



**REPORT
OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR
1981-82**

(CIVIL)

GOVERNMENT OF ORISSA

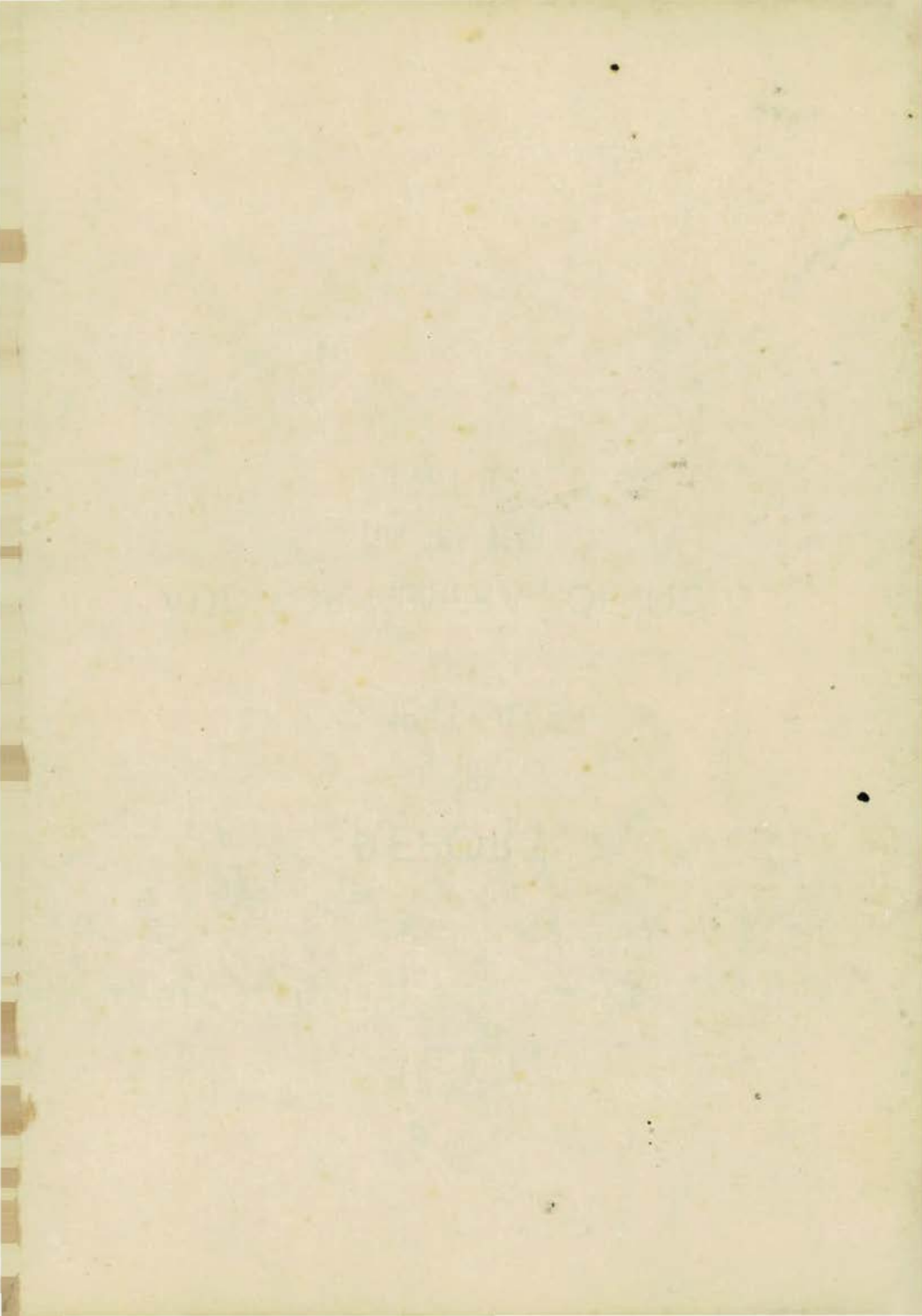


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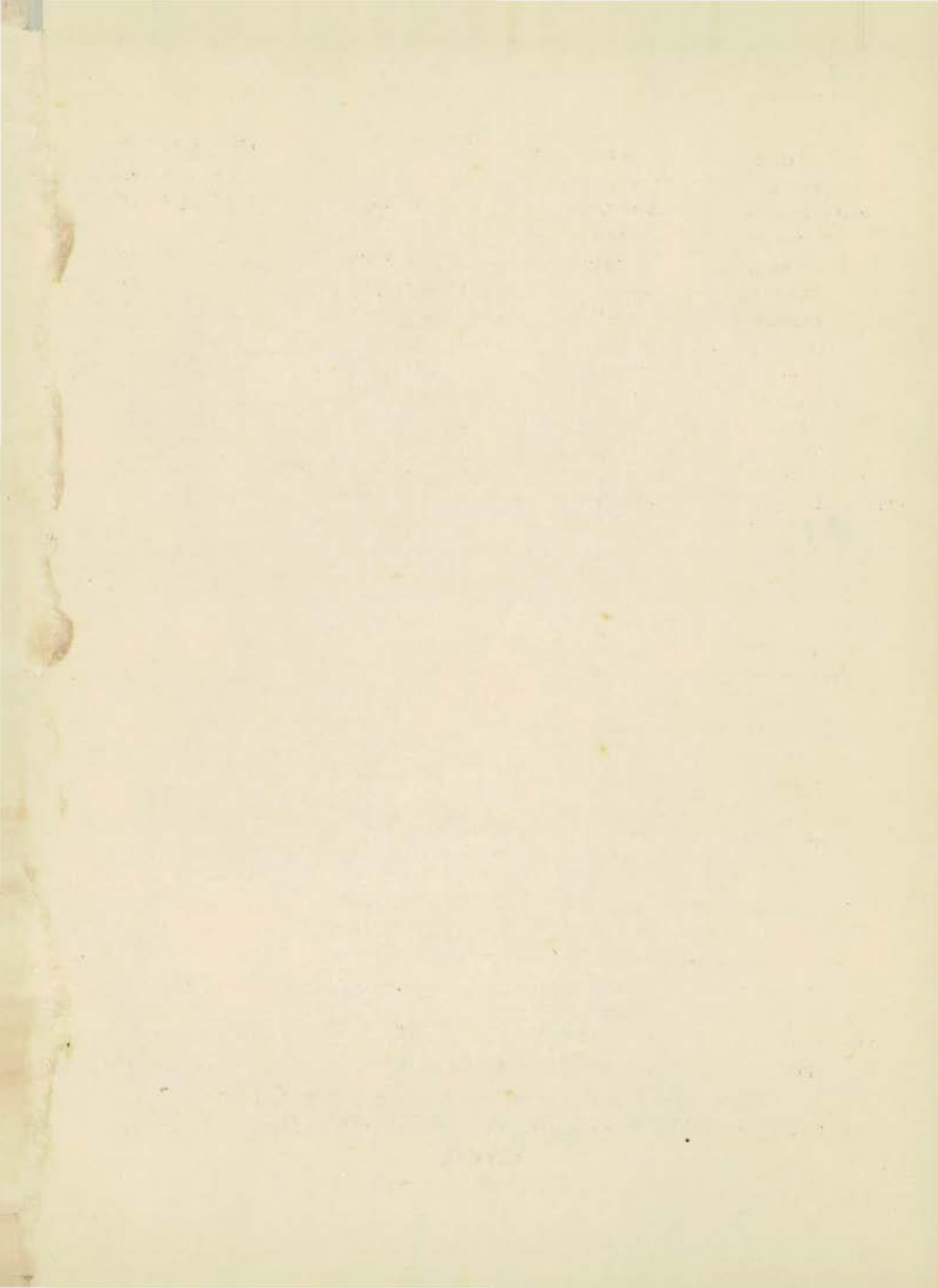
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REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR 1981-82 (CIVIL)—GOVERNMENT OF ORISSA

Page	Para	Further reference	For	Read
1	1.1	Sl. no. 5	Add '/Net outgo (—)' after 'Net addition (+)'	'Net
2	1.2 (a)	Line—2	Government	Government
6	1.5 (b)	Line—2 ending 'of'	Delete 'of' after 'provision'	
12	1.7	Line—2	Insert 'and' in place of ','	
17	1.11	Line—2	Revenue and	Revenue,
18	1.11—280— Medical—Col. (5)	Line—1	Savings	Saving
20	1.11—Col. (5)	Line—5 from bottom	Electrical	Electricals
21	1.12	Line—7 from bottom	Insert 'and' in place of ','	
23	2.1 (a)	Line—4 from bottom	by an excess	by excess
24	2.2 (a)—Sl. no. 1	Last line	delete '(+)' before 4,74,341	
25	2.2 (a)—Sl. no. 3	Line—5 of explanation	former	first
25	ditto	Line—6 ditto	latter	third
25	ditto	ditto	reasons were	excess was
25	ditto	Line—9 of explanation	Disposal	Disposals
30	2.3 (i) Explanation below Sl. no. 5	Line—6	Rs. 0.74 crore	(Rs. 0.74 crore)
37	2.4 (b), Sl. no. 3—Col. (5)	Line—2	net	not
53	3.1.2 (ix)	Line—3	1,425 bags	1,425 Kgs. of bags
61	3.2.3 (ii)	Line—6	4.39 lakhs	Rs. 4.39 lakhs
62	3.2.4	Line—9	month :	months :
62	ditto	Line—11	subsidy	subsidy
62	ditto	Line—3 from bottom	that sale of	that by sale of
63	ditto	Line—16	menance	menace
78	3.4.4 (4) (iii)	Line—6	1978-79	1979-80
87	3.4.4 (13) (iii)	Line—3 from bottom	woolen	woollen
94	3.6	Last sentence	Further	Further
136	6.2	table	Grant Loan	Grants Loans
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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1981-82 together with other points arising from audit of financial transactions of Government of Orissa. It also includes:—

- (i) certain points arising from the Finance Accounts for the year 1981-82; and
- (ii) comments on Coastal shelter-belt plantation, Special Livestock Production Programme and District Industries Centres.

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

3. The cases mentioned in the present Report are among those which came to notice in the course of test audit of accounts during the year 1981-82 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1981-82 have also been included, wherever considered necessary.

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

CHAPTER I

GENERAL

1.1. Summary of transactions

The receipts and expenditure of the Government of Orissa for the year 1981-82 are given below with corresponding figures for the preceding year:—

	1980-81	1981-82
	(In crores of rupees)	
1. Revenue		
Revenue receipts ..	6,21.35	6,01.54
Revenue expenditure..	5,46.85	5,73.56
Revenue surplus ..	(+)74.50	(+)27.98
2. Public Debt ..		
(i) Internal Debt of the State Government—		
Net addition ..	(+)36.29	(+)30.54
(ii) Loans and advances from the Central Government—		
Net addition ..	(+)49.07	(+)87.11
Total—Public Debt		
Net addition	(+)85.36	(+)1,17.65
3. Capital expenditure(net)		
Net outgo(—) ..	(—)1,87.78	(—)1,67.74
Loans and advances by the State Government—		
Net outgo(—) ..	(—)27.34	(—)1.93
4. Transfer to Contingency Fund—		
Net outgo(—) ..	(—)10.00	..
5. Contingency Fund—		
Net addition(+)	(+)12.43	(—)6.10

	1980-81	1981-82
	(In crores of rupees)	
6. Public Account—		
Net addition(+)..		
Net outgo(—) ..	(+) 50.84	(+) 29.26
7. Net effect of Sl. Nos. 1 to 6 above	(—) 1.99	(—) 0.88
8. Opening cash balance	(—) 21.56	(—) 23.55
9. Closing cash balance	(—) 23.55	(—) 24.43(a)

1.2. Revenue Surplus/deficit

(a) *Revenue receipts*—The actual revenue receipts of the State Government for 1981-82 as compared with the budget estimates along with the corresponding figures for 1979-80 and 1980-81 are shown below:—

Year	Budget	Actual	Variation between columns (3) and (2)	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)
	(In crores of rupees)			
1979-80	4,82.40	4,67.90	(—)14.50	3
1980-81	5,36.96	6,21.35	(+) 84.39	16
1981-82	5,69.31	6,01.54	(+) 32.23	6

(a) The closing cash balance comprises cash in Treasuries (Rs.0.75 crore), Remittances in transit—Local (Rs.0.02 crore) and deposits with Reserve Bank of India (Rs.—25.20 crores). There was a difference of Rs. 0.77 crore between the figure reflected in the accounts (Rs.—25.20 crores) and that intimated by the Reserve Bank of India (Rs.—24.43 crores) relating to 'Deposits with Reserve Bank' included in the cash balance. After reconciliation and adjustment, the difference to the extent of Rs.0.58 crore (debit) now remains to be reconciled (December 1982).

(b) *Expenditure on revenue account*—The expenditure on revenue account during 1981-82 as compared with (i) the budget estimates and (ii) the budget estimates plus supplementary provision along with the corresponding figures for 1979-80 and 1980-81 is given below:—

Year	Budget	Budget plus supplementary	Actuals	Variation between Columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1979-80	4,59.53	5,09.62	4,49.31	(—)60.31	12
1980-81	5,12.71	5,73.65	5,46.85	(—)26.80	5
1981-82	5,47.55	5,91.11	5,73.56	(—)17.55	3

(c) *Revenue surplus*—The year 1981-82 ended with a revenue surplus of Rs.27.98 crores as against the anticipated revenue surplus of Rs.21.76 crores.

1.3. Revenue receipts

(a) The revenue receipts of the Government for the year 1981-82 (Rs.6,01.54 crores) registered a decrease of 3 per cent (Rs.19.81 crores) from those of 1980-81 (Rs. 6,21.35 crores). A comparative analysis of revenue receipts during 1980-81 and 1981-82 together with an analysis of the decrease in 1981-82 from 1980-81 is given below:—

1980-81	1981-82	Increase(+)/ decrease(—)
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(In crores of rupees)

(1) Receipts from Government of India

Grants under Article 275 (1) of the Constitution	53.44	51.01	(—)2.43
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	1980-81	1981-82	Increase(+)/ decrease(—)
	(In crores of rupees)		
Other grants	1,41.80	1,11.22	(—)30.58
State's share of divisible Union taxes	1,59.99	1,80.74	(+)20.75
Total (1)	<u>3,55.23</u>	<u>3,42.97</u>	<u>(—)12.26</u>
<i>(2) Revenue raised by the State</i>			
<i>(i) Tax revenue—</i>			
Land Revenue and Stamps and Registration Fees	14.88	20.38	(+)5.50
Taxes on com- modities and services (Mainly Sales Tax, State Excise duties and Taxes on vehicles)	1,17.79	1,45.02	(+)27.23
<i>(ii) Non-tax revenue—</i>			
Interest receipts, dividends and profits	8.75	7.25	(—)1.50
Other non-tax revenue	1,24.70*	85.92	(—)38.78
Total (2)	<u>2,66.12</u>	<u>2,58.57</u>	<u>(—)7.55</u>
Total Revenue Receipts	6,21.35	6,01.54	(—)19.81

* Includes Rs. 56.70 crores being Central Loans for non-productive purposes written off in terms of recommendations of the Seventh Finance Commission.

(b) *Arrears in collection of receipts*—According to the information furnished by some of the departments, arrears in collection of revenue and other receipts at the end of March 1982 amounted to Rs. 50.98 crores. Information regarding arrears in respect of some main items of revenue like Agriculture, Irrigation and Public Health receipts etc., has not been received (February 1983).

(c) More information on various aspects of revenue receipts will be found in the Report of the Comptroller and Auditor General of India for the year 1981-82—Government of Orissa (Revenue Receipts).

1.4. Expenditure on revenue account

(a) The expenditure (Plan and non-Plan) on revenue account during 1981-82 under the principal service sectors as also the provision of funds together with the expenditure for the previous year are given in Appendix 1.1.

(b) The revenue expenditure during 1981-82 increased by Rs. 26.71 crores (Plan: Rs. 0.18 crore and non-Plan : Rs. 26.53 crores) over that of the previous year. Compared to the final provision (budget *plus* supplementary) for 1981-82 there was, however, a shortfall of Rs. 17.55 crores.

(c) Under 'General Services' there was a step up during 1981-82 of Rs. 31.17 crores (Plan: Rs. (—)0.06 crore and non-Plan: Rs. 31.23 crores) of expenditure mainly on interest payments and servicing of debt (Rs. 16.29 crores), Public Works (Rs. 5.98 crores), Land Revenue (Rs. 4.16 crores), Police (Rs. 3.67 crores), Stationery and Printing (Rs. 1.83 crores).

(d) Revenue expenditure (non-Plan) under 'Social and Community Services' during 1981-82 (Rs. 1,82.72 crores) was more by Rs. 9.93 crores

than the expenditure of the previous year (Rs. 1,72.79 crores). The increase was mainly under 'Education' (Rs. 6.73 crores) and 'Medical' (Rs. 2.68 crores).

1.5. Expenditure on capital account

(a) The capital expenditure during the three years ending 1981-82 as compared with the budget estimates and the budget estimates *plus* supplementary provision is given below:

Year	Budget	Budget <i>plus</i> supple- mentary	Actuals	Variation between Col.s (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1979-80	1,46.69	1,63.08	1,29.32	(—)33.76	21
1980-81	1,44.21	2,59.50	1,87.78	(—)71.72	28
1981-82	1,31.50	1,94.37	1,67.74	(—)26.63	14

The expenditure on capital account during 1981-82 under the principal service sectors and under Plan and non-Plan headings *vis-a-vis* the provision as enhanced by supplementary grants/appropriations is given in Appendix 1.2.

(b) The shortfall in utilisation of Plan provision was Rs. 23.31 crores and of non-Plan provision of Rs. 3.32 crores. The shortfall in Plan expenditure was mainly under 'Water and Power Development' (Rs. 21.84 crores).

The shortfall under 'Water and Power Development' was mainly due to less expenditure in Upper Kolab Dam Project (Rs. 4.96 crores), Harbhangi Irrigation Project (Rs. 4.86 crores), Rengali Project (Rs. 5.77 crores), Potteru Irrigation Project (Rs. 1.51 crores) and Ramiala Irrigation Project (Rs. 1.47 crores).

(c) Under non-Plan, the shortfall in expenditure as compared to the final provision occurred mainly under 'Water and Power Development' (Rs. 3.17 crores) due to more receipts and recoveries on capital account.

(d) Capital expenditure (Plan) during 1981-82 (Rs. 1,67.51 crores) was less by Rs. 2.82 crores than the expenditure in the previous year (Rs. 1,70.33 crores) due to less expenditure on 'General Economic Services' (Rs. 5.39 crores) and 'Agriculture and Allied Services' (Rs. 2.98 crores) and 'Social and Community Services' (Rs. 2.33 crores) partly offset by more expenditure on 'Water and Power Development' (Rs. 7.20 crores).

1.6. Loans and advances by Government

(a) The actuals of disbursement of loans and advances by Government during 1981-82 as compared with the budget estimates and the budget estimates *plus* supplementary provision along with the corresponding figures for 1979-80 and 1980-81 are given below:—

Year	Budget	Budget <i>plus</i> supple- mentary	Actuals	Variation between Cols. (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1979-80	11.18	16.09	14.26	(--) 1.83	11
1980-81	37.43	55.43	42.62	(--) 12.81	23
1981-82	20.19	30.34	27.31	(--) 3.03	10

The shortfall (Column 5) during the year was mainly due to release of less loans as under:

Loans for Agriculture—Manures and Fertilisers	..	Rs. 0.50 crore
Miscellaneous loans	..	Rs. 1.53 crores
Loans for Co-operation—		
Credit Co-operatives—State Plan	..	Rs. 0.36 crore
Credit Co-operatives—Central Plan	..	Rs. 0.61 crore

(b) The budget and the actuals of recoveries of loans and advances for three years ending 1981-82 are given below:—

Year	Budget	Actuals	Variation between Columns (2) and (3)	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)
1979-80	14.08	9.86	(—)4.22	30
1980-81	19.06	15.28	(—)3.78	20
1981-82	18.85	25.38	(+)6.53	34

The excess during the year was mainly due to more recoveries under 'Loans for Co-operation': Rs. 2.85 crores (Provision: Rs. 6.80 crores, recoveries: Rs. 9.65 crores), 'Loans for Road and Water Transport Services': Rs. 1.75 crores (Provision: Nil, recoveries: Rs. 1.75 crores), 'Loans for Power Projects': Rs. 1.12 crores (Provision: Rs. 0.96 crore, recoveries: Rs. 2.08 crores) and 'Loans to Industrial Financial Institutions': Rs. 0.75 crore (Provision: Nil, recoveries: Rs. 0.75 crore).

(c) The details of disbursements of loans and advances and recoveries made during the three years ending 1981-82 under different categories together with the outstandings at the beginning/end of each year are given in Appendix 1.3. There was a net increase of Rs. 1.93 crores in the outstanding balance on 31st March 1982 compared to the balance as at the end of March 1981. Further details are available in Statements No. 5 and 18 of the Finance Accounts 1981-82.

(d) Recoveries in arrears—(i) Loans and advances, the detailed accounts of which are maintained by the Accountant General—The detailed accounts of loans and advances to municipalities, corporations, Government servants for house building

purposes and for purchase of motor conveyances and to loanees under 'State Aid to Industries Act' are maintained by the Accountant General. The total amount in arrears in respect of loans outstanding on 31st March 1982 was Rs. 0.97 crore (Principal: Rs. 0.59 crore and interest: Rs. 0.38 crore).

Year-wise analysis of the arrears in respect of principal and interest is given below:—

	Amount in arrears	
	Principal	Interest
	(In lakhs of rupees)	
1973-74 and earlier years	39.20	32.61
1974-75 ..	0.68	1.00
1975-76 ..	0.54	1.47
1976-77 ..	0.47	1.41
1977-78 ..	0.45	0.38
1978-79 ..	0.41	0.29
1979-80 ..	12.49	1.16
1980-81 ..	4.49	..
Total ..	<u>58.73</u>	<u>38.32</u>

(ii) *Loans and advances, the detailed accounts of which are maintained by the departmental officers*—According to the financial rules of Government, the departmental officers are to intimate to audit by 31st May each year the arrears, as on 31st March in recovery of principal and interest of loans and advances in respect of which the detailed accounts are maintained by them. Such information for the period ending 31st March 1982 has been received

(December 1982) from seven out of nineteen departments. According to the information received recovery of Rs. 7.63 crores (Principal: Rs. 6.30 crores and interest: Rs. 1.33 crores) was in arrears as on 31st March 1982. A brief analysis of the arrears is given below:—

	Amount in arrears as on 31st March 1982	
	Principal	Interest
	(In crores of rupees)	
1. Loans for Social Security and Welfare	0.12	0.10
2. Loans for Co-operation	0.05	..
3. Loans for Agriculture	0.24	0.17
4. Loans for Food	5.00	0.57
5. Loans for Community Development	0.57	0.47
6. Loans for Road and Water Transport Services	0.29	..
7. Miscellaneous loans	0.03	0.02
Total	6.30	1.33

The information about arrears in recovery had not been received (December 1982) from the following departments:—

Name of the Department	Nature of loan
1. Revenue ..	Advances to Cultivators
2. Industries ..	Loans for Industrial Research and Development, Village and Small Industries, Social Security and Welfare Schemes

Name of the Department	Nature of loan
3. Irrigation and Power	Loans for Minor Irrigation and Power Projects
4. Mining and Geology	Loans for Mines and Minerals
5. Health and Family Welfare	Loans for Social Security and Welfare Schemes
6. Labour and Employment	Loans under various Housing Schemes
7. Works	Loans for Machinery and Engineering Industries
8. Education and Youth Services	Loans under National Loan Scholarship Scheme
9. Housing and Urban Development	Loans to displaced persons and Housing Schemes

(e) *Acceptance of balances*—In order to ascertain whether the balances outstanding in the books of the Accountant General represent the position correctly, the balances are communicated at the end of each year to the appropriate authorities for verification and acceptance. Acceptances of such balances of loans were not received (December 1982) in 1,057 cases (total balance : Rs. 1,86.11 crores as on 31st March 1982) despite reminders. The year-wise analysis of the balances is given below:—

	Number of cases	Amount (In crores of rupees)
1976-77 and earlier years	832	1.93
1977-78	22	7.82
1978-79	94	15.91
1979-80	38	57.62
1980-81	38	81.97
1981-82	33	20.86
Total	1,057	1,86.11

Some of the outstandings for which acceptances have not been received, date back to 1966-67.

1.7. Sources of funds for capital expenditure, net outgo under loans and advances and appropriations to Contingency Fund

The sources from which the capital expenditure (Rs. 1,67.74 crores), the net outgo under loans and advances by the State Government (Rs. 1.93 crores) during 1981-82, were met are given below:—

1. Net addition to—	(In crores of rupees)
(i) Internal debt ..	30.54
(ii) Loans from Government of India	87.11
(iii) Small savings, Provident Funds, etc.	17.85
2. Miscellaneous—	
(i) Reserve Funds ..	2.94
(ii) Other items (mainly balances under Deposits, Suspense, Miscellaneous and Remittances)	(—)10.57
3. Contingency Fund ..	(—)6.10
4. Drawing down of cash balance and reduction in investment	19.92
5. Revenue surplus ..	27.98
6. Net amount available for expenditure	1,69.67

7.63

1.8. Debt position

(a) The total debt liability of the Government at the close of 1981-82 was Rs. 14,14.50 crores. A comparative analysis of the debt liability as at the end of March 1980, 1981 and 1982 is given below:—

Nature of debt	Balance as on 31st March		
	1980	1981	1982
	(In crores of rupees)		
1. Internal debt of the State Government	1,65.89	2,02.18	2,32.72
2. Loans and advances from the Central Government	8,14.46	8,63.53	9,50.64
(i) Total Public Debt	<u>9,80.35</u>	<u>10,65.71</u>	<u>11,83.36</u>
(ii) Small savings, provident funds, etc.	97.56	1,11.33	1,29.18
(iii) Reserve funds and deposits (interest bearing)	4.85	4.85	4.85
(iv) Depreciation reserves and other earmarked funds (non-interest bearing)	2.85	6.76	13.71
(v) Civil deposits and deposits of local funds (non-interest bearing)	58.44	81.09	83.40
Total debt	<u>11,44.05</u>	<u>12,69.74</u>	<u>14,14.50</u>

83.40 ✓
 81.09 ✓
2.31 ✓

(b) The Government maintained the minimum balance of Rs. 60 lakhs with the Reserve Bank on 159 days during 1981-82. On the remaining 206 days, it obtained Rs. 2,38.93 crores as ways and means advances from the Bank and repaid the entire amount in full alongwith interest of Rs. 60 lakhs during the year.

(c) *Interest charges*—Interest paid against debt and net burden thereof on revenue are indicated below:

	1980-81	1981-82
	(In crores of rupees)	
Interest paid by the State Government	50.61	66.89
Interest received by the State Government—		
(a) Interest received on loans and advances	6.56	6.80
(b) Interest received on investment of cash balances	1.83	0.20
Net burden of interest on revenue	42.22	59.89
Percentage of net interest to total revenue receipts	6.80	9.95

in addition, there were other receipts and adjustment of interest charges (Rs. 0.25 crore) and receipt of dividend from investments in commercial undertakings, etc., (Rs. 0.21 crore); if these are also taken into account, the net burden of interest on revenue will be Rs. 59.43 crores.

1.9. Investments in shares/debentures

The following table indicates the amount invested in shares and debentures of different categories of bodies by Government during 1981-82 as well as

such investments as at the end of the year together with dividend/interest received by Government therefrom during the year:

(Amount—In crores of rupees)

Categories of bodies	Investments during 1981-82		Investments as at the end of 1981-82		Dividend/ interest received during the year (percentage of return to cumulative investments in brackets)
	No.	Amount	No.	Amount	
(1)	(2)	(3)	(4)	(5)	(6)
(i) Statutory Corporations	2	1.33	2	8.68 ^(a)	..
(ii) Government Companies	15	5.02	68	77.97	..
(iii) Joint stock Companies	..	..	25	1.37	0.04 (2.9)
(iv) Co-operative Institutions	(b)	9.93	4,192	72.87	0.17 (0.02)
Grand Total	17	16.28	4,287	1,60.89	0.21 (0.13)

1.10. Guarantees

(i) Government have given guarantees for repayment of loans, etc., raised by statutory corporations, Co-operative societies and others.

The guarantees are in the nature of contingent liabilities on the State revenues. Brief particulars of these contingent liabilities based on the available

(a) Includes Capital contribution of Rs. 3.34 crores in Orissa State Road Transport Corporation.

(b) Information regarding the total number of Co-operative institutions is awaited.

information are given below (further details are given in Statement No. 6 of the Finance Accounts 1981-82).

Bodies on whose behalf guarantees were given	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1982
	(In crores of rupees)	
Statutory Corporations and Boards	45.69	1,88.31
Government Companies ..	41.01	34.08
Joint Stock Companies ..	0.02	..
Notified Area Councils, Municipalities and Improvement Trusts	8.09	5.88
Co-operative Institutions including Co-operative Banks	1,32.80	73.20
Private parties ..	0.03	0.01
Total ..	2,27.64	3,01.48

(ii) (a) Government constituted a Guarantee Reserve Fund in 1969-70 to meet the liability arising out of the guarantees being invoked. Contributions to the fund are made from revenue by annual assignments from the Consolidated Fund. Recoveries made from the parties and interest realised on investments made out of the balances in the fund are to be credited to the fund. The balance at the credit of the fund as on 31st March 1982 was Rs. 77.78 lakhs. No part of the fund was invested during the year 1981-82.

(b) Rupees 92.25 lakhs had been paid by Government from 1968-69 to 1981-82 on behalf of the principal debtors on account of invocation of guarantees against

which Rs. 13.13 lakhs have been recovered so far (December 1982). Brief particulars of the outstanding guarantees invoked are given below:—

Principal debtor	(In lakhs of rupees)	
	Amount outstanding	
	Year of payment	
1. Joint Stock Companies(5) *	33.06	
	(1969-70 to 1972-73)	
2. Co-operative Societies(54) *	29.26	
	(1968-69 to 1979-80)	
3. Government Companies(8) *	14.54	
	(1970-71 to 1979-80)	
4. Private parties (2) * ..	2.26	
	(1971-72 to 1979-80)	
Total ..	79.12	

Action taken to realise the outstanding dues from the parties is yet to be intimated by the Government (December 1982).

(iii) Government charges guarantee commission at rates ranging from 0.01 *per cent* to 1 *per cent* of the guarantee. On certain guarantees no fee is charged. The guarantee commission pending recovery in respect of 69 institutions on 31st March 1982 was Rs. 16.06 lakhs.

1.11. Plan performance

Against a total provision (budget and supplementary) of Rs. 1,65.18 crores under Revenue and Rs. 1,90.82 crores under Capital and Rs. 16.49 crores under 'Loans and Advances by the State Government' for Plan schemes during 1981-82, expenditure of Rs. 1,38.75 crores, Rs. 1,67.51 crores and Rs. 13.35 crores respectively was incurred. In the Revenue section there was substantial shortfall under Agriculture and Allied Services (Rs. 12.01 crores), Social and Community Services (Rs. 6.57 crores)

* Figures in brackets indicate the number of institutions.

and General Economic Services (Rs. 4.92 crores). In the Capital section there was significant shortfall of Rs.21.84 crores under Water and Power Development. Under 'Loans and Advances by the State Government' the shortfall was mainly under 'Loans for Co-operation—Warehousing and Marketing Co-operatives—Loans to Orissa State Co-operative Marketing Societies for distribution of Fertilisers' (Provision: Rs. 5.43 crores and expenditure: Rs. 3.50 crores). The major items of shortfall in the Revenue and Capital sections are indicated below:

Head of Account	Budget plus supplementary provision	Actual expenditure	Shortfall	Remarks/Reasons
(1)	(2)	(3)	(4)	(5)
(In crores of rupees)				
A—Revenue				
<i>Social and Community Services—</i>				
277—Education	11.32	9.06	2.26	The shortfall was mainly under 'Assistance to local bodies for primary education' (Rs. 0.59 crore), 'Assistance to non-Government schools' (Rs. 0.34 crore), 'Government Colleges' (Rs. 0.30 crore), reasons for which have not been intimated (February 1983).
280—Medical	9.17	6.63	2.55	Savings occurred under 'Medical Relief' the reasons being due to limitation of the expenditure to the sanction from Government of India and non-filling of certain posts.
288—Social Security and Welfare	21.68	19.65	2.03	Saving was under Welfare of Scheduled Caste in the State Plan due to change of Government policy with regard to implementation of Income generating scheme for economic development of Scheduled Caste (Rs. 1.92 crores), less payment of scholarships due to drop out of students (Rs. 0.05 crore).

Head of Account	Budget plus supple- mentary provision	Actual expendi- ture	Shortfall	Remarks/Reasons
(1)	(2)	(3)	(4)	(5)
	(In crores	of	rupees)	
<i>Economic Services—</i>				
<i>(i) General Economic Services</i>				
298—Co-operation ..	8.54	3.76	4.78	The shortfall was mainly under 'Credit Co-operatives' the reasons being non-receipt of order of Government of India releasing Central assistance towards contribution to Agriculture Credit Stabilisation Fund of Apex Co-operative Bank and Managerial subsidy.
B—Capital				
<i>Economic Services—</i>				
<i>General Economic Services</i>				
498—Capital outlay on Co-operation	11.51	10.01	1.50	Shortfall was mainly under 'Credit Co-operatives' due to non-release of funds by Reserve Bank of India (Rs. 0.49 crore), reduction of Plan ceiling under 'Warehousing and Marketing Co-operatives' (Rs.0.13 crore) and 'Tribal Area sub-Plan' (Rs.0.67 crore).
<i>(ii) Water and Power Development</i>				
532—Capital outlay on Multipurpose River Projects	85.22	76.94	8.28	Savings related mainly to (i) Rengali Project 'Buildings' (Rs.0.40 crore), 'Canals and Branches' (Rs. 1.27 crores), 'Dam and Appurtenant Works' (Rs.2.99 crores); (ii) Balimela Project—'Machinery and Equipment' (Rs.0.58 crore); (iii) Upper Kolab Dam Project—'Irrigation scheme' (Rs.1.24 crores), Power scheme (Rs.3.72 crores); (iv) Potteru Irrigation Project—'Irrigation scheme' (Rs.1.51 crores). Savings were attri-

Head of Account	Budget <i>plus</i> Supple- mentary provision	Actual expendi- ture	Shortfall	Remarks/Reasons
(1)	(2)	(3)	(4)	(5)

(In crores of rupees)

				buted mainly to reduction of plan ceiling, revision of plan allocation, less expenditure than anticipated and non-receipt of Central assistance.
533—Capital outlay on Irrigation, Navigation, Drainage and Flood Control Projects	53.35	38.42	14.93	Savings occurred mainly under (i) Delta Irrigation Project (Rs. 0.74 crore); (ii) Harbhangi Irrigation Project (Rs. 4.87 crores); (iii) Dumerbahal Irrigation Project (Rs. 0.62 crore); (iv) Ong Irrigation Project (Rs. 0.48 crore); (v) Ramiala Irrigation Project (Rs. 1.47 crores; (vi) Ghodahada Irrigation Project (Rs. 0.25 crore); (vii) Modernisation of Rushikulya system (Rs. 0.14 crore); (viii) Barsuan Irrigation Project (Rs. 0.45 crore). Revision of Plan allocation, non-receipt of materials for generating plant machinery from Bharat Heavy Electrical Limited and non-receipt of Central assistance are stated to be the main reasons for the savings.

1.12. Growth of non-Plan expenditure

Though the aggregate non-Plan expenditure (Revenue, Capital and Loans and Advances) slightly decreased from Rs. 4,49.83 crores in

1980-81 to Rs. 4,49.00 crores in 1981-82, there was significant increase in the sectors /sub-sectors indicated below:

Sector / Sub-sector	Expenditure during		Increase	Per-centage
	1980-81	1981-82		
(Rupees in crores)				
A—General Services ..	1,29.71	1,60.92	31.21	24
B—Social and Community Services	1,73.09	1,83.59	10.50	6.6
C—Economic Services—				
(a) General Economic Services	13.97	14.91	0.94	6.7

The increase in expenditure during 1981-82 over the previous year in respect of General Services was mainly under Interest on Loans and Advances from Central Government (Rs. 11.47 crores), Public Works (Rs. 5.96 crores), Interest on Internal Debt (Rs. 4.77 crores), Police (Rs. 3.55 crores), Stationery and Printing (Rs. 1.88 crores). Under Social and Community Services the increase was under Primary Education (Rs. 1.79 crores), Secondary Education (Rs. 2.85 crores), University and other Higher Education (Rs. 1.39 crores) Medical (Rs. 2.67 crores) and Co-operation (Rs. 1.30 crores).

1.13. Delay in submission of monthly accounts by Public Works divisions and Forest divisions

Under the rules, the monthly accounts of Public Works and Forest divisions are to reach the office of the Accountant General not later than 10th of the month following that to which they relate. During 1981-82, the submission of monthly accounts of 217 Public Works divisions and 35 Forest divisions was delayed, delay ranging up to 44 days in Public Works divisions and 24 days in Forest divisions. As a result, some of the divisional accounts had to be excluded from the consolidated accounts of the months to which they related. The consolidated State Civil Accounts, could not, on this account, depict the correct position each month.

Persistent delay in the submission of divisional accounts impair the completeness of the monthly accounts of Government and it not only affects the closing of monthly accounts and communication of actuals to the authorities controlling the expenditure by the due date but also renders reconciliation of departmental figures with those booked by the Audit office difficult.

The matter was reported to Government /Chief Engineer/Chief Conservator of Forests between May 1981 and August 1982 ; their replies are awaited (February 1983).

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

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

	Grants/ charged appropriations	Expenditure	Savings (—)/ Excess (+)		
			Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	
(In crores of rupees)					
<i>Voted</i>					
Original	7,90.14	9,08.90	8,33.47	(—)75.43	8
Supplementary	1,18.76				
<i>Charged</i>					
Original	1,86.63	3,70.58	3,67.47	(—)3.11	1
Supplementary	1,83.95				
Total	12,79.48	12,00.94	(—)78.54	6	

The overall saving of Rs. 78.54 crores was the net result of saving of Rs. 1,39.25 crores in 18 grants in the revenue section (Rs. 42.12 crores), 24 grants in the capital section (Rs. 93.88 crores), 11 charged appropriations in the revenue section (Rs. 0.66 crore) and 5 charged appropriations in the capital section (Rs. 2.59 crores) partly counterbalanced by an excess of Rs. 60.71 crores in 8 grants in the revenue section (Rs. 60.28 crores), 1 grant in the capital section (Rs. 0.41 crore) and 1 charged appropriation in the revenue section (Rs. 0.02 crore).

(b) Further details are given below:—

	Revenue	Capital	Loans and advances	Transfer to the Contingency Fund	Public Debt	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(In crores of rupees)					
Authorised to be spent (grants and charged appropriations)						
Original	5,93.67	2,51.55	20.19	..	1,11.36	9,76.77
Supplementary	43.56	69.06	10.15	..	1,79.94	3,02.71
Total	6,37.23	3,20.61	30.34	..	2,91.30	12,79.48
Actual expenditure (grants and charged appropriations)	6,54.75	2,29.72	27.31	..	2,89.16	12,00.94
Shortfall (—)/ Excess (+)	(+)17.52	(—)90.89	(—)3.03	..	(—)2.14	(—)78.54

2.2. Excess over grants/charged appropriations requiring regularisation

(a) *Excess over grants*—The excess expenditure of Rs 60.28 crores over the authorised provision in 8 grants in the revenue section and Rs. 0.41 crore in 1 grant in the capital section, as detailed below, requires regularisation under Article 205 of the Constitution:—

Sl. No.	Number and name of grant	Total grant	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		(In rupees)		

Revenue Section

1. 2—Expenditure relating to General Administration Department

Original	2,10,08,000	} 2,36,71,000	2,41,45,341	(+)4,74,341
Supplementary	26,63,000			

Reasons for the excess have not been intimated (February 1983).

Sl. No.	Number and name of grant	Total grant	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)

(In rupees)

2. 4—Expenditure relating to Law Department

Original	.. 2,09,55,000	} 2,29,84,000	2,39,28,218	9,44,218
Supplementary	.. 20,29,000			

Excess occurred mainly under 'Civil and Sessions Court' (Rs. 7.14 lakhs) and 'Administration of Religious and Charitable Endowment Fund' (Rs. 1.89 lakhs).

3. 6—Expenditure relating to the Commerce Department

Original	.. 4,69,21,000	} 4,82,68,000	6,19,05,069	1,36,37,069
Supplementary	.. 13,47,000			

Excess occurred mainly under 'Government Presses' (Rs. 61.93 lakhs), 'Printing, storage and distribution of Forms' (Rs. 61.38 lakhs) and 'Purchase and supply of stationery stores' (Rs. 20.07 lakhs). Reasons for the excess in the former two cases are awaited (April 1983); in the latter case the reasons were attributed to adjustment of cost of papers (Rs. 20.03 lakhs) received through the Director General of Supplies and Disposal in previous years.

Excess also occurred under this grant during 1979-80 (Rs. 59.05 lakhs) and 1980-81 (Rs. 42.29 lakhs).

4. 7—Expenditure relating to the Works (Including Rural Roads and Buildings) Department

Original	.. 44,22,99,000	} 45,43,79,000	80,02,26,019	34,58,47,019
Supplementary	.. 1,20,80,000			

Bulk of the excess occurred under 'Public works—Suspense' (Rs. 26.56 crores), 'Electrical—Suspense' (Rs. 1.07 crores) and 'District and other Roads' (Rs. 1.04 crores), reasons for which have not been intimated (February 1983).

Excess also occurred under this grant during 1980-81 (Rs. 25,37.80 lakhs), 1979-80 (Rs. 7,85.26 lakhs), 1978-79 (Rs. 38.53 lakhs), 1976-77 (Rs. 18.75 lakhs), 1975-76 (Rs. 5,34.55 lakhs) and 1974-75 (Rs. 5,62.10 lakhs).

Sl. No.	Number and name of grant	Total grant	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)
(In rupees)				

5. 13—Expenditure relating to the Housing and Urban Development Department

Original	23,04,01,000	} 24,18,33,000	40,85,33,381	16,67,00,381
Supplementary	1,14,32,000			

Excess occurred mainly under 'Sewerage and Water Supply suspense' (Rs. 16.09 crores), reasons for which have not been intimated (February 1983).

Excess also occurred under this grant during 1980-81 (Rs. 11,71.74 lakhs), 1979-80 (Rs. 5,96 lakhs) 1978-79 (Rs. 5,41.07 lakhs), 1977-78 (Rs. 2,22.35 lakhs), 1976-77 (Rs. 2,06.29 lakhs), 1975-76 (Rs. 2,34.14 lakhs) and 1974-75 (Rs. 1,41.28 lakhs).

6. 20—Expenditure relating to the Irrigation and Power (Including Minor Irrigation) Department

Original	28,43,12,000	} 29,69,14,000	37,12,63,247	7,43,49,247
Supplementary	1,26,02,000			

Reasons for the excess which occurred mainly under 'Flood Control and Anti-sea erosion Projects—Suspense' have not been intimated (February 1983).

Sl. No.	Number and name of grant	Total grant	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)

(In rupees)

7. 21—Expenditure relating to the Transport Department

Original	1,05,54,000	1,10,79,000	1,12,01,770	1,22,770
Supplementary	5,25,000			

Excess was mainly on 'collection charges' (provision: Rs. 28.87 lakhs, expenditure: Rs. 32.85 lakhs).

8. 25—Expenditure relating to the Information and Public Relations Department

Original	91,00,000	1,24,06,000	1,31,74,690	7,68,690
Supplementary	33,06,000			

On 'Field Publicity' against the provision of Rs. 38.33 lakhs, expenditure of Rs. 44.49 lakhs was incurred.

Capital Section

6—Expenditure relating to the Commerce Department

Original	87,24,000	92,52,000	1,33,76,982	41,24,982
Supplementary	5,28,000			

On 'Development of Minor Ports' Rs. 1,19.69 lakhs were spent although a provision of Rs. 78 lakhs only was made.

(b) *Excess over charged appropriations*—The excess of Rs. 0.02 crore which occurred in one charged appropriation in the revenue section, as

detailed below, also requires regularisation under Article 205 of the Constitution:

Revenue Section

Number and name of appropriation	Total appropriation	Actual expenditure	Excess
(1)	(2)	(3)	(4)
	(In rupees)		

5—Expenditure relating to Finance Department

Original	1,35,000	1,35,000	2,93,037	1,58,037
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Excess occurred under 'Pensions and other Retirement Benefits—pensionary charges in respect of High Court Judges'.

2.3. Supplementary grants/charged appropriations

(a) During the year, supplementary provision of Rs. 3,02.71 crores was obtained (October 1981 and March 1982) under 25 grants (Rs. 1,18.76 crores) and 13 charged appropriations (Rs. 1,83.95 crores).

(b) The details of significant cases of unnecessary, excessive and inadequate supplementary grants are given below:

(i) Unnecessary supplementary grants

In the following nine cases the supplementary grants (exceeding Rs. 10 lakhs each) of Rs. 36.45 crores were unnecessary as the expenditure did not come up even to the original provision:—

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(In crores of rupees)			

Revenue Section

1.	12—Expenditure relating to the Health and Family Welfare Department	47.25	2.33	44.82	4.76
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Saving was mainly under 'National Malaria Eradication Programme' (Rs. 4.11 crores) and 'National Filaria Control Programme' (Rs. 0.57 crore). Reasons for the saving have not been intimated (February 1983).

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
			(In crores of rupees)		
2.	18—Expenditure relating to the Community Development and Rural Reconstruction (Community Development) Department	30.33	0.39	29.13	1.59

Out of the supplementary provision of Rs. 0.39 crore, the entire provision of Rs. 0.07 crore under Community Development Programme in Central Sector Plan had not been utilised. Rupees 0.15 crore were saved in Family and Child Welfare due reportedly to less allocation of funds by the Government of India. Saving of Rs. 0.04 crore was also intimated to be due to late sanction of six new Integrated Child Development Service Schemes. Remaining saving was mainly attributed to reduction of Plan ceiling under Agriculture, Roads, Minor Irrigation, Nutrition and Tribal Areas sub-Plan.

3.	22—Expenditure relating to Forest, Fisheries and Animal Husbandry Department	24.94	0.79	24.77	0.96
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Inland Fisheries in Central Sector (Plan) and Plantation Schemes (both under State Plan and Central Sector Plan) accounted for bulk of the saving viz., Rs. 44.55 lakhs out of the provision of Rs. 47.55 lakhs in the former head and of Rs. 54.93 lakhs out of the provision of Rs. 1,95.68 lakhs in the latter head.

4.	23—Expenditure relating to the Agriculture and Co-operation Department	49.09	2.29	47.21	4.17
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Saving was stated to be due to non-release of Central assistance towards contribution to Agriculture Credit Stabilisation Fund of Apex Co-operative Bank and managerial subsidy, less requirement of funds (reasons not stated) under multiplication and distribution of seeds, reduction in Plan ceiling as per post-budget decision under State Plan, non-receipt of allocation from Government of India under Tribal Area sub-Plan and less need for payment of subsidy to cultivators for dug wells. Large savings in the Revenue section occurred in the preceding 13 years also.

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(In crores of rupees)

Capital Section

5.	7—Expenditure relating to Works (Including Rural Roads and Buildings) Department	21.71	2.03	21.20	2.54
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Under Major works relating to rural roads and link roads, Rs. 1.19 crores remained unutilised out of the provision of Rs. 1.63 crores (reasons not intimated). No part of the provision of Rs. 1.05 crores meant for expenditure under Capital outlay on Public Works could be utilised, part of which Rs. 0.74 crore was attributed to non-receipt of administrative approval.

Under 'Allopathy' there was a saving of Rs. 0.92 crore part of which was attributed to non-finalisation of sites (Rs. 0.49 crore) for construction of hostels, buildings for Primary Health Centres, Taluk hospital and Nursing College at Berhampur.

6.	9—Expenditure relating to the Food and Civil Supplies Department	50.03	24.97	19.69	55.31
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Saving occurred under 'Capital Outlay on Food—Procurement and Supply' (provision : Rs. 74.97 crores, expenditure : Rs. 19.67 crores); no reasons for saving were intimated (February 1983).

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
7.	11—Expenditure relating to the Harijan and Tribal Welfare Department	1.26	0.45	1.25	0.46

Rupees 35 lakhs out of the Supplementary provision of Rs. 45 lakhs for Tribal Areas sub-Plan could not be utilised ; reasons therefor have not been intimated (February 1983).

8.	16—Expenditure relating to the Planning and Co-ordination Department	0.04	1.10	0.03	1.11
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Provision was meant for District and other roads but the amount was surrendered in March 1982 on the ground that the expenditure being part of expenditure on National Rural Employment Programme would be met from Community Development. Even under Community Development, roads accounted for an expenditure of Rs. 42.50 lakhs only out of the supplementary provision of Rs. 1,18.50 lakhs.

9.	23—Expenditure relating to the Agriculture and Co-operation Department	14.06	2.10	13.78	2.38
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Saving was attributed mainly to reduction of Plan ceiling and non-release of funds by the Reserve Bank of India under 'Credit co-operatives'.

(ii) Supplementary grants which proved excessive

In the following cases, the supplementary grants (exceeding Rs. 10 lakhs each) proved excessive by more than Rs. 10 lakhs in each case. Against the supplementary provision of Rs. 68.00 crores, Rs. 32.62 crores were utilised resulting in saving of Rs. 35.38 crores. The details are given below:—

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(In crores of rupees)

Revenue Section

1.	1—Expenditure relating to the Home Department	35.09	2.78	36.26	1.61
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Saving was stated to be mainly due to non-sanction/non-filling up of posts for upgradation of standards of administration.

2.	10—Expenditure relating to the Education and Youth Services Department	1,11.28	4.59	1,12.59	3.28
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Saving was stated to be mainly due to late opening of non-formal centres in the State, late appointment of teachers for additional sections in different Government High Schools, late appointment of teacher educators in training schools, non-implementation of the scheme 'strengthening of scheduled tribe schools in tribal areas', late appointment of Hindi teachers and late opening of functional literacy centres for adult farmers.

3.	11—Expenditure relating to the Harijan and Tribal welfare Department	16.28	1.61	16.92	0.97
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Saving was attributed mainly to less payment of scholarships due to students dropping and non-identification of adibasi families for settlement in Dandakaranya. Rupees 45 lakhs pertaining to Tribal Areas sub-Plan were surrendered with a view to

meeting the expenditure thereon from Capital Section but even under Capital Rs. 45.52 lakhs remained unutilised.

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
4.	16—Expenditure relating to the Planning and Co-ordination Department	15.83	11.18	16.23	10.78

Saving occurred mainly under 'Rural Works Programme'—State Plan and Central Sector Plan (Rs. 7.55 crores) and 'National Rural Employment Programme—Roads and Suspense' (Rs. 4.42 crores). Saving was partly offset by excess mainly on account of payment of more grants to panchayat samities under 'Economic Rehabilitation of Rural Poor Programme' and taking up more forest schemes under 'National Rural Employment Programme'.

5.	19—Expenditure relating to the Industries Department	14.11	5.16	14.64	4.63
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Saving occurred mainly under Industrial Co-operatives (Rs. 4.35 crores), reasons for which have not been intimated (February 1983).

Capital Section

6.	5—Expenditure relating to the Finance Department	3.67	2.23	4.65	1.25
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Saving was stated to be due to less requirement of funds by State Undertakings towards Ways and Means Advances.

7.	13—Expenditure relating to the Housing and Urban Development Department	4.15	2.31	5.77	0.69
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Savings occurred mainly under 482—Capital outlay on Public Health, Sanitation and Water Supply (State Plan), Tribal Areas sub-Plan due reportedly to non-release of share by Government of India (Rs. 0.30 crore). Payment of less loans to urban local bodies, Improvement Trusts etc., for integrated development of small and medium Towns accounted for a saving of Rs. 0.11 crore.

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(In crores of rupees)			
8. 19—	Expenditure relating to the Industries Department	9.60	5.89	15.14	0.35

Reasons for the saving mainly under 'Capital outlay on Industrial Research and Development' have not been intimated (February 1983).

9. 20—	Expenditure relating to the Irrigation and Power (Including Minor Irrigation) Department	1,42.21	32.25	1,62.64	11.82
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Saving was attributed to reduction of Plan ceiling (Rs. 3.97 crores), revision of Plan allocation (Rs. 3.71 crores), less expenditure than anticipated on various Irrigation projects (Rs. 1.83 crores), non-receipt of assistance from Government of India (Rs. 0.94 crore), non-receipt of materials for generating plant and machinery from Bharat Heavy Electricals Ltd. (Rs. 0.60 crore) and non-posting of staff (Rs. 0.33 crore).

(iii) Inadequate supplementary grants/charged appropriations

In the following five cases the supplementary grants of Rs. 3.81 crores proved inadequate as in these cases there remained a final uncovered

excess of Rs. 60.45 crores; reasons for the excess, to the extent received are given in paragraph 2.2.

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)
		(In crores of rupees)			
		Revenue	Section		
1.	6—Expenditure relating to the Commerce Department	4.69	0.14	6.19	1.36
2.	7—Expenditure relating to the Works (Including Rural Roads and Buildings) Department	44.23	1.21	80.02	34.58
3.	13—Expenditure relating to the Housing and Urban Development Department	23.04	1.14	40.85	16.67
4.	20—Expenditure relating to the Irrigation and Power (Including Minor Irrigation) Department	28.43	1.26	37.12	7.43
<i>Capital Section</i>					
5.	6—Expenditure relating to the Commerce Department	0.87	0.06	1.34	0.41

2.4. Unutilised provision

(a) Rupees 1,39.25 crores remained unutilised during 1981-82 as stated in para 2.1 (a). In 4 grants in the Revenue section and 6 grants in the Capital section, the savings (more than Rs. 25 lakhs in each case) were more than 10 per cent of the total provision. The details are given in Appendix 2.1.

(b) Of the unutilised provision under Revenue and Capital sections, Rs. 22.71 crores related to 'Water and Power Development' (provision: Rs. 1,49.95 crores, expenditure : Rs. 1,27.24 crores) and Rs. 10.38 crores to 'Agriculture and Allied

Services' (provision: Rs. 1,27.13 crores ; expenditure: Rs. 1,16.75 crores). In 1980-81, 1979-80 and 1978-79 also Rs. 62.88 crores (provision: Rs. 2,04.80 crores; expenditure : Rs. 1,41.92 crores), Rs. 37.38 crores; (provision : Rs. 1,45.79 crores; expenditure : Rs. 1,08.41 crores) and Rs. 24.52 crores (provision : Rs. 1,18.70 crores; expenditure : Rs. 94.18 crores) respectively remained unutilised under 'Agriculture and Allied Services' (Revenue and Capital Sections).

Some of the major schemes pertaining to the above services and others where provisions remained substantially/wholly unutilised are mentioned below:—

Sl. No.	Number and name of grant and scheme	Provision	Saving (and percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
1.	7—Expenditure relating to the Works (Including Rural Roads and Buildings) Department			
(i)	Other expenditure—U. K. Aid Projects (Major head—281)	5,10.56	5,10.56 (100)	Reasons have not been intimated (February 1983).
(ii)	District and Other Roads (Major head—537)	1,62.50	1,19.26 (73)	Reasons have not been intimated (February 1983)
(iii)	Capital outlay on Public Works (Major head—459)	1,05.00	1,05.00 (100)	Part of the saving was stated to be due to non-receipt of administrative approval (Rs. 74.08 lakhs). Reasons for the remaining saving have not been intimated (February 1983).
2.	9—Expenditure relating to the Food and Civil Supplies Department—Procurement and supply (Major head—509)	74,96.84	55,29.43 (74)	Reasons for the saving have not been intimated (February 1983).

Sl. No.	Number and name of grant and scheme	Provision	Saving (and percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
3.	19—Expenditure relating to Industries Department			
	Industrial Co-operatives (Major head—298)	3,47.32	3,39.34 (98)	Reasons for the saving have not been intimated (February 1983).
4.	20—Expenditure relating to the Irrigation and power (including Minor Irrigation) Department			
	(i) Lump provision for additional certified <i>ayacut</i> under Major and Medium Irrigation Projects (Major head—333)	1,32.00	1,32.00 (100)	Part of the saving was stated to be due to Additional certified <i>ayacut</i> not coming up to the extent anticipated (Rs.99.40 lakhs).
	(ii) Harabhangi Irrigation Project (Major head—533)	12,40.00	4,86.31 (39)	Saving was stated to be due to (a) reduction of Plan ceiling, (b) revision of Plan allocation and (c) less expenditure than anticipated (February 1983).
	(iii) Ramiala Irrigation Project (Major head—533)	2,45.01	1,47.14 (60)	Do
	(iv) Badanala Irrigation Project (Major head—533)	1,70.00	1,34.22 (79)	Saving was attributed to reduction in Plan allocation (February 1983).
5.	22—Expenditure relating to the Forest, Fisheries and Animal Husbandry Department			
	Government trading in <i>Kendu</i> leaves (Major head—513)	19,72.99	17,50.05 (89)	Reasons for the saving have not been intimated (February 1983).

2.5. Advances from the Orissa Contingency Fund

Contingency Fund with a corpus of Rs. 20 crores was at the disposal of the Government of Orissa at the beginning of the year for giving advances for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature.

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

Forty sanctions were issued by Government during 1981-82 advancing Rs. 17.76 crores of which 38 sanctions were operated upon and Rs. 13.80 crores were drawn from the fund during the year.

An analysis of the sanctions for advances and expenditure thereagainst is given below:

(i) In a case, sanction for Rs. 25.20 lakhs issued on 10th June 1981 for purchase of an Aircraft was cancelled on 1st October 1981. In another case, sanction for Rs. 2.68 lakhs issued on 24th March 1982 was cancelled on 31st March 1982.

(ii) Out of Rs. 13.80 crores drawn during the year, Rs. 6.91 crores were not recouped to the fund till the close of the year.

(iii) Against a sanction of Rs. 25 lakhs issued on 31st March 1982 for payment of old age pension, the amount was drawn on that day by the Community Development and Rural Reconstruction Department from the Fund and retained without incurring any expenditure during the year.

(iv) At the commencement of the year advances of Rs. 81.79 lakhs drawn from the Contingency Fund during 1978-79 (Rs. 0.28 lakh) and 1980-81 (Rs. 81.51 lakhs) were due for recoupment to the Fund; of these, Rs. 81.32 lakhs were recouped during 1981-82 leaving a balance of Rs. 0.47 lakh. The balance in the Fund at the close of the year was Rs. 6,91.46 lakhs.

2.6. Shortfall/excess in recoveries

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the budget estimates. During 1981-82, such recoveries were anticipated at Rs. 1,69.83 crores (Revenue: Rs. 49.78 crores; Capital: Rs. 1,20.05 crores). Actual recoveries during the year, however, were Rs. 1,43.17 crores (Revenue: Rs. 81.19 crores; Capital: Rs. 61.98 crores). Some of the important cases of shortfall/excess in recoveries are detailed below:—

Sl. No.	Number and name of grant	Budget		Actuals		Amount of shortfall(-)/excess(+)	
		Revenue (3)	Capital (4)	Revenue (5)	Capital (6)	Revenue (7)	Capital (8)
(1)	(2)	(In crores of rupees)					
1.	3—Expenditure relating to the Revenue Department	8.71	..	2.44	..	(-)6.27	..
<p>Shortfall in recovery was due to less transfer of expenditure, met initially from the grant, to 'Reserve Fund—Orissa Famine Relief Fund'.</p>							
2.	7—Expenditure relating to the Works Department	17.00	0.92	45.85	1.74	(+)28.85	(+)0.82
<p>More recoveries in the revenue section were mainly under 'Suspense—Gross credit'. Reasons therefor have not been intimated (February 1983).</p>							
3.	9—Expenditure relating to the Food and Civil Supplies Department	..	74.11	..	15.50	..	(-)58.61
<p>Reasons for the shortfall in recovery have not been intimated (February 1983).</p>							
4.	13—Expenditure relating to the Housing and Urban Development Department	2.20	0.98	18.19	..	(+)15.99	(-)0.98

More recoveries in Revenue section were mainly under 'Public Health, Sanitation and Water Supply—Suspense—Gross Credit'; reasons therefor have not been intimated (February 1983).

Sl. No.	Number and name of grant	Budget		Actuals		Amount of short-fall(—)/excess(+)	
		Revenue	Capital	Revenue	Capital	Revenue	Capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(In crores of rupees)							
5.	16—Expenditure relating to the Planning and Co-ordination Department	6.99	..	..	..	(—)6.99	..

Reasons for non-recovery have not been intimated (February 1983).

6.	20—Expenditure relating to the Irrigation and Power (including Minor Irrigation) Department	6.91	23.89	11.84	39.23	(+)4.93	(+)15.34
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More recoveries were mainly under 'Flood Control and anti-sea erosion project—Suspense—Gross credit,' in the revenue section and under Balimela Dam Project and Rengali Dam—'Suspense—Gross credit' in the capital section, reasons for which have not been intimated (February 1983).

7.	22—Expenditure relating to the Forest, Fisheries and Animal Husbandry Department	..	19.71	..	3.54	..	(—)16.17
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Reasons for less recovery have not been intimated (February 1983).

2.7. Non-receipt of explanation for savings/excesses

After the close of the accounts of each financial year, the detailed appropriation accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the Controlling Officers requiring them to explain the variations in general and those under important heads in particular.

During 1981-82, explanations for variations were called for in respect of 3,618 heads (saving: Rs.1,61.58 crores, excess : Rs. 1,27.21 crores). Explanations for variations were received only in very negligible i. e., 16 (0.5 *per cent*) cases. For the remaining 3,602 (99.5 *per cent*) cases (saving : Rs. 1,61.58 crores, excess : Rs. 1,27.20 crores); reasons for variations were not received (February 1983).

Departments which did not furnish (February 1983) the explanations for variations in a large number of cases are Irrigation and Power (884 heads), Agriculture and Co-operation (375 heads), Forest, Fisheries and Animal Husbandry (314 heads), Works (305 heads), Housing and Urban Development (249 heads) Health and Family Welfare (232 heads), Home (199 heads) and Industries (144 heads).

2.8. Retention of heavy cash balances and rush of expenditure

(i) The financial rules of the Government lay down that no money shall be drawn from the treasury unless it is required for immediate disbursement; the rules also prohibit the drawal of money to prevent the lapse of budget grants. The expenditure is required to be phased evenly throughout the year, as far as possible, so as to avoid rush of expenditure towards the end of the year. It is, however, noticed that heavy drawals were made in the last quarter of the year resulting in heavy

accumulation of cash in hand at the close of the year. The information furnished by 210 drawing officers to audit brings out the following position of outstanding cash balance in hand as on 31st March 1981.

Name of Department	Number of drawing officers	Amount (Rupees in lakhs)
Forest, Fisheries and Animal Husbandry	19	91.31
Education and Youth Services	11	91.94
Labour and Employment ..	4	8.75
Agriculture and Co-operation	76	4,53.86
Health and Family Welfare	22	2,25.50
Revenue ..	54	3,88.54
Harijan and Tribal Welfare	7	67.60
Industries ..	14	3,12.21
Home ..	1	14.22
Finance ..	1	4.37
Planning and Co-ordination	1	2.67
Total ..	<u>210</u>	<u>16,60.97</u>

(ii) The expenditure incurred by different offices under Public Works Department during first 9 months of 1981-82 was only 55 *per cent* of the total expenditure incurred during the year and the balance expenditure was incurred during the last quarter. The expenditure incurred during March 1981 itself constituted 24 *per cent* of the total expenditure for the year.

A test check of records of some Public Works divisions indicated the following position:—

(a) Major/substantial portion of the allotment was received by the Public Works divisions in the last quarter/month of the year as detailed below:—

Name of division	Allotment received during 1st three quarters	Allotment received in the last quarter	Allotment received in March 1982	Total allotment received by the division
	(In lakhs of rupees)			
Burla (Roads and Buildings) division	59.36	11.56	9.70	70.92
Kuanria Irrigation Project ..	1,20.00	92.26	92.26	2,12.26
Kalo Irrigation Project ..	91.00	63.16	62.16	1,54.16
Sunei Dam division ..	..	1,42.16	1,42.16	1,42.16
Capital Construction division No. 1	39.48	35.42	21.50	74.90

(b) The expenditure incurred during the first three quarters, last quarter/month of the year was not proportionate and major portion of the expenditure was incurred in the last quarter of the year. Disproportionate expenditure was stated by the divisions to be mainly due to late receipt of allotment. Some of the instances are cited below:—

Name of division	Expenditure			Total
	Incurring during first three quarters of the year	During the last quarter of the year	During March 1982	
(In lakhs of rupees)				
1. Burla (Roads and Buildings) division	39.68	31.34	20.96	71.02
2. Kanjhari Irrigation division	1,51.53	1,23.13	66.21	2,74.66
3. Kuanria Irrigation division	1,38.41	73.96	30.66	2,12.37
4. Sunei Dam division	79.31	86.91	35.67	1,66.22
5. Capital Construction division No.1	38.10	35.86	27.76	73.96
6. Stores and Mechanical division (Irrigation)	7.91	18.39	17.74	26.30

2.9. Delay in reconciliation of figures by the departments

To enable departmental officers to exercise proper control over expenditure and ensure accuracy of figures, there are standing instructions of Government that departmental figures should be reconciled with those recorded in the books of the Audit office every month. Ten Controlling officers out of 86 did not reconcile their expenditure figures amounting to Rs. 64.23 crores for any month in 1981-82. The amount of unreconciled expenditure relating to loans and advances by the State Government during 1981-82 was Rs. 2.48 crores.

The matter was reported to Government between February 1982 and September 1982; their reply is awaited (February 1983).

CHAPTER III**CIVIL DEPARTMENTS****FOREST, FISHERIES AND ANIMAL
HUSBANDRY DEPARTMENT****3.1. Coastal shelter-belt plantation**

3.1.1. To protect the hinterland against excessive damage to life and property and soil erosion due to frequent cyclones, storms and tidal inundations, Government started (July 1972) a scheme of Coastal Belt Plantation along the entire coastal belt in the districts of Ganjam, Puri, Cuttack and Balasore at an estimated cost of Rs. 6 crores. The scheme was to be implemented within a period of 10 years beginning from 1972-73. Under the scheme, the Government land as well as private land within $\frac{1}{2}$ km. of the coast was proposed to be planted and the strip of land between $\frac{1}{2}$ km. and 1 km. was to be kept under permanent trees by maintenance of orchards, fuel reserve and other plantations to be raised by respective owners of the land. Financial assistance for the scheme was also sought for from Government of India (October 1972). The scheme was, however, not approved (March 1973) by the Government of India as the administrative feasibility of acquisition of 6,000 hectares of private land was not examined before drawing up of the scheme. The State Government decided to revise the original scheme, but pending revision, the scheme was executed in the State Sector during the period 1972-73 to 1977-78. A revised scheme was prepared (March 1978) under which casuarina, cashew-nuts and coconut plants along the sea coast to a depth of 1 km. from the shore were proposed to be grown. The Government of India approved the revised scheme (as a part of social forestry

scheme) and State Government became eligible for central assistance with effect from 1978-79 and received a sum of Rs. 78 lakhs as central assistance during that year. However, in July 1979, the Government of India decided that the social forestry scheme will cease to be a centrally sponsored scheme and accordingly the State scheme did not get central assistance from 1979-80. In 1980-81, the Government of India sponsored another scheme 'Rural Fuel Wood Plantation' as a centrally sponsored scheme and the coastal belt plantation scheme was brought within the ambit of rural fuel wood plantation scheme.

During the period from 1972-73 to 1977-78, a total expenditure of Rs. 56.09 lakhs was incurred against an allotment of Rs. 63.23 lakhs. Against an allotment of Rs. 3,33.50 lakhs during the period from 1978-79 to 1981-82, the expenditure incurred was Rs. 3,06.49 lakhs.

3.1.2. On a test check (March and June 1982) of records of the department and 4 Divisional Forest Officers (Cuttack, Puri, Balasore and Berhampur) who were entrusted with the execution of the coastal shelter-belt programmes, the following points were noticed:

(i) Plantation Register showing year-wise and species-wise area of plantation and expenditure, etc., and plantation journal indicating replacement, survival of plantations, survival percentage, causes of mortality, etc., required to be maintained by ranges and divisions, as per departmental manual, were mostly incomplete (Puri and Berhampur). Cuttack division opened the register from 1978-79 and in respect of Balasore division the register was maintained only for the year 1979-80. As per Government orders issued in November 1976 all plantations after

third year of formation were to be transferred to territorial divisions for subsequent maintenance and management. Out of 0.18 lakh acres of plantations which had already become 3 years old up to 1981-82, 0.17 lakh acres had yet to be transferred to territorial divisions. The department could not furnish any reason for non-transfer of plantation to territorial divisions. Evaluation to ascertain the extent of success of plantations and how far the afforestation had been helpful in achieving the desired objective of the programme could not be made in the absence of up to date plantation registers.

(ii) (a) The total number of plantations of various species raised during 1978-79 to 1981-82, survival thereof and the causes of mortality attributed by the divisions were as under:

Year	Plantations	Survival	Percentage of mortality	Reasons for high mortality attributed by divisions
	(Number in lakhs)			
1978-79	54.29	24.54	55	Damage by Cyclone
1979-80	1,02.62	48.28	53	High tide, flood, cyclone and drought
1980-81	61.78	37.99	38	Drought, high tide cyclone and flood
1981-82	42.82	23.39	45	Cyclone and flood
	2,61.51	1,34.20	49	

The department stated (December 1982) that 70 *per cent* survival should be considered as a norm for successful plantations. The position indicated above showed that mortality of plantations of different species taken together varied between 38 and 55 *per cent*. It was further noticed in audit that species-wise percentage of mortality varied widely from division to division, between 24 (Berhampur in 1980-81) and 57 (Puri in 1979-80) for casuarina, 57 (Cuttack in 1981-82) and 100 (Puri and Cuttack in 1980-81) for cashew and 18 (Berhampur) and 100 (Puri during 1979-80) for coconut plantations, as per details given below :

Year	Name of division	Species-wise mortality (in percentage)		
		Casuarina	Cashew	Coconut
1978-79	Cuttack	54	99	99
1979-80	Balasore	53	..	..
	Berhampur	47	93	18
	Cuttack	47	92	93
	Puri	57	100	100
1980-81	Balasore	28	..	..
	Berhampur	24	86	27
	Cuttack	44	100	75
	Puri	37	100	..
1981-82	Cuttack	50	57	38
	Puri	41	70	90

Mortality of coconut plantations in Cuttack and Puri divisions were abnormally very high during 1978-79 to 1980-81 *viz.*, 1978-79: 99 *per cent* in Cuttack, 1979-80 : 93 *per cent* in Cuttack and 100 *per cent* in Puri and 1980-81: 75 *per cent* in Cuttack. According to the views of the Additional Chief Conservator

of Forests, intimated (April 1980) to the Conservator of Forests, Afforestation Circle, Cuttack, it transpired that coconut plantation did not thrive well in sand for want of soil nutrition and that such plantations were required to be raised only in concentrated blocks with proper arrangement for watering, fencing and manuring. Circumstances under which coconut seedlings were selected by the divisions as a suitable species had not been investigated so far (December 1982) nor had the department adopted (June 1982) any preventive measures against the large scale mortality of species at the initial stage of plantations nor considered plantation of any alternative species if cashew and coconut were found to be unsuitable due to the adverse climatic conditions of the area.

(iii) Out of 280 sq. km. to be covered under plantation, 120 sq. km. belonged to private parties where no plantation work was taken up reportedly due to their non-participation and in another 30 sq. km. plantation was stated to be not possible due to encroachment of land. Though the scheme envisaged plantation in private land after execution of necessary agreements with land owners, steps were not taken for motivating the private individuals to participate in the programme and for evicting the persons from encroached Government land. In reply to an audit enquiry, the Conservator of Forests, Afforestation Circle, Cuttack, stated (February 1982) that at no point of the coast line, plantation site of 1 km. width was available and consequently plantations were raised only up to the depth varying between 100 M and 500 M.

(iv) According to the approved pattern of plantation in the Project Report, each row km. (RKM) would consist of 470 casuarina, 9 cashew and 3 coconut plants. Due reportedly to non-availability of the designed width of the plantable strips of land, none

of the 4 divisions test checked in audit followed the approved pattern and instead planted generally 500 casuarina per RKM with the exception of Cuttack and Puri divisions which also planted 10 *per cent* of the required number of cashew plants. Fund was, however, released to the 3 divisions on the basis of general pattern to be followed, resulting in excess allotment of fund to the tune of Rs. 22.54 lakhs during 1979-80 (Balasore : Rs. 4.15 lakhs; Puri : Rs. 9.07 lakhs and Cuttack : Rs. 9.32 lakhs). The actual expenditure exceeded the norm fixed for general pattern by Rs. 20.35 lakhs (Balasore : Rs. 4.13 lakhs; Puri: Rs. 9.06 lakhs and Cuttack : Rs. 7.16 lakhs) and in spite of this irregular and uncontrolled expenditure, the desired objective could not be achieved. Test check revealed that an amount of Rs. 0.92 lakh was diverted for repairs of palisades, transportation of seedlings, clearance of forest growth, purchase of office stores/ furniture etc., for which there was no provision in the project report.

(v) Plantation Manual (1977) stipulates that no new species other than casuarina, cashew, polang, neem, bani and kesuan should be planted on a large scale in the coastal belt without standardising plantation technique after proper experiment. It was, however, noticed in audit that 0.42 lakh coconut seedlings (cost : Rs. 1.90 lakhs) were purchased by Cuttack (0.42 lakh) and Puri divisions (230 plants) during 1978-79 to 1980-81 of which 0.27 lakh were planted in the coastal area, 0.15 lakh in canal (Bari-kalamati) and salt embankments (Rajnagar) not contemplated in the scheme. Only 0.02 lakh survived out of 0.27 lakh purchased for coastal area. Computed at the approved cost per plant, the infructuous expenditure due to failure of such plantation was Rs. 8.07 lakhs. The position in respect of 0.15 lakh seedlings (cost : Rs. 0.68 lakh) purchased for plantation in canal embankment was not available from records.

(vi) Although prior permission of the Revenue authorities was required for raising plantation on Government land, in most of the cases the information regarding the date of requisition for land and alienation of land by the Revenue authorities for the purpose was not available with the divisions. It was also noticed in audit that during 1980-81, Balasore division showed achievement of plantation as 1,204 RKM against the targeted area of 2,000 RKM. The shortfall was generally attributed (by the Forest department officials) to non-availability of required Government land due to encroachment. The division diverted (December 1980 to February 1981) unutilised (4.5 lakhs) casuarina seedlings (Rs. 0.68 lakh) raised in Khadibili Badpali areas to Baripada territorial division for plantation in vacant forest areas. Test check of records showed that Jaleswar range to which 2.75 lakh seedlings were transferred, planted only 1.50 lakhs and the rest 1.25 lakhs (Rs. 0.20 lakh) were destroyed. The information regarding utilisation of the remaining 1.75 lakh seedlings by Baripada division was not available from records. An amount of Rs. 0.16 lakh was also spent by the Balasore division towards transportation of seedlings to selected areas under Baripada division.

(vii) Casuarina and Cashew were also noticed to have been raised by the division over 256 acres at a cost of Rs. 0.79 lakh on one of the banks of river Debi at Tarasahi (Machhagaon range). Although plantation over canal embankment was not contemplated in the scheme, the division spent Rs. 0.38 lakh during 1978-79 and 1979-80 for raising plantation on the canal embankment of Barikalamati. The diversion of funds is yet to be regularised (December 1982). Out of 1,908 seedlings planted in the canal embankment only 432 were stated to have survived. The reasons for the failure of plantation were not on record.

(viii) Plantations (5 lakhs casuarina) of 900 RKM over 440.60 acres raised by Balasore division in the shorts island (island inside the sea) at a distance of 1 km. off the sea coast although there was no such provision in the Project Report were reported to have been extensively damaged due to high tide. The extent of damage was, however, not ascertainable from records. Approval of Government for the deviation was not obtained. Computed at the average cost of plantation (actual expenditure being not available) including maintenance as per the project report, the unauthorised expenditure on the plantations was Rs. 2.06 lakhs.

(ix) As per spacing (2 M × 2M : Casuarina and 8M × 8M : Cashew), adopted for plantation the requirement of polythene bags per RKM was 480 *plus* 20 to 30 *per cent* extra towards replacement of casualties, wastage, etc., (as per extra allowance adopted by various forest divisions). For plantation under the scheme, over 0.19 lakh RKM by Puri division during 1979 to 1981, and for raising another 11.37 lakh seedlings for social-forestry during 1979-80 the requirement of polythene bags worked out to 1,32.85 lakhs (at the rate of 480 per RKM *plus* 30 *per cent* extra) against which the actual consumption of bags was shown as 1,53.87 lakhs. Computed at the average cost per kg. of polythene bags purchased during 1979 to 1981 (Rs. 16.50 during 1979 and Rs. 25.50 during 1979-80), the extra expenditure on excess consumption of bags was Rs. 1.06 lakhs.

It was also noticed in audit that 0.03 lakh kgs. of polythene bags purchased between April and August 1981 had not been entered in the stock register. The correct closing balance of stock to end of August 1981 worked out to 3,038.55 kgs., as against only 38.55kgs. shown in the stock register. Divisional Forest Officer, during physical verification

(January 1982) found only 1,550 kgs. of bags in stock. There was no acknowledgement for another 1,425 bags issued to 4 ranges during March 1981. The total shortage of bags thus worked out to 2,913.55 kgs. (cost : Rs. 0.82 lakh at the average cost *plus* sales tax i.e., Rs. 23.10 per kg.). The Divisional Forest Officer, Puri stated (May 1982) that action to regularise the shortage is being taken.

3.1.3. Summing up

The following important points emerge:

(i) Out of 280 sq.km. of coastal belt to be brought under afforestation at an estimated cost of Rs. 7.73 crores within a period of 5 years the achievement to end of 1981-82 after an investment of more than Rs. 3.00 crores was only 1,30.40 sq.km.;

(ii) plantation registers and plantation journals in most of the cases being incomplete, the basic information like replacement, causes of mortality, etc., and overall position of the plantation were not available on records; consequently the success or otherwise of plantations and how far the afforestation in the coastal belt had achieved the desired objective of the scheme could not be known;

(iii) the information available with the divisions indicated high mortality of plantation of all species taken together in Cuttack and Puri divisions during 1978-79 to 1981-82 varying from 38 to 55 *per cent* but the species-wise mortality was still more i.e., between 37 and 57 per cent for casuarina, 57 and 100 for cashew and 38 and 100 for coconut;

(iv) at no point of coast line, the designed width of 1 km. plantation could be raised reportedly due to non-availability of plantable strip of land;

(v) the expenditure on plantation in Balasore, Cuttack and Puri divisions exceeded the fixed norm by Rs. 20.35 lakhs;

(vi) raising of coconut plantations which was not the approved pattern of plantation in the coastal belt resulted in infructuous expenditure of Rs. 8.07 lakhs due to large scale failure of plantations in Cuttack and Puri divisions;

(vii) cost of plantation in an off-shore island not contemplated in the scheme and not got approved by Government was Rs. 2.06 lakhs; and

(viii) extra expenditure on excess consumption of polythene bags by Puri division was Rs. 1.06 lakhs.

The points mentioned above were reported to Government in October 1982; their reply is awaited (February 1983).

3.2. Special Livestock Production Programme

3.2.1. Introductory

For providing substantial supplementary income to small farmers, marginal farmers and landless agricultural labourers, occupational programmes like rearing of cross-bred calf, establishment of poultry units, piggery and sheep units were taken up (1976-77) by the Animal Husbandry department as a Centrally sponsored scheme. The pattern of Central assistance initially was $66 \frac{2}{3}$ per cent for providing subsidy to beneficiaries in connection with calf rearing programme and 100 per cent on other items and was changed to 50 per cent since 1978-79 for all programmes. The cost of establishment was to be shared by the Central and State Governments on 50:50 basis. The scheme initially sanctioned for a period of three years was

extended to end of Sixth Five Year Plan (1984-85) and continued as Special Livestock Production Programme covering seven districts (Cuttack, Puri, Sambalpur, Dhenkanal, Keonjhar, Koraput and Bolangir).

As per the Government of India guidelines, small/marginal farmers are entitled to 50 *per cent* subsidy and agricultural labourers to 66 $\frac{2}{3}$ *per cent* towards cost of feeds for 27 months counting from the 2nd month of the date of birth of cross-bred female calf under Calf Rearing Programme. In the case of poultry/duckery, piggery and sheep, the subsidy was allowable at the rate of 25 *per cent* to small farmers and 33.33 *per cent* to marginal farmers and agricultural labourers on the capital investment of each unit. The balance requirement of cost of feed for each unit of Calf Rearing Programme or investment in other programmes was to be obtained as loan from financing banks by the beneficiaries. The beneficiary/unit was required to repay the loan together with interest from the income derived from his/its own subsidiary occupation. The entire cost for setting up of each unit under each programme was to be debited as loan to the beneficiary carrying interest from the date of disbursement. The subsidy was released to the financing institutions immediately after sanction of loan so that the beneficiary had to bear interest only on net amount after deducting subsidy from the total loan.

The total expenditure incurred under the different programmes executed to end of 1981-82 was Rs. 3,00.29 lakhs (subsidy: Rs. 2,14.30 lakhs and establishment cost: Rs. 85.99 lakhs) against which the Central assistance received was Rs.1,61.65 lakhs.

The expenditure included Rs.32.75 lakhs drawn (March 1979) on A.C. Bill of which Rs. 17.51 lakhs could not be utilised and ultimately refunded into Treasury between September and December 1979. The detailed contingent bill in support of the balance of Rs.15.24 lakhs had not been submitted to Audit (October 1982). In addition, Rs. 2,42.29 lakhs were arranged by way of loans to the beneficiaries through financing institutions.

3.2.2. *Cross bred calf rearing programme*

The programme of rearing the cross bred calves through small farmers, marginal farmers and agricultural labourers was extended for increasing their income through milk production activities. Each beneficiary who had a cross bred female calf was to be given assistance to rear it from 2nd to 28th month of age to attain cowhood. Out of approved rearing cost of Rs. 1,600 (actual cost : Rs. 1,680 in each case) by way of subsidy, a small and marginal farmer was given Rs. 800 each and agricultural labourer Rs. 1,066 each. The balance feed cost (Rs. 880/Rs. 614) was to be borne by the beneficiary by way of loan through financing institution. Each cow during lactation period of 300 days was expected to yield 2,000 litres (value : Rs. 4,000). Apart from the sale of milk, a further receipt of Rs. 600 (sale of manure : Rs. 100; sale of calf : Rs. 500) was also anticipated. Thereafter, an amount of Rs. 2,600 was required for maintenance of cow and calf.

During 1976-77, the programme was implemented in the districts of Cuttack, Puri and Dhenkanal and extended to Sambalpur from 1978-79. The programme was implemented through Project Officers under the supervision and control of one Special Project Cell at Directorate. To end of 1981-82, 16,094 farmers/agricultural labourers (targeted : 16,610) participated in the

programme to whom loans of Rs. 1,20.22 lakhs were paid over and above a subsidy of Rs. 1,46.65 lakhs. No records were kept by the Project Officers as to the number of beneficiaries who have actually adopted milk production as their subsidiary occupation on the plea that no instructions to that effect were issued by the department. In the absence of these records the Project Officers could not effectively monitor the programme.

A test check (September 1982) of records for the period 1976-77 to 1981-82 of the Project Officers/Livestock Centres in the districts of Cuttack, Puri, Dhenkanal and Sambalpur conducted by Audit disclosed the following points:

(i) In all the districts selection of beneficiaries was made without recording the requisite data of income and land holdings (small farmers—unirrigated land 5 acres or irrigated land below 2.5 acres ; marginal farmers—unirrigated land below 2.5 acres or irrigated land 1.25 acres; landless agricultural labourers: a homestead land and deriving more than 50 *per cent* of their income as agricultural wages; each one should be a cultivator and is not to derive off farm income, if any, more than Rs. 200 per month per family unit enhanced to Rs. 3,500 per year from January 1981). The principle that the family should be treated as an unit for the purpose of determining the status of a farmer was not adhered to. Despite instructions issued (May 1977) by the department that identification should be done through Small Farmers Development Agency and Marginal Farmers and Agricultural Labourers Agency for the areas covered under those agencies and the areas not covered under them through Revenue Officers and Block Development Officers, it was seen that in Puri district alone in 3,390 cases, selection was made by the Veterinary Assistant Surgeons without consulting Revenue authorities and Block Development Officers.

(ii) The Government of India decided (September 1977) that benefits under the scheme are not to be extended to those beneficiaries residing within the Municipal limits and N. A. C. areas. In 283 cases (Sambalpur : 248, Dhenkanal : 35) involving a subsidy of Rs. 2.26 lakhs (computed at the minimum rate) the benefits were allowed by the Project Officers under orders of the Collectors to the beneficiaries in Municipal and N. A. C. areas.

(iii) Of the total (16,094) beneficiaries, 1,459 (Cuttack : 332, Puri : 335, Dhenkanal : 125 and Sambalpur : 667) had discontinued before completion of the stipulated period of rearing of calf (28 months) partly due to reported death of calves (536) for which post-mortem reports were not forthcoming and partly (923) due to sale of calves and voluntary discontinuance of feed. No action was taken against the beneficiaries in these cases. The total subsidy involved computed at the minimum was Rs. 11.67 lakhs. It was stated by the Project Officer, Cuttack that it was difficult to recover the subsidy in spite of a penal clause in the agreement entered into with the beneficiaries.

(iv) In 9,657 cases (Cuttack : 4,520, Puri : 2,926, Dhenkanal : 981 and Sambalpur : 1,230) feeding was completed up to 28th month of age of which in 3,842 cases (Cuttack : 1,747, Puri : 1,280, Dhenkanal : 382 and Sambalpur : 433) calving was attained and in 5,815 cases there was no calving even though a subsidy amount of Rs. 46.52 lakhs was spent. Despite the supply of high quality feed, the calving as anticipated could not be attained and thereby the objective of raising the economic standard of beneficiaries was defeated. To an audit query, the Project Officer, Dhenkanal stated that the heifers were not coming to heat due to 'disease stress' causing delayed maturity.

(v) With a view to improve the economy of the beneficiaries through production and sale of milk, the Government of India stressed (September 1980) that this end could be achieved through the maintenance of cows by the beneficiaries themselves; a bond was to be obtained to this effect. The bonds were obtained for the purpose with a clause not to dispose of the calf/calves without the written permission from the State Director. But sale of cows/heifers actually took place in 1,121 cases (before calving : 304, after calving: 817) without obtaining prior permission of the Director and no action was taken against the beneficiaries. The subsidy element was Rs. 8.97 lakhs.

Contrary to the objects of the scheme, the Director of Animal Husbandry and Veterinary Services permitted (September 1979) in general, sale of prospective cows subsidised under the scheme to the beneficiaries to meet the demands of cross-bred heifers and cows under other schemes in operation like Small Farmers Development Agency and Integrated Rural Development Programme, etc.

(vi) Out of 116 financing institutions (Cuttack : 34, Puri : 25, Dhenkanal : 21 and Sambalpur : 36), information received from 56 financing institutions showed that Rs. 4.21 lakhs representing subsidy pertaining to the period 1976-77 to 1981-82 had remained unutilised with the banks (October 1982). No action was taken by the department to get back the subsidy from the banks and credit it to Government account.

3.2.3. *Poultry Production Programme*

Mention was made in paragraph 3.10 of Comptroller and Auditor General's Report (Civil) 1979-80 on poultry production programme. Subsequent development of the programme and comments thereon to end of 1981-82 are dealt with in the succeeding paragraphs.

Consequent on reduction of Central assistance from 100 to 50 *per cent* from the year 1979-80, the State Government fixed the targets at an average of 447 units annually. The position of achievement to end of 1981-82 was 3,895 units/families as indicated below against the target of 10,341 units/families:

District	Year				Total	Percentage of achievement
	Up to 1978-79	1979-80	1980-81	1981-82		
	(Number of units/families)					
Cuttack ..	1,716	47	118	64	1,945	55
Puri ..	1,052	194	20	27	1,293	36
Sambalpur ..	572	45	37	3	657	20
Total ..	<u>3,340</u>	<u>286</u>	<u>175</u>	<u>94</u>	<u>3,895</u>	<u>38</u>

The shortfall was attributed (August 1982) by the Project Officers to non-sanction of loans by the financing banks even though initiative was taken by them to motivate the banks to sanction loans and induce the beneficiaries to avail of the facilities. The banks were reluctant to sanction loans to some beneficiaries when the number of defaulters increased every year.

A total subsidy of Rs. 44.10 lakhs was released (1976-77 to 1981-82) to all the units brought under the programme stage-wise position of which is as follows:

Stage-wise position	Up to 1978-79	1979-80	1980-81	1981-82
In working condition ..	704	..	11	41
Not started production ..	1,527	..	..	..
Defunct ..	1,109	3,626	3,790	3,854
	<u>3,340</u>	<u>3,626</u>	<u>3,801</u>	<u>3,895</u>

It was seen that out of 3,895 units claimed, only 41 units could survive and there was a large scale closure of the units as stated by the Government (October 1980) and Project Officers (August 1982) due to (a) low margin of profit due to steep rise in feed cost, (b) non-availability of bank loans due to default by the beneficiaries in repayment of loans, (c) keen competition from neighbouring States due to supply of eggs at comparatively lower rates, (d) low subsidy offered as compared to calf-rearing programme and (e) non-selection of area of operation of beneficiaries in compact areas. The purpose of providing subsidiary occupation to the beneficiaries was not fulfilled in 3,854 cases due to their closure in spite of disbursement of subsidy to an extent of Rs. 26.67 lakhs.

The salient points noticed in audit are indicated below:

(i) No action was taken to get back the unutilised subsidy with the banks in respect of the defunct units. Out of 86 financing institutions operating in the field, only 38 institutions (Cuttack : 4, Sambalpur : 34) intimated an amount of Rs. 4.96 lakhs representing subsidy remaining unutilised (October 1982). This unutilised subsidy did not qualify for Central assistance.

(ii) Between 1976-77 and 1979-80, as many as 85 poultry co-operative societies (Cuttack : 22, Puri : 42, Sambalpur : 21) were organised mainly with the object of supplying feed, marketing of eggs and recovery of loan instalments from the beneficiaries. Rupees 6.96 lakhs were paid (working capital : 4.39 lakhs, managerial subsidy : Rs. 2.57 lakhs) and deposited with the banks for performing these functions. Besides, the State Government sanctioned Rs. 2.00 lakhs (March 1979) towards working capital to 20 selected societies. Consequent on all the societies becoming

defunct (dates of defunct are not on record), Rs. 4.84 lakhs (working capital : Rs. 3.28 lakhs, managerial subsidy : Rs. 1.56 lakhs) remained unutilised with the banks for which action was not taken to get back the amount from the societies in terms of the agreements entered into with them (October 1982).

(iii) Loan amounts of Rs. 82.54 lakhs were sanctioned by the financing institutions to all the poultry units. According to the information received from 13 out of 86 banks which had sanctioned a total loan of Rs. 8.98 lakhs to 462 beneficiaries, only 3 could completely repay the loan leaving a balance of Rs. 9.41 lakhs including interest (October 1982). In view of large number of poultry units becoming defunct, the prospect of recovery of loan was remote due to non-receipt of any subsidiary income from the occupational programme.

3.2.4. *Piggery development*

With the approval of the Government of India, establishment of piggery units was launched in the districts of Keonjhar and Koraput during 1976-77 to enable the identified small/marginal farmers and agricultural labourers to supplement their income through pig production activities. Each unit under the programme was estimated at Rs. 1,200 (cost of 3 best cross-bred sows: Rs. 700, construction of shed: Rs. 100, feed cost of animal for six month: Rs. 400). Each eligible small farmer was to get a subsidy of Rs. 300 (25 per cent); marginal farmer/agricultural labourer Rs. 400 (33 1/3 per cent) and in case of tribal farmer Rs. 600 (50 per cent). The balance amount required towards capital investment was arranged for the farmers as loan from the bank. It was also estimated that sale of 20 pigs annually, at Rs. 4,000 (Rs. 200 each) after meeting the feed cost, maintenance, etc., a beneficiary was to earn a

net profit of Rs. 1,970 enabling him to repay the loan with interest. The unit cost was revised to Rs.2,400 (1980-81) and Rs. 3,800 (1981-82). A subsidy of Rs. 11.79 lakhs (Keonjhar : Rs. 7.13 lakhs, Koraput: Rs. 4.66 lakhs) was invested in the scheme and besides, loans of Rs. 11.86 lakhs (Keonjhar: Rs.5.77 lakhs, Koraput: Rs. 6.09 lakhs) were arranged through financing institutions during the years 1976-77 to 1981-82.

Of the 2,355 units (target: 2,141 units) organised, 2,330 beneficiaries actually participated in the programme and it was explained (August 1982) by the Project Officers that due to exploitation by middle men to sell away the animals at low price, pressure of agriculturists on financing banks not to finance owing to pig menance to them, lack of adequate facilities for marketing etc., only 525 beneficiaries finally existed. Thus, due to closure of 1,805 units, the subsidy disbursed to the extent of Rs. 7.22 lakhs could not achieve the desired result in full. As a result of test check of 9 livestock centres (Keonjhar: 5 Koraput: 4) the following points emerged:

(i) Out of 3,117 sows supplied as foundation stock to 1,039 units (Keonjhar: 674, Koraput: 365), only 708 sows survived and of the remaining 2,409, as many as 339 (Keonjhar: 163, Koraput: 176) died but their post-mortem reports were not available with the project officers, 527 (Keonjhar: 497, Koraput: 30) killed, 40 of Keonjhar were missing and 1,503 (Keonjhar: 733, Koraput: 770) were sold during the period 1976-77 to 1981-82. The subsidy involved was Rs. 2.81 lakhs.

(ii) The programme envisaged two farrowings a year per unit but only one farrowing was achieved as stated (September 1982) by the Project Officer due to malnutrition and lack of care and management

in as much as against 20 piglets expected annually, only 9 numbers in Keonjhar and 7 numbers in Koraput on an average were obtained.

(iii) Out of 202 boars purchased (Rs.0.91 lakh) and supplied to the above units only 65 were existing, 88 died, 9 were sold in auction and 40 were either killed, sold or disposed of by the beneficiaries resulting in a loss of Rs. 0.62 lakh. Reasons for death/disposal of boars were not investigated (October 1982).

(iv) Against loan of Rs. 11.66 lakhs given to 2,355 beneficiaries, only 496 (Keonjhar: 354, Koraput:142) repaid full loan amounts to the respective banks and the balance of loan was due for recovery from 1,859 beneficiaries (October 1982). Reasons for non-recovery were attributed by the Project Officers to killing of animals by agricultural farmers and nomadic habits of the tribals. Thus, the programme expected to achieve the desired objectives could not make any headway (October 1982).

3.2.5. *Sheep development*

The programme was introduced in Bolangir district during 1978-79 to enable the identified small/marginal farmers and agricultural labourers to supplement their income through sheep production activities. It was estimated that each unit would cost Rs. 3,000 (20 ewes and ram: Rs. 2,500, sheep pen: Rs. 500) and the eligible farmers were to get (small farmer: Rs. 750, marginal farmer/agricultural labourer: Rs. 1,000, scheduled tribe farmer: Rs. 1,500) subsidy amounts at 25, 33 1/3 and 50 per cent respectively. The balance funds for the units were to be available through the financing banks by way of loan. After repayment of the loan and interest during the 2nd and 3rd years, the scheme envisaged a net profit of Rs. 2,880 per unit annually by sale of 36 lambs (leaving a margin of mortality of 4) from the 4th year onwards.

Besides a subsidy of Rs. 11.76 lakhs, loans of Rs. 27.67 lakhs were arranged through the financing banks during the period from 1978-79 to 1981-82 for establishment of 1,360 units (targeted 2,200 units). Non-achievement of the target was explained (August 1982) by the Project Officer to be due to non-allotment of sufficient funds (Rs. 11.76 lakhs as against the minimum requirement of Rs. 16.50 lakhs), delay in sanction and non-posting of supervisory staff. In case of 9 units, the required pens were not completed and hence the subsidy paid was recovered and deposited (June 1981).

The following points were noticed during test check of 4 (out of 20) livestock centres:

(i) Against the requirement of 27,020 ewes and 1,351 rams (20 ewes and 1 ram per unit), the units were supplied with 24,450 ewes and 747 rams. Reasons for short supply in the case of ewes were not kept on record but due to suppliers' failure to meet the demand of quality rams, the short supply had to be made as stated (August 1982) by the Project Officer. It was further reported by him that out of 24,450 ewes, 10,805 were disposed of by sale, 843 died and 1 stolen during the period 1978-79 to 1981-82 involving a subsidy of Rs. 3.20 lakhs. Only 12,801 ewes left were spread over in 1,167 units, after closing down 184 units. No records were maintained by the Project Officers of the existence of rams. Instructions were not issued by the Director to maintain registers indicating number of ewes/rams supplied and died, progenies born and died etc.

(ii) In the year 1980-81, 11,198 lambs (estimated: 24,080) and in the year 1981-82, 13,837 (estimated: 25,602) were born. The short-fall in production of lambs was 53.5 per cent in 1980-81 and 45.95 per cent in 1981-82. Thus, against two

lambings per year estimated, one lambing on average was obtained disturbing the economics of the programme to the beneficiary resulting in non-repayment of loan in full during the second and third years. Reasons for shortfall were not investigated by the department (October 1982).

(iii) 1,333 beneficiaries (out of 1,351) who received financial assistance of Rs. 22.67 lakhs during the period could not repay the loan of Rs. 22.24 lakhs outstanding with them. Reasons attributed by the Project Officer were that the beneficiaries did not get two lambings as envisaged in the programme. The income derived was only Rs. 1,440 (against Rs. 2,880) and the beneficiary had to pay Rs. 1,520.25 (principal: Rs. 1,050, interest: Rs. 470.25) during the second year.

An expenditure of Rs. 2,14.30 lakhs was incurred for implementing the programme apart from a loan of Rs. 2,42.29 lakhs given to the beneficiaries by the various financing institutions over a period of six years for setting up of 23,695 units under calf rearing, poultry, piggery and sheep rearing projects of which 1,733 units could survive under the latter three projects (actual survival of calf rearing units was not made available) as a result of which the programme could not make actual impact on the weakest section of the Community in retaining the subsidiary occupation provided to raise their economic standards. No effective steps were taken by the department towards co-ordination and review of performance. Absence of a system control resulted in not initiating action against the beneficiaries who had received subsidy of Rs. 18.89 lakhs but discontinued participating in the programme. Untimely death and unauthorised sale of animals reared under the various projects involving a total subsidy

of Rs. 12.40 lakhs had seriously affected the scheme and the department failed to take any remedial measures in this regard.

3.2.6. *Summing up*

Following are the points that emerge:

(i) To end of 1981-82, loans of Rs.1,20.82 lakhs and subsidy of Rs.1,46.65 lakhs were paid to 16,094 farmers/agricultural labourers who participated in the calf-rearing programme but no records were maintained by the Project Officers to show the number of beneficiaries who had actually adopted milk production as their subsidiary occupation;

(ii) although the calf-rearing programme was not applicable to Municipal and N. A. C. areas, 283 beneficiaries of such areas to whom subsidy aggregating Rs. 2.26 lakhs was paid, were allowed the benefit of the programme;

(iii) 1,459 out of 16,094 beneficiaries who were paid subsidy of Rs. 11.67 lakhs discontinued calf-rearing programme even before completion of the stipulated period (28 months) of calf-rearing due to reported death of calves and sale of calves by themselves;

(iv) even after completion of feeding period of 28 months, there was no calving in 5,815 out of 9,657 cases involving subsidy of Rs. 46.52 lakhs which defeated the basic objective of calf-rearing for raising the economic condition of farmers;

(v) in 1,121 cases involving a subsidy of Rs. 8.97 lakhs, cows/heifers were sold by the beneficiaries without prior permission of the Director of Animal Husbandry and Veterinary Services;

(vi) 3,895 units were organised under poultry production programme of which 3,854 (subsidy: Rs. 26.67 lakhs) were closed down;

(vii) all the 85 poultry Co-operative Societies which received financial assistance of Rs. 8.96 lakhs towards working capital and managerial subsidy had become defunct; unutilised amount with these societies was Rs. 4.84 lakhs;

(viii) of the 2,355 piggery units organised, 2,330 beneficiaries participated in the Piggery Development Programme, but 1,805 of such units which received subsidy of Rs. 7.22 lakhs were closed resulting in non-achievement of the desired objective;

(ix) out of 3,117 sows supplied as foundation stock to 1,039 piggery units, 708 sows survived, 339 died, 527 killed, 40 missing and 1,503 sold by the beneficiaries during the period 1976-77 to 1981-82 (subsidy: Rs. 2.81 lakhs);

(x) out of 202 boars (cost: Rs. 0.91 lakh) supplied to piggery units, 65 were existing, 88 died, 9 were sold in auction and 40 were either killed, sold or disposed of by the beneficiaries resulting in a loss of Rs. 0.62 lakh;

(xi) 24,450 ewes were supplied to the beneficiaries under Sheep Development Programme of which 10,805 were sold, 843 died and 1 stolen during the period 1978-79 to 1981-82 resulting in closing down of 184 units; and

(xii) 1,333 out of 1,351 beneficiaries who received financial assistance of Rs. 22.67 lakhs under the Sheep Development Programme during the period could not repay the loan of Rs. 22.64 lakhs outstanding with them stated to be due to low production of lambings.

The points mentioned above were reported to Government in November 1982; their reply is awaited (February 1983).

3.3. Unfruitful expenditure

The exotic cattle breeding farm at Chiplima (Sambalpur district) was started in 1975-76 as a Centrally sponsored scheme in the area of the existing Livestock Breeding Farm. Out of 1,500 acres earmarked for cultivation of fodder for the farm animals, 2,47.96 acres were already under cultivation in the erstwhile farm. During 1975-76 to 1980-81 fodder was cultivated in 295 to 387 acres; of this, 320 acres had irrigation facilities.

Despite the availability of some irrigation facilities, the per acre yield of fodder during the period was between 18 and 25 *per cent* (cereals) and 14 and 37 *per cent* (legumines) of the target set (300 quintals per acre of cereals and 250 quintals per acre of legumines). The shortfall noticed during 1975-76 to 1980-81 in the production of cereals was 75 to 82 *per cent* and legumines from 63 to 86 *per cent*. This resulted in the fodder needs of cattle not being adequately met. Another 535.27 acres were reclaimed during 1975-76 to 1980-81 at a cost of Rs. 5.07 lakhs. On a test check (March to May 1981) of records of the farm in audit, it was noticed that only 139.71 acres out of 535.27 acres were utilised since 1975-76 for cultivation. Non-utilisation of the reclaimed land of 395.56 acres (cost: Rs. 3.75 lakhs) was attributed by the department to lack of irrigation facilities.

The State Government assured (June 1974) the Government of India that the farm would get flow irrigation to cover 1,837 acres from the Hirakud canal system and the entire cultivable area of 1,500 acres would be brought under irrigation. But this did not materialise as stated (May 1981) by the Joint Director of the farm due to geographical position of the farm land *vis-a-vis* the canal system resulting in non-flow of water as the farm was not able to get

required water for irrigation. A proposal to construct a reservoir in the farm connecting a sub-minor (Kapsipali) by converting a big ditch available close to the minor was administratively approved (March 1978) by Government. An estimate for Rs. 1.38 lakhs was prepared (1978-79) by the Executive Engineer, Irrigation division, Sambalpur. The amount was deposited (1977-78: Rs. 0.97 lakh, 1978-79: Rs. 0.41 lakh) by the department with the Executive Engineer for the purpose. The estimate was, thereafter, revised (1979-80) by the Executive Engineer to Rs. 2.57 lakhs but the Government did not agree for entrusting the work to the Irrigation department as a deposit work. The amount was taken back (January 1981) from the division. The work had not been taken up so far nor administrative approval to the revised estimate accorded by Government (May 1981). Requirement of water was being met by pumping water from 2 tanks inside the farm area. Distribution canals (14 numbers) constructed during 1976-77 to 1978-79 (cost: Rs. 1.89 lakhs) inside the farm area in anticipation of construction of the reservoir also remained unutilised (March 1982).

During 1975-76 and 1976-77, Rs. 0.34 lakh were spent for procurement of 3 pump sets and a power tiller. These remained unutilised and it was stated (May 1981) by the Joint Director of the farm that it was due to non-development of source of irrigation.

Thus, for want of assured water supply in the farm, the total investment of Rs. 5.98 lakhs on land reclamation, distribution canals and procurement of pump sets and a power tiller, has remained unfruitful.

The matter was reported to Government in September 1981; their reply is awaited (February 1983).

INDUSTRIES DEPARTMENT

3.4. District Industries Centres

3.4.1. *Introduction*

Government of India sanctioned (1978-79) a scheme for the establishment of District Industries Centres (DICs) for promotion of small, village and cottage industries and to provide all services and support required by decentralised industrial sector under a single roof.

The main objectives of the Centres were:

(i) economic investigation of the potential for development of the district including its raw material and other resources;

(ii) identification of viable village and small scale industries for rapid development;

(iii) training of artisans and educated unemployed in various trades and motivating them to take up trades and industries by providing incentives and concessions to existing and prospective industries;

(iv) providing technical guidance to artisans and entrepreneurs and conducting seminars and exhibitions for educating them;

(v) arranging (a) infrastructural facilities such as industrial sites and sheds, power and water supply, etc., and credit from financial institutions for setting up new industries and (b) supply of machinery and equipment on hire purchase and scarce raw materials required for the industries;

(vi) providing assistance for effectively marketing the products manufactured by the units by the organising sale points; and

(vii) co-ordinating the activities of all organisations involved in the work of industrial development in rural areas.

The scheme provided for a non-recurring grant of Rs. 5 lakhs per centre by the Central Government for construction of office building (Rs. 2 lakhs) and purchase of furniture, fixtures and vehicles (Rs. 3 lakhs) and a recurring grant of Rs. 5 lakhs to be shared by the Central and State Governments in the ratio of 3:1. Expenditure on promotional schemes of incentives and loan assistance to small and cottage units was to be borne wholly by the Central Government. However, from the year 1979-80, the pattern of assistance was changed and both the recurring and non-recurring expenditure was to be shared equally between the Central and State Governments.

The State Government have also brought the following programmes within the purview of the District Industries Centres:

(i) motivating the artisans to avail loans from the financing institutions under 'Economic rehabilitation of the rural poor'; and

(ii) executing training programmes for the artisans on behalf of Command Area Development Authority and District Rural Development Agency.

3.4.2. Organisation

Thirteen District Industries Centres covering all districts set up (May 1978) by Government started functioning from 1st August 1978. The centre is in charge of a General Manager assisted by 4 to 7 functional Managers each in charge of (i) economic investigation, (ii) machinery and equipment, (iii) research extension and training, (iv) raw materials, (v) credit, (vi) marketing and (vii) khadi village or rural industries. A Joint Director of Industries co-ordinates the implementation of the scheme at the State level under the overall supervision of the Director of Industries.

3.4.3. Financing

The budget provision and the actuals thereagainst between 1978-79 and 1981-82 are shown below:

(1)	1978-79		1979-80		1980-81		1981-82	
	Budget Estimate	Actuals	Budget Estimate	Actuals	Budget Estimate	Actuals	Budget Estimate	Actuals
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(In lakhs of rupees)								
Non-recurring expenditure	65.00	65.00	..	..	..	..	..	..
Recurring expenditure on establishment	24.85	22.08	49.64	48.85	64.81	64.75	71.00	70.58
Promotional schemes	13.00	13.00	13.00	13.00	12.77	12.76	15.00	15.04
Total	1,02.85	1,00.08	62.64	61.85	77.58	77.51	86.00	85.62
Share of expenditure by Central Government	..	93.39	..	30.93	..	38.75	..	42.81
District Industries Centres								
Loans	.. 14.48	14.46	6.00	6.00	16.00	16.00	34.00	19.50
Central Assistance sanctioned								
Grant	..	95.50	..	37.43	..	38.13	..	39.00
Loan	..	36.49	..	6.50	..	8.00	..	9.00
Unutilised grant	..	(-)2.11	..	(-)6.50	..	(+)0.62	..	(+)3.81

Out of Rs. 2,10.06 lakhs sanctioned as grant from Central Government during 1978-79 to 1981-82, the Central Government's share of expenditure on the scheme worked out to Rs. 2,05.88 lakhs only. The unutilised grant as at the end of March 1982 was Rs. 4.18 lakhs.

It was noticed in audit that proposals for various schemes under the programme were sent by the end of the year by the Director of Industries resulting in delayed release of funds by the Government of India and consequently the grants could not be utilised during the year and had to be carried forward to the subsequent years.

3.4.4. A test check of records of Director of Industries and 4 District Industries Centres (Cuttack, Puri, Phulbani and Jeypore) was conducted in Audit (May—July 1982) and the following points were noticed:

(1) Target and achievement

Before formation of district industries centres from 1st August 1978 there existed 5,727 Small Scale Industries (SSI) units having a capital investment of Rs. 51.87 crores which were stated to be generating employment of 0.54 lakh mandays per annum.

Target and achievement in regard to setting up of units and generation of employment during 1978-79 to 1981-82 are given in the table below:

	Target				Achievement			
	1978-79	1979-80	1980-81	1981-82	1978-79	1979-80	1980-81	1981-82
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	(In numbers)							
Additional employment generated	11,077	44,044	39,630	81,985	21,667	59,709	69,715	1,13,364
New units established-SSI	1,161	1,815	1,980	2,500	1,372	2,020	2,003	2,600
Artisan	..	12,650	18,500	45,000	5,974	25,554	32,744	57,769
Registration certificate issued	..	..	..	..	5,141	7,228	8,936	11,791

As against 7,456 small scale and 76,150 artisan units targeted to be set up during 1978-79 to 1981-82 for generating employment of additional 1.77 lakh mandays as indicated in the Action Plan of the centres, 7,995 and 1,22,041 units respectively were set up at an investment of more than Rs. 64.23 crores which were stated to have generated employment of 2.64 lakh mandays. Though the industrial policy of the State Government envisaged removal of regional imbalance in the growth of industrial units in rural areas, it was noticed that units were generally concentrated in major towns of the State *viz.*, Cuttack, Puri, Sambalpur, Berhampur and Rourkela, where as many as 4,550 SSI units (57 per cent) had been set up. The growth of units at Cuttack itself was 1,675 i. e., 21 per cent of the total units set up in the State. Adequate attention was not paid to the 8 backward districts where only 3,445 SSI and 46,578 artisan units had been set up. The information regarding the total number of units which started production and success or failure of these units were not available from records of the centres. As per particulars available with the department, out of 13,722 SSI and 1,22,041 artisan units, 255 and 831 units respectively were closed (August 1982).

(2) Accommodation

(i) As against 13 centre buildings, 11 were taken up for construction (June 1979) at an estimated cost of Rs. 35.50 lakhs of which 6 had been completed (April 1982) at a cost of Rs. 19.50 lakhs, 5 were under various stages of construction; two other buildings had not been taken up so far (June 1982) due to non-selection of site (Koraput and Puri). Non-completion of buildings resulted in continuance of hiring of buildings for the Centres leading to avoidable expenditure and non-availability of services under one roof to entrepreneurs.

(ii) As per guidelines issued by the Government of India, pending construction of buildings for the centres, accommodation not exceeding 5,000 sq. feet for each centre was to be hired at a ceiling of Rs. 0.30 lakh per annum i. e., Rs. 6 per sq. foot. It was noticed in Audit that the norm of 5,000 sq. feet for centre was exceeded in Puri, Cuttack and Jeypore centres. Extra expenditure of Rs. 0.51 lakh on account of hiring the buildings in excess of the permissible plinth area is given below:

	Permissible plinth area (In sq. feet)	Hired plinth area	Period	Extra expenditure (In lakhs of rupees)
Puri	5,000	5,624	1979-80 to 1981-82	0.08
Cuttack	5,000	5,601	May 1979 to July 1981	0.11
Jeypore	5,000	11,571	1981-82	0.32

(iii) The scheme envisaged rendering of all services to the beneficiaries under the same roof. However, it was seen that out of 5 related functions viz., economic investigation and marketing, research extension and training, machinery and equipments, raw materials, and credit, 3 only were available at Puri and the remaining 2 were available at Bhubaneswar which did not meet the basic need of the scheme. Similarly, District Industries Centre, Sundergarh was located partly at Sundergarh and partly at Rourkela thereby depriving the entrepreneurs the facility of all the services under the programme under one roof.

(3) Office equipments

Eighty three typewriters and 13 duplicators were purchased (1978-79) by the department for different centres at a cost of Rs. 3.57 lakhs. Of these, 61 typewriters and 10 duplicators were distributed to centres, 15 typewriters to Directorate and other offices of the department like Joint Director, Khadi

and Village Industries (July 1980) and 7 typewriters (Rs. 0.28 lakh) and 3 duplicators (Rs. 0.12 lakh) were lying in stock (June 1982).

(4) Rural Industries/Rural Artisan Programme

The object of rural industries projects was intensive development of small industries based on agriculture and other resources available in rural areas and to develop non-agricultural occupations. The objective of rural artisans' programme was to upgrade the skills of rural artisans by providing required training in the improved technique and tools, and setting them in their trades to increase their earnings.

A total amount of Rs. 67.24 lakhs was spent during 4 years ended 1981-82 for implementation of Rural Industries Project and Rural Artisans' Programme *viz.*, exhibition, publicity, training of entrepreneurs and artisans, free tool kits, subsidy for work-shed and machinery, technical and managerial subsidy, etc.

The following points were noticed:

(i) The Rural Artisan Programme envisaged a subsidy for the construction of work-sheds to be provided up to 33 1/3 *per cent* subject to limitation of Rs. 3,000 for individual limit and Rs. 5,000 for co-operatives. In Cuttack centre, a total amount of Rs. 0.67 lakh was paid as subsidy for work-shed during 1979-80 and 1980-81 to 15 artisan co-operative societies merely on their application for subsidy without ascertaining the actual expenditure. As such, the correctness of subsidy paid could not be checked in audit. Further, in another 7 co-operative societies subsidy of Rs. 0.25 lakh was paid, as against the admissible amount of Rs. 0.12 lakh and the excess of Rs. 0.13 lakh paid had not been recovered (July 1982). In other 3 cases, the

ceiling rate of subsidy (Rs. 5,000) was not observed which resulted in excess payment of subsidy to the tune of Rs. 0.10 lakh during 1978-79.

(ii) A total amount of Rs. 1.11 lakhs was paid by Cuttack centre as advance to 22 co-operative societies (Rs. 0.99 lakh) and 4 voluntary organisations (Rs. 0.12 lakh) during 1979-80 to 1981-82 for conducting artisan training instead of the training being arranged by the Centres as contemplated in the scheme. A sum of Rs. 0.67 lakh was advanced to 14 Industrial Promotion Officers (IPOs) for implementing training to artisans. Of this, only Rs. 0.13 lakh was spent on training the rural artisans as contemplated and the remaining amount was spent in training persons in urban areas. No record was maintained by the IPOs to show the number of persons trained and the actual expenditure incurred on training.

(iii) Expenditure incurred for exhibition and publicity included Rs. 0.10 lakh spent on oil painting and Rs. 0.07 lakh on visits of VIPs. The amounts were, thus, not utilised for the benefit of rural artisans. Vouchers for Rs. 0.21 lakh spent on contingent items during 1978-79 were stated to be not available in the centre. Rupees 0.30 lakh meant for training by the Cuttack centre were diverted for printing of forms.

(iv) A total amount of Rs. 0.22 lakh was paid as managerial subsidy by Puri and Jeypore centres to 11 industrial co-operative societies (Puri-4 societies: Rs. 0.14 lakh and Jeypore—7 societies: Rs. 0.08 lakh). None of these societies were formed by the trained artisans under rural programmes who only were entitled to the subsidy. A subsidy of Rs. 0.15 lakh was also paid to 3 co-operative societies by Puri centre during 1979-80 and 1980-81 towards construction of work-shed without ascertaining from the societies the actual expenditure of construction.

(v) Guidelines of the scheme stipulated that tools would be supplied to artisans to start professions on completion of their training in different trades. It was noticed that tools worth Rs. 0.16 lakh were supplied by the Jeypore centre to 41 persons during 1981-82 who were not trained in any trade. For purchase and free supply of tool kits to trainees, an amount of Rs. 0.70 lakh was also advanced (1978-79 to 1980-81) by the centre to a co-operative society under Puri centre instead of arranging purchase and supply of kits by the centre. The society had not rendered any accounts against the advance so far (June 1982). As such, the total number of trainees who were distributed tool kits, was not verifiable from records.

(vi) Out of amounts aggregating Rs. 0.63 lakh received for publicity, exhibition and common service, Rs. 0.51 lakh were diverted by the Jeypore centre during 1978-79 and 1979-80 for meeting expenditure on office contingencies.

(5) Training of rural youth for self-employment

The Government of India introduced (July 1979) a scheme for training of rural youth up to the age of 35 years for self-employment. An amount of Rs. 1.46 lakhs was drawn by Cuttack centre for training of 67 such persons during 1980-81 but instead of training being arranged by it, the amount was given by the General Manager, DIC, Cuttack as advance to 2 voluntary organisations (Rs. 0.09 lakh), 6 co-operative societies (Rs. 0.33 lakh) and Industrial Promotion Officers (Rs. 1.04 lakhs). Detailed account of expenditure, the number of persons trained in different trades and the number of beneficiaries who had adopted self-employment schemes were not available for check. No survey was also conducted by the department to ascertain the extent of improvement of rural economy under the programme.

Jeypore centre also drew Rs. 0.59 lakh during 1980-81 for the purpose out of which Rs. 0.35 lakh was diverted for supply of tools and machines to trainees of Rural Artisan Programme though this was not contemplated in the scheme. The detailed account for the balance amount of Rs. 0.24 lakh given as advance to the IPOs had not been received (June 1982).

(6) Institutional credit

Institutional credits aggregating Rs. 61.93 crores were disbursed to the units in connection with purchase of land, machinery, construction of shed, purchase of raw materials and working capital during 1978-79 to 1981-82.

Financing Agency	Number of beneficiaries		Amount	
	SSI	Artisans	SSI	Artisans
	(Rupees in crores)			
Orissa State Financial Corporation	3,041	7,600	37.87	3.76
Commercial banks	2,284	1,590	8.89	9.89
Co-operative bank	..	7,282	..	0.79
Orissa Small Industries Corporation	1,098	..	0.73	..
	6,423	16,472	47.49	14.44

As against 13,722 SSI units and 1,22,041 Artisan units set up in the State to end of 1981-82, credit was arranged for 6,423 and 16,472 Artisan units. The District Industries Centres had no system to monitor credit utilisation by the beneficiaries.

(7) Seed/margin money loans

During 1978-79 to 1981-82 a total amount of Rs. 1,10.50 lakhs was spent by the department towards margin or seed money loans to small industries of which Rs. 40.02 lakhs (1978-79: Rs. 10.02 lakhs, 1979-80: Rs. 20.00 lakhs, 1980-81: Rs. 10.00 lakhs) were diverted by the Director of Industries for loans to panchayat samiti industrial units towards share capital/working capital loans which was not envisaged in the scheme. Diversion of the amount for the purpose other than that for which it was intended, had not been got approved by Government.

(8) Subsidy

The Government declared a number of incentives and concessions under the programme during 1978-79 to 1981-82. The Government paid investment subsidy of Rs. 8.82 crores to 1,821 units, power subsidy of Rs. 0.08 crore to 835 units, rent subsidy of Rs. 0.11 crore to 321 units and interest subsidy of Rs. 0.01 crore to 7 units.

The following points were noticed in regard to the disbursement of subsidy:

(i) Some categories of units viz., flour mill, rice mill, etc., which started production on or after 1st August 1980 were not eligible to get the investment subsidy. Eight such units under Cuttack centre and 2 units under Phulbani centre which started production after the above crucial date were, however, paid the subsidy aggregating Rs.9.58 lakhs (Cuttack: Rs.9.45 lakhs and Phulbani:Rs.0.13 lakh) irregularly during November 1980 to March 1982.

(ii) As per prescribed procedure the units were required to apply for the investment subsidy to the respective centres. Even though 8 units under Phulbani and 5 units under Cuttack centres did not apply to

the centres, investment subsidy of Rs.23.49 lakhs were sanctioned by the State Level Committee (sanctioning authority) and the amounts were disbursed by the Orissa State Financial Corporation (OSFC) during September 1980 to May 1982. The information regarding the value of capital assets acquired by each unit and the circumstances under which the loans were sanctioned by the Committee without any recommendations by centres were not available.

(iii) Investment subsidy was payable only after the acquisition of plant and machinery by the units. In 4 cases of Cuttack centre, the subsidy of Rs.3.42 lakhs was paid during September 1980 to March 1981 without having information regarding acquisition of plant and machinery. In 5 cases of Cuttack centre, excess payment of subsidy of Rs.3.96 lakhs occurred for not observing the prescribed ceiling rate (15 *per cent* of the investment) during November 1980 to March 1981.

(iv) Although the total investments exceeded Rs.20 lakhs in each case and the unit cannot be treated as small scale unit, subsidy aggregating Rs.22.14 lakhs was paid during February—March 1982 in one case each in Cuttack centre (Rs.7.14 lakhs) and Koraput centre (Rs.15.00 lakhs).

(v) Power subsidy scheme introduced in April 1972 under the industrial policy of the State Government at 12.5 *per cent* of the cost of the energy was applicable to industries having investment up to Rs.25 lakhs and set up between February 1968 and July 1979. One unit under Jeypore centre which started production in 1961 was also paid (April 1981) subsidy of Rs.0.04 lakh on the ground that the unit changed over to electric power in December 1969.

Subsidy was paid during 1980-81 to 14 units in Jeypore centre at the rate of 15 *per cent* instead of 12.5 *per cent* which resulted in excess payment of Rs.0.01 lakh.

(vi) Rent subsidy was payable for the capital investment in plant and machinery not exceeding Rs.2 lakhs by the unit for a period of 5 years. Koraput centre paid (1978-79 and 1979-80) subsidy of Rs. 0.41 lakh to 2 units although investment in plant and machinery exceeded Rs.2 lakhs in each case.

(vii) Interest subsidy at 4 *per cent* of loan taken from financial institutions was payable to Industrial co-operatives. The subsidy of Rs. 0.03 lakh was paid during 1981-82 to one co-operative which availed loan between 1968-69 and 1978-79 from Government and not from any financial institution. Out of 42 co-operatives who had been paid subsidy of Rs.0.72 lakh, 2 only had availed loans from the financial institutions and were entitled to subsidy of Rs.0.07 lakh during 1979-80 to 1981-82; the remaining co-operatives availed loans from Government on which the subsidy was not payable.

(viii) Interest free sales tax loans equivalent to the sales tax paid by the small scale units which started production from 1st August 1980, subject to a ceiling of 10 *per cent* of the capital invested, was payable for a period of 5 years. One unit in Cuttack centre which started production in March 1980 was allowed subsidy of Rs.0.80 lakh during 1980-81. Another industry at Cuttack which started production in July 1969 was also paid (May 1982) subsidy of Rs.9.34 lakhs equivalent to the amount of excise duty and export fees paid by it. The irregular payment of subsidy had not been regularised so far (July 1982).

(9) Entrepreneurial development training for educated unemployed

As against 39,846 educated unemployed identified for entrepreneurial development training during 1978-79 to 1981-82 to help them in setting up of small scale industries the total number of persons actually trained or under training for whom a total expenditure of Rs.18.66 lakhs was incurred were 2,318 and 736 respectively. Only 186 of those who completed training set up industries. The reasons for the shortfall in training and failure of the remaining 2,132 trained entrepreneurs to set up industrial units were not ascertainable from records of the Industries centres.

Cuttack centre diverted (1979-80 to 1981-82) Rs.0.47 lakh for contingent expenditure of the office viz., maintenance of office furniture and equipments, telephone charges and printing of forms. Government orders were not obtained for such unauthorised diversion of fund allotted for training of entrepreneurs.

(10) Economic rehabilitation of rural poor

The Government launched (August 1980) a programme of economic rehabilitation of 5 lakh identified poorest families in villages at the rate of 10 such families in each village, having income not exceeding Rs.1,200 per annum, for a period of 5 years commencing from 1980-81 to increase their level of income to Rs.1,500 per annum. The expenditure on their training and financial assistance in the shape of loan and subsidy for purchase of tools, etc., were to be met out of funds available for other schemes for rural development. Out of 19,581 beneficiaries identified by the Block Level Committee, centres recommended 15,452 cases for the bank loan during 1980-81 to 1981-82 after imparting training to 947 beneficiaries (all did not require training). Banks disbursed (1980-81 and 1981-82) loans aggregating Rs. 2,03.31

lakhs to 8,369 beneficiaries of whom 4,875 also received (1980-81 and 1981-82) subsidy of Rs.66.24 lakhs for purchase of tools. Out of 8,369 cases which had been disbursed loans production had been started (May 1982) only in 6,675 cases.

Thus, compared with the total number of selected beneficiaries (15,452) the ultimate benefit achieved by them was 6,675 (43 *per cent*).

(11) Training of artisans under CADA

Cuttack centre received Rs. 6.19 lakhs during 1979-80 to 1981-82 from the Project Director, Command Area Development Agency, Cuttack towards training of artisans who on completion of training were to take up that profession for their livelihood. Of this, Rs. 2.88 lakhs received in July 1981 remained unutilised (June 1982). The remaining amount of Rs. 3.31 lakhs was given as advance to IPOs for organising training programmes but was shown as final expenditure in the cash book. Of this, disbursement vouchers for Rs. 1.36 lakhs had yet to be received (June 1982) from them. Further, the accounts rendered by IPOs (August 1980 to May 1982) for Rs. 1.95 lakhs had not been checked and passed by the centre so far (June 1982). The actual number of persons who were imparted training by IPOs in different trades and how many of them had taken up these professions as their livelihood were also not verifiable from records.

(12) Financial assistance to flood affected artisans

An amount of Rs. 2.97 lakhs was given (May 1981) by the Director of Industries, Orissa, Cuttack, to Cuttack centre towards financial assistance to artisans affected by flood (October 1980). The amount was in turn given (1981-82) as advance

to 37 IPOs for payment to 393 artisans which was raised to 2,970 as per subsequent instructions (August 1981) of the Director of Industries. Of this, 18 IPOs rendered (May 1982) accounts for Rs. 2.23 lakhs covering 2,227 artisans. It was noticed that 1,736 out of 2,227 artisans to whom financial assistance of Rs. 1.74 lakhs was stated to have been disbursed, were not identified by the Revenue Authorities as required under the scheme. Accounts for the balance amount was awaited from 19 IPOs (July 1982).

(13) District Rural Development Agency

(i) For implementing training programmes in different trades, viz., tailoring, weaving, carpentry, wool knitting, etc., and for payment of managerial subsidy and share capital loan to the block level industrial societies sums of Rs. 7.29 lakhs and Rs. 3.11 lakhs respectively were received during 1979-80 to 1981-82 by the Phulbani centre from the Project Director, District Rural Development Agency (DRDA), Phulbani. It was noticed in audit that utilisation certificate for the amounts had not been sent so far to DRDA. Acknowledgement for Rs. 1.36 lakhs given as advance to the societies was not available on record. Accounts stated to have been rendered by them for Rs. 5.31 lakhs were not available in the centre for check. Six co-operative societies who were paid managerial subsidy of Rs. 0.06 lakh during 1978-79 were not entitled to it as the societies were not formed by artisans trained under rural programmes.

(ii) It was further noticed that Rs. 2.79 lakhs were paid (June 1981) to 15 co-operative societies under Phulbani centre towards managerial and building subsidy. None of these societies were in possession of the land for construction of

buildings nor was any manager appointed by them to utilise the amount of managerial subsidy (Rs. 0.54 lakh). Consequently, the entire amount was kept by them in the Central Co-operative Bank, Boudh.

(iii) Advances aggregating Rs. 1.03 lakhs paid (1978-79 : Rs. 0.27 lakh, 1981-82 : Rs. 0.76 lakh) to 4 IPOs, 12 Co-operative societies and 2 Government schools by Phulbani centre for arranging training under rural programmes were entered in the cash book of the centre as final payments as a result of which submission of detailed accounts against advances was not being watched by the centre. Number of persons trained was also not available with the centre.

Rupees 0.32 lakh were spent by the Centre during October 1979 to July 1980 for training 10 ladies in wool knitting. On completion of training, only 4 of them started tailoring trade after availing bank loan and the position in respect of others was not ascertainable from records. Wool knitting machine worth Rs. 0.08 lakh and 13 kgs. of finished woolen goods worth Rs. 0.07 lakh produced during training which were stated to be lying with the IPO (Sadar) had not been disposed of.

(14) Monitoring

For effective control, programme Co-ordination, review of performance, etc., the Government set up a District Advisory Committee (May 1978) headed by the Collector and a State Level Co-ordination Committee (June 1978) headed by the Chief Minister/Minister of Industries. A monitoring cell headed by the Joint Director of Industries was also created at the Directorate of Industries. While the State Level Committee was required to meet once in 6 months or at shorter interval as was considered necessary, the Committee held 3 meetings in July

1979, August 1981 and March 1982 mainly due to the pre-occupation of Collector and other members. Similarly, the Committees at the district level which were required to meet once in a month or at least once in 2 months for monitoring the detailed programme and reviewing the progress held 4 to 9 meetings during 1978-79, 1980-81 and 1981-82 and, one or two meetings during 1979-80.

(15) Evaluation

Although as many as 13,722 small scale and 1,22,041 artisan units had been in operation generating employment of 2.51 lakh mandays, no independent evaluation of the programme had been done by the Department so far to ascertain the achievement of economic development of the districts and increase of income level of units envisaged in the programme.

3.4.5. *Summing up*

The main points are:

- (i) In 13 District Industries Centres Rs. 3,25.06 lakhs were spent during 1978-82 of which Central assistance amounted to Rs. 2,10.06 lakhs including unutilised amount of Rs. 4.18 lakhs;
- (ii) as against 7,456 small scale and 76,150 artisan units targeted to be set up during 1978-79 to 1981-82 for generating employment of additional 1.77 lakh mandays as indicated in the Action Plan of the centres, 7,995 and 1,22,041 units respectively were reported to have been set up at an investment of more than Rs. 64.23 crores generating employment of 2.64 lakh mandays ;

- (iii) 57 per cent of the total units set up so far, were in urban areas instead of in rural areas;
- (iv) in two centres (Puri and Sundergarh) beneficiaries could not obtain all services under one roof since the offices were situated in different places;
- (v) the extra expenditure due to hiring building in excess of the prescribed norm of 5,000 sq. feet in 3 centres (Puri, Cuttack and Jeypore) was Rs. 0.51 lakh;
- (vi) the training required to be imparted by the District Industries Centres was entrusted to voluntary organisations and co-operative societies. Of the expenditure of Rs. 0.67 lakh incurred in Cuttack centre, only Rs. 0.13 lakh was spent on training the rural artisans and the remaining artisans in urban areas;
- (vii) two centres (Cuttack and Jeypore) diverted (1978-79 to 1981-82) Rs. 1.10 lakhs from out of fund for training of artisans for contingent expenditure;
- (viii) 1,736 persons to whom financial assistance of Rs. 1.74 lakhs towards flood relief was disbursed by IPOs (Cuttack centre) were not identified by Revenue Authorities as required under the scheme;
- (ix) 15 industrial co-operative societies under Phulbani centre who were paid managerial and building subsidy of Rs. 2.79 lakhs were not in possession of land for construction of buildings nor was any manager appointed by them to be eligible for managerial subsidy;

- (x) the information regarding the number of industrial units established by beneficiaries who were disbursed institutional loans aggregating Rs. 61.93 crores during 1979-80 to 1981-82 by the financial institutions was not available with the centres;
- (xi) rupees 40.02 lakhs intended for seed and margin money loans to small industries were diverted (1978-79 to 1981-82) for loans to panchayat samiti industrial units towards share capital/working capital;
- (xii) ten units of 2 centres (Phulbani: 2 and Cuttack: 8) which were not entitled to investment subsidy were irregularly paid Rs. 9.58 lakhs; another 13 units of 2 centres (Cuttack: 5 and Phulbani: 8) were disbursed investment subsidy of Rs. 23.49 lakhs although their cases were not processed by the centres nor the information regarding the value of capital assets acquired by them was available;
- (xiii) in 5 cases (Cuttack) there was excess payment of investment subsidy to the tune of Rs. 3.96 lakhs and in another 2 cases (one each under Cuttack and Koraput) although the total investment of each exceeded Rs. 20 lakhs (prescribed ceiling for a small scale industry), subsidy amounting to Rs. 22.14 lakhs was irregularly paid;
- (xiv) only 2 out of 42 co-operative societies who were paid interest subsidy totalling Rs. 0.72 lakh, availed loans from the financial institutions and others from Government on which no subsidy was admissible;

- (xv) interest free sales tax loans aggregating Rs. 10.14 lakhs were paid irregularly to 2 units under Cuttack centre; and
- (xvi) although as many as 13,722 small scale and 1,22,041 artisan units had been in operation generating employment of 2.64 lakh mandays, no independent evaluation of the programme had been done so far to ascertain the achievement of economic development of the rural community envisaged in the programme.

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

AGRICULTURE AND CO-OPERATION DEPARTMENT

3.5. Acquisition of a private property for Horticulture Extension Programme

Government decided (April 1978) to acquire a private property at Khurda (Puri district) consisting of an orchard having mainly fruit bearing trees 756 in numbers *viz.*, Mango, Guava, Litchi, Sapota, etc., and a building, covering a total area of 16.58 acres (orchard: 16.35 acres, building: 0.23 acre) for horticulture extension works under the Integrated Rural Development Programme. This was on the basis of recommendation of the Joint Director of Agriculture (Horticulture), Bhubaneswar that in view of the acute shortage of selected mother plants, the orchard having valuable plantation if acquired would serve as a source of quality planting material for *in situ* grafting. The property was acquired by the Land Acquisition Officer, Puri, on payment (July 1980) of a compensation of Rs. 6.99 lakhs (orchard: Rs. 3.67 lakhs, building : Rs. 3.32 lakhs)

under the provisions of the Land Acquisition Act, 1894 and taken possession of (June/July 1980) by the department.

Although the orchard purchased had 756 fruit bearing trees the revenue realised from sale of fruit during 1979-80, 1980-81 and 1981-82 (up to July 1982) was only Rs. 207.00. Since acquisition of the property, only 80 grafts during 1980-81 (target: 0.04 lakh), 6,270 scion materials during 1981-82 (target: 0.21 lakh) were produced from out of the mother plants of the orchard.

The Government started (November 1980) a school of Horticulture in a portion of the building for pre-service and in-service training programmes of horticulture personnel. A further outlay of Rs.1.41 lakhs was found necessary for construction of a hostel. No action had, however, been taken so far (August 1982) for taking up works due to non-allotment of funds. Under pre-service training programme only 30 grafters and 60 gardeners had been trained so far (August 1982) and under in-service programme 267 grafters and 29 gardeners had been trained and another 32 gardeners were under training during 1982-83 (August 1982) reducing the period of training from 3 months to 15 days. The total expenditure (up to December 1982) on establishment and contingencies since acquisition of the property was Rs.3.20 lakhs. The post of Principal and other technical staff (Horticulturist, Soil chemist, Agronomist, Fruit Technologist, Agricultural Economist, etc.), required for running the school had not been filled up so far (December 1982).

Thus, the property acquired at a cost of Rs.6.99 lakhs for the Horticulture Extension Programme had not been put to effective use either in the matter of *in situ* grafting or training of horticulture personnel.

The matter was reported to Government in December 1980 and again in September 1982; Government in their reply (May 1982) had not furnished any reason for not effectively using the property worth Rs. 6.99 lakhs.

EDUCATION AND YOUTH SERVICES DEPARTMENT

3.6. Incorrect accounting of cash

A test check in audit (August 1982) of the accounts of the District Inspector of Schools, Bhawanipatna (Kalahandi district) for the period from February 1981 to July 1982 revealed incorrect accounting of cash to the extent of Rs.2 lakhs caused by inflating the payment entries on a single day (8th May 1981). The figures were inflated in excess of the acknowledgement/acquittances obtained from Headmasters towards payment of salaries to teachers of Panchayat Samiti M. E. Schools for March and April 1981 by insertion of figure '1' in ten-thousandth place (against 20 items totalling Rs. 0.67 lakh inflated to Rs. 2.67 lakhs) with consequential manipulation in the totalling of day's transactions and in the closing cash balance figure from 8.5.81 to 25.5.81 (except 9.5.81 to 21.5.81 when no cash transactions took place). The incorrect accounting remained undetected and was rendered possible due to non-observance of the provisions in rules which *inter alia* require the head of office to attest the payment entries in the cash book as well as the corrections/over-writings, etc., therein, with specific reference to the supporting acknowledgements. According to the certificate of physical verification of cash balances recorded (31st May 1981) by the District Inspector of Schools, the actual cash balance in hand corresponded to the incorrect book balance (Rs. 0.59 lakh

instead of Rs. 2.59 lakhs). The cash chest was not embedded and it was stated in reply to audit that it remained out of order since 1976 and hence double locking arrangement could not be provided (in the present case the Head Clerk-*cum*-Accountant who used to handle cash and maintain cash book, was the sole custodian of the cash in a steel almirah having single locking arrangement).

The matter was reported to Government in September 1982; Government intimated (December 1982) that proceedings have already been drawn up against ex-District Inspector of Schools and Head Clerk-*cum*-Accountant who has been placed under suspension and that an F. I. R. has been lodged against the delinquent officials. Further developments are awaited (January 1983).

3.7. Accounting of Government money

In March 1969, three privately managed high schools (Dhamnagar, Agarpada and Dolasahi) were taken over by Government with the condition that fees and fines lying with the institutions should be credited to Government account and each Headmaster was to open a Personal Ledger account in the treasury, for crediting non-Government fees like library, scout, magazine, games, examination, etc.

A test check of records of the above schools conducted during March 1979 to February 1981 indicated the following:

(i) Fees and fines totalling Rs. 0.23 lakh pertaining to Dhamnagar School kept in a Savings Bank account of the Post Office had not been credited to Government account so far (August 1982).

(ii) Fees and fines aggregating Rs. 0.17 lakh entered in the cash books as remittance to treasury by Headmasters, Dhamnagar (Rs. 0.13 lakh) and Agarpada (Rs. 0.04 lakh) during February 1971 to November 1978 were not traceable from Bhadrak Sub-treasury records.

(iii) Rupees 0.14 lakh received from students was not accounted for in the cash book during July 1969 to February 1979 by Dhamnagar (Rs. 0.13 lakh) and Agarpada (Rs.0.01 lakh) Schools.

(iv) Mistake in totalling and in carrying over of balances in the cash book of Agarpada High School during September 1977 to November 1978 also led to short accounting of Rs. 0.10 lakh.

(v) Materials (electrical goods, furniture and books) worth Rs. 0.03 lakh shown in the cash book to have been purchased by the Headmaster, Agarpada during March 1978 to March 1979 were not entered in the stock register. Relevant acknowledgement in support of the expenditure also could not be produced.

(vi) On 17th August 1977 (change of incumbency of the Headmaster) though the subsidiary Register for Examination Fund of Dhamnagar High School showed the balance as Rs.1,269.91 in the Savings Bank account of Post Office, the actual balance in the account was only Rs. 269.91.

The matter was reported to Government in September 1981; the Government stated (November 1981) that action against persons involved in the cases of Dhamnagar High School was under contemplation; replies in respect of other 2 schools were stated to be under examination (February 1983).

3.8. Remuneration to part-time lecturers

To cope up with the work load in teaching in the College of Accountancy and Management studies, Cuttack, the Director, Technical Education and Training,

Orissa appointed certain part-time lecturers from 1963-64 onwards (private and Government) on monthly remunerations ranging from Rs. 150 to Rs. 400 per lecturer (fixed by Government) subject to minimum of 5 to 6 lectures per week depending upon the subjects to be taught. During test check (February 1980) of records of the Principal of the college, it was noticed that between October 1968 and August 1982 monthly remuneration was paid for all the 12 months in each year to each one of such lecturers so appointed though in some months the condition of delivering 5 to 6 lectures per week was not satisfied. Computed with reference to the total remuneration (Rs. 3.84 lakhs) paid to them during the entire period, the inadmissible payment amounted to Rs. 0.81 lakh. The Principal of the College stated (May 1981) that remuneration was paid for full 12 months in a year to encourage the lecturers to take initiative in discharging their duties for the betterment of the college. Orders of the Government for payment of remuneration during vacation when no lecture was delivered had, however, not been obtained (August 1982).

The matter was reported to Government in March 1980. Government stated (September 1981) that the matter was under examination. Further developments are awaited (February 1983).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.9. Purchase of sub-standard medicines

The Chief District Medical Officers (CDMOs) are authorised to effect purchase of medicines from suppliers approved by the Director of Health Services, Orissa, on the basis of annual tenders. During the year 1979-80, medicines worth Rs. 0.40 lakh procured in August 1980 by the CDMO, Sambalpur from an approved supplier M/s 'T' were declared (February

1981—June 1981) by the Government Analyst, as sub-standard on an analysis of the samples submitted (November 1980—December 1980) for testing. Instructions were issued by the Director of Health Services during April 1981 to June 1981 to the CDMO, Sambalpur not to use the sub-standard medicines; the supplier thereupon was asked (September 1981) by the CDMO to replace the medicines as per terms and conditions of supply intimated (December 1979) to the suppliers. But the medicines were not lifted by the supplier (July 1982) for replacement and no action was taken against the supplier so far (December 1982).

Similarly, medicines worth Rs.0.18 lakh purchased (April 1980) from an approved supplier M/s' U' by the CDMO, Balasore, were also declared (November 1980—February 1981) sub-standard on an analysis of the samples sent (June 1980/December 1980) for testing. By the time the report of the Government Analyst reached the CDMO, the entire stock of medicines was distributed (May 1980) and utilised (by December 1980) by the hospitals.

Thus, an expenditure of Rs.0.58 lakh was incurred on the purchase of such sub-standard medicines some of which (worth Rs.0.18 lakh) were already used in the hospitals.

The matter was reported to Government in March 1982; their reply is still awaited (February 1983).

3.10. Avoidable expenditure

The Director, Medical Education and Training (DMET) circulated (February 1980) approved list of firms for supply of surgical instruments for the year 1979-80 which was valid up to 18th February 1981. Subsequently the validity period of approved list of firms for the year 1979-80 was extended by the

DMET up to 28th February 1981. Chief District Medical Officer, Phulbani, placed an order (between 18th and 28th February 1981) with a firm for bulk supply of 6,180 scissors 8½" and 9,600 forceps worth Rs.5.38 lakhs. No indent for these instruments had been received from the Sub-Divisional hospitals and other dispensaries before placing the order and the average annual requirement during the last 4 years ended 1980-81 was of 3 scissors and 22 forceps. The firm completed (between 30th April 1981 and 28th September 1981) the delivery and was paid Rs. 4.44 lakhs by March 1981.

DMET circulated the approved list of firms for the year 1980-81 (in which the name of the above firm was not included for these items) on 19th March 1981 according to which the rates for the above articles were lower than 1979-80 rates. No action to cancel the supply order or to request the supplier to supply the articles according to the approved rates for 1980-81 was taken.

Computed at the approved rates for the year 1980-81, the extra expenditure due to purchase of instruments at higher rates (1979-80) was Rs. 2.60 lakhs.

Out of 6,180 scissors and 9,600 forceps purchased, 4,233 scissors (Rs. 1.50 lakhs) and 3,572 forceps (Rs. 0.88 lakh) are still lying in stock (August 1982).

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

3.11. Unfruitful outlay

For the production of gas required in the laboratories of Vir Surendra Sai Medical College at Burla (Sambalpur district), a gas plant consisting of 3 gas holders, laboratory furniture and gas and water

pipe services were installed (November 1967) at a cost of Rs.3.83 lakhs. Connecting pipe line to the laboratories was, however, laid by July 1968 (cost: Rs.0.11 lakh) and construction of the overhead water tank and the drains in laboratories was completed after 2 years (December 1969) at a cost of Rs. 0.70 lakh. The production of gas was demonstrated 2 years after that (February 1970) by the College but its supply to laboratories could not be made due to non-rectification of certain defects (*viz.*, inadequacy of long screws in gas line and water supply pipe line, poor finishing in G. I. line, use of pipes and taps of lesser diameter and leakage in water supply main and gas main etc.) pointed out by the Superintending Engineer, Public Health earlier (June 1968) during the course of his technical inspection. These defects were rectified in December 1970 by the supplier at his cost. Meanwhile, the plant, machinery and laboratory fittings went out of order and needed repairs. The plant was thereafter handed over (January 1974) to the Public Health Department for maintenance. A special repair estimate (Rs.0.26 lakh) was prepared (February 1976) by the Executive Engineer which was approved by Government in September 1977 for replacement of one gas holder (cost: Rs.0.10 lakh) and repairs to other gas holders and pipe lines (cost: Rs. 0.16 lakh). The repairs were completed during 1977-78 at a cost of Rs.0.26 lakh. Ten years after its installation, the plant was commissioned only for a short period in 1978 but the working of the plant could not be continued for long mainly due to damage of 2 other gas holders and other parts of the plant. Another special repair estimate for Rs. 2.36 lakhs to replace two original gas holders of 3,000 cft. each (Rs.1.27 lakhs), fire clay fittings (Rs.0.14 lakh), gas pipe line (Rs.0.27 lakh) and other ancillary repairs (Rs. 0.68 lakh) prepared (March 1981) by the division, was sanctioned (December 1981) by Government. But

no fund for the purpose was available and the plant had not been repaired so far (August 1982). The Principal stated (October 1981) that in the absence of a gas plant, laboratory works were being managed by spirit lamps.

This has ultimately resulted in an unfruitful outlay of Rs.4.64 lakhs and avoidable liability of Rs. 2.62 lakhs.

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

3.12. Medical journals

Principal, Maharaja Krushna Chandra Gajapati Medical College, Berhampur placed (December 1974) orders with a Bombay based firm for supply of Medical journals for the calendar year 1975 and paid in September 1975 (though payable in January 1975 as intimated by the firm) an advance subscription of Rs. 0.21 lakh. The firm could not supply the journals due to late payment and thereafter the firm sent (March 1976) a credit note without supporting draft/cheque for refunding the amount. Meanwhile, the Principal also paid (March 1976) Rs.0.26 lakh to the same firm as advance subscription for supply of 66 journals during 1976 without adjustment of the earlier advance of Rs. 0.21 lakh. No agreement was executed with the supplier. The firm, however, agreed to supply 29 out of 66 journals required by the Principal during 1976 and sent (August 1976) another credit note for refunding the balance amount of Rs. 0.16 lakh. The firm did not supply any journal as agreed to during 1976 nor had it paid back the advance of Rs. 0.37 lakh (outstanding with it) to the Principal in spite of his telegraphic reminders (September 1976). The firm informed (March 1977) that it had undergone some troubles and steps were being taken by

it for adjustment. In response to a pleader's notice served (December 1977) the firm offered to supply books instead of journals but nothing could materialise so far (December 1982).

Test check by audit also showed that another two firms one at Calcutta and another at Bombay were advanced a total amount of Rs. 1.40 lakhs towards supply of journals during 1977-78 to 1980-81 out of which Rs. 0.16 lakh was outstanding (1977-78—advanced: Rs. 0.31 lakh, outstanding : Rs. 0.01 lakh, 1978-79—advanced: Rs. 0.20 lakh, outstanding : Rs. 0.03 lakh, 1979-80—advanced : Rs. 0.47 lakh, outstanding : Rs. 0.08 lakh and 1980-81—advanced: Rs. 0.42 lakh, outstanding : Rs. 0.04 lakh) with the firms due to non-supply of the journals for the advance paid in each year. Except issue of reminders for supply, no effective steps were taken by the Principal for recovery of outstanding advance for a period ranging from 1 to 4 years.

Medical journals which were essential for knowing the advancement in medical science were not received and an advance of Rs. 0.37 lakh was outstanding with the Bombay firm for a period ranging from 6 to 7 years due to lack of timely and effective follow up action and non-institution of legal proceedings against the firm (December 1982).

The Principal stated (September 1982) that in the absence of the essential journals the College was just managing somehow with the existing journals.

The matter was reported to Government in May 1982 ; their reply is awaited (February 1983).

COMMERCE AND TRANSPORT (TRANSPORT) DEPARTMENT

3.13. Irregular remittances and accounting of receipts

Under the provisions of Orissa Motor Vehicles Taxation Rules, 1969, the tax and additional tax are payable either by means of Treasury challan/bank draft or by crossed cheque or in form of cash (May 1979) ; such cash realisations of Government revenue on this account are to be credited in the treasury without delay.

In course of audit (August 1982) of accounts of the Additional Regional Transport Officer, Bargarh (Sambalpur district) it was noticed that in eight cases the cash remittances as recorded in Cash Book was Rs. 1,00,049 during November 1980 to February 1982 but the amount remitted to the Sub-treasury, Bargarh on this account was found on verification by audit to be Rs.53,049 only. In another six cases, the remittance of Rs. 27,496 made during March 1980 to October 1981 to the Sub-treasury, were entered (March 1980: Rs. 6,984, June 1981: Rs. 10,512, October 1981: Rs. 10,000) twice in the Cash Book. Further a sum of Rs. 200 collected in July 1981 was not accounted for in the Cash Book. Thus, there was a total shortage of cash for the period from March 1980 to February 1982 amounting to Rs. 74,696 which remained undetected by the department.

These irregularities were rendered possible due to non-observance of the following requirements *inter alia* of the financial rules:

- (i) The Treasury Officer's receipts on the challans were not compared with the entries in the Cash Book before attestation by the head of the office;

- (ii) remittance of taxes made into treasury and those booked by the Accountant General in a month, were not reconciled by the taxing officer with his figures of remittances; and
- (iii) money receipts were not entered in the Cash Book as soon as the transactions occurred.

On being pointed out (August 1982) by audit the Regional Transport Officer while confirming (August 1982) the above position promised to take departmental action.

The matter was further brought to the notice of the Transport Commissioner and Government in September/November 1982; Government instructed (November 1982) the Transport Commissioner to take steps to recover the misappropriated amount from the delinquents after fixation of responsibility; further developments are awaited (February 1983).

GENERAL

3.14. Misappropriations, losses, etc.

Cases of misappropriations, losses, etc., of Government money reported to audit up to the end of March 1982 and on which final action was pending at the end of September 1982 were as follows:

	Number	Amount (In lakhs of rupees)
Cases outstanding at the end of September 1981	1,126	2,23.95
Cases reported during April 1981 to March 1982	111	55.21
Cases disposed of till September 1982	39	2.15
Cases outstanding at the end of September 1982	1,198	2,77.01

Department-wise analysis of the outstanding cases is given in Appendix 3.1. The periods for which these are pending finalisation are given below:

	Number	Amount (In lakhs of rupees)
(i) Over five years (1948-49 to 1976-77)	719	1,44.14
(ii) Exceeding three years and within five years (1977-78 to 1978-79)	173	48.08
(iii) Up to three years (1979-80 to 1981-82)	306	84.79
Total	<u>1,198</u>	<u>2,77.01</u>

The reasons for which the cases were outstanding were:

	Number	Amount (In lakhs of rupees)
(i) Awaiting departmental and criminal investigation	365	1,07.97
(ii) Departmental action started but not finalised	573	94.96
(iii) Criminal proceedings finalised but execution/ certificate cases for re- covery of the amount pending	53	8.18
(iv) Awaiting orders for recovery or write-off	115	31.57
(v) Pending in Courts of Law	92	34.33
Total	<u>1,198</u>	<u>2,77.01</u>

CHAPTER IV

WORKS EXPENDITURE

IRRIGATION AND POWER (INCLUDING MINOR IRRIGATION) DEPARTMENT

4.1. Avoidable and irregular expenditure

Construction of the left earth dam and right earth dam of Kanjhari Irrigation Project was under execution through the agency of contractors 'C' and 'D' with effect from August 1980 and April 1981 respectively; the compaction of earth was being done departmentally for which six heavy dozers (to carry 20 ton rollers) were used. The department had compacted 6.18 lakh cu.m. of earth (estimated quantity : 7.88 lakh cu.m.) in the left earth dam and 0.993 lakh cu.m. of earth (estimated quantity: 1.76 lakh cu.m.) in the right earth dam up to July 1982 including compaction done in the vertical chimney and slopes of the dam.

The analysis of rate 1979, provided for one hour work by a dozer of 20 ton capacity (12 passes) for compaction of 100 cu.m. of earth. On that basis, the dozer hours required for compacting the above earthwork in left and right earth dams would be 6,181 hours and 993 hours respectively. In response to an audit query, the Executive Engineer stated (October 1982) that 13 to 15 passes were required on account of clayey soil used in the dam and 25 *per cent* extra time for clayey soil would be required. Even then the total dozer hours required would be 7,726 hours (6,181 hours *plus* 25 *per cent* extra). However, 10,357 dozer hours (heavy) were taken for compaction in the left earth dam (excluding number of hours taken for base preparation of the dam). Similarly, for the right earth dam, 2,096 dozer hours (heavy) were taken as against the requirement of

1,241 hours (993 *plus 25 per cent*). Thus, due to abnormally high dozer hours taken in place of the required dozer hours, there has been excess consumption of diesel to the extent of 0.805 lakh litres involving an avoidable extra expenditure of Rs. 2.82 lakhs.

The matter was reported to Government in October 1982 ; their reply is awaited (February 1983).

4.2. Avoidable extra expenditure due to departmental lapses

The work of construction of 7 numbers of low level solid rubble spurs to prevent scouring of the left bank of river Debi (scouring at about 100 feet annually) near Sribantapur (Cuttack district) was taken up as an emergent flood protection work (administrative approval : March 1979). The work was put to tender (estimated cost : Rs. 8.90 lakhs) on 20th February 1979 by the Executive Engineer, Jagatsinghpur Irrigation division for completion of work within 8 months. Six tenders were received out of which, the first lowest tender of 'G' for Rs. 7.87 lakhs (11.52 *per cent* less) and second lowest tender of 'A' for Rs. 8.58 lakhs (3.56 *per cent* less) were considered invalid by the Executive Engineer due to non-submission of the required Labour Registration Certificate along with the tenders. Negotiations were made by the Superintending Engineer with the third lowest tenderer 'B' (tender amount : Rs. 9.19 lakhs) who also did not furnish the required Labour Registration Certificate along with the tender (but furnished later on 21st April 1979 and whose rates were 3.31 *per cent* excess over the amount put to tender) and his tender amount was reduced to Rs. 8.74 lakhs. The same was recommended (May 1979) by the Superintending Engineer to the Additional Chief Engineer (Irrigation) for acceptance. However, the Additional Chief Engineer (Irrigation) did not accept the recommendation of

Superintending Engineer but accepted (June 1979) the lowest tender of 'G' for Rs. 7.87 lakhs and instructed the Superintending Engineer to issue work order after concluding agreement and obtaining necessary Labour Registration Certificate. The tenderer 'G' was asked by the Executive Engineer on 8th June 1979 to sign the agreement on or before 10th June 1979 and to start the work by 12th June 1979. Again on the 23rd June 1979, the Executive Engineer reminded him through a registered letter to sign the agreement. That letter was, however, posted on 11th July 1979. The Additional Chief Engineer (Irrigation) had remarked (27th July 1979) that delay in issue of the letter was motivated and has been done with some malafide intention and instructed the Executive Engineer to initiate action against the officials responsible for the delay.

In response to the earlier letter of 8th June 1979, the contractor sought (11th July 1979) for certain clarification regarding (i) the scope of eight working months and (ii) the supply of foodgrains. The division, however, did not reply inspite of reminder (22nd July 1979) from the contractor. Later, the Additional Chief Engineer (Irrigation) cancelled (26th September 1979) all the tenders on the ground of non-availability of foodgrains and insufficiency of fund and suggested to take up the work in two phases basing on availability of funds.

Fresh tenders for 3 numbers of spurs (Nos. 2, 3 and 4) were invited (9th October 1979) at an estimated cost of Rs. 4.09 lakhs and the lowest negotiated tender of 'K' for Rs. 4.50 lakhs (9.99 per cent excess), was accepted with stipulation for completion of work within a period of 6 months (i. e. by 6th June 1980). The work was completed on 4th June 1980 at a cost of Rs. 4.24 lakhs (9th and final bill paid in January 1981).

Tender for the balance 4 numbers of spurs (Nos. 1, 5, 6 and 7) was invited on 13th March 1980 at an estimated cost of Rs. 4.80 lakhs and the work was awarded to the lowest tenderer 'S' for Rs. 5.28 lakhs (9.86 *per cent* excess) with stipulation for completion within a period of 6 months (i. e., by 17th August 1981). During the course of execution, the Superintending Engineer, Eastern Circle inspected the work in May 1981 and decided not to construct spur Nos. 1 and 5 and ordered to protect the bank by dumping boulders to save the scouring of the bank due to wave action. The work was completed (June 1981) at a total cost of Rs. 6.28 lakhs (3rd and final bill pending in division office for non-sanction of deviation statement).

Thus, the work which was taken up on an emergent basis for completion by February 1980 was completed in June 1981 delaying the prevention of scouring at site. Delay in communication of acceptance of tender to the contractor 'G' for execution of agreement and commencement of work also resulted in an avoidable extra expenditure of Rs. 2.65 lakhs.

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

4.3. Unfruitful expenditure

For execution of Narsinghpur Minor of Distributary No. 12 of Taladanda canal from R. D. 00 to R. D. 31,020 (designed to irrigate 3,694 acres under Delta Irrigation Programme), the Executive Engineer, Mahanadi South division, Cuttack invited (October 1977) tender and a single tender of 'K' for Rs. 1.88 lakhs was received. Superintending Engineer rejected the tender on the ground that it was unworkable (15.38 *per cent* less than the estimated cost of Rs. 2.22 lakhs put to tender) and ordered (January 1978) fresh tendering for construction of

the minor from R. D. 00 to 5,280 feet at the first instance for quick execution of work. The work was awarded (February 1978) on fresh tender to 'R' at a cost of Rs. 0.36 lakh with stipulation for completion by April 1978. Although this portion of work was completed in June/July 1978 at a cost of Rs. 0.38 lakh (earthwork: Rs. 0.34 lakh and other works: Rs. 0.04 lakh), no water had been released through the canal so far (May 1982) due to non-completion of the work for full length of the canal (20,190 feet remained to be completed).

The balance portion of the work from R. D. 5,280 to R. D. 31,020 feet was entrusted (March 1979) to the lowest tenderer 'C' for Rs. 3.39 lakhs (73.05 *per cent* excess over estimated cost of Rs. 1.96 lakhs) with stipulation for completion by June 1979. The land was acquired only up to 25,720 feet and taken possession of by the department by March 1979. But the contractor was unable to execute work in R. D. 6,130 feet—11,230 feet and R. D. 15,930 feet—25,720 feet due to obstruction by villagers of Naula who demanded change of alignment which has not yet been decided (February 1983). Consequently, he stopped work from July 1979 (as per 4th Running Account Bill he was paid Rs. 0.78 lakh in September 1980) and applied (April 1980) for the closure of his contract.

The investment of Rs. 1.16 lakhs on the execution of only about one-third portion of the total work remained unproductive; the portion of the canal already completed (10,830 feet) was also exposed to natural process of decay, etc., for the last 3 years and the resumption of work for the remaining portion (20,190 feet) of the canal has not been decided.

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

4.4. Extra expenditure

The work of construction of main canal from RD 00 to R D 10,200 of Ghagara Minor Irrigation Project (administratively approved by the Tribal and Rural Welfare Department in May 1977) was entrusted (February 1978) to the lowest tenderer 'R' at his tendered amount of Rs. 2.49 lakhs (13.97 *per cent* less than the estimated cost of Rs. 2.89 lakhs put to tender by the Executive Engineer, Rural Engineering division, Balasore) with a stipulation that the work should be completed by August 1978. The contractor executed work worth Rs. 0.40 lakh till July 1978 in Government land in R D 00 to 1,200, partially up to 5 feet depth as against average depth of 25 feet on the plea that land beyond R D 1,200 was not made available to him by the department. He did not execute further work. The distribution system in R D 1,200 to R D 10,200 necessitated acquisition of 13.71 acres of private land in two villages. The acquired land (requisitioned in October 1977 and December 1977) was available to the Irrigation department in March 1979.

The contractor represented (August 1978) to the Executive Engineer that his quoted rates were for the entire canal work including structures and since land beyond RD 1,200 was not made available to him, he expressed (August 1978) his unwillingness to wait for indefinite period for the land owing to increasing rate of labour and material. He requested the department either to close the contract or to allow him enhanced rates for the balance work when land would be available. The Executive Engineer informed (October 1978) the contractor that extension of time would be considered for completion of the balance work but he did not agree for monetary compensation; he also asked him to resume the work immediately.

The Superintending Engineer, however, rescinded (January 1979) his contract with full penalty (Clause 3-c) due to slow progress as per the recommendation of the Executive Engineer. The contractor represented (21st March 1979) to waive the penalty on the ground of non-availability of site for the entire length of the canal. He also stated that due to non-execution of work in the RD 1,200—10,200 he sustained heavy loss and could not complete the work between RD 00—1,200. The Executive Engineer on the basis of the contractor's representation recommended (September 1979) the Superintending Engineer to reconsider the waiving of penalty on the ground of delay in land acquisition and upward revision of Schedule of Rates in the meanwhile; the Superintending Engineer on reconsideration waived (July 1982) the penalty.

The possession of the land was taken over by the department, on the completion of the land acquisition proceedings, on 26th and 27th March 1979 and the balance work was awarded to the single tenderer 'P' in the same month at his tendered amount of Rs. 3.17 lakhs (28.96 *per cent* excess) with stipulation for completion by July 1979. The work was, however, completed by the contractor on 30th June 1980, the extension of time to which is still awaited (June 1982).

Computed with reference to the rates of 'R' the award of work to 'P' at higher rates resulted in an extra expenditure of Rs. 0.84 lakh to the department due to abandonment of work by the contractor 'R' in July 1978 on account of non-availability of site for the entire length of the canal.

Government stated (February 1983) that due to the rigid land acquisition process which is very dilatory in nature, the extra expenditure had to be incurred.

4.5. Non-recovery of extra cost

The work of construction of left main canal from RD 65,000 to 89,000 of Nibrutijore Minor Irrigation Project (Bolangir district designed to irrigate 6,500 acres of *kharif* and 500 acres of *rabi*) was entrusted (January 1979) to contractor 'D' at his lowest tendered amount of Rs. 3.76 lakhs (11.68 *per cent* less than the estimated cost of Rs. 4.25 lakhs based on Schedule of Rates 1975) with stipulation that the work should be completed by July 1979. Up to May 1979, the contractor executed only about 21 *per cent* of the work valuing Rs. 0.79 lakh (as per final bill pending for payment) despite issue of notice (February 1979) by the Executive Engineer for the levy of penalty in the event of his failure to complete the work within the stipulated period. The contractor stopped the work and applied (June 1979) for closing the contract on the ground of non-availability of land (out of 32.90 acres of land required, Government land of 9.03 acres was made available to the contractor) and revision of Schedule of Rates from 1st January 1979. The Superintending Engineer, Rural Engineering Organisation, Sambalpur closed (September 1979) the contract under clause 3-c (recovery of extra cost of execution through other agency). The balance work was awarded (March 1980) to contractor 'B' at his lowest tendered amount of Rs.5 lakhs (3.74 *per cent* excess over the estimated cost of Rs.4.82 lakhs as per Schedule of Rates 1979) with stipulation for completion of work by December 1980 (extended up to September 1981).

Computed with reference to the rates of the contractor 'D', the award of the balance work at higher rates to contractor 'B' resulted in extra liability of Rs. 2.08 lakhs (the extra expenditure up to the 5th running account bill was Rs.1.52 lakhs).

On the matter being pointed out (December 1981) in Audit, the Government intimated (February 1982) that a sum of Rs. 0.22 lakh was also realisable from the contractor 'D' towards the cost of 180 bags of cement outstanding against him and after adjusting the amounts of earnest money and security deposits (Rs. 0.10 lakh), the net amount of extra liability recoverable from the contractor worked out to Rs. 2.01 lakhs and it was not possible to realise the amount from the contractor despite notices served on him and that the concerned Executive Engineer had been requested to submit claim for reference to Arbitration Tribunal for recovery of Government dues. No claim has been submitted to Arbitration Tribunal (June 1982). Meanwhile, the contractor is reported (May 1982) to have filed (January 1982) a money suit for other items of work executed by him against the department.

Thus, the object to let water to the canal from July 1979 on completion of work by that date could not be achieved due to its abandonment.

The matter was reported to Government in December 1981 ; their reply is awaited (February 1983).

4.6. Sunei Irrigation Project—Canal Works

For providing distribution system to the Sunei Irrigation Project, 20 agreements have been entered into by the Executive Engineer, Kalo Irrigation division with the contractors from April 1980 to September 1982. The working estimates of the 20 works (valuing Rs. 80.50 lakhs) provide among other items of works, formation of the canal embankments with earth fill, compaction of earthwork by hand-road roller and slope cutting of the canal embankments for 0.50 M thickness in each of the sides to achieve the finished section of the embankment, the top width varying from 2 to 3.50 metres.

In 11 cases, the slope cutting work was not included at the time of approval / acceptance (January 1982) of tenders under the orders of Chief Engineer as he opined that in view of letting water in the canal after one or two years of its construction, the semi-compacted edges should be left to natural compaction by way of rains and protection by turf edging whereas for the remaining nine works slope-cutting (value : Rs. 2.35 lakhs) was provided in the agreement. A decision was taken by the Chief Engineer (October 1981) that slope cutting was not necessary for these 9 cases also. However, in the meantime in one case, slope-cutting work was executed and a sum of Rs. 30,716 was paid for the work. This included over payment of Rs. 16,490 due to wrong calculations (payment for slope-cutting of embankment for 10,970.03 cu.m. as against 5,889 cu.m. actually executed). Further, audit also noticed an excess payment of Rs. 30,110 in respect of other items, due to wrong calculations as shown below:

(i) Payment of earth fill work for a quantity of 62,328.63 cu.m. as against 56,456.32 cu.m. actually done in the designed section of the embankment (Rs. 28,187.00).

(ii) Payment for compaction of earth for a quantity of 62,866.64 cu.m. as against 56,456.32 cu.m. actually done in the design section (Rs. 1,923.00).

The Executive Engineer has admitted the excess payments but recovery is awaited (December 1982).

The matter was reported to Government in October 1982 ; their reply is awaited (February 1983).

4.7. Avoidable extra expenditure due to delay in finalisation of drawing

The work of construction of head works comprising of earth dam, surplus escape and head sluice of Dhujabhata Minor Irrigation Project in Nawapara block (Kalahandi district) was entrusted (March 1978) to contractor 'B' at Rs. 16.82 lakhs with stipulation for completion by March 1979 (actual completion: March 1981) as per approved (February 1978) drawings of surplus escape (39/78) and head sluice (40/78); the drawing for the dam was not approved by the Chief Engineer till then. The execution of the dam was taken up as per top bank level (TBL) 356.20 M, maximum water level (MWL) 354.50 M, full reservoir level (FRL) 353 M and crest level of surplus 353 M, indicated in the sanctioned estimate of March 1978 for Rs. 18.52 lakhs. The drawing of the sluice and the surplus escape also indicated the above levels of the dam.

The drawing (195/79) for the earth dam approved by the Chief Engineer in December 1979 was received in the division only in January 1980 according to which, the TBL and MWL of the dam were fixed at RL 355.20 M and 353.50 M respectively. The Executive Engineer, Rural Engineering division, Kalahandi (now Kalahandi Minor Irrigation division) intimated (February 1980) the Chief Engineer, Rural Engineering Organisation (now Minor Irrigation) that the surplus escape had already been completed, the work of the dam had been done up to 353 M out of the total length of 438 M with the height of RL 353 M, the river gap closing was in progress and the head regulator was under construction. He also stated that it was not possible at that stage to change the drawing of the dam. The Chief Engineer agreed (March 1980) to keep the TBL and MWL as already indicated.

The dam was accordingly completed (March 1981) with one metre height more than that mentioned in the design of the dam approved in December 1979, at an extra cost of Rs. 0.88 lakh with no added advantage. The Chief Engineer (Minor Irrigation) also confirmed (September 1982) that the increase of the TBL and MWL by one metre would not increase the storage capacity of the project.

The matter was reported to Government in October 1982 ; their reply is awaited (February 1983).

WORKS (INCLUDING RURAL ROADS AND BUILDINGS) DEPARTMENT

4.8. Avoidable expenditure on construction of Marine Drive

Out of the total length of 19 kilometres of the new road link between Konark and Balighai (a portion of the marine drive from Konark to Puri—estimated cost : Rs. 1,74.59 lakhs), the work on the alignment for the first 6 kilometres was taken up in March 1970 in anticipation of Central assistance. By March 1973, the road was constructed from Konark side for 3 kilometres at a cost of Rs. 15.52 lakhs ; further work was stopped (April 1973) for want of funds. On release of an allotment of Rs. 20.85 lakhs (March 1980), the work was resumed. When work from 3/0 K.M. to 5/0 K.M. was nearing completion (expenditure : Rs. 13.69 lakhs), the Chief Engineer, Roads during his inspection in December 1980 noticed that the river Kushabhadra which was flowing between the road and sea had changed its course at its confluence point and the original confluence point had been sand cast. As the river was then flowing parallel to the road and the confluence point was very close, the Chief

Engineer was of the opinion that either a number of protective spurs to divert the current were to be constructed or the portion of the road (i.e., 3/0 to 5/0 K.M.) was to be diverted. However, the work was continued and completed (July 1982). The Chief Engineer during his next inspection instructed (April 1981) that the comparative cost of construction of a number of protective spurs and diversion of the road to a higher contour, should be worked out immediately for taking a quick decision. Before any action could be taken, the river mouth came (July 1981) alarmingly nearer the marine drive at R. D. 3,830 feet of the 5th K. M. and the retaining wall of the road was in danger of being demolished by the dashing sea waves. By the middle of August 1981, about 300 metres of the retaining wall collapsed and further collapse for about one kilometre (from 3.4 K.M. to 4.2 K.M.) was apprehended at any moment. The site was then inspected twice (August 1981) by the Chief Engineer, Roads to ascertain the cause for the change in the course of the river for deciding the remedial measures and it was remarked by Chief Engineer that the confluence point of the river Kushabhadra was near Ramachandi, opposite to 6.8 K.M. of the marine drive where the local villagers used to open the river mouth at their own cost in order to prevent saline inundation of their agricultural land. This practice was stopped for 4 years (i.e., from 1977) after construction of the marine drive which served as a protective embankment and the river started meandering by the side of the road to find a way to the sea. The Chief Engineer, Roads further observed that the Irrigation department had paved and strengthened an old embankment to protect the agricultural lands which, in his opinion, was the cause of shifting of the river course and its confluence point.

To solve the problem, a Technical Committee consisting of the Secretary Works, Adviser-cum-Additional Secretary Irrigation, Chief Engineer, Roads and Buildings and the Additional Chief Engineer, Irrigation then inspected (October 1981) the entire road for a detailed analysis of the pattern of discharge and the shifting of the confluence point of the river and noticed that afforestation of the sand bar between the river and the sea, done by the Maritime Development Authorities also stood on the way of direct confluence of the river with the sea resulting in the shifting of the confluence point. The Committee could not, however, suggest permanent remedial measures to control the river at its confluence point, pending a detailed examination of the Satellite maps and consultation with the Poona Research Institute. A detour of the marine drive at the vulnerable points, i.e., from 3.00 K.M. to 4.6 K.M. fixing the new alignment 3 to 4 feet higher than the highest tidal waves, was however, suggested as definitely more desirable than any other steps. In addition, the Committee further suggested for opening the river mouth and to cut the built-up sand bar at different places to maintain free flow at low levels. Construction of the detour was finally decided in March 1982, in a high level meeting consisting of the representatives of the Works, Irrigation and Forest departments and presided over by the Chief Minister and the work was taken up (May 1982) on two contracts totalling to Rs. 14.80 lakhs, with the stipulation for completion by June 1982. The work was in progress (July 1982) and payment of Rs. 6.14 lakhs was made up to June 1982.

The Committee on Estimates (1981-82) in para 25 of its twenty-eighth Report *inter alia* observed that while constructing the road, the peculiar behaviour of the river should have been taken into consideration by the department, looking back into the records of Irrigation department.

Lack of proper survey before starting the work and absence of a co-ordinated approach to the work by the three departments resulted in damage and ultimate abandonment of the portion of road (3.00 to 4.6 K.M.) constructed at a cost of Rs. 13.69 lakhs.

The matter was reported to Government in November 1982; Government stated (February 1983) that the disaster was never expected and it was never before apprehended that the river will change its long established course. The fact remains that the behaviour of the river as available in the records of the irrigation department was not studied before taking up the work.

4.9. Undue financial aid

Government (in Rural Development Department—now defunct) accorded two sanctions (March 1979) for payment of advance of Rs. 9.91 lakhs (Rs. 6.59 lakhs and Rs. 3.32 lakhs) to M/s Orissa Construction Corporation Limited (a State owned Corporation) before 31st March 1979 for undertaking reconstruction of 11 non-Government educational institutions in Keonjhar district damaged by tornado of 1978 and construction of 5 Revenue department buildings *inter alia* with the conditions that the advance, carrying usual rate of interest, should be disbursed to the Corporation on execution of agreement. No such agreement was executed by the Rural Engineering division, Keonjhar with M/s Orissa Construction Corporation Limited. The division, however, paid (March 1979) an advance of Rs. 8.26 lakhs to the Corporation for execution of the above works and charged it to the final head of account even without obtaining any undertaking from the Corporation to abide by the conditions stipulated by Government in sanction order. The Executive

Engineer reported (April 1979) to the Chief Engineer, Rural Engineering Organisation that the Corporation refused to execute any agreement/undertaking.

In May 1979, the Corporation informed the Chief Engineer that it was not convenient for them to take up the construction of such building works (estimated cost of work : ranging from Rs. 0.03 lakh to Rs. 1.20 lakhs) as these were extremely small in size, ordinary in nature and isolated in location and in case they were required to take up execution of such works, they should be paid 70 *per cent* extra over the estimated cost, full deposit of the amount as per their costing, waiving of the interest charges, one year's time for completion of work, etc. In the meeting (May/July 1979) of the State Level Committee on Natural Calamities, it was decided that Rural Engineering Organisation should execute the works through their contractors, prepare the bills and submit them to the Corporation for payment out of the advance available with them. Nothing was mentioned in the decision of the Committee as to why such an unusual procedure was adopted instead of asking the Corporation to refund the amount of advance in full to the department. The procedure adopted for payment of bills for the work by the Corporation violated the normal payment procedure of the Public Works division according to which the divisional officer was only competent to pay the bills of his division.

In November 1979, Government (in Rural Development department) decided not to charge any interest (Rs. 2.54 lakhs at the rate of 12 *per cent*) to the Corporation for the advance with it and that an incidental charge at 1/2 *per cent* of the value of work bills paid by the Corporation from time to time

on behalf of the Rural Engineering Organisation would be paid to them without detailing the reasons for such unusual payment to the Corporation.

The Corporation altogether paid 6 works bills amounting to Rs. 0.41 lakh (gross amount : Rs. 0.74 lakh less S.D. : Rs. 0.03 lakh and cost of departmental materials : Rs. 0.30 lakh) prepared by defunct Rural Engineering division, Keonjhar between March 1980 and October 1980. Consequent upon abolition of Rural Engineering Organisation, the works were transferred to the control of Keonjhar (Roads and Buildings) division in September 1980 and the Corporation on being asked (December 1981) by the Executive Engineer to refund the unspent amount of advance in full to enable the division to make further payments for the work done from time to time, refunded Rs. 4.50 lakhs only between January and April 1981. The Executive Engineer reported (January 1982) to the Additional Chief Engineer (Roads and Buildings), Orissa that all the works which were in progress might not be completed in time due to non-refund of the balance amount by the Corporation. The balance amount (Rs. 3.35 lakhs) had not been refunded so far (December 1982). Though 14 (Education : 11, Revenue department : 3) out of 16 buildings had been completed between June 1980 (one of Revenue department) and October 1982 (one of education institution), these had not been handed over to the respective departments (December 1982).

Thus, in spite of adopting an unusual procedure in allowing undue financial aid to the Corporation, the objective of timely completion of school buildings was not achieved.

Government stated (February 1983) in reply to audit that the amount will be recovered from the Corporation.

4.10. Improper closure of contract for want of fund

The work of improvement to 11 km. road from Jirango to Narayanpur, which was a part of arterial road connecting Parlakhemundi with Berhampur (Ganjam district) through tribal belts, for providing facilities for transport of forest produce and employment opportunities to the people of the area, included construction of a high level bridge over river Mahendra Tanaya and was administratively approved (October 1972) for Rs. 9 lakhs (revised to Rs. 11.39 lakhs in November 1976 but not approved so far) by the Tribal Development Agency (TDA), Parlakhemundi. The work of improvement of the road was entrusted (1972-73) by the TDA to the Ganjam Roads and Buildings division as a deposit work.

The construction of the high level bridge was entrusted (June 1973) by the division at a cost of Rs.3.25 lakhs (8.32 *per cent* more than the estimated cost put to tender) to contractor 'T' with stipulation for completion by December 1973. After incurring an expenditure of Rs.6.91 lakhs on the work as a whole against the deposit of Rs.8.00 lakhs received from TDA up to January 1974, the work was transferred (March 1974) to Parlakhemundi Roads and Buildings division for further execution. The contract with 'T' was, however, closed (February 1975) after execution of work worth Rs.1.46 lakhs under orders (February 1976) of the Chief Engineer (Roads and Buildings) on the ground of non-availability of fund. But the TDA was not informed of such decision.

On examination of the details of expenditure incurred against the work up to 1974-75 it was noticed (September 1982) in audit that the total amount of Rs 7.38 lakhs included Rs.1.58 lakhs spent (January

1973 to April 1974) by the two divisions (Ganjam: Rs.1.36 lakhs and Parlakhemundi: Rs.0.22 lakh) from out of the deposit amount for various other purposes (maintenance/repairs of vehicles: Rs. 1.02 lakhs, rest shed: Rs.0.15 lakh, family planning sub-centre at Jirango : Rs.0.03 lakh; type machine, air cooler and pumps : Rs.0.26 lakh and diversion of materials for other works: Rs.0.12 lakh) unconnected with the work for which deposit was received. Thus, there should have been a balance of Rs.2.20 lakhs for the work on the date of closure of the contract(February 1975) and there was no justification for such decision to close the contract without any knowledge of TDA.

Parlakhemundi division received the balance amount (Rs.3.39 lakhs) as per revised estimate (Rs.11.39 lakhs) during 1976-77 (TDA: Rs.1.00 lakh; Tribal Welfare department: Rs.2.39 lakhs after TDA was abolished in June 1979). The balance work was subsequently put to tender only in August 1981 at an estimated cost of Rs.2.90 lakhs and was awarded (December 1981) to the lowest tenderer 'S' at Rs.2.97 lakhs with stipulation for completion of the work by June 1982. The contractor after execution of work worth Rs.0.31 lakh up to March 1982 suspended the work on the expectation of early rains in hilly region. The work had not been resumed so far (August 1982). The total expenditure against the work to end of 1981-82 was Rs.14.10 lakhs.

Computed with the rates of contractor 'T' the extra liability due to execution of the balance work at higher rates of 'S' amounted to Rs.1.16 lakhs which could have been avoided, had the funds available for the work not been diverted for expenditure on other items unconnected with the work and action taken well in advance to obtain additional funds from the TDA.

Thus, the construction of the bridge which was taken up as a part of improvement work of the road and taken up as early as in 1972-73 to provide to the tribal belt of the area a vital link to Parlakhemundi and Berhampur mainly for transportation of forest produce and boosting employment opportunities to the people remained incomplete even after a lapse of more than 9 years and improper closure of contract of 'T' on the ground of paucity of fund resulted in extra liability of Rs. 1.16 lakhs.

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

4.11. Avoidable loss of Pig-Iron

The construction of a high level bridge over Bhauria *nallah* at Astaranga (Puri district) with raft foundation (value: Rs.4.62 lakhs) was entrusted (January 1972) to contractor 'S' by the defunct Rural Engineering division, Puri (now Project division) with stipulation for completion of the work by June 1972. During execution, the design of the bridge was changed (January 1972) to well foundation.

For conducting the required load test of wells of the bridge, the department purchased (April/May 1972) 207.50 M. T. of pig-iron at a cost of Rs.1.31 lakhs and carried (April/May 1972) 206.219 M. T. to the bridge site at departmental cost and supplied to the contractor on hand receipt. After completion (May/June 1972) of the required well testing, the contractor intimated (December 1973) the Executive Engineer to remove the materials from the site of work. After completing the work in December 1973, the contractor left the site (January 1974) of work with due intimation to the Executive Engineer that he would not be responsible for missing of any

materials. The Chief Engineer (Rural Engineering Organisation) during his inspection (January 1974) of the work also observed that the pig-iron lying at site should be taken over from the contractor and transferred to departmental store. The department removed the pig-iron from the site only in December 1975 and February 1976. In October 1976, the Assistant Engineer, Rural Roads Sub-division, Nimapara (now Project Sub-division) informed the contractor that out of 206.219 M. T. of pig-iron, a quantity of 115.615 M. T. was only available and the balance of 90.604 M. T. should be returned to the department failing which, the cost thereof would be recovered from him. The contractor disowned (November 1978) responsibility to account for the loss on the ground that the department removed the pig-iron from the site without his knowledge.

The contractor went for arbitration (July 1976) in respect of certain extra items of work executed by him. The department in the additional counter statement (August 1978) to the Arbitrator claimed Rs.0.57 lakh towards the cost of the missing pig-iron (90.604 M. T.). The Arbitrator, however, rejected the claim of the department (July 1980) and no reasons were recorded by the Arbitrator for rejecting the claim. The appeal preferred by the department before the Hon'ble High Court was also rejected (July 1981). The department intimated (January 1983) that out of shortage of 90.604 M. T. of pig-iron, a quantity of 38.295 M. T. was traced to have been lifted (exact period not known) to defunct R. E. O. store (Bhubaneswar) and accepted the balance quantity of 52.309 M. T. as shortage, responsibility for which is yet to be fixed. The fact of lifting this store from the site was, however, not kept in view by the division while submitting a counter claim (August 1978) to the Arbitrator and subsequently before the Hon'ble High Court.

Thus, due to delay in shifting the pig-iron from the site of work by the department after a lapse of more than 3 years of the load testing of the wells and that too after the contractor left the site, the onus for the shortage could not be fixed on the contractor and consequently, the department was put to a loss of Rs. 0.33 lakh.

The matter was reported to Government in October 1982; Government stated (January 1983) that necessary instruction has been issued (December 1982) to the Superintending Engineer, Project circle to fix responsibility and recover the cost. Further developments are awaited (February 1983).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

4.12. Avoidable extra expenditure

The Director, Export Promotion and Marketing (DEPM), Orissa is entrusted with the responsibility of finalising rate contracts in respect of materials required for various Government departments. The Government departments were also required to place orders with the rate contract firms. The DEPM circulated to the Chief Engineer, Public Health, Orissa on 5th January 1981 that a rate contract with firm 'OA' for supply of brass strainers of different sizes for tube wells was under finalisation by him and pending finalisation of rates (finalised on 4th May 1981) instructions should be given to Executive Engineers to purchase their urgent requirements from the above firm (OA) and to make payment after finalisation of rates.

Despite the above information regarding finalisation of the rate contract by the Director, EPM being available with him by 5th February 1981, the Executive Engineer, Balasore Public Health division purchased

on 10th February 1981 and subsequently (May 1981) 1,000 brass strainers at a cost of Rs. 3.92 lakhs from 3 other firms at higher rates (between Rs. 311 and Rs. 493 each) as against the rates of 'OA' between Rs. 205 and Rs. 351 each. This resulted in extra avoidable expenditure of Rs. 1.05 lakhs.

The matter was reported to Government in October 1982; their reply is awaited (February 1983).

4.13. Condemnation of vehicles

(i) Bhubaneswar Public Health division No. 1 (defunct), entrusted (June 1970) the repair work of the body of one Bedford truck O.R.P.—991 (purchased in 1963) lying idle since January 1969 to a private garage 'O' at Bhubaneswar. As per the work order issued (May 1970), the repair work (valued at Rs. 666 *plus* Rs. 4 per foot of gas welding to the body wherever necessary) was to have been completed by the garage within fifteen days from the date of taking delivery of the truck, i.e., by 2nd July 1970.

In August 1973, the Assistant Engineer, Public Health Sub-division, Palasuni (Bhubaneswar) reported to the Executive Engineer that the repair work of the truck body was not taken up by the garage 'O' in spite of personal contacts made by him. Subsequently, the Assistant Engineer on finding (June 1977) that the owner of the garage was not traceable, issued (June 1977) a notice on him through news papers for returning the body of the truck. The truck body which was lying at a distance of 2 km. from the division was brought back in January 1982.

The engine of the truck was also sent (June 1970) to firm 'H' at Cuttack for repair and overhauling; the firm completed the work in June 1972 (delay was due to non-supply of spare parts by the division in time). But the division did not take delivery of the engine on completion of the work nor was payment made to the firm. In February 1977, the firm 'H' issued notice to the Executive Engineer to take delivery of the engine within 10 days on payment of the repair charge (Rs. 0.02 lakh) whereupon the engine was taken back (February 1977) by the division from the firm.

(ii) The engine of another Dodge truck ORC—4829 (purchased in 1964) which remained idle from October 1969, was also handed over to firm 'H' in August 1970 for re-boring and other repairs; the firm furnished the estimate (August 1970) alongwith a list of spare parts required to undertake repairs. The firm, however, did not take up the repair work as no work order was issued nor were the required spare parts supplied to it by the division. Subsequently, the work order was issued (June 1973) by the Assistant Engineer, Public Health Sub-division, Palasuni but spare parts were not supplied to the firm. The firm did not undertake the repairs and the Assistant Engineer did not take any further action in the matter. However, in March 1977 and again in May 1977, the Asst. Engineer, Public Health Sub-division, Palasuni wrote to the firm for returning the engine whereupon the firm requested (October 1977) for the particulars of the engine for tracing out the same after seven years. The engine was reported to have been brought back to the division in February 1982.

The body of the truck given in August 1970 to a private garage 'E' at Bhubaneswar for repair and no action was taken by the division to take back the body. A private person reported (February 1973) to the Executive Engineer that the truck was lying uncared for in the open in front of his premises consequent upon the shifting of the garage from that place to a new location. Despite this, no action was taken to take back the truck body. The truck body was brought back to the departmental store only in April 1976 without repair.

As the vehicles (present book value : Rs. 0.30 lakh each) were now considered by the division to be beyond economical repairs, a survey report for declaring them unserviceable was prepared (July 1981) but the same has not been sanctioned so far (December 1982).

Normal life of these trucks as per departmental orders was 8 years with minimum run of 2.5 lakh kms. each and the total run of the Bedford and Dodge trucks which are now being declared unserviceable were only 46,811 kms. and 59,398 kms. respectively.

Thus, negligence on the part of the department to take proper care for the repair of trucks and leaving them uncared for, for a period of more than 11 years, ultimately resulted in condemnation of the vehicles.

The matter was reported to Government in January 1982; Government accepted (March 1983) the factual position and intimated that the Chief Engineer is being instructed to avoid such delays in future.

CHAPTER V

COMMERCIAL ACTIVITIES

5.1. General

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

On 31st March 1982 there were 7 departmental commercial and *quasi*-commercial undertakings in operation. The extent of arrears in the submission of *pro forma* accounts of these units as well as those inoperative or taken over by other organisations is given below. The arrears could not be reduced despite the matter being brought to the notice of Government from time to time.

Name of the undertaking	Year from which accounts are in arrears
A. STATE TRADING SCHEME	
(i) Grain Purchase scheme	1976-77
(ii) Grain Supply scheme	1963-64(a)
(iii) Scheme for trading in iron ore through Paradip port	1967-68(b)
(iv) Cloth and yarn scheme	1965-66(c)
(v) (a) Trading in <i>Kendu</i> leaves	1965-66 to 1972-73(d)
(b) Nationalisation of <i>Kendu</i> leaves	1975-76

(a) Inoperative from January 1959

(b) Inoperative from 1966-67

(c) Inoperative from 1954-55

(d) The consolidated *pro forma* accounts relating to *Kendu* leaves scheme prior to nationalisation, for the period from 1965-66 to 1972-73, submitted to audit (March 1978) could not be certified as many mistakes were noticed during the course of audit. The revised accounts are awaited (January 1983)

Name of the undertaking	Year from which accounts are in arrears
B. TRANSPORT	
(vi) State Transport service	1972-73(e)
C. INDUSTRIES	
(vii) K. S. Potteries Development Centre, Jharsuguda	1979-80
D. EDUCATION	
(viii) Text Book Press, Bhubaneswar	1966-67
E. COLD STORAGE PLANT	
(ix) Cold storage plant, Cuttack (Unit-I)	1975(f)
(x) Cold storage plant, Cuttack (Unit-III)	1976(f)
(xi) Cold storage plant, Bhubaneswar	1971(f)
(xii) Cold storage plant, Sambalpur	1971(f)
(xiii) Cold storage plant, Similiguda	1973
(xiv) Cold storage plant, Bolangir	1976
F. OTHERS	
(xv) Scheme for exploitation and marketing of fish	1975-76

(e) Taken over by the Orissa State Road Transport Corporation in May 1974

(f) Taken over by the Orissa State Seeds Corporation from 1st March 1979

The assets and liabilities of inoperative and closed schemes have not been disposed of/liquidated (January 1983).

The summarised financial results of the commercial undertakings to the extent the *pro forma* accounts thereof received, were already mentioned in Appendix 6.1 of the Report of the Comptroller and Auditor General of India for the year 1980-81 (Civil). The position remains unchanged (January 1983).

Personal ledger accounts have been opened by Government in respect of the schemes mentioned below. Although these schemes are of commercial nature, Government have not prescribed the preparation of *pro forma* accounts for them; the financial results of these schemes have not been worked out.

Undertakings	Year in which ledger account was opened	Accounts for 1981-82			
		Opening balance	Credit	Debit	Closing balance
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in lakhs)					
State Trading Schemes					
1. Purchase and distribution of quality seeds to cultivators	1977-78 (Revenue account)	1,03.49	2,51.57	3,32.16	22.90
2. Poultry Development ..	1974-75 (Capital account)	3.02	..	..	3.02
Cold Storage Plants					
3. Cold storage plant, Parlahemundi	1977-78 (Revenue account)	(—)2.05	2.50	1.71	(—)1.26
4. Cold Storage Plant, Kuar-munda	1977-78 (Revenue account)	(—)0.25	1.41	3.64	(—)2.48 (a)

(a) Minus balance is under reconciliation.

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES
AND OTHERS

6.1. General

(a) (i) In 1981-82, Rs. 1,63.91 crores (Revenue accounts) were paid as grants to non-Government bodies, institutions and others as against Rs. 1,40.46 crores paid during 1980-81. This formed 28.58 per cent of the Government's total expenditure on Revenue account, against 25.99 per cent in 1980-81.

The main beneficiaries of the grants were Panchayat Raj institutions which received Rs. 1,06.80 crores during 1981-82 for the purposes shown below:

(Rupees in crores)

1. Education—		
Primary and Secondary Education		75.97
2. Community Development and Rural Reconstruction—		
Community Development ..		15.50
3. Planning and Co-ordination Department—		
Rural Works Programme ..		12.55
4. Forest—		
Grant from sale proceeds of <i>Kendu</i> leaves		2.78
Total ..		<u>1,06.80</u>

(ii) *Utilisation Certificates*

Under the financial rules, in all cases in which conditions are attached to grants, utilisation certificates to the effect that the grants have been utilised for the purpose for which they were paid are required to be furnished by the departmental officers to the Accountant General within a reasonable time.

At the end of September 1982, 83,248 certificates for Rs. 4,10.96 crores were awaited for grants paid up to 31st March 1981. Of these, 62,383 certificates (Rs. 2,36.81 crores) related to grants paid up to 31st March 1979 and the remaining 20,865 certificates (Rs. 1,74.15 crores) related to grants paid during the period from 1st April 1979 to 31st March 1981.

In the absence of such certificates there is not even *prima facie* evidence of the recipients having spent the grants for the purpose or purposes for which these were given.

The departments from which most of the utilisation certificates are awaited are given below:—

Sl. No.	Department	Utilisation certificates awaited	
		Number	Amount (In crores of rupees)
1.	Education and Youth Services	47,648	2,85.52
2.	Community Development and Rural Reconstruction	30,137	68.44
3.	Agriculture and Co-operation	465	34.30
4.	Harijan and Tribal Welfare..	298	9.21
5.	Housing and Urban Development	1,809	5.38

(b) According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the accounts of bodies and authorities substantially financed by grants and loans from the Consolidated Fund of the State are to be audited by the Comptroller and Auditor General of India. Section 15 of the Act prescribes that where a grant or loan is given from the

Consolidated Fund of the State for any specific purpose, the Comptroller and Auditor General of India shall scrutinise the procedure by which the sanctioning authority satisfied itself as to fulfilment of the conditions subject to which such grants and loans were given.

Mention was made in paragraph 7.1(b) of the Audit Report (Civil) for 1980-81 about non-receipt of information from departments of Government regarding grants and loans given to various bodies and authorities during 1971-72 to 1980-81 to determine the applicability of Section 14 audit in these cases. The position did not improve and the information for the year 1981-82 was also not received from the departments as indicated below:—

Year	No. of bodies/ authorities which received grants/loans of not less than Rs. 5 lakhs in the year	No. of bodies whose accounts were	
		received in audit	not received in audit
1971-72	310	9	301
1972-73	290	9	281
1973-74	314	11	303
1974-75	308	11	297
1975-76	330	6	324
1976-77	346	14	332
1977-78	359	13	346
1978-79	358	5	353
1979-80	360	6	354
1980-81	392	9	383

Audit of some local bodies and authorities substantially financed by Government and falling under Section 14 of the Act was conducted. Important points noticed in the audit of these institutions and scrutiny of the records of sanctioning authorities under Section 15 and other related matters are given in the succeeding paragraphs.

INDUSTRIES DEPARTMENT

6.2. Assistance for development of industries

The Industries department provides assistance to various non-Government organisations in the State for undertaking activities connected with development of industries. The grants and loans sanctioned and paid during the years 1979-80 and 1980-81 were as under:

	1979-80	1980-81
	(Rupees in lakhs)	
Grant	4,19.00	6,29.00
Loan	84.33	10,51.60
Total	5,03.33	16,80.60

Scrutiny of records of the sanctioning authority by audit between April and August 1982 under Section 15 (i) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 indicated the following points:

(i) Loans to Powerloom Weavers' Co-operative Societies

With a view to set up powerlooms in the State, Government had sanctioned Rs. 37.02 lakhs as loan to 8 Powerloom Weavers' Co-operative Societies (PWCS) between 1957-58 and 1968-69. The loans were repayable in 10 (rescheduled to 20 in July 1972) annual equal instalments commencing from the second anniversary of the date of drawal carrying interest at $4\frac{1}{8}$ per cent per annum for the loan sanctioned up to 1967-68 and 8 per cent thereafter.

Out of the 8 PWCS, 6 PWCS (Ramnagar, Baldev Jeu, Berhampur, Madhunagar, Barunei and Takatpur) to whom Rs. 28.52 lakhs were loaned, were functioning in August 1982. In respect of these six units, Government in 1970-71 converted Rs. 12 lakhs (at Rs. 2 lakhs each) as share capital of the respective Societies without assessing interest (which works out to Rs.5.68 lakhs) for the earlier period.

Besides, a subsidy of Rs. 12.99 lakhs was also sanctioned and released to these 6 units during 1979-80 to 1981-82 (1979-80: Rs. 5 lakhs, 1980-81: Rs.5 lakhs, 1981-82: Rs.2.99 lakhs) with a view to revitalise these units. At the end of March 1982, Rs. 15.16 lakhs were overdue for recovery on account of principal (Rs.5.92 lakhs) and interest (Rs. 9.24 lakhs) apart from the un-assessed interest of Rs.5.68 lakhs in respect of these 6 PWCS.

While accepting the position of recovery, the Director explained (August 1982) that the recoveries could not be effected as the powerloom societies were declared as sick units and running at a loss due to unfavourable market conditions.

Despite the grant of such incentives to the societies and action taken at Government level to review the working of these societies at regular intervals, these units have not achieved economic viability so far (December 1982).

The remaining two PWCS (Aska and Chhatiabata) which received a loan of Rs. 8.50 lakhs, were liquidated and disposed of in auction resulting in an overall loss of Rs.13.91 lakhs to Government as indicated below:

(a) Aska Powerloom Weavers' Co-operative Society (registered in February 1958) to which assistance of Rs.7.25 lakhs was provided during

1957 to 1962 (Central Government grant: Rs.1 lakh, State Government loan: Rs.4.25 lakhs, State Bank of India loan guaranteed by State Government: Rs. 2 lakhs) was closed down in December 1965 on account of mismanagement and other problems (labour, sales, non-payment of excise duties, etc.). The Society was liquidated in December 1967 and offers were invited in December 1970 for its disposal. Two offers received one for machinery (Rs.1.25 lakhs) and the other for building and machinery (Rs.3 lakhs) were considered (February 1971) by the Director of Textiles to be too low to support the liabilities of the unit. Further negotiation with the parties for raising their offers was reported to have failed though there was no recorded evidence to that effect. The matter relating to the disposal of the unit was, however, negotiated (April 1972) with M/s. 'K' (who did not tender earlier) for Rs. 3.50 lakhs payable in 7 yearly instalments with interest at $6\frac{1}{2}$ per cent. After the assets were handed over to the party in September 1972, the consideration money was reduced to Rs. 3.06 lakhs by Government in February 1973 without any recorded reason. The agreement was executed in June 1973 and the party completed payments by March 1980.

Government, on its guarantee, had to pay Rs. 1.82 lakhs in March 1971 towards the balance of loan with interest obtained by the society from the State Bank of India, Aska in 1962.

Government had also accepted the liability of Rs. 0.69 lakh on behalf of the society against loan of Rs. 0.60 lakh taken by the society in 1965 from the Aska Central Co-operative Bank.

Thus, Government had to incur a net loss of Rs. 6.84 lakhs (State Government loan with interest from March 1959 to February 1980: Rs. 8.10

lakhs, State Bank of India loan: Rs. 1.82 lakhs, liability towards Central Co-operative loan:Rs.0.69 lakh less sale proceeds together with interest Rs. 3.77 lakhs) which could have been minimised had the offer of the bidder in December 1970 for lump sum payment been accepted instead of the deferred payment.

(b) Chhatiabata Powerloom Weavers' Co-operative Society which was registered in August 1958 and started initially with Government loan of Rs. 4.25 lakhs and for whom further loan of Rs.2 lakhs from the State Bank of India was arranged with Government guarantee (September 1962) sustained loss continuously from June 1962 and went into liquidation in May 1971. Following the decision (August 1972) of Government to sell the unit in auction, 5 offers were received (December 1972) of which the highest offer was that of 'B' for Rs. 2.61 lakhs which was raised to Rs. 3 lakhs (with instalment payment) on negotiation (July 1973). In the meantime another firm 'R' which had not tendered for previously offered (May 1973) outright purchase of the unit for Rs. 2.71 lakhs which was subsequently raised (June 1973) to Rs. 3.10 lakhs and Rs. 4 lakhs (April 1974). These offers were, however, not considered by the Director of Textiles on the ground that the same were not received within stipulated time of December 1972. The offer was decided in favour of M/s. 'B' for Rs. 3 lakhs payable in 5 equal annual instalments. The firm paid (April 1974) Rs. 0.60 lakh towards first instalment of consideration money followed by a bank guarantee (May 1974) for Rs. 2.79 lakhs towards the balance principal (Rs. 2.40 lakhs) and interest (Rs. 0.39 lakh at $6\frac{1}{2}$ per cent) before execution (June 1974) of agreement. The assets of the society were handed

over (June 1974) to the party which did not take any steps to revive the unit nor pay further instalments of consideration money and interest thereon. Following this, Government issued a notice (August 1976) to the party to pay back the entire amount outstanding with it within 15 days failing which it should hand over the assets to the Deputy Director of Textiles. As there was no response from the party, the Government directed the Director to take over the unit with police help which he did unilaterally (August 1976) and according to the legal opinion of the Government advocate, the action taken was not within the scope of the agreement. Subsequently, Government contemplated (October 1980) to institute a certificate case for realising the cost of missing articles (valuing Rs. 0.75 lakh). This was, however, not pursued as the Advocate General opined (April 1982) against such action by the department in the absence of mention of authentic proof of cost of missing articles in the list of assets handed over to the party by the Director.

However, in February 1978, the assets of the unit valued at Rs. 3 lakhs were transferred to the Orissa State Powerloom Servicing Co-operative Society (Apex Society) and the amount was invested by Government in the Apex Society as share money. As a result, Government had to sustain a net loss of Rs. 7.06 lakhs (Government loan to the unit: Rs. 4.25 lakhs, interest on loan at $4\frac{1}{8}$ per cent from 1958-59—January 1978: Rs. 3.58 lakhs, repayment of loan to S. B. I. as guarantee liability including interest: Rs. 2.83 lakhs less amount received from the firm and amount invested with Apex Society towards share money: Rs. 3.60 lakhs) which could have been minimised had fresh offers been invited keeping in view the belated offer (April 1974) of M/s. 'R' for Rs. 4 lakhs.

(ii) Special rebate on sale of handloom cloth

With a view to liquidate periodic accumulation of handloom cloth in the co-operative sector as well as in respect of handloom development programme undertaken by the State Handloom Development Co-operation, the Government of India approved (June 1980) the operation of a special rebate scheme of 20 *per cent* (to be shared at 10 *per cent* each by the Central and State Governments) on the sale of handloom cloth for a period of 30 days during 1980-81 broken up to spells of not less than 7 days each. According to the scheme, the special rebate was to be availed by (i) Weavers' Co-operative Societies which supply yarn to weavers and procure the product from them, (ii) Apex Co-operative bodies to which primary weavers' co-operatives are affiliated and (iii) State Government Corporations which have a handloom production programme of their own, or which are implementing handloom development projects or are supplying yarn to weavers and marketing the produce thereof.

Accordingly, Government sanctioned Rs. 1,22.52 lakhs towards 20 *per cent* rebate for 4 spells during 1980-81 (7th to 13th June 1980, 9th to 16th October 1980, 8th to 14th January 1981 and 11th to 18th March 1981) which included Rs. 3.21 lakhs sanctioned to sale depots 'Utkalika' run by Orissa Co-operative Handicrafts Corporation Limited. According to a report (October 1980) of the Director of Textiles to Government the said Corporation did not fulfil any of the conditions entitling it to the rebate claim. The Director of Textiles, therefore, did not include these sale depots under the Corporation in his initial proposals to Government for grant of rebate. Thus, Rs. 2.39 lakhs (out of sanctioned amount of Rs. 3.21 lakhs) paid to the Corporation to compensate the rebate on sale of handloom cloth was not regular.

(iii) Modernisation of looms

With the object of providing improved and modernised tools and equipments to weavers in the co-operative societies of handloom industry, the Central Plan scheme, *viz.*, 'Modernisation of looms' was introduced in the State during 1979-80 targeted to be completed during the 6th Plan period. The assistance to be provided was in the shape of subsidy and loan, each 50 *per cent* of the actual expenditure on the modernisation of looms limited to Rs. 1,000 and Rs. 2,500 for ordinary and jacquard looms (an improved variety of loom) respectively. One-third of the subsidy amount and two-thirds of the loan amount were the shares of the Central Government. It was expected that the daily earning capacity of each weaver would rise from Rs. 3 to Rs. 12 by weaving 12 metres per day.

During the three years ending 1981-82, Rs. 42 lakhs were sanctioned for the purpose (1979-80: Rs. 2 lakhs, 1980-81: Rs. 10 lakhs and 1981-82: Rs. 30 lakhs) out of which Rs. 39.46 lakhs were placed at the disposal of Zonal Assistant Directors (Rs. 23.46 lakhs), Orissa State Handloom Weavers' Co-operative Society Limited (Rs. 8 lakhs) and Orissa Khadi and Village Industries Board (Rs. 8 lakhs). Besides, accessories worth Rs. 2.54 lakhs were purchased up to August 1982 at the instance of the Director of Textiles.

It was noticed in audit that the beneficiaries were not identified at the time of releasing the amount (by the Director of Textiles) and no information was obtained about the expenditure incurred, supplies made and looms modernised and increase, if any, in the earning capacity of the weavers. The utilisation certificates required to be furnished within 3 months following the year of sanction were not received from the executing agencies (August 1982).

The Director of Textiles had no system of receiving monthly progress reports from the Zonal Assistant Directors in respect of Weavers' Co-operative Societies.

(iv) Tassar Rearing in Co-operative Sector

(a) Initial financial assistance, as subsidy, was provided by Government (from 1974-75) to the newly formed Tassar Rearing Co-operative Societies towards share capital, managerial expenses, construction of godown, staff quarters and wells. Subsidy for construction of staff quarters and godowns was to be released to the societies provided they possess land of their own.

During the 3 years ending 1980-81, Rs. 10.86 lakhs (1978-79: Rs. 3.78 lakhs, 1979-80: Rs. 2.25 lakhs and 1980-81: Rs. 4.83 lakhs) were sanctioned by Government in favour of 24 societies which included Rs. 5.45 lakhs for construction of staff quarters, godowns and wells with the condition that the construction component should be released to the society only after acquisition of the site by the authority. By August 1982, works relating to only 14 units (out of 24) were completed at a cost of Rs. 2.88 lakhs leaving an unspent balance of Rs. 2.57 lakhs constituting total grant sanctioned to 10 other units for the purpose. The Director of Textiles stated (August 1982) that non-allotment of land to the societies by the Revenue authorities was the main reason for not constructing the quarters. The amount was neither utilised nor refunded to Government (August 1982).

(b) With the object of multiplying and supplying disease-free eggs to weavers of tassar, 9 tassar Pilot Project Centres were established during the period 1977-78 to 1979-80 in four districts (Mayurbhanj, Kalahandi, Bolangir and Sundergarh). A subsidy

of Rs. 20.34 lakhs was sanctioned (1977-78: Rs. 1.60 lakhs, 1978-79: Rs. 5.10 lakhs, 1979-80: Rs. 10.04 lakhs and 1980-81: Rs. 3.60 lakhs) by Government and released to all the units during the 4 years ending 1980-81 for construction of godown-cum-office, grainage house, wells and staff quarters, etc., (Rs. 9.20 lakhs), staff (Rs. 1.06 lakhs), maintenance (Rs. 3.56 lakhs), purchase of equipments (Rs. 2.21 lakhs) and agricultural inputs (Rs. 4.31 lakhs) out of which Rs. 6.97 lakhs (34 per cent) only relating to 5 units (*viz.*, Bhorsol, Pariada, Lanjigarh, Jharanaghati and Durgapur) could be utilised by August 1982. Of the unspent balance (Rs. 13.37 lakhs), Rs. 8.59 lakhs constituting total grant to 4 units (*viz.*, Telimal, Jhipabandh, Thakurmunda and Binjobhal) could not be utilised due to non-acquisition of land for establishing the centres but utilisation certificates for Rs. 1.60 lakhs released to these societies during 1980-81 was submitted and accepted by the Director of Textiles without any basis.

It was further verified in audit that out of 915 acres of land acquired by 5 units so far (December 1982), 193 acres only could be used for raising plantation.

(v) *Subsidy for preparation of Project report and feasibility report*

With a view to accelerating the pace of industrial growth, Government announced (February 1968) certain concessions which, *inter alia*, included grant of subsidy for preparation of Project report and feasibility study to the industrial units. According to the policy laid down up to March 1977, Government would contribute 500 per cent of the total cost of preparation of the project report/feasibility study in connection with establishment of new industries in

the State provided it was done through the agency approved by them. If the project was not implemented within the period specified in each case, the report would become the property of the Government. In case of implementation, the Government contribution would be treated as their share capital of the project. Other conditions remaining the same, Government assistance was increased subsequently to 75 per cent (from April 1977) and 100 per cent (from August 1980) and the amount would be treated as share capital in case of public and private limited companies for implemented projects. In other cases, the contribution would be payable in cash after firm orders for supply of machinery were placed by the entrepreneur. The assistance was paid direct to the entrepreneurs by the Director of Industries till October 1974 and thereafter through the Industrial Promotion and Investment Corporation of Orissa Limited (IPICOL).

According to the procedure prescribed for the purpose, IPICOL would assess at the close of each financial year, the Government share of expenditure incurred on the preparation of reports and come up to Government for reimbursement which would be released next year. But in practice, payments were made to IPICOL in lump in advance of preparation of report. This resulted in huge accumulation of Government money to the extent of Rs. 27.18 lakhs with IPICOL out of Rs. 33.47 lakhs released to it over a period of 4 years ending 1981-82.

Scrutiny (August 1982) of files and reports of IPICOL available with the Director of Industries indicated the following:

(a) In 34 cases full payments of Rs. 7.36 lakhs (by April 1980) were made on completion of project report by the Corporation without ensuring that the projects had been implemented.

In 12 cases where Rs. 2.53 lakhs were sanctioned (1978-79: Rs. 0.32 lakh, 1979-80: Rs. 2.21 lakhs) by the Government, the entrepreneurs had backed out and no action was taken by Government so far (August 1982) for adjustment of the amount in course of subsequent payments.

(b) Government assistance of Rs. 0.27 lakh was provided to 3 entrepreneurs for the second time during 1977-78 to 1979-80. The excess release to IPICOL to this extent was neither detected by the Government at the time of sanction nor by the Directorate at the time of release till it was pointed out (August 1980) by IPICOL. Out of the excess amount, Rs. 0.22 lakh remained unadjusted with IPICOL (August 1982).

(c) As against 75 *per cent* of the cost to be reimbursed under the scheme (between April 1977 and July 1980), the entire cost of feasibility/project report amounting to Rs. 2.65 lakhs pertaining to 4 industrial units (*viz.*, Alumina Complex, Tool Room at Sunabeda, Watch Assembly Unit at Bhubaneswar, China Clay Washing Unit) was reimbursed by Government to IPICOL in 1977-78. Excess payment, thus, involved was to the extent of Rs. 0.66 lakh.

(d) In another 3 cases (*viz.*, Development of Industries at Chatrapur, Jute Twine Project at Kendrapara, Oil Processing and Cocoa and Butter substitute and Alum Chemicals) even though Government had sanctioned (1979-80) 75 *per cent* (Rs.0.79 lakh) of the cost of reports (Rs.1.05 lakhs), the Corporation had paid Rs.0.96 lakh resulting in an excess liability of Rs. 0.17 lakh to the Government.

(e) Out of Rs.38.15 lakhs released (1976-77—1981-82) to IPICOL, utilisation certificates for Rs.10.97 lakhs only were furnished (March 1980 and

May 1982) by IPICOL which were not accepted by the Director of Industries for want of audited statement of accounts, etc.

Though receipt of utilisation certificates, progress reports and audited statement of accounts were the pre-conditions for the release of the subsidy, further assistance was sanctioned and paid to IPICOL during subsequent years. The Director stated (July 1982) that the amounts were released under instructions from Government.

(vi) Interest free loan to large and medium industries—With a view to strengthening their working funds, Government in December 1980 introduced a scheme of interest free loan to the new large industries for a period of five years equivalent to electricity duty paid. The procedure envisaged that the General Managers of District Industries Centres (DIC) were to project their requirement of funds to the Director of Industries who would obtain sanction for the amount from the Government and place the funds at the disposal of DICs for ultimate disbursement to parties after observing the prescribed formalities. But in contravention of the above procedure, Rs.33.50 lakhs (1980-81: Rs.18.50 lakhs, 1981-82: Rs.15 lakhs) sanctioned by Government were drawn in the respective years by the Director of Industries and placed (January 1981 and March 1982) with IPICOL under Government instructions for ultimate disbursement of loan to the individual entrepreneurs.

As IPICOL was not in a position to disburse the same in the absence of directions from the Director of Industries regarding parties entitled to receive the payment, the amount remained unutilised (August 1982).

Thus, the amounts were sanctioned by the Government without receipt of detailed proposals as envisaged in the scheme and kept in the custody of IPICOL outside the scheme. The Director of Industries stated (August 1982) that the DICs would be asked to send the proposals for disbursement of loans.

Summing up

Following are the main points that emerge:

- (i) Out of the 8 Powerloom Weavers' Co-operative Societies, 2 units (Aska and Chhatiabata) went into liquidation resulting in an overall loss of Rs. 13.91 lakhs and in the remaining cases, Rs. 15.16 lakhs were overdue for recovery towards principal (Rs. 5.92 lakhs) and interest (Rs. 9.24 lakhs) by the end of March 1982 besides non-assessed interest of Rs. 5.68 lakhs;
- (ii) irregular payment of Rs. 2.39 lakhs towards the claim for special rebate by the Orissa Co-operative Handicrafts Corporation Limited;
- (iii) the subsidy and loan amounting to Rs. 42 lakhs granted under Central Plan scheme to the weavers in the Co-operative Societies in the Handloom Industry for the modernisation of looms remained unfruitful over a period of 3 years ending 31st March 1982 due to non-identification of beneficiaries at the time of releasing funds;
- (iv) rupees 2.57 lakhs paid as initial financial assistance (subsidy) to newly formed 10 (out of 24) Tassar Rearing Co-operative Societies remained unutilised mainly due to non-allotment of land to the Society;

out of 915 acres of land acquired by 5 societies, 193 acres only could be utilised for raising plantation;

- (v) huge amount of subsidy (Rs. 27.18 lakhs) out of Rs. 33.47 lakhs paid in advance to IPICOL over a period of 4 years for preparation of project report and feasibility study in order to accelerate the pace of industrial growth, remained with them in the absence of preparation of the required reports; no action was taken by Government to adjust the amount of Rs. 2.53 lakhs sanctioned in 12 cases where the entrepreneurs backed out; assistance of Rs. 0.22 lakh (out of Rs. 0.27 lakh) provided to 3 entrepreneurs for the second time was not regularised; against 75 *per cent* of the cost to be reimbursed to IPICOL under the scheme, the entire cost of Rs. 2.65 lakhs was reimbursed resulting in an excess payment of Rs. 0.66 lakh; and
- (vi) interest-free loan of Rs. 33.50 lakhs sanctioned by Government for new large and medium industries and paid (January 1981 and March 1982) to IPICOL instead of to DIC for disbursement to parties, remained unutilised (August 1982).

The matter was reported to Government in November 1982; their reply is awaited (February 1983).

AGRICULTURE AND CO-OPERATION DEPARTMENT

6.3. Development of *pat* land

Out of Rs. 15.50 lakhs received as grants during 1978-79 from the Government towards disbursement of subsidy to Small and marginal farmers in the Command Area in connection with on-farm development and ground water development, Mahanadi

Delta CADA paid Rs. 6 lakhs (March 1979: Rs. 5 lakhs and May 1979: Rs. 1 lakh) to Orissa Agro Industries Corporation Limited (OAIC) without any survey/estimate, as an advance subsidy towards reclamation of 0.10 lakh out of 0.27 lakh acres of *pat* land (water logged area) in Kendrapara and Derabis blocks, to help the agriculturists in utilising the area for agriculture production. The District Agricultural Officer was asked (April 1978) by the Director of Agriculture and Food Production to work out per acre estimated cost of reclamation and to prepare a list of intending beneficiary villagers who were to avail the subsidy component to the extent of 1/3rd of the cost and bank loan for reclamation of their land with the help of tractors etc., to be supplied on hire to them by Orissa Agro Industries Corporation. The information regarding the estimated cost of reclamation and the list of selected beneficiaries were not available from records of the Project Directors. It was, however, noticed in Audit that the Corporation purchased (between March and May 1979) 5 tractors out of the money advanced to them and reported to the CADA to have reclaimed 2,158 acres (between April 1979 and June 1981). The achievement as reported by the Corporation to CADA was not verifiable from records of CADA.

A detailed survey conducted by the department indicated that out of estimated 23,145 acres of land required to be reclaimed in these two blocks, 16,744 acres were reclaimed by natural process due to closure of the canal water during *Rabi* (1978) and 2,268 acres were reclaimed by villagers themselves on their own initiative. Thus, out of the remaining 4,133 acres, the Corporation could reclaim only 2,158 acres in respect of which the subsidy payable by the CADA to the Corporation worked out to Rs. 1.44 lakhs.

For reclaiming the remaining area of 1,975 acres, a squad consisting of the District Agricultural Officer and Block Development Officers alongwith State Bank of India officials visited (April and May 1982) eight villages to ascertain the number of small and marginal farmers who were actually interested in the scheme and reported (May 1982) that none of the villages was willing to accept the scheme and that they favoured improvement and renovation of the drainage channel itself, instead.

Thus, the objective of reclaiming the *pat* land for the purpose of agriculture production has not been achieved so far and the amount of advance subsidy of Rs. 6 lakhs paid to the Corporation without detailed survey and collection of requisite data remained unadjusted/unrecovered for more than 3 years.

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

EDUCATION AND YOUTH SERVICES DEPARTMENT

6.4. Orissa State Bureau of Text Book Preparation and Production

6.4.1. Mention was made in paragraph 7.5 of the Report of the Comptroller and Auditor General of India (Civil) for the year 1974-75 about the results of audit of accounts of the Bureau for the years 1971-72 to 1974-75 conducted under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The Government received Central assistance of Rs. 94 lakhs during 1969-70 to 1980-81 and paid it to the body for implementation of the scheme. A sum of Rs. 5.49 lakhs was also paid by Government towards its administrative expenses for the period

from 1977-78 to 1980-81. The total expenditure against the grant of Rs. 99.48 lakhs was Rs. 95.67 lakhs.

6.4.2. Further points noticed as a result of audit of accounts of the Bureau which received grants aggregating Rs. 64.99 lakhs (expenditure: Rs. 62.48 lakhs) during the period from 1975-76 to 1980-81 conducted (July—August 1982) are mentioned below:

(i) *Preparation and Production of books*

Against the targeted 666 titles by the end of the Fifth Five Year Plan i. e., by March 1978, the Bureau could prepare only 422 books of which 322 had been published and 100* were under print. Those published comprised 302 text books and 20 glossaries prepared through the following agencies:

	Number of books prepared		
	Original	Translation	Total
Private authors (on payment of remuneration)	255	37	292
Subject cells (constituted by the Bureau)	5	5	10
Glossaries by language experts.	..	..	20
			322

Thus, only 48 *per cent* of the target fixed up to 1977-78 was achieved by the end of 1980-81. Although all the books published had been forwarded (August 1982) to four universities in the State for adoption, only two of the universities (Berhampur and Utkal) had introduced 97 titles as reference books during the academic years 1978 to 1980.

* Include 62 originals and 38 translations.

The other two universities (Sambalpur and Orissa University of Agriculture and Technology) had not yet (August 1982) adopted the publications even as reference books. Medium of instruction was stated by the Bureau (August 1982) to be the main reason for non-adoption of books by these universities. The Bureau also stated (August 1982) that the matter was taken up at the highest level of universities and Government.

(ii) Fixation of sale price of the books

From April 1976, it was decided to take into account the full cost of remuneration paid to authors, reviewers, etc., in place of one-third cost thereof for the purpose of fixing the sale price of books. Again from April 1979 it was decided to take into account half the cost of remunerations paid to authors, reviewers, etc., and two-third of overhead cost namely salaries of staff, cost of vehicle, etc.

Test check of records (August 1981) disclosed that in respect of 55 books published in 1977-78 and 21 books in 1978-79, the total cost as per the production accounts amounted to Rs. 8.59 lakhs and Rs. 3.99 lakhs respectively, whereas, the amounts taken for the purpose of cost analysis of those books as verified by Audit aggregated only to Rs. 7.51 lakhs and Rs. 2.73 lakhs respectively. Thus, the pricing of these books did not conform to the principles decided for the purpose.

(b) A study of the price in respect of 23 books translated from English and published to end of March 1978 indicated that in 12 cases, the price of translated books exceeded the price of their originals the excess ranging between 50 and 330 per cent which was against the objective of the scheme that the sale price of the translated copies should not exceed the price of the original English edition.

(iii) Sale of publications

(a) The total number of copies printed in respect of 303 titles published between 1971-72 and 1980-81 was 5.59 lakhs (cost: Rs. 54.46 lakhs; 303 books out of 322 were only taken to stock). Of these, 0.10 lakh copies (cost: not available) were accounted for as free distribution, 1.79 lakh copies (cost: Rs. 11.51 lakhs) were sold (March 1981) and the remaining 3.70 lakh copies (cost: Rs. 43.81 lakhs) were lying unsold by March 1981.

The avoidable expenditure on account of storage of unsold books was Rs. 3.30 lakhs (rental charges of stores godown: Rs. 1.65 lakhs, salary of store keeper and watchman etc.: Rs. 1.65 lakhs) between 1973-74 and 1980-81. The Bureau stated (May 1980) that it was decided not to print such books which would not be marketed immediately and that arrangements were being made to construct their own building. There has, however, been no improvement in the position so far (August 1982).

(b) Out of the total sale value of Rs. 11.51 lakhs in respect of 1.79 lakh copies sold, Rs. 0.93 lakh were outstanding by the end of March 1981 for recovery against credit sales. The Bureau could not state the period from which the amounts were outstanding.

(c) Physical verification of unsold books and unused papers had not been conducted since inception of the Bureau (1971).

(iv) Subject cells

Despite non-approval by the Government of India, the Bureau organised 11 subject cells in August 1972 and incurred an expenditure of Rs. 6.04 lakhs up to 1977-78 (up to 1974-75: Rs. 3.30 lakhs, 1975-76: Rs. 1.99 lakhs, 1976-77: Rs. 0.56 lakh, 1977-78: Rs. 0.19 lakh) towards salary and foreign service contribution of members of cell. Of these,

in 3 subject cells, 10 authors continued to remain between March 1974 and September 1977 after completion of work entailing an avoidable expenditure of Rs. 0.61 lakh towards salary and foreign service contribution. The Director stated (May 1980) that the authors who were teachers of Government colleges could not be sent back immediately after cells were closed.

The subject cells should have enabled production of 107 titles (4 books per year in each cell) which was accepted by the Director (May 1980). As against this, only 41 titles were allotted (between February 1973 and September 1977) for preparation of which 9 were to be original titles and 32 others were to be translations; of these only 5 original titles and 5 translations were prepared up to January 1979 i.e., 16 months after it ceased to function.

(v) Irregular utilisation of schematic grants

Although the schematic grant was not admissible for creation of assets, the Bureau diverted a total amount of Rs.2.06 lakhs from out of such grant during 1970-71 to 1977-78 for purchase of about 3 acres of land for construction of its office and stores (Rs.0.65 lakh), a jeep with a trailer (Rs.0.28 lakh), furniture and fixture (Rs. 0.78 lakh), duplicating machine (Rs.0.16 lakh), type-writer (Rs. 0.07 lakh), electric fans (Rs.0.07 lakh), bi -cycles (Rs.0.02 lakh) and water cooler (Rs.0.03 lakh). Approval of Government to cover these items of expenditure sought for (March 1981) by the Bureau is awaited (November 1982).

Actual expenditure (Rs.12.94 lakhs) incurred during 1970-71 to 1980-81 towards administrative expenses varied between 5 and 39 *per cent* of the total expenditure (Rs.95.67 lakhs) as against the ceiling of 5 *per cent* of the total expenditure during a financial year fixed by Government of India.

(vi) Revolving Fund

Despite Government of India's instructions in January 1974 to create a revolving fund from out of the sale proceeds of books for utilising the same for further publication of university level books, no such fund was created till March 1979. Between April 1979 and November 1980 the sale proceeds of books was Rs. 8.29 lakhs but the fund was created for Rs. 10 lakhs by irregular utilisation of Government grant (Rs. 0.54 lakh) and subsidy from National Book Trust (Rs. 1.17 lakhs). The amount in the revolving fund has not been put to use so far (August 1982).

(vii) Retention of paper with private parties

Test check of records indicated that by the end of March 1981, 2,386 reams (up to 1977-78: 836.373, 1978-79: 730.381, 1979-80: 254.021, 1980-81 : 565.267 reams) of paper valuing Rs.1.61 lakhs were lying with 75 private printing presses in the locality without any security to safeguard interests of the Bureau.

Besides, out of 8,109 reams of printing paper stored for want of accommodation with the Orissa Text Book Press in 1970-71, 2,743 reams valuing Rs.1.62 lakhs had not been returned by the press nor the cost thereof had been realised so far (August 1982).

(viii) Outstanding advances

The accounts for the year ending 1980-81 showed that advances paid to authors, reviewers, language experts, etc., aggregating Rs. 3.01 lakhs remained outstanding due to non-finalisation of their remuneration on account of delay in publication of books, etc. Bulk of the advances related to the years prior to 1976.

(ix) Internal Audit

First internal audit of the accounts of the Bureau was conducted only during March—September 1981 and audit report has not been received by the Bureau (February 1983).

The matter was reported to Government in October 1982; their reply is awaited (February 1983).

HARIJAN AND TRIBAL WELFARE DEPARTMENT

6.5. Financial assistance for Tribal Development

6.5.1. Nine micro projects were started (one project in 1976-77 and eight projects in 1978-79) in the State for the socio-economic development of groups of tribal families (about 500—600 families per project) in a compact area. The tribal population in the State as per 1971 census, constituted 23.11 *per cent* (50.72 lakhs) of the total population of the State (2,19.45 lakhs). The entire expenditure was met out of Central assistance. With a view to make available direct benefit to more and more tribals, the Government of India extended the benefit of schemes to areas having 50 *per cent* or more tribals. Accordingly, 30 such pockets in 32 blocks in 9 districts other than Mayurbhanj, Ganjam and Koraput covering 133 Gram panchayats in full and 4 Gram panchayats in part (1,955 villages) had been identified for execution of Modified Area Development Approach (MADA) programme.

Special Officer, Micro Projects is the executing authority; MADA programmes are being executed through blocks.

The Grants-in-aid and subsidies paid during the years 1979-80 and 1980-81 to 41 institutions and the expenditure incurred by the agencies were as under:

Year		Grants	Expenditure incurred
		(Rupees in lakhs)	
1979-80	..	1,48.23	1,47.87
1980-81	..	1,10.26	1,12.12

6.5.2. Scrutiny of the records of the sanctioning authority *viz.*, the Harijan and Tribal Welfare department was conducted by audit under Section 15 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and some of the points noticed are mentioned below:

(i) According to the departmental instructions, the grantee organisations were required to submit a detailed report of the work done along with the audited accounts within a month of closing of the financial year. The Government orders sanctioning the grants did not include this requirement. Consequently, fulfilment of these conditions was not ensured before releasing grants.

(ii) No instructions were issued to the grantee institutions for maintaining registers of assets created out of grants as required under the rules. The sanctioning authority also did not maintain block-wise accounts of permanent and semi-permanent assets acquired by the grantees wholly or substantially out of Government grants, as required under the rules.

(iii) As per rules, 50 *per cent* of the grants was to be released in the first instance and the balance in suitable instalments on receipt of expenditure statement against first instalment along with the progress report. Contrary to the rules, it was observed in Audit that lump sum grants were released in one instalment only.

6.5.3. On a test check of records in audit during September 1981—July 1982 of 14 out of 41 recipient bodies of grants i.e., 7 Micro Projects and 7 blocks dealing with MADA Scheme, the following points were noticed:

A. Micro Projects

(a) Seven Micro Projects received a total grant of Rs. 1.22 lakhs during the years 1976-77 to 1980-81 of which a sum of Rs. 81.38 lakhs was shown to have been utilised on the activities like horticulture, soil conservation, shifting cultivation, agricultural demonstration, land reclamation, health coverage, animal husbandry, construction of school building, communication, training of tribals, etc., leaving an unutilised balance of Rs. 22.23 lakhs to end of March 1982 in respect of 6 agencies. The sanction orders stipulated that the grants were to be utilised by the end of each financial year. The reasons for non-utilisation of grants were stated by the Special Officers of the agencies to be due to late receipt of sanctions, lack of technical personnel, delay in procurement of materials etc. The utilisation certificates in respect of the grants already utilised had not been sent to the Administrative department (July 1982).

In Dongria Kandh Development Agency, Chatikona (Koraput district) Rs. 2.69 lakhs were diverted (May 1982) without any approval of Government from out of the unspent balance of grants received up to 1979-80 for horticulture programme to soil conservation (Rs. 1 lakh), communication (Rs. 0.80 lakh) and establishment charges (Rs. 0.89 lakh) which were usually to be met from normal programme of development of primitive tribes. The Juang Development Agency (Keonjhar district) similarly diverted (August 1981) Rs. 5.50

lakhs for installation of lift irrigation points in two villages and the amount was paid (August 1981) to the Executive Engineer, Lift Irrigation, Keonjhar. It was seen in audit that the Action programme of the agency did not provide for construction of lift irrigation points and the expenditure on this account was not also approved by the Government. In reply to an audit enquiry, it was stated (April 1982) that an amount of Rs. 2.50 lakhs was refunded (November 1981) by the Executive Engineer. Refund of the balance amount was awaited (April 1982).

(b) According to the Action programme for 1979-80 of Juang Development Agency approved by Government, a sum of Rs. 0.58 lakh was provided for expenditure on reclamation of 115 acres of Government waste land at Rs. 500 per acre. No expenditure was, however, incurred up to 1980-81. During 1981-82, an amount of Rs. 0.44 lakh was spent by the agency for reclamation of only 74 acres at Rs. 598 per acre resulting in excess expenditure (Rs. 0.07 lakh) over the norm. Reason for not taking up reclamation of the remaining area was not on record.

Instructions were issued (January 1978) by Government that headquarters of the agency should be located in the project area and until accommodation for office and staff was so arranged there, the staff might operate from the nearest block or sub-divisional headquarters. Though the office building and staff quarters were constructed (January 1981) at the project site (Gonasika hills) at a cost of Rs. 1.93 lakhs the Special Officer and the staff were still stationed at Keonjhar (district headquarter) i.e., 25 km. away from the project area. Frequent tour to the project area by the Special Officer and his staff entailed an extra expenditure of Rs. 0.21

lakh (January 1981 to March 1982) towards travelling expenses, petrol charges, etc. To an audit enquiry it was explained (April 1982) by the Special Officer that for want of water facilities at the project site the staff along with the Special Officer could not be shifted (April 1982).

(c) (i) A sum of Rs. 0.30 lakh was paid (1978-79) by the Dongria Kandh Development Agency, Chatikona to the District Agriculture Officer, Rayagada for implementation of the programme. Of this, an amount of Rs. 0.19 lakh was spent by him for plantation of 3,456 species (Guava : 756, Lemon : 216, Orange : 2,484) in the project area and the balance amount refunded (May 1979 and February 1980) to the agency. On the question regarding survival of these plantations enquired into during audit, the Special Officer stated (June 1982) that plantation did not survive due to lack of maintenance. The entire expenditure on this account, therefore, proved to be wasteful.

It was also noticed in audit that during 1979-80 and 1980-81, the agency also planted 21,623 species (Banana, Orange, Guava, Lemon etc.) of which 11,069 plants died due to climatic conditions and damages by wild animals. Rate of mortality of plantations had not been fixed by Government so far (June 1982).

(ii) The animal husbandry programme stipulated distribution of goats and bullocks among the primitive tribal beneficiaries. Nothing was stipulated in the scheme for providing facilities for health care of animals, preventive or curative measures to be taken and verification from time to time by the agency of the ultimate fulfilment of the objective.

Two agencies (Dongria Kandh Development Agency and Paudi Bhuyan Development Agency) spent Rs. 2.20 lakhs during 1979-80 and 1980-81 towards purchase of 643 goats and 361 bullocks which were also shown to have been distributed to the beneficiaries. But the list of persons to whom these animals were distributed was not available for check in audit. As to the actual utilisation of animals by the beneficiaries it was stated by the Special Officers that 308 goats (cost : Rs. 0.83 lakh) died (period of death not known) due to attack of wild animals, skin disease and inadequate health coverage. Special Officers stated (June 1982) that there was no supervision by the veterinary staff after distribution of animals to the beneficiaries on the health care of the animals. The reason for the high percentage (48 approximately) of mortality of the animals was not available from records.

(d) (i) Bonda Development Agency, Koraput spent Rs. 2.70 lakhs during 1977-78 to 1980-81 on agriculture (crop and usage of agricultural implements) demonstration and horticulture (Plantation) demonstration. Input assistance (seeds, fertilisers and agricultural implements) was stated to have been provided to farmers for agricultural demonstration but no result sheet was maintained by the agencies to the area covered, number of farmers involved in the demonstration and the result of demonstration. For the horticulture programme, 21,568 pits were stated to have been excavated for plantation of fruit bearing trees. The detailed account of fruit bearing trees planted, survival thereof etc., was not kept by the agencies in the absence of which the benefit derived by the tribals under the programme was not verifiable from records.

(ii) The Action programme for the years 1979-80 to 1980-81 of Thumba Development Agency (Ganjam district) provided Rs. 1.32 lakhs for crop demonstration and input assistance. An amount of Rs. 1.22 lakhs was noticed to have been spent by the agency during 1979-80 and 1980-81 on input assistance only i.e., supply of fertilisers, seeds and pesticides to 598 tribal farmers without, however, arranging for crop demonstration. Actual utilisation of the input assistance by the beneficiaries was not ascertainable from records. Reasons for not ensuring fulfilment of crop demonstration programme were not also on record.

(e) Dongria Kandh Development Agency released Rs. 1 lakh during 1979-80 for setting up of Niyamgiri Co-operative Society to help the tribals of the project area for promotion of marketing of their surplus horticultural (Rs. 7.80 lakhs) and minor forest produces (Rs. 6.75 lakhs). As per report of inspection conducted (October 1981) by the Assistant Registrar, Co-operative Societies Gunpur, the Society handled for marketing only 10 *per cent* of the tribal produces, the low outturn being due to lack of godown and marketing facilities as stated by him. The Society was also given a loan of Rs. 0.50 lakh during 1980-81 for its efficient working (Rs. 0.10 lakh repaid up to June 1982). Despite this, turnover of the Society in regard to handling of tribal production did not improve.

It was noticed in audit that the Society started (June 1979) 2 fair price shops for sale of essential commodities to its member consumers which were not contemplated in the bye-laws of the Society. Thus, the objective of the Society for which it was constituted had not been achieved to the desired extent and the grant was diverted for purposes other than those for which it was intended.

(f) Juang Development Agency spent (1981-82) Rs. 1.81 lakhs towards construction of a 10 Km. road (Rs. 1.35 lakhs), a Gyanamandir (Rs. 0.41 lakh) and water harvesting structures (Rs. 0.05 lakh). It was noticed in audit that plan and estimate for the works were not prepared nor the creation of assets recorded in any register.

B. Modified Area Development Approach (MADA)

Modified Area Development Approach envisaged tribal family benefit oriented schemes *viz.*, infra-structural facilities under educational and health sectors and creation of durable productive assets (minor irrigation projects) with an investment of Rs. 0.10 lakh per family for augmenting family income. Out of Rs. 2,02.42 lakhs released to 32 blocks during 1978-79 to 1980-81 the cumulative unspent balance with the blocks to end of 1980-81 was Rs. 1,40.79 lakhs. The area of operation of MADA scheme was limited to Gram Panchayats and Villages identified by Government. The following points were noticed:—

(i) The Action Programme initiated by 3 blocks (Pallahara, Dangadi and Komna) during 1979-80 to 1980-81 included sinking of tube wells (Pallahara : Rs. 1.54 lakhs), construction of hostel building (Pallahara : Rs. 0.30 lakh) and quarters (Dangadi : Rs. 0.36 lakh) and live-stock breeding centre (Komna : Rs. 1.94 lakhs) which were not approved by Government on the ground that expenditure on these items did not come under the specific programme of MADA. Despite this, a total expenditure of Rs. 2.66 lakhs was incurred by the blocks on these items (Pallahara : Rs. 1.62 lakhs, Dangadi : Rs. 0.36 lakh and Komna : Rs. 0.68 lakh). *Post-facto* approval of Government to regularise the expenditure had not been obtained so far (April 1982).

(ii) According to the Government orders 50 per cent of the grant sanctioned under MADA scheme should be utilised for individual benefit oriented scheme. Instructions were also issued (March 1980) by Government to all the Collectors to give preference to such schemes. During scrutiny of the records of 5 blocks it was noticed that the grant provided for individual benefit scheme was not fully utilised in the following cases:

Name of the block	Year	Grant	Expenditure (Individual benefit scheme)	Percentage of shortfall	Number of beneficiaries	
					Targeted	Covered
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rupees in lakhs)						
Dangadi	.. 1979-80 and 1980-81	3.21	1.00	69	692	357
Nawapara	.. Do	5.52	0.89	84	562	172
Anandapur	.. 1979-80	6.61	0.50	92	Not available	
	1980-81	3.74	0.98	74	678	215
Deogarh	.. 1978-79 and 1979-80	4.79	..	..	Not available	
	1980-81	2.12	0.51	76	Not available	
Pal'ahara	.. 1979-80	1.25	0.96	23	775	145
	1980-81	2.06	0.98	52		
		<u>29.30</u>	<u>5.82</u>			

The reasons for the shortfall in expenditure (80 *per cent*) were stated to be due to lack of initiative amongst tribals, delay in sanction of loan by the financing institutions and delay in finalisation of Action Programme.

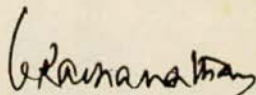
Thus, the achievement of objective of extending direct benefit programmes to more and more tribals is only partial. Progress made in respect of the economic development of the tribal population which was aimed at under MADA scheme was not available from records.

6.5.4. *Summing up*

- (i) Grants received for Micro Projects aggregating Rs. 8.19 lakhs were diverted by 2 blocks during 1981-82 and 1982-83 for other purposes;
- (ii) expenditure to the extent of Rs. 0.98 lakh incurred by three agencies under Micro Projects (plantation: Rs. 0.15 lakh and supply of goats: Rs. 0.83 lakh) proved to be wasteful;
- (iii) in respect of seven agencies executing Micro Projects, Rs. 40.62 lakhs out of Rs. 1.22 lakhs received during 1976-77 to 1980-81, remained unutilised to end of 1980-81. Out of Rs. 2,02.42 lakhs released to 32 blocks during 1978-79 to 1980-81, the cumulative unspent balance with the blocks to end of 1980-81 was Rs. 1,40.79 lakhs;
- (iv) three blocks spent Rs. 2.66 lakhs out of MADA grants on unapproved projects during 1979-80 to 1980-81 which has not been regularised so far; and

- (v) only 40 *per cent* of the grants for MADA schemes meant for individual benefit scheme was utilised in 5 blocks for the purpose during 1979-80 to 1980-81.

The matter was reported to Government in October 1982; their reply is awaited (February 1983).

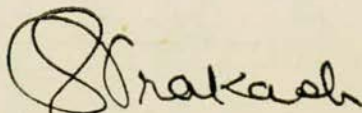


BHUBANESWAR,

(V. RAMANATHAN)

The **20 JAN 1984** Accountant General-I, Orissa

Countersigned



NEW DELHI,

(GIAN PRAKASH)

The Comptroller and Auditor General of India

- 6 FEB 1984

APPENDICES

APPENDIX 1.1

(Reference : Paragraph 1.4, Page 5.)

Plan and non-Plan expenditure on Revenue account

Sector/Sub-sector of expenditure	Budget	Budget plus supplementary	Actuals (Actuals of previous year in brackets)	Variations (Percentage in brackets)
(1)	(2)	(3)	(4)	(5)
(In crores of rupees)				
A—Plan				
A—General Services	6.50	9.09	7.04 (7.10)	(—)2.05 (22.5)
B—Social and Community Services	61.73	69.37	62.80 (63.66)	(—)6.57 (9.5)
C—Economic Services—				
(i) General Economic Services	9.27	9.78	4.86 (4.53)	(—)4.92 (5)
(ii) Agriculture and Allied Services	56.90	69.66	57.65 (58.09)	(—)12.01 (17.3)
(iii) Industry and Minerals	4.76	4.93	4.81 (3.84)	(—)0.12 (3)
(iv) Water and Power Development	1.60	2.10	1.34 (1.09)	(—)0.76 (2.4)
(v) Transport and Communications	0.25	0.25	0.25 (0.26)	—
Total ..	1,41.01	1,65.18	1,38.75 (1,38.57)	(—)26.43 (16)

APPENDIX 1.1—concl'd

(Reference: Paragraph 1.4, Page 5.)

Plan and non-Plan expenditure on Revenue account

Sector/Sub-sector of expenditure	Budget	Budget Plus supplementary	Actuals (Actuals of previous year in brackets)	Variations (Percentage in brackets)
(1)	(2)	(3)	(4)	(5)
(In crores of rupees)				
B—non-Plan				
A—General Services	1,54.90	1,61.83	1,60.40 (1,29.17)	(—)1.43 (0.9)
B—Social and Community Services	1,70.69	1,76.12	1,82.72 (1,72.79)	(+)6.60 (3.7)
C—Economic Services—				
(i) General Economic Services	6.67	11.68	10.35 (8.89)	(—)1.33 (11)
(ii) Agriculture and Allied Services	43.49	44.41	45.32 (50.56)	(+)0.91 (2)
(iii) Industry and Minerals	2.71	2.76	2.67 (2.37)	(—)0.09 (3.3)
(iv) Water and Power Development	9.82	10.55	13.61 (14.50)	(+)3.06 (28)
(v) Transport and Communications	14.28	14.46	15.72 (26.35)	(+)1.26 (8)
D—Grants-in-aid and Contributions	3.98	4.12	4.02 (3.65)	(—)0.10 (2.4)
Total	4,06.54	4,25.93	4,34.81 (4,08.28)	(+)8.88 (2)

APPENDIX 1.2

(Reference : Paragraph 1.5, Page 6)

Plan and non-Plan expenditure on Capital account

Sector/Sub-sector of expenditure	Budget	Budget plus supplementary	Actuals (Actuals of previous year in brackets)	Variations (Percentage in brackets)
(1)	(2)	(3)	(4)	(5)
(In crores of rupees)				
A—Plan				
A—General Services ..	1.96	2.06	1.67 (2.40)	(—)0.39 (19)
B—Social and Community Services	7.69	9.24	8.92 (11.25)	(—)0.32 (3.5)
C—Economic Services—				
(i) General Economic Services	8.09	11.07	9.99 (15.38)	(—)1.08 (9.7)
(ii) Agriculture and Allied Services	11.73	12.07	11.91 (14.89)	(—)0.16 (1.4)
(iii) Industry and Minerals ..	5.25	6.00	5.62 (4.88)	(—)0.38 (6.3)
(iv) Water and Power Development	1,06.03	1,37.25	1,15.41 (1,08.21)	(—)21.84 (16)
(v) Transport and Communications	12.31	13.13	13.99 (13.32)	(+)0.86 (6.5)
Total ..	1,53.06	1,90.82	1,67.51 (1,70.33)	(—)23.31 (12)

APPENDIX 1.2—concl'd.

(Reference : Paragraph 1.5, Page 6)

Plan and non-Plan expenditure on Capital account

Sector/Sub-sector of expenditure	Budget	Budget plus supplementary	Actuals (Actuals of previous year in brackets)	Variations (Percentage in brackets)
(1)	(2)	(3)	(4)	(5)
(In crores of rupees)				
B—non-Plan				
A—General Services	1.05	1.06	0.52 (0.54)	(—)0.54 (51)
B—Social and Community Services	1.21	1.26	0.70 (0.09)	(—)0.56 (45)
C—Economic Services—				
(i) General Economic Services	0.09	0.09	0.06 (0.08)	(—)0.03 (33)
(ii) Agriculture and Allied Services	(—)24.00	0.99	1.87 (18.38)	(+)0.88 (89)
(iii) Industry and Minerals	..	..	..	..
(iv) Water and Power Development	0.05	0.05	(—)3.12 (—2.00)	(—)3.17 (6340)
(v) Transport and Communications	0.04	0.10	0.20 (0.36)	(+)0.10 (100)
Total ..	(—)21.56	3.55	0.23 (17.45)	(—)3.32 (93)

APPENDIX

(Reference : Paragraph

Loans and

Categories	1979-80		
	Outstanding balance on 31st March/ 1st April 1979	Loans disbursed	Loans recovered
(1)	(2)	(3)	(4)
(i) Loans for Social and Community Services	24.97	1.21	0.66
(ii) Loans for Economic Services—			
(a) General Economic Services	13.92	5.92	4.12
(b) Agriculture and Allied Services	(—)0.84	1.10	0.47
(c) Industries and Minerals	8.39	0.11	0.11
(d) Water and Power Development	1.47.43	0.41	0.80
(e) Transport and Communications	2.10	0.75	..
(iii) Loans to Government Servants	5.82	3.76	2.53
(iv) Loans for Miscellaneous purposes	0.86	1.00	1.17
	<hr/>	<hr/>	<hr/>
Total	2,02.65	14.26	9.86
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1.6, Page 8)

Advances			(In crores of rupees)			Outstanding balance on 31st March 1982
1980-81			1981-82			
Outstanding balance on 31st March/ 1st April 1980	Loans disbursed	Loans recovered	Outstanding balance on 31st March/ 1st April 1981	Loans disbursed	Loans recovered	
(5)	(6)	(7)	(8)	(9)	(10)	(11)
25.52	1.27	0.72	26.07	2.19	0.62	27.64
15.72	12.34	6.18	21.88	7.99	9.65	20.22
(—)0.21	11.08	3.05	7.82	1.87	3.89	5.80
8.39	10.87	0.39	18.87	4.59	1.37	22.09
1,47.04	0.35	0.93	1,46.46	1.38	2.08	1,45.76
2.85	1.00	—	3.85	2.49	1.75	4.59
7.05	4.04	3.09	8.00	4.27	3.83	8.44
0.69	1.67	0.92	1.44	2.53	2.19	1.78
2,07.05	42.62	15.28	2,34.39	27.31	25.38	2,36.32

APPENDIX

(Reference : Paragraph 2.4,

Grants where savings (more than Rs. 25 lakhs in each case)

Sl. No.	Number and name of grant	Total provision	Expenditure	Saving	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)

(In crores of rupees)

Revenue Section

1.	5—Expenditure relating to the Finance Department	22.09	14.65	7.44	34
2.	15—Expenditure relating to the Tourism, Sports and Culture Department	2.10	1.65	0.45	21
3.	16—Expenditure relating to the Planning and Co-ordination Department	27.01	16.23	10.78	40
4.	19—Expenditure relating to Industries Department	19.27	14.64	4.63	24

2.1

Page 35)

were more than 10 per cent of the total provision

Sl. No.	Number and name of grant	Total provision	Expenditure	Saving	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
<i>Capital Section</i>					
1.	5—Expenditure relating to the Finance Department	5.90	4.65	1.25	21
2.	9—Expenditure relating to the Food and Civil Supplies Department	74.99	19.69	55.30	74
3.	11—Expenditure relating to the Harijan and Tribal Welfare Department	1.71	1.25	0.46	27
4.	16—Expenditure relating to the Planning and Co-ordination Department	1.14	0.03	1.11	97
5.	22—Expenditure relating to the Forest, Fisheries and Animal Husbandry Department	20.66	3.08	17.58	85
6.	23—Expenditure relating to the Agriculture and Co-operation Department	16.16	13.78	2.38	15

APPENDIX

(Reference : Paragraph 3.14,

Misappropriations, Losses, etc., reported up to 31st March

Sl. No.	Name of the Department	Cases in which criminal/departmental proceedings have not been instituted due to non-receipt of detailed reports from sub-ordinate authorities		Cases in which departmental action started but not finalised	
		Number of cases	Amount	Number of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)
1.	Revenue and Excise ..	28	3.99	50	7.75
2.	Forest, Fisheries and Animal Husbandry	147	36.26	55	8.03
3.	Agriculture and Co-operation ..	13	1.55	72	13.97
4.	Health and Family Welfare ..	17	3.42	26	4.36
5.	Education and Youth Services ..	15	3.45	21	4.03
6.	Community Development and Rural Reconstruction	18	4.08	15	9.35
7.	Harijan and Tribal Welfare ..	4	0.57	30	2.44
8.	Industries ..	5	0.14	23	2.32
9.	Home ..	4	0.86	21	4.13
10.	Commerce and Transport ..	..	..	1	0.03
11.	Finance ..	5	1.12	10	2.03
12.	Food and Civil Supplies ..	1	0.09	2	0.12
13.	Information and Public Relations ..	3	0.09	6	0.41
14.	Labour and Employment ..	2	0.74	5	0.41
15.	Law ..	3	0.37	4	0.06
16.	Mining and Geology ..	..	..	1	0.01
17.	General Administration ..	..	..	..	..
18.	Tourism, Sports and Culture ..	..	..	..	..
19.	Planning and Co-ordination ..	1	0.85	1	0.02
20.	Orissa Legislative Assembly ..	..	..	1	0.01
21.	Irrigation and Power (including Minor Irrigation)	71	37.93	103	21.41
22.	Works (including Rural Roads and Buildings)	23	9.07	68	6.69
23.	Housing and Urban Development ..	5	3.39	58	7.38
	Grand Total ..	365	1,07.97	573	94.96

3.1

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1982 pending finalisation at the end of September 1982

Cases in which criminal cases were finalised but execution/certificate cases for recovery of the amount are pending		Cases awaiting Government orders for recovery or write-off		Cases in Courts of law		Total	
(Amount : In lakhs of rupees)							
Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
34	3.78	8	0.38	17	2.91	137	18.81
1	0.11	19	2.15	11	12.94	233	59.49
..	..	18	0.95	10	1.52	113	17.99
..	..	15	0.65	6	3.34	64	11.77
..	..	5	1.82	7	2.85	48	12.15
6	0.98	1	0.04	7	0.79	47	15.24
3	0.07	3	0.13	6	3.80	46	7.01
..	..	1	0.10	4	0.06	33	2.62
..	..	4	0.13	2	0.05	31	5.17
1	0.14	..	..	..	..	2	0.17
..	..	4	0.37	3	1.97	22	5.49
3	2.95	1	0.05	1	0.03	8	3.24
..	..	..	..	..	..	9	0.50
..	..	1	0.02	..	..	8	1.17
..	..	..	..	2	2.12	9	2.55
..	..	1	0.05	1	0.47	3	0.53
..	..	1	0.31	1	0.93	2	1.24
..	..	1	0.16	..	..	1	0.16
..	..	1	0.05	..	..	3	0.92
..	..	..	..	..	..	1	0.01
3	0.12	27	12.03	10	0.21	214	71.70
2	0.03	2	12.15	..	..	95	27.94
..	..	2	0.03	4	0.34	69	11.14
53	8.18	115	31.57	92	34.33	1,198	2,77.01

purchase deleted.

