



# REPORT

OF THE

**COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

X  
53-B-I

FOR THE YEAR

**1972-73**

(CIVIL)

**GOVERNMENT OF WEST BENGAL**

IX  
53-B-1

## ERRATA

Sl. No.	Page	Reference to para, line, etc.	<i>For</i>	<i>Read</i>
1.	2	Para 1(b)—Figures against 1971-72 under the column "Budget".	13,84,92	3,84.92
2.	25	Para 17—First line of the para	Provision (impression of letter 'p' not clear)	Provision
3.	31	Para 19—Comment (3) Public Debt. Figure against 'Original'.	74,24,93,000 (impression not clear)	74,24,93,000
4.	105	Para 49.21—5th line	provided	provided,
5.	,,	Para 49.2.1—Last sub-para—last but one line.	remaining	remaining
6.	108	Para 49.3.5—Columns 3, 4 and 5 of table		Insert 'Hours—Minutes' above the figures in the columns 3, 4 and 5
7.	,,	Para 49.3.6—Column 2 and 3 of table		Insert 'Hours—Minutes' above the figures in the columns 2 and 3
8.	110	Para 49.4.1—Serial no. 2, i.e., loss for the year 1966-67	(—) 5.56	(—) 5.55

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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 1972-73 together with other points arising from audit of financial transactions of the Government of West Bengal for the year 1972-73. It also includes :

- (i) certain points of interest arising from the Finance Accounts for the year 1972-73 ;
- (ii) matters relating to certain bodies and authorities the accounts of which are audited by the Indian Audit and Accounts Department ; and
- (iii) comments on Leprosy Control Programme, Suspense balances in the Central Medical Stores, Kaliaghai Flood Control and Drainage Scheme, Central Engineering Organisation and Mechanised brick factory at Palta.

2. 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 1972-73 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matter relating to the period subsequent to 1972-73 have also been included wherever considered necessary.

3. 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 being presented separately.

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

Recd. from M/s  
Fina (Apprs) BDA for  
on 19.5.75 vide  
Lby. File No. 4P-1/75  
5 B. 20 NR.

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# CHAPTER I

## GENERAL

### Budget and actuals

#### (a) Revenue receipts

The actuals of revenue receipts for 1972-73 as compared with the (i) budget estimates and (ii) budget estimates *plus* additional taxation levied during the year with the corresponding amounts for 1970-71 and 1971-72 are given below :

Year	Budget	Budget <i>plus</i> additional taxation	Actuals	Variations between columns (4) and (3)	Amount of increase (+) decrease (-)	Percentage
1	2	3	4	5	6	

(In crores of rupees)

1970-71 . . . . .	2,90.81	2,90.81	2,68.02	-22.79		8
1971-72 . . . . .	3,66.15	3,67.33	4,25.43	+58.10		16
1972-73 . . . . .	3,51.31	3,56.81	3,51.22	-5.59		2

#### (b) Expenditure on revenue account

The expenditure on revenue account during 1972-73 as compared with the (i) budget estimates and (ii) budget estimates *plus* supplementary pro-

vision along with the corresponding amounts for 1970-71 and 1971-72 are given below :

Year	Budget	Budget plus supplementary	Actuals	Variations between columns (4) and (3)	Percentage
1	2	3	4	Amount of increase (+) decrease (---)	5
<i>(In crores of rupees)</i>					
1970-71 . . . . .	3,11.16	3,51.31	3,03.43	- 47.88	14
1971-72 . . . . .	3,84.92	4,94.19	4,02.54	--91.65	19
1972-73 . . . . .	3,74.09	4,10.30	4,10.73	+0.43	0.1

(c) Taking into account transactions outside the revenue account there was an overall deficit of Rs. 15.58 crores in 1972-73 as against a deficit of Rs. 18.61 crores in 1971-72 and a surplus of Rs. 15.11 crores in 1970-71. The details are given below :

	1970-71	1971-72	1972-73
<i>(In crores of rupees)</i>			
Opening Cash Balance . . . . .	-21.87	--6.76	--25.37
<b>Part I--Consolidated Fund--</b>			
<b>(a) Transactions on Revenue Account--</b>			
(i) Revenue receipts . . . . .	2,68.02	4,25.43	3,51.22
(ii) Revenue expenditure . . . . .	3,03.43	4,02.54	4,10.73
(iii) Revenue surplus (+)/deficit (---) . . . . .	--35.41	+22.89	--59.51
<b>(b) Transactions outside the Revenue Account--</b>			
(i) Capital expenditure (net) . . . . .	--26.40	--30.37	--45.90
(ii) Receipts from borrowings (net) . . . . .	+67.17	+49.16	+1,09.00
(iii) Loans and advances by State Government (net) . . . . .	--29.88	--36.48	--41.51
Part II--Contingency Fund (net) . . . . .	--0.18	+0.03	- 0.01
Part III--Public Account (net) . . . . .	+39.81	--23.84	+22.35
Closing Cash Balance . . . . .	-6.76	--25.37	-40.95
Overall surplus (+)/deficit (---) . . . . .	+15.11	--18.61	--15.58

## 2. Revenue receipts

(a) The revenue receipts during 1972-73 (Rs. 3,51·22 crores) decreased by Rs. 74·21 crores in relation to those in 1971-72 (Rs. 4,25·43 crores). The decrease is analysed below :

	Receipts 1971-72	Receipts 1972-73	Increase (+) Decrease (—)	Perce- ntage
( In crores of rupees)				
<i>(i) Receipts from Government of India—</i>				
(a) State's share of divisible Central taxes . . . . .	78.36	87.60	+9.24	12
(b) Statutory grants . . . . .	14.86	10.92	—3.94	27
(c) Other grants-in-aid . . . . .	1,54.95	43.83	—1,11.12	72
<i>(ii) Revenue raised by State Govern- ment—</i>				
(a) State taxes, duties and other principal heads of revenue . . . . .	1,23.74	1,47.00	+23.26	19
(b) Central taxes leviable for the purposes of and collected by the State Govern- ment . . . . .	22.30	26.84	+4.54	20
(c) Receipts under water rates, betterment levy, rents from buildings and other receipts . . . . .	31.22	35.03	+3.81	12
TOTAL . . . . .	4,25.43	3,51.22	—74.21	17

Receipts from Government of India during 1972-73 were Rs. 1,42·35 crores as against Rs. 2,48·17 crores in 1971-72. These constituted 40·53 per cent of the total revenues (Rs. 3,51·22 crores) in 1972-73 as against 58·33 per cent of the total revenue receipts (Rs. 4,25·43 crores) in the previous year. The decrease of Rs. 105·82 crores during 1972-73 was mainly due to less receipt of grants-in-aid for relief of refugees from erstwhile East Bengal (Rs. 1,15·06 crores) partly counter-balanced by larger receipt from the net proceeds of divisible taxes (Rs. 9·24 crores). More information on the subject has been given in the Report of the Comptroller and Auditor General of India for 1972-73 (Revenue Receipts) Government of West Bengal.

Mention was made in paragraph 3.1 of the Advance Audit Report for the year 1971-72 of the retention by the State Government of an unspent balance of Rs. 27.50 crores out of an advance grant of Rs. 110.57 crores received from the Government of India for expenditure on housing and upkeep of refugees from Bangla Desh. This amount was not refunded by the State Government to the Government of India during the year 1972-73.

(b) Revenue raised by the State Government during 1972-73 increased by Rs. 31.61 crores as compared with that in 1971-72. Variations above Rs. 1.00 crore occurred under :

Head of Account	1971-72	1972-73	Increase (+) Decrease (-)	Remarks
<i>(In crores of rupees)</i>				
Taxes on Vehicles . . . . .	6.98	8.71	+1.73	Increased receipts under the Indian Motor Vehicles Act and the State Motor Vehicles Taxation Act
Sales Tax . . . . .	74.18	91.24	+17.06	Increased receipts owing to normal growth of trade and commerce and new measures of taxation.
Other Taxes and Duties . . . . .	30.81	37.41	+6.60	Increased receipts under "Taxes on Luxuries, etc." and "Electricity Duties" owing to normal growth and new measures of taxation (Rs. 4.14 crores) and under "West Bengal Taxes on Entry of Goods in Calcutta Metropolitan Area" (Rs. 3.36 crores).
Stamps . . . . .	8.04	9.48	+1.44	Increase in sale of stamps and new measures of taxation.

Head of Account	1971-72	1972-73	Increase (+) Decrease (-)	Remarks
<i>(In crores of rupees)</i>				
Miscellaneous Departments	0.58	3.36	+2.78	Increased receipts from the Food Corporation of India on account of State Government's claim for administrative charges.
Agriculture	2.98	5.46	+2.48	Increased receipts from sale of chemical fertilisers.
Miscellaneous and Social Developmental Organisations	6.52	2.40	-4.12	Less recovery of Employees' State Insurance Corporation's share of expenditure.

*(c) Taxation measures*

Post-budget taxation measures taken during the year are shown below :

Nature of taxes	Date of effect	Estimated yield for 1972-73	Actual yield during 1972-73
<i>(In lakhs of rupees)</i>			
1. Additional taxation on motor cars carrying passengers not plying for hire with unladen weight exceeding 1,200 Kg. and goods vehicles	1-8-1972	56.30	Not available
2. Enhancement in the rates of sales tax on certain commodities, levy of sales tax on foreign liquor and other excisable commodities and augmentation of the scope of sales tax.	3-8-1972 and 7-8-1972	2,45.00	Not available
3. Enhancement in the rates of taxes on luxuries and entertainment taxes	25-7-1972	1,64.00	Not available
4. Enhancement in the rates of Stamp Duty on certain instruments	1-11-1972	85.00	Not available
TOTAL		5,50.30	

### 3. Arrears of revenue

Information about arrears of revenue as on the 31st March 1973 was not available, in spite of all efforts, from Commissioner of Agricultural Income Tax, Board of Revenue, Excise Department, Home (Transport) Department, Commissioner of Commercial Taxes, Finance (Taxation), Finance Department, Home (Jails) Department, Municipal Services Department, Agriculture Department, Fisheries Department, Commerce and Industries Department, Cottage and Small Scale Industries Department, Public Works Department, Forest Department and Housing Department, who are responsible for collection of agricultural income tax, land revenue, irrigation receipts and receipts from multipurpose river schemes, State excise duties, taxes on vehicles, sales tax, other taxes and duties, interest, revenues from jails and jail manufactures, licence fees for fire services, agricultural receipts, receipts from fisheries, receipts from industries, receipts from cottage and small scale industries, public works receipts, forest receipts and receipts from housing schemes respectively. Actual realisations by these authorities during 1972-73 were Rs. 1,83.24 crores (52.2 per cent of the total revenues) against the estimated receipt of Rs. 1,71.63 crores.

### 4. Expenditure on revenue account

Expenditure on revenue account in 1972-73 (Rs. 4,10.73 crores) increased by Rs. 8.19 crores over that in 1971-72 (Rs. 4,02.54 crores). Variations are explained below :

	Expenditure 1971-72	Expenditure 1972-73	Increase(+) / Decrease(-)
<i>(In crores of rupees)</i>			
(i) Collection of taxes, duties and other principal revenue	11.96	12.22	+0.26
(ii) Debt Services	42.79	49.37	+6.58

Increase was due to more expenditure on account of interest on loans from the Government of India and on other obligations.

#### (iii) Administrative Services—

Parliament, State/Union Territory Legislature	2.03	0.67	—1.36
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Decrease was due to less expenditure on elections.

	Expenditure 1971-72	1972-73	Increase (+) Decrease (—)
<i>(In crores of rupees)</i>			
Police	29 32	30 71	+1 39
Increase was due to more expenditure on Criminal Investigation Department and District Executive Force			
Other Administrative Services	21 88	23 30	+1 42
TOTAL	53 23	54 68	+1 45
<i>(iv) Social and Developmental Services</i>			
Education	75 94	79 32	+3 38
Increase was due to more expenditure on development schemes for primary edu- cation			
Medical	22 27	24 48	+2 26
Increase was due to more expenditure on hospitals, dispensaries and development schemes and purchase of stock materials			
Public Health and Family Planning	7 71	10 58	+2 87
Increase was due to more expenditure on family planning measures			
Agriculture	14 82	27 64	+12 82
Increase was due to more expenditure on development schemes for agricultural improvement			
Community Development Pro- jects, National Extension Service and Local Development Works	6 94	9 06	+2 12
Increase was due to more expenditure on development schemes			
Labour and Employment	5 18	6 38	+1 20
Increase was due to more expenditure on Employees' State Insurance Scheme and development schemes			

	Expenditure		Increase (+)
	1971-72	1972-73	Decrease(—)
<i>(In crores of rupees)</i>			
Miscellaneous and Social Developmental Organisations	3.80	6.54	+2.74
Increase was due to more expenditure on Crash Programme of Nutrition for Children and other development schemes.			
Other Social and Developmental Services	10.12	10.68	+0.56
TOTAL	1,46.73	1,74.68	+27.95
(v) Multipurpose River Schemes, Irrigation and Electricity Schemes	12.94	11.69	-1.25
v) Public Works (including Roads) and Schemes of Miscellaneous Public Improvements--			
Public Works	13.98	18.20	+4.22
Increase was due to more expenditure on Communications and buildings.			
Other heads	3.06	3.33	+0.27
TOTAL	17.04	21.53	+4.49
(vii) Transport and Communications	1.00	0.96	-0.04
(viii) Miscellaneous--			
Famine Relief	19.38	17.87	-1.51
Decrease was due to less expenditure on famine relief measures.			
Miscellaneous	89.06	58.36	-30.70
Decrease was due to less expenditure on relief to refugees from erstwhile East Bengal and on displaced persons.			
Other heads	8.08	8.97	+0.89
TOTAL	1,16.52	85.20	-31.32
(ix) Other heads	0.33	0.40	+0.07
TOTAL—Revenue Expenditure	4,02.54	4,10.73	+8.19



### 5. Expenditure outside the revenue account

(a) Expenditure outside the revenue account includes, besides capital expenditure, loans and advances paid by Government. Expenditure on capital account during the three years ending 1972-73 as compared with (i) budget estimates and (ii) budget estimates *plus* supplementary grants is shown below (Loans and advances are dealt with in paragraph 6) :

Year	Budget	Budget <i>plus</i> supple- mentary	Actuals	Variations between columns (4) and (3)	
				Amount of decrease	Percent- age
1	2	3	4	5	6
<i>(In crores of rupees)</i>					
1970-71	29 67	35 45	26 40	9 05	26
1971 72	37 61	43 77	30 37	13 40	30
1972-73	48 82	69 89	45 90	23 99	34

(b) Further analysis of expenditure outside the revenue account is given below :

	During 1972-73	During 1970-71 to 1972-73	Total upto 1972-73
<i>(In crores of rupees)</i>			
I—Capital expenditure on—			
(i) Irrigation and Multipurpose river schemes	16 67	34 00	2,06 98
(ii) Other commercial departments/undertakings, schemes of Government trading, industrial development and agricultural schemes	14 44	31 04	66 07
(iii) Compensation to land holders, etc., on abolition of Zamindari system	3 22	9 31	37 43
(iv) Public Works	11 44	27 98	2,46 96
(v) Miscellaneous such as capital outlay on forests and payment of commuted value of pensions	0 13	0 34	1.27
(vi) Electricity schemes	..	..	1.28
(vii) Appropriation to Contingency Fund	..	..	5.00
TOTAL—Capital Expenditure	45 90	1,02 67	5,64 99
II—Net outgo under loans and advances by State Government, <i>i.e.</i> , after taking into account recovery of loans			
	41 50	1,07.86	3,09.46
TOTAL	87.40	2,10 53	8,74 45

Further details of capital expenditure are given in statements numbers 2 and 13 of Finance Accounts.

(c) The sources from which expenditure outside the revenue account including that on loans and advances was met during 1972-73 and the three years ending 1972-73 are given below :

	1972-73	1970-71 to 1972-73
	<i>(In crores of rupees)</i>	
<b>I. Net additions to—</b>		
(i) Permanent Debt . . . . .	7.96	23.86
(ii) Floating Debt . . . . .	—11.15	0.05
(iii) Loans from Government of India . . . . .	1,09.33	1,94.27
(iv) Loans from other sources . . . . .	2.86	7.15
(v) Unfunded Debt (mainly Provident Funds) . . . . .	5.31	13.00
<b>II. Other capital receipts—</b>		
Mainly deposits (net) received by Government and withdrawals from Contingency Fund . . . . .	25.32	9.15
<b>III. Receipts from encashment of securities and decrease in cash balance . . . . .</b>	7.28	35.09
<b>TOTAL—Receipts . . . . .</b>	1,46.91	2,82.57
<b>Less—Deficit on revenue account . . . . .</b>	—59.51	—72.04
<b>Net resources available for expenditure outside the revenue account . . . . .</b>	87.40	2,10.53

## 6. Loans and advances

(a) The actuals of disbursements and advances by the State Government for 1972-73 as compared with the (i) budget estimates and (ii) budget estimates *plus* supplementary provision along with the corresponding amounts for 1970-71 and 1971-72 are given below :

Year	Budget	Budget <i>plus</i> supple- mentary	Actuals	Variations between columns (4) and (3)	
				Amount of decrease	Percent- age
1	2	3	4	5	6
	<i>(In crores of rupees)</i>				
1970-71 . . . . .	26.92	38.23	37.30	0.93	2
1971-72 . . . . .	26.71	42.39	42.04	0.35	1
1972-73 . . . . .	34.12	49.08	47.58	1.50	3

(b) The budget estimates and actuals of recoveries of loans and advances for the three years ending 1972-73 are given below :

Year	Budget	Actuals	Variations	
			Amount of increase + decrease—	Percentage
<i>(In crores of rupees)</i>				
1970-71	9.10	7.42	—1.68	18
1971-72	5.48	5.56	+0.08	1
1972-73	12.22	6.07	—6.15	50

The shortfall in actual recoveries was due to less repayments under (i) Loans to Local Funds/Private Parties, etc. (Rs. 6.14 crores), (ii) Loans and Advances to Displaced Persons (Rs. 1.28 crores), (iii) Loans and Advances under C.D.P., NES, etc. (Rs. 0.07 crore) partly counterbalanced by more recoveries from Government servants (Rs. 1.34 crores).

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

	On 31st March 1972	On 31st March 1973
<i>(In crores of rupees)</i>		
(i) Loans to Municipal Corporations and Municipalities	12.83	14.44
(ii) Loans to District and other Local Fund Committees	2.46	2.47
(iii) Loans to Co-operative Institutions and Banks	4.92	5.21
(iv) Loans under Community Development Projects	4.65	4.62
(v) Loans and advances to displaced persons	26.78	26.97
(vi) Advances to cultivators	22.13	30.40
Advances were given mainly for purchase of seeds, cattle, fertilizers and pesticides.		
(vii) Loans and advances to Statutory Corporations, Boards and Government Companies	1,28.97	1,37.62

Loans were given mainly to five Statutory Corporations (Rs. 24.67 crores), State Electricity Board (Rs. 69.57 crores), Calcutta Metropolitan Development Authority (Rs. 2.00 crores), and seven Government Companies (Rs. 40.83 crores). Loans advanced during 1972-73 were mainly for meeting current liabilities, implementation of development schemes and augmentation of capital.

	On 31st March 1972	On 31st March 1973
	increase + decrease—	Percent- age
	<i>(In crores of rupees)</i>	
(viii) Miscellaneous loans and advances . . . . .	59.76	83.71*
(iv) Loans to Government servants . . . . .	5.44	4.03
<b>TOTAL . . . . .</b>	<b>2,67.96</b>	<b>3,09.47</b>

Further details of loans and advances are given in statements nos. 5 and 18 of Finance Accounts.

(d) *Non-settlement of terms and conditions of loans* : The terms and conditions of repayment of Rs. 1,84.74 crores given as loans (in 511 cases) to statutory corporations, etc., have not been settled and no repayment has, therefore, been made. Some of these loans were paid as far back as 1955-56. Loans to West Bengal State Electricity Board (Rs. 70.52 crores in 99 cases), Calcutta Metropolitan Development Authority (Rs. 39.27 crores in 22 cases), Durgapur Projects Ltd. (Rs. 25.34 crores in 21 cases), Calcutta State Transport Corporation (Rs. 17.36 crores in 92 cases), Durgapur Chemicals Limited (Rs. 11.74 crores in 37 cases), West Bengal Development Corporation (in liquidation) (Rs. 4.10 crores in 31 cases) and Hooghly River Bridge Commissioners (Rs. 3.10 crores in 3 cases) accounted for 93 per cent of these loans. In some of these cases, fresh loans were given in 1972-73 although terms and conditions for the earlier loans have not been settled. The reasons for the delay in settling the terms and conditions were not intimated by the State Government. Details of the loans are given in statement no. 5 of Finance Accounts 1972-73.

As would be seen from the following table, the number and amount of such loans have increased progressively :

	Position as on		
	31st March 1971	31st March 1972	31st March 1973
Cases of loans . . . . .	400	478	511
	<i>(In crores of rupees)</i>		
Amount . . . . .	1,07.88	1,58.11	1,84.74

(e) *Recoveries in arrears* : In the case of loans at serial nos. (i), (ii), (v) (in part), (vii) and (viii) (in part) of sub-paragraph (c) above, detailed

\*Includes Rs. 59.01 crores advanced under different schemes which have been shown under this head pending receipt of final orders of Government.

accounts of which are maintained in the Audit Office, recovery of Rs. 16,19.33 lakhs (principal : Rs 13,25.11 lakhs ; interest : Rs. 2,94.22 lakhs) was in arrears (in 825 cases) on 31st March 1973 as shown below; of that, recovery of Rs. 746.69 lakhs (in 453 cases) (principal : Rs. 6,02 05 lakhs ; interest : Rs. 1,44.64 lakhs) was in arrears for more than three years.

Department	Number of loans	Principal	Interest
		<i>(In lakhs of rupees)</i>	
Municipal Services—			
Municipal Corporations and Municipalities	389	3,61 91	50 49
Health—			
Municipalities	56	15 14	20 10
Agriculture -			
Municipalities	3	0 43	0 13
Panchayats—			
Municipal Corporations and Zilla Parishads	22	44 72	8 88
Development and Planning (Town and Country Planning)—			
Local Bodies	3	0 14	9 35
Housing—			
Local Bodies	1	..	0 02
Home (Transport)—			
Calcutta Tramways Company Limited	51	4,87 18	61.68
Commerce and Industries—			
Government Company	41	2,89 18	44 14
Finance—			
Calcutta Metropolitan Development Authority	2	..	31 70
Fisheries—			
Government Company	4	2 66	1 73
Animal Husbandry and Veterinary Services—			
Government Company	4	..	1 96
Education—			
Universities and other Educational Institutions	118	20 40	12 36
Refugee Relief and Rehabilitation—			
Industrial Concerns and Municipalities	131	1,03 35	51 68
<b>TOTAL</b>	<b>825</b>	<b>13,25.11</b>	<b>2,94 22</b>

As would be seen from the following table, there has been a progressive increase in the overdue amount of loans and interest thereon :

	31st March 1971	31st March 1972	31st March 1973
	<i>(In lakhs of rupees)</i>		
Total overdue amount . . . . .	5,29.22	6,41.19	16,19.33
Amount overdue for more than three years . . . . .	2,52.24	4,07.04	7,46.69

In the case of other loans, detailed accounts of which are maintained by departmental officers, no information about recoveries in arrears has been received, despite reminders, from the departments mentioned below :

- (i) Cottage and Small Scale Industries
- (ii) Co-operation
- (iii) Agriculture and Community Development
- (iv) Animal Husbandry and Veterinary Services
- (v) Housing
- (vi) Relief and Social Welfare

(f) *Utilisation Certificates* : Out of 518 utilisation certificates (Rs. 11,71.69 lakhs) to be received by Audit for loans given by Government up to 31st March 1972, 70 certificates (Rs. 38.64 lakhs) were received leaving 448 certificates (Rs. 11,33.05 lakhs) to be received (June 1974). The department-wise break up is given below :

Department	Number of outstanding utilisation certificates	Amount ( <i>In lakhs of rupees</i> )	Year to which the earliest outstanding certificate relates
Co-operation . . . . .	127	2,61.90	1960-61
Cottage and Small Scale Industries . . . . .	63	36.89	1957-58
Housing . . . . .	1	1.61	1970-71
Health and Family Planning . . . . .	34	2,50.50	1957-58
Municipal Services . . . . .	91	55.04	1958-59
Panchayat . . . . .	101	2,93.58	1968-69
Development and Planning . . . . .	27	2,31.00	1967-68
Refugee Relief and Rehabilitation . . . . .	4	2.53	1963-64
<b>TOTAL . . . . .</b>	<b>448</b>	<b>11,33.05</b>	

The fixation of a time limit for furnishing utilisation certificates for loans was raised by Audit with Government in 1967.

The Public Accounts Committee 1972-73 while considering the default in submission of utilisation certificates for loans sanctioned by the Department of Municipal Services referred to in paragraph 6 of the Audit Report 1969, observed that the Department should devise more effective methods than merely reminding the local bodies in the matter of securing utilisation certificates from the defaulting local bodies and should, if necessary, seriously consider the question of withholding all other grants to the defaulting local authorities. No rules have been made by Government (September 1974). No time limit for submission of utilisation certificates has been prescribed by Government (September 1974).

## 7. Debt

(a) Details of public debt transactions are given below :

	Receipts during the year	Repayments during the year	Net in- crease (+)/ decrease(-) during the year
<i>(In crores of rupees)</i>			
Permanent debt . . . . .	14.97	7.01	(+) 7.96
Floating debt . . . . .	1,17.63	1,28.78	(-) 11.15
Loans from Government of India . . . . .	1,68.41	59.08	(+)1,09.33
Other loans . . . . .	3.69	0.83	(+) 2.86
TOTAL . . . . .	3,04.70	1,95.70	(+)1,09.00

Open market loan of Rs. 14.32 crores (5½ per cent West Bengal Loan 1984) was raised in 1972-73. The loan is redeemable at par in September 1984. Of this, Rs. 11.35 crores were collected in cash and Rs. 2.97 crores by conversion of 4½ per cent West Bengal Loan 1974. In addition, Government issued West Bengal Estate Acquisition Compensation Bonds for Rs. 0.65 crore for payment of compensation to landholders, etc., on abolition of Zamindari system.

(b) The outstanding public debt at the end of March 1973 was Rs. 8,49.54 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		
	1970-71	1971-72	1972-73
	<i>(In crores of rupees)</i>		
Permanent debt . . . . .	84.61	93.02	1,00.98
Floating debt . . . . .	..	11.20	0.05
Loans from Government of India . . . . .	5,91.12	6,17.05	7,26.38
Other loans . . . . .	15.65	19.27	22.13
TOTAL . . . . .	6,91.38	7,40.54	8,49.54

(c) In addition to public debt, unfunded debt (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 have not been separately invested but are merged with general cash balance of Government, constitute liability of Government. Taking the public debt and those liabilities together, the debt position of Government was as follows :

	At the end of		
	1970-71	1971-72	1972-73
	<i>(In crores of rupees)</i>		
Public debt . . . . .	6,91.38	7,40.54	8,49.54
Unfunded debt . . . . .	29.95	34.34	39.65
Depreciation reserves and other earmarked funds . . . . .	41.90	43.84	46.80
Deposits of local funds and civil deposits . . . . .	47.23	56.55	56.21
TOTAL . . . . .	8,10.46	8,75.27	9,92.20

## 8. Ways and means advances and overdrafts

Under an agreement with the Reserve Bank of India, the State 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 according to limits fixed by it from time to time. In 1972-73 the limits for ordinary and special ways and means advances were Rs. 6.00 crores and Rs. 1.90 crores respectively, (as compared



to Rs. 1.50 crores and Rs. 0.85 crore in 1971-72). If even after taking these advances, Government is not able to maintain the minimum balance, the Bank allows overdrafts. During 1972-73, the Bank charged interest at 6 per cent per annum on the overdrafts.

Details of ways and means advances and overdrafts, availed of by Government during the year are given below :

	Balance outstanding on 1st April 1972	Amount obtained during the year	Amount repaid during the year	Balance outstanding on 31st March 1973
<i>(In crores of rupees)</i>				
Ways and means advances from the Reserve Bank . . . . .	2.35	48.89	51.19	0.05
Overdrafts from the Reserve Bank . . . . .	8.85	68.74	77.59	..

During 1972-73, ways and means advances were obtained from the Reserve Bank on 50 occasions.

On 39 occasions the cash balance of the State Government fell below the required minimum after taking the ways and means advances from the Reserve Bank. Comparative position for 1971-72 and 1972-73 is given below :

Year	Overdraft outstanding on the last day of preceding financial year <i>(Rupees in crores)</i>	Number of occasions	Amount by which the balance fell below the minimum balance <i>(Rupees in crores)</i>
1971-72 . . . . .	..	127	145.38
1972-73 . . . . .	8.85	39	68.74

Rs. 0.39 crore was payable as interest on these advances/overdrafts. An amount of Rs. 0.38 crore (including arrear liability of Rs. 0.14 crore) was paid during the year and a sum of Rs. 0.01 crore remained as undischarged liability towards interest.

## 9. Loans from Government of India

Loans received from Government of India and outstanding at the end of 1972-73 were Rs. 7,26.38 crores ; these formed 85.5 per cent of the total public debt (Rs. 8,49.54 crores).

In 1972-73 the State Government received Rs. 5.40 crores as ways and means advance for Plan schemes; of that amount, Rs. 0.94 crore was subsequently adjusted as loans and Rs. 4.46 crores as grants.

The State Government obtained from the Government of India in 1972-73 Rs. 1,68.41 crores (including ways and means advance of Rs. 0.94 crore converted into loan) as loans for development (Rs. 57.45 crores) and other purposes (Rs. 1,10.96 crores). Details of loans outstanding on 31st March 1973 are given in Statement 17 of Finance Accounts 1972-73. On 31st March 1973 Rs. 2.11 crores were overdue for payment as interest to the Government of India (other than rehabilitation loans); details are given in Statement 4 of Finance Accounts 1972-73.

**Rehabilitation loans :** Upto the end of 1972-73 the State Government obtained from the Government of India Rs. 66.79 crores as loans for rehabilitation of displaced persons from erstwhile East Pakistan out of which Rs. 4.13 crores were repaid and Rs. 18.93 crores were remitted (total : Rs. 23.06 crores) leaving a balance of Rs. 43.73 crores. Of these loans, terms and conditions of repayment in respect of five loans of Rs. 1.19 crores sanctioned between 1958-59 and 1965-66 are yet to be settled. The terms and conditions of other loans are not being complied with by the State Government. They pay to the Government of India every year whatever amount is collected from the borrowers during the year.

According to the original terms and conditions, regardless of the remissions sanctioned, Rs. 57.05 crores (principal : Rs. 36.99 crores ; interest : Rs. 20.06 crores) fell due for payment ; of this, Rs. 18.93 crores (including Rs. 0.57 crore remitted during 1972-73) were adjusted as remission of loans (principal) upto the end of 1972-73.

## 10. Interest charges

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

	1970-71	1971-72	1972-73
	<i>(In crores of rupees)</i>		
(i) Interest paid by State Government . . . . .	42.11	36.26	42.86
(ii) Deduct—			
(a) Interest received on loans and advances by State Government . . . . .	0.61	0.89	0.75
(b) Interest realised on investment of cash balance . . . . .	0.07	0.09	0.15
(c) Interest on Capital advanced to Damodar Valley Corporation . . . . .	(a)	(a)	(a)
(iii) Net burden of interest on revenue [(i) minus (iii)] . . . . .	41.43	35.28	41.96
(iv) Percentage of net interest to total revenue receipts . . . . .	15.46	8.29	11.94

(a) Payment of interest (Rs. 27.31 crores upto the end of 1972-73) was withheld by Damodar Valley Corporation pending adjustment against its dues from the State Government on account of water rates and deficits on irrigation and flood control,

In addition, there were certain other receipts and adjustments (Rs. 4.3 crores) such as interest received from commercial departments and interest on arrears of revenue, etc. If these are also taken into account, the net burden of interest on revenue was Rs. 37.63 crores (10.71 per cent of revenues). During the year interest due on certain loans from the Government of India was not paid by the State Government (cf. paragraph 9).

### 11. 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 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 the securities for cancellation.

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

During 1972-73 Rs. 6.51 crores were credited to depreciation funds and sinking funds from revenues. Rupees 0.72 crore was received as interest on investments therefrom. Rupees 5.44 crores were transferred to Miscellaneous Government Account from these funds on maturity of loans.

The balances in these funds and investment of the balances during the last three years 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>				
1970-71	43.50	2.93	46.43	14.74	31.69
1971-72	46.43	2.11	48.54	14.31	34.23
1972-73	48.54	1.79	50.33	13.25	37.08

The balances in these funds amounting to Rs. 37.08 crores which were not actually invested were utilised to augment the general cash balance of the State.

No amortisation arrangement has been made for repayment of loans from the Government of India (Rs. 7,26.38 crores) and autonomous bodies (Rs. 22.13 crores).

## 12. Guarantees

Government has given guarantees in favour of Statutory Corporations and Boards, Co-operative Institutions, Government Companies and Joint Stock Companies, etc., for repayment of bonds, debentures, loans and interest thereon, the maximum amount of guarantees on 31st March 1973 being Rs. 1,35,55.00 lakhs as shown below :

Organisations and Boards	Department	No. of organisations receiving guarantee	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1973
<i>(In crores of rupees)</i>				
1. Statutory Corporations and Boards.	Public Undertakings.	1 (seven guarantees)	6,04.26	6,04.26
	Commerce and Industries.	1 (eight guarantees)	28,52.54	28,52.54
	Power	1 (thirty-nine guarantees)	34,77.80	34,77.80
	Development and Planning (Town and Country Planning).	1 (two guarantees)	15,40.00	15,40.00
2. Co-operative Banks and Institutions.	Co-operation	11 (sixty guarantees)	47,20.06	17,84.07
3. Joint Stock Companies	Public Undertakings.	1 (one guarantee)	10.00	2.37
	Power	2 (six guarantees)	74.50	74.50
	Closed and Sick Industries.	12 (fourteen guarantees)	97.47	97.47
4. Government Companies	Public Undertakings.	1 (two guarantees)	1,28.37	1,15.72
	Cottage and Small Scale Industries.	1 (one guarantee)	50.00	26.07
TOTAL		32	1,35,55.00	1,05,74.80

Further details of the guarantees are given in Statement no. 6 of Finance Accounts 1972-73.

### 13. Investments

In 1972-73 Government invested Rs. 2.82 crores in Statutory Corporations (Rs. 0.32 crore), Government Commercial and Industrial Undertakings (Rs. 0.04 crore), and Co-operative Institutions (Rs. 2.46 crores). The total investment in the share capital and debentures of different concerns at the end of 1970-71, 1971-72 and 1972-73 was Rs. 29.29 crores, Rs. 31.31 crores and Rs. 34.13 crores respectively. The dividend/interest received therefrom was Rs. 2.13 lakhs (0.07 per cent), Rs. 3.14 lakhs (0.1 per cent) and Rs. 3.63 lakhs (0.1 per cent) respectively. Further details are given below :

	No of concerns	Investment at the end of	Dividend/interest received during the year	Percentage of return on investment
<i>(In lakhs of rupees)</i>				
<u>1970-71</u>				
(i) Statutory Corporations . . . .	1	60.77	(c)	..
(ii) Government Companies	14	21,83.17	(c)	..
(iii) Joint-stock Companies and Partnerships . . . . .	7	63.32	0.10	0.2
(iv) Co-operatives . . . . .		6,22.20	2.03	0.3
TOTAL		29.29.46	2.13	0.07
<u>1971-72</u>				
(i) Statutory Corporations	2	60.77	.	..
(ii) Government Companies	14	21,91.19	..	..
(iii) Banks . . . . .	1	5.71	..	..
(iv) Joint-stock Companies and Partnerships . . . . .	7	63.32	0.07	0.1
(v) Co-operatives		8,10.53	3.07	0.4
TOTAL		31,31.52	3.14	0.01

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	No. of concerns	Investment at the end of	Dividend/ interest received during the year	Percentage of return on investment
		1972-73		
(i) Statutory Corporations . . . . .	3	92.77	(a)	..
(ii) Government Companies . . . . .	15	21,95.09	(b)	..
(iii) Banks . . . . .	1	5.71	0.42	7.36
(iv) Joint-stock Companies and Partnerships . . . . .	7	63.32 (c)	..	0.1
(v) Co-operatives . . . . .	1,884	10,56.37 (d)	3.21	0.32
<b>TOTAL . . . . .</b>	<b>1,910</b>	<b>34,13.26</b>	<b>3.63</b>	<b>0.10</b>

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) are under liquidation.

Further particulars of investments are in Statement no. 14 and Appendix II of Finance Accounts 1972-73.

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- (a) Information is awaited (September 1974) from departmental officers.
- (b) Seven companies (investments : Rs. 19,93.69 lakhs) incurred cumulative loss of Rs. 24,48.95 lakhs upto 1972-73; two companies (investments: Rs. 15.00 lakhs) incurred cumulative loss of Rs. 68.62 lakhs upto 1971-72; two companies (investments : Rs. 1,71.00 lakhs) earned cumulative profit of Rs. 6.69 lakhs upto 1971-72; and information regarding four companies (investments : Rs. 15.41 lakhs) are awaited (September 1974).
- (c) Includes Rs. 0.62 lakh for which information is awaited (September 1974) from departmental officers.
- (d) Includes Rs. 2.31 lakhs for which details are awaited (September 1974).

#### 14. Utilisation Certificates

During 1972-73 Rs. 51.00 crores were paid as grants to local bodies (Rs. 9.07 crores), private institutions and individuals (Rs. 41.40 crores) and Co-operative institutions (Rs. 0.53 crore); this formed 12.4 per cent of Government's total expenditure (Rs. 4,10.73 crores) on revenue account. The grants were paid mainly for the maintenance and construction of buildings of educational institutions, maintenance of hospitals and charitable institutions, maintenance and improvement of roads and communications under municipalities, dearness concession to the employees of municipalities and other local bodies and share in octroi collections and for development of co-operative societies. Amounts by broad purposes of the grants are shown below :

	Building grants	Maintenance grants	Other grants
<i>(In lakhs of rupees)</i>			
Local Bodies—			
Recurring . . . . .	..	8,26.69	..
Non-recurring . . . . .	3.42	41.68	35.15
Co-operative Institutions—			
Recurring . . . . .	..	39.49	..
Non-recurring . . . . .	..	13.08	..
Others—			
Recurring . . . . .	24.98	29,45.28	6.15
Non-recurring . . . . .	10.15	11,47.55	6.28
TOTAL . . . . .	38.55	50,13.77	47.58

Departmental officers sanctioning the grants are required to certify to Audit proper utilisation of grants. Utilisation certificates for Rs. 5.51 crores were received in Audit during 1972-73 and those for Rs. 73.95 crores (in 20,537 cases) paid as grants upto 31st March 1972 are awaited (March 1974).

The department-wise details are given in Appendix 1(a). Of these, 7,490 certificates for Rs. 24.56 crores are awaited for more than three years.

Utilisation certificates above Rs. 25 lakhs were outstanding for more than three years against each of the departments mentioned below :

Department	Number of certificates	Amount (In lakhs of rupees)
Education . . . . .	5,885	16,51.47
Municipal Services . . . . .	43	2,57.09
Health and Family Planning (Medical Branch) . . . . .	593	2,40.10
Public Works . . . . .	460	1,22.81
Co-operation . . . . .	259	86.16

The utilisation certificates have not been received although considerable time has passed after the grants were paid. In the absence of certificates, it is not possible to state that (and if so, to what extent) the recipients spent the grants for the purposes for which these were given and that no misappropriation, fraud, etc., took place.

The Public Accounts Committee 1972-73 in paragraph 22 of their Report observed, "The Committee directs that the Government should frame rules to ensure that unless the utilisation certificates are submitted within a reasonable time, further sanction of grants-in-aid to the defaulting institutions will not be made". Action has not been taken so far (September 1974) either to fix a time limit or to notify a rule to implement the recommendations of the Committee.

The names of institutions to which grants of Rs. 5 lakhs and above were paid by various Departments upto 31st March 1972 and from whom utilisation certificates are awaited are detailed in Appendix I(b).

### 15. Delay in acceptance of balances under debt, loans and deposits

The balances under debt, loans and deposits, etc., are communicated every year to departmental officers for acceptance. In a large number of cases such acceptances have 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.



## CHAPTER II

### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

#### 16 Summary

The following table compares the expenditure during 1972-73 with the total of voted grants and charged appropriations :

		Grants/ appropriations	Actual expenditure	Excess + Saving —	Percentage
<i>(In crores of rupees)</i>					
Voted—					
Original	4,54 84	} 5,23 58	5 12 06	—11.52	2
Supplementary	68 74				
Charged					
Original	1,21 51	} 2 22 01	2,15 61	+23 60	10
Supplementary	1,00 50				
TOTAL		7,45 59	7,57 67	+12 08	2

Expenditure shown above does not include Rs. 0 01 crore spent out of advances from the Contingency Fund which were not recouped to the Fund till the close of the year.

The total excess of Rs. 12 08 crores was the net result of excess of Rs. 51.06 crores in eleven grants (Rs. 26.09 crores) and three appropriations (Rs. 24 97 crores) partly off-set by saving of Rs. 38 98 crores in forty-one grants (Rs. 37.60 crores) and twentytwo appropriations (Rs. 1.38 crores).

#### 17. Supplementary grants/appropriations

During the year, supplementary provision of Rs. 1,69,23.48 lakhs was obtained under thirty voted grants (Rs. 68,73.66 lakhs) and nineteen charged appropriations (Rs. 1,00,49.82 lakhs).

Details given in Appendix III would show that—

- (i) In four cases, the supplementary grants of Rs. 2,67.90 lakhs proved unnecessary,
- (ii) in six cases, the supplementary grants/appropriations proved excessive as out of total supplementary provision of Rs. 29,41.56 lakhs, only Rs. 16,44.03 lakhs were utilised, and
- (iii) in six cases, the supplementary provisions proved inadequate as total supplementary provision of Rs. 1,04,99.94 lakhs was obtained but yet there was a final excess of Rs. 41,12.60 lakhs.

### 18. Excess over voted grants

The following eleven cases of excess over voted grants require to be regularised under Article 205 of the Constitution :

Serial No.	Grant	Total provision Rs.	Expenditure Rs.	Excess Rs.
<b>(1) 13—Administration of Justice—</b>				
	Original . . . . .	Rs. 2,49,62,000	2,49,62,000	2,55,26,829
	Supplementary . . . . .	.. .. .		
				5,64,829

Excess occurred under “H-Civil and Sessions Courts-Civil and Sessions Courts” (provision Rs. 1,01.29 lakhs ; expenditure Rs. 1,15.57 lakhs) and was mainly due to revision of pay scales.

#### (2) 27—Industries—

##### Cottage Industries—

Original . . . . .	3,17,35,000	3,17,35,000	3,32,45,633	15,10,633
Supplementary . . . . .	.. .. .			

Excess occurred mainly under “96-Capital Outlay on Industrial and Economic Development-Cottage Industries-D—Development Schemes-(b) Schemes Outside the State Plan-Schemes for helping the educated unemployed-(4) Scheme for Industrial entrepreneurship training for technicians” (provision nil ; expenditure Rs. 25.45 lakhs) due to implementation of the scheme on emergent basis at post-budget stage on receipt of sanction from Government of India. Excess also occurred under “(2) Industrial Estate” (provision nil ; expenditure Rs. 18.00 lakhs) and “(1) Commercial Estates” (provision nil ; expenditure Rs. 13.50 lakhs) due to post-budget decision

to incur expenditure on construction of estates from out of the capital instead of the revenue head.

Serial No.	Grant	Total provision Rs.	Expenditure Rs.	Excess Rs.
(3)	31—Miscellaneous Social and Developmental Organisations—			
	Welfare of Scheduled Tribes and Castes and Other Backward Classes—			
		Rs.		
	Original . . .	2,61,64,000	2,97,95,000	3,00,33,466
	Supplementary . . .	36,31,000		
				2,38,466

Excess was mainly due to increased expenditure on scholarships to scheduled caste students in post-secondary stage (provision Rs. 61.61 lakhs ; expenditure Rs. 66.40 lakhs) under “39-Miscellaneous Social and Developmental Organisations-(ii) Centrally Sponsored Schemes (New Schemes)-(b) Scheduled Caste Education”.

(4)	32—Miscellaneous Social and Developmental Organisations—Excluding Welfare of Scheduled Tribes and Castes and Other Backward Classes—			
	Original . . .	4,13,20,000	4,21,03,000	4,98,38,678
	Supplementary . . .	7,83,000		
				77,35,678

Excess occurred mainly under “E-Suspense Charges” (provision Rs. 10.00 lakhs ; expenditure Rs. 1,45.71 lakhs) due to inadequate provision for purchase of materials, “B-Miscellaneous-(e) Construction Board” (provision Rs. 65.60 lakhs ; expenditure Rs. 74.33 lakhs) due to payment of arrears of pay and allowances to staff and under “B(c)-State Statistical Bureau” (provision Rs. 27.23 lakhs ; expenditure Rs. 30.59 lakhs) for implementation of the Debt and Investment Survey Scheme sponsored by the Reserve Bank.

(5)	33—Irrigation—			
	Original . . .	31,21,18,000	31,21,18,000	33,04,86,844
	Supplementary . . .	..		
				1,83,68,844

Excess occurred mainly under "44-Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)-B-Navigation, Embankment and Drainage Works-(i) Works-Suspense" (provision Rs. 50.00 lakhs ; expenditure Rs. 3,53.11 lakhs), "99-Capital Outlay on Irrigation, Navigation, Embankment and Drainage Works (Commercial)-B-Navigation, Embankment and Drainage Works-Development Schemes-Fourth Five-Year Plan" (provision Rs. 2,94.10 lakhs ; expenditure Rs. 5,89.97 lakhs) and "98-Capital Outlay on Multipurpose River Schemes-Development Schemes-Fourth Five Year Plan—2. Kangsabati Reservoir Project-Works" (provision Rs. 2,78.00 lakhs ; expenditure Rs. 3,82.49 lakhs). Intimation of reasons for the excess is awaited (September 1974). Excess also occurred under "44-Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)-B-Navigation, Embankment and Drainage Works-(i) Works-Maintenance and Repairs" (provision Rs. 4,50.00 lakhs ; expenditure Rs. 6,82.95 lakhs) mainly due to more expenditure on maintenance of Calcutta Metropolitan Development Authority works and on repairs to flood protection works, and under "100-Capital Outlay on Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)-B-Navigation, Embankment and Drainage Works-Development Schemes-(a) Fourth Five-Year Plan" (provision Rs. 1,55.90 lakhs ; expenditure Rs. 4,06.93 lakhs) due to expenditure on fifty-three flood control schemes not provided for in the budget.

Serial No.	Grant	Total provision Rs.	Expenditure Rs.	Excess Rs.
(6)	34—Public Works—			
		Rs.		
	Original . . .	16,27,32,000	35,58,12,266	14,74,89,266
	Supplementary . . .	4,55,91,000		
		} 20,83,23,000		

Excess occurred mainly under "D-Repairs" (provision Rs. 7,91.50 lakhs ; expenditure Rs. 15,13.93 lakhs) and "I-Suspense" (provision Rs. 6,82.16 lakhs ; expenditure Rs. 14,28.09 lakhs). Of the excess under "D-Repairs", Rs. 8.35 lakhs was due to adjustment, at almost the end of the year, of debits raised by the Defence Department for expenditure on border roads. Reasons for the remaining excess have not been intimated (September 1974).

(7) 37—Road and Water Transport Schemes—

Original . . .	85,45,000	1,01,44,000	1,02,84,265	1,40,26
Supplementary . . .	15,99,000			

Excess was, mainly due to more expenditure incurred on replacement of buses under "A-Road Transport-State Transport Service in Durgapur-(i) Working Expenses-(b) Operation-Renewals and replacement from Depreciation Reserve-Renewals and replacement" (provision Rs. 15.99 lakhs; expenditure Rs. 25.00 lakhs).

Serial No.	Grant	Total provision Rs.	Expenditure Rs.	Excess Rs.
<b>(8) 38—Famine Relief—</b>				
Original . . . . .	Rs. 8,02,60,000	} 18,35,94,000	18,67,06,190	31,12,190
Supplementary . . . . .	10,33,34,000			

Excess occurred mainly under "A-Famine Relief—(5) Works—(iv) Provision for drinking water due to natural calamities" (provision Rs. 2,35.00 lakhs; expenditure Rs. 2,65.21 lakhs).

**(9) 39—Pensions and Other Retirement Benefits—**

Original . . . . .	3,89,47,000	} 4,06,22,000	4,65,88,342	59,66,342
Supplementary . . . . .	16,75,000			

Excess occurred mainly under "A—Superannuation and retired allowances" (provision Rs. 3,17.90 lakhs; expenditure Rs. 3,40.28 lakhs) and "D—Gratuities" (provision Rs. 57.05 lakhs; expenditure Rs. 95.49 lakhs) due to increase in the number of pensioners and gratuity cases and adjustment of arrear pensions and gratuities paid in other States.

**(10) 41—Stationery and Printing—**

Original . . . . .	1,14,72,000	} 1,23,94,000	1,27,60,292	3,66,292
Supplementary . . . . .	9,22,000			

Excess was mainly due to increased supply of paper by the mills and adjustment of arrear liabilities under "I—Stationery—D—Purchase of Stationery Stores" (provision Rs. 38.00 lakhs; expenditure Rs. 42.71 lakhs).

**(11) 48—Miscellaneous—Expenditure on displaced persons—**

Original . . . . .	26,89,02,000	} 26,89,02,000	34,42,92,081	7,53,90,081
Supplementary . . . . .	..			

Excess occurred mainly under "71-Miscellaneous-Expenditure on displaced persons—J—Relief to Refugees from Bangladesh (provision Rs. 18,45.00 lakhs; expenditure Rs. 27,87.90 lakhs), "B-Rehabilitation-(1) Expenditure on permanent liability homes" (provision Rs. 60.00 lakhs; expenditure Rs. 75.98 lakhs) and "B(IV)-Expenditure on new migrants" (provision Rs. 0.75 lakh; expenditure Rs. 27.92 lakhs) owing to adjustment of the cost of foodgrains supplied by the Food Corporation of India in 1971-72 for refugees from Bangladesh, dispersal of less number of displaced families from Permanent Liability Homes than anticipated and increased cost of diet, and expenditure adjustable under the head "Relief to Refugees from Bangladesh" classified wrongly under "Expenditure on new migrants".

### 19. Excess over charged appropriations

Expenditure exceeded charged appropriation in the following three cases; the excess requires regularisation :

Serial No.	Appropriation	Total appropriation Rs.	Expenditure Rs.	Excess Rs.
(1) 9— <i>Interest on Debt and Other Obligations—</i>				
		Rs.		
	<i>Original</i> . . .	36,90,92,000	40,00,96,000	41,72,87,771
	<i>Supplementary</i> . . .	3,10,04,000		

Excess occurred under "B-Interest on Inter-Governmental Debt" (provision Rs. 28,45.38 lakhs; expenditure Rs. 32,97.86 lakhs) mainly due to payment of arrear dues of interest to the Government of India on loans for the Damodar Valley Corporation.

### (2) 34—*Public Works—*

	<i>Original</i> . . .	18,06,000	20,99,000	21,04,426	5,426
	<i>Supplementary</i> . . .	2,93,000			

Excess occurred mainly under "50-Public Works-I-Suspense" (provision Rs. 0.90 lakh; expenditure Rs. 1.77 lakhs). Reasons for the excess have not been intimated (August 1974).

Serial No.	Appropriation	Total appropriation Rs.	Expenditure Rs.	Excess Rs.
(3) <i>Public Debt</i> —				
		Rs.		
	<i>Original</i> . . .	74,24,95,000	1,71,25,12,000	1,94,50,23,282
	<i>Supplementary</i> . . .	97,00,19,000		

Excess occurred mainly under “A-II-Floating Debt-Other Floating Loans-(a) Ways and means advance from Reserve Bank of India” (total appropriation Rs. 1,00,00.00 lakhs; expenditure Rs. 1,28,77.82 lakhs) due to repayment of overdraft from the Bank and adjustment of the shortfall in the minimum balance of the State Government with the Bank.

## 20. Savings in grants/appropriations

(i) *Voted grants* : In fourteen grants saving exceeded 10 per cent of the total provision; in six of these, saving ranged from 23 to 53 per cent (details are given in Appendix IV).

Some of the grants which closed with substantial saving are mentioned below :

Grant	Total provision	Saving (and its percentage to the total provision)
		(In crores of rupees)
22— <i>Agriculture</i> —	39.09	4.80 (12)

Saving occurred mainly due to (i) partial implementation of development schemes (Central Sector Schemes) under “Emergency Agricultural Production Programme” (Rs. 7.32 crores) and (ii) less expenditure under “Intensive Food Production Scheme” due to non-availability of estimated quantity of chemical fertilizers from the Central Pool (Rs. 1.84 crores).

24— <i>Animal Husbandry</i> —	17.19	2.49 (14)
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Saving occurred mainly due to partial utilisation of provision under— (i) scheme for establishment of colonies, distribution of milk and milk products, etc. (Rs. 2.27 crores) owing to delay in finalisation of tenders, slow progress of work and non-finalisation of model block by the Indian Dairy

Corporation and (ii) Durgapur Milk Scheme (Rs. 0.64 crore) owing to delay in starting the dairy.

Grant	Total provision	Saving (and its percentage to the total provision) (In crores of rupees)
26— <i>Industries—Industries—</i>	7.68	1.77 (23)

Saving occurred mainly due to (i) non-utilisation of provision under “West Bengal Industrial Development Corporation Ltd.—Investment in Share Capital” (Rs. 0.60 crore) and “Investment in Co-operative Societies (Centrally Sponsored Schemes—New Schemes)” (Rs. 0.50 crore); and (ii) partial utilisation of provision under “Revival of Sick Mills and Other Industries (Fourth Five-Year Plan)” (Rs. 0.70 crore) owing to a post-budget decision to release assistance in the shape of loan.

35— <i>Greater Calcutta Development Scheme—</i>	6.79	2.96 (44)
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Saving occurred mainly due to non-utilisation of provision made for various schemes to be executed through the Calcutta Metropolitan Development Authority owing to a post-budget decision to sanction loan in lump to the Authority to meet expenditure on the schemes.

47—*Miscellaneous—*

<i>Other Miscellaneous Expenditure—</i>	18 15	6 03 (33)
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Saving occurred mainly due to (i) non-utilisation of almost the entire provision for writing off agricultural loan (Rs. 5.54 crores) under “Irrecoverable temporary loans and advances written off”; reasons have not been intimated (August 1974) and (ii) non-implementation of the scheme “Construction of houses for flood and fire affected people” (Rs. 1.00 crore) owing to a post-budget decision.

51— <i>Capital Outlay on Public Works—</i>	9.26	1.61 (17)
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Saving occurred mainly under (i) “Original Works-Buildings” (Rs. 1.09 crores) due to curtailment of a number of programmes for non-plan building and road works; (ii) “Development Schemes-Centrally Sponsored Schemes (New Schemes)—Family Planning” (Rs. 0.31 crore) and (iii) “Development Schemes—Fourth Five-Year Plan—Development of State



Roads-Establishment" (Rs. 0.27 crore); reasons for the saving at items (ii) and (iii) have not been intimated (August 1974).

Grant	Total provision	Saving (and its percentage to the total provision)
		<i>(In crores of rupees)</i>
52— <i>Capital Outlay on Schemes of Government Trading—</i>	13.87	7.43 (53)

Saving occurred mainly under "B-Other Miscellaneous Schemes" (Rs. 6.92 crores); reasons for the saving have not been communicated (August 1974).

(ii) *Charged appropriations*—In two appropriations, the saving exceeded 10 per cent of the total appropriation; in one of these, saving was more than 99 per cent (details given in Appendix IV).

#### 21. Unutilised provision due to non-implementation/partial implementation of development schemes

The major schemes which remained wholly or partially unimplemented during 1972-73 (unutilised sums ranging from 27 per cent to 100 per cent of the provisions) are shown in Appendix V.

#### 22. Surrender of savings

The rules require that unutilised amounts should be surrendered as soon as the possibility of savings is envisaged. However, the entire amount of Rs. 35.88 crores was surrendered only on 31st March 1973.

#### 23. New instrument of service

Rs. 50.00 lakhs were paid as loan to the West Bengal Housing Board (a statutory body constituted in November 1972) for which no provision was made in the original budget. Rs. 50.00 lakhs were provided by re-appropriation out of savings in Grant No. 54. Though the payment made was under a new scheme no supplementary grant was obtained.

## CHAPTER III

### CIVIL DEPARTMENTS

#### **Department of Agriculture and Community Development**

24. *Purchase of pesticides:* To deal with the problem of bacterial blight which was faced with the introduction of high yielding varieties of rice, the Department purchased in August 1966, 100 Kilograms of streptocycline (cost Rs. 1.46 lakhs) which had been found to be extremely active against certain disease-inciting bacteria. The shelf life of the pesticide is about three years.

The entire quantity was issued to different district agricultural offices during 1966-67 and 1967-68 for sale to cultivators. Out of 70 Kilograms of the pesticide received in four districts—Birbhum, Nadia, Murshidabad and 24 Parganas North, 43 Kilograms valued at Rs. 0.63 lakh were still in stock as on 30th November 1972 when the shelf life expired. The Department had confirmed that the initial purchase of the pesticide was based on an assessment of anticipated demand, and attributed the heavy unsold stock to poor demand for pesticide among the peasants.

25. *Improved Agricultural Implements:* To popularise the use of improved agricultural implements among the farmers, the Government decided (September 1962) to distribute certain implements like mould board ploughs, seed drills, wheel hoes, etc., at subsidised rates. Such implements (cost Rs. 62.19 lakhs) were purchased during 1963 to 1967 by the Department of Agriculture. Implements worth Rs. 20.89 lakhs were sold to the farmers between 1963 and 1971 at a subsidised price of Rs. 10.13 lakhs. Implements worth Rs. 41.30 lakhs remained unsold. In March 1972 the Director of Agriculture admitted that the demand for these implements had not been assessed on a realistic basis before the purchases were effected and there were manufacturing defects in a large number of implements. Some district authorities also stated that many of the implements were not found suitable for use because of the soil condition and some implements were not popular with the cultivators.

Out of the unsold implements, 9,343 seed drills and 9,735 wheel hoes valued Rs. 9.82 lakhs were transferred in November 1973 to the Special

Package Programme on jute development for the purpose of demonstration to the jute cultivators. The rest of the implements worth Rs. 31.48 lakhs are lying unutilised. As these were deteriorating with the passage of time and occupying storage space, Government decided in December 1972 to sell them by auction. Upto May 1974, Rs. 0.43 lakh was realised by auction sale of implements in three districts.

In addition to the purchase price of Rs. 62.19 lakhs, Government had to pay a compensation of Rs. 3.27 lakhs to three suppliers on account of goods worth Rs. 2.51 lakhs ordered but not taken delivery of.

An Enquiry Committee was constituted by the Government in September 1969 to investigate into the circumstances in which these implements were purchased. Details of the Committee's recommendations and the action taken thereon, called for from the Government in February 1974, have not been communicated to Audit so far (August 1974).

26. *Infructuous expenditure:* With a view to improving the quality of wheat seeds Government decided in March 1971 to equip the State Seed Farms with power threshers and seed dryers. These equipments were also expected to be hired out to other cultivators on payment of moderate hire charges. Between March 1971 and March 1972, 125 power threshers were purchased at a cost of Rs. 2.96 lakhs and distributed to 103 seed farms. Out of these, 96 were put to use and 29 (valued Rs. 0.59 lakh) could not be used till July 1973 as they were in excess of the requirements of the farms. 614 tonnes of wheat seeds were produced during 1972-73 in 103 seed farms, but no details were available indicating separately the quantity obtained by manual threshing and power threshing. Even if the entire quantity was to have been obtained by power threshing, the average out-put of a thresher during the wheat season of 1972-73 (mid March to mid May) would amount to about 6 tonnes as against its capacity of 30 tonnes as stated (June 1974) by the Directorate of Agriculture. The surplus working capacity of these threshers was not, as contemplated, utilised by other cultivators.

Out of the four seed dryers ordered in March 1972, two were received in June 1972 in the seed farms at Burdwan and Krishnanagar (cost Rs. 0.31 lakh). Since the batch dryer attachments essential for operating these had not been purchased and the shed was not ready and power supply was not available, the dryers were lying unutilised till May 1973. Since the orders had already been placed and the suppliers threatened with legal

action, Government agreed (February 1974) to purchase the remaining two seed dryers but they had not been received so far (June 1974).

The matter was reported to Government in July 1973 and their reply is awaited (July 1974).

*27. Unutilised Cold Storage unit:* Government approved in 1958-59 the setting up of a cold storage for seed potatoes in Midnapore District. It was anticipated that the scheme would be profitable, but detailed assessments of the related economics were not available.

Possession of land required for the purpose (11.91 acres) at Garbeta was taken on March 30, 1963 and administrative approval was accorded (September 1964) for construction, through the Construction Board, of a building and other structures for a 1320 ton cold storage at an estimated cost of Rs. 7.31 lakhs. As the Construction Board could make little progress, the execution of the balance works was taken up (June 1965) departmentally by the Agriculture and Community Development Department. The cold storage was expected to be commissioned by January 1967.

While the construction of the cold storage was in progress, it was decided (June 1967) to abandon the scheme and to dispose of it to the best advantage of the Government. The cold storage was then offered to the State Warehousing Corporation and to the West Bengal Agro-Industries Corporation. The former was not willing to take it over until all the residual works were completed and the serious defects in the plant set right. The Agro-Industries Corporation, too, wanted the residual work (approximately Rs. 2.2 lakhs) to be completed before it could take over the cold storage on lease basis for one year on as liberal terms as Government could agree. The estimate (August 1972) was revised to Rs. 17.98 lakhs to provide for additional items of work, such as supplies and erection of machinery and transformer which were not provided initially. An expenditure of Rs. 14.95 lakhs was incurred upto January 1974.

A dispute arose in February 1974 about the ownership of the land on which the boundary wall was to be erected. The dispute had not been settled till March 1974.

Besides the erection of the boundary wall, the works relating to the staff quarters, water-supply arrangement and installation of a stand-by

generator were also incomplete till March 1974. The cold storage has neither so far been commissioned nor used for storing seed potatoes.

No decision has been taken so far (March 1974) on handing over the cold storage to the West Bengal Agro-Industries Corporation. In the meantime, the expenditure of Rs. 14.95 lakhs incurred so far (March 1974) on construction and maintenance of the storage has yielded no benefit either to the farmers in the area or to Government.

The matter was reported to Government (November 1973); reply is awaited (July 1974).

*28. Establishment of Centres for Farmers' Training and Education in High Yielding Varieties Programme Districts.*

**28.1. Introductory.**—The Government of India introduced in May 1967 the “Farmers’ Training and Education Programme” for training a large number of farmers in scientific and improved agricultural practices. This envisaged setting up of 100 training centres during the Fourth Five-Year Plan. The salient features of the programme were :

- (i) Institutional training through specialised courses on the use of fertilisers, machines, plant protection, etc., in the case of farmers and on storage seed selection and methods of cooking of high-yielding variety in the case of farm-women. Institutional training was also contemplated for Convenors of Discussion Groups of farmers (*vide* sub paragraph (iii) below) for developing leadership qualities and methods of group working.
- (ii) Field training by organising Demonstration Camps to enable nearby cultivators to acquire practical knowledge about package of practices for high-yielding variety. Apart from using audio-visual aids, conducted tours of farmers to agricultural universities, research stations, etc., were also envisaged.
- (iii) Holding of Farmers’ Discussion Groups (Charcha Mandals) by the trained convenors to serve as a forum for exchange of views and for dealing with the problems faced by them. The Radio Contact Officer (District Agricultural Information Officer) was to arrange for broadcasting the information on various problems so that other Discussion Groups in the State could also be benefitted.

28.2. *Programme.*—According to the criteria laid down by the Government of India, the 7 Centres in the State were expected to train 2.68 lakhs farmers at a cost of Rs. 52.23 lakhs (including non-recurring expenditure Rs. 14.30 lakhs), the entire expenditure being borne by the Government of India. The seven Centres opened in the State were :

Burdwan, Burdwan District . . . . .	March 1969
Suri, Birbhum District . . . . .	March 1969
Toofanganj, Cooch Behar District . . . . .	March 1970
Bankura, Bankura District . . . . .	March 1971
Barasat, 24-Parganas District . . . . .	March 1971
Midnapore, Midnapore District . . . . .	March 1972
Berhampur, Murshidabad District . . . . .	January 1974

### 28.3. *Performance.*

28.3.1. The target and achievement of this training programme upto 1973-74 are as below :

Particulars of course	Planned target		Achievement	
	Courses	Trainees	Courses	Trainees
<i>(a) Institutional Training</i>				
(i) Specialised Courses for farmers/farm-women . . . . .	460	11,700	214	11,101 (includes 276 female trainees).
(ii) Course for training of converters of Farmers' Discussion Groups . . . . .	105	2,625	36	889
<i>(b) Field Training</i>				
(i) Demonstration-cum-Training Camps . . . . .	2,900(camps)	1,16,000	1,655	71,828
(ii) Conducted tours of farmers in Agricultural Universities, etc. . . . .	(No target)		15(batches)	505(farmers)
(c) Discussion Groups of farmers/farm-women . . . . .	6,900 (Groups)	1,38,000 (Participants)	3,752 (Groups)	81,116 (Participants)

The main reason attributed for shortfall in achievement was that no training could be imparted till April 1974 in the training centres at Barasat and Midnapore, although an expenditure of Rs. 0.78 lakh had been incurred by them. The poor pace of implementation was attributed to paucity of staff since recruitments could not be made due to some technical and other difficulties.

28.3.2. No institutional and specialised course for farm-women was conducted in any of the centres except Burdwan, on the ground that the Training Officers (Female) could not be recruited. It is reported, however, that even in Burdwan, though there was no Training Officer (Female) 276 farm-women were trained. Out of 10,825 farmers trained in specialised courses, 7,872 were trained in 97 courses in Birbhum (Suri centre) during the period from 1970-71 to 1972-73, the average number of trainees per course being as high as 81 against the prescribed average number of 26. The training was imparted by the Block officials. The course for training of convenors of Farmers' Discussion Groups could not be conducted in Bankura Centre during 1970-71 and 1971-72 because of paucity of training personnel.

28.3.3. Out of 1,655 Demonstration-cum-Training Camps, 932 were organised by the Burdwan Centre during 1969-70 and 37,260 farmers are stated to have attended the same. There was no qualified Training Officer or Training Personnel in the centre. The Directorate of Agriculture stated that the Intensive Agricultural Development Programme officials were associated in the matter.

28.3.4. Conducted tours were not organised by different centres during different periods as mentioned below :

Birbhum . . . . .	Since inception till April 1974
Cooch Behar . . . . .	From 1970-71 to 1972-73
Burdwan . . . . .	From 1969-70 to 1970-71 and 1972-73
Bankura . . . . .	From 1972-73 to 1973-74

28.3.5. Out of 3,752 Discussion Groups, 1,155 were held during 1973-74, 889 out of them being held by trained convenors. The remaining 266 Discussion Groups were held by persons who were not trained as convenors, as required under the pattern laid down by the Government of India. No Radio Contact Officer (District Agricultural Information Officer) was in position till April 1974 in the Birbhum, Bankura, Cooch Behar and

Murshidabad centres; in Burdwan, an officer joined in March 1974. In the absence of such officers the effectiveness of this programme was vitally affected.

28.4. *Funds*.—The table below gives details of the expenditure incurred under the scheme during Fourth Five-Year Plan :

Fund available from Govt. of India during the 4th Five-Year Plan	Year	No. of centres functioning	Funds released by the Govt. of India	Budget provision	Actual expenditure		
					Recurring	Non-recurring	Total
<i>(In lakhs of Rs.)</i>					<i>(In lakhs of Rs.)</i>		
52.23 (for 7 centres as per yard stick per centre)	1968-69	2	5.00	4.06	0.78	1.46	2.24
	1969-70	3	2.35	3.00	1.86	1.47	3.33
	1970-71	5	4.28	5.00	1.47	1.31	2.78
	1971-72	6	4.00	7.89	2.18	2.72	4.90
	1972-73	6	4.00	5.34	2.55	0.04	2.59
	1973-74	7	2.00	4.78	3.26	..	3.26
TOTAL	52.23		21.63	30.07	12.10	7.00	19.10

Only 37 per cent of the funds available in the plan outlay could be spent, and the actual expenditure amounted to 63 per cent of the budget provision.

A sum of Rs. 0.69 lakh included in the non-recurring expenditure for 1970-71 was intended for purchase of a van and equipment for the Barasat Centre. The unspent amount has been irregularly retained with the Principal Agricultural Officer, Barasat (April 1974) as a deposit at call in a bank.

The Birbhum Centre was opened in March 1969, but training commenced only in 1970-71. Similarly, Cooch Behar Centre was opened in March 1970, but training commenced in 1972-73. Nevertheless, in the meantime, there was a recurring expenditure of Rs. 1.38 lakhs incurred in these centres.

28.5. *Other points of interest*.—Equipment and accessories (cost Rs. 1.23 lakhs) purchased between March 1971 and April 1972 are lying unused in four centres since their acquisition.

Apart from meeting the cost of implementation of the Training Programme, the Government of India had also supplied various equipment (cost not available) like radio sets, cameras, tape players for use in the centres. These were initially received by the Agricultural Directorate for



distribution to the Training Centres. But 151 radio sets received between March and August 1971 are still (March 1974) lying in the stores of the Directorate. In Midnapore and Barasat, where no training course has been started even upto March 1974, 291 audio-visual equipment have been lying unused.

The impact, this training had on the High Yielding Varieties programme has not been assessed by the Directorate of Agriculture so far (March 1974).

**29. Calcutta Sludge Distribution Scheme:** The sludge formed in the Pruss sedimentation tanks of the sewage disposal system of Calcutta is an excellent soil conditioner and a cheap organic manure containing many principal plant nutrients. The Department in collaboration with the Calcutta Municipal Corporation, implemented with effect from 1948-49 a scheme for distribution of sludge among cultivators. The sludge was sold to the cultivators at Rs. 8 to Rs. 10 per tonne. The sale price was stated to include an element of subsidy on the cost of transport.

Between 1960-61 and 1969-70 (June 1969) when the scheme was discontinued following the breakdown of sedimentation tanks, the actual production of sludge was 69,171 tonnes against a target of 1,24,000 tonnes thus representing a short fall of 44 per cent. This was attributed to mechanical failures of the dragline excavator, shortage of railway wagons, bad road conditions and vagaries of weather. The Department stated that all the sludge produced was distributed and there was no balance left in stock. Out of the total sales of Rs. 6.45 lakhs during the period 1960-61 to 1969-70 (June 1969), Rs. 1.26 lakhs remained unrealised till end of April 1974. The expenditure incurred on the scheme during the same period was Rs. 15.86 lakhs excluding the transport subsidy. Computed at even an average of Rs. 15 per tonne, the amount paid as transport subsidy would not be less than Rs. 10 lakhs. In addition, an expenditure of Rs. 0.61 lakh was incurred during the two years 1970-71 and 1971-72 even though there was no production or sale of sludge.

The State was facing a chronic shortage of chemical fertilisers; the maximum possible generation and use of this organic manure would have helped increasing agricultural output.

**30. Manufacture of bullock-driven pumpsets:** In order to assist small cultivators in getting adequate water for multiple cropping without additional cost, a scheme for manufacture of bullock-driven pumpsets was approved by Government in August 1961. Prototypes of these pumpsets earlier

manufactured in the Titagarh Training-cum-production centre of the Refugee Relief & Rehabilitation Directorate were stated to have been tested and found satisfactory. The pumps, estimated to cost about Rs. 500 each, were to be fitted to tubewells about 70 to 90 feet deep and were expected to be worked by a single bullock of even the weak and stunted type, common in the Bengal countryside. Each pump was expected to yield about 700 gallons of water per hour and irrigate about one acre of land in 4 to 5 consecutive days if two bullocks were used in succession for four hours each day. Together with a shallow tubewell the total outlay was expected to be within Rs. 700 and the pumps were sought to be popularised by giving a subsidy to the extent of 25 per cent and granting loans.

The scheme envisaged the manufacture of 4,800 pumps at the rate of 100 per month in the Titagarh Training-cum-production centre at an annual estimated non-recurring cost of Rs. 2.58 lakhs and recurring cost of Rs. 5.06 lakhs. The table below indicates the performance :

Year	Cost incurred		Total	Number of pumps		Sales realisation upto 10th January 1973
	Non-recurring	Recurring		Manufactured	Sold	
1961-62 . .	..	3,403.86	3,403.86	..	..	..
1962-63 . .	364.29	82,224.57	82,588.86	60	23	7,490.00
1963-64 . .	30,009.43	1,62,693.46	1,92,702.89	120	32	13,375.00
1964-65 . .	8,257.50	1,36,103.70	1,44,361.20	250	24	11,349.00
1965-66 . .	11,390.05	81,263.95	92,654.00	110	13	6,955.00
1966-67 . .	16,586.54	88,844.98	1,05,431.52	55	20	10,700.00
1967-68 . .	17,561.50	90,342.63	1,07,904.13	..	7	Nil
1968-69 . .	..	94,991.97	94,991.97	.	12	5,885.00
1969-70 . .	..	87,113.27	87,113.27		2	1,070.00
1970-71 . .	..	69,710.14	69,710.14		..	..
1971-72 . .	..	61,553.50	61,553.50	..	..	.
1972-73 . .	..	..	..	..	..	..
1973-74 . .	..	76,322.61	76,322.61	..	..	..
<b>GRAND TOTAL</b>	<b>84,169.31</b>	<b>10,34,568.64</b>	<b>11,18,737.95</b>	<b>595</b>	<b>133</b>	<b>56,824.00</b>

Note : The non-recurring expenditure does not include Rs. 1.09 lakhs representing the value of machinery, tools, etc., received from the Refugee Relief and Rehabilitation Department and Rs. 0.75 lakh representing the cost of building.

The manufacture of the pumpsets was stopped in December 1966 and the scheme abandoned in September 1968. During the four years the manufacturing scheme was under way the actual number of pumps manufactured was 595, *i.e.*, 12.5 per cent of the projected 4,800. This was due to the fact that the factory never worked to its full capacity due to lack of adequate man-power and delay in erecting the cupola. Of the 595 pumpsets manufactured, 133 had been sold and as on January 1974, 462 pumpsets valued Rs. 2.47 lakhs remained unsold since September 1968. An evaluation of the performance of these pumpsets carried out in February 1968 in three districts by a Study Team of the Agriculture & Community Development Department attributed the following reasons for the failure of the pumps :

- (a) Although the publicity handbook had indicated that the pump could irrigate 5 to 6 bighas and the justification put up for approval of the scheme had indicated a command area of 3 bighas in actual practice, it was found that not more than  $1\frac{1}{2}$  to 2 bighas could be irrigated even if two bullocks were used.
- (b) The farmers had found from experience that sturdier bullocks were needed to operate these pumps.
- (c) Due to manufacturing defects and inadequate maintenance facilities, the discharge was much less than 700 gallons per hour.
- (d) The efficiency of the pump was much reduced in most areas where the water level was below 90 feet.
- (e) The farmers preferred to have a power-driven pumpset for shallow tube wells as this was more economical and also spared their bullocks in the bargain.
- (f) The scheme was conceived on two unrealistic assumptions *viz.*, the assessment of the irrigation potential did not take into account the water requirements of different crops in different seasons or the minimum resting time a bullock required after working the pump for an hour, and the expectation that the employment of bullocks and a man for operating the pumps would not involve any additional cost. The Study Team also observed that all the officers in the field did not have a good opinion of the usefulness of the pump and no useful purpose would be served by attempting to increase its operational efficiency because of its inability to give an economic return to the cultivator.

As the demand for the pumps was very poor, the Centre obtained in early 1966 the permission of Government to take other job orders for execution. Job orders worth Rs. 17,434 were executed between 1965-66 and 1969-70 of which orders costing Rs. 1,566 remained unsold. A sum of Rs. 4,098 is yet to be realised (December 1972) from various parties from which orders were expected. Although the Centre was capable of manufacturing agricultural implements like paddy-weeders, *dones*, etc., which were required by the Directorate of Agriculture, the orders received from that source were inadequate.

The manufacturing scheme was wound up in October 1968 and 28 persons rendered surplus thereby were retained against supernumerary posts pending absorption elsewhere. Of them 10 are still (April 1974) continuing against such posts. The expenditure incurred on their pay and allowances between November 1968 and March 1974 amounted to Rs. 3.14 lakhs. Assets worth Rs. 2.87 lakhs have also been remaining idle since October 1968.

### **Cottage and Small Scale Industries Department**

31. *Loans granted to Displaced Goldsmiths* : Loan assistance was given by the State Government under a scheme sponsored by the Government of India to goldsmiths, displaced from their trade as a result of the restrictions imposed by the Government of India in January 1963 on the manufacture and sale of gold ornaments, with a view to rehabilitating them in other trades and business. Loans upto Rs. 2,000 were granted to each applicant on personal bonds and sureties were required for loans exceeding the amount. The loans bearing interest at 4 per cent per annum were to be recovered in 8 annual or 16 half yearly instalments. During the period 1963-64 to 1972-73, a sum of Rs. 52.37 lakhs was disbursed as loans to about 3,600 displaced goldsmiths. According to the terms of the loans, a sum of Rs. 43.81 lakhs was due for recovery upto 31st March 1973, but the amount actually recovered upto October 1973 was only Rs. 96,009, *i.e.*, about 2.5 per cent of the amount due to be recovered.

A large number of persons to whom loans were granted are reported to be absconding. Government have stated that the names of defaulters were being sent to the police authorities for tracing their whereabouts. The Government of India had agreed to bear 50 per cent of the losses on non-recovery of loans, but no adjustment has yet been made on this account (April 1974).

32. *State Filature at Madhughat, Malda*: The State with an average annual production of approximately 270 tonnes of mulberry silk and 10 tonnes of non-mulberry silk, ranks second among the silk producing States in India. With 5,566 hectares of land under mulberry cultivation, the sericulture in West Bengal is reported to have provided in 1969 gainful employment to 28,000 rearers' families, 9,000 reeling artisans and 6,000 weavers' families. The State, however, depended predominantly on a species of mulberry cocoon known as "Nistari" and the silk produced therefrom was of inferior quality with low yield. With a view to developing the sericulture industry on modern lines, the State Government decided in 1958-59 to establish a Filature (centre for reeling silk from cocoons) with facilities also for production of raw materials for silk, cocoon testing, cocoon drying and evaluation of products at Madhughat in Malda district. It was proposed to provide 100 basins and to equip the Filature with requisite machinery, supply Bivoltine cocoons obtained by rearing a particular hybrid race of silk worms called the Bivoltine race and adopt some special Japanese techniques so as to achieve a production of 12,000 Kgs. of raw silk annually.

32.2. Land (14.91 acres) for the proposed Filature was acquired in August 1958, but was taken possession of in April 1961. The reasons for the delay were not intimated by the Department. Besides, some other facilities, viz., factory building, staff quarters, machine and storage rooms, purchase of reeling and re-reeling machines, cocoon testing appliances, electric generator, installation of boilers, etc., were subsequently provided. Although the site at Madhughat was considered suitable from the point of easy availability of raw materials from the surrounding villages, it lacked 'power' and good 'reeling water'. The latter was proposed to be met by digging an infiltration well which was sanctioned in October 1967, at a cost of Rs. 18,500. Work on the well had not, however, been taken up so far (March 1974). Madhughat, located on the bank of a tributary of the Ganga, was also prone to be affected by seasonal floods and considerable damages were actually caused in 1970-71 to the factory building by floods.

32.3. Production at the Filature at Madhughat started from the year 1965-66. Before the scheme was fully implemented at Madhughat, experimental trial reeling with Bivoltine cocoons was started at the Peddie Silk Reeling Institute, Malda in 1960-61. The experimental trial continued till 1966-67. Between 1960-61 and 1966-67 the total production of raw silk in the Institute was 3,818 Kgs. and it was sold at Rs. 4.04 lakhs. The annual production capacity of 100 basins was fixed as 12,000 Kgs. of raw silk from "Bivoltine" cocoons and 7,500 Kilograms of raw silk from

“Nistari” cocoons. A wastage allowance in production was made depending on the quality of cocoons which was 35—40 per cent in the case of “Bivoltine” cocoons and 50—55 per cent in the case of “Nistari” cocoons. As against this annual capacity, the total production of raw silk during the nine years from 1965-66 to 1973-74 in the Filature was only 18,373 Kilograms. The Filature provided employment to 109 operatives of all categories and 14 persons borne on the regular establishment.

The Department attributed the following reasons for the shortfall in production—

- (a) shortage of the right kind of raw materials, *i.e.*, Bivoltine cocoons,
- (b) shortage of skilled labour and personnel, and
- (c) non-availability of funds.

(a) *Raw materials*: The Filature suffered persistently from shortage of Bivoltine cocoons needed for raising its production capacity. Some seeds (Silk worms) were procured initially through a Japanese Expert under the Colombo Plan and also from other sources and then reared at the Foreign Race Seed Station at Kalimpong. These were later supplied to different multiplication units from which the seeds after maturity were sold to private rearers for rearing of cocoons. A scheme was also initiated by the Department in 1960-61 for rearing Bivoltine races in Malda area during two seasons November/December and February/March considered to be favourable for rearing such cocoons. These cocoons when reared were procured by the Filature from the open market.

Against a total requirement of 1,00,000 Kgs. of Bivoltine cocoons to run the Filature to its full annual capacity, procurement, it was stated, could be made only to the extent of about 25 per cent. This was attributed to shortage of supply of the foreign race seeds reared in the hill regions to the rearers in the plains for production of cocoons. The rearers in the plains also lacked adequate knowledge of producing Bivoltine cocoons and were reluctant to give up their established practice of rearing the indigenous “Nistari” race. The procurement of cocoons was also stated to have been affected due to shortage of staff and inadequacy of funds. To tide over these difficulties, an elaborate programme for extension of sericulture in hill areas was drawn up during the Fourth Five-Year Plan which comprised the following schemes :

- (i) imparting training to hill people,

- (ii) establishment of a Government grainage at Kalimpong, and
- (iii) extensive and intensive mulberry cultivation and increased supply of silk worm eggs, etc. Due to paucity of funds, the two latter schemes have not been implemented so far (July 1974). The Department also introduced in 1969 the "Kakeme" system for purchasing cocoons from the rearers under which the price of cocoons was related to the quality and also to the market price for the silk that could be reeled from them. This new system was stated to have gained popularity among the reelers as also the rearers. According to the departmental estimates, the production of Bivoltine cocoons during 1970-71 was expected to reach the level of 2,25,000 Kilograms.

The actual quantities of cocoons produced by the rearers during the five years starting from 1968-69 were, however, as follows :

	<i>(In Kilograms)</i>
1968-69 . . . . .	93,742
1969-70 . . . . .	97,675
1970-71 . . . . .	93,617
1971-72 . . . . .	1,01,769
1972-73 . . . . .	1,01,860

Thus even though there was a shortage of Bivoltine cocoons in the earlier years the production was almost adequate to meet the full annual requirement of the Filature during the years from 1968-69 onwards. The actual production in the Filature during this period was, however, much below the target of 12,000 Kilograms of raw silk as shown below even taking into account the use of 'Nistari' cocoons to an appreciable extent in addition :

Year	Production <i>(In kilograms)</i>
1968-69 . . . . .	1949
1969-70 . . . . .	1992
1970-71 . . . . .	2815
1971-72 . . . . .	2292
1972-73 . . . . .	3477

Further, it was noticed that an appreciable number of cocoons got damaged in the process of drying by the natural process. In order to avoid such damages, the construction of a drying chamber was stated to be under consideration. No such chamber has been constructed so far (March 1974).

(b) *Labour*: As availability of skilled labour was very important, it was originally proposed to train a new school of operatives, supervisors, and technicians to turn out 100 trained reelers within a year by utilising 20 basins for training purposes. During the period of experimental production at the Peddie Silk Reeling Institute, 247 persons had already been trained. Nevertheless it was seen that out of 109 operatives working in the Filature as in March 1974, only 29 were trained personnel.

(c) *Funds*: Between 1960-61 and 1973-74 provision was made for a total expenditure of Rs. 52.46 lakhs under revenue and Rs. 4.84 lakhs under capital heads of accounts. The actual expenditure was Rs. 53.35 lakhs (recurring expenditure) and Rs. 8.98 lakhs (non-recurring expenditure) respectively. Rupees 10.00 lakhs were received from the Government of India in June 1957 as loan, bearing interest at 4 per cent per annum, for utilisation mainly towards working capital of the Filature. The loan (principal) was repaid in full in three instalments between July 1964 and March 1968. An offer of a grant of Rs. 24,000 per annum for three years, made by the Government of India as financial assistance to cover interest on loan could not be availed of as the profit and loss accounts of the Filature since inception of the scheme were not prepared and submitted as required by the Government of India.

32.4. *Financial results of the scheme*: The cost of cocoons (both Nistari and Bivoltine) purchased under the scheme between 1960-61 and 1973-74 was Rs. 40.94 lakhs, *i.e.*, about 77 per cent of the total recurring expenditure. The average cost of raw silk produced worked out to Rs. 240.42 per kilogram on the basis of total revenue expenditure of Rs. 53.35 lakhs (excluding depreciation and interest on loan) and total production of 22,190 kilograms. The total sales during this period amounted to Rs. 43.86 lakhs from sale of 21,022 kilograms of raw silk leaving a stock of 1,168 kilograms valued at Rs. 4.05 lakhs. The average selling price worked out to Rs. 208.64 per kilogram of raw silk. In the absence of a proper costing system the cost of production of raw silk could not be ascertained for comparison with the selling price as fixed in the respective years. The raw silk produced was mostly sold in the local market. According to the Central Silk Board, the local market was unstable and mostly dominated by a few private dealers with the



result that the selling prices of raw silk frequently fluctuated. A suitable marketing system has not been devised to minimise fluctuations and stabilise the selling price. It was stated by the Department that out of the total earning of Rs. 49.18 lakhs inclusive of sale proceeds, Rs. 40.38 lakhs had actually been realised, leaving a balance of Rs. 8.80 lakhs as outstanding from Government bodies and private parties.

The scheme sustained a total loss of Rs. 5.44 lakhs [Revenue expenditure—(sale proceeds+closing stock)] up to March 1974, exclusive of depreciation and interest on loans.

### **Education Department**

33. *Infructuous expenditure:* To accommodate the Government Training College, Burdwan (since renamed as Government College of Education) which was previously housed in a portion of the Burdwan University buildings, Government sanctioned in April 1965, the construction of buildings, staff quarters and hostels at an estimated cost of Rs. 8.03 lakhs. The construction was entrusted to the Principal, Bengal Engineering College for execution through the agency of the Research and Work Division of the College. The Division had been set up for construction works under the Low Cost Housing Scheme. The work was entrusted to it for reasons of economy and to minimise the timelag in the process of construction. It was, however, stipulated that the work was to be undertaken according to approved plans and estimates on the basis of approved specifications of similar works carried out at other educational institutions. The construction work was completed in May 1966, at a cost of about Rs. 7.11 lakhs.

Although the buildings were scheduled to be handed over to the College of Education in September 1965, only 3 completed buildings were made available in September 1965 and the remaining 26 were made available for occupation only in May 1966. Of these, only 5 were occupied up to May 1966 and the rest were not occupied for want of essential electric and water installations. Serious defects, such as cracks, seepage of water, non-completion of essential fittings, etc., were noticed soon after occupation. The Principal, College of Education felt that the buildings were unsafe and requested in November 1966 for an expert examination. The State Public Works Department declined to take over the maintenance and repair work of these buildings as they were below the Public Works Department specification. The Bengal Engineering College was also unable to take up

the maintenance work, since the Research and Work Division had been closed down in the meantime after the departure of the then Principal in May 1966.

An Expert Committee appointed in September 1970 to go into the defective construction of the buildings recommended in its interim report in November 1971 that the buildings should be abandoned. The Bengal Engineering College could not furnish to the Committee the details of designs, drawings, estimates and specifications adopted in the construction of these buildings, since the work had been carried out as a research project under the direct guidance of the then Principal. In the absence of such information, it was not possible for the Committee to comment on the reasons for the deterioration in the condition of the buildings or to give any verdict on carelessness or negligence on the part of any person. There were no records to indicate whether any attempt was made either by the Committee or by Government to obtain the required information from the then Principal of the Engineering College. The Committee, however, observed that the cost involved in the construction was somewhat large to be carried out as a "research project".

Another Committee of Civil Engineers was appointed by Government in July 1973 to probe into the case. Their report is awaited (February 1974). Meanwhile, the buildings were gradually abandoned between July 1969 and July 1971 with the result that the entire expenditure of Rs. 7.11 lakhs has become infructuous. In February 1972 Government sanctioned the construction of new buildings for the College of Education in place of these abandoned buildings at a cost of Rs. 17.97 lakhs.

Apart from the infructuous expenditure that has occurred, the teaching hours in the College of Education had to be restricted to 528 hours as against 990 hours during 1972-73 because classes had to be held in the early morning hours in buildings of the Burdwan University. During this period no admissions were made to the Science stream.

The matter was reported to Government (April 1973), reply is awaited (July 1974).

### **Fisheries Department**

34. *Mechanisation of fishing boats*: Government took up during 1959-60 a scheme for the effective exploitation of coastal fishing by introducing powered fishing crafts and making them available to fishermen on

hire purchase. The main activity under the scheme was to survey the coastal waters, inshore and estuarine, to locate possible centres of operation, to conduct trials with crafts of different designs fitted with marine diesel engines of various types and to standardise different types of fishing gears and nets. During the Third Plan, the scope of the scheme was extended to imparting training to the fishermen in the technique of power fishing with mechanised boats and modern gears and thereafter providing the co-operative societies, to be organised by the trained fishermen, with such mechanised boats and improved type of gears at subsidised cost on hire purchase system.

Between 1959-60 and 1972-73 the total expenditure incurred under the scheme was Rs. 17.69 lakhs and the total revenue earned from sale of fish was Rs. 4.57 lakhs as against Rs. 7.94 lakhs anticipated.

Under the scheme, fourteen powered boats (8 H.P. to 45 H.P.) were acquired at a cost of Rs. 3.05 lakhs and five engines were received from UNICEF. None of these were, however, given to fishermen on hire purchase basis. In addition, a 40 feet trawler with a 50 H.P. engine was constructed at a cost of Rs. 98,599 (cost of construction Rs. 87,920 plus cost of engine Rs. 10,679) in November 1969 for covering trials of exploitation beyond ten fathoms in the sea. This trawler could not be put to use as the winch provided was found ineffective and could not be repaired by the contractor. Trawl fishing without the winch did not prove successful owing to the low horse power of the engine fitted to the trawler. It was stated by the Department (June 1974) that the trawler would be put under experimental fishing of a different type. Training was stated to have been imparted to 49 fishermen in power fishing but no co-operative society has yet been organised (May 1974).

In July 1972 the Department stated that after standardisation of boats and utilisation of gillnets, it was found that small "batchari" boats with low horse power engines would be more effective than the bigger type boats fitted with high horse power engines. It was, therefore, decided to discontinue fishing operation by high horse powered boats.

The Government stated (September 1972) that no periodical review of the scheme had been undertaken in the past. But as the scheme had been incurring losses ever since its inception, a review thereof was conducted by an Expert Committee constituted by the Department. The Committee recommended *inter alia* immediate disposal of the ten high horse power boats and use of the 40 feet trawler for touring purpose and survey

operations. The recommendations were accepted in full by the Government in June 1973. But these boats have not been disposed of so far (February 1974) and are now being hired to local fishermen for transport of their catch.

It will thus be seen that the viability of the scheme in relation to local conditions and acceptability by the fishermen was not adequately studied before launching the experiment with the result that the Government had to incur heavy losses.

### **Health and Family Planning Department**

35. *Excess payment of Electricity charges:* Buildings for the 409 bedded Gandhi Memorial Hospital, on lands provided at Kalyani by the Government, were constructed by the Indian Jute Mills Association and donated to the Government in January 1967 along with a few staff quarters for running it as a State Institution with the stipulation that the workers in jute mills should get preference for admission to 150 beds. Government sanction for the taking over of the hospital was issued in August 1967.

The outdoor section of the hospital was opened on 30th January 1968, while the indoor section with 100 beds was opened on 20th June 1968. Out of these 100 beds, 45 beds earmarked for thoracic surgery were utilised from June 1971. The remaining 309 beds have not been opened even till April 1974 as only 81 residential quarters were available as against 372 required for medical and other essential staff. No proposal for construction of the additional staff quarters had been sanctioned even till July 1974.

Even though the hospital had not been opened up to its full capacity on the basis of the number of electrical points required for all the 409 beds, an agreement was entered into with the State Electricity Board in August 1966 by the Electrical Division of the Public Works Department for bulk supply of electricity for a period of 5 years ending July 1971. Although the actual consumption of electricity was much less than the minimum guaranteed units contracted for, payments had to be made to the Electricity Board according to the contract terms resulting in nugatory expenditure to the extent of Rs. 0.91 lakh for the period August 1968 to July 1971. Attempts were made in July 1969 to revise the agreement, but the State Electricity Board did not agree to the downward revision of contract during the contractual period of 5 years. There was delay in submission of the application for the revised agreement and the fresh agreement for the revised contract demand for the next 5 years came into effect only from December 1972. As a result, consumption between August 1971 and

November 1972 had also to be paid for at the original minimum guaranteed rate resulting in an additional expenditure to the extent of Rs. 0.13 lakh.

Government stated in April 1974 that the reasons for non-expansion of the hospital were not foreseen at the time of entering into the agreement with the State Electricity Board, but admitted that the problem of residential accommodation had been felt even at the time of opening 100 beds.

### **36. *National Leprosy Control Programme:***

36.1. Leprosy is caused by continued direct contact with infectious leprosy patients, the common route of bacterial infection being through scratches, cuts, wounds, etc. Leprosy is of two types—the Lepromatus or the malignant type and the non-lepromatus or the mild type. The latter is not normally infectious and about 75 per cent of the leprosy cases are of this type.

36.2. The State Health Department indicated in April 1974 that no detailed survey had been made to find out the incidence of this disease in the State so that suitable control measures could be organised. A publication brought out by the Directorate of Health in 1969 indicated that its prevalence varied from about 0.25 per cent in the northern districts of Darjeeling, Jalpaiguri and Cooch Behar to 3 per cent in the western districts of Bankura and Purulia. A factor which affected accurate assessment of its incidence was that for every person suffering from leprosy and seeking treatment in a clinic, there were many more who concealed it for fear of ostracism, etc. This also affected the successful adoption of preventive measures in an organised manner and hence the various leprosy clinics and institutions—whether controlled by the Government or other agencies—dealt mostly with the curative aspects of known and registered leprosy cases rather than prevention of the disease in an endemic area.

36.3. Unlike other bacteria, the Myco-bacterium *Leproc* penetrates into the human cell and any drug used to cure the disease has to be potent enough to be lethal to the germ without damaging the cell. Up to 1940s an indigenous organic product—Chalmogra Oil—was considered to be the only remedy. Thereafter Sulphone, a chemical compound, and Dapsone, a derivative of this, have been in use. The effective cure of leprosy takes a long time, but is successful if detection and treatment take place at an early stage of the disease. As already indicated, the fear of social stigma prevents many a patient to seek treatment until it is too late to be

concealed. Hence educating the public about the true nature of the disease is an important part of any control measure.

36.4. Prior to Independence, it was mostly Voluntary organisations which dealt with the control and cure of leprosy cases and the main Governmental activity was in the form of a research department, sponsored in 1921, in the School of Tropical Medicine, Calcutta. The Gouripore Leprosy Colony was set up by the Government in 1949 in Bankura with an initial capacity of 100 beds for the isolation and treatment of infectious cases. Eight other Leprosy Clinics were also set up during the period from 1954 to 1961 in Bankura, Birbhum, Burdwan, Midnapore, Malda and Hooghly districts for treatment of outdoor cases. The Government also took over from the British Empire Leprosy Relief Association, in 1950, the Leprosy Investigation Centre in Bankura and 15 leprosy clinics in various districts set up by other voluntary agencies for the treatment of outdoor cases.

36.5. A Committee appointed by the Government of India in May 1954 to assess the leprosy problem in India and to recommend measures to intensify anti-leprosy work in various States, where the disease posed a serious problem, observed that the existing facilities were grossly inadequate to meet the situation and that extension work was needed in almost all directions in order to control leprosy. More particularly, the report highlighted the need to provide in-patient institutions, village health centres, out-patient clinics, rehabilitation colonies and social service for patients and dependents including measures for the protection of children. The Committee also observed that the existing arrangements in West Bengal for the treatment of indoor and outdoor patients were adequate for only 1,124 in-patients and 23,514 out-patients, whereas the estimated number requiring treatment was 3.4 lakhs.

36.6. A National Leprosy Control Programme was launched in 1955 in pursuance of the Committee's recommendations, with the collaboration of W.H.O. and UNICEF. The programme aimed at treatment and cure of leprosy patients, prevention of its spread by removal of the source of disease, survey and domiciliary visits in rural areas for detection and treatment of the disease, and imparting health education for developing a rational attitude towards the patients. Fifty per cent of the cost of this programme to be implemented by the State Government was to be borne by the Government of India. The programme was treated as a centrally sponsored scheme, entirely financed by the Government of India during the Fourth Plan.

The actual progress achieved by the State Government up to 1973 is indicated below :

A Leprosy Treatment and Study Centre was established at Bankura in July 1955 to initiate intensive mass treatment with Sulphone and to undertake health education. A subsidiary Centre was opened at Hura, Purulia district in November 1956. Each of these was expected to cover a population of 50,000 to 60,000 in the area where leprosy was endemic. The expenditure incurred on these Centres during the First Plan period is not readily available.

Targets	Achievements
<i>Second Plan period, 1956—61</i>	
16 Leprosy Treatment Centres to be opened in endemic areas to cover population of about 16 lakhs	11 Centres opened (5 in 1959-60 and 6 in 1960-61)
Financial provision Rs. 35.14 lakhs	Actual expenditure Rs. 14.38 lakhs
<i>Third Plan period, 1961—66</i>	
41 Primary Leprosy Control Units each covering a population of about 2 lakhs to be set up in endemic areas. Total population to be covered 82 lakhs	4 Leprosy Treatment Centres (spill-over of Second Plan set up in 1961-62) 6 Primary Leprosy Control Units covering a population of 12 lakhs
Financial provision Rs. 15.97 lakhs	Actual expenditure Rs. 4.65 lakhs
<i>Three Annual Plans, 1966—69</i>	
	1 Leprosy Treatment Centre (spill-over from Second Plan) set up in 1968-69
	1 Primary Leprosy Control Unit set up in 1967-68 covering about 3 lakh population (spill-over from Third Plan)
	1 Leprosy Training Centre at Bankura set up in May 1966 (spill-over from Third Plan)
Financial provision Rs. 10 lakhs	Actual expenditure Rs. 4.74 lakhs
<i>Fourth Plan period, 1969—74</i>	
Establishment of 7 Leprosy Control Units in areas where the incidence of the disease among the population was 1% or more, each unit covering a population of about 3 lakhs	2 Leprosy Control Units were opened in 1972-73
Establishment of 5 Survey, Education and Treatment Centres attached to Public Health Centres where the prevalence rate was 0.5 to 1 per cent each such Centre covering about 25,000 people	No Survey, Education and Treatment Centre was set up
Upgrading of 3 Leprosy subsidiary/Treatment Centres set up during the First and Second Plans into Leprosy Control Units each covering about 2 lakh population	2 Centres were upgraded in 1972
Budget provision Rs. 17.39 lakhs	Actual expenditure Rs. 4.12 lakhs

*Utilisation of funds (In lakhs)*

Year	Budget Provision			Recurring	Expenditure		Percentage of utilisation	
	Recurring	Non-recurring	Total		Non-recurring	Total		
1	2	3	4	5	6	7	8	
1st Plan . . . . .	Figures not available							
2nd Plan . . . . .	13.96	21.18	35.14	8.35	6.03	14.38	41	
3rd Plan . . . . .	11.47	4.50	15.97	4.52	0.13	4.65	31	
Three annual Plans . . . . .	6.25	3.75	10.00	3.74	1.00	4.74	47	
4th Plan . . . . .	17.39	—	17.39	4.12	—	4.12	24	
TOTAL . . . . .	49.07	29.43	78.50	20.73	7.16	27.89	36	

36.7. The Leprosy Training Centre at Bankura had been set up in May 1966 to impart training to para-medical staff such as Home Visitors, Health Assistants and Leprosy Assistants to be engaged in leprosy work. Each course of 6 months duration could train 35 persons, selected by the Director of Health Services and receiving a stipend of Rs. 50 per month. The Centre was used for imparting short term courses of one week duration to 90 trainees till July 1967. It completed 10 six-monthly courses on anti-leprosy measures during the period from July 1967 to December 1973 with an intake of 102 trainees as against the capacity of 420 in 12 such courses. Seventytwo trainees qualified thus indicating an effective utilisation of about 24 per cent of its available capacity and about 30 per cent drop-outs. An expenditure of Rs. 3.75 lakhs was incurred on the Centre up to March 1973. It was stated (22-4-1974) that more could have been trained if hostel accommodation could have been arranged for a larger number.

36.8. The tardy manner in which leprosy control measures were implemented in West Bengal was pointed out by the Director General of Health Services, New Delhi (January 1973) indicating that West Bengal held the last position in the list of States with respect to Plan performance. It was also pointed out in a meeting presided over by the Union Deputy Health Minister in April 1973 that West Bengal had practically derived very little benefit from the Centrally sponsored scheme under the National Leprosy Control Programme.



36.9. As against 31 medical officers and 317 para-medical staff required for manning the Leprosy Treatment Centres, etc., under the Programme, only 18 medical officers and 230 para-medical staff were available in January 1973. Five centres were running without medical officers for over 3 years continuously, intermittent absence of medical officers being an usual feature in other cases. The State Health Directorate attributed this (July 1973) to the reluctance of medical and para-medical personnel to serve in leprosy clinics and to the non-availability of accommodation for setting up clinics. It would appear that educating the medical personnel about the true nature of the disease is as important, if not more, than educating the public. However, the Department did not respond to the offer (January 1973) of the Director General of Health Services, New Delhi to provide medical officers from other sources. No construction work was taken up in the Third Plan although provision to the extent of Rs. 29.43 lakhs was available under the various Plans for construction and only Rs. 7.16 lakhs was utilised.

36.10. A test check of the records of the Gouripore Leprosy Colony, the largest of its kind in the State, revealed that a large number of patients declared as fully cured and fit for discharge continued to stay in the Colony. Their number was 69 out of bed strength of 530 (*i.e.* 13 per cent) in January 1974. To this extent new entrants were denied treatment, there being a long waiting list. The Superintendent of the Centre explained (April 1974) that the cured patients had lost all family contact and their rehabilitation after cure and discharge posed a problem since some of them had other physical deformities such as blindness. This points out the inadequacy of rehabilitation facilities which should have been taken up along with the curative measures.

36.11. A survey of a population of about 30 lakhs covered by 25 Leprosy Control and Treatment Units set up in the endemic areas showed that 48,000 cases were receiving treatment indicating a prevalence rate of 1.6 per cent as in September 1972. It would thus be seen that the incidence of the disease as indicated by the number receiving treatment has not come down to any appreciable extent over all these years.

### **37. Central Medical Stores—Review on the transactions under "Suspense"**

37.1.1. The Central Medical Stores, established in 1943, arranges for the procurement of medical stores, drugs, medicines and equipments for the Government medical institutions. It has District/Sub-Divisional Reserve Stores in all District Headquarter towns and in four Sub-Divisional towns.

A sub-store in Siliguri caters for institutions in North Bengal. However, a few large hospitals have been authorised to get their requirements direct from the suppliers at the rates finalised by Central Medical Stores.

37.1.2. Payments for articles purchased by the Central Medical Stores are initially accounted for under the head "Suspense-Stock-Gross Charges". The amount so accounted for is cleared by adjustment of book debit bills accepted by the consumer units on receipt of supplies. The value of supplies is transferred from the head "Suspense" to the expenditure head of account relating to the consumer unit by book adjustment. The balance under "Suspense" therefore mostly represents the value of items in stock in the Central Medical Stores and of items sent to user units for which debits have not been accepted by them. Suspense balance has been progressively on the increase and at the end of 1972-73, amounted to Rs. 12,53.19 lakhs. In view of this, a review of the transactions under "Suspense" and also matters connected therewith or incidental thereto was conducted.

### 37.2. *Procurement of stores*

37.2.1. Tenders are invited every year as per items enumerated in the catalogues brought out by the Central Medical Stores annually. Periodical revision of the catalogues on the basis of actual requirement and availability of latest instruments and drugs was not done until a Catalogue Revision Committee took it up in March 1972 and its recommendations were given effect to in the catalogue of drugs for 1974-75. The tenders received are considered by a Tender Selection Committee consisting of 15 members with the Minister as President, the Minister of State as Vice-President and the Asstt. Director of Health Services incharge of Central Medical Stores as the Secretary. The contracts are entered into on the basis of the recommendation of the Committee. The Tender Selection Committee observed in June 1971 that the descriptions of some of the items in the catalogue were such that the products of only a particular firm could be considered, thereby restricting wider choice. In 1972-73, for example, out of about 900 items of drugs, 82 items were purchased on single tender basis. The Department stated (July 1974) that the Catalogue Revision Committee had taken into account the observations of the Tender Selection Committee as far as practicable in bringing out the catalogue of drugs for 1974-75.

37.2.2. In many cases the compositions of drugs were not indicated in the catalogue or in the tender specification. In respect of two widely

used drugs viz., multivitamin and Vitamin B Complex tablets, the Director of Drugs Control had reported that the compositions indicated by the tenders in 1971-72 were of sub-therapeutic value and as such sub-standard under the Drugs Act and Rules. However, 25 lakhs of such multivitamin tablets (Value : Rs. 0.23 lakh) were accepted on the recommendation of the Tender Selection Committee. Though the Committee recommended that the acceptable composition in respect of these items should be given in the catalogue for 1972-73, this was not done. The Central Medical Stores stated (June 1974) that there was no arrangement for verifying the therapeutic efficacy of the formulae used by the manufacturer before acceptance of their products.

37.2.3 During a test check, it was seen that an additional expenditure of Rs. 2.50 lakhs was incurred on 27 drugs ordered in 1969—71 where lower tenders had been rejected without recording any reason. Similarly in 104 orders placed between 1969 and 1973, the quantity required was split up among different manufacturers at different rates thereby leading to an additional expenditure of Rs. 23.64 lakhs as compared to the lowest accepted rates. A few illustrative cases are given below :

Name of drug	Lowest rate	Highest rate	Number of higher rates	Extra expenditure on quantity ordered
	Rs.	Rs.		(Rs in lakhs)
Ben zyl	} 48.80 per 100	56.40 per 100	3	1.72
Penicillin Injection . . .				
Tetanus antitoxin . . .	2.00 per amp.	2.50 per amp.	3	1.30
Streptomycin Sulphate . . .	56.95 per 100 vials	68.40 per 100 vials	5	1.33

This was stated to have been done to prevent dislocation of supplies of important drugs because of failure on the part of any one firm. In June 1972, the Legal Remembrancer advised that it would not be regular or proper for the Government to accept supplies during the same period, of the same materials of the same quality from different firms at different rates and that there should be uniformity in such cases provided the conditions were the same. But the Directorate stated (July 1974) that it

would not be practicable to follow this advice in view of difficulties such as the capacity of any particular firm to supply the entire requirements, the different types of uses in hospitals, need to give preference to small scale manufacturer, etc.

37.2.4. The Central Medical Stores has no prescribed procedure for laboratory testing of samples from suppliers. There were several cases, where complaints were received from user units on dextrose injection, anti-diphtheria serum, X-ray films, etc., supplied to them. In two such cases involving drugs worth Rs. 0.36 lakh in 1971-72 the supplies were declared sub-standard by the Drugs Control Research Laboratory but the bulk of these could not be withdrawn as those had already been used up. Some Medical Officers and Radiologists also found that the X-ray films (value of total purchase Rs. 3.34 lakhs) were not usable.

It has been stated by the Central Medical Stores that regarding quality, reliance is placed on licensed drugs suppliers. However, the drug licence was being verified in respect of each firm as a whole and not in respect of each item ordered from them. As a result it was noticed that two supply orders had to be cancelled in May 1969 as it was later pointed out by the Director of Drugs Control that the firms did not have licence for manufacturing the particular items.

37.2.5. *Assessment of requirements* : The annual purchases are required to be made on the basis of average annual consumption over the preceding two years. A test check of 307 items revealed that orders for 16 items valued at Rs. 4.57 lakhs proved unnecessary or only partly necessary in the context of the opening stock and actual issues in 1972-73.

### 37.3. *Stores and stock verification*

37.3.1. The Central Medical Stores authorities stated that storage arrangement available was inadequate. At the end of 1972-73 there were 2,14,750 sheets and 283 rolls of X-ray films valued Rs. 7 lakhs borne on the stock registers of the Central Medical Stores. As the Central Medical Stores did not have suitable storage facilities, these were being kept in the godowns of the suppliers. Though the stocks were stated to have been marked as the Central Medical Stores' property and available whenever the Central Medical Stores asked for these, there was no indication of any physical verification having been conducted.

37.3.2. The stores are to be inspected quarterly and the bin cards compared with the stock by physical verification. Reports of such inspection were not available in the Central Stores. Although an annual verification of stock was prescribed, only 10 items were physically verified during 1964—67 and some more in October 1973. The total number of items held in stock exceeded 3,000.

37.3.3. The test check also showed that there were about 300 items including cotton absorbents, cotton blouse, clinical thermometers, etc. in 1972-73, where no quantity or only relatively small quantities were issued. The Central Medical Stores stated that these were mostly "Disposal stores" dating back to the Second World War period and had become obsolete. Large stocks were also stated to have become obsolete by later catalogue revision but were still lying in the stores. As a complete list of such articles was not furnished by Central Medical Stores their value could not be assessed.

#### 37.4. *Issue of stores from the Central Medical Stores to District Stores*

37.4.1. The annual financial allotment for supplies to the various user units fed by it was not available with the Central Medical Stores. Since the indents were priced only after their issue, no control could be exercised by any authority with reference to the annual allotment of funds before the stores were issued.

37.4.2. Supplies are generally made on the basis of indents received for each quarter. Many of the indented items were either not supplied or supplied in reduced quantities. There were delays in the issue of materials. The table below indicates the position regarding indents placed by District Stores on the Central Medical Stores :

Particulars	1970-71	1971-72	1972-73
1. Number of indents placed on the Central Medical Stores during the year . . . . .	506	712	627
2. Number of items included in the indents at (1) above . . . . .	16,053	19,864	21,148
3. Number of items supplied [out of the number at (2) above] . . . . .	8,637	10,132	10,719
4. Percentage of items supplied . . . . .	53.8	51.0	50.7

Particulars	1970-71	1971-72	1972-73
5. Number of indents supplied :			
(i) Within the month of issue of the indent	187	411	270
(ii) Within the next following month . . .	77	86	132
(iii) Within the 2nd following month . . .	56	69	58
(iv) Within the 3rd following month . . .	26	32	42
(v) After the 3rd following month . . .	45	34	40
6. Number of indents not supplied . . .	115	80	85

Only about half the items indented were seen to have been supplied by the Central Medical Stores and that too not always in full and in time. As a result, the District Reserve Stores were unable to comply with all the requirements of user units. In 1972-73, for instance, supplies of multi-vitamin tablets, vitamin B. Complex tablets, Tincture Belladonna, etc., could not be made in full for long spells by some District Reserve Stores. The Central Medical Stores stated (May 1974) that the indents could not be complied with in full as the indents placed by the District Reserve Stores were often in excess of the maximum value of stores that could be obtained by them from the Central Medical Stores. The sanctioned limits of the various District Reserve Stores could not, however, be stated by the Central Medical Stores. It was also stated that supplies sometimes lagged behind demands owing to failures by suppliers, unforeseen demands arising from natural calamities, etc.

### 37.5. District Reserve Stores

37.5.1. The 15 District Reserve Stores and 4 Sub-Divisional Reserve Stores cater to the needs of 9 District Hospitals, more than 700 Primary/Sub-Health Centres and more than 200 other indenting units.

37.5.2. According to the administrative instructions of the Directorate of Health Services, the monetary limits laid down for the consumption of stores per day in different hospitals were :

Type of Hospital	Limit per patient per day	
	Outdoor	Indoor
	Rs.	Rs.
(i) Health Centres . . . . .	0.12	0.25
(ii) District/Sub-Divisional Hospitals . . . . .	0.19	0.50
(iii) Hospitals in Calcutta . . . . .	0.25	1.00
(iv) For special medicines per bed, for all hospitals and Health Centres . . . . .	Rs. 100 per annum	
(v) Bedding and clothing . . . . .	Rs. 60 per annum	

The limits were considered to have now become unrealistic by several Chief Medical Officers of Health. Some sanctions issued in 1972 and 1973 for new hospitals/beds were found to be based on higher limits but neither the Directorate nor any local office could clarify if these rates had been revised.

A test check of compliance with indents by 12 District Reserve Stores in May 1972 indicated the following position :

(i) Number of indents complied with	. . . .	869
(ii) Number of items covered in the indents complied with	. . . .	27,374
(iii) Number of items not supplied for want of stock	. . . .	12,667
(iv) Percentage of items not supplied for want of stock	. . . .	46.3
(v) Items not supplied due to other reasons	. . . .	547
(vi) Number of items supplied in reduced quantity	. . . .	9,236
(vii) Percentage of (vi) to number of items supplied	. . . .	65.2

Only about half the indented items generally are supplied by the District Reserve Stores and even out of these, nearly two thirds are supplied only in reduced quantities due to non-availability in stock.

### 37.6. Adjustment of value of stores

37.6.1. The transactions under the head "Suspense" during the six years ending with 1972-73 are as below :

Year	Opening balance	Transactions of the year		Closing balance
		Debits	Credits	
<i>(In lakhs of rupees)</i>				
1967-68	304.18	256.04	151.67	408.55
1968-69	408.55	279.12	225.16	462.51
1969-70	462.51	292.91	112.04	643.38
1970-71	643.38	317.65	56.41	904.62
1971-72	904.62	289.34	174.57	1019.39
1972-73	1019.39	436.53	202.73	1253.19

During the six years from 1967-68 to 1972-73, the balance under "Suspense" has more than quadrupled.

37.6.2. A study of the book debit bills of about 40 user units in Districts indicated that there were long delays and omissions at each stage of the adjustment process contributing to the accumulation under "Suspense" as may be seen from the summary below :

Particulars	Issue vouchers pertaining to the year of						Total
	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	
(i) Number of institutions about which information is available . . . . .	31	36	34	38	39	39	217
(ii) Number of issue vouchers . . . . .	714	833	880	875	1,097	887	5,286
(iii) Number of book debit bills received from the Central Medical Stores in the							
(a) same year . . . . .	416	388	343	296	333	316	2,092
(b) next following year . . . . .	207	256	193	159	230	157	1,202
(c) after the next following year . . . . .	7	19	30	7	14	..	77
TOTAL . . . . .	630	663	566	462	577	473	9,371
(iv) Number of bills accepted after their receipt							
(a) same year . . . . .	364	371	332	294	163	275	1,799
(b) next following year . . . . .	163	176	175	111	332	109	1,066
(c) after the next following year . . . . .	1	2	8	3	14	..	28
TOTAL . . . . .	528	549	515	408	509	384	2,893
(v) Number of bills returned to Central Medical Stores by the Chief Medical Officer of Health							
(a) same year . . . . .	197	144	124	115	92	91	763
(b) next following year . . . . .	35	172	46	32	68	30	383
(c) after next following year . . . . .	..	..	11	16	2	..	29
TOTAL . . . . .	232	316	181	163	162	121	1,175



A test check of 333 book debit bills received in June 1972 and May 1973 in the office of the Accountant General from the Central Medical Stores revealed that some had originated in the years from 1968-69 and were delayed at every stage, as will be seen from the summary below :

Particulars of processing	Year of origin of the transaction				Total
	1968-69	1969-70	1970-71	1971-72	
<b>(i) Number of book debit bills raised by the Central Medical Stores within</b>					
(a) the year of issue of stores	13	4	..	4	21
(b) the next following year	8	90	115	96	309
(c) after the next following year	..	..	3		3
<b>(ii) Number of book debit bills accepted by user units within</b>					
(a) the same year	9	89	114	96	308
(b) the next following year	12	1	4	4	21
(c) after the following year	..	4	..	..	4
<b>(iii) Number of accepted bills sent back by the Chief Medical Officer of Health to Central Medical Stores within</b>					
(a) the year of acceptance	..	89	118	100	307
(b) the next following year	17	5	..	..	22
(c) after the following year	4	..	..	..	4
<b>(iv) Number of book debit bills forwarded to the Accountant General</b>					
(a) in June 1972	21	89	111	..	221
(b) in May 1973	..	5	7	100	112

37.6.3. *Analysis of balances under "Suspense"*: At the end of 1972-73, the balance under "Suspense" was Rs 1,253.19 lakhs and this included the value of stores in stock in the Reserve Stores; value of stores issued to user units which had not been transferred to the concerned expenditure heads, discrepancies due to differences in the rates of value adopted for raising book debits and for maintaining the stock ledgers, etc. The Central Medical Stores could not indicate the total value of stores in the Reserve Stores on 31st March 1973 nor could they indicate the effect of the other factors. The records of Central Medical Stores indicated that book debit bills raised by it for sums aggregating Rs. 699.49 lakhs dating from 1948-49 onwards remained unadjusted at the end of 1972-73. The exact value of bills pending at the various stages or the number and value of issue

vouchers for which book debits had not been raised till the end of 1972-73 could not be stated by them. There was also no arrangement to keep a watch and pursue the adjustment at the various stages, either by the Central Medical Stores or by the District Reserve Stores.

37.7. No reply has been received (August 1974) to any of audit inspection reports issued on the accounts of the Central Medical Stores since 1967-68; 75 paragraphs were pending for the previous period 1958-59 to 1966-67.

### **Department of Labour**

38. *Surplus stock of medicines* : Thirtyfour chemist shops, known as "Rajya Bima Oushadhalayas" (run departmentally) have been set up, from November 1966 onwards, under the control of the Administrative Medical Officer, Employees' State Insurance (Medical Benefit) Scheme, the cost of which is sharable between the Employees' State Insurance Corporation and the State Government in the ratio of 7 : 1, for supply of medicines to persons covered under the scheme. Medicines were supplied to these Oushadhalayas directly by the suppliers against orders issued by the Administrative Medical Officer, on the basis of indents placed by them till October 1969. The Oushadhalayas came under the control of Administrative Officer, Central Medical Stores, Employees' State Insurance (Medical Benefit) Scheme from October 1969, but the medicines were continued to be supplied direct to them by the approved suppliers till October 1970. From November 1970 supplies of medicines were made from the Central Medical Stores, Employees' State Insurance (Medical Benefit) Scheme.

A list of costly medicines and a list of special costly medicines based on tenders selected by a Tender Selection Committee are published by the Administrative Medical Officer, Employees' State Insurance (Medical Benefit) Scheme. These lists were generally valid for about a year, but in the case of the lists prepared from November 1971 onwards, the period of validity has been increased to two years. The Insurance Medical Practitioners and the specialists are required not to prescribe any medicines not included in the approved list. Often some medicines with particular trade names included in the list for any one year are not included in the list for the following year with the result that these cannot be prescribed by the Insurance Medical Practitioners beyond the period of validity of the old lists. The stocks, if any, of such medicines, therefore,

become obsolete on the expiry of the validity of the old lists. This aspect of accumulated obsolete and surplus medicines in the Oushadhalayas was not considered by the Tender Selection Committee. Extensions for various periods ranging upto 5 months were, however, given in respect of the lists from 1966 onwards on account of delays in the completion of tender formalities for the subsequent periods and to facilitate disposal of medicines excluded from the subsequent lists. The Managers of the Rajya Bima Oushadhalayas are required to submit the stock position of each medicines at least two or three months before the expiry of the lists and after reviewing the stock position of each store the surplus medicines in any store are to be transferred to other stores requiring the same. Records to show that such review of the stock position was made by the Administrative Medical Officer, Employees' State Insurance (Medical Benefit) Scheme and the necessary action was taken thereon could not be made available to Audit. Test check of records of four Rajya Bima Oushadhalayas revealed that in actual practice the stock position was reported monthly by their Managers but without specifying medicines about to become time-barred or obsolete and that no transfer of excess items had been effected during the period from 1970 to March 1973 from two out of the four Oushadhalayas. Obsolete medicines valued Rs. 2.09 lakhs purchased upto 1970-71 were lying in stock in 1972 in 28 of the 34 Rajya Bima Oushadhalayas from whom reports were made available to Audit. Out of these, medicines valued Rs. 0.94 lakh were time-expired. Medicines valued Rs. 0.12 lakh only could be transferred to various ESI Hospitals for utilisation, according to information received upto November 1973.

The purchase and supply of medicines are stated to be regulated with reference to indents furnished by the Managers of the Rajya Bima Oushadhalayas and assessments of requirements made on the basis of monthly averages of the past. On a test check it was noticed that :

- (i) In respect of 44 items involving obsolete stock (value Rs. 0.75 lakh) large proportions varying between 30 to 100% of the supplies obtained were not used during the period of validity of the lists and rendered obsolete.
- (ii) Dates of supplies were not indicated in all cases, but in 94 cases relating to 5 Rajya Bima Oushadhalayas where they were mentioned, medicines valued at Rs. 0.22 lakh were received only towards the close of the period of validity of the lists.

In one case, 3,830 vials of an item included in the list of costly medicines for 1968-69 were ordered and supplied to the Oushadhalyas in 1968 though no indent had been placed by them for it. Only 655 vials could be used and the remaining 3,175 vials valued at Rs. 14,605 became obsolete and time-barred.

Judicious purchases more closely related to requirements and more effective and timely disposal action would have reduced or altogether avoided the losses.

The matter was brought to the notice of the Government in November 1971, April 1972, and March 1973; reply is awaited (August 1974).

### Refugee Relief and Rehabilitation Department

39. *Purchase of dal* : Tenders were invited on 25th March 1971 for the supply of 2,500 and 500 quintals respectively of masur dal and moog dal to Homes run by the Department. As per the schedule to the tender, qualities of each kind of dal were to be indicated in small alphabets— a, b, c, d and the corresponding rates quoted against each. The tenderers were also required to quote for each quality, two sets of rates, viz., (i) a general rate and (ii) a rate, payable if payment was made within 24 hours of acceptance of supplies. One of the three tenderers who had tendered for four qualities of each kind of dal with samples correctly marked by small alphabets—a, b, c, d—intimated on 10th April 1971, after tenders had been opened, that they had quoted higher rates against condition (ii) under the mistaken impression that supplies were required to be made within 24 hours and prayed for acceptance of the following reduced amended rates for those samples of dals :

Quality marking on samples		a	b	c	d
		Rs.	Rs.	(per Rs.)	(quintal) Rs.
Masur dal	Original rate	135	131	129	117
	Amended rate	129	125	123	114
Moog dal	Original rate	170	145	143	141
	Amended rate	164	139	137	135

The above amended rates of the tenderer were considered by the Purchase Board. Although according to the tender notice the qualities and the samples were to be marked by small alphabets a, b, c, d, capital letters A, B, C, and D were, however, used to exhibit the qualities in the comparative statement. On the basis of the amended rates of Rs. 114 per quintal for

'd' quality of masur dal and Rs. 137 per quintal for 'c' quality of moog dal, the offer of this firm became lowest and were accepted (20th April 1971) by the Purchase Board of the Department. The purchase order, however, indicated the rate of 114 per quintal for 2,500 quintals of 'D' quality of masur dal and Rs. 137 per quintal for 500 quintals of 'C' quality of moog dal adopting capital letters to indicate the respective qualities. The Department stated (July 1974) that the comparative statement was wrongly prepared using capital alphabets A, B, C, D.

Supplies of 965.23 quintals of masur dal and 150 quintals of moog dal offered by the firm between 5th and 10th May 1971 were accepted and paid for by the Department according to the rates mentioned in the contract. Further deliveries on 25th May 1971 of 658.07 and 157.83 quintals of masur and moog dal respectively, were not accepted on the grounds that these differed from the approved samples. On a representation (5th July 1971) by the firm the Purchase Board re-examined (15th July 1971) the supplies and the samples and observed that there was a bonafide mistake arising out of the use of capital alphabets in the comparative statement on 20th April 1971 and that the markings made by the firm were confusing. The Board, therefore, decided to approve the supplies already made but decided not to take further supplies of masur dal from the firm. The firm again represented (17th July 1971) that 658.07 quintals of masur dal supplied in May 1971 was of the same lot from which 965.23 quintals had earlier been supplied and accepted and that this second consignment was wrongly rejected by comparing the same with the sample with symbol 'b' instead of the sample 'd'.

As there was no clause in the agreement to permit cancellation of a part of the supplies and as it was apprehended that invitation of fresh tenders at that juncture might lead to increased rates, it was decided in August 1971 to accept balance quantity of supplies also from the firm. But the firm refused to make further supplies on the grounds that the Department had failed to check supplies immediately after or within 48 hours of delivery as per the terms of agreement and that payments had not been made within 24 hours of the acceptance of the supplies. The firm lifted back on 13th July 1971 the 658.07 quintals of masur dal and 157.85 quintals of moog dal supplied on 25th May 1971.

Fresh tenders were thereafter invited in August 1971 for the supply of balance quantity and orders were placed on another firm at the rate of Rs. 169 per quintal for masur dal and Rs. 170 per quintal for moog dal.

This purchase resulted in an additional expenditure of Rs. 96,000 as compared to the earlier rates.

The case was referred to the Government Solicitor in December 1971 for recovering damages from the first firm. The legal opinion was that the agreement with the earlier firm was not valid since the tenders had not been invited nor the contract executed in the name of the Governor. In view of this, the security deposit of Rs. 35,350 was also released in full in February 1972.

Government stated (June 1974) that the contractor had actually supplied masur dal as per sample 'b' but had got payment at lower rate appropriate to sample 'D' and had lost approximately Rs. 10,600 on the supply of 965.23 quintals. This explanation does not appear to be valid as there was, then, no basis for the Purchase Board deciding against acceptance of further supplies of masur dal, particularly as these were stated to have come from the same lot as the supplies made earlier. Government also stated that the increase in expenditure was due to abnormal increase in the market price of dal following the influx of evacuees from Bangladesh and that the reason for non-execution of a valid agreement with the contractor was under investigation.

40. *Miscellaneous irregularities, losses, etc.:* In 210 cases, Rs. 10.43 lakhs representing mainly losses due to theft, fire, irrecoverable revenue, duties and advances, remission of revenue, and the like were written off/waived and in 1157 cases *ex gratia* payments aggregating Rs. 4.86 lakhs were made during 1972-73. The details are given in Appendix VI.

## CHAPTER IV

### MISAPPROPRIATION, DEFALCATION, ETC.

41. *Misappropriations and defalcations* : The cases of misappropriations, defalcations, etc., of Government money, reported upto 31st March 1973 and on which final action was pending at the end of March 1973, were as follows :

	Number of cases	Amount (In lakhs of rupees)
Cases outstanding at the end of March 1972 . . . . .	440*	29.56*
Cases reported during 1972-73 . . . . .	9	3.30
Cases disposed of during 1972-73 . . . . .	—	—
Cases outstanding at the end of March 1973 . . . . .	449	32.86

Department-wise and year-wise analysis of the outstanding cases is given in Appendix VII. Of the 449 cases outstanding at the end of March 1973, 288 cases (amount : Rs. 10.55 lakhs) were outstanding for more than five years. Sixty-six per cent of these old cases related to Land Utilisation and Reforms and Land and Land Revenue Department.

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\* 16 cases (amount : Rs. 1.04 lakhs) relating to Power Department and 1 case (amount : Rs. 0.54 lakh) in respect of Home (Transport) Department have been excluded as those cases related to Statutory Corporations/Board.

## CHAPTER V

### WORKS EXPENDITURE

#### Health and Family Planning Department

42. *Inordinate delay in the recovery of cost of materials issued to contractors* : The responsibility for the construction and maintenance of sources of water supply in rural areas under the Rural Water Supply Scheme of the Health Department vested in the Department of Agriculture and Community Development, till it was transferred to the Public Health Engineering Department with effect from the 8th August 1967. Departmental materials like steel pipes, strainers, sockets, etc. worth Rs. 3.13 lakhs were issued to various contractors in respect of 111 works under the scheme between 1957-58 and 1968-69. The statements in regard to these works received from Divisional Officers showed that out of this amount a sum of Rs. 2.37 lakhs was recoverable at departmental issue rates towards materials supplied after adjusting the security deposits and the amounts due to the contractors for work done. Ninetyfive of these works dated back to 1964-65 or earlier years and the value of materials to be recovered from the contractors in these cases was Rs. 1.91 lakhs. Under the agreements, contractors were liable to pay at a penal rate of three times the departmental issue rates for surplus materials not returned. No explanation was available (August 1973) regarding the inordinate delay in enforcing return of the surplus material or recovery of the cost thereof.

In 34 other works taken up during the same period, materials had been issued to the contractors. But in the absence of records of issues, the Divisional Officers were not able to indicate the value of materials so issued and the value of surplus materials to be recovered.

Although some contractors had failed earlier to return the surplus materials issued to them against contracts awarded to them in the earlier years, departmental material was again issued to them in respect of contracts in subsequent years.

#### Irrigation and Waterways Department

##### 43. *Kaliaghai flood control and drainage scheme*

43.1. *Introduction* : The Kaliaghai river leaves its source on a highland near Dudkundi about 19 kms. west of Kharagpur flowing for approximately 96 kms. picking up in its course small tributaries and joins the



river Kangsabati near Dhewbhanga. The confluence known as Haldi, flows into the river Hooghly. The river and its tributaries, as they enter the coastal plain, are protected by *ex-Zamindari* and other embankments. As the river was getting badly silted up, it was unable to hold the normal flood discharge within the embankments and consequently, during high floods, breaches occurring in embankments resulted in inundation of about 310 sq. miles of the surrounding areas, causing destruction of crops and loss of property. The average loss on account of floods was assessed in the project report at Rs. 682 lakhs per year. In order to prevent this annual devastation, the Kaliaghai Flood Control and Drainage Scheme was sanctioned by the State Technical Committee in 1969 to provide for resuscitation of a length of 37 miles of Kaliaghai river from Bakrabad to the outfall at Dhewbhanga, and a length of 11 miles of Kapaliswari river (a tributary of Kaliaghai). The work mainly consisted of excavation of the river to a proper depth with requisite width and construction of two embankments spaced at a specific distance apart on either side of the river, and also included work on the straightening of the original meandering river course by flattening the sharp curves to ensure quick flow of water and avoid silting of the bed.

43.2. *Benefits anticipated* : Apart from prevention of the recurring floods, the scheme was anticipated to secure the following benefits :

- (a) The newly aligned embankment proposed was expected to help in reclaiming a vast area for cultivation in the spill-area of the river, till then unutilised on its right bank. In the Salmara Jala area alone about 400 acres of agricultural lands were expected to be restored and utilised for double cropping. The left embankment of Kapaliswari was expected to enable reclamation of 150 acres of lands on Bishnupur side.
- (b) On completion, an additional crop yield worth Rs. 8,26.03 lakhs was expected to be obtained as detailed below :
  - (i) fully benefited—249 sq. miles or 1,59,360 acres,
  - (ii) partially benefited—30 sq. miles or 19,200 acres,
  - (iii) acreage that will go under double cropping (Berm area of the river)—3,220 acres.

**Additional yields expected**

## (i) Fully benefited at 20 maunds per acre—

Paddy—159360 × 20 mds. at Rs. 20 per md. . . . .	Rs. 6,37.44 lakhs.
Straw—159630 × 14 mds. at Rs. 5 per md. . . . .	Rs. 1,11.55 lakhs.

## (ii) Partially benefited at 10 maunds per acre—

Paddy—19200 × 10 × Rs. 20. . . . .	Rs. 38.40 lakhs.
Paddy—3220 × 60 × Rs. 20 . . . . .	Rs. 38.64 lakhs.
TOTAL . . . . .	Rs. 8,26.03 lakhs.

- (c) The loops in the old course of Kaliaghai after straightening of the river were expected to be converted into scientific fisheries.
- (d) Improvement of the slope of the river and straightening of its course was expected to offer irrigation facilities in the Salmara Jala and extend navigation facilities upto Langal Kata.

The scheme was classified as “commercial” which implied that it should earn a return of six per cent on the capital after meeting all working expenses. No proposals have been formulated so far for collecting any levies from the beneficiaries after completion of the scheme.

43.3.1. *Estimates* : The original estimated cost of the scheme was Rs. 226 lakhs when the Technical Committee of the State Government approved it on the 24th September 1968. Right from the start, there was public opposition to widening of the berm area in particular locations and acquisition of the homesteads falling within the alignment. In a meeting held by the Irrigation Minister on 8th December 1969, it was decided that the Chief Engineer should re-examine the scheme in all its aspects and see if a lesser area could be used for berm without jeopardising the desired effect. The work commenced in January 1970 before the re-examination of the scheme was completed. After re-examination by the Chief Engineer the berm width as well as the bed width of the Kaliaghai river were reduced by allowing a uniform higher depth of flow of 9'-00" over the berm and a changed alignment was finalised in March 1970. Because of this, the original estimate was revised to Rs. 525 lakhs, and again further enhanced to Rs. 534 lakhs by the Superintending Engineer in April 1971 and administratively approved by Government on 31st March 1973.

43.3.2. *Change of alignment* : Due to modification of the proposed alignment of the river course and the consequent embankment, some stretches of the latter had to be constructed, at places, over the original. At some other places the old embankment which now fell within the proposed river course required to be excavated. Apart from meeting the public demand for minimum acquisition of land, the change of alignment was also stated to be necessary to ensure quicker and unobstructed flow of water in order to avoid the silting up of the bed.

43.3.3. Cost details of the revision *vis-a-vis* original estimates are given below :

Item of work	(In lakhs of rupees)		
	Provision as per original estimate	Provision as per revised estimate	Increase
1. A—Preliminary survey	0 05	0 10	0 05
2 B—Land . . . . .	15 00	40 70	25 70
3 C—Cross-drainage work	3 00	12 00	9 00
4. K—Building . . . . .	0 40	1.03	0 63
5. L(i) Earth work	1,90 05	4,41 00	2,50 95
(ii) Earth cross bunds . . . . .	2 50	5 00	2 50
6. Other misc items such as contingencies, W C Estt., Tools & Plants, etc. . . . .	15 00	34 17	19 17
TOTAL . . . . .	2,26 00	5,34 00	3,08 00

The reasons for the increases of cost were the following :

- (1) *Preliminary expenses* : The cost of survey had increased.
- (2) *Land* : The increase was stated to be mainly due to increase of area to be acquired, from 600 to 1100 acres with structures and modification of the rate for compensation. It was stated that revised rates of compensation were adopted to maintain parity with rates paid for by the Haldia Project Authorities in the same District.
- (3) *Cross drainage Works* : Increase in the cost of cross bunds was stated to be due to construction of new sluices because of change in alignment.

- (4) *Building* : The provision was increased on the basis of the detailed estimate of Khalashi sheds, etc. as against lump sum provision made earlier.
- (5) (i) *Earth Work* : The chief reason for the increase in the quantity of earth work from 40 crores to 60 crores cft. was stated to be the change in the course of the river from what was envisaged while framing the original estimate. Straightening of the meandering course particularly in the upper reaches by flattening the abrupt sharp curves and avoiding sinuous winding course as far as practicable within the frame work of the scheme became unavoidable. In the original estimate, earth work was provided for at Rs. 4.20 per 100 cft. including all lifts and leads whereas in the revised estimate higher rates ranging upto Rs. 11 per 100 cft. were provided for additional leads. The change in the rate was attributed to (i) the adoption of the schedule of rates of Kangsabati Project instead of that of the Eastern Circle adopted originally, (ii) the incidence of heavy leads and (iii) the concentration of vast work in a localised zone.
- (5) (ii) *Earth Work of Cross Bunds* : As per revised estimates it was considered necessary to construct the cross bunds at outfall for three consecutive working years as against two years anticipated earlier.

43.3.4. The change of alignment was one of the major factors increasing the cost of the project by Rs. 308 lakhs which represented an increase of 136 per cent over the original estimate, the change of alignment itself contributing an excess of Rs. 1,59.50 lakhs.

The following table illustrates the original targets and revised targets of Kaliaghai Scheme :

	As per original estimate	As per revised estimate
(a) Capital outlays . . . . .	Rs. 226 lakhs	Rs. 534 lakhs
(b) Total area to be benefited . . . . .	310 sq. miles	310 sq. miles
(c) Acreage of additional output . . . . .	3,54,580 Acres	3,54,580 Acres
(d) Value of additional output . . . . .	Rs. 8,26.03 lakhs	Rs. 8,26.03 lakhs
(e) Flood loss to be avoided . . . . .	Rs. 6,52.00 lakhs	Rs. 6,52.00 lakhs
(f) Area to be reclaimed . . . . .	150 Acres	550 Acres
(g) Berm Area kept . . . . .	2932 Acres	3179 Acres
(h) Land to be acquired . . . . .	600 Acres	1100 Acres
(i) Compensation to be paid . . . . .	Rs. 15 lakhs	Rs. 40 lakhs

It would appear from the above that there was no significant additional benefit as a result of change of alignment. In view of the fact that the original scheme and designs were technically scrutinised and approved by the State Technical Committee in September 1968 and cleared by C.W. & P.C. in July 1969, it would appear that the change of alignment was an after thought involving considerable additional expenditure without corresponding benefits.

43.3.5. The public demand was for either shifting of the alignment of the channel and the embankment to minimise loss of property and for reduction of the width of the land to be acquired for the berm land. The opposition was mainly in respect of the proposal for widening the berm land of the river though it was not proposed to be acquired. As per the changed alignment the land to be acquired increased from 600 to 1100 acres and the area of berm went upto 3179 acres as against 2932 acres, though width of the berm in some reaches was decreased. Though the design was thus changed at an additional expenditure of Rs. 1,59.50 lakhs (as detailed below) to meet the public demand, neither the area of acquisition nor the area of the berm land (for which no compensation was to be paid to the owners of the land) was decreased.

Quantum of extra expenditure due to change of alignment for earth work and for acquisition

	As per revised estimate	As per original estimate	Excess of revised estimate over original estimate	Rate as per revised estimate	Amount
1. Earth Work	60 Crores cft.	40 Crores cft.	20 crores cft.	Rs. 7.35 per %cft.	Rs. 1,47.00 lakhs.
2. Land Acquisition	1,100 Acres	600 Acres	500 Acres	Rs. 2,500 per Acre	Rs. 12.50 lakhs
			TOTAL		Rs. 1,59.50 lakhs.

43.4. *Finance* : The Government of India extended in 1969-70 a loan for Rs. 94 lakhs for the immediate implementation of the scheme.  
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From 1970-71 onwards the scheme was being financed by State Government. The expenditure incurred so far is indicated below :

Year	Allotment	Expenditure	Chargeable Head of Account
	(Rupees in lakhs)		
1969-70 . . .	93 00	94 29	99-Capital Outlay-Addl. Scheme outside State Plan
1970-71 . . .	1,30 00	1,28 67	99-Capital Outlay, etc.—Works (Commercial)—B-Navigation, Embankt, etc.— Dev Scheme—4th 5 year plan-Irrigation & Power-Drainage & Anti-Water logging Scheme
1971-72 . . .	76 00	76 05	
1972-73 . . .	80 00	82 22	
1973-74 . . .	22 50	84 05 (upto December 1973)	
<b>TOTAL</b>	<b>4,01 50</b>	<b>4,65 28</b>	

#### 43.5. Progress of Work :

43.5.1. According to original estimate the project was to be completed in 2 years of commencement of work, *i.e.*, by January 1972. But in revised estimate it was indicated that expenditure on works executed would be spread over three years as follows :

	As per original estimate	As per revised estimate
1st year	Rs 1,00 00 lakhs	Rs 94 lakhs
2nd year	Rs 1,00 00 lakhs	Rs 2,56 lakhs
3rd year	Rs 26 00 lakhs	Rs 1,75 lakhs
<b>TOTAL</b>	<b>Rs 2,26 00 lakhs</b>	<b>Rs. 5,25 lakhs</b>

43.5.2. According to the progress report for 1972-73, the physical progress achieved was :

Item of work	Estimated quantity	Quantity executed upto 1972-73
(i) Embankments . . . . .	4,80,000 rft.	4,00,000 rft(84%)
(ii) Drainage Channel . . . . .	2,50,000 rft.	2,00,000 rft(80%)
(iii) Sluces . . . . .	30 nos.	26 nos (87%)

The total expenditure incurred upto December 1973 was Rs. 4,65 lakhs and amounted to 87 per cent of the estimated amount of Rs. 5,34 lakhs. It was stated that out of 310 sq. miles expected to be protected from floods and made available for cultivation, 223 sq. miles of area had been benefited during the monsoon of 1973.

43 5 3. The scheme was expected to benefit the following Blocks by bringing additional areas under cultivation.

Right Bank	Left Bank
Sabong	Potashpur
Pingla	Bhagwanpur
Narayangarh	Nandigram Moyna

The following table indicates the extent of benefit which accrued during 1970-71 to 1972-73 on the right bank. Details of areas brought under double cropping in the berm area of the river were not available.

Years	Area under cultivation	Production in quintals	Average of 3 years
Prior to undertaking the scheme			
1967-68	1,22,000	6,34,000	} 1,58,330 acres 7,65,000 Qtls.
1968-69	1,69,000	7,34,000	
1969-70	1,84,000	9,28,000	
After the scheme was undertaken			
1970-71	1,84,000	7,84,000	} 1,71,670 acres 7,80,000 Qtls
1971-72	1,50,000	7,18,000	
1972-73	1,81,000	8,37,000	

Similar details in respect of Blocks on the left bank are awaited.

The other benefits anticipated from the project did not materialise since no scientific fisheries were started till April 1974 in the loops in the old course of the river, and the extension of irrigation was not possible since the tidal water was too saline for the purpose.

43.5 4. The project estimate envisaged that the annual benefit of the scheme on its completion would be to the tune of Rs 8.26 lakhs. Actual execution of the scheme started in January 1970 and as per working programme stipulated in the project estimate the scheme should have been completed by 1971-72 but upto that period only 56 per cent of the work had been completed.

43.6. Irregularities noticed in course of review of the scheme are stated below in short :

(i) Avoidable expenditure of Rs 4.17 lakhs on earth work.

The alignment of the river section and new embankments covered many existing bunds and embankments where people had been residing for several decades by constructing homesteads thereon. As the local people were not willing to leave their homesteads on the embankments at the affected chainage till they received due compensation in order to enable them to settle elsewhere, the Department had to complete the new embankments by earth excavated from elsewhere, while expenditure had also to be incurred on subsequent removal of the surplus earth of the existing embankment. This involved extra expenditure of Rs. 4 17 lakhs.

(ii) Inadmissible payments of Rs. 3 54 lakhs through supplementary tender.

In the sanctioned estimate as well as the tenders for earth work accepted by the authorities the rate for excavation of earth in all kinds of soil, etc was provided at Rs 4 20 per cent cft. Subsequently, the contractors prayed for extra rate for excavation in sticky soils mixed with ghooting or kankar or gravel, etc. Despite the fact that the agreement covered all kinds of soils and the contractors were supposed to be conversant with the local soil conditions before they offered the rates a sum of Rs 3 54 lakhs was paid to the contractors by allowing an extra rate of Rs 2 03 per 100 cft.

(iii) Payment of doubtful propriety made—Rs 1 lakh

Average width of the river section was 350'-00" and the berm width on each side upto the embankment measured on an average 200'-00". The excavated earth was to be utilised



for construction of the embankment on both the sides. No payments were to be made for any earth work within the initial lead of 100'-00". In actual execution payment for excavation of earth work within initial lead of 100'-00" was made to the tune of Rs. 1 lakh (approx.).

- (iv) Inadmissible payment of Rs. 42,000 due to acceptance of supplementary items at higher rates.

As per conditions of the tenders supplementary rates were to be regulated as per Western Circle Schedule, but the rates were fixed on the basis of Kangsabati Schedule of Rates which were higher.

- (v) Wasteful expenditure of Rs. 1.15 lakhs incurred due to settling down of embankments.

Due to settling down/sliding down/slips of embankment while the work was in progress or immediately after completion additional earthwork valuing Rs. 1.15 lakhs had to be executed and paid for. In one case involving a payment of Rs. 37,668 measurements were recorded after settling down of the embankment.

## CHAPTER VI

### STORES AND STOCK ACCOUNTS

44. *Stores and stock accounts* : I(a) A synopsis of some important stores accounts for 1972-73 which have been received is given below:

Department	Stores	Open- ing balance	Receipt	Issues	Clos- ing balance
<i>(In lakhs of rupees)</i>					
Health—					
Kanchrapara T.B. Hos- pital	Instruments, appliances, drugs, dressings, bed- dings, clothings, cro- ckery, etc.	3.93	7.45	7.71	3.67
Animal Husbandry and Veterinary Services—					
Central Medical Stores	Medicines and surgical equipments	6.71	6.79	8.78	4.72
Commerce and Industries—					
West Bengal Stationery Office	Stationery articles and paper materials.	5.36	42.58	40.25	7.69
Irrigation and Waterways	Small stores, building materials, etc.	197.89	210.28	200.99	207.18
Public Works . . .	Ditto	245.12	684.00	533.25	395.87
Public Works (Roads) . . .	Ditto	84.16	422.59	322.01	184.74

(b) The stores and stock accounts of the following non-Public Works Departments required to be submitted to Audit by 5th September each year are in arrears :

Serial No.	Department	Year of account	Reasons for non-preparation of stores accounts as furnished by the Department
1. Information and Public Relations :			
(i)	Consolidated store accounts . . .	1965-66 onwards	Paucity of staff.
(ii)	Distribution section . . .	1970-71 onwards	Ditto
2. Agriculture and Community Develop- ment—			
	Consolidated store accounts of Intensive Food Production Scheme.	1972-73	Reasons not furnished by the Department.

3. Education—		
Bengal Engineering College, Shibpur	1969-70 onwards	Store records reported to have been destroyed (May 1970) during student unrest.
4. Commerce and Industries—		
(i) West Bengal Government Press and Raj Bhavan Press.	1972-73	Reasons not furnished by the Department.
(ii) Medicinal Plants Directorate	1972-73	Ditto
5. Home (Jails) —		
(i) Consolidated store accounts of Presidency and Central Jails	1971 onwards	Ditto
(ii) Alipore Central Jail Press	1972-73	Ditto
(iii) Jail Depot	1972 onwards	Ditto
6. Health—		
Consolidated store accounts of principal State hospitals.	1970-71 onwards	Ditto

II. *Public Works Stock* : (i) *Excess over reserve stock limits* : In the following divisions the value of stock was in excess of sanctioned limits:

Department	Division	Year from which excess persists	Amount of excess stock on 31st March, 1973	Sanctioned stock limit
<i>(In lakhs of rupees)</i>				
Irrigation and Waterways	Lower Damodar Irrigation.	1971-72(a)	1 87	2 00
	Bankura Irrigation	1971-72(a)	0.87	5 00
	Kangsabati Canals III	1968-69	5 73	5 00
	East Midnapore	1963-64	2 55	1 00
	Jalpaiguri Irrigation	1968-69	8 15	6 00
	Kangsabati Mechanical	1968-69	17 65	78 00
Public Works	Workshop Electrical	1969-70	11 45	15 00
	Midnapore I.P.W.D.	1966-67	23 72	2 00
Public Works (Roads)	Hooghly Construction.	1968-69	26.25	4 00
	Mechanical Roads	1972-73	3.35	20 00

(a) On the basis of revised stock limit.

## CHAPTER VII

### FINANCIAL ASSISTANCE TO LOCAL BODIES, CO-OPERATIVE INSTITUTIONS AND OTHERS

#### Panchayats and Municipal Services Departments

45. *Grants* : Some of the points relating to grants paid to local bodies which were noticed by the Examiner of Local Accounts during 1972-73 are mentioned below :

#### I. *Panchayats Department*

(A) *Zilla Parishads* : (i) Government pays subvention to Zilla Parishads to enable them to pay dearness allowances and extra dearness allowances to their staff and to implement the Minimum Wages Order. Between 1968-69 and 1970-71 Rs. 0.70 lakh was overdrawn by eight Zilla Parishads on this account. Of this the amount overdrawn by three Zilla Parishads, viz., Burdwan, Jalpaiguri and Midnapore Zilla Parishads was Rs. 0.64 lakh (91 per cent).

The irregularities were brought to the notice of Government between May 1972 and February 1973 but no information about adjustment or refund of overdrawn amounts has been received so far (July 1974).

(ii) Cut of grants paid by Government between 1965-66 and 1969-70 for specific purposes like improvement of roads, minor irrigation, construction of bridges and culverts, tank improvement, eradication of illiteracy, contributory village road works Rs. 6.42 lakhs remained unspent upto 31st March 1973 in respect of eight Zilla Parishads, viz., Purulia, Birbhum, Burdwan, Howrah, Midnapore, Malda, Darjeeling and Jalpaiguri. No information about subsequent utilisation or refund of unspent balances, has been received so far (July 1974). In case of Purulia Zilla Parishad Rs. 0.85 lakh remains unspent (March 1972) since 1966-67.

(B) *Anchalik Parishads* : (i) Muster rolls in support of distribution of gratuitous relief of Rs. 1.88 lakhs during the years from 1964 to 1967 were not furnished (1972-73) by five Anchalik Parishads, viz., Manikchak, Maynaguri, Mejhia, Rampur II and Saltora.

(ii) Test Relief wages in cash amounting to Rs. 2.27 lakhs and 3,347 quintals of food grains (value : Rs. 1.71 lakhs) were distributed during 1964—67 by thirteen Anchalik Parishads in connection with the execution of works under Test Relief Schemes. The Parishads could not produce (1972-73) measurement books, completion certificates, etc., in support of the disbursements.

(iii) During 1965—67 eight Anchalik Parishads spent Rs. 0.92 lakh on construction of kutchra roads but no estimates, completion certificates, measurement books, etc., were produced (1972-73).

Besides, twentytwo Anchalik Parishads failed (March 1971) to utilise Rs. 1.09 lakhs out of Rs. 2.13 lakhs received during 1965—67 for improvement of kutchra roads. No information about subsequent utilisation or refund of the unspent balances has been received so far (July 1974).

(iv) Out of grant of Rs. 2.20 lakhs paid by Government to twentytwo Anchalik Parishads during 1965—67 for implementation of Rural Water Supply Schemes, Rs. 1.67 lakhs remained unutilised (March 1968). No information about subsequent utilisation or refund of the unspent balances has been received so far (July 1974).

(v) Thirteen Anchalik Parishads received grants from Government amounting to Rs. 0.69 lakh in 1965—67 for execution of tank fishery schemes, but excepting expenditure of Rs. 1,418 by one Parishad, the entire amount remained unutilised. No information about subsequent utilisation or refund of the unspent balances has been received so far (July 1974).

## II. Education Department

(a) Between 1970-71 and 1971-72 the District School Boards of Birbhum, Hooghly and Burdwan received Rs. 533.23 lakhs from Government as grants for certain specific purposes, out of which Rs. 83.51 lakhs remained unspent on 31st March 1972. Of this unspent balance the District School Boards diverted Rs. 78.08 lakhs for general purposes without the sanction of Government. The matter was reported to the Department between October 1972 and March 1973, but the irregularity continues (July 1974).

(b) Government paid grants (Rs. 45.94 lakhs) to nine District School Boards, viz., Midnapore, Nadia, West Dinajpur, Birbhum, Hooghly, 24-Parganas, Malda, Darjeeling and Burdwan between 1958-59 and 1970-71 for construction and repair of school buildings damaged by

floods in 1956 and 1959, purchase of books and equipment, construction of teachers' quarters, cost of additional teachers, etc. These District School Boards have not utilised the grants and Rs. 14.16 lakhs remains unutilised (March 1974).

(c) Out of twentyfive primary schools earmarked for conversion into Junior Basic Schools, Burdwan District School Board could convert only fourteen and Rs. 0.39 lakh remained unutilised (March 1971) out of Government grant of Rs. 0.85 lakh received for the purpose. A further grant of Rs. 0.45 lakh was given to the Board in 1970-71 for conversion of another forty primary schools into Junior Basic Schools. The amount also remained unutilised (March 1971). No information about subsequent utilisation or refund of the unspent balance has been received so far (July 1974).

(d) Section 1(2) of the Bengal Rural Primary Education Act 1930 prohibits application of District Primary Education Fund for the maintenance of schools situated in urban areas. Responsibility for primary education in urban areas rests with municipalities under the Bengal Municipal Act, 1932. The Burdwan District School Board continued to meet expenditure for pay and allowances of teachers of schools in urban areas under the jurisdiction of Asansol Municipality and Durgapur Notified Area Authority from the District Primary Education Fund in contravention of the Bengal Rural Primary Education Act. The expenditure amounted to Rs. 15.81 lakhs upto the end of 1970-71.

### III. *Municipal Services Department*

(a) Government pays subvention to local bodies to enable them to pay dearness allowance and extra dearness allowance to their staff for implementation of the Minimum Wages Order 1958. Between 1966-67 and 1971-72 Rs. 3 lakhs were overdrawn by thirtyfour municipalities on this account. No information about adjustment or refund of overdrawn amounts has been received so far (July 1974). The overdrawal was mainly due to—

- (i) drawing of subvention for employces in excess of the actual strength of staff (Rs. 0.57 lakh)
- (ii) drawing of subvention in respect of posts not existing on the specified date mentioned in the Government sanction (Rs. 0.16 lakh)

(iii) drawing of subvention of certain municipal teachers who were already receiving dearness allowances from the Education Department (Rs. 0.13 lakh).

(b) Twentysix municipalities diverted for meeting their normal revenue expenditure and establishment charges unutilised balances of Government grants towards development and improvement of roads, construction of sweepers' quarters, sinking tube-wells, etc., received between 1966-67 and 1970-71. This was in violation of Section 111 of Bengal Municipal Act 1932. Such unauthorised diversion of fund by the municipalities as on 31st March 1971 aggregated to Rs. 34.38 lakhs.

These twentysix municipalities have not utilised grants (Rs. 66.73 lakhs) received between 1965-66 and 1970-71 for specific purposes like repair and development of roads, construction of sweepers' quarters, improvement of conservancy services, free supply of text books to school children, sinking tube-wells, etc.

(c) Nine municipalities spent Rs. 2.71 lakhs out of unspent balance of Government grants received between 1962-63 and 1968-69 without obtaining prior sanction of Government.

## CHAPTER VIII

### GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

#### 46. Introduction

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

On 31st March 1973 there were 21 departmentally managed commercial and *quasi*-commercial undertakings. A synoptic statement showing the summarised financial results of three undertakings based on the latest available accounts is given in Appendix VIII.

#### 47. Delay in submission of *pro forma* accounts

Out of the 21 undertakings on 31st March 1973, three have not prepared *pro forma* accounts since inception and the *pro forma* accounts of the remaining 18 undertakings were in arrears for different periods, *vide* details in Appendix IX. The importance of timely finalisation of *pro forma* accounts has been stressed in successive Audit Reports. Government also issued instructions in May 1960 for timely preparation of accounts and their submission to Audit. However, the delay in compiling *pro forma* accounts is persisting.

#### Cottage and Small Scale Industries Department

#### 48. Central Engineering Organisation, Dasnagar

##### *Introduction*

The Central Engineering Organisation, a unit of the State Directorate of Cottage and Small Scale Industries, was set up in 1955 in order to assist the small scale engineering firms (having total capital not exceeding Rs. 5 lakhs and labour strength not exceeding 50 if using power and 100 if not using power) in the Howrah municipal area, to overcome their financial, technical and marketing difficulties. Its operations commenced on 1st April 1957 and were extended to three other districts, *viz.*, Hooghly, 24-Parganas and Calcutta from 29th February 1968.



The main objectives of the Organisation were to help the constituent units by procuring orders, supplying raw materials on loan basis, marketing the products and providing managerial and technical advice, loans for meeting working capital and tool-room facilities. To attain the objectives, the Organisation has set up a central workshop, a marketing organisation and a technical development section. Normally, the orders obtained by the Organisation are distributed to the constituent units. But special operations of jobs secured by it, which are not possible to be done by the constituent units, are undertaken by the Organisation itself.

The firms eligible for the benefits were to become members of the Organisation. When the Scheme was approved by the State Government on 23rd September 1955, it was envisaged that the Organisation would commence operations with about 196 constituent units in the first year, the number being gradually increased to 588 during the third year of its operation (1959-60). The total number of firms which had been affiliated as constituent units upto September 1962 was 63. The Public Accounts Committee had recommended (October 1962) that ways and means should be devised to attract a large number of firms to the membership of the Organisation. But the new firms affiliated since October 1962 were only 44 making a total of 107 (97 in Howrah district and 10 in Calcutta) up to March 1969. Since then there has been no fresh affiliation. The Management stated (February 1973) that further enrolments were suspended under the orders of the Directorate of Cottage and Small Scale Industries because of uncertainty of procuring orders for the constituent units and inability of the existing staff to cope with any increased commitments.

The Scheme provided that each member unit would sign a formal agreement. No formal agreement has been executed with any of the affiliated firms so far (June 1974).

The Organisation was set up at a capital cost of Rs. 20.83 lakhs. The Scheme was financed partly by the Government of India and partly by the State Government. The Government of India agreed to assist the State Government towards the implementation of the Scheme in the following manner :

- (i) 75 per cent of the non-recurring expenditure of Rs. 1.42 lakhs and 50 per cent of the recurring expenditure of Rs. 1.66 lakhs during the first year as outright grant.

- (ii) 66 $\frac{2}{3}$  per cent of the working capital of Rs. 14.00 lakhs as a loan bearing 3 $\frac{1}{2}$  per cent interest repayable in 10 years, and 66 $\frac{2}{3}$  per cent of the loans of Rs. 3.75 lakhs proposed to be advanced to the constituent units for re-equipping their machinery on the same terms as the working capital.

The Government of India also agreed to bear the expenditure (both non-recurring and recurring) for the second and third years as outright grant depending on the progress of the Scheme.

It was envisaged that Rs. 3.08 lakhs (*viz.*, Rs. 1.42 lakhs as non-recurring and Rs. 1.66 lakhs as recurring) would be required for meeting the recurring and non-recurring expenditure and Rs. 17.75 lakhs by way of loans for meeting working capital and re-equipping the units during the first year of its operation. Out of this, Rs. 1.89 lakhs (Rs. 1.06 lakhs as non-recurring and Rs. 0.83 lakh as recurring) were payable by the Government of India as grant and Rs. 11.83 lakhs as loan in the first year of its operation. Rupees 11.83 lakhs were credited to the State Government in October 1954. The amount of loans and grant received from the Government of India during second and third years could not be ascertained.

### *Working results*

When the Scheme was approved by the State Government in September 1955, it was anticipated that the Scheme would not only be self-financing but would earn profit from the very first year of its operation.

The Organisation prepares a selling account of the sales of the constituent units against orders procured. The account is debited with the cost of material issued, payment for cost of production to the unit, service charges of the Organisation (levied at the rate of five per cent of the sale value) and interest on loan on account of material issued. The sale price, which is credited to the selling account, is determined after adding the five per cent service charges and 15 per cent margin on the sale value. Of the profit as indicated by the selling account, 75 per cent was to be distributed amongst the constituent units and the remaining 25 per cent was to be kept in reserve as security against default in repayment of loans by the constituent units. The Scheme was expected to cover 196, 392 and 588 units in the first, second and third year of its operation and the expected profits of these units were Rs. 4.83 lakhs, Rs. 10.94 lakhs and Rs. 17.05

lakhs respectively. The following table shows the actual number of units affiliated and profit earned against these expectations :

Year of operation	Number of units affiliated	Profit (Rupees in lakhs)
1957-58 . . . . .	27	1 031
1958-59 . . . . .	34	0 884
1959-60 . . . . .	40	0 345
1960-61 . . . . .	45	1 258
1961-62 . . . . .	55	0 825
1962-63 . . . . .	63	0 929
1963-64 . . . . .	73	0 543
1964-65 . . . . .	78	0 597
1965-66 . . . . .	94	0 351
1966-67 . . . . .	95	0 466
1967-68 . . . . .	95	1 328
1968-69 . . . . .	107	0 843
1969-70 . . . . .	107	0 844
1970-71 . . . . .	107	0 312

NOTE: From 1960-61 the anticipated profit has been shown at the same rate as for the 3rd year of operation of the Scheme.

In November 1972, the Government decided that 25 per cent of the profit retained as reserve should be refunded to the constituent units and that no portion of such profits should henceforth be retained by the Organisation as reserve. In pursuance of this decision the Organisation paid back to the constituent units Rs. 82,914 till October 1973.

According to the Scheme the following charges for the Organisation were to be taken into account while calculating the profit or loss on the execution of any order secured by the Organisation for the constituent units :

- (a) 5 per cent of the sale value of the orders as service charges fixed by the Government in December 1965.
- (b) The cost of material and interest together with any other expenditure incurred by the Organisation.

The table below indicates the summarised financial results of the Organisation and the profits earned by the constituent units on the execution of orders secured by the Organisation :

Year	Service charges	Other income	CFO's total income	Over-heads	Other expenditure, depreciation, interest, etc.	CFO's total expenditure	Loss	Profit of constituent units on execution of orders secured by the Organisation
<i>(Rupees in lakhs)</i>								
1957-58 . . .	0 06	0 57	0 63	1.73	0 58	2.31	1 68	1 03
1958-59 . . .	0 29	0 19	0 48	1 28	0 83	2 11	1 63	0 88
1959-60 . . .	0 34	0 54	0 88	1 53	0 97	2 50	1 62	0 35
1960-61 . . .	0 44	0 75	1 19	3 06	1 06	4 12	2 93	1 26
1961-62 . . .	0 50	0 22	0 72	1 54	1 13	2 67	1 95	0 83
1962-63 . . .	0 43	0 39	0 82	1 70	1 31	3 01	2 19	0 93
1963-64 . . .	0 72	1 42	2 14	3 13	1 45	4 58	2 44	0 54
1964-65 . . .	0 81	2 50	3 31	3 76	1 66	5 42	2 11	0 60
1965-66 . . .	0 53	1 22	1 75	4 72	1 59	6 31	4 56	0 35
1966-67 . . .	0 19	0 99	1 18	3 19	1 78	4 97	3 79	0 47
1967-68 . . .	0 32	0 40	0 72	3 61	2 45	6 06	5 34	1 33
1968-69 . . .	0 10	0 14	0 24	3 10	2 05	5 15	4 91	0 84
1969-70 . . .	0 54	0 77	1 31	3 80	2 15	5.95	4 64	0 84
1970-71 . . .	0 55	1 14	1 69	2 92	2 23	5.15	3 46	0 31

The above table shows that the service charges realised from the constituent units were not sufficient to cover even the operating expenditure. The following were the main reasons for the losses according to the Department :

- (a) inability on the part of the Organisation to secure an adequate number of orders to feed the constituent units fully,
- (b) increased overhead charges because of inadequacy of the orders secured, and
- (c) rejection of defective finished products by the customers.

The Scheme envisaged that the rate of service charges should be periodically determined by the Government. The Department stated (August 1973) that neither any proposal for revision of the charges was made to the Government nor was the rate revised by the Organisation itself on the ground that the rate being realised from the constituent units was already high considering the depressed conditions in the small scale engineering industry.

#### *Achievement of objectives*

The Organisation consists, amongst other things, of a tool room (cost : Rs. 5.54 lakhs), a laboratory (cost : Rs. 0.72 lakh) and a drawing office (equipment cost : Rs. 0.05 lakh). These facilities were expected to be utilised by the constituent units.

The Organisation was expected to assist 588 constituent units in the Howrah district alone by 1958-59. The actual achievement since 1968-69 has been as under :

District	Small scale engineering units in existence in 1968-69 (Number)	Units affiliated to the Organisation (Number)	Percentage
Howrah . . . . .	1,792	97	5.41
Calcutta . . . . .	2,593	10	0.38
24-Parganas . . . . .	950	..	.
Hooghly . . . . .	202	..	.
<b>TOTAL . . . . .</b>	<b>5,537</b>	<b>107</b>	<b>1.93</b>

During 1968-69 the Organisation was able to provide assistance to 1.93 per cent of the small scale engineering units in the four districts although it had been in existence for about 13 years.

When the Scheme was prepared, it was anticipated that production and sale during the Third Five Year Plan period would be approximately Rs. 167.58 lakhs. But annual targets were not fixed either during the Third Five Year Plan period or subsequently. The table below indicates

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the value of orders secured, orders distributed among the constituent units and orders executed during the last three years :

Year	Value of tenders where quotations were sent	Value of orders secured	Value of orders executed
	<i>(Rupees in lakhs)</i>		
1970-71	26 06	14 86	12.63
1971-72	49 01	17 50	14.01
1972-73	51 78	12.28	13.25
TOTAL	126 85	44 64	39.89

The Organisation could, thus, secure orders to the extent of 35.2 per cent of value for which tenders/quotations were sent.

The Advisory Committee of the Organisation was informed (December 1965) that the reasons for not getting more orders were as follows :

- (a) Late submission of quotations. During the three years ending 1972-73 there were 375 tenders valued at Rs. 82.21 lakhs where quotations were delayed.
- (b) The quoted prices were higher than the market price of the products.
- (c) Failure on the part of the constituent units to adhere to the delivery schedule.
- (d) Rejection of finished products.

Seventyfive per cent of the value of orders secured during the three years ending 1972-73 were from Government parties. About 95 per cent of the value of orders executed during the three years ending 1972-73 was distributed only among the same eight or ten constituent units although many other units were engaged in the same line of production. The Management stated (May 1974) that the orders were distributed to those units because those units possessed the required machinery and skill for execution of the orders. Orders valued at Rs. 6.25 lakhs were pending as on 31st March 1973. Of these, orders valued at Rs. 3.74 lakhs had been received prior to April 1971.

One of the objectives of the Organisation was to procure and supply requisite raw materials on loan basis to the constituent units against orders placed on them. The principal raw materials for production in respect of the orders placed on the constituent units comprised ferrous and non-ferrous materials. The former was procured from different steel mills through the Joint Plant Committee and the latter was imported either through the Minerals and Metals Trading Corporation Limited or through the West Bengal Small Industries Corporation Limited. The table below indicates the value of raw materials supplied to the member units on loan basis during the three years ending 1971-72 :

Year	Value of raw materials procured	Value of raw materials issued to constituent units
1969-70	3.04	5.1
1970-71	7.77	4.70
1971-72	0.77	2.67

*(Rupees in lakhs)*

The Organisation reported to the Joint Director of Industries on the 27th March 1973 that orders received could not be executed in time due to persistent difficulty in getting the requisite types and quantities of raw materials. A review of the quarterly stock position and consumption of raw materials (pig iron and non-ferrous metals) upto 1971-72 showed that the constituent units had not fully consumed the raw materials in stock.

Further, orders placed on TISCO between January and August 1971 for the supply of 280 tonnes of B.P. Sheets were cancelled by the Organisation due to difficulties in arranging payments and an import licence for the import of copper valued at Rs. 3.15 lakhs was allowed to lapse because of the prevailing high price of copper in the international market.

The value of the work done by the Central Workshop including the value of jigs, tools, dies, fixtures, etc., supplied to the constituent units upto 31st March 1972 was as under :

*(In lakhs of rupees)*

Year	Amount
1957-58	0.52
1958-59	0.14
1959-60	0.39
1960-61	0.75
1961-62	0.16
1962-63	0.34
1963-64	1.30
1964-65	1.91
1965-66	1.21
1966-67	0.90
1967-68	0.30
1968-69	0.15
1969-70	0.77
1970-71	0.11
1971-72	1.10

The low production during 1967-68, 1968-69 and 1970-71 was attributed (May 1974) by the Management to slump in the engineering industry.

No log books were maintained to show the extent of utilisation of the machines.

The Organisation did not arrange any loan for equipping the factories of constituent units with efficient machinery and to provide working capital. Its activities were confined only to valuation of machinery existing in the various engineering units (not necessarily constituent units) on being referred to by district authorities in order to determine the amount of loan to be granted to them. The Organisation stated (March 1972) that such valuation work had been done in about 200 cases, including all the 107 constituent units.



No records were available to show the extent of testing facilities provided by the Organisation or the utilisation of its laboratory. In its Administrative Report of May 1972 it was mentioned that since its inception upto 31st March 1972 more than 500 cases were handled by the Organisation.

Upto 31st March 1972, 300 drawings and designs and 1220 tracings were provided by the Organisation to the constituent units for assisting production.

The Commercial Section of the Organisation was to help the constituent units in marketing their products by securing orders and distributing the orders among them. The value and volume of orders secured by the Commercial Section during the last seven years ending 1972-73 have not been adequate to utilise fully the annual production capacity of about Rs. 50 lakhs (as assessed in July 1973 by the Management) of the constituent units.

Year	Number of constituent units	Orders secured from Government parties	Orders from others	Value of orders secured	Percentage of the value of orders to production capacity
		(Number)	(Number)	(Rupees in lakhs)	
1966-67	95	69	106	6.42	12.84
1967-68	95	96	53	8.36	16.72
1968-69	107	40	39	10.81	21.62
1969-70	107	45	136	10.64	21.28
1970-71	107	61	60	14.86	29.72
1971-72	107	59	68	17.50	35.00
1972-73	107	55	93	12.28	24.56

In connection with paragraph 91 of the Audit Report 1965, the Secretary, Cottage and Small Scale Industries Department informed (June

1967) the Public Accounts Committee that the working of the Organisation could not be improved as other departments of Government were not placing orders with the Organisation but were making purchases from the open market of items that could conveniently be obtained through the Organisation.

With regard to manufacture of motor vehicle parts the Public Accounts Committee observed in May 1969 that all Government departments should place orders for purchase of spare parts with the Organisation as far as possible and for this purpose the Cottage and Small Scale Industries Department and the Finance Department should take suitable steps. The Public Accounts Committee also desired that a copy of the recommendation should be forwarded to all departments. It was, however, noticed that there was no perceptible increase in regard to orders received from Government departments even after the observations of the Public Accounts Committee.

The Organisation assisted the constituent units in manufacturing some components for transport vehicles which were until then being imported by the Calcutta State Transport Corporation, Calcutta Tramways Company Limited and the Garden Reach Workshops Limited. They were also able to substitute in some cases scarce non-ferrous materials by using grade 17 ferrous castings. The value of import substitution achieved upto March 1973 has been estimated (July 1973) by the Management to be Rs. 15.23 lakhs. The Organisation also helped the constituent units in exporting products valued at Rs. 7.44 lakhs upto the period ending 31st March 1972.

### *Development Programme*

The Organisation developed in 1959 a hydraulically operated surgical operation table, designed after consultation with many eminent surgeons in Calcutta and with the approval of the Director, Health Services. The prototype built entirely out of indigenous material was considered to be as good as any imported table. In order to meet the anticipated demand in the State, the Organisation took up in December 1961 a scheme for manufacture of 50 tables a year and procured additional plant and machinery valued at Rs. 76,322 for this purpose. It was expected (December 1961) that this would fetch a net profit of Rs. 1.38 lakhs a year if the tables

were sold at Rs. 7,000 each. The table below shows the actual production and sales compared to the targets :

Year	Target (Number)	Actual production (Number)	Sales (Number)
1961-62	50	2	2
1962-63	50	8	8
1963-64	50	3	3
1964-65	50	Nil	Nil
1965-66	50	1	1
1966-67	50	Nil	Nil
1967-68	50	13	13
1968-69	50	2	Nil
1969-70	50	2	1
1970-71	50	Nil	Nil
Total	500	31	28

The production upto 1970-71 represented only 6.2 per cent of the targeted number. Production was given up in March 1971.

The Organisation stated (October 1969) that production of the targeted number of tables was not difficult provided firm orders for adequate number were received. But even though a special concessional rate (Rs. 7,260 fixed in March 1969 by the Price Fixation Committee) was fixed in consultation with Government for the tables supplied to the Health Directorate, adequate orders were not forthcoming. The Organisation could not ascertain the reasons therefor. Other reasons for not achieving the target were the absence of a Government directive requiring the Government hospitals to purchase these tables only from the Organisation and absence of I.S.I. specification for this type of table.

When the scheme was wound up, the closing stock included three finished tables (Rs. 20,547), finished components (Rs. 43,055) and imported raw materials (Rs. 26,989). Disposal of these items as also utilisation of the additional plant and machinery acquired in 1961 were yet to be decided (June 1974). The production of surgical operation tables resulted in a total net loss of Rs. 2.07 lakhs during 1961-62 to 1970-71.

The Organisation developed in 1969-70 a five H.P. agricultural pump, operated either by electricity or by diesel motor, with a discharge of 14,000 gallons per hour. The Agricultural Commissioner and the Secretary of the Cottage and Small Scale Industries Department considered (November 1972) that the pump would be very useful in rural areas not served by electricity and that the possibility of marketing these pumps through the West Bengal Agro-Industries Corporation Limited initially in West Dinajpur and Malda districts (where many flood relief programmes were expected to be taken up during 1972-73) should be explored, after obtaining technical approval from the appropriate technical bodies.

The Organisation approached the Expert Committee on Agricultural Implements, a body of the State Government, in November 1971 for testing the pump and as there was no response, wrote to the Superintending Engineer (Agro-Mech.) and Ex-officio Additional Director of Agriculture on 9th December 1971. The latter requested the Organisation in February 1972 to send the pump to the Jadavpur University for testing. It was sent there on 16th February 1972, and testing fee of Rs. 500 was also paid. The pump was taken back after tests on 4th April 1972. The test report has not been received by the Organisation so far (May 1974). The Organisation did not undertake manufacture of these pumps. In the meantime, 1,609 pumps of five H.P. capacity were procured by the West Bengal Agro-Industries Corporation Limited during December 1971 to March 1972 from private parties at the cost of Rs. 61.97 lakhs, for distribution in Malda and West Dinajpur districts under the flood relief programme.

As no other assured source of demand was available, the earlier proposal to have the pump manufactured through the small scale units in Howrah district could not be pursued further.

The West Bengal Agro-Industries Corporation Limited has also been independently pursuing plans since March 1973 to market an agricultural pump of five H.P. (diesel), capable of discharging water at the rate of 12,000 to 14,000 gallons per hour, under its own brand name after assembling components purchased from private manufacturers. Components valuing approximately Rs. 10,000 are on order for assembling three proto-types. The Management stated (October 1973) that it was not aware of the pump set developed by the Organisation in 1969-70.

The Chief Engineer, Agriculture and Ex-Officio Director of Agriculture placed an order (August 1967) for supply of 400 hand dusters and 3,000 hand sprayers by 15th October and 30th November 1967 respectively, at a total value of Rs. 7.16 lakhs. The Organisation submitted (September 1967) samples of the items for inspection. The inspections were carried out (October 1967) and the inspection report was received on 25th November 1967 in respect of the hand sprayer and on 8th February 1968 in respect of the hand duster.

The defects pointed out in the hand sprayer were rectified and items resubmitted for inspection on 12th January 1968. The re-inspection was done on 2nd March 1968 but nothing more was heard in this regard from the Director of Agriculture.

The inspection report mentioned the hand duster to be too heavy and its mobility of rotation not satisfactory. On scrutiny, however, it was found by the Organisation that it was not at all possible to reduce the weight if the specifications prescribed by the purchaser were to be maintained. When this was communicated to the Chief Engineer, Agriculture (February 1968) he did not clarify how the design could be modified or the defect rectified, but cancelled the order (March 1968) on the grounds that the Expert Committee did not approve the samples in spite of consecutive tests.

### *Inventory control*

The closing stock of raw materials as on 31st March 1971 consisted of the following items :

	<i>(In lakhs of rupees)</i>
(a) Pig iron . . . . .	0.39
(b) Steel products . . . . .	3.28
(c) Copper . . . . .	4.27
(d) Tin . . . . .	1.04
(e) Lead . . . . .	0.12
(f) Zinc . . . . .	2.88
(g) Non-ferrous alloys . . . . .	0.04
(h) Miscellaneous stores . . . . .	0.41
Total . . . . .	12.43

The total number of items held in the store was 327. In no case the minimum, maximum and re-ordering levels have been fixed, nor has any procedure been laid down for conducting a periodical review of inventory with a view to identifying surplus/obsolete stores.

As on 31st March 1971 there were 102 slow moving items valued at Rs. 3.30 lakhs.

Finished products valued at Rs. 0.49 lakhs had not been delivered to customers, as these were defective.

No indemnity bond had been executed with any constituent unit to whom raw materials had been issued on loan, in order to safeguard against loss. During 1969-70, 1970-71 and 1971-72 in respect of 3, 6 and 6 cases respectively, the quantity on order had been reduced subsequently, thereby necessitating a corresponding reduction in the use of raw materials which had already been issued. Since the materials issued were either controlled or imported items, the Organisation asked for return of the excess raw materials lying with the units. But in no case did any unit return the excess raw materials issued to them. The Organisation did not maintain records to show readily the quantity and value of raw materials issued to the constituent units and how much of it was not accounted for by the constituent units in the form of surplus finished goods or by return of raw materials. No norms or percentage of wastage, etc. had been fixed by the Organisation to ascertain if the raw materials issued had been fully utilised in the finished products returned by the units in respect of each order placed. A test check of orders completed by the constituent units in July 1973 showed that raw materials valued at Rs. 0.98 lakh were still lying with them against un-executed portions of works.

There was no forward planning for the purchase of the annual requirements of raw materials and stores. The Management stated (August 1973) that since the Organisation had no standard production programme and its constituent units worked only on job basis, no definite indents for particular materials could be planned ahead.

*Staff ratio*

The volume of business anticipated with 588 units and the actual business transacted along with anticipated staff and actual staff during the three years ending 1972-73 are indicated in the table below :

Year	Anticipation		Actual	
	*Volume of business	Number of staff	Volume of business	Number of staff
	(In lakhs of rupees)		(In lakhs of rupees)	
1970-71	109.80	98	12.63	95
1971-72	109.80	98	14.01	95
1972-73	109.80	98	13.25	95

The total number of staff employed as on 31st March 1972 was 95 (42 technical and 53 non-technical) even though the number of constituent units covered by the scheme was only 107 as against 588 anticipated.

The Cottage and Small Scale Industries Department set up (11th April 1964) a Technical Committee to probe into the working of the Organisation, and to recommend measure to be taken. In its report submitted to the Additional Director of Industries in 1964 the Technical Committee recommended, among other things, additional technical and non-technical staff and equipment and also placing the Scheme on a permanent basis. Further, the Committee recommended expansion of the Organisation; but one of the members dissented and held that such expansion could be justified only if the number of the constituent units increased to 300. A detailed proposal for re-organisation on the basis of the report of the Technical Committee was submitted to the Government in August 1965. Government have not yet taken any decision on the 1965 proposal (June 1974).

*Credit sales and sundry debtors*

Credit facilities to the extent of 30 days are given to the customers. On the other hand the constituent units are paid by the Organisation as soon as finished products are handed over for despatch to the customers.

\*Figures from tentative Profit and Loss Account.

As on 31st March 1972, the outstanding balance on account of credit sales was Rs. 14.64 lakhs, out of which Rs. 5.22 lakhs were pending recovery even in March 1973. The dues which were pending for over three years, *i.e.*, those relating to 1968-69 or earlier, amounted to Rs. 2.89 lakhs.

The system of billing the customers was also not very effective. Goods were despatched against challans and bills were prepared on the basis of receipted challans received back from the customers. A test check of challans and bill registers for the four years ending 1972-73 showed that no bill was preferred for finished products valued at Rs. 3.14 lakhs despatched during these years.

### **Development and Planning Department**

#### **49. Mechanised Brick Factory, Palta**

##### **49.1. Introduction and Objectives :**

49.1.1. The Mechanised Brick Factory at Palta was set up in June 1966 under the Brick and Tile Board of the State Government to produce 1.5 crore bricks annually using the Gangetic silt from the pre-settling tanks of the Calcutta Corporation's Water Works nearby. The capacity of the Factory was doubled to 3 crore bricks per annum in 1969-70. The Brick and Tile Board was converted into the Directorate of Brick Production in September 1970.

49.1.2. The silt available from the pre-settling tanks was estimated to be about 50 lakh c.ft. per year, adequate to make about 5 crore bricks. Use of silt from the pre-settling tanks was also expected to improve the supply of water to the city, in addition to conserving land for agricultural use from which earth would have been otherwise dug for making bricks.

49.1.3. Other important factors which prompted the setting up of the plant were :

- (a) The mechanised plant would be able to manufacture bricks at a steady monthly rate whereas the other manufacturers were producing bricks on a seasonal basis, mostly from November to May.
- (b) The bricks manufactured in the mechanised plant would have a higher crushing strength of about 2,800 lbs./sq.inch, as against 1,200 to 1,400 lbs. in the case of country bricks. •
- (c) The machanised bricks being more perfect in shape would need about 15 per cent less mortar for binding.



49.1.4. No formal agreement has been finalised yet (August 1974) between the Calcutta Corporation and the Directorate either for use of silt from the pre-settling tanks or for the use of about 25 acres of land taken over from the Corporation in 1960.

49.2. *Project Implementation :*

49.2.1. The plant was imported during November 1963 to April 1969 from Czechoslovakia at the C.I.F. cost of Rs. 18.55 lakhs. Two agreements, one in November 1963 for the first phase and the other in December 1964 for the second phase, were entered into with the suppliers. The agreement for the first phase provided *inter alia*, that :

- (i) the firm would deliver the plant, machinery and equipment for setting up of the factory for manufacturing 50,000 bricks per day in 8 hours' operation,
- (ii) the suppliers would render technical assistance for erection, running and working of the factory and the trial operation of the plant and machinery would be carried out and a guarantee test would be undertaken within three months of trial run,
- (iii) the suppliers would guarantee that the factory would produce 50,000 first class bricks of standard size in 8 hours' working day and the capacity would be arrived at in a final guarantee test not later than six months from the trial operation, and
- (iv) if the plant was found to be not capable of producing the guaranteed output, Government would be entitled to effect a reduction in the amount to be paid to the suppliers at the prescribed rate, subject to a maximum deduction of four per cent of the value of delivered goods.

The agreement for the second phase required the suppliers to supply additional machinery for increasing the capacity to 1 lakh bricks per day in two shifts of 8 hours each, the other terms and conditions remaining the same as in the earlier agreement.

49.2.2. The first phase of the plant was commissioned in February 1966 and the trial operation was conducted for 3 months ending 16th May 1966. Guarantee test was also undertaken in May 1966 and the plant was accepted by the Government as having fulfilled the guaranteed output of 50,000 bricks from the technical point of view. However, the correspondence between Government and the suppliers during July 1971 indicated that

soon after the plant was commissioned and accepted it could not achieve the rated production as per the contract and that this was brought to the notice of the technical experts of the suppliers then erecting the second phase of the plant. According to the Management, there was defect in design of the plant. About 46 per cent of the 'green bricks' were to be dried in natural driers and the rest (i.e., 54 per cent) in artificial driers. But the bricks could not be dried uniformly in the natural driers and drying was found to take 7 to 10 days, varying from season to season, against 3 days initially anticipated. Owing to this defect in the plant design, Rs. 59,685 being 4 per cent of the C.I.F. price of the plant and machinery were recovered (August 1973).

49.2.3. The second phase plants were commissioned in April 1969. But neither any trial run nor any guarantee test was held. The suppliers of the plant stated (November 1970) that Government refused their technical assistance as a result of which erection of the plant and its commissioning escaped their technical supervision. Reduction of 4 per cent of the value of the plants amounting to Rs. 26,797 was imposed on and recovered (August 1973) from the suppliers in respect of the second phase also.

49.2.4. During operation, the factory faced difficulties for want of spare parts, since these were mostly non-standard items which were not readily available in India. The agreements with the suppliers, however, did not include any provision for supply of drawings of the machine parts or for supply of spare parts.

49.2.5. The civil works for the first phase viz., drying chamber, kiln, track line, boiler house, etc. were completed by the Construction Board of the State Government by early 1965. The Civil works for the second phase, i.e., additional drier, another kiln, etc. were taken up by the Board by the end of 1965 and completed in early 1969. The total capital outlay on the project as on 31st March 1972 amounted to Rs. 93.36 lakhs as against the estimated capital outlay of the scheme for Rs. 94.50 lakhs.

### 49.3. *Production Performances :*

49.3.1. The actual production of bricks in the factory since 1966-67 was as indicated below :

Year	Rated Capacity (in lakhs)	Actual production (in lakhs)	Shortfall in production (in akhs)	Percentage of shortfall
1966-67 .	150	72.60	77.40	51.60
1967-68 .	150	70.62	79.38	52.92
1968-69 . . .	150	78.30	71.70	47.80
1969-70 . . .	300	77.61	222.39	74.13
1970-71 . . .	300	57.08	242.92	80.97
1971-72 . . .	300	45.41	254.59	84.86
1972-73 . . .	300	55.03	244.97	81.66

The actual production has not exceeded 52.20 per cent of the rated capacity so far. The actual production, after expansion, was less than that achieved prior to expansion and the production during the last three years ending 1972-73 varied between 15 to 19 per cent of the rated capacity.

49.3.2. The Commissioner, Presidency Division stated (March 1973) that while the theoretical capacity of the plant was 3 crore bricks per annum when it worked two shifts of 8 hours each per day for 300 days in a year, the real annual capacity was only 1.5 crores since only one out of the two press shops was being run with a capacity of 50,000 bricks per day. Only one press shop was actually running, because the other was idle for most of the time due to non-availability of spares. Although the capacity of the plant had been increased during 1969-70 at a cost of Rs. 38.50 lakhs the entire plant had not been able to put to productive use. The Works Manager stated (November 1973) that continuous efforts were being made to stock spares which were not readily available in the market as these machines were not common in India.

49.3.3. The annual production, however, fell much short of even the achievable capacity of 1.5 crores bricks with the one press shop available. This was attributed by the Management to the failure of the natural driers. The plant initially consisted of one natural drier with 30 chambers and two artificial driers with 40 chambers (20 chambers in each), each chamber with a capacity of 4,600 bricks. Thirteen artificial chambers were needed for each day's production of 50,000 bricks (1.5 crores per annum). Since the artificial drying process took three days, the total number of artificial drying chambers required was 38 for an annual production of 1.5 crores, as against 40 available. Twelve more artificial drying chambers were constructed at a cost of Rs. 2.08 lakhs in September 1969 by converting seven natural drying chambers into six artificial drying chambers and constructing six new artificial drying chambers. Six of these were put into use, and the remaining six have not yet been ready for use for want of spares and want of additional boiler capacity.

Even though the artificial drying chambers available in the plant during 1971-72 and 1972-73 were adequate for an annual production of 1.5 crore bricks, the actual production amounted to only 30.27 per cent and 36.6 per cent respectively of this achievable capacity. Government, however, sanctioned in June 1973 construction of 20 more artificial drying chambers, but work thereon has not yet (April 1974) commenced.

49.3.4. Two kilns, each with 28 chambers (capacity 9,500 bricks per chamber), required 5 days between the loading of dried bricks and unloading of burnt bricks. Therefore, 11 chambers are available for firing 1.04 lakh bricks daily or 3 crores per year. The average loading of bricks in the kilns was only 25,000 per day, which was attributed to the inadequate availability of dry bricks which in turn was due to the failure of natural driers. But the average daily loadings in the kiln was much less than the capacity of the artificial driers available.

49.3.5. The table below indicates the actual operation hours compared to the available operational hours :

Year	Working days	Available operational hours	Actual hours operated	Idle hours	Percentage of idle hours to operational hours
1	2	3	4	5	6
1970-71 . . .	306	4590	1896-15	2693-45	58.69
1971-72 . . .	301.5	4522-30	1743-05	2779-25	61.46
1972-73 . . .	303	4545	1892	2653	58.37

49.3.6. A test check of the records for August 1972 and December 1972, the latter being more favourable for production, indicated the following position :

Reasons for idle hours	August 1972	December 1972
Machines out of order . . . . .	124-10	31-40
Adverse weather . . . . .	70-35	
Minor repairs/machine setting . . . . .	8-00	11-20
Want of water . . . . .	4-00	0-20
Want of clay . . . . .	22-30	1-10
Miscellaneous . . . . .	65-30	112-10
<b>TOTAL</b> . . . . .	<b>294-45</b>	<b>156-40</b>

Although it was envisaged that the mechanised plant would be able to achieve a steady rate of production throughout the year, in practice, production fluctuated during different seasons, as shown below :

Monthly Production (in lakhs)

	July (rainy season)	December (winter season)
1970	3.52	7.62
1971	2.73	5.67
1972	3.83	5.37 <sup>1</sup>

49.3.7. Underburnt bricks are reprocessed subsequently along with green bricks. The following table indicates the extent of underburnt bricks :

Year	Number of bricks loaded in the kiln	Number of saleable bricks	Number of under- burnt bricks	Percentage of brick loaded in kiln
1	2	3	4	5
1970-71 . . . . .	64.65	57.66	14.30	17
1971-72 . . . . .	71.00	45.51	18.52	26
1972-73 . . . . .	85.71	55.03	20.49	24

The percentage of underburnt bricks has been increasing.

49.3.8. The Directorate intimated (February 1974) that in the absence of technical documentation, it was difficult to indicate the quantity of coal required to manufacture 1 lakh bricks as per specification. This had, however, been fixed in 1969 to 40 tonnes per 1 lakh bricks. According to Government the optimum utilisation of heat by burning coal in kiln could be achieved only by maintaining the desired loading of the kiln and heat would be wasted if sufficient advance loading was not done.

The following table indicates the actual consumption of coal which accounted for roughly 12.46 per cent of the production costs in 1971-72 :

Year	Number of bricks loaded in the kiln (in lakhs)	Standard requirement of coal (tonnes)	Actual consumption (tonnes)	Excess consumption (tonnes)
1	2	3	4	5
1970-71 . . . . .	84.08	3363.2	4171.22	808.02
1971-72 . . . . .	71.00	2840.0	4723.00	1883.00
1972-73 . . . . .	85.71	3428.4	4255.08	826.68

Excess consumption of coal was attributed by the Management to insufficient loading of bricks in the kiln compared to its capacity. The expenditure on direct wages during 1970-71 and 1971-72 is given in the following table :

	1970-71	1971-72
Expenditure on direct wages (Rupees in lakhs) . . . . .	4.21	4.87
Number of bricks manufactured (In lakhs) . . . . .	57.08	45.41
Direct wages per 1000 bricks manufactured (In rupees) . . . . .	73.80	107.24

#### 49.4. Working Results :

49.4.1. The following table summarises the financial results of working of the plant :

Capital	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
	<i>(In lakhs of rupees)</i>					
1. (a) Opening balance	60.58	90.35	99.76	104.93	105.92	106.11
(b) Closing balance	90.35	99.76	104.93	105.92	106.10	105.86
2. Loss for the year (—)	(—)5.56	(—)7.36	[(—)8.21	(—) 12.28	(—) 13.08	(—)16.75
3. Interest on capital	2.74	2.24	2.24	3.78	3.78	3.78
4. Loss (—) before charging interest on capital	(—)2.81	(—)5.12	(—)5.97	(—)8.50	(—)9.30	(—) 12.97

The accumulated loss amounted to Rs. 63.23 lakhs up to 31st March 1972.

49.4.2. The prices of bricks produced in the plant are understood to be fixed by the Government from time to time with reference to the prevailing market rates, since the plant has to compete with private manufacturers. The following table indicates the selling prices during the last five years :

Category of bricks	Rates per 1,000 bricks As on		With effect from		
	1-4-68	1-10-69	9-10-69	15-1-72	1-9-72
Special class (250mm × 125mm × 75mm)	Rs. 110	..	..	Rs. 120	Rs. 140
Ordinary class (250mm × 125mm × 75mm)	Rs. 80	Rs. 90	..	Rs. 110	Rs. 125
Special class (228mm × 114mm × 77mm)	..	..	Rs. 110	Rs. 120	Rs. 140
Ordinary class (228mm × 114mm × 77mm)	..	..	Rs. 80	Rs. 90	Rs. 120
Picked Bricks	Rs. 95	..	..	Rs. 100	Rs. 120

49.4.3. As a full-fledged costing system has not been adopted so far, it has not been possible to compare the selling price of the products with the actual cost of production.

49.4.4. Most of the sales are to Government departments and the following table indicates the amounts due for recovery as on 31st March 1973 :

	From Government departments	From other parties
Dues less than a year old	Rs. 44,445	Rs. Nil
Dues over 1 year old but not more than 2 years old	1,58,216	Nil
Dues over 2 years old	530	10,228

49.4.5. The Management was of the view (March 1973) that if the plant could attain even 50 per cent of its production capacity it will break-even. However, the working results had shown a loss even in 1968-69 when production amounted to 52.2 per cent of the installed capacity.

49.4.6. In view of the poor performance of the plant a firm of experts was appointed in April 1972 to study the working of the plant and suggest measures to make it a viable project. In their report received in 1972, the following steps were recommended :

- (a) The organisational structure should be rationalised with a competent Chief Executive Officer at the head.
- (b) The general standard of maintenance of machinery and electrical equipment should be improved to minimise down-time.
- (c) A team of experts should make out drawings of the spares of the entire plant and there should be a planned programme for procurement of spares.
- (d) Another shed should be constructed to store dry silt and rejected green bricks for use during rainy season.
- (e) Selling price of bricks should be revised to equal prevailing market prices.
- (f) The anomalous position prevailing where workers doing the same work were governed by different terms of service should be abolished and uniform pay scales, etc., adopted.
- (g) Maintenance of accounts, cost-sheets and accounts of inventory needed to be improved.
- (h) To cope with a production of 1 lakh bricks a day all natural driers should be converted into artificial driers and another battery of artificial driers should be constructed (cost : Rs. 5 lakhs).
- (i) More land should be obtained from Calcutta Corporation for dumping excavated silt.
- (j) One more boiler house with two boilers should be installed (cost : Rs. 5 lakhs).
- (k) An incentive scheme should be introduced to motivate increased production.

The action taken on these recommendations has not been intimated (August 1974).



## CHAPTER IX

### OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

#### 50. Outstanding audit observations

Irregularities and defects noticed in Audit are reported to departmental authorities. Half-yearly reports of audit observations which remain outstanding for more than six months are also forwarded to the Finance Department and the administrative departments for taking necessary steps to expedite their settlement. The financial rules of Government require the departmental officers to attend to audit observations promptly ; the Public Accounts Committee has also been repeatedly stressing the need for quick disposal of audit observations. Eight thousand eight hundred and forty five audit observations relating to Civil departments and Departmentally managed Commercial and *quasi*-Commercial Undertakings (money value Rs. 30.23 crores) made up to 31st March 1973 were outstanding at the end of September 1973

The number and amount of outstanding audit observations continue to be large as would be seen from the following :

As on	Number	Amount (Rs. in crores)
30th September 1970	7,730	36 31
30th September 1971	8,210	30 56
30th September 1972	8,510	28 13
30th September 1973	8,845	30 23

Yearwise analysis of the outstanding audit observations is as below:

Year of issue	Civil Departments		Departmentally managed Commercial and <i>quasi</i> - Commercial Undertakings	
	Number	Amount (In lakhs of rupees)	Number	Amount (In lakhs of rupees)
1968-69 and earlier years	1 782	13,95 40	3	0 01
1969-70 . . . . .	619	60 69	..	
1970-71 . . . . .	895	65 00		
1971-72 . . . . .	1,962	3,91 06	4	0 11
1972-73 . . . . .	3,567	11,10.45	13	0 53
TOTAL	8,825	30,22 60	20	0 65

Nature of audit observations, their number and amounts are shown below :

Nature of observations	Civil Departments		Departmentally managed Commercial and <i>quasi</i> -Commercial Undertakings	
	Number	Amount	Number	Amount
		(In lakhs of rupees)		(In lakhs of rupees)
Sanctions for establishment not received . . . . .	304	4.28		
Sanctions for miscellaneous and contingent expenditure not received .	481	63.41		
Detailed contingent bills not received . . . . .	1,590	5,94.84		
Payees' receipts, vouchers and other-documents not received . . . . .	2,005	22,75.23	15	0.63
Advances not recovered from Government servants and adjusted within the prescribed period . . . . .	3,726	13.85	5	0.02
Overpayments of amounts disallowed in audit not recovered . . . . .	147	0.65		
Breach of financial propriety . . . . .	9	0.13		
Payments not in conformity with contracts and agreement . . . . .	7	0.08		
Sanctions to write off losses, etc., not received . . . . .	8	0.05		
Other reasons . . . . .	548	70.08		
TOTAL . . . . .	8,825	30,22.60	20	0.65

The expenditure for which detailed bills and vouchers are not submitted mostly escapes audit scrutiny. In such cases, as also the cases in which payees' receipts, etc. have not been furnished, misappropriations, defalcations, etc. may remain undetected for long. A few illustrative cases outstanding for want of detailed contingent bills, payees' receipts and sub-vouchers are mentioned below :

- (i) Payees' receipts for Rs. 44,780 drawn by Superintendent of Police, Burdwan in February 1971 have not been furnished.

- (ii) Detailed contingent bill for Rs. 1,00,000 drawn by Block Development Officer, Jagatballavpur, Howrah in March 1972 for disbursement as loan to the cultivators for sinking shallow tubewells have not been made available to Audit.
- (iii) Detailed contingent bills for Rs. 18 lakhs drawn by Assistant Secretary, Home (Transport) Department in February 1973 for the purchase of a helicopter have not been furnished.

Departments with outstanding involving amounts of fifteen lakhs and above are given below :

Name of Department	Number of observations	Amount (In lakhs of rupees)
Food and Supplies . . . . .	66	12,00.91
Relief and Welfare . . . . .	776	9,35.13
Animal Husbandry and Veterinary Services . . . . .	328	3,63.69
Agriculture and Community Development . . . . .	1,760	1,07.65
Education . . . . .	942	54.70
Health and Family Planning (Public Health Branch) . . . . .	350	45.80
Irrigation and Waterways . . . . .	122	41.51
Home (Constitution and Election) . . . . .	613	34.37
Finance . . . . .	67	32.29
Refugee Relief and Rehabilitation . . . . .	263	31.62
Development and Planning (Town and Country Planning) . . . . .	9	26.63
Public Works . . . . .	127	24.52
Home (Transport) . . . . .	71	22.91
Cottage and Small Scale Industries . . . . .	163	17.41
Scheduled Castes and Tribes Welfare . . . . .	214	17.34
Home (Police) . . . . .	503	15.44

## 51. Outstanding Inspection Reports

Important financial irregularities and defects in initial accounts noticed during local audit and inspections are included in inspection reports and sent to departmental officers, heads of directorates and to the administrative departments for necessary action. Unless these inspection reports are attended to promptly and the audit observations settled expeditiously, there is likelihood of irregularities persisting.

Ten thousand three hundred and eighty-nine inspection reports containing 55,752 paragraphs issued up to March 1973 were not settled for one year or more.

There has been considerable delay in settlement of the outstanding inspection reports. The number of outstanding inspection reports pertaining to Civil Departments and Departmentally managed Commercial and *quasi*-Commercial Undertakings is shown below :

	As on 30th September 1971	As on 30th September 1972	As on 30th September 1973
Number of inspection reports outstanding . . . . .	8,761*	9,389*	10,389
Number of paragraphs outstanding . . . . .	49,899*	50,574*	55,752

To expedite settlement of outstanding inspection reports Committees comprising representatives of the Departments concerned and Finance Department were formed in 1972-73 at the suggestion of the Accountant General. The meetings of the Committees were required to be convened by the Finance Department. It was also envisaged that a representative of the Accountant General would be present during the deliberations of those Committees for such help and clarification as may be necessary. Between August 1972 and July 1974 nine such meetings were held and 123 paragraphs were settled.

---

\*These differ from the figures shown in earlier reports because of non-inclusion of outstanding inspection reports pertaining to Government Companies, Statutory Corporations and Boards and Revenue Receipts.

Yearwise analysis of the outstandings at the end of September 1973 is shown below :

Year of issue	Civil Departments		Departmentally managed Commercial and <i>quasi</i> -Commercial Undertakings	
	Number of Inspection Reports	Paragraphs	Number of Inspection Reports	Paragraphs
1968-69 and earlier years . . .	5,588	22,280	58	179
1969-70 . . . . .	1,148	9,094	10	45
1970-71 . . . . .	806	6,390	14	77
1971-72 . . . . .	1,418	8,223	13	68
1972-73 . . . . .	1,324	9,345	10	51
TOTAL . . . . .	10,284	55,332	105	420

The Departments with comparatively large outstandings were :

Departments	Number of out-standing	
	Inspection Reports	Para-graphs
1	2	3
Agriculture and Community Development . . . . .	1,833	13,079
Health and Family Planning . . . . .	1,561	9,718
Board of Revenue . . . . .	410	4,183
Refugee Relief and Rehabilitation . . . . .	1,481	4,169
Public Works . . . . .	542	3,772
Irrigation and Waterways . . . . .	369	2,595
Public Works (Roads) . . . . .	329	1,873
Relief and Welfare . . . . .	349	1,744
Education . . . . .	476	1,713

1	2	3
Housing . . . . .	384	1,617
Public Works (Construction Board) . . . . .	226	1,094
Food and Supplies . . . . .	374	967
Home (Jails) . . . . .	141	883
Home (Police) . . . . .	187	859
Finance . . . . .	166	855
Animal Husbandry and Veterinary Services . . . . .	201	783
Commerce and Industries . . . . .	173	725
Cottage and Small Scale Industries . . . . .	86	718
Co-operation . . . . .	92	577
. . . . .		

CALCUTTA,  
The 12<sup>th</sup> DEC. 1974.

*T. B. Nagarajan*

(T. B. NAGARAJAN)

Accountant General, West Bengal.

Countersigned.

NEW DELHI  
The 13<sup>th</sup> DEC. 1974.

*A. Bakshi*

(A. BAKSHI)

Comptroller and Auditor General of India.

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APPENDIX

(Reference : Paragraph 14,

Utilisation certificates awaited in March 1974 for grants paid by Government up to

Department	Upto 1967-68		1968-69	
	No of certificates	Amount	No. of certificates	Amount
	<i>(Amount in lakhs of rupees)</i>			
Education			3,081	5,09 41
Municipal Services	12	46 78	7	33 79
Health and Family Planning (Medical Branch)	191	73 99	202	66 84
Public Works	266	86 74	103	16 51
Co-operation	118	61 08	44	7 88
Finance (Budget)		..	..	
Relief and Welfare	28	4 47	19	4 38
Cottage and Small Scale Industries		..	..	..
Agriculture and Community Development	14	8 56	9	7 96
Refugee Relief and Rehabilitation		..	46	12 06
Housing	10	10 64	2	12 87
Commerce and Industries		..	..	
Scheduled Castes and Tribes Welfare		..	..	..
Home (Defence)		..	1	0.01
Finance (Audit)		..	..	
Home (Political)		..	..	
Judicial		..	..	..
Panchayats			2	0 05
Home (General Administration)		..	7	0 02
Home (Transport)			..	..
<b>TOTAL</b>	<b>639</b>	<b>2,92 26</b>	<b>3,523</b>	<b>6,71 78</b>



I (a)

Page 23)

March 1972

1969-70		1970-71		1971-72		Total	
No of certificates	Amount	No. of certificates	Amount	No of certificates	Amount	No of certificates	Amount
2,804	11,42 06	4,490	16,36 17	7,060	21,23 70	17,435	54,11 34
24	1,76 52	13	2,07 58	11	4,39 94	67	9,04 61
200	99 27	189	1,02 73	260	95 82	1,042	4,38 65
91	19 56	115	31 78	127	32 94	702	1,87 53
97	17 20	43	15 27	53	16 25	355	1,17.68
..	..	1	0 10	2	1,00 25	3	1,00 35
7	2 96	307	12 32	82	32 04	443	56 17
45	21 70	48	12 23	47	20 63	140	54 56
5	5 20	4	0 60	22	28 12	54	50 44
17	4 21	12	3 98	20	7 26	95	27 51
.	..	4	2 20	..	.	16	25 71
5	2 24	9	5 79	4	4 86	18	12 89
..		..	.	90	3 58	90	3 58
2	0 02		..	1	2 76	4	2 79
20	0 14	23	0 26	..		43	0 40
2	0 26	..	.	..		2	0 26
		1	0 25	..		1	0 25
2	0 11	1	0 02	..	..	5	0 18
6	0 03	7	0 02	..	..	20	0 07
1	0 05	..	..	..	..	1	0 05
3,328	14,91 53	5,267	20,31 30	7,779	29,08 15	20,536	73,95 02

APPENDIX 1(b)

(Reference : Paragraph 14, Page 24)

Statement showing the names of grantees in respect of whom utilisation certificates for Rs. 5 lakhs and above are awaited

Department sanctioning the grants	Grantees	Up to 1967-68	1968-69	1969-70	1970-71	1971-72	Total
Education	Calcutta University	..	47.46	70.33	76.60	..	1,94.39
	Jadavpur University	..	91.99	1,00.56	1,07.28	..	2,99.83
	Rabindra Bharati University	..	11.61	13.71	19.07	..	44.39
	Kalyani University	..	18.21	..	33.97	20.54	72.72
	North Bengal University	..	..	..	24.38	32.35	56.73
	Burdwan University	..	..	..	23.50	15.37	38.87
	District School Board, West Dinaipur	..	27.36	24.50	81.08	20.73	1,53.67
	District School Board, Purulia	..	..	..	54.97	63.79	1,18.76
	District School Board, Bankura	..	..	..	92.66	68.65	1,61.31
	District School Board, Hooghly	..	..	..	19.55	96.97	1,16.52
	District School Board, Nadia	..	..	..	6.65	48.97	55.62
	District School Board, Howrah	..	..	..	46.53	21.60	68.13
	District School Board, Birbhum	..	..	..	95.60	1,43.27	2,38.87
	District School Board, Burdwan	..	..	..	1,90.65	50.07	2,40.72

Ramkrishna Mission Boys' Home—									
	(i) Narendrapur	..	8.17	..	10.98	..	..	19.15	
	(ii) Sarisha	..	8.93	..	..	..	..	8.93	
	(iii) Rahara	..	6.41	..	7.86	..	..	14.27	
	Ramkrishna Mission Sripapith, Belghoria	..	..	5.29	5.83	..	..	11.12	
	Ramkrishna Mission Boys' Home	..	..	5.37	..	..	..	5.37	
Health and Family Planning									
	School of Tropical Medicines	(a)20.24	(a)20.43	(a)23.58	25.44	..	..	89.69	
	Chittaranjan Cancer Hospital	..	..	(b)6.31	(b)7.40	..	..	13.71	
	Kumar P. N. Roy Group of Hospitals and Rehabilitation Centre, Bonhooghly	..	..	7.78	11.80	11.55	..	31.13	
	Society of Experimental Medical Science	..	..	(b)8.22	..	..	..	8.22	
Public Works	Calcutta Corporation Howrah Municipality	(a)11.00 (b)6.00	(b)5.50	..	5.50 (b)2.00	5.50	..	27.50 10.00	
Agriculture and Community Development	Kalyani University	(b)5.68	(b)4.64	(b)4.55	..	26.45	..	41.32	
Municipal Services	Calcutta Corporation	46.78	33.79	1,76.52	2,07.57	5,05.47	..	9,70.13	
Housing	Howrah Improvement Trust	..	12.87	..	..	..	..	12.87	
Cottage and Small Scale Industries	Calcutta Improvement Trust	9.96	..	..	..	..	..	9.96	
	West Bengal Khadi and Village Industries Board	..	..	..	13.18	12.90	..	26.08	
TOTAL		99.66	2,97.37	4,48.72	11,70.05	11,44.18	..	31,59.98	

(a) Includes items not shown in the previous year.

(b) Omitted to be included in the previous year.

## APPENDIX II

(Reference : Paragraph 15, Page 24)

### Cases where the verification and acceptance of balances have been unduly delayed

Head of Account	Number of acceptances awaited	Year from which acceptances are awaited	Balance on 31st March 1973 (In lakhs of rupees)
<b>O—Public Debt—</b>			
Loans from the Central Government . . . . .	56	1968-69	7,26,37.54
<b>Q—Loans and Advances by State and Union Territory Governments—Loans to Local Funds, Private Parties, etc.—</b>			
(1) Loans to Municipal Corporations and Municipalities . . . . .	519	1964-65	14,43.90
(2) Loans to District and other Local Fund Committees . . . . .	172	1962-63	2,47.04
(3) Loans to Co-operative Institutions and Banks . . . . .	17	1972-73	2,50.31
(4) Loans and Advances under Community Development Programme . . . . .	10	1972-73	2,76.66
(5) Loans to Displaced Persons . . . . .	99	1967-68	26,43.13
(6) Advances to Cultivators . . . . .	6	1970-71	29,51.38
(7) Loans to Statutory Corporations, Boards and Government Companies . . . . .	9	1965-66	1,29,07.91
(8) Miscellaneous Loans and Advances . . . . .	54	1970-71	61,08.95
<b>T—Deposits and Advances—</b>			
(1) Deposits of Local Funds . . . . .	90	1970-71	14,30.31
(2) Deposits on account of cost price of Liquor, Ganja and Bhang . . . . .	1	1968-69	26.98
(3) Deposits for work done for Public Bodies or Private Individuals . . . . .	277	1968-69	2,19.36
(4) Personal Deposits . . . . .	1,180	1971-72	10,83.00

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## **APPENDIX III**

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APPENDIX III

(Reference : Paragraph 17, Page 25)

Grants appropriations in which supplementary provisions were obtained and the extent to which they remained unutilised or proved inadequate

Particulars of grants appropriations	Voted or charged	Amount of Original	grant/appropriation Supplementary	Total	Actual expenditure	Saving— Excess +
(i) Grants appropriations in which the supplementary provisions proved unnecessary—						
11. Parliament, State Union Territory Legislature . . . . .	Voted	1,05 79	12.25	1,18.04	96.32	—21.72
15. Police . . . . .	Voted	34,29 12	1,68 69	35,97 81	33,04.76	—2,93 05
43. Miscellaneous—Contributions	Voted	15,22 54	51 58	15,74 12	14,94 90	—79.22
47. Miscellaneous—Other Miscellaneous expenditure . . . . .	Voted	17,79 41	35 38	18,14 79	12,12.15	—6,02 64
(ii) Grants/appropriations in which the supplementary provisions proved excessive—						
22. Agriculture—Agriculture . . . . .	Voted	18,96 31	20,12 26	39,08 57	34,28 92	—4,79.65
30. Labour and Employment . . . . .	Voted	6,05 12	71.18	6,76 30	6,37 90	—38 40
36. Ports and Pilotage . . . . .	Voted	20 37	7 43	27 80	24 72	—3 08
45. Miscellaneous—Sports . . . . .	Voted	12 21	44 86	57.07	44.04	—13 03
51. Capital Outlay on Public Works . . . . .	Charged	..	20 20	20 20	0.03	—20.17
52. Capital Outlay on schemes of Government Trading . . . . .	Voted	6,00 96	7,85 63	13,86 59	6,43 39	—7,43.20

(iii) Grants/appropriations in which the supplementary provisions proved inadequate—

9. Interest on Debt and Other Obligations .	<i>Charged</i>	36,90 92	3,10 04	40,00 95	41,72 88	+1,71 92
32. Miscellaneous Social and Developmental Organisations—Excluding Welfare of Scheduled Tribes and Castes and other Backward Classes . . . . .	Voted	4,13 20	7 83	4,21 03	4,98 39	+77 36
34. Public Works . . . . .	Voted	16,27 32	4,55 91	20,83 23	35,58 12	+14,74 89
39 Pensions and Other Retirement Benefits	Voted	3,89 47	16 75	4,06 22	4,65 88	+59 66
41 Stationery and Printing . . . . .	Voted	1,14 72	9 22	1,23 94	1,27 60	+3 66
Public Debt	<i>Charged</i>	74,24.93	97,00.19	1,71,25 12	1,94,50 23	+23,25.11

## APPENDIX IV

(Reference . Paragraph 20, Page 31)

### Savings exceeding Rs. 1 lakh in each case under voted grants charged appropriations

#### A—Voted grants

Sl. No.	Number and name of the grant	Total grant	Expenditure	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>					
<b>I—Cases where the savings were 20 per cent or more of the total grant—</b>					
1.	23—Agriculture—Fisheries .	81 65	59 13	22 52	27
2.	26—Industries—Industries .	7,68 11	5,91 31	1,76 80	23
3.	35—Greater Calcutta Development Scheme	6,78 80	3,82 47	2,96 33	44
4	45—Miscellaneous—Sports	57 07	44 04	13 03	23
5.	47—Miscellaneous—Other Miscellaneous Expenditure	18,14 79	12,12 15	6,02 64	33
6.	52—Capital Outlay on Schemes of Government Trading	13,86 59	6,43 39	7,43.20	53
<b>II—Cases where the savings exceeded 10 per cent but were less than 20 per cent of the total grant—</b>					
1.	7—Stamps .	28 87	23 24	5 63	19
2.	11—Parliament, State/Union Territory Legislature	1,18 04	96 32	21.72	18
3.	16—Miscellaneous Departments	1,07 50	94 19	13 31	12
4.	22—Agriculture—Agriculture	39,08 57	34,28 92	4,79 65	12
5.	24—Animal Husbandry	17,19 06	14,70 16	2,48 90	14
6	36—Ports and Pilotage	27 80	24 72	3 08	11
7	44—Miscellaneous—Panchayats	3,43 51	3,06 98	36 53	11
8	51—Capital Outlay on Public Works . . .	9,25 64	7,64 84	1,60 80	17



**APPENDIX IV (Concl'd.)**  
**B—Charged appropriations**

Sl. Number and name of the No. appropriation	Total appro- piation	Expenditure	Saving -	Percentage of saving
<i>(In lakhs of rupees)</i>				
1. 2—Land Revenue . . . . .	5.70	4.51	1.19	21
2. 51—Capital Outlay on Public Works . . . . .	20.29	0.03	20.17	Over 99

APPENDIX V

(Reference : Paragraph 21, Page 33)

Unutilised provision due to non-implementation/partial implementation of development schemes

Sl. No.	Scheme	Grant No.	Provision in 1972-73	Saving in 1972-73 (and its percentage)	Remarks	Savings during the previous years (and their percentage)
1	2	3	4	5	6	7
						8

A—Development schemes in the State Sector (other than Centrally-sponsored schemes and Central Sector schemes)

(In lakhs of rupees)

1.	Free and compulsory education	primary	19	3,51.10	1,39.42 (40)	Mainly due to non-appointment of primary school teachers in time	..	..
2.	Lift irrigation	. . . .	22	2,32.08	63.76 (27)	Mainly, curtailment of programme due to transfer of diesel pump sets for implementation of special irrigation programme with Central assistance	1971-72	67.21 (30)
3.	Purchase of debentures of Mortgage Banks and Refinance Corporation		26	43.50	33.54 (77)	Post-budget decision to restrict purchase upto Rs. 10.50 lakhs only	1971-72	7.00 (33)
4.	Raniganj coal-field area water supply scheme		21	50.00	25.98 (52)	Reasons are awaited . . .	1971-72	18.37 (37)
5.	Survey and investigation of ground and surface water resources		22	37.00	24.83 (67)	Mainly, deployment of staff for implementation of special minor irrigation programme for drought relief	1970-71	28.60 (71)
							1971-72	10.19 (31)

6. Incentive scheme for industrial growth in West Bengal	26	20.00	20.00 (100)	Post-budget decision to release loans instead of grants to the West Bengal Industrial Development Corporation Ltd.	..	..
7. Irrigation—Damodar Valley Project	50	20.00	20.00 (100)	Reasons are awaited . . . . .	..	..
8. Piped water supply scheme . . . . .	21	20.00	17.99 (90)	Reasons are awaited . . . . .	1969-70	20.20 (81)
					1970-71	11.55 (77)
					1971-72	19.14 (96)
9. Medical education—Medical colleges	20 51	38.50 15.00	13.43 4.07	Reasons are awaited . . . . .	..	..
		53.50	17.50 (33)			
10. Agricultural programme—Minor irrigation—Minor drainage schemes	33	34.00	17.48 (51)	Reasons are awaited . . . . .	1971-72	24.64 (71)
11. Strengthening of education administration	19	17.00	13.28 (78)	Reasons are awaited . . . . .	..	..
12. Craftsman training scheme . . . . .	26	13.28	12.84 (97)	Surrender of funds under Revenue head to accommodate emergent expenditure under capital head (Rs. 7.54 lakhs) and late issue of sanction (Rs. 5.30 lakhs)	..	..
13. Development of Sundarbans area . . . . .	22	12.00	12.00 (100)	Diversion of funds for excavation and re-excavation of tanks under small irrigation in connection with development of cotton	..	..

## APPENDIX V (Contd.)

1	2	3	4	5	6	7	8
14.	Urban water supply (for municipalities having population of 20,000 or less)	21	25.00	11.26 (45)	Reasons are awaited . . .	1971-72	7.98 (32)
15.	Housing—Land acquisition and development scheme	47	10.00	10.00 (100)	Delay in acquisition of land and finalisation of tenders, etc. for Asansol satellite township scheme	..	..
16.	Installation of 6,000 power-looms .	54	16.00	8.80 (55)	Poor response from the units	1971-72	18.00 (100)
17.	Establishment of seed farms for production of quality seeds through artificial breeding of Indian major carps by hormonal treatment	23	12.00	8.52 (71)	Reasons are awaited . . .	..	..
18.	Village panchayats . . . . .	44 54	9.00 2.00 <hr/> 11.00	6.28 2.00 <hr/> 8.28 (75)	Delay in finalisation of the form of the bond to be executed by panchayats as loanees (Rs. 2 lakhs) payment of grants for purchase of land from another grant (Rs. 2 lakhs) and non-expansion of Panchayati Raj Training Centres for administrative reasons (Rs. 1.63 lakhs). Reasons for the remaining saving of Rs. 2.65 lakhs are awaited	..	..
19.	Incentive for dispersal of small scale industries	27	9.00	7.67 (85)	Reluctance of large number of small units to avail themselves of the benefits extended	..	..
20.	Strengthening of staff of the Marketing Branch of the Directorate of Agriculture	22	11.00	7.57 (69)	Reasons are awaited . . .	..	..

21. Collection of agricultural statistics (Plot to plot survey)	22	9.00	7.50 (83)	Non-finalisation of the schemes for collection of data regarding crop acreage and production, land use, etc. and irrigation survey source-wise and crop-wise	..	..
22. Industrial plantation of quick-growing species	42	12.00	7.37 (61)	Diversion of funds for essential development of communications in inaccessible hill areas for extra-citron facilities	..	..
23. Improvement of sports and games (coaches, etc.)	45	11.97	7.16 (60)	Reasons are awaited	1971-72	4.99 (36)
24. Establishment and development of seed farms	22	10.00	5.72 (57)	Non-commencement of construction works	..	..
25. Agricultural information and publicity (Farm advisory service)	22	10.00	5.00 (50)	Non-finalisation of the proposal for production of documentary films on agriculture	..	..

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B—Centrally-sponsored schemes (New schemes)

1. Flood control schemes	33	4,91.00	4,91.00 (100)	Reasons are awaited	..	..
2. Margin money to co-operative marketing societies for distribution of fertiliser and other agricultural inputs	26	50.00	50.00 (100)	Non-sanction of financial proposals	1971-72	7.00 (47)
3. Rural family welfare planning centres	47	16.00	16.00	Slow progress of work	..	..
	51	80.00	30.73	(Rs. 30.73 lakhs). Reasons for the remaining saving of Rs. 16.00		
		<hr/>	<hr/>			
		96.00	46.73 (49)	lakhs are awaited		

APPENDIX V (Contd.)

1	2	3	4	5	6	7	8
4.	Agricultural credit stabilisation fund	25 54	22 50 7.50	22 50 7.50	Mainly, non-release of funds by Government of India for conversion of short term loans for agricultural purposes into medium term loans.	1970-71 1971-72	13.00 (65) 19.15 (70)
5.	Other supplies and services (under Family Planning programme)	21	30 00	30.00 (100)	Reasons are awaited	..	..
6.	Investigation and survey of irrigation, drainage and flood control works	33	30 00	24 51 (82)	Non-filling up of vacant posts (Rs. 1 26 lakhs). Reasons for the remaining saving of Rs 23 25 lakhs are awaited	1970-71 1971-72	11.22 (75) 15.87 (78)
7.	Transport (under Family Planning programme)	21	33.00	22.96 (69)	Reasons are awaited	..	..
8.	Setting up of units for processing agricultural produce	26	30 00	22 64 (75)	Non-sanction of financial proposals	..	..
9.	Smallpox eradication programme	21	24 97	22 25 (89)	Reasons are awaited	..	..
10.	Special package programme of jute in West Bengal	22	49 00	19 29 (39)	Non-filling up of vacant posts and slow progress of work due to drought	..	..
11	Ground spraying of urea on jute and mesta in non-package area	22	15.00	15 00 (100)	Postponement of the scheme	..	..

12. Subsidised distribution of certified improved jute seeds	22	13.53	13.28 (98)	Decision of Government of India to pay subsidies direct instead of through State Government to National Seed Corporation, the principal supplier of jute seeds.	1971-72	10.98 (49)
13. Training and research (under Family Planning programme)	21 47	13.70 4.00	7.98 4.00	Reasons are awaited	..	..
		17.70	11.98 (68)			
14. Investment in shares of co-operative processing societies	26	22.50	11.25 (50)	Non-sanction of financial proposals	1971-72	20.25 (100)
15. Soil conservation in the river valley project—Soil conservation works in the upper catchment area of the Kangsabati river	42	27.00	11.01 (41)	Partial execution of soil conservation work, reasons for which are awaited	1971-72	12.00 (44)
16. Cotton demonstration and development in Sundarbans and coastal belts in West Bengal	22	31.00	10.49 (34)	Reduction of target	..	..
17. Development of Hindi and other languages	19	22.00	9.99 (45)	Reasons are awaited	1971-72	15.16 (64)
18. Applied nutrition programme	22	10.54	6.02 (57)	Curtailment of programme	..	..
19. Mass education (under Family Planning programme)	21	13.00	5.34 (41)	Reasons are awaited	..	..

APPENDIX V (Concld.)

1	2	3	4	5	6	7	8
		C—Central Sector Schemes					
1.	Minor irrigation—Deep tube-well irrigation	22	3,00.00	2,16.05 (72)	Mainly, taking up of the special programme for sinking of tube-wells in drought-affected districts at the last stage of the financial year	..	..
2.	Minor irrigation—Private tube-wells including filter points	22	4,50.00	1,40.82 (31)	Mainly, post-budget decision to incur expenditure under revenue instead of capital head	..	..
3.	Rural water supply—Accelerated programme	21	1,00.00	1,00.00 (100)	Reasons are awaited . . . . .	..	..



## APPENDIX VI

(Reference : Paragraph 40, Page 70)

### Part II—OTHER CASES

(a) Cases of loss, etc. (each item not exceeding Rs.5,000) written off in 1972-73

Serial No.	Department	Write off of losses, irrecoverable revenues, duties, advances, etc.		Ex gratia payment		Waiver of recovery	
		Number	Amount Rs.	Number	Amount Rs.	Number	Amount Rs.
1.	Agriculture and Community Development . . .	10	348				
2.	Commerce and Industries . . .			1157	4,85,503*		
3.	Food and Supplies . . .	113	1,21,550				
4.	Forest . . .	3	1,186				
5.	Home (General Administration) . . .	2	2,750			15	48,852**
6.	Home (Police) . . .	7	16,427				
7.	Information and Public Relations . . .	11	1,925				
8.	Land Utilisation and Reforms and Land and Land Revenue . . .	11	1,934				
9.	Refugee Relief and Rehabilitation . . .	1	500				
10.	Scheduled Castes and Tribes Welfare . . .	1	488				
	TOTAL . . .	159	1,47,108	1157	4,85,503	15	48,852

\*Paid to the employees of the Oriental Gas Company's Undertaking on *ad hoc* basis.

\*\*Represents overpayment made to 15 I.A.S. Officers because of incorrect instructions issued by the Ministry of Home Affairs, Government of India and recovery thereof waived by the State Government.

APPENDIX VI (Concl'd.)  
(Reference : Paragraph 40, Page 70)

Part II—OTHER CASES

(b) *Cases of loss, etc. (each item exceeding Rs. 5,000) written off in 1972-73*

Serial No.	Department	Write off of losses, irrecoverable revenues, duties, advances, etc.		Ex gratia payment		Waiver of recovery	
		Number	Amount Rs.	Number	Amount Rs.	Number	Amount Rs.
1.	Commerce and Industries	1	25,144				
2.	Education . . .	2	34,851				
3.	Food and Supplies .	23	5,77,507				
4.	Forest . . .	1	31,781				
5.	Home (General Administration) . . .	..	..			5	31,353*
6.	Home (Police) . . .	1	9,471				
7.	Land Utilisation and Reforms and Land and Land Revenue . . .	2	52,489				
8.	Refugee Relief and Rehabilitation . . .	1	84,699				
	TOTAL . . .	31	8,15,942			5	31,353

\*Represents overpayments made to 5 I.A.S. Officers owing to incorrect instructions issued by the Ministry of Home Affairs, Government of India and recovery thereof waived by the State Government.

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## APPENDIX VII

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APPENDIX

(Reference : Paragraph 41,

Cases of misappropriation not finalised

Sl. No.	Department	Reported up to 31st March 1968		Reported in 1968-69	
		No.	Amount Rs.	No.	Amount Rs.
1.	Agriculture and Community Development . . . . .	29	2,07,170	4	59,150
2.	Animal Husbandry and Veterinary Services . . . . .	1	5,000	..	..
3.	Board of Revenue . . . . .	4	18,702	..	..
4.	Cottage and Small Scale Industries . . . . .	3	72,619	..	..
5.	Co-operation . . . . .	..	..	..	..
6.	Education . . . . .	1	4,467	1	5,000
7.	Excise . . . . .	2	39,538	..	..
8.	Finance . . . . .	1	1,695	..	..
9.	Food and Supplies . . . . .	7	74,167	1	66,434
10.	Health and Family Planning . . . . .	8	21,098	1	6,584
11.	Home (General Administration) . . . . .	2	12,983	1	787
12.	Home (Police) . . . . .	9	80,634	1	3,470
13.	Home (Tourism) . . . . .	..	..	..	..
14.	Information and Public Relations . . . . .	2	400	1	517
15.	Irrigation and Waterways . . . . .	2	2,111	1	1,48,585
16.	Judicial . . . . .	1	3,718	..	..
17.	Land Utilisation and Reforms and Land and Land Revenue . . . . .	189	4,17,506	3	47,510
18.	Public Works . . . . .	..	..	1	354
19.	Public Works (Construction Board) . . . . .	1	797	..	..
20.	Relief and Welfare . . . . .	25	73,905	..	..
21.	Refugee Relief and Rehabilitation . . . . .	1	18,268	..	..
	TOTAL . . . . .	288	10,54,778	15	3,38,391

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on 31st March 1973

Reported in 1969-70		Reported in 1970-71		Reported in 1971-72		Reported in 1972-73		Total	
No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.
10	64,847	7	1,52,237	1	2,617	1	60,492	52	5,46,513
1	17,000	1	26,330	1	6,141	..	..	4	54,471
..	..	34	1,03,434	2	13,257	1	82,236	41	2,17,629
1	877	..	..	1	18,505	..	..	5	92,001
..	..	..	..	1	557	..	..	1	557
22	2,06,192	2	83,314	..	..	..	..	26	2,98,973
..	..	..	..	..	..	..	..	2	39,538
..	..	..	..	..	..	1	228	2	1,923
..	..	..	..	..	..	..	..	8	1,40,601
5	1,39,222	6	6,29,134	2	24,794	1	59,172	23	8,80,004
3	6,714	..	..	1	2,641	..	..	7	23,125
..	..	..	..	2	9,049	..	..	12	93,153
..	..	..	..	..	..	1	1,15,628	1	1,15,628
..	..	..	..	..	..	..	..	3	917
..	..	..	..	2	7,452	..	..	5	1,58,148
1	146	..	..	..	..	..	..	2	3,864
18	27,260	5	15,712	7	4,264	4	12,227	226	5,24,479
1	953	..	..	..	..	..	..	2	1,307
..	..	..	..	..	..	..	..	1	797
..	..	..	..	..	..	..	..	25	73,905
..	..	..	..	..	..	..	..	1	18,268
62	4,63,211	55	10,10,161	20	89,277	9	3,29,983	449	32,85,801

**APPENDIX***(Reference : Paragraph 46,***Statement showing summarised financial results of departmentally managed**

<b>Sl. No.</b>	<b>Name of the concern</b>	<b>Year of account</b>	<b>Capital at close,</b>	<b>Mean Capital</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
			<b>Rs.</b>	<b>Rs.</b>
1.	Government Saw Mills, Siliguri . . . . .	1970-71	28,24,832	25,41,511
2.	Directorate of Brick production (formerly Brick and Tile Board) . . . . .	1971-72	8,00,025	8,01,410
3.	Scheme for development of manufacture of Hospital Appliances at Central Engineering Organisation . . . . .	1968-69	1,94,059	1,85,149

VIII

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**Government Commercial and *quasi*-Commercial Undertakings**

Free Reserve	Net Block	Depreciation	Turnover	Net Profit(+) Loss (-)	Interest charged added back	Total (10+11)	Percentage of total return on mean capital and free reserve
6	7	8	9	10	11	12	13
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Nil	6,89,750	5,219	14,26,407	(-)3,53,782	Nil	(-)3,53,782	Nil
Nil	1,50,970	1,760	3,09,193	(+)1,341	23,212	24,553	0.16
Nil	58,049	4,102	33,872	(-)9,510	11,664	2,154	Nil

## APPENDIX IX

(Reference : Paragraph 47, Page 88)

### Arrears in preparation of *proforma* accounts

Sl. No.	Name of the scheme/ concern	Name of Department	Year from which accounts are due	Reasons for delay
<b>(a) Undertakings whose <i>proforma</i> accounts have not been prepared since inception :</b>				
1.	Oriental Gas Company's Undertaking.	Commerce and Industries.	1960-61	Amount of compensation payable has not been fixed and gas rental abstracts have not been prepared
2.	Industrial Estates at Kalyani	} Cottage and } Small Scale } Industries	1956-57	} Want of adequate staff. } The matter has been taken } up with the Finance Department
3.	do Baruiapur		1958-59	
<b>(b) Other undertakings whose <i>proforma</i> accounts are in arrears:</b>				
1.	Durgapur Industries Board.	Public Undertakings	1961-62	Not furnished
2.	Central Engineering Organisation.	Cottage and Small Scale Industries	1971-72	Not furnished
3.	Integrated Wood Industries Scheme at Durgapur, Kalyani and Siliguri.	Ditto	1965-66	Consolidated Accounts for the Scheme have not been received. The matter is under correspondence with the Government. <i>Proforma</i> accounts for the period from 1965-66 to 1969-70 were stated to be under preparation.
4.	Directorate of Brick Production (formerly Brick and Tile Board).	Development and Planning	1972-73	Not furnished
5.	Mechanised Brick Factory at Palta.	Ditto	1972-73	Not furnished
6.	Brooklyn Ice Plant and Cold Storage	Agriculture and Community Development	1967-68	The <i>proforma</i> accounts for 1965-66 and 1966-67 were received (December 1968) but these required revision as a result of audit scrutiny. The revised accounts have not been received (June 1974). The Scheme was closed in March 1968.



## APPENDIX IX (Concl'd.)

Sl. No.	Name of the scheme/ concern	Name of Department	Year from which accounts are due	Reasons for delay
7.	Scheme for production of Shark Liver Oil, Fishmeal, etc.	Fisheries	1965-66	Not furnished. A new post has been created for compiling arrear accounts
8.	Durgapur State Transport Board.	Home (Transport)	1966-67 (up to 6-12-73)	Not furnished. Converted into a corporation with effect from 7-12-73
9.	Silk Reelers' Co-operative and Allied Organisation.	Cottage and Small Scale Industries	1956-57	Not furnished
10.	Greater Calcutta Milk Supply Scheme.	Animal Hus- bandry and Veterinary Services	1966-67	Government order apportioning the assets and liabilities between the Dairy Development and the Animal Husbandry Departments was issued in June 1973
11.	Government Cinchona Plantations.	} Commerce and Industries	1967-68	Not furnished. The finalisation of accounts from 1962-63 to 1966-67, which were not approved by the Government, is under correspondence with Government
12.	Government Quinine Factory, Mungpoo.			
13.	Quinine Sales Depot, Calcutta.			
14.	Surgical Instruments Servicing Station, Baruipur	Cottage and Small Scale Industries	1969-70	Not furnished
15.	Government Sales Emporia in Howrah and Calcutta.	Ditto	1951-52 1962-63 and from 1969-70	Accounts for the period from 1963-64 to 1968-69 were submitted in September 1970, but audit could not be taken up as accounts of previous years have not been received (June 1974)
16.	Government Saw Mills, Siliguri.	Forests	1972-73	Not furnished
17.	Kanchrapara Development Area (Kalyani Township) Scheme.	Development and Planning	1961-62	Not furnished
18.	Consolidated <i>pro forma</i> accounts of 'Hats' under the management of Government.	Board of Revenue	1969-70	Not furnished

