

REPORT (PAC)



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

**FOR THE YEAR
ENDED 31 MARCH 1994**

No. 2

ଓଡ଼ିଶା ବିଧାନ ସଭାରେ
ସ୍ୱାଗତ
Laid before the Orissa
Legislative Assembly

on... **29 JUN 1995**

(CIVIL)

GOVERNMENT OF ORISSA

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PREFATORY REMARKS

The Report has been prepared for submission to the Governor under Article 151 of the Constitution. It contains audit comments on points arising from the Appropriation Accounts and Finance Accounts of the State for 1993-94 as well as from audit of other financial transactions of Government of Orissa including reviews on Multiplication and Distribution of Seeds - Experimental Seed Farms, Special Live Stock Breeding Programme and Upper Jonk Irrigation Project.

2. Reports containing observations of Audit on Statutory Corporations and Government Companies and on Revenue Receipts are presented separately.
3. The cases mentioned in the present Report are among those which came to notice in the course of test-audit of accounts during 1993-94 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 1993-94 have also been included wherever considered necessary.

OVERVIEW

This report has seven chapters of which the first two contain observations of Audit on the State Finance and Appropriation Accounts for the year 1993-94 and other chapters contain three reviews of schemes and projects and 61 audit paragraphs. A synopsis of the major audit findings is given below.

1. Accounts of the State Government

The state has been running recurring revenue deficits since 1989-90 and the same has peaked to Rs.271.14 crores during 1993-94. While the liabilities of the State Government increased by 77 *per cent* from Rs.4385 crores at the end of March 1990 to Rs.7756 crores at the end of March 1994, the assets of the State Government increased by 67 *per cent* from Rs.4056 crores to Rs.6773 crores during the same period.

Revenue Receipts

The receipts of the State Government increased to Rs.3208 crores in 1993-94 from Rs.1741 crores in 1989-90. This represents an increase of 84 *per cent*. The non-tax revenue raised by the State Government increased from Rs.199 crores in 1989-90 to Rs.415 crores in 1993-94, while the State's tax revenue increased from Rs.525 crores to Rs.860 crores during the same period. While the revenue from the State's own resources increased by 76 *per cent* between 1989-90 and 1993-94, the aggregate of the amounts received by the State on account of share of net proceeds of Income Tax, State's share of Union Excise Duties and Grants-in-aid increased by 90 *per cent* from Rs.1017 crores to Rs.1933 crores during the same period. The percentage of revenue raised by the state to the total revenue receipts declined to 40 in 1993-94 from 42 in 1989-90.

Revenue Expenditure

Revenue expenditure increased from Rs.1846 crores in 1989-90 to Rs.3479 crores in 1993-94 - an increase of 88 *per cent*. While plan revenue

expenditure increased by 78 *per cent* from Rs.506 crores in 1989-90 to Rs.902 crores in 1993-94, the increase in non-plan revenue expenditure was faster at 92 *per cent* from Rs.1340 crores to Rs.2577 crores during the same period. The percentage of non-plan revenue expenditure to total revenue expenditure which came down to 66 in 1990-91 from 73 in 1989-90 rose to 74 in 1993-94. While plan revenue expenditure increased by Rs.154 crores from Rs.748 crores in 1992-93 to Rs.902 crores in 1993-94, non-plan revenue expenditure registered an increase of 12 *per cent* from Rs.2301 crores in 1992-93 to Rs.2577 crores in 1993-94.

Capital Expenditure

Capital expenditure of Rs.585 crores during 1993-94 was significantly less than the provision of Rs.858 crores in the budget estimates for the year.

Investment and Returns

Investment totalling Rs.1210 crores as on 31 March 1994 in various undertakings and co-operative societies yielded dividend/interest of Rs.0.63 crore only (0.05 *per cent*) during 1993-94. The returns on such investment in the years from 1989-90 to 1993-94 ranged from 0.01 *per cent* to 0.11 *per cent* against the average rate of interest of about 12 *per cent* for Government borrowings.

Public Debt and Interest Payments

Public Debt rose from Rs. 3210 crores at the end of 1989-90 to Rs. 5367 crores by the end of 1993-94 representing an increase of 67 *per cent* during the five years. Inclusive of other liabilities, the total liabilities of the Government went up from Rs.3930 crores to Rs.7013 crores between 1989-90 and 1993-94 representing an increase of 78 *per cent*. Interest payment during 1993-94 aggregated Rs.683 crores, up by 120 *per cent* from Rs.310 crores in 1989-90. The repayment of the Central Government loans and interest thereon aggregating Rs.558 crores during 1993-94 represented 103 *per cent* of the amount of Central Government loans (Rs.540 crores) received during the year.

While Government paid interest aggregating Rs.683 crores on debt and other obligations during 1993-94, the interest received on all accounts was Rs.88 crores only, leaving a net interest burden of Rs.595 crores.

2. **Appropriation Audit and Control Over Expenditure**

Against the total budget provision of Rs.6314.27 crores including supplementary, expenditure aggregated Rs.5746.37 crores during 1993-94. The overall saving of Rs.567.90 crores was the net result of saving of Rs.885.65 crores in 88 cases involving 38 grants and 4 appropriations and excess of Rs.317.75 crores in 9 cases involving 4 grants and 2 appropriations. The excesses relating to 4 grants and 2 appropriations require regularisation under Article 205 of the Constitution.

Supplementary provisions aggregating Rs.516.12 crores obtained during the year constituted 9 *per cent* of the budget provision as against 17 *per cent* in the preceding year.

In 7 cases, expenditure of Rs.2.96 crores was incurred without any provision. On the other hand, supplementary provision of Rs.123.50 crores obtained in 28 cases involving 25 grants/appropriations proved unnecessary as the expenditure was less than even the original provisions. In 12 cases, supplementary provisions were excessive and in 4 cases the expenditure exceeded the provisions by over Rs.2 crores each despite the supplementary provision. In 18 cases involving 15 grants/appropriations, the savings were Rs.1 crore or more each and were also more than 20 *per cent* of the provisions in each case.

3. **Multiplication and distribution of seeds - Experimental Seed Farms**

With a view to increasing food production, the scheme 'Multiplication and Distribution of Seeds - Experimental Seed Farms' was being implemented in the State. The Scheme envisaged production and distribution of certified seeds of cereals, pulses, etc. with higher genetic potential. Expenditure of Rs.1190.64 lakhs was incurred for the purpose

during 1988-89 to 1992-93 against the amount of Rs.1293.10 lakhs provided, leaving the balance of Rs.102.46 lakhs unutilised.

- *** Thirty two seed farms test checked revealed that their operation had been subsidised by Government to the extent of Rs.209.79 lakhs during 1988-89 to 1992-93.
- *** There was a shortfall of 55 *per cent*, compared to the target, in the supply of certified seeds during the period from 1988-89 to 1992-93.
- *** During the period from 1988-89 to 1992-93, the average yield in respect of high yielding and improved varieties of seeds was only 19.53 quintals per hectare against the lowest norm of 30 quintals for improved varieties. The norm for high yielding varieties was still higher.
- *** In 12 (out of 32) farms test checked, there was shortfall ranging between 11 and 71 *per cent* in the coverage of areas targeted for cultivation.
- *** Shortfall in irrigation coverage of the targeted gross cropped areas in 20 (of 32) farms test checked exceeded 30 *per cent*.
- *** Ten of the 32 farms test checked sustained an aggregate loss of Rs.6.20 lakhs over the period from 1988-89 to 1992-93 on account of processing losses in excess of the norms prescribed.
- *** There was shortfall in the actual yield of paddy seeds as compared to the yield anticipated after sample crop cutting. In 10 of the 32 farms test checked, the shortfall exceeded 20 *per cent* and entailed loss of Rs.62.95 lakhs.
- *** Sale of unsold certified seeds for non-seed purposes at prices lower than those fixed for certified seeds in the 32 farms test checked entailed loss of Rs.33.68 lakhs during 1988-89 to 1992-93.
- *** There was expenditure of Rs.23.60 lakhs through entertainment of idle staff and engagement of casual labour in excess of the prescribed norms.

4. Special Livestock Breeding Programme

Special Livestock Breeding programme (SLBP) was taken up in the State from 1976-77 as a Centrally Sponsored Scheme for assisting small and marginal farmers, landless agricultural labourers, Scheduled Castes and Scheduled Tribes etc., with two components viz; (i) rearing of cross-bred calves and (ii) setting up of poultry, piggery and sheep units. The objective was to generate additional employment and income and thereby help the target groups in improving their socio-economic condition. Over the period 1985-86 to 1991-92, an amount of Rs.621.20 lakhs was spent. The scheme ceased to be Centrally sponsored from 1992-93.

- *** Out of Rs.310.60 lakhs admissible as Central assistance, only Rs.280.10 lakhs was released by the Government of India.
- *** Of the un-utilised subsidy of Rs.30.96 lakhs refunded by financial institutions, only Rs.2.00 lakhs were deposited in treasury. Of the balance Rs.27.71 lakhs were kept as fixed deposit outside the Government account and another sum of Rs.1.25 lakhs was held as cash in hand.
- *** Funds amounting to Rs.28.24 lakhs relating to the supply of calf feed was lying with semi-Government organisations. No steps have been taken to settle the accounts even though supply of calf feed by these organisations was stopped from November 1992.
- *** Selection of beneficiaries of the target group was not based on certified land holdings as required. The percentage of SC/ST and women beneficiaries selected was also far below the prescribed levels.
- *** The targets (23 units) and the achievements (26 units) during 1985-86 to 1991-92 under poultry production programme indicated that the programme was not actually pursued. However, expenditure of Rs.22.46 lakhs was incurred on salary etc. of staff under poultry production programme over the period 1985-86 to 1991-92.

*** Out of 1047 piggery units organised in 2 districts in which the scheme was launched, 915 units became defunct. The subsidy involved in these defunct units was Rs.16.13 lakhs.

*** Out of 1570 number of sheep development units established during 1985-86 to 1991-92 in 1 district in which the scheme was launched, 595 units became defunct. Subsidy involved in these cases was Rs.12.07 lakhs.

5. Upper Jonk Irrigation Project:

Upper Jonk Irrigation Project, taken up in 1979-80 and stipulated for completion by March 1986, was incomplete even as of March 1994. The original estimated cost of the project had escalated by 543 *per cent* from Rs.1277.43 lakhs to Rs.8213.06 lakhs in February 1993 against which expenditure of Rs.4810.03 lakhs had been incurred as of March 1994. The revised estimated cost of Rs.8213.06 lakhs had not been approved by Government.

*** Of the expenditure of Rs.4810.03 lakhs booked up to March 1994 against this project, an amount of Rs.88.89 lakhs was actually spent on works not connected with the project.

*** Live storage capacity of the reservoir as assumed could not be achieved with the dam height as per the project. The height of the dam had to be raised by 4 metres after eight years of the commencement of the project so as to create the initially targeted irrigation potential. This led to change of design and acquisition of additional land, both entailing expenditure at higher rates than applicable before the revision. Consequently, there was extra expenditure of Rs.45.95 lakhs on the right head regulator and on acquisition of private land. For the same reason and also due to delay in obtaining forest clearance, the contractor executing the earth dam had to be given extension of time in four spells up to 30 September 1993 against the original schedule for completion by July 1986. This resulted in payment of escalation charges of Rs.152.50 lakhs to the contractor.

- *** Non-adherence to the approved design during construction of the cut-off trench, right head regulator and spill-way foundation concreting resulted in extra/avoidable expenditure of Rs.95.37 lakhs.
- *** The rate for excavation for construction of the spillway was inclusive of filling up of excess excavation with material specified by the department. However, Rs.16.43 lakhs were paid to the contractor for the same.
- *** Excess consumption of diesel on extra dozer passes entailed an extra expenditure of Rs.15.51 lakhs on compaction of earth dam.
- *** There was, nugatory expenditure of Rs.20.60 lakhs in running and maintenance of an idle sub-division brought into existence from August 1987.
- *** Excess reimbursement towards increase in price of diesel, non-recovery of supervision charges on issue of diesel not contemplated in the agreement and short recovery of royalty resulted in unauthorised aid of Rs.12.49 lakhs to a contractor.
- *** Idle machinery costing Rs.52 lakhs were retained for periods ranging from 26 to 67 months. Expenditure of Rs.6.08 lakhs incurred up to August 1994 on operational staff for these machinery, who were not gainfully employed, also proved wasteful.

6. Other points of interest

- (a) Against escalation charges of Rs.30.80 lakhs admissible for the materials (structural steel) actually supplied at its own cost by a corporation entrusted with the work of design, fabrication and erection of radial gates, Rs.167.98 lakhs was paid. This resulted in payment of Rs.137.18 lakhs not due.

{Paragraph : 4.2}

- (b) Due to lack of understanding and coordination between different organisations involved (Integrated Tribal Development Agency, Keonjhar

and Executive Engineer, Orissa Lift Irrigation Corporation Division, Keonjhar), 58 Lift Irrigation Projects remained incomplete rendering the expenditure of Rs.92.36 lakhs largely unfruitful. The irrigation potential actually utilised consequently came to only 10 to 34 *per cent* of the target.

{Paragraph : 7.2}

- (c) Thirteen Lift Irrigation Projects, taken up under the Income Generating Scheme, were left incomplete as the same were taken up without first identifying the source of funding and the full requirement of funds. The funds released by the Integrated Tribal Development Agency, Champua for the purpose were also inadequate. As a result, Rs.17.60 lakhs spent on the projects were rendered unfruitful denying the poor beneficiaries of the intended benefits.

{Paragraph : 7.3}

- (d) Non-installation of the remote control systems for the Mahanadi and Birupa Barrage gates resulted in unfruitful expenditure of Rs.59.87 lakhs towards procurement of some parts and other works.

{Paragraph : 4.3}

- (e) The expenditure of Rs.50.30 lakhs incurred on construction of a sluice over Amrutia Nulla near Kanktira (Balasore District) for providing irrigation facilities had become infructuous due to damages to the structures, the design/drawing parameters having not been followed in the construction thereof. As a result, no irrigation could be provided.

{Paragraph : 4.4}

- (f) Large quantities of seeds allotted to/procured by six Deputy Directors of Agriculture proved grossly in excess of requirement. The surplus seeds had to be sold in auction resulting in loss of Rs.45.85 lakhs.

{Paragraph : 3.2}

- (g) Failure to finalise the tenders for construction of 2 spurs and for strengthening of the pavement of part of a National Highway within the

validity period in the Kendrapara Irrigation Division and the National Highway Division, Sambalpur, led to retendering, which resulted in extra liability of Rs.45.42 lakhs.

{Paragraphs : 4.5 and 4.12}

- (h) Against rebate of Rs.23.70 lakhs recoverable from a contractor for the work of excavation of tail race channel of the Upper Indravati Project, a sum of Rs.2.83 lakhs only was recovered. It resulted in undue benefit of Rs.20.87 lakhs to the contractor.

{Paragraph : 4.29}

- (i) Failure on the part of the Infrastructure Development Corporation to conduct soil test before undertaking construction of a building for the Directorate of Technical Education and Training resulted in infructuous expenditure of Rs.19.07 lakhs to Government, while a further sum of Rs.106.65 lakhs remained blocked with the above Corporation.

{Paragraph : 3.13}

- (j) Abandonment of the construction of a high level bridge over river Bandhan by the contractor owing to delay in finalisation of design involved an extra liability of Rs.17.14 lakhs for execution of the balance work departmentally. Besides, a sum of Rs.44.29 lakhs due for recovery from the contractor, on account of unused material not returned, was not recovered as of May 1994.

{Paragraph : 4.11}

- (k) Non-completion of Ekasingi Nullah diversion weir in Ganjam district rendered the investment of Rs.21.48 lakhs unfruitful. In addition, there was avoidable extra liability of Rs.1.50 lakhs for dewatering and desilting of the work site that would be needed. Further, Rs.2.35 lakhs towards cost of unutilised materials was not recovered from the defaulting contractor.

{Paragraph : 4.7}

- (l) Recovery of royalty charges at the reduced rates, instead of at the higher rates prevailing on the date of receipt of tenders from the contractors for

construction of right and left approach roads to high level bridge over river Brahmini, resulted in extra expenditure of Rs.18.54 lakhs.

{Paragraph : 4.13}

- (m) Plant protection chemicals procured by three Deputy Directors of Agriculture for demonstration under different schemes were not utilised before the dates of expiry of shelf-life thereof. As a result, Government sustained loss of Rs.11.32 lakhs.

{Paragraph : 3.3 (a,b,c)}

- (n) Construction of a bridge over Gallagada Nullah on NH 23 was started according to designs finalised on the basis of wrong sub-soil data; but due to subsidence, the work done had to be abandoned after incurring expenditure of Rs.9.12 lakhs which became infructuous. Besides, a sum of Rs.2.06 lakhs due from the contractor, on account of unused material not returned, had not been recovered as of April 1994.

{Paragraph : 4.15}

- (o) Part execution of the improvement works of the Badabandha Minor Irrigation Project in Ganjam district without prior transfer of land in the name of the department resulted in unproductive expenditure of Rs.8.55 lakhs to Government. Further works had to be abandoned due to refusal of owners to donate land.

{Paragraph : 4.21}

- (p) Though as per provisions in the agreement for the work of excavation of tail race channel including concrete lining of the Upper Indravati Project, charges for the form work were included in the finished item rates and no separate payment was admissible, a sum of Rs.18.31 lakhs was paid for form work separately. Consequently, there was inadmissible benefit to the contractor to that extent.

{Paragraph : 4.30}

- (q) Stores items worth Rs.13.60 lakhs were found short at the time of handing over charge on retirement of a sub-ordinate official who had

been in charge of stores of General Electrical Division No.II, Cuttack. No action was taken for recovery of the shortage of Rs.13.60 lakhs as of June 1994.

{Paragraph : 5.3}

- (r) The instructors were rendered surplus on account of discontinuance of admission into colleges in vocational subjects of the +2 Arts stream from the 1990-91 academic session were not deployed elsewhere resulting in unfruitful expenditure of Rs.7.38 lakhs on account of their pay and allowances.

{Paragraph : 3.10}

CHAPTER I

ACCOUNTS OF THE STATE GOVERNMENT

1.1 Summarised financial position

The financial position of the Government of Orissa as on 31 March 1994 as emerging from the Appropriation Accounts and the Finance Accounts for the year 1993-94, the Abstract of Receipts and Disbursements and the details of Sources and Application of Funds for the year are given in the following statements:-

I. Summarised financial position of the

Amount as on 31 March 1993 (Rs. in crores)	Liabilities	Amount as on 31 March 1994 (Rs. in crores)
1672.58	Internal Debt	1933.35
	Market loans bearing interest	1722.83
	Market loans not bearing interest	14.97
	Loans from Life Insurance Corporation of India	44.02
	Loans from National Co-operative Development Corporation	30.63
	Loans from General Insurance Corporation of India	22.50
	Loans from other Institutions	2.43
	i) National Bank of Agriculture & Rural Development	9.35
	ii) Compensation & other Bonds	0.25
	iii) Other Institutions	(-)7.17
	Ways and Means Advances	60.31
	Overdraft from Reserve Bank of India	35.66

Government of Orissa as on 31 March 1994

Amount as on 31 March 1993 (Rs. in crores)	Assets	Amount as on 31 March 1994 (Rs. in crores)
5473.32	Gross Capital outlay	6058.51
	(i) Investment in shares of companies, co-operatives, corporations etc.	1209.52
	(ii) Other Capital outlay	4848.99
560.33	Loans and Advances	602.23
	Loans for Power Projects	208.16
	Other development loans	337.30
	Loans to Govern- ment Servants and other Miscellaneous Loans	56.77
6.02	Other Advances	6.02
69.98	Remittance Balances	72.95
711.57	Deficit on Government account	982.71
	Deficit as on 31.3.93	711.57
	Add: Current Deficit	271.14

I. Summarised financial position of the

Amount as on 31 March 1993 (Rs. in crores)	Liabilities	Amount as on 31 March 1994 (Rs. in crores)
3148.31	Loans and Advances from Central Government	3433.53
	Pre 1984-85 loans	1072.26
	Non-Plan loans	952.29
	Loans for State Plan Schemes	1289.49
	Loans for Central Plan Schemes	11.94
	Loans for Centrally Sponsored Plan Schemes	87.55
	Other ways and means advances	20.00
41.58	Contingency Fund	35.37
1344.95	Small Savings, Provident Funds etc.	1646.44
537.89	Deposits	588.99
	(i) Deposits of Government Companies	0.07
	(ii) Deposits not bearing interest	588.92
15.12	Reserve Funds	56.87
42.70	Suspense and Miscellaneous Balances	61.45
	(i) Suspense	61.09
	(ii) Other accounts	0.36
<u>6803.13</u>		<u>7756.00</u>

Government of Orissa as on 31 March 1994

Amount as on 31 March 1993 (Rs. in crores)	Assets	Amount as on 31 March 1994 (Rs. in crores)
(-) 18.09	Cash	33.58
	Cash in Treasuries and local Remittances	2.03
	Deposit with Reserve Bank of India	12.33
	Departmental Cash balances including permanent advances	5.42
	Cash balance investment	13.16
	Security Deposits	0.64
	Investment of earmarked funds	Nil
<u>6803.13</u>		<u>7756.00</u>

GOVERNMENT
II. Abstract of Receipts and

Receipts	Amount (Rupees in crores)
----------	------------------------------

SECTION-A-REVENUE

I.	Revenue Receipts		3208.23
(i)	Tax Revenue	859.89	
(ii)	Non-Tax Revenue	415.44	
(iii)	State's share of net proceeds of Taxes on Income other than Corporation Tax	335.25	
(iv)	State's share of Union Excise Duties	732.60	
(v)	Grants from Central Government	865.05	
	(a) Non-plan grants	156.46	
	(b) For State Plan Schemes	334.30	
	(c) For Central Plan Schemes	64.30	
	(d) For Centrally Sponsored Plan Schemes	309.99	
II.	Revenue Deficit carried down to Section 'B'		271.14

3479.37

SECTION-B-OTHERS

III.	Opening cash balance including departmental cash balance, permanent advances, cash balance, investment of earmarked funds	(-)18.09
------	--	----------

OF ORISSA
Disbursements for the year 1993-94

Disbursements					Amount (Rupees in crores)
I.	Revenue Expenditure				3479.37
		Non-plan	Plan	Total	
(i)	General Services	1168.81	10.01	1178.82	
(ii)	Social Services	966.68	357.98	1324.66	
(iii)	Agriculture and Allied Services	145.85	113.25	259.10	
(iv)	Rural Development	30.24	306.73	336.97	
(v)	Irrigation and Flood Control	57.97	49.45	107.42	
(vi)	Energy	72.83	6.47	79.30	
(vii)	Industry and Minerals	18.25	28.44	46.69	
(viii)	Transport and Communications	85.31	4.30	89.61	
(ix)	Science, Technology and Environment	0.53	7.41	7.94	
(x)	General Economic Services	17.79	11.19	28.98	
(xi)	Grants-in-aid and Contributions	13.37	6.51	19.88	
		2577.63	901.74	3479.37	3479.37
II.	Revenue deficit brought down from Section 'A'				271.14
III.	Opening overdraft from Reserve Bank of India				68.19

GOVERNMENT
II. Abstract of Receipts and

Receipts		Amount
		(Rupees in crores)
IV.	Recoveries of Loans and Advances	48.05
	(i) From Government Servants	9.80
	(ii) From others	38.25
V.	Public Debt Receipts	1308.38
	i) Internal Debt of the State Government	320.68
	ii) Ways and Means Advances	447.74
	iii) Loans and Advances from the Central Government	539.96
VI.	Public Account Receipts	2729.91
	i) Small Savings and Provident Funds etc.	563.48
	ii) Reserve Fund excluding Investment	42.45
	iii) Deposits and Advances	1188.81
	iv) Suspense and Miscellaneous excluding cash with departmental officers, permanent advances, cash balances investment and investment of earmarked funds	65.99
	v) Remittances	869.18

OF ORISSA
Disbursements for the year 1993-94

Disbursements				Amount
				(Rupees in crores)
IV.	Capital Outlay			585.19
		Non-plan	Plan	Total
(i)	General Services	1.41	7.98	9.39
(ii)	Social Services	0.08	53.02	53.10
(iii)	Agriculture and Allied Services	16.59	12.16	28.75
(iv)	Irrigation and flood control	0.01	195.89	195.90
(v)	Energy	-	160.19	160.19
(vi)	Industry and Minerals	-	11.35	11.35
(vii)	Transport	2.63	117.49	120.12
(viii)	General Economic Services	1.16	5.23	6.39
		21.88	563.31	585.19
V.	Loans and Advances disbursed			89.95
	i) For various Projects	52.13		
	ii) To Government Servants	11.32		
	iii) Others	26.50		
VI.	Repayment of Public Debt			729.85
	i) Internal Debt of the State Government	43.41		
	ii) Ways and Means Advances	431.70		
	iii) Loans and Advances from the Central Government	254.74		

GOVERNMENT
II. Abstract of Receipts and

Receipts	Amount
	(Rupees in crores)

VII.	Closing Overdraft of Reserve Bank of India	35.66
VIII.	Contingency Fund	6.91

4110.82

OF ORISSA**Disbursements for the year 1993-94**

Disbursements		Amount (Rupees in crores)
VII.	Public Account Disbursements	2319.79
	i) Small Savings and Provident Funds	261.98
	ii) Reserve Funds excluding investment	0.70
	iii) Suspense and miscellaneous excluding cash with departmental officers, permanent advances, cash balances investment and investment of earmarked funds	52.84
	iv) Remittances	866.56
	v) Deposits and Advances	1137.71
VIII.	Contingency Fund	13.13
IX.	Cash balance at the end of the year	33.58
	i) Cash in treasuries and local remittances	2.03
	ii) Deposits with Reserve Bank of India	12.33
	iii) Cash balances investment, security deposits and investment of earmarked funds	13.80
	iv) Departmental Cash balance including permanent advance	5.42
		4110.82

III. Sources and applications of funds for 1993-94

		Amount (Rupees in Crores)
Sources		
1.	Revenue Receipts	3208.23
2.	Increase in Public Debt	578.53
3.	Recoveries from Loans and Advances	48.05
4.	Decrease in Contingency Fund	(-)6.22
5.	Net receipts from Public Account	410.12
	(a) Increase in Small Savings etc.	301.50
	(b) Increase in Deposits and Advances	51.10
	(c) Increase in Reserve fund	41.75
	(d) Effect of Suspense and Miscellaneous Balances	13.15
	(e) Effect of Remittance Balances	2.62
		<u>4238.71</u>
Application		
1.	Revenue Expenditure	3479.37
2.	Capital Expenditure	585.19
3.	Lending for development and other programmes	89.95
4.	Increase in cash balance	51.67
5.	Decrease in Overdraft	32.53
		<u>4238.71</u>

Explanatory Notes

The summarised financial statements are based on the statements of Finance Accounts and Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.

2. Government Accounts being mainly on cash basis, the revenue deficit has been worked out on cash basis. Consequently, amounts payable or receivable or items like depreciation or variation in stock figures, etc. do not figure in the accounts.

3. Finance Accounts contain information on progressive capital expenditure outside the revenue account. Prior to rationalisation of accounting classification, small expenditure of capital nature was also met out of revenue. Information on such capital expenditure, being not available, is not reflected in the accounts.

4. Although a part of the revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by end use.

5. There was an unreconciled difference of Rs.36.42 crores between the figures reflected in the accounts and those intimated by the Reserve Bank of India under deposits with the Reserve Bank at the end of the year. The difference was reduced to Rs.0.59 crore at the end of July 1994.

6. Reasons for adverse/minus balances appearing against some of the Debt, Deposits and Remittance Heads have been explained by way of foot-notes in the relevant statements of the Finance Accounts.

7. Based on the foregoing statements and other supporting data, the following paragraphs in this Chapter present an analysis of the management of the finances of the State Government during 1993-94.

1.2 Assets and liabilities of the State

The assets comprising capital investment and loans advanced and total liabilities of the State Government during the last five years are given below :-

<u>Year</u>	<u>Assets</u>	<u>Liabilities</u>
	(Rupees in Crores)	
1989-90	4056.21 *	4384.72 *
1990-91	4778.82 *	5166.96 *
1991-92	5499.72	6075.57
1992-93	6091.56	6803.13
1993-94	6773.29	7756.00

While the assets have grown by 67 *per cent* during the five years from 1989-90 to 1993-94, the liabilities have grown by 77 *per cent*.

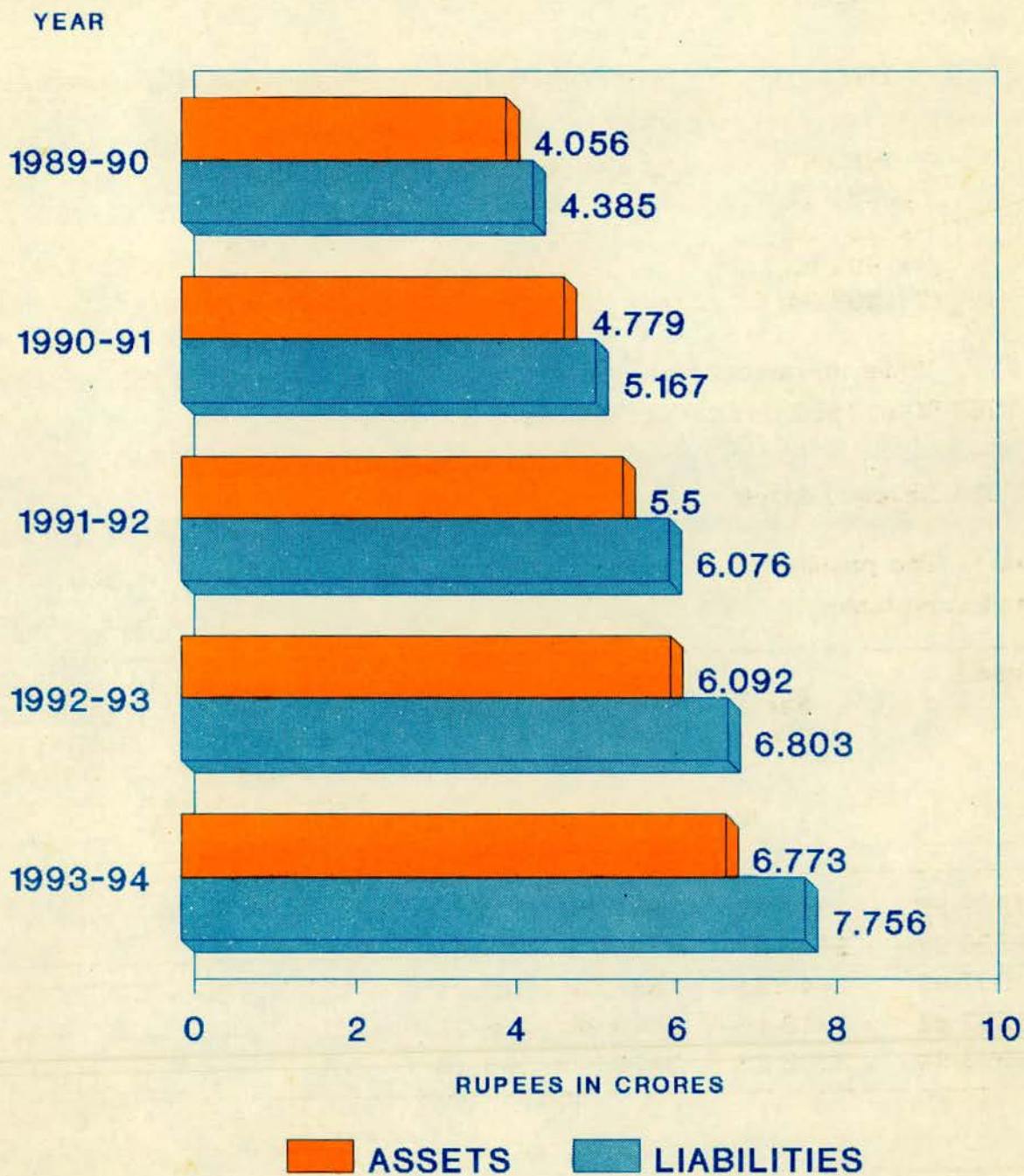
1.3 Revenue deficit

(a) The position of revenue deficit during the last five years is given in the following table:

Year	Revenue			Deficit	Percentage increase over the previous year		Percentage of revenue deficit to revenue receipts
	Recei-pts	Expendi-ture	Revenue Receipts		Revenue Expendi-ture		
	(Rupees in Crores)						
1989-90	1740.72	1846.11	105.39	12	11	6	
1990-91	2170.93	2190.53	19.60	25	19	1	
1991-92	2447.31	2635.02	187.71	13	20	8	
1992-93	2913.16	3048.88	135.72	19	16	5	
1993-94	3208.23	3479.37	271.14	10	14	8	

* Differs from the position reflected in earlier Audit Reports due to the non-inclusion of data relating to "Deposits with Reserve Banks" under Cash Balance.

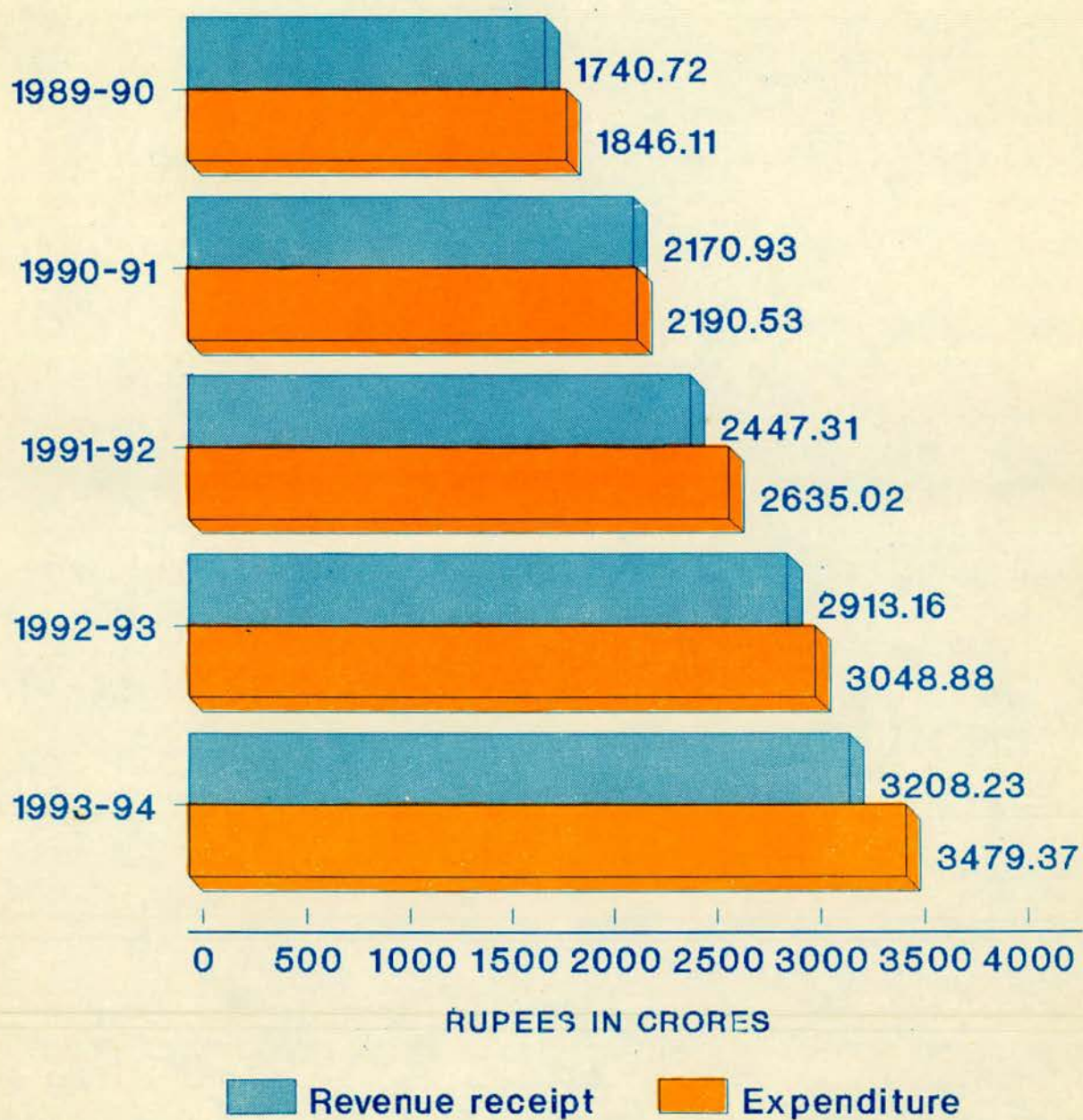
ASSETS & LIABILITIES



(Paragraph 1.2)

REVENUE RECEIPT/EXPENDITURE

Y E A R



(Paragraph: 1.3(a))

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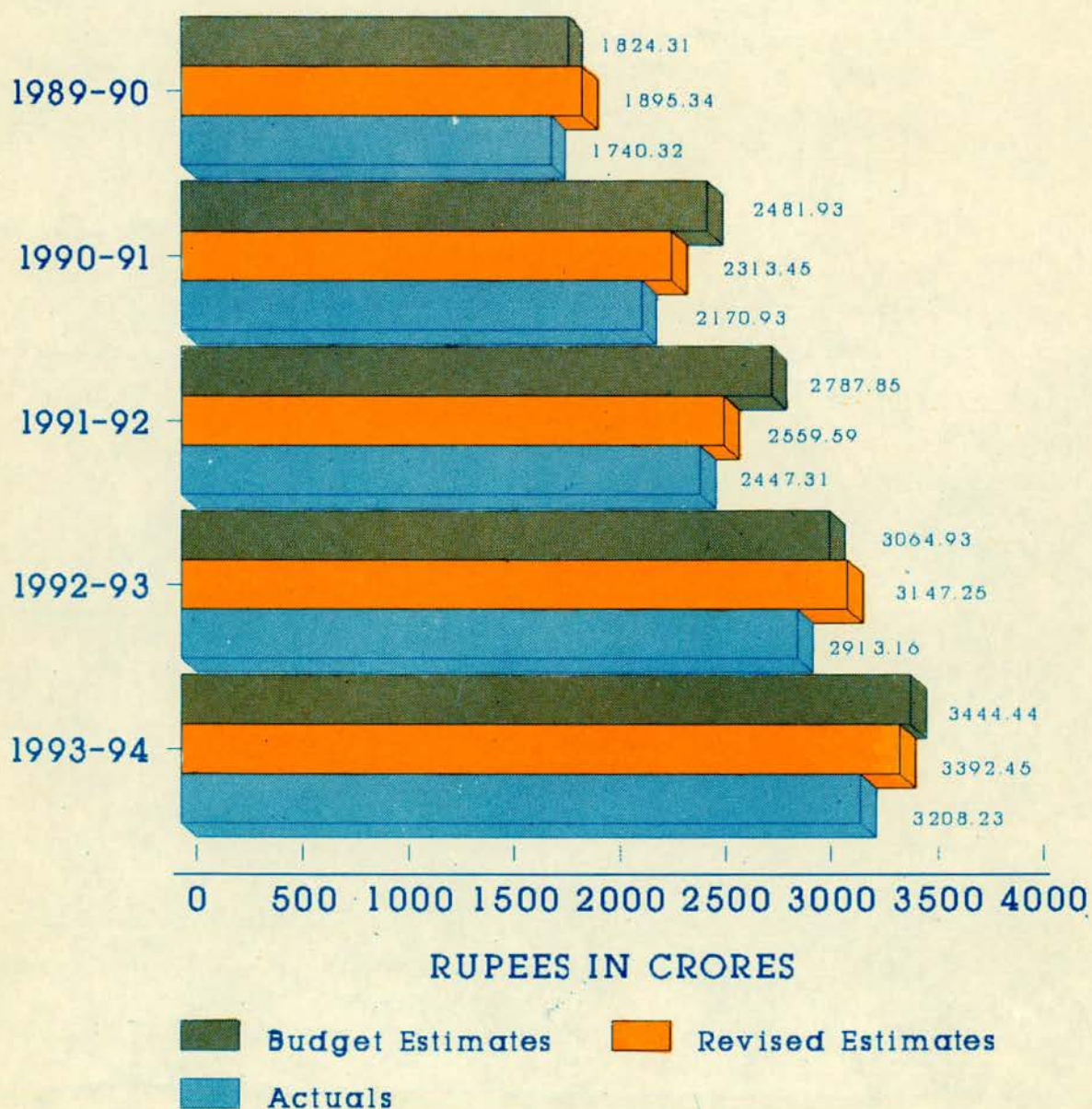
REVENUE RECEIPTS

1961-62

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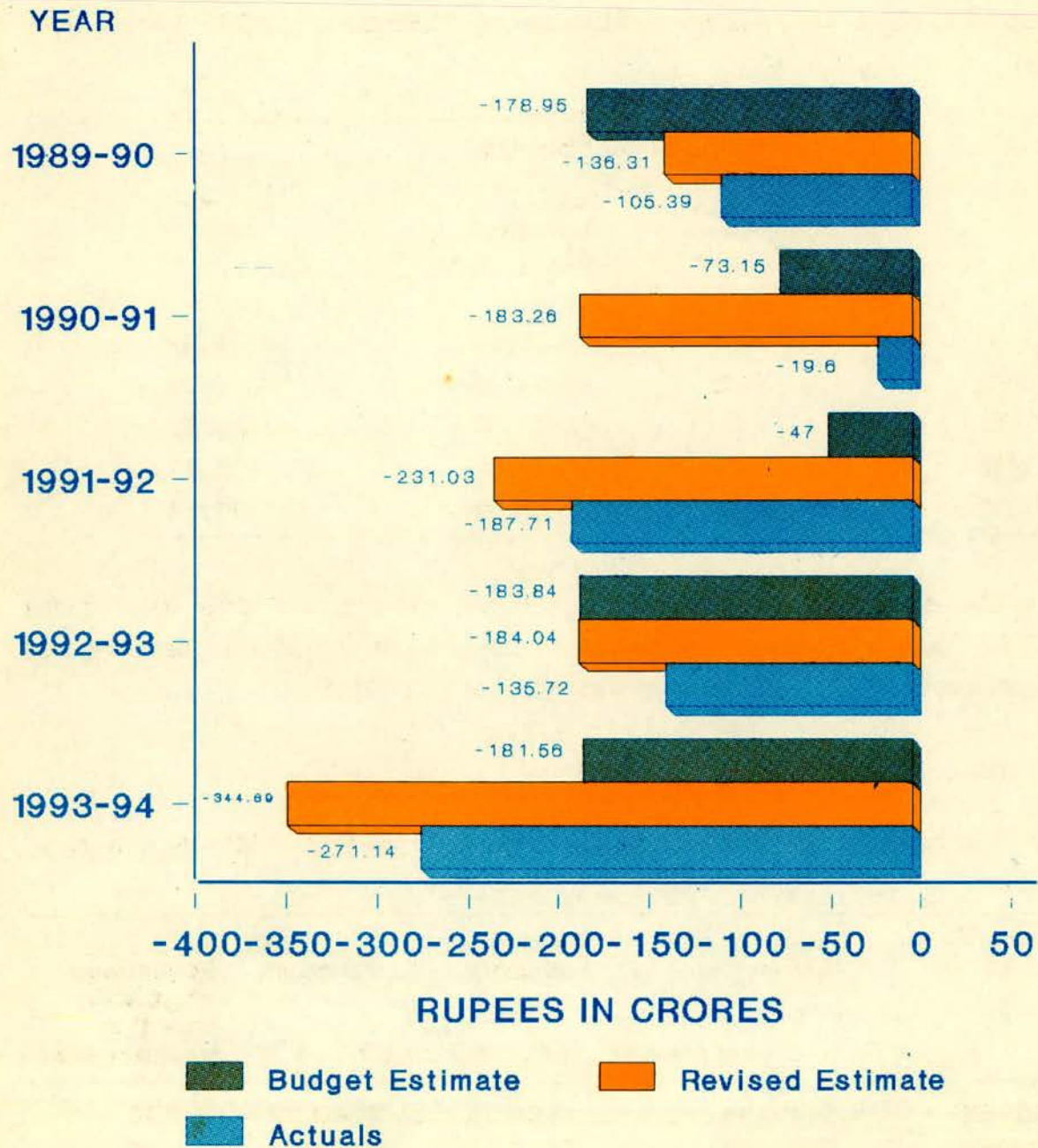
REVENUE RECEIPT

Y E A R



(Paragraph : 1.4)

REVENUE DEFICIT



[Paragraph : 1.3(b)]

While the revenue receipts increased by *84 per cent* between 1989-90 and 1993-94, the increase in revenue expenditure was *88 per cent*.

(b) The revenue deficit/surplus as envisaged in the Budget Estimates and the Revised Estimates vis-a-vis the actuals during 1989-90 and 1993-94 are given below:

Year	Revenue Deficit(-)/Surplus(+)		Actuals
	Budget Estimates (Rupees in Crores)	Revised Estimates	
1989-90	(-)178.95	(-)136.31	(-)105.39
1990-91	(-) 73.15	(-)183.26	(-) 19.60
1991-92	(-) 47.00	(-)231.03	(-)187.71
1992-93	(-)183.84	(-)184.04	(-)135.72
1993-94	(-)181.56	(-)344.69	(-)271.14

The state has been incurring revenue deficit year after year since 1985-86. Though the revenue deficit had come down in 1992-93 as compared to the previous year, it was considerably higher in 1993-94.

1.4 Revenue Receipts

The revenue receipts during the five years ending 1993-94 are given below:-

Year	Budget Estimates	Revised Estimates	Actuals	
			Amount	Percentage of growth over the previous year
(Rupees in Crores)				
1989-90	1824.31	1895.34	1740.72	12
1990-91	2481.93	2313.45	2170.93	25
1991-92	2787.85	2559.59	2447.31	13
1992-93	3064.93	3147.25	2913.16	19
1993-94	3444.44	3392.45	3208.23	10

In every year, the actuals were well below the projections as per budget/revised estimates.

The position of revenue raised by the State Government, State's share of taxes and duties and receipts from the Government of India were as follows:-

	1989-90	1990-91	1991-92	1992-93	1993-94
	(R u p e e s i n C r o r e s)				
I. Revenue raised by the State Government					
(a) Tax Revenue	524.84	668.79	673.64	761.90	859.89
(b) Non-Tax Revenue	198.64	201.12	259.81	388.15	415.44
Total	723.48	869.91	933.45	1150.05	1275.33
II. State's share of taxes on Income other than Corporation Tax	158.38	168.25	220.80	262.35	335.25
III. Receipts from the Government of India					
(i) State's share of Union/Excise Duties	414.21	525.84	609.73	732.53	732.60
(ii) Grants-in-aid	444.65	606.93	683.33	768.23	865.05
Total (II + III)	1017.24	1301.02	1513.86	1763.11	1932.90
IV. Total receipts of State Government (Revenue Account)	1740.72	2170.93	2447.31	2913.16	3208.24
V. Percentage of revenue raised to total receipts	42	40	38	39	40

The revenue receipts of the State Government increased by 84 *per cent* from Rs.1740.72 crores in 1989-90 to Rs.3208.23 crores in 1993-94. The revenue from State's own resources increased by 76 *per cent* during these years. Tax revenue raised by the State Government increased by 64 *per cent* from Rs.524.84 crores in 1989-90 to Rs.859.89 crores in 1993-94. Collections from non-tax revenue increased by 109 *per cent* from Rs.198.64 crores in 1989-90 to Rs.415.45 crores in 1993-94.

1.5 Tax Revenue

The revenue from taxes levied and collected by the State Government during the five years from 1989-90 to 1993-94 is given below:-

Year	Tax Revenue (Rupees in crores)	Percentage growth over previous year
1989-90	524.84	19
1990-91	668.79	27
1991-92	673.64	1
1992-93	761.90	13
1993-94	859.89	13

An analysis of the tax revenue raised by the State Government is given below:-

Source	1989-90 (Rupees)	1990-91 (Rupees)	1991-92 (Rupees)	1992-93 (Rupees)	1993-94 (Rupees)
1. Sales Tax	297.20 (57)	354.58 (53)	394.16 (58)	452.00 (59)	514.33 (60)
2. Taxes and duties on electricity	33.39 (6)	98.75 (15)	99.46 (15)	97.34 (13)	98.46 (11)
3. Taxes on vehicles	43.90 (8)	52.29 (8)	59.75 (9)	77.13 (10)	86.44 (10)

Source	1989-90 (Rupees)	1990-91	1991-92 in	1992-93 crores	1993-94
4. Land Revenue	78.95 (15)	81.90 (12)	24.77 (4)	27.16 (4)	31.46 (4)
5. State Excise	38.29 (7)	45.64 (7)	55.07 (8)	62.77 (8)	76.17 (9)
6. Stamps and Registration fees	27.98 (5)	30.94 (4)	35.43 (5)	40.64 (5)	47.99 (5)
7. Taxes on goods and passengers	0.06 (nil)	0.08 (nil)	0.01 (nil)	0.01 (nil)	0.01 (nil)
8. Other Taxes and duties on commodities and services	5.07 (1)	4.61 (1)	4.99 (1)	4.85 (1)	5.03 (1)
Total	524.84 (100)	668.79 (100)	673.64 (100)	761.90 (100)	859.89 (100)

Note: Percentage share of individual taxes on the total is given in brackets.

1.6 Non-tax revenue

The growth of non-tax revenue during the last five years is indicated below:-

Year	Non-tax Revenue (Rupees in crores)	Percentage growth(+)/ shortfall(-) over the previous year
1989-90	198.64	(+) 3
1990-91	201.12	(+) 1
1991-92	259.81	(+) 29
1992-93	388.15	(+) 49
1993-94	415.44	(+) 7

It would be seen that there was improvement in the realisation of non-tax revenue during 1993-94 as compared to the previous years. The increase was due mainly to Interest Receipts (Rs.29.44 crores).

1.7 State's share of Union Taxes and Grants received from the Central Government

The aggregate of the State's share of Union Taxes and Duties and Grants-in-aid from the Central Government during the year 1993-94 was Rs.1932.90 crores representing 60 *per cent* and 56 *per cent* of the total revenue receipts and the total revenue expenditure of the State respectively. Year-wise details for the period 1989-90 to 1993-94 are given below:-

Year	State's share of Union Taxes/Duties	Grants- in-aid	Total	<u>Percentage of Total</u>	
				Revenue Receipts	Revenue Expenditure
(R u p e e s i n c r o r e s)					
1989-90	572.59	444.65	1017.24	58	55
1990-91	694.09	606.93	1301.02	60	59
1991-92	830.53	683.33	1513.86	62	57
1992-93	994.88	768.23	1763.11	61	58
1993-94	1067.85	865.05	1932.90	60	56

It would be seen that around 60 *per cent* of the revenue receipts of the State during the past five years consisted of amounts received from the Government of India.

1.8 Revenue Expenditure

The revenue expenditure (Plan) during 1993-94 was Rs.901.74 crores against the original budget provision of Rs.990.50 crores disclosing a shortfall of Rs.88.76 crores in expenditure. The non-Plan revenue expenditure during the year was Rs.2577.63 crores (Rs.2300.60 crores during the previous year) against the Budget Estimates of Rs.2635.50 crores disclosing less expenditure of Rs.57.87 crores than the provision. Further details are available in the Appropriation Accounts for 1993-94.

The revenue expenditure (both Plan and non-Plan) during 1993-94 was Rs.3479.37 crores as against Rs.3048.88 crores during 1992-93. The detailed reasons for variation are given in Statement No.1 of the Finance Accounts for 1993-94.

1.9 Growth of revenue expenditure

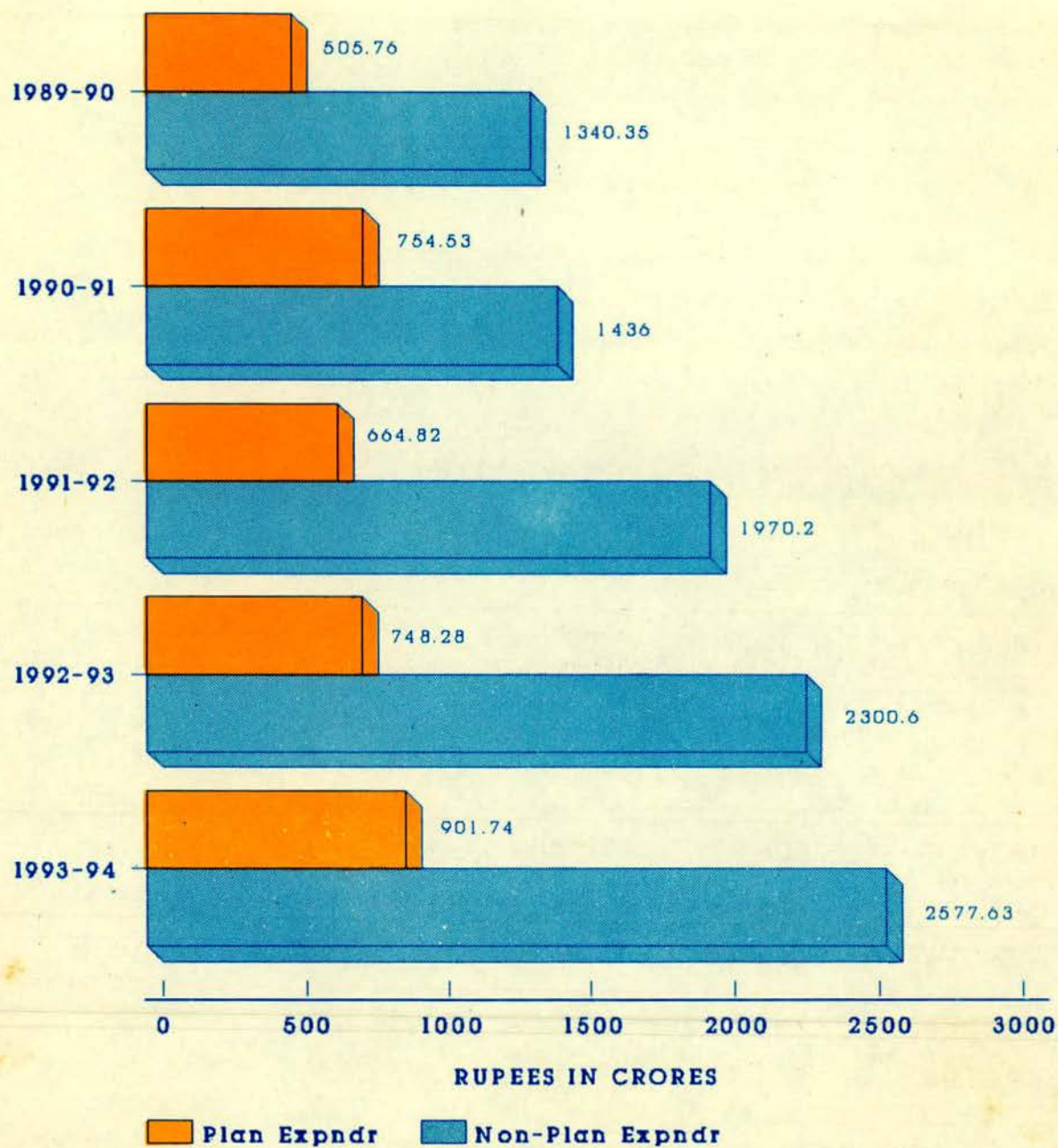
The growth of revenue expenditure (both Plan and non-Plan) during the last five years was as follows:-

Year	Revenue expenditure			Percentage of Non-Plan expenditure to total revenue expenditure
	Plan	Non-Plan	Total	
	(Rupees in crores)			
1989-90	505.76	1340.35	1846.11	73
1990-91	754.53	1436.00	2190.53	66
1991-92	664.82	1970.20	2635.02	75
1992-93	748.28	2300.60	3048.88	75
1993-94	901.74	2577.63	3479.37	74

While the revenue expenditure (Plan) increased by *78 per cent* between 1989-90 and 1993-94 the expenditure under non-Plan increased faster by *92 per cent* during the same period.

GROWTH OF REVENUE EXPENDITURE

YEAR



Paragraph : 1.9

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1.10 Non-Plan revenue expenditure

The following table shows the details of non-plan revenue expenditure, other than interest payments, where there has been significant increase over the last five years:-

Purpose	1989-90 (Rupees in crores)	1993-94	Percentage of variation
General Services	620.42	1168.81	88
Social Services	515.95	966.68	87
Irrigation and Flood Control	22.41	57.97	159
Energy	0.29	72.83	25014
Transport Industry and Minerals	36.19	85.31	136
Grants-in-aid	6.40	13.37	109

1.11 Capital Expenditure

The Budget Estimates of Rs.858.24 crores under capital expenditure were reduced to Rs.622.50 crores in the Revised Estimates. The actual expenditure during 1993-94 was still less at Rs.585.19 crores resulting in expenditure of Rs.273.05 crores less than the budget provision. Further details are available in the Appropriation Accounts of the State Government for 1993-94.

1.12 Financial assistance to local bodies and others

The quantum of assistance by way of loans and grants provided to different bodies during the last five years is given below:-

Name of the Body (1)	1989-90 (2)	1990-91 (3)	1991-92 (4)	1992-93 (5)	1993-94 (6)
(Rupees in Crores)					
1. Educational Institutions (Aided Schools, Private Colleges, Universities)	251.31	158.89	190.47	164.29	204.03
2. District Rural Development Agencies	61.10	155.79	131.68	171.05	292.81
3. Municipalities, Corporations, District Councils, Develop- ment Authorities, etc.	52.54	45.95	26.88	22.64	20.33
4. Panchayats	8.54	22.62	19.31	31.48	29.40
5. Command Area Development Authority	2.42	0.98	3.34	3.95	8.63
6. Co-operative Societies and Institutions	44.47	108.14	93.45	71.04	34.90
7. Others	99.03	192.60	239.80	265.78	330.35
8. Total	519.41	684.97	704.93	730.23	920.45
9. Revenue raised by the State (Tax and Non-tax)	723.48	869.91	933.45	1150.05	1275.33
10. Percentage of Assistance to revenue raised by the State	72	79	76	63	72
11. Revenue expenditure	1846.11	2190.53	2635.02	3048.88	3479.37
12. Percentage of assistance to revenue expenditure	28	31	27	24	26

During the period from 1989-90 to 1993-94 grants etc. paid to non-Government bodies/authorities represented 24 to 31 *per cent* of the total

revenue expenditure of the State during the respective years. The total assistance during 1993-94 had grown by 77 *per cent* over the level of 1989-90.

Grants to educational institutions represented 48 *per cent* of the total grants each year upto 1989-90. The decrease in the grants to educational institutions thereafter (22 to 28 *per cent*) was due to take over of primary education by the State Government in 1989-90.

The grants to DRDAs ranged between 12 and 32 *per cent* of the total grants during the period from 1989-90 to 1993-94.

1.13 Investment and returns

(a) In 1993-94, Government invested Rs.142.45 crores in various statutory corporations (Rs.4.79 crores), Government companies (Rs.131.39 crores) and co-operative societies (Rs.6.27 crores).

The total investments of Government in the share capital of different undertakings and the dividend/interest received during the five years period 1989-90 to 1993-94 were as follows:

Year	Total investments at the end of the year	Dividend/interest received during the year	Percentage of dividend/interest received to total investment
(Rupees in crores)			
1989-90	506.35	0.22	0.04
1990-91	696.32	0.13	0.01
1991-92	892.45	0.16	0.02
1992-93	1067.07	1.18	0.11
1993-94	1209.52	0.63	0.05

The return on investment in the respective years was thus negligible. Incidentally, the average rate of interest for Government borrowings during 1989-90 to 1993-94 was 12 *per cent* .

(b) Out of 80 Government companies in which Government had invested Rs.896.33 crores, accounts were finalised in 57 cases upto different years from 1961-62 to 1993-94. Twenty one of these Companies were under liquidation and 21 had incurred a loss of Rs.25.35 crores in the years, for which accounts were last rendered by them, while 21 companies had a cumulative loss of Rs.153.63 crores. Twenty three companies in which Government had invested Rs.515.96 crores during 1951-52 to 1993-94, had not rendered accounts even for a single year as of March 1994. The details are given in Statement 14 of the Finance Accounts for 1993-94.

Government had invested Rs.182.73 crores in Co-operative Societies as at the end of March 1994 including Rs.6.27 crores during 1993-94 and received Rs.0.01 crore as dividend which represented 0.01 *per cent* of the amount invested.

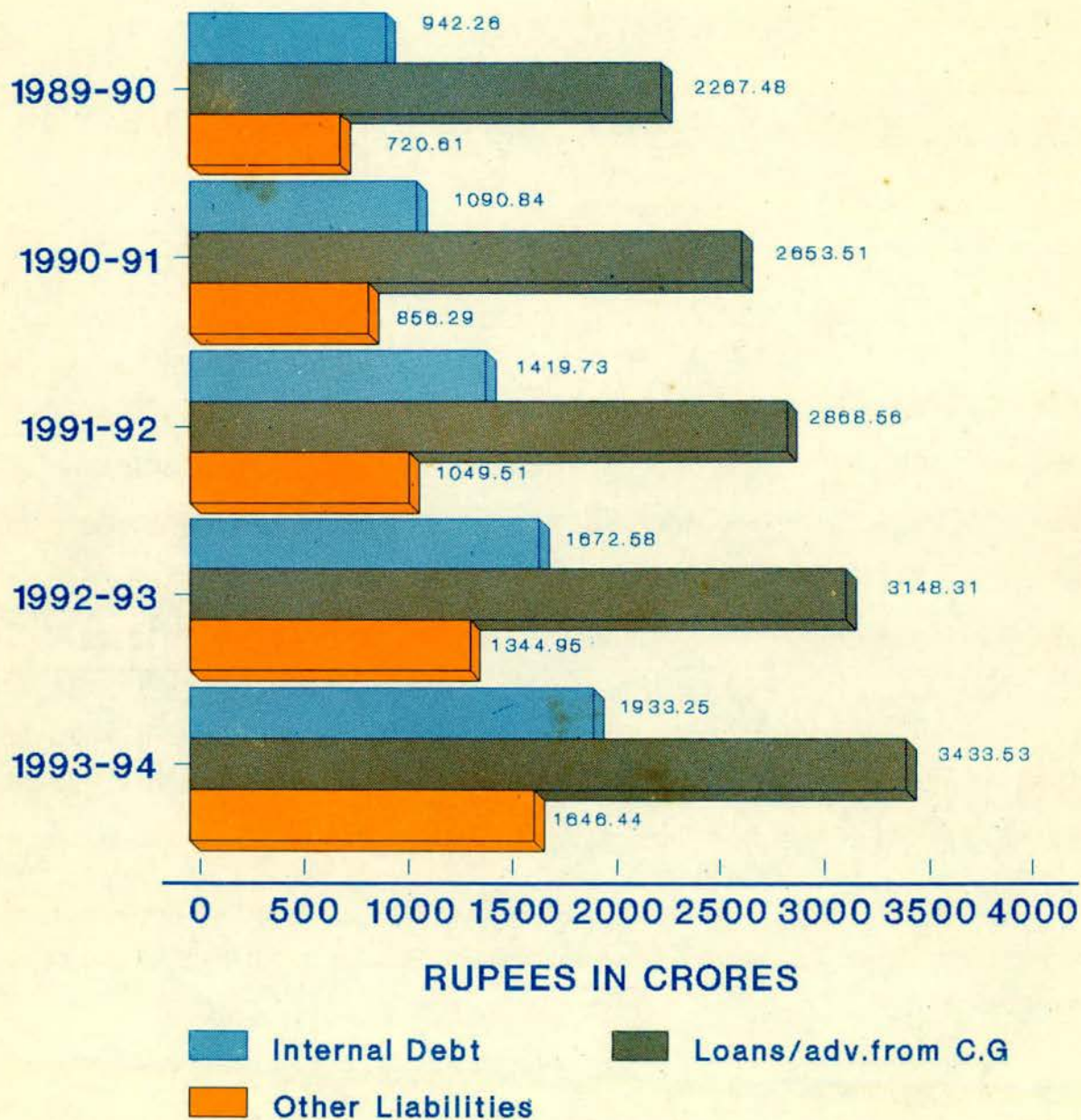
1.14 Public Debt and Other Liabilities

(a) Under Article 293(1) of the Constitution of India, a State may borrow, within the territory of India, upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Act of the Legislature of the State. No law has been passed by the Orissa Legislature laying down such limit.

Public Debt of the State consists of internal debt and loans and advances from the Central Government. Internal Debt comprises long term loans raised in the open market and loans received from financial institutions, etc. This also includes ways and means advances from the Reserve Bank of India and other bonds issued by the State Government. Loans and Advances from the Central Government represent loans received from the Government of India for

PUBLIC DEBT & OTHER LIABILITIES

Y E A R



Paragraph : 1.14

execution of various plan and non-Plan schemes. Besides, the Government had other liabilities on account of funds raised through small savings, provident funds etc.

The details of such liabilities of the State Government during the five years ending March 1994 are given below:-

Year	Internal Debt	Loans and Advances from Central Government	Total Public Debt	Other Liabilities	Total Liabilities
(R u p e e s i n c r o r e s)					
1989-90	942.26	2267.48	3209.74	720.61	3930.35
1990-91	1090.84	2653.31	3744.15	856.29	4600.44
1991-92	1419.73	2868.56	4288.29	1049.51	5337.80
1992-93	1672.58	3148.31	4820.89	1344.95	6165.84
1993-94	1933.35	3433.53	5366.88	1646.44	7013.32

The total liabilities of the Government had increased from Rs.3930.35 crores at the end of 1989-90 to Rs.7013.32 crores at the end of 1993-94 representing an increase of *78 per cent* over the last five years.

(b) The Public Debt included Rs.14.97 crores representing undischarged market loans which had matured during 1993 and earlier years and did not carry any interest.

1.15 Debt service

The State Government had not made any amortisation arrangements for open market loans, bonds and loans from the Central Government.

The following table shows the outgo of funds on account of interest payment (gross) during the five years ending 1993-94:

Year	Interest paid	Opening balance			Other Obligation	Total obligation	Percentage of interest to.	
		Internal Debt	Loans and Advances from Central Government	Small Savings, Provident Funds etc			Total Obligation	Total Revenue Expenditure
(R u p e e s i n c r o r e s)								
1989-90	310.34	732.39	2044.12	607.38	0.84	3384.73	9	17
1990-91	364.67	942.26	2267.48	720.61	1.20	3931.55	9	17
1991-92	480.97	1090.84	2653.31	856.29	0.84	4601.28	10	18
1992-93	542.15	1419.73	2868.56	1049.51	0.06	5337.86	10	18
1993-94	682.83	1672.58	3148.31	1344.95	0.06	6165.90	11	20

It would be seen that the outflow of funds for payment of interest during 1989-90 to 1993-94 has been Rs.2380.96 crores and was between 17 and 20 *per cent* of the revenue expenditure each year.

Interest received during the year 1993-94 was Rs.87.69 crores while the interest paid on debt and other obligations was Rs.682.83 crores. The net interest burden during the year was, thus, Rs.595.14 crores.

The repayment of the Central Government loans and payment of interest thereon by the State Government during the last five years was as follows:-

Year	Repayment			Loans received during the year	Percentage of repayments to loans received
	Princi- pal	Inte- rest	Total		
	(R u p e e s i n c r o r e s)				
1989-90	131.94	152.64	284.58	355.31	80
1990-91	221.61	182.22	403.83	607.44	66
1991-92	221.34	239.69	461.04	436.59	106
1992-93	165.17	264.32	429.49	444.93	97
1993-94	254.74	302.97	557.71	539.96	103

The total outflow on account of re-payment of Government of India loans and interest thereon increased by *96 per cent* between 1989-90 and 1993-94. During 1993-94, repayment of outstanding loans and payment of interest thereon exceeded the amount of fresh loans received.

1.16 Ways and Means Advances and Overdraft

Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum balance of Rs.0.60 crore on all working days. If the balance falls below the agreed minimum, the deficiency is made good by taking Ways and Means Advances from the Reserve Bank of India upto a limit mutually agreed upon. The limit for ordinary Ways and Means Advances and Special Ways and Means Advances has been fixed at Rs.50.40 crores and Rs.19.20 crores respectively. Even after availing of maximum Ways and Means Advances, if the shortfall remains uncovered overdraft is allowed by the Reserve Bank of India to maintain the minimum balance.

The extent to which the State Government maintained the minimum balance with the Bank during the period 1989-90 to 1993-94 is given below:-

	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
i) Number of days on which minimum balance was maintained					
(a) Without obtaining any advances	191	221	218	109	195
(b) By obtaining Ways and Means Advances	133	77	115	159	105
ii) Number of Days on which there was shortfall in minimum balance after taking above advance but no overdraft was taken	-	4	-	4	1
iii) Number of Days on which overdraft was taken	41	63	33	93	64

The position of Ways and Means Advances and overdraft taken by the State Government and interest paid thereon during 1989-90 to 1993-94 is detailed below:-

	1989-90	1990-91	1991-92	1992-93	1993-94
(Rupees in crores)					
Ways and Means Advances					
i) Advances taken during the year (gross)	417.77	346.32	371.90	665.91	447.74
ii) Advances outstanding at the end of the year	44.05	44.19	44.37	44.27	60.31
iii) Interest paid	1.00	1.32	0.59	2.94	1.55
Overdrafts:					
i) Overdraft taken during the year (gross)	165.01	283.73	321.97	571.04	481.83
ii) Overdraft outstanding at the end of the year	13.61	15.60	77.54	68.19	35.66
iii) Interest paid	0.18	0.28	0.35	0.65	0.85

1.17 Loans and advances by State Government

(a) The State Government has been advancing loans to Government Companies, Corporations, Autonomous bodies, Co-operatives, Non-Government

institutions etc. for developmental and non-developmental activities. The position of such loans for the five years from 1989-90 to 1993-94 is given below:-

	1989-90	1990-91	1991-92	1992-93	1993-94
	(R u p e e s i n c r o r e s)				
Opening balance	386.35	428.08	473.66	543.40	560.33
Amount advanced during the year	58.88	78.60	116.36	92.10	89.95
Amount repaid during the year	17.15	33.02	46.62	75.17	48.05
Closing balance	428.08	473.66	543.40	560.33	602.23
Net addition	41.73	45.58	69.74	16.93	41.90
Interest received and credited to revenue	4.16	5.23	34.03	58.25	87.69

Out of loans advanced to various bodies, the detailed accounts of which are maintained in the Office of the Accountant General (A & E) recovery of Rs.4.91 crores (Principal : Rs.2.62 crores and Interest : Rs.2.29 crores) was in arrears as on 31 March 1994. The loans advanced to the Orissa State Electricity Board (Rs.208.16 crores) constituted the largest component (35 *per cent*) of the outstanding balance as on 31 March 1994.

(b) In respect of loans, the detailed accounts of which are maintained by the Departmental Officers, information was received (October 1994) from only 9 out of 25 departments. According to the information furnished, recovery of Rs.98.68 crores (Principal : Rs.68.26 crores and Interest : Rs.30.42 crores) was outstanding on 31 March 1994.

1.18 Guarantees given by the Government

The position of the contingent liability for guarantees given by the State Government for repayment of loans and payment of interest thereon by the Statutory Corporations, companies and co-operatives etc., was as follows:-

As on 31 March 1994	Maximum amount guaranteed (Principal only)	<u>Amount outstanding</u>	
		Principal	Interest
(R u p e e s i n c r o r e s)			
1990	2663.34	1461.60	5.26
1991	1454.19	799.97	333.51
1992	1791.50	1085.69	4.63
1993	2071.47	1320.18	12.59
1994	2401.56	1356.74	0.30

The amount of outstanding guarantees at the end of 1993-94 increased by 3 per cent over the previous year.

The guarantee commission realised during the year was Rs.0.41 crore in 5 cases. According to the information furnished by the Department, guarantee commission of Rs.1.73 crores was due for recovery in 65 cases as of 31 March 1994. The main defaulters were Government Companies and Statutory Corporations.

No law under Article 293 of the Constitution has been enacted by the State Legislature laying down the limit within which the Government may give guarantee on the security of the Consolidated Fund of the State.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

The summarised position of actual expenditure during 1993-94 against approved grants/appropriations is given below:

	Original grant/ Appropri- ation	Supple- mentary grant/ appro- priation	Total	Actual expen- diture	Variations Savings(-) Excess(+)
	(R u p e e s i n c r o r e s)				
I Revenue					
Voted	3028.52	356.41	3384.93	2956.24	(-)428.69
Charged	726.57	1.04	727.61	729.10	(+)1.49
II Capital					
Voted	999.50	43.64	1043.14	725.52	(-)317.62
Charged	0.35	2.45	2.80	0.64	(-)2.16
III Public Debt					
Charged	961.85	100.00	1061.85	1244.22	(+)182.37
IV Loans and Advances	81.36	12.58	93.94	90.65	(-)3.29
Grand Total	5798.15	516.12	6314.27	5746.37	(-)567.90

The figures of expenditure shown are gross hence differ from those indicated in chapter I which are net.

2.2 Results of Appropriation Audit

The overall saving was the net result of savings in 88 cases involving 38 grants and 4 appropriations and excesses in 9 cases involving 4 grants and 2 appropriations as shown below:

	Savings		Excess		Net	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
	Savings(-)/Excess(+)					
	(R u p e e s i n c r o r e s)					
Voted	518.34 (35)	342.60 (34)	89.65 (3)	21.69 (1)	(-)428.69	(-)320.91
Charged	1.27 (15)	23.44 (4)	2.76 (4)	203.65 (1)	(+)1.49	(+)180.21
	519.61	366.04	92.41	225.34	(-)427.20	(-)140.70

The supplementary grants/appropriations of Rs.516.12 crores obtained during 1993-94 constituted *9 per cent* of the original grants/appropriations, as against *17 per cent* in the previous year.

2.2.1 Excess over grants/appropriations

In the revenue section there was excess of Rs.92,40,22,106 in 4 cases involving 3 grants and one appropriation, while the excess in the capital section amounted to Rs.2,25,33,88,856 in 2 cases involving one grant and one

appropriation as detailed below :-

Sl. No.	Grant No.	Department	Total	Expenditure Grant	Excess over Grant/Appropriation
REVENUE SECTION					
1.	✓ 7	Works(Voted)	92,54,61,000	1,21,30,85,080	28,76,24,080
2.	✓ 13	Housing and Urban Development (Voted)	71,39,87,000	76,15,89,086	4,76,02,086
3.	✓ 28	Rural Development(Voted)	1,84,74,82,000	2,40,87,26,230	56,12,44,230
4.	-	Appropriation Interest Payment (charged)	6,80,00,00,000	6,82,75,51,710	2,75,51,710
			10,28,69,30,000	11,21,09,52,106	92,40,22,106
CAPITAL SECTION					
5.	✓ 22	Forest and Environment (Voted)	99,11,09,000	1,20,80,08,643	21,68,99,643
6.	-	Appropriation (Charged)	7,85,83,29,000	9,89,48,18,213	2,03,64,89,213
			8,84,94,38,000	11,10,28,26,856	2,25,33,88,856

These 6 cases of excesses require regularisation under Article 205 of the Constitution of India.

Reasons for the excesses have not been intimated by the Government.

In the case of Grant No.7 relating to Works Department, the expenditure exceeded budget provision by 56, 65 and 38 *per cent* during 1990-91, 1991-92 and 1992-93 respectively while during 1993-94 the expenditure in excess of the provision was 31 *per cent*. In the case of Rural Development Department, the excess of expenditure over the provision was 33 *per cent* during the year 1992-93, while during 1993-94 the expenditure over provision was 30 *per cent*. In the case of Forest and Environment Department, the excess of expenditure over the provision was 16 *per cent* during 1992-93 while during 1993-94 the excess over provision was 22 *per cent*. In the case of Housing and Urban Development Department the excess of expenditure over the provision was 13 *per cent* during 1992-93, while during 1993-94 the excess over provision was 7 *per cent*.

54th report of P.A.C. 11th Feb. 1998
Regularised by A.P. Prasad
Date 3/9/98

6003

2.2.2 Expenditure without provision

An expenditure of Rs.2.96 crores was incurred in the following grants/appropriations without provision.

Sl. No.	Grant number	Department	Head of Account	Amount (Rupees in crores)
1.	6	Commerce	5452-Capital Outlay on Tourism-State plan-State Sector-01-Tourist Infrastructure-W-A-102-Tourist Accommodation	0.14
2.	6	Commerce	5452-Capital Outlay on Tourism-State Plan-State Sector-01-Tourist Infrastructure-W-B-800-Other Expenditure	0.19
3.	6	Commerce	5452-Capital Outlay on Tourism-Central Plan-State Sector-01-Tourist Infrastructure-W-C-102-Tourist Accommodation	0.03
4.	6	Commerce	5465-Investments in General Financial and Trading Institutions-02-Investments in Trading Institutions-W-D-190-Investments in Public Sector and other Institutions	1.00
5.	20	Irrigation	4701-Capital Outlay on Major and Medium Irrigation-State Plan-State Sector-01-Major Irrigation-Commercial-VVVA-203-Rengali Dam Project	0.33
6.	20	Irrigation	4701-Capital Outlay on Major and Medium Irrigation-State Plan-State Sector-01-Major Irrigation-Commercial-VVVB-205-Delta Irrigation Project-stage-II	0.95
7.	20	Irrigation	4701-Capital Outlay on Major and Medium Irrigation-State Plan-State Sector-01-Major Irrigation-Commercial-WWWA-211-Mahanadi-Birupa Barrage Project	0.32

2.2.3 Unnecessary/excessive/inadequate supplementary provision

(a) In 28 cases detailed in Appendix - I supplementary provision of Rs.123.50 crores (Revenue : Rs.101.36 crores, Capital : Rs.22.14 crores) was wholly unnecessary as the expenditure in each case did not come upto the level of the original provision. The final saving in each of these cases was more than Rs.0.50 crore. 8/197

(b) In 12 cases detailed in Appendix - II, against the actual additional requirement of Rs.120.63 crores (Revenue : Rs.102.63 crores, Capital : Rs.18.00 crores) supplementary provision of Rs.222.37 crores (Revenue : Rs.189.84 crores, Capital : Rs.32.53 crores) was obtained resulting in saving of Rs.25 lakhs or more in each case and Rs.101.74 crores in the aggregate. 8/199

(c) The supplementary provision of Rs.13.09 crores (Revenue: Rs.13.06 crores, Capital : Rs.0.03 crores) obtained in 4 cases as detailed in Appendix - III proved inadequate by more than Rs.2 crores in each case in a total uncovered expenditure of Rs.111.33 crores. 8/200

2.2.4 Non-receipt of explanations for savings/excesses

After closure of accounts of each financial year, the detailed Appropriation Accounts showing the final Grant/Appropriation, the actual expenditure and the resultant variations are sent to the controlling officers, who are required to explain the variations in general and those under important sub-heads in particular. The State Budget Manual also requires the controlling officers to furnish promptly all such information to the Accountant General for preparation of the Appropriation Accounts.

For the Appropriation Accounts 1993-94, the reasons for savings/excesses were called for by the Accountant General in September 1994 in respect of 3416 cases (Savings : 2256 cases for Rs.560.76 crores, Excesses : 1160 cases for Rs.396.11 crores). These have not been received so far (December 1994).

2.2.5 Unutilised provision

In 18 cases involving 15 grants/appropriations, the expenditure fell short of the provisions by more than Rs.1 crore and more than 20 *per cent* of the provision in each case, as detailed in Appendix - IV *8/20*

2.2.6 Persistent savings

Persistent savings above 10 *per cent* were noticed in the following grants/appropriations :

Serial number	Grant number	Department	Percentage of Savings		
			1991-92	1992-93	1993-94
REVENUE SECTION					
1	5	Finance (Voted)	35	55	38
2	5	Finance (Charged)	100	100	100
3	12	Health and Family Welfare (Voted)	13	21	18
4	<u>12</u>	Health and Family Welfare (Charged)	99	89	30
5	16	Planning and Coordination (Voted)	35	11	71
6	17	Panchayati Raj (Voted)	24	11	12
7	18	Public Grievances and Pension(Voted)	24	26	11
8	22	Forest and Environ-ment (Voted)	24	21	28
9	23	Agriculture (Voted)	11	25	22
10	23	Agriculture (Charged)	69	87	98

Serial number	Grant number	Department	Percentage of Savings		
			1991-92	1992-93	1993-94
11	27	Science and Technology (Voted)	13	44	35
12	31	Textile and Handloom(Voted)	14	14	46
13	34	Cooperation (Voted)	23	18	27
14	35	Public Enterprises (Voted)	12	22	21
<u>CAPITAL SECTION</u>					
15	2	General Administration(Voted)	37	18	11
16	16	Planning and Coordination (Voted)	33	100	100
17	20	Irrigation (Charged)	49	32	75
18	24	Steel and Mines (Voted)	55	99	87
19	27	Science and Technology (Voted)	100	34	17
20	28	Rural Development(Charged)	73	50	26
21	30	Energy(Voted)	52	46	18
22	32	Tourism(Voted)	59	72	38
23	33	Fisheries and Animal Resources Development(Voted)	24	50	23
24	34	Cooperation(Voted)	16	36	46

2.2.7 Surrender of Savings

According to the rules all anticipated savings in a grant/appropriation should be surrendered as soon as the possibility of saving is foreseen from the trend of expenditure, without waiting till the end of the year when it cannot be purposefully utilised. During 1993-94, although actual savings of Rs.885.65 crores was available Rs.777.38 crores were surrendered, that too only in March 1994.

(a) In the following grants/appropriations significant savings exceeding Rs.2 crores each were not surrendered.

Grant number	Department	Total savings	Amount surrendered	Amount not surrendered
(R u p e e s i n c r o r e s)				
REVENUE SECTION(Voted)				
1	Home	10.90	7.40	3.50
10	School and Mass Education	82.40	53.97	28.43
11	Tribal Welfare	8.97	6.56	2.41
22	Forest and Environment	29.33	17.94	11.39
23	Agriculture	35.91	21.18	14.73
34	Co-operation	7.05	4.95	2.10
38	Higher Education	7.71	4.95	2.76
CAPITAL SECTION(Voted)				
13	Housing and Urban Development	4.49	0.76	3.73
28	Rural Development	9.24	6.75	2.49
30	Energy	38.24	7.30	30.94

(b) In the following grants/appropriations surrenders exceeding Rs.50 lakhs in each case were made in excess of the savings actually available.

Grant number	Department	Amount of saving available	Amount surrendered	Excess surrendered
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(R u p e e s i n C r o r e s)

REVENUE SECTION (Voted)

3	Revenue	14.38	15.97	1.59
5	Finance	107.67	108.26	0.59

CAPITAL SECTION (Voted)

20	Irrigation	13.44	23.12	9.68
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(c) Although the expenditure exceeded the total provision and no saving was available, amounts exceeding Rs.50 lakhs in each case were surrendered in the following cases:

Grant Number	Department	Total excess	Amount surrendered
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(R u p e e s i n c r o r e s)

REVENUE SECTION (Voted)

7	Works	28.76	0.90
13	Housing and Urban Development	4.76	1.44
28	Rural Development	56.12	6.46

CAPITAL SECTION (Voted)

22	Forest and Environment	21.69	1.11
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2.3 Injudicious re-appropriation

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another where additional funds are needed. It is permissible only when there is definite or reasonable chance of

saving under the unit from which funds are proposed to be re-appropriated or when it is meant to curtail expenditure under the unit to meet more urgent expenditure under another unit. These aspects were not taken into consideration when re-appropriation orders were issued during 1993-94. In view of the final savings/excesses, the augmentation/reduction of provision by way of re-appropriation for sums exceeding rupees one crore in each case proved to be excessive/unnecessary by Rs.50 lakhs or more in each case as instanced in Appendix - V. 8/202

2.4 Advances from the Contingency Fund

The corpus of the State Contingency Fund was enhanced from Rs.20 crores to Rs.60 crores vide Orissa Contingency Fund (Amendment) Act, 1990 (Orissa Act 10 of 1990) in order to enable Government to meet such unforeseen expenditure of an emergent nature as cannot be postponed till the vote of the legislature is taken.

Out of 82 sanctions of advance from Contingency Fund for an aggregate sum of Rs.32.30 crores during the year 1993-94, 2 sanctions for Rs.0.13 crore were cancelled without assigning any reasons.

Advances from the Contingency Fund aggregating Rs.24.63 crores relating to 1993-94 (Rs.15.15 crores) and earlier years (Rs.9.48 crores) remained unrecouped as of March 1994.

2.5 Trend of Recoveries and Credits

Under the system of gross budgeting 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. In 1993-94, against the anticipated recovery of Rs.265.98 crores (Revenue: Rs.123.98 crores; Capital: Rs.142.00 crores) the actual recovery was Rs.347.64 crores (Revenue : Rs.205.96 crores; Capital: Rs.141.68 crores).

The additional recovery under Revenue Section was mainly under the departments of Revenue (Rs.44.25 crores), Works (Rs.27.83 crores), Housing and Urban Development (Rs.21.38 crores) and Rural Development (Rs.78.04 crores).

Under the Capital Section additional recovery was under the Departments of Irrigation (Rs.12.62 crores) and Energy (Rs.16.18 crores).

CHAPTER-III

AGRICULTURE DEPARTMENT

3.1 Multiplication and Distribution of Seeds - Experimental Seed Farms

3.1.1 Introduction

With a view to increasing food production, the scheme 'Multiplication and Distribution of seeds-Experimental Seed Farms' was being implemented in the State with funds from both plan and non-plan sectors. The scheme envisaged production and distribution of certified seeds of cereals, pulses, etc., with higher genetic potential.

Production of certified seeds involves the following three stages:

- Stage-I Breeder seeds procured from the National Seeds Corporation, Central Rice Research Institute, Cuttack and the Orissa University of Agriculture and Technology (OUAT), Bhubaneswar, are multiplied into foundation seeds in some of the Seed Farms (SF).
- Stage-II The foundation seeds so obtained are further multiplied in all the SFs into seeds.
- Stage-III These seeds are then processed by the Seed Processing Units (SPUs). Seeds that conform to the standards prescribed in the Central Seed Act (CSA), 1966 are certified by the Orissa State Seed Certification Agency (OSSCA), an autonomous body established under Section 8 of CSA, and are called certified seeds. These seeds are distributed to the farmers through the Deputy Directors of Agriculture (DDA).

There are 8 large and 70 small sized departmental SFs in the State. The seeds produced in these SFs are processed in the 38 SPUs with the aggregate

The abbreviations appearing in the Review are listed alphabetically and expanded in the glossary at appendix XXII at page 232.

capacity of 250 quintals per hour under the control of the Government (27 SPU's : 163 quintals), the Orissa State Seeds Corporation Limited (OSSC) (9 SPU's : 74.50 quintals) and the OUAT (2 SPU's : 12.50 quintals).

Two seed testing laboratories were established with the annual capacity of 15,000 samples per annum. Of these two, the one at Bhubaneswar is under the control of the State Government (10,000 samples) and the other at Bargarh (5000 samples) is under the control of OSSCA. Based on the results of the two laboratories, seeds are certified by OSSCA.

3.1.2 Organisational Set up

The Commissioner-cum-Secretary, Agriculture Department of the State is the nodal officer of the scheme. The scheme is executed by the Director of Agriculture and Food Production (DAFP), Orissa as the Head of the Department and is assisted by the Joint Director of Agriculture - Farms (JDA-Farms) at the State level. The DAFP is assisted by thirteen Deputy Directors of Agriculture at Range level in the process of procurement and distribution of seeds.

3.1.3 Audit Coverage

Records of Agriculture Department; DAFP, Orissa; OSSCA, Bhubaneswar; State Seed Testing Laboratory (SSTL); 7 DDAs¹ (including 28 small farms and 8 SPU's) and 4 large sized farms² (including 3 SPU's) for the period from 1988-89 to 1992-93 were test-checked in audit during the period from December 1993 to June 1994.

3.1.4 Highlights

Against the amount of Rs.1293.10 lakhs provided during the period from 1988-89 to 1992-93, a sum of Rs.1190.64 lakhs was spent leaving a balance of Rs.102.46 lakhs unutilised.

{Paragraph - 3.1.5(a)}

1. Berhampur, Bhawanipatna, Cuttack, Koraput, Phulbani, Puri and Sambalpur
2. Dhanai, Similiguda, Sukinda and Umerkote

- Test-check of 32 farms revealed that their operations had been subsidised by Government to the extent of Rs.209.79 lakhs during 1988-89 to 1992-93.

{Paragraph - 3.1.5(b)(i)}

- Shortfall in the supply of certified seeds over the period 1988-89 to 1992-93 worked out to 55 *per cent* of the total target.

{Paragraph - 3.1.6 (a)}

- During the period under review, the average yield in respect of high yielding and improved varieties of certified seeds was only 19.53 quintals per hectare. The norm was 30 quintals per hectare for improved varieties and the norm for high yielding varieties was much higher.

{Paragraph - 3.1.6(b)(i)}

- In 12 of the 32 farms test-checked, there was shortfall ranging between 11 and 71 *per cent* in the coverage of areas targeted for cultivation.

{Paragraph - 3.1.6(b)(ii)}

- Shortfall in irrigation coverage in 20, out of the 32 farms of 7 ranges test-checked, exceeded 30 *per cent* of the targeted gross cropped area.

{Paragraph - 3.1.7(d)}

- Ten of the 32 farms test-checked sustained an aggregate loss of Rs.6.20 lakhs over the period from 1988-89 to 1992-93 on account of processing losses in excess of the norms prescribed.

{Paragraph - 3.1.7(g)(i)}

- There was a shortfall of 0.17 lakh quintals of paddy seeds in actual yield as compared to the yield anticipated after sample crop cutting in 32 farms test checked. In 10 of these farms where the shortfall exceeded 20 *per cent* in each case, the loss added upto Rs.62.95 lakhs.

{Paragraph - 3.1.7(h)}

Sale of unsold certified seeds for non-seed purposes at prices lower than those fixed for certified seeds in 32 farms test-checked entailed a loss of Rs.33.68 lakhs during 1988-89 to 1992-93.

{Paragraph - 3.1.7(j)(i)}

- Rs.9.06 lakhs were spent by 11 farms during 1988-89 to 1992-93 on engagement of casual labour in excess of the prescribed norms.

{Paragraph - 3.1.7(k)(i)}

- Entertainment of idle staff resulted in avoidable expenditure of Rs.14.54 lakhs during 1988-89 to 1992-93.

(Paragraph - 3.1.7(k)(ii))

3.1.5 (a) Financial outlay and expenditure

Details of the budget provision and expenditure incurred under the scheme during the period from 1988-89 to 1992-93 were as under :

Year	Budget provision	Expenditure	Shortfall
(R u p e e s i n l a k h s)			
1988-89	200.09	196.77	3.32
1989-90	209.24	207.85	1.39
1990-91	244.82	236.71	8.11
1991-92	284.05	273.38	10.67
1992-93	354.90	275.93	78.97
Total	1293.10	1190.64	102.46

Details of funds provided for plan and non-plan sectors and the expenditure incurred thereagainst are given in Appendix VI.

It may be observed from the above table that out of Rs.1293.10 lakhs provided for the purpose, Rs.1190.64 lakhs were spent leaving an unutilised balance of Rs.102.46 lakhs.

(b) (i) Financial results

Scrutiny of records of 32 farms revealed the following figures of expenditure in excess of sums realised on sale of seeds:

Sl. No.	Name of the range	Number of farms	Excess of expenditure	
			Excluding pay and allowances (R u p e e s in	Including Pay and allowances l a k h s)
1.	Cuttack	7	9.91	71.02
2.	Ganjam	4	3.35	17.00
3.	Kalahandi	2	0.79	4.43
4.	Koraput	11	5.53	90.49
5.	Phulbani	2	2.08	9.60
6.	Puri	4	2.95	10.13
7.	Sambalpur	2	3.69	7.12
Total		32	28.30	209.79

The farm-wise details are given in Appendix - VII.

From the above table it is apparent that the operations of the 32 farms have been subsidised to the extent of Rs.28.30 lakhs excluding the expenditure on pay and allowances or Rs.209.79 lakhs including the expenditure on pay and allowances of the staff.

(ii) Test check of records of 32 farms also revealed that the following 8 farms could not even meet the expenditure on recurring cost of cultivation but cultivation continued for different spells as detailed below:

<u>Names of the farms</u>	<u>Period</u>
Athagarh, Narasinghpur and Umerkote	1988-89 to 1992-93
Olans	1989-90 to 1992-93
Laxmipur and Sakhigopal	1990-91 to 1992-93
Phulbani and Sarangagada	1988-89 to 1991-92

In addition, earnings of 3 farms (Bhanjanagar, Dabugaon and Dhanei), which had made profits during 1991-92, could not even meet the contingent expenditure of the farms during 1992-93, even without taking into account the pay and allowances of the staff.

Inadequate irrigation facilities, unfavourable weather conditions, poor fertility of the soil, trespass by cattle, delay in receipt of canvass bags etc, were stated to be the main reasons for losses. The Techno-economic Committee appointed by the Government in November 1985 to go into the working of the State farms had also recommended that remedial measures should be taken to reduce recurring losses on account of lack of irrigation facilities, trespass by cattle, etc. But the department did not take the necessary action in this regard.

3.1.6 Physical Targets and Achievement

(a) Supply of Seeds

The details of the total requirement of certified seeds of the State for the years 1988-89 to 1992-93, targets set and achievements thereagainst in regard to departmental farms and OSSC, shortfall in supply of certified seeds with

reference to the total target of the State as a whole are given below:

Year	Requirement of the state	T a r g e t s			Seeds supplied by			Achieve- ment in supply of certi- fied seeds	Short- fall with refer- ence to target	Percentage of short- fall with reference to target
		Depart- mental farms	OSSC	Total	Depart- mental farms	OSSC	Total			
1	2	3	4	5	6	7	8	9	10	11
(I N L A K H Q U I N T A L S)										
1988-89	1.73	0.37	1.34	1.71	0.20	0.86	1.06	0.66	1.05	61
1989-90	2.72	0.34	1.43	1.77	0.30	1.00	1.30	0.67	1.10	62
1990-91	2.73	0.44	0.94	1.38	0.46	1.08	1.54	0.53	0.85	62
1991-92	1.84	0.26	1.41	1.67	0.51	1.06	1.57	0.98	0.69	41
1992-93	2.03	0.54	1.03	1.57	0.33	0.89	1.22	0.82	0.75	48
Total	11.05	1.95	6.15	8.10	1.80	4.89	6.69	3.66	4.44	55

From the above table it is observed that the total target (8.10 lakh quintals) for the years 1988-89 to 1992-93 fell short of the total demand of the State by 2.95 lakh quintals representing 27 *per cent* of the State's requirement of certified seeds. Further, the achievement of supply of certified seeds (3.66 lakh quintals) fell short of the targets by 4.44 lakh quintals representing a short fall of 55 *per cent*.

(b) Production of Paddy Seeds

The DAFP fixed the utilisation norm of 60 kg of paddy seeds per hectare for multiplication of breeder seeds into foundation seeds and from the latter into certified seeds. The DAFP had also fixed the following norms across the State

for the production of certified paddy seeds during Kharif (June - September) and Rabi (October - February) cropping seasons;

Seasons	Variety of seeds	
	High yielding variety(HYV)	Improved variety
	(Quintals per hectare)	
Kharif	55.00	30.00
Rabi	62.50	No norms

Test check of records of 32 farms, however, revealed: (i) a total area of 2711 hectares of land was cultivated with both high yielding and improved varieties of seeds during the period from 1988-89 to 1992-93 which yielded 19.53 quintals of certified seeds per hectare on an average against the minimum norm of 30 quintals per hectare prescribed by the DAFP in respect of improved varieties (other than HYV) of seeds.

In respect of 8 of the 32 farms test-checked, the average yield was particularly low and ranged between 7.13 and 13.88 quintals per hectare as indicated in Appendix-VIII.

The DDAs attributed the low yield to poor irrigation facilities, non-application of manures, failure to treat the seeds before sowing and lack of supervision for want of adequate staff.

(ii) In 12 of these farms, there was a shortfall ranging between 11 and 71 *per cent* in the coverage of the targeted area during the period from 1988-89 to 1992-93 as indicated in Appendix-IX. The Range Officers attributed the shortfall to lack of irrigation facilities. As a result, there was corresponding shortfall in the production/supply of quality seeds to the farmers.

(iii) Against the norm of 60 Kg of seeds per hectare, 62 Kg to 163 Kg of seeds per hectare were utilised during 1988-89 to 1992-93 resulting in excess

consumption of 637.69 quintals of seeds in the aggregate during the period. The excess utilisation resulted in wasteful expenditure of Rs.2.33 lakhs.

The Officers-in-charge of farms stated that excess seeds were utilised to provide for contingencies like shortage of seedlings on account of damages caused by stray cattle.

3.1.7 Other points of interest

(a) Soil Analysis

Soil of the farms had to be analysed to determine the type of fertiliser to be used to obtain increased yield. In five (Dasapalla, Golanthara, Khariar, Nawapara and Olans) of the farms test-checked, no soil testing was conducted during the period from 1988-89 to 1992-93.

(b) Lack of manuring

For augmentation of production and also for regaining the fertility of land, 5 tonnes of compost manure per hectare of paddy cultivation was recommended. It was, however, noticed during test-check of records of the DDAs and the four large sized SFs that application of compost and green manure ranged between 2 and 30 *per cent* of the area of 27 farms. Though these farms had a large number of cattle there were no pucca manure pits to produce compost.

(c) Non-treatment of seeds

Before sowing, all seeds are required to be chemically treated. It was noticed that in none of the six farms of Ganjam and Kalahandi Ranges, seeds were treated before sowing during the entire period of review.

Treatment of seeds were also not done in the small farms of Cuttack Range during 1988-89 to 1990-91. The non-treatment of seeds was attributed by the Officers of the SFs to want of funds and non-availability of seed treating drums.

(d) Irrigation Coverage

Test check of records of 32 Seed Farms in the seven ranges of the State revealed that the farms did not have the necessary irrigation facilities as detailed below :

Category of farms	Farms having no shortfall		Farms having shortfall up to 30 per cent			Farms having shortfall exceeding 30 per cent			Total number of farms	Total gross cropped area	Total area short-fall in irrigation
	Number of farms	Gross cropped area (in hectares)	Number of farms	Total gross cropped area (in hectares)	Short-fall in irrigation (in hectares)	Number of farms	Total gross cropped area (in hectares)	Short fall in irrigation (in hectares)		(in hectares)	
1	2	3	4	5	6	7	8	9	10	11	12
Small Farm	6	270	5	382	51	17	1264	956	28	1916	1007
Large sized farm	nil	nil	1	154	8	3	4023	2963	4	4177	2971
Grand total	6	270	6	536	59	20	5287	3919	32	6093	3978

Farm-wise details are given in Appendix-X.

While four* farms of Koraput range did not have any irrigation facilities, in four** other farms of Kalahandi(1) and Puri(3) ranges, the irrigation facilities like canals, wells and tanks were damaged and were without any repairs and did not render any irrigation facility to the farms.

Although Ashokjhar Minor Irrigation Project (MIP) was constructed mainly for providing irrigation to Sukinda farm, most of the water was drawn by the private farms in the upper reaches resulting in non-availability of adequate water for irrigation in Sukinda farm.

* Dabugaon, Lakshmiipur, Mathili and Narayanapur
 ** Daspalla, Khariar, Khurda and Olans

Non-provision of necessary irrigation facilities to these farms contributed to the shortfall in the production of seeds.

(e) Intensity of Cropping

Intensity of cropping, which is the ratio of the gross total cropped area to the net cultivable area, gives an idea of the extent to which a particular plot of land has been used repeatedly during a year. Details about the average intensity of the 32 farms test-checked during the period under review are given in Appendix - XI.

In 4 of the 14 farms with shortfall, the shortfall was high ranging between 20 and 38 *per cent*. While information was not available in respect of 6 farms, there was no shortfall in remaining 12 with reference to the programmed intensity of cropping.

(f) Delay in threshing, processing and tagging

Timely sowing, harvesting, threshing, processing and tagging are important factors for increase of production and timely supply of seeds to farmers. However, there was delay in the various stages. Normally, paddy seeds are to be sown during June - July and threshing/processing should be done immediately after harvesting

In Kujanga farm, Pratap and Parijat paddy seeds were sown during 25 August 1988 to 27 August 1988 as against June-July 1988, due to late receipt of seeds. In Olans farm, the crop harvested during November-December 1991 was threshed/processed between July and November 1992. Likewise in Khariar and Dhanei farms, paddy crop harvested in October 1989 and June 1992 were processed in June 1990 and October 1992 respectively. In Sukinda farm, processing of seeds was completed by 31 October 1992 and samples were drawn by the OSSCA on 21 November 1992. But the results of test were received by the farm during 16 December 1992 to 24 December 1992, though certification should be done within 15 days of completion of processing.

(g)(i) Processing loss

After harvesting, the seeds are threshed and then processed. Processing involves cleaning, drying, treating and grading before certification. According to the orders of the Government, the loss during processing should not exceed 10 *per cent*. But it was noticed that there was additional loss on this account ranging between 1 to 9 *per cent* in 10 of the 32 farms test-checked. This resulted in a total loss of Rs.6.20 lakhs over the period of 1988-89 to 1992-93 as detailed in Appendix - XII.

The Officers-in-charge of the farms attributed the loss to delay in transportation and in processing of seeds.

(ii) Utilisation of Seed Processing Units

On an average, the utilisation of the 11 SPUs located in the seven Ranges test-checked was found very low as may be seen from the details given in Appendix - XIII.

For 9 of these 11 SPUs, utilisation was below 25 *per cent* of the capacity. Three of these remained below 10 *per cent* utilisation.

During test check of records of the DAFP, Orissa, it was also noticed that an SPU procured at the cost of Rs.1.29 lakhs in March 1992 by Lachida farm could not be installed or subjected to trial run till June 1994 for want of three phase electric line, resulting in idle investment of Rs.1.29 lakhs.

Though a shed was constructed (June 1989) at the cost of Rs.0.34 lakh at Rayagada for the establishment of an SPU, no equipment was purchased as of June 1994.

(h) Unaccounted shortage

At the time of harvesting, in order to assess the approximate yield of paddy seeds, sample crop cutting of small patches of land (5 metres x 5 metres) is made by an Agriculture Officer deputed to the farm by the DDA in the presence of the Farm Superintendent/Farm Manager.

During the years 1988-89 to 1992-93, the total actual yield of the 32 farms of the 7 Ranges test-checked was only 0.60 lakh quintals against the expected yield of 0.77 lakh quintals. In 10 of these farms where the shortfall exceeded 20 *per cent* in each case, the yield was 0.24 lakh quintals against the expected yield of 0.37 lakh quintals resulting in loss of Rs.62.95 lakhs.

Wide variations between the expected and the actual yields were noticed as detailed in Appendix - XIV.

Sample crop cuttings were not done in Olans farm during 1988-89 to 1989-90 and in Sakhigopal farm during 1988-89. In addition, details of crop cuttings made in respect of Dumuriput and Laxmipur farms were not made available to Audit.

The shortfall was attributed by the Farm Superintendents and Managers to the small size of plots taken for sample crop cutting. However, this point had never been taken up with the DAFP by any of the Farm Superintendents and Managers.

(i) Shortage of farm produce, stores

(a) In Lamal Farm, the District Agriculture Officer, Sambalpur noticed shortage of farm produce worth Rs.1.86 lakhs and eight sprayers valued at Rs.0.20 lakh in December 1990.

Further, the Agricultural Overseer(AO) of the farm had taken an advance of Rs.0.20 lakh on 11 September 1990 against which he had not rendered any account. Charges were framed (August 1991) against him and the matter was still under investigation.

(b) In Dasapalla Farm, the AO of the farm had unauthorisedly sold during 1991-92 and 1992-93 paddy and non-paddy seeds worth Rs.0.75 lakh but had deposited only Rs.0.08 lakh. Draft charges against the AO had been prepared by the DDA, Puri and submitted (March 1994) to the DAFP for approval.

(j)(i) Loss due to sale of seeds rendered non-viable

Every year large quantities of farm produce turned into non-seed because of lack of scientific storage facilities, non-treatment of the seeds and non-lifting of stocks by Range Offices in time. Seeds having less than 80 *per cent* of germination and lacking in purity as per test reports of the laboratories are treated as non-seeds and are sold as non-seeds. Details of disposal of farm seeds as non-seed during 1988-89 to 1992-93 in the seven ranges (except for Puri range for 1988-89 to 1990-91) and 4 large sized farms test checked are indicated in Appendix - XV. There was loss of Rs.33.68 lakhs on this account.

(ii) Outstanding dues on account of credit sale of farm produce

The Range-wise details of the amounts outstanding against the Agriculture Department, other Departments and non-officials are indicated below:

Sl. No.	Name of Range	Number of farms involved	Period to which the credit sales relate	Amount outstanding against			Total amount outstanding
				Agri- cul - ture Deptt.	Other Deptts	Non- Offi- cials	
(Rupees in lakhs)							
1	2	3	4	5	6	7	8
1.	Cuttack	7	1950-51 to 1992-93	20.70	0.01	0.002	20.712
2.	Ganjam	1	1979-80 to 1992-93	3.98	--	--	3.98
3.	Kalahandi	1	1962-63 to 1992-93	0.14	--	--	0.14
4.	Koraput	10	1964-65 to 1992-93	13.65	--	--	13.65
5.	Phulbani	2	1974-75 to 1992-93	1.58	--	0.25	1.83
6.	Puri	3	1979-80 to 1992-93	1.02	--	--	1.02
Total		24		41.07	0.01	0.252	41.332

As of March 1993, a total amount of Rs.19.80 lakhs was outstanding for over 1 year towards credit sale of seeds of 24 farms in 6 out of 7 ranges test checked as detailed below:

Age	Amount
	(Rupees in lakhs)
Over 20 years	2.64
Over 10 years	7.44
Over 5 years	6.36
Over 3 years	0.97
Over 2 years	0.90
Over 1 year	1.49
Total	19.80

No follow-up action was taken by the farms for realisation of the outstanding amounts.

(k)(i) Engagement of Labour

The DAFP (June 1986) fixed the norm of 220 mandays of casual labour per hectare of cropped area per annum (June 1986), in addition to the regular permanent labour employed in the farms to take care of regular activities which go on round the year. In 11 of the 32 farms test-checked, casual labourers (CL) were engaged much in excess of these norms in addition to the permanent labourers engaged during the period from 1988-89 to 1992-93. This resulted in excess expenditure of Rs.9.06 lakhs. Details are in Appendix - XVI.

It was noticed that in the above farms, CLs were deployed for purposes other than cultivation such as guarding, cattle keeping, watching the orchards etc., though permanent labourers sanctioned for the purpose should be engaged on such jobs. Besides, casual labourers were also entertained for weeding purposes; this could have been minimised had weedicides been used.

The Range Officers stated that due to pressure from labour unions, inefficient and excess labourers could not be discharged.

(ii) Expenditure on idle staff

Mention was made in paragraph 3.4.13 of the Audit Report for the year 1987-88 and paragraph 3.4 of Audit Report for 1989-90 regarding idle staff like Drivers, Junior Engineers, Fitters, Helpers, Village Agriculture Workers, Agricultural Overseers, Permanent labourers and Watchmen, retained by different SFs though they had become idle for reasons like :

- (a) non-operation of schemes against which they were appointed,
- (b) vehicles/machinery for the running of which they were employed becoming defective.

The Public Accounts Committee discussed paragraph 3.4.13 on 18 August 1992 and recommended (November 1992) that a time limit should be prescribed for conducting a man-power review and redeployment of the surplus staff. However, the manpower review was not done and effective action was also not taken to comply with the recommendations of the Public Accounts Committee. It was seen that the SFs continued to retain the idle staff.

Of the 22 officials (7 Drivers, 5 Helpers, one Junior Engineer, one Fitter, one Works Sarkar, 2 Agriculture Overseers, 4 Permanent Labourers and one Watchman) reported earlier as idle, only 7 (2 Drivers, 3 Helpers, one Fitter and one Works Sarkar) were adjusted. But in the meantime, another 35 (5 Drivers, 5 Helpers, one Junior Engineer, 2 Agriculture Overseers, 19 Permanent Labourers, one Watchman, one Village Agriculture Worker and one Mechanic) had become idle. The infructuous expenditure incurred on such idle staff over the period from 1988-89 to 1992-93 worked out to Rs.14.54 lakhs.

(I) Incomplete developmental works

During test check of records it was noticed that in 18 farms, a sum of Rs.4.16 lakhs was advanced to different agencies for executing developmental works like installation of tube-wells, construction of canals/wells for irrigation, repair of thresher/SPUs as detailed in Appendix - XVII.

These works were either not taken up or were left incomplete whereby the farms did not obtain the intended benefits. The above amount included a sum of Rs.0.14 lakh advanced to the Assistant Engineer, Rural Engineering Organisation, Khurda as far back as in 1972-73 for construction of a canal at Kuamira Minor Irrigation Project for providing irrigation to Dasapalla farm and Rs.0.35 lakh advanced during 1981-82 to the Executive Engineer, Intensive Agriculture Development Programme, Sambalpur for the digging of a well and construction of a pump-house/installation of pumpset to provide adequate irrigation facilities in Kuliposh farm.

3.1.8 Monitoring and evaluation

There was no arrangement for monitoring the functioning of the Seed Farms in the State. In November 1985, Government set up a four member expert Committee to undertake a techno-economic review of the State Farms. The Committee submitted its report in 1986 which *inter-alia* suggested:

- (i) discontinuance of two farms* due to economic non-viability,
- (ii) reduction in cost of establishment in some farms,
- (iii) surprise check of the farms by higher authorities to arrest leakage/pilferage of both inputs and produce,
- (iv) fencing/trench fencing to stop trespassing,
- (v) rational use of fertilisers,
- (vi) periodical visits to the farms, by the range level experts and subject matter Specialist, Farm Management Specialist and Agronomist to monitor the operations of the farms.

None of the recommendations have been implemented by the Government as of December 1994. In response to comments of Audit contained in paragraph 3.4 of Audit Report for the year 1987-88, the Public Accounts Committee in their 14th report had recommended (November 1992) that the

* Lakshmipur and Semiliguda

Department should revitalise efforts with a view to:

- (i) economising expenditure,
- (ii) register increased production,
- (iii) wiping out loss in the farms,
- (iv) achieve exemplary performances to attract local farmers,
- (v) effect timely sale of certified seeds at proper rates,
- (vi) avoid any shortfall in the yield,
- (vii) increase in coverage of area under cultivation in big farms more than the present level of 15 per cent,
- (viii) undertake review on manpower and redeploy surplus staff,
- (ix) undertake review of the idle machinery for their use in other farms or for their disposal by public auction if not necessary or beyond economical repairs.

Follow-up action was awaited as of June 1994.

The above points were referred to Government in September 1994; reply has not been received (December 1994).

3.2 Loss due to excess procurement of seeds

(a) The District Agriculture Officers (DAOs) ascertain the requirement of different seeds from farmers of their areas through the field functionaries well before commencement of the sowing season. On the basis of the information received from the DAOs of the range, each Deputy Director of Agriculture (DDA) submits an indent to the Director of Agriculture and Food Production (DAFP) who allots seeds to the range DDAs for supply by the Orissa State Seeds Corporation (OSSC), the agriculture farms run by the Department etc. On receipt of the seeds, the DDAs transport the same to the sales centres etc. in the field for sale to farmers and for utilisation in demonstration.

During test check of records of six DDAs*, conducted during May 1992 and November 1993 to June 1994, it was noticed that the quantities of seeds so assessed, indented, allotted or received/procured by the DDAs during Kharif

Balasore, Kalahandi, Keonjhar, Koraput, Sambalpur and Sundergarh

1990 to Rabi 1992-93 were far in excess of the quantities sold/utilised as seeds. As a result, large quantities of different varieties of seeds procured by the DDAs were rendered surplus and were ultimately sold in auction resulting in loss of Rs.45.85 lakhs as per details in the Appendix - XVIII.

While no reply has been received from the DAFP in regard to the wide variations in the quantities indented by the DDAs and the allotment made thereagainst, the DDAs attributed the following reasons for the variations in the quantities of seeds procured vis-a-vis the quantities sold/utilised as seeds:

- (i) excess allotment of seeds by the DAFP;
- (ii) crop was new to the area;
- (iii) sale price of seeds was more than the market price;
- (iv) unfavourable weather conditions;
- (v) non-supply of water by the Command Area Development Authority and
- (vi) indenting/procurement of excess quantities of seeds with a view to meeting demands in contingencies like flood/drought.

None of the DDAs attributed any reasons for the variations in the quantities of seeds allotted by the DAFP and those procured by them thereagainst. The fact, however, remains that there were wide variations between the projections of the field staff, indents by DDAs, allotments by DAFP and actual procurement by DDAs against the allotments. In many cases, there was progressive scaling up in the figures which were belied by final requirement. This system of assessment of seeds therefore, requires a review.

Thus, on account of inaccurate assessment of the requirement of seeds by farmers, made at different levels of the department, Government sustained a loss of Rs.45.85 lakhs.

- (b) Test check of records of the DDA, Keonjhar conducted during February 1994 further revealed that 149 quintals of treated non-viable seeds left over from 1991-92 Rabi season were destroyed in January 1993 as per rule 5(i) of the Seed Rules, 1968. Records of the DDA revealed the following details of

requirement/procurement and sales of seeds for Rabi 1991-92 resulting in huge left over stocks leading to their destruction:

Sl. No.	Variety of seeds	Field requirement	Indent placed by DDA	Allotment made by DAFF	Procurement made by DDA	Sold for seed purposes	Balance	Quantity destroyed	All in cost price per quintal (Rupees)	Loss (Rs. in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	Mung	112	120	120	130	75	55	37	2048	0.76
2.	Gram	70	75	80	80	15	65	64	1932	1.24
3.	Field Pea	63	70	80	80	22	58	48	1701	0.82
Total										2.82

In reply to audit query as to the reasons for the variation in requirement/procurement and quantities sold for seed purposes, the DDA stated (February 1994) that it was never possible to ascertain the actual requirement and that the surplus left-over stocks were always there despite the best extension service offered by the technical field staff. This is not tenable in view of the high level of the left over stocks representing 42, 81 and 73 *per cent* respectively of moong, gram and field pea seeds procured. Moreover, the indents placed and/or the allotments/procurement made were also in excess of the requirement as assessed by the field.

In reply, the DDA further stated that the seeds supplied by the OSSC did not conform to the varieties indented and that he had received the unindented varieties to meet urgent requirement of the farmers. This too is not tenable as he could have refused to receive the same if not required.

Thus, procurement of treated seeds in excess of requirement and of seeds of varieties other than those indented resulted in loss of Rs.2.82 lakhs to Government.

The above cases were referred to Government in April-July 1994; reply has not been received (December 1994).

3.3 Loss on account of time-barred plant protection chemicals and sub-standard fertiliser

(a) Test check of records of the Deputy Director of Agriculture (DDA), Balasore conducted during April 1993 revealed that he had procured Plant Protection Chemicals (PPC) worth Rs.9.02 lakhs during 1991-92 under the Integrated Programme for Rice Development and Oil Seeds Production Programme. However, chemicals costing Rs.0.65 lakh only were utilised for carrying out demonstrations under the above schemes. The shelf-life of the remaining PPCs worth Rs.8.37 lakhs expired as detailed below :

Sl. No.	Name of the PPCs	Date of procurement	Date of expiry	Quantity procured	Value (Rs. in lakhs)	Quantity utilised before expiry	Balance quantity of PPCs	Value (Rs. in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Parry Dimethoate	01.01.1992	February 1993	1000 lt.	1.45	100 ml	999.90 lt	1.45
2.	Hinosan	01.01.1992	November 1992 to January 1993	209 lt.	0.91	Nil	209.00 lt.	0.91
3.	Killox Carbaryl	20.08.1991	February 1993	16.20 Qtls.	2.71	2.35 Qtls.	13.85 Qtls.	2.31
4.	Thimete	28.09.1991	January 1993	45.35 Qtls.	1.55	Nil	45.35 Qtls.	1.55
5.	Duramet	30.09.1991	January 1993 and March 1993	630 lt.	1.08	96.70 lt.	533.30 lt.	0.92
6.	Foratex	20.08.1991	December 1992 to March 1993	22.15 Qtls.	0.80	1.87 Qtls.	20.28 Qtls.	0.74
7.	Kadett	15.01.1992	March 1993	95 lt.	0.24	Nil	95.00 lt.	0.24
8.	Sufose	15.01.1992	March 1993	110 lt.	0.28	11.10 lt.	98.90 lt.	0.25
Total					9.02			8.37

In reply to audit query the DDA replied (May 1993) that due to late receipt of test reports from the laboratory the PPCs could not be utilised.

(b) Test check of the records of DDA, Ganjam, Berhampur conducted during July 1993 revealed that PPCs worth Rs.1.44 lakhs were issued for demonstration purposes to sales centres for use long after expiry of the period of their validity as detailed below :

Sl. No.	Period lapsed after expiry	Value of the PPCs issued (Rs. in lakhs)
1.	Up to 3 months	0.07
2.	3 to 6 months	0.28
3.	6 to 12 months	0.42
4.	12 to 24 months	0.63
5.	36 to 48 months	0.01
6.	48 to 60 months	0.02
7.	Over 60 months	0.01
Total		1.44

On this being pointed out in audit, the DDA stated (July 1993) that the active ingredients present in the pesticides were not destroyed after the date of expiry and that the same decreased month after month. He further stated that if validity period of some pesticides had expired, arrangements were being made to see that these were being used during that year on a priority basis.

The reply of the DDA is not tenable as it contravenes the provisions of Rule 19 of the Insecticide Rules, 1971 in regard to their safety and efficacy.

(c) Test check of records of Deputy Director of Agriculture (DDA), Bolangir conducted during February 1994 revealed that Plant Protection Chemicals (PPCs) valued at Rs.1.51 lakhs were procured in October 1990 for demonstration under oil seed production programme for the Rabi crop 1990-91.

These PPCs remained unused till the date of audit and their efficiency was lost during the long storage as detailed below :

Sl. No.	Name of PPC	Date of procurement	Quantity procured	Date of expiry of PPCs	Value (Rs. in lakhs)
1.	Corophos	5 October 1990	500 litres	August 1992	1.15
2.	Corophos	5 October 1990	125 litres	December 1991 to August 1992	0.29
3.	Thiodan-35 EC	5 October 1990	62.50 litres	October 1991 and July 1992	0.07
Total					1.51

In reply to the audit query as to the reasons for non utilisation of the PPCs, the DDA stated (February 1994) that the matter would be investigated and write-off proposals submitted to the competent authority.

As the PPCs had become unfit for use, there was loss of Rs.1.51 lakhs to Government apart from denial of the benefits envisaged.

(d) The Deputy Director of Agriculture (DDA), Balasore procured (August 1991) 331.25 kg of the fertiliser 'Chelamin' from Orissa Agro Industries Corporation (OAIC) for conducting free demonstration in the farmers' fields under the Integrated Programme for Rice Development (IPRD) during 1991-92. The aim of the programme was to persuade the farmers to adopt new technology on rice production. A sum of Rs.0.89 lakh was paid to the supplier in December 1991 against the total cost of Rs.0.95 lakh.

Test check of records of the DDA, Balasore revealed (May 1994) that 55 Kgs of 'Chelamin' were issued (January 1992) to sales centres for distribution and 1.50 kgs were sent to Quality Control Training Institute, Faridabad in April

1992 as sample for testing, leaving a balance of 274.75 Kgs (May 1994). The samples were found (May 1992) substandard and the fact was reported (June 1992) to the OAIC for replacement. But no action has been taken thereafter. Thus, the fertiliser was not used during the Kharif season for which it was procured. Even the sample was sent for testing only after lapse of 9 months. There was consequent loss of Rs.0.89 lakh to Government.

In reply to an audit query, the DDA stated (May 1994 and August 1994) that the fertiliser Chelamin was purchased just to study the efficiency of Zinc in rice crop and necessary steps would be taken for replacement of the stock or for refund of the amount. The reply is not tenable as the procurement was obviously without clear planning for utilisation.

The matter was referred to Government in January 1994/July 1994/August 1994; reply has not been received (December 1994).

3.4 Avoidable loss on account of delay in testing of seeds

According to the instructions issued (April 1992) by the Director of Agriculture and Food Production (DAFP), Orissa, all seeds received from the supplying agencies by the range Deputy Directors of Agriculture (DDA) should be got tested by the State Seed Testing Laboratory (SSTL), Bhubaneswar. According to the said instructions, if the seeds are found sub-standard (having germination capacity of less than 80 *per cent*) by the SSTL, the supplying agency (Orissa State Seeds Corporation in this case) should take these back at their own cost, provided the results of such tests declaring the seeds as sub-standard are communicated to the supplying agency within 25 days of taking delivery of the seeds. The instructions of DAFP also required the concerned DDAs to depute an officer to the SSTL and obtain the test reports within 20 days so as to enable them to intimate the supplier within 25 days.

Test check of the records of the DDAs of Baripada and Bolangir conducted in September 1993 and February 1993 respectively revealed that there were delays in obtaining the test results and also in communication of the test results to OSSC for taking the seeds back, as detailed below:

Name of the DDA	Details of seeds and their dates of receipt by the DDAs	Dates of sending samples to SSTL	Date of receipt of test results by the DDA	Percentage of germination	Date of communication of test results to OSSC	Quantity involved (in quintals)
DDA Baripada	<u>Paddy</u> 25 April 1992 to 17 June 1992	20 May 1992 to 23 June 1992	11 June 1992 to 4 August 1992	19 to 74	16 September 1992	1087
DDA Bolangir	<u>Groundnut</u> 21 May 1992	23 May 1992	6 July 1992	38 to 46	15 July 1992	147

As the results were communicated after the limit of 25 days prescribed by the DAFP, the OSSC did not entertain the request to take the seeds back. In the meanwhile, of the total quantity of 1087 quintals of paddy seeds procured by the DDA, Baripada 305 quintals were sold to farmers for seed purposes. While 750 quintals costing Rs.5.26 lakhs were sold (September 1993) as non-seeds, realising Rs.2.11 lakhs resulting in loss of Rs.3.15 lakhs, the balance 32 quintals were claimed as permissible shortage. The entire quantity of 147 quintals of sub-standard groundnut seeds valued at Rs.2.70 lakhs had to be disposed of by the DDA, Bolangir as non-seeds in auction during February 1993 realising Rs.0.52 lakh resulting in loss of Rs.2.18 lakhs.

In reply to audit query, the DDA, Baripada stated (September 1993) that on receipt of test reports, OSSC was requested many times over the telephone

to take back the seeds and as the stocks were not lifted by them, the matter was communicated through a letter on 16 September 1992. The DDA, Bolangir however, stated (July 1994) that he would furnish the reasons after verification of old files and records.

Thus, failure on the part of the two DDAs in obtaining the test reports from SSTL and communicating the same to OSSC in time resulted in avoidable loss of Rs.5.33 lakhs.

The matter was referred to Government (May and August 1994); reply has not been received (December 1994).

3.5 Loss on account of non-disposal of Sisal bulbils and suckers

Sisal bulbils and suckers used for developing new sisal plantations were being sold by the Sisal Farm, Nildungri in Sambalpur district which earned Rs.2.95 lakhs on this account during the six years from 1987-88 to 1992-93. Bulbils and suckers are collected by the farm on the basis of requirement of Government departments and the public.

During test check of records of the Assistant Soil Conservation Officer (ASCO), Nildungri conducted in August 1993, it was noticed that the ASCO had supplied 8 lakh sisal bulbils in April 1992 to the Social Forestry Division, Sahibganj of the Government of Bihar. The ASCO had also collected 9.75 lakhs more sisal bulbils and 0.25 lakh suckers for supply to the above division against their indent of March 1992. The Director of Soil Conservation, Orissa (DSCO), however, issued instructions on 27 April 1992 that prior permission should be obtained from the Directorate for sale of bulbils and suckers to parties outside the State. The ASCO accordingly requested the DSCO in May 1992 to accord permission for selling the above stock to the Government of Bihar. The ASCO

did not receive any permission and in the meanwhile the bulbils and suckers were damaged resulting in loss of Rs.2.36 lakhs to the State as detailed below :

Sl.No.	Item	Quantity	Rate as fixed by the DSCO (in rupees)	Amount of loss (Rs in lakhs)
1.	Sisal bulbils	9.75 lakhs	0.20	1.95
2.	Sisal suckers	0.25 lakh	0.40	0.10
	TOTAL:			2.05
	Sales Tax @ 12 <i>per cent</i>			0.25
	Total loss			2.30
	Proportionate expenditure incurred on the collection of bulbils/suckers			0.06
	TOTAL:			2.36

In reply to an audit query the ASCO, Nildungri stated in August 1993 that the bulbils and suckers could not be sold for want of permission of the DSCO.

The matter was referred to Government in January 1994; reply has not been received (December 1994).

3.6 Excess assistance for production of foundation seeds

Oilseeds Production Programme (OPP), a Centrally sponsored scheme, was approved by Government of India for the year 1992-93 for implementation in the State. The objective of the scheme was to increase production of seven oil seed crops. Accordingly, the Director of Agriculture and Food Production (DAFP), Orissa directed (November 1992) the Orissa State Seeds Corporation Limited (OSSC) to take up production of foundation seeds of groundnuts in 180 hectares and mustard in 20 hectares. Under the programme, the OSSC was

entitled to receive assistance of Rs.4000/- (Rs.1000/- towards cultivation charges and Rs.3000/- for infrastructural development) per hectare for production of foundation oil seeds in their departmental farms. It was stipulated that the OSSC would be paid the assistance on submission of claims indicating the area, localities, varieties of crops and the details of work done for development of infrastructural facilities to the Assistant Project Officer (APO), Oil Seeds with a certificate that the minimum yield at the rate prescribed had been achieved.

Scrutiny of records (May 1994) of the APO revealed that the OSSC had preferred a claim (March 1993) for Rs.3.24 lakhs towards coverage of 81 hectares (groundnuts : 71 hectares and mustard : 10 hectares) against the targeted area of 200 hectares certifying that Rs.1000/- per hectare had actually been spent for cultivation and Rs.3000/- per hectare for development of infrastructure facilities in OSSC farms. The claim was paid during April 1993 without verifying the location of production and the quantity actually produced as stipulated in the programme. The OSSC, however, reported (July 1993) that the entire groundnut production programme covering 71 hectares was undertaken in the farmers' fields and that of mustard in the OSSC farms. Therefore, the OSSC was entitled to get assistance of only Rs.1.11 lakhs (groundnut : for cultivation Rs.0.71 lakh, mustard: for cultivation and development of infrastructure facilities in OSSC farms in 10 hectares amounting to Rs.0.40 lakh). This resulted in excess assistance of Rs.2.13 lakhs.

In reply to audit query, the APO stated (May 1994) that OSSC was paid as per certificates furnished by them in the body of the bill to the effect that they had spent Rs.3000/- per hectare for development of infrastructure in OSSC farm and that the question of recovery did not arise. The contention of APO is not tenable in view of the letter of OSSC dated July 1993 wherein it was stated that the entire groundnut foundation programme was taken up in the farmers' fields in respect of which no assistance was due for development of infrastructure.

Thus, failure on the part of the APO to verify the actual location of cultivation resulted in excess payment of assistance to the tune of Rs.2.13 lakhs.

The matter was reported to Government (July 1994); reply has not been received (December 1994).

3.7 Avoidable loss in the production of jute seeds

The Cropping Programme for Kharif 1992 circulated (May 1992) by the Director of Agriculture and Food Production (DAFP) set a target of production of jute seeds over an area of 45.90 hectares by the Sukinda Seed Farm in the district of Cuttack. The programme also prescribed a minimum yield target of 7 quintals per hectare.

Test check of the records of the Farm conducted during June 1994 revealed that the Farm had undertaken cultivation of jute seeds over an area of 44.80 hectares and had achieved production of 81.39 quintals against the targeted yield of 314 quintals. The expenditure incurred was Rs.3.72 lakhs (wages: Rs.3.16 lakhs, inputs: Rs.0.39 lakh and miscellaneous: Rs.0.17 lakh). The farm realised Rs.2.36 lakhs as sale proceeds of 72.17 quintals of seeds; the balance quantity (9.22 quintals) remained unsold as of June 1994.

On this being pointed out in audit, the Farm Superintendent (FS) attributed (June 1994) the low yield to unsuitable soil, lack of adequate irrigation facilities, inadequate rain fall and cattle menace. The reply is not tenable as soil condition, availability of irrigation facilities and cattle menace were known before undertaking cultivation and even the fact of uncertainty about rain fall would have been a factor taken into account while fixing the minimum yield.

Thus, implementation of the cropping programme by the FS, Sukinda Seed Farm, resulted in avoidable loss of Rs.1.06 lakhs to the Government while 9.22 quintals of jute seeds remained undisposed as of June 1994.

The matter was referred to Government in June 1994; reply has not been received (December 1994).

FISHERIES AND ANIMAL RESOURCES DEVELOPMENT DEPARTMENT

3.8 Special Livestock Breeding Programme

3.8.1 Introduction

The Special Livestock Production Programme (SLPP), since renamed (from 1985-86) 'Special Livestock Breeding Programme' (SLBP), was taken up in the State from 1976-77 as a Centrally Sponsored Scheme for assisting small and marginal farmers, landless agricultural labourers, Scheduled castes and Scheduled Tribes etc. with two components viz. (i) rearing of cross-bred calves and (ii) setting up of poultry, piggery and sheep units. The objective was to generate additional employment and income and thereby help the target groups in improving their socio-economic condition. The assistance basically took two forms. Some subsidy was available towards the cost of feed for cross-bred calf rearing and also towards the unit cost for establishing poultry/piggery/sheep production. For the balance cost, loans were being arranged from financial institutions. The effort, however, was to organise the programme as an integrated scheme covering feeding, breeding, medical care and insurance.

As per the Government of India guidelines, small/marginal farmers are entitled to 50 *per cent* subsidy and agricultural labourers to 66 $\frac{2}{3}$ *per cent* subsidy towards the cost of feed for 29 months covering the period from the 4th month to the 32nd month of cross-bred female calf under the Calf Rearing Programme. In case of poultry, piggery and sheep unit, the subsidy was admissible at the rate of 25 *per cent* to small farmers, 33 $\frac{1}{3}$ *per cent* to marginal farmers and agricultural labourers, and 50 *per cent* to tribal participants on the capital cost of each unit. The maximum ceiling of subsidy was Rs.5000 for tribal participants and Rs.3000 for others. The details of the programme have been discussed in subsequent paragraphs.

Expenditure on the scheme including the cost of establishment upto 1991-92 was shared equally by the Central and the State Governments.

From 1992-93, the Scheme was transferred to the State sector. But the State Government provided funds only for cross-bred calf rearing programme.

The abbreviations appearing in the Review are listed alphabetically and expanded in the glossary at appendix XXII at page 232.

3.8.2 Organisational set up

Under the direction of the Commissioner-cum-Secretary, Fisheries and Animal Resources Development Department, the Director, Animal Husbandry and Veterinary Services is in overall charge of implementation of the programme. He is assisted by two Deputy Directors who are responsible for co-ordinating and supervising of the programme. There is also a monitoring cell at the Headquarters.

At the district and village levels, Project Officers/Assistant Project Officers/Chief District Veterinary Officers assisted by Veterinary Assistant Surgeons/Livestock Inspectors are responsible for implementation of the programme.

The financial institutions (banks) played a significant role in financing the beneficiaries for rearing of cross-bred calves upto 1986-87 and for setting up of poultry, piggery and sheep units during the entire period of 1985-86 to 1991-92.

3.8.3 Audit coverage

Records relating to implementation of the programme during the period from 1985-86 to 1991-92 were test checked from January to July 1994 in the Directorate of Animal Husbandry, 6 Project Officers (PO) and 1 Assistant Project Officer (APO) and 1 Chief District Veterinary Officer (CDVO), 16 Veterinary Assistant Surgeons (VAS) and 11 branches of financial institutions (banks) in 8* out of 13 districts in the State. The review was restricted up to 1991-92 beyond which it was no longer a Centrally Sponsored Scheme. The results of test check are brought out in the succeeding paragraphs.

3.8.4 Highlights

- Out of Rs.310.60 lakhs admissible as Central assistance, only Rs.280.10 lakhs was released by the Government of India.

{Paragraph 3.8.5(a)}

* Balasore, Bolangir, Cuttack, Dhenkanal, Keonjhar, Koraput, Puri and Sambalpur

Of the unutilised subsidy to the tune of Rs.30.96 lakhs refunded by financial institutions, only Rs.2.00 lakhs were deposited in treasury. A sum of Rs.27.71 lakhs was kept as fixed deposit outside the Government account and another sum of Rs.1.25 lakhs was held as cash in hand.

{Paragraph 3.8.6(b)}

Unutilised subsidy amounting to Rs.28.24 lakhs relating to the supply of calf feed was lying with semi-Government organisations. This should have been recovered since supply of calf feed by these organisations was stopped from November 1992.

{Paragraph 3.8.6(c)}

Selection of beneficiaries of the target group in respect of the calf rearing programme was not based on certified land holdings as required. The percentage of SC's/ST's and women beneficiaries selected was also far below the prescribed levels.

{Paragraph 3.8.7(d)}

Ingredients with low percentage of protein content (cost : Rs.5.65 lakhs) were purchased by Feed Mixing Centre, Koraput for preparation of calf feed. Sub-standard feed prepared out of these were also supplied to beneficiaries.

{Paragraph 3.8.7(f)}

In 2 districts (5 dispensaries) test checked, out of 1497 calves, 1256 were not insured, but subsidised calf feed valued at Rs.23.27 lakhs was irregularly supplied.

{Paragraph 3.8.7(g)}

The targets and the achievements under poultry production programme indicated that this programme was not actually pursued, the targets and achievements of units (benefeciaries) being merely 23 and 26 over the period 1985-86 to 1991-92. However, expenditure to the tune of

Rs.22.46 lakhs was incurred on salary etc. of staff under the programme over the same period.

{Paragraph 3.8.8(c)}

- Out of 1047 piggery units, organised in 2 districts in which the scheme was launched, 915 units became defunct. The subsidy involved in these defunct units worked out to Rs.16.13 lakhs.

{Paragraph 3.8.8(d)(ii)}

- Out of the 1570 sheep development units established in 1 district in which the scheme was launched during 1985-86 to 1991-92, 595 units became defunct. Subsidy involved in these cases was Rs.12.07 lakhs.

{Paragraph 3.8.8(e)(ii)}

- A sum of Rs.4.64 lakhs was diverted in 1991-92 to another State plan scheme by the Chief District Veterinary Officer (CDVO), Balasore.

{Paragraph 3.8.9(c)}

3.8.5 Financial outlay and expenditure

The budget provision and the expenditure incurred under the programme during 1985-86 to 1991-92, as furnished by Director, Animal Husbandry and Veterinary Services were as under:

Year	Budget Provision	Expenditure
(R u p e e s i n l a k h s)		
1985-86	41.18	31.52
1986-87	82.70	59.48
1987-88	65.66	90.08
1988-89	90.00	84.74
1989-90	100.00	125.94
1990-91	137.40	120.98
1991-92	144.00	108.46
Total	660.94	621.20

The budget provision and release of funds to the Directorate under the scheme is being regulated by the Fisheries and Animal Resources Development Department on the basis of the matching share of Central assistance received. The Director in turn either re-allots the funds or draws and places the funds at the disposal of the Project Officers/feed suppliers for implementation of the programme. Any surplus is being re-appropriated and the excess expenditure, if any, regularised by sending proposals to the Government.

(a) The share of the Central Government for the period from 1985-86 to 1991-92 worked out to Rs.310.60 lakhs against which Rs.280.10 lakhs were released resulting in short release of Rs.30.50 lakhs. From 1992-93 the scheme was transferred to State sector.

(b) Against the budget provision of Rs.660.94 lakhs, Rs.615.74 lakhs only was sanctioned for drawal. Short drawal of fund to the extent of Rs.45.20 lakhs with reference to the budget provisions was attributed (July 1994) to non-receipt of matching Central assistance.

3.8.6 Unutilised subsidy

(a) Funds with DRDAs

Prior to 1985-86, District Rural Development Agencies were associated with the programme and were receiving and placing the subsidy component with the financial Institutions for adjustment. But from 1985-86, DRDAs were not involved any more in implementing the programme. Scrutiny of records in the Directorate revealed that unutilised subsidy to the tune of Rs.20.45 lakhs were lying with 6 DRDAs at the end of March 1985. Out of that, unutilised subsidy to the tune of Rs.14.99 lakhs was still lying as of March 1994 with DRDAs as detailed below. In reply to audit query it was stated (March 1994)

that steps would be taken to recover the amount from the concerned DRDAs.

Name of the DRDA		Balance amount lying as on 31 March 1994
(Rupees in lakhs)		
1.	Bolangir	0.74
2.	Cuttack	5.24
3.	Dhenkanal	1.09
4.	Keonjhar	0.64
5.	Puri	3.69
6.	Sambalpur	3.59
Total		14.99

(b) Funds with Project Officers

Out of Rs.30.96 lakhs refunded by the different financing institutions on account of unutilised subsidy under both the components (including Central Assistance) since inception (1976-77) of the scheme, only Rs.2.00 lakhs were deposited back in the treasury under the departmental receipts. The balance sum was kept outside the Government account in the shape of fixed deposits in banks (Rs.27.71 lakhs) by the Project Officers (POs) under the orders of the Director (July 1990) or held as cash (Rs.1.25 lakhs) by POs as detailed below :

Name of the Project Officer	Amount of un-utilised subsidy refunded by financing institutions	Amount deposited into treasury	Amount kept in fixed deposit	Amount lying with Project Officers
(Rupees in lakhs)				
1. Bolangir	0.33	--	0.26	0.07
2. Cuttack	9.77	1.59	8.18	nil
3. Dhenkanal	3.09	0.41	2.68	nil
4. Keonjhar	0.73	--	--	0.73
5. Puri	12.84	--	12.40	0.44
6. Rayagada	2.45	--	2.44	0.01
7. Sambalpur	1.75	--	1.75	--
Total:	30.96	2.00	27.71	1.25

At the end of March 1994 interest of Rs.1.96 lakhs accrued on the fixed deposits. Of that, Rs.0.45 lakh was deposited as of April 1993 in the treasury as departmental receipts by PO, Cuttack. In reply to audit query it was stated (December 1994) by the Director that a proposal had been sent (September 1994) to the State Government to move the Government of India for providing further funds for calf rearing in which the amount of fixed deposits along with interest would be adjusted, though no proposal was made as to how such interest money was to be utilised.

(c) Funds with semi-Government Organisations

Before introduction (1990-91) of supplies of calf feed by the Departmental Feed Mixing Centre (FMC), funds were being placed at the disposal of different semi-Government organisations to supply calf-feed for the calf rearing programme. As on 31 March 1994, a sum of Rs.28.24 lakhs remained unadjusted with them as detailed below. Incidentally, the organisations discontinued supply from November 1992.

Name of the organisation		Fund placed upto October 1992 (Rupees in	Value of calf-feed supplied upto October 1992 (Lakhs)	Amount lying unadjusted
1.	Utkal Gomangal Samity, Cuttack	161.50	161.10	0.40
2.	Orissa Agro Industries Corporation, Bhubaneswar	142.37	119.40	22.97
3.	Orissa State Cooperative Milk Producers Federation, Bhubaneswar	57.77	52.90	4.87
Total		361.64	333.40	28.24

Year-wise breakup of the advances and value of calf feed supplied had not been made available to Audit by the Directorate. No steps had been taken to settle the accounts with the concerned organisations as of February 1994.

(d) Funds with Banks

An amount of Rs.1.12 lakhs representing subsidy relating to calf rearing programme pertaining to 1985-86 and 1986-87 was lying unutilised as of March 1994 with different banks of Puri (Rs.0.51 lakh) and Sambalpur (Rs.0.61 lakh) as under :

Name of the district	Names of the banks	Amount
Puri	UCO Bank, Kakatpur	Rs.0.38 lakh
	Bank of Baroda, Bhubaneswar	Rs.0.13 lakh
		----- Rs.0.51 lakh
Sambalpur	SBI-ADB, Bargarh	Rs.0.18 lakh
	SBI, Rengali	Rs.0.09 lakh
	UBI, Bargarh	Rs.0.05 lakh
	BAGB, Chiplima	Rs.0.21 lakh
	UCO Bank, Bargarh	Rs.0.08 lakh
		----- Rs.0.61 lakh

3.8.7(a) Cross-bred calf rearing programme

A cross-bred calf born to the indigenous cow owned by the beneficiary is required to be reared under the Programme from the 4th month to the 32nd month of age or till it calves whichever is earlier. According to the Government of India (GOI) guidelines, small/marginal farmers and agricultural labourers are entitled to subsidy of 50 per cent and 66 2/3 per cent respectively towards providing the full requirement of 19 quintals of concentrate feed to each calf for

the above period. The maximum ceiling of the subsidy was Rs.5000/- for the tribal participants and Rs.3000/- for others. The balance of the unit cost (including cost of feed, insurance and health coverage), as estimated by the State Government from time to time on the basis of prevailing prices, was to be arranged as loan from financial institutions (Banks).

The scheme was in operation accordingly from 1985-86 to January 1987. It was thereafter modified (in February 1987) by the State Government as under:

- (i) Feed concentrate to the extent of the subsidy admissible would be supplied to each beneficiary. The beneficiary could mix bulky ingredients (diluent) of the recommended quality to the concentrate calf-feed to make an almost balanced pre-mixed ration. It was no longer necessary for him to go for loan from any financial institutions.
- (ii) The supply of calf feed concentrate would be effected by the semi-Government institutions from 1986-87 and subsequently by the Departmental Feed Mixing Centres (FMC) from 1990-91, instead of private parties/small scale industries. The premixed concentrate ration would have two parts viz. (a) feed concentrate (b)bulky diluent.
- (iii) Concentrate calf-feed would be supplied by the Department to the beneficiaries of marginal/Small farmers and agricultural labourers. The quantity was linked to the admissible subsidy and the prevailing price, to start with 9.37 quintals and 12.50 quintals respectively to marginal/small farmers and agricultural labourers. The amount was further reduced to 58 *per cent* of the above quantities from 1992-93 due to rise in prices of the feed ingredients.
- (iv) Subsidy under the calf rearing programme would no longer be routed through the banks, as the subsidised calf feed would be supplied departmentally.

- (v) The farmer would provide the premium for insurance.

The modified calf rearing programme was being implemented in the State since February 1987 without the approval of, indeed without intimation to, the Government of India on the plea that the guidelines of the Central Government allowed avoidance of bank loans if the beneficiaries would meet the requirements beyond the subsidy from their own resources.

The cross-bred calf rearing programme was in operation since 1976-77 in the three districts of Cuttack, Dhenkanal and Puri. Sambalpur district was covered from 1978-79. The scheme was extended to 3 more districts (Bolangir, Keonjhar and Koraput) during 1988-89 and was further extended to the remaining six districts (Balasore, Ganjam, Kalahandi, Mayurbhanj, Phulbani and Sundergarh) during 1991-92.

(b) Shortcomings of the scheme as modified in February 1987

Under the modified scheme, the supply of concentrate feed was restricted to 50 *per cent*/66 $\frac{2}{3}$ *per cent* of requirements, to the extent covered by the admissible subsidy only. The balance quantity out of the 19 quintals required was diluents to be provided by the beneficiaries themselves. However, out of 6 POs/1 APO and 16 VASs test checked, 5 POs and 10 VASs stated that the beneficiaries had not supplied their portion of diluents, while 1 VAS certified supply of greens and straw by the beneficiaries, 2 VASs certified supply of required quantities of diluents by the beneficiaries whereas 2 VASs certified supply of diluents by some beneficiaries only.

(c) Target and Achievement

The position of the overall plan target fixed in terms of cross bred calves (beneficiaries) by the Government of India and as adopted by the State

Government vis-a-vis actual achievement made thereon, over the period from 1985-86 to 1991-92 were as under:

Year	Number of projects	Target fixed by Government of India (@ 500 per project)	Target adopted by State Government	Actual achievement	Percentage of col.5 to col.4
1	2	3	4	5	6
1985-86	4	2000	1009	1007	100
1986-87	4	2000	2251	2197	98
1987-88	4	2000	2931	3173	108
1988-89	7	3500	3600	3677	102
1989-90	7	3500	4600	4449	97
1990-91	7	3500	5700	5318	93
1991-92	13	6500	7100	6757	95
Total		23000	27191	26578	98

(d) Selection of beneficiaries

The scheme envisaged that in view of financial constraints, attention should be focussed on such small/marginal farmers and agricultural labourers as were capable of becoming surplus producers, if supported with the necessary inputs and services and 30 *per cent* beneficiaries should necessarily belong to Scheduled Castes and Scheduled Tribes. Besides, 10 *per cent* were to be from

amongst the women farmers. Criteria for selection were :

Small farmers	-	Unirrigated land below 5 acres or irrigated land below 2.5 acres
Marginal farmers	-	Unirrigated land below 2.5 acres or irrigated land below 1.25 acres
Landless agricultural labourers	-	Household land and deriving over 50 <i>per cent</i> of their income as agricultural wages

Test-check of records in Cuttack and Puri districts revealed that beneficiaries were selected without recording the requisite data of income and land holding. Although the selection was made by committees consisting of Block Development Officer, Project Officer and Veterinary Assistant Surgeon, the land holdings of beneficiaries were not certified by the Revenue Authorities.

Percentage of SC's/ST's and women beneficiaries selected in 4 districts (Cuttack, Dhenkanal, Puri and Sambalpur) was far below that envisaged in the guidelines as detailed below :

Name of the District	Period	Actual achievement (Figures within brackets give the percentage)				Shortfall (percentage)	
		SC/ST	Women	Others	Total	SC/ST	Women
Cuttack	1985-86 to 1991-92	527 (7)	630 (9)	6047 (84)	7204 (100)	23	1
Dhenkanal	1987-88 to 1991-92	291 (11)	Nil (nil)	2393 (89)	2684 (100)	19	10
Puri	1986-87 to 1991-92	429 (7)	177 (3)	5255 (90)	5861 (100)	23	7
Sambalpur	1985-86 to 1991-92	471 (11)	69 (2)	3690 (87)	4230 (100)	19	8

(e) Discontinuance of programme

According to clause 2 of the agreement for calf unit, the owner of the calf/calves shall rear the selected female exotic calf/calves into cow/cows and shall not dispose of the calf/calves reared under the scheme or tamper with the animal/animals re-productive organs without the written permission from the State Director of Animal Husbandry and Veterinary Services or any other officer authorised in this behalf. And as per clause 9, in case of failure on the part of the beneficiary in observing the conditions, the entire amount of subsidy allowed shall be recovered as a public demand under the Public Demands Recovery Act 1962.

Of the total 4173 beneficiaries of 14 dispensaries test checked, 309 (Cuttack-14, Dhenkanal-143, Puri-53, Keonjhar-45 and Sambalpur-54) had discontinued before completion of the stipulated period of rearing of calf (32 months), partly due to reported death of calves (138) (for which postmortem reports were not forthcoming) and partly due to disposal by gift etc./sale of calves. No action was taken against the beneficiaries for the necessary recovery following sale/disposal of calves without written permission. Total amount of subsidy recoverable in these cases was Rs.2.88 lakhs.

(f) Supply of sub-standard feed

Feed Mixing Centre, Koraput purchased 2357 quintals of ingredients at the cost of Rs.5.65 lakhs during 1990-91 (2077 quintals: Rs.4.67 lakhs) and 1991-92 (280 quintals: Rs.0.98 lakh) for preparation and supply of concentrate calf feed for the programme.

Analytical reports on the ingredients purchased for preparation of feed revealed (June 1994) that the percentage of protein contents was below the percentage prescribed (18 *per cent*) by the Director, Animal Husbandry and Veterinary Services. Test check of records (June 1994) of the Feed Mixing Centre, however, revealed that calf feed was prepared with the above ingredients and supplied (1991-92 to 1992-93) to the beneficiaries before receipt of the analytical reports.

Calf feed prepared with ingredients with low protein content would be substandard. No reply was furnished to an audit query on the above point.

(g) Insurance of the calves

According to the modified scheme the cost of insurance of calves would be borne by the beneficiaries. As per Clause-13 of the Agreement, the insurance should have total and permanent disability coverage and should be renewed annually. Records of five veterinary dispensaries of Dhenkanal and Sambalpur revealed that out of 1497 calves (Dhenkanal : 615 and Sambalpur: 882), 1256 (Dhenkanal : 613, Sambalpur : 643) were not insured. Still, 10,389 quintals of subsidised calf feed worth Rs.23.27 lakhs were supplied in respect of the non-insured calves which was irregular.

(h) Follow up action

Subsidised calf feed to the tune of Rs.454.92 lakhs were issued to 23,374 beneficiaries of the State during the period from 1987-88 to 1992-93 under the modified scheme. Information regarding the number of beneficiaries that actually benefited under the scheme through adoption of milk production as their subsidiary income were not made available to Audit by the Directorate.

3.8.8(a) Poultry, Piggery and Sheep Production

The second component of SLBP consists of setting up of poultry, piggery and sheep units. In this area grant of subsidy to the extent of 25 *per cent* to small farmers (SF), 33.33 *per cent* to marginal farmers (MF) and agricultural labourers (AL) and 50 *per cent* to tribal participants was envisaged. The maximum ceiling for grant of subsidy to SF, MF, and AL was Rs.3000 and to tribal participants Rs.5000. The rest of the unit cost was to be met out of medium term loan arranged from financial institutions. Subsidy was admissible on the capital cost of each unit consisting of 50 or 100 birds under poultry, 3 or 5 sows under piggery and 20 or 30 ewes and one ram under the Sheep Production Programme irrespective of the category of beneficiary. For piggery, one boar was also to be provided for every 15 sows (5 or 3 units as the case may be). The beneficiaries had the choice of bigger or smaller units.

The mode of selection of beneficiaries was at par with that of calf rearing programme with the exception that 30 *per cent* of the beneficiaries should have been from women farmers in respect of poultry production. Test check of records, however, revealed that category wise selection was not done during the VII plan period.

The acquisition of livestock under the above component was done at the choice of the beneficiary recommended by the VAS and the payment was made by bank. Similarly, the feed was supplied to the beneficiaries by the supplier selected by the Department and the payment was made through bank on the basis of certificate issued by the VAS concerned.

(b) Physical target and achievement

The position of overall plan target fixed by Government of India the target as adopted by the State Government, actual achievements made thereon and the subsidy released in respect of poultry, piggery and sheep units (beneficiaries) during 1985-86 to 1991-92 were as under :

Name of the programme	Number of projects	Target fixed by Govt. of India (In terms of Units)	Target adopted by State Government	Actual achievement	Subsidy released (Rupees in lakhs)
1. Poultry production	3	6300	23	26	0.23
2. Piggery production	2	1400	1334	1162	17.75
3. Sheep production	1	2100	1750	1570	31.97

As already indicated (Paragraph 3.8.1 above), no funds were allocated for these schemes from 1992-93 onwards.

(c) Poultry Production Programme

Three districts viz., Cuttack, Puri and Sambalpur were taken up for the programme. However, the table at (b) above would show that this component was not really pursued for implementation. To an audit query it was stated (February 1994) that due to rise in cost of poultry feed, farmers were not interested in the poultry programme. It was clear from the target itself that Government was not keen to proceed with the scheme.

However, the Fisheries and Animal Resources Development Department had sanctioned (January 1986) 15 Livestock Inspectors, 3 junior clerks and two peons for the poultry programme. In consideration of the targets fixed and the achievements made under the programme, services of the staff were hardly utilised during the years 1986-87 onwards.

To an audit query, it was stated that the employees were engaged for mobilising the villagers' opinion for establishment of poultry units without success and the staff were utilised instead for the calf-rearing programme. Thus, expenditure of Rs.22.46 lakhs was incurred on pay and allowances practically without utilisation of services of the staff employed for establishment of poultry units during 1985-86 to 1991-92.

(d) Piggery Development

The scheme for establishment of piggery unit was launched in 2 districts (Keonjhar and Koraput) to enable the identified small/marginal farmers and agricultural labourers including tribal participants to supplement their income through pig production activities. Considering the local conditions of the beneficiaries and to make the programme a viable one, the department decided to reduce the unit cost of 3 sows unit from Rs.8181/- (fixed by GOI) to Rs.3800/- by excluding certain items such as cost of shed (Rs.2250/-) and equipments (Rs.1800/-), as the tribal beneficiaries had no spare land except their homestead and were not able to ensure up-keep of the equipments due to poverty. Secondly, the banks were reluctant to provide finance for piggery development as the possibility of repayment of loan was remote. Subsidy of

Rs.17.75 lakhs (Koraput : Rs.9.51 lakhs and Keonjhar : Rs.8.24 lakhs) were invested in the programme and loan of Rs.17.80 lakhs (Koraput : Rs.9.53 lakhs and Keonjhar : Rs.8.27 lakhs) were arranged through financing institutions during the years 1985-86 to 1991-92. It may be mentioned that no unit with 5 sows was organised in Orissa.

Test check of records of two Project Officers (Keonjhar and Koraput) and four financing institutions revealed the following:-

(i) Difference in target and achievement

There was a difference of 272 units between the target (units) fixed by the Directorate (1334) and that as per the reply to the audit query furnished by the Project Officers, Piggery Development, Koraput and Keonjhar (Keonjhar : 512 and Koraput : 550). Similar difference of 115 units was also found in the figure of actual achievement (Directorate : 1162, Koraput : 535 and Keonjhar : 512).

(ii) Defunct units

Of the 1047 units (Koraput : 535, Keonjhar : 512) organised during 1985-86 to 1991-92, 915 (Koraput : 504 and Keonjhar : 411) became defunct due reportedly to (i) negligence of the beneficiaries (ii) poverty and (iii) habit of disposing pigs/sows by sale or slaughter. Thus, due to closure of 915 units, the desired result could not be achieved. The subsidy involved in these defunct units was Rs.16.13 lakhs (Koraput : Rs.8.92 lakhs and Keonjhar : Rs.7.21 lakhs).

(iii) Farrowings

The programme envisaged two farrowings in a year and as many as 20 piglets were expected annually per unit. Project Officer, Keonjhar and Koraput failed to provide any information to Audit in respect of the number of farrowings and piglets obtained by the beneficiaries as the same was not available with them.

(iv) Purchase of Boars

122 boars (Koraput : 72, Keonjhar : 50) were purchased between 1985-86 and 1991-92 at the cost of Rs.0.65 lakh by the department and supplied to 1047 piggery units of Koraput and Keonjhar as against 210 boars to be supplied as per guideline (1 boar for five units of 3 sows each). Out of 72 boars purchased in the district of Koraput, 46 were either killed, disposed or sold by the beneficiaries and 11 died, 3 boars were missing and 12 only were existing. Thus, there was loss of Rs. 0.31 lakh.

Information in regard to the boars purchased in the district of Keonjhar were not made available to Audit. The Project Officer, Keonjhar stated (May 1994) that the information was being collected from field.

As per the guidelines, one boar for five units of 3 sows each are to be provided for breeding purposes. But it was seen from the records of Project Officer, Piggery Development, Rayagada (Koraput) that no boars were supplied to 189 units established in the district during 1985-86, 1986-87 and 1988-89. No reason was advanced for non-supply of boars to those units (June 1994).

(v) Boar feed

Boar feed at a cost of Rs.0.91 lakh was purchased by the Project Officer, Piggery Development Project, Keonjhar during 1985-86 to 1991-92 for feeding the boars under the scheme. But no records of stock entry and distribution were made available to audit.

(vi) Non-supply of Boar feed

A sum of Rs.0.40 lakh was paid to the Additional District Veterinary Officer, FMC, Koraput by the Project Officer, Piggery Development Project, Rayagada (Koraput) during 1990-91 and 1991-92 for supply of boar feed, but no supply was made as of June 1994.

(vii) Non-repayment of loan

Records of 2 banks {Bank of India, Jhumpura and State Bank of India, Ukhunda of Keonjhar District and State Bank of India (ADB), Rayagada} revealed that a sum of Rs.5.09 lakhs was paid as loan to 161 beneficiaries for establishment of piggery units. Only six beneficiaries repaid the loan in full. Subsidy involved in cases of non-repayment and part repayment of loan was computed to Rs.2.57 lakhs.

Non-repayment of loan was attributed by the banks to non-existence of the units.

(viii) Irregular adjustment of subsidy

It was seen from the records of State Bank of India, Ukhunda (Keonjhar) that a sum of Rs.20,900/- was adjusted (April 1989) towards advance subsidy against 11 beneficiaries at the rate of Rs.1,900 each. In order to regularise the advance subsidy adjusted, a sum of Rs.41,800/- was to be paid as loan to those 11 beneficiaries at the rate of Rs.3,800/- each against which Rs.20,900/- was paid between April 1989 and August 1989. The remaining amount of loan i.e. Rs.20,900/- paid (September 1989) to those beneficiaries was shown as refunded on the same day. This irregular book adjustment of loan amounting to Rs.20,900/- amounted to excess adjustment of subsidy of Rs.10,450/-; the piggery units also became defunct. On this being pointed out in audit, the bank could not furnish any reply.

(e) Sheep Development

(i) The programme was implemented in Bolangir district during 1985-86 to 1991-92 to enable the identified small/marginal farmers and agricultural labourers including tribal participants to supplement their income through sheep production activities. As per Government of India guidelines, capital cost of each unit (20 ewes and 1 ram) under sheep production programme was fixed at Rs.7,073 against which the unit cost was fixed by the State Government locally on the basis of prevailing prices at Rs.3,000/- during 1985-86 to 1986-87 (145

units organised) and Rs.4,400/- from 1987-88 to June 1991 (1321 units organised) and Rs.7,038/- from July 1991 (104 units organised).

(ii) Out of 1570 units organised during 1985-86 to 1991-92, 595 became defunct due to death, sales/disposal and stealing of ewes and rams (ewes : 21,639 and ram : 1,000). Subsidy involved in respect of the defunct units was computed to Rs.12.07 lakhs.

3.8.9 Other points of Interest

(a) Farmers' Induction

According to Government of India guidelines, farmers' induction and training were essential elements of the programme. Each beneficiary was to be given appropriate training in the vocation selected by him/her. The priority was to be given for women beneficiaries. A provision of Rs.100/- per beneficiary was contemplated in the scheme for this purpose. No provision of fund was, however, made by the Directorate for imparting training at the field level. On being pointed out, it was stated by the Directorate (February 1994) that although no specific provision was made, training was imparted to the beneficiaries. Test-check of records of Project Officers of different districts, however, revealed that no such training was given to the beneficiaries.

(b) Idle expenditure on vehicles lying off road

Four vehicles (jeeps) which were placed at the disposal of Project Officers, Bolangir, Cuttack, Keonjhar and Rayagada were off the road at different periods between June 1987 and June 1994 (Bolangir : June 1993 to June 1994; Cuttack: July 1992 to December 1993; Keonjhar: June 1987 to February 1990; and Rayagada: July 1993 to June 1994). Pay and allowances to the tune of Rs.1.40 lakhs were paid to the drivers without their services being utilised. To an audit query, it was stated that the services of the drivers were otherwise utilised in the respective offices.

(c) Diversion of funds

Centrally sponsored calf-rearing programme under SLBP was extended to the Balasore district during 1991-92 and a sum of Rs.4.64 lakhs was placed with the Chief District Veterinary Officer as subsidy towards the cost of calf feed. Test check of records revealed that the said amount was paid (September 1991) to the Utkal Gomangal Samiti towards cost of calf-feed supplied by them during 1989-90 to the calves booked under a separate scheme under the state plan. On this being pointed out in audit, no categorical reply was furnished (June 1994).

(d) Inspection/overseeing

The Director, Animal Husbandry and Veterinary Services, Orissa emphasized (March 1987 and March 1989) the need for timely and regular health visits to the SLBP calves by the POs and staff working in the field for ensuring proper treatment and body weight at monthly intervals. It was stated by 1 PO/1 APO and 11 VASs out of 6 POs/1 APO and 16 VASs test-checked that regular/periodical visits were made to ensure health care and body weight of the calves by field staff, but no records in support of the above statement could be made available to audit to ascertain the correct position, while another VAS stated that records were not available with him. No reply to the Audit query was furnished by 1 PO and 1 APO.

3.8.10 Monitoring and evaluation

There is an exclusive cell in the Directorate of Animal Husbandry responsible for monitoring and supervising the programme. The Department stated (January 1994) that inspection by the Officers incharge of Headquarters Cell as well as the Director had been conducted from time to time, apart from the concerned Project Officers at the Project level. Results of such inspection were not forthcoming.

No evaluation study had been conducted so far to ascertain the impact of SLBP on the general improvement of quality of animals and rural economy, particularly in respect of target groups of population.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

3.9 Loss due to non-realisation of Sales Tax

According to the provisions of Section 4 of Orissa Sales Tax Act (ST Act) 1947, as amended with effect from 1 July 1981, every dealer whose gross turnover during a year exceeds Rs. 50,000 shall be liable to pay tax on sales and purchases effected during that year. Fish fry/spawns, being unspecified items, are taxable at 8 *per cent* under the Act. In addition, according to the provisions of Section 3 of Orissa Additional Sales Tax Act, 1975, the dealer shall also be liable to pay additional sales tax at one half *per cent* of his gross turnover for that year. The amount of sales tax payable by the Fisheries Department was to be realised from the customers to whom the items were sold.

Test check (August 1993) of the records of the District Fisheries Officer (DFO), Bolangir revealed that a sum of Rs.1.23 lakhs, being the accumulated arrear sales tax (Rs. 1.15 lakhs) and additional sales tax (Rs. 0.08 lakh) on sale of fish fry/spawns during 1982-83 to 1986-87, was not realised from the customers to whom the items were sold. On the other hand, on receipt of demand notices (March 1993) from the commercial tax authorities, the Department had paid the entire amount from out of office contingencies.

On the reasons for non-realisation of taxes from buyers being pointed out in audit, the District Fisheries Officer stated (August 1993) that the same was not collected due to late receipt of orders from Government (Fisheries Department). The contention of the DFO is not acceptable as he was liable to collect taxes under the ST Act from customers since he was carrying on the business of fish fry/spawns.

Thus, non-observance of provisions of ST Act by the DFO resulted in loss of Rs. 1.23 lakhs to Government.

The matter was referred to Government (August 1994); reply has not been received (December 1994).

EDUCATION (HIGHER EDUCATION) DEPARTMENT

3.10 Infuctuous expenditure on idle vocational staff in Government Colleges

Government decided (March 1990) to discontinue admissions into the colleges in vocational subjects of the +2 Arts stream from 1990-91 academic session onwards. It was also decided that the teachers/instructors appointed for such subjects should be adjusted in Higher Secondary Schools opening purely for the vocational streams. As there was no common cadre for such staff, it was also specified therein that modalities of such adjustment would be devised later.

Test check of the accounts of seven Government Colleges (Baripada, Bhawanipatna, Bhubaneswar, Bolangir, Cuttack, Dhenkanal and Jajpur) conducted between April 1993 and May 1994 revealed that the Government had not determined the modalities for adjustment of such excess staff even after the lapse of more than 3 years. Consequently, one instructor appointed under the vocational stream in each of the above colleges continued as of February 1994 without any work. The pay and allowances paid to these instructors from June 1991 to May 1994 aggregated Rs. 7.38 lakhs as detailed below:

COLLEGE	AMOUNT
	(Rs. in lakhs)
1. Principal, MPC College, Baripada	0.98
2. Principal, Rajendra College, Bolangir	1.14
3. Principal, Government College, Bhawanipatna	0.83
4. Principal, R.D. Women's College, Bhubaneswar	1.01
5. Principal, Ravenshaw College(Morning), Cuttack	1.35
6. Principal, Women's College, Dhenkanal	1.00
7. Principal, N.C. College, Jajpur	1.07
TOTAL:	7.38

On this being pointed out, the Principals of the colleges replied that they were awaiting orders of the Government. The Principal, R.D.Women's College, Bhubaneswar, however, stated that the instructor has been assigned office work and confirmed that he was drawing salary on regular basis. Thus, inaction on the part of the Government in devising the modality of adjustment of the above staff resulted in unfruitful expenditure of Rs. 7.38 lakhs.

Government accepted (December 1994) the point of audit and stated that efforts were being made to utilise their services elsewhere.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.11 Underutilisation of capacity due to non-provision of funds

The Government Vaccine Institute, Cuttack established in 1964 has a capacity to produce 12 to 15 lakh doses of Anti-Cholera Vaccine per annum. The Institute requires around Rs. 1.17 lakhs per annum for the purchase of raw-materials required for the production of 12 lakh doses.

Test check of records of the Institute and the Director of Health Services(DHS) conducted during May 1993 revealed that the Institute was provided with Rs. 0.47 lakh each year during 1990-91 and 1991-92 for procurement of raw-materials. With the materials so procured, the Institute could manufacture 5.60 lakh and 5.09 lakh doses of Anti-Cholera Vaccine during the two years 1990-91 and 1991-92 respectively. In order to meet the requirement of the State, the Government procured 9.66 lakh doses at the cost of Rs. 6 lakhs (1990-91: 6.50 lakh doses costing Rs.4.04 lakhs and 1991-92: 3.16 lakh doses costing Rs. 1.96 lakhs).

In reply to audit query, the Bacteriologist and Pathologist(B&P) in charge of the Institute stated (May 1993) that the Institute could produce only 5 lakh doses of Vaccine with the allotment of Rs. 0.47 lakh per annum. In a letter addressed to the Director of Health Services, Orissa, the B&P had indicated(October 1991) the need for a further sum of Rs. 0.70 lakh per annum for purchase of raw-materials to achieve the production of 12 lakh doses per annum.

Thus, on account of underutilisation of the capacity of the Institute during the years 1990-91 and 1991-92 due to non-provision of adequate funds for procurement of raw-materials and to meet other incidental expenditure, Government incurred extra avoidable expenditure of Rs. 5.16 lakhs (cost of 9.66 lakh doses procured: Rs. 6 lakhs minus additional funds needed by the Institute to produce the said quantity of doses in the respective years: 1990-91: Rs. 0.55 lakh and 1991-92: Rs. 0.29 lakh).

The matter was referred to Government in August 1994; reply has not been received (December 1994).

3.12 Nugatory expenditure on operating staff due to non repair of boat

A fibre boat was provided in June 1981 to the Medical Officer (MO), Community Health Centre, Chandbali, Balasore district so as to enable him to visit remote areas like Dhama, Kointhakota, Adi etc., by river which provided a shorter route. The boat went out of order in January 1987. Repairs were estimated (January 1993) to cost Rs.0.10 lakh. Though a sum of Rs.0.16 lakh was provided in March 1993 for the purpose, the boat had not been repaired as of March 1994.

In the absence of the boat, services of the driver and the Khalasi attached to the boat could not be utilised for the purposes for which they were employed. The services of the Khalasi were stated to have been utilised in immunisation programme and other works as a Class-IV in addition to the staff sanctioned for the purpose. The department thus incurred a nugatory expenditure of Rs.2.37 lakhs for the period from February 1987 to March 1994 on account of the pay and allowances of the driver and khalasi.

In reply to audit query, the MO stated (April 1994) that the Chief District Medical Officer, Bhadrak and the Director of Health Services, Orissa were requested in July, August and September 1993 to transfer the driver elsewhere and that no action had been taken in this regard.

Thus, due to delay in the repair of the launch the MO, Chandbali could not provide speedier medical services to people of remote areas. The department also incurred a nugatory expenditure of Rs.2.37 lakhs on account of idle wages to the driver and khalasi of the launch.

The matter was referred to Government in May 1994; reply has not been received (December 1994).

INDUSTRIES DEPARTMENT

3.13 Infertuous expenditure on extension of DTET building

The Government of Orissa accorded (March 1991) administrative approval to the construction of extension to the office building of the Directorate of Technical Education and Training(DTET), Orissa, Cuttack at the total cost of Rs. 156.30 lakhs under the World Bank assisted Technical Education Project. The work was awarded (March 1991) to the Orissa Industrial Infrastructure Development Corporation (IDCO), Bhubaneswar, a Government of Orissa undertaking. As per agreed terms, IDCO was inter-alia responsible for site survey and soil testing. Accordingly, an amount of Rs. 126.12 lakhs was sanctioned by the Government of which a sum of Rs. 125.72 lakhs was drawn and paid (March 1991 : Rs.35 lakhs; March 1992 : Rs. 29.01 lakhs and March 1993 : Rs. 61.71 lakhs) by the DTET to IDCO, Bhubaneswar.

Test check (February 1994) of records of the DTET revealed that the building was designed for five floors (ground + four) on pile foundation with pile capacity of 20 MT each. Without actually conducting proper soil testing and site survey etc., IDCO entrusted construction of piles to a private contractor at the cost of Rs. 58.37 lakhs. After completion of 140 piles, 5 were tested to check whether these would take the designed load. Three of the five piles could not withstand the designed load. It was observed that good sandy strata was available only beyond 15 metres and that the intermediate layers contained very weak nature of soil incapable of taking the designed load of 20 tonnes. The piling work was, therefore, stopped (July 1992) after spending Rs. 19.07 lakhs for further investigation and revision of the foundation design. The Chairman-

cum-Managing Director, IDCO suggested (September 1992) to the Government that the building be restricted to three floors (ground floor + two) or an alternative site at Cuttack/Bhubaneswar be found for a five storey building. He also suggested write off of the expenditure already incurred. It was further seen that a high level committee had approved (November 1992) a proposal for outright purchase of a building at Cuttack for DTET office and for giving up the construction at the existing site. The Committee also suggested that IDCO should absorb the infructuous expenditure already incurred. It is therefore, not clear as to why a further sum of Rs. 61.71 lakhs was paid to IDCO in March 1993.

In reply to audit query, it was stated (February 1994) by the DTET that IDCO had adopted the soil testing data from Public Works Department who had constructed a similar building at a site adjacent to where the present building was proposed. It was added that it was wrong for the IDCO to go ahead with such a risky design assuming the same soil data for an adjacent building and they should bear the entire expenditure. DTET further stated that they had no proposal to construct any building at the site where the work had been abandoned. No action had, however, been taken as of February 1994 by the Government to recover the amount from IDCO.

Thus, due to faulty design of the building by IDCO, the entire expenditure of Rs. 19.07 lakhs proved infructuous. A further sum of Rs.106.65 lakhs was also blocked with IDCO.

The matter was referred to Government in June 1994; reply has not been received (December 1994).

3.14 Unfruitful expenditure on the working of Reprographic centre

Test-check of records of the SKDAV Polytechnic for Women, Rourkela conducted during October, 1992 revealed that the institute had procured (July 1990) a vertical process camera valued at Rs.0.73 lakh. Pending demonstration of the camera, the institute had paid (July 1990) the supplier Rs.0.55 lakh.

The camera was purchased as part of the equipment necessary for the establishment of a Reprographic Centre for which the State Government had released a sum of Rs.3.40 lakhs (Central share : Rs.2.45 lakhs and State share : Rs.0.95 lakh) during 1980-81 under the scheme 'Reprographic Centre' in SKDAV Polytechnic for Women.

The Scheme aimed at producing the following instructional materials for supply at a cost to educational and other institutions through reprographic process, apart from providing practical training to the students of the institution and equip them for self employment :-

- (i) Electric stencil cutting of complicated diagrams.
- (ii) Taking up model lecture notes for duplication.
- (iii) Xerox printing of extracts from books and journals.
- (iv) Ammonia and blue printing of diagrams, charts etc.
- (v) Preparation of copies of printed materials through off-set printing and
- (vi) To take up repairs and binding of worn out books etc.

Further study of the records of the institute revealed that out of the amount of Rs.3.40 lakhs, the institute drew Rs.3.38 lakhs in March 1981 and procured, during March 1981 to February 1983, different equipment/materials like duplicator (Rs.0.12 lakh), photocopy machine (Rs.0.24 lakh), ammonia printing machine (Rs.0.26 lakh), 2 Godrej type-writers (Rs.0.09 lakh), off-set printing machine (Rs.1.11 lakhs), exposure unit (Rs.0.14 lakh) and other items (Rs.0.69 lakh) aggregating Rs.2.65 lakhs in all.

But for want of the process camera, the Reprographic Centre did not start functioning. In reply to audit query, the Principal of the institute stated (July 1994) that the process camera was not included in the original scheme and was therefore, not purchased along with other equipment. The necessity of the camera was felt, according to the Principal, during May 1985. But as the relevant files were not traceable, he could not explain as to what transpired till then. The Principal further stated (December 1994) that as the relevant files were misplaced, action to procure the process camera was not initiated in time.

The Director of Technical Education and Training (DTET), Orissa was approached (September 1988) by the Principal after the said files were traced. The DTET addressed the Government in this regard in November 1989. The Industries Department of the State Government accorded the necessary sanction in December 1989 and the vertical process camera was procured in July 1990.

Though the camera was purchased in July 1990, demonstration/trial run thereof could not be made as dark room facilities and materials like Graphic art film, Hypo/Developer/fixer solutions were not ready till September 1992. Though the mechanic visited the institute during December 1992, January 1993 and December 1993, due to want of materials like copy board glass, measurement papers, hallogen lamps (as those supplied earlier were fused), tools set and lens handle, cracked lens film board's blanket (resulting in the vacuum not catching properly because of leakage of the blanket) and defective timer, the camera could not be installed/demonstrated. As a result, the off-set printing machine remained inoperative as of November 1994 and consequently the Reprographic Centre remained non-functional.

In the meanwhile, the ammonia printing machine was transferred to the Industrial Training Institute, Hirakud in June 1984. It was also noticed during test check that the machineries and equipment procured by the institute included items like steel furniture (Rs.0.22 lakh), intercom telephone (Rs.0.12 lakh), typewriters (Rs.0.09 lakh) and cooler (Rs.0.03 lakh) aggregating Rs.0.46 lakh which were not provided for in the scheme.

Thus, due to omission to include vertical process camera in the scheme as part of equipment necessary to operate the centre and delay in action taken by the Principal, SKDAV Polytechnic for Women, Rourkela to procure the same and to provide the necessary facilities, the entire scheme proved non-functional. The expenditure of Rs.3.20 lakhs incurred thereon also proved unfruitful. Besides, the students of the institution were denied the benefits intended thereunder.

The matter was referred to the Government in December 1992; reply has not been received (December 1994).

FINANCE DEPARTMENT**3.15 Misappropriation of Government money**

According to the Orissa Treasury Code: (i) all monetary transactions should be attested by the head of the office in token of check, (ii) the head of the office should verify the totalling of the cash book or have this done by some responsible subordinate other than the writer of the cash book and initial it as correct, (iii) at the end of each month, the head of the office should verify the cash balance in the cash book and record a signed and dated certificate to that effect and (iv) when Government money in the custody of a Government officer is paid into the treasury or the bank, the concerned head of the office should compare the Treasury Officer's or the bank's receipt on the challan or his pass book with the entry in the cash book before attesting it.

(a) Scrutiny (July 1993) of cash books of the Child Development Project Officer (CDPO), Kusumi at Badampahad, Mayurbhanj district revealed the following:

- (i) The CDPO never observed any of the above codal provisions since January 1991 to the date of audit (June 1993).
- (ii) Due to non-observance of codal provisions, excess closing balance of Rs.0.10 lakh as on 7 January 1992 and less closing balance of Rs. 0.01 lakh on 6 May 1992 and Rs.0.54 lakh on 21 July 1992 could not be detected as of June 1993. Consequently, a sum of Rs. 0.45 lakh was kept outside the cash book and temporarily misappropriated till 26 July 1993.

On this being pointed out in audit, the CDPO replied (June 1994) that after thorough checking, the differential amount had been incorporated in the cash book on 27 July 1993.

Government, to whom the matter was referred in December 1993, accepted (October 1994) the misappropriation and stated that disciplinary action had been initiated in October 1994.

(b) Similarly, on test check (April 1994) of records of the District Inspector of Schools (DIS), Dhenkanal, it was seen that an amount of Rs. 0.61 lakh, being the unspent balance of non-formal education, was charged in the cash book as remittances into the Treasury on 7 January 1994. Verification of Treasury records, however, revealed that the amount was not included in the accounts of the Treasury. The fact was also confirmed by the Treasury Officer (April 1994). The amount was thus misappropriated. This was possible due to non-verification of challan by the DIS.

To an audit query, the DIS replied (April 1994) that the amount had been deposited into Treasury, but the challan was not readily available which would be produced to next audit. However, the amount of Rs. 0.61 lakh was deposited into Treasury on 22 April 1994 after the closure of audit on 21 April 1994.

The matter was referred to Government in July 1994; reply has not been received (December 1994).

GENERAL

3.16 Misappropriation, losses etc.

Cases of misappropriations, losses etc., of Government money reported to audit upto the end of March 1994 and on which final action was pending at the end of September 1994 were as follows:

		<u>Number of cases</u>	<u>Amount (Rupees in lakhs)</u>
i)	Cases reported upto the end of March 1993 but outstanding at the end of September 1993.	1,686	779.08
ii)	Cases reported during April 1993 to March 1994.	99	51.08

		<u>Number of cases</u>	<u>Amount (Rupees in lakhs)</u>
iii)	Cases disposed off till September 1994.	124	68.77
iv)	Cases reported upto March 1994 but outstanding at the end of September 1994.	1661	761.39

Department-wise analysis of the outstanding cases is given in the
Appendix - XIX. The period for which these are pending finalisation are given
below:

		<u>Number of cases</u>	<u>Amount (Rupees in lakhs)</u>
i)	Over five years (1948-49 to 1988-89)	1213	548.60
ii)	Exceeding three years but within five years (1989-90 to 1990-91)	139	46.34
iii)	Upto three years (1991-92 to 1993-94)	309	166.45
		<u>1661</u>	<u>761.39</u>

The reasons for which the cases were outstanding are as follows:

		Number of cases	Amount (Rupees in lakhs)
i)	Awaiting Departmental and criminal investigation	428	166.73
ii)	Departmental action initiated but not finalised	758	441.20
iii)	Criminal proceedings finalised but execution of certificate cases for the amount pending	41	7.38
iv)	Awaiting orders for recovery or write off	336	104.38
v)	Pending in the courts of law	98	41.70
		1661	761.39

3.17 Outstanding Inspection Reports

Audit observations on financial and other irregularities noticed during local audit and not settled on the spot are communicated to Heads of Offices and to the next higher departmental authorities through Inspection Reports (IRs). The more important and serious irregularities are also reported to the Heads of Departments and to the Government. The first replies to these Inspection Reports are required to be received in the Audit Office within four weeks of the dates of issue of the IRs.

At the end of June 1994, 14,060 IRs containing 49,959 paragraphs relating to Civil Departments and issued upto December 1993 were outstanding. Of these, in respect of 3296 IRs containing 13,885 paragraphs even the first replies had not been furnished by the concerned Departments. The details are given in Appendix - XX.

Of the pending IRs in respect of which even the first replies were not received, 146 IRs with 459 paragraphs have been outstanding for over 10 years and 457 IRs with 1768 paragraphs for over 5 years (as of June 1994). The yearwise analysis of the remaining paragraphs is given below:

Year	Inspection Reports	Paragraphs
1989-90	181	748
1990-91	381	1651
1991-92	609	2721
1992-93	992	5018
1993-94	530	1520
Total	2693	11658

Review of the outstanding Inspection Reports relating to the Commerce and Energy Departments disclosed the following broad categories of irregularities.

Statement showing category of irregularities

Sl. No.	Broad category of irregularities	<u>Commerce Deptt.</u>		<u>Energy Department</u>	
		No. of Offices	Amount (Rs. in lakhs)	No. of Offices	Amount (Rs. in lakhs)
1.	Infructuous/unfruitful/avoidable/irregular expenditure.	--	--	24	22,634.50
2.	Excess payment/liability to contractor/firms	--	--	18	919.19
3.	Undue financial aid to contractors/firms	--	--	5	11.08
4.	Idle/surplus/unserviceable stock and stores machinery/labour	--	--	4	89.91

Sl. No.	Broad category of irregularities	<u>Commerce Deptt.</u>		<u>Energy Department</u>	
		No. of Offices	Amount (Rs. in lakhs)	No. of Offices	Amount (Rs in lakhs)
5.	Irregular purchase and non-accountal of stock and stores	--	--	2	38.72
6.	Non-recovery of dues from firms/contractors and others	--	--	14	5,259.88
7.	Less recovery of royalty	--	--	2	2.45
8.	Loss of revenue due to delay in power generation/ restricted generation/ non-functioning of generating units	--	--	4	464.78
9.	Unauthorised expenditure	--	--	6	1,664.52
10.	Non-settlement of insurance claims	--	--	4	41.92
11.	Loss/theft/misappropriation/defalcation/ shortage of stores	--	--	10	563.83
12.	Demurrage and wharfage charges	--	--	2	288.38
13.	Retention of undisbursed amounts	--	--	2	50.82
14.	Inadmissible/irregular payments	1	1.13	2	0.10
15.	Stamped receipts wanting	1	1.56	1	0.03
16.	Loans and advances not recovered	1	1.96	--	--
17.	Short/non-realisation of Government dues	1	0.61	--	--
18.	Less recovery of Advance/Interest	-	-	1	51.63
19.	Miscellaneous	1	15.77	1	51.63

CHAPTER - IV

WATER RESOURCES DEPARTMENT

4.1 Upper Jonk Irrigation Project

4.1.1 Introduction

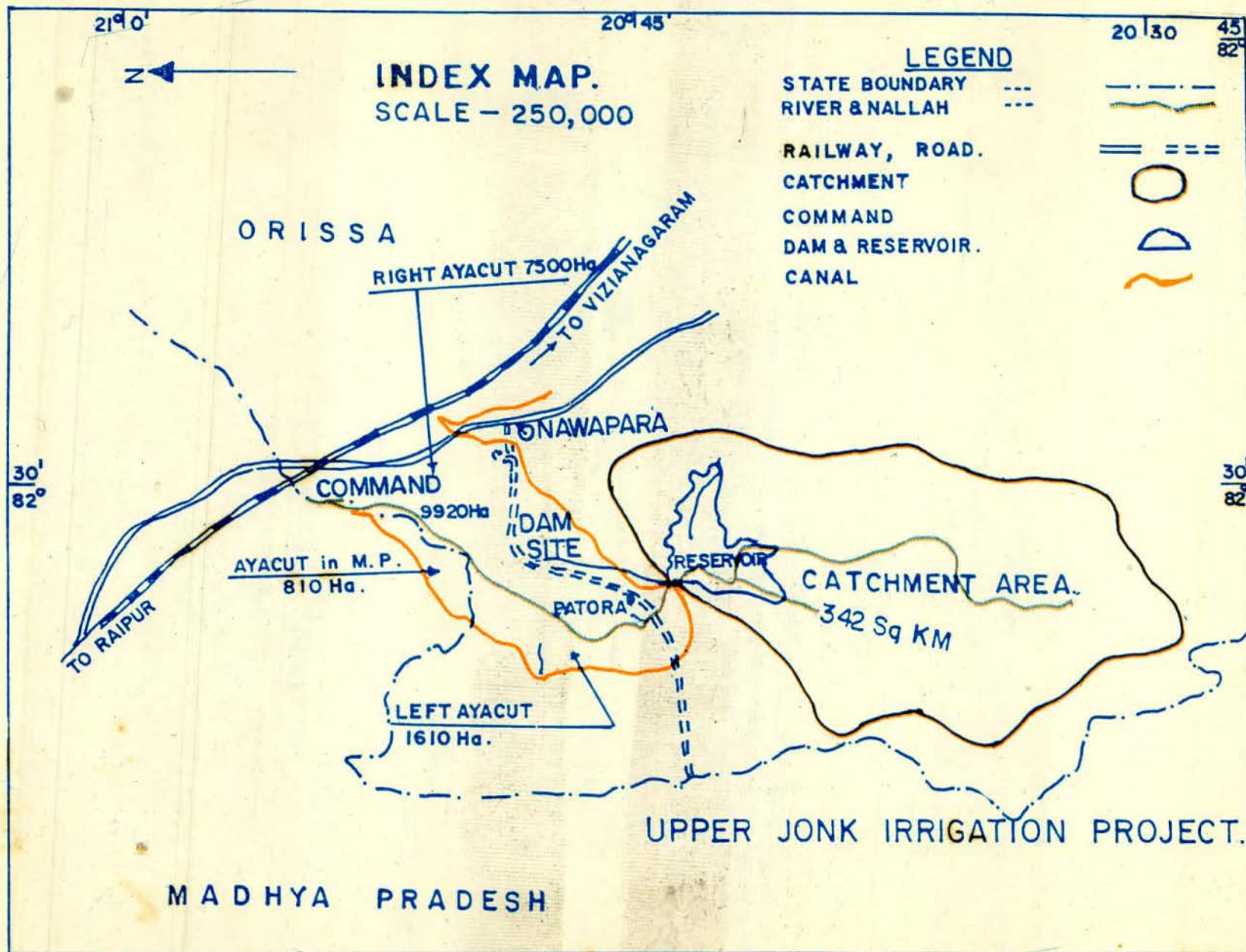
Upper Jonk Irrigation Project was taken up in 1979-80 by the Government of Orissa to provide assured irrigation to 9425 Ha. (Orissa: 8615 Ha and Madhya Pradesh: 810 Ha.) in Kharif and 3578 Ha. in Rabi(Orissa) by tapping the water of Jonk river, a tributary of Mahanadi, so as to improve the socio-economic conditions of the predominantly tribal population of Nawapara district of Orissa. The Head works of the project are situated in the village Patora of Nawapara Tahasil. Water at the tail end of the left canal was to provide irrigation to 810 Ha. in Madhya Pradesh and the right canal was to provide drinking water to the two near-by towns, viz. Nawapara and Khariar Road. The project was stipulated to be completed by March 1986.

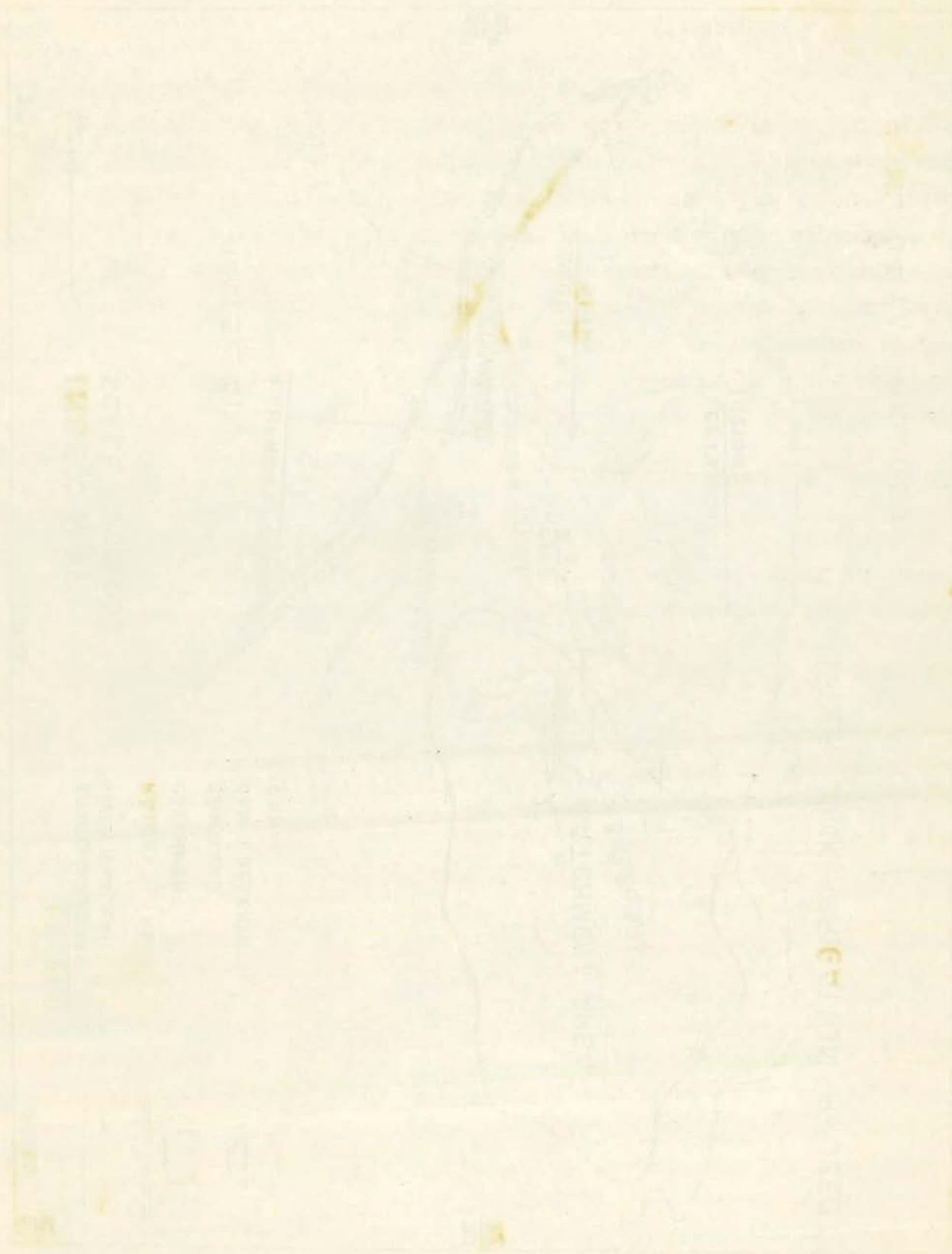
The project envisaged construction of an earthen dam of 647 metres length across the river intercepting a catchment area of 342 sq.km. with reservoir capacity of 7,383 Ha.M. at full reservoir level (FRL) and 6434 Ha. M. at live storage level, apart from a saddle spillway (117 M.) on the left side as also two main distributaries (43.87 km), one emanating from either side of the dam.

4.1.2 Organisational set up

The project has been under execution mainly by two Divisions (1) Jonk Dam Division and (2) Jonk Canal Division under the Superintending Engineer, Western Irrigation Circle, Bhawanipatna. The overall technical control was vested with the Chief Engineer, Medium Irrigation-II under the Engineer-in-Chief, Irrigation, Orissa.

* The abbreviations appearing in the review are listed alphabetically and expanded in the glossary in Appendix-XXII at page 232.





4.1.3. Audit coverage

Test check of records relating to the period from April, 1979 to March, 1994 was conducted during the period February to May 1994 in the offices of the Executive Engineers of the two divisions mentioned above and the Chief Engineer, Medium Irrigation-II. The results of test check are as indicated in the following paragraphs.

4.1.4 Highlights

- The latest revised estimate submitted for Rs.8213.06 lakhs in February 1993 against the original estimated cost of Rs.1277.73 lakhs was awaiting sanction as of May 1994. The project, initially scheduled to be completed by March 1986, was also re-scheduled for completion by March 1996.

{Paragraphs: 4.1.5 & 4.1.6}

- Of the expenditure of Rs.4810.03 lakhs booked upto March 1994 against this project, an amount of Rs.88.89 lakhs was actually spent on works not connected with the project.

{Paragraph: 4.1.8(a)(i)(ii)}

- Live storage capacity of the reservoir as assured could not be achieved with the dam height as per the Project report. The height of the dam had to be raised by 4 metres after eight years of commencement of the project so as to create the irrigation potential as initially targeted. As a direct consequence, there was change in design of right head regulator and additional land had to be acquired. Both these entailed expenditure at rates higher than those involved prior to the revision. The resultant extra expenditure was Rs.45.95 lakhs (right head regulator Rs.17.10 lakhs and acquisition of private land Rs.28.85 lakhs). This was in addition to the cost of the increased quantum of work on the dam.

{Paragraph: 4.1.8(c)(i)(ii)}.

- Due to factors attributable to the department, including delay in obtaining forest clearance and change in dam height, the contractor executing the earthdam had to be given extension of time in four spells upto 30 September 1993, against the original schedule for completion by July 1986. This resulted in payment of escalation charges of Rs.152.50 lakhs.

{Paragraph: 4.1.8(d)}

- There was extra/avoidable expenditure of Rs.95.37 lakhs due to non-adherence to the approved design during construction of the cut off trench (Rs.88.58 lakhs); right head regulator (Rs.6.32 lakhs) and spill-way foundation concreting(Rs.0.47 lakh).

{Paragraph: 4.1.9(i)(ii)(iii)}

- The rate for excavation for construction of the spillway was inclusive of filling up of excess excavation with material specified by the department. However, Rs.16.43 lakhs were paid to the contractor for such excess excavation and consequential filling of the same by specified concrete.

{Paragraph: 4.1.10 (iii)}.

- Excess consumption of diesel on extra dozer passes entailed an extra expenditure of Rs.15.51 lakhs on compaction of earth dam.

{Paragraph 4.1.16}

- There was nugatory expenditure of Rs.20.60 lakhs in running and maintenance of an idle sub-division brought into existence from April 1987.

{Paragraph: 4.1.17}

- Excess reimbursement towards increase in price of diesel, non-recovery of supervision charges on issue of diesel not contemplated in the agreement and short recovery of royalty resulted in unauthorised aid of Rs.12.49 lakhs to a contractor.

{Paragraph: 4.1.18(i)(ii)(iii)}

Idle machinery costing Rs.52 lakhs were retained for periods ranging from 26 months to 67 months. There was also wasteful expenditure of Rs.6.08 lakhs (upto August 1994) on operational staff for these machinery, who were not gainfully employed.

{Paragraph: 4.1.21(b)}

4.1.5 Cost over-run

The original estimate for Rs.1277.73 lakhs, framed in 1979-80, was administratively approved by the Government of Orissa in July 1987. The estimate was revised in February 1993 to Rs.8213.06 lakhs (543 *per cent* excess). However, administrative approval of Government and clearance of Central Water Commission for the revised estimate had not been received as of May 1994. As against this, Rs.4810.03 lakhs were spent on the project as of March, 1994. The details of cost overrun were as follows:

Sl. No.	Components	Original estimated cost (1979-80)	Revised estimated cost (1993)	Percentage of increase.	Actual expr. ending Mar'94
(R u p e e s i n l a k h s)					
1.	Head Works	699.97	5000.06	614.33	2296.71
2.	Canal system	385.87	2575.07	567.34	1492.20
3.	Buildings	59.57	123.77	107.77	98.80
4.	Tools and Plant	38.43	119.65	211.35	325.87
5.	Establishment	97.80	415.66	325.01	245.93
6.	Miscellaneous	21.42	96.84	352.10	379.63
	<u>Less</u> Receipts & Recoveries	25.33	117.99	365.81	29.11
	TOTAL:	1277.73	8213.06	542.78	4810.03

Initially the work was scheduled to be completed by March 1986. However only Rs.345.22 lakhs were provided in the budget during 1979-80 to

1985-86 against the original cost estimate of Rs.1277.73 lakhs. Commitment of fund was thus grossly inadequate if the schedule was to be observed. At the same time, the project authorities too seemed unable to get going. Against funds of Rs.345.22 lakhs budgeted for, actual expenditure incurred upto 1985-86 came to only Rs.258.48 lakhs. The increase in cost was reported to be mainly on account of (i) change in designs and scope of the project following inadequate/improper survey and investigation (Rs.1718.84 lakhs), (ii) increase in prices of labour and materials (Rs.2658.12 lakhs) (iii) inadequate provision in the original estimate (Rs.2499.03 lakhs) and (iv) other reasons (Rs.59.34 lakhs). Nonetheless, the area to be irrigated in Kharif remained unchanged (9425 ha) and that under Rabi got reduced to 3578 ha from 4464 ha.

4.1.6 Time over-run

The project, scheduled to be completed by March 1986, was rescheduled for completion by March 1996. The stated reasons were; (i) delay in getting the clearance for use of forest land (ii) change in designs and scope of earth dam and (iii) slow progress of earth dam and spillway.

The department initiated the proposal for clearance of forest land by Government of India in February 1983 only, whereas the Project execution had started in 1979-80. Clearance was actually received in March 1986. This delay is thus largely attributable to the department.

The department noticed as late as in December 1988 the necessity for increasing the dam height by 4 metres so as to adhere to the irrigation potential as targeted initially and took final decision in November 1989. Consequently, construction of the earth dam had also to be rescheduled due to increase in the scope of work following increase in dam height. Originally stipulated for completion by July 1986, the earthdam was rescheduled to be completed in March 1994.

But while construction of earth dam was nearing completion there was considerable slippage in the construction of spillway. Though stipulated to be completed by June 1994, the contractor could achieve progress of 24 *per cent* only as of March 1994 in respect of concrete and masonry work.

An inter-state agreement was concluded in 1984 between Governments of Orissa and Madhya Pradesh for supply of water to 810 Ha. ayacut in Madhya Pradesh through the tail end of the left canal. The agreement did not specify the extent of liability of the Government of Madhya Pradesh and the terms of recovery of cost were not determined as of March 1994. Water had also not been supplied. Supply of drinking water was also not made to the two towns, viz. Nawapara and Khariar Road, as contemplated.

The position of physical progress achieved as of March 1986 and March 1994 was as follows:

Name of component	Unit	Total estimated quantity	Physical progress			
			By March 1986		By March 1994	
			Quantity	Percentage	Quantity	Percentage
EARTH DAM						
(a) Excavation	T.Cu.m	550.00	33.290	6.05	550.00	100
(b) Fill placement	T.Cu.m	1229.00	4.119	0.33	1229.00	100
(c)Filter and Rock product	T.Cu.m	145.00	3.271	2.25	123.50	85.17
DYKE						
(a) Excavation	T.Cu.m	2.50	-	-	2.50	100
(b) Fill placement	T.Cu.m	3.50	-	-	3.50	100
RIGHT HEAD REGULATOR						
(a) Excavation	T.Cu.m	2.09	2.09	100	2.09	100
(b) Concrete and Masonry	T.Cu.m	5.21	-	-	5.21	100
(c) Installation of service gate and emergency gate	Nos.	4	-	-	2	50

Name of component	Unit	Total estimated quantity	Physical progress			
			By March 1986		By March 1994	
			Quantity	Percentage	Quantity	Percentage
CONSTRUCTION OF SPILLWAY AND LEFT HEAD REGULATOR						
(a) Concrete and Masonry	T.Cu.m	52.07	-		12.74	24
(b) Spillway gate	NOs.	7	-	-	-	-
(c) Head Regulator Gate	Nos.	2	-	-	-	-
(d) Bridge	Mtr	114.00	-	-	-	-
RIGHT MAIN CANAL						
(a) Excavation	Km.	20.85	-	-	20.85	100
(b) Structures	Nos.	91	4	4.39	80	88
LEFT MAIN CANAL						
(a)Excavation	Km.	23.09	3.50	15.15	23.09	100
(b) Structures	Nos.	151	5	3.31	91	60
RIGHT DISTRIBUTARY SYSTEM						
(a) Excavation	Km.	123.923	-	-	98.177	79
(b) Structures	Nos.	1413	-	-	423	30
LEFT DISTRIBUTARY SYSTEM						
(a) Excavation	Km.	22.72	-	-	10.49	46
(b) Structures	Nos.	249	-	-	54	22

4 1.7 Provision of funds

Funds requirements for the Project were met from the State Plan. Yearwise provision made and the expenditure incurred were as under :

Year	Budget provision	Expenditure (Rs. in lakhs)
1979-80	3.00	-
1980-81	10.00	0.88
1981-82	25.00	25.69
1982-83	35.00	32.49
1983-84	30.00	30.27
1984-85	81.02	70.08
1985-86	161.20	99.07
1986-87	400.00	414.42
1987-88	300.02	284.73
1988-89	322.67	426.82
1989-90	350.00	354.49
1990-91	544.52	571.25
1991-92	850.01	860.59
1992-93	745.01	745.82
1993-94	942.86	893.43 (X)
Total	4800.31	4810.03

(X) Upto March (P).

4.1.8(a). Diversion of funds

(i) Expenditure of Rs.84.44 lakhs incurred during 1988-89 to 1993-94 towards salaries/wages of regular/work charged establishment, repair of roads and staff quarters and machinery etc., by four divisions not connected with the project

execution was met out of project funds. No justification was given by the Engineer-in-chief who had allowed the diversion of project funds while making allotment of funds to Divisional Officers.

(ii) Project funds to the tune of Rs.4.45 lakhs were spent on 'Construction of water supply system to Western Irrigation Circle Colony in Bhawanipatna town' as of March 1994. The work also did not form part of the project.

(b) Assumption of wrong parameters for the project proposals

Construction of Upper Jonk Irrigation Project was cleared by the Planning Commission in September 1981, with the following parameters :

Full Reservoir level	Live storage capacity of the Reservoir	Top bank level of dam (dam height)
350.60 M	6450 Ha.M	353.60 M

While the work of construction of the earth dam was in progress, the Engineer-in-Chief inspected the site in December 1988 and observed that the live storage capacity of the reservoir (6450 Ha.M.) adopted did not correspond to the area of the reservoir at the assumed FRL of 350.60 M. He felt that it would be only 3600 Ha.M. as against 6450 Ha.M. A fresh survey of the reservoir area was conducted in January 1989 to determine the correct parameters. During the visit of the Secretary, Irrigation Department to the site in November 1989, it was decided, pending approval of Government, to raise the height of the dam suitably to achieve the original live storage capacity in order to create irrigation potential as targeted earlier. In March 1990, the Engineer-in-Chief sought the approval of Government to raise the height of the dam by 4.00 metres with the following revised parameters :

Full Reservoir level	Live storage capacity	Top bank level of the dam (dam height)
354.10 M	6434 Ha.M	357.60 M

Specific approval of Government was not received as of March 1994.

M.F. 1
9/1 Government appointed in January 1992, a one-Man-Committee to enquire into (i) the officers responsible for defective survey and investigation and faulty project report and (ii) officers and contractors responsible for not achieving the schedule of execution of the project. Despite request made (April 1994) to the Government, the report of the Committee was not made available to audit (June 1994).

(c) **Extra expenditure consequent on raising the dam height**

6 LCP
83-84 Construction of earth dam, including rip rap and rock-toe, was entrusted to a contractor for Rs. 195.85 lakhs in January 1984 for completion by July 1986. After granting extension of time to the contractor upto September 1993, the contract was closed by Government in February 1994 without penalty. Final *M.F. 3*
9/8
9/7 payment to the contractor and completion of the balance work of Rs. 23.74 lakhs were pending as of March 1994. Check of records revealed as follows :

(i) Construction of right head regulator was entrusted to a contractor for *M.F. 4*
9/13 Rs. 15.41 lakhs in December 1985 for completion by June 1987. The contractor executed work worth Rs. 16.92 lakhs upto May 1988.

9/6 The design of the head regulator was revised in September 1990 to suit the increased height of the dam. Additional work of the head regulator was got executed during the period March 1991 to March 1992 through another agency at the cost of Rs. 30.61 lakhs.

The additional work would have cost only Rs. 13.51 lakhs, had the said quantities been included in the agreement of the original contractor. The Executive Engineer, Dam Division stated (May 1994) that considering the detection of the error in respect of the dam height at a later date, subsequent execution of the work of the head regulator at higher rates was inevitable.

(ii) Increased dam height required additional private land measuring 92.80 Ha. This was acquired in 1991 and 1992 at the cost of Rs. 58.43 lakhs. The additional land was of the same category as the land acquired earlier during 1984 to 1989. But for the wrong assumption of dam height, the department would have saved extra expenditure of Rs. 28.85 lakhs incurred on account of higher rates.

M.F. 5
9/28

Further, 92.80 Ha. land acquired included 56.02 Ha. situated in a village (Maraguda) valued at Rs.28.95 lakhs. The land was acquired only because it became inaccessible to the inhabitants who had been surrounded by the reservoir on three sides and a wild life sanctuary on the other. Government, while according sanction for such acquisition in June, 1992, had ordered submission of firm proposals for the best utilisation of the land either for afforestation or catchment area treatment plan of the project. No such proposals were submitted to Government as of March 1994. The Executive Engineer stated (May 1994) that the land (56.02 Ha) was kept reserved for compensatory afforestation under the proposed Indra Irrigation Project. The said project was, however, not sanctioned by the Government as of May 1994.

(d) Cost escalation due to departmental delays

The contractor for construction of earth dam (contract awarded in January 1984 with stipulated completion by July 1986) was sanctioned extension of time in four spells upto 30 September 1993 owing to factors like :

- (i) Obtaining approval of G.I. for forest clearance. Although execution of the project started from 1979-80, proposal for obtaining forest clearance was submitted to Government of India only in February 1983 before award of the contract for earth dam in January 1984, but clearance was received subsequently in March 1986.
- (ii) Extensive drilling and grouting in the cut-off trench already laid to check seepage of water.
- (iii) Construction of secondary cut-off trench due to the inadequacy of the cut-off trench originally laid.
- (iv) Increase in the magnitude of work consequent on raising the height of the dam in November 1989.

Consequently, the department had paid escalation charges of Rs.152.50 lakhs to the contractor on price escalation clause related to material (Rs.96.39 lakhs) and to wages effective from 1 July 1990 (Rs.56.11 lakhs).

On being pointed out, the Executive Engineer, Dam Division stated (May 1994) that the delays took place in course of eliminating the deficiencies and flaws that came to notice during execution and were consequential to one another and the alternative cost involved in the event of putting the work to retender in 1990 would have been much higher. This was not tenable, since the delays occurred due to the commissions and omissions of the executive wing.

4.1.9 Extra/avoidable expenditure due to non-adherence to the approved drawings and designs

M.F. 22

(i) According to the longitudinal section of earth dam approved by the Chief Engineer (Designs) in January 1987, the bed level of the positive cut-off-trench (COT) should be taken minimum 0.50 M. into the rock strata below the natural soil level (NSL) from RD 90 M to 395 M of the earth dam.

Excavation of the cut-off-trench was included in the contract executed for the earth dam. During the course of excavation of cut-off-trench, the Dam Safety Panel observed during inspection of the site in March 1987, that the left flank was a critical zone so far as seepage was concerned and suggested water percolation test by drilling holes along the cut-off at RD 100, 150, 170 and 320 M. These tests were not conducted and the COT was excavated and covered (by June 1987) excepting at RD 00 to 80 M and 560 M to 627 M. The Panel conducted water percolation tests at RD 150, 172, 480 and 500 M in January 1988 and found that the COT had largely been laid on pervious strata with erratically high seepage values (of the order of 1082.5 lugeons to 3612 lugeons below the COT as against the safer limit of 10 lugeons). Redrilling operations also revealed that excavated levels of the COT had actually been taken upto RL-327 to 330 M as against RL-318 to 329 M provided in the approved designs at RD-80 to 395 M.

As the COT was laid on pervious foundation and was not made positive, the Panel suggested in November 1990 provision of a secondary cut-off-trench and an upstream blanket from upstream heel of the main earth dam on the left flank to control sub-surface leakage. Accordingly, the work was got executed (September 1991) through the earth dam contractor as an extra item at the cost of Rs.88.58 lakhs.

*pon-31
with statement*

On being pointed out by audit, it was stated by the Executive Engineer, Dam Division that providing a secondary COT had become easier in comparison to the deepening of the main COT as constant dewatering would have created a lot of problems and deepening would not have been possible. The fact however, remains that the secondary COT was necessitated as a rectificatory measure due to non-adherence to the approved design parameters while laying the COT.

(ii) Construction of right head regulator was entrusted in December 1985 to a contractor for Rs.15.41 lakhs for completion by May 1987. While the work was in progress, cracks in the middle of the barrel, noticed by the field officers, were examined by the Dam Safety Panel in January 1988. Despite providing a collar at a cost of Rs.0.10 lakh as advised by the panel, development of cracks could not be contained. Thereafter, the Dam Safety Panel and the Chief Engineer (Designs) felt (in November 1990) that the cracks were due to inadequate cover and/or non-provision of construction joints as shown in the approved design. They, therefore, suggested sealing of the cracks by epoxy grouting. The epoxy grouting done through a contractor (by May 1991) cost Rs.6.22 lakhs. The extra expenditure was to rectify the constructional defects that developed due to non-adherence to the approved drawing/design during execution.

The Executive Engineer stated (May 1994) in reply that in the opinion of the Dam Safety Panel the cracks were of minor nature and the remedial measures were undertaken as per their recommendation as precautionary measures. This was not tenable inasmuch as the defects were due to non-adherence to the approved drawings.

(iii) According to the approved drawing (August 1992) for 'Construction of Spillway', foundation concreting was to be provided in Blocks 9 & 10 upto RL 341 M. with M-150 grade concrete and above that with random rubble stone masonry.

Check of records, however, revealed that in actual execution, specified concrete was provided (July 1993) upto 1 metre above the designed foundation level of RL 341 M involving 118.10 cu.m of extra concrete.

Non-adherence to the approved design/drawings in actual execution resulted in extra avoidable expenditure of Rs.0.47 lakh on the extra concreting in the place of masonry.

To an audit enquiry, the Executive Engineer, Dam Division stated (May 1994) that the R.R. stone masonry, if adopted, would not have been completed before the rainy season. However, rains had already set in by the time the concreting was done (June/July 1993). The uneconomical deviation to the approved specification was in any case unauthorised.

4.1.10 Extra expenditure due to inadequate/improper supervision

M.F-39

(i) Agreement drawn with a contractor in August 1987 for excavation of right distributary from RD-10290 to 11760 M for Rs.6.44 lakhs stipulated completion of work by June 1988. While the work was in progress, it was noticed by the Executive Engineer, Canal Division (March 1988) that out of 22,550 cu.m of earth required in filling reaches of the canal, 4055 cu.m of suitable earth was not available within the stipulated head load distance. For the earth filling from RD-10290 to 10315 M, the required quantity of earth was, therefore, brought by mechanical transportation from selected borrow area (1239 cu.m.) and cutting reaches (2816 cu.m.) and the work was completed in January 1989. Necessary deviation to the agreement proposed in March 1988 was approved by the Superintending Engineer in September 1991.

9/8

9/6

During the rainy season of June 1989, it was, however, noticed by the department that the canal bank slopes at RD 10300 for a length of 105 M (filling section) were slipping considerably. The defect was attributed to lack of plasticity as also imperviousness of the mechanically transported earth to restrict the hydraulic gradient line within the toe of the canal bank. In order to restore the stability and prevent erosion of the canal bank, a counter berm with rubble packing was provided at the cost of Rs.1.14 lakhs by October 1990 through the same agency by a separate contract. Failure to carry suitable earth from the cutting reaches necessitated provision of a counter berm entailing an extra expenditure of Rs.1.14 lakhs to department.

9/12

To an audit query, the Executive Engineer, Canal Division stated (May 1994) that as there was no cross drainage point at RD 10290 M to drain out the accumulated flood water during rainy season, the stagnant water had damaged the slopes of the canal warranting protection measures. This was not tenable as a cross drainage structure was already in existence at the same point (RD 10290 M). The reply was also at variance with the reasons mentioned in the estimate for providing a counter berm.

M.F. 39
P/7
a/b
(ii) The excavation of right distributary from RD 10290 M to 11760 M was actually completed in January 1989. According to contractual stipulation, the excavated debris of the cutting section should be conveyed and deposited clear off the site as directed by the Engineer-in-charge. While the work was in progress, the Chief Engineer, Medium Irrigation-II, during his inspection of the site in June 1988, noticed that the contractor had deposited excavated material very close to the canal and the same was slipping into the canal on the right bank. He, therefore, suggested sectioning of the spoil bank. There was no indication of any effort for getting the corrective action taken by the contractor.

The remedial work of sectioning and turfing to the spoil bank was got done after completion of the work (January 1989), through another agency by July 1990 at the cost of Rs. 1.26 lakhs.

M.F. 31
P/3
8/9
On being pointed out, the Executive Engineer, Canal Division stated (May 1994) that as the acquired land was insufficient and the spoils had to be deposited within the acquired land, sectioning of the spoil bank was got executed. This was not tenable, as the land acquired for the canal was of 60 metres width and clear 15 metres width out of it for the right bank was available. Depositing the spoils very close to the canal banks thus suggested lack of supervision.

M.F. 13
Pom - 16
(iii) Technical specification No.1.1.8 of the agreement executed with M/s. Orissa Construction Corporation Limited (March 1992) for construction of the spillway, *inter-alia*, stipulated excavation of foundation according to the lines, levels and dimensions shown in the approved drawings. The rate for excavation was inclusive of filling of overbreakages and excess excavation with the materials specified by the department. Excess excavation, whenever permitted,

was to be filled with the materials specified by the Executive Engineer at the cost of the contractor.

Check in audit, however, revealed that there was extra foundation excavation and for the consequential filling of the same with specified concrete, a sum of Rs.16.43 lakhs was paid to the contractor as under:

Block No.	Approved designed level (in metres)	Level upto which excavation done (in metres)	Extra Excavated quantity filled with concrete (in cubic metres)	Concrete specification	Agreement rate (in Rs. per cubic metre)	Total cost involved (in lakhs of Rupees)
1	2	3	4	5	6	7
1 to 5	RL 328	Average RL 327.5	545.442	M-150	1100	6.00
9	RL 338	RL 337.30	288.00	M-200	1120	4.40
10	RL 338	RL 337.40	105.00	M-200		
9	RL 338.50	Average RL 336.50	265.195	M-250	1750	6.03
10	RL 338.50	Average RL 337.30	79.265	M-250		
Total						16.43

The Executive Engineer, Dam Division replied (May 1994) to audit query that the foundation excavation done beyond the designed levels was verified by the Senior Geologist and as such the designed foundation level shown in the approved drawing might not be considered the final designed level. It was also stated that the actual excavated levels were reported to the Chief Engineer, Medium Irrigation II in January 1994 for obtaining the approval of the Chief Engineer (Designs). There were no reasons on record as to why the Geologist was not asked to verify and certify the suitability of excavation upto the designed levels for concreting. The approval of Chief Engineer to the actual execution levels had, however, not been received (May 1994).

(iv) Sanctioned estimate for the work excavation of approach channel to spillway stipulated receipt of useful stones out of blasting hard and sheet rock to the extent of 50 *per cent.* Of the retrieved stones, 20,000 cu.m. were

envisaged to be made available for use in the down stream rock toe. The work was split into two reaches and got completed through a contractor by March 1992 (Reach-I) and August 1991 (Reach-II).

According to item No.3 of each of the two contracts, the contractor, after blasting hard and sheet rock, was to pick-up useful stones, transport the required quantity by truck and deposit the same in the marked dumping yard at the down stream rock toe of earth dam. The balance debris were to be dumped away from the work site. Check of records revealed that although the contractor was paid towards blasting for 40,632.689 cu.m. in the two reaches, only 3425 cu.m. of useful stones were obtained and dumped at the rock toe work site. As per estimates, the quantity should have been 20316.35 cu.m. (50 *per cent* of quantity of blasted rock). The balance quantity, being non-useful debris, was dumped away from the work site by the contractor as stipulated. The Senior Geologist observed (June 1991) that uncontrolled blasting had produced highly fractured splintory mass and the same was not suitable for use in pitching and revetment work, excepting a small fraction as above.

Consequently, 9645 cu.m. of stones were got transported from departmental dumping yard through another contractor at Rs.6.56 lakhs during September 1993 to March 1994. Tender of another contractor for Rs.3.26 lakhs for carriage of a further quantity of 6930 cu.m. was accepted by the Superintending Engineer in December 1993. The work was, however, yet to be formally entrusted to the said contractor (March 1994).

Lack of departmental supervision made uncontrolled blasting possible and it resulted in non-retrieval of the stipulated quantities of useful stones. The consequential extra liability was Rs.9.82 lakhs as of March 1994.

To a query in audit, the Executive Engineer, Dam Division replied (May 1994) that uncontrolled blasting was not the reason for non-receipt of 50 percent of useful stones, since blasting operation undertaken in excavation work was different from that undertaken in a quarry where wastage is avoided by controlled blasting. This is not tenable in the face of the opinion of the Senior Geologist and also in view of the stipulation in the sanctioned estimate for retrieval of useful stones to the extent of 50 *per cent*.

4.1.11 Extra/ infructuous expenditure due to inadequate/improper investigation

The removal of overburden of spillway was commenced in 1981-82 and completed in February 1992. The work was estimated to cost Rs.15.50 lakhs in 1981-82 but it underwent revision twice, to Rs.29.20 lakhs in 1986-87 and to Rs.47.11 lakhs in 1987-88. The actual expenditure incurred for completion was Rs.52.21 lakhs.

To an enquiry in audit, the Executive Engineer, Dam Division stated (May 1994) that the delay was due to changes in classification of rock strata noticed during actual execution and the consequential revision in designs, drawings and estimates. Evidently, the revisions and delay were the direct result of inadequate/improper investigation of site.

4.1.12 Extra expenditure due to slow progress

Apprehending accumulation of debris and muck in the foundation during 1992 rains, the Executive Engineer instructed (April 1992) the Orissa Construction Corporation (OCC) to raise the spillway upto RL 333.5 M by June 1992. But the Corporation failed to do so. As a result 5994 cu.m. of such debris and stones got accumulated in 1992 floods. These were got cleared through the same agency at the cost of Rs.5.69 lakhs. The rate for the expenditure had, however, not been approved by the Chief Engineer as of February 1994.

4.1.13 Extra expenditure due to defective design

Construction of a causeway on a Nallah at RD-5840 M of the left distributary, entrusted to a contractor in April 1991, was completed by April 1992 at Rs.6.49 lakhs. While the work was in progress, the Chief Engineer, Medium Irrigation-II and the Superintending Engineer, who had visited the site in January 1992 and February 1992 respectively expressed the opinion that the waterway provided by the structure was insufficient to effect the designed discharge. Consequently, after receipt of revised drawing (August 1992) from the Chief Engineer (Design) envisaging extension of the structure on both sides

by providing huge pipe vents, the additional work was got executed through another agency during the period April 1993 to October 1993 at the cost of Rs.6.52 lakhs. Computed with reference to the rates of the earlier agency, the extra expenditure incurred on the additional work amounted to Rs.0.93 lakh.

Meanwhile, during June and July 1992, following heavy rains and flood, the earthen approach roads on both sides already executed at the cost of Rs.1.07 lakhs were washed away due to insufficiency of the water way already provided. Consequently, the approaches had again been provided through the same contractor that executed the additional work rendering the expenditure of Rs.1.07 lakhs infructuous.

4.1.14 Extra expenditure due to delay in acquisition of land

M.F. 28
8/2, 9 Excavation of the right distributary from RD-8820 M to RD-10290 M was awarded in September 1985 to a contractor for completion by October 1986 for Rs.4.27 lakhs. After executing work worth Rs.2.15 lakhs, the contractor left the work (May 1987) on the ground that the land required for execution of the remaining work had not been made available to him. The contract was closed (July 1988) without penalty and the balance work valued at Rs.2.12 lakhs was got completed (December 1988) by the same agency, through a separate contract (March 1988) at Rs.2.97 lakhs involving extra expenditure of Rs.0.85 lakh.

9/10 Check of records, revealed that the Department had initiated the land acquisition process in March 1986 well after award of the contract and could acquire the land only by August 1987 after the stipulated date for completion of the work.

The Executive Engineer, Jonk Canal Division stated that the work was awarded with the anticipation that land would be acquired before the stipulated date of completion of work.

4.1.15 Injudicious acceptance of tenders

Sealed local competitive bids for the work 'Survey, planning and design of micro- irrigation and drainage system of Upper Jonk Irrigation Project' were to be received and opened on 10 March 1993 (upto 3.00 PM) and 11 March 1993 (at 11.00 AM) respectively by the Chief Engineer, Medium Irrigation-II. Four bids were received in time and that of the firm 'S' was received at 11.30 AM on 11th March 1993, i.e. after opening of the bids. However, the bid of 'S' (Rs.640 per hectare) which stood fifth lowest, was considered and approved by Government in August 1993, at Rs.375 per hectare after bringing it down below the lowest bid (Rs.450 per hectare). This procedure was at variance with standard norms of tendering which got vitiated. Although the Chief Engineer, after accepting the bid (September 1993), directed the firm in September 1993 to execute necessary agreement with the Executive Engineer, Jonk Canal Division and to start work, the firm did not comply. In December 1993, Government directed the Chief Engineer to conclude the agreement with 'S' at the rate of Rs.400 per hectare without assigning any reasons for allowing the enhanced rate. The work was accordingly entrusted to 'S' by the Executive Engineer, Jonk Canal Division in April 1994, with stipulated completion by April 1996, for Rs.39.68 lakhs for 9920 hectares at the rate of Rs.400 per hectare. The work was in progress as of May 1994. Such irregular acceptance of the bid of 'S' amounted to disregard of departmental rules and entailed an additional liability of Rs.2.48 lakhs(Rs.25 X 9920) to the department. Comments of Chief Engineer, Medium Irrigation-II and Government on the matter were awaited (June 1994). Government files on the case asked for by Audit in April 1994 were also not made available (December 1994).

4.1.16 Extra expenditure due to excess consumption of diesel

Check of the log books of 20 ton capacity dozers engaged in compacting earth dam disclosed that 11.81 lakh cu.m of earth were compacted departmentally during May 1986 to April 1993. For this, 6,22,165 litres of diesel were shown as consumed.

According to State Analysis of rates (1986 and 1991), a dozer of 20-ton capacity compacts 100 cu.m of earth in 12 passes. As per the records of the Quality control wing of Irrigation department, for the said period, the dozers had taken 15 passes on an average to achieve 100 cu.m of earth compaction. As against this, the log books of the Dam division indicated that altogether 3,17,003 passes were necessary to compact 11.81 lakh cu.m's of earth, entailing 26.8 passes on an average to achieve 100 cu.m of earth compaction. As per findings of the Quality control wing, only 1,77,112 passes should have been involved. There was consequent excess consumption of diesel of 2,74,557 litres entailing extra expenditure of Rs.15.51 lakhs*.

The Executive Engineer, Dam Division attributed (May 1994) the excess consumption of diesel to oldness of the dozers. This was not tenable in view of the compaction particulars recorded by the Quality control wing.

4.1.17 Nugatory expenditure

Government sanctioned in February 1987 creation of a sub-division exclusively for undertaking investigation and execution of water courses with the specific object of completing the water courses simultaneously with the remaining distribution system. Accordingly, Water-courses sub-division started functioning at Nawapara from April 1987. Check of records, however, revealed that survey, investigation, planning and designing of the water courses was entrusted by Government to a private agency in April 1994 for the sum of

*		
1. No. of passes required for compaction as per quality control		1,77,112 passes
2. No. of passes actually utilised by Division		3,77,003 passes
3. Quantity of diesel utilised		6,22,165 litres
4. Requirement as per Quality control		3,47,608 litres
5. Excess consumption of diesel (Sl. 3 - 4)		2,74,557 litres
6. Extra expenditure (@ Rs.5.65/Litre)		Rs.15,51,000

Rs.39.68 lakhs and the work was in progress (May 1994). The sum of Rs.20.60 lakhs expended (upto April 1994) towards salaries (Rs.18.33 lakhs) and running and maintenance of the sub-divisional vehicle (Rs.2.27 lakhs) had, therefore, become nugatory.

P/42
(2)
P/41

On being pointed out, the Executive Engineer, Canal Division stated (May 1994) that since the designs of minors and sub-minors were not finalised at the time of creation of the sub-division, the planning and survey of water courses could not be started. He also stated that proposal for abolishing the sub-division was under process which, however, did not materialize as of November 1994.

4.1.18 Unauthorised aid to a contractor

(i) According to price adjustment clause of the agreement with a contractor executing the earth dam construction work under the Jonk Dam Division, payment for work executed was liable for adjustment on account of variations in the rates of POL if the contractor had actually purchased POL at the rates fixed by the Government of India during progress of the work. According to the formula prescribed, the reimbursement or refund to be effected was to be on the basis of the difference between the average price of POL prevailing in the quarter under consideration and that in the quarter in which the tender was opened. The price adjustment was admissible provided that the work had been carried out within the stipulated time or in case of extension, the delay was not attributable to the contractor.

Check of records of the division, however, revealed that for determination of the differential payment, the division had taken into account the average price indices of the Reserve Bank of India instead of the average price of diesel prescribed by the Government of India in the respective quarters under consideration, contrary to the formula prescribed in the agreement for the work. Consequently, the earth dam contractor was reimbursed a sum of Rs.4.67 lakhs in excess over the period from 1 January 1984 to 30 June 1992.

On being pointed out, the Executive Engineer stated (May 1994) that the amount in question would be recovered from the final bill of the contractor. The said final bill was not passed as of May 1994.

(ii) Departmental rules stipulated that the contract should specify the departmental materials to be supplied to the contractor for use in the work, the place of delivery thereof and the rate to be charged. The rules further provide that with the express authority of the Divisional Officer, materials, if requested by the contractor for bonafide use in the work could be issued duly specifying the rate to be charged, which should be either the prevailing market rate or the issue rate whichever was more. Supervision charges at the rate of 10 per cent on stock issue rates were leviable on materials issued to contractors for other than bonafide use.

The agreement executed for the work-construction of the earth dam, did not provide for issue of diesel to the contractor. Since the compaction of earth dam was done departmentally, the work entrusted to the contractor under the contract did not involve consumption of diesel. Notwithstanding this, 4,14,025 litres of diesel were supplied to the contractor during May 1987 to September 1993. The cost of the diesel (Rs.26.98 lakhs) was recovered only at stock issue rate without levy of supervision charges.

This constituted unauthorised aid to the contractor to the tune of Rs.2.70 lakhs.

(iii) Special condition 20 of Detail Tender Call Notice forming part of the agreement executed (January 1984) for earth dam work laid down that royalties on materials would be recovered from the bills of the contractor at the rates prescribed by the Forest Department and/or Revenue Department from time to time. Check in audit, however, revealed (May 1994) that recoveries towards royalty were effected from the bills of the contractor at the rates prevailing at the time of opening of tenders for the work in November 1982 instead of the rates effective at the time of supply. This resulted in loss to Government to the extent of Rs.5.12 lakhs as of March 1994.

To an enquiry in audit, the Executive Engineer, Dam Division stated (May 1994) that such less recoveries had been made on the contractors' representation (April 1992) and decision of Superintending Engineer to whom the matter had been referred in April 1992, was awaited (May 1994). This was not tenable as the contractual condition was mandatory.

4.1.19 Avoidable expenditure

With a view to meeting the demand of water for constructional needs of the on-going works, like balance work of earth dam, spill-way and head regulator etc., an earthen leading channel from the reservoir to the pump house at down stream of the dam was constructed (October 1991) at the expenditure of Rs.7.13 lakhs. The leading channel however, became in-operative with effect from June 1992, consequent on closure of the river gap portion of the earth dam. It was seen (May 1994) in audit that one water tank (54000 gallon capacity) constructed in December 1990 which was being supplied with water from the reservoir upstream of the earth dam was in operation and it proved adequate for supply of the required quantum of water to meet the project needs even without the leading channel. The construction of leading channel at the cost of Rs.7.13 lakhs was, therefore, unnecessary.

The Executive Engineer, Dam Division stated (May 1994) that the leading channel and the tank were complementary, one to act as a source for pumping and the other for storing and regulating supply of water to the on-going works. This was not tenable in view of the adequacy of existing water source.

4.1.20 Loss of revenue

Government had expected to earn an annual revenue of Rs.3.12 lakhs by providing irrigation to the ayacut on completion of the project. There was, however, no revenue on account of delay in removal of the overburden and lack of planning to complete the spill-way synchronised with the progress of the dam and the distribution system.

Sufficient water could not be impounded in the reservoir due to non-completion of the spill-way simultaneously with the dam and distribution system. Trial irrigation was stated to have been provided to Kharif crops of 1991-92 to 1993-94 through construction of temporary structures at the cost of Rs.15.45 lakhs as follows :

Year	Hectare
-----	-----
1991-92	2000 Ha.
1992-93	2000 Ha.
1993-94	3000 Ha.

Government accorded approval for construction of temporary structures only for Rs.1.98 lakhs in 1991-92 and for Rs.2.78 lakhs in 1992-93. The extent to which the trial irrigation was effected was, however, not jointly verified and certified by the competent revenue authority as of March 1994.

4.1.21 Other points of interest

(a) Extra expenditure due to non-levy of adequate penalty

A portion of the work of removal of overburden (estimated cost Rs.9.64 lakhs) was entrusted to a contractor in August 1985 at Rs.11.04 lakhs for completion by February 1986. After executing work valued at Rs.2.43 lakhs, the contractor left the work in February 1986. Instead of making the contractor liable to bear the extra expenditure in completing the balance work owing to his poor progress, the Executive Engineer recommended (September 1986) closure of the contract with mere forfeiture of security deposit of (Rs.0.12 lakh). The proposal was not approved nor was the contract closed by the Chief Engineer as of May 1994. The balance work was, however, got completed (March 1990) at an extra expenditure of Rs.4.18 lakhs through another agency.

(b) Idle machinery

Departmental machinery found surplus on completion of work in the project are required to be transferred to needy divisions. Check of records of Jonk Dam Division and Canal Division, however, revealed that 5 dozers and 2 tractors with trailers (book value Rs.52 lakhs) were retained although the same were not required for the project works. The idle period of retention ranged from 67 months to 26 months (as of August 1994). A sum of Rs.6.08 lakhs spent towards the pay and allowances of the operational staff of the machinery during July 1989 to August 1994 was also rendered wasteful as their services were not gainfully utilised.

To a query, the Executive Engineer, Dam and Canal Divisions replied (August 1994) that the case of transfer of the surplus machinery to other divisions was under process.

(c) Unnecessary acquisition of dozer

The Executive Engineer, Jonk Canal Division procured (October 1987) one caterpillar dozer at Rs.1.71 lakhs (book value) from a sister Irrigation Division for use in compaction works of the canals. A sum of Rs.2.30 lakhs was spent on pay and allowances of the operator (Rs.1.15 lakhs) and running and maintenance (Rs.1.15 lakhs) during 1987-88 and 1988-89. Check of records, however, revealed that the dozer was utilised for a total of only 181 hours (42 hours in 1987-88 and 139 hours in 1988-89) though the norm for utilisation was 1200 hours per annum. Thereafter, it was kept idle as of March 1994. Scrutiny also revealed that compaction of canal banks was done by means of Hand Road rolling only.

The division had purchased spares worth Rs.2.78 lakhs (1989-90: Rs.0.08 lakh and 1990-91: Rs.2.70 lakhs) when the dozer was not in use. According to the certificates recorded on the vouchers, the spares were fitted to the dozer and entered in the log book. Audit scrutiny disclosed that spares worth Rs.1 lakh were not actually utilised as of March 1994. Log books for the period were not produced for audit scrutiny. Thus, the purchase of spares worth Rs.2.78 lakhs proved unnecessary.

The Executive Engineer stated that though the dozer was required for the project work, the same had not been repaired (May 1994).

(d) Missing machinery

Departmental Tools and Plant, like concrete mixers (3 numbers), Kirloskar Engine (one number) and water pumps (2 numbers) borne in the books of the Executive Engineer, Canal Division were found short (April 1993) during the course of handing over and taking over charges of Junior Engineers concerned. The current market value of the same was Rs.1.55 lakhs. No responsibility had been fixed for the loss as of May 1994. The Executive Engineer replied (May 1994) that the matter was under correspondence with the Junior Engineer concerned.

(e) Outstandings against Orissa State Electricity Board

Executive Engineer, Jonk Dam Division paid Rs.4.05 lakhs in 1981 to the Orissa State Electricity Board (Bhawanipatna Electrical Division) towards cost of laying 11 KV Transmission Line (Rs.3.74 lakhs) for a distance of 16.5 Km from Nawapara to Jonk Dam site and for supply and installation of one sub-station (Rs.0.31 lakh) including 14 per cent supervision charges. Check in audit, however, revealed that the 11 KV line was drawn from a village situated only 8.5 Km away from the dam site instead of from Nawapara as contemplated in the estimate.

The Electricity Board did not render any account of the actual expenditure incurred nor did it refund the unspent amount as of March 1994. The point was not pursued by the division as the amount paid was treated as final charge instead of classifying it under Miscellaneous Works Advance. The project cost was, therefore, unnecessarily inflated.

To a query in audit, the Executive Engineer, Dam Division stated (May 1994) that the matter would be brought to the notice of higher authorities and Government.

(f) Non-receipt of accounts and vouchers from the Land Acquisition Officer

Departmental rules provide that for acquisition of private lands for Government purpose, the Divisional Officers should advance the amount requisitioned by the Land Acquisition Officer (LAO) of the district from time to time duly charging the amount to 'Land Acquisition Suspense' within the work major head of account, pending receipt of detailed accounts duly supported by necessary vouchers from the LAO. The LAO, on his part, is required to render detailed account supported by vouchers in respect of the advances so received by him within one month to the Divisional Officer, duly refunding the amount remaining undisbursed. On receipt of such accounts/refunds, the outstanding 'Land Acquisition Suspense' would be cleared from the books of the Divisional Officer. The Divisional Officer, in turn, will submit the said vouchers to the Accountant General along with the accounts for the month in which the charges are finally adjusted.

Check of records, revealed that although an amount of Rs.3.17 crores was placed with the LAO concerned from 1984-85 onwards by the Executive Engineers, Dam Division (Rs.2.73 crores) and Canal Division (Rs.0.44 crore), no accounts and supporting vouchers were obtained from him and furnished to audit as of May 1994. This was rendered possible due to treating the advances as final expenditure instead of classifying the same under 'Land Acquisition Suspense' (except for Rs.81.45 lakhs in 1993-94 by Dam Division).

On being pointed out, the Executive Engineers stated that the matter was under correspondence with the LAO (May 1994).

The points mentioned above were referred to the Government (August 1994); the reply has not been received (December 1994).

4.2 Payment of escalation charges not due

The work of design, fabrication and erection of radial gates for Samal Barrage was entrusted (August 1986) to a Corporation for Rs.1201.37 lakhs, stipulating completion by March 1991. The contract provided for procurement of various nuts, bolts, hubs, wire ropes, rubber seal, bearings and other steel materials by the corporation and the cost thereof was to be fully reimbursed to them on production of vouchers. But the structural steel required for the work was to be supplied by the Corporation. Escalation charges due to variations in price were payable only for the materials (structural steel) supplied by the corporation at its cost. Accordingly Government ordered in December 1992 that the materials procured by the corporation with full reimbursement of cost to them be treated as departmental materials on which no escalation charges were payable. Thus, no escalation was admissible on materials other than structural steel.

Scrutiny by Audit of records of Executive Engineer, Samal Barrage Division revealed (February 1993) that Government's earlier order of December 1992 was reversed in March 1993 stating that the materials procured by the corporation with full reimbursement of cost to them were not to be treated as departmental materials. Consequently the corporation was paid (June 1993)

escalation charges of Rs.167.98 lakhs against Rs.30.80 lakhs admissible for the materials (structural steel) actually supplied by them at their cost. This resulted in payment of escalation charges of Rs.137.18 lakhs not due to the Corporation. This amounted to full reimbursement of the cost plus an element of escalation which was non-existent.

On this being pointed out the Executive Engineer stated (March 1994) that the escalation charges were paid as per Government instructions.

The matter was referred to Government in May 1994, the reply has not been received (December 1994).

4.3 Unfruitful expenditure

The work of design, manufacture, supply, erection and commissioning of Mahanadi and Birupa Barrage gates through electronic remote control system was awarded in September 1983 to a Corporation (State Government Undertaking) for Rs.90.32 lakhs, stipulating completion by September 1986. The contract provided for the establishment of two independent remote control units for each of the barrages. The Corporation procured (January 1991) the electronic parts at Rs.56.80 lakhs. This amount was paid for (January 1991) by the department under clause GC 25 of the agreement and the materials were kept in the custody of the department. Another component i.e. optical shaft encoder costing Rs.19.80 lakhs could not, however, be procured due to which the remote control system could not be commissioned as of December 1994. The materials procured remained unutilised resulting in an unfruitful expenditure of Rs.56.80 lakhs spent for the remote control system. The gates were being operated with the local electronic system.

Scrutiny by Audit of records of the Mahanadi Barrage Division further disclosed (May 1993) that for electronic linkage between Mahanadi and Birupa barrages, a trench was excavated departmentally during 1990-91 for the length of 2400 metres at the expenditure of Rs.0.96 lakh for laying of cables by the Corporation. But due to non-execution of the remote control system, the excavated trench got filled up during 1990-91 monsoon. Therefore,

reexcavation of the trench and its extension for another 540 metres was done during 1991-92 at the expenditure of Rs.2.11 lakhs.

Thus, though it was contemplated in September 1983 that the barrage gates would be operated through remote control system, installation of the system remained incomplete as of December 1994. There was consequent unfruitful expenditure of Rs.59.87 lakhs.

On this being pointed out, the Executive Engineer stated in June 1994 that the shaft encoder had not been installed by the Corporation and the remote control system had not been made operative.

The matter was referred to Government in June 1994; their reply has not been received (December 1994).

4.4 Infertuous expenditure

With a view to providing irrigation to 720 hectares of Kharif and 600 hectares of Rabi crops, construction of a sluice over Amrutia Nullah near Kanktira in Balasore District was taken up in the year 1987-88 and completed in 1988-89 at the cost of Rs.45.35 lakhs. During the rainy season of 1989 all the structures, both walls and barrel, were displaced and the down stream retaining wall of the sluice got tilted. Temporary protective measures were taken up during 1989-90 for straightening the tilted wall and stones were dumped to check seepage at the cost of Rs.4.95 lakhs. The slipping of earth, however, continued at several places during the years 1991 and 1992. The Chief Engineer, Delta & Flood Control and Chief Engineer (Design) thereafter inspected the site in June 1993 and observed that the structure was founded entirely on sand base due to which settlement had occurred. According to the report (September 1993) of the Executive Engineer, water percolation was still continuing near the cut off and river side slopes, forming depressions and mud and sand were coming out with leakage of water due to undermining action.

Scrutiny by Audit of records of Balasore Irrigation division revealed (June 1994) that the parameters approved (February 1988) by the Chief Engineer (Design) in the drawing were not followed in actual execution of the work.

Against the designed requirement of the sill level of the sluice on upstream side at RL.2.60 metres, the same was fixed at RL.3.02 metres. The length of the upstream wall was also reduced from 17.20 metres to 12.70 metres. Similarly, the cut off level was fixed at the higher level of RL.1.97 metres against the designed level of RL.1.40 metres on the ground of heavy percolation of water and sudden entry of sand to the foundation trench during execution. The deviations had not however been approved (June 1994). As a result of damages to the structures, no irrigation was provided as of June 1994.

Thus, expenditure of Rs.50.30 lakhs (Rs.45.35 lakhs plus Rs.4.95 lakhs) had become infructuous.

The matter was referred to Government in June 1994; their reply has not been received (December 1994).

4.5 Extra expenditure due to delay in finalisation of tenders

The Executive Engineer, Kendrapara Irrigation Division invited (5 October 1990) tenders for construction of two spurs at the estimated cost of Rs.7.95 lakhs (Spur I) and Rs.6.57 lakhs (Spur II) for providing protection to scoured left bank of river Nuna. In response, eight tenders each for spur I and spur II were received on 6 November 1990 and were valid upto 3 February 1991 (90 days). The Chief Engineer, Delta and Flood control accepted the sixth lowest negotiated tender of Rs.7.69 lakhs for spur I on 31 January 1991 and the first lowest tender for Rs.5.40 lakhs for spur II on 2 February 1991. Only three days and one day respectively were left for drawal of the agreements by the Executive Engineer before expiry of the validity of the tenders. The Executive Engineer directed (8 February/22 February 1991) the tenderers to execute the agreements. The tenderers, however, refused to execute the same on the ground of expiry of the validity of their quoted rates. The Chief Engineer, then cancelled (April 1991) the tenders and directed invitation of fresh tenders. Accordingly, the works were awarded (30 March/27 April 1991) to the lowest tenderers on retender for completion of spur I at Rs.19.29 lakhs by August 1991 and spur II at Rs.15.93 lakhs by September 1991. The contractors

completed the works in March 1992 and July 1993, but the final bills were not paid as of May 1994.

Computed with the rates accepted after the original tenders, the execution of the works on retender involved an extra liability of Rs.22.13 lakhs to the department. Thus, failure to finalise the tenders within the validity period resulted in extra liability of Rs.22.13 lakhs.

The matter was referred to Government in March 1994; their reply has not been received (December 1994).

4.6 Avoidable payments of escalation charges

The works of excavation of Jeypore Main Canal, Reach I from RD 18.30 km to 19.83 km and Reach II from 19.83 km to 22.69 km were awarded (March 1988/February 1989) to a Corporation for completion by September 1989/February 1990 at Rs.111.40 lakhs and Rs.40.39 lakhs respectively. The agreements stipulated that price escalation during the extended period of execution, if any, would be admissible provided the reasons for delay were not attributable to the Corporation. The Corporation, however, did not adhere to the work programme submitted by them and could execute works valued at Rs.75.12 lakhs only (Reach-I: Rs.41.22 lakhs and Reach-II: Rs.33.90 lakhs) by the scheduled dates of completion. They completed the works in September 1992 at the cost of Rs.194.00 lakhs (Reach-I : Rs.122.74 lakhs and Reach-II : Rs.71.261 lakhs).

Scrutiny by Audit of records of the Executive Engineer, Upper Kolab Irrigation Division No.III revealed (January 1994) that the reasons for delay in completion of the works were attributed (January 1993) to the Corporation due to their failure to show proportionate progress according to the works programme. Extension of time was also not granted despite requests from the Corporation. No price escalation benefits were thus admissible to them in terms of the contracts. It was, however, seen that a sum of Rs.15.81 lakhs (Reach-I: Rs.7.18 lakhs and Reach-II: Rs.8.63 lakhs) was paid (December 1992 and April 1993) towards price escalation for the extended period of execution.

The matter was referred to Government in February 1994; their reply has not been received (December 1994).

4.7 Unfruitful Expenditure

With a view to providing irrigation to 2600 acres of agricultural land in Ganjam district, construction of Ekasingi Nullah Diversion weir was awarded to a contractor (April 1988) for completion by October 1989 at the cost of Rs.12.95 lakhs. The contractor was granted (4 April 1990) extension of time upto 10 July 1990 due to inaccessible site condition during the rainy season. However, after executing work valued at Rs.7.76 lakhs, the contractor stopped further execution from June 1990. Thereafter, the site was silted up and the approach road was damaged during the monsoon of 1990. The contract was closed (March 1991) by the Chief Engineer and security deposits of Rs.0.65 lakh was forfeited.

Scrutiny by Audit of records of the Executive Engineer, Berhampur Irrigation Division, revealed (June 1993) that an expenditure of Rs.21.48 lakhs had been incurred to end of March 1992 for the project (land acquisition charges : Rs.1.14 lakhs, work proper including miscellaneous petty expenditure on work contingencies : Rs.11.56 lakhs, material procured : Rs.7.44 lakhs and improvement of approach road : Rs.1.34 lakhs). To an Audit query, the Executive Engineer stated (January 1994) that due to non-sanction of the estimate for the balance work and non-provision of funds from 1991-92 onwards, completion of the work was not assured. He also stated that the work having been left incomplete, before commencement of further works dewatering and desilting of the work site at the cost of Rs.1.50 lakhs would be necessary. Further check also disclosed that on the date of stoppage of the work, unused departmental materials (cement 177 bags, steel : 27.762 quintals, hume pipes : 2 nos. and fuel/lubricants : 360 litres) were not returned by the contractor. The cost of the materials at penal rates as per the terms of the contract amounting to Rs.2.35 lakhs was not recovered.

On this being pointed out, the Executive Engineer stated (January 1994) that due to non-sanction of estimate and non-provision of funds, no definite statement was possible in regard to completion of the work in future.

Thus, due to non-completion of the diversion weir, the targeted irrigation potential could not be achieved and there was unfruitful expenditure of Rs.21.48 lakhs, apart from avoidable extra liability for Rs.1.50 lakhs for dewatering and desilting of work site and non-recovery of Rs.2.35 lakhs towards cost of unutilised materials from the defaulting contractor.

The matter was referred to Government in September 1993; their reply has not been received (December 1994).

4.8 Excess payments due to incorrect measurement

The work of excavation of Betnoti branch canal from RD 9 km to 11 km was awarded (March 1991) to a contractor stipulating completion by September 1992 at the cost of Rs.46.06 lakhs. Due to non-receipt of clearance for use of forest land, land from RD 9.66 km to 9.95 km could not be handed over by the department to the contractor. Therefore, after execution of work from RD 9 km to 9.66 km and from 9.95 km to 11 km, further work had to be abandoned from March 1992.

Scrutiny by Audit of records of the Executive Engineer, Betnoti Canal Division revealed (March 1994) that till the date of abandonment of the work, the contractor was paid (March 1992) Rs.23.22 lakhs in the running account bills based on string section measurement, though as per rules the work was to be measured as per level section.

Value of work actually executed by the contractor (November 1992) measured on level section amounted to only Rs.19.93 lakhs. There was thus excess payment of Rs.3.29 lakhs to the contractor. Against that contractor's dues of only Rs.1.66 lakhs in the shape of security deposits was available with the division. No action was taken for realisation of the excess payment nor was any responsibility fixed on the officials for the incorrect measurement.

On this being pointed out (March 1994), the Executive Engineer did not furnish any specific reply.

The matter was referred to Government (April 1994); their reply has not been received (December 1994).

4.9 Extra expenditure due to wrong drawal of notice inviting tenders

The notice inviting tenders for the works of excavation of Betnoti branch canal from RD.00 km to 2.5 km, 3.5 km to 7 km and 14 km to 16.2 km stipulated execution of earth fill for canal bank formation and trimming the side slopes to the designed section including cutting and trimming the side slopes under one composite item at the finished quoted rates. However, another item for trimming the partially compacted earth from slopes was also included therein in addition to the above provisions. The technical specifications of the work provided that the outside slopes of the embankment should be neatly dressed to the designed sections at the quoted rates for the earth fill. The contractors were not entitled to compensation on any account beyond the quoted rates for the earth fill. The works were awarded to seven contractors between January and April 1991 at the total cost of Rs.242.20 lakhs. The contractors executed 5.93 lakhs cu.m. of earth fill upto March 1994 and were paid (March 1994) Rs.121 lakhs according to the rates specified in the agreement.

Scrutiny by Audit of records of Betnoti Canal Division revealed (March 1994) that under faulty drawal of the notice inviting tenders, the Executive Engineer allowed additional payment of Rs.1.69 lakhs for side slope cutting work of 0.28 lakh cu.m although the item of work was already included in the finished quoted rates of the contractors for the earth fill.

On this being pointed out, the Executive Engineer stated (May 1994) that payment was made as per items separately provided for in the agreements. Thus, the erroneous provision of a separate item for slope cutting works, despite its inclusion in the earth fill item, resulted in undue benefit of Rs.1.69 lakhs to the contractor.

The matter was referred to Government in June 1994; their reply has not been received (December 1994).

4.10 Undue benefit

The estimate for the work of excavation of Kotpad distributary from RD 00 km to 11.67 km was prepared (September 1990) for Rs.122.27 lakhs which included royalty charges for stone and sand at Rs.25 and Rs.15 per cu.m respectively as fixed by Government from 29 August 1990 and tenders were called. The lowest tender received (June 1991) amounted to Rs.115.03 lakhs. While the tender was under scrutiny, Government reduced (August 1991) the rates of royalty to Rs.12 per cu.m for stone products and Rs.5 per cu.m for sand. However, the Government subsequently accepted (December 1991) the tender and the work was awarded (February 1992) for completion by January 1994 at the cost of Rs.115.03 lakhs as tendered, without taking note of the reduced rate of royalty. The contract accordingly stipulated for recovery of royalty charges of stone and sand at Rs.25 and Rs.15 per cu.m respectively, since the tender was received with higher rates of royalty.

Scrutiny by Audit of records of the Executive Engineer, Upper Kolab Irrigation Division No.V revealed (December 1993) that the contractor had executed (February 1994) work valued at Rs.93.09 lakhs involving consumption of stone products of 8625 cu.m and sand of 3556 cu.m. However, against Rs.2.69 lakhs recoverable towards royalty charges at the rates of Rs.25 for stone products and Rs.15 for sand per cu.m as per contract, only Rs.1.21 lakhs was recovered at the reduced rates (Rs.12 for stone products and Rs.5 for sand). This resulted in undue benefit of Rs.1.48 lakhs to the contractor.

The matter was referred to Government (February 1994); their reply has not been received (December 1994).

WORKS DEPARTMENT

4.11 Extra liability and non-recovery on account of unutilised materials

Construction of a high level bridge over river Bandhan at 288/0 km of National Highway No.6 was awarded (November 1985) to a contractor for Rs.91.31 lakhs stipulating completion by May 1988. During the course of execution of the work, the detailed designs of different components were

approved in eight stages, the last in January 1991. After executing work to the tune of Rs.88.57 lakhs, the contractor abandoned further execution from October 1993 on the ground of delay in approval of designs. The contract was closed (November 1993) by Government without penalty and with instructions that the balance/additional works be executed departmentally. Government also ordered fixing of responsibility on the officers who had delayed the approval of designs.

Scrutiny by Audit of records of National Highway Division, Keonjhar revealed (May 1993) that the bridge was not completed as of May 1994. The balance additional works not done by the contractor amounted to Rs.50.94 lakhs at the contractor's rate, but involved an amount of Rs.68.08 lakhs for execution departmentally. There was thus extra liability of Rs.17.14 lakhs. Besides, on the date of abandonment of the work, unused departmental materials worth Rs.10.36 lakhs (cement-400 bags : Rs.0.20 lakh, M.S.Rods-55.440 tonnes : Rs.3.33 lakhs, M.S. Plates - 47.126 tonnes : Rs.3.06 lakhs, M.S. Angles 37.947 tonnes : Rs.2.47 lakhs, H.R.Sheets 10 tonnes : Rs.0.65 lakh and R.S. Joist - 14.539 tonnes : Rs.0.65 lakh) were not returned by the contractor. The cost thereof at penal rates as per the terms of contract amounted to Rs.51.80 lakhs, but no recovery was made as of May 1994. Against the above amount, the dues of the contractor towards securities, etc., available with the department amounted to Rs.7.51 lakhs only. No action was, however, taken to realise the balance amount of Rs.44.29 lakhs, nor was any departmental action taken against the officers for delay in finalisation of designs as ordered by Government as of August 1994.

*Rs 23 lakhs
recovered
now*

On this being pointed out, the Executive Engineer stated (April 1994) that action would be taken to get back the outstanding materials.

The matter was referred to Government in November 1993; their reply has not been received (December 1994).

4.12 Avoidable liability due to delay in finalisation of tender

In response to the notice inviting tender (May 1990) for the work of strengthening the existing two lane pavement from 536 to 541 km of National Highway No.6, eight tenders were received on 26 July 1990 by the Executive

Engineer, National Highway Division, Sambalpur. The Superintending Engineer recommended the lowest tendered amount of Rs.43.51 lakhs (2.82 *per cent* above the estimated cost of Rs.42.32 lakhs) on 10 October 1990. The Chief Engineer did not finalise the tender within its validity period ending on 23 October 1990, but asked (November 1990) for an undertaking from the tenderer not to claim the differential cost on account of the increase of minimum wages effected from July 1990. The tenderer unconditionally extended (November 1990) the validity of his tender upto 26 December 1990. The Chief Engineer, however, accepted the tender as late as on 25 February 1991 stipulating that no extra payment would be made towards the differential cost of minimum wages. Thereupon the tenderer refused to execute the work.

The Chief Engineer cancelled the tender in March 1991 and the work was awarded (June 1992) to another contractor on retender for completion by November 1993 at a cost of Rs.66.80 lakhs.

Thus, non-finalisation of the tender within its validity period resulted in avoidable liability of Rs.23.29 lakhs to the Department.

On this being pointed out, the Executive Engineer stated (February 1994) that the delay in acceptance of the tender was due to the time spent in observance of official formalities. This was not tenable since the formalities were to be completed within the time-frame (90 days) prescribed under the rules.

The matter was referred to Government in March 1994; their reply has not been received (December 1994).

4.13 Extra payment due to departmental lapse

The Executive Engineer, National Highway Division, Rourkela invited tenders in May 1991 for construction of right and left approach roads to high level bridge over river Brahmani, the estimated cost of which was Rs.372.78 lakhs, (right approach : Rs.163.91 lakhs, left approach : Rs.208.87 lakhs). The estimate considered royalty charges for stone products at the rate of Rs.25 and moorum/sand at Rs.15 per cu.m. The notice inviting tenders stipulated (clause

1.11) that royalty as applicable would be deducted from the bills. The notice inviting tenders did not however specify the rate for recovery of royalty charges. Accordingly, the tenders were received in July 1991. While these were under finalisation, Government reduced (August 1991) the rate of royalty charges for stone products to Rs.12 and moorum/sand to Rs.5 per cu.m.

Scrutiny by Audit of records of the National Highway Division, Rourkela revealed (December 1993) that negotiation with the tenderers was not undertaken for reduction in the tendered rates consequent on the downward revision of the royalty rates. The lowest tenders (right approach: Rs.182.21 lakhs and left approach: Rs.231.19 lakhs) were accepted (December 1991) and the works awarded (January 1992) stipulating completion by July 1993. The contracts concluded did not specify the rate of recovery of royalty charges. Royalty charges were, however, recovered at the reduced rates instead of at the higher rates prevailing on the dates of receipt of tenders from the contractors. It resulted in extra expenditure of Rs.18.54 lakhs as detailed below:

Name of the work	Amount paid in March 1994	Royalty charges due to be recovered	Royalty charges actually recovered	Amount of extra payment
(R u p e e s i n l a k h s)				
Right approach road	188.07	12.64	4.89	7.75
Left approach road	216.24	17.52	6.73	10.79
	404.31	30.16	11.62	18.54

The matter was referred to Government in June 1994; their reply has not been received (December 1994).

4.14 Non-recovery of dues from contractor

The work of widening and strengthening of the single lane to double lane from 428/460 km to 430/0 km of National Highway No.6 was awarded (June 1990) to a contractor for Rs.29.57 lakhs for completion by September 1991.

Despite issue of twelve notices, the contractor did not carry on execution of the work as per the approved work programme and stopped work from February 1991 after executing work valued at Rs.3.62 lakhs. The contract was closed (February 1992) by Government under clause 3(c) of the agreement stipulating realisation of the extra expenditure, if any, incurred in execution of the balance works through other agency together with levy of monetary compensation at ten *per cent* of the left over work for delay in completion as per clause 2. The balance work of Rs.25.95 lakhs was awarded (March 1992) to another contractor at Rs.42.17 lakhs for completion by September 1993.

Scrutiny by Audit of records of Executive Engineer, N.H. Division, Sambalpur revealed (March 1993) that Rs.16.22 lakhs representing extra expenditure in execution of the balance works and Rs.2.60 lakhs for monetary compensation for delay in completion of work, aggregating Rs.18.82 lakhs, were not recovered from the contractor. Against the above, only Rs.0.18 lakh, being security deposit of the contractor, was available with the division. Despite issue of instructions (September 1992) by the Chief Engineer, National Highways for initiating immediate follow up action for realisation of the amount from the defaulting contractor, no action was taken except issue (October 1992) of one notice to the contractor for depositing the Government dues.

On this being pointed out, the Executive Engineer stated (March 1993) that Civil suit would be filed to realise the Government dues. This too had not been done as of March 1994.

The matter was referred to Government in March 1994; their reply has not been received (December 1994).

4.15 Infertuous expenditure due to wrong sub-soil data

The Chief Engineer, National Highways, approved (September 1984) the designs for construction of a high level bridge over Gellagada Nullah on NH 23 at 425/2.4 km with one span 34.658 metres long to be rested on well foundation at RL-861.5 metres. An estimate for Rs.30.60 lakhs was sanctioned (March 1988) by the Ministry of Surface Transport for the said work.

The work was awarded (August 1988) to a contractor at the tendered cost of Rs.26.51 lakhs, stipulating completion by February 1990. The soil exploration work taken up prior to execution of the work indicated sandy instead of rocky strata at the approved founding level which was not fit for resting the wells. The Chief Engineer, therefore, modified (January 1989) the designs keeping the founding level of the well at RL-875.143 metres, with increased grade of concrete at Pottangi side. Due to high rate of sinking of well, the level was further lowered (February 1990) to RL-873.15 metres in order to plug the wells on good bearing strata. Accordingly, the wells were sunk (June 1990) to the designed level (RL-873.15 metres) incurring an expenditure of Rs.9.12 lakhs. However, despite modification, the Pottangi side well sank by 0.6 metre below the designed level by its own weight.

Scrutiny by Audit of records of National Highway Division, Sunabeda/NH (South) Circle, Bhubaneswar, revealed (February 1993) that due to resting of the wells on such unsafe soil strata, the works already executed had to be abandoned (June 1990). Revised estimate for Rs.58.73 lakhs was thereupon, prepared (October 1992) for construction of a four span bridge over raft foundation. The proposal had not been approved by the Ministry of Surface Transport as of April 1994. The instruction (March 1993) of the Ministry to fix responsibility against the erring officials for projection of wrong/misleading subsoil data was also not carried out as of April 1994. Further check disclosed that on the date of abandonment of the work, unused departmental materials (cement : 226 bags, steel: 3.8718 tonnes) lying with the contractor had not been returned to the department. The penal cost thereof (five times of usual cost) amounting to Rs.2.06 lakhs was also not recovered as of April 1994.

Thus, execution of the bridge according to the designs finalised on the basis of wrong sub-soil data resulted in infructuous expenditure of Rs.9.12 lakhs. Besides, a sum of Rs.2.06 lakhs had not been recovered from the contractor.

The matter was referred to the Government (March 1993); their reply has not been received (December 1994).

*compliance
Reply is not
clear*

4.16 Execution of substandard works and excess payment

The work of improvement to low grade section from 242 km to 250 km of N.H.23 was entrusted (December 1988) to a contractor for Rs.69.20 lakhs stipulating completion by December 1990. The contract comprised widening and strengthening of the existing road and construction of diversion roads including maintenance thereof during the construction period. The contractor executed work worth Rs.13.65 lakhs (upto May 1990) haphazardly and thereafter abandoned it. Due to defective execution, pot holes and gaps had developed between the middle carriage-way and the widened portion in large stretches of the road. The contractor did not turn up to rectify the defects and to execute the balance works despite issue of notices. In order to reduce traffic inconvenience, the damaged portions were repaired departmentally during 1990-91 and 1991-92 at the cost of Rs.20.28 lakhs. Thereafter, the contract was closed (December 1991) by Government with levy of penalty for realisation of the extra expenditure in execution of the left over works. The balance works of Rs.55.55 lakhs were awarded (January 1994) to another agency through retender for Rs.84.85 lakhs stipulating completion by July 1995. The contractor had executed work worth Rs.1.80 lakhs as of June 1994.

Scrutiny by Audit of the records of Rourkela National Highway Division disclosed (December 1992) that the original contractor was paid Rs.18.53 lakhs (upto 8th running account bill paid in January 1991) through inflated measurement.

The final measurement recorded for the 9th Running and final bill indicated that the work done by him was actually Rs.13.65 lakhs. There was thus, an excess payment of Rs.4.88 lakhs. Further, a sum of Rs.0.85 lakh towards the cost of departmental materials (bitumen, rod, empty gunnybags, empty drums) was also not recovered. Against the total dues of Rs.55.31 lakhs (Rs.20.28 lakhs plus Rs.29.30 lakhs plus Rs.4.88 lakhs plus Rs.0.85 lakh) recoverable from the defaulting contractor, only security deposit for Rs.0.93 lakh was available.

On this being pointed out, the Executive Engineer stated (June 1994) that legal action would be taken to recover the amount.

84.85
- 18.53

29.30

The matter was referred to Government in June 1994; their reply has not been received (December 1994).

4.17 Extra/infructuous expenditure

Construction of the Meramandali Bye-pass road on National Highway-42 from 79 to 84 km was taken up in November 1987 and completed in August 1990 at the cost of Rs.30.92 lakhs. The Chief Engineer, Ministry of Surface Transport inspected the site in August 1990 and noticed that the road had been constructed with black cotton soil and was unsuitable to withstand the movement of heavy traffic. In order to prevent failure of the road crust in future, he approved (September 1990) extension of the sand layers, initially provided only in the carriage width, to the full width of the embankment. This work was awarded (May 1991) to a contractor who completed it in November 1991 at the cost of Rs.12.29 lakhs.

Scrutiny by Audit of records of Chief Engineer, National Highways revealed (September 1991) that for extending the sand layers to the full width of the embankment, 0.18 lakh cu.m of executed earth work was cut and an amount of Rs.3.16 lakhs was paid as of March 1992 to the contractor towards cutting charges. Of the above, 0.14 lakh cu.m of earth was reutilised in the work and the balance quantity of 0.04 lakh cu.m of earth work originally executed at the cost of Rs.0.50 lakh remained unutilised. To an Audit query, the Superintending Engineer (Designs and Planning) stated (September 1991) that since the technical defects in construction were noticed only after the earth work was executed, the same had to be cut for providing the sand layers to nullify the defects.

Thus, the original construction of the road with technical defects resulted in extra/infructuous expenditure of Rs.3.66 lakhs to the department.

The matter was referred to Government in April 1994; their reply has not been received (December 1994).

4.18 Wasteful expenditure on purchase of spares

Departmental rules for procurement of stores or spares for public works prescribed that the purchases should be made in the most economical manner according to actual requirements for use in works. Such purchases should always be made only after sanction of estimates by the Chief Engineer/Superintending Engineer/Executive Engineer except in cases of stores of small value upto Rs.500/-. Sealed quotations should be invited for supply of all articles exceeding Rs.10,000 except in respect of supplies made by original manufacturers or from their authorised dealers.

Test check of records of General Electrical Division No.1, Bhubaneswar revealed (March 1994) that the Executive Engineer had purchased spare parts worth Rs.3.08 lakhs for Air Conditioner machines between December 1988 and March 1990 ignoring the purchase procedure prescribed under the rules. Neither the estimates were sanctioned by the competent authorities nor were the procurement based on indents of requirement placed by the field Engineers. Quotations for such purchases were also not invited.

The spare parts, so purchased, were guaranteed against any manufacturing defects for eighteen months from the date of receipt or twelve months from the date of installation whichever was earlier. Due to purchase of the spares in excess of actual requirement, the same could not be utilised during the guarantee period. The spares were put to service in October 1991, but did not function. The Executive Engineer thereafter verified the same during December 1991 to February 1992 and concluded that the spares were defective. The guarantee periods were also over and there were no scope for replacement/rectification by the suppliers. The spares were lying in stores unutilised as of May 1994. There was thus, wasteful expenditure of Rs.3.08 lakhs.

The matter was referred to Government in June 1994; their reply has not been received (December 1994).

4.19 Excess payment

The work of construction of high level bridge over river Deo in Sundargarh district was awarded in November 1990 to a contractor under lump sum contract for Rs.119.55 lakhs based on departmental outline drawing. Completion by November 1993 was stipulated in the award. The departmental drawing envisaged well steining in reinforced cement concrete (M-150) of one metre thickness. The condition under detailed tender call notice (DTCN) forming part of the contract stipulated that the contractor was responsible for preparation of working drawings and designs conforming to IRC specification. Any alterations or additions in or to the works on account of the above were not to vitiate the contract. All additions, omissions or variations made during execution of the works were to be added to or deducted from the amount of the contract in accordance with the schedule of rates in force at the time when the work was commenced.

Scrutiny by Audit (October 1991) of records of Executive Engineer, Rourkela(R&B) Division revealed that against the one metre designed thickness of well steining, the contractor executed the work with 0.90 metre thickness which conformed to the IRC specifications. The decrease in the thickness of well steining had reduced the quantum of cement concrete (M-150) works by 170 cu.m, but the contractor was allowed payment for the full quantity of one metre thickness. There was, thus, excess payment of Rs.2.24 lakhs to the contractor.

On this being pointed out, the Government ordered (April 1992) recovery of the amount from the contractor. However recovery had not in fact been made as of March 1994.

The matter was referred to Government in December 1992; their reply has not been received (December 1994).

1047.04
X 170 X 2613.20

RURAL DEVELOPMENT DEPARTMENT**4.20 Non-recovery of Government dues**

Construction of a submersible bridge over river Padma and Jeera near their confluence on Hadagarh Marikote road in Ganjam district, administratively approved at the cost of Rs.14.75 lakhs, was entrusted (April 1990) to a contractor for Rs.22.11 lakhs stipulating completion by April 1992. During execution of the work, the contractor claimed (March 1991) payment of increased rates of labour and materials. The Executive Engineer rejected (May 1991) the claim stating that the same was beyond the scope of the contract. Thereupon, after executing work worth Rs.1.17 lakhs, the contractor stopped further execution from June 1991. His contract was, therefore, closed (March 1992) by the Chief Engineer under clause 3(c) of the agreement stipulating recovery of the extra expenditure to be incurred in completion of the balance works through other agency.

Scrutiny by Audit of records of the Executive Engineer, Rural Works Division No.I(North), Berhampur revealed (December 1992) that the balance works worth Rs.20.94 lakhs with some additional items and increased quantities were awarded (December 1992) to another contractor at Rs.42.04 lakhs stipulating completion by June 1994. The work was under execution as of April 1994. Computed with the quantities and items of original contract, the extra cost recoverable from the defaulting contractor amounted to Rs.8.82 lakhs. Further, on the date of stoppage of the work, unused departmental materials (cement: 520 bags and steel: 2.549 tonnes) lying with the contractor were not returned to the department. The value thereof at penal rate amounted to Rs.3.15 lakhs. Against the total recoverable amount of Rs.11.97 lakhs, the contractor's security deposit of Rs.0.72 lakh only was available with the division. No action was taken as of April 1994 to realise the balance amount of Rs.11.25 lakhs from the contractor.

On the matter being referred to Government in January 1993, the Government stated in July 1994 that action would be taken to realise the outstanding dues from the defaulting contractor.

4.21 Unproductive expenditure

Badabandha Minor Irrigation Project in Ganjam district was providing field to field irrigation to 60 acres of ayacut. The earth dam of the project breached for a length of 60 metres during 1985-86 and disrupted the irrigation. An estimate for Rs.11.08 lakhs was administratively approved (May 1988) by Government for breach closing (Rs.0.10 lakh), improvement of the project under modernisation scheme (Rs.6.31 lakhs), providing canal system (Rs.3.00 lakhs) and miscellaneous (Rs.1.67 lakhs) to provide irrigation to 100 acres of Khariff and also to boost up the irrigation potential of Ainla-Agulo project by 25 acres. The improvement works involved raising the height of the dam to increase the reservoir capacity and to provide the canal system. According to the norms of the modernisation scheme, the improvement works were to be taken up without involvement of any land acquisition. The estimate, accordingly, stipulated that necessary land for construction of the canal would be donated free of cost by the land owners. Only after registration of the land in the name of the department, the improvement works were to be taken up.

Scrutiny by Audit of records of the Executive Engineer, Minor Irrigation Division-II, Berhampur revealed (November 1993) that breach closing work was executed (February 1988) at the cost of Rs.0.10 lakh restoring the original irrigation potential. Improvement to the head works was taken up (February 1988) and completed in August 1988 at Rs.8.65 lakhs creating irrigation potential for 125 acres ayacut. Technical sanction was not, however, accorded to the estimate, nor was the required land for the canal system registered in the name of the department. The construction of the canal taken up from August 1989 was executed only for 600 feet incurring an expenditure of Rs.0.07 lakh and further works were abandoned from January 1991 as the land owners refused to donate their lands. The Superintending Engineer observed (March 1991) that commencement of the improvement works before physically taking over possession of the lands for canal resulted in wasteful expenditure of Rs.8.55 lakhs.

Thus, execution of the improvement works of the projects without transfer of land in the name of the department resulted in an unproductive expenditure of Rs.8.55 lakhs.

The matter was referred to Government in March 1994; their reply has not been received (December 1994).

4.22 Non-recovery of dues from the contractor

Construction of H.L. bridge over river Badajhara Nallah on R.Udayagiri - Sambalpur road was awarded in November 1988 to a contractor for Rs.16.64 lakhs, stipulating completion by May 1990. The contractor did not execute the work as per the work programme and after executing work worth Rs.4.43 lakhs finally abandoned it from April 1991.

Test check of records of R.W.Division No.II, Berhampur revealed (November 1992) that at the time of abandoning the work, unutilised departmental materials (cement: 1547 bags and steel : 7.464 tonnes) were not returned by the contractor. The value thereof amounting to Rs.6.82 lakhs at penal rates was not recovered. Besides, during the course of execution, pier No.I of the bridge constructed half way at Rs.0.33 lakh collapsed (November 1990) due to floods. Recovery of this amount was not made from the contractor under clause 3.42 of the Detailed Tender Call Notice forming part of the contract.

Against the total recoverable amount of Rs.7.15 lakhs, the contractor's dues of Rs.0.59 lakh (Security Deposit :Rs.0.22 lakh plus E.M.D. Rs.0.37 lakh) only were available with the Division.

On this being pointed out by audit (November 1992), the Executive Engineer, while accepting the factual position, stated that despite issue of several reminders, the contractor did not return the materials and the matter still remained unsettled as of December 1994.

The matter was referred to Government in December 1992; their reply has not been received (December 1994).

4.23 Incorrect payment on sub-standard work

Flood damage repair works of Nuabandha Minor Irrigation project comprising breach closing to dam, providing rip-rap and rock toe and repairs to the head sluice were entrusted (March 1991) to a contractor by the Executive Engineer, Ganjam Minor Irrigation Division No.II for Rs.6.31 lakhs, stipulating completion by March 1992. Contract conditions stipulated that the embankment should be constructed with approved soil and that no borrow pit would be opened within a distance equal to ten times the depth of retention of water. During the course of execution of the breach closing work, the Superintending Engineer inspected (March 1991) the site and noticed that the works were being executed with unsuitable earth obtained from the reservoir close to the embankment containing high percentage of sand and thus the soil was not of approved specifications. He therefore, ordered removal of the soil already deposited and directed that explanation of the field engineers who allowed such sub-standard work be called for.

Scrutiny by Audit of records revealed (June 1994) that no action was taken to rectify the sub-standard work and instead the contractor was allowed to execute the work. He however, abandoned further execution from June 1991. Although the works executed had been rejected by the Superintending Engineer, the Executive Engineer paid (July 1991) Rs.3.18 lakhs for the works executed till abandonment. It was only in November 1991 that the contractor was asked to rectify the defective work by obtaining suitable earth which he did not do. The Junior Engineer in charge of the work noticed (March 1993) horizontal and vertical cracks in the dam sections and attributed the same to the use of black cotton soil mixed with silt. No further action was taken to remove the earth nor was the agreement with the contractor closed (June 1994). Balance works have also not been taken up (June 1994).

Thus, payment for sub-standard work despite rejection by the Superintending Engineer resulted in infructuous expenditure of Rs.3.18 lakhs to the department.

On this being pointed out, the Executive Engineer accepted (June 1994) the execution of sub-standard work.

The matter was referred to Government in June 1994; their reply has not been received (December 1994).

4.24 Non-recovery of extra expenditure and excess payment

Construction of earth dam from RD 380 to 540 metres, surplus escape and leading channel of Sapua Minor Irrigation Project was awarded (May 1988) to a firm for completion by April 1989 at the cost of Rs.17.74 lakhs. The firm executed work worth Rs.15.87 lakhs by the extended date of December 1990 and abandoned further work. The balance works of Rs.1.87 lakhs were completed in November 1992 through job workers/departamentally at Rs.2.08 lakhs involving extra expenditure of Rs.0.21 lakh. But the extra expenditure was not recovered from the firm as per terms of the contract.

Scrutiny by Audit (March 1993) of records of Executive Engineer, Minor Irrigation Division, Keonjhar revealed that the agreement provided for blasting of hard-compacted-sheetrock at Rs.45 per cu.m of work in surplus escape and at Rs.50 per cu.m in leading channel using explosive through licensed blasters. The useful excavated stones were to be stacked and measured for use in other works. The firm was paid (March 1991) Rs.2.12 lakhs for execution of 4702 cu.m (3909 cu.m in surplus escape and 793 cu.m in leading channel) of such work. The Assistant Executive Engineer-in-charge of the work, however, mentioned (August 1991) that the excavated stones were disintegrated(D.I.) rock and so were unsuitable for any use. Accordingly, he submitted (August 1991) proposals for sanction of the survey report which was not sanctioned as of March 1994.

Further check disclosed that no explosive materials were issued by the department to the firm for carrying out the blasting work and there was no records as to the deployment of licensed blasters in the work by the firm. To an audit query, the Executive Engineer stated (March/July 1993) that the excavated rock was of D.I. type and the firm had executed the work on his own arrangement.

Thus, the excavation of 4702 cu.m of D.I. rock was classified as hard-sheet-rock for payment of Rs.2.12 lakhs to the firm against Rs.0.71 lakh actually admissible at the agreement rate of Rs.15 per cu.m for such works. This resulted in excess payment of Rs.1.41 lakhs to the firm. Besides, unutilized cement (705 bags) and steel (3 quintals) were not returned by the firm for which a sum of Rs.2.56 lakhs at the penal rate as per terms of the contract was recoverable from him. Other dues of Rs.0.24 lakh towards the cost of tools and plants etc. were also pending for recovery. Against the recoverable amount and excess payment of Rs.4.42 lakhs (Rs.2.56, Rs.0.24, Rs.0.21 lakh and Rs.1.41 lakhs), contractor's dues of only Rs.1.34 lakhs (Rs.0.53 lakh towards work done and Rs.0.81 lakh being performance security) was available with the division. No action was taken as of March 1994 for realisation of the balance amount of Rs.3.08 lakhs.

On this being pointed out (March 1993) in audit, the Executive Engineer stated (February 1994) that contract closure proposal would be submitted to higher authority.

The matter was referred to Government in March 1994; their reply has not been received (December 1994).

4.25 Loss of forest materials

The execution of Durgei Jharan Minor Irrigation Project was taken up during 1984-85 mainly for supply of drinking water to BALCO Complex at Paikmal. During execution, forest growth of 9183 cft. of timber logs and 28,306 cft. of fire wood were recovered by the Executive Engineer, Minor Irrigation Division, Padampur from the reservoir basin of the project. The materials were put (June 1985) to auction at an off-set price of Rs.3.39 lakhs and the highest bid value received for Rs.1.35 lakhs, being low, was rejected (June 1985) by the Superintending Engineer, Northern Minor Irrigation Circle. The materials were put to fresh auction in June 1986 which fetched a further reduced bid amount of Rs.0.82 lakh. In view of such low bids, the Superintending Engineer proposed (August 1986) to the Chief engineer, Minor Irrigation to sanction a survey report amounting to Rs.2.90 lakhs in order to

utilise the logs for manufacture of 500 numbers of door shutters, 300 numbers of window shutters and 1200 numbers of sleepers departmentally.

Scrutiny by Audit of records revealed (September 1992) that the survey report was not sanctioned nor was proper custody provided to safeguard the forest materials. The materials remained exposed to sun and rain for six years till the Executive Engineer directed (October 1990) the Assistant Engineer in charge of the work to ascertain the availability of the materials. Those were, thereupon, verified jointly by the Forest Authorities and the Departmental Officers in August 1992. The verification revealed that only 1095 cft. of timber logs valued at Rs.0.10 lakh were available at site and the rest were completely damaged rendering them useless.

Thus, lack of timely action by the department for disposal/utilisation of the forest materials resulted in loss of Rs.2.80 lakhs (Rs.2.90 lakhs less Rs.0.10 lakh).

On this being pointed out, the Executive Engineer stated (May 1993) that due to non-receipt of approval of the higher authorities, forest materials could not be disposed of.

The matter was referred to Government (November 1992); their reply has not been received (December 1994).

4.26 Extra expenditure

Construction of earth dam from RD. 700 to RD.1467 feet of Karkata Minor Irrigation Project was awarded (April 1992) to a contractor for Rs.90.41 lakhs, stipulating completion by March 1994. Contract conditions stipulated that the cut-off trench (COT) should be excavated by manual means at least two feet below the impervious strata and with a side slope of 1:0.5 feet.

Scrutiny by Audit of records of Minor Irrigation Division, Kalahandi revealed (October 1992) that the contractor excavated the COT by mechanical means deploying excavators and tippers in a wider slope providing berms to accommodate movement of the machines. As a result, against the designed

requirement for 12,024 cu.m of earth work, the contractor had excavated 13,799 cu.m. The excess excavation of 1,775 cu.m beyond the designed section and filling the same with approved soil resulted in extra expenditure of Rs.1.55 lakhs.

On this being pointed out, the Executive Engineer accepted (May 1993) the excavation by mechanical means.

The matter was referred to Government in June 1994; reply has not been received (December 1994).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

4.27 Missing securities

According to the codal provisions, no person shall be awarded any work unless he has been registered as a contractor and has obtained a valid certificate of registration. Securities for due fulfillment of a contract would invariably be taken in the form of cash deposit in the treasury or deposit of interest bearing securities pledged in favour of the department. Contractors in each case are required to deposit one *per cent* of the estimated cost of work tendered for as earnest money while offering tenders and one *per cent* as initial security at the time of acceptance of tenders. The nature of deposits and the amounts deposited are mentioned in the agreements and also noted in the prescribed register for refund after six months of successful completion of the works.

Check by Audit of records of Public Health Division of Baripada revealed (June 1993) that during the years 1987-88, 1988-89 and 1989-90, 156 numbers of contracts were executed (1987-88 : 102 numbers, 1988-89 : 39 numbers and 1989-90: 15 numbers) by the Executive Engineer with different agencies for tube well sinking works. The agencies were, however, not registered as contractors for the purpose. A sum of Rs.1.76 lakhs (physical cash : Rs.0.81 lakh and pass book : Rs.0.95 lakh) were deposited by the agencies towards two *per cent* initial securities. Accordingly, the same was entered in the agreements executed with them. But the cash deposits were not accounted for in the cash book and the pass books were also not entered in the

register of interest bearing securities. To an audit query (January 1994) the Executive Engineer stated (February 1994) that the securities were not traceable nor were any evidence available in his office in regard to their refund to the parties concerned.

Thus, due to the violation of codal provision in awarding the works to non-registered agencies together with non-accountal of securities, there was misappropriation of Rs.1.76 lakhs.

On this being pointed out in audit, the Executive Engineer accepted (February 1994) the position.

The matter was referred to Government in November 1993; their reply has not been received (December 1994).

ENERGY DEPARTMENT

4.28 Non-recovery of Government dues

The following works of Upper Kolab Project were entrusted to a corporation as detailed below :

Name of the work	Cost of the work (Rupees in lakhs)	Date of commencement	Stipulated date of completion	Actual date of completion	Amount received as of March 1993. (Rupees in lakhs)
(i) Fabrication, erection and transportation of pen-stock pipes	424.47	28.03.1980	27.05.1983	15.04.1990	818.60
(ii) Construction of power house	433.31	01.08.1981	31.03.1986	31.03.1990	633.74
(iii) Anchor block and saddles	516.74	23.11.1981	22.11.1984	31.12.1990	544.79
(iv) Excavation of TRC from RD-280 to Tail	100.46	01.10.1982	30.04.1985	30.04.1988	72.82

The final bills had not been worked out as of May 1994 due to extension of time and deviations in contract values having not been sanctioned.

Scrutiny by Audit of records of Upper Kolab Power House and Tail Race Division revealed (January 1994) that on the dates of completion of the works, the corporation had retained unutilised departmental materials, viz. structural steel: 475.33 tonnes (Rs.19.01 lakhs), steel: 60 tonnes (Rs.1.98 lakhs) and 6" black pipes 4032 rft. (Rs.2.93 lakhs); but the cost thereof at penal rate amounting to Rs.119.60 lakhs was not recovered as of May 1994. Further, the corporation was allowed advance of Rs.220 lakhs between February 1981 and January 1982. A sum of Rs.93.27 lakhs towards principal and another amount of Rs.242.14 lakhs towards interest accrued on the advance upto December 1993 were not recovered as of May 1994. Other recoveries towards excise duty (Rs.6.82 lakhs), silt clearance (Rs.5.48 lakhs), dewatering (Rs.0.81 lakh), energy charges (Rs.2.07 lakhs) and hire charges of machinery (Rs.13.73 lakhs) were also not effected (May 1994). Against the total recoverable amount of Rs.388.24 lakhs from the Corporation, security deposit of Rs.27.99 lakhs only was available.

On this being pointed out, the Executive Engineer stated (March 1994) that recovery would be effected, but no action had been initiated as of May 1994 to realise the outstanding dues of Rs.360.25 lakhs.

The matter was referred to Government in May 1994; their reply has not been received (December 1994).

4.29 Undue benefit to a contractor

The work of excavation of Tail Race Channel of Upper Indravati Project was awarded (November 1987) to a contractor for Rs.1395.99 lakhs stipulating completion by November 1991. Item Nos. 11(a) and (b) of the contract provided for execution of cement concrete M-100 (cast in situ) and M-100 (pre-cast) using 12 mm and down graded hard granite chips at the quoted rates of Rs.700 and Rs.670 per cu.m respectively. During the course of execution of the work, the contractor requested (November 1988) substitution of the size of the chips

from 12 mm and down to 20 mm and down on the ground that the I.S. specifications provided for use of chips of size 20 mm and down. Since the rate for chips of size 20 mm and down was lower than that for 12 mm and down they offered a rebate of Rs.6 per cu.m. The General Manager asked (December 1988) for a rebate of Rs.10 per cu.m which was agreed to (February 1989) by the contractor. The contractor had executed (January 1994) 28,255 cu.m of work in respect of item 11(a) and received payment of Rs.194.96 lakhs at the rate of Rs.690 per cu.m (excluding rebate of Rs.10 per cu.m).

Scrutiny by Audit of records of Tail Race Division, Mukhiguda revealed (February 1994) that due to change in the grade of chips, the cost of works was reduced by Rs.68.41 per cu.m. Taking into account the tender premium of 22.59 *per cent* quoted in the item by the contractor, rebate of Rs.23.70 lakhs was recoverable from the contractor for the work of 28,255 cu.m so far executed by him against which a sum of only Rs.2.83 lakhs was actually recovered. This resulted in undue benefit of Rs.20.87 lakhs to the contractor.

On this being pointed out, the Executive Engineer stated (March 1994) that the basis of the rebate was not examined at his level (field office), but was arrived at by the General Manager.

The matter was referred to Government (May 1994); their reply has not been received (December 1994).

4.30 Inadmissible benefit to a Contractor

The work of excavation of tail race channel including concrete lining of Upper Indravati Project was entrusted (November 1987) by the Executive Engineer, Tail Race Division, Mukhiguda to a contractor for Rs.1395.99 lakhs, stipulating completion by November 1991. The contract *inter-alia* provided for execution of plain and reinforced cement concrete works at the rates of Rs.800 and Rs.790 per cu.m of M-150 and M-200 respectively.

During execution of the work, the contractor claimed (December 1989) extra rate of Rs.200 per sqm. for the form work on the ground that the rate for such work was not included in the item rates. The Executive Engineer,

Superintending Engineer, Chief Construction Engineer and General Manager of the project rejected (April/May/June 1990) the demand under intimation to Government, stating that as per provisions in the agreement, charges for the form work were included in the item rates and no separate payment was admissible.

Scrutiny by Audit of records revealed (August 1993) that the same authorities subsequently reversed their stand and recommended (October 1990) payment at the rate of Rs.78.75 per sqm. for the work on the ground that form work was not specifically mentioned in the item specification. Government approved (July 1991) the same for a quantity of 40,000 sqm. with extra financial implication of Rs.31.50 lakhs. The contention of the department that the form work was not specifically mentioned in the item rate was not factually correct. Item specification and conditions of the contract stipulated that the rates quoted were for finished items of work including the cost of erection, maintenance and removal of all scaffolding and form works necessary to hold and support the concrete. In fact, the earlier observations of the department were in tune with the contract provisions. The revision was, therefore, uncalled for. The work was under execution as of January 1994. Till then, the contractor was paid Rs.18.31 lakhs for execution of 23,257 sqm. of form work.

On this being pointed out, the Executive Engineer stated (February 1994) that the decision for separate payment for form work was taken at the Government level.

The matter was referred to Government (May 1994); their reply has not been received (December 1994).

CHAPTER - V

STORES AND STOCK ACCOUNTS

A - PUBLIC WORKS

DEPARTMENT OF WATER RESOURCES

5.1 Unnecessary procurement of stores

The Executive Engineer, Hariharjore Irrigation Division-II purchased hume pipes, collars and shutters worth Rs.12.58 lakhs from five firms between 1986 and 1991 for utilisation in head regulators and cross drainage structures of distributary, minor and sub-minor canals without realistic assessment of the requirements.

Test check of records in audit (April 1992) revealed that the purchases were made before finalisation of drawing and designs of the cross drainage structures, the estimates of which were not framed as of March 1994. Of those materials worth Rs.12.58 lakhs procured between 1986 and 1991 materials worth Rs.4.21 lakhs only were utilised in the works between 1986 and 1993. The remaining materials costing Rs.8.37 lakhs were lying unutilised as of January 1994. To an audit query, the Executive Engineer stated (August 1993) that no commitment could be given regarding use of the materials due to non-finalisation of the drawing and designs of the canal structures.

Thus, unnecessary procurement of stores in excess of actual requirement blocked a sum of Rs.8.37 lakhs.

The matter was referred to Government in March 1994; their reply has not been received (December 1994).

5.2 Loss due to non-disposal of surplus cement

The Chief Engineer, Potteru Irrigation Project procured (1988-89) 4123.20 tonnes of cement at the cost of Rs.46.60 lakhs for utilisation in project

work during 1988-89. The works of the project substantially reduced from that year onwards due to inadequate funding and therefore the cement could not be fully utilised. After it started to clod due to long storage, the Executive Engineer requested (March 1990) the Chief Engineer to arrange for its disposal. The Chief Engineer, however, delayed the matter for another one year before intimating (May 1991) the fact to the Engineer-in-Chief. Pending receipt of instruction from the Engineer-in-Chief, a committee was set up (December 1991) by him to examine the quality and strength of the cement. The committee reported (January 1992) after inspection that the quality of cement had deteriorated due to long storage for three years rendering 361.60 tonnes unsuitable for any use.

Scrutiny by Audit of records revealed (April 1993) that the cement was procured from firms located outside the state, without pre-test of the specification and quality. Samples sent in January 1992 for quality test in the departmental laboratory indicated that the cement did not conform to the I.S. specifications.

Of the 4123.20 tonnes of sub-standard cement procured, 2639.60 tonnes were utilised in the project works between September 1988 and May 1992.

1122 tonnes were transferred to other projects during August 1989 to June 1992. The balance quantity of 361.60 tonnes worth Rs.4.09 lakhs was totally unsuitable for any use. The Chief Engineer proposed (June 1992) write off of the amount, but Government had not sanctioned the same as of December 1994.

Thus, the procurement of sub-standard cement and retaining the same for 3 years in store without timely action for disposal of the surplus quantity resulted in loss of Rs.4.09 lakhs.

On this being pointed out, the Executive Engineer accepted (December 1993) the factual position.

The matter was referred to Government in March 1994; their reply has not been received (December 1994).

Shukla P.W.

5.3 Shortage of stock materials

According to the codal provision, Divisional and the Sub-Divisional officers are required to verify the ground balance of stores materials under their charge with the book balances at least once/twice in a year to find out discrepancies and to take necessary action to realise the cost thereof from the delinquent officials. Any subordinate holding the charge of stores must also furnish cash security under the rules.

A subordinate official remained continuously in charge of stores of General Electrical Division No.II, Cuttack during the period from 1 March 1961 upto the date of his retirement (31 December 1989). At the time of handing over charge on retirement, stores items worth Rs.13.60 lakhs were found short.

Scrutiny by Audit of records revealed (January 1993) that there was no physical verification at all by the Divisional/Sub-Divisional Officers during the years of service (over 28 years) of the official. Consequently, there was no scope for detecting the shortages during the incumbency of the delinquent official.

As of June 1994 no action was taken for recovery of the shortage of Rs.13.60 lakhs. No security had also been realised from the defaulter as required under rules.

The Executive Engineer accepted the factual position and stated (March 1994) that the chances of recovery appeared slim.

The matter was referred to Government in February 1993; their reply has not been received (December 1994).

RURAL DEVELOPMENT DEPARTMENT

5.4 Unnecessary purchase of stores

The departmental rules for procurement of stores for use in public works, *inter-alia*, prescribed that purchases should be made economically assessing the definite requirements in the ongoing works and stores in hand so as to avoid unnecessary purchases and accumulation of materials.

Test check of records of Mechanical Rural Water Supply and Sanitation Division, Sambalpur revealed (January 1994) that the Chief Engineer, Public Health, had purchased (March 1981) 22 numbers of pneumatic hammers of six inches dia from a firm at Hyderabad at the cost of Rs.7.55 lakhs for tube boring works. Of the above, 13 hammers valued at Rs.4.46 lakhs remained unutilised as of June 1994.

To an audit query, the Executive Engineer stated (June 1994) that since the division was executing only four inches dia bores for the Rural Water Supply Programme, there was no scope for utilisation of the remaining hammers.

Thus, excess procurement of pneumatic hammers resulted in blocking of Government money amounting to Rs.4.46 lakhs from March 1981.

The matter was referred to Government in June 1994; their reply has not been received (December 1994).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

5.5 Misappropriation of stores

The Assistant Engineer, Project Public Health Sub-Division, Berhampur handed over with proper acknowledgement, 400 mm dia C.I pipes of 115.50 metres on 20 March 1991 to his Junior Engineer for utilisation of the same in the work 'Augmentation to Water Supply to Berhampur'. The Junior Engineer, however, did not account for the pipes in the site accounts nor were the same utilised in the work. During physical verification (March 1991) of the work site and store by the Assistant Engineer, the pipes were not traceable.

The Superintending Engineer, investigated the matter during 19 to 24 August 1991 and concluded that the pipes had been misappropriated by the Junior Engineer. He therefore, ordered (August 1991) initiation of departmental proceedings against the Junior Engineer in addition to recovery of the cost from him. However, cost of the pipes amounting to Rs.1.68 lakhs at the rate of Rs.1455 per metre had not been recovered from the Junior Engineer. Departmental action was also not taken against him as of May 1994.

On this being pointed out, the Executive Engineer stated (March 1994) that the matter of recovery was still to be finalised.

The matter was referred to Government in May 1994; their reply has not been received (December 1994).

CHAPTER - VI

FINANCE DEPARTMENT

6.1 Commercial activities

As on 31 March 1994, there were five departmental commercial and quasi-commercial undertakings/schemes in the State. The extent of arrears in submission of proforma accounts in respect of these undertakings/schemes is indicated below :

Name of the undertaking/scheme	Year from which accounts are in arrears
A. <u>State Trading Scheme</u>	
1. Nationalisation of Kendu leaves	1988-89
B. <u>Agriculture</u>	
2. Cold Storage Plant, Kuarmunda	1972 ^(a)
3. Cold Storage Plant, Similiguda	1973
4. Cold Storage Plant, Parlakhemundi	1973 ^(b)
5. Cold Storage Plant, Bolangir	1983

The following departmental commercial and quasi-commercial undertakings/schemes were either not in operation or had been taken over by corporate bodies from the dates mentioned against each. The proforma accounts in respect of these undertakings/schemes have not been received for the years noted against each.

- (a) Proforma accounts received for the years 1972 and 1973 were incomplete and were returned.
- (b) Proforma accounts for the years 1977, 1978 and 1980 were received in May 1988, July 1990 and January 1991 respectively. But the accounts for 1973, 1974, 1975, 1976 and 1979 had not been received as of July 1993.

Name of the Undertaking/ Scheme	Name of the Corporation to which transferred	Date of transfer	Year from which accounts are in arrears
A. <u>State Trading Scheme</u>			
1. Grain Purchase Scheme	Orissa State Civil Supplies Corporation Limited	September 1980	1977-78
B. <u>Transport</u>			
2. State Transport Service	Orissa State Road Transport Corporation Limited	May 1974	1972-73
C. <u>Agriculture</u>			
1. Cold Storage Plant, Bhubaneswar	Orissa State Seeds Corporation	March 1979	1974
2. Cold Storage Plant, Sambalpur	Orissa State Seeds Corporation	March 1979	1971

Following repeated correspondence, Government intimated in September 1989 that efforts were being made to rebuild the accounts of State Transport Service for the period from 1972-73 to 1974-75 as all the relevant records for the period were not available with the drawing and disbursing offices concerned. There has been no response from Government in respect of the accounts of the Grain Purchase Scheme. In respect of the accounts of the Cold Storage Plants at Bhubaneswar and Sambalpur, Government intimated in October 1993 that special steps were being taken for preparation of proforma accounts. The Cold Storage Plant at Bhubaneswar has since rendered the accounts for 1971, 1972 and 1973 but there has been no improvement in respect of the other one.

In respect of the following schemes which remained inoperative or were closed in the years noted against each, the assets and liabilities were not fully disposed of or liquidated by Government. The reasons for non-operation or closure were not made available.

Sl. No.	Name of the scheme	Year from which remained inoperative or closed
1.	Grain supply scheme	1958-59
2.	Scheme for Trading in Iron Ore through Paradeep Port	1966-67
3.	Cloth and Yarn Scheme	1954-55
4.	Scheme for Exploitation and Marketing of fish	1982-83

Although the following schemes were commercial in nature, Government has not prescribed the preparation of proforma accounts. Only personal ledger accounts were opened and maintained by the concerned departments of Government. The position of these personal ledger accounts at the end of 1993-94 was as under :-

Name of the Under-taking	Year in which the personal ledger accounts were opened	ACCOUNTS FOR 1993-94			
		Opening balance	Credit	Debit	Closing balance
		(R u p e e s i n l a k h s)			
1. Purchase and distribution of quality seeds to cultivators	1977-78 (Revenue Accounts)	302.96	579.11	533.25	348.82
2. Poultry Development (inoperative)	1974-75 (Capital Accounts)	3.02			3.02

Similar paragraphs appearing in the Reports of the Comptroller and Auditor General of India for 1980-81, 1983-84 and 1986-87 were discussed (1986-87, 1987-88 and August 1992) by the Public Accounts Committee. In their 14th Report (10th Assembly) placed on the table of the Legislature in November 1992, the Committee had expressed its distress to note the sorry state of affairs in the preparation of proforma accounts and had desired that responsibility be fixed for failure to prepare the accounts. Further developments are awaited (December 1994).

CHAPTER - VII

FINANCE DEPARTMENT

7.1 Financial assistance to local bodies and others

7.1.1 General

(a) During 1993-94, grants and loans amounting to Rs.920.45 crores were paid to non-Government bodies/institutions for implementation of various programmes/schemes. This formed 26 *per cent* of total expenditure of Government on revenue account. The corresponding figures of previous year 1992-93 were Rs.730.23 crores and 24 *per cent*.

The main beneficiaries of the grants were educational institutions and District Rural Development Agencies which received Rs.204.03 crores (22 *per cent*) and Rs.292.81 crores (32 *per cent*) respectively during 1993-94 for the purposes shown below :

	Amount (Rupees in Crores)
1. Educational Institutions	
a) Primary Education	10.32
b) Secondary Education	122.57
c) Higher Education	36.83
d) Universities :	
Non-Technical	26.65
Technical	7.66
	<hr/>
	204.03
	<hr/>

Amount
(Rupees in Crores)

2. District Rural Development Agencies

a) Jawahar Rojgar Yojana	185.07
b) Integrated Rural Development Programme (IRDP)	19.85
c) Development of Women and Children in Rural Areas (DOWCRA)	0.30
d) Training for Rural Youth for Self-Employment (TRYSEM)	3.29
e) Assistance to Small and Marginal Farmers	3.84
f) For District Planning (Untied Funds)	8.39
g) Drought Prone Area Programme (DPAP)	6.37
h) Employment Assurance Scheme	49.63
i) Special Component Plan Scheme	0.55
j) Other Rural Development Programmes	15.52

292.81

(b) Audit arrangements

The Examiner, Local Fund Accounts is the Statutory Auditor for Panchayat Samitis and educational institutions. The Registrar of Co-operative Societies is the Auditor for Co-operative Societies while the accounts of District Rural Development Agencies (DRDAs), Integrated Tribal Development Agencies (ITDAs) and Command Area Development Agencies (CADAs) are audited by Chartered Accountants.

The Audit of these institutions is also carried out under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 as amended in March 1984. According to Section 14(1) of the Act, receipt and expenditure of any autonomous body or authority which is substantially

financed by grants and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India.

A body or authority is deemed to have been substantially financed if the aggregate of grants and/or loans to it in a financial year is not less than Rs.25 lakhs (Rs.5 lakhs upto 1982-83) and also not less than 75 *per cent* of the total expenditure of the body/authority. Under section 14 (2) of the Act, the Comptroller and Auditor General of India, with the prior approval of the Governor, audits all receipts and expenditure of a body or authority if the aggregate of such grants or loans given from the Consolidated Fund of the State is not less than Rs.1.00 crore in a financial year.

(c) Delay in receipt of accounts

Mention was made in paragraph 7.1.1(c) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1993 (Civil) Government of Orissa about non-receipt of information from departments of Government regarding grants and loans given to various bodies and authorities to facilitate determination of the applicability of section 14 of the Comptroller and Auditor General's (DPC) Act, 1971. The position did not improve during 1993-94 even though the Finance Department had agreed (May 1988) to furnish such details by the end of June each year. As a result, except in the case of 14 bodies whose accounts for 1993-94 were received as of November 1994, applicability of Section 14 could not be ascertained in other cases, if any, to whom grants were released during 1993-94.

According to Rule 172 of Orissa General Financial Rules Vol-I, copies of all Audit Reports on the accounts of the institutions receiving grants or extracts thereof relating to grants-in-aid should be furnished to the Accountant General by the authorities concerned. As these provisions were not being observed, the matter was taken up with the Government who instructed (November 1991) the

Examiner, Local Fund Accounts to submit audited accounts of all the institutions to the Accountant General from 1991-92.

It would be likely that some of the bodies/authorities which might have actually qualified for audit have remained outside the purview of audit by the Comptroller and Auditor General of India due to non-furnishing of the information regarding grants/loans released by the Government.

The results of audit of some institutions/bodies conducted under Section 14 are given in the succeeding paragraphs.

7.1.2 Audit Of Autonomous Bodies

During the year ended 31 March 1994, audit of the accounts of 101 autonomous bodies relating to Panchayati Raj (91), Harijan and Tribal Welfare (5), Agriculture (2), Housing and Urban Development (2) and Industries (1) departments was conducted under section 14 of the Comptroller and Auditor General's (DPC) Act, 1971. During the periods covered by audit, the bodies received financial assistance of Rs.45,726.95 lakhs. Important points noticed during audit are brought out in the following paragraphs.

(a) Unspent balances of Grants

Rule 171 of the Orissa General Financial Rules and the orders sanctioning the grants stipulate that funds should be utilised within the financial year during which they were sanctioned or within one year from the date of sanction. The unspent balances should be refunded to Government immediately thereafter unless permitted by the Government for utilisation in subsequent years. These provisions were not followed by the bodies or authorities and the unspent balances were being carried over to subsequent years as a matter of routine. The unspent balances in respect of 101 bodies at the end of the year for which audit was conducted were as follows:

Sl. No.	Name of the Body	Number of Bodies	Year upto which audited	Unspent balance as on 31 March of the year covered in audit (Rupees in lakhs)
1.	Panchayat Samitis	1	1987-88	29.73
		9	1988-89	213.69
		12	1989-90	231.11
		43	1990-91	1202.97
		21	1991-92	461.76
2.	Integrated Tribal Development Agencies (ITDAs)	2	1991-92	90.58
		3	1992-93	89.54
3.	District Rural Development Agencies (DRDAs)	4	1992-93	1028.95
4.	Command Area Development Agencies (CADAs)	2	1992-93	207.12
5.	Indira Gandhi Institute of Technology, Sarang	1	1991-92	561.86
6.	Cuttack Municipality	1	1987-88	40.05
7.	Berhampur Municipality	1	1992-93	13.81
8.	Orissa State Social Welfare Advisory Board	1	1992-93	26.05

It was noticed that the institutions were not maintaining the Register of Grants-in-aid, as prescribed, to record the expenditure incurred sanction-wise and scheme-wise for each year against the funds received. As a result, the period to which the unspent balances related and reasons for non-utilisation were not available with the bodies/authorities.

(b) Outstanding Utilisation Certificates

According to Financial Rules and conditions stipulated in the orders sanctioning grants, the bodies receiving financial assistance are required to

submit utilisation certificates (UCs) by the end of June following the year of sanction of funds or by any other date/period stipulated in the sanction in respect of the amounts received by them.

It was seen during audit that UCs were not furnished by the grantee bodies/authorities in respect of Rs.25,364.64 lakhs as detailed in the Appendix - XXI. Some outstanding UCs related to periods prior to 1980-81 also.

(c) Unadjusted Advances

(i) According to the Orissa Zilla Parishad and Panchayat Samiti Rules, 1961, payment of advances is generally prohibited except in case of works expenditure and amounts so advanced shall be regularly and promptly adjusted.

Year-wise details of amounts outstanding in regard to 85 Panchayat Samitis audited upto 1988-89 (10), 1989-90 (12), 1990-91 (43) and 1991-92 (20) are given below :

Amount of advances outstanding in respect of Samitis audited upto					
Year	1988-89	1989-90	1990-91	1991-92	Total
	(10 Sami- tis) (R u p	(12 Sami- tis) e e s	(43 Sami- tis) i n	(20 Sami- tis) l a k h	(85 Sami- tis) s)
Upto					
1981-82	7.60	5.49	45.61	2.67	61.37
1982-83	0.53	2.07	10.83	2.48	15.91
1983-84	1.70	1.33	16.62	0.61	20.26
1984-85	17.75	0.04	15.93	4.26	37.98
1985-86	1.25	0.03	20.37	5.79	27.44
1986-87	1.03	0.08	51.48	11.82	64.41
1987-88	8.40	1.92	63.85	5.08	79.25
1988-89	3.56	0.97	48.91	11.35	64.79
1989-90	Nil	0.22	101.86	69.99	172.07
1990-91	Nil	Nil	96.87	40.11	136.98
1991-92	Nil	Nil	Nil	61.14	61.14
Year-wise details not available	100.96	140.58	272.90	232.38	746.82
Total	142.78	152.73	745.23	447.68	1488.42

No efforts were made by the Samitis to adjust or recover these amounts.

(ii) Further, it was also noticed that in respect of 12 other bodies/authorities, advances aggregating Rs.1400.94 lakhs made by them to different executive agencies remained unadjusted as detailed below:

Name of the body/ location	Unadjusted 1988	amounts 1989	as on 1992	31 March 1993	Total
(R u p e e s i n l a k h s)					
(a) DRDAs					
Cuttack	-	-	-	83.29	83.29
Ganjam	-	-	-	441.10	441.10
Koraput	-	-	-	6.70	6.70
(b) ITDAs					
Baripada	-	-	90.06	-	90.06
Champua	-	-	-	0.16	0.16
Gunupur	-	-	34.94	-	34.94
Karanjia	16.03	-	-	-	16.03
Parla- khemundi	-	1.21	-	-	1.21
Rairangpur	-	-	-	11.71	11.71
(c) Municipalities					
Berhampur	-	-	-	104.91	104.91
Cuttack	325.82	-	-	-	325.82
(d) Indira Gandhi Institute of Technology, Sarang					
	-	-	-	285.01	285.01
Total	341.85	1.21	125.00	932.88	1400.94

TRIBAL WELFARE DEPARTMENT

7.2 Unfruitful expenditure on installation of lift irrigation projects

(a) With a view to provide irrigation facilities to Scheduled Caste and Scheduled Tribe (SC/ST) families and with the target of achieving irrigation to 2900 acres during Kharif and 1740 acres in Rabi, the Project Administrator (PA) Integrated Tribal Development Agency (ITDA), Keonjhar released a sum of Rs.94.90 lakhs (1987-88: Rs.15.00 lakhs, 1988-89: Rs.36.30 lakhs, 1989-90: Rs.22.00 lakhs and 1990-91: Rs.21.60 lakhs) to the Executive Engineer (EE), Orissa Lift Irrigation Corporation (OLIC) Division, Keonjhar towards installation of 58 Lift Irrigation (LI) Projects under the composite land based Income Generating Scheme against the estimated cost of Rs.143.56 lakhs. The Scheme was funded out of Special Central Assistance (SCA) for installation of 58 LI Projects along with energisation and provision of the distribution system.

Test check of records (October 1993) of the EE, OLIC Division revealed that expenditure of Rs.92.36 lakhs was incurred on the 58 projects. Of these, 21 projects were partially provided with the distribution system and the remaining 37 were lying (1987-88 to August 1994) incomplete for want of the same.

Consequently, irrigation facilities provided to the beneficiaries ranged from 10 to 34 *per cent* of the targeted irrigation potential as detailed below:

Year	Number of projects targeted (progressive)	Irrigation potential targeted (in acres)	Irrigation provided to (in acres)	Proportion of acreages covered as a percentage of the potential targeted
1988-89	34	2720	280	10
1989-90	52	4160	567	14
1990-91	58	4640	614	13
1991-92	58	4640	1561	34
1992-93	58	4640	527	11

The EE in his reply to audit enquiries stated (October 1993) that head works only had been completed in all the projects with the funds provided by the ITDA. In August 1994 the EE further stated that he had nothing to say regarding release of extra funds nor did he make any correspondence with the ITDA for extra funds. The PA, ITDA stated (July 1994) that funds had been released at the rate of Rs.1.50 lakhs per point for 10 points in 1987-88 and at the rate of Rs.1.20 lakhs per point for 1988-89 and 1989-90 irrespective of the estimated cost of the project in consultation with the OLIC. He also stated that in the year 1990-91 full cost of the LI point was provided where 60 *per cent* of the beneficiaries belonged to SC/ST small and marginal farmers in accordance with the instructions (November 1989) of the Government. The Welfare Department of the Government in their reply reiterated (October 1994) the contention of the ITDA and contended that while the OLIC Head Office had released the balance cost, wherever necessary, for the construction of distribution channel in respect of the projects relating to 1990-91, they did not do so in respect of those relating to earlier years.

Thus, due to lack of coordination between the different organisations involved in the construction of the LI projects, expenditure of Rs.92.36 lakhs on the LI Projects was rendered largely unfruitful and the desired benefit also did not reach the intended beneficiaries.

(b) Defunct LI Projects

It was also observed during audit (October 1993) that of the 58 LI projects, 10 had become defunct (3 in March 1988, 1 in November 1988, 1 in March 1989, 1 in November 1990, 1 each in February and December 1992 and 2 in May 1993). The reasons, as attributed by the OLIC, were that the State Electricity Board had rescinded the agreement with the beneficiaries due to theft of conductor for more than two occasions and that there was theft of LT line and damage of 8" A.C. Pressure pipe. As a result, the expenditure of Rs.12.40 lakhs on the 10 projects became unfruitful. No rectificatory measures were taken since then.

7.3 Unfruitful expenditure due to inoperative lift irrigation projects

According to guidelines issued by the State Government from time to time, irrigation projects (composite land based scheme) can be taken up for implementation under the Income Generating Schemes for being financed from Special Central Assistance (SCA), provided 60 *per cent* of the beneficiaries belong to small and marginal farmers among the SC/ST. The guidelines further envisage that such projects should be fully funded out of SCA, subject to the limit of Rs.5000/- per eligible SC/ST beneficiary and the balance of the project cost met from other schemes.

Test check (August 1993) of records of the Integrated Tribal Development Agency (ITDA), Champua revealed that the ITDA had released Rs.18.65 lakhs of SCA (1988-89 : Rs.1.20 lakhs; 1989-90 : Rs.16.25 lakhs and 1991-92 : Rs.1.20 lakhs) in favour of Executive Engineer (EE), Orissa Lift Irrigation Corporation (OLIC) Division, Keonjhar for 13 Lift Irrigation Projects (LIP) estimated to cost Rs.34.18 lakhs. Each project was targeted to cover 50 acres of land in each season and of the 526 beneficiaries covered by the 13 LIPs, 495 belonged to SC/ST. Scrutiny (August 1993) of the records of the EE, OLIC revealed that the Division had incurred an expenditure of Rs.17.60 lakhs on the 13 LIPs upto March 1993. All the projects were lying incomplete in respect of the distributary system, while head works were also not completed in respect of 2 of them.

On this being pointed out in audit, the EE stated (August 1993) that the ITDA had released only about half the amount of the estimated cost and the projects remained incomplete for want of the balance funds. The ITDA stated (September 1993) that the EE had sums unutilised out of funds released earlier and he could utilise the same for completion of the projects. The reply of the ITDA was not acceptable to audit as the ITDA had not released funds as per the guidelines which would work out to Rs.24.75 lakhs at the rate of Rs.5000/- per SC/ST beneficiary. No arrangement was also made to meet the balance of the cost of the projects from other schemes as per guidelines of Government.

Thus, for the following reasons, the amount of Rs.17.60 lakhs spent on 13 incomplete LIPs was rendered unfruitful denying the poor beneficiaries of the intended benefits :

(a) LI projects were selected for financing under the scheme without first identifying the source of funding the full requirement.

(b) Funds released by the ITDA were inadequate.

The matter was referred to Government (July 1994); reply has not been received (December 1994).

7.4 Unfruitful expenditure on plantations

(a) The following agencies undertook mixed fruit/cashew plantations as noted against them with funds provided to them by the respective Integrated Tribal Development Agencies (ITDAs). In these cases, the percentage of survival of the plantations ranged between 'nil' and 20 against the norm of 75 *per cent* survival prescribed by the Government for a successful plantation:

Sl. no.	Names of the agencies		Details of plantations			Percentage of survival	Expenditure incurred (Rs. in lakhs)
	Funding	Executing	Year	Block	Area (In hectares)		
1.	ITDA Parla-khemundi	DFO* Parla-khemundi	1989-90	Nuagada	30	Nil	2.69
				Mohana	20		
2.	ITDA Rayagada	ASCO** Rayagada	1992-93	Kasipur	80	5 to 10	2.70
				Kolanara	80		
				Rayagada	40		
3.	ITDA Gunupur	ASCO Gunupur	1989-90	Bissam-Cuttack	20	20	1.12
				Ramanguda	20		

* Divisional Forest Officer

** Assistant Soil Conservation Officer

Test check of records of the funding and/or executing agencies and further enquiries made in audit revealed various irregularities as mentioned below :

(i) To prevent shifting cultivation prevalent among tribal people and to bring them above poverty line while developing green cover over lands rendered dry through Podu cultivation, the ITDA, Parlakhemundi released Rs.2.50 lakhs during March 1989 (Rs.1.50 lakhs for plantation) and January 1990 (Rs.1.00 lakh for constructing dry stone wall) for undertaking mixed fruit plantation. The DFO incurred an expenditure of Rs.2.69 lakhs for the purpose by diverting Rs.0.19 lakh out of funds meant for other on-going schemes. But by April 1990, the entire plantation had been ruined and the entire area was full of jungle growth. Though the ITDA attributed the failure of the plantations to the DFO for lack of maintenance measures on his part, the same is not tenable as the ITDA had released only Rs.2.50 lakhs against Rs.3.68 lakhs required for plantation (Rs.2.08 lakhs), dry stone wall (Rs.0.55 lakh) and first year's maintenance (Rs.1.05 lakhs). The ITDA had not released further sums despite repeated requests made by the DFO.

It was also noticed that the ITDA, Parlakhemundi spent a further sum of Rs.0.49 lakh during 1991-92 for jungle clearance to facilitate enumeration of surviving plants, if any, and to undertake revival of the plantations. As the plantations were completely ruined, the expenditure of Rs.0.49 lakh incurred on jungle clearance was un-called for.

(ii) ITDA, Raygada accorded (July 1992) sanction for taking up cashew plantation over 200 hectares at a cost of Rs.5.40 lakhs under Income Generating Scheme (IGS) which provided for release of 50 *per cent* of the cost while the balance was to be contributed by the beneficiaries in the shape of labour. The ITDA, therefore, released (July 1992) Rs.2.70 lakhs in favour of the ASCO without intimating the condition of funding the plantations. The ASCO reported (December 1992) the utilisation of the entire amount of Rs.2.70 lakhs by September 1992 to the ITDA and as he was unaware of the conditions under which funds were released for the plantation, he requested for the release of remaining funds of Rs.2.70 lakhs for carrying out the operations of inter-culture,

manuring and watch and ward etc. to save the plantations from damage. Due to non-receipt of funds from the ITDA, the ASCO stopped all maintenance operations from October 1992 resulting in the failure of the plantations.

In reply to the audit query, though the ITDA insisted (May 1994) that the ASCO had been instructed to associate the beneficiaries with the plantations since the beginning, the same is not tenable as the plantations were not undertaken in the fields of the beneficiaries as per the instructions (January 1992) of the State Government for taking up plantations under IGS. Moreover, no beneficiaries were also identified till January 1993 as is apparent from the proceedings of the meeting of different officers held in January 1993 under the chairmanship of Collector, Koraput.

In reply, Government accepted (November 1994) that there was a wasteful expenditure of Rs.2.70 lakhs due to lack of coordination between ITDA, Rayagada and ASCO, Rayagada.

(iii) The ITDA, Gunupur released a sum of Rs.1.12 lakhs in favour of ASCO, Gunupur during 1989-90 (Rs.0.86 lakh for raising plantation) and 1990-91 (Rs.0.26 lakh for maintenance) under the scheme - Economic Rehabilitation of Rural Poor. The plantations were to be maintained for 3 years (beyond the year of plantation) before being handed over to the families of Scheduled Caste/Scheduled Tribe beneficiaries. During test check of records of the ASCO conducted during June 1993 it was noticed that by October 1992 the whole area of cashew plantation was full of thick jungle growth and the survival of plantations was very low. The ASCO attributed the failure of the plantation to non-release of funds for maintenance during 1991-92. The percentage of survival came down to 20 *per cent* by November 1993.

(b) The ITDA, Kuchinda sanctioned (March 1993) a sum of Rs.1.45 lakhs in favour of the DAO, Kuchinda which represented subsidy of 50 *per cent* of the estimated cost of raising banana plantation over an area of 29 acres in two villages (Panapalli : 5 acres - 6 beneficiaries and Kudapada: 24 acres - 31 beneficiaries) at the rate of Rs.2500 per 0.50 acre. The DAO released (January 1993) the above amount in the shape of inputs like suckers, fertilisers and pesticides.

Scrutiny (May 1994) of the records of the DAO revealed that the banana plantation was raised during January and February 1993 by utilising the inputs costing Rs.1.02 lakhs, leaving out 268 bags of urea (cost Rs.0.43 lakh). But the plantations so raised did not survive as there was no watering at Kudapada as the pumpset was not working due to continuous failure of electricity and poor working of the single electric motor. The water harvesting structure at Panapalli having gone dry, the plantations at that place too, failed. Moreover, as no agreement was made in respect of banana crops the lift irrigation (LI) authorities refused to supply water. Even after receipt of such reports from the Junior Agriculture Officer, Kuchinda during March to April 1993, the DAO did not take any remedial measures to provide irrigation to the plantations.

On this being pointed out (May 1994) in audit, the DAO stated (May 1994) that the failure of electricity had been brought to the notice of the Electrical Engineer for remedial action and the problem of water scarcity was also brought to the notice of ITDA. On the other hand, the PA, ITDA stated (May 1994) that the matter had not been brought to their notice and that action was being taken to fix responsibility for the loss.

Thus, under the circumstances stated in the preceding paragraphs, a sum of Rs.7.53 lakhs spent on raising plantations proved unfruitful, apart from denial of the benefits to the tribal poor.

The above instances of losses were referred to Government in November 1993 to July 1994; reply has not been received except in respect of sub-para(ii) (December 1994).

7.5 Infertuous expenditure

With a view to providing protective irrigation to the drought prone tribal areas in Champua Block in Keonjhar District, the Executive Engineer, Lift Irrigation Division (EE, LID), Keonjhar drew up (June 1989) an estimate for Rs.2.21 lakhs to install a river lift project-Sarai III which included Rs.0.30 lakh towards the cost of low tension electric line. These estimates were technically sanctioned (May 1990) by the Superintending Engineer (Northern circle), Orissa Lift Irrigation Corporation, Sambalpur for Rs.2.57 lakhs. In the meanwhile, the

Integrated Tribal Development Agency (ITDA), Champua released Rs.2.21 lakhs during January 1990 (Rs.1.50 lakhs) and March 1992 (Rs.0.71 lakh) in favour of the EE, LID for execution of the project.

The estimates envisaged creation of irrigation potential to 50 acres each in Kharif and Rabi, and 20 acres in summer. The pressure pipe line works were completed by March 1992 at the cost of Rs.2.20 lakhs without distribution channel and irrigation was provided to 5 acres in Kharif 1991-92, 12.77 acres in Rabi 1992-93 and 12.89 acres in Rabi 1993-94. The shortfall in irrigation potential was attributed (August 1994) by the Division to non-completion of channels.

Audit scrutiny (August 1993) of records of EE, LID revealed that additional fund of Rs.0.86 lakh had been demanded (August 1993) by the Division as the alignment of the delivery tank had to be changed due to local problem, but was not released by the Agency on the ground that the total estimated cost had already been provided. As a result, works like RR Channel (Rs.0.60 lakh) etc. were yet to be executed.

In reply to audit query as to the reasons for shortfall in irrigation, the EE, LID attributed the same to the non-completion of the channel and stated that full irrigation would be provided after completion of the work on the channel. The ITDA, however, held (August 1994) that the question of release of further funds did not arise as the requisite funds had been released, though the Agency agreed that the project did not function.

There was, thus, no scope for completion of the project and no further work was also taken up since April 1992. Due to inadequate survey/investigation of the project by the EE prior to preparation of estimates and the premature release of funds by ITDA, the entire expenditure of Rs.2.20 lakhs proved largely infructuous without achieving the objective of providing irrigation.

The matter was referred to Government in December 1993; reply has not been received (December 1994).

7.6 Unfruitful expenditure on the installation of lift irrigation points

Test check of records of the Integrated Tribal Development Agency (ITDA), Champua conducted during August to September 1993 revealed that two Lift Irrigation Points (LIP) installed under Composite Land Based Scheme at the total cost of Rs.2.19 lakhs at Amalaniguda (Rs.1.06 lakhs) and Jamdopal (Rs.1.13 lakhs) were energised in January and February 1989 respectively. These LI points were expected to provide irrigation to 20 hectares each during Kharif and Rabi cropping seasons. However, as these remained inoperative since inception, the Executive Engineer (EE), Orissa Lift Irrigation Corporation Limited (OLIC), Keonjhar rescinded (October 1992) the agreement entered into with the Orissa State Electricity Board for supply of power to these LI points.

In reply to audit query the Executive Engineer, OLIC stated (August 1993) that the Corporation had decided to rescind supply of power to all the LI points which had remained idle for more than three years. As to the reasons for the LI points remaining inoperative, he added that most of the beneficiaries were illiterate tribals who needed motivation for using modern methods of cultivation which the Agriculture Department had not done properly. The Executive Engineer further stated that the ITDA who had funded the LI points also did not take any interest to induce the cultivators to use the same.

Thus, due to lack of co-operation between different organisations for motivating the beneficiaries in the use of lift irrigation facilities, the entire expenditure of Rs.2.19 lakhs was rendered unfruitful and the poor tribal people did not derive the intended benefits.

The matter was referred to Government in December 1993; reply has not been received (December 1994).

7.7 Unfruitful expenditure

It was seen (August 1993) from the records of the Project Administrator (PA), Integrated Tribal Development Agency (ITDA), Champua of Keonjhar district that the erstwhile Harijan and Tribal Welfare Department of the Government of Orissa had released (August 1986) a sum of Rs.2 lakhs for construction of 5 numbers of residential quarters for the staff of Nisagadia

Kanyashram School. The PA entrusted the work to a contractor in February 1987 stipulating completion of the work by November 1987. Civil works including sanitary fittings were completed by December 1989 at the total cost of Rs.1.65 lakhs. A sum of Rs.0.18 lakh was deposited (October 1988) with the Executive Engineer (EE), General Electrical Division (GED)-III for electrification of the quarters. Electrification has, however, not been done till the end of audit (September 1993). The reasons for delay in completion of the works were not made available to audit.

The quarters were handed over to the Headmistress of the Kanyashram in April 1990. But the staff did not occupy the quarters as the buildings were unsafe for occupation and the roofs were leaking profusely. It was further noticed from the records of the ITDA that all doors and window frames were also not fitted properly. It is therefore, apparent that there was lack of departmental supervision.

On receipt of complaint from the Headmistress, the PA, ITDA requested (May 1990) the contractor to rectify the defects. But till the end of audit no action was taken by the contractor to rectify the defects.

In the meanwhile, special repair estimates for Rs.2.05 lakhs prepared (February 1993) for the repair of the quarters were not approved by the Government as the said quarters were less than five years old. Instead, Government suggested (February 1993) that the contractor be pressed for repair by taking legal action, if necessary.

In reply to audit query the PA, ITDA stated (August 1993) that these defects in the construction had been reported to Government, security deposit (Rs.9350) of the contractor withheld and action was being taken against the officials concerned. Lack of supervision by the department and poor workmanship of the contractor rendered the quarters constructed at a cost Rs.1.65 lakhs uninhabitable requiring repairs at the cost of Rs.2.05 lakhs more. Thus, the sum of Rs.1.65 lakhs spent on the construction of quarters was rendered unfruitful; a further sum of Rs.0.18 lakh also remained blocked with the EE, GED III.

The matter was referred to Government in December 1993; reply has not been received (December 1994).

PANCHAYATI RAJ DEPARTMENT

7.8 Loss due to lack of maintenance of plantations

District Rural Development Agency (DRDA), Koraput, provided a sum of Rs.7.05 lakhs to the Assistant Soil Conservation Officer (ASCO), Gunupur during 1987-88 and 1988-89 for raising plantation under National Rural Employment Programme as detailed below :

Year of sanction	Purpose for which sanctioned	Area to be covered (in hectares)	Amount sanctioned (Rupees in lakhs)
1987-88	Plantation	130	2.34
1988-89	Plantation	200	3.60
	Maintenance of 1987-88 Plantation	130	0.32
1989-90	Maintenance (130 + 200)	330	0.79

The object of the scheme was to control soil erosion and environmental pollution, apart from providing fuel wood to the rural poor. Accordingly, the ASCO raised mixed plantation on 330 hectares of Government land in eight villages of eight blocks at the cost of Rs.5.94 lakhs and also incurred an expenditure of Rs.0.99 lakh on their maintenance.

Test check (June 1993) of the records, of the ASCO and further information collected in May 1994 revealed that the percentage of survival of the plantation ranged between 15 and 20 against the norm of 75 per cent prescribed by the Government of India. On the above being pointed out, the ASCO stated (May 1994) that the cost of maintenance of the plantations during the second and third years was not received from the DRDA. This is not tenable as the ASCO had never approached the DRDA for funds required for

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maintenance of plantations as per norm and further out of Rs.1.11 lakhs available for maintenance, Rs.0.99 lakh only was spent.

Thus, due to inaction on the part of the ASCO, expenditure of Rs.5.54 lakhs representing 80 *per cent* of the total expenditure of Rs.6.93 lakhs incurred on unsuccessful plantations was rendered unfruitful, denying the rural people of the intended benefits.

The matter was referred to Government in June 1993; reply has not been received (December 1994).

7.9 Idle investment due to non-energisation of shallow tube wells

The District Rural Development Agency (DRDA), Cuttack released a sum of Rs.66.00 lakhs during 1991-92 in favour of Orissa Agro Industries Corporation (OAIC) Ltd. for installation and energisation of 210 shallow point tube wells in the agricultural fields of small and marginal farmers under the scheme - Special Food Production Programme.

Test check (January 1994) of records of the OAIC and further information received in July 1994 revealed that out of 210 numbers of tube wells, 16 numbers installed between August 1991 and March 1992 at the cost of Rs.4.73 lakhs, were not energised (July 1994).

On this being pointed out in audit, the Project Manager, OAIC stated (February 1994) that energisation could not take place due to non-supply of power by OSEB even though all the formalities had been fulfilled by the OAIC.

Thus, the non-energisation of 16 tube wells resulted in blocking of the investment of Rs.4.73 lakhs and the desired objective of providing irrigation to the cultivators could not be achieved.

The matter was referred to Government in August 1994; reply has not been received (December 1994).

7.10 Misappropriation of cement

Test check (April 1994) of records of the Assistant Engineer, Soil Conservation (AE, SC), Titlagarh revealed that 1865 bags of cement worth Rs.1.74 lakhs were shown as issued to the following Range Officers for

implementing various soil conservation works under Drought .Prone Area Programme, National Water Development Programme in Rainfed Area etc :

Month of issue	Name of the ranges with quantity (In terms of number of bags)					Total no. of bags	Value (Rs. in lakhs)
	Saintala (I)	Saintala (II)	Tarava	Muribahal	Tureikala		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
February 1993	100	-	-	-	-	100	0.09
August 1993	100	-	-	200	100	400	0.38
September 1993	60	-	200	-	-	260	0.24
October 1993	200	-	-	-	-	200	0.19
November 1993	205	300	-	300	-	805	0.75
December 1993	100	-	-	-	-	100	0.09
	765	300	200	500	100	1865	1.74

It was, however, seen from the stock registers of the concerned Range Officers that the said stock has not been taken into account. Apparently, these quantities of cement had been misappropriated. It was further seen that 265 bags of cement worth Rs.0.23 lakh purchased between December 1992 and October 1993 was not issued to any work nor shown in the closing stock by the AE, SC as on the date of Audit (April 1994).

On this being pointed out (April 1994) in audit the AE, SC stated (April 1994) that all the 2130 bags of cement were acknowledged by the then Assistant Engineer, Soil Conservation, who had retired in January 1994, for distribution to the Range Officers. Thus, 2130 bags of cement were misappropriated resulting in loss of Rs.1.97 lakhs to Government.

The matter was referred to Government in June 1994; reply has not been received (December 1994).

7.11 Unfruitful expenditure on incomplete water harvesting structure

Construction of Water Harvesting Structure (WHS) at Jadadhar of Kokalaba Gram Panchayat under Jagannath Prasad Block of Ganjam district was taken up in March 1989 by the Assistant Soil Conservation Officer (ASCO), Bhanjanagar under NREP at the estimated cost of Rs.2.75 lakhs. The main objective of the project was to provide irrigation facility to 238 acres of the land within the existing ayacut area of Gayaganda Minor Irrigation Project (MIP). The estimate of the project was technically sanctioned by the Soil Conservation Officer (SCO), Berhampur in March 1989, but no administrative approval was obtained. Funds for the project were provided by the District Rural Development Agency (DRDA) in February 1989 (Rs.2.00 lakhs) and in January 1990 (Rs.0.75 lakh). The project which was targeted to be completed by July 1989 was, however, left incomplete after incurring an expenditure of Rs.1.93 lakhs.

Test check of the records of the ASCO, Bhanjanagar revealed (July 1994) that the concerned Junior Engineer (JE), after spending Rs.1.93 lakhs, submitted (September 1989) a revised estimate of Rs.3.90 lakhs to the ASCO for obtaining approval of the higher authority, stating that revision was needed due to change of location and design of the sluice and due to difficulty of transportation of earth from the surplus escape and canal. The ASCO submitted (November 1989) the revised estimates to the SCO, Berhampur for obtaining technical sanction who, however, directed (November 1989) the ASCO to complete the project as already approved. The ASCO accordingly advised (November 1989) the JE to carry out the works within the approved estimate. As the JE did not comply with the orders, an investigation was conducted (April 1990) by the Executive Engineer, Berhampur who observed that on check of case records there was shortfall of work done. He also observed that if the work was not taken up immediately and completed before the next rainy season more earth work might be required due to soil erosion. The JE was charged (May 1991) for misappropriation of Government money and disobedience of orders of higher authority.

But no improvement was made to the WHS till the date of Audit (July 1994) and an amount of Rs.0.75 lakh was refunded (June 1992) to DRDA.

On this being pointed out in audit, the ASCO stated (July 1994) that the JE had been exonerated (April 1994) from all charges and fresh proposal had been submitted for release of the funds and that the project would be taken up after receipt of funds. The present position of the project was not furnished by the Department.


Thus, the WHS which was expected to provide irrigation facility to 238 acres of land was left incomplete for over 5 years rendering the entire expenditure of Rs.1.93 lakhs incurred thereon unfruitful. Moreover, due to passage of time and revision of minimum wages, the project would require more funds for its completion than indicated in the revised estimates.

The matter was referred to Government (August 1994); reply has not been received (December 1994).

BHUBANESWAR

The

1 MAY 1995

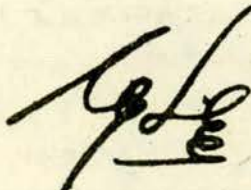

(S.K.ROY)
Accountant General(Audit)

Countersigned

NEW DELHI

The

5 MAY 1995


(C.G.SOMIAH)
Comptroller and Auditor General of India

APPENDICES

APPENDIX - I (Contd.)
(Refer paragraph 2.2.3(a) at page 35)

Statement showing cases where supplementary provision was unnecessary

Sl. No.	Grant No.	Department	Original Grant	Supplementary Grant	Expenditure	Saving
1	2	3	4	5	6	7
(Rupees in crores)						
REVENUE SECTION						
1	3	Revenue(Voted)	144.19	8.14	137.95	14.38
2	4	Law(Voted)	11.11	0.38	10.97	0.52
3	5	Finance(Voted)	279.60	0.05	171.98	107.67
4	6	Commerce(Voted)	16.55	0.47	16.13	0.89
5	9	Food and Civil Supplies(Voted)	13.61	0.81	12.96	1.46
6	10	School and Mass Education(Voted)	607.58	44.50	569.68	82.40
7	11	Tribal Welfare (Voted)	94.65	2.76	88.44	8.97
8	12	Health and Family Welfare(Voted)	225.22	10.11	193.42	41.91
9	14	Labour and Employment (Voted)	11.97	0.27	11.54	0.70
10	15	Sports,Culture and Youth(Voted)	14.10	0.15	10.92	3.33
11	16	Planning and Co-ordination(Voted)	63.57	0.02	18.41	45.17
12	19	Industries (Voted)	45.14	0.48	35.71	9.91
13	22	Forest and Environment(Voted)	94.85	9.25	74.77	29.33
14	23	Agriculture (Voted)	146.32	14.44	124.85	35.91
15	24	Steel and Mines (Voted)	9.58	0.04	8.42	1.20

APPENDIX - I (Concl'd.)
(Refer paragraph 2.2.3(a) at page 35)

Statement showing cases where supplementary provision was unnecessary

Sl. No.	Grant No.	Department	Original Grant	Supplementary Grant	Expenditure	Saving
1	2	3	4	5	6	7
(Rupees in crores)						
REVENUE SECTION						
16	25	Information and Public Relation (Voted)	6.92	0.09	5.96	1.05
17	27	Science and Technology (Voted)	11.60	0.40	7.78	4.22
18	31	Textile and Handloom (Voted)	38.71	1.81	21.83	18.69
19	33	Fisheries and Animal Resources(Voted)	61.22	2.85	55.87	8.20
20	34	Co-operation(Voted)	29.98	1.81	24.74	7.05
21	36	Harijan Welfare(Voted)	31.06	2.53	28.46	5.13
Total			1957.52	101.36	1630.79	428.09
CAPITAL SECTION						
22	13	Housing and Urban Development	18.95	2.46	16.92	4.49
23	19	Industries	11.88	0.50	11.73	0.65
24	20	Irrigation	219.56	1.05	207.17	13.44
25	30	Energy	211.43	3.30	176.49	38.24
26	33	Fisheries and Animal Resources	7.56	0.22	5.97	1.81
27	34	Co-operation	17.14	1.07	9.86	8.35
28	71	Works ✓	121.96	13.54	95.96	39.54
Total			608.48	22.14	524.10	106.52
Grand total			2566.00	123.50	2154.89	534.61

APPENDIX -II

(Refer paragraph 2.2.3(b) at page 35)

Statement showing cases where supplementary provision was made in excess of actual requirement.

Sl. No.	Grant no.	Department	Original grant	Expenditure	Additional requirement	Supplementary provision	Final Saving
1	2	3	4	5	6	7	8
(R u p e e s i n c r o r e s)							
REVENUE SECTION							
1	1	Home (Voted)	172.23	173.82	1.59	12.49	10.90
2	17	Panchayati Raj (Voted)	347.49	440.18	92.69	155.25	60.56
3	20	Irrigation (Voted)	59.73	63.82	4.09	10.45	6.36
4	21	Transport (Voted)	7.07	7.33	0.26	0.72	0.46
5	23	Agriculture (Charged)	0.01	0.01	nil	0.47	0.47
6	37	Handicraft and Cottage Industries (Voted)	4.59	5.07	0.48	1.23	0.75
7	38	Higher Education (Voted)	94.76	98.28	3.52	11.23	7.79
Total			685.88	788.51	102.63	189.84	87.21
CAPITAL SECTION							
8	5	Finance	28.16	37.75	9.59	12.00	2.41
9	6	Commerce	7.25	10.05	2.8	3.15	0.35
10	20	Irrigation (Charged)	0.02	0.34	0.32	1.32	1.00
11	28	Rural Development	83.20	84.83	1.63	10.87	9.24
12	31	Textile and Handloom	2.41	6.07	3.66	5.19	1.52
Total			121.04	139.04	18.00	32.53	14.53
Grand total			806.92	927.55	120.63	222.37	101.74

APPENDIX - III
(Refer Paragraph 2.2.3(c) at page 35)

Statement showing cases where supplementary provision was inadequate

Sl. No.	Grant No.	Department	Original Grant	Supplementary Grant	Expenditure	Excess of Expenditure over total
(R u p e e s i n c r o r e s)						
REVENUE SECTION						
1	7	Works(Voted)	90.42	2.12	121.30	28.76
2	13	Housing and Urban Development(Voted)	69.69	1.71	76.16	4.76
3	28	Rural Development (Voted)	175.52	9.23	240.87	56.12
			335.63	13.06	438.33	89.64
CAPITAL SECTION						
4	22	Forest and Environment (Voted)	99.08	0.03	120.80	21.69
			434.71	13.09	559.13	111.33

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APPENDIX - IV
(Refer paragraph 2.2.5 at page 36)

Statement showing cases where expenditure fell short by one crore and over 20 per cent of original provision

Sl. No.	Grant No.	Name of the Department	Total grant	Amount of saving	Saving as a percentage of total grant
(1)	(2)	(3)	(4)	(5)	(6)
REVENUE SECTION			(Rupees in crores)		
1	5	Finance(Voted)	279.65	107.67	39
2	15	Sports,Culture and Youth Services(Voted)	14.25	3.33	23
3	16	Planning and Co-ordination(Voted)	63.58	45.17	71
4	19	Industry(Voted)	45.62	9.91	22
5	22	Forest and Environment(Voted)	104.10	29.33	28
6	23	Agriculture(Voted)	160.76	35.91	22
7	27	Science and Technology(Voted)	12.00	4.23	35
8	31	Textile and Handloom(Voted)	40.52	18.69	46
9	34	Co-operation(Voted)	31.79	7.05	22
CAPITAL SECTION					
10	7	Works (Voted)	135.50	39.54	29
11	12	Health and Family Welfare(Voted)	17.00	15.39	91
12	13	Housing and Urban Development(Voted)	21.41	4.49	21
13	16	Planning and Co-ordination(Voted)	194.25	194.25	100
14	23	Agriculture(Voted)	17.09	8.99	53
15	30	Energy (Charged)	1.09	1.09	100
16	32	Tourism(Voted)	2.67	1.02	38
17	33	Fisheries and Animal Resource Development(Voted)	7.78	1.81	23
18	34	Co-operation(Voted)	18.20	8.35	46

APPENDIX - V (Contd.)
(Refer paragraph 2.3 at page 40)

Statement showing instances of injudicious re-appropriation

Sl. No.	Grant No.	Head of account	Provision (Original + Supplementary)	Reappropriation	Total Grant	Expenditure	Excess(+) Savings(-)
1	2	3	4	5	6	7	8
1	5	3604-Compensation and Assignment to Local Bodies and Panchayati Raj Institution-T-103-Entertainment Tax	1.50	(-)1.25	0.25	1.52	(+) 1.27
2	10	2202-General Education-01-Elementary Education-111-101-Government Primary Schools	28.83	(-)22.28	6.55	7.36	(+) 0.82
3	10	2202-General Education-01-Elementary Education-MM-101-Government Primary Schools	4.49	1.78	6.27	4.58	(-)1.69
4	12	4210-Capital Outlay on Medical and Public Health-Centrally Sponsored Plan-State Sector-02-Rural Health Services-BBBBBB-101-Health Sub-centres(UK Aid Scheme)	7.17	(-)6.98	0.19	1.61	(+) 1.42
5	17	2235-Social Security and Welfare-BB-102-Child Welfare	11.63	(-)4.94	6.69	5.53	(-)1.16
6	17	501-Special Programme For Rural Development Programme-LL-001-Direction and Administration	4.67	(-)2.25	2.42	4.09	(+) 1.67
7	20	4701-Capital Outlay on Major and Medium Irrigation-State Plan-State Sector-01-Major Irrigation-(Commercial-ZZZ-796-Tribal Area Sub-Plan)	60.43	(-)12.00	58.43	71.78	(+)13.35
8	22	2406-Forestry and Wild Life-02-Environmental Forestry and Wild Life-State Plan-M-102-Social and Farm Forestry	18.00	(-)3.24	14.76	15.35	(+) 0.59

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APPENDIX - V (Concl.)
(Refer paragraph 2.3 at page 40)

Statement showing instances of injudicious re-appropriation

Sl. No.	Grant No.	Head of account	Provision (Original + Supplementary)	Reappropriation	Total Grant	Expenditure	Excess(+) Savings(-)
1	2	3	4	5	6	7	8
9	28	2215-Water Supply and Sanitation-Centrally Sponsored Plan-01-Water Supply-NN-796 Tribal Area Sub-plan	3.36	1.84	5.20	3.71	(-) 1.49
10	28	2215-Water Supply and Sanitation-State Plan-District Sector-02-Sewerage and Sanitation-II-105-Sanitation Services	0.0001	1.19	1.19	nil	(-)1.19
11	28	2215-Water Supply and Sanitation-Centrally Sponsored Plan-02-Sewerage and Sanitation-PP-105-Sanitation Services	0.0001	1.58	1.58	nil	(-)1.58
12	30	4801-Capital Outlay on Power Project-State Plan-01-Hydel Generation-I-202-Rengali Power Project	3.33	(-)1.53	1.80	2.66	(+) 0.86

APPENDIX - VI
(Refer Pararaph 3.1.5(a) at page 46)

Statement showing provisions, expenditure, excess/shortfall during the period from 1988-89 to 1992-93 in respect of seeds multiplication and distribution

Year	Budget Provision			Expenditure			Excess(+)/Short-fall(-)		
	State plan	State non-plan	Total	State plan	State non-plan	Total	State plan	State non-plan	Total
1	2	3	4	5	6	7	8	9	10
	(R u p e e s i n l a k h s)								
1988-89	65.00	135.09	200.09	63.83	132.94	196.77	(-)1.17	(-)2.15	(-)3.32
1989-90	65.00	144.24	209.24	64.90	142.95	207.85	(-)0.10	(-)1.29	(-)1.39
1990-91	75.00	169.82	244.82	68.33	168.38	236.71	(-)6.67	(-)1.44	(-)8.11
1991-92	97.50	186.55	284.05	92.62	180.76	273.38	(-)4.88	(-)5.79	(-)10.67
1992-93	152.44	202.46	354.90	97.37	178.56	275.93	(-)55.07	(-)23.90	(-)78.97
Total	454.94	838.16	1293.10	387.05	803.59	1190.64	(-)67.89	(-)34.57	(-)102.46

APPENDIX - VII

(Refer to paragraph 3.1.5(b)(i) at page 46)

Statement showing profit and loss in departmental agricultural farms during the period from 1988-89 to 1992-93

Sl. No.	Name of the Range	Name of the Farm	Loss during the period from 1988-89 to 1992-93	
			Excluding pay and allowances (Rupees in lakhs)	Including pay and allowances
1	2	3	4	5
1	Berhampur	Bhanjanagar	0.02	1.13
2	Berhampur	Dhanei LF	2.73	12.83
3	Berhampur	Golanthara	0.20	1.37
4	Berhampur	Jagannath Prasad	0.40	1.67
5	Bhawanipatna	Khariar	0.31	2.29
6	Bhawanipatna	Nawapada	0.48	2.14
7	Cuttack	Athagarh	0.59	1.79
8	Cuttack	Barachana	Nil	0.11
9	Cuttack	Jajpur	0.14	1.25
10	Cuttack	Kujanga	0.21	2.57
11	Cuttack	Narsingpur	0.57	3.95
12	Cuttack	Sukinda LF	8.10	59.44
13	Cuttack	Tirtol	0.30	1.91
14	Koraput	Boriguma	Nil	0.15
15	Koraput	Dabugaon	Nil	1.38
16	Koraput	Dumriput	0.01	1.33
17	Koraput	Gunpur	Nil	2.68
18	Koraput	Kotpad	0.77	3.19
19	Koraput	Laxmipur	0.36	2.57
20	Koraput	Mathili	Nil	2.03
21	Koraput	Narayanpatna	0.62	2.85
22	Koraput	Narayanpur	0.08	0.62
23	Koraput	Semiliguda LF	0.69	41.46
24	Koraput	Umerkote LF	3.00	32.23
25	Phulbani	Phulbani	1.52	5.58
26	Phulbani	Sarangagarh	0.56	4.02
27	Puri	Daspalla	Nil	1.74
28	Puri	Khurda	Nil	1.36
29	Puri	Olans-Pipili	1.18	2.97
30	Puri	Sakhigopal	1.77	4.06
31	Sambalpur	Chakuli	Nil	1.99
32	Sambalpur	Lamal	3.69	5.13
TOTAL			28.30	209.79

LF: Large sized farm

APPENDIX - VIII

(Refer paragraph 3.1.6(b)(i) at page 49)

Statement showing the position of paddy yield during the period from 1988-89 to 1992-93

Sl. No.	Name of the range	Name of the farm	Total paddy cultivated area during the period from 1988-89 to 1992-93 (in hectares)	Targetted yield as per norms of 30 quintal per hectare from 1988-89 to 1992-93 (..... in quintals	Achievement (certified seeds) from 1988-89 to 1992-93	Shortfall in yield from 1988-89 to 1992-93	Yield per hectare	Percentage of short-fall over target
1	2	3	4	5	6	7	8	9
1	Berhampur	Bhanjanagar	34	1020	616	404	18.12	40
2	Berhampur	Dhanei LF	184	5520	2976	2544	16.17	46
3	Berhampur	Golanthara	45	1350	844	506	18.76	37
4	Berhampur	Jagannath Prasad	35	1050	564	486	16.11	46
5	Bhawanipatna	Khariar	63	1890	511	1379	8.11	73
6	Bhawanipatna	Nawapada	38	1140	271	869	7.13	76
7	Cuttack	Athagarh	37	1110	791	319	21.38	29
8	Cuttack	Barachana	53	1590	1762	(-)172	33.25	Nil
9	Cuttack	Jajpur	24	720	416	304	17.33	65
10	Cuttack	Kujanga	29	870	400	470	13.80	45
11	Cuttack	Narsingpur	49	1470	628	842	12.82	57
12	Cuttack	Sukinda LF	675	20250	13549	6701	20.07	33
13	Cuttack	Tirtol	52	1560	1117	443	21.48	28
14	Koraput	Boriguma	84	2520	3002	(-)482	35.74	Nil
15	Koraput	Dabugaon	86	2580	1950	630	22.67	24
16	Koraput	Dumriput	5	150	139	11	27.80	7
17	Koraput	Gunpur	27	810	655	155	24.26	19
18	Koraput	Kotpad	122	3660	2372	1288	19.44	35
19	Koraput	Laxmipur	6	180	104	76	17.33	42
20	Koraput	Mathili	41	1230	569	661	13.88	54
21	Koraput	Narayanpatna	61	1830	839	991	13.75	54
22	Koraput	Narayanpur	45	1350	971	379	21.58	28
23	Koraput	Semiliguda LF	198	5940	4207	1733	21.25	29
24	Koraput	Umerkote LF	135	4050	2771	1279	20.53	32
25	Phulbani	Phulbani	23	690	405	285	17.61	41
26	Phulbani	Sarangagarh	28	840	561	279	20.04	33
27	Puri	Daspalla	63	1890	1603	287	25.44	15
28	Puri	Khurda	48	1440	1595	(-)155	33.23	Nil
29	Puri	Olans-Pipili	83	2490	1543	947	18.59	38
30	Puri	Sakhigopal	90	2700	2609	91	28.99	3
31	Sambalpur	Chakuli	117	3510	933	2577	7.97	73
32	Sambalpur	Lamal	131	3930	1676	2254	12.79	57
TOTAL			2711	81330	52949	28381	19.53	35

LF: Large sized farm Average yield per hectare = $\frac{\text{Achievement (certified seeds)}}{\text{Total area cultivated}} = \frac{52949}{2711} = 19.53$

APPENDIX - IX

(Refer to paragraph 3.1.6(b)(ii) at page 49)

Statement showing shortfall in coverage of area in respect of seed multiplication during the period from 1988-89 to 1992-93

Sl. No.	Name of the Range	Name of Farm	Total area to be covered from 1988-89 to 1992-93 as per approved cropped programme (..... In hectares)	Total area actually cultivated from 1988-89 to 1992-93	Shortfall in coverage during the period from 1988-89 to 1992-93	Percentage of shortfall
1	2	3	4	5	6	7
1	Berhampur	Bhanjanagar	53	50	3	6
2	Berhampur	Dhanei LF	262	214	48	18
3	Berhampur	Golanthara	45	45	Nil	Nil
4	Berhampur	Jagannath Prasad	49	47	2	4
5	Bhawanipatna	Khariar	96	102	(-)6	Nil
6	Bhawanipatna	Nawapada	58	59	(-)1	Nil
7	Cuttack	Athagarh	88	84	4	5
8	Cuttack	Barachana	97	86	11	11
9	Cuttack	Jajpur	34	24	10	29
10	Cuttack	Kujanga	71	71	Nil	Nil
11	Cuttack	Narsingpur	91	89	2	2
12	Cuttack	Sukinda LF	1886	995	891	47
13	Cuttack	Tirtol	75	72	3	4
14	Koraput	Boriguma	90	86	4	4
15	Koraput	Dabugaon	99	29	70	71
16	Koraput	Dumripur	45	43	2	4
17	Koraput	Gunpur	65	38	27	42
18	Koraput	Kotpad	145	122	23	16
19	Koraput	Laxmipur	97	62	35	36
20	Koraput	Mathili	56	56	Nil	Nil
21	Koraput	Narayanpatna	72	67	5	7
22	Koraput	Narayanpur	64	53	11	17
23	Koraput	Semiliguda LF	954	745	209	21
24	Koraput	Umerkote LF	713	553	160	22
25	Phulbani	Phulbani	83	68	15	18
26	Phulbani	Sarangagarh	60	66	(-)6	Nil
27	Puri	Daspalla	101	101	Nil	Nil
28	Puri	Khurda	70	64	6	9
29	Puri	Olans-Pipili	96	88	8	8
30	Puri	Sakhigopal	109	100	9	8
31	Sambalpur	Chakuli	150	142	8	5
32	Sambalpur	Lamal	164	163	1	1
TOTAL			6138	4584	1554	25

LF: Large sized farm

APPENDIX - X (Refer to paragraph 3.1.7(d) at page 51)

Statement showing irrigation coverage for the period from 1988-89 to 1992-93

Sl. No.	Name of the Range	Name of the Farm	Gross cropped area (..... In hectares)	Gross irrigated area (..... In hectares)	Shortfall if any (.....)	Percentage of shortfall
1	Berhampur (Ganjam)	Bhanjanagar	34	34	Nil	Nil
2	Berhampur (Ganjam)	Dhanei LF	154	146	8	5
3	Berhampur (Ganjam)	Golanthara	45	45	Nil	Nil
4	Berhampur (Ganjam)	Jagannath Prasad	37	37	Nil	Nil
5	Bhawanipatna	Khariar	84	10	74	88
6	Bhawanipatna	Nawapada	54	31	23	43
7	Cuttack	Athagarh	46	24	22	48
8	Cuttack	Barachana	57	54	3	5
9	Cuttack	Jajpur	20	20	Nil	Nil
10	Cuttack	Kujanga	56	26	30	54
11	Cuttack	Narsingpur	82	14	68	83
12	Cuttack	Sukinda LF	2250	840	1410	63
13	Cuttack	Tirtol	53	53	Nil	Nil
14	Koraput	Boriguma	90	30	60	67
15	Koraput	Dabugaon	99	Nil	99	100
16	Koraput	Dumriput	45	2	43	96
17	Koraput	Gunpur	65	8	57	88
18	Koraput	Kotpad	145	39	106	73
19	Koraput	Laxmipur	97	Nil	97	100
20	Koraput	Mathili	56	Nil	56	100
21	Koraput	Narayanpatna	72	10	62	86
22	Koraput	Narayanpur	64	Nil	64	100
23	Koraput	Similiguda LF	981	119	862	78
24	Koraput	Umerkote LF	792	101	691	87
25	Phulbani	Phulbani	64	36	28	78
26	Phulbani	Sarangagarh	54	44	10	19
27	Puri	Daspalla	66	48	18	27
28	Puri	Khurda	49	13	36	73
29	Puri	Olans-Pipili	89	78	11	12
30	Puri	Sakhigopal	116	107	9	8
31	Sambalpur	Chakuli	81	81	Nil	Nil
32	Sambalpur	Lamal	96	65	31	32
TOTAL			6093	2115	3978	65

LF: Large sized farm

APPENDIX - XI

(Refer to paragraph 3.1.7(e) at page 52)

Statement showing average shortfall in intensity of cropping during the period from 1988-89 to 1992-93

Sl. No.	Name of the Range	Name of the Farm	Year	Net cultivable area as per programme (.....In hectares.....)	Proposed gross cropped area (.....In hectares.....)	Actual gross cropped area (.....In hectares.....)	Intensity of cropping as per programme (.....In percentage.....)	Actual intensity of cropping (.....In percentage.....)	Shortfall in intensity
1	2	3	4	5	6	7	8	9	10
1	Berhampur	Bhanjanagar	1988-89 to 1992-93	34	53	50	156	147	9
2	Berhampur	Dhanei LF	1988-89 to 1992-93	154	262	214	170	139	31
3	Berhampur	Golanthara	1988-89 to 1992-93	45	45	45	100	100	Nil
4	Berhampur	Jagannath Prasad	1988-89 to 1992-93	37	49	47	132	127	5
5	Bhawanipatna	Khariar	1988-89 to 1992-93	84	96	102	114	121	Nil
6	Bhawanipatna	Nawapada	1988-89 to 1992-93	54	58	59	107	109	Nil
7	Cuttack	Athagarh	1988-89 to 1992-93						
8	Cuttack	Barachana	1988-89 to 1992-93						
9	Cuttack	Jajpur	1988-89 to 1992-93	Not available.....					
10	Cuttack	Kujanga	1988-89 to 1992-93						
11	Cuttack	Narsingpur	1988-89 to 1992-93						
12	Cuttack	Sukinda LF	1988-89 to 1992-93	2250	2115	1253	94	56	38
13	Cuttack	Tirtol	1988-89 to 1992-93	Not available.....					
14	Koraput	Boriguma	1988-89 to 1992-93	90	95	93	106	103	3
15	Koraput	Dabugaon	1988-89 to 1992-93	99	94	94	95	95	Nil
16	Koraput	Dumripur	1988-89 to 1992-93	45	45	43	100	96	4
17	Koraput	Gunpur	1988-89 to 1992-93	65	40	39	62	60	2
18	Koraput	Kotpad	1988-89 to 1992-93	145	149	150	103	103	Nil
19	Koraput	Laxmipur	1988-89 to 1992-93	97	101	110	104	113	Nil
20	Koraput	Mathili	1988-89 to 1992-93	56	43	43	77	77	Nil
21	Koraput	Narayanpatna	1988-89 to 1992-93	72	72	74	100	103	Nil
22	Koraput	Narayanpur	1988-89 to 1992-93	64	57	60	89	94	Nil
23	Koraput	Similiguda LF	1988-89 to 1992-93	981	854	745	87	76	11
24	Koraput	Umerkote LF	1988-89 to 1992-93	792	713	553	90	70	20
25	Phulbani	Phulbani	1988-89 to 1992-93	64	83	68	130	106	24
26	Phulbani	Sarangagarh	1988-89 to 1992-93	54	60	66	111	122	Nil
27	Puri	Daspalla	1988-89 to 1992-93	66	101	101	153	153	Nil
28	Puri	Khurda	1988-89 to 1992-93	49	70	64	143	131	12
29	Puri	Olans-Pipili	1988-89 to 1992-93	89	77	95	87	107	Nil
30	Puri	Sakhigopal	1988-89 to 1992-93	116	115	110	99	95	4
31	Sambalpur	Chakuli	1988-89 to 1992-93	81	150	142	185	175	10
32	Sambalpur	Lamal	1988-89 to 1992-93	96	164	163	171	170	1

LF: Large sized farm

APPENDIX - XII

(Refer to paragraph 3.1.7(g)(i) at page 53)

Statement showing loss to Government due to excess processing loss during the period from 1988-89 to 1992-93

Sl. No.	Name of the Range	Name of the farm	Quantity sent for processing from 1988-89 to 1992-93 (.... In quintals)	Quantity received after processing from 1988-89 to 1992-93 (.... In quintals)	Actual processing loss from 1988-89 to 1992-93	Percentage of processing loss from 1988-89 to 1992-93	Admissible processing loss from 1988-89 to 1992-93 (In quintals)	Excess processing loss from 1988-89 to 1992-93 (In quintals)	Cost of excess processing loss from 1988-89 to 1992-93 (Rupees in lakhs)
1	2	3	4	5	6	7	8	9	10
1	Berhampur	Bhanjnagar	846	708	138	16	84.60	53.40	0.26
2	Berhampur	Dhanai	4972	4450	522	11	497.20	24.80	0.16
3	Berhampur	Golanthara	1088	951	137	13	108.80	28.20	0.17
4	Berhampur	Jagannath Prasad	684	617	67	10	68.40	(-)1.40	Nil
5	Bhawanipatna	Khariar	885	805	80	9	88.50	(-)8.50	Nil
6	Bhawanipatna	Nawapara	465	419	46	10	46.50	(-)0.50	Nil
7	Cuttack	Athagarh	Not available-----						
8	Cuttack	Barachana							
9	Cuttack	Jajpur							
10	Cuttack	Kujanga							
11	Cuttack	Narsingpur							
12	Cuttack	Sukinda	15303	13549	1754	12	1530.30	223.70	1.99
13	Cuttack	Tirtol	Not available-----						
14	Koraput	Borigumia	3360	3031	329	10	336.00	(-)7.00	Nil
15	Koraput	Dabugaon	2108	1903	205	10	210.80	(-)5.80	Nil
16	Koraput	Dumripur	157	139	18	12	15.70	2.30	0.02
17	Koraput	Gunpur	634	573	61	10	63.40	(-)2.40	Nil
18	Koraput	Kotpad	2736	2348	388	14	273.60	114.40	0.69
19	Koraput	Laxmipur	114	103	11	10	11.40	(-)0.40	Nil
20	Koraput	Mathili	666	604	62	9	66.60	(-)4.60	Nil
21	Koraput	Narayanpatna	957	856	101	11	95.70	5.30	0.03
22	Koraput	Narayanpur	1054	961	93	9	105.40	(-)12.40	Nil
23	Koraput	Similiguda	6003	5307	696	12	600.30	95.70	0.56
24	Koraput	Umerkote	3008	2771	237	8	300.80	(-)63.80	Nil
25	Phulbani	Phulbani	454	416	38	8	45.40	(-)7.40	Nil
26	Phulbani	Sarangagarh	625	563	62	10	62.50	(-)0.50	Nil
27	Puri	Daspalla	Not available-----						
28	Puri	Khurda	2977	2707	270	9	297.70	(-)27.70	Nil
29	Puri	Olans-Pipili	Not available-----						
30	Puri	Sakhigopal	3274	2948	326	10	327.40	(-)1.40	Nil
31	Sambalpur	Chakuli	3334	2708	626	19	333.40	292.60	1.82
32	Sambalpur	Lamal	3064	2672	392	13	306.40	85.60	0.50
TOTAL			58768	52109	6659		5876.80	782.20	6.20

APPENDIX - XIII

(Refer paragraph 3.1.7(g)(ii) at page 53)

Statement showing under utilisation of seed processing units
during the period from 1988-89 to 1992-93

Sl. No.	Name of the Range	Location of the processing Unit	Capacity of the Unit (Qtl/Hctr)	Total installed capacity per annum (in Qtl)	Average quantity handled for last 5 years (1988-89 to 1992-93)	Average number of days worked (in days)	Percentage of Utilisation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Berhampur	Golanthara	3	6000	469	88	8
2.	Bhawanipatna	Arkabahali	2.5	5000	198	NA	4 (information could not be submitted by the DDA)
3.	Cuttack	Barachana	2	4000	1457	77	36
4.	- do -	Sukinda	3.5	7000	3061	84	44
5.	Koraput	Borigumma	6	12000	2536	82	21
6.	- do -	Semiliguda	6	12000	1500	100	13
7.	- do -	Umerkote	6	12000	2771	50	23
8.	Phulbani	Phulbani	3	6000	216	42	4
9.	Puri	Khurda	3	6000	595	61	10
10.	- do -	Sakhigopal	3	6000	655	56	11
11.	Sambalpur	Barapalli	6	12000	1534	54	13

Capacity of unit x 10 hours/ day x 20 days/ Month x 10 months/ year, Annual capacity is worked out allowing two months for maintenance, repair etc.

APPENDIX - XIV

(Refer paragraph 3.1.7(h) at page 54)

Statement showing unaccounted shortage as per sample crop cutting for the period from 1988-89 to 1992-93

Sl. No.	Name of the range	Name of the farm	Aggregate paddy cultivated area (In hectares)	Expected Yield (In quintals)	Actual Yield	Difference {col(5) - col(6)}	Percentage of short-fall over the expected yield	Cost of the differential yield (Rupees in lakhs)
1	2	3	4	5	6	7	8	9
1	Berhampur	Bhanjanagar	34	784	846	(-)62	Nil	Nil
2	Berhampur	Dhanai	184	5988	4972	1016	17	4.98
3	Berhampur	Golanthara	45	1247	1018	229	18	1.14
4	Berhampur	Jagannath Prasad	32	818	617	201	25	0.94
5	Bhawanipatna	Khariar	63	1068	767	301	28	1.75
6	Bhawanipatna	Nawapara	38	877	459	418	48	1.95
7	Cuttack	Athagarh	37	1025	902	123	12	1.11
8	Cuttack	Barachana	49	1717	1834	(-)117	Nil	Nil
9	Cuttack	Jajpur	24	631	502	129	20	0.74
10	Cuttack	Kujangaa	29	579	476	103	18	0.53
11	Cuttack	Narasingpur	49	916	749	167	18	0.81
12	Cuttack	Sukinda	675	23405	13549	9856	42	42.66
13	Cuttack	Tirtol	52	1359	1289	70	5	0.49
14	Koraput	Borigumma	84	3257	3392	(-)135	Nil	Nil
15	Koraput	Dabugaon	85	2145	1895	250	12	1.21
16	Koraput	Dumripur	Not available.....					
17	Koraput	Gunpur	27	698	655	43	6	0.23
18	Koraput	Kotpad	122	3061	2701	360	12	1.84
19	Koraput	Laxmipur	Not available.....					
20	Koraput	Mathili	40	753	608	145	19	1.27
21	Koraput	Narayanpatna	61	1203	876	327	27	1.52
22	Koraput	Narayanpur	45	1090	1106	(-)16	Nil	Nil
23	Koraput	Semiliguda	198	5494	5307	187	3	1.08
24	Koraput	Umarkote	135	3162	2771	391	12	1.85
25	Phulbani	Phulbani	23	554	416	138	25	0.66
26	Phulbani	Sarangagada	28	884	561	323	37	1.52
27	Puri	Daspalla	62	1984	1628	356	18	2.41
28	Puri	Khurda	48	1667	1606	61	4	0.49
29	Puri	Olans-Pipili	42	1159	921	238	21	1.21
30	Puri	Sakhigopal	76	2579	2372	207	8	1.00
31	Sambalpur	Chakuli	117	3715	2709	1006	27	5.69
32	Sambalpur	Lamal	131	3669	2672	997	27	5.05
Total			2635	77488	60176	17312		84.13
Total in respect of 10 farms where shortfall exceeded 20 per cent in each case			1210	37352	23547	13805		62.95

APPENDIX - XV
(Refer paragraph 3.1.7(j)(i) at page 55)

Statement showing loss on account of sale of farm seeds at non-seed rate during the period from 1988-89 to 1992-93

Sl. No.	Name of the Range/ Large sized Farm	Quantity of different seeds sold in auction as non-seed (In quintals)	All in cost price of the seeds sold in auction (R u p e e s i n l a k h s)	Sale proceeds (auction sale) realised	Net loss due to sale of farm seeds at non-seed rates
1	2	3	4	5	6
1	Berhampur	1052.49	4.28	1.93	2.35
2	Bhawanipatna	119.34	0.53	0.25	0.28
3	Cuttack	1099.83	4.88	2.25	2.63
4	Koraput	234.41	2.15	0.38	1.77
5	Phulbani	334.93	2.39	0.77	1.62
6	Puri	1130.50	7.68	2.77	4.91
7	Sambalpur	2426.55	10.88	6.31	4.57
8	Dhanei Farm	2564.40	11.29	5.38	5.91
9	Semiliguda Farm	461.32	2.05	0.97	1.08
10	Sukinda Farm	1501.70	15.27	8.04	7.23
11	Umerkote Farm	371.39	2.24	0.91	1.33
Total		11296.86	63.64	29.96	33.68

APPENDIX - XVI
(Refer paragraph 3.1.7(k)(i) at page 56)

Statement showing excess expenditure due to entertainment of excess casual labourers during the period from 1988-89 to 1992-93 in respect of paddy multiplication

Sl. No.	Name of the Range	Name of the Farm	Area actually covered during 1988-89 to 1992-93 (In hectares)	Mandays admissible as per norms @220/ hectare during 1988-89 to 1992-93	Mandays actually utilised during 1988-89 to 1992-93	Number of mandays in excess of those admissible during 1988-89 to 1992-93	Excess expenditure incurred (Rupees in lakhs)
1	2	3	4	5	6	7	8
1	Cuttack	Barchana	53	11660	13164	1504	0.28
2	Cuttack	Sukinda	675	148500	160681	12181	2.26
3	Koraput	Dabugaon	86	18920	20550	1630	0.30
4	Koraput	Semiliguda	198	43560	46525	2965	0.55
5	Koraput	Umerkote	135	29700	34073	4373	0.81
6	Phulbani	Sarangagarh	28	6160	7409	1249	0.23
7	Puri	Dasapalla	62	13640	20800	7160	1.33
8	Puri	Khurda	48	10560	14409	3849	0.71
9	Puri	Olans-Pipili	81	17820	23994	6174	1.14
10	Puri	Sakhigopal	90	19800	26430	6630	1.23
11	Sambalpur	Lamal	131	28820	29983	1163	0.22
Total			1587	349140	398018	48878	9.06

N.B: Calculated at the average of Rs.18.53 per day of wage rates prescribed by Government for each of the five years. Mandays admissible were calculated on the area actually cultivated for paddy crops.

APPENDIX - XVII (Contd.)

(Refer paragraph 3.1.7(I) at page 57)

Statement showing incomplete developmental works in departmental agricultural Farms

Sl. No.	Name of the Farm	Year	Nature of the Development works	Amount (Rupees in lakhs)	Agency with whom the funds were placed
1	2	3	4	5	6
1.	Athagarh	1991-92	Repair of existing threshing floor	0.02	Assistant Agriculture Engineer, Cuttack
2.	Banki	1991-92	-do-	0.02	-do-
3.	Barchana	1991-92	-do-	0.03	-do-
4.	Daspalla	1972-73	Construction of canal at Kuamira Minor Irrigation Project	0.14	Assistant Engineer Rural Engineering organisation, Khurda
5.	Desil	1992-93	Installation of tube well	0.25	DDA, Bolangir.
6.	Dhanei	1992-93	-do-	0.15	Executive Engineer, RRWS
		1992-93	Addition and alteration of farm godown	0.10	Assistant Agriculture Engineer, Aska
7.	Gondia	1991-92	Repair of threshing floor	0.01	Assistant Agriculture Engineer, Dhenkanal
8.	Jajpur	1991-92	-do-	0.02	Assistant Agriculture Engineer, Cuttack

APPENDIX - XVII (Contd.)

(Refer paragraph 3.1.7(I) at page 57)

Statement showing incomplete developmental works in departmental agricultural Farms

Sl. No.	Name of the Farm	Year	Nature of the Development works	Amount (Rupees in lakhs)	Agency with whom the funds were placed
1	2	3	4	5	6
9.	Khurda	1992-93	Green fencing	0.20	DDA, Puri
10.	Kuliposh	1981-82	Digging of well	0.18	Executive Engineer, IADP Sambalpur
		1981-82	Construction of pump house and installation of pump	0.17	-do-
		1984-85	Construction of covered threshing floor	0.42	-do-
		1992-93	Repair of fencing, dugwell and cattle shed	0.50	-do-
		1992-93	Repair of threshing floor	0.20	-do-
11.	Lachhida	1991-92	-do-	0.02	-do-
12.	Lamal	1992-93	Electrification	0.15	General Electrical Division, Sambalpur
13.	Phulbani	1991-92	Repair of threshing floor	0.10	Assistant Agriculture Engineer, Phulbani
14.	Sakhigopal	1992-93	Green fencing	0.20	DDA, Puri

APPENDIX - XVII (Concl'd.)

(Refer paragraph 3.1.7(l) at page 57)

Statement showing incomplete developmental works in departmental agricultural Farms

Sl. No.	Name of the Farm	Y e a r	Nature of the Development works	Amount (Rupees fin lakhs)	Agency with whom the funds were placed
1	2	3	4	5	6
15.	Semiliguda	1991-92	Purchase of One HP Pump	0.13	AO mixed farm, Semiliguda
		1992-93	Reclamation and layout	0.25	Assistant Agriculture Engineer, Jeypore
16.	Sukinda	1991-92	Installation of Power Thresher	0.07	Assistant Agriculture Engineer, Cuttack
		1991-92	Repair of Seed Processing Plant	0.07	-do-
		1991-92	Installation of tube well	0.25	Executive Engineer, PHD, Cuttack
		1992-93	Repair of Seed Processing Plant	0.05	Assistant Agriculture Engineer, Cuttack
		1992-93	Reclamation and layout	0.25	-do-
		1992-93	Installation of tube well	0.10	Executive Engineer, PHD, Cuttack.
17.	Sundergarh	1992-93	Purchase and installation of Rain Gauge	0.01	DDA, Sundergarh
18.	Rampur	1991-92	Electrification	0.10	DDA, Bolangir
Total				4.16	

APPENDIX
(Refer Paragraph 3.2(a))
Statement of loss on account

Sl. No.	Reference to DDA, seeds and season	Quantities required as per Field staff	Quantities indented by the DDA	Quantities allotted by DA&FP	Quantities of seeds available		
					From Previous year	Procured	Total
1	2	3	4	5	6	7	8
1.	Balasore						
(a)	Ground nut						
	Kharif 1992	--	150	150	90	105	195
	Rabi 1992	1861	1200	800	--	779	779
(b)	Paddy						
	Kharif 1992	--	3750*	3550	190	2519	2709
	Rabi 1992	1681	1600	4000	75	307	382
(c)	Wheat						
	Rabi 1992	1346	1100	1000	--	904	904
2.	Kalahandi						
(a)	Ground nut						
	Kharif 1992	423	650	650	105	413	518
	Rabi 1992	231	500	400	--	388	388
(b)	Paddy						
	Kharif 1992	4029	4806	5100	--	3698	3698
(c)	Moong						
	Kharif 1992	131	131	160	35	120	155
	Rabi 1992	144	620	375	--	155	155
3.	Keonjhar						
	Niger						
	Kharif 1992	156	165	160	--	179	179

- XVIII (Contd.)
at page 60)
of auction sale of seeds

Quantity sold or utilised (in quintals)	Quantity sold in auction as seeds (in quintals)	Loss due to auction sale			Loss on account of auc- tion sale (Rupees in lakhs)	Balance with DDA (in quintals)	Remarks
		All in cost price per Qtl. (in Rupees)	Auction sale price per Qtl. (in Rupees)	Differ- ence (in Rupees)			
9	10	11	12	13	14	15	16
2	268	1911	609**	1302	3.49	46	Admissible shortage of 15 quintals
401	242	2123	343	1780	4.31		
2088	201	617	290	327	0.65	--	*Assessment made by DDA. Admissible of shortage 53 quintals
143	467	668	280	388	1.81	0.64	
589	249	869	217	652	1.62	50	Admissible shortatge of 16 quintals
540	336	1911	355**	1556	5.23	--	Admissible shortage 30 quintals
2267	1155	627	270	357	4.12	-	
	276	627	259	368	1.02		
137	169	1571	455**	1116	1.89	--	Admissible shortage of 4 quintals.
67	105	1698	751	947	0.99	--	Admissible shortage of 55.37 quintals. Excess shortage of 1.63 quintals valuing Rs.0.03 lakh

** Average

APPENDIX
(Refer Paragraph 3.2(a))
Statement of loss on account

Sl. No.	Reference to DDA, seeds and season	Quantities required as per Field staff	Quantities indented by the DDA	Quantities allotted by DA&FP	Quantities of seeds available		
					From Previous year	Procured	Total
1	2	3	4	5	6	7	8
4.	Koraput Soyabin Kharif 1990	172	390	900	45	554	599
5. (a)	Sambalpur Groundnut Kharif 1991	318	495	800	--	777	777
(b)	Paddy Kharif 1992	5280	4745	6480	54	5297	5351
6. (a)	Sundergarh Groundnut Kharif 1992	541	1000	1100	--	966	966
(b)	Paddy Kharif 1992	1037	2254	2950	--	3015	3015

- XVIII (Concl.)
at page 60)
of auction sale of seeds

Quantity sold or utilised (in quintals)	Quantity sold in auction as seeds (in quintals)	<u>Loss due to auction sale</u>			Loss on account of auc- tion sale (Rupees in lakhs)	Balance with DDA (in quintals)	Remarks
		All in cost price per Qtl. (in	Auction sale price per Qtl. Rupees)	Differ- ence (in			
9	10	11	12	13	14	15	16
173	400	1178	517	661	2.64	--	Admissible shortage
	11	1121	517	604	0.07		of 15 quintals
	11	1518	600	918	0.10	6	Admissible shortage -
469	202	1518	650	868	1.75		51 quintals.
							Excess shortage of 38
							quintals valuing
							Rs.0.58
							lakh
3575	1207	Varying	rates		4.18	387	Admissible shortage -
							161 quintals
							Excess shortage-21
							quintals valuing
							Rs.0.13 lakh
	293	1433	406	1027	3.01	10	Admissible shortage
605	27	1433	307	1126	0.30		of 31 quintals
	2059	617	202	415	8.54	149	Admissible shortage
753	31	627	202	425	0.13		of 23 quintals
Total					45.85		

APPENDIX
(Refer paragraph No.3.16)

Statement showing misappropriation, losses etc. reported upto 31 March 1994

Sl No.	Name of the Department	Cases in which criminal/depart-mental proceed-ings have not been initiated due to non-receipt of detailed Reports/under Police investi-gation		Cases in which departmental action started but not fina-lised		Cases in which criminal proceed-ings were finalised but execution of certificate cases for recovery of the amount are pending	
		Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Finance	5	5.01	4	1.32	--	--
2.	Revenue	23	6.55	41	21.34	35	6.97
3.	Excise	--	--	1	0.21	--	--
4.	Law	12	3.89	2	0.02	--	--
5.	Water Resources (Irrigation)	63	19.58	155	50.27	2	0.01
6.	Rural Development	5	1.76	96	28.34	--	--
7.	Energy	2	16.03	4	1.35	--	--
8.	Industries	--	--	1	2.48	--	--
9.	Textile and Handloom	--	--	--	--	--	--
10.	Harijan and Tribal Welfare	4	0.9	15	3.36	1	0.01

- XIX (Contd.)
at page 102)

pending finalisation at the end of September 1994.

Cases awaiting Government Orders for recovery or write off		Cases in courts of law		Total	
Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
(9)	(10)	(11)	(12)	(13)	(14)
9	3.09	4	0.8	22	10.22
22	4.01	6	0.55	127	39.42
--	--	1	0.1	2	0.31
4	2.07	5	2.81	23	8.79
12	11.99	2	0.06	234	81.91
3	0.13	1	0.03	105	30.26
--	--	1	0.34	7	17.72
8	1.16	2	0.21	11	3.85
1	0.15	--	--	1	0.15
13	1.59	7	2.54	40	8.4

APPENDIX
(Refer paragraph No.3.16)

Statement showing misappropriation, losses etc. reported upto 31 March 1994

Sl No.	Name of the Department	Cases in which criminal/depart-mental proceed-ings have not been initiated due to non-receipt of detailed Reports/under Police investi-gation		Cases in which departmental action started but not fina-lised		Cases in which criminal proceed-ings were finalised but execution of certificate cases for recovery of the amout are pending	
		Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
11.	Health and Family Welfare	18	35.52	7	3.37	--	--
12.	Planning and co-ordination	--	--	--	--	--	--
13.	General Admini-stration	1	1.23	--	--	--	--
14.	Works	12	6.22	124	139.1	--	--
15.	Steel and Mines	3	1.32	--	--	--	--
16.	Commerce and transport	4	2.35	2	0.48	--	--
17.	Education	19	11.97	28	11.71	--	--
18.	Fisheries and Animal Resources Development	17	3.11	14	53.82	--	--

- XIX (Contd.)
at page 102)

pending finalisation at the end of September 1994.

Cases awaiting Government Orders for recovery or write off		Cases in courts of law		Total	
Number of cases	Amount (Rupees in lakhs	Number of cases	Amount (Rupees in lakhs	Number of cases	Amount (Rupees in lakhs
(9)	(10)	(11)	(12)	(13)	(14)
8	5.6	9	5.89	42	50.38
1	0.08	--	--	1	0.08
-	--	1	0.95	2	2.18
2	0.34	1	0.16	139	145.82
2	0.49	--	--	5	1.81
3	0.98	1	0.35	10	4.16
9	1.96	10	3.89	66	29.53
12	7	9	15.02	52	78.95

APPENDIX
(Refer paragraph No.3.16)

Statement showing misappropriation, losses etc. reported upto 31 March 1994

Sl No.	Name of the Department	Cases in which criminal/depart-mental proceed-ings have not been initiated due to non-receipt of detailed Reports/under Police investi-gation		Cases in which departmental action started but not fina-lised		Cases in which criminal proceed-ings were finalised but execution of certificate cases for recovery of the amount are pending	
		Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
19.	Agriculture	48	18.56	58	24.59	1	0.04
20.	Co-operation	1	0.71	--	--	--	--
21.	Panchayati Raj	32	11.53	16	10.34	2	0.34
22.	Home	9	0.91	1	0.01	--	--
23.	Food and Civil Supply	1	--	2	2.94	--	--
24.	Housing and Urban Development	3	1.26	47	24.32	--	--
25.	Labour and Employment	2	0.27	--	--	--	--
26.	Information and Public Relation	110	9.12	3	0.04	--	--
27.	Forest and Environment	34	8.93	137	61.79	--	--
Total		428	166.73	758	441.20	41	7.37

- XIX (Contd.)
at page 102)

pending finalisation at the end of September 1994.

Cases awaiting Government Orders for recovery or write off		Cases in courts of law		Total	
Number of cases	Amount (Rupees in lakhs	Number of cases	Amount (Rupees in lakhs	Number of cases	Amount (Rupees in lakhs
(9)	(10)	(11)	(12)	(13)	(14)
43	2.15	10	0.69	160	46.03
--	--	--	--	1	0.71
8	1.14	8	1.27	66	24.62
13	3.14	8	4.51	31	8.57
1	0.03	1	0.09	5	3.06
--	--	2	0.17	52	25.75
--	--	3	0.96	5	1.23
7	0.48	--	--	120	9.64
155	56.8	6	0.31	332	127.83
336	104.38	98	41.7	1661	761.38

APPENDIX - XX (Contd.)

(Refer Paragraph No.3.17 at page 103)

Statement showing the position of outstanding inspection Reports/paragraphs.

Sl No.	Department	Reports awaiting settlement.		Reports for which even first reply not received.	
		No. of reports	No. of paragraphs	No. of Reports	No. of Paragraphs
1.	Home	539	1550	80	256
2.	General Administration	61	251	13	46
3.	Revenue	1193	3390	348	1224
4.	Law	152	504	62	203
5.	Finance	198	578	78	229
6.	Commerce	11	103	2	6
7.	Works	769	2608	--	--
8.	Food & Civil Supplies	119	377	22	55
9.	Education	1603	5652	361	1980
10.	Harijan & Tribal Welfare	379	1614	162	775
11.	Labour & Employment	242	624	77	221
12.	Tourism, Culture and sports	137	556	9	54
13.	Planning & Co-ordination	57	290	13	46
14.	Panchayati Raj	1257	5391	689	2914
15.	Industries	448	1683	17	102
16.	Health & Family Welfare	1417	5740	398	1635

APPENDIX - XX (Concl'd.)

(Refer Paragraph No.3.17 at page 103)

Statement showing the position of outstanding inspection Reports/paragraphs.

Sl No.	Department	Reports awaiting settlement.		Reports for which even first reply not received.	
		No. of reports	No. of paragraphs	No. of Reports	No. of Paragraphs
17.	Agriculture	1420	4328	319	1375
18.	Transport	162	454	19	71
19.	Steel and Mines	101	256	10	42
20.	Information and Public Relation	113	455	16	104
21.	Excise	106	137	24	45
22.	Fisheries	199	707	40	198
23.	Animal Resource Development	593	1709	53	348
24.	Co-operation	202	605	21	113
25.	Irrigation	1321	5525	--	--
26.	Rural Development	314	1119	1	8
27.	Housing and Urban Development	300	1123	9	52
28.	Energy	133	470	4	4
29.	Science and Technology	3	11	1	2
30.	Forest	511	2120	548	1777
Total		14060	49959	3396	13885

Refer paragraph No.7.1.2(b)

Statement showing the year-wise position of

Name of the bodies/ Number of bodies	<u>Years upto</u> 1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
DRDAs(1)	--	--	--	--	--	--
ITDAs(6)	10.34	13.68	11.89	33.00	86.00	134.00
Municipalities(1)	2.08	0.08	0.30	0.40	8.00	14.00
Panchayat Samitis Audited upto 1988-89(9)	286.39	29.00	51.00	74.34	88.48	156.34
Panchayat Samitis Audited upto 1989-90(11)	411.28	52.00	71.42	116.00	128.06	173.00
Panchayat Samitis Audited upto 1990-91(35)	937.45	187.27	263.19	252.00	529.16	362.00
Panchayat Samitis Audited upto 1991-92(16)	449.02	74.00	64.01	59.04	60.00	130.00

Year-wise details not available : (CADA-1), (DRDA-2), (Municipality-1), (IGIT, Sarang-1),

at page 177)

wanting utilisation certificates

1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	Total
--	--	1329.83	533.27	343.57	839.12	3045.79
118.00	88.34	257.28	142.52	313.30	110.47	1318.82
89.27	--	--	--	--	--	114.13
258.00	322.00	51.00	--	--	--	1316.55
225.00	291.31	476.49	--	--	--	1944.56
498.90	757.21	1879.14	1501.00	--	--	7166.42
139.00	286.12	513.12	428.25	816.14	--	3018.7
(Panchayat Samitis-15)						7439.67*
Total						25364.64

* CADA	Rs.202.80
DRDA	Rs.4339.88
ITDA	Rs.88.48
Municipality (Cuttack)	Rs.949.00
IGIT, Sarang	Rs.10.06
Panchyat Samitis	Rs.1049.45
	<hr/> Rs.7439.67

APPENDIX - XXII

GLOSSARY OF ABBREVIATIONS

AO	:	Agricultural Overseer
CL	:	Casual Labourer
CSA	:	Central Seed Act.
Cu.m.	:	Cubic metre
DAFP	:	Director of Agriculture and Food Production
DDA	:	Deputy Director of Agriculture
DRDAs	:	District Rural Development Agencies
FMC	:	Feed Mixing Centre
Ha.	:	Hectare
Ha.m.	:	Hectameter
HYV	:	High Yielding Varieties
JDA	:	Joint Director of Agriculture
MF	:	Marginal Farmers
MIP	:	Minor Irrigation Project
Non-SC	:	Non-Scheduled Castes
Non-ST	:	Non-Scheduled Tribes
OSSCA	:	Orissa State Seed Corporation Agency
OUAT	:	Orissa University of Agriculture and Technology
PO	:	Project Officer
RD	:	Running Distance
RL	:	Reduced level
SC/ST	:	Scheduled Castes/Scheduled Tribes
SF	:	Seed Farms
SLBP	:	Special Livestock Breeding Programme
SLPP	:	Special Livestock Processing Programme
SPU	:	Seed Processing Units
Sq.m	:	Square meter
SSTL	:	State Seed Testing Laboratory
T.cum	:	Thousand Cubic Metre

ERRATA

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR ENDED 31 MARCH 1994 (CIVIL), GOVERNMENT OF ORISSA

Serial Number	Reference to			<u>For</u>	<u>Read</u>
	Para- graph	Page	Line		
1.	1.2	14 (facing graph)	-	Rupees in crores	Rupees in thousand crores
2.	3rd sub- para in the page	47	2	tresspass	trespass
3.	Sub-para (ii)	49	4	Corresponding	Corresponding
4.	3.17 Second Sub-para	103	3	3296	3396
5.	Heading of column 9	219	-	uitlised	utilised
6.	-do-	221	-	-do-	-do-
7.	Heading of column 14	219	-	aucction	auction
8.	-do-	221	-	-do-	-do-
9.	HYV	232	-	Varities	Varieties
10.	SLPP	232	-	Processing	Production
11.	Sq.m	232	-	Meter	Metre

