

REPORT

OF THE

COMPTROLLER AND AUDITOR GENERAL

OF INDIA

FOR THE YEAR

1975-76

(CIVIL)

GOVERNMENT OF WEST BENGAL

~~IX~~
53-07

Recd. from M/s.
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ERRATA

Serial No.	Page	Reference to para, line, etc.	For	Read
1	4	Para 1.3 (a) (ii) (c)—3rd line	buildings (impression of 's' not clear)	buildings
2	5	Para 1.3 (c) (i) major head 022	Taxes (impression of 's' not clear)	Taxes
		(ii) major head 045	Commodities (impression of 'e' not clear)	Commodities
3	14	(i) Para 1.7 (e)—4th line	aggregating to	aggregating
		(ii) Table below para 1.7 (e) under the column 'Department' below Home (Transport)	company (impression of 'n' not clear)	company
4	19	Second sub-para below para 1.10—2nd line	of this	of this,
5	30	1st line (i)	Serial (impression of 'r' not clear)	Serial
		(ii)	name (impression of 'm' not clear)	name
6	47	Para 3.1.1.4—16th line from bottom	28,021	28,016
7	62	14th line from top	development	development
8	71	9th line from top	acquited	acquainted
9	85	6th line from top	the (impression not clear)	the
10	87	Para 5.3.2.5—item (c)	not contemplated (impression not clear)	not contemplated
11	95	Para 5.3.5.31 Table—2nd item under heading "Construction of"	Drainage	Drainage
12	98	Sub-para two of para 5.3.5.43—7th line	Rs. 0.34 lakh was	Rs. 0.34 lakh were
13	101	Para 5.3.6.7—2nd line	alloted	allotted
14	108	Para 5.3.9.6—1st line	capital (impression of 't' not clear)	capital
15	122	Para 5.7.10—6th line	embakment	embankment
16	130	14th line from top	Misprinting of letter 'r' in the word "Irrigation"	
17	147	Para 7.6.7—2nd line	damage	damage
18	155	(i) 6th line from top	"grantee (impression of 't' not clear)	"grantee
		(ii) Table heading—last column	1975.7	1975.76

Serial No.	Page	Reference to para, line, etc.	For	Read
19	162	4th line from top	availability (impression of 'i' not clear)	availability
20	174	Footnote—1st line	reasons	reasons
21	175	Heading of last column of table	Short	Short
22	179	Heading of 3rd column of table	Outstanding	Outstanding
23	183	6th line from top	contingent (impression of 'n' not clear)	contingent
24	187	(i) Against Appendix V	finalised (impression of 'd' not clear)	finalised
		(ii) Against Appendix VI (a) 2nd line	realisation (dim impression)	realisation
		(b) 3rd line	consequent (dim impression)	consequent
25	202	Appendix VII—Heading	Organisations	organisations
26	203	Below the column Municipality—seventh item	Chakdah (impression of 'k' not clear)	Chakdah
27	206	Appendix X	Misprinting of letter 'o'	
28	207	1st line on page	H owrah	Howrah
29	210	Appendix XII—2nd line	Paragraphs	Paragraph
30	211	Part (b) of table—remarks against items 2 and 3 last but one line	s hemes	schemes

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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 1975-76 together with other points arising from audit of financial transactions of the Government of West Bengal. It also includes:

- (i) certain points of interest arising from the Finance Accounts for the year 1975-76; and
- (ii) comments on Fodder Farms, Piggery Development Scheme, Health Centres, Mahananda Embankment Scheme, Salt Lake Reclamation Scheme and Government Saw Mills.

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

3. The cases mentioned in the Report are among those which came to notice of Audit in the course of test audit of the accounts during the year 1975-76 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 1975-76 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 of the departments|bodies|authorities concerned.

CHAPTER I

GENERAL

1.1. Summary of transactions

The receipts, expenditure and surplus/deficit of the Government for 1975-76, with corresponding figures of the previous year, are given below:

	1974-75	1975-76
	<i>(In crores of rupees)</i>	
(1) Revenue—		
Revenue receipts	4,60.19	5,62.35
Revenue expenditure	4,51.80	5,43.93
Revenue surplus (+)	(+ 8.39	(+ 18.42
deficit (-)))
 (2) Public Debt—		
Internal Debt of the State Government		
Receipts	71.56	1,24.16
Repayments	79.34	1,06.46
Increase (+)	(-) 7.78	(+ 17.70
Decrease (-)))
 Loans and advances from the Central Government		
Receipts	1,23.29	1,12.25
Repayments	47.17	51.33
Increase (+)	(+ 76.12	(+ 60.92
Decrease (-)))
Total Public Debt (net)	(+ 68.34	(+ 78.62
Decrease (-)))

			1974-75	1975-76
			<i>(In crores of rupees)</i>	
(3) Loans and advances by the State Government				
Recoveries	..	..	10.83	15.75
Disbursements	..	..	53.01	77.10
		<u>Increase (-)</u>		
		<u>Decrease (+)</u>	(-) 42.18	(-) 61.35
(4) Capital Expenditure (net)		<u>Increase (-)</u>	(-) 48.01	(-) 55.03
		<u>Decrease (+)</u>		
(5) Contingency Fund (net)		<u>Increase (+)</u>	(-) 0.56	(-) 1.12
		<u>Decrease (-)</u>		
(6) Public Account (net)		<u>Increase (+)</u>	(+) 21.55	(+) 6.18
		<u>Decrease (-)</u>		
<u>Net surplus (+)</u>			(+) 7.53	(-) 14.28
<u>Net deficit (-)</u>				
Opening Cash Balance	..	..	(-) 0.52	(+) 7.01
<u>Net surplus (+)</u>			(+) 7.53	(-) 14.28
<u>Net deficit (-)</u>				
Closing Cash Balance	..	..	(+) 7.01	(-) 7.27*

*There was a difference (Rs. 1,65.28 lakhs) between the figure reflected in the accounts and that intimated by the Reserve Bank regarding "Deposits with Reserve Bank" (included in the Cash Balance). The difference is under reconciliation.

1.2. Revenue surplus|deficit

(a) **Revenue receipts:** The actuals of revenue receipts for 1975-76 as compared with (i) the budget estimates and (ii) the budget estimates *plus* additional taxation levied during the year along with the corresponding figures for 1973-74 and 1974-75 are given below:

Year	Budget	Budget <i>plus</i> additional taxation	Actuals	Variation between columns (4) and (3)		
				Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
<i>(In crores of rupees)</i>						
1973-74	..	3,77.54	3,77.54	3,76.50	(-) 1.04	0.3
1974-75	..	4,35.56	4,48.13	4,60.19	(+) 12.06	2.7
1975-76	..	4,88.22	5,02.94	5,62.35	(+) 59.41	11.8

(b) **Expenditure on revenue account:** The expenditure during 1975-76 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision along with the corresponding figures for 1973-74 and 1974-75 is given below:

Year	Budget	Budget <i>plus</i> supplemen- tary	Actuals	Variation between columns (4) and (3)		
				Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
<i>(In crores of rupees)</i>						
1973-74	..	3,93.16	4,15.04	3,79.39	(-) 35.65	8.6
1974-75	..	4,55.42	4,79.05	4,51.80	(-) 27.25	5.7
1975-76	...	4,93.58	5,56.55	5,43.93	(-) 12.62	2.3

(c) The year ended with a revenue surplus of Rs.18.42 crores as against the deficit of Rs.5.36 crores anticipated in the budget.

1.3. Revenue receipts

(a) The revenue receipts during 1975-76 (Rs.5,62.35 crores) were more by Rs.1,02.16 crores than those in 1974-75 (Rs.4,60.19 crores). The increase is analysed below :

	Receipts		Increase (+) Decrease (-)	Percentage
	1974-75	1975-76		
<i>(In crores of rupees)</i>				
<i>(i) Receipts from the Government of India</i>				
(a) State's share of divisible Central taxes	1,01.68	1,34.14	(+) 32.46	31.92
(b) Statutory grants	54.09	49.27	(-) 4.82	8.9
(c) Other grants	24.90	32.13	(+) 7.23	29.0
<i>(ii) Revenue raised by State Government</i>				
(a) State taxes and duties classed as tax revenue	1,88.48	2,36.16	(+) 47.68	25.3
(b) Central taxes leviable for the purpose of and collected by State Government	36.36	46.81	(+) 10.45	28.7
(c) Receipts on account of water rates, betterment levy, rents from buildings, etc., classed as non-tax revenue	54.68	63.84	(+) 9.16	16.8
Total	4,60.19	5,62.35	(+) 1,02.16	22.2

(b) Receipts from the Government of India during 1975-76 were Rs.2,15.54 crores as against Rs.1,80.67 crores in 1974-75. These constituted 38.33 per cent of the total revenue receipts (Rs.5,62.35 crores) in 1975-76 as against 39.26 per cent of the total revenue receipts (Rs.4,60.19 crores) in the previous year. The increase of Rs.34.87 crores during 1975-76 was due to larger receipts from the net proceeds of divisible taxes (Rs.32.46 crores) and larger grants for various purposes (Rs.2.41 crores). More information on the subject has been given in the Report of the Comptroller and Auditor General of India for the year 1975-76 (Revenue Receipts)—Government of West Bengal.

(c) Revenue raised by the State Government during 1975-76 also rose by Rs.67.29 crores as compared with that in 1974-75. Variations above Rs.1 crore occurred under:

Head of account	1974-75	1975-76	Increase (+) Decrease (-)	Remarks
<i>(In crores of rupees)</i>				
022. Taxes on Agricultural Income	0.90	2.41	(+) 1.51	Increase due to post-budget changes in taxation structure and collection of arrears.
029. Land Revenue ..	8.34	12.95	(+) 4.61	Increase in receipts from land revenue/tax and management of <i>ex-Zamindari</i> estates.
030. Stamps and Registration Fees	17.55	19.67	(+) 2.12	Increase due to post-budget taxation measures.
039. State Excise ..	22.55	26.55	(+) 4.00	Increase due to post-budget changes in duties and normal growth.
040. Sales Tax ..	1,25.07	1,59.12	(+) 34.05	Increase due to post-budget taxation measures and growth of trade and commerce.
042. Taxes on Goods and Passengers	16.50	18.78	(+) 2.28	Increase due to normal growth of trade and commerce.
043. Taxes and Duties on Electricity	10.39	12.83	(+) 2.44	Increase in receipts from taxes on consumption and sale of electricity.
045. Other Taxes and Duties on Commodities and Services	14.15	20.40	(+) 6.25	Increase due to more receipts from Entertainment Tax and under Raw Jute Taxation Act.
049. Interest Receipts	10.44	8.08	(-) 2.36	Decrease due mainly to non-payment of interest by the State Electricity Board.
080. Medical ..	5.58	6.81	(+) 1.23	Increase in receipts under Employees' State Insurance Scheme.
	..			

Head of account	1974-75	1975-76	Increase (+) Decrease (-)	Remarks
<i>(In crores of rupees)</i>				
088. Social Security and Welfare	3.66	2.37	(-) 1.29	Decrease in receipts pertaining to Civil Supplies.
105. Agriculture ..	8.65	17.57	(+) 8.92	Increase in receipts from sale of manures and fertilisers.
120. Industries ..	3.70	2.57	(-) 1.22	Decrease due to less receipts from cinchona plantations.

(d) *Taxation measures* : Post-budget taxation measures adopted during the year are mentioned below:

Nature of taxes	Date of effect	Estimated yield for 1975-76
<i>(In crores of rupees)</i>		
Restructuring of slabs for agricultural income and rates of tax thereon	1st April 1975	0.11
Enhancement of rates of stamp duty on certain instruments	26th May 1975	3.00
Imposition of tax on covered space in multi-storeyed buildings	1st July 1975	0.10
Enhancement of rates of excise duty on foreign liquor, country spirit, etc.	1st April 1975	1.00
Enhancement of rate of sales tax on goods procured by manufacturers for use in the process of manufacture of goods meant for sale	} 7th April 1975	4.00
Imposition of sales tax on purchase of goods taxable under the Bengal Finance (Sales Tax) Act, 1941 for manufacture of goods taxable under the West Bengal Sales Tax Act, 1954		
Enhancement of sales tax on certain goods		
Enhancement of Central sales tax on inter-State sales to registered dealers and to Government	1st July 1975	6.00
Enhancement of tax on inter-State sales of declared goods	1st July 1975	0.40
Enhancement of rate of luxury tax on specified items	7th April 1975	0.01
Imposition of totalisator and betting taxes and surcharge on inter-State betting	10th August 1975	0.10
Total	-	14.72

Actual yield during the year from the taxation measures mentioned above has not been intimated (April 1977).

1.4. Arrears of revenue

Information about arrears of revenue as on 31st March 1976 was not received from the departments/offices mentioned below. These departments/offices were responsible for collection of revenue and other receipts as noted against each.

Name of the department /office	Nature of revenue and other receipts
Commissioner of Agricultural Income Tax	Agricultural income tax
Excise	State excise duties
Home (Jails)	Revenue from jails and jail manufactures
Home (Transport)	Taxes on vehicles
Commissioner of Commercial Taxes ..	Sales tax
Finance (Budget)	Interest
Finance (Taxation)	Other taxes and duties
Municipal Services	Licence fees for fire services
Agriculture and Community Development	Agricultural receipts
Fisheries	Receipts from fisheries
Commerce and Industries	Receipts from industries
Cottage and Small Scale Industries ..	Receipts from village and small industries
Public Works	Public works receipts
Irrigation and Waterways	Irrigation receipts and receipts from multipurpose river projects
Forests	Forest receipts
Housing	Receipts from housing schemes

The actual revenue collected by these authorities during 1975-76 was Rs.2,58.97 crores (46.05 per cent of the total revenue receipts).

According to the information received from the Board of Revenue and the Finance (Taxation) Department, arrears in collection of land revenue and electricity duty at the end of March 1976 were Rs.18.58 crores. Details are given in paragraph 6 of Chapter I of the Report of the Comptroller and Auditor General of India for the year 1975-76 (Revenue Receipts)—Government of West Bengal.

1.5. Expenditure on revenue account

In 1975-76 the expenditure on revenue account (Rs.5,43.93 crores) was more by Rs.92.13 crores than that in 1974-75 (Rs.4,51.80 crores). The variations are explained below:

	Actuals		Increase(+) Decrease(-)
	1974-75	1975-76	
<i>(In crores of rupees)</i>			
(i) General Services			
(a) Organs of State	5.27	6.08	(+)0.81
(b) Fiscal Services	14.49	16.17	(+)1.68
(c) Interest payments and Servicing of Debt	52.18	62.76	(+)10.58

Increase was due mainly to payment of more interest to the Government of India on Pre-1974 loans.

(d) Administrative Services

Police	40.63	47.85	(+)7.22
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Increase was mainly under 'Welfare of Police Personnel' due to supply of foodstuff at subsidised rates to the police force.

Other heads under Administrative Services	22.82	24.41	(+)1.59
Total ..	63.45	72.26	(+)8.81
(e) Pensions and Miscellaneous Gen- eral Services	6.41	9.85	(+)3.44

Increase was mainly under 'Superannuation and Retirement allowances' due to increase in pensionary benefits.

(ii) Social and Community Services

(a) Education	1,04.05	1,20.26	(+)16.21
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Increase was due mainly to larger assistance to primary schools, secondary schools, colleges and universities.

(b) Medical	36.94	47.95	(+)11.01
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Increase was due mainly to larger expenditure on purchase of machinery and equipment and adjustment of more book debit bills for supplies than estimated.

	Actuals		Increase(+) Decrease(-)
	1974-75	1975-76	

(In crores of rupees)

(c) Family Planning .. .	2.99	4.39	(+)1.40
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Increase was due mainly to more payment of compensation.

(d) Public Health, Sanitation and Water Supply	9.62	12.02	(+)2.40
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Increase was due mainly to more expenditure on prevention and control of diseases and rural water supply schemes.

(e) Urban Development . . .	9.27	10.30	(+)1.03
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Increase was due mainly to more assistance to Municipalities, Corporation, etc., for payment of dearness allowance to their employees.

(f) Social Security and Welfare ..	23.84	21.62	(-)2.22
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Decrease was due mainly to non-execution of projects|programme of rural development and employment.

(g) Relief on account of Natural Calamities	5.20	10.31	(+)5.11
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Increase was due mainly to undertaking of more extensive relief operations.

(h) Other heads under Social and Community Services	10.82	12.89	(+)2.07
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(iii) Economic Services

(a) General Economic Services ..	3.25	3.99	(+)0.74
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(b) Agriculture and Allied Services

Agriculture .. .	19.02	33.63	(+)14.61
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Increase was due mainly to more expenditure on land reforms and manures and fertilisers.

Minor Irrigation .. .	7.11	12.28	(+)5.17
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Increase was due mainly to more expenditure on lift irrigation schemes and tubewells.

Area Development .. .	4.38	7.21	(+)2.83
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Increase was due mainly to more expenditure on development of hill and drought-prone areas.

Actuals		Increase(+) Decrease(-)
1974-75	1975-76	

(In crores of rupees)

Community Development ..	9.69	11.38	(+)1.69
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Increase was due mainly to more expenditure on house sites for landless labourers.

Other heads under Agriculture and Allied Services	15.09	16.86	(+)1.77
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Total ..	55.29	81.36	(+)26.07
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(c) Industry and Minerals ..	7.09	7.95	(+)0.86
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(d) Water and Power Development

Irrigation, Navigation, Drainage and Flood Control Projects	9.89	8.35	(-)1.54
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Decrease was due mainly to less expenditure on flood control and anti-sea erosion projects.

Other heads under Water and Power Development	5.11	5.52	(+)0.41
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Total ..	15.00	13.87	(-)1.13
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(e) Transport and Communications

Roads and Bridges ..	11.60	16.10	(+)4.50
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Increase was mainly under 'Direction and Administration' due to larger *pro rata* share of establishment charges and under 'District and Other Roads' due to more expenditure on maintenance.

Other heads under Transport and Communications	1.69	1.01	(-)0.68
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Total ..	13.29	17.11	(+)3.82
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(iv) Grants-in-aid and Contributions	13.35	12.79	(-)0.56
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Total—Expenditure .. (Revenue Account)	4,51.80	5,43.93	(+)92.13
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1.6. Capital expenditure

(a) The capital expenditure during the three years ending 1975-76 compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provisions is shown below:

Year	Budget	Budget <i>plus</i> supplemen- tary	Actuals	Variation between columns (4) and (3)		
				Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
<i>(In crores of rupees)</i>						
1973-74	..	54.52	59.12	45.64	(--) 13.48	23
1974-75	..	58.48	66.99	48.01	(-) 18.98	28.3
1975-76	..	63.22	69.93	55.03	(-) 14.90	21.3

(b) Further analysis of capital expenditure is given below:

	During 1975-76	Progressive total to end of 1975-76
<i>(In crores of rupees)</i>		
Capital expenditure on—		
(i) General Services	1.62	20.02
(ii) Social and Community Services	11.58	1,41.79
(iii) General Economic Services	5.59	61.94
(iv) Agriculture and Allied Services	10.84	87.70
(v) Industry and Minerals	2.80	45.43
(vi) Water and Power Development	17.75	2,53.20
(vii) Transport and Communications	4.85	97.23
Total—Capital Expenditure ..	55.03	7,07.40

Further details of capital expenditure are given in Statement nos. 2 and 13 of Finance Accounts 1975-76.

(c) The sources from which the capital expenditure (Rs.55.03 crores) shown above and the net outgo under loans and advances (Rs.61.35 crores) mentioned in paragraph 1.7 were met during 1975-76 are given below:

		<i>(In crores of rupees)</i>	
I. Net addition to—			
(i) Internal Debt of the State Government	..	..	17.70
(ii) Loans and advances from the Central Government	..	..	60.92
(iii) Small Savings, Provident Funds, etc.	..	..	7.94
II. Miscellaneous (mainly deposits received by Government less amounts refunded)			(-)-2.87
III. Receipts from encashment of securities and decrease in cash balance			14.27
IV. Revenue surplus		..	..
			18.42
		Total	1,16.38

1.7. Loans and advances

(a) The actual disbursements of loans and advances by the State Government in 1975-76 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provisions along with the corresponding amounts for 1973-74 and 1974-75 are given below:

Year	Budget	Budget <i>plus</i> supplemen- tary	Actuals	Variation between columns (4) and (3)		
				Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
<i>(In crores of rupees)</i>						
1973-74	..	45.68	65.60	63.95	(-)-1.65	3
1974-75	..	57.23	74.53	53.01	(-)-21.52	28.9
1975-76	..	63.81	79.93	77.11	(-)-2.82	3.5

(b) The budget estimates and the actuals of recoveries of loans and advances for the three years ending 1975-76 are given below:

Year	Budget	Actuals	Variation between columns (3) and (2)		
			Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	
<i>(In crores of rupees)</i>					
1973-74	..	9.38	13.69	(+)-4.31	46
1974-75	..	11.83	10.83	(-)-1.00	8
1975-76	..	13.50	15.76	(+)-2.26	16.7

The increase in actual recoveries was due to more repayments under Loans for Economic Services (Rs.2.76 crores) and Loans to Government servants (Rs.0.86 crore), partly counter-balanced by less recoveries under Loans for Social and Community Services (Rs.0.76 crore) and Loans for miscellaneous purposes (Rs.0.60 crore).

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

		On 31st March 1975	On 31st March 1976
(i) Loans for Social and Community Services		1,35.45	1,51.41
(ii) Loans for Economic Services—			
(a) General Economic Services		7.65	9.13
(b) Agriculture and Allied Services		43.86	44.79
(c) Industry and Minerals		69.12	75.22
(d) Water and Power Development		90.29	1,10.31
(e) Transport and Communications		50.70	67.22
(iii) Loans to Government Servants		7.33	7.67
(iv) Loans for miscellaneous purposes		0.03	0.03
	Total ..	4,04.43	4,65.78

Further details of loans and advances are given in Statement nos. 5 and 18 of Finance Accounts 1975-76.

(d) *Non-settlement of terms and conditions of loans*: The terms and conditions of repayment of loans aggregating Rs.2,94.98 crores given in 835 cases up to 31st March 1976 to (Government companies, statutory corporations, etc., have not been settled; no repayment has also been made. Some of these loans were paid as far back as 1955-56. Loans to West Bengal State Electricity Board (Rs.1,09.89 crores in 131 cases), Calcutta Metropolitan Development Authority (Rs.78.33 crores in 47 cases), Durgapur Projects Limited (Rs.33.01 crores in 25 cases), Calcutta State Transport Corporation (Rs.30.88 crores in 168 cases), Durgapur Chemicals Limited (Rs.13.09 crores in 44 cases), West Bengal Small Industries Corporation Limited (Rs.4.79 crores in 9 cases), North Bengal State Transport Corporation (Rs.4.64 crores in 74 cases) and West Bengal Development Corporation (in liquidation) (Rs.4.10 crores in 31 cases) accounted for 94 per cent of these loans. In most of these cases, fresh loans were also given in 1975-76. Reasons for the delay in settling the terms and conditions have not been intimated by Government (February 1977). Details of the loans are given in Statement no. 5 of Finance Accounts 1975-76.

The following table will show that the number and the amount of such loans have increased progressively :

	Position as on		
	31st March 1974	31st March 1975	31st March 1976
Cases of loans (Number)	560	662	835
Amount (In crores of rupees)	2,23.60	2,58.07	2,94.98

(e) *Recoveries in arrears* : In the case of loans to Municipalities, Zilla Parishads and Anchal Panchayats, Calcutta Corporation, Statutory bodies, etc., the detailed accounts of which are maintained in the Audit Office, recoveries aggregating to Rs.34,02.23 lakhs (principal: Rs.26,76.95 lakhs; interest: Rs.7,25.28 lakhs) were in arrears in 1,057 cases on 31st March 1976 as shown below; of these, recoveries totalling Rs.13,50.21 lakhs (in 705 cases) (principal: Rs.10,53.31 lakhs; interest: Rs.2,96.90 lakhs) were in arrears for more than three years.

Department	Number of loans	Principal	Interest
(In lakhs of rupees)			
Home (Transport)—			
Calcutta Tramways Company Limited and Calcutta State Transport Corporation	101	10,88.51	1,59.32
Municipal Services—			
Calcutta Corporation and Municipalities ..	470	5,02.88	1,56.99
Public Undertakings—			
Statutory Corporations and Government Companies	41	4,43.37	51.70
Commerce and Industries—			
Government Companies	43	3,69.82	69.36
Refugee Relief and Rehabilitation—			
Industrial concerns and Municipalities ..	131	1,10.14	53.56
Finance—			
Calcutta Metropolitan Development Autho- rity	2	62.40	80.33

Department	Number of loans	Principal	Interest
		<i>(In lakhs of rupees)</i>	
Health and Family Planning—			
Calcutta Corporation and Municipalities ..	70	43·84	83·97
Education—			
Universities and other educational institutions	137	29·56	14·76
Public Works (Metropolitan Development)—			
Local bodies	6	2·44	17·27
Closed and Sick Industries—			
Government Company	1	..	13·97
Housing—			
West Bengal Housing Board and local bodies	20	4·91	8·08
Fisheries—			
Government Company (State Fisheries Development Corporation Limited)	5	7·17	4·23
Power—			
West Bengal State Electricity Board ..	2	6·24	3·30
Animal Husbandry and Veterinary Services—			
Government Company (West Bengal Dairy and Poultry Development Corporation Limited)	5	..	7·25
Cottage and Small Scale Industries—			
Government Company (West Bengal Small Industries Corporation Limited)	2	3·30	0·79
Panchayats—			
Zilla Parishads	18	1·85	0·26
Agriculture and Community Development—			
Municipalities	3	0·52	0·14
Total ..	1,057	26,76·95	7,25·28

The following table will indicate that there has been a progressive increase in the overdue amount of loans and interest thereon :

	Position as on		
	31st March 1974	31st March 1975	31st March 1976
	(In lakhs of rupees)		
Total overdue amount	18,10.67	24,03.83	34,02.23
Amount overdue for more than three years	6,28.62	11,55.87	13,50.21

In the case of other loans, the detailed accounts of which are maintained by departmental officers, information about recoveries in arrears was awaited (February 1977), despite reminders, from the following departments :

- (i) Agriculture and Community Development
- (ii) Animal Husbandry and Veterinary Services
- (iii) Co-operation
- (iv) Cottage and Small Scale Industries
- (v) Home (Political)
- (vi) Housing
- (vii) Information and Public Relations
- (viii) Relief and Welfare

(f) *Utilisation certificates* : Out of 548 utilisation certificates (Rs.9,37.75 lakhs) due to be received by Audit for loans given by Government up to 31st March 1975, 78 certificates (Rs.1,81.08 lakhs) were received leaving 470 certificates (Rs.7,56.67 lakhs) to be received (September 1976). Department-wise break-up of wanting utilisation certificates is given below :

Department	Number of outstanding utilisation certificates	Amount (In lakhs of rupees)	Year to which the earliest outstanding certificate relates
Health and Family Planning ..	32	2,47.56	1958-59
Co-operation	143	2,33.72	1960-61
Panchayats	58	1,02.96	1971-72
Cottage and Small Scale Industries ..	146	85.85	1957-58
Public Works (Metropolitan Development)	8	43.82	1967-68
Municipal Services	79	40.26	1970-71
Animal Husbandry and Veterinary Services	4	2.50	1974-75
Total ..	470	7,56.67	

In the absence of these certificates, it is not practicable to state, even in a broad way, that the recipients have spent the loans for the purpose or purposes for which they were given.

1.8. Debt

(a) The details of public debt transactions are given below :

	Receipts during the year	Repayments during the year	Net increase during the year
	<i>(In crores of rupees)</i>		
Internal debt of the State Government ..	1,24.16	1,06.46	17.70
Loans and advances from the Central Government	1,12.25	51.33	60.92
Total ..	2,36.41	1,57.79	78.62

Open market loan of Rs.14.93 crores (6 per cent West Bengal Loan, 1985) was raised in 1975-76 at a discount of rupee one per hundred rupees. The loan is redeemable at par in September 1985. In addition, Government issued West Bengal Estate Acquisition Compensation Bonds for Rs.0.61 crore for payment of compensation to land-holders, etc., on abolition of Zamindari system.

(b) The outstanding public debt at the end of March 1976 was Rs.11,18.43 crores. Analysis of the debt compared with the corresponding amounts at the end of the two preceding years is given below :

	At the end of		
	1973-74	1974-75	1975-76
	<i>(In crores of rupees)</i>		
Internal debt of the State Government ..	1,58.87	1,51.09	1,68.79
Loans and advances from the Central Government	8,12.60	8,88.72	9,49.64
Total ..	9,71.47	10,39.81	11,18.43

(c) In addition to Public debt, Small Savings, Provident Funds, etc., (comprising mainly the General Provident Fund balances of Government servants) and the balances at the credit of Depreciation and other Reserve Funds as also certain deposits, to the extent they are not separately invested

but are merged with the general cash balance of Government, constitute a liability of Government. Taking the public debt and these liabilities together, the debt position of Government was as follows:

	At the end of		
	1973-74	1974-75	1975-76
	<i>(In crores of rupees)</i>		
Public debt	9,71.47	10,39.81	11,18.43
Small Savings, Provident Funds, etc. ..	44.63	50.51	58.45
Depreciation reserves and earmarked funds	53.89	59.35	67.82
Deposits of local funds and civil deposits	61.37	71.75	75.95
Total ..	11,31.36	12,21.42	13,20.65

1.9. Ways and means advances and overdrafts from the Reserve Bank of India

Under an agreement with the Reserve Bank of India, the Government has to maintain with the Bank a minimum balance of Rs.50 lakhs at the end of each working day. When the balance falls below the agreed minimum, the deficiency is made good by the Bank by giving ordinary and special ways and means advances within the limits fixed by it from time to time. The limit for normal ways and means advances was fixed at Rs.6 crores for 1975-76. In addition, special ways and means advances not exceeding Rs.3.60 crores could also be made available against Government of India securities held by the Government. Both the advances carry interest at one per cent below the Bank rate in force; during 1975-76 the rate applicable was 8 per cent (one per cent below the Bank rate) per annum. If, even after taking these advances, the balance falls below the prescribed minimum balance, the Bank charges interest at one per cent below the Bank rate on the shortfall. In the event of a minus balance, the Bank charges interest at the Bank rate on the overdraft; during 1975-76, the rate was 9 per cent per annum.

The extent to which Government was able to maintain the minimum balance with the Bank in 1975-76 is shown below:

- (i) Number of days on which the minimum balance was maintained without obtaining any advance.....270
- (ii) Number of days on which the minimum balance was maintained by taking ordinary and special ways and means advances.....85
- (iii) Number of days on which there was shortfall in the minimum balance after taking the above advances but no overdraft was taken.....1
- (iv) Number of days on which overdrafts had to be taken.....10

(a) *Ways and means advances* : At the end of the previous year Rs.6 crores were outstanding as ways and means advances. During the year Government obtained Rs.89.18 crores as ordinary and special ways and means advances and repaid an equal amount before the close of the year. Balance of Rs.6 crores was thus again outstanding at the close of the year. A sum of Rs.0.17 crore was paid as interest on these advances.

(b) *Overdrafts*: Rupees 15.31 crores were obtained from the Reserve Bank during the year as overdrafts but were repaid fully before the close of the year. A sum of Rs.0.42 lakh was paid to the Bank as interest on the overdrafts. At the close of the year there was an undischarged liability of Rs.0.33 lakh on account of interest on overdrafts.

The interest paid to the Bank on ways and means advances and overdrafts during the three years ending 1975-76 is given below :

Year	Amount
	(In crores of rupees)
1973-74 ..	0.37
1974-75 ..	0.18
1975-76 ..	0.17

1.10. Loans from the Government of India

The balance of loans received from the Government of India outstanding at the end of 1975-76 was Rs.9,49.64 crores; this formed 85 per cent of the total public debt (Rs.11,18.43 crores).

In 1975-76 the State Government received Rs.5.60 crores as ways and means advances for Plan schemes; of this Rs.2.26 crores were adjusted as loan and Rs.3.34 crores as grants.

The State Government obtained from the Government of India in 1975-76 Rs.1,12.25 crores (including ways and means advances of Rs.2.26 crores converted into loan) as loans for State Plan/Central Plan/Centrally Sponsored Plan Schemes (Rs.42.24 crores) and other purposes (Rs.70.01 crores). Details of loans outstanding on 31st March 1976 are given in Statement no. 17 of Finance Accounts 1975-76. On 31st March 1976, Rs.1.89 crores (principal: Rs.0.55 crore; interest: Rs.1.34 crores) were overdue for payment to the Government of India (*vide* details given in Statement no. 4 of Finance Accounts 1975-76).

1.11. Interest charges

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

	1973-74	1974-75	1975-76
	(In crores of rupees)		
(i) Interest paid by State Government ..	43.31	44.20	53.99
(ii) Deduct—			
(a) Interest received on loans and advances by State Government	3.34	3.39	0.93
(b) Interest realised on investment of cash balance	0.01	0.49	0.20
(c) Interest on capital advanced to Damodar Valley Corporation	(A)	(A)	(A)
(iii) Net burden of interest on revenue ..	39.96	40.32	52.86
(iv) Percentage of net interest to total revenue receipts	10.61	8.76	9.40

In addition, there were certain other receipts and adjustments (Rs.6.95 crores), such as interest received from Commercial Departments, interest on arrears of revenue, etc. If these are also taken into account, the net burden of interest on revenue was Rs.45.91 crores (8.16 per cent of revenue).

1.12. Arrangements for amortisation of debt

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

(i) *Depreciation fund*: A sum equal to 1½ per cent of the total nominal value of the loan is credited to a depreciation fund for purchasing securities of the loan for cancellation.

(ii) *Sinking fund*: In addition to the above, credit is afforded annually to a sinking fund for amortisation of loans, at such rates as Government may from time to time decide.

During 1975-76 Rs.8.77 crores were credited to depreciation funds and sinking funds from out of revenues. Rupees 0.74 crore were received as interest on investments therefrom.

(A) Payment of interest (Rs. 40.22 crores up to the end of 1975-76) was withheld by the Damodar Valley Corporation pending adjustment against the amount due to it from the State Government on account of water rates and deficits on irrigation, power and flood control.

The balances in these funds and their investment during the three years ending 1975-76 are shown below :

Year	Opening balance at the credit of the funds	Net receipt during the year	Total	Total investment	Amount not invested
<i>(In crores of rupees)</i>					
1973-74	50.33	8.04	58.37	15.25	43.12
1974-75	58.37	8.78	67.15(a)	14.15	45.93
1975-76	60.08	9.51	69.59	14.16	55.43

The balances in these funds aggregating Rs.55.44 crores which were not actually invested stood merged in the general cash balance of the State.

No amortisation arrangement has been made for repayment of loans from the Government of India (Rs.9,49.64 crores) and other bodies (Rs.30.44 crores).

1.13. Guarantees given by the State Government

Under section 6 of the State Financial Corporations Act, 1951 the shares of the State Financial Corporation are to be guaranteed by the State Government as to the repayment of principal and payment of annual dividend thereon. Similarly, under section 7 of the Act, the bonds and debentures of the State Financial Corporation are to be guaranteed by the State Government as to the repayment of principal and payment of interest. The actual amounts guaranteed on behalf of the West Bengal Financial Corporation by the State Government on the 31st March 1976 under sections 6 and 7 *ibid* were Rs.1.50 crores and Rs.4.20 crores respectively.

Under section 66 of the Electricity (Supply) Act, 1948, the State Government may guarantee, in such manner as it thinks fit, repayment of principal and payment of interest on any loan proposed to be raised by the State Electricity Board. The actual amount covered by guarantees given by the State Government on behalf of the West Bengal State Electricity Board was Rs.1,26.68 crores as on the 31st March 1976.

Under section 34(5) of the West Bengal Housing Board Act, 1972, the State Government may guarantee, in such manner as it thinks fit, repayment of principal and payment of interest in respect of any loan obtained and debentures issued by the West Bengal Housing Board. The actual amount guaranteed on behalf of the West Bengal Housing Board by the State Government was Rs.0.93 crore as on the 31st March 1976.

(a) Closing balance on 31st March 1975 was Rs. 60.08 crores after transferring Rs. 7.07 crores to Miscellaneous Government Account on maturity of two loans during 1974-75.

Apart from the above, the State Government had guaranteed (to third parties) repayment of loans, bonds and debentures and payment of interest thereon, repayment of share capital and payment of minimum dividend thereon, cash credits, etc., on behalf of 3 statutory corporations, 9 joint stock companies, 13 co-operative banks and institutions and 9 Government companies. The maximum amount guaranteed on their behalf to the end of 1975-76 was Rs.1,84.90 crores against which loans, etc., actually outstanding aggregated Rs.1,19.73 crores.

Government decided in June 1974 to charge fee at the rate of 50 paise per annum per Rs.100 of the sums to be guaranteed except in the case of concessional finance provided by the Reserve Bank of India to co-operative institutions. During 1975-76, Rs.4.58 lakhs were realised as fees for guarantees given by the State Government.

Further details of the guarantees are given in Statement no. 6 of Finance Accounts 1975-76.

1.14. Investments

In 1975-76 Government invested Rs.6.20 crores in statutory corporations (Rs.0.10 crore), commercial and industrial undertakings (Rs.2.82 crores) and co-operative institutions (Rs.3.28 crores). The total investment in the share capital and debentures of different concerns at the end of 1973-74, 1974-75 and 1975-76 was Rs.39.46 crores, Rs.44.35 crores and Rs.50.55 crores respectively. The dividend/interest received therefrom was Rs.4.73 lakhs (0.12 per cent), Rs.10.75 lakhs (0.24 per cent) and Rs.9.81 lakhs (0.19 per cent) respectively.

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

Four co-operative societies (investments: Rs.0.37 lakh) were under liquidation (31st March 1976).

Further particulars of investments are given in Statement no. 14 and Appendix IV of Finance Accounts 1975-76.

1.15. Grants-Utilisation certificates

During 1975-76, Rs.95.92 crores were paid as grants to local bodies (Rs.40.25 crores), private institutions and individuals (Rs.55.18 crores) and co-operative institutions (Rs.0.49 crore); this formed 17.6 per cent of Government's total expenditure (Rs.5,43.93 crores) on revenue account. The grants were paid mainly for maintenance and construction of buildings of

educational institutions, maintenance of hospitals and charitable institutions, maintenance and improvement of roads and communications under municipalities and development of co-operative societies. Amounts by broad purposes of the grants are shown below :

	Building grants	Maintenance grants	Other grants	Total grants
<i>(In lakhs of rupees)</i>				
Local bodies—				
Recurring ..	0.39	23,98.90	76.24	24,75.53
Non-recurring ..	3.00	43.73	15,03.01	15,49.74
Co-operative institutions—				
Recurring .. ..	..	43.26	0.01	43.27
Non-recurring .. ..	..	2.90	2.76	5.66
Others—				
Recurring .. ..	..	49,22.72	1.89	49,24.61
Non-recurring	56.33	2,70.23	2,66.61	5,93.17
Total ..	59.72	76,81.74	18,50.52	95,91.98

Departmental officers sanctioning grants are required to certify to Audit proper utilisation of the grants. Utilisation certificates for grants aggregating Rs.91.53 crores were received during 1975-76; those for Rs.1,30.07 crores (in 29,651 cases) paid as grants up to March 1975 were awaited (September 1976). The department-wise details are given in Appendix I(a). Of these, 11,176 certificates for Rs.36.94 crores were awaited for more than three years. Utilisation certificates for over Rs.25 lakhs each were outstanding for more than three years against the departments mentioned below :

Department	Number of certificates	Amount <i>(In lakhs of rupees)</i>
Education	10,067	32,42.88
Health and Family Planning (Medical Branch) ..	598	2,05.83
Co-operation	93	59.47
Agriculture and Community Development ..	35	58.16
Relief and Welfare	125	55.63
Refugee Relief and Rehabilitation	122	37.33
Housing	17	25.88

The utilisation certificates have not been received although considerable time has passed after the payment of the grants. In the absence of utilisation certificates, it is not practicable to state, even in a broad way, to what extent the recipients spent the grants for the purpose or purposes for which these were given and whether they fulfilled the other conditions governing the grants.

The names of institutions to which grants of Rs.5 lakhs and above were paid by various departments up to 31st March 1975 and from which utilisation certificates were awaited (September 1976) are detailed in Appendix I(b).

1.16. Delay in acceptance of balances under loans and deposits

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

1.17. Financial results of irrigation works

Irrigation works are broadly classified into two categories, viz., 'commercial' and 'non-commercial'. *Pro forma* accounts are kept only in respect of commercial irrigation works.

Pro forma accounts are maintained in the State for four completed irrigation works, namely, (i) Damodar Canal, (ii) Midnapore Canal, (iii) Karatowa Irrigation Scheme and (iv) Mayurakshi Reservoir Project. Of these, water rates in respect of one (Karatowa Irrigation Scheme commissioned in 1965 at a cost of Rs.47.73 lakhs) were not collected up to 1973-74 as agreements with the beneficiaries for supply of water for irrigation had not been finalised; for 1974-75 also, water rates had not been collected (March 1976) although these were realisable for the *Kharif* season without such an agreement in terms of Government Notification of 12th February 1975 issued under the West Bengal Irrigation (Imposition of Water Rate) Act, 1974.

The total revenue collected from the other three schemes during 1975-76 was Rs.1,00.67 lakhs while the working expenses including cost of maintenance were Rs.1,00.28 lakhs in respect of the four schemes. Taking the interest (Rs.1,08.90 lakhs) on capital into account, the loss during the

year was Rs.1,08.51 lakhs in respect of the four schemes, representing 5.30 per cent of the capital outlay to the end of the year. The details for the three years up to 1975-76 are given below :

	1973-74	1974-75	1975-76
	<i>(In lakhs of rupees)</i>		
Capital outlay to end of the year ..	19,49.83	19,82.24	20,45.49
Revenue realised during the year ..	57.64	68.35	1,00.67
Working expenses during the year ..	97.95	88.05	1,00.28
Net profit (+)/loss (-) excluding interest	(-)40.31	(-)19.70	(+)0.39
Interest on capital	1,06.76	1,07.56	1,08.90
Loss after meeting interest	(-)1,47.07	(-)1,27.26	(-)1,08.51
Percentage of loss	7.54	6.42	5.30

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	Expen- diture	Saving— Excess+	Percen- tage	
(In crores of rupees)					
Voted—					
Original	6,25.77	6,99.39	7,12.39	+13.00	2
Supplementary	73.62				
Charged—					
Original	1,56.34	2,00.21	2,21.79	+21.58	11
Supplementary	43.87				
Total	8,99.60	9,34.18	+34.58	4	

The overall excess of Rs.34.58 crores was the result of excess of Rs.77.66 crores in 29 grants (Rs.54.05 crores) and 4 charged appropriations (Rs.23.61 crores) partly offset by saving of Rs.43.08 crores in 46 grants (Rs.41.05 crores) and 27 charged appropriations (Rs.2.03 crores).

(b) Further details are given below:

	Revenue	Capital	Loans and advances	Public debt	Total
(In crores of rupees)					
Authorised to be spent (Grants and charged appropriations)					
Original	5,13.83	1,01.95	63.81	1,02.52	7,82.11
Supplementary	62.97	6.72	16.12	31.68	1,17.49
Total	5,76.80	1,08.67	79.93	1,34.20	8,99.60
Actual expenditure (Grants and charged appropria- tions)					
.. ..	5,90.64	1,08.64	77.11	1,57.79	9,34.18
Shortfall(-)					
Excess (+)	+13.84	-0.03	-2.82	+23.59	+34.58

2.2. Excess over grants charged appropriations requiring regularisation

(a) **Grants**—The excess of Rs.54.05 crores in the following 29 grants requires regularisation under Article 205 of the Constitution:

Serial no.	Number and name of grant	Total grant Expenditure		Excess
		Rs.	Rs.	
(1)	1—State Legislature ..	52,50,000	52,82,501	32,501
	Excess was due mainly to purchase of a staff car, a duplicating machine and a television set and more expenditure on other contingencies.			
(2)	3—Council of Ministers ..	13,80,000	14,39,707	59,707
	Excess was due mainly to more tour expenses than anticipated.			
(3)	4—Administration of Justice	3,30,67,000	3,41,95,310	11,28,310
	Excess was due partly to appointment of Assistant Public Prosecutors on whole-time basis in certain districts and on the basis of daily fees in certain other districts and partly to increase in the number of levy cases necessitating more payment for professional and special services by the Legal Remembrancer.			
(4)	8—Stamps and Registration	1,59,70,000	1,71,08,420	11,38,420
	Excess was due mainly to increase in the establishment cost of the Registration Department, rise in the manufacturing cost of stamps and freight charges and adjustment of larger number of bills on account of cost of stamps than anticipated.			
(5)	14—Other Fiscal Services ..	12,65,000	12,65,869	869
	Excess occurred under "Promotion of Small Savings".			
(6)	19—District Administration	3,56,18,000	3,62,57,629	6,39,629
	Excess was due mainly to increase in miscellaneous office expenses, engagement of additional staff and rise in the cost of articles and labour.			
(7)	22—Jails ..	4,80,00,000	5,46,52,346	66,52,346
	Excess was due mainly to more expenditure on dietary charges, hospital and sanitary charges and supply of materials.			
(8)	24—Stationery and Printing	1,72,32,000	1,98,21,580	25,89,580
	Excess was due mainly to adjustment of debits for supply of paper in previous years and purchase of additional quantity of paper.			

Serial Number and name of grant no.	Total grant Rs.	Expenditure Rs.	Excess Rs.
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(9) 25—Public Works ..	20,56,74,000	38,86,54,112	18,29,80,112
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Excess was due mainly to (i) more expenditure on purchase of stock materials than anticipated, (ii) execution of air-conditioning works at Netaji Indoor Stadium and special works for different godowns, (iii) purchase of flats for providing accommodation to State Government officers, staff and police personnel, (iv) clearance of certain arrear dues, (v) better progress of works, (vi) purchase of new cars and (vii) larger expenditure on oil, lubricants, spare parts of vehicles and wages of work charged staff.

(10) 26—Fire Protection and Control	1,63,51,000	1,65,61,634	2,10,634
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Excess was due mainly to payment of arrear claims of suppliers and additional expenditure for providing uniforms and stores to fresh recruits.

(11) 28—Pensions and Other Retirement Benefits	7,11,50,000	9,24,18,951	2,12,68,951
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Excess was due to increase in the number of pensioners and adjustment of debits on account of arrear payments received from other States.

(12) 34—Education, Art and Culture (Excluding Sports and Youth Welfare)	1,19,82,02,000	1,20,03,67,466	21,05,466
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Excess was due mainly to payment of (i) grants for improvement of Mahajati Sadan not provided for in the budget and (ii) more grants for public libraries as well as for improvement and development of organisations devoted to cultural, aesthetic and educational activities.

(13) 35—Scientific Services and Research	26,000	28,200	2,200
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Excess was due mainly to payment of more grant to the Indian Chemical Society than estimated.

(14) 36—Medical ..	44,42,89,000	52,89,80,253	8,46,91,253
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Excess was due mainly to (i) larger expenditure on purchase of machinery, equipment and materials, (ii) adjustment of more book debit bills for supplies made than estimated, (iii) payment of matching contribution to the Calcutta Metropolitan Development Authority towards construction of hospitals, (iv) more expenditure on salaries of staff of health centres, (v) increase in the cost of medicine for Rajyabima Ousadhalayas, (vi) treatment of larger number of patients in general hospitals and

(vii) sanctioning of more grants to the mental hospitals in Bihar for reserved beds and to the North Bengal University for construction of teaching hospital.

Serial no.	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
(15)	38—Public Health, Sanitation and Water Supply	16,08,04,000	21,63,87,372	5,55,83,372

Excess was due mainly to more expenditure on purchase of stock materials, maintenance works and small pox and malaria eradication programmes.

(16)	47—Relief on account of Natural Calamities	11,00,32,000	11,10,55,095	10,23,095
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Excess was due mainly to undertaking of large scale relief operations.

(17)	48—Other Social and Community Services	59,52,000	69,29,835	9,77,835
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Excess was due mainly to extra works undertaken as a measure of safety, health and welfare of pilgrims and adjustment of charges relating to previous year in connection with Gangasagar Mela.

(18)	52—Agriculture	33,96,11,000	36,29,01,243	2,32,90,243
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Excess was due mainly to more expenditure than anticipated on (i) purchase and distribution of chemical fertilisers and (ii) execution of a State Plan Scheme which aimed at undertaking multicrop demonstrations and adaptive trials and increasing the cropping intensity.

(19)	54—Food	19,04,75,000	21,01,29,003	1,96,54,003
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Excess was due mainly to adjustment of arrear bills for supply of food-stuff to Police Force and wholtime National Volunteer Force personnel at concessional rate.

(20)	60—Community Development (Excluding Panchayat)	8,22,11,000	8,30,61,917	8,50,917
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Excess was due mainly to filling up of vacant posts, giving effect to selection grade in various cadres, sanction of dearness allowance to whole-time Pankhapullers and travelling allowance at enhanced rates to staff and rise in prices of petrol, stationery, etc., purchased at Block headquarters.

Serial Number and name of grant no.	Total grant	Expenditure	Excess
	Rs.	Rs.	Rs.
(21) 66—Irrigation ..	31,37,38,000	35,54,60,550	4,17,22,550
<p>Excess was due mainly to (i) more purchase of stock materials relating to Multipurpose River Projects and Drainage and Flood Control Projects, (ii) taking up of maintenance works for the safety of the embankments of drainage works and of unforeseen and urgent flood control schemes and (iii) anti-erosion schemes for protection works.</p>			
(22) 67—Power Projects ..	18,02,28,000	22,02,28,000	4,00,00,000
<p>Excess was due to payment of additional loan to the West Bengal State Electricity Board to help it tide over financial difficulties which became acute towards the end of the financial year.</p>			
(23) 68—Ports, Lighthouses and Shipping	25,60,000	25,91,260	31,260
<p>Excess was due mainly to larger expenditure on materials and supplies in connection with Gangasagar Mela.</p>			
(24) 69—Civil Aviation ..	3,14,000	3,29,411	15,411
<p>Reasons for the excess have not been intimated (March 1977).</p>			
(25) 70—Roads and Bridges ..	31,39,69,000	35,65,20,515	4,25,51,515
<p>Excess was due mainly to (i) purchase of more stock materials, (ii) larger transactions relating to Miscellaneous Works Advances, (iii) transfer of establishment and tools and plant charges on <i>pro rata</i> basis from the common charges under Grant No. 25—Public Works, (iv) better progress of works and (v) increase in the cost of land acquisition and work charged establishment.</p>			
(26) 72—Tourism ..	45,46,000	51,80,289	6,34,289
<p>Excess was due to payment of more grant to the West Bengal Tourism Development Corporation Limited, reasons for which have not been intimated (March 1977).</p>			
(27) 73—Other Transport and Communication Services	3,00,000	3,37,995	37,995
<p>Excess was due to more contribution to the share capital of the West Bengal Tourism Development Corporation Limited.</p>			

Serial no.	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
(28)	76—Public Undertakings ..	4,55,15,000	5,17,87,000	62,72,000

Excess was due mainly to increased requirement for loans to Kalyani Spinning Mills Limited, Westinghouse Saxby Farmer Limited and Great Eastern Hotel Limited and for payment of matching contribution to the share capital of the State Warehousing Corporation.

(29)	84—Loans and Advances ..	6,09,11,000	6,53,26,483	44,15,483
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Excess was due mainly to larger requirement for payment of festival advances and advances in connection with marriage, illness, etc., to Government servants.

(b) **Charged appropriations**—Excess of Rs.23.61 crores over the charged appropriation in the following four cases also requires regularisation:

Serial no.	Number and name of charged appropriation	Total appropriation Rs.	Expenditure Rs.	Excess Rs.
(1)	Governor ..	12,59,000	12,83,486	24,486

Reasons for the excess have not been intimated (March 1977).

(2)	4—Administration of Justice	1,05,23,000	1,06,51,966	1,28,966
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Excess was due mainly to drawal of arrear pay in the revised scale and payment of dearness pay.

(3)	28—Pensions and Other Re- tirement Benefits	7,16,000	7,19,227	3,227
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Excess was due mainly to more pension payments than anticipated to the retired High Court judges.

(4)	Public Debt ..	1,34,19,67,000	1,57,79,35,277	23,59,68,277
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Excess was due mainly to repayment of overdrafts from the Reserve Bank of India and repayment of short term loans received from the Government of India for purchase and distribution of fertilisers, seeds and pesticides.

2.3. Supplementary grants/charged appropriations

The supplementary provision of Rs.1,17.49 crores (15 per cent of original provision) was obtained under 46 grants (Rs.73.62 crores) and 21 appropriations (Rs.43.87 crores). The details of significant cases of unnecessary, excessive and inadequate supplementary grants/charged appropriations are given below :

(i) **Unnecessary supplementary grants**—In the following case the supplementary grant of Rs.11.65 lakhs remained wholly unutilised as the expenditure did not come even up to the original provision :

Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
<i>(In lakhs of rupees)</i>				
57—Fisheries (Voted) ..	1.88.20	11.65	1.83.86	15.99

The shortfall was due mainly to (i) non-establishment of expansion-cum-demonstration fish farm for fish culture and breeding (Rs.3.70 lakhs) and of fish seed farms for production of quality seeds (Rs.3.51 lakhs), (ii) non-establishment of new fish farm under direct management (Rs.3.99 lakhs), (iii) postponement of the scheme for development of beel fishery (Rs.2.63 lakhs) and (iv) non-construction of fish landing jetty at Namkhana (Rs.2.43 lakhs).

(ii) **Supplementary grants/charged appropriations which proved excessive**—In the following cases, among others, the supplementary grants/charged appropriations (exceeding Rs.5 lakhs each) proved excessive; against the supplementary provision of Rs.38,60.24 lakhs, Rs.26,73.76 lakhs were actually utilised :

Serial no.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
<i>(In lakhs of rupees)</i>					
(1) 16—	Interest Payments (Charged)	42.73.06	11.83.41	53,15.70	1.40.77

The shortfall was due mainly to less payment of interest on loans and advances from the Government of India.

(2) 32—	Education (Sports) (Voted)	22.98	26.33	37.18	12.13
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The shortfall was due mainly to non-utilisation of the supplementary provision obtained for intensifying the National Discipline Schemes and for granting financial assistance to different sports organisations and clubs. This was partly counterbalanced by excess expenditure on improvement of sports and games as part of the State Fifth Plan schemes.

Serial no.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
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(In lakhs of rupees)

(3)	42—Labour and Employment (Voted)	4,84.46	98.66	5,54.79	28.33
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The shortfall was due mainly to lesser requirement for special employment programme under State Fifth Plan (Rs.11.00 lakhs) and non-implementation/partial implementation of training and labour welfare schemes under State Fifth Plan (Rs.10.80 lakhs), reasons for which have not been intimated (March 1977).

(4)	45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) (Voted)	4,72.31	67.60	4,83.96	55.95
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The shortfall was due mainly to lesser requirement for "Integrated Tribal Area Development Project" under State Plan (Rs.26.20 lakhs) and partial implementation of the (i) Centrally sponsored scheme "Tribal research and training" (Rs.6.67 lakhs) and (ii) State Fifth Plan schemes for economic betterment of scheduled tribes (Rs.6.53 lakhs) owing to shortage of time and non-availability of suitable proposals.

(5)	46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes) (Voted)	4,99.32	5,50.93	9,69.40	80.85
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The shortfall was due mainly to lesser requirement for "Rural Production Programme (Contingency Plan)" under State Fifth Plan owing to curtailment of the programme after the start of the boro season.

(6)	50—Co-operation (Voted)	6,97.16	5,27.52	8,99.16	3,25.52
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The shortfall was due mainly to (i) lesser utilisation of the supplementary provision obtained for payment of loans (Rs.1,51.75 lakhs) and grants (Rs.64.81 lakhs) under co-operative schemes owing mainly to non-sanction of financial proposals by the National Co-operative Development Corporation, (ii) payment of smaller loans (Rs.46.41 lakhs) and grants

(Rs.19.48 lakhs) to Milk Unions owing to slow progress of work, and (iii) smaller investment in shares of co-operative organisations (Rs.50.45 lakhs) owing to non-approval of certain proposals by the Reserve Bank of India.

Serial no.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
<i>(In lakhs of rupees)</i>					
(7)	53—Minor Irrigation, Soil Conservation and Area Development (Voted)	21,38.22	6,03.34	25,05.69	2,35.87

The shortfall was due mainly to (i) non-utilisation of the supplementary provision obtained for purchase of machinery and equipment under "World Bank Project on Agricultural Development—Equipment for State Water Board and Workshop" (Rs.51.60 lakhs), (ii) lesser utilisation of supplementary provision obtained for capital expenditure on river lift irrigation works under "World Bank Project on Agricultural Development" (Rs.91.40 lakhs) and (iii) less expenditure on tanks, shallow tubewells and pumpsets for irrigation purposes (Rs.70.66 lakhs), reasons for which have not been intimated (March 1977).

(8)	71—Road and Water Transport Services (Voted)	10,14.21	4,96.85	14,40.44	70.62
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The shortfall was due mainly to non-utilisation of the provision for the purchase of the Calcutta Tramways Company Limited owing to non-settlement of legal and technical issues.

(9)	74—Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (Excluding Panchayat) (Voted)	11,11.61	3,05.60	11,80.77	2,36.44
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The shortfall was due mainly to payment of lesser grants to the Calcutta Corporation and other municipalities out of receipts from new taxes (Rs.2,39.39 lakhs), reasons for which have not been intimated (March 1977).

(iii) **Inadequate grants/charged appropriations**—In the following cases, the supplementary grants/appropriations (exceeding Rs.5 lakhs in each

case) of Rs.61,09.21 lakhs proved inadequate; the final uncovered excess (reasons indicated in paragraph 2.2) was Rs.76,76.39 lakhs:

Serial no.	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Excess
<i>(In lakhs of rupees)</i>					
(1)	22—Jails (Voted)	4,59.28	20.72	5,46.52	66.52
(2)	24—Stationery and Printing (Voted)	1,59.93	12.39	1,98.22	25.90
(3)	25—Public Works (Voted)	17,77.33	2,79.41	38,86.54	18,29.80
(4)	28—Pension and Other Retirement Benefits (Voted)	6,33.71	77.79	9,24.19	2,12.69
(5)	36—Medical (Voted)	42,02.39	2,40.50	52,89.80	8,46.91
(6)	38—Public Health, Sanitation and Water Supply (Voted)	15,79.16	28.88	21,63.87	5,55.83
(7)	52—Agriculture (Voted)	23,38.62	10,57.49	36,29.01	2,32.90
(8)	54—Food (Voted)	16,54.75	2,50.00	21,01.29	1,96.54
(9)	66—Irrigation (Voted)	28,58.31	2,79.07	35,54.61	4,17.23
(10)	67—Power Projects (Voted)	13,89.00	4,13.28	22,02.28	4,00.00
(11)	70—Roads and Bridges (Voted)	30,76.83	62.86	35,65.21	4,25.52
(12)	76—Public Undertakings (Voted)	2,44.30	2,10.85	5,17.87	62.72
(13)	Public Debt (Charged)	1,02,51.50	31,68.17	1,57,79.35	23,59.68
(14)	84—Loans and Advances (Voted)	6,01.31	7.80	6,53.26	44.15

2.4. Unutilised provision

(i) Rupees 43.08 crores remained unutilised in 46 grants (Rs.41.05 crores) and 27 charged appropriations (Rs.2.03 crores).

(ii) In 18 grants and one charged appropriation, the savings (more than Rs.10 lakhs in each case) were more than 10 per cent of the total provision. The details of these grants and the charged appropriation are given in Appendix III.

(iii) Some of the major schemes where the provision remained substantially/wholly unutilised are shown below:

Serial no.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(1)	Public Works (Metropolitan Development) Department			Provision was made for payment of loans to the Calcutta Metropolitan Development Authority for execution of various development schemes of Greater Calcutta Area.
	40—Urban Development			
	684—Loans for Urban Development—			
	I—Urban Development—			
	State Plan—			The saving was due to payment of less loans to the CMDA as it was decided that the CMDA should obtain funds for the purpose through market borrowings.
	I(4)—Loans under Calcutta Metropolitan District Development Scheme	8,00.00	2,85.00 (36)	
(2)	Education Department			The scheme aimed at providing employment to educated unemployed through appointment as primary school teachers.
	34—Education, Art and Culture (Excluding Sports and Youth Welfare)			
	277—Education—			
	A—Primary—			Reasons for the saving have not been intimated (March 1977).
	Other expenditure—			
	Central Sector Scheme (including committed)—			
	Expansion of Elementary Education—	1,90.00	1,89.98 (100) Approximately	

Serial no.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
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(In lakhs of rupees)

(3)	Department of Agriculture and Community Development			The programme was to be jointly financed by the Central and State Governments on 50 : 50 basis during the Fifth Plan period.
	53—Minor Irrigation, Soil Conservation and Area Development			
	308—Area Development—			Reasons for the saving have not been intimated (March 1977).
	II—Dry Land Development—			
	Central Sector (New Scheme)			
	II(4)—Rural Development and Employment—Drought-prone areas programme—	2,00·00	1,78·67 (89)	
(4)	Animal Husbandry and Veterinary Services Department			Saving of Rs. 1,17·77 lakhs was due mainly to less procurement of machinery and equipment owing to non-completion of construction works.
	56—Dairy Development (Excluding Public Undertakings)			
	511—Capital Outlay on Dairy Development—			Reasons for the remaining saving of Rs. 53·34 lakhs have not been intimated (March 1977).
	I—Dairy Development—			
	Non-Plan—			
	I(1)—Expenditure under World Food Programme No. 618—			
	Dairy Project—			
	I(1)(2)—Establishment of new city dairies—	2,10·00	1,71·11 (81)	

Serial no.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
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(In lakhs of rupees)

(5)	Animal Husbandry and Veterinary Services Department			Saving of Rs. 59.58 lakhs was due to decline in procurement of milk as the price of milk offered was less than the market price and consequential less expenditure on other items.
	56—Dairy Development (Excluding Public Undertakings)			
	511—Capital Outlay on Dairy Development—			Reasons for the remaining saving of Rs. 76.38 lakhs have not been intimated (March 1977).
	IV—Durgapur Milk Supply Scheme—			
	State Plan (Fourth Plan and Committed)—			
	Operation and Maintenance—	2,00.00	1,35.96 (68)	
(6)	Public Works (Roads) Department			The scheme envisaged construction of 5,000 kms out of 6,625 kms of roads required for linking 2,845 villages not covered by normal road development programme during the Fifth Plan period. The provision was for construction of 300 kms of roads during the year.
	70—Roads and Bridges			
	537—Capital Outlay on Roads and Bridges—			
	VI—District and Other Roads—			
	State Plan (Fifth Plan)—			Reasons for the saving have not been intimated (March 1977).
	VI(3)—Minimum Needs Programme—	2,00.00	1,27.24 (64)	

Serial no.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
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(In lakhs of rupees)

(7)	Irrigation and Waterways Department			The scheme consisted of two barrages, one across the river Teesta and the other across the river Mahananda, with a canal system to provide irrigation to 3·7 lakh hectares. Saving of Rs. 35·40 lakhs was due to non-commencement of work owing to delayed sanction and delay in posting of staff.
	60—Irrigation			
	532—Capital Outlay on Multipurpose River Projects—			Reasons for the remaining saving of Rs. 89·40 lakhs have not been intimated (March 1977).
	C—Teesta Barrage Project—			
	State Plan (Fifth Plan)—			
	C—VII—Teesta Barrage Irrigation Scheme—	1,25·00	1,24·80 (100) Approximately	
(8)	Refugee Relief and Rehabilitation Department			Saving was due mainly to non-acquisition of adequate land for rehabilitation of displaced persons and also non-sanction of funds by the Government of India.
	44—Social Security and Welfare (Relief and Rehabilitation of Displaced persons)			
	688—Loans for Social Security and Welfare—			
	I—Rehabilitation Schemes—			
	Non-Plan—			
	I(1)—Loans to displaced persons—	1,50·00	99·65 (66)	

Serial no.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
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(In lakhs of rupees)

(9)	Animal Husbandry and Veterinary Services Department			Saving of Rs. 65.33 lakhs was due to delay in the setting up of dairies at Beldanga owing to non-completion of preliminaries.
	56—Dairy Development (Excluding Public Undertakings)			
	511—Capital Outlay on Dairy Development—			Reasons for the remaining saving of Rs. 28.22 lakhs have not been intimated (March 1977).
	I—Dairy Development—			
	Non-Plan—			
	I(1)—Expenditure under World Food Programme No. 618—Dairy Project—			
	I(1)(5)—Establishment of feeder balancing dairies—	98.12	93.55 (95)	
(10)	Irrigation and Waterways Department			The project covered schemes to provide perennial irrigation in the districts of Bankura and Purulia. Of the 16 schemes, work was done only on six schemes.
	66—Irrigation			
	533—Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Project—			
	B—Irrigation Projects—			Saving was due mainly to non-finalisation of tenders in respect of remaining schemes.
	Non-Commercial—			
	B—V—Major and Medium Irrigation Projects—			
	State Plan (Fifth Plan)—			
	B—V(f)—Medium Irrigation Scheme—	1,20.00	84.85 (71)	

Serial no.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
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(In lakhs of rupees)

(11) Education Department

34—Education, Art and Culture (Excluding Sports and Youth Welfare)

277—Education—

A—Primary—

Minimum Needs Programme—

State Plan (Fifth Plan)—

Free and compulsory Primary Education (Universal)—

78.68 78.68
(100)

The provision was for establishment of new primary schools, construction of school buildings, supply of tiffin to the school children and development of elementary education.

Reasons for the saving have not been intimated (March 1977).

(12) Department of Agriculture and Community Development

53—Minor Irrigation, Soil Conservation and Area Development

506—Capital Outlay on Minor Irrigation, Soil Conservation and Area Development—

I—Minor Irrigation—State Plan (Fifth Plan)—

I(6)—World Bank Project on Agricultural Development (State's share)—

I(6)(a)—River Lift Irrigation—

83.90 66.08
(79)

Reasons for the saving have not been intimated (March 1977).

Serial no.	Department. Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
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(In lakhs of rupees)

(13)	Department of Agriculture and Community Development			The scheme aimed at providing the cultivators with a subsidy of 25 per cent of the cost of a shallow tubewell fitted with pumpset.
	53—Minor Irrigation, Soil Conservation and Area Development			
	306—Minor Irrigation—			Reasons for non-implementation of the scheme have not been intimated (March 1977).
	IV—Tubewells—			
	State Plan (Fifth Plan)—			
	IV(2)—Shallow tubewells with pumpsets—Subsidy towards rate of interest—	50.00	50.00 (100)	

2.5. Non-receipt of explanations for savings/excesses

After the close 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 in important heads in particular.

In regard to the Appropriation Accounts for 1975-76, the explanations for variations were not received at all or were received incomplete in respect of 433 heads (March 1977), that is, for 56 per cent of the total number of heads in which the variations were required to be explained. Such delay in the submission of material for the Appropriation Accounts results in the Report remaining incomplete in certain essential respects.

2.6. Withdrawal of funds in advance of requirements

The financial rules of Government prohibit drawal of money from treasury unless it is required for immediate disbursement. Five cases of premature withdrawal of funds are detailed below :

Serial no.	Name of the office	Amount and month of drawal from Treasury	Purpose	Month of disbursement/ refund	Explanation for delay in disbursement/refund
1.	Assistant Registrar of Co-operative Societies, Calcutta	Rs. 1.40 lakhs (March 1974)	Loan and grant to a co-operative marketing federation for construction of godown	Paid in September 1975	Delay in observance of terms and conditions by recipient federation.
2.	Assistant Registrar of Co-operative Societies, 24-Parganas (South)	Rs. 1 lakh (March 1974)	Loan to a co-operative society for construction of business premises	Refunded in September 1976	Non-fulfilment of terms and conditions by the recipient society.
3.	Assistant Registrar of Co-operative Societies, Burdwan-1	Rs. 4.34 lakhs (March 1976)	Share capital and loan-cum-subsidy to 25 co-operative societies	Rs. 0.44 lakh disbursed in September 1976 leaving a balance of Rs. 3.90 lakhs	Non-fulfilment of terms and conditions by the recipient societies.
4.	Principal Agricultural Officer, Midnapore (West)	Rs. 2.06 lakhs (March 1975)	Subsidy to small and marginal cultivators for shallow tubewells fitted with pumpsets	Held under "Revenue Deposits" (August 1976)	Principal Agricultural Officer, Midnapore (West) stated in September 1976 that instructions from higher authorities for spending the amount on shallow tubewells under a different programme were awaited.
5.	Principal Agricultural Officer, Midnapore (East)	(a) Rs. 1.79 lakhs (March 1975) (b) Rs. 1.40 lakhs (March 1976)	Ditto .	Held under "Revenue Deposits" (August 1976)	Principal Agricultural Officer, Midnapore (East) stated (September 1976) that the amount would be spent on shallow tubewells under a different programme on receipt of instructions from Government.

2.7. Reconciliation of departmental figures

With a view to ensuring effective control over expenditure, the departmental officers are required to reconcile periodically the departmental figures of expenditure with those booked in the office of the Accountant General before the close of the accounts for the year. This also enables the Controlling Officers to detect in the early stages frauds and defalcations, if any. The reconciliation is heavily in arrears in some departments although this was periodically brought to their notice.

During 1975-76 reconciliation was not done for all the twelve months in 49 cases while it was not done for periods ranging from one month to eleven months of the year in 42 cases.

The Assistant Director of Public Instruction (Refugee Relief and Rehabilitation Department) and the Assistant Secretary, Education Department have not reconciled the figures for any year since 1969-70.

The above position was brought (March 1976) to the notice of the Finance Department of the Government for issue of necessary instructions to all departments for immediate completion of the work.

The number of reconciliation certificates due in March 1976 was 1,143. The year-wise break-up is as follows:

1969-70	..	..	..	..	24
1970-71	..	..	..	..	24
1971-72	..	..	..	..	48
1972-73	..	..	..	..	66
1973-74	..	..	..	..	88
1974-75	..	..	..	..	148
1975-76	..	..	..	..	745
			Total	..	1,143

CHAPTER III

CIVIL DEPARTMENTS

Animal Husbandry and Veterinary Services Department

3.1. Fodder farms

3.1.1. Introduction

3.1.1.1. In 1948-49, Government set up a fodder farm at Haringhata for providing fodder to the livestock of the cattle breeding station located there. Four more fodder farms were set up between 1958-59 and 1969-70 in different parts of the State for increasing the production of fodder, by extending the area under cultivation as also by raising the yield per acre. The details of these farms are given below :

Name and location of farm	Year of establishment	Area acquired (In acres)	Capital expenditure including cost of land up to 1975-76 (In lakhs of rupees)
(1) Haringhata-Kalyani complex in Nadia district consisting of			
(i) Haringhata	1948-49	2,500	8.25
(ii) Kalyani	1958-59	1,225	29.50
(iii) Haringhata North	1966-67	790	30.80
(2) Salboni in Midnapore district	1969-70	1,840	28.09
(3) Dungra (Kalimpong) in Darjeeling district	1968-69	16	0.82

While the Haringhata fodder farm was to provide fodder to the livestock in the cattle breeding station at Haringhata, the Kalyani fodder farm was to supply fodder to the cattle of the private owners at Kalyani milk colony. When the State Livestock Farm, Kalyani was set up in 1965-66, supply of fodder to it became the principal objective of the Kalyani fodder farm. The Haringhata North farm was set up to compensate for the loss of production of fodder due to transfer of land (1,800 acres) from the Kalyani fodder farm to the Kalyani University. The produce of the Salboni fodder farm was to be supplied to a cattle farm which, according to a Government decision (September 1968), was to be set up at Salboni. The Dungra farm was to provide fodder to the Central Semen Collection Station at Dungra and to supply fodder seeds and cuttings to the farmers of Darjeeling district.

3.1.1.2. Jowar, maize, cow-pea, barseem, oats, hybrid napier and paragrass are grown in the farms for use as fodder. The area available for cultivation out of acquired land, the area brought under cultivation, the total land cultivated due to multiple cropping, the total production, the annual target and the yield per acre from 1973-74 to 1975-76 are given below:

Name of farm	Year	Area acquired (In acres)	Land available for cultivation (In acres)	Land cultivated (In acres)	Land irrigated (In acres)	Total land cultivated due to multiple cropping (In acres)	Total production of crops (In tonnes)	Annual target per acre (In tonnes)	Annual yield per acre of land (In tonnes)
Farms in Haringhata-Kalyani complex	1973-74	4,524	2,055	2,055	583	3,154	43,408	20	21.1
	1974-75	4,524	2,055	2,005	600	2,832	29,039	20	14.5
	1975-76	4,524	1,923	1,823	513	2,784	27,295	20	15.0
Salboni farm	1973-74	1,840	1,321	900	120	1,070	2,045	Not fixed	2.3
	1974-75	1,840	1,321	900	120	1,316	1,164	Not fixed	1.3
	1975-76	1,840	1,321	900	120	762	689	Not fixed	0.8
Dungra farm	1973-74	16	11	11	1	15	33	Not fixed	3.0
	1974-75	16	11	11	1	14	18	Not fixed	1.6
	1975-76	16	11	11	1	14	32	Not fixed	2.9

3.1.1.3. As may be seen from the table above, a substantial portion of the land acquired was not available for cultivation. In the three farms in Haringhata-Kalyani complex, out of 4,524 acres of land acquired, 905 acres were utilised for construction of buildings, roads, drains and channels, 835 acres were marshy land, 729 acres were covered by orchards, ditches, etc., and the remaining land (2,055 acres) was available for cultivation. The cultivable area was further reduced in 1975-76 consequent on transfer of some land to Bidhan Chandra Krishi Viswavidyalaya. Of the 1,840 acres of vested land in Salboni farm, 519 acres were filled with moorum, laterite rocks and gullies. Of the 16 acres of land acquired for the Dungra farm, 2 acres were stated (May 1976) by the District Livestock Officer, Darjeeling to have been encroached upon by the public since inception; of the remaining 14 acres, 11 acres were brought under cultivation.

3.1.1.4. The basis of the fixation of the annual target of production for the farms in Haringhata-Kalyani complex was not available while for the other farms no targets were fixed. A committee of enquiry had been set up (November 1972) to study and evaluate the working of the different State livestock farms and units under the Department including fodder farms. The committee in its report (February 1974) had observed that "there is lot of scope for improvement of fodder production of the three farms as the per acre production.....should be at least 40 tonnes per annum". The committee had also suggested that the intensity of cropping should be 300 per cent, *i.e.*, there should be three crops on the same land in a year.

Taking all the farms together, the production during the period 1973-74 to 1975-76 decreased by 38 per cent, *i.e.*, from 45,486 tonnes to 28,021 tonnes. Not even two crops were raised in any of the farms and the production per acre declined during 1973-74 to 1975-76 in all the farms.

The reasons for the shortfall in production, according to the farm authorities, were as follows:

(i) Shortage of staff.—Against 476 staff required for the three farms in Haringhata-Kalyani complex, 215 were actually employed (November 1976).

(ii) Lack of irrigation facilities.—Irrigation facilities were available to the extent noted below :

Farms in Haringhata-Kalyani complex	..	29 per cent of cultivated land
Salboni farm	.. ..	9 per cent of cultivated land
Dungra farm	.. ..	9 per cent of cultivated land

(iii) Shortage of tractors.

(iv) Pilferage of fodder and unauthorised grazing.

(v) Lack of organic manure and marketing facilities in the case of Salboni farm.

3.1.2. The accounting records of the farms for the years 1973-74 to 1975-76 were test checked in audit. The points noticed are mentioned in the succeeding paragraphs.

3.1.3. Farms in the Haringhata-Kalyani complex

3.1.3.1. The farms at Haringhata, Kalyani and Hringhata North are linked with the Central Livestock Research-cum-Breeding Station, Haringhata and the Greater Calcutta Milk Supply Scheme including the Livestock Farm, Kalyani. All these units are interdependent in respect of administration, personnel and procurement and utilisation of inputs and outputs. Separate accounting records are not maintained for the fodder farms. Transactions of all units in the complex are recorded in the same set of books of accounts.

3.1.3.2. The committee of enquiry referred to earlier had observed (February 1974) that it was difficult to assess the correct financial working of the three farms on the basis of the combined figures relating to the fodder farms and the other different units in the complex. According to the Additional Director of Animal Husbandry, the Finance Department has agreed (January 1977) to provide for the recording of the transactions of the three fodder farms under a distinct head of account.

3.1.3.3. The amounts spent directly on production (*i.e.*, cost of labour, seeds, fertiliser, fuel, etc.), as could be segregated, and the value of the farm produce during 1973-74 to 1975-76 are indicated below :

Year	Amount spent directly on production, <i>i.e.</i> , labour, seeds, fertiliser, fuel, etc.	Value of farm produce at the selling rates
*(In lakhs of rupees)		
1973-74	30.82	16.16
1974-75	30.07	11.44
1975-76	33.97	11.89
Total	94.86	39.49

It may be seen from the table above that the value of farm produce could not meet even the direct expenditure on cultivation. No annual financial statements were prepared to show the working results of these farms.

3.1.3.4. The selling price of the farm produce is fixed by the Directorate of Animal Husbandry. It was stated by the Additional Director (March 1977) that in the absence of green fodder market in the State the price was fixed mainly on the basis of market rate of paddy straw and not on the basis of actual cultivation expenses.

3.1.3.5. While setting up the fodder farms, it was expected that the farm-yard manure available from the Government Livestock farms in the Haringhata-Kalyani complex would be utilised for fodder production. The cowdung and shed refuse available were estimated (July 1976) by the Additional Director, Animal Husbandry, to be about 300 tonnes and 120 tonnes per day respectively. According to him, 50 per cent of the farm-yard manure was washed away during the cleaning operations of the sheds; the remaining quantity of manure was also not being put to use fully, a substantial portion being lost due to dumping on road side exposed to sun and rain.

The Directorate estimated (July 1976) that the loss on the above account was about Rs.11.50 lakhs per annum, based on the money value of the nutrient of the farm-yard manure. According to the Directorate, a substantial portion of the chemical fertiliser purchased for the three farms (average annual expenditure: Rs.1.37 lakhs) would not have been necessary, if proper utilisation of farm-yard manure could be ensured. However, as reported by the Directorate to Government in November 1975, efficient and full utilisation of the farm-yard manure would require the construction of manure pits and aprons and liquid manure drains and procurement of liquid manure pumps at an estimated cost of Rs.21.5 lakhs.

3.1.3.6. The requirement of tractors for the farms in the Haringhata-Kalyani complex was stated to be 69 on the basis of one tractor for every 30 acres of land. However, the tractors actually in use including some that had outlived their prescribed periods of life were 50, 42 and 47 during the years 1973-74, 1974-75 and 1975-76 respectively.

3.1.3.7. Seeds, viz., jowar, maize, barseem, oats, cow-pea, paragrass, hybrid napier, gram, etc., required for sowing were mostly purchased from private traders. The quantity purchased for the Haringhata and Haringhata North farms was, however, much in excess of the actual requirement as assessed by the Agronomist of the farms for the years 1974-75 and 1975-76, as indicated below:

Name of farm	Year	Quantity of seeds required (In tonnes)	Quantity of seeds purchased (In tonnes)	Value of the quantity purchased (In lakhs of rupees)
Haringhata ..	1974-75	16.4	45.2	1.08
	1975-76	17.1	74.8	1.31
Haringhata North ..	1974-75	21.8	20.2	0.45
	1975-76	16.0	40.0	0.87

According to the Additional Director, Animal Husbandry, about 81 tonnes of seeds were in stock in Haringhata farm at the end of 1975-76. These were stated to have been partially utilised for sowing in the following financial year.

3.1.3.8. On an average, 922 departmental labourers were engaged (wages on an average: Rs.24.22 lakhs) annually in all the three farms between 1973-74 and 1975-76. In the Haringhata North farm, out of 0.58 lakh labour days (wages: Rs.4.73 lakhs) in 1975-76, 0.20 lakh labour days (wages: Rs.1.63 lakhs) were utilised for miscellaneous works not directly connected with cultivation.

3.1.3.9. Harvesting and distribution of fodder were done by contractors as well as departmental labourers. The average cost of harvesting and distribution per quintal of crop by contractors varied between Rs.1.95 and Rs.2.50 during April and May 1975, while the wages paid to the departmental labourers for the same job averaged between Rs.5.14 and Rs.5.69 per quintal.

3.1.3.10. The quantity of green fodder necessary for ensuring the nutritional requirement of the bovine population (6,000 adults) in the livestock farms of the complex was estimated by the Directorate (July 1976) at about 86,000 tonnes per annum (40 kg. per animal per day). The production of fodder during the years 1973-74 to 1975-76 in the fodder farms (43,408 tonnes, 29,039 tonnes, 27,295 tonnes—see paragraph 3.1.1.2) was inadequate to meet even the requirement of the cattle in the Government livestock farms. The Additional Director stated (November 1976) that 29,204 tonnes (9,187 tonnes in 1973-74, 11,100 tonnes in 1974-75 and 8,917 tonnes in 1975-76) of paddy straw valued at Rs.40.30 lakhs were purchased for the Government livestock farms owing to shortage of green fodder.

3.1.3.11. The Additional Director, Animal Husbandry, stated (June 1976) that pilferage of fodder by outsiders, and unauthorised grazing resulted in loss of about 20 per cent of the farm produce. On this basis, the loss during the years 1973-74 to 1975-76 would be nearly 25,000 tonnes.

A total quantity of 52.6 tonnes of chemical fertiliser (48.7 tonnes of urea and 3.9 tonnes of ammonium sulphate) valued at Rs. 0.51 lakh was reported by the Additional Director of Animal Husbandry to have been stolen by breaking open the door of the godown in February 1974 in Haringhata North farm. The case against a vehicle driver and some watchmen was reported (March 1977) to have ended in acquittal. Results of the departmental proceedings started in January 1977 are awaited (March 1977).

As a preventive measure, one post of Security Officer was created and filled up in June 1974. Four posts of Assistant Security Officer were created in December 1975 but have not been filled up (March 1977).

3.1.3.12. The length of the barbed wire fencing provided around these farms at the time of their establishment and its cost were:

Name of farm	Year of establishment	Length of fence (In kilometres)	Cost (In lakhs of rupees)
Haringhata farm ..	.. 1948-49	14	5.00
Kalyani farm ..	.. 1958-59	11	3.50
Haringhata North farm ..	.. 1966-67	12	2.60
Total ..		37	11.10

The entire barbed wire fencing of 37 kilometres was reported by the Additional Director, Animal Husbandry (July 1976) to have become completely ineffective, with negligible value for salvageable materials. A proposal for refencing, with walls at vulnerable points, at an estimated cost of Rs.20 lakhs was accepted (June 1976) by Government; sanction is awaited (March 1977).

3.1.4. Salboni fodder farm

3.1.4.1. Government had decided (September 1968) to set up a cattle and fodder farm at Salboni, but no cattle farm was established. Of the 1,840 acres of vested land taken possession of, 1,321 acres were suitable for cultivation; of this, not more than 900 acres were actually brought under cultivation in any year. According to the farm Agronomist (July 1976), non-utilisation of the cultivable land was due to lack of facilities for marketing of green fodder and non-availability of organic manure on account of non-establishment of the cattle farm originally proposed. The fodder produced is supplied to a dairy at the Indian Institute of Technology, Kharagpur and other livestock and poultry farms.

3.1.4.2. The capital expenditure on the farm up to March 1976 was Rs. 28.09 lakhs. The total revenue expenditure, the amount spent directly for fodder production (cost of labour, seeds, fertiliser, fuel, etc.), and the value of farm produce during the years 1973-74 to 1975-76 as furnished by the farm authorities are indicated below:

Year	Total revenue expenditure	Amount spent on labour, seeds, fertiliser, fuel, etc., out of total revenue expenditure	Value of farm produce at selling prices
1973-74 ..	6.72	3.31	2.42
1974-75 ..	8.81	4.10	2.22
1975-76 ..	8.65	3.93	2.29
Total ..	24.18	11.34	6.93

(In lakhs of rupees)

It would be seen that the value of the farm produce was less than the direct cost of production.

3.1.4.3. Seeds costing Rs.0.35 lakh were purchased between 1973-74 and 1975-76 mainly from the Uttar Pradesh Tarai Development Corporation Limited and the Agriculture Department of Government. In May 1976, 1,501.5 kilogrammes of maize seeds were purchased from the National Seeds Corporation Limited at a cost of Rs.0.07 lakh, of which 1,443 kilogrammes were found to be of low germination capacity and not suitable for sowing. These unsuitable seeds could not be replaced by the Corporation within the sowing season, i.e., up to the end of June 1976. As reported by the Director of Animal Husbandry (June 1976), 225 acres of land could not, therefore, be cultivated and the value of the estimated loss of production was stated to be about Rs.1.50 lakhs.

3.1.4.4. Government sanctioned (1971-72) the construction of six deep tubewells at an estimated cost of Rs.9.70 lakhs to meet the requirement of water for irrigation purposes. Two tubewells were sunk by the Construction Board (Public Works Department) in October 1972 (cost: Rs.1.28 lakhs) without investigating the availability of water at the selected sites. The water discharged by one of them, on demonstration (October 1972) by the engineers of the Construction Board, was found to be inadequate (4,282 gallons per hour) for irrigation purposes. Two more tubewells were sunk (April and October 1974) at a cost of Rs.5.78 lakhs by the Public Health Engineering Directorate at the sites selected, on the recommendation of a team of geological experts. On test demonstration these two tubewells were found to be discharging sufficient water (one 30,000 gallons per hour and the other 37,920 gallons per hour).

3.1.4.5. Rupees 5.47 lakhs as detailed below, were spent in connection with the electrification of the farm up to March 1976:

Agency undertaking the work	Amount	Period when paid	Purpose
	<i>(In lakhs of rupees)</i>		
State Electricity Board	3.99	January 1975	Construction of 11 K. V. transmission line and poles for internal wiring.
Construction Board	1.48	Between September 1975 and March 1976	Low tension distribution and street lighting.

Electricity was not, however, available (August 1976) and the tubewells could not be energised resulting in non-availability of water for irrigation purposes, which in turn affected the production of fodder.

3.1.4.6. Rupees 10.71 lakhs were spent on wages of labourers during the period 1973-74 to 1975-76. No records indicating the particular jobs on which the labourers were engaged were made available to Audit; the muster rolls for payment of wages also gave no clear indication in this regard.

The farm Agronomist stated (July 1976) that owing to non-posting of agricultural overseers in the farm, cultivation registers showing engagement of labourers on particular jobs could not be maintained.

3.1.4.7. During 1969-70 to 1972-73, Rs.1.00 lakh were spent on purchase of fuel and lubricants. Fuel worth Rs.0.40 lakh was utilised in the farm during 1972-73. No records indicating the utilisation of the remaining fuel and lubricants valued at Rs.0.60 lakh were shown to Audit.

3.1.4.8. For equipment such as tractors, trailers, harrows, disc plates, disc ploughs, seed-drills, tubewells and pumps (value: Rs.5.24 lakhs) acquired during the period 1969-70 to 1975-76, spare parts worth Rs.1.17 lakhs were purchased between 1970-71 and 1975-76. According to the farm authorities, sufficient stock of spares was kept for quick replacement of broken or damaged parts. Spare parts worth Rs.0.03 lakh were made use of on two occasions (April 1973 and March 1976) till July 1976. However, the replacements on these two occasions were made eight and ten months after the defects in the equipment requiring the use of spares had come to notice (June 1972 and July 1975). The farm Agronomist stated (November 1976) that the equipment in question remained idle during that period (June 1972 to April 1973, and July 1975 to March 1976).

3.1.4.9. The barbed wire fencing of the farm, erected in 1969-70 at a cost of Rs.1.79 lakhs, as reported (July 1976) by the Agronomist, was unable to provide any protection. Cattle trenches had to be dug (cost not available) to supplement the fencing.

3.1.5. **Dungra fodder farm**

This is a small farm with only 16 acres of land, of which 11 acres have been under cultivation. The expenditure and value of the farm produce from 1973-74 to 1975-76 were as follows:

			Expenditure	Value of produce	Surplus (+) Deficit (-)
			Rs.	Rs.	Rs.
1973-74	..	..	4,895	5,140	(+) 245
1974-75	..	..	4,879	6,552	(+) 1,673
1975-76	..	..	4,868	2,413	(-) 2,455

3.1.6. Taking all the farms together, while the expenditure on cultivation increased from Rs.34.18 lakhs to Rs.37.95 lakhs during 1973-74 to 1975-76, the production as reported decreased during the same period from 45,486 tonnes to 28,016 tonnes.

3.1.7. The matter was reported to Government (November 1976); reply is awaited (April 1977).

3.2. Piggery Development Scheme

3.2.1. A scheme for piggery development was initiated by Government in June 1957 at the Haringhata farm, with a nucleus stock of 6 gilts and 2 large white Yorkshire boars imported from abroad, with a view to exploring the possibilities of providing rich animal protein to the people at a moderately low cost.

In August 1958, the Government of India sanctioned a scheme for piggery development in the State which included setting up of eight piggery development blocks. The object of the scheme was to promote pig rearing in the State in an organised manner, upgrade the indigenous stock through piggery development blocks, maintain 200 sows in a regional station at Haringhata for distribution of breeding pigs to private breeders and ensure a regular supply of pigs for a bacon factory, which was intended to process quality pork and pork products for table purposes. The Government of India was to bear the expenditure in connection with the establishment of the regional pig breeding station-cum-bacon factory and on its running for the first three years and 50 per cent of the expenditure for the establishment of 8 piggery development blocks. The scheme was launched with estimated expenditure as under:

	1959-60	1960-61	1961-62
	(In lakhs of rupees)		
A. Establishment of Regional Pig Breeding Station-cum-Bacon Factory	1.23	2.58	4.97
B. Establishment of 8 piggery development blocks	0.91	0.72	1.25

From 1962-63 and up to 1965-66, the pattern of central assistance for the Regional Station was changed to 50 per cent as grant and 50 per cent loan. Since 1966-67, the scheme has been fully financed by the State.

3.2.2. The scheme included *inter alia* the following :

- (i) imparting of training to interested pig farmers for proper upkeep of pigs,
- (ii) rendering to them necessary financial assistance and
- (iii) arranging supply of balanced feed for the pigs of the farmers.

3.2.3. Performance

3.2.3.1. Regional Pig Breeding Station

With the existing stock at Haringhata farm, the first Regional Pig Breeding Station-cum-Bacon Factory in the country came into being at Haringhata in February 1960.

In the early years, there were no separate arrangements for pigs (sheds with pens, water system, drainage, etc.) in the Station. The pigs had, therefore, to be accommodated in one of the sheds of the goat section of the Farm up to September 1963, after which the pigs were shifted to new sheds of the piggery section which had accommodation capacity for 200 breeding sows. However, after action was initiated in August 1972 to raise the number of breeding sows to 600 to meet the increasing demand of the Bacon Factory as well as of the private pig rearers without any addition to pens, there was acute accommodation problem again. Sometimes, two or more sows with their piglets were accommodated in the same pen, resulting in frequent deaths/injuries to the sows/piglets. According to the Manager of the Pig Breeding Station, scarcity of accommodation co-existed with the scheme all through and stood very much in the way of multiplication of the existing stock up to the full capacity envisaged.

Below is given a table showing the year-wise pig population of the Regional Station from 1969-70 to 1975-76:

Year	Number of pigs at the beginning	Births during the year	Deaths during the year	Percentage of deaths to total number	Number of boars supplied to Blocks	Number of boars available in the Station	Number of breeding sows available in the Station	Number of pigs (male and female) sold	Number of pigs purchased from outside	Number of pigs supplied for slaughter
1	2	3	4	5	6	7	8	9	10	11
1969-70	1,688	2,303	932	23·39	..	24	169	478	571	1,099
1970-71	2,053	1,176	473	14·92	15	9	99	790	974	2,220
1971-72	720	2,070	327	11·72	20	19	147	1,700	1,260	1,161
1972-73	862	2,536	517	15·21	..	21	235	1,341	994	1,164
1973-74	1,370	2,584	1,277	32·28	..	21	243	266	358	1,111
1974-75	1,658	3,992	3,202	56·67	..	32	344	94	..	905
1975-76 (Up to December 1975)	1,449	4,301	2,386	41·49	..	24	385	621	..	563

It would be seen from column 8 of the table that the Regional Station could not achieve its target of raising breeding sows. When the target was to raise 200 breeding sows (up to August 1972), the maximum number maintained was 169 during 1969-70 and the minimum, 99 in 1970-71. When the target was raised to 600 sows in 1972-73, the maximum number of breeding sows in the Regional Station was 385 in 1975-76.

Although one of the main objects of the Regional Pig Breeding Station was to distribute breeding pigs to the neighbouring areas, no target was fixed in this regard. Column 9 of the table indicates wide fluctuations in the sale of breeding pigs to pig farmers of the neighbouring areas.

During the period from 1962-63 to 1974-75, in all 250 private pig farms were organised for promotion of piggery development through sale of breeding pigs (male/female), technical advice, supply of balanced feed, etc. The year-wise details of the private pig farms organised are given below:

Year	Number of private pig farms organised		
1962-63	3
1963-64	4
1964-65	5
1965-66	14
1966-67	47
1967-68	13
1968-69	17
1969-70	31
1970-71	34
1971-72	32
1972-73	38
1973-74	8
1974-75	4
Total	250

Most of the private pig farms organised by Government were closed down as the private farmers experienced difficulties in marketing their animals. Initially, the Regional Station used to purchase their animals at an agreed price but the practice was stopped from January 1974. This was followed by discontinuance of sale of balanced feed to the private farmers. According to the Superintendent of Livestock (Piggery Development) (July 1975), lack of adequate supervision and technical advice from Government stood in the way of running the private farms profitably.

The mortality of pigs ranged between 11.72 per cent and 56.67 per cent during the period from 1969-70 to 1975-76. The highest mortality (56.67 per cent) was in 1974-75, when out of 5,650 animals 3,202 died prematurely.

According to the Superintendent of Livestock (August 1975) and the Additional Director of Animal Husbandry (June 1976), frequent outbreak of epidemic diseases, e.g., foot and mouth disease, swine fever, etc., in the Regional Station and supply of imbalanced|substandard feed to the animals involving ill-feeding and off-feeding resulted in a large number of productive sows|boars becoming infertile|sterile and many sows either aborted or gave birth to dead foetii. The following reasons were also given for the high rate of mortality:

- (i) scarcity of accommodation and congested environs, and
- (ii) unhygienic condition of the sheds which made the animals susceptible to diseases resulting from erratic supply of water from the existing worn out water supply system.

The carcasses including the remains of slaughtered pigs could not be put to any profitable use, notwithstanding the existence of Government "Carcass Utilisation Centre" in the neighbouring district (24-Parganas), engaged exclusively in manufacture of fertiliser from animal carcasses.

3.2.3.2. Piggery development blocks

Along with the establishment of the Regional Pig Breeding Station-cum-Bacon Factory at Haringhata, Piggery development activities had been initiated by setting up 8 blocks by stages up to 1964-65 for upgrading the local stock. Thereafter, 15 blocks were added by stages up to 1971-72, covering 9 districts in all. It was planned to give 50 boars at subsidised rates to selected pig rearers of a piggery development block in the ratio of ten sows to one boar. In all, 1,060 boars of exotic breed were distributed to individual pig rearers at a nominal price Rs.10 per boar, while as per records the actual cost of raising averaged Rs.288 per boar. The caretaker (pig rearer selected) of the boar was also paid a maintenance allowance of Rs.15 per month per boar for a period of three years after which he became the owner of the boar. Besides the subsidy of Rs.2.95 lakhs towards the cost of the boars, Rs.0.99 lakh were spent in all on the maintenance allowance paid to pig rearers. It was, however, noticed during test check that the adult sow population of many of the blocks in different years was less than the required number as per the prescribed ratio of ten sows to one boar.

Out of the 1,060 boars distributed, as many as 781 died prematurely mostly within one year. This was attributed by the Superintendent of Livestock in July 1975 to (i) ignorance of the caretakers regarding proper care and adequate accommodation and sanitation facilities for the animals and (ii) poor economic condition of the caretakers in general resulting in failure to provide the boars with proper feed. As a result most of the blocks established for upgrading the local stock were wound up either in the very year of establishment or within a period of two to three years. The scheme was ultimately abandoned in March 1972.

During the period from 1961-62 to 1971-72, a total amount of Rs.5.32 lakhs had been spent on piggery development blocks which could not be continued.

3.2.3.3. Training

The original scheme envisaged a three months' training course in "swine husbandry" and "manufacture of pork products" at the Regional Station for field staff of the blocks and also for private pig famers. It was expected that there would be three such courses in a year and in each course about 15 trainees would be admitted taking on an average one stockman (field assistant) and four breeders from each block. Private breeders attending the course were entitled to a stipend of Rs.40 per month for three months. During the period from 1964 to 1968, 12 training courses were organised and 79 trainees, including 21 private breeders, received training against the target of 225 trainees in 15 courses. The shortfall was attributed by the Superintendent of Livestock (August 1975) to lack of interest on the part of private breeders in undergoing such training and also to the problem of housing for out-station trainees. The training scheme was abandoned in 1969-70. Provision for training was, however, retained for those who came voluntarily to receive training at their own cost. Up to the end of 1974-75, only two trainees came forward and were imparted training in a condensed course of one month's duration.

3.2.3.4. Feed

(a) With the assistance of the World Food Programme, a pilot project was started by Government in August 1965 to make balanced feed available on 'no-profit no-loss' basis to the pig farmers who were required to sell their pigs to the Bacon Factory. In pursuance of an agreement with the Government of India entered into in December 1964, the World Food Programme donated 1,858 tonnes of maize and sorghum to the State Government from time to time (the cost of which was worked out at Rs.6.50 lakhs) for compounding, along with other ingredients, balanced feed of 1,000 tonnes annually for catering to 7,000 pigs of private breeders.

The funds to be obtained by sale of the grains donated by the World Food Programme were to be utilised for providing short-term credits to private pig breeders as also for continuing supply of balanced feed to them on the expiry of the agreement with the World Food Programme.

A scrutiny of the relevant records showed that there was shortfall in achieving the targets for supply of balanced feed. The following table depicts the position year-wise:

Year	Number of pigs actually covered	Quantity of balanced feed supplied (In tonnes)
1969-70	3,007	632.5
1970-71	2,958	516.9
1971-72	3,570	484.9
1972-73	3,340	512.0
1973-74	3,775	371.5
1974-75	2,200	19.0
1975-76	1,350	10.5

Besides, no short-term credit had been given to the pig breeders (April 1977) out of the funds (Rs.6.37 lakhs) created by the sale proceeds of the grains.

(b) The position of supply of feed to the pigs of the Regional Station was also generally no better inasmuch as it depended mostly on the available stock position of the ingredients. Whenever some ingredients were in short supply, the feed was compounded without those ingredients. A scrutiny of the feed registers and pig yard books for the period from April 1966 to March 1976 brought out the following:

(i) The daily requirement of feed to be supplied to the pigs in the yard was to be determined on the basis of the effective strength as worked out daily by excluding piglets below two weeks in age from the total strength grouped age-wise. It was, however, noticed that in several months the numbers of pigs of different age-groups as shown in the feed registers remained the same on all days in a month; there was also no evidence that the entries so made in the register were checked by any senior officer. From 1971-72, no assessment of feed requirement was done and whatever quantity of feed was received was shown as issued for feeding pigs.

(ii) The effective strength of the herd for which feed was required was shown in the feed register in some months as greater than the total herd strength as computed from the yard book and balanced feed was supplied calculating the requirement on the basis of the incorrect figures of effective strength.

(iii) Skimmed milk|curdled milk drained off by the Haringhata Dairy (another self-contained Government unit run in the same premises) as useless used to be collected by the piggery unit for supply to pigs in combination with balanced feed (10 kg of skimmed|curdled milk was stated to be equivalent to 1 kg of balanced feed). Supply of skimmed|curdled milk to the pigs was, however, discontinued during the periods January 1969 to October 1971, December 1973 to May 1974 and February 1975 to March 1976, barring the months of April 1974, May 1975 and December 1975, without any recorded reasons. The quantities of skimmed|curdled milk available in the Dairy and that lifted by the piggery unit during the years 1973-74, 1974-75 and 1975-76 are given below:

Year	Quantity of skimmed/curdled milk			Percentage of skimmed/curdled milk lifted to quantity available
	Available in the Dairy	Requirement of curdled/skimmed milk equivalent to balanced feed as assessed	Lifted by piggery unit	
(In kilogramms)				
1973-74	18,61,407	54,67,280	68,722	3.6
1974-75	15,22,289	45,43,980	1,59,707	1.4
1975-76	17,42,281	75,16,230	6,085	0.3

In June 1974, the Director of Animal Husbandry had observed that while hundreds of pigs were dying every month for want of proper feed, the easily available best quality curdled milk could not be utilised. The Dairy authorities stated (August 1975) that the quantity of skimmed/curdled milk not lifted was drained out as useless. Non-lifting of the full quantity of curdled milk from the Dairy was attributed by the Superintendent of Livestock (August 1975) to non-availability of vehicles.

(iv) A test check of the feed register for the periods April 1973 to June 1973 and April 1975 to March 1976 further revealed that on several occasions during a month, no balanced feed had been supplied to the yard for want of stock. Such non-supply of feed continued at times even up to four days in succession. There were also occasions when for the same reason, the supply of feed to the yard was inadequate. From 23rd December 1975 to 31st March 1976, balanced feed at the fixed rate of 25 quintals per day was shown to have been issued to the yard without making any assessment of the actual requirement.

(v) Supply of green fodder stated to be an essential element of the feed required by the pigs was discontinued from January 1970.

Shortfall in supply of balanced feed to the pigs was attributed by the Superintendent of Livestock (August 1975) to:

- (a) delay in supply of ingredients by suppliers,
- (b) shortage of labourers for mixing and grinding,
- (c) frequent failures of the mixing plant which was old, and
- (d) non-availability of vehicles for transportation of feed.

3.2.3.5. Loan

An amount of Rs.1.02 lakhs was sanctioned as short-term loan to private pig breeders affected by floods during 1970-71. Out of this, Rs.0.94 lakh were disbursed to 27 pig farmers of 7 districts through the Superintendents of Livestock of the districts concerned. The loan together with interest at 8 per cent per annum was recoverable by the end of 1974-75. Only Rs.0.07 lakh had been recovered up to September 1975, leaving a balance of Rs.0.87 lakh together with accumulated interest of Rs.0.24 lakh up to the end of 1975-76. The scheme for rendering loan assistance to private pig rearers was discontinued to avoid further loss to Government. Steps were stated to be under way for recovery of the outstanding dues from the loanees concerned. Eight certificate cases had been instituted against the defaulters up to September 1976.

3.2.4. Bacon Factory

The Bacon Factory at Haringhata with a targeted single shift capacity of 10 tonnes per month went into production in January 1965. The factory is stated to have been constructed according to modern design and is equipped with machinery procured from abroad. The cost of machinery and equipment, including furniture and fittings, was Rs.5.57 lakhs. One refrigerated motor van for supplying pork and pork products to Calcutta, Durgapur and Nepal was also purchased in 1966-67 at a cost of Rs.1.36 lakhs.

Production in the Factory showed gradual increase up to 1970-71, when it reached the maximum level of 81.589 tonnes. There had been a decline in production in subsequent years, the production in 1975-76 having been 12.486 tonnes as against the production capacity of 10 tonnes per month.

Three selling centres were opened during 1968-69, one at Haringhata Regional Station and two in Calcutta, of which the one at New Alipore was later shifted to Jodhpur Park in 1969-70 as there was shortage of accommodation in the New Alipore stall. Four Sales Assistants, three Sales Attendants and one Procurement and Sales Promotion Officer were also provided to promote sales of pork and pork products. A test check of the log books of the van showed that during the years 1972-73, 1974-75 and 1975-76 the van moved to Calcutta on 115, 43 and 62 occasions respectively for supplying pork and pork products while during the whole of 1973-74 it remained idle, being out of order.

The piggery development activities were taken up with the primary object of making pork and pork products available to the people in general at cheap rates. It was, however, noticed that the rates for pork and pork products had been enhanced six times during the period February 1968 to July 1975 but the fixation of prices from time to time was done without proper cost data. The Additional Director of Animal Husbandry stated (June 1976) that the Manager, Regional Pig Breeding Station-cum-Bacon Factory "determined the price after considering all probable aspects of costing". However, no records in support of such costing were available.

The Factory was not declared a commercial undertaking and no *pro forma* accounts were prepared. The accounts had not been maintained separately for the Pig Breeding Farm and the Bacon Factory from year to year. However, based on available records, the year-wise performance and financial position of the Bacon Factory from 1969-70 to 1975-76 are given below:

Year	Number of pigs slaughtered in the Bacon Factory	Total live weight	Average live weight	Total quantity of pork and pork products produced	Percentage of utilisation to the installed capacity of 120 tonnes per annum	Receipts	Expenditure
				(In kilogrammes)		(In lakhs of rupees)	
1	2	3	4	5	6	7	8
1969-70	.. 1,090	82,888	75.4	48,735	40.61	2.47	3.07
1970-71	.. 2,220	1,32,187	59.5	81,589	68.00	3.84	4.26
1971-72	.. 1,161	75,088	64.6	45,062	37.55	2.30	2.77
1972-73	.. 1,164	69,250	59.3	47,821	39.85	2.60	2.75
1973-74	.. 1,111	59,625	46.0	38,820	32.35	2.04	2.39
1974-75	.. 905	24,424	26.0	17,035	14.19	0.87	1.52
1975-76	.. 563	20,268	42.4	12,486	10.40	0.95	1.80
Up to December 1976)							

It had been estimated that the Bacon Factory would make a net profit of Rs.0.13 lakh per year by utilising 75 per cent of its capacity with necessary inputs such as (i) procurement of quality pigs, (ii) proper organisation of sales and (iii) enforcing economic processing operations. As per the estimates drawn up by the Manager of the Farm for several years up to 1970-71, the Factory incurred a loss of Rs.6.91 lakhs, as shown below:

Year			Loss
			<i>(In lakhs of rupees)</i>
1964-65	..	..	0.15
1965-66	..	..	1.01
1966-67	..	..	1.17
1967-68	..	..	1.07
1968-69	..	..	1.04
1969-70	..	..	1.20
1970-71	..	..	1.27
	Total	..	6.91

No such estimates have been drawn up for the years from 1971-72 onwards.

The loss in working was attributed by the Superintendent of Livestock (August 1975) mainly to:

- (i) heavy overhead charges and
- (ii) lower production due to non-availability of right type of slaughterable pigs.

According to the economics of the scheme, the average daily gain in the weight of pigs up to 60 kg. liveweight is very rapid and slaughtering of pigs above 80 kg. liveweight is economical. However, the average liveweight of the pigs slaughtered in the Factory was much below the economical age in most of the years (column 4 of the table); the low trend persisted from 1970-71 up to December 1975, after which the Factory was taken over by a corporation.

3.2.4.1. Transfer of the Bacon Factory

The West Bengal Livestock Processing and Development Corporation came into being in March 1974. After its formation, the Corporation decided to take up various schemes, one of which was to take over the Bacon Factory. It submitted a proposal in April-May 1975 to Government for taking over the Regional Pig Breeding Station together with the Bacon Factory for marketing pork and pork products in Calcutta initially for one year on an experimental basis. Since, however, it could not indicate whether the venture would be

commercially viable, the proposal for take-over of the Regional Station along with the Bacon Factory was dropped. It was anticipated that with the take-over of the Bacon Factory alone, there would be every possibility of success owing to the availability of a ready market for pork and pork products at high prices. With the approval of Government, the Bacon Factory with its existing staff and assets was transferred to the Corporation with effect from January 1976.

3.2.5. Financial results

Separate accounts were not maintained for the Regional Pig Breeding Station and the Bacon Factory. Year-wise consolidated figures of receipts and expenditure for the Piggery Development Scheme as a whole (comprising the Regional Station, the Factory, the balanced feed unit, etc.) for the seven years up to 1975-76 are shown below :

Year			Expenditure	Receipts
			<i>(In lakha of rupees)</i>	
1969-70	..	..	10.97	4.51
1970-71	..	..	14.55	6.85
1971-72	..	..	13.32	8.61
1972-73	..	..	12.42	7.07
1973-74	..	..	10.85	3.10
1974-75	..	..	14.02	1.62
1975-76 (up to December 1975)			12.00	1.44

The scheme has been running at a loss and the excess of expenditure over receipts has been increasing from year to year. This was attributed (August 1975) by the Superintendent of Livestock, mainly to non-utilisation of the rated capacity of the Factory as a result of non-availability of adequate number of slaughterable pigs.

The matter was reported to Government (November 1976); reply is awaited (April 1977).

Agriculture and Community Development Department

3.3. Block headquarters at Debra in Midnapore district

The office of the National Extension Service Block, Debra, Midnapore was housed in a private building near Ballichak (about 5 kilometres from Debra) at a monthly rental of Rs.150 from December 1959. An administrative building for the office, twelve staff quarters and a garage were constructed between September 1965 and January 1967 at a cost of Rs.1.43 lakhs by the Rural Reconstruction Division, Calcutta on vested land (2.70 acres) at *mouza*

Dalapatipur at a distance of 12 kilometres from Ballichak. The Division repeatedly asked the Block Development Officer to take possession of the buildings, but he refused to do so on account of defects (like cracks on walls and floors, leakage from the roof, etc.) in almost all the buildings, non-levelling of the area, sinking of two tubewells instead of five and non-construction of compound walls. On the intervention of the Agriculture and Community Development Department, the Block Development Officer took formal possession of the buildings on 5th September 1969. The office buildings were not, however, occupied and the office started functioning in the staff quarters from 6th September 1969. The Block Development Officer again reported (September 1969) to the Subdivisional Officer, Sadar (North), Midnapore about the defects in the office buildings and staff quarters. Under orders of the District Magistrate, Midnapore and with *post facto* approval of Government (May 1970), the Office was shifted back to the original private building near Ballichak on 1st December 1969, since, according to the District Magistrate, Midnapore (March 1970), "the activities of the extremist elements in Debra area mounted to a dangerous level causing deep concern to the general administration". The Office continued (February 1977) to be located in the rented building, as the buildings put up at Dalapatipur were not made fit for occupation after necessary repairs. According to the Block Development Officer, repair estimates for Rs.0.65 lakh, submitted to the District Magistrate, Midnapore in December 1971, had not been sanctioned (February 1977). The Executive Engineer, Rural Reconstruction Division, Calcutta stated (July 1976) that the cracks had developed mainly on account of the nature of the soil. The Block Development Officer stated (September 1976) that the buildings were in a dilapidated condition. Meanwhile, Rs.0.19 lakh were spent on rent for office building from January 1967 to August 1969 and again from December 1969 to February 1977.

The matter was reported to Government in February 1976 ; reply is awaited (April 1977).

3.4. Oil and ghee grading laboratories

According to the Agricultural Produce (Grading and Marking) Act, 1973, producers of commodities like oil, ghee, etc., are allowed to use grade designation mark (Agmark) implying conformity of their products with certain standards of quality. The 'Agmark' seal guarantees the quality of the goods to the purchaser. Grading under the Act is voluntary.

(a). **Oil grading laboratories :** Government sanctioned in February 1965, a scheme for establishment of laboratories at Calcutta, Midnapore and Howrah to provide grading facilities for the manufacturers of mustard oil, particularly those having no laboratories of their own. As per the scheme, testing and grading of oil in each laboratory were to be done by the Chemist of the laboratory. Each of these laboratories was to be self-supporting and, for this purpose, fees at Rs.3 per quintal or part thereof subject to a minimum of Rs.30 were fixed in February 1965. The fees were revised to one rupee per quintal or part thereof subject to a minimum of Rs.10 from September 1970.

All the three laboratories were established in 1965 and staff consisting of an Inspector, a Laboratory Assistant and a Grading Assistant for each laboratory were appointed ; however, there was delay in commencement of work in the laboratories, as indicated below :

Laboratory			Month from which started functioning
(i) Calcutta	..	..	.. June 1969
(ii) Midnapore	..	..	.. January 1967
(iii) Howrah	..	..	.. May 1966

The expenditure on staff and contingencies till the time the laboratories at Calcutta, Midnapore and Howrah started functioning was Rs.0.72 lakh*, Rs.0.30 lakh and Rs.0.09 lakh respectively. The Additional Director of Agriculture (Marketing) stated (July 1976) that the delay was due to non-availability of qualified persons to fill the posts of Chemists. It was also stated (October 1976) that "the then scale of pay did not attract qualified persons".

While setting up the laboratories it was anticipated (on the basis of average annual production of mustard oil by the local small processing units) that 80,500 quintals of mustard oil would be graded annually (Calcutta : 22,300 quintals ; Midnapore : 28,000 quintals and Howrah : 30,200 quintals). The cumulative quantity graded during the ten years up to 1975-76 was 17,168 quintals according to the information furnished by the Chemists of the laboratories (Calcutta : 6,712 quintals ; Midnapore : 7,202 quintals and Howrah : 3,254 quintals).

The Additional Director of Agriculture (Marketing) stated (July 1976) that the target could not be achieved as grading was not compulsory and the volume of testing work with the laboratories depended on the response of the millers. Government stated (November 1976) that unscrupulous traders had consistently tried to avoid grading for evading the small service charges.

The fees realised by these laboratories up to 1975-76 amounted to Rs.0.34 lakh (Calcutta : Rs.0.15 lakh, Midnapore : Rs.0.09 lakh and Howrah : Rs.0.10 lakh) against the total expenditure of Rs.10.38 lakhs (Calcutta : Rs.2.85 lakhs, Midnapore : Rs.3.74 lakhs and Howrah : Rs.3.79 lakhs) incurred during the same period. The matter was reported to Government in August 1976. Government agreed (November 1976) that the receipts "failed to match the expenditure for maintenance of the laboratories".

*Up to March 1969 ; expenditure for April and May 1969 was not available.

(b) **Ghee-cum-mustard oil grading laboratory:** Under the Prevention of Food Adulteration Act, 1954, ghee produced in the Bishnupur sub-division of Bankura district is not to be sent for sale or storage in any area outside the jurisdiction of the sub-division except under 'Agmark' seal. A ghee grading laboratory was, therefore, set up at Bishnupur in January 1962. Grading of mustard oil was also undertaken therein from 1971. A fee at 6 paise per kilogram, based on the actual cost involved, was prescribed (July 1970) by Government for grading of ghee. The laboratory could not start functioning earlier than July 1970, reportedly for want of a Chemist. The expenditure on staff and contingencies till the time the laboratory started functioning was Rs.0.61 lakh. According to the information furnished in July 1976 by the Additional Director of Agriculture (Marketing), 34.17 quintals of ghee and 335.26 quintals of mustard oil were graded in the laboratory up to 1975-76. No targets for quantities to be graded annually had been fixed.

The grading of insignificant quantities of ghee in the laboratory was attributed (July 1976) by the Additional Director of Agriculture (Marketing) to fall in production of ghee consequent upon the setting up (October 1972) of a chilling plant at Bishnupur by Durgapur Dairy, clandestine export of ungraded ghee and reluctance of ghee manufacturers to maintain records for the purpose of sales tax which was payable on the sale of graded ghee. The Additional Director also stated (October 1976) that contacts were being made with administrative authorities for enforcing the ban on export.

According to the information furnished (July 1976) by the Chemist, the total expenditure incurred on running the laboratory during 1962-63 to 1975-76 was Rs.1.94 lakhs against which aggregate fees of Rs.970.17 only were realised between 1970-71 and 1975-76.

Government stated (November 1976) that it was "seriously considering the question of winding up the laboratories to stop such recurring infructuous expenditure as early as possible".

3.5. Production of cotton

For production of cotton in 1,250 acres in the districts of Howrah, Midnapore and 24-Parganas (including the Sundarbans), the Director of Agriculture procured (November 1975) 14 tonnes of cotton seeds (value : Rs.0.34 lakh ; transport charges : Rs.0.04 lakh) from Andhra Pradesh. Seeds of the requisite germinating capacity (minimum 60 per cent) were reportedly not available in West Bengal.

The seeds (14 tonnes), after receipt in the Central Plant Protection Store, Calcutta, were lifted (November-December 1975) by the Agricultural Officers-in-charge of the districts concerned for distribution, through Block Development Offices, for sowing in Government farms and farmers' fields. Eleven tonnes of

seeds were used for sowing during the season (November 1975-January 1976) and the remaining three tonnes (value : Rs.7,290) were in stock (September 1976). The Director stated (October 1976) that "arrangement is being made for disposal of the stock for non-seed purpose".

The yield of cotton from the seeds (11 tonnes) sown was as follows :

District	Area covered by sowing	Quantity of seeds sown	Yield of cotton
	(In acres)	(In tonnes)	(In quintals)
Howrah ..	336.45	1.395	8.82
Midnapore ..	279.75	2.786	64.50
24-Parganas ..	430.47	6.647	156.67
Total ..	1,046.67	10.828	229.99

The utilisation of seeds was nearly 10 kg per acre on an average, as against the prescribed rate of 8 kg per acre. The value of fertilisers and pesticides supplied for cultivation was Rs.1.09 lakhs. The average yield of cotton was nearly 0.22 quintal per acre against the expected yield of 3.5 quintals as stated (September 1976) by the Director. On this basis the shortfall in yield was 3,433 quintals (value : Rs.11.50 lakhs @ Rs.335 per quintal).

The Director of Agriculture initiated (March 1976) an enquiry to ascertain the reasons for the poor germination of the seeds. The enquiry report disclosed (April 1976) that at the time of procuring the seeds from Andhra Pradesh the germination capacity of the seeds was tested "in 4-5 days which time is not enough to indicate the proper germination percentage". The enquiry committee recommended *inter alia* that "in future more time may be given for proper testing of seeds". The report was accepted (September 1976) by the Director of Agriculture.

The matter was reported to Government in August 1976 ; reply is awaited (April 1977).

3.6. Pilot Intensive Rural Employment Project

Under the Pilot Intensive Rural Employment Project, implemented in Nayagram block of Midnapore district between December 1972 and June 1976, schemes for excavation and re-excavation of tanks and construction of compost pits were taken up by the Department, as stated below :

(a) **Excavation and re-excavation of tanks :** Twentytwo tanks were taken up for excavation and 32 for re-excavation between March and June 1974 at an estimated cost of Rs.9.87 lakhs. Of these, 25 were on land vested in Government and 29 on private land. On completion, the Tank Improvement Officer, Midnapore was to take possession of the tanks for irrigation, pisciculture

and collection of revenue from the beneficiaries. A declaration was obtained by the Department from each of the private owners to the effect that water for irrigation would be available to the general public without prejudice to the owner's other rights.

Work on 51 tanks was completed by September 1975 and work on the remaining three tanks was completed in March 1976 at a total cost of Rs.9.72 lakhs. The Tank Improvement Officer, Midnapore took possession of 25 tanks, all on vested land, in December 1975 (cost : Rs.3.79 lakhs). Only two of these could be leased out for pisciculture at an annual lease rent of Rs.205 and Rs.100 ; the remaining tanks could not be leased out in the absence of bidders. The 29 tanks on private land (cost : Rs.5.93 lakhs) could not be taken over as the owners did not allow the public to use the water of these tanks for irrigation. Government Pleader's advice on the validity of the objection is under consideration of Government (April 1977).

(b) **Construction of compost pits :** Under the project, construction of 1,209 compost pits on beneficiaries' land for preparation of organic manure was taken up in October 1975. The project was, however, wound up in March 1976 though some residual work continued up to June 1976. The Principal Agricultural Officer, Midnapore-West stated (September 1976) that by June 1976 construction of 326 pits was complete in all respects, work on 442 pits did not proceed beyond the stage of excavation and in respect of the remaining 441 pits, work was done up to the stage of soling and bouldering. The expenditure on 326 completed pits was Rs.1.68 lakhs and that on the incomplete ones (883), Rs.2.70 lakhs including an undischarged liability of Rs.0.34 lakh. The Principal Agricultural Officer also stated (November 1976) that manure could not be prepared in 883 incomplete pits. Government added (March 1977) that there was no proposal to resume work on the incomplete pits.

Cottage and Small Scale Industries Department

3.7. Industrial Estate Area Development Scheme at Durgapur

In March 1968, Government purchased 12.70 acres of land from the Durgapur Development Authority at a cost of Rs.1.84 lakhs for implementation of the Industrial Estate Area Development Scheme at Durgapur. The scheme envisaged development of sites with facilities like water supply, drainage, electricity, etc., and allotment of the developed sites to entrepreneurs for setting up small industries. The scheme was to be implemented by the Rural Industries Project Office, Durgapur (merged with the Rural Industries Project Office, Bankura from August 1976). Rupees 4.12 lakhs were advanced between April 1969 and April 1971 to the Durgapur Development Authority, being the agency employed by the Project authorities for execution of different items of work, viz., filling up of low land, construction of administrative buildings for the Rural Industries Project, roads and drains covering 3.20 acres of land and installation of electrical and water pipe lines. All the items of work, except construction of administrative buildings and black-topping of roads,

were completed by June 1972 and 71 plots covering 9.50 acres in all were developed. Of these, two plots (one acre) were earmarked for administrative buildings and 69 plots (8.50 acres) were available for allotment. Detailed bills showing the actual expenditure on the completed items of work were awaited by the Project Officer from the Durgapur Development Authority (November 1976).

All the 69 plots were leased out (52 in 1972, 9 in 1973 and 8 in 1974) to different entrepreneurs on 99 years' lease at a rental of Rs.16.80 per 100 square feet per annum. According to the lease agreement, if the land was not used by a lessee for carrying on manufacturing business continuously for a period of 12 months from the date of agreement, the lessee was liable to pay such penalty as might be assessed by Government by way of liquidated damages, besides ejection. Up to September 1976, only 34 plots were used by the lessees concerned in setting up manufacturing business (such as chemicals, ceramics, soap, candles, etc.), while the remaining 35 plots (allotted between September and December 1972) had not been so used. No penalty had been imposed on the defaulting lessees. According to the Project Officer, ejection notices were under process (September 1976).

Rental totalling Rs.2.13 lakhs had become due for recovery from the lessees at the end of September 1976. Of this, Rs.0.77 lakh had been realised, leaving a balance of Rs.1.36 lakhs ; of the latter, Rs.0.79 lakh pertained to unused plots.

The Project Officer, Rural Industries Project, Bankura stated (September 1976) that the delay in the setting up of business in the remaining 35 plots was due to the time taken by the entrepreneurs in obtaining loans from banks.

The matter was referred to Government in September 1976 ; reply is awaited (April 1977).

Health and Family Planning Department

3.8. Post-graduate degree and diploma courses in Forensic and State Medicine in Medical College, Calcutta

Government approved in March 1971 a scheme for opening post-graduate diploma and degree courses in Forensic and State Medicine in the Medical College, Calcutta by upgrading the existing facilities. Necessary arrangements for the purpose were completed by January 1974. A floor of the college building was renovated during 1973-74 at a cost of Rs.0.94 lakh. Further, equipment and appliances (Rs.3.06 lakhs), books (Rs.0.15 lakh), furniture (Rs.0.49 lakh) and miscellaneous articles (Rs.0.26 lakh) were purchased between 1971-72 and 1974-75; Rs.1.68 lakhs were spent on pay and allowances of the additional teaching and non-teaching staff during the period 1972-73 to 1975-76.

Approval of the University of Calcutta was necessary for providing instruction in the proposed post-graduate courses of study. The application for the purpose was submitted to the University by the Director of Health Services only on 10th December 1975; approval was awaited and the post-graduate courses of study had not been introduced (September 1976). It was stated (June 1976) by the Principal that "the instruments thus purchased are being utilised for research and other ancillary investigations relating to medicolegal works and the staff of the department are being well trained to get themselves oriented and acquainted with research and other problems". Government stated (June 1976) that the matter was under examination in consultation with the Director of Health Services and the Education Department. Government added (March 1977) that it had since recommended the granting of affiliation of the post-graduate courses of study by the Calcutta University and that the Education Department had been requested to expedite the matter.

3.9. Establishment of health centres

3.9.1. Introduction

3.9.1.1. In 1947, Government introduced a scheme for establishment of health centres in each *thana* and union in the State to provide medical benefits to rural people. The scheme was modified in 1958 to establish one primary health centre with ten beds and at least two subsidiary health centres with two emergency non-dieted maternity beds in each block. Up to 1968-69, 223 primary health centres (3,460 beds) and 542 subsidiary health centres (2,054 beds) had been set up in the State; on an average one bed was available for every 5,800 of the rural population.

3.9.2. Expenditure

3.9.2.1. The expenditure incurred on the scheme from 1969-70 to 1975-76 is given below :

Year	Revenue expenditure	Capital expenditure	Total
	(In lakhs of rupees)		
1969-70	3,19.40	14.53	3,33.93
1970-71	2,93.49	19.74	3,13.23
1971-72	3,75.26	18.35	3,93.61
1972-73	3,97.80	84.35	4,82.15
1973-74	4,52.92	1,05.21	5,58.13
1974-75	5,21.59	2,42.88	7,64.47
1975-76	6,29.30	3,37.18	9,66.48
	Total	8,22.24	38,12.00

Expenditure on pay and allowances accounted for about 73 per cent of the revenue expenditure incurred during 1969-70 to 1975-76. Contingent expenditure (about 27 per cent) included cost of medicines and diet charges.

3.9.3. The accounts and other records for the period from 1969-70 to 1975-76 relating to the districts of Bankura, Cooch Behar, Howrah and Murshidabad were test checked in audit. The points noticed are mentioned in the succeeding paragraphs.

3.9.4. Establishment of health centres

3.9.4.1. The year-wise target for establishment of health centres and the actuals thereagainst during the years 1969-70 to 1975-76 were as follows:

Year	Target			Number actually established		
	Primary health centres	Subsidiary health centres	Total	Primary health centres	Subsidiary health centres	Total
1969-70 ..	10	20	30	7	11	18
1970-71 ..	10	20	30	10	5	15
1971-72 ..	20	30	50	39	(-)28*	11
1972-73 ..	20	40	60	7	(-)2*	5
1973-74 ..	28	35	63	4	7	11
1974-75 ..	16	82	98	2	20	22
1975-76 ..	25	100	125	11	43	54
Total ..	129	327	456	80	56	136

In all 2,276 beds were added at the new and existing health centres during this period.

The shortfall was stated (October 1976) by the Department to be due to one or more of the following reasons:

- (i) lack of adequate financial provision; ..

*Due to conversion of subsidiary health centres to primary centres.

- (ii) abnormal increase in the cost of building materials and labour charges, dearth of suitable contractors and communication and transport difficulties in rural areas;
- (iii) non-availability of suitable land; and
- (iv) reluctance on the part of doctors and nurses to serve in rural areas.

3.9.4.2. At the end of 1975-76, the number of health centres in the State was (i) 303 primary centres with 5,395 beds and (ii) 598 subsidiary centres with 2,395 beds. Out of 335 blocks in the State, 10 blocks had no health centres while in 22 there were no primary health centres, and in 45 there were no subsidiary health centres. On the basis of the total rural population of 33.34 million (1971 census), one bed was available on an average for every 4,280 of the rural population.

3.9.5. Selection of site

3.9.5.1. District Magistrates/Deputy Commissioners in consultation with Chief Medical Officers of Health and local engineers of the Public Works Department/Construction Board select the sites, preference being given to places where land and/or money are donated by local people.

3.9.5.2. Considerable time lag was noticed between the registration of transfer of land and according of administrative approval by Government for construction of health centre buildings. A few instances are given below:

District	Name of health centre	Month of registration of land	Month of according administrative approval
Bankura	.. Barikul	.. March 1962	.. September 1967
	Kastora	.. September 1962	July 1971
	Lakshmisagar	.. April 1962	.. January 1966
	Radhanagar	.. April 1963	.. January 1972
Cooch Behar	.. Dewanhat	.. January 1972	May 1975
	Nayerhat	.. May 1969	.. May 1972
	Sitalkuchi	.. September 1962	September 1966

According to the Chief Medical Officer of Health, Bankura (December 1976), the delay was due to the time required for demarcation of land and taking possession of it after execution of the deeds of gift. The delay was attributed by the Chief Medical Officer of Health, Cooch Behar (December 1976) to the time taken for revision of original plans and for getting objection-free right to donated land.

3.9.6. Construction

Considerable delay was noticed in the handing over of land by the Chief Medical Officers of Health to the Public Works Department/Construction Board for construction even after issue of administrative approval by Government. Some instances are given below:

District	Name of health centre	Month of according administrative approval	Month of handing over land to the Public Works Department/Construction Board
Bankura	Gunnath	November 1970	November 1971
Cooch Behar	Angrakata— Paradubi	October 1973	August 1974
	Jamaldaha	October 1973	August 1974
	Nayerhat	May 1972	November 1973
	Okrabari	November 1972	November 1973

The delay was attributed by the Chief Medical Officer of Health, Bankura (June 1976) to late receipt of the deeds of gift of land from the registration offices.

3.9.6.1. It was found that agencies (Public Works Department/Construction Board) entrusted with the construction of health centres took considerable time in completing the works although there was, according to the concerned Executive Engineers (December 1976), no lack of funds.

A few instances are cited below :

District	Name of health centre	Estimated cost	Month of commencement of construction	Scheduled date of completion	Month of completion of construction
<i>(In lakhs of rupees)</i>					
Bankura	Gunnath ..	0.90	July 1971	January 1972	March 1975
	Sarenga ..	2.55	December 1972	December 1973	January 1975
Howrah	Brindabanpur	2.20	May 1971	November 1972	February 1976
Munshidabad	Habaspur ..	1.81	February 1975	August 1975	June 1976
	Mahammadpur	1.82	November 1974	May 1975	75 per cent of the work completed (July 1976)
	Oper-orhar	2.44	August 1975	February 1976	28 per cent of the work completed (July 1976)
	Tungi ..	1.45	May 1973	November 1973	February 1975

The reasons for the delay as stated by the Executive Engineers (October 1976) were :

- (i) remoteness of sites ;
- (ii) want of suitable approach roads ;
- (iii) non-availability of building materials and skilled labour in rural areas ;
- (iv) transport difficulties in carrying building materials to sites ; and
- (v) sites in low lying areas remaining waterlogged during rainy season.

3.9.6.2. Construction of buildings to accommodate family planning wing and staff quarters for 10 health centres in Bankura and Purulia districts, taken up in April 1973, was suspended in November 1973 after Rs.2.67 lakhs had been spent. By that time construction up to various stages between plinth level and lintel level had been completed. The works, stated by the Executive Engineer (March 1975) to have been suspended for paucity of funds, had not been resumed (September 1976).

3.9.6.3. Construction of health centre buildings at Saltora in Bankura district, taken up in July 1963 (accepted amount of tenders: Rs.1.54 lakhs) and scheduled to be completed by July 1964, was actually completed in April 1974 (actual cost: Rs.1.74 lakhs). The contractor entrusted (July 1963) with the work failed to complete the work and a second contractor had to be employed (December 1965) but the latter also left the work incomplete. A third contractor had to be engaged to complete the work.

3.9.6.4. The Pulsanda health centre (cost of construction: Rs.0.81 lakh) and the Sagardighi health centre (cost of construction: Rs.2.41 lakhs) were opened in December 1965 and May 1970 respectively. According to the Chief Medical Officer of Health, Murshidabad, the roofs and walls of almost all the buildings of these centres had developed cracks (July 1976) and the basement had sunk by two to three inches. He also stated (December 1976) that the matter had been referred to the Chief Engineer, Construction Board but repairs had not been carried out.

3.9.7. Electrification

It was noticed during test check that there were delays in getting service connections after completion of electrical wiring, although power was available nearby. A few instances of delay noticed in the four selected districts are given below:

District	Health centre	Month of completion of wiring	Month of getting service connection
Bankura	.. Barjora	.. January 1973	October 1973
	.. Mejhia	.. November 1974	October 1975
Cooch Behar	.. Bokalimath	.. April 1973	.. June 1974
	.. Tufanganj	.. February 1966	August 1972
Howrah	.. Khosalpur	.. September 1974	Not yet obtained
	.. Nonakundu	.. March 1974	.. Ditto
Murshidabad	.. Ahiron	.. July 1975	.. March 1976
	.. Anupnagar	.. July 1975	.. March 1976

During the period when electricity was not available, the centres functioned with kerosene lanterns, dry cells, etc.

3.9.8. Water supply

Tubewells and ringwells are the main sources of water for the health centres. At 60 centres in the four selected districts, the Medical Officers-in-charge stated (July-August 1976) that the water supply arrangements were inadequate and that frequent disorders of the existing sources adversely affected the functioning of the centres.

3.9.9. Delay in opening of health centres

Besides the delays in selection of sites, construction of buildings and their electrification, the opening of health centres was also found during test check to have been delayed due to non-posting of requisite medical and para-medical staff. A few cases of such delay are cited below :

District	Health centre	Month of completion / handing over of the building	Month of Government order conveying sanction to the opening of the centre	Month of actual opening of the centre
Bankura	Kankradara	August 1970	January 1971	April 1972
	Lakshmisagar	July 1969 ..	April 1970 ..	August 1972
	Radhanagar	August 1970 ..	December 1970	November 1972
Howrah	Bargara-chumbak.	November 1973	June 1974 ..	June 1975
	Pichaldaha	December 1974	June 1975 ..	February 1976
Murshidabad	Kolan-Radhakantapur	December 1975	December 1975	Not yet opened

The Director of Health Services stated (January 1977) that reluctance on the part of doctors and nurses to serve in rural areas was the reason for the delays in the opening of the health centres.

3.9.10. Addition of beds

Four hundred and thirtyfour dieted beds, sanctioned during 1974-75 and 1975-76, were to be added to 87 existing subsidiary health centres, each of which had two emergency non-dieted maternity beds, in the four selected districts. According to the Chief Medical Officers of Health, the beds could not be provided (August 1976) for want of kitchens and non-posting of required staff.

3.9.11. Establishment of sub-centres

In order to provide domiciliary services concerning (a) public health, (b) family planning, (c) maternity facilities, etc., to the rural people, 600 sub-centres were to be set up in the State during 1974-75 and 1975-76, with one midwife-cum-assistant nurse and one health assistant in each sub-centre. In the four districts test checked, it was seen that out of 129 sub-centres approved by Government only one was opened (district Bankura) up to July 1976, although possession of buildings for 49 sub-centres had been taken till that time by the concerned Chief Medical Officers of Health. The reasons as stated by the concerned Chief Medical Officers of Health (July-August 1976) were delay in the issue of formal orders of Government conveying sanction for opening of sub-centres and non-posting of para-medical staff.

3.9.12. Utilisation of facilities created

3.9.12.1. Shortage of medical officers

According to the Directorate of Evaluation of the Development and Planning Department, shortage of adequate number of medical officers affected the functioning of the primary health centres. As regards subsidiary health centres, Government considered (February 1976) that these centres were "without doctors thereby depriving the rural people of the much needed medical relief". The concerned Chief Medical Officers of Health stated (August 1976) that in the absence of medical officers the subsidiary health centres were being run by pharmacists who sometimes provided in-door treatment.

3.9.12.2. Non-utilisation of beds

The table below indicates the number of health centres and the utilisation of the dieted beds in the four selected districts during the year 1975-76.

District	Total number of health centres with dieted beds	Rate of utilisation of beds				
		100 per cent	80 to 90 per cent	60 to 80 per cent	50 to 60 per cent	Below 50 per cent
Bankura ..	32	23	2	Nil	Nil	7
Cooch Behar	11	9	1	Nil	1	Nil
Howrah ..	22	11	3	6	2	Nil
Murshidabad	36	27	4	3	1	1

In the case of subsidiary health centres having two non-dieted emergency maternity beds, the number of patients seeking admission during the years 1973-74 to 1975-76 was nil or negligible. According to the concerned Chief Medical Officers of Health (July-August 1976), these beds were not popular amongst the rural people as diet was not being supplied and the health centres were being run by pharmacists in many cases.

3.9.12.3. Out-patient Department

The average* number of patients receiving outdoor treatment per day during 1975-76 varied widely from centre to centre. The highest and the lowest of such averages in each of the four selected districts were as below :

District	Primary health centre		Subsidiary health centre	
	Highest	Lowest	Highest	Lowest
Balkuta ..	269	67	218	37
Cooh Behar ..	243	44	115	22
Howrah ..	400	104	199	43
Murshidabad ..	236	66	164	56

The Chief Medical Officer of Health, Murshidabad stated (October 1976) that the variations in the attendance of outdoor patients were due to dearth of requisite number of doctors in some of the primary health centres and lack of faith of the public in those subsidiary health centres which are run by pharmacists. The reasons for variations in the other three districts were stated (October 1976) by the Chief Medical Officers of Health to be under investigation.

3.9.13. Miscellaneous

3.9.13.1. Supply of medicines and equipment

The Central Medical Stores, Calcutta supplies medicines and equipment to the district reserve stores. The latter supply medicines and equipment to the health centres on the basis of the indents received from them. There were cases where the medicines indented were either not supplied or supplied in lesser quantities according to their availability in the district reserve stores.

*The average has been worked out by dividing the total number of patients attending a centre by the total number of working days in a year.

A test check of compliance with the indents of the health centres in the four selected districts during the year 1975 indicated the following position :

	Bankura	Cooch Behar	Howrah	Murshidabad
(i) Number of indents ..	628	191	281	1,365
(ii) Number of items indented	33,710	7,967	12,200	48,435
(iii) Number of items not supplied for want of stock	12,560 (37%)	3,957 (50%)	3,654 (30%)	17,294 (36%)
(iv) Number of items supplied in full	9,420 (28%)	119 (1%)	377 (3%)	1,239 (2%)
(v) Number of items supplied in lesser quantities	11,730 (35%)	3,891 (49%)	8,169 (67%)	29,902 (62%)

The Medical Officers-in-charge of 38 health centres in the four selected districts stated (July-August 1976) that erratic and scanty supply of medicines seriously affected the functioning of the health centres.

3.9.13.2. Physical verification of stores

Physical verification of all stores in the health centres is required to be made at least twice a year by an agency other than that responsible for the custody of the stores. It was noticed in the course of test check that in 75 health centres, such physical verification had not been done in any of the years 1973-74 to 1975-76.

3.9.13.3. Equipment lying idle

Refrigerators (19), sewing machines (22), microscopes (9) and autoclaves (3) supplied to different health centres in the four selected districts were lying unused for periods varying from 6 months to one year in the case of refrigerators/autoclaves and about ten years in the case of the other two items. Value of these articles was not available. It was stated (July-August 1976) by the concerned Chief Medical Officers of Health that the sewing machines and microscopes could not be used for want of requisite staff while the refrigerators and autoclaves needed repairs.

3.10. Miscellaneous irregularities, losses, etc.

In 80 cases, Rs.3.40 lakhs representing mainly losses due to theft, fire, irrecoverable revenue, duties and advances, remission of revenue, etc., were written off during 1975-76. The details are given in Appendix IV.

During 1975-76, *ex gratia* payments aggregating Rs.1.12 lakhs were made to 980 employees of the Oriental Gas Company's Undertaking on an *ad hoc* basis.

CHAPTER IV

Misappropriation, Defalcation, etc.**4.1. Misappropriations and defalcations**

The number of cases of misappropriation, defalcation, etc., of Government money, reported up to 31st March 1976 and on which final action was pending at the end of March 1976 was as follows:

	Number of cases	Amount (In lakhs of rupees)
Cases outstanding at the end of March 1975	460	38.03
Cases reported during 1975-76 ..	29	5.16
Cases disposed of during 1975-76 ..	6	0.27
Cases outstanding at the end of March 1976	483	42.92

Department-wise analysis of the outstanding cases is given in Appendix V. Of the 483 cases outstanding at the end of March 1976, 397 cases (amount: Rs.27.33 lakhs) were outstanding for more than five years. Sixty-three per cent of these cases related to Board of Revenue.

CHAPTER V

WORKS EXPENDITURE

Public Works Department

5.1. Construction of an indoor stadium at Eden Gardens, Calcutta

5.1.1. The Table Tennis Federation of India requested Government on 2nd February 1974 to provide it with a temporary indoor arena in Calcutta, costing about Rs.8 lakhs inclusive of furniture, fittings and lighting for holding the World Table Tennis Championship in February 1975. On 9th February 1974, Government (Education Department) communicated its acceptance in principle of the proposal and directed the Public Works Department to prepare the design and estimate for a permanent indoor stadium at Eden Gardens, Calcutta. No plans, designs or detailed estimates for the stadium were, however, prepared by the Department.

5.1.2. In April 1974, Government decided to get the stadium constructed on 'turnkey' basis. Based on the rough cost estimate of the work submitted by four architectural firms to the West Bengal Table Tennis Association (copies of which had been sent to the Department), the Chief Engineer, Public Works Department laid down the broad requirements of the stadium and invited (18th April 1974) the four firms to quote within four days, i.e., by 22nd April 1974, their offers for its construction. In the notice of invitation, only certain minimum stipulations, e.g., arrangement for 20 tables, gallery accommodation, etc., were mentioned.

5.1.3. The four firms submitted (22nd April 1974) their offers for construction of the stadium according to their own designs. The lowest quotation was for Rs.90.20 lakhs. As the Department had not prepared any design or estimate, it was in no position to compare the quotations by major components like civil works, wooden flooring, electrical installations, etc. The records did not also indicate whether there was any technical examination of the designs submitted by the firms. After discussion at Government level, a decision was taken on 22nd April 1974 (the date of receipt of the quotations) to accept the lowest quotation (Rs.90.20 lakhs) and allot the work to the tenderer on 'turnkey' basis.

5.1.4. The work commenced in May 1974 but the agreement (not in the prescribed form) with the contractor was entered into in October 1974 stipulating the date of completion as 15th November 1974. Although the agreement provided that the works were to be executed as per approved drawings, no detailed plans or drawings were prepared by the Department prior to the commencement of the work. It was stated by the Executive Engineer, City Division (February 1976) that due to shortage of time preparation of detailed drawings and specifications could not be taken up.

5.1.5. A number of additional items had to be taken up as supplementary works. The prescribed procedure for invitation of tenders was not followed in the execution of these supplementary works. Two of the works, each estimated to cost more than Rs.3 lakhs, were given on 'short notice tender'.

5.1.6. The Superintending Engineer stated (April 1976) that construction of the main stadium continued up to January 1975 and that the sites for the construction of compound wall, road, etc., could not be made available earlier. As a result, the work had to be split up at a later stage to ensure timely completion. It had been specified in the conditions of the agreement that 'all civil engineering works' would form part of the agreement but in paragraph 2 of the agreement, site development, boundary walls and gates were excluded from the scope of the work.

5.1.7. The firms had been asked (April 1974) by the Chief Engineer to take the following item into consideration in submitting their quotations :

"gallery accommodation for 12,000 spectators with arrangement for proper ventilation and acoustics as per direction of the Chief Government Architect".

In November 1974, the Government (Education Department) approved a proposal to provide back rest for the gallery subject to final determination as to whether the provision of back rest constituted a part of the agreement already made. When this matter was referred by the Education Department to the Chief Engineer, the latter clarified in December 1974 that back rest for general gallery constituted a part of the agreement with the contractor. The seating arrangement which as per the agreement was to be in concrete slab with back rest was replaced by "multiple seating arrangement, steel frame fixed type chairs" and orders for 10,600 chairs were placed on the contractor, for which payment of Rs.4.45 lakhs was made in September 1975 after deducting proportionate cost of the back rest included in the original agreement.

The agreement also provided that for additional works relating to the variations ordered by Government, the contractor would be entitled to extra payment as per the schedule of rates of the Presidency Circle of April 1974 plus 74 per cent. (The percentage of variations from the schedule of rates in the case of other short notice tenders obtained by the Department for certain additional works at about the same time ranged between 5 and 30.16). The Department placed orders in December 1974 for 1,561 chairs of a special type on the contractor as a supplementary item. According to the provisions of the agreement, the contractor claimed and was paid a sum of Rs.1.01 lakhs over and above the manufacturer's rate. This extra payment could have been avoided had the Department obtained the chairs directly from the manufacturer.

5.1.8. Government (Education Department) had given administrative approval for the indoor stadium in July 1974 for Rs.90.20 lakhs. A number of additional works like site development, water supply and air-conditioning (1st phase) were also taken up by the Public Works divisions pending Government approval. Government separately approved estimates of Rs.1,30.00 lakhs for centrally air-conditioning the entire indoor stadium. The expenditure incurred (April 1977) on these items is given in the table below :

Serial no.	Name of work	Estimated cost	Actual expenditure
<i>(In lakhs of rupees)</i>			
1.	Construction of indoor stadium inclusive .. of electrical installations, sub-station, etc.	90.20	1,28.14
2.	Central air-conditioning ..	1,30.00	1,02.81

All the above works have been completed except for 2 per cent (approximately) of the central air-conditioning work (April 1977).

5.1.9. In addition to the main indoor stadium, construction of Khudiram Stadium for practice games was also administratively approved by the Education Department in January 1975 at a cost of Rs.4.80 lakhs. It was envisaged that the cost of this stadium would be reimbursed by the Organising Committee of the 33rd World Table Tennis Championship. While expenditure aggregating Rs.6.91 lakhs has been incurred, there has been no recovery from the Organising Committee (April 1977).

5.1.10. Expenditure on a large number of items which did not form part of the two stadia was incurred by the City Division on behalf of the Table Tennis Federation of India by debiting the expenditure to a suspense account. The expenditure incurred, viz., Rs.1.16 lakhs, has not been recovered from the Federation (April 1977).

5.1.11. The matter was reported to Government in November 1975; reply is awaited (April 1977).

5.2. Delay in construction of building

Administrative approval for the construction of a two-storeyed building for the Civil Defence Organisation at a cost of Rs.10.45 lakhs (Rs.5.20 lakhs for land and Rs.5.25 lakhs for the structural portion) was accorded by the Public Works Department in December 1965.

Part of the work (foundation up to plinth level) estimated to cost Rs.1.65 lakhs was put to tender in September 1965 and the lowest tender of 1.65 per cent above the estimate was accepted; the work order was issued

in February 1966. The work could not, however, be started firstly, due to non-availability of land and, secondly, due to subsequent decision to include basement floor in the building. In June 1966, the Superintending Engineer ordered the invitation of fresh tenders.

Tenders for the structural portion estimated to cost Rs.5.52 lakhs were invited in November 1970 and the lowest rate of 4.5 per cent above the estimate was accepted in December 1970. The work order was issued in January 1971 with a time limit of 15 months for completion. The contractor executed work valued at Rs.0.23 lakh up to 15th July 1971 and the contract was rescinded (May 1972) due to failure of the contractor to proceed with the work.

The estimate for the remaining work was revised in 1972-73 to Rs.6.46 lakhs due to rise in cost of labour and materials. This was put to tender and the rate of 18 per cent above the estimate was recommended (August 1972) by the Superintending Engineer for acceptance, the rate being justified on grounds of increase in the cost of materials and labour, construction of basement floor, etc. Government approved the proposal in May 1973 and the work was completed on 15th June 1975 at a cost of Rs.7.81 lakhs (including Rs.0.23 lakh spent up to 15th July 1971) as against the original estimate of Rs.5.25 lakhs.

Government stated in August 1976 that the delay was, *inter alia*, due to non-availability of land, abnormal delay in finalisation of the building plan by the Civil Defence Directorate, belated decision to incorporate a basement floor in the design and want of working space for the contractor.

Public Works (Metropolitan Development) Department

5.3. Salt Lake Reclamation Scheme

5.3.1. Introduction

5.3.1.1. The census report of 1951 had disclosed a high average population density of 140 per acre in Calcutta and the situation was further aggravated by the continued influx of refugees from erstwhile East Pakistan. The growth of population made it an imperative necessity to find additional space for expansion of the city. The geographical situation of Calcutta with river Hooghly on the west and the salt lake marshes on the eastern environs had restricted its development to the left bank of the Hooghly in a north-south direction. To provide a remedy to this situation and also, in order to improve the sanitary conditions in the immediate environs of Calcutta city, reclamation of the northern salt lake area and development of a part of the area for city extension purposes were considered by Government.

5.3.2. Estimates

5.3.2.1. In February 1954, Government appointed a foreign consultant to undertake necessary study and investigation for reclamation of the salt lake areas. Based on the report of the consultant (July 1955), a project estimate was prepared by the Special Engineer, Salt Lake in December 1959 for reclamation and development of 3.75 square miles (2,400 acres) out of 18 square miles of the northern salt lake area. This part is situated on the border of the city of Calcutta on its north-east side. It is bounded on the west and south-west by the New Cut Canal, on the north by the Krishnapur Canal and on the east and south-east by the remaining 14.25 square miles of the salt lake area. The estimated cost (December 1959) of the project was Rs.19,20.00 lakhs of which Rs.12,70.00 lakhs were for reclamation works and the balance (Rs.6,50.00 lakhs) was earmarked as the lump-sum requirement for development works, namely, roads, water supply, sewerage system, electrification, etc. This estimate was approved by Government in June 1960.

5.3.2.2. The project estimate envisaged that the area which had a low elevation varying from 3.00 to 8.00 R.L. would be reclaimed and raised to an average elevation of 11.00 R.L. by dumping the soil obtained from dredging the river Hooghly and pumped through a pipe line to the site. (R.L. indicates "reduced level").

5.3.2.3. The main items of works with estimated cost were as follows :

Reclamation works

- (1) Dredging soil from the bed of the river Hooghly and pumping it into the area for raising its level (Rs.9,67.35 lakhs).
- (2) Installation of a sewage treatment plant at Bagjola (Rs.49.38 lakhs).
- (3) Construction of dry weather flow and storm water channel from Dhapa to Bantala (Rs.16.50 lakhs).
- (4) Construction of a pumping station at Dhapa (Rs.14.23 lakhs).
- (5) Construction of an additional sedimentation tank at Bantala for disposal of dry weather flow from the city extension area (Rs.10.00 lakhs).
- (6) Construction of bridges over the New Cut Canal and Krishnapur Canal to provide facilities for direct communication with Calcutta (Rs.10.00 lakhs).

Development works

Construction of roads, water supply, sewerage system, drains, parks, electrification, etc. (Rs.6,50.00 lakhs).

5.3.2.4. Revised estimates

In December 1970, the Special Engineer of the project submitted to Government a revised estimate for Rs.39,34.00 lakhs. The main variations from the original sanctioned estimate were as below:

Main components	Provision in sanc- tioned pro- ject esti- mate	Provision in the revised esti- mate	Variations
<i>(In lakhs of rupees)</i>			
Reclamation works	12,70.00	15,73.00	3,03.00
Development works	6,50.00	21,91.00	15,41.00
Interest	Nil	1,70.00	1,70.00
Total	19,20.00	39,34.00	20,14.00

5.3.2.5. The increase in the revised estimate for the reclamation works was stated to be due mainly to the following factors:

	Amount
<i>(In lakhs of rupees)</i>	
(a) Increase in provision for land acquisition	49.83
(b) Increase in height of filling from 11 R. 1. to 12 R. 1	1,07.12
(c) Filling up of New Cut Canal (new item not contemplated in the original estimate)	30.72
(d) Changes in the sewerage system	31.53
(e) Development of Dhapa for resettlement of displaced persons (new item)	31.96
(f) Tools and plant	22.01
(g) Increased provision for establishment (including work charged establishment)	1,18.05
	3,91.22
LESS	
Savings under different items :	
(a) Net saving in reclamation contract	28.18
(b) Fishery development scheme since abandoned	21.07
(c) Saving under contingencies	40.55
	89.80
Total	3,01.42

5.3.2.6. The sanctioned project estimate (June 1960) contained a lump sum provision of Rs.6,50.00 lakhs for the development works. The Estimates Committee (1965-66) was informed by the officials of the Salt Lake Reclamation and Development Board (referred to in paragraph 5.3.3.1) that the Chief Engineer, Construction Board (Public Works Department) had estimated the cost of development of the new township to be about Rs.6.50 crores on the basis of the cost of development of Kalyani Township. The revised project estimate included the following provisions for development works :

Item	Amount
	<i>(In lakhs of rupees)</i>
Preliminary works	8.73
Buildings	34.00
Roads	6,39.60
Sewerage works	3,91.43
Tree plantation	11.27
Special tools and plant	31.50
Local centres	1,35.00
Car parks	5.00
Parks	35.00
Town planning	4.82
Levelling and dressing of plots	10.00
Gardening of parks	5.00
Water supply	1,26.22
Drainage works	5,15.18
Lakes, main market, social and recreation centre	1,65.00
Miscellaneous	55.50
Workshop and garage	4.00
Underground conduit for drainage of Maniktola area	14.00
Total	21,91.25

5.3.2.7. The cost of electrification and gas supplies was not included in the revised estimate as these were to be commercial projects of the West Bengal State Electricity Board and the Gas Supply Company respectively and the capital cost was to be borne by them.

5.3.2.8. The revised project estimate was returned by Government to the Special Engineer (May 1973) with certain comments. The revised estimate has not been resubmitted to Government yet (March 1977).

5.3.2.9. The Special Engineer stated (August 1976) that the provisions made for different items in the revised estimate could not be treated as final as the development programme for all the sectors including Sector I had not been finalised.

5.3.3. Organisational set-up

5.3.3.1. In order to ensure quick and efficient execution of the project, the Salt Lake Reclamation and Development Board was constituted by Government on 14th September 1960. The Board consisted of seven members, five of whom were retired Government officers and one was a non-official member. It was presided over by the Secretary, Irrigation and Waterways Department.

5.3.3.2. In keeping with a recommendation by the Estimates Committee, the Board was abolished with effect from 14th September 1965 and all its work was taken over by the Irrigation and Waterways Department. A technical committee was constituted on 30th March 1966 consisting of the Chief Engineer, Construction Board and representatives of the Calcutta Metropolitan Planning Organisation, Calcutta Corporation, Calcutta Improvement Trust, Port Commissioners and the Public Health Engineering Directorate.

5.3.3.3. The execution of the project was the responsibility of the Special Engineer. The administrative control of the project was transferred to the Public Works Department with effect from September 1974.

5.3.3.4. For the execution of the scheme, four divisions were created in 1962. Since 1967-68 three divisions are functioning.

5.3.4. Financing pattern

5.3.4.1. The project was initially included in the Third Five-Year Plan. It was expected that from 1966-67 onwards it would be a self-financing scheme as the sale proceeds of the land would be sufficient to meet the cost of the project. Consequently, the scheme was not included within the ambit of the Plan from that year.

5.3.5. Progress of work

5.3.5.1. The project report contemplated that

- (i) the reclamation works would be completed in seven years and
- (ii) the development of the reclaimed area would be undertaken after three years from the commencement of filling operations and be completed in nine years.

In other words, the project was envisaged to take twelve years for completion.

5.3.5.2. A contract for reclaiming the area and raising it to 11 R.L. was awarded to a Yugoslav firm in February 1961 at a cost of Rs.7,32.79 lakhs. The period allowed for the commencement of the works was twelve months; the work commenced in March 1962.

5.3.5.3. The expenditure incurred on the Salt Lake Scheme from commencement up to 1975-76 inclusive of the expenditure (Rs.4,08.44 lakhs) on reclamation of additional area (*vide* paragraph 5.3.5.40) was as under:

Period					Expenditure (In lakhs of rupees)
1958-61	..	..	..	..	38.72
1961-66	..	..	..	..	7,62.89
1966-69	..	..	..	..	9,75.21
1969-74	..	..	..	..	15,47.52
1974-75	..	..	..	..	2,08.97
1975-76	..	..	..	..	2,68.99
Total ..					38,02.30(*)

5.3.5.4. The progress of reclamation along with the expenditure incurred thereon against the estimated provision is shown below:

Date of commencement	Target date of completion	Actual date of completion	Provisions as per project estimate	Actual expenditure up to 31st March 1976	Remarks
March 1962	March 1969	February 1970	12,70.00	13 60.63	Includes expenditure on tools and plant (Rs. 49.93 lakhs) and establishment (Rs. 1,42.50 lakhs) but excludes expenditure (Rs. 4,08.44 lakhs) on reclamation of additional area. (a)

(In lakhs of rupees)

(*) This includes a sum of Rs. 1,85.79 lakhs (1971-72--Rs. 1,82.55 lakhs, 1972-73--Rs. 2.69 lakhs and 1973-74--Rs. 0.55 lakh) spent in connection with relief provided to evacuees from Bangladesh, which is outstanding in the suspense account of the scheme.

(a) Figures were computed by Audit on the basis of booked expenditure.

5.3.5.5. Development works

The area reclaimed (3.75 square miles) was divided into three sectors as shown below for purposes of town planning and development works :

Sector I	...	...	...	935 acres
Sector II	...	...	...	565 acres
Sector III	...	...	...	932 acres

5.3.5.6. The progress of the development of the three sectors and the expenditure incurred thereon are shown below :

Name of Sector	Date of commencement	Target date of completion	Actual date of completion/ progress up to 31st March 1976	Provision as per project estimate	Actual expenditure up to 31st March 1976*
<i>(In lakhs of rupees)</i>					
Sector I	.. 1965-66	June 1969	1971-72	} 6,50.00	9,44.76
Sector II	.. 1968-69	June 1971	80 per cent (as in March 1976)		4,49.95
Sector III	.. 1971-72	June 1973	40 per cent (as in March 1976)		1,67.45

5.3.5.7. Raising the level of filling to 12 R.L.

The foreign consultant had suggested (July 1955) after considering all aspects of the drainage and sewerage problems of the Salt Lake and its surrounding areas that average raising of the Northern Salt Lake City extension area to 9 R.L. would be sufficient. In making this recommendation the firm had stated that it had kept in view the high cost of raising the area.

5.3.5.8. The project estimate sanctioned in June 1960 proposed a higher average level of 11 R.L. on the following consideration :

“The ground level of the adjoining Manicktola area varies from 8 R.L. to 9 R.L. though at some places the level is 10 R.L. It is, therefore, necessary that the level of the newly developed area is not lower than 10 R.L. after consolidation has taken place so that no drainage difficulty is experienced in future”.

5.3.5.9. In July 1962, the Salt Lake Reclamation and Development Board decided to raise the height of filling to 12 R.L. and the filling work was done accordingly.

*Expenditure as per the Register of Works excludes value of unutilised stores (Rs. 2,85.28 lakhs).

5.3.5.10. In this connection Government, while replying to the observations of the Estimates Committee in its Sixth Report (1965-66), stated (June 1966) as follows :

“After reclamation work had begun in March 1962, it was considered desirable for technical reasons, to raise the level to 12 R.L.”

The ‘technical reasons’ for raising the level to 12 R.L. were not available in the records of the Reclamation Division.

5.3.5.11. The reclamation work was completed in February 1970 at a total cost of Rs.17,69.07 lakhs, of which the extra cost for raising the level of filling by one foot was Rs.1,67.36 lakhs.

5.3.5.12. Installation of a sewage treatment plant at Bagjola

Prior to the starting of the scheme, the dry weather flow of sewage of part of Cossipore and Dum Dum Municipal areas (north of the scheme) used to be led into the northern salt lake through a syphon from the Bagjola pumping station (capacity:34 cusecs). As it would no longer have been possible to discharge the sewage into the developed salt lake area, it was proposed to divert the flow through the Bagjola main drainage canal after treatment. For this purpose, a sewage treatment plant was proposed to be installed near the Bagjola pumping station.

5.3.5.13. The foreign consultant had suggested in July 1955 that the plant should provide for two-stage treatment of sewage—primary and secondary—as required for complete treatment of normal city sewage. Accordingly, an agreement with a construction contractor was entered into in May 1959 for the construction of a complete two-stage treatment plant at the tendered cost of Rs.48.25 lakhs (Rs.34.97 lakhs for civil works and Rs.13.28 lakhs for mechanical and electrical equipment). However, in May 1960, it was decided that the secondary stage of the plant would be omitted and consequently a proportionate reduction was made in the quantity of work and the cost was reduced by Rs.11.04 lakhs. The treatment plant was completed at a cost of Rs.37.21 lakhs and commissioned in November 1966.

5.3.5.14. It was intimated by the Special Engineer (October 1968) to Government that “the treatment plant with primary unit only was decided upon for construction as the incoming sewage was found to have remarkably low B.O.D.* so much so that only primary biofiltration treatment could render it sufficiently harmless for being discharged into the neighbouring water courses”.

5.3.5.15. However, provision was made in the revised project estimate (December 1970) for the secondary stage of the Bagjola sewage treatment plant at a cost of Rs.20 lakhs.

*Biological Oxidation Demand

5.3.5.16. The Special Engineer stated (September 1976) that the secondary stage of sewage treatment was provided "as the B.O.D. content of sewage and sullage would be much with the increase of population in Salt Lake city".

5.3.5.17. Construction of eastern drainage channel

The project estimate contemplated the construction of a new drainage channel known as the eastern drainage channel, about 2.65 miles long to connect Krishnapur canal in the north with Beliaghata canal in the south at an estimated cost of Rs.5.72 lakhs. This channel was intended to provide drainage of storm water of Sectors I, II and III and was designed for a capacity of 645 cusecs. In the revised project estimate (1970) the estimated cost of the channel was increased to Rs.7 lakhs.

5.3.5.18. In the course of development the arrangement for drainage of storm water was changed. The storm water of Sector I and Sector II, it was decided, would be drained into the Krishnapur canal running at the west-north fringe of the township, while the storm water of Sector III would be led into the newly excavated eastern drainage channel.

5.3.5.19. An estimate for Rs.48.61 lakhs was sanctioned by the Special Engineer in November 1971 for excavation of the eastern drainage channel. The channel was designed for 1,000 cusecs, of which 547 cusecs were expected to flow from Sector III. It was stated by the Special Engineer (September 1974) that the expected discharge from the additional area (referred to in paragraph 5.3.5.39) which was not contemplated in the original project report, had also been taken into account.

5.3.5.20. The originally contemplated canal was designed to carry 645 cusecs discharge in respect of 2,432 acres while the modified canal was designed for 1,000 cusecs discharge in respect of 2,212 acres (Sector III plus additional area).

5.3.5.21. The modified estimate contained costlier specifications like brick-block pitching on the side slopes of the channel which alone accounted for Rs.44 lakhs (the balance amount of Rs. 4.61 lakhs being for excavation work). This costlier specification was not contemplated in either the original estimate or the revised project estimate.

5.3.5.22. Construction of the eastern drainage channel commenced in July 1973 and was in progress (April 1977). The total expenditure incurred up to March 1976 was Rs.34.16 lakhs.

5.3.5.23. Erection of temporary overhead electric lines

In the revised estimate it was indicated that laying of electric lines in the Salt Lake township and supply of electricity to consumers would be the responsibility of the West Bengal State Electricity Board and that the capital cost would also be borne by it. A lump sum provision of Rs.5 lakhs was,

however, included in the revised estimate for temporary electrification of the area and its maintenance in connection with the works of Salt Lake township (Sectors I, II and III).

5.3.5.24. In April 1965, the State Electricity Board was asked to take up electrification of all the sectors of Salt Lake township. The Board, however, informed Government in December 1966 that in view of shortage of funds it was not in a position to make any investment and asked for a loan to take up the electrification work.

5.3.5.25. Rupees 2,22.00 lakhs were advanced by Government to the State Electricity Board as loan in instalments (indicated below) up to 1973-74 by surrendering an equivalent amount from the budget of the Salt Lake scheme.

Year			Amount of loan (In lakhs of rupees)
1968-69	..	..	30.00
1970-71	..	..	25.00
1971-72	..	..	1,09.00
1973-74	..	..	58.00
	Total	..	2,22.00

5.3.5.26. In July 1965, Government, through advertisements in newspapers, invited applications for long term lease of building sites. The records showed that Government proposed to hand over the plots by June 1969 after completing all development works including electrification. However, the State Electricity Board started electrification work only in April 1970.

5.3.5.27. The Department had laid a temporary overhead electric line in 1967-68 for construction purposes. From 1969-70 the Department gave temporary electric connections to plot holders from this line.

5.3.5.28. In August 1973 Government approved an expenditure of Rs.1.00 lakh for erection of temporary overhead lines in Sector I for the same purpose.

5.3.5.29. Scrutiny of records, however, showed that up to 1974-75, Rs.11.35 lakhs had been spent for erection and maintenance of temporary overhead electric lines in Sector I. During 1975-76, a further sum of Rs.14.33 lakhs was spent but this expenditure was booked to all the three sectors (Sectors I, II and III) together.

5.3.5.30. The total expenditure, as detailed above, was in excess of the provision of Rs.5 lakhs included in the revised estimate.

5.3.5.31. Delay in execution of works

Test check of records relating to development works (*i.e.*, roads, drainage, sewerage and water mains) disclosed that many of these were not completed within the time limit stipulated in the relevant contract as shown in the table below :

Construction of	Number of cases examined	Total estimated cost of works <i>(In lakhs of rupees)</i>	Period during which tenders were accepted	Time limit specified for completion	Delay over six months up to one year	Delay over one year up to two years	Delay over two years	Reasons for delay
Roads ..	25	42.28	1967-68 to 1972-73	Four to six months	4	12	6	(a) Delay in acquisition of land, (b) delay in finalising alignment, (c) non-supply of store materials to contractors in time, and (d) delay in completion of work by other agencies.
Drainage ..	22	1,04.73	1966-67	.. Twelve months ..	5	12	5	
Sewerage ..	10	30.56	1966-67	.. Twelve months ..	2	3	3	
Water mains ..	7	11.43	1968-69	.. Three to six months	1	1	5	

5.3.5.32. In Sector I of the project, the actual consumption of road metal exceeded the theoretical requirements for the road works by quantities up to 20 per cent. The sub-divisional officers who reported (July 1972) the excess consumption attributed it to the following factors:

- (i) Construction of most of the roads was taken up immediately after completion of the sewerage and drainage works and adequate time was not allowed for compaction of the area;
- (ii) Road works were carried out throughout the year and unfavourable weather during the rains made the sub-soil conditions uncertain;
- (iii) There was no temporary road system in Sector I prior to construction of roads and heavy vehicles had to ply over the unfinished roads resulting in deep depressions and necessitating use of additional quantity of materials.

5.3.5.33. In three road works (taken up in 1970-71 and 1972-73), additional expenditure aggregating Rs.4.26 lakhs was incurred by the Department on supplementary agreements to rectify damage to the roads.

5.3.5.34. **Construction of water mains**

A contract for laying water distribution line in Sector I was awarded by the Special Engineer in July 1968 to the lowest tenderer at 31.19 per cent below the estimated cost (Rs.1.27 lakhs) with time limit of 6 months for completion. The contractor commenced the work in March 1969 but did not complete it and the contract was rescinded in September 1970 with forfeiture of security deposit. The value of materials (Rs.0.53 lakh) issued to the contractor as per contract had not been recovered from him.

5.3.5.35. The contractor did not accept his liability for termination of the contract and asked for arbitration (December 1970). He also disputed the recovery of the cost of materials on the ground that some of them had not been received by him and that the signatures on the hand receipts were not his. He also claimed compensation for loss incurred on account of delay in issuing work order and departmental materials.

5.3.5.36. In terms of the award of the Arbitrator (April 1972), the Department had to make good the loss of Rs.0.10 lakh to the contractor on account of delay in issue of (i) work order and (ii) indented materials. The contention of the contractor against recovery of cost of materials was upheld partly and the contractor's liability was limited to Rs.0.32 lakh.

5.3.5.37. The Department sustained a loss of Rs.0.31 lakh in the contract—Rs.0.21 lakh by way of less recovery of cost of materials and Rs.0.10 lakh on account of compensation to the contractor for delay on the part of the Department.

5.3.5.38. The balance work (estimated cost: Rs.0.98 lakh) was executed through another contractor at 4.5 per cent above the schedule of rates, resulting in extra expenditure of Rs.0.13 lakh.

5.3.5.39. Enlargement of scope of work

The scope of the project was enlarged in September 1963 to include another two square miles contiguous to the originally projected area. The Special Engineer submitted an estimate of Rs.14 crores for reclamation and development of additional area. This was accepted in principle by the Board in October 1963. In July 1967, the estimated cost was revised to Rs.15.95 crores as detailed below:

Item of works	Original estimate	Revised estimate
	<i>(In lakhs of rupees)</i>	
Preliminary .. .. .	..	1.50
Land	44.74	29.02
Works	7,54.41	6,41.51
Ancillary works	62.82	..
Establishment	35.52	20.16
Tools and plant	2.92	2.58
Development works	5,00.00	9,00.00
Total ..	14,00.41	15,94.77

Neither administrative approval nor technical sanction had been accorded (April 1977) for this expansion.

5.3.5.40. The reclamation and development of the additional area was to be completed in seven years and 1,280 acres of developed land were expected to be available. The reclamation work was taken up in February 1966 but was terminated in November 1970 as no further land was available. About 600 acres of land were reclaimed at a cost of Rs.4,08.44 lakhs. Though an amount of Rs.33.80 lakhs was received as advance *salami* no development work was undertaken in the area. The expenditure has remained unfruitful (March 1977).

5.3.5.41. Irregularities noticed in the entrustment of the additional work to the existing working contractor were mentioned in paragraph 80 of the Report of the Comptroller and Auditor General of India for the year 1969-70,

5.3.5.42. **Idle vessels**

In connection with the execution of the scheme the Department procured one pusher tug, one speed boat and one launch. Retention of these vessels long after the need for them had ceased and the expenditure incurred on them are discussed below.

5.3.5.43. **Pusher tug**

The pusher tug (with a twin screw engine) valued at Rs.13.18 lakhs was included in the equipment made available (November 1967) on loan basis to the contractor engaged for dredging operations, free of hire charges as stipulated in the contract. The machinery was required to be maintained by the contractor in good order at his own expense and was to be handed back to Government in good condition, free from any encumbrance after the reclamation work was completed.

After termination of the contract (November 1970) the contractor requested the Department to take over the tug. The vessel was inspected in May 1971 and found to be in good running order, but it was not taken over as the Department could not decide about its final disposal. The contractor berthed the tug in King George's Dock in January 1971. The contractor was paid Rs.0.57 lakh as maintenance charges for the period January 1971 to November 1972. Besides, Rs.0.34 lakh was spent on account of mooring charges and berthing fee paid to the Port authorities.

The vessel was sold and handed over to the Central Inland Water Transport Corporation in December 1972. The Department fixed the selling price in July 1976 at Rs.11 lakhs *plus* interest at 6 per cent from the date of sale; the amount had not, however, been realised up to November 1976.

5.3.5.44. **Launch**

The vessel remained idle from November 1970. Expenditure of Rs.1.18 lakhs was incurred on its maintenance from December 1970 to September 1974, when the vessel was transferred to a division of the Irrigation and Waterways Department.

5.3.5.45. **Speed boat**

During the years 1968-69 and 1969-70 the vessel had a total run of 297.4 km., including a trial run of 78.4 km. The Special Engineer instructed (December 1971) the Executive Engineer, Central Mechanical Division to dispose of the boat or to transfer it to some other division under the Irrigation and Waterways Department. The speed boat had not been disposed of (November 1976).

Rupees 0.46 lakh were spent on maintaining the boat from 1968-69 to 1975-76.

5.3.6. Allotment of plots

5.3.6.1. The project report estimated that out of the gross area of 2,400 acres to be developed, 60 per cent, *i.e.*, 1,440 acres (86,400 cottahs), would be available for distribution for building purposes. An important feature of the scheme was provision for "Pre-sale" of plots from the first year of the commencement of the scheme. With a view to avoiding accrual of interest on the capital cost of the scheme, the project report envisaged redemption of the capital invested by advance sale of land. The sale price of land was so determined as to ensure that the capital cost including interest at 4½ per cent thereon would be fully realised at the end of 9th year. To make the pre-sale attractive, the sale price of land, year by year, was proposed to be fixed in such a manner as to enable the buyer to get compound interest at the rate of 4½ per cent per annum on the sum invested up to the end of the 9th year

The annual distribution of land for sale and the proposed sale price were shown in the project report as follows:

Year from commencement of development in which plots were to be sold	Percentage of total available area for building purposes for sale	Area of land to be offered for sale in cottahs	Sale price per cottah Rs.	Amount expected to be realised (In lakhs of rupees)
1st year	5	4,320	1,800	77·60
2nd year	5	4,320	1,900	82·00
3rd year	7½	6,480	2,000	1,29·60
4th year	7½	6,480	2,100	1,36·10
5th year	10	8,640	2,200	1,90·00
6th year	15	12,960	2,300	2,98·00
7th year	15	12,960	2,425	3,14·00
8th year	15	12,960	2,550	3,28·00
9th year	20	17,280	2,675	4,62·00
	100	86,400		20,17·30

5.3.6.2. In May 1964, Government approved the general plan of the township. The area (3.75 square miles) was divided into three sectors for development purposes. Instead of pre-sale of undeveloped land as originally contemplated, Government decided to lease out plots in a fully developed state.

5.3.6.3. The salient features of the lease were as follows :

- (i) period of lease was 999 years ;
- (ii) annual rental was rupee one ;
- (iii) lease right was not transferable without the approval of Government ; and
- (iv) lessees were to construct buildings within three years of taking possession of land.

5.3.6.4. Lessees were to pay *salami* for the land allotted to them, in two instalments, at rates fixed by Government.

5.3.6.5. Sector I (935 acres) was divided into 27 blocks of which 19 blocks were subdivided into plots for being distributed among individual allottees for residential purpose and the remaining 8 blocks were reserved for block allotments. The total number of residential plots was 5,974. Of these, 901 plots remained unallotted and 234 plots could not be developed on account of unauthorised occupation, delay in land acquisition and other reasons (as on 31st March 1976). A detailed category-wise break-up is shown below :

Category of plots	Total number of plots	Position as on 31st March 1976				
		Number of plots vacant	Number of plots not yet developed			
			For unauthorised occupation	For land acquisition difficulties	For other reasons	
2 cottah plots ..	764	..	..	9	9
3 cottah plots ..	1,458	..	21	..	..
4 cottah plots ..	2,272	48	8	20	22	
5 cottah plots ..	1,200	704	65	48	10	
6 cottah plots ..	210	125	6	4	2	
7 cottah plots ..	29	5	3	3	1	
8 cottah plots ..	28	16	1	1	..	
9 cottah plots ..	6	3	..	1	..	
10 cottah plots ..	7	..	..	..	..
Total ..	5,974	901	104	86	44	

Note : This table has been compiled by Audit on the basis of information furnished by the project authorities.

5.3.6.6. Computed at the estimated cost of Rs.4,000 per cottah (Rs.1,500 for reclamation and Rs.2,500 for development) Rs.40.85 lakhs would be required for complete development of the 234 undeveloped plots in Sector I.

5.3.6.7. The plots under unauthorised occupation (715 families) were shown as plots available and allotted to applicants. As possession of plots could not be given 50 per cent of *salam* to be deposited in the second instalment has not been recovered.

5.3.6.8. Land utilisation

As stated earlier, the project report indicated that the land available for distribution for building purposes would be 60 per cent of the gross area (*i.e.*, 1,440 acres out of 2,400 acres) after providing for common facilities such as roads, parks, markets, recreation places, etc. Detailed break-up of land required for the various facilities in relation to the gross area was not, however, given in the project estimate.

5.3.6.9. In January 1963, Government accepted the offer of the Yugoslav firm, entrusted with the reclamation work, to undertake planning and designing as part of the contract within the limits of the contracted amount. A technical committee was also constituted (January 1963) by Government with the (i) Chief Engineer, Construction Board, (ii) Architect, Calcutta Metropolitan Planning Organisation, (iii) Government Architect, and (iv) Managing Director of a private firm of architects as members for examining the plans and designs prepared by the foreign firm. On the recommendation of the Committee, the Salt Lake Reclamation and Development Board accepted (April 1964) the general plan of land use earmarking 58.9 per cent of the gross area as inhabited area. In May 1964, Government also approved this general plan of the township. As part of the master plan for Greater Calcutta area, the Calcutta Metropolitan Planning Organisation also submitted (March 1966) a model lay-out confirming the land use pattern contemplated in the original sanctioned estimate regarding residential use (*viz.*, 60 per cent of the gross area). However, the proportion of land use originally approved was not followed.

5.3.6.10. The actual utilisation of land for various purposes in Sector I is as follows:

Purpose	Provision in the project report (December 1959)	As actually utilised by the Department
Residential	60 per cent	50.06 per cent
Local centre	40 per cent	1.49 per cent
Educational institutions		2.29 per cent
Social recreation		2.52 per cent
Main shopping centre		1.50 per cent
Government office		5.99 per cent
Green areas and parks		12.39 per cent
Roads		23.00 per cent
Water units and sub-station	0.76 per cent	

57599.

5.3.6.11. Deviation from the originally estimated provision resulted in reduction of 5,954 cottahs of land for residential purposes, entailing deduction in the amount of *salami* by Rs.1,63.74 lakhs calculated at the lowest price of Rs.2,750 per cottah fixed for plots of two and three cottahs.

5.3.6.12. Block allotments

Eight blocks were reserved for allotment to co-operatives and housing societies, various departments of Central (Central Public Works Department, Posts and Telegraphs, Geological Survey of India, etc.) and State (Police, Housing, Relief and Welfare, etc.) Governments, autonomous bodies (West Bengal State Electricity Board, Calcutta Metropolitan Development Authority, Employees State Insurance, Regional Provident Fund, etc.) and other organisations (University, Scientific Institutions, etc.) for balanced growth of the township.

5.3.6.13. The prices of non-residential plots for block allotments were fixed at varying rates according to the paying capacity and utility of the institutions concerned. Co-operative and housing societies were also given block allotments for residential purpose at concessional rates.

5.3.6.14. The rates of *salami* were revised for different categories of institutions as shown below :

Category of the institution	Rates of <i>salami</i> per cottah fixed/revised			
	May 1965	November 1965	July 1967	July 1968
	Rs.	Rs.	Rs.	Rs.
Co-operatives and other agencies ..	..	6,500	..	5,000
State and Central Governments for non-commercial purposes	7,000	..	6,000	..
Commercial enterprises of Government run directly or through corporations	7,000	..	8,000	..
Commercial institutions ..	7,000	..	10,000	..
Educational institutions other than colleges and charitable institution	2,000	..	..	..
Universities and colleges ..	4,000	..	..	..

Note : The rates of *salami* recoverable from individual allottees as fixed from time to time have been indicated in paragraph 5.3.8.1.

5.3.6.15. In July 1968, Government earmarked 6,577 cottahs and 3,750 cottahs for co-operative and other agencies for residential purposes and other institutions for non-residential purposes respectively.

5.3.6.16. A total *salami* of Rs.3,50.30 lakhs was received up to March 1976 from the block allottees as shown below :

Year					Amount
					(In lakhs of rupees)
1965-66	..	..	..	..	28.85
1966-67	..	..	..	..	16.00
1967-68	..	..	..	..	35.13
1968-69	..	..	..	..	8.40
1969-70	..	..	..	..	25.12
1970-71	..	..	..	..	92.80
1971-72	..	..	..	..	55.21
1972-73	..	..	..	..	58.84
1973-74	..	..	..	..	15.96
1974-75	..	..	..	..	..
1975-76	..	..	..	..	13.99
				Total	3,50.30

5.3.6.17. Distribution of plots—individual allottees

Applications were invited (July 1965) through the press for lease of plots in Sector I. A screening committee, set up by Government in May 1965 met from time to time to scrutinise the applications and recommend the names of eligible applicants. On the basis of the recommendations, Government issued letters of offer of allotment requiring deposit of 50 per cent of the *salami* within 40 days from the date of the offer. On receipt of the chalan showing deposit of *salami*, allottees were allowed to choose the plot. Thereafter, as and when the plots became ready for delivery, the allottees were asked to make payment of the remaining 50 per cent of the *salami* within two months. On proof of deposit of this sum, a lease deed in standard form was sent to the lessee for execution within 90 days. Final possession was delivered to the lessee on receipt of the registered deed.

5.3.6.18. The following table would indicate that there was considerable delay in demanding the payment of the second instalment of *salami* after the first instalment had been paid:

Year	Number of cases where first instalment was paid		Number of cases where the second instalment was paid			
	During the year	Progressive total	During the year	Progressive total		
1965-66	60	60	..	..
1966-67	2,024	2,084	10	10
1967-68	684	2,768	5	15
1968-69	126	2,894	..	15
1969-70	52	2,946	728	743
1970-71	19	2,965	701	1,444
1971-72	8	2,973	626	2,070
1972-73	41	3,014	541	2,611
1973-74	7	3,021	298	2,909
1974-75	349	3,370	173	3,082
1975-76	560	3,930	267	3,349

5.3.6.19. The second instalment was to be recovered when the land in question was fully developed and ready for delivery. A detailed examination of 69 cases of allotment showed that the extent of time actually taken at the different stages was as follows:

Stages	Prescribed time limit	Number of cases in which time taken exceeded			
		Three months up to six months	Six months up to one year	One year up to three years	Three years up to six years
(1) From the date of offer of allotment to deposit of first instalment	40 days ..	3	6	2	..
(2) After deposit of first instalment to issue of demand notice for balance amount	No specific* time limit	12	5	26	24
(3) After issue of notice for balance amount to actual deposit of the amount	60 days ..	3	8	16	11

*Government had fixed an overall time limit of 18 months including 2 months for deposit of the balance amount of *salami* and 3 months for execution of lease deed.

5.3.6.20. While reporting the progress of work in Sector I to the Chief Engineer, the Special Engineer mentioned (February 1969) the following as factors affecting the progress of development:

- (1) delay in land acquisition,
- (2) delay in completion of roads and water supply arrangements,
- (3) failure on the part of West Bengal State Electricity Board to provide power within the time schedule.

5.3.6.21. The delay in recovery of *salami* adversely affected the financial working of the scheme as explained in paragraph 5.3.9.6.

5.3.7. Buildings ready for occupation

5.3.7.1. Under the terms of the lease, the allottees had to construct buildings according to plans, specifications, etc., sanctioned by Government or other authorities. The lease agreement also stipulated that prior written approval of Government for connections of sewerage, drainage, water lines and electricity should be obtained. A scrutiny of the records indicated that up to 1975-76 only 386 sewerage connections had been sanctioned. The following table shows the number of sewer connections approved *vis-a-vis* final delivery of land:

Year			Number of plots delivered	Progressive number	Number of buildings where sewer connections approved	Progressive number
1968-69	..	..	1	1	..	..
1969-70	..	..	91	92	..	..
1970-71	..	..	331	423	22	22
1971-72	..	..	261	684	26	48
1972-73	..	..	600	1,284	27	75
1973-74	..	..	636	1,920	73	148
1974-75	..	..	442	2,362	53	201
1975-76	..	..	419	2,781	185	386

Note: In addition to the above 192 flats (1971-72) and 792 flats (1972-73) were constructed by a co-operative housing society and the West Bengal Housing Board both of which were allotted land under block allotments.

5.3.7.2. The Special Engineer stated (March 1977) that the total number of houses of individual allottees taken up for construction was 1,171 of which 898 had since been made ready for occupation. It was, however, seen from the concerned registers of the divisions that only in 531 cases had sewer connections been approved to the end of March 1977.

5.3.8. Fixation of *salami* and its recovery

5.3.8.1. The rates of *salami* recoverable from individual allottees as decided by Government from time to time are given below :

Size of plots in cottahs	Rates of <i>salami</i> per cottah				Remarks
	May 1965	September 1966	April 1967	July 1968	
	Rs.	Rs.	Rs.	Rs.	
2	3,000	3,000	2,750	2,750	} Reduction was made to give relief to people of modest means
3	3,000	3,000	2,750	2,750	
4	4,000	6,000	5,000	5,000	} Reduction was made to stimulate response from the public
5	5,000	8,000	8,000	7,000	
6	6,000	9,000	9,000	7,000	
7	8,000	10,000	10,000	7,000	
8	9,000	11,000	11,000	7,000	
9	10,000	12,000	12,000	7,000	
10	12,000	15,000	15,000	7,000	

It may be noted that while the final rates of *salami* for 4 to 10 cottah plots were higher than the average cost per cottah (Rs.4,480), the rate for 2 and 3 cottah plots was appreciably less than the average cost. The difference between the total development cost, calculated at the average rate of the 2 and 3 cottah plots and the *salami* realisable therefor amounted to Rs.1,13.76 lakhs.

5.3.8.2. *Salamu* from allottees started flowing in from February 1966. In all Rs.14,21.80 lakhs were received on account of *salamu* from individual/block allottees up to the end of March 1976 as shown below :

					Amount
					(In lakhs of rupees)
Sector I	..	..	..	..	10,88.78
Sector II	..	..	..	..	1,51.51
Sector III	..	..	..	..	1,81.51
Total				..	14,21.80

In addition, Rs.33.80 lakhs were received as advance *salamu* in respect of the additional area referred to in paragraph 5.3.5.40 from prospective block allottees.

5.3.8.3. The year-wise break-up of the *salamu* received for leasing out different categories of plots is shown below :

Year	For individual plots	For commercial plots	For block allotments	Total <i>salamu</i>	Share of Sector I
(In lakhs of rupees)					
1965-66	33.95	..	24.00	57.95	57.95
1966-67	2,34.12	..	17.85	2,51.97	2,51.97
1967-68	1,12.59	..	39.33	1,51.92	1,51.92
1968-69	25.88	1.05	4.20	31.13	31.13
1969-70	35.79	0.40	25.12	61.31	61.31
1970-71	35.97	..	95.79	1,31.76	1,31.76
1971-72	33.56	..	1,95.53	2,29.09	88.78
1972-73	45.60	0.85	58.84	1,05.29	94.09
1973-74	22.41	..	28.24	50.65	50.65
1974-75	49.49	0.05	77.04	1,26.58	48.47
1975-76	1,06.76	..	1,51.19	2,57.95	1,20.75
Total	7,36.12	2.35	7,17.13	14,55.60	10,88.78

5.3.9. Financial results

5.3.9.1. On the basis of the revised estimated cost of the scheme, the proportionate capital investment for Sector I would work out to Rs.14,47.30 lakhs.

5.3.9.2. To end of 1975-76, a total sum of Rs.14,67.24 lakhs was spent on Sector I (reclamation: Rs.5,22.48 lakhs and development: Rs.9,44.76 lakhs).

5.3.9.3. Further, on the basis of the provisions made in the revised estimate for bridge, second sewage treatment plant yet to be executed, balance of land acquisition charges, value of works in progress, etc., a further sum of Rs.80.82 lakhs would be allocable to Sector I.

5.3.9.4. In addition, expenditure on reclamation and development of certain undeveloped plots mentioned in paragraph 5.3.6.5. and proportionate cost of development of the proposed central park (if and when taken up) would also increase the final cost of Sector I.

5.3.9.5. The Department could not indicate (i) the balance amount of *salami* due from the allottees as on the 31st March 1976 and (ii) the total *salami* recoverable in respect of the vacant plots on that date.

5.3.9.6. The project report contemplated redemption of capital including interest at 4½ per cent through sale of land. A total sum of Rs.10,88.78 lakhs was received as *salami* from allottees against the total expenditure of Rs.14,67.24 lakhs up to 1975-76. Based on the expenditure incurred and the realisation of *salami* relating to Sector I, interest of Rs.1,82.40 lakhs remained uncovered to end of 1975-76 (*vide* Appendix VI).

5.3.9.7. Though the scheme was taken up as a self-financing scheme, no accounts have been maintained by the Department for watching the financial results of the scheme.

5.3.9.8. Provision of common services and recovery of charges

The sanctioned project estimate did not make any mention about the maintenance and administration of the new township. Government in the Irrigation and Waterways Department had proposed (November 1968) to set up a separate Municipality for the area. It was considered necessary to declare the Salt Lake Township to be a notified area under section 93A of the Bengal Municipal Act, 1932, to establish a Notified Area Authority to carry on the civic functions and to constitute it subsequently into a Municipality. However, in view of the then undeveloped condition of the Salt Lake Township, Government in the Local Self Government Department decided (November 1969) to defer the question of establishment of a Notified Area Authority at Salt Lake. The proposed notification was issued in December

1973 and an Administrator was appointed in October 1975. Finally, the West Bengal Government Townships (Extension of Civic Amenities) Act, 1975 came into operation with effect from the 5th January 1976.

5.3.9.9. In the statement of objects and reasons and the financial memorandum attached to the West Bengal Government Townships (Extension of Civic Amenities) Bill (November 1975) it was envisaged that ground rent, water tax and other municipal taxes would be realised from the lessees for providing civic amenities such as roads, drainage, sewerage, conservancy, street lighting, etc., although the development work was still continuing.

5.3.9.10. For carrying out the purposes of the above Act, Government framed rules, viz., West Bengal Township Extension of Civic Amenities to Bidhan Nagar (Salt Lake Area) Rules, 1976 effective from the 27th April 1976. Rule 18 thereof stipulates that with a view to levying taxes the annual value determined under Rule 16 *ibid* would take effect from the month in which the general notice of valuation in respect of the area was issued. The notice was issued in December 1976.

5.3.9.11. Based on the lowest rate of the tax structure proposed by the Administrator of the Salt Lake Area, there has been a loss of revenue aggregating Rs.17.02 lakhs, as shown below, on account of non-levy of charges up to the end of March 1976:

Particulars	Amount (In lakhs of rupees)
Tax on vacant land—individual lessees	2.83
Tax on vacant land—block allottees	2.60
Tax on buildings—individual lessees	1.94
Tax on buildings constructed by co-operative societies	9.65

5.3.9.12. The tax structure proposed by the Administrator was accepted (January 1977) by Government with certain modifications. The impact of these modifications has not been worked out as the assessment of tax is in progress (April 1977).

5.3.9.13. The revised project estimate provided Rs.6.93 lakhs for maintenance of roads, sewers and drains of Sector I during construction. By 1971-72, when the development phase of Sector I was completed, Rs.17.01 lakhs had been spent in all on the maintenance of these amenities. The Department also spent Rs.65.26 lakhs on the maintenance of the various civic services in Sector I during the period 1972-73 to 1975-76. The expenditure is being added to the capital cost of the scheme.

5.3.10. Other points of interest

5.3.10.1. Resettlement of displaced persons at Dhapa

With a view to providing alternative land for dwellers rendered homeless with the reclamation of the Salt Lake area, the Special Engineer submitted (September 1968) an estimate for reclamation of about 40 acres of land and its development at Dhapa. It was indicated in the estimate that 890 plots (covering 1,998 cottahs) would be available and that the selling price of these plots would be Rs.1,560 per cottah. Government accorded administrative approval for the work in March 1971. A sum of Rs.31.96 lakhs was provided in the revised project estimate for the development of Dhapa for resettlement of displaced persons. Rupees 20.14 lakhs were spent on this work up to 1975-76. The area reclaimed up to 1975-76 was 42 acres but the number of plots developed was 476: the shortfall in development was stated to be due to court injunctions.

5.3.10.2. According to a statement furnished by the Special Engineer in July 1976, compensation at Rs.2,100 per family has been paid to 900 families, but only 253 families had moved out up to March 1976.

5.3.10.3. The Special Engineer also stated (October 1976) that these 253 families had been shifted to Dhapa after much persuasion and that in order to encourage quick settlement in Dhapa, prior payment of *salami* for the land allotted to them had not been made obligatory. The rate of *salami* recoverable has not been fixed (April 1977).

5.3.10.4. Markets

With a view to providing shopping facilities to the dwellers of the new township the lay-out plan of Sector I envisaged the construction of 16 local centres (Markets) in different blocks and 1.49 per cent of the gross area was earmarked for this purpose. Up to 1975-76, only three such markets with shops had been developed at a cost of Rs.33.12 lakhs. Fortyone shops were allotted to different parties; of these, 12 shops were not taken possession of by the allottees (March 1976). The rent for the shops has been fixed at 75 paise per square foot per month.

5.3.10.5. A test check of records showed that Rs.0.12 lakh (progressive) were outstanding as arrears of rent up to March 1976.

5.3.10.6. Financial stock-taking

In May 1957, Government had decided that financial stock-taking should be conducted in respect of each scheme estimated to cost Rs.1 crore and above; this limit was subsequently revised to Rs.10 lakhs and Rs.50 lakhs in March 1961 and September 1964 respectively. Government also decided that the reports of financial stock-taking should be furnished to Audit every half year in April and October.

5.3.10.7. Non-receipt of financial stock-taking reports in respect of the Salt Lake Reclamation Scheme was mentioned in paragraph 16 of the Audit Report 1966. Scrutiny of the local records showed that financial stock-taking of the scheme was first undertaken for the half year ending March 1968 and then discontinued from 1970-71. Hence, the progress of expenditure could not be correlated with the physical progress of work as per provision in the sanctioned estimate. Reasons for the discontinuance of periodical financial stock-taking have not been furnished (April 1977).

The points were reported to Government in November 1976; reply is awaited (April 1977).

Public Works (Construction Board) Department

5.4. Work charged staff not engaged in work

An expenditure of Rs.4.29 lakhs, incurred by the 24-Parganas North Division (Construction Board) on the pay and allowance of work charged staff (23 work assistants and 12 work peons) from April 1969 to October 1975, was accounted for under a suspense head, viz., 'Miscellaneous Works Advances'. According to the Superintending Engineer, South Circle (Construction Board) (January 1973), this was done as 'there were practically no works in that division for 3 to 4 years'.

Government stated in December 1976 that the matter was under examination on priority basis.

5.5. Avoidable expenditure and loss of revenue

Construction of a building for the Uladanga refugee market was administratively approved for Rs.2.26 lakhs by the Refugee Relief and Rehabilitation Department in July 1962. Since the originally selected land could not be acquired in 4 years, fresh administrative approval was issued in August 1966 for construction of the market at a different site on the same road, which had been selected and acquired by Government. In the meantime, the schedule of rates had been revised upwards and the estimated cost of the building was revised to Rs.4.02 lakhs. Construction of the building was entrusted to the Construction Board and was completed in August 1970 at a cost of Rs.3.78 lakhs.

The Public Works (Construction Board) Department could not hand over the completed building to the Refugee Relief and Rehabilitation Department till 2nd January 1973. The Refugee Relief and Rehabilitation Department stated (February 1977) that even after completion of the structures the electric installations were not complete in every detail and that there was delay in fixation of the rent of the stalls allotted to the refugee vendors. The Public Works (Construction Board) Department had to make arrangements for watch and ward for the building for over two years (viz., August 1970—January 1973) at a cost of Rs.0.15 lakh.

Loss of revenue to the extent of Rs.0.53 lakh, calculated at 6 per cent per annum on the capital cost, was sustained by Government due to delay in the occupation of the building (up to December 1972).

The Public Works (Construction Board) Department stated (January 1977) that the matter was under active examination in consultation with other offices concerned.

Public Works (Roads) Department

5.6. Idle machine

A crawler tractor dozer was purchased in June 1969, without Government sanction, at a cost of Rs.3.63 lakhs by the Superintending Engineer, Road Construction Circle No. II. The dozer was intended for heavy duty work of removal of boulders to open the normal channel of the river Little Ranjit. The dozer was received by the Darjeeling Construction Division on 2nd June 1969 and was temporarily transferred to the Darjeeling Public Works Division on 10th June 1969 for clearing landslides at Gorabari. The dozer sustained major damage while clearing big boulders brought down by the landslides and was transferred to the Murshidabad Highway Division for repairs in January 1970. It was repaired by that division at a cost of Rs.0.22 lakh, after which it was utilised for only 110 hours up to March 1976.

The Chief Engineer observed (September 1976) that the repairs were intended to make the machine worthy of light work. However, instead of doing light work, some heavy duty work was performed by the machine, which resulted in damage after the repairs. He further stated that when the machine was put to heavy duty work, the same defect reappeared and that attempts were being made to repair it thoroughly so that it could again be put to heavy duty work. Government stated (March 1976) that sanction for the purchase of the dozer (which had not been accorded) would be issued on receipt of certain information from the Directorate. The sanction is awaited (April 1977).

Irrigation and Waterways Department

5.7. Mahananda Embankment Scheme

5.7.1. Introduction

The river Mahananda flows through the plains of Darjeeling and West Dinajpur districts of West Bengal, a part of Bangladesh and the district of Purnia in Bihar up to Bagdob. From Bagdob it bifurcates into two branches, *viz.*, the western channel (Fulahar branch) carrying about 73 per cent of the discharge and the eastern channel (Barsoi branch) carrying the balance of the discharge. The Barsoi branch enters the district of Malda and flows down to Bangladesh.

Almost every year the Fulahar branch spills over its banks and inundates vast areas of Purnia district in Bihar on its right bank and Malda district in West Bengal on its left bank. Similarly, the Barsoi branch spills over its right bank (the left bank being on higher ground) and inundates the same area as is affected by the left bank of Fulahar branch, which happens usually once in three years. To mitigate the sufferings of the flood affected people, the Governments of both West Bengal and Bihar conducted necessary surveys for a considerable period of time and decided to construct embankments to protect the low lying areas from recurring floods.

5.7.2. The Scheme

5.7.2.1. The scheme, originally prepared in 1968, was approved by the Planning Commission in February 1972 and administrative approval to the work at an estimated cost of Rs.4.21 crores was accorded by the Government in September 1972. Technical sanction was issued by Chief Engineer (I) in November 1972. As the State of Bihar was also involved, the scheme was prepared in consultation with the Government of Bihar and the Central Water and Power Commission. Schemes in both the States were designed on the basis of the high flood levels worked out by the Commission from the data supplied by the two States.

5.7.2.2. It was indicated in the original estimate prepared in 1968 that the scheme, when completed, was expected not only to protect an area of 1.536 lakh acres in West Bengal with a population of four lakhs from floods but also to increase agricultural production as an area of nearly 37,000 acres which hitherto remained submerged for long periods would come under cultivation. During the period of ten years up to 1965, the average annual flood loss as assessed by the Collector, Malda, from time to time and referred to in the estimate, was nearly Rs.11.00 lakhs. During the same period, the average annual expenditure on flood relief was Rs.1.72 lakhs. After the completion of the scheme, the annual flood loss was expected to go down to Rs.0.13 lakh. The value of the extra yield expected from 37,000 acres producing rice at the rate of 0.5 tonne per acre was placed at nearly Rs.90.00 lakhs. The total gain after completion of the scheme was thus estimated as Rs.1,02.59 lakhs. The annual maintenance cost calculated at 11 per cent of the capital cost was Rs.46.29 lakhs, excluding interest on capital. On this basis, the benefit cost ratio expected was worked out as 2.2:1.

5.7.2.3. In June 1974, the estimate was revised and the cost of the scheme increased to Rs.18.75 crores. The estimate was, however, returned by the Ganga Flood Control Commission, Government of India with instructions to reduce the cost of the project on the basis of the discussions held in September 1974 between Director, Ganga Flood Control Commission and Chief Engineer-II, Irrigation and Waterways Directorate of the Government. In December 1974, another estimate was prepared by the

Divisional Officer on the basis of the actual progress of work, the cost of the scheme being reduced to Rs.10.07 crores, which, however, has not been approved by Government yet (March 1977).

The revised estimate of Rs.10.07 crore- indicated the benefit cost ratio to be 3:1. It was noticed that the data for computing the benefit cost ratio in the revised estimate varied considerably from those included in the original estimate, as indicated below :

	Original estimate	Revised estimate
<i>(In lakhs of rupees)</i>		
(a) Average annual damage	11.00	4,73.39
(b) Total relief expenditure	1.72	62.99
(c) Net annual flood loss after completion of the scheme	0.13	20.50
(d) Annual benefit after completion of the scheme—		
(i) Loss to be avoided (a+b-c)	12.50	5,15.88
(ii) Extra food production	90.00	..
(e) Recurring maintenance cost of 11 per cent (original) and 16 per cent of the revised estimated cost	46.29	1,61.07
(f) Benefit cost ratio	2.2:1	3 : 1

The average annual damage due to floods shown in the revised estimate was computed on the basis of the floods stated to have occurred in 1970, 1971 and 1974. Inundation of part of the area during 1974 was, however, due to the non-completion of the scheme in time, which has been commented upon in paragraph 5.7.11.

5.7.2.4. The items of work, the cost, of which as per the revised estimate exceeded that provided in the original estimate by more than Rs.20 lakhs, are analysed below :

Items of work	Cost as per the		Excess
	Original estimate	Revised estimate	
<i>(In lakhs of rupees)</i>			
(I) Land	49.01	1,04.46	55.45
(II) Works	1,30.36	2,85.35	1,54.99
(III) Earthwork	1,66.54	4,59.08	2,92.54
(IV) Communication	4.20	26.80	22.60

I. Land—In the original estimate, provisions were made for acquiring 916.30 acres permanently for embankments (690 acres), office buildings and quarters and allotment to affected villagers and 1,976 acres temporarily for excavating earth for the embankments. In the revised estimate, provision was made for permanent acquisition of 2,503 acres (as the land originally estimated was stated to be inadequate); of this, 2,312 acres (as against 690 acres in the earlier estimate) were for the embankments, though the length of the embankments had increased only by 123.37 chains from 2,620.63 to 2,744 chains. No provision for temporary acquisition of land was, however, made in the revised estimate as it was considered that ultimately it would be costlier than permanent acquisition due to the requirement of restoring the land to its original condition before it was returned.

II. Works—It was mentioned in the revised estimate that the increase of Rs.1,54.99 lakhs in respect of works was due to the following reasons:

- (a) increase in market rate;
- (b) inclusion of a large number of new items which were not provided for in the original estimate; and
- (c) inadequate provision for items in the original estimate.

The new items of work referred to in (b) above were the following:

- (i) provision of two short-cuts at Bhaluka and Debipur (Rs.97.09 lakhs);
- (ii) pilot channels and marginal embankments for the short-cuts at Bhaluka and Debipur (Rs.49.29 lakhs); and
- (iii) closing of river Teljana at a cost of Rs.12.13 lakhs.

III. Earthwork—The quantity of earthwork provided for in the revised estimate increased from 2,464 lakh cft. to 4,463 lakh cft. which was due in part to increase in the length of the embankments by 123 chains approximately because of the change in their alignment. The other reasons as indicated in the revised estimate were:

- (a) final fixation of alignment through terrain at much lower level than the ground level originally considered;
- (b) rise in market rate; and
- (c) change of design in regard to crest width of the embankment from 15' to 25'.

As regards (a) above, it may be mentioned that the Fulahar embankment was shifted away from the Malior embankment and its new alignment crossed the river at four places; no reasons for such shifting were, however, on record (see also paragraph 5.7.10). Provision was also made for raising the sites for 22 villages between the embankments and the river though there was no such provision in the original estimate (see paragraph 5.7.8).

Apart from the quantitative increase in earthwork, the rate of earthwork also rose from Rs.28 per thousand cft., provided in the original estimate, to Rs.52 per thousand cft. in the revised estimate.

IV. Communication—The increase in cost in the revised estimate was due mainly to the provision for construction of a service road from Bhaluka to Teljana sluice at an estimated cost of Rs.17.83 lakhs and a children's park not within the original scope of the scheme at a cost of Rs.0.75 lakh.

5.7.3. Departmental execution of work

The work was started by the Mulda Irrigation Division in December 1972, initially on an experimental basis by engaging daily labourers on muster roll at a rate of Rs.3 per head per day. This arrangement continued for 15 days when it was seen that the cost of earthwork in terms of it worked out to Rs.200 per thousand cft. against the rate of Rs.45 including all leads and lifts envisaged in the project estimate. In view of the high cost of work, the arrangement was changed to the system of engagement of labour gangs on muster roll and payment for work done on *pro rata* basis through the dafadars of gangs. The basic rate for earthwork was Rs.28 per thousand cft. with extra payment for leads and lifts. This method, which was not provided for in the existing rules and regulations, was adopted for one and half months when it was observed that the wages were not adequate enough to attract local labourers and the Division could engage only about 6,000 labourers against the required strength of 15,000. As a result, the Chief Engineer approved (February 1973) an enhancement in the basic rate by 50 per cent, *i.e.*, to Rs.42 per thousand cft.

According to a report submitted by the Division during 1972-73, the cost of the work done departmentally by engaging labourers was Rs.50 lakhs and the number of dafadars engaged 72 (the works being service road from Miahhat to Bardoary, earthwork on Barsoi branch embankment, Fulahar branch embankment and (tanga marginal embankment and some structures).

As no muster rolls were produced by the Division during local inspections by Audit (last one in June 1976), the works executed departmentally and the payments made thereagainst could not be checked.

5.7.4. Short-cuts at Bhaluka and Debipur

Mention was made in paragraph 48 of the Report of the Comptroller and Auditor General of India for the year 1974-75 (Civil) that non-completion in time of the cross-bund at Bhaluka by the first contractor ('A') resulted in an infructuous expenditure of Rs.0.96 lakh. Mention was also made therein that a second contractor ('B') was engaged to construct a cross-bund and embankment at both Bhaluka and Debipur. Work orders for these works were issued to contractor 'B' with instructions to commence

work from 24th January 1973, though the tenders had been invited in January 1973 and the Divisional Officer recommended the tenders of 'B' for acceptance later in March 1973. In February 1973, the design of the pilot channel was re-examined and it was decided to increase the bed-width from 75 ft. to 125 ft. which increased the earthwork involved by more than 100 per cent. Instead of inviting fresh tenders, it was decided to get the excess work executed by contractor 'B' through a supplementary agreement which had not (June 1976) been approved by the Superintending Engineer. Up to 8th March 1973, contractor 'B' excavated 99.64 lakh cft. of earth at a cost of Rs.3.17 lakhs which fully covered the earthwork provided for in the tender for construction of the pilot channel and the embankment at Bhaluka. However, contractor 'B' executed additional earthwork of 102.90 lakh cft. up to 19th April 1973 under the supplementary agreement. Contractor 'B' received Rs.7.15 lakhs as advance payment for the earthwork (102.90 lakh cft.) done against the supplementary agreement *plus* leads and lifts on all earthwork against the original and supplementary agreements. The dimensions of the embankment constructed required only 45.25 lakh cft. of earth against 202.54 lakh cft. excavated by the contractor. When the utilisation of the excavated earth was enquired into by Audit, the Divisional Officer stated (June 1976) that (i) the spoils of the pilot channel were deposited on the bank of the channel about 300 ft. away, (ii) when the flood came in June 1973, the bed-width of the channel increased from 125 ft. to about 1,000 ft. and the earth deposited on the bank was carried away and (iii) therefore, 202.54 lakh cft. of earth excavated by the contractor 'B' at a cost of Rs.10.32 lakhs could not be utilised. To protect the area near the cut from further ravages of flood, various works had to be executed on emergency basis at a total cost of Rs.31.98 lakhs. The embankment was completed in August 1973 at a cost of Rs.8.56 lakhs involving 71.81 lakh cft. of earthwork.

Up to September 1974, the total cost of all works done on the short-cut was Rs.76.00 lakhs. The estimated cost of the work to be done was Rs.24.44 lakhs. In this connection, the Ganga Flood Control Commission had observed in September 1974 that no further work was necessary on the cut as it had already widened due to erosion.

Construction of Debipur short-cut was not included in the original estimate. However, the Division took up the work from April 1972 at an estimated cost of Rs.3.00 lakhs. The work order was issued on 24th April 1972 on the basis of tenders invited but owing to objections raised by local people no work could be started before 18th May 1972. The work had to be suspended again from 21st May 1972 on account of serious objections raised by villagers. The contract was terminated in November 1972. The work was taken up again in 1973 at an estimated cost of Rs.13.20 lakhs. Tenders were, however, called for only two items of work: (i) construction of the pilot channel and embankment (estimated cost: Rs.6.21 lakhs), and (ii) construction of cross-bund and tagging embankment (estimated cost: Rs.6.84 lakhs). Though the lowest rates obtained for items (i) and (ii)

were 15.10 per cent and 27.85 per cent respectively below the estimated cost, the Division accepted the tender of the contractor already working on Bhuluka short-cut at 9 per cent below the estimated cost for both the items of work on the ground that the works were interlinked. The work had to be stopped on 7th March 1973 owing to an injunction from the High Court in the matter of land acquisition. The contractor did some work on the construction of the pilot channel but did not do any work on the cross-bund and abandoned the work from 16th June 1973. He was paid Rs.8.85 lakhs for the work done by him. The contract was terminated on the prayer of the contractor who stated that no land was available and he could not wait further. The injunction was vacated on 8th February 1974 and the remaining work, the estimated cost of which had increased to Rs.14.22 lakhs, was distributed amongst five contractors by holding bids on 10th March 1975. The work was completed in March 1976.

In this connection, the Ganga Flood Control Commission had, in September 1974, observed that the cut near Debipur was not required. The total expenditure on the work up to January 1976 was Rs.19.39 lakhs excluding cost of land and other indirect charges.

5.7.5. Closing of river Teljana

The river Teljana originates near Bagdob in Bihar. It has a catchment area of 105 square miles (272 square kilometres) and functions as a drainage for the area. It also acts as an outlet for the flood waters of the Fulahar and Barsoi branches when they enter the area by cross-country flow. Construction of a sluice at the intersection of the river and the embankment was, therefore, provided in the original estimate at a cost of Rs.6.15 lakhs to facilitate drainage of the area. Pending construction of the sluice, the gap in the embankment covering river Teljana was not closed up to July 1973 under instructions from the Chief Engineer. This was done to prevent a situation in which the flood waters of Fulahar and Barsoi branches might enter, by cross-country flow, the area protected by the embankments constructed in Malda district and get entrapped there.

In July 1973, it was decided that the opening should be closed forthwith at all costs. Accordingly, the Superintending Engineer visited the site and suggested a gunny-bag-core embankment at an approximate cost of Rs.11.75 lakhs. As the work was extremely urgent, it was entrusted to a contractor working on Fulahar embankment, without calling for tenders, at 55 per cent above the approved schedule of rates in anticipation of formal Government orders. The work was to be started on 9th July 1973 and completed within three weeks. The work was completed in time at a cost of Rs.11.66 lakhs. On 27th September 1973, the Block Development Officer informed both the District Magistrate, Malda and the Executive Engineer, Malda that rain water had inundated an area of 10,000 acres nearly destroying *kalai* cultivation over 2,000 acres and that *aman* cultivation over 4,000 acres would be saved if the flood waters from

the area could be drained out immediately through a temporary cut in the embankment. The Executive Engineer agreed to the proposal provided the work was done as a test relief work. Accordingly, a cut was made in the Fulahar embankment by the Block Development Officer on 30th September 1973. The quantity of earthwork involved and cost thereof could not be ascertained as no records in this regard were maintained by the divisional office.

5.7.6. Construction of sluice Over river Teljana

Construction of a sluice over the river Teljana was taken up in 1973 for completion before the flood season of 1974. Investigation of the subsoil at the original location selected for the sluice could not, however, be done on account of water-logging since July 1973. In order to complete the construction of the sluice before the next flood season the Executive Engineer decided in November 1973 to construct the sluice at a different site.

The work was entrusted to a contractor in January 1974 at 10.5 per cent below the estimated cost of Rs.27.50 lakhs by the Superintending Engineer, Central Irrigation Circle after inviting tenders on 29th December 1973. The contractor constructed a cross-bund and excavated a portion of the diversion channel at a cost of Rs.1.00 lakh. According to the Executive Engineer (April 1974), the contractor completed only 20 per cent of the work in 3 months (against the stipulated time of 4½ months for completion of the entire work) and main components like sheet piles, R.C.C. structural works, etc., were still to be done.

Owing to the non-completion of the sluice before the monsoon, heavy water-logging occurred both in the countryside and the sluice zone. Consequently, the diversion channel had to be deepened further by 2 feet at a cost of Rs.1.54 lakhs. In addition, the quantity of the item 'bailing out water' increased from 106.96 lakh cft. to 236.70 lakh cft., involving an extra expenditure of Rs.1.30 lakhs. This also necessitated opening of the cross-bund and its re-erection after draining out surplus water, which was entrusted to another contractor at a cost of Rs.0.37 lakh. The delay in the completion of the sluice thus resulted in total extra expenditure of Rs.3.21 lakhs, but no recovery was made from the contractor on this account. Construction of the sluice was completed in March 1975 at a total cost of Rs.28.66 lakhs including cost of the diversion channel (Rs.4.52 lakhs) referred to below; the sluice gates were, however, reported to be in a defective condition.

The location of the sluice at the new site necessitated excavation of a diversion channel of about 1,529 feet from river Teljana to the sluice. Two other contractors were selected in May 1974 for construction of this diversion channel, estimated to cost Rs.2.91 lakhs. The expenditure incurred on the diversion channel was Rs.4.52 lakhs (November 1975).

5.7.7. Construction of sluice over Bhoga Danra

Construction of this sluice was taken up on 1st March 1973 at the tendered amount of Rs.20.49 lakhs (4.90 per cent above the estimated cost of Rs.19.53 lakhs) and was scheduled to be completed within June 1973. In the original estimate provision for this work was Rs.6.15 lakhs which was increased to Rs.20.97 lakhs in the revised estimate. The increase in cost was due to additional works like soil treatment, lowering of ground water level and change in the specification of the sluice and the bed-width of river Bhoga Danra. The work was completed in July 1973 and a sum of Rs.14.99 lakhs paid to the contractor against his final bill.

5.7.8. Raising of villages

During the construction of Fulahar embankment it was observed that twentyfive villages fell on the river-side of the embankment. Without the approval of Government, the Division started work on the raising of thirteen villages as a measure of protection against flood. The lowest tender for raising some of these thirteen villages was accepted in June 1973 at 55 per cent above the estimated cost of Rs.15.00 lakhs, *i.e.*, for Rs.23.25 lakhs. In June 1974, a proposal for raising twentytwo villages at an estimated cost of Rs.1,76.00 lakhs (included in the estimate of the scheme for Rs.18.75 crores prepared in June 1974) was forwarded to the Ganga Flood Control Commission for approval. In September 1974, the Commission observed that the item had not been included in the original estimate and that the maintenance of these villages when raised would pose a problem. The raised villages with their approach roads would also reduce the waterway of the river. After discussing the economics of the scheme with the Chief Engineer, they gave the instruction that the benefits of the protection work already done should be watched and no further work on the scheme need be done.

Meanwhile, four other tenders for a further amount of Rs.24.08 lakhs to raise the other villages (out of thirteen) in addition to those covered by the first tender (Rs.23.25 lakhs) were accepted in 1974-75 and up to April 1976 an amount of Rs.39.65 lakhs had been spent. Thus, up to March 1975, the Division had accepted a total liability of Rs.47.33 lakhs (Rs.23.25 lakhs *plus* Rs.24.08 lakhs) for raising thirteen villages. In November 1975, it prepared another estimate for raising twentyfive villages at a cost of Rs.39.53 lakhs as against the earlier estimate of Rs.1,76.00 lakhs for twentytwo villages. No work thereon had, however, been undertaken (November 1976).

It was noticed during a test check of two measurement books available in the Division that work in 13 villages was in progress and 247.99 lakh cft. of borrowed earth and 252.04 lakh cft. of carried earth had been utilised, against a total of 300.00 lakh cft. of borrowed earth and 72.00 lakh cft. of carried earth provided in the estimate for raising twentyfive villages. The Division could not produce two other measurement books as these were stated to have been taken away by the Vigilance Commission.

5.7.9. Construction of embankment on the right bank of Barsoi branch

The embankment started at Kushida, on the border of Bihar and West Bengal, and ended at Raninagar. According to the original estimate, this embankment (length: 1,494.28 chains), involving earthwork of 893.58 lakh cft., was to be constructed at a cost of Rs.32.62 lakhs. In the revised estimate, the length of the embankment increased to 1,548 chains, the earthwork to 1,587.22 lakh cft. and the cost to Rs.1,38.49 lakhs. Up to February 1976, the length of the embankment constructed was 1,553 chains. Though the crest-width of the embankment was reduced from 25 ft. to 15 ft. except for a portion between chain 390 and 420, the total quantity of earthwork actually done was 1,780.09 lakh cft. as detailed below:

- (1) Earth from borrow pits—1,151.10 lakh cft.
- (2) Transported earth—212.45 lakh cft.
- (3) Earthwork done departmentally—416.54 lakh cft.

The increase in the length of the embankments and the quantity of earthwork was due to a change in alignment because of a deep channel near Kharba. During discussion with the Ganga Flood Control Commission, the Chief Engineer stated (September 1974) that the new alignment was the best considering the ground condition.

Both the Ganga Flood Control Commission and the Chief Engineer had issued instructions to avoid use of transported earth as far as possible as it was costly. However, while in the original estimate the requirement of land for borrow pits was 1,079.76 acres for 893.58 lakh cft. of earthwork, in the revised estimate, based on the actual progress of work, the land requirement was 1,087.58 acres only, though the earthwork had more than doubled. The actual cost of 212.45 lakh cft. of transported earth was about Rs.33.27 lakhs but cost of the same quantity of borrow pit earth would have been Rs.7.75 lakhs. Land required for the purpose would have been 62 acres and its cost at the rate of Rs.4,000 per acre Rs.2.48 lakhs. Had the Division avoided use of transported earth, it would have reduced the expenditure by Rs.23.04 lakhs.

It was provided in the contract for earthwork that earth should be laid on the embankment in layers not more than 9 inches thick after which each layer had to be compacted with necessary water. The Executive Engineer reported in March 1975 to the Superintending Engineer that the entire embankment had not been consolidated and that as such there were pot holes and settlement by two to three feet throughout the embankment. On a test check of some vouchers it was noticed that full payment was made to the contractors though no consolidation had been done. As the rate of consolidation provided in the sanctioned estimate was Re.1 per hundred cft., the total payment for work not done in respect of 1,363.55 lakh cft. of earthwork was Rs.13.64 lakhs.

A portion of the embankment between chains 1,013 and 1,553 required 403.83 lakh cft. of earth. As against this, earthwork of 416.54 lakh cft. was done departmentally, the cost of which could not be assessed for reasons mentioned in paragraph 5.7.3, *viz.*, in the absence of measurement books. During the floods of 1973 and 1974, this portion of the embankment was damaged and was repaired between July 1973 and September 1974 at a cost of Rs.17.85 lakhs involving earthwork of 121.83 lakh cft. The Divisional Officer prepared another estimate of Rs.7.74 lakhs to repair this portion of the embankment thoroughly and submitted it to the Superintending Engineer in January 1976 but the latter considered the damage abnormal when the embankment had been constructed in full designed sections.

5.7.10. Construction of embankment on the left bank of Fulahar

According to the original estimate, the length of the embankment from Debipur to Ratua was 1,126.35 chains (the earthwork involved being 1,532.93 lakh cft.) and the cost Rs.88.98 lakhs. Between Miahhat and Bhaluka, the embankment had to run along the existing Malior embankment from chains 354 to 676 but in actual execution the alignment was changed. The new alignment followed the Malior embankment up to chain 534 and then moved away from it and crossed the Fulahar branch at four places before joining Nurpur sluice. The change in the alignment increased its length to 1,196 chains, earthwork to 2,476.12 lakh cft. and the actual cost to Rs.2,76.56 lakhs (up to March 1976). Reasons for the change in the alignment were not intimated to the Ganga Flood Control Commission nor were they on record.

In the Miahhat-Bhaluka section the embankment followed the Malior embankment up to 180 chains instead of 322 chains as originally estimated. As a result, earthwork of 110.08 lakh cft. done on 142 chains could not be utilised. On the first 142 chains of the new alignment sufficient borrow pit earth was not available and 260.44 lakh cft. of earthwork had to be done with transported earth at the rate of Rs.19.50 per hundred cft. resulting in an extra expenditure of Rs.9.50 lakhs (cost of 48.72 lakh cft. of extra earth at the rate of Rs.19.50 per hundred cft.).

Construction of the embankment was completed by March 1976.

5.7.11. Gaps in the embankment

Before the flood season of 1974, work on both the embankments in West Bengal had been completed up to 75 per cent. However, in the embankments constructed by the Government of Bihar, some gaps were left for the safety of the Lava railway bridge on Malda-Katihar railway line and the Jhaua bridge on Malda-Siliguri railway line, since, according to the Railway authorities, the existing waterways below the two bridges were inadequate to cope with the flood waters likely after the closure of the embankments. The bridges were not extended by the Railways as the Government (West Bengal) had paid only Rs.53,200 in August 1974

against its share of Rs.26.60 lakhs of the estimated cost. In October 1974, the Government of India indicated that the railway bridges at Java and Jhaua would be extended before June 1975, provided the Government (West Bengal) paid Rs.43.20 lakhs as its share of the revised estimated cost of the two railway bridges before 15th November 1974. The Chief Engineer sought certain clarifications from the Railways and also offered certain materials worth more than Rs.43.00 lakhs. As a result, the Railways indicated that its commitment to extend the bridges within the stipulated time no longer held good. In a meeting held on 26th December 1974, the representative of the Railways submitted another revised estimate for Rs.1.58 crores worked out on the basis of the tenders received. The share of the Government (West Bengal) was raised to Rs.64.65 lakhs, which was accepted.

Meanwhile, during the flood season of 1974, flood waters of Fulahar and Barsoi entered Bihar State and after flooding some portion of that State, entered West Bengal submerging large areas of three blocks. The entire standing crop was damaged, many huts were destroyed and portions of roads were washed away. The total flood loss was Rs.6,17.68 lakhs as assessed by the Collector, Malda.

Extension of the two railway bridges was reported to have been completed by May 1975. Up to March 1976, Rs.43.46 lakhs had been paid to the Railways.

5.7.12. Progress of work

The total expenditure on the various works of the Mahananda Embankment Scheme as reported by the divisions was Rs.7,32.95 lakhs up to March 1976. In respect of the specific works commented upon in the earlier paragraphs the progress of expenditure up to March 1976 was as follows:

Name of work	Estimated cost	Expenditure incurred	Remarks
<i>(In lakhs of rupees)</i>			
I. Embankment on right bank of Barsoi branch (Referred to in paragraph 5 7.9)	1,38.49	1,53.85	Work completed. Cost of earthwork done departmentally (Rs. 62.88 lakhs) was taken as expenditure on this portion of the embankment as details of work done departmentally were not known.
II. Embankment on Fulahar branch (Referred to in paragraph 5.7.10)	2,63.15	3,00.63	Work completed.

Name of work	Estimated cost	Expenditure incurred	Remarks
(In lakhs of rupees)			
III. Railway bridges at Lava and Jhaua (Referred to in paragraph 5.7.11)	1,57.86	43.46	Work completed but full payment to Railways not yet made.
IV. Short-cut at Bhaluka (Referred to in paragraph 5.7.4)	81.26	58.58	} Works completed but some liabilities were still to be accounted for.
V. Short-cut at Debipur (Referred to in paragraph 5.7.4)	65.12	15.22	
VI. Construction of sluices over Teljana and Bhoga Danra (Referred to in paragraph 5.7.6 and 5.7.7)	62.71	35.20	Work completed.
VII. Closing of river Teljana (Referred to in paragraph 5.7.5)	12.13	11.66	Work completed.
VIII. Raising of villages (Referred to in paragraph 5.7.8)	39.53 (for 25 villages)	38.55	Work was still in progress on 13 villages.

The points were brought to the notice of Government in December 1976; reply is awaited (April 1977).

5.8. Delay in completion of an irrigation scheme

The Rupai Irrigation Scheme envisaged the construction of a weir, earthen dykes and head regulators, excavation of main canal, distributories, etc., to provide irrigation facilities to an area of 4,500 acres in the district of Purulia. An estimate for Rs.24.98 lakhs was administratively approved by Government in February 1971. The scheme was targeted for completion in five years, though it was expected that the major portion of the work would be completed in three years and that irrigation facilities would be available from the fourth year.

Construction of weir, abutment and dykes (on both banks) was entrusted on 2nd April 1971 to the lowest ('A') of three tenderers at his tendered rate of 7.51 per cent below the departmental estimate of Rs.15.89 lakhs to be completed within 16 months. The estimate provided *inter alia* construction of 825 metres of earthen dykes (300 metres on the right

bank and 525 metres on the left bank). When the work on the dykes was in progress the Department noticed in September 1971 that the length of dykes was wrongly taken as 825 metres in the detailed estimate as against 1,145 metres as per drawing of the scheme (363 metres on the right bank and 782 metres on the left bank).

The value of additional work on the above account was initially estimated at Rs.3.39 lakhs by the Superintending Engineer. As the proposal for doing the additional work through the working contractor was not accepted by the Chief Engineer, fresh tenders were invited as desired by the Chief Engineer. Out of three tender calls, to the first call a single tender was received at 85 per cent above the tender schedule and the second and the third calls evoked no response.

Meanwhile, the Superintending Engineer, Investigation and Planning directed on 8th April 1972 that the specification and design of the earthen dykes should be changed as instructed by the Chief Engineer in the interest of the safety of the structure. Work of the original contractor ('A') was thereupon restricted to construction of the weir, abutment and dykes (0 M to 210 M on the right bank and 975 M to 1,265 M on the left bank). Cost of the additional work as per the revised design and specification was estimated at Rs.9.70 lakhs. This work was put to fresh tender and awarded to the same contractor ('A') (November 1972), who was doing the main work, at his tendered rate of 5 per cent above the schedule of rates.

It was reported by the Superintending Engineer to the Chief Engineer in July 1972 that an extension of left bank dyke by about 570 metres would be necessary beyond 1,265 metres (the point at which the dykes ended as per plan of the sanctioned scheme) in order to connect it to a high ground at about R.L. 272, which was the maximum water level of the reservoir. An estimate for Rs.1.65 lakhs for this work was submitted in July 1972 to the Chief Engineer. The contractor for the main work ('A') was willing to do the extension of left bank dyke at the rates accepted for the main work. However, it was decided to put it to fresh tender. The work was awarded to two contractors ('B' and 'C') at the same rate, viz., 5 per cent above the estimated cost. When this work on the left bank was in progress, the Executive Engineer, Purulia Irrigation Division reported that the actual quantity of earthwork had exceeded the estimated quantity. Similarly, the quantities of subsidiary works like boulder pitching, filter, etc., were also in excess. He assessed the extra cost at Rs.0.46 lakh and requested the approval of the Superintending Engineer to get the excess work completed through the two working contractors ('B' and 'C'). The final bill of one of these two contractors ('B') was paid in July 1973, while the other contract (with 'C') was rescinded in July 1974, owing to slow progress (the contractor 'C' had done work of the value of about Rs.0.60 lakh up to that time). The remaining work (value: Rs.0.57 lakh) was awarded to yet another contractor ('D') (April 1975) on the basis of a fresh tender; this work was in progress (March 1977).

Both the contracts with the main contractor ('A') were also rescinded in July 1974 on account of slow progress. The second work which was entrusted to him in November 1972 (after the mistake in the length of the dyke was discovered) was put to fresh tender in October 1975 at an estimated cost of Rs.6.56 lakhs and a tender at 4.26 per cent above the estimated cost was accepted in November 1975. The work was in progress (March 1977). The contract for the main work was rescinded after the contractor had done work of the value of Rs.9.03 lakhs. It was observed that while putting the balance work to fresh tender in October 1975, the Department had again increased the quantities and had adopted the current schedule of rates. The balance work of estimated cost of Rs.7.21 lakhs was awarded at 4.91 per cent above the estimated cost in March 1976.

Owing to frequent changes in the design and specification of work, errors in computation of the quantities and the need for the construction of the extended portion of the dyke coming to notice at a later stage, it has not been possible to provide any irrigation so far (January 1977) and the cost of the work has also increased. A revised estimate for Rs.48.51 lakhs for the whole scheme submitted to the Chief Engineer in August 1973 has not been approved yet (March 1977).

It was seen from the records that the increase in cost was mainly due to the following:

- (1) modification of the sections of the dam and dyke and of the section of spillway structure;
- (2) increase in cost of land; and
- (3) increase in rates as compared with the original estimate of 1970.

An expenditure of Rs.40.14 lakhs had been incurred on the scheme till March 1977.

Kangsabati Project

5.9. Dragline excavators

Mention was made in paragraph 28 of the Report of the Comptroller and Auditor General of India for the year 1969-70 of the uneconomic operation of two dragline excavators (value: Rs.15.60 lakhs) purchased by the Agriculture and Community Development Department for dredging beels and other suitable water areas. As the machines were not suitable for that Department, the excavators were transferred to the Irrigation and Waterways Department (March 1968) for use in Kangsabati Project.

In Kangsabati Project, one of the machines was utilised for excavation of the link-channel at Kotulpur branch canal from chain 0 to chain 28. The total quantity of work done up to 20th September 1971 was 52,475 cu. m. after which the machine was not put to any use. The other machine was utilised, after thorough repairs, in June 1973 and from November 1974 for approximately 370 hours at the Kumari Dam site.

The Mechanical Division at Khatra stated (April 1972) that as the machines could not be used economically in the project, a proposal for their disposal was submitted by the Project Engineer to Government in February 1972. Decision on their disposal had not been communicated to the Division (August 1976). The Mechanical Division has a stock of spares purchased for these machines valued at Rs.0.70 lakh.

An expenditure of Rs.4.47 lakhs was incurred on maintenance of these machines from March 1968 to March 1976 and Rs.2.18 lakhs were recovered up to May 1975 from other divisions of the Project as hire charges of the machines.

5.10. Review of works expenditure

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

Department	Expenditure incurred without sanctioned estimates		Expenditure incurred on works more than 5 per cent. in excess of sanctioned estimates		
	Number of works	Expenditure up to March 1976 <i>(In crores of rupees)</i>	Number of works	Total amount of sanctioned estimates <i>(In crores of rupees)</i>	Excess expenditure up to March 1976
Irrigation and Waterways	3,919	55.47	108	4.79	4.28
Public Works ..	244	21.48	9	1.16	0.31
Public Works (Roads) ..	95	7.49	44	5.46	1.89
Agriculture and Community Development	75	5.71	3	0.29	0.15
Health and Family Planning	43	4.42	5	0.76	0.15
Public Works (Construction Board)	40	1.44	..	..	..
Public Works (Metropolitan Development)	30	11.93	..	..	..
Housing	18	3.65	10	2.27	0.43
Total ..	4,464	1,11.59	179	14.73	7.21

CHAPTER VI

STORES AND STOCK

6.1. Stores and stock accounts

I. (a) A synopsis of some important stores accounts for 1975-76 (other than those relating to Government commercial and *quasi*-commercial departments/undertakings) received up to 30th September 1976 is given below :

Department	Nature of stores	Opening balance	Receipts	Issues	Closing balance
<i>(In lakhs of rupees)</i>					
Irrigation and Waterways	Small stores, building materials, etc.	4,70.38	4,32.02	3,13.30	5,89.10
Public Works	Small stores, building materials, etc.	6,94.40	9,91.00	9,87.67	7,17.73
Public Works (Roads)	Small stores, building materials, etc.	3,11.58	3,97.80	3,99.63	3,09.75

Stores accounts for 1975-76 have not been received from other departments.

(b) The stores and stock accounts of the following departments, which are required to be submitted to Audit by 5th September each year, are in arrears :

Department	Year of account	Reasons, if any, for non-preparation of stores accounts as intimated by the department
Agriculture and Community Development—		
Consolidated stores accounts of Intensive Food Production Scheme	1975-76	Non-receipt of consolidated figures from districts.
Commerce and Industries—		
West Bengal Government Press and Raj Bhavan Press	1974-75 onwards	Delay in settlement of price of stores by the Stationery Office.
Education—		
Bengal Engineering College, Shibpur	1975-76	Reasons not intimated.

Department	Year of account	Reasons, if any, for non-preparation of stores accounts as intimated by the department
Health and Family Planning—		
(i) Central Medical Stores ..	1975-76	Paucity of staff.
(ii) Consolidated stores accounts of principal State hospitals	1972-73 onwards	Non-receipt of stores accounts of constituent hospitals.
(iii) Netaji Subhas Sanatorium, Kalyani (formerly Kanchrapara T. B. Hospital)	1975-76	Delay in settlement of value of stores supplied by Central Medical Stores.
Home (Jails)—		
(i) Consolidated stores accounts of Presidency and Central Jails	1974 onwards	Non-receipt of accounts from constituent jails.
(ii) Jail Depot	1974 onwards	Non-receipt of invoices from different jails.
(iii) Alipore Central Jail Press ..	1975-76	Delay in settlement of value of stores supplied by the West Bengal Stationery Office.
Information and Public Relations—		
(i) Consolidated stores accounts	1974-75 onwards	Reasons not intimated.
(ii) Distribution section ..	1975-76	Reasons not intimated.

II. Stock in Public Works divisions: Out of 227* Public Works divisions, from which particulars were called for by Audit, information was received from 58 divisions up to 15th October 1976. Nineteen divisions intimated that no stocks were held by them. From the particulars received from the remaining 39 divisions the following points were noticed:

- (i) **Reserve limit of stock—**The rules require that the value of stores held in stock by the department should not exceed the reserve limit specified for each division.

*Four divisions were transferred to the Calcutta Metropolitan Development Authority and four divisions were abolished during 1975-76.

(a) In 28 divisions, the stock held on 31st March 1976 exceeded the reserve limit as indicated below :

Department	Number of divisions	Amount in excess of the reserve limit on the 31st March 1976	Remarks
		<i>(In lakhs of rupees)</i>	
(1)	(2)	(3)	(4)
Housing	1	2.87	Excess persists from 1970-71.
Irrigation and Waterways	7	44.45	In Bankura Irrigation Division, excess (Rs. 6.76 lakhs) persists from 1969-70.
Public Works	12	1,37.56	Of the 12 divisions, five divisions account for aggregate excess of Rs. 1,16.26 lakhs, In Burdwan I Division, the excess (Rs. 47.87 lakhs) persists from 1968-69 and in Alipore I Division (Rs. 31.16 lakhs) from 1969-70.
Public Works (Construction Board)	1	1.31	Excess persists from 1971-72.
Public Works (Roads) ..	7	76.20	In Nadia Highway Division, excess (Rs. 20.49 lakhs) persists from 1971-72 and in Murshidabad Highway Division (Rs. 21.83 lakhs) from 1973-74.
Total	28	2,62.30	

(b) In Kangsabati Canals V and Midnapore II divisions, which held stock of value Rs.16.87 lakhs and Rs.11.67 lakhs respectively on 31st March 1976, no reserve limit of stock has been fixed (February 1977).

- (ii) **Closing of stock registers**—The register of stock in a Public Works division is required to be closed at the end of each year and reviewed by the Divisional Officer to ensure that the stores consist only of necessary and serviceable articles and that the stores are priced within the prevailing market rates. Of the 39 divisions from which reports have been received, closing of stock registers was in arrears in 36 divisions as indicated below :

Department	Number of divisions in which closing of stock registers is in arrears	Remarks
Housing	1	The stock register has not been closed since 1973-74.
Irrigation and Waterways	10	In two divisions stock registers have not been closed for over 10 years. In three divisions they have not been closed for over 5 years.
Public Works	17	In 7 divisions stock registers have not been closed for over 5 years.
Public Works (Construction Board)	2	In one division stock registers have not been closed for over 5 years. In Resources and Mechanical Division there was <i>minus</i> balance in the stock accounts on 31st March 1976.
Public Works (Roads) ..	6	In one division stock registers have not been closed for over 10 years and in two for over 5 years.
Total ..	36	

- (iii) **Physical verification of stock**—The Divisional Officers are required to ensure that physical verification of stock in the divisions is conducted at least once a year. Out of 121 divisions holding stock, information was received from 39 divisions. In

29 of these divisions, physical verification of stock was not conducted during 1975-76; in some cases it was not done in the earlier years also. The department-wise position is indicated below :

Department	Number of divisions in which physical verification of stock was not done	Remarks
Housing	1	....
Irrigation and Waterways	7	In one division physical verification has not been conducted since 1972-73 (value of closing stock as on 31st March 1976 : Rs. 2.46 lakhs).
Public Works	15	In two divisions physical verification has not been done for over 5 years (value of closing stock as on 31st March 1976 : Rs. 13.30 lakhs).
Public Works (Construction Board)	1	....
Public Works (Roads) ..	5	In two divisions physical verification has not been done for over 5 years (value of closing stock as on 31st March 1976 : Rs. 36.04 lakhs).

Agriculture and Community Development Department

6.2. Theft of stores

Costly materials (transformers, pumps, motors, starters, main switches, G.I. pipes, etc.) valued at Rs.6.06 lakhs were stolen from different tubewell centres (Rs.4.89 lakhs) and stackyards (Rs.1.17 lakhs) of the Burdwan (Agri-Irrigation) Division during the period October 1973 to February 1976. The thefts were reported by the Assistant Engineer to the Police as well as the Executive Engineer from time to time.

The tubewell centres had no security arrangements and in the stackyards only three/four muster roll labourers were engaged as night guards. A proposal for posting of armed guards, submitted by the Executive Engineer in June 1974, is under consideration of the Chief Engineer (March 1977).

The matter was reported to Government in November 1975; reply is awaited (April 1977).

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1. 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 are to be audited by the Comptroller and Auditor General. As in previous years, all administrative departments of the State Government were requested in March 1976 to furnish information about grants and loans given to bodies and authorities and their expenditure for each of the years since 1971-72. This requirement of Audit was also brought to the notice of the Finance Department.

No information was received for the third year in succession from departments like Education, Health and Family Planning, Industries, Co-operation and Agriculture and Community Development which normally give substantial grants and loans.

From the information received from some departments of Government and from the records available in the office of the Accountant General, it was seen that at least 150 bodies received grants/loans from Government of Rs.5 lakhs or more each in one year or in more than one year during 1971-72 to 1975-76. Audit of 75 bodies and authorities which were substantially financed by Government was undertaken.

Again, where any grant or loan is given for any specific purpose from the Consolidated Fund, Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, requires that the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authorities satisfy themselves as to the fulfilment of the conditions subject to which such grants or loans were given.

Important points noticed during audit under Section 14 and scrutiny conducted in accordance with Section 15 together with related matters under Section 13 are given in the succeeding paragraphs.

Education Department**7.2. District School Boards**

7.2.1. For progressive expansion, management and control of primary education in rural areas, District School Boards were set up, one in each district, under the Bengal (Rural) Primary Education Act, 1930. Such Boards are functioning in 15 districts of West Bengal.

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

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

The main items of expenditure of the District School Boards are salaries of teachers and office establishment and contributions to the provident fund, teaching equipment, office and school contingencies, construction/reconstruction of school buildings and grants-in-aid to primary/junior basic schools run by voluntary organisations.

All the duties and functions of the Boards are being exercised by the respective District Inspectors of Schools (Primary) since May 1969, when the District School Boards were superseded by Government.

7.2.2. As may be seen from paragraph 7.2.3. below, fourteen District School Boards, the accounts of which were available, were substantially financed by grants from Government and attracted the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The following years' accounts of ten District School Boards were not ready for audit (September 1976).

Name of District School Board	Year(s) for which accounts were not ready for audit
Bankura	1971-72 to 1974-75
Malda	1973-74 and 1974-75
Jalpaiguri	1973-74 and 1974-75
24-Parganas	1973-74 and 1974-75
Burdwan	1974-75
Cooch Behar	1974-75
Darjeeling	1974-75
Midnapore	1974-75
Purulia	1974-75
West Dinajpur	1974-75

7.2.3. The total amount of grants received from Government and the expenditure incurred by the District School Boards whose accounts were audited are shown below :

Name of District School Board	Year of account	Total grants	Total expenditure	Percentage of grants to expenditure
<i>(In lakhs of rupee)</i>				
Birbhum	1972-73	2,31·23	1,39·84	165
	1973-74	2,27·46	1,51·98	149
	1974-75	2,18·70	1,74·60	125
Burdwan	1973-74	4,11·39	2,81·99	145
Cooch Behar	1971-72	97·67	81·85	119
	1972-73	91·59	93·96	98
	1973-74	1,19·56	1,19·95	100
Darjeeling	1972-73	81·35	59·80	135
	1973-74	89·28	60·21	148
Hooghly	1973-74	3,85·72	2,03·09	190
	1974-75	2,60·84	2,57·98	101
Howrah	1973-74	1,84·32	1,65·84	111
	1974-75	2,02·16	1,85·33	109
Jalpaiguri	1972-73	1,77·92	1,04·73	122
Malda	1972-73	1,17·22	1,20·12	98
Midnapore	1971-72	3,84·66	3,87·00	99
	1972-73	4,24·58	5,02·87	84
	1973-74	4,84·03	4,90·63	98
Murshidabad	1972-73	2,61·89	1,73·57	151
	1973-74	3,22·78	2,08·74	154
	1974-75	4,19·48	2,27·91	179
Nadia	1973-74	1,95·86	2,02·77	97
	1974-75	3,39·65	2,25·78	150
Purulia	1973-74	1,65·55	1,63·96	101
24-Parganas	1972-73	5,54·69	5,04·44	110
West Dinajpur	1973-74	1,22·22	1,40·43	81

7.2.4. School buildings

Progress of certain works in relation to the amounts spent out of Government grants for construction/reconstruction of school buildings is given in the tables below :

(a) Construction of buildings for Junior Basic Schools

Name of District School Board	Grant received	Period of receipt of grant	Amount unspent as on 31st March 1976	Number of buildings to be constructed	Position of construction of buildings (November 1976)		
					Completed	In-complete	Not taken up
	<i>(In lakhs of rupees)</i>		<i>(In lakhs of rupees)</i>				
Hooghly ..	10.18	1949-50 to 1964-65	2.28	103	96	7	..
Howrah ..	5.25	1949-50 to 1964-65	0.85	60	42	13	5
Murshidabad	11.18	1949-50 to 1961-62	0.61	131	114	3	14
Purulia ..	3.07	1957-58 to 1960-61	1.00	28	12	16	..

(b) Reconstruction of school buildings damaged by floods of 1956, 1959, 1970 and 1971

Name of District School Board	Flood year	Grants received		Unutilised balances		Schools to be recons- tructed (Number)	Position of reconstruction of buildings as on 30th November 1976	
		Year	Amount	As on	Amount		Completed	Partially completed
			<i>(In lakhs of rupees)</i>		<i>(In lakhs of of rupees)</i>			
Birbhum	.. 1956	1958-59	2.49	31st March 1976	0.30	90	80	9
	1959	1960-62	1.27	31st March 1976	0.37	30	23	7
	1970	1971-72	1.10	31st March 1976	0.42	83	46	12
Burdwan	.. 1956	1956-59	7.33	31st March 1974	3.06	721	*	*
	1959	1959-62	3.10	31st March 1974	2.63	464	*	*
	1970 and 1971	1971-72	2.90	31st March 1974	2.77	428	70	66
Hooghly	.. 1959	1959-66	9.67	31st March 1976	3.18	902	533	*
Howrah	.. 1970 and 1971	1971-72	6.50	31st March 1975	2.00	811	542	*
Malda	.. 1971	1971-72	5.60	30th November 1976	0.22	*	658	24
Midnapore	.. 1971	1971-72 and 1973-74	5.80	30th November 1976	0.67	580	509	*
Murshidabad	.. 1970 and 1971	1971-72	6.60	31st March 1976	1.79	1,037	637	227
Nadia	.. 1959	1959-61	4.24	31st March 1975	1.82	185	143	*
	1970 and 1971	1971-72	5.60	31st March 1975	3.12	971	733	*

*Information not available.

The expenditure incurred by Burdwan, Malda and Nadia District School Boards included amounts of advance, as shown below, to head teachers of primary schools for repair/reconstruction of schools damaged by floods. Accounts have not been rendered by the head teachers (December 1976).

Name of District School Board	Flood year	Year in which advances were given	Position as on	Number of schools for which advances were given	Amount of advance
Burdwan	.. 1956	1961-62	May 1976	.. 99	1.35
Malda ..	.. 1971	1972-73	December 1975	.. 30	0.26
Nadia ..	.. 1959	1961-64	September 1976	.. 42	0.65
	1970 and 1971	1972-75	September 1976	.. 169	0.61

(In lakhs of rupees)

Construction of additional class rooms—For construction of additional class rooms in primary schools, preferably in the 'Jayanti village' selected on the occasion of the twentyfifth anniversary of Independence in each block area, 12 District School Boards received Rs.20.50 lakhs as grants from the Government in March 1973. The ceiling cost for construction was fixed at Rs.6,000 per school, out of which the Government of India was to bear Rs.3,000, the State Government Rs.2,000 and the balance of Rs.1,000 was to be raised as local contribution. The position of construction work is shown below:

Name of District School Board	Number of schools	Grant received	Amount unspent	Position of construction			Position as on
				Completed	Partially done	Not taken up	
(In lakhs of rupees)							
Birbhum ..	32	1.60	1.29	7	10	15	30th November 1976
Burdwan ..	35	1.75	1.69	2	4	29	Ditto.
Cooch Behar ..	9	0.45	0.45	..	..	9	Ditto.
Hooghly ..	33	1.65	1.65	..	..	33	31st March 1976
Howrah ..	22	1.10	0.43	5	15	2	Ditto.
Jalpaiguri ..	20	1.00	0.77	4	1	15	30th November 1976
Malda ..	12	0.60	0.60	..	..	12	Ditto.
Midnapore ..	80	4.00	3.28	7	10	63	Ditto.
Murshidabad ..	21	1.05	1.05	..	..	21	31st August 1976
Nadia ..	25	1.25	1.25	..	..	25	30th November 1976
Purnea ..	21	1.05	1.05	..	..	21	31st March 1975
24-Parganas ..	100	5.00	5.00	..	..	100	30th November 1976
Total ..	410	20.50	18.51	25	40	345	

7.2.5. Grants for other purposes

Grants paid by Government for students' amenities and for maintenance of junior basic schools run by voluntary organisations, including supply of mid-day meal to students, were not fully utilised by the District School Boards. Out of grants aggregating Rs.2,77.66 lakhs paid to the District School Boards for various purposes, Rs.99.70 lakhs remained unutilised, the details of which are given in Appendix VII.

7.2.6. Provident fund accounts

(a) Under Rule 20(a) of the Provident Fund Rules, a provident fund ledger having a separate page for each depositor's account is required to be maintained in the Board's office and the total of the ledger balance proved with the total balance in the Post Office Savings Bank pass book monthly by drawing up an abstract of balances in the form prescribed in the rules. Such agreement of the balances of the provident fund of teachers was in arrears in respect of the following Boards:

Name of District School Board	Year from which in arrears
Birbhum	1957-58
Burdwan	1971-72
Cooch Behar	1961-62
Darjeeling	1967-68
Hooghly	1964-65
Jalpaiguri	1964-65
Malda	1971-72
Midnapore	1968-69
Nadia	1959-60
Purulia	1965-66
24-Parganas	1961-62
West Dinajpur	1973-74

Extra remuneration amounting to Rs.69,600 (1972-74), Rs.26,000 (1974-75), Rs.25,000 (1973-74) and Rs.12,000 (1972-73) was paid to the staff of Burdwan, Hooghly, Nadia and 24-Parganas District School Boards respectively for completion of provident fund accounts including drawing up of such abstracts and agreement with Post Office Savings Bank pass book balances.

(b) Provident fund subscriptions deducted by the Midnapore District School Board from the salary of teachers and employer's contribution for July, August and November 1971 totalling Rs.15.72 lakhs were not credited to Post Office Savings Bank account (November 1976).

The points were brought to the notice of Government in October 1976; reply is awaited (April 1977).

7.3. Burdwan University

7.3.1. The University was established in June 1960 at Burdwan by an Act of the West Bengal Legislature (Act XXIX of 1959) as a teaching and affiliating University with its territorial jurisdiction extending over five districts in West Bengal, *viz.*, Burdwan, Bankura, Birbhum, Purulia and Hooghly (excluding Serampore sub-division). The number of undergraduate colleges affiliated to the University was 52 with total enrolment of 56,280 students at the end of the academic session 1973-74. The University conducted postgraduate teaching in the faculties of Humanities and Science and also teaching in degree courses in Law and Medicine. The total strength of students in the faculties and in the Law and Medical Colleges was 2,862 at the end of 1973-74.

The following table indicates the percentage of Government grant to total expenditure during 1972-73 :

Grant received from Government including opening balance of unutilised grant	Expenditure	Percentage of grants to total expenditure
<i>(In lakhs of rupees)</i>		
85.39	100.00	85.39

The University being substantially financed by grants from Government during 1972-73, the accounts thereof attracted audit under Section 14 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

7.3.2. Payment not covered by statutes framed by the University

The statutes relating to contributory provident fund were amended by the University (May 1972) to provide for payment of additional contribution to the provident fund accounts of employees on their retirement from University after rendering at least 15 years' continuous

service. Eight employees of the University, who retired without rendering the prescribed minimum period of qualifying service, were allowed proportionate additional contribution by way of *ex gratia* payments aggregating Rs.0.23 lakh up to June 1976.

7.3.3. Misappropriation

Cases of misappropriation of registration fee, permission fee and sale proceeds of old question papers and syllabus amounting to Rs. 0.10 lakh relating to 1972-73 and 1973-74, were noticed. Non-compliance with prescribed instructions regarding issue of cash chalangos to persons tendering money to the cash department of the University and lack of adequate supervision over the working of the cash department facilitated the misappropriation. The employees concerned were placed under suspension in August 1974. The matter was reported to be under investigation (October 1976).

7.3.4. Verification of stock of library books

The latest report of physical verification (August 1971) of library books brought to stock between June 1960 and May 1971 showed that out of 52,052 books procured by the University library during the above period, 2,159 books (value:Rs.0.20 lakh) were either missing or damaged. Occasional disturbances and pandemonium in the library for frequent holding of examinations within its premises were mentioned in the report of physical verification as major contributing factors for the loss of books.

The points were brought to the notice of Government in December 1976; reply is awaited (April 1977).

7.4. West Bengal State Book Board

The need for production of text books, reference books, etc., on Arts, Science, Commerce, Engineering, etc., in Bengali for degree and post-graduate levels was felt consequent on the decision of the Government of India that the media of instruction at University level should be Indian languages. The Government of India agreed to provide financial assistance to the State Government for this purpose to the extent of Rs.1 crore to be spread over a period of six years from 1968-69. To implement the programme, the Government of West Bengal constituted the "West Bengal State Foundation for Text Book Production" registered as a society on 23rd June 1970. The Board was renamed "West Bengal Text Book Board" in June 1972.

The accounts of the Board up to the year ending 31st March 1975 were audited (December 1975) by chartered accountants. Receipts and expenditure of the Board till 1974-75 were as under:

Year of accounts	Unspent balance of Government grants received in previous years	Grants received from the State Government during the year	Other receipts (sale proceeds of books, etc.)	Total including unspent balance of grants	Total expenditure	Percentage of grants including unspent balance of previous year to total expenditure
<i>(In lakhs of rupees)</i>						
1970-71 .. ..	..	0.40	..	0.40	0.17	235.3
1971-72	0.23	1.50	..	1.73	1.45	119.3
1972-73	0.28	3.00	0.02	3.30	1.03	320.4
1973-74	2.25	4.25	0.04	6.54	1.76	371.6
1974-75	4.75	1.00	0.13	5.88	4.72	124.5
Total .. ..	..	10.15	0.19	..	9.13	..

As the Board was substantially financed by Government during 1973-74 and 1974-75, it attracted the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Some of the points coming to notice in the course of audit were:

(i) Against the agreed assistance of Rs.1 crore by the Government of India, the State Government drew Rs.13.15 lakhs up to 1974-75, out of which Rs.10.15 lakhs were released to the Board. Though the unspent balances at the beginning of the year 1973-74 (Rs.2.25 lakhs) and 1974-75 (Rs.4.75 lakhs) were sufficient to cover the expenditure of the respective years, the Board approached Government and obtained release of further amounts as grants of Rs.4.25 lakhs (February and March 1974) and Rs. 1 lakh (February 1975). The Board stated (September 1976) that it had approached the Government for funds because it did not know when and what amount would be released.

(ii) No target for publication of books was fixed. The Board published 17 titles (19,500 copies) at a cost of Rs.2.39 lakhs till 1974-75. None of these was prescribed as a text book by any of the Universities. Only 1,981 copies were sold till 31st March 1975 for Rs.0.19 lakh. Copies numbering 1,100 (included in 19,500 copies) of a book titled "Sabda Bignan" printed in 1974-75 at a cost of Rs.0.10 lakh were withdrawn from sale as serious mistakes in the manuscript were stated (January 1976) to have been detected after publication.

(iii) Physical verification of the stock of books was not done in any of the years under audit.

(iv) Printing paper purchased by the Board was delivered by the supplying agencies directly to the printers for storage in their godowns. The Board did not maintain any stock account of the paper. It was seen in test check that out of 1,118 reams of paper supplied to the printers in 1973-74 (155 reams) and 1974-75 (963 reams), only 420 reams (22.5 reams in 1973-74 and 397.5 reams in 1974-75) were consumed in those years. Again, 140 reams were supplied during 1975-76 and 310 reams were consumed till May 1976. The Board stated (March 1977) that the balance of the paper was consumed during 1976-77. There was no agreement with the printers providing for safe custody of the paper but according to the Board (January 1976) "the printers are, by convention, responsible for safe custody of paper".

The points were brought to the notice of Government in August 1976; reply is awaited (April 1977).

Municipal Services Department

7.5. Municipalities

7.5.1. The accounts of 5 municipalities for 1973-74, 9 for 1974-75 and 8 for both the years, which attracted Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 were audited. Of these, administration of seven municipalities, *viz.*, Arambagh, Bongaon, Chakdah, Jaynagar-Majilpur, Kanchrapara, Khardah and Nabadwip, vested in Government officers and that of two municipalities, *viz.*, Jiaganj-Azimganj and Suri, vested in committees appointed by Government. In the case of the remaining municipalities, there were elected bodies of commissioners.

A statement showing the financial assistance received by these municipalities from Government and the total expenditure incurred by them during the respective years is given in Appendix VIII.

7.5.2. Demand and collection of revenue

(a) The demand (Rs.2,18.39 lakhs) and collection (Rs.56.59 lakhs) of rates made by these 22 municipalities for the years 1973-74 and 1974-75 showed that the percentage of collection varied from 12.4 (Ghatal) to 79 (Katwa) against the minimum standard of good collection of 85 per cent prescribed (June 1954) by the State Government.

(b) Alipurduar and Bongaon municipalities collected 14 and 22 per cent of their respective total demand of taxes on trades, professions and licence fees. Khardah and Bongaon municipalities collected only 2 per cent and 6 per cent of their total demand of lease rents and other dues.

7.5.3. Financial position

The net deficit of the municipalities (except Kanchrapara) as on 31st March 1974 and 31st March 1975 after setting off their liabilities is shown in Appendix IX. The details therein show the following:

- (i) Out of the unspent amounts of grants and loans (Rs.81.74 lakhs) received from Government for specific purposes, *viz.*, improvement of roads and drains, sinking of tubewells, etc., Rs.56.06 lakhs were diverted by 21 municipalities to other purposes.
- (ii) Sixteen municipalities had not repaid to Government instalments of loans with interest accrued thereon (Rs.25.76 lakhs) although under the Bengal Municipal Act, 1932 such payments constituted the first charge on the municipal funds.
- (iii) Ten municipalities defaulted in payment of subscriptions deducted from the salaries of staff together with their contribution to the employees' provident funds to the extent of Rs.6.41 lakhs.

7.5.4. Non-utilisation of Government grants

(a) *Development and communication grants*: All the 22 municipalities failed to utilise fully the grants paid by Government for development of roads, drains, etc., within the municipal area. Out of the total grant of Rs.80.10 lakhs received between 1971-72 and 1973-74 including unspent amounts of grants received up to 31st March 1971, Rs.45.01 lakhs remained unspent as on 31st March 1975. These grants were to be utilised within the year following the year of receipt.

(b) *Compost manure scheme*: Out of a grant of Rs.0.43 lakh received by the Ghatal Municipality during 1974-75 under the compost manure scheme, Rs.0.42 lakh were spent in that year on purchase of a tractor and a trailer without undertaking other works, *viz.*, improvement of trenching ground, approach road and construction of shed. Consequently, the tractor and the trailer purchased remained idle in the municipal garage (July 1976).

7.5.5. (a) *Non-completion of a road*: For improvement of a road at an estimated cost of Rs.0.68 lakh, the Arambagh Municipality issued a work order to a contractor on 3rd April 1974. The work, for which development grant of Rs.0.39 lakh had been paid by Government, was due to be completed by the contractor within six months. Rupees 0.60 lakh were spent on the work up to 17th June 1975 when it was abandoned by the contractor, leaving work on 309 metres (out of 1,620 metres in all) of the road unexecuted. In the absence of any agreement, no penal measure could be taken against the contractor. His security deposit was refunded in April 1976. No steps had been taken (April 1977) to complete the work.

(b) *Scheme sponsored by the Calcutta Metropolitan Development Authority (CMDA)*: For improvement of roads and construction of drains and culverts, the Khardah Municipality received financial assistance of Rs.12.95 lakhs (grant: Rs.8.63 lakhs; loan: Rs.4.32 lakhs) from CMDA between 1970-71 and 1974-75. The amount received was spent in full by 31st March 1975; 174 schemes, out of 206, were completed by that date. Execution of 18 schemes was not taken up and 14 schemes were left incomplete (December 1976) owing mainly to exhaustion of funds.

The completed schemes included 7 municipal *kutcha* drains reconstructed with brick and cement at a cost of Rs.0.84 lakh. These seven drains had outlets into certain municipal *kutcha* drains which were to be reconstructed as main outfall drains by the Irrigation and Waterways Department. As stated by the Municipality, the Irrigation and Waterways Department could not undertake their part of the work due to local resistance and continuous flow through the drains was hampered. The Municipality brought this to the notice of the Irrigation and Waterways Department and CMDA in August 1975. Further developments in the matter are awaited (December 1976).

(c) *Defalcation*: In the course of test audit of accounts of Alipurduar Municipality for 1971-72, collection of licence fee at rates less than those fixed was noticed (May 1973). Local verification conducted by the Municipality at the instance of Audit revealed defalcation of Rs.0.22 lakh by an employee of the Municipality, who was placed under suspension in July 1973. The matter is under police investigation (May 1976).

The points were brought to the notice of Government in December 1976; reply in awaited (April 1977).

Panchayats Department

7.6. Zilla Parishads

7.6.1. Introduction

Zilla Parishads were set up under the West Bengal Zilla Parishads' Act, 1963, as the apex of a four-tier Panchayati Raj set up with a view to associating the local authorities with development activities and bringing about democratic decentralisation and people's participation in planning and development. The Zilla Parishads were brought under administrators, appointed by Government, with effect from April 1969.

7.6.2. Source of finance and revenue

The main source of finance of the Zilla Parishads is funds provided by Government as grants in lieu of collection of land revenue and cess, augmentation grants, grants for specific purposes and loans. The total amount of grants and loans received from Government and the expenditure incurred by the Zilla Parishads the accounts of which were audited are given in Appendix X.

7.6.3. Audit of accounts

These bodies being substantially financed by grants and loans from Government their accounts attracted Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The accounts of four Zilla Parishads for 1972-73 and of twelve each for 1973-74 and 1974-75 were audited during the period under report.

7.6.4. Collection of revenue

The income of these Zilla Parishads from their own sources of revenue, which included mainly fixed demands for rent of land and for lease of cattle pounds and ferries, amounted to 7.1, 2.8 and 3.8 per cent of the receipts from Government in the form of grants and loans during 1972-73, 1973-74 and 1974-75 respectively. Collection of revenue by the Zilla Parishads was 49.1, 24.7 and 33 per cent respectively of their total demand during the years. The details are as shown below:

Year	Receipts		Percentage of collection to receipts from Government	Total demand	Percentage of collection to total demand
	Loans and grants from Government	Revenue collection			
	<i>(In lakhs of rupees)</i>			<i>(In lakhs of rupees)</i>	
1972-73 (4 Zilla Parishads)	23.63	1.68	7.1	3.42	49.1
1973-74 (12 Zilla Parishads)	1,68.32	4.67	2.8	18.87	24.7
1974-75 (12 Zilla Parishads)	1,82.46	7.07	3.8	21.41	33.0

7.6.5. Diversion of Government grants and loans

Unspent balances of Government grants and loans given for specific purposes were not covered by cash balances and investments held by three Zilla Parishads as on 31st March 1975, as detailed below, indicating that the amounts were appropriated towards general expenses of the Zilla Parishads.

Name of Zilla Parishad	Unspent amount of loans and grants	Cash balance including investments	Amount diverted
<i>(In lakhs of rupees)</i>			
Birbhum ..	20.06	6.33	13.73
Purulia ..	7.32	5.66	1.66
West Dinajpur ..	11.36	9.84	1.52

7.6.6. Investment

Out of the cash balance, investments in short-term deposits were made by four Zilla Parishads as shown below :

Name of Zilla Parishad			Year	Amount invested
<i>(In lakhs of rupees)</i>				
Birbhum	..	..	.. 1973-74	4.00
Burdwan	..	..	.. 1973-74	7.00
Howrah	..	..	.. 1974-75	12.50
Nadia	..	..	.. 1974-75	4.00

The investments by Birbhum, Burdwan and Nadia Zilla Parishads were made without the approval of Government required under section 40(2) of the West Bengal Zilla Parishads Act, 1963. The Howrah Zilla Parishad invested Rs.12.50 lakhs against investment of Rs.5 lakhs authorised by Government in May 1973.

7.6.7. Government loans remaining unutilised

Loans received by 11 Zilla Parishads from Government for restoration of damage caused by floods remained unutilised to the extent of Rs.22.14 lakhs as on 31st March 1975 as shown below :

Name of Zilla Parishad	Loan received		Unutilised balance		
	Year	Amount			
<i>(In lakhs of rupees)</i>					
Bankura	..	1971-72	4.65	0.80	(Position as on 1st August 1975)
		1973-74	3.63	2.00	
Birbhum	..	1968-69 and 1971-72	4.43	0.61	
		1973-74	2.78	2.70	
Burdwan	..	1968-69 to 1973-74	15.80	0.32	

Name of Zilla Parishad	Loan received		Unutilised balance
	Year	Amount	
<i>(In lakhs of rupees)</i>			
Cooch Behar ..	1968-69, 1969-70 and 1973-74	2.16	0.01
Darjeeling ..	1968-69 and 1969-70	17.26	0.17
Hooghly ..	1968-69 to 1973-74	19.15	4.34
Howrah ..	1968-69 to 1973-74	19.67	6.06
Malda ..	1971-72	10.50	1.35
Murshidabad ..	1969-70 and 1971-72	7.22	3.04
24-Parganas ..	1970-71 and 1971-72	15.85	0.35
West Dinajpur ..	1968-69 and 1969-70	16.08	0.30
		Total	22.14

7.6.8. Execution of development schemes

7.6.8.1. During the period from 1971-72 to 1974-75, 15 Zilla Parishads received grants aggregating Rs.2,32.43 lakhs from Government for construction of roads, bridges, culverts, re-excavation of tanks, etc., under the Crash Scheme for Rural Employment, Special Employment Programme and Contributory Village Road Scheme. The details of utilisation of these grants by

the Zilla Parishads are given in Appendix XI. The position of utilisation of other grants received by the Zilla Parishads for development of the districts as on 31st March 1975 is shown below :

Name of Zilla Parishad	Grants received			Unspent grants
	From	Year	Amount	
			(In lakhs of rupees)	
Darjeeling	.. Government	.. 1973-74 to 1974-75	25.41	18.32
Cooch Behar	.. Do.	.. 1973-74	1.16	1.16
Jalpaiguri	.. Do.	.. 1974-75	2.77	2.02
Malda	.. Do.	.. 1973-74	1.33	1.33*
West Dinajpur	.. Do.	.. 1973-74	1.52	0.96
Hooghly	.. Calcutta Metropolitan Development Au- thority	1971-72 to 1972-73	3.00	0.19
Howrah	.. Do.	.. 1971-72 to 1974-75	3.00	0.21
24-Parganas	.. Do.	.. 1971-72 to 1974-75	6.20	0.19
	Total ..		44.39	24.38

7.6.8.2. Deficiencies in execution of schemes

(a) **Crash Scheme for Rural Employment**—(i) Schemes left incomplete: Twentyseven schemes were left incomplete by Burdwan, Hooghly, Malda and Nadia Zilla Parishads on the ground that the allotment received from Government was less than the estimated cost of the schemes formulated by the Zilla Parishads and approved by Government, as shown below :

Name of Zilla Parishad	Number of schemes left incomplete	Employment potential estimated	Employment generated as reported	Estimated cost of the schemes	Allotment received from Government and spent
		(In lakhs of mandays)		(In lakhs of rupees)	
Burdwan	.. 9	3.40	2.31	14.22	9.25
Hooghly	.. 10	6.89	3.57	27.87	16.53
Malda	.. 6	0.79	0.15	3.30	0.98
Nadia	.. 2	1.36	0.29	5.63	0.90

*Position as on 31st March 1974

(ii) A scheme for construction of Bethuadahari-Khosalpur road by the Nadia Zilla Parishad with Government grant provided for earthwork and brick metalling for 10 Km. at an estimated cost of Rs.3.80 lakhs. Full allotment of Rs.3.80 lakhs was received from the Government for the scheme but it was exhausted after earthwork for 17 Km. and brick work for 7 Km. were executed. The execution of earthwork in excess of the sanctioned estimate was attributed (July 1975) by the Zilla Parishad to local pressure. Consequently, about 12 lakh bricks manufactured for the work at a cost of Rs.0.84 lakh became surplus of which about 6 lakh bricks were utilised in another scheme. It was stated by the Zilla Parishad (June 1977) that the remaining 6 lakh bricks (cost: Rs.0.42 lakh) were not fit for use in works.

(iii) For reconstruction of Balurghat-Daral-Tapan road (estimated cost: Rs.10.43 lakhs) by the West Dinajpur Zilla Parishad, the quantity of earthwork shown to have been executed was 66.61 lakh cft. (cost: Rs.8.47 lakhs up to June 1976) for work up to 13 Km. length against the estimated quantity of 52.27 lakh cft. for 19.2 Km. of road. The reasons for the excess earthwork were not on record (August 1976).

(b) **Contributory Village Road Scheme**—The Scheme provided for improvement of village *kutcha* roads, bridges and drains in rural areas, ordinarily at a cost not exceeding Rs.15,000 per work, to be met one-third by local contribution and two-thirds as grant-in-aid from Government. The local contribution which could be in cash or in kind or both had to come from the people themselves. The Zilla Parishads could execute such work themselves or entrust its execution to the lower-tier Panchayati Raj bodies. After the local contribution towards the cost of a work had been realised or work of that value had been done with local contribution, Government's contribution was to be released to the Zilla Parishads.

In contravention of the conditions laid down by Government under the Contributory Village Road Scheme, the Murshidabad Zilla Parishad incurred expenditure of Rs.0.45 lakh during 1972-73 and 1973-74 for improvement of three roads and the Midnapore Zilla Parishad executed seven projects during 1973-74 at a total cost of Rs.0.86 lakh through contractors.

The reason for not undertaking execution of certain works by Malda (one work) and Cooch Behar (six works) Zilla Parishads was stated to be non-receipt of local contribution (July 1976). It was, however, noticed that the Government contribution (two-thirds) for these works amounting to Rs.0.10 lakh and Rs.0.23 lakh respectively had been received by the Zilla Parishads during 1968-69 and 1972-73 respectively.

7.6.9. Other points

(a) **Delay in construction of school buildings**— For construction of school buildings with teachers' quarters of 19 complete basic schools and 32 junior basic schools, Government grant of Rs.15.51 lakhs was received by the Cooch Behar Zilla Parishad during 1966-67 and 1969-70. The construction works were suspended after 1969-70, when only 10 school buildings and three teachers' quarters of complete basic schools were completed at a total

expenditure of Rs.5.21 lakhs. In view of rise in the cost of construction, the Zilla Parishad moved Government (May 1972) for permission to construct seven more complete basic schools and 11 junior basic schools with the available funds of Rs.10.30 lakhs in modification of the conditions of the grant in regard to extent of land and amount of local contribution. Government decision is awaited (April 1977).

(b) **Government grant under the scheme for eradicating adult illiteracy—** For implementing a pilot project for eradicating adult illiteracy sponsored by the Government of India, a total grant of Rs.5.16 lakhs was paid to 15 Zilla Parishads during 1965-66 and 1966-67. The total expenditure up to March 1975 was Rs.2.69 lakhs. Out of the remaining Rs.2.47 lakhs, Rs.0.24 lakh were refunded to Government by Burdwan and Nadia Zilla Parishads in March 1970 and Rs.2.23 lakhs were lying unutilised in the Zilla Parishad funds (March 1975).

(c) Rupees 0.31 lakh were spent by the Darjeeling Zilla Parishad out of its funds during 1972-73 for reconstruction of "Goke to Singla" road which was not vested in the Parishad under section 39 of the West Bengal Zilla Parishads Act, 1963. It was stated that the road belonged to the Forest Department.

The points were brought to the notice of Government in November 1976; reply is awaited (April 1977).

Cottage and Small Scale Industries Department

7.7. With a view to promoting self-employment amongst the educated unemployed and for encouraging them to develop technically feasible and commercially viable ventures, Government took up (September 1973) a scheme for providing financial assistance to entrepreneurs by way of loans on soft terms (rate of interest: 4½ per cent depending on whether the assistance was towards working capital/investment requirements). It was intended that the assistance should facilitate the flow of institutional finance to meet the bulk of the capital requirements of the projects to be undertaken. The primary investment comprising seed capital, margin money was to be generally about 10 per cent of the total capital requirement of the project as accepted by a financial institution, subject to a maximum of Rs.0.75 lakh (which could be relaxed by a high powered departmental committee), to each small scale unit having plant and machinery valued up to Rs.10 lakhs, the remaining 90 per cent being provided by the financial institution. The seed capital/margin money assistance was to be released in lump to the financial institution concerned in favour of the unit after the financial institution had intimated its acceptance of the project indicating also the amount it would release to the unit. The Directorate of Cottage and Small Scale Industries was entrusted with the responsibility of giving guidance to entrepreneurs, sponsoring their proposals for providing institutional finance and providing seed capital/margin money assistance to them.

The details of the seed capital/margin money assistance released by the Directorate in favour of various units during the years 1973-74 to 1975-76 were as follows :

Year			Number of units	Amount of seed capital/margin money released by way of loans <i>(In lakhs of rupees)</i>	Expected generation of employment
1973-74	..	..	802	40.63	9,125
1974-75	..	..	819	46.77	3,119
1975-76	..	..	793	47.52	3,274
		Total	2,414	1,34.92	15,518

On a test check of the records of the Directorate with a view to scrutinising the procedure by which the sanctioning authority satisfied itself as to the fulfilment of the conditions subject to which the loans were given, the following points were noticed :

(i) Before seed capital/margin money assistance was released, agreement bonds providing for its utilisation and repayment were required to be got executed by the loanee units. Such bonds had not been obtained in all cases where assistance was provided. Out of 384 assisted units in Calcutta, agreements had been received from 250 units (November 1976). Units which had not submitted the bonds were stated to have been reminded. Information in respect of offices other than Calcutta was awaited (April 1977).

(ii) According to the records of the Directorate, 80 units, in whose favour assistance aggregating Rs.2.90 lakhs had been released during 1973-74 to 1975-76, had not drawn any assistance from the financial institutions till the date of audit (June 1976). Out of the seed capital/margin money assistance of Rs.2.90 lakhs, Rs.0.20 lakh (12 units) were refunded by the financial institutions to the Directorate up to June 1976. In the case of 18 other units, the Directorate had no information about the dates of release of assistance to them by the financial institutions or of commencement of projects by the units.

(iii) The assisted units were also required to send to the Directorate reports about the unutilisation of the assistance provided and their performance. No reports had been received (April 1977). Certificates of utilisation of the assistance provided were also not on record (November 1976) but were stated to have been called for.

The Directorate decided (May 1976) to inspect all the units with a view to assessing the progress of the projects for which assistance had been provided. Up to October 1976, 100 units out of 384 units assisted during 1973-74 to 1975-76 from the Calcutta office had been inspected. The reports did not, however, contain any information about the generation of employment as a result of undertaking the projects. Information regarding other offices of the Directorate was awaited (April 1977).

(iv) The West Bengal Co-operative Spinning Mills Limited, functioning since 1964, was given margin money assistance of Rs.11.77 lakhs in March 1974 under the scheme, though it was not a small scale unit. As per orders of the State Government issued in September 1973, margin money assistance could be granted to a running concern provided it proposed to expand and make adequate contribution to additional employment of educated persons. According to the information furnished (June 1976) by the Directorate, the Spinning Mills provided employment to 60 persons as against 400 envisaged in the expansion programme.

(v) For providing employment to 25 persons, Rs.0.72 lakh were released (March 1974) as margin money to a running concern in the private sector. The Directorate stated (November 1976) that while sanctioning the assistance the export-oriented nature of the products proposed to be manufactured by the unit was taken into consideration. Information about manufacture as also the employment generated by the concern was not, however, available with the Directorate (November 1976).

The points were brought to the notice of Government in August 1976; reply is awaited (April 1977).

Education Department

TECHNICAL EDUCATION DIRECTORATE

7.8. Grants-in-aid to sponsored technical institutions

Recurring grants to meet the deficit in the cost of maintenance (pay, dearness allowance, contribution to provident fund, contingencies and repairs to buildings) and non-recurring grants for meeting capital expenditure on construction of buildings, purchase of furniture, equipment, etc., are sanctioned every year by the Director, Technical Education to sponsored technical institutions, e.g., polytechnics, junior technical schools, etc. The grants are drawn on presentation of bills by the institutions duly countersigned

by the authority sanctioning the grants. The number of institutions receiving grants during the years 1971-72 to 1975-76 and the amounts of grants released during these years were :

Year	Number of Institutions	Amount released as grants		Total
		Recurring	Non-recurring	
(In lakhs of rupees)				
1971-72	52	1,30.99	2.42	1,33.41
1972-73	52	1,37.20	0.25	1,37.45
1973-74	52	1,43.75	2.71	1,46.46
1974-75	52	1,47.44	2.10	1,49.54
1975-76	52	1,52.18	23.54	1,75.72

The conditions attached to these grants were :

- (i) The institution should have a Governing Body approved by Government.
- (ii) The audited accounts of the institution for the previous year, the revised estimate for the current year and the budget estimate for the next year, together with course-wise and class-wise roll strength for the current academic session, should be sent to the Directorate by the second week of September of the year in which the grant is released.
- (iii) In case of non-recurring capital grant, the estimate and plan for construction work and detailed proposals in other cases should be sent to Government for approval.
- (iv) Utilisation certificates in respect of grants released in the previous year should be sent to the Directorate by the institution.

Recurring grants are released in instalments during the year. The amount of each instalment except the last one is fixed on an *ad hoc* basis; the last instalment is to be released after scrutiny of the budget estimate and calculation of the estimated deficit therefrom subject to final adjustment in the following year on the basis of the audited accounts for the current year. Unspent balance, if any, of the grant paid in the previous year is to be adjusted against the last instalment released during the year.

Regarding the procedure for ensuring fulfilment of the conditions governing the grants by the recipients, the Directorate stated (July 1976) that it relied mainly on scrutiny of the audited accounts, budget estimates and other information called for and furnished by the grantees along with the requests for fresh grant. According to the Directorate (July 1976), there was no system of internal check and/or administrative inspection for want of inspecting staff.

On a test check of records of the Directorate as also of some of the grantee institutions the following points came to notice :

- (i) No time limit within which the utilisation certificates are to be furnished by the grantee institutions has been prescribed by the Directorate. It was stated (December 1976) by the Directorate that "grantee institutions are requested to utilise the amount as early as possible. There is no time limit for the same. They are requested to furnish the utilisation certificate on utilisation of the grant".
- (ii) On a test check of 12 cases, it was noticed that grants were released in full during 1971-72 to 1975-76 to the following four institutions without receiving information regarding class-wise roll strength for each academic session in respect of any of these years :

	Recurring grants released				
	1971-72	1972-73	1973-74	1974-75	1975-76
	<i>(In lakhs of rupees)</i>				
Jalpaiguri Polytechnic ..	4.91	5.39	5.98	5.40	5.37
Darjeeling Polytechnic ..	1.40	1.77	2.10	2.10	1.75
J. C. Ghosh Polytechnic	5.80	6.32	5.60	6.60	5.80
Central Calcutta Polytechnic	4.24	5.09	4.40	4.57	5.05

The information had not been furnished till March 1977.

- (iii) In the North Calcutta Polytechnic, machinery and equipment (value: Rs.0.77 lakh) for imparting training to students have been lying idle for periods ranging between two and seven years. The Polytechnic authorities stated (January 1976) that the budget provision was too small for carrying out major repairs necessary to restore the machinery and equipment to working condition. It was also stated (December 1976) that the training programme could be more effective if the machinery were brought into working condition.
- (iv) Rupees 2 lakhs were released (September 1975) as non-recurring grant to the Women's Polytechnic at Convent Road, Calcutta for purchase of equipment and furniture on condition, among others, that the list of equipment and furniture to be purchased should be got approved by the Directorate before actual purchase. The list of equipment and furniture purchased by the institution was not available with the Directorate (December 1976) and the Directorate was not aware if the grant was utilised for purchase of only those items for which it was intended. The Directorate stated (December 1976) that the matter was being investigated.

- (v) Recurring grants of Rs.1.77 lakhs, Rs.2.10 lakhs, Rs.2.10 lakhs and Rs.1.75 lakhs were released to the Darjeeling Polytechnic during the years 1972-73, 1973-74, 1974-75 and 1975-76 respectively without obtaining the auditor's reports and the budget estimates for all these years. While the auditor's reports for 1972-73 to 1974-75 were received by the Directorate in March 1976, the budget estimate for all these years had not been received (July 1976).

The points were brought to the notice of Government in August 1976; reply is awaited (April 1977).

Public Works (Metropolitan Development) Department

7.9. Calcutta Metropolitan Development Authority

7.9.1. Introduction

The Calcutta Metropolitan Development Authority (CMDA) was constituted under section 3 of the Calcutta Metropolitan Development Authority Act, 1970 enacted by the President on 16th July 1970 when the State was under President's Rule. The 1970 Act was replaced by the Calcutta Metropolitan Development Authority Act, 1972 enacted by the State Legislature in 1972.

The CMDA was envisaged as a high-powered statutory body which would secure effective implementation of the development plans for the Calcutta metropolitan area. It was to perform the functions of formulation of plans, co-ordination of the execution and supervision of such development projects as were financed by it. Apart from loans and grants from Government, it could also procure funds for financing its programmes by borrowings in the market and by receiving a share of the Octroi duty levied by the State Government on the entry of goods in the Calcutta metropolitan area.

CMDA began functioning in September 1970 and consists of a Chairman and other members, viz., Commissioner, Development and Planning Department; Commissioner, Town and Country Planning Department; Financial Commissioner; a Councillor of the Calcutta Corporation and two Commissioners of municipalities within the Calcutta metropolitan area. It has under it directorates of Water Supply, Sewerage and Drainage, Traffic and Transportation, Area Development and Bustec Improvements and a Purchase Wing.

7.9.2. Budget and accounts

Under both the Acts, i.e., of 1970 and 1972, the forms in which CMDA should prepare the Budget Estimates and the Accounts were to be prescribed by the State Government. The forms in which the accounts are to be prepared were approved by the State Government on 28th October 1976 but have not yet been prescribed nor have the forms in respect of the Budget Estimates been approved or prescribed.

CMDA has prepared annual "Receipt and Payment Accounts" for the years up to 1973-74; no Final Accounts for any of the years have so far (March 1977) been submitted for audit.

The receipts of CMDA from different sources and its expenditure in different years were as mentioned below :

Year	Grant from the State Government	Share of Octroi received from the State Government as grant	Market loan	Bustee improvement grant from the Government of India	Special loan from the Government of India	Miscellaneous receipts	Total receipts	Expenditure	
<i>(All figures in crores of rupees)</i>									
1970-71	..	6.24	1.00	7.15	1.38	4.12	0.01	19.90	18.76
1971-72	..	9.54	4.00	8.25	3.12	4.00	2.91	31.82	34.43*
1972-73	..	8.49	5.67	15.40	3.33	9.00	2.11	44.00	38.78
1973-74	..	11.16	4.07	15.40	2.56	3.50	1.90	38.59	36.17
Total	..	35.43	14.74	46.20	10.39	20.62	6.93	1,34.31	1,28.14

* Expenditure in excess of receipts was met by obtaining overdrafts from United Bank of India.

CMDA implements its schemes through various municipalities and other local bodies, *e.g.*, Calcutta Corporation, Howrah Municipality, Calcutta Improvement Trust, etc., and also through the State Public Works Department and its own divisional/zonal units. All payments against schemes executed by other agencies have been exhibited in the annual "Receipt and Payment Accounts" as "Advances to Implementing Agencies" since inception. The year-wise details of such advances are given below:

Year				Amount
				(In crores of rupees)
1970-71	..	..	..	16.37
1971-72	..	..	..	26.42
1972-73	..	..	..	23.97
1973-74	..	..	..	20.45
			Total ..	87.21(a)

CMDA has laid down a procedure for formulation of schemes and their technical scrutiny and for issue of administrative approval and financial sanction. A procedure has also been prescribed for invitation and acceptance of tenders for the works to be undertaken in respect of the approved schemes. No procedure has, however, been prescribed regarding the manner and extent of control and supervision to be exercised by CMDA over the implementation of the schemes. It was also stated by CMDA in July 1976 that no decision had been taken about the ultimate ownership of the assets created or developed out of the moneys advanced to the implementing agencies by CMDA; accordingly, it was also not clear as to whether the advances made were to be treated as repayable loans or as grants. The above advances have, therefore, not (December 1976) been finally adjusted against the respective schemes in the books of CMDA.

7.9.3. Bustee Improvement Scheme

CMDA took up the implementation of Bustee Improvement Scheme in 1971. The scheme was intended to provide basic civic amenities like adequate supply of safe and potable water, provision of community water taps, baths, sanitary latrines, sewerage and storm water drainage system, paved pathways, lighting arrangements, etc.

Since there was a very large number of bustee units which varied substantially in area and population, the basic operational unit in the programme was taken as a cluster. On an average each cluster comprised two to six individual bustees accounting for about 5,000 people. It was

(a) Excludes Rs. 13.45 crores paid on account of bustee improvement schemes.

estimated by CMDA in March 1971 that the improvement programme was likely to cover 13 to 14 lakhs of bustee population. CMDA gave administrative approval in April 1972 to bustee improvement works costing Rs.8.36 crores.

According to a note prepared in CMDA for a review meeting in June 1976, the estimated cost of the entire bustee improvement programme was Rs.13.34 crores, of which the programme to be implemented by CMDA directly was estimated to cost Rs.8.53 crores covering a population of 6.27 lakhs. The expenditure incurred on the schemes was as follows:

	Expenditure on entire bustee improvement programme	Expenditure on bustee improve- ment works implemanted by CMDA's own organisation
	<i>(In crores of rupees)</i>	
Up to the end of the Fourth Five-Year Plan	10.61	6.98
During 1974-75	1.79	1.31
During 1975-76	0.90	0.72
Total ..	13.30	9.01

The following points were noticed during test check of the records relating to the implementation of the scheme by CMDA through its zonal units.

Survey and preparation of plans—The programme envisaged a quick survey of bustees, determination of the nature and extent of physical improvements needed, preparation of detailed plans and estimates in respect of each bustee, calling tenders and issue of work orders. In the first phase, CMDA selected 1,200 to 1,500 bustees for improvement. The Calcutta Metropolitan Planning Organisation (CMPO) undertook preparation of schemes covering the larger bustees in Calcutta.

On 28th December 1970 the Commissioner, CMPO stated in a note to the Chairman, CMDA that since progress of work by the CMPO was slow and the newly created (September 1970) organisation (CMDA) would take some time to get set for this type of work, he had approached some consultancy organisations with the proposal that they should undertake the preparatory work. He submitted a report prepared by a firm (Economic and Business Development Foundation—EBDF—stated to be a non-profit making body) on the scope of survey and project report for bustee improvement schemes within the Calcutta Metropolitan District. EBDF had indicated that it would employ groups of unemployed engineers and other technical personnel for the work.

It was decided by CMDA on 25th January 1971 that EBDF and other similar agencies should be entrusted with the job of surveying and preparation of project report for which the charges would be negotiated and settled subject to a ceiling of 5 per cent of the value of work. On 9th February 1971, EBDF was informed that "a fee at the rate of 5 per cent of the completed value of the work will be allowed".

The work of preparation of schemes was entrusted to EBDF and other agencies in January 1971. The target date of preparation of schemes was 20th March 1971. EBDF was entrusted with the work of preparation of schemes for improvement of 4,496 bustee holdings (76 clusters) covering a total population of 5.19 lakhs. Similar work for 2,000 bustee holdings (33 clusters) covering a total population of 1.97 lakhs was entrusted to five other agencies. It was estimated (March 1971) by the Secretary, CMDA that the fees for the preparation of schemes would be Rs.33.00 lakhs against which the total expenditure on fees paid to the six firms up to 1972-73 amounted to Rs.37.91 lakhs.

Works expenditure—As part of the direct execution of bustee improvement working through its zonal units, CMDA allotted several works, during 1971-72, to different contractors on the basis of competitive tenders. Works were also distributed by the Chief Engineer (Bustee Improvement) without calling tenders, but after negotiation, to two firms at higher rates, viz., 37.5 per cent and 40 per cent above the Presidency circle schedule of rates (of the State P.W.D.), as shown below :

Zone	Number of works	Estimated value based on Presidency circle schedule of rates	Rates accepted	Contractual value
		(In lakhs of rupees)		(In lakhs of rupees)
I	6	20.21	40 per cent above	28.29
II	2	7.00	Ditto	9.80
III	1	5.00	37.5 per cent above	6.88
III	3	13.24	Ditto	18.20
IV	2	4.46	Ditto	6.14
IV	2	11.00	40 per cent above	15.40
Total ..	16	60.91		84.71

Though the rates allowed to the two firms were higher than the competitive tender rates, the CMDA, in its meeting held on 9th November 1971, decided to allow, as a special case, a still higher rate, viz., 55 per cent above the Presidency circle schedule of rates of 1970 on the ground that these two firms would secure self-employment opportunities to unemployed technical personnel of the State and assure a reasonable return to those engaged. After this decision, agreements already entered into at rates of 37.5 per cent and 40 per cent above the Presidency circle schedule of rates were cancelled and fresh agreements entered into at the enhanced rate of 55 per cent above the schedule.

The matter was brought to the notice of CMDA in December 1975; reply is awaited (April 1977).

7.9.4. Excess expenditure in purchase of steel

CMDA has been getting supplies of steel materials from various re-rollers as per periodical allocations made by the Billet Re-rollers Committee (BRC) from 1972-73. Payments were made in advance against *pro forma* invoices submitted by the re-rollers for supply of mild steel rounds of different diameters. The price included base price of steel and other applicable charges like packing and extra charges as determined by BRC and the Joint Plant Committee (JPC) from time to time. "Specific length extra" was payable at the rate of Rs.50 per tonne as per BRC regulation, where re-rollers had been specifically instructed by CMDA in writing to supply steel materials of specific length; where this was not so ordered the re-rollers were required to supply steel materials in standard length for which no extra payment was admissible.

CMDA made payments for "specific length extra" to 11 suppliers at Rs.50 per tonne for a total quantity of 6,076.5 tonnes purchased during the years 1972-73 and 1973-74, though as per records it had not specifically instructed the suppliers to supply steel materials of any specific length. This involved extra expenditure of Rs.3.04 lakhs.

It was stated by the Purchase Officer (May 1976) that the suppliers were instructed over the phone (for shortage of time) to supply steel of specific lengths. However, purchases of steel by CMDA were generally of the nature of bulk procurement and not against any specific work requiring specific length. Steel was purchased by CMDA for supply to the implementing agencies and its zonal divisions based on their indents which did not specify any requirement of specific length.

7.9.5. Purchase of machinery

Two drilling rigs were purchased by CMDA's purchase wing (one during June 1972 and the other during September 1972) at a total cost of Rs.10.22 lakhs for sinking tubewells in bustee areas, on the basis of indent placed by its Chief Engineer, Bustee Improvement. After receipt of the rigs the

purchase wing requested (July 1972, August 1972 and March 1973) the Chief Engineer to take delivery of the rigs for utilisation. Purchase wing also issued two circulars (August 1972 and November 1972) to all the implementing agencies intimating availability of rigs for issue to them on hire basis. The Chief Engineer reported to the Controller of Purchase and Stores in March 1973 that the rigs were not suitable for operation in the bustee areas as the available working space was always inadequate in a bustee and that the contractors were also reluctant to take the rigs on hire. Both the rigs were lying in the stores till one was issued for trial running to the Public Health Engineering Division, Kalyani on 25th September 1974 and the other to the Garden Reach Water Works Division on 10th December 1974 on the basis of indents by those Divisions.

The rigs were, however, returned to stores on 3rd February 1975 and 1st September 1975 respectively. The rig, returned on 3rd February 1975, was again issued to Water Supply and Elementary Hygiene, Calcutta City Division on 11th June 1975 where the rig was retained up to 30th June 1976. The purchase wing reported to the Authority on 5th May 1976 that since the purchase of these two rigs, the Area Development and Bustee Improvement Sector and the Water Supply Sector (of CMDA) were being persuaded to use these rigs but that these had not been utilised except for sinking of 5/6 tubewells (as against their capacity of sinking 50 tubewells a year). As all attempts to utilise the rigs failed (as reported by the Technical Adviser to the Chairman, CMDA on 5th May 1976) the Public Health Engineering Directorate of the State Government was persuaded to take over these two rigs on hire basis. The rigs were delivered to the Government in May 1976 and June 1976 respectively. The purchase wing intimated to the State Government on 14th May 1976 the rate of hire charges as Rs.10,000 per rig per month. Acceptance of the rate by the State Government was awaited (April 1977).

7.9.6. Purchase of P.V.C. pipes and fittings

For the purpose of laying pipe lines for water supply the purchase wing invited quotations (August 1971) through newspapers for supply of P.V.C. pipes and fittings. Out of five firms giving quotations, two firms ('A' and 'B') which had quoted the lowest rates, were given purchase orders (October 1971) for supply of the pipes. In addition, a firm ('C') which had quoted a higher rate, was also given orders at the lowest rate obtained. It was stated by the management (September 1974) that owing to urgency the *ex* stock quantities available with firm 'C' were obtained at identical rate. The purchase order in respect of firm 'C' stipulated that inspection would be carried out by an inspecting agency at its factory prior to despatch of materials and that inspection test certificate for each consignment should be attached to its bills. Pipes and fittings worth Rs.8.61 lakhs were purchased from firm 'C' during the period October 1971 to March 1973. Payments were made on the basis of the certificates regarding check of the materials at firm 'C's' works.

The materials supplied by firm 'C' were issued to different zones of CMDA executing bustee improvement schemes. Complaints were received from zones II and IV that the pipes were getting broken or cracked during erection. From zone III also it was reported that the pipes cracked and failed in a number of places. In this zone expenditure of Rs.1.74 lakhs was incurred to replace the defective pipes and fittings. It was also observed from the stores ledger that certain zones had returned the materials to the stores.

The matter was taken up by the purchase wing with firm 'C' in January 1974 for replacing the defective pipes. However, the claims were not accepted by the supplying firm 'C' for the following reasons:

- (1) The supplies were made two years before.
- (2) The supplies were checked by the inspecting agent of CMDA before they were loaded and despatched and they were also verified and accepted by its stores department.
- (3) ISI marking on the pipes was not a condition in the purchase order.
- (4) Handling and storage of the materials by the purchaser was defective.

No purchase was made from firm 'C' after 25th April 1972.

The total value of the purchases of P.V.C. pipes and fittings made during the years 1971-72 and 1972-73 was Rs.48.98 lakhs. It was intimated by the purchase wing on 14th August 1975 to the indenter of these pipes (Director, Area Development and Bustee Improvement) that pipes worth Rs.22.98 lakhs were still lying in stock and not lifted by the indenter, of these pipes and fittings worth Rs.2.38 lakhs pertained to the purchases from firm 'C' the supplies from which were stated to be not in conformity with the specifications. In a meeting held on 10th October 1975 of the Works Committee of CMDA it was decided that the pipes and fittings (value: Rs.22.98 lakhs) might be disposed of in the open market. Information regarding disposal is awaited (April 1977).

The points were brought to the notice of Government in December 1976; reply is awaited (April 1977).

Co-operation Department

7.10. Financial assistance to co-operative societies

7.10.1. The number of co-operative institutions in West Bengal as at the close of the co-operative year 1974-75 (ending June 1975) and their salient features were as below :

	At the close of co-operative year 1974-75*
1. Total number of societies :	
Living	19,915
Under liquidation	6,522
2. Total membership	35.58 lakhs
3. Total paid up share capital	Rs. 45.87 lakhs
4. Contribution of Government to paid up share capital ..	Rs. 12.04 lakhs
5. Total working capital	Rs. 2,91,78 lakhs
6. Percentage of population covered by the co-operatives in the State	40
7. Percentage of agricultural population covered by the agricultural societies	30

7.10.1.2. Government has been providing financial assistance to co-operative institutions in the form of (a) investment in share capital, (b) loans, (c) grants-in-aid/subsidies and (d) guarantees. The particulars of such assistance to institutions are given below :

(a) Investment in share capital:

AS ON	Investment in share capital	Dividend received during the year	Percentage of dividend to capital invested
	(In lakhs of rupees)		
31st March 1974 .. .	10,69.44	2.13	0.20
31st March 1975 .. .	11,21.31	3.89	0.35

The amount of dividend due could not be stated by the Directorate (January 1977).

*As per records in the office of the Registrar of Co-operative Societies.

Share scripts were not received by the Department in all cases. On a test check of records in five out of twenty range offices (Assistant Registrars' Offices), it was seen that share scripts for Rs.3,64.14 lakhs out of an investment of Rs.4,54.66 lakhs in the paid up capital of co-operative societies (number of societies not available) had not been received (January 1977).

(b) Loans:

Loans paid by Government to co-operative institutions as per the records of the Registrar of Co-operative Societies were :

	<i>(In lakhs of rupees)</i>
Loans outstanding up to 31st March 1974	4,70.61
Loans paid during 1974-75	2,11.11
Loans repayable by 31st March 1975	2,14.35
Loans actually repaid by 31st March 1975	1,13.03
Closing balance of loans as on 1st April 1975	5,75.79
Loans overdue on 1st April 1975	1,00.42
Percentage of loans overdue to amounts due for repayment	47
Interest on loans payable by 31st March 1975	87.75
Interest actually paid by 31st March 1975	11.74
Interest unpaid	76.01
Percentage of interest unpaid to interest due	86.62

Of the loans paid up to 31st March 1975, utilisation certificates for Rs.2,21.45 lakhs were not received (January 1977) in the Directorate.

(c) Grants/subsidies:

Rupees 31.32 lakhs and Rs.68.90 lakhs were paid as grants and subsidies to the co-operative societies during 1974-75 and 1975-76 respectively for different purposes including assistance for toning up the management, construction of godowns, etc. Of the grants and subsidies mentioned above, utilisation certificates for Rs.8.72 lakhs (1974-75) and Rs.51.28 lakhs (1975-76) were not received (October 1976). Besides, utilisation certificates for Rs.61.81 lakhs in respect of the grants released prior to 1974-75 also remained to be received (October 1976).

(d) Guarantees:

According to the records of the Registrar, the actual amount covered by guarantees given by Government on behalf of different co-operative institutions for repayment of loans, etc., was Rs.22,27.15 lakhs as on 31st March 1976. This constituted a contingent liability of Government.

7.10.1.3. The table below indicates that 24 per cent (6,522) of the total number of co-operative societies (26,437) as on 30th June 1975 were reported to be in liquidation:

Co-operative year	Number of societies under liquidation at the beginning of the year	Societies under liquidation for two years or more	Societies brought under liquidation during the year	Societies wound up during the year	Number of societies under liquidation at the end of the year
1974-75 ..	6,275	6,129	320	73	6,522

Information regarding the total financial assistance provided by Government by way of participation in share capital, loans, grants and subsidies to the liquidated societies was not available with the Registrar of Co-operative Societies (January 1977). However, the total liabilities of these liquidated societies including dues to Government were stated (October 1976) by the Directorate to be Rs.2,60.07 lakhs against which the total assets were Rs.2,27.70 lakhs.

7.10.1.4. The working results of the active co-operative societies during the year ending June 1975 are shown in the table below. It would be seen that about 50 per cent of the societies worked at a profit, another 27 per cent just broke even and the rest had run at a loss.

Co-operative year	Total number of societies	Societies earning profit		Societies incurring loss		Societies with 'no profit no loss'
		Number	Aggregate profit	Number	Aggregate loss	
			(In lakhs of rupees)		(In lakhs of rupees)	
1974-75 ..	19,915	10,036	5,71	4,445	1,22	5,434

7.10.2.1. The organisation and development of fishermen's co-operatives was taken up from the Third Five Year Plan. Efforts were concentrated initially on inland fisheries, but from 1974-75 work is stated (by

Government) to have been extended to coastal and sea-fishing. The particulars of fishermen's co-operative societies as per records of the Registrar of Co-operative Societies as on 30th June 1975 are given below :

Number of societies	.. ..	634
Membership	.. ..	43,690
Paid up share capital	.. ..	Rs. 15.24 lakhs
Government contribution (as on 31st March 1975)		Rs. 4.92 lakhs
Loans paid by Government up to 31st March 1975		Rs. 17.20 lakhs
Amount of loan due for recovery up to 31st March 1975		{ Rs. 8.50 lakhs (principal) Rs. 4.36 lakhs (interest)
Amount realised up to 31st March 1975	..	{ Rs. 3.60 lakhs (principal) Rs. 0.78 lakh (interest)
Amount overdue as on 1st April 1975	..	{ Rs. 4.90 lakhs (principal) Rs. 3.58 lakhs (interest)

Of the 634 societies, 182 ran at a profit and 189 ran at a loss, while 263 made neither any profit nor any loss during the co-operative year 1974-75. No dividend has, however, been received by Government on its share capital investment. According to the Department (June 1976), many societies (number not stated) were inactive and steps, such as (a) involvement of active fishermen as members, (b) release of more Government assistance and (c) reconstitution of the managing committees, had been taken for revitalization, wherever possible.

The fishermen's co-operatives include six Central level societies. One such society, namely, Contai Central Fishermen's Co-operative Society Limited, was registered in December 1964 with a capital of Rs.10,985. It received share contribution (Rs.0.20 lakh), loan (Rs.1.80 lakhs) and subsidy (Rs.1.61 lakhs) from Government. This financial assistance given in September 1965, remains unutilised (December 1976). The amount was deposited in current and savings bank accounts in a co-operative bank. An ice plant, for which subsidy of Rs.0.31 lakh was paid (1965) by Government, had not been installed (December 1976). Loan and interest recoverable from the society (February 1976) were Rs.1.44 lakhs and Rs.0.94 lakh respectively. The cumulative loss of the society up to 1974-75 was Rs.0.61 lakh. The establishment charges up to 1973-74 were met mostly out of the interest aggregating Rs.0.99 lakh on the amounts received from Government and kept in bank. According to the Department, the society had submitted (date not known) an integrated and well co-ordinated project report for a mechanisation scheme in the coastal belt involving Rs.36 lakhs which was under examination (June 1976).

7.10.2.2. For preservation of perishable products such as seed potatoes and table potatoes, and to assist the growers of the area in having a fair return on their produce, co-operative cold storage societies were set up at different places in the State. The particulars of these societies as on 30th June 1975 are indicated below :

Number of societies	..	..	11
Membership	..	..	4,160
Paid up share capital	..	..	Rs 10.20 lakhs
Government contribution (as on 31st March 1975)	..	..	Rs. 2.01 lakhs
Loan paid by Government up to 31st March 1975	..	..	Rs. 39.04 lakhs
Amount due for recovery up to 31st March 1975	..	..	{ Rs. 21.41 lakhs (principal) Rs. 14.58 lakhs (interest)
Amount recovered up to 31st March 1975			{ Rs 3.57 lakhs (principal) Rs. 2.55 lakhs (interest)
Overdue as on 1st April 1975	..	..	{ Rs. 17.84 lakhs (principal) Rs. 12.03 lakhs (interest)

Up to 31st March 1975, Government stood guarantee for repayment of loans of Rs.2 lakhs raised by the societies.

Of the 11 societies, 5 had run at a profit, 2 had run at a loss and the remaining 4 at 'no-profit no-loss' during the co-operative year 1974-75. An aggregate quantity of 7,802 tonnes of produce had been stored by these societies in that year as against their total capacity of 9,400 tonnes.

7.10.3. Under the provisions of the Co-operative Societies Act, the Registrar of Co-operative Societies is responsible for audit of the accounts of co-operative institutions every year by auditors authorised by him. Audit of the accounts of 5,604 societies was, according to the Registrar, in arrears as on 30th June 1976 as indicated below :

	Total number of auditable societies as on 1st July 1975	Number of societies audited during the co-operative year 1975-76	Number of societies audit of which remained pending on 30th June 1976
Societies	19,764	17,125	2,639
Societies under liquidation ..	6,313	3,348	2,965
Total ..	26,077*	20,473	5,604

* Does not include 360 societies, the office premises of which could not be traced by the Directorate.

Information about the period for which the audit was in arrears could not be furnished by the Directorate (January 1977).

The arrears in audit were attributed (November 1976) by the Department mainly to:

- (i) Incomplete records of the societies;
- (ii) Seizure of books of accounts by police/courts;
- (iii) Records not traceable; and
- (iv) Dearth of departmental audit personnel.

The number of societies involved in each of the above categories was not available in the Registrar's office (October 1976).

7.10.4. The co-operative societies are required to pay to Government fees for audit which, if not paid within the scheduled time, are recoverable in the same manner as arrears of land revenue. The arrears in realisation of audit fees as on 31st March 1976 were Rs.37.75 lakhs as indicated below:

As on	Audit fees in arrear	Out of column 2 fees out- standing from liqui- dated so- cieties	Remarks
		<i>(In lakhs of rupees)</i>	
(1)	(2)	(3)	(4)
31st March 1975	.. 39.74	2.20	....
31st March 1976	.. 37.75	2.63	Figures of 4 out of 20 ranges were not available (Octo- ber 1976)

The points were brought to the notice of Government in December 1976; reply is awaited (April 1977).

CHAPTER VIII

COMMERCIAL ACTIVITIES

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

On 31st March 1976, there were 19 departmentally managed commercial and *quasi-commercial* undertakings in the State as against 18 on 31st March 1975. The administrative control of the Siliguri unit of the integrated scheme for training-*cum*-production centre for wood industries has been transferred to the Public Undertakings Department as a separate unit. The other two units of the scheme, *viz.*, Kalyani and Durgapur units, however, remain with the Cottage and Small Scale Industries Department.

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

8.2. Delay in preparation of *pro forma* accounts

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

The tourist lodges at Santiniketan, Durgapur and Darjeeling were declared as commercial with effect from 1st April 1973. On 1st November 1975, the West Bengal Tourism Development Corporation Limited, a State Government Company, took over these lodges. *Pro forma* accounts of the three lodges for the period from 1st April 1973 to 31st October 1975 are in arrears.

Mention was made in paragraph 73 of the Report of the Comptroller and Auditor General of India for the year 1974-75 (Civil) that the accounts of Brooklyn Ice Plant and Cold Storage, which was closed in March 1968, had been in arrears since 1965-66. Preparation of its *pro forma* accounts was waived by Government in September 1976.

The delay in preparation of *pro forma* accounts has been persisting.

Animal Husbandry and Veterinary Services Department

State Dairy, Durgapur

8.3. Supply of excess 'Heem-cream'

The Dairy started (December 1972) manufacture of 'Heem-cream' for sale in Calcutta, 190 Km away from Durgapur. The quantity of 'Heem-cream' to be sold in each cup was stipulated to be 50 ml. In order to meet the emergent need, the Milk Commissioner, West Bengal, relaxing the

tender rules, placed an order for 5 lakh cups of 50 ml capacity on a Calcutta firm on 13th December 1972. During the period from December 1972 to October 1973, 2,92,500 cups were supplied. In May 1973, the Dairy authorities found that the cups supplied were actually of 70 ml capacity. The Management then requested (May 1973) the supplier to supply cups of appropriate size by reducing the capacity to the required extent. This change was not carried out by the supplier. Against the stipulated quantity of 50 ml, 69 ml of 'Heem-cream' were filled in each over-sized cup and sold by the Dairy. For the extra quantity per cup no price increase was considered. During the period from December 1972 to March 1976, in all a quantity of 54,96,377 ml of 'Heem-cream' had thus been supplied in excess of what was to have been supplied for sale, involving a loss of Rs.0.66 lakh.

The excess supply was brought to the notice of the Milk Commissioner (May 1973), who directed the Dairy (March 1976) not to fill in more than 50 ml in each cup. The excess supply per cup was stopped with effect from August 1976 and cups of correct specification were introduced from September 1976.

It was stated (November 1976) by the department that some allowance for shrinkage was considered necessary. The department, however, admitted that the allowance should not have been as high as 19 ml per cup and stated that due to technical difficulties the volume could not be restricted to the optimum level.

Commerce and Industries Department

Oriental Gas Company's Undertaking

8.4. Persisting defects in maintenance of cash book

The following defects in the maintenance of cash book, which were being brought to the notice of Government from time to time, have been continuing since 1971-72:

- (1) The main cash book did not contain printed page numbers.
- (2) Neither any details of payments and receipts nor cash voucher numbers were recorded in the cash book.
- (3) Neither the cash book was signed by the official who maintained it nor the entries in it were attested by any officer.
- (4) No day to day balancing of receipts and payments and periodical physical verification of cash were done by any responsible officer.

- (5) Day to day receipts were deposited in treasury/bank not on the following days as per rules but in instalments on different subsequent dates.
- (6) Government money and non-Government money (*e.g.*, money belonging to the staff co-operative society) were kept in the same chest. There was no separate record of non-Government money.

Government had ordered (October 1973) that the following steps should be taken so that recurrence of these irregularities might be avoided:

- (a) Cash book should be completed immediately.
- (b) All entries in the cash book should be attested by the Accounts Officer.
- (c) Cash should be physically verified at least once at the end of each month.

The orders have not been complied with (April 1977).

Forests Department

8.5. Government Saw Mills, Siliguri

8.5.1. The Government Saw Mills, Siliguri started functioning as a departmentally managed commercial undertaking with effect from 1928 with the main object of supplying quality timber to various Central and State Government departments and private parties. Originally, the mills were operated by steam power with 18 workers working in a single shift of 8 hours. Electrification of the mills, with a new set of machinery, was started in 1959 and completed in 1961. In order to meet the increased demands, double shift working was introduced in 1962.

8.5.2. Working results

8.5.2.1. The working results of the unit for 1972-73 to 1974-75 were as follows:

	1972-73	1973-74	1974-75
	<i>(In lakhs of rupees)</i>		
Income	28.16	33.10	42.31
Expenditure	30.45	34.07	39.29
Profit (+)			
<u>Loss (-)</u>	(-)2.29	(-)0.97	(+)3.02

8.5.2.2. It would be seen that the unit incurred a loss of Rs.2.29 lakhs during 1972-73. In 1973-74, the loss came down to Rs.0.97 lakh. This was due to non-charging, in the year's account, of revenue expenditure aggregating Rs.0.92 lakh.

8.5.2.3. During 1974-75, the unit made a profit of Rs.3.02 lakhs. The profit was mainly due to credit in the profit and loss account of Rs.4.72 lakhs being the value of 845 cu.m. of sawn timber found excess on physical verification (without any investigation and/or departmental enquiry) and average increase in price of sawn timber by Rs.95 per cu.m. over the price in the previous year.

8.5.3. Production performance

8.5.3.1. The unit either extracts logs directly from the coupes or obtains them from other forest divisions for conversion into sawn timber of various sizes as per the requirement of Government departments. In the process of conversion, some wastages occur in the form of saw dust, scantlings and off cuts.

8.5.3.2. Production

The table below indicates the capacity and the actual production of sawn timber during the three years ending 1975-76:

Year	Average number of working days	Actual days worked	Short fall in working days	Capacity (cu. m.)	Production		
					Actual (cu. m.)	Shortfall	
						Quantity (cu. m.)	Percentage
1973-74	300	280	20	8,400	5,898	2,502	29.8
1974-75	300	280	20	8,400	4,828	3,572	42.5
1975-76	300	288	12	8,400	5,163	3,237	38.5

The shortfalls in production were attributed by the unit management (July 1976) to the following:

- (a) Irregular and low voltage of power supply. (To remedy this, a proposal to instal a standby power plant was under consideration).
- (b) Break-down of machinery.
- (c) The mills actually worked on six-hourly shifts from January 1973 as against targets having been fixed on eight-hourly shifts

8.5.3.3. The following table indicates the position of idle machine hours of the unit for the three years ending 1975-76 as worked out by the unit management:

	1973-74	1974-75	1975-76
Reasons for idle hours			
(i) Running maintenance ..	862	861	895
(ii) Irregular power supply ..	849	1,055	2,783
(iii) Defective machines ..	2,216	2,597	2,597
(iv) Other reasons*	525	1,118	1,480
Total idle hours	4,472	5,631	7,755
Available machine hours ..	20,160	20,160	20,736
Percentage of idle machine hours to available hours	22.2	27.9	37.4

The heavy idle machine time was attributed by the unit management (December 1974) mainly to wear and tear of most of the machines installed in early sixties, owing to which their maintenance time and cost had gone up considerably.

No remedial measures to overcome the above shortcomings have been taken by the unit management (April 1977).

8.5.3.4. The following table indicates the position of logs fed into the machines *vis-a-vis* the outturn of sawn timber and the percentage of loss during the three years ending 1975-76:

Year	Logs used	Outturn of sawn timber	Conversion loss	Percentage of loss
		(In cubic metres)		
1973-74 ..	8,746	5,898	2,848	32.6
1974-75	7,706	4,828	2,878	37.4
1975-76	6,366	5,163	1,203	18.9

8.5.3.5. In June 1950, Government had decided that fixation of a norm for conversion loss was not necessary so long as the loss did not exceed 30 per cent. Although the conversion loss exceeded the above limit during 1973-74 and 1974-75, the normal conversion loss has not been determined (April 1977). The lower percentage of conversion loss during 1975-76 is under investigation by the unit management (April 1977).

*The other reasons include (a) accumulation of saw dust in the machine pit and (b) accumulation of sawn timber in the machine house.

8.5.3.6. Reduction in working hours

The unit is registered as an industrial concern and the conditions of service of its workers are governed by the Factories Act, 1948. Up to 12th January 1973, the workers were rendering duty of 8 hours per shift as required under the Act.

In May 1972, the benefits under the West Bengal Service (Temporary Service) Rules, 1966 were extended to the workers in satisfaction of their demand for betterment of service conditions, etc. In September 1972, the workers demanded six-hourly shifts and all gazetted holidays and half-holidays instead of the 12 notified paid holidays for factories. There was no settlement. The workers, however, unilaterally resorted to six-hourly shifts duty from 13th January 1973 and availed of all the benefits under the West Bengal Service (Temporary Service) Rules, 1966.

The table below indicates the time lost by the unit due to six-hourly shifts working for the period from 13th January 1973 to 31st March 1976.

Year	Number of working days attended by the workers	Number of workers	Short working in terms of days
1972-73 (13th January 1973 to 31st March 1973)	66	132	16
1973-74	280	132	70
1974-75	280	132	70
1975-76	288	132	72

The value of shortage in production since January 1973 works out to about Rs.9.26 lakhs per annum.

The Labour Commissioner, West Bengal in his report (December 1973) submitted to Government observed that "Government Saw Mills is an industrial establishment of the Forests Department and that Factory and other legislations are applicable to it. The West Bengal Service Rules do not regulate the working conditions of departmentally run industrial establishments".

The unit management stated in July 1976 that the matter regarding the unilateral action of the workers to work for 6 hours a day instead of the prescribed 8 hours and availing of all gazetted holidays and half-holidays had been referred (January 1973) to Government for a decision. Decision of Government is awaited (April 1977).

8.5.3.7. Operation of seasoning kiln

The following table shows the installed capacity and the actual production of the seasoning kiln during the three years up to 1975-76:

Year	Installed capacity	Actual Production of seasoned timber	Percentage of production to installed capacity
	(In cubic metres)		
1973-74	680	625	91.9
1974-75	680	638	93.8
1975-76	680	318	45.3

The shortfall in production during 1975-76 was stated (June 1976) by the unit management to be due to:

- (i) irregular supply of power;
- (ii) defects in boilers (production remained suspended from July to December 1975 due to boiler outage);
- (iii) shortages of sawn timber; and
- (iv) shortages of fire wood.

8.5.3.8. The seasoning kiln has been running at a loss. In order to make it economically viable, the rate of recovery of seasoning charge was revised from the flat rate of Rs.50 per cu.m. to 15 and 20 per cent of the value of timber sold during 1973-74 and 1974-75 resulting in overall rise of Rs.60 to Rs.105 and Rs.80 to Rs.140 per cu.m. during the above two years respectively, according to the grade and size of wood.

8.5.3.9. The working results of the seasoning kiln for the three years ending 1975-76 were as follows:

	1973-74	1974-75	1975-76
Quantity of timber seasoned (In cu. m.)	625	638	318
Sale price of sawn timber (In rupees) ' ..	2,95,190	3,17,443	2,01,202
Seasoning charge recoverable (In rupees)	44,278	63,489	40,240
Expenditure :			
<i>(In rupees)</i>			
Pay and allowances	44,702	35,266	35,141
Electricity charges	3,081	4,320	2,720
Cost of fire wood	12,189	17,325	10,000
Depreciation	866	866	2,312*
Boiler inspection charges	160	160	160
Total expenditure	60,998	57,937	50,333
Profit (+)/Loss (-)	(-)16,720	(+)5,552	(-)10,093

*There was addition to the value of boiler during the year by Rs. 28,930.

The loss, which accumulated to Rs.1.72 lakhs during the period from 1966-67 to 1975-76, was attributed by the unit management to:

- (a) under-utilisation of production capacity,
- (b) high seasoning cost, and
- (c) low recovery rate.

8.5.4. Development schemes

8.5.4.1. Mention was made in paragraph 77 of the Report of the Comptroller and Auditor (General of India for the year 1974-75 (Civil) about the unproductive expenditure by the Government Saw Mills, Siliguri. The following development schemes were taken up (April 1966) by the unit for implementation during the Third Plan period:

- (a) Establishment of a particle board factory.
- (b) Shifting of the mills from the existing site to New Jalpaiguri.
- (c) Construction of quarters for staff and workers of the mills.

8.5.4.2. For implementation of the above schemes, land measuring 24.30 acres was acquired at New Jalpaiguri at a total cost of Rs.1.04 lakhs during 1966. Building and boundary wall costing Rs.0.96 lakh were constructed (1974) on the above land. Besides, Rs.0.03 lakh were deposited in June 1968 with the Railways for construction of a level crossing. A sum of Rs.0.29 lakh was spent during the period from 1966-67 to 1975-76 as salary of a Forest Guard posted at New Jalpaiguri. The schemes were not, however, pursued further.

8.5.4.3. The total expenditure incurred on the above schemes up to 1975-76 was Rs.2.32 lakhs. No action was, however, taken during this period either to establish the particle board factory or to shift the mills. The schemes were ultimately dropped in February 1976. The matter was stated to have been referred to Government with suggestions for alternative use of the assets. Decision of Government is awaited (April 1977).

8.5.4.4. To meet the increased demand for seasoned timber, a proposal was sent (June 1975) by the unit to Government for augmentation of the capacity of the seasoning kiln by addition of at least two more chambers. The unit was directed (June 1975) by Government to draw up and submit a self-contained proposal for increasing the seasoning capacity. No such proposal has been drawn up (April 1977).

8.5.5. Sales performance

8.5.5.1. Sawn timber is sold to Government departments against orders and to private parties through public auction. The table below indicates the position of sales during the three years ending 1975-76:

			1973-74	1974-75	1975-76
			(In lakhs of rupees)		
Total sales	..	..	25.03	32.24	27.85
Sales against orders	..	..	13.93	10.30	7.22
Auction sales	..	..	11.10	21.94	20.63
Percentage to total sales of					
(a) Sales against orders	..	..	55.7	31.9	25.9
(b) Auction sales	..	..	44.3	68.1	74.1

(Source : Records of the unit)

8.5.5.2. Sale by public auction formed a significant part of the total sales during 1974-75 and 1975-76. Auction is held once in a month on dates notified earlier. A reserve price for each lot offered for auction is fixed on the basis of rates received during the previous month's auction and the current market trend. This price is firm and no sale is to be effected below the reserve price. The following table indicates that during 1974-75 and 1975-76 some of the auction sales were made at prices below the reserve price. The reasons for this were not on record.

Year	Number of items of auction sales	Auction sales below reserve price			
		Number	Reserve price	Sale value obtained	Difference
			(In lakhs of rupees)		
1974-75	.. 814	103	3.76	3.33	0.43
1975-76	.. 949	290	11.80	9.31	2.49
			Total loss :		2.92

Note: In computing the above figures the following items have not been taken into consideration:

- (a) sale of scraps;
- (b) sale of stock more than one year old which constitutes only a small proportion; and
- (c) transactions involving loss of less than Rs.100 in individual cases.

Scrutiny of the auction sales effected in February 1976 showed that sales were made at prices much below the reserve price, and out of the total loss of Rs.2.49 lakhs incurred in 1975-76, Rs.2.31 lakhs pertained to sales during this month.

8.5.6. Pricing

8.5.6.1. Sales, other than auction sales, are made at the schedule of rates approved by a Pricing Committee. It was stated by the management that the schedule of rates was based on the average auction prices received during the preceding year with allowance for expected fluctuation of prices in the coming year. While preparing the schedule of rates, the actual cost and the expected profit margin are not taken into consideration. The unit management, however, stated (December 1976) that the scheduled rates were higher than the actual cost of production.

8.5.6.2. On an analysis of the schedule of rates, it was observed that due consideration was not given to the total cost of production as several cost elements exhibited in the profit and loss account were not taken into account. Thus, even though the average selling price was higher than average cost of production, the unit incurred a loss of Rs.0.97 lakh during 1973-74. The average selling price was lower than the average cost of production in 1974-75, in spite of non-inclusion of several items of expenditure in the cost of production. Nevertheless, the unit made a profit of Rs.3.02 lakhs during the year 1974-75 owing to the closing stock being found surplus by Rs.4.72 lakhs on physical verification (*vide* paragraph 8.5.2.3).

8.5.7. Sundry debtors

8.5.7.1. The table below indicates the balance of sundry debtors at the end of each of the three years up to 1974-75 :

Year			Outstanding from Government departments/ undertakings	Outstanding from private parties	Total amount outstanding
(In lakhs of rupees)					
1972-73	..	..	3.70	1.24	4.94
1973-74	..	..	7.94	1.97	9.91
1974-75	..	..	6.86	4.20	11.06

Year-wise and party-wise details of sundry debtors were not available (April 1977).

8.5.8. Manpower analysis

8.5.8.1. The staff position of the unit at the close of each of the three years up to 1975-76 was as below :

	1973-74	1974-75	1975-76
Number of employees (including casual staff)	269	268	269
Production of sawn timber (In cu. m.)	5,898	4,828	5,163
Production per employee (In cu. m.)	21.92	18.01	19.19
Revenue from sale of sawn timber (In lakhs of rupees)	25.03	32.24	27.85
Total expenditure on employees (In lakhs of rupees)	6.93	7.42	7.84
Revenue per employee (In thousands of rupees)	9.30	12.03	10.35
Expenditure per employee (In thousands of rupees)	2.58	2.77	2.91

The strength of staff has not been determined on the basis of production requirements.

8.5.9. Costing system and internal audit

8.5.9.1. Costing system

Though the unit is engaged in production and sale of sawn timber, no cost sheets are prepared. Only unit costs/sales prices obtained are determined at the time of completion of annual accounts. These do not serve as guideline to the Management in fixing the sale prices. There is no procedure of comparing the selling price of different categories of sawn timber fixed by the unit with the prevailing market price.

8.5.9.2. Internal audit

No system of internal audit has been introduced (April 1977).

8.5.10. Inventory control

8.5.10.1. The position of consumable stores and of spares purchased and consumed during the three years up to 1974-75 was as follows :

	1972-73	1973-74	1974-75
<i>(In lakhs of rupees)</i>			
Opening balance	0.90	0.53	0.36
Receipts during the year	0.62	0.59	1.47
Issues during the year	0.99	0.76	1.32
Closing balance	0.53	0.36	0.51

The closing stock was equal to 6.50, 5.66 and 3.30 months' consumption during 1972-73, 1973-74 and 1974-75 respectively.

8.5.10.2. A test check of store records conducted in July 1976 disclosed the following deficiencies:

- (i) Maximum, minimum and re-ordering levels of stores and spares were not fixed.
- (ii) Bin cards were not maintained.
- (iii) Priced store ledgers were not maintained and reconciled with numerical store ledgers.
- (iv) Quantity stores ledgers in respect of logs and sawn timber were not maintained.
- (v) Periodical review of inventory for assessment and disposal of surplus/obsolete items of stores and spares was not conducted.

8.5.10.3. Shortage of round logs and sawn timber

Round logs and sawn timber valuing Rs.1.78 lakhs were found short on physical verification during the eight years up to 1973-74.

Cases of loss (Rs.1.62 lakhs) up to the year 1971-72 have been brought to the notice of Government by the unit management for issuing write off orders which are awaited (April 1977). The losses for the years 1972-73 and 1973-74 are under investigation and have not been taken up with Government by the unit management. Valuation of shortages detected on physical verification during 1974-75 and 1975-76 has not been made (April 1977).

8.5.10.4. Overpayment of cost of logs

The rate of royalty for logs was raised by Government from Rs.160 to Rs.200 per cubic metre with effect from July 1973. But the increase in royalty rate payable by the unit was made effective from April 1974. However, payments were made in the meantime at the enhanced rate of Rs.200 for supply of logs during July 1973 to March 1974; the excess payment of Rs.0.15 lakh on this account has not been recovered/adjusted (April 1977).

CHAPTER IX

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

9.1. Outstanding audit observations

Audit observations on financial transactions of the Government are reported to the departmental authorities concerned so that appropriate action is taken to rectify the defects and omissions. Half-yearly reports of such observations outstanding for more than six months are also forwarded to the Government to expedite their settlement. In May 1976, the Finance Department issued instructions to all the departments for early settlement of outstanding audit observations.

The following table shows the number of audit observations issued up to the end of March 1976 and outstanding at the end of September 1976 as compared with the corresponding position indicated in the two preceding reports:

		As at the end of September 1974	As at the end of September 1975	As at the end of September 1976
Number of observations	..	8,109	5,971	6,640
Amount	..	41.20	22.73	27.82
		<i>(In crores of rupees)</i>		

The following departments have comparatively heavy outstanding observations:

Department	Number	Amount <i>(In lakhs of rupees)</i>
Relief and Welfare	1,131	14,05.83
Animal Husbandry and Veterinary Services ..	172	3,75.36
Agriculture and Community Development (Agriculture Branch)	921	1,77.07
Education	974	1,70.48
Cottage and Small Scale Industries ..	192	1,57.62
Agriculture and Community Development (Community Development Branch)	604	1,36.00
Home (Police)	214	74.20
Health and Family Planning (Public Health Branch)	209	65.37
Information and Public Relations	224	53.69
Irrigation and Waterways	99	41.19
Commerce and Industries	86	23.47

The following are some of the major reasons for which audit observations have remained outstanding :

Nature of observation	Number	Amount (In lakhs of rupees)
Detailed contingent bills for lump sum draws not received	2,616	21,92.87
Payees' receipts, vouchers, etc., not received ..	1,414	3,55.12
Sanctions for contingent and miscellaneous expenditure not received	607	53.03

The facility of drawing money on abstract contingent bills by disbursing officers is intended to expedite payments in certain cases, but these are to be followed by detailed contingent bills (containing full particulars of expenditure with supporting documents) which should be sent to the Audit Officer by the 25th of the month succeeding that to which the abstract contingent bills relate. In the absence of detailed contingent bills, it is not practicable for Audit to know whether the whole amount has been spent on the purpose or purposes for which the advances were drawn. Rupees 21,92.87 lakhs are held under observation (September 1976) as detailed contingent bills have not been received in the Audit Office. The departments with comparatively heavy outstandings are mentioned below :

Department	Number	Amount (In lakhs of rupees)
Relief and Welfare	1,109	14,01.66
Animal Husbandry and Veterinary Services ..	134	3,75.05
Education	718	1,57.47
Health and Family Planning (Public Health Branch)	107	61.93
Home (Police)	32	60.54
Cottage and Small Scale Industries ..	73	59.85
Information and Public Relations	142	28.47

The departments with comparatively heavy outstandings in submission of payees' receipts and vouchers are :

Department	Number	Amount (In lakhs of rupees)
Agriculture and Community Development (Agriculture Branch)	367	1,43.08
Agriculture and Community Development (Community Development Branch)	188	1,02.00
Information and Public Relations	77	25.18
Commerce and Industries	75	23.06
Development and Planning (Town and Coun- try Planning)	7	14.00
Education	131	11.33

The departments with comparatively heavy outstandings for want of sanctions to contingent and miscellaneous expenditure are :

Department	Number	Amount (In lakhs of rupees)
Agriculture and Community Development (Community Development Branch)	257	26.13
Agriculture and Community Development (Agriculture Branch)	72	14.19
Home (Police)	28	3.05
Forests	36	2.57

9.2. Outstanding inspection reports

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

At the end of September 1976, 10,522 inspection reports issued up to March 1976 still contained paragraphs not settled as shown below with corresponding figures for the earlier two years:

	As at the end of September 1974	As at the end of September 1975	As at the end of September 1976
Number of inspection reports with paragraphs not settled	9,005	9,635	10,522
Number of paragraphs ..	48,166	47,946	50,762

The year-wise break-up of the outstanding inspection reports is given below:

			Number of inspection reports	Number of paragraphs reports
Up to 1971-72	..	..	6,810	30,548
1972-73	..	..	592	2,950
1973-74	..	..	645	3,827
1974-75	..	..	995	4,803
1975-76	..	..	1,480	8,634
Total	..	..	10,522	50,762

The following departments had comparatively heavy outstanding inspection reports:

Department			Number of inspection reports	Number of paragraphs reports
Agriculture and Community Development	..	..	2,142	13,836
Health and Family Planning	..	..	1,004	5,045
Irrigation and Waterways	..	..	507	4,385
Public Works	..	..	604	3,564
Board of Revenue	..	..	493	3,560
Refugee Relief and Rehabilitation	..	..	782	2,764
Public Works (Roads)	..	..	376	2,101
Education	..	..	676	1,799
Housing	..	..	448	1,744
Relief and Welfare	..	..	406	1,453

Of the 10,522 reports outstanding at the end of September 1976, first replies in respect of 1,176 reports had not been received. The year-wise break-up of such reports is as follows:

Year				Number of reports
Up to 1971-72	..	..	..	100
1972-73	..	..	..	47
1973-74	..	..	..	96
1974-75	..	..	..	124
1975-76	..	..	..	809
Total	..	..	..	1,176

T. B. Nagarajan

(T. B. NAGARAJAN)
Accountant General I, West Bengal

Calcutta,

The 29 AUG 1977.

Countersigned.

A. Baksi

(A. BAKSI)
Comptroller and Auditor General of India

New Delhi,

The 1 SEP 1977.

1 SEP 1977

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Appendix I(a)

(Reference : Paragraph 1.15, page 23)

Utilisation certificates awaited in September 1976 for grants paid by Government up to March 1975

Department	Up to 1970-71		1971-72		1972-73		1973-74		1974-75		Total	
	No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount
	<i>(Amounts in lakhs of rupees)</i>											
Education	2,342	8,11.09	3,483	8,78.41	4,242	15,53.38	10,361	45,87.15	6,883	30,97.37	27,311	1,09,07.40
Municipal Services .. ..	..	..	..	..	..	..	..	..	33	6,14.62	33	6,14.62
Finance (Budget) .. ..	..	..	..	..	..	..	..	..	2	6,00.00	2	6,00.00
Health and Family Planning (Medical Branch)	276	1,00.42	164	56.20	158	49.21	273	91.33	273	86.28	1,144	3,83.44
Agriculture and Community Development	7	12.12	12	17.52	16	28.52	19	18.74	42	1,05.18	96	1,82.08
Relief and Welfare	27	10.64	77	31.08	21	13.91	38	19.18	32	27.01	195	1,01.82
Co-operation	63	56.59	14	1.31	16	1.57	20	3.52	30	8.72	143	71.71
Refugee Relief and Rehabilitation	75	20.26	17	6.45	30	10.62	61	15.17	7	2.65	190	55.15*
Health and Family Planning (Public Health Branch)	..	..	..	..	52	4.63	100	13.68	205	24.91	357	43.22
Housing	16	25.71	..	..	1	0.17	..	..	..	..	17	25.88
Commerce and Industries .. ..	..	..	..	..	..	..	..	..	6	10.63	6	10.63

Animal Husbandry and Veterinary Services	..	..	..	..	7	1.25	13	2.30	5	0.76	25	4.31	
Fisheries	..	..	..	..	..	..	..	..	2	3.00	2	3.00	
Public Works	..	..	..	..	1	0.25	1	2.00	1	0.25	..	3	2.50
Cottage and Small Scale Industries	..	..	..	..	..	..	15	0.06	69	1.02	..	84	1.08
Finance (Audit)	..	..	43	0.40	..	..	..	..	..	..	..	43	0.40
Total	..	2,849	10,37.23	3,768	9,91.22	4,559	16,65.32	10,955	47,32.34	7,520	45,81.13	29,651	1,30,07.24

*Transferred from Education Department.

Appendix I(b)

(Reference : Paragraph 1.15, page 24)

Statement showing the names of grantees from whom utilisation certificates for Rs. 5 lakhs and above were awaited (September 1976).

Department sanctioning the grant		Grantees		Up to 1970-71	1971-72	1972-73	1973-74	1974-75	Total
<i>(In lakhs of rupees)</i>									
Education	1,17.52	1,21.28	2,16.16	4,54.96
						1,10.06	1,28.00	2,02.85	4,40.91
						22.94	21.76	36.62	81.32
						19.01	21.44	..	40.45
						9.16	8.71	10.27	28.14
						6.29	6.23	7.65	20.17
						7.90	6.63	8.54	23.07
						6.33	8.18	8.86	23.37
						7.26	9.62	9.35	26.23
						6.27	10.11	10.84	27.22
						7.02	7.00	7.36	21.38
						5.09	..	5.09	10.18
						6.32	5.60	6.05	17.97
						6.39	6.53	..	12.92
						13.61	13.96	..	27.57
						..	5.10	..	5.10

..	Charu Chandra College	..	..	..	..	..	..	5-86	5-93	11-79
	Gurudas College	..	..	..	..	..	..	..	8-42	8-42
	Iswarchandra Vidyasagar Polytechnic, Midnapore	..	..	..	..	..	..	5-90	8-20	14-10
	Midnapore College	..	..	..	..	..	..	13-42	9-26	22-68
	Mahishadal Raj College	..	..	..	..	..	..	6-29	7-20	13-49
	Panskura College	..	..	..	..	..	..	6-10	6-56	12-66
	Prabhat College, Midnapore	..	..	..	..	..	..	7-56	7-76	15-32
	Raja Narendranath Khan Women's College, Midnapore	..	..	..	..	..	..	6-78	6-02	12-80
	Tamralipta Maha Vidyalaya, Midnapore	..	..	..	..	..	..	7-71	7-31	15-02
	Ramkrishna Mission, Sarisha	..	..	..	..	..	..	5-52	..	5-52
	Rammohan College	..	..	..	..	..	..	..	5-99	5-99
	Sarojini Naidu College for Women	..	..	..	..	..	..	..	7-45	7-45
	Victoria Institution	..	..	..	..	..	..	..	6-16	6-16
	St. Xaviers College	..	..	..	..	..	..	..	5-84	5-84
	Seth Anandaram Jaipuria College	..	..	..	..	..	..	..	6-26	6-26
	Dum Dum Motijheel College	..	..	..	..	..	..	..	6-95	6-95
	Calcutta Metropolitan Development Authority	..	..	..	..	..	..	..	20-00	20-00
	West Bengal Council of Higher Secondary Education	..	..	..	..	..	..	..	5-00	5-00
..	Kalyani University	..	..	..	33-97	20-54	27-58	22-00	45-00	1,49-09
	North Bengal University	..	..	..	24-38	32-35	15-55	25-00	20-00	1,17-28
	Burdwan University	..	..	..	..	15-37	..	32-00	23-50	70-87
	District School Board, Purulia	..	..	..	54-97	63-79	93-39	1,11-21	70-00	3,93-36
	District School Board, Bankura	..	..	..	92-66	68-65	96-99	1,30-91	72-00	4,61-21

Appendix I(b)—*Concd.*

Department sanctioning the grant		Grantees			Up to 1970-71	1971-72	1972-73	1973-74	1974-75	Total	
<i>(In lakhs of rupees)</i>											
Education	..	—	District School Board, Hooghly	..	..	26·97	69·33	1,18·25	36·00	2,50·55	
			District School Board, Nadia ..	..	..	48·97	58·00	87·83	..	1,94·80	
			District School Board, Birbhum	..	..	55·00	78·27	42·00	..	58·00	2,33·27
			District School Board, Burdwan	..	..	1,70·65	50·07	30·85	..	14·10	2,65·67
			District School Board, Howrah	..	..	24·53	..	60·30	63·79	..	1,48·62
			District School Board, Murshidabad	..	..	..	..	—	1,20·43	67·00	1,87·43
			District School Board, Darjeeling	..	..	..	..	—	14·00	40·00	54·00
			District School Board, Cooch Behar	..	..	..	..	..	38·00	82·00	1,20·00
			District School Board, West Dinajpur	..	..	1,32·94	29·73	43·67	83·51	1,26·60	4,07·45
Co-operation	West Bengal State Co-operative Bank Ltd.	..	..	..	..	10·00	..	10·00	
Agriculture and Community Development	..	—	Kalyani University	..	—	—	11·50	20·00	5·00	52·71	89·21
			West Bengal Comprehensive Area Development Corporation	..	—	—	..	..	..	32·66	32·66
Commerce and Industries	Tea Board	..	..	..	..	—	5·00	5·00	
Municipal Services	..	—	Calcutta Corporation	..	—	—	..	..	5,87·19	5,87·19	
			South Suburban Municipality	..	—	—	..	..	—	7·68	7·68
Finance (Budget)	..	—	Calcutta Metropolitan Development Authority	..	..	..	—	—	6,00·00	6,00·00	

Health and Family Planning (Medical Branch)	Calcutta Medical Aid and Research Society	..	..	..	..	..	16.70	21.49	38.19
	Chittaranjan Sevasadan	..	..	..	..	..	10.82	8.80	19.62
	Chittaranjan Cancer Hospital	..	..	..	..	..	8.37	..	8.37
	Kumar P. N. Roy Group of Hospitals and Rehabilitation Centre, Bon Hooghly	..	..	..	..	..	9.35	13.12	22.47
	Mayo Hospital	..	..	..	..	..	5.21	1.50	6.71
	North Suburban Hospital	..	..	..	..	..	5.22	5.94	11.16
	Total	..	5,89.10	4,37.21	9,08.83	13,62.89	26,50.24	59,48.27	

Appendix II

(Reference : Paragraph 1.16, page 24)

Illustrative cases of delay in acceptance of balances under loans and deposits

	Number of acceptances awaited	Earliest year from which acceptances are awaited	Balance on 31st March 1976 (In lakhs of rupees)
Loans			
(i) Loans for Social and Community Services	60	1973-74	1,10,53.77
(ii) Loans for Economic Services—			
(a) Loans for Agriculture and Allied Services	31	1975-76	20,70.95
(b) Loans for Industry and Minerals	171	1971-72	56,60.39
(c) Loans for Water and Power Development	133	1973-74	1,10,31.08
(d) Loans for Transport and Communications	202	1973-74	59,37.60
Deposits			
Civil Deposits	1,480	1973-74	11,35.08
Deposits of Local Funds ..	15	1975-76	1,45.61

Appendix III

(Reference : Paragraph 2·4, page 36)

Cases where the savings (more than Rs. 10 lakhs in each case) exceeded 10 per cent of the voted grants/charged appropriation**A—Voted grants**

Sl. No.	Number and name of the grant	Total grant	Expenditure	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>					
(1)	5—Elections	1,35·40	78·90	56·50	42
(2)	7—Land Revenue	14,09·00	12,36·34	1,72·66	12
(3)	11—Sales Tax	1,35·63	1,19·43	16·20	12
(4)	13—Other Taxes and Duties on Commodities and Services	1,08·35	90·81	17·54	16
(5)	16—Interest Payments ..	1,00·02	83·50	16·52	16
(6)	32—Education (Sports) ..	49·31	37·18	12·13	24
(7)	40—Urban Development ..	29,79·46	25,77·76	4,01·70	13
(8)	44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons)	11,26·28	7,60·46	3,65·82	32
(9)	49—Secretariat—Economic Services	1,34·90	1,07·56	27·34	20
(10)	50—Co-operation	12,24·68	8,99·16	3,25·52	26
(11)	51—Other General Economic Services	87·74	54·84	32·90	37
(12)	55—Animal Husbandry ..	7,64·80	5,90·37	1,74·43	23
(13)	56—Dairy Development (Excluding Public Undertakings)	22,51·94	17,08·62	5,43·32	24
(14)	59—Community Development (Panchayat)	4,92·20	3,98·69	93·51	19
(15)	63—Village and Small Industries (Excluding Public Undertakings)	4,36·51	3,78·72	57·79	13
(16)	64—Mines and Minerals ..	27·40	14·60	12·80	47
(17)	65—Water and Power Development Services	15,60·23	9,95·52	5,64·71	36
(18)	74—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Excluding Panchayat)	14,17·21	11,80·77	2,36·44	17

Appendix III—Concl.**B—Charged appropriation**

Sl. No.	Number and name of the appropriation	Total appropriation	Expenditure?	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>					
(1) 44	Social Security and Welfare (Relief and Rehabilitation of Displaced Persons)	65.00	24.31	40.69	63

Appendix IV

(Reference : Paragraph 3·10, page 80)

(a) Cases of loss, etc. (each case exceeding Rs. 5,000) written off in 1975-76

Department				Write off of losses, irrecoverable revenues, duties, advances, etc.	
				Number of cases	Amount Rs.
Food and Supplies	..	..	..	1	21,558
Home (Police)	..	..	..	1	23,990
Refugee Relief and Rehabilitation	..	..	..	10	2,04,334
Relief and Welfare (Relief Branch)	..	..	..	1	6,240
			Total	13	2,56,122

(b) Cases of loss, etc. (each case not exceeding Rs. 5,000) written off in 1975-76

Department				Write off of losses, irrecoverable revenues, duties, advances, etc.	
				Number of cases	Amount Rs.
Agriculture and Community Development	..	..	..	17	7,117
Finance (Taxation)	..	..	..	3	1,599
Food and Supplies	..	..	..	3	3,837
Forests	..	..	..	1	237
Home (Police)	..	..	..	14	36,813
Information and Public Relations	..	..	..	1	827
Land Utilisation and Reforms and Land and Land Revenue				8	1,787
Refugee Relief and Rehabilitation	..	..	..	19	27,853
Relief and Welfare (Relief Branch)	..	..	..	1	3,900
			Total	67	83,970

Appendix V

(Reference : Paragraph 4-1, page 81)

Cases of misappropriation not finalised on 31st March 1976

Sl. No.	Department	Reported up to 31st March 1971		Reported in 1971-72		Reported in 1972-73		Reported in 1973-74		Reported in 1974-75		Reported in 1975-76		Total		
		No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	
1.	Agriculture and Community Development	45	4,03,174	1	2,617	1	60,492	1	6,961	3	29,227	4	4,760	55	5,07,231	
2.	Animal Husbandry and Veterinary Services	3	48,330	1	6,141	..	..	..	..	..	..	1	60,783	5	1,15,254
3.	Board of Revenue	249	6,38,927	10	20,162	5	94,463	3	12,478	10	99,434	8	66,783	285	9,32,247	
4.	Commerce and Industries	..	..	..	..	..	..	1	1,81,000	..	..	1	4,780	2	1,85,780
5.	Co-operation	..	..	1	557	..	..	..	..	..	..	..	..	1	557
6.	Cottage and Small Scale Industries	4	73,496	1	18,505	..	..	..	..	..	..	..	..	5	92,001
7.	Education	..	26	2,98,973	1	31,800	1	43,706	28	3,74,479
8.	Excise	..	2	39,538	..	..	..	..	..	..	..	2	34,350	4	73,888
9.	Finance	..	1	116	1	228	1	236	4	1,04,479	1	37,450	8	1,42,509
10.	Fisheries	..	..	..	..	..	..	..	..	..	..	3	11,733	3	11,733
11.	Food and Supplies	8	1,40,601	..	..	..	..	..	..	..	..	..	..	8	1,40,601
12.	Health and Family Planning	20	7,96,038	2	24,794	1	59,172	..	..	..	..	..	..	23	8,80,004

13. Home (General Administration)	..	..	..	..	..	..	..	..	..	1	8,498	1	23,488	2	31,986
14. Home (Police)	..	5	43,399	2	9,049	..	..	..	..	..	..	2	37,054	9	89,502
15. Information and Public Relations	1	518	..	..	..	..	..	..	..	..	..	1	2,734	2	3,252
16. Irrigation and Waterways	3	4,169	1	5,652	..	..	..	..	..	..	..	1	203	5	10,024 (a)
17. Judicial	..	2	3,864	..	..	..	..	..	..	..	..	..	..	2	3,864
18. Labour	..	..	..	..	..	..	..	..	..	..	..	2	2,15,175	2	2,15,175
19. Municipal Services	..	..	..	..	..	..	..	..	..	1	10,500	..	..	1	10,500
20. Public Works	..	..	..	..	..	..	..	..	..	..	..	1	10,292	1	10,292
21. Public Works (Construction Board)	..	..	..	..	..	..	..	1	78,900	..	..	..	..	1	78,900
22. Public Works (Metropolitan Development)	2	1,49,920	..	..	..	..	..	..	..	..	..	..	..	2	1,49,920
23. Public Works (Roads)	..	..	..	..	..	..	..	..	..	1	18,000	..	..	1	18,000
24. Refugee Relief and Rehabilitation	1	18,268	..	..	..	..	..	..	..	..	..	..	..	1	18,268
25. Relief and Welfare	25	73,905	..	..	..	..	..	..	..	..	..	1	6,125	26	80,030
26. Tourism	..	..	..	..	..	1	1,15,628	..	..	..	..	..	..	1	1,15,628
Total	..	397	27,33,236	19	87,477	9	3,29,983	8	3,11,375	21	3,13,844	29	5,15,710	483	42,91,625

(a) 3 cases for Rs. 4,169 have been transferred from Board of Revenue.

Appendix VI

(Reference : Paragraph 5·3·9·6, page 108)

Statement showing the progress of expenditure and realisation of Salami for Sector I and consequent accumulation of interest

Year	Reclamation cost	Development cost	Total (2+3)	Realisation	Net expenditure (4-5)	Progressive expenditure	50 per cent of column 6	Amount on which interest calculated	Amount of interest at 4·5 per cent	Progressive amount of interest	
1	2	3	4	5	6	7	8	9	10	11	
<i>(In lakhs of rupees)</i>											
1958-59	..	0·24	..	0·24	..	0·24	0·24	0·12	0·12	0·01	0·01
1959-60	..	1·03	..	1·03	..	1·03	1·27	0·52	0·76	0·03	0·04
1960-61	..	13·59	..	13·59	..	13·59	14·86	6·79	8·06	0·36	0·40
1961-62	..	43·71	..	43·71	..	43·71	58·57	21·86	36·72	1·65	2·05
1962-63	..	54·75	..	54·75	..	54·75	1,13·32	27·37	85·94	3·87	5·92
1963-64	..	52·54	..	52·54	..	52·54	1,65·86	26·27	1,39·59	6·28	12·20
1964-65	..	66·16	3·87	70·03	..	70·03	2,35·89	35·02	2,00·88	9·04	21·24
1965-66	..	70·83	8·66	79·49	57·95	21·54	2,57·43	10·77	2,46·66	11·10	32·34
1966-67	..	53·94	87·86	1,41·80	2,51·97	(-)1,10·17	1,47·26	(-)55·09	2,02·34	9·11	41·45
1967-68	..	68·01	1,61·62	2,29·63	1,51·92	77·71	2,24·97	38·86	1,86·12	8·38	49·83
1968-69	..	38·59	1,18·43	1,57·02	31·13	1,25·89	3,50·86	62·95	2,87·92	12·96	62·79
1969-70	..	22·48	95·00	1,27·48	61·31	66·17	4,17·03	33·09	3,83·95	17·28	80·07
1970-71	..	13·70	77·49	91·19	1,31·76	(-)40·57	3,76·46	(-)20·28	3,96·75	17·85	97·92
1971-72	..	(-)3·55	71·58	68·03	88·78	(-)20·75	3,55·71	(-)10·37	3,66·09	16·47	1,14·39

1972-73	...	29.76	92.28	1,22.04	94.09	27.95	3,83.66	13.98	3,69.69	16.64	1,31.03
1973-74	..	(-)18.99	50.28	31.29	50.65	(-)19.36	3,64.30	(-)9.68	3,73.98	16.83	1,47.86
1974-75	..	(-)6.70	87.22	90.52	48.47	32.05	3,96.35	16.03	3,80.33	17.11	1,64.97
1975-76	..	12.39	90.47	1,02.86	1,20.75	(-)17.89	3,78.46	(-)8.94	3,87.41	17.43	1,82.40

Notes : (1) Reclamation cost (Col. 2) taken on a *pro rata* basis with reference to area.

(2) Development cost taken on the basis of expenditure incurred.

(3) In Col. 8. 50 per cent of figures in Col. 6 has been adopted as the entire receipts and expenditure spread over whole of the year.

(4) Figures in Col. 9 have been arrived at by adding figures of Col. 8 and the figures of Col. 7 of the previous year.

Appendix VII

(Reference : Paragraph 7.2.5, page 139)

Utilisation of grants paid by Government for students' amenities and for maintenance of Junior basic schools run by voluntary Organisations

Name of District School Board	Position as on	Free supply of text books, etc.		Supply of teaching equipment and instructional materials		Scholarship to girl students		Grant-in-aid to Junior basic schools				Total grant received	Total unspent Grants
		Grant received	Un-spent balance	Grant received	Un-spent balance	Grant received	Un-spent balance	Mid-day meal		Maintenance			
								Grant received	Un-spent balance	Grant received	Un-spent balance		
<i>(In lakhs of rupees)</i>													
Birbhum ..	31st March 1976	0.95	0.44	1.67	1.67	1.20	0.57	0.24	0.22	8.67	1.81	12.73	4.71
Burdwan ..	31st March 1976	2.82	2.57	6.04	2.25	3.74	3.74	0.34	0.19	5.13	0.72	18.07	9.47
Cooch Behar ..	31st March 1976	1.47	0.55	1.06	0.35	0.96	0.96	0.03	0.03	9.35	4.66	12.87	6.55
Darjeeling ..	31st March 1976	0.78	Nil	1.15	0.81	1.01	0.99	Nil	Nil	Nil	Nil	2.94	1.80
Hooghly ..	31st March 1976	2.31	1.50	2.28	1.80	2.61	2.61	0.68	0.49	12.11	2.24	19.99	8.64
Howrah ..	31st March 1976	2.51	2.09	1.33	0.54	2.89	2.59	0.07	0.07	8.73	3.50	15.53	8.79
Jalpaiguri ..	31st March 1976	1.66	0.78	2.81	2.44**	1.29	0.69	Nil	Nil	0.16	Nil	5.92	3.91
Malda ..	31st March 1973	0.69	0.28	0.87	0.66	0.08	0.08	0.12	0.06	1.52	0.96	3.28	2.04@
Midnapore ..	31st March 1976	6.05	Nil	4.92	3.80	5.94	5.22	2.03	0.61	25.89	7.92	44.83	17.55
Murshidabad ..	31st March 1976	2.05	1.21	3.66	0.36	1.65	1.65	0.32	0.15	2.33	0.78	10.01	4.15
Nadia ..	31st March 1975	1.83	1.13*	2.01	0.57	1.33	1.33	0.17	0.13	3.21	1.21	8.55	4.37
Puruha ..	31st March 1976	2.49	2.00	1.73	Nil	1.28	1.05	0.42	0.37	4.60	2.24	10.52	5.66
24 Parganas ..	31st March 1976	5.17	5.17	4.94	2.99	7.80	7.80	2.22	0.78	27.39	4.10	47.52	20.84
West Dinajpur ..	31st March 1976	1.43	0.15	2.39	Nil	1.08	1.07	Nil	Nil	Nil	Nil	4.90	1.22
Total						32.86	30.35					2,17.66†	99.70

**Expenditure incurred, if any, during 1974-75 and 1975-76 by the Jalpaiguri Board was not available.

@Grants received and spent by the Malda District School Board during 1973-74 to 1975-76 were not available.

*Including refund of Rs. 0.26 lakh to Government during 1975-76.

†Includes Rs. 28.39 lakhs received during 1975-76.

Appendix VIII

(Reference : Paragraph 7.5.1, page 143)

Statement showing financial assistance received by municipalities from Government and their total expenditure

Municipality	Year	Total grants and loans from Government including opening balance	Total expenditure	Percentage of grants and loans to expenditure
<i>(In lakhs of rupees)</i>				
Alipurduar	1973-74	7.54	8.26	91.3
Arambagh	1974-75	5.36	5.92	90.7
Balurghat	1973-74	7.14	5.24	136.3
Bishnupur	1974-75	7.31	7.44	98.4
Bolpur	1973-74	8.01	8.74	91.7
	1974-75	7.87	8.23	95.6
Bongaon	1973-74	5.88	4.81	122.7
	1974-75	7.66	5.42	141.2
Chardah	1974-75	5.38	2.67	201.9
Ghatal	1973-74	8.87	4.67	190.0
	1974-75	8.09	7.33	110.4
Jangipur	1973-74	5.36	6.84	78.4
Jaynagar-Majilpur	1973-74	12.11	6.92	175.0
	1974-75	9.17	7.70	119.1
Jiaganj-Azimganj	1973-74	6.59	5.40	122.0
	1974-75	5.59	5.34	104.7
Kalna	1973-74	5.55	6.65	83.5
Kanchrapara	1973-74	8.61	9.08	94.8
Katwa	1974-75	9.24	7.62	121.3
Kharagpur	1973-74	9.76	10.70	91.2
	1974-75	11.26	12.03	93.6
Khardah	1974-75	20.11	13.32	151.0
Kurseong	1974-75	5.78	4.58	126.2
Nabadwip	1973-74	14.95	11.30	132.3
	1974-75	16.19	13.95	116.1
Santipur	1974-75	14.63	8.47	172.7
Sonamukhi	1974-75	6.07	4.10	148.1
Suri	1974-75	8.04	7.27	110.6
Tamluk	1973-74	5.34	3.49	153.0
	1974-75	5.41	4.57	118.4

Ghatal	--	..	1974-75	0.90	2.49	(-)1.59	..	..	..	--	1.59
Jangipur	--	..	1973-74	0.67	1.43	(-)0.76	0.24	..	1.01	1.25	2.01
Jaynagar-Majilpur	..	..	1974-75	2.16	3.39	(-)1.23	0.18	..	0.35	0.53	1.76
Jiaganj-Azimganj	..	..	1974-75	0.12	3.04	(-)2.92	..	..	1.37	1.37	4.29
Kalna	--	..	1973-74	2.18	2.57	(-)0.39	0.07	0.44	0.36	0.87	1.26
Katwa	--	--	1974-75	0.60	4.99	(-)4.39	1.01	0.62	1.83	3.46	7.85
Kharagpur	--	--	1974-75	1.88	6.44	(-)4.56	2.76	..	..	2.76	7.32
Khardah	--	--	1974-75	1.24	1.97	(-)0.73	--	1.30	1.49	2.79	3.52
Kurseong	--	--	1974-75	2.31	4.03	(-)1.72	1.72	..	1.75	3.47	5.19
Nabadwip	--	--	1974-75	1.56	10.96	(-)9.40	3.77	1.08	1.88	6.73	16.13
Santipur	--	--	1974-75	2.38	10.51	(-)8.13	4.42	0.07	1.31	5.80	13.93
Sonamukhi	..	..	1974-75	0.23	3.04	(-)2.81	0.24	..	0.03	0.27	3.08
Suri ..	..	..	1974-75	0.34	1.42	(-)1.08	..	0.62	0.92	1.54	2.62
Tamluk	..	..	1974-75	2.08	3.51	(-)1.43	0.01	..	0.06	0.07	1.50
Total	..	..		25.68	81.74	(-)56.06	25.76	6.41			

H owhrah	..	1974-75	9.19	70.96	0.29	2.00	..	10.10	12.39	..	92.54	77.11	120
Jalpaiguri	..	1974-75	..	0.66	0.34	2.40	..	13.17	15.91	..	16.57	11.70	142
Malda	..	1972-73	13.74	0.88	0.32	1.20	0.03	6.37	7.92	..	22.54	21.56	105
		1973-74	4.41	2.16	0.24	1.20	0.03	3.10	4.57	..	11.14	9.54	117
Midnapore	..	1973-74	5.05	4.31	0.58	4.50	0.18	2.24	7.50	4.92	21.78	12.56	173
Murahidabad	..	1972-73	6.87	0.76	0.42	2.30	0.08	1.02	3.82	..	11.45	8.99	127
		1973-74	5.60	0.42	0.31	2.30	0.08	17.13	19.82	..	25.84	7.80	331
		1974-75	3.84	16.47	0.08	2.30	0.08	2.35	4.81	..	25.12	16.84	149
Nadia	..	1974-75	0.13	6.44	0.26	1.30	0.04	5.09	6.69	..	13.26	16.34	81
Purulia	..	1972-73	3.59	1.43	0.50	1.28	..	7.50	9.28	..	14.30	7.03	203
		1973-74	2.07	6.14	0.38	1.73	..	3.08	5.19	..	13.40	13.51	99
		1974-75	0.85	3.52	0.36	1.48	0.04	10.99	12.87	..	17.24	15.04	116
24-Parganas	..	1973-74	1.16	1.86	0.79	4.60	0.13	6.84	12.36	..	15.38	15.67	98
		1974-75	0.67	4.36	0.75	4.60	0.13	77.04	82.52	..	87.55	75.66	116
West Dinajpur	..	1973-74	2.95	1.71	0.31	1.30	0.05	12.93	14.59	..	19.25	18.00	107
		1974-75	0.41	7.14	0.30	1.30	0.05	9.16	10.81	..	18.36	12.89	142

Appendix XI

(Reference : Paragraph 7.6.8., page 149)

Statement showing details of receipts of grants under various schemes and position of utilisation thereof

(Figures of amount in lakhs of rupees)

Name of Zilla Parishad	Crash Scheme for Rural Employment			Special Employment Programme			Contributory Village Road Scheme			
	Grant received		Unspent grant* Amount	Grant received		Unspent grant* Amount	Grant received		Unspent grant* Amount	
	Period	Amount		Period	Amount		Period	Amount		
Bankura	..	1972-74	3.84	0.04	1972-75	5.19	0.67	..	..	..
Birbhum	..	1971-74	23.04	8.21	1972-75	8.85	4.84	1972-75	2.59	0.61
Burdwan	..	1971-74	20.47	3.77	1972-74	25.01	16.37	1972-74	0.23	0.20
Cooch Behar	1972-75	0.87	0.64
Darjeeling	1973-74	1.09	0.14
Hooghly	..	1971-74	22.60	1.07	1972-75	24.26	10.80	1973-75	1.00	..
Howrah	1972-75	22.27	15.54	..	..	..
Jalpaiguri	1972-75	2.65	2.63	1974-75	0.10	..
Malda	..	1972-74	6.21	0.59	..	..	..	1968-69	0.10	0.10
Midnapore	1972-74	1.97	1.01

Murshidabad	..	..	..	..	..	..	..	..	1973-75	1.16	0.10
Nadia	..	..	1972-74	4.70	0.06	1973-75	3.51	2.79	1973-75	1.31	0.92
Purulia	..	..	..	..	..	1972-75	7.28	3.03	1974-75	0.10	0.10
24-Parganas	..	..	1973-74	3.00	1.54	1974-75	12.24	12.24	1971-75	3.94	0.85
West Dinajpur	..	..	1971-74	14.68	2.54	1974-75	7.81	7.17	1972-73	0.36	0.16
Total	..	..		98.54	17.82		1,19.07	76.08		14.82	4.83

*As on 31st March 1975 except for Burdwan, Malda and Midnapore Zilla Parishads where the position as on 31st March 1974 has been shown.

Appendix XII

(Reference : Paragraphs 8.1, page 170)

Statement showing financial results of departmentally managed commercial and quasi—commercial undertakings

Sl. No.	Name of the concern	Year of account	Capital at close	Mean capital	Free reserve	Net block	Depreciation	Turn-over	Net Loss (-) Profit (+)	Interest charged added back	Total (10+11)	Percentage of total return on mean capital and free reserve
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<i>(In lakhs of rupees)</i>												
1.	Greater Calcutta Milk Supply Scheme	1970-71†	3,66.34	3,27.80	..	3,03.35	30.32	5,78.12	(-)1,64.93	21.96	(-)1,42.97	..
2.	Scheme for production of Shark Liver Oil, Fish-meal, etc.	1973-74†	1.81	1.42*	..	0.02	0.01	0.40	(+)0.03	0.08	(+)0.11	7.74
3.	Government Saw Mills, Siliguri	1974-75	28.89	31.27*	..	5.89	0.04	33.46	(+)3.02	2.13	(+)5.15	16.47
4.	Durgapur State Transport Board**	April 1973 to 6th December 1973	1,06.60	1,07.56*	..	67.15	5.83	25.61	(-)37.36	6.47	(-)30.89	..

*Mean capital includes both Government capital and balance of the current account.

**This has been converted into a Statutory Corporation with effect from 7th December 1973.

†Figures provisional.

Appendix XIII

(Reference : Paragraph 8.2, page 170)

Arrears in preparation of *pro forma* accounts

Sl. No.	Name of the scheme/undertaking	Name of Department	Year from which accounts are due	Remarks
(a) Undertakings whose <i>pro forma</i> accounts have not been prepared since inception :				
1.	Oriental Gas Company's undertaking	Commerce and Industries	1960-61	The Department stated (July 1976) that the case filed by the owners of the erstwhile Company challenging the constitutional validity of the Oriental Gas Company's Undertaking Act, 1960 was <i>sub judice</i> . The Finance Department observed (January 1977) that it would not be proper to draw up <i>pro forma</i> accounts so long as the case was <i>sub judice</i> .
2.	Industrial Kalyani	Estate, Cottage and Small Scale Industries	1956-57	} The Directorate stated (May 1975) that the accounts could not be prepared for want of trained and qualified personnel. Further developments are awaited (April 1977).
3.	Industrial Raruipur	Estate, Cottage and Small Scale Industries	1958-59	
(b) Other undertakings whose <i>pro forma</i> accounts are in arrears :				
1.	Central Engineering Organisation	Cottage and Small Scale Industries	1972-73	Reasons for non-submission of <i>pro forma</i> accounts are awaited (April 1977).
2.	Integrated Wood Industries Scheme at Durgapur and Kalyani	Cottage and Small Scale Industries	1965-66	} In September 1970 <i>pro forma</i> accounts for each individual unit for the period from 1960-61 to 1964-65 were received, but consolidated accounts for the schemes have not been received (April 1977).
3.	Training-cum-production centre for Wood Industries, Siliguri	Public Undertakings	1965-66	
4.	Directorate of Brick Production (Brick and Tile Board)	Housing	.. 1974-75	Reasons for non-preparation of accounts are awaited (April 1977).
5.	Mechanised Brick Factory at Palta	Housing	.. 1974-75	Reasons for non-preparation of accounts are awaited (April 1977).
6.	Scheme for production of Shark Liver Oil, Fishmeal, etc.	Fisheries	.. 1974-75	The Department stated (December 1976) that owing to pre-occupation in preparation of arrear accounts for 1970-71 to 1973-74 and getting them audited, accounts for subsequent periods could not be taken up.

Appendix XIII—concl'd.

(Reference : Paragraph 8.2, page 170)

Arrears in preparation of *pro forma* accounts

Sl. No.	Name of the scheme/undertaking	Name of Department	Year from which accounts are due	Remarks
7.	Silk Reelers' Co-operative and Allied Organisation	Cottage and Small Scale Industries	1956-57	The Directorate stated (December 1976) that the accounts could not be prepared for want of qualified personnel.
8.	Greater Calcutta Milk Supply Scheme	Animal Husbandry and Veterinary Services	1971-72	Reasons for non-preparation of accounts have not been intimated (April 1977).
9.	Government Cinchona Plantation	} Commerce and Industries	1969-70	Accounts for six years, i.e., from 1963-64 to 1968-69 were received in July 1976 and audit of these accounts has been completed in May 1977.
10.	Government Quinine Factory, Mungpo			
11.	Quinine Sales Depot, Calcutta			
12.	Surgical Instruments Servicing Station, Barupur	Public Undertakings	1969-70	Reasons for non-preparation of accounts have not been intimated (April 1977).
13.	Government Sales Emporia in Howrah and Calcutta	Cottage and Small Scale Industries	1951-52 to 1962-63 and from 1969-70 onwards	Accounts for 1963-64 to 1968-69 were submitted in September 1970, but audit could not be taken up in the absence of the accounts from 1951-52 to 1962-63.
14.	Government Saw Mills, Siliguri	Forests	..	...
15.	Kanchrapara Development Area (Kalyani Township) Scheme	Development and Planning	1975-76	....
16.	Consolidated <i>pro forma</i> accounts of "hats" under the management of Government	Board of Revenue	1973-74 to 1975-76	Discrepancies pointed out in the accounts for 1973-74 and 1975-76 have not been rectified (April 1977).