were realised from the patients at different rates varying from 10 to 50 paise per patient in different GPDs. In 6 GPDs in Cooch Behar (3), Burdwan (1) and Hooghly (2) districts, fees collected from the patients could not be utilised fully for purchase of medicines. The Gram Panchayat also did not supply any equipment to the MOs.

GPDs in backward areas

Against 181 Gram Panchayats selected by the Directorate in 1981 for setting up of GPDs in backward areas, 36 GPDs were

actually set up in 36 GPs (20 per cent) till March 1986. Reasons for shortfall of 145 (80 per cent) GPDs were not stated (July 1986).

Constraints in running GPDs

According to the MOs of the GPDs, constraints faced in running the GPDs were : (i) most irregular payment of honorarium, twice in a year, (ii) absence of compounders, (iii) inadequate medicine, (v) absence of guidelines. furniture and equipment, (iv) absence of suitable accommodation and

3.11.4.4. *Homoeo Dispensaries in Subsidiary Health Centres (SHCs)*

Homoeo Dispensaries were set up by Government in 1975-76 in 135 SHCs out of 820 SHCs in the State; the basis of selection of the SHC and reasons for not setting up dispensaries in all SHCs were not stated (July 1986).

Test-check of records in 3 districts showed that the working hours of 30 dispensaries (maintained at a cost of Rs.2.25 lakhs between 1981-82 and 1985-86) were four hours per day, against normal 8 hours for other Government servants. Total number of patients treated in 27 to 50 dispensaries from which reports were available between 1980 and 1985 (excluding 1983 due to figures not available) was 16.09 lakhs. No efforts were made to obtain reports from other dispensaries for objective analysis of their working, nor was working of 135 dispensaries (maintained at a cost of Rs.9.96 lakhs between 1981-82 and 1985-86) watched by the CMOH.

Dispensaries in Primary Health Centre (PHCs)|Rural Hospitals (RHs)

Under the Community Health Guide Scheme (a Centrally Sponsored Scheme), Homoeopathy units consisting of one MO, one Compounder and one General Duty Attendant were to be set up in each PHC|RH. Out of 335 PHCs|RHs in the State, target was laid down for setting up units in 107 PHCs|RHs, against which 102 units were actually set up. Laying down lower target and shortfall (5) in achievement were ascribed to paucity of funds. The performance of these units involving annual maintenance cost of Rs.2.25 lakhs was never watched by the CMOH concerned. Test-check of records showed that in Howrah district, MOs were posted in 10 PHCs|RHs (out of 14) between July 1982 and December 1983 although the out-patient department (OPD) of the units could not be opened up to March 1984 and the other paramedical staff were not posted. As a result the services of the MOs remained unutilised and the

expenditure of Rs.2.09 lakhs incurred on their pay and allowances up to March 1984 proved nugatory. Information on the opening of OPDs for effective utilisation of services of the MOs was awaited (July 1986). Moreover, the services of the MOs in 4 districts were utilised for only 4 hours a day in OPDs, indicating under-utilisation of the services of 19 MOs who drew pay and allowances of about Rs.10.47 lakhs between April 1981 and March 1986.

3.11.4.5. *Central Medical Stores (CMS) and Regional Stores (RS)*

Government decided in 1980 to set up a Central Medical Store (CMS) and 5 Regional Stores for procurement and distribution of Homoeopathic medicines and also for supervision on the working of different categories of dispensaries. As reported by the DHWB in July 1986, a regional store was set up at Berhampore in Murshidabad district in 1981 while the CMS and other regional stores were not set up for want of suitable accommodation and paucity of fund. But, one Accountant, one Lower Division Assistant, one Typist and one Night Guard were appointed by the DHWB between November 1980 and August 1983 for the CMS and Rs.1.44 lakhs incurred on their pay and allowances. However, their services could not be utilised for the purpose for which they were appointed. The Regional Store at Berhampore also did not make bulk purchase of medicines centrally for distribution among different Homoeo dispensaries in the district nor did the staff of the store exercise any supervision on the activities of the dispensaries between 1981 and March 1986. Total expenditure incurred on the maintenance of this store was about Rs.1.50 lakhs between 1981 and March 1986.

3.11.4.6. *Drug Production and Research Centre*

For meeting the increasing demands of homoeopathic medicines and feeding the dispensaries with requisite medicines through the CMS and RSs, Government decided in October 1980 to set up an Integrated Drug Production, Research and Testing unit and Herbarium at Kalyani in Nadia district both for Homoeopathic and Ayurvedic medicines at an estimated cost of Rs.53.95 lakhs. Although Rs.41.68 lakhs (73 per cent) were spent on the project executed by the Public Works Department between October 1980 and March 1986, the constructional works could not be completed (July 1986). Rupees 17 lakhs drawn in March 1986 by the DHWB for purchase and installation of machinery in the Centre were refunded in June 1986, as the building for the Centre was not completed.

3.11.4.7. *Private Homoeopathic Medical Colleges*

Four private Homoeopathic Medical Colleges aided with grants from State Government extended Degree Course education in Homoeopathy in the State. Government, however, took over the management of these Colleges in January 1983 (2) and August 1985 (2) for developing uniform standard of teaching and Administrators were put in charge of each of the Colleges. Grants were sanctioned to these Colleges on the basis of audited accounts statements for the last three years, utilisation certificates for previous grants, statement of patients treated in the institutions during last three years, etc. Grants paid to the four colleges between 1976-77 and 1985-86 were as below :

	Grants released (Rupees in lakhs)
Salaries of College staff	143.72
Maintenance of Colleges	60.54
Stipend to internees	19.51
Honorarium for part-time teachers	9.28
Development cost	40.82
Total	273.87

During test-check of records of two Colleges, the following points were noticed :

- (i) According to the guidelines of the Central Council of Homoeopathy (CCH), successful candidates in the Homoeo Degree Course have to undergo internship training at the hospital attached to the Homoeo Medical Colleges. The students (number not stated) coming out successful in four Colleges were trained in the State Allopathic Hospitals between 1983-84 and 1985-86 at a cost of Rs.19.51 lakhs contrary to the guidelines of the CCH.
- (ii) In two colleges, funds received for construction of a Dissection Hall (Rs.0.71 lakh) and maintenance of 50 beds (Rs.15 lakhs) between 1976-77 and 1985-86 were diverted for payment of salaries of staff of the Colleges.
- (iii) One College in Calcutta (capacity : 100) was not provided with the operation theatre, surgical units, labour room, radiology department, essential for teaching. As a result, the Homoeopathy education in this College was adversely affected.

- (iv) Gross irregularities like non-payment of salaries to the teaching staff for 14 months from March 1985 onwards, arbitrary enhancement of salaries of teaching staff without approval of Government, charging of Capitation fees, etc. in one College were noticed. An Enquiry Committee was set up in May 1986 to investigate into these irregularities. The report submitted by the Committee was stated to be under examination of Government (July 1986).

3.11.5. *Training of Compounders-cum-dressers*

Although 674 compounders had been recruited between 1980-81 and 1985-86 for different types of dispensaries, the scheme for training of Compounders-cum-dressers had not been implemented till July 1986; reasons for which were not furnished.

3.11.6. *Monitoring and evaluation*

Reports and returns on the performance of dispensaries at different level were not obtained and compiled to assess the efficacy of the Homoeopathic system of medicines. Deficiencies in implementation of the system were also not ascertained to undertake corrective measures. The performance and working of the dispensaries were not supervised either by the CMOH, DHWB or by the DPO. The impact of the system implemented at a cost of Rs.630.27 lakhs between 1973-74 and 1985-86 on the common people was also not evaluated.

3.11.7. *Summing up*

Actual expenditure (Rs.630.27 lakhs) on homoeopathic system of medicine fell short of budget provision (Rs.818.60 lakhs) by Rs.188.33 lakhs (23 per cent) during 1973-74 to 1985-86. Although decided in March 1982, the State Homoeopathic Medical College-cum-Hospital at Salt Lake City constructed at a cost of Rs.223 lakhs was not formally handed over to the Central Government for the scheme of setting up a National Institute of Homoeopathy on an adjoining plot of land. Out of 155 SHDs set up between 1973-74 and 1983-84 only 92 had been provided with MOs during 1983-84 (62), 1984-85 (9) and 1985-86 (21). As a result 93, 84 and 63 SHDs had to run without MOs during 1983-84, 1984-85 and 1985-86 respectively. Against the target of 3305 GPDs only 421 had been set up, the shortfall was 87 per cent. Delay in appointments of MOs and Compounders, delay in payment of salary and non-revision of the rates of consolidated salaries of MOs/Compounders, reduction of working hours were some of the constraints affecting the performance

of the GPDs. Out of 820 SHCs and 335 PHCs|RHs in the State, Homoeopathic dispensary had been set up only in 135 SHCs and 102 PHCs|RHs. The performance of 135 dispensaries at SHCs maintained at a cost of Rs.9.96 lakhs between 1981-82 and 1985-86, and 102 dispensaries at PHCs|RHs level maintained at an annual cost of Rs.2.25 lakhs had not been watched by CMOH. In one district, services of 10 MOs could not be utilised due to delay in opening of the dispensaries leading to infructuous expenditure of Rs.2.09 lakhs on their pay and allowances. Construction of a Drug Production Research and Testing unit at Kalyani taken up in 1980 remained incomplete till July 1986 on which Rs.41.68 lakhs (73 per cent) had been spent. In two private Colleges, funds received for construction of a Dissection Hall (Rs.0.71 lakh) and maintenance of beds (Rs.15 lakhs) were diverted for payment of salaries of staff of the Colleges. The scheme for training of Compounders-cum-dressers had not been implemented till July 1986, although 674 Compounders had been recruited for different types of dispensaries. The impact of the system of Homoeopathic medicine implemented at a cost of Rs.630.27 lakhs, on the public was not evaluated.

The matter was referred to Government in May 1986; reply has not been received (May 1987).

HOME (POLICE) DEPARTMENT

3.12. Suspected defalcation of Government money

During test audit of the accounts of the Superintendent of Police (SP), Darjeeling during June and July 1986, suspected defalcation of Government moneys amounting to Rs.1.21 lakhs in the District Enforcement Branch was detected in audit as detailed below :

- (i) Rupees 0.42 lakh being the pay and allowances of Constables (1 to 7) and Sub-Inspectors (2 to 4) who had not been on the rolls were drawn between November 1984 and May 1986 and shown as disbursed.
- (ii) Rupees 0.06 lakh representing pay and allowances drawn by increasing the gross amount of the bills between March 1985 and September 1985 were shown as paid.
- (iii) Rupees 0.19 lakh representing travelling allowance claims in two travelling allowance (TA) bills, made by enhancing the figures in the abstract sheet without having any TA claims in support, were drawn in March 1985 and September 1985 and shown as paid.
- (iv) Rupees 0.49 lakh being the amount of TA claims in favour of 79 persons, whose names were inserted in 10 bills fraudulently, were drawn and shown as disbursed between June 1984 and March 1986.

- (v) In respect of one TA bill drawn in February 1985, acquittances of 3 Constables were inflated by adding fresh amounts to the extent of Rs.0.05 lakh. }

The following irregularities rendered possible the aforesaid suspected defalcation :

- (a) No "Disbursement Certificate" was ever recorded on any of the acquittances in respect of any payment.
- (b) The total acquittances obtained were never checked with the total amount drawn in the respective bills.
- (c) The staff position shown in the monthly statement sent to the higher authority was never checked with the strength shown in the pay bills.
- (d) In most of the individual cases, TA bills were neither signed by the drawing and controlling Officers nor certified and signed by the higher Officer.

On the above cases of suspected defalcation being pointed out by Audit, the SP stated (July 1986) that the matter was enquired (June-July 1986) into and a prima facie case of defalcation of Government money was established against the then Head Assistant, DEB and a police case was started against him which was under investigation. Further developments are awaited.

The matter was reported to Government in August 1986 and October 1986; reply has not been received (May 1987).

INFORMATION AND CULTURAL AFFAIRS DEPARTMENT

3.13. Locking up of Government funds

Government purchased six plots of land measuring 211 cottahs 8 chataks in different parts of Calcutta from the Calcutta Improvement Trust (CIT) at a cost of Rs.48.49 lakhs and paid the entire amount to CIT in advance in March 1978 and March 1979. The objective was to build a National Theatre Complex consisting of three popular theatres and two open-air theatres meant for providing opportunities to theatre groups in Calcutta. The CIT, however, did not hand over possession of land measuring 15 cottahs to Government nor were Rs.5 lakhs being the value of that land refunded to Government (May 1986); reasons for the same were not furnished (November 1986) nor was any follow-up action taken by Government.

Government approved (September 1979) construction of a theatre (capacity : 650) at Gariahat plot at an estimated cost of Rs.34.27 lakhs through the CIT on commission basis and revised (November 1980) the estimate to Rs.49.30 lakhs based on the revised estimate submitted by the CIT owing to a hike in prices of materials

and wages without getting it vetted by the Technical Authorities. The work was entrusted to the CIT in May 1980 on payment of an agency commission of Rs.4.47 lakhs. No agreement was executed with the CIT, nor was any date of completion of work stipulated by Government. The construction commenced in October 1982 and was suspended by the CIT from March 1983 owing to their unwillingness to execute the works at the existing rates, after executing works worth Rs.20.71 lakhs including commission of Rs.2.59 lakhs. There has been no further progress since then. Other plots of land also remained unutilised.

Thus, Rs.48.49 lakhs being the cost of 211 cottahs 8 chataks of land (including 15 cottahs—not in possession) remained locked up for about 8½ years as all the plots remained unutilised and an expenditure of Rs.20.71 lakhs on the suspended works also proved unproductive.

The matter was referred to Government in August 1986; reply has not been received (May 1987).

LABOUR DEPARTMENT

3.14. Minimum Wages for Agricultural Labour

3.14.1. *Introductory*

In order to safeguard the interest of weaker sections of workers who were generally unorganised and vulnerable to exploitation, the Minimum Wages Act (hereafter referred to as Act), 1948 was enacted by the Central Government which came into force from March 1948. The Act aims at preventing exploitation of workers in scheduled employment by fixing the minimum rates of wages, hours of work, payment of overtime wages and providing penalties for offences. Although the Rules under this Act were framed by the State Government in 1951, the provisions of the Act and the Rules thereunder were put into operation by the State Government from December 1953, the enforcement machinery was set up only in March 1976. The reasons for the delay in doing so were not furnished (May 1987) by the Department.

3.14.1.1. *Organisational set-up*

The Labour Department controls the implementation of the Act and Rules thereunder, aided by the Minimum Wages Advisory Committee and the Advisory Board. The Assistant Labour Commissioners (ALCs) at the Subdivisional level deal with the Act and Rules, labour problems within the subdivision, besides supervising the work of the Agricultural Minimum Wages Inspectors (AMWIs) posted under each Block Development Officer (BDO). At the district level

the District Level Advisory Committees are to co-ordinate the implementation of the provisions of the Act and Rules while Block Level Implementation Committees are to be set up at the lowest rung for co-ordination work.

3.14.2. Finance Budget and Accounts

An expenditure of Rs.424.22 lakhs incurred during 1979-80 to 1985-86 exceeded the Budget provision of Rs.218.85 lakhs by Rs.205.37 lakhs (94 per cent), owing to increase in dearness allowance to staff and also due to short allotment by Finance Department compared to demands.

3.14.3. Curtailment of benefits

The benefits of a weekly rest and payment of wages at double the ordinary rates to workers engaged on the day of weekly rest or beyond normal working hours on other days provided in the notification of September 1974 were not included in the Notification of August 1982; no reasons were stated by the Department (July 1986).

3.14.3.1. Anomaly in Notification

According to the Schedule to the Act and the Notification of State Government of July 1979 the 'Forestry or timbering' operations are agricultural operations and according to Government (January 1986) forest labourers were to be deemed to be agricultural labourers. But approval to a proposal for fixation of wage rates for forest labourers forwarded to the Forest Department in March 1980 was awaited (July 1986). The provisional rates of wages for them fixed by the Forest Department were also found to be lower than minimum wage rates for agricultural labour announced by the Labour Department as shown below :

Year	Rates by Forest Department		Minimum wage rates for agricultural labour	
	Adult	Child	Adult	Child above 14 years
	(Rupees per day)			
1980-81 ...	8.58	6.40	9.01	6.49
1981-82 ...	8.58	6.40	9.58	6.85
1982-83 ...	8.58	6.40	10.75	7.75
(October— 13th November)				
1982-83 ...	8.58	6.40	12.01	8.71
(14th November— September 1983)				
1983-84 ...	8.58	6.40	13.91	10.16
1984-85 ...	8.58	6.40	14.90	10.92
1985-86 ...	12.00	6.40	14.71	10.77

Thus, the casual and daily rated workers of the forest establishments including tribal labourers were deprived of the minimum wages because of delay in the fixation of wage rates for them at par with agricultural labourers.

3.14.4. *Enforcement of the Act*

3.14.4.1. *Enforcement machinery*

For enforcing payment of minimum wages to agricultural labourers and compliance with other provisions of the Act, Government sanctioned, in March 1976, 335 posts of Agricultural Minimum Wages Inspectors (AMWI) with a stipulation that one Inspector would look after enforcement of wages involving 10,000 labourers.

3.14.4.2. *Requirement of posts*

The number of posts of Inspectors sanctioned in 1976 was adequate to cover 32.76 lakhs agricultural labour in the State according to the 1971 Census Report. According to the 1981 Census Report the number of Agricultural labour went up to 38.92 lakhs and according to the norm of 10,000 labourers per Inspector, the requirement of the posts of Inspectors went up to 389. But steps were not taken by the Department for obtaining sanction for the additional 54 posts, reasons for which were not stated (July 1986).

The number of inspectors posted fell short by 74 to 95 during the period 1980-85. The reasons for not creating posts to the extent required and not filling the sanctioned posts were not stated (July 1986) by the department.

3.14.4.3. *Lack of separate machinery*

According to Government order (May 1979), the Inspectors posted were to enforce the provisions of the Act both in agricultural and non-agricultural classes of employment, although they were appointed as Agricultural Minimum Wages Inspectors (AMWIs). AMWIs were to conduct 25 inspections per head per month for agricultural establishments as prescribed in March 1976. No target was laid down for non-agriculture classes of employment nor was the target for agricultural establishments revised (July 1986) in spite of recommendations of the State Labour Ministers' Conference in July 1980 for setting up separate machinery for ensuring minimum wages to agricultural labourers.

3.14.4.4. *Inspections*

The percentage of inspections conducted against targets from 1980 to 1985 is given below :

Year	Percentage of achievement against targets
1980	55
1981	43
1982	37
1983	27
1984	29
1985	22

The Department did not provide (July 1986) reasons for the gradual decline in the number of enforcement inspections.

Out of 34 blocks whose records were test-checked in 4 districts, the prescribed target of inspections was exceeded in respect of three blocks only (viz., Kalna II, Bhangar I and Basanti); while the extent of shortfall in the remaining blocks varied from 8 *per cent* in Kanksa and Faridpur-Durgapur block to 100 *per cent* in Kalimpong I and II blocks.

No remedial measures were taken by the Department for arresting the wide variations in performance from district to district (July 1986) and optimising the inspections. The Assistant Labour Commissioners (ALCs) of the subdivisions test-checked, however, ascribed (July 1986) the decrease in number of inspections to dual control of the Inspectors by BDOs and ALCs, acute scarcity of funds for travelling allowance (TA) and contingencies and entrustment of additional work since 1979 to the AMWIs.

DUAL CONTROL

The AMWIs are posted in the offices of the BDOs who act as drawing and disbursing officers for them and also as controlling Officers in respect of travelling allowances and contingencies while the work of the AMWIs is supervised by the ALCs at subdivisions as subject-matter specialists. According to the ALCs, BDOs utilise these AMWIs for various works of their departments, viz., revision of electoral rolls, relief works, etc. not contemplated in the Government order sanctioning their posts. The utilisation of the Inspectors by the BDOs for multifarious jobs had been telling upon the operations envisaged in the Act. This could not be explained by the Department (July 1986).

NON-COVERAGE OF CERTAIN CATEGORIES OF WORKERS

Records of four districts test-checked revealed that inspections were not conducted during 1980-85 in (i) non-Government Dairy or Poultry farms, (ii) ten big Nursery farms in Kalimpong Subdivision on the erroneous belief that Nursery labourers were not agricultural labourers and (iii) the orange farms in Kalimpong, Kurseong and Darjeeling Sadar Subdivisions due to 'remoteness' of the regions, where transport facilities were not easily available.

The Labour Department thus did not know to what extent the seasonal tribal labourers (mostly women and children) of Darjeeling District and non-Government Dairy and Poultry farm workers were being exploited by the employers. The work of enforcement of minimum wages for agricultural labourers remained suspended for 2½ years during 1981 to 1983 in four blocks in one district due to the long absence of the Inspector for which no alternative arrangement was made.

TRIPARTITE COMMITTEES AT DISTRICT LEVEL

Out of four districts test-checked, the Tripartite Committees as District Level Advisory/Implementation Committees were formed as per the recommendations (July 1980) of the State Labour Ministers' Conference in three districts (Burdwan, Darjeeling and 24-Parganas) to oversee the implementation of the provisions of the Act. The committee of Darjeeling district constituted in June 1984 had not met so far (July 1986). Main observations made in the meetings of the committees in 2 districts were as below :

- (i) In Burdwan district, wages were paid at different rates—in some cases in excess of and in some cases below the prescribed rate.
- (ii) In 24-Parganas district in some places contract labourers were paid at far below their prescribed rates resulting in the non-enforcement of minimum wages to the labourers employed in schemes implemented by Government.

No effective follow-up action was taken (July 1986) on the observations of these committees. The Department did not state (July 1986) the reasons for not forming the committees earlier and for all the districts. No block level implementation committees were formed for want of administrative instructions issued by the Department.

3.14.4.5. *Workers Education Programme*

Government did not take any step (July 1986) for promoting Workers' Education Programme in rural areas for bringing about

awareness about their rights under the Act as per the recommendation of the State Labour Ministers' Conference. Reasons for not doing so were not stated (July 1986) by the Department.

3.14.5. *Irregularities in the maintenance of records*

3.14.5.1. In none of the blocks test-checked were the Registers of Employers indicating names and addresses of the employers, dates of inspection, dates of detection of irregularities and filing of prosecution cases, etc. maintained in the prescribed form. Nor were the required dates of inspections and filing of prosecutions, etc. recorded against the names of the employers. There was nothing on record in the register to indicate that employers' establishments were inspected. The registers were also not updated from the current records of Junior Land Reforms Officers and Panchayat Departments. The registers were also not made exhaustive enough to cover all the anchals or villages within the blocks. The ALCs stated that the registers were not revised and made up to date in the absence of instructions from the Department. The Inspectors of Jamuria I and II blocks in Burdwan district and three subdivisions of Darjeeling district did not produce the registers at all as these were stated to be either incomplete or not constructed for want of levy-list.

3.14.5.2. *Prosecution and claims cases*

As per the provisions of the Act and the Rules made thereunder, prosecution cases are started against the employers who infringe the provisions of the Act and the Rules while the claim cases are filed against the employers as Civil suits for payment of wages, less than the statutory minimum, within 6 months from the dates on which the wages become payable.

Out of total 14,667 prosecution cases to be disposed of, 2,863 cases (20 per cent) were disposed of between 1980 and 1985 either by acquittal (344) or by conviction (2,519) imposing fine amounting to Rs.1.82 lakhs. Against 446 claims cases to be disposed of during the period, 41 cases (9 per cent) were actually disposed of.

The number of cases disposed of was not satisfactory leading to accumulation of pending prosecution cases from 1140 in 1980 to 2437 in 1985 and from 16 claims cases in 1980 to 146 in 1985. Reasons for slow progress in disposal were not furnished nor were the amounts of fine actually realised stated (July 1986).

Although the total number of irregularities detected was the highest in 24 Parganas district varying between 2,973 in 1982 and 1,385 in 1985 and the lowest in Darjeeling district, varying between nil in 1981 and 1982 and 26 in 1984, rectification of

irregularities was the highest in Nadia district varying between 95 per cent in 1980 and 1983 and 81 per cent in 1985, and the lowest in 24-Parganas district varying between 55 per cent in 1980 and 40 per cent in 1985. Again, prosecution cases instituted were the highest in 24-Parganas district varying between 537 in 1981 and 161 in 1983, and the lowest in Darjeeling district varying between nil in 1981 and 1982 and 5 in 1984 and 1985, disposal of such cases was the highest (57 per cent) in Burdwan district in 1980 and the lowest (nil) in Darjeeling district in 1980 to 1983. The amount of fines (of Rs.1.18 lakhs imposed) actually realised was not intimated by the ALCs of any district. The number of claim cases preferred and settled in 4 districts was not significant. There was nothing on record to indicate that amounts directed by the authority to be paid to the employees were actually paid. Both detection of irregularities and filing of prosecution cases showed a decline in 1985 from those in earlier years. The ALCs concerned stated (July 1986) that agricultural labour were reluctant to lodge complaints against the employers and tender evidences in the Court for fear of harassment and retrenchment by the employers.

3.14.6. *Monitoring and evaluation*

ALCs in the subdivisions compiled the monthly, quarterly and annual reports received from the AMWIs and sent the consolidated reports to the Directorate where these were consolidated further for publication in the annual volume of the Booklet 'Labour in West Bengal'.

There was no monitoring machinery in the Directorate to watch and detect the wide variations in achievements in different subdivisions and shortfalls in achievement so that corrective measures could be formulated for remedying matters. The scheme, involving an expenditure aggregating Rs.424.22 lakhs, was never evaluated for assessing how far the objectives envisaged in the Act and Rules thereunder were attained to the benefit of the agricultural labours.

3.14.7. *Summing up*

Though the Act came into force in March 1948, the machinery for enforcing the provisions of the Act was set up in March 1976. Agricultural Minimum Wages Inspectors in position were short of the requirement by 74 to 95 during 1980-85 and as they remained saddled with jobs not prescribed in the Acts and Rules and being under dual control of the ALCs and BDOs, they could conduct only 22 to 55 per cent of the targeted number of inspection during the period. Steps were not taken to enforce the provisions of the Act and Rules to ensure benefits of a day of weekly rest and payment of wages at double the ordinary rates to workers engaged on the day of rest

or beyond normal working hours from August 1982, fixation of rates for workers engaged in Forestry and Timbering operation at par with that of Agricultural workers, enforcement of the provisions in non-Government Dairy and Poultry Farms, Nurseries and Orange Orchards, etc. The progress of disposal of prosecution and claim cases was insignificant varying between 20 and 9 *per cent* respectively. No evaluation of the implementation of the provisions of the Act and Rules involving an expenditure of Rs.424.22 lakhs between 1979-80 and 1985-86 was done to assess its impact on agricultural labour.

The matter was reported to Government in September 1986; reply has not been received (May 1987).

REFUGEE RELIEF AND REHABILITATION DEPARTMENT

3.15. Sick Production Centre

A Bamboo Processing Centre, set up by Government of India at Kamarhati for training displaced persons from the erstwhile East Pakistan in bamboo processing trades for their self-employment, was transferred to the State Government in April 1962. After discontinuing the training programme, the State Government decided to run the Centre for production of broomsticks, chucks, baskets, etc., on no-profit no-loss basis. On test-check of the records of the Centre (November-December 1985 and August 1986) and the statements showing the financial results of the working of the centre for the years 1976-77 to 1985-86 prepared by the Superintendent of the Centre, the points mentioned below were noticed :

- (i) Suspension of production : Production at the Centre had been suspended during the periods May to December 1979, October 1980 to March 1981, 1981-82, 1982-83 and April to December 1983 leading to infructuous expenditure of Rs.28.71 lakhs on account of pay and allowances of staff and wages of labourers. While the pay and allowances of the staff of the Centre went up from Rs.3.08 lakhs in 1976-77 to Rs.8.98 lakhs in 1984-85 due to enhancement of pay and allowances of staff and wages of labourers, the value of production at the Centre decreased from Rs.3.81 lakhs in 1977-78 to zero in 1981-82 to 1982-83. The production, however, started from 1983-84 and the value of production from 1983-84 to 1985-86 were Rs.0.33 lakh, Rs.0.19 lakh and Rs.1.40 lakhs respectively. The Superintendent attributed (January 1986 and January 1987) the suspension of production and consequent losses to shortage of raw materials and pilferage by some miscreants in the area.

- (ii) Sale-proceeds not realised : Out of the total sale-proceeds of Rs.17.54 lakhs between 1981-82 and 1985-86, Rs.8.35 lakhs (48 *per cent*) remained unrealised for about 1 to 5 years from the Defence Department. The Superintendent of the Centre stated (January 1987) that the matter was being pursued with the Defence Department and it was expected to be realised by March 1987.
- (iii) Theft of motors : Out of 14 motors in hand, 5 motors (value : Rs.0.07 lakh) were stolen from the Centre in August 1986 resulting in complete suspension of work. The matter was reported to police in August 1986. The Superintendent stated (January 1987) that a proposal for replacement of 8 motors had been pending with Government.

The Centre envisaged to be run on no-profit no-loss basis, but incurred losses aggregating Rs.57.98 lakhs between 1976-77 and 1985-86 mainly due to suspension of production in certain period and low production even after revival. The Superintendent of the Centre stated (January 1987) that it had been decided to revitalise the Centre so that production could be started in full swing after purchasing motors and other essential items by phases. Further report was awaited (May 1987).

RELIEF AND WELFARE DEPARTMENT

3.16. Wasteful expenditure

For rehabilitation of Indian repatriates from Burma, State Government sanctioned in March 1970 a sum of Rs.7.41 lakhs (borne entirely by Government of India) as loan to a housing co-operative society formed by the repatriate members for purchase of 46.50 bighas of land at Kalua within Behala Municipality in 24-Parganas district, for construction of 161 houses on that land for distribution among the repatriate members and providing infrastructure on the site. The Department had drawn Rs.6.78 lakhs and disbursed to the Society between April 1970 and May 1975. The loan bearing interest of 5½ *per cent* per annum was recoverable in 17 annual instalments commencing from the fourth anniversary.

Between May 1970 and February 1978, the Society spent Rs.1.20 lakhs on purchase of land (46.50 bighas), Rs.1.44 lakhs on development of land and providing infrastructure and Rs.2.51 lakhs on construction of 91 houses, leaving Rs.1.63 lakhs unspent up to June 1986.

Out of 91 houses constructed, 28 houses could be distributed among the repatriate members while the remaining 63 houses (value : Rs.1.74 lakhs) and vacant land measuring about 30 bighas (value : Rs.0.77 lakh) were reported (August 1978 to August 1979) by the Society to have been forcibly occupied by unauthorised persons in July 1978. The Joint Secretary of the Department stated (July 1984) in his report to Government that the Society made all efforts, short of starting legal proceedings, for eviction of unauthorised occupants. He further observed that (i) trespass and forcible occupation of land and building cut at the root of functioning of the Society which had been lying in a moribund state, (ii) Government money sanctioned as loan turned out to be infructuous without any chance of recovery, (iii) the possibility of eviction of such a large number of forcible occupiers through legal process which is both time and money consuming was remote and likely to erode substantially the balance fund (Rs.1.63 lakhs) available with the Society. He also proposed for winding up of the Society and appointment of liquidator for redemption of Government investment as far as possible. Government stated (September 1986) that they were keen on getting the houses as well as the land freed from the unauthorised occupiers. No amount of loan was recovered from the Society and according to Government (September 1986), the Government of India had written off the loan. Further development is awaited (November 1986).

Thus, expenditure of Rs.2.51 lakhs (of Rs.6.78 lakhs) incurred on purchase of 30 bighas of land and construction of 63 houses did not yield any benefit to the repatriate members for whom the money was spent.

3.17. Unfruitful Housing Project

For the rehabilitation of the Indian repatriates from Burma 93 houses (estimated cost : Rs.2000 per house) to be constructed on 6,865 acres of land (to be purchased) in Sonarpur and Baruipur police-stations of 24-Parganas district and providing infrastructure like roads, drains, shops, etc., State Government sanctioned Rs.3.89 lakhs in December 1970 as loan payable to a Housing Co-operative Society formed by these repatriates. The loan, bearing interest at 5½ per cent per annum, was recoverable in 17 equal annual instalments from the fourth anniversary and for the first three years simple interest was recoverable. This was a Central scheme and the entire expenditure was reimbursable by Government of India.

Out of Rs.3.89 lakhs, Rs.2.57 lakhs were released by the Department in 1970-71 and 1972-73 to the Society after executing an agreement in February 1971. After purchase of land (6.865 acres) at a

cost of Rs.0.71 lakh, the Society started the construction works in February 1972. When construction of 2 houses and part construction of 91 houses had been completed by March 1973, the Society had to stop the works due to various litigations over the right title and interest over land besides troubles and obstructions created by the local people and miscreants. No adequate security arrangements were made by the Society and the construction work done (cost : Rs.1.12 lakhs) had been completely damaged between 1973 and 1981. Though the land had become free from all encumbrances in 1981, the work of execution of the project could not be undertaken immediately due to some objection raised by Government of India in the matter of sanctioning loan to the Society direct instead of individual members; the matter was cleared by the Government of India in June 1984 and Rs.0.35 lakh were further utilised on the development of land up to October 1985.

Due to hike in prices of building materials and cost of labour, the original estimate of Rs.2,000 per house was revised to Rs.3,600 in 1975 and to Rs.5,600 in 1983 and in view of that Government further sanctioned Rs.5.22 lakhs in February 1985 (Rs.4.02 lakhs) and March 1986 (Rs.1.20 lakhs). Of this, only Rs.0.05 lakh were utilised by the Society, leaving the balance of Rs.5.17 lakhs unutilised up to June 1986. According to the Deputy Director of Relief, West Bengal (June 1986), the estimated cost of the construction of each house had further escalated to Rs.16,000 and Government of India was moved in May 1986 for upward revision of the ceiling.

Government accepted the above facts and stated (August 1986) that the construction of houses would be taken up as soon as the decision of Government of India on the proposed upward revision of the ceiling limit was received and indicated further that no amount of loan was recovered from the Society which was embarrassed with litigation, loss due to damage/destruction of built-up structures for no fault of their own and that Government of India also had decided (February 1986) to write off the amount of loan.

Thus, expenditure of Rs.2.18 lakhs incurred for purchase of 6.865 acres of land (Rs.0.71 lakh), development thereof (Rs.0.35 lakh) and for construction of houses (Rs.1.12 lakhs) proved unfruitful as it did not yield any benefit to the repatriates from Burma.

Further developments are awaited (May 1987).

GENERAL

3.18. Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the

spot, are communicated to the Heads of Offices and to next higher departmental authorities through audit inspection reports. The more important irregularities are reported to the Heads of Departments and Government. Government have prescribed that first replies to inspection reports should be sent by Heads of Offices to the respective Heads of Departments within three weeks from the date of receipt of the inspection reports. They (Heads of Departments) are required to transmit such explanations along with their comments to the Accountant General within two months from the date of receipt of the explanations from their subordinate officers.

Despite the above instructions of Government, at the end of September 1986, 11,565 inspection reports issued up to March 1986 containing 45,344 paragraphs remained unsettled as shown below with corresponding figures for the two earlier years :

	As at the end of September		
	1984	1985	1986
Number of inspection reports with paragraphs not settled	11398	11837	11565
Number of paragraphs ...	44547	46017	45344

The yearwise break-up of the outstanding inspection reports and number of inspection reports in respect of which even first replies had not been received is given below :

		Number of inspection reports	Number of paragraphs	Number of inspection reports in respect of which even first replies had not been received
Up to 1981-82	...	7,730	26,464	162
1982-83	...	709	2,708	426
1983-84	...	749	3,286	642
1984-85	...	699	3,488	565
1985-86	...	1,678	9,398	1,422
Total	...	11,565	45,344	3,217

A scrutiny of the position of outstanding inspection reports relating to four departments revealed that 995 inspection reports

involving paragraphs issued up to March 1986 had not been settled till the end of September 1986 as given below :

Department	Number of inspection reports	Number of paragraphs not settled	Year to which the earliest outstanding paragraphs relate
1. Agriculture ...	223	1,657	1959-60
2. Commerce and Industries	51	163	1966-67
3. Health and Family Welfare ...	683	4670	1960-61
4. Land and Land Reforms	38	150	1969-70
Total ...	995	6,640	

An analysis of 995 inspection reports pertaining to the period 1959-60 to 1985-86 relating to these departments revealed that 6640 pending paragraphs related to the following irregularities :

Nature of irregularities	Number of cases in which the irregularities were noticed				
	Agri-culture	Commerce and Industries	Health and Family Welfare	Land and Land Reforms	Money Value
	(1)	(2)	(3)	(4)	(5)
1. Non-recovery of rent, electrical charges and other dues	92	20	288	16	246.74
2. Non-adjustment of advances drawn by departmental officers	143	—	153	2	102.23
3. Excess/irregular/avoidable expenditure	151	14	460	47	1,188.33
4. Non-recovery of loans	32	—	33	—	506.71
5. Shortage/losses not recovered/written off	69	7	161	1	254.03
6. Excess expenditure due to non-acceptance of lowest tender	9	1	105	1	4.94
7. Delay in remitting Government money into Treasury	41	3	82	1	10.53

8. Non-maintenance/non-production/irregularities of initial records	165	29	522	20	34.15
9. Non-furnishing of security deposit	42	—	102	11	—
10. Non-adherence to prescribed procedure dealing with cash	105	13	310	11	112.96
11. Theft/defalcation/misappropriation of Government money	117	6	310	3	35.49
12. Loss of Revenue ...	173	13	195	—	188.54
13. Non-disposal of un-serviceable articles and losses thereof	82	5	196	—	100.92
14. Miscellaneous irregularities	436	52	1,753	37	219.98
Total ...	1,657	163	4,670	150	3,005.55

These irregularities have been persisting even after having been pointed out in successive inspection reports. The possibility of loss of Government money, fraud, misappropriation, etc., cannot be ruled out unless appropriate action is taken promptly in settling the outstanding paragraphs.

The matter was reported to Government in December 1986; reply has not been received (May 1987).

3.19. MISAPPROPRIATION, LOSSES, ETC.

Cases of misappropriation, defalcation, etc., of Government money, reported up to 31st March 1986 and on which final action was pending at the end of 1985-86 were as follows :

	Number of cases	Amount (Rupees in lakhs)
Cases outstanding at the end of 1984-85	659	1,41.24
Cases reported during 1985-86	9	5.55
Cases disposed of during 1985-86	30	4.12
Cases outstanding at the end of 1985-86	638	1,42.67

Departmentwise analysis of the outstanding cases is given in Appendix 3.1. Of the 638 cases outstanding at the end of 1985-86, 511 cases (Amount : Rs.69.26 lakhs) were pending for more than five years. Sixtytwo *per cent* of the cases related to the Board of Revenue.

CHAPTER IV

WORKS EXPENDITURE

DEVELOPMENT AND PLANNING DEPARTMENT

4.1. Sunderban Development Project (IFAD)

4.1.1. *Introductory and objectives*

Sunderban, a part of the lower Gangetic delta in South 24-Parganas district, is one of the most impoverished areas in the State having complex developmental needs. Sunderban Development Project, a scheme assisted by the International Fund for Agricultural Development (IFAD) was launched in January 1982 to meet the developmental needs of the region. The Scheme contemplated to provide (a) improvement in agricultural production potential during Kharif season through improved drainage and water control system for about 72,000 hectares and increase of cropping intensity by creating irrigation facilities for about 15,000 hectares in Rabi season; (b) establishment of a pilot scheme for development of brackish water aquaculture in 600 hectares of water-area; and (c) transport facilities and marketing infrastructure.

4.1.1.2. *Organisation and Management*

The project was to be implemented under the overall supervision and control of the Sunderban Development Board (SDB) constituted in March 1973 under the Department of Development and Planning. A Project Steering Committee and a Technical Co-ordination Committee were set up (January 1981) for guidance of the SDB in policy and technical matters.

Two Engineering Divisions were also created in July 1981 and October 1982 for execution of the works, in conjunction with a few divisions of Irrigation and Waterways Department and Public Works (Roads) Department.

4.1.2. *Financing Pattern*

The project was to be financed partially by the loan and grant provided by the Central Government out of the IFAD assistance and partially out of State resources. The loan agreement entered into (December 1980) by the Government of India with the IFAD provided that about 45 *per cent* (average) of the actual expenditure excluding taxes and duties would be reimbursed by the IFAD. The

tenure of the loan agreement was up to 30th June 1986 which was later extended up to 30th September 1986.

The Government intimated (April 1987) further extension of the tenure up to 30th June 1987.

4.1.3. *Targets and achievements*

No formal project estimate was prepared by the SDB. The Staff Appraisal Report (SAR) prepared by the International Development Association (IDA) in 1979 as revised in 1980 which provided lump-sum provisions against several components of the scheme, was taken as the project estimate. According to the SAR the scheme was to be implemented at a cost of Rs.3180 lakhs within a period of 5 years commencing from January 1981.

The base cost for developmental works to be implemented by SDB was estimated at Rs.2189.60 lakhs with the following break-up :

		(Rupees in lakhs)	
(i)	Drainage and Irrigation ...	...	12,38 .10
(ii)	Fishery Development ...	...	2,09 .40
(iii)	Infrastructural Development ...	...	5,63 .10
(iv)	Social Forestry ...	...	35 .00
(v)	Agricultural Extension ...	...	4 .00
(vi)	Management Support ...	...	1,40 .00
	Total ...		21,89 .60

The expenditure to the end of December 1986 was Rs.2279.04 lakhs which was 104 *per cent* of the estimate. Against this, the physical achievements were creation of production potential in 30,000 hectares in Kharif season, irrigation potential in 6,000 hectares in Rabi season and 208 hectares of brackish water aquaculture, i.e., 42, 40 and 35 *per cent* respectively of SAR targets. Taking into account the left out items of work mentioned in para below, there was obvious cost overrun which could not be assessed in the absence of the revised estimates. The project authority, however, stated (July 1986) that the final size of the scheme stood at Rs.3600 lakhs against the approved estimate of Rs.3180 lakhs.

4.1.4. *Delay in execution leading to loss of IFAD credit facility*

Implementation of the scheme started late by one year against the formal date of January 1981 for commencement of the scheme. The

creation of one of the Engineering Divisions was also delayed by two years.

Considering the items of work completed and in progress in December 1986, the following items remained to be taken up :

Components			Quantity not taken up	Percentage of SAR target
(a)	Master sluice and river closure	...	6 Nos.	60
(b)	Hume-pipe sluice	... ..	15 ,,	10
(c)	Intermediate drain	... ..	367 km	92
(d)	Derelict channel	... ..	97 ,,	24
(e)	Fishery complex	... ..	232 ha	39
(f)	Bridge	... ..	2 Nos.	100
(g)	RCC jetty	... ..	9 ,,	30
(h)	Buildings	... ..	81 ,,	83

The extended term of the IFAD credit expired on September 30, 1986. Although the IDA recommended (March 1986) further extension of the credit facility up to 30th June 1987 it appeared unrealistic to expect completion of the left out items and achievement of targets within that date. In fact the target date of completion of the project had been re-scheduled to 30th June 1988 by the project authority.

As per provisions of SAR, an amount of Rs.1354.94 lakhs was receivable as IFAD assistance. An amount of Rs.1025.57 lakhs had actually become due till December 1986 at the average rate of reimbursement, against which an aggregate claim up to that date was made for Rs.864.20 lakhs and a reimbursement of Rs.761.92 lakhs obtained. Thus, nearly a quarter of the assistance remained unutilised mainly due to delay in implementation of the scheme.

The Project authority stated (July 1986) that there was no proposal for abandonment of the SAR targets and that the balance works would be completed with State resources by June 30, 1988.

4.1.5. *Monitoring and Evaluation*

A Monitoring and Evaluation Division headed by Deputy Project Director was created in January 1984. But the physical progress reports were continued to be compiled by the Executive Engineers of the Engineering divisions and not by the Monitoring and Evaluation Division.

The Division has not undertaken so far (December 1986) any socio-economic survey to make an evaluation of the various project activities.

Government stated (April 1987) that as per the instructions of the World Bank an impact study had been undertaken by the Division, the report on which was awaited.

4.1.6. *Irregularities noticed in Audit*

4.1.6.1. *Extra payment of Rs.1.32 lakhs*

As per provision of the tender for work of construction of master sluice at Helen Khal, payment was admissible for lowering the sub-soil water level by dewatering with well-point equipment. Due to absence of sub-soil water at the desired level, the equipment was not required to be operated. A sum of Rs.0.72 lakh was, however, paid to the contractor on account of hire-charge of the equipment, though in terms of the contract the contractor was bound to keep the equipment ready at site to meet any contingency for which no payment was admissible except for dewatering by means of that equipment.

The contractor was paid a further sum of Rs.0.60 lakh for dewatering of accumulated water in the foundation through side seepage, against a supplementary tender, although both the items of foundation excavation and foundation concreting included dewatering. Hence, separate payment of Rs.0.60 lakh through supplementary tender was inadmissible.

4.1.6.2. *Avoidable expenditure of Rs.10.18 lakhs due to provision of extra earthwork*

For the purpose of brackish water aquaculture (in Jharkhali island) a containment dyke enclosing a net area of 413.6 hectares was to be constructed at an estimated cost of Rs.45.22 lakhs to form a pond. Earth required for construction of the dyke was to be obtained by excavation of the land along the proposed dyke up to a depth of not more than 1 M. As against the above provision, ponds measuring 47.4 hectares and 96 hectares were constructed under 1st and 2nd phase in 1983 and 1985 at a cost of Rs.7.20 lakhs and Rs.28.99 lakhs respectively.

Free-board allowance, i.e., allowance of extra height over the High Tide Level provided in the second phase was 2.57 M, whereas it was 1.67 M in the first phase. The additional height of 0.90 M involved additional earthwork to the extent of 1.94 lakh M at a cost of Rs.10.18 lakhs.

The divisional authority stated (August 1986) that the height of the dyke had to be increased for disposal of the earth excavated. The extra expenditure could have been avoided had the excavation been regulated according to the requirement of the dyke as in the case of first phase works.

The Government stated (April 1987) that the pond was excavated and the earth so obtained was utilised for construction of the containment dyke, whereas as per project report the containment dyke was to be constructed with earth to be obtained by excavation along the periphery of the proposed dyke.

4.1.6.3. *Inadmissible payment of Rs.2.44 lakhs*

Tenders for re-sectioning of derelict channels (for storage of rain water) *inter alia* provided for excavation in borrowpits on the countryside (as opposed to river-bed side) of such channels, for which an extra rate of Re.0.25 per M³ over the rate for excavation in the channel was to be allowed to the contractors.

A test-check of payments in respect of 15 such tenders revealed that although no excavation in the borrowpits was done, payment at such extra rate was allowed for the entire volume of earthwork involved in the re-sectioning of the channels. Payment so far made till June 1986 on this account amounted to Rs.2.44 lakhs. The reply of the Board in this regard is awaited (April 1987).

4.1.6.4. *Substandard work on construction of roads*

Out of the projected 280 kilometres of brick-paved roads, 209 km (75 per cent) were completed up to March 1986 at a cost of Rs.559.18 lakhs without requisite roller compaction. The World Bank Review Mission during their inspection (August 1984) strongly recommended for compaction of subgrade before laying brick pavement. Action for procurement of one 8 to 10 tonne diesel road roller was initiated in December 1984 and three more rollers in March 1986. The first roller was procured in November 1985 (but remained unworkable due to mechanical defect) and other three rollers were received in March 1986, at a total cost of Rs.11.28 lakhs. Thus, the rollers were procured only after completion of 75 per cent of the road works that left the 209 km of roads constructed at a cost of Rs.559.18 lakhs without adequate compaction, and prone to frequent damages involving additional expenditure on repairs.

Government stated (April 1987) that manual compaction was done by hammering.

4.1.6.5. *Injudicious expenditure of Rs.2.61 lakhs*

The estimate of containment dyke at Jharkhali provided two permanent box sluices at an estimated cost of Rs.1.40 lakhs. As the design of permanent sluices was likely to be delayed (finalised as late as July 1986), the project authority constructed two temporary wooden sluices (with life expectancy of 2 years) in 1984 at a cost of Rs.0.62 lakh to meet immediate pisciculture needs. In 1984-85 the above two sluices were repaired at a cost of Rs.0.12 lakh. In May 1986, these two temporary sluices were completely destroyed due to heavy saline action and continuous use. Again, construction of four temporary wooden sluices (two in replacement of the above and the other two for fresh installation) was taken up (May 1986) departmentally at an estimated cost of Rs.1.87 lakhs. The amount so far spent was Rs.0.50 lakh (up to July 1986). Thus total expenditure on extra temporary sluices would work out to Rs.2.61 lakhs.

Government stated (April 1987) that the design of permanent sluice could not be finalised due to non-receipt of certain technical data.

4.1.6.6. *Infructuous expenditure of Rs.0.76 lakh*

The alignment of two brick-paved roads, one from Kuemuri Bazar Herambagopalpur Ferryghat and the other from Raidighi Hospital to Baribhanga Abad Health Centre passed through several ditches, ponds, channels etc. but earthwork worth Rs.0.76 lakh slipped down from sides in 1984. This necessitated fresh protective works estimated to cost Rs.2.77 lakhs and Rs.2.08 lakhs respectively. Thus, the earlier expenditure on earthwork (Rs.0.76 lakh) proved infructuous.

4.1.6.7. *Unfruitful expenditure of Rs.0.94 lakh*

The construction of 90 cm dia Hume Pipe Sluice at Mouza Narayanpur (P.S. Kakdwip) was completed in 1984 at a cost of Rs.0.94 lakh without arranging for land required for construction of main drain connecting the sluice. The construction of the main drain was abandoned for want of necessary land after the work progressed up to 25 per cent (June 1985). This resulted in unfruitful expenditure on the construction of the sluice as well as on part excavation of main drain.

4.1.7. *Summing up*

—None of the important components of the project could be completed till December 1986. Benefit to the extent of only 42 per cent of kharif potential, 40 per cent of rabi potential and 35

per cent of aquaculture was achieved by that date, against a disproportionately high expenditure to the extent of 104 *per cent* of the base cost estimate.

—The delay was due to belated commencement of project activities and creation of one of two executing divisions two years later. This resulted in non-fulfilment of the objectives and loss of international credit facility.

AGRICULTURE DEPARTMENT

4.2. Non-commissioning of workshop

In 1979-80, a workshop was set up in Chinsurah (Agri-Mech) Division at a cost of Rs.10.08 lakhs (Rs.5.94 lakhs on machinery and Rs.4.14 lakhs on building) for repairing pumps etc. In the absence of requisite technical personnel the workshop could not be commissioned so far (March 1986), and repairs to pumpsets are being got done through outside agencies. As reported by the Executive Engineer (June 1985) a large number of costly machinery had been lying in the said workshop for a long period, uncared for and even without maintenance.

A sum of Rs.2.32 lakhs has already been spent towards cost of salary of the staff (Rs.2.27 lakhs), and Municipal Tax (Rs.0.05 lakh) during last six years (1980-81 to 1985-86), while the pumpsets etc. are continued to be got repaired through outside agencies (expenditure during the last three years aggregated Rs.5.03 lakhs).

Thus, the workshop set up has remained unutilised for the last six years, which, besides rendering the entire capital expenditure unproductive, also involved recurring annual expenditure on idle staff and contingent charges (taxes, electricity etc.). The Department could not indicate (April 1986) any specific programme for commissioning the workshop in the near future.

The matter was reported to Government in March and June 1986; reply has not been received (May 1987).

4.3. Uneconomic working of a cold storage

The Brooklyn Cold Storage, commissioned in 1946-47 for utilisation by Government department undertakings on rental basis, having become very old and ultimately damaged by fire in 1975-76, was renovated at a cost of Rs.8.65 lakhs in June 1976. Since then only one of its four rooms (measuring 17,933 cft) was let out to the Animal Husbandry Department at the rate of Re.0.43 per cft/month

leaving the other three rooms (86,670 cft) completely unutilised. There were no records to show that any attempt was made to utilise the capacity by offering it to other departments or to the public.

The cold storage stopped working from August 1982 due to serious defects in the pipelines. Though an expenditure of Rs.1.51 lakhs was incurred in June 1982 on repairs the system worked only for 2 months. The expenditure of Rs.1.51 lakhs thus became unfruitful. In October 1982, an arrangement was made with Garden Reach Municipality (GRM), as a temporary measure, for supplying 1,000 litres of water per day on cash payment (Rs.60 per day). Subsequently, a shallow tubewell was sunk at a cost of Rs.0.84 lakh in July 1984 for smooth supply of water to the plant.

While the cold storage capacity, if fully utilised, could yield an annual revenue of Rs.5.39 lakhs (at the existing rate of Re.0.43 per cft/month for 1,04,603 cft), the Department could earn rent amounting to Rs.1.02 lakhs only per annum on an average due to non-utilisation of 80 *per cent* of its capacity. The Department had to incur a recurring expenditure of Rs.2.83 lakhs annually towards running and maintenance of the cold storage during the last ten years (1976-77 to 1985-86), besides payment for water supplied by GRM (actual figure not available from records).

Thus, the cold storage was maintained without adequate survey to determine the prospect of its full utilisation which resulted in a recurring loss of Rs.1.81 lakhs per annum (excluding expenditure on water supply by GRM), besides an unfruitful expenditure of Rs.1.51 lakhs incurred on repairs to pipelines (which worked for 2 months only).

The matter was communicated to Government (July 1986 and September 1986); reply has not been received (May 1987).

4.4. Nugatory expenditure

The work of construction of River Lift Irrigation Scheme at Mahipalpur-II, Balagarh in Hooghly district was taken up in 1974-75 without administrative approval and technical sanction. The scheme envisaged *inter alia* pumping of water from a tributary of Behula river to the reservoir. A total expenditure of Rs.0.72 lakh was incurred during the year towards construction of pumphouse and inlet tank (Rs.0.17 lakh) and purchase of pumps and transformer (Rs.0.55 lakh). The scheme has not been commissioned as yet (March 1986) due to non-availability of water at the intake point. The Department decided (May 1985) to shift the scheme to some other suitable location, which is yet to take place (March 1986).

Meanwhile the transformer, electrical wiring and appliances (exact value not intimated) were found missing and the pumphouse got completely damaged. Recurring expenditure, incurred for deployment of a chowkidar, amounted to Rs.0.60 lakh on his pay and allowances for the last ten years. Had the work been taken up after proper survey and consultation with the site selection committee, the infructuous expenditure of Rs.1.32 lakhs could have been avoided.

The matter was reported to Government in June 1986; reply has not been received (May 1987).

HEALTH AND FAMILY WELFARE DEPARTMENT

4.5. Extra expenditure for procurement of defective pipes

Orders for supply of 16,000 metres of 42" dia CI Pipes (4,000 numbers in all) for the Haldia Water Supply Scheme were placed on a firm in May 1980 by the Executive Engineer, Haldia Water Supply Division I, Tamluk (Procuring Division). The supply order provided for inspection of the pipes at works by the divisional officials and replacement in case of manufacturing defects. The pipes were delivered from 1982-83 onwards and a total quantity of 4,817 Nos were received by 1983-84.

While laying the pipes during 1984-85, the contractor of Haldia Water Supply Division II experienced practical difficulties in joining one pipe with another as the spigot ends of the pipes were not properly chamfered. Though teams of experts sent by the suppliers visited Haldia several times for check-up and demonstration of laying operation, the problem remained unsolved due to defective spigot ends of the pipes as received from the supplier. To resolve the problem the contractor was instructed in February|March 1985 to join the pipes by proper chamfering with electrically driven grinding machine on a supplementary tender at the rate of Rs.213.59 per pipe (subsequently enhanced to Rs.222.13). Accordingly the Division spent a sum of Rs.6.66 lakhs towards grinding charges of 3,070 pipes laid up to July 1986; the laying of the balance number of pipes (1,747 Nos) was in progress, which would involve an extra payment of Rs.3.88 lakhs towards their grinding charges.

The Divisional Officer stated (August 1985) that it was not possible to detect the defects at the time of inspection and the defects could only be noticed at the time of joining the same. The fact, however, was that the pipes were not even test-checked by joining some pipes before accepting the supplies and thus the defects came to notice only after a lapse of two years from the date of supply of pipes, at the time of laying by the contractor,

Thus, absence of proper inspection before accepting supply of pipes or suitable provision in the agreement for reimbursement of cost of rectification of defects by the suppliers resulted in avoidable extra expenditure of Rs.6.66 lakhs with further liability of Rs.3.88 lakhs.

The matter was reported to Government in April 1986 and June 1986; reply has not been received (May 1987).

4.6. Delay in utilisation of a building constructed at a cost of Rs.6.80 lakhs for social welfare purpose

Administrative approval for construction of a Convalescent Holiday Home for the State Government employees at Deola, Kalimpong, was accorded in April 1975. The work of construction of the building for the Home was entrusted to a contractor in March 1976 at a cost of Rs.5.84 lakhs (25 per cent above the estimated cost of Rs.4.67 lakhs) with stipulation to complete the same within 8 months. The building was completed by the contractor in June 1980 and final bill for Rs.6.80 lakhs was paid to him in August 1981. The contractor had to make watch and ward arrangements for the building from July 1980 as the Department did not take over the building after completion by the contractor, and claimed a sum of Rs.0.90 lakh on this account for the period from July 1980 to July 1982 (the amount was not paid up to May 1986). Thereafter, Departmental staff were posted from August 1982 and during the period from August 1982 to March 1986, an expenditure of Rs.1.21 lakhs was incurred by the Division for watch and ward arrangement for the building lying unutilised (June 1986). Executive Engineer Darjeeling Division II, PHE, mentioned (January 1986) *inter alia*, the following reasons for non-utilisation of the building :

- (a) The building is situated in high altitude and as such a vehicle is of paramount importance for occupation of the building but sanction was not received.
- (b) Revised estimate for furniture and beds for the Home was not finalised.
- (c) Electrification to be done by another Division of the same Department was not taken up.
- (d) The condition of the building deteriorated requiring repairs and replacement (cost not yet estimated).

The matter was reported to Government in July 1985 and July 1986; reply has not been received (May 1987).

4.7. Avoidable expenditure due to excess issue of materials to a contractor

The works of (i) construction of one RCC reservoir and laying of distribution system (zone II) and (ii) construction of one RCC reservoir (zone III) under Raiganj Municipal Water Supply Scheme at a cost of Rs.2.93 lakhs and Rs.2.48 lakhs respectively were entrusted to a contractor in March 1978 and December 1979 with stipulation to complete the works within twelve months in both the cases. The contractor failed to show adequate progress of work and requested for extension of time on several occasions; but materials were being issued to the contractor from time to time without reference to the actual requirement for the works. Though extension of time was allowed up to March 1983 in both the cases, the contractor totally suspended the work in December 1982 and left the site after executing works of the value of Rs.1.58 lakhs and Rs.1.86 lakhs respectively which were paid to him (December 1982).

Materials (cement, MS rod, pipes etc.) valuing Rs.2.12 lakhs were found to be lying with the contractor in December 1982. The contractor in his letter, dated 29th April 1983, addressed to the Assistant Engineer offered to return the excess materials lying with him, but the Assistant Engineer expressed (20th May 1983) his inability to receive the materials till completion of the recording of measurement for the related works. The Executive Engineer stated (June 1986) that the unutilised materials were still to be received back from the contractor and that further action was being taken to recover the cost of departmental materials from the contractor. Thus, neither the materials nor the cost thereof (Rs.2.12 lakhs at the issue rate of Rs.400 and Rs.2,200 per MT of cement and steel respectively and Rs.2.68 lakhs calculated at penal rate as per terms of the contracts) has been recovered from him so far (June 1986).

The balance work under both the agreements was awarded to a separate agency at 4 per cent above the revised estimated cost of Rs.6.55 lakhs (contract value—Rs.6.81 lakhs) in January 1985. The resultant extra cost amounted to Rs.4.84 lakhs as per details given below :

Tendered amounts of earlier contracts (Rs. 2.93 lakhs + Rs. 2.48 lakhs) ..	Rs. 5.41 lakhs
Value of works executed (Rs. 1.58 lakhs + Rs. 1.86 lakhs) ..	Rs. 3.44 lakhs
Value of balance works ..	Rs. 1.97 lakhs
Revised estimated amount of balance works plus contractual percentage	Rs. 6.81 lakhs
Extra cost ..	Rs. 4.84 lakhs

This was reported to Government in June and July 1986; reply has not been received (May 1987).

4.8. Avoidable expenditure

Mention was made in paragraph 4.3 of the Report of the Comptroller and Auditor General (Civil) for the year 1982-83 about avoidable expenditure of Rs.3.40 lakhs on procurement of 1,100 MT of ferric alum during the years 1979-80 and 1980-81 due to not taking advantage of favourable rate of a manufacturer (Government of India Undertaking).

Annual requirement of ferric alum for Asansol Mechanical Division (PHE) for Kalyaneswari Water Supply Scheme for 1983-84 was 500 MT. Open tenders were issued by SE Mechanical Circle I for the item and 3 offers were received (August 1983) from dealers, but none from the manufacturers. Though the rates of the manufacturers were much lower than those of the dealers, as known to the Department during purchase of the same item in earlier years, no attempt was made by the Superintending Engineer to ascertain the manufacturer's rate for the item before finalising the tender. On the basis of offers received, Superintending Engineer accepted the lowest offer of Rs.1456 per MT on 10th August 1983, and a total quantity of 502.9 MT was procured by the division at a cost of Rs.7.32 lakhs (payment made in February 1984). The Executive Engineer of the Division during the same period procured 49.610 MT of same item (ferric alum) from the manufacturer at the rate of Rs.1160 per MT, the quotation for which was accepted on 5th August 1983, at a cost of Rs.0.58 lakh. The rate of the manufacturer prevailing at the time was, therefore, lower by Rs.296 per MT than that accepted by the Superintending Engineer.

Thus, due to not taking advantage of favourable rate (manufacturer's rate at which procurement was made by the Executive Engineer) the Department incurred an avoidable extra expenditure of Rs.1.49 lakhs on procurement of 502.9 MT of ferric alum during 1983-84.

The matter was referred to Government in June 1986; reply has not been received (May 1987).

HOUSING DEPARTMENT

4.9. Infertuous expenditure and loss of revenue

The Housing Department took up construction of 180 flats at the city centre Durgapur in 1977. The construction of the following categories of flats was completed on the dates shown against each at a total cost of Rs.60.23 lakhs :

Category II (Middle Income Group)—66 numbers—November 1980

Category III (Low Income Group)—35 numbers—April 1981

Category I (Middle Income Group)—42 numbers—August 1981

Category III (Low Income Group)—37 numbers—May 1984

The Executive Engineer stated (September 1983) that water supply arrangements could not be made by the department due to the rocky nature of the soil and, as such the Asansol Durgapur Development Authority (ADDA) which was entrusted with the supply of water in the locality had been requested (1981-82) to supply water for the flats. As reported by SE, the water supply was yet (May 1986) to commence. As water supply arrangements were not made, the flats were lying vacant and watch and ward arrangements for the flats had to be made with effect from April 1981 for which the Department spent Rs.2.38 lakhs up to May 1986.

Initially the department had the intention of letting out the flats on rental basis (Rs.495/348 p.m.). The rent so fixed having been beyond the paying capacity of the people for whom those were constructed, it was decided (February 1984) for outright sale of the flats to public on no-profit no-loss basis, through lottery system, which was held in December 1985. No date for giving possession to the allottees has yet been fixed (May 1986) and the watch and ward arrangements continue.

Thus, due to undue delay on part of the Department to make water supply arrangements, Government had to incur an avoidable expenditure of Rs.2.38 lakhs on watch and ward arrangements for vacant flats (May 1986).

This was communicated to Government (December 1983, December 1984 and September 1986); reply has not been received (May 1987).

4.10. Avoidable expenditure

While the construction of Category II and Category III flats sanctioned under Phase II of the Rental Housing Scheme at Balurghat,

West Dinajpur, was in progress, the Executive Engineer initiated action for construction of 24 Category IV flats on receipt of a demand from the District Magistrate (September 1979), in anticipation of approval of the Government. Tenders for these flats were invited in February 1980 and the lowest rate of 9.27 *per cent* above the estimated cost of Rs.4.58 lakhs (received in March 1980) was accepted in June 1980. The work order was issued on 14th June 1980 and the work commenced from 25th June 1980.

There was a delay of about 6 months in demarcating the layout for the work and supplying the construction materials, for which reason the stipulated time of completion (April 1981) was extended by 6 months (October 31, 1981). The contractor, however, requested (May 1981) that he be released from the contractual obligations after executing work worth Rs.2.31 lakhs, on grounds of departmental delays, price rise and idle labour. The request was granted by the Superintending Engineer, though the departmental delays were compensated by granting extension of time in terms of the agreement. The balance work was later (October 1983) got executed by a separate agency at a cost of Rs.4.56 lakhs. The extra expenditure of Rs.1.87 lakhs could have been avoided had the Department provided the layout and arranged for the materials in advance of award of the work.

Government stated (January 1987) that it was not possible to guard against excess cost due to scarcity of cement, steel etc. and lack of funds for procurement of material in advance.

IRRIGATION AND WATERWAYS DEPARTMENT

4.11. Avoidable expenditure on dewatering

(a) The works of construction of cross drainage at 3.03 km, 2.13 km and 0.94 km of Mahananda Main Canal were entrusted to three contractors in January/February 1983 at a total tendered value of Rs.51.42 lakhs, with stipulation to complete the works within 4 months. The works were completed only in July 1985. Total running payments made against the three agreements amounted to Rs.148.42 lakhs, out of which, payments on dewatering of sub-soil amounted to Rs.105.04 lakhs.

Estimates for the cross drainage works were sanctioned (July/August 1983) for a total amount of Rs.52.41 lakhs only; these estimates provided for the ceiling limit of a total of 42,440 BHP hours for dewatering of sub-soil at a total estimated cost of Rs.1.16 lakhs.

During excavation of foundation of structure at 3.03 km perennial sub-soil flow due to existence of artesian source (in the region) came

to notice and the same was found to increase tremendously with the execution of work. Dewatering of sub-soil by surface pumping was first tried and done for 1,77,073 BHP hours at a cost of Rs.4.38 lakhs. As surface pumping did not yield any result, dewatering was taken up by well-point system, and done for 42,02 lakh BHP hours for 3 cross drainage works at a cost of Rs.105.04 lakhs against the estimated provision of 42,440 BHP hours at a total cost of Rs.1.16 lakhs, without approval of Government.

Thus, taking up of cross drainage works on incorrect design and estimate without detailed survey and investigation of sub-soil flow resulted in an extra expenditure of over Rs.1 crore on dewatering of sub-soil highly disproportionate to the cost of works, major part of which could have been avoided had the works been taken up after detailed investigation of sub-soil condition.

The matter was reported to Government in April 1986 and September 1986; reply has not been received (May 1987).

(b) Agreement for construction of an aqueduct over river Karala at 8.710 km of Teesta Mahananda Link Canal executed in November 1983 provided that for dewatering of site soil by surface pump or well-point system payment will be limited to Rs.9 lakhs and any extra cost involved over and above this limit shall have to be borne by the contractor. The limit of Rs.9 lakhs was fixed keeping in view the provision for running of pumps for 3.60 lakh BHP hours at the rate of Rs.2.50 per BHP hour.

As per the terms of the agreement, the work was to be completed in 12 working months i.e. by end of March 1985. In the detailed programme of sub-structural work submitted by the contractor in December 1983, the target date of completion of dewatering work was fixed as 31st March 1984, by which time the entire sub-structural work was to be completed, subject to the final layout plan being made available to them by 10th December 1983. The Department, however, failed to supply complete designs and drawings for the work till the middle of March 1984. There was also delay in supply of required quantity of cement to the contractor. The dewatering system, therefore, had to be continued to safeguard the work already done. Accordingly, the Executive Engineer estimated (June 1984) the total increase of dewatering work from 3.50 lakh BHP hours to 11.70 lakh BHP hours by end of March 1985. The actual dewatering made up to March 1986 was for 22.48 lakh BHP hours costing Rs.57.13 lakhs. The extra quantity of dewatering over 11.70 lakh BHP hours was necessary due to change in design of the protective works, extension of the downstream protection works and change in design of the bridge from box-type to well-type one.

An amount of Rs.51.72 lakhs was paid to the contractor on dewatering. Payment on dewatering beyond Rs.9 lakhs was made without approval of competent authority, and the supplementary tender for this excess work was still awaited (July 1986). Thus, the total extra expenditure on dewatering would work out to Rs.42.72 lakhs a major portion of which could have been avoided had the inputs been supplied to the contractor in time.

The matter was reported to Government in April 1986 and September 1986; reply has not been received (May 1987).

4.12. Uneconomic maintenance of divisions without work-load

The Kangsabati Reservoir Project, sanctioned in March 1956 at an estimated cost of Rs.24.68 crores and scheduled for completion in 5 years, is yet to be completed (September 1986). The reasons for delay in completion were delay in acquisition of land, extension of water courses and delay in reclamation of cultivable waste land or laterite soil. Due to prolongation of work and consequent escalation of cost, the estimate had to be revised four times, the latest one (November 1984) to Rs.100.16 crores. The expenditure incurred up to March 1986 was Rs.92.92 crores with about 2 per cent of work still remaining to be done (September 1986).

For implementation of the project, 8 construction divisions with 549 staff were created during the period 1956-57 to 1967-68 which were functioning till date (September 1986). A review of the work-load of these divisions during the last 3 years (1983-84 to 1985-86) revealed the following:

- (a) The average annual work-load of 3 divisions ranged between Rs.16.24 lakhs and Rs.24.27 lakhs, the aggregate value of work done by these divisions being Rs.60.71 lakhs. During 1985-86 this figure was Rs.75.08 lakhs, of which Rs.27.09 lakhs were on account of wages paid to the work-charged establishment, leaving Rs.47.99 lakhs as the net value of works proper. Thus, the work-load on these divisions was much below the prescribed norm (Rs.40 lakhs).
- (b) The average annual work-load for another division (beyond Rs.25 lakhs) was Rs.35.55 lakhs only. The work-load for this division during 1985-86 was Rs.44.24 lakhs, which included Rs.21.58 lakhs on account of wages paid to the work-charged establishment, leaving Rs.22.66 lakhs on the net value of works proper.
- (c) The annual cost of regular establishment of the 4 divisions, mentioned above, was Rs.38.79 lakhs during 1985-86 or Rs.9.70 lakhs per division on the average.

The total work-load during 1985-86 was Rs.327.07 lakhs (including work-charged cost for Rs.113.74 lakhs) or 35 per cent distributed among the existing 8 divisions. Following the existing norm (Rs.40 lakhs per annum per division), the current work-load justified retention of not more than 5 divisions. Thus, retention of 3 more divisions without adequate work-load resulted in an avoidable expenditure of Rs.29.10 lakhs per annum towards cost of regular establishment.

The matter was reported to the Government (September 1986 and October 1986); reply has not been received (May 1987).

4.13. Additional expenditure

(a) The work, "Construction of Teesta-Mahananda Link Canal from Ch. 0 km to 0.85 km including filling of the intervening areas etc." was entrusted to a contractor in February 1984, at the tendered value of Rs.200.73 lakhs with stipulation to complete the work within 12 working months. The agreement provided *inter alia* an item for carriage of earth in the different leads beyond 60 M up to 3,200 M indicating specific quantities and rates for each such lead. The details of works executed under this item and paid for up to March 1986 were as follows :

Lead	Agreement provision	Actuals	Excess quantity
(In cubic metres)			
Up to 120 m	.. 1,21,400	--	..
121 m to 800 m	.. 2,36,800	60,033	..
2401 m to 3200 m	.. 1,14,900	1,59,600	44,700
Beyond 3,200 m	.. No provision	81,221	81,221

The excess quantities of earth carried with higher leads over those provided for in the agreement involved an extra expenditure of Rs.14.40 lakhs to the contractor. The supplementary tender for execution of works beyond the quantities provided for in the agreement has yet (June 1986) to be accepted by the competent authority.

The Executive Engineer instructed the contractor in February 1986 to lift earth from shorter leads, failing which, the Department would not take any responsibility for payment of the excess quantity beyond tender provision. The contractor, however, continued to carry earth from longer leads involving payment at higher rates.

In reply to an audit query as to why no action was taken against the contractor in terms of the instructions issued in February 1985,

the Executive Engineer stated (July 1986) that zones falling within shorter leads were "charland" (low lying area) and the question of supplementary payment for dewatering might have cropped up in case the contractor was forced to carry earth from these areas.

The Executive Engineer's reply (July 1986) besides being contradictory to his earlier findings communicated by him in February 1985 to the contractor did not provide adequate justification for execution of work by the contractor beyond the provision in the agreement. Further, as the estimates for the tender were prepared after taking into account all factors and the contractor also quoted rates after inspecting the sites, the question of supplementary payment for dewatering for carriage of earth from shorter leads would not have arisen.

The matter was reported to Government in August 1985 and August 1986; reply has not been received (May 1987).

(b) For collection of boulders required for construction of 2 Nos. solid boulder bed bars at Khandua in connection with the protection of right bank of river Ganga from downstream of Farakka Barrage up to Jalangi in Murshidabad district the entire work was divided into four groups and 4 supply tenders estimated to cost Rs.10.11 lakhs each were invited in December 1983, the lowest rates received in respect of the first 3 groups in February 1984, being 23 per cent, 20 per cent and 21 per cent respectively less than the estimate, were recommended by the Divisional Officer for Superintending Engineer's acceptance in March 1984, but the acceptance was not given till December 1984. The lowest rate received for the 4th group being 4 per cent above the estimate, fresh tenders were invited in May 1984. The lowest rate received in June 1984 was 27.53 per cent less than the estimate and the same was accepted by the Superintending Engineer in November 1984.

In January 1985, when the lowest tenderers in respect of the first 3 groups were asked to do the jobs, they declined on the ground of delay in accepting the tenders within the prescribed validity period of 3 months. Then, on negotiation with all the participants, the rates of 19.05 per cent less and 2 per cent less for the first and third group respectively were accepted in January 1985 and for the second group the rate of 1 per cent less was accepted in April 1985. All the 4 tenderers completed their jobs and final payments were made to them between June 1985 and September 1985.

Due to the delay in accepting the tenders as pointed out above, Government had to incur an additional expenditure of Rs.4.10 lakhs.

The Executive Engineer stated in June 1986, that the initial offers received in February 1984, in respect of the 3 groups were not

accepted for want of Government sanction for the scheme itself, which was issued in January 1985.

The matter was brought to the notice of the Government in February and July 1986; reply has not been received (May 1987).

4.14. Payment of remuneration to a private party for procurement of steel materials from Public Sector Undertakings (Rs.6.45 lakhs)

For procurement of 700 MT of mild steel and tor steel rounds of different dia, the Bidyadhari Drainage Division invited sealed quotations in September 1981, for supply of the materials to their departmental stackyard at Barasat. The lowest price of Rs.36.40 lakhs offered by a contractors' firm for the entire quantity of materials as per specification given in the notice inviting quotation was accepted by the competent authority in February 1982. This offer included the manufacturers' stockyard price and taxes and the contractors' remuneration for arranging the supplies from the producers, like, the Steel Authority of India as well as charges for handling, transportation, etc. which was Rs. 31.60 lakhs and Rs.4.80 lakhs respectively. The contractors' terms were that as per their request the Division should write to the main producers, give them authority letters and would pay in advance the price of the materials to the producers directly as per their offer letters. A payment of Rs.35.32 lakhs was made by the Division to the Steel Authority of India between November 1981 and March 1983, for 705 MT of steel materials. In view of the direct payment of the price of materials to the producers, the agreement with the contractor was made restricted only in respect of carriage of m.s. rounds and remuneration for procuring on behalf of Government etc. at the rate of Rs.685 per MT total cost of which was Rs.4.80 lakhs for 700 MT. As per departmental schedule of rates, cost of loading, unloading and transportation of steel materials to the departmental stackyard at Barasat, during 1980-81 and 1981-82 was Rs.59.70 MT, therefore, the balance amount of Rs.625.30 per MT (685.00—59.70) agreed to be paid to the contractor represented his remuneration for procuring the materials on behalf of Government which amounted to Rs.4.38 lakhs for 700 M tons.

On earlier three occasions also during 1980-81 and 1981-82, adopting the same procedure, the same contractor succeeded in securing supply orders for 338 MT of steel materials and about Rs.2.07 lakhs was paid to them as their remuneration for procurement. Thus for procurement of materials for public works from Public Sector Undertaking a remuneration of Rs.6.45 lakhs was paid to a private party.

The matter was referred to Government in May 1985 and July 1986; reply has not been received (May 1987).

4.15. Avoidable extra expenditure

In response to a notice inviting tenders for the work of 'Construction of Dauk Barrage in P. S. Chopra, District West Dinajpur' (Estimated cost : Rs.373.11 lakhs), 4 tenders were received in January 1981. The third lowest tenderer quoted rate of 26.85 *per cent* above the estimate and offered a rebate of 1 *per cent* if the work was allotted by September 1981. As the first and the second lowest tenders were not considered suitable, the department recommended the offer of the third lowest tenderer for acceptance in view of their adequate experience, technical competence and resources for execution of work of such magnitude. There was, however, delay in processing the tender in the Chief Engineer's office; the tender was sent to Government for approval in December 1981 and the work order was issued to the contractor on 31st July 1982 on receipt of the approval of Government. The contractor in the meantime having withdrawn (10th July 1982) his offer of rebate, the department finally accepted his rate of 26.85 *per cent* above the estimate thus losing the benefit of rebate offered in the tender.

The progressive value of work done and paid up to June 1986 was Rs.602.93 lakhs; the loss of rebate (1 *per cent*) on which, works out to Rs.6.03 lakhs.

Thus, owing to delay in finalisation of the tender, the department incurred an avoidable extra expenditure of Rs.6.03 lakhs.

The matter, was reported to Government (April and October 1986); reply has not been received (May 1987).

4.16. Irregularity in payment to contractors

In terms of Government of West Bengal (Department of Commerce and Industries) orders, dated 3rd November 1979 (copy circulated by Irrigation and Waterways Department in their memo, dated 11th November 1980), contractors undertaking mining operations, are required to obtain royalty clearance certificates from the competent authority regarding royalty paid by them for extraction of minor minerals like sand, shingles, boulders and utilisation of the same in course of execution of works. The Schedule of Rates of North Bengal Flood Control Commission also provides that royalty for sand, bed materials, shingles and boulders should be paid by the contractors who should make all arrangements for taking lease of quarrying from the Collector or other authorities.

In one Division (under Irrigation and Waterways Department) payments in respect of supply of 1,24,523.61 M³ of stone materials were made to 40 contractors during the period from December 1980

to March 1982 without insisting on production of royalty clearance certificates, or without intimating the authority concerned for appropriate action under the Mines and Minerals (Regulation and Development) Act, 1957. Royalty payable by these contractors in respect of the aforesaid stone materials works out to Rs.2.18 lakhs (calculated at the rate of Rs.1.75 per M³). In the absence of any royalty certificate it could not be ensured that the contractors had actually paid the royalty to the Government. On this being pointed out in Audit (March 1984) the Executive Engineer stated that there was no system of including any provision for production of royalty clearance certificates in the tender documents, and that such provision would be made in future.

A verification of the records of Sub-divisional Land Reforms Officer (SDLRO), Siliguri, revealed that out of the 40 contractors only one contractor who supplied only 1813.86 M³ of stone materials (out of total 1,24,523.61 M³) had been issued quarry permits. The SDLRO, however, could not confirm whether he (the contractor) actually paid the royalty for the quantity of stones supplied to Irrigation Department. The review, therefore, shows that the other 39 contractors were not licensees for quarrying stone materials and obviously did not pay any royalty to the concerned authorities.

The position obtaining in other Divisions in this respect was also reviewed in Audit (June/July 1986). Except in one recent case (tender for 1985-86) there was no provision in the agreements for enforcing royalty clearance certificates from the contractors, even though the Government orders were circulated in November 1980. There was, therefore, systematic lapse on the part of the work executing divisions to ensure that the royalty payable by the contractors on the stone materials supplied and used in departmental works was actually paid by them to the concerned authorities.

The matter was reported to Government in January 1985 and August 1986; reply has not been received (May 1987).

4.17. Inadmissible payment to a contractor

Three agreements were entered into with two contractors for protective works on the left bank of the river Damodar from ch. 0 to ch. 30 in Bhaluksuda village. The works included (i) Boulder pitching (5,959.55 M³) and (ii) laying of 1928 Nos. of sausages (2 m×2 m×0.90 m size for each). While for item (i) of the work, separate quantities and rates were provided for supplying and stacking of stone boulders, carriage of stone boulders, surki, lime, bats, etc. from a distance of 95 km from work site, for item (ii) i.e. sausage

works, a composite rate of Rs.1004.75 each including carriage of stores was provided in the agreements. The work was completed in March 1982. In execution of the work for both the items, the contractors claimed to have transported a total quantity 12,885.95 M³ of stone boulders from a distance of over 95 km up to 130 km and submitted supplementary claims for Rs.3.62 lakhs. Pending approval of the supplementary tenders by the Superintending Engineer, the Divisional Officer released a payment of Rs.3.15 lakhs to the contractors in February 1983.

The composite rate for sausage work, as provided in the agreement, comprised the cost of labour and materials including supply and carriage of stone boulders and other materials required for the work. The contractors' supplementary claim for carriage of stone boulders required for this item of work (6926.40 M³) was, therefore, not admissible. The Executive Engineer stated (June 1986) that approval of the Superintending Engineer to the supplementary tenders was still awaited, and that no permission was obtained by the contractors for carriage of stone boulders from a distant quarry.

Thus, extra financial benefit was allowed to the contractors beyond the terms of their agreements involving the Department in an avoidable extra expenditure of Rs.2.05 lakhs.

The matter was referred to Government in May 1985 and August 1986; reply has not been received (May 1987).

PUBLIC WORKS DEPARTMENT

4.18. Idle establishment

Government in Public Works Department sanctioned (December 1979) creation of Resources Division No. II for organising centralised procurement and distribution of materials required by the works executing Divisions under the Department. The Division was created in March 1980. Its jurisdiction and detailed distribution of work were finalised by Government only in August 1983.

The entire staff, however, remained without any work throughout the period and the expenditure incurred by the Division between 1980-81 and 1985-86 on the idle establishment aggregating Rs.6.71 lakhs proved wasteful.

The Superintending Engineer stated (May 1986) that because of non-availability of requisite information from the different divisions, even after prolonged correspondence, it was not possible for the

Executive Engineer, Resources Division II, to do any work on his own initiative alone and as a result this Division was forced to incur idle establishment charges for years together. Thus, due to lack of co-ordination and planning the Department has been incurring wasteful expenditure on idle establishment since 1980-81.

The Government admitted (March 1987) that the Division could not do its work since inception mainly due to lack of co-ordination with the works executing divisions and also stated, *inter alia*, that considering expected increase in the work load under different programmes, a redistribution of work was ordered by the Chief Engineer in January 1987 to ensure proper functioning of the Division.

4.19. Extra payment to contractors(s)

(a) Construction of Rabindra Sadan building (structural portion) at Darjeeling was entrusted to a contractor (February 1975) at the tendered value of Rs.10.30 lakhs for completion within 12 months. Though the contractor started the work on 20th February 1975, he could not however proceed with the construction as per stipulation in the contract for want of complete drawing and design of the building. Most of the fundamental drawings were supplied to the contractor between November 1976 and August 1978. Extension of time was granted from time to time on different grounds, last one being up to the end of September 1978. The work was also delayed due to some changes made from time to time in the already executed portion as per advice of the Architect appointed in November 1975.

The contractor was paid an aggregate amount of Rs.9.22 lakhs up to July 1978 for the work done by him. He left the work in August 1978. Thereupon, the contract was rescinded (February 1979) and the balance work got completed (March 1980) through another contractor on tender basis at a cost of Rs 1.65 lakhs.

Not being satisfied with the decision of rescission, the contractor went in for arbitration (April 1980) and presented a final claim of Rs.6.23 lakhs as compensation for extra expenditure incurred by him on account of upward revision of minimum wages, charges for additional carriage of brickbats, stone materials, etc. and prolongation of work due to delayed supply of drawings by the Department. A counter-claim of Rs.0.88 lakh was submitted by the Department before the Arbitrator (appointed in July 1980) on account of penalty and cost of excess materials issued less the balance amount due to the contractor. The Arbitrator made an award (September 1981) of Rs.0.84 lakh in favour of the Department and Rs.3.30 lakhs in favour of the contractor. A sum of Rs.2.71 lakhs (including interest Rs.0.25 lakh) was paid to the contractor in November 1984. Had

the drawings been finalised before awarding the contract and made available to the contractor in time, extra expenditure of Rs.2.71 lakhs could have been avoided.

Government stated (July 1986) that the work had been awarded before finalisation of the detailed architectural designs to avoid price escalation due to the possible delay of at least two years required for finalisation of drawings in consultation with the Specialised Architectural Consultants. Further, they stated that had the job been taken after two years, the ultimate cost would have been higher due to escalation of prices of materials. The justification furnished for starting the work long before finalisation of the designs and drawings is not only not sound in principle but also is not a practical proposition as no contractor would agree to keep the contract open for years without claiming escalation.

(b) A scheme to provide 85 shelters to the 1978 flood victims of ten vulnerable districts of West Bengal, with assistance from European Economic Community (EEC), was administratively approved by Government (February 1981) at a cost of Rs.255 lakhs and declared "emergent" to be completed within six months. Accordingly, the Superintending Engineer, Western Circle II, called for open bids in March 1981 for six such flood shelters for Howrah district, at an estimated cost of Rs.15.95 lakhs.

While the average rate accepted (April 1981) for 5 sites was 19.60 *per cent* above the estimated cost, the rate for the other site was accepted at 18.95 *per cent* above the estimated cost. Even though the estimated cost in respect of 5 sites was indicated as Rs.2.60 lakhs each while calling for open bids, the same was shown as Rs.2.94 lakhs in the work orders issued. Failure of the Department to proceed with the work as per accepted bid thus caused an extra expenditure of Rs.2 lakhs in respect of the 5 shelters.

The Superintending Engineer, Western Circle, stated (May 1986) that the estimated cost of Rs.2.60 lakhs was put in the bid on the basis of rough cost estimate prepared by the Chief Engineer, which had to be revised before issue of work order. This is untenable as the contractors based their quotation (19.60 *per cent* above) on the bid amount (Rs.2.60 lakhs) and the upward revision of the bid amount retrospectively clearly gave unintended financial advantage to the contractors to the extent of Rs.2 lakhs.

The Government stated (June 1987) that the notice inviting bid (N.I.B.) was issued on the basis of the rough cost estimate. Government further stated that there was a technical flaw for non-issuance of a corrigendum to the N.I.B. before the bid was held. The

fact, however, remained that the contractors based their quotations (19.60 *per cent* above on an average) on the bid amount (Rs.2.60 lakhs). The upward revision of bid amount subsequent to the acceptance of bid resulted in unintended benefit to the contractors.

4.20. **Extra liability**

The work "construction of police quarters and Thana buildings with constable barrack at Uttarpara" administratively approved in August 1975 was divided into two groups, Group A and Group B. The work of Group A was allotted (April 1977) to a contractor at his tendered value of Rs.3.31 lakhs (2.50 *per cent* below the estimated cost of Rs.3.39 lakhs) and that of Group B was entrusted (December 1976) to another contractor at his tendered value of Rs.4.79 lakhs (1.55 *per cent* below the estimated cost of Rs.4.87 lakhs).

Although work order for Group B was issued in December 1976, the contractor could not proceed with the work as the site plan for the proposed buildings supplied by the Police Department was based on incorrect land plan. The discrepancy came to the notice of the executing Division only in June 1977 and after joint survey a correct land plan was prepared in September 1977. Thereafter, new drawings for the proposed buildings were prepared (January 1978). Even the revised site plan and the final drawings were made over to the contractor in February 1979. The contractor, however, refused to go ahead with the work on grounds of rise in price level, and his contract was rescinded with forfeiture of security deposit. The estimate of the work was revised on the basis of 1979-80 schedule of rates and the work was allotted to another contractor at 3.75 *per cent* above the estimated cost (Rs.7.03 lakhs). The work was completed in October 1981 at a cost of Rs.6.89 lakhs. The expenditure on the work thus exceeded the value of the original tender by Rs.2.10 lakhs, owing to delays on the part of the department.

The matter was reported to Government in July 1986; reply has not been received (May 1987).

4.21. **Extra expenditure due to defective layout plan**

Construction, of a Town Hall at Kalimpong (estimated cost : Rs.10.99 lakhs) was entrusted to a contractor in February 1982 at the tendered value of Rs.11.76 lakhs. Final layout plan of the building provided for earthwork in foundation of green room and a lavatory of the Town Hall, in close proximity to the adjacent perimeter wall of the subdivisional jail. When the earthwork in excavation of foundation trenches was taken up (November 1982), the jail authorities objected to the excavation of foundation trench as it had

endangered the jail wall. However, the work was continued and when it had made some progress, the wall of the jail compound showed signs of distress and threatened to collapse. The work was then suspended on the objection of the jail authorities. At the suggestion of jail authorities, the Department decided to build a protective wall on emergent basis to avoid further damage to the jail compound wall. No formal estimate was prepared for this work. The work was awarded (February 1983) on a "spot bid" to the same contractor executing the main building of Kalimpong Town Hall which was completed (November 1983) at a cost of Rs.1.58 lakhs. This expenditure was charged to the main estimate of the work.

Thus, defective preparation of final layout plan of the building led to an avoidable expenditure of Rs.1.58 lakhs on construction of a protective work which was in no way related to the main work.

The Government stated (March 1987) *inter alia* that the space between the jail wall and south wall of the Town Hall as provided for in the approved plan was not to be considered unsafe. The Government further stated that the town of Kalimpong being located in seismic zone, it became imperative to build the wall to protect the perimeter wall of the Jail and the Town Hall. But, the reason for not taking in view the danger inherent in moving too close to perimeter wall of the jail in a seismic zone while preparing the final layout of green room and lavatory of the Town Hall was not explained.

4.22. Avoidable expenditure

Construction of three-storied office-cum-store building at Body-guard Line, Alipore, was entrusted to a contractor in January 1977 at the tendered value of Rs.9.85 lakhs (3.6 per cent below the estimated cost of Rs.10.22 lakhs) with stipulation for completion within 24 months (viz., January 1979). While the initial layout drawing was partially given to the contractor in March 1977, foundation drawing was supplied to him only in May 1977. The contractor started the foundation work, but after some progress it was stopped due to change in foundation drawings. The modified foundation drawings were made available to the contractor in October 1977. As a result, excavation already done as per original drawing which under-went change to suit the modified drawing was rendered unnecessary. The supply of drawings for subsequent stages of work (columns, reinforcement, etc.) was also correspondingly delayed up to January 1978. The value of work remaining unexecuted after expiry of the contractual period was about 41 per cent of the tendered amount.

The contractor claimed extra payment (35 *per cent* above the contractual rate) as compensation for extra expenditure incurred by him due to increase in market prices in respect of balance items of work left after the contractual period, as a result of the Department's failure to supply drawings in time. The work was, however, completed in March 1980 and contractor's final bill for Rs.9.87 lakhs was released (August 1980) without considering his extra claim. For settlement of his extra claim the contractor went in for arbitration (March 1980). The arbitrator in his award (December 1983) allowed payment of Rs.1.48 lakhs (including cost) with interest of 9 *per cent* in case of non-payment of awarded amount within 3 months. The awarded amount together with interest (Rs.0.08 lakh for delay over 8 months) was paid to the contractor in August 1984. Had the layout and foundation drawings been finalised before commencement of the work, extra payment of Rs.1.56 lakhs could have been avoided.

The matter was reported to Government in July 1986; reply has not been received (May 1987).

PUBLIC WORKS (ROADS) DEPARTMENT

4.23. Unintended benefit to the contractor

Agreement for construction of "Protective works to the Krishnagar side approach road to Shri Gouranga Setu at Nabadwip" entrusted to a contractor on the 8th May 1981 (with the stipulated date of completion as 7th August 1981) at a cost of Rs.11.08 lakhs provided *inter alia* for supply of 4477 M³ of laterite boulders at the rate of Rs.149.25 per M³. This rate was inclusive of cost of transporting materials from right bank to the left bank of the river by boat and, as such, the contractor was bound to transport the materials by direct land-cum-water route.

In July 1981, the contractor put up a claim for enhanced rate on the ground that he had accepted the work order in contemplation of transporting the boulders across the river over Shri Gouranga Setu, which was scheduled to be opened for traffic on 7th June 1981, but since the bridge was not completed by the scheduled date he had to incur extra cost on carriage for not being able to use the bridge. Even though the tendered rate included transportation by boat across the river, and not over the bridge (Shri Gouranga Setu), the contractor was allowed extra cost of carriage for 7235.64 M³ (excess over the tendered quantity of 4477 M³ due to change in design) of laterite boulders at the rate of Rs.54.45 per M³ for

transportation by a circuitous land route. This involved the Department in an additional expenditure of Rs.4.14 lakhs (Rs.3.94 lakhs plus 4.99 *per cent* above).

The Government to whom the matter was referred replied (April 1987) *inter alia* that "direct navigability from Nabadwip side to Krishnagar side was not possible because of formation of scattered sand shoals". The fact, however, remains that before submitting his tender the contractor is expected to be fully aware of the site conditions and that his quotation should have taken into account the navigability or otherwise of the river. Hence entering into a supplementary agreement amounted to an "unintended benefit to the contractor".

4.24. Incorrect payment

Tender Specifications of contract entered into (May 1981) for "Protective Works to Krishnagar Side Approach Road to Gouranga Setu" (estimated cost : Rs.10.55 lakhs) contained, *inter alia*, a provision for fixation of rates for supplementary items of work not covered by the tendered items, on the basis of schedule of rates of PW (Roads) and PW Department with contractual percentage, applied thereon. The contract also provided that where the market rates are adopted for want of rates for the item in the schedule of rates, only 10 *per cent* extra covering both profit and overhead would be allowed.

In the course of execution of the above work, the contractor was awarded supplementary items for construction of 5,801 Nos. of rectangular sausages of different dimensions with stone boulders at rates varying from Rs.332 to Rs.1,000 each with contractual premium of 4.99 *per cent* thereon. While computing the rates for supplementary items, cost of boulders was taken at market rate (Rs.168 per m³) instead of PW Schedule of rate (Rs.146.90 per m³) besides allowing 10 *per cent* profit on the cost of wire-netting (required for making sausages). A further overhead of 2 *per cent* was also allowed on the total cost of labour and materials. A sum of Rs.21.26 lakhs was thus, paid to him (March 1983). In terms of contract provision, however, the contractor was entitled to the cost of boulders as per departmental schedule of rates with contractual percentage (4.99 *per cent*) thereon and for wire-netting (for which separate rate was not available in the schedule of rates) profit and overhead to the extent of 10 *per cent* was admissible. Calculated on this basis, the contractor was entitled to a payment of Rs.19.34 lakhs only. There was thus an overpayment of Rs.1.92 lakhs to the contractor.

The Government stated (April 1987) that the rate for supply of boulders was taken from the accepted rate of a tender of the subsequent year for work at the same site. Government further stated that

in view of the adverse site condition the overhead charges were allowed. The procedure followed in fixing the rate is incorrect and the payment made on account of a further overhead of 2 per cent is not covered by the terms of the present contract.

GENERAL

4.25. Review of works expenditure

EXPENDITURE INCURRED WITHOUT ESTIMATES|IN EXCESS OVER SANCTIONED ESTIMATES

Under the Financial Rules of the State Government no work can be commenced or liabilities incurred until a detailed estimate is sanctioned. In case the expenditure is likely to exceed the sanctioned estimate by more than 5 per cent a revised estimate is required to be sanctioned. Expenditure on each of the following works was incurred without either sanctioned estimates or revised estimates where sanctioned estimates were exceeded by more than 5 per cent :

Department	Expenditure incurred without sanctioned estimate		Expenditure incurred on works in excess of sanctioned estimates by more than 5 per cent		
	No. of works	Expenditure during 1956-57 to 1985-86	No. of works	Total amounts of estimates sanctioned during 1956-57 to 1985-86	Excess expenditure during 1956-57 to 1985-86
(1)	(2)	(3)	(4)	(5)	(6)
	(Rupees in crores)			(Rupees in crores)	
Irrigation and .. Waterways	148	176.31	11	7.07	4.95
Public Works ..	82	40.80	1	0.54	0.21
Health and .. Family Welfare	50	44.68	7	2.04	1.09
Public Works .. (Roads)	74	37.83	15	5.82	3.69
Metropolitan .. Development	12	10.84	..	..	..
Housing ..	21	11.02	..	..	..
Agriculture ..	28	5.22	..	..	..
Public Works .. (Construction Board)	8	2.11	..	..	..
Total --	423	328.81	34	15.47	9.94

4.26. Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the Heads of Offices and to the next higher departmental authorities through audit inspection reports. The more important irregularities are reported to the Heads of Departments and Government. Government have prescribed that first replies to inspection reports should be sent by the Heads of Offices to the respective Heads of Departments within three weeks from the dates of receipt of the inspection reports. They are required to transmit such replies along with their comments to the Accountant General within two months from the date of receipt of the explanations from their subordinate officers.

At the end of September 1986, 2,547 inspection reports issued up to March 1986 contained 19,272 paragraphs not settled as shown below with the corresponding figures for the two earlier years :

	Position of Outstandings at the end of September		
	1984	1985	1986
Number of inspection reports issued up to March preceding	2,223	2,422	2,547
Number of paragraphs ..	15,107	17,495	19,272

Yearwise break-up of the outstanding inspection reports is given below :

			Number of inspection reports	Number of paragraphs
Up to 1981-82	...	...	1,446	9,664
1982-83	...	...	185	1,523
1983-84	...	...	206	2,054
1984-85	...	...	197	2,001
1985-86	...	...	513	4,030
		Total	2,547	19,272

A scrutiny of the position of outstanding inspection reports relating to Public Health Engineering Department (PHE) and Public Works Department (PWD) revealed that 843 inspection reports involving 7,089 paragraphs issued up to March 1986 had not been settled till the end of September 1986 as detailed below :

Year to which outstanding paras relate	Number of inspec- tion reports		Number of paras not settled	
	PHE	PWD	PHE	PWD
Up to 1972-73 ...	31	76	274	459
1973-74 ...	17	31	148	31
1974-75 ...	10	30	91	178
1975-76 ...	8	37	47	165
1976-77 ...	14	38	100	264
1977-78 ...	9	41	30	399
1978-79 ...	12	37	127	272
1979-80 ...	25	43	209	383
1980-81 ...	...	30	...	310
1981-82 ...	...	30	...	200
1982-83 ...	32	49	192	442
1983-84 ...	22	56	170	592
1984-85 ...	25	59	268	673
1985-86 ...	37	44	376	689
Total ...	242	601	2,032	5,057

An analysis of 210 inspection reports pertaining to the period from 1970-71 to 1985-86 (about 25 per cent of 843 inspection reports) relating to these departments revealed that 448 pending paragraphs related to the categories detailed below :

Nature of irregularities	Number of cases in which the irregularities noticed		Money value (Rupees in lakhs)
	Public Health Engineering	Public Works Department	
1. Expenditure incurred without sanction of Government/Administrative approval	33	27	503.51
2. Infuctuous/avoidable/irregular expenditure	69	70	437.56
3. Extra expenditure due to non-acceptance of lowest tender and non-observance of other conditions of contract	38	19	89.63
4. Withdrawal of Government money to avoid lapse of Budget Grant/blocking of Government money	...	13	49.60
5. Non-disposal of unserviceable materials/articles lying in stock/stocks	...	58	26.30
6. Shortage/losses not recovered/written off	34	30	92.40
7. Non-recovery of dues from the contractors/suppliers/employees	30	27	128.67
Total ...	204	244	1327.67

These irregularities have persisted even after having been pointed out in successive inspection reports. The possibility of loss of Government money, fraud, misappropriation etc. cannot be ruled out unless appropriate action is taken promptly in settling the outstanding paragraphs.

The points mentioned above were reported to Government in October 1986; reply has not been received (May 1987).

CHAPTER V

STORES AND STOCK

Stores and Stock Accounts

Public Works Department and Public Works (Roads) Department

5.1. Review of steel procurement

5.1.1. Public Works, PW (Roads) and Irrigation and Waterways Departments are the bulk consumers of steel materials for various works/projects executed in the State Sector. A review of the procedure followed by PW and PW (Roads) Departments for procurement of steel materials during the period 1980-81 to 1982-83 revealed that—

- (i) the central procurement agency in PWD did not resort to the normal procedure of procuring the requirements from the main producers (SAIL, TISCO, IISCO) so as to ensure economy in prices and quality of materials;
- (ii) they procured almost the entire requirement of steel materials from private parties (Re-rollers) for 3 years on the basis of limited quotations invited from a selected few; and
- (iii) the rates of purchases were substantially higher than those approved by the Joint Plant Committee (JPC) as applicable for purchase from the main producers and the quality of materials in some cases was also not supported by ISI certificates.

Non-observance of the prescribed normal procedure by the departments involved the Government in an extra expenditure of Rs.111.27 lakhs, besides procurement of substandard materials valued at Rs.236.93 lakhs, as mentioned in the succeeding paragraphs :

5.1.2. Government created two circles (Resources) in December 1979 under PWD and PW (Roads) Directorates for organising central procurement of scarce materials, viz., cement, steel, bitumen etc. to meet the demands of consuming divisions (under these directorates) located throughout the State. In deviation from the normal procedure of procurement of steel from the main producers in the country through placement of bulk demands in advance these circles purchased from selected firms of Re-rollers on limited tender basis 12,528.769 tonnes of steel during the period from August 1980

to March 1982, involving in an extra expenditure of Rs.91.43 lakhs as detailed below :

Period*	Directorate procuring the materials	Quantity procured (tonnes)	Value	Value as per JPC rates	Extra cost
August 1980 to January 1981	PWD	4375.169	179.20	129.68	49.52
	PW (Roads)	2017.995	81.36	59.11	22.25
February 1981 to March 1982	PWD	4577.920	226.13	212.78	13.35
	PW (Roads)	1557.685	74.52	68.21	6.31
	Total ...	12528.769	561.21	469.78	91.43

5.1.3. The following points of interest were noticed in connexion with the above purchases :

- (a) During the above period, Resources Circle (PWD) did not procure any steel materials from the main producers, while Resources Circle, PW (Roads) procured from them 328.400 tonnes only, representing 3.5 and 14 per cent of the procurement during 1980-81 and 1981-82 respectively.

For procurement of steel during 1980-81, PWD circle did not approach the main producers at all. The other circle (PW/Roads) though sent a demand on the main producers on 27th May 1980, but without waiting for supply from them, invited quotations from Re-rollers in June 1980 and finalised purchases from them in August 1980. For procurement during 1981-82, the main producers were approached in February/March 1981 by both the circles, but quotations were also simultaneously invited from the Re-rollers and their rates were finalised in April 1981. Thus, the circles seemed to approach the main producers in a casual fashion without any positive effort for registration of demands on priority basis. The centralised purchase wings of these two departments had not done advance planning for bulk purchase.

A test-check of procurement of steel materials by the Irrigation and Waterways Department revealed that by following

(*Period according to the validity of JPC rates)

the normal procedure it had procured steel materials from the main producers at JPC rates during the above period (Calcutta Canal Division—1,000 tonnes between July 1981 and May 1982 and 800 tonnes in June 1982 against orders of May 1980 and March 1982 respectively for 1,000 tonnes each; Lower Damodar Construction Division—766 tonnes between November 1980 and September 1981 against orders of 1980 and 1981 totalling 770 tonnes etc.).

- (b) Quotations in these cases were invited with limited circulations (15-16 firms on each occasion) without taking recourse to press advertisement as required under normal rules for such heavy purchases. Invitations issued from PWD did not even specify the estimated quantity and value of the materials under different categories. The agreements entered into with the firms were also defective as these were not executed in the standard form with usual clause for safeguard of Government interest in the event of default by the suppliers, and the amounts were in some cases [e.g. those issued by the Executive Engineer, Resources Division (PWD) I] beyond the competence of the officer concerned. Thus, the two circles procured materials worth Rs.561.21 lakhs in two years without following the prescribed procedure and obtaining competitive rates from the market.
- (c) The terms and conditions of the agreements entered into with the Re-rollers provided for payment for the supplies after verification of quantities etc. included in the bills with the measurements recorded at the time of receipt in the divisions. But in respect of supplies under PW (Roads) where the materials were supplied by the firms direct to the consuming divisions, the payments were made by Resources Division I at Calcutta on the strength of receipted chalans attached to the bills, i.e., without verification of the records showing measurements of the materials received in the receiving divisions. Since actual receipt of materials by authorised persons or their proper accountal was not verified before payment to the suppliers, the procedure adopted was fraught with the risk of incorrect/over payment to the suppliers and non-accountal of stores in the stock accounts of the receiving divisions.

5.1.4. The agreements stipulated the rates for "ex-works" (of the suppliers) with provision for extra charges for delivery to the stackyards of the receiving divisions. While in respect of supplies to the divisions under PW (Roads), the suppliers were asked to deliver the materials direct to the consuming divisions, in respect of PWD the materials were first received in the stackyard of Resources Division I (PWD) at Calcutta and thereafter these were despatched to the consuming divisions involving double transportation of the same materials. Had the suppliers been instructed to deliver the stores direct to the consuming divisions (PWD) this double transportation could have been avoided. Such double transportation of steel materials in PWD directorate involved the department in an extra expenditure of Rs.4.28 lakhs in the form of delivery charges paid to the suppliers for supply to Calcutta transit stackyard, during the period 1980-81 to 1982-83.

5.1.5. The agreements provided for rebate (ranging between Rs.451 and Rs.688 per tonne in 1980-81 and between Rs.100 and Rs.200 per tonne in 1981-82) in the event of authorisation issued by the department for drawal of billets from the main producers out of Government quota. Against the offer of the main producers to supply 5,150 tonnes of billets out of Government quota, the Re-rollers lifted only 2,700 tonnes from the main producers during the period. Allowing 10 per cent conversion losses, the department was to receive back 2,430 tonnes of finished steel against 2,700 tonnes of billets drawn by the Re-rollers out of Government quota, but the records revealed that the department actually received only 791 tonnes of finished steel. No action was taken by the department against the Re-rollers for non-supply of the balance quantity or the rebate for the same.

Further, the Department (PWD and PW/Roads) had procured 6.135.605 tonnes of steel materials from the Re-rollers in 1981-82 at much higher rates. Had the balance quantity of billets (4,270 tonnes) been taken over by the department for arranging conversion it could have avoided procurement of 3,843 tonnes of finished steel materials from the Re-rollers thereby saving an expenditure of Rs.15.56 lakhs (approximately).

5.1.6. The agreements stipulated that the materials supplied must conform to ISI specifications and be supported by ISI Test Certificate. While accepting the supplies, in a large number of cases this requirement was relaxed, and instead the department accepted certificates issued by private laboratories approved by ISI, reportedly as per verbal orders of the Engineer-in-Chief. This relaxation

resulted in acceptance of sub-standard quality of steel materials, which were reported to be unfit by the consuming Divisional Officers, for use in bridge work etc. On testing the samples in the divisions, these supplies were also found not to conform to ISI specifications. No action was, however, taken for replacement of such substandard consignments. The total cost of materials (5,165 tonnes) so accepted during the 3 years (1980-82) was Rs.236.93 lakhs.

This was reported to Government in October 1986; reply has not been received (May 1987).

CHAPTER VI

COMMERCIAL ACTIVITIES

6.1. General

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

6.2. Delay in preparation of *pro forma* accounts

Out of 24 undertakings as on 31st March 1985, one undertaking, viz., Flying Training Institute, Behala, has been excluded as a commercial undertaking, vide Home (Transport) Department's letter, dated 14th February 1986. Of the remaining 23 undertakings as on 31st March 1986, four have not prepared their *pro forma* accounts since inception and the accounts of the remaining 19 undertakings are in arrears for different periods vide Appendix 6.1.

A Task force was set up in July 1984 to prepare *pro forma* accounts of certain undertakings like Industrial Estates at Kalyani and Baruipur, Central Engineering Organisation at Dasnagar, integrated Wood Industries Scheme at Durgapur and Kalyani, Training-cum-Production Centre for Wood Industries at Siliguri, Surgical Instruments Servicing Station at Baruipur, Government Sales Emporia in Calcutta and Howrah and Silk Reeling Schemes under the Deputy Director of Industries (Cottage). The *pro forma* accounts could not, however, be compiled since the task force was not equipped with qualified staff well conversant with commercial accounts to carry out their duties. In respect of the Oriental Gas Company, accounts were not compiled for want of a decision of the tribunal on the case of compensation to the ex-owner of the undertaking, even though, pending decision of the tribunal, the *pro forma* accounts could have been drawn up reflecting the liabilities of the undertaking in the accounts. In the case of the Mechanical Toy Making Centre at Chinsurah and the Scheme for production of Shark Liver Oil, Fishmeal, etc., the *pro forma* accounts could not be compiled for want of suitable staff. In respect of the remaining undertakings, the reasons for arrears in preparation of *pro forma* accounts were awaited from the departments (April 1987).

A synoptic statement showing the summarised financial results of four undertakings based on their latest available accounts is given in Appendix 6.2.

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

6.3. Surgical Instruments Servicing Station, Baruipur

6.3.1 *Introduction*

Government of West Bengal accorded (October 1956) sanction to the scheme for manufacture of surgical instruments at Baruipur in 24-Parganas district under the Directorate of Industries, West Bengal. The scheme was commissioned on 1st October 1957 as one of the developmental schemes under the 2nd Five-Year Plan and started commercial operation from 10th February 1958.

6.3.2. *Object*

The object of the scheme was to help the local blacksmiths and artisans, already engaged in the trade with improved techniques for manufacture of surgical instruments. Though at the initial stage, the unit was designed to run departmentally by providing employment to local blacksmiths and artisans, the ultimate aim was to hand over the centre to such employees, on their forming a co-operative society out of their earnings. The aim has not been achieved so far (April 1987) as no artisan of the local area came forward to form such a society.

6.3.3. *Activities*

The activities of the unit were primarily confined to the production of six major traditional types of surgical instruments, viz., scissors, forceps, artery forceps, clamps, knives and holding instruments required for different hospitals. The unit also undertook repair work as its secondary activity.

6.3.4. *Production performance*

6.3.4.1. While the scheme envisaged a target for production of 36,000 pieces of instruments per year, the capacity for rendering repair works had not been determined (April 1987). Though the factory has well-laid out plants and equipment enabling the unit to standardise production of nearly 700 varieties of instruments covering almost all groups of surgery, viz., general, eye, gynaecology, ear, nose and throat, dental, neuro, plastic, thoracic surgery etc., neither the installed capacity of the machines has been assessed nor have any norms indicating the quantum of work to be done by individual workmen have been prescribed either for the daily rated workers or for those brought under regular time scale of pay. In the absence of

such norms, the extent of utilisation of capacity with reference to machines and manpower available could not be verified in audit.

Production of surgical instruments goes through three processes viz., (i) forging, (ii) fitting and (iii) polishing. As against the target of 36,000 pieces of instrument per year, a test check of records relating to production during the five years ending 1985-86 revealed that the factory worked far below its capacity resulting in a shortfall in both production of surgical instruments and repair works during all the five years up to 1985-86 as tabulated below :

Year	Achievement in forging process	Percent-age of achievement to target	Achievement in fitting process	Percent-age of achievement to target	Achievement in polishing process	Percent-age of achievement to target
	(quantity in pieces)		(quantity in pieces)		(quantity in pieces)	
1981-82 ...	3,193	8.9	3,300	9.2	3,208	8.9
1982-83 ...	2,245	6.2	2,386	6.6	2,413	6.7
1983-84 ...	1,569	4.4	504	1.4	529	1.5
1984-85 ...	2,295	6.4	3,209	8.9	2,609	7.2
1985-86 ...	3,442	9.6	3,024	8.4	3,440	9.6

6.3.4.2. Backlog in execution of job orders

The unit has no sales promotion activity of its own. It could not even execute the orders received from the Health Directorate in any of the five years ending 1985-86.

As against the ordered quantity of 58,395 pieces of surgical equipment, the unit produced only 12,199 pieces during the five years ending 31st March 1986 representing 7.6 per cent to 67.4 per cent of the ordered quantity. With regard to repair works the performance of the unit was far from satisfactory. As against 7,790 jobs obtained for repairs, the unit executed 3,474 repair jobs during the five years ending 1985-86 which varied between 20.1 per cent and 78.5 per cent of the jobs obtained.

Poor performance in the case of production of instruments and repair works was attributed (September 1986) by the Superintendent of the unit mainly to :

- (i) non-availability of certain special types of imported stainless steel materials;

- (ii) go-slow policy of the workmen to press their various demands submitted from time to time;
- (iii) absenteeism of workmen; and
- (iv) shortage of power.

One of the main reasons for the under-utilisation of capacity was stated by the Management in September 1986 to be the non-availability of special types of imported stainless steel. It was, however, seen in audit that the unit could have produced about 14,000 pieces of instruments out of 15,766 pieces of instruments included in orders unexecuted as on 31st March 1986 from the existing stock of stainless steel.

The Management stated (May-1987) that production of about 14,000 pieces of instruments was possible from the available stock of raw materials, but due to "go-slow" policy of the workmen, unwillingness of the workers to work 48 hours in a week as per Factories Act, the production could not be achieved.

As regards procurement of imported steel it was observed that the local Management submitted (December 1985) a proposal to the State Government to obtain certain special types of imported stainless steel through a Government of India Undertaking, but no tangible progress had been made in this regard (May 1987).

One of the constraints responsible for low production was stated (September 1986) to be "go-slow" policy adopted by the workmen. It was observed in audit that the unit was covered under the Factories Act and as per the Act the officials including the workmen were liable to work for 48 hours in a week. The services of the officials including workmen could not, however, be brought under the Factories Act due to prolonged agitation amongst the workmen. In January 1985, the State Government expressed their deep concern over the agitational mood of the workmen and directed the local Management to bring their services under the Factories Act with effect from January 1985. The workmen went to the Court and received a stay order from the Hon'ble High Court, Calcutta. The services of the officials attached to the unit are still governed by West Bengal Service Rules.

No norms indicating the quantum of work to be done within the scheduled time by individual workman have yet been fixed. As a result, there is no mechanism available to compare the efficiency of the workmen. Test-check of records, however, revealed that 53 to 179 days were taken by the workmen to complete production of a single item of the same specification.

Besides stoppage of work due to shortage of power, it was seen in audit that about 10 *per cent* of the available mandays were lost due to absenteeism during 1985-86.

6.3.5. *Cost of production*

Though the unit is engaged in the production and trading of surgical instruments, no separate cost records had been maintained to work out the actual cost of production of various types of instruments for the purpose of fixation of selling prices. In the absence of such vital records, cost incurred for a product and the extent to which the actual cost was recovered from sales could not be determined by the Management.

The unit has no pricing policy of its own. The selling prices of various surgical instruments were fixed in January 1974 by the District Industrial Officer, 24-Parganas on the basis of a rough estimate of the cost of labour hour required, consumption of raw materials, overheads etc. Thereafter, the prevailing prices were enhanced in April 1977 and April 1980 by 10 to 25 *per cent* on an *ad hoc* basis with the approval of the Cost Controller, Department of Public Undertakings, West Bengal. Although the cost of various elements viz., labour, materials, overheads etc., had increased by 8.5 *per cent* in 1984-85 and 29.6 *per cent* in 1985-86, the advantage of recovering the excess cost could not be availed of by the unit due to non-revision of selling prices after April 1980. Again, the cost estimates were prepared in 1974 on the basis of overheads calculated on a targeted production of 36,000 instruments but the actual production in recent years was considerably short of the target with the result that a sizeable portion of overhead costs were not being recovered. The break even point has not been ascertained by the unit so far (April 1987). While the number of employees during the five years ending 1985-86 remained almost the same the expenditure on salaries and wages rose from Rs.3.08 lakhs in 1981-82 to Rs.4.92 lakhs in 1985-86. The expenditure on salaries and wages in 1985-86 was 600 *per cent* of the value of production during the year. According to the Superintendent, Surgical Instruments (September 1986), the high cost of staff vis-a-vis production was mainly due to :

- (i) low capacity utilisation;
- (ii) high cost of tools, stores and polishing materials and
- (iii) increased payment of dearness allowance.

6.3.6. *Financial results*

In the absence of *pro forma* accounts (since 1969-70) the actual financial position and working results of the unit could not be

assessed. However, the unit incurred a loss of Rs.19.55 lakhs before charging depreciation, interest on loan, etc., during the five years up to 1985-86, as worked out in audit from the available records.

The loss was attributed by the Superintendent, Surgical Instruments (September 1986) mainly to under utilisation of capacity on account of non-availability of certain special types of imported stainless steel materials, go-slow policy and absenteeism of workmen and shortage of power and, above all, high cost of production.

The department has not taken any action so far (April 1987) to remedy the above shortcomings.

The matter was referred to the Management|Government in October 1986; reply has not been received (May 1987).

INDUSTRIAL ESTATE, KALYANI

6.4. Payment of municipal taxes

The Industrial Estate, Kalyani covering an area of 8,26,420 square feet (Administrative Building : 13,020 square feet; Industrial Estate : 8,13,400 square feet) came under the purview of Kalyani Notified Area Authority (KNAA) in July 1967. The KNAA preferred quarterly bills for municipal rates and taxes on the Estate Authority from time to time since July 1967. The Cottage and Small Scale Industries Department disputed (September 1978) payment of municipal rates and taxes on the plea that such taxes would be paid by the individual occupants of the Estate directly to the KNAA. No firm decision could, however, be arrived at in this regard. Subsequently, the Department decided (March 1984) that payment of municipal rates and taxes would be made by the Department itself to KNAA and in turn, such taxes would be realised from the individual occupants by the Estate Authority. Accordingly, an *ad hoc* payment of Rs.10 lakhs was made to KNAA in March 1984, against the outstanding tax of Rs.18.75 lakhs and interest of Rs.7.83 lakhs up to March 1984. Out of the *ad hoc* payment of Rs.10 lakhs, KNAA adjusted (May 1984) Rs.2.17 lakhs against arrear taxes and Rs.7.83 lakhs towards interest. Thus for delay in payment of municipal rates and taxes, the Department had to make an avoidable payment of interest of Rs.7.83 lakhs.

Though the Department paid the arrear municipal taxes and interest on the consideration that the same would be realised by the Estate Authority from the occupants of the Estate, no claims had been preferred with the individual occupants of the

Estate as the amount of tax and interest payable by each occupant had not been fixed by the Department so far (October 1986). Out of 24 occupants (July 1967) 16 had left possession of sheds from time to time till May 1986 without paying the municipal taxes and their whereabouts are not known to the Department. The outstanding tax and interest up to March 1986 after payment of a further *ad hoc* amount of Rs.2.62 lakhs in March 1986 amounted to Rs.19.69 lakhs and Rs.2.35 lakhs respectively.

The department stated (February 1987) that bills have been preferred against the occupants excepting 6 evicted units and 2 units against whom High Court cases are pending. However, on actual verification, it was seen that municipal taxes bills from October 1984 only were preferred and the bills for municipal taxes and interest since July 1967 already paid by Government to KNAA had not been preferred against the individual occupants.

The matter was brought to the notice of Management Government in April 1987; reply has not been received (May 1987).



CALCUTTA,
 The 27 JUL 1988 (A. N. MUKHOPADHYAY)
 Accountant General (Audit)-I, West Bengal.

Countersigned

T. N. Chaturvedi

NEW DELHI,
 The 8 AUG 1988 (T. N. CHATURVEDI)
 Comptroller and Auditor General of India.

APPENDICES

APPENDIX 2.1

(Reference : Paragraph 2.2.2 ; Page 13)

Statement showing the grant/appropriation in which supplementary provision proved unnecessary

Description of the grant/appropriation	Section	Original grant/ appropriation	Supplemen- tary grant/ appropriation	Actual expenditure
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
A—Voted grant—				
1—State Legislature	Revenue	1,81,28,000	20,12,000	1,71,75,185
8—Stamps and Registration	..	5,75,93,000	6,37,000	5,47,29,959
10—State Exoise	..	5,36,03,000	43,03,000	5,15,61,427
13—Other Taxes and Duties on Commodities and Services	..	3,15,26,000	44,74,000	2,86,57,135
19—District Administration	..	8,26,41,000	50,93,000	8,09,62,180
24—Stationery and Printing	..	5,14,53,000	30,58,000	4,90,89,662
26—Fire Protection and Control	..	6,58,87,000	32,95,000	5,87,21,418
39—Housing	..	7,40,41,000	2,14,35,000	2,72,03,083
40—Urban Development	..	77,12,34,000	13,09,50,000	54,21,73,823
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes)	..	56,48,93,000	1,85,27,000	49,15,66,000
46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Wel- fare of Scheduled Castes, Scheduled Tribes and Other Backward Classes)	..	83,53,85,000	4,04,31,000	68,17,13,969
54—Food	..	11,32,60,000	32,39,000	8,66,93,064
57—Fisheries	..	9,88,93,000	36,48,000	9,76,69,086
59—Community Development (Panchayat)	..	27,62,88,000	1,59,62,000	25,37,68,257
61—Industries (Closed and Sick Industries)	Capital	12,72,00,000	2,25,50,000	7,68,36,000
62—Industries (Excluding Public Undertakings and Closed and Sick Industries)	Revenue	14,95,22,000	1,27,14,000	10,84,97,098

APPENDIX 2.1 (Concl.)

Description of the grant/appropriation	Section	Original grant/ appropriation	Supplemen- tary grant appropriation	Actual expenditure
(1)	(2)	(3)	(4)	(5)
64—Mines and Minerals	.. Revenue	43,63,000	5,68,000	39,70,815
68—Ports, Lighthouses and Shipping	..	45,90,000	36,000	44,08,905
71—Road and Water Transport Services	..	31,61,06,000	25,23,000	30,65,22,632
77—Social and Environmental Services	..	96,53,000	14,85,000	80,44,138
81—Capital Outlay on Petroleum, Chemicals and Fertiliser Industries (Excluding Public Undertakings)	Capital	65,00,000	3,42,00,000	17,50,000
82—Capital Outlay on Consumer Industries (Excluding Public Undertakings and Closed and Sick Industries)	..	2,10,00,000	92,49,000	1,30,96,000
84—Investment in Industrial Institutions (Excluding Public Undertakings)	..	1,82,00,000	3,69,99,500	1,82,00,320
Total—A-Voted	..	375,19,59,000	37,74,88,500	306,29,14,066
B—Charged—				
7—Land Revenue	.. Revenue	1,00,000	50,000	—
25—Public Works	.. Capital	71,49,000	16,60,302	49,57,381
Total—B-Charged	..	72,49,000	11,10,302	49,57,381
Total—A+B		375,92,08,000	37,85,98,802	306,78,71,447

APPENDIX 2.2

(Reference : Paragraph 2.2.2, page 13)

Statement showing the grant/appropriation for which supplementary provision obtained proved excessive (saving in each case being more than Rs. 10 lakhs)

Description of the grant/appropriation	Section	Original grant/ appropriation	Supplementary provision	Actual expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		Rs.	Rs.	Rs.	Rs.
A. Voted—					
4—Administration of Justice	Revenue	9,96,10,000	1,45,21,000	10,77,25,775	64,05,225
5—Elections ..	Do.	2,29,42,000	1,44,34,000	3,18,00,957	55,75,043
18—Secretariat General Services	Do.	7,83,50,000	72,11,000	8,19,05,367	36,55,633
21—Police ..	Do.	136,37,00,000	924,71,000	137,42,02,718	819,68,282
22—Jails ..	Do.	9,07,76,000	23,82,000	9,11,56,975	20,01,025
23—Pensions and Other Retirement Benefits	Do.	46,68,86,000	10,84,75,000	56,73,91,829	79,69,171
31—Secretariat Social and Community Services	Do.	2,92,23,000	26,28,000	3,02,90,813	15,60,187
34—Education (Excluding Sports and Youth Welfare)	Do.	509,24,39,000	47,46,95,000	526,76,17,036	29,95,16,964
41—Information and Publicity	Do.	5,57,91,000	91,79,000	6,12,71,104	36,98,896
42—Labour and Employment	Do.	9,16,50,000	1,04,86,000	9,72,77,734	48,58,266
62—Industries (Excluding Public Undertakings and Closed and Sick Industries)	Capital	15,61,05,000	5,64,91,000	18,25,84,618	3,00,11,382
74—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Excluding Panchayat)	Revenue	61,02,55,000	3,75,50,000	64,59,29,999	18,75,001
76—Public Undertakings	Capital	26,52,00,000	11,36,23,000	38,67,42,000	1,20,81,000
78—Public Health Sanitation and Water Supply (Sewerage and Water Supply)	Do.	1,33,13,000	6,03,05,000	5,86,18,000	1,50,00,000
B—Charged—					
70—Roads and Bridges	Capital	..	29,33,533	16,69,533	12,64,000
Total ..		8,43,62,40,000	1,00,73,84,533	8,96,61,84,458	47,74,40,075

APPENDIX 2.3

(Reference : Paragraph 2.2.2, page 13)

Statement of grant/appropriation in which supplementary provision was insufficient by more than Rs. 10 lakhs

Description of the grant/appropriation	Section	Original grant/ appropriation	Supplementary provision	Actual expenditure	Final Excess
		Rs.	Rs.	Rs.	Rs.
A. Voted grant—					
25—Public Works	Revenue	38,98,66,000	4,86,01,000	78,76,53,242	34,91,86,242
37—Family Welfare	Do.	24,28,82,000	37,18,000	26,87,37,513	2,21,37,513
39—Housing	Capital	10,04,95,000	1,57,07,000	13,23,72,143	1,61,70,143
41—Information and Publicity	Do.	55,67,000	15,75,000	87,56,393	16,14,393
47—Relief on account of Natural Calamities	Revenue	22,52,50,000	8,59,03,000	32,97,64,649	1,86,11,649
48—Other Social and Community Services	Do.	2,22,61,000	32,71,000	2,68,85,019	13,53,019
52—Agriculture	Do.	69,69,13,000	16,63,000	71,98,92,960	2,13,16,960
56—Dairy Development (Excluding Public Undertakings)	Do.	35,18,55,000	97,000	35,39,79,300	20,27,300
60—Community Development (Excluding Panchayat)	Capital	20,00,000	16,75,000	59,76,984	23,01,984
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects	Revenue	42,90,36,000	2,62,10,000	50,60,89,035	5,08,43,035
Do.	Capital	91,34,03,000	1,20,20,000	1,03,32,39,053	10,78,16,053
67—Power Projects	Do.	56,22,00,000	21,45,00,000	1,09,55,30,000	31,88,30,000
70—Roads and Bridges	Revenue	32,11,06,000	56,43,000	43,65,16,865	10,97,67,865
Do.	Capital	54,12,69,000	14,80,01,000	70,23,41,683	1,30,71,683
86—Loans and Advances	Do.	14,00,60,000	1,15,00,000	16,47,75,196	1,32,15,196
B—Charged—					
85—Public Debt	Capital	733,53,73,000	406,63,82,000	1200,19,72,296	60,02,17,296
Total		1227,95,36,000	464,64,66,000	1857,44,82,331	164,84,80,331

APPENDIX 2.4

(Reference : Paragraph 2.2.2, page 13)

Statement of grant/appropriation in which expenditure exceeded the original budget provision but no supplementary grant was obtained

Description of the grant/ appropriation	Section	Original grant / appropriation	Actual expenditure	Excess over provision
		Rs.	Rs.	Rs.
6—Collection of Taxes on Income and Expenditure	Revenue	86,33,000	1,70,58,594	84,25,594
50—Co-operation ..	.. Do.	24,41,06,000	24,70,95,019	29,89,019
58—Forest ..	.. Do.	21,14,57,000	21,75,98,288	61,41,288
78—Public Health Sanitation and Water Supply (Sewerage and Water Supply)	Do.	49,34,67,000	56,47,65,150	7,12,98,150
Total ..				8,88,54,051

APPENDIX 2.5

(Reference : Paragraph 2.2.3, Page14)

Statement showing the grant/appropriation in which expenditure exceeded the Budget provision

Description of the grant/appropriation	Section	Total grant/ appropriation	Actual	Amount of
			expenditure	excess
		Rs.	Rs.	Rs.
A. Voted grant—				
3—Council of Ministers	.. Revenue	46,55,000	51,11,304	4,56,304
6—Collection of Taxes on Income and Expenditure	Do.	86,33,000	1,70,58,594	84,25,594
25—Public Works ..	.. Do.	43,84,67,000	78,76,53,242	34,91,86,242
37—Family Welfare ..	.. Do.	24,66,00,000	26,87,37,513	2,21,37,513
39—Housing ..	.. Capital	11,62,02,000	13,23,72,143	1,61,70,143
41—Information and Publicity ..	.. Do.	71,42,000	87,56,393	16,14,393
47—Relief on account of Natural Calamities	Revenue	31,11,53,000	32,97,64,649	1,86,11,649
48—Other Social and Community Services	Do.	2,55,32,000	2,68,85,019	13,53,019
Do.	Capital	1,26,50,000	1,27,08,955	58,955
50—Co-operation ..	.. Revenue	24,41,06,000	24,70,93,019	29,89,019
52—Agriculture ...	.. Do.	69,85,76,000	71,98,92,960	2,13,16,960
56—Dairy Development (Excluding Public Undertakings)	Do.	35,19,52,000	35,39,79,300	20,27,300
58—Forest ..	... Do.	21,14,57,000	21,75,98,288	61,41,288
60—Community Development (Excluding Panchayat)	Capital	36,75,000	59,76,984	23,01,984
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects	Revenue	45,52,46,000	50,60,89,035	5,08,43,035
Do. ...	... Capital	92,54,23,000	103,32,39,053	10,78,16,053
67—Power Projects ...	... Do.	77,67,00,000	1,09,55,30,000	31,88,30,000
70—Roads and Bridges ...	... Revenue	32,67,49,000	43,65,16,865	10,97,67,865
Do. ...	... Capital	68,92,70,000	70,23,41,683	1,30,71,683
78—Public Health (Sewerage and Water Supply)	Revenue	49,34,67,000	56,47,65,150	7,12,98,150
86—Loans and Advances ..	... Capital	15,15,60,000	16,47,75,196	1,32,15,196
B—Charged—				
4—Administration of Justice ..	.. Revenue	2,58,42,000	2,64,52,754	6,10,754
17—Public Service Commission ..	.. Do.	70,43,000	72,03,218	1,60,218
85—Public Debt ...	... Capital	1140,17,55,000	1200,19,72,296	60,02,17,296
			Total	173,86,20,613

APPENDIX 2.6

(Reference : Paragraph 2.4, page 26)

Statement showing the cases which satisfied the criteria laid down for determining the types of expenditure which should be classified as New Service/New Instrument of Service

Name of the Department	Grant No.	Head	Actual expenditure (Rupees in lakhs)
(1)	(2)	(3)	(4)
1. Public Works	25	259—Public Works— XV—Maintenance and Repairs— 4(b) Maintenance (Roads and Bridges)	17.16
2. Do.	25	459—Capital outlay on Public Works— III—Construction (Non-Plan)	81.63
3. Do.	25	10—Public Works— 459—Capital outlay on Public Works— State Plan (7th plan)—5(a) District Establishment	28.75
4. Education	33	277—Education (Youth Welfare)— G-III(I)—National Cadet Corps State Plan (7th Plan)— 9—Opening of Playground	20.64
5. Do.	34	277—Education (Excluding Sports and Youth Welfare)— A-IV—Assistance to Non-Govt. Primary Schools (State Plan—Annual Plan—6th Plan and Committed) I—Improvement of buildings of existing Primary Schools (M. N. P)	14.06
6. Do.	34	278—Art and Culture— III—Promotion of Art and Culture— State Plan (Annual Plan—6th Plan and Committed) 2—Development of Cultural Halls	5.60
7. Local Government and Urban Development	40	484—Capital outlay on Urban Development— A-II—Other Expenditure—State Plan (7th Plan) 3—Setting up of Training and Research Institute	5.81
8. Co-operation	50	698—Loans for Co-operation— I—Non-Plan (Developmental) 8—Loans for Integrated Development Projects	31.90

APPENDIX 2·6—*Concl'd.*

Name of the Department	Grant No.	Head	Actual expenditure (Rupees in lakhs)
(1)	(2)	(3)	(4)
9. Irrigation and Waterways	53	306—Minor Irrigation—	
		X—Other Expenditure—State Plan (7th Plan)	257.78
		17—World Bank Project on Development of Minor Irrigation—cost of energisation of Minor Irrigation Scheme payable to West Bengal State Electricity Board	
10. Do. — —	53	306—Minor Irrigation—	
		X—Other expenditure	149.01
		18—Special Component Plan for Scheduled Castes—World Bank Project for Development of Minor Irrigation—cost of energisation of Minor Irrigation Scheme payable to West Bengal State Electricity Board	
11. Do. — —	53	506—Capital outlay on Minor Irrigation, Soil Conservation and Area Development—	
		I—Minor Irrigation State Plan (7th plan)	83.88
		25—Special Component Plan for Scheduled Castes—World Bank Project for Development of Minor Irrigation—cost of energisation of Minor Irrigation Schemes payable to West Bengal State Electricity Board	
2. Do. — —	66	532—Capital outlay on Multipurpose River Projects—	
		A—Mayurakshi Reservoir Project	44.51
		VII—Mayurakshi Irrigation Schemes—State Plan (7th plan)	
		I—Reservoir.	

APPENDIX --3.1.

(Reference : Paragraph 3.19; page 105)

Cases of misappropriation remaining to be finalised at the end of 1985-86

Sl. No.	Name of the Department	Reported upto 31st March 1981		Reported in -1981-82		Reported in -1982-83		Reported in 1983-84		Reported in 1984-85		Reported in 1985-86		Total	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
			Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
1	Agriculture	45	3,50,546	6	58,775	1	299	16	3,34,621	8	54,400			76	7,98,641
2	Animal Husbandry and Veterinary Services	8	1,58,703	1	78,378	3	89,497	1	6,93,704	1	11,430	1	32,178	15	10,63,890
3	Board of Revenue	320	14,63,128	7	93,065	7	45,541	4	29,687			1	4,778	339	16,36,199
4	Industrial Reconstruction	1	20,000											1	20,000
5	Commerce and Industries	1	1,81,000											1	1,81,000
6	Cottage and Small Scale Industries	4	2,70,397											4	2,70,397
7	Education ..	30	6,78,802									1	87,872	31	7,66,674
8	Excise			1	6,451									1	6,451
9	Finance	6	2,21,370	1	21,000	2	1,51,744							9	3,94,114
10	Food and Supplies	4	99,333											4	99,333
11	Forest			1	19,000									1	19,000
12	Health and Family Welfare	29	10,78,571	4	1,60,145	2	53,700	3	49,431	4	91,656	2	73,919	44	15,07,422
13	Transport ..			1	70,367									1	70,367

APPENDIX—3·1 Concl'd.

Sl. No.	Name of the Department	Reported upto 31st March 1981		Reported in 1981-82		Reported in 1982-83		Reported in 1983-84		Reported in 1984-85		Reported in 1985-86		Total	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
14	Home (Civil Defence) ..	--								1	1,90,892			1	1,90,892
15	Home (Police) ..	6	1,44,939	1	72,444	2	8,32,844			5	4,22,477	2	1,70,253	16	16,42,957
16	Information and Cultural Affairs ..							1	75,868					1	75,868
17	Irrigation and Waterways ..	15	1,72,410											15	1,72,410
18	Judicial ..	2	86,922											2	86,922
19	Labour ..	3	3,04,476					8	32,064	5	5,18,501			16	8,55,041
20	Land and Land Reforms ..			2	16,43,587	5	32,632			2	12,004			9	16,88,223
21	Panchyats and Community Development	28	10,96,093	2	96,128			3	71,519	1	1,05,232	2	1,86,177	36	15,55,149
22	Public Works ..	2	59,498			1	83,357	1	11,984					4	1,54,839
23	Public Works (Roads) ..	1	18,000			2	1,50,727	1	21,344					4	1,90,071
24	Metropolitan Development ..	2	1,49,920											2	1,49,920
25	Refugee, Relief and Rehabilitation	2	2,50,652											2	2,50,652
26	Relief and Welfare ..	1	6,125							1	2,99,383			2	3,05,508
27	Tourism ..	1	1,15,628											1	1,15,628
Total ..		511	69,26,213	27	23,19,340	25	14,40,341	38	13,20,222	28	17,06,975	9	5,55,177	638	1,42,67,268

APPENDIX 6.1

(Reference : Paragraph 6.2, Page I45)

Statement showing arrears in preparation of *Pro forma* accounts by Departmental Commercial and quasi-commercial Undertakings

Sl. No.	Name of the Schemes/ Undertakings	Name of the Department	Year from which accounts are due	Remarks
1	2	3	4	5
A. Undertakings whose <i>Pro forma</i> accounts have not been prepared since inception:				
1.	Oriental Gas Company's Undertaking	Commerce and Industries	1960-61	The work of preparation of <i>pro forma</i> accounts of the undertaking cannot be taken up till the case of compensation with the ex-owner of the undertaking is decided by the Tribunal.
2.	Industrial Estate, Kalyani	Cottage and Small Scale Industries	1956-57	The management stated (July 1986) that the matter regarding preparation of <i>pro forma</i> accounts has been referred to the Director. The latest development was awaited (September 1986).
3.	Central Lock Factory, Bargachia	Ditto.	1972-73	The main reason for non-submission of <i>pro forma</i> accounts as found in audit was the absence of suitable staff (trained in commercial accounts) in the undertaking.
4.	Mechanical Toy Making Centre, Chinsurah	Ditto.	1972-73	Ditto.
B. Other undertakings whose <i>pro forma</i> accounts are in arrears :				
1.	Central Engineering Organisation, Dasnagar, Howrah	Ditto.	1974-75	Ditto.
2.	Integrated Wood Industries Scheme at Durgapur and Kalyani	Ditto.	1965-66	Ditto.
3.	Training-cum-production centre for Wood Industries, Siliguri	Ditto.	1965-66	Ditto.
4.	Scheme for production of Shark Liver Oil, Fish-meals, etc.	Fisheries	1979-80	The management stated (July 1986) that absence of suitable staff is the main reason for non-preparation of <i>pro forma</i> accounts.

APPENDIX 6-1—Contd.

Sl. No.	Name of the Schemes/ Undertakings	Name of the Department	Year from which accounts are due	Remarks
1	2	3	4	5
5.	Directorate of Brick Production (Manual)	Housing	1983-84	The reason for non-preparation of <i>pro forma</i> accounts was awaited (September 1986).
6.	Mechanised Brick Factory (Palta)	Ditto.	1983-84	Ditto.
7.	Greater Calcutta Milk Supply Scheme	Animal Husbandry and Veterinary Services	1983-84	Reasons for non-submission of <i>pro forma</i> accounts for the year 1983-84 and onwards were awaited (July 1987).
8.	Durgapur Milk Supply Scheme	Ditto.	1975-76	Reason for non-preparation of accounts was awaited (October 1986).
9.	Directorate of Cinchona and other Medicinal Plant (Cinchona Branch)	Commerce and Industries	1979-80	The management stated (July 1986) that the accounts could not be prepared in due time for some technical reasons. They have now constituted Accounts Cell for preparation and submission of arrear accounts.
10.	Surgical Instruments Servicing Station, Baruipur	Cottage and Small Scale Industries	1969-70	A 'Task Force' has been constituted. The latest development regarding preparation of <i>pro forma</i> accounts was awaited (October 1986).
11.	Industrial Estate, Baruipur	Cottage and Small Scale Industries	1959-60	A 'Task Force' has been constituted. The latest development regarding preparation of <i>pro forma</i> accounts was awaited (October 1986).
12.	Government Sales Emporia in Calcutta and Howrah	Ditto	1951-52 to 1962-63 and from 1969-70	The main reason for non-preparation of accounts was the absence of suitable staff in the Undertaking.
13.	Silk Reeling Scheme under the Deputy Director of Industries (Cottage) of the Directorate of Handloom and Textiles	Ditto	1956-57	The department stated (February 1982) that the officer-responsible for preparation of the <i>pro forma</i> accounts had been reminded to expedite submission. Reminders were issued to Government from time to time, the latest one being in October 1986. Reply was awaited (October 1986).

APPENDX 6·1—Concl'd.

Sl. No.	Name of the Schemes/ Undertakings	Name of the Department	Year from which accounts are due	Remarks
1	2	3	4	5
14.	Sisal Plantation Scheme	Agriculture	1964-65	The form of <i>pro forma</i> accounts submitted by Government was approved in September 1985. Submission of <i>pro forma</i> accounts in the approved form was awaited (October 1986).
15.	Kanchrapara Area De- velopment Scheme (Kalyani Township)	Metropolitan Development	1975-76	The desirability of preparation of <i>pro forma</i> accounts was suggested to Government in October 1978 but the decision of Government is awaited (October 1986) in spite of reminders issued from time to time, the last one being in October 1986.
16.	Consolidated <i>pro forma</i> accounts of 'Hats' under the Management of Government	Board of Revenue	1973-74	Consolidated <i>Pro forma</i> accounts were not furnished by the Government. Meanwhile some 'Hats' and 'Bazars' were transferred to the regulated market committee on lease basis for 15 years from 1980-81 and the remaining "Hats" and "Bazars" were transferred to the panchayat institution for management and control from 1980-81.
17.	Industrial Estate, Manektolra	Cottage and Small Scale Industries	1983-84	The <i>pro forma</i> accounts submitted by Government up to the year 1982-83 were received. But some defects were noticed in the accounts. The matter was taken up (February 1986) with the Government for necessary rectification. Last reminder was issued in October 1986.
18.	Industrial Estate, Howrah	Ditto	1983-84	Ditto
19.	Industrial Estate, Saktigarh	Ditto	1983-84	Ditto

APPENDIX 6.2

(Reference : Paragraph 6.2, Page 145)

Summarised financial results of Departmentally managed Commercial and quasi-Commercial Undertakings

Sl. No.	Name of Undertakings/Scheme	Name of Department	Year of account	Capital at close	Mean capital	Free reserves	Net Block	Depreciation	Turn-over	Net Profit (+)/ Loss(-)	Interest charged added back	Total return column (11+12)	Percentage of total return to mean capital
1	2	3	4	5	6	7	8	9	10	11	12	13	14
(Rupees in lakhs)													
	1. Durgapur Milk Supply Scheme	Animal Husbandry and Veterinary Services	1974-75	121.31	133.97	Nil	86.79	11.69	70.56	(-)63.05	7.37	(-)55.68	Nil
	2. Greater Calcutta Milk Supply Scheme	Ditto	1982-83	7156.87	6581.11	73.84	359.86	41.69	1437.55	(-)1362.15	394.87	(-)967.28	Nil
	3. Directorate of Brick Production (Manual)	Housing	1982-83	1698.44	67.13	Nil	15.35	0.45	155.99	(-)4.94	7.33	2.39	3.56
	4. Directorate of Brick Production—Mechanised Brick Factory (Palta)	Ditto	1982-83	393.25	367.23	Nil	65.39	3.64	16.90	(-)56.41	6.98	(-)48.43	Nil

