REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

FOR THE YEAR

1982-83

(CIVIL)

GOVERNMENT OF TAMIL NADU

4–270—A

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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 1982-83 together with other points arising from audit of the financial transactions of the Government of Tamil Nadu. It also includes certain points of interest arising from the Finance Accounts for the year 1982–83.

2. The observations of Audit on Revenue Receipts and on Statutory Corporations, Boards and Government Companies are presented in separate Reports.

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1982–83 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 1982-83 have also been included, wherever considered necessary.

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

CHAPTER I
GENERAL

1.1. Summary of transactions

The receipts, expenditure and surplus/deficit of Government for 1982-83 are given below with corresponding figures of the preceding year:—

(1)	1981–82 (2) (in crores of rupees)	1982–83 (3)
1. Revenue—		
Revenue receipts	14,41.55	16,78.02
Revenue expenditure	13,59.89	15,76.08
Revenue surplus (+)	(+) 81.66	(+) 1,01.94
2. Public Debt—		
Internal Debt of the State Government (net) Increase (+)	(+)22.22	(+) 37.78
Loans and Advances from the Central Government (net) Increase (+)	(+) 1,07.04	(+) 1,20.71
Total Public Debt (net) Increase (+)	(+) 1,30.26	(+) 1,58.49
3. Loans and Advances by the State Government (net) Increase (—)	(—) 1,50.63	(—) 2,77.33
4. Contingency Fund (net) Receipts (+)/Payments(—)	(+) 80.67	(—) 9.99
5. Public Account (net) Receipts (+)/Payments (—) ..	(+) 94.41	(+) 1,60.37
6. Capital expenditure (net) Increase (—)	(—) 1,43.53	(—) 1,50.75
7. Transfer to Contingency Fund-Payments	(—) 80.00	(+) 10.00
Net surplus (+)/deficit(—)	(+) 12.84	(—) 7.27
Opening balance	(—) 9.61	(+) 3.23
Net surplus (+)/deficit (—) as above..	(+) 12.84	(—) 7.27
Closing cash balance	(+) 3.23	(—) 4.04*

*There was a difference of Rs. 3,52.36 lakhs between the figures reflected in the accounts (Rs–3,76·61 lakhs) and that intimated by the Reserve Bank (Rs.—7,28.97 lakhs) regarding "Deposits with Reserve Bank" included in the cash balance. The difference is under reconciliation (October 1983).

1.2. Revenue surplus/deficit

(a) Revenue receipts.—The actuals of the Revenue receipts of the State Government for 1982-83 as compared with (a) the budget estimates, and *(b)* the budget estimates plus additional taxation during the year along with the corresponding figures for 1980-81 and 1981-82 are shown below :—

Year	*Budget*	*Budget plus additional taxation*	*Actuals*	*Variation between columns (4) and (3)*	
		(in crores of rupees)		*Amount*	*Percentage*
(1)	(2)	(3)	(4)	(5)	(6)
1980–81 ..	9,82.66	9,82.93	12,79.96	(+) 2,97.03	30
1981–82 ..	11,28.27	11,28.27	14,41.55	(+) 3,13.28	28
1982–83 ..	15,69.49	16,01.57	16,78.02	(+) 76.45	5

(*b*) *Expenditure on revenue account.*—The expenditure on revenue account as compared with (*a*) the budget estimates and (*b*) the budget estimates plus supplementary grants with the corresponding figures for 1980–81 and 1981–82 is shown below :—

Year	*Budget*	*Budget plus supplementary*	*Actuals*	*Variation between columns (4) and (3)*	
				Amount	*Percentage*
(1)	(2)	(3)	(4)	(5)	(6)
		(in crores of rupees)			
1980–81 ..	9,67.27	11,95.91	11,52.25	(—) 43.66	4
1981–82 ..	11,37.84	14,35.93	13,59.89	(—) 76.04	5
1982–83 ..	13,70.04	17,01.56	15,76.08	(—) 1,25.48	7

(*c*) The year ended with a revenue surplus of Rs. 1,01.94 crores against Rs. 1,99.45 crores anticipated in the budget.

1.3. Revenue receipts

The revenue receipts rose from Rs. 14,41.55 crores in 1981-82 to Rs. 16,78.02 crores in 1982-83. The major components of the revenue receipts are given in Appendix I. The revenue raised by the State Government in 1982-83, amounting to Rs. 11,79.06 crores (as against Rs. 9,86.40 crores in 1981-82) accounted for 70 per cent (68 per cent in 1981-82) of the total revenue receipts. Analysis of the revenue receipts and audit comments thereon are included in the Report of the Comptroller and Auditor General of India for the year 1982-83—Revenue Receipts—Government of Tamil Nadu.

1.4. Expenditure on revenue account

The expenditure on revenue account during 1982-83 and provision of funds therefor under principal service sectors under Plan and non-Plan, together with the corresponding expenditure in preceding year are given in Appendix II.

The Plan expenditure during 1982-83 had gone up by Rs. 71.15 crores (22 per cent) when compared to the preceding year. The increase was mainly under Community Development (Rs. 18.43 crores), Public Health, Sanitation and Water Supply (Rs. 18.41 crores), Education (Rs. 16.10 crores), Urban Development (Rs.13.41 crores), Village and Small Industries (Rs. 9.06 crores), Food (Rs. 7.90 crores), Social Security and Welfare (Rs. 6.94 crores) and Housing (Rs. 3.84 crores) counterbalanced by decreases under Irrigation, Navigation, Drainage and Flood Control Projects (Rs. 18.45 crores), Agriculture (Rs. 5.64 crores) and Roads and Bridges (Rs. 3.04 crores). The Plan provision for 1982-83 remained under-utilised to the extent of 29 per cent. The underutilisation is dealt with in paragraph 1.13 under Plan Performance.

The non-Plan expenditure rose from Rs. 10,33.32 crores in 1981-82 to Rs. 11.78.36 crores in 1982-83, an increase of Rs.1,45.04 crores (14 per cent). The increase was under General Services (Rs. 33.88 crores) and Social and Community Services (Rs. 1,17.48 crores) counterbalanced by decrease under Economic Services (Rs. 7.74 crores). Increase in expenditure mainly under Pensions and Other Retirement Benefits (Rs. 10.31 crores), Interest Payment and Servicing of Debts (Rs. 10.13 crores) and Police (Rs. 7.05 crores) accounted for the rise under General Services. Major portion of the increase under Social and Community Services occurred under Education (Rs. 58.66 crores), Social Security and Welfare (Rs. 44.56 crores), Medical (Rs. 10.89 crores) and Public Health, Sanitation and Water Supply (Rs. 3.62 crores), counter-balanced by decrease (Rs. 4.20 crores) under Relief on account of natural calamities. The decrease of Rs. 7.47 crores under Economic Services was the net result of increases under Food (Nutritious and Subsidiary Food) (Rs. 43.96 crores), Power Development (Assistance to Electricity Board) (Rs. 10.00 crores), Roads and Bridges (Rs. 9.03 crores), Community Development (Rs. 3.63 crores) and Industries (Rs. 3.16 crores) and decrease under Co-operation (Rs. 73.78 crores) and Agriculture (Rs. 3.29 crores).

The non-Plan expenditure during 1982-83 was in excess of the provision by Rs. 37.90 crores ; the excess was mainly under Social and Community Services (Rs. 47.39 crores), Agriculture and Allied Services (Rs. 41.30 crores) and Transport and Communications (Rs. 7.36 crores) partly offset by decrease under General Services (Rs. 53.49 crores) and Water and Power Development (Rs. 3.99 crores).

1.5. Expenditure on capital account

(i) The capital expenditure during the 3 years ending 1982-83 as compared with (i) the budget estimates and (ii) the budget estimates plus supplementary provision is shown below:—

Year	*Budget*	*Budget plus Supplementary*	*Actuals*	*Variation between columns (4) and (3)*	
				Amount	*Percentage*
(1)	(2)	(3)	(4)	(5)	(6)
		(in crores of rupees)			
1980-81 ..	94.21	1,08.66	85.06	(—) 23.60	22
1981-82 ..	1,35.99	1,69.65	1,43.53	(—) 26.12	15
1982-83 ..	1,65.25	1,83.84	1,50.75	(—) 33.09	18

(ii) The expenditure on capital account during 1982-83 and provision of funds therefor under principal service sectors under Plan and non-Plan, together with the corresponding expenditure in the preceding year are given in Appendix III.

The Plan expenditure on capital account (Rs. 1,47.37 crores) during 1982-83 rose by Rs. 8.64 crores over that (Rs. 1,38.73 crores) of the preceding year.

The increases were under Irrigation, Navigation, Drainage and Flood Control Projects (Rs. 15.57 crores), Roads and Bridges (Rs. 4.25 crores), Co-operation (Rs. 3.90 crores), Forests (Rs. 2.52 crores), Agriculture (Rs. 1.83 crores), Industrial Research and Development (Rs. 1.80 crores) and Public Works (Rs. 1.59 crores) partly offset by decreases under Consumer Industries (Rs. 23.09 crores) and Road and Water Transport Services (Rs. 4.08 crores). The provision during 1982-83 remained underutilised to the extent of 16 per cent. The underutilisation is dealt with in paragraph 1.13 under Plan Performance.

Under non-Plan also, there was underutilisation of provision to the extent of 63 per cent. The underutilisation (Rs. 5.68 crores) was mainly under General Economic Services (Rs. 3.39 crores), and Water and Power Development (Rs. 1.55 crores) partly offset by excess over provision under Industry and Minerals (Rs. 1.05 crores).

Compared to the preceding year, the expenditure during 1982-83 was less by Rs. 1.42 crores. The decrease occurred mainly under General Economic Services (Rs. 5.13 crores) partly offset by increase under Social and Community Services (Rs. 1.54 crores), Agriculture and Allied Services (Rs. 0.78 crore) and Industry and Minerals (Rs. 1.20 crores).

1.6. Loans and Advances by the State Government

(i) The actuals of disbursement of loans and advances by the State Government for 1982-83 as compared with (i) the budget estimates and (ii) the budget estimates plus supplementary provision along with the corresponding figures for 1980-81 and 1981-82 are given below:—

Year	Budget	Budget plus Supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
		(in crores of rupees)			
1980–81 ..	1,21.74	3,87.94	3,84.64	(—) 3.30	1
1981–82 ..	1,55.75	3,52.06	3,47.05	(—) 5.01	1
1982–83 ..	3,65.54	3,81.03	3,83.79	(+) 2.76	1

The increase (Rs. 2.76 crores) was mainly under Loans for Co-operation (Rs. 35.53 crores), Loans for Food (Rs. 26.50 crores), Loans to Government Servants, etc. (Rs. 8.90 crores), Loans for Social Security and Welfare (Rs. 7 crores), Loans for Consumer Industries (Rs. 5.02 crores), Loans for Machinery and Engineering Industries (Rs. 3 crores), Miscellaneous Loans (Rs. 2.83 crores), Loans for Minor Irrigation, Soil Conservation and Area Development (Rs. 2.29 crores) and Loans for Road and Water Transport Services (Rs. 1.01 crores) counter balanced by decrease under loans for Power Projects (Rs. 71 crores), Loans for Public Health, Sanitation and Water Supply (Rs. 10.09 crores) and loans for Urban Development (Rs. 9.59 crores).

(ii) The budget and actuals of recoveries of loans and advances for 3 years ending 1982-83 are given below:—

Year	Budget	Actuals	Variation between columns (3) and (2)	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)
		(in crores of rupees)		
1980–81 ..	45.41	1,31.28	(+) 85.87	189
1981–82 ..	34.73	1,96.42	(+) 1,61.69	466
1982–83 ..	41.55	1,06.46	(+) 64.91	156

The increase in recoveries was mainly under Loans for Co-operation (Rs. 26.03 crores), Loans to Government Servants (Rs. 9.10 crores), Loans for Social Security and Welfare (Rs. 8.14 crores), Loans for Road and Water Transport Services (Rs. 4.40 crores), Loans for Consumer Industries (Rs. 4.38 crores), Loans for Housing (Rs. 3.54 crores), Loans for Industrial Research and Development (Rs. 3.41 crores), Miscellaneous Loans (Rs. 2.84 crores) and Loans for Public Health, Sanitation and Water Supply (Rs. 1.98 crores).

(iii) The details of disbursement of loans and advances and recoveries made during the 3 years ending 1982-83 under different categories together with the outstandings at the beginning/end of each year are given in Appendix IV.

Further details are given in Statement Nos. 5 and 18 of Finance Accounts 1982-83.

(iv) *Recoveries in arrears.*—(a) Loans and advances, the detailed accounts of which are maintained by the Audit Office (amount outstanding as on 31st March 1983: Rs. 1,32.44 crores).

(i) In respect of this category of loans, recovery of Rs. 11,15.95 lakhs was pending at the end of March 1983. The particulars of amounts overdue loan-wise are given in Appendix V.

(ii) The arrears in respect of receipt of certificates of acceptance of balances as at the end of 31st March 1983 were as follows:—

	Number of certificates	*Balance of loans as on 31st March 1983*	*Year to which the outstanding certificates pertain*
(1)	(2)	(3)	(4)
		(in crores of rupees)	
Corporations ..	296	49.57	1980–83
Municipalities ..	2,453	53.95	1980–83
Panchayats	3,392	36.51	1980–83

(b) Loans and advances, the detailed accounts of which are maintained by the departmental officers (amount outstanding on 31st March 1983: Rs. 15,56.49 crores).

(i) The break-up of the outstanding of Rs. 15,56.49 crores is as under :—

	(in crores of rupees)
1. Loans for Power Projects	8,84.86
2. Loans for Co-operation	1,20.89
3. Loans for Food..	94.66
4. Loans for Public Health, Sanitation and Water Supply	75.73
5. Loans for Road and Water Transport Services	67.22
6. Loans for Housing	54.59
7. Loans to Government servants	48.59
8. Loans for Social Security and Welfare	43.94
9. Loans for Industrial Research and Development	37. 67
10. Loans for Urban Development	25.36
11. Loans for Agriculture	20.58
12. Loans for Industrial Purposes..	16.40
13. Loans for Village and Small Industries	14.10
14. Loans for Minor Irrigation, Soil Conservation and Area Development	9.27
15. Loans for Industrial Financial Institutions	8.12
16. Loans for Education, Art and Culture	4.44
17. Loans for Animal Husbandry, Dairy Development and Fisheries	4.41
18. Loans for other Miscellaneous Purposes	25.66
Total ..	15,56.49

The arrears position could not be indicated as the necessary information has not been furnished by the departmental officers as mentioned below :—

The annual statements due in the Audit Office every June showing the arrears in recovery of principal and interest were not received from many departmental officers as they had not reconciled their balances with the accounts figures from 1957-58. The matter was brought to the special notice of Government and reconciliation up to 31st March 1974 is in progress.

(ii) An Audit review (July 1983/August 1983) of the loan accounts maintained by the Director of Handlooms and Textiles/ Director of Animal Husbandry disclosed the following :—

(a) *Loans regulated by the Director of Handlooms and Textiles*

(i) *Non-raising of demands for recovery of loans and payment of interest.*—In the following cases, demands were not raised by the department in respect of loans, the repayment of which is required to be watched by it.

Serial number and name of the institution	*Loan (in lakhs of rupees)* / *Date of payment*	*Remarks*
(1)	(2)	(3)
1. Tamil Nadu Zari Limited ..	10.00 / Between February 1974 and July 1981	The loans were sanctioned for strengthening the financial position of the Government undertaking. No demands towards principal and interest, including penal interest, were raised by the department, even though the repayments were due from February 1979 onwards and the interest and penal interest were due to be paid from February 1975 onwards. The overdue principal as on 30th June 1983 amounted to Rs. 4.15 lakhs and interest, including penal interest, amounted to Rs. 6.34 lakhs.
2. Tamil Nadu Textiles Corporation Limited	60.00 / December 1981	The amount was paid as ways and means advance. No demands were raised towards interest, including penal interest, which amounted to Rs. 13.86 lakhs as on 30th June 1983.
3 Tamil Nadu Textiles Processing Mills Limited, Unit at Erode	13.50 / March 1979	Government obtained loan assistance from National Co-operative Development Corporation (NCDC) and passed on the same to the unit on the same conditions laid down by NCDC. The loan was repayable with interest in 11 years after a moratorium of 3 years. While Government had repaid Rs. 1.64 lakhs towards principal with interest (Rs. 6.35 lakhs)

Serial number and name of the institution	Loan (in lakhs of rupees) Date of payment	Remarks
(1)	(2)	(3)
		during February 1980 to February 1983 to NCDC, no demands had been raised by the department, against the unit. The over-dues from the unit to end of March 1983 were Rs. 1.23 lakhs towards principal and Rs. 6.75 lakhs towards interest.
4. Tamil Nadu Textile Processing Mills Limited, Unit at Erode	18.60 March 1979	The loan was paid for provision of processing facilities, out of the loan assistance obtained (March 1979) by the Government from Government of India which was repayable in 10 annual equal instalments. During March 1980 to March 1983, the State Government paid Rs. 2.92 lakhs as interest to Government of India on the loan obtained from it. The State Government had not laid down the terms and conditions of the loan paid to the unit. On this being pointed out by Audit (July 1980) the Director of Handlooms and Textiles had taken up the matter with Government in July 1983. Meanwhile no amount towards principal and interest has been paid by the unit.

(ii) In March 1975, Government directed that the Director of Handlooms and Textiles should carry out the reconciliation from April 1973 onwards, without waiting for the communication of closing balance as on 31st March 1973 from the Registrar of Co-operative Societies (who was previously in charge). However, reconciliation was in arrears (August 1983) for varying periods between 1973-74 and 1981-82.

Further, quarterly returns on the Demand, Collection and Balance (DCB) of the loans were to be submitted to Government by the Directorate. However, these returns had not been furnished by the Directorate in respect of 17 schemes (out of the total of 26 schemes) of loans and advances for the recovery of which the Director was responsible.

In the absence of reconciliation and due to non-preparation of periodical DCB reports, the department could not ensure whether all the loans disbursed and recoveries of loan instalments had been properly accounted for in the loan ledgers and demands raised for recovery of loan and interest without omission.

(b) Loans regulated by the Director of Animal Husbandry

(i) In respect of loans sanctioned under Intensive Cattle Development Project (ICDP) during 1965–66 to 1970–71@ the outstanding loans as at the end of March 1979 amounted to Rs. 19.88 lakhs; out of these, Rs. 0.91 lakh only had been recovered (5 per cent) during 3 years, leaving a balance of Rs. 18.97 lakhs as at the end of September 1982. Year-wise analysis of the overdue loans had not been done and interest due had not also been worked out by the department. In regard to loans under Poultry and Sheep schemes sanctioned during 1963-64 to 1968-69@, Rs. 5.96 lakhs (principal: Rs. 4.42 lakhs; interest: Rs. 1.54 lakhs) were overdue as on 31st March 1982, the period up to which information was available (August 1983) with the Directorate and no recovery had been made during the previous 3 yeads (1979–82). According to the progress reports submitted by the field offices, the recoveries were pending with the Revenue authorities under the Revenue Recovery Act, 1894.

(ii) The DCB review report of loans was last sent (February 1981) to Government by the Director for the half year ending 31st March 1980 in respect of loans under the ICDP and the Poultry and Sheep schemes. Similar reports were not sent to Government in respect of loans sanctioned (1976-78) under Hill Area Development Programme in which the overdues to end of 30th June 1983 amounted to Rs. 1.02 lakhs.

(iii) *Loans and advances to local bodies.*—The Examiner of Local Fund Accounts audits the accounts of local bodies and furnishes to Audit a consolidated certificate along with a statement showing irregularities. Cases of non-utilisation of loans and utilisation of loans for unauthorised purposes noticed by the Examiner for 1981-82 are mentioned in Appendix VI.

(iv) The detailed accounts of advances to cultivators and loans to Burma and Sri Lanka repatriates are maintained in the office of the Tahsildars and District Collectors.

@ Sanction of loans under these projects/schemes was discontinued after 1970-71/1968-69.

Recovery of loans granted by officers of development departments has also been entrusted to the Tahsildars. A test check by Audit in 1982-83 of the accounts of loans maintained in these offices indicated the following position:—

	Amount (in lakhs or rupees)
1. Alleged misappropriation by village officers and others	1.33
2. Non-recovery of loans ordered for summary recovery	17.04
3. Irregular sanction of loans	1.45
4. Omission to verify utilisation of loans	0.81
5. Summary recovery to be ordered	0.16
6. Irregular write-off of loans	45.00

1.7. Sources and application of funds

The revenue surplus and the receipts from borrowings during the year were utilised for financing capital expenditure and increased lending for development and other purposes as detailed below:—

Sources	(rupees in crores)
Revenue Surplus	1,01.94
Increase in Internal Debt	37.78
Additional loans from Government of India	1,20.71
Increase in Small Savings, Provident Funds, etc.	45.87
Increase in Reserve Funds	10.15
Cash balances	7.27
Increase in balances under Public Account	1,04.35
Net contributions from Contingency Fund	0.01
	4,28.08
Application	
Lending for Development and other purposes	2,77.33
Net Capital expenditure	1,50.75
	4,28.08

1.8. Debt position

Public Debt.—The total public debt of Government increased by Rs. 1,58.49 crores in 1982–83 as shown below:—

	Receipts during the year	*Repayments during the year*	*Net increase (+)*
(1)	(2)	(3)	(4)
	(in crores of rupees)		
1. Internal debt of the State Government ..	3,62.71	3,24.93	(+) 37.78
2. Loans and Advances from the Central Government	2,08.57	87.86	(+) 1,20.71
Total ..	5,71.28	4,12.79	(+) 1,58.49

The outstanding public debt at the end of 1982-83 was Rs. 16,30.18 crores. An analysis of the debt compared with the corresponding figures for the preceding two years is given below:—

	Total public debt on 31st March		
	1981	1982	1983
	(in crores of rupees)		
(1)	(2)	(3)	(4)
1. Internal debt of the State Government ..	3,56.18	3,79.40	4,17.18
2. Loans and Advances from the Central Government	9,85.25	10,92.29	12,13.00
Total ..	13,41.43	14,71.69	16,30.18

Under the Andhra State Act, 1953, the outstanding public debt of the composite Madras State on 30th September 1953 was allocable among the successor States in the ratio of capital expenditure incurred in the respective areas. Pending determination of the capital expenditure in the respective areas, the liability was provisionally shared in the population ratio.

Similarly, on the re-organisation of States, the outstanding public debt of Madras State on 31st October 1956, which was to be allocated among the successor States in the ratio of capital expenditure in the respective areas, under the State Reorganisation Act, 1956, was also shared provisionally in the population ratio pending determination of the ratio of capital expenditure.

(a) *Permanent Debt.*—During the year, a loan of Rs. 35.49 crores carrying 7½ per cent interest (redeemable at par in 1997) was raised. No land ceiling compensation bonds were issued during the year; repayments during the year against the bonds issued earlier were Rs. 0.58 crore.

(b) *Ways and means advances and overdrafts from the Reserve Bank of India.*—Under an agreement with the Reserve Bank of India, Government of Tamil Nadu have to maintain with the Bank a minimum balance of Rs. 1,10 lakhs on all the days. If the cash balance falls below the agreed minimum, the deficiency is made good either by selling Treasury Bills or by taking ordinary ways and means advances from the Bank. These are limited to a maximum of Rs. 22,00 lakhs up to 30th June 1982 and Rs. 44,00 lakhs with effect from 1st July 1982. In addition, special ways and means advances not exceeding Rs. 11,00 lakhs up to 30th June 1982 and Rs. 22,00 lakhs from 1st July 1982 are also made available whenever necessary. If even after the maximum advance is given, there is a shortfall in the minimum cash balance, the shortfall is left uncovered. Overdrafts are given by the Bank, if the State has a minus balance after availing of the maximum advance.

Interest is payable on the advances, shortfalls and overdrafts. The advances carry interest at one per cent below the Bank Rate for the first 90 days, one per cent above the Bank Rate beyond 90 days and up to 180 days and 2 per cent above the Bank Rate beyond 180 days. The Bank charges interest on the shortfalls in the minimum balance at one per cent below the Bank Rate and on overdrafts at the Bank Rate up to and including the 7th day and at 3 per cent above the Bank Rate thereafter.

During the year, the balance of the State Government with the Reserve Bank of India, fell short of the agreed minimum on 73 days. The deficiency was made good by taking ways and means advances on 61 occasions and special ways and means advances on 12 occasions. The total amount of advances obtained during the year was Rs. 3,14.88 crores and Rs. 3,01.72 crores were repaid during the year, leaving a balance of Rs. 13.16 crores outstanding on 31st March 1983.

The interest paid to the Bank on the ways and means advances during the year 1982-83 was Rs. 89.64 lakhs.

(c) *Loans from Government of India.*—The balance of Rs. 12,13.00 crores outstanding on 31st March 1983 formed 74 per cent of the total public debt (Rs. 16,30.18 crores).

1.9. Other debt and obligations

In addition to public debt, small savings, provident funds, etc., balances at the credit of certain earmarked and other funds and certain deposits to the extent to which they have not been invested, but are merged with the cash balance also constitute liability of Government. The amounts of such liability at the end of 1980–81, 1981–82 and 1982–83 are given below :—

(1)	*Liability on 31st March* 1981 (2)	1982 (3)	1983 (4)
	(in crores of rupees)		
Small Savings, Provident Funds, etc. ..	73.75	89.99	1,35.86
Interest bearing obligations (such as, depreciation reserve funds of commercial undertakings, other deposits, etc.)	1,18.00	1,45.59	1,76.46
Non-interest bearing obligations (such as, deposits of local funds, civil deposits, earmarked funds, etc.)	1,90.90	2,19.58	2,53.18
Total ..	3,82.65	4,55.16	5,65.50

1.10. Service of debt

The net burden of interest charges on debt and other obligations on revenue is given below :—

(1)	1980–81 (2)	1981–82 (3)	1982–83 (4)
	(in crores of rupees)		
Public debt outstanding at the end of the year	13,41.43	14,71.69	16,30.18
Small Savings, Provident Funds, etc., and other obligations at the end of the year	3,82.65	4,55.16	5,65.50
(i) Interest paid by Government—			
(*a*) On public debt and small savings, provident funds, etc.	86.02	85.02	94.30
(*b*) Other obligations	5.03	7.00	7.11
Total ..	91.05	92.02	1,01.41

(1)	1980-81 (2)	1981-82 (3)	1982-83 (4)
	(in crores of rupees)		
(ii) Deduct—			
(*a*) Interest on loans and advances given by Government	1,14.06	24.37	23.06
(*b*) Interest realised on investment and cash balances	2.99	0.91	0.97
(iii) Net amount of interest charges	(—) 26.00	66.74	77.38
Percentage of gross interest (item (i) to total revenue receipts)	7.11	6.38	6.05
Percentage of net interest (item (iii) to total revenue receipts)	..	4.62	4.62

There were, in addition, certain other receipts and adjustments totalling Rs. 24.33 crores, such as, interest received from commercial departments, etc. If these are also taken into account, the net burden of interest on the revenue will be Rs. 53.05 crores.

The State Government also received during the year Rs. 1,20.28 lakhs as dividend on investments in commercial undertakings, etc.

1.11. Guarantees

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

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

based on the available information are given below (further details are given in Statement No. 6 of the Finance Accounts, 1982-83).

Body on whose behalf guarantee was given	*Maximum amount guaranteed*	*Sums guaranteed outstanding on 31st March 1983*
(1)	(2)	(3)
	(in crores of rupees)	
Statutory Corporations and Boards	5,56.75	3,94.49
Government Companies	1,63.55	1,30.87
Co-operative Institutions	6,37.66	1,17.64
Joint Stock Companies	0.20	0.20
Other Institutions	2.70	2.43
Total ..	13,60.86	6,45.63

(ii) The maximum amounts guaranteed and the sums outstanding to end of March 1983 indicated above include the guarantees given by Government on behalf of certain statutory corporations / boards under the provisions of various statutes as mentioned below :—

	Maximum amount guaranteed	*Sums guaranteed outstanding on 31st March 1983*
(1)	(2)	(3)
	(in crores of rupees)	
Tamil Nadu Electricity Board	4,17.07	2,76.07
Tamil Nadu Housing Board	38.06	38.06
Madras City Municipal Corporation	25.02	25.02
Madras Metropolitan Water Supply and Sewerage Board	3.85	3.85
Tamil Nadu Water Supply and Drainage Board ..	72.75	51.47

(iii) In consideration of the guarantee given by Government, the institutions are, in some cases, required to pay guarantee commission. As on 31st March 1983, a sum of Rs. 45.59 lakhs was due to Government towards guarantee commission, from Tamil

Nadu Civil Supplies Corporation Limited (Rs. 44.26 lakhs), Tamil Nadu Mopeds Limited (Rs. 0.64 lakh), Tamil Nadu Textile Corporation Limited (Rs. 0.27 lakh), Tamil Nadu Sugarcane Farm Corporation Limited (Rs. 0.12 lakh), Cholan Roadways Corporation Limited (Rs. 0.09 lakh), Tamil Nadu Fisheries Development Corporation Limited (Rs. 0.08 lakh), Tamil Nadu Cement Corporation Limited (Rs. 0.07 lakh), Tamil Nadu Ceramics Limited (Rs. 0.04 lakh), and Thanthai Periyar Transport Corporation Limited (Rs. 0.02 lakh).

(iv) Particulars of amounts paid by the State Government during the last five years in pursuance of guarantees are given below :—

Year.	Payments on behalf of	
	Ryots	Others
(1)	(2)	(3)
	(in lakhs of rupees)	
1978-79	0.96	1,12.00
1979-80	..	..
1980-81	..	..
1981-82	1.11	1,22.86
1982-83	..	2,28.93

1.12. Investments

In 1982-83, Government invested Rs. 32.41 crores in the shares of one Statutory Corporation (Rs. 0.25 crore), 17 Government Companies (Rs. 19.25 crores), Co-operative institutions (Rs. 12.91 crores) and advanced loans amounting to Rs. 48.76 crores to 17 Government companies (Rs. 11.40 crores) and Co-operative institutions (Rs. 37.36 crores).

At the end of 1982-83, the total investment of Government in the share capital of different concerns was Rs. 2,87.28 crores and the total amount of loan outstanding was Rs. 1,81.39 crores.

Dividend/interest received during 1982-83 was Rs. 86.03 lakhs/ Rs. 5,95.87 lakhs, as indicated below :—

Categories of bodies	Investments				Dividend/ interest received during the year (percentage of return on cumulative investments in brackets)
	During 1982–83		As at the end of 1982–83		
	Number of bodies	Amount	Number of bodies	Amount	
(1)	(2)	(3)	(4)	(5)	(6)
		(amount in lakhs of rupees)			
(i) Statutory Corporation—					
(a) Shares	1	25.00	1	2,20.50	9.02 (4.09)
(b) Loans	..	..	1	6.00	..
(c) Total	..	25.00	..	2,26.50	9.02
(ii) Government Companies—					
(a) Shares	17	19,24.88	56	1,82,57.41	15.18 (0.08)
(b) Loans	17	11,39.90	36	1,02,37.12	..
(c) Total	..	30,64.78	..	2,84,94.53	15.18
(iii) Joint Stock Companies—					
(a) Shares	..	..	7	11,82.96	6.11 (0.52)
(b) Loans	..	..	..	..	..
(c) Total	..	..	..	11,82.96	6.11
(iv) Co-operative Institutions—					
(a) Shares	..	12,91.04	9,720	90,66.85	55.72 (0.61)
(b) Loans	..	37,35.87	6,648	78,95.66	5,95.87 (7.55)
(c) Total	..	50,26.91	..	1,69,62.51	6,51.59
Grand Total	..	81,16.69	..	4,68,66.50	6,81.90

1.13. Plan Performance

Against a total provision of Rs. 5,61.10 crores under Revenue and Rs. 1,74.78 crores under Capital for Plan schemes during 1982-83, expenditure of Rs. 3,97.72 crores and Rs. 1,47.37 crores respectively was incurred. The shortfall was 29 per cent under revenue and 16 per cent under capital.

The shortfall in the revenue expenditure was mainly under Social Security and Welfare (Rs. 31.98 crores), Education (Rs. 22.83 crores), Medical (Rs. 8.22 crores), Public Health, Sanitation and Water Supply (Rs. 7.47 crores) and Labour and Employment (Rs. 4.92 crores) under the Sector "Social and Community Services", Food (Rs. 51.47 crores), Roads and Bridges (Rs. 12.85 crores), Agriculture (Rs. 11.95 crores) and Irrigation, Navigation, Drainage and Flood Control Projects (Rs. 5.31 crores) under the Sector "Economic Services". The shortfall under Education, Social Security and Welfare and Food was mainly due to transfer to non-plan, the expenditure on Chief Minister's Nutritious Noon Meal Scheme, the provision for which was made originally under Plan in the Budget. Reasons for the shortfall in other cases are awaited from Government.

The shortfall in capital expenditure was mainly under Public Works (Rs. 2.89 crores) under the Sector "General Services", Medical (Rs. 4.89 crores) under the sector "Social and Community Services", Irrigation, Navigation, Drainage and Flood Control Projects (Rs. 6.60 crores), Ports, Lighthouses and Shipping (Rs. 6.23 crores) and Agriculture (Rs. 2.72 crores) under the Sector "Economic Services". Reasons for the shortfall are awaited from Government.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

During the year 1982-83, out of Rs. 12,85.44 crores and Rs. 5,35.53 crores voted under 47 Revenue and 9 Capital grants in the Budget, further enhanced by Rs. 3,25.68 crores and Rs. 33.97 crores voted as supplementary grants and Rs. 70.00 crores authorised by the Tamil Nadu Contingency Fund (Second Amendment) Act 1982 and the Tamil Nadu Contingency Fund (Third Amendment) Act, 1982 under "Transfer to Contingency Fund" during the year, there was saving of Rs. 1,36.37 crores (10.4 per cent) and excess of Rs. 6.45 crores (2.1 per cent) under 38 and 9 Revenue grants respectively and saving of Rs. 26.55 crores (16.3 per cent) and excess of Rs. 3.04 crores (0.7 per cent) under 7 and 2 Capital grants respectively. The provision for expenditure to be charged on Consolidated Fund was Rs. 1,36.46 crores under Revenue appropriation enhanced by Rs. 5.84 crores by supplementary appropriation and Rs. 1,81.19 crores under Capital appropriation further enhanced by Rs. 3,05.72 crores by supplementary provision; there was saving of Rs. 3.65 crores (2.6 per cent) and excess of Rs. 0.04 crore (9.9 per cent) under 28 and 3 charged Revenue appropriations respectively and saving of Rs. 74.04 crores (15.2 per cent) and excess of Rs. 523 under 5 and 1 Capital appropriation respectively. The details are given in Appendix VII.

In the following grants/appropriations, the excess or saving in expenditure (of not less than Rs. 10.00 lakhs) was more than 10 per cent of the total sanctioned provision (voted or charged). The details of the schemes, programmes or objectives affected by

the excess/saving as also the reason for excess/saving, where available are given below :-

Serial number and number and name of grant/appropriation	*Amount of grant/ appropriation Original (O) Supplementary (S) Total (T)*	*Expenditure*	*Excess(+) Saving(—) (Percentage to total provision in brackets)*
(1)	(2)	(3)	(4)
	(in crores of rupees)		
Revenue—Voted			
(i) 1. Land Revenue Department	12.07(*O*) 0.02(*S*) 12.09(*T*)	9.07	(—) 3.02 (25)

Saving was mainly due to underutilisation of provision to the extent of Rs. 4.17 crores made for updating the land records in the State by introducing a simplified system of supplemental survey to reflect the actual state of things on ground owing to belated non-establishment of sanctioned units and non-filling up of posts in established units.

(ii) 20. Agriculture	82.99(*O*) 0.74(*S*) 83.73(*T*)	67.46	(—) 16.27 (19)

Underutilisation of provision was mainly due to reclassification of expenditure on Integrated Rural Development Programme under "314. B. AK. II. JB" in Grant No. 28 and on formation of roads in sugar factory areas under "537. A. AC. II. JB" in Grant No. 52.

(iii) 34. Urban Development ..	24.16(*O*) 0.50(*S*) 24.66(*T*)	2.43	(—) 22.23 (90)

Saving was mainly due to non-utilisation of the entire provision of Rs. 21.81 crores made for transfer to the Urban Development Fund as necessary sanction therefor was not issued by Government during the year. Saving of Rs. 21.80 crores occurred during 1981-82 also for the same reason.

(iv) 36. Irrigation	36.02(*O*) 7.49(*S*) 43.51(*T*)	38.95	(—) 4.56 (11)

Saving was due to non-utilisation of Rs. 5.47 crores out of the supplementary grant of Rs. 6.00 crores made in March 1983, for deepening and repair of tanks in drought affected areas. Reasons for the saving have not been communicated (December 1983).

Serial number and number and name of grant/appropriation	*Amount of grant/ appropriation Original (O) Supplementary (S) Total (T)*	*Expenditure*	*Excess(+) Saving (—) (Percentage to total provision in brackets)*
(1)	(2)	(3)	(4)
	(in crores of rupees)		
(v) 37. Public Works—Buildings ..	4.71(O) 2.24(S) 6.95(T)	4.84	(—) 2.11 (30)

Saving was due to non-utilisation of provision under "259. A. A. I. AP. *Add*—Establishment charges transferred from major head "259. Public Works" on pro-rata basis" owing to inclusion of Establishment charges in Grant No. 38.

(vi) 41. Relief on account of Natural Calamities	0.42(S)	0.53	(+) 0.11 (26)

Excess occurred mainly under "289. B. Gratuitous Relief—cash doles to persons affected in fire accident". Reasons for the excess have not been communicated (December 1983).

(vii) 43. Miscellaneous	90.73(O)	45.93	(—) 44.80 (49)

Saving was due to non-utilisation of the entire lumpsum provision of Rs. 48.00 crores made for unforeseen expenditure. Reasons for the saving have not been communicated (December 1983).

Capital—Voted

(viii) 48. Capital Outlay on Agriculture	7.00(O) 0.62(S) 7.62(T)	4.67	(—) 2.95 (39)

Under utilisation of provision was mainly under (i) "505.A.AC. I. AA. Purchase and distribution of chemical fertilisers" (Rs. 1,00.35 lakhs), (ii) "505. A. AA. II. JA. Establishment of State Seed Farms" (Rs. 45.88 lakhs) and (iii) "505. A. AA. II. JC. Seed Processing Units" (Rs. 42.90 lakhs). Saving under (ii) was due to not taking possession of certain lands from Revenue Department and from Tiruchendur Devasthanam and saving under (iii) was due to non-finalisation of site. Reasons for the saving under (i) have not been communicated (December 1983).

(ix) 50. Capital Outlay on Irrigation	42.72(O) 4.25(S) 46.97(T)	39.49	(—) 7.48 (16)

Under utilisation of provision was mainly under (i) "533.A. AD. II. JD. *Add*—Percentage charges for Establishment transferred from major head 259. Public Works" (Rs. 3,54.37 lakhs), (ii) "533. A. BP. II. JC. Canals" (Rs. 1,48.67 lakhs) and (iii) "533. A. AD. I. AC. Public Works Workshop" (Rs. 1,30.75 lakhs). Saving under (i) was due to adjustment of percentage charges for Establishment transferred from major head "259. Public Works" under the respective project heads and saving under (ii) was mainly due to non-execution of works, belated receipt of tenders and non-finalisation of revised tenders and land acquisition. Saving under (iii) was partly (Rs. 7.79 lakhs) due to non-execution of special repairs to Dozers for want of spare parts, non-supply of uniform, non-purchase of furniture and non-filling up of posts; reasons for the balance saving of Rs. 1,22.96 lakhs have not been communicated (December 1983).

Serial number and number and name of grant/appropriation	*Amount of grant/ appropriation Original (O) Supplementary (S) Total (T)*	*Expenditure*	*Excess(+) Saving (—) (Percentage to total provision in brackets)*
(1)	(2)	(3)	(4)
	(in crores of rupees)		
(x) 51. Capital Outlay on Public Works—Buildings	37.21(O) 0.84(S) 38.05(T)	31.25	(—) 6.80 (18)

Saving of Rs. 4.64 crores occurred under "480. A. AB. II. JA. Buildings" (Rs. 3.24 crores), "459. AA. II. JN. Commercial Taxes" (Rs. 0.71 crore) and "459.AA. II. JC. Land Revenue" (Rs. 0.69 crore) due mainly to non-availability of site, want of revised administrative sanction, shortage of cement and deferring of some works. Reasons for the saving of Rs. 2.06 crores under "483. A. AD. AC. Upgradation of Standards of Administration Recommended by Seventh Finance Commission" (Rs. 0.60 crore), "459. AA. II. JC. Administration of Justice" (Rs. 0.57 crore), "459. AA. I. AX. Upgradation of Standards of Administration recommended by Seventh Finance Commission" (Rs. 0.48 crore) and "477. AD. II. JA. Building" (Rs. 0.41 crore) have not been communicated (December 1983).

(xi) 53. Capital Outlay on Road Transport Services and Shipping .	6.88(O)	0.75	(—) 6.13 (89)

Provision of Rs. 6.00 crores made for investment in Poompuhar Shipping Corporation Limited for acquisition of bulk carriers remained wholly unutilised due to non-receipt of approval of Government of India for the proposed purchase of ships by the Poompuhar Shipping Corporation Limited.

A saving of Rs. 2.00 crores occurred under this head during 1981-82 also for similar reasons.

Serial number and number and name of grant/appropriation	*Amount of grant/ appropriation Original (O) Supplementary (S) Total (T)*	*Expenditure*	*Excess (+) Saving (—) (Percentage to total provision in brackets)*
(1)	(2)	(3)	(4)
	(in crores of rupees)		
Revenue--*Charged*			
(xii) 31. Welfare of the Scheduled Tribes and castes, etc.	0.02(O) 0.14(S) 0.16(T)	0.03	(—) 0.13 (81)

Provision of Rs. 2 lakhs made in the Budget estimate under "288. C. AB. II. JP. House-sites for Adi-Dravidars" was enhanced by Rs. 13.96 lakhs in Supplementary estimates to accommodate payment of enhanced compensation for land acquired. Reasons for the final saving have not been communicated (December 1983).

Capital—*Charged*			
(xiii) Public Debt Repayment ..	1,81.09(O) 3,05.61(S) 4,86.70(T)	4,12.79	(—) 73.91 (15)

Saving, which occurred mainly under "603. AD. AA. Ways and Means Advances from Reserve Bank of India", was on account of short-term borrowings from the Reserve Bank of India being less than anticipated.

2. 2. Excess over grants /charged appropriations requiring regularisation

The excess expenditure of Rs. 9.49 crores over voted grants and Rs. 0.04 crore over charged appropriation in 11 grants and 4 appropriations respectively under Revenue, referred to in paragraph 2.1 requires regularisation under Article 205 of the Constitution. One case is mentioned at item (vi) in paragraph 2.1 and the remaining cases are included in Appendix VIII.

Excess over grants/appropriations relating to the years 1975-76 to 1981-82 also remain to be regularised.

2. 3. Supplementary grants/charged appropriations

Supplementary provision of Rs. 6,71.21 crores (31 per cent of the original provision of Rs. 21,38.62 crores) were obtained during the year. Rupees 3,25.68 crores were to augment revenue expenditure under 47 grants and Rs. 33.97 crores to augment capital ex-

penditure under 9 grants. Similarly Rs. 5.84 crores and Rs. 3,05.72 crores were to augment revenue and capital expenditure under 15 and 4 charged appropriations respectively.

The grants/appropriations with savings of more than 10 per cent of the total provision are mentioned in paragraph 2.1. The remaining cases of grants/appropriations where, after supplementary provisions (in excess of Rs. 10.00 lakhs) were obtained, there was notable saving in the original grant/appropriation at the end of the year, or saving in the total provision by more than 2 per cent or Rs. 10.00 lakhs, whichever is more are detailed in Appendix IX.

In 9 cases, supplementary grants of Rs. 32.84 crores proved inadequate and the final uncovered excess was Rs. 8.92 crores. In one case, supplementary charged appropriation of Rs. 33.05 lakhs proved inadequate and the final uncovered excess was Rs. 3.46 lakhs —*vide* details in Appendix IX.

2.4. Unutilised provision

(i) Rupees 2,40.60 crores remained unutilised in 45 grants (Rs. 1.62.92 crores) and 33 charged appropriations (Rs. 77.68 crores).

(ii) In 10 grants and 2 charged appropriations, the saving was more than 10 per cent of the provision. The details of the grants and the charged appropriations have been given in paragraph 2.1.

(iii) Details of Budget provision and utilisation thereof under the various sectors|sub-sectors during the years 1980-81, 1981-82 and 1982-83 are given in Appendix X.

There was shortfall in utilisation of the provision (up to 53 per cent) under all sectors/sub-sectors in all the three years except the sector "A. General Services" and sub-sector "Transport and Communications" in 1980-81 and sub-sector "Industry and Minerals" in 1981-82.

(iv) A case study of schemes where there was marked underutilisation of the Budget provision in 1982-83 indicated the following:—

(a) Grant No. 1—Land Revenue

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(in lakhs of rupees)	
229. A. AC. I. AO. Updating Registry	5,46.39	4,18.82

The provision was for updating land records in the State by introducing a simplified system of supplemental survey to reflect the actual state of things on ground. As against 80 new units sanctioned by Government (September 1982), only 52 units were established during 1982-83 in batches in November, December 1982 and January 1983 and anticipated saving of Rs. 4,18.82 lakhs was surrendered. There, however, occurred an excess of Rs. 1.60 lakhs on the resultant provision.

(b) Grant No. 2—State Excise Department

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(in lakhs of rupees)	
239. AA. I. AA. Headquarters Establishment Board Office	1,37.11	92.46

The provision under this head included Rs. 1,00.00 lakhs towards publicity campaign against evils of drinks. Proposals for publicity campaign submitted (May 1982) by the Commissioner of Prohibition and Excise were turned down (November 1982) by Government on the ground that the cost of organisational set up (Rs. 45.00 lakhs) provided therein was on the high side. Revised proposals were not submitted by the Commissioner during the year and Rs. 92.46 lakhs were surrendered.

(c) Grant No. 15—Police

255. A. AG. I. AD. Creation of Commissioner Office at Madurai and Coimbatore .., ...	1,50.00	1,49.70

The provision was for introduction of Metropolitan Police System in Madurai and Coimbatore. The Special Officer appointed (June 1982) by Government to formulate the scheme submitted his proposals in December 1982. Two Officers posted (January 1983) for scrutiny of those proposals gave their report in April 1983. Consequently the scheme was not implemented during the year, resulting in surrender of provision of Rs. 1,49.70 lakhs.

(d) Grant No. 17—Education

277. A. AC. I. AC. Panchayat Union Councils ..	6,00.00	5,26.09

Consequent on absorption in Government service from June 1981, of the teachers working in Panchayat Union Schools, provision was made under this head for meeting salaries of certain non-teaching staff in those schools. The amount was to be released to the panchayat unions by the Director of School Education, based on entitlement statements to be furnished by the Director of Rural Development. The Director of School Education released during the year Rs. 73.96 lakhs only to the panchayat unions at 50 per cent

of the amount released during 1981-82 as requested by the Director of Rural Development, pending receipt of clarification from Government. The surrender was due partly to non-release of balance 50 per cent of assistance and partly to excessive provision in the Budget.

(e) Grant No. 18—Medical

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(in lakhs of rupees)	
(i) 280. A. AB. III. SC. Leprosy Control ..	47.53	42.14

The original provision of Rs. 36.31 lakhs further augmented by supplementary grant of Rs. 11.22 lakhs (Rs. 4.93 lakhs in October 1982 and Rs. 6.29 lakhs in March 1983) was to cover the revised physical targets fixed by Government of India in January 1980 for 1979-80 and 1980-81 for establishment of new units. Out of 29 buildings for temporary hospitalisation wards (22), old leprosy control units (6) and leprosy rehabilitation promotion unit (1) targeted for construction for those years, only 26 were taken up and even these were under different stages of construction (March 1983). The surrender of provision was mainly due to slow progess in construction of buildings and consequent non-purchase of machinery, non-appointment of staff, etc., sanctioned for those wards and units.

(ii) 280. B. AD. II. JQ. Siddha Wings in Primary Health Centres	58.79	31.70

The provision was for providing Siddha System of medical relief to the rural public by opening Siddha Wing in Primary Health Centres (PHCs). Out of 210 PHCs proposed to be covered during 1981-82 and 1982-83, Siddha Wing was opened (March 1983) only in 121 PHCs, due to dearth of doctors in Siddha System, resulting in saving.

(f) Grant No. 19—Public Health

(i) 281. AG. III. SL. DANIDA Project	2,84.53	2,67.56
(ii) 281. AG. III. SQ. In-service Training and Manpower Development under DANIDA Project ..	70.00	66.47

The provision in the above two cases was made for implementing schemes for improvement of health care and family welfare of the rural population in the districts of Salem and South Arcot, with assistance from DANIDA. The savings were due to the delay in getting clearance of the schemes by the various committees as prescribed by DANIDA authorities.

(iii) 280. A. AB. II. KO. Upgrading of Primary Health Centres	1,11.54	1,11.54

The provision was for meeting expenditure for upgrading 30 PHCs sanctioned by Government in June 1981/April 1982. Construction of buildings for wards, operation theatres and X-ray block (estimated cost: Rs. 1,40.32 lakhs) sanctioned by Government in September 1981/April 1982 were not taken up/were not completed (March 1983) by the Public Works Department due to non/delayed handing over of sites, resulting in the surrender of entire provision for revenue expenditure. Saving of the entire provision of Rs. 33.00 lakhs occurred during the previous year also for the same reason.

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(in lakhs of rupees)	
(iv) 282. B. AB. II. JI. Madras Water Supply Project ..	2,50.00	2,50.00

Provision was made for payment as grants-in-aid to Madras Metropolitan Water Supply and Sewerage Board for the Cauvery (Kattalai) Water Supply Scheme for augmenting water supply to Madras City. The surrender of the entire provision was due to a post Budget decision by Government to defer the scheme.

(v) 282. A. AB. VI. UC. Malaria control—Urban Malaria Scheme	38.00	25.44

The provision was mainly for the purchase of Malaria Larvicidal oil required for Urban Malaria Scheme under National Malaria Eradication Programme. The saving was mainly due to non-lifting of the oil from Indian Oil Corporation by one corporation and six municipalities due reportedly to lack of adequate storage facilities with them.

(g) Grant No. 20—Agriculture

305. AAAJ. AB. Regional and District Staff ..	1,26.96	88·51

While sanctioning (August 1981) a new project called "Training and Visit System", with a view to achieving early and sustained increase in agricultural production through reorganisation and strengthening of the extension services of the Agriculture Department, Government ordered that the project should be implemented by deploying the existing staff of the department. The provision under this head was, however, made without taking into account the reduction of expenditure that would arise on account of diversion of the existing staff for implementing the new project. The saving was thus due to excessive provision in the Budget.

(h) Grant No. 48—Capital Outlay on Agriculture

505. A. AA. II. JC. Seed Processing of units	48.94	38.05

The provision was for construction of 5 machine halls with seed godowns and purchase of 5 seed cleaners and 8 diesel generators for the 5 new seed processing units sanctioned in July 1981/June 1982. The saving was due to construction of machine halls not taken up by Public Works Department owing to non-finalisation of tenders (Rs. 29.08 lakhs), non-supply of 2 seed cleaners by the supplier (Rs. 1.40 lakhs) and belated finalisation of tenders for purchase of diesel generators (Rs. 7.57 lakhs).

(*i*) Grant No. 50—Capital Outlay on Irrigation

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(in lakhs of rupees)	
(i) 533. A. Irrigation Project (Commercial)—		
AG. Periyar Project—II. State Plan Schemes in the Sixth Five Year Plan—		
JB. Dam and Appurtenant Works	55.00	40.75

Provision was made for R.C.C. backing work in Periyar Dam. The work was sanctioned by Government in April 1982 and technical sanction was also accorded in the same month. Tenders for the work sent to Government for acceptance in July 1982 were rejected and returned in November 1982 with instructions to the Chief Engineer to split up the work. Revised tenders were accepted by Government in March 1983 only. As no work could be done before the end of the financial year due to delay in fixing up the agency, Rs. 40.75 lakhs were surrendered.

(ii) 533. Capital Outlay		
A. Irrigation Project (Commercial)		
A.V. Kodaganar Scheme—		
JA. Canals	27.00	25.89
JC. Reservoir	25.50	24.74
JD. Spillway	11.30	11.30

Provision was made for reconstruction of the Dam and canal which were affected by November 1977 floods. Government called for a report from the Chief Engineer (Irrigation) in June 1982 regarding reconstruction of the breached portion of the Dam in the same location or elsewhere and the possibility of providing drinking water supply also from the canal to Dindigul and Vedasandur without in anyway affecting irrigation. As the proposals were sent to Government by CE (I) only on 29th March 1983 and no work could be done, substantial surrender was made.

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(In lakhs of rupees)	
(iii) 533. A. Irrigation Project (Commercial)		
BD. Modernising Vaigai Channels		
JF. Canals	51.05	49.67

Proposals for sanctioning the scheme were sent to Government by the Chief Engineer in July 1982 and simultaneously the concurrence of the Collector was sought for as the scheme involved land acquisition. The Collector did not recommend (November 1982) the proposals in view of strong opposition by land owners to the acquisition of land. Government called for the remarks of the Chief Engineer on the views of the Collector in December 1982. The whole scheme had therefore to be reviewed by the Chief Engineer and revised proposals were sent to Government only in August 1983. Meanwhile the amount of Rs. 49.67 lakhs was surrendered.

Similarly a sum of Rs. 45.42 lakhs had been surrendered in 1981-82 under "JF. Canals" for want of sanction from Government and non-finalisation of plans and estimates.

(iv) 533. A. Irrigation Project (Commercial)		
CL. Nagavathi Reservoir Scheme		
JA. Dam and Appurteant works	47.00	29.25
JB. Spill way	16.00	16.00
JD. Canals	31.00	21.00

JA. Dam and Appurtenant works.—Saving was due to non-completion of work as the land was not available and cement indented for the work was not supplied due to power cut.

JB. Spillway.—The surrender under this head was due to reclassification of the expenditure on construction of weirs under "JA. Dam and Appurtenant Works".

JD. Canals.—Surrender was attributed to (i) delay in excavation in canal work due to belated settling of agency in March 1983 and consequential delay in bridge work and plantation works, (ii) land being not available in view of the land owners refusing to give consent to part with their lands and (iii) non-receipt of cement indented for in full.

(v) 533. A. Irrigation Project (Commercial)		
CM. Formation of an anicut across Ponniar near Ichambadi		
JB. Barrage	60.00	53.05

The scheme was sanctioned by Government in March 1980. The design and drawings were sent by Superintending Engineer to the Chief Engineer (Irrigation) in July 1980. After correspondence and inspection in June 1982, the designs of the dam were changed. Revised designs and drawings were approved by the Chief Engineer (Irrigation) only in May 1983 and consequently major portion of the provision was surrendered.

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(in lakhs of rupees)	
(vi) 533. A. Irrigation Project (Commercial)		
CN. Formation of reservoir across Thoppiar		
JB. Spill way	81.00	81.00
JD. Canal	68.58	39.58

In both the cases, Budget provision was made in anticipation of approval of designs and provision of staff.

JB. Spillway.—Though the scheme was sanctioned in April 1980 and the design for surplus regulator was sent by Superintending Engineer to Chief Engineer (Irrigation) in October 1980, the site was re-examined and the type of the foundations was decided only in January 1983. No work was done in the year and hence the entire provision was surrendered.

JD. Canals.—A second division sanctioned by Government in November 1982 for executing the canal works was formed in January 1983 only. Hence there was a surrender of Rs. 39.58 lakhs.

(*j*) Grant No. 51—Capital Outlay on Public Works—Buildings

(i) 459. AC. II. JG. Administration of Justice ..	1,09.39	64.33

Saving was the net result of surrender of Rs. 76.39 lakhs under 5 estimates detailed below and increase of Rs. 12.06 lakhs under other items.

(*a*) Construction of buildings for civil and criminal courts in Medical College Campus at Palayamcottai.

Total grant: Rs. 30.00 lakhs ;

Surrender : Rs. 7.40 lakhs.

The estimate was sanctioned in 1981-82. The saving was attributed to non-availability of cement and belated commencement of work (June 1982) after deciding the agency.

(*b*) Construction of Court buildings for Chief Judicial Magistrate, II Class Magistrate and Sub-divisional Magistrate offices at Erode.

Total grant: Rs. 31.00 lakhs ;

Surrender: Rs. 26.61 lakhs.

(*c*) Construction of Sub-Court and Official Receiver's Court buildings at Erode.

Total grant: Rs. 12.54 lakhs ;

Surrender: Rs. 12.54 lakhs.

(*d*) Construction of District Court|District Munsiff Court and Sub-Magistrate Court at Erode.

Total grant: Rs. 12.54 lakhs ;

Surrender: Rs. 12.54 lakhs.

In these cases, sanction was accorded in March 1980. The site for the work was decided by Government in June 1981. The tenders settled in November 1981 had to be cancelled due to revised requirements of the Registrar of High Court. The plans relating to Sub-Court and Official Receiver's Court buildings, District Court, District Munsiff's Court and Sub-Magistrate Court were restricted to one block only. The work on construction of the buildings is yet to be taken up. The agency has not been decided as the revised plans and estimates have not been approved. A sum of Rs. 4.32 lakhs has been spent on procurement of materials.

(*e*) Construction of 49 additional law chambers in High Court Compound, Madras.

Total grant: Rs. 20.30 lakhs ;

Surrender: Rs. 17.30 lakhs.

Sanction was accorded by Government in May 1982. The work has not been taken up. The demand has been restricted to the cost of actual requirement of materials only.

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(in lakhs of rupees)	
(ii) 459. Capital Outlay on Public Works —II. State Plan—JL. Education ..	11.49	11.49

Government sanctioned in March 1980 an office complex mainly for the office of the Chief Educational Officer and also for the offices of the Deputy Director|Assistant Engineer, Agriculture at Perundurai (Periyar district). The department had not finalised the site for construction till the end of 1982-83 and hence the entire provision was surrendered.

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(in lakhs of rupees)	
(iii) 480. Capital Outlay on Medcial		
AB. Medical Education		
II. State Plan		
JA. Buildings	5,32.30	2,91.02

Substantial amount was surrendered for 2 works, as detailed below:—

(*a*) Paediatric Block in Government Stanley Hospital, Madras.

Total grant: Rs. 1,49.00 lakhs ;

Surrender: Rs. 1,37 lakhs.

(b) Peripheral Hospital at Perambur.

Total grant: Rs. 1,20.00 lakhs ;

Surrender: Rs. 86.00 lakhs.

The provision in the Budget was made on *ad hoc* basis, without examining the details of items of work to be done.

Item (*a*).—The pile foundation work was not completed as only 33 piles were driven out of 364 numbers till January 1983. The reasons for the delay were

(i) The occupants of quarters near the site objected to the work being taken up in their neighbourhood and the work was stopped in November 1981. It was resumed in July 1982 only.

(ii) The pile driving equipment was under constant repair and hence the work could not be completed by the contractor expeditiously.

Item (*b*).—The work was sanctioned in May 1981. In February 1982 Government approved the proposals for splitting the work (1) up to grade beam level and (2) above the beam level. Lands to be taken over from co-operative society were taken over in January 1982. But the lands from private parties are yet to be acquired and hence the work could not be completed in 1982-83.

(k) Grant No. 55—Miscellaneous capital outlay

Head of Account	*Total grant*	*Surrender*
(1)	(2)	(3)
	(in lakhs of rupees)	
488. D. AB. II.		
JB. Assistance to share capital of Co-operative Spinning Mills	1,00.00	69.50

The provision was for State Government's investment in the share capital of 3 new co-operative spinning mills to be set up for providing employment to 675 repatriates from Sri Lanka. The surrender was due to lesser investment by Government in 4 other co-operative spinning mills for providing employment to 166 repatriates.

2. 5. Advances from Contingency Fund

The corpus of the Contingency Fund placed at the disposal of Government to meet unforeseen expenditure pending authorisation by the State Legislature was increased to Rs. 50 crores from Rs. 30 crores from 26th April 1982 ; it was temporarily enhanced to Rs. 100 crores from 1st August 1982 to 31st March 1983.

Advances from the Fund can be made only to meet unforeseen expenditure not provided for in the Budget and of such an emergent character that postponement thereof till the vote of the Legislature is taken, would be undesirable.

The supplementary estimates for all expenditure so sanctioned and withdrawn from the Contingency Fund are required to be presented to the Legislature at the first or second session of the Legislature as may be practicable, immediately after the advance is sanctioned.

Two hundred and fifty one sanctions were issued during 1982-83 for advancing Rs. 1,19,47.03 lakhs from the Contingency Fund.

It was noticed that—

(i) 37 sanctions for Rs. 9,70.18 lakhs were neither operated nor cancelled ;

(ii) 6 sanctions for Rs. 1,16.43 lakhs were not operated and were subsequently cancelled ;

(iii) In respect of 30 sanctions the actual expenditure (Rs. 19.03 lakhs) was less than 50 per cent of the amount sanctioned (Rs. 5,34.33 lakhs);

(iv) In 4 cases, the amount drawn (Rs. 13,57.83 lakhs) exceeded the amount sanctioned (Rs. 3,34.66 lakhs); and

(v) Three advances amounting to Rs. 69.60 lakhs sanctioned and drawn during March 1983 remained unrecouped to the Fund at the end of the year *vide* details given below:—

	(in lakhs of rupees)
282. Public Health, Sanitation and Water Supply	25.00
304. Other General Economic Services	4.60
684. Loans for Urban Development	40.00

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 variaions are sent to the controlling officers requiring them to explain significant variations under the heads. Out of 420 heads, the explanation for variations were not received (December 1983) in 189 cases (45 per cent).

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 1982-83, such recoveries were anticipated at Rs. 56.70 crores; actual recoveries during the year were Rs. 55.35 crores. Some of the important cases of shortfall/excess as compared to estimates are detailed in Appendix XI.

2. 8. Reconciliation of departmental figures

Rules require that the departmental figures of expenditure should be reconciled with those of the Accountant General every month. The reconciliation has remained in arrears in several departments.

The number of Controlling Officers who did not reconcile their figures and the amounts involved are indicated below:—

Year	*Number of controlling officers who did not reconcile their figures*	*Amount not reconciled*
(1)	(2)	(3)
		(in lakhs of rupees)
1978–79 and earlier years	56	67,90.86
1979–80	5	1,04.01
1980–81	13	57,18.46
1981–82	15	58,54.24
1982–83	30	5,56,68·39
Total ..	119	7,41,35·96

In respect of the following departments large amounts remain unreconciled during 1982-83.

Department	*Amount not reconciled*
(1)	(2)
	(in lakhs of rupees)
Education	1,80,70.11
Health and Family Welfare	1,40,35.08
Home	61,20.18
Agriculture	35,66.67
Commercial Taxes and Religious Endowments	32,46.67
Finance	23,63.55

9. Withdrawal of funds in advance of requirements

The financial rules of the Government prohibit drawal of money in advance of requirements and keeping it in cash chest with a view to preventing the lapse of an appropriation and utilising the amount after the end of the financial year. Three cases noticed in audit, involving a total amount of Rs. 27.42 lakhs, where the amounts were drawn towards the end of the year when they were not due for payment and in contravention of the rules, are detailed in Appendix XII.

CHAPTER III

CIVIL DEPARTMENTS

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1. Rural Health Programme

3.1.1. *Introduction.*—With the object of delivering comprehensive health care to rural population at their doorsteps and to reorient medical education by involving medical colleges, in the promotion of health services in rural areas, the Rural Health Programme was executed by Government. It comprised of (i) Minimum Needs Programme (MNP) ; (ii) Multi-Purpose Health Workers Scheme (MPHW) ; (iii) Reorientation of Medical Education Scheme (ROME) ; and (iv) Mini-Health Centres Scheme (MHC).

MNP is a State Plan scheme with outlays earmarked by Government of India for each Plan period. MPHW and ROME schemes are Centrally sponsored schemes. MHC, launched as a State Plan Scheme in 1977–78 had been approved by Government of India as an alternative to Centrally sponsored Community Health Volunteers Scheme from 1980-81. The implementation of the scheme is under the overall control of Health and Family Welfare Department at the Secretariat assisted by the Directorates of (i) Public Health and Preventive Medicines, (ii) Primary Health Centres and (iii) Medical Education.

A. Minimum Needs Programme

3.1.2. *Objective.*—With the objective of securing and establishing minimum essential health infrastructure to ensure universal delivery of primary health care to rural population, MNP under the health sector was introduced (1974-75) in the Fifth Five Year Plan. It envisaged establishment of additional Primary Health Centres (PHCs) and sub-centres, provision of additional drugs to all PHCs and sub-centres, upgradation of 25 per cent of PHCs into 30 bedded rural hospitals to serve as referral hospitals and construction of buildings for PHCs and sub-centres functioning in rented/rent free buildings and staff quarters.

3.1.3. *Outlay and expenditure.*—Government of India earmarked outlays of Rs. 17.59 crores and Rs. 20.82 crores in the Fifth and Sixth Five Year Plans respectively for implementation of the programme in the State. Contrary to the accounting principles and also to the specific

instructions issued (August 1974) by Government that the expenditure under this programme should be exhibited separately, the expenditure was not booked distinctly, with the result that the provision made in the State Budget and expenditure incurred on the programme from year to year are not separately available. The matter was taken up (February 1981) with Government and their reply is awaited (June 1983).

3.1.4. *Establishment of additional PHCs.*—At the commencement (1974–75) of the Fifth Five Year Plan, there were 374 community development blocks and 379 PHCs (one each in 365 blocks and 2 each in 7 blocks) in the State. To cover the remaining 2 blocks also 2 PHCs were opened (1974–75) during the Fifth Plan period. At the end of the Fifth Plan, there were 383 PHCs (including 2 opened under ' Hill Area Development Programme' during 1975-76 and 1976-77), each covering about 1,00,000 rural population.

With a view to achieving the ultimate aim of availability of one PHC for every 50,000 population by 2,000 AD, additional centres were to be opened in a phased manner. Out of 80 additional PHCs targeted to be set up during the Sixth Five Year Plan period, 25 were to be established during the first three years (1980–81 to 1982–83). Up to March 1983, 24 PHCs were established—12 of these in 8 districts covered by Danish International Development Agency (DANIDA) Project and Tamil Nadu Integrated Nutrition Project (TINP), though the Planning Commission, while considering the Sixth Five Year Plan of the State, stated (December 1980) that no PHC was to be set up in the Project Area districts under MNP. As at the end of 1982–83, there were 407 PHCs in the State for a rural population of 32.46 million (1981 Census), giving a coverage of about 80,000 per PHC.

3.1.5. *Construction of dispensery buildings and staff quarters for PHCs.*—(*a*) The earmarked outlay for the Fifth Five Year Plan included Rs. 3,82.00 lakhs for construction of dispensary buildings for 191 PHCs which were functioning in rented/rent free buildings and staff quarters for those PHCs. However, Government sanctioned (1973-79) construction of only 76 dispensary buildings (estimated cost : Rs. 96.45 lakhs). Construction of buildings for PHCs was to be completed in four months from the date of handing over of site to the contractors. On a test check of the accounts of 25 works sanctioned from 1974-75 to 1978–79 and completed to end of March 1983, it was seen that none was completed within the stipulated period; in the case of 20 works the time taken for completion ranged from one year to five years and extensions to contractors who did not complete the work in time were granted from time to time. Reasons for delay in completion were awaited (June 1983).

(*b*) During 1979–80, Government sanctioned (April 1979 and December 1979) construction of buildings for 21 PHCs at an estimated cost of Rs. 1,58·65 lakhs. During the Sixth Plan period (1980–81 to

1984-85), buildings for another 37 PHCs were targeted to be constructed. These were sanctioned (October 1980 and January 1981) by Government at an estimated cost of Rs. 3,41.18 lakhs. Out of these 58 works, 43 works (estimated cost: Rs. 3,87.62 lakhs; expenditure: Rs. 1,36.47 lakhs) remained incomplete for periods ranging from 1 year to 4 years. In 17 of these cases sanctioned by Government in January 1982, work had not been commenced even by March 1983 due to site not being made available to the Public Works Department (PWD) by the Medical Department in 15 cases and tenders for execution of the works not being decided in two cases. Pending construction of Government buildings, the PHCs are functioning in rented/rent free buildings where adequate facilities are not available.

(*c*) Two cases of inordinate delays in construction of PHC buildings are mentioned below:—

(i) *PHC building at Nedugula.*—In February 1971, Government sanctioned construction of buildings for dispensary and staff quarters for the PHC at Nedugula, Nilgiris district, at an estimated cost of Rs. 1.80 lakhs. Owing to delay in fixing the agency for construction, a revised estimate for Rs. 2.85 lakhs was sanctioned in September 1973. The work was, however, not taken up for execution due to revision of rates year after year and finally in October 1979 Government at the instance of Chief Engineer (Buildings), PWD, sanctioned a revised estimate for Rs. 5.59 lakhs. The buildings constructed at a cost of Rs. 7.32 lakhs were handed over to the Medical Department in December 1982. The delay of more than 11 years resulted in cost escalation of Rs. 5.52 lakhs, apart from not providing the facility for housing the dispensary and quarters.

(ii) *PHC building at Chellampatti.*—In April 1979, Government sanctioned construction of building for dispensary and staff quarters for the PHC at Chellampatti, Madurai district at an estimated cost of Rs. 3.85 lakhs. The work was awarded (December 1980) by the Superintending Engineer (Special Buildings Circle), Madurai, to a contractor for Rs. 4.32 lakhs for completion by April 1981. The contract did not include any provision for water supply, sanitary arrangement and electrification as the provision of Rs. 0.35 lakh for these items made in the technical estimate (1979-80) for Rs. 4.235 lakhs was considered inadequate by the Superintending Engineer. The contractor completed the building in March 1983 (expenditure : Rs. 3.74 lakhs) after a delay of nearly 2 years. The department approached (June 1982) Government for sanctioning an additional amount of Rs. 6.05 lakhs for providing water supply, sanitary arrangement and electrification (Rs. 2.59 lakhs), filling up low lying area (Rs. 1.44 lakhs), construction of compound wall (Rs. 1.10 lakhs) and laying approach road (Rs. 0.92 lakh); the estimated cost of these items was further revised (January 1983) to Rs. 6.96 lakhs due to price escalation. Sanction of Government is awaited

(October 1983). Meanwhile the building has not been taken over by the Medical Department for want of basic amenities and due to non-execution of other essential items of work. The omission to prepare correct estimates and delay in rectifying it later, has resulted in non-availability of the buildings for PHC even after a lapse of four years.

3.1.6. *Construction of buildings for sub-centres.*—The outlay of Rs. 20,82.00 lakhs earmarked (December 1980) by Government of India for execution of MNP during the Sixth Five Year Plan in the State included provision of Rs. 4,40.00 lakhs for construction of buildings for 1,100 sub-centres functioning in rented buildings—500 in 6 districts covered by TINP, 150 in 2 districts covered by DANIDA project and 450 in the remaining 6 districts. Government of India subsequently decided (July 1981) that the provision made under MNP in the Sixth Plan for meeting the running expenditure on additional sub-centres could be utilised (from April 1981) for construction of buildings for sub-centres, as the liability for running the sub-centres, had been taken over by them under Family Welfare Programme. The Director of Public Health and Preventive Medicines sent (October 1981) proposals to Government for construction of 2,600 sub-centres (including the additional sub-centres proposed in the Sixth Five Year Plan) at the rate of 1,000 each during 1982-83 and 1983-84 and 600 during 1984-85, in 6 districts not covered by TINP and DANIDA, on an outlay of Rs. 13,52.00 lakhs during the Sixth Plan period. However, Government approved (May 1983) construction of only 50 sub-centre buildings during 1983-84 on an outlay of Rs. 49.00 lakhs and the works were yet to be taken up (June 1983). Thus, even after expiry of three years of the Sixth Plan, programming for construction of sub-centre buildings was extremely limited and the sub-centres continued to be housed in rented or rent-free buildings.

3.1.7. *Upgradation of PHCs into 30 bedded rural hospitals.*—Government of India launched, in the Fifth Five Year Plan, a scheme of upgradation of 95 out of 379 PHCs into 30 bedded rural hospitals with the objective of making them referral institutions with facilities for specialised treatment. The State Government did not implement the scheme in the Fifth Plan but diverted (with the permission of the Planning Commission) the outlay for strengthening taluk hospitals. However, in the Sixth Five Year Plan, the State Government took up the scheme for implementation and approved upgradation of 30 PHCs (15 each in September 1981 and August 1982), sanctioning a total sum of Rs. 149.14 lakhs for construction of additional buildings. Eight of these works were not even taken up (March 1983) for execution, for reasons, such as, non-availability of site, non-settlement of agency for execution of works, etc. Though construction of buildings was to be completed in four to five months, none of the buildings was completed by March 1983, despite incurring expenditure of Rs. 41.71 lakhs.

3.1.8. *Supply of medicines.*—(*a*) Each PHC was to be supplied annually medicines for Rs. 12,000 during 1974-75 to 1976-77, Rs. 14,000 during 1977-78 to 1979-80 and Rs. 20,000 during 1980-81 to 1982-83, and the cost of supply in excess of Rs. 8,200 per annum was to be met under the programme. Under the centralised ordering system in vogue from 1977-78, same items and quantities of drugs and medicines were ordered for supply to all PHCs, without ascertaining the position of stocks of medicines available in the PHCs, with the stipulation to complete supplies within two months. Test check by Audit in 113 PHCs disclosed that certain supplies were received belatedly every year during August to March of the following year, resulting in inadequate stocks of common and frequently required medicines and accumulation of slow moving items. In 43 PHCs essential medicines, such as, sulphadimidine, sulphagunadine, paracetamol tablets, baralgon tablets, analgin tablets, adrenaline injection, bandage cloth and cotton were not available for periods ranging from 2 months to 35 months during 1974-75 to 1982-83, while in 66 PHCs, issue of drugs and medicines during the years 1980-81 to 1982-83 ranged from 4 per cent to 36 per cent only of available stocks the balance remaining unutilised leading to accumulation of stocks.

(b) Each sub-centre was to be supplied with medicines worth Rs. 2,000 per annum (supply in excess of Rs. 600 being met under the programme) for treatment of minor ailments. Out of medicines valued at Rs. 24.22 lakhs purchased during 1977-78 to 1982-83 for use in 288 sub-centres attached to 36 PHCs, medicines costing Rs. 12.23 lakhs were found retained by the PHCs for their use and not supplied to the sub-centres concerned.

3.1.9. *Shortfall in visits of medical officers to sub-centres.*—According to instructions issued (July 1973 and December 1973) by the Director of Public Health, the medical officers of the PHCs were to visit each sub-centre at least once a week for rendering outpatient service. In the case of 514 sub-centres in 5 health unit districts, there was heavy shortfall ranging from 53 per cent to 75 per cent in the visits of the medical officers to the sub-centres during 1981-82. The district officers attributed (May 1983) it to restricted provision of fuel and availability of vehicles, vacancies in the posts of medical officers and diversion of staff members to family welfare and eye camps.

3.1.10. *Staff position.*—As on December 1982, out of 1,263 sanctioned posts of medical officers for 407 PHCs in the State, 268 posts remained vacant. In 113 PHCs test checked, 55 posts of medical officers and 22 posts of pharmacists were vacant for periods

ranging from 6 months to 6 years—6 and 5 posts over three years, 4 and 2 posts over two years, 7 and 6 posts over one year and 38 and 9 posts over six months during the period from 1974-75 to 1982-83.

B. Multi-purpose Health Workers Scheme

3.1.11. *Introductory.*—The Multi-Purpose Health Workers (MPHW) Scheme integrating all the vertical programmes of Health and Family Welfare in rural areas into one cadre of multi-purpose health workers was launched in June 1974. The objective was to have one each of male and female health worker in each sub-centre under a PHC for attending to the activities of all the health and family welfare programmes, instead of separate staff for each programme as hitherto and to cater to a smaller area|population, thereby facilitating greater rapport between the worker and the population. One male|female supervisor was to be posted for every four male| female workers. In January 1977, Government sanctioned implementation of the scheme in Chengalpattu, Salem, South Arcot, Madurai and Ramanathapuram districts in the first phase and employed 718 Additional Auxiliary Nurse Midwives (ANMs) between 1977-80 to 1982-83 so as to provide one ANM for every 5,000 rural population. In June 1982, the scheme was extended to the remaining 10 districts. The scheme was cent per cent Centrally sponsored up to 1978-79 and 50 per cent Centrally aided from 1979-80. During the years 1975-76 to 1982-83, an expenditure of Rs. 2,69.34 lakhs was incurred on the scheme and an amount of Rs. 1,26.20 lakhs was received from Government of India as grant towards their share.

3.1.12. Results of test check of the records relating to the implementation of the scheme carried out at the Secretariat, the Directorate of Public Health and Preventive Medicine, 4 District Health Offices at Salem, Madurai, Dindigul and Nagercoil covering 42 PHCs out of 140 covered in the first phase are given below.

3.1.13. *Delayed provision/non-provision of facilities in the training centres.*—(*a*) The medical officers of the PHCs, Block Extension Educators and Health Supervisors were to be given training at the Health and Family Welfare Training Centres for imparting in turn training to the uni-purpose workers at the PHCs. On the suggestion made by Government of India in June 1974, Government of Tamil Nadu redesignated in March 1981, 3 out of the 4 posts of instructors in each of the training centres* at Madras and Salem and prescribed qualifications for the posts redesignated as Senior

* There is also an aided Health and Family Welfare Training Centre at Gandhigram for which different posts had been sanctioned and filled up.

Sanitarian and Senior Health Inspector. Of the 6 posts so redesignated, 1 in one centre was filled up in February 1983, after a delay of 2 years and 2 others—one in each centre—remained to be filled up (June 1983).

(*b*) In order to cope with the additional work involved at the Health and Family Welfare Training Centres by the Multi-Purpose Health Workers Training Programme, Government of India approved (October 1975), additional posts of 1 Laboratory Technician, Grade I and 1 Laboratory Attendant, Grade II for each of the 3 training centres. Government of Tamil Nadu sanctioned these posts in July 1977. There was a delay of more than five years in filling the posts of Laboratory Technician Grade I at 2 centres, while the post in the remaining 1 centre and all the 3 posts of Laboratory Attendant Grade II in the 3 centres remained (June 1983) vacant. Reasons for delays in filling up the posts were awaited (June 1983).

(*c*) In order to provide demonstrative experience to the trainees and for routine laboratory work at the PHCs attached to the training centres, Government of India approved (May 1976) a non-recurring expenditure of Rs 10,000 for purchase of laboratory equipment for each of the three PHCs attached to the 3 Health and Family Welfare Training Centres. Rupees 0.20 lakh sanctioned by the State Government in July 1977 for provision of laboratory equipment to the training centres at Salem and Gandhigram still (May 1983) remained unutilised due reportedly (May/June 1983) to delay in posting of the laboratory staff—*vide* paragraph 3.1.13 (*b*) supra.

(*d*) Against 1970 medical officers, block extension educators and selection grade health inspectors targeted to be trained in the 3 training institutes at Egmore, Salem and Gandhigram during the years 1975-76 to 1982-83, only 1,362 were trained. It was seen, in test check, that out of 893 persons deputed for training in 43 batches (out of 86 batches trained from 1975-76 to 1982-83) in the 3 training centres, only 686 underwent training. The reasons for the shortfall in the number of persons who reported for training were awaited (June 1983).

3.1.14. *Delay in imparting PHC level training.*—In-service training was to be imparted to the uni-purpose workers and supervisors for a period of 6 to 8 weeks by the medical officers of selected PHCs and the District Level Medical Officers trained under the MPHW scheme at the Health and Family Welfare Training Centres. According to the programme laid down (February and March 1977) by the Directorate for training of the uni-purpose workers and supervisors at selected PHCs in batches, 2,400 persons were to be

trained per annum. However, during the 6 years from 1977-78 to 1982-83, only 5,351 personnel were trained, though there were 13,837 uni-purpose workers to be trained as in February 1976.

For fully implementing the MPHW Scheme, the cadres of the various uni-purpose workers/supervisors were to be integrated into unified cadres of multi-purpose health workers/supervisors and their pay scales rationalised. Orders notifying the integrated cadres and the new scales of pay effective from October 1982 were issued by Government in September 1982. As the Government orders had been stayed by the High Court of Madras based on writ petitions filed by some service associations, the health workers trained under the MPHW Scheme had not been deployed on multi-purpose work and they continued to carry out their functions under the vertical programmes as before. Thus the MPHW Scheme had not been functionally implemented (June 1983) in any district.

3.1.15. *Supply of kits.*—Each multi-purpose worker was to be provided with a kit containing first aid equipment for treatment of minor ailments. The department received 2,857 kits from UNICEF and purchased 750 kits from SIDCO (between March 1979 and July 1980) for distribution to the workers and supervisors. In the 4 health unit districts covered by test check, out of 1,072 kits received, 874 kits meant for male workers and supervisors, remained to be distributed (April 1983).

C. Re-orientation of Medical Education (Rome) Scheme

3.1.16. The scheme, formulated by the Government of India in July 1977, envisaged involvement of under-graduate medical students, interns and faculty staff of medical colleges in rural health service. Under the scheme, each medical college was in the first instance, to adopt 3 community development blocks in the district, for providing total health care to the rural population in those blocks and was to cover the entire district in a phased manner over a period of three to five years.

Government of Tamil Nadu issued orders for introduction of the scheme in one Government Medical College in March 1978 and in 8 other colleges (Government colleges: 7 ; private college: 1) in March 1980, each college to cover 3 PHCs in the first instance. Actual implementation of the scheme in the colleges commenced between March 1980 and September 1980 after receipt of the mobile clinical vans, under the UK Government Aid Programme.

3.1.17. *Finance and outlay.*—For implementation of the scheme, Government of India released grants aggregating Rs. 1,06.17 lakhs during the years 1977-78 to 1982-83. The State Government was to meet expenditure in excess of the grants. The expenditure incurred by the State Government up to March 1983 was Rs. 46.88 lakhs of which Rs. 36.17 lakhs qualified for Central assistance. The unutilised Central assistance as at the end of March 1983 was Rs. 70.00 lakhs.

3.1.18. The implementation of the scheme was reviewed (October 1982 to May 1983) in the Secretariat, Directorate of Medical Education and 7 Government medical colleges and the following points were noticed.

3.1.19. *Construction of buildings in PHCs.*—Government of India released grants aggregating Rs. 69.81 lakhs (for 1 college: Rs. 2.61 lakhs in December 1977; for remaining 8 colleges: Rs. 19.20 lakhs in December 1979 ; additional provision for 5 colleges: Rs. 48.00 lakhs in July 1982) towards construction of buildings for residential accommodation for faculty members and students, seminar rooms and lecture rooms in 27 PHCs attached to 9 medical colleges. The State Government sanctioned construction of the buildings at a total cost of Rs. 37.36 lakhs in 24 PHCs (Rs. 2.70 lakhs in August 1979 for 3 PHCs revised to Rs. 5.16 lakhs in January 1982; Rs. 32.20 lakhs in March 1980 for 21 PHCs) and the works were entrusted to the PWD for execution. The construction was completed in 10 PHCs at a cost of Rs. 15.63 lakhs (up to 31st March 1983) and the buildings were handed over to the medical officers between June 1981 and January 1983 (1981-82: 4; 1982-83: 6). These had not, however, been put to use (March 1983) for want of furniture, for providing which proposals were called for by the Directorate from the colleges in February 1983. In 12 PHCs, construction was in various stages (March 1983), though the works were to be completed in a period of 6 months; in two PHCs, the work had not been commenced (March 1983) owing to non-selection/change of site. In respect of the remaining 3 PHCs to be served by a private medical college, no decision regarding *modus operandi* for execution of the works had been taken (March 1983) by the department.

Further, action remained to be initiated (April 1983) by the department in respect of the works relating to the additions and alterations to the operation theatres, etc., of the PHCs for which Government of India had released grants aggregating Rs. 9.00 lakhs (Rs. 0.40 lakh and Rs. 1.08 lakhs in December 1977 and July 1982 for one college; Rs. 3.20 lakhs in December 1979 for 8 colleges and Rs. 4.32 lakhs in July 1982 for 4 out of 8 colleges).

In respect of the grant of Rs. 8.10 lakhs received in January 1982 for construction of garages for mobile clinical vans for the 9 medical colleges, Government accorded sanction to the works only in November 1982. The garages remained (March 1983) to be completed.

Reasons for delays in programming/execution of the works were awaited (June 1983).

3.1.20. *Non-utilisation of grants received for infrastructure facilities.*—Out of the one time grant of Rs. 17.46 lakhs released (December 1977/December 1979) by Government of India for equipping the PHCs with staff, furniture and surgical equipments, Rs. 15.18 lakhs remained unutilised with the State Government (June 1983) for more than 3 to 5 years, due to non-construction of buildings, etc.

3.1.21. *Mini bus.*—In January 1982, Government of India provided assistance of Rs. 6.75 lakhs for purchase of 9 mini buses (1 for each medical college at Rs. 0.75 lakh). Sanction for the procurement of the mini buses was accorded by Government of Tamil Nadu in October 1982/December 1982 and the buses were supplied to the respective colleges during March and April 1983. Drivers for these buses, however, remained to be sanctioned (June 1983) as the proposals for sanction of posts of drivers were still under consideration of Government with the result that transport facilities remained to be provided to the faculty staff and students even after 3 years of commencement of the scheme.

3.1.22. *Mobile clinics.*—Under the U.K. Government Aid Programme, 27 specially designed, highly sophisticated mobile clinical vans (value: Rs. 1,39.96 lakhs) equipped to serve as small 'hospital-on-wheels', capable of rendering specialised services and carrying out minor surgical interventions including operations under Family Welfare Programme, were received and distributed to the 9 medical colleges in the State between March 1980 and August 1980. These mobile clinics were meant for use in the delivery of health care in the rural areas. A review of the working of 21 vehicles attached to 7 Government medical colleges disclosed the following:—

(i) For 12 vans, posts of drivers were sanctioned in February 1981 after a delay of 5 months. Ten out of 21 posts of drivers sanctioned (9 in March 1980 and 12 in February 1981) were filled after a delay of 4 to 18 months and 1 remained to be filled (May 1983) owing to delay in recruitment and for want of revival of sanction to the post by Government.

(ii) Five vans were under repairs for periods ranging from 2 to 13 months during the years 1980-81 to 1982-83.

(iii) One of the 3 PHCS (Thenthiruperai) attached (September 1981) to the Tirunelveli Medical College under the scheme, was being covered only from June 1982.

(iv) In 2 medical colleges, the scheduled visits to rural areas had to be cancelled on 191 occasions (between July 1980 and October 1982) due to non-availability of faculty staff and doctors not turning up.

(v) In the Madras Medical College, all the 3 vans received in March 1980 remained idle and were unauthorisedly placed (July 1980) at the disposal of the Institute of Public Health, Poonamalle, by the Dean of the College; of the 3 vans, 2 were used by the Institute for carrying out its programme with its own staff without participation by the faculty members of the medical college, as required under the scheme. The third van after remaining idle up to October 1980 was allotted (February 1981) by the Director of Medical Education to an Honorary Professor of Surgery of the Madras Medical College for visiting urban slums and other rural areas outside the jurisdiction of the attached PHC areas.

(vi) According to instructions (September 1980|June 1981) of Government, the mobile clinics were to visit the rural areas daily. It was, however, noticed that the number of visits was considerably less, as the number of days on which the various vans were run ranged between 1 and 134 during 1980-81 to 1982-83.

(vii) Each van is fitted with a generator, for providing electricity for refrigerator, steriliser, etc. The generators had not been put to use, as no diesel oil was supplied for operating them. In 1 college, the generator had been removed (March 1983) from the van for use as a standby in the college laboratory on account of frequent power failure.

(viii) According to the Deans of Government Medical Colleges at Chengalpattu, Thanjavur, Madurai, Coimbatore and Tirunelveli (1981|1982) the mobile clinical vans could not be put to proper and full use as they were not manoeuvrable in village roads on account of their size, risk of infection in carrying out surgical operations in them since they ply on dusty roads, lack of post-operative care facilities in the PHCs, non-provision of para-medical staff to the mobile clinics, inadequacy of allotment of fuel, and non-provision of personnel for maintaining the van and for operating the generator by Government.

(ix) In 6 medical colleges, sophisticated equipments provided in the vans for use as 'hospital-on-wheels' had been removed and kept in the medical colleges for safe custody and the vans were used as transport vehicles. The removal was attributed (March 1983) by one college to delay in carrying out the required additions and alterations to the operation theatres in PHCs.

3.1.23. *Inadequate training of undergraduate medical students in rural health care.*—For proper training of under-graduate students in rural health care, the guidelines prescribed (July 1977) that part of the training was to be in district and taluk hospitals and PHCs and at least 8 weeks' annual posting for training in rural areas was to be provided in their time table.

In the 7 Government medical colleges covered by test check, the undergraduate students were not deputed for training on rural health care and only final year students were sent to PHCs from April 1980|August 1980 onwards along with the respective faculty members of the colleges during the visits of mobile clinical vans. As visits by faculty members ranged from 1 day to 134 days only per annum during 1980-81 to 1982-83—*vide* paragraph 3.1.22 (vi) the training of even the final year students in rural area was far below the prescribed minimum of 8 weeks.

3.1.24. *Non-development of referral service complex.*—Each medical college was to evolve a well-knit referral service complex with the active involvement of district|taluk hospitals and PHCs. However, steps had not been taken to evolve necessary well-knit referral service complex. For successful implementation of the total health care delivery programme, the guidelines required (July 1977) that the entire faculty be posted at the PHCs and sub-centres by rotation for sufficiently long periods (not less than 2 months) and that a reorientation programme for faculty members and health team personnel be organised at each medical college. These aspects of the scheme had not been implemented.

3.1.25. *Supply of drugs.*—Government of India released one-time grant of Rs. 4.05 lakhs (Rs. 0.45 lakh for one college in December 1977; Rs. 3.60 lakhs for 8 colleges in December 1979) for provision of additional drugs to the PHCs for prescription by the faculty staff. Of this, Rs. 2.70 lakhs remained unutilised (June 1983) in respect of the PHCs attached to 6 medical colleges. Test check disclosed that in the case of 2 medical colleges, the medicines normally stocked in the PHCs were utilised under the scheme, thereby depriving the PHCs of the medicines required for their day-to-day issue.

3.1.26. *Co-ordination committee meetings.*—For watching and guiding the implementation of the scheme, Government of India required (July 1977) formation of State level, regional and institutional level co-ordination committees by the State Government. Government of Tamil Nadu issued orders in January 1981, after a time lag of about 3 years|1 year from the introduction of the scheme in 1|8 colleges, for setting up of only 2 types of committees—one the State Level Committee and the other regional committee for each medical college. Though the regional committees were to meet and submit reports at least once a month to the Director of Medical Education for consolidation and submission of reports to the State level co-ordination committee, the number of such meetings in the case of 6 Government colleges ranged from 1 to 4 only during the period from February 1981 to March 1983. The State level committees met only once in February 1982. As the committees did not meet periodically as prescribed, the very purpose of constituting the committees, *viz.*, to review the progress of implementation, assess the involvement of the faculty staff and students and provide guidance for the proper execution of the scheme was not achieved.

D. Mini Health Centres Scheme

3.1.27. With the object of providing comprehensive health care consisting of preventive, curative and promotive health services to the village folk by involving voluntary organisations, Government launched (March 1977) a scheme for setting up of Mini Health Centres (MHCs) in rural areas by voluntary agencies. Each centre was to provide health care for 1,000 families or 5,000 rural population in adjacent areas. To ensure community participation, each centre was to enrol a minimum of 1,000 families as members and each enrolled family was to pay a subscription of Re. 1 per month, shortfall if any, in the collection of subscription being made up by charging fees for medical services rendered or by raising donations. The cost of the approved pattern of working of each centre was Rs. 18,000 per annum (cost of part time medical officer and other staff : Rs. 12,600 ; drugs : Rs. 3,000 ; contingencies : Rs. 2,400). The expenditure on the scheme was borne equally by the voluntary organisations and Government of Tamil Nadu up to 1979-80 and from 1980-81 onwards shared by Government of India, Government of Tamil Nadu and the voluntary organisations in the ratio of 1:1:2. The grants to the voluntary agencies covering the shares of both the State Government and Government of India were released by the Director of Primary Health Centres in 3 instalments, the first two as advance grants during the year and the third finally after audit by the internal audit parties. The share of Government of India is initially borne by the State Government and later got reimbursed from the Government of India.

3.1.28. The number of MHCs sanctioned and set up during the years 1977-83 were as follows:—

Year	*Number sanctioned*	*Number set up*
(1)	(2)	(3)
1977-78	54	38
1978-79	50	23
1979-80	60	82
1980-81	50	32
1981-82	50	54
1982-83	..	5
Total ..	264	234*

Out of 234 MHCs set up to end of 1982-83, 198 numbers were in 4 districts of Kanyakumari (87), Madurai (64), Chengalpattu (30) and North Arcot (17).

3.1.29. A total expenditure of Rs. 84.99 @ lakhs had been incurred on the scheme during 1977-78 to 1981-82—Rs. 42.49 lakhs by Government as grants to the MHCs and Rs. 42.50 lakhs by the MHCs towards their share of expenditure. Besides, advance grants amounting to Rs. 6.95 lakhs were paid to the MHCs by Government during 1982-83. Assistance aggregating Rs. 12.39 lakhs was received from Government of India in the years 1980-81 to 1982-83.

3.1.30. The procedure by which the sanctioning authority satisfied itself as to the fulfilment of the conditions under which the grants were disbursed was reviewed in audit (October 1982 to June 1983) at the Directorate and 4 District Health Offices at Kanyakumari, Dindugal, Madurai and Salem in respect of 149 MHCs out of the total of 234 centres and the following points were noticed.

(i) The MHC was to be located at a place where no other medical/health care institutions were available within a radius of 5 kilometres. Out of 87 MHCs established in Kanyakumari district,

*Of the remaining 30 MHCs 17 have since been set up (June 1983).

@Figures for 1982-83 are not available as the internal audit is pending completion.

52 numbers (set up during the years 1978-83) had been located at places within a radius of 5 kilometres from the nearest medical/health care institutions. The department had disbursed Rs. 6.09 lakhs as grant to these centres for the years 1978-79 to 1981-82 without ensuring fulfilment of the condition regarding distance in the location of the centres. The Director asked (April 1983) the District Health Officer to instruct the voluntary organisations to shift the centres to places beyond a radius of 5 kilometres from the nearest medical/ health care institution. Further developments were awaited (June 1983).

(ii) Out of 149 MHCs covered by test check, 18 did not employ male health workers and 7 employed only 5 lay first aiders as against the prescribed strength of 21. Out of 126 health workers employed in 63 MHCs, 73 (32 males and 41 females) did not possess the prescribed qualification. The health care services rendered by the MHCs suffered to the extent of shortfall in the employment of staff.

(iii) On a request (July 1979) from a voluntary organisation in Vysarpadi (non-rural area) in the jurisdiction of Madras Metropolitan Development Authority (MMDA), Government sanctioned (October 1979) establishment of a medi-care centre to look after the health care of 5,709 families or more than 25,000 persons living in that area, treating it as equivalent to 5 MHCs for the purpose of regulating the grant, subject to other conditions relating to running of MHCs being fulfilled. The organisation had not employed any male health worker and had employed only 3 female workers as against 5 each of male and female workers to be employed as per the approved staffing pattern. However, taking into account the total expenditure on staff (including certain categories not provided in the approved pattern) incurred by the organisation, the department released (1980-83) grant of Rs. 0.88 lakh for 1979-80 to 1981-82. The irregular grant in respect of staff not employed according to approved pattern worked out to Rs. 0.32 lakh.

(iv) Against 1,000 families to be enrolled by each centre, 105 out of 149 centres covered by test check had not enrolled any member and in the remaining 44 centres the number of families enrolled ranged from 53 to 552. To the extent of shortfall, the object of community participation has not been achieved. Health records were maintained for enrolled family members only and not for all members of the families to be served by the centres as required under the scheme. The Director intimated (June 1983) that necessary instructions would be issued to the voluntary organisations to comply with the requirements in future.

(v) A voluntary organisation running 16 MHCs (8 centres each approved in 1977-78 and 1979-80) in K. V. Kuppam block in North Arcot district had not employed the requisite number of medical officers and any qualified female worker. They have also been rendering out-patient treatment once a week instead of on alternate days, as prescribed under the scheme. Government ordered (September 1981) release of grant to the organisation by relaxing the rules for the year 1980-81 and directed that the grant for 1981-82 be considered only after the fulfilment of the prescribed norms. However, grant amounting to Rs. 1.42 lakhs was sanctioned and disbursed (September 1982) to the organisation by the Director for the year 1981-82. Grants aggregating Rs. 2.09 lakhs released for the years 1977-78 to 1979-80 without orders of relaxation from Government also remained unregularised (June 1983).

(vi) Eight MHCs, run by a voluntary organisation in Kanyakumari district were de-recognised (May 1983) by the Director from April 1982 onwards for gross irregularities such as non-functioning of MHCs, irregular visits by medical officers to MHCs, use of sub-standard drugs, non-maintenance of records like register of out-patients, register for MHC activities, attendance register for staff, etc. In respect of these cases, Rs. 0.68 lakh had been disbursed to the organisation as grant for the years 1980-82. The District Health Officer, Tirunelveli reported (February 1983) to Directorate, existence of similar irregularities in 6 other MHCs run by the same organisation in Tirunelveli district for which advance grant of Rs. 0.18 lakh for 1982-83 was sanctioned in May 1982. No action had been taken by the department in the matter (June 1983).

(vii) According to the guidelines (1977), after the MHCs had established themselves, the ANMs and other para-medical staff employed in the areas served by the mini health centres were to be withdrawn to avoid duplication of work. Out of the total of 234 MHCs set up during the years 1977-83, 143 MHCs established during the years 1977-80 had been functioning for more than 3 years. However, Government para-medical staff working in the areas covered by these MHCs had not been withdrawn so far (June 1983).

3.1.31. *Summing up*

Under Minimum Needs Programme, the earmarked outlays during Fifth and Sixth Five Year Plans were Rs. 17.59 crores and Rs. 20.82 crores respectively. Expenditure incurred under this

programme was not exhibited in the accounts separately. Out of 58 PHC buildings sanctioned for construction during 1979-80 to 1981-82, 43 remained incomplete (March 1983) for periods ranging from one to four years and consequently, PHCs and sub-centres continued to function in rented|rent-free buildings, which affected delivery of proper primary health care to the rural population. PHCs were not upgraded into referral hospitals. None of the building works sanctioned for upgradation was completed (March 1983). In 43 PHCs, essential medicines were not available for periods ranging from 2 months to 35 months during 1974-75 to 1982-83. Medicines valued Rs. 12.23 lakhs meant for use in 288 sub-centres attached to 36 PHCs were retained by the PHCs themselves during 1977-83. In 514 sub-centres in 5 health unit districts, there was shortfall ranging from 53 to 75 per cent in the visits by the medical officers of the PHCs to the sub-centres during 1981-82.

The Multi-purpose Health Workers Scheme was implemented incurring an expenditure of Rs. 2,69.34 lakhs (March 1983). As against the target of 1,970 instructors to be trained in the years 1975-76 to 1982-83, only 1,362 were trained. Of the 13,837 uni-purpose workers as in February 1976, only 5,351 were trained in the years 1977-78 to 1982-83 against an annual target of 2,400.

In implementation of reorientation of medical education scheme, Rs. 1,06.17 lakhs were received as grant from Government of India up to March 1983 but Rs. 70.00 lakhs remained unutilised. Of the additional buildings sanctioned for 24 PHCs, buildings constructed in 10 PHCs during 1981-83 could not be put to use as they were not furnished ; the works were in progress in 12 cases and 2 works were yet to be commenced ; additions and alterations to the operation theatres, etc., in the existing PHCs remained to be taken up. Due to delay in construction of these works, Rs. 15.18 lakhs out of the grant of Rs. 17.46 lakhs received in 1977-79 for surgical equipments, staff, etc., remained unutilised (June 1983). Out of 21 mobile vans covered by test check, except 3 vans in 1981-82 and 1982-83, others had visited the rural areas for less than 100 days instead of daily in each of the 3 years 1980-81 to 1982-83. Other aspects of the scheme like posting of under graduate students to the rural areas for 8 weeks per annum, posting of faculty staff to PHCs and sub-centres for a minimum period of two months, the prescribed reorientation programme for the faculty staff and health team personnel and provision for referral service complex to be evolved with the active involvement of district|taluk hospitals and PHCs were not implemented.

Under Mini Health Centres Scheme, out of 87 MHCs set up in Kanyakumari district, 52 had been located within a radius of 5 kilometres from the existing Government/private medical institutions. In all the 149 MHCs test checked, families were not enrolled at all or were enrolled less than the prescribed number of 1,000 and health records were not maintained for all the family members as required.

The points mentioned above were reported to Government in August 1983; their reply is awaited (December 1983).

3.2. Poor utilisation of additional nurses' quarters in Institute of Mental Health, Madras

Based on proposals (August 1970) of the Director of Medical Education (DME) and the recommendations (September 1970) of the Visiting Committee of the Government Mental Hospital (since renamed as Institute of Mental Health) that "the quarters for nurses were inadequate and more rooms should be provided", Government sanctioned (June 1971) construction of additional quarters consisting of ten rooms for Nursing Staff of the Institute at a cost of Rs. 2.20 lakhs. The building constructed by the Public Works Department at a cost of Rs. 2.15 lakhs was handed over to the Institute in August 1974. Nurses were, however, reluctant to move to the new building for security reasons, as it was away from the main campus of the hospital. Efforts of the department to persuade the nurses to occupy the quarters proved futile. The suggestion (May 1979) made by the DME for putting the building to alternative use as residential accommodation to the male Post-Graduate Students of the Institute was accepted (April 1980) by Government "with utmost reluctance and subject to the condition that the Government would not countenance any fresh proposal for construction of quarters for nurses in the Institute at a later date". The quarters were intended to accommodate 20 nurses, 2 Head Nurses and one Nursing Superintendent but the number of Post-Graduate Students occupying the quarters varied from 3 to 6 at any time in a year. No records of occupation were maintained and no rent was being recovered (April 1983) from the inmates. To an audit enquiry (July 1982), the Superintendent of the Institute stated (July 1982) that there was no provision for kitchen in the building and so unmarried men alone could stay there. Thus, expenditure of Rs. 2.15 lakhs on construction of quarters did not achieve the intended object due to its faulty location and the quarters remained unoccupied from 1974 to 1980 and poorly utilised from 1981 onwards.

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

3.3. Delay in utilisation of facilities in Government General Hospital, Madras

For accommodating various modern branches of surgery and medicine, Government sanctioned (March 1974) construction of a multi-storeyed building for Government General Hospital, Madras at a cost of Rs. 56.00 lakhs, including Rs. 9.50 lakhs for installation of a centralised airconditioning (AC) plant. The construction of the building with six floors entrusted to the Public Works Department (PWD) was completed in June 1979. However, the first five floors of the building were taken over and put to use by the hospital authorities after a delay of 9 to 19 months from the completion of construction (June 1979), as certain essential items, such as, construction of manifolding room, installation of pipelines for medical gases, vacuum pump and other ancillary equipments and high tension power supply which were not included in the original estimates were got sanctioned (April 1979 to February 1980) by the Dean from Government and provided only subsequently and piecemeal between July 1980 and March 1981. The sixth floor, taken over in September 1981 after a delay of 26 months, housed 2 operation theatres which were yet to be commissioned (July 1983).

The contract for supply and installation of centralised AC plant was awarded (October 1977) by the PWD to firm 'A' with the stipulation that the work should be completed satisfactorily by February 1978. The plant was installed by the firm (cost : Rs. 9.25 lakhs) only in January 1981 due mainly to non-availability of permanent HT power supply and handed over to the hospital authorities by the PWD in June 1981 after necessary testing. However, the plant did not function properly during the trial run conducted by the hospital authorities in June 1981, as both the compressors failed. The firm attended to repairs and claimed (February 1982) that the plant was working satisfactorily. As the defects persisted, the Dean addressed (May 1982) the firm for setting right the defects. The firm stated (June 1982) that their warranty period had already expired. As per terms of the agreement, if the plant was out of order for more than a month at a time due to defects, the warranty period was to be extended correspondingly and the security deposit refunded to the firm only after the expiry of the warranty period and after ascertaining the satisfactory performance of the plant. Though the Dean informed the PWD of the non-functioning of the plant from time to time, the latter had not got the warranty period extended ; it had also refunded (May 1982) the security deposit (Rs. 0.75 lakh) to the firm. An

estimate for repairs (cost: Rs. 0.22 lakh) prepared by firm A and sent to the Director of Medical Education in June 1983 was yet to be approved (July 1983) by him.

Due to AC plant remaining idle, except for a month after it was taken over, the 2 operation theatres located in the sixth floor (constructed in June 1979 and taken over in September 1981) could not be commissioned and consequently, surgical equipments (cost : Rs. 6.07 lakhs) procured between October 1980 and March 1983 remained largely unutilised (July 1983), besides resulting in non-availability of the intended surgical facilities to the public.

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

3.4. Extra expenditure on purchase of drugs

Based on tenders received (August 1979) for supply, *inter alia*, of 5 per cent dextrose solution and 5 per cent dextrose in saline bottles (540 millilitres each) to the Government Rajaji Hospital, Madurai during October 1979 to March 1980, the rates quoted by four firms (firm A : Rs. 3.30 per bottle; firms B and C : Rs. 3.46 per bottle ; firm D : Rs. 3.48 per bottle) were approved (November 1979) by the Dean but acceptance of the rate was communicated (November 1979) to firm A only. Though the firm did not furnish security deposit and execute necessary agreement within 15 days as stipulated in the tender schedule and acceptance order, indent for supply of 6,000 bottles of dextrose solution was placed (November-December 1979) on the firm for immediate supply. The firm supplied (December 1979) 300 bottles only. Consequently, the Dean placed (January 1980) an order on firm B for supply of 1,500 bottles of dextrose solution, at their quoted rate of Rs. 3.46 per bottle ; the firm did not supply and asked for (January 1980) a rate of Rs. 4.35 per bottle on the plea of increase in cost of raw material, packing materials, etc. The department could not prevail upon firm B to make supplies at the quoted rate of Rs. 3.46 per bottle, as letters of acceptance were not issued to firms B, C and D, though their rates had also been approved by the Dean. Thereupon the department purchased (January|February 1980) 4,800 bottles of dextrose solution and 1,000 bottles of dextrose in saline bottles from firm D at their quoted rate of Rs. 3.48 per bottle and recovered the extra cost of Rs. 1,044 involved in the purchase from firm A. Further requirements (dextrose solution : 21,324 bottles ; dextrose in saline bottles : 13,500 bottles) during the period up to March 1980 were obtained from 2 rate contract firms approved by the Director General of Supplies and Disposals (DGS & D), New Delhi at the rate of Rs. 5.70 per bottle. Action was not taken by the Dean against firm A to

enforce the penal provisions of the contract and recover the extra cost of Rs. 0.84 lakh involved in the purchase under the DGS & D rate contract. The earnest money deposit of Rs. 1,000 was also refunded (August 1980) to the firm.

In this connection, the following points were also noticed :—

(i) Supply of dextrose solution to the hospital during the earlier half-year (April 1979 to September 1979) was entrusted to the same firm A. The firm supplied (July 1979) 1,500 bottles and did not make further supplies owing to a major fatal accident in their factory on 9th July 1979. A report regarding the occurrence of this accident was sent to the hospital authorities by the firm on 23rd July 1979. The firm further intimated (September 1979) to the Dean that the police had sealed their premises pending completion of investigation. Nevertheless, firm A was selected (November 1979) for supply of the drug during the second half of 1979-80 (October 1979 to March 1980), without verifying their capacity to effect large supplies.

(ii) Supplies could have been continued to be obtained profitably from firm D up to March 1980, in addition to 5,800 bottles supplied (January|February 1980) by them at the rate of Rs. 3.48 per bottle, instead of procuring from DGS & D rate contract firms at a much higher rate of Rs. 5.70 per bottle, which led to an extra expenditure of Rs. 0.77 lakh to Government. To an audit query, the Dean replied (May 1983) that it was felt that firm D would not be in a position to supply huge quantity in required time and hence purchases were made against DGS & D rate contract. There was, however, no evidence on record to confirm this position.

(iii) Reasons for not addressing firm C, when firm B expressed inability to supply were not on record.

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

3.5. Irregular payments for vasectomy operations

Mention was made in paragraphs 43 and 34 of the Report of the Comptroller and Auditor General of India, 1968 and 1970 respectively, about the irregularities connected with payments made for vasectomy operations under Family Welfare Programmes in certain Primary Health Centres (PHCs). In pursuance of the recommendations of the Committee on Public Accounts, Government issued (October 1970) instructions to the Director of Health Services and Family Planning that suitable steps be taken to ensure proper supervision of the work in PHCs.

During audit (August 1982) of the accounts of the PHC, Nallur, South Arcot district, it was noticed that 2,250 millilitres (45 vials of 50 millilitres each) of anaesthesia (lignocaine) were drawn from stock during June 1975 to March 1978. On the basis of the prescribed norm of 4 millilitres of anaesthesia per operation, 562 sterilisation operations only could be carried out with the quantity drawn from stock. However, 2,933 sterilisation operations were performed in the PHC during the period June 1975 to March 1978. Payment of compensation to the sterilised persons and honorarium to promoters in respect of 2,371 operations (in excess of 562 operations) amounted to Rs. 2.85 lakhs (at Rs. 120 per operation). This was pointed out in audit to the department in September 1982. The department had not yet (December 1983) investigated and taken action in the matter.

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

AGRICULTURE DEPARTMENT

3.6. Command Area Development Programme (CADP)

3.6.1. *Introductory.*—The Centrally Sponsored Command Area Development Programme is implemented in selected irrigation commands in the country since the beginning of the Fifth Five-Year Plan (1974-75). The Cauvery System, Lower Bhavani and Periyar-Vaigai were covered by the programme.

The main objective of the programme is to accelerate the optimum utilisation of the irrigation potential for increasing agricultural production from the Command areas. The programme covers On Farm Development (OFD) works, comprising construction of field channels|drains, land levelling|land shaping operations and consolidation of land holdings|realignment of field boundaries wherever necessary, introduction of turn system of water scheduling (Warabandi), development of ground water for conjunctive use with surface water and strengthening of basic infrastructure facilities like agricultural extension service, training, demonstrations, provision of roads, warehousing, marketing, etc.

Though the Command Area Development Programme envisaged setting up of a separate Command Area Development Authority (CADA) for ensuring implementation of a plan of integrated Command Area Development, the State Government felt that there was no need for the Command Area approach in the State as the 3 irrigation basins selected were already well developed. However, the State Government proposed (January 1981) implementing the programme in Tamil Nadu. The formation of a CADA was not considered necessary and the OFD works, mainly construction of field channels and Warabandi were to be executed by the Agricultural Engineering Department.

In the Cauvery Command Area, construction of field channels was carried out from 1967-68 as a part of Soil Conservation Scheme under the State Plan. During the period from 1974-75 to 1979-80, field channels benefiting 0.16 lakh hectares (against the target of 0.14 lakh hectares) at a cost of Rs. 91.69 lakhs had been constructed. The proposal of the State Government for treating these works as part of the CADP was approved by Government of India and financial assistance (grant: Rs. 19.86 lakhs ; loan: Rs. 49.03 lakhs) was released (March 1981).

In the other two commands, Periyar Vaigai and Lower Bhavani, proposals to take up the OFD works under CADP were sanctioned by Government in January 1982 and June 1982 respectively and the works were taken up from 1982-83.

3.6.2. *Pattern of assistance.*—During the Fifth Plan period (1974-79) the cost of establishment of CADA and establishment for surveys and supervision of works was to be shared equally by the Government of India and the State Government, while the cost of construction of field channels was to be financed wholly by loan from Government of India. From 1979-80 the pattern of assistance for the construction of field channels was revised as 25 per cent grant, 25 per cent loan by Government of India and 25 per cent grant, 25 per cent loan by State Government; the cost of enforcement of Warabandi was to be shared equally by the Government of India and State Government while crop compensation to farmers was to be met to the extent of 66 $\frac{2}{3}$ per cent by Government of India and State Government equally.

The total outlay on the implementation of the programme from 1974-75 to 1982-83 amounted to Rs. 3,06.55 lakhs, including Rs. 1,31.42 lakhs received as grant and Rs. 1,34.61 lakhs as loan from Government of India (*vide* details in Appendix XIII).

3.6.3. A test check of the records relating to the Programme * was conducted (between September 1982 and January 1983) at the Secretariat (Agriculture Department), office of the Chief Engineer (Agricultural Engineering) and 7 offices including 5 sub-divisions in Thanjavur district and the following points were noticed:—

3.6.4. *Targets and achievements.*—During the Sixth Plan, Government proposed to step up the programme in the Cauvery Command from 1980-81, introduce the programme from 1981-82 in Periyar Vaigai and from 1982-83 in Lower Bhavani to cover 30,000 hectares in 1981-82 to be further increased to 70,000 hectares during the Plan period with the ultimate aim of stabilising the existing ayacut under Cauvery Command and bridging the gap between the culturable command area and the potential created and utilised in respect of the other two commands. Government of India fixed (April 1980) a higher target of 40,000 hectares for 1981-82 and 90,000 hectares for 1982-83 for construction of field channels, emphasising that all efforts should be taken to achieve the targets so that the entire commands could be covered atleast in another two Plan periods. The actual coverage was only 7,277 hectares (18 per cent) for 1981-82 and 18,232 hectares (20 per cent) for 1982-83. Against a total ayacut of 6.38 lakh hectares in the 3 commands the area covered by field channels to end of March 1983 was only 0.53 lakh hectares as indicated below and 92 per cent of the total ayacut remained to be covered.

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* As the implementation of the CADP has been taken up in Periyar-Vaigai and Lower Bhavani Commands only from 1982-83 detailed studies have been confined by Audit to Cauvery Command only.

(1)	*Total ayacut of the command* (2)	*Area covered by field channels* (3)	*Percentage of coverage* (4)
		(in lakhs of hectares)	
Cauvery Command	4.82	0.45	9
Periyar Vaigai	0.72	0.08	11
Lower Bhavani	0.84	..	..
	6.38	0·53	8

The target (as fixed by the State Government) and achievement year-wise for the Sixth Plan period are given below:—

(1)	1980–81 *Target* (2)	1980–81 *Achievement* (3)	1981–82 *Target* (4)	1981–82 *Achievement* (5)	1982–83 *Target* (6)	1982–83 *Achievement* (7)
	(physical in hectares)			(financial in lakhs of rupees)		
Cauvery Command—						
Physical ..	4,000	4,175	7,200	7,277	11,800	10,680
Financial ..	21.38	27.87	30.73	45.76	90.00	71.46
Periyar Vaigai—						
Physical ..	..	..	9,600	..	9,600	7,470
Financial ..	..	..	98·50	5·00	65·40	56·22
Lower Bhavani—						
Physical ..	..	..	..	..	1,250	82
Financial ..	..	..	..	..	49.66	8·55
Total { Physical	4,000	4,175	16,800	7,277	22,650	18,232
Total { Financial	21.38	27.87	1,29.23	50.76	2,05.06	1,36.23

The shortfall in achievement was due to belated sanctioning of the sub-divisions and posting of staff in Periyar Vaigai and Lower Bhavani Commands.

3.6.5. *Defective designing and execution of field channels.*— In the Cauvery Command which included works executed under the State Soil Conservation Scheme for which assistance was obtained from Government of India under CADP, field channels had not been constructed on sluice command basis, but were done on scattered holdings based on requests received from individual ryots. The designing was not in accordance with the guidelines issued by Government of India (September 1975) and Director of Agriculture (November 1978 and October 1980), which required that the irrigation system as a whole should be studied before dividing it into convenient blocks (generally blocks of 10 hectares) to be controlled by a sulice or other arrangement and undertaking construction of field channel from the outlet up to each individual holding, to regulate the supply and eliminate wastage of water. The Director of Agriculture observed (November 1978) that the works in the Cauvery Command Area had been executed with a layman's approach, the basic data on system flow had not at all been taken into consideration in the design of the field channels and that in the absence of such data, the system would not work satisfactorily.

In reply to an audit enquiry, the Chief Engineer (AE) stated (January 1983) that on account of the mild slope of Cauvery delta and in the absence of well defined sluice commands, the division into 10 hectare blocks and construction of controlled outlets were hampered and that these would be attended to once the modernisation of Cauvery system contemplated with World Bank assistance was taken up and completed. Thus the field channels constructed between 1974-75 and 1982-83 covering 0.39 lakh hectares at a cost of Rs. 1,41.88 lakhs do not conform to the prescribed design.

3.6.6. *Non-provision/inadequate provision of control structures in the field channels.*—Under the programme, in order to have effective control over irrigation and to regulate supply of water to individual fields, control structures like bed dams, pipe outlets and field gates were to be provided in the field channels. In respect of field channels formed (1974-75 to 1981-82) at a cost of Rs. 6.97 lakhs, control structures erected, fell short of the provision made in the sanctioned estimates for the works by 24 to 66 per cent as shown below :—

Year	Number of bed dams		Percentage of shortfall	Number of pipe crossings and field gates		Percentage of shortfall
	Proposed	Executed		Proposed	Executed	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1978–79 ..	2,488	1,587	36	226	77	66
1979–80 ..	1,812	1,079	40	1,754	897	49
1980–81 ..	2,585	1,828	29	3,430	1,442	58
1981–82 ..	2,890	2,201	24	2,756	1,312	59

The non-provision of control structures was attributed (December 1982) by the field officers to (*a*) unwillingness of the ryots to share the cost of construction and (*b*) non-availability of field gates and other materials due to power cut, etc.

3.6.7. *Adaptive trials and demonstrations not conducted.*— According to the guidelines (April 1980), adaptive trials of physical works and soil and water management practices were required to be carried out to evaluate their suitability to local conditions before the works were taken up in the Command Area. OFD works (cost : Rs. 39.39 lakhs) were executed during 1980-81 and 1981-82 without conducting such trials and demonstrations. Reasons therefor are awaited (December 1983). The Superintending Engineer stated (December 1982) that though sites were selected during 1982-83 for conducting trials and demonstrations, owing to failure of monsoon and inadequate supply of water, the trials could not be conducted.

3.6.8. *Delay in implementation of turn scheduling of water (Warabandi).*—In order to ensure equitable distribution and efficient utilisation of water for irrigation, particularly for providing water to the weaker farmers and the tail end areas and to reduce wastage of water by head reach farmers, the guidelines contemplated (April 1980) introduction of a turn system of water scheduling. Government of India emphasised (June 1980) that the turn system should be formulated and enforced immediately after construction of field channels, covering all outlet commands of a supply channel, failing which vested interests would be created and consequently introduction of the system later would become difficult. In the Cauvery Command, even though field channels had been constructed from 1967-68 onwards and an extent of 0.45 lakh hectares covered up to 1982-83, introduction of Warabandi as a pilot project in an area of 1000 hectares was sanctioned by Government in July 1982 and taken up only during 1983-84.

3.6.9. *Inadequate maintenance of field channels.*—As per the guidelines (April 1980), the maintenance of the irrigation system was the responsibility of the State Government. It was estimated (July 1981) by the Chief Engineer (Agricultural Engineering) that besides the annual maintenance of the new channels, at least 30 per cent of the field channels already constructed, including structures, might require maintenance and repairs. The Adviser, Planning Commission in his inspection notes pointed out (November 1981) that there was no adequate arrangement for the future maintenance of the channels excavated and that necessary organisational structure and financial

arrangement would have to be made for their effective maintenance. In one sub-division it was reported (December 1982) that most of field channels excavated had been closed or their sections reduced by the ryots, on account of which irrigation and drainage were affected. Action taken is awaited (January 1983).

3.6.10. *Lack of follow up action.*—According to the approved recommendation of the Administrative Reforms Commission (July 1974), the quantum of water saved as a result of execution of OFD works was to be assessed and intimated to the Public Works Department, to enable the latter to plan effective utilisation of water. Necessary assessment in this regard remained to be carried out (July 1983). The Chief Engineer stated (January 1983) that necessary equipment for this purpose would be procured and installed shortly.

3.6.11. *Bench mark surveys not conducted.*—According to the guidelines (April 1980) bench mark surveys of the levels of production, yield, fertiliser use, water use, etc., for various crops were required to be undertaken for monitoring the improvements effected under the programme from year to year. Although 0.45 lakh hectares had been covered under the programme during the years 1967-68 to 1982-83, the bench mark surveys had not been carried out. The Superintending Engineer stated (December 1982) that this work would be undertaken during 1983-84.

3.6.12. *Ineligible works executed under the Programme.*—Assistance from Government of India under CADP is available only for provision of field channels from the one cusec outlet up to each individual holding. Remodelling, modernisation and maintenance of the supply channels above the one cusec outlet were the responsibility of the State Government. It was, however, noticed during test-check that widening and deepening (including silt clearance) of the existing supply channels (length: 1,483 kilometres) had been carried out under CADP at a cost of Rs 15.06 lakhs during 1974-75 to 1981-82 and financial assistance (grant: Rs. 3.11 lakhs; loan: Rs. 5.73 lakhs) for these items of work obtained from the Government of India, by including them as works done under 'Field Channels'. The Chief Engineer, Agricultural Engineering justified (January 1983) these works on the ground that the supply channels which had silted up in the absence of proper periodical maintenance, were necessarily to be deepened|widened to ensure adequate flow of water in the field channels.

3.6.13. *Heavy expenditure on establishment.*—As against the prescribed ceiling of 25 per cent of the cost of works, the cost of establishment for executing OFD works during the years from 1974-75 to 1981-82 ranged from 34 to 103 per cent. Reasons for the heavy establishment charges are awaited from the department (July 1983).

While issuing the guidelines, Government of India had stated (April 1980) that a major factor responsible for the slow progress of OFD works had been the short working season available after the harvesting of rabi crops and till the onset of monsoon, while the establishment had to be maintained for the whole year, thereby contributing to high operational overheads. Government of India, therefore, stressed that the working season should be increased by undertaking the works during rabi crop season also by paying compensation to the farmers for the crop loss. In Cauvery Command the execution of the works has been confined only to the closure period from February to middle of June.

3.6.14. *Non-achievement of anticipated benefits.*—The ultimate objective of the programme is increased agricultural production and increased yield per hectare. A sum of Rs. 1,65.32 lakhs had been spent in Cauvery Command under the programme between 1974-75 and 1981-82. As against the increase in the paddy yield of 750 to 1250 kilograms per hectare, estimated (October 1980) in the Project Report as a result of execution of OFD works, the average actual increase in yield per hectare was far less as shown below :—

Year	*Yield per hectare in kilograms*		*Increase in kilograms per hectare*
	Before OFD. works	*After OFD. works*	
(1)	(2)	(3)	(4)
1980-81	4,188	4,608	420
1981-82	3,725	4,210	485

The area actually irrigated also decreased from 6.80 lakh hectares (1973-74) to 5.99 lakh hectares (1981-82) for 3 crops.

3.6.15. *Summing up*

The Command Area Development Programme introduced by the Government of India (1974-75) was implemented by the State Government from January 1981 onwards only. The field channels constructed during 1974-75 to 1979-80 in Cauvery Command under the State Plan Scheme, benefiting 0.16 lakh hectares was treated as part of CADP (March 1981) and Central assistance of Rs. 68.89 lakhs (total expenditure: Rs. 91.69 lakhs) was received.

Construction of field channels during 1981-82 covered only 18 per cent and during 1982-83 20 per cent of the targets and about 92 per cent of the total ayacut in the 3 selected commands remained to be covered (March 1983).

The shortfall in the provision of control structures in the field channels constructed during the years from 1978-79 to 1981-82 ranged from 24 to 66 per cent.

Turn scheduling of water (Warabandi) was not taken up.

The cost of establishment of OFD works ranged from 34 to 103 per cent as against the prescribed ceiling of 25 per cent.

In the Cauvery Command, the increase in yield per acre was 420-85 kilograms only per hectare as against the estimated increase of 500 to 1,250 kilograms per hectare.

The points mentioned above were reported to Government in March 1983 ; their reply is awaited (December 1983).

3.7. Loss in sale of paddy seeds

Out of a total quantity of 2,955 tonnes of ASD 15 paddy seeds (a new variety introduced by the department in February 1979) procured in 1979-80 for distribution to the farmers during 1980-81 sowing season at a cost of Rs. 61.52 lakhs, 1,605 tonnes (cost: Rs. 34.34 lakhs) were disposed of * (February 1981-March 1982) under instructions (February 1981) from the Director of Agriculture, as food grains through the Civil Supplies Corporation|Co-operative Marketing Societies for Rs. 23.70 lakhs at rates varying from Rs. 1.25 to Rs. 1.90 per kg., which resulted in a loss of Rs. 10.64 lakhs. The Director of Agriculture proposed (April 1982) write off of the loss due to less demand for the seeds from the farmers on account of extraordinary seasonal failure and poor storage of water in tanks and reservoirs during 1980-81. Orders of Government writing off the loss are awaited (January 1983).

The following points were noticed in audit :—

(i) As against the quantity of 1,242 tonnes of the seeds programmed to be produced as per the production programme finalised in August 1979, 2,955 tonnes were actually produced| procured involving an excess of 138 per cent over the production target.

(ii) This variety was specifically recommended (February 1979) by the department as suitable for introduction in 3 districts (Kanyakumari, Tirunelveli and Ramanathapuram). The seed production

* The normal life of the seed is one year.

programme (August 1979), however, was extended to other districts as well because the regional officers of these districts also came forward to raise this variety of crop.

(iii) The performance of the seeds was bad and erratic as per the reports of the field officers and the variety was also not popular with the farmers. The Director had issued instructions (May 1980) to the field officers to avoid procurement of this variety on account of its bad performance.

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

3.8. Uneconomical working of zonal nucleus seed farm

Government sanctioned (May 1970) setting up a nucleus seed farm at Vadagarai (Tirunelveli district) with the object of producing nucleus and foundation seeds of groundnut, in an area of 76.53 acres of leased land. The farm established in April 1971 was also used for raising other oil seeds like sun-flower, gingelly, etc., from the beginning. A review by Audit of the working of the farm revealed that it had been working on loss right from its establishment, the cumulative loss to end of March 1982 being Rs. 5.80 lakhs. The value of seeds (Rs. 3.05 lakhs) produced during the period 1971-82 in the farm worked out to 45 per cent only of the direct expenses on cultivation during the same period. The yield per acre per year of groundnut seeds for which the farm was mainly intended ranged from 86 to 200 kilograms only during 1971-72 to 1981-82 as against the normal yield of 400 to 600 kilograms.

The low yield was attributed (August 1980) by the field officer to lack of irrigation facilities. Rupees 1.89 lakhs had been spent on the sinking (March 1978) of 5 wells (4 open wells and 1 bore well) which were energised between December 1978 and April 1982, but only 3 wells including the borewell were being used for irrigating 18 out of 57.53 acres utilised for raising the seeds (2 open wells with 19 acres of land had been transferred in May 1981 for execution of another project). According to the field officer (August 1980), the area could not be properly irrigated in the absence of irrigation channels. Government stated (November 1983) that the production level of oil seeds could not be reached in the initial years due to lack of irrigation facilities and that with the setting up of the system of drip irrigation, the existing wells would benefit the entire area in future.

Thus, due to lack of adequate and effective steps for improving the working of the farm, the farm had sustained a cumulative loss of Rs. 5.80 lakhs during the period of 10 years from 1971-72 to 1981-82.

3.9. Uneconomical working of a fodder seed production farm

With the object of growing high yielding varieties of fodder and producing fodder seeds for distribution to ryots, a fodder seed production farm was set up in 1971 with the sanction of Government, in an area of 50 acres at Padappai village (Chengalpattu district) at a cost of Rs. 1.07 lakhs (cost of two open wells with oil engines and pumpsets: Rs. 0.45 lakh ; other ancillary facilities: Rs. 0.62 lakh); cultivation was commenced from June 1973. According to the scheme, the farm was to yield a net surplus of Rs. 0.62 lakh per annum over the cultivation expenses (excluding depreciation, interest on capital and cost of farm staff) in 45 acres under crops. However, during 1973-74 to 1982-83, the cultivation expenses amounted to Rs. 2.46 lakhs and the receipts to Rs. 1.60 lakhs, leaving a net deficit of Rs. 0.86 lakh as against the anticipated surplus of Rs. 6.20 lakhs. No review of the financial aspect of the farm was undertaken by the department at any stage.

Although the Director of Animal Husbandry had opined in 1972, that the minimum viable farm unit for such lands and agro-climatic conditions should be of 50 acres and that the entire area should be tackled from the very beginning, still the average area brought under irrigated crops and dry crops was only 10.8 acres and 7.7 acres respectively during 1973-74 to 1981-32. The Fodder Development Officer had commented (April 1980) in his report to the Director of Animal Husbandry that " the lands and water available were not fully utilised for raising crops ".

The target fixed for the production of seeds during 1976-77 to 1981-82 was 49.3 tonnes against which production was only 4.4 tonnes (9 per cent of the target). On an analysis of the crop yield during 1981-82 it was seen that against the standard yield of 1,200 kilograms, 800 kilograms and 150 kilograms of seeds per acre of maize, cholam and cowpea respectively under rainfed cultivation, the actual yield per acre under both rainfed and irrigated cultivation was only 40 kilograms, 104 kilograms and 17.5 kilograms.

Twelve acres were being irrigated from 1973 with the aid of 2 wells. Digging of 2 open wells (cost: Rs. 1.08 lakhs) was sanctioned (June 1981) by Government to irrigate an additional area of 10 acres. Construction of the wells taken up in October 1982 by the Public Works Department was yet to be completed (June 1983). Government stated (May 1982) that steps were being taken to improve the working of the farm. The Director also stated (June 1983) that the entire area of 48 acres had been brought under cultivation. However, production of seeds during 1982-83 was only 7 kilograms against the reduced target of one tonne.

3.10. Avoidable expenditure on a scheme

A scheme for the development of Flue Cured Virginia Tobacco was implemented from 1966 in Dharmapuri area of the erstwhile Salem district with 100 per cent Central assistance. Under the scheme, additional acreage was to be covered each year and the ryots were given subsidy for growing nurseries and construction of barns for curing and also technical guidance. The area covered under tobacco increased from 54 acres in 1966-67 to 501 acres in 1969-70 but thereafter decreased steadily to 102 acres in 1974-75 against the targeted area of 1,125 acres. In March 1975, the scheme was wound up by Government, as it had not brought substantial improvement in the income of the tobacco growers. The poor working of the scheme was attributed (February 1975) by the department to high cost of cultivation, inadequate irrigational and marketing facilities, poor remuneration realised by ryots and continuous drought conditions. The Joint Director of Agriculture (Commercial Crops) had also reported (April 1975) to Government that adequate facilities were available to the ryots, even after the closure of the earlier scheme. Rupees 7.57 lakhs had been spent during 1966-67 to 1974-75.

On representations from ryots in the area about the difficulties in discharging the bank loans obtained under the scheme and in getting technical guidance after the closure of the scheme, Government revived (February 1978) the scheme after obtaining approval (September 1977) of Government of India and also released subsidy of Rs. 0.20 lakh for further construction of barns. Thirteen barns in all had been constructed (1978-79 : 4 ; 1979-80 : 9). In July 1979 Government of India intimated that the scheme had been transferred to the State Sector from 1979-80 and consequently the entire expenditure on the scheme was to be borne by the State Government.

In September 1979, the State Government decided to discontinue the scheme from 30th September 1979 after incurring an expenditure of Rs. 1.33 lakhs (establishment : Rs. 1 lakh ; subsidy for barns : Rs. 0.19 lakh ; training : Rs. 0.05 lakh ; other items : Rs. 0.09 lakh) from August 1978 to September 1979. The department stated (July 1981) that the scheme was closed as the area under tobacco cultivation in the district was very limited (about 300 acres) and that requisite technical guidance could be extended by the existing extension agency itself. Had Government taken into account the report of the Joint Director in April 1975, the expenditure of Rs. 1.33 lakhs on the operation of the scheme for a very short period after revival could have been avoided.

Government accepted (August 1983) the facts and stated that as the Government of India had withdrawn the assistance and transferred the scheme to the State Sector from 1979-80, the scheme was disbanded.

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

3.11. National Rural Employment Programme

3.11.1. *Introductory.*—The "Food for work Programme" was launched by the Government of India in April 1977 for implementation by the State Governments. Government of Tamil Nadu implemented the scheme from 1979-80. The programme was restructured as "National Rural Employment Programme" (NREP) in October 1980. The programme envisaged (i) generation of additional gainful employment for the unemployed and underemployed persons in the rural areas, (ii) creation of durable community assets for strengthening the rural infrastructure which will lead to rapid growth of rural economy and steady rise in the income levels of the rural poor and (iii) improvement of nutritional status and the living standards of the rural poor. The expenditure on the programme was met fully by Government of India in 1980–81 and thereafter shared equally between the Centre and State. The monitoring and co-ordination at the district level was done by District Collectors till July 1982 and thereafter by the District Rural Development Agencies (DRDA). The implementation of the programme was entrusted to all the 378 panchayat unions in the State.

3.11.2. The budget provision, expenditure and the assistance given by Government of India are given below :—

Year	*Budget provision*	*Expenditure*	*Cash Assistance given by Government of India*	*Matching cash assistance sanctioned by the State Government*	*Rice provided by*	
					Government of India	*State Government*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(in lakhs of rupees)			(in tonnes)	
1980-81 ..	5,81.70	6,71.68	10,59.50	..	33,000	..
1981-82 ..	38,56.52	38,27.10	14,80.00	14,80.00	..	26,638
1982-83 ..	32,96.42	32,96.98(A)	15,90.80(B)	16,21.00(C)	19,820	19,365

The implementing agencies utilised 96,228.25(D) tonnes of rice and Rs. 66,08.01(E) lakhs on the programme up to March 1983.

(A) Includes Rs. 8,00 lakhs being the advance grant for 1983–84.

(B) Includes Rs. 4,00 lakhs being the Government of India's share of advance.

(C) Includes Rs. 4,00 lakhs being State's share of grant for 1983-84.

(D) Includes rice released for Food for Work Programme, utilised after 30th September 1980.

(E) Excess over cash provided was met out of general funds of the blocks.

3.11.3. A test check conducted during October 1982 to May 1983 in 72 blocks in 10 districts disclosed the following :—

3.11.4. *Shelf of projects.*—The guidelines issued by Government of India provided for preparation of shelf of projects/master plan of area development for each block/district taking into account all the felt needs of the rural community. Depending on the availability of resources, annual plan was to be drawn up at the beginning of each year, selecting the works to be executed from the shelf of projects on the basis of properly determined priorities. Government of India observed (February 1982) that the shelf of projects had been prepared by the State Government in a routine way and that it had to be prepared by incorporating block plans according to the priority and felt needs of the villages in the blocks. In the first meeting held in June 1982, the State Level Steering Committee observed that there were several discrepancies and inaccuracies in the shelf of projects. The State Government instructed (January 1983) the Director of Rural Development to recast the shelf of projects in consultation with district authorities. In reply to an audit enquiry (April 1983), the State Government stated (June 1983) that the shelf of projects was being recast by the Director of Rural Development and that the work under NREP were taken up by the implementing authorities as per annual plan. However, in 1 block, 142 road improvement works (estimated cost : Rs. 12 lakhs) which were not included in the annual plan for 1982–83 were taken up during that year. The value of the works executed up to March 1983 was Rs. 5.59 lakhs. In another block, 28 works (estimated cost: Rs. 5.65 lakhs) not included in the shelf of projects were taken up during 1982–83. It was stated that the works were taken up, based on the representations received from the Peoples Committee after finalisation of shelf of projects for the block.

In yet another block, in which neither the shelf of projects nor the annual plan for 1981-82 was prepared, in respect of 36 road improvement works executed at a cost of Rs. 7.82 lakhs during 1981–82, the approval of the Collector, sought for in December 1981 had not been received (August 1983).

3.11.5. *Allocation of resources.*—The programme envisaged allocation of resources among the districts giving 75 per cent weightage to the number of agricultural labourers and marginal farmers and 25 per cent to incidence of poverty. The exact figures regarding incidence of poverty were not available with the State Government. Holding (October 1980) that all districts were equal in incidence of poverty, they allocated Rs. 14,80 lakhs and Rs. 8,91.25 lakhs during 1981–82 and 1982–83 on the basis of agricultural labourers and marginal farmers in each district and the balance of Rs. 14,80 lakhs and Rs. 15,20.55 lakhs during those years on other considerations such as unutilised funds and stock of rice available with the districts at the time of allocation, with the result that the distribution of resources made to the districts in each of those years was not in accordance with the guidelines.

3.11.6. *Execution of works.*—(i) The number of works undertaken under the programme, number completed, balance pending and value of work done during the years 1980–81 to 1982–83, as computed by the State Government are given below :—

(1)	1980–81* (2)	1981–82 (3)	1982–83 (4)
Number of works taken up	38,226	55,977	57,213
Number of works completed	28,518	38,710	45,345
Number pending at the end of the year ..	9,708	17,267	11,868
Value of work done (in lakhs of rupees) ..	8,72.30	31,17.00	42,60.00

Category-wise details of works done and achievement under each category were as under :—

Category (1)	1980–81* (2)	1981–82 (3)	1982–83 (4)
Minor Irrigation works (in hectares) ..	62,152	13,483	74,271
Drainage and anti-logging works benefiting cultivation fields (in hectares)	1,034	378.34	462
Rural roads (formation and improvement) (in kilometres)	4,965	9,472	30,869
Other works such as school buildings, community centres (in numbers)	3,366	1,992	4,115
Supply channels, drinking water wells (in numbers)	2,444	1,870	9,154
Afforestation (in hectares)	103.4	1,139	415

(ii) The number of works undertaken under the programme in the 72 blocks covered by test check, number completed and balance pending completion as on 31st March 1983 were as under :—

Year (1)	*Number of works taken up* (2)	*Number completed* (3)	*Number pending as on 31st March 1983* (4)
1980–81	1,187	1,145	42
1981–82	7,610	6,673	937
1982–83	8,539	5,223	3,316

*Figures for 1980–81 include those relating to Food for Work Programme up to 30th September 1980.

Of the 979 works pending for over one year, 189 were stated by the department to have been physically completed and only settlement of account was pending. The remaining 790 works were stated to be in various stages.

(iii) The cash assistance of Rs. 10,59.50 lakhs given by the Government of India for 1980–81 included provision of Rs. 1,86.50 lakhs for wages and Rs. 8,73 lakhs for " Materials ". Out of Rs. 8,73 lakhs for materials, State Government allocated Rs. 8,40 lakhs for construction of 2,000 additional school buildings (estimated cost : Rs. 12,00 lakhs). As per review report of the State Government (August 1983), 377 of these school buildings were pending completion as on 30th June 1983. The value of 271 incomplete school buildings in the 72 blocks test checked in audit was Rs. 73.74 lakhs.

(iv) One of the basic objectives of the programme was to establish durable community assets. In the 72 blocks test checked in audit, expenditure on completed road works taken up under NREP was Rs. 4,33.19 lakhs (54.4 per cent of the total expenditure on completed works) during the period from October 1980 to March 1983 ; of this, expenditure on kutcha roads (road works involving only collection and spreading of earth without any provision for hard surfacing to ensure its durability) was Rs. 1,17.74 lakhs (27.18 per cent of the expenditure on road works).

(v) In one block, 4325 M^3 of coarse gravel was collected in February 1982 at a total cost of Rs. 1.71 lakhs in respect of 8 road works and payment therefor made to contractors (March 1982). The gravel collected had not been spread even after one year. The reasons for the non-utilisation of the materials and information regarding availability of the materials now are awaited (July 1983). For one of the above road works, carted earth and coarse gravel had been collected again in April 1983 at an additional cost of Rs. 0.19 lakh even when the materials already collected as per estimate remained unutilised. Reasons for collecting materials for the second time are awaited (July 1983).

(vi) According to the guidelines issued by Government of India, only the works which directly help in strengthening the rural infrastructure and result in creation of durable community assets in the rural area as also those works which improve the rural economy are to be taken up under NREP. In 1 block, a project for construction of a park with gymnasium, library, canteen, acquarium, fish nursery, etc., covered by 17 estimates for a total expenditure of Rs. 12·82 lakhs was taken up under NREP during 1981–82. The expenditure incurred up to March 1983 aggregated to Rs. 8.37 lakhs. The department stated that the park would be an important centre of attraction for the people of nearby Tiruchirappalli town.

(vii) The maintenance of roads and streets within the panchayat/ Panchayat union is to be done out of panchayat/panchayat union funds. In one block, repairs to 10 existing panchayat roads at a cost of Rs. 2.80 lakhs was undertaken utilising NREP funds and in another block repairs to 16 school buildings were undertaken under NREP at a cost of Rs. 0.54 lakh.

(viii) An expenditure of Rs. 3.89 lakhs was incurred during 1982–83 in 2 adjacent blocks on the formation and improvement of a road leading to an "Ashram". The road was not, however, borne on the register of roads of the block. Government had been asked (July 1983) to state whether the road was a public road ; their reply is awaited. In one of these blocks, 1300 M^3 of dry stone masonry (value : Rs. 1.05 lakhs) was executed at 3 hairpin bends of the road leading to the "Ashram" by bringing the stones (value : Rs. 0.42 lakh) from an approved quarry at a distance of 6 kms. from the worksite, eventhough a quantity of 3035 M^3 of rubble/metal collected by blasting the hard rock at the worksite was available. The disposal of the collected metal/rubble was not indicated.

(ix) Government decided (July 1980) that construction of buildings in cyclone prone area viz., within 15 kms. from the sea shore should have only R.C.C. roofing. It was, however, noticed that 74 buildings (64 community centres and 10 school buildings—total estimated cost : Rs. 35.69 lakhs) in 12 blocks, situated within a distance of 15 kms. from the sea shore, had been provided with A.C.C. roofings only.

(x) In September 1981, Government ordered that all Government departments/*quasi*-Government agencies should place orders for their requirement of asbestos sheets and accessories from Tamil Nadu Asbestos, a Government company. In 3 blocks, local purchase of A.C. sheets for roofing of community centres was resorted to, resulting in an extra expenditue of Rs. 0.63 lakh.

(xi) In August 1981, Government clarified that the works of metalling of roads could be carried out under NREP with a material component of 40 per cent, by engaging labour to prepare the required metal instead of purchasing the metal. In 1 block, 8 such works (cost : Rs. 2.75 lakhs) were executed through contractors without engaging any labour departmentally on the plea that metalling works involved huge collection of metal and gravel worth about 80 per cent and that necessary tools and plants were not available with the department.

(xii) To ensure that the full benefit of the scheme accrues to the labourers, the guidelines totally exclude execution of works through contractors. The works were to be executed departmentally, engaging

labourers direct. The points noticed by Audit during test check of the records relating to execution of works in 72 blocks are listed below.

(*a*) In almost all the blocks, daily labour reports were not received from the field staff and checked with NMRs, before passing them for payment. Money was drawn and payment made in 7 blocks on the basis of muster rolls not passed for payment. In one block, the Block Development Officer ordered payment before obtaining NMRs and instructed the Rural Welfare Officer to produce the NMRs within two days. In 1 block, an NMR in which the names of labourers had been indicated in part had been passed. Marking of attendance in NMRs was not in chronological order in 3 blocks. Attendance in NMRs had been marked for non-existing dates like 29—2—1982 and 31—9—1982 and names of the same set of labourers appeared in two different rolls on the same day. Even skilled labourers like masons were paid at Rs. 7 per day applicable to unskilled labourers. NMRs for the period prior to May 1981 had been prepared at the wage rate of Rs. 7 per day, which came into effect only in May 1981. In 8 cases in 3 blocks where the value of work done as per the measurement books was found incorrect due to error in calculation, NMRs were found to tally with the incorrect value of labour arrived at therein. The panchayat unions did not produce the rolls containing the names of the labourers engaged on works in progress for which payments were due.

(*b*) In some cases, labourers were engaged after the completion of work ; in some others, requiring premeasurement, labourers had been shown as employed even prior to premeasurement. In 11 blocks, 326 works (estimated cost : Rs. 48.95 lakhs) were reported to have been physically completed but the expenditure incurred was "*Nil*". In 4 blocks, 5 works (estimated cost : Rs. 1.75 lakhs) were shown as completed by incurring Rs. 0.53 lakh only.

(*c*) Issues in the Rice Stock Register were not supported by the acknowledgements of the field staff to whom the stocks were shown to have been issued for distribution to labourers. There was no claim by the field staff for transporting rice from panchayat union godown to the worksite. Payments to the labourers were made after considerable delay extending up to 1 year. In 1 block, in respect of 188 works executed during 1982–83, wages (161 tonnes of rice) were paid for 1.61 lakh man-days after a delay ranging from 1 to 4 months. In another block, in respect of 19 works, the total wage amounting to Rs. 1.32 lakhs due up to January 1983 was paid in 2 instalments—Rs. 0.41 lakh in January 1983 and 0.91 lakh in April 1983 ; however, acquittances for disbursement of the entire amount of Rs. 1.32 lakhs were taken in January 1983 itself. In yet another block, 17 road works taken up during January—March 1982 were reported to have been physically completed (value : Rs. 0.60 lakh) but payments in respect of all the 17 works had not been

made so far (June 1983). The measurement and check measurement of 7 out of the 17 works had also not been completed (June 1983). Variations were noticed between the amounts/rice issued to the field staff and the acquittances obtained therefor from the labourers. Acknowledgements from the labourers had been obtained even before issue of rice/cash. In 1 block acquittances for the issue of 137.111 M T of rice had been taken when there was no stock of rice.

(*d*) No stock entries were made for building materials like bricks, jelly, sand, paint and steel, even though these materials were claimed to have been purchased departmentally and issued to the work. The receipt and issue of materials were not recorded in the measurement books. Where road rollers were hired from Highways Department, fuel charges were not met by the panchayat unions, eventhough the rules for hiring the road rollers stipulated that the hirer should bear the cost of fuel. The lending department had also not met the fuel cost. No explosives were purchased departmentally and issued to works involving rock blasting. In 1 block, cost of steel and cement supplied by the panchayat union had been recovered from the amount due to the contractor who supplied other building materials to the work. In another block, cost of cement supplied by the panchayat union had been ordered to be recovered from a contractor. Materials like bricks were shown as manufactured by engaging departmental labour but no manufacturing or stock accounts of bricks were maintained.

(*e*) In 1 block, 27 works at a total cost of Rs. 4.68 lakhs were executed through "nominees" during 1981–82 (13 works) and 1982–83 (14 works).

3.11.7. *Utilisation of resources on priority works.*—As per the guidelines issued by the Government of India, 10 per cent of the resources should be earmarked for schemes of social forestry and afforestation in order to maintain ecological balance. There was shortfall, ranging from 16.5 to 74.8 per cent in utilisation of resources on such schemes during 1980–81, 1981–82 and 1982–83 as under :—

Year	*Allocation*	10 *per cent of allocation*	*Amount utilised*	*Per cent*
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
1980-81	6,76.95*	67.10	17.08	2.52
1981–82	29,60.00	2,96.00	89.36	3.01
1982–83	31,20.00	3,12.00	2,60.62	8.35

*Excludes Rs. 8,73 lakhs released by Government of India towards material component.

In the 72 blocks test checked, no such works were undertaken in 71, 38 and 37 blocks in 1980–81, 1981–82 and 1982-83 respectively. In the remaining blocks, the utilisation ranged from 2.18 to 3.08 per cent as given below as against 10 per cent prescribed under the programme.

Year	*Allocation*	10 *per cent of allocation*	*Amount utilised*	*Per cent*
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
1980–81	1.62	0.16	0.05	3.08
1981–82	2,65.59	26.56	5.80	2.18
1982–83	3,59.38	35.94	9.09	2.52

The State Government observed (August 1982) that there had been no planned or systematic efforts to achieve physical or financial targets under social forestry and required the district Collectors to prepare a district profile for 3 years of the social forestry works under NREP which could be completed within 10 per cent of resources allotted. In December 1982, the State Government reported to Government of India that the shortfall in utilisation of the resources was due to release of funds at the fag end of 1980–81 and due to failure of monsoon during 1981–82.

3.11.8. *Employment generated.*—The number of mandays proposed and generated during 1980–81, 1981–82 and 1982–83 as computed by the State Government are given below :—

Year	*Number of mandays proposed to be generated*	*Number of mandays generated*
	(in lakhs)	
1980–81 ..	Not fixed.	1,46.75*
1981–82	3,59.70	4,15.57
1982–83	4,00.00	4,95.13

* Includes figures relating to the Food for Work Programme up to 30th September 1980.

With a view to adopting a uniform formula for computing the number of mandays generated under the programme, Government instructed (November 1982) that the number of mandays may be computed by dividing the value of work done, less 40 per cent thereof for material component, by Rs. 7 (the minimum wage rate for unskilled labourers). It was seen during test check that skilled labourers were paid at rates much higher than Rs. 7 per day (up to Rs. 18 as per the schedule of rates). In some blocks, even the unskilled labourers were paid wages at rates higher than Rs. 7 per day. The expenditure incurred on materials was not reduced from the value of work for computing mandays till November 1982. In 2 districts, the material component was 53 and 55 per cent of the total value of work done as against 40 per cent reckoned from November 1982 for computing the mandays. Consequently, generation of employment computed accordingly by the blocks and reported to Government by the department was very much on the high side and did not represent the correct position. In the case of 13 blocks in Pudukottai district, test check disclosed that the number of mandays generated during 1982-83 on the basis of NMRs was only 12.85 lakhs as against 17.67 lakhs reported by DRDA, Pudukkottai to the Director of Rural Development and 20.30 lakhs reported by the latter to Government.

3.11.9. *Distribution of foodgrains as wages.*—(*a*) The programme envisaged distribution of foodgrains to labourers employed on the works through fair price shops as far as possible. But rice was distributed directly by the panchayat unions through the departmental officer (Rural Welfare Officer and Road Inspector) in charge of the works.

(*b*) Under the programme, 2 kgs. of foodgrains per head per day were to be given as part of the wages during 1980–81 and 1 kg. per head per day thereafter and the balance was to be paid in cash. The quantity of foodgrains utilised for distribution as wages and the number of mandays of employment generated as reported by the State Government to Government of India during 1981-82 and 1982-83 are given below :—

Year	*Quantity of foodgrains utilised*	*Number of mandays generated*
	(in MTS)	(in lakhs)
1980-81	47,378*	1,46.75 *
1981-82	31,137	4,15.57
1982-83	25,982	4,95.13

* Includes figures relating to Food for Work Programme up to 30th September 1980.

The average utilisation of foodgrains per day per worker was 0.75 kg. during 1981–82 and 0.53 kg. during 1982–83 as against 1 kg. prescribed under the programme.

(*c*) There was no stock of rice for more than 3 months in 13 blocks during 1981–82 due to belated allotment of rice by Government and in 7 blocks during 1982–83 and the entire wages were paid in cash.

(d) Rice was not distributed to labourers in 19 blocks for 1.58 lakh mandays during 1981–82 and for 0.62 lakh mandays during 1982-83, though there was adequate stock of rice with the blocks; they were paid only in cash.

(*e*) Out of 33,000 tonnes of rice allotted by Government of India free of cost during 1980–81 the blocks lifted only 29,724 tonnes up to 31 st March 1981.

The matching cash component of the wage against the quantity actually lifted came to Rs. 1,67.99 lakhs only (at Rs. 1.13 per 2 kilograms of rice), whereas the cash grant released by Government of India and passed on to the blocks was Rs. 1,86.50 lakhs. The excess grant of Rs. 18.51 lakhs corresponding to the quantity of 3276 tonnes of rice not lifted during 1980–81 was not refunded to Government of India.

3.11.10. It was also noticed in audit that NREP funds had been diverted for execution of works under other schemes as indicated below:–

(*a*) With a view to reducing the financial commitment of Government and also that of the panchayat unions on Self Sufficiency Scheme (a State Plan Scheme), Government decided (May 1982) that the works, such as, formation of earthen and gravelled roads, pathways to burial grounds for Adi-Dravidars and improvement to minor irrigation sources carried out under that scheme in 69 blocks in Phase I during1980-81 and 150 blocks in Phase II during 1981-82 be taken up in 159 blocks in Phase III during 1982-83 under NREP. Accordingly, out of the financial target of Rs. 74,56.00 lakhs for Phase III of Self Sufficiency Scheme, works for an aggregate sum of Rs. 18,36.00 lakhs were to be met out of NREP funds. In respect of 21 blocks test checked in audit, the expenditure incurred during 1982-83 on 1,255 such works was Rs. 79.84 lakhs.

(*b*) In January 1981, Government clarified that the rice made available under NREP might be utilised for payment for the works already executed under the Employment Guarantee Scheme (a State Scheme). In one block 86.757 M.T. of rice costing Rs. 1.43 lakhs received under NREP during the period from October 1980 to March 1981 was utilised for payment of wages in respect of 80 works completed prior to October 1980 under Employment Guarantee Scheme.

To the extent of diversion of NREP funds for other plan schemes of the State, the object of creation of additional employment in rural sector has not been achieved.

3.11.11. *Advance of cash/rice pending settlement.*—The Rural Welfare Officers/Road Inspectors who were entrusted with the execution of NREP works were given rice and cash in advance by the panchayat unions. But no procedure was evolved to watch utilisation of rice given in advance and refund of unutilised rice. 187.699 tonnes of rice (valued Rs. 3.14 lakhs) and cash (Rs. 5.74 lakhs) given to these officers during 1980-81 (rice:20.407 tonnes and cash : Rs. 0.18 lakh), 1981-82 (rice:162.261 tonnes and cash: Rs. 1.14 lakhs) and 1982-83 (rice:5.031 tonnes and cash: Rs. 4.15 lakhs) remained to be accounted (March 1983) in the 10 districts test checked in audit.

3.11.12. *Monitoring.*—According to the guidelines issued by Government of India, Committees at the State and District levels were to be constituted to plan and review the implementation of the programme. The Committee at State level should meet regularly at least once in three months and the Committee at District level was to meet once in a month. The Committee at State level met only once (June 1982) during the first 2 1/2 years (1st October 1980 to 31st March 1983) and the district Committees met only once in 2 districts and 4 times in another district.

3.11.13. The guidelines issued by Government of India envisaged that the State should conduct periodical evaluation studies of works executed under the programme with a view to seeing whether the basic objectives of the programme were achieved. Government stated (May 1983) that the Director of Evaluation and Applied Research had been entrusted with the evaluation of the programme and his report was awaited.

3.11.14. Summing up

(i) The shelf of projects for each block/district, covering the works required for providing basic minimum facilities to the people, to facilitate selection of works to be executed under the programme was not recast as suggested by the Government of India.

(ii) Against the target of 2000 additional school buildings(estimated cost: Rs. 1,200 lakhs) to be constructed in 1980-81, 377 schools remained incomplete (June 1983).

(iii) In 72 blocks, Rs. 1,17.74 lakhs were spent on forming kutcha roads instead of on creation of durable assets in rural areas.

(iv) Test check disclosed, preparation of NMRs after execution of works, existence of defective and incomplete NMRs, discrepancies between the dates of employment of labour and dates of completion of works, inordinate delay in disbursement of wages, non-accountal of materials procured and issued to works and similar other defects.

(v) As against 10 per cent of the resources ear-marked for schemes of social forestry and afforestation, the utilisation during the years 1980-81 and 1981–82 was 2.52 per cent and 3.01 per cent only.

(vi) Reported number of mandays of employment generated during 1981-82 and 1982-83 were computed on the basis of value of work done (including cost of materials up to November 1982) and minimum wage paid to labourers, resulting in inflation of figures. In 1 district, the inflation during 1982–83 was to the extent of 7.45 lakh man-days.

(vii) The average quantity of food grains issued during 1981-82 and 1982-83 was 0.75 kg. and 0.53 kg. per day per labourer as against the prescribed minimum of 1 kg. In 19 blocks, the labourers were paid only in cash despite availability of adequate stock of rice.

(viii) Rice and cash (total value : Rs. 18,36.43 lakhs) provided under NREP were diverted to other Plan Schemes of the State.

(ix) The State Level committee to monitor the implementation of the programme which was to meet once in three months, met only once during two and a half years ending March 1983. The district level committees which were to meet once in a month to review the impletation of the programme, met only once in two districts and four times in another district in the period October 1980 to March 1983.

The points mentioned above were reported to Government in August 1983 ; their reply is awaited (December 1983).

FORESTS AND FISHERIES DEPARTMENT

2. Development of Fisheries

3.12.1. *Introductory.*—Fisheries play a vital role in generating rural ıployment, augmenting protein rich food and earning foreign exchange. —mil Nadu has a coast line of 1,000 kilometres with a continental shelf › to 200 metres depth) of about 41,400 square kilometres and inland ter spreads of about 3.69 lakh hectares suitable for fish culture. ›vernment had been implementing various schemes during successive .n periods for maximising fish production (both marine and inland) ›ough expansion of necessary infrastructure facilities, research d training programmes and improving the socio-economic condition fishermen. The implementation of these scheme/activities was —iewed (January-May 1983) at the Secretariat, Directorate of Fish-es and 18 field offices out of the total of 56 offices and the points —ticed are mentioned in the succeeding paragraphs.

3.12.2. The targets and achievements under the programme during 79-80 to 1982-83 are given below :—

MARINE FISHERIES

Year	*Financial*		*Physical*	
	Target	*Achievement*	*Target*	*Achievement*
(1)	(2)	(3)	(4)	(5)
	(in lakhs of rupees)		(fish production in lakhs of tonnes)	
79-80	1,02.35	2,47.43	2.20	2.17
=80-81	2,20.99	2,27.43	2.27	2.27
-81-82	2,43.58	2,41.16	2.40	2.36
=82-83	2,50.03	1,48.74	2.60	2.40
Total ..	8,16.95	8,64.76		

INLAND FISHERIES

79-80	61.09	51.97	1.60	1.60
=80-81	1,28.35	1,13.28	1.65	1.65
=81-82	1,30.09	1,71.38	1.75	1.65
=82-83	1,57.26	1,42.38	1.85	1.60
Total ..	4,76.79	4,79.01		

MISCELLANEOUS*

Year	Financial	
	Target	Achievement
(1)	(2)	(3)
	(in lakhs of rupees)	
1979-80	1,13.67	1,81.40
1980-81	1,95.13	3,04.56
1981-82	1,78.41	2,53.93
1982-83	1,84.16	3,48.30
Total ..	6,71.37	10,88.19

A. Marine fisheries

3.12.3. *Resources and landings.*—In Tamil Nadu, about 80,0 fishermen using more than 4,000 mechanised boats and about 38,0 traditional crafts are engaged (March 1983) in marine fishing. T production of fish at the end of Fifth Five Year Plan (1974–79) w 2.10 lakh tonnes against the target of 4.00 lakh tonnes. The shortf (48 per cent) in achievement was attributed (March 1983) by the Di ctor of Fisheries mainly to distribution of lesser number of mechanis boats to fishermen (510 against target of 1,000 during the plan perio reduction in the number of existing boats available for fishing due repairs, seizure and condemnation and reduced productivity of t sea due to drought conditions.

Based on the non-achievement of targets in the Fifth Plan for va reasons, the target at the end of Sixth Five Year Plan (1980–85) w reduced to 3.00 lakh tonnes.

According to the Report (1980) of the State Working Group Fisheries, the fisheries potential in the continental shelf of Tamil Na had been estimated at 3.50 lakh tonnes and it would be another 5. lakh tonnes in the Exclusive Economic Zone (up to 320 kilometres fro the coastline). The marine fish production ranged from 2.17 to 2. lakh tonnes during 1979–80 to 1982–83 and fishing had been confin mostly to the inshore areas, leaving the rich off-shore and deep sea are largely unexploited.

* Includes expenditure on Direction and Administration, Research, Educati and Training, Processing, Preservation and Marketing, assistance to Co-operative assistance to Tamil Nadu Fisheries Development Corporation, etc.

3.12.4. *Export of fish and fish products.*—The quantity of fish and fish ducts exported from Tamil Nadu and the earnings realised therefrom ing the years 1978 to 1982 were on the decline as indicated below :—

Year	*Quantity*	*Value*
(1)	(2)	(3)
	(in tonnes)	(in lakhs of rupees)
1978	10,430	31,77.41
1979	8,294	29,83.27
1980	6,543	22,19.14
1981	6,751	22,12.06
1982	4,833	17,28.87

The declining trend was attributed (March 1983) by the Director the unremunerative operation of mechanised boats due to steep hike -fuel price, reduction in catches on account of disputes among fisher- n and adverse effect on export to United States due to contamination -d to Japan (a major market) due to higher inventory stock with it -ring 1980–81 and 1981–82.

3.12.5. *Supply of out-board motors and fibre glass boats.*—Seventy -e per cent of the total of about 80,000 tonnes of additional marine -h production targeted during the Sixth Five Year Plan was sought be achieved by the Fisheries Department by subsidising) per cent) (i) the mechanisation of 1,000 catamarans (fixing out-board motors) (subsidy : Rs. 20.00 lakhs) at the rate 200 numbers per year and (ii) supply of 850 fibre glass boats (subsidy : s. 95.00 lakhs) to fishermen. Both the schemes were taken up for plementation from 1981–82 onwards.

Government sanctioned (June 1981/May 1982) supply of 40 out- oard motors at a cost of Rs. 4.00 lakhs (subsidy : Rs. 0.80 lakh ; loan : s. 3.20 lakhs) ; out of these, 17 motors only could be procured at a st of Rs. 2.00 lakhs (1981–82) and distributed during 1982–83 to fisher- en. Rupees 2.00 lakhs sanctioned by Government in May 1982 were awn and deposited (September 1982) with the Tamil Nadu Fisheries evelopment Corporation(TNFDC)which was to implement the scheme, nding arrangements to secure loans from commercial banks to meet e balance of 80 per cent cost. It was stated (March 1983) by the

Deputy Director of Fisheries that the scheme had not been receiv well by the fishermen owing to the uneconomical operation of the ou board motors. The department had approached (December 198 Government to modify the scheme to provide subsidy for supply in-board engines instead of out-board motors ; orders of Governme were awaited (December 1983).

Under the scheme for supply of fibre glass boats, Governmen sanctioned (November 1981/May 1982) Rs. 14.00 lakhs towards per cent subsidy in respect of 90 boats. The amount was drawn an deposited (February 1982 : Rs. 6.00 lakhs ; September 1982 : Rs. 8.(lakhs) with the TNFDC for implementing the scheme. In M 1982, it had been decided by Government that the boats should owned by the Corporation and operated on catch sharing bas Subsequently (January 1983), it was decided that the boats should owned and operated by the Fishermen Co-operative Societies. T department was yet (December 1983) to secure loan assistance from t District Co-operative Banks to cover the balance of 80 per cent co Rupees 16.00 lakhs released by Government for implementation these two schemes were lying with the TNFDC unutilised.

Thus, even after 3 years of the Sixth Plan, as against the target mechanisation of 600 catamarans, only 17 (3 per cent) had been equi ped with motors ; the scheme of supply of fibre glass boats had n also made headway.

3.12.6. *Fishing harbours.*—Mention was made in paragraph 25 the Report of the Comptroller and Auditor General of India for th year 1974-75 regarding the under utilisation of the fishing harbours Cuddalore, Nagapattinam and Tuticorin. The Committee on Publ Accounts recommended in its Sixth Report (presented to the Assembl in February 1981) that urgent steps should be taken for utilisation the harbours by the fishing vessels to the optimum level. The utilisa tion of the harbours at these places continued to be poor during 1981-8 as shown below :—

Serial number and particulars	*Tuticorin*	*Cuddalore*	*Nagapattinam*
(1)	(2)	(3)	(4)
1. Berthing capacity per day			
Boats	400	40	1
Trawlers	10	..	.

Serial number and particulars	Tuticorin	Cuddalore	Nagapattinam
(1)	(2)	(3)	(4)
2. Actual number of boats berthed per day (average)			
1979-80	6	15	1
1980-81	7	19	1
1981-82	8	13	1
3. Percentage of utilisation to capacity during the three years (1979-82)	2	39	10
4. Revenue realised (in lakhs of rupees)			
1979-80	0.30	0.028	0.008
1980-81	0.70	0.052	0.003
1981-82	0.36	0.032	0.003

The underutilisation of harbours was attributed (March 1983)by the Director of Fisheries mainly to heavy accumulation of sand in the boat basins. The State Port Officer had sent (January 1983) proposals to Government for dredging (estimated cost : Rs. 24.60 lakhs) the two harbours at Cuddalore and Nagapattinam ; orders of Government are awaited (December 1983).

The harbour at Madras was completed in 1980 at a cost of Rs. 10,73.00 lakhs (tentative). Government fixed (July 1980) berthing charges for mechanised boats but the owners of these boats berthed in the harbour reportedly refused to pay the charges on the plea that facilities like water, electricity, ice plant, cold storage, fuel bunk, etc., had not been provided. According to the Assistant Director (Fishing Harbour) (March 1983) the estimated loss of revenue on this account would be around Rs. 16,700 per month. Information regarding steps taken to enforce recovery of the charges was awaited (May 1983).

3.12.7. *Inshore fishing survey.*—(a) There are five inshore fishing survey stations, *viz.*, Rameswaram, Cuddalore, Madras, Kanyakumari and Mallipattinam, to explore systematically the inshore area of the seas up to 20 fathoms line with a view to locating suitable fishing grounds and season for commercial fishing by mechanised fishing boats and to disseminate this information to fishermen. An expenditure of Rs. 37.57 lakhs was incurred during 1979-82 on running these stations. The

area allotted for surveys and actually carried out during the years 1979-82 is given below :—

Serial number and particulars	*Rames-waram*	*Cuddalore*	*Madras*	*Kanya-kumari*	*Malli-pattinam*
(1)	(2)	(3)	(4)	(5)	(6)
1. Area allotted for survey (in square miles)	2,000	200	500	500	500
2. Number of boats available	4	2	3	3	4
3. Area surveyed (in square miles)					
1979-80	550	175	125	19	125
1980-81	600	212	100	14	300
1981-82	Not available	154	200	Not available	Not available
4. Percentage of areas surveyed to the total area	29	90	28	3	43

The Director stated (April 1983) that most of the mechanised boats provided were old and unserviceable ; the few available survey boats had often been diverted for patrolling high seas to avert clashes between the mechanised boat operators and the catamaran owners reducing their availability for survey work ; at Cuddalore, due to silting up of harbour mouth, the utilisation of the survey boats was affected ; and for want of a jetty or fishing harbour at Kanyakumari, the mechanised boats at that station were to be anchored in open sea or kept in the fishing harbour at Tuticorin far away from the station, thereby reducing the time available for surveys.

Information regarding remedial measures taken was awaited (June 1983).

(*b*) It was seen in test check that as against 20 fathoms to be covered, the surveys conducted by the two departmental mechanised boats at Cuddalore were limited to a range of 10/15 fathoms only on account of inefficiency of the engines fitted to these boats. Information regarding the extent of coverage by other inshore survey stations is awaited (May 1983).

(*c*) For equipping the inshore survey station boats with ultrasonic equipments necessary for locating fishing grounds and fishing shoals, Government acquired 18 fish-finders (cost : Rs. 1.41 lakhs) between 1966 and 1968. Of these, 6 numbers (cost : Rs. 0.59 lakh) had not been put to beneficial use. Reasons for non-utilisation of these fish-finders are awaited (June 1983).

3.12.8. *Infrastructure facilities—Development of facilities at Valinokkam and Palayar.*—Government of India approved(July 1977/October 1977) a scheme for development of infrastructural facilities in two fishing villages—one at Valinokkam in Ramanathapuram district (cost : Rs. 24.00 lakhs) and the other at Palayar in Thanjavur district (cost : Rs. 28.00 lakhs).The expenditure was to be shared between Government of India and the State Government in the ratio 3 : 1. It envisaged provision of fish curing yard, service station, ice plant, community hall, water supply and approach road including a bridge across a canal at Palayar and was to be completed during the Fifth Plan period (1978-79). The State Government sanctioned estimates (Rs.44.89 lakhs) in November 1978. While formation of approach road and construction of bridge were in progress, other components like construction of ice plant and community hall were not taken up (May 1983). The Director of Fisheries attributed(April 1983) the slow progress of the works to remoteness of the areas, lack of response to tenders and scarcity of cement, water and labour.

It was also noticed that in respect of the work relating to construction of a bridge (estimated cost : Rs. 5.15 lakhs) as part of the Palayar scheme, a single tender for Rs. 5.55 lakhs was received (May 1979) and was recommended (October 1979) by the State Port Officer for acceptance but the matter remained under consideration of Government till June 1980, when the tenderer withdrew his offer owing to rise in prices. After 3 more tender calls (December 1980-March 1981), the contract was awarded (October 1981) for Rs. 8.44 lakhs (revised estimated cost: Rs. 8.00 lakhs) resulting in additional liability of Rs. 2.89 lakhs due to escalation of costs, besides delay of 2 1/2 years.

The delay in execution of the works had resulted in escalation of costs and large expenditure on establishment (Rs. 9.56 lakhs—38 per cent), while the intended benefits had not accrued to the fishermen even 5 years after the scheme had been sanctioned, despite an overall outlay of Rs. 24.56 lakhs.

3.12.9. *Ice-cum-cold storage plant at Periathalai.*—To meet the long standing demand for freezing facilities in the major fishing centre at Periathalai in Tirunelveli district, Government sanctioned (April 1972) installation of an ice-*cum*-cold storage plant at a cost of Rs. 2.86 lakhs. Civil works for the plant were executed in stages--main building,formation of approach road, water supply and electrical works were completed between March 1975 and April 1978 (cost : Rs. 1.20 lakhs) by Public Works Department (PWD) and additional Civil works (sump condenser tank, compound wall, etc.) (cost : Rs. 0.40 lakh) were sanctioned (May 1981 and April 1982)and they were carried out by Tamil Nadu Harijan Housing Development Corporation. The contractor who was entrusted (1975) with the work (value : Rs. 1.09 lakh) of supply and erection of machinery, stopped the work (February 1977) after supplying

part of the machinery (cost : Rs. 0.51 lakh). The contract was terminated (February 1979) and the work completed (October 1981) departmentally at a cost of Rs. 0.34 lakh. The plant was commissioned in January 1982. The ice plant, however, worked only for 16 days from January 1982 to March 1983, producing 3,300 kilograms(less than 1 percent of its rated capacity of 3 tonnes per day) and the cold storage did not function at all.

The Fisheries Refrigeration Engineer attributed (January 1982) the non-functioning of the plant to poor voltage and non-availability of continuous power supply. According to the Electricity Board, a separate high tension feeder line (11 KVA) (estimated cost : Rs. 3.60 lakhs) would be required to stabilise the power supply but as the fishing hamlet falls within the agricultural rural feeder, continuous power supply could not be assured even by provision of high tension line. The Director of Fisheries had, therefore, proposed (December 1982) installation of a generator at a cost of Rs. 1.40 lakhs and orders of Government were awaited (June 1983).

Thus, there was inordinate delay of more than 11 years in completion of the work and even after completion the plant installed at a cost of more than Rs. 2.43 lakhs had not been put to beneficial use.

3.12.10. *Departmental service centres.*—With the object of providing facilities for repairs and maintenance of mechanised fishing boats belonging mainly to fishermen, the department had established (between 1963 and 1970) 7 service centres. In the initial stages the service centres were to attend to minor repairs, supply of imported spare parts and offer technical counsel for proper maintenance of the boats. Subsequently (1973/1977), the service centres at Cuddalore, Tuticorin and Rameswaram were upgraded into base workshops in order to meet the demand for servicing of bigger sized boats. Even taking into account only the direct expenses the working results of these units during 1974-75 to 1980-81 have been poor, as shown below :—

Serial number and place of location	*Year in which set up*	*Expenditure incurred*	*Receipts*	*Percentage Col. (5) to (4)*
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
1. Nagapattinam	1963	0.60	0.09	15
2. Rameswaram	1964	0.81	0.15	18
3. Tuticorin	1964	0.68	0.11	16
4. Colachel*	1964	1.31	0.23	18
5. Madras	1965	1.07	0.06	5
6. Mandapam	1969	1.03	0.51	50
7. Cuddalore	1970	0.83	0.03	4

* Shifted to Kanyakumari in 1977.

The Director of Fisheries attributed (January 1981) the poor performance to the increased use of indigenous engines by fishermen, for which spares were readily available and availability of facilities for periodical inspection, servicing, etc., by the manufacturers of these engines and by private mechanics/workshops who were allowing credit facilities and were offering service round the clock, which could not be done by the department. Test check by Audit disclosed that in one centre (Cuddalore) machinery (cost : Rs. 0.86 lakh) installed in 1976 were not operated as turners and welders had not been appointed and in another centre (Tuticorin) machinery (cost : Rs. 0.40 lakh) installed in 1977-78 had not been commissioned (April 1983) for want of three phase power connection.

The Director decided (October 1982) to dispose of heavy stocks (value : Rs. 7.91 lakhs) of non-moving imported spares (procured between 1966 and 1977) in these centres in public auction after finding out the needs, if any, of the field offices. Final disposal was yet to be made (May 1983).

The working of the service centres/base workshops was reviewed by a Joint Director of Fisheries (July 1976) and an expert committee (1978). Both of them observed that the units did not meet the objectives for which they were established and recommended closure of some of the centres or handing them over for operation either by groups of fishermen or TNFDC so that they could be operated on commercial basis, but the TNFDC declined to take them over. The Director proposed (January 1981) to close down five centres and to reorganize/strengthen the remaining centres. Orders of Government were awaited (June 1983).

Though Rs. 8,64.76 lakhs were spent on marine fisheries during 1979-80 to 1982-83, the annual production of marine fish has registered only a marginal increase of 0.30 lakh tonnes only over the production of 2.10 lakh tonnes in 1978-79 mainly due to shortfall in supply of motor, and fibre glass boats, fishing surveys and delay in creation of infrastructure facilities.

B. Inland fisheries

3.12.11. *Inland fish production.*—The production under inland fisheries at the end of Fifth Five Year Plan (1974-79) was 1.50 lakh tonnes as against the target of 2.30 lakh tonnes. For the Sixth Five Year Plan period, a smaller target of 2.10 lakh tonnes was fixed.

3.12.12. Mention was made in paragraph 3.6 of the Report of the Comptroller and Auditor General of India for the year 1977-78 regarding the shortcomings in the implementation of the schemes for development of inland fisheries and the Committee on Public Accounts made its recommendations in the Report presented to the Legislature in April 1983.

3.12.13. Points noticed during the review of the new schemes implemented during 1978-79 to 1981-82 are mentioned below :—

3.12.14. *Project for production of* 100 *million fingerlings.*—Government approved (August 1980) proposals (September1979) of the Director of Fisheries for creating 30 hectares of fish seed farm area to yield an additional production of 100 million fingerlings per annum and sanctioned the implementation of the project in 10 centres (new constructions : 2 centres ; expansion of existing ones : 8 centres) during 1980-81 and 1981-82 on a capital outlay of Rs. 1,20.20 lakhs. As against 30 hectares programmed, detailed estimates were prepared by the PWD and approved (December 1980 to September 1981) by Government for development of only 6.71 hectares in the 10 centres (actual area in each centre ranged from 0.1 to 2.0 hectares as against 2 to 5 hectares originally envisaged) within the overall sanctioned amount of Rs. 1,20.20 lakhs. The following points were noticed:—

(i) According to the scheme drawn up (September 1979) by the Director, the civil works were estimated to cost Rs. 3.00 lakhs per hectare. However, on the basis of the detailed estimates sanctioned for the works, the average estimated cost worked out to a high rate of Rs. 17.90 lakhs per hectare. Reasons for the huge variation are awaited (September 1983).

(ii) Though the project was to be completed by 1981-82, an expenditure of Rs.61.14 lakhs had been incurred up toJanuary 1983 in establishing only 4 centres (2 in March 1982 ; 1 each in April and July 1982) for a total area of 1.35 hectares. In the remaining 6 centres, works were not completed (May 1983) owing to the sites not being ready (3 works) due to delay in land acquisition, encroachment by local people and delay in obtaining permission of the Forest Department and pending provision of water supply arrangements (3 works). Information regarding commencement of farming operations in the 4 completed centres taken over by the Fisheries Department between March 1982 and July 1982 was awaited (December 1983).

3.12.15. *Demonstration of prawn farms.*—With a view to encouraging fishermen to take up prawn farming extensively in brackish water spreads Government sanctioned (November 1979 and August 1980) a scheme for establishing 10 demonstration units and 3 survey units at various stations at a total cost of Rs. 18.00 lakhs (ponds : Rs. 7.45 lakhs ; laboratory and other equipments : Rs. 4.25 lakhs ; survey and other staff for one year : Rs. 6.30 lakhs). Each demonstration unit was to consist of a one hectare prawn farm and 10 prawn-seed nursery ponds of 0.1 hectare each. Each prawn farm was expected to produce 1,000 kilograms of prawns in two crops in a year. The nursery ponds were to collect and, rear prawn juveniles to stocking size and then sell them to prawn farmers

for stocking. Construction of the demonstration units was entrusted to the panchayat unions to whom the entire estimated cost of construction of Rs. 7.45 lakhs was paid in advance (1979-80 : Rs. 0.67 lakh for 2 units ; 1980-81 : Rs. 6.03 lakhs for 7 units and 1981-82 : Rs. 0.75 lakh for 1 unit). The following points were noticed :—

(i) Out of the 10 units, 6 units had not been completed (April 1983) due mainly to delay of 8 to 12 months in commencement of work (3units), change in location (1 unit), inability of the panchayat union to complete the work (1 unit) and water logging (1 unit).

(ii) Of the 4 units taken over (October 1981 to January1983)by the Fisheries Department, farming operations were undertaken in 3 units from 1981-82 ; in 1 unit (completed in January 1983) farming remained to be taken up (March 1983). The working of the 3 demonstration farms for the full year 1982-83 revealed low productivity and poor realisation of revenue as given below :—

Farm at	*Capital cost*	*Production of prawn in kilograms*	*Percentage of production (against the norm of 1,000 kilograms)*	*Expenditure including establishment*	*Revenue realised*	*Percentage (column (6) to (5))*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(in lakhs of rupees)			(in lakhs of rupees)		
Thondiyakkadu	0.46	297	30	0.43	0.06	14
Eripurakkarai	0.38	214	21	0.48	0.06	13
Kattumavadi	0.59	Nil.	Nil.	0.38	0.02	4

The field officer attributed (April 1983) the low productivity to loss of water in pond due to seepage and percolation, high salinity and cannibalism among prawns.

(iii) Of the 4 units where prawn farming is carried on, nursery ponds are yet (April 1983) to be built in 2 units. No prawn juveniles were, therefore, reared and sold to prawn farmers from these units, as required in the scheme. No information is available about the other 2 units.

(iv) The scheme (August 1980) contemplated detailed survey of about 27,000 hectares of brackish water spreads within 18 months with the ultimate object of identifying and bringing in at least 5,000 hectares of such land under prawn culture in the subsequent two years. The Deputy Director of Fisheries (Mariculture) stated (May 1983) that only a macro-level survey was done throughout the coastal area and actual area surveyed could not be assessed. Specific areas were not identified/allotted/brought under farming, as required under the scheme.

3.12.16 Summing up

(i) Against the targeted marine fish production of 4.00 lakh tonnes at the end of the Fifth Five Year Plan (1974-79), the actual production was 2.10 lakh tonnes involving a shortfall of 48 per cent owing mainly to fishing being confined mostly to inshore areas, leaving the rich offshore and deep sea areas largely unexploited. There was only a marginal increase of 0.30 lakh tonnes during 1979-80 to 1982-83 mainly due to shortfall in the supply of motors and fibre glass boats and delay in creation of infrastructure facilities.

(ii) Export of fish and fish products fell from 10,430 tonnes (value: Rs. 31.77 lakhs) in 1978 to 4,833 tonnes (value: Rs. 17.29 lakhs) in 1982.

(iii) Out of Rs. 18.00 lakhs disbursed under the 2 schemes—supply of outboard motors and supply of fibre glass boats during 1981-83 Rs. 16.00 lakhs (89 per cent) remained unutilised with TNFDC pending introduction of modified schemes.

(iv) Utilisation of landing and berthing facilities in 3 fishing harbours (Tuticorin, Cuddalore and Nagapattinam) ranged from 2 to 39 per cent only during 1979-82.

(v) Delay of more than two/three years in development of infrastructure facilities in 2 fishing villages and a prawn farm resulted in heavy expenditure on establishment Rs. 9.56 lakhs (38 per cent) as compared to the overall outlay of Rs. 24.56 lakhs.

(vi) An ice-*cum*-cold storage plant (cost: Rs. 2.43 lakhs) established after a delay of 10 years (1972-82) after sanction, has not been put to beneficial use (June 1983).

(vii) All the 7 departmental service centres meant for repairing mechanised fishing boats showed poor working results, with receipts amounting to 4 to 50 per cent only of the direct expenses during 1974-81. Closure of most of the service centres had been under consideration from 1978.

(viii) Out of the 10 demonstration prawn farms-*cum*-nursery units sanctioned in 1979 and 1980, only 3 farms had become operational at the end of 1981-82. The productivity of these farms during 1982-83 was also poor (0 to 30 per cent).

Three survey units established (1980) under the same scheme (total cost : Rs. 18.00 lakhs) made little progress in surveying, identifying, allotting and bringing under prawn farming specific areas of brackish water spreads.

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

3.13. Cashew Plantations

3.13.1. Cashew plantation was introduced on a large scale in 1956 in the forest areas of Tamil Nadu with the object of meeting the growing demands for cashew nuts and shell oil and also to promote afforestation. The cultivation under the scheme is being done by the Forest Department and the Tamil Nadu Forest Plantation Corporation Limited. At the end of 1981-82, 17,167 hectares were under cultivation by the Forest Department and 23,243 hectares by the Corporation. Forest Department has incurred expenditure of Rs. 50.77 lakhs from 1974-75 to 1982-83.

A comparative study of the performance is given below :—

	Forest Department.		
Year	*Bearing area in hectares*	*Yield in kgs.*	*Average yield in kgs. per hectare*
(1)	(2)	(3)	(4)
1974-75	11,900	2,94,558	24.75
1975-76	13,595	1,58,216	11.64
1976-77	13,479	2,01,857	14.98
1977-78	12,174	2,63,868	21.67
1978-79	12,698	1,58,003	12.44
1979-80	14,075	1,22,981	8.74
1980-81	14,602	1,52,489	10.44
1981-82	14,879	1,61,616	10.86
1982-83	Not available		

Tamil Nadu Forest Plantation Corporation

Year	*Bearing area in hectares*	*Yield in kgs.*	*Average yield in kgs. per hectare*
(1)	(2)	(3)	(4)
1974-75	16,245	5,71,563	35.18
1975-76	17,054	15,33,743	89.93
1976-77	20,797	12,87,539	61.91
1977-78	18,464	13,73,761	74.40
1978-79	19,555	12,89,095	65.92
1979-80	19,952	15,50,714	77.72
1980-81	20,279	3,74,762	18.48
1981-82	22,377	18,02,857	80.57
1982-83	Not available		

The Forest Department attributed the fall in yield during the year 1980-81 to severe drought and heat wave at the time of fruiting. A study on the wide variation in the average yield between the departmental and Corporation plantations has not been undertaken by the department, nor was any action taken from time to time to improve the yield.

The performance of the Forest Department is also very poor when compared with the results of private holdings as shown below :—

Year	*Yield in kgs. per hectare*	
	*Private holdings**	*Forest lands (Department)*
(1)	(2)	(3)
1974-75	164	24.75
1975-76	157	11.64
1976-77	182	14.98
1977-78	158	21.67
1978-79	164	12.44
1979-80	160	8.74
1980-81	..	10.44
1981-82	..	10.86

(*Source : Area Seasonal Crop Report, Government of Tamil Nadu)

The Department has not explained the reasons for the wide variations.

3.13.2. *Heavy casualty in cashew plants.*—In December 1977, Government sanctioned 2 forest divisions in Trichy and Krishnagiri for taking up the scheme of reforestation of degraded forests at a cost of Rs. 13.71 lakhs. The division at Tiruchi was formed in February 1978. During 1978-79 and 1979-80, cashew plantations were raised in 925.89 hectares at a cost of Rs. 3.95 lakhs. Rupees 1.50 lakhs were incurred on their maintenance till March 1982. The casualty rate was 80 per cent (March 1982). The plants in unsuccessful areas were removed and other miscellaneous species taken up. The failure was attributed by the Conservator of Forest, Trichy to (i) total unsuitability of the area taken up and (ii) incorrect technique of raising cashew by sowing instead of by planting. The department had initiated action (December 1981) against the District Forest Officer, Crash Plantation Division, Trichy for these omissions; final report is awaited (December 1983).

3.13.3. *Deficit in stock and loss of Rs.* 2.18 *lakhs.*—In Chengalpattu Division, a total quantity of 1,59,098 kg. of cashew nuts was collected in July 1978 and 134,605 kg. were recorded in the stock account after allowing 4,798 kg. towards dryage and 19,695 kg. 'as disposed of'. The sale proceeds of 19,695 kg. have not been accounted for by the Forest Range Officer. 1,20,000 kg. of nuts were advertised for sale in November 1978. Only 107,034 kg. were supplied to the purchaser. Out of Rs. 5.53 lakhs remitted by the purchaser in November 1978 towards the auction amount for 120,000 kg., Rs. 0.60 lakh were refunded to him as no further stock was available. The disposal of balance quantity of 27,571 kg. has not been accounted for by the division. The loss due to unaccounted materials of 47,266 kg. (27,571 kg.+19,695 kg.) works out to Rs. 2.18 lakhs. The Divisional Forest Officer did not investigate the loss nor has any action been taken to get the loss regularised by Government.

The department had not fixed any norms for dryage. In 1979 dryage deficit was 12,006 kg. out of 87,006 kg. which works to 14 per cent against only 4 per cent during 1978. The causes of higher dryage were not looked into.

In Tamil Nadu, Chengalpattu district covers nearly 30 per cent of the total cultivated area by Forest Department and Tamil Nadu Forest Plantation Corporation. A review of the records of the Chengalpattu Forest Division conducted in July 1982 showed that a total area of

12,134.03 hectares was under cultivation (10,347 hectares being bearing). The yield per hectare came down from 22.23 kg./hectare in 1974-75 to 7.8 kg./ha. in 1980-81 and further to 4.9 kg./ha. in 1981-82. The average annual yield during the years 1971 to 1975 was 33.25 kg. per hectare. The reasons for the drop in yield had not been studied.

From 1975-76, the department undertook intensive cultural operations to increase the yield in this area. Rupees 15.81 lakhs were spent to end of 31st March 1982. Even after this exercise, the yield had neither crossed the average yield of 33.25 kg. per ha. during 1971-75 nor was there any improvement in the average yield of 22.23 kg./ha. in 1974-75. The department also did not undertake any study of the results of the intensive cultural operations with a view to seeing whether such operations were really effective and fruitful.

The department reported in May 1981 that the cropping pattern in 1980-81 was not satisfactory and that there had been cases of illicit removal of cashew. The failure was attributed to severe drought and heat wave at the time of fruiting, severe mist and dew at the time of flowering, lack of continuity of intensive cultural operations at proper time and continuous spraying of pesticides by the field staff of the Forest Department.

3.13.4. To sum up

The main objective of increasing cashew production has not been achieved. There was a fall in yield of department cashew plantations in the State from 24.75 kg./ha. in 1974-75 to 10.86 kg./ha. in 1981-82 (The corresponding yield in Forest Plantation Corporation ranged from 18.48 kg./ha. to 89.93 kg./ha. and in private holdings from 157 kg./ha. to 182 kg./ha.). No study of the causes for drop in yield was made with a view to improve yield.

The yield in Chengalpattu Division, where Rs. 15.81 lakhs were spent between 1975-76 and 1981-82 on intensive cultural operation dropped to 4.9 kg./ha. in 1981-82 from 22.23 kg./ha. in 1974-75.

The casualty rate of cashew plants in Trichy Division was 80 per cent in 1981-82 due to wrong selection of site and adoption of incorrect technique.

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

3.14. Clove plantations in Kanyakumari district

3.14.1. Clove plantation was first introduced by Government in an rea of 2 hectares in Kanyakumari district in upper Pambar near Mahen-ragiri Estate in 1971 as an experimental scheme. It was continued uring subsequent years and an area of about 8 hectares in all was brought nder cultivation by 1975. As a part of Western Ghat Development cheme, Government approved (July 1975) a scheme to raise cloves in a ompact area of 100 hectares in a phased programme from 1975-76. a separate division was formed in August 1975 to implement this scheme nd an area of about 100 hectares was selected in Maraimalai village in anyakumari district after inspection by the Conservator of Forests, adurai, in November 1975 and January 1976. The area was chosen n the northern side of the perennial Masupathi river, as cloves needed ood watering. The scheme envisaged an expenditure of Rs. 96,000 er ha. for the period of first 20 years towards cost of raising and aintenance of clove plantations. The plantations start yielding from e 8th year and the total revenue anticipated from 8th to 20th year as Rs. 2,96,000. After deducting the cost of raising and maintenance, e average revenue per year per hetcare was assessed as Rs. 10,000.

In respect of the scheme sanctioned in July 1975, plantations were ised in 102 hectares during 1976-77 to 1978-79 and Rs. 60.35 lakhs ere spent on them up to March 1983.

3.14.2. A review of the scheme conducted in audit during February-arch 1982 disclosed the following :—

(i) 3,350 clove plants were planted during 1971-75 at a cost of s. 0.47 lakh, out of which only 264 plants survived as per enumeration one in October 1977. Thereafter, the stocking was maintained at ,264, replanting another 2,000 numbers at a cost of Rs. 0.30 lakh. upees 1.74 lakhs were spent on their maintenance up to March 1983. he project report prepared by the department in 1971 estimated the ield at 4 kg. per plant per annum from 7th or 8th year of planting. owever, only 92.38 kg. were obtained during 1979-80 to 1982-83 from 7 out of 264 plants which bore fruit and 27.27 kg. were sold for Rs. 0.04 kh; the department stated that the balance quantity was not dis-osed of as there was no demand.

(ii) Details of seedlings planted, casualties, replantations made to ake good the casualties, expenditure incurred on raising the plantations nd their maintenance, position of stocking in 1982-83, etc., in respect f the scheme introduced in July 1975 are given in Appendix XIV.

The high incidence of casualties was attributed by the departmen to inadequate supply of water, vigorous growth of weeds which becam a menace to the plants and non-maintenance of the plantations or horticultural standards. These factors had resulted in frequen replacements varying from 100 percent to 114 per cent to keep the stock ing approximately at the original level of planting. Out of the tota expenditure of Rs. 21.98 lakhs incurred up to March 1983 for plantin 43,956 seedlings (including replanting) the expenditure on casualtie (26,431 numbers) amounted to Rs. 13.21 lakhs approximately.

It was, however, noticed in audit that the high incidence of casualty was mainly due to selection of the area for raising clove plantations a an altitude of 350 to 400 M. above mean sea level which posed problem in watering the plants. In order to provide water to the plants, the department had to construct sumps in several places, lift water fron the Masupathi river down below to these sumps by diesel engine pumpsets and carry water to the plants through head loads. Durin the period from 1979-80 to 1982-83, Rs. 4.97 lakhs were spent on carriag of water by head loads, even though the sprinkler system of waterin had been sanctioned by Government in September 1981 at a cost o Rs. 2.25 lakhs. The Sprinkler system has not been installed (Decembe 1983). Apart from inadequate watering arrangements, the failure o plants was also due to inadequate maintenance by the department.

(iii) Proper stock accounts were not kept at the nurseries indi cating the seedlings raised at the nursery, seedlings purchased fron private parties and distributed for raising plantations. Out of 57,30(seedlings purchased and raised in the nurseries during 1975-76 to 1980-81 at a cost of Rs.1.25 lakhs, 41,504 seedlings were used for planting (including replanting). After allowing for 3,960 seedlings which died at the nurseries due to disease, only 974 were reported to be in stock (April 1981) and the balance of 10,862 seedlings was not accounted for. The value of 10,862 seedlings found short, was Rs. 0.32 lakh approxi mately. Government stated (September 1983) that necessary action has been taken against the persons responsible for the lapses.

The objective of the scheme sanctioned in July 1975 has not so far been achieved even after incurring an expenditure of Rs. 60.35 lakhs (March 1983) due to high incidence of casualties as a result of poor watering and inadequate maintenance.

INDUSTRIES DEPARTMENT

3.15. Development of sericulture

3.15.1. *Introductory.*—In order to reorganise the silk industry in the State with a view to expanding the area under mulberry and increasing the production of raw silk besides increasing employment opportunities in rural areas, various schemes were proposed during 1977-78 to 1982-83 involving total outlay of Rs. 8,65.83 lakhs for the development of sericulture and Rs. 7,47.38 lakhs were spent on implementing them. The schemes were wholly financed by Central Government during 1977-78 and 1978-79 and Central assistance of Rs. 52.63 lakhs was received. The schemes were implemented under State Plan from 1979-80. The financial and physical targets and achievements under the various schemes implemented during 1977-78 to 1982-83 are given below (details are in Appendix XV).

Serial number	*Name of Scheme*	*Financial*		*Physical*	
		Target	*Achievement*	*Target*	*Achievement*
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
1.	Mulberry expansion (in acres) ..	64.70	66.07	32850	36204
2.	Farmers training (in numbers) ..	1,11.69	1,22.18	21800	23643
3.	Subsidy for rearing appliances and construction of sheds (in numbers) ..	1,82.00	1,55.82	41475	37771
4.	Construction of grainages (in numbers) ..	48.75	29.23	6	6
5.	Establishment and maintenance of seed farms, pilot centres and demonstration cum training centres (in numbers) ..	3,92.70	3,09.62	43	23
6.	Subsidy for reeling basins and sheds (in numbers)	55.79	50.75	2400	2297
7.	Establishment of cocoon markets (in numbers)	10.20	13.71	21	21
	Total ..	8,65.83	7,47.38		

3.15.2. A test check of the accounts of the schemes implemented from 1977-78 to 1982-83 was conducted in audit during January 1983 to May 1983 in 8* out of 15 districts and important points noticed are mentioned in the succeeding paragraphs.

3.15.3. *Mulberry expansion.*—(i) The scheme contemplated procurement and transport of mulberry cuttings from established areas in the State and also from Karnataka State to the new areas and supply to the farmers. The cost of transport was treated as subsidy, while the cost of cuttings was to be recovered from the farmers. During 1977-78 to 1978-79 the Central Silk Board from Karnataka was supplying mulberry cuttings at Rs. 60 per lorry load (sufficient to plant 3 acres) and Rs. 20 per acre were recovered from the sericulturists for the mulberry cuttings supplied.

Against the targeted area of 32,850 acres to be covered with Government assistance up to 1982-83, the reported achievement was 36,204 acres, at a cost of Rs. 66.07 lakhs, against the provision of Rs. 64.70 lakhs. During 1979-80, 1981-82 and 1982-83, the physical achievements reported by the department included the plantations raised by private farmers with their own efforts. Consequently the exact acreage achieved with Government assistance and expenditure per acre by way of subsidy could not be ascertained. Although there was no reduction in targeted subsidy, there was a shortfall in realisation of target by 2101 acres during 1980-81.

(ii) The ceiling of Rs. 750 per lorry load fixed by Government (Rs. 250 per acre for 3 acres) was not adhered to in regard to procurement and transportation of cuttings from Coimbatore and Salem districts during 1979-80 to 1982–83. Government stated (November 1983) that the ceiling was exceeded due to procurement and transportation over long distances.

(iii) The scheme envisaged supply of mulberry cuttings at cost by meeting only transportation charges. However, the Assistant Director of Sericulture recovered at a flat rate of Rs. 60 per lorry load of cuttings despite payment of Rs. 300 for procuring from Coimbatore centre during 1979-80 onwards and Rs. 240 during the years 1979-80 to 1981-82 and Rs. 300 during 1982-83 in Salem Centre. The short recovery in these cases was Rs. 11.35 lakhs during the years 1979-80 to 1982-83.

The Department stated (November 1983) that Government had not specifically ordered recovery of any amount towards cost of cuttings and transportation charges for the supply of these cuttings by the department. The fact remains that the provisions of Government order (December 1977) were not observed by the departmental authorities, which resulted in short recovery which remained to be regularised.

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* Coimbatore, Salem, Dharmapuri, Madurai, Ramanathapuram, North Arcot Tirunelveli and Thanjavur.

3.15. 4. *Training of farmers.*—To avoid crop failures and also to achieve production of quality cocoons, the department proposed to give 3 months training to farmers engaged in mulberry cultivation. During 1979-80 to 1982-83 as against the target of 17,800 farmers, to be trained at a cost of Rs. 1,02.67 lakhs, 19,760 farmers were trained at a cost of Rs. 1,05.58 lakhs. In 4 districts (North Arcot, Madurai, Coimbatore and Dharmapuri), test checked, as against 3,376 farmers to be trained, the number of farmers reported by the department to have been trained was 2,984, involving an extra expenditure of Rs. 1.97 lakhs. Government stated (November 1983) that stipends had been paid to farmers who had discontinued the training which accounted for the extra expenditure. No agreement was prescribed by the department to ensure recovery in cases where trainees dropped out during the training period.

3.15.5. *Subsidy for supply of rearing appliances and construction of sheds.*—The scheme sanctioned in July 1979 envisaged supply of rearing appliances at subsidised rates (subsidy : 25 per cent) and financial assistance (25 per cent) for construction of sheds to enable the farmers to rear silk worms scientifically (75 per cent) the balance cost being met by arranging institutional finance. As against the targeted farmers of 23,800 to be covered during 1979-80 to 1982-83 (budget provision : Rs. 99.00 lakhs ; institutional finance : Rs. 2,97 lakhs) 16,871 farmers were covered incurring an expenditure of Rs. 68.36 lakhs (institutional finance : Rs. 2,05.08 lakhs) the shortfall ranging from 19 to 39 per cent. The reasons for shortfall were not indicated.

No follow up action was taken by the department to watch the progress made in construction of sheds or purchase of appliances and to ensure that farmers availing of the assistance were pursuing sericulture as a means of livelihood.

Out of Rs. 3.64 lakhs of subsidy released to banks during 1977-78 to 1981-82 to cover 408 farmers, Rs. 1.81 lakhs (194 beneficiaries) had been refunded by the banks and Rs. 1.83 lakhs (214 beneficiaries) remained unutilised as the beneficiaries could not get institutional finance but these cases had been included in the achievements reported by the department.

3.15.6. *Grainages.*—Government sanctioned between December 1977 and February 1980 opening of 6 additional grainages, expansion of 4 existing grainages and setting up of 4 seed farm *cum* grainages at a total cost of Rs. 43.14 lakhs to facilitate timely supply of adequate quantity of Disease Free Layings (DFLs) to farmers.

(*a*) During 1977-78 to 1982-83 (excluding 1979-80 for which year figures are not available) as against the physical target of 500 lakh DFLs at a cost of Rs. 48.75 lakhs, only 282.23 lakh DFLs at a cost of Rs. 29.23 lakhs were produced, the shortfall ranging from 4 to 54 lakh numbers.

The reasons for the shortfall in financial achievement were attributed (April 1983) by the Director to the delay in the selection of sites and construction of buildings entrusted to the construction branch of the Industries Department. The works of Coimbatore grainage sanctioned in August 1980 are yet to be completed and buildings handed over (May 1983) ; the site for the seed farm-*cum*-grainage in Pachalur (Madurai district) sanctioned in September 1980, was yet to be selected and the building works for farm-*cum*-grainage at Myladumparai (Madurai district) have not been completed (May 1983).

Government stated (November 1983) that the shortfall in physical achievement was due to the delay in the availability of buildings required and that the farmers in Tamil Nadu were obtaining their requirements from Karnataka.

(b) Based on the mulberry acreage reported to have been achieved under the State Plan and the leaf production therefrom, it was expected that at least 500 DFLs would be produced per acre. There was shortfall ranging from 57 per cent to 80 per cent every year in this respect. Government stated (November 1983) that the shortfall was mainly due to non-availability of infrastructure like land and buildings.

The low production of DFLs even against the reduced targets fixed resulted in loss of revenue of Rs. 65.67 lakhs based on the selling rates fixed by the Director.

No uniform procedure was adopted to find out the cost of production of the DFLs in each grainage, as different methods were adopted by various grainages. An analysis of the cost in the grainages test checked, revealed that the cost of administrative staff, depreciation on buildings and machinery and other miscellaneous office expenditure were not taken into account to work out the actual cost of production. The actual cost of production and consequent loss or gain on the sale of DFLs produced could not, therefore, be computed.

It was stated by Government (September 1980) that for preparing the anticipated requirement of 3 crore DFLs by the end of 1980–81, 12 crores of local seed cocoons (for female moth) and 6 crores of bivoltine seed cocoons (for male moth) were to be used for pairing. The test check conducted revealed that cocoons were used in excess of the requirement resulting in extra expenditure of Rs. 3.22 lakhs for the years 1981–82 and 1982–83 alone.

3.15.7. *Basic seed farms and bivoltine seed zones.*—(*a*) To bridge the gap between the State's requirements of 3 crores of DFLs and the existing capacity (1979) of 1 crore DFLs, the Director recommended (September 1979) organisation of seed zones exclusively for rearing and producing local and bivoltine seed cocoons by organising local seed farms and seed zones. Six seed farms sanctioned for Rs. 40.45 lakhs during September 1980 to May 1982 had not been completed due to delay in selection of site (1 case) and delay in construction of buildings (5 cases).

(*b*) During 1980–81, in the local race seed farm at Denkanikottai, 3.66 crores of local race seed cocoons were produced of which only 1.62 crores were utilised actually for seed purposes and the balance 2.04 crores were sent for reeling purposes. Similarly in the year 1981-82, of the 3.68 crore seed cocoons produced, 40 per cent (1.47 crores) of the cocoons were sent for reeling. This was due to the poor performance of the grainages and consequent inability to absorb the cocoons.

3.15.8. *Chawkie rearing centres.*—The department decided to set up a number of chawkie rearing centres to get an additional yield of cocoon crop by properly taking care of young silk worms (chawkie worms).

(a) *Departmental chawkie rearing centres.*—Government sanctioned (August 1980/April 1982) establishment of 3 chawkie rearing centres at a cost of Rs. 6.26 lakhs to be run by the department at Coimbatore, Madurai and Thanjavur districts. Each centre was to have its own mulberry garden, rearing house, equipment, etc., with staff.

In the case of the centre at Chenniaviduthi (Thanjavur district) though land measuring 2.48 acres was taken possession of in November 1980, irrigation facilities were yet to be arranged (May 1983) and the pump house was also not constructed.

The centre at Avinashi taluk (Coimbatore district) was established in 1982. An expenditure of Rs. 1.73 lakhs had been incurred (November 1983) on staff, manure, wages, machinery and contingencies to end of March 1983. The number of farmers benefited, the number of chawkies issued, etc., were not available. It was stated by Government (November 1983) that the centre was not working well due to drought and lack of irrigational facilities.

The centre at Palani (Madurai district) was started in February 1982. Of the 5 acres of poromboke land transferred by the Revenue Department, mulberry was raised only in 2 acres. During 1981–82

and 1982–83, only 86 farmers were benefited and the number of worms supplied was 12,235 as against 75,000 each year fixed (January 1981) by the Director. It was stated by Government (November 1983) that the centre could not function in full swing due to drought conditions. Rupees 0.70 lakh had been spent up to March 1983.

(b) *Village level community chawkie rearing centres.*—To enable sericulturists in the village to increase the yield by 25 per cent of quality cocoons by scientifically rearing the chawkies under ideal conditions for issue to the farmers, who do not have rearing facilities, 62 village level chawkie rearing centres on a co-operative basis were established at a cost of Rs. 4.25 lakhs during 1981–82 (25) and 1982–83 (37). The staff assistance was to be given by the Government for 3 years and thereafter the society was to meet the entire expenditure. The rent on buildings and other running expenses were to be met by the members. Each centre was to rear 75,000 layings per annum.

It was noticed in audit that there was heavy shortfall in the quantity of chawkies reared in both the years, the shorfall ranging from 87 to 97 per cent in 1981–82 and 62 to 97 per cent in 1982–83. The Director attributed (April 1983)the poor performance of the centres to the farmers not taking keen interest and the improper choice of the location of the centres. The department did not also assess the increase in yield.

3.15.9. *Production of cocoons.*—The year-wise potential based on mulberry acreage, targets fixed by the department and the achievement thereon with shortfalls for the years 1977–78 to 1982–83, are given in Appendix XVI.

The shortfall as compared to potential ranged from 55.11 lakh kilograms to 1,52.40 lakh kilograms (82to 95 per cent). Even the reduced target fixed by the department was not achieved and the shortfall ranged from 56 to 81 per cent resulting in short production of cocoons ranging from 13.19 lakh kilograms to 49.82 lakh kilograms during 1977–78 to 1982–83. No specific reasons for the shortfall were reported.

3.15.10. *Reeling units.*—To arrest the flow of cocoons produced in Tamil Nadu to the adjoining Karnataka State for want of sufficient reeling capacity in this State, it was decided (June 1979) to license and establish a number of village level reeling units and industrial co-operatives and to train large number of workers in the art of reeling besides augmenting production in Government reeling units.

The following proposals were approved by Government.—

Year	Number of cottage basins	Outlay	Number of Industrial Co-operatives	Outlay
(1)	(2)	(3) (in lakhs of rupees)	(4)	(5) (in lakhs of rupees)
1979–80	300	3.30	20	9.84
1980–81	700	7.70	10	3.60
1981–82	500	5.50	5	5.83
1982–83	500	5.50	..	2.69 (Staff cost)
Total ..	..	22.00	..	21.96

The scheme envisaged financial assistance to private farmers in the form of subsidy of Rs. 1,100 equal to 50 per cent of the cost of reeling basins and construction of reeling sheds to be paid through banks and to industrial co-operatives towards share capital loan for working capital, cost of building and machinery.

There were 2,397, 278 and 140 reeling basins under private and co-operative sectors and Government respectively as in March 1983. A review on the performance of the reeling units in the 3 sectors revealed the following :—

(i) *Private sector.*—Against 2,397 basins installed (March 1983), only 783 basins worked continuously. The shortfall in utilisation was attributed (November 1983) by Government to paucity of funds and non-availability of working capital. The underutilisation of the basins affected the production of raw silk.

No action was taken by the department to recover the subsidy paid (Rs. 17.75 lakhs) for 1614 basins as per terms of agreement as the beneficiaries had not put the basins to use.

(ii) *Industrial co-operative reeling societies.*—(*a*) Sixty five Industrial co-operative societies with 278 basins were registered during 1979–80 to 1982–83 for reeling silk. Government assistance of Rs. 23.34 lakhs (share capital: Rs. 2.36 lakhs; loan: Rs. 19.98 lakhs and margin money: Rs. 1.00 lakh) was given during 1979–80 to 1982–83 to 46 societies for construction of buildings and purchase of machinery. In respect of 22 societies, there was delay ranging from 6 months to 4 years from the date of registration in starting production.

(*b*) In 7 districts test checked (Tirunelveli, Madurai, Dharmapuri, Salem, Ramanathapuram, Thanjavur and Coimbatore), it was noticed that in 30 societies, which started production during 1979-80 to 1982-83 with an installed capacity of 202 basins, the quantity of silk produced during 1982-83 was 0.10 lakh kilograms as against 0.30 lakh kilograms to be produced as per the norm (150 kilograms per basin per annum) fixed by the department, the shortfall being 67 per cent.

(*c*) During 1979–80 to 1981–82, there was shortfall in the utilisation of basins installed in these societies as indicated below:

Year	*Number of basins installed*	*Average number of basins worked*	*Shortfall*
1979-80	134	100	34
1980-81	60	50	10
1981-82	84	70	14

Twenty five societies incurred loss amounting to Rs. 10.80 lakhs during the period from 1980-81 to 1982-83. The loss and poor performance was attributed (July 1981/April 1983) by the department mainly to the location of these societies in non-traditional areas, underutilisation of capacity and high cost of production.

Government stated (November 1983) that steps were being taken to increase the production and to reduce the margin of loss in all these societies.

(iii) *Government reeling units.*—As on 31st March 1982 there were 140 basins in the Government run silk reeling units. It was noticed during test check of five districts (Madurai, Dharmapuri, Chengalpattu, Salem and Thanjavur) that the number of basins installed was 76 and that the installed capacity of basins was not put to use throughout the year during the years 1977-78 to 1982-83 with the result there was shortfall in silk production ranging from 14 to 100 per cent.

(iv) *Production of silk.*—(*a*) According to Central Silk Board, 12 kilograms of reeling cocoons should normally produce 1 kilogram of raw silk, this ratio being known as ' renditta '. For fixing the potential for production of raw silk during the period 1977-78 to 1982-83, the department adopted a renditta ranging from 8.3 to 14.6:1. However, the department did not adopt this potential available as target for silk production but reduced targets ranging from 0.60 to 2.00 lakh kilograms were fixed for the years 1977-78 to 1982-83 which, when compared to the potential, fell short by 61 to 73 per cent. This reduced target was

also not achieved. As against the potential ranging from 1.95 lakh kilograms to 6.80 lakh kilograms the achievement ranged from 0.28 lakh kilograms to 1.68 lakh kilograms. The shortfall in achievement with reference to potential and also with reference to reduced target ranged from 36 to 86 per cent and 1 to 53 per cent respectively.

(*b*) The quantity of cocoons reeled, raw silk obtained and renditta achieved are given below. The renditta during the years 1979-80 1981-82 and 1982-83 was 14, 18 and 18 respectively which was more than the norm fixed, i.e., 12 kilograms of cocoons for 1 kilogram of raw silk.

Year	*Quantity of cocoons reeled*	*Quantity of silk obtained*	*Renditta achieved*
	(in lakh kilograms)		
(1)	(2)	(3)	(4)
1977-78	3.01	0.28	11
1978-79	6.34	0.63	10
1979-80	14.90	1.06	14
1980-81	18.55	1.49	12
1981-82	27.68	1.51	18
1982-83	30.39	1.65	18

The quantity of raw silk production from 1980-81 to 1982-83 was almost the same despite the fact that there was increase in the output of reeling cocoons by nearly 49 per cent in 1981-82 and 10 per cent in 1982-83.

3.15.11. *Establishment of cocoon markets.*—To enable the sericulturists to market their produce within a reasonable distance, Government decided (June 1979) to establish cocoon markets in the districts. By March 1983, 29 cocoon markets were functioning in the districts. During 1979-80 to 1982-83, Rs.13.71 lakhs were spent on the running of these markets.

A review on the working of the cocoon markets revealed the following :—

As against a target of 14.20 lakhs of cross breed cocoons and 6 crores of local cocoons to be transacted in the markets during 1982-83, the quantities transacted were only 11.38 lakhs and 5.90 crores respectively,

the percentage of shortfall being 20 and 2. A test check of the performance of the markets in 5 districts (Dharmapuri, Chengalpattu, Thanjavur, Tirunelveli and Madurai), however, showed that there were heavy shortfalls during the years 1977-78 to 1982-83, the percentage of shortfall ranging from 4 to 100. Reasons for the shortfall are awaited (December 1983).

The Director observed (March 1983) that the performance in 22 cocoon markets was at its lowest ebb, that the field officers had not taken care to improve the transactions in the markets and that the flow in the markets at Tenkasi and Kumbakonam had no bearing to the standing acreage.

3.15.12. *Tamil Nadu Silk Producers' Industrial Co-operative Marketing Federation.*—A silk producers' Industrial Co-operative Marketing Federation with headquarters at Kanchipuram, Chengalpattu district was established (September 1978) to procure silk from silk reelers and supply them to weavers co-operatives on credit basis and also advance money to the silk reelers.

Government assistance of Rs. 8.96 lakhs (share capital : Rs. 1.70 lakhs ; margin money loan : Rs. 5.00 lakhs ; subsidy : Rs. 2.26 lakhs) was paid to the federation during 1979-80 to 1982-83 besides providing staff assistance to the extent of Rs. 1.99 lakhs. In 5 districts (Salem, Chengalpattu, North Arcot, Dharmapuri and Coimbatore) test checked, it was noticed that during the period from 1978-79 to 1982-83,29,770 kilograms of silk valued at Rs. 1,10.46 lakhs had been sold by Government units to the federation, but the amount realised from the federation was Rs. 33.40 lakhs leaving a balance of Rs. 77.06 lakhs at the end of March 1983.

Government stated (November 1983) that due to the sudden dissolution (April 1982) of the purchase committee of the federation and non-drawal of silk by weavers' co-operative societies, the overdues to the federation from them accumulated and that the amount due to Government in respect of supplies from Government units stood at Rs. 1.09 crores. Government further stated that action was being taken to settle the dues.

3.15.13. *Demonstration*-cum-*training centres.*—Eight demonstration *-cum*-training centres were sanctioned by Government between July 1979 and May 1982 to be set up in 8 districts at a total cost of Rs. 44.96 lakhs to train farmers in modern practices and to do away with the practice of attaching the trainees to the experienced farmers. Only in 2 centres (Nanjikottai and Srivilliputhur) sanctioned in July 1979, the

works had been completed in March 1982, but no farmer had so far been trained. The works in respect of 3 centres (Manikandam, Pudukottai and Konam) sanctioned in September 1980 are in various stages of construction. In respect of 3 centres (Nilakottai—sanctioned in September 1980 and Chengam and Tirunelveli—sanctioned in May 1982) the construction work had not started as the sites had not been handed over to the construction wing. In Nilakottai, even though the construction work had not started, one Assistant Inspector and one post of Assistant-*cum*-typist were employed from November 1980 incurring an avoidable expenditure of Rs. 0.29 lakh up to March 1983 ; information regarding staff, if any, employed in other centres yet to be constructed is awaited from the department (December 1983).

The object of the scheme to do away with the training of farmer trainees by attaching them to experienced farmers was not achieved due to delay in establishing the centres.

3.15.14. *Summing up.*—(i) The programme of development of sericulture was implemented at a cost of Rs. 7.47 crores during 1977-78 to 1982-83. The increase in production of silk achieved was 1.37 lakh kilograms only, as against the anticipated increase of 6.75 lakh kilograms of silk at the end of the Sixth Plan period.

(ii) The physical achievement of raising mulberry plantations reported, included plantations raised by private farmers with their own efforts. The exact mulberry acreage achieved with Government assistance and expenditure per acre by way of subsidy could not, therefore, be ascertained.

(iii) Cost of cuttings to the extent of Rs. 11.35 lakhs was not recovered from farmers.

(iv) Stipends amounting to Rs. 1.97 lakhs were paid to trainees who dropped out (which could not be recovered due to absence of any agreement with them).

(v) Shortfall in production of DFLs ranged from 57 to 80 per cent during 1977-78 to 1982-83. The loss of revenue was Rs. 65.67 lakhs.

(vi) The production of cocoons was not commensurate with the expansion in area under mulberry and the shortfall as compared to potential ranged from 55.11 lakh kilograms to 1,52.40 lakh kilograms (82 to 95 per cent) resulting in short production ranging from 13.19 lakh kilograms to 49.82 lakh kilograms during 1977-78 to 1982-83.

(vii) The private reeling units did not function satisfactorily ; 67 per cent of the basins for which assistance (Rs. 17.75 lakhs) was given by Government was not put to use resulting in shortfall in silk production.

HOME DEPARTMENT

3.16. Excess subsidy for essential commodities supplied to Police personnel

In September 1980, Government introduced a scheme, effective from October 1980, for supply of certain essential commodities* to police personnel at subsidised costs at the rate of one unit**for a bachelor, two units for a married person without children and an additional unit for each child, subject to an overall ceiling of four units. The supplies were to be made through the Civil Supplies Corporation.

(i) In June 1981, Government fixed the quantum of rice ration for members of the public at one kilogram per adult per week and for children at half kilogram each subject to a maximum of 20 kilograms per month per family card. According to the orders of Government (January 1981), such changes notified in the case of public were automatically applicable to issue of rations to the police personnel also. Further, from August 1982, bachelor police personnel residing with parents were eligible for two units as against one unit allowed earlier.

During local audit (November 1982-June 1983) of five District Police Offices and the Office of the Commissioner of Police, Madras City, it was noticed that rations had been supplied by the Inspector/Reserve Inspector of Police for the maximum number of four units without reference to the number of family members, for one full unit instead of half per child (from July 1981), for parents (prior to August 1982), brothers and sisters (who were not to be treated as members of the family) and over and above the prescribed scales. The excess subsidy involved on these irregular supplies between October 1980 and May 1983 was Rs. 5.12 lakhs.

(ii) As per orders of Government (1980), commodities required for distribution under the scheme are to be drawn from the Civil Supplies Corporation by the Inspectors of Police of the circles concerned against indents, on payment of the cost of the articles less the subsidy and the quantities distributed to the police personnel. Copies of the indents against which supplies had been made are to be consolidated by the

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*Rice, toor dhall, blackgram dhall, palmolein oil, sugar, wheat, rava, maida.
** Unit represents different commodities to be supplied at prescribed scales.

District Police Offices and forwarded to the Director General of Police or settlement of bills received from the Tamil Nadu Civil Supplies Corporation every quarter towards the balance of cost representing subsidy portion. It was, however, seen in audit (April-June 1983) that the monthly statements of rations drawn had not been received regularly from all the police unit offices and reconciled by the Police Directorate with the statements of supplies made, as furnished by the Civil Supplies Corporation, before making payment of the subsidy portion. Payment of Rs. 4,88.29 lakhs made to the Civil Supplies Coproration under the scheme towards subsidy during October 1980 to September 1982 was thus not corroborated by departmental figures. The Corporation had been paid Rs. 1,47.71 lakhs during October 1980 to March 1981 for which departmental figures were not available ; the Corporation's claim for the period from April 1981 to September 1982 was Rs. 3,40.58 lakhs as against the departmental figure of Rs. 3,25.90 lakhs for the same period.

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

.17. Loss on sale of old machinery

Government ordered (July 1980) the disposal by sale, after calling for tenders, of old machinery (cost : Rs. 3.71 lakhs) in the spinning section of the Central Prison, Coimbatore following the closure of that section. Tenders were invited by the Superintendent of Central Prison in November 1980 and were received in December 1980. The Inspector General of Prisons to whom tenders were forwarded (January 1981) directed (July 1981) the Superintendent to retender. According to the Inspector General (December 1981) there were difficulties in finalising the tenders in view of the fact that the rates had been quoted for individual items by some tenderers and for group of items by some others and some had quoted rates for certain items on weight basis. Fresh tenders were called in December 1981 and were received in January 1982. Based on the recommendations of the Inspector General of Prisons, Government approved (August 1982) the acceptance of the highest offers of 5 tenderers (total value : Rs. 7.44 lakhs).

Three tenderers (offer : Rs. 2.19 lakhs) lifted the machinery (September/October 1982) after paying the tendered amount. One tenderer (offer : Rs. 1.21 lakhs) is yet to take delivery (April 1983) while the tenderer who had given the highest offer for major portion of the machinery (offer : Rs. 4.04 lakhs) withdrew (August 1982) his offer on the plea that the validity period of 6 months stipulated in the tender had expired by July 1982.

The following points were noticed :—

(i) Though it was stated by the Inspector General that there were difficulties in comparison, it was not impossible to attempt a comparison of the rates as the offers quoted by some firms were for the same group of items and the individual rates quoted for these items by the other firms could be totalled up and the highest offer determined.

(ii) In respect of items for which rates had been quoted on weight basis, the rate per item had been derived by the Superintendent of Prisons for purposes of comparison.

(iii) The unit of the National Textiles Corporation at Coimbatore, who was consulted in the matter, stated (March 1981) that the offers received were reasonable.

(iv) As per Government orders, tenders should be decided with utmost expedition—atleast within a month from the last date stipulated for receipt of tenders. A decision on the fresh tenders received in January 1982 was, however, taken by Government in August 1982 only. The highest tenderer for the major portion of the machinery in the second tender call withdrew his offer because of this delay.

Thus, due to rejection of the tenders received in the first call without valid reasons and belated decision on the second tender call, there was loss of revenue of Rs. 0.74 lakh in respect of items sold to 3 tenderers and the major portion of the machinery (offer : Rs. 4.04 lakhs) is yet to be disposed of (April 1983).

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

3.18. Delay in implementation of a scheme for training of prisoners

As the training given in prisons in large scale mechanised industries was not very helpful in getting the prisoners employment after their release, Government approved (May 1974) a scheme for training of prisoners in Central Prison, Coimbatore in simple trades such as painting, plumbing, etc., so that they could start the trades on release from the jail, with a small capital.

Capital expenditure of Rs. 1.92 lakhs (workshop and class room: Rs. 1.52 lakhs;tools and equipments: Rs. 0.40 lakh)besides staff,was sanctioned for this purpose. Though construction of the building for workshop and class room was completed in July 1975 at a cost of Rs. 1.13 lakhs, the scheme had not been implemented so far (January 1983), as the sanctioned posts of 3 Craft Instructors, 1 Foreman Instructor and 1 Junior Assistant were not operated pending approval by Government of *adhoc* rules governing the posts (proposals submitted in January 1979 by the Inspector General of Prisons) and as tools and equipment had not been purchased pending appointment of the instructors.

The building is used from September 1982 for conducting classes for prisoners on transcendental meditation, pending implementation of the scheme.

Government stated (October 1983) that the scheme would be implemented after the *adhoc* rules were framed.

PERSONNEL AND ADMINISTRATIVE REFORMS DEPARTMENT

3.19. Delay in issue of posting orders

Mention was made in paragraph 43 of the Report of the Comptroller and Auditor General of India for the year 1975-76—Civil—Government of Tamil Nadu—of the delay in issue of posting orders to gazetted Government servants during 1973-74 to 1975-76, entailing expenditure of Rs. 0.62 lakh on pay and allowances for the periods of compulsory wait. Noting that, inspite of the recommendation of the Public Accounts Committee (Fifth Assembly) in its third report (presented on 4th April 1972) that steps should be taken to eschew delays in issue of posting orders by initiating action well in advance and assurance given by Government, such delays in postings continued, resulting in avoidable expenditure on pay and allowances, the Public Accounts Committee (Seventh Assembly) in its Sixth Report (presented to the Assembly on 12th February 1981) urged that Government should make concerted efforts and take effective steps to keep the delays in the issue of posting orders to the minimum. However, delays in issue of posting orders persisted ; between May 1981 and June 1983,32 officers had to wait for posting orders for periods ranging from 1 to 17 months. The delay in deciding posting in these cases entailed an avoidable expenditure of Rs. 2.43 lakhs on their pay and allowances for the periods of compulsory wait.

In 1 case where the delay was 17 months (expenditure: Rs. 0.52 lakh), Government stated (October 1983)that the delay was due to administrative reasons ; in other cases, reply of Government is awaited (December 1983).

GENERAL

3.20 Idle machinery

HEALTH AND FAMILY WELFARE DEPARTMENT

(i) Cobalt Therapy unit in a Government hospital

In September 1978, Government sanctioned Rs. 8.79 lakhs* for providing a rotational Cobalt Therapy Unit (cost of the unit: Rs. 6.79 lakhs; cost of Cobalt source: Rs. 2.00 lakhs) in Government Royapettah Hospital, Madras for treatment of Cancer patients. The unit, ordered in October 1978, was received in January 1979 and Rs. 6.11 lakhs (90 per cent of the cost) were paid to the supplier firm in March 1979 pending installation and performance test. The unit, installed in October 1979, has not yet been commissioned (February 1983) as the Cobalt source, necessary for operating the unit, has not been supplied by the Division of Radiological Protection (DRP) of the Bhabha Atomic Research Centre (BARC), Bombay.

The qualified staff (1 Radio Therapist, 1 Assistant Professor (Physicist), 1 second Physicist and 3 Radiographers), as required by the Standing Committee for Teletherapy units in India, were sanctioned in November 1978 and the staff joined duty between December 1978 and September 1980.The Cobalt source was, however, not supplied by the DRP for the reason (October 1980) that the posting of Physicist to the Royapettah Hospital was by diversion from another hospital in the city, leaving the Cobalt unit in that hospital without the services of a qualified person and that the Cobalt unit in the hospital at Kancheepuram was also not being attended to by a qualified physicist (from its inception in May 1980). The DRP further stated (June 1982) that only after appointment of qualified physicists to the other two hospitals they would authorise the supply of Cobalt source to Government Royapettah Hospital.

While a qualified person has been posted in June 1982 to the other hospital in the city, the hospital at Kancheepuram is still (February 1983) without a qualified physicist (in violation of the Radiation Protection Rules framed under the Atomic Energy Act). Rupees 3.66 lakhs have been spent so far (January 1983) on the pay and allowances of the staff (staff are being continued) employed for operating the unit at the Government Royapettah Hospital even though the unit has not yet (February 1983) been commissioned. Though expenditure of several lakhs of rupees has been incurred the patients are still without the treatment facility at the hospital.

**Assistance by Government of India released in March* 1978 (*Rs.* 5.00 *lakhs*) *and October* 1978 (*Rs.* 3.79 *lakhs*).

Government stated (October 1983) that action was being taken to get the Cobalt source at an early date.

(ii) Delay in commissioning of a steam laundry in a Government hospital

Government sanctioned (August 1978) the provision of a steam laundry in the headquarters hospital, Pudukottai at a cost of Rs. 3.90 lakhs. The laundry equipment (cost: Rs. 3.77 lakhs) was procured(1979) and installed (December1980) by the Tamil Nadu PublicWorks Engineering Corporation in a building (cost: Rs. 1.03 lakhs) specially constructed (January 1978) for this purpose. The electrical wiring for the equipment was completed in September 1981. The staff(mechanical chargeman, engine driver, dhobi and cleaners) for operating the equipment were sanctioned by Government in December 1981 but, due to non-availability of qualified personnel with the district employment offices and lack of proper response to advertisement (July 1982) calling for applications, recruitment could not be made to the posts of mechanical chargeman and engine driver; the posts have not been filled up so far (March 1983). Consequently, the laundry (cost of building: Rs. 1.03 lakhs; cost of equipment: Rs. 3.77 lakhs) had not been commissioned so far (March 1983).

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

TRANSPORT DEPARTMENT

(iii) Idle machinery in Government Central Press, Madras

(a) A Russian Lino Type casting machine purchased in 1966 (cost: Rs. 0.96 lakh) went out of order during 1972. The press sent (1973 and 1974)proposals to the Director of Stationery and Printing for procurement of spares but the spares were ordered and received only during 1981 and 1982. The machine was not recommissioned (March 1983) even after the spares had been procured as some electrical repair works were still in progress. Government stated(May 1983) that the spares had to be procured from Russia after prolonged efforts and that action was being taken to commission the machine.

(b) Three mono casting machines purchased in 1974 (cost: Rs. 5.35 lakhs) are lying idle since June 1979 (2 numbers)/ August 1979 (1 number) as the motors of the machines had gone out of order. Government stated (May 1983) that though the motors had been repaired, the machines had not been commissioned pending assembly of certain spares (received in January 1983) which had to be imported from England.

3.21. Miscellaneous irregularities

3.21.1. A review (July 1983) of the outstanding Audit Inspection Reports pertaining to the period between 1973-74 and 1982-83 in respec of 4 departments, viz. Agriculture, Fisheries, Medical and Labou and Employment disclosed typical irregularities as narrated below :-

3.21.2. *Omission to obtain security deposit from Government servant handling cash/stores.*—Under the rules, Government servants entruste with the custody of cash/stores are required to furnish the prescribe security. However, required/adequate security had not been obtained collected from 136 Government servants in 43 offices (Agriculture: 5 Government servants, 17 offices ; Labour and Employment : 38 Govern ment servants, 14 offices ; Medical: 40. Government servants, 12 institu tions).

3.21.3. *Physical verification of stores.*—Under the rules, physica verification of all stores has to be carried out periodically (at least onc a year) by the head of the office or by an officer nominated by him fo the purpose and the discrepancies noticed during such verification hav to be regularised by adjustment/recovery of cost from persons held res ponsible. It was noticed that in 19 offices, (Labour and Employ ment: 5 offices; Medical: 10 offices; Agriculture: 4 offices) physica verification of stores had not been conducted between the year 1975-76 and 1981-82.

In 54 offices, cost of various stores and articles, valued at Rs. 5.0 lakhs, which were found short during physical verification betwee 1972-73 and 1981-82 remained to be recovered (July 1983) from th persons responsible. (Agriculture: 32 offices, Rs. 3.38 lakhs; Medical 11 institutions, Rs. 1.50 lakhs; Labour and Employment: 11 offices Rs. 0.19 lakh).

3.21.4. *Plants, machinery, equipments and stores lying unused.*—In 4 offices, plants, machinery, equipments, surgical instruments and othe stores (1709 articles) valued at Rs. 13.36 lakhs remained idle/unused fo periods between 1 and 22 years due mainly to delay in carrying ou repairs and procurement in excess of requirements. (Agriculture: 2 offices, 484 items valued : Rs. 1.68 lakhs between 1960 and 1982; Medical 12 offices, 709 items valued : Rs. 10.48 lakhs between 1960 and 1982 Labour and Employment : 6 offices, 511 items valued : Rs. 0.95 lakh between 1960 and 1979; Fisheries : 1 office, 5 items valued: Rs. 0.2 lakh between 1971 and 1977).

3.21.5. *Recovery of hire charges pending.*—In 7 offices of the Agri culture Department, recovery of Rs. 10.13 lakhs on account of hir charges for agriculture implements, etc., was pending (July 1983) fron beneficiaries in respect of the period between 1970-71 and 1980-81.

3.21.6. *Delay in disposal of unserviceable articles.*—In 31 office unserviceable articles valued Rs. 0.91 lakh pertaining to the period bet ween 1972 and January 1983 were awaiting disposal (July 1983) (Agri culture : 17 offices, Rs. 0.31 lakh; Labour and Employment : 4 offices

Rs. 0.06 lakh; Medical : 7 institutions, Rs. 0.52 lakh; Fisheries: 3 offices, Rs. 0.02 lakh). These excluded 6566 items in respect of which value was not ascertainable (Agriculture: 4052 items; Medical: 1559 items; Labour and Employment: 954 items and Fisheries: 1 item).

3.21.7. *Delay in acknowledgement of inter-depot transfer of agriculture stores.*—Seeds, pesticides, etc., are stocked in departmental agricultural depots for sale to farmers. They are transferred from one depot to another as and when needed, by means of stores transfer bills.

Under the rules, the bills showing the particulars and value of materials transferred are to be prepared in triplicate by the consignor depots, one copy retained at the depot and the remaining two sent to the consignee depot through the District Agricultural Officers of the consignor and the consignee. The consignee depot is to retain one copy and return the second copy duly acknowledged to the consignor depot through the District Agricultural Officers in charge of the consignee and consignor depots.

It was noticed during local audit of 46 agricultural offices that 2028 bills amounting to Rs. 45.50 lakhs issued between 1972-73 and 1981-82, remained (July 1983) to be acknowledged by the consignee depots.

Not acknowledging the bills promptly renders detection of irregularities difficult.

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

3.22. Misappropriation, losses, etc.

Cases of misappropriation of Government money reported to Audit to end of March 1983 and on which final action was pending at the end of September 1983 were as follows :—

	Number of cases	*Amount (in lakhs of rupees)*
Cases reported to end of March 1982 and outstanding at the end of September 1982	427	58.92
Cases reported during the period from April 1982 to March 1983	24	3.58
Total ..	451	62.50
Cases closed during the period from October 1982 to September 1983	49	2.64
Cases outstanding at the end of September 1983	402	59.86

Department -wise and year-wise analysis of the pending cases is give in Appendix XVII. These cases are awaiting departmental actio criminal prosecution, recovery, etc.

In addition, 506 cases (Rs. 67.11 lakhs) of shortages and theft/loss c stores, damages to vehicles, properties, etc., reported to Audit up t March 1983 were pending finalisation as on 30th September 1983.

Of these, 350 cases (Rs. 32.69 lakhs) related to the Agricultur Department and 66 cases (Rs. 10.46 lakhs) to the Public Work Department. Department-wise and year-wise analysis of these cases i given in Appendix XVIII.

3.23. Other miscellaneous irregularities, writes-off of losses, etc.

Certain miscellaneous irregularities, writes-off of losses, etc., ar mentioned in Appendix XIX.

CHAPTER IV

WORKS EXPENDITURE

PUBLIC WORKS DEPARTMENT

4.1. Modernisation of Periyar-Vaigai Irrigation System

4.1.1. *Introductory.*—With a view to improving the Periyar System below Vaigai Reservoir to extend irrigation facilities to new areas, Government sanctioned (January 1974) an improvement project involving construction of link canal (32 km.) and lining of Periyar Main Canal (57 km.) and 4 connecting branch canals at an estimated cost of Rs. 7,30 lakhs. The project was revised (October 1975) to Rs.14,75 lakhs under the nomenclature 'Modernisation of Periyar Vaigai Irrigation System' with the intention of obtaining assistance from World Bank. The revised estimate approved by Government in October 1975, contemplated construction of a pick up anicut 1 km. below the Vaigai Reservoir, excavation of a link canal from the anicut to the Periyar Main Canal (PMC) lining the link canal, PMC and its tributaries and extension of PMC (22 km.) below Pulipatty Regulator. The project envisaged provision of irrigation facility to 11,948 hectares of new ayacut besides stabilisation of 6,683 hectares under existing ayacut and additional food production of 53,000 tonnes per annum.

After discussion with World Bank authorities, the project was revised to include lining of all channels up to 10 hectares limits, extra length of channels to avoid tank to tank irrigation, bringing all roads in Periyar system to standards, extra sluices at the rate of 10 hectare per sluice and

improvements to Thirumangalam main canal, etc. A modified estimate for Rs. 41,04 lakhs (with escalation) was cleared by World Bank (1977); Rs. 20,70 lakhs were to be provided by them. The estimate of the project was further revised to Rs. 72,00 lakhs (February 1980) providing for changes in design, new items and inadequate provisions in the original estimate and forwarded to Government of India/World Bank (April 1980). During a meeting held in April 1980 between the representatives of Government of India, Planning Commission, State Government and World Bank to review the progress of the project, it was observed by the Government of India that there had been large cost over runs on the project and all the proposed increases were not strictly on components necessary for achieving the original objectives. With a view to reducing the cost of the project, it was felt that execution of link canal could be omitted and lining of distributary system up to 10 ha. blocks could be deleted. In the next meeting held in April 1981 (after a visit to the project by IDA Mission in February 1981) the World Bank expressed the view that there was increased evidence that the link canal would not contribute to water saving, as there was direct pumping of water from the river for irrigation by cultivators who would have to be compensated when the river becomes dry due to diversion of water into the link canal. They recommended that a decision on the formation of the link canal might therefore be deferred at least till end of 1982 when studies regarding water savings, etc., proposed to be conducted would be completed. The World Bank also stated that they would be prepared to help formulate and consider for financing Stage II of the project which may basically consist of the remaining items covered by the original project. The World Bank had already favoured deletion of the link canal. Accordingly, Government in July 1981 accorded revised administrative sanction for Rs. 44,50 lakhs as Statge I of the Modernisation of Periyar Irrigation System for providing irrigation facilities to 10305 ha. of new area. By then, Rs 1,68.87 lakhs had been spent on the works connected with the link canal. The revised target date for completion of Stage I was December 1984.

4.1.2. *Targets and achievements.*—The targets and achievements from the commencement of the project in July 1977 to 31st March 1981 against the estimate of Rs. 41,04 lakhs cleared by the World Bank initially and after introduction of reformulated scheme for Rs. 44,50 lakhs for Stage I of the project from July 1981 to end of March 1983 are given below :—

INITIAL TARGET

Serial number and Project components	*Provisions in the estimate*	
	Physical	*Financial*
(1)	(2)	(3)
	KM	(in lakhs of rupees)
1. Link canal*	32	4,70.0
2. Left Bank Infrastructure	1,609	14,45.0
3. Right Bank Infrastructure	158	85.0
4. Extensions below Pulipatty Regulator and Melavalavu Extension	696	4,07.0
5. Extension of Thirumangalam Main Canal	58	30.0
6. Engineering Services		9,70.0
7. Other Services	..	6,97.0
8. Suspense	..	..
9. Committed items	..	..
Total ..	..	41,04.0

* The work has been deferred by Government in July 1981.

AND ACHIEVEMENTS

Work done up to 31st March 1981		*Work done from 1st April 1981 to 31st March 1983*		*Total to end of 31st March 1983*	
Physical	*Financial*	*Physical*	*Financial*	*Physical*	*Financial*
(4)	(5)	(6)	(7)	(8)	(9)
KM	(in lakhs of rupees)	KM	(in lakhs of rupees)	KM	(in lakhs of rupees)
1.1	1,68.87	..	(—) 21.49	1.1	1,47.38
517.70	12,83.11	..	1,18.28	517.7	14,01.39
139.45	82.00	..	2.90	139.45	84.90
65	53.52	..	94.78	65	1,48.30
..	4.90	..	25.10	..	30.00
..	4,50.86	..	2,50.62	..	7,01.48
..	49.06	..	12.85	..	61.91
..	..	..	96.96	..	96.95
..	..	..	..	..	..
	20,92.32		5,80.00		26,72.32 or 26,73.00

TARGETS AND ACHIEVEMENTS OF REFORMULATED SCHEME

	Revised Project Estimate		*Total to end of 31st March 1983*	
	Physical	*Financial*	*Physical*	*Financial*
(1)	(2)	(3)	(4)	(5)
	Km	(in lakhs of rupees)	Km	(in lakhs of rupees)
Actuals up to 31st March 1981 plus committed expenditure on carry over items up to 31st March 1983 . . .		20,92.32+ 5,80 (26,73)	..	20,92.32+ 5,80 (26,73.00)
Experimental lining under II and VI Branch Canal of Periyar Main Canal ..	32	53.00	33.12	56.00
Distribution system without lining	1,128	2,40.00	..	..
Lining in other than II and VI Branch Canals	..	..	161.93	3,26.89
Extension below Pulipatty river including Melavalavu extension	195	11,42.00	36	1,91.67
Thirumangalam Main Canal extension and distributaries	193	2,70.00	44	1,55.75
General items	..	72.00	..	1,19.88
Total ..	..	44,50.00	..	35,22.51

No work was done against the distribution system without lining. 161.93 kms. of lining of branch canals was done at a cost of Rs. 3,26.89 lakhs though not provided under the project. No administrative approval for these items was obtained.

4.1.3. In March 1983, Government approved Stage II of the Modernisation of Periyar Vaigai Irrigation System for Rs. 38,68 lakhs for extending irrigation facilities to 9,642 ha. (including areas omitted in the I stage).

4.1.4. The following points were noticed during a review of the project conducted during May-June 1983.

(*a*) *Unfruitful outlay on link canal.*—Based on a discussion with the World Bank, Government ordered (April 1980) not to incur further expenditure on the link canal. The decision regarding resumption of work in link canal was deferred till the end of 1982 when study reports regarding water savings were expected to be ready. In the meanwhile, the pick up anicut (which is a part of link canal) was already completed (May 1978), 353·100 acres of land for the canal was acquired, 1.1. km. of canal work and other items of work were completed involving an expenditure of Rs. 1,68·87 lakhs (March 1981). However, this was not included in the project cleared after discussion with the World Bank.

The expenditure incurred on link canal and pick up anicut remained unfruitful. Provision was however made in Stage II of the project for the formation of a smaller supply channel at a cost of Rs. 4,53 lakhs. The work in the supply channel is yet to be commenced (December 1983).

(*b*) *Delay in execution–shortfall in expenditure.*—According to the World Bank appraisal report, the project was to be completed by December 1981. Year-wise details of budget allotment, expenditure (excluding expenditure on establishment) and shortfall are given below:—

Year	*Budget*	*Actual expenditure*	*Shortfall*
(1)	(2)	(3)	(4)
		(in lakhs of rupees)	
Prior to 1977–78 ..	..	63.68	..
1977–78 ..	2,99.43	1,67.27	1,32.16
1978–79 ..	10,39.95	5,19.19	5,20.76
1979–80 ..	9,37.63	5,54.50	3,83.13
1980–81 ..	7,95.12	3,36.15	4,58.97
1981–82 ..	5,54.28	3,71.19	1,83.09
1982–83 ..	8,18.32	6,89.83	1,28.49

The shortfall was mainly due to delay in execution of the project at various stages as indicated below :—

(i) Though the main work was started in July 1977, the work on right bank structure and extension infrastructure was commenced in July 1978 and December 1978 only due to delay in posting of staff.

(ii) Though the work at left bank infrastructure was commenced in March 1978, 14 km. of operation and maintenance roads and 197 structures out of 834 were yet to be completed as on 31st October 1983. This was due to delay in completion of investigation work for want of adequate staff and delay in finalisation of tenders.

(iii) An improvement for a length of 0.081 km. (out of 28.03 km.) at head reach in connection with right bank infrastructure has not been done as the link canal work had not been completed (December 1983). 16.50 km. of operation roads are also yet to be completed (December 1983).

(iv) After the project was commenced in July 1977, Government approved in August 1978 proposals to reduce the ayacut to be developed under Extension Main Canal below Pulipatty Regulator from 7,632 ha. to 4,411 ha. and to shift the balance area under link canal and branch canals. However, the Government of India did not agree (November 1979) to the proposals of departure from the contents of agreement already entered into. The work under extension main canal was stopped in February 1980 and the staff were diverted to investigation work till July 1981. The work was commenced only in 1982 after the orders were issued by Government (July 1981) and after preparing revised estimates and plans. There was thus a delay of 2 years in resumption of work.

(*c*) *Excessive revenue staff.*—The cost of establishment of revenue staff employed for acquisition of land (value: Rs. 8.04 lakhs) was Rs.5.10 lakhs (to the end of May 1983) which was nearly 63 per cent, against 6¼ per cent of the value of land as provided in the estimate. This was due to the staff having been employed for a longer period. The Collector of Madurai however stated (May 1980) that the appointment of staff and their continuance, depended mainly on the quantum of work to be turned out and that the cost of staff had no bearing with the cost of lands acquired as several statutory requirements prescribed in the Land Acquisition Act had to be fulfilled. Although according to the orders issued by Government in December 1975, the staff should be appointed to cover the quantum of work to be turned out and the required staff should be appointed for a period of one year only and the Collectors were required to achieve the target within the period of one year, the staff were actually employed from 1977 to 1983.

(*d*) *Excessive Administration and Supervision charges.*—The World Bank appraisal report envisaged administration, design and engineering supervision charges at 15 per cent of the construction cost. The actual expenditure, however, rose from 20.05 per cent in 1977-78 to 50.11 per cent in 1982-83.

The excess was attributed by the department to delay in taking up extension works as well as revision of pay structure and periodical increase in allowances and restriction of construction work to closure periods only. It was, however, noticed that the increase in cost of administration to about 50 per cent was mainly due to delay in execution of works on account of frequent changes in the components of the scheme to be executed, ayacut to be benefited, etc., and lack of proper planning initially.

(*e*) *Excess consumption of cement.*—According to the standard data, 0.5 M^3 of cement concrete 1 : 2 : 4 is required for manufacture of each 5 cm. thick prestressed cement concrete slab (10M^2). In December 1979, the Special Chief Engineer allowed an increase of 3 per cent in data for use of 0.515 M^3 of cement concrete per 10 M^2, in respect of works under the charge of Periyar Improvement Circle III alone to provide for spillage of cement mortar slurry on the vibrating platform and spillage while finishing top layers of P.C.C. slabs. The extra cement used by the department due to increase in the quantity of concrete by 0.015 M^3 in the manufacture of 62,70,750 slabs was 668.65 tonnes at a cost of Rs. 3.74 lakhs. The department stated that wastage of cement slurry was noticed during the observation of manufacture of cement slabs and hence the additional quantity was provided for. The increase of 3 per cent has not been allowed in any other works in the State involving manufacture of slabs, e.g., lining work in Kodaganar Dam.

(*f*) *Extra expenditure on account of change in design.*—According to the estimate sanctioned by the Special Chief Engineer keeping in view the World Bank recommendations, the lining of bed of canal was to be done for a thickness of 5 cm. using cast-in-situ concrete as required in the Indian Standard Specification No. 3873. However, during execution, precast cement concrete slabs were used as instructed by the Superintending Engineer in May 1982 resulting in extra expenditure of Rs. 11.80 lakhs. No specific reasons were recorded then nor was the deviation approved by the Chief Engineer. The department stated (May 1983) in reply to Audit that the change was made to suit site conditions which were not identified by the department.

(*g*) *Avoidable expenditure in deciding tenders.*—Lining work of the Periyar Main Canal was split up into reaches and tenders were called for the reaches (i) L.S. 18302 to 19643 (ii) L.S. 42500 to 43800 and (iii) L.S. 52412 to 54200. The tender for the third item was decided

(November 1977) in favour of contractor " A ". The lowest tenderer for item (i) was also " A ". This was not accepted as the departmen did not want to allot more than one reach to the same contractor and the work was awarded (November 1977) to contractor " B ". For item (ii) contractor "B" was lowest, but the work was entrusted (Decem ber 1977) to " C " for the same reason, even though the departmen had awarded lining work in reaches L.S. 39100 to 39850, L.S. 3985(to 40712, L.S. 47943 to 50144 to one contractor. The additional cost in accepting the higher tenders in the 2 cases was Rs. 1.11 lakhs.

(*h*) *Short recovery of hire charges.*—According to the data for th manufacture of P.C.C. slabs, the concrete mixer and the table vibrato have to be used for 32 minutes and 21 minutes for manufacture of 10M slab of thickness 7.5 cm. and 5 cm. respectively. However, the hour of working were not checked and correlated with the outturn by th Divisional Engineer and this resulted in short recovery of hir charges from the contractors for 8,581 hours for concrete mixer an 7 ,404 hours for vibrator amounting to Rs. 1.32 lakhs.

(*i*) *Utilisation of machine crushed stones.*—According to the Worl Bank Report, labour intensive method was required to be used. I was specifically mentioned that coarse aggregate for reinforcemer concrete would be produced by manual labour from excavated rock The quantity of rock excavated from Periyar Main Canal and extensio of Periyar Main Canal was 1,01,488 M^3. Instead of using coarse aggre gate produced from this excavated rock involving labour charges o only Rs. 20 per M^3 the department had used 1,08,089 M^3 and 12,644 M of machine crushed stones in extension main canal and Periyar Mai Canal respectively for cement concrete involving Rs. 39.30 lakhs toward cost of machine crushed stones. The non-utilisation of available ex cavated rock (101488M^3) for cement concrete had resulted in an extr expenditure of Rs. 11.16 lakhs. Besides, the object of using labou intensive method was not achieved.

The department stated that the availability of hand broken jelly wa very meagre and even that was not according to specification.

4.1.5. Summing up

The project estimated to cost Rs. 7,30 lakhs in January 1974 wa revised in October 1975 to Rs. 14,75 lakhs by including, *inter alia*, a lin canal. After having again been modified a few times, the project wa finally approved for Rs. 44,50 lakhs for Stage I in July 1981 (and Rs. 38,6 lakhs for Stage II in March 1983) by excluding the link canal by whic

Rs. 1,67.87 lakhs had already been spent on works connected with nk canal. The project originally slated for completion by December is now scheduled to be completed in December 1984.

upees 3,26.89 lakhs were spent on lining of branch canals without nistrative approval.

gainst provision of Rs. 44,44.73 lakhs during 1977-78 to 1982-83, xpenditure incurred was only Rs. 26,38.13 lakhs resulting in shortfall s. 18,06.60 lakhs due to delay in execution of the project at various s.

he expenditure of Rs. 1,68.87 lakhs on link canal and pick-up anicut ined unfruitful.

he cost of revenue establishment employed for land acquisition rose per cent against 6¼ per cent provided for in the estimates.

he outlay on administration, design and engineering ranged from 55 per cent as against 15 per cent envisaged in the Appraisal Report e World Bank.

ailure to accept the lowest tenders on the plea that more than one er should not be entrusted to a tenderer at one time, resulted in an expenditure of Rs. 1.11 lakhs.

he hire charges of concrete mixers and vibrators were not correlated the out turn ; this had resulted in short recovery of Rs. 1.32 lakhs.

nstead of cast-in-situ lining for the bed of main canals, branches distributaries, P.C.C. slabs were used resulting in extra expenditure s. 11.80 lakhs. The coarse aggregate available from excavated rock not utilised for cement concrete work resulting in extra expenditure s. 11.16 lakhs.

he matter was reported to Government in August 1983 ; their y is awaited (December 1983).

Gundar Reservoir Project

4.2.1. *Introductory.*—Based on local representations for formation reservoir across Gundar river, (a tributary of Chittar, which in turn major tributary of river Thambaraparani) at Kannupulli Mettu henkottah taluk, the Gundar Reservoir Scheme was taken up for iled investigation by the Public Works Department in April 1972. January 1974, Government on a proposal by the Chief Engineer

sanctioned construction of a reservoir of 25 million cubic feet (M capacity, with two fillings, at a cost of Rs. 37.00 lakhs, aimed at s and utilising flood flows for stabilising the existing ayacut of acres, besides converting 98 acres of single crop land into double The cost benefit ratio expected was 1 : 0.96. The scheme was ex to be completed in 2 years. Technical sanction for Rs. 40.70 was issued (February 1974) by the Chief Engineer (Irrigation).

A division was formed for execution of work in Septembe and preliminary work was taken up. In April 1976, the Chief En (Irrigation) reported to Government that nothing could be done project due to delay in acquisition of land as the owners were not to part with their lands and the cost of the scheme might go up to Rs lakhs due to increase in cost which may render it uneconomica recommended for deferring it. The Board of Revenue agreed Chief Engineer (Irrigation). The Division was therefore closed c August 1976, by which time it had incurred an expenditure of Rs. lakhs (viz., preliminary expenses : Rs. 0.37 lakh ; works : Rs lakh ; land : Rs. 3.65 lakhs ; machinery and equipment : Rs lakhs ; establishment, tools and plant : Rs. 5.44 lakhs ; less re and recoveries on capital account : Rs. 0.03 lakh). In January Government requested the Chief Engineer (Irrigation) that a analysis should be made as the proposed withdrawal of the schem given rise to representation from the public. In May 1977, the Engineer (Irrigation) reported to Government that the ayacut un existing anicuts did not get the required quantity of water at the f of the period resulting in loss of crops and hence, addition of new a would aggravate the problem. The Chief Engineer also reporte the scheme was likely to cost roughly Rs. 86.00 lakhs due to incr cost of labour and materials and the scheme would be highly un mical.

Nevertheless, Government decided (October 1977) that the s already sanctioned should be executed. The project works comm in July 1979.

(ii) Government sanctioned (November 1978) a revised estim Rs. 82,00 lakhs which was further revised (February 1982) to Rs. lakhs. The scheme proposed to be completed in June 1981 was a completed in May 1983 incurring an expenditure of Rs. 1,24.34 (June 1983). Details of estimates and expenditure are given in Ap XX.

The increase in cost was mainly due to the escalation in cost of m als and labour (Rs. 28.38 lakhs), change in design (Rs. 27.28 lakh establishment charges (Rs. 23.81 lakhs).

.2. **The following points were noticed:—**

i) The original estimate provided for acquisition of 20.86 hectares
d (cost : Rs. 3.85 lakhs); this was finally modified as 25.58 hectares
Rs. 5.50 lakhs) in the second revised estimate. 4.09 hectares
d acquired became surplus due to change of alignment decided
ɔruary 1978. The Department proposed (December 1980) to the
ue Department to relinquish 3,865 hectares of surplus lands acquired
ost of Rs. 50,854. Further developments are awaited (December

(ii) The expenditure on establishment and tools and plant up to
983 was Rs. 32.90 lakhs, *i.e.*, 38.1 per cent of the total project cost
ling land and this was much in excess of the norm of 12 per cent
0.36 lakhs) specified by Government of India for irrigation projects.
s expenditure, Rs. 5.44 lakhs were spent on a project division from
nber 1974 to August 1976 when no progress was made.

(iii) The cost of formation of earthdam originally estimated as
.45 lakhs rose to Rs. 46 lakhs mainly due to revision of schedule
es (Rs. 17.84 lakhs) from time to time and changes in design and
nent (Rs. 19.71 lakhs). According to a standing order (March
of Government, all works involving earthwork of more than 200
(2000 M^3) should be carried out through the Tamil Nadu Public
s Engineering Corporation Limited (TAPWEC), a Government
ɔany. The department proposed (October 1979) to entrust exe-
n of 1 lakh M^3 of earth work to TAPWEC and complete the balance
,000 M^3 departmentally by use of lorries. The TAPWEC initially
: 1980) quoted a rate of Rs. 126 per 10 M^3 and later raised it to
33 from August 1980, Rs. 137.50 from January 1981 and Rs. 142
July 1981 due to increases in cost of fuel and lubricants. Though
Executive Engineer requested the Company in February 1981 itself
ke up the work, the Company moved the machinery to site in July
and December 1981 and commenced the work in January 1982
. The rate paid to TAPWEC was Rs. 142 per 10 M^3 up to March
and Rs. 156.76 per 10 M^3 thereafter while the rate as per schedule
tes at that time was Rs. 128 and Rs. 135 respectively. The TAPWEC
inery often broke down and up to 31st March 1982 gave an out-
of 7,950 M^3 as against 75,000 M^3 expected. By September 1982,
nachinery was no more in a fit condition to do work. The Executive
ineer completed the balance of work using job workers. The extra
nditure for 31,812 M^3 of earthwork done by TAPWEC was nearly
0.62 lakh. Apart from extra cost, there was delay in completion
cheme due to frequent breakdown of the TAPWEC machinery.

(iv) According to Government order (December 1977) piece work
em of contract (K 2) shall ordinarily be confined to works costing
more than Rs 50,000. For works costing more than Rs. 50,000

lump sum contracts are to be executed. Under the lump sum agree if a contract is terminated due to contractor's default extra cost is recovered from him. In the Gundar Reservoir Scheme, all the cor irrespective of the value were entered into as piece work agree on the ground that works were located in a remote locality and th works could not be completed during one season as the area was s to the vagaries of two monsoons.

Five piece-work agreements entered into during 1979–80, 19 and 1981–82 by the Superintending Engineer (Project Circle) for a value of Rs. 13.67 lakhs for spillway works were terminated in September 1981 due to slow progress of work. Work for a total of Rs. 1.82 lakhs had been executed up to the dates of terminatio

The works left over by the original contractors were subseq split up into convenient parts and entrusted on nomination to v job workers at the current schedule of rates under the powers del to the Superintending Engineer/Executive Engineer. Due to exe of the original contracts as piece work agreements (instead of lum agreements), the department could not recover the extra co Rs. 1.54 lakhs from the original contractors.

Against an estimate for Rs. 1.81 lakhs net (gross Rs. 7.24 lak credit for machinery to be transferred from the scheme Rs. 5.43 special tools and plant for a value of Rs. 6.22 lakhs have been pr on transfer from other divisions. The following items remaine for the periods noted below :—

Machineries	*Cost*	*Idle period*	*Rema*
	RS.		
1. Kirloskar generator ..	12,000	January 1980 to May 1981	This was late ferred to division i 1981.
2. 5 VRM compressor ..	15,695	December 1981 onwards	Proposal (1982) for demnation Chief Eng approval ber 1982).
3. Car washing machine ..	4,050	October 1981 onwards	....

4.2.3. *Benefits of the scheme.*—The scheme when first sanction Rs. 37.00 lakhs contemplated an additional food production of tonnes ; the cost per tonne was Rs. 3,312 as against the no Rs. 3,000 per tonne adopted by Government for Tirunelveli di

Considering the actual expenditure of Rs. 1,24.34 lakhs (June 1983), the cost per tonne of additional food production has increased to Rs. 11,132, which is more than thrice the cost originally anticipated. The scheme which was considered uneconomical even to begin with, became much more uneconomical on increase in its cost to nearly Rs. 1,24.00 lakhs. The cost benefit ratio which was assessed as 1 : 0.96 in the original estimate for Rs. 37.00 lakhs finally became 1 : 0.82 in the second revised estimate for Rs. 1,23.00 lakhs, the actual expenditure being Rs. 1,24.34. lakhs.

4.2.4. *To sum up.*—(i) The scheme scheduled for completion by January 1976 was actually completed in May 1983 with a cost escalation of Rs. 86 lakhs from Rs. 37 lakhs to Rs. 1,23 lakhs.

(ii) A division formed in September 1974 for this work was wound up after 2 years without making any progress after incurring an expenditure of Rs. 14.87 lakhs.

(iii) 4.09 hectares of land (cost : Rs. 0.51 lakh) acquired in excess of requirement was yet to be relinquished.

(iv) In the earthdam, there was an extra expenditure of Rs. 0.62 lakh by letting out the work to TAPWEC.

(v) In the spillway work, 5 contracts (total value : Rs. 13.67 lakhs) were terminated due to slow progress and there was an extra expenditure of Rs. 1.54 lakhs in completing the unfinished work through job workers which could not be recovered from the original contractors.

(vi) Due to threefold increase in the cost of the scheme, the cost of additional food production became Rs. 11,132 per tonne as against Rs. 3,312 per tonne envisaged in the original estimate ; the cost benefit ratio became 1 : 0.82 (as against 1 : 0.96 originally anticipated).

4.3. Thumbalahalli Reservoir Project

4.3.1. *Introductory.*—In December 1978, Government sanctioned the formation of a reservoir across Pulpatti river near Thumbalahalli village in Dharmapuri district at a cost of Rs. 1,12.70 lakhs. Technical sanction was accorded by the Chief Engineer in 1979 for Rs. 1,23.97 lakhs. The scheme envisaged the development of new ayacut of 2,184 acres besides stabilisation of 326 acres and bridging a gap of 107 acres with additional food production of 3,310 tonnes.

The work was taken up in October 1979 through various contractors for completion in December 1980. Lining work for about 100 metres on the left side main canal and branch canal and acquisition of 32 acres of land (out of 432 acres) still remained to be completed (October 1983).

Actual expenditure at the end of October 1983 was Rs. 2,11.78 lakhs. A revised estimate prepared by the division for Rs. 2,25.00 lakhs is yet (September 1983) to be forwarded to the Government for approval. The major factors resulting in the escalation of cost are increase in schedule of rates (Rs. 19.53 lakhs), provision of new items of work (Rs. 15.63 lakhs), change in design of regulator from breast wall type to radial type resulting in additional items (Rs. 22.62 lakhs), inadequate provision of sundry items in the original estimate (Rs. 12.21 lakhs) increase in cost of land and continued employment of land acquisition staff (Rs. 8.80 lakhs) and establishment charges, tools and plant (Rs. 20.0 lakhs).

4.3.2. The following points were noticed (April 1983) in audit:—

(*a*) Proposals for acquisition of lands were sent by the Public Work Department to the Revenue Department in January 1980 and staff fo land acquisition were employed in August 1980. Out of 432.38 acre of patta lands required for the scheme, 400 acres were handed over to the Public Works Department. Acquisition for the remaining land wa in progress (October 1983). The staff of Revenue Department ar being continued ; the expenditure incurred on the staff was Rs. 5.9(lakhs representing 28.30 per cent of the cost of the land (Rs. 20.85 lakh paid as advance for compensation) against a provision of 6 1/4 per cen provided in the estimate.

(*b*) For the construction of stilling basin, the Superintendin Engineer, Special Project Circle, Krishnagiri requested (June 198(the Institute of Hydraulics and Hydrology, Poondi, to conduct mode studies for fixing the base level. The work was commenced by th Executive Engineer, Thumbalahalli Reservoir Project division in Jul 1980 even before receipt of the report and earthwork excavation wa done up to a depth of EL+457M (5.50 M below the river bed level). The report of model studies was received in July 1981 fixing the base o the stilling basin at EL+459.60 M, a year after commencement of work In as much as excavation had been completed up to a depth of EL+ 457M, the Superintending Engineer furnished revised level to the Institut in December 1981 and it gave a revised report in February 1982 fixin the base at EL+457M as a matter of *fait accompli*. The avoidabl expenditure on the cost of earthwork done for an extra depth of 2.60M was Rs. 0.46 lakh.

The scheme was sanctioned in December 1978 at a cost of Rs. 1,12.7(lakhs with target date of completion as December 1980. The divisio was formed in August 1979 after a delay of 8 months. After detailec investigation, the general plan of the spill-way was approved by the Chie Engineer, in February 1981 and the design of the stilling basin wa decided in February 1982. The Chief Engineer, after a review of th

progress of work in June 1981, fixed a revised target date for completion as March 1982. The Executive Engineer proposed in May 1982 a further revision in the target date due to delay in finalising the design, objection by land owners for entering the land (32 acres of land were yet to be acquired), non-execution of canal works on account of standing crops in the field and scarcity of stores.

The delay has already resulted in postponement of completion of project by 3 years with attendant escalation in cost. The benefit of development of ayacut of 2,184 acres is yet to be achieved.

The points mentioned above were reported to Government in September 1983 ; their reply is awaited (December 1983).

4.4. Financial results of irrigation works

4.4.1. The financial results of two major irrigation works to end of 1981-82 are given below :—

	Manimuktha Nadhi Project	*Gomukhi Nadhi Project*
	(in lakhs of rupees)	
1. Progressive capital outlay	2,15.37	2,47.20
2. Estimated return	0.45 (per annum)	0.75 (per annum)
3. Total revenue receipts	8.75	9.92
4. Working expenses	15.04	19.03
5. Net revenue	(—) 6.29	(—) 9.11
6. Interest on capital	1,02.05	1,20.81
7. Excess of expenditure over revenue ..	(—) 1,08.34	(—) 1,29.92

4.4.2. *Manimuktha Nadhi Project.*—The construction of a reservoir across Manimuktha Nadhi in South Aroct district and right side channel for 12 kms. sanctioned in June 1966 for Rs. 91.00 lakhs was completed (Rs. 99.39 lakhs) in October 1970. The completion report on the project has not yet been prepared (September 1983) as the materials-at-site accounts have not been finalised for want of adequate staff. The project has a catchment area of 482 sq.km. with water spread area of 1,841 acres.

The gross and live storage capacity of the reservoir is 7,36.96 Mcft. and 703.96 Mcft. respectively. The project envisaged conversion of 4,000 acres of dryland into wet land, besides stabilisation of 250 acres in the registered ayacut at a duty of 5.5. (*i.e.* 5.5 acres/Mcft), the total requirement of water being 1,120 Mcft including 100 Mcft for transmission loss and 250 Mcft for evaporation loss. The irregularities noticed during the execution of the project were included in paragraph 65 of the Report of the Comptroller and Auditor General of India for the year 1969-70.

4.4.3. A review of the working results of the project for 1975-76 to 1982-83 revealed the following :—

(i) *Dependability.*—The full reservoir level was 421 ft. The full level was reached only in 2 years (1978-79, 1979-80) out of 9 years, though the project estimate assumed that the reservoir will be successful in 27 out of 28 years.

(ii) Against the development of 4,000 acres of new wet ayacut proposed, only 3,507 acres were developed and brought under wet cultivation from the year 1979-80 onwards. The Executive Engineer attributed the shortfall of 493 acres to (*a*) 100 acres not commandable due to alkaline soils, (*b*) 109 acres being irrigated through other sources, (*c*) 142 acres being poromboke uncultivable lands, (*d*) 24 acres of land lying waste due to ryots' negligence, (*e*) 113 acres to be reclaimed and (*f*) 5 acres of assigned land left uncultivated by assignees. Out of 118 acres to be reclaimed under (*e*) and (*f*), notices were issued in May 1983 for reclamation of 42 acres from assignees who have violated the conditions of assignment and 76 acres are to be reclaimed after soil test.

(iii) The shortfall of 351 acres in the ayacut covered by items (*a*), (*b*) and (*c*) which was proposed to Government for deletion from the registered ayacut (January 1976) should have been known to the department even earlier if proper investigation had been done on soil conditions.

(iv) The water allowed for 4 years (*i.e.* 1975–76, 1976–77, 1978–79 and 1979–80) was 825 Mcft., 486 Mcft., 796 Mcft., and 1,225 Mcft., though the area benefited during these years was 2,705, 2,635, 3,667 and 3,757 acres which needed 492 Mcft., 479 Mcft., 666 Mcft., and 683 Mcft. only.

(v) The ayacut finally developed is 3,507 acres, which required 683 Mcft., of water only, while the project envisaged 4,000 acres with the maximum capacity of the reservoir at 736.96 Mcft.

(vi) *Revenue collections.*—The estimate for the project contemplated a maintenance charge of Rs. 1.25 per acre every year. The water rates were fixed by Government (June 1966) at Rs. 20 per acre for new areas and at Rs. 15 per acre for stabilised ayacut so

that after allowing maintenance charges (Rs. 0.05 lakh) and collection charges at 5 per cent (Rs. 0,04 lakh) a net revenue of Rs. 0.75 lakh per annum can be realised. The actual figures are given below:—

Year	*Revenue realised*	*Maintenance charges*	*Collection charges*
(1)	(2)	(3)	(4)
	(in lakhs of rupees)		
1975–76	0.20	1.00	0.01
1976–77	0.27	1.74	0.01
1977–78	0.32	1.38	0.02
1978–79	0.25	0.53	0.01
1979–80	0.46	1.35	0.02
1980–81	0.29	1.28	0.01
1981–82	0.33	1.30	0.02
1982–83	0.08	1.99	0.01

The Tahsildar, Kallakurichi had been collecting revenue at the rate of Rs. 15 per acre only instead of at Rs. 20 per acre for developed areas. No reasons were on record for not observing the rates fixed by Government. Rupees 2.07 lakhs (representing 82.10 per cent of demand) remained (July 1983) to be collected towards water charges and betterment levy. No action has so far been taken to recover the arrears.

(vii) Against the estimated net return of Rs. 0.45 lakh per annum, the cumulative net return to end of March 1983 was Rs. (—) 6.29 lakhs.

4.4.4. *Gomukhi Nadhi Project.*—The scheme for the formation of a reservoir across the river Gomukhi Nadhi in South Arcot district, was sanctioned by Government of Tamil Nadu in December 1962 for Rs. 87.00 lakhs. It was envisaged to develop 5,000 acres of land besides bridging a gap of 339.17 acres in the registered ayacut. The reservoir was expected to be full for 20 years out of 28 years i.e. 72 per cent dependability. The work was commenced in June 1963 and completed in December 1966. A review on the execution of the work was made and included in paragraph 50 of the Report of the Comptroller and Auditor General of India for 1967.

4.4.5. The review of the working of the project from 1975-76 to 1982–83 showed the following :—

(i) The full level of the reservoir (601 ft.) was not reached in any of the years from 1975–76 to 1982-83, though the project report assumed that the reservoir will be full for 20 out of 28 years.

(ii) The amount of water necessary for irrigating 5,000 acres was 1,120 Mcft. including water loss due to evaporation and transmission. However, the area finally stabilised was 4,660 acres from 1978-79 onwards. The department had not evolved any additional ayacut for development, to cover the difference of 340 acres.

(iii) Water allowed in 1975–76, 1977–78, 1978–79 and 1979–80 for irrigation was 975 Mcft. 1,078 Mcft., 1,091 Mcft. and 1,030 Mcft. respectively while the quantity of water required for irrigating 3,650, 4,660, 4,660 and 4,660 acres benefited was 663 Mcft., 847 Mcft., 847 Mcft. and 847 Mcft. respectively on the basis of a norm that 5.5 acres required 1 Mcft.

(iv) Against a total demand of Rs. 4.16 lakhs of revenue, there was a balance of Rs. 1.73 lakhs (41 per cent) yet to be collected (July 1983) from the beneficiaries. The arrears related to the period 1973–74 to 1982–83. No action to effect the recoveries has been taken.

(v) Against the estimated net return of Rs. 0.75 lakh per annum, the cumulative net return to end of March 1982 was Rs. (—) 9.11 lakhs.

4.4.6. *To sum up*

The water supply envisaged in the project reports had not been realised. There are shortfalls in development of ayacut. Water allowed was more than the requirement for the ayacut actually irrigated resulting in wastage of potential.

The water rates were not collected by revenue officials as fixed by Government. There has been no revision of water rates fixed for Manimuktha Nadhi Reservoir despite increase in cost of maintenance and collection charges. Arrears of revenue to be collected amounted to Rs. 3.80 lakhs (July 1983) (Manimuktha Nadhi Project: Rs. 2.07 lakhs, Gomukhi Nadhi Project: Rs. 1.73 lakhs).

Against an investment of Rs. 4,62.57 lakhs to end of March 1982 on both projects from which an annual net return of Rs. 1.20 lakhs per annum was expected, there was cumulative deficit of Rs. 15.40 lakhs.

4.5. Minor Irrigation Programme

4.5.1. *Introductory.*—Creation of increased irrigation potential through major, medium and minor schemes is key to agricultural production. Minor irrigation schemes for producing quick yielding results at small outlays benefit mostly small and marginal farmers. The criterion for classifying irrigation works under minor irrigation has undergone changes from time to time. Minor irrigation potential is created by exploitation of ground water and utilisation of surface water. While surface water works are executed by the Public Works Department, ground water works are undertaken by the Agriculture Department. Surface water potential for 2.20 lakh hectares involving aggregate financial outlay of Rs. 66.34 crores and ground water potential of 10.90 lakh hectares involving a financial outlay of Rs. 13.77 crores were created up to March 1980. One hundred and twenty nine works involving a total financial outlay of Rs. 8,24.42 lakhs and on which Rs. 4,63.31 lakhs had been spent, remained incomplete as on 31st March 1980.

The Sixth Plan envisaged creation and utilisation of additional potential of 2.73 lakh hectares. The progress up to March 1983 is given below:—

	Physical achievement		*Financial achievement*	
	Target	*Actual*	*Outlay*	*Expenditure*
(1)	(2)	(3)	(4)	(5)
	(in lakh hectares)		(in crores of rupees)	
(*a*) Surface water				
1980–81	0.020	0.015	1.78	2.18
1981–82	0.020	0.022	2.26	2.40
1982–83	0.025	0.025	3.37	3.72
(*b*) Ground water—				
1980–81	0.55	0.61	1.89	2.26
1981–82	0.54	0.57	2.10	2.71
1982–83	0.59	0.61	2.17	3.25

As on 31st March 1983, the total area benefited under Minor irrigation was 14.95 lakh hectares.

A. Surface Irrigation

4.5.2. Minor irrigation works (surface irrigation) constituted works costing less than Rs. 25.00 lakhs till March 1981 and Rs. 50.00 lakhs and less thereafter. The Public Works Department undertakes special minor irrigation works and desilting-*cum*-reclamation works. The former aims at tapping the flash flows in minor rivers and jungle streams by forming new tanks, construction of anicuts, excavation of supply channels, conversion of existing mud 'kondam' into masonry weirs and formation of ponds for raising ground water table, etc., in order to create new ayacuts and stabilising existing ayacut besides filling of gap between registered ayacut and irrigated ayacut. Desilting-*cum*-reclamation works are intended to regain the capacity of tank lost due to silting partly or fully by raising the full tank level and also by desilting the tank bed, the silt being deposited on the foreshore lands. The works are considered on the basis of recommendations of the Collectors of respective districts after examining their viability with reference to the cost of food production.

Of total irrigated area of 26.47 lakh hectares, 9 lakh hectares are served by 38,314 tanks,out of which 8,903 tanks are under the control of Public Works Department, 5, 276 of them being rainfed and the remaining 3,627 being system tanks.

Comments on the execution of individual schemes under minor irrigation programme bringing out *inter alia* delays in completion of works due to delays in land acquisition/preparation of estimates, defective designs, etc., were included in the Report of the Comptroller and Auditor General of India (Civil)- Government of Tamil Nadu– in paras 4.5, 4.6 and 4.8 of Audit Report1977-78, paragraphs 4.6, 4.8, and 4.9 of Audit Report 1978-79, paragraph 4.5 of Audit Report 1979-80 and paragraph 4.6 of Audit Report 1980-81.

4.5.3. *Financial outlay.*—The plan targets, the provisions made in Budget Estimates and the actual expenditure incurred under the minor irrigation programme for the years up to 1979-80 and from 1980-81 to 1982-83 are given below :—

Year	*Plan target*	*Budget estimate*	*Actual expenditure*	*Percentage of shortfall with reference to column* (3)
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
Up to 1979-80 ..	1,00,43.00	68,39.90	66,34.00	3
1980-81 ..	1,78.00	2,74.86	2,17.86	21
1981-82 ..	2,26.00	2,95.17	2,39.54	19
1982-83 ..	3,37.00	3,30.00	3,72.48	..

Except during 1982-83, the expenditure incurred during the other years fell short of the budget provisions and the shortfall ranged from 19 to 21 per cent.

4.5.4. Out of 18, 351 works targeted to create a potential of 2.33 lakh hectares taken up at a cost of Rs. 68.40 crores, 18,222 works were completed to end of 31st March 1980 at a cost of Rs. 66.34crores creating a potential of 2.20 lakh hectares. Out of 129 spill over works (estimated cost : Rs. 8,24.42 lakhs) targeted to benefit12, 655 hectares, 97 works were completed during the Sixth Plan period at a cost of Rs. 4,73.66 lakhs creating a potential of 6,451 hectares. The delays in the completion of works were over 5 years (20 works), 4 years (14 works), 3 years (5 works) and less than 3 years (58 works).

Apart from completing the 129 incomplete works under Special Minor Irrigation Programme, 384 works under Special Minor Irrigation Programme and 97 works under Desilting-cum-Reclamation scheme under investigaion were programmed to be taken in a phased programme in Sixth Plan involving an outlay of Rs. 12, 00.00 lakhs (Special Minor Irrigation Programme schemes Rs. 10,00.00 lakhs and Desilting-*cum*-Reclamation schemes Rs. 2,00.00 lakhs) to create additional potential of 17,000 hectares of irrigated area under the scheme.

The performance during the period from 1980-81 to 1982-83 is given below :—

	Number of works	*Cost*
(1)	(2)	(3)
		(in lakhs of rupees)
Spill over as on 1st April 1980	129	8,24.42
Sanctioned during 1980-81 to 1982-83	45	5,04.02
Completed during 1980-81 to 1982-83	100	4,78.80

74 works remained to be completed as on 31st March 1983 for various reasons, *viz.*, land acquisition not completed : 12, delay in technical sanction: 2, court and vigilance cases: 6, other reasons—non-fulfilment of agreement by beneficiaries and objections from ryots: 2, in progress : 52. The delay in execution of works ranged from more than 5 years (18 works), 3 years (16 works) and less than 3 years (40 works).

Despite availability of funds, 74 works taken up at a cost of Rs. 10,47.23 lakhs and on which Rs. 4,18.28 lakhs were spent, intended to benefit 9,266 hectares of ayacut,remained incomplete as at the end of March 1983.

4.5.5. *Maintenance.*—The department had no norms for maintaining minor irrigation works. They were undertaken each year with reference to the availability of funds and requirements based on inspection by departmental officers.

4.5.6. Against the targeted potential of 17,000 ha. during Sixth Plan period, annual targets were not fixed, the potential created was 6,199 ha. up to March 1983. The area actually benefited was not evaluated by Revenue Department. The Revenue Department stated (February 1983 and April 1983)that the review of utilisation of irrigation potential created was not done by the Collectors of the districts due to severe drought and failure of monsoon during the years 1980-81,1981-82 and 1982-83.

4.5.7. The following points were noticed during the test check of 29 works conducted by Audit (June 1983) on a selective basis.

(a) Formation of tank across Kannathu Odai

The formation of a tank across Kannathu odai (Tiruchirappalli district) with a capacity of 56 Mcft.of water to irrigate additional ayacut of 618 acres besides stabilisation of 219 acres, was administratively approved (January 1975) for Rs. 20.40 lakhs and technically sanctioned by Chief Engineer for Rs. 22.44 lakhs. The work was to be completed in September 1977. The work was commenced in July 1975 but completed only in October 1980 at a cost of Rs. 30·68 lakhs. Revised administrative approval of Government for the revised estimate of Rs. 31.83 lakhs sought by the Chief Engineer in October 1977 is awaited (September 1983). The delay in completion is attributed to non-allotment of funds by the Public Works Department. Consequent on the delay, there had been escalation in cost due to rise in cost of labour and materials. As against a total benefit of 837 acres, only 307 acres were developed in 1979-80, the shortfall of 530 acreas was attributed to non-construction of field bothies by ryots (110 acres) and non-completion of reclamation works (420 acres). No action to get the field bothies constructed was taken by the department.

(b) *Formation of tank near Thoranipalayam*

The formation of a tank near Thoranipalayam (Tiruchirappalli district) with a capacity of 5.10 Mcft. was sanctioned by Government (November 1978)for Rs. 2.30 lakhs to irrigate 63.75 acres. The work was commenced in February 1980 and land acquisition proposals sent to RevenueDepartment in the same month.The contractor to whom the work was awarded completed (May 1981) all items of work except formation

of bund for a length of 200 M and construction of a drop and syphon, for which land was not made available due to non-completion of acquisition proceedings. The final bill of the contractor (Rs. 1.22 lakhs) was paid in December 1981 based on his representation, as further work could not be exeeuted by him. The work was completed in July 1982 through another agency at an extra cost of Rs. 0·14 lakh. Besides extra cost, there was thus, a delay of 3 years in the completion of work.

(c) *Construction of anicut across river Ariyar*

The work of construction of an anicut across river Ariyar forming a flood bank and excavation of supply channels to feed Kolathur tank (Tiruchirappalli district) was administratively approved by Government (December 1979) for Rs. 4.80 lakhs and technically sanctioned by Chief Engineer (October 1980) for Rs. 5.28 lakhs. The scheme was to stabilise 337.23 acres of registered ayacut besides bridging a gap of 129.98 acres of land for wet cultivation. The work entrused to a contractor in November 1980 for Rs. 3.93 lakhs was stayed by Government in the same month as its execution affected lower down riparian rights. Based on oral instructions of the Chief Engineer in January1981, the work was taken up and earth work for removal of top soil and construction of cut off trenches was completed in April 1981 at a cost of Rs.0.41 lakh when the work was again stopped by Government. The final bill (Rs. 40,941) for the work done was settled in March 1982. Though the order of the stoppage of the work was lifted by Government in June 1982, the work could not be taken up because the High Court issued injunction orders in October 1982 against the execution of work.

Machineries consisting of road rollers, lorry and tipper oil engine and drilling machine worth Rs. 1.40 lakhs transferred to this work in 1980–81 from another work have not been put to use (May 1983).

The construction of the anicut was not properly planned taking into account the interests of lower down ayacutdars with the result that the execution of the work had to be stopped twice in November 1980 and again in April 1981. The work stopped in April 1981 still remained incomplete and the expenditure of Rs. 0.41 lakh incurred so far on earthwork is likely to prove infructuous with passage of time.

(d) *Construction of bed dam across Koundinyanadhi*

The Public Works Departmet proposed in 1966 the construction of a masonry wall across the river Koundinyanadhi for a length of 350 M.to divert the water to Cheruvanki tank in North Arcot district. The proposals were approved by the Collector in September 1966. The scheme

envisaged filling up a gap of 75.91 acres in the registered ayacut. The proposal was rejected by the Chief Engineer in June 1969 due to unsoundness of the wall and defective groyne proposed in the estimate. A fresh proposal for construction of a bed dam at a cost of Rs. 2.33 lakhs was sent by the Executive Engineer in October 1969. The estimate was revised by the Chief Engineer to Rs. 2.90 lakhs in November 1972 and the scheme was approved by the Government in November 1973. Due to misplacement of records techincal sanction was accorded for Rs. 3.19 lakhs in July 1974. There was thus a delay of 7 years even in getting the approval to the scheme.

The agency for construction was decided in August 1975 after rejecting tenders received earlier in October 1972, August 1974 and December 1974. The escalation in cost by Rs. 1.43 lakhs was due to increase in cost of labour and materials because of delay in finalising the agency. The Chief Engineer had also observed that due to casual and unbusiness-like attitude in dealing with the matter, tenders had to be rejected and had to be recalled 4 times.

Subsequently, the estimate was revised (September 1978) to include the second apron and additional retaining walls (cost : Rs. 0.53 lakh) which became necessary because the earlier design of the apron was found defective. Government accorded (December 1979) revised administrative approval for Rs. 5.28 lakhs. The work was completed in August 1981 after a delay of 6 years and at an additional cost of Rs. 2.09 lakhs which could have been avoided if proper investigation had been done at the initial stage and if the matter had been handled with due care.

(e) *Restoration of Kadavalli tank*

The scheme for restoration of the Kadavalli tank (North Arcot district)and providing surplus arrangements on the right flank intended to convert 56.56 acres of dry lands into wet lands was approved by Government in November 1977 for Rs. 1.84 lakhs. It was found (April 1978) during *pre*-construction investigations that the soil in the site was not suitable for closing the breach in the tank. A revised estimate was therefore prepared by the Executive Engineer in October 1978 for Rs. 2.40 lakhs and the revised administrative approval was accorded by Government in May 1981. Due to misplacement of plans and estimates, fresh plans and estimates were got prepared and technical sanction was accorded (March 1982) for Rs. 3.36 lakhs. These delays and incomplete investigations resulted in the increase in the estimated cost of the scheme by Rs. 1.52 lakhs.

The work is still in progress (September 1983). The surplus arrangement to the tank could not be taken up as the land acquisition for 10.40 acres has not been finalised because land acquisition proposals have not been sent by the Public Works Department to the Revenue Department.

) Formation of a tank across Pudu Odai

A proposal for formation of the tank across Pudu Odai (Salem district) with supply channels to convert 320.55 acres dry land into wet irrigation at a cost of Rs. 4.98 lakhs, was sent to Government by the Chief Engineer in July 1969. It was revised by the Chief Engineer in April 1971 to Rs. 5.05 lakhs and approved by Government in December 1973. The Chief Engineer accorded technical sanction for Rs. 5.55 lakhs in January 1974. The agency for execution of the work was fixed in December 1974. During execution it was found that modifications were necessary in the left side head sluice and surplus weir. The supply channel had to be realigned necessitating acquisition of land, the modification for which was approved by Government in November 1976. The declaration under Land Acquisition Act was issued by Government in July 1977 and in June 1978 for left side and right side channels respectively. Due to omission to include the lands properly in the acquisition proposals revised proposals were sent by the Public Works Department in June 1979 and September 1980 to Revenue authorities. Consequent on the increase in cost due to changes in design/modifications, the estimate was revised (October 1980) and Government accorded (May 1981) revised administrative approval for Rs. 9.45 lakhs.

However, the work has not been completed and the benefits of additional irrigation not derived even after 9 years of sanction due to non-completion of supply channels for a 400 metre portion though the other works were completed in May 1973 at a cost of Rs. 8.44 lakhs. Land required for the scheme was not acquired in time as the Public Works Department sent the proposals to the Revenue Department in batches in June 1975, July 1976, December 1976, January 1979 and September 1980.

g) Construction of anicut across Uppar river

The scheme of construction of anicut (length : 250 feet) across river Uppar at the off take point of Seikalathur, Ramanathapuram district and excavation of supply channel for a distance of 21.7 km. to augment water supply to 26 tanks was sanctioned (October 1969) by Government at a cost of Rs. 9.92 lakhs. The scheme envisaged irrigation facilities to 2,858 acres. The Chief Engineer accorded technical sanction in October 1969 for Rs. 10.93 lakhs. A revised estimate was sanctioned by Government in July 1980 for Rs. 25.00 lakhs. The work was commenced in July 1970 and the accounts of the work were closed in May 1981. Rupees 24.86 lakhs were spent on the work so far (May 1983).

The work was stated to have been completed (March1977) partially without executing the supply channels to the required depth of 4.5 m. The Superintending Engineer observed (June 1978) that the canal from 7.2 km. to 21.7 km. required further deepening. Further cuttings were required (to a depth of 0.60 m.) for 1300 M and to depths ranging from 0.90 M to 1.50 M for 9,100 metres. In addition the slope cutting work was also required to be executed. The department proposed (June 1978) rectification in 4 stages at a cost of Rs. 9.00 lakhs.

The first stage covering items which were necessary to make the canal function at existing levels (necessitated due to November 1979 floods) was sanctioned (November 1980) at a cost of Rs. 1.60 lakhs. The work is yet to be completed. The work in second stage deepening of sections to carry full discharge envisaged (Rs. 2.00 lakhs) third stage providing regulating arrangements for the weirs to avoid foreshore submersion of patta lands (Rs. 1.40 lakhs) and fourth stage strengthening of banks not covered in three stages, extension of cross masonry works and provision of regulators (Rs. 4.00 lakhs) were yet to be taken up (September 1983).

The full benefit of the scheme could not be achieved even after 14 years though an amount of Rs. 24.86 lakhs was spent and an area of 660 acres is only benefited by the scheme as against 2,958 acres contemplated in the proposals.

(h) Construction of an anicut across Malliankarani Odai

The work of constructing an anicut across Malliankarani in Chengalpattu district to divert water to Katteri and Perunkuzhi tanks to irrigate 107.22 acres in the registered ayacut and stabilising 381.68 acres was investigated in 1964. Due to objections by land owners (October 1966) re-examination of the scheme based on Collector's suggestions(December 1967) realignment of channels and protracted correspondence, the estimate submitted by the department (June 1977) was approved (November 1977) by Government for Rs. 3.06 lakhs. Technical sanction was however accorded by Chief Engineer in October 1981 for Rs. 5.14 lakhs. The land required for the work is yet to be acquired (June 1983).

AGRICULTURE DEPARTMENT

B. GROUND WATER DEVELOPMENT

4.5.8. *Objectives.*—The objective of the ground water development schemes is to exploit and utilise the available ground water potential for irrigation purposes. The schemes taken up mostly in the lands of private parties are sinking of tube wells, boring in wells (revitalising the existing wells by sinking bores inside the existing open wells, instead of deepening the entire well), deepening of open wells and sinking of filter point tube wells. These ground water development schemes are executed by the Agricultural Engineering Wing as a State Scheme. Under a Centrally sponsored scheme, research and development works in respect of ground water development activities, had also been taken up by the Agricultural Engineering wing from 1978–79 onwards and the expenditure was shared equally between Government of India and the State Government up to March 1982. From 1982–83, the scheme is being continued under State sector.

Under the programme, minor irrigation machinery like power drills, hand boring sets, etc., were hired out to the ryots at their requests, after collecting hire charges in advance and the drilling operations were carried out by the departmental crew. To cover the cost of pipes, pump-sets, etc., loan assistance was obtained by the ryots direct from the Land Development and Commercial Banks. The Director of Agriculture was in charge of implementation of the programme up to January 1981 and Chief Engineer (Agricultural Engineering) from February 1981 onwards, assisted by Unit Officers.

4.5.9. *Outlay.*—During the period from 1978–79 to 1982–83, against the target of Rs. 1,68.51 lakhs(Capital)and Rs. 6,84.49 lakhs(Revenue) capital expenditure of Rs. 2,30·30 lakhs on purchase of minor irrigation machinery and revenue expenditure of Rs. 8,90.73 lakhs towards operation and maintenance of the equipments and establishment charges were incurred; revenue earned during this period by way of hire charges was Rs. 5,41.91 lakhs ; under the Centrally sponsored scheme, against the target of Rs. 1.02 lakhs (Capital) and Rs. 17.11 lakhs (Revenue) capital expenditure of Rs. 6.67 lakhs and revenue expenditure of Rs. 17.54 lakhs were incurred during the period from 1978–79 to 1981–82. Central assistance aggregating Rs. 10.86 lakhs during 1977–78 to 1981-82 was received.

4.5.10. *Targets and achievements.*—The targets* and achievements for each component of the programme for the years 1978–79 to 1982-83 are mentioned below. Year-wise details are furnished in Appendix XXI.

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*The targets were fixed by Government every year on the recommendations of the Director/Chief Engineer which in turn were based on achievements in the previous years and on rough estimation of likely utilisation during the year.

Serial number and particulars of work	*Targets*	*Achievements*
(1)	(2)	(3)
	(in numbers)	
1. Sinking of tube wells	23,330	25,
2. Boring in wells	12,015	14,
3. Deepening of wells	12,705	14,:
4. Sinking of filter point tube wells	13,485	14,t

4.5.11. A test check of the records relating to the programme v conducted (July to September 1983) in the office of the Chief Engin (Agricultural Engineering) and 10 unit offices (out of the total of and the following points were noticed:—

(i) Government had prescribed (1973) that machinery meant use in drilling, blasting and other operations should work for a minim of 200 days in a year after making suitable allowance for holid transportation, maintenance, repairs, rainy season, etc. Minimum fc age to be drilled per year by each type of machinery was also pr cribed. There was shortfall in utilisation of the machinery, ranging fr 13 to 43 per cent. The average number of idle days per machine year were 74 to 163 and 23 to 120 for want of repairs and want of mand respectively. According to the field officers (September 19 difficulty in getting the spares was a main reason for long idleness account of repairs. Idleness of the equipment for want of dema was high despite the Director's instructions (August 1976 and Ap 1977) that the technical staff should canvass enough applications ensure that the equipments were not kept idle. The footage drill by the various types of machinery fell short of the prescribed nor by 26 to 74 per cent. The shortfall was mainly due to under-utili tion of the machinery for want of repairs.

(ii) Director of Agriculture had emphasised (November 19 that the stipulated maximum time limit of 45 days for major overh of power drills, 30 days for rock blasting units and 15 days for top ov haul of the machines should be strictly adhered to by the departmen workshops by drawing up a suitable schedule for servicing and inde ting for spare parts well in advance. In three departmental worksho at Vellore, Coimbatore and Tiruchirapalli out of the total of 158 jc executed during the period from 1978–79 to 1982–83, in 39 cases (per cent) the time taken for overhaul/repairs ranged from 3 to 18 month resulting in idleness of machinery. The field officers attributed (Augu —September 1983) the delay to non-availability of certain spares the market particulary because most of the machinery were imported

(iii) A test check of 36 indents for supply of spares received by the Central Stores, Madras from the Unit Officers and Workshops during 1981–82 and 1982–83 showed that in 25 cases (70 per cent) the time taken by the Central Stores for effecting the supplies exceeded 3 months from the date of receipt of the indents from the field units. The extent of delay ranged from 3 to 6 months in 7 cases, 6 months to 1 year in 15 cases and 1 year to 2 years in 3 cases. The average time taken in the 25 cases was 8 months out of which 5 months (65 per cent) was involved in consolidating the indents, calling for quotations, obtaining the sanction of the Chief Engineer for procurement and placing of supply orders and 3 months (35 per cent) in obtaining the supplies from the firms. Thus, there was no proper planning in the matter of procurement of spares.

(iv) Considering the demand for rotary drills, the proposal (1978) of the Director of Agriculture to increase the fleet strength of rotary drills by conversion of some of the available percussion drills was approved (July 1979) by Government in principle and the conversion work was entrusted to the Government Agriculture Engineering Workshop at Madras. Programme regarding the number of drills to be converted and time schedule for conversion work had not been laid down and up to March 1983, Government had approved conversion of four drills—one each year. Considerable time lag was noticed in the conversion work of these drills as indicated below :—

	Date of sending to workshop for conversion	*Date of completion of conversion*	*Reasons for delay as attributed by the workshop*
(1)	(2)	(3)	(4)
First drill	August 1979	June 1983	The conversion work was new to the department. Performance test yet to be completed (September 1983).
Second drill	October 1980	Still incomplete (September 1983)	Absence of skilled labour, time taken for testing pump valves and cylinders.
Third drill	September 1981	Conversion work yet to be taken up (September 1983)	Workshop's inability to take up conversion of this drill simultaneously with the second drill.

These drills were not available for drilling operations for long periods resulting in loss of revenue.

(v) The revenue earned was very much less than the operating costs as shown below :—

Serial number	*Type of equipment*	*Cost of operation*	*Revenue earned*	*Loss*	*Percentage of revenue earned to the cost of operation*
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
1.	Percussion drills	19.47	4.14	15.33	21
2.	Rotary drills	69.37	27.87	41.50	40
3.	Hammer drills (250 Psl) ..	81.89	62.98	18.91	77
4.	Calyx drills	1.40	0.50	0.90	36
5.	Hand boring sets	35.75	5.10	30.65	14
6.	Rock blasting units	12.00	6.20	5.80	52

The rates of hire charges were last fixed in March 1977 by Government and there had been no revision since then. While examining the department's proposals for continuance of the scheme, Government observed (1979) that the receipts under the scheme were far below the expenditure and wanted the department to explore the possibility of making the scheme self-supporting. The proposals sent by the Chief Engineer to Government after three years (March 1982) suggesting upward revision of the rates of hire charges were yet to be approved by Government (September 1983).

Proforma accounts required (January 1979)by Government to be prepared by the Department for examining the subsidy element in the hire charges have not been prepared so far (September 1983).

(vi) Some tools from a drill working (August 1978) in a bore in Thuniampattu village in North Arcot district got stuck up at a depth of 132 feet, for which fishing operations were carried out and continued with the help of a different drill diverted from another sub-division. As the reclamation attempts proved abortive, the fishing operations were stopped by the sub-division and the bore abandoned only after nearly three years in April 1981,by which time an expenditure of Rs. 0.71 lakh had been incurred on wages of the crew and stores, against the value of Rs. 0.11 lakh only of the tools lost in the bore well. Besides, according to the field officer there was loss of revenue of about Rs. 0.09 lakh on account of non-availability of the drill during the period of the fishing operation.

(vii) *Shortfall in area irrigated.*—The role of the department in the implementation of the programme was limited , *viz.*, to carry out the drilling operations by hiring the machinery to the ryots and to hand over completed bores to them. Yield tests were conducted by the department only if required by the ryot on payment of charges therefor. The other matters relating to installation of pump sets, approaching the Electricity Board for electricity connections on priority basis and bringing the wells into use within a reasonable time were left to be attended to by the ryots themselves.

As per the yardstick fixed by Government, one tube well would irrigate 8 hectares of gross* area (4 hectares of net area) ; a filter point tube well 4 hectares of gross area (2 hectares of net area) and a bore well and deepened well 0.8 hectare of gross area (0.4 hectare of net area). A study of the statistical data of private tube wells (for which category alone information was available) for the years 1977–78 to 1980–81 showed that the net area irrigated by the tube wells fell short of the norms prescribed and total net area irrigated came down from 95,778 hectares during 1977–78 to 90,405 hectares during 1980–81, though the total number of tube wells in the State increased from 43,172 numbers in 1977–78 to 49,171 numbers in 1980–81, as indicated in the table below :—

Year	*Total number of tube wells in the State*	*Net area to be irrigated as per norms*	*Net area irrigated*	*Shortfall in area irrigated*	*Shortfall percentage*
(1)	(2)	(3)	(4)	(5)	(6)
			(in hectares)		
1977–78	43,172	1,72,688	95,778	76,910	45
1978–79	44,959	1,79,836	99,108	80,728	45
1979–80	46,329	1,85,316	1,00,883	84,433	46
1980–81	49,171	1,96,684	90,405	1,06,279	54

Source : 'Crop and Season Prospects' issued by the Director of Statistics. Data for the years 1981-82 and 1982-83 not yet (August 1983) ready with the Statistics Department.

Reasons for shortfall were awaited (September 1983).

* Gross area is arrived at by adding up the areas cultivated in both the seasons of the year.

4.5.12. *Summing up*—Out of 18,396 works taken up at a cost of Rs. 73.44 crores with a targeted potential of 2.36 lakh hectares, 18,322 works were completed to end of March 1983 at a cost of Rs. 71.13 crores creating a potential of 2.27 lakh hectares. Seventy four works on which Rs. 4,10.28 lakhs were spent remained incomplete on 31st March 1983 ; six works (Rs. 13.88 lakhs) remained incomplete even after 6—11 years. Delays in completion of more than 8 years (2 works) and 3 years (3 works) were noticed. Out of 45 works taken up during the Sixth Plan period, only 3 works were completed at the end of March 1983.

Due to delay in carrying out repairs and for want of demand there was under-utilisation of minor irrigation machinery to the extent of 13 to 43 per cent in respect of number of days worked and 26 to 74 per cent in respect of the quantum of work turned out with reference to the prescribed norms, during the years 1978-83. The rates of hire charges for the machinery fixed in 1977 had not been revised so far (August 1983).

The net area irrigated by the tube wells in the State came down from 95,778 hectares in 1977-78 to 90,405 hectares in 1980-81 in spite of the increase in the number of tube wells from 43,172 to 49,171 during this period.

The points mentioned above were reported to Government in August/ October 1983 ; their reply is awaited (December 1983).

TRANSPORT DEPARTMENT

4.6. Formation of a link road near Madras

4.6.1. In March 1979, Government sanctioned (i) Tharamani link Road—forming and improving a link road connecting KM 5/0 of Marmalong Bridge Irumbuliyur Road and KM 13/4 of Madras—Mahabalipuram (via) Tharamani and (ii) Velacherry By-pass—forming a bypass road from KM 3/2 of Marmalong Bridge—Irumbuliyur Road at a total cost of Rs. 30 lakhs. The sanction was revised (October 1980) to Rs. 35.50 lakhs due to increase in the schedule of rates. Technical sanction was accorded (February 1981) by the Chief Engineer (Highways). The work commenced by a contractor in March 1980 was targeted to be completed in March 1982. Rupees 22.71 lakhs were incurred on the work up to December 1983.

4.6.2. The work on the Tharamani link road has not been completed for a distance of 0.2 KM (KM 1/4—1/6) as the alignment of this road passes through two police quarters and about 50 huts. While fixing the alignment of the road, the Chief Engineer ordered (January 1978) immediate action to evict the slum dwellers and alienate further land for the police quarters, to proceed with the work. However, the land acquisition proposals were initiated by the Divisional Engineer only in February 1981 and are still in progress. The consent of the Police Department for demolition of the police quarters has not been received. The land is yet to be handed over to the Public Works Department (December 1983). The matter has been referred to the Director General of Police by the Superintendent of Police in November 1982.

The Velacherry by-pass road contemplated diversion of traffic emanating from South Madras neighbourhood leading to NH 45. Against the proposed length of 1.896 Km., road for a distance of 0.199 Km was not built as further lands (4.23 acres) are yet to be acquired. The department paid an advance of Rs. 9.55 lakhs in March 1980 and February 1981 to Messrs Indian Oil Corporation for the supply of bitumen. Materials worth Rs. 0.88 lakh only were adjusted to end of December 1982. Rupees 8.67 lakhs were locked up with Messers Indian Oil Corporation.

Defective survey, improper planning and undue delay in settling the matter with the Police Department have resulted in the roads being incomplete (December 1983) and consequent inconvenience to traffic.

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

CHAPTER V

STORES AND STOCK

AGRICULTURE DEPARTMENT

5.1. Stores and Stock accounts of the Animal Husbandry Department

In February 1977, Government constituted a departmental committee for arranging centralised purchase of veterinary drugs, medicines and equipments required by Government veterinary institutions in the State. Under the procedure, the committee was to assess the total quantities to be procured on the basis of annual requirements intimated by the veterinary hospitals/dispensaries, call for tenders, fix contracts for supply and authorise the regional and field officers to purchase their requirements from the approved contractors direct. An audit review (June—July 1983) of the purchases made by the Director of Animal Husbandry during 1982-83 disclosed the following :—

(i) The tender notice did not indicate any preference for manufacturers. Actually, one of the conditions in the tender schedule, was that the offers of firms, who were not original manufacturers, would be considered if they furnish the details of manufacturers and their drug licence number, whose products they were offering. However, in respect of three medicines (Injection Chloropromizine Hcl : 6275 ampules; Injection Liver extract with B Complex : 25,365 vials and Injection Oxytetracycline Hcl 50 mg. : 21,605 vials) orders were placed (1982-83) on manufacturers at higher rates rejecting lower offers of authorised dealers of the same medicines, particulars and samples of which had been submitted by the tenderers. According to the purchase committee (July 1982) the lowest offers were rejected on the ground that purchases from manufacturers were preferred without assigning any reasons except stating that manufacturers' rates were approved. The rejection of the lowest offers in these cases resulted in an extra expenditure of Rs. 0.99 lakh.

(ii) According to financial rules of the Government, if other conditions are equal, the lowest tender should be accepted. When the lowest tender is not accepted the reasons should be recorded. However, in respect of five medicines (Iodoform IP : 2617 kgs.; Injection promethazine : 11,080 ampules ; Nuxvomica pulvis : 1284 kgs.; Injection Phenzyl Butazone : 40,880 ampules ; Calcium Gluconate : 3,700 kgs.) purchased during 1982-83, offers at higher rates were accepted (July 1982) rejecting the lower offers for which reasons were not recorded. To an audit enquiry, the Director replied(August 1983) that purchase of

about 790 items was involved, all aspects were considered, only important decisions and reasons were recorded and the committee would be advised to record specific reasons for rejection of lowest offers in future. The fact remains that purchase at higher rates without recording reasons for rejecting lower tenders was irregular and resulted in an extra expenditure of Rs. 12.63 lakhs as compared to the lowest rejected offers.

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

HEALTH AND FAMILY WELFARE DEPARTMENT

5.2 Stores and stock accounts in Government General Hospital, Madras

A test check (December 1982) of stores and stock accounts maintained in Government General Hospital, Madras disclosed the following:—

(*a*) *Excessive purchase of surgical needles.*—During September 1978 to November 1978, 4,320 foils of imported Tevdek double needle meant mainly for use in cardiothoracic surgery were purchased (cost: Rs. 2.38 lakhs)from a local firm. In the tender schedule for supply of these needles, the probable requirement for the half year ending 30th September 1978 had been indicated as 500 packets(of 36 foils each). Even after more than four years, 3,705 foils (cost : Rs. 2.04 lakhs) remained (March 1983) unused. Based on the average consumption of about 150 needles per year during 1979-80 to 1982-83, the quantity actually purchased represented the requirements of more than 28 years.

(*b*) *Time expired oxygenators.*—Fifty two polystan 'Ryggs' type oxygenators (cost : Rs. 0.70 lakh) were purchased in March 1978 for use in cardiothoracic department as per the indent of the head of the department. Of these, 44 oxygenators (cost : Rs. 0.59 lakh) were not used within the expiry period ranging from March 1979 to October 1979 because the four thoracic surgeons attached to the department had different views on the type of oxygenator to be used during operations. This resulted in a loss of Rs. 0.59 lakh to Government. It was seen in audit that 204 numbers of oxygenators of another make were purchased subsequently in August/December 1978 and were used between March 1979 and October 1979.

(*c*) Delay in repairing hospital equipments—(i) *Bio-medical equipments.*—Thirty-five vital bio-medical equipments (cost : Rs. 67.95 lakhs) purchased between 1960 and 1981 are not being used for want of repairs for periods ranging from 1 to 14 years. Some of the items though old, could be put to use if got repaired and maintained properly.

No effective steps had been taken to have the equipments repaired till September 1980 when the Director of Medical Education issued instructions to the Dean, Government General Hospital, Madras to take up the matter of repairing the equipments by the Indian Institute of Technology, Madras through the State Health Transport Organisation; even thereafter, it was only in April 1983, after more than two years, that the Dean addressed the Director, Electro Medical Equipment Cell Guindy, the Central Scientific Instruments Organisation, Madras and the Director, State Health Transport Organisation requesting them to examine the equipments and furnish their estimates for repairs. Further development in the matter was awaited (September 1983).

In the meantime, the Central Scientific Instruments Organisation which was requested by Government (June 1981) to visit the city medical institutions and ascertain the deficiencies in the operation and maintenance of bio-medical equipments and suggest steps to remedy the situation, reviewed the position in various city hospitals and reported (May 1982) to Government *inter alia* that due to lack of in-house maintenance support for the equipments and lack of operating technicians with necessary practical training, even apparently simple problems like loose connections in leads, etc., led to the equipments remaining without use for want of repairs. The question of providing training to operating personnel has not been finalised so far (October 1983). As a result, the facility expected to be provided by bio-medical equipments costing Rs.67.95 lakhs has not been available to the patients for periods ranging up to 14 years.

(ii) *'X' Ray equipment.*—In the Barnard Institute of Radiology attached to the hospital, 12* X-ray machines (cost : Rs. 27.41 lakhs) purchased between 1959 and 1981 and which needed repairs were lying (May 1983) without being attended to for prolonged periods ranging from one to five years. The repairs were delayed mainly because of

(*i*) the long time (12 to 19 months in 3 cases) taken by the hospital authorities to call for estimates for repairs from the supplier firms and in submitting proposals to the higher authorities for sanction and

(*ii*) delays ranging from 3 to 57 months (7 cases) in according sanction for repairs by the Director of Medical Education.

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

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* One equipment (cost : Rs. 8.71 lakhs) is working with only one out of three tubes and is being put to restricted use.

HOME DEPARTMENT

5.3 Inventory control in Police Department

Against the purchase orders placed by the Inspector-General of Police/ Director General of Police, Madras, supplies of arms and ammunitions are received from the Ammunition Factory, Kirkee and they are stocked in the Headquarters depot at Avadi, Madras and distributed to the police units. The following cases of procurement of ammunitions without properly taking into account the stocks on hand and quantities due against orders already placed were noticed in audit.

(i) The approximate annual requirement of .410 ball ammunition is 15 lakh rounds on the basis of 50 rounds per rifle per annum (7.5 lakh rounds at the rate of 25 rounds per rifle per annum from 1st December 1977). By the end of December 1971, the stock in the depot was 10 lakh rounds and the dues against outstanding orders were 35.32 lakh rounds. However, firm orders were placed (July 1972) for supply of 78.84 lakh rounds (29.22 lakh rounds each during 1973-74 and 1975-76 and 20.40 lakh rounds during 1974-75). In January 1975 revised order was placed for supply of 31.92 lakh rounds during 1974-75 and 31.92 lakh rounds during 1975-76 involving a net reduction of 15 lakh rounds (cost : Rs. 7.50 lakhs). In view of the firm nature of the orders placed in July 1972, the revised phasing of supply was not accepted by the suppliers and the entire quantity originally ordered was received during July 1974 to January 1978.

By the end of December 1974, the stock was 33.92 lakh rounds and the dues against orders were 58.44 lakh rounds (received during 1975 to 1978) making up 92.36 lakh rounds which were sufficient to meet the requirements during the next six years at the rate of 15 lakh rounds per annum. However, the Head of the Department without taking into account the available stock and supplies due against orders, placed (February 1975) firm orders for supply of 3.88 lakh rounds (cost : Rs. 2.72 lakhs) for meeting the requirements for 1978-79 which were also received in April 1979. The stock in March 1983 was 56.77 lakh rounds, which will be sufficient to meet the requirements for the next 4 years even at the rate of 15 lakh rounds per year.

(ii) As at the end of December 1977, the stock of .455 ball ammunition was 1.34 lakh rounds and the dues against the outstanding orders were 3.30 lakh rounds (received during 1978 and 1979) and the aggregate quantity of 4.64 lakh rounds would suffice for the next five years up to March 1983 at 0.89 lakh rounds per annum on the basis of 90 rounds per revolver per annum. Nevertheless, order was placed (January 1978) for 1.21 lakh rounds (cost : Rs. 2.06 lakhs) representing the requirements

for 1981-82. The supply was also received in May 1981. As at the end of March 1983 there was still a stock of 4.27 lakh rounds which will be sufficient to meet the requirements for the next five years.

Thus heavy stocks valued Rs. 12.28 lakhs were procured (1974-81) in excess of requirements mainly due to stocks on hand/quantities due against orders already placed not being taken into account.

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

TRANSPORT DEPARTMENT

5.4. Stores and Purchase Division (Highways), Madras

5.4.1. The Stores and Purchase Division was formed by bifurcating the Transport and Machinery Division in 1976 with the object of organising the purchase and supply of stores and spares required by various divisions for schemes implemented by Highways and Rural Works Department. A test check of systems and procedures obtaining in this division in July 1983 revealed the following points.

5.4.2. *Reserve limits.*—A reserve limit of stock is to be fixed in respect of materials and spares kept in stores to regulate the purchase, issue and accumulation. Instead of fixing the reserve limits, based on requirements after a scientific study, at the beginning of each year the actual value of balance of materials held in stock in a year was taken into account and reserve limits fixed after the end of the year. The reserve limits for the years 1976-77 to 1979-80 were fixed by Government ex-post-facto in January 1982, while the limits for 1980-81 and 1981-82 were fixed in July 1982. The limits for 1982-83 and 1983-84 are yet to be fixed (December 1983). Belated fixation of reserve limits defeated the very purpose for which the reserve limits are intended.

5.4.3. *Reconciliation of material account and prices ledgers.*—The numerical accounts of the stores are maintained in the stores section of the sub-division while priced store ledger containing both numerical and value account is maintained in the divisional office. The periodical reconciliation of the quantity balance between the balances in the accounts of stores section and those of priced stores ledger had not been effected since the formation of the division in 1976 as required under the codal provisions.

The value balances as per the priced stores ledger did not agree with the accounts of the division ; the difference between the two figures was Rs. 74.11 lakhs at the end of February 1981 and rose to Rs. 1,45.01 lakhs at the end of November 1982. No reconciliation was done for difference noticed up to November 1982. The differences have not been worked out since November 1982 (December 1983). The department stated (July 1983) that the work could not be done for want of adequate staff.

Non-reconciliation of the quantity balances as per numerical stores ledger with those of the priced stores ledger rendered the mechanism of control ineffective and inadequate and carried the risk of hiding possible shortages.

5.4.4. *Purchase of Road Rollers.*—Proposals for the purchase of Tools and Plants in the budget estimate sent by the Superintending Engineer (Highways and Rural Works), Mechanical Circle to the Chief Engineer in August 1981 contemplated *inter alia* purchase of 10 road rollers in 1982-83. The Chief Engineer (Highways and Rural Works Department), while forwarding the proposals to Government (October 1981) increased the requirement of road rollers to 50 without recording any reasons for the increase.

The Superintending Engineer (Mechanical) reported to the Chief Engineer in June 1982 after a review of stock, that available road rollers would be sufficient to carry out the road works for 1982-83. Nevertheless the Superintending Engineer (Mechanical) placed orders (October 1982) for the purchase of 15 road rollers. Subsequently as certain other items of Tools and Plant (staff cars, lorries and jeeps) could not be procured, he ordered in January 1983 and February 1983 the purchase of another 35 (5 and 30)more road rollers to spend the allotment for 1982-83 by meeting the expenditure out of savings in other items. Thus, an expenditure of Rs.72.82 lakhs was incurred during1982-83 on the purchase of 50 road rollers, which were surplus to the needs. Information regarding their use is awaited from the department.

5.4.5. *Physical verification of stock.*—Under the rules, all articles of stock held in a division should be verified at least once a year by the stock verification officer nominated by the Chief Engineer. There are 29,756 items of stock, but verification was done by the stock verification officer in respect of 26,648 and 23,808 items only during 1981-82 and 1982-83 respectively. The circumstances under which 3108/5948 items were not verified were not on record. The rectification of discrepancies noticed during verification of stock was not pursued by the division.

Shortages pointed out in the stock verification reports for 1981-82 (77 items : Rs. 1,005) and 1982-83 (2 items : Rs. 18,396) remained to be settled by the Divisional Officer of Stores and Purchase Division (December 1983).

5.4.6. *Surplus stores.*—The Divisional Engineer should, under the codal provisions, prepare every year a list of all articles of stock which are not likely to be required during the succeeding twelve months. The division prepared a list of such items (value: Rs. 1.63 lakhs) in August 1961; material of Rs. 0.08 lakh was auctioned in 1975 and 1976 and the orders for disposal of the remaining surplus items (Rs. 1.55 lakhs) are still awaited from Government. No such list was prepared subsequent to August 1961. Though the department stated (March 1983) that the list would be prepared shortly, it has not yet been prepared (December 1983).

The division purchased and supplied machineries to various divisions. Along with the machines,spares were also purchased and kept in stock for use in repairing the machines. There were no issues and the stocks did not move for several years in the following cases.

(a) 35 numbers of flue tubes of value Rs. 0.91 lakh were manufactured and kept in stock from May 1981 as these easily wear out and require replacement. However, they have not been issued so far as there was no demand from the divisions.

(b) 45 numbers of Crusher Jaws (value: Rs. 0.14 lakh) have not been issued since June 1953, as the crushers,for which these were indented, have been condemned subsequently.

(c) 95 items of spares valued at Rs. 0.55 lakh were purchased in 1973 and 1977 based on indents of Divisional Engineer (T & M Division) for carrying out repairs. However, as there was delay in the purchase, the repairs were carried out after reconditioning of existing spares. These spares are lying idle since then.

(d) 15 numbers of cast steel rollers (value: Rs.0.10 lakh) have not been issued from August 1956. The reasons for non-utilisation of these rollers for 27 years have not been furnished. The department stated (July 1983) that they are likely to be consumed.

(e) 116.870 tonnes of 20 mm size and 80.367 tonnes of 16 mm size mild steel rounds (present value: Rs.11.44 lakhs) are lying in stock since 1976. The department stated(July 1983) that they were untested rounds (off-grade steel) and there was no demand in the divisions. The disposal of these rounds was referred (March 1982) to the Superintending Engineer whose orders are still awaited (December 1983). These surplus stores also form part of the items which are shown under 'reserve stock' year after year.

5.4.7. *Idle tools and plants.*—There are 19 items of plant and machinery received in the division from August 1961 to March 1978 and not put to use from the date of receipt in the division. The value of six of these machines alone is Rs 2·10 lakhs; the value of the remaining machines is not known. No effective action has been taken for disposal of these items.

5.4.8. *Supplies to other divisions.*—(a) Stores required by other divisions are procured centrally by the Stores and Purchase Division and supplied to other divisions. In respect of such supplies, intimation of claims (for debits) are to be sent to the divisions concerned and these are to be settled by the receiving divisions within 10 days of their receipt. Stores for a total value of Rs. 1,23.33 lakhs had been supplied by Stores Division to other divisions but the requisite adjustment of cost thereof has not been made so far by the receiving divisions. The year-wise analysis is given below :—

Year	Number of items	Amount (in lakhs of rupees)
1976-77	14	3.039
1977-78	21	1.238
1978-79	20	1.514
1979-80	95	3.091
1980-81	99	7.215
1981-82	167	17.058
1982-83	669	90.175
Total ..	1,085	1,23.330

(b) Spares and fuel worth Rs.7.14 lakhs were supplied to the Transport and Machinery Division in 1976-77 and 1978-79. The Divisional Engineer (T & M Division) had reported (October 1981) that out of this amount, claim for Rs. 0.69 lakh relating to January 1977 was not received by him. A claim for Rs. 0.57 lakh made in September 1978 was returned by the Divisional Engineer (T & M Division) in September 1979 unaccepted. No further action was taken by Stores and Purchase Division for the settlement of these items.

(c) Out of 59 items (Rs. 15.08 lakhs) relating to Divisional Engineer (Highways) Saidapet, 22 claims (Rs.3.01 lakhs)relating to the period1978-79 to 1981-82 were not settled for want of funds. Two claims (relating to July 1981 and January 1983) amounting to Rs. 2.72 lakhs were reported as not received by him. 10 claims (relating to the periods from September1980 to January 1983) amounting to Rs. 1.83 lakhs were returned to Stores and Purchase Division as unrelated to them either in part or in full, as no vouchers were received. Six cases were returned after a delay of 10 to 20 months and 2 cases after a delay of more than 20 months. The Stores and Purchase Division had not taken action for the settlement of these items.

(d) Of 38 claims (Rs. 4.94 lakhs) relating to Divisional Engineer (National Highways) Madras, 3 claims (Rs.1.31 lakhs) relating to 1976-77 and 9 claims (Rs. 1.61lakhs) relating to 1982-83 are reported to have not been received. No reasons were on record for non-settlement of these items.

(e) Besides, fuel worth Rs. 3.78 lakhs had been supplied to other departments, public sector organisations and autonomous bodies. This amount has not been recovered from them so far (December 1983).

5.4.9. *Suspense Accounts—Miscellaneous Public Works Advances.*— A sum of Rs. 0.73 lakh was debited by the division to the suspense head in February 1977 towards the cash settlement suspense account claim relating to Divisional Engineer (T & M). Details for these items are not available and the department has not taken any action to settle the item.

Advance payments (100 per cent) are made to suppliers of steel items. In order to watch the receipt of materials these are initially debited to a suspense head. When materials are received this suspense head is cleared. An advance payment of Rs. 1.07 lakhs was made to a supplier in March 1978. The department could not say whether the steel items had been suplied or not and attributed the delay in taking action to lack of adequate staff (July 1983).

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

5.5. Non-utilisation of stone crushers

With a view to installing stone crushers and granulators in selected quarries to ensure availability of metal in sufficient quantity and of proper specifications, the Chief Engineer, Highways placed (June 1980) orders with Company "A" for the supply of 9 sets of diesel operated stone crushers and granulators at the rate of Rs. 2.22 lakhs each. The

supplies were received during August-December 1980. In December 1981, another order was placed with the same firm for supply of 10 sets of stone crushers and granulators at the same rate and supplies were received during June-October 1982. No inspection was provided in the agreement. The firm was paid between October 1980 and October 1982 Rs. 43.28 lakhs inclusive of taxes towards the above purchases. Again in June 1982, orders were placed with " B " a Tamil Nadu Government Undertaking for the supply of 7 sets of stone crushers and granulators (electrically driven) at the rate of Rs.2.05 lakhs each. The supplies were received during November 1982-January 1983. Firm " B " was paid Rs. 12.90 lakhs (90 per cent of cost) ; the balance (10 per cent) payment had not been made yet (December 1983).

The crushers and granulators were allotted to various divisions by the Chief Engineer (Highways) as and when they were received between August 1980 and February 1983.

The following points were noticed (March 1983) during audit:—

(i) Out of 26 sets received, only 11 sets were installed between November 1980 and October 1982. 15 sets received between June 1982 and January 1983 have not been installed (October 1983). Out of the 11 sets installed, only 7 are working.

(ii) The reasons given by the divisions for non-installation of 15 sets and non-working of 4 sets installed are unsuitability of sites (6 cases), non-availability of feed materials, non-alienation of land by the Revenue Department and lack of demand for the metal in view of their availability in the market at cheaper rates.These aspects were not examined at the time of framing proposals for purchase of stone crushers in December 1979. Though the sites were selected by the Divisional Engineer, the metal available in the quarries was found to be too brittle. The department failed to assess the demand while making proposals. The department stated that no work suffered for want of metal (July 1983).

(iii) Four out of the 7 working sets, were idle on an average of 15 to 25 months and fifth set was idle for four months due to lack of demand from the contractors in view of the availability of metals in the open market at cheaper rates. Two of these sets were working below the rated capacity (up to 70 per cent and 80 per cent only).

(iv) As per rules, the department has to maintain a manufacturing account to show that the cost of metal manufactured is fully recovered from issues of metal from the quarry. This had not been maintained. In three cases test checked, the cost of operation and maintenance during

the years 1980-81 to 1982-83 had exceeded the cost of metal produced (at schedule of rates) by 31 per cent to 150 per cent, as detailed below :—

Name of quarry	*Operation and maintenance cost*	*Cost of metal produced (at schedule of rates)*	*Excess of expenditure over cost of metal (column (2)-column (3))*	*Percentage of column (4) to column (3)*
(1)	(2)	(3)	(4)	(5)
	RS.	RS.	RS.	
1. Venkatapuram .. .. (Chengalpattu)	1,22,137	81,193	40,944	50
2. Ozhugumalai .. .. (Pallavaram)	1,04,459	61,767	62,692	150
3. Thuvakudi .. .. (Tanjore)	7,26,499	5,53,283	1,73,216	31

The metals from Thuvakudi Quarry were, however, issued to contractors at schedule of rates plus 30 per cent towards crushing charges, resulting in loss to the department which cannot be quantified in the absence of manufacturing accounts.

(v) The Superintending Engineer, Mechanical Circle had after examining the working of 4 sets, opined in June 1981 that there was no pressing demand for stone crushers from the Divisions and suggested that a review of performance of sets purchased in 1980 might be undertaken. No study was undertaken before orders were placed for the supply of additional sets in December 1981 (10 sets) and June 1982 (7 sets). The Chief Engineer did not accept (June 1981) the suggestion of Superintending Engineer for reasons not recorded.

The scheme intended to provide additional metal to meet the increased demand was implemented without examining site conditions, availability of feed materials and proper forecast of the demand for the metal or its economics. Rupees 56.18 lakhs have so far (September 1983) been spent on the purchase of stone crushers and granulators.

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

5.6. Idle machinery

In June 1977 Government sanctioned purchase of two Road Painting Machines at a cost of Rs. 0.64 lakh under Road and Traffic Improvement Component of Madras Urban Development Programme. These machines were intended to be used for road marking with a view to channelising the different flows of traffic, minimise congestion and to promote for orderly flow of traffic. The department had assessed (December 1978) the number of inter sections in Madras City for marking with paint as 300, and felt that it would be necessary to go in for the Road Marking machinery. As the machines were not manufactured in India, the department, after considering various makes, decided to obtain the machines of West German make on the basis of their technical features. Order was placed in October 1979 on the manufacturer in West Germany for supply of two machines at a cost of Rs. 0.83 lakh. A total expenditure of Rs. 1.71 lakhs (including customs duty and port charges) was incurred in April and May 1980. These machines were taken delivery of (May 1980) after due inspection and allocated to two divisions in February 1981. During trial runs (March 1981) one of the machines was found to be not in working condition. But neither the causes for the same were investigated nor was action taken to get it repaired. The other machine was reported (September 1981) to be not useful to the division to which it was allotted but no action was taken to transfer it to some other division where it could be put to use.

These two machines purchased at a cost of Rs. 1.71 lakhs remained idle from May 1980 onwards (July 1983).

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

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1. General

This chapter deals with (i) results of audit of bodies and authorities substantially financed by grants and/or loans, (ii) scrutiny of procedure for watching fulfilment of conditions governing grants or loans paid for specific purposes, (iii) results of audit of accounts of statutory boards, (iv) financial assistance to co-operative societies and (v) other important points noticed in connection with the sanction of grants/loans.

6.2. Grants

In 1982-83, Rs. 2,48.02 crores were paid as grants to statutory bodies (like Universities, Khadi and Village Industries Board, Municipalities and Panchayat Unions) and other institutions including co-operative societies, as shown below :—

(1)	*Grants to Statutory bodies* (2)	*Grants to other institutions* (3)
	(in crores of rupees)	
Agriculture, Fisheries and Animal Husbandry	7.54	0.70
Co-operation	..	2.91
Education	31.46	44.45
Health and Family Welfare	4.55	0.25
Housing and Urban Development	9.25	0.48
Industries	44.85	23.82
Medical	..	2.15
Public Works	0.47	..
Rural Development and Local Administation	74.27	..
Others	0.31	0.56
Total ..	1,72.70	75.32

Some of the important irregularities in utilisation of grants noticed by the Examiner of Local Fund Accounts in the audit of the accounts of Municipal Councils, Town Panchayats and Madurai Corporation for the year 1981-82 are given below :—

Nature of irregularities	*Number of cases*	*Amount*
(1)	(2)	(3)
		(in lakhs of rupees)
(i) Inadmissible grants	6	0.91
(ii) Grants unutilised	88	47.04
(iii) Grants overdrawn	70	2.31
(iv) Amounts held under observation for want of details of expenditure and non-production of records	84	26.79

Out of Rs. 88.04 lakhs ordered for summary recovery by the Examiner of Local Fund Accounts in respect of irregularities noticed by him for the period up to 1978-79 in the audit of the accounts of Municipal Councils and Town Panchayats, Rs. 69.65 lakhs were recovered or settled, leaving a balance of Rs. 18.39 lakhs outstanding as on 30th September 1983.

6.3. Utilisation Certificates

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

At the end of September 1983, 1,284 certificates for Rs. 41,50.70 lakhs were awaited for grants paid up to 30th September 1981. Department-wise and year-wise details of certificates outstanding on 30th September 1983 are given in Appendix XXII.

Utilisation certificates have not been received although considerable time has passed after the grants were paid. In the absence of certificates, it is not possible to state, even in a broad way, that the recipients spent the grants for the purpose or purposes for which these were given.

6.4. Bodies and authorities substantially financed by Government grants and loans

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, receipts and expenditure of bodies and authorities substantially financed by grants or loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General.

For this purpose, a body/authority is deemed to be substantially financed if the aggregate grant or loan to it in a financial year is not less than Rs. 5 lakhs and the amount of such grant or loan is not less than 75 per cent of the total expenditure of that body/authority. The table below indicates the number of bodies/authorities which received grants/loans of not less than Rs. 5 lakhs and from whom the accounts were not received (August 1983) to determine the applicability of Section 14.

Year	*Number of bodies/ authorities which received grants/loans of not less than Rs. 5 lakhs in a year*	*Number of bodies/ authorities from which accounts are due*
(1)	(2)	(3)
1978–79	567*	10
1979–80	579*	35
1980–81	595*	217
1981–82	754£	561

Non-receipt of annual accounts was reported to Government in the concerned departments (April 1983-August 1983).

Important points noticed during audit are given in the succeeding paragraphs.

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* Differs from the figures shown in the Audit Report for 1981-82 due to belated receipt of details from the departments.

£ Includes 255 panchayat unions, 31 municipalities and 3 Corporations, the amount of grant paid to which during 1982-83 could not be ascertained.

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

6.5. Assistance to panchayat unions

There are 378 panchayat unions in the State. Of 224 panchayat unions which attracted audit under Section 14, local audit of 88 panchayat unions conducted during 1982-83 covered the accounts of the following years :—

Year of account	*Number of panchayat unions audited*
(1)	(2)
1974-75	1
1975-76	4
1976-77	9
1977-78	30
1978-79	78
1979-80	73
1980-81	77
1981-82	8

The points noticed by Audit during test check of these 88 panchayat unions during 1982-83 are mentioned below.

A. REVENUE

(i) *Non-recovery of contribution from temples towards provision of sanitary arrangements.*—Under the Tamil Nadu Panchayats Act, 1958, during festivals in temples notified by Government, the panchayat union concerned has to provide facilities for prevention of epidemic, prevention of food adulteration, protected water supply, lighting, accommodation and public convenience, conservancy, etc. The temple authorities are to pay contribution at rates to be fixed by the District Collector, which could be up to a maximum of fifty per cent of the net expenditure after deducting the income derived by the panchayat union on account of the festival. A test check of the accounts of five panchayat unions disclosed that contributions amounting to Rs. 1.36 lakhs were pending realisation from the temple authorities for periods ranging from 1961-62 to 1981-82.

The panchayat unions had not taken effective action to realise the amounts.

(ii) *Arrears in collection of toll gate lease.*—Out of Rs. 2.40 lakhs due towards toll gate charges in Vaipar Bridge in Tharavikulam—Sooran-gudi road in Vilathikulam Panchayat Union, auctioned for the years 1979-80 to 1982-83, Rs. 1.10 lakhs remained to be collected by the panchayat union from four lessees (June 1983).

B. VILLAGE WORKS GRANTS

Delay in completion of works.—In 19 panchayat unions, construction of 38 school buildings, 7 kuzhandaigal kappagams, 5 borewells, 4 ground-level reservoirs, 3 each of overhead tanks, laying of pipes and women teachers' quarters, 1 each of maternity centre and agricultural godown, sub-depot, rural dispensary, special repairs to minor irrigation tank and pipe culvert undertaken under Village Works Programme between 1971-72 and 1981-82 remained incomplete, although these were to have been completed within 3 to 6 months from the date of commencement. The delays were due to default by the contractors but the panchayat unions did not enforce the penal provisions of the contracts for which reasons were not known. The expenditure incurred on these works amounting to Rs. 12.56 lakhs (Government grant : Rs. 2.11 lakhs) had thus not been of any benefit to the community.

C. MISCELLANEOUS

(i) *Village Industries—(a) Outstanding recoveries of credit sales.*—In 23 panchayat unions, a total sum of Rs. 18.98 lakhs being the value of articles manufactured in village industries units and sold on credit to Government offices/local bodies/co-operative institutions/individuals was pending recovery for periods ranging from 2 to 11 years. Of these, in 14 panchayat unions, the amount pending recovery was more than Rs. 0.50 lakh each. Detailed break-up of dues from Government offices, other institutions and individuals as also the report on the action taken to effect recoveries from them were awaited (June1983) from the panchayat unions.

(*b*) *Finished goods awaiting disposal.*—Finished articles such as furniture, boards, gobar gas plant, etc., worth Rs. 3.56 lakhs manufactured/produced between 1966-67 and 1981-82 in village industries units remained undisposed of for periods varying from 1 year to 16 years owing to lack of demand/backing out of the parties, who originally placed orders for their manufacture. This has resulted in locking up of funds.

(ii) *Irregular issue of cement on credit.*—According to the instructions of Government (January 1963) cement was to be issued to contractors for use on works only after payment of cost. In 11 panchayat unions, cement was issued to contractors from July 1971 to April 1982 for use on works on credit basis and Rs. 2.28 lakhs were pending (October 1983) recovery from them.

(iii) *Idle equipments.*—In 7 panchayat unions, tractors and trailers purchased during 1967–68, 1968–69 and 1972–73 at a total cost of Rs. 2.39 lakhs were lying idle for periods ranging from 4 to 9 years owing to repairs, lack of demand and loss of motor and dynamo due to theft. Reports regarding the action taken for carrying out repairs, provision of motor and disposal of the equipments are awaited.

(iv) *Expenditure on idle crew.*—In 5 panchayat unions, repairs to sick tractors were carried out late by 7 to 52 months. However, the drivers and cleaners were continued to be employed and the expenditure on their salary during the period between October 1978 and July 1982 when the tractors were under repairs/remained idle, amounted to Rs. 0.69 lakh.

D. IRREGULARITIES IN RELEASE/UTILISATION OF GRANTS

Points noticed in the drawal/utilisation of grants by certain panchayat unions under Village Works Programme and other schemes are listed below :—

Serial number and nature of irregularity	*Number of panchayat unions*	*Amount (in lakhs of rupees)*
(1)	(2)	(3)
1. Government grant sanctioned by the Divisional Development Officers in excess of prescribed limits	11	0.91
2. Short/Non-drawal of grants	10	17.63
3. Non-utilisation of grants	8	7.47
4. Drawal/Utilisation of grants for purposes other than those admissible/sanctioned	5	1.64

Government accepted (October 1983) the facts.

HOUSING DEPARTMENT

TAMIL NADU SLUM CLEARANCE BOARD

6.6. Delay in allotment and execution of lease-cum-sale agreements

Under a scheme to provide for security of tenure to the slum dwellers basic amenities like public convenience, public taps, drainage, improved access to social and economic facilities and to enable them to raise from financial institutions, loans for the construction of houses, Government of Tamil Nadu, in June 1979, ordered the grant on hire purchase terms of conditional pattas to those residing in slums at the end of June 1977. According to the scheme, an allottee after an initial down payment of Rs. 89 shall pay the balance cost of the land in monthly instalment of Rs. 7 (seven) for a period of ten years. In addition, each slum dweller shall pay every month Rs. 8 (eight) towards improvement charges and Rs. 2 (two) for providing water supply and other sanitary facilities. 'Lease-*cum*-sale agreement' was substituted in place of 'Conditional pattas' in Government order issued in August 1980.

The amounts collected under the scheme were required to be credited to a revolving fund to be created and utilised by the Board for payment of land cost and slum improvement.

Out of 13,974 slum dwellers identified by the Revenue Department for allotment of plots under the Lease-*cum*-sale Agreement programme, agreements were executed in 2,803 out of the 3,007 cases for which allotment orders were issued and Rs. 6.12 lakhs towards recovery of instalments (total demand: Rs. 7.90 lakhs) were pending realisation (February 1982).

The Board/Government reported in March 1983 that out of 13,974 slum dwellers identified for allotment of plots in their occupation, 2,751 plots were more than 80 sq. metres each, 248 were commercial plots and 121 were occupied by temples, Mandram, etc. The orders of Government issued in June 1979 and modified in August 1980, however, had made provision for allotment of such plots on payment of additional cost.

All eligible residents (9,264) were not allotted plots as 2,262 of them did not make the initial down payment. The delay in execution of the lease agreements was attributed to the delay in completing the formalities. Regarding arrears in the collection of dues, the slum dwellers, according to the Board, awaited orders of Government on their representation for the reduction of the cost of the plot/rate of instalment.

To sum up, the delay of more than three years in completing the formalities for allotment, concluding lease-*cum*-sale agreements, and raising the demands/realising the instalments had resulted in the non-realisation of Rs. 36.55 lakhs (demands not realised : Rs. 6.12 lakhs ; initial down payment not made : Rs. 4.79 lakhs ; monthly instalments on plots yet to be allotted/calculated at the minimum of the rates : Rs. 27.64 lakhs). Besides, the objective of the project started in June 1979 for providing security of tenure to the slum dwellers was not achieved.

Government reported (November 1983) that speedy action was being taken to execute lease-*cum*-sale agreements and collect the arrears.

6.7. Alayamman Koil Schemes Shops

The shopping-*cum*-office complex opposite to Alayamman Koil, Teynampet constructed by the Board during 1976-77 under " Remunerative Enterprises Scheme " was ready for occupation in September 1977 and the monthly rent fixed by the Board per floor was Rs. 5,130. The first and second floors of this complex were initially reserved for occupation by the Post and Telegraphs Department, as per their request. However, the Post and Telegraphs Department did not occupy the buildings and the Board's efforts to find a suitable tenant did not fructify till November 1978. The first floor was allotted in November 1978 to the Regional Transport Office(s), Madras. The third and second floors were allotted during July 1978 and October 1979 respectively for the two Divisional Offices of the Board, which till then, were located in rented buildings belonging to the Tamil Nadu Housing Board.

The delay in putting the floor space in all the three floors to use had resulted in loss of revenue of Rs. 2.51 lakhs (approximately) besides avoidable expenditure on rent (amount not known as the Housing Board is yet to raise the demand) for the two divisional offices.

Government stated (November 1983) that in future, allotment of shopping complex will be made and agencies fixed well in advance.

6.8. Venkatapuram Tenement Scheme

The Venkatapuram Tenement Scheme formulated by the Tamil Nadu Housing Board in 1970 was taken over by the Tamil Nadu Slum Clearance Board on its formation and was completed in 1973, at a cost of Rs. 18.51 lakhs. The scheme included construction of 36 underground cells (cost: Rs. 2.7 lakhs) (approximately) for poultry farming and conducting schools. The proposal after an initial experimentation was dropped (1973) at the suggestion of the veterinary doctors, as there was not sufficient ventilation in the cells and entry of rain waters into the cells during monsoon was feared. The presence of birds in the cells also gave rise to unhygienic odour.

Since the cells were substandard for living, the Board, after an inspection by the Chairman in January 1978, apprehended that their image would be tarnished, if the cells were allotted to slum dwellers. Their attempt (February 1978) to explore the possibility of utilising the cells for godowns/warehouses did not fructify as the Tamil Nadu Warehousing Corporation which was approached in the matter did not respond favourably and there was no response from Tamil Nadu Civil Supplies Corporation either.

Meanwhile the cells were occupied (October 1977) by unauthorised persons. The Board Engineer in charge of these cells reported (March 1982) that no tangible action was taken to evict the unauthorised occupants, and he sent a proposal to the Board to collect from the occupants a monthly rent of Rs. 15 per cell.

The cells proposed and constructed in 1973 (cost : Rs. 2.7 lakhs) without conducting a proper survey for their use have not been utilised so far (March 1983). The revenue loss during the period of ten years from 1973 to 1983 at the rate of Rs. 15 per cell per month worked to Rs. 0.65 lakh.

Government stated (March 1983) that action was being taken to evict the unauthorised slum dwellers and to convert the cells as store sheds with minor modifications.

Government further stated (November 1983) that possibilities would be explored to make use of the cells to the maximum possible extent.

6.9. Extra expenditure on execution of work by second agency

The construction of tenements in Jaffarkhanpet, Phase II (estimated cost : Rs. 23.10 lakhs) was entrusted (July 1972) to a contractor. The work was required to be completed before March 1973. The contractor inspite of extension of time granted up to July 1975 and imposition of fines did not maintain the rate of progress of work and the Executive Engineer in charge issued (November 1975) notices terminating the contract at the risk and cost of the contractor and got the remaining work completed through another contractor incurring an additional expenditure of Rs. 0.62 lakh.

The notice was, however, issued under clause 60 (*c*) of the Preliminary Specification to Madras Detailed Standard Specification (P.s. to MDSS) which permits the Executive Engineer to give any part of the work to any other contractor to maintain the rate of progress and the contract shall be deemed to have been terminated for only that portion of the work which is given to other contractor. In such cases it also provides for forfeiture of security deposit, and the total of the amount withheld

together with the value of work executed and not paid for and such proportion of such total sums as shall be assessed by the Executive Engineer. This should not exceed 5 per cent of the total of the finished contract amount. As the contract was terminated at the risk and cost of the contractor, the notice of termination of the contract should have been issued by the Executive Engineer under clause 61 of PS to MDSS which provided for the recovery of additional expenditure in getting the work executed through another agency.

The claim made by the Board for the recovery of this additional expenditure was not accepted by the contractor as the notices were issued under Clause 60 (c) instead of under Clause 61 of the P.S. to MDSS. The Arbitrator who heard the petition filed by the Board in November 1978 held that the claim for the recovery of the extra expenditure from the defaulting contractor was not maintainable. The Arbitrator restricted the claim of the Board to Rs.20,000 (i.e.) to the extent of security deposit, withheld amount etc., forfeitable under Clause 60 (c) of the P.S. Termination of the contract invoking the incorrect clause/section of the MDSS made the recovery of Rs. 0.62 lakh not enforceable. Government on the recommendation of the Board decided in January 1982 that no disciplinary action need be taken against the official in charge of the work and approved the additional expenditure of Rs. 0.62 lakh as a charge to the estimate of the work.

Government accepted (November 1983) the above facts.

6.10. Shops taken over from Housing Board—Loss of revenue

Under the Slum Improvement Programme, the Tamil Nadu Housing Board had constructed four shops in the Sivankoil Street, Kodambakkam for allotment on rent. On the formation of the Slum Clearance Board (Board) from November 1970, the control of these shops stood transferred to them for maintenance and collection of revenue. The shops were, however, not entered in the registers of the Board. Action was not taken to allot the shops and recover rent until the occupier himself brought (September 1980) the omission to the notice of the authorities. Although rent at Rs. 37 per mensem per shop was being recovered since September 1980, no action has been taken to ascertain the earlier tenancy, if any, and to assess/realise rent due for these shops from November 1970, the date of taking over of the assets by the Board.

The Board reported in March 1983 that there was no mention about the shops in the handing over report of the Tamil Nadu Housing Board and that they were unable to allot the four shops in time, since there were no proper records. The loss of revenue on this account, worked out to Rs. 0.17 lakh (calculated at Rs. 37 per mensem per shop from November 1970 to August 1980).

Government stated (November 1983) that as the particulars regarding previous occupiers were not known, arrears with effect from September 1980 only were collected.

6.11. Grants or loans for specific purposes

Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, prescribes that where a grant or loan is given from the Consolidated Fund for any specific purpose, the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authority satisfies itself as to the fulfilment of the conditions subject to which such grants or loans were given. Important points noticed as a result of scrutiny conducted under Section 15 (1) of the Act are given in the succeeding paragraphs.

CO-OPERATION DEPARTMENT

6.12. Financial assistance for establishment of a Seed Development Project

Government approved (October 1976) a scheme for the establishment of a co-operative seed development project in Coimbatore district. The project was to be implemented in two phases (first phase : Rs. 94.00 lakhs revised to Rs. 1,30.42 lakhs;second phase : Rs. 76.50 lakhs) by Kovai Seed Co-operative Consortium (Consortium) consisting of Tudiyalur Co-operative Agricultural Services Limited (TUCAS) (as the lead society) and 9 other co-operative marketing societies in the district. Seeds such as hybrid cotton,paddy,groundnut,sunflower,millets and pulses were to be produced/procured,processed and marketed under the project. In the first phase to be completed by June 1978, the scheme was to cover six societies (including the lead society) and in the second phase 4 more societies.As per the project report,70 per cent of the estimated cost of Rs. 94.00 lakhs was to be provided by National Co-operative Development Corporation (NCDC) as loan through Government of Tamil Nadu, 10 per cent by the Government of Tamil Nadu as share capital and the balance 20 per cent by the participating societies. Government share capital (Rs. 9.35 lakhs) was disbursed in February-March 1977 and loan of Rs. 65.45 lakhs in four instalments between March 1977 and March 1980. The scheme was implemented from August 1977, the date on which the Chief Project Officer took charge. Four societies (at Tudiyalur, Tiruppur, Gobichettipalayam and Coimbatore) commenced operations during 1977-78 and 2 societies (at Pollachi and Udumalpet) in 1978–79. Due to escalation in the cost of machinery, etc., the cost of the first phase of the project was estimated by the Consortium in May 1979 to go up to Rs. 1,30.42 lakhs and Government approved (December 1980) the revised cost, subject to the excess requirement of funds over the original project cost being met by the participating societies. The actual cost up to

April 1983 was Rs. 1,07.47 lakhs (April 1983). A review (November 1982/March 1983) by Audit of the working of the first phase of the scheme based on the sanctions, progress reports, annual accounts, etc., of the Consortium in the offices of the Registrar of Co-operative Societies (RCS) and the subordinate offices brought out the following:—

(a) The total coverage of area and production of quality seeds during the years from 1977–78 to 1981–82 was much below the target, as shown below :—

Serial number and name of centre	*Area*			*Quantity of seeds*		
	Target	*Actual*	*Percentage*	*Target*	*Actual*	*Percentage*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(in acres)			(in tonnes)		
1. Tudiyalur ..	5,950	2,153	36	1,873	352	19
2. Tiruppur ..	5,950	4,768	80	1,873	370	20
3. Gobichettipalayam ..	12,000	2,924	24	16,200	2,784	17
4. Coimbatore ..	4,600	685	15	4,467	431	10
5. Pollachi ..	7,500	851	11	6,375	105	2
6. Udumalpet ..	4,500	821	18	3,767	165	4
Total ..	40,500	12,202	30	34,555	4,207	12

According to the Consortium (December 1982) and the annual financial review conducted by the RCS for 1979–80, the reasons for the poor coverage/production of quality seeds were :

(i) The Department of Agriculture, National Seeds Corporation and the Tamil Nadu Agriculture University who were to supply the foundation or breeder seeds to these societies were not able to fulfil the entire requirements of quality foundation seeds in time .

(ii) Even the small quantities of foundation seeds supplied were of poor quality in regard to germination and genetic purity leading to field rejections in a number of cases.

(iii) Results of tests of germination of seed samples were generally received from the Government testing laboratories after 15-20 days instead of the normal period of 7—8 days, resulting in carry over of heavy closing stocks of seeds.

(*b*) Most of these societies have been working at a loss and the cumulative loss incurred/profit earned by the societies under the programme for the period ending June 1982 were as under :—

Serial number and name of society/ place of location of society (1)	*Cumulative*	
	Profit (2)	*Loss* (3)
	(in lakhs of rupees)	
1. TUCAS (Tudiyalur)	..	0.15
2. Tiruppur	..	0.23
3. Gobichettipalayam	0.15	..
4. Coimbatore	..	0.55
5. Pollachi	..	7.69
6. Udumalpet	..	7.59
Total ..	0.15	16.21
Net loss ..		16.06

Government stated (July 1983) that action was being taken to improve the working of the societies.

(*c*) According to the terms of the loans advanced by NCDC, interest was payable at 10½ per cent per annum from the date of drawal and the loan assistance was repayable in 11 equal annual instalments commencing from the fourth anniversary of the date of drawal. Most of the societies could not make any payment towards interest and the societies sought (March 1982—April 1982) waiver of interest upto March 1981. Government stated (July 1983) that the matter was under their examination. However, Government had been paying interest due on the loans to the NCDC. The interest payable by the participating societies to Government up to end of June 1982 was Rs. 22.32 lakhs.

(d) Four of the 7 units/societies covered in the first phase had not collected (March 1983) their share of the capital fully as under :—

Serial number	*Name of centre*	*Share capital to be collected*	*Share capital collected*	*Short-fall*
		(in lakhs of rupees)		
1.	Coimbatore	3.38	3.09	0.29
2.	Pollachi	2.10	1.17	0.93
3.	Udumalpet	3.37	2.62	0.75
4.	Headquarters of the Consortium ..	1.85	0.87	0.98

Government stated (July 1983) that the percentage(20) of share capital contribution by the member societies was very high and that as the beneficiaries under the scheme were small and marginal farmers with limited paying capacity, the societies had great difficulty in collecting the share capital and that action was being taken to collect the share capital.

(e) The Consortium paid (April 1981) Rs. 1.22 lakhs on behalf of the Udumalpet society towards supply of one lorry to be used by the society under the programme. As the society could not pay the cost even in instalments, the vehicle continued to be maintained by the Consortium ; the excess of expenditure over income earned by the lorry to end of December 1982 was Rs. 0.24 lakh. To avoid further loss, the Consortium proposed (January 1983) to sell the lorry subject to any loss on sale being borne by the society; further developments are awaited (March 1983).

The objective of the scheme, namely making quality seeds available to the farmers had not been largely achieved and 5 out of the 6 societies of the Consortium have been working at loss, despite considerable financial assistance (loan by NCDC: Rs. 65.45 lakhs ; share capital by Government : Rs.9.35 lakhs).

While accepting the facts mentioned above, Government stated (July 1983) that all efforts were being taken to make the scheme work satisfactorily.

6.13. Assistance to village co-operative societies

Based on the recommendations of the Registrar of Co-operativ Societies (RCS) (May/October 1980) and of the Government of Tam Nadu (August/December 1980), National Co-operative Developmer Corporation (NCDC) sanctioned (February 1981/January 1982)financia assistance of Rs. 84.12 lakhs (loan : Rs. 63.09 lakhs; subsidy: Rs.21.0 lakhs) for distribution to 4206 village co-operative societies (loan: Rs 1,50 subsidy : Rs. 500 to each society) operating under the Rural Consume Scheme to enable them to purchase barrels, measuring sets, trays, etc., fo storage and distribution of kerosene and palmolein oil to be supplied t family card holders. The assistance was disbursed to the societies durin March 1981/March 1982. The following points were noticed in audi during March to June 1983.

(i) The proposal of the RCS in October 1980 for sanction of assis tance had been made without assessing the requirements of the societies The Joint Registrars of Co-operative Societies, Madurai and Ramanatha puram regions had intimated (September 1980),in response to the RCS' request (July 1980) for details of requirements, that the societies unde their control did not require any financial assistance for th purpose of buying equipments for storage of kerosene and palmolei oil as they were already having barrels, etc. The other Joint Registrar had not responded. However, in Madurai and Ramanathapuram region assistance of Rs. 15.16 lakhs was paid (March 1982) to 758 societies a the rate of Rs. 2000 per society. Out of this amount, Rs. 11.61 lakh were lying unutilised(October 1983) in the Central Co-operative Banks Information regarding quantum of assistance paid to other similarl placed societies is awaited (October 1983).

(ii) According to information made available to audit by 6 Deput Registrars and 2 Central Co-operative Banks, Rs. 2.98 lakhs had beer distributed to 149 societies(Rs. 2000 each) to which family cards had no been attached, Rs. 0.18 lakh to 9 societies which were dormant,Rs. 0.2 lakh to 14 societies which had been amalgamated with other societie and Rs. 0.44 lakh to 22 societies which already had storage facilities. Thus the drawal and disbursement of Rs. 3.88 lakhs in these cases were un necessary.

(iii) As per details collected (July 1983) from 10 Centra Co-operative Banks (serving 2556 societies), out of Rs. 51.12 lakhs paid tc these societies, only Rs. 21.81 lakhs (43 per cent) had been spent on the purchase of equipment leaving an unspent balance of Rs. 29.31 lakhs lying unutilised for more than a year.

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

DEPARTMENT OF EDUCATION, SCIENCE AND TECNOLOGY

6.14. Grants regulated by the Director of Sports and Youth Services

6.14.1. *Financial assistance to the participants at the International Assembly, World University Services (WUS).*—In July 1980, Government approved participation of 5 delegates/ observers from Tamil Nadu to the International Assembly held by the WUS at Nicaragua, Central America during August 1980 based on the proposal (June 1980) of the Director of Sports and Youth Services who recommended for sanction of financial assistance covering only the travel grant at the rate of Rs. 12, 242 to each participant. Government, however, sanctioned payment of travel grant and daily allowance to them at the rates admissible in the countries where they stayed. Accordingly, Rs. 1.30 lakhs (daily allowance: Rs.0.81 lakh ; travel grant : Rs. 0.49 lakh) were drawn and paid (July-August 1980)to four participants*by the Director of Sports and Youth Services.

A test check (September 1982) by Audit disclosed that the Indian National Committee of the WUS had made it clear (May 1980) to the participants that the WUS would be providing them with full boarding, lodging and conference facilities but would not meet their travel expenses. Payment of daily allowance amounting to Rs. 0.81 lakh to the four participants was, therefore, not in order.

6.14.2. *Assistance for construction of swimming pools.*—(i)In September 1980, Government approved the proposal of the Director of Sports and Youth Services to construct swimming pools in all district headquarters in a phased programme, the pattern of financing the construction of each pool being (i) Government of India grant : Rs. 1.00 lakh, (ii) Government of Tamil Nadu grant : Rs. 2.00 lakhs and (iii) the balance to be met by non-Government bodies. On the basis of estimated cost of Rs. 7.00 lakhs for each swimming poll, the Director submitted (December 1980) proposals for assistance to 3 districts at Rs. 3.00 lakhs each (Government of

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* Excludes the remaining one person who was paid (August 1980) Rs. 0·24 lakh but did not make the trip and refunded the amount in December 1980.

India grant : Rs. 1.00 lakh; State Government grant : Rs. 2.00 lakhs and to one district at Rs. 2.00 lakhs(Government of India grant:Rs.1.00 lakh ; State Government grant : Rs. 1.00 lakh). However, based on revised proposals (June 1981) of the Director for sanction of Rs. 7 lakhs (being the estimated cost of each swimming pool) the State Government sanctioned (June 1981) expenditure of Rs. 14.00 lakhs for construction of 2 swimming pools in 2 districts only (Thanjavur and Dharmapuri) at Rs.7.00 lakhs each and asked the Director to take action to follow the 'usual pattern' regarding financing of the scheme. The entire amount of Rs. 14.00 lakhs was, however, drawn and disbursed (March and July 1982) by the Director to Thanjavur and Dharmapuri District Sports Councils, instead of limiting the grant to the share of the Governments under the 'usual pattern'.

Government stated(August 1983)that in respect of swimming pool at Thanjavur, plans and estimates for Rs.15.30 lakhs were awaiting their administrative approval and in the case of Dharmapuri a new site for the swimming pool was being selected.

(ii) A grant of Rs. 1.00 lakh sanctioned (March 1981)by the Government of India to meet part of the cost of construction of a swimming pool (estimated cost : Rs. 6.25 lakhs) at Tiruchirappalli was disbursed (April 1982) to the District Sports Council, Tiruchirappalli by the Director. The contribution of Rs. 2.00 lakhs by the State Government had not been released so far (August 1983). The District Collector, Tiruchirappalli had proposed (May 1981) that the Tiruchirappalli Municipality would contribute Rs. 2.00 lakhs and the balance (Rs. 1.25 lakhs) would be met from District Welfare Fund/contributions by voluntary organisations, but these contributions had not also been raised. According to the revised estimate approved (February 1982) by the Chief Engineer, the cost of the work had gone up to Rs. 8.50 lakhs. Work on the swimming pool had not commenced (August 1983).

6.14.3. *Grants for construction of stadia.*—For assisting in construction of stadia in 5 districts, grants were released by Government of India through Government of Tamil Nadu and also by the latter to District Sports Councils (DSCs) as shown in the table below :—

Serial number and name of DSC	*For stadium at*	*(Amount of grant in lakhs of rupees)*				
		By Government of India	*Month of payment*	*By Government of Tamil Nadu*	*Month of payment*	*Total grant*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Dharmapuri	Dharmapuri	0.45	April 1981	1.00	January 1981	2.90
				0.45	March 1981	
				1.00	August 1981	
2. Thanjavur	Thanjavur	1.00	February 1982	1.00	January 1981	8.00
				5.00*	October 1981	
				1.00	August 1981	
3. Pudukottai	Pudukottai	..	....	1.00	January 1981	2.00
				1.00	August 1981	
4. Periyar	Erode	..	....	1.00	January 1981	2.00
				1.00	August 1981	
5. Tirunelveli	Tuticorin	..	....	1.00	May 1981	2.00
				1.00	September 1981	

* Released from Railway Cess Fund.

The following points were noticed in respect of these grants :—

(i) The estimated cost of construction of the stadia ranged from Rs. 5.00 lakhs to Rs. 89.00 lakhs and the cost of construction after taking into account the grants sanctioned by Government was to be met by donations from sports-minded public and philanthrophists. However, grants were released in these cases without ensuring that the required funds would be forthcoming/have been raised by the DSCs. Government stated (August 1983) that Government contribution was only a portion of the cost and a major portion had to be mobilised by the District Collectors by raising funds from voluntary organisations and that the Collectors were making arrangements for the mobilisation of the required funds.

(ii) In September 1980, Government of Tamil Nadu sanctioned Rs. 2.00 lakhs each to the DSCs at Dharmapuri and Thanjavur subject to the condition that these amounts were to be adjusted against grants to be sanctioned by Government of India for the same purpose. The grants were drawn and disbursed by the Director in January and August 1981. Based on the sanctions accorded (March 1980 and March 1981) by Government of India, grants amounting to Rs. 0.45 lakh and Rs. 1.00 lakh representing Government of India's share were released (April 1981 and February 1982) by the State Government to the DSCs at Dharmapuri and Thanjavur respectively together with another sum of Rs. 0.45 lakh to the DSC Dharmapuri as matching grant (March 1981). These grants were disbursed to the DSCs by the Director who failed to set them off against the grant of Rs. 2.00 lakhs each disbursed earlier resulting in excess payment of grant amounting to Rs. 1.90 lakhs, which remained to be recovered (August 1983).

(iii) Second instalment of the grant of Rs. 1.00 lakh each was released (August 1981, September 1981) to all the five DSCs without ensuring utilisation of first instalment released earlier. Except in the case of stadium at Pudukottai, where expenditure/liability of Rs. 0.52 lakh had been incurred on levelling the site, no expenditure had been incurred in respect of the remaining 4 stadia (March 1983).

(iv) No time limit for completion of the construction of the stadia had been stipulated in any of these cases although Government of India had stipulated that the amounts sanctioned should be spent within one year from the date of sanction.

(v) Administrative and technical sanction of Government, required under the State Financial Rules, had not been obtained for any of these works (March 1983) which are being executed by the Director of Technical Education.

6.14.4. *Grants to panchayat union councils for construction of austerity pavilions.*—Based on the proposal (February 1980) of the Director, Government sanctioned (September 1980) Rs. 5.15 lakhs for establishment of austerity pavilions during 1980-81 at Rs. 0.35 lakh each (Rs. 0.25 lakh in Nilgiris district) in all the districts except Madras. The grant was to be released in two equal instalments, the first one on sanction and the second based on the progress of work ; the balance amount needed for the construction was to be provided by the panchayat unions concerned either from their General Fund or by raising donations from public. Due to non-receipt from the District Collectors of the list of panchayat unions selected under the scheme, the entire amount was drawn (January 1981) by the Director and credited to the accounts of the Tamil Nadu State Sports Council which distributed (April and May 1981) the grant to 30 panchayat unions.

Government had not stipulated any time limit within which the pavilions should be constructed. Government stated (August 1983) that as there was no positive progress in the construction of pavilions in 15 out of the 30 panchayat unions to which the first instalments had been paid, action was being taken to divert as second instalment the grants paid to those 15 unions to other unions which had taken up the work. Government also stated that out of 15 unions to which the amount was proposed to be diverted, the austerity pavilions in 5 panchayat unions had either been completed or were nearing completion and in respect of 9 panchayat unions the work had not commenced. Information whether the panchayat unions had mobilised the balance funds required for the works was not available (August 1983).

6.14.5. *Grant for construction of youth hostels.*—Based on the sanction (June 1981) of Government, the Director released (March 1982) Rs. 1.00 lakh to the DSC, Tiruchirapalli, towards the cost of construction of a youth hostel (estimated cost : Rs. 5.00 lakhs). The amount was credited (May 1982) to the account of the DSC with a nationalised bank. The Director requested (March 1983) the District Collector to remit the amount of Rs. 1.00 lakh to Government account as no action had been taken for construction of the youth hostel. Government stated (August 1983) that the scheme necessitated mobilisation of resources to the extent of 75 per cent of the total cost and that such mobilisation having not been possible the work had not been executed. The amount had not so far been refunded (August 1983).

6.14.6. *Grants for development of play fields.*—(*a*) In March 1980, Government of India sanctioned grants amounting to Rs. 1.02 lakhs towards the cost of development of play grounds in 6 high schools/ stadia, etc., in districts at a total estimated cost of Rs. 2.31 lakhs. Funds, if any, needed for fencing of the play ground, etc., were to be raised by the sponsoring agencies. The first instalment of Rs. 0.51 lakh of the Government of India grant and a matching grant of Rs. 0.51 lakh from

Government of Tamil Nadu were disbursed to the grantees in March 1981 only, though the works were to be completed within one year from the date of sanction by Government of India as per the condition stipulated by the latter. The utilisation was to be watched by the Director of Sports and Youth Services. Government stated (August 1983) that utilisation certificates in respect of first instalment had been received from 5 grantees but did not specify whether the second instalment has been released in respect of those cases. The object for which the grants were released had not been largely achieved even after 3 years.

(*b*) In March 1981, Government of India sanctioned Rs. 0.84 lakh for improvement/development of play grounds in 5 more high schools/higher secondary schools. The State Government sanctioned a matching grant of Rs. 0.84 lakh in September 1981, but both the grants were disbursed by the Director to the respective DSCs only in January and February 1982. Though, according to the conditions stipulated by Government of India, the works were to be completed by March 1981, in 3 cases, the work had not been completed (August 1983).

INDUSTRIES DEPARTMENT

6.15. Tamil Nadu Khadi and Village Industries Board

6.15.1. *Introductory.*—The Tamil Nadu Khadi and Village Industries Board (Board) was established under Section 3 of the Tamil Nadu Khadi and Village Industries Board Act, 1959 and it started functioning from 15th September 1960, taking over the Khadi and Village Industries units previously run by Government. The main functions of the Board are to plan, organise and implement programmes for the development of Khadi and Village Industries, *inter alia*, by promoting, encouraging and assisting such industries by grant of loans/subsidy to individuals, institutions or societies engaged in Khadi and Village Industries, conducting training programmes with a view to imparting necessary skill for carrying on those industries, running own units and carrying on business or trade in the products of those industries and conducting publicity and propaganda.

6.15.2. *Finance, Accounts and Audit.*—(*a*) The Board receives grants and loans from the Khadi and Village Industries Commission (KVIC), Bombay and from the Government of Tamil Nadu (Government) for implementation of various schemes and programmes. Besides, grants to cover annual revenue deficit are also provided to the Board by Government as net cost grant. During 1976-77 to 1982-83 the financial assistance received by the Board from the KVIC and the State Government was as under:—

Year	*KVIC*			*Assistance received from Government*		
	Grant	*Loan*	*Total*	*Grant*	*Loan*	*Total*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(in lakhs of rupees)					
1976–77 ..	75.12	1,60.12	2,35.24	69.59	..	69.59
1977–78 ..	24.72	2,45.33	2,70.05	2,18.67	5.45	2,24.12
1978–79 ..	53.02	2,45.06	2,98.08	1,79.00	..	1,79.00
1979–80 ..	1,07.40	5,85.29	6,92.69	2,25.70	0.50	2,26.20
1980–81 ..	1,29.97	3,70.55	5,00.52	1,74.47	1.93	1,76.40
1981–82 ..	1,43.79	6,71.59	8,15.38	2,28.16	1.76	2,29.92
1982–83 ..	1,96.86	1,06.74	3,03.60	2,00.51	4.48	2,04.99
Total ..	7,30.88	23,84.68	31,15.56	12,96.10	14.12	13,10.22

(*b*) The Board has two funds—'Khadi Fund' and ' Village Industries Fund'. The trading activities (such as production and sale of Khadi and Village Industries products) and non-trading activities (research and training programmes, administrative overheads, etc.) are separately accounted for under each of the Funds. The Board has not switched over (April 1983) to the maintenance of accounts on commercial pattern in respect of trading activities despite instructions issued by Government as far back as May 1979. According to the Auditor, non-maintenance of accounts in commercial pattern had casused delay in preparing and rendering the annual accounts to audit by the Board.

(*c*) The Board has to prepare and submit its annual accounts within 5 months after the closing of the accounts of the respective financial year and the accounts of the Board as certified by the Auditor and the Audit Report thereon are to be forwarded by the Board to Government annually before 1st October of the following year, for being placed on the table of the Legislature. Under the Tamil Nadu Khadi and Village Industries Board (Accounts and Audit) Rules, 1968, the Chief Auditor, State Trading Schemes is the Auditor of the Board from 1971–72 onwards. The Board rendered the annual accounts for the years 1976–77 to 1979–80 to the Auditor in August 1981 only and the Auditor forwarded the certified accounts and the audit reports thereon to the Board in June 1982.

(d) The Auditor, in his report on the accounts for 1976–77 to 1979–80 had commented about non-reconciliation of value of assets reflected in the balance sheet of the Board with that shown in the accounts of the individual units, non-investment of accumulated reserves(Rs. 1,87.32 lakhs), defective valuation of closing stock, delay in remittance of sales tax (Rs. 1.01 lakhs), non-disbursement by the Board to institutions/ individuals, grant of Rs. 52.19 lakhs received by it from KVIC (Rs. 38.10 lakhs) and Government (Rs. 14.09 lakhs), huge amount of credit sales (Rs. 3,23.59 lakhs) outstanding for recovery, non-reconciliation of sundry debtors (Rs. 4,93.10 lakhs) and sundry creditors (Rs. 2,40.79 lakhs) as per the balance sheet with those in the books of the units and huge amount (Rs. 6,20.67 lakhs) of loans pending recovery from the beneficiary institutions and individuals. He had also commented that the Board had not maintained properly necessary registers to watch receipt of utilisation certificates from institutions/individuals to whom loans/ grants had been given by it. It was ascertained from the Auditor that as on 31st March 1982 the Board in turn had not furnished utilisation certificates for grants / loans aggregating Rs. 5,51.63 lakhs and Rs. 2,03.58 lakhs received by it from KVIC and Government during 1971-72 to 1980–81 and 1973–74 to 1980–81 respectively for disbursement to institutions/individuals.

(*e*) The accounts as well as the audit reports have not been submitted to Government for being placed (April 1983) on the table of the Legislature. The accounts for 1980–81 and 1981–82 have not yet been

finally audited (September 1983). The inordinate delay in finalisation and submission of the accounts from 1976–77 has deprived the Legislature of the opportunity of timely scrutiny of accounts and working of the Board.

6.15.3. *Financial position.*—As at the end of March 1980, while the Village Industries Fund closed with a cumulative profit of Rs. 82.44 lakhs, the Khadi Fund had accumulated a loss of Rs. 62.65 lakhs. The profit/loss had been arrived at without providing for payment of interest (at 4 per cent) on the 'Working Fund' loan provided to the Board by the KVIC, Bombay, on the ground that the latter had not insisted on payment of interest on this loan.

6.15.4. Important points noticed as a result of scrutiny of the sanctions for grants and loans paid to the Board by Government during 1979–80 to 1981–82, conducted under Section 15 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are mentioned in the succeeding paragraphs :—

6.15.5. *Net cost grant.*—To cover the annual revenue deficit of the Board on non-trading activities, net cost grant was being paid to it by Government. In June 1977, Government constituted a Task Force to make an assessment of the overall financial position of the Board at the end of 1975–76 and to recommend, (i) the amount of arrears of net cost grant payable for the years from 1966–67 to 1975–76 and (ii) an appropriate formula for working out the net cost grant from 1976–77 onwards. The Task Force made recommendations (January 1978) in this regard and advised setting up of an internal committee to review the formula adopted by it for working out the net cost grant and adopting the revised formula from 1979–80. In August 1981, Government set up an internal committee and required it to submit its report within 6 months. The internal committee recommended (August 1982), *inter alia*, that the revised formula suggested by it may be adopted from 1st April 1977. Government was yet to take (April 1983) a decision on the report of the committee. Meanwhile, they have sanctioned and released to the Board, net cost grants on a provisional basis for 1977–78 and on an adhoc basis from 1978–79 to 1982–83, totalling in all to Rs. 4,79.64 lakhs.

6.15.6. In the following cases of grants paid to the Board by Government, details of expenditure incurred and utilisation certificates were not obtained (April 1983) by Government, with the result it was not known whether the grants had been spent by the Board for the purpose for which they were sanctioned and whether there was any unutilised balance with the Board:

Serial number	*Amount paid (in lakhs of rupees)* / *Month/ Year of Payment*	*Purpose*	*Remarks*
(1)	(2)	(3)	(4)
1.	1.05 / 1978–1982	Participation in the All India Tourist and Trade Fairs held at Madras in 1979, 1980 and 1982.	..
2.	0.30 / October 1979 and July 1980	Undertaking research on improvement of power ghani.	In January 1982, the Board paid the amount to the College of Engineering, Guindy to carry out the research.
3.	2.64 / September 1980	Establishment of a testing, research and design centre for Cotton Khadi at Bhavanisagar.	The centre was expected to commence working from April 1981. But the building constructed by the Public Works Department has not been handed over and machinery have not been erected (July 1982).
4.	13.35 (Grant : 8.828 and Loan : 4.522) / 1979–80 to 1981–82	For implementing seven schemes in the Nilgiris district under 'Hill Area Development Programme'	Progress reports were not also obtained and furnished to Government of India as required under the scheme.
5.	24.48 / February 1980, March 1980 and March 1981	For imparting training to 7,140 rural artisans under three different schemes.	..

6.15.7. *Grants for research.*—Government sanctioned (October 1979 and July 1980) grant of Rs. 0.30 lakh for undertaking research on preservation of 'Nungu' (palmyrah kernel) during 1979–80 and 1980–81 at Rs. 0.15 lakh each year. Out of this, only Rs. 0.05 lakh were paid (December 1979) to Tamil Nadu Agricultural University, Coimbatore for undertaking research and the balance of Rs. 0.25 lakh remained unutilised (April 1983) with the Board.

6.15.8. *Subsidy for construction of houses for Khadi weavers.*—Government sanctioned (June 1981) a grant of Rs. 5.00 lakhs towards the cost of construction of houses for 500 Khadi weavers at Rs. 1,000 per house. The Board drew (July 1981) the entire grant and released Rs. 3.68 lakhs at Rs. 1,000 per weaver for 368 weavers. Government reported (April 1983) that 228 weavers constructed houses and in 140 cases construction was nearing completion. The unutilised subsidy of Rs. 1.32 lakhs remained (April 1983) with the Board, pending sanction of loans by the nationalised banks to the weavers towards balance cost of construction estimated at Rs. 7,500 per house.

As the members of the same family were working in both the Handloom and Khadi sectors and as a similar scheme was in vogue in the Handloom sector also, Government directed (June 1981) the Chief Executive Officer of the Board to ensure that only one member of the family should get the benefit under any one of the schemes. Government had not prescribed any mechanism to ensure this.

6.15.9. *Rebate Subsidy.*—Government have been sanctioning reimbursement of special rebate* on the sale of all varieties of Khadi by the Khadi and Village Industries institutions during certain important festivals/occasions. The reimbursement of the rebates is normally sanctioned after the claims from the Board are certified by the Auditor. Provisional payments amounting to Rs. 43.67 lakhs were made during 1975–76 and 1977–78 on anticipated sales figures. The final settlement on the basis of actual sales figures has not been made (April 1983) owing to the accounts not having been rendered/audited.

The points mentioned above were reported to Government in June 1983; their reply is awaited (December 1983).

6.16. Grants and loans regulated by the Director of Handlooms and Textiles

A. Industrial type Weavers' Co-operative Societies

6.16.1. *Introductory.*—In March 1980, Government implemented a Centrally sponsored scheme of organising and setting up Industrial type Weavers' Co-operative Societies (IWCS) in order to wean away large number of loomless weavers from the clutches of master weavers and to bring them under co-operative fold where all facilities such as land,

* Out of the total of 90 days of sales for which special rebate is reimbursed by Government of Tamil Nadu in a year, the rebate is allowed at 10 per cent for 30 days on certain occasions and at 5 per cent for the remaining 60 days.

building, looms, dye house, share capital loan to members, etc., would be provided. The scheme also envisaged production of mainly new demand-oriented varieties and quality goods suitable for export by the societies. The Director of Handlooms and Textiles was in overall charge of implementation of the scheme.

Each society was to be provided with Rs. 3.20 lakhs (loan assistance : Rs. 3.06 lakhs ; subsidy : Rs. 0.14 lakh) during 1979-80 and Rs. 4.00 lakhs (loan : Rs. 3.86 lakhs ; subsidy : Rs. 0.14 lakh) during 1980-81 towards share capital, cost of construction of work-shed and dye house, provision of looms and furniture and cost of staff for one year limited to Rs. 0.11 lakh. The expenditure on the assistance was to be shared equally between Government of India and Government of Tamil Nadu. Ten per cent of the share capital was to be contributed by member weavers and working capital was to be provided by the societies by obtaining institutional finance.

Twenty five societies were set up during 1979-80 and 30 during 1980-81 in 9 circles, each under the charge of an Assistant Director. During 1979-80 and 1980-81, expenditure aggregating Rs. 1,96.70 lakhs was incurred on grant of loans and subsidy and Rs. 97.77 lakhs were received from Government of India as matching contribution.

6.16.2. Under Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the utilisation of the financial assistance sanctioned during 1979-80 and 1980-81 was reviewed by Audit (November 1982 to April 1983) in the office of the Director of Handlooms and Textiles and 6 circle offices (Kancheepuram, Madurai, Ramanathapuram, Tirunelveli, Salem and Coimbatore) covering 41 societies and the following points were noticed:—

(i) *Delay in crediting amounts to the accounts of the societies.*— Loans and subsidy amounting to Rs. 1,96.70 lakhs were drawn (Rs. 80.00 lakhs in March 1980 and Rs. 1,16.70 lakhs in March 1981) by the departmental officers and paid to the District Co-operative Central Banks for being credited to the accounts of the societies. However, in the case of 23 out of 41 societies covered by Audit, the banks credited loans and subsidy totalling Rs. 79.20 lakhs to the accounts of the societies after a time lag ranging from one month to seven months.

(ii) *Shortfall in membership.*—Against 80 and 100 members to be enrolled in each society set up during 1979-80 and 1980-81 respectively, there was shortfall (April 1983) ranging from 31 to 50 per cent in membership in 3 of the 41 societies. Consequently, loan assistance amounting to Rs. 1.14 lakhs drawn (Rs. 0.55 lakh in March 1980 and Rs. 0·59 lakh in March 1981) towards share capital (Rs. 0.14 lakh) and cost of looms

(Rs. 1.00 lakh) remained with the societies unutilised (April 1983) for more than two/three years in respect of members not enrolled. Government stated (November 1983) that the shortfall in membership was due to the dual loyalty of the weaver members.

(iii) *Acquisition of sites for work-sheds.*—Out of Rs. 13.02 lakhs released in March 1981 to 21 societies towards cost of sites, 2 societies obtained sites as gifts and the remaining 19 societies spent (up to March 1983) Rs. 4.95 lakhs only on acquisition of sites, leaving in all an unutilised balance of Rs. 8.07 lakhs, which remained to be recovered (April 1983) from the societies by the department.

(iv) *Delays in construction of work-sheds.*—Out of 41 societies covered by Audit, only 6 societies completed construction of work-sheds during the period from January 1982 to March 1983. In 33 societies, the works were in various stages of execution (April 1983) even after two/three years of setting up of the societies. The delays were generally attributed (November 1982 to April 1983) by the circle officers to delays in finalisation of tenders, execution of civil works by contractors, scarcity of cement and erection of structurals by Tamil Nadu Small Industries Corporation (TANSI), a State Government undertaking. The remaining 2 societies (set up during 1979-80) did not commence (April 1983) construction—one owing to faction among the members of the society and the other on account of delay in approval of the plan for the building, owing to lack of approach road to the site acquired (July 1981) at a cost of Rs. 0.55 lakh. Due to delays in construction of work-sheds, the societies functioned either in temporary sheds or in rented buildings. To end of March 1983, 34 societies incurred an expenditure of Rs. 1.58 lakhs on rent for the sheds ; 3 of these as well as the remaining 7 societies spent Rs. 1.90 lakhs on temporary sheds also.

(v) *Construction of dye houses.*—The scheme provided (March 1980/1981) for grant of assistance of Rs. 0.06 lakh (subsidy and loan : Rs. 0.03 lakh each) per dye house. In all the 41 societies covered by Audit, the entire assistance of Rs. 2.46 lakhs (subsidy : Rs. 1.23 lakhs ; loan : Rs. 1.23 lakhs) drawn during 1979-80 (Rs. 1.20 lakhs) and 1980-81 (Rs. 1.26 lakhs) on this account remained unutilised (April 1983) for more than two/three years, due mainly to delay in construction of work-sheds and dyeing was reportedly got done from outside. Government stated (November 1983) that the progress of construction of work-sheds and dye houses was being watched departmentally and that officers in-charge of the societies were being pulled up wherever necessary.

(vi) *Installation of looms.*—Due mainly to delay in construction of work-sheds, as against the target of 1,600 and 2,100 looms to be installed by 20 societies set up during 1979-80 and 21 societies set up during 1980-81 (covered by Audit), only 911 and 525 looms had been installed (April 1983) even after expiry of two/three years, the overall coverage being 39 per cent ; the assistance on this account remaining unutilised with the societies was Rs. 18.88 lakhs (April 1983). Of the looms installed, member weavers worked (April 1983) only on 516 and 435 looms, self-employment of loomless weavers being only 26 per cent of the total targeted coverage.

The scheme provided for installation of frame looms for production of export-oriented varieties of handloom fabrics but in 2 circles (Kancheepuram and Coimbatore), out of 6 covered by Audit, all the 147 looms installed (April 1983) by 7 societies were pit looms. Government stated (November 1983) that the idleness of looms was mainly due to reluctance of weaver members to produce sophisticated varieties which resulted in glut in the market and that this would be overcome by introduction of transfer of technology in the weavers co-operative societies.

(vii) *Unspent balances not refunded to Government.*—Unspent balances of loan of Rs. 0.09 lakh and subsidy of Rs. 1.26 lakhs, granted for purchase of furniture and cost of staff remained (April 1983) to be recovered by the department from 8 and 27 societies respectively.

(viii) *Production.*—Production targets were not fixed for any of the 55 societies set up under the scheme during 1979-81. Out of 41 societies covered by Audit, 18 societies (9 each set up during 1979-80 and 1980-81) commenced production after a delay of 8 to 20 months (between December 1980 and November 1981 and November 1981 and June 1982) due mainly to time lag in getting cash credits from the financing institutions. By the end of March 1983, production of ordinary handloom fabrics by the 41 societies was of the aggregate value of Rs. 1,10.08 lakhs, out of which stocks of finished goods worth Rs. 25.58 lakhs (23 per cent of production) remained unsold. As only 3 of the 41 societies produced export varieties of fabrics (value : Rs. 5.26 lakhs*), one of the objectives of the scheme to ensure quality control especially in production of items intended for export remained largely to be achieved. Government stated (November 1983) that the societies had been instructed to switch over to the production of exportable varieties.

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* Do not include value of exportable goods produced by one society, information about which was awaited (April 1983).

(ix) *Working results.*—Out of 55 societies, 24 societies incurred losses totalling Rs. 4.91 lakhs as at the end of March 1983.

(x) *Investment of assistance in fixed deposits.*—Out of the 41 societies covered by Audit, 16 societies had invested the assistance amounting to Rs. 39.69 lakhs (Rs. 21.10 lakhs received during 1979-80 and Rs. 18.59 lakhs received during 1980-81) in fixed deposits in Co-oeperative Spinning Mills and District Co-operative Central Banks for periods ranging from one year to two years and earned (April 1983) interest amounting to Rs. 3.15 lakhs. According to the societies, the investments were made as there was no immediate need for utilising the assistance. Investment in fixed deposits was not brought to the notice of Government.

(xi) *Repayment of loans.*—As at end of June 1982, Rs. 1.83 lakhs* (principal: Rs. 1.44 lakhs; interest: Rs. 0.39 lakh) were overdue from 43 societies in respect of loans paid towards share capital. Information regading the extent of overdues was awaited (April 1983) in respect of 4 societies. Though loans were disbursed more than two/three years ago, the department had not taken any action (April 1983) to have the loan agreements executed by any of the 41 societies covered by Audit.

(xii) *Recovery of cost of staff lent to societies.*—Under the scheme, a Handloom Officer@ was provided by Government to each society to work as Secretary. The cost of services of the officer was borne entirely by Government during the first year and to the extent of 66 2/3 per cent and 33 1/3 per cent during the second and third years respectively and the balance cost was to be borne by the society concerned.

Up to March 1983, out of the 41 societies, claims towards the cost of services of the Handloom Officer had been preferred by the department in respect of 8 societies only for a sum of Rs. 0.48 lakh**, out of which Rs. 0.09 lakh only had been recovered, leaving a balance of Rs. 0.39 lakh. The dues in respect of the remaining cases remained to be assessed and recovered (April 1983) by the department.

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* Include Rs. 0.52 lakh (principal : Rs. 0.40 lakh ; interest : Rs. 0.12 lakh) in respect of one circle (14 societies) as at the end of September 1982 and figures as at the end of June 1982 in respect of these societies were awaited (April 1983).

@ This Officer was in addition to the staff for whose employment, subsidy of Rs. 0.11 lakh was sanctioned under the scheme.

** Information regarding the period up to which claimed was awaited (April 1983).

B. Modernisation of Handlooms

6.16.3. *Introductory.*—With a view to diversifying handloom production and giving impetus to the programme of export of handloom fabrics, Government approved (August 1979) a scheme for modernisation of looms of the members of primary weavers' co-operative societies by grant of loan assistance up to Rs. 3,000 per loom for conversion of pit looms into frame looms and/or setting up of jacquard and other modern appliances to the frame looms already in existence.

In August 1980, Government of India approved a Centrally sponsored scheme under which assistance (to be shared equally between the Centre and the State) was to be paid on 2/3 loan and 1/3 subsidy basis, subject to a maximum of Rs.1,000 per ordinary loom and Rs. 2,500 in respect of jacquard loom for purchase/modernisation/renovation of looms/accessories for handloom weavers in the co-operative fold and for weavers' co-operatives in project areas.

The scheme was implemented by Government as a State Plan scheme during 1979-80 and Centrally sponsored from 1980-81 onwards.

The scheme was implemented by the Director of Handlooms and Textiles through the Assistant Directors in charge of circle offices. Assistance aggregating Rs. 59.00 lakhs (loan : Rs. 44.50 lakhs ; subsidy : Rs. 14.50 lakhs) was disbursed to the societies during the years 1979-80 to 1981-82 and matching contribution amounting to Rs. 21.75 lakhs for the years 1980-81 and 1981-82 was received from Government of India.

6.16.4. Under Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, a test check of the utilisation of the assistance during 1979-82 was conducted (December 1982 to April 1983) in the office of the Director of Handlooms and Textiles and 6 out of the total of 9 circle offices. The following points were noticed.

(i) *Coverage.*—No target was fixed for the number of societies to be assisted each year under the scheme. The year-wise details of the number of societies assisted, the number of looms modernised and assistance provided were as follows :—

Year	*Number of societies*	*Number of looms modernised**	*Assistance provided*		
			Loan	*Subsidy*	*Total*
			(in lakhs of rupees)		
(1)	(2)	(3)	(4)	(5)	(6)
1979-80	119	2,800	15.50	..	15.50
1980-81	190	6,883	14.00	7.00	21.00
1981-82	169	8,086	15.00	7·50	22.50
Total ..	478	17,769	44.50	14.50	59.00

* Includes looms in which certain modern accessories alone were provided.

As against the ceiling rates of Rs. 1,000 for ordinary loom and Rs. 2,500 for jacquard loom prescribed by Government of India for providing assistance under the scheme from 1980–81 onwards, ceiling rate of Rs. 3,000 per loom adopted in 1979-80 (when the scheme was implemented as a State Plan scheme) continued to be adopted during 1980-81 and 1981-82 except in Madurai circle where in 1981-82, ceiling rates of Rs. 1,200 for frame loom and Rs. 1,800 for jacquard loom were adopted. Approval of Government of India for adopting the ceiling rate of Rs. 3,000 per loom, sought for (October 1980) by Government is awaited (May 1983).

(ii) *Disbursement of assistance in advance and non-verification of bills.*—According to instructions (August 1979/January 1980) of Government and the Director, the societies were to arrange for either manufacture or purchase of looms/modern appliances, supply them to the weaver members and submit claims to the department for consolidated amounts for release of assistance. Contrary to the prescribed procedure, in one circle advance payments aggregating Rs. 5.40 lakhs were made by the Circle Assistant Director to 29 societies during 1980-82 ; of these, 7 societies which were paid assistance of Rs. 1.05 lakhs did not make any purchase of looms/appliances nor did they refund (April 1983) the unutilised assistance. The department also did not take (April 1983) any action towards utilisation/recovery of the amount. Assistance (Rs. 1.71 lakhs) for purchases made by 11 societies in 2 circles was disbursed to them by the Circle Assistant Directors based on the claims preferred by the societies, without insisting on suppliers' bills. Government stated (November 1983) that the Circle Officers had been instructed to take action for recovery of unutilised assistance from the societies concerned.

(iii) *Disbursement of assistance to ineligible Societies.*—Under the scheme, assistance was to be provided for modernisation of looms owned by weaver members of the Primary Weavers' Co-operative Societies only. However, assistance aggregating Rs. 4.94 lakhs (loan: Rs. 3.68 lakhs ; subsidy : Rs. 1.26 lakhs) was disbursed by the department (1979-82) to 31 Industrial Weavers' Co-operative Societies towards the cost of frame looms and accessories. Nine of these 31 societies which were paid (1980-82) assistance of Rs. 1.66 lakhs (loan : Rs. 1.11 lakhs ; subsidy : Rs. 0.55 lakh) under this scheme had also drawn assistance of Rs. 7.40 lakhs (at the ceiling rate of Rs. 0.80 lakh/Rs. 1.00 lakh per society with 100 looms) towards the cost of frame looms under the scheme of IWCS.

(iv) *Working of looms.*—The continued possession by the beneficiaries and functioning of the looms modernised with the assistance provided under the scheme was not verified by the department at any time in any of the 6 circles covered by test check. It was seen that

in the 6 circles, out of the total of 91,313 looms including 17, 769 looms modernised, 39,318 looms were remaining idle (March 1983) and the idleness was attributed (November 1982 to April 1983) by the circle offices to (i) non-lifting of stocks by selling agents, namely Co-optex and consequent accumulation of huge stocks with the societies and (ii) non-availability of adequate finance for continued production. However, information whether any of the modernised looms were remaining idle was not ascertained by the department.

One society (Kancheepuram circle)in which 10 looms had been provided at a cost of Rs. 0.40 lakh of which Government assistance was Rs. 0.30 lakh (March 1981) reported (October 1982) to the circle office that the looms were not in use and were rusting and requested that those be transferred to any other society. Action taken in the matter was awaited (April 1983).

(v) *Production.*—Targets were not fixed by Government for production including those for export-oriented handloom goods in respect of any of the societies for which assistance for modernisation was provided under the scheme. The Circle Offices did not ascertain the impact of modernisation of looms on the quantity and quality of cloth produced in them, the earnings of weavers, etc., as separate figures of production and earning of weavers in respect of modernised looms were neither obtained by the Circle Offices nor furnished to them by the societies. In 3 circles, export varieties were not at all produced during the years 1979-82 and in respect of the remaining 3 circles, information regarding production of such varieties was not ascertained (April 1983) by the department.

(vi) *Repayment of loans.*—As at the end of September 1982, out of Rs. 2.89 lakhs being the loan instalments due for repayment, only Rs. 0.76 lakh was realised (March 1983) leaving a balance of Rs. 2.13 lakhs. Interest due was not worked out and demands not raised by the department. Loan agreements were either not executed by the societies or the agreements were incomplete in important aspects like rate of interest, period of recovery, signing by the concerned Assistant Director, etc.

(vii) *Monitoring.*—According to the guidelines (November 1981) issued by Government of India, the scheme was to be performance-oriented and monitored by the State Government ; annual reports on the progress achieved in the implementation of the scheme were to be sent to Government of India, indicating, *inter alia*, details regarding increase in production, average earning per loom per day, new items produced and any other significant achievement as a result of modernisation. No progress reports were obtained from the circle offices and reviewed by Government and sent to Government of India.

6.16.5. Summing up

(i) Even after the expiry of two to three years of setting up of 41 societies (test checked in audit), work-sheds had been completed (April 1983) in respect of only 6 societies (15 per cent) and dye houses had not been constructed by any of the societies.

(ii) Looms had been provided to the extent of only 39 per cent of the target and the number of looms functioning worked out to only 26 per cent of the targeted coverage.

(iii) One of the objectives envisaged under the scheme was production of export—oriented quality goods. However, only 3 out of 41 societies produced exportable varieties which were of meagre value.

(iv) Assistance amounting to Rs. 1.71 lakhs was disbursed to 11 societies in 2 circles without verifying the claims with reference to the purchase bills. Out of the assistance of Rs. 5.40 lakhs paid as advance to 29 societies during 1980-82, Rs. 1.05 lakhs remained untilised (April 1983) by 7 societies.

(v) Assistance aggregating Rs. 4.94 lakhs was irregularly disbursed (1979-82) to 31 Industrial Weavers' Co-operatives towards the cost of frame looms and accessories ; of these, 9 societies formed during 1979-81 were paid assistance amounting to Rs. 1.66 lakhs under the modernisation scheme though they had drawn (1979-81) assistance totalling Rs. 7.40 lakhs for provision of looms under the scheme of IWCS.

(vi) A total assistance of Rs. 59 lakhs was provided for modernisation of handlooms during 1979-82. The impact of modernisation on the quantity and quality of production of handloom goods, earning of weavers, etc., was not, however, assessed by the department.

6.17. Grants and loans regulated by the Director of Industries and Commerce

6.17.1. *The Tiruchirappalli Engineer's Industrial Co-operative Ancillary Estate.*—The estate, a co-operative society, was organised in June 1973, with the object of getting job orders in bulk from Bharat Heavy Electricals Limited (BHEL), Tiruchirappalli for manufacture of ancillary components and redistributing the orders among the members (unemployed engineers and technicians) for execution. The paid up capital of Rs. 2.64 lakhs of the society comprised Government's share of Rs. 1.98 lakhs, share capital loan of Rs. 0.60 lakh to the members and members' contribution of Rs. 0.06 lakh.

The members of the society, after receiving training for 9 months from October 1973 to June 1974 at Government cost (Rs. 0.32 lakh), however, set up their own factory units and carried on their business individually by obtaining job orders directly from BHEL instead of through the society. In the absence of any trading activity, the society became dormant but had, by the end of March 1982, an accumulated profit (through bank interest on the deposit of share capital) of Rs. 0.79 lakh, which had not been distributed (April 1983) as dividend to the share holders including Government.

Out of the share capital loan of Rs. 0.60 lakh repayable before March 1979 with interest, loan of Rs. 0.43 lakh and interest of Rs. 0.08 lakh had not been recovered (May 1983) by the General Manager, District Industries Centre, Tiruchirappalli from the members of the society, pending a decision on the future of the society.

An enquiry was held into the affairs of the society under Section 65 of the Tamil Nadu Co-operative Societies Act, 1961 and based on the enquiry report (November 1978), the Director of Industries and Commerce ordered (August 1979) winding up of the society. However, the society moved (September 1979) the Court and the order of the Director was quashed (November 1982) by the Court as (i) the order appointing the enquiry officer and the enquiry officer's report had not been filed in the Court ; (ii) in the absence of the enquiry report, the Court was led to believe that the functioning of the society and its financial position had not been enquired into as required under relevant Section of the Act and without such an enquiry, the Director could not order dissolution of the society and (iii) the finding of the enquiry had not been communicated to the society as required under the Act. The Director decided (April 1983) not to go in for appeal.

Thus, due to non-compliance with the statutory requirements, the society could not be wound up and Rs. 2.41 lakhs remained locked up (May 1983) with the society for over 9 years without any return.

The matter was reported to Government in July 1983 ; final reply is awaited (December 1983).

6.17.2. *The Tiruchirappalli Electronics and Electrical Servicing Industrial Co-operative Society.*—With the object of providing employment to educated unemployed technicians, a society was set up at Tiruchirappalli in December 1973 for servicing and manufacture of electrical and electronic appliances, with 13 members who were trained for 6 months at Government cost (Rs. 0.17 lakh). Government paid (1973-74) Rs. 1.95 lakhs towards share capital and Rs. 0.54 lakh to the members as share capital loan. Government also provided an Industrial Co-operative Officer to act as Secretary of the society on payment of cost.

As the society was not working satisfactorily and was incurring losses, an enquiry was conducted (November 1978) into the affairs of the society and the enquiry report (June 1979) disclosed that the losses were mainly because (i) the members mostly secured jobs elsewhere/were engaged in the same business privately and so they did not take interest in the affairs of the society, (ii) credit sales were allowed by the Secretary in contravention of the bye-laws of the society and proper action was not taken to realise the dues and (iii) the Secretary had committed irregularities in tenders connected with purchase of materials for a wiring contract.

Based on the enquiry report, the society was ordered (February 1980) by the Director to be wound up. As on 16th February 1981, cumulative loss of the society was Rs. 0.91 lakh (assets : Rs. 1.36 lakhs ; liabilities : Rs. 2.27 lakhs). Till May 1983 (more than 3 years after issue of order of winding up) only assets to the value of Rs. 0.04 lakh had been realised.

By end of March 1983, share capital loan of Rs. 0.36 lakh was pending recovery besides interest of 0.08 lakh.

Government generally accepted (August 1983) the facts mentioned above and stated that appropriate action was being taken to settle the affairs of the society.

6.18. Non-utilisation of Government assistance for establishment of a mini paper plant

In order to increase paper production, Government decided (February 1980) to set up a mini paper plant of 4,500 tonnes annual capacity (tentative project cost : Rs. 2,00 lakhs) at Madurantakam (Chengalpattu district) in the co-operative sector by utilising the bagasse available in the Madurantakam Co-operative Sugar Mills and other nearby sugar mills. As per the approved pattern of financing co-operative paper plants, Government was to contribute 25 per cent of the cost of the project in the form of share capital, co-operative sugar mills contributing 10 per cent as equity with the balance being met by loans from financial institutions. Accordingly, Rs. 30 lakhs being part of the share capital assistance were paid (March 1980) to the Tamil Nadu Sugar Corporation (TASCO) for executing the project on behalf of the co-operative society. TASCO got a project report prepared (April 1981) by a private consultant but the report was not approved by Government (April 1983) on the ground that it was not based on latest technology ; preparation of a fresh detailed project report was under consideration. Meanwhile, the co-operative society had not been organised and no equity capital had been collected (April 1983) from the co-operative mills. Rupees 30.00 lakhs paid by Government towards share capital had been invested by TASCO in fixed deposits and had not been utilised for the intended purpose for more than 3 years (April 1983) thus failing to augment paper production in the State as also other benefits like generation of employment.

While accepting the facts mentioned above, Government stated (August 1983) that it had since been proposed to produce tissue paper instead of ordinary paper and that efforts were being made to set up the plant early.

6.19. Short recovery of interest

In March 1962, Government sanctioned a loan of Rs. 16.00 lakhs to a co-operative society for establishment of an industrial estate at Pollachi, Coimbatore district. The assistance was intended to meet the cost of land, construction of buildings, provision of equipments and working capital. The loan was disbursed in 5 instalments—Rs. 2.00 lakhs each on 25th March 1963 and 22nd June 1963 and Rs. 4.00 lakhs each on 26th November 1964, 17th February 1966 and 30th March 1967. The loan was to be repaid in 15 equal annual instalments commencing after completion of one year from the date of disbursement of the last instalment of the loan. The rate of interest was fixed (1962) at 3 per cent per annum during the first five years, to be stepped up to 4.5 per cent by an increase of half a per cent per annum during every year thereafter, in respect of the first 4 instalments. Government revised (February 1967) the rate of interest to 6½ per cent per annum in respect of the fifth and the last instalment of the loan.

According to the conditions governing the loan, the first instalment of repayment fell due on 30th March 1968. Based on representations from the loanee, Government extended (January 1969) the due date of repayment to 30th March 1969 and later (November 1972) to 31st March 1973.

The department levied interest at the rate of 3 per cent from the date of drawal of the loan instalments up to a period of 5 years from 31st March 1973, the date of commencement of repayment of the loan, stepping up the rate only thereafter. As interest is chargeable from the date of drawal of each instalment, the stepping up of interest rates should have been done, reckoning from the date of drawal of the loan instalments and not from the date of commencement of repayment of the loans. Further, for the fifth and the last instalment of loan, interest was levied incorrectly at the rate of 3 per cent instead of at the revised rate of 6½ per cent.

The incorrect calculation of interest resulted in short demand and consequential short recovery of interest amounting to Rs. 2.39 lakhs up to end of March 1983.

While accepting the facts, Government stated (November 1983) that instructions had been issued for recovery of interest short collected.

6.20. Statutory Boards

The audit of the accounts of Tamil Nadu Water Supply and Drainage Board and Madras Metropolitan Water Supply and Sewerage Board has been entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Important points noticed in the audit of these Boards are given in the succeeding paragraphs.

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD

6.21. Salem Water Supply Improvement Scheme

6.21.1. *Introductory.*—In February 1970, Government sanctioned improvements to water supply to Salem town at a cost of Rs. 1,27.70 lakhs with a view to increasing the supply from 3.2 MGD to 6 MGD. The work consisted of four parts and technical sanction for the first three parts was accorded by the Chief Engineer, Tamil Nadu Water Supply and Drainage Board between December 1970 and March 1975 for Rs. 1,39.94 lakhs. The estimate for the fourth part for duplication of pumping main from intake tower to booster station, construction of staff quarters, etc., proposed at a cost of Rs. 10.26 lakhs had not been sanctioned (December 1983) though the works were completed (March 1976).

Rupees 1,84.58 lakhs were spent on the scheme (September 1983). Revised administrative approval was accorded in June 1975 for Rs. 1,59.63 lakhs and a second revised estimate (including the provision for Part IV) prepared (November 1982) for Rs. 1,75 lakhs is pending with Government for sanction (December 1983).

The scheme, commenced in January 1972, was completed in January 1981.

6.21.2. The following points were noticed:—

(*a*) The original estimate for Part III (installation of higher duty pumpsets) sanctioned in 1973 provided for duplication of pumping main (cost : Rs. 2.25 lakhs) for 2070 metres from intake tower to booster station to carry the increased flow of 6 MGD.

While revising the estimate in 1974, the duplication of main from intake tower to booster station was deleted by the Chief Engineer as it was not provided for in the original administrative sanction. As this duplication was necessary to receive the increased flow, it was again included in Part IV of the scheme (1975) (estimated cost : Rs. 10.265 lakhs) and completed in January 1976 at a cost of Rs. 11.34 lakhs even-though the work of duplicating the pumping main from booster station to the treatment plant was completed in July 1974. The entire duplication work was energised in March 1976 only. The initial omission in providing for duplication work and subsequent time taken to include this item resulted in increase in cost of Rs. 1.19 lakhs apart from the avoidable delay of 2 years in energising the entire duplication work.

(*b*) It was proposed to utilise 8 numbers of 41 HP submersible pumpsets to maintain temporary water supply arrangements, as intake tower had to be isolated for installing high duty pumpsets. Out of the six 41 HP pumps procured (cost : Rs. 1.17 lakhs) in January 1976, only four were installed in August 1979 and the balance two were transferred to Salem Municipality. On the apprehension that these four pumps might not lift water if the level of water went below 105 ft., an estimate was sanctioned by the Superintending Engineer in November 1978 for Rs. 1.88 lakhs and orders were placed in February 1979 on firm 'A' for supply and erection of two 30 HP booster pumps (cost : Rs. 1.94 lakhs). Due to satisfactory water level, the orders were cancelled in October 1979, but again reinstated in December 1979 as it was felt by the Superintending Engineer that these pumps would be useful during isolation of intake tower if the water level went below 105 feet. These pumpsets supplied in March 1980 were not installed and temporary arrangements were made using only three out of the four 41 HP pumpsets. The water level was satisfactory and did not warrant use of booster pumps. This resulted in an avoidable expenditure of Rs. 1.70 lakhs on the purchase of these two 30 HP Booster pumps. The pumps were lying in stock (December 1983).

(*c*) In the duplicate pumping and conveying main laid in 1974-75, bursts and leakages occurred at several points, due to (i) non-provision of water hammer control valves, (ii) omission to provide sand cushion to pipes resting on rocks after chipping knife-edged rocks, (iii) use of tyton (rubber) joints for most of the lengths instead of lead joints and lead joints wherever used having been pushed out due to water hammer.

(*d*) The following points were noticed :—

(i) The local agents of a company at Bombay suggested the use of water hammer valves manufactured by them to arrest water hammer

and leakage/bursting of pipes as early as September 1973. The same company after a scrutiny of the technical details of the scheme furnished to them by the department expressed the view (May 1975) that they were going to certainly face return surge water hammer pressure, viz., bursting of the pipes, heavy leakages due to lead caulking coming out of its seat, etc. Orders for the supply of valves were placed only in December 1979 based on the inspection notes of Chief Engineer in October 1979. The delay in placing the supply orders resulted not only in an additional cost of Rs. 0.35 lakh on purchase of valves but also an expenditure of Rs. 5.12 lakhs on rectification works rendered necessary until the valves were fixed. The extra expenditure of Rs. 5.47 lakhs could have been avoided had timely action been taken in fixing the valves.

(ii) While ISI specifications prescribe a depth of 170 cm. for 450 mm. dia. pipes, 185 cm. for 500 mm. dia. and 205 cm. for 600mm. dia. pipes, the actual excavation carried out was far much less than the aforesaid depths. The reasons for adopting lower depths were not on record.

(iii) As per ISI specifications and instructions issued (November 1973) by Chief Engineer, Tamil Nadu Water Supply and Drainage Board, trenches for laying pipe lines required a width of 90 cm. for 400 mm. dia. pipes, 100 cm. for 500 mm. dia. pipes and 110 cm. for 600 mm. pipes. Actually widths of 120 cm. for 400 mm. pipes and 150 cm.for 500 and 600 mm. pipes, were adopted during execution resulting in an extra expenditure of **Rs. 0.86 lakh.**

(*e*) The Scheme sanctioned in February 1970, was completed in January 1981 after nearly 11 years. The delay was due to following reasons :

(i) Though the scheme was sanctioned in February 1970, different parts of the estimate were taken up separately and sanctioned between 1970–71 and 1974–75. Tenders for Part II of the Scheme (Improvement for treatment works) called for in October 1972 were rejected in August 1973 due to technical deficiencies in tender schedules. The tenders were called for again in August 1973. The lowest tender was accepted only in June 1974. Part III of the scheme consisted of various components for which tenders were called for in parts between August 1974 and November 1978 and agreements concluded between December 1974 and February 1979.

(ii) The pumpsets were supplied during 1975-76 to 1977-78 (Rs. 20.98 lakhs) but erection and energising of the pumpsets were completed between August 1979 and January 1981, as the civil works relating to installation of pumps were not completed until 1980-81 and the electrical works for meeting the load of higher duty pumpsets in Booster stations required modification as suggested by the Electrical Inspector in December 1979 and were completed in January 1981 only.

(iii) Duplicating pumping main from intake tower to Booster station included in the original estimate in 1973 in Part III was not sanctioned as it was not provided for in the original administrative sanction. This work was, however, included subsequently in Part IV of the scheme in 1975 since it was found necessary and was completed in January 1976 only.

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

6.22. Trichy Water Supply Improvement Scheme

6.22.1. The existing water supply scheme of Trichy town was implemented in 1958 for a supply of 31.5 mld. of water to meet the requirements of a projected population of 2,70,000 and 3,30,000 in 1976 and 1991 respectively. As the actual population reached 3,05,400 in 1971 itself, proposals were formulated in August 1971 for carrying out further improvements. These improvements were to be carried out in three stages in 1972, 1976 and 1986 respectively at a total cost of Rs. 3,60 lakhs.

Stage I consisted of construction of a collector well in river Cauvery to yield 50 mld. of water with four service reservoirs, pump house, pump sets and conveying main pipe lines. Stage II contemplated construction of four more reservoirs and laying of distribution lines for 75 kms. Thus full benefit of Stage I was to be derived after the completion of Stage II.

In April 1973, Government accorded administrative approval for Stage I at a cost of Rs. 1,30 lakhs. The work was commenced in December 1974 and was completed in June1982 at a cost of Rs.1,90 lakhs. The delay was due to belated technical sanctions and taking up of work in parts. Moreover there was delay from 1978 to 1980 on account of change in design (approved in March 1979). In September 1979, Government sanctioned Stage II at an estimated cost of Rs. 1,61.30 lakhs which was revised to Rs. 3,42.32 lakhs in May 1982. Revised administrative sanction for the enhanced amount has not yet been accorded (June 1983). Construction of reservoir, a major component of Stage II has not yet been commenced (June 1983). Total expenditure incurred till end of October 1983 was Rs. 3,45.49 lakhs for both Stages I and II.

6.22.2. The following irregularities were noticed during an audit check (May 1983) of the records:—

(*a*) *Delay in finalisation of designs.*—The technical estimate for the construction of a multi-purpose service reservoir was sanctioned for Rs. 20.07 lakhs in July 1976. The tender of contractor ' A ' (Rs. 15.71 lakhs) was accepted in February 1977. The pile foundation work was completed in January 1978. At this stage, the department initiated a programme to provide attractive architectural appearance to the building

portion of the reservoir by consulting a private architect. The work on superstructure had to be stopped in January 1978 until the architectural feature and design were approved by the Chief Engineer (March 1979). The work was continued thereafter and completed in June 1982. Consequent on the delay on the part of the department, the contractor went for arbitration in March 1979 and his claim for higher rates was allowed by the Arbitrator in June 1980 resulting in additional payment of Rs. 3.28 lakhs (February 1981).

(*b*) *Delay in acquisition of land.*—The land for service reservoir at Thillainagar was acquired and handed over to Tamil Nadu Water Supply and Drainage Board in October 1975 except for 18,245 square feet, which was also under acquisition. Pending acquisition of balance land, the work was commenced in October 1976. The owner of the land went to court challenging the acquisition and the work was stopped in December 1976. After getting consent of the owner, the work was resumed in December 1977 and completed in June 1981. The contractor went for arbitration in March 1979 on account of delay in handing over the site and claimed higher rates on account of delay in acquisition of land. The Arbitrator allowed the claim (January 1980) resulting in extra cost of Rs. 0.65 lakh to the Scheme.

(*c*) *Loss of Rs.* 0.98 *lakh on account of incorrect comparison of tender rates.*—In respect of one of the two R C C items included in the tender schedule for construction of a reservoir the rate was required to be quoted inclusive of reinforcement. Tender schedule prepared by the department was defective. Contractor 'A' whose tender was accepted (January 1976) claimed in October 1978 that his tendered rate for this item of work was exclusive of the cost of reinforcement. The dispute was referred to the Arbitrator who allowed the claim resulting in extra payment of Rs 1.26 lakhs to the contractor.

Had the department compared the tender rates with correct estimate rates (the estimate rate adopted for comparison was exclusive of reinforcement) the unworkability of the tendered rate could have been noticed and in the event of contractor 'A' claiming separate payment for reinforcement, the tender of contractor 'B' which included reinforcement, would have been lowest and its acceptance would have avoided an extra expenditure of Rs. 0.98 lakh.

(*d*) *Collector well-failure to conduct yield test.*—The contract for the construction of collector well contained a guarantee clause by virtue of which contractor "C" to whom the work was entrusted, was liable to pay damages up to a maximum of five per cent (depending on the quantum of shortfall) of the contract amount if the yield from the well fell short of 22.75 mld, on any single day during the first year after

commissioning. The well was commissioned on 16th June 1981. However, the daily yield test for the purpose of enforcing the guarantee clause was not conducted before the expiry of one year. Test check of the log extracts of pumpsets for the period March 1982 - May 1982 in Audit showed that the yield per day had not exceeded 12.53 mld.

(e) *Non-recovery for issue of materials*.—In the case of a contract for laying and jointing of distribution pipes which was proposed to be terminated (April 1983) due to stoppage of work (March 1982) it was found that an amount of Rs. 0.74 lakh was pending recovery towards cost of materials issued. No action has been taken by the Divisional Officer so far (December 1983) to recover the amount.

(f) *Termination of contract and resultant extra expenditure*.—In two cases, the contracts were terminated (July 1981 and January 1982) due to slow progress of work and the remaining works got executed through another agency at an extra cost of Rs. 0·61 lakh. No action was, however, taken by the Divisional Officer to enforce the provisions of the contract for recovering the extra expenditure (December 1983).

6.22.3. To sum up

(i) The first stage of the scheme was completed in June 1982 after a delay of six years. Second stage proposed to be commenced in 1976 was taken up in 1979 and is still in progress ; remodelling distribution-system, construction of service reservoir, suction well and pumphouse remained to be completed. The full benefit of the scheme will be derived only after II Stage is completed.

(ii) The estimated cost of the scheme (I and II Stage) had been revised from Rs. 2,20 lakhs (1972) to Rs. 5,32 lakhs (1982). The actual expenditure incurred for Stage I was 88 per cent more than the sanctioned provision which is yet to be regularised (December 1983).

(iii) There was an avoidable expenditure of Rs 3.93 lakhs on account of departmental delay in finalising design and in acquisition of land.

(iv) There was a loss of Rs. 0.98 lakh on account of incorrect comparison of tendered rates for RCC work.

(v) The daily yield test in terms of the agreement for the purpose of enforcing the guarantee clause was not conducted. Test check in Audit revealed that daily yield did not exceed 12.53 mld. as against the required yield of 22.75 mld.

(vi) Rupees 0.74 lakh was pending recovery towards cost of materials issued to a contractor whose centract had been terminated.

(vii) Rupees 0.61 lakh remained to be recovered due to termination of contract, the balance work having been got executed through another agency.

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

6.23. Coonoor Water Supply Improvement Scheme

6.23.1. *Introductory.*—In July 1970, Government sanctioned a scheme for the improvement of water supply to Coonoor town at a cost of Rs. 51.74 lakhs involving improvements to Head works, laying conveying mains including construction of break pressure tank with off-take arrangements, distribution system, construction of treatment plant and service reservoirs. The scheme envisaged tapping of new sources so as to augment water supply from 4.2 lakh gallons to 10.5 lakh gallons per day. Estimates for various components of the scheme were sanctioned technically piecemeal for Rs. 53.96 lakhs by Chief Engineer between May 1973 and December 1979.

The work was commenced in August 1973 and expenditure of Rs. 71.29 lakhs incurred (October 1983). A revised estimate of Rs. 70.20 lakhs submitted by Chief Engineer, Tamil Nadu Water Supply and Drainage Board in August 1982 is yet to be sanctioned (December 1983). Construction of slow sand filter bed at Mount Pleasant, treatment works for Gymkhana source at Vannarpet and construction of setting tank near Karadipallam remained to be executed (December 1983).

6.23.2. The following points were noticed in audit :—

(i) Pipes and specials costing Rs. 12.23 lakhs which were procured from June 1971 to August 1975 but could not be utilised in the scheme due to changes in classification and sizes of pipes ordered subsequently for which no reasons were on record, were transferred between September 1977 and December 1982 to the Regional Stores, Coimbatore

and to other divisions/schemes. Action of Executive Engineer in procuring stores in excess of requirement resulted in locking up of borrowed funds, leading to charging of interest to the scheme to the tune of Rs. 0.62 lakh and avoidable expenditure amounting to Rs. 0.20 lakh on transportation.

(ii) In the work of laying of distribution system, it was originally planned to inter connect Grey Hill (Service Reservoir) and Vannarpet (Service Reservoir) with Asbestos Cement class 10 pipes, which were procured and made available at site in September 1975. However, surplus CI Light 'A' class pipes procured for other works were transferred in March 1976 and September 1977 under orders of Superintending Engineer, Coimbatore Circle and use on the plea that the additional expenditure of Rs. 80,000 as a result of the change could be offset by connecting the Vannarpet (Service Reservoir) directly from the conveying main. Actually the work was completed as per the original proposals by inter-connecting Grey Hill Reservoir and Vannarpet (Service Reservoir).

Mere change in the classification of pipes without any technical advantage resulted in an extra expenditure of Rs. 0.80 lakh.

(iii) The work of construction of slow sand filter and ground level service reservoir at Vannarpet was estimated for Rs. 6.83 lakhs and technically sanctioned in December 1979. When the work of slow sand filter was started it was noticed that in the other work of construction of ground level service reservoir taken up, there was a deep vertical cutting. As the depth of the cutting was about 5.5 metres and it was very near to the side walls of the above said filter, construction of a retaining wall for 60 metres, which was not contemplated in the estimate, was necessitated. The contract for this item of work was separately awarded in October 1982 for Rs. 2.13 lakhs (based on 1981-82 schedule of rates) after obtaining technical sanction for Rs. 2.57 lakhs.

The soil condition and the topography of the site was known to the department before the commencement of the works. Siting of the two works close by without proper planning led to the award of the contract for construction of retaining wall resulting in an extra cost of about Rs. 0.56 lakh.

(iv) The scheme sanctioned by Government in 1973 has not been fully completed (December 1983) thus denying the full benefit of protected water supply to the residents. The delay in execution, attributed to the following reasons, resulted in escalation of cost of Rs. 16.24 lakhs as under :

(*a*) *Delay in acquisition of land.*—The land was handed over to the department only in April 1978, i.e., after five years. Proposals to acquire land were initiated by department only in March 1976.

(*b*) Change of site for ground level service reservoir and Treatment Plant in respect of supply from Gymkhana Stream, from Municipal High School Compound to Vannarpet.

(*c*) The work of construction of slow sand filter at Mount Pleasant awarded in January 1978 with target date of October 1978 was terminated in April 1980 due to slow progress. This cancellation was revoked in April 1981 with a condition to complete the work by October 1981. The work is still in progress. This has resulted in incurring an extra expenditure of Rs.0.29 lakh on petty supervision charges alone from November 1978 to March 1981.

Due to non-completion of filters and Treatment Plants, water is being supplied to the public without treatment (June 1978) eventhough test results have indicated that the water needs treatment to remove both turbidity and pathogenic bacteria.

The points mentioned above were reported to Government in August 1983 ; their reply is awaited (December 1983).

6.24. Utilisation of steel centering materials for overhead tanks

The estimates for the construction of overhead water tanks supported on R.C.C. columns were framed by the Rural Water Supply Divisions based on use of wooden centering materials and notices inviting tenders were issued accordingly from time to time. During execution, the divisions however supplied steel centering materials available with them to the contractors on their request and recovered usual hire charges.

The agreements entered into in three divisions (Salem, Pudukottai Divisions I and II) contemplated use of wooden centering materials to be procured by the contractors. In another division (Erode) the agreements contemplated the use of both types of centering materials. However in all the four divisions, steel centering materials were issued

by the department to the contractors. The cost of wooden centering materials as provided in the estimates were much higher than the hire charges for steel centering materials recovered from the contractors resulting in undue benefit to the contractors to the extent of Rs. 14.33 lakhs as indicated below .

Division	*Capacity of tank in litres*	*Cost of centering materials provided in estimate*	*Hire charges recovered towards steel centering materials*	*Number of tanks*	*Difference in hire charges recovered*
(1)	(2)	(3)	(4)	(5)	(6)
			(in rupees)		(in rupees)
			430	5	15,710
(1) Salem, 1980-81	(*a*) 15,000	3,572	——	—	——
			860	4	10,848
	(*b*) 30,000	4,801	1,225	5	17,880
	(*c*) 60,000	6,977	2,160	2	9,634
(2) Pudukkottai I, 1981-82	(*a*) 10,000	2850	120	40	1,09,200
	(*b*) 15,000	4011	150	94	3,62,934
(3) Pudukkottai II, 1982-83	30,000	4,473	325	100	4,14,800
(4) Erode, 1981-82	(*a*) 15,000	5,104	1,057	19	76,899
	(*b*) 30,000	7,224	1,856	10	53,680
	(*c*) 60,000	7,499	925	2	13,148
	(*d*) 1,00,000	10,804	1,236	2	19,136
1982-83	(*e*) 15,000	6,635	1,700	29	1,43,115
	(*f*) 30,000	9,390	2,700	16	1,07,040
	(*g*) 60,000	9,748	1,000	9	78,782
			Total ..		14,32,806

The department compared the tenders in all these cases with original estimates which were based on the use of wooden centering materials only. No action was taken to enter into supplemental agreements at reduced rates for R.C.C. items of work carried out using steel centering materials. Competitive rates could not be secured in the absence of stipulating the use of departmental steel centering materials at specified rates of hire charges in the tender schedules.

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

MADRAS METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD

6.25. Metering programme for water supply in Madras City

In July 1978, Madras Metropolitan Water Supply and Sewerage Board proposed to take up installation of meters for 25,000 domestic consumption connections of different sizes for water supply as a first step to conserve water and reduce wastage. The scheme was approved by Government in October 1978 and undertaken under Madras Urban Development Project. The scheme was implemented with financial assistance from the International Development Association, the soft lending agency of the World Bank. Government of Tamil Nadu to whom loan assistance was allocated by the Government of India in turn gave assistance to the Board in the form of loan and grant on 50: 50 basis. The Board estimated, on the basis of a random survey, the number of house service connection pipes of 15mm., 25mm., 40mm., and 50mm. sizes, which are to be metered, as 22,000, 2,000, 500 and 500 respectively and procured during March 1979 to April 1982 the above quantity of meters and connected materials like ferrules, plug cocks and RCC Meter boxes at a total cost of Rs. 98.80 lakhs. During execution it was found that the number of meters installed for 25 mm. size pipe connections was only 274 as against 2,000 estimated while the use of meters for 40 mm. and 50 mm. size was nil as against the estimated requirement of 500 each. As the water charges recoverable from 15 mm. size metered domestic connections will be meagre (taking into account the huge quantity of free allowance) and the entire credit from World Bank has also been availed of, the Board decided (May 1982) to stop the metering programme after completing the work in respect of 22,000 meters (15 mm. size) before June 1982 and to take up further metering only after studying and evaluating the effectiveness of the work done so far. Metering of 15 mm. size was completed in 21,697 cases only. The evaluation study has not yet been completed (September 1983). Due to stoppage of the work and incorrect assessment of the requirement of meters in respect of all sizes of service connections, 3,029 numbers of meters and ancillaries costing Rs. 21.31 lakhs remained unused.

RCC meter boxes were used only in 14,650 cases (for 21,971 meters installed); while 25,000 meter boxes (cost: Rs. 27.72 lakhs) had been procured in anticipation that one box would be provided for each meter. During execution it was found that in most of the cases, meter boxes were not necessary, on account of construction of chambers by owners themselves and lack of space and site conditions. The value of 10,350 unused meter boxes was Rs. 11.44 lakhs.

The total value of meters, ferrules, plug cocks and meter boxes which could not be used in the programme amounted to Rs. 32.75 lakhs. Though the Board had replied (March 1983) that the balance of work under the metering programme would be completed in due course, it was noticed that it had already decided in May 1982 itself to stop metering programme until the effectiveness of the work already done was evaluated. It was found that in most of the domestic connections (of 15mm. size) where meters were installed, the consumption of water was well within free allowance. There was no scope for utilisation of meters for 40 mm. and 50 mm. pipes in future for house connections. Since the meters were to be installed at the cost of owners, the purchases in excess of requirements had led to the locking up of funds to the tune of Rs. 32.75 lakhs.

The mater was reported to Government in August 1983; their reply is awaited (December 1983).

6.26. Loss due to delay in preferring claim

The Madras Metropolitan Water Supply and Sewerage Board placed an order in July 1980 on a foreign firm 'B' for supply of sewer clearing equipment after negotiation, having earlier invited global tenders in April 1979. The equipment was received in India in June 1981 and taken delivery of in July 1981 after payment of customs duty of Rs. 15.10 lakhs.

Section 25(2) of the Customs Act, 1962 provides for granting exemption by special order in individual cases from payment of duty on any goods of special nature. On the ground that it was a sophisticated type of equipment purchased under IDA credit the exemption from the payment of duty was sought for in September 1981. The Government of India, however, negatived it in December 1981 stating that it was not possible to grant exemption from payment of customs duty with retrospective effect as the equipment had already been imported and cleared on payment of customs duty. Failure to take timely action in applying for exemption from payment of customs duty had resulted in extra cost of Rs. 15.10 lakhs.

Government generally accepted the facts and stated (October 1983) that they would be more careful in future.

6.27. Modification to 15 sewerage pumping stations in Madras City

In May 1979 Government sanctioned modification to 15 sewerage pumping stations in Madras City at a cost of Rs. 4,87.97 lakhs. The estimate for the scheme was technically sanctioned (July 1979) by the Engineering Director of the Board for Rs. 4,87.97 lakhs. Based on global

tenders, the work was awarded (February 1980) to a company for Rs.5,72.24 lakhs. Modifications to 14 out of 15 sewerage pumping stations were completed and an expenditure of Rs. 5,61.25 lakhs was incurred up to March 1983.

The following points were noticed in audit:

(i) The work scheduled to have been completed by December 1981 is still incomplete (December 1983), in respect of one pumping station.

(ii) The tender specifications for pumps in Napier Park Pumping Station provided for two 135/400 HP pump sets for pump station No. 4, though the drawings indicated two 100/200 HP pump sets with required electrical connection suitable for two numbers 100/200 HP pump sets. During execution in October 1980, the company pointed out the discrepancy and asked for additional payment of Rs. 7.24 lakhs which was subsequently reduced in December 1980 to Rs. 5.22 lakhs by the company. The Board negotiated (May 1982) for an extra sum of 4.00 lakhs which was paid to the company in September 1982.

(iii) The priming system carried out in accordance with the Board's drawings was found ineffective and resulted in breakdown due to frequent clogging of vacuum lines. Certain modifications were made subsequently by the company (June 1982) at an extra cost of Rs. 1.25 lakhs; the amount is yet to be paid to the company (July 1983).

The incorrect drawings given by the Board in the tender documents resulted in an additional payment of Rs. 5.25 lakhs.

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

CHAPTER VII

COMMERCIAL ACTIVITIES

7. There were 6 departmentally managed Commercial and *Quasi*-Commercial Undertakings in the State as on 31st March 1983. The results of the working of these undertakings are ascertained annually by preparing *pro forma* accounts outside the general accounts of Government. All these undertakings are in arrears in finalising their accounts for 1982-83 (October 1983). A synoptic statement showing the summarised financial results of the 6 undertakings and of the Motor Vehicles Maintenance Organisation, which became a service department from 1st April 1981, whose *pro forma* accounts were received in audit and certified/pending certification since the last report are given in Appendix XXIII. The statement is based on the latest *pro forma* accounts of these undertakings.

Details of the undertakings whose *pro forma* accounts are in arrears are also given in Appendix XXIV.

The delay in finalising the accounts was brought to the notice of the concerned Departments/Government in August 1983 and their replies are awaited (October 1983).

Madras,
The 13 MAR 1984

(C. SANKARA MENON)
Accountant General, Tamil Nadu

Countersigned

New Delhi,
The 21st march 1984

(GIAN PRAKASH)
Comptroller and Auditor General of India

APPENDIX I

(*Reference* : Paragraph 1.3., Page 2)

ANALYSIS OF REVENUE RECEIPTS

(1)	1981–82 (2)	1982–83 (3)	*Amount of increase(+) decrease(—)* (4)
	(in crores of rupees)		
(i) Revenue raised by the Government—			
(*a*) Tax Revenue	8,42.39	10,11.53	(+) 1,69.14
(*b*) Non-Tax Revenue	1,44.01	1,67.53	(+) 23.52
Total (i) ..	9,86.40	11,79.06	(+) 1,92.66
(ii) Receipts from the Government of India—			
(*a*) Taxes on income other than Corporation Tax	81.92	91.06	(+) 9.14
(*b*) Hotel Receipts Tax	0.07	..	(—) 0.07
(*c*) Estate Duty	2.14	1.32	(—) 0.82
(*d*) State's share of Union Excise Duties ..	2,45.36	2,64.00	(+) 18.64
(*e*) Grants—			
1. Non-Plan Grants	14.65	18.90	(+) 4.25
2. For State Plan Schemes	54.21	50.76	(—) 3.45
3. For Central Plan Schemes	26.27	17.11	(—) 9.16
4. For Centrally Sponsored Plan Schemes	30.53	55.81	(+) 25.28
Total (ii) ..	4,55.15	4,98.96	(+) 43.81
Total—Revenue Receipts ..	14,41.55	16,78.02	(+) 2,36.47

APPENDIX II

(*Reference* : Paragraph 1.4, Page 3)

PLAN AND NON-PLAN EXPENDITURE ON REVENUE ACCOUNT

Head of expenditure	*Budget estimate*	*Budget plus supplementary*	*Actuals.**	*Variation between columns (4) and (3)*
(1)	(2)	(3)	(4)	(5)
		(in crores of rupees)		
A—Plan—				
A. General Services ..	0.41	0.63	0.82	(+) 0.19
			(0.35)	
B. Social and Community Services	1,65.63	2,74.51	1,95.68	(—) 78.83
			(1,34.05)	
C. Economic Services—				
(i) General Economic Services	5.30	7.27	6.28	(—) 0.99
			(8.16)	
(ii) Agriculture and Allied Services	1,43.46	2,26.49	1,61.16	(—) 65.33
			(1,38.20)	
(iii) Industry and Minerals	9.84	21.51	21.18	(—) 0.33
			(11.57)	
(iv) Water and Power Development	1.79	7.88	2.63	(—) 5.25
			(21.03)	
(v) Transport and Communications	15.75	22.81	9.97	(—) 12.84
			(13.21)	
Total—C ..	1,76.14	2,85.96	2,01.22	(—) 84.74
			(1,92.17)	
Total—Plan ..	3,42.18	5,61.10	3,97.72	(—) 1,63.38
			(3,26.57)	

* Figures in brackets represent the expenditure during 1981-82.

APPENDIX II—*concld.*

Head of expenditure	*Budget estimate*	*Budget plus supplementary*	*Actuals**	*Variation between columns (4) and (3)*
(1)	(2)	(3)	(4)	(5)
		(in crores of rupees)		
B—Non-Plan—				
A. General Services ..	3,87.78	4,13.19	3,59.70	(—) 53.49
			(3,25.82)	
B. Social and Community Services	4,08.73	4,67.75	5,15.14	(+) 47.39
			(3,97.66)	
C. Economic Services—				
(i) General Economic Services	14.13	17.69	18.01	(+) 0.32
			(91.52)	
(ii) Agriculture and Allied Services	74.01	83.32	1,24.62	(+) 41.30
			(82.52)	
(iii) Industry and Minerals	11.58	18.57	19.01	(+) 0.44
			(15.07)	
(iv) Water and Power Development	61.44	61.44	57.45	(—) 3.99
			(46.54)	
(v) Transport and Communications	47.59	55.59	62.95	(+) 7.36
			(53.86)	
Total—C ..	2,08.75	2,36.61	2,82.04	(+) 45.43
			(2,89.51)	
D. Grants-in-aid and Contributions	22.60	22.91	21.48	(—) 1.43
			(20.33)	
Total—Non-Plan	10,27.86	11,40.46	11,78.36	(+) 37.90
			(10,33.32)	

* Figures in brackets represent the expenditure during 1981-82.

APPENDIX III

(Reference : Paragraph 1.5, Page 4)

PLAN AND NON-PLAN EXPENDITURE ON CAPITAL ACCOUNT

Head of expenditure	*Budget*	*Budget plus supplementary*	*Actuals* *	*Variation between columns (4) and (3)*
(1)	(2)	(3)	(4)	(5)
		(in crores of rupees)		
A—Plan				
Capital account of—				
A. General Services ..	7.76	8.31	5.28	(—) 3.03
			(3.69)	
B. Social and Community Services	32.87	33.76	27.78	(—) 5.98
			(25.88)	
C. Economic Services—				
(i) General Economic Services	6.40	15.23	14.21	(—) 1.02
			(10.31)	
(ii) Agriculture and Allied services	22.39	22.73	19.24	(—)3.49
			(14.53)	
(iii) Industry and Minerals	24.10	24.38	22.88	(—) 1.50
			(42.43)	
(iv) Water and Power Development	41.23	43.73	37.13	(—)6.60
			(21.27)	
(v) Transport and Communications	25.04	26.64	20.85	(—) 5.79
			(20.62)	
Total—C ..	1,19.16	1,32.71	1,14.31	(—)18.40
			(1,09·16)	
Total-Plan ..	1,59.79	1,74.78	1,47.37	(—) 27.41
			(1,38.73)	

* Figures in brackets represent the expenditure during 1981–82.

APPENDIX III—*concld.*

Head of expenditure	*Budget*	*Budget plus supplementary*	*Actuals**	*Variation between columns (4) and (3)*
(1)	(2)	(3)	(4)	(5)
		(in crores of rupees)		
B—Non-Plan—				
Capital Account of—				
A. General Services ..	4.43	4.43	3.85 (4.11)	(—) 0.58
B. Social and Community Services	2.59	3·66	3.33 (1.79)	(—) 0.33
C. Economic Services—				
(i) General Economic Services	(—) 2.49	(—) 2.49	(—) 5.88 (— 0.75)	(—) 3.39
(ii) Agriculture and Allied Services	0.74	1.52	0.54 (— 0.24)	(—) 0.98
(iii) Industry and Minerals	0.03	0.03	1.08 (— 0.12)	(+) 1.05
(iv) Water and Power Development	0·16	1.91	0.36 (0.01)	(—) 1.55
(v) Transport and Communications	..	..	0.10 (..)	(+) 0.10
Total—C	(—) 1.56	0.97	(—) 3.80 (— 1.10)	(—) 4.77
Total—Non-Plan ..	5.46	9.06	3.38 (4.80)	(—) 5.68

*Figures in brackets represent the expenditure during 1981-82.

APPENDIX

(Reference :

DETAILS OF DISBURSEMENTS OF LOANS AND ADVANCES AND

Categories	1980-81		
	Outstanding balance on 31st March/ 1st April 1980	*Loans disbursed*	*Loans recovered*
(1)	(2)	(3)	(4)
	(in crores of rupees)		
(i) Loans for Social and Community Services ..	2,09.58	41.03	10.38
(ii) Loans for Economic Services—			
(*a*) General Economic Services	1,31.76	1,07.49	67.66
(*b*) Agriculture and Allied Services	69.59	20.29	14.02
(*c*) Industry and Minerals	54.44	22.85	6.57
(*d*) Water and Power Development	4,55.70	1,23.84	..
(*e*) Transport and Communications	42.77	35.82	8.65
Total (ii) ..	7,54.26	3,10.29	96.90
(iii) Loans to Government Servants	25.29	29.93	23.40
(iv) Loans for miscellaneous purposes	18.47	3.39	0.60
Total ..	10,07.60	3,84.64	1,31.28

IV

Paragraph 1.6, page 6)

RECOVERIES MADE DURING THE THREE YEARS ENDING 1982-83

1981-82			1982-83			
Outstanding balance on 31st March/ 1st April 1981	*Loans disbursed*	*Loans recovered*	*Outstanding balance on 31st March/1st April* 1982	*Loans disbursed*	*Loans recovered*	*Outstanding balance on 31st March* 1983
(5)	(6)	(7)	(8)	(9)	(10)	(11)
(in crores of rupees)			(in crores of rupees)			
2,40.23	39.31	21.76	2,57.78	48.72	17.69	2,88.81
1,71.59	30.37	1,00.72	1,01.24	48.19	28.52	1,20.91
75.86	44.63	10.90	1,09.59	47.91	2.35	1,55.15
70.72	15.31	12.71	73.32	13.51	10.55	76.28
5,79.54	1,35.35	0.01	7,14.88	1,70.00	..	8,84.88
69.94	40.03	20.38	89.59	8.86	9·94	88.51
9,67.65	2,65.69	1,44.72	10,88.62	2,88.47	51.36	13,25.73
31.82	37.11	28.46	40.47	41.71	33.59	48.59
21.26	4.94	1.48	24.72	4.89	3.82	25.79
12,60.96	3,47.05	1,96.42	14,11.59	3,83.79	1,06.46	16,88.92

APPENDIX

(Reference : Paragraph

LOAN-WISE PARTICULARS

Nature of loan	*Loans outstanding to end of March 1983*
(1)	(2)
	(in lakhs of
Loans for Educational purposes	1.69
Loans for Water Supply and Public Health purposes	73,29.54
Loans for Slum Clearance and Low Income Group Housing ..	8.44
Loans for Town Planning Scheme	6,21.42
Loans for Provision for Shopping facilities for Burma Repatriates and Dhobikanas	9.82
Loans for Drought Schemes	76.42
Loans for Night Soil Compost Scheme	37.92
Loans for Construction of Community Wells, etc., and Self Sufficiency Scheme	25,81.10
Loans for Erection of new Sub-Stations, etc.	7·37
Loans for Construction of roads and bridges	18,16.24
Loans for Construction of Markets, other loans, Loans for Remunerative Enterprises like Bus stands, Markets, etc.	15,13.06
Total ..	1,40,03.02

V

1.6, page 6)

OF AMOUNTS OVERDUE

Amounts overdue for recovery				*Total as on 31st March 1983*
For 1979-80 and earlier years	1980-81	1981-82	1982-83	
(3)	(4)	(5)	(6)	(7)
rupees)				
..	..	..	..	..
2,76.09	96.12	1,38.94	1,59.15	6,70.30
0.16	..	0.10	0.36	0.62
0.31	0.38	3.83	6.94	11.46
0.31	0.14	0.19	0.24	0.88
..	0.65	2.70	6.26	9.61
3.15	2.02	1.75	2.14	9.06
2.48	..	21.95	2,52.14	2,76.57
..	..	..	..	..
4.17	2.56	5.54	85.07	97.34
6.97	7.70	5.55	19.89	40.11
2,93.64	1,09.57	1,80.55	5,32.19	11,15.95

APPENDIX VI

(*Reference* : Paragraph 1.6, Page 10)

IRREGULARITIES IN THE UTILISATION OF LOANS REPORTED BY THE EXAMINER OF LOCAL FUND ACCOUNTS

Municipal Councils and Municipal Township Committees.—Out of Rs. 2,58.40 lakhs paid as loans to municipal councils and municipal township committees (116 cases) during 1970-71 to 1981-82 for execution of flood and cyclone relief works, drought relief scheme works, dustless surfacing of roads, town planning schemes, etc., a sum of Rs. 1,50.11 lakhs remained unutilised at the end of 1981-82. In 35 cases the entire amount of loan (Rs. 70.75 lakhs) remained unutilised and in 28 cases the extent of utilisation was less than 50 per cent (unutilised loan Rs. 59.29 lakhs).

Town Panchayats and Panchayat Township Committees.—Out of Rs. 10.95 lakhs paid as loans to town panchayats during 1959-60 to 1981-82 for construction of "pay and use" latrine, bus stand, market shops, compost yard, dhobikanas, etc., Rs. 5.32 lakhs (23 cases) remained unutilised at the close of 1981-82. Of this, a sum of Rs. 3.75 lakhs in 11 cases remained entirely unutilised.

APPENDIX VII

(*Reference* : Paragraph 2.1, Page 20)

SUMMARY OF GRANTS/APPROPRIATIONS AND EXPENDITURE

	Revenue	*Capital*	*Loans and Advances*	*Public Debt*	*Transfer to Contingency Fund*	*Total*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(in crores of rupees)			
Authorised to be spent (Grants and Appropriations)						
Original						
Voted	12,85.44	1,69.99	3,65.54	..	..	18,20.97
Charged	**1,36.46**	**0.10**	..	**1,81.09**	..	**3,17.65**
Total ..	14,21.90	1,70.09	3,65.54	1,81.09	..	21,38.62
Supplementary						
Voted	3,25.68	18.48	15.49	..	..	3,59.65
Charged	**5.84**	**0.11**	..	**3,05.61**	..	**3,11.56**
Total ..	3,31.52	18.59	15.49	3,05.61	..	6,71.21
Tamil Nadu Contingency Fund (Second Amendment) Act, 1982 and Tamil Nadu Contingency Fund (Third Amendment) Act, 1982						
Voted	..	..	..	..	70.00	70.00
Total						
Voted	16,11.12	1,88.47	3,81.03	..	70.00	22,50.62
Charged	**1,42.30**	**0.21**	..	**4,86.70**	..	**6,29.21**
Total	17,53.42	1,88.68	3,81.03	4,86.70	70.00	28,79.83

APPENDIX VII—*concld.*

	Revenue	*Capital*	*Loans and Advances*	*Public Debt*	*Transfer to Contingency Fund*	*Total*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(in crores of rupees)			
Actual Expenditure (Grants and Appropriations)						
Voted	14,81.20	1,62.20	3,83.79	..	70.00	20,97.19
Charged	1,38.69	0.08	..	4,12.79	..	5,51.56
Total ..	16,19.89	1,62.28	3,83.79	4,12.79	70.00	26,48.75
Shortfall(—)/Excess (+)						
Voted	(—)1,29.92	(—) 26.27	(+) 2.76	..	..	(—) 1,53.43
Charged	(—) 3.61	(—) 0.13	..	(—)73.91	..	(—) 77.65
Total ..	(—)1,33.53	(—) 26.40	(+) 2.76	(—)73.91	..	(—) 2,31.08

APPENDIX VIII

(*Reference* : Paragraph 2.2, Page 24)

GRANTS/APPROPRIATIONS WHERE EXCESS REQUIRES REGULARISATION (OTHER THAN THOSE MENTIONED IN PARAGRAPH 2.1)

(*a*) Voted grants—

Serial number	*Number and name of grant*	*Total grant*	*Expenditure*	*Excess*
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	RS.
1.	2—State Excise Department	2,92,14,000	2,94,95,197	+ 2,81,197

Reasons for the excess have not been communicated (December1983)

2.	8—Elections ..	49,16,000	49,78,292	+ 62,292

Reasons for the excess have not been communicated(December1983).

3.	9—Head of State, Ministers and Headquarters Staff ..	21,53,55,000	21,92,69,179	+ 39,14,179

Reasons for the excess have not been communicated(December 1983)

4.	11—District Administration	23,62,78,000	24,51,67,412	+ 88,89,412

Excess was mainly due to additional instalments of dearness allowance and additional staff, frequent tours undertaken by the staff and increase in train/bus fare.

APPENDIX VIII—*contd.*

Serial number	Number *and name of grant*	*Total grant*	*Expenditure*	*Excess*
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	RS.
5.	24—Industries	15,74,22,000	16,01,02,780	+26,80,780

Excess occurred mainly under "321. AH. I. AE. Silk reeling units in the State " (Rs. 23.07 lakhs), of which Rs.7.83 lakhs were due to increase in cost of materials and equipment and payment of wages to increased number of persons. Reasons for the balance excess have not been communicated (December 1983).

6.	28—Community Development and Municipal Administration	1,86,13,49,000	1,86,18,53,811	+5,04,811

Reasons for the excess have not been communicated(December 1983).

7.	42—Pensions and other Retirement Benefits	39,15,38,000	43,03,60,306	+3,88,22,306

Excess was mainly due to increase in the number of retirements, increase in the number of family pensioners and liberalisation of family pension.

8.	45—Forest Department	11,28,02,000	12,10,40,361	+82,38, 361

Reasons for the excess have not been communicated(December 1983).

9.	49—Capital Outlay on Industrial Development	25,87,11,000	26,15,67,298	+28,56,298

Reasons for the excess have not been communicated (December 1983).

10.	56—Loans and Advances by State Government	3,81,03,02,000	3,83,78,85,724	+2,75,83,724

Reasons for the excess have not been communicated (December 1983).

(b) *Charged appropriations—*

1.	7—State Legislature	4,36,000	4,50,493	+14,493

Excess occurred under 211. B. AA. I. AA. Pay of Speaker and Deputy Speaker.

APPENDIX VIII—*concld.*

Serial number	*Number and name of grant*	*Total grant*	*Expenditure*	*Excess*
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	RS.
2.	11—District Administration	82,000	99,098	+17,098
	Reasons for the excess have not been communicated (December 1983).			
3.	39—Roads and Bridges	33,05,000	36,51,130	+3,46,130
	Reasons for the excess have not been communicated (December 1983).			
4.	49—Capital Outlay on Industrial Development	7,93,000	7,93,523	+523

Excess occurred mainly under "521. AA. II. JD. Establishment of Developed plot Estate for electrical and electronic instruments industries at Lattice Bridge Mahabalipuram Road area".

APPENDIX IX

(*Reference* : *Paragraph* 2.3, *page* 25)

CASES OF SAVINGS IN THE GRANTS/APPROPRIATIONS WHERE SUPPLEMENTARY PROVISIONS WERE OBTAINED (OTHER THAN THOSE MENTIONED IN PARAGRAPH 2.1)

Serial number	*Number and name of grant*	*Original grant*	*Supplementary*	*Expenditure*	*Savings*
			(in lakhs of rupees)		
(1)	(2)	(3)	(4)	(5)	(6)
	(*a*) Unnecessary Supplementary grants				
1.	22—Animal Husbandry	18,19.49	59.60	18,19.15	59.94
	Saving was mainly under " 310. AM.I.AA. Grants to Tamil Nadu Agricultural University forVeterinary Education, Research and Training" (Rs. 54.25 lakhs). Saving of Rs. 20.50 lakhs was due to non-filling up of certain vacant posts. Reasons for the balance saving (Rs. 33.75 lakhs) have not been communicated (December 1983).				
2.	46—Compensation and Assignments	22,37.47	31.20	21,27.15	1,41.52
	Reasons for the saving have not been communicated (December 1983).				
	(*b*) Excessive Supplementary grants/appropriations				
1.	4—General Sales Tax and other Taxes and Duties—Administration	9,24.62	1,64.37	10,41.26	47.73
	Reasons for the saving have not been communicated (December 1983).				
2.	6—Registration ..	4,03.06	70.61	4,30.93	42.74
	Reasons for the saving have not been communicated (December 1983).				

APPENDIX IX—*contd.*

Serial number	*Number and name of grant*	*Original grant*	*Supplementary*	*Expenditure*	*Saving*
			(in lakhs of rupees)		
(1)	(2)	(3)	(4)	(5)	(6)
Debt charges		**1,24,26.77**	3,79.98	1,**24,73.13**	**3,33.62**

Saving was due to non-adjustment of interest during the year.

3.	13—Administration of Justice	9,20.58	1,07.62	9,80.64	47.56

Reasons for the saving have not been communicated (December 1983).

4.	14—Jails	6,47.66	35.18	6,48.02	34.82

Saving was mainly due to debiting the expenditure on the scheme of issue of revised and improved diet to prisoners under 256. AB.I.AF. Upgradation of Standards of Administration recommended by Seventh Finance Commission and obtaining provision therefor in the Supplementary Estimates under that head, though sufficient provision was available in the Budget under 256. AB.I. AA. Jails (Other than subjails).

5.	17—Education ..	2,90,78.59	50,57.56	3,31,86.99	9,49.16

Saving was mainly due to non-receipt of orders regarding the mode of payment to conductress and attenders working in pre-vocational centres (Rs. 4,77.80 lakhs), non-receipt of application from the Director of Rural Development for payment of grant to attenders and conductors (Rs.48.29 lakhs), closure of central kitchen consequent on the introduction of Chief Minister's Nutritious Noon Meal Scheme (Rs. 2,49.07 lakhs), non-sanction of expenditure for World Tamil Sangam resulting in surrender of the entire provision (Rs. 1,05 lakhs) and reclassification of expenditure on opening of pre-primary nursery schools in Grant No. 30 (Rs. 1,00 lakhs).

6.	18—Medical ..	76,56.72	10,36.12	82,60.46	4,32.38

Saving was mainly due to (i) non-purchase of equipments (Rs. 1,75.96 lakhs) sanctioned under Part II scheme and non-purchase of motor vehicles (Rs. 1.60 lakhs).

APPENDIX IX—*contd*

Serial number	*Number and name of grant*	*Original grant*	*Supplementary*	*Expenditure*	*Saving*
			(in lakhs of rupees)		
(1)	(2)	(3)	(4)	(5)	(6)
7.	19—Public Health	74,45.47	30,47.71	96,26.83	8,66.35

Saving was mainly due to the delayed sanctioning of the establishment and schemes under DANIDA project (Rs. 2,67.56 lakhs), non-receipt of Government orders for implementation of Madras Water Supply Project(Rs. 2,50.00 lakhs) and non-completion of buildings under the scheme of "Upgrading of Primary Health Centres" (Rs. 1,11.54 lakhs). Reasons for the saving of Rs. 1,75.36 lakhs under "282. B.AA. II. JD. Grants to Metropolitan Water Supply and Sewerage Board" and Rs. 1,24.66 lakhs under "282.A. AB. VI. UA. Malaria Control Headquarters" have not been communicated (December 1983).

8.	21—Fisheries ..	3,78.83	1,13.17	4,67.90	24.10

Saving of Rs. 7.03 lakhs was due to utilisation of unspent balance of grants-in-aid relating to previous years by the Tamil Nadu Agricultural University for Fisheries College. Reasons for the balance saving have not been communicated (December 1983).

9.	23—Co-operation ..	9,72.16	5,24.94	14,66.13	30.97

Reasons for the saving have not been communicated(December 1983).

10.	29—Labour including Factories	8,27.74	79.20	8,82.04	24.90

Reasons for the saving have not been communicated(December 1983).

11.	30—Social Welfare..	23,01.71	36,55.77	55,10.76	4,46.72

Reasons for the saving have not been communicated(December 1983).

12.	32—Welfare of Backward Classes, etc.	9,22.67	40.93	9,27.68	35.92

Saving of Rs. 17.72 lakhs was due to shortfall in the attendance of boarders and earlier closure of hostels. Reasons for the balance saving have not been communicated (December 1983).

APPENDIX IX—*contd.*

Serial number	*Number and name of grant*	*Original grant*	*Supplementary*	*Expenditure*	*Saving*
			(in lakhs of rupees)		
(1)	(2)	(3)	(4)	(5)	(6)
13.	35—Civil Supplies ..	6,57.70	55,36.16	55,89.49	6,04.37

Reasons for the saving have not been communicated(December 1983).

14.	38—Public Works—Establishment and Tools and Plant	13,22.89	2,40.88	14,51.10	1,12.67

Saving was mainly due to reclassification of expenditure on workshop Establishment under Grant No. 36.

15.	44—Stationery and Printing	10,21·26	36·40	10,04·19	53.47

Saving was mainly due to non-procurement of paper from certain mills and non-supply of paper and boards by certain other mills.

16.	47—Information, Tourism and Film Technology	2,21.75	1,59.45	3,47.44	33.76

Reasons for the saving have not been communicated(December 1983).

17.	52—Capital Outlay on Roads and Bridges	20,20.35	1,58.06	20,76.31	1,02.10

Part of the saving(Rs.87.83 lakhs) was due to non-availability of cement. Reasons for the balance saving have not been communicated (December 1983).

18.	55—Miscellaneous Capital Outlay	16,61.31	9,77.71	25,51.95	87.07

Saving was due to non-utilisation of provision (Rs. 75.00 lakhs) for share capital assistance to the Tamil Nadu Textile Corporation owing to non-absorption of repatriates in the powerloom complex set up by it and also due to payment of share capital assistance to less number of co-operative spinning mills which have agreed to take repatriates.

APPENDIX IX—*concld.*

Serial number	*Number and name of grant*	*Original grant*	*Supplementary grant*	*Expenditure*	*Excess*
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
(c) *Inadequate Supplementary Grant*					
Voted grants—					
1.	2—State Excise Department	2,68.44	23.70	2,94.95	2.81
2.	9—Head of State, Ministers and Headquarters staff	20,55.89	97.66	21,92.69	39.14
3.	11—District Administration	23,41.17	21.61	24,51.67	88.89
4.	24—Industries	12,35.25	3,38.97	16,01.03	26.81
5.	41—Relief on account of Natural Calamities	0.28	41.66	53.08	11.14
6.	42—Pensions and other Retirement Benefits	30,40.47	8,74.91	43,03.60	3,88.22
7.	45—Forest Department ..	9,31.58	1,96.44	12.10.40	82.38
8.	49—Capital Outlay on Industrial Development	24,46.67	1,40.44	26,15.67	28.56
9.	56—Loans and Advances by State Government	3,65,54.24	15,48.78	3,83,78.86	2,75.84
Charged appropriations—					
1.	39—Roads and Bridges ..	..	33.05	36.51	3.46

APPENDIX X

APPENDIX

(*Reference* :

BUDGET PROVISION AND

1980–81

Sector/Sub-Sector	*Budget provision*	*Expenditure*	*Excess(+)/ Shortfall(—)*	*Percentage*
(1)	(2)	(3)	(4)	(5)
		(in crores of rupees)		
A. General Services	2,97.48	2,98.63	(+) 1.15	..
B. Social and Community Services ..	4,57.58	4,52.29	(—)23.29	5
C. Economic Services—				
General Economic Services	24.20	22.34	(—) 1.86	8
Agriculture and Allied Services ..	2,01.67	1,67.98	(—)33.69	17
Industry and Minerals	32.13	28.45	(—) 3.68	11
Water and Power Development ..	1,68.16	1,58.77	(—) 9.39	6
Transport and Communications ..	75.20	79.78	(+) 4.58	6
Total—C.	5,01.36	4,57.32	(—)44.04	9
D. Grants-in-aid and Contribution ..	30.15	29.07	(—) 1.08	4
Total (A+B+C+D) ..	13,04.57	12,37.31	(—)67.26	5

X

paragraph 2.4, Page 25)

UTILISATION THEREOF

1981–82				1982–83			
Budget provision	*Expenditure*	*Excess(+)/shortfall(—)*	*Percentage*	*Budget provision*	*Expenditure*	*Excess(+)/shortfall(—)*	*Percentage*
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(in crores of rupees)				(in crores of rupees)			
3,64.20	3,33.96	(—)30.24	8	4,26.56	3,69.65	(—)56.91	13
5,74.62	5,59.38	(—)15.24	3	7,79.68	7,41.94	(—)37.74	5
1,12.92	1,09.24	(—) 3.68	3	37.70	32.62	(—) 5.08	13
2,38.31	2,35.01	(—) 3.30	1	3,34.06	3,05.56	(—)28.50	9
68.65	68.96	(+) 0.31	..	64.49	64.14	(—) 0.35	..
1,05.85	88.85	(—)17.00	16	1,14.96	97.57	(—)17.39	15
98.07	87.69	(—)10.38	11	1,05.04	93.87	(—)11.17	11
6,23.80	5,89.75	(—)34.05	5	6,56.25	5,93.76	(—)62.49	9
42.96	20.33	(—)22.63	53	22.91	21.48	(—) 1.43	6
16,05.58	15,03.42	(—)1,02.16	6	18,85.40	17,26.83	(—)1,58.57	8

APPENDIX XI

(*Reference* : Paragraph 2.7, Page 35)

SHORTFALL/EXCESS IN RECOVERIES

Number and name of grant	*Estimated recovery*	*Amount of excess (+) / shortfall (—) as compared to estimates*	*Main reasons for the excess/shortfall*
(1)	(2)	(3)	(4)
	(in crores of rupees)		
34. Urban Development ..	21.81	(—) 21.81	Due to non-issue of necessary sanction by Government during the year for transfer of the amount to the Urban Development Fund.
38. Public Works—Establishment and Tools and Plant	13.22	(—) 4.69	Due to adjustment of less amount under Deduct-Establishment charges transferred on percentage basis to various capital major heads.
20. Agriculture	4.17	(—) 2.70	Due to less adjustment under "Deduct Amount met from Reserve Fund-Sugarcane Cess Fund" and also due to non-adjustment under "307. AE. II. JA. Execution of Soil Conservation Scheme".
12. Administration of Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959.	1.82	(—) 1.82	Due to non-adjustment under "Deduct Amount met from Tamil Nadu Religious and Charitable Endowments Administrative Fund" for want of sufficient balance in the Fund.

APPENDIX XI—*contd.*

Number and name of grant	*Estimated recovery*	*Amount of excess (+)/ shortfall (—) as compared to estimates*	*Main reasons for the excess/shortfall*
(1)	(2)	(3)	(4)
	(in crores of rupees)		
28. Community Development Projects and Municipal Administration	..	(+) 8.16	Due to adjustment made under "Deduct recoveries due to issue of food-grains in lieu of wages under Food for Work Programme" relating to previous year.
55. Miscellaneous Capital Outlay	2.56	(+) 5.32	Due to more adjustment under "Deduct Receipt and Recovery of Capital Account".
19. Public Health	1.00	(+) 4.29	Due to adjustment under "Deduct amount met from Famine Relief Fund", for which no estimate was made in the Budget.
39. Roads and Bridges ..	8.60	(+) 2.98	Due to adjustment of more amount under "Deduct-Establishment charges transferred on percentage basis to capital Major head" than estimated and adjustment under "Deduct amount met from Famine Relief Fund" for which no estimate was made in the Budget.
41. Relief on account of natural calamities	..	(+) 2.45	Due to adjustment under "289. A. Drought — Deduct amount met from

APPENDIX XI—*concld.*

Number and name of grant	*Estimated recovery*	*Amount of excess(+)/short-fall (—)as compared to estimates*	*Main reasons for the excess/ shortfall*
(1)	(2)	(3)	(4)
		(in crores of rupees)	
			Famine Relief Fund and B. Floods, Cyclone, etc. Deduct amount met from Famine Relief Fund, for which no estimate was made in the Budget.
37. Public Works—Buildings ..	0.05	(+) 1.76	Due to adjustment of amount under "259.A.AJ. Suspense-AE. Workshop Suspense."
36. Irrigation	0.02	(+) 1.66	Due to adjustment under "Deduct-amount met from Tamil Nadu Famine Relief Fund" for which no estimate was made in the Budget.

APPENDIX XII

(Reference : Paragraph 2.9, Page 37)

CASES OF WITHDRAWAL OF FUNDS IN ADVANCE OF REQUIREMENTS

Serial number and department	*Purpose*	*Amount drawn in advance of requirement/ month of drawal*	*Remarks*
(1)	(2)	(3)	(4)
1. Information, Tourism and Tamil Culture	Purchase of sound recording equipments for the Film and Television Institute of Tamil Nadu	Rs. 12.60 lakhs 23-3-1982	Government sanctioned in March 1982 purchase of six sound recording equipments (cost : Rs. 12.60 lakhs) from foreign firms for the Film and Television Institute of Tamil Nadu. On 3rd March 1982 an agent of a foreign supplier informed the institute that their Italian Branch from whom the supplies were to be made had been closed down and offered revised price lists for supply from the branch in United Kingdom for three out of the six equipments. This necessitated release of fresh foreign exchange and the State Government approached the Government of India on 28th March 1982 and the latter's sanction was received only in June 1982. Meanwhile, the Principal of the Institute drew the amount of Rs. 12.60 lakhs on 23rd March 1982, when there was no need for the amount. The amount was paid to the State Bank of India for opening letters of credit only after foreign exchange was released by the Government of India in June 1982.
2. Social Welfare	Provision of drinking water facilities under the Rural Water Supply Scheme	Rs. 9.50 lakhs 31-3-1983	An amount of Rs. 9.50 lakhs out of Rs. 19.00 lakhs sanctioned by Government in May 1982 for provision of drinking water facilities in 69 tribal

APPENDIX XII—*contd.*

Serial number and department	*Purpose*	*Amount drawn in advance of requirement/ month of drawal*	*Remarks*
(1)	(2)	(3)	(4)
	under the Integrated Tribal Development Programme—works executed through the Tamil Nadu Water Supply and Drainage Board		habitations in five districts in the state was drawn by the Director of Adi Dravidar and Tribal Welfare, Madras and paid (September 1982) to the Tamil Nadu Water Supply and Drainage Board, Madras, as first instalment. Government ordered in March 1983 that the second and final instalment of Rs. 9.50 lakhs be disbursed to the Board after the Director, Adi Dravidar and Tribal Welfare satisfied himself about the utilisation of the first instalment. The second instalment was, however, drawn by the Director on 31st March 1983 although the Board had not spent the first instalment in full and had a balance of Rs. 6.50 lakhs.
3. Social Welfare	Distribution of milch animals, sheep, goats, work bullocks, etc., to tribals under the Integrated Tribal Development Programme	Rs. 5.32 lakhs March 1983	Government sanctioned in August 1982, an expenditure of Rs. 15.67 lakhs towards distribution of milch animals, sheep, goats, etc., to the tribals in 5 districts under the Integrated Tribal Development Programme. The distribution of the animals was to be organised through the Large Sized Multipurpose (LAMP) Co-operative Societies with the assistance of loans from nationalised banks and Government subsidy ranging from 50 to 75 per cent was to be credited to the respective loan accounts of the beneficiaries. On 4th March 1983, the Assistant Director of Animal Husbandry, Kallakurichi, proposed to the Director of

APPENDIX XII—*concld.*

Serial number and department	*Purpose*	*Amount drawn in advance of requirement/ month of drawal*	*Remarks*
(1)	(2)	(3)	(4)
			Animal Husbandry for drawal of the subsidy in advance to avoid lapse of grant and for depositing in a bank account, as LAMP societies had not forwarded any loan applications to the bank and with the latter's approval (12th March 1983) the Assistant Director drew Rs. 4.02 lakhs on 22nd March 1983 and deposited the amount in a Co-operative Central Bank. The Director approached Government on 9th April 1983 for ratification; orders of Government are awaited (August 1983). Three other Assistant Directors, Tiruvannamalai, Tirupattur and Harur (the first two under the orders of the Collector and the third on his own) also drew an amount of Rs. 1.30 lakhs in March 1983 and deposited the amounts into the co-operative bank before the loans had been sanctioned. The drawal of Rs. 5.32 lakhs by the four Assistant Directors was far in advance of requirements.

APPENDIX XIII

(Reference : Paragraph 3.6.2, Page 61)

OUTLAY EXPENDITURE AND ASSISTANCE FROM GOVERNMENT OF INDIA

(1)	*Expenditure incurred*		
	Establishment (2)	*Works (field channels)* (3)	*Total* (4)
	(in lakhs of rupees)		
Cauvery Command—			
1974-75 to 1979-80	33.87	57.82	91.69
1980-81	11.04	16.83	27.87
1981-82	23.20	22.56	45.76
1982-83	26.79	44.67	71.46
	94.90	1,41.88	2,36.78
Periyar-Vaigai—			
1981-82	5.00	..	5.00
1982-83	31.73	24.49	56.22
	36.73	24.49	61.22
Lower Bhavani—			
1982-83	3.04	5.51	8.55
Grand Total	1,34.67	1,71.88	3,06.55

Expenditure on subsidy to marginal farmers, Crop Compensation, etc. NIL.

Assistance released by Government of India

	Grant	*Loan*
	(in lakhs of rupees)	
1974-75 to 1980-81	39.34	55.82
1981-82	10.63	6.79
1982-83	81.45	72.00
	1,31.42	1,34.61

APPENDIX XIV

(Reference : Paragraph, 3.14.2 (ii), Page 99)

DETAILS OF SEEDLINGS PLANTED, CASUALTIES, EXPENDITURE INCURRED AND STOCK POSITION

Year	Seedings planted			Expenditure incurred up to March 1983			Position of stocking in 1982–83	Casualties col. (4—8)	Percentage Col. (9 to 2)
	Number of seedlings planted initially	Replantations made to make good casualties and percentage	Total. [col. (2+3)]	Cost of seedlings*.	Cost of raising plantations and maintenance	Total			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
				(in lakhs of rupees)					
1976–77 ..	6,650	7,611 (114 per cent)	14,261	0.43	7.32	7.75	6,012	8,249	124
1977 78 ..	7,300	7,329 (100 per cent)	24,629	0.44	6.96	7.40	5,713	8,916	122
1978–79 ..	7,300	7,766 (107 per cent)	15,066	0.45	6.38	6.83	5,800	9,266	127
	21,250	22,706	43,956	1.32	20.66	21.98	17,525	26,431	

* NOTE.—In the absence of proper accounts maintained at nurseries, the cost of seedlings has been adopted uniformly at Rs. 3 per seedling (Based on the purchase price in 1975–76).

APPENDIX

(Reference : Paragraph 3.15.1,

INTENSIVE SERICULTURE DEVELOPMENT

		Centrally sponsored			
		1977–78		1978–79	
		Physical	*Financial*	*Physical*	*Financial*
(1)	(2)	(3)	(4)	(5)	(6)
				(Financial Figures	
1. Mulberry Expansion (in crores)	Target	1,400	1.40	2,450	2.50
	Achievement	1,366	0.57	5,280	2.08
2. Farmers training .. (in Nos.)	Target	500	3.02	3,500	5.20
	Achievement	492	1.38	3,391	15.22
3. Subsidy for appliances (in Nos.)	Target	1,400	TA. 6.60	2,450	TA 17.15
	Achievement	531		3,230	
4. Subsidy for rearing .. sheds (in Nos.)	Target	700	Ach. 2.86	1,225	Ach. 17.14
	Achievement	431		2,607	
5. Construction of .. grainages	Target	1	1.50	2	1.71
	Achievement	1	0.79	2	2.53
6. Establishment and Maintenance of Seed Farms, Pilot centres, Technical centres and Demonstration-cum Training centres	Target	N.A.	3.55	N.A.	9.20
	Achievement	N.A.	0.28	N.A.	10.65
7. Subsidy for reeling .. basins	Target	200	0.40	200	0.40
	Achievement	93	0.09	180	0.41
8. Cocoon markets ..	Target	8	(included in item 5)	6	(included in item 5)
	Achievement	3		11	
Total	Target		16.47		36.16
	Achievement		5.97		48.03

N.A. Not

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Page 101)

SCHEME—TARGETS AND ACHIEVEMENTS

State Plan				State Plan			
1979–80		1980–81		1981–82		1982–83	
Physical (7)	*Financial* (8)	*Physical* (9)	*Financial* (10)	*Physical* (11)	*Financial* (12)	*Physical* (13)	*Financial* (14)
in lakhs of rupees)							
8,000	20.00	8,000	20.00	5,000	8.00	8,000	12.80
8,866	14.45	7,684	28.56	5,008	9.18	8,000	11.23
5,000	25.00	5,000	31.67	3,000	18.00	4,800	28.80
6,226	30.67	5,770	31.73	3,054	17.06	4,710	26.12
8,000	30.00	8,000	30.00	3,000	15.00	4,800	24.00
5,887	23.38	4,880	17.57	2,440	11.46	3,664	15.95
4,000	15.00	4,000	15.00	1,500	11.25	2,400	18.00
4,587	16.41	3,685	14.48	2,237	11.25	3,592	25.32
Nil.	Nil.	3	3.94	Nil.	20.71	Nil.	20.89
Nil.	Nil.	3	3.37	Nil.	6.15	Nil.	16.39
N.A.	36.79	N.A.	50.92	N.A.	1,31.50	N.A.	1,60.74
N.A.	27.83	N.A.	53.78	N.A.	87.15	N.A.	1,29.93
300	11.66	700	2.37	500	11.33	500	29.63
637	14.43	667	5.21	445	8.58	275	22.03
5	2.76	Nil.	2.78	2	2.21	Nil.	2.45
5	2.75	Nil.	2.83	2	5.38	Nil.	2.75
	1,41.21		1,56.68		2,18.00		2,97.31
	1,29.92		1,57.53		1,56.21		2,49.72

available.

APPENDIX

(Reference t

COCOON PRODUCTION

Serial number	*Year*	*Acreage planted*	*Production potential (360 kgs. per acre)*	*Target fixed by the department*	*Achieve-*
					Seed cocoons
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakh kilograms)		
1.	Prior to 1977-78 ..	14,778	..	..	..
2.	1977-78 ..	16,144	58.12	16.20	..
3.	1978-79 ..	21,424	77.13	26.74	..
4.	1979-80 ..	30,290	1,09.04	46.75	..
5.	1980-81 ..	37,974	1,36.71	56.24*	0.04
6.	1981-82 ..	42,982	1,54.73	63.70*	0.46
7.	1982-83 ..	50,982	1,83.53	80.95*	0.74

* Includes seed cocoons.

XVI

Paragraph 3.15.9, page 106)

IN THE STATE

ment						
Reeling cocoons produced in		*Total*	*Shortfall with reference to production potential*	*Percentage of shortfall*	*Shortfall with reference to target*	*Percentage of shortfall*
Private Sector	*Government Sector*					
(7)	(8)	(9)	(10)	(11)	(12)	(13)
(in lakh kilograms)				(in lakh kilograms)		
..	..	..	..	..	..	..
2.83	0.18	3.01	55.11	95	13.19	81
6.18	0.16	6.34	70.79	92	20.40	76
14.75	0.15	14.90	94.14	86	31.85	68
18.40	0.15	18.59*	1,18.12	86	37.65	67
27.53	0.15	28.14*	1,26.59	82	35.56	56
30.24	0.15	31.13*	1,52.40	83	49.82	62

APPENDIX XVII

(*Reference* : Paragraph 3.22, page 120)

CASES OF MISAPPROPRIATION PENDING FINALISATION AS ON 30TH SEPTEMBER 1983

(i) *Department-wise analysis*

Department	*Number of cases*	*Amount*
(1)	(2)	(3)
		(in lakhs of rupees)
1. Agriculture..	16	6.08
2. Commercial Taxes and Religious Endowments	14	0.79
3. Education, Science and Technology	10	11.06
4. Finance	4	0.26
5. Food and Co-operation	1	1.21
6. Forests and Fisheries	3	0·45
7. Health and Family Welfare	20	5.29
8. Home	6	2.61
9. Industries	3	0.21
10. Labour, Employment and Training	6	0.35
11. Public	4	0.44
12. Public Works	2	0.42
13. Revenue	301	28.38
14. Rural Development and Local Administration ..	7	1.73
15. Social Welfare	3	0.17
16. Transport	2	0.41
Total ..	402	59.86

APPENDIX XVII—*concld.*

(ii) *Year-wise analysis*

Year	*Amount misappropriated since recovered, but departmental action etc., pending*		*Pending for other reasons*	
	Number of cases	*Amount*	*Number of cases*	*Amount*
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		(in lakhs of rupees)
1978-79 and earlier years	9	0.20	289	42.61
1979--80 ..	..	..	25	2.17
1980--81 ..	3	0.09	26	2.88
1981--82 ..	5	0.33	25	8.32*
1982--83 ..	1	0.05	19	3.21
Total ..	18	0.67	384	59.19

* Increase over the figure shown in the Report for the year 1981-82 is due to revision of the amount of misappropriation in respect of certain cases based on subsequent information.

APPENDIX XVIII

(*Reference* : Paragraph 3.22, Page 120)

CASES OF SHORTAGES AND THEFT OF STORES, DAMAGES TO PROPERTIES, ETC., PENDING FINALISATION AS ON 30TH SEPTEMBER 1983

(i) *Department-wise analysis*

Department	*Number of cases*	*Amount*
(1)	(2)	(3) (in lakhs of rupees)
1. Agriculture	350	32.69
2. Education, Science and Technology	8	0.34
3. Finance	2	0.05
4. Forests and Fisheries	12	1.34
5. Health and Family Welfare.. ..	24	2.76
6. Home	7	2.95
7. Industries	7	1.63
8. Labour, Employment and Training	10	0.80
9. Public	2	9.87
10. Public Works..	66	10.46
11. Revenue	6	0.17
12. Rural Development and Local Administration	4	1.91
13. Social Welfare	3	0.14
14. Transport	5	2.00
Total ..	506	67.11

(ii) *Year-wise analysis*

Year	*Number of cases*	*Amount*
(1)	(2)	(3) (in lakhs of rupees)
1978-79 and earlier years	256	38.96
1979-80	51	5.87
1980-81	55	4.45
1981-82	43	4.17
1982-83	101	13.66
Total ..	506	67.11

APPENDIX XIX

(*Reference* : Paragraph 3.23, Page 120)

STATEMENT SHOWING LOSSES, WRITES-OFF, ETC.

In 2,383 cases Rs. 48.28 lakhs representing mainly losses due to theft, fire, etc., irrecoverable advances, etc., were written off/waived during 1982-83 by competent authorities. The details are as follows :—

Serial number and department	*Writes-off of losses, irrecoverable advances, etc.*		*Waiver of recovery*	
	Number of items	*Amount*	*Number of items*	*Amount*
(1)	(2)	(3)	(4)	(5)
		RS.		RS.
1. Agriculture..	503	7,47,676	1	35,304
2. Commercial Taxes and Religious Endowments	1	40	1	1,857
3. Education	14	37,340	503	4,13,739
4. Finance	2	1,389	..	..
5. Food and Co-operation ..	15	2,43,884	..	..
6. Forests and Fisheries ..	73	13,88,830	3	6,160
7. Home	22	93,162	1	1,538
8. Industries	323	5,55,894	1	98
9. Labour, Employment and Training	3	991	..	..
10. Public	2	20,036	2	768
11. Public Works	5	1,03,005	..	..
12. Revenue	899	4,40,678	1	5,20,824
13. Rural Development and Local Administration	1	95,262	..	..
14. Social Welfare	3	1,323	..	..
15. Transport	3	1,17,932	1	602
Total ..	1,869	38,47,442	514	9,80,890

APPENDIX XX

(*Reference* : Paragraph 4.2.1 (ii), page. 132)

DETAILS OF ESTIMATES AND EXPENDITURE

Sub-heads	*Provision in original estimate*	*Provision in first revised estimate (November 1978)*	*Provision in the second revised estimate (February 1982)*	*Increase between columns (2) and (4)*	*Actual expenditure (up to June 1983)*
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
Preliminary	0.25	0.50	0.50	0.25	0.89
Land	3.85	5.00	5.50	1.65	5.12
Works—					
(i) Earth dam	8.45	32.50	46.00	37.55	50.62
(ii) Uncontrolled weir-*cum*-sluice-*cum*- Pannimundankal sluice	13.69	19.20	26.00	12.31	25.26
(iii) Sembodaikal sluice ..	1.23	0.63	3.41	2.18	
(iv) Surplus course	..	1.45	1.45	1.45	
Buildings	1.37	2.00	2.00	0.63	1.88
Plantation	0.20	0.20	0.20	..	..
Miscellaneous	2.75	3.88	4.50	1.75	1.89
Special tools and plant (net)	0.80	1.81	1.81	1.01	5.78
Establishment, Audit, Pension, etc.	4.41	14.83	28.63	24.22	32.90
Provision for fluctuation in cost	..	..	3.00	3.00	..
Total ..	37.00	82.00	123.00	86.00	**124.34**

APPENDIX XXI

APPENDIX

(*Reference* : Paragraph

TARGETS AND ACHIEVEMENTS UNDER MINOR IRRIGATION (GROUND

Serial number and name of Scheme	1978-79		1979-80	
	Target	*Achieve-ment*	*Target*	*Achieve-ment*
(1)	(2)	(3)	(4)	(5)
				(in
1. Sinking of tubewells	4,200	4,691	4,300	4,966
2. Boring in wells	2,100	2,581	2,200	2,668
3. Deepening of open wells	2,500	2,570	2,700	2,807
4. Sinking of filter point tube wells ..	2,300	2,587	2,500	2,733

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4. 5. 10, Page 149)

WATER (DEVELOPMENT)

1980–81		1981–82		1982-83		Total	
Target	*Achieve-ment*	*Target*	*Achieve-ment*	*Target*	*Achieve-ment*	*Target*	*Achieve-ment*
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
numbers)							
4,800	5,250	4,845	5,019	5,185	5,184	23,330	25,110
2,600	3,080	2,315	2,557	2,800	3,289	12,015	14,175
2,900	3,690	2,050	2,115	2,555	3,204	12,705	14,216
2,750	2,908	2,800	3,073	3,135	3,331	13,485	14,632

APPENDIX XXII

(*Reference* : Paragraph 6.3., Page 169)

UTILISATION CERTIFICATES FOR GRANTS PAID UP TO 30TH SEPTEMBER 1981 AND OUTSTANDING AS ON 30TH SEPTEMBER 1983

Department	*Year of grant*	*Due*		*Received*		*Outstanding*	
		Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			(amounts in lakhs of rupees)				
Agriculture	1980-81	1*	0.94*	..	..	1	0.94
	1981-82 (up to September 1981)	14	1.98	..	..	14	1.98
Commercial Taxes and Religious Endowments	1979-80	1	0.14	..	..	1	0.14
	1980-81	3	5.21	..	..	3	5.21
Co-operation	1977-78 and earlier years	212	52.42	212	52.42	..	..
	1978-79	275	43.15	245	35.04	30	8.11
	1979-80	383	8,25.94	343	8,06.06	40	19.88
	1980-81	201	55.94	115	46.27	86	9.67
	1981-82 (up to September 1981)	198	2,09.39	..	..	198	2,09.39
Education	1977-78 and earlier years	136	1,94.15	112*	1,84.89*	24	9.26

	1978-79	17	16.15	2*	7.11*	15	9.04
	1979-80	24	38.38	17	35.21	7	3.17
	1980-81	87	1,62.31	..	..	87	1,62.31
	1981-82 (up to September 1981)	33	34.94	..	..	33	34.94
Finance	1977-78 and earlier years	3	2.25	1	1.50	2	0.75
	1978-79	2	2,00.15	..	1,99.75**	2	0.40
	1979-80	1*	0.75*	..	..	1	0.75
	1980-81	1	0.15	..	..	1	0.15
Health and Family Welfare ..	1977-78 and earlier years	24	3.69	17*	2.90*	7	0.79
	1978-79 ..	19	7.38	12	4.31*	7	3.07
	1979-80 ..	67	4.98	65	4.86	2	0.12
	1980-81 ..	30	8.18	27	7.66	3	0.52
	1981-82 (up to September 1981)	25	2.88	..	..	25	2.88
Home	1978-79	2	10.06	1	0.06	1	10.00

*Differes from the figure shown in the Report for 1981-82 due to adoption of correct figure after re-check.

**Represents receipt of utilisation certificate for part amount.

Department	Year of grant	Due		Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		(amounts in lakhs of rupees)					
Housing and Urban Development	1978–79 ..	3	82.80	3	82.80	..	..
	1980–81 ..	3	31.69	3	31.69	..	..
Law	1979–80 ..	2	0.08	1	0.04	1	0.04
	1980–81 ..	2	0.07	..	..	2	0.07
Personnel and Administrative Reforms	1977–78 ..	1	0.05	..	0.03**	1	0.02
	1979–80 ..	7*	0.20*	..	..	7	0.20
	1980–81 ..	5	5.07	..	..	5	5.07
Public Works	1977–78 ..	4	7,05.00	..	..	4	7,05.00
	1978–79 ..	5	5,12.50	..	2,70.00**	5	2,42.50
	1979–80 ..	7	15,00.10	..	..	7	15,00.10
	1981–82 (up to September 1981)	1	5.29	..	..	1	5.29

Public	1979–80 ..	1*	0.25*	..	..	1	0.25
	1980–81 ..	1*	0.50*	..	..	1	0.50
Revenue	1977–78 ..	3	0.83	1	0.80	2	0.03
	1978–79 ..	4	15.06	2	15.03	2	0.03
Rural Development and Local Administration	1977–78 and earlier years ..	21	2,13.65	14	1,64.65	7	49.00
	1978–79 ..	27	1,95.16	21	1,42.81	6	52.35
	1979–80 ..	50*	56.65	..	1.00**	50	55.65
	1980–81 ..	178	2,16.74	..	..	178	2,16.74
	1981–82 (up to September 1981)	379	8,19.28	..	..	379	8,19.28
Social Welfare	1977–78 ..	1	0.17	..	..	1	0.17
	1979–80 ..	25	3.03	2	2.26	23	0.77
Transport	1979–80 ..	3	0.22	1	0.09	2	0.13
	1980–81 ..	7	3.90	..	..	7	3.90
	1981–82 (Up to September 1981)	2	0.14	..	..	2	0.14
Total ..		2,501	62,49.94	1,217	20,99.24	1,284	41,50.70

* Differs from the figures shown in the Report for 1981–82 due to adoption of correct figures after verification.

** Represents receipt of utilisation certificate for part amount.

APPENDIX

(Reference :

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT

Serial number and name of the department/ unit	*Year of commence-ment*	*Period of accounts*	*Capital at close*	*Net block assets*	*Cumula-tive depreciation*
(1)	(2)	(3)	(4)	(5)	(6)
					(rupees
AGRICULTURE DEPARTMENT					
1. Government Agricultural Engineering Workshop, Madras	1952	1980–81	41.24	10.60	9.04
2. Madurai Milk Project, Madurai	N.A.	1974–75* (up to 30th June 1974)	1,33.87	83.75	N.A.
FORESTS AND FISHERIES DEPARTMENT					
3. Government Cinchona Department, Udagamandalam	1861	1981–82	7,94.35	5,55.71	59.56
4. Chank Fisheries, Tuticorin	1909	1981–82*	30.66	3.21	8.12
5. Chank Fisheries, Ramanathapuram	1978	1981–82	19.71	0.70	0.14
INDUSTRIES DEPARTMENT					
6. Government Glass Production Centre, Madurai	1972	1979–80* (up to 13th November 1979)	0.26	0.76	1.18
TRANSPORT DEPARTMENT					
7. Motor Vehicles Maintenance Organisation, Madras	1964	1976–77*	4,28.85	60.12	5.75

N.A. — Not available.

*Figures are provisional subject to certification in audit.

XXIII

Paragraph 7, Page 218)

COMMERCIAL AND *QUASI*-COMMERCIAL UNDERTAKINGS

Turn over	Net Profit (+) Net Loss (—)		Mean capital	Percentage of return on Mean Capital		Remarks
	After charging interest on capital	Before charging interest on capital		After charging interest on capital	Before charging interest on capital	
(7)	(8)	(9)	(10)	(11)	(12)	(13)
in lakhs)						
17.55	(+) 0.55	(+) 3.50	38.61	1.42	9.06	....
36.28	(+) 16.90	(+) 19.20	1,07.72	15.69	17.91	Transferred to the Tamil Nadu Dairy Development Corporation Ltd., with effect from 1st July 1974.
30.00	(—) 15.59	(+) 5.73	6,99.05	..	0.82	....
43.07	(—) 15.60	(—) 10.33	42.71	..	..	....
11.36	(+) 3.04	(+) 4.78	18.44	16.48	25.92	....
0.22	(—) 2.24	(—) 2.18	0.22	..	..	Unit closed with effect from 14th November 1979.
1,42.73	(—) 30.31	(+) 7.59	4,08.37	..	1.86	....

APPENDIX XXIV

(*Reference :* Paragraph 7, Page 218)

LIST OF DEPARTMENTALLY MANAGED COMMERCIAL AND *QUASI*-COMMERCIAL UNDERTAKINGS WHOSE *PRO FORMA* ACCOUNTS ARE IN ARREARS

Serial number and name of the department/undertaking	*Period for which accounts are in arrears*	*Remarks*
(1)	(2)	(3)
AGRICULTURE DEPARTMENT		
1. Scheme for the purchase and distribution of Chemical Fertilisers, Madras	1978-79 1979-80 1980-81 1981-82 1982-83	..
2. Government Agricultural Engineering Workshop, Madras	1981-82 1982-83	..
FORESTS AND FISHERIES DEPARTMENT		
3. Government Cinchona Department, Udagamandalam	1982-83	..
4. Chank Fisheries, Tuticorin	1982-83	..
5. Chank Fisheries, Ramanathapuram ..	1982-83	..
INDUSTRIES DEPARTMENT		
6. Blacksmithy and Carpentry Unit, Arkonam	1980-81 1981-82 1982-83	..
TRANSPORT DEPARTMENT		
7. Motor Vehicles Maintenance Organisation, Madras	1977-78 1978-79 1979-80 1980-81	Unit became a service department from 1st April 1981.