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REPORT
OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR 1978-79
(CIVIL)

GOVERNMENT OF MADHYA PRADESH



REPORT

OF THE

COMPTROLLER

GENERAL OF THE STATE OF NEW YORK

FOR THE YEAR 1880

ALBANY: PUBLISHED BY THE COMPTROLLER.

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PREFATORY REMARKS

This report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1978-79 together with other points arising from the audit of the financial transactions of the Government of Madhya Pradesh. It also includes certain points of interest arising from the Finance Accounts for the year 1978-79.

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

3. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 1978-79 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 1978-79 have also been included, wherever considered necessary.

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

MEMORANDUM

The following information was obtained from a review of the records of the Department of the Interior, Bureau of Land Management, regarding the land grant to the State of California for the purpose of establishing a State Land Office.

The land grant was made by the United States Government to the State of California in 1850, under the provisions of the Act of March 3, 1850, (9 Stat. 496).

The grant was made for the purpose of enabling the State to purchase the public lands within its boundaries, and to dispose of the same in the most advantageous manner.

The grant was made in consideration of the State's agreement to pay for the land at the same price as the public lands were being sold by the United States Government.

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CHAPTER I

GENERAL

1.1 Summary of transactions

The receipts and expenditure of the Government of Madhya Pradesh for the year 1978-79 are given below with corresponding figures of the previous year:—

Particulars (1)	1977-78 (2)	1978-79 (3)
<i>(Rupees in crores)</i>		
(1) Revenue—		
Revenue receipts—		
(i) Revenue raised by the State Government	4,37.15	4,99.35
(ii) Receipts from the Government of India	2,16.43	2,72.97
Total—Revenue receipts	6,53.58	7,72.32
(iii) Revenue expenditure—		
Non-Plan	5,00.04	5,33.11
Plan	84.94	1,17.12
Total—Revenue expenditure	5,84.98	6,50.23
Revenue surplus (+)	+68.60	+1,22.09
(2) Public Debt—		
(i) Internal debt of the State Government—		
(a) Market loans—		
Receipts	9.95	10.65
Repayments	4.28	4.93
Increase (+)	+5.67	+5.72
(b) Loans from autonomous bodies—		
Receipts	3.37	4.66
Repayments	2.69	2.87
Increase (+)	+0.68	+1.79
(c) Ways and means advances from the Reserve Bank of India—		
Receipts	3,22.27	2,26.93
Repayments	2,95.46	2,55.86
Increase(+)	+26.81	—28.93
Decrease(—)		
Total—Internal debt of the State Government (net)—		
Increase (+)	+33.16	—21.42
Decrease(—)		

Particulars (1)	1977-78 (2)	1978-79 (3)
<i>(Rupees in crores)</i>		
(ii) Loans and advances from the Government of India—		
Receipts	85.00	2,13.40
Repayments	42.64	38.49
Increase (+)	+42.36	+1,74.91
Total—Public debt (net) —		
Increase (+)	+75.52	+1,53.49
(3) Capital expenditure—		
Non-Plan	—0.04	1.29
Plan	1,35.95	1,62.08
Increase (—)	—1,35.91	—1,63.37
(4) Loans and advances by the State Government—		
Recoveries	18.19	23.02
Disbursements	1,09.68	1,37.93
Increase (—)	—91.49	—1,14.91
(5) Transfer to Contingency Fund—		
Increase (—)	—5.00	..
(6) Contingency Fund (net)—		
Increase (+)	+1.32	—1.12
Decrease (—)		
(7) Public Account—		
Receipts	6,71.76	8,36.30
Disbursements	6,14.92	8,16.47
Increase (+)	+56.84	+19.83
Net surplus (+)	—30.12	+16.01
Net deficit(—)		
(8) Cash balance—		
Opening cash balance	—6.37	—36.49
Net deficit as above (—)	—30.12	+16.01
Net surplus as above (+)		
Closing cash balance	—36.49	—20.48 ^(e)

(e) There was a difference of Rs. 0.63 crore between the figure reflected in the accounts (Rs.—20.82 crores) and that intimated by the Reserve Bank of India (Rs.—20.19 crores) regarding 'Deposits with Reserve Bank,' included in cash balance. After reconciliation and adjustment in the accounts to the end of September 1979 difference of Rs. 0.44 crore remains to be reconciled (February 1980).

1.2 Revenue surplus/deficit

(a) *Revenue receipts.*—The actuals of revenue receipts of the Government for 1978-79 as compared with (i) the budget estimates and (ii) the budget estimates *plus* additional taxation (less concessions in taxation) during the year along with the corresponding figures for 1976-77 and 1977-78 are shown below:—

Year	Budget	Budget <i>plus</i> additional taxation (less concessions in taxation)	Actuals	Variation between columns (4) and (3)	
				Amount of increase(+)/decrease(—)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crores)					
1976-77	5,86.86	6,06.52	6,14.05	+7.53	1.2
1977-78	6,91.59	6,78.92	6,53.58	—25.34	3.7
1978-79	7,79.65	7,89.88	7,72.32	—17.56	2.2

(b) *Expenditure on revenue account.*—The expenditure on revenue account during 1978-79 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision and the corresponding figures for the preceding two years are shown below:—

Year	Budget	Budget <i>plus</i> supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crores)					
1976-77	4,93.47	5,77.14	5,02.22	—74.92	13
1977-78	6,10.66	6,61.26	5,84.98	—76.28	12
1978-79	6,68.90	7,53.53	6,50.23	—1,03.30	14

(c) The year ended with a revenue surplus of Rs. 1,22.09 crores as against the surplus of Rs. 1,10.75 crores anticipated in the budget.

The figures of revenue surplus for the year under review and the corresponding figures for the last two years are given below:—

Year	Revenue surplus
(1)	(2)
(Rupees in crores)	
1976-77	1,11.83
1977-78	68.60
1978-79	1,22.09

1.3 Revenue receipts

During 1978-79, revenue receipts (Rs. 7,72.32 crores) showed an increase of Rs.1,18.74 crores (18 per cent) over those in 1977-78 (Rs.6,53.58 crores). The increase is analysed below:—

(1)	Receipts		
	1977-78 (2)	1978-79 (3)	Increase (4)
	(Rupees in crores)		
(i) REVENUE RAISED BY THE STATE GOVERNMENT—			
(a) Tax Revenue	2,56.73	2,83.12	26.39
(b) Non-Tax Revenue	1,80.42	2,16.23	35.81
Total (i)	4,37.15	4,99.35	62.20
(ii) RECEIPTS FROM THE GOVERNMENT OF INDIA—			
(a) Taxes on Income other than Corporation Tax	49.31	51.58	2.27
(b) Estate Duty	0.73	0.77	0.04
(c) State's share of Union Excise Duties	86.61	97.48	10.87
(d) Grants under proviso to Article 275 (1) of the Constitution	18.14	21.37	3.23
(e) (1) Block grants for State Plan Schemes	25.37	48.47	23.10
(2) Grants for Central Plan Schemes	13.14	26.78	13.64
(3) Grants for Centrally Sponsored Plan Schemes	19.22	22.26	3.04
(4) Grants for Other Purposes	3.91	4.26	0.35
Total (ii)	2,16.43	2,72.97	56.54
Total (i) and (ii)	6,53.58	7,72.32	+1,18.74

Receipts from the Government of India during 1978-79 (Rs. 2,72.97 crores) were 35 per cent of the total revenue receipts in the year.

More information on the subject will be found in the Report of the Comptroller and Auditor General of India for the year 1978-79, Government of Madhya Pradesh—Revenue Receipts.

1.4 Expenditure on Revenue Account

The following table compares the expenditure on revenue account during 1978-79 under broad headings with the provision of funds made thereunder:—

Head of expenditure	Plan				Non-Plan			
	Budget estimates	Budget plus supplementary	Actuals (*)	Variations	Budget estimates	Budget plus supplementary	Actuals (*)	Variations
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	(Rupees in crores)				(Rupees in crores)			
A—General Services	3.40	22.65	3.30 (2.00)	—19.35	185.43	194.25	159.44 (166.76)	—34.81
B—Social and Community Services	72.52	79.36	69.47 (47.79)	—9.89	193.09	197.46	188.48 (187.89)	—8.98
C—Economic Services—								
(i) General Economic Services	4.62	4.68	3.17 (2.30)	—1.51	4.05	4.05	3.95 (3.80)	—0.10
(ii) Agriculture and Allied Services	48.50	56.96	40.24 (32.71)	—16.72	93.92	104.62	104.33 (94.27)	—0.29
(iii) Industry and Minerals	5.65	7.63	5.04 (3.32)	—2.59	2.30	2.36	2.23 (2.07)	—0.13
(iv) Water and Power Development	0.17	0.17	—4.73 (—3.67)	—4.90	24.28	24.30	24.13 (13.60)	—0.17
(v) Transport and Communications	0.84	0.84	0.63 (0.49)	—0.21	29.04	30.33	26.98 (27.14)	—3.35
D—Grants-in-Aid and Contributions	..	..	..	..	1.09	23.87	23.57 (4.51)	—0.30
Total	1,35.70	1,72.29	1,17.12 (84.94)	—55.17	5,33.20	5,81.24	5,33.11 (5,00.04)	—48.13

Thus, while the saving (Rs. 48.13 crores) under the provision for Non-Plan expenditure was 8 per cent, 32 per cent of the provision for Plan expenditure remained unutilised.

Significant variations in expenditure during 1978-79 over the previous year, under broad sectors, are analysed in Appendix I.

(*) The figures in brackets are the expenditure figures for 1977-78.

1.5 Expenditure on Capital Account

(i) The capital expenditure during three years ending 1978-79 as compared with the budget estimates *plus* supplementary provision is given below :—

Year (1)	Budget (2)	Budget <i>plus</i> supplemen- tary (3)	Actuals (4)	Variation between columns (4) and (3)	
				Amount (5)	Percentage (6)
(Rupees in crores)					
1976-77	1,00.11	1,26.74	1,29.71	+2.97	2
1977-78	1,32.38	1,43.10	1,35.91	-7.19	5
1978-79	1,54.63	1,78.32	1,63.37	-14.95	8

(ii) The following table compares the expenditure on capital account during 1978-79 under broad headings with the provision of funds thereunder :—

Head of expenditure (1)	Plan				Non-plan			
	Budget esti- mates (2)	Budget <i>plus</i> supple- mentary (3)	Actu- als (*) (4)	Vari- ations (5)	Budget estima- tes (6)	Budget <i>plus</i> supple- mentary (7)	Actuals (*) (8)	Vari- ations (9)
(Rupees in crores)								
Capital expenditure on—								
(i) General Services	0.34	0.41	0.23 (0.25)	-0.18	0.82	1.23	0.80 (0.50)	-0.43
(ii) Social and Com- munity Services	10.24	11.90	8.14 (7.16)	-3.76	0.34	0.34	0.30 (0.26)	-0.04
(iii) Economic Services—								
(a) General Eco- nomic Services	5.80	5.84	1.48 (8.00)	-4.36	..	..	.. (..)	..
(b) Agriculture and Allied Services	34.21	41.08	42.30 (36.11)	+1.22	0.62	0.79	0.43 (-0.86)	-0.36
(c) Industry and Minerals	2.34	3.15	₹3.29 (1.52)	+0.14	-0.87	-0.87	-0.24 (0.04)	+0.63
(d) Water and Power Deve- lopment	84.46	92.20	85.44 (70.65)	-6.76	..	..	.. (..)	..
(e) Transport and Communications	16.33	22.25	21.20 (12.26)	-1.05	..	..	.. (@) (0.02)	..
Total	1,53.72	1,76.83	1,62.08 (1,35.95)	-14.75	0.91	1.49	1.29 (-0.04)	-0.20

(*) The figures in brackets are the expenditure figures for 1977-78.

(@) Actual expenditure is Rs. 43,468 only.

Thus, while the saving under Non-Plan expenditure was negligible (Rs. 0.20 crore only); 8 per cent of the provision for Plan expenditure remained unutilised.

Significant variations in expenditure during 1978-79 over the previous year, under broad sectors, are analysed in Appendix II.

1.6. Loans and Advances by the Government

(a) The actuals of disbursement of loans and advances by the Government for 1978-79 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision along with the corresponding figures for 1976-77 and 1977-78 are given below :—

Year	Budget	Budget <i>plus</i> supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in crores)					
1976-77	1,32.37	1,45.18	1,17.09	—28.09	19
1977-78	1,28.28	1,37.17	1,09.68	—27.49	20
1978-79	1,42.94	1,59.06	1,37.93	—21.13	13

The saving (column 5) during the year was due mainly to less release of loans for Power projects (Rs. 15.00 crores), to Government servants (Rs. 2.24 crores) and to co-operative institutions (Rs. 2.04 crores).

(ii) The budget and actuals of recoveries of loans and advances for the three years ending 1978-79 are given below:—

Year	Budget	Actuals	Variation	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)
(Rupees in crores)				
1976-77	45.13	27.49	—17.64	39
1977-78	30.75	18.19	—12.56	41
1978-79	29.33	23.02	—6.31	21

(iii) The loans and advances outstanding at the end of the last three years were as under :—

(1)	31st March		
	1977 (2)	1978 (3)	1979 (4)
(Rupees in crores)			
Loans for—			
1. Social and Community Services	46.29	55.16	67.68
2. Economic Services—			
(i) General Economic Services	27.56	31.97	35.76
(ii) Agriculture and Allied Services	32.88	34.35	35.95
(iii) Industry and Minerals	5.84	7.64	9.37
(iv) Water and Power Development	3,21.84	3,95.18	4,89.29
(v) Transport and Communications	0.75	0.69	0.69
Total—2.-Loans for Economic Services	3,88.87	4,69.83	5,71.06
3. Loans to Government Servants	4.58	6.25	7.40
4. Loans for miscellaneous purposes	0.18	0.17	0.18
Total—Loans and Advances	4,39.92	5,31.41	6,46.32

Further details are given in Statement Nos. 5 and 18 of the Finance Accounts, 1978-79.

(iv) Recoveries in arrears.—(a) Loans and advances the detailed accounts of which are maintained by the Audit Office.—Recovery of Rs. 4.86 crores (principal : Rs. 2.52 crores, interest : Rs. 2.34 crores) was in arrears at the end of March 1979 as shown below :—

(1)	Principal (2)	Interest (3)
	(Rupees in crores)	
Upto 1977-78	1.92	1.76
1978-79	0.60	0.58
Total	2.52	2.34

(b) Loans and advances the detailed accounts of which are maintained by departmental officers.—Complete information about arrears of recovery of loans and advances has not been supplied. According to the information received (December 1979), recovery of Rs. 9.47 crores (principal : Rs. 9.00 crores ; interest : Rs. 0.47 crore) was outstanding at the end of March 1979. Of the total recovery reported to be in default, the recovery of Rs. 8.32 crores (principal : Rs. 8.24 crores ; interest : Rs. 0.08 crore) was outstanding for more than three years as on 31st March 1979.

1.7. Sources of funds for capital expenditure and net outgo under loans and advances

The sources from which capital expenditure (Rs. 1,63.37 crores) and net expenditure under 'Loans and Advances' by the State Government (Rs. 1,14.91 crores) during 1978-79 were met, are shown below :—

	(Rupees in crores)
1. Net addition to—	
(i) Market Loans	5.72
(ii) Loans from Government of India	1,74.91
(iii) Loans from other sources	—27.14
(iv) Small Savings, Provident Funds, etc.	42.30
2. Miscellaneous—	
(i) Reserve Funds	2.37
(ii) Other items (mainly balances under Deposits, Suspense and Remittances)	6.21
3. Contingency Fund	—1.12
4. Investments in securities and increase in cash balance	—47.05
5. Revenue surplus	1,22.09
6. Net amount available for expenditure	2,78.28

1.8. Debt position

(a) The total debt liability of the Government at the close of 1978-79, was Rs. 12,47.04 crores. A comparative analysis of the debt liability as at the end of March 1977, 1978 and 1979 is given below :—

Nature of debt (1)	Balance on 31st March		
	1977 (2)	1978 (3)	1979 (4)
	(Rupees in crores)		
(1) Internal debt of the State Government	1,30.44	1,63.60	1,42.18
(2) Loans and advances from the Government of India	5,25.17	5,67.53	7,42.44
(i) Total Public Debt	6,55.61	7,31.13	8,84.62

Nature of debt (1)	Balance on 31st March		
	1977 (2)	1978 (3)	1979 (4)
	(Rupees in crores)		
(ii) Small savings, provident funds, etc.	1,70.72	2,08.49	2,50.79
(iii) Reserve funds and deposits (interest bearing)	19.59	23.14	30.08
(iv) Reserve Funds and deposits (non-interest bearing)	73.04	68.45	81.55
Total	9,18.96	10,31.21	12,47.04

The borrowings from the Government of India constituted 84 per cent of the State Government's public debt on 31st March 1979 as against 78 per cent of the public debt on 31st March 1978.

During the year a loan of Rs. 10.76 crores bearing interest at 6 1/4 per cent per annum (redeemable at face value in 1988) was floated by the Government against which Rs. 10.73 crores were subscribed.

(b) *Ways and Means advances and overdrafts from the Reserve Bank of India.*—Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum cash balance of Rs. 80 lakhs on each day. The Bank makes ways and means advances when the cash balance falls short of this minimum.

The extent to which the Government maintained the minimum balance with the Bank during 1978-79 is given below:—

(i) Number of days on which the minimum balance was maintained without obtaining any advance.	99
(ii) Number of days on which the minimum balance was maintained by taking ways and means advances (ordinary and special).	83
(iii) Number of days on which there was shortfall from minimum balance after taking the above advance but no overdraft was taken.	5
(iv) Number of days on which overdrafts were taken	178

During the year, overdrafts and ways and means advances aggregating Rs. 2,26.93 crores were obtained which together with the outstanding balance of Rs. 28.93 crores were repaid leaving no amount outstanding at the end of the year.

Rupees 3.36 crores were paid as interest to the Bank, on the ways and means advances (Rs. 1.11 crores) and short falls/overdrafts (Rs. 2.25 crores) during 1978-79 against Rs. 0.25 crore during 1976-77 and Rs. 1.31 crores during 1977-78.

(c) *Interest charges.*—Interest payments on account of the debt are analysed below:—

(1)	1977-78 (2)	1978-79 (3)
	(Rupees in crores)	
Interest paid by the State Government	48.77	55.79
Interest received by the State Government—		
(a) Interest received on loans and advances	17.23	36.29
(b) Interest received on investment of cash balance	—0.34	0.28
Net burden of interest on revenue	31.88	19.22
Net interest as percentage of total revenue receipts	4.88	2.49

(*) The minus figure represents loss incurred by Government on account of sale/transfer of securities,

In addition there were other miscellaneous receipts of interest (Rs. 0.44 crore) and if these are taken into account, the net burden of interest on the revenue would be Rs. 18.78 crores, or 2.43 per cent of the total revenue receipts. The Government also received during the year Rs. 2.12 crores by way of dividends on investments in commercial and industrial undertakings, etc.

1.9 Investments

Details of amounts invested by Government during the year as well as cumulative figures to end of the year together with the dividend/interest received by Government therefrom during the year are given below :—

Category of bodies	Investment				Dividend/ interest received during the year with percentage of return on cumulative investments in brackets
	During 1978-79		To end of 1978-79		
	No. of concerns	Invest- ments	No. of concerns	Invest- ments	
(1)	(2)	(3)	(4)	(5)	(6)
		<i>(Rupees in crores)</i>			
(i) Statutory Corporations	4	2.64 @	4	19.47	0.90 (4.62)
(ii) Government Companies	11	6.92	23	26.71	0.21 (0.79)
(iii) Joint-stock companies	..	..	23	1.00	0.06 (6.30)
(iv) Banks	1	(@@)	1	(£)	..
(v) Co-operative institu- tions.	(*)	1.52	(*)	58.65	0.95 (1.61)
Total		11.08		1,05.83	2.12 (2.00)

5 concerns in which the Government had investment of Rs. 4.25 lakhs were under liquidation.

Further details are given in Statement No. 14 of the Finance Accounts, 1978-79.

1.10 Guarantees given by the Government

(i) The Government has given guarantees for repayment of loans, payment of interest thereon etc., raised by statutory corporations/boards, Government companies, joint-stock companies, co-operative banks and societies, municipalities, corporations and townships and other institutions.

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

(@) Includes Rs. 3 lakhs pertaining to the year 1975-76.

(@@) Rs. 0.20 lakh being investment in a bank were written off during the year.

(£) Rupees 15,460.

(*) Complete information is not available.

(further details are given in Statement No. 6 of the Finance Accounts, 1978-79) :—

Body on whose behalf guarantee was given	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1979
(1)	(2)	(3)
	(Rupees in crores)	
(a) Working capital raised by the Madhya Pradesh Financial Corporation, Indore and dividends thereon.	1.94	1.85
(b) Loans, debentures, bonds, etc., raised by—		
(i) Statutory Corporations and Boards	2,80.78	2,28.38
(ii) Government Companies	55.72	0.40
(iii) Joint-stock Companies	1.79	0.21
(iv) Co-operative banks and societies	5,59.63	1,71.39
(v) Municipalities, corporations and townships	19.72	13.74
(vi) Other institutions	0.64	(A)
Total	9,20.22	4,15.97

According to the orders issued by the Government in February 1978, the Finance Department is required to collect from the administrative departments and intimate to Audit by 15th May every year the guarantees outstanding on 31st March of that year. Such information as on 31st March 1979 was not received (February 1980) in complete form in respect of loans, etc., amounting to Rs. 1,17.30 crores (*) guaranteed by the Government on behalf of (i) statutory corporations and boards (Rs. 0.04 crore), (ii) Government companies (Rs. 26.63 crores), (iii) Joint-stock companies (Rs. 0.98 crore), (iv) Co-operative banks and societies (Rs. 84.74 crores), (v) municipalities, corporations and townships (Rs. 4.87 crores) and (vi) other institutions (Rs. 0.04 crore).

(ii) During the year, Rs. 1,51.52 lakhs were paid as a result of the guarantees given in favour of various bodies being invoked. The total payment on account of guarantees invoked upto the end of 1978-79 was Rs. 2,99.02 lakhs. Against this, Rs. 1,82.23 lakhs were recovered from the parties concerned leaving balance of Rs. 1,16.79 lakhs. Year-wise details of the amount paid on account of guarantees invoked and recoveries made are as follows:—

Year	Amount	
	Paid	Recovered
(1)	(2)	(3)
	(Rupees in lakhs)	
Upto 1973-74	67.46	5.45
1974-75	25.37	11.26
1975-76	54.67	..
1976-77	..	1.25
1977-78	..	27.96
1978-79	1,51.52	1,36.31
Total	2,99.02	1,82.23

(A) Information is awaited from Government.

(*) The amount stands included in the maximum amount of Rs. 9,20.22 crores guaranteed by the Government.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

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

	(1)	Grants charged/ appropriations (2)	Expenditure (3)	Saving (4)	Percentage (5)
(Rupees in crores)					
Voted—					
Original	10,13.72	11,14.33	9,91.48	1,22.85	11
Supplementary	1,00.61				
Charged—					
Original	4,68.58	4,92.41	3,88.81	1,03.60	21
Supplementary	23.83				
Total		16,06.74	13,80.29	2,26.45	14

The overall saving of Rs. 2,26.45 crores was the result of saving of Rs. 2,29.03 crores in 36 grants in revenue section (Rs. 89.07 crores), 27 grants in capital section (Rs. 36.35 crores), 26 charged appropriations in revenue section (Rs. 25.30 crores) and 6 charged appropriations in capital section (Rs. 78.31 crores); partly offset by excess of Rs. 2.58 crores in 3 grants in revenue section (Rs. 2.34 crores), 1 grant in capital section (Rs. 0.23 crore) and 3 charged appropriations in revenue section (Rs. 0.01 crore).

(b) Further details are given below :—

	Revenue (1)	Capital (2)	Loans and Advances (3)	Public Debt (4)	Total (5)
(Rupees in crores)					
Authorised to be spent (Grants and charged appropriations)					
Original	7,76.21	1,82.80	1,42.92	3,80.37	14,82.30
Supplementary	84.63	23.68	16.13	..	1,24.44
Total	8,60.84	2,06.48	1,59.05	3,80.37	16,06.74
Actual expenditure (Grants and charged appropriations)	7,48.82	1,91.40	1,37.92	3,02.15	13,80.29
Shortfall	1,12.02	15.08	21.13	78.22	2,26.45

2.2. Excess over grants/charged appropriations requiring regularisation

(a) *Grants*.—The excess of Rs. 2,34,59,040 in three grants in revenue section and of Rs. 22,80,730 in one grant in capital section, as detailed below, requires regularisation under Article 205 of the Constitution:—

Serial number (1)	Number and name of grant (2)	Total grant (3) Rs.	Expenditure (4) Rs.	Excess (5) Rs.
<i>Revenue section:</i>				
1.	1—General Administration	3,42,10,800	3,66,66,756	24,55,956
				Reasons for the excess, which was mainly under 'Secretariat' and 'Tour expenses' have not been intimated. (February 1980).
2.	10—Forest	66,80,36,700	67,19,26,573	38,89,873
				Excess occurred mainly under "State Trading in Timber, Tendu Patta, Khair and Bamboos", reasons for which have not been intimated (February 1980).
3.	24—Public Works	79,85,52,600	81,56,65,811	1,71,13,211
				"Excess occurred mainly under "Suspense" and was due to acquisition of more materials for stock than anticipated".
<i>Capital section:</i>				
1.	27—Education	34,49,000	57,29,730	22,80,730
				Reasons for the excess which was on construction of buildings, etc., for higher secondary schools have not been intimated (February 1980).

(b) *Charged appropriations*.—The excess of Rs. 94,180 in three charged appropriations in revenue section, as detailed below, also requires regularisation:—

Serial number (1)	Number and name of charged appropriation (2)	Total appropriation (3) Rs.	Expenditure (4) Rs.	Excess (5) Rs.
1.	1—General Administration	23,98,000	24,40,736	42,736
				Excess was mainly under "Expenditure from Contract Allowances", "Works" and 'Tour expenses', reasons for which have not been intimated (February 1980).
2.	4—Other expenditure pertaining to Home Department	3,000	4,540	1,540
				Reasons for the excess which occurred under 'Rent Control' have not been intimated (February 1980).
3.	13—Agriculture	11,700	61,604	49,904
				Reasons for the excess which occurred under "Subordinate and Expert Staff (District and subordinate level)", have not been intimated (February 1980).

2.3 Supplementary grants/charged appropriations

The supplementary provision of Rs. 1,24.44 crores (8 per cent of the original provision) was obtained under 35 grants (Rs. 1,00.61 crores) and 19 charged appropriations (Rs. 23.83 crores).

The details of significant cases of unnecessary, excessive and inadequate supplementary grants/ charged appropriations are given below:—

(i) In 19 grants (revenue : 14; capital: 5) and 1 charged appropriation (revenue), supplementary provision (exceeding Rs. 10.00 lakhs each) of Rs. 31.23 crores remained wholly unutilised as the expenditure did not come up even to the original provision. The grants/ appropriation where the unutilised provision was Rs. 1 crore or more are mentioned below. (The details of other grants are given in Appendix III).

Serial number	Number and name of grant/ charged appropriation	Original grant/ charged appropriation	Supplementary grant/ charged appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(Rupees in lakhs)

Revenue section:

1.	Interest payments and servicing of Debt (charged)	62,65.61	33.96	61,52.90	1,46.67
					Shortfall was due mainly to non-presentation of claims by certain bond -holders, floating of new market loan at par resulting in non-payment of discount thereon and receipt of less loans with consequential less payment of interest than anticipated.
2.	8—Land Revenue and District Administration	24,19.69	1,86.39	23,97.08	2,09.00
					Shortfall was due mainly to posts remaining vacant, engagement of less labourers, non-availability of building material and non-payment of compensation to certain land-holders due to cases pending in Courts and non-presentation of claims in certain cases.
3.	11—Expenditure pertaining to Commerce and Industry Department	6,23.20	2,05.91	6,09.57	2,19.54
					Shortfall was due mainly to less payment of investment subsidy to industrial units in selected backward districts/areas pending completion of required formalities, non-sanctioning of grants to compensate certain losses to the Madhya Pradesh <i>Laghu Udyog Nigam</i> and fewer entrepreneurs trained for executing rural industries development programme than anticipated.
4.	13—Agriculture	34,48.00	2,88.04	31,34.93	6,01.11
					Shortfall was attributed mainly to less expenditure on minor irrigation works and veterinary schemes, less payment of subsidy on manures and fertilisers, late implementation of the scheme for Intensive Orchards Development and posts remaining vacant.

Serial number	Number and name of grant/charged appropriation	Original grant/charged appropriation	Supplementary grant/charged appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(Rupees in lakhs)

5.	19—Medical, Public Health and Family Welfare.	58,39.29	5,22.28	45,08.26	18,53.31
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“Shortfall was attributed mainly to less achievement of targets of sterilisation and consequential less expenditure on compensation, less supply of materials and equipments received from Government of India, posts remaining vacant, non-receipt of machinery, equipments, medicines and materials indented for, non-finalisation of the set-up of Drugs organisations and cases of stipends of unemployed medical graduates and non-adjustment of cost of materials received pending verification.”

6.	22—Expenditure pertaining to Local Government Department	24,41.85	33.20	2,77.26	21,97.79
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Shortfall was due mainly to provision for grants to local bodies on account of loss of income due to abolition of octroi being made under this grant instead of under charged appropriation. The provision was surrendered on supplementary provision being made under charged appropriation in March 1979.

7.	23—Irrigation works	39,33.24	4,36.44	39,00.99	4,68.69
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Part of the shortfall was due to less purchase of machinery (Rs. 78.77 lakhs). Reasons for the balance shortfall have not been intimated (February 1980).

8.	27—Education	1,31,50.98	4,21.92	1,30,00.32	5,72.58
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Shortfall was reported to be due mainly to economy measures, posts remaining vacant, less expenditure on stipends, less supply of stationery articles by Government Press and non-purchase of furniture and equipment due to ban on purchases.

9.	33—Tribal and Harijan Welfare	33,70.87	31.57	32,18.80	1,83.64
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Shortfall was due mainly to less purchase of food stuff for feeding children under special nutrition programme in tribal areas.

Serial Number and name of grant/ number charged appropriation	Original grant/ charged appropriation	Supplemen- tary grant/ charged appropriation	Expenditure	Saving	
(1)	(2)	(3)	(4)	(5)	
		(Rupees in lakhs)			
10. 40—Irrigation Command Area Development		7,17.25	52.50	4,15.33	3,54.42

Shortfall was due mainly to non-implementation of the schemes of consolidation of holdings in certain areas, delay in acquisition of land, delay in purchase of machinery and equipment for Chambal Ayacut, non-availability of cement, economy in expenditure and administrative approval for construction of Commissioner's office building not being accorded.

Capital section:

1. 8—Land Revenue and District Administration	2,08.00	1,00.00	1,81.89	1,26.11
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Reasons for the saving which occurred mainly under "Supply of seeds in drought affected areas" (provision : Rs. 80.00 lakhs; expenditure: Nil) and "Loans for Co-operative—Credit Societies" (provision : Rs. 100.00 lakhs; expenditure: Rs. 50.00 lakhs) have not been intimated (February 1980).

2. 13—Agriculture	17,49.12	5,07.85	17,35.57	5,21.40
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Shortfall was due mainly to less demand for loans from the Apex Co-operative Bank, less incidence of pests and diseases on crops, non-investment in the share capital of Land Development Corporation, non-finalisation of proposals for construction of minor canals in irrigated areas and non-purchase of machinery pending finalisation of formalities.

3. 17—Co-operation	10,47.52	79.78	9,23.85	2,03.45
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"Shortfall was attributed mainly to purchase of less debentures by Primary Land Development Banks due to less resources consequent on less recoveries from loanees and non-receipt of approval from the National Co-operative Development Corporation for loan assistance for the establishment of seven new units and from Reserve Bank of India for investment in share capital of certain Banks".

4. 20—Public Health Engineering	4,56.68	16.90	3,06.24	1,67.34
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Shortfall was due mainly to execution of Ujjain water supply scheme as a deposit work, non-execution of water supply schemes in industrial areas of Dewas and Mandsaur and slow progress of other works.

(ii) *Supplementary grants which proved excessive.*—In 9 grants (revenue: 7; capital: 2) supplementary provision (exceeding Rs. 10.00 lakhs each) of Rs. 30 crores proved excessive. The grants where the unutilised provision was Rs. 1 crore or more are mentioned below. (Details of other grants are given in Appendix IV).

Serial number	Number and Name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in lakhs)					
<i>Revenue section</i>					
1.	3—Police	38,78.49	2,53.45	40,27.69	1,04.25
		Shortfall was attributed mainly to incomplete supply of computer machines, scientific equipments and wireless equipments, non-receipt of 5 transreceiver sets for the safety of V. I. P s, less expenditure on running and maintenance of vehicles, economy measures and non-finalisation of proposals for renovation of condemned vehicles.			
2.	9—Other expenditure pertaining to Revenue and Land Reforms Departments.	6,72.92	8,34.40	8,58.15	6,49.17
		Part of the shortfall was due to sanction of less relief irrigation works in the drought affected areas (Rs. 1,09.94 lakhs), non-receipt of paper from Director General, Supplies and Disposals, absence of trainees and non-availing of the benefit of encashment of leave by the staff to the anticipated extent (Rs. 60.95 lakhs). Reasons for the balance shortfall of Rs. 4,78.28 lakhs have not been intimated (February 1980).			
3.	30—Expenditure pertaining to Panchayat and Community Development Department.	15,77.40	8,10.00	19,94.46	3,92.94
		Shortfall was attributed mainly to discontinuance of the scheme for link roads under Integrated Rural Development Programme by the Government of India, non-sanction of staff for realisation of cess on land revenue, vacant posts, less demand for grants for local development works in tribal areas and less payment of grants to <i>Panchayati Raj</i> institutions.			
<i>Capital Section</i>					
1.	24—Public Works	20,26.46	4,97.89	21,43.07	3,81.28
		Shortfall was due mainly to non-execution of some works, late commencement of some other works and less engagement of field staff for construction of district and other roads under "Minimum Needs Programme".			
(iii) <i>Inadequate grants.</i> —In the following cases, the supplementary grants (exceeding Rs.10.00 lakhs in each case) of Rs.13,36.14 lakhs proved inadequate; the final uncovered excess was Rs.2,34.59 lakhs (reasons for the excess, to the extent received, are given in paragraph 2.2),					

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)

(Rupees in lakhs)

Revenue Section

1.	1—General Administration	3,11.38	30.73	3,66.67	24.56
2.	10—Forest	57,96.71	8,83.66	67,19.27	38.90
3.	24—Public Works	75,63.78	4,21.75	81,56.66	1,71.13

2.4 Unutilised provision

Rupees 2,29.03 crores remained unutilised as mentioned in paragraph 2.1 (a) above. In 25 grants (revenue:15 and capital:10) and 2 charged appropriations (revenue:1 and capital:1) the savings (more than Rs.25.00 lakhs in each case) were more than 10 per cent of the total provision. The details of these grants and charged appropriations are given in Appendix V.

2.5 Advances from the Contingency Fund

1. A Contingency Fund with a corpus of Rs.20.00 crores has been placed at the disposal of the Government to meet unforeseen expenditure pending authorisation by the State Legislature. Advances from the Fund can be made only to meet unforeseen expenditure not provided in the budget and which is of such emergent character that its postponement till the vote of the legislature is taken would be undesirable.

2. Government issued 275 sanctions during 1978-79 advancing Rs.33,80.08 lakhs from the Contingency Fund. Against these sanctions, advances amounting to Rs.13,18.80 lakhs were drawn, out of which Rs.7,12.40 lakhs were not recouped to the Fund till the close of the year.

3. It was also noticed that—

(i) 120 sanctions for Rs.12,72.67 lakhs were neither operated upon nor cancelled;

(ii) 5 sanctions of Rs.45.89 lakhs were not operated upon and were subsequently cancelled;

(iii) actual withdrawal (Rs.25.37 lakhs) against 16 sanctions (Rs.3,65.87 lakhs) was less than 50 per cent of the sanctioned amount; and

(iv) two sanctions for Rs.60.25 lakhs were operated on 31st March 1979 but the amount meant for investment in the share capital of *Madhya Pradesh Antyavasayee Sahakari Vikas Nigam* was kept in Civil deposits and not invested by the Tribal and Harijan Welfare Department (February 1980).

2.5.4. In the following cases the amount of advance sanctioned was not drawn or was substantially in excess of the amount drawn :—

Serial number	Head of account	Purpose for which advance sanctioned	Amount of advance sanctioned	Amount drawn
(1)	(2)	(3)	(4)	(5)
			<i>(Rupees in lakhs)</i>	
1.	533—Capital Outlay on Irrigation, Navigation, Drainage and Flood control Projects.	For purchase of special tools and plants for Upper Wainganga Project, Briyarpur Project, Urmil Project and Rajghat Canal Project.	1,78.50	..
2.	532—Capital Outlay on Multipurpose River Projects.	For purchase of special tools and plants for Bargi Project.	1,56.00	..
3.	282—Public Health, Sanitation and Water Supply.	For purchase of rigs to expedite water supply schemes.	1,19.45	..
4.	321—Village and Small Industries	For establishment of Industrial Centre.	93.94	..
5.	314—Community Development	For scarcity works in hail storm and flood affected areas.	84.00	5.00
6.	306—Minor Irrigation	For fitting pump sets and digging tube-wells.	71.01	..
7.	532—Capital Outlay on Multipurpose River Projects.	For creation of 2 divisions and 8 sub-divisions for Chambal Ayacut.	53.23	..
8.	282—Public Health, Sanitation and Water Supply.	For village water supply schemes.	50.00	..
9.	282—Public Health, Sanitation and Water Supply.	For purchase of furniture, vehicles and creation of posts under Public Health Engineering Department.	41.45	..
10.	721—Loans for Village and Small Industries.	For establishment of Industrial Centre.	33.00	..
11.	521—Capital Outlay on Village and Small Industries.	For establishment of Industrial Centre.	22.00	..

2.6. Non-receipt of explanations for savings/excesses

After the close of each financial year, the detailed Appropriation Accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the controlling officers requiring them to explain the variations in general and those in important heads in particular.

In regard to the Appropriation Accounts for 1978-79, explanations for variations in respect of 366 heads were called for, out of which explanations for 141 heads were either not received at all or were incomplete. In particular, the Forest, Irrigation and Panchayat and

Rural Development departments have not furnished the explanations in a large number of cases. Such delays in submission of material for the Appropriation Accounts result in the Audit Report remaining incomplete in certain essential respects.

2.7. Shortfall/excess in recoveries

Under the system of gross budgeting followed by Government, the demands for grants presented to the legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the budget estimates. During 1978-79 such recoveries were anticipated at Rs. 1,35.45 crores (Revenue: Rs. 1,07.30 crores; Capital: Rs. 28.15 crores). Actual recoveries during the year, however, were Rs.1,26.61 crores (Revenue: Rs.98.59 lakhs; Capital: Rs. 28.02 lakhs). Grant-wise details of estimated recoveries, actual recoveries and shortfalls/ excesses in recoveries have been given in Appendix II to the Appropriation Accounts for the year 1978-79. Some of the important cases of variations are detailed below:—

Number and name of grant/appropriation	Budget estimates	Actuals	Amount of excess(+)/shortfall(—) of recoveries compared to estimates
(1)	(2)	(3)	(4)
<i>(Rupees in crores)</i>			
<i>Revenue</i>			
19—Medical, Public Health and Family Welfare	2.85	0.08	—2.77
	Reasons for the shortfall have not been intimated (February 1980).		
20—Public Health Engineering	13.10	16.14	+3.04
	Reasons for the excess have been intimated (February 1980).		
22—Expenditure pertaining to Local Government Department	21.92	1.52	—20.40
	Shortfall was due mainly to closure of Madhya Pradesh Octroi Compensation Fund from Ist April 1978 and consequential non-transfer of expenditure on payment of grant to local bodies (treated as recoveries earlier when transfer was effected to the Fund).		
24—Public Works	37.10	47.31	+10.21
	Reasons for the excess have not been intimated (February 1980).		
<i>Capital</i>			
13—Agriculture	6.24	[4.52]	—1.72
	Reasons for the shortfall have not been intimated (February 1980).		
17—Co-operation	..	1.94	+1.94
	Reasons for the excess have not been intimated (February 1980).		

CHAPTER III
CIVIL DEPARTMENTS
AGRICULTURE DEPARTMENT

3.1. Machine Tractor Station Scheme

Introduction.—The Machine Tractor Station Scheme, which envisages hire service of dozers and ploughing tractors to cultivators and Government Departments for dozing, ploughing and follow-up cultivation operations, was started in the State in 1951-52. As on 1st April 1976, there were 13 Machine Tractor Stations in the State, with a fleet strength of 178 dozing and 121 ploughing tractors acquired at a cost of Rs. 2,47.67 lakhs (excluding the cost of 61 tractors which was not known to the Department). The number was reduced to 222 by 31st March 1979 as a result of transfer of 77 machines to the Madhya Pradesh State Land Development Corporation (Corporation) on 1st April 1978. During the years 1976-77 to 1978-79, an amount of Rs. 4,31.41 lakhs was spent on the scheme.

2. Non-achievement of targets.—The targets for dozing and ploughing are fixed by the Divisional Joint Directors keeping in view the demand for the service and the availability of machines. The hours operated by the machines in dozing and the average ploughed under the scheme during the three years 1976-77 to 1978-79 as compared to the targets fixed by the Divisional Joint Directors were as follows:—

Year	Dozing			Ploughing		
	Target	Achievement	Percentage	Target	Achievement	Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(In hours)			(In acres)	
1976-77	1,40,000	82,850	58.18	30,000	17,517	58.39
1977-78	1,60,000	91,780	57.36	30,000	15,384	51.28
1978-79	1,60,000	58,737	36.71	30,000	21,033	70.71

The Department attributed the shortfall to (i) old age of machines, (ii) frequent break down of fast moving parts, and (iii) non-availability of genuine spare parts.

It was, however, seen from the records relating to 5 Stations (Bhopal, Indore, Jabalpur, Sagar and Shivpuri) that 38 old machines, which had outlived their rated lives of 10,000 hours, had worked during the three year period at 100 per cent efficiency. On the other hand machines acquired as recently as 1971-72 to 1975-76 had worked only between 10 to 25 per cent of the rated capacity during the three year period.

The Department had purchased 70 Honomag K7 dozers during 1971-72 and 1972-73 at a cost of Rs. 89.42 lakhs. Of these, 48 (cost: Rs.61.96 lakhs), whose utilisation upto March 1978 was less than 40 per cent of the rated working hours, had been transferred to the Corporation in April 1978. Nine out of the rest were lying idle during 1976-77 to 1978-79 due to major breakdowns. Despite expenditure of Rs. 0.47 lakh on repairs of 6 of them, none of them could be commissioned (June 1979). According to one Station Officer, this make of dozers had an inherent defect of over-heating due to which the engine blocks had burst rendering the machines unserviceable.

Out of 10 BNT tractors (cost: Rs. 6.70 lakhs) purchased in March 1967, four were lying idle due to major breakdowns during February 1970 to March 1974; five of the rest, which were serviceable at the beginning of 1976-77, were rendered unserviceable during December 1976 to February 1978 due to breakdown of crank shafts. Though spare parts worth

Rs. 2.23 lakhs for these tractors were available, no spare cranks-haft was available and the Director of Agriculture had reportedly been requested (May 1976) to arrange for import of crank-shafts; further developments are awaited (February 1980).

A fleet of 10 Ansaldo fossati TCA 70 Crawler tractors purchased at a cost of Rs. 3.31 lakhs between January 1953 and March 1953 and commissioned in March/April 1953 had developed trouble mainly in the fuel system within 2-3 months of their commissioning. These machines could be used for brief spells only during 1954 and 1957 and are lying idle since 1958.

The department did not clarify as to whether the machines were purchased after proper tests. Records pertaining to the purchase were not produced to Audit. No action to investigate the purchase of defective machines and their poor maintenance had also been taken (February 1980).

3. *Working results.*—The scheme was envisaged to run on a 'no profit no loss' basis. Proforma accounts required to be prepared for the scheme showing the working results for each year had not been prepared by the Director of Agriculture (November 1979). Test check by Audit showed that in five stations, calculated at the economic rates fixed by the Director of Agriculture from time to time, there was a cumulative loss of Rs. 25.75 lakhs during the years 1976-77 to 1978-79. However, calculated with reference to the rates chargeable to beneficiaries as fixed by Government, which were lower than the economic rates, the loss amounted to Rs. 57 lakhs as shown below:

Name of Station	Pay and allowances and wages	Maintenance and other charges	Total expenditure	Value of work done calculated at economic rates fixed by the Director of Agriculture	Recoverable dues calculated at the rates fixed by Government	Loss(—)/Profit(+) with reference to	
						Column 5	Column 6
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rupees in lakhs)							
Bhopal	12.74	25.88	38.62	31.79	24.45	(—) 6.83	..
Indore	15.09	17.17	32.26	27.66	21.28	(—)4.60	(—)10.98
Jabalpur	8.55	17.29	25.84	19.91	15.32	(—)5.93	(—)10.52
Sagar	16.91	16.78	33.69	23.80	18.31	(—)9.89	(—)15.38
Shivpuri	13.11	17.67	30.78	32.28	24.83	(+)1.50	(—)5.95
Total	66.40	74.79	1,61.19	1,35.44	1,04.19	(—)25.75	(—)57.00

Investigations into the reasons for the losses brought out the following:—

(a) *High cost of establishment and maintenance.*—A major factor responsible for the persisting losses was the high expenditure on establishment and maintenance in relation to the work done being as high as 40.08 to 71.05 per cent and 54.74 to 86.84 per cent respectively. No norms had been fixed by Government for establishment and maintenance expenditure.

(b) *Abnormal walking hours and idle running hours.*—According to departmental instructions, deployment of machines was required to be planned in such a way that walking hours of the machines from the temporary shelter or workshop to the actual place of work and idle running at site of work were minimum but no norms had been fixed. Test-check of the log

books of five International TD 14 ploughing tractors of Betul unit of Bhopal station showed that the walking and idle running hours were very high as shown below:—

Year	Total number of hours worked	Number of hours of actual ploughing	Walking hours Idle running hours	
			Percentage column 3	Percentage to column 3
(1)	(2)	(3)	(4)	(5)
1976-77	2,671.15	1,913.20	393.30 20.56	364.25 19.04
1977-78	2,006.45	1,452.30	283.15 19.50	271.00 18.66
1978-79	796.30	565.15	136.15 24.10	95.00 16.81
Total	5,474.30	3,931.05	813.00	730.25

4. *Stores and stock.*—Annual stores and stock accounts of Bhopal, Jabalpur and Indore stations had not been prepared for 1977-78 and 1978-79 and of Sagar station for 1978-79. For 1976-77, the closing balance (Rs. 63.34 lakhs) of the stock of spares of the four stations was very high as compared to the consumption (Rs. 19.28 lakhs). Stores and stock accounts for 1976-77 to 1978-79 had not been prepared for Shivpuri station.

Spare parts valued at Rs. 7.30 lakhs relating to machines which had ceased to be in the fleet or had already been declared unserviceable continued to be borne on stock in four stations. Action taken for expeditious disposal of these spare parts was not indicated.

5. *Outstanding recoveries.*—(i) Recovery of hire charges amounting to Rs. 1,11.52 lakhs was outstanding against the beneficiaries on 31st March 1979 (Government departments: Rs. 13.57 lakhs; private parties: Rs. 97.95 lakhs). Out of the amount recoverable from private parties, Rs. 48.03 lakhs pertained to the period prior to 1972-73.

(ii) Besides, Rs. 34.86 lakhs were recoverable from the Corporation towards pay and allowances of departmental staff deployed, from 1st April 1978 to 30th April 1979, on 77 dozers transferred to it and cost of their repair and spare parts. Out of this amount, no bills had been preferred for Rs. 3.44 lakhs (being pay and allowances to be claimed by one of the stations).

(iii) Under the rules, walking charges of dozers are to be borne by the beneficiaries. In 80 cases, charges amounting to Rs. 0.45 lakh for 447.30 walking hours pertaining to 23 dozers during 1977-78 and 1978-79 had not been billed by the stations at Gwalior (1977-78: Rs. 0.35 lakh) and Shivpuri (1977-78 and 1978-79: Rs. 0.10 lakh).

Summing up :

(i) The scheme had, at the beginning of 1976-77, 299 machines for providing hire service to cultivators. After transfer of 77 serviceable machines to the M. P. State Land Development Corporation on 1st April 1978, the number of machines with the Government was reduced to 222 by 31st March 1979. Of the latter, 77 were unserviceable for various reasons, including reported inherent defects, broken parts, lack of critical spare parts, etc.

(ii) The scheme fell short of the physical targets fixed for dozing between 63 per cent and 41 per cent, and for ploughing, between 49 per cent and 30 per cent, during 1976-77 to 1978-79.

(iii) Although the scheme was designed to run on 'no profit no loss' basis, the accumulated losses for the 3 years in five stations amounted to Rs. 25.75 lakhs with reference to the economic rates fixed by the Director of Agriculture and Rs. 57 lakhs with reference to the actual rates fixed by Government. The major factors contributing to the losses were high establishment charges in relation to the work done and high repair and maintenance charges because of breakdowns and other reasons.

(iv) In four stations, there was a large accumulation of spares (Rs. 63.34 lakhs) disproportionate to the annual requirements; some of these related to machines no longer in the fleet or to machines declared unserviceable.

(v) Hire charges amounting to Rs. 1,11.52 lakhs were outstanding for recovery in 5 selected stations; Rs. 48.03 lakhs being in respect of period prior to 1972-73.

The matters mentioned above were reported to Government in September 1979; reply is awaited (February 1980).

3.2 Non-crediting of sale proceeds

As per departmental instructions, the Agriculture Extension Officers responsible for distribution/sale of seeds and pesticides under various agricultural schemes were required to deposit the sale proceeds into the treasury either on the day of realisation or at the latest on the next day and the Deputy Directors of Agriculture were to verify that this had been done through the monthly accounts to be received from the Extension Officers.

Scrutiny of records of sale/distribution of seeds and pesticides in seven districts (Bastar, Bilaspur, Durg, Raissen, Ratlam, Sehore and Tikamgarh) disclosed that, out of the sale proceeds of seeds and pesticides, amounts totalling Rs. 6.38 lakhs were outstanding to be deposited into the treasury by the Extension Officers. Out of this amount, Rs. 4.80 lakhs (75 per cent) pertained to sales effected prior to 1976-77; Rs. 4.16 lakhs pertained to one district (Bilaspur alone).

In the absence of necessary verification by the Deputy Directors of Agriculture of the deposit of sale proceeds into the treasury and in view of the long periods for which the amounts had remained uncredited there was risk of the amounts having been defalcated.

The matter was reported to the Director of Agriculture and the Government in September 1979. In reply the Director of Agriculture stated (September 1979) that instructions were being issued to investigate, effect recovery and fix responsibility on officials responsible for the suspected defalcation. Reply from the Government is awaited (February 1980).

3.3 Irregular payment of subsidies for raising paddy nurseries

Under a centrally sponsored scheme, cultivators raising paddy nurseries on their own farm lands were entitled to a subsidy at the rate of Rs. 400 per acre of nursery provided that at least fifty per cent of the seedlings produced in such nurseries was sold to other needy cultivators for transplantation purposes. At least 7.5 acres of transplantation area belonging to other cultivators was required to be fed by one acre of nursery in order to entitle the cultivator to receive full subsidy.

During the years 1976-77 and 1977-78, there was excess payment of Rs. 1.14 lakhs of subsidy as shown below:

(i) Total area of nurseries for which subsidy was paid (in acres)	843.41
(ii) Amount of subsidy paid (Rupees in lakhs)	3.37
(iii) Total area of other cultivators wherein seedlings supplied by the nurseries, for which subsidy was paid, were used (in acres)	4,180.5
(iv) Nursery area for which subsidy was admissible (in acres) (7.5 per cent of (iii) above)	557.40
(v) Amount of subsidy admissible for area in (iv) above (Rupees in lakhs)	2.23
(vi) Subsidy excess paid (Rupees in lakhs)	1.14

The Director of Agriculture, to whom the matter was reported in April 1979, while accepting the facts, stated (September 1979) that the Deputy Director of Agriculture, Gwalior was being instructed to recover the overpayments.

The matter was reported to the Government in April 1979; reply is awaited (February 1980).

AGRICULTURE (FISHERIES) DEPARTMENT

3.4 Construction and functioning of Khutelbhata fish seed farm

With the object of increasing the production of fish seed in the State, a fish seed farm was got constructed at Khutelbhata (district Durg) through the Bhilai Steel Plant (B.S.P.) during January 1970 to July 1975 at a cost of Rs. 16.71 lakhs.

2. The farm had a rearing area of 5.50 hectares and capacity to stock 2.50 lakhs spawns and produce 1.00 lakh fry and 50 lakh fingerlings. The achievements of the farm in terms of its capacity and targets fixed are shown below:

Year	Spawns		Fry		Fingerlings	
	Targets	Stocked	Targets	Produced	Targets	Produced
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Numbers in lakhs)						
1975-76	Not fixed	0.45	Not fixed	2.86	Not fixed	1.75
1976-77	60.00	39.95	50.00	9.95	10.00	7.33
1977-78	100.00	86.20	80.00	32.97	15.00	17.65
1978-79	70.00	77.60	90.00	48.88	15.00	11.92

Of the total quantity of fry stocked and fingerlings produced, 7.7 per cent was issued to other farms and 16.3 per cent was sold to private parties.

Reasons for reducing the targets for stocking spawns during 1978-79 were not on record. It was also seen that 58 to 98 per cent of the requirements of spawn for the farm was obtained from other sources as the production in the farm was stated to be not adequate.

3. Two oxidation ponds of the B. S. P. were taken on lease for the production of fish. As compared to the targets for fish production, the actual production was as follows:—

Year	Targets	Achievement
(1)	(2)	(3)
(In tonnes)		
1976-77	50	27.87
1977-78	25	1.92
1978-79	35	11.00

During the years 1977-78 and 1978-79, the mortality of fish was 14.20 quintals and 24.04 quintals respectively, of the total value of Rs. 0.13 lakh.

The mortality was attributed to fall during night in oxygen content in the water in the ponds. It was, however, seen that pipelines and mixing chamber for diluting the sewage water in the oxidation ponds (for increasing the oxygen content), constructed at a cost of Rs. 1.49 lakhs, were not being used and no dilution of sewage water was being done on the ground that it was free from harmful matter.

4. As compared to the expenditure of Rs. 4.74 lakhs on the farm during 1975-76 to 1978-79, the revenue realised from the farm was Rs. 2.09 lakhs. After taking into account the notional value of Rs. 1.34 lakhs of the spawns, fry and fingerlings supplied to other Government farms, the net deficit in the working of the farm was Rs. 1.34 lakhs. No investigation of the causes for the losses and shortfalls in production had been conducted.

The above facts were reported to the Government and the Director of Fisheries in August 1978 and again in September 1979; replies are awaited (February 1980).

AGRICULTURE (VETERINARY) DEPARTMENT

✓ 3.5. Cattle Breeding and Bull Rearing Farms—

1 *Introduction.*—With a view to producing pedigree bulls of progressive genetic potential for distribution for breeding purposes so as to increase milk production, seven state cattle breeding and three bull rearing farms were set up in the State by 1978-79. Of these one farm (at Agar) is a combined cattle breeding and bull rearing farm. The area of the farms, the

years in which they were set up and the expenditure on the farms during the years 1974-75 to 1978-79 were as follows :—

Name of the farm	Year of establishment	Area	Expenditure
(1)	(2)	(3)	(4)
		(In acres)	(Rupees in lakhs)
<i>Cattle breeding</i>			
(i) Garhi	1916	993	9.39
(ii) Pakariya	1929	2,476	10.04
(iii) Agar	1938	1,150	14.06
(iv) Bilaspur	1948	766	30.10
(v) Kiratpur	1955	925	19.79
(vi) Ratona	1963	696	18.19
(vii) Minora	1973	353	7.42
<i>Bull rearing</i>			
(i) Amanala	1954	58	8.05
(ii) Arone	1954	302	5.07
(iii) Rodia	1954	104	3.52

Results of test-check (February to August 1979) of the records of the farms for the period 1974-75 to 1978-79, supplemented by information supplied by the Director of Veterinary Services (hereinafter referred to as the Director), are mentioned in the paragraphs which follow.

2. *Cattle strength.*—As against the total carrying capacity of 1,095 fixed for the seven cattle breeding farms, the average number of cows and buffaloes maintained was 529 only.

No targets were laid down by the department for rearing pedigree bulls by bull rearing farms. However, out of 1,069 male calves born in the cattle breeding farms during 1974-75 to 1978-79, 607 calves had been transferred to the bull rearing farms and extension centres. Out of the bulls reared by the bull rearing farms, 550 had been transferred to bull centres for servicing. The average number of bulls kept in the three bull farms was thus only 156 as compared to the strength (240) fixed for those farms.

The reasons for non-utilisation of the available capacity in full in both the cases were not stated.

3. *Calf mortality.*—According to the instructions (February 1974) of the Director, the calf mortality in a farm should not exceed 10 per cent. In the three farms at Agar, Bilaspur and Gaarhi the percentage of mortality was 16 and that at Kiratpur 12. The calf mortality of buffaloes was very high in Kiratpur and Ratona farms where the percentage was 33 and 42 respectively. The Farm Manager, Ratona attributed the high mortality to dampness in sheds and pneumonia, but reasons for not taking effective remedial steps were not indicated.

4. *Dry cows maintained.*—According to the instructions of the Director (June 1975), the number of dry cows in a farm was required to be maintained at 33 1/3 per cent and below of the cow strength and for this purpose steps were to be taken to service the cows promptly when in heat. The number of dry cows ranged from 38 to 52 per cent of the total number of cows. The reasons for the high number of dry cows maintained had not been investigated.

5. *Milk yield and reproduction.*—Scrutiny of records of 325 lactations of 110 cows and 24 buffaloes, which had four lactations each revealed the following :—

(i) *Inter-calving period.*—According to the Handbook on Animal Husbandry published (1977) by the Indian Council of Agriculture Research, calving interval between lactations of a healthy milker should be 13 to 14 months. It was, however, observed that 49.39 and 32 per cent of lactations of cows, buffaloes and jersey cows respectively had longer calving intervals ranging from 15 to 24 months between lactations.

(ii) *Dry period.*—According to the Handbook *ibid* a dry period longer than eight weeks should be considered uneconomical. It was, however, noticed that the dry periods exceeded 150 days in respect of 59,37 and 27 per cent of lactations of cows, buffaloes and jersey cows respectively.

(iii) *Milk yield.*—Milk yield of 1,000 to 1,200, 1,500 and 2,500 to 3,000 litres is considered minimum in respect of cows, buffaloes and jersey cows respectively. It was however, noticed that the milk yield of cows, buffaloes and jersey cows was below the minimum in respect of 32, 42 and 59 per cent lactations respectively.

6. *Bull rearing farms.*—No follow up action to watch the performance of the 550 bulls reared and supplied to bull centres during the period under review had been kept at the farms. In the absence of these vital scientific data, it could not be ascertained as to what extent the progeny of the bulls reared and distributed had brought improvement in the genetic set-up of the cattle.

7. *Artificial insemination.*—For want of good pedigree bulls, artificial insemination with frozen semen imported from Denmark was introduced in July 1977. It was, however, noticed that of the 807 artificial inseminations done upto March 1979, only 129 had been successful.

The Director attributed (August 1979) this to non-availability of sufficient trained personnel but action taken in this regard was not indicated.

8. *Sub-standard foundation stock of Minora farm.*—Out of 17 cows received by the Minora farm from Ratona (13) and Kiratpur (4) during September 1974 to March 1979, eight cows had to be sold in auction as seven calved only once and one did not calve at all. Five more of the cows transferred were those which already had 5 to 8 lactations. The circumstances under which substandard animals were transferred had not been investigated.

9. *Culling of animals.*—Delays ranging from 3 to 15 months as compared to the norms were noticed in the culling of animals in Pakariya farm and from 5 to 19 months in Garhi farm, the reasons for which had not been investigated.

10. *Purchase of animals from local market.*—(i) Fifty cows and 16 buffaloes were purchased by the Garhi (34 cows), Kiratpur (8 buffaloes), Minora (16 cows) and Ratona (8 buffaloes) farms at a cost of Rs. 1.96 lakhs from the local market. These purchases were effected without obtaining any information of the pedigree of the animals bought.

(ii) Of the 18 jersey cross cows purchased by the Garhi farm, one died in transit, three died without calving and one died after two lactations. Out of the remaining 13, three calved only once, five calved twice and five calved three or more times when normally a cow calves about eight times. The milk yield of these cows in the farm was much lower than the expected yield and the highest yield was 1,840 litres per lactation against 2,300 litres envisaged.

The progeny of these cows during the period June 1974 to March 1979 did not fare well in as much as 15 calves died and 6 were disposed of being not of true breed. Only two bulls and two heifers were at the farm at the time of test-check.

(iii) Milk yield of buffaloes purchased by Kiratpur and Ratona from the local market was generally half of the expected yield. Out of the lot of 16 purchased by Ratona, two died and five were auctioned, being poor yielders of milk, within five years of their stay at the farm.

The circumstances in which purchases were made from the open market when pedigree details were not available were not stated.

11. *Accommodation.*—The Minora farm had accommodation for 24 animals only as against the strength of 109 and Bilaspur farm for 175 adult animals only as against the strength of 290. Shortage of accommodation was reported by Garhi farm also. The Director stated (August 1979) that construction of more sheds could not be taken up for want of funds.

12. *Utilisation of land.*—Out of 7,823 acres of area of the farms, 7,644 acres were available for agricultural operations and grazing purposes; but only 1,298 acres were under cultivation, out of which only 389 acres were irrigated.

The Kiratpur farm had placed (March 1976) at the disposal of the Public Works Department Rs. 0.63 lakh for construction of a paddock and two open wells with channels but the works were yet to be taken up (August 1979). The delay in construction had resulted in non-provision of irrigation to 16 acres of land.

13. *Financial results and evaluation.*—During the years 1974-75 to 1978-79, as against the recurring expenditure of Rs. 90.90 lakhs on the cattle breeding farms, the receipts were Rs. 74.54 lakhs only and the cumulative deficit for the 5 years Rs. 16.36 lakhs. Though the Director (June 1975) had stressed the need for the cattle breeding farms to meet their recurring expenditure out of receipts, the deficits had increased from Rs. 2.78 lakhs in 1974-75 to Rs. 3.79 lakhs in 1978-79. No evaluation of the working of the farms to find out the causes of the deficits and the shortfalls in working had been undertaken.

14. *Credit sale of milk.*—The outstanding dues on account of sale of milk on credit as on 31st March 1979 was Rs. 0.83 lakh (Rs. 0.53 lakh from Government officials and departments and Rs. 0.30 lakh from private parties). Out of this, a sum of Rs. 0.22 lakh related to 1974-75 and earlier years.

15. *Summing up.*—(i) As against the total carrying capacity of 1,095 fixed for the seven cattle breeding farms, the average number of cows kept was 529 only. No targets were laid down by the department for rearing of pedigree bulls. The average number of bulls reared in the three bull rearing farms was only 156 as against the rearing capacity of 240.

(ii) The calf mortality at Agar, Bilaspur and Garhi farms and that of buffcalves at Kiratpur and Ratona was high. The mortality in Ratona was attributed to dampness in sheds and pneumonia but reasons for not taking effective remedial steps were not stated.

(iii) The number of dry cows in the farms ranged from 38 to 52 per cent of the total number of cows as against the norm of 33½ per cent or below. The reasons for the high number of dry cows had not been investigated.

(iv) The milk yield of cows, buffaloes and Jersey cows maintained at the farms was below the minimum in respect of 32, 42 and 59 per cent lactations respectively.

(v) Out of 807 artificial inseminations done at the Bilaspur Jersey farm, only 129 were successful due reportedly to non-availability of trained personnel.

(vi) Animals whose pedigree was not available were acquired for the farms; their performance and progeny were below expectation.

(vii) Though there was a cumulative deficit of Rs. 16.36 lakhs in the working of the farms during 1974-75 to 1978-79 and the farms had failed to achieve the targets, no evaluation of the working of the farms had been undertaken.

The matters mentioned above were reported to the Government in September 1979; reply is awaited (February 1980).

3.6 High mortality of sheep due to inadequate amenities

A centrally sponsored sheep breeding farm was established (July 1975) at Padora (Shivpuri) with the object of improving the local breed of sheep by providing cross-breeding services. The herd strength of 14 corriedale rams in the farm as on 31st March 1977 was augmented during 1977-78 and 1978-79 by purchasing 75 corriedale rams and 1,640 local breed sheep at a cost of Rs. 2.18 lakhs.

Out of the herd strength, 58 corriedale rams (cost: Rs. 0.26 lakh) and 594 local breed sheep (cost: Rs. 0.67 lakh) died during the years 1977-78 and 1978-79. The rate of mortality was as high as 65 per cent in the case of rams and 36 per cent in the case of sheep. The death certificates of the animals showed that most of the animals had died due to exposure to rains causing viral pneumonia. The Director of Veterinary Services stated (June 1979) that despite best medical care and treatment the animals could not be saved.

Investigations by Audit into the reasons for the high mortality rate disclosed that the strength of the herd was substantially augmented without making adequate arrangement for their shelter. Though administrative approval for Rs. 15.88 lakhs for construction of 17 sheds was accorded in October 1976 (13 sheds) and August 1978, funds were allotted only in 1977-78 (Rs. 0.20 lakh) and 1978-79 (Rs. 0.94 lakh) and none of the sheds had been completed. Two temporary thatched sheds with accommodation for 100 to 150 sheep only had been constructed by the farm.

The Project Officer stated (May 1979) that purchases were made to utilise the funds of Rs. 2 lakhs received (March 1977) from the Government of India and that, since good quality sheep were not always available, sheep were purchased whenever available with the hope that sheds to house them would be ready shortly.

It was also seen that as against the norms of 100 to 150 grams of feed with 1 to 2 kilograms *bhusa* per day, the per capita feed supplied was .032 kilograms on an average. The Project Officer stated (May 1979) that the full requirement of feed was not available with the farm and that the sub-standard feeding could have affected the health of the sheep, but no mortality on that account was noticed. Reasons for not obtaining feed from outside were not, however, stated.

Thus, augmentation of herd strength without provision of essential living accommodation resulted in high mortality and depletion of herd strength by 58 rams and 594 sheep (cost : Rs. 0.93 lakh).

The matter was reported to the Government in April 1979; reply is awaited (February 1980).

COMMERCE AND INDUSTRIES DEPARTMENT

3.7 Tool Room

A tool room for providing essential service-cum-common facilities to small scale industries was established (November 1962) at Jabalpur and, subsequently (February 1978) shifted to Bhopal. An expenditure of Rs. 10.37 lakhs had been incurred on the tool room from November 1962 to June 1979 including Rs. 2.77 lakhs on capital equipment. During the period the tool room provided services worth Rs. 0.56 lakh only.

The low outturn was attributed to the following :—

(i) Some machines purchased in November 1962 were installed only in July 1966. A vertical copying, milling and die sinking machine (cost: Rs. 0.57 lakh) imported in 1962 was lying (July 1979) idle since May 1966. The Director of Industries stated (September 1979) that action was being taken for repairs and posting of a technical hand.

(ii) The tool room remained idle from August 1966 to March 1967 for want of technical staff.

(iii) The tool room was shifted from Jabalpur to Bhopal in February 1978 as Jabalpur had another tool room-cum-service facility run by the small Industries Service Institute and Bhopal had none. However, machines had not been installed at Bhopal for want of adequate space, electric fittings and additions/alterations to buildings and the tool room had not started functioning there (July 1979). The Staff, on whose pay and allowances Rs. 0.84 lakh had been spent from February 1978 to June 1979, were stated to have been engaged in making preparations for installation of the machines. The Director of Industries stated (September 1979) that estimates for additions, alterations, foundation work and electrification were awaited from the Madhya Pradesh *Laghu Udyog Nigam*.

(iv) Due to reported unsuitability of staff engaged, the tool room was capable of undertaking only minor jobs involving operation of lathe, milling, shaper and drilling machines and not complicated jobs like jig boring, grinder finishing, die sinking, heat treatment, etc. though it is equipped with machines for such jobs also. Staff recommended by the Industrial Adviser (Engineering) of the Industries Department was yet to be sanctioned (October 1979).

The matter was reported to the Government in August 1979; reply is awaited (February 1980).

DAIRY DEVELOPMENT DEPARTMENT

3.8 Minor Milk Supply Schemes

With a view to (i) increasing milk production, (ii) making quality processed milk available to urban consumers at reasonable prices and (iii) enabling milk producers to get reasonable prices for milk by organising co-operative societies, milk supply schemes were established in 39 selected towns of the State. Two schemes were declared (March 1978) commercial and five transferred (April 1979) to the control of the Dairy Development Corporation, thereby leaving 32 Minor Milk Supply Schemes under the Department.

(1) The records pertaining to the working of 10 Minor Milk Supply Schemes (at Balaghat, Burhanpur, Chhindwara, Damoh, Guna, Hoshangabad, Jagdalpur, Mandsaur, Satna and Shajapur) for the years 1974-75 to 1978-79 were test-checked in audit during March-July 1979 and points noticed are mentioned below :—

(2) (i) *Collection of milk.*—The handling capacity of the schemes was 1,000 litres per day, except for Chhindwara and Shajapur where it was raised to 2,000 and 2,700 litres in January 1979 and April 1977 respectively. The handling capacity was not fully utilised in any of the schemes except in Damoh (during 1974-75 to 1976-77 and 1978-79) and Shajapur (during 1976-77 and 1978-79) and in the other schemes the average daily collection of milk ranged from 87 to 1,322 litres.

The shortfall was attributed (i) in Balaghat scheme, to a major break-down in 1977-78 in the Jabalpur chilling centre to which bulk of the milk collected was sent, (ii) in Burhanpur, to the existence of private dairies which gave advance payments to the producers unlike the Government milk scheme, (iii) in Guna, to low production of milk in the milk-shed areas, (iv) in Hoshangabad, to gradual decline in supply of milk from Cattle Breeding Farm, Kiratpur, (v) in Jagdalpur, to meagre availability of milk, (vi) in Mandsaur, to deduction of ten paise per litre of milk supplied in flush season as a security for ensuring supplies during lean seasons and (vii) in Satna scheme, to low collection during lean season.

(ii) *Non-organisation of milk co-operative societies.*—One of the basic objectives of the milk supply schemes was to organise co-operatives of milk producers with a view to eliminating middle men. It was, however, seen that no milk co-operative society had been organised under the Damoh, Guna, Jagdalpur and Shajapur milk supply schemes while in the other schemes, except in Burhanpur where the entire requirement was collected from co-operative societies, only 9 to 49 per cent of the requirements of milk had been collected from co-operatives. Reasons for not collecting the entire requirement through the co-operatives were not stated.

Non-formation of co-operative societies was attributed to 'illiteracy' of milk producers but action taken by the department to motivate them was not indicated.

(iii) *Non-observance of two-axis purchase pricing policy.*—According to the departmental instructions, payment for the milk purchased was to be regulated with reference to the solid-not-fat (S.N.F) content and the fat content of milk; reduction in price was to be made if the former (S.N.F. content) was below the statutory minimum of 8.5 per cent. For ascertaining the S.N.F. content, lactometre readings were to be taken before payments were made but, except in Chhindwara and Mandsaur, there was no system of taking lactometre readings.

In Chhindwara scheme, during October 1975 to March 1976, Rs. 16,343 were deducted on account of the S.N.F. content being less than the prescribed minimum but the amount was subsequently refunded in December 1976 on receipt of complaints from producers. The system was reintroduced since July 1977 but no instance of deduction on account of low S.N.F. content came to notice. In Mandsaur scheme, milk with less than the prescribed minimum S.N.F. content was accepted without any reduction in rates reportedly in order to maintain regular supply. In order to bring the milk purchased to the statutory minimum of 8.5 per cent S.N.F. content, the various schemes had to use, during 1974-75 to 1978-79, skimmed milk powder of the value of Rs. 6.26 lakhs.

3. *Processing and distribution of milk.*—(i) *Processing of milk:*—(a) The quantity of milk processed during 1974-75 to 1978-79 with reference to the quantity collected, quantity sold to other schemes, used in milk products and lost in handling during the period under review were as follows:—

	Quantity in lakhs of litres
(i) Milk processable by the available handling capacity	1,95.91
(ii) Milk collected	1,20.55
(iii) Milk processed	71.60
(iv) Milk sold to other schemes	26.93
(v) Milk used for manufacture of milk products	20.73
(vi) Handling losses	1.29
(vii) Percentage of handling losses	1.07

(b) Only 60 per cent of the total milk collected by the schemes was processed. Maximum shortfall was noticed in Shajapur and Damoh schemes which processed only 20 and 49 per cent respectively of the milk collected. Reasons for not processing the entire quantity collected despite available plant capacity were not on record.

(c) The Shajapur scheme was used as a feeder scheme to the milk supply scheme at Bhopal and, in order to fulfil the demands of the Bhopal scheme, the Shajapur scheme handled during 1976-77 and 1978-79, 1,734 and 2,718 litres per day on an average although its chilling units were neither adequate for the quantities collected nor were they functioning efficiently. During the period under review, 55,350 litres of milk supplied from Shajapur to Bhopal scheme were received in curdled state, payments for which totalling Rs. 0.88 lakh were disallowed by the Bhopal scheme.

(d) Large quantities of surplus milk were used for making milk products in Burhanpur, Chhindwara, Damoh, Balaghat and Shajapur schemes. Accounts of fat obtained by conversion of milk, required to be maintained, were not maintained by Jagdalpur (upto 1975-76) Chhindwara (upto 1976-77) and Burhanpur, Damoh and Satna (upto 1977-78) and other schemes for all the years.

(e) Test-check by Audit of quantities of milk used and by-products obtained showed that fat losses in conversion, except in Damoh and Guna schemes, exceeded the admissible norm of 5 per cent; the losses were particularly high (between 10 and 26 per cent) in Balaghat, Burhanpur and Satna schemes. Losses due to curdling and souring of milk constituted the major part of the handling losses. Test-check by Audit showed that one of the main reasons for the high percentage of curdling and souring was inadequate chilling and bottle-cooling arrangements.

In Burhanpur, a chilling plant (cost : Rs. 0.68 lakh) was lying idle since May 1977 for want of repairs. Chilling centres for Damoh and Balaghat sanctioned in November 1976 and February 1978 had not yet been established although Rs. 0.30 lakh and Rs. 0.27 lakh had been spent on purchase of minor equipment and pay and allowances of Managers respectively. Bottle-coolers (cost : Rs. 0.40 lakh) were lying unused in Balaghat, Burhanpur, Damoh and Jagdalpur schemes for want of repairs.

(ii) *Distribution of milk.*—The targets for distribution of milk had been fixed much below handling capacities in respect of all the schemes but even these had not been achieved by most schemes. The distribution of milk was less than the handling capacity at each of the ten schemes and was less than even 50 per cent of the capacity in Balaghat, Burhanpur, Guna, Jagdalpur, Mandsaur and Shajapur schemes. The performance of Shajapur scheme was the lowest since it could achieve only 15 and 32 per cent of the handling capacity and the targeted distribution respectively. Non-achievement of targets was attributed by Balaghat, Burhanpur, Mandsaur and Shajapur schemes to ample availability of milk to consumers on credit basis and by the Damoh and Jagdalpur schemes to poor purchasing capacity of consumers. No explanation was available in respect of other schemes.

4. *Operational deficits.*—The total cost of production comprising the cost of milk and milk products used in processing and other expenses was not recouped by sales at any of the schemes during the period under review, leading to operational deficits totalling Rs. 69.62 lakhs.

While the average operational cost of nine of the milk schemes for which information was available was 28 per cent of the total cost, in two schemes the cost of operation was very high being 38 per cent of the total cost. While all the schemes had deficits, in Burhanpur scheme even the cost of milk and milk products consumed was not recouped by sales. No evaluation of the working of the schemes in order to ascertain the causes for losses and shortfalls had been undertaken.

5. *Summing up.*—(i) Except for Chhindwara, Damoh and Shajapur schemes, none of the schemes had been able to collect milk to the extent of the handling capacity. The total quantity of milk collected was 120.55 lakh litres as against the capacity of 190.91 lakh litres which the schemes could have handled.

(ii) The object of organising milk producers' co-operatives remained largely unattained. No co-operatives were organised in Damoh, Guna, Jagdalpur and Shajapur schemes; in the other schemes, except Burhanpur, procurement of milk from co-operatives was only 6 to 49 per cent of collections.

(iii) In contravention of the prescribed pricing policy, milk was purchased on the basis of fat content of milk only, ignoring the 'solid-not-fat' content altogether. Extra expenditure of Rs. 6.26 lakhs had to be incurred on raising the 'solid-not-fat' content of milk purchased to the prescribed statutory standard.

(iv) Arrangements for chilling were not adequate or available facilities were not fully utilised by the schemes causing losses due to curdling.

(v) The schemes had accumulated operational deficits of Rs. 69.62 lakhs during the five years 1974-75 to 1978-79 mainly due to high cost of operation. Reasons for operational deficits had not been investigated by the Department nor any evaluation of the working of the schemes undertaken in order to find out how far the objectives for which the schemes had been started were achieved.

The matters mentioned above were reported to the Government in September 1979; reply is awaited (February 1980).

FOREST DEPARTMENT

3.9 Extra expenditure of Rs. 2.12 lakhs due to failure of haulage contractors

In eleven Forest Divisions, 107 haulage contractors failed to transport the full quantity of timber which they had contracted to haul during the working seasons of 1976-77 and 1977-78. The material was subsequently hauled by engaging other agencies involving an additional expenditure of Rs. 2.12 lakhs as compared to the contracted rate.

As per the terms of contractors, additional expenditure upto 33½ per cent of the contracted amount was recoverable from the original contractors. In accordance with these terms, an amount of Rs. 1.95 lakhs was recoverable from the contractors but no recovery had been effected from any of them. The Divisional Forest Officer, Raigarh stated (September 1979) that severe action was not considered necessary in view of the limited number of contractors forthcoming to take up haulage work. The other divisions had not stated any reasons.

It was also noticed that in 72 of these cases no penalty had also been imposed for failure and in 23 cases, though nominal penalty amounting to Rs. 0.12 lakh had been imposed, the amount was still to be recovered. Action taken in the remaining 12 cases was not indicated.

The matter was reported to Government in August 1979; reply is awaited (February 1980).

3.10 Extra compensation paid to cattle-owners whose cattle were killed by tigers

The Government had issued orders in November 1976 sanctioning compensation upto a maximum of Rs. 200 per animal to persons whose cattle were killed by tigers, subject to a limit of Rs.200 per person. The ceiling of Rs. 200 per person was revised to Rs. 2,000 in January 1977 but the compensation payable per animal was not revised.

A test-check (February 1979 and September 1979) of records of the Divisional Forest Officer (General), Umaria and the Director, National Park, Bandhavgarh (Umaria) revealed that, following the upward revision of the ceiling per person, compensation was paid in excess of Rs. 200 per animal in respect of 483 cattle during January 1977 to March 1979 and consequently there was an excess payment of Rs. 1.16 lakhs.

The Government stated (November 1979) that the matter was under consideration.

3.11 Belated credit of forest revenue into treasuries

Rule 55 of the Forest Financial Rules requires that all revenue received by officers of the Forest Department should be paid into the treasury with as little delay as possible. Test-check of the accounts of eleven forest divisions for the period from February 1976 to May 1979 showed that 482 bank drafts for sums totalling Rs. 65.12 lakhs received towards forest revenue were remitted into treasuries after considerable delays as shown below :—

Delay in remittance	Number of bank drafts	Amount involved
(1)	(2)	(3)
		(Rupees in lakhs)
1. Exceeding one year	12	10.66
2. Exceeding six months but not exceeding one year	127	12.51
3. Exceeding three months but not exceeding six months	8	00.29
4. Exceeding one month but not exceeding three months	141	19.73
5. Not exceeding one month	194	21.93

The matter was reported to Government in September 1979; reply is awaited (February 1980).

HOME (TRANSPORT) DEPARTMENT

3.12 Irregular issue of petrol and lubricants by State Garage

A petrol pump of the State Garage at Bhopal was supplying petrol and lubricants to vehicles of the State Government Departments against indents placed by them and payments were to be made within one month of receipt of bills. A test-check of records of the State Garage conducted in December 1977 disclosed that 942 indents in respect of 33,088 litres of petrol and 57.5 litres of oil valued at Rs.1.17 lakhs supplied by the Garage during May 1975 to March 1977 were not available with it nor was it able to furnish any information about the claims, if any, preferred for the supply and recovery effected.

On the matter being pointed out by Audit the State Garage authorities intimated (May 1979) that the matter had been referred for investigation by Police (Vigilance) Department.

Though the bills for the supplies were to be paid within one month, it was seen that Rs.15.31 lakhs were outstanding for recovery towards cost of petrol supplied to various Departments during 1972-73 to 1976-77. The State Garage authorities attributed (June 1978) the delay in recovery to paucity of staff and stoppage of supplies from the pump from September 1977.

The matter was referred to Government in March 1978; reply is awaited (February 1980).

LABOUR DEPARTMENT

3.13 Craftsmen training scheme—

1. Under a scheme for training of craftsmen in various trades launched in 1956, 28 industrial training institutes were set up in the State by March 1979, with training capacity for 11,152. The expenditure on these institutes during the 5 years ending 1978-79 was Rs. 8,48.34 lakhs.

Results of test-check of records of ten institutes located at Bhilai, Bhind, Bhopal, Bilaspur, Gwalior, Indore, Jabalpur, Rewa, Sagar and Ujjain for the period 1974-75 to 1978-79 are mentioned in the succeeding paragraphs :—

2. *Paucity of accommodation.*—As against the total carpet area of 4,69,530 square feet required for the workshops of all the institutes, the total area available was only 3,57,966 square feet. Similarly, the accommodation available for lecture rooms and office was also less than the requirement by 43 per cent.

The heads of the institutes stated (August 1979) that construction work could not be taken up due to paucity of funds.

As a result of the paucity of accommodation, 42 out of the 144 hostel rooms available in Bhilai, Bhind, Bhopal, Jabalpur and Sagar institutes were utilised for conducting theory classes and four hostel rooms at Bhind and Sagar were utilised for office purposes. A new workshop building for the Bhilai institute completed at a cost of Rs. 10.91 lakhs in May 1978 had not been taken over by the Institute from the Public Works Department as some defects were awaiting rectification.

3. *Inadequate equipment.*—In seven out of ten selected institutes, 2,117 items of machines and tools (cost not given) required for 26 trades were reported to be deficient. According to the Principals, the deficiency of machines had a direct effect on the quality of training. The Principals of Indore and Jabalpur institutes stated (May and June 1979) that training in 17 trades had to be arranged in 2 or 3 batches.

4. *Idle machines and tools.*—Twenty five machines valued at Rs. 1.45 lakhs were rendered surplus due to closure of four trades in Bhopal, Indore and Ujjain institutes but these had not been transferred (June 1979) to other institutes, where they could be used.

In seven institutes, 78 out of 210 machines (cost : Rs. 2.98 lakhs) purchased during January 1958 and March 1978 had not been put to use since the date of purchase; 117 machines (cost: Rs. 0.60 lakh) were idle for more than five years and other 15 machines (cost: Rs. 0.07 lakh) were not put to use for over two years. Reasons for non-utilisation were not stated.

5. *Educational tours for trainees.*—Educational tours to big industrial workshops, which were envisaged with a view to acquainting the trainees with the operation of modern machines, were arranged only to 46 per cent of the eligible trainees in the 10 institutes. The shortfall was attributed to unwillingness of trainees to go on tour due to their having to meet incidental expenses as only fare was to be met by the Institutes. It was, however, seen that some institutes (6 in 1974-75, 3 in 1975-76 and 1976-77 and 1 each in 1977-78 and 1978-79) had not sent a single trainee on educational tours.

6. *Drop-Outs.*—Against the total capacity of 54,308, 56,766 trainees were admitted in all the institutions during 1974-75 to 1978-79. The number of drop-outs was 11,472, which was more than 20 per cent of total capacity. The training capacity remained unutilised to that extent.

The institutes attributed the drop-outs to (i) the trainees leaving on getting admission elsewhere or on getting jobs or on joining apprenticeship schemes or on finding themselves ineligible for scholarships or (ii) on their being found physically unfit.

Steps proposed to reduce the number of drop-outs were not stated.

7. *Arrears of recoveries.*—Rupees 2.67 lakhs were outstanding as at the end of March 1979 in 23 institutes towards amounts recoverable from trainees who did not complete the course and from whom recoveries at prescribed rates were to be made. These cases are reported to have been sent to the District revenue authorities for enforcing recoveries.

8. *Employment of successful trainees.*—The training manual contemplates maintenance of record cards in respect of each passed out trainee, showing their whereabouts and whether they had been able to secure employment. No such record cards were maintained by the ten institutes, reportedly due to the trainees not informing the institutes of their whereabouts.

The cumulative number of unemployed I.T.I. certificate holders as per the live registers of employment exchanges was as follows ;—

As on	Unemployed certificate holders as per live registers of employment exchanges
(1)	(2)
31st March 1975	10,085
31st March 1976	12,700
31st March 1977	14,025
31st March 1978	15,668
31st March 1979	16,836

(Source: Records of Director of Employment and Training, Madhya Pradesh, Jabalpur)

The break-up among different trades was as follows ;—

Trades	Number of unemployed as per live register
(1)	(2)
Fitter	1,560
Welder	1,228
Motor Mechanic	1,038
Electrician	932
Turner	789
Diesel Mechanic	492
Mechanist	689

No action had been taken by the Department to review and refix the intake capacity for different trades with reference to the figures of unemployed certificate holders. Test-check showed that in Jabalpur, Gwalior and Bhilai institutes four new trades were opened from 1st August 1976; in Bhilai while 15 persons each were trained in the Draftsman (civil) and instrument mechanic courses, 16 and 24 unemployed certificate holders were found registered with the employment exchanges as on 31st December 1978.

The Advisory Committees at district level which were to study the needs of various industries in the area, were also dormant since their constitution in December 1973. The creation of a Planning and Research Cell proposed by the Director to make a scientific study of the working of the institutes for assessing the demand for craftsmen in various trades in the industries within and around the State was awaiting approval by the Government. No evaluation of the training programme had also been undertaken by the department (August 1979).

9. *Apprentice Training Programme.*—Under this programme started in March 1962, 8,183 apprentices were given training in various trades in industrial establishments during 1974-75 to 1978-79 and Rs.6.79 lakhs were spent on payment of stipend to them at the rate of Rs.10 per month per trainee.

Out of 8,183 apprentices who completed apprenticeship training during the period from 1974-75 to 1978-79, 2,882 (35 per cent) dropped out, 3,573 (44 per cent) passed and 1,728 (21 per cent) failed. The Department did not have information about the number of trained persons who had been absorbed in industrial units.

10. *Other points of interest.—Scrap material and finished goods.*—In 10 institutes, scraps of iron, copper, aluminium and brass valued at Rs.1.41 lakhs accumulated over the years were lying dumped in open yards and finished goods worth Rs.0.68 lakh manufactured during 1972-73 to 1977-78 were lying unsold. The Director stated (August 1979) that auction of the scrap material could not be arranged due to non-appointment of Government auctioneers but that action for disposal was being taken.

11. *Summing up.*—(i) The average number of drop-outs was 2,294, which was one fifth of the trainees admitted to the various courses. Steps proposed to reduce the number of drop-outs were not stated.

(ii) Due to paucity of accommodation for the institutes, hostel rooms were utilised as lecture rooms or office rooms.

(iii) While in seven institutes, machines and tools were inadequate, which reportedly affected directly the quality of training, machinery and tools which had become surplus due to closing of some trades were lying idle in many institutes.

(iv) Educational tours were not arranged for 4,910 trainees out of 9,124 eligible trainees during 1974 to 1978 sessions.

(v) No evaluation of the training programme with a view to reviewing and refixing the intake capacity of different trades had been undertaken despite a steady increase in the number of unemployed certificate holders in a number of trades. The local advisory committees which were to study the needs of the industry in the region served by the institutes had been dormant since their constitution in 1973.

The matters mentioned above were referred to the Government in September 1979; reply is awaited (February 1980).

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

3.14 Pilot Intensive Rural Employment Project

With a view to studying the nature and dimension of the problem of unemployment and the effect of the concentrated efforts made on the employment provided and on the wage level so as to evolve a national policy, a Pilot Intensive Rural Employment Project (PIREP) was implemented in Alirajpur tribal block of Jhabua district from November 1972 alongwith other selected blocks in the country. The project also envisaged (i) provision of gainful employment to all labourers in the block area, (ii) creation of durable assets capable of giving continual jobs in future and (iii) training of selected workers for acquiring new skills for finding employment in urban and rural sectors.

The project, which was to be fully financed by Central assistance, was to function upto 31st October 1975 (later extended up to 31st March 1976). A detailed survey carried out in October 1975 had revealed that 24,363 persons in the project area required annual employment for 20.80 lakh mandays. According to the guidelines for the scheme generation of 10, 15 and 21 lakh mandays of employment was planned for the first, second and third years respectively of the project by taking up various schemes to be executed by various departments like Irrigation, Public Works, Agriculture, Forest and Tribal Development.

2. Points noticed in test-check of records of implementation are mentioned below :—

(i) While the expenditure incurred on the project during 1972-73 to 1975-76 was Rs.72.94 lakhs as against the approved outlay of Rs.66.33 lakhs, the employment generated reportedly was 24.58 lakh mandays as against the target of 46 lakh mandays in the project. The achievement claimed was mentioned in the progress reports sent by

the Project Officer but no statistics regarding number of persons employed out of the 24,363 persons identified as unemployed and number of mandays for which they were employed were maintained by the project as required. The department attributed the shortfall in achievement of employment targets to (1) exodus of local labour to outside areas for better wages and (2) shortage of skilled labour and cement. It was, however, not explained as to why employment provided was only 53.43 per cent of the target while the expenditure was more than the approved outlay.

(ii) No evaluation had also been undertaken to verify how many of the persons identified as unemployed had been given gainful employment and how far the assets created gave continual jobs.

(iii) The guidelines issued by the Government of India required the project authorities to start a programme for training selected workers from the project area for acquiring new skills and finding employment in rural or urban areas. An *ad hoc* central grant of Rs. 0.20 lakh had been provided for this purpose but the funds were not utilised and no such training programme was taken up.

3. Execution of works by various departments and expenditure incurred on the project scheme were as shown in the table below :—

Serial number	Works executed	Amount of administrative approval	Expenditure upto March 1976	Expenditure in 1977-78 and 1978-79	When completed
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in lakhs)					
1.	16 tanks	20.26	21.52	2.01	3, 6 and 2 tanks in March 1976, March 1977 and March 1979 respectively.
2.	747 soil conservation schemes.	25.97	22.52	..	March 1976]
3.	Pasture development in 500 hectares, 6 seed stores and 4 grass godowns.	6.73	6.13	..	March 1976
4.	5 roads of 34.40 kilometres.	29.72	19.71	0.57	Three in March 1976 and two in March 1977.
5.	20 houses for Harijans at Nanpura Village.	1.70	1.74	0.13	July 1977
	Total	84.38	71.62	2.71	

Following points were noticed.—

(i) Against the total irrigation potential of 522 hectares created by the 16 tanks, the actual irrigation was 120, 220 and 210 hectares during 1976-77, 1977-78 and 1978-79 respectively. There was no irrigation from 3 tanks during any of the 3 years and from one more tank during 1978-79. The poor performance in irrigation was attributed to the undulating command of tanks and leakages from the gates and sluice pipes. Reasons for the leakages and action taken to set right the defects were not stated (October 1979).

(ii) In gully plugging works undertaken under soil conservation schemes, there was an avoidable expenditure of Rs. 3.47 lakhs due to use of quarried boulders for which leads of 2 to 3 kilometres were paid instead of picked up boulders which were available within two to three hundred metres. It was also observed that quarried boulders collected at a cost of 0.53 lakh were lying unused after completion of gully plugging schemes (April 1979).

Further, according to orders of the Government, only Rs. 45 per acre of the cost of soil conservation works done on cultivators' land were to be treated as subsidy and the balance was recoverable as loan from the beneficiaries. It was, however, observed that no recoveries

had been effected for the soil conservation schemes executed on private land and the full cost was treated as subsidy without obtaining approval of the Government (October 1979).

4. *Summing up*

(i) Even though the expenditure incurred on the project was Rs. 72.94 lakhs as against the approved outlay of Rs. 65.33 lakhs, the employment generated was reportedly only 24.58 lakh mandays against the target of 46 lakh mandays. No statistics were available with the project in support of the employment claimed to have been generated nor as to show as to how many out of 24,363 persons available for employment in the block were actually provided with employment. Nor had any evaluation been undertaken to verify the employment created and how far the assets created gave continual employment.

(ii) No training programme had been arranged for persons in the project area to acquire new skills.

(iii) Irrigation potential of 16 tanks constructed under the programme was 522 hectares but maximum irrigation achieved was 210 hectares; shortfall was attributed to leakages in tanks and undulating areas but action taken to set right the defects was not indicated.

(iv) There was an avoidable expenditure of Rs. 3.47 lakhs in soil conservation works due to use of more costly quarried boulders instead of picked up boulders that were available.

The matters referred to above were reported to Government in October 1979; reply is awaited (February 1980).

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

3.15 Non-return of ambulance chassis by a fabricating contractor

A firm in Bombay was, after inviting quotations from three firms, entrusted with the fabrication of bodies for ambulance vans for hospitals in tribal areas. (There was nothing in the departmental records to show that the financial standing of the firm was verified by the department before entering into agreement with the firm). The firm was given 27 chassis during May to September 1978 for such fabrication but returned only 15 of them with fabricated bodies. The remaining 12 chassis (cost : Rs. 6.05 lakhs), handed over to the firm in August and September 1978, had not been returned (June 1979). A bank guarantee for Rs. 0.10 lakh which was the only security obtained had also lapsed.

As per the terms of the contract for fabrication, it was to be completed within 5 weeks from the date of handing over and penalty of Rs. 25 per day per body was leviable for delays. Penalty of Rs. 0.28 lakh leviable for delays in fabrication of the 15 bodies returned was not levied as, according to the Director, it was apprehended that the firm would not, in case of recovery, fabricate the remaining bodies. In respect of the undelivered chassis also penalty of Rs. 0.77 lakh upto June 1979 had become due but was not levied. The firm is reported to have since gone into liquidation (June 1979). The Director stated (September 1979) that efforts were being made to get back the chassis and to get them fabricated elsewhere.

The matter was reported to Government in August 1979; reply is awaited (February 1980).

SEPARATE REVENUE DEPARTMENT

3.16 Government Presses

1. *Introduction.*—All printing work of the Government is done primarily at the five Government presses at Bhopal, Indore, Gwalior, Rewa and Rajnandgaon.

Comments on the working of the presses at Bhopal and Gwalior had appeared in paragraph 38 of the Audit Report 1969-70. Points noticed in test-check (March 1979 to August 1979) of the working of all the presses for the year 1978-79 are contained in the succeeding paragraphs.

2. *Pro forma Accounts.*—The presses were declared commercial from 1st April 1976. The system of maintaining pro forma accounts has not, however, been introduced yet (February 1980).

3. 1 *Work target and achievement*—The total value of work done by the presses during 1978-79, as compared with the targets, was as under:—

Serial Number	Name of the press	Target	Achievement	Percentage of achievement
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
1.	Bhopal	80.61	78.38	97.23
2.	Gwalior	61.25	61.50	100.40
3.	Indore	27.00	26.03	96.40
4.	Rewa	22.43	20.64	92.01
5.	Rajnandgaon	22.43	19.58	86.85

Reasons for the shortfalls in 4 presses were not stated.

It was, however, seen that when the press was not able to take up work of the indenting departments, it was giving clearance for getting the printing work done through private presses. No record of such clearances had been kept and no review done of the clearances given with a view to ascertaining whether such printing through private presses was avoidable.

4. Machine section

4.1 Particulars of the rated capacity (in terms of impressions) of the machines in the five presses and the actual outturn during 1978-79 were as under:—

	Bhopal	Gwalior	Indore	Rewa	Rajnandgaon
(1)	(2)	(3)	(4)	(5)	(6)
	(Impressions in lakhs)				
Rated capacity	847	635	357	282	345
Outturn	747	640	302	283	288
Percentage of outturn to rated capacity.	88.2	100.8	84.6	100.4	83.5

Reasons for shortfalls in outturn at Bhopal, Indore and Rajnandgaon were not stated.

4.2.1 All the 5 presses work in two shifts. The table below gives the details of productive hours available and their utilisation:—

Particulars	Bhopal	Gwalior	Indore	Rewa	Rajnandgaon
(1)	(2)	(3)	(4)	(5)	(6)
Total hours available	1,19,791	1,12,123	52,627	62,998	47,621
Hours utilised	58,640	52,225	32,204	24,535	29,686
Non-productive hours	61,151	59,898	20,423	38,463	17,935
Hours not utilised on account of Make ready time.	21,156	10,064	5,354	Information not received	2,630
Imperfect form	..	4,042	..	Do.	56
Machine repairs/break-down	3,041	5,072	11,153	Do.	8,085
No work	744	270	..	Do.	..
Machine cleaning	4,228	5,572	3,121	Do.	1,715
Power failure	1,421	2,861	795	Do.	4,607

Particulars	Bhopal	Gwalior	Indore	Rewa	Rajnand- gaon
(1)	(2)	(3)	(4)	(5)	(6)
Pass out	..	1,672	..	Do.	..
Miscellaneous reasons	4	..	..	Do.	842
Reasons not indicated	30,557	30,345	..	Do.	..
Percentage of non-productive hours to total hours available.	51.05	53.42	38.81	61.05	37.66

The reasons for the non-productive hours are analysed below:—

4.2.2 The non-productive hours at Bhopal and Gwalior, for which no reasons were given by the press authorities, *viz.* 30,557 and 30,345 respectively constituted 49.97 and 50.66 per cent of the total non-productive hours of the respective presses. The Controller of Printing and Stationery stated (December 1979) that the high percentage of non-productive hours was being investigated.

As against the admissible time of 2,771 hours for machine cleaning as per norms laid down in the 'Schedule of outturn', the actual time taken by the Gwalior press was 5,572 hours. The Controller stated (December 1979) that reasons for the excess were being investigated.

4.2.3. The non-productive hours due to machine repairs/break-down worked out to 54.6 per cent of the total non-productive hours at Indore and 45 per cent at Rajnandgaon. The reasons for frequent break-down had not been investigated.

The Controller stated (December 1979) that the department did not have its own workshops and steps were being taken to reduce the non-productive hours due to break-down by storing important spare parts and sending workers and mechanics for training with the manufacturing firms.

4.2.4 Norms for Make ready time for different jobs are laid down in the 'Schedule of outturn' but the presses were not maintaining job-wise record of the time taken between one job and another and no steps had been taken to verify whether the norms for Make ready time were observed.

5. Composing section:

5.1. Percentage of non-productive hours to total available hours is indicated below:—

Particulars	Bhopal	Gwalior	Indore	Rewa	Rajnand- gaon
(1)	(2)	(3)	(4)	(5)	(6)
Total hours available	42,186	18,064	N.A.	N.A.	N.A.
Non-productive hours	17,862	6,313	N.A.	N.A.	N.A.
Percentage of non-productive hours to total hours available.	42.3	34.9			

The Controller stated (December 1979) that the high percentage of non-productive hours was being investigated. However, it was seen that out of 17,862 unproductive hours at Bhopal, 4,340 were accounted for by absenteeism.

6. Binding section:

6.1 Non-productive hours at Bhopal and Gwalior based on the number of binders employed and the norms fixed by the department were as follows:—

Particulars	Bhopal	Gwalior
(1)	(2)	(3)
Productive hours available as per norms	1,22,218	61,645
Hours utilised	96,547	53,912
Non-productive hours	25,671	7,733
Percentage of non-productive hours to total hours available.	21.00	12.54

6.2 Out of 49 binders borne on the strength of the press at Gwalior, record of work done by 28 binders only was kept. The press could not indicate how the services of the remaining 21 binders were utilised.

6.3 The reasons for non-productive hours at Bhopal had not been analysed (December 1979). It was, however, seen that some binding work had been got done by private parties (cost: Rs.0.37 lakh) and by departmental binders on over-time basis (amount of over-time allowance paid to binders not separately kept by the press).

7. Dross

7.1. No norms had been fixed for dross arising out of melting of types, etc. The table below shows the percentage of dross to types, etc., melted:—

Name of the press	Types, etc., melted	Dross obtained	Percentage of dross
(1)	(2)	(3)	(4)
	(In kilograms)		
1. Bhopal	77,657	2,301	2.95
2. Gwalior	53,802	1,757	3.27
3. Indore	17,857	802	4.49
4. Rewa	Information not available		
5. Rajnandgaon	2,495	217	8.70

The reasons for the wide variations between the different presses had not been investigated. The Controller stated (December 1979) that fixation of norms for dross was under active consideration of the Department.

7.2. No stock register of dross obtained had been maintained by the Bhopal Press upto July 1978 and by the Gwalior Press for all the years. 337 quintals of dross were reported to be lying at the various presses for disposal. Computed at the rate of Rs. 1,517 per quintal obtained by the Bhopal Press in October 1979, the value of dross lying at various presses worked out to Rs. 5.11 lakhs. The department stated (December 1979) that the dross lying at Bhopal had been auctioned but was awaiting lifting by the contractor. Action taken in other places was not indicated.

8. *Costing of jobs.*—Job costing system has not so far been introduced at Bhopal and Rewa and recoveries for jobs were being done on *ad-hoc* basis.

9. *Stores and stock.*—(i) At Gwalior press it was observed that 510 reams of paper (Rs.0.23 lakh) had been issued in excess of the requirement of the jobs undertaken but how this was utilised was not stated.

(ii) Maps (Rs.0.90 lakh), books (Rs.0.84 lakh) and forms (Rs.0.18 lakh) which had become obsolete were lying unsold at Indore since July 1976.

10. *Idle machinery.*—The following machines were lying idle in various presses:—

Name of press	Particulars of machine	Cost	Date from which lying idle	Reasons
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
1. Indore	Sujata printing machine	0.34	21.11.77	Parts worn out.
2. Rewa	Various machines	0.26	..	For want of spare parts.
3. Rajnandgaon	Sujata printing machine	0.34	30.8.78	Gear-cum-wheel worn out.
	Automatic cylinder machine	1.49	21.1.79	Cylinder broken.

Name of press	Particulars of machine	Cost	Date from which lying idle	Reasons
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
4. Gwalior	Platain printing machine	Not known		Unserviceable
	Havel Press Eagle	Not known		Unserviceable
5. Bhopal	Romayor Offset	0.16	April 1978	Spare parts not available.

In the following cases the machinery received had not been installed so far:—

Name of Press	Particulars of machine	Cost	Date of receipt
(1)	(2)	(3)	(4)
		(Rupees in lakhs)	
1. Gwalior	Binding machine	0.78	March 1976
	Automatic Cylinder machine	1.49	April 1979
2. Rajnandgaon	Paper cutting machine	1.65	April 1979
	Cylinder printing machine	1.49	May 1979
3. Rewa	OM II machine	1.33	March 1979

Action taken to repair/instal the machines was not stated.

11. *Amounts outstanding for recovery.*—A sum of Rs. 3,13.49 lakhs towards the cost of forms supplied/work done upto March 1979 was awaiting recovery as detailed below:—

Name of the press	Amount outstanding from		
	Government Departments	Private parties	Total
(1)	(2)	(3)	(4)
	(Rupees in lakhs)		
1. Bhopal	96.65	7.98	1,04.63
2. Gwalior	86.27	0.02	86.29
3. Indore	46.08	..	46.08
4. Rewa	44.88	..	44.88
5. Rajnandgaon	31.61	..	31.61
	Total	3,05.49	8.00 3,13.49

Year-wise details of the outstanding amounts were not available for Indore Press. Party-wise details of the amounts due from private parties were not available for Bhopal press. Action taken for recovery of the dues was not stated.

Summing up

(i) The non-productive hours in respect of machine section in the five presses ranged from 37.66 per cent to 61.05 per cent. The non-productive hours in composing section in Bhopal and Gwalior were 42.3 and 34.9 per cent respectively and in binding section 21 and 12.54 per cent respectively. Information for the other presses was not available. Reasons for high non-productive hours had not been investigated.

(ii) Machines costing Rs. 2.59 lakhs were awaiting repairs at various presses for want of spare parts and machines costing Rs. 6.74 lakhs received in March 1976-May 1979 had not been installed.

(iii) A sum of Rs. 3,13.49 lakhs towards the cost of forms supplied/work done upto March 1979 was awaiting recovery from beneficiaries including Rs. 8 lakhs due from private parties.

The matters mentioned above were reported to Government in October 1979; reply is awaited (February 1980).

GENERAL

3.17 Payment of funds in advance of requirements

(i) The Madhya Pradesh Housing Board was paid Rs. 1,41.78 lakhs during March 1976 to March 1978 for execution of works but none of the works could be taken up by the Board due to land/sites for the works not being made available by the Department.

Department which paid	Purpose for which given	When advanced	Amount paid
(1)	(2)	(3)	(4)
			(Rupees in lakhs)
(1) Tribal and Harijan Welfare Department	Construction of tribal school and hostel buildings.	March 1978	1,00.00
	Funds not utilised for want of selection and acquisition of sites.		
(2) Do.	Construction of 335 houses under Harijan Welfare Scheme.	March 1978	28.28
	The houses were to be completed within nine months of the sites being made available to the Board by the Divisional Commissioner. No sites had been made available.		
(3) Social Welfare Department	Construction of buildings for 6 Youth Centres at Indore, Raipur, Rewa, Bilaspur, Bhopal, Jabalpur.	March 1976 March 1977 March 1978	6.00 3.00 4.50
	While land was reportedly not available at Indore, Raipur and Rewa, available land had not been handed over at Bhopal and Jabalpur and acquisition of land for Bilaspur could not be completed due to litigation		

(ii) The Madhya Pradesh State Tribal Co-operative Development Federation was paid Rs. 15.00 lakhs during 1978-79 as indicated below:—

Tribal and Harijan Welfare Department	Purchase of machines and materials for training institutions and Training-cum-Production Centres.	March 1978	15.00
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Though the amount was advanced to the Federation in March 1978, the list of machines and materials to be supplied had not been furnished to the Federation and the amount was lying unutilised (June 1979).

(iii) The Madhya Pradesh Laghu Udyog Nigam was paid an advance of Rs. 71.20 lakhs as shown below:—

Department which paid (1)	Purpose for which given (2)	When advanced (3)	Amount paid (4) (Rupees in lakhs)
Tribal and Harijan Welfare Department	Supply of utensils and other equipments to tribal hostels and ashrams.	March 1978	71.20
	Orders for supply of utensils and equipments were placed only in November 1978. Information regarding supply of materials was awaited (February 1980).		

(iv) Rupees 44.19 lakhs drawn by the Town and Country Planning Department in March 1979 for disbursement to Local Bodies/Authorities for the following purposes were lying undisbursed (July 1979):—

Town and Country Planning Department	(a) For disbursement to four Local Authorities for schemes under Integrated Urban Development Programme.	March 1979	28.00
	(b) For disbursement to ten Local Bodies under Minimum Needs Programme.	March 1979	10.46
	(c) For disbursement to Local Authorities as Block loan.	March 1979	5.73

The amounts were drawn and kept under 'Civil Deposits'.

The matter was reported to Government in February 1979 and March 1979; reply is awaited (February 1980).

3.18 Cases of misappropriation of Government money

The following table shows the position of cases (other than 48 cases involving Rs. 19.22 lakhs which are sub-judice) of alleged misappropriation of Government money reported to Audit upto 31st March 1979 but not finalised till the end of September 1979:—

(1)	Number of Cases (2)	Amount (3) (Rupees in lakhs)
Cases reported upto March 1978 and outstanding at the end of September 1978.	695	1,01.51
Cases reported during 1978-79	112	8.05
Cases disposed of till September 1979	79	4.30
Cases outstanding at the end of September 1979	728	1,05.26

According to the rules, cases of misappropriation should be dealt with expeditiously and finalised within six months of their detection and cases in which departmental enquiries

have been ordered should be finalised within a year. There has, however, been considerable delay in finalisation of cases as shown below :—

(1)	Number of cases (2)	Amount (3) (Rupees in lakhs)
(i) Over five years	295	31.90
(ii) Over three years but less than five years	132	27.24
(iii) Over one year but less than three years	210	38.64

The reasons for which the cases were outstanding are stated below :—

(1)	Number of cases (2)	Amount (3) (Rupees in lakhs)
(i) Awaiting investigation	404	63.24
(ii) Awaiting action against officials	139	29.36
(iii) Awaiting recovery/information about recovery	128	7.72
(iv) Awaiting orders for writeoff	57	4.94

The department-wise analysis of the outstanding cases is given in Appendix VI.

According to the rules, cases of losses, misappropriations, etc., are required to be reported immediately to the Accountant General. A review of the cases pending at the end of September 1979 disclosed delay of over one year in reporting to Audit 140 cases involving Rs. 18.93 lakhs.

3.19 Write off of losses, waiver of recoveries and remission of revenue

In 348 cases, losses due to shortage, theft, irrecoverable revenue, etc. amounting to Rs. 8.33 lakhs were written off/remitted during 1978-79 by competent authorities.

Department-wise details are given in Appendix VII.

CHAPTER IV
WORKS EXPENDITURE
PUBLIC HEALTH ENGINEERING DEPARTMENT

4.1 Urban Water Supply Schemes

1. *Introductory.*—The responsibility for supply of water in the cities/towns in the State is on the municipal corporations (6), municipal committees (190) and notified areas (54) to whom financial assistance in the form of loans and grants is given by the Government for the purpose. The execution of the schemes is undertaken by the Public Health Engineering Department of the State Government (PHED) as deposit works on behalf of the local bodies, to whom the schemes are, on completion, transferred for operation and maintenance.

During the various Plan periods, 159 water supply schemes (including augmentation of 25 existing schemes) were undertaken in 138 towns as deposit works, the details of which are given below :—

Five year Plan periods	Number of schemes undertaken	Estimated cost	Financial Assistance			Contribution by local bodies	Total funds deposited with PHED	Number of schemes completed
			Grant from Government	Loan from Government	Loan from Life Insurance Corporation			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>(Rupees in lakhs)</i>								
(i) First and Second Plans (1951-52 to 1960-61)	27	7,70.29	41.86	1,91.57	..	38.29	2,71.72	26
(ii) Third Plan (1961-62 to 1965-66)	28	5,71.72	1,40.10	1,37.29	57.00	23.25	3,62.64	20
(iii) Annual Plans (1966-67 to 1968-69)	5	96.59	80.89	1,20.86	40.00	6.03	2,47.78	1
(iv) Fourth Plan (1969-70 to 1973-74)	57	68,56.97	3,91.38	3,28.41	1,88.20	0.70	9,08.69	22
(v) Fifth Plan (1974-75 to 1978-79)	42	22,97.18	11,63.11	18,50.34	12,53.90	1,41.63	44,08.98	1
Total	159	1,05,92.75	18,17.34	26,28.47	15,39.10	2,14.90	61,99.81	70

Besides, 21 more schemes had been partially completed and partial water supply commenced. Out of the 89 incomplete schemes, 44 including 20 partially completed ones had been in execution for more than 4 years.

More details of the schemes undertaken are given in Appendix VIII.

A test-check of records pertaining to implementation and operation of the schemes conducted in May-June 1978 and May 1979 to July 1979, revealed the following :—

2. *Financial assistance.*—(i) The pattern of financial assistance by Government introduced from October 1958, was 50 per cent loan and 30 per cent grant, the remaining 20 per cent being contributed by the local body. From July 1970, the pattern was changed to 50 per cent

loan and 50 per cent grant for towns having population not exceeding 20,000 and 70 per cent loan and 30 per cent grant for towns having population exceeding 20,000. The loans obtained from the Life Insurance Corporation of India (LIC) by the Local bodies against guarantees given by the State Government are reckoned towards 50 per cent/70 per cent Government loan. The assistance from the Government is deposited with the PHED Divisions entrusted with the execution of the schemes and is not paid in cash to the local body concerned.

(ii) Loans totalling Rs. 15,39.10 lakhs were received by the local bodies from the LIC during the period 1962-63 to 1978-79 for 69 urban water supply schemes estimated to cost Rs. 67,48.93 lakhs.

With effect from April 1972, in order to ensure timely repayment, instalments of loans from the LIC and interest thereon are paid in the first instance by Government and the amount subsequently recovered from the local bodies.

The overdue amounts at the end of March 1979 towards repayment of the loans given by the Government and in respect of the loans given by the LIC were Rs. 1,96.80 lakhs and Rs. 9.20 lakhs respectively and towards payment of interest Rs. 2,17.64 lakhs and Rs. 24.90 lakhs respectively.

(iii) The department had released financial assistance to the local bodies in excess of the amounts of administrative approvals/technical sanctions of the schemes concerned (45) to the extent of Rs. 1,67.86/1,80.23 lakhs respectively. The circumstances in which funds were released in excess were not stated.

(iv) In the case of 31 schemes which had been completed between 1964-65 to 1978-79 [including 16 out of the 45 mentioned in para (iii)] unspent balances totalling Rs. 1,00.26 lakhs were still lying in deposit with the divisions and awaiting refund. In these cases also the circumstances in which funds were released in excess were not stated.

(v) In the case of 52 schemes, to the end of March 1979, the Divisions had incurred expenditure of Rs. 87.94 lakhs in excess of the deposits received in respect of them. Out of these, 25 schemes were still in progress. Government stated (June 1979) that the expenditure incurred in excess of the deposits would be treated as loan and that instructions in this regard were being issued; sanction for loans to cover the excess was awaited (December 1979).

(vi) The loan agreements between the local bodies and Government, *inter-alia*, provided that the loanees, during the period of their indebtedness to Government, would submit their annual budget estimates to Government for scrutiny and should provide for in the budget and pay every year the agreed repayment instalments of the loan with interest. The annual budget estimates of these bodies were not being received nor had any action been taken to obtain them.

On this being pointed out in July 1978, the Government intimated (June 1979) that the Chief Engineer, Public Health Engineering Department was being requested to ensure compliance in this regard.

3. Execution of schemes.—(i) Physical progress.—(a) Out of 159 water supply schemes undertaken between 1954-55 and March 1979, 70 schemes only were reported to have been completed by June 1979. Of the 89 incomplete schemes, one (Shahdol) had been taken up in 1959-60, eight during the Third plan, four during the Annual plan periods (1966-67 to 1968-69), thirty three during the Fourth Plan and thirty-six during the Fifth Plan. It was noticed that work on two schemes for which funds were released during the Fourth Plan had not yet been started (January 1980), in one case due to the Municipality declining to take-up the scheme, the reasons for which were not stated, and in another case the tubewell on which the scheme was based not giving sufficient yield. Action to have the grant (Rs. 0.50 lakh), refunded in the first case and to find alternate source in the second was not stated. Five schemes for which funds were released in March 1979 had also not been started (February 1980).

(b) The estimates in respect of 73 out of 84 schemes (the details of which were made available) did not indicate the period within which they were envisaged for completion. However, the Manual of Water Supply and Treatment issued by the Ministry of Works and Housing, Government of India envisages that 3½ to 4 years would be required for completion of water supply schemes. Out of six schemes, in whose estimates target dates for completion were stipulated, only one was completed in time, three were completed within 3 years of the stipulated periods while the completion of two schemes (Ratlam and Basoda) was delayed by 7 to 8 years. The Manawar scheme, which was targeted for completion in March 1973, was still in progress (March 1979). In the case of the other 5 schemes in progress, the target dates in 3 cases were already over. The delay in completion was attributed to :

(i) delay in completing formalities like inviting tenders, etc., (Manawar); reasons for delay in one case (Basoda) were awaited,

(ii) delay in availability of materials and limited financial resources owing to plan ceilings,

(iii) change in the site of treatment plan and delay by the contractors in completing the work (Thandla).

For four out of 11 schemes where actual completion had been delayed more than 4 years after the stipulated period for completion, Government loan of Rs. 89.65 lakhs had been given to the local bodies; while the money remained locked up, interest liability had already commenced, being Rs.28.87 lakhs for the extended period of completion.

4. *Administrative approval and technical sanctions.*—Expenditure incurred to end of March 1979 on 22 water supply schemes exceeded the administrative approval and technical sanction (Rs.3,90.75 lakhs) by Rs.95.75 lakhs. Out of these, 14 had already been completed, some of them as early as 1961-62, but revised sanctions had not been issued.

5. *Revision of estimates.*—(a) Out of 70 completed schemes, estimates in respect of 40 schemes had been revised; of these, 30 revised estimates (Rs. 39,80.57 lakhs) were 32 to 256 per cent above the original estimates (Rs. 17,25.66 lakhs).

(b) Out of 89 water supply schemes under execution, estimates of (51) schemes had been revised. Of these, 45 revised estimates (Rs. 24,67.89 lakhs) were 31 to 234 per cent above the original estimates (Rs. 15,24.15 lakhs).

The increase in cost was attributed to escalation in cost of materials and labour and execution of additional items of work not provided for in the original estimates prepared by the department. Reasons for not including all the essential items in the estimates were not stated.

6. *Operation and maintenance.*—Though the schemes were on completion to be handed over to the local bodies concerned for operation and maintenance, it was noticed that the following three completed schemes had not been so handed over; expenditure of Rs. 48.95 lakhs on maintenance and operation incurred by the Government had not been recovered from the local bodies :—

Scheme	Expenditure on maintenance and operation	Period when incurred
(1)	(2)	(3)
	(Rupees in lakhs)	
1. Ambikapur	10.74	1971-72 to 1978-79
2. Indore	33.40	1977-78 to 1978-79
3. Raipur	(*) 4.81	1976-77 to 1978-79
Total	48.95	

* Net amount after deducting deposit of Rs. 1 lakh received,

The non-handing over of these schemes to the local bodies was stated to be due to unwillingness/refusal by the local bodies concerned to take over the operation and maintenance in two cases (Ambikapur and Indore), while the reasons in the third case are awaited (November 1979). Water charges are, however, being collected by the local bodies.

7. *Supply of Water.*—Available information in respect of 23 completed schemes showed that the actual supply of water was far less than the supply envisaged in the estimates, the shortfalls in total supply and per capita supply ranging from 20 to 83 per cent.

The shortfall in supply was attributed to leakage in old pipe lines (Seoni Malwa, Timarni and Harda), less number of connections taken by public (Raghogarh, Chanderi and Ashoknagar), improper running of pumps (Sohagpur and Timarni), failure of source (Sabalgarh, Dabra and Pichhore) and lack of storage capacity (Rajnandgaon). Steps taken to remedy the defects were not stated.

8. *Financial results of operation of the schemes.*—The results of operation of 81 water supply schemes (70 completed fully and 11 partially completed) for the 3 years ending 31.3.79 showed a cumulative deficit of Rs. 10,90.31 lakhs in 77 schemes (66 showed deficit in all the 3 years) and a surplus of Rs. 2.29 lakhs in 4 schemes. No evaluation had been undertaken to investigate the reasons for the deficits.

9. *Closing of Works accounts.*—Out of 70 completed schemes, information about closing of works accounts was furnished by the department in respect of 40 schemes only; of these accounts had been closed only in respect of 6. Of the remaining 34 schemes, the accounts of which had not been closed, 16 had been completed more than five years back.

The non-closure of accounts was attributed to non-settlement of contractor's claims due mainly to non-adjustment of value of materials in the material-at-site accounts (11 cases).

10. *Watch over utilisation of assistance.*—No control records, indicating the particulars of the water supply schemes sanctioned, the grants and loans sanctioned/paid in respect of them their utilisation, dates of commencement/completion of the schemes, their handing over to the local bodies, etc., were maintained by the department. No other record was also available with the department to show whether periodic progress reports of the water supply schemes had been called for/received from the local bodies and whether the schemes had been completed within the period specified. On this being pointed out (July 1978) the Government stated (June 1979) that the Chief Engineer, Public Health Engineering Department was being directed to maintain the requisite records.

11. *Sunning up.*—(a) Out of 159 urban water supply schemes (estimated cost: Rs. 1,05,92.75 lakhs) taken up by the PHED on behalf of various local bodies during the various plan periods ending March 1979, 70 schemes had been completed by that date and were supplying water; another 21, though partly completed, had started partial supply.

(b) In the case of 23 completed schemes, the actual supply of water was far less than the supply envisaged in the estimates of the schemes.

(c) As against 3 to 4 years normally required for completing water supply schemes, 13 schemes took 11 to 17 years for completion, 4 schemes 7 to 10 years and 22 schemes 5 to 7 years. Further, out of 89 incomplete schemes at the end of March 1979, work had commenced on (i) one scheme in 1959-60, (ii) 8 schemes during the Third Plan Period, (iii) 4 schemes during the Annual plan periods (1966-67 to 1978-79), and (iv) 33 schemes during the Fourth Plan period. Meanwhile there had been substantial escalation in the cost.

(d) In the case of 31 completed schemes, funds amounting to Rs. 1,00.26 lakhs had been provided in excess of the requirement and were lying in deposit with the Divisions.

(e) Financial assistance released in 45 cases exceeded the amounts of administrative approval/technical sanction by Rs. 1,67.86 lakhs/Rs. 1,80.23 lakhs. Further, expenditure incurred on 22 schemes exceeded both administrative approval and technical sanctions by Rs. 95.75 lakhs.

(f) Expenditure on 52 water supply schemes had exceeded the deposits received by Rs. 87.94 lakhs, the excess was to be converted into loans by Government.

(g) An amount of Rs.4,48.54 lakhs on account of loan instalments and interest due to Government as also of payments in respect of LIC loans made initially by Government (Rs.2,06.00 lakhs as principal and Rs.2,42.54 lakhs as interest) was overdue for recovery from the local bodies.

(h) In three cases, the local bodies had not taken over the completed schemes and maintenance and operational charges totalling Rs.48.95 lakhs incurred by the Government on these schemes had not been recovered.

(i) Local bodies were incurring heavy losses in running the water works; 77 local bodies had incurred a loss of Rs.10,90.31 lakhs during the years 1976-77 to 1978-79.

The matters mentioned above were reported to Government in September 1979; reply is awaited (February 1980).

4.2 Water supply scheme for Indore and Mhow

In order to augment the water supply to Indore and Mhow, a scheme estimated to cost Rs.12 crores was administratively approved by the Government in December 1972. It was to be executed as a deposit work by the Public Health Engineering Department on behalf of the Indore Municipal Corporation. The scheme envisaged pumping of 19 million gallons a day (MGD) of water from the Narmada and carrying it over a distance of 72 kilometres to Indore and Mhow. In 1972-73 it was decided that the capacity of the system should be 38 MGD, the work being taken up in two phases. In the first phase, pumping capacity and treatment plant were to be developed for 19 MGD only but intake mains and distribution pipe lines were to be constructed for the ultimate capacity of 38 MGD. Phase I, which was taken up for execution in 1972-73, was completed and formally inaugurated on 31st January 1978.

2. The preliminary estimates of Rs.12 crores were revised on the basis of detailed project report to Rs.21.98 crores in August 1973 and again to Rs.30.39 crores in March 1978. Sanction for the last revision was awaited (July 1979). While the first revision was attributed mainly to increase in the scope of work and changes necessitated by detailed investigation, the second revision was stated to be due mainly to non-availability of indigenous steel plates for fabrication of pipes as envisaged earlier and use of imported plates and to increase in cost of labour and material.

3. Grants totalling Rs.7,88.66 lakhs paid by the State Government and loans totalling Rs.22,74.91 lakhs advanced by the State Government (Rs.12,38.81 lakhs), the Life Insurance Corporation (Rs.7,37.10 lakhs) and the Defence Ministry for augmenting supplies to Mhow Cantt. (Rs. 1,59.00 lakhs), together with the share of the Indore Municipal Corporation (Corporation) of Rs.1,40.00 lakhs were deposited by the latter with the Public Health Engineering Department (PHED) for execution of the scheme. Upto August 1979, Rs.30,17.90 lakhs had been spent leaving an unspent amount of Rs.45.67 lakhs. The accounts of the scheme had not been closed (August 1979).

Upto 1976-77, Rs.83.76 lakhs were repaid by the Corporation to the Government towards instalments of loan but thereafter further payment was stopped, reportedly due to its poor financial position. Rupees 1,13.17 lakhs had become overdue towards repayment of loan (March 1979). Besides, penal interest at 2½ per cent over and above normal rate was also payable for the period of the default.

Approval of the Government to a suggestion (December 1977) to defer the repayment of loans for two years and utilise the amount for laying pipelines in new colonies was awaited (July 1979). Administrative approval for an estimate for Rs.1,45 lakhs for laying pipelines to new areas submitted in December 1977 was also awaited (July 1979).

4. The scheme, commissioned in February 1978, had not been taken over by the corporation nor had it paid the maintenance and operation charges of Rs.49.08 lakhs incurred by the PHED upto August 1979. The Narmada Water Supply Advisory Board had recommended (July 1977) to the Government that the scheme upto the points of supply to the Corporation and Mhow Cantonment be worked, maintained and supervised by the PHED or by a Board as might be decided by the Government. Decision of the Government on this recommendation was also awaited (July 1979).

5. The scheme included a provision of Rs. 2,00 lakhs for laying a new distribution system in Indore city but did not include any provision for remodelling of the existing system under the control of the Corporation.

Prior to January 1978, water supply to Indore city was 7 to 8 MGD in summer season and 10 to 12 MGD in rainy and winter seasons. From February 1978, after inauguration of the scheme, additional quantity of water to the extent of 15 to 20 MGD was added to the existing supply. Though the supply of water was doubled, there were complaints from consumers about wastage and inadequate supply of water with required pressure. After investigation, it was reported (October 1978) by the Project Engineer that adequate number of inter-connections between the new and the old distribution mains had not been provided, a number of overhead reservoirs of the existing colonies had not been connected to the new distribution system and control valves had not been provided to prevent wastages which were heavy due to lack of proper metering and ferrules.

The Adviser, Narmada Scheme stated in October 1978 that, on a conservative estimate, about 7 to 10 million gallons of water out of the total drawal of around 19 MGD from the scheme were being wasted daily. The cost of pumping alone of the water wasted during February 1978 to July 1979 was estimated (July 1979) (by the Narmada Water Supply Advisory Board) as Rs.75 lakhs.

Estimates for Rs.59.35 lakhs submitted to the Government (January 1979) by the Project authorities for improvement in the existing distribution system were awaiting administrative approval (February 1980).

Test-check also showed that only 25 per cent of water supply connections had been metered and water-tax collected was not adequate to meet the maintenance expenditure. Action to revise the rates was reported to be in progress.

6. *Irregularities noticed in the execution of works.*—(i) *Excess payment of Rs.1.21 lakhs for extra joints.*—As per the contract for manufacture, supply and erection of a 1,200 mm. steel pipeline for the rising main, the department was required to supply steel plates of 4,000 mm. x 2,500 mm. size to the contractor. However, the department could procure through Hindustan Steel Limited, Steel Plates of 4,000 mm. x 1,500 mm. size only and these were supplied to the contractor for manufacturing the pipes. Due to change in the size of the plates, more joints became necessary in the pipes. The contract rate was a composite rate per running metre for manufacturing, laying and joining the pipes and there was no rate indicated for extra joints.

As per terms of the agreement, for extra items the contractor was to be paid cost of labour and material plus 40 per cent thereof where all materials and labour were supplied by the contractor.

On the basis of the estimates of cost of labour, material and machine hour rate, submitted by the contractor, the department sanctioned a rate of Rs. 251 per joint, which included Rs. 37.65 for labour, Rs. 77.35 for consumables, Rs. 90 for depreciation (at 2 per cent per month on cost of machines), maintenance and spare parts of machines (at 2 per cent per month on cost of machines) plus 40 per cent on all the items. The records of the Division did not indicate that the rate was based on actual expenditure. Further, as only the cost of labour and material plus 40 per cent thereof was payable for extra items, the payment for depreciation, maintenance and spare parts of machines was beyond the terms of the contract. The excess payment for 1,342 extra joints amounted to Rs. 1.21 lakhs, which had not been recovered though pointed out by Audit.

(ii) *Excess reimbursement of cost of cement procured by contractor*—According to the contract for supply of pipes, cement was to be supplied by the department to the contractor for use in lining and outcoating of steel pipes and specials and for manufacturing, at his factory site near the project, pre-stressed concrete pipes for gravity main and the cost of cement was to be recovered at Rs. 260 per tonne.

As the contractor was lagging behind in the supply of prestressed concrete pipes, he was permitted to manufacture pipes at his factories at Bombay and Baroda by using his own cement. However, the terms for use of cement by the contractor were not settled. The contractor claimed Rs. 366.22 to Rs. 366.89 per tonne of cement used but the department allowed only the approved rates as per rate contracts for cement entered into by the Director General of Supplies and Disposals, which are f. o. r. rail head. However, while working out the amount payable to the contractor, railway freight charge of Rs. 72.05 per tonne was again added to the f. o. r. rail head rate, as a result of which the contractor was overpaid an amount of Rs. 1.01 lakhs on 1,401.619 tonnes of cement used by the contractor. Though the overpayment was pointed out by Audit in April 1979, no action had been taken to recover the amount.

(iii) *Excess expenditure due to incomplete modifications carried out in contract documents*—The accepted tender for the gravity main provided for the contractor being compensated for escalation in the price of diesel oil and in wages over the basic points stipulated in the tenders for the following items of work:

Item of work	Basic point stipulated in tender	Rate of compensation
(1)	(2)	(3)
(a) Rock excavation by blasting	86 paise per litre for diesel oil	For every rise of 25 paise or part thereof in diesel oil price above 86 paise per litre, 0.75 per cent extra over the tendered rate.
(b) Pipes and specials	do	For every rise of 25 paise or part thereof in diesel oil price above 86 paise per litre, 0.5 per cent extra over the tendered rate.
(c) All items	Cost of living index at the time of tender (282 points)	For every 5 point rise or part thereof in cost of living index, wage escalation at 0.40% for supplying, laying and jointing of pipes and specials and 0.60% for excavation and other civil engineering works.

The contractor had also supplied illustrative examples to show how the escalation was to be worked out and these also formed part of the contract documents.

After negotiations, the words "every" and "part thereof" were deleted from the main contract clause and attested by the contractor at the time of signing the contract but not from the illustrative examples nor were the examples modified. The contractor claimed and had to be paid escalation (i) for every 25 paise price increase or part thereof in the price of diesel in respect of rock excavation by blasting and pipes and specials and (ii) for every 5 point rise or part thereof in the cost of living index. The escalation paid on the rise of parts of 25 paise for diesel and of 5 points for cost of living index amounted to Rs. 1.77 lakhs and Rs.0.46 lakh respectively, which could have been avoided if the agreed modifications had been correctly carried out at all places in the contract documents and in the examples. The circumstances in which the modifications were not carried out in the contract documents at all the places were not stated.

(iv) *Escalation paid twice on the same ground.*—The contract for the gravity main had two clauses which provided for payment of compensation for increase in the wages of the labour. Under the first clause, escalation in wages was to be compensated at certain rates for every rise of 5 points over the consumer cost of living index for October 1973. Under the second clause, the contractor was to be compensated at a rate mentioned in the contract for revision in the rates of remuneration as a result of Government orders or adjudication or conciliation proceedings. Before the contract was signed the contractor had clarified that compensation for increase in dearness allowance paid to the labour would be claimed under the first clause, that no claim on that account would be made under the second clause and that increase in basic wages, leave pay, Employees Provident Fund and Employees State Insurance Corporation contributions, retrenchment compensation, paid holidays, gratuity and bonus, etc. only would be claimed under the second clause. The clarifications were incorporated in the contract.

Under the first clause, the contractor was paid compensation amounting to Rs. 14.38 lakhs on the basis of increase in cost of living index by 70 points and under the second clause, Rs. 7 lakhs due to increase of 20 paise in basic wages as a consequence of the orders issued by the Government. On a reference made by Audit, the Labour Department clarified (June 1979) that the increase of 20 paise in basic wages was due to increase in the cost of living index. This being so, the compensation payable for increase in basic wages already stood included in the compensation paid under the first clause on the basis of the cost of living index. The payment of Rs. 7 lakhs under the second clause thus resulted in the increase in basic wages being compensated twice.

(v) *Excess payment for excavation of trenches.*—The contract for laying pipelines for the distribution system included two items "Excavation of trenches to lay pipelines" and "Construction of brick masonry chambers for valves". However, while recording measurements of the work executed, that part of the trench which was occupied by brick masonry chambers was not excluded from the measurement for the excavation work in the trench. Consequently, payment for excavation of the brick masonry chambers portion of the trench was made twice—once under "Excavation of trenches to lay pipelines" and again under "Construction of brick masonry chambers for valves". The excess payment on this account was Rs. 0.41 lakh, which had not been recovered though pointed out by Audit.

(vi) *Financial benefit to contractors due to transportation of pipes to the site by the department.*—As per the terms of the contracts for laying and jointing of pipelines for the water distribution system, pipes, specials and valves required for the work were to be collected by the contractors from the departmental stores and various places in Indore city and brought to the site of work but no extra payment was to be made for the lead. However, pipes were transported from the railway station to the work sites by the department during the period from August 1975 to March 1977 at a cost of Rs. 1.14 lakhs and the amount was not recovered from the contractors. The payment was outside the terms of the contract.

(vii) *Dues outstanding from contractors and suppliers.*—Dues totalling Rs. 4.02 lakhs were outstanding to be recovered from the contractors/suppliers as shown below:—

Nature of dues (1)	Amount due (2)
<i>(In lakhs of rupees)</i>	
(i) Hire charges of departmental crane provided to contractors for shifting, loading and unloading.	0.35
(ii) Advances (Rs. 2.16 lakhs paid to Hindustan Steel Limited for supply of mild steel plates and interest of Rs. 0.20 lakh from 1st January to 3rd February 1974 on one consignment.	2.36
(iii) Chamferring charges to be recovered from suppliers, insurance companies and carting contractors.	0.57

Nature of dues (1)	Amount due (2) <i>(In lakhs of rupees)</i>
(iv) Short recovery of cost of 12,005 bags of cement issued to contractors for their enabling works, due to recovery at issue rates instead of at market rates.	0.74
	4.02

Action taken for recovery was not indicated.

(viii) *Non-finalisation of materials account.*—Material-at-site accounts were either not maintained or not produced to Audit, with the result that it could not be ascertained whether recoveries towards cost of materials issued to contractors had been correctly made.

Cement of the value of Rs. 26.38 lakhs transferred from certain divisions to others had not been accounted for by the recipient divisions. No action to investigate the short account had been taken.

7. *Summing up.*—(i) Though the water supply scheme was commissioned in February 1978, steps to provide adequate inter-connections between the old and the new distribution mains had not been taken with the result that there was inadequate supply of water with required pressure in parts of Indore city. Necessary control valves had not been provided with the result that there was wastage of water. As a result and also due to bursting of old pipes due to pressure and other reasons 7 to 10 million gallons of water were, as reported by the Adviser Narmada Scheme, being wasted daily. The cost of pumping alone of water wasted upto July 1979 was estimated by the department at Rs. 75 lakhs.

(ii) Proposals for providing sufficient number of inter-connections and taking up other remedial steps at an estimated cost of Rs. 59.35 lakhs submitted in January 1979 were awaiting administrative approval.

(iii) An estimate for Rs. 1.45 lakhs for laying pipelines to new colonies submitted in December 1977 was also awaiting approval.

(iv) The scheme had not been taken over by the Corporation nor had it paid maintenance and operation charges to the Public Health Engineering Department, which had spent Rs. 49.08 lakhs on this account upto August 1979.

(v) The corporation had defaulted in the repayment of Rs. 1,13.17 lakhs to the State Government as on 31st March 1979.

(vi) Excess payments totalling Rs. 13 lakhs to the contractors of rising main (Rs. 1.21 lakhs), gravity main (Rs. 10.24 lakhs) and distribution system (Rs. 1.55 lakhs) were noticed.

(vii) Recoveries aggregating Rs. 4.02 lakhs remained to be effected from contractors and suppliers.

(viii) Cement of the value of Rs. 26.38 lakhs transferred from certain divisions to others had not been accounted for by the recipient divisions.

The above matters were reported to the Government in September 1979; reply is awaited (February 1980).

IRRIGATION DEPARTMENT

4.3. Barna Project

1. *Introductory.*—The Barna Project, sanctioned by the Government in June 1959 and estimated to cost Rs. 5,55.70 lakhs, envisaged construction of an earthen dam across the river Barna, a northern tributary of Narmada, and utilisation of the impounded water for irrigating 1.49 lakh acres. On the basis of a preliminary survey, technical sanction was accorded in September 1959; though preliminary work started in February 1960, actual work commenced only in 1969. Phase I of the project consisting of main and saddle dams and right bank

canal, which was scheduled to be completed by December 1972, was completed in June 1975 and phase II comprising other works, which was scheduled for completion by March 1974, was partially completed by October 1975; the remaining works were expected to be completed by March 1980. The delay was attributed mainly to default of the contractors and new agencies having to be fixed to complete the works.

2. *Revision of estimates.*—The project having been sanctioned on the basis of a preliminary survey, it had to be revised to provide for a masonry dam when it was found after detailed investigation that adequate semi-pervious material was not available for the earthen dam. After taking this into account, as also changed designs for the spillway and the crest gate due to the maximum flood level having been altered as a result of observations during the floods of 1965, the revised estimates (1974) provided for Rs. 12,97.46 lakhs.

To end of March 1975, capital expenditure of Rs. 14,94.54 lakhs had been incurred on the project. A further revision of the estimates to Rs. 15,27.19 lakhs, proposed in June 1979, due mainly to increase in the number and length of minors and increase in compensation for land acquired was awaiting approval.

3. *Development of irrigation potential.*—The Project Report of 1974 had envisaged creation of the full potential of 1,49,465 acres by 1976-77 but this is now expected only by 1980-81 due to non-completion of some works on the left bank canal. Meanwhile, the department had after taking into account the water availability, announced areas for irrigation. The potential actually created, area announced for irrigation and area actually irrigated during 1975-76 to 1978-79 were as follows :—

Year	Potential created	Area announced for irrigation	Area irrigated	Shortfall in area irrigated as compared to area announced for irrigation	Percentage of area irrigated to potential created
(1)	(2)	(3)	(4)	(5)	(6)
1975-76	35,075	30,000	13,725	16,275	39.2
1976-77	80,679	35,000	23,382	11,618	28.98
1977-78	93,897	61,000	18,517	42,483	19.72
1978-79	1,14,760	87,200	28,752	58,448	25.02

Factors responsible for the shortfall in the utilisation of irrigation potential are given below :—

(a) *Inadequate construction of field channels and water courses.*—The project report contemplated field channels carrying water to the fields being constructed and maintained by the cultivators. Upto 1978-79 field channels had been constructed to cover an area of 65,323.83 acres out of the command area of 1.35 lakh acres; no field channels had been constructed for an area of 0.54 lakh acres which required partial or complete field development due to its slope. The field development work was taken up by the Agriculture Department in 1977-78 on behalf of the cultivators under the provisions of the Madhya Pradesh Irrigation Act, 1931 and land levelling to the extent of 225 acres had been done by March 1979. The remaining work was proposed to be done under Barna Ayacut Development Programme, for the implementation of which an Ayacut Development Committee was constituted in April 1971. A project report was submitted by the Committee to the Government in December 1978, which estimated the cost of command development works at Rs. 26,44.83 lakhs. The project is awaiting approval of the Government and the work is yet (November 1979) to be taken up.

(b) *Cropping pattern.*—Though the project report envisaged 50 per cent of the area to be irrigated to be under *Kharif* crops, no *Kharif* irrigation was done during 1976-77 and 1977-78; and during 1978-79 the *Kharif* irrigation done was only 625 acres as against the target

of 32,930 acres. It was stated by the Division that *Kharif* crops such as paddy, soyabean, etc., were not grown by cultivators in the command area; the steps, if any, taken for motivating the cultivators were not stated.

Further, the area under high yielding varieties for *Rabi* was only 0.75 to 11.77 per cent of the areas targeted during 1975-76 to 1977-78. The cultivators were stated to be reluctant to go in for high yielding varieties due to high cost of inputs; steps, if any, taken for motivating the cultivators were not stated.

(c) *Delay in completion of left bank canal.*—The left bank canal with main structures, which was anticipated to be completed by 1976-77, could actually be completed only in October 1978 due mainly to non-availability of suitable agencies for the construction of small structures and failure of the contractor to execute a major aqueduct. As a result, no irrigation could be done in left command upto 1977-78.

4. *Losses in transmission.*—The Project report of 1974 had assumed losses due to evaporation and absorption at 6 to 7.5 per cent for minors and 9.37 per cent for distributories. The water released in the areas irrigated was, however, much more than what was required, as would be seen from the following figures for 1976-77 to 1978-79. —

Year	Total water released	Water losses at 9.37 per cent (Maximum assumed in the Project report (1974))	Net water available for irrigation	Water required for irrigation	Excess water loss	Percentage of excess water loss
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In acre feet)						
1976-77	49,700	4,657	45,043	17,557	27,486	61.02
1977-78	41,880	3,924	37,956	13,888	24,068	63.41
1978-79	78,955	7,398	71,557	19,615	51,942	72.59

The excess water loss was attributed to :—

- (i) non-construction of sufficient field channels,
- (ii) wastage of water due to uncontrolled supply in the absence of *osrabandi* and non-setting up of irrigation panchayats as contemplated under irrigation rules,
- (iii) surplus water being escaped due to timely winter rains, and
- (iv) non-adoption of night irrigation by cultivators.

Action taken to remedy the short comings were, however, not indicated.

5. *Realisation of revenue.*—The position of assessment, recovery and balance outstanding (as at the end of January 1979) of water rates for 1975-76 to 1977-78 was as follows:—

Year	Assessment	Recovery	Balance
(1)	(2)	(3)	(4)
(In lakhs of rupees)			
1975-76	4.72	3.65	1.07
1976-77	8.90	5.02	3.88
1977-78	7.37	3.19	4.18
Total	20.99	11.86	9.13

* On the basis of the number and depth of waterings assumed in the project report for various crops.

Demand, collection and balance registers showing cultivator-wise and year-wise details of arrears had, however, not been maintained.

The following points about realisation of revenue were noticed :—

(a) *The Khasra shudkar*, showing field-wise and cultivator-wise details of irrigation done, had not been prepared by Amins in respect of a number of villages which received irrigation, as mentioned below :—

Year	Total number of villages which received irrigation	Number of villages for which <i>khasra shudkar</i> not prepared
(1)	(2)	(3)
1975-76	56	56
1976-77	109	68
1977-78	121	43

The omission was attributed to non-availability of prescribed forms and also to shortage of staff.

Records to be maintained in the Division showing test-check of entries in the *Khasra shudkar*, required to be done by the Section Sub-ordinates, Irrigation Inspectors, Sub-divisional Officers and Executive Engineers, were not shown to Audit.

(b) The Madhya Pradesh Irrigation Act, 1931 and rules thereunder prescribe that, where permanent land holders have entered into agreements for drawal of water and if there is no interruption in the supply of water, the land holders should pay the water rates on demand irrespective of whether they actually irrigated their fields or not. It was seen in test-check that in the case of the areas mentioned below, though agreements had been executed and the department had not failed to supply water, no irrigation had been done by the cultivators:—

Year	Area	Amount of water rates leviable
(1)	(2) (In acres)	(3) (Rupees in lakhs)
1975-76	1,305	0.23
1976-77	3,128	0.60
1977-78	2,742	0.52
		1.35

These areas had, however, not been assessed for water rates nor had any demand been raised, the reasons for which as also for non-irrigation were not stated

(c) Out of the area under submergence at the full reservoir level, 5,864.85 acres acquired till 1973-79 were cultivable and were given on lease to cultivators. Arrears amounting to Rs. 0.60 lakh pertaining to the period 1969-70 to 1978-79 were outstanding towards lease money.

(d) The project report (1974) envisaged recovery of betterment charges at Rs. 140 per acre if paid in one instalment or Rs. 224 per acre payable in twenty years after three years from the commencement of irrigation. Though water was let into the canal from 1975-76 no provision for levy of betterment charges had been made so far (November 1979).

6. Financial irregularities in execution.—

(a) Payment to contractors outside the terms of contracts.—

(i) The contract for the grouting and drilling of Barna Main dam provided that if the tender rate of any item exceeded the estimated rate at the time of calling for tenders by more than 25 per cent and if the quantities of such item exceeded the quantity shown in the schedule of quantities attached to the contract by more than 10 per cent, the quantity in excess of 10

per cent would be paid for at the estimated rate *plus* or *minus* the overall percentage of the accepted tender above or below, as the case may be, the estimated rate of the whole work, subject to the maximum of the tendered rate for the item as provided in the contract.

In the case of two items of work *viz.*, (i) wet percussion drilling and (ii) special washing, etc., the quantities executed actually exceeded the estimated quantities by more than 10 per cent and the tendered rates exceeded the estimated rates by more than 25 per cent. The contractor was, however, sanctioned (November 1974) by the Government the rates of Rs. 77 per metre for drilling and Rs. 29 per hour for washing, respectively, as against the rates of Rs. 19.86 per metre and Rs. 9.16 per hour respectively admissible as per terms of the contract, resulting in an extra payment of Rs. 8.52 lakhs, on the ground that there was heavy under-estimation both in quantities and rates.

As the contract had clearly stated the basis of payments for quantities in excess of 10 per cent of the estimated quantities, the upward revision of rates for the two items was outside the terms of the contract. The Government stated that relaxation was made as even after it the contractor remained the lowest.

This contention was, however, not correct since, based on the quantities of work actually executed, the contractor was the sixth lowest, the amount payable to the lowest on this basis being Rs. 11.89 lakhs as against Rs. 20.28 lakhs payable on the accepted tender. Further, the circumstances in which the quantities were under-estimated had not been investigated.

(ii) The contract for Group II of Barna Main dam provided for a rate of Rs. 24 per cubic metre for all types of rock excavation with or without blasting including wedging and barring. On a demand for higher rates from the contractor, the Superintending Engineer sanctioned (May 1976) increased rates for excavation (i) in toe trench at Rs. 472 per 10 cubic metres, (ii) in apron portion at Rs. 342.90 per 10 cubic metres and (iii) in shear key trench, at Rs. 649.20 per 10 cubic metres on the ground that excavation had to be done without blasting by line drilling, wedging and barring and also to a greater depth than anticipated in the original design.

However, since the contract provided a uniform rate of Rs. 24 per cubic metre for all types of rock excavation, with or without blasting including wedging and barring the sanction of higher rates was outside the terms of the contract. The extra payment to the contractor due to the higher rates sanctioned for these items amounted to Rs. 0.44 lakh. The Chief Technical Examiner (Vigilance), to whom the matter was referred (September 1977), agreed (June 1978) with Audit that no extra rates were payable to the contractor for these items.

(b) *Incorrect payment of lift.*—Eleven contracts for earth work for canals, entered into by the Barna Canal Division during 1972-73 to 1974-75, provided for payment for earth work at certain percentage rates above the schedule of rates in force from 17th November 1971 as corrected upto the date of issue of the tender notice. This schedule of rates provided for payment of lift calculated on a certain basis and payments for the earth work executed were made accordingly. From October 1974 the schedule of rates was amended *inter alia*, providing for calculation of lift on a revised basis. On receipt of this amendment, supplementary payments totalling Rs. 1.42 lakhs were made for the lift to the contractors, after recalculating the lifts involved on the revised basis.

Since the contract provided for payment for lift to be made on the basis of the schedule of rates current at the time of inverting tenders, the supplementary payment of Rs. 1.42 lakhs was outside the terms of the contract.

(c) *Excess payment for lead.*—The contractor entrusted with earth work for the left bank canal (Chainages 366 to 375) carted earth from borrow areas by a longer route than the

one indicated by the department but payment of lead by the longer route was allowed by the Department. Consequently, extra expenditure of Rs. 0.47 lakh was incurred by the department.

Summing up

(i) Work on the project, which was started in 1969 and was expected to be completed by 1972 in part and by 1974 in full, was partially completed by June 1975 and the remaining portion is expected to be fully completed by March 1980, the delay being attributed mainly to default of the contractors and new agencies having to be fixed to complete the works.

(ii) As against the envisaged potential of 1.49 lakh acres by 1976-77, the potential created upto 1978-79 was 1.14 lakh acres and the remaining potential is expected to be created by 1980-81. The irrigation during 1978-79 was 0.29 lakh acres which was 25.05 per cent of the potential created. The low irrigation was attributed to inadequate construction of water courses and field channels by cultivators, non-growing of irrigable *kharif* crops by cultivators, and reluctance of cultivators to go in for high yielding varieties for Rabi.

For development of Ayacut in the command area of the project, the Barna Ayacut Development Committee constituted in 1971 submitted a project report only in 1978; the report was awaiting approval of Government.

(iii) The water losses in the areas irrigated during 1976-77 to 1978-79 were in excess of the assumptions in the project report, *inter alia*, due to uncontrolled supply of water because of non-introduction of *Osrabandi*, non-setting up of irrigation *panchayats* contemplated under the irrigation rules, and non-construction of water courses and field channels. These losses amounted to 72.59 per cent of the water available and could have irrigated 76,800 acres more.

(iv) Areas of cultivators who had entered into agreements for drawing water but had not utilised the water had not been assessed for water rates, as a result of which Rs. 1.35 lakhs had not been levied. Arrears amounting to Rs. 9.13 lakhs on account of water rates and Rs. 0.60 lakh on account of lease money of cultivable area were also outstanding for recovery.

(v) Payments totalling Rs. 8.96 lakhs had been made to two contractors by allowing higher rates for some items than what was admissible under the contracts with them.

(vi) Excess payment of Rs. 1.42 lakhs in 11 contracts was noticed due to incorrect calculation of lift payable for earth work.

Matters mentioned above were reported to the Government in October 1979; reply is awaited (February 1980).

4.4. Avoidable expenditure on purchases

The Stores Purchase Rules require that all items of stores of value exceeding Rs. 50,000 each should be purchased through the agency of the Director General of Supplies and Disposals, New Delhi (D.G.S.D.). Despite the existence of a valid D.G.S.D. rate contract for the years 1975-76 and 1976-77 for supply of galvanised iron (G.I.) pipes, the Executive Engineer, Tribal Development Pilot Project Division, Jagdalpur purchased (September 1975 to May 1976) 1,835.70 running metres of G.I. pipes at a cost of Rs. 3.14 lakhs after inviting short term tenders but without advertisement in the press. The Executive Engineer, Shivnath Lift Irrigation Survey Division, Bilaspur also purchased (May 1976) 331.01 running metres of G.I. pipes at a cost of Rs. 0.54 lakh from the same firm at the rates paid by the Jagdalpur Division. As compared to the rates of the rate contract firm, these purchases involved an extra expenditure of Rs. 1.18 lakhs. Reasons for not making the purchases from the rate contract firm were not stated.

Out of the pipes purchased only 442.57 running metres had been used till October 1978 and the balance quantity of 1,724.14 running metres valued at Rs. 2.95 lakhs was lying in stock unused even two years after the purchase. The Superintending Engineer stated that advance action to procure the pipes was taken but the material could not be used due to delay in receipt of Government sanction for the execution of the works for which they were intended.

The matter was referred to Government in December 1976, September 1977 and April 1979; reply is awaited (February 1980).

4.5. Extra expenditure of Rs. 1.15 lakhs on a contract

The earthwork of the Halali Main Dam was awarded in October 1974 to a contractor at rates settled after negotiation with him. The total tendered value of the work as accepted was 50.5 per cent above the estimated cost (Rs.38.53 lakhs) of the work.

The estimated quantities of various items of the work were indicated in a schedule attached to the tender notice, which formed part of the contract. As per terms of the contract, if the actually executed quantity of a particular item exceeded the estimated quantity indicated in the tender schedule by more than 10 per cent and the contract rate for that item was higher than the estimated rate for the item by more than 25 per cent, the excess quantity was to be paid for at the estimated rate for that item plus or minus the overall percentage by which the total tendered value of the work as a whole differed from the estimated cost of the whole work, subject to a maximum of the tendered rate for that item.

The quantity of work executed in respect of the item "Excavation in all types of strata for dam seat clearance, filter blanket, etc.", exceeded the estimated quantity by 92 per cent, likewise the tendered rate (Rs.236.25) for that item exceeded the estimated rate (Rs.110.70) by more than 25 per cent. Accordingly, the item should, as per the contract terms, have been paid for at the estimated rate plus the tender percentage of 50.5. However, the contractor was, with the approval of the Superintending Engineer, paid for the excess quantity at the tendered rate, which was higher, resulting in an extra expenditure of Rs. 1.15 lakhs.

On the matter being pointed out by Audit, the Chief Engineer stated (October 1978) that the estimates were prepared incorrectly, that the contractor was not willing to do the work in excess of 10 per cent of the tendered quantity at the estimated rate plus the overall tender percentage as per the contract and that consequently the Executive Engineer made payment at the tendered rates of the contractor. However, the circumstances in which there were wide variations in the quantities were not stated nor were they investigated.

PUBLIC WORKS DEPARTMENT

4.6. Non-return of steel by a re-rolling firm

A re-rolling firm at Indore, to which 46,920 tonnes of mild steel bars had been handed over during November 1971 to November 1973 by 3 divisions (Irrigation division, Dewas; Buildings and Roads division, Sehore and National Highway division, Obedullaganj) for re-rolling into bars of smaller diameter, delivered from March 1972 to March 1977 bars for which 26,623 tonnes of steel had been used but did not return the balance quantity (20,297 tonnes). The Department had not obtained any security from the firm before handing over the material.

The Superintending Engineer, B. & R. Circle, Bhopal proposed (July 1974) to the Engineer-in-Chief that legal action be initiated against the firm for its failure to return the remaining steel, and to recover its cost at the market rate of Rs 2,500 per tonne but no action was taken except blacklisting of the firm by the Director of Industries, Madhya Pradesh in January 1977.

On the matter being reported to Police (July 1974) by the Executive Engineer, Sehore, the Superintendent of Police informed the latter that the firm had wound up business 7 or 8 months earlier. No legal action was, however, initiated against the firm. In July 1978 the firm offered to pay the value of steel not returned at the rate of Rs. 1,500 per tonne which was not accepted. Further developments are awaited (February 1980).

The same firm was paid on 28th March 1973 by the Executive Engineer, B. & R. Division, Khandwa an advance of Rs. 0.11 lakh towards hundred per cent cost of seven tonnes of steel without receipt of any supply. No supply was also made later by the firm; finally the firm was allowed (March 1979) by the Chief Engineer to refund the advance in monthly instalments of Rs. 500, the first instalment having been paid in April 1979.

The cases were reported to the Government in June 1978, September 1978, March 1979 and May 1979. reply is awaited (February 1980).

4.7. Overpayments in running account payments to contractors and extra expenditure due to abandonment of works by contractors

Two instances came to notice, where contractors who had been overpaid in running account bills had left the works incomplete and the department could recover neither the overpayments nor the extra expenditure which it had to incur to get the work done by engaging fresh agencies. The details of the works were as follows:—

Division	Name of the work	Amount overpaid in running account bills	Extra expenditure on completing the work, recoverable from contractor
(1)	(2)	(3)	(4)
		(Rupees in lakhs)	
<i>Public Health Engineering Department</i>			
Public Health Engineering No. 1, Gwalior	45.46 lakh litres capacity R.C.C. tank at Amkho Hill, Gwalior	0.52	1.31

Twenty per cent of the amount of the lump sum contract was claimed by the contractor in his first running account bill. Despite the Superintending Engineer pointing out that the work executed as certified by the Assistant Engineer in the measurement book and in the running account bill was not as per specification. The bill of the contractor for Rs. 0.75 lakh was paid after withholding Rs. 0.33 lakh on an *ad hoc* basis; even the withheld amount was later (June 1977) released on the ground that the contract had no provision for withholding of amounts. The contractor left the work incomplete and an extra expenditure of Rs. 1.31 lakhs had to be incurred in getting the work completed through other agencies. The value of the work done by the contractor was valued at Rs. 0.12 lakh and, after adjusting the security and earnest money deposits available with the department, Rs. 1.83 lakhs were recoverable from him. Notices issued (August 1978 and September 1978) for recovery of the dues were returned undelivered and attempts made (September 1978) to deliver them through the Deputy Commissioner, Jullundur were also not successful.

(ii) Public Works Department

Buildings and Roads Division III, Hoshangabad	Kilometres 2 to 10 of Seoni-Malwa-Lokantari road	0.45	0.22
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The excess payment was noticed when the contractor, after receiving 8 running account payments left the work incomplete in June 1976 and the work available at site was measured by the Sub-Divisional Officer and the Executive Engineer in November 1976. Extra expenditure of Rs. 0.22 lakh was incurred in getting the incomplete work completed by fresh agencies. After adjusting the security deposit, etc., available with the Department, an amount of Rs. 0.28 lakh was recoverable from the contractor. No action had been initiated to recover the amount or to fix responsibility for the overpayments.

The matters mentioned above were reported to Government in March and April 1979; reply is awaited (February 1980).

GENERAL

4.8. Delay in reconciliation between departmental and treasury figures

Under the financial rules the Public Works Divisions are required to have a monthly reconciliation of their payments into/withdrawals from the treasuries and prepare and submit to the Accountant General, along with the monthly accounts, a schedule of settlement with the treasuries showing the results of the reconciliation. As at the end of July 1979, 3,406 schedules for the period ending March 1979 remained to be submitted to Audit, the year-wise department-wise break-up of which is given below:—

Year	Number of schedules awaited			
	Public Works Department	Public Health Engineering Department	Irrigation Department	Total
(1)	(2)	(3)	(4)	(5)
Upto 1976-77	232	379	248	859
1977-78	201	253	289	743
1978-79	561	394	849	1,804
Total	994	1,026	1,386	3,406

As at the end of March 1979, there was a net debit balance of Rs. 2,25,69,608.92 representing cash remitted into treasuries but not acknowledged by them and credit balance of Rs. 32,86,33,701.21 representing cheques issued but not cashed at the treasuries.

Non-submission/delayed submission of the schedules of settlement with treasuries to Audit and existence of large unreconciled differences as pointed out above could result in embezzlement of Government money and other serious irregularities remaining undetected for long periods.

The matter was reported to the Government in February 1979 and again in April 1979, reply is awaited (February 1980).

CHAPTER V

STORES AND STOCK

5.1. Non-receipt of accounts

According to Government instructions, annual consolidated accounts of stores and stock showing, *inter alia*, stock at the beginning of the year, receipts and issues during the year and balance at the end of the year are to be furnished to Audit by July every year by Departments holding stores and stock. However, stores and stock accounts of the following departments for the years noted against each had not been received (September 1979) :—

1. Food	1968-69 to 1978-79
2. Agriculture—	
(a) Grow More Food Scheme	1976-77 to 1978-79
(b) Pesticides and Plant Protection	1973-74 to 1978-79
(c) Others	1975-76 to 1978-79
3. Jails	1974-75 to 1978-79
4. Veterinary (Animal Husbandry)	1974-75 to 1978-79
5. Dairy Development	1974-75 to 1978-79
6. Medical	1975-76 to 1978-79
7. Public Health	1975-76 to 1978-79
8. Forest	1976-77 to 1978-79
9. Excise (Opium)	1977-78 to 1978-79
10. Stationery and Printing	1978-79
11. Stamps	1978-79

(Awaited from Raipur and Sehore).

Note.—The accounts of Excise (Opium) for 1969-70 to 1976-77 and of stamps for 1974-75 to 1977-78 had been received but certain discrepancies noticed in the accounts had not been reconciled.

Non-preparation of accounts could result in shortages and even embezzlements going unnoticed for long periods.

5.2. Synopsis of important stores accounts

A synopsis of important stores accounts (excluding those relating to Government commercial and *quasi-commercial* departments/undertakings) to the extent received is given below:—

Department	Description of stores	Year of account	Opening balance on 1st April	Receipts	Issues	Closing balance on 31st March
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rupees in lakhs)						
<i>A. Public Works.</i>						
1. Irrigation (132 divisions)	Building materials, fuel, timber and other materials	1978-79	4,24.72	11,55.16	9,82.45	5,97.43
2. Tawa Project (15 divisions)	Do.	Do.	1,87.46	2,76.24	2,69.34	1,94.36
3. Chambal Project including Ayacut (4 divisions)	Do.	Do.	1,02.67	65.26	67.26	1,00.67

Department	Description of stores	Year of account	Opening balance on 1st April	Receipts	Issues	Closing balance on 31st March
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rupees in lakhs)						
4	Buildings and Roads (94 divisions)	Do.	4,65.47	20,12.23	20,63.45	4,14.25
5.	Major Projects (35 divisions)	Do.	2,03.78	6,97.98	6,15.96	2,85.80
6.	Tubewells (12 divisions)	Do.	-20.70	39.31	68.50	-49.89
7.	Public Health Engineering (49 divisions)	Do.	2,61.25	5,57.11	5,87.78	2,30.58
<i>B—Civil—</i>						
1.	Agriculture					@
(a)	Grow More Food Scheme	Seeds, manures, 1975-76 fertilisers, culture and implements	82.58	1,68.50	1,83.38	67.70
(b)	Pesticides and Plant Protection Scheme.	do.	1,24.30	1,45.36	1,68.80	1,00.86
(c)	Other than Grow More Food Scheme	Livestock, machine/tools and implements seeds, cattle-feed, manures, fertilisers and miscellaneous stores.	5,99.09	4,63.08	3,91.29	6,70.88

5.3. Reserve limit of stock

Stores and stock accounts of 118 divisions (30 Public Works, 80 Irrigation and 8 Public Health Engineering) out of 341 divisions (94 Public Works, 198 Irrigation and 49 Public Health Engineering) received (September 1979) in the Audit office showed that reserve limit of stock had not been fixed for 54 divisions (16 Public Works and 38 Irrigation). The value of stock held by these 54 divisions on 31st March 1979 was Rs. 2.64 crores. Three divisions did not have stock of stores.

Of the remaining 61 divisions for which reserve limit of stock had been prescribed, the value of stock held on 31st March 1979 (Rs. 0.56 crore) exceeded the prescribed limit (Rs. 0.4 crore) in nine divisions (Public Works 2, Irrigation 6 and Public Health Engineering 1) by Rs. 0.12 crore.

5.4 Stock registers and stock verification

(i) Information received up to September 1979 from 118 divisions out of 341 divisions disclosed that registers of stock for the year ending March 1979 had not been closed and reviewed in 75 divisions (Public Works 23, Irrigation 47 and Public Health Engineering 5). In the Public Works Division, Mandasaur closing is in arrears from 1971-72.

* The minus balances are due to non-adjustment of value of stores received/issued.

@ Includes shortages (Rs. 22.85 lakhs) awaiting orders for write-off.

£ Includes shortages (Rs. 5.19) lakhs awaiting orders for write-off.

(ii) The Financial rules require that the stock of stores should be verified, the reasons for shortages/excesses investigated and adjustments made promptly. According to information furnished upto September 1979 by 118 divisions, the stock of stores had been verified partly in 17 divisions (Public Works 9 and Irrigation 8). The results of verification had not been intimated to Audit upto September 1979 by two divisions in which verification had been done in part. Shortages totalling Rs. 1.26 lakhs (9 divisions) were awaiting investigation and adjustment at the end of September 1979.

5.5 Minus balances in stores and stock accounts

The stores and stock accounts of 14 divisions (Public Works 6, Irrigation 7 and Public Health Engineering 1) as on 31st March 1979 had minus balances totalling Rs. 76.45 lakhs. Of these, the Tubewell Construction Division, Morena (now merged with Tubewell Construction Division, Gwalior) alone had a minus balance of Rs. 31.52 lakhs. The minus balances are indicative of non-adjustment of (i) value of materials received, (ii) profit due to issue rates being higher than procurement rates or (iii) value of stock of material with sub-divisions transferred from one Division to other. Action taken for investigating and adjusting these was not indicated.

5.6. Surplus stores

Stores worth Rs. 4.65 lakhs (including sluice gates of the value of Rs. 3.40 lakhs lying with the Tribal Development Pilot Project Irrigation Division, Konta for over three years) declared surplus to requirement were lying undisposed of in 5 divisions.

5.7. Suspected shortages of stores

Test-check by Audit of the accounts of 9 offices under the Public Health and Family Welfare, Agriculture, Education, Veterinary and Public Works Departments and information received from 39 offices under the Panchayat and Social Welfare Department revealed suspected non/short accountal/shortages of stores valued at Rs. 7.90 lakhs, as detailed below :—

Name of the Department/ office	Nature of stores	Period to which shortages relate	Particulars of shortages				Total shortages
			Non short accountal of receipts	Inflating issues	Errors in computation of balance	Shortage noticed in physical verification	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>(Value in lakhs of rupees)</i>							
<i>Public Works Department—</i>							
<i>(Buildings and Roads)—</i>							
Division No.I, Raipur	Road metal	April 1978	..	..	..	3.04	3.04
Division No.II, Jabalpur	Moorum and metal	February 1979	..	..	..	1.65	1.65
<i>Public Health and Family Welfare Department—</i>							
District Family Welfare-cum-Health Officers, Raipur, Raisen, Raigarh and Malaria Unit Officer, Shahdol	Medicines and equipments	August 1976 to April 1979	1.08	0.01	0.48	..	1.57

* Moorum reportedly washed away by rains (Rs. 1.11 lakhs) and metal found short (Rs. 0.54 lakh). Though material was collected during 1970 and 1974, no physical verification was done till February 1979. No investigation of the shortages had been done.

Name of the Department/ office	Nature of stores	Period to which shortages relate	Particulars of shortages				Total shortages
			Non/short accountal of receipts	Inflating issues	Errors in computa- tion of balance	Shortage noticed in physical verification	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>(Value in lakhs of rupees)</i>							
<i>Education Department—</i>							
District Edu- cation Officer, Raipur	Kits, furniture and che- micals	April 1970 to March 1978	..	..	..	(@) 0.89	0.89
<i>Panchayat and Social Wel- fare Depart- ment—</i>							
39 Offices in the districts	Indelible ink	..	(£) 0.46	..	..	..	0.46
<i>Agriculture Department—</i>							
Deputy Director of Seeds, Agri- culture, Chhatarpur	Seeds	November 1976 to September 1978	..	0.18	..	..	0.18
<i>Veterinary Department—</i>							
District Live- Stock, Officer, Sidhi	Medicines	November 1973 to December 1975	..	0.11	..	..	0.11
Total			1.54	0.30	0.48	5.58	7.90

The irregularities mentioned above were facilitated by the failure of the departmental authorities to follow the prescribed procedure for maintenance of accounting records, physical verification of stores, etc.

The cases were reported to the Government in September 1978, April and August 1979; reply is awaited (February 1980).

MINERAL RESOURCES DEPARTMENT

5.8. Idle power drills

Out of 40 power drills with the Directorate of Geology and Mining, 32 drills (cost: Rs. 13.84 lakhs) remained idle for periods ranging from 4 to 49 months due to delays in repairs (15) and commissioning (7) and for other reasons like delays in shifting to work-sites, want of information about bore hole points, etc. Out of six unserviceable drills, four were written-off (October 1976 to August 1979) but had not yet been disposed of and action for write off of the remaining two was awaited (February 1980).

(@) Physical verification conducted after Audit pointed out (October 1974 and November 1976) the shortages showed non-accountal of certain items of receipts, non-attestation of entries in stock registers and non-working out of closing balance.

(£) Indelible ink distributed by Chief Election Officer to the Deputy Directors of Panchayats was found in audit short accounted.

CHAPTER VI

FINANCIAL ASSISTANCE TO AUTHORITIES AND BODIES

6.1 During 1978-79 Rs. 80,66.12 lakhs were paid as grants (12 per cent of the total revenue expenditure) to educational institutions, local bodies, etc., as shown below:—

	(Rupees in lakhs)
Educational institutions	14,51.09
Municipalities, local bodies, etc. on account of compensation for octroi duty abolished	22,62.70
Municipalities, local bodies, <i>panchayats</i> , etc., for other purposes	4,63.10
Co-operative societies	2,57.13
<i>Khadi</i> and Village Industries Board, Handicrafts Board, etc.	1,09.44
Religious, charitable and public institutions and voluntary bodies	75.84
Town Improvement Trusts and Housing Board	24.34
Others	34,22.48
Total	80,66.12

6.2 Receipt of utilisation certificates

The financial rules require that, where grants are given for specific purposes, the administrative authorities should furnish within a reasonable time certificates to Audit to the effect that the grants were utilised for the purpose for which they were paid.

Out of 25,255 certificates (Rs. 48,64.50 lakhs) to be furnished in respect of grants paid upto March 1978, 3,606 certificates (Rs. 7,49.28 lakhs) were received, leaving 21,649 certificates (Rs. 41,15.22 lakhs) to be received from the following departments:—

Department	Number of certificates awaited	Amount
(1)	(2)	(3)
		(Rupees in lakhs)
1. Agriculture	163	7,27.66
2. Public Health Engineering	1,189	5,48.51
3. Education	940	5,45.45
4. Tribal and Harijan Welfare	7,458	4,87.06
5. Panchayat and Community Development	7,022	3,91.51
6. Co-operation	315	1,75.69
7. Industries	116	3,01.11
8. Town and Country Planning	1,208	2,14.85
9. Animal Husbandry	830	2,02.80
10. Other Departments	2,408	3,20.58
Total	21,649	41,15.22

These certificates pertained to grants given in the following years:—

Year of payment of grant	Number of certificates awaited	Amount
(1)	(2)	(3) (Rupees in lakhs)
Upto 1973-74	2,192	259.50
1974-75	1,785	2,37.17
1975-76	2,976	6,97.95
1976-77	4,554	12,42.11
1977-78	10,142	16,98.49
	Total	41,15.22

In the absence of these certificates, it is not practicable for Audit to know even in a general way whether the recipients have spent the grants for the purpose(s) for which these were given.

AGRICULTURE DEPARTMENT

6.3 Assistance to co-operative societies—lift irrigation

Under a scheme to bring additional area under irrigation, the Government gave assistance to 66 co-operative societies to organise lift irrigation schemes. Two-thirds of the cost of the approved schemes was to be arranged as loan from Land Development Banks and one-sixth was to be paid as share capital contribution by the Government, the balance being met by the members of the societies. The scheme also provided for payment of managerial subsidy to each society for the first three years limited to Rs. 5,000 and envisaged that the irrigation scheme of each society should cover at least 80 acres of land.

Points noticed during test-check (January 1979) of the records of the offices of the Director of Agriculture, Registrar, Co-operative Societies and some of their sub-ordinate units are mentioned below :

(i) 45 societies to which Government share capital contribution of Rs. 4.36 lakhs had been paid had not started functioning, reportedly because they had not been able to obtain loans from the Land Development Banks, the reasons for which could not be indicated by the Department except in one case where the reason stated was that irrigation was technically not feasible. Reason for releasing assistance before ascertaining technical feasibility was, however, not stated. The steps taken by the Department to assist the societies to obtain finances or to recover the contribution paid to the non-functioning societies were also not stated. The circumstances under which assistance was released for a scheme which was not found technically feasible had also not been investigated.

(ii) None of the 66 societies had engaged managers and the managerial subsidy amounting to Rs. 1.61 lakhs drawn by the Agriculture Department in 1972-73 was lying unutilised in joint accounts with co-operative banks of the Deputy Director of Agriculture and the Presidents of the societies concerned.

The matter was reported to the Director of Agriculture and the Government in June 1979; reply is awaited (February 1980).

COMMERCE AND INDUSTRIES DEPARTMENT

6.4 Madhya Pradesh Khadi and Village Industries Board

The Madhya Pradesh *Khadi* and Village Industries Board (Board) was extended financial assistance by the State Government and the *Khadi* and Village Industries Commission (Commission) for organising, developing and regulating *khadi* and village industries in the State. The loans and grants received by the Board from the State Government and the

Commission upto 1978-79 were as follows:—

Source (1)	Loans (2)	Grants (3)
	(Rupees in lakhs)	
State Government	9.02	1,96.77
Khadi and Village Industries Commission	4,14.48	1,59.82
Total	4,23.50	3,56.59

*2. The financial assistance provided was for meeting administrative expenses and for extending assistance to co-operative societies, institutions and individuals for development of khadi and village industries units on the pattern laid down by the Commission. Out of the loans and grants disbursed by the Board to various societies, institutions and individuals upto the end of March 1978, utilisation certificates for Rs. 66.63 lakhs (loans: Rs. 50.55 lakhs and grants: Rs. 16.08 lakhs) were awaited from the beneficiaries.

3. Out of the loans received from the Commission by the Board and outstanding on 31st March 1978 viz., Rs.3,61.61 lakhs. Rs. 97.65 lakhs; were overdue for repayment as on 31st March 1978. The non-repayment was attributed to default on the part of co-operative societies, institutions and individuals in repayment of instalments of loans due from them.

4. Test-check of records of the Board showed that out of loans totalling Rs. 91.50 lakhs outstanding from 2,384 co-operative societies, institutions and individuals, Rs. 67.14 lakhs were overdue from 1,332 loanees. Further, as per information available with the Board, out of the 2,384 loanee units, only 283 were functioning and Rs. 72.28 lakhs were outstanding against 1,578 units which were not functioning, as shown below:—

Categories (1)	Co-operative societies/institutions		Individuals	
	Number (2)	Amount due (3)	Number (4)	Amount due (5)
		(Rupees in lakhs)		(Rupees in lakhs)
(i) Units not set up	..	..	580	11.12
(ii) Units under liquidation	542	34.99	..	..
(iii) Defunct units	222	16.08	77	0.76
(iv) Units against which revenue recovery proceedings had been initiated	81	8.55	76	0.98
Total	845	59.42	733	12.86

It was also seen that except in the case of units mentioned at (iv) no action for recovery had been taken by the Board. There was unusual delay on the part of the Board in verifying how the units to which assistance was released had utilised the assistance. Verification of utilisation of assistance totalling Rs.22.02 lakhs (loans: Rs. 15.99 lakhs; and grants: Rs.6.63 lakhs) paid during 1972-73 and earlier years was still to be conducted. There was also no verification by the Board's staff of the continued functioning of the units which were given assistance and of their financial viability. The audited accounts of the units were neither received nor called for nor had any system been devised for getting them.

The matters mentioned above were brought to the notice of the Board and the Government in May 1979; replies are awaited (February 1980).

CO-OPERATION DEPARTMENT

6.5 Financial assistance to Co-operative Societies

(a) *Investment in share capital.*—The total number of societies registered under the Madhya Pradesh Co-operative Societies Act, 1960 at the end of each of the three years ended 30th June 1979, their total paid up capital, the number of societies in the share capital of which the Government had made investments and the amount of investments are indicated below :—

At the end of June	Societies registered		Societies with Government investments	
	Number	Paid up Capital	Number	Amount
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		(Rupees in lakhs)
1977	15,340	93,79.11	13,956	37,93.22
1978	13,852	99,79.57	8,914	44,43.96
1979	Not available		10,146	47,26.63

(b) *Financial assistance.*—Financial assistance granted to co-operative societies in various forms during the three years ended June 1979 is indicated below :—

Year	Share Capital		Assistance granted in the form of			
	Number of Societies	Amount	Loan		Subsidy	
(1)	(2)	(3)	Number of Societies	Amount	Number of Societies	Amount
		(Rupees in lakhs)		(Rupees in lakhs)		(Rupees in lakhs)
1976-77	1,501	5,10.56	807	1,30.00	429	93.56
1977-78	1,949	6,50.74	618	3,38.88	3,457	1,66.72
1978-79	1,232	2,82.67	425	6,83.69	3,731	2,39.46

Scrutiny of the records of the Registrar, Co-operative Societies in respect of a few selected categories of societies brought out the following :—

(c) *Outstanding loans and interest.*—Loans aggregating Rs. 21.76 crores had been disbursed to co-operative societies upto 31st March 1979. Information regarding the amount of loans outstanding, the amounts of principal and interest overdue as on 31st March 1979 and the action taken to recover the dues is awaited (February 1980).

(d) *Amount locked up in defunct societies or those under liquidation.*—(i) Loans amounting to Rs. 1,65.03 lakhs were outstanding against 211 of the 533 primary agricultural credit co-operative societies which were defunct or under liquidation.

(ii) Rupees 24.97 lakhs invested as share capital in 644 joint and collective farming co-operative societies and Rs. 5.89 lakhs given as loans to 475 of such societies were locked up since these societies were either defunct or under liquidation because they could not occupy the land allotted to them which was under unauthorised occupation. Rupees 0.95 lakh on account of interest had also accrued on the loans. Information about utilisation of subsidy amounting to Rs. 13.39 lakhs paid to these societies for construction of godown-cum-cattle sheds (Rs. 4.96 lakhs) and managerial subsidy (Rs. 8.43 lakhs) was not available. It was stated that all such societies would be liquidated by March 1980.

(e) *Mis-utilisation/poor utilisation of loans given for specific purposes.*—In accordance with the terms of the loans/grants, if Government assistance was not utilised for the purpose for which it was given, the assistance was to be recovered in one instalment.

In the following cases Rs.14.09 lakhs given as loans and grants to co-operative societies and mis-utilised by them had not been recovered ;—

S. No.	Purpose for which assistance given	Number of societies to which given	When given	Amount of loan/subsidy	Purpose for which utilised	Amount remaining for recovery
(1)	(2)	(3)	(4)	(5)	(6)	(6)
				(Rupees in lakhs)		(Rupees in lakhs)
1.	Construction of store godowns.	15 Wholesale consumer stores.	1963-64 to 1967-68	Loan: 10.13 Subsidy: 3.62	For day-to-day expenses.	Loans: 7.74 Subsidy: 3.62
2.	Construction of godowns.	9 Rural and 5 Marketing societies	1959-60 to 1973-74	Loan: 2.01 Subsidy: 0.82	For other purposes in business.	Loan: 2.01 Subsidy: 0.82
3.	Do.	16 societies	1962-63 to 1973-74	Loan: 1.59 Subsidy: 0.78	Partly spent on construction & partly for other purposes	Information awaited.
4.	Do.	62 societies	1964-65 to 1974-75	Loan: 6.51 Subsidy: 3.28	Partly utilised for other purposes	Do.
5.	For improvement of Mill.	1 Co-operative Textile Mill.	October 1975	Loan: 4.00	Rs.0.85 lakh misutilised for payment of bonus to workers.	..

Besides, Rs.19.85 lakhs (Loan: Rs.14.89 lakhs and subsidy: Rs. 4.96 lakhs) were paid to 397 co-operative societies for construction of cattle sheds between 1961-62 to 1967-68. Of these, only 171 societies had completed the construction works. 180 societies which had not started the works had refunded Rs.6.49 lakhs (fully: 163 societies, partly: 17 societies) till 1972-73; nine societies had not refunded any amount although sheds had not been constructed, the reasons for which had not been furnished; two societies had misutilised the assistance and in respect of 35 societies no information about construction works was available.

(f) *Dividends*.—The table below indicates the details of dividends received and percentage of return on total investment during the three years ended 30th June 1979:—

Year	Amount of dividend received	Total investment at the end of year	Percentage of return on investment
(1)	(2)	(3)	(4)
	(Rupees in lakhs)		
1976-77	28.29	37,93.22	0.75
1977-78	8.89	44,43.96	0.20
1978-79	5.67	47,26.63	0.12

(g) *Audit fees*.—Audit fees amounting to Rs.1.87 lakhs (Rs.0.96 lakh upto 1972-73) payable to the Government by the co-operative societies had not been paid at the end of August 1979. The Registrar, Co-operative Societies stated (September 1979) that the outstanding was due from societies which had become defunct or were under liquidation or

which were incurring heavy losses or had no funds or the whereabouts of the office bearers of which were not known. It was further stated (November 1979) that Rs. 0.80 lakh were irrecoverable for which proposals for write-off were being submitted.

EDUCATION DEPARTMENT

6.6 Madhya Pradesh Hindi Granth Academy

Introduction.—The Madhya Pradesh Hindi Granth Academy, a registered society, was given grants totalling Rs. 81.95 lakhs during 1969-70 to 1977-78 for preparing and publishing text books and general books (original as well as translations) in Hindi. Out of the grants paid Rs.77.63 lakhs had been utilised till March 1978.

2. Points noticed on test-check of records of the Academy for the period 1969-70 to 1973-74 were mentioned in Paragraph 6.4 of the Audit Report for the year 1974-75. Further points noticed in scrutiny under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 of records for the period 1974-75 to 1977-78 are mentioned in the paragraphs which follow:—

3. *Production of books.*—(i) Out of 645 books (415 text books and 230 general books allotted (1971) for preparation and publication to the Academy by the Co-ordinating Committee appointed by the Government of India, only 237 had been published till March 1978; 31 were under print, 147 manuscripts were awaiting editing, revision or printing and 35 had been assigned to authors and translators. The remaining 195 had not been taken up, because of revision in production priority (50), writers backing out (114) non-availability of original books for translation (20) and non-receipt of permission of authors (11).

(ii) *Non-sponsoring of books by universities.*—Of the 237 books published to the end of March 1978, 51 text books (cost: Rs.6.84 lakhs) had not been recommended or prescribed by any University (November 1979). These included 21 books relating to engineering, medical and agricultural subjects which could not be introduced as text books due to non-introduction of Hindi as medium of instruction in universities. The reasons for non-sponsoring by the universities of the remaining 30 text books were not stated. Only six of the books brought out saw a second edition.

(iii) *Printing.*—Out of 31 books reported to be under print at the end of March 1978, only 20 books had been printed till the end of October 1979. Manuscripts of remaining 11 books were reported to be lying with the printers for the last six years. It was stated (November 1979) that the printing houses had been asked to return the manuscripts and the paper supplied to them. Paper worth Rs. 2.18 lakhs issued in excess of requirement to 16 printers four years ago, had not been returned (October 1979). Of this, paper worth Rs.1.15 lakhs was returnable from one printer alone. The Academy stated that the cost of paper not returned would be adjusted against future printing bills of the concerned printers. Legal proceedings for recovery of cost of paper (Rs.0.92 lakh) had been initiated in 3 cases.

(iv) *Sales and stock.*—Out of 4.81 lakh copies of the 237 books (including 6 second edition) printed upto March 1978, 1.66 lakh copies had been sold, 0.16 lakh copies were distributed free of cost and 2.99 lakh copies (marked value; Rs.41.73 lakhs) were lying in stock. Rupees 1.09 lakhs on account of credit sale of books had not been recovered (November 1979). The reasons for non-sale and large accumulation of books had not been investigated.

Physical verification of stock of books published was conducted only twice, in November 1974 and May 1977. The last verification disclosed shortage of 553 copies (marked price: Rs.0.07 lakh), which had not been investigated.

(v) *Exchange of books.*—The 1.66 lakh books sold by the Academy included books worth Rs. 5.67 lakhs supplied on exchange basis to five Hindi Academies, Central Hindi

Directorate and Banaras University to the end of March 1978. Account of books received in exchange from these institutions had, however, not been maintained.

4. *Revolving fund*.—A revolving fund in terms of the guidelines for the working of the academies was created, into which the sale proceeds of books and subsidy received from the National Book Trust for selling some books on science and technology at low price were to be credited. The fund was to enable further publication work to be undertaken when assistance from Government was partially or fully withdrawn. The accounts of the revolving fund for 1976-77 and 1977-78 had not been prepared nor any rules for the operation of the fund framed. Out of the sale proceeds of books, Rs. 6.36 lakhs had not been credited to the revolving fund though there was a surplus of Rs.10.62 lakhs in the General Account of the Academy on 31st March 1978.

5. *Administrative expenses*.—The guidelines (1968) for the working of the Academies contemplated the administrative expenditure to be limited to five per cent of the total expenditure.

During the 4 years 1974-75 to 1978-79, the administrative expenditure was 19.9 per cent of the total expenditure (Rs. 30.99 lakhs) which was mainly due to slowing down of the production programme of the Academy from 1974-75 to 1977-78.

The reasons for slowing down the production programme of the Academy was stated to be the revised production priority based on necessity and saleability adopted since 1976-77.

6. *Summing up*.—(i) Against 645 books allotted to the Academy for preparation and publication, only 237 books had been brought out till the end of 1977-78.

(ii) Out of 237 books published, 51 text books had not been recommended or prescribed by any university (November 1979). Only six out of the 237 books published saw a second edition.

(iii) Out of 4.81 lakh copies of 237 books published, nearly 3 lakh copies of books remained unsold.

(iv) A sum of Rs.2.18 lakhs representing the cost of paper supplied in excess to sixteen printers was outstanding for more than four years.

(v) Account of books received on exchange basis from other Academies/institutions had not been prepared.

(vi) A revolving fund was created, into which the sale proceeds and subsidy received from the National Book Trust for sale of books at subsidised rates were to be credited. However, rules for the operation of the fund had not been framed. Annual accounts of the revolving fund had also not been prepared. Sale proceeds aggregating Rs. 6.36 lakhs were yet to be transferred to the revolving fund.

(vii) The percentage of administrative expenditure to the total expenditure ranged between 16 and 28 as against 5 prescribed, due mainly to slowing down of the production programme.

Matters mentioned above were reported to Government in July 1979; reply is awaited (February 1980).

HOUSING AND ENVIRONMENT DEPARTMENT

6.7 Integrated Urban Development Programme

1. Financial set up and working

1.1 For integrated development of urban areas in the country, the Integrated Urban Development Programme (hereinafter called IUDP) was launched by the Government of India in 1974-75. Under the programme, Rs.8.16 lakhs were paid upto 1978-79 by the Government of India to State as loan for undertaking development works in seven cities viz., Bhopal, Indore, Raipur, Ujjain, Gwalior, Jabalpur and Korba. It was contemplated

that the State Government would contribute an equivalent amount either in cash or kind for the programme. However, the State contribution was only Rs. 68 lakhs in cash upto 1978-79.

1.2 The programme was executed through 11 agencies (the Madhya Pradesh Housing Board, 5 Development Authorities, 3 Municipal Corporations and 2 Town Improvement Trusts). The agencies were paid during 1974-75 to 1978-79, besides the central loan of Rs.8,16 lakhs, State loans totalling Rs.68 lakhs. Out of the amounts received, the agencies had utilised Rs .6,46.63 lakhs and the balance Rs. 2,37.37 lakhs was lying unutilised with them. Out of the unspent balances, Rs. 2,33.71 lakhs were lying in fixed deposits with banks at the end of August 1979.

1.3 The programme envisaged integrated plans for the development of each of the seven cities based on long-term master plans to be prepared and approved by the State Government but in case of Korba no master plan had yet been prepared; only an outline development plan had been prepared. On the basis of these plans, 44 schemes were approved by the Government of India upto 1978-79, which aimed at acquisition of land, its development and disposal. Out of the 44 schemes, 11 had not been taken up by the agencies. Reasons for not taking up the schemes were not stated.

2.1 *Acquisition, Development and disposal of land.*—The position of acquisition of land as compared to requirements, its development and allotment in respect of the 33 schemes taken up was as follows (September 1979) :—

City	Number of schemes	Area to be acquired	Area Acquired	Area developed	Area disposed of
(1)	(2)	(3)	(4)	(5)	(6)
			(In hectares)		
Bhopal	5	627.88	326.26	179.46	20.96
Indore	6	471.49	279.00	226.25	N.A.
Raipur	5	698.80	150.00	121.54	12.00
Ujjain	4	401.15	24.24	N.A.	Nil
Gwalior	2	426.26	76.43	N.A.	Nil
Jabalpur	7	473.95	266.99	N.A.	N.A.
Korba	4	223.51	112.53	46.20	14.84
Total	33	3,323.04	1,235.45		

(N.A.—Not Available).

It was seen that the area acquired and developed included 203.51 hectares in areas which did not fall under schemes included in the IUDP the expenditure on their acquisition and development was Rs.1,63.98 lakhs. Approval of the Government of India had not been obtained for meeting the expenditure on these schemes from out of the funds released for the IUDP. Reasons for such diversion were also not stated.

2.2 *Delay in acquisition, development and disposal of land.*—(i) The programme envisaged co-ordination between acquisition, development and construction of houses as otherwise a good part of the development works like roads, arboriculture, drains, etc. was likely to be damaged due to non-habitation.

The delay in acquisition of land was mainly attributed to the long time taken for going through the acquisition procedure, court cases pending against acquisition and paucity of funds. In the case of Indore and Jabalpur Authorities, the transfer of Government land was held up due to encroachment which had not been got vacated. It was also stated (August 1979) that while the Improvement Trusts had, under the Act creating them, been delegated with powers of land acquisition, no such powers had been delegated to the Development Authorities and acquisition through Revenue authorities involved delay. Further, in a large number of cases, land acquisition proceedings were stated to have been delayed because of the time taken

by the landowners affected by the provisions of Urban Land (Ceiling and Regulations) Act, 1960 in getting clearance for sale from the competent authorities.

(ii) The slow progress of development was attributed mainly to (i) shortage of building materials, (ii) non-availability of suitable contractors and qualified technical staff, (iii) encroachment on land and (iv) time allowed for consolidation in road works due to some of the towns being in black cotton areas (Ujjain and Indore) and consequent delays in black topping.

Steps taken for providing technical staff and for making available building material were, however, not stated.

(iii) The distance of the schemes from the main marketing centres of the cities, shortage of finances, etc., were also reported to be hampering development work and sale of land. In case of Indore Development Authority, permission sought in September 1977 from the Government to issue debentures of Rs. 2,00 lakhs to raise funds was still awaited (August 1979). The Indore Development Authority had utilised Rs. 68.11 lakhs on schemes not included in the programme.

(iv) The delay in disposal of developed land was attributed mainly to non-availability of essential facilities like transport, marketing facilities, etc., apart from the distance from the main marketing centres of the cities. Though the programme envisaged provision of amenities like traffic and transportation, medical facilities, parks and play-grounds, apart from construction of roads, culverts, laying of pipeline and street lighting no other amenities had been provided in the areas developed under the programme.

3. Audit of accounts

3.1 Audit of the accounts by the statutory auditor (Director of Local Fund Accounts) of one agency was in arrears from 1973-74, of two from 1974-75, of two from 1975-76, of one from 1976-77, of one from 1977-78 and of one for 1978-79.

3.2 As per Government of India guidelines, the agencies were required to keep the accounts of each component of the approved schemes of the IUDP separately. None of the executing agencies had kept such separate accounts during the period 1974-75 to 1978-79. In the absence of such separate accounts, the sale price of the land sold was being fixed at estimated rates and was not related to actual expenditure.

4. *Utilisation.*—As mentioned in paragraph 1.4, the funds received from the Government of India had been released in full but the progress of utilisation was not effectively watched by the State Government. The progress reports which the implementing agencies were required to furnish half-yearly were not being received regularly and for the half-year ending March 1979 reports had been received only for 4 cities by July 1979 and had not been received in respect of the remaining three.

5. *Summing up.*—(i) Out of 44 schemes approved by the Government of India and for which assistance of Rs. 8.84 lakhs had been given, 11 schemes had not been taken up.

(ii) Out of 3,323.04 hectares of land to be acquired for 33 schemes taken up only 1,235.45 hectares had been acquired and of the latter only 573.45 hectares had been developed.

The delay in acquisition was ascribed to non-delegation of powers to the Development authorities for land acquisition, delay in completing acquisition, paucity of funds, etc.

The delay in development was ascribed to non-availability of technical staff and suitable agencies for execution of works and shortage of building material.

(iii) There was delay in disposal of the developed land, which was attributed mainly due to non-provision of essential services and facilities and remoteness of the areas from the main marketing centres.

(iv) Though the slow progress was attributed by the authorities partly to paucity of funds, an amount of Rs. 1,63.98 lakhs had been spent on schemes not covered by IUDP and Rs. 2,33.71 lakhs out of the assistance received had been kept in fixed deposits with banks.

The matters mentioned above were reported to Government in October 1979; reply is awaited (February 1980).

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

6.8 Loans to indigent persons

Under a scheme for helping poor people of rural areas and dissuading them from taking loans from professional money lenders, the Government sanctioned (April 1976) Rs. 70 lakhs to be given as loans to Panchayats for creating a revolving fund to disburse short-term loans to indigent persons.

Rupees 69.79 lakhs were drawn and disbursed to 13,958 Panchayats at the rate of Rs. 500 each. 4,710 Panchayats had disbursed Rs. 16.02 lakhs to 17,409 indigent persons from October 1976 to June 1979 and the balance amount of Rs. 53.77 lakhs was lying with the Panchayats undisbursed.

Out of Rs. 16.02 lakhs advanced to the indigent persons a sum of Rs. 1.74 lakhs had been recovered upto June 1979 which though envisaged to be utilised for giving further loans was also lying unutilised.

The matter was reported to the Government (August 1979); reply is awaited (February 1980).

TRIBAL AND HARIJAN WELFARE DEPARTMENT

6.9 Tasar Weaving Centre, Jagdalpur

The investment of the Government in the share capital of the Madhya Pradesh State Tribal Co-operative Development Federation at the end of June 1979, was Rs. 16.50 lakhs. The Federation had also been paid loans totalling Rs. 1,37.62 lakhs and subsidy totalling Rs. 1,41.85 lakhs towards cost of staff, working expenses, reserve fund, etc. The records of the Tasar Weaving Centre, Jagdalpur set up by the Federation in 1967 were test-checked and the results are contained in the paragraphs which follow:—

(i) The Centre had 50 looms and the target for production of cloth was set at 72,000 metres of cloth per annum. The average production of cloth, however, was only 30,110 metres during 1971-72 to 1974-75. Out of 50 looms only 34 were in use and as against the prescribed standard output of 5.46 metres per loom per day, the actual output was only 2.99 metres on an average.

To meet the commitments for sale, Rs. 3.63 lakhs worth of cloth was purchased from the market though the available looms were not fully utilised.

It was stated that all the looms could not be put to use for want of skilled spinners and weavers. Steps taken to train the local people were not indicated.

(ii) One of the main objectives of setting up the Centre was to purchase cocoons available in the area so as to eliminate middlemen and to ensure a fair price to the tribals. However, out of the estimated production of 6 crore cocoons in the area covered by the Centre, the annual average purchase by the Centre was only 23.98 lakh cocoons. Steps taken for the marketing of the remaining quantity of cocoons were not stated.

(iii) The Centre had purchased 1,26.05 lakh cocoons during the period, out of which 89.24 lakh cocoons (good : 36.83 lakhs and cut: 52.41 lakhs) had been used for reeling. Wastage of cocoons amounted to 29.20 per cent and their prorata cost was Rs. 3.48 lakhs. No norms had been prescribed for wastage.

(iv) Out of the estimated silk content of the cocoons used, based on the norms laid down by the Tasar Silk Committee (1966) appointed by the Government of India, of 23,202.88

kilograms, the yarn obtained was 6,663.70 kilograms (reeled : 2,783.50 ; geecha : 3,880.20) and the silk waste 9,360 kilograms; the balance 7,179.18 kilograms was not accounted for. No steps had been taken to investigate the shortages.

(v) As compared to the norms set up by the Tasar Silk Committee for recovery of yarn from the cocoons, there was a shortfall of 7,258.03 kilograms in recovery of yarn, which amounted to 52.13 per cent of the normal production. The shortfall in recovery was attributed to low efficiency of the labour employed. Steps taken to train the labour were not stated.

(vi) The cloth produced was sold through the sale depots of the Centre. The basis on which the sale price was fixed was not available but test-check showed that in 4 varieties of cloth while the cost price was Rs. 11.94 lakhs the sale price was only Rs. 8.90 lakhs.

(vii) The accounts of the Centre for the period upto 1974-75 only had been audited by the Co-operative Department. The expenditure on the Centre during 1971-72 to 1974-75 was Rs. 27.44 lakhs, while the receipts were only Rs. 21.32 lakhs.

CHAPTER VII
COMMERCIAL ACTIVITIES

7. As on 31st March 1979, there were five departmentally managed commercial and quasi-commercial undertakings, viz., Sales dispensary, Indore and four Government Milk Supply Schemes at Bhopal, Gwalior, Indore and Jabalpur. There were also six State trading schemes, viz., Grain supply, Purchase and Sale of *tendu* leaves, Minor Forest Produce, Timber, Bamboos and *Sal* seeds. The financial results of one of the undertakings on the basis of the latest available accounts are given in Appendix IX.

The *pro forma* accounts of the following schemes/undertakings were in arrears (November 1979) for the period shown against each :—

(1)	Year from which <i>Pro- forma</i> acco- unts are awaited	Remarks
<i>Forest Department—</i>		
Purchase and sale of <i>tendu</i> leaves	1965-66	Government had appointed (June 1976) a departmental committee to decide the manner in which, and the period for which, the <i>pro forma</i> accounts should be prepared. According to intimation (June 1979) received from the Government, the committee has recommended that <i>pro forma</i> accounts in respect of minor forest produce might be prepared from the year 1979-80 as it was not possible to prepare accounts for the past years and that this matter might also be placed before Public Accounts Committee for obtaining their orders. Further developments are awaited (February 1980).
Minor forest produce	1969-70	
State trading in timber	1970-71	
State trading in bamboos	1973-74	
State trading in <i>sal</i> seeds	1975-76	
<i>Food Department—</i>		
Grain supply schemes	1970-71	Mention was made in paragraph 7.2 of the Audit Report (Civil) for 1975-76 about non-recasting of the <i>pro forma</i> accounts for the period upto 1969-70. Recast accounts are still awaited (February 1980).
<i>Veterinary Department—</i>		
Government Milk Supply Scheme, Bhopal.	1976-77	Mention was made in paragraph 7.2 of the Audit Report (Civil) for 1977-78 about non-certification of <i>pro forma</i> accounts for the years 1970-71 to 1975-76 owing mainly to large differences in the trial balances and the reported inability of the department to recast these accounts. Decision of the Government on exempting the department from recasting the <i>pro forma</i> accounts of the scheme upto 1975-76 is still awaited (February 1980).

(1)	Year from which pro forma accounts are awaited	Remarks
(2)	(3)	
Government Milk Supply Scheme, Gwalior. Government Milk Supply Scheme, Indore. Government Milk Supply Scheme, Jabalpur	1977-78	Mention was made in paragraph 7.2 of the Audit Report (Civil) for 1977-78 about non-certification of <i>pro forma</i> accounts of the schemes for 1976-77 due to large amounts kept under suspense and the department's inability to recast them. Decision of the Government on the request of the Milk Commissioner for exemption from recasting the accounts is still awaited (February 1980).

Public Health and Family Welfare Department—

Sales dispensary, Indore 1978-79

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

8.1 Outstanding Audit observations

(a) Audit observations on financial transactions of the Government are reported to the departmental authorities concerned so that appropriate action is taken to rectify the defects and omissions. Half-yearly reports of such observations outstanding for more than six months are also forwarded to the Government to expedite their settlement.

The following table shows the number of audit observations issued upto the end of March 1979 and outstanding on 30th September 1979 as compared with the corresponding position indicated in the two preceding reports :—

(1)	As on 30th September		
	1977 (2)	1978 (3)	1979 (4)
Number of observations	2,34,222	2,59,316	2,55,738
Amount involved (Rupees in crores)	1,16.13	1,30.74	1,53.24

Year-wise break-up of the outstanding items is as follows :—

Year (1)	Number of observations (2)	Amount (3) (Rupees in crores)
1974-75 (and earlier years)	92,761	40.22
1975-76	28,469	16.87
1976-77	29,880	20.68
1977-78	38,501	25.84
1978-79	66,127	49.63
Total	2,55,738	1,53.24

(b) The following departments have comparatively heavy outstanding observations :—

Serial number (1)	Department (2)	Number (3)	Amount (4) (Rupees in lakhs)
1.	Irrigation (including Rehabilitation)	82,289	45,02.59
2.	Public Works (Buildings and Roads)	48,685	37,56.76
3.	Public Health Engineering	36,999	10,89.20
4.	Agriculture	11,933	9,18.91
5.	Medical	6,127	6,42.11
6.	Animal Husbandry	7,675	5,22.61
7.	Forest	4,380	4,49.21
8.	Dairy Development	2,212	3,91.14
9.	Tribal and Harijan Welfare	5,632	3,89.66
10.	Public Health and Family Welfare	7,691	3,01.26

(c) The following are some of the major reasons for which audit observations have remained outstanding :—

Serial number	Nature of observation	Number	Amount
(1)	(2)	(3)	(4)
			(Rupees in lakhs)
1.	Payees' receipts not received	1,96,776	91,51.86
2.	Sanctions for reserve limit of stock not received	159	13,10.17
3.	Agreements with contractors/suppliers not received	587	13,06.69
4.	Detailed bills for lump sum drawals not received	18,479	9,74.56
5.	Vouchers not received	11,735	8,89.33
6.	Sanctions for contingent expenditure not received	4,492	3,36.43
7.	Sanctions for establishment not received	838	71.52
8.	Overpayments or amounts disallowed in audit not recovered.	1,761	12.28

(d) It would be seen that a sizable portion of the total outstandings was due to non-submission of payee's receipts and vouchers. The departments with comparatively heavy outstandings on this account were :—

Department	Amount
(1)	(2)
	(Rupees in lakhs)
1. Irrigation (including Rehabilitation)	37,77.47
2. Public Works (Buildings and Roads)	15,32.95
3. Public Health Engineering	10,77.20
4. Agriculture	6,49.18
5. Medical	5,03.78
6. Animal Husbandry	3,97.19
7. Dairy Development	3,81.01
8. Tube-Wells	2,66.40
9. Tribal and Harijan Welfare	2,12.86
10. Industries	2,11.58

(e) The facility of drawing amounts as advances on abstract contingent bills by disbursing officers is intended to expedite payments in certain cases but they are to be followed by detailed contingent bills (containing all particulars of expenditure with supporting documents), which should be sent to the Audit office by 25th of the month succeeding that to which the abstract contingent bills relate. In the absence of detailed contingent bills, it is not practicable for Audit to know whether the whole amount has been spent on the purpose (s) for which

the advances were drawn. Rupees 9,74.56 lakhs are held under observation due to non-receipt of detailed contingent bills in the Audit office. The departments with comparatively heavy outstandings are mentioned below:—

Department (1)	Amount (2) (Rupees in lakhs)
1. Home (Jails)	1,79.75
2. Agriculture	1,49.84
3. Public Health and Family Welfare	1,06.30
4. Tribal and Harijan Welfare	1,13.49

8.2 Outstanding inspection reports

(a) Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot are communicated to the heads of offices and to the next higher departmental authorities through audit inspection reports. The more important irregularities are reported to the heads of departments and the Government. The Government have prescribed that first replies to inspection reports should be sent within five weeks.

At the end of September 1979, 13,342 inspection reports issued upto March 1979 were not settled as shown below with corresponding figures for the earlier two years:—

Number of (1)	As on 30th September		
	1977 (2)	1978 (3)	1979 (4)
Inspection reports	11,315	12,286	13,342
Paragraphs	51,666	54,646	60,804

Year-wise break-up of the outstanding inspection reports is given below:—

Year (1)	Number of inspection reports (2)	Number of paragraphs (3)
1974-75 and earlier years	5,653	16,580
1975-76	1,557	6,119
1976-77	1,933	9,466
1977-78	1,895	11,365
1978-79	2,304	17,274
Total	13,342	60,804

(b) Of the 13,342 reports outstanding at the end of September 1979, 10,786 reports related to civil departments, 2,543 to revenue receipts and 13 to commercial departments. Department-wise details of the reports outstanding and the number of cases in which even the first replies had not been received till the end of September 1979 are given in Appendix X.

These included 2,605 inspection reports (1987 civil, 616 revenue receipts and 2 commercial departments) for which even first replies had not been received till the end of September 1979.

(c) (i) A review of the outstanding observations contained in the inspection reports of offices under the control of Irrigation, Public Works, Public Health Engineering, Agriculture, Education, Forest, Jails, Printing and Stationery and Information and Publicity Departments revealed the following :—

(ii) 207 paragraphs of inspection reports of 76 divisions [18 under Chief Engineer, Irrigation, Chambal Betwa Basin, Bhopal; 35 under Chief Engineer (East), Public Works Department and 23 under Chief Engineer (East), Public Health Engineering Department, Bhopal] were outstanding due to non-regularisation of the following irregularities :—

Nature of irregularity (1)	Particulars (2)
(i) Local purchase of stationery without sanction of competent authority	Stationery worth Rs. 12.16 lakhs purchased in 71 divisions.
(ii) Non-recovery of security deposit from officials handling cash and stores	By 920 persons.
(iii) Non-balancing of contractors' ledgers—	
(a) for 1 to 5 years	32 divisions
(b) for 6 to 10 years	5 divisions
(iv) Minus balances in contractors' accounts	Rs. 18.63 lakhs in 27 divisions in 247 accounts
(v) Accounts of empties not maintained	32 divisions

(iii) 215 paragraphs in 69 inspection reports of 63 treasuries were outstanding due to non-regularisation of the irregularities mentioned below :—

Nature of irregularity (1)	Particulars (2)	Amount (3)
		(Rupees in lakhs)
(i) Shortage of stamps	2 treasuries	9.23
(ii) Retention of stamps in excess of prescribed limit	5 treasuries	Ranging from Rs. 2.86 lakhs to Rs. 3,19.58 lakhs
(iii) Retention of obsolete stamps	1 treasury	1.87
(iv) Shortage of cash	1 treasury	0.25
(v) Loss of tokens	1 treasury	0.15

Nature of irregularity (1)	Particulars (2)	Amount (3) <i>(Rupees in lakhs)</i>
(vi) Excess payment of pension	2 treasuries	0.04
(vii) Excess payment of commission to vendors	1 treasury	0.15
(viii) Loss of property in double lock	1 treasury	0.03
(ix) Non-obtaining of security from officials handling cash and valuables	16 offices	

(iv) 15,800 paragraphs of 3,420 inspection reports in the Agriculture (5,156), Education (8,141) Forest (1,829), Jails (316), Printing and Stationery (224), and Information and Publicity Departments (134), were outstanding for want of regularisation of the following irregularities :—

Serial number	Nature of irregularity/ observation	Number of paragraphs					
		Agri- culture	Educa- tion	Forest	Jails	Printing and stati- onery	Informa- tion and Publi- city
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Non-observance of rules relating to custody and handling of cash, defective maintenance of Cash Book, physical verification of cash not done, etc.	816	1,337	29	18	5	59
2.	Defective maintenance of initial records/accounts	785	1,351	40	5	2	5
3.	Cases of extra expenditure and over payments	387	988	136	..	..	..
4.	Instances of shortages, losses and defalcations	720	837	17	..	..	..
5.	Non-recovery or non-adjustment of outstanding advances, loans and other dues	497	684	84	..	..	..
6.	Incurring expenditure without sanction/authority	425	1,096	185	..	..	..
7.	Irregularities in the accounts of stores and stock	349	783	63	11	1	18
8.	Irregularities relating to drawal of funds	324	173	..	3	2	6
9.	Poor performance of various schemes/units	391	159	..	..	..	..

Serial number	Nature of irregularity/ observation	Number of paragraphs					
		Agri-culture	Educa-tion	Forest	Jails	Printing and stati-onery	Informa-tion and Publi-city
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
10.	Non-production of records	462	733	134	6	2	20
11.	Miscellaneous/others	..	..	1,141	273	212	26
Total number of paragraphs		5,156	8,141	1,829	316	224	134
Total number of Inspection Reports		959	1,899	422	60	46	34

Gwalior,
The

2-5-1980

K. R. Rabindranath

(K. R. RABINDRANATH)
Accountant General-I, Madhya Pradesh

Countersigned

Gian Prakash

New Delhi,
The

7-5-1980

(GIAN PRAKASH)
Comptroller and Auditor General of India

APPENDICES

APPENDICES

APPENDIX I

(Reference : Paragraph 1.4, page 5)

STATEMENT SHOWING REASONS FOR SIGNIFICANT VARIATIONS IN
REVENUE EXPENDITURE DURING 1978-79 OVER THE PREVIOUS YEAR
UNDER BROAD SECTORS

Sector/sub-sector of expenditure	Actuals		Variation increase+ decrease—	Reasons
	1977-78	1978-79		
(1)	(2)	(3)	(4)	(5)

(Rupees in crores)

PLAN

A—General Services	2.00	3.30	+1.30
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Due to normal increase in expenditure under "Land Revenue", mainly on 'Survey and settlement operations' and account of expenditure on 'Consolidation and holdings' which was hitherto being accounted for under "Agriculture".

B—Social and Community Services	47.79	69.47	+21.68
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Increase under "Labour and Employment" (Rs.13.82 crores) due mainly to implementation of scheme for resettlement of bonded labour and purchase of material and equipment for Industrial Training Centres and under 'Public Health, Sanitation and Water Supply' (Rs. 2.45 crores) due mainly to filling up of vacant posts, normal increase in expenditure and establishment of Food and Drug Control Organisation.

C—Economic Services—Agriculture and Allied Services	32.71	40.24	+7.53
---	-------	-------	-------

Increase under "Community Development" (Rs.2.47 crores) and "Agriculture" (Rs.1.61 crores) mainly due to increased expenditure on Centrally sponsored/new schemes, increase in cost of establishment and manures and fertilizers, under "Area Development" (Rs.1.29 crores) mainly due to more expenditure on Ayacut Development Projects and under "Forests" (Rs. 1.10 crores) due to increase in expenditure on Tribal Areas Sub-Plan schemes and preservation of wild life

APPENDIX I—concl'd.

Sector/sub-sector of expenditure (1)	Actuals		Variation increase + decrease — (4)	Reasons (5)
	1977-78 (2)	1978-79 (3)		
(Rupees in crores)				
NON-PLAN				
A—General Services	1,66.76	1,59.44	—7.32	Decrease mainly under "Other Taxes and Duties on Commodities and Services" (Rs.12.15 crores), "Sales Tax" (Rs.5.51 crores) due mainly to abolition of 'Madhya Pradesh Octroi Compensation Fund and consequential non-transfer of any amount to the fund during the year, partly off set by increase mainly under "Interest payments and Servicing of Debt" (Rs 7.02 crores) due mainly to larger payment of interest on internal debt, provident fund balances and loans from the Government of India.
B—Social and Community Services	1,87.89	1,88.48	+0.59	Increase was mainly under "Education" (Rs. 8.14 crores) due mainly to creation of additional posts of teachers, construction of new buildings and purchase/ modernisation of equipments for technical institutions and under "Public Health, Sanitation and Water Supply" (Rs.1.12 crores), due mainly to filling up of vacant posts and normal growth of expenditure. The increase was partly off set by less expenditure (Rs. 9.77 crores) on relief works under "Relief on account of natural calamities".
C—Economic Services—				
(i) Agriculture and Allied Services	94.27	1,04.33	+10.06	Increase under "Forests" (Rs. 5.38 crores) due mainly to more expenditure on collection of tendu leaves and repairs of buildings/wells, etc. and under "Dairy Development" (Rs. 2.36 crores) due mainly to larger procurement of milk.
(ii) Water and Power Development	13.60	24.13	+10.53	Increase under "Power projects" (Rs. 8.36 crores) due mainly to payment of subsidy to Madhya Pradesh Electricity Board under 'Rural Electrification programme' and under "Irrigation, Navigation, Drainage and Flood Control projects" (Rs. 1.20 crores) due mainly to filling up of vacant posts and larger requirement of tools and plants.
D—Grants-in-Aid and Contributions	4.51	23.57	+19.06	Increase was due mainly to not meeting any part of expenditure by transfer from the 'Octroi Compensation Fund' which was abolished from 1st April 1978.

APPENDIX II

(Reference : Paragraph 1.5 (ii), page 6)]

STATEMENT SHOWING REASONS FOR SIGNIFICANT VARIATIONS IN
CAPITAL EXPENDITURE DURING 1978-79 OVER THE PREVIOUS YEAR
UNDER BROAD SECTORS

Sector/sub-sector of expenditure (1)	Actuals		Variation increase + decrease— (4)	Reasons (5)
	1977-78 (2)	1978-79 (3)		
				(Rupees in crores)
	PLAN			
C—Capital Account of Economic Services—				
(i) Capital Account of General Economic Services	8.00	1.48	—6.52	Decrease was due mainly to less investment in the share capital of Madhya Pradesh Handloom Weavers' Co-operative Society, Jabalpur and Co-operative Spinning Mills, Burhanpur.
(ii) Capital Account of Agriculture and Allied Services	36.11	42.30	+6.19	Increased expenditure mainly under "Capital Outlay on Minor Irrigation, Soil Conservation and Area Development" (Rs. 4.24 crores) due mainly to investment in share capital of Land Development Corporation, expenditure on new works, grants to Lift Irrigation Corporation and strengthening of Ground Water Organisation and under "Capital Outlay on Agriculture" (Rs. 1.52 crores) due mainly to execution of new schemes and investment in share capital of Madhya Pradesh State Warehousing Corporation.
(iii) Water and Power Development	70.65	85.44	+14.79	Increased expenditure under "Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects" (Rs.8.54 crores) due to more expenditure on major works and purchase of special tools and plant, and under "Capital Outlay on Multi-purpose River Projects" (Rs.6.75 crores) due mainly to more construction works and inclusion of new works.
(iv) Capital Account of Transport and Communications	12.26	21.20	+8.94	Increased expenditure mainly on "Capital Outlay on Roads and Bridges" (Rs.5.43 crores) due mainly to construction of new roads and bridges and under "Capital Outlay on Road and Water Transport Services" (Rs.3.59 crores) due mainly to investment in share capital of Madhya Pradesh State Road Transport Corporation.

APPENDIX III

[Reference: Paragraph 2.3 (i), page 14]

GRANTS WHERE SUPPLEMENTARY PROVISION EXCEEDING RUPEES TEN LAKHS EACH WAS OBTAINED AND UNUTILISED PROVISION WAS LESS THAN RUPEES ONE CRORE

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)

(Rupees in lakhs)

Revenue section

1.	4—Other expenditure pertaining to Home Department	1,06.99	12.85	97.02	22.82
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Shortfall was due mainly to posts remaining vacant, less expenditure on wages and less travelling and office expenses.

2.	5—Jails	3,72.11	20.92	3,57.17	35.86
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Shortfall was due mainly to posts remaining vacant, less number of prisoners, purchase of food stuff at lower prices and less purchase of raw materials for Jail manufactures.

3.	18—Labour and Employment	4,79.02	67.83	4,77.59	69.26
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Shortfall was stated to be due mainly to less allotment of funds from Government of India on rehabilitation scheme for bonded labour, late transfer of Industrial Training Institute, Mana by Government of India to the State Government, posts remaining vacant and economy in expenditure.

4.	20—Public Health Engineering	33,16.97	51.30	33,13.05	55.22
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Reasons for the saving have not been intimated (December 1979).

5.	34—Social Welfare	4,91.74	38.19	4,34.99	94.94
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Shortfall was due mainly to non-implementation/delayed, implementation/discontinuance of 'Minimum Needs Programme' in certain districts, non-creation of additional posts, non-purchase of vehicles, payment of cooking charges being made at half of the sanctioned rates and less number of beneficiaries availing of facilities under the special nutrition scheme.

Capital section

1.	10—Forest	2,08.75	15.45	1,58.35	65.85
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Shortfall was stated to be due mainly to slow progress of construction of buildings and roads owing to scarcity of cement, meeting expenditure on construction of some roads of Surguja District from Grant No. 24—Public Works and non-purchase of trucks and power chain saws.

APPENDIX IV

[Reference: Paragraph 2.3 (ii), page 16]

GRANTS WHERE SUPPLEMENTARY PROVISION EXCEEDING RUPEES TEN LAKHS EACH PROVED EXCESSIVE AND THE UNUTILISED PROVISION WAS LESS THAN RUPEES ONE CRORE

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
<i>(Rupees in lakhs)</i>					
<i>Revenue section</i>					
1.	6—Expenditure pertaining to Finance Department	12,05.86	2,47.74	13,77.01	76.59
	Shortfall was due mainly to non-presentation of several claims for prize money of lotteries, economy in publicity expenses, finalisation of less number of pension cases of legislators and late filling/non-filling of certain posts.				
2.	7—Expenditure pertaining to Separate Revenue and Registration Departments	7,58.25	70.60	7,88.24	40.61
	Shortfall was due mainly to posts remaining vacant, non-constitution of Sales Tax Tribunal and less payment of grants to local bodies consequent on less realisation of property tax.				
3.	15—Dairy Development	8,92.03	1,50.51	9,52.98	89.56
	Shortfall was due mainly to non-purchase of a batch pasteurizer, aluminium cans and milk powder, posts remaining vacant, less procurement of milk than anticipated and non-implementation of milk scheme in tribal areas due to delay in its finalisation.				
4.	32—Information and Publicity	1,17.01	16.39	1,21.27	12.13
	Shortfall was due mainly to posts remaining vacant and less issue of advertisements.				
<i>Capital section</i>					
1.	11—Expenditure pertaining to Commerce and Industry Department	4,16.78	1,19.05	4,86.61	49.22
	Shortfall was attributed mainly to non-investment in the share capital of Co-operative Spinning Mill, Burhanpur and Apex Co-operative Society, Jabalpur due to non-receipt of approval for financial assistance from the National Co-operative Development Corporation pending decision of the State Government to convert loans advanced earlier into investments in the share capital of the Mill/Society.				

APPENDIX V

(Reference : Paragraph 2.4, page 18)

GRANTS/APPROPRIATIONS WHERE SAVINGS (MORE THAN Rs. 25 LAKES)
IN EACH CASE EXCEEDED 10 PER CENT OF TOTAL PROVISION

Serial number	Number and name of grant/appropriation	Total grant/ appropriation	Actual ex- penditure	Saving (Percentage)
(1)	(2)	(3)	(4)	(5)
(Rupees in lakhs)				
<i>Revenue section</i>				
1.	7—Expenditure pertaining to Separate Revenue and Registration Departments (<i>Charged</i>)	23,53.26	5.01	23,48.25 (100)
2.	9—Other expenditure pertaining to Revenue and Land Reforms Departments	15,07.32	8,58.15	6,49.17 (43)
3.	11—Expenditure pertaining to Commerce and Industry Department	8,29.11	6,09.57	2,19.54 (26)
4.	13—Agriculture	37,36.04	31,34.93	6,01.11 (16)
5.	14—Animal Husbandry	11,75.15	10,40.68	1,34.47 (11)
6.	16—Fisheries	1,72.57	1,13.77	58.80 (34)
7.	17—Co-operation	6,49.96	5,02.57	1,47.39 (23)
8.	18—Labour and Employment	5,46.85	4,77.59	69.26 (13)
9.	19—Medical, Public Health and Family Welfare	63,61.57	45,08.26	18,53.31 (29)
10.	22—Expenditure pertaining to Local Government Department	24,75.05	2,77.26	21,97.79 (89)
11.	23—Irrigation Works	43,69.68	39,00.99	4,68.69 (11)
12.	25—Expenditure pertaining to Mineral Resources Department	2,11.68	1,59.00	52.68 (25)
13.	30—Expenditure pertaining to Panchayat and Community Development Department	23,87.40	19,94.46	3,92.94 (16)
14.	34—Social Welfare	5,29.93	4,34.99	94.94 (18)
15.	35—Rehabilitation	1,47.96	75.24	72.72 (49)
16.	40—Irrigation Command Area Development	7,69.75	4,15.33	3,54.42 (46)
<i>Capital section</i>				
1.	6—Expenditure pertaining to Finance Department	10,80.90	8,57.40	2,23.50 (21)
2.	Public Debt (<i>Charged</i>)	3,80,37.05	3,02,14.43	78,22.62 (21)

APPENDIX V—concl'd.

Serial number	Number and name of grant/appropriation	Total grant/appropriation	Actual expenditure	Saving (Percentage)
(1)	(2)	(3)	(4)	(5)
				<i>(Rupees in lakhs)</i>
3.	8—Land Revenue and District Administration	3,08.00	1,81.89	1,26.11 (41)
4.	10—Forest	2,24.20	1,58.35	65.85 (29)
5.	12—Electricity	1,09,11.00	94,11.00	15,00.00 (14)
6.	13—Agriculture	22,56.97	17,35.57	5,21.40 (23)
7.	17—Co-operation	11,27.30	9,23.85	2,03.45 (18)
8.	20—Public Health Engineering	4,73.58	3,06.24	1,67.34 (35)
9.	24—Public Works	25,24.35	21,43.07	3,81.28 (15)
10.	31—Expenditure pertaining to Planning, Economics and Statistics Departments	5,74.65	4,90.46	84.19 (15)
11.	35—Rehabilitation	71.91	21.44	50.47 (70)

(Reference : Paragraph

CASES OF MISAPPROPRIATION REPORTED UPTO 31ST MARCH 1979

Serial number	Department	Cases reported in 1973-74 and earlier years		Cases reported during 1974-75		Cases reported during 1975-76	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Education	26	6.75	6	2.17	1	0.09
2.	Revenue	49	3.15	9	1.03	4	0.71
3.	Public Health	11	1.03	1	0.04	6	8.24
4.	Agriculture	40	2.38	7	1.14	8	1.10
5.	Tribal and Harijan Welfare	33	2.55	2	0.39	17	2.83
6.	Medical	16	2.54	3	1.75	2	0.34
7.	Public Works	17	1.87	3	0.03	1	0.10
8.	Forest	7	0.31	2	0.04	4	1.74
9.	Finance	1	0.11	..	..	1	0.10
10.	Police	4	1.82	..	..	7	1.49
11.	Industries	9	1.77	1	0.71	15	0.83
12.	Food	8	2.87	..	..	..	..
13.	Planning and Development	17	1.73	2	0.17	4	0.24
14.	Law	6	0.22	3	0.08	11	0.60
15.	Stamps	1	0.05	..	..	..	..
16.	Irrigation	11	0.18	1	0.21	2	0.52
17.	Excise	3	1.28	1	0.08	..	..
18.	Animal Husbandry	18	1.02	2	0.18	3	0.10
19.	Stationery and Printing	..	..	..	..	..	..
20.	Jails	..	..	..	..	..	..
21.	Public Health Engineering	2	0.03	2	0.14	1	0.06
22.	Housing	..	..	..	..	..	..
23.	Social Welfare	3	0.11	..	..	..	..
24.	Labour and Employment	1	0.08	..	..	..	..
25.	General Administration	..	..	..	..	..	..
26.	Publicity	..	..	..	..	..	..
27.	Rehabilitation	1	0.02	..	..	..	..
28.	Co-operation	1	0.01	..	..	..	..
	Total	285	31.88	45	8.16	87	19.09

DIX VI

3.18. page 44)

BUT NOT FINALISED TILL 30TH SEPTEMBER 1979

(Rupees in lakhs)

Cases reported during 1976-77		Cases reported during 1977-78		Cases reported during 1978-79		Total	
Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
6	4.10	33	313	12	0.74	84	16.98
22	2.65	23	6.39	14	0.71	121	14.64
2	0.03	9	1.91	4	0.58	33	11.83
14	0.74	6	0.79	11	2.30	86	8.45
8	0.82	3	0.45	12	0.39	75	7.43
..	..	8	1.79	..	..	29	6.42
1	2.64	2	0.27	1	0.02	25	4.93
3	0.52	23	1.94	2	0.18	41	4.73
1	4.01	1	0.09	..	..	4	4.31
12	0.44	..	..	7	0.48	30	4.23
..	..	..	..	..	..	25	3.31
1	0.42	..	..	..	..	9	3.29
3	0.52	1	0.03	5	0.29	32	2.98
3	0.18	5	1.30	4	0.26	32	2.64
3	2.23	..	..	..	..	4	2.28
4	0.30	3	0.10	5	0.50	26	1.81
1	0.01	..	..	..	..	5	1.37
..	..	1	0.1	..	..	24	1.31
..	..	..	..	21	0.94	21	0.94
2	0.52	..	..	..	..	2	0.52
..	..	..	..	1	0.26	6	0.49
..
1	0.05	1	0.02	..	..	5	0.18
..	..	..	..	..	..	1	0.08
..	..	..	..	4	0.06	4	0.06
..	..	..	..	2	0.02	2	0.02
..	..	..	..	..	..	1	0.02
..	..	..	..	..	..	1	0.01
87	20.18	119	18.22	105	7.73	728	1,05.26

APPENDIX VII

(Reference : Paragraph 3.19, page 45)

LOSSES ETC., WRITTEN OFF DURING THE YEAR 1978-79

Serial number	Department	Write-off of losses, irrecoverable revenue, advances, etc.	
		Number of cases	Amount (Rupees)
(1)	(2)	(3)	(4)
1.	Sales Tax	81	2,53,230
2.	Veterinary	221(*1)	2,94,975
3.	Food	53	2,37,688
4.	Forest	21	1,03,416
5.	Irrigation	15(*2)	87,154
6.	Public Health Engineering	2(@)	40,933
7.	Agriculture	20	29,032
8.	Public Works (Buildings and Roads)	4	14,312
9.	Tribal and Harijan Welfare	3	12,588
10.	Home (Police)	3	5,081
11.	Education	3	3,276
12.	General Administration Department	1	3,262
13.	Jails	1	933
14.	Community Development Department	1	41
Total		429	10,86,29

(*1) Includes 5 items (Rs. 25,423.93) of waiver of recovery.

(*2) Includes 1 item (Rs. 1,515.52) of waiver of recovery.

(@) Includes 1 item (Rs. 2,000,00) of ex-gratia payment.

APPENDIX—VIII

(Reference :

URBAN WATER SUPPLY SCHEMES UNDERTAKEN ON

S.No.	Name of scheme	Estimated cost		Pattern of Financial Assistance	Finances provided		
		Original	Revised		Grant-in-aid	Loan (Government)	Loan (LIC)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>(Rupees in lakhs)</i>							
<i>First and Second Five Year Plans (i.e. upto the year 1960-61)</i>							
1.	Neemuch	41.00	76.00	50:50	37.55	39.27	..
2.	Bhatapara	14.00	..	100% loan	..	13.58	..
3.	Mandsaur	1.70	..	50:50	4.75	3.50	..
4.	Shajapur	6.11	..	50:30:20	1.83	3.06	..
5.	Kukshi	5.00	..	50:30:20	1.50	2.50	..
6.	Gohad	5.50	..	50:30:20	1.65	2.75	..
7.	Ambah	5.10	15.32	50:30:20	1.53	1.70	..
8.	Bilaspur	20.00	31.82	50:30:20	11.65	18.23	..
9.	Katni	18.94	..	70:30	9.89	22.57	..
10.	Itarsi	9.46	..	50:30:20	4.26	7.10	..
11.	Khandwa(Ph.I)	7.65	..	50:30:20	1.69	3.82	..
12.	Hoshangabad	7.00	8.43	50:30:20	2.08	4.21	..
13.	Ratlam	70.00	96.80	50:30:20	35.85	79.90	..
14.	Jaora	25.00	44.82	50:30:20	15.51	36.05	..
15.	Ashoknagar	14.15	..	50:30:20	3.96	7.08	..
16.	Mahidpur	4.37	..	50:30:20	2.37	3.95	..
17.	Datia	17.46	..	50:30:20	5.24	12.01	..
18.	Shahdol	66.32	95.15	70:30	25.21	6.08	58.60
19.	Sehore	2.32	5.82	50:30:20	1.25	3.15	..
20.	Jawad	4.27	..	50:30:20	1.00	1.75	..
21.	Dewas	25.00	..	50:50	13.06	13.44	..
22.	Jabalpur (Ph.I)	97.50	203.00	50:30:20	71.50	101.16	40.00
23.	Morena	6.13	..	50:30:20	1.84	3.06	..
24.	Rajnandgaon	12.37	..	100% loan	..	16.64	..
25.	Chhindwara	6.17	22.02	100% loan	..	22.02	..
26.	Rajgarh	16.00	..	50:30:20	0.75	1.25	..
27.	Sheopur	3.00	..	50:50	..	3.00	..
<i>Third Five Year Plan (1961-62 to 1965-66)</i>							
28.	Raipur (Aug.)	73.00	102.46	50:30:20 & 70:30	21.90	54.16	..
29.	Ambikapur	16.85	22.38	50:30:20 & 70:30	6.02	12.62	..
30.	Seoni	28.71	..	50:30:20 & 70:30	11.25	21.29	..
31.	Balaghat	19.00	22.15	50:30:20 & 70:30	8.06	11.48	..
32.	Betul	13.22	29.00	50:30:20 & 50:50	10.29	13.48	..
33.	Damoh	48.49	71.15	50:30:20 & 70:30	21.35	46.55	..

S.No.	Name of scheme	Estimated cost		Pattern of Financial Assistance	APPEN- Finances provided		
		Original	Revised		Grant-in-aid	Loan (Government)	Loan (LIC)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				(Rupees in lakhs)			
34.	Sendhwa	9.82	13.92	50:30:20 & 50:50	3.84	2.74	4.91
35.	Barwaha	7.96	12.06	50:30:20 & 50:50	2.89	0.95	3.98
36.	Mungaoli	3.10	..	50:30:20	0.95	0.05	1.56
37.	Bhander	3.76	..	50:30:20	1.22	0.28	1.88
38.	Basoda	12.57	20.34	50:30:20 & 50:50	9.25	7.50	5.00
39.	Champa	8.14	13.94	50:50	6.45	3.51	5.00
40.	Biaora	5.75	14.00	50:30:20 & 50:50	5.00	5.25	2.87
41.	Sonkatch	4.18	5.32	50:30:20	1.51	0.26	2.09
42.	Khilchipur	5.48	10.52	50:30:20 & 50:50	5.48	3.60	2.74
43.	Khurai	11.85	19.98	50:30:20 & 50:50	7.44	4.92	5.00
44.	Dhamtari	10.65	15.32	50:30:20 & 50:50	4.28	..	..
45.	Dabra	8.62	15.32	50:30:20 & 50:50	9.19	5.11	4.31
46.	Mandleshwar	0.98	..	50:30:20	0.29	..	0.49
47.	Petlawad	0.83	..	50:30:20	0.14	..	0.58
48.	Thandla	9.94	15.91	50:50	7.23	0.45	7.50
49.	Jora (Dist. Morcna)	3.46	..	50:30:20	1.04	..	1.73
50.	Sabargarh	5.25	..	50:30:20	1.58	..	2.62
51.	Piparia	8.00	..	50:30:20	2.18	..	4.00
52.	Gadarwara	6.85	..	50:30:20	2.06	..	4.79
53.	Multai	4.58	5.35	50:30:20	1.75	0.39	2.29
54.	Kolaras	1.66	..	50:30:20	0.95	..	1.16
55.	Khandwa(Ph.II)	68.00	100.00	50:30:20 & 70:30	28.81	64.74	..
<i>Annual Plans (1966-67, 1967-68 and 1968-69)</i>							
<i>1966-67—</i>							
56.	Maihar	14.00	..	50:50	7.91	7.90	..
57.	Mandla	17.61	21.44	50:50	6.39	12.27	..
<i>1968-69—</i>							
58.	Chanderi	18.08	..	50:50	10.04	9.56	..
59.	Karera	9.71	15.90	50:50	8.18	8.68	..
60.	Waraseoni	15.93	27.17	50:50	13.83	13.69	..
<i>Fourth Five Year Plan (1969-70 to 1973-74)</i>							
61.	Hatta	7.83	12.63	50:50	6.03	5.04	..
62.	Sidhi	5.00	9.03	50:50	4.45	0.85	3.60

DIX VIII—contd.

for the scheme		Expenditure upto March 1979 (11)	Excess over Deposits (12)	Saving (13)	Year of commencement (14)	Year of completion (15)	Remarks (16)
Municipalities contributions (9)	Total Deposit (10)						
(Rupees in lakhs)							
0.65	12.14	11.53	..	..	1964	In progress	Water supply started in 4/70
1.03	8.85	8.60	..	..	1963	..	Water supply started in 1972
0.72	3.28	3.18	..	0.10	1962-63	1969-70	*A sum of Rs .0.49 lakh was refunded into the treasury in January 1975.
0.75	4.13	3.64*	..	..	1963-64	1965-65	
1.09	22.84	21.29	..	1.55	1963-64	1977-78	
..	14.96	14.09	..	0.87	1973-74	2-10-78	
1.15	14.27	14.42	0.15	..	1963-64	1977-78	
1.46	5.32	6.09	0.77	..	1963-64	1970-71	
0.78	12.60	12.11	..	..	1963-64	In progress	
2.64	20.00	20.23	0.23	..	1963-64	1969-70	
5.73	10.01	14.61	4.60	..	1963-64	1976-77	
2.89	21.50	17.54	..	3.96	1963-64	1975-76	
0.25	1.03	1.06	0.03	..	1963-64	1970-71	
..	0.72	1.41	0.69	..	1963-64	1968-69	
..	15.18	18.10	2.92	..	1972	In progress	Water supply started in 2/78.
0.69	3.46	3.41	..	0.05	1963-64	1965-66	
1.04	5.24	5.41	0.17	..	1963	1967-68	
0.80	6.98	7.18	0.20	..	1963-64	1968-69	
..	6.85	6.73	..	0.12	1963-64	1965-66	
0.98	5.41	4.87	..	0.54	1963-64	1966-67	
0.04	2.15	2.94	0.79	..	1963-64	1968-69	
2.68	96.23	90.80	..	..	1965	In progress	
..	15.81	14.43	..	..	1966-67	In progress	Water supply started
1.25	19.91	20.12	1.21	..	1966-67	In progress	
0.51	20.11	19.53	..	0.58	1968	1977	Water supply started
..	16.86	13.70	..	..	1968-69	In progress	
0.15	27.67	27.30	..	..	1968-69	In progress	
1.00	12.07	12.47	0.40	..	1969-70	In progress	Water supply started in 4/76.
..	8.90	8.92	0.02	..	1969-70	do.	Water supply started

APPEN-

S. No.	Name of scheme	Estimated cost		Pattern of financial Assistance	Finances provided		
		Original	Revised		Grant-in-aid	Loan (Government)	Loan (LIC)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			(Rupees in lakhs)				
63.	Lahar	2.96	6.93	50:50	3.34	0.96	2.50
64.	Badnawar	11.05	14.30	50:50	6.75	2.42	5.90
65.	Kasrawad	8.41	15.17	50:50	9.33	3.40	6.20
66.	Umaria	12.37	16.52	50:50	7.58	1.50	7.50
67.	Alirajpur	9.16	12.94	50:50	6.24	1.25	6.00
68.	Sohagpur	8.06	9.55	50:50	3.80	1.00	4.50
69.	Harda	38.40	65.49	70:30	13.30	6.78	38.70
70.	Raisen	11.51	22.50	50:50	12.39	3.60	8.80
71.	Garoth	12.00	23.32	50:50	13.15	3.80	9.35
72.	Kota	8.63	..	50:50	3.90	0.50	4.30
73.	Mehgaon	4.35	5.75	50:50	2.13	0.50	3.13
74.	Garha Kota	14.48	20.45	50:50	7.39	0.50	7.65
75.	Khategaon	4.33	..	50:50	1.67	0.50	2.20
76.	Bina Itawa	31.60	54.52	70:30	16.02	9.42	27.97
77.	Narsinghpur	10.00	18.60	50:50	7.20	0.50	7.05
78.	Nagda	12.96	..	50:50	8.91	2.55	6.45
79.	Nainpur	14.92	26.42	50:50	12.41	2.84	11.50
80.	Mungeli	16.65	18.12	50:50	10.09	1.00	8.40
81.	Sihora	18.26	32.24	50:50	12.00	1.50	13.75
82.	Nagod	5.60	..	50:50	3.05	3.00	..
83.	Tamai	19.87	..	50:50	10.84	4.00	14.90
84.	Nowgong	16.30	21.90	50:50	8.59	0.50	11.10
85.	Binaganj	9.62	19.31	50:50	9.10	3.85	6.85
86.	Rampura	19.00	..	50:50	9.78	1.32	9.50
87.	Nalkheda	3.51	4.38	50:50	1.22	0.50	2.75
88.	Bhopal (Aug.)	1096.00	..	70:30	4.85	3.00	19.50
89.	Nawapara Rajim	10.64	12.30	50:50	5.87	5.74	..
90.	Bhikangaon	2.72	3.16	50:50	1.56	0.57	..
91.	Ujjain (Aug.)	1300.00	1430.00	50:50	33.87	120.37	..
92.	Barwani	24.49	46.10	50:50	17.75	4.49	18.25
93.	Khargone	32.00	61.41	70:30	16.90	9.00	32.33
94.	Sanwer	6.04	9.47	50:50	4.74	3.50	..
95.	Raigarh	31.20	..	70:30	9.55	1.69	20.60
96.	Kannod	12.30	19.87	50:50	10.05	1.25	9.20
97.	Manawar	14.10	21.00	50:50	7.23	3.97	10.50
98.	Timarni	5.29	7.60	50:50	3.75	0.20	3.67
99.	Vijaipur	7.00	14.80	50:50	8.96	2.94	5.55
100.	Durg (Aug.)	15.87	26.41	70:30	5.40	11.83	..
101.	Indore	1200.00	3039.00	70:30	788.65	1397.81	737.10
102.	Sitamau	1.95	4.27	50:50	2.08	2.09	..
103.	Sagar (Aug.)	70.20	..	70:30	15.62	33.52	..
104.	Depalpur	15.00	24.60	50:50	8.50	1.32	11.55
105.	Raghogarh	12.82	20.90	50:50	7.31	2.19	9.60
106.	Biakunthpur	3.28	10.84	50:50	3.72	0.40	2.60
107.	Maharajpur	15.50	..	50:50	1.00	..	3.75

DIX VIII—contd.

for the scheme		Expenditure upto March 1979 (11)	Excess over Deposits (12)	Saving (13)	Year of commencement (14)	Year of completion (15)	Remarks (16)
Municipalities contributions (9)	Total Deposit (10)						
..	6.80	4.80	..	..	1970	In progress	Water supply started 12/73
..	15.07	12.71	..	2.36	1970	1974-75	
..	18.93	17.85	..	..	1972-73	In progress	Water supply started in 3/74.
..	16.58	13.87	..	2.71	1970-71	1976-77	
0.03	13.52	12.30	..	1.22	11/69	1975-76	
..	9.30	8.28	..	1.02	3.71	1974-75	
..	58.78	57.07	..	1.71	1971	1977-78	
..	24.79	24.70	..	0.09	1972-73	1976-77	
0.06	26.36	26.36	..	..	1972	1977-78	
..	8.70	8.47	..	..	1970-71	In progress	Water supply started in 1/75.
..	5.76	5.16	..	0.60	1970-71	1977-78	
..	15.54	12.10	..	..	1970	In progress	Water supply started in 6/79
..	4.37	4.38	0.01	..	1970-71	do.	do. 1/79
0.09	53.50	46.98	..	..	1970-71	do.	do. 1977-78
..	14.75	16.52	1.77	..	1971-72	do.	
..	17.91	18.07	0.16	..	1970-71	do.	
..	26.75	25.50	..	..	1970-71	do.	
..	19.49	17.83	..	..	1970-71	do.	
..	27.25	26.13	..	1.21	1970-71	1978-79	
..	6.05	6.44	0.39	..	1971-72	In progress	
..	29.74	24.35	..	..	1970-71	do.	
..	20.19	19.05	..	..	Jnue' 70	do.	
..	19.30	17.42	..	..	1971-72	do.	
..	20.60	13.23	..	2.37	1972-73	1977-78	
..	4.47	3.54	..	0.93	1970-71	1976-77	
..	27.35	1.66	..	..	1970-71	In progress	
0.25	11.86	11.86	..	..	1971-72	1975-76	
0.79	2.92	2.92	..	..	1972-73	1973-74	
..	154.24	147.03	..	..	1976-77	In progress	
..	40.49	42.73	2.24	..	1972	do.	
0.28	58.51	49.86	..	8.65	1973	1978-79	
..	8.24	9.08	0.84	..	1972-73	In progress	
..	31.84	30.63	..	..	1972-73	do.	Water supply started.
..	20.50	24.32	3.82	..	1971-72	do.	
..	21.70	19.11	..	..	1972	do.	Water supply started in
..	7.62	7.97	0.35	..	12/72	1976-77	1/78
0.05	17.50	16.29	..	1.21	1/72	1978-79	
..	17.23	13.75	..	..	1972-73	In progress	
140.00	3063.56	3013.22	..	50.34	1972-73	1978-79	
..	4.17	4.03	..	0.14	1974-75	1977-78	
..	49.14	24.95	..	..	1977	In progress.	
..	21.37	24.21	2.84	..	1971-72	do.	
0.01	19.11	19.90	0.79	..	1971-72	1978-79	
..	6.72	11.28	4.56	..	1972-73	In progress	
..	4.75	2.66	..	..	3/77	do.	

S.No.	Name of scheme	Estimated cost		Pattern of Financial Assistance	Finances provided		
		Original	Revised		Grant-in-aid	Loan (Government)	Loan (LIC)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>(Rupees in lakhs)</i>							
108.	Jobat	8.78	..	50:50	0.50	..	..
109.	Pichhore	8.28	..	50:50	2.50	..	2.50
110.	Seoni Malwa	10.28	11.00	50:50	5.10	..	6.00
111.	Kareli	9.96	12.12	50:50	5.68	..	6.00
112.	Mauganj	3.92	..	50:50	..	0.75	..
113.	Dewas(Aug.)	15.06	24.46	70:30	6.95	3.13	14.97
114.	Chhindwara(Aug.)	7.43	18.99	..	1.85	4.70	4.90
115.	Rajnandgaon	12.37	21.33	70:30	6.25	5.36	11.93
116.	Morena(Aug.)	15.12	18.00	70:30	5.37	2.06	12.00
117.	Sehore(Aug.)	110.41	263.00	70:30	0.90	2.10	2.90
<i>Fifth Five Year Plan (1974-75 to 1978-79)</i>							
118.	Haipalpur	4.24	6.67	50:50	1.75	1.75	..
119.	Bhanpura	11.75	16.02	50:50	4.04	4.04	..
120.	Amarpatan	20.16	..	50:50	3.50	3.50	..
121.	Alot	10.84	11.34	50:50	5.28	5.28	..
122.	Baghbahara	8.88	..	50:50	1.15	1.15	..
123.	Seondha	9.46	..	50:50	3.31	3.31	..
124.	Takhatpur	6.85	16.52	50:50	1.45	1.45	..
125.	Penagar	2.59	..	50:50	0.40	0.40	..
126.	Dhamnod	1.59	..	50:50	0.60	0.19	..
127.	Mahasamund	22.19	..	50:50	6.50	7.00	..
128.	Berasia	2.41	..	50:50	1.10	1.10	..
129.	Manasa	3.52	5.52	50:50	0.50	0.50	..
130.	Bemetara	10.43	..	50:50	0.25	0.25	..
131.	Bagli	3.82	5.30	50:50	1.50	1.50	..
132.	Naraingarh } Malharagarh }	5.90	3.57	50:50	1.00	1.00	..
133.	Deori	29.77	..	50:50	1.00	1.00	..
134.	Sironj	14.04	24.56	50:50	0.40	0.90	..
135.	Ashta	23.63	..	50:50	2.35	2.35	..
136.	Bhaurasa	5.35	6.69	50:50	1.00	1.00	..
137.	Harsud	8.64	..	50:50	0.25	0.25	..
138.	Ramanujganj	7.49	15.00	50:50	1.00	1.00	..
139.	Kurwai	12.80	18.50	50:50	0.50	0.50	..
140.	Korba	49.77	..	70:30	0.30	0.70	..
141.	Gwalior(Aug.)	119.00	171.00	70:30	0.50	1.25	..
142.	Balodabazar	33.85	..	50:50	1.00	1.00	..
143.	Barela	9.87	..	50:50	..	0.15	..
144.	Gaurela	2.40	3.65	50:50	..	0.15	..
<i>Improvement to water supply schemes</i>							
145.	Bilaspur	5.15	..	70:30	1.99	4.36	..
146.	Ratlam (Aug.)	13.58	18.44	70:30	1.75	4.05	..
147.	Raipur project	639.29	..	70:30	31.14	72.65	..

DIX VIII—contd.

for the scheme

Municipalities contributions	Total Deposit	Expenditure upto March 1979	Excess over Deposits	Saving	Year of commencement	Year of completion	Remarks
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
							(Rupees in lakhs)
..	0.50	..	..	..	Not commenced		
..	5.00	5.11	0.11	..	10/71	1973-74	
0.05	11.15	10.89	..	0.26	6/72	1975-76	
..	11.68	11.00	..	..	1971-72	In progress	
..	0.75	..	..	..	Not commenced		
..	25.05	24.92	..	..	1972-73	In progress	
0.17	11.62	7.39	..	..	1970-71	do.	
..	23.59	24.82	1.23	..	1973	1978-79	
0.05	19.48	19.37	..	..	7/72	In progress	
..	5.90	0.95	..	..	1978-79	do.	
..	3.50	2.99	..	..	May 1977	In progress	
..	8.08	4.44	..	..	1977-78	do.	
..	7.00	4.79	..	..	1977-78	do.	
..	10.56	11.28	0.72	..	5/77	8/78	
..	2.30	0.69	..	..	1977	In progress	
..	6.62	4.78	..	..	12/76	do.	
..	2.90	1.40	..	..	1977-78	do.	
..	0.80	0.51	..	..	3/79	do.	
0.41	1.20	0.93	..	..	1977-78	do.	
..	13.50	13.26	..	..	1/77	do.	
..	2.20	1.89	..	..	1976-77	do.	
..	1.00	2.82	1.82	..	1978-79	do.	
..	0.50	..	..	..	Not commenced		
..	3.00	4.66	1.66	..	1978-79	In progress	
..	2.00	2.17	} 0.17	..	3/79	do.	
..	2.00	0.01					
..	2.00	2.16	0.16	..	1978-79	do.	
..	1.30	3.27	1.97	..	12/78	do.	
..	4.70	0.51	..	..	1978-79	do.	
..	2.00	2.96	0.96	..	1978-79	do.	
..	0.50	1.83	1.33	..	2/79	do.	
..	2.00	..	..	..	1978-79	do.	
..	1.00	6.96	5.96	..	1978	do.	
..	1.00	0.99	..	..	1978-79	do.	
..	1.75	1.39	..	..	2/73	do.	
..	2.00	0.02	..	..	1978-79	do.	
..	0.15	..	..	..	Not commenced		
..	0.15	..	..	..	do.		
..	6.35	5.88	..	..	1975-76	In progress	
..	5.80	4.42	..	..	1973-74	do.	
..	103.79	47.23	..	..	1976-77	do.	

APPEN-

S. No.	Name of scheme	Estimated cost		Pattern of Financial Assistance	Finances provided		
		Original	Revised		Grant-in-aid	Loan (Government)	Loan (LIC)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		<i>(Rupees in lakhs)</i>					
148.	Ambikapur(Aug.)	Awaited		70:30	1.00	2.50	..
149.	Jabalpur	615.00	1000.00	70:30	39.00	53.20	200.00
150.	Bhander(Aug.)	3.00	..	50:50	0.45	0.45	..
151.	Shajapur (Aug.)	0.70	..	70:30	0.50	1.50	..
152.	Bhatapara	9.22	..	70:30	0.30	0.70	..
153.	Mandsaur(Aug.)	12.65	16.65	70:30	3.32	7.75	..
154.	Mungaoli(Aug.)	34.65	..	50:50	1.00	1.00	..
155.	Mandleshwar (Augmentation)	8.24	..	50:50	0.50	0.50	..
156.	Jora(Aug.) (Distt. Morena)	13.87	..	50:50	0.50	0.50	..
157.	Pichhore(Aug.)	..	..	50:50	1.00	1.00	..
158.	Sharda Devi Mandir, Maihar	3.51	..	100% Grant	3.51	..	..
159.	Bank Note Press, Dewas	4.14	6.88	70:30	2.06	2.82	..
Grand Total		10592.75*			1817.34	2628.47	1539.10

* Grand total is after taking into account the revisions indicated in column (4).

DIX VIII—concl'd.

for the scheme		Expendi- ture upto March 1979	Excess over Deposits	Saving	Year of commen- cement	Year of comple- tion	Remarks
Municipali- ties contri- butions	Total Deposit						
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
(Rupees in lakhs)							
..	3.50	..	..	..	1978-79	In progress	
..	292.20	64.87	..	..	1977	do.	
..	0.90	0.43	..	..	1977-78	do.	
..	2.00	1.81	..	..	1978-79	do.	
..	1.00	..	..	..	Not commenced		
..	11.07	11.08	0.01	..	1976-77	In progress	
..	2.00	0.22	..	..	1978-79	do.	
..	1.00	..	..	..	Not commenced		
..	1.00	..	..	..	1978-79	In progress	
..	2.00	0.03	..	..	1978-79	do	
..	3.51	..*	..	..	1976-77	do.	*Expenditure figures awaited.
..	4.88	6.02	1.14	..	1976-77	Under progress	Partial Water Supply started.
<hr/>							
214.90	6199.81	5723.98	87.94				
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APPENDIX IX

(Reference: Paragraph 7, page 78)

SUMMARISED FINANCIAL RESULTS OF THE GOVERNMENT COMMERCIAL
AND QUASI-COMMERCIAL UNDERTAKINGS

Name of undertaking	Sales Dispensary, Indore.	
	Public Health and Family Welfare.	
Name of administrative department	1976-77	1977-78
Period of Account	<i>(In lakhs of rupees)</i>	
1. Government capital at the close of year	2.17	2.61
2. Mean capital	1.48	1.64
3. Block assets (net)	0.04	0.03
4. Cumulative depreciation	0.10	0.10
5. Turnover	2.43	3.23
6. Net Profit (+)/Net loss (—)	(—)0.24	(—)0.22
7. Interest on capital	0.09	0.10
8. Total return	(—)0.15	(—)0.12

APPENDIX X

(Reference: Paragraph 8.2, page 82)

DETAILS OF INSPECTION REPORTS IN WHICH EVEN FIRST REPLIES
ARE AWAITED AS ON 30TH SEPTEMBER 1979

Serial number	Department	Total number of inspection reports/paragraphs out- standing at the end of September 1979		Total number of inspection reports to which even first replies had not been received till the end of September 1979
		Reports	Paragraphs	
(1)	(2)	(3)	(4)	(5)
<i>Civil Departments—</i>				
1.	Education	1,899	8,141	318
2.	Agriculture	959	5,156	217
3.	Tribal and Harijan Welfare	687	3,531	102
4.	Public Health and Family Welfare	647	3,579	189
5.	Revenue	550	2,851	99
6.	Forest	422	1,829	86
7.	Community Development Projects	402	1,257	41
8.	Veterinary	294	1,534	70
9.	Administration of Justice	272	1,019	17
10.	Commerce and Industries	189	777	19
11.	Labour and Employment	186	531	41
12.	Panchayat and Social Welfare	163	746	23
13.	Home (Police)	148	725	4
14.	Fisheries	128	510	21
15.	Dairy Development	120	635	30
16.	Home (Jails)	93	444	39
17.	Separate Revenue (State Excise)	73	263	30
18.	Co-operation	72	261	..
19.	Director of Treasuries and Accounts	70	243	5
20.	Land Records	56	280	22
21.	Food	53	271	1
22.	Finance	52	143	13
23.	Separate Revenue (Sales Tax)	51	141	25
24.	Rehabilitation	48	190	7
25.	Separate Revenue (Stationery & Printing)	47	256	8
26.	Information and Publicity	41	159	7
27.	Registration and Stamps	30	72	4
28.	Economic and Statistics	30	74	4
29.	Home (Transport)	26	86	7
30.	Housing	26	86	..
31.	Home (Zila and Rajya Sainik Board)	17	57	9
32.	Scientific department	15	101	5
33.	Weights and Measures	14	37	3
34.	General Administration	12	63	4
35.	Natural Resources	12	39	3
36.	Town and Country Planning	11	28	3

Serial number	Department	Total number of inspection reports/paragraphs outstanding at the end of September 1979		Total number of inspection reports to which even first replies had not been received till the end of September 1979
		Reports	Paragraphs	
(1)	(2)	(3)	(4)	(5)
37.	Tourism	5	46	1
38.	Local Self Government	5	19	..
39.	Languages	2	8	..
40.	Revenue (<i>Muafi</i>)	2	12	1
41.	Public Service Commission	2	16	..
Total		7,931	36,216	1,478
<i>Public Works—</i>				
1.	Irrigation	1,362	5,547	227
2.	Buildings and Roads	971	3,363	110
3.	Public Health Engineering	522	2,290	172
Total		2,855	11,200	509
<i>Revenue Receipts—</i>				
1.	Land Revenue	734	3,877	216
2.	Forest	462	2,335	113
3.	Stamps Duty and Registration	427	1,342	94
4.	Excise	308	1,257	35
5.	Sales Tax	197	2,176	16
6.	Entertainment Duty and Advertisement Tax	110	280	20
7.	Natural Resources (Mines and Minerals)	79	468	17
8.	Motor Vehicles	51	405	10
9.	Irrigation	48	480	26
10.	Agriculture	27	166	18
11.	Buildings and Roads	45	283	25
12.	Electricity Duty	14	41	..
13.	Co-operation	18	70	10
14.	Food	15	64	9
15.	Public Health Engineering	8	42	7
Total		2,543	13,286	616
<i>Commercial Departments—</i>				
<i>Agriculture (Veterinary)—</i>				
	Dairy Development	13	102	2
GRAND TOTAL		13,342	60,804	2,605