

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

**FOR THE YEAR ENDED
31st MARCH 1988**

**NO. 2 OF 1989
(CIVIL)**

GOVERNMENT OF TAMIL NADU

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PREFATORY REMARKS

This Report No.2 of 1989 has been prepared for submission to the Governor under Article 151 of the Constitution. It includes, among others, reviews on Tamil Nadu Raffle Scheme, Integrated Development of Small and Medium Towns, National Malaria Eradication Programme, Anaikuttam Reservoir Project and Improvements to transport in Madras City.

2. Points of interest arising from the Finance Accounts and Appropriation Accounts for 1987-88 are being included in a separate Report. Similarly, observations of Audit on Revenue Receipts and on Statutory Corporations, Boards and Government Companies are presented in separate Reports.

3. The cases mentioned in this Report are among those which came to notice in the course of test Audit of accounts of Finance, Health, Indian Medicine and Homoeopathy and Family Welfare, Housing and Urban Development, Public Works, Animal Husbandry and Fisheries, Education, Environment and Forests, Transport, Handlooms, Handicrafts, Textiles and Khadi and Industries Departments during the year 1987-88 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1987-88 have also been included, wherever considered necessary.

OVERVIEW

This Report includes Value-for-money reviews on Tamil Nadu Raffle Scheme, National Malaria Eradication Programme, Integrated Development of Small and Medium Towns and Improvements to transport in Madras City, besides paragraphs on individual irregularities, grouped under ten chapters. The important audit points contained in these chapters are presented in this Overview.

1. Tamil Nadu Raffle Scheme

This scheme was introduced, in August 1968, to harness the savings of the people for economic development on new lines.

- The net proceeds, after setting off expenditure on salaries, printing, publicity, commission, bonus and prize money ranged only from 1 to 12 per cent of the gross value of the tickets printed for sale during the five years from 1983-84 to 1987-88, below the expected minimum of 15 per cent.

- Twenty two to fifty five per cent of the prize money lapsed to Government as unclaimed. If such unclaimed prize monies had been paid, the Scheme would have incurred losses.

- There was a net loss of Rs.34.86 lakhs in the series called "Ponmari" conducted between August 1986 and July 1987, with 45 weekly draws. The series was continued eventhough there were net losses successively from the 7th draw held on 3rd October 1986.

- Only 45 to 74 per cent of the tickets printed could be sold during the five years ending March 1988. The loss in printing unsold tickets was Rs.103.72 lakhs against which only Rs.1.17 lakhs were realised on sale of cut pieces of these tickets.

- The objective of channelising the net proceeds of the raffles through Tamil Nadu Special Welfare Fund for specific welfare programmes has not been achieved.

(paragraph 1.1)

2. National Malaria Eradication Programme

This programme, implemented from 1958 for total eradication of malaria, had to be revamped in 1976 due to resurgence of the disease, with the modified objective of containing the disease and preventing deaths. The main activities under the programme are insecticidal spray, collection of blood smears from fever cases and treatment of malaria with drugs.

- The incidence of malaria, which was 1.04 lakh positive cases in 1976, came down to 0.27 lakh cases in 1981; after a peak in 1984, it showed a steady decline, with no reported death cases. However, these statistics relate only to cases handled by Government agencies excluding those treated by private practitioners and not notified to the Public Health Department.

- Populations ranging from 34.44 lakhs to 42.93 lakhs in rural areas with high incidence of

malaria were not covered by regular round spray operations from 1984 to 1987. In other rural areas the spraying coverage of population was only 52 to 67 per cent.

- Consumption of Malathion in rural areas was less than the prescribed doses for spraying by about 70 to 73 per cent.

- Blood smears collection each year was significantly below the targeted ten per cent of the population during the years 1984 to 1987.

- Neither of the targets of blood smear collection under passive surveillance, set as fifteen per cent of the new fever cases or six per cent of the population, was achieved during 1985 to 1987 in test checked Health Unit Districts.

- There was shortfall in blood smear collection ranging from 76 to 81 per cent of the target under Mass and Contact Survey Operations in eight Health Unit Districts, which would have affected adversely studies on the incidence of the disease.

- Radical treatment to be given within ten days of detection was not administered to sixteen per cent of total malaria cases. In areas test checked only 8 to 12 per cent were treated within the prescribed ten days but about eighty five per cent were treated within thirty days. Confirmation of cure through collection and examination of blood smear immediately after radical treatment was not secured for more than half the patients treated.

Follow up action at monthly intervals for a year after radical treatment to contain relapse of the disease was taken only to the extent of 8 to 14 per cent.

- The programme suffered from shortage of staff of about thirty seven per cent at supervisory level and twenty per cent at direct workers level during 1984 to 1987.

- Malaria control in urban areas should have received greater attention as the disease was prevalent more in Madras and nine other towns than in the rest of the State, but Urban malaria control programme was implemented defectively. Expenditure on malaria control incurred by local bodies of these towns had not been reimbursed by Government from 1979-80 onwards.

- Madras City accounted for 56 to 72 per cent of the total malaria cases in the State. The incidence was high in 65 to 83 per cent of the Madras Corporation divisions. However, performance under spraying and surveillance operations in the City was poor during the years 1983 to 1987.

(paragraph 2.1)

3. Sophisticated imported equipment lying idle

A biostator imported in March 1984 at a cost of Rs.5.78 lakhs for treating chronic diabetic patients in Government General Hospital, Madras, remained idle since its commissioning in April 1984 except for initial utilisation for three months.

Therefore, the anticipated benefit of continuous monitoring of blood sugar level and injection of appropriate amount of insulin to such patients did not flow for over four years.

(paragraph 2.2)

4. Irregular and costlier purchase of electric meters

The Dean of Government General Hospital, Madras purchased, without any delegated financial authority, 422 electric meters at a cost of Rs.1.79 lakhs for providing in the staff quarters of the Hospital, even though only the Public Works Department is responsible for providing such meters. Out of them, only 7 were installed and 415 remained unutilised for more than a year. Besides, the unit price paid for them was far above the rate offered by a manufacturer and consequently the purchase resulted in extra expenditure of about Rs.1 lakh.

(paragraph 2.3)

5. Dialysis equipments not put to use

Dialysis equipments purchased in June 1986 at a cost of Rs.4.49 lakhs could not be put to optimum use by Government Headquarters Hospital, Salem due to inadequate water supply arrangement.

(paragraph 2.5)

6. Non-utilisation of Tuberculosis wards in rural hospitals

Seven such wards were constructed between January 1984 and February 1987 in Taluk and TB hospitals at a cost of Rs.33.31 lakhs. Only two of them were put to use after a time lag of over two years and the remaining five wards could not be commissioned for want of infrastructural facilities. Thus, the outlay failed to yield the expected benefit of specialised clinical care and facilities for anti-TB treatment to the rural public and industrial workers.

(paragraph 2.6)

7. Integrated Development of Small and Medium Towns

This scheme provided assistance from Central and State Governments to Municipalities and Town panchayats of thirty seven towns with a population of less than three lakhs each, in order to take up works for increasing their rate of growth and equip them to act as growth and service centres for rural hinter-land and to reduce migration to metropolitan cities.

- Out of Rs.2790.69 lakhs given as assistance, including Central assistance of Rs.1383.94 lakhs, only Rs.2138.10 lakhs had been disbursed to the agencies implementing the scheme, leaving Rs.652.58 lakhs unutilised by the end of March 1988.

- Against Rs.1791.65 lakhs of loans disbursed to twenty nine agencies between 1980-81 and 1987-88,

no expenditure had been incurred by five Municipalities which received assistance of Rs.51.75 lakhs. The rest could not utilise Rs.191.97 lakhs till the end of March 1988. Ten agencies did not refund Rs.45.10 lakhs of unutilised assistance after completion of projects.

- Out of 175 projects taken up before March 1985 in twenty eight towns, only 156 projects were completed by March 1988 at a total cost of Rs.1612.80 lakhs.

- Rupees 127.30 lakhs were released as loan assistance for low cost sanitation projects, of which only Rs.62.42 lakhs were disbursed to eight agencies, seven of which spent Rs.43.65 lakhs till the end of March 1988. The progress in construction was poor in three test checked municipalities.

- During Seventh Plan thirty projects in seven towns were taken up with assistance of Rs.101.75 lakhs, but only one project had been completed with an expenditure of Rs.30.39 lakhs.

- Rupees 96 lakhs spent on development of sites for economically weaker sections in thirteen towns remained unfruitful as no sites were allotted.

- Delay in taking over completed bus stands by two municipalities resulted in loss of revenue estimated at Rs.5.50 lakhs.

- Rupees 174.89 lakhs were over-due at the end of December 1987 from thirty one municipalities

towards repayment of principal and interest on loan assistance.

(paragraph 3.1)

8. Improvements to transport in Madras City

A project for improvement of transport in Madras City was launched in 1977 as a component of Madras Urban Development Project. It envisaged construction of 17.5 kms. of Inner Ring Road, elimination of bottlenecks in the road network, strengthening traffic engineering and management as well as expansion of pedestrian and bicycle facilities.

- The project expected to be completed in March 1984 still remains unfinished and the cost has risen by over fifty per cent of the original estimate of Rs.1250.68 lakhs.

- Several sections of Inner Ring Road are still incomplete.

- Failure of the Highways and Rural Works Department to hand over a quarry site and consequent delays in the progress of the work resulted in payment of Rs.5.54 lakhs towards compensation to a contractor.

- Repeated tendering and award of work in four parts led to extra expenditure of Rs.2.48 lakhs.

- The work of formation of approaches to a road overbridge was incomplete even eight years after commencement, rendering the expenditure of Rs.120.23 lakhs thereon unfruitful.

(paragraph 3.2)

9. Anaikuttam Reservoir Project

This project was sanctioned in May 1982 for Rs.276 lakhs, for providing irrigation to 1,821 hectares.

- It is still in progress eight years after its sanction. It is now estimated to cost Rs.498 lakhs, of which Rs.417.54 lakhs have been spent till the end of July 1987.

- It has become unviable with cost exceeding benefits, after revision of the cost estimates.

- Additional expenditure of Rs.2.10 lakhs was incurred due to extra lead for conveyance of earth necessitated by delay in reconstruction of approach road.

- Extra cost of Rs.3.72 lakhs incurred on account of execution of works through alternative agencies could not be recovered due to adoption of piece work contract system.

(paragraph 4.1)

10. Unproductive expenditure on^a a new tank

Expenditure of Rs.3.23 lakhs on a new tank in Dharmapuri District remained unproductive from 1975, as no water could be provided for irrigation for want of adequate inflow.

(paragraph 4.2)

11. Restoration of Aranvoyal anicut

Restoration of the damage to this anicut is estimated to cost Rs.20.50 lakhs. The damage was attributed to illicit quarrying of sand in the bed of the river near the anicut. No concrete and effective action was taken to prevent the illicit quarrying, although it was reported to Revenue and Police Departments before the damage.

(paragraph 4.4)

12. Unproductive outlay on Special Minor Irrigation Work

Defective construction of the canal leading from a new tank in Chidambaranar District has led to unproductive outlay of Rs.5.03 lakhs on the tank which did not provide irrigation for over ten years.

(paragraph 4.5)

13. Non-utilisation of newly constructed Canteen block

The Canteen block in Central Office

Building Complex in Teynampet, Madras, constructed in August 1985 at a cost of Rs.4.56 lakhs to serve over thousand Government employees had not been put to beneficial use as the Canteen is yet to be started. The expenditure thus remained unproductive for over three years.

(paragraph 4.6)

14. Unfruitful expenditure

Government land in the heart of Madras City was resumed from the management of the University Students Club for conversion into a Government Rest House. However, after expenditure of Rs.3.39 lakhs on dismantling and clearance of debris, there has been no progress and the land has not been put to use for the past eight years rendering expenditure of Rs.3.39 lakhs unfruitful.

(paragraph 4.7)

15. Delay in air-conditioning twin operation theatres

The benefit of air-conditioned operation theatres had not been provided in the District Headquarters Hospital, Nagapattinam, even after an outlay of Rs.7.15 lakhs due to lack of control over the work and co-ordination among the departments concerned.

(paragraph 4.11)

16. Unproductive outlay on construction of a building

The building for a Primary Health Centre in Madurai District constructed in March 1983 at a cost of Rs.4.45 lakhs to provide a dispensary and rent free staff quarters, had not yet been put to use for want of water supply and electricity facilities.

(paragraph 4.12)

17. Injudicious discontinuance of a Training Course

A Certificate Course of training in rubber technology, approved by Government and found justified from the angle of industrial requirements and employment opportunities, was discontinued without any specific orders from Government, after training only one batch of fourteen students. The course has not been revived so far nor another viable alternative training programme arranged in lieu thereof. The discontinuance resulted in machinery and equipments costing Rs.4.70 lakhs remaining idle for over five years, unauthorised diversion of the sanctioned staff for other purposes and loss of training and employment opportunities for atleast forty five students.

(paragraph 10.1)

CHAPTER I

FINANCE DEPARTMENT

1.1. Tamil Nadu Raffle Scheme

1.1.1. Introduction

The Tamil Nadu Raffle Scheme is a lottery in which the prizes are won by one or more of a number of persons buying the tickets according to draws held with reference to the number of prizes announced under each draw. It was introduced in August 1968 to harness the savings of the people for economic development on new lines. It was temporarily suspended on 12th September 1975 and revived on 7th August 1976.

In March 1970, the Tamil Nadu Special Welfare Fund was created by Government in the Public Account of the State, to which 75 per cent of the net proceeds of the raffle draws were transferred annually. From December 1980, the entire net proceeds of the first draw held in the month of December and 75 per cent of the net proceeds of other draws held during the financial year are transferred annually to the Fund. The Fund is utilised for transfer of net proceeds of the first draw held in the month of December to Tamil Nadu Ex-Service Personnel Benevolent Fund and for implementing special welfare programmes in rural areas such as Water Supply Schemes, Acquisition of house sites for Adi-Dravidars, etc.

Upto March 1984, for the first three prizes, the draws were repeated in the event of draws resulting in numbers of unsold tickets till

they were on sold tickets. Thereafter such redraws are not made, with the result that there is no liability for payment of the first three prizes if the draws were on unsold tickets. Prize moneys for which claims are not preferred within 180 days in respect of draws held upto November 1986 and the bumper draw in December 1986 and within sixty days in respect of draws held thereafter lapsed to Government.

The raffle tickets were printed in Government Central Press, Madras till November 1984 and thereafter they are printed at a private press under the supervision of the Assistant Works Manager of the Directorate of Tamil Nadu Raffle.

The tickets remaining unsold were destroyed on the day prior to the day of draw by burning, prior to July 1987. From the 10th July 1987, such unsold tickets are cut into pieces by a special machine on the day prior to the day of draw and sold as waste paper.

The raffle tickets are sold to the authorised agents appointed under the Scheme, to make them available to the public. A commission is paid to the agents which had to be raised from ten per cent in August 1968 to sixteen per cent from May 1983 on the face value of tickets purchased by them, due to decline in popularity of the Scheme. Additional incentives are also allowed for bulk purchase of tickets and these had to be revised upwards for the same reason. Besides, bonus at ten per cent of the prize money is also paid to the agents and

sellers of prize winning tickets. The details of commissions and incentives to agents, paid from time to time, are in Appendix I.

As on April 1987, the tickets are sold to the agents at eighty four paise per rupee of the face value, deducting the commission of sixteen paise. The realisation of eightyfour paise includes sales tax and surcharge thereon of eight paise on the sales of the tickets.

1.1.2. Organisational set up

The Scheme is administered by the Director of Tamil Nadu Raffle (DOR). Prior to August 1986, the sale of raffle tickets, disbursement of prize money and disposal of unsold tickets were carried out by DOR in respect of Madras City and areas outside the State and by the Mofussil Sub Treasury Officers in respect of the areas in the State. Thereafter, the work (except the disbursement of prize money upto 31st March 1987) was withdrawn from the Sub Treasury and the entire operations are done by the DOR. The Movement Officer in the Directorate of Tamil Nadu Raffle is incharge of the custody of the raffle tickets, their distribution (sale) and the disposal of unsold tickets.

1.1.3. Audit coverage

The implementation of the Scheme during the period 1983-84 to 1987-88 was reviewed in Audit during April 1988 in the Secretariat Finance Department and Directorate of Tamil Nadu Raffle.

1.1.4. Highlights

- The net proceeds of the Scheme, after setting off expenditure on salaries, printing, publicity, commission, bonus and prize money, ranged from 1 to 12 per cent only of the gross value of the tickets printed for sale during the five years 1983-84 to 1987-88, below the expected minimum of fifteen per cent (paragraph 1.1.5).

- Twentytwo to fiftyfive per cent of the prize money lapsed to Government as unclaimed. The Scheme would have incurred losses if such unclaimed prize moneys had been paid (paragraph 1.1.6).

- There was a net loss of Rs.34.86 lakhs in respect of the series called 'Ponmari', with fortyfive weekly draws, conducted between 22nd August 1986 and 10th July 1987. The series was continued even though there were net losses successively from the seventh draw held on 3rd October 1986 (paragraph 1.1.7).

Only 45 to 74 per cent of the tickets printed were sold during the period 1983-84 to 1987-88. The loss in printing unsold tickets was Rs.103.72 lakhs against which Rs.1.17 lakhs were realised on sale of cut pieces of these tickets (paragraph 1.1.8).

- There was an avoidable expenditure of Rs.5 lakhs on the salary of staff retained in the Sub Treasuries from September 1986 to March 1987, when the work of sale of raffle tickets was not

carried out by the Sub Treasuries (paragraph 1.1.9).

- No special welfare schemes in rural areas were formulated by Government for specific utilisation of the net proceeds of the raffles. The objective of channelising the net proceeds of the raffles through the Tamil Nadu Special Welfare Fund for specific welfare programmes has not been achieved (paragraph 1.1.10).

- The proposal of Director of Tamil Nadu Raffle submitted in October 1987, to ban, by executive order/legislation the sale of private lotteries, authorised by other States, in Tamil Nadu is still under consideration of Government (paragraph 1.1.12).

1.1.5. Poor revenue yield

The financial results of the Scheme for the period 1983-84 to 1987-88 are indicated below:-

	1983-84	1984-85	1985-86	1986-87	1987-88
(1)	(2)	(3)	(4)	(5)	(6)
	(in lakhs of rupees)				
I. Face value of tickets printed for sale	<u>880.00</u>	<u>872.00</u>	<u>960.00</u>	<u>1849.00</u>	<u>2266.00</u>
II. Face value of tickets sold	552.49	386.87	614.87	1087.39	1165.23
<u>Less: Sales Tax paid</u>	<u>0.49</u>	<u>6.87</u>	<u>25.87</u>	<u>94.39</u>	<u>99.50</u>

(1)	(2)	(3)	(4)	(5)	(6)
		(in lakhs of rupees)			
III. Gross Receipt	552.00	380.00	589.00	993.00	1065.73
IV. Expenditure					
Salaries	19.02	22.86	28.30	28.76	18.01
Printing					
Charges	72.47	51.07	30.38	48.13	41.19
Publicity and					
Advertisement	19.07	23.51	18.75	33.68	33.50
(a)	110.56	97.44	77.43	110.57	92.70
Commission	84.43	70.44	26.37	224.17	199.00
Bonus	35.71	11.08	55.09	92.97	158.54
Prize Money	267.68	160.08	219.53	539.46	485.47
(b)	387.82	241.60	400.99	856.60	843.01
Total (a)+(b)	498.38	339.04	478.42	967.17	935.71
V. Net Profit					
excluding					
Sales Tax					
Receipts					
(III - IV)	53.62	40.96	110.58	25.83	130.02
VI. Percentage of net					
receipt excluding					
Sales Tax collec-					
tions (V) to the					
face value of					
tickets printed					
for sale (I)	6	5	12	1	6
VII. Percentage of net					
receipt including					
Sales Tax collec-					
tions to face					
value of tickets					
printed for sale	6	5	14	7	10

According to the guidelines issued by the Government of India (GOI) in June 1984, net profit from the lottery should be atleast fifteen per cent of the gross value of the tickets printed for sale. However, the stipulated minimum percentage (fifteen) of the net profit was never realised under the Scheme during the years 1983-84 to 1987-88 and it ranged from 12 to 1 per cent.

1.1.6. Lapsed prizes

The prize moneys lapsed to Government as unclaimed ranged from 22 to 55 per cent of the total prize moneys declared as won during the years 1983-84 to 1987-88 as indicated below :-

Year	Total prize money won	Prize money lapsed	Percentage of lapsed prize money to total prize money
(in lakhs of rupees)			

1983-84	405.74	138.06	34
1984-85	355.03	194.95	55
1985-86	424.78	205.25	48
1986-87	694.26	154.80	22
1987-88	672.61	187.14	28

Had all these prize moneys been claimed, the Scheme would have resulted in continuous losses of Rs.84.44 lakhs in 1983-84, Rs.153.99 lakhs in 1984-85, Rs.94.67 lakhs in 1985-86, Rs.128.97 lakhs in 1986-87 and Rs.57.12 lakhs in 1987-88.

The unclaimed prizes of 1987-88 included one first prize of Rs.5 lakhs (Cauvery), two first prizes of Rs.1 lakh each (Ponmari) and twelve second prizes of Rs.5,000 each.

1.1.7. Losses on bi-weekly and tri-weekly draws

According to the guidelines of GOI issued in June 1984, there may be no lotteries with draws at intervals of less than a week. However, two new series of draws called "Parivallal" and "Ponmari" were introduced under the Scheme, which had resulted in two draws from May 1986 and three draws from August 1986, in a week.

Out of forty five draws held under the series called "Ponmari" (introduced on 22nd August 1986 and withdrawn on 1st August 1987), there were net profits totalling Rs.1.26 lakhs only in six of these draws (2nd, 5th, 6th, 38th, 44th and 45th); the remaining thirty nine draws resulted in net losses totalling Rs.36.12 lakhs, the expenditure having exceeded the receipts under each draw due to poor sales of tickets. The total net loss in the series, "Ponmari", was Rs.34.86 lakhs. The draws were continued till August 1987, inspite of net losses in successive draws from the 7th draw held on 3rd October 1986.

Government stated in July 1988 that position on the draws could be reviewed only after the progress of the draws newly introduced and that the draw was withdrawn later, as it proved unsuccessful on the review made. However, it was not clarified how thirty successive draws were continued after the seventh draw despite continuous losses. That each draw was ending in a loss was within the knowledge of the Directorate.

1.1.8. Loss due to printing of unsold tickets

The annual sale of raffle tickets ranged from 45 to 74 per cent only of the total number of tickets printed for sale during 1983-84 to 1987-88 as indicated below :-

Year	Printing charges (in lakhs of rupees)	Number of tickets		Percentage of sale
		Printed	Sold	
1983-84	72.47	7,60,00,000	4,82,21,093	63
1984-85	51.07	7,62,00,000	3,71,21,600	49
1985-86	30.38	8,40,00,000	6,19,47,604	74
1986-87	48.13	15,69,00,000	8,97,64,500	57
1987-88	41.19	13,57,00,000	6,17,16,450	45

It may be seen that the rise in the sale of tickets during 1986-87 was far below the considerable stepping up in the printing of tickets in that year. In the next year 1987-88, the number printed was reduced, but there was a steep fall in the sales and the tickets sold went down even below the level reached in 1985-86.

The Government pleaded inability to reduce the number of tickets to be printed, in the light of past trends, mainly due to the lead time of three months required for printing the tickets, fluctuating demands and likely legal problems if the printing was reduced.

The loss, representing pro rata printing charges of unsold tickets, amounted to Rs.103.72 lakhs for the draws held between April 1983 and March 1988. Against this loss, only a sum of Rs.1.17 lakhs was realised on the sale of cut pieces of unsold tickets between July 1987 and May 1988.

1.1.9. Avoidable expenditure on staff

As the sale of raffle tickets through Sub Treasuries to agents was on the decline and several complaints were received from the agents about the non-cooperation of the Sub Treasury staff, sale of raffle tickets through Sub Treasuries was discontinued from August 1986. Only the disbursement of prize money under the Scheme was continued by the Treasuries upto March 1987. However, seventy-three Junior Assistants specifically sanctioned and appointed for sale of raffle tickets were disbanded only in April 1987. As the disbursement of prize money is only a normal treasury function not requiring additional staff, the retention of this staff from September 1986 to March 1987, involving an expenditure of Rs.5 lakhs on their salary, was avoidable.

1.1.10. Tamil Nadu Special Welfare Fund

The Tamil Nadu Special Welfare Fund is to be operated by a Special Welfare Fund Committee which should decide the allocations of amounts to be made from the Fund for various schemes. The Committee is to meet in September of every year and decide upon the sectoral allocation of funds for the next financial year and again

in December each year to consider the schemes prepared by the Administrative Department of the Secretariat and issue proceedings sanctioning the schemes. Based on these proceedings, orders of Government are to be issued by the Administrative Department concerned sanctioning the special welfare schemes. The concerned departments were to implement these special welfare schemes, along with others from the departmental budget allocations. The expenditure on these schemes was to be separated and debited to a sub head "Schemes financed by the Tamil Nadu Special Welfare Fund" and eventually transferred to the Fund.

However, the Committee had never met during the last 5 years from 1983-84. No Special Welfare Schemes were formulated and implemented for specific utilisation of the net proceeds of raffles. Only a part of the expenditure on schemes already implemented by Government was met from the raffle receipts.

An account of the receipt and expenditure of the Fund for the years 1983-84 to 1987-88 is given below :-

Year	Receipt	Expenditure
	(in lakhs of rupees)	
Opening balance as on 1st April 1983	22.45	
1983-84	40.70	40.70
1984-85	29.03	29.03
1985-86	Nil	Nil
1986-87	19.84	Nil
1987-88	153.60	0.23
By closing balance as on 31st March 1988		195.66
	<u>265.62</u>	<u>265.62</u>

The transfers of expenditure to the Fund had also not been made in the accounts for 1985-86 onwards. An expenditure of Rs.1.86 lakhs towards contribution to the Ex-service Personnel Benevolent Fund during 1986-87 already incurred has not been transferred to the Fund. Therefore, the balance of Rs.195.66 lakhs in the Fund as at the end of March 1988 does not represent the result of correct account of the net proceeds from the raffles to be utilised through the Fund.

Because of these administrative and accounting deficiencies the objective of channelising the net proceeds of the raffles through the Tamil Nadu Special Welfare Fund for Specific Welfare Programmes has not been achieved.

1.1.11. Appointment of sole selling agents

With a view to improving the sale of Tamil Nadu Raffle tickets and augmenting the State revenue, Government issued orders in February 1985 for appointment of sole selling agent on the basis of tenders for distribution and sale of only Tamil Nadu Raffle tickets on pre-payment and also publicity. The proposals of the DOR, forwarded in August 1986 along with the tenders received and a comparative statement for acceptance and appointment of sole selling agents, were pending with Government. Government stated in July 1988 that the matter was under examination and orders would be issued shortly; however, orders have not so far been issued (November 1988). The earnest money deposits of Rs.55 lakhs collected from the tenderers in October 1986 were refunded by the DOR in April 1988 reportedly on telephonic instructions from Government.

1.1.12. Banning of private lotteries

In February 1985, the Government of India suggested suitable legislation by the State restricting the sale of tickets of private lotteries authorised by other States and regulating their conduct in respect of private lottery tickets in the State which did not conform to the guidelines issued already. Accordingly, the DOR proposed to Government in October 1987 to ban the sale of private lotteries in Tamil Nadu by an executive order and to make suitable legislation restricting the sale of tickets of private lotteries authorised by other States. Government have not issued any orders on these proposals so far (November 1988), but stated in July 1988 that they had no

permitted running of private lottery and at the same time banning of private lotteries was under their active consideration.

1.1.13. Impact

Though the Scheme is implemented in the State from August 1968, no survey has been conducted to evaluate the impact of the Scheme on the people on their savings, employment, preference for the Tamil Nadu raffle over lotteries of other States, private lotteries, etc.

Government stated in July 1988 that periodical review meetings were being conducted, on receipt of suggestions from the agents and sellers, in the Directorate of Tamil Nadu Raffle and in the District headquarters by officials and therefore there was no necessity to have a survey at Government level. It may, however, be stated that these review meetings at the Directorate and district headquarters deal by and large with suggestions from agents and sellers for boosting the sale of raffle tickets and payment of commission, incentives and bonus. These meetings would not therefore facilitate the evaluation of the impact of the Scheme on the general public in regard to the aspects mentioned above.

CHAPTER II

HEALTH, INDIAN MEDICINE AND HOMOEOPATHY AND FAMILY WELFARE DEPARTMENT

2.1. National Malaria Eradication Programme

2.1.1. Introduction

National Malaria Eradication Programme (NMEP) is a centrally aided scheme implemented by the State Governments from 1958 for total eradication of malaria within six to seven years. The operations under the Programme were limited to rural areas only upto 1971 and thereafter the Urban Malaria Scheme (UMS) for towns having population of 40,000 and above was introduced as part of the Programme covering Madras and nine other towns in phases.

The Programme however failed to achieve total eradication even by 1975. Due to resurgence of the disease in 1976, the strategy of the Programme was revamped with a view to effectively controlling and containing malaria and preventing deaths due to malaria instead of its total eradication and it was called Modified Plan of Operations (MPO). Under MPO, the main activities to be executed by the State Governments are insecticidal spray during transmission period (during which malaria vectors - species of mosquitoes which transmit the malaria infection - multiply and transmit the infection), fortnightly collection of blood smears from fever cases, its examination, treatment of fever/malaria cases with anti-malaria drugs and undertaking of anti-larval operations in urban areas. Spraying operations were to be undertaken in areas, divided into sections, with reference to the number of positive malaria

cases per thousand population per year, known as Annual Parasitic Index (API). All areas with API of two and above were to undergo regular spraying operations irrespective of whether the area was in 'attack', 'consolidation' or 'maintenance' phase.

Out of 3,750 sections in the thirty Health Unit Districts (HUDs) of the State, the number of sections with API more than two ranged from 212 to 258 during the four year period 1984 to 1987 as indicated below :-

Year	HUDs	Number of sections with API above 2
1984	20	258
1985	20	242
1986	16	214
1987	17	212

From 1979-80 onwards, the financing of the Programme is being shared equally between the Centre and the State. However, considering the financial difficulties expressed by the States in the procurement of costly insecticides, Government of India (GOI) provided Malathion at 100 per cent Central assistance during 1983-84 and 1984-85. In the Seventh Five Year Plan period (1985-90), it is being supplied on 50 : 50 sharing basis. Central assistance covers expenditure on material and equipment, insecticides like DDT, BHC, Malathion; drugs procured indigenously, micro slides, larvicides other than

malaria larvicide oil (MLO) and superior kerosene, oil in kind. State Government meets the expenditure, out of their share of allocation as per approved pattern, on entire operational cost, Malathion from indigenous sources, sprayers, vehicles, MLO and kerosene oil from Indian Oil Corporation for use in UMS.

2.1.2. Organisational set up

The Programme under MPO is implemented in Tamil Nadu from April 1977 by the Director of Public Health and Preventive Medicine (DPH), assisted by the Joint Director (Malaria) at Headquarters, Regional Assistant Directors, District Health Officers, District Malaria Officers and Medical Officers of Primary Health Centres (PHCs).

2.1.3. Audit coverage

Mention was made in paragraph 3.4 of the Report of the Comptroller and Auditor General of India for the year 1980-81 (Civil) about the shortcomings in the implementation of the Programme. The Committee on Public Accounts (1984-85) of the Legislative Assembly considered the points mentioned therein and made its recommendations to Government in paragraph 13 of its 33rd Report.

The implementation of the Programme was further reviewed by Audit, during December 1987 to May 1988, in the Government Secretariat, Offices of DPH, five Regional Assistant Directors, eight District Health Officers and twentyeight PHCs.

2.1.4. Highlights

- The incidence of malaria in Tamil Nadu, which was at 1.04 lakh positive cases in 1976, came down to about 0.72 lakh cases in 1981; it showed a steady decline from 1984 after a peak in that year with no reported death cases. However, the actual incidence could be higher, as the statistics relate only to cases handled by Government agencies, excluding cases treated by private medical practitioners and not notified to the Department (paragraph 2.1.6).

NMEP (RURAL)

- Populations ranging from 32.44 lakhs to 42.93 lakhs in a part of the areas with high incidence of malaria were not covered by regular round spray operations from 1984 to 1987. In other parts, spraying coverage of population was only 52 to 67 per cent. Even in sections where spraying was done, nearly half the number of rooms was not sprayed. In three test checked Health Unit Districts, mop-up operations to cover rooms, left unsprayed by the main team, were not carried out (paragraph 2.1.7).

- In areas with low incidence of malaria focal spraying was insignificant (paragraph 2.1.7).

- Consumption of Malathion was less than the prescribed dosage for spraying by about 70 to 73 per cent. In eight Public Health Centres, spraying was continued during 1985 to 1987 with the same insecticides which were found ineffective earlier (paragraph 2.1.8).

- Under active surveillance operation, blood smear collection each year was significantly below the targeted ten per cent of population during the years 1984 to 1987 in the State (paragraph 2.1.10).

- Neither of the targets for blood smear collection, under passive surveillance, set as fifteen per cent of the new fever cases or six per cent of population, was achieved in test checked Health Unit Districts, during 1985 to 1987 (paragraph 2.1.11).

- There was shortfall in blood smear collection ranging from 76 to 81 per cent of target during 1983 to 1987 under 'Mass and contact survey' operations in eight HUDs, which would have adversely affected studies on the incidence of malaria (paragraph 2.1.12).

- Radical treatment with Primaquine, required to be given in all fever cases within ten days of detection, was not at all administered to sixteen per cent of the total malaria cases in the State during the period 1981 to 1987. In areas test checked, it was seen that only 8 to 12 per cent were treated within the prescribed ten days but about eightyfive per cent were treated within thirty days. Confirmation of cure through collection and examination of blood smear immediately after radical treatment was not secured for more than half of the people treated. Follow up action of collection and examination of blood smears at monthly intervals, for a year, after radical treatment to contain relapse of the disease, was taken only to the extent of 8 to 14 per cent (paragraph 2.1.14).

- One lakh time-expired Primaquine tablets were administered in Coimbatore zone (paragraph 2.1.15).

- The Programme suffered from shortage of staff of about thirtyseven per cent at supervisory level and twenty per cent at direct worker level during 1984 to 1987 (paragraph 2.1.16).

- No research projects had been undertaken under the Programme so far (paragraph 2.1.17).

URBAN MALARIA SCHEME (UMS)

- Malaria control in urban areas should have received greater attention as malaria was prevalent more in Madras and nine other towns than in the rest of the State, but it was implemented defectively. Expenditure incurred on malaria control by the Local Bodies of these towns had not been reimbursed by Government from 1979-80 onwards. No Biologist is in position, to be in charge of malaria control operations and assess their impact. The incidence of malaria was on the increase from year to year in Erode and Salem towns during 1983 to 1987 mainly due to deficiency in coverage in insecticidal and larvicidal spray operations (paragraph 2.1.18).

- Madras City accounted for 56 to 72 per cent of the total malaria cases in the State. The incidence was high, with cases between 2 and 200 per thousand population per year, in 65 to 83 per cent of the Corporation divisions. However, spraying and surveillance operations in the City were poor during the years 1983 to 1987 (paragraph 2.1.19).

2.1.5. Financial outlays

The total expenditure on the scheme in the eleven year period April 1977 to March 1988 was Rs.6975.47 lakhs, of which Rs.948.39 lakhs were provided by the Central Government, partly in cash (Rs.330.67 lakhs) and the rest in kind. Year-wise details are given below :-

Year	Central assistance			Expenditure		
	Cash	Kind	Total	Plan	Non-Plan	Total
(in lakhs of rupees)						
1977-78 to						
1980-81	42.80	235.54	278.34	321.12	1327.39	1648.51
1981-82	Nil	5.75	5.75	119.59	432.12	551.71
1982-83	Nil	19.03	19.03	101.77	491.96	593.73
1983-84	104.77	46.12	150.89	119.78	549.25	668.93
1984-85	53.03	78.44	131.47	108.67	621.19	729.86
1985-86	92.25	97.95	190.20	134.89	729.53	864.42
1986-87	23.38	74.12	97.50	119.98	787.96	907.94
1987-88	14.44*	60.77*	75.21*	125.31	885.06	1010.37*
Total	330.67	617.72	948.39	1151.11	5824.36	6975.47

* Departmental figures only

2.1.6. Incidence of Malaria

The incidence of malaria in Tamil Nadu during the years 1981 to 1987 based on the cases detected and recorded showed a steady decline from

1984 after a peak in that year as below, with no reported death cases.

Year	Number of malaria positive cases
1981	71,517
1982	65,797
1983	67,192
1984	71,924
1985	71,347
1986	58,741
1987	55,523

However, these data on incidence of malaria are based only on the results of surveillance operations conducted mainly in households, hospitals and malaria clinics run by the Department and case detection thereafter by smear examination of fever cases. They exclude cases treated by private medical practitioners and not notified to the Departmental officers. In 8 Health Unit Districts test checked in Audit, only in one district such cases were notified to the departmental officers. Consequently the actual incidence of Malaria could be higher.

All private medical practitioners are required, under Section 64 of the Tamil Nadu Public Health Act, 1959, to notify the cases of malaria infection treated by them to the nearest Health Officers. The DPH stated in May 1988 that effective

action against private medical practitioners for failure to notify the cases could not be instituted, as treatment by them was mainly on the basis of clinical symptoms and not on blood tests.

NMEP (RURAL)

2.1.7. Inadequacies in spray operations

Under the Programme, regular insecticidal spraying operations have to be repeated in areas which had an API of two and above, once after 8 to 10 weeks where DDT is used and twice after 6 to 8 weeks where BHC/Malathion is used, so that all spraying surface available in the area remains lethal for the vector (species of mosquitoes transmitting malaria infection) to prevent transmission of malaria; as also well timed according to the transmission period from June to November. No information regarding coverage of such regular round spray operations of areas and population with API of two and above was available with DPH for the years 1981 to 1983. Thereafter from 1984 to 1987, the extent of regular spraying was below the stipulated level as elaborated below :-

(1) The entire population of 153.65 lakhs with API of two and above requiring coverage was not covered by regular round spray operations in 11 to 14 HUDs in the State as indicated below :-

Year	Number of HUDs	Population (in lakhs)
1984	13	32.44
1985	14	39.04
1986	11	42.93
1987	12	39.24
		<hr/> 153.65 <hr/>

(2) In other districts, 52 to 67 per cent of the population with API of two and above requiring spraying coverage was not covered during the years 1984 to 1987 as indicated below :-

Year	<u>Population to be covered</u>	<u>Population not covered</u>	
	Number	Number	Percentage
	(in lakhs)		
1984	6.91	3.60	52
1985	6.49	3.94	61
1986	4.40	2.96	67
1987	4.12	2.41	58

(3) Even in the sections where spraying was done, though achievement was near the target under 'cattlesheds', significant number of 'rooms' was not sprayed and the shortfall in spraying ranged from 47 to 55 per cent of target as indicated below :-

Year	Cattlesheds		Rooms		
	Target	Achievement	Target	Achievement	Percentage of shortfall
1984	68,296	66,783	8,95,158	4,22,840	53
1985	72,134	63,504	7,50,540	3,95,473	47
1986	69,626	67,787	8,13,526	3,83,535	53
1987	73,154	72,216	8,33,336	3,72,814	55

(4) Test check by Audit in three HUDs which had a total of 316 sections showed that significant number of sections with API of two and above was not covered by regular round spray, while spraying had been done in vulnerable sections with API of less than two. The overall shortfall in achievement under 'rooms' ranged from 50 to 56 per cent of the target, while the achievement under 'cattlesheds' was over 93 per cent during the years 1983 to 1987.

The District Officers stated that the deficiency in coverage was generally on account of the premises remaining closed and refusal by the public to allow spraying which stained the walls and produced bad odour (of the insecticides used).

(5) Houses left unsprayed by regular spray teams, for one reason or other, are required to be covered quickly by spray squads following the main team (known as mopping up operations). In the three HUDs test checked by Audit, the mopping up operations were not carried out during the years 1983 to 1987, although the 'rooms' left unsprayed

by regular round spray ranged from 52 to 56 per cent and 'cattlesheds' ranged from 1 to 7 per cent of the targets.

(6) Population areas having API below two, were normally not to be covered by regular insecticidal spray; but the Programme envisaged that even in such cases, fifty houses around a detected malaria case must be given insecticidal spray. Test check by Audit disclosed that this focal spraying was insignificant as shown below :-

Year	Number of HUDs	Number of PHCs for which information was available	Malaria cases detected	Houses to be covered	Houses/ Rooms covered under focal spray	Percentage of coverage
1983	4	13	808	40,400	8,739	22
1984	6	17	3,057	1,52,850	12,689	8
1985	6	21	3,525	1,76,250	8,109	5
1986	6	20	4,893	2,44,650	8,127	3
1987	6	19	5,079	2,53,950	11,896	5

The poor coverage was stated to be on account of refusal by the public to accept the sprays. The counter measures initiated by the Department to inspect such houses and complete spraying to prevent the spread of the disease were not on record.

Similar inadequacies in spraying operations, commented in the Report of the Comptroller and Auditor General for the year 1980-81 were considered

by the Committee on Public Accounts (1984-85). It recommended vigorous steps to achieve the targeted coverage by spraying, wide publicity through mass media to overcome resistance from the public and augmentation of staff for proper and complete implementation of the Programme. However, despite an assurance by Government in September 1985 to make all efforts to achieve better coverage, the inadequacies have persisted.

2.1.8. Consumption of Insecticides

The spraying operation requires 900 tonnes of Malathion for covering one million population with dosage of 2150 mg. per square metre in three rounds. Test check revealed that the quantities of Malathion consumed for spraying problem areas were far less than those required for application of the prescribed dosage. The shortfalls ranged from 70 to 73 per cent of the requirements as per norms and they would have impaired the effectiveness of spraying operations. Further details are as below :-

Year	Number of PHCs	Spraying population	Quantity of Malathion		Percentage of shortfall in consumption
			Required	Consumed	
			(in tonnes)		
1985	6	4,34,013	390.6	117.7	70
1986	5	3,83,176	344.7	101.6	71
1987	5	3,83,845	345.6	94.5	73

According to susceptibility tests conducted during 1983 to 1987, the vectors were found to be resistant to DDT/BHC in certain areas in 8 PHCs test checked in Audit. However, these areas covering a total population of 50,190 were continued to be sprayed during 1985 to 1987, by the same insecticides, which were found ineffective there, instead of Malathion.

2.1.9. Surveillance operations

Another important component of the Programme related to effective surveillance operations, comprising case detection by blood smear examination of fever cases and administration of radical treatment of all cases found to be malaria positive. This work carried out by workers and inspectors of the Malaria Eradication Department is called 'Active Surveillance' and that done through static and voluntary agencies, such as hospitals, dispensaries, health centres, private practitioners, etc., is termed 'Passive Surveillance'. Apart from routine 'Active' and 'Passive' surveillance, mass and contact blood smear survey is to be conducted for the entire population of selected areas.

Inadequacies in surveillance operations, mentioned in the Report of the Comptroller and Auditor General of India for the year 1980-81 (Civil) were considered by the Committee on Public Accounts (1984-85). It recommended that Government should gear up its machinery and take urgent steps to achieve the targets in full and wanted a report on the steps taken. Government stated in September 1985 that the shortfall in blood smear collection was

being reduced by fixing monthly target for each BHW and taking disciplinary action against defaulters. However, the inadequacies have persisted in surveillance operations also, as discussed in the following paragraphs.

2.1.10. Active Surveillance

Under Active Surveillance, blood smears of 10 per cent, per annum, of the total population are to be collected for analysis at the laboratory attached to PHC. During the years 1984 to 1987, blood smear collection each year in the State was significantly below the targeted 10 per cent although the coverage showed an improvement over the years as below :-

Year	Population	Actual blood smears collected	Percentage of population covered
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(in lakhs)

1984	512	25.10	4.9
1985	521	28.74	5.5
1986	530	40.75	7.7
1987	539	40.86	7.6

2.1.11. Passive Surveillance

The Programme also envisaged collection of blood smears for analysis in not less than 15 per cent of the new fever cases per year in the Out-Patient Department (OPD) of hospitals or at 6 per cent of

the population of the area. Neither of these targets were achieved in 8 HUDs test checked as detailed below :-

(1) Percentage of collection to new OPD cases

Year	New OPD cases	Number of blood smears collected	Percentage
(in lakhs)			
1985	42.31	3.03	7.2
1986	45.27	3.74	8.3
1987	42.68	3.72	8.7

(2) Percentage coverage of population

Year	HUDs	Population	Blood smears collected	Percentage
(in lakhs)				
1985	7	104.70	3.03	2.9
1986	7	103.99	3.74	3.6
1987	6	101.92	3.72	3.6

2.1.12. Mass and Contact Survey

On detection of each malaria positive case (imported or indigenous) in areas with API less than two, 250 blood smears are to be collected from all persons in the household (contact smear) and in the neighbourhood (mass smears) in order to assess the extent of population affected by the

out-break. This procedure for control of the disease was not followed scrupulously in 8 HUDs test checked and the shortfall in collection ranged from 76 to 81 per cent as below, which would have affected adversely studies on the incidence of malaria disease in the population covered :-

Year	Number of positive cases sections of API below 2	Smear collections		
		Number to be collected as per norm	Actual	Percentage of shortfall
1983	748	1,87,000	44,530	76
1984	951	2,37,750	57,367	76
1985	721	1,80,250	41,977	77
1986	643	1,60,750	36,685	77
1987	611	1,52,750	28,875	81

2.1.13. Abandonment of Wall stencilling

According to the guidelines under MPO, the Basic Health Worker is to stencil the chart in the walls of houses and enter there his visits and the Basic Health Inspector is to attest these entries, in every tenth house in token of his supervision. This visual and direct evidence of implementation has been abandoned from May 1980, without any authority.

2.1.14. Radical treatment

To sterilise infection, radical treatment with Primaquine is required to be administered by

the Basic Health Worker in all fever cases found malaria positive within ten days of detection. However, radical treatment was not at all administered in respect of 16 per cent of 73,588 (out of 4,62,041) fever cases found malaria positive in the State during the years 1981 to 1987 as indicated below :-

Year	Number of malaria positive cases	<u>Cases of radical treatment</u>	
		Given	Not given (percentage)
1981	71,517	60,618	10,899 (15)
1982	65,797	59,689	6,108 (9)
1983	67,192	57,479	9,713 (14)
1984	71,924	58,954	12,970 (18)
1985	71,347	56,474	14,873 (21)
1986	58,741	48,419	10,322 (18)
1987	55,523	46,820	8,703 (16)
Total	4,62,041	3,88,453	73,588 (16)

In the areas test checked the percentage not treated ranged from 4.4 to 15.3 and the percentage treated after 10 days varied between 8.3 and 11.9 as detailed below :-

Year	PHCs	Total positive cases detected	Cases not treated		Cases treated after 10 days	
			Number	Percentage	Number	Percentage
1983	22	8,728	383	4.4	751	8.6
1984	23	7,312	439	6.0	639	8.7
1985	24	9,183	453	4.9	761	8.3
1986	23	8,545	1,309	15.3	726	8.5
1987	19	9,084	718	7.9	1,080	11.9
Total			3,302		3,957	

Out of 3,957 cases treated after 10 days, bulk (85.3 per cent) were treated within 30 days. The rest got treated as below :-

Between 31 and 60 days	11.5 per cent
Between 61 and 90 days	2.0 per cent
Beyond 90 days	1.2 per cent

As per the guidelines under MPO, blood smear is to be taken and examined from each malaria positive case immediately after completion of radical treatment for confirming the effectiveness of the treatment administered. However, in 4 HUDs test checked, such confirmation of cure through blood smear collection was not secured for more than half the people treated as below :-

Year	Cases of radical treatment	Cases of non-collection of smear for confirmation	Percentage of non-collection of smear
1983	7,240	4,251	59
1984	6,500	3,525	54
1985	6,866	4,199	61
1986	4,824	2,990	62
1987	5,461	3,196	59
Total	30,891	18,161	59

The Programme also provided for follow-up action of collection and examination of blood smears at monthly intervals for a period of twelve months after administration of radical treatment to contain relapse of the disease. This did not receive adequate attention, as in 7 HUDs test checked the actual collection ranged only from 8 to 14 per cent of the number specified, as indicated below :-

Year	Cases of radical treatment	Number of follow up smears		Percentage of cases followed up
		Specified	Actual	
1983	8,252	99,024	8,305	8
1984	6,320	75,840	10,078	13
1985	7,218	86,616	9,473	11
1986	5,227	62,724	8,676	14

2.1.15. Issue of time-expired drug

Primaquine tablets (which are administered for radical treatment of malaria positive fever cases) lose their potency after five years and field formations in Tamil Nadu were instructed in September 1987 not to use the time-expired tablets for treatment of malaria. It was, however, found during test check by Audit that one lakh Primaquine tablets manufactured in February 1980 were received in the Zonal Office, Coimbatore in April 1985, after the expected life of five years and distributed to district units between August 1986 and October 1987 and administered for treatment.

2.1.16. Inadequacy of manpower

As per MPO, 25 Basic Health Inspectors (BHIs) and 100 Basic Health Workers (BHWs) are to be employed per million population. However, staff were deployed on this Programme on a reduced scale and the Programme suffered from shortage of about 37 per cent at supervisory level (BHI) and 20 per cent at direct worker level (BHW), as detailed below :-

Year	Population as per mid year NMEP census* (in millions)	Number of BHIs			Number of BHWs		
		As per norms	Actual	Shortage (percen- tage)	As per norms	Actual	Shortage (percen- tage)
1984	47.65	1,191	742	449(38)	4,765	3,750	1,015(21)
1985	48.53	1,213	742	471(39)	4,853	3,750	1,103(23)
1986	49.40	1,235	740	495(40)	4,940	3,768	1,172(24)
1987	50.05	1,251	740	511(41)	5,005	3,768	1,237(25)

* Excludes Madras City

2.1.17. Research

Under MPO, research work should be stepped up, with separate allocation for the purpose on concrete proposals for research projects furnished to the Directorate of NMEP. However, no research projects had been undertaken under the Programme by Government during the years 1980-81 to 1987-88.

NMEP (URBAN)

2.1.18. Urban Malaria Scheme

In Tamil Nadu this scheme has been introduced in phases between November 1972 and May 1981 in Madras City as well as Salem, Rasipuram, Tuticorin, Elampillai, Erode, Vellore, Dindigul, Tiruchirapalli and Komarapalayam towns. The scheme was limited to interruption of malaria through anti-larval operations by spraying larvicides. The Local bodies of these towns were expected to take appropriate malaria control measures and seek reimbursement from Government, to the extent permissible. The Central Government supplied all the larvicides required for the Programme except MLO. However, for Madras City the supply was only upto a limited quantity.

The Urban Malaria Scheme (UMS) should have received greater attention, as malaria was prevalent more in the towns covered by the Urban Scheme than in the rest of the State as may be seen from the following table :-

Year	Number of positive cases			Percentage of UMS cases to the State		
	under UMS		In the State	total		
	Madras City	Other towns		Madras City	All towns	
1981	44,951	5,945	50,896	71,517	63	71
1982	44,981	2,859	47,840	65,797	68	73
1983	44,817	3,501	48,318	67,192	67	72
1984	48,523	3,311	51,834	71,924	67	72
1985	51,376	3,425	54,801	71,347	72	77
1986	39,197	5,385	44,582	58,741	67	76
1987	31,179	9,274	40,453	55,523	56	73

However, the implementation of the Urban Malaria Scheme was defective as elaborated below:-

(1) No reimbursement has been made by the State Government to the Municipalities from 1979-80 onwards, on the plea that the question of this payment would not arise until clarification was received from the Central Government regarding procedure to be adopted for obtaining Central assistance to cover half the expenditure on the scheme. The matter has not been resolved so far (November 1988). The Central assistance received till 1987-88 for this scheme was Rs.148.30 lakhs, of which Rs.24.76 lakhs were in cash and the rest in kind. According to information made available to Audit, claims made by five Municipalities for a total amount of Rs.66.54 lakhs for reimbursement are pending with Government. The Municipalities reported that their financial position was in bad shape due to non-receipt of grants

from Government and difficulties were experienced in meeting salary and other expenditure for malaria control activities. Details of the pending claims are given in Appendix II.

(2) In each Municipality a biologist was to be placed in charge of the malaria control operations and assess their impact. However, no biologist is in position in any of the towns other than Madras City despite creation of posts in Six Municipalities.

(3) Test check of implementation of programme in Erode and Salem Municipalities disclosed the following :-

(i) Incidence of malaria was on the increase in these Municipalities from 1983 to 1987 as shown below :-

Year	<u>Number of positive cases</u>	
	Erode	Salem
1983	759	682
1984	850	1,061
1985	568	1,351
1986	2,604	1,649
1987	6,077	2,045

The high incidence in Erode was attributed to abnormal increase in breeding places on account of construction of new houses, unauthorised layouts, huts, etc.; administration of only presumptive treatment without blood smear examination

in fever cases during 1981 to 1986 by an untrained mazdoor working as Laboratory Assistant, transmission to urban area from mosquito breeding places of certain Panchayats around the Municipality which were not covered by anti-mosquito scheme, non-coverage by spraying operations of overhead tanks due to inaccessibility and want of adequate manpower. In Salem, it was attributed to shortfall in radical treatment of malaria positive cases (of 8 to 28 per cent) during 1981 to 1986, ineffective treatment of wells, cisterns and sullages and employment of Sanitary Inspectors not trained in malaria eradication operations.

(ii) Residual round spraying was not at all conducted in both the municipal areas.

(iii) In Salem, focal spray coverage was very low during 1983 and 1984 and totally given up during 1985 and 1986; breeding places were not updated by enumeration after 1984 for their complete coverage by larvicidal spraying; biological control of malaria through induction of Gambusia and Guppy fish in wells, tanks, etc., was stopped after 1985, after the fish hatchery failed.

2.1.19. Malaria Control in Madras City

Out of the total malaria positive cases in the State, Madras alone accounted for 56 to 72 per cent, as indicated in paragraph 2.1.18. Of the 150 Corporation divisions in the City, 53 had, in 1983, API below two, implying low incidence.

However, this number of 53 divisions with low incidence, went down to 26 in 1985 and increased to 51 in 1987. Among the other divisions, the number with incidence of API between two and ten has gone up from 45 in 1983 to 68 in 1987, while the number of divisions with still higher incidence has gone down in the same period. On the whole, the incidence of malaria in the City in 1987 was higher than that in 1983. More details are given in the following table -

Year	Number of divisions with API			
	Below 2	2 - 10	11 - 70	Above 70
1983	53	45	47	5
1984	45	54	48	3
1985	26	70	52	2
1986	40	68	40	2
1987	51	68	28	3

The increase in the incidence of malaria in Madras City was mainly due to poor performance in spraying and surveillance operations, coupled with limited Government assistance under the Scheme. The inadequacies in the malaria control activities in the City are elaborated below :-

(i) Residual round spray. - In 97 to 124 divisions, which had API above two, no residual round spray was done during 1983 and 1984. During 1985-86, only 25 divisions were covered by residual round spray with DDT. In 18 of these divisions test checked, coverage by spraying fell short by 46

and 60 per cent of the target (rooms) as indicated below :-

Year	Target	Achievement	Percentage of shortfall
1985	1,76,765	95,328	46
1986	3,41,198	1,37,332	60

Residual round spray operations were not continued during 1987 reportedly due to non-availability of insecticides.

(ii) Active Surveillance.- Blood smear collection under active surveillance showed improvement in recent years but is still well below the target of 10 per cent of population prescribed for the programme, as under :-

Year	Population (in lakhs)	Number of blood smears collected	Percentage to population
1981	32.72	0.36	1.1
1982	32.72	0.59	1.8
1983	32.72	0.80	2.4
1984	32.72	0.63	1.9
1985	32.72	0.88	2.7
1986	36.00	1.23	3.4
1987	38.29	1.41	3.7

(iii) Passive Surveillance.- Blood slide collection during the years 1985 to 1987 under passive surveillance in Out-Patient Departments (OPDs) of five Government hospitals in the City disclosed that proper records were not maintained in four hospitals to link the number of blood smears with new OPD cases and in Government Stanley Hospital, the blood smear collection was only 5.5 to 7.5 per cent of new OPD cases as against 15 per cent prescribed.

(iv) Radical treatment.- During the years 1983 to 1987, 18 to 27 per cent of the malaria positive cases were not administered radical treatment to sterilise infection. The shortfall was attributed (April 1988), by the Health Officer of the Corporation, to non-availability of patients for administering the treatment, most of them being not traceable platform dwellers.

(v) Anti-Larval operations.- Information about the number of breeding places sprayed were not available for 1986 and 1987. In 1985, only 1,23,358 places were sprayed out of 1,78,853 wells, cisterns and overhead tanks to be covered. This shortfall was attributed by the Health Officer of the Corporation to unapproachability of overhead tanks, refusal by public to spraying in posh areas and houses remaining locked.

The survey of all the overhead tanks in six divisions of Circle VI, considered as a problem area, conducted by the Corporation in January 1986 indicated that about 26 per cent of the overhead tanks were not approachable for spraying and hence left

untreated; no punitive action had been taken under the provisions of the Tamil Nadu Public Health Act, 1959 to ensure total spraying in all vulnerable places.

In the same circle, anti-larval operations were carried out during 1986 on all days of the week (including holidays) to cover all areas. But both before and after this year spraying was done only on working days. The failure to do round the week spraying would adversely affect the malaria control measures.

(vi) Surface treatment with Abate (Temophos).- Upto 1986, surface treatment of wells, cisterns, overhead tanks and sumps in Madras City was done by spraying Abate solution although on a scale lower than that recommended as effective and even this was discontinued from 1987.

(vii) Biological control.- Control of incidence of malaria through introduction of larvivorous fishes in wells, tanks, etc., was not undertaken since 1985 reportedly on account of acute drought conditions.

(viii) High incidence of P. Falsiparum cases.- P. Falsiparum (PF) (an Organism which live on other bodies) is the main source for malaria transmission, causing death and the incidence of PF infection in malaria cases was high in Madras City ranging from 33 to 75 per cent of the total cases in the State during the years 1981 to 1987. However, no effective steps have been taken to control the incidence of PF infection except for a very limited study conducted between 1984 to 1986

to determine resistance of PF to chloroquine. Even the results of the study were not followed up.

The Committee on Public Accounts (1984-85), which considered the shortcomings in the implementation by the Madras Corporation mentioned in the Report of the Comptroller and Auditor General of India for the year 1980-81, recommended that Government should chalk out a time bound action plan to eradicate the disease, review and monitor the progress and ensure that results were achieved. Government stated (September 1985), among other things, that action was in progress to constitute a Committee headed by the Chief Secretary and meanwhile monthly co-ordination and review meetings on malaria were conducted to ensure inter sectoral co-ordination of various agencies. However, it was noticed (November 1988) that the file to watch further action had been closed by Government and further developments have not been intimated.

2.1.20. Monitoring

The State Malaria Working Committee revived and reconstituted as High Level Committee in 1986 met only twice - in April 1978 and March 1981. Information regarding its subsequent meetings and deliberations was not furnished to Audit by Government.

Based on the recommendation of the Independent Appraisal Team on the Implementation of NMEP, which visited Tamil Nadu in February 1984, the proposal of the DPH to constitute the Core Committee with the Chief Secretary to Government

as Chairman and 15 other members to review the progress in implementation of the Scheme in Madras City once a quarter was approved by Government in November 1985. Information on its deliberations and subsequent action has not been made available to Audit so far (November 1988).

The matter was reported to Government in August 1988; their reply has not been received (November 1988).

2.2. Sophisticated imported equipment lying idle

In May 1983, Government sanctioned the purchase of a Biostator (Glucose Controlled Insulin Infusion System) for use in the Diabetology Department, Government General Hospital, Madras. The equipment, imported at a cost of Rs.5.78 lakhs through the agent in India of a foreign firm, was received in March 1984 and commissioned in April 1984. An important consumable accessory, namely, membranes, received initially with the Biostator, lasted only upto May 1984 and further supply of membranes, ordered on the foreign firm in March 1984, was received only in August 1985. The Biostator therefore remained idle from June 1984 to August 1985 for want of membranes. Even thereafter, it could not be put to use as its operation was found to be not smooth and the printer of the equipment was found to be faulty. The therapeutic efficacy of the membranes received in August 1985, expired in September 1985 within a month of their receipt. In December 1985, the Hospital addressed the Indian agent to replace the time expired membranes and also to set right the defects in the

equipment. The membranes were finally replaced by the Indian agent in August 1986 but still the equipment could not be put to use as the replaced membranes were found to be wrinkled and not usable and the defects in the equipment were still to be rectified. The Hospital took up the matter again with the Indian agent in August 1986 and followed it up in January and May 1987. In February 1988, the Indian agent reported that the foreign firms faced difficulties in procuring the necessary spares. The Biostator has still not been put to use (March 1988). The Head of the Department of Diabetology of the Hospital stated in September 1988 that the membranes supplied in August 1986, which were replaced by the supplier in June 1988, were fixed and the equipment was in working condition. However, it was noticed in Audit that no further action was taken either by the Department to put the equipment to use by getting the defects in its printer rectified or by the supplier, who had informed earlier that the foreign suppliers had difficulties in putting together all the parts to set right the equipment. Information about dates of rectification completely and of utilisation of the equipment for treating patients, called for in October 1988 from the Dean of the Hospital, has not been furnished (November 1988).

The equipment was the first of its kind to be installed in India. But the failure to ensure its proper maintenance and arrange for continuous supply of membranes of acceptable quality led to its prolonged idleness since its commissioning in April 1984, except for

an initial utilisation of three months. Therefore, the benefit of continuous monitoring of blood sugar level and injection of appropriate amount of Insulin to chronic diabetic patients, expected from the equipment costing Rs.5.78 lakhs, did not accrue for over four years.

The matter was reported to Government in July 1988; their reply has not been received (November 1988).

2.3. Irregular and costlier purchase of electric meters

On 27th October 1986, the Dean, Government General Hospital, Madras, requested the Public Works Department (PWD) to provide separate electric meters to the quarters of the staff of the Hospital. However, instead of awaiting the response of PWD, he accepted on 29th October 1986 i.e., within three days the lowest rate of Rs.425 each for supply of 400 numbers of 5 to 10 Ampere meters, received in response to an open tender floated by him in July 1986 for purchase of various items of electrical stores required for 1986-87. Between 7th November 1986 and 31st March 1987, thirty nine purchase orders, each for a value less than Rs.5,000, were placed for supply of the meters and in all 422 meters were purchased at a cost of Rs.1.79 lakhs. Of these, only seven meters were installed upto April 1988 and the remaining 415 meters were lying unutilised for more than a year.

As the staff quarters are Government buildings and are maintained by the PWD, separate

meters to those quarters should have been provided only by the PWD. The purchase of meters and their installation by the Hospital, were, therefore, not in order. On this being pointed out by Audit, the Dean stated in April 1988 that the work was taken up by the Hospital as the PWD had not taken action. It was not, however, explained why procurement commenced within three days of the request made to PWD or why 98 per cent of the meters purchased, valued at Rs.1.76 lakhs remained uninstalled so far.

The Dean has been delegated powers to repair the meters upto Rs.50 only for residences. The splitting up of the procurement into thirty nine purchase orders, assuming incorrectly that the Dean has powers of expenditure upto Rs.5,000 at a time, so as to avoid the necessity of approaching higher authorities, resulted in the improper and irregular exercise of powers by him.

The rate of Rs.425 accepted by the Dean was far above the rate of Rs.187.55 per meter shown in the Schedule of Rate of the PWD for 1986-87. The rate offered by the manufacturer of the meter (Bharat Heavy Electricals Limited) to the Tamil Nadu Electricity Board in April 1987 was even lower at Rs.164.80. Therefore, the purchase made at an abnormally high rate resulted in an extra expenditure of about Rs.1 lakh.

The irregularities in the purchase and the resultant extra expenditure of Rs.1 lakh were brought to the notice of Government in July 1988; their reply has not been received (November 1988).

2.4. Avoidable payment of penal charges

The maximum high tension electricity supply that could be availed by the Kilpauk Medical College Hospital, Madras was 300 KVA per month. Consumption in excess of this maximum attracted penal charges at twice the tariff rate in addition to the normal levy at the tariff rate, besides inspection charges at Rs.100 per mersem. Though the Hospital had been exceeding the limit of 300 KVA per month since September 1980, with the excess going upto 210 KVA in one month, the hospital authorities did not take any action for over five years to assess the additional requirement of electricity to get the maximum limit raised. Only in November 1985, on receipt of the consumption charges bill for August 1985, when the excess consumption was 60 per cent, the hospital authorities addressed the Public Works Department to take necessary action for increasing the maximum limit so as to avoid payment of penal charges. The matter was not, however, pursued and penal charges are still being paid by the Hospital (April 1988). The Electrical Engineer, PWD, Madras stated in August 1988 that the PWD had nothing to do in the matter as it was for the Medical Department to apply to the Electricity Board for the additional load taking into account the additional need. During the seventy two months from April 1982 to March 1988, the consumption exceeded the maximum limit by more than 10 KVA in 41 months, resulting in avoidable payment of penal and inspection charges amounting to Rs.1.88 lakhs. The Hospital was also paying compensation charges, as the power factor fell below the permissible limit of 0.85 from January 1987. No action was, however, taken to improve

the power factor by installing suitable capacitor bank. The avoidable payment on compensation charges from January 1987 to March 1988 was Rs.0.49 lakh.

The matter was reported to Government in July 1988; their reply has not been received (November 1988).

2.5. Dialysis equipments not put to use

Government sanctioned in December 1984, the starting of Nephrology Department in the Government Headquarters Hospital, Salem and purchase of, inter alia, four Haemo Dialysis equipments. The Director of Medical Services and Family Welfare (DMS) placed orders (April 1986) for the supply of four Haemo Dialysis equipments with necessary accessories on a local distributor who supplied them in May 1986 (cost : Rs.4.49 lakhs).

For effective functioning, the Haemo Dialysis equipments required Air-conditioned location and deionised water at a specific pressure. These requirements were known to the Department even at the time of sending proposals to Government in September 1982 and they were also emphasised by the supplier of the equipments in April 1986. But action to provide these facilities were initiated by the Department only in June 1986 after the receipt of the equipments. Plans and estimates for construction of overhead tank and sump, originally sent to DMS by the hospital authorities in June 1986 and resubmitted in August 1987 with additional information, were forwarded to Government in December 1987; they have not yet been sanctioned (November

1988). Deionising plant (cost : Rs.0.15 lakh) ordered in September 1986 was received in October 1986. Pending construction of overhead tank, a booster pump was loaned from a private party free of cost and the equipments were commissioned in April 1987. As the existing water supply was adequate to operate only one unit, the four units were being used in rotation, one at a time. Thus, the failure of the Department to take timely action to provide necessary infrastructure before receipt of equipments resulted in the equipments purchased in June 1986 at a cost of Rs.4.49 lakhs not being put to optimum use.

The matter was reported to Government in September 1988; their reply has not been received (November 1988).

2.6. Non-utilisation of Tuberculosis wards in rural hospitals.

Government sanctioned, during 1979 to 1984, construction of Tuberculosis (TB) wards in five taluks and two TB hospitals at a total estimated cost of Rs.49.99 lakhs, out of the donations received from Anti-Tuberculosis Association (Rs.13.04 lakhs for five wards) and Labour Welfare Board of Tamil Nadu (Rs.36.95 lakhs for three wards) for the benefit of rural population and industrial workers respectively. Recurring and non-recurring expenditure towards the maintenance of these wards were to be met by Government.

Construction of the ward in one TB hospital (estimated cost : Rs.13.40 lakhs), taken up by the Public Works Department (PWD) in July 1985, is

yet to be completed (April 1988) due to delay in execution of the work by the contractor. The expenditure incurred on its construction upto February 1988 was Rs.12.98 lakhs. Of the other seven wards, constructed by the PWD at a cost of Rs.33.31 lakhs, only two wards, taken over by the Medical Department in January 1984 and September 1987, had been put to use from August 1986 and November 1987 respectively, the time lag of over two years in one case being due to belated submission (June 1984) of proposal for infrastructural facilities such as equipment, staff, furniture and medicines by the Director of Medical Services and Family Welfare and belated sanction (April 1986) thereto by Government. The remaining five wards (cost of construction : Rs.19.40 lakhs), taken over from January 1985 to February 1987, have not still been put to use (April 1988) for want of sanction to infrastructural facilities

The Public Accounts Committee (1980-82), in its Fifteenth Report presented to the Legislature on 31st March 1982, recommended that when a scheme was implemented, simultaneous and co-ordinated action should be taken for providing all the requirements including necessary staff so that the equipment could be put to beneficial use right from their installation. Such action had not been taken for proper utilisation of these wards constructed with assistance from Anti-Tuberculosis Association and Labour Welfare Board. Of the six wards, construction of which was sanctioned after March 1982 (between May and November 1984), proposal for sanction of infrastructural facilities was sent to Government by the Director of Medical Services and Family Welfare only in one case along with the proposal for construction

of building. In 2 cases, the proposals were sent when the wards were under construction, in 2 other cases they were sent belatedly, 6 and 2 months after taking over the wards and in the remaining one case, where the construction was nearing completion, the proposal had not yet been sent to Government. The proposal for staff was also not based on any norm; of the 5 wards of 12 beds each constructed in 5 taluk hospitals, 5 posts had been proposed for 3 wards while 17 and 15 posts, including one Assistant Surgeon each had been proposed for the other 2 wards. In all the 5 cases, the proposals were still (April 1988) pending with Government for over 14 to 54 months.

Thus, the failure to take action as recommended by the Public Accounts Committee resulted in delay in providing the infrastructural facilities, even long after the wards had been taken over, unproductive outlay on the buildings constructed at a cost of Rs.19.40 lakhs and non-availability of the planned benefit of specialised clinical care and anti-TB treatment facilities to the rural public and industrial workers.

Government stated in February 1988, that the proposals for sanction of infrastructural facilities to the 5 wards were under their active consideration.

The matter was reported to Government in August 1988; their reply has not been received (November 1988).

CHAPTER III

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.1. Integrated Development of Small and Medium Towns

3.1.1. Introduction

The scheme for Integrated Development of Small and Medium Towns (IDSMT) is implemented as a Centrally Sponsored Plan Scheme for development of selected small and medium towns, on the basis of the 1971 census, with a population of one lakh and below from 1979-80 and less than three lakhs from 1985-86, with a view to increasing the rate of growth of such towns to equip them to act as growth and service centres for the rural hinterland by increased investments on provision of infrastructure and other essential facilities and to reduce the rate of migration to metropolitan cities.

The components of the scheme for which Central assistance on matching basis is admissible are land acquisition and development, traffic and transportation to subserve the shelter and development of mandis/markets, provision of industrial estates, provision of other service and processing facilities for the benefit of agricultural and rural development in the hinterland. Slum improvement/upgradation, urban renewal and small scale employment generation activity, low cost schemes of water supply, sewerage, drainage and sanitation, preventive medical facilities/health care and parks and playgrounds, also form part of the integrated scheme but funds therefor are to be found from the State Plan.

In Tamil Nadu, the scheme is being implemented in 37 towns (28 from the Sixth and 9 from the Seventh Plan periods) by the Municipalities and Town Panchayats concerned. The names of the towns are indicated in Appendix III,

The projects under the Scheme are to be primarily financed by the internal resources of the implementing authorities and the resources provided by the State Government. The Central assistance is intended only to supplement and strengthen the resources of the implementing agencies and those provided by the State Government. The State Government should promptly pass on the Central assistance received preferably within a month on the same terms and conditions to the implementing agencies.

Initially the size of the project of each town to cost around Rs.100 lakhs was to have Central loan assistance, of Rs.40 lakhs or 50 per cent of total cost, whichever is less with equal assistance from State Government. From October 1983, Government of India (GOI) decided to give further assistance upto Rs.15 lakhs subject to certain prescribed conditions. From February 1986, the limit of assistance for components eligible for Central assistance has been raised to Rs.52 lakhs per town to be matched equally by the State. Out of the total assistance of Rs.104 lakhs, Rs.12 lakhs are specifically and compulsorily earmarked for low cost sanitation scheme and these earmarked funds should not be diverted by the State Government. Additionality of assistance of Rs.8 lakhs per town was also optionally available but only for low cost sanitation projects.

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3.1.2. Organisational set up

At the State level, the Tamil Nadu Town and Country Planning Board (TNTCPB) is to guide, direct and assist the Local Authorities (Municipalities and Town Panchayats as the case may be) for implementing scheme for IDSMT, with the Director of Town and Country Planning (DTCP) as Member-Secretary of its Committee. The Scheme is implemented by Municipalities and Town Panchayats of the concerned towns either by themselves or through the Public Works Department (PWD), Tamil Nadu Housing Board (TNHB) and Tamil Nadu Water Supply and Drainage Board (TWAD).

The funds for the Scheme are channelised through the Tamil Nadu Town and Country Planning and Development Fund within the Public Account of the State set up by Government in August 1980.

3.1.3. Audit coverage

The implementation of the Scheme was reviewed in Audit, during January - May 1988, in the Government Housing and Urban Development Department and Offices of DTCP, Director of Municipal Administration and Arakonam, Chengalpattu, Coonoor, Karaikudi, Maduranthagam, Mannargudi, Mettupalayam, Palani, Pattukottai, Pudukottai and Tiruvannamalai Municipalities. The points noticed during test check are indicated in the succeeding paragraphs.

3.1.4. Highlights

- Out of Rs.2790.68 lakhs given as assistance, in which Central share was Rs.1383.94 lakhs, only

Rs.2138.10 lakhs had been disbursed to the agencies implementing the Scheme, leaving Rs.652.58 lakhs unutilised by the end of March 1988 (paragraph 3.1.6).

- Against Rs.1791.65 lakhs of loans disbursed to 29 agencies for implementing the scheme between 1980-81 and 1987-88, no expenditure had been incurred by 5 agencies which received assistance totalling Rs.51.75 lakhs. The rest could not utilise Rs.191.97 lakhs till the end of March 1988. Ten agencies did not refund Rs.45.10 lakhs of unutilised assistance after completion of projects (paragraph 3.1.6).

- Out of 175 projects in 28 towns taken up before March 1985, only 156 projects were completed by March 1988 at a total cost of Rs.1612.80 lakhs (paragraph 3.1.8).

- Only Rs.62.42 lakhs, out of Rs.127.30 lakhs of loan assistance received for Low Cost Sanitation projects were disbursed to 8 municipalities, seven of which spent Rs.43.65 lakhs to end of March 1988. In 3 test checked municipalities the progress was poor as only 2,938 units had been completed and 100 units were in progress out of the targeted 10,053 units (paragraph 3.1.9).

- During Seventh Plan 30 projects in 7 towns were taken up with assistance of Rs.101.75 lakhs, but only one project had been completed with an expenditure of Rs.30.39 lakhs. Work on the remaining 29 projects had not commenced (paragraph 3.1.10).

- Rupees 96 lakhs spent on development of sites for economically weaker sections in thirteen towns remained unfruitful as no sites were allotted (paragraph 3.1.12).

- Delay in taking over of completed Bus Stands by 2 municipalities from Public Works Department led to loss of revenue estimated at Rs.5.50 lakhs (paragraph 3.1.13).

- Rupees 174.89 lakhs were overdue on 31st December 1987 from thirty one municipalities towards repayment of principal and interest on loan assistance (paragraph 3.1.17).

- Monitoring of the implementation of the Scheme was not effective (paragraph 3.1.18).

- No evaluation of the Scheme has been done (paragraph 3.1.19).

3.1.5. Tamil Nadu Town and Country Planning and Development Fund

This is a statutory fund created under the Tamil Nadu Town and Country Planning Act, 1971 and rules framed thereunder for furthering the town and country planning functions under the Act. It is vested in and administered by the Committee of the Tamil Nadu Town and Country Planning Board with the Commissioner and Secretary to Government, Housing and Urban Development Department as Chairman and Director of Town and Country Planning, Tamil Nadu as Member Secretary. It is audited annually by the Examiner of Local Fund Accounts.

The Committee has been entrusted with the selection of Urban development schemes, funding pattern, etc. and authorised to release assistance from the Fund to the agencies implementing Integrated Urban Development Project, IDSMT, etc. However, the Fund has not been created in the Public Account of the State, but operated only as a Personal Deposit Account in the name of the Director of Town and Country Planning in the Deposit section nor its transactions have been correctly recorded and accounted so far (November 1988) as described below :-

(i) The assistance from Central and State Governments for IDSMT have been given as loan to the Fund for eventual disbursements to the municipalities of the towns concerned. However, no orders about rate of interest and repayment of loans by the Fund to Government have been issued.

(ii) The interest on loans and repayment paid by the municipalities have been credited to the Personal Deposit Account mentioned above and they have not flowed into the Consolidated Fund of the State. Meanwhile Central assistance in the form of loans of the State is being repaid by the State Government to the Government of India without benefit of any recovery from the municipalities who are the ultimate borrowers.

3.1.6. Non-utilisation of assistance

Out of assistance of Rs.2790.68 lakhs, inclusive of Central assistance of Rs.1383.94 lakhs released by Government for IDSMT, only Rs.2138.10 lakhs had been disbursed by the DTCP to the agencies

for implementing the Scheme during 1980-81 to 1987-88, leaving Rs.652.58 lakhs or nearly one fourth of total assistance undisbursed at the end of March 1988. Yearwise details are indicated below :-

Year	Assistance released			Amounts disbursed to Local Authorities	Year end undisbursed balance of assistance
	Centre's share	State's share	Total		
(in lakhs of rupees)					
1980-81	191.25	191.50	382.75	83.67	299.08
1981-82	91.00	111.00	202.00	383.06	118.02
1982-83	149.80	127.30	277.10	150.49	244.63
1983-84	194.02	201.02	395.04	492.70	146.97
1984-85	274.01	263.55	537.56	370.61	313.92
1985-86	156.72	152.22	308.94	309.24	313.62
1986-87	152.14	152.14	304.28	205.52	412.38
1987-88	175.00	208.01	383.01	142.81	652.58
Total	1383.94	1406.74	2790.68	2138.10	

Against Rs.1791.65 lakhs of loans disbursed to 29 municipalities and town panchayats implementing the Scheme, between 1980-81 and 1987-88, no expenditure (out of Rs.51.75 lakhs received) had been incurred by five municipalities; in the remaining 24, Rs.191.97 lakhs remained unutilised at the end of March 1988. Details are indicated in Appendix IV.

Test check revealed that Rs.45.10 lakhs, representing the unspent balance of assistance relating to 26 works completed, between April 1983 and December 1986, were retained by the ten municipalities without being refunded to Government so far (November 1988).

3.1.7. Delay in release of assistance

The Scheme envisaged that the State Government should promptly pass on the Central assistance to the implementing agencies preferably within a month. However, delays ranging from over 1 to 6 months occurred in passing on the assistance totalling Rs.356 lakhs to the Personal Deposit Account. There were also long delays ranging from one to fifty eight months in the release of Rs.268.56 lakhs to six municipalities, out of assistance of Rs.321 lakhs credited to the Personal Deposit Account to be released to them. Details are given in Appendix V.

Government stated (December 1988) that delay in release of funds by the State Government had not in any way affected the physical and financial progress of the ongoing schemes, since releases were made as and when required; releases could be made to the local bodies only when technically sanctioned plans and estimates for the approved projects were received; necessarily some works bogged down at local level on practical difficulties and the management system was specifically designed to deal with varied progress in all works.

3.1.8. Physical progress

Out of 175 projects to be executed in 28 towns (selected during the Sixth Plan) during the period 1980-81 to 1987-88 at a total estimated cost (approved by GOI) of Rs.2148.39 lakhs, 156 projects had been completed by the end of March 1988, at a total cost of Rs.1612.80 lakhs and the remaining 19 projects were in progress as indicated below :-

Serial number	Name of component	<u>Completed projects</u>			<u>Projects in progress</u>		
		Number	Esti- mated cost	Actual expen- diture	Number	Esti- mated cost	Actual expen- diture
			(in lakhs of rupees)			(in lakhs of rupees)	
1.	Sites and Services	15	171.24	170.68	3	75.60	18.28
2.	Traffic and Transportation	48	672.22	622.36	9	259.89	163.62
3.	Mandis and Markets	93	896.51	819.76	7	72.93	50.34
	Total	156	1739.97	1612.80	19	408.42	232.24

The assistance released by Government for these projects totalled Rs.2122.14 lakhs; loans disbursed to the Municipalities were Rs.1974.50 lakhs; actual expenditure was Rs.1845.04 lakhs only. Town-wise details are given in Appendix VI.

3.1.9. Low Cost Sanitation Projects

Under the Scheme, Low Cost Sanitation (LCS) projects were commenced in eight towns during the Sixth Plan, at a total approved outlay of Rs.177.40 lakhs. According to information available, out of a total loan assistance of Rs.127.30 lakhs released by Government, only Rs.62.42 lakhs had been disbursed as loans to these municipalities against which, Rs.43.65 lakhs had been spent in 7 towns to end of March 1988. By end of March 1988, 4,722 LCS units had been completed and 206 units were in progress in 4 towns. Project work had not been taken up in Kallakurichi though Rs.5 lakhs had been released to the Town Panchayat. Details are indicated in Appendix VII. Government stated (December 1988) that the Director of Town Panchayats recently reported the utilisation of Rs.5.00 lakhs by this municipality also and completion of 450 units.

Test check indicated that in Karaikudi, Mettupalayam and Mannargudi towns, the progress was poor as only 2,938 LCS units had been completed and 100 were in progress as indicated below, against a target of 10,053 units.

Town	Target	Completed	In progress
Karaikudi	3,468	1,850	100
Mettupalayam	3,346	530	--
Mannargudi	3,239	558	--
Total	10,053	2,938	100

In Karaikudi, out of 1,850 units completed, 1,100 only were in use (April 1988).

Government attributed (December 1988) the slow progress to reluctance of the local population to avail loan assistance under IDSMT till avenues for subsidy for the same purpose available under the World Bank Scheme, UNICEF Schemes, the Centrally sponsored scheme of Rehabilitation of scavengers, etc., were exhausted and stated that the local bodies have to be persuaded to take up the Scheme under IDSMT.

3.1.10. Extension during Seventh Plan

Thirty projects at a total estimated cost of Rs.549 lakhs have been approved to end of March 1988 by GOI for implementing the Scheme in 7 towns during the Seventh Plan (1985-90). Out of assistance of Rs.422.40 lakhs released by the State Government, only Rs.101.75 lakhs had been disbursed during August 1982 to February 1988 to the 7 municipalities. No expenditure had, however, been incurred by them so far (April 1988) except Pattukottai, which spent Rs.30.39 lakhs on the Project "Bus Stand Phase I", earlier financed under the State Integrated Urban Development Programme. Work on the remaining 29 projects had mostly either not been commenced (17) or just commenced (12), as they were at stages of administrative sanction, technical sanction, call of tenders, etc. Details are given in Appendix VIII.

3.1.11. Delay in land acquisition

Land acquisition, for which Rs.24.66 lakhs were deposited between October 1982 and July 1986 with the Revenue Department, has not been completed delaying the completion of projects and accrual of related benefits.

Serial number	Name of Municipality	Deposit		Purpose
		Month	Amount (in lakhs of rupees)	
1.	Thiruvanna-malai	October 1982	5.00	Expansion of bus stand
2.	Chengalpattu	July 1985	2.34	Expansion of bus stand
3.	Karaikudi	July 1986	17.32	Expansion of market

3.1.12. Delay in benefits for economically weaker sections

Under Sites and Services Scheme, assistance totalling Rs.128.33 lakhs had been disbursed during 1980-81 to 1985-86 for development and allotment of sites to members of the economically weaker sections in 13 towns. Only in 6 towns, the works involving a total outlay of Rs.49.61 lakhs had either been completed or were nearing completion (April 1988) and the sites have become ready for allotment. But they had not been allotted so far (June 1988), as Government had not yet decided the policy for allotment of sites to economically weaker sections. The process of land acquisition for the same purpose is in progress in the other 7 towns. Further details are indicated in Appendix IX. Due to the non-allotment of sites and non-completion of the works, the total expenditure of Rs.96 lakhs has so far not yielded the intended benefits to the economically weaker sections (November 1988).

3.1.13. Delay in taking over bus stands

Bus Stands constructed by PWD in three towns at a total cost of Rs.85.51 lakhs had not been taken over by the municipalities immediately after completion and brought to beneficial use as indicated below :-

Name of town	Cost (in lakhs of rupees)	Month of completion	Month of	
			Taking over	Commi- ssioning
Chengalpattu	26.00	August 1986	July 1987	February 1988
Nagapattinam	51.29	October 1987	Not yet taken over	
Tiruvannamalai	8.22	February 1986		March 1988

The delay beyond four months in starting operations at these Bus Stands, resulted in loss of revenue, estimated to be Rs.5.5 lakhs, which would have accrued on auctioning of shops, etc., by 2 municipalities as shown below:-

Name of Municipality	Date of		Period of delay (in months)	Loss of revenue (in lakhs of rupees)
	Completion	Beneficial use		
Chengalpattu	August 1986	February 1988	13	5.34
Tiruvannamalai	February 1986	March 1988	21	0.16

In Nagapattinam, as the buildings have not yet been taken over (April 1988) from PWD since October 1987, the loss of revenue continues, but is not possible to be quantified.

3.1.14. Abandoned project in Coonoor

Rupees 14 lakhs released by DTCP in January 1986, were deposited in February 1986 with the Buildings Division, PWD, Coimbatore by Coonoor Municipality for construction of daily market Phases I and IV in Coonoor. This project approved by GOI in January 1981 was dropped, as the vendors occupying the old shops could not be evicted and it was decided in May 1987 that the amount might be utilised for Bus Stand Phase II. Even this could not be taken up, as the Fire Station functioning in the chosen site could not be shifted, as alternative sites suggested by the municipality, were not acceptable to the Fire Service Department. Out of Rs.14.00 lakhs deposited with PWD, a sum of Rs.9.00 lakhs was refunded in March 1987 and kept in Fixed Deposit in the Co-operative Urban Bank, Coonoor from May 1987; the balance still remains with PWD (November 1988). Thus, the assistance under the Scheme remained to be utilised for nearly three years.

3.1.15. Diversion of funds

The funds provided for the various components of the approved projects should not be diverted to other schemes. However, test check in Audit revealed that Rs.27.50 lakhs had been diverted by 6 municipalities for purposes, other than those for which the assistance was disbursed, such as

general ways and means, other schemes like construction of restaurant, improvement of market, etc. Details are indicated in Appendix X.

3.1.16. Delay in preparation of Completion Reports

Completion reports had not been prepared and recorded by PWD/Municipalities in respect of 39 works in 14 towns, which had been physically completed at a total expenditure of Rs.353.27 lakhs and taken over by the municipalities between December 1982 and October 1987 for beneficial use.

3.1.17. Defaults in repayment

As on 31st December 1987, Rs.174.89 lakhs were overdue towards repayment of principal (Rs.16.16 lakhs) and interest (Rs.158.73 lakhs) from 31 municipalities, which received assistance under the Scheme.

3.1.18. Monitoring

The monitoring arrangements provided for the District Level Monitoring Committee under the Chairmanship of the Collector and Officers of Implementing agencies and concerned Executive Authorities as Members with Regional Deputy Director of Town and Country Planning as Member Secretary meeting every month to review the progress of schemes under Integrated Urban Development Project and IDSMT and to send a detailed report furnished to DTCP. At the State level, the Director of Municipal Administration (DMA) and Director of Town Panchayats (DTP) review the progress of IDSMT schemes with the Heads of Implementing agencies

regularly and coordination and review meetings between DTCP, DMA, DTP and Public Works Department are also held periodically to review the progress. The Committee of TNTCP Board also reviews the physical and financial progress of the schemes at its regular sittings. Government stated in December 1988 that the progress achieved till date was due to this effective monitoring done by the three tier monitoring machinery which is found to be working efficiently.

However, inspite of the aforesaid monitoring arrangements it was found that substantial balances were lying unspent with the implementing agencies, there was also no good progress in acquisition of land or policy decision on allotment of sites to economically weaker sections, or prompt repayment of loans and interest payments by the municipalities receiving assistance under the Scheme.

3.1.19. Evaluation

Eventhough the Scheme is being implemented from 1980-81, it has not been evaluated by the Government to judge its success or failure and to streamline its future implementation.

Government stated (December 1988) that the DTCP had taken up a study to evaluate the performance of IDSMT and IUDP Schemes and the benefits accrued to the Local Bodies and the local public on their implementation and the study was expected to be completed in the next few months.

3.2. Improvements to transport in Madras City

3.2.1. Introduction

A master plan for improvements of transport in Madras City was launched in the year 1977 as a component of Madras Urban Development Project (MUDP), partly financed by World Bank Credit. The first stage of the project, estimated to cost Rs.718.68 lakhs and scheduled to be completed in 1979-80, focussed on 'Construction of 11.7 kms. of Inner Ring Road (IRR)', the elimination of bottlenecks in the road network, strengthening traffic engineering and management and expansion of pedestrian and bicycle facilities. The second stage, commenced in 1980-81 for completion by March 1984, aimed at further developing the low cost solutions initiated under the first stage, along with the construction of additional 5.8 kms. of IRR and improvement of roads at an estimated cost of Rs.532 lakhs. Both the stages have not been completed so far (June 1988).

3.2.2. Audit coverage

Mention was made in paragraph 3.9.9.4 of the Report of the Comptroller and Auditor General of India for the year 1979-80 (Civil) regarding the delay in completion of work on the IRR. While examining it, the Committee on Public Accounts noted (March 1985) that the road, sanctioned in 1977 to relieve congestion on the arterial roads, remained incomplete even after 7 years and that, due to the delay, full benefit could not be derived of the completed reaches. The Committee recommended that

concerted efforts should be made to complete the remaining reaches quickly by drawing up a time bound programme.

A review in Audit of the implementation of the programme was conducted during October and November 1987 through a test check of records in the offices of the Superintending Engineer (Highways), World Bank Project Circle and the World Bank Project Divisions I, II and IV at Madras.

3.2.3. Highlights

- The project, expected to be completed by March 1984, still remains unfinished and the cost has risen by over 50 per cent of the original estimate of Rs.1250.68 lakhs (paragraph 3.2.4).

- Several sections of the IRR still remained to be completed thus delaying the achievement of the object of the programme (paragraph 3.2.5).

- Failure of the Department to hand over a quarry site and consequential delays in the progress of work resulted in payment of Rs.5.54 lakhs towards compensation to a contractor (paragraph 3.2.6).

- Delay in supply of cutting edges resulted in extra expenditure of Rs.1.52 lakhs (paragraph 3.2.7).

- Repeated tendering and award of work in four parts led to extra expenditure of Rs.2.48 lakhs (paragraph 3.2.8).

- Provision of higher crust thickness for the widened portion of a road resulted in avoidable expenditure of Rs.2.80 lakhs (paragraph 3.2.9).

- The work of formation of approaches to a road overbridge still remained to be completed even eight years after commencement, rendering the expenditure of Rs.120.23 lakhs thereon unfruitful (paragraph 3.2.11).

3.2.4. Cost and benefits

As against the target to complete both the stages by March 1984, even the first stage of the project still remains to be completed as on June 1988, after an expenditure of Rs.1522.83 lakhs. Meanwhile, the originally estimated cost of Rs.1250.68 lakhs has been already exceeded. It is now (June 1988) expected to cost Rs.1972.05 lakhs or an increase of over 50 per cent over the original estimate, as indicated below :-

Serial number	Description of Work	Estimated cost		Expenditure incurred (upto end of June 1988)	Date of completion or present stage
		Original	Current (June 1988)		
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					

A. FIRST STAGE

1. Construction of Inner Ring Road (11.7 Kms.) connecting NH 45 and Madras-Tiruvallur High (MTH) Road	247.85	436.13	405.67	In progress
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(1)	(2)	(3)	(4)	(5)	(6)
		(in lakhs of rupees)			
2.	Pedestrian and cyclist facilities	142.27	163.05	150.07	} Completed in 1980-81
3.	Traffic signals	10.55	20.03	15.07	
4.	Lighting of Intersections	37.48	37.48	37.60	
5.	Road/Rail grade separation (Two overbridges)	166.99	547.50	223.94	One bridge completed in March 1984 and other in progress.
6.	City street Improvement	63.96	45.81	55.47	} Completed in 1980-81
7.	Traffic Engineering and Management	49.58	41.15	33.69	
		<u>718.68</u>	<u>1291.15</u>	<u>921.51</u>	
B. SECOND STAGE					
1.	Construction of IRR (5.8 Kms.)	381.00	529.90	474.12	In progress
2.	Improvement to MTH Road	151.00	151.00	127.20	Completed in 1983-84
		<u>532.00</u>	<u>680.90</u>	<u>601.32</u>	
	Grand Total	1250.68	1972.05	1522.83	

No benefit could be obtained out of the partial construction of IRR, as five radial roads were yet to be connected to the IRR to facilitate diversion of traffic from inner city.

3.2.5. Delays in completion of IRR

Out of the total length of 17.5 kms. of IRR certain sections, as below, have been considerably delayed :-

(i) Section between km. 0/0 and 5/0.- The stretch from km. 4/4 to 5/0 in this section could not be completed because of the existence of a small temple at the centre of the road at km. 4/5. Action for removal of this temple and reconstructing it elsewhere had been initiated only in March 1988, though the road stretch up to the temple was completed in January 1982.

(ii) Section between km. 5/0 and 8/6.- Four obstructions in this section could not be removed on account of objections raised by land owners who had secured judicial stay orders against acquisition of land.

(iii) Section between km. 8/6 and 11/7.- The construction of a bridge at km. 8/8, taken up in 1978-79, is still in progress (May 1988) (vide paragraph 3.2.7 below).

(iv) Section between km. 11/7 and 17/7.- Alternative lands required to be provided to the Railways for shifting the Railway spur line falling in this section had been handed over to the Railways

only in September 1987. The work on this section would be completed only after shifting of the lines by the Railways.

The work on forming the IRR had thus been badly delayed and the object of the programme is yet to be achieved even three years after the specific recommendations of the Committee on Public Accounts.

3.2.6. Extra expenditure due to departmental delay

The work "Construction of Inner Ring Road at km 0/0-0/7" was completed in October 1980. The contractor, who executed the work, went in for arbitration regarding certain claims. An award for Rs.4.87 lakhs together with interest of Rs.2.72 lakhs (for the period from December 1980 to July 1985) was made by the Arbitrator in August 1985. The contractor filed an application in the High Court, Madras, for a decree in terms of the award. The High Court ordered in April 1987 payment of Rs.8.58 lakhs to the contractor (which included interest on the award of Rs.4.87 lakhs from December 1980 till the date of decree) and also payment of interest at a rate of 9 per cent on Rs.4.87 lakhs from the date of decree to the date of payment. The award of Rs.4.87 lakhs included a sum of Rs.3.07 lakhs towards compensation for escalation in cost. While allowing this compensation, the Arbitrator pointed out that there had been delay on the part of the Department in getting permission from the Revenue Department for using the earth quarry and handing it over to the contractor for commencement of work; that this delay had upset

the entire progress and all the remaining items of work had to be carried out during the extended period of contract and that the contractor had been forced to suffer higher expenditure for no fault of his. The failure of the Department, thus, contributed to additional expenditure of Rs.5.54 lakhs towards compensation (including interest thereon) awarded by the Arbitrator.

3.2.7 Delay in construction of bridge

The construction of "bridge at km. 8/8 of Inner Ring Road across Cooum river" was sanctioned in May 1977 and technical sanction was accorded in March 1978. In March 1979 the work was awarded to a contractor based on tenders. The contractor delayed the commencement of the work, seeking a change of design in foundation. The proposal was under correspondence and, in September 1981, after a lapse of thirty months, the Department determined the contract at the risk and cost of the contractor. After a lapse of another eighteen months, the Department awarded the work to Tamil Nadu State Construction Corporation (a State Government company) and work was in progress (May 1988). Thus, the bridge sanctioned in 1977 still remains to be completed even after eleven years.

The following points were noticed in Audit:-

(i) According to the tender schedules and agreements entered into for the work, the cutting edges required for well curb for foundation below piers and abutments were required to be fabricated

by the contractors, cut mild steel angles and plates to be supplied by the Department. Eventhough the estimate was technically sanctioned in March 1978, action was not taken for obtaining the allotment of the steel angles through Steel Controller of the Government of India. Supply orders were not also placed with the main producers and only an enquiry (October 1978) was made to them whether supplies could be effected. They informed (November 1978) that materials would be supplied according to availability, after meeting the demands of priority consumers. Permission for purchase from the open market, sought for in January 1979, was refused by Government in April 1979. Consequently the contractor, who took over the site in August 1979, could not proceed with the work. Eventually, on orders placed in October 1979, M/s. TANSI (a State Government company) fabricated and supplied the well curbs in January 1980 at a cost of Rs.2.08 lakhs involving an extra expenditure of Rs.1.52 lakhs over and above Rs.0.56 lakh which would have been payable to the contractor inclusive of cost of materials.

(ii) About 3 kms. of roads on a section of IRR on both sides of the bridge have been completed by June 1987, at a cost of Rs.41.40 lakhs. This outlay has been unproductive so far because of the non-completion of the bridge. Further, even if the bridge is completed, there is no possibility of traffic in this section as lands in some reaches of the road are yet to be acquired pending vacation of judicial stay orders obtained by private owners.

3.2.8. Extra expenditure due to repeated tendering

The tenders invited at first, for a stretch of the IRR approved in March 1982, had to be cancelled since the lowest tenderer was black listed by Government in May 1982. Retender for a slightly modified stretch received in November 1982, was accepted by Government in April 1983 after the validity of the tender expired in March 1983, but contracts were not concluded. After splitting up the work into four parts, several tenders were invited and the stretch was completed in 1986-87. The repeated tendering and award of work in four parts led to an extra expenditure of Rs.2.48 lakhs, beyond the value of the accepted tender received in November 1982.

3.2.9. Avoidable expenditure on crust thickness

The work of improvements to MTH Road, sanctioned for Rs.151.00 lakhs by Government in January 1981 (estimate sanctioned in October 1982), envisaged widening of the existing carriage way by 7 metres with cycle track of 2 metres and earthen berm of 1.5 metres on either side of the road, but without improving the existing riding surface except in bad patches. However, the pavement thickness actually laid on the widened portions varied from 370 mm to 470 mm as against the crust thickness of existing riding surface ranging only between 220 mm and 310 mm. As the widened portions were meant to provide only cycle tracks, such pavement for sides with a thickness higher than that for the main riding surface was not justified.

It led to an extra expenditure of Rs.2.80 lakhs, which could have been avoided by providing more or less the same crust thickness to the widened portions as was laid on the main riding surface, considered good enough without any improvement.

3.2.10. Non-utilisation of cut soil

The working estimate for certain individual reaches of Madras - Tiruvallur High Road provided for refilling berms with cut soil to the maximum extent. However, during execution, the soil obtained by box cutting and earth work for drain was not fully utilised; instead, carted earth was used for berms, resulting in an extra payment of Rs.2.58 lakhs to the contractor. The Department stated that the cut earth was clayey and unsuitable for forming embankment. However, the soil testing, done before the work was taken up, did not disclose such unsuitability. The contractor was also not paid for transporting the unsuitable soil away from the excavated area. This indicates the possibility of use of all the excavated soil for refilling and failure to make appropriate reductions in payment to the contractor.

3.2.11. Construction of road overbridge

The construction of road overbridge at Vaidyanatha Mudali Street, first sanctioned in June 1977 and administratively approved for Rs.98.39 lakhs, is still under construction for over eleven years from October 1977. Expenditure of Rs.120.23 lakhs thereon upto October 1987, against the revised cost of Rs.430 lakhs based on 1986-87 rates, remained unfruitful.

The Railway bridge work was completed; for which Rs.37.41 lakhs had so far been paid to the Railways, but Rs.68.27 lakhs due as share of Railways towards the approaches to the bridge is yet to be received.

The work of formation of Kathivakkam side approach to the bridge, using cinder ash to be supplied by the Tamil Nadu Electricity Board, came to a standstill in December 1986, since the Board refused to supply cinder ash. The balance work on the formation was completed using carted earth instead of cinder ash. The extra expenditure due to failure of the Board to supply cinder ash has not been assessed as work on the approach is still incomplete.

The contract for work for Thiruvottiur side approach, entrusted in April 1982, was cancelled in March 1983 as the work site was not available. Further, the well foundation provided in the work for construction of trestles was found not feasible and approval for a design change to build the approach on piles, sought for in January 1987, was received only in February 1988 from Government. The work is yet to be tendered (June 1988).

The matter was reported to Government in September 1988; their reply has not been received (November 1988).

CHAPTER IV

PUBLIC WORKS DEPARTMENT

4.1. Anaikuttam Reservoir Project

4.1.1. Introduction

The Scheme 'Formation of a reservoir across Arjunanadhi near Anaikuttam Village' of Kamarajar District was sanctioned by Government in May 1982 for Rs.276 lakhs (including Rs.24.80 lakhs towards establishment charges). Technical sanction of the Chief Engineer (Irrigation) was accorded in June 1982 for Rs.303.60 lakhs. The Scheme envisaged formation of a reservoir having capacity to store 3.6 million cubic metres of water for irrigating 1,821 hectares of new dry ayacut (607 hectares in first crop and 1,214 hectares in second crop). The date for completion of work was not specified in the sanctions, but it is still in progress, more than six years after the sanction.

In December 1982 it was noticed that part of a village would be submerged if the full reservoir level was kept at 96 metres as provided in the project plan and it was, therefore, decided in February 1983 to reduce the level to 95 metres. The design for the earthen dam was approved in May 1983 and the work commenced in June 1983, one year after sanction.

An expenditure of Rs.417.54 lakhs has been incurred on the Scheme upto July 1987 exceeding by Rs.113.94 lakhs the sanctioned technical estimate. Revised estimate for Rs.498 lakhs (including Rs.73 lakhs towards establishment charges) proposed in

July 1987 by the Superintending Engineer, Project Circle, Madurai was yet (September 1987) to be sanctioned. The increase in cost was stated to be mainly due to escalation in cost of labour and materials (Rs.155.64 lakhs), establishment (Rs.48.20 lakhs) and land value (Rs.24.62 lakhs). As at the end of August 1987, some items of work in earth dam and several items of work in surplus regulator remained to be completed.

4.1.2. Highlights

A review of the scheme conducted during August - September 1987 disclosed the following major points.

- Benefit - cost ratio worked out based on the revised estimate was 0.644 : 1 indicating the unviability of the project (paragraph 4.1.3).

- Additional expenditure of Rs.2.10 lakhs was incurred due to extra lead for conveyance of earth necessitated by delay in reconstruction of approach road (paragraph 4.1.4).

- Extra cost of Rs.3.62 lakhs incurred on account of execution of works through alternative agencies could not be recovered due to adoption of piece work contract system (paragraph 4.1.5).

- Avoidable payment of Rs.0.87 lakh was made for trimming work (paragraph 4.1.6).

- Extra expenditure of Rs.0.32 lakh was incurred due to delay in settling tenders (paragraph 4.1.7).

These are discussed in detail in the succeeding paragraphs.

4.1.3. Viability of the project

The benefit-cost ratio of the project worked out by the Department was 1.17 : 1 (without escalation) and 1.01 : 1 (with escalation) as per the original estimates. In the revised estimate proposed in July 1987, the ratio was worked out as 0.644 : 1, which indicated that the project is unviable with costs exceeding benefits.

4.1.4. Additional expenditure on the right flank

The project estimate envisaged average lead of one kilometre for conveyance of the entire requirements of earth for the dam. The formation of left flank of the dam was constructed with earth brought within this lead. However, for the right flank involving 1,08,962 cum. of earth formation, constructed during February 1984 to June 1985, a lead of one to two kilometres was allowed, although grid map of the borrow pits indicated that all the borrow pits for earth were nearer to the right flank than the left. This was attributed to the river running between the borrow area and the right flank and flash floods during March 1984 which washed away the approach roads to the borrow area. It was, however, seen that the reconstruction of the roads was completed only by February 1985. By that time, 11 out of 13 works on the right flank had been completed. Due to delay in reconstruction of the approach roads, bulk of the earth for right flank had to be brought with a lead of one to two

kilometres, although available within one kilometre, resulting in an additional expenditure of Rs.2.10 lakhs.

4.1.5. Irrecoverable extra expenditure

During 1983-84 four works, costing Rs.1.06 lakhs, Rs.1.64 lakhs, Rs.1.75 lakhs and Rs.2.09 lakhs were entrusted to contractors under piece work agreements instead of as lumpsum contracts. They had to be terminated in January 1984 due to non-execution of works. Subsequently, the above works were executed through other agencies at an extra cost of Rs.3.62 lakhs. This could not be recovered from the defaulting contractors, as the works had not been entrusted to them under lumpsum contracts as required under the departmental rules.

4.1.6. Unnecessary payment for trimming

It was noticed that, in 22 out of 24 reaches of the canal, separate payments had been made for sectioning, gravel backing and trimming the sides and beds of the canal in accordance with the sanctioned working estimates. Sectioning (which includes trimming) and gravel backing were done to provide an even surface covering all undulations and all the items of work (viz. earth work, gravel backing and lining) in each reach were done simultaneously by the same contractor. Therefore provision in the estimate of a separate item for trimming and the separate payment of Rs.0.87 lakh for the work done thereunder were improper and avoidable.

4.1.7. Extra expenditure due to fixing separate agency for centering works

The civil work for the regulator, excluding centering works, was awarded to a contractor in October 1986 departing from the normal practice of entrusting the civil works inclusive of centering to the same agency. The exclusion of centering works was attributed to the non-receipt of approved design for the centering. Later, centering arrangements for breast wall and deck slab for surplus regulator were provided through another agency at a total cost of Rs.2.89 lakhs. This splitting up, arising out of delay in approval of designs led to an estimated extra expenditure of Rs.0.32 lakh.

The matter was reported to Government in May 1988; their reply has not been received (November 1988).

4.2. Unproductive expenditure on a new tank

A new tank across Kanar jungle stream at Thathanur - Pudur Village in Dharmapuri District to provide irrigation facilities for 51.40 hectares of lands was constructed in 1975-76 at a cost of Rs.3.15 lakhs. As the tank did not receive any water for over 5 years since its completion, a leading channel to drain water from the catchment area into the tank was excavated at a cost of Rs.0.08 lakh in July 1978. Even then the tank did not receive adequate storage.

An evaluation study of the tank and its ayacut, conducted by the Project Economist in

June 1984 at the instance of the District Collector, revealed that no ayacut lands had been irrigated and that the tank had not served its purpose. The courses of the two contour canals constructed for letting out water from the tank were reported to have been obliterated and covered up with earth due to non-use for several years. It was suggested that the Public Works Department should take steps to improve the accretion in the tank. However, no feasible solution for improving water flow to the tank has been attempted so far. The tank received full supply only once in October 1986 in the last ten years.

Thus, the expenditure of Rs.3.23 lakhs on the tank formed in 1975 has remained unproductive and not fulfilled the intended objective of providing direct irrigation to 51.40 hectares of lands.

The matter was reported to Government in August 1988; their reply has not been received (November 1988).

4.3. Avoidable payment to Electricity Board

The Tamil Nadu Electricity Board (TNEB) levies compensation charges from January 1985, if the power factor (PF) in any High Tension electricity installation fell below 0.85. It also required the consumers to install suitable capacitors to correct the PF to 0.85 or above to save electrical energy.

The PF recorded in the High Tension service at Okkanadu - Keelaiyur River Pumping Station in Thanjavur District was consistently lower than the

stipulated limit of 0.85 from January 1985 onwards. The TNEB again informed (February 1985) the Public Works Department of the need to improve the PF by providing capacitors. An estimate (Rs.0.88 lakh) prepared in February 1986 for the installation of capacitors was not approved by the Chief Engineer (Irrigation). He suggested in April 1986 its recasting according to Schedule of Rates for 1986-87. Another estimate for Rs.0.48 lakh, approved by the Chief Engineer and submitted to Government in May 1988, was sanctioned in July 1988 but the capacitors are yet to be installed (October 1988). The Department, therefore, had to pay a sum of Rs.1.79 lakhs to TNEB as compensation charges for the period January 1985 to April 1988.

The Chief Engineer stated (April 1988) that provision of capacitors would improve the PF only to certain extent as it also depended upon the load and available voltage and hence the amount paid for low PF could not be classified as avoidable. This however contradicts his approval of the estimate of Rs.0.48 lakh to provide capacitors to improve the PF upto 0.85. It is also to be pointed out that the delay in taking up this work has resulted in payment of compensation charges in excess of three times the cost of the work itself as well as wastage of electrical energy for over three years.

The matter was reported to Government in July 1988; their reply has not been received (November 1988).

4.4. Restoration of Aranvoyal anicut

The Aranvoyal anicut in Tiruvallur Taluk of Chengalpattu District across the River Cooum, constructed in 1971-74, was affected by floods in December 1983. It was reported that the anicut was completely damaged and caved in for a length of 40 metres in the middle. The bed level in that area had also lowered by 2.20 metres. Restoration work, proposed (August 1984) at a cost of Rs.12.00 lakhs, was not taken up as it could not be executed under 'flood works' as proposed in the estimate. A revised estimate was approved (June 1985) for Rs.20.50 lakhs and the works, taken up in January 1987, were still in progress (May 1988). An expenditure of Rs.12.50 lakhs, including liability of Rs.5.04 lakhs, had been incurred so far (May 1988).

The reports accompanying the estimates on both the occasions (August 1984 and June 1985) attributed the damages to the disturbance of the regime conditions of the river especially in the bed profile in the vicinity of the anicut due to indiscriminate and illicit quarrying of sand to very great depth. The Chief Engineer stated in March 1988 that the flood in December 1983 had brought down the anicut already made precarious by the illicit quarrying of sand.

It was, however, noticed in Audit that the designed discharge of the anicut was 7660 cusecs and the maximum discharge through the head sluice during the floods in 1983 was only 1807 cusecs, far below the designed level. Further, the flood

discharge adopted for the restoration work was the same as for the original design of the anicut. Thus, the damages to the anicut could not be attributed to excessive floods.

It was also noticed in Audit that the Assistant Executive Engineer and the Executive Engineer had repeatedly reported (during 1979 and 1982) to the Officers of the Revenue and Police Departments about the illicit quarrying. The departments concerned (Revenue and Police) did not take concerted and effective action to prevent illicit quarrying. Had the illicit quarrying been prevented, the damages to the anicut attributed by the Chief Engineer to such quarrying and the restoration works estimated at Rs.20.50 lakhs could have been avoided.

The matter was reported to Government in August 1988; their reply has not been received (November 1988).

4.5. Unproductive outlay on Special Minor Irrigation Work

A new tank was constructed near Velayuthapuram in Ottapidaram Taluk in Chidambaranar District under Special Minor Irrigation Programme (SMIP) in March 1978 at a cost of Rs.5.03 lakhs to provide irrigation facilities to an ayacut of 79.31 hectares to dry lands and to achieve an additional annual food production of 130 tonnes. The Scheme attracted betterment levy as well as irrigation water cess, local cess and additional surcharge under relevant notifications issued by the District Collector, Tirunelveli. But no revenue has been collected for supply of water from the tank.

The District Revenue Officer reported to Government in March 1987 that no water was supplied from the tank upto 1985-86 inspite of availability of water in the tank, as there was no proper irrigation channel and that the existing channel was functioning like a jungle stream. He also stated that since the proposed ayacuts were situated one metre above the channel, there was no possibility of taking water from the channel for irrigation purposes.

The Chief Engineer (Minor Irrigation), however, stated (March 1988) that non-development of ayacut was due to the lack of interest on the part of the land owners to develop their lands by lowering the level of land.

Defective construction of the canal leading from the tank has led to unproductive outlay of Rs.5.03 lakhs and loss of irrigation to 79.31 hectares for over ten years.

The matter was reported to Government in September 1988; their reply has not been received (November 1988).

4.6. Non-utilisation of newly constructed Canteen block

A semi-permanent canteen block in the compound of the Central Office Building Complex in Teynampet at Madras to serve over thousand Government employees was constructed in August 1985 at a cost of Rs.4.56 lakhs. The Government proposed (June 1987) to give it on nominal rent to a Co-operative Society of Forest Department for

running a canteen but the Chief Engineer (Buildings) drew (October 1987) attention to the orders issued by Government in August 1979 for recovery of market rent in such cases and notified (November 1987) the market rent as Rs.24,907 per month. The Departmental co-operative institutions withdrew their offers since they were not in a position to pay the market rent fixed. Since even the efforts of the Government to lease the building through public auction failed, the building was proposed to be entrusted to the Director of Medical Services and Family Welfare for suitable utilisation (August 1988).

Thus, the building, completed in August 1985 at a cost of Rs.4.56 lakhs to house a canteen to cater to Government servants, is yet to be put to beneficial use and the expenditure remained unproductive for over three years.

The matter was reported to Government in September 1988; Government stated (October 1988) that it had been decided to consult all the heads of Departments at the complex with a view to constituting a separate management Committee consisting of representatives from all the Departments for running the canteen. Final report has not been received (November 1988).

4.7. Unfruitful expenditure

In October 1980, Government ordered resumption of Government land measuring about 17.25 grounds with a building thereon, in the heart of Madras City, from the management of University Students Club for conversion into a Government Rest

House for officers visiting Madras City on official work. Administrative sanction for improvements and repair works was accorded for Rs.12 lakhs in October 1983 and the estimate for Rs.13.20 lakhs was sanctioned in March 1984. However, the work awarded to a firm in April 1984 was stopped within six months in October 1984 and the contract was foreclosed in February 1986. An expenditure of Rs.3.39 lakhs had been incurred on the work till then on dismantling and clearance of debris.

It was noticed in Audit that the Government stopped the work in view of an alternative proposal for construction of a hotel to be financed by non-resident Indians. No final decision in the matter has yet (October 1988) been taken. The valuable land and the building thereon were not put to use for the past eight years. The expenditure of Rs.3.39 lakhs on the work has become unfruitful.

The matter was reported to Government in November 1988; their reply has not been received.

4.8. Avoidable expenditure on Cast Iron Pipes

Government sanctioned Rs.402.69 lakhs in November 1985 for the construction of office buildings for various Departments for the newly formed Pasumpon Muthuramalingam District at Sivaganga. The Chief Engineer (Buildings), while according technical sanction in December 1985 for the building works, instructed provision of Asbestos Cement (AC) drain pipes in place of Cast Iron (CI) pipes in accordance with general practice in the Department.

However, the works were executed with costlier CI pipes and, till May 1988, the provision of CI pipes resulted in an additional expenditure of Rs.1.05 lakhs on the works based on the differential in prices ranging from Rs.50 to Rs.111 per running metre in the agreements executed. No justification was available on records to support provision of the costlier CI pipes.

The extra expenditure due to departure from the general practice of the Department has been brought to the notice of the Government in July 1988 and their reply has not been received (November 1988).

4.9. Extra expenditure due to delay in handing over the site

The construction work of a ten bedded casualty ward in the Government Hospital at Perambalur was awarded, on tender, to a contractor in January 1982.

An old shed, standing within the alignment of the layout, had to be dismantled before handing over the site to the contractor within 60 days from the date of agreement. However, there was delay in dismantling and clearing the site. The contractor expressed, in July 1982, his inability to carry out the work as the site was not handed over within the stipulated period of 60 days from the date of agreement. The contract, was, therefore, cancelled in October 1982 without penalty. The work was got executed by another agency in June 1985 at an extra cost of Rs.0.70 lakh attributable to the failure

of the Department to take timely action for the dismantlement of the shed and handing over the site.

The matter was reported to Government in April 1988; their reply has not been received (November 1988).

4.10. Delay in proper use of building

The new building for Government Branch Press, Salem, constructed at a cost of Rs.60 lakhs and commissioned in June 1986 included a canteen block costing Rs.4.38 lakhs constructed earlier in June 1985. However, even after two years from the date of commissioning of the Press in the new building, a canteen had not been started in the canteen block nor a proposal therefor initiated so far (September 1988). Instead, the canteen block had been utilised during June 1986 to June 1988 for storing datemats and other unserviceable articles and machine parts and it had not been put to its intended use so far and was lying unutilised from July 1988.

Government stated in September 1988 that (i) since the strength of the employees was less than the requisite number of 250 under the Factory Act, 1948, opening a canteen had not been considered and (ii) the canteen block was constructed anticipating the future expansion of the Press, as it might not be possible to construct a canteen block immediately at that time to fulfil the statutory requirements. They also stated that in order to ensure the optimum utilisation of the built-in-areas and to avoid such

space unutilised, the canteen block was used for storing waste paper, datemats, etc., as no separate godown had been proposed in the original plan for the new Press complex and a proposal to construct a separate waste paper godown was under consideration.

Thus, the canteen building constructed in June 1985 at a cost of Rs.4.38 lakhs remained unutilised till June 1986 and thereafter the canteen, a facility essential for the press staff, had not so far been provided (September 1988) there, on the plea that the strength of staff was below the statutory minimum.

PUBLIC WORKS AND HEALTH, INDIAN MEDICINE AND HOMOEOPATHY AND FAMILY WELFARE DEPARTMENTS

4.11. Delay in air conditioning twin operation theatres

In April 1982, the Government sanctioned air conditioning of the twin operation theatres at the District Headquarters Hospital, Nagapattinam at a cost of Rs.5 lakhs. The Public Works Department (PWD), responsible for the work, entrusted the supply and erection of two air conditioning plants to firm 'A' in April 1983 and construction of the plant room to house the air conditioning plant, to contractor 'B' in April 1984.

The layout for installation of the air conditioners and construction of the room to accommodate them, communicated by firm 'A' to the PWD in June 1983, envisaged provision of a 'T' beam in the plant room. This was neither provided by

the PWD in the estimate for construction of the plant room nor indicated to the contractor 'B', who completed the construction in June 1986 without this beam, after a delay of over two years reportedly on account of scarcity of good quality bricks, stone jelly and cement.

The air conditioners were erected by firm 'A' in November 1986. The power supply then available at the hospital was sufficient to run only one plant at a time. When one of the plants was put on trial run in March 1987, there were severe vibrations which threatened to cause permanent damage to the equipment as well as the entire building. To arrest the vibrations, steel plates were fixed under the plant, as suggested by the firm but without success. As a remedial measure, the PWD then took up construction of a beam on separate pillars just below the plant. This work was completed in June 1988. The extra expenditure involved in carrying out the rectification works was Rs.0.35 lakh. The total expenditure on the work was Rs.4.35 lakhs upto March 1988.

There was also delay in arranging high tension power supply to enable both the plants to be operated simultaneously. The detailed estimate for provision of high tension power supply, sanctioned by Government in May 1983 at a cost of Rs.4.70 lakhs, was taken up by the PWD after more than two years in November 1985. The work was reported (September 1988) to have been completed.

However, the defects in the system pointed out by Electrical Inspector had not been removed

nor qualified and competent staff appointed to run the electrical system (September 1988).

Thus, lack of coordination and control over the work not only delayed the work for over five years but also led to extra expenditure on rectification of defective construction. The outlay of Rs.7.15 lakhs thereon has also failed to yield the expected facility of air conditioned twin operation theatres in the hospital.

The matter was reported to Government in July 1988; their reply has not been received (November 1988).

4.12. Unproductive outlay on construction of a building

In order to provide a dispensary building and staff quarters for the Primary Health Centre, Chellampatti (Madurai District), Government accorded administrative sanction for Rs.3.85 lakhs in April 1979. Technical sanction based on the schedule of rates for 1978-79 was accorded by the Superintending Engineer in November 1979 for Rs.4.23 lakhs, which, however, contained only a nominal provision of Rs.0.35 lakh for water supply, sanitary and electrical arrangements for the building. In view of the increase in rates for the civil works, the building work alone, taken up in December 1980, was completed in March 1983 at a total cost of Rs.4.45 lakhs. Water supply, sanitary and electrical arrangements have not been installed, as successive revised estimates for provision of these amenities, proposed in January 1982, January 1983 and July 1986, are yet to be approved by Government (March 1988).

The user Department refused in June 1986 to take over the building without water supply arrangement and electrification. The building had also developed some cracks in two rooms and the flooring level had gone down in one room. Thus, the expenditure of Rs.4.45 lakhs on the building has remained unproductive. In addition, Government had incurred an expenditure of Rs.0.42 lakh for the period from April 1983 to May 1988 towards house rent allowances to the staff entitled to rent-free quarters, who could have been provided residential accommodation in the building.

The matter was reported to Government in May 1988; their reply has not been received (November 1988).

CHAPTER V

ANIMAL HUSBANDRY AND FISHERIES DEPARTMENT

5.1. Injudicious purchase of crane

The work of construction of eastern break water at Chinnamuttom fishing harbour in Kanyakumari District, sanctioned by Government in March 1982, was awarded to a firm in July 1984. The agreement stipulated that the company should provide suitable devices, cranes, etc., at its cost for lifting and conveying all stones, dolosse blocks and other heavy materials. The agreement also prescribed rates of hire charges for cranes of twenty five, ten and four tonne capacities, if made available by the Department to the firm (and spared for use by the company).

Even though there was no provision for the purchase of machinery in the work estimates sanctioned by Government, the Superintending Engineer, Fishing Harbour Project Circle, Nagercoil, purchased one twelve tonne capacity crane in November 1983 at a cost of Rs.18.83 lakhs for this work and hired it to the firm from March 1985 to September 1987 recovering Rs.3.05 lakhs as hire charges. The proposal submitted in July 1985 for the ratification of the purchase is still pending with Government (July 1988).

There was no legal obligation for the Department to provide this crane to the firm which was bound to make its own arrangement to secure necessary cranes. The usage of the crane was limited to 2945 hours over a five year period and it was not put to use subsequent to December 1987. Due

to these reasons, the purchase of the crane costing Rs.18.83 lakhs proved injudicious.

The hire charge was also not correctly determined. The hire charge for 10 tonne crane shown as Rs.125 per hour in the agreement was based on oral intimation about the rates for the cranes in Tuticorin Port Trust. The same rate was applied to the new twelve tonne crane purchased and made available to the firm even though the correct rate was Rs.398 per hour as fixed by the Machinery Circle (competent authority) in December 1985. This resulted in short recovery of Rs.6.67 lakhs.

The matter was reported to Government in September 1988; their reply has not been received (November 1988).

5.2. Avoidable expenditure on a jetty

Mention was made in paragraph 3.19 of the Report of the Comptroller and Auditor General for the year 1985-86 (Civil) regarding the avoidable expenditure of Rs.3.16 lakhs incurred on casting 270 piles longer than required and cutting them to size in the work of construction of a jetty at Valinokkam Fishing Harbour. A similar case of avoidable expenditure of Rs.4.18 lakhs arose in the construction of the jetty for the fishing harbour at Thondi in Ramanathapuram District.

The sanctioned estimate for the work of construction of this RCC jetty provided for casting of piles in lengths varying from 11.80 to 12.50

metres for driving raker and vertical piles. The estimate and the contract for the work contemplated that the exact length of piles to be cast should be determined after performing load test at site. However, only two test piles were driven (January-February 1984) very close to the shore adjacent to the site for a depth of 7.25 metres and 9.25 metres from ground level and none along the alignment of the jetty which extended upto 272 metres into the sea. No redetermination of length of piles to be cast was also attempted. When the work was executed, 196 piles for a total length of 2401 metres cast to lengths as provided in the estimate were found to be too long. Besides, as the depths of piles to be driven in the sea ranged only between 8.95 metres and 4.50 metres, it became necessary to cut off a total length of 940 metres of piles (about 39 per cent of the total) and throw it into the sea. A major part of Rs.4.18 lakhs of expenditure incurred on extra length of piles could have been avoided with better investigation and planning.

Government stated in May 1988 that the sea bed beyond the shore was formed with clay which prevented the driving of piles to the designed depth, that due to variation in depth at which hard strata was found, extra lengths of pipes had to be cut off in order to fix the deck slab and that the contractor refused to remove the cut off piles at his own cost. This did not explain the inadequate investigation done or the reasons for not enforcing the contract condition stipulating determination of the length of piles to be cast with reference to load tests to be conducted at site.

Government, to whom the matter was referred in August 1988, stated (December 1988) that the Department had no time to insist on making exhaustive tests all along the alignment of the jetty.

5.3. Unnecessary expenditure on revetment

Government sanctioned in August 1982, the construction of brackish water prawn farm at Karangadu in Ramanathapuram District at a cost of Rs.13.19 lakhs. The Superintending Engineer, Fishing Harbour Project Circle, Nagercoil (SE) accorded (September 1984) technical sanction for construction of eleven numbers of prawn ponds of one hectare each. The estimate contemplated protection of inner faces of the bunds of the ponds with brick on edge revetment in cement mortar and cement plastering, while the cheaper alternative of turfing was proposed for outer faces. The work entrusted to a contractor in December 1984, was completed and handed over to the user wing of the Department in February 1988, at a cost of Rs.12.94 lakhs.

The Deputy Director of Fisheries (Mariculture), Madras, who inspected the work in March 1986 while the work was in progress, observed that cement plastering was not durable for the saline water ponds even for two years and that plastering as well as revetment were not necessary for forming brackish water ponds. The SE also noticed (May 1986) that brick lining and plastering already done were pitted by saline content of the sea water and stated that the expenditure incurred till then was liable to go waste after some time. By the time the contractor could be directed to provide

only turf protections on both faces, brick lining and plastering had been done already in five ponds and the toe wall in brick to support the proposed revetment, was provided in all the eleven ponds as contemplated in the estimate. This led to an extra and unnecessary expenditure of Rs.1.99 lakhs out of the total expenditure of Rs.12.94 lakhs on the work.

On this being pointed out by Audit, the Department stated (May 1988) that the estimate was prepared before 1983 and that no experience was gained in aqua-culture engineering aspects. However, it was noticed in Audit that the estimate was approved only in September 1984 and that similar brackish water fish ponds were constructed earlier (1979 to 1984) at Killai without brick revetment. The failure to note the earlier experience and examine carefully the need for brick on edge revetment and plastering at the time of according administrative approval and technical sanction resulted in unnecessary expenditure of Rs.1.99 lakhs.

The matter was reported to Government in August 1988; their reply has not been received (November 1988).

CHAPTER VI

EDUCATION DEPARTMENT

6.1. Failure to avail of duty concession

Air conditioners intended for use in computer rooms were eligible for a concessional rate of Central Excise duty at 25 per cent ad valorem as against the normal duty of 110 per cent during 1985-86. In July 1985, the Director of Technical Education placed orders, under the DGS&D rate contract, for supply of 21 air conditioners at a cost of Rs.3.06 lakhs for installation in computer rooms in 9 polytechnics. However, he did not inform the suppliers that these were meant for installation in computer rooms in the polytechnics and therefore eligible for concessional Central Excise duty. Consequently, the suppliers claimed payment of the full Central Excise duty at 110 per cent ad valorem and were reimbursed by the Department. Non-availing of the concessional rate of duty in those cases resulted in an extra expenditure of Rs.1.26 lakhs.

The matter was reported to Government in August 1988; their reply has not been received (November 1988).

6.2. Unproductive expenditure on surplus staff

Consequent on the upgradation of the Government High School at Senthamangalam, Salem District into a higher secondary school with effect from 1st April 1978, the agricultural course in the School was discontinued, rendering one Agricultural Instructor, one Agricultural Maistry and one Agricultural Cooli surplus. The Agricultural Instructor

was transferred from the School in October 1978 itself. But the Agricultural Maistry and the Agricultural Cooli were continued for over nine years till December 1987 when they were deployed in other schools leading to unproductive expenditure of Rs.1.02 lakhs on their salaries from April 1978 to November 1987. There were delays at various levels in processing the proposal for their transfer from the School. Though the two posts had become surplus from April 1978, it was only in June 1984 that the Chief Educational Officer, Salem sent proposal for their transfer to the Director of School Education, who in turn, recommended the proposal to Government in May 1985. The clarification, sought for by Government in September 1985, was sent to Government by the Director of School Education in September 1986 and final orders transferring the posts along with the incumbents to other schools were issued by Government in November 1987.

The Director of School Education stated (October 1988) that the delay in issuing orders for the transfer of the two Government servants was due to administrative reasons.

The matter was reported to Government in August 1988; their reply has not been received (November 1988).

6.3. Non-utilisation of cycle shed and canteen block

A cycle shed consisting of two stands with accommodation for 200 cycles and road leading thereto were constructed by the Public Works Department (PWD) at a cost of Rs.0.63 lakh (against a

lumpsum provision of only Rs.0.20 lakh in the estimate for the College building) in Sri Subramanyaswamy Government Arts College, Tiruttani and handed over to the College authorities in May 1979. The cycle shed was not put to use ever since it was taken over. It was stated (April 1988) that the students preferred to park their cycles near the main building from the point of view of security and convenience, in the absence of a separate watchman for the shed located far away from the main building. The College authorities did not, however, take steps to provide security either by appointing a separate watchman or by leasing out the shed. Thus, due to non-provision of security therefor, the cycle shed remained unutilised for over nine years.

Construction of a canteen building in the same college was specifically sanctioned by Government in August 1978 as an essential amenity to the day scholars and staff in view of the isolated location of the College, 3 kms. away from the town. The canteen building, constructed at a cost of Rs.0.76 lakh, was taken over by the College authorities in March 1980, but it was not put to the intended use ever since it was taken over. The College authorities did not take steps to run the canteen either departmentally or by leasing it out. The building was being used partly as a class room and partly as Professors room. Thus, due to failure of the Department to run a canteen, the canteen building had not been put to intended use, resulting in the denial of the facility considered essential to the day scholars and staff of the College in view of its isolated location away from the town. The extent to which the academic activity of the College

was affected for want of this essential facility could not be ascertained.

The matter was reported to Government in August 1988; their reply has not been received (November 1988).

CHAPTER VII

ENVIRONMENT AND FORESTS DEPARTMENT

7.1. Cashew plantations by improved technique of air layers

With a view to getting increased yield of cashew in Sathankulam Teri Reserve Forest area in Tirunelveli District, by adopting improved technique of air layers, the Department procured 7,700 cashew air layers at a cost of Rs.0.19 lakh from the Tamil Nadu Forest Plantation Corporation Limited, Karaikudi. Of these, 6,950 air layers were planted in 25 hectares in December 1986 and the remaining 750 air layers used for replacement of casualties. Borewell irrigation facilities for watering the cashew air layers in 25 hectares and conventional plantation taken up in another 25 hectares were also provided by March 1987, at a cost of Rs.1.10 lakhs, to augment watering for both the plantations done earlier from sources available nearby.

Only 335 out of 7,700 air layers, planted at a cost of Rs.0.48 lakh, sprouted by January 1987 and the rest failed. The Chief Conservator of Forests stated (January 1988) that planting cashew air layers was done as an experimental measure and the major reason for the poor survival (less than 5 per cent) of air layers was adverse climatic conditions which prevailed in the area during 1986-87. However, it was seen that conventional planting of 7,700 seedlings, undertaken simultaneously at a cost of Rs.0.20 lakh in an adjacent area of 25 hectares, resulted in 98 per cent survival, indicating that the mortality of air layer plantation could not be attributed to adverse climatic conditions only.

It was also noticed in Audit that the Department tried this improved technique of planting cashew air layers during 1985-86 and that there was only 22 per cent survival despite continuous watering arrangements. No attempt had been made by the Department to identify the reasons for the poor survival but the same technique was tried on a much larger scale during 1986-87. This had resulted in an infructuous expenditure of Rs.0.41 lakh towards the cost of the air layers that had failed and unnecessary expenditure of Rs.1.10 lakhs in providing irrigation facilities through borewells.

Thus, the Scheme of increasing the yield of cashew by adopting the improved technique of planting cashew air layers implemented during 1986-87 in Tirunelveli Division at a cost of Rs.1.51 lakhs proved to be a failure.

The matter was reported to Government in March 1988; their reply has not been received (November 1988).

7.2. Extra expenditure on the purchase of mud pots

While implementing the Scheme of tribal forestry under Tribal sub plan schemes in Tiruchirappalli Forest Division, 54,000 fruit seedlings were raised during 1986-87 in mud pots purchased at a cost of Rs.0.65 lakh, instead of using 35,000 polythene bags valued at Rs.0.08 lakh purchased in 1982 and 1985 which were lying unutilised in one range in this division. It was seen that polythene containers had been used earlier for raising

fruit seedlings under 'Tree Cultivation Extension Programme' in Social Forestry Divisions and could have been used with a saving of Rs.0.52 lakh in expenditure on this occasion.

The matter was reported to Government in March 1988; their reply has not been received (November 1988).

CHAPTER VIII

TRANSPORT DEPARTMENT

8.1. Infructuous repairs

Four steam road rollers received from Highways Divisions in Transport and Machinery Division (Highways), Pudukottai, for major repairs during 1981 and 1982 were repaired (between 1982 and 1984) incurring an expenditure of Rs.1.05 lakhs. Though, these road rollers were reported to be in good working condition after repairs (January 1988), they were not taken back by the divisions concerned — since they considered steam road rollers as outdated and expensive in maintenance and operation. The chances of their being converted into diesel ones were ruled out due to prohibitive cost involved. Thus, these four steam road rollers repaired at a cost of Rs.1.05 lakhs have remained idle for nearly four years with no prospects of utilisation, rendering infructuous the expenditure on repairs.

On this being pointed out by Audit, the Chief Engineer issued instructions in August 1988 that steam rollers, which were not in demand, should be condemned in a phased manner and that in cases where the rollers had been repaired at some cost they should be put to use for some time before being recommended for condemnation. Consequently, two of these four rollers had been returned during October 1988 to the divisions concerned and action initiated to return the other two rollers also.

The matter was reported to Government in April 1988; their final reply has not been received (November 1988).

CHAPTER IX

HANDLOOMS, HANDICRAFTS, TEXTILES AND KHADI DEPARTMENT

9.1. Injudicious purchase

For eradicating Uzi-fly menace by killing the pupae inside the cocoons and increasing the shelf life of the cocoons by the drying process. Government sanctioned in February 1982 Rs.10 lakhs for installation of hot air drying chambers in cocoon markets in the State. The cost was to be shared equally by the State and Central Governments. Accordingly, 26 chambers of different capacities were purchased by the Director of Sericulture at a cost of Rs.6.22 lakhs in 1982 and installed at the various cocoon markets.

Such a hot air chamber (cost: Rs.0.33 lakh), installed in the cocoon market at Hosur, had a capacity for stifling 300 kgs. of cocoon in four hours. In order to utilise the balance sanctioned grant of Rs.3.78 lakhs, an automatic continuous type multi-conveyer hot air chamber, which would dry the stifled cocoons uniformly, was procured, at a cost of Rs.2.86 lakhs, in November 1984. It had a capacity for stifling 500 kgs. of cocoons in six hours. After rectification of the defects noticed during trial run, it was formally commissioned in May 1986, more than a year after its purchase. However till December 1987, it was not put to use and thereafter its usage was very limited, averaging only three to five days in a month. Even on these days, only 7,985 kgs. out of 22,548 kgs. of cocoons procured by the Department for its day-to-day use were stifled in it, the capacity utilisation being

only 275 kgs. per day on an average, far below the rated capacity of 500 kgs. in six hours.

During the period from April 1986 to July 1988, the total quantity of cocoons transacted in the Government cocoon market at Hosur (inclusive of procurement by Government) ranged from 88 to 486 kgs. per day on an average, which was well within the capacity of the hot air drying chamber installed in 1982, even before the purchase of the automatic continuous hot air chamber. Thus, the purchase of the automatic continuous type multi-conveyer hot air chamber at a cost of Rs.2.86 lakhs was injudicious and not related to the actual requirements. The outlay on it has, therefore, become almost unproductive.

The matter was reported to Government in November 1988; their reply has not been received.

CHAPTER X

INDUSTRIES DEPARTMENT

10.1. Injudicious discontinuance of a Training Course

With a view to opening new avenues of employment and catering to the modern requirements of industries, Government ordered in September 1969 the introduction of a regular two year Certificate Course of training in rubber technology by the Director of Industries and Commerce (DIC) in Government Technical Training Centre, Guindy (TTC). Under the new course, 15 candidates were to be trained for a period of two years in the various processes of Rubber Technology, since there was no other institution in the State imparting training in this field.

The Course started only in January 1981 more than 10 years after the Government order, with one part-time Lecturer and one full time Operator on account of non-availability of a Rubber Technologist. It was run only to train one batch of 14 students from January 1981 to December 1982; all of them got employment in different small scale industries in and around Madras immediately, justifying the Certificate Course from the angle of industrial requirement and employment opportunities. Still, the Course was discontinued after this batch without any specific order from Government.

Proposals of the DIC to convert the Certificate Course in Rubber Technology into a Diploma Course (for which a Degree in Science was the entry qualification) from June/July 1983 did not materialise.

Another proposal to start a Post Graduate Course in Rubber Science, in co-ordination with TTC, by the University of Madras, utilising the machinery and other infrastructural facilities available at TTC, was not accepted by the University of Madras, as they were already running Diploma and Post Graduate degree courses in their Department of Polymer Science. The transfer of TTC to the control of Director of Technical Education, ordered in October 1985, was also cancelled in May 1988. Thus, the Certificate Course was not revived nor was any other viable alternative training programme arranged in lieu.

Machinery and equipments, purchased between January 1973 and May 1983 at a total cost of Rs.4.70 lakhs, remain (November 1988) unutilised for over 5 years, since the discontinuance of the Certificate Course. Of these, orders for supply of equipments valued Rs.2.35 lakhs were placed between January and May 1983, after the Course was discontinued and they were received and stored in TTC, without any use. Two equipments costing Rs.0.78 lakh were not commissioned after procurement. Government ordered in September 1988 the transfer of these equipments to Anna University of Technology, Madras at a value of Rs.2.71 lakhs; they have not yet been transferred (November 1988).

Despite abandoning the Certificate Course from January 1983, the posts sanctioned specifically for the course were operated till June 1985. Of them, two were operated from May and June 1983 after the discontinuance of the Course. They were diverted for imparting training in other Diploma Courses, without specific approval of Government.

The expenditure on their salary from January 1983 to May 1985 was Rs.1.66 lakhs.

The discontinuance of the Certificate Course from January 1983 without specific approval of Government has resulted in machinery and equipment costing Rs.4.70 lakhs remaining idle for over 5 years, unauthorised diversion of staff recruited for the Course for other purposes and loss of training and employment opportunities for atleast 45 students.

The Government in their reply (September 1988) did not indicate any reason for either the discontinuance or the non-revival of the Course.

T. Srinivasan

Madras,
The 17th April, 1989.

(T. SRINIVASAN)
Accountant General (Audit) I,
Tamil Nadu and Pondicherry

Countersigned

New Delhi,
The

22 APR 1989

T.N. Chaturvedi
(T.N. CHATURVEDI)

Comptroller and Auditor General
of India

APPENDIX I

(Reference ; paragraph 1.1.1; page 3)

STATEMENT SHOWING DETAILS OF COMMISSIONS AND
INCENTIVES TO AGENTS

Serial number	Nature of incentive	Percentage rate of incentive on face value of tickets purchased	Period	
			From	To
(1)	(2)	(3)	(4)	(5)
1.	Commission	10.0	15.8.1968	10.7.1974
		11.5	11.7.1974	30.4.1981
		15.0	1.5.1981	30.5.1983
		16.0	31.5.1983	
2.	Additional Incentive	1 for one lakh tickets <u>at a time</u>	20.2.1985	4.6.1985
		2 for two lakh tickets and above <u>at a time</u>		
		1 for one lakh tickets <u>at a time</u>	5.6.1985	30.6.1986
		2 for two lakh tickets <u>at a time</u>		
		3 for four lakh tickets <u>at a time</u>		

APPENDIX I - conclud.

(1)	(2)	(3)	(4)	(5)
		3 for 50,000 tickets <u>per draw</u>	1.7.1986	30.4.1987
		1 for 50,000 tickets <u>per draw</u>	1.5.1987	
		3 for four lakh ordinary draw		
		tickets or five lakh bumper draw		
		tickets <u>per draw</u>		

APPENDIX II

(Reference : paragraph 2.1.18; page 38)

STATEMENT SHOWING DETAILS OF CLAIMS FOR
REIMBURSEMENT OF OPERATIONAL EXPENDITURE
INCURRED ON URBAN MALARIA SCHEME
PREFERRED BY LOCAL BODIES

Year	Salem	Tuticorin	Rasipuram	Dindigul	Trichy
(in lakhs of rupees)					
1980-81	2.57	2.36	0.55	0.75	0.97
1981-82	2.98	3.30	0.68	1.05	1.56
1982-83	4.03	3.33	0.71	1.50	1.55
1983-84	4.08	3.42	0.82	1.58	2.21
1984-85	5.50	NA	0.88	1.56	1.72
1985-86	5.77	NA	1.11	1.99	1.26
1986-87	*	*	1.14	2.05	0.67
1987-88	*	*	*	2.89	*
Total	24.93	12.41	5.89	13.37	9.94
				TOTAL	66.54

NA : Not available

* Claim yet to be made

APPENDIX - III

(Reference : paragraph 3.1.1; page 55)

LIST OF TOWNS IN WHICH SCHEME OF IDSMT
IS IMPLEMENTED IN TAMIL NADU

Serial number	Name of Town	Year of implementation
(1)	(2)	(3)
1.	Udhagamandalam	1980-81
2.	Karur	1980-81
3.	Dharmapuri	1980-81
4.	Pudukottai	1980-81
5.	Tiruchengodu	1980-81
6.	Gopichettipalayam	1980-81
7.	Mannargudi	1980-81
8.	Mettupalayam	1980-81
9.	Chengalpattu	1980-81
10.	Coonoor	1980-81
11.	Dharapuram	1980-81
12.	Palani	1980-81
13.	Attur	1980-81
14.	Tiruvannamalai	1980-81
15.	Udumalpet	1980-81
16.	Namakkal	1981-82
17.	Kovilpatti	1981-82

APPENDIX III - concl'd.

(1)	(2)	(3)
18.	Arcot/Ranipet	1981-82
19.	Pollachi	1981-82
20.	Theni-allinagaram	1981-82
21.	Hosur (Town Panchayat)	1981-82
22.	Nagapattinam	1981-82
23.	Karaikudi	1982-83
24.	Kallakurichi (Town Panchayat)	1982-83
25.	Panruti	1982-83
26.	Arni	1982-83
27.	Sivaganga	1982-83
28.	Arakonam	1982-83
29.	Ramanathapuram	1986-87
30.	Aranthangi	1986-87
31.	Aruppukottai	1986-87
32.	Maduranthagam	1986-87
33.	Rameswaram	1986-87
34.	Andipatti	1986-87
35.	Pattukottai	1986-87
36.	Sathiamangalam	1987-88
37.	Ariyalur	1987-88

APPENDIX IV

(Reference : paragraph 3.1.6; page 60)

DETAILS OF EXPENDITURE INCURRED OUT OF LOANS
DISBURSED FROM TNTCPD FUND

Serial number	Name of Municipality (Local Authority)	Amount of loan		
		Received	Spent	Balance
		(in lakhs of rupees)		
(1)	(2)	(3)	(4)	(5)
1.	Andipatti	15.00	Nil	15.00
2.	Arakonam	74.87	60.07	14.80
3.	Arni	80.35	66.87	13.48
4.	Aranthangi	9.00	Nil	9.00
5.	Aruppukottai	4.75	Nil	4.75
6.	Attur	79.17	75.68	3.49
7.	Chengalpattu	77.77	70.04	7.73
8.	Coonoor	46.00	31.94	14.06
9.	Dharapuram	75.08	71.54	3.54
10.	Dharmapuri	83.09	73.38	9.71
11.	Gopichettipalayam	79.94	74.53	5.41
12.	Kallakurichi	76.68	63.70	12.98
13.	Keraikudi	61.01	59.80	1.21
14.	Karur	79.01	75.17	3.84
15.	Kovilpatti	75.49	70.95	4.54

APPENDIX IV - conclud.

(1)	(2)	(3)	(4)	(5)
16.	Maduramthugam	13.00	Nil	13.00
17.	Mettipalayam	83.90	73.63	10.27
18.	Palani	62.60	60.14	2.46
19.	Panruti	61.86	52.21	9.65
20.	Pattukottai	50.00	41.57	8.43
21.	Pollachi	75.54	72.79	2.75
22.	Pudukottai	79.54	66.48	13.06
23.	Ramanathapuram	10.00	Nil	10.00
24.	Ranipet complex	89.57	75.61	13.96
25.	Sivaganga	56.89	42.44	14.45
26.	Tiruchengodu	68.41	58.31	10.10
27.	Tiruvannamalai	67.50	67.20	0.30
28.	Udhagamandalam	78.04	77.46	0.58
29.	Udumalpet	77.59	66.42	11.17
	Total	1791.65	1547.93	243.72
Amount totally unspent against Serial numbers 1,4,5,16 and 23				51.75
Amount in respect of others				191.97

APPENDIX V

(Reference : paragraph 3.1.7; page 61)

DETAILS SHOWING CASES OF DELAY IN RELEASE OF ASSISTANCE TO MUNICIPALITIES

Serial number	Recipient Municipality	Assistance passed on to the P.D. Account		Release to Municipality	
		Month and year	Amount (in lakhs of rupees)	Month and year	Amount (in lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Coonoor	February 1981	46.00	July 1981	18.00
				January 1982	3.00
				September 1982	7.00
				January 1986	14.00
					<u>42.00</u>
2.	Sivaganga	January 1983	15.00	March 1984	25.80
		April 1983	15.00	December 1984	4.20
			<u>30.00</u>		<u>30.00</u>
		December 1984	17.50	February 1986	2.24
				December 1986	2.01
				October 1987	4.84
					<u>9.09</u>
3.	Nagapattinam	March 1982	20.50	March 1984	21.90
		June 1983	12.00	June 1984	5.38
			<u>32.50</u>	February 1985	5.97
					<u>33.25</u>

APPENDIX V - contd.

(1)	(2)	(3)	(4)	(5)	(6)
		March 1986	28.00	March 1986	5.00
				November 1986	13.60
				December 1986	5.14
				September 1987	2.00
					<u>25.74</u>
4.	Tiruchengodu	February 1981	28.00	December 1981	6.90
				June 1982	3.10
				November 1982	3.00
				April 1983	13.64
					<u>26.64</u>
5.	Panruti	July 1982	30.00	October 1982	3.50
				May 1983	9.05
				October 1983	2.51
				January 1984	10.35
				March 1984	3.69
					<u>29.10</u>
		January 1985	38.00	November 1985	7.20
				September 1986	10.00
				April 1987	10.00
					<u>27.20</u>
6.	Mannargudi	February 1981	17.00	April 1981	2.15
				August 1981	1.00
				November 1981	1.50
				December 1981	4.56
				May 1982	1.18
					<u>10.39</u>

APPENDIX V - conclud.

(1)	(2)	(3)	(4)	(5)	(6)
		May 1983	36.50	June 1983	1.79
				July 1983	11.15
				January 1984	15.95
				March 1986	<u>1.78</u>
					<u>30.67</u>
		March 1985	17.50	June 1986	2.24
				August 1987	<u>2.24</u>
					<u>4.48</u>

APPENDIX VI

APPENDIX VI

(Reference : paragraph 3.1.8; page 62)

TARGETS AND FINANCIAL ACHIEVEMENTS (IDSMT)

SIXTH PLAN TOWNS

Serial number and name of town	Sites and Services				Traffic and Transportation				Mandis and Markets			
	Projects completed		Projects in progress		Projects completed		Projects in progress		Projects completed		Projects in progress	
	Number	Expenditure	Number	Expenditure	Number	Expenditure	Number	Expenditure	Number	Expenditure	Number	Expenditure
				(Expenditure in lakhs of rupees)								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1. Udhagamandalam	1	9.25	..	..	4	20.58	..	..	4	47.63	..	..
2. Karur	2	12.06	..	..	2	54.61	..	..	1	8.50	..	..
3. Dharmapuri	1	23.74	..	..	3	36.70	..	..	1	11.30	..	..
4. Pudukottai	4	35.34	..	..	..	..	..	..	4	17.59	1	15.93
5. Tiruchengodu	..	..	..	..	1	16.70	1	11.38	2	30.23	..	..
6. Gopichettipalayam	1	11.64	..	..	2	29.64	..	..	4	33.25	..	..
7. Mannargudi	1	2.45	..	..	7	27.82	..	..	11	28.22	..	..
8. Mettupalayam	..	..	..	..	2	55.82	..	..	1	10.00	..	..
9. Chengalpattu	..	..	..	..	2	26.00	1	3.22	5	41.69	..	..
10. Coonoor	..	..	..	..	..	..	1	6.87	2	25.07	..	..
11. Dharapuram	..	..	..	..	3	19.00	..	..	4	54.70	..	..
12. Palani	..	..	..	..	..	..	1	34.00	1	20.00	3	5.08
13. Attur	1	17.80	..	..	2	33.32	..	..	5	24.56	..	..

APPENDIX - concld.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
14. Tiruvannamalai	..	..	1	7.31	4	43.91	..	..	2	10.94	1	5.18
15. Udumalpet	..	..	..	..	..	..	..	..	5	66.38	..	..
16. Namakkal	..	..	..	..	3	47.47	..	..	3	36.47	..	..
17. Kovilpatti	..	..	..	..	1	17.73	1	16.61	4	36.61	..	..
18. Ranipet complex	..	..	1	9.48	3	42.40	..	..	5	22.73	..	..
19. Pollachi	1	6.40	..	..	1	4.85	1	4.94	4	53.02	..	..
20. Theni-allinagaram	..	..	..	..	..	..	1	24.99	3	43.47	..	..
21. Hbsur	1	32.34	..	..	1	14.28	..	..	4	34.31	..	..
22. Nagapattinam	..	..	..	..	2	24.62	1	26.74	5	25.68	..	..
23. Karaikudi	1	6.00	..	..	1	7.72	..	..	2	14.92	1	17.32
24. Kallakurichi	..	..	..	..	1	23.36	..	..	4	42.52	..	..
25. Panruti	..	..	1	1.49	..	..	1	34.87	2	15.85	..	..
26. Arni	..	..	..	..	1	36.25	..	..	1	21.82	1	6.83
27. Sivaganga	..	..	..	..	1	18.53	..	..	2	17.80	..	..
28. Arakonam	1	13.66	..	..	1	21.05	..	..	2	24.50	..	..
Total	15	170.68	3	18.26	49	622.36	9	163.62	93	819.76	7	50.34

APPENDIX VII

(Reference : paragraph 3.1.9; page 63)

DETAILS OF PERFORMANCE UNDER LOW COST SANITATION PROJECT IN
CERTAIN TOWNS SELECTED DURING SIXTH PLAN

Serial number	Name of Town	Approved outlay	Loan released by		Expenditure by Municipality	Number of LCS Units	
			Government	TNTCPD F		Completed	In progress
			(in lakhs of rupees)				
1.	Arakonam	26.81	18.76	2.44	0.86	49	9
2.	Arni	21.00	14.70	7.17	1.97	115	55
3.	Hosur	10.40	10.40	7.20	9.33	882	..
4.	Kallakurichi	17.00	11.92	5.00	..	..	..
5.	Karaikudi	26.78	18.74	9.14	12.90	1,850	100
6.	Mannargudi	25.00	17.50	4.48	5.16	558	..
7.	Mettupalayam	25.41	17.78	17.90	7.32	530	..
8.	Sivaganga	25.00	17.50	9.00	6.11	738	42
	Total	177.40	127.30	62.42	43.65	4,722	206

APPENDIX VIII

(Reference : paragraph 3.1.10; page 64)

DETAILS OF PERFORMANCE UNDER IDSMT IN CERTAIN TOWNS SELECTED DURING SEVENTH PLAN

Serial number	Name of town	Approved estimated cost	Loan released by		Expenditure by Municipality	Number of projects (including LCS)			
			Government	TNTCPD Fund		Commenced	Not commenced	Completed	Total
			(in lakhs of rupees)						
1.	Andipatti	60.00	40.00	15.00	..	..	4	..	4
2.	Aranthangi	92.00	53.60	9.00	..	2	2	..	4
3.	Aruppukottai	70.56	59.60	4.75	..	3	2	..	5
4.	Maduranthagam	114.00	69.60	13.00	..	5	2	..	7
5.	Pattukottai	75.10	90.00	50.00	30.39	2	1	1	4
6.	Ramanathapuram	90.11	69.60	10.00	..	..	4	..	4
7.	Rameswaram	47.69	40.00	..	..	..	2	..	2
Total		549.46	422.40	101.75	30.39	12	17	1	30

/ DIX VIII

graph 3.1.10; page 64)

CERTAIN TOWNS SELECTED DURING SEVENTH PLAN

Expenditure by Municipality	Number of projects (including LCS)			
	Commenced	Not commenced	Completed	Total
..	..	4	..	4
..	2	2	..	4
..	3	2	..	5
..	5	2	..	7
30.39	2	1	1	4
..	..	4	..	4
..	..	2	..	2
<u>..</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
30.39	12	17	1	30
<u>30.39</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

APPENDIX IX

(Reference : paragraph 3.1.12; page 65)

DETAILS OF 'SITES AND SERVICES' SCHEMES
COMPLETED/IN PROGRESS

Serial number	Name of town	Government assistance		Expendi- ture	Balanc
		Period of release	Amount		
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
(a) Schemes completed/nearing completion					
1.	Arakonam	1984-86	18.49	13.46	5.03
2.	Karaikudi	1983-85	6.50	6.00	0.50
3.	Karur	1980-82	16.48	12.06	4.42
4.	Mannargudi	1982-83 & 1985-86	2.96	2.45	0.51
5.	Pollachi	1981-82	11.55	6.40	5.15
6.	Udhagamandalam	1984-85	9.24	9.24	..
			<hr/> 65.22	<hr/> 49.61	<hr/> 15.61
(b) Schemes in progress					
7.	Arcot	1984-86	9.48	9.48	..
8.	Attur	1984-86	14.92	NA	..
9.	Dharmapuri	1983-85	7.92	7.92	..

APPENDIX IX - conclud.

(1)	(2)	(3)	(4)	(5)	(6)
10.	Gopichettipalayam	1983-84	15.00	15.50	..
11.	Panruti	1984-85	1.49	1.49	..
12.	Tiruvannamalai	1981-82 & 1983-84	7.31	5.00	2.31
13.	Walajapet	1982-84	7.00	7.00	..
			<u>63.12</u>	<u>46.39</u>	<u>2.31</u>
	Grand total		128.34	96.00	17.92

NA Not available

APPENDIX X

(Reference : paragraph 3.1.15; page 68)

DETAILS OF DIVERSION OF FUNDS MEANT FOR
PROJECTS UNDER IDSMT

Serial number	Name of Municipality	Amount diverted (in lakhs of rupees)	Remarks
(1)	(2)	(3)	(4)
1. Arakonam		2.98	The amount was transferred to General Fund of the Municipality and utilised for other purposes during January and February 1987.
2. Chengalpattu		5.22	Transferred to General Fund and utilised for other purposes during July 1984 to July 1987.
3. Dharapuram		5.43	Unspent balance, out of Rs.24.67 lakhs sanctioned for construction of shopping complex, was utilised for construction of Restaurant, which was not approved by Government of India.
4. Mannargudi		4.64	Unspent balance in certain approved schemes had been mis-utilised for other schemes.

APPENDIX X - conclud.

(1)	(2)	(3)	(4)
2. Pollachi	4.42	Out of the unspent balance of Rs.5.16 lakhs under 'Sites and Services' scheme, Rs.4.42 lakhs were diverted for "Improvement of Gandhi Market".	
6. Tiruvannamalai	4.81	The amount was transferred to General Fund and utilised for other purposes during May 1983 to February 1988.	
		<hr/> 27.50 <hr/>	

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