







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

**FOR THE YEAR  
1981 - 82**

**(CIVIL)**

**GOVERNMENT OF TAMIL NADU**



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## PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1981-82 together with other points arising from audit of the financial transactions of the Government of Tamil Nadu. It also includes certain points of interest arising from the Finance Accounts for the year 1981-82.

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

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1981-82 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 1981-82 have also been included, wherever considered necessary.

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



## CHAPTER I

### GENERAL

#### 1.1. Summary of transactions

The receipts, expenditure and surplus/deficit of Government for 1981-82 are given below with corresponding figures of the preceding year:—

(1)	1980-81 (2)	1981-82 (3)
	(in crores of rupees)	
<b>1. Revenue—</b>		
Revenue receipts .. .. .	12,79.96	14,41.55
Revenue expenditure .. .. .	11,52.25	13,59.89
Revenue surplus (+) .. .. .	<u>(+) 1,27.71</u>	<u>(+) 81.66</u>
<b>2. Public Debt—</b>		
Internal Debt of the State Government (net) Increase (+)	(+ ) 14.77	(+ ) 23.22
Loans and Advances from the Central Government (net) Increase (+)	(+ ) 1,14.41	(+ ) 1,07.04
Total Public Debt (net) Increase (+) .. .. .	<u>(+) 1,29.18</u>	<u>(+) 1,30.26</u>
<b>3. Loans and Advances by the State Government (net) Increase (—)</b>	(—) 2,53.36	(—) 1,50.63
<b>4. Contingency Fund (net) Receipts(+)/Payments(—) ..</b>	(—) 1.38	(+ ) 80.67
<b>5. Public Account (net) Receipts(+)/Payments(—) ..</b>	(+ ) 81.13	(+ ) 94.41
<b>6. Capital expenditure (net) Increase(—) .. .. .</b>	(—) 85.06	(—) 1,43.53
<b>7. Transfer to Contingency Fund—Payments .. .. .</b>	.. .. .	(—) 80.00
Net surplus(+)/deficit(—) .. .. .	<u>(—) 1.78</u>	<u>(—) 12.84</u>
Opening balance .. .. .	(—) 7.83	(—) 9.61
Net surplus(+)/deficit(—) as above .. .. .	<u>(—) 1.78</u>	<u>(+) 12.84</u>
Closing cash balance .. .. .	<u>(—) 9.61</u>	<u>(+) 3.23*</u>

\* There was a difference of Rs. -13.25 lakhs between the figure reflected in the accounts (Rs. 85.28 lakhs) and that intimated by the Reserve Bank (Rs. 98.53 lakhs) regarding "Deposits with Reserve Bank" included in the cash balance. The difference is under reconciliation (December, 1982).

## 1.2. Revenue surplus/deficit

(a) *Revenue receipts*.—The actuals of the revenue receipts of the State Government for 1981-82 as compared with (a) the budget estimates and (b) the budget estimates *plus* additional taxation during the year along with the corresponding figures for 1979-80 and 1980-81 are shown below:—

Year	Budget	Budget plus additional taxation	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1979-80 .. ..	8,49.83	8,49.83	9,44.85	(+) 95.02	11
1980-81 .. ..	9,82.66	9,82.93	12,79.96	(+) 2,97.03	30
1981-82 .. ..	11,28.27	11,28.27	14,41.55	(+) 3,13.28	28

(b) *Expenditure on revenue account*.—The expenditure on revenue account as compared with (a) the budget estimates and (b) the budget estimates *plus* supplementary grants with the corresponding figures for 1979-80 and 1980-81 is shown below:—

Year	Budget	Budget plus supplemen- tary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1979-80 .. ..	8,49.25	9,36.19	8,49.55	(-) 86.64	9
1980-81 .. ..	9,67.27	11,95.91	11,52.25	(-) 43.66	4
1981-82 .. ..	11,37.84	14,35.93	13,59.89	(-) 76.04	5

(c) The year ended with a revenue surplus of Rs. 81.66 crores against the deficit of Rs. 9.57 crores anticipated in the budget.



### 1.3. Revenue receipts

The revenue receipts rose from Rs. 12,79.96 crores in 1980-81 to Rs. 14,41.55 crores in 1981-82. The major components of the revenue receipts are given in Appendix I. The revenue raised by the State Government in 1981-82, amounting to Rs. 9,86.40 crores (as against Rs. 8,71.68 crores in 1980-81) accounted for 68 per cent (68 per cent in 1980-81 also) of the total revenue receipts. Analysis of the revenue receipts and audit comments thereon are included in the Report of the Comptroller and Auditor General of India for the year, 1981-82—Revenue Receipts—Government of Tamil Nadu.

### 1.4. Expenditure on revenue account

The expenditure on revenue account during 1981-82 and provision of funds therefor under principal service sectors under Plan and non-Plan, together with the corresponding expenditure in preceding year are given in Appendix II.

The Plan expenditure during 1981-82 had gone up by Rs. 1,34.08 crores (70 per cent) when compared to the preceding year. The increase was mainly under Community Development (Rs. 48.34 crores), Public Health, Sanitation and Water Supply (Rs. 23.93 crores), Irrigation, Navigation, Drainage and Flood Control Projects (Rs. 19.29 crores), Agriculture (Rs. 14.15 crores), Social Security and Welfare (Rs. 7.46 crores), Education (Rs. 5.18 crores) and Medical (Rs. 3.09 crores). The Plan provision for 1981-82 remained underutilised to the extent of 3 per cent only.

The non-Plan expenditure rose from Rs. 9,59.76 crores in 1980-81 to Rs. 10,33.32 crores in 1981-82, an increase of Rs. 73.56 crores (8 per cent). The increase was under General Services (Rs. 30.59 crores), Social and Community Services (Rs. 56.17 crores) and General Economic Services (Rs. 79.60 crores) partly counterbalanced by decrease under Water and Power Development (Rs. 92.05 crores). Increase in expenditure under Police (Rs. 9.79 crores), Pensions and Other Retirement Benefits (Rs. 5.23 crores), District Administration (Rs. 3.82 crores) and Miscellaneous General Services (Rs. 2.21 crores) accounted for the increase under General Services. Major portion of the increase under Social and Community Services was under Education (Rs. 24.89 crores), Social Security and Welfare (Rs. 9.09 crores), Medical (Rs. 8.61 crores) and Public Health, Sanitation and Water Supply (Rs. 5.71 crores). The increase under General Economic Services was mainly under Co-operation (Rs. 79.15 crores). The decrease in expenditure under Water and Power Development was mainly under Water and power Development Services (Rs. 90.50 crores).

The non-Plan expenditure during 1981-82 fell short of the provisions by Rs. 65.00 crores; the shortfall was mainly under General Services (Rs. 27.57 crores), Agriculture and Allied Services (Rs. 12.33 crores), Water and Power Development (Rs. 7.13 crores) and Grants-in-aid and Contributions (Rs. 22.63 crores) partly offset by increase under Transport and Communications (Rs. 4.36 crores).

### 1.5. Expenditure on Capital account

(i) The capital expenditure during the three years ending 1981-82 as compared with (i) the budget estimates and (ii) the budget estimates plus supplementary provision is shown below:—

Year	Budget	Budget plus Supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1979-80 .. ..	72.25	96.16	67.59	(—) 28.57	30
1980-81 .. ..	94.21	1,08.66	85.06	(—) 23.60	22
1981-82 .. ..	1,35.99	1,69.65	1,43.53	(—) 26.12	15

(ii) The expenditure on capital account during 1981-82 and provision of funds therefor under principal service sectors under Plan and non-Plan, together with the corresponding expenditure in the preceding year are given in Appendix III.

The Plan expenditure on capital account (Rs. 1,38.73 crores) during 1981-82 registered a steep rise (93 per cent) over that (Rs. 71.88 crores) during the preceding year.

Significant increase occurred under (i) Consumer Industries (Rs.27.19 crores), (ii) Industrial Research and Development (Rs. 5.09 crores), (iii) Co-operation (Rs. 5.00 crores), (iv) Roads and Bridges (Rs. 5.00 crores), (v) Medical (Rs. 4.29 crores), (vi) Road and Water Transport Services (Rs. 4.20 crores), (vii) Irrigation, Navigation, Drainage and Flood Control Projects (Rs. 3.90 crores), (viii) Forests (Rs. 3.43 crores), (ix) Social Security and Welfare (Rs. 2.98 crores) and (x) Industrial Financial Institutions (Rs. 2.50 crores).

The provision during 1981-82 remained underutilised to the extent of 13 per cent. This underutilisation is dealt with in paragraph 1.13 under Plan Performance.

Under non-Plan also, there was underutilisation of provision to the extent of 51 per cent. The underutilisation (Rs. 4.97 crores) was mainly under Water and Power Development (Rs. 4.13 crores).

Compared to the preceding year, the expenditure during 1981-82 also was less by Rs. 8.38 crores. The decrease occurred mainly under Agriculture and Allied Services (Rs. 7.84 crores), Industry and Minerals (Rs. 1.59 crores) and Water and Power Development (Rs. 1.53 crores), partly offset by increase under General Services (Rs. 2.89 crores).

### 1.6. Loans and Advances by the State Government

(i) The actuals of disbursement of loans and advances by the State Government for 1981-82 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision along with the corresponding figures for 1979-80 and 1980-81 are given below:—

Year	Budget	Budget plus supple- mentary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1979-80 .. ..	1,14.44	2,49.09	2,52.51	(+) 3.42	1
1980-81 .. ..	1,21.74	3,87.94	3,84.64	(-) 3.30	1
1981-82 .. ..	1,55.75	3,52.06	3,47.05	(-) 5.01	1

There was decrease mainly under loans for Public Health, Sanitation and Water Supply (Rs. 8.47 crores), Power Projects (Rs. 4.67 crores) and Urban Development (Rs. 3.51 crores) counterbalanced by increase mainly under loans to Government servants (Rs. 9.01 crores) and loans for Road and Water Transport Services (Rs. 2.58 crores).

(ii) The budget and actuals of recoveries of loans and advances for three years ending 1981-82 are given below:—

Year (1)	Budget (2)	Actuals (3)	Variation between columns (3) and (2)	
			Amount (4)	Percentage (5)
	(in crores of rupees)			
1979-80 .. .. .	34.50	80.34	(+) 45.84	133
1980-81 .. .. .	45.41	1,31.28	(+) 85.87	189
1981-82 .. .. .	34.73	1,96.42	(+) 1,61.69	466

The increase in recoveries was mainly under loans for Co-operation (Rs. 98.56 crores), Road and Water Transport Services (Rs. 16.49 crores), Public Health, Sanitation and Water Supply (Rs. 12.60 crores), Industrial Research and Development (Rs. 11.38 crores), Minor Irrigation, Soil Conservation and Area Development (Rs. 5.42 crores) and loans to Government Servants (Rs. 4.26 crores).

(iii) The details of disbursement of loans and advances and recoveries made during the three years ending 1981-82 under different categories together with the outstandings at the beginning/end of each year are given in Appendix IV.

Further details are given in Statement Nos. 5 and 18 of Finance Accounts 1981-82.

(iv) *Recoveries in arrears.*—(a) Loans and advances, the detailed accounts of which are maintained by the Audit Office (amount outstanding as on 31st March 1982: Rs. 1,17.23 crores).

(i) In respect of this category of loans, recovery of Rs. 7,09.83 lakhs was pending at the end of March 1982. The particulars of amounts overdue loan-wise are given in Appendix V.

(ii) The arrears in respect of receipt of certificates of acceptance of balances as at the end of 31st March 1982 were as follows:—

(1)	Number of certificates (2)	Balance of loans as on 31st March 1982 (3)	Year to which the outstanding certificates pertain (4)
		(in crores of rupees)	
Corporations .. .. .	192	52.53	1980-82
Municipalities .. .. .	4,651	49.37	1980-82
Panchayats .. .. .	6,185	24.69	1980-82

(b) Loans and advances, the detailed accounts of which are maintained by the departmental officers (amount outstanding on 31st March 1982: Rs. 12,94.36 crores).

(i) The break-up of the outstanding of Rs. 12,94.36 crores is as under:—

	(in crores of rupees)
1. Loans for Power Projects .. .. .	7,14.86
2. Loans for Co-operation .. .. .	1,01.23
3. Loans for Road and Water Transport Services .. .. .	68.58
4. Loans for Food .. .. .	64.66
5. Loans for Public Health, Sanitation and Water Supply .. .. .	61.92
6. Loans for Housing .. .. .	52.34
7. Loans to Government servants .. .. .	40.47
8. Loans for Social Security and Welfare .. .. .	39.38
9. Loans for Industrial Research and Development .. .. .	38.19
10. Loans for Agriculture .. .. .	20.07
11. Loans for Urban Development .. .. .	18.26
12. Loans for Industrial Purposes .. .. .	14.06
13. Loans for Village and Small Industries .. .. .	12.96
14. Loans for Industrial Financial Institutions .. .. .	8.12
15. Loans for Minor Irrigation, Soil Conservation and Area Development .. .. .	5.72
16. Loans for Animal Husbandry, Dairy Development and Fisheries .. .. .	4.65
17. Loans for Education, Art and Culture .. .. .	4.30
18. Loans for Other Miscellaneous Purposes .. .. .	24.59
Total ..	12,94.36

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

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

(ii) An audit review (September-October 1982) of the accounts of the loans maintained by the Director of Fisheries and the Assistant Director of Fisheries (ADF), Royapuram, Madras disclosed the following:—

(a) In September 1971, Government sanctioned a scheme for grant of financial assistance to private entrepreneurs for purchase of mechanised fishing boats, by way of interest-free loan at 20 per cent of the cost of the boats; 20 per cent of the cost was to be met by the entrepreneurs and the balance 60 per cent to be obtained as loan from financial institutions. The repayment of the entire loan (including the bank loan) was to be spread over a maximum period of 7 years, the bank loan to be cleared first within a period of 5 years or any lesser period to be fixed by the bank and the repayment of Government loan to commence immediately thereafter. In none of the 10 cases of loans aggregating Rs. 2.73 lakhs sanctioned during the period from December 1973 to March 1975 and watched by ADF the due date for recovery of the Government loans had been indicated in the loan accounts though this fact should be checked every month from the bank concerned and kept on record.

(b) Two loans amounting to Rs. 0.41 lakh (Rs. 0.12 lakh sanctioned in April 1974 and Rs. 0.29 lakh sanctioned in February 1975) in respect of which corresponding bank loans had been repaid,\* remained unrecovered (October 1982) though they should have been recovered by March and August 1981 respectively. In these and the remaining 8 cases (Government loan amount: Rs. 2.44 lakhs), where the total period of 7 years had elapsed by February 1982, even demands for recovery had not been issued (October 1982).

(c) According to the rules approved (August 1975) by Government, consolidated registers were required to be maintained by the Directorate also for effective control. Out of 15 loans (Rs. 3.71 lakhs) verified in audit, 2 loans (Rs. 0.58 lakh) entered in the loan ledger of the Assistant Director of Fisheries, Royapuram had not been included in the loan ledger maintained by the Directorate.

\* Information regarding the month of complete repayment awaited (September 1982)

(d) Under the scheme, if the loan instalments are not repaid consecutively for three months, the boat shall be liable for seizure by the Fisheries Department. Of the 13 cases, according to the information available with the Directorate, there were heavy overdues of bank loans in seven cases. The position of repayment of bank loans was not ascertained in three other cases. In spite of the heavy overdues of the bank loans, no action had been taken by the department except in one case, for seizure of the boats.

(e) The Directorate of the Fisheries is also responsible for watching the recovery of the loans sanctioned by Government to the Tamil Nadu Fisheries Development Corporation Limited (TNFDC). Loans and advances aggregating Rs. 1,53.50 lakhs granted to TNFDC during 1975-81 had become overdue, together with interest of Rs. 56.46 lakhs (up to March 1982); recovery of instalments of the Boat Margin Money loan amounting to Rs. 1,27.05 lakhs paid during 1974-79 and repayable in 18 equal monthly instalments within a period of 2 years after the recovery of bank loans (which are to be repaid within a maximum period of 6 years), had not also commenced (September 1982). No demand had been raised against TNFDC in respect of the Government loans nor had TNFDC repaid them. The TNFDC reported (August 1982) to Government that the non-repayment of the loans and advances was due to financial constraints caused by boat construction yards of the Corporation remaining idle from July 1979, involving a monthly wage bill of Rs. 6 lakhs on unproductive labour, pending final decision by Government on the future of the boat building yards; reply of the Government is awaited (October 1982).

(iii) *Loans and advances to local bodies.*—The Examiner of Local Fund Accounts audits the accounts of local bodies and furnishes to Audit a consolidated certificate along with a statement showing irregularities. Cases on non-utilisation of loans and utilisation of loans for unauthorised purposes noticed by the Examiner for 1980-81 are mentioned in Appendix VI.

(iv) The detailed accounts of advances to cultivators are maintained in the offices of the Tahsildars and Collectors. Recovery of loans granted by officers of development departments has also been entrusted to the Tahsildars. A test check by Audit in 1981-82 of the accounts of loans maintained in these offices indicated the following position :—

	<i>Amount</i> (in lakhs of rupees)
1. Alleged misappropriation by village officers and others .. ..	3.36
2. Non-recovery of loans ordered for summary recovery .. ..	29.98
3. Irregular sanction of loans .. .. ..	3.22
4. Omission to verify utilisation of loans .. .. ..	1,39.02
5. Summary recovery to be ordered .. .. ..	1.25
6. Non-recovery of loans owing to non-raising of demands .. ..	2.07
7. Irregular write-off of loans .. .. ..	2.17

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

The sources from which capital expenditure (Rs. 1,43.53 crores) and the net expenditure under loans and advances by the State Government (Rs. 1,50.63 crores) during 1981-82 were met, are shown below :—

	(in crores of rupees)
I. Revenue Surplus .. .. .	81.66
II. Net additions to—	
(i) Internal Debt of the State Government .. .. .	23.22
(ii) Loans from Government of India .. .. .	1,07.04
(iii) Small Savings, Provident Funds, etc. .. .. .	16.24
III. Sinking Funds and Reserve Funds .. .. .	7.33
IV. Net increase under Deposits and Advances .. .. .	48.89
V. Net effect of transactions under—	
(i) Suspense and Miscellaneous .. .. .	31.66
(ii) Remittances .. .. .	0.20
VI. Investments and cash balances .. .. .	(—) 22.75
VII. Amount transferred to Contingency Fund .. .. .	80.67
VIII. Appropriation to Contingency Fund .. .. .	(—) 80.00
Net amount available for expenditure .. .. .	2,94.16



### 1.8. Debt position

*Public Debt.*—The total public debt of Government increased by Rs. 1,30.26 crores in 1981-82 as shown below :—

(1)	Receipts during the year (2)	Repayments during the year (3)	Net increase (+) (4)
	(in crores of rupees)		
1. Internal debt of the State Government	1,77.34	1,54.12	(+) 23.22
2. Loans and Advances from the Central Government	1,54.61	47.57	(+) 1,07.04
Total ..	<u>3,31.95</u>	<u>2,01.69</u>	(+) <u>1,30.26</u>

The outstanding public debt at the end of 1981-82 was Rs. 14,71.69 crores. An analysis of the debt compared with the corresponding figures for the preceding two years is given below :—

(1)	Total public debt on 31st March		
	1980 (2)	1981 (3)	1982 (4)
	(in crores of rupees)		
1. Internal debt of the State Government	3,41.41	3,56.18	3,79.40
2. Loans and Advances from the Central Government	8,70.84	9,85.25	10,92.29
Total ..	<u>12,12.25</u>	<u>13,41.43</u>	<u>14,71.69</u>

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

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

(a) *Permanent Debt.*—During the year, a loan of Rs. 38.41 crores carrying 7 per cent interest (redeemable at par in 1993) was raised. Land ceiling compensation bonds of Rs. 0.01 crore were also issued during the year ; these are repayable in ten annual instalments and carry 4 per cent interest. Repayments against the bonds during the year were Rs. 0.58 crore.

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

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

During the year, the balance of the State Government with the Reserve Bank of India, fell short of the agreed minimum on 73 days. The deficiency was made good by taking ways and means advances on 68 days and special ways and means advances on 5 days. The total amount of advances obtained during the year was Rs. 1,26.24 crores. These advances were repaid in full during the year and there was no balance of such advance as on 31st March 1982.

The interest paid to the Bank on the ways and means advances and shortfalls during the year 1981-82 was Rs. 17.02 lakhs.

(c) *Loans from Government of India.*—The balance of Rs. 10,92.29 crores outstanding on 31st March 1982 formed 74 per cent of the total public debt (Rs. 14,71.69 crores).

### 1.9. Other debt and obligations

In addition to public debt, small savings, provident funds, etc., balances at the credit of certain earmarked and other funds and certain deposits to the extent to which they have not been invested, but are merged with the cash balance also constitute liability of Government. The amounts of such liability at the end of 1979-80, 1980-81 and 1981-82 are given below :—

	<i>Liability on 31st March</i>		
	1980 (in crores of rupees)	1981	1982
(1)	(2)	(3)	(4)
Small Savings, Provident Funds, etc. ..	79.10	73.75	89.99
Interest bearing obligations (such as, depreciation reserve funds of commercial undertakings, other deposits, etc.)	61.69	1,18.00	1,45.59
Non-interest bearing obligations (such as, deposits of local funds, civil deposits, earmarked funds, etc.)	1,62.78	1,90.90	2,19.58
Total ..	3,03.57	3,82.65	4,55.16

### 1.10. Service of debt

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

(1)	1979-80 (2)	1980-81 (3)	1981-82 (4)
	<i>(in crores of rupees)</i>		
Public debt outstanding at the end of the year	12,12.25	13,41.43	14,71.69
Small Savings, Provident Funds, etc., and other obligations at the end of the year	3,03.57	3,82.65	4,55.16
<i>(i) Interest paid by Government—</i>			
(a) On public debt and small savings, provident funds, etc .	54.45	86.02	85.02
(b) Other obligations .. .. .	4.53	5.03	7.00
Total ..	58.98	91.05	92.02

	1979-80	1980-81	1981-82
(1)	(2)	(3)	(4)
	(in crores of rupees)		
(ii) Deduct—			
(a) Interest on loans and advances given by Government	20.80	1,14.06	24.37
(b) Interest realised on investment and cash balances	3.37	2.99	0.91
(iii) Net amount of interest charges ..	34.81	(—) 26.00	66.74
Percentage of gross interest [item (i) to total revenue receipts]	6.24	7.11	6.38
Percentage of net interest [item (iii) to total revenue receipts]	3.68	..	4.62

There were, in addition, certain other receipts and adjustments totalling Rs. 23.02 crores, such as, interest received from commercial departments. If these are also taken into account, the net burden of interest on the revenue will be Rs. 43.72 crores.

The State Government also received during the year Rs. 76.76 lakhs as dividend on investments in commercial undertakings, etc.

### 1.11. Guarantees

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

The guarantees are in the nature of contingent liabilities on the State revenues. Brief particulars of these contingent liabilities based on the available information are given below (further details are given in Statement No. 6 of the Finance Accounts, 1981-82).

(1)	Body on whose behalf guarantee was given	
	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1982
	(2)	(3)
	(in crores of rupees)	
Statutory Corporations and Boards .. .. .	4,86.87	3,18.82
Government Companies .. .. .	1,51.68	1,27.50
Co-operative Institutions .. .. .	6,01.27	2,51.63
Joint Stock Companies .. .. .	0.91	0.43
Other Institutions .. .. .	3.22	2.75
<b>Total</b> ..	<b>12,43.95</b>	<b>7,01.13</b>

(ii) The maximum amounts guaranteed and the sums outstanding to end of March 1982 indicated above include the guarantees given by Government on behalf of certain statutory corporations/boards under the provisions of various statutes as mentioned below :—

(1)	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1982
(2)	(3)	
(in crores of rupees)		
Tamil Nadu Electricity Board .. .. .	4,36.92	2,69.19
Tamil Nadu Housing Board .. .. .	44.42	44.42
Madras City Municipal Corporation .. .. .	*	*
Tamil Nadu Slum Clearance Board .. .. .	0.06	0.06
Madras Metropolitan Development Authority .. .. .	2.71	2.39
Madras Metropolitan Water Supply and Sewerage Board .. .. .	2.75	2.75
Tamil Nadu Water Supply and Drainage Board.. .. .	*	*

(iii) In consideration of the guarantee given by the Government, the institutions are, in some cases, required to pay guarantee commission. As on 31st March 1982, a sum of Rs. 46.10 lakhs was due to Government towards guarantee commission, from Tamil Nadu Civil Supplies Corporation Limited (Rs. 18.97 lakhs), Perambalur Sugar Mills Limited (Rs. 9.09 lakhs), Tamil Nadu Sugar Corporation Limited (Rs. 8.22 lakhs), Southern Structurals Limited (Rs. 3.85 lakhs), Tamil Nadu Handloom Development Corporation Limited (Rs. 2.52 lakhs), Tamil Nadu Small Industries Corporation Limited (Rs. 0.77 lakh), Tamil Nadu Industries Investment Corporation Limited (Rs. 0.75 lakh), Tamil Nadu Mopeds Limited (Rs. 0.49 lakh), Tamil Nadu Small Industries Development Corporation Limited (Rs. 0.44 lakh), Pallavan Transport Corporation Limited (Metro)

\* Information not received.

(Rs. 0.30 lakh), Tamil Nadu Textile Corporation Limited (Rs. 0.24 lakh), Tamil Nadu Fisheries Development Corporation Limited (Rs. 0.18 lakh), Tamil Nadu Zari Limited (Rs. 0.14 lakh), Pallavan Transport Corporation Limited (District) (Rs. 0.08 lakh), Thanthai Periyar Transport Corporation Limited (Rs. 0.04 lakh) and Anna Transport Corporation Limited (Rs. 0.02 lakh).

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

Year	Payments on behalf of	
	Ryots	Others
(1)	(2)	(3)
	(in lakhs of rupees)	
1977-78	0.48	5.09
1978-79	0.96	1,12.00
1979-80	*	*
1980-81	*	*
1981-82	1.11	1,22.86

### 1.12. Investments

In 1981-82, Government invested Rs. 59.44 crores in the shares and debentures of one Statutory Corporation (Rs. 0.20 crore), 19 Government Companies (Rs. 46.58 crores) and\*\* Co-operative Institutions (Rs. 12.66 crores) and advanced loans amounting to Rs. 50.49 crores to 24 Government Companies.

At the end of 1981-82, the total investment of Government in the share capital and debentures of different concerns was Rs. 2,70.24 crores and the total amount of loan outstanding was Rs. 1,75.11 crores.

\* Information not received.

\*\* Information is awaited (November 1982).

Dividend received during 1981-82 was Rs. 1,04.63 lakhs, as indicated below :—

Categories of bodies	Investments				Dividend/ Interest received during the year (percentage of return on cumu- lative in- vestments in brackets)
	During 1981—82		As at the end of 1981-82		
	Number of bodies	Amount	Number of bodies	Amount	
(1)	(2)	(3)	(4)	(5)	(6)
(amounts in lakhs of rupees)					
(i) Statutory Corporation					
(a) Shares and debentures	1	20.00	1	1,95.50	4.60 (2.35)
(b) Loans ..	..	..	1	7.50	..
(c) Total ..	..	20.00	..	2,03.00	4.60
(ii) Government Companies					
(a) Shares and debentures	19	46,58.30	56	1,68,25.13	6.30 (0.04)
(b) Loans ..	24	50,48.65	36	1,75,03.71	..
(c) Total ..	..	97,06.95	..	3,43,28.84	6.30
(iii) Joint Stock Companies					
(a) Shares and debentures	..	..	7	34.50	5.07 (14.70)
(b) Loans ..	..	..	..	..	..
(c) Total ..	..	..	..	34.50	5.07
(iv) Co-operative Institutions					
(a) Shares and debentures	*	12,66.41	*	99,69.32	88.66 (0.89)
(b) Loans ..	*	*	*	*	*
(c) Total ..	..	12,66.41	..	99,69.32	88.66
<b>Grand Total ..</b>	<b>..</b>	<b>1,09,93.36</b>	<b>..</b>	<b>4,45,35.66</b>	<b>1,04.63</b>

\*Information not received.

### **1.13. Plan Performance**

Against the total provision of Rs. 3,37.61 crores under Revenue and Rs. 1,59.88 crores under Capital for Plan schemes during 1981-82 expenditure of Rs. 3,26.57 crores and Rs. 1,38.73 crores respectively was incurred. The shortfall was 3 per cent under Revenue and 13 per cent under Capital. The shortfall in the Capital expenditure was mainly under Medical (Rs. 5.97 crores), Irrigation, Navigation, Drainage and Flood Control Projects (Rs. 5.63 crores), Co-operation (Rs. 3.52 crores), Public Works (Rs. 2.81 crores) and Education (Rs. 1.64 crores). Reasons for the shortfall are awaited from Government (November 1982).

### **1.14. Growth of non-Plan expenditure**

The non-Plan expenditure on revenue account rose from 7,30.23 crores in 1979-80 to Rs. 9,59.76 crores in 1980-81 and Rs. 10,33.32 crores in 1981-82. The expenditure under principal service sectors during these three years with percentage of increase over previous year are given in Appendix VII.

The expenditure under Loans and Advances by State Government also recorded an increase from Rs. 1,99.79 crores in 1979-80 to Rs. 3,13.63 crores in 1980-81 and Rs. 3,47.05 crores in 1981-82. The expenditure under various categories of Loans and Advances during these years and the percentage of increase over preceding year are given in Appendix VII.



## CHAPTER II

### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

#### 2.1. Summary

During the year 1981-82, out of Rs. 10,63.18 crores and Rs. 2,95.28 crores voted under 48 Revenue and 9 Capital grants in the Budget, further enhanced by Rs. 3,77.03 crores and Rs. 2,29.81 crores voted as supplementary grants during the year, there were savings of Rs. 1,05.75 crores (9.0 per cent) and excess of Rs. 7.98 crores (4.2 per cent) under 32 and 15 Revenue grants respectively and saving of Rs. 28.76 crores (5.5 per cent) under 9 Capital grants. The provision for expenditure to be charged on Consolidated Fund was Rs. 1,26.03 crores under Revenue appropriation enhanced by Rs. 1.06 crores by supplementary provisions and Rs. 1,77.55 crores under Capital appropriation further enhanced by Rs. 50.15 crores by supplementary provision ; there was saving of Rs. 0.66 crore (18.9 per cent) and excess of Rs. 1.32 crores (1.1 per cent) under 25 and 7 charged Revenue appropriations respectively and saving of Rs. 25.85 crores (11.4 per cent) under 5 Capital appropriations. The details are given in Appendix VIII.

In the following grants/appropriations, the excess or saving in expenditure (of not less than Rs. 10.00 lakhs) was more than 10 per cent of the total sanctioned provision (voted or charged). The details of the schemes, programmes or objectives affected by the excess/saving as also the reason for excess/saving, where available are given below :—

Serial number	Number and name of grant/ appropriation	Amount of grant Original (O) Supplemen- tary (S) Total (T)	Expen- diture	Excess(+)/ Saving(—) (Percen- tage to total provision in brac- kets)
(1)	(2)	(3)	(4)	(5)

(in crores of rupees)

#### Revenue—Voted

(i)	20—Agriculture .. .. .	66.23 (O) 31.16 (S) 97.39 (T)	84.79	(—)12.60 (12.9)
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Out of the provision of Rs. 19,67.50 lakhs made in supplementary estimate in March 1982 to cover adjustment in 1981-82 in respect of waiver of the collection of Takavi loan dues from agriculturists ordered during 1980-81, Rs. 16,81.65 lakhs remained unutilised. This mainly accounted for the saving in the grant, reasons for which have not been communicated (January 1983).

Serial number	Number and name of grant/ appropriation	Amount of grant Original (O) Supplementary (S) Total (T)	Expenditure	Excess (+)/ Saving (-) (percentage to total provision in brackets)
(1)	(2)	(3)	(4)	(5)

(in crores of rupees)

(ii)	30—Social Welfare .. ..	20.75 (O) 1.67 (S) 22.42 (T)	17.30	(-) 5.12 (22.8)
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Out of provision of Rs. 2,79.28 lakhs made in Budget Estimates for the Tamil Nadu Nutrition Project, Rs. 2,42.27 lakhs remained unutilised. This mainly accounted for saving in the grant, reasons for which have not been communicated (January 1983).

(iii)	34—Urban Development .. ..	12.47 (O) 11.40 (S) 23.87 (T)	1.71	(-) 22.16 (92.8)
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Provision of Rs. 9,87.45 lakhs made in Budget Estimates and enhanced by Rs. 11,39.49 lakhs in supplementary estimates for transfer to Urban Development Fund remained fully unutilised as necessary Government sanction for the transfer was not issued during the year.

(iv)	43—Miscellaneous .. ..	69.62 (O) 69.62 (T)	31.55	(-) 38.07 (54.7)
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Entire provision of Rs. 28,00 lakhs for unforeseen expenditure and Rs. 10,00 lakhs out of Rs. 30,00 lakhs for assistance to Tamil Nadu Electricity Board, made in Budget Estimates remained unutilised. Reasons for the saving in both the cases have not been communicated (January 1983).

Serial number	Number and name of grant/ appropriation	Amount of grant Original (O) Supple- mentary(S) Total (T)	Expen- diture	Excess(+)/ Saving(-) (Percen- tage to total provision in brac- kets)
(1)	(2)	(3)	(4)	(5)
		(in crores of rupees)		
(v)	37—Public Works—Buildings ..	2.83 (O) 0.65 (S) 3.48 (T)	4.99	(+) 1.51 (43.4)

Expenditure (Rs. 1,45.12 lakhs) under the head '259. AD.I.A.C. Buildings—Other Office Buildings and Court Buildings (other than Technical Education Department)' exceeded the Budget Estimates (Rs. 37.38 lakhs) and supplementary provision (Rs. 2.00 lakhs) by Rs. 1,05.74 lakhs. Reasons for the excess have not been communicated (January 1983).

Capital—Voted

(vi)	48—Capital Outlay on Agriculture ..	2.79 (O) 1.95 (S) 4.74 (T)	3.70	(-) 1.04 (21.9)
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Out of provision of Rs. 1,03.70 lakhs made in Budget Estimates for purchase and distribution of chemical fertilisers, Rs. 58.53 lakhs remained unutilised mainly due to less debits raised by Government of India than anticipated, reasons for which are awaited (January 1983).

(vii)	50—Capital Outlay on Irrigation ..	33.11 (O) 33.11 (T)	22.78	(-) 10.33 (31.2)
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Underutilisation of provision was mainly under the sub-heads (i) Percentage charges for Establishment transferred from Major head "259. Public Works" —Rs. 3,30.55 lakhs, (ii) Canals—Rs. 2,67.57 lakhs and (iii) Distributaries—Rs. 2,12.22 lakhs. Saving under (i) was due to adjustment of the percentage charges under the respective project heads. Reasons for the saving under (ii) have not been communicated (January 1983). Saving under (iii) was mainly due to postponement of certain work till completion of experimental studies consequent on reformulation of estimates.

<i>Serial number</i>	<i>Number and name of grant/ appropriation</i>	<i>Amount of grant Original (O) Supplementary (S) Total (T)</i>	<i>Expenditure</i>	<i>Excess (+)/ Saving (-) (Percentage to total provision in brackets)</i>
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
(viii)	51—Capital Outlay on Public Works—Buildings	33.36 (O) 0.35 (S) 33.71 (T)	25.91	(—) 7.80 (23.1)

Underutilisation of provision was mainly under (i) '480.A.AB.II.JA. Buildings'—Rs. 3,08.00 lakhs and (i.i) '480 A. AC. II. JA. Buildings'—Rs. 3,00.01 lakhs. Reasons for the savings have not been communicated (January 1983).

(ix)	53—Capital Outlay on Road	2.21 (O)		
	Transport Services and Shipping	4.11 (S)	4.75	(—) 1.57
		6.32 (T)		(24.8)

Provision of Rs. 2,00.00 lakhs made in Budget Estimates for investment in Poompuhar Shipping Corporation Limited for acquisition of bulk carriers remained fully unutilised due to non-acquisition of fleet by it on account of changed circumstances.

<i>Serial number</i>	<i>Number and name of grant/ appropriation</i>	<i>Amount of grant Original (O) Supplementary (S) Total (T)</i>	<i>Expenditure</i>	<i>Excess(+)/ Saving (-) (Percentage to total provision in brackets)</i>
(1)	(2)	(3)	(4)	(5)

(in crores of rupees)

## Revenue—Charged

(x)	39—Roads and Bridges	.. 0.53 (S)		
		0.53 (T)	..	(-) 0.53 (100)

Provision of Rs. 53.47 lakhs made in supplementary estimates to meet the award passed as per judgement of court remained fully unutilised. Reasons for the saving have not been communicated (January 1983).

(xi)	42—Pensions and other Retirement Benefits	1.02 (O)		
		1.02 (T)	1.72	(+) 0.70 (68.6)

Excess was due to more payment of pensions to other States under provisions of the Andhra State Act, 1953 and the States Reorganisation Act, 1956.

## Capital—Charged

(xii)	51—Capital Outlay on Public Works—Buildings	0.21 (O)		
		0.21 (T)	0.01	(-) 0.20 (95.2)

Saving occurred mainly under the heads (i) '477.AB.II.JA. Buildings—Rs. 8.13 lakhs and (ii) '480. A.AA.II.JA.—Buildings'—Rs. 8.57 lakhs.

Reasons for the savings have not been communicated (January 1983).

## 2.2. Excess over grants/charged appropriations requiring regularisation

The excess expenditure of Rs. 7.98 crores over voted grants and Rs. 1.32 crores over charged appropriation in 15 grants and 7 appropriations respectively under Revenue, referred to in paragraph 2.1 requires regularisation under Article 205 of the Constitution. The more important cases are mentioned at items (v) and (xi) in paragraph 2.1 and the remaining cases are included in Appendix IX.

## 2.3 Supplementary grants/charged appropriations

Supplementary provision of Rs. 6,58.05 crores (39.6 per cent of the original provision of Rs. 16,62.04 crores) were obtained during the year. Rupees 3,77.03 crores were to augment revenue expenditure under 48 grants and Rs. 2,29.81 crores to augment capital expenditure under 9 grants. Similarly Rs. 1.06 crores and Rs. 50.15 crores were to augment revenue and capital expenditure under 16 and 4 charged appropriations respectively.

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

In fifteen cases, supplementary grants of Rs. 36.84 crores proved inadequate and the final uncovered excess was Rs. 7.98 crores. In four cases, supplementary charged appropriations of Rs. 15.42 lakhs proved inadequate and the final uncovered excess was Rs. 0.47 lakh—vide details in Appendix X.

## 2.4. Unutilised provision

(i) Rupees 1,61.02 crores remained unutilised in 41 grants (Rs. 1,34.51 crores) and 30 charged appropriations (Rs. 26.51 crores).

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

(iii) Details of Budget provision and utilisation thereof under the various sectors/sub-sectors during the years 1979-80, 1980-81 and 1981-82 are given in Appendix XI.

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

(iv) A case study of schemes where there was marked underutilisation of funds provided in the Budget Estimates for 1981-82 indicated the following :—

(a) Grant No. 17—Education

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
(1) 277. A. AE. Other Expenditure—II. JI. Tamil Teachers for Higher Elementary Schools	30.00	25.40

The provision was for appointment of Tamil Pandits in Higher Elementary Schools, the sanction for which was accorded by Government in June 1981. The surrender was due to belated (January—March 1982) filling up of the posts.

(2) 277. H. AE. Other Expenditure—I. AP. Reimbursement of social cost on student concessions	4,32.03	3,31.87
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The provision was for payment of subsidy to the Pallavan Transport Corporation Limited (Metro), Madras towards revenue forgone in providing students' concession (treated as social cost) to enable it for maintaining the operating cost at prescribed percentages of its operating revenues for 1980-81 and earlier years, as per the agreement with the International Development Authority under World Bank Project. Grant of Rs. 3,31.87 lakhs was obtained in the second supplementary estimates in March 1982 to meet the balance social cost relating to those years stated to have been sanctioned by Government. However, the entire provision of Rs. 3,31.87 lakhs was surrendered in March 1982 as sanction was not accorded by Government.

(b) Grant No. 18—Medical

(1) 280. A. AB. Medical Relief—II. KE. Comprehensive Health Care Scheme for Beedi and Handloom Workers affected by T.B.	34.01	28.16
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Under the scheme, 4 Mobile Medical Units were to be commissioned during 1981-82. Saving was due to purchase of the required equipment in 1980-81 itself (Rs. 17.81 lakhs) and late acquisition (February 1982) of chassis, non-completion of body building thereon and non-purchase of vehicles, resulting in non-commissioning of the units during 1981-82 (Rs. 9.74 lakhs).

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
(2) 280. A. AB. Medical Relief—II. KO. Upgrading of Primary Health Centres	33.00	33.00

The provision was for meeting expenditure on revenue account for upgrading 15 Primary Health Centres sanctioned by Government in June 1981. Construction of buildings for the wards and operation theatres sanctioned (capital cost: Rs. 63.04 lakhs) by Government in September 1981 was not taken up/completed (March 1982) by the Public Works Department due to non/delayed handing over of sites. Consequently, the centres were not upgraded during 1981-82, resulting in the surrender of the entire provision for revenue expenditure.

(c) Grant No. 19—Public Health

(1) 281. A. AF. Compensation—III SD. Compensation for Vasectomy	1,33.24	1,08.49
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Provision was for 1,00,000 vasectomy operations targeted during 1981-82. Surrender of provision was due to performance of 13,056 operations only, despite intensive campaign during January-March 1982. Substantial surrenders under the scheme were made during earlier years also as under :—

<i>Year</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
1979-80 .. .. .	1,74.28	1,21.38
1980-81 .. .. .	1,74.28	1,55.12

  

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
(2) 282. B. AA. Sewerage Schemes—II. JD. Grants to Metropolitan Water Supply and Sewerage Board	3,41.79	1,19.39



The provision was for payment of grant to the Madras Metropolitan Water Supply and Sewerage Board for executing new Sixth Plan Schemes (Rs. 1,03.00 lakhs), schemes under Immediate Works Programme (Rs. 2,17.00 lakhs) and other spill over schemes (Rs. 21.79 lakhs) for augmentation of water supply in Madras city. The provision could not be utilised due to (i) non-finalisation of tenders for new Sixth Plan Works (Rs. 4.30 lakhs), (ii) non-release of foreign exchange for importing sewer rods and delayed execution of work by the contractor (Rs. 21.18 lakhs) and (iii) non-availability of stone-ware pipes and specials and delayed supply of pipes under rate contract (Rs.13.91 lakhs).

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
(3) 282. B. AB. Urban Water Supply Schemes— II.JI. Madras Water Supply Project	5,00.00	5,00.00

The provision was for payment as grant-in-aid to Madras Metropolitan Water Supply and Sewerage Board for executing the Cauvery (Kattalai) Water Supply Scheme for augmenting water supply to Madras city. As a firm decision was not taken (March 1982) by Government on the implementation of the scheme, the provision was surrendered in March 1982.

(d) Grant No. 20—Agriculture

305. A. AH. Commercial Crops—II. JB. Cotton Development	99.66	62.04
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The surrender of provision was on account of (i) non-implementation of three new schemes under Intensive Cotton Development Programme, discontinuance of major portion of the existing schemes due to introduction of Training and Visits Programme with World Bank Assistance from September 1981 and (ii) reduced procurement of seeds consequent on reduction in area of cotton cultivation, revision of norms for departmental distribution of seeds under 'irrigated' and 'rainfed' conditions and huge carry over of previous stock.

(e) Grant No. 29—Labour including Factories

287. B. AE. Other Expenditure—I. AD. Scheme for Relief to Unemployed Graduates	1,50.00	76.00
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The scheme approved by Government in November 1980 for alleviating the distress of the educated unemployed provided for payment of relief of Rs. 50 per mensem each to unemployed graduates, post-graduates, Secondary Grade Teachers, Higher Grade Teachers, etc., in the State. Out of 20,590 applications forwarded by the Directorate of Employment and Training after scrutiny (15,181 up to March 1981, 4,459 during April-December 1981 and 950 during January-March 1982) to the Tahsildars for sanction, 13,196 cases only were sanctioned by the latter due reportedly to inadequate staff in their offices for implementing the scheme, resulting in saving of Rs. 76.00 lakhs.

(f) Grant No. 30—Social Welfare

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
(in lakhs of rupees)		
(1) 282. A. AH. Health, Education and Publicity—II. J. C. Tamil Nadu Nutrition Project—Public Health Component	2,79.28	2,42.19

The provision was for implementing the schemes under the public health component of Tamil Nadu Integrated Nutrition Programme with World Bank assistance. Major portion of the provision had to be surrendered on account of reduced expenditure mainly due to (i) reduction in area of coverage of the scheme from three districts to one district (Madurai), (ii) belated operation of posts (Rs. 48.83 lakhs), (iii) non-electrification of sub-centres and non-completion of sanitary works (Rs. 7.50 lakhs), (iv) non-delivery of machinery and equipment by suppliers (Rs. 95.69 lakhs) and (v) non-receipt of bills for supply of medicines (Rs. 85.46 lakhs).

(2) 309. A. AA. Nutritious and Subsidiary Food—II. JB. Administration of Tamil Nadu Nutrition Project— Communications	66.00	63.27
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The provision was for motivating target populations to change traditional family feeding patterns to provide better nutrition for the 6-36 months old children and expectant and nursing mothers. The surrender of provision was due mainly to delayed execution of the scheme during 1981-82, on account of late posting (August 1981) of district level staff and non-posting of State level staff during that year.

(3) 309.A. AA. Nutritious and Subsidiary Food— II. JE. Nutrition Delivery Services	1,30.50	62.50
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The provision was for implementing the Nutrition Delivery Service component of Tamil Nadu Integrated Nutrition Programme aided by World Bank in Madurai district which aimed at improving the nutrition of 6 to 36 months old pre-school children. There was delay in selection and posting of personnel, training of Community Nutrition Workers, starting of Community Nutrition Centres and feeding of children (February 1982), resulting in reduced expenditure and consequent surrender of Rs. 62.50 lakhs.

(g) Grant No. 34—Urban Development

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
284. D. AC. Other Expenditure—JD. Assistance to Corporation of Madras for Conservancy Improvement Works under MUDP II	1,00.00	1,00.00

The provision was for purchase of equipment for implementation, by the Corporation of Madras, of "Solid Waste Management Scheme", a component of Madras Urban Development Project II with World Bank Assistance. Certain equipment for the scheme were to be procured on the basis of International Competitive Bidding in accordance with International Development Agency Guidelines. The draft bid documents for inviting international competitive bid, submitted by the Corporation of Madras to the World Bank, Washington, U.S.A. in July 1981 had not been approved by the latter as they were inadequate for tenders. The provision for purchase of the equipment (Rs. 65.00 lakhs) was therefore surrendered in March 1982. The Corporation of Madras had not also purchased during 1981-82, other equipment for which orders were placed (November 1981) locally and hence the balance provision of Rs. 35.00 lakhs for this item was also surrendered in March 1982.

(h) Grant No. 50—Capital Outlay on Irrigation

(1) 533. A. AV. Kodaganar Scheme—		
II. JA. Canals .. .. .	15.00	14.46
II. JC. Reservoir .. .. .	17.00	16.55

The surrender was due to non-receipt of orders of Government for the resumption of work after the breach of the dam in November 1977.

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
(2) 533. A.BD. Modernising Vaigai Channels—		
II. JF. Canals .. .. .	48.70	41.06

The entire provision made for 43 bridges, 46 works, 47 falls and weirs, 40 items of earthwork and 48 cross drainage works was surrendered for want of Government orders and non-finalisation of bridge plans and estimates.

(i) Grant No. 54—Capital Outlay on Forests

(1) 513. A. AC. Plantation	26.69	17.86
II. JK. Cashew Cultivation		

Saving was mainly due to non-application of fertilisers and pesticides, want of labour and execution of the scheme under another programme (DPAP) in one circle.

(2) 513. A. AE. Other Expenditure—	25.00	23.88
II. JE. Establishment of a Crumb Rubber Factory		

Saving was due to not taking a final decision on the type of rubber factory to be set up and consequential delay in completing building works. There was surrender of provision (Rs. 27.83 lakhs) during 1980-81 also.

## 2.5. Advances from Contingency Fund

The corpus of the Contingency Fund placed at the disposal of Government to meet unforeseen expenditure pending authorisation by the State Legislature was Rs. 30.00 crores up to 30th April 1981; it was temporarily enhanced to Rs. 1,10.00 crores from 1st May 1981 to 31st March 1982.

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

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

Two hundred and seventy one sanctions were issued during 1981-82 advancing Rs. 1,60,40.94 lakhs from the Contingency Fund.

It was noticed that—

(i) 24 sanctions for Rs. 15,96.53 lakhs were neither operated nor cancelled;

(ii) One sanction for Rs. 1.94 lakhs was not operated and was subsequently cancelled;

(iii) The actual expenditure (Rs. 60.75 lakhs) against 14 sanctions was less than 50 per cent of the amount sanctioned (Rs. 2,80.45 lakhs);

(iv) in 12 cases, the amount drawn from the Contingency Fund (Rs. 14,35.97 lakhs) exceeded the amount sanctioned (Rs. 5,39.39 lakhs); and

(v) Three advances amounting to Rs. 70.92 lakhs sanctioned and drawn during March 1982 remained unrecouped to the Fund at the end of the year—*vide* details given below:—

314. Community Development .. .. .	Rs. 10.92 lakhs.
498. Capital Outlay on Co-operation .. ..	Rs. 50.00 lakhs.
514. Capital Outlay on Community Development ..	Rs. 10.00 lakhs.

## 2.6. Expenditure on New Service

According to rules, expenditure on a scheme/service not contemplated in the Budget Estimate or in excess of the provision therefor in the Budget Estimate constitutes new service or new instrument of service, when the expenditure exceeds the limit prescribed in the rules. In such cases, expenditure can be incurred only after obtaining either an advance from the Contingency Fund, pending authorisation of funds by the Legislature or provision of funds through the Supplementary Estimate. The rules provide that additional investment of Rs. 10 lakhs and above in an existing Government company with a paid-up share capital of more than Rs. 1 crore is a new instrument of service.

In March 1982, Government sanctioned an additional investment of Rs. 50 lakhs as share capital in the Tamil Nadu Transport Development Finance Corporation Limited (paid-up share capital: Rs. 2 crores) to enlarge its equity base. Though the provision available in the Budget Estimate for 1981-82 for investment in this Corporation was only Rs.1,000, the investment of Rs. 50 lakhs was made in March 1982, meeting the balance by reappropriation from savings within the grant. Omission to obtain an advance from the Contingency Fund or authorisation of the Legislature through Supplementary Grant in this case had resulted in the expenditure on the investment escaping the notice of the Legislature.

The matter was reported to Government in October 1982; their final reply is awaited (February 1983).

## 2.7. Non-receipt of explanation for savings/excesses

After the close of each financial year, the detailed appropriation accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the Controlling Officers requiring them to explain significant variations under the heads. Out of 424 heads, the explanation for variations were not received (January 1983) in 206 cases (48.58 per cent).

## 2.8. Shortfall/excess in recoveries

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the Budget Estimates. During 1981-82, such recoveries were anticipated at Rs. 55.12 crores; actual recoveries during the year were Rs. 36.22 crores. Some of the important cases of shortfall/excess as compared to estimates are detailed in Appendix XII.

## 2.9. Reconciliation of departmental figures

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

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

<i>Year</i>	<i>Number of Controlling Officers who did not reconcile their figures</i>	<i>Amount not reconciled</i>
(1)	(2)	(3)
1977-78 and earlier years .. .. .	46	3,42.66
1978-79 .. .. .	25	66,12.83
1979-80 .. .. .	20	21,76.23
1980-81 .. .. .	20	1,83,31.20
1981-82 .. .. .	29	3,37,46.38
<b>Total</b>	<b>140</b>	<b>6,12,09.30</b>

In respect of the following departments large amounts remain unreconciled during 1981-82.

<i>Department</i>	<i>Amount not reconciled</i>
(1)	(2)
	(in lakhs of rupees)
Co-operation .. .. .	89,09.41
Agriculture .. .. .	84,21.02
Revenue .. .. .	48,64.93
Rural Development and Local Administration ..	29,98.98
Transport .. .. .	22,66.48
Social Welfare .. .. .	16,13.38
Health and Family Welfare .. .. .	14,13.26

**2.10. Withdrawal of funds in advance of requirements**

The financial rules of the Government prohibit drawal of money in advance of requirements and keeping it in cash chest with a view to preventing the lapse of an appropriation and utilising the amount after the end of the financial year. Six cases involving a total amount of Rs. 34.50 lakhs, where the amounts were drawn at the fag end of the year, when they had not become due for payment, in contravention of the rules, noticed in audit, are detailed in Appendix XIII.



## CHAPTER III

### CIVIL DEPARTMENTS

#### AGRICULTURE DEPARTMENT

##### 3.1. Drought Prone Areas Programme

3.1.1. *Introductory.*—The Drought Prone Areas Programme (DPAP) is a special programme launched by Government of India in selected chronically drought affected districts, with the object of providing integrated development of these areas in agriculture and allied sectors. The efforts were aimed at (i) obtaining optimum return per unit of the primary resources, viz., land, water, livestock and man power; (ii) increasing and stabilising the income of the weaker sections of rural community; and (iii) minimising the impact of drought on agricultural production and income of the weaker sections.

In paragraphs 6.01 to 6.08 of the Supplementary Report (Civil) of the Comptroller and Auditor General of India for the year 1973-74, mention was made of the results of the review of the implementation of the programme during the Fourth Plan Period in the two districts of Ramanathapuram and Dharmapuri. From 1974-75 onwards, the Programme is continued in the two districts with 50 per cent Central assistance.

3.1.2. *Organisation.*—The Programme was implemented through various Government Departments/Undertakings co-ordinated at the State and district levels by the Agriculture Department and the District Collectors.

3.1.3. A test check by Audit (December 1981 to July 1982) of the accounts (1974-75 and 1981-82) and records at the Secretariat and in the District Development Agency, Ramanathapuram at Madurai, the Dharmapuri District Development Corporation (DDDC) at Dharmapuri and the offices of the implementing authorities disclosed the following:—

3.1.4. *Outlay.*—The total expenditure incurred by the Government of Tamil Nadu on the Programme during the years 1974-75 to 1981-82 was Rs. 26,87.24 lakhs which included Rs. 15,85.69 lakhs released by Government of India, as Central assistance. Of the total expenditure of Rs. 26,87.24 lakhs, Rs. 4,54.32 lakhs (17 per cent) remained unutilised, as at the end of 31st March 1982, with the various agencies as shown in Appendix XIV. Of this, Rs. 1,30.10 lakhs remained unutilised for over two years.

3.1.5. *Agencies for execution.*—In March 1974, Government of India directed that separate programme authorities/agencies (under the Societies Registration Act) should be created for each district for planning, execution and evaluation of the Programme during the Fifth Plan Period. In Dharmapuri district, the Dharmapuri District Development Corporation (DDDC) was formed in April 1975 for this purpose. However, in Ramanathapuram district, the District Development Agency for performing such functions in that district was formed after seven years in December 1981. Both these Agencies were not given any administrative powers and the Central and State assistance was not routed through these agencies *in toto* as required in the guidelines issued by Government of India for providing financial and operational flexibility. The respective departments continued to exercise the administrative powers.

3.1.6. *Substitution of normal State Plan Schemes.*—According to the guidelines issued (November 1970) by the Government of India, the implementation of DPAP should not result in substitution or reduction of normal development programmes under the State Plan or non-Plan schemes. In four sectors, certain schemes already under implementation in the two districts were brought under DPAP and Rs. 4.23 crores were spent on those schemes entirely from the funds of the DPAP between the years 1974-75 and 1981-82. Of these, the bulk of the expenditure of Rs. 3.91 crores related to soil conservation works—*vide* details in Appendix XV.

3.1.7. *Dairy Development.*—(i) The Tamil Nadu Dairy Development Corporation (TNDDC), (Tamil Nadu Co-operative Milk Producers' Federation (TCMPF) from February 1981) implemented most\* of the Dairy Development schemes in the two districts. For this purpose Government paid to the TNDDC/TCMPF Rs. 1,59.23 lakhs during 1976-77 to 1981-82. Of this, Rs. 43.80 lakhs remained unutilised with TCMPF as at the end of March 1982.

(ii) *Milk Procurement.*—(a) With the object of increasing procurement of milk, Rs. 20.04 lakhs were spent up to 1981-82 by the TNDDC/TCMPF on identifying milk potential areas, organising milk producers' co-operative societies and forming viable milk routes and milk procurement teams. Of the 465 societies (Ramanathapuram district: 190; Dharmapuri district: 275) targeted to be formed during 1977-82, only 342 societies (74 per cent) (Ramanathapuram

\* A few dairy schemes in certain areas in Ramanathapuram district are implemented by Deputy Registrar (Dairying).

district: 139; Dharmapuri district: 203) were organised. Of these, 67 societies (Ramanathapuram district: 40; Dharmapuri district: 27) became dormant by 31st March 1982 (subsidy involved: Rs. 1.13 lakhs).

As against the targeted daily milk collection of 40,000/1,00,000 litres in Ramanathapuram district/Dharmapuri district by the end of 1979-80, the quantity of milk collected on an average (during flush season from August to March) by the end of 1981-82 was 27812/23121 litres only. Reasons for the shortfall in collection were awaited (October 1982).

(b) In Dharmapuri district, out of Rs. 3.00 lakhs provided towards establishment cost of procurement teams during 1978-79, only Rs. 1.97 lakhs were spent and the balance (Rs. 1.03 lakhs) was diverted by the TNDDC for purchase (April 1979) of two diesel Ambassador cars (total cost: Rs. 1.40 lakhs) not provided for in the approved Annual Plan. Of the two cars, only one car after running in non-DPAP area for three years for 49,355 kilometres, was released (April 1982) for use by milk procurement teams in DPAP area. Information regarding the other car used in non-DPAP area was not available (October 1982).

(c) As against the admissible transport subsidy of Rs. 2.69 lakhs for the four new milk routes formed during 1980-81, the entire amount of Rs. 4.48 lakhs paid to TNDDC in advance as per provision in the plan was shown by it in its accounts as spent resulting in excess subsidy of Rs. 1.79 lakhs.

(iii) *Chilling-Centres.*—(a) Rupees 19 lakhs were spent during 1977-78 to 1981-82 for the expansion of the already existing chilling centres at Dharmapuri and Krishnagiri in Dharmapuri district. Against the expanded capacity of 10,000 litres at Krishnagiri, the average (during flush season) quantity of milk chilled per day was 4,124 litres only (41 per cent) during 1981-82; at Dharmapuri chilling centre, against the expanded capacity of 50,000 litres, 18,907 litres only per day (38 per cent) were chilled during 1981-82. The underutilisation was due to shortfall in milk procurement.

(b) The TNDDC had stated (December 1978/December 1979) that in view of the coming up of the milk powder plant at Krishnagiri which had been sanctioned in December 1978, there would be no need for the chilling centre at Krishnagiri and the building of the centre would be used as godown while the equipment in the centre would be shifted to other centres. However, in January 1981, Government sanctioned Rs. 9.00 lakhs to TNDDC for the expansion of the two existing centres in the district including Krishnagiri centre and the TNDDC spent Rs. 2.75 lakhs on the expansion of the Krishnagiri centre even though simultaneously action was being taken for the establishment of the milk powder plant at Krishnagiri with chilling facilities. Reasons for expanding the chilling centre at Krishnagiri when the TNDDC had earlier decided to close it are awaited (October 1982).

(c) Rupees 0.88 lakh representing the operational cost of the chilling centres at Dharmapuri and Krishnagiri in 1977-78, which should have been borne by TCMPPF were irregularly met from funds available under DPAP, which were intended for incurring capital expenditure.

(d) For expansion of chilling centres, one Plate Chiller (cost: Rs. 0.46 lakh) and three milk pumps (cost: Rs. 0.33 lakh) purchased out of DPAP funds (1977-78) were found surplus in view of shortfall in milk procurement and were transferred (December 1980) to places outside DPAP area (dairies at Vellore and Ambattur).

(iv) *Supply of milk cans and testing equipments.*—The approved Annual Plans from 1976-77 onwards contemplated supply of four milk cans and one testing equipment to each of the newly formed societies at subsidised cost.

(a) Of the total of 1,083 cans (cost: Rs. 2.07 lakhs) and 68 testing equipments (cost: Rs. 0.35 lakh) procured, only 546 cans and 38 testing equipments were distributed (1977-82) to new societies in Ramanathapuram district and the balance (cost: Rs. 1.18 lakhs) were irregularly supplied (1977-82) to other societies already established and functioning under DPAP.

(b) 1,447/177 cans were distributed (between 1976-77 and 1981-82) to 297/35 societies in Dharmapuri/Ramanathapuram district in excess of the norms (four numbers per society) resulting in excess payment of subsidy of Rs. 3.87 lakhs. In one district—Ramanathapuram—the supply exceeded the norms by 2 to 16 numbers per society. Information in respect of Dharmapuri district was not available.

(v) *Milk Powder Plant.*—In order to avert any undesirable economic consequences during flush season when more milk would be available without sufficient market and based on the anticipated procurement target of 62,000 litres per day by December 1978, which was expected to go up to 1,00,000 litres per day by the end of 1979-80, TNDDC proposed (April 1978) to Government for setting up a milk powder plant at Krishnagiri for preserving the milk in powder form to be used during lean season.

The plant was to handle and convert one lakh litres of milk per day into 10 tonnes of milk powder and 7 tonnes of butter. The scheme

was approved by the Government of India in December 1978 at a total cost of Rs. 1.75 lakhs over and above the annual allotment for DPAP. The Government of Tamil Nadu sanctioned the scheme in September 1979 its share being treated as loan (with interest). Rupees 87.50 lakhs being Government of India share were paid during 1978-79. Rupees 87.50 lakhs representing loan from the State Government were paid in December 1979 (Rs. 43.75 lakhs) and January 1980 (Rs. 43.75 lakhs).

The following points were noticed:—

(a) The lowest tender of firm "A" for supply and erection of the milk powder plant for Rs. 78.07 lakhs received (June 1979) was not accepted by TNDDC till April 1980 (up to which date the validity of the tender was last extended by the firm) due reportedly (August 1980) to "certain technical problems". The TNDDC had originally proposed (April 1978) to execute the work without obtaining any consultancy services from the National Dairy Development Board (NDDB), a pioneer in the field, in order to avoid payment of consultancy charges, but later (August 1980) decided to purchase the plant through NDDB. The plant was finally ordered (October 1980) from the same firm "A" through NDDB. Meanwhile, the cost of the plant went up by Rs. 3.60 lakhs (revised cost: Rs. 81.67 lakhs). The plant is under erection (June 1982).

(b) Due to substantial alterations and additions (cost: Rs. 5.00 lakhs) suggested (August 1980) by NDDB to the plans relating to the buildings in the project and escalation in their cost (Rs. 5.00 lakhs) and certain items of work and machinery not provided for in the original sanction but included in the revised proposals, the cost of the project went up by Rs. 1.00 lakhs. The revised estimate for Rs. 2.75 lakhs sent to Government of India in July 1981 was yet to be approved (July 1982).

(c) The project was expected in April 1978 to be completed within eighteen months so that one lakh litres of milk anticipated to be procured by the end of 1979-80 could be absorbed and converted into milk powder and butter. However, even by the end of 1981-82 the average milk procurement was 23,121 litres only per day. The State Government had approached (February 1982) Government of India for sanction of two more procurement teams so that at least 50,000 litres of milk per day are collected towards half the capacity of the plant. Approval of Government of India is awaited (July 1982).

## 3.1.8. Sericulture

*Higher rate of subsidy.*—Rates of subsidy allowed under DPAP for two schemes were much higher than those allowed for similar schemes under State Plan and the resultant excess subsidy under DPAP during 1979-80 and 1980-81 was Rs. 2.23 lakhs as indicated below:—

<i>Name of Scheme</i>	<i>Rate of subsidy under State Plan</i>	<i>Rate of subsidy under DPAP</i>	<i>Total excess subsidy</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
Model demonstration plot (Ramanathapuram district)	RS. 950 per plot	RS. 1325 (1979-80)  1850 (1980-81) per plot	1.28	Excess subsidy paid for 100 model plots
Construction of rearing sheds (Dharmapuri district)	375 per shed	625 per shed	0.95	380 beneficiaries
Total			2.23	

Reasons for variation in subsidy rates are awaited (October 1982).

## 3.1.9. Uplift of weaker sections

*Failure of Palm Plantations.*—Between 1977-78 and 1981-82, Rs. 11.26 lakhs were sanctioned for raising palm plantations in poromboke and private lands in Ramanathapuram district (Rs. 7.51 lakhs) and Dharmapuri district (R. 3.75 lakhs), the object being that these plantations after a period of 10 to 12 years would fetch a revenue of Re. 1 per tree per annum to the beneficiaries. The scheme contemplated supply of palm nuts and germination subsidy at varying rates (including for watering), payable after verification of germination.

As against the physical target of 19 lakh/37.50 lakh nuts to be planted in Ramanathapuram/Dharmapuri district during 1977-78 and 1981-82 at a cost of Rs. 5.11 lakhs/Rs. 3.75 lakhs, 80.28 lakh/31.03 lakh nuts were distributed at a cost of Rs. 4.82 lakhs/Rs. 3.14 lakhs respectively. No germination subsidy was claimed by the beneficiaries in Ramanathapuram district and the amount earmarked for that purpose was utilised (1977-80) for purchasing additional 61.28 lakh nuts far in excess of the target. No verification was done by the department whether there was germination in all the cases in Ramanathapuram district. According to the evaluation\* conducted (January 1982) by the Project Economist, in Dharmapuri district, the germination was 0 to 10 per cent only, the large-scale failure being attributed to poor quality of nuts supplied by Palm Gur Jaggery Manufacturers' Federation.

### 3.1.10. Agriculture

*One-thousand acres water shed management demonstration.*—There were 7 lakh acres of fallow lands in Ramanathapuram district as per Annual Plan 1979-80. In order to educate the farmers that these fallow lands could also be brought to economic use by judicious management of existing resources, large-scale demonstrations were taken up in 10 compact water sheds of 1000 acres each (total cost: Rs. 7.50 lakhs) in Ramanathapuram district during 1979-80. Even though demonstrations were carried out in 11,754 acres (6,926 acres in 1979-80 and 4,828 acres (spill over) in 1980-81) (total cost: Rs. 6.10 lakhs), they had no impact on the farmers, as according to the Joint Director of Agriculture, Ramanathapuram (May 1982) no additional area of fallow lands was brought under cultivation during 1980-81 and 1981-82.

### 3.1.11. Soil Conservation

(i) *Poor execution of dry farming.*—Government of India had suggested (November 1970) that dry farming be undertaken in areas covered by soil conservation measures. However, out of the total of 1,23,175 acres covered (1974-81) by soil conservation works, dry farming schemes were executed to cover only 8,301 acres (7 per cent) in both the districts, resulting in very poor utilisation of the benefits of soil conservation works in stepping up improved agronomic and land management practices. Reasons for non-implementation of the scheme were awaited (October 1982).

(ii) *Non-assessment of benefits under the scheme.*—According to guidelines (July 1971) a built-in arrangement should exist for a systematic assessment of the productive benefits and hydrological improvement of the site following soil conservation treatment. No evaluation was, however, made by the department to assess the usefulness of the works already executed.

\* Report not issued (June 1982).

(iii) A test-check by Audit of the Adangals (Village Officer's records of cultivation) in two taluks disclosed that 91 per cent of the area covered by soil conservation works were not brought under cultivation. The evaluation (1979) by the Project Economist also disclosed that the area of cultivation in contour bunded lands in certain other parts of the same district was only 8.69 per cent.

### 3.1.12. Ground Water Development

(i) *Community Wells*.—Between 1976-77 and 1979-80, work was taken up on sinking of 47 open wells (Ramanathapuram:31; Dharmapuri: 16) and 29 borewells (Ramanathapuram) and Rs. 21.27 lakhs were spent on these works till March 1982 (open wells: Rs. 10.57 lakhs and borewells: Rs. 10.70 lakhs). Only three open wells (in Dharmapuri district) were completed and brought into use (in March 1977, December 1977 and June 1978). Construction of pump house and energisation are pending (June 1982) in respect of the remaining 44 (all the 31 in Ramanathapuram and 13 in Dharmapuri district) wells for 2 to 5 years. Of the 29 borewells, four (cost: Rs.0.49 lakh) were abandoned due to poor yield and the remaining 25 wells remained to be provided with pump houses and to be energised (June 1982).

(ii) *Sinking of 100 tube wells*.—Under a scheme of sinking 100 tube wells for irrigation purposes in a phased manner over a period of three years from 1979-80, works were executed (1979-82) at a cost of Rs. 95.78 lakhs in Ramanathapuram district. Of the 100 tube wells, yield from 23 wells (cost: Rs. 2.72 lakhs) was found by the department to be inadequate for irrigation purposes. Of the 23 wells, nine wells (cost: Rs. 1.69 lakhs) were handed over (August 1981) to the Tamil Nadu Water Supply and Drainage Board for drinking water purposes and the balance of 14 wells (cost: Rs. 1.03 lakhs) remained unutilised (June 1982). Of the remaining 77 wells, only 24 were handed over (March 1981 and March 1982) to the panchayat unions for maintenance and arranging utilisation and the balance 53 wells (constructed between February 1980 and January 1981) (cost: Rs. 64.05 lakhs) were not handed over (June 1982) owing to non-completion of ancillary works relating to construction of pumphouses and energisation.

### 3.1.13. Animal Husbandry

(i) *Calf Rearing Scheme*.—With the approval of Government of India the scheme for the supply of feed at subsidised cost for 28 months to cross-bred calves owned by small and marginal farmers was implemented between 1977-78 and 1979-80 at a cost of Rs. 6.58 lakhs in Dharmapuri district with the object of making the calves high yielding milch animals at the end of that period.



Follow-up action was not taken by the department to ensure verification that the reared calves became high yielding milch animals. The sample study\* (1981) by the Project Economist disclosed that of 198 cases only 13 animals (6.5 per cent) were in milk-yielding condition.

## (ii) Artificial Insemination Scheme

(a) *Key Village Scheme*.—The scheme was implemented between 1977-78 and 1981-82 at a cost of Rs. 47.96 lakhs. Eleven main centres with 10 sub-centres under each were sanctioned (1977-78 to 1979-80) but only 64 sub-centres were set up and the remaining 46 sub-centres (42 per cent) could not be opened (June 1982) as the required staff had not been posted. The number of artificial inseminations actually done during the three years 1978-79 to 1980-81 were only 6,779 (17 per cent), 12,274 (30 per cent) and 17,932 (45 per cent) respectively as against the target of 40,000 per annum.

Eleven bull stations were sanctioned (1977-78—1981-82) (one in each main centre) for producing semen of high quality, but only eight centres started functioning in 1978-79 and the number of bull stations in operation was only five from October 1980. 19 of the 64 sub-centres were located at distances ranging from 20 to 50 kilometres from the bull stations concerned. According to the Evaluation Report (September 1980) by the Project Economist, jerks during transport of semen in cycles for long distances and inadequate preservation facilities at sub-centres caused the large-scale spoilage (ranging from 62 to 73 per cent) of the collected semen.

(b) *Frozen Semen Scheme*.—Rupees 11.93 lakhs were spent under the scheme implemented (1979-82) in Dharmapuri district. As against 100 units (sub-centres and veterinary dispensaries) to be opened under the scheme, only 43 units functioned and the balance of 57 units did not function as the requisite staff was not posted resulting in shortfall of 60 per cent, against the target of 70,563 artificial inseminations.

(c) *Mobile Veterinary Units*.—Three mobile veterinary units functioned in Ramanathapuram district (2 from August 1977 and one from January 1980) and Rs. 7.34 lakhs were spent on these units to end of March 1982. The vans at Sivaganga and Virudhunagar were utilised on 78 to 141 days and 88 to 199 days per year respectively, during 1979-81. The van purchased for the Ramanathapuram unit on 1st February 1981 met with an accident on 4th February 1981 and has not yet been put on road (June 1982). The under-utilisation of the vans

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\* Study Report remained to be issued (July 1982).

in two units and non-availability of the van at the third unit led to poor health coverage of animals (1977-81) as shown below:—

Particulars of health coverage	Percentage of coverage at			
	Sivaganga	Virudhu- nagar	Ramana- thapuram	
	(1)	(2)	(3)	(4)
Deworming	.. .. .	35	15	23
Treatment of cases	.. .. .	30	18	16
Vaccination	.. .. .	6	2	Nii

### 3.1.14. Co-operation

*Construction of godowns.*—Subsidy amounting to Rs. 18.08 lakhs was released (December 1977 and February 1980) to the Co-operative Central Banks, Ramanathapuram and Dharmapuri for being credited to the account of the Superintending Engineer (Construction) under the Registrar of Co-operative Societies towards the cost (subsidy portion) of construction of 113 godowns (Ramanathapuram : 83 numbers; Dharmapuri: 30 numbers) for storage of agricultural produce by the agriculturists. The loan portion was released in two instalments for each godown by the National Co-operative Development Corporation (NCDC) through the Registrar of Co-operative Societies between March 1978 and March 1981. There had been delays for more than one year in release of loans by NCDC and further delays ranging from one to three years in construction by the Superintending Engineer. Of the 113 godowns for which subsidy had been paid, only 51 were completed (between January 1979 and May 1982) leaving 62 numbers (55 per cent) incomplete (June 1982) (28 over 3 years and 34 over 2 years). Of the remaining 62 godowns, work was not taken up (June 1982) in respect of 20 (5 over three years and 15 over two years). Out of the 51 completed godowns, four godowns (3 constructed in 1979-80 and one in 1980-81) were not utilised at all (June 1982) and the extent of utilisation of one godown was 50 per cent and 16 godowns 20 per cent.

### 3.1.15. Irrigation

(i) "Development and Management of water resources" envisaged optimum exploitation of the available ground water resources, and utilisation of surface water through construction of tanks, reservoirs, barrages, lift irrigation schemes and percolation tanks. The special feature of this programme has been on the insistence of command area development even for minor irrigation schemes, as it ensures, on the one hand, elimination of any time-lag between creation of irrigation potential and its utilisation and on the other hand, leads to maximum water-use efficiency.

(ii) According to instructions of Government of India the main emphasis under the programme was to be on the creation of new irrigation sources rather than repairs and bringing the existing sources for stabilisation of the registered ayacut. Though repairs of a substantial nature could be taken up under the programme, carrying out minor repair works was the responsibility of the State Government. It was, however, observed that minor repair works (Dharmapuri: 195 Nos. cost: Rs. 3,38.03 lakhs; Ramanathapuram: 580 Nos. cost: Rs. 3,32.78 lakhs) such as repairs to supply channels and masonry works for syphons and aquaducts were executed, with a view to stabilising the existing ayacut of the tanks.

(iii) A test check of selected works revealed that the actual area commanded was far less than the targeted ayacut indicating huge gap in the development of ayacut.

District	Number of works	Ayacut envi- saged	Ayacut comman- ded		Percen- tage
			(in acres)		
(1)	(2)	(3)	(4)	(5)	
Dharmapuri .. .. .	18	3,328	960		28.8
Ramanathapuram .. .. .	3	603	163.34		26.0

Comprehensive information was not available either with the Public Works Department or with the Revenue Department to indicate the total ayacut envisaged and the total ayacut commanded in order to have an assessment of the benefits of completed works.

In Ramanathapuram district the evaluation done by the Madras Institute of Development Studies had shown that on-farm development works were to be planned as early as possible and monitoring from year to year of the area under irrigation was needed, for effective utilisation of the potential created.

(iv) The following are some of the defects noticed during a test check of few selected works.

(a) *Formation of a Tank across jungle stream in Thadikkal village.*— The work was approved in March 1977 by Government at a cost of Rs. 19.15 lakhs based on a rough estimate prepared without taking into account important items like centering and steel reinforcement for one reach and also items relating to core wall in another. In December 1977, tenders were called for on the basis of the original estimate by splitting the work into five reaches. All the five works

to be executed simultaneously and completed within nine months, i.e., by 20th December 1978 were entrusted (March 1978) to the same contractor, as his tender was the lowest for all works and piece work agreements in K2 form were entered into. Government accorded revised administrative approval for the work in October 1979 for Rs. 24.90 lakhs based on a detailed estimate prepared taking into account the change in design, consequent on adoption of higher flood discharge. The increase in cost (Rs. 5.75 lakhs) was mainly due to extra quantities of earthwork excavation involved for the surplus course including three drops, changes in classification of soil and increase in the length of weir on the left side by 29 metres.

The contractor refused (April 1979) to do the additional quantities arising as a result of the revised estimate prepared in 1979. Fresh tenders were, therefore, invited and contracts settled. The original contractor whose agreement was then subsisting also participated in fresh tender calls and certain items of additional quantities not provided in the original agreement and certain other items for which rates could be derived from the agreement were got executed at higher rates based on his tenders. Due to the failure of the department to prepare the estimate correctly in the first instance for the actual requirements of work, an extra expenditure of Rs. 2.87 lakhs had to be incurred on account of increased rates paid to contractors. The work had not been completed; five per cent of the work on branch channels is yet to be done (April 1982). Expenditure incurred on the work so far was Rs. 23.38 lakhs (April 1982).

(b) *Execution of a channel from Jerthaliar tank to feed Mathikonapalayam tank.*—In June 1973 Government sanctioned the work for Rs. 8.60 lakhs. Based on actuals a revised estimate for Rs. 24 lakhs was sent (September 1980) to Government and sanction is awaited (April 1982). The increase in the outlay was mainly due to inadequate provision for the earthwork excavations and railway culverts and lesser number of cross masonry works provided (22 instead of 45) in the original estimate as a result of defective investigation of levels and incorrect assessment.

The work scheduled to be completed in 9 months and commenced in November 1973 was actually completed in March 1980 after a delay of more than six years at a cost of Rs. 23.72 lakhs. In respect of certain supplemental items for which rates could be derived from the original agreement based on 1973-74 schedule of rates, the rates were worked out with reference to schedule of rates for 1974-75 resulting in an excess payment of Rs. 0.92 lakh to the contractor.

(c) *Restoration of breached tank in Mahendramangalam village.*—The work was sanctioned by Government in June 1973 for Rs. 6.60 lakhs. The department while sending the proposals to the Revenue

Department in July 1974, required acquisition of 71.57 acres of land against the estimated requirement of 57.95 acres. On objections raised by land owners on the notification published in December 1979 for acquisition, the department in June 1980 reassessed the requirement as 45.97 acres which was acquired. The delay in assessing the correct requirement of land as well as in acquisition resulted in additional payment of Rs. 0.90 lakh in addition to the interest of Rs. 0.47 lakh from the date of entry upon the land up to August 1980.

The work was completed in March 1976 at a cost of Rs. 8.80 lakhs. In March and August 1979, the Collector, Dharmapuri required certain repairs to the bund to be done. No action was taken till September 1980 when the tank breached. The expenditure incurred on breach closing was Rs. 0.44 lakh.

(d) *Forming a tank across Oddahalli near Bellampalli village.*— Government sanctioned the work in March 1974 at a cost of Rs. 6.76 lakhs. The work was completed in August 1976 at a cost of Rs. 11.67 lakhs. A revised estimate for Rs. 11.70 lakhs sent to Government is yet to be approved (March 1982).

In December 1975, the Public Works Department sent to the Revenue Department land plan schedules for acquiring 51.35 acres of land estimated to cost Rs. 0.85 lakh. After correspondence, the Revenue Department notified (September 1979) for acquisition an extent of 48.34 acres, entered upon in August 1975 and April 1976. The delay in finalisation of land acquisition proposals by the Public Works Department had resulted in an increased expenditure of Rs. 0.93 lakh on the cost of land, besides payment of Rs. 0.32 lakh towards interest.

(e) *Formation of a tank across Kottampallam in Manharhalli village.*— The work was sanctioned by Government in March 1974 at a cost of Rs. 6.06 lakhs. The estimate provided for construction of weir, designed for flood water discharge of 2151 cusecs. A catchment area of 5.69 square miles was considered by the investigation staff. When the work was about to be completed, the tank bund breached as the verified catchment was 6.7 square miles and the flood discharge was observed as 3555 cusecs. A revised surplus weir was designed for a length of 69.5 metres against the original provision of 53 metres. Thus due to incorrect investigation of catchment area and inadequate provision of surplus weir, an additional expenditure of Rs. 1.19 lakhs was incurred (1980-81) to reconstruct the damaged bund.

## 3.1.16. Afforestation

A perusal (May 1982) of the initial records of the offices in both the districts indicated that in many cases plantation journals were not maintained and in cases where they were maintained they were found to be defective. There were omissions to include many plantation works in the journals as well as in the permanent register of plantations. In most cases these records were not made available and those made available were not in proper form. In the absence of these records the veracity of the existence of plants, wood and other plant products could not be verified.

## 3.1.17. General

(a) The cost of establishment was in excess of the prescribed limit of 12 per cent of the total expenditure in the following cases:—

<i>Serial number and name of scheme/ district</i>	<i>Year of operation</i>	<i>Expenditure on staff</i>	<i>Total expenditure</i>	<i>Percentage of establishment (Col. 3 to Col. 4)</i>
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
<b>1. Agriculture</b>				
Intensive coconut development scheme, Ramanathapuram district	1979 to 1982	5.95	9.19	65
<b>2. Soil Conservation</b>				
Ramanathapuram district ..	1974 to 1982	37.63	1,12.03	34
Dharmapuri district ..	1974 to 1982	44.11	1,17.63	38
<b>3. Ground Water development Community wells</b>				
Ramanathapuram district ..	1980 to 1982	4.22	30.38	21

(b) Under the programme, subsidy is not available to big farmers (owning one/two hectares and above of irrigated/unirrigated lands). The subsidy is also subject to a ceiling of Rs. 4,000 per individual. However, in the cases mentioned below, subsidy amounting to Rs. 14.63 lakhs had been paid during 1978-79 to 1981-82 to big farmers and also in excess of the ceiling limit.

<i>Serial number and name of scheme/ district</i>	<i>Period</i>	<i>Amount of subsidy</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)
		(in lakhs of rupees)	
<b>1. Horticulture—</b>			
(a) Scheme for increasing Mango production, Dharmapuri district	January to March 1982	2.59	Rs. 2.25 lakhs to big farmers and Rs.0.34 lakh in excess of the ceiling limit
(b) Scheme for development of banana, Ramanathapuram district	1980-81 and 1981-82	0.65	To big farmers
<b>2. Soil Conservation—</b>			
Ramanathapuram district .. .. .	1978-79 to 1981-82	9.53	To big farmers
Dharmapuri district .. .. .	1978-79 to 1981-82	1.86	To big farmers
	Total ..	14.63	

### 3.1.18. Evaluation

With a view to evaluating the programme periodically, a post of Programme Evaluation Officer was created in each Agency from the beginning (1970). Out of the total of over 50 schemes executed in Dharmapuri district, evaluation was conducted by this officer in respect of four schemes between 1979-82 and even in these four cases, the reports were not submitted to Government (June 1982). In Ramanathapuram district also, out of over 50 schemes, only five schemes were evaluated by the Project Evaluation Officer and reports issued.

## 3.1.19. Summing up

(i) Of the total outlay of Rs. 26,87.24 lakhs, Rs. 4,54.32 lakhs (16 per cent) remained unutilised with the various agencies entrusted with implementation of DPAP as on 31st March 1982, including Rs. 1,30.10 lakhs which remained unutilised for over two years.

(ii) Certain State Plan Schemes were withdrawn and taken up for implementation under DPAP consequent on introduction of the latter, resulting in substitution of normal development programmes of the State by Rs. 4.23 lakhs, contrary to the guidelines.

(iii) Of the 465 milk co-operative societies targeted to be formed in the two districts during 1977-82, only 342 societies (74 per cent) were formed, resulting in a shortfall of daily milk procurement of 89,000 litres and underutilisation of the installed capacity of the chilling plants at Krishnagiri and Dharmapuri.

(iv) Milk cans and testing equipments were supplied unauthorisedly to old societies involving subsidy of Rs. 1.18 lakhs and cans in excess of the prescribed norms were distributed to certain new societies, resulting in excess subsidy of Rs. 3.87 lakhs.

(v) Due to delay in execution, the cost of a Milk Powder Plant being established at Krishnagiri has gone up by Rs. 1.00 lakhs.

(vi) The subsidy allowed under two schemes in Dharmapuri district under Sericulture Programme was far in excess of the amounts allowed under similar State Schemes, resulting in excess payment of total subsidy of Rs. 2.23 lakhs.

(vii) There was large scale failure of the palm plantations taken up in Ramanathapuram and Dharmapuri districts at a cost of Rs. 7.96 lakhs during 1977-78 to 1981-82 due to non-watering of the plants and poor quality of the nuts distributed.

(viii) Out of 100 tube wells sunk (1979-82) at a cost of Rs. 95.78 lakhs in Ramanathapuram district, 76 wells were not brought into use for irrigation purposes due to non-provision of pump houses (53 numbers) and due to poor yield (23 numbers).

(ix) The mobile veterinary service run at a cost of Rs. 7.34 lakhs in Ramanathapuram district was not adequately utilised resulting in poor health coverage of animals.

(x) Subsidy under the scheme amounting to Rs. 14.63 lakhs had been paid to ineligible farmers.



(xi) Defective preparations of estimates *ab initio* and delays in finalisation of land acquisition proceedings led to extra cost of Rs. 6.68 lakhs in four cases test checked.

(xii) Though a separate Programme Evaluation Officer was provided for each of the two Agencies only four/five schemes out of about 50 schemes in each district (total cost of the programme : Rs. 22 crores) had been evaluated (June 1982) in Dharmapuri/Ramanathapuram district.

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

### 3.2. Hill Area Development Programme (HADP)

3.2.1. *Introductory*.—In August 1975, Government of India approved the Centrally sponsored 'Hill Area Development Programme (HADP)' for the integrated development of the Nilgiris district during the Fifth Five Year Plan (1975-76 to 1979-80). The programme, implemented by the State Government, was continued in the subsequent years also with the approval of the Government of India. Several schemes in various sectors, such as, Agriculture, Animal Husbandry, Dairy Development, Health, Roads, Forests, Tourism, Khadi and Village Industries, etc., were implemented under this programme. The schemes are implemented by the respective departments of the State Government except the schemes under the Dairy Development, which were implemented up to 31st January 1981 by the Tamil Nadu Dairy Development Corporation (TNDDC), up to 30th September 1981 by the Tamil Nadu Co-operative Milk Producers' Federation Limited (TCMPF) and from 1st October 1981, by the Nilgiris District Co-operative Milk Producers' Union (NDCMPU), and the minor irrigation schemes under Agriculture sector which are implemented by the Public Works Department. The Project Co-ordinator is the Collector of the Nilgiris district.

3.2.2. The programme provided for full Central assistance to the State Government at 50 per cent grant and 50 per cent loan up to 1980-81 and 90 per cent grant and 10 per cent loan from 1981-82. Up to 31st March 1982 the assistance received from the Government of India amounted to Rs. 15,68.46 lakhs.

3.2.3. The review covers Dairy Development, Agriculture (Horticulture and Minor Irrigation), Animal Husbandry, Health, Roads and Forest sectors. During the years 1975-76 to 1981-82, Rs. 11,47.01 lakhs were spent on the implementation of the schemes under the six sectors—Dairy Development, Agriculture (Horticulture and Minor Irrigation), Animal Husbandry, Health, Roads and Forest.

3.2.4. A test check of the records in the offices of the Secretariat, Heads of Departments, Collectorate of the Nilgiris district and at the implementing units was conducted during March—June 1982 and the important points raised are given in the succeeding paragraphs.

### 3.2.5. Dairy Development Sector

(i) *Non-achievement of the object of the Scheme.*—With the primary object of increasing the procurement of milk in the district from an average of 15,000 to 40,000 litres per day by 1979-80, the State Government approved in December 1975, a comprehensive scheme for Rs. 85.00 lakhs, consisting of major components, such as, organisation of Milk Producers' Co-operative Societies, strengthening of animal health, acquisition of milk collection vans and tankers and establishment/expansion of chilling and pasteurisation plants. With the further expansion of the programme sanctioned by Government in March 1981 (Rs. 96.71 lakhs) and October 1981 (Rs. 50.00 lakhs), the quantity of milk to be handled was anticipated to increase to 47,000 litres per day. Based on the detailed proposals for sanction of funds year to year, Government released Rs. 2.79 crores (50 per cent as share capital and 50 per cent as loan) during 1975-76 to 1981-82 to the TNDDC/TCMPF/NDCMPU for implementing the scheme. Of this, Rs. 2.01 crores had been spent up to 31st March 1982 on forming the requisite number of Milk Producers' Co-operative Societies, strengthening of animal health, etc., as envisaged under the scheme and yet the average quantity of milk procured even during the flush season from July 1981 to January 1982 was only 24,393 litres a day as against the target of 47,000 litres per day. The highest average quantity of milk procured was 27,939 litres per day during November 1981.

The shortfall was attributed (May 1982) by the TCMPF mainly to, (i) prevention/restriction by the tea estates which covered a major area in the district, of/on keeping of cows by their workers in order to save the tea bushes ; (ii) exodus of animals to neighbouring States on economic factors ; and (iii) use of lands by the farmers for raising cash crops rather than fodder for the cows.

The TCMPF stated (May 1982) that the problem cited at (i) was being tackled through the District Collector and the Inspector of Plantations and that the Agriculture and Forest Departments were being approached for raising fodder crops to lessen the shortage of fodder.

(ii) *Purchase of equipment in excess of requirements(a) Milk tankers.*—For transporting the anticipated surplus milk from Uthagamandalam to Madras, the TNDDC acquired two tankers (cost : Rs. 5.48 lakhs ; total capacity : 14,400 litres) in March 1976 as originally provided in the scheme and eight more tankers (cost : Rs. 23.28 lakhs ; total capacity : 72,000 litres) during 1977-78 to 1981-82. Except during the

period from March 1976 to April 1980, the capacity of the tankers available was more than even the targeted quantity of daily procurement of milk—*vide* details in Appendix XVI. The TNDDC stationed only two tankers at Uthagamandalam and diverted the remaining eight tankers to other places outside the Nilgiris district, right from the time of acquisition. Thus the purchase of tankers under the programme was far in excess of requirements.

(b) *Storage silo*.—Against Rs. 3.00 lakhs provided (December 1975) by the Government for installation of a storage silo (capacity : 15,000 litres) at Uthagamandalam, Rs. 1.58 lakhs were only spent (January 1977) on its installation. Out of the balance of Rs. 1.42 lakhs, the TNDDC utilised (December 1977), without approval of Government, Rs. 1.27 lakhs for purchasing another storage silo (capacity : 15,000 litres) and installing it finally at Madhavaram (Madras) outside HADP area.

(c) *Milk cans*.—As against the sanction (Rs. 5.55 lakhs) for purchase of 2,000 milk cans, the TNDDC acquired (1976—78) 2,400 cans (cost : Rs. 6.40 lakhs) ; of these, 400 cans (cost : Rs. 1.10 lakhs) were transferred (200 each in April 1976 and October 1976) to Erode unit of the TNDDC outside HADP area. Of the balance 2,000 numbers, 462 cans (value : Rs. 1.22 lakhs) remained unutilised as on 31st March 1982, indicating procurement of cans in excess of requirements.

(d) The diversions of tankers, cans and storage silo (cost : Rs. 25.70 lakhs) for use in non-HADP areas were against the guidelines (October 1974) of the Government of India, according to which funds meant for HADP were not to be diverted to other areas.

(iii) *Cheese plant*.—In December 1977, the TNDDC reported to Government that there was no need for setting up a cheese plant at Uthagamandalam as the cheese plant at Kodaikanal was being expanded. However, the TNDDC proposed in May 1979 and Government sanctioned in February 1980, the establishment of a cheese plant at Uthagamandalam at a cost of Rs. 20.00 lakhs. The assistance of Rs. 20.00 lakhs paid to the TNDDC in March 1980 for this purpose had, however, remained unutilised so far (May 1982), as the plant could not be erected in the existing dairy premises for want of space. In April 1980, the TNDDC expressed doubts about setting up the plant, as the cow's milk predominant in the district with low fat content, would be unsuitable for profitable product-making. The establishment of the cheese plant was subsequently dovetailed (March 1981) into another scheme under HADP for opening a new dairy complex in the district—*vide* paragraph 3.2.5. (iv) below.

In November 1981, the Monitoring Committee of the new Dairy Complex wanted a market survey to be conducted for strengthening the case for the cheese plant. Information regarding action taken in this regard is awaited (June 1982). Thus, sanction for establishment of the cheese plant and payment of Rs. 20.00 lakhs therefor to TNDDC had been accorded/made without adequate examination of the need for the plant.

(iv) *New Dairy Complex.*— With a view to providing the requisite infrastructure to handle 50,000 litres of milk per day Government sanctioned (March 1981) the setting up of a new dairy complex to be completed by January 1983 at Uthagamandalam, by TCM PF, as the existing dairy complex could not be expanded due to limited space and released to TCM PF/NDCMPU, to end of March 1982, Rs. 69.22 lakhs of which Rs. 40.06 lakhs were spent on part of the civil works of the complex. The TCM PF/NDCMPU concluded (August 1981) that funds released by Government under HADP would be sufficient to meet the cost of civil works only and hence explored (August 1981) possibilities of raising institutional finance. Finding (September 1981) that such finance was not forthcoming, it approached (January 1982) the National Dairy Development Board (NDDDB) for assistance (Rs. 1,52.30 lakhs). Further development is awaited (June 1982). A further assessment (November 1981) made by TCM PF indicated that the cost of the New Dairy Complex was likely to go up from Rs. 2,00.00 lakhs to Rs. 3,00.00 lakhs. By the end of 1981–82, the maximum milk production was 27,939 litres per day only as against the anticipated production of 47,000 litres per day. Thus the department had embarked on a big project involving about Rs. 3,00.00 lakhs without proper assessment of the milk potential in the district and the sources for financing the project.

(v) *Unutilised assistance and non-implementation of schemes.*—Out of Rs. 2,79.10 lakhs released to end of March 1982, Rs. 2,00.50 lakhs had been spent up to March 1982 leaving an unutilised balance of Rs. 78.60 lakhs (26 per cent) with the TCM PF/NDCMPU. Of the unutilised balance of Rs. 78.60 lakhs, assistance of over Rs. 1.00 lakh each given during 1978–79 to 1980–81 for seven schemes, which had not been executed so far (March 1982), amounted to Rs. 34.22 lakhs.

Reasons for non-implementation of these schemes are awaited (June 1982).

### 3.2.6. Agriculture Sector—Horticulture

(i) *Scheme for providing guidance to farmers for improvement of small tea plantations.*—Under the scheme, pesticides, chemicals, etc., were to be sprayed in the plantations of small farmers who were members of industrial co-operative tea factories at subsidised rates, besides providing technical guidance to them in tea planting. From 1976–77 to 1981–82, Rs. 61.83 lakhs were spent on the scheme. In the years 1976–77 to 1981–82 (except 1978–79), there was shortfall ranging from 11 to 76

per cent in the area covered under plant protection measures. The shortfall was attributed (April 1982), by the department, mainly to the reluctance of farmers to take up spraying operations and withdrawal of subsidy during 1979-80 and 1980-81.

The scheme envisaged increase in production from 1,000 to 2,000 kilograms per acre (100 per cent) in the plantations after adoption of the improved practices and proper plant protection measures for three years. The Joint Director of Horticulture stated (April 1982) that on an average there was an increase of 10 to 15 per cent only by 1981-82. Reasons for the low production are awaited (June 1982).

Out of Rs. 25.60 lakhs representing spraying charges recoverable from the beneficiaries to end of 1981-82, Rs. 7.67 lakhs (30 per cent) remained to be recovered. Reasons for non-recovery are awaited (June 1982).

(ii) *Scheme for establishment of Vegetable Seed Production Centre.*—The centre was to be established in an area of 30 hectares (75 acres) and 25 tonnes of quality vegetable seeds were expected to be produced annually, with a view to reducing import of these varieties of seeds. To end of 1981-82, Rs. 17.86 lakhs were spent on the scheme. Cultivation of vegetable for seeds was undertaken in leased land (8.53 acres) during 1976-77 and 1977-78 and in 19 acres (40 per cent) out of 47.39 acres acquired in August 1978. The Joint Director of Horticulture stated (April 1982) that rocky patches, roads, buildings, etc., accounted for 9.39 acres and 19 acres were utilised for cultivation of crops other than vegetables.

The scheme as formulated in September 1974 provided, *inter alia*, for production of seeds of cabbage and carrot which covered a major area of the total vegetable cultivation in the district. However, during the entire period from 1976-77 to 1981-82 there was no production of seeds of these two vegetables. According to the Joint Director (April 1982), production of these seeds could not be taken up in the centre due to unfavourable climate. Though cabbage and carrot are grown in 72 per cent of the total area under cultivation (1981-82) of vegetables in the district, the objective of producing the seeds of these items locally as originally contemplated was not achieved. Apparently, the feasibility of production of these seeds in the centre was not adequately investigated before formulation of the scheme.

The original annual target of production of 25 tonnes was reduced to 10 tonnes from 1978-79. Even against the reduced target of 10 tonnes per annum, the actual production ranged from 1.1 to 5.3 tonnes only, resulting in shortfall (47 to 89 per cent) during 1978-79 to 1981-82. The Joint Director attributed (April 1982) the shortfall to non-availability of sufficient water for irrigation of even the reduced cultivable area. Steps are yet to be taken to provide adequate water supply (June 1982).

Though the working expenses were to be met by sale proceeds of seeds, the receipts during 1976-77 to 1981-82 were Rs. 3.79 lakhs only as against the expenditure of Rs. 10.88 lakhs on running the Centre.

(iii) *Scheme for development of ginger.*—The scheme sanctioned by Government in September 1975 contemplated annual production of 200 tonnes of disease-free ginger tubers in a farm of 37.5 acres in Gudalur taluk, where the climate was favourable for the crop. The tubers were cultivated in leased lands during 1975-76 to 1977-78. There was no production in the leased lands during 1975-76 and 1976-77 when Rs. 1.65 lakhs were spent; reasons for this are awaited (June 1982). During 1978-79 to 1981-82, out of 200 acres of forest lands made available to the department in May 1978 by the Collector, only 5 to 17 acres were utilised annually for cultivation of ginger tubers. The production of ginger tubers was also less than even the reduced target fixed by the department year to year and the shortfall increased from 14 per cent in 1979-80 to 78 per cent in 1981-82. The shortfall was attributed (January 1978 and April 1982) by the Director of Agriculture/Joint Director of Horticulture to soft rot disease.

The cultivation expenses were to be met by the sale proceeds of tubers. However, during the period upto 1980-81,\* the receipts were Rs. 0.60 lakh only, while the expenses amounted to Rs. 7.81 lakhs.

(iv) *Scheme for providing irrigation facilities to todamunds.*—According to the scheme formulated by the Collector in 1976-77 and sanctioned by Government in March 1978, 90 collection wells with pumpsets were to be constructed by the department at a total cost of Rs. 9.90 lakhs during 1977-78 for providing irrigation facilities to 90 todamunds with a view to doubling their agricultural production, thereby improving their socio-economic status. Despite sanction (December 1978 and February 1980) of separate staff for speedy implementation of the scheme, only 80 wells were completed by March 1982, at a total cost of Rs. 16.28 lakhs. The slow progress and the steep increase in cost were attributed (March 1981) by the Director of Horticulture and Plantation Crops to the areas of operation being scattered in remote corners and not easily accessible, delayed sanction of separate staff for the execution of the works and the delay in initial sanction of the scheme.

Out of the 80 wells constructed, power connection had not been given (April 1982) to 57 wells (cost : Rs. 9.84 lakhs—22 in 1979-80; 23 in 1980-81 and 12 in 1981-82) resulting in their not being put to beneficial use.

The cost of staff during 1981-82 was 30 per cent of expenditure on works as against about 10 per cent in the preceding two years mainly due to less number of wells constructed during that year.

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\* Figures for 1981-82 are not available.

The department had not made any survey to assess the impact of the scheme on the agricultural production in respect of 16 wells energised up to 1980-81.

3.2.7. *Agriculture—Minor Irrigation.*—The minor irrigation schemes under Agriculture Sector related to the construction of check dams and diversion channels for water management in Gudalur taluk of the Nilgiris district. The Government sanctioned 13 schemes in 1977-78 for a total outlay of Rs. 9.48 lakhs and 18 schemes in 1979-80 for a total outlay of Rs. 11.65 lakhs. Of the 31 schemes, 14 were completed by April 1981 and six during 1981-82. Eight of the schemes were in progress (April 1982); two of them were nearing completion. The total expenditure incurred was Rs. 20.48 lakhs (February 1982). Three of the schemes were abandoned for the following reasons :—

(i) Work on the check dam in Cherungodu village (estimate cost : Rs. 0.45 lakh) was stopped after incurring an expenditure of Rs. 0.29 lakh, as the land owner objected to a portion of his land being taken over for the purpose ;

(ii) The check dam proposed near Mathada of Ooty taluk (estimate cost : Rs. 0.21 lakh) was dropped since it benefited only a single ayacutdar ; and

(iii) The check dam proposed at Mailadai village (estimate cost : Rs. 0.63 lakh) could not be proceeded with as the pattadars objected to the site being taken for the purpose.

Evaluation regarding the utility of the check dams and extent of benefit achieved had not been done so far (May 1982).

### 3.2.8. Animal Husbandry Sector

(i) *Scheme for establishment of sheep breeders' co-operative societies and field sheep units.*—With the object of increasing wool production and upgrading the sheep, four hundred and nine sheep units, each consisting of 12 ewes and one ram, at a cost of Rs. 2,000 (increased to Rs. 3,000 in 1980-81) were formed in 1977-78 (399) and 1980-81 (10), by members of four sheep breeders' co-operative societies. The entire cost was met by the Government, 25 per cent being treated as subsidy and 75 per cent as loan recoverable in four instalments with interest. Of these 409 units, only 183 units were functioning in April 1982. Of the 226 units not functioning, 138 had been disposed of by the members before repayment of loan due to their inability to maintain them. As against the expected increase in population of sheep to 8,000 by the end of 1978-79, the sheep population was 4,264 only in April 1982.

Three rat-proof godowns constructed in July 1981 (cost : Rs. 1.29 lakhs) for storing wool were not put to beneficial use (April 1982) as wool could not be sheared for want of shearing machines.

(ii) *Scheme for expansion of District Livestock Farm, Uthagamandalam.*—Under the scheme for strengthening the animal population of the farm and providing infrastructural facilities, 81 numbers of jersey graded animals (cost : Rs. 1.29 lakhs) were purchased by the Regional Deputy Director of Animal Husbandry, Coimbatore in March 1976 instead of pure jersey animals as contemplated in the scheme on the ground that the latter animals were not available and the expenditure had to be incurred before the end of the year ; but, based on instructions (July 1976) of the Director of Animal Husbandry that the animals be disposed of, as maintenance in the farm of cross-breds of unknown heritage was unnecessary, these were sold between 1978–1981 (amount realised : Rs. 0.38 lakh) indicating that the animals had been purchased without examining their usefulness and resulting in avoidable expenditure of Rs. 0.91 lakh.

Further, the infrastructural facilities (two open wells constructed in 1977–78—cost : Rs. 1.00 lakh ; and five storage silo chambers also constructed in 1977–78—cost : Rs. 0.50 lakh) were either not utilised or utilised only to a limited extent. The wells remained unutilised (April 1982) as power connection had not been given and the silo chambers (capacity : 500 tonnes) were utilised partly (0-21 per cent) as sufficient fodder was not produced due to non-availability of maize seeds.

3.2.9. *Roads Sector.*—From August 1975 to September 1981, 54 road improvement works were sanctioned under the programme at a total cost of Rs. 8,72.05 lakhs for developing communication facilities in the Nilgiris district. The works covered Highways Department roads and roads in reserve forest areas and were being implemented by the Chief Engineer (Highways). Out of 54 works sanctioned, 30 works were completed by 20th March 1982, at a cost of Rs. 1,26.96 lakhs while 12 works were in progress. The expenditure incurred on works in progress amounted to Rs. 93.90 lakhs (March 1982). In nine cases investigation work was in progress.

The following works were not executed :—

(i) Improvement to KM 22/4 of Gudalur Sultan Battery to Bennai (KM 0/0 to 3/0 estimate—Rs. 9.80 lakhs),



In stretch 0/0 to 1/4, earthwork formation had been completed and collection of soling stones was in progress. Work beyond KM 1/4 was not taken up under instructions from the District Collector as the Forest Department did not agree for the formation of road in Mudumalai sanctuary area. A total expenditure of Rs. 3.24 lakhs had been incurred on this work (March 1982).

(ii) Improvements to Governor Shola Junction on the Parsen Valley Road to Colgrains farm (KM 0/0 to 4/2 —estimate : Rs. 15.75 lakhs).

Expenditure of Rs. 2.44 lakhs had been incurred so far on acquisition of materials (March 1982). Government had been addressed (March 1982) by the Chief Engineer (Highways) for dropping the scheme.

### 3.2.10. Forest Sector

The schemes under the programme related to afforestation projects with planting of trees (including raising of seedlings) to arrest land slides and also to increase production of industrial woods to meet the demand therefor from forest based industries and were being implemented by Forest Department from 1975-76 onwards. The targets and achievements in planting of the trees were as under :—

<i>Trees</i>	<i>Targets</i>	<i>Achievements</i>
(1)	(2)	(3)
(a) Pine Trees .. .. .	550 hectares (during 1975-81)	556 hectares (up to 1980-81)
(b) Eucalyptus .. .. .	1,775 hectares (during 1978-81)	754.75 hectares (up to 1980-81)
(c) Blue Gum .. .. .	295 hectares (during 1975-81)	202 hectares (up to 1980-81)
(d) Cinchona Department—Raising of Jaya citronella grass (during 1979-83)	160 hectares (during 1979-83)	15 hectares

#### Note

(b) There was shortfall in the annual target by 10 per cent, 77 per cent and 71 per cent during 1978-79, 1979-80 and 1980-81 respectively. The department indicated that the shortfall in achievement was due to (i) heavy casualty in the seedlings ; and (ii) non-planting in Janmam lands as the eviction of encroachers in these lands had been stayed by Court.

(c) The shortfall in plantation during 1976-77 and 1979-80 to the extent of 54 per cent and 73 per cent respectively was due to non-availability of lands.

(d) The scheme envisaged extraction of oil which was to yield a profit of Rs. 9.31 lakhs after leaving assets to a value of Rs. 16.58 lakhs. Though the scheme was commenced in October 1980, extraction of oil has not commenced. Rupees 4.40 lakhs were spent (March 1982) (Capital : Rs. 2.11 lakhs ; Revenue : Rs. 2.29 lakhs).

The total sanctioned outlay for the scheme (a to c) from 1975-76 to 1980-81 was Rs. 27.33 lakhs. Against this, a total expenditure of Rs. 34.31 lakhs had been incurred.

### 3.2.11. Summing up

In the Dairy Development Sector, as against the targeted procurement of 40,000 litres of milk per day by the end of 1979-80, the collection of milk even by the end of 1981-82 was only about 28,000 litres per day. Tankers, cans and storage silos (cost : Rs. 25.70 lakhs) were purchased out of HADP funds in excess of requirements and were diverted for use in non-HADP areas against the guidelines of Government of India. Out of Rs. 2.79 crores released to TNDDC/TCMPF to end of March 1982 for execution of schemes, Rs. 0.79 crore (26 per cent) remained unutilised as on 31st March 1982.

Under the integrated scheme for improvement of small tea plantations, the increase in yield per acre was 10 to 15 per cent only as against anticipated 100 per cent. Cabbage and Carrot seeds were not produced under the vegetable seed production programme during the entire period from 1976-77 to 1981-82, though these two vegetables covered 72 per cent of the area under cultivation (1981-82) in the district. 45 irrigation wells constructed (cost : Rs. 7.50 lakhs) during 1979-80 and 1980-81 for providing irrigation facilities to todamunds have not been energised and put to beneficial use for more than one year/two years.

5,317 sheep were supplied under the sheep breeding scheme. As against the anticipated sheep stock of 8,000, by the end of 1978-79, it was only 4,264.

Of 54 road improvement works sanctioned between August 1975 to 1981 at a total cost of Rs. 8,72.05 lakhs for developing communication facilities in the Nilgiris district, 30 works (cost : Rs. 1,26.96 lakhs) were completed by 20th March 1982, while 12 works (cost : Rs. 93.90 lakhs ; March 1982) were in progress.

There was a shortfall in achievement in plantation of trees (including raising of seedlings) and increased production of industrial woods. Under the scheme, extraction of oil was to yield profit of Rs. 9.31 lakhs; the extraction of oil has not yet commenced although Rs. 4.40 lakhs had been spent (March 1982).

The points mentioned above were reported to Government in August 1982; their reply is awaited (February 1983).

### 3.3. Cashew Development Scheme

3.3.1. *Introductory.*—With the object of increasing the productivity of cashew plantations by improved cultural, manurial and plant protection practices and increasing the area under cashew, Government implemented certain Centrally sponsored schemes during 1974-75 to 1981-82. The schemes were eligible for assistance from Government of India as grant at 100 per cent up to 1978-79 and fifty per cent thereafter. During the period 1974-75 to 1981-82, Rs. 54.61 lakhs were received by Government towards assistance from Government of India.

3.3.2. *Implementation.*—The schemes were implemented by the Directorate of Agriculture/Horticulture and the Registrar of Co-operative Societies. Particulars of the schemes implemented by them and the expenditure incurred on them are given below :—

<i>Serial number and name of the scheme</i>	<i>Period of implementation</i>	<i>Expenditure upto 1981-82</i>
(1)	(2)	(3)
		(in lakhs of rupees)
By the Directorate of Agriculture/Horticulture		
1. Laying out demonstration plots in growers' orchards	1974-75 to 1981-82	41.20
2. Improvement of cashewnuts by vegetative propagation	1974-75 to 1981-82	1.47
3. Establishment of progeny .. .. .	1975-76 to 1981-82	12.28
By the Registrar of Co-operative Societies		
4. Subsidised plantation .. .. .	1979-80 ..	2.69
	Total ..	<u>57.64*</u>

\*Departmental figures of expenditure as reported by the Director of Horticulture and the Registrar of Co-operative Societies. The expenditure booked in accounts amounted to Rs. 63.55 lakhs. The difference is under reconciliation (December 1982) by the department.

3.3.3. A test check of the records pertaining to the schemes conducted (April—July 1982) in audit disclosed the following points.

### 3.3.4. Laying out demonstration plots

(i) The scheme was intended to demonstrate to the growers, the efficacy of the improved farm practices of manuring and plant protection measures, in increasing the yield. The guidelines provided for supply of necessary inputs, free of cost, to the selected growers in time so as to ensure their effective and timely application. The project report mentioned the appropriate period for application of fertilisers as October—November. However, in 695 out of 895 plots in the districts of South Arcot and Tiruchirapalli in 1980–81, fertilisers were applied by the growers in February—April 1981. In 568 of these cases, fertiliser permits themselves were issued by the department late in January—March 1981 (January 1981 : 208, February 1981 : 277 and March 1981 : 83). Belated issue of permits/late application of fertilisers was attributed (August 1982) by the Deputy Director of Horticulture to late receipt (February 1981) of the Government orders for continuance of the scheme in 1980–81 and delay in pooling and movement of fertilisers by the Tamil Nadu Co-operative Marketing Federation. The average yield per demonstration plot during 1980–81 declined to 279 kilograms from 382 kilograms in 1979–80. The department stated (October 1982) that greater response was seen when the fertiliser was applied during August—January when there would be sufficient moisture in the soil and admitted that there was some delay in application of fertilisers in 1980–81.

(ii) The impact of the scheme was to be assessed by comparing the yield data collected every year from the demonstration plots and control plots (untreated plots of the same extent in the neighbourhood). The average increase in the annual yield contemplated under the scheme was 300 kilograms per demonstration plot over that in the control plot. This was not, however, achieved in any of the 7 years, 1974–75 to 1980–81\*, except in 1977–78 when the increase was 306 kilograms. The shortfall ranged from 6 to 58 per cent. The average yield per demonstration plot which arose from 297 kilograms in 1974–75 to 586 kilograms in 1977–78 declined thereafter, to 354 kilograms in 1978–79, 382 in 1979–80 and 279 in 1980–81. The department attributed (October 1982) the shortfall in the targeted increase in yield to the inferior quality of stocks in private holdings in general and to the adverse seasonal conditions in 1980–81. The fact, however, remains that while the performance increased steadily from 1974–75 and reached the targeted level in 1977–78, it declined in the years 1978–79 and 1979–80 for which there was no valid reason.

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\* Harvest data for 1981–82 were not available (October 1982).

The department had not made any follow up study to ascertain whether the beneficiaries were continuing <sup>the</sup> improved farm practices after the three year demonstration period in their plots.

### 3.3.5. Improvement of cashewnut by vegetative propagation

(i) The object of the scheme was to improve the low yielding seedling progenies by adopting latest technique of vegetative propagation, viz., in situ patch budding, so as to convert them into trees of merit in yield and quality. This was to be carried out free of cost in selected newly raised private plantations of one to two years' age by trained malis of the department. The scheme was implemented in South Arcot and Tiruchirapalli districts in the State. Against a total target of 2,825 hectares for the years 1974-75 to 1981-82, the coverage was 1,476 hectares (52 per cent) only. The department attributed the shortfall to non-availability of one to two year old seedlings for patch budding. The scheme of area expansion for which Government of India subsidy was available from 1977-78, was not, however, implemented by Government—*vide* paragraph 3.3.7 *infra*.

(ii) The guidelines (August 1975) required that patch budding work should be done during July—October to ensure best results. However, in 791 (54 per cent) out of the total 1,476 hectares, the patch budding work was done during November—March of each year. Reasons for the belated patch budding were not furnished (October 1982).

(iii) Out of 2.95 lakh patch buddings done by the department, only 0.34 lakh cases survived, the percentage of survival ranging from 2.5 to 15.4 in the years 1974-75 to 1981-82 while in the Cashew Research Station, Vridhachalam in South Arcot district, the survival is reported to range from 40 to 75 per cent in the years 1981 to 1982. The low achievement was attributed (December 1981) by the field officers to lack of irrigation facilities, protection to budded plants from cattle and after-care of the plants by the owners.

### 3.3.6. Establishment of progeny orchards

(i) The scheme provided for establishment of three clonal orchards (40 hectares each) of cashew raised from superior seeds evolved at research stations and from high yielding trees of merit located in private orchards, to serve as large scale units for propagation materials. Three orchards were set up in 1975-76 in a total area of 98 hectares which has increased to 114\* hectares by March 1982. As against the optimum population of 200 trees per hectare, the tree population in the three orchards ranged from 108 to 139, resulting in shortfall of 31 to 46 per cent. The depart-

\*To make up the shortfall of 6 hectares, a fourth orchard was established in Kudimiamalai in 1981-82.

ment stated (October 1982) that as trees of merit alone had to be maintained, the inferior stocks had been removed, resulting in less population and as gap filling had been started, the required population would be maintained in the course of years. But gap filling formed part of the scheme from the beginning and as against 20 to 25 per cent of gap filling in the second year envisaged in the scheme to make good the mortality of plantings in the first year, 34 percent of the plantings only survived in the first year (1975-76) in the orchard at Devakottai, necessitating gap filling to the extent of 66 per cent. The mortality of plantings for gap filling from the second to the seventh year (1981-82) was also heavy, ranging from 79 to 96 per cent in Devakottai orchard and 71 to 90 percent in Pichivakkam orchard. The plant population at the end of the seventh year in these orchards was only 69 and 82 per cent respectively of the original plantings. The details of gap filling and survival in the other orchard at Nattumangalam were awaited (October 1982). The department stated (October 1982) that as the orchards were raised under rainfed condition and as only pot watering was done during hot weather period, the high mortality could not be avoided. The guidelines envisaged setting up of orchards where irrigation facilities for nursery existed and selection of sites for orchards without ascertaining the availability of the essential facilities has resulted in heavy mortality of plantings in closed orchards.

(ii) As cashew raised from seeds does not breed true to type, the guidelines prescribed that one year old seedlings should be given patch budding *in situ* with scion materials of good quality parent trees, for further multiplication by vegetative means. Of 21,198 patch buddings done during 1976-82 in the orchards at Pichivakkam and Nattumangalam and during 1976-80 in Devakottai orchard, sprouts were obtained in only 626 plants (3 per cent) of which, only 107 survived after one year. The failure of patch budding in Nattumangalam was attributed (June 1982) by the field officer to inadequate water facilities, lack of proper fencing to prevent trespass and dry climate. Reasons for the failure in Devakottai and Pichivakkam orchards were awaited (October 1982). Consequent on the failure of vegetative propagation, the stock in the orchards did not become clonal progenies of superior trees as envisaged in the scheme but remained as seedling progenies of indeterminate quality.

(iii) Properly maintained new plantations were expected to yield 300 and 400 kilograms of raw nuts per hectare in the fifth and sixth years respectively.\* However, the average yield during the fifth year (1980-81) in the orchards at Pichivakkam and Nattumangalam was only 111 kilograms per hectare involving shortfall of 63 per cent. No

\*'Tamil Nadu Cashew Development Project' prepared by the Department of Horticulture and Plantation Crops, Tamil Nadu.

records of the yield during the fifth year were maintained in the orchard at Devakottai. During the sixth year (1981-82), the average yield in the three orchards was 128 kilograms per hectare involving a shortfall of 68 per cent.

(iv) The progeny orchards were originally (December 1974) proposed to be established at three places in the predominantly cashew growing areas in South Arcot, Tiruchirapalli and Pudukottai districts, the exact location to be decided after ascertaining the availability of essential facilities. However, the orchards were located (October-December 1975) in Pichivakkam (Chengalpattu district), Devakottai (Ramanathapuram district) and Nattumangalam (Pudukottai District) on the main consideration that the State Seed Farms then existing at these places were all dry farms and were running at loss, efforts to augment their irrigation facilities had failed and hence the farms could be converted into cashew orchards. Irrigation facilities and fencing continued to be inadequate in all the three orchards. The selection of sites without ascertaining the availability of essential facilities to grow cashew at those places and consequent inadequate irrigation facilities led to the failure of the orchards as clonal ones besides contributing to the poor yield. The department stated (October 1982) that the orchards were established at the Government owned State Seed Farms, with little capital expenditure and that the orchards in the districts of Chengalpattu and Ramanathapuram were established after taking into account the needs of the clonal materials in the neighbouring districts.

3.3.7. *Subsidised plantation of cashew.*—With a view to generating additional production of cashewnuts for processing industry, Government of India sanctioned (December 1976) a centrally sponsored scheme aiming to bring 10,000 hectares of additional area in private lands in Tamil Nadu under cashew cultivation during the period 1976-82. The scheme provided for payment of subsidy at Rs. 300 per hectare to the growers towards the cost of fresh planting and maintenance of the plantations in the initial two years. To meet the cost of subsidy, Government of India allotted funds to the extent of Rs. 16.92 lakhs during the years 1976-82 (Rs. 2.40 lakhs each in 1976-77, 1977-78 and 1978-79, Rs. 3.39 lakhs in 1979-80, Rs. 2.13 lakhs in 1980-81 and Rs. 4.20 lakhs in 1981-82). The State Government was to formulate suitable projects for raising institutional finance for the growers. A loan scheme for cashew development assisted by Agricultural Refinance and Development Corporation (ARDC) with a targeted coverage of 12,000 hectares spread over nine years (1975-84) was being implemented by the Registrar of Co-operative Societies (RCS) from 1976. On a suggestion (June 1977) of the Agriculture Department, the State Government entrusted (October 1978) the Centrally sponsored scheme also to the RCS for implementation but the latter reported (November 1978) that the ARDC assisted scheme had been closed in

June 1978 in consultation with the Director, ARDC and that there was no fresh coverage for which subsidy could be utilised in 1978-79. However, at the instance of the RCS, Government approved (August 1979) utilisation of the funds available under the Centrally sponsored scheme to subsidise the acreage already covered under the ARDC assisted scheme. Accordingly, 589 beneficiaries in three districts (South Arcot, Ramanathapuram and Tiruchirapalli) who had raised 897 hectares of cashew with ARDC loans earlier in 1975-78 were sanctioned (1979-80) subsidies (Rs. 2.69 lakhs) from the amounts allotted under the Centrally sponsored scheme and the subsidies were credited to the ARDC loan accounts of the respective beneficiaries in the Land Development Banks. The Central subsidy of Rs. 2.69 lakhs was thus utilised (1979-80) only to afford relief to the beneficiaries from loans obtained in the earlier years (1975-78), under a different scheme and not for bringing fresh acreage under cultivation as required under the Central scheme. The balance subsidy of Rs. 14.23 lakhs available under the Centrally sponsored scheme was not availed.

3.3.8. *Impact of the programme.*—Notwithstanding implementation of the package of schemes costing Rs. 58.00 lakhs during 1974-82, the yield of cashewnuts per hectare in the private holdings in the State as a whole was more or less static except during the year 1976-77 as shown in the table below.—

Year	Area	Production	Yield per hectare
(1)	(2)	(3)	(4)
	(in hectares)	(in tonnes)	(in kilograms)
1974—75 ..	52,997	8,690	164
1975—76 ..	55,871	8,790	157
1976—77 ..	54,877	9,970	182
1977—78 ..	54,560	8,600	158
1978—79 ..	53,989	8,840	164
1979—80 ..	56,765	8,990	160

SOURCE: Area—Seasonal Crop Report—Government of Tamil Nadu.

Production—Final Forecast Report of Statistics Department, Government of Tamil Nadu.



*Summing up.—*

(i) In one year (1980–81), the department supplied fertilisers for the demonstration plots after the season was over. The anticipated increase of 300 kilograms in yield per plot was not realised in six out of the seven years of demonstration, the shortfall ranging from 6 to 58 per cent. The average yield per plot also decreased from 586 kilograms in 1977-78 to 279 kilograms in 1980-81 (Outlay on the Scheme: Rs. 41.20 lakhs).

(ii) Of the patch buddings done under the scheme for improvement of cashewnut by vegetative propagation (expenditure : Rs. 1.50 lakhs) only 2.5 to 15.4 per cent survived, due reportedly to lack of irrigation facilities and fencing of the private plantations.

(iii) There was shortfall in the yield to the extent of 63 and 68 per cent in the fifth and sixth years. The aim of establishing elite plantations was not achieved and the cost of cultivation over the seven years in two orchards exceeded the prescribed limits by 148 and 86 per cent.

(iv) Out of the Central subsidy of Rs. 16.92 lakhs allotted (1976-82) by Government of India for bringing 10,000 hectares of additional area under cashew cultivation, only Rs. 2.69 lakhs were utilised (1979–80). The balance subsidy of Rs. 14.23 lakhs was not availed and no fresh acreage was brought under cultivation.

(v) Notwithstanding implementation of the package of schemes at a total cost of Rs. 58.00 lakhs, the productivity of private cashew plantations in the State as a whole remained largely static during 1974–81.

The points mentioned above were reported to Government in September 1982; their reply is awaited (February 1983).

### 3.4. Key Village Scheme

3.4.1. *Introductory.*—Key Village Scheme aims at improving the genetic quality of indigenous cattle for increasing the milk production of milch cattle and working efficiency of draught breeds through the technique of artificial insemination of local breeds with bulls of superior germplasm of both exotic and Indian origin. Key village blocks, each with a main centre and ten sub-centres attached to it, are to be formed, the purpose of the former being to supervise and co-ordinate the activities of the latter. The scheme also envisaged establishment of bull stations in selected main centres to collect the semen and to dilute and supply to the main centres for distribution to the sub-centres

for insemination. Other animal husbandry activities, such as, pregnancy verification, calf verification, treatment of ailing animals, prophylactic measures against contagious diseases, castration of scrub bulls, fodder development and grant of subsidy to selected calves are also to be carried out in key village blocks. The scheme initially introduced in 1952-53 was merged with the regular departmental work in January 1970 but was revived in March 1974 for implementation in an integrated manner in various stages.\* The scheme was implemented by the Director of Animal Husbandry, assisted by Deputy Directors and field staff. As on 1st March 1982, the scheme was in operation in 51\*\* key village blocks in seven Revenue districts of Kanyakumari, Tirunelveli, Ramanathapuram, Madurai, Pudukkottai, Tiruchirapalli and Thanjavur. The total expenditure incurred on the scheme since its revival in March 1974 to end of March 1982 was Rs. 4,87.95 lakhs.

A test check of the accounts and other records maintained at the Secretariat (Agriculture Department), the Directorate of Animal Husbandry and 30 key village blocks (including 12 bull stations) was conducted (April-July 1982) covering the period from 1978-79 to 1981-82 and the following points were noticed:—

3.4.2. *Preliminary survey.*—The scheme envisaged conducting preliminary survey village-wise, in respect of livestock population, availability of community grazing land and other conditions conducive to good cattle raising and based on such data, sub-centres were to be set up. In addition, surveys were to be conducted annually in the areas covered by the key village scheme in order to assess, *inter alia*, the qualitative improvement in the cattle wealth. Preliminary surveys were not conducted before locating the sub-centres in the 30 blocks (covered by test-check), established (1974-79) after reintroduction of the scheme in 1974. The annual cattle census was not taken breed-wise, with the result it was not possible to verify whether there was qualitative improvement.

3.4.3. *Location of sub-centres.*—According to the guidelines (1954), sub-centres should be so located as to serve the key villages within a radius of not more than 8 kilometres. It was noticed that, out of 5,747 hamlets in 42 key village blocks set up during 1974-79, 1,454 hamlets (25 per cent) had been located at longer distances (895 hamlets in the range of 9 to 12 kilometres; 539 in 13 to 30 kilometres and 20 beyond 30 kilometres).

\* 1973-74 : 3 blocks; 1975-76 and 1978-79: 16 each; 1976-77 and 1980-81: 5 each; 1977-78 : 6 blocks.

\*\* Excludes eleven key village blocks covered by Drought Prone Areas Programme in parts of Ramanathapuram district.

Under the scheme, each sub-centre is to cover a group of contiguous villages containing a total breedable population of 1,000. The total breedable cattle population (1981-82 census) in the areas covered by 277 sub-centres for which information was received, was 5,19,671 as against 2,77,000 to be served by these sub-centres according to the norms. Large variations were noticed in the population served by those centres as shown below:—

<i>Breedable cattle population in the sub-centres</i>	<i>Number of sub-centres</i>
(1)	(2)
750 and less .. .. .	32
Between 750 and 1,000 .. .. .	42
Between 1,000 and 1,500 .. .. .	57
Between 1,500 and 2,000 .. .. .	51
Between 2,000 and 3,000 .. .. .	56
Above 3,000 .. .. .	39

Of the 39 sub-centres covering more than 3,000 cattle, the breedable population in six sub-centres was very high ranging from 5,000 to 8,000. The department had held (May 1978) that any increase in the existing norm of 1,000 breedable cattle population for coverage by each sub-centre would render the follow up work difficult.

3.4.4. *Breeding programme.*—In August 1972, Government had fixed a target of 50 per cent of the breedable cattle population for artificial insemination. The department had directed (October 1977) the field units to aim at a target of 40 per cent\* for coverage. Even this lower target had not been achieved during 1978-82 in more than 60 per cent of the sub-centres in 42 blocks, for which information was received, as indicated in the table below:—

<i>Percentage of coverage of breedable cattle population by artificial insemination</i>	<i>Number of sub-centres</i>				
	(1)	1978-79 (2)	1979-80 (3)	1980-81 (4)	1981-82 (5)
60 and above .. .. .		22	37	35	36
From 50 to 59 .. .. .		6	12	20	20
From 40 to 49 .. .. .		15	18	10	23
From 30 to 39 .. .. .		19	19	34	32
From 20 to 29 .. .. .		23	29	23	44
Less than 20 .. .. .		74	68	115	119
Total .. .. .		159	183	237	274

\*Review Reports of the Directorate on the working of the key village scheme.

<i>Number of sub-centres not achieving the target (40 per cent) and its percentage to the total number of sub-centres</i>	<i>Number of sub-centres</i>			
	1978-79	1979-80	1980-81	1981-82
Number .. .. .	116	116	172	195
Percentage .. .. .	73	63	73	71

In 26,21,70 and 65 sub-centres, the monthly average of artificial inseminations carried out during the years 1978-79, 1979-80, 1980-81 and 1981-82 respectively was less than 10. In Ramanathapuram district, 33 out of the total 40 sub-centres did not carry out on an average even ten inseminations per month in any of the years 1980-81 and 1981-82.

The departmental officers attributed (May—July 1982) the poor performance to under-nourishment of cattle due to lack of greens and proper feed leading to irregular heat (Ramanathapuram district), drifting of animals to hills for grazing (Theni area in Madurai district), lack of enthusiasm among the people and poor quality of animals in dry areas (Tirunelveli district), non-availability of personnel to man the sub-centres continuously (Tiruchirapalli and Pudukkottai districts) and presence of temple bulls and sports (jellikat) bulls in appreciable number in certain areas (Tiruchirapalli and Pudukkottai districts).

3.4.5. *Collection and utilisation of semen.*—The number of semen collections that could be made from a bull for artificial insemination is 100 per year. The collections did not reach 100 in respect of any of the bulls in 3 out of 5 bull stations in 1978-79, 7 and 6 out of 11 in 1979-80 and 1980-81 and 10 out of 12 in 1981-82 checked by Audit. The following table gives the details of collections during the years 1978-82.

	<i>Number of collections per year per bull</i>	<i>Number of bulls maintained during the whole year</i>			
		1978-79	1979-80	1980-81	1981-82
	(1)	(2)	(3)	(4)	(5)
Nil collection .. .. .	..	..	..	5	8
30 and less .. .. .	..	..	7	5	4
Between 30 and 50 .. .. .	..	5	4	10	7
Between 50 and 75 .. .. .	..	9	10	14	35
Between 75 and 100 .. .. .	..	9	25	18	14
Above 100 .. .. .	..	8	12	13	4
Total .. .. .		31	58	65	72

The departmental officers attributed (May—July 1982) the poor collection to poor demand for semen of buffaloes and cross-bred bulls in certain areas, old age of bulls and health condition of bulls.

Semen collected in the bull stations is diluted and distributed to the sub-centres daily through the main centres. The percentage of utilisation of semen in the sub-centres ranged between 23 and 31 during 1978—82 leading to large scale discarding as indicated in the table below:—

Year	Number of sub-centres	Quantity of diluted semen received	Quantity utilised	Quantity discarded	Percentage of column (5) to column (3)
(1)	(2)	(3)	(4)	(5)	(6)
(in milli litres)					
1978—79 .. .. .	208	4,86,494	1,14,195	3,72,299	77
1979—80 .. .. .	258	5,83,342	1,62,465	4,22,877	72
1980—81 .. .. .	280	6,19,211	1,79,291	4,39,920	71
1981—82 .. .. .	305	6,16,471	1,90,025	4,26,446	69

The cost of semen discarded worked out to Rs. 10.91 lakhs approximately.

3.4.6. *Conception and calving.*—The accepted percentage of conception and calving in artificial insemination is 50 to 60 and 30 respectively\*. The results of artificial insemination in 110, 161 and 179 sub-centres in the years 1978—79 to 1980—81 showed as under:—

Percentage of conception	Number of sub-centres					
	1978-79		1979-80		1980-81	
	Cows	Buffaloes	Cows	Buffaloes	Cows	Buffaloes
(1)	(2)	(3)	(4)	(5)	(6)	(7)
60 and above ..	38	25	25	26	30	16
From 50 to 59 ..	34	40	49	30	46	40
From 40 to 49 ..	23	20	38	40	45	47
From 30 to 39 ..	10	11	20	19	35	25
Less than 30 ....	5	14	29	46	23	51
	110	110	161	161	179	179

\* State Programme Evaluation Committee Report 1969.

Year				Conception		Calving	
				Number of sub-centres which had not achieved the lower target of 50 per cent	Percentage of column (2) to the total number of sub-centres	Number of sub-centres which had not achieved the target of 30 per cent	Percentage of column (4) to the total number of sub-centres
(1)				(2)	(3)	(4)	(5)
<b>Cows</b>							
1978-79	..	..	..	38	35	27	25
1979-80	..	..	..	87	54	70	43
1980-81	..	..	..	103	58	73	41
<b>BUFFALOES</b>							
1978-79	..	..	..	45	41	53	49
1979-80	..	..	..	105	65	99	61
1980 81	..	..	..	123	69	101	57

Although the number of sub-centres not achieving the targets has been on the increase, no action was taken to improve it. Reasons for the poor results were awaited (October 1982).

3.4.7. *Castration.*—The success of controlled breeding and genetic improvement of cattle depends on the elimination of scrub bulls from the scheme area. This is to be achieved by castrating all the scrub bulls in the scheme area by persuasion/education and if need be by enforcing the provisions of the Tamil Nadu Livestock Improvement Act, 1940. The annual census from 1978-79 to 1981-82 indicated that the percentage of castration of scrub bulls varied from 53 to 58. The average number of scrub bulls left uncovered was around 13,600 during the period shown in the table below:—

Year				Number of sub-centres	Number of scrub bulls		
					Available	Castrated	Percentage of column(4) to (3)
(1)				(2)	(3)	(4)	(5)
1978-79	..	..	..	163	25,464	13,411	53
1979-80	..	..	..	205	31,231	17,782	57
1980-81	..	..	..	215	30,570	17,658	58
1981-82	..	..	..	246	35,427	19,524	55

The shortfall was attributed (May—July 1982) by the field officers to the presence of temple bulls, reluctance on the part of the cattle owners and non-availability of censused animals for castration due to their subsequent movement to other areas on sale and migration to hill areas for grazing.

3.4.8. *Calf subsidy.*—In order to ensure proper maintenance of calves and their availability for artificial insemination, the scheme provides for subsidy at Rs. 10 per mensem to selected weaned calves of six months old for a maximum period of  $2\frac{1}{2}$  years till the calves attain three years of age or maturity, whichever is earlier. In the years 1976—81, the maintenance subsidy of Rs. 10 per mensem was sanctioned and disbursed only at the fag end of the years in the succeeding years, thus defeating the purpose for which it was meant.

Out of 613 cross-bred weaned calves enrolled under the scheme during 1976-77\* in 13 blocks test-checked, only 178 calves (29 per cent) had calved. Of the remaining, 317 calves (52 per cent) for which a subsidy of Rs. 0.78 lakh had been disbursed had not either been inseminated or calved after insemination (May 1982). Of the remaining 118 calves, 26 were reported to have died and 92 calves sold before calving; however, necessary recovery of the subsidy paid (amount: Rs. 0.19 lakh) in respect of calves sold had not been ordered (May 1982) for non-maintenance of the calves for one lactation period, as required under the terms of the agreement.

3.4.9. *Milk recording and progeny testing.*—The scheme contemplated recording the milk yield of the cattle born out of artificial insemination with a view to assessing whether there had been increase in their milk production over that of their dams in the scheme area. The potential of the breeding bulls was to be tested with reference to the milk yield of their progenies. But no systematic recording of the milk yield was done (July 1982) in the 30 key village blocks (set up during 1975-79) covered by test check.

3.4.10. *Evaluation.*—Though the scheme after its revival was under implementation from 1974 onwards, its impact on production of milk, improvement in milk yield of milch cattle and working efficiency of draught breeds had not been assessed.

3.4.11. *To sum up.*—In 30 key village blocks, the requisite preliminary surveys were not conducted before setting up the sub-centres. The location of sub-centres did not conform to the prescribed norms in respect of cattle population and distance in 42 key village blocks. 63 to 73 per cent of the sub-centres had not reached the targeted coverage of 40 per cent in respect of artificial insemination in 42 key village blocks during 1978—82 due to under-nourishment of cattle, drifting of animals to hills for grazing and non-availability of personnel to man the

\*In respect of calves enrolled under the scheme during 1977-78 and thereafter follow-up action by the department is still in progress (July 1982).

sub-centres. Large scale discarding (69 to 77 per cent) of semen in 208 to 305 sub-centres resulted in avoidable expenditure of Rs. 10.91 lakhs.

Conception and calving rates were below the expected levels in 35 to 69 and 25 to 61 per cent of the sub-centres during 1978-81.

Only 53 to 58 per cent of the scrub bulls were castrated though complete elimination of the scrub bulls is essential for successful controlled breeding in the scheme areas. Fifty two per cent of the cross-bred calves enrolled under the subsidy scheme during 1976-77 (subsidy paid : Rs. 0.78 lakh) had not yielded calves (May 1982). Milk recording and progeny testing had not been carried out in a systematic manner in 30 key village blocks test-checked in audit.

The points mentioned above were reported to Government in September 1982; their reply is awaited (February 1983).

### 3.5. Loss in working of sugarcane zonal farms

Government sanctioned (October 1977) the establishment of six zonal farms for multiplication of sugarcane seeds in six districts, on leased lands of 25 acres each. Thirty tonnes of planting material per acre were expected to be raised in each farm yielding an aggregate marginal profit of Rs. 0.34 lakh per annum.

Five farms were started during February/March 1978 and the sixth in March 1979. The average yield per acre in the farms ranged from 8 tonnes to 18.75 tonnes only as against the envisaged production of 30 tonnes per year.

The farms worked on loss as given below :—

Serial number	Farm at	Period of working	Expenditure	Receipts	Net loss	Average yield per acre
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(in lakhs of rupees)			(tonnes)
1.	Konerikuppam (Chengalpattu district)	February 1978 to July 1979	0.81	0.37	0.44	13.90
2.	Katterimamandur (North Arcot district)	February 1978 to August 1979	0.79	0.48	0.31	15.87
3.	Moovanallur (Thanjavur district)	March 1978 to August 1979	1.21	0.41	0.80	8.00



<i>Serial number</i>	<i>Farm at</i>	<i>Period of working</i>	<i>Expenditure</i>	<i>Receipts</i>	<i>Net loss</i>	<i>Average yield per acre</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(in lakhs of rupees)			(tonnes)
4.	Pappampalayam (Salem district)	February 1978 to May 1979	0.99	0.89	0.10	18.50
5.	Valavanoor (South Arcot district)	February 1978 to March 1981	2.92	1.65	1.27	15.08
6.	Punganthurai (Periyar district)	April 1978 to March 1981	1.16	0.81	0.35	18.75
			Total loss ..		3.27	

The farms at Konerikuppam, Katterimamandur, Moovanallur and Pappampalayam were closed during May, July and August 1979 and lands released to the owners.

The Director of Agriculture stated (November 1980) that the farms were discontinued on account of high cost of labour, inadequate supply of water and location of the farm adjacent to a lime-kiln emitting poisonous gas. The farm at Valavanur was also closed with effect from 31st July 1982 on account of low yield, inadequate availability of water and lack of demand for planting material.

While accepting the facts, Government stated (November 1982) that the sugarcane zonal farm in Punganthurai had also been ordered to be closed forthwith.

### 3.6 Extra expenditure on body-building on Chassis

For conducting on the spot analysis of samples of soil and water for the benefit of farmers, Government sanctioned (December 1979/January 1980) the establishment of 5 mobile soil testing laboratories in 5 districts and also acquisition of 5 vans to be used as mobile laboratories. The Director of Agriculture purchased (April 1980 to November 1980) 5 chassis and invited open tenders in October 1980 for building bodies on 12 chassis (including 7 more to be purchased for the laboratories, the establishment of which was sanctioned in March 1980). The offers received were referred to the Director, Motor Vehicles Maintenance Organisation (MVMO) for advice. Based on the recommendation (January 1981) of the Director (MVMO), orders were placed (January 1981) for body building on 5 chassis on three tenderers, A, B and C as under :—

<i>Tenderer</i>	<i>Rate</i>	<i>Delivery schedule given in the tender</i>	<i>Number of chassis allotted for body building</i>
(1)	(2)	(3)	(4)
'A'	Rs. 85,965 plus sales tax ..	70—90 days for first vehicle and 45 days for successive vehicles.	1
'B'	Rs. 94,000 plus sales tax ..	12 to 16 weeks from the date of receipt of chassis at the works subject to grace time for power cut or circumstances beyond control.	1
'C'	Rs. 1,42,000 plus sales tax ..	Delivery of two vehicles per month will be commenced after a lead time of four weeks from the date of receipt of chassis by the works or firm order whichever is later. The chassis should be made available eight weeks in advance. Not liable to penalty due to interruption in supply of power or Force Majeure.	3

The Director, MVMO recommended splitting up of the quantity and allotment of one number each to 'A' and 'B' and the balance to 'C' for the reason that according to the delivery schedules given by 'A' and 'B' in their tenders, they could build body on one chassis only in three months' time. But the tender of 'B' merely stipulated the delivery period as "within 12 to 16 weeks from the date of receipt of chassis" and there was no mention in it that the stipulated time limit of 12 to 16 weeks was for body building work for each vehicle separately. According to the records, no clarification was obtained from 'B' as to whether his offer was for body building of one chassis only. In fact 'B' was entrusted with body building on 4 chassis (covered by the sanction of March 1980 and received by the department in March 1981) in May/June 1981 on the basis of its earlier tender, on the terms and conditions stipulated therein and it completed the work on all the four chassis within the delivery schedule of 3 to 4 months specified by it originally. Entrusting body building work on one chassis only to 'B' and 3 chassis to 'C' at higher rates in January 1981 resulted in extra expenditure of Rs. 1.44 lakhs.

Government stated (December 1982) that it was considered necessary to put the new chassis on road as early as possible, that in view of the urgency, the Director of Agriculture placed the orders on the 3 firms based on the technical opinion of the Director, Motor Vehicles Maintenance Organisation and that in the circumstances, the action of the Director of Agriculture was ratified.

## INDUSTRIES DEPARTMENT

### 3.7. District Industries Centre Programme

3.7.1. *Introductory.*—In April 1978, Government of India launched, as a Centrally sponsored scheme, a programme for setting up a District Industries Centre (DIC) in every district with a view to shifting the focal point of development of small scale and cottage industries from cities and State capitals to the District Headquarters and providing under a single roof all the services and support required by small and village entrepreneurs. The main objectives of the DICs were (i) economic investigation of the potential for development of the district, including its raw material and other resources, (ii) supply of machinery and equipment, (iii) provision of raw materials, (iv) arrangement for credit facilities, marketing assistance and quality control and (v) research extension and entrepreneurial training.

In 1978-79, Government of India provided for each DIC a non-recurring grant of Rs. 5 lakhs towards the cost of building, furniture and equipment for office and vehicle and a recurring grant of 75 per cent of the expenditure subject to a maximum of Rs. 3.75 lakhs per annum. The State Government was to bear the balance cost. Besides, cent per cent funds were also provided by Government of India for promotional schemes of incentives and loan assistance to small and cottage industries. From 1979-80, the Central assistance was limited to 50 per cent for all components of the programme with a ceiling of Rs. 2.5 lakhs each for non-recurring and recurring grants.

In Tamil Nadu, DICs were set up in 14 out of 15 districts (8 in 1978-79 and 6 in 1979-80). The Nilgiris district is served by the DIC of Coimbatore district.

3.7.2. *Outlay.*—During the period 1978-79 to 1981-82, a total sum of Rs. 4,79.19 lakhs was spent on the programme and Rs. 2,73.07 lakhs (grant : Rs. 1,96.53 lakhs; loan : Rs. 76.54 lakhs) were received from Government of India.

3.7.3. A test check (December 1981 to April 1982) of the record at the Directorate of Industries and Commerce and in seven DIC (Chengalpattu, Ramanathapuram, Tirunelveli and Salem set up in 1978-79 and Thanjavur, Tiruchirapalli and Madurai set up in 1979-80) disclosed the following points:—

3.7.4. *Delay in construction of buildings for the DICs.*—In respect of the 6 centres set up in 1979-80, construction of the buildings was taken up after a delay of 12 to 18 months from the date of their set up, due to time taken in selection of suitable sites and obtaining tenders and completed between February 1982 and September 1982 at an average cost of Rs. 3.72 lakhs each as against Rs. 3.12 lakhs each in respect of the first batch of 8 DICs, resulting in escalation of cost by Rs. 0.60 lakh per building. Rent paid up to March 1982 in respect of three of these DICs which were housed in private buildings amounted to Rs.1.10 lakhs.

### 3.7.5. Staffing

3.7.5.1. The programme laid stress on manning the DICs with personnel of proven ability and adequate experience. Each DIC was to be headed by a General Manager (GM) to be assisted by 4 to 7 Functional Managers (FM) depending on its requirement. Out of 98 posts of FMs sanctioned for the 14 DICs, 60 remained vacant (May 1982).

Finding (July 1980) that the programme had not produced benefit commensurate with the expenditure incurred, Government of India suggested (August 1981) modification in the organisational structure of the DICs by providing one GM and four FMs—three for economic investigation, credit and village industries and the fourth for one of the other areas such as raw materials, marketing, training, information and infrastructure, depending on the local requirements and in addition up to three project managers in disciplines considered relevant to the needs of the district. The re-organisation of the DICs to be completed not later than 31st October 1981 has not been given effect to so far. The Government stated (November 1982) that the revised organisational structure of the DICs is under their active consideration.

3.7.5.2. *Training of Staff.*—The programme laid stress on the training of the GMs and FMs so as to ensure that they have a clear perception of their duties and effectively implement their responsibilities. Out of 14 GMs and 38 FMs in position, only five GMs and two FMs underwent re-orientation training. The Government, however, stated (November 1982) that the officers who are yet to undergo training will be deputed as and when training programmes are arranged by Government of India.

### 3.7.6. Work Programme, targets and achievements

3.7.6.1. *Delay in preparing 'Action Plans.'*—Under the programme, the DICs were required to formulate 'Action Plans' for the years 1979-80 and 1980-81 before the end of March 1979. Of the twelve DICs for which information is available, there was delay of over six months in the preparation of Action Plans for 1979-80 by one DIC and for 1980-81 by four DICs. In three of these centres, Action Plans were ready only after the respective Plan year was over with the result the development activities of the year were carried out without a definite Plan.

3.7.6.2. *Preparation of Action Plans without adequate/updated data.*—The Action Plans were to be formulated after a proper survey of the industrial potential of the districts by DICs. However, of the twelve DICs for which information is available, two prepared the Action Plan for 1980—81 without any survey, two others based on the techno-economic survey conducted by the Small Industries Service Institute (SISI) in 1972 and 1973 and another two based on the credit Plans of the lead banks in the districts. The Action Plans in these cases were not based on updated and current data.

3.7.6.3. *New units set up and employment generated.*—The new units set up/employment generated fell short of the targets as per the Action Plans of the DICs in 5/6 and 8/9 districts during 1979-80 and 1980-81 respectively, the shortfall ranging from 21 to 58 per cent as shown below:

Year	<i>New Units set up</i>					<i>Employment generated</i>			
	Number of DICs	Target	Achievement	Short-fall	Percentage of short-fall	Target	Achievement	Short-fall	Percentage of short-fall
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1978-79	8	N.A.	4,641	..	..	N.A.	20,292	..	..
1979-80	8	10,470	7,250	3,220	31	69,450	55,011	14,439	21
1980-81	14	29,865	12,614	17,251	58	1,53,491	82,884	70,607	46

N.A. Not Available.

The department had not analysed the reasons for the shortfall and also the deteriorating trend.

A test-check of the relevant records in the DIC at Thanjavur, Tirunelveli, Salem and Ramanathapuram revealed that the number of new units reported as established during 1979-80 included units already existing but registered newly under the DICs mainly for the purpose of getting bank credits and scarce raw materials. Government stated (November 1982) that as the registered units became eligible for channelised raw materials and other assistance, they were reckoned as new and that instructions had now been issued to treat only the units which were commissioned during the reporting year, as new units.

3.7.6.4. *Institutional credit*.—The performance of the DICs in the matter of mobilisation of institutional credit, as reported to Government of India, was as under :—

Year	Number of DICs	Credit provided by Banks and Financial Institutions		
		Target	Achievement	Percentage of achievement
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
1978-79	8	Not Available	736	..
1979-80	8	1544	931	60
1980-81	14	3664	2637	72

The institutional credit of Rs. 26,37 lakhs reported as mobilised during 1980-81 includes loans given to entrepreneurs, without the involvement of DICs, directly by the banks and other agencies\* and the institutional finance arranged through the DICs during 1980-81 was Rs. 7,70 lakhs only.

One of the main functions of the DICs was to assist entrepreneurs to obtain financial assistance from banks and other financial institutions. The applications for institutional finance are recommended by the DICs after the requisite technical appraisals, through the FMs (credit) who are officers deputed from the lead banks of the districts. In the 7 DICs test-checked, out of 9135 loan applications received by them during 1978-81, 5689 cases (62 per cent) were recommended; of these, only 4341 cases (76 per cent) involving loan assistance of Rs. 7,92.12 lakhs

\* Khadi and Village Industries Board, Tamil Nadu Small Industries Development Corporation, Tamil Nadu Industrial Investment Corporation, National Small Industrial Corporation and Small Farmers Development Agency.

were reported to have been sanctioned by the banks. Information regarding the balance cases is not available with the DICs who have reported (January 1982—March 1982) that the banks do not provide information fully about the sanction/rejection of loan cases recommended by them or about the verification of the utilisation of loans by the entrepreneurs. Due to lack of the required details with the DICs, their achievement in regard to institutional credit could not be verified. There was no feed back from the banks to the DICs in respect of loans recommended by the DICs. The Government stated (November 1982) that there is scope for improvement and the matter is being taken up with the banks periodically in the District Advisory Committee meetings.

3.7.6.5. *Growth of Industries/production.*—Upto date production data in respect of small scale units registered with DICs was not available, as the collection of the information for the year 1978-79 to 1980-81 ranged from 27 to 49 per cent only, due reportedly (January 1982) to non-maintenance of proper accounts by entrepreneurs, reluctance on the part of the entrepreneurs to furnish the data and inadequate departmental field staff. In the absence of full data and latest census of small scale industries (the last one taken in 1973-74 was for 1971-72) comparison of growth of small scale industries and their production before and after the formation of DICs has not been possible.

3.7.6.6. *Growth of Industries in Backward/rural areas.*—According to the Action Plan of the DIC of Ramanathapuram (1979-81), 29 livestock based industries and 19 marine based industries were to be set up during 1979-80. However, no live stock based industry and only 11 marine based industries had come up at the end of May 1982. The shortfall was attributed (June 1982) by the DIC to requisite number of entrepreneurs not coming forward. The basis on which the targets were set and the steps taken to achieve them are not known.

During the same period, 470 match units were to be established in the backward area of East Ramanathapuram and no new match units were programmed in West Ramanathapuram which was well developed. However, only 23 units (5 per cent) were set up in East Ramanathapuram while 707 units came up in West Ramanathapuram. The reasons for the heavy shortfall in the backward area are awaited (October 1982).

Out of 1992 units registered (June 1978 to October 1981) in Chengalpattu district, 1552 units (78 per cent) had come up in Saidapet taluk which adjoins Madras City, the remaining 9 taluks accounting for 22 per cent only. Similarly out of 895 units registered (November 1979 to March 1981) in Madurai district, 583 units (65 per cent) had been established in Madurai taluk, consisting of Madurai city and the remaining 35 per cent only in 10 taluks.

Thus the aim of wide dispersal of industries in rural/backward areas under the DIC set up has not been achieved in these cases.

3.7.6.7. *Revival of sick units.*—Revival of sick/closed small scale industrial units was one of the major objectives of the DIC programme. According to Industries Department, there were 1300 small scale units working below 20 per cent of their capacity in the State (March 1978). During 1978-81, the number of sick units assisted by the DICs was 198 only. Government stated (November 1982) that in the absence of cent per cent receipt of production returns from the registered small scale units and in the context of inadequate field staff to follow up each and every registered unit, it became the responsibility of the sick units to seek timely help and cases of such units were taken up for redressal of genuine problems.

3.7.6.8. *Provision of Tiny Sector Sheds.*—DICs were to arrange for provision of Tiny Sector Sheds to artisans and small entrepreneurs on subsidy cum loan basis by necessary co-ordination with Small Industries Development Corporation (SIDCO), Integrated Rural Development Programme (IRDP) and financial institutions. The sheds were to be constructed by SIDCO and the entrepreneurs were to provide margin money of five per cent of the cost of the shed to be allotted to them. The position regarding provision of these sheds in two districts is indicated below :—

District	Number of sheds targeted by DIC	Number of sheds constructed by SIDCO	Number actually allotted	Number remaining vacant	Reasons for remaining vacant
(1)	(2)	(3)	(4)	(5)	(6)
Ramanathapuram (1979-81)	270	80	28	52	1. Lack of demand and delay in identifying entrepreneurs (29). 2. Banks not coming forward to finance (19).



<i>District</i>	<i>Number of sheds targeted by DIC</i>	<i>Number of sheds constructed by SIDCO</i>	<i>Number actually allotted</i>	<i>Number remaining vacant</i>	<i>Reasons for remaining vacant</i>
(1)	(2)	(3)	(4)	(5)	(6)
					3. Non-payment of margin money by beneficiaries (4).
Chengalpattu (1979-82)	1200	119	91	28	(i) Non-identification of entrepreneurs (17). (ii) Non-sanction of loan by financial institutions (8). (iii) Other reasons (3).

The large shortfall in the construction and allotment of sheds as compared to the targets indicated lack of effective co-ordination of the DICs with the financial institutions, IRDP and SIDCO. The Government stated (November 1982) that while the estates set up in and near developed urban centres enjoyed a good occupancy rate, the others in semi-urban areas had less enthusiastic response and that projections of requirements of tiny sector sheds are made on the basis of likely demands assessed during campaigns and other entrepreneurial development meetings at the block level.

3.7.6.9. *Promotional Schemes.*—The erstwhile Rural Industries Project (RIP) and Rural Artisans Programme (RAP) were merged with DIC on the formation of the latter. In 1979-80, both the above schemes were not implemented and the grant of Rs. 5.60 lakhs provided (August 1979) by the Government of India for this purpose was surrendered (October 1980) by setting off against the grant for 1980-81. The Director of Industries and Commerce stated (February 1982) that the RIP/RAP schemes were first felt to be identical to the other Centrally Sponsored Schemes of Integrated Rural Development Programme (IRDP) and Training of Rural Youth for Self Employment already under implementation and hence were not implemented. Government of India released a grant of Rs. 7.00 lakhs as their 50 per cent share of the expenditure on these schemes to be executed during 1980-81. Only the RAP scheme for providing training (duration : 3 to 6 months) to rural artisans was taken up at a total cost of Rs. 7.35 lakhs (grant eligible: Rs. 3.66 lakhs) through departmental units, Government Company and Co-operative Societies and out of Rs. 7.35 lakhs paid to them, accounts for Rs. 7.15 lakhs were yet to be received (October

1982). In the absence of the accounts for the amounts paid, their utilisation for the intended purpose remained to be ensured. The RIP scheme was not implemented during 1980-81 also; the unutilised portion (Rs.3.34 lakhs) of the grant was refunded by adjustment against the amount of assistance for 1981-82 sanctioned by Government of India in March 1982.

3.7.6.10. *Delegation of powers.*—To enable the DIC to provide under a single roof all services and support required by small and village entrepreneurs, they were to be delegated with wide ranging powers by the Industries Department and powers to the maximum extent possible by other departments and agencies but the DICs were not delegated with these powers, which continued to be retained by the other departments/agencies concerned with industrial development. Clearance from Health, Town Planning and Factories Departments and licences from local bodies and power connections from State Electricity Board are still required to be obtained by the entrepreneurs themselves from the departments concerned. Departmental verification of utilisation of loans by the entrepreneurs to end of December 1981 revealed that 27 units set up between 1978-79 and 1981-82 had not started (January 1982) production for want of power connection, licences and clearances from Health, Police and Revenue Departments and non-availability of raw materials and working capital. Government stated (November 1982) that the DICs act as the spokesmen for small entrepreneurs identifying bottlenecks and getting quicker clearances and as such, the single window concept is very much in evidence. If this is so, it is not apparent as to why the entrepreneurs, who availed loans and set up 27 units in the period 1978-82 could not yet get the required facilities for starting production.

3.7.7. *Co-ordination and Monitoring.*—To supervise, monitor and review the functioning of the DICs, the programme provided (April 1978) constitution of a State level co-ordination committee with the Chief Minister/Minister for Industries as Chairman and it was to meet once in six months. The Committee set up in September 1978 has not met so far (October 1982).

For effective co-ordination between DICs and other State Government departments/undertakings, local bodies, etc., the State Government was also to set up District Advisory Committees (DAC) consisting of district level officers and non-official members—mainly Members of Parliament and Members of State Legislature and representatives of industries. Full fledged DACs have been constituted (September 1978) for eight districts only and for the other six DICs established during 1979-80, DACs have not been set up so far (October 1982) but informal

committees without non-official members have been functioning (November 1980). Government stated (November 1982) that the proposals for the constitution of DACs for six districts are under their active consideration.

DACs were to meet at least once in two months. As against a total of 19 meetings due to be held between October 1978 and November 1981, no meeting was held in South Arcot district and 3, 11 and 13 meetings only were held in Pudukottai, Salem and Tirunelveli districts respectively.

3.7.8. *RIP/DIC loans.*—The scheme of advancing loans to small scale units for construction of buildings, purchase of machinery and working capital under the erstwhile RIP set up was continued by the DICs. During 1978-79 to 1980-81, loans amounting to Rs. 1,02.14 lakhs were sanctioned by the DICs to 1610 entrepreneurs. Test check in audit in the seven DICs disclosed (i) out of the total of 835 loans amounting to Rs. 59.43 lakhs disbursed during the said period, in 78 cases (Rs. 5.58 lakhs) the loans had not been released to the loanees but were held in the Special Deposit accounts with the banks (January 1982) due mainly to the delay in acquisition of machinery/construction of factory buildings and non-sanctioning of institutional finance.

(ii) in 539 cases involving loans amounting to Rs. 40.26 lakhs (68 per cent), the DICs had not verified (January 1982) the utilisation of the loans.

(iii) in four of the seven\* DICs out of the total of 177 cases, the buildings and/or machinery pledged by the loanees as security for the loans were not insured (January 1982) against fire and other risks in 171 cases (97 per cent) involving loan of Rs. 15.75 lakhs and

(iv) as at the end of March 1981, a total amount of Rs. 34.76\*\* lakhs were overdue for recovery towards loan (Rs. 29.72 lakhs) and interest (Rs. 5.04 lakhs).

### 3.7.9. Excess grant

3.7.9.1. *Non-recurring grant.*—On the basis of the actual expenditure on the construction of building and purchase of furniture, office equipment and vehicle and the ceiling limit for the non-recurring grant fixed for each DIC, the non-recurring grant admissible in

\*In respect of the remaining three DICs information was awaited (October 1982).

\*\*Excludes figures for one DIC for 1979-80 and 3 DICs for 1980-81, as the amounts overdue for recovery had not been worked out by them.

respect of all the 14 DICs worked out to Rs. 62.62 lakhs as against Rs. 70.00 lakhs received from Government of India, resulting in excess drawal of Rs. 7.38 lakhs. No action has been taken by the department/Government to adjust the amount.

3.7.9.2. *Recurring grant.*—Due to non-application of the ceiling, the share of Government of India of the recurring expenditure on the DICs during 1978-79 and 1979-80 was arrived at by the department as Rs. 45.87 lakhs as against the correct amount of Rs. 39.33 lakhs, resulting in an excess drawal of grant of Rs. 6.54 lakhs. In 1980-81 also, the grant (Rs. 35 lakhs) received from the Government of India was in excess of their share (Rs. 33.07 lakhs) by Rs. 1.93 lakhs.

These excess drawals had not been refunded (October 1982) to Government of India.

3.7.10. *Summing up.*—(i) There was delay in the commencement and completion of construction of buildings for the 6 DICs set up in 1979-80; the rent paid up to March 1982 for housing 3 of the DICs in private buildings amounted to Rs. 1.10 lakhs.

(ii) The restructuring of the DICs prescribed by Government of India in August 1981 was not implemented (October 1982).

(iii) Action Plans (1979-81) of five DICs were prepared belatedly in 3 cases after the expiry of the period to which they related and in six DICs, they (1979-82) were not based on up-to-date surveys.

(iv) As compared to the targets, there was shortfall in the number of new units established and employment generated during 1979-80 and 1980-81. The new units set up in the State declined to 42 per cent during 1980-81 from 69 per cent in 1979-80 and employment generated came down to 54 per cent in 1980-81 from 79 per cent in 1979-80. In three districts, the units set up were not widely dispersed in rural/backward areas. The small scale sick units assisted during 1978-81 were only 15 per cent; only those sick units which approached the DICs were attended to.

(v) The DICs did not provide all services and support under a single roof, as envisaged and the small entrepreneurs had to continue to approach other departments for certain licences and clearances.

(vi) Rupees 7.15 lakhs out of Rs. 7.35 lakhs disbursed to certain institutions for imparting training under promotional schemes (1980-81), remained to be accounted for by them.

(vii) The State level co-ordination committee never met since its inception (1978) and the DACs were either not constituted or where constituted, did not meet regularly.

(viii) In the districts test-checked, utilisation of the DIC loans (1978-81) was not verified by the department in 68 per cent of the cases; out of Rs. 34.76 lakhs outstanding for recovery as at the end of March 1981, Rs. 27.64 lakhs were three years old.

## RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

### 3.8. Self Sufficiency Scheme (Phase I)

*3.8.1. Introductory.*—In order to secure all round, faster and integrated, socio-economic development of rural areas within a time frame, Government launched (August 1979) the 'Self Sufficiency Scheme' as a State Plan scheme for implementation in the rural areas served by panchayat unions. The twin objectives of the scheme were to provide to the rural public, basic amenities such as provision of drinking water supply, education and medical facilities, etc., and to improve the economic condition and quality of life of those below the poverty line, by providing them with necessary facilities and employment opportunities which would augment their income.

All the 378 panchayat union blocks in the State were to be covered in three phases. The first phase approved by Government in August 1980 to cover 69 blocks involved an outlay of Rs. 57.14 crores in the various components and the works under the first phase were to be completed by 31st August 1981.

The various panchayat union commissioners under the supervision of the Divisional Development Officers and District Collectors, the Registrar of Co-operative Societies (Housing) and the Tamil Nadu Water Supply and Drainage Board implemented the scheme.

The expenditure on the works in respect of components executed by the panchayat unions was shared by the Government and the panchayat unions, Government's share ranging from 95 to 40 percent depending on the category of the union. Panchayat unions with poor financial resources were also assisted by Government with interest bearing loans to meet their part of the commitment on the works. Government released grants totalling Rs. 13,73.67 lakhs during the period March 1980 to March 1981 to the 69 panchayat unions towards its share of expenditure on the works and also loans aggregating Rs. 4,06.74 lakhs

during 1980-82 to 47 of those unions and the total expenditure incurred by the panchayat unions amounted to Rs. 23,92.95\* lakhs upto March 1982.

The implementation of the I phase by the panchayat unions was test checked (March, June-July 1982) at the Secretariat (RD and LA) Department, Directorate of Rural Development, Office of the Chief Engineer (Highways), Collectorates of seven districts, seven Divisional Development Offices and 19 panchayat unions and the following points were noticed:—

3.8.2. *Targets and achievements.*—In August 1980, Government fixed targets for each component for all the 69 blocks put together. The targets and achievements as at the end of January 1982 reported by the panchayat unions are indicated in the table below:—

Serial number and name of component	Targets as fixed by Government in August 1980		Achievements*	
	Physical	Financial (in lakhs of rupees)	Physical	Financial (in lakhs of rupees)
(1)	(2)	(3)	(4)	(5)
1. Link roads .. .. .	4,445 Kilometres	12,48.75	6590.96	12,39.70
2. Culverts .. .. .	2,760 Numbers	1,38.00	3,044 Numbers	3,50.86
3. Pathways to burial grounds for Harijan habitations.	771 Kilometres	1,15.25	927.71 Kilometres	79.89
4. Improvement to minor Irriga- tion sources.	683 Numbers	23.00	1,023 Numbers	68.67
5. Rural dispensaries .. .. .	75 Numbers	28.40	82 Numbers	47.43
6. Maternity and child welfare centres	228 Numbers	91.00	237 Numbers	1,18.95
7. School buildings New .. .. .	475 Numbers	1,90.00	949 Numbers	4,87.45
Additional .... .. .	889 Numbers	3,55.00		
	5,216 Kilometres	21,89.40	7,518.67 Kilometres	23,92.95
Total .. .. .	5,110 Numbers		5,335 Numbers	

\* Source : Performance budget for 1982-83 on "Community Development".

In three of the 19 blocks test checked, the achievements reported by them (Rs. 97.52 lakhs) included a total outlay of Rs. 1.51 lakhs on 12 road works (Rs. 0.76 lakh), water supply works (Rs. 0.30 lakh) and 11 minor irrigation works (Rs.0.45 lakh) executed in the years 1978-79 and 1979-80 under Village Works Programme which resulted in inflation in the achievements under the Self Sufficiency Scheme.

3.8.3. *Link roads.*—In Kunrathur block in Chingleput district the programmes for 1979-80 and 1980-81 under the scheme included remetalling of roads, which was taken up and completed in 1980-81. Works in eleven reaches/stretchers totalling 10.2 kilometres were found included in both these programmes and according to the records, the works on these reaches/stretchers had been taken up on the second occasion within periods ranging from 1 week to 8 months after completion of the earlier works. The total expenditure so incurred on the works in the same reaches/stretchers on the second occasion amounted to Rs. 2.50 lakhs (Government grant: Rs. 1.75 lakhs). On this being pointed out in audit (March 1982) Government agreed (March 1982) that this was a *prima facie* case of fraudulent expenditure and had asked the District Collector to investigate the matter. The results of the investigations were awaited (October 1982).

In the case of gravelled roads, the specification provided for consolidation by power or hand roller to avoid inconvenience to vehicular and pedestrian traffic. In 174 roads for a total length of 205.03 kilometres laid (1980--81) at a cost of Rs. 21.75 lakhs (Government grant: Rs. 14.69 lakhs) in five blocks (two districts), consolidation by roller was not provided in the estimate and hence not carried out and only dry spreading of gravel was done thereby impairing the durability of the roads.

In October 1980, the Chief Engineer (Highways) enhanced the rate of hire charges of departmental power rollers of 8-10 tonnes capacity from Rs. 100 to Rs. 388 per day of eight hours. The tenders issued by the panchayat unions for road works did not contain any clause for supply of departmental rollers for use on works. In 94 works in six blocks (three districts) the rollers were hired (November 1980 to August 1981) by the panchayat unions from the Highways Department at Rs. 388 per day and lent to contractors at the old rate of Rs. 100 resulting in short recovery to the tune of Rs. 2.52 lakhs from the contractors. The short recovery of Rs. 2.52 lakhs was charged to the works concerned and thus borne by Government (Rs. 1.70 lakhs) and panchayat unions (Rs. 0.82 lakh), which was avoidable.

3.8.4. *Culverts.*—The riding surface of a causeway constructed (July 1981) in one block in Pudukkottai district at a cost of Rs. 0.35 lakh (Government grant: Rs. 0.24 lakh) had sunk (February 1982) to a depth

of 10 to 12 centimetres. The defect was attributed (February 1982) by the Technical Cell of the Public Works Department to the mixture of clay with the filling sand and to non-stabilisation of the filling sand. The contractor was called upon to rectify the defect, but he had not rectified so far (July 1982). Consequently the cause way could not be put to beneficial use.

3.8.5. *School buildings.*—As per the approved design (August 1980) school buildings were to have roofing either with reinforced cement concrete (RCC) or asbestos cement (AC) sheets within the ceiling cost of Rs. 0.45 lakh or Rs. 0.40 lakh per building. In nine blocks in five districts, 70 buildings were constructed (June 1981) with asbestos cement sheet roofing, with false ceiling and steel windows, as against wooden windows or RCC Jolly as per specification, at a higher average cost of Rs. 0.58 lakh per building. Similarly, in one block in Salem district, 34 school buildings were constructed (June 1981) with Mangalore tiled roof, due reportedly to scarcity of cement and steel at a higher average cost of Rs. 0.54 lakh per building though Government had not approved (August 1980) such a design, when it was submitted by the Chief Engineer. The alternate approved design of AC sheet roofing was not considered. The deviations involved total additional expenditure amounting to Rs. 16.04 lakhs.

3.8.6. *Completed buildings not brought to use* :—Three buildings constructed at a total cost of Rs. 1.80 lakhs (Government grant: Rs. 0.86 lakh)—one rural dispensary completed (July 1981) in one block in Salem district (cost:Rs. 0.67 lakh) and 2 school buildings completed in September-October 1981 in one block in Chengalpattu district (cost: Rs. 1.13 lakhs) had not been put to use (July 1982).

3.8.7. *Materials purchased not put to use.*—Though phase I of the scheme had come to an end by August 1981, materials valued at Rs. 1.51 lakhs (Government grant: Rs. 1.29 lakhs) purchased for use on works on the scheme have been lying unused (July 1982) in four blocks (two districts) for periods ranging from 1 to 2 years as indicated in the table below:—

<i>Serial number and Particulars of materials</i>	<i>Year of purchase</i>	<i>Cost (in lakhs of rupees)</i>	<i>Reasons for non-utilisation</i>
(1)	(2)	(3)	(4)
1. Roofing materials for buildings ..	1979-80	0.42	Work (three) dropped from the scheme for want of funds.



<i>Serial number and Particulars of materials</i>	<i>Year of purchase</i>	<i>Cost (in lakhs of rupees)</i>	<i>Reasons for non-utilisation</i>
(1)	(2)	(3)	(4)
2. Reinforced cement concrete pipes and collars for culverts	July-August 1981	1.09	(i) 13 works (cost of materials: Rs. 0.55 lakh) shown in the progress report as completed but not actually executed.  (ii) 11 works (cost of materials: Rs. 0.48 lakh) not programmed for execution under this and any other scheme and  (iii) 4 works (cost of materials: Rs. 0.06 lakh) included in the scheme but not executed.
Total ..		1.51	

Out of the total of 28 culverts for which pipes had been procured, non-execution of 12 culverts had resulted in communication gap in respect of 10 link roads which had been formed/metalled (1980-81) at a cost of Rs. 1.96 lakhs (Government grant: Rs. 1.21 lakhs).

3.8.8. *Unutilised grants.*—Under the scheme, Government grant was paid in advance and the Director of Rural Development/the Collector was to ensure proper utilisation, in accordance with the pattern of assistance. In two blocks (two districts) Government grants amounting to Rs. 8.10 lakhs were lying unutilised (July 1982) for more than a year.

3.8.9. *Short payment of panchayat union contribution.*— Fourteen panchayat unions (six districts) had utilised Government grants for the implementation of the schemes in excess of the permissible amounts to the extent of Rs. 6.14 lakhs and had thus correspondingly reduced their share of contribution, during 1979-80 and 1980-81. The amount remained to be remitted to Government (July 1982).

**3.8.10. Summing up.**—(i) Eleven roads in Kunrathur block were remetalled twice in 1980-81 under the scheme resulting in fraudulent expenditure to the tune of Rs. 2.50 lakhs.

(ii) Hire charges for power rollers lent to contractors for road works executed during November 1980 to April 1981 were omitted to be collected at the revised rates prescribed in October 1980, resulting in short recovery amounting to Rs. 2.52 lakhs.

(iii) 34/70 school buildings in one district/five districts were constructed (1981) with Mangalore tiled roof which was not an approved design/asbestos cement sheet roofing at costs higher than the ceiling costs, involving extra expenditure of Rs. 16.04 lakhs.

(iv) Three school/dispensary buildings constructed (July-September 1981) at a total cost of Rs. 1.80 lakhs were not put to use for nearly one year.

(v) Building materials and pipes valued at Rs. 1.51 lakhs had not been put to use, resulting in locking up of funds for more than a year.

(vi) Unutilised Government grants amounting to Rs. 8.10 lakhs were lying with two panchayat unions for more than a year and fourteen panchayat unions had utilised Government grants in excess of the permissible amounts to the extent of Rs. 6.14 lakhs for implementation of works under the scheme.

Thus, there were several instances of irregularities and wasteful expenditure incurred during the execution of the scheme.

The points mentioned above were reported to Government in September 1982; their reply is awaited (February 1983).

## SOCIAL WELFARE DEPARTMENT

### 3.9. Schemes for Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes

**3.9.1. Introductory.**—The Constitution of India provides a number of safeguards to protect and promote the interests of the Scheduled Castes (SCs) and Scheduled Tribes (STs). Special programmes for the SCs, STs and other Backward Classes (BCs) had been undertaken by Government in successive Five Year Plans through (i) Centrally operated

programmes, (ii) centrally sponsored/aided programmes and (iii) State sector programmes. During 31 years of planning ending 1981-82, the Central Government had undertaken 14 welfare schemes and had provided substantial assistance to the State Government for their implementation. In addition, the State sector programmes undertaken by the Government of Tamil Nadu covered mainly education, economic development and housing.

3.9.2. *Organisation.*—The implementation of the various schemes is under the overall control of the Social Welfare Department at the Secretariat, assisted by two heads of departments, viz., Director of Adi Dravidar and Tribal Welfare to look after the schemes for the SCs and STs and Director of BCs for overseeing execution of schemes for BCs/Denotified Communities (DNCs). There are district officers working under both the Directors for implementation of the schemes at the field level. In addition, there are 9 Integrated Tribal Development Projects (ITDP) in five districts where there is concentration of tribals for executing the schemes for their welfare. Schemes under Co-operation were implemented through the Registrar of Co-operative Societies.

A review of the schemes implemented during 1974-75 to 1980-81 was conducted by Audit during August 1981-June 1982 at the Secretariat, the Directorate of Adi Dravidar and Tribal Welfare, the Directorate of BCs and implementing units. The results of the review are given in the succeeding paragraphs.

3.9.3. *Outlay.*—Rupees 2,06,45.79 lakhs were spent during 1974-75 to 1981-82 on various schemes implemented by the Government for the welfare of the people belonging to SCs/STs, BCs and DNCs.

## A. Welfare of the Scheduled Castes/Scheduled Tribes

### I. Educational schemes

3.9.4. *Scholarships to students belonging to SCs and STs.*—Under a Centrally sponsored scheme, scholarships to cover cost of books, tuition fees, examination fees and maintenance expenses are paid every year for *post*-matric studies to eligible students belonging to SCs and STs, subject to certain conditions and income limits of the parents. *Pre*-matric scholarships to children of SCs/STs and *post*-matric scholarships to such of the SCs/STs who are not eligible for Government of India scholarships are also sanctioned under the State scheme.

The number of scholarships granted and the amounts paid during the years 1978-79 to 1980-81 are given below:—

<i>Year</i>	<i>Number</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1978-79 .. .. .	6,92,707	2,82.01
1979-80 .. .. .	8,03,811	4,07.87
1980-81 .. .. .	8,27,115	4,51.61
1981-82 .. .. .	8,41,382	5,70.41

A test check conducted (January to May 1982) in six selected districts (Madras, Chengalpattu, North Arcot, South Arcot, Thanjavur and Madurai) on the award of scholarships disclosed the following points :—

(i) *Delays in payment and non-receipt of acquittances.*—The amounts of scholarships due to be disbursed to student scholars are required to be disbursed by the heads of institutions to the eligible students within 15 days from the date of encashment and the connected acquittances/challans forwarded to the sanctioning authorities within two weeks after disbursement.

It was seen that in two districts (Madras and Chengalpattu), there had been delays in disbursement of scholarships to SC/ST students ranging from 2 to 3 months. The department had not examined the reasons for the delayed disbursement.

During the test check (December 1981), it was also seen that there were delays in the receipt of acquittances as indicated below:—

	1976-77 to 1980-81*
	(rupees in lakhs)
Total amount of scholarships paid	6,10.69
Amount for which acquittances are due ..	99.81
Number of cases for which acquittances were due as at the end of December 1981.	17,002

\* Figures given are only in respect of six districts test checked and figures for the entire State are not available in the Directorate.

(ii) *Verification of community and income in respect of scholarships.*—

Two posts of whole time investigators were sanctioned (November 1973) to the department of Adi Dravidar and Tribal Welfare specifically for carrying out the percentage verification of community/income in the State, but these investigators were utilised for covering cases of scholarships sanctioned by the Directorate of SC/ST students studying in Madras city only. Verification of community income in respect of scholarships (about five times the number in the city) sanctioned by the district officers was confined to a random and limited check by Revenue Department officials. Even the limited random check done in the districts declined from 8.2 per cent in 1978-79 to 5.6 per cent in 1979-80 and to 0.6 per cent in 1980-81. Out of 3,198 cases verified by the department during 1978-79 to 1980-81, 126 beneficiaries were found ineligible and recovery was ordered in their cases. In May 1977, instructions were issued by the District Officers to give up the verification work for the years upto 1975-76 which was in arrears on the ground that no useful purpose would be served by belated verification.

(iii) *Scholarships for examination fees.*—In the case of *post-matric*

courses, scholarships towards examination fees are paid to the institutions at the beginning of the academic session for eventual disbursement to the University/Board of examinations in respect of students sent up for examination. The institutions are required to send to the departments, lists of student scholars who are sent up and not sent up for the examinations together with challans in evidence of refund in respect of students not sent up. A test check of the records relating to 1980-81 of six district offices disclosed that these lists had not been received from the educational institutions. In the absence of the lists of scholars sent up/not sent up for the examination, it would not be possible for the department to verify whether the scholarships were utilised for the purpose and had reached the right persons.

(iv) *Scholarships for purchase of text books.*—Scholarships are

paid to students belonging to SCs/STs studying in *post-graduate* courses (and professional courses in respect of BCs and DNCs only) for purchase of books. The heads of institutions through whom the scholarships are paid, are required to furnish to the department, utilisation certificates. During the test check, it was observed that out of 16 district officers who were instructed (April 1980) by the Directorate of Adi Dravidar and Tribal Welfare to furnish reports regarding receipt of utilisation certificates from institutions for the period from 1973-74 onwards, the Directorate had received reports only from 7 district Adi Dravidar Welfare Officers up to 1979-80. Reports from the remaining districts were still awaited (October 1982).

3.9.5. *Free supply of text books to Scheduled Castes (SCs) / Scheduled Tribes (STs) students for pre-matric courses.*—In order to avoid delays in disbursement of scholarships, from 1977-78 onwards, Government introduced (March 1977) free supply of text books to all the SC/ST students, studying in schools other than departmental schools without reference to the income of the parents. Text books printed by the Tamil Nadu Text Book Society were to be distributed to the schools concerned, through the stockists in the districts (co-operative institutions) on the basis of the indents submitted by the heads of the educational institutions.

It was seen that there were delays of two to six months in the submission of indents by the educational institutions and supplies were delayed/insufficient/not made at all, as brought out below:—

(i) In five districts, 215 schools and 26 local bodies submitted their indents late by two to six months during 1977-78 and 1979-82.

(ii) The prescribed 'Basic Register' was not maintained (1977-82) in the five districts covered by test check, as a result of which it could not be ascertained whether the supply of text books had been made to all the schools/students in the districts and in time. However, in 9 districts, it was seen from the available records in the district offices/Directorate, 0.39 lakh students were not supplied with books during the years 1977-82. Reasons for non-supply were not available in the departmental records.

(iii) In Kanyakumari district, all books required for minority languages for 1977-78 and in Chengalpattu district, all Telugu medium books for 1978-79 were reported (April 1978, February 1980) by the Director/District Officer to have not been supplied.

(iv) In 39 cases of complaints made by school authorities/District Officers/Director, covering the period 1977-82, supplies had not been made to schools/students even after the expiry of 2-7 months.

(v) The report of completion of supply of books which was to be submitted by each district officer to the Director every year as per the instructions (July 1977) of the latter had not been furnished by any district officer for any of the years 1977-78 to 1981-82. It was seen that the bills for the cost of the books supplied to the schools were passed (amount: Rs. 35.55 lakhs) by the departmental officers without the prescribed returns to be submitted by the heads of the institutions giving details of the cost of the books.

(vi) No machinery has so far been evolved (July 1982) to ensure compliance with the directive of Government to intensify the percentage check of community so that the concession reached only the deserving persons.

3.9.6. *Irregular supply of drawing and craft book.*—Under a State scheme, prescribed text books and specified number of note books and slates are distributed free of cost every year to all the students studying in the Adi Dravidar and Tribal Welfare schools run by the Government.

Copies of a drawing and craft exercise book called 'art land' printed by a private publisher were purchased (quantity and cost not available) by the Directorate of Adi Dravidar Welfare Department during 1973-74 and supplied to pupils of standards I to III studying in the above schools but they were not supplied in the subsequent years till 1979-80 for which reasons are not available. The Director of Adi Dravidar and Tribal Welfare, however, purchased copies of these exercise books for free supply to pupils of standards I to X during 1980-81 and 1981-82.

Rupees 1.74 lakhs were spent during 1981-82 (for which only details were available) in 11 districts on the purchase and free supply of copies of these exercise books. In three districts test checked (Madras, Chengalpattu and Pudukkottai) heavy stocks of the exercise books purchased during 1980-81 and 1981-82 remained undistributed (April 1982) owing reportedly to lack of response from the pupils and schools.

3.9.7. *Pre-matric scholarships to selected categories of children.*—In order to provide good school education to the children of parents engaged in unclean occupations, viz., scavenging of dry latrines, flaying and tannery, who did not attend regular schools for a variety of reasons and in whose cases the drop-out percentage was higher, Government of India sponsored (March 1977) a scheme for award of *pre-matric* scholarships for students in standards VI to X from the academic year 1977 at a flat rate of Rs 145 per mensem per child to cover the entire educational expenses, including cost of boarding and lodging. The Government of Tamil Nadu, while notifying the scheme (May 1977) for implementation by the Adi Dravidar and Tribal Welfare Department, restricted its scope to students other than SCs/STs, although the guidelines issued (March 1977) by the Government of India contained no such restriction. On a specific clarification (May 1979 and November 1979) in this regard from the Government of India pointing out the applicability of the scheme to SCs/STs as well, even as per their original orders of March 1977, instructions were issued (January 1980) by the Director to the District Officers, Madurai and Tiruchirapalli removing the restriction in respect of SCs/STs. As a result, the number of scholarships granted in one of the two districts viz., Madurai increased to 13 in 1980-81 from 2 in the previous two years.

The number of scholarships granted from time to time was very much less than the target, as shown below:—

Year	Target (number of scholarships)	Number of scholarships granted	
		Fresh	Renewal
(1)	(2)	(3)	(4)
1977-78 .. .. .	60	3	..
1978-79 .. .. .	60	..	2
1979-80 .. .. .	60	..	2
1980-81 .. .. .	60	20	1
1981-82 .. .. .	60	27*	..

A number of applications (181 cases) in 3 districts (Thanjavur, Madurai and Ramanathapuram) were rejected (1980-81) by the District officers on the ground that the applicants were not hosteliars. No steps were, however, taken to provide accommodation in the existing/new departmental hostels or in subsidised hostels with the help of voluntary organisations like Ramakrishna Mission/Harijan Sewak Sangh, as required in the Government of India guidelines (March 1977).

**3.9.8. Special coaching .—**In order to improve the chances of success of the candidates belonging to SCs/STs and BCs appearing for the competitive examinations conducted by the UPSC for recruitment to the All India Services and for appointment to the commissioned ranks in the Indian Armed Forces, training centres have been set up by the Government of Tamil Nadu in Madras and four districts (Tiruchirapalli, Madurai, Coimbatore and Tirunelveli).

Rupees 24.03 lakhs\*\* were spent on the running of the Pre-examination Training Centre (PETC) (Rs. 12.43 lakhs) and the Special Training Institute (STI) including the regional centres (Rs. 11.60 lakhs) during the years 1978-79 to 1981-82.

During the test check (June-August 1982), the following points were noticed:—

(i) *Attendance in coaching classes.*—The majority of the trainees did not attend the coaching classes regularly, the percentage of the number

\*Split up details for 27 scholarships between fresh and renewal cases not available in Directorate.

\*\* Excludes the expenditure in respect of the regional centre at Tirunelveli which was awaited (July 1982),



of students who absented themselves for more than 10 percent of the total number of coaching classes ranged from 25 to 99 per cent in the training centres. No effective steps have been taken to ensure regular attendance of the trainees in the classes.

(ii) *Accommodation.*—The Principal of the PETC had stated in his report to Government in 1973 that the centre was housed in a condemned building and that the shifting of the centre to another building was a 'must for achieving good results'. The Superintending Engineer, Public Works Department also observed (December 1981) that the building of the PETC had served its life and was unfit for use. However, the centre is continued to be run in the same premises. Government stated (October 1982) that action to acquire land for constructing building for accommodation had been initiated.

3.9.9. *Book Banks for Medical and Engineering students.*—Under a Centrally sponsored scheme introduced in November 1978, one set of books (ceiling cost:Rs. 2,300) was to be provided for every seven SC/ST students studying in medical and engineering institutions. The students are to be provided with separate identity cards and the books are to be returned by them at the end of each term.

A test check of the records in respect of six institutions\* disclosed the following:—

(i) There was a delay ranging from 6 to 19 months (1979-82) in the purchase of books by the institutions owing to, (a) non-availability of books (1979-80 and 1980-81) and (b) delay in distribution of funds relating to 1980-81 by the Director of Technical Education.

(ii) Separate identity cards were not issued in five out of six institutions covered by test check.

(iii) The utilisation of the text books (March 1982) in four Medical colleges ranged from 14 to 27 per cent only.

(iv) The Alagappa Chettiar College of Engineering and Technology, Karaikudi, was paid Rs. 0.81 lakh (Rs. 0.30 lakh during 1979-80 and Rs. 0.51 lakh during 1980-81) as against Rs. 0.46 lakh admissible as per the prescribed norms resulting in an excess payment of Rs. 0.35 lakh.

\* Madras Medical College, Stanley Medical College, Thanjavur Medical College, Tirunelveli Medical College, Engineering College, Guindy and Alagappa Chettiar College of Engineering and Technology, Karaikudi.

3.9.10. *Government schools for SCs / STs.—Delay in provision of laboratory buildings and water supply to certain schools.*—(i) A laboratory building for the high school at Meenambakkam, sanctioned in August 1976 had not been completed (July 1982) by the Public Works Department even after expiry of six years. Meanwhile, the cost of construction of the building had gone up from Rs. 0.37 lakh (August 1976) to Rs. 0.85 lakh (July 1982). Reasons for the delay are awaited (October 1982).

(ii) Construction of laboratory buildings (cost: Rs. 1.85 lakhs) for five high schools in Chengalpattu, South Arcot, Tiruchirappalli and Salem districts entrusted (July 1978 and January 1979) to the Tamil Nadu Harijan Housing and Development Corporation (THADCO) had not been completed (July 1982) even after a lapse of three to four years owing to non-selection/delay in selection of sites.

(iii) In September 1976, the Tamil Nadu Water Supply and Drainage Board (TWAD) prepared an estimate for Rs. 0.51 lakh for providing protected water supply to the Government Nandanar Institution at Chidambaram. There was protracted correspondence between the Government and the Director of Adi Dravidar and Tribal Welfare on the preparation of estimates for two sumps to be constructed inside the premises of the two schools and internal water supply distribution system. Meanwhile, on account of escalation in costs, the TWAD Board prepared (January 1979) a revised estimate for Rs. 0.97 lakh for the original work, which was approved by Government in June 1981. The work has not been completed, resulting in the benefit not accruing to the students so far (October 1982).

3.9.11. *Free supply of uniform to pupils.*—Under the scheme, two sets of dresses are supplied free of cost to all Adi Dravidar students (to all pupils from 1979-80) studying in primary and middle schools run by the Adi Dravidar Welfare Department. A sum of Rs. 3,21.39 lakhs was spent on the scheme from 1977-78 to 1981-82.

Delays ranging from one month to 10 months (1979-81) were noticed in the supply of uniforms to children in five districts test checked. Only one set was supplied during 1980-81 in some schools in three of the five districts. Though the department attributed (March 1982) the delay mainly to belated supplies by the tailoring units, it was seen that the delays were also due to (i) late submission of indents for uniform by the district officers; and (ii) time lag in taking delivery of the stitched uniforms by the district offices.

3.9.12. *Scheme for training of SC/ST candidates in Typewriting/ Shorthand.*—This is a job-oriented State scheme in vogue from 1971-72 to train SC/ST candidates in typewriting and shorthand through Government recognised private institutes. The heads of institutes are

required to ensure from the SSLC Books of the students that they belong to SC/ST. Rupees 8.35 lakhs were spent on the scheme for the period from 1977-78 to 1980-81.

Prior to June 1975, the scheme was implemented only in district headquarters. In June 1975, the scheme was extended to cover taluk headquarters and other places also. However, it was noticed that in most of the districts, the institutes selected for imparting the training were located only in district headquarters. Further, all the six institutes selected in Madras district from the inception of the scheme are located (June 1982) in South Madras only.

The Director of Adi Dravidar and Tribal Welfare reported to Government (July 1976) that in spite of coaching given to candidates, there were large number of drop-outs and poor results in the examinations, especially in shorthand. In order to review the position, Government called for (September 1978) from the Directorate details regarding the number of students admitted for training, number of dropouts, number of passes and the number of passed candidates who secured employment. Neither the Directorate nor the District Offices maintained the requisite records to furnish a reply. There was no departmental verification of the claim by the institutes for tuition fees, examination fees, etc., and returns furnishing details of students benefited, appeared for the examination and passed, were neither prescribed nor obtained from the heads of institutes. The report called for by Government had not been furnished by the Directorate and review of the scheme has not been completed even after four years and remedial measures adopted.

3.9.13. *Girls' Hostels*.—As most of the hostel buildings for girls are located in private rented buildings and the facilities in these buildings were inadequate, some buildings being in dilapidated condition and the owners being reluctant to carry out repairs to them, Government decided (March 1980) to construct hostel buildings in a phased manner at the rate of 50 every year from 1979-80 under a Centrally sponsored programme, the cost being shared equally by Government of India and Government of Tamil Nadu. Rupees 1,00.00 lakhs received from Government of India (Rs. 50.00 lakhs each in March 1980 and March 1981) and the State share of Rs. 1,00.00 lakhs (Total: Rs. 2,00.00 lakhs) were placed with Tamil Nadu Harijan Housing and Development Corporation (THADCO) (April 1980 and March 1981) for construction of 100 girls' hostels.

A review of the records relating to the scheme disclosed that the place of location of the hostels was not determined in advance of sanction. Plans and estimates were not also prepared before sanction to the works and placing of the amounts at the disposal of THADCO. Out of 50 hostels sanctioned during 1980-81, the sites for locating 19 hostels (approximate cost: Rs. 38.00 lakhs) had not been selected and handed over to THADCO by the department (July 1982). By the end of June 1982, Rs. 5.61 lakhs only (3 per cent) had been spent out of the total amount of Rs. 2,00.00 lakhs placed at their disposal.

## II. HOUSING SCHEMES

3.9.14. *Scheme for provision of house sites.*—(a) Under the scheme for construction of houses, house sites measuring 3 cents in the case of wet lands and 5 cents in the case of dry lands per family are provided free of cost to poor and landless Adi Dravidars and STs on condition that, (a) houses should be constructed by the beneficiary within a period of 12 months in the case of wet lands and 6 months in the case of dry lands and (b) the beneficiaries should not alienate the site for a period of 30 years.

According to the information available in the Directorate of Adi Dravidar and Tribal Welfare (July 1982), the details of house sites provided were as follows:—

<i>Particulars</i>	<i>Number of house sites provided</i>
(1)	(2)
(i) Government Poromboke lands ..	2,80,871 (up to March 1981)
(ii) *Conferment of ownership Act 40 of 1947 (the Kudiyiruppu Act)	98,783 (up to July 1981)
(iii) Private lands acquired under the Land Acquisition Act, 1894 (LA Act)	3,37,905 (up to March 1982)
	7,17,559

Details of expenditure incurred by Government towards payment of compensation to the owners of the Kudiyiruppus were not available. In the case of item (iii), 24,643.34 acres of private lands (both wet and dry) had been acquired (cost: Rs. 10,19.93 lakhs) and divided into 3,93,851 house sites.

(b) Details regarding the utilisation of 2,80,871 house sites, allotted by assignment of Government poromboke lands are awaited from the Revenue Department (October 1982).

\* Scheme implemented in Thanjavur district only.

(c) Out of 3,93,851 house sites made out of private lands acquired under Land Acquisition Act 1894 to end of March 1982, 3,37,905 sites had been assigned leaving 55,946\* house sites (approximate value: Rs. 1,44.89 lakhs) (14.2 per cent) to be assigned (March 1982). The delay in assignment was attributed (July 1982) by the Department to (i) Writ petitions, civil suits pending in courts (10,527 sites); (ii) non-preparation of lay-outs (4,878 sites); (iii) lay-outs pending approval (3,087 sites) and (iv) other reasons, such as, standing crops at the acquired sites, possession yet to be taken over by the department, disputes among the beneficiaries, encroachments yet to be evicted, processing of cases pending in the offices of the Special Tahsildars (Adi Dravidar Welfare—37,454 sites).

Out of 3,04,238 house sites assigned up to March 1981, 1,14,340\*\* house sites (37 per cent) (approximate value: Rs. 2,95.12 lakhs) remained unutilised (March 1982) by the beneficiaries. The non-utilisation was generally attributed (1977/1981/1982) by the department to (i) inability of the beneficiaries to meet the expenditure on levelling and the cost of construction of the houses; and (ii) disinclination of the beneficiaries in general to take up construction of houses after the setting up (1974) of the THADCO which was providing, free of cost, built houses to selected poor Adi Dravidar families in a phased manner.

(d) Of the house sites remaining unutilised, sites covering an area of 351.16 acres\*\*\* acquired between 1958-59 and 1980-81 (approximate cost: Rs. 19.98 lakhs) in 7 districts were situated in low-lying areas, requiring levelling up to a height of one to three feet to make them fit for house construction and remained unutilised by the allottees for periods ranging from 1 to 24 years. No action was taken by the department to level up house sites in low-lying areas till December 1980 when the estimated cost of levelling up these lands was assessed by the Director of Adi Dravidar and Tribal Welfare as Rs. 21.55 lakhs which was revised to Rs. 60.60 lakhs in November 1981. Government ordered (January 1982) that the levelling work be undertaken under the National Rural Employment Programme. Information regarding progress of action taken in this regard was awaited (October 1982).

(e) According to a report of the Commissioner for SC and ST, Government of India for the year 1977-78, 14,97,000 Adi Dravidar and Tribal families in Tamil Nadu were eligible for allotment of house sites. Of these, 7,17,559 families only (48 per cent) had been provided (March 1981/1982) with house sites leaving a balance of 7,79,441 families yet to be provided.

\* Year-wise analysis of these items was awaited (July 1982).

\*\* Year-wise break up not available.

\*\*\* Information regarding the number of house sites assigned in these areas was awaited (July 1982).

(f) A few cases of improper assignments/sale of assigned house-sites by allottees noticed during the test check are mentioned below:—

(i) In Thiruthangal village of Sattur taluk in Ramanathapuram district, 41 house sites (extent acquired: 2.10 acres) had been assigned (1976) and houses were constructed by THADCO on these sites at Government cost. Subsequently 36 allottees were found to be ineligible. Government ordered (March 1981) that the market value of the sites and the cost of the houses (Rs. 2.49 lakhs) be recovered from the allottees; recovery is awaited (July 1982).

(ii) Forty individuals in South Arcot district to whom house sites pattas had been issued, were later found to be ineligible for the free assignment. Action to resume the house sites or to recover the cost thereof from the assignees was yet to be taken (July 1982).

(iii) In Pudupalayam village in Rajapalayam town (Ramanathapuram district), 4 Adi Dravidars sold away the assigned house sites (extent: 20 cents) before the expiry of the prescribed time limit. The assignment was cancelled (January 1981) and the house sites were required to be resumed and assigned to other eligible Adi Dravidar families. Action in this regard is yet to be taken (July 1982).

3.9.15. *Housing Scheme for Adi Dravidars.*—Under the housing scheme for Adi Dravidars implemented as a State Plan scheme on loan-cum-subsidy basis from the Second Five Year Plan to end of Fourth Five Year Plan (1973-74), 21,560 houses (total cost: Rs. 1,67.48 lakhs) were constructed to the end of 1973-74. From 1974-75 onwards, the scheme was implemented through THADCO to which funds were made available by Government for constructing houses on the sites already assigned to the individuals concerned. Certain aspects relating to the implementation of the schemes by THADCO had been mentioned in the Report of the Comptroller and Auditor General of India (Commercial) for the year 1979-80.

The following further points were noticed during the review:—

(i) Hundred houses (cost: Rs. 3.91 lakhs) constructed (1975-76) by THADCO in Janakipuram village in Madurantakam taluk of Chengalpattu district were allotted to the Adi Dravidar beneficiaries in 1976. An enquiry conducted (August 1978) by the department disclosed that out of 100 allottees, 61 were ineligible. Government ordered (December 1980) that all the ineligible persons should be evicted and the houses re-allotted to eligible persons. Information regarding action taken for eviction of the ineligible persons and reallocation was awaited (October 1982).

(ii) Government sanctioned (March 1981) the construction of 10,000 houses for 1979-80 and 1980-81 (5,000 houses each year) and released (March 1980) Rs. 1,70.00 lakhs to the THADCO towards the construction programme for 1979-80. The amount of Rs. 1,70.00 lakhs had been retained by the THADCO, unutilised for more than two years, without undertaking any work as the question of revision of ceiling cost of the houses for Adi Dravidars was under examination by Government. Further, Rs. 2,00.00 lakhs provided in the budget for the housing programme for 1981-82 were drawn in March 1982 by the Director of Adi Dravidar and Tribal Welfare and placed in a personal deposit account opened in his name under the orders (March 1982) of Government. Rupees 3,70.00 lakhs (Rs. 1,70.00 lakhs drawn in March 1980 and Rs. 2,00.00 lakhs in March 1982) remained unutilised (October 1982) pending decision on the ceiling cost of the houses.

### III. CO-OPERATION

3.9.16. *Milk Co-operative Societies for Adi Dravidars.*—Under this Scheme, financial assistance aggregating Rs. 1,28.99 lakhs (subsidy: Rs. 86.92 lakhs; loan; Rs. 42.07 lakhs) had been extended by Government to the members of these societies for the purchase of 28,673 milch animals from 1964-65 to 1981-82. Out of the total of 375 societies (members; 83,438) as at the end of March 1982, 224 societies (members; 23,079) (60 per cent) were dormant for periods ranging from 1 to 19 years; of the 224 societies, 150 societies\* had incurred losses amounting to Rs. 11.88 lakhs; out of the 151 active societies, 87 were working at loss, the aggregate losses incurred by 64\* of these societies being Rs. 5.00 lakhs. Of these, 40 societies had incurred losses exceeding their respective share capital. In March 1982, Government called for detailed proposals from the Commissioner for Milk Production for reviving all the dormant societies by extending to them necessary financial assistance. Further developments are awaited (October 1982).

As at the end of September 1981, Rs. 6.87 lakhs were overdue for recovery from the societies towards loan instalments (principal; Rs. 4.02 lakhs; interest: Rs. 2.85 lakhs). Of this, Rs. 5.74 lakhs were in arrears for over five years and Rs. 0.80 lakh for over two years.

### IV. OTHER MISCELLANEOUS SCHEMES

3.9.17. *Free supply of tools to technically trained SCs and STs.*—In 1958, Government introduced a scheme of supplying tools and appliances, free of cost, to technically qualified persons belonging to SC (ST from 1968-69 and SC converts to Christianity from 1975-76) in order to

\* Information was available with the Commissioner for these societies only (July 1982).

enable them to settle down in their trade or business and eke out their livelihood. Rs. 23.64 lakhs were spent on the scheme during the period from 1974-75 to 1980-81 to benefit 7,176 persons.

(i) According to the instructions issued (April 1974) by the Director of Adi Dravidar and Tribal Welfare, the district officers were to call for applications from eligible persons in April every year, select persons in May and submit the annual indent to the Director immediately thereafter. The latter was to consolidate the requirements, call for tenders in July and place supply orders in August. The distribution to the beneficiaries was to be completed by the District Officers within the same financial year. There were considerable delays in the receipt of indents from districts and consequent delay in placing orders for supply as shown below :—

<i>Year</i>	<i>Month prescribed for placing orders for purchases</i>	<i>Actual date of purchase order</i>	<i>Due date fixed for making supplies</i>	<i>Number of tools and appliances</i>	<i>Cost</i>
(1)	(2)	(3)	(4)	(5)	(6)
					(in lakhs of rupees)
1979-80	.. August 1979	1st February 1980	20th February 1980 and 28th February 1980	1,032	3.67
1979-80	.. Do.	12th March 1980	25th March 1980	735	1.98
	Total			<hr/> 1,767 <hr/>	<hr/> 5.65 <hr/>
1980-81	.. August 1980	18th January 1981	31st March 1981		
		2nd March 1981 and 23rd March 1981		1,037	3.66



(ii) Delays in receipt of supplies beyond the close of the financial year, mainly due to the delay in placing orders for supplies, were noticed as under:—

Year	Number of tools and appliances	Month in which supplies were to be made	Period during which supplies were made	Amount
(1)	(2)	(3)	(4)	(5)
1979-80	197	February 1980 and March 1980	April 1980 to July 1980	0.75
1980-81	134	March 1981	April 1981 to July 1981	0.42
Total				1.17

(iii) Out of six items of tools and appliances required to be supplied during 1980-81, only one item (dhobi tools) was supplied during that year. The remaining five items (274 numbers; value: Rs. 1.10 lakhs) were supplied only in the next financial year.

(iv) The articles distributed in each year were found much less than the stock on hand, resulting in increase in the undistributed balance at the end of each year—*vide* table below:—

Year	Opening balance	Receipts during the year	Total	Issues during the year	Balance held in stock	Value of closing stock
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1974-75	338	366	704	302	402	1.10
1975-76	402	272	674	229	445	1.38
1976-77	445	385	830	291	539	1.62
1977-78	539	443	982	356	626	1.97
1978-79	626	426	1,052	193	859	2.67
1979-80	859	326	1,185	508	677*	2.04
1980-81	677	444	1,121	349	772*	2.36

\*Reduction due to non-receipt of certain articles ordered for supply.

Reasons for non-distribution of these items are awaited (October 1982).

Belated receipt/non-distribution/delay in distribution of the tools and appliances resulted in the benefit of the scheme not reaching adequate number of eligible persons and at the proper time.

(v) According to the instructions issued (January 1973) by the Director, the Special Revenue Inspectors were to conduct cent per cent verification of utilisation of the tools and appliances by the beneficiaries and the District Officers should carry out ten per cent test check. It was stated (December 1981 to March 1982) by the District Officers that verification had not been completed for the years 1974-75 to 1980-81.

3.9.18. *Grant of interest free petty trade loans.*— In order to help members of SC and ST to engage themselves in particular trades independently, the scheme (a State scheme) of sanctioning interest free loan ranging from Rs. 125 to Rs. 15,000 per member (repayable in 100 instalments) to them for starting petty trades has been implemented from 1968-69 (1973-74 for ST).

Mention was made in paragraph 34 of the Report of the Comptroller and Auditor General of India for the year 1973-74 (Civil) about the large number of cases of non-utilisation of loans and the huge amount pending recovery. The Committee on Public Accounts in its Eighth Report (1977-79) recommended that a time bound programme should be drawn up for completing the utilisation in pending cases in respect of loans paid up to March 1976. It was, however, noticed that out of 9,787 cases of loans (amount: Rs. 64.41 lakhs) sanctioned up to March 1976, 5,719 cases (58 per cent) (loan: Rs. 38.51 lakhs) were yet to be verified (July 1982).

From the inception of the scheme (1968-69) to end of 1981-82, loans totalling Rs. 1,30.00 lakhs had been disbursed to 16,951 beneficiaries in the entire State. According to the information available in the Directorate, in respect of 14,415 cases (Rs. 1,05.20 lakhs) in which loans had been released up to 1979-80 in the entire State, only in 4,607 cases (33 per cent) utilisation had been verified (March 1982) by the department. Of the cases verified, in 2,835 cases (62 per cent) loan amounts (Rs. 19.43 lakhs) were found to have been improperly utilised and summary recoveries ordered. The basic records showing particulars of loans paid to beneficiaries every year were not maintained. No follow-up action had been taken to ensure continuance of the beneficiaries in the respective trades for the prescribed period of 10 years and prompt recovery of loan instalments.

According to the Directorate, up to September 1981, Rs.0.61 lakh (about 1 per cent) only had been recovered out of a demand for Rs.51.55 lakhs in 13 districts out of 16 districts.

According to an evaluation study conducted by the department (1977-78), the scheme had not been implemented successfully and the loans had been mostly used by the loanees for immediate consumption. Government observed (September 1978) that the scheme had not made much headway due to various factors and the continuous pumping of money under the existing scheme had led to huge accumulation of arrears and the cost benefit ratio was also poor. Proposals for a system of giving margin money to the banks instead of full financing by Government to be implemented by the District Industries Centres are under consideration of Government (October 1982).

3.9.19 *Sinking of irrigation wells.*— To improve the economic condition of SC/ST agriculturists in the State, subsidy of Rs.2,500 per member is given (from 1958-59) under a State scheme for sinking irrigation wells, subject to the condition that the beneficiaries own at least one acre of land. Mention was made in paragraph 34 of the Report of the Comptroller and Auditor General of India for the year 1973-74 (civil) about the large number of cases of incomplete wells and the irregular payment of final instalment of subsidy when the well works were incomplete. The Committee on Public Accounts in its eighth report (1977-79) had recommended that the machinery for follow up action should be strengthened and the department should assist the beneficiaries in obtaining loans from the banks in cases where additional funds were required for completing the wells.

From 1978-79, the rate of subsidy was enhanced from Rs. 2,500 to 33 1/3 per cent of the cost of the well (a ceiling of Rs. 5,000 was introduced from February 1982) and the remaining 66 2/3 per cent of the cost was to be financed by the Primary Land Development (PLD) Banks as loan.

A review of the records in the Directorate and 6 district offices disclosed the following :—

(a) *Spill over works.*—(i) Out of 506 wells for which subsidies were sanctioned (Rs. 5.92 lakhs) during 1974-75 to 1977-78, 204 works (40 per cent) were incomplete even after the expiry of 5 to 8 years at the end of May 1982.

(ii) Out of 204 cases of wells not completed within the stipulated period of 12 months from the payment of second instalment of subsidy, in 71 cases only (35 per cent) summary recoveries (Rs. 0.39 lakh) were ordered (1973-74 to 1977-78), but no recovery had been made by the Revenue Department so far and the remaining 133 cases also remain to be attended to (July 1982).

(b) *New works.*—(i) Under the revised pattern of subsidy introduced from 1978-79, 410 wells were estimated to be provided every year from the second year onwards. However, as against the estimated target of 1,640 wells to be provided in four years—1978-82, only 60 wells were completed (1978-79—7 ; 1979-80—11 ; 1980-81—22 and 1981-82—20).

(ii) Out of the total allotment of funds of Rs. 29.88 lakhs, Rs. 6.79 lakhs only were disbursed as subsidy during 1978-79 to 1981-82 and the percentage of shortfall increased from 63 in 1978-79 to 83 in 1981-82.

The Directorate had stated (March 1979) that the difficulties arising out of requirement of ground water clearance certificate for sanctioning the loans, stipulation of a space of 200 metres between one well and the other well for granting loans and the non-availability of loan programme in some of the PLD banks due to overdue position caused poor performance.

Government furnished (January 1980) the details of places where the ground water clearance already existed and advised that in respect of other places where such clearance was not available, clearance from the local hydrogeologists be obtained. However, the shortfall in 1980-81 and 1981-82 continued to be heavy (81 and 83 per cent) for which reasons are awaited (October 1982).

3.9.20. *Free supply of plough bulls and other agricultural implements.*—With a view to improving the standard of living of SC/ST agriculturists, plough bulls, seeds and agricultural implements are purchased and distributed to them from 1958-59.

Mention was made in paragraph 34 of the Report of the Comptroller and Auditor General of India for the year 1973-74 (Civil) about the failure to take follow-up action to verify the existence of bulls with the beneficiaries for the prescribed period of three years and their utilisation for agricultural purposes. The Committee on Public Accounts in their eighth report (1977-79) recommended that special steps be taken for ensuring effective follow-up action.

According to the reports available in Directorate, out of the total of 464 cases of supply of bulls (value of assistance : Rs. 2.78 lakhs) during 1978-81, 93 per cent of cases were not verified during 1978-79 and 96 per cent during 1979-80 and 1980-81. In Chengalpattu, Tiruchirapalli and Ramanathapuram districts even basic records showing the names and other particulars of individual beneficiaries were not maintained.

3.9.21. *Adi Dravidar Colonies Development Programme.*—For providing basic amenities like drinking water facilities, pathways to Adi Dravidar colonies and burial grounds, construction of school buildings to Adi Dravidar Colonies, Government released Rs. 1,56.43 lakhs (1980-81 : Rs. 66.37 lakhs; 1981-82 : Rs. 90.06 lakhs) to cover 69 blocks during 1980-81 and 150 blocks during 1981-82.†

In 2 districts, Rs. 11.34 lakhs were released during 1980-81 (December 1980 : Rs. 5.00 lakhs; February 1981 : Rs. 6.34 lakhs) to 8 panchayat unions by the department for executing works during that year. Even after the expiry of more than a year (March 1982) the panchayat unions had an unutilised balance of Rs. 4.07 lakhs (36 per cent).

3.9.22. *Implementation of Protection of Civil Rights Act.*—The Untouchability (Offences) Act, 1955 amended as the Protection of Civil Rights Act, 1955 with effect from 19th November 1976, prescribes punishment for preaching and practice of untouchability. The State Governments have to take measures to ensure that the rights arising from the abolition of untouchability are made available to and are availed of by the persons concerned.

The quantum of Central assistance for 1977-78 and 1978-79 was cent per cent and 50 per cent from 1979-80. Central assistance aggregating Rs. 39.06 lakhs was released from 1977-78\* to 1981-82. Rupees 16.48 lakhs\*\* were spent on the programme during 1979-80 to 1981-82. Necessary proposals in response to Government of India's request for availing of Central assistance during 1980-81 and 1981-82 were sent by the Government of Tamil Nadu only in March 1981 and February 1982 with the result that the Central assistance for these years was

† Information regarding the number of blocks actually covered during 1980-82 was awaited (July 1982).

\* The Central assistance (Rs. 3.40 lakhs) for 1977-78 was not utilised due reportedly to non-receipt of Government of India's sanction. Assistance (Rs. 4.00 lakhs) for 1978-79 sanctioned in January 1979 and March 1979 was not also utilised owing to late formation of Mobile Police Squads.

\*\* The Government of Tamil Nadu had reported to Government of India the expenditure as Rs. 4.64 lakhs during 1979-80 and Rs. 19.44 lakhs during 1980-81 whereas the expenditure booked in accounts was Rs. 0.48 lakh and Rs. 1.98 lakhs respectively for these years. The differences are under reconciliation (July 1982).

released only at the fag end of each year (March 1981 and March 1982). Even thereafter, three schemes (estimated expenditure : Rs. 21.36 lakhs ; Central assistance : Rs. 10.68 lakhs) were implemented belatedly by about one year and more and four schemes (estimated expenditure: Rs. 10.34 lakhs ; Central assistance : Rs. 5.17 lakhs) had not been implemented (July 1982).

3. 9. 23. *Special Central Assistance (SCA) for the Welfare of SCs.*—

To enable at least nine lakhs out of the total 18 lakhs of SC families in Tamil Nadu to cross the poverty line during the Sixth Five Year Plan period (1980-85), a 'Special Component Plan' (SCP) was introduced (December 1980) by Government of India. With a view to accelerating the development of the SCs, a Special Central Assistance (SCA) conceived as an additive to SCP with reference to the totality of the Programmes for the development of SCs was also simultaneously sanctioned (1980-81) by the Government of India. The quantum of SCA is related to the special component plan of the State. The Government of India sanctioned (1980-81) another scheme of Central assistance to State Government for investment in the SCs Development Corporation to assist in the flow of benefits to SCs towards 'margin money'. A test check of the records relating to the implementation of these schemes exclusively meant for the development of the SCs, during the years 1980-81 and 1981-82 disclosed the following points :—

(a) *Special Component Plan.*—The plan document showed the size of the SCP for the Sixth Plan (1980-85) as Rs. 5,35.20 crores and the annual plan flows for 1980-81 and 1981-82 as Rs.71.84 crores and Rs.83.04 crores respectively. The outlay for the Sixth Plan and for the annual Plans (1980-81 and 1981-82) under each sector under SCP had been worked out as a percentage of the allotment set apart in the State Plan as a whole, as related to the size of the SC population in the areas in which the sectoral schemes were implemented. The progress of expenditure under SCP was assessed as a percentage (adopted for the outlay in the Plan) of the total sectoral expenditure under the State Plan as benefiting the SCs. Against the plan coverage of 1.8 lakh SC families during 1980-81, the coverage based on the assessment adopted by Government was 0.68 lakh only. The reasons for the shortfall were explained (October 1981) by Government as due to delay in the clearance by the Government of India of the SCP and consequential delay in communicating the targets to the Sectoral departments.

(b) *Special Central Assistance (SCA).*—The scheme was implemented by (i) the District Rural Development Agency (DRDA) and (ii) THADCO. Special Central assistance of Rs. 9,55.96 lakhs was received from the Government of India during July 1980 to March 1981 and the amount (Rs. 8,30.77 lakhs in March; Rs. 1,25.19 lakhs in April 1981) was placed

at the disposal of the Project Officers of the DRDA in all the districts for implementation of the scheme under Integrated Rural Development Programme (IRDP). The amount was utilised towards subsidy element at the rate of 33 1/3 per cent payable to SCs under the various schemes covered by IRDP. The assistance was intended to cover 100 to 150 SC families in each block over and above 300 SC families to be covered under the normal IRDP.

Under the Scheme, the beneficiaries became eligible to the payment of subsidy as soon as the lending bank 'decided' to sanction the loan portion under IRDP. However, the Project Officers irregularly deposited the amounts of SCA received from Government into the participating banks as 'advance subsidy', without ascertaining the decision regarding sanction of the loans. Out of the total assistance of Rs. 9,55.96 lakhs received from Government of India during 1980-81, a sum of Rs. 6,96.62 lakhs is stated to have been utilised by the banks up to March 1982. Necessary utilisation certificates were awaited from the banks and the balance of Rs. 2,59.34 lakhs also remained to be utilised (June 1982).

Though Government have not approved the utilisation of the funds under SCA for implementation of the National Scheme of Training of Rural Youth for self-employment (TRYSEM) to impart training to rural youths in various skills, it was found that in the four districts covered by test check, Rs. 32.50 lakhs had been irregularly spent under TRYSEM during 1981-82 from out of SCA.

During 1981-82, Rs. 8,64.34 lakhs were placed (Rs. 4,64.20 lakhs in October 1981 and Rs. 4,00.14 lakhs in March 1982) at the disposal of THADCO for being utilised to implement economic development programmes for SCs. During February-March 1982, Government sanctioned specific schemes involving a subsidy of Rs. 7,46.00 lakhs against which THADCO released (May 1982) subsidy totalling Rs. 1,21.20 lakhs which represented advance payments to Government departments and undertakings implementing the schemes. Particulars of actual utilisation by the implementing agencies are awaited (July 1982).

Under the scheme, assistance from 'margin money' fund represented 25 per cent loan at 4 per cent interest available to SCs who obtained loans from the banks under IRDP. Rupees 4,00.00 lakhs were placed at the disposal of THADCO in two instalments of Rs. 2,00.00 lakhs each year during 1980-81 and 1981-82 for this purpose. According to the progress reports submitted by the District Development Officers (DDOs) (THADCO), advance payments aggregating

Rs. 3,60.00 lakhs had been made to the participating banks for the period ended 31st March 1982, though such advance payments were not authorised by the Government. In Madurai district, 10,863 SC people have been advanced margin money of Rs. 54.83 lakhs to end of March 1982 against which 1,214 pronotes for a value of Rs. 6.23 lakhs only (11 per cent) had been received by DDO, Madurai, till June 1982. In Ramanathapuram district, the corresponding figures were 6,607 (Rs. 33.16 lakhs) and 319 (Rs. 1.59 lakhs).

## V. Tribal Area Sub-Plan

### 3.9.24. Schemes for the Tribal People

1. *Introductory.*—The programmes for the welfare and development of the tribal people in Tamil Nadu implemented till the end of the Fourth Five Year Plan was limited to two tribal development blocks started in areas with more than two thirds tribal concentration. In the Fifth Five Year Plan, attention was focussed on the specific problems of each identifiable group and area and through a tribal Sub-plan, which provided for coverage of contiguous pockets with at least 10,000 population of which 50 per cent were tribals. Each area is known as Integrated Tribal Development Project area (ITDP) and 9 ITDP areas were located (five in Salem district and one each in North Arcot, South Arcot, Dharmapuri and Tiruchirappalli districts) after approval (January 1976) by the Planning Commission for implementing the Tribal sub-Plan schemes during the first sub-plan covering the years 1976-77, 1977-78 and 1978-79. The schemes were continued beyond 1978-79 and during the sixth Plan period. A total expenditure of Rs. 9,33.01 lakhs was incurred (Central assistance : Rs. 3,53.87 lakhs) from 1976-77 to 1981-82.

2. While in the Tribal sub-Plan 1976-79 approved (July 1976) by Central Planning Commission, the sectoral programmes had been phased over the three years covered by the sub-plan, in the annual sub-plans for the years 1976-77 to 1978-79 finalised by the State Government, the provision for the sectoral programmes was regulated with reference to the availability of financial resources, resulting in the provisions in the annual sub-plans varying considerably from those in the tribal sub-Plan (1976-79), the variations ranging from (—) 30 per cent to plus 300 per cent.



3. *Delay in issue of sanctions.*—There was inordinate delay on the part of the Government in issuing orders sanctioning the schemes for implementation in the various sectors during a financial year as indicated below :—

1976-77—26th October 1976 and 29th November 1976.

1977-78—1st July 1977; 30th September 1977 and 30th December 1977.

1978-79—12th July 1978 and 20th December 1978.

1979-80—5th July 1979.

1980-81—5th November 1980

1981-82—12th October 1981.

The sanctions were for full coverage of the schemes during the financial year and the delay in issue of sanctions resulted in considerable time being lost in the implementation of the schemes during the year.

4. *Roads.*—As part of ITDP, 14 works for formation of roads in the tribal areas in Salem, North Arcot and Dharmapuri districts at a total cost of Rs. 5,19.55 lakhs were sanctioned by Government between November 1976 and December 1981.

The following points were noticed :—

(i) In October 1976, the Collector of Salem district reported to Government that communication facilities in Yercaud hills, Kolli hills and Pachamalai were fairly adequate and improvement of communication was called for in only Kalrayan hills and Aranuthumalai. But out of 10 road works sanctioned subsequently between December 1977 and December 1981, only one each was in Kalrayan hills and Aranuthumalai (cost : Rs. 90.00 lakhs) and the rest eight (cost : Rs. 2,88.65 lakhs) were in Yercaud hills, Kolli hills and Pachamalai.

(ii) The Collector of Tiruchirapalli district sought (December 1980) Government sanction for execution of the road from Sobanapuram to top Sengattupatti (length : 15.20 kms ; estimated cost : Rs. 25.00 lakhs) situated in the part of Pachamalai lying in Tiruchirapalli district, stating that the only access for movement of materials to Odaikattupudur from Tiruchirapalli is through Sobanapuram. The Chief Engineer, Highways and Rural Works, also reiterated (May 1981) that unless the Sobanapuram—top Sengattupatti road, which would serve as approach to Pachamalai from Tiruchirapalli district was provided, the two roads in Pachamalai of Salem district, one from top Sengattupatti—Odaikattupudur completed in April 1981 at a cost of Rs. 22.78 lakhs and the other from Odaikattupudur—Periamangalam road nearing completion (expenditure up to April 1982 : Rs. 15.37 lakhs) would

not serve their purpose and full benefits would not be available for the tribal people of Pachamalai. The road work had, however, not been sanctioned so far (May 1982).

(iii) The alignment of the road from Puluthikottai to Aranuthumalai (length : 19.75 kms ; sanctioned cost : Rs. 84.00 lakhs ; expenditure up to 31st March 1982 ; Rs. 9.39 lakhs) sanctioned in July 1979 (revised administrative sanction accorded in May 1981) had not been commenced (April 1982) pending renewal of permission by the Forest Department for entering into the forest lands and felling the standing trees thereon.

(iv) Out of Rs. 32.37 lakhs spent by the special division, Salem during 1980-81, Rs. 27.93 lakhs were on the purchase of bitumen (Rs. 22.95 lakhs) and steel (Rs. 4.98 lakhs) without assessing the actual requirements. Out of 860.66 tonnes purchased from Bharat Petroleum Corporation during August 1981 to April 1982, 75 tonnes only had been used up to April 1982. Out of 99.975 tonnes of steel purchased in March 1981, only 5 tonnes (cost : Rs. 0.25 lakh) had been used up to April 1982.

5. *Soil Conservation*.—Soil conservation schemes were executed at a cost of Rs. 25.20 lakhs during 1976-77 to 1981-82 in the five districts covered by ITDP. The following shortfalls in coverage as at the end of March 1982 were noticed :—

District	Year	Target		Achievement		Shortfall in per- centage
		Physical	Financial	Physical	Financial	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(in acres)	(in lakhs of rupees)	(in acres)	(in lakhs of rupees)	(finan- cial)
South Arcot ..	1979-80	1,270	3.70	202	1.21	67
South Arcot ..	1980-81	699	4.70	145	1.30	72
Dharmapuri ..	1980-81	100	1.00	..	..	100
All five districts ..	1981-82	50	1.00	..	..	100

The District Collector, Dharmapuri and the Executive Engineer, Agricultural Engineering, Cuddalore attributed (April 1981 and November 1981) the non-achievement of the targets to inadequacy of staff. Special staff proposed by the Chief Engineer, Agricultural Engineering wing in September 1980 were yet to be sanctioned (May 1982).

6. *Animal Husbandry*.—In order to better the lot of the tribals, sheep, milch cattle, poultry, piggery and work bulls were bought from open market and distributed to the tribals at subsidised costs, the extent of subsidy being 100 per cent\* in South Arcot district for the first two years 1976-78 and 75 per cent thereafter and 50 per cent throughout in the other four districts of Salem, Dharmapuri, North Arcot and Tiruchirapalli and the balance was to be met by the beneficiaries by loans [raised through large sized multi-purpose societies (LAMPS)] financed by co-operative banks. The purchases were made by purchase committees consisting of representatives of department of Animal Husbandry, Managing Director of LAMPS. Details of supplies made during 1976-82 are given below :—

	<i>Number of units</i>	<i>Subsidy</i>	<i>Cost</i>	<i>One unit comprises</i>
	(1)	(2)	(3)	(4)
(in lakhs of rupees)				
1. Sheep ..	4,298	36.668	66.030	10 ewes and 1 ram
2. Milch cattle ..	1,794	14.475	28.634	1 cow and 1 calf
3. Poultry ..	373	0.690	1.094	10 pullets and 1 cockerel
4. Piggery ..	375	0.950	1.840	8 sows and 1 boar
5. Work bulls ..	1,969	16.137	26.672	one pair of bulls
Total ..		<u>68.920</u>	<u>1,24.270</u>	

In South Arcot district, test verification of 36 out of 268 beneficiaries, by the Special Officer, ITDP, Kalrayan hills disclosed that more than 78 per cent of the sheep supplied during 1977-78 (cost/ subsidy : Rs. 0.24 lakh) had died as the sheep supplied were very young and could not withstand the rigours of the climatic condition in the hills. Out of 44 loanes randomly contacted in April/May 1980 by the Statistician of the Co-operation Department, in the case of 24 loanes (55 per cent) the sheep had died either at the time of taking them from the plains to the hills or in two weeks to two months after purchase mainly owing to poor quality of the sheep. The insured amount could not be claimed by the parties in most of the cases as it was not possible for the tribals to carry the dead animals from the hills to the plains, as insisted by the doctors for giving the necessary

\* In view of the backwardness of the district, higher rate of subsidy was allowed.

**certificate.** According to the Statistician of the Co-operation Department, the milch cattle purchased and distributed by the purchase committee were substandard and the prices which were fixed by the touts were on the high side. Majority of the beneficiaries have incurred loss as there were no organised facilities for marketing milk products. Further, no regular follow up action had been taken to ensure the continued possession of the cattle by the beneficiaries in good condition reportedly (February 1982) due to want of adequate staff and proper approach roads to establish contacts with the individual beneficiaries. In Salem and South Arcot districts, out of five dispensary buildings, four (estimated cost : Rs. 3.68 lakhs) (sanctioned during 1977-78) had not been completed even after the expiry of nearly three years by the end of April 1982, resulting in delay in providing adequate health care to the animals supplied to the tribals. Reasons for the delay in completion are awaited (October 1982).

7. *Electrification.*—During 1977-82, Rs. 42.81 lakhs were paid to the Tamil Nadu Electricity Board (TNEB) towards 75 per cent subsidy (the balance 25 per cent to be borne by the TNEB) for electrification of 141 tribal villages and hamlets in the five districts under the ITDP. By June 1982, only 46 hamlets and 14 villages had been electrified. The unutilised subsidy remaining with TNEB in respect of such works amounted to Rs. 24.28 lakhs. While 7 works were pending for want of permission from Forest Department to take power lines through reserve forests (6 works) and want of approach roads (1 work), reasons for the other cases are awaited (June 1982). Subsidy had been paid during 1977-78 for 26 out of 81 pending works.

8. *Provision of drinking water.*—For providing protected drinking water supply to 175 tribal habitations in the 5 districts, Rs. 42.50 lakhs were paid to Tamil Nadu Water Supply and Drainage Board (TWAD) during 1978-82. The progress in the execution of works undertaken for this purpose by TWAD as at the end of April 1982 is given in the table below :—

Year	Amount paid to TWAD	Spent	Number of schemes			Percentage of shortfall
			Target	Achievement	Shortfall	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(amounts in lakhs of rupees)			
1978-79	.. 13.50	12.02	52	46	6	11.5
1979-80	.. 5.00	7.89	47	40	7	14.9
1980-81	.. 12.00	3.35	44	23	21	47.7
1981-82	.. 12.00	0.70	32	8	24	75.0
<b>Total</b>	.. 42.50	23.96	175	117	58	33.1

Thirty three per cent of the works remained to be executed (June 1982) for more than two years. The slow progress was attributed (May 1982) to non-availability of special type rigs with TWAD for drilling in hill areas and the rigs having to be hired. The unutilised Government money with TWAD at the end of March 1982 was Rs. 18.54 lakhs.

9. *Provision of medical facilities.*—Of the 12 works for construction of dispensaries, quarters for Assistant Surgeons and other staff meant for the dispensaries in Kalrayan hills, Pachamalai and Aranuthumalai at a total cost of Rs. 13.40 lakhs, 10 works sanctioned between 1977 and 1980 (cost : Rs. 11.80 lakhs) had not been completed by May 1982. Due to time lag in construction, administrative sanction in respect of 7 works had to be revised from Rs. 8.45 lakhs to Rs. 15.96 lakhs (increase 89 per cent). Construction work had not been started in 6 cases (July 1982).

10. *Sericulture.*—During the years 1980-82, though a total sum of Rs. 11.13 lakhs (Rs. 7.00 lakhs in 1980-81 and Rs. 4.13 lakhs in 1981-82) was sanctioned by Government towards 33 per cent subsidy for sinking of wells and installation of pipelines and pumpsets in Salem, North Arcot and South Arcot districts, no expenditure was incurred except for a paltry sum of Rs. 0.285 lakh in 1981-82 for want of clearance from the Ground water wing.

11. *Tribal Development Authority.*—The Tamil Nadu Tribal Development Authority constituted in May 1976 and reconstituted in November 1978 with the Chief Minister as Chairman, to draw up, co-ordinate and supervise the implementation of the Tribal Welfare Programmes, met only four times between July 1976 and February 1978 and thereafter only once in June 1982.

12. *Monitoring.*—The research cell for tribal welfare in the Directorate of Adi Dravidar and Tribal Welfare, Madras had not built up a sound monitoring system in order to consolidate the details of implementation of the schemes by the sectoral departments from the very beginning of the implementation of the tribal sub-Plan schemes in 1976-77.

13. *Evaluation.*—Beyond conducting (April 1980) an evaluation of the working of the LAMPS functioning under the tribal sub-Plan in Tamil Nadu by a Statistician in the Co-operation Department, no other evaluation was done to assess the impact of the various schemes implemented under the tribal sub-Plan during the years 1976-82 at a total cost of Rs. 9.33 crores.

## B. I. Welfare Schemes for Backward Classes

3.9.25. *Educational Schemes to students belonging to Backward Classes.*—Under the State scheme, both *pre-matric* and *post-matric* scholarships are paid to children of Backward Classes and Denotified Communities (BCs and DNCs) subject to income limits of the parents.

The number of scholarships granted and the amounts paid during the years 1978-79 to 1980-81 are given below:—

Year	Number	Amount
(1)	(2)	(3)
		(in lakhs of rupees)
1978-79 .. . . .	3,57,505	2,95.91
1979-80 .. .. .	3,58,917	2,95.21
1980-81 .. .. .	3,46,592	3,10.65

A test check conducted (January to May 1982) in five selected districts (Madras, Chengalpattu, North Arcot, South Arcot and Thanjavur) of the records relating to the administration of scholarships disclosed the following points:—

(i) The Committee on Public Accounts had recommended (February 1981) that the department should take steps to achieve the prescribed percentage (BC/DNC—20 per cent, *post-matric*—15 per cent and *pre-matric* — 5 per cent) in respect of districts also and wanted reports on the measures taken by Government. No instructions had so far (October 1982) been issued by Government to the department on the above recommendations.

(ii) *Post-matric scholarships.*—It was noticed that out of a total of 64,355 cases selected for verification from 1974-75 up to June 1982, only 50,511 cases had been verified (October 1982), leaving a balance of 13,844 cases (22 per cent) yet to be verified. Against 5,660 cases recommended by the investigators for recovery during the period from 1974-75 to 1980-81, the department had ordered recovery in 3,164 cases (value of scholarship—Rs. 20.48 lakhs) only, leaving a balance of 2,496 cases (44 per cent) on which final action was yet to be taken (October 1982).

(iii) *Pre-matric scholarships*.—Under the orders (February 1977) of Government, the *pre-matric* scholarships paid to BC students were required to be verified to the extent of 5 per cent of the fresh cases (reduced to 3 per cent from 1981-82). This verification was not carried out and the department had approached (December 1981) the Government for waiver of this verification in respect of scholarships paid from 1971-72 to 1977-78. Orders of Government are awaited (October 1982).

(iv) *Non-receipt of acquittances*.—The Committee on Public Accounts while examining para 37 of the Report of the Comptroller and Auditor General of India for 1975-76 recommended (February 1981) that effective measures should be taken by Government to ensure prompt receipt of acquittances and wanted a report on the measures taken by Government in this regard. Necessary report in this respect has not been submitted to the Committee by Government so far (October 1982).

Delays in the receipt of acquittances still persisted and acquittances were pending as at the end of December 1981 as indicated below:—

	1979-80 and 1980-81
	(amount in lakhs of rupees)
Total amount of scholarships paid	6,05.86
Amount for which acquittances are due	10.60
Number of cases for which acquittances are due	10,055

3.9.26. *Loan Scholarship Scheme*.—In 1972, Government introduced a scheme for granting financial assistance by way of interest-free loans not exceeding Rs. 5 00 per annum, subject to a maximum of Rs. 2,500 for the entire course to the BC students, prosecuting studies in professional course in medicine, engineering, etc., with annual parental income of Rs. 2,501 to Rs. 6,000. The total number of scholarships to be granted every year was fixed as 250.

During the period from 1972-73 to 1980-81, 717 students were assisted under the scheme and Rs. 3.58 lakhs were disbursed.

The following points were noticed:—

(i) *Delay in sanctioning loans*.—There was delay of three months and more in respect of 28 cases (Rs. 0.14 lakh) out of 64 cases of loans sanctioned during 1980-81. The delay was attributed (October 1982) by the department to defective applications which had to be returned to the heads of institutions for rectification.

(ii) *Loan not drawn for the full course of study.*—In 25 cases (value Rs. 0.18 lakh), the students did not extend their study up to the final grade. The departmental records did not indicate whether the loanees had discontinued their studies, whether they obtained gainful employment or whether action was taken by the sanctioning authorities to recover the assistance paid.

(iii) The department had no information regarding (a) the number of scholars who had successfully completed the full course of study, and (b) the number of scholars who had been gainfully employed after completing the course of study. The impact of the loan scholarship scheme has not been evaluated by the department.

## II. OTHER MISCELLANEOUS SCHEMES

3.9.27. *Free supply of tools to barbers and dhobies belonging to Backward Class.*—Rupees 95.21 lakhs were spent on the scheme during the period from 1969-70 to 1980-81 and the number of beneficiaries covered by the scheme during the last six years were as follows:—

Year	Barbers	Dhobies	Total
(1)	(2)	(3)	(4)
1975-76 .. .. .	1,828	1,653	3,581
1976-77 .. .. .	1,850	1,845	3,695
1977-78	1,850	2,245	4,095
1978-79	3,630	3,619	7,249
1979-80	4,000	4,000	8,000
1980-81	4,000	4,000	8,000

A test check (January—April 1982) of the records for 1978-79 to 1980-81 in 8 districts (North Arcot, South Arcot, Chengalpattu, Madras, Thanjavur, Tirunelveli, Ramanathapuram and Coimbatore) and in the Directorate of BCs Welfare Department disclosed the following points:—

(i) In none of the years 1978-79 to 1980-81, the selection of the beneficiaries was completed in any district in time and orders for procurement of the tool were placed (October 1978, March 1980, October 1980 and January 1981) based on the budget allotment of funds and the allocation of the number of tools to each district was made by the Director based generally on the allotment made in the previous year without actually assessing the requirements based on selection of beneficiaries.



(ii) Due mainly to delay in placing purchase orders, supplies were received mostly at the fag end of the financial years concerned and the distribution to the beneficiaries was made in the subsequent years. The distribution was also slow and not commensurate with the procurement made, resulting in progressive accumulation of stock, year after year as indicated below :—

Year	Opening stock	Receipts during the year	Total	Number		Value of idle stock
				Distributed during the year	Undistributed at the end of the year	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
						(in lakhs of rupees)
(i) Barber tools						
1978-79	1,633	3,630	5,263	2,630	2,633	1.97
1979-80	2,633	4,000	6,633	2,826	3,807	3.87
1980-81	3,807	4,000	7,807	2,872	4,935	4.89
(ii) Dhobi tools						
1978-79	1,719	3,619	5,338	2,559	2,779	6.95
1979-80	2,779	4,000	6,779	3,344	3,435	11.27
1980-81	3,435	4,000	7,435	3,616	3,819	12.54

3.9.28. *Supply of tools to boyars.*—Under a scheme for free supply of tools (cost of one set : Rs. 100) to boyars to eke out their livelihood in stone-cutting, during the period from 1978-79 to 1980-81, 600 sets of tools were procured (value : Rs. 0.60 lakh) from local markets.

In 3 districts (North Arcot, South Arcot and Coimbatore) test checked, tools were procured only at the fag end of each year in March 1979, March 1980 and March 1981.

As against the total of 600 sets of tools procured, only 285 sets (48 per cent) were distributed leaving an idle stock of 315 sets (value : Rs. 0.32 lakh) (April 1982).

Government stated (October 1982) that time limits for each stage, viz., from selection of beneficiaries to final distribution to them would be fixed and that the purchase and supply of tools would be regulated in future.

### 3.9.29. Extra expenditure in procurement of barber/dhobi tools

(a) *Barbers' kits.*—Against an offer of Rs. 83.75 (February 1982) per kit by a private firm (Firm 'A'), the Backward Classes Welfare Department purchased 4,000 sets during 1979–80 to 1980–81 from 'Poompuhar' at a higher rate of Rs. 99 (including taxes) per set on the ground that 'Poompuhar' was a Government Corporation after obtaining Government's approval.

During 1981–82, as 'Poompuhar' quoted a higher rate of Rs. 120.06 (including taxes) per set, under instructions (November 1981) from Government, tenders were called for (November 1981) and the lowest rate of Rs. 82.40 (including taxes) per set offered by the same firm 'A' was accepted (November 1981) by the Director of BCs; but no formal letter of acceptance was issued. However, the Director accepted (January 1982) a reduced rate of Rs. 93.79 per set quoted by 'Poompuhar' for supply of 4,000 sets rejecting the lowest tender of the private firm 'A' on the ground that 'Poompuhar' is a Government undertaking. The purchase from 'Poompuhar' during 1979–80—1981–82 resulted in extra expenditure of Rs. 1.52 lakhs.

The direct purchase from 'Poompuhar' was in contravention of the policy decision (January 1977) of Government that purchases should be made after calling for tenders and price preference up to 10 per cent only over the lowest tendered rate could be given to Government undertakings in respect of products manufactured by them. 'Poompuhar' had not been manufacturing these tools, but procured them from open market and supplied to the department.

(b) *Dhobi iron boxes.*—In February 1979, a firm (small scale industry) financed by Tamil Nadu Industrial Investment Corporation (TIIC), a Government Corporation, offered to supply brass iron boxes at Rs. 250 (including taxes) each. The TIIC also recommended (February 1979) to the department the purchase from the firm, stating that it has been financed by the Corporation for manufacturing iron boxes. Further, a city based washermen's association certified (April 1979) that the iron boxes manufactured by the above firm were good. But the offer was not considered (July 1979) by the department and with the approval (March 1980) of Government the Director of BCs placed (March 1980) an order with 'Poompuhar' (who were manufacturing these items) for supply of 4,000 brass iron boxes at the higher rate— Rs. 328.23 (including taxes) each for the year 1979–80 on the ground (July 1979) that 'Poompuhar' was a Government unit and it was necessary to avoid public criticism about the quality of the goods. During 1980–81 also, 4,000 brass iron boxes were ordered (October 1980) from Poompuhar at the same rate, resulting in extra expenditure of Rs. 4.26 lakhs during 1979–80 and 1980–81.

During 1981-82, Government approved (January 1982) the rate of Rs. 365.40 each (including taxes) of 'Poompuhar' for purchase of 4,000 numbers without ascertaining the market rates, again on the ground that it was a Government unit. Government stated (October 1982) that purchases were made from 'Poompuhar' as the system worked satisfactorily and there were generally no complaints from the beneficiaries regarding the quality of the tools supplied by 'Poompuhar'.

3.9.30. *Construction of Dhobikanas.*—During the years 1971-72 to 1980-81, financial assistance amounting to Rs. 13.20 lakhs (loan : Rs. 7.57 lakhs and subsidy : Rs. 5.63 lakhs) was paid to 59 local bodies for construction of dhobikanas.

A review (January—April 1982) of the implementation of the scheme disclosed that (a) seven local bodies did not implement the scheme and remitted back the assistance drawn (loan : Rs. 0.83 lakh and subsidy : Rs. 0.53 lakh) owing to lack of interest on the part of the local bodies (4), want of required land (2) and paucity of water (1); (b) due to lack of proper and adequate facilities for water supply, the dhobikanas constructed in 11 cases with a total assistance of Rs. 2.07 lakhs (loan : Rs. 1.38 lakhs and subsidy : Rs. 0.69 lakh) could not be put to use; (c) in respect of 9 cases (loan : Rs. 1.54 lakhs ; subsidy ; Rs. 0.86 lakh) local bodies did not either commence the works or complete them.

### C. Welfare Schemes for Denotified Communities

3.9.31. The following points were noticed during a test check (April and June 1982) of the schemes implemented for the welfare of the denotified communities.

(i) *Housing.*—In October 1979, Government ordered that at least 1,000 houses be constructed before 31st March 1980 for denotified community members whose annual income did not exceed Rs. 2,500 and who owned a house site but not a house. The cost per house was fixed (August 1979) by Government at Rs. 4,300 comprising Government subsidy of Rs. 3,225 and beneficiaries contribution of Rs. 1,075 in cash or in the form of building material/labour. As against the target of 1,000 houses due for completion by March 1980, as ordered by Government, 967 numbers (665 in February 1980 and 302 in January 1981) were sanctioned by the Directorate on the basis of the proposals received from the district officers and 834 beneficiaries only were finally selected, after leaving out 133 persons (14 per cent) eligible for the subsidised houses, but who could not pay their contribution in cash although the individuals were willing to contribute in the form of labour/materials as provided for in the scheme. The houses were to be constructed by the Tamil Nadu Harijan Housing and Development Corporation (THADCO). Rupees 26.90 lakhs towards subsidy for

construction of 834 houses were paid to THADCO between February 1980 and January 1982 together with Rs. 10.02 lakhs collected from the beneficiaries representing their contribution. Out of 834 houses, it had completed 426 houses (51 per cent) and 390 houses are in progress. In the remaining 18 cases, the beneficiaries (Thanjavur district) had expressed (April 1981) their inability to construct the houses by themselves and bear the extra cost.

In Tirunelveli district, 10 beneficiaries who were brought under the scheme (February 1980) (subsidy: Rs.32,250) were later found (December 1981) ineligible under the scheme. Meanwhile, the houses had come up to basement level. Information regarding further action taken in the matter is awaited (April 1982).

As at the end of April 1982, THADCO retained an unspent balance of Rs. 18.51 lakhs out of which Rs. 4.30 lakhs relate to houses in respect of which construction had not commenced.

(ii) *Irrigation wells.*—With a view to improving the economic condition of the denotified communities, subsidy (Rs. 2,500 per mensem) is given in three instalments to members of these communities who own land of not less than 2 acres and whose annual income does not exceed Rs. 2,500 (Rs. 5,000 from February 1982) for sinking irrigation wells. The wells are to be completed by the beneficiaries within a period of one year from the date of payment of the second instalment.

(a) In 125 cases (subsidy paid : Rs 1.76 lakhs during 1976-77 to 1980-81) in Madurai, Ramanathapuram and Tirunelveli districts, where the second and subsequent instalments had not been paid, the wells remained incomplete (April 1982). Out of these 125 cases, summary recovery had been ordered in 43 cases only invoking the Revenue Recovery Act. In the remaining 82 cases (66 per cent) action for recovery had not been taken (April 1982).

(b) In 2 districts, subsidies totalling Rs. 5.11 lakhs were paid during 1975-76 to 1981-82 in 213 cases without verification of the income of the beneficiaries.

### *Summing up*

Rs. 2,06.46 crores have been spent on implementation of various schemes for improving the educational, social and economic well-being of the scheduled castes, scheduled tribes and backward classes in the State during 1974-75 to 1981-82. No evaluation of the results achieved has, however, been conducted by the Government.

## Education

(i) Deficiencies in the prescribed verification of community income, delay in recovery of cancelled scholarships, etc., were noticed. Even the limited random check by Revenue Department officials declined from 8.2 per cent in 1978-79 to 0.6 per cent in 1980-81.

(ii) Adequate steps were not taken to implement the scheme for grant of *pre-matric* scholarships to the children of those engaged in unclean occupation in the areas of their habitation/employment.

(iii) The absenteeism of the trainees, from coaching classes for the preliminary and main examination of the All India Services competitive examination ranged from 25 to 99 per cent.

(iv) The text books supplied to the Book Banks attached to four medical colleges were used by the beneficiary students (SCs/STs) to the extent of 14 to 27 per cent only (1979-82).

(v) Delays ranging from 3 to 6 years in provision of laboratory buildings and water supply arrangements (total cost : Rs. 2.73 lakhs) in 6 Government run schools were noticed.

(vi) Delays in the supply of uniforms to pupils in 5 districts test-checked ranged from one to 10 months during 1979-81.

(vii) Special coaching to SC and ST candidates in Typewriting and Shorthand was not extended to taluk headquarters and other places in spite of Government directive (June 1975).

(viii) Out of Rs. 2,00.00 lakhs placed (April 1980 and March 1981) at the disposal of THADCO for construction of 100 girls' hostels, sites had not been selected (June 1982) for 19 hostels (approximate cost : Rs. 38.00 lakhs) for more than a year. Progress had been slow in respect of 81 hostels (total approximate cost : Rs. 1,62.00 lakhs).

(ix) There were delays in the distribution of text books to SC/ST students studying in *pre-matric* courses in schools other than departmental schools due to—(a) belated submission of indents by 215 schools and 26 local bodies in 5 districts ; and (b) time lag in 39 cases due to delay in supply by the stockists/Text Book Society.

## Housing

(x) Out of 14.97 lakh Adi Dravidar and Tribal families in the State eligible for free assignment of house sites, 7.18 lakh families only (48 per cent) had been provided (March 1981/1982) with house sites.

Out of 3.94 lakh house sites made out of private lands acquired (between 1949 and March 1982), 0.56 lakh house sites (approximate cost : Rs. 1,44.89 lakhs) remained to be assigned (March 1982).

(xi) Rupees 3,70.00 lakhs drawn (Rs. 1,70.00 lakhs paid to THADCO in March 1980) for construction of houses under the Adi Dravidar Housing Programme remained unutilised pending decision of Government about the ceiling cost of the houses.

#### Economic up-lift

(xii) Out of the total of 375 milk co-operative societies, 224 (60 per cent) were dormant for one to 19 years and 150 of the dormant societies had incurred losses amounting to Rs. 11.88 lakhs. No effective watch was kept over the recovery of Government dues which stood at Rs. 6.87 lakhs as on 30th September 1981.

(xiii) Belated submission of indents and consequent belated placing of purchase orders resulted in delay in distribution of tools to the beneficiaries belonging to SC/ST during 1979-80 and 1980-81. There was also accumulation of stock of tools valued at Rs. 2.36 lakhs by the end of 1980-81 in the five districts covered by test check. There were similar delays in procurement and free distribution of tools and iron boxes to beneficiaries belonging to BCs and the value of the undistributed stock went up from Rs. 1.97 lakhs/Rs. 6.95 lakhs as at the end of March 1979 to Rs. 4.89 lakhs/Rs. 12.54 lakhs by the end of March 1981 in respect of barber tools and dhobi tools respectively.

(xiv) A departmental evaluation (1977-78) of the grant of interest-free petty trade loans brought out that the scheme had not made much headway. Sixty seven per cent of the utilisation of the loans paid up to 1979-80 had not been verified by the department. Loan instalments (Rs. 50.94 lakhs) (99 per cent) were pending realisation as at the end of September 1981.

(xv) In 204 cases (40 per cent) of subsidies paid during 1974-78, wells had not been completed as at the end of May 1982.

(xvi) Central assistance for schemes under Protection of Civil Rights Act, 1955 was released by the Government of India at the fag end of the year during 1980-81 and 1981-82 as a result of delay on the part of State Government in sending proposals ; four schemes (estimated expenditure ; Rs. 10.34 lakhs) relating to 1980-82 remained to be taken up (July 1982) for implementation.

(xvii) Payments of subsidy amounting to Rs. 6,96.62 lakhs under Special Central Assistance (SCA) and Rs. 3,60.00 lakhs in respect of margin money loan were made in advance of actual requirements to the participating banks to end of March 1982.

#### Tribal sub-Plan

(xviii) Variations between the provisions made in the Tribal sub-Plan for 1976-79 and those made in the annual plans ranged from (—) 30 per cent to 300 per cent. There was time lag ranging from 3 months to 9 months on the part of Government in issuing annual sanction during the six years (1976-82), resulting in loss of time in the implementation of the schemes.

(xix) (a) Under Tribal sub-Plan, out of 10 road works sanctioned in Salem district between 1977 and 1981, 8 works (cost : Rs. 2,88.65 lakhs) were in areas where communication facilities were stated to be fairly adequate.

(b) Two road works laid (1977-81) in Pachamalai hills of Salem district at a total cost of Rs. 38.15 lakhs would not serve their full purpose unless the work relating to the approach road from the Tiruchirapalli side (which stands included in the master plan for such roads) was also sanctioned. Government had not sanctioned (June 1982) this road (estimated cost : Rs. 25.00 lakhs) due to financial constraints.

(xx) According to a test verification (1978), 78 per cent/55 per cent of the sheep supplied to the tribals had died due to improper timing of the supplies/poor quality of sheep. As milch cattle supplied to the tribals were also sub-standard/low milk yielding, the members who availed of loans for purchase of milch cattle were not benefited and majority of them had incurred loss.

(xxi) Out of 5 veterinary building works sanctioned (1977-79) for execution in the tribal areas, only one work had been completed and the remaining four works (estimated cost : Rs. 3.68 lakhs) were incomplete even after three years.

(xxii) Out of works sanctioned for electrification of 141 villages and hamlets in the tribal areas during 1977-82, 81 works of which 26 works related to 1977-79 were still to be completed (June 1982).

(xxiii) As against Rs. 42.50 lakhs paid (1978-82) to the TWAD Board, for executing works for provision of protected water to the tribals, only Rs. 23.96 lakhs (57 per cent) had been spent by them and 13 per cent of the works remained to be executed for more than two years (June 1982).

(xxiv) Out of 12 works relating to construction of dispensaries and quarters for medical and other staff (cost : Rs. 13.40 lakhs) sanctioned (1976-80) for the tribal areas, 10 works (cost : Rs. 11.80 lakhs) were incomplete (May 1982).

(xxv) Schemes for sinking irrigation wells with a subsidy of Rs. 11.13 lakhs sanctioned (1980-82) under sericulture programme for tribal people could not be put through for want of clearance from ground water wing.

(xxvi) The impact of the scheme introduced (1972) for grant of loan scholarships to students belonging to BCs prosecuting higher studies in Medicines and Engineering had not been evaluated by the department.

(xxvii) Out of 59 dhobi-khanas for the construction of which financial assistance of Rs. 13.20 lakhs (loan : Rs. 7.57 lakhs and subsidy : Rs. 5.63 lakhs) was released (1971-1981) by Government, 27 works costing Rs. 5.83 lakhs were not utilised/constructed.

### 3.10. Rehabilitation of freed bonded labourers

Government sanctioned various schemes for rehabilitation of the freed bonded labourers by providing houses, supply of milch animals and setting up of poultry units. During the years 1976-77 to 1981-82 expenditure of Rs. 29.23 lakhs was incurred in ten districts. Central assistance of Rs. 7.02 lakhs was received during the years 1978-79 (Rs. 5.32 lakhs) and 1980-81 (Rs. 1.70 lakhs). Of the total of 2,929\* labourers identified and freed and for whom the welfare schemes were drawn up, 2,131 persons (73 per cent) belonged to Scheduled Castes and Scheduled Tribes. A review (May 1982) by Audit of the implementation of the schemes in eight districts disclosed the following :—

(i) Out of the sanctioned outlay of Rs. 26.49 lakhs, Rs. 10.38 lakhs only were spent on implementation of the schemes and out of the balance Rs. 16.11 lakhs, Rs. 8.22 lakhs, were surrendered/Rs. 7.89 lakhs drawn but remained unutilised.

(ii) The expenditure of Rs. 10.38 lakhs included Rs. 3.70 lakhs (in Periyar district) on purchase of milch cattle and poultry units in respect of which the relevant records had been seized by the Vigilance Department for investigation into certain allegations against the Special Tahsildar who implemented the schemes; results of the investigation were awaited (July 1982).

\*Excludes 24,945 Tribals released in Kalrayan Hills in South Arcot district and rehabilitated under a different scheme.



(iii) (a) Rupees 0.72 lakh sanctioned (1976-77) as subsidy at 33½ per cent of consumption loans payable by banks to the freed labourers towards subsistence during the period between the time of their release and the time when their rehabilitation becomes remunerative, were surrendered in three districts, as the banks had not advanced necessary consumption loans. Rupees one lakh being Government's contribution sanctioned during 1976-77 for Coimbatore district was surrendered as banks had not sanctioned loans towards production and farming assistance.

(b) Rupees 2.72 lakhs representing housing subsidy were surrendered in 1976-77 (Rs. 1.32 lakhs in South Arcot district, Rs. 1.06 lakhs in Coimbatore district and Rs. 0.34 lakh in Pudukottai district), on the plea that the ceiling cost of Rs. 1,000 per house was inadequate.

(c) Rupees 1.08 lakhs drawn during 1979-80 for supply of poultry units and milch animals to bonded labourers in the Nilgiris district were not utilised (August 1982) due to delay in construction of houses for these labourers and pending selection of beneficiaries.

(d) Rupees 4.42 lakhs placed (1980-81) at the disposal of the Small Farmers' Development Agency in Madurai district towards subsidy to 232 persons for cultivation of crops and for supply of milch animals to 100 persons remained unutilised as loans had not been granted to the freed labourers by any of the nationalised banks including State Bank of India.

(e) Rupees 2.39 lakhs sanctioned in 1980-81 had been deposited (April 1981) by the Revenue Divisional Officer, Musiri, Tiruchirappalli district in State Bank of India pending approval of a revised rehabilitation scheme; but utilisation certificate was given irregularly (March 1982).

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

## GENERAL

### 3.11. Idle Machinery

#### 3.11.1. Forests and Fisheries Department

In November 1970, Government sanctioned the purchase of a non-self propelled cutter suction type dredger at a cost of Rs. 12 lakhs (increased to Rs. 16 lakhs in January 1972) for initial dredging work in

the construction of a fishing harbour at Tuticorin\* and for periodical maintenance dredging at fishing harbours in the State, at Mandapam approach channel and at the Rameswaram Basin. Order for supply of the dredger was placed (March 1972) by the Director of Fisheries with a firm at Calcutta, stipulating supply within nine months. However, due to delay in execution of agreement and approval of drawings by the department and the time lag in transport and assembling, the dredger (total cost: Rs. 23.62 lakhs) was delivered at Mandapam in April 1977. In July 1977, the dredger was transferred to the State Port Department, consequent on transfer of the execution and maintenance of fishing harbours to that department.

The dredger was not, however, put to use till December 1979, due mainly to (i) belated procurement of the floats and pipelines for discharge of silt, which should have been purchased along with the dredger and (ii) repairs to the dredger.

Although the manufacturer had made it clear in September 1974 that he would not supply the discharge pipelines along with the dredger, as it was not covered by the terms of supply, proposals for procurement of the floats and pipelines were initiated in January 1977 only by the State Port Officer and supplies received in March 1979.

The dredging operations could not, however, be started even after the receipt of the pipelines for want of rubber sleeves which were damaged due to cyclone in November 1978.

₹ Rupees 2.02 lakhs had been spent on maintenance (Rs. 0.96 lakh), repairs (Rs. 0.38 lakh) and staff (Rs. 0.68 lakh) during April 1977 to December 1979 when the dredger was not put to use.

From January 1980 (when the dredger was put to use) to March 1982, as against 1680 working hours, the dredger had worked only for 318 hours (19 per cent).

The poor utilisation was attributed (July 1982) by the State Port Officer mainly to repairs to the alternator (simple open type) which failed twice due to lack of protection against humid and corrosive atmosphere of sea. During January 1980 to March 1982, Rs. 3.99 lakhs were spent on maintenance (Rs. 1.57 lakhs), repairs (Rs. 0.73 lakh) and staff (Rs. 1.69 lakhs).

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

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\*The initial dredging work in Tuticorin Fishing Harbour was carried out with a dredger hired from the Shipping Corporation of India *vide* paragraph 20 of the Report of the Comptroller and Auditor General of India for the year 1971-72.

### 3.11.2. Agriculture Department

In order to store semen of exotic bulls for longer periods using deep freezing techniques, Government sanctioned (September 1979) a scheme for establishment of a Liquid Nitrogen Plant and a Freezing Centre at Abishekapatti (Tirunelveli district) at a cost of Rs. 14.45 lakhs (non-recurring: Rs. 13.55 lakhs and recurring: 0.90 lakh). The equipment and accessories required for the plant were imported at a cost of Rs. 15.40 lakhs during September—December 1980. For housing the plant, Government had approved (March 1980) the construction of a building at a cost of Rs. 2.30 lakhs, based on plans and estimates prepared by the Superintending Engineer, Public Works Department (PWD), Madurai. In June 1980/September 1980, proposals for sanction of an additional expenditure of Rs. 2.52 lakhs were sent to Government by the Director of Animal Husbandry based on the revised plans and estimates for the building prepared by the Chief Engineer, PWD who stated (May 1980) that there was a mistake in the original estimate prepared by the Superintending Engineer, PWD, and accordingly Government sanctioned (June 1981) an additional expenditure of Rs. 2.52 lakhs. The building taken up for construction in September 1981 and due for completion by December 1981 had not been completed (June 1982).

In February 1982, certain changes in the building under construction and installation of a 40 KVA capacity transformer necessary for running the Liquid Nitrogen Plant which had not been provided in the original estimate were proposed by the field officer and these proposals were yet to be finalised (June 1982).

Due to non-completion of the building, the imported equipment costing Rs. 15.40 lakhs have not been put to beneficial use for nearly two years. Further an expenditure of Rs. 1.33 lakhs had been incurred on the establishment during the period from November 1979 to March 1982.

The matter was reported to Government in August 1982; their final reply is awaited (February 1983).

### 3.11.3. Education Department

With a view to speeding up correspondence with the loanee scholars of the National Loan Scholarship Scheme and having an effective control over the collections from them, Government sanctioned (June 1980) the introduction of 'Bradma system' in the office of the Director of Collegiate Education at a cost of Rs. 1 lakh. Under the system, the details of the loanee scholars would be embossed on the plate assigned to each loanee and the plates used, *inter alia*, for issue of demand notices to the loanee scholars and correspondence with them.

The department purchased one Bradma machine along with 16,000 Plates in July 1980 at a cost of Rs. 0.96 lakh and installed it in December 1980. Only 330 plates out of 16,000 plates had been embossed so far (July 1982), though the number of loanees from whom recoveries had become due was of the order of 17,000\* as on 31st March 1982. In January 1981 two assistants were trained by the suppliers in the operation of the machine but one had been transferred\*\* to an outstation.

The department stated (July 1981) that the work of embossing Bradma plates could not be undertaken by the trained staff as they had to attend to their regular work. No steps have, however, been taken so far (July 1982) to employ separate operators. Consequently, various operations connected with the maintenance of loan accounts like issue of demand notices, correspondence with the loanee scholars, etc., are continued to be done manually and the machine (value: Rs. 0.96 lakh) purchased more than two years back remains to be fully utilised.

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

### 3.12. Misappropriation, losses, etc.

Cases of misappropriation of Government money reported to Audit to end of March 1982 and on which final action was pending at the end of September 1982 were as follows:—

	<i>Number of cases</i>	<i>Amount (in lakhs of rupees)</i>
Cases reported to end of March 1981 and outstanding at the end of September 1981 .. .. .	423	54.02
Cases reported during the period from April 1981 to March 1982 .. .. .	50	9.03
Total .. .. .	473	63.05
Cases closed during the period from October 1981 to September 1982 .. .. .	46	4.13
Cases outstanding at the end of September 1982 .. .. .	427	58.92

\* The exact number is awaited from the department (July 1982).

\*\* The date of transfer is awaited from the department (July 1982).

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

In addition, 848 cases (Rs. 1,18.52 lakhs) of shortages and theft/loss of stores, damages to vehicles, properties, etc., reported to Audit up to March 1982 were pending finalisation as on 30th September 1982.

Of these, 365 cases (Rs. 32.35 lakhs) related to the Agriculture Department and 386 cases (Rs. 60.97 lakhs) to the Public Works Department. Department-wise and year-wise analysis of these cases is given in Appendix XVIII.

### 3.13. Other miscellaneous irregularities, writes-off of losses, etc.

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

## CHAPTER IV

### WORKS EXPENDITURE

#### PUBLIC WORKS DEPARTMENT

##### 4.1. Buckingham Canal

Mention was made in paragraphs 19 and 52 of the Reports of the Comptroller and Auditor General of India for 1971-72 and 1975-76 (Civil) respectively, about the delay in installation of sand pump in the Cooum improvement scheme and the resultant failure to flush the Cooum river by the tidal action of the sea and irregularities in the work relating to the improvement to North Buckingham Canal.

With a view to reviewing the inland traffic potential and to improve the stretch of the canal passing through the city of Madras, various measures were taken by Government from time to time. In August 1967, an estimate for Rs. 40 lakhs was sanctioned for dredging the canal with a view to improving the traffic and the actual expenditure incurred was Rs. 53.07 lakhs. Another estimate for Rs. 20 lakhs was proposed in 1968 to meet the cost of dredging an additional depth of two feet to facilitate easy movement of boats. Sanction was accorded in January 1972. Meanwhile, the canal got silted up heavily and the amount was utilised only to restore the canal to normal standard without any further deepening. The total expenditure under this estimate was Rs. 19.98 lakhs.

In January 1974, the State Government sanctioned improvement works costing Rs. 65.20 lakhs. The main objective of the work was to improve the North Canal between M0/0-10/1 to make it fit for plying mechanised power boats. The work which was commenced in August 1973 was finally completed in January 1978 at a cost of Rs. 1,06.43 lakhs. The delay in execution resulted in an extra expenditure of Rs. 7.98 lakhs i.e., Rs. 7.56 lakhs by way of dewatering (against a provision of Rs. 0.84 lakh) and Rs. 1.26 lakhs for removal of silt and slipped earth.

Against the sanctioned estimate for Rs. 71.72 lakhs, the actual expenditure was Rs. 1,06.43 lakhs. The excess expenditure was yet to be regularised under orders of Government. The excess was mainly due to dewatering (Rs. 7.56 lakhs) and removal of silt and slipped earth (Rs. 1.26 lakhs) and conveyance of dredged earth (Rs. 3.52 lakhs) not provided for originally.

The department lined the canal from M0/0 to M 10/1 partly within the city limits at a cost of Rs. 52.55 lakhs. After lining work was completed the traffic in this reach stopped at M 10/1 as the country boat owners apprehended damage to the boats due to the lining. As regards mechanised boats, the Chief Engineer reported (March 1981) to Government that the cost of mechanised boats was very high and no boat owner was forthcoming to ply mechanised boats.

The volume of traffic which was more than two lakh tonnes annually from 1963-64 to 1965-66 (i.e. before the improvement works were taken up) declined between 1.74 lakh tonnes and 1.13 lakh tonnes annually by 1977-78 when the three schemes were being implemented and dwindled further to 0.73 lakh tonnes in 1978-79, 0.61 lakh tonnes in 1979-80 and 0.57 lakh tonnes in 1980-81 even such traffic terminating just beyond M 10/1, where the lining of the canal commenced.

Despite an expenditure of Rs. 1,79.48 lakhs on the three improvement works, the main objective of improving the canal traffic had not been achieved.

The matter was reported to Government in May 1982; their reply is awaited (February 1983).

#### 4.2. Supply Channel to feed Mallasamudram Tank

In April 1970, Government sanctioned the scheme of excavating a supply channel to feed Mallasamudram Tank in Tiruchengodu Taluk, Salem district at a cost of Rs. 3.80 lakhs. The scheme envisaged diversion of water from Thirumanimuthar at Madiampatti Anicut to feed seven tanks in the adjacent valley including Mallasamudram tank through a supply channel for a distance of 6.22 kms. to stabilise the existing ayacut of 1163 acres, besides bridging the gap of 455.82 acres in the registered ayacut under these tanks.

The work, commenced in November 1970 after getting necessary consent statements from the land owners to enter into their lands pending passing of land awards, was stopped by the Collector, Salem on the ground that a portion of land required for excavation of the channel between L.S. 4950 M-5150 M. was already acquired for a Harijan Colony. This stretch of land was, however, released for the work in May 1973 under orders of Government. Meanwhile, the land owners who had earlier given their consent withdrew their consent demanding payment of compensation before taking over their lands. Due to delay in land acquisition, the original contractor withdrew from the contract in November 1971 and his accounts were finalised in 1972 (value of work done: Rs. 0.46 lakh). Major portion of land acquisition (24.43 acres) was completed between October 1974 and March 1975 and the work

was resumed in June 1976. As the cost of the work as per the revised estimate prepared in April 1977 went up to Rs. 17.60 lakhs, the Chief Engineer, Irrigation, ordered (April 1977) that further work be stopped pending receipt of revised administrative approval of the Government. As the second contractor (who was entrusted with the work in June 1976) was not willing to carry out the balance of the work at his agreement rates after the stoppage of the work, his accounts were finalised in December 1980 (value of work done: Rs. 0.91 lakh).

In May 1981, Government accorded revised administrative approval for Rs. 25.50 lakhs based on 1980-81 schedule of rates and the Chief Engineer, Irrigation, accorded revised technical sanction (July 1981) for Rs. 28.73 lakhs (for Rs. 0.68 lakh in excess of the permissible limit) based on 1981-82 schedule of rates. Fresh tenders were called for in August 1981 and a third agency was fixed and an agreement was entered into in October 1981. This contractor also could not commence the work as there were standing crops in the fields where the work was to be executed. He stated that the work could be commenced only after three months and requested for the cancellation of the contract. Tenders were called for again for carrying out the balance of the work in June 1982.

The expenditure incurred on the work so far (February 1982) was Rs. 3.67 lakhs.

The following points were noticed :—

(i) Even though major portion of the land required for the work was handed over to the Public Works Department between October 1974 and March 1975, certain portions of the land in Mallasamudram Village (2.03 acres) and Madiyampatti Village (1.98 acres) are yet to be acquired. Draft proposals for issue of notification for acquisition of the lands were sent by the Special Tahsildar in February 1982.

(ii) The cost of the scheme was revised several times (September 1975, April 1977, June 1977, March 1978, June 1978, May 1980 and July 1980) and the final estimated cost of the work went up to Rs. 28.73 lakhs. The increase in the cost of the work was mainly due to

- (a) delay in land acquisition,
- (b) changes in the alignment of the channel to meet the objections of the land owners,
- (c) increase in the number of cross masonry works after change in the alignment,



(d) due to transport of earth from a distance of 5 K.M. for embankment at a huge cost and

(e) increase in the cost of work due to the adoption of the schedule of rates of 1980—81.

(iii) A stretch of the channel excavated between L.S. 3359 M to 5666 M was required to be re-excavated as the channel in this reach got levelled up due to falling of the spoil banks. The cost of re-excavation would be Rs. 1.21 lakhs based on the 1981—82 schedule of rates.

The prospect of the revival and completion of the scheme remained bleak even after a lapse of 12 years from the commencement and incurring an expenditure of Rs. 3.67 lakhs, as there was no adequate surplus in the river to irrigate the lands contemplated in the scheme.

The matter was reported to Government in July 1982; their reply is awaited (February 1983).

#### 4.3. Restoration of Sirupatti Tank and the outlet in Vellimalai Odai

In June 1974 Government sanctioned at a cost of Rs. 3.55 lakhs the restoration of Sirupatti Tank and the outlet in Vellimalai Odai and special repairs to the supply channels of Sirupatti and Thimmanatham Tanks in Sirupatti Village in Thirumangalam Taluk in Madurai district. The estimate was technically sanctioned by the Chief Engineer (Irrigation) for Rs. 3.90 lakhs in July 1974. The scheme envisaged provision of irrigation facilities to a new ayacut of 113.4 acres, besides bridging a gap of 75.74 acres and involving acquisition of 60.50 acres of lands for surplus course and forming supply channels to Sirupatti tank. Proposal for the acquisition of lands with land plan schedules was sent by the Public Works Department to the Revenue Department in October 1974.

The work was awarded (February 1975) to a contractor (tendered value: Rs. 2.66 lakhs) to be executed by February 1976. The construction of outlet in Vellimalai Odai and repairs to Thimmanatham Supply Channel were completed in July 1975. The contractor died in February 1976 and the contract was determined. The value of work done by the contractor was Rs. 0.76 lakh. The remaining work was awarded to another contractor in July 1976 for a tendered value of Rs 1.80 lakhs. The contractor could not commence the work as there was objection from the land owners to part with their lands. The agreement with the contractor was cancelled in June 1978 as he expressed his unwillingness to do the work at the rates quoted by him in June 1976.

The lands were made available by the Revenue Department to the Public Works Department only in September 1981. For carrying out the balance of the work, the department prepared (December 1981) a revised estimate for Rs. 6.20 lakhs which is yet to be sanctioned (March 1982). The increase in the cost of work (Rs. 2.30 lakhs) as per the revised estimate was mainly due to increase in the cost of labour and materials over a period of six years (1975—81) and could have been avoided had land acquisition been completed without any delay. The remaining work, as per the revised estimate, had not yet been taken up (March 1982).

Thus, the work taken up in 1974 designed to irrigate 113.4 acres at a cost of Rs. 6.20 lakhs is yet to be completed; the expenditure of Rs. 2.40 lakhs incurred so far (February 1982) has remained unfruitful.

The matter was reported to Government in July 1982; Government accepted the facts (October 1982).

#### 4.4. Improvements to Kilathangiar

The scheme of improvement to Kilathangiar river was one among the schemes approved by the Government in August 1976 under 'Modernising Old Cauvery Delta Irrigation Systems'. Improvements to Kilathangiar drain from LS. O. M. to LS 9435 M (Rs. 5.36 lakhs) and excavating a new course from LS 9435 M for a distance of 8.72 KM up to lagoon (Rs. 23.95 lakhs) to provide drainage relief to 2,432 acres of land in five villages of Thiruthuraiipoondi taluk, Thanjavur district, was technically sanctioned by the Chief Engineer (May 1976). An extent of 54.37 acres (i.e. 33.97 acres of wet lands and 20.40 acres of coconut groves) was to be acquired under the scheme for the excavation of the new drainage course from LS. 9435.

The work was commenced in June 1977 and improvement to the existing drain from LSOM to LS 9435 M was completed in May 1980. Earthwork excavation in LS 450 M to LS 2000M, revetment in the reach LS 450 M to LS 1400 M, construction of syphon at LS 1578 M and transfer of 16.52 acres of poromboke lands and acquisition of 13.40 acres of lands by the Revenue Department remained to be executed in the new course to be excavated at the end of December 1981.

Expenditure incurred on the scheme to end of February 1982 was Rs. 16.93 lakhs.

The following points were noticed in audit:—

(i) The excavation of the new course of drain is held up, as an extent of 16.52 acres of poromboke lands required for excavation between LS 450 M and 2000 M, were not yet transferred by the Revenue Department as there was strong objection

from the encroachers who had raised coconut groves. Due to delay in handing over of the land by the Revenue Department, the department assessed (November 1981) that the extra cost of work in this reach due to price escalation would be Rs. 1.20 lakhs approximately. The Collector, Thanjavur had proposed (January 1982) to acquire about 2.00 acres of forest lands to rehabilitate the encroachers and to hand over the poromboke lands to the Public Works Department. Final decision had not yet been taken (June 1982).

The scheme taken up in 1976—77 to benefit 2,432 acres of land and on which Rs. 16.93 lakhs were spent had not been completed yet (June 1982), mainly due to non-availability of the required extent of lands for excavating the drainage work between LS 450 M and LS 2000 M.

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

#### **4.5. Formation of a small tank in Sunderapandian village**

In August 1964 Government sanctioned the formation of a new tank, Tirumulaikulam Kanmoi in Sunderapandian Village (Ramanathapuram district) at an estimated cost of Rs. 1.84 lakhs to benefit 266 acres of land under the command area of the tank. The cost of the work was subsequently revised to Rs. 2.46 lakhs in February 1966, Rs. 3.94 lakhs in January 1972 and finally to Rs. 4.19 lakhs in February 1980 due to increase in land acquisition cost.

The tank was completed in July 1968. During October 1971 and December 1972 breaches occurred in the tank bund and these were closed at a cost of Rs. 0.33 lakh. Though the Chief Engineer stated (April 1976) that the bund had settled and water could be stored up to full tank level, breaches occurred in 1977 and Rs. 0.22 lakh had been spent for closing them. In December 1978 breaches occurred again on a large scale in 40 places; these breaches remain to be closed (December 1981). An estimate for Rs. 2.75 lakhs for closing the breaches was sent to the Chief Engineer; sanction was awaited (February 1982). Reports of the soil samples from the tank site sent to the Executive Engineer, Soil Mechanics and Research Division on two occasions (May 1979 and September 1981) for deciding on the suitability of the soil for closing the breaches are also awaited (January 1982).

Thus, the entire expenditure incurred on the scheme remained unfruitful since water could not be let out for cultivation for the past 13 years.

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

**RURAL DEVELOPMENT AND LOCAL ADMINISTRATION  
DEPARTMENT****TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD****4.6. Madurai Drainage Scheme**

In May 1970, the Government sanctioned the drainage scheme for the areas of Madurai city lying north of Vaiga river at an estimated cost of Rs. 1,09.00 lakhs. The scheme envisaged handling of 3 MGD of sewage for an estimated population of 1.20 lakhs in the year 1996. The work of providing house service connection was sanctioned by Government subsequently in May 1976 at a cost of Rs. 16.39 lakhs and technically sanctioned (August 1976) for Rs. 18.00 lakhs. The main scheme was split up into five stages for purposes of execution and technical sanction was accorded by the Chief Engineer (TWAD) for Rs. 1,19,891 lakhs between June 1971 and February 1979 and the work was commenced in May 1971 and is in progress. The works relating to Stages II to IV viz., laying of 800 MM dia RCC main sewers, construction of flush tanks (Reaches I to V) 36 numbers, commissioning of pumpsets, and construction of one number lagoon (with inlet and outlet arrangements) remained to be executed.

The estimate for disposal works sanctioned by the Chief Engineer in March 1975 included a provision for construction of a dry well and pump house at a cost of Rs. 1.40 lakhs. The work on the well was taken up in November 1975 and completed in August 1976 at a cost of Rs. 1.06 lakhs. As the water was found seeping through the walls, reinforced concrete lining at the bottom and for the sides up to a height of 3.3.m. was done at a cost of Rs. 0.19 lakh. The department settled the account of the contractor without ensuring the quality of work and water-tightness of the well.

As the seepage still persisted, guniting and grouting operations were undertaken in May 1980 at a cost of Rs. 0.96 lakh. The contract entered into for guniting and grouting works contained a guarantee clause against defective workmanship for a period of one year. Despite this provision in the agreement, additional protective concrete wall was provided based on the suggestion of the Chief Engineer in September 1980 (i.e., before expiry of the one year period) at a cost of Rs. 0.56 lakh. Thus an additional expenditure of about Rs. 1.71 lakhs was incurred for arresting the seepage.

The sewage capacity of the drainage scheme (formulated in 1968) was fixed at 3 MGD for an initial population of 70,000 (as per 1961 census) and ultimate population of 1,20,000 in 1996, taking into account the per capita supply of water at 15 Gpd. As the sewage quantity to be handled immediately was only 1 MGD (for the population of 70,000)

it was proposed to divert surplus sewage to an extent of 2 MGD from the system of the area lying South of the river Vaigai (where sewage of 5 MGD was available against the pumping capacity of 3 MGD only to the disposal site) by laying a twin conduit across the river for a length of 390 metres. This was later changed into laying of G.I. pipes (700mm) and the work was completed (December 1980) at a cost of Rs. 3.99 lakhs with pumping arrangements at a cost of Rs. 2.90 lakhs. The pipeline had not yet been commissioned (January 1982).

The population of Madurai North as per last census (1981) was 1.78 lakhs. As the present population in the areas north of Vaigai river would be around 2 lakhs and sufficient sewage would be available, there may not be any need for diversion from the southern system. The expenditure of Rs. 6.89 lakhs incurred on the work of laying pipes across the river and the pumping arrangements would become infructuous. Had the department taken into account the increase in population before sanctioning detailed estimate for the work in July 1977, the execution of the work could have been deferred/stopped.

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

#### **4.7. Procurement of Steel centering and Shuttering materials in excess of requirement**

The Executive Engineers, Rural Water Supply Scheme, Tamil Nadu Water Supply and Drainage Board, Vellore and Cuddalore purchased steel centering and shuttering materials worth Rs. 4.17 lakhs during October 1974 and January 1975. These materials were intended for use on construction of RCC overhead tanks of 10,000 and 15,000 litres capacity under 'Minimum Needs Programme'.

The purchases were made through different supply orders (22 supply orders in Vellore Division and 12 supply orders in Cuddalore Division) placed on a single firm without calling for competitive quotations.

The materials purchased during 1974-75 remained mostly unused in Cuddalore Division and were not at all used (August 1982) in Vellore Division because of (a) difficulty in transporting the materials to site, assembling, dismantling after use and transmission back to stores;

(b) the contractors preferring only the conventional method for centering, using country wood planks and casuarina props; and

(c) unsuitability of materials purchased for the changed design of the overhead tanks.

The estimates prepared for the works after 1974-75 did not also contemplate the use of steel fabricated materials for centering but provided only the use of country wood planks and casuarina props.

The entire quantity of materials at Vellore (cost: Rs. 2.14 lakhs) was stated to be lying in a rusted condition. The orders issued in April 1982 for their transfer to the regional stores had not been given effect to (August 1982). In respect of the materials in Cuddalore (cost: Rs. 2.03 lakhs), hire charges of Rs. 8,000 only were collected so far (July 1982); the materials are proposed to be used on works after carrying out certain modifications to suit the current type design adopted from the year 1979.

Thus centering materials costing Rs. 4.17 lakhs purchased in 1974-75 remained mostly unused.

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

#### **4.8. Tirunelveli Drainage Scheme**

In January 1973, Government accorded administrative approval for Tirunelveli Drainage Scheme at a cost of Rs. 113 lakhs with the main objective of preventing pollution of Tambaraparani river by sullage and storm water flow into it. Technical sanction was accorded by the Chief Engineer, Tamil Nadu Water Supply and Drainage Board for the execution of the scheme in stages between August 1975 and June 1976. Works were commenced in November 1976 and are still to be completed. Agreement concluded for execution of civil works (November 1976) relating to pumping station and disposal works had to be cancelled in July 1977 due to delay in acquisition of land. When fresh tenders were invited in July 1980 after taking possession of the land in 1979, the accepted tender was 41.81 per cent in excess of the sanctioned estimate. The work is yet to be completed. The non-clog centrifugal pump sets purchased at a cost of Rs. 3.94 lakhs (in 1977) could not be installed and commissioned as the civil works were not completed. Their guarantee period (12 months from the date of installation or 15 months from the date of purchase whichever is earlier) had already expired. The scheme sanctioned in January 1973 could thus not be completed even after 9 years of sanction defeating the objective of preventing pollution of Tambaraparani river by sullage and storm water.

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

#### **4.9. Blockage of Funds and wasteful expenditure in Tamil Nadu Water Supply and Drainage Board**

The Tamil Nadu Water Supply and Drainage Board was formed in April 1971 and its funds were initially kept in the Public Account of Government under the 'Deposit' section. The accounts of the Board were, however, delinked from Government with effect from 1st July 1972 and thereafter the Board had been keeping its funds in one or more nationalised banks.

The Board was executing urban and rural water supply schemes on behalf of the Government, receiving the necessary funds therefor from Government and Life Insurance Corporation. Pending release of funds for the works, ways and means advances were obtained from Government periodically, which are to be generally repaid at the close of each year. An amount of Rs. 11.00 crores was obtained as Ways and Means advance (interest of 5.5 per cent per annum) on 26th March 1979. But the entire amount was invested immediately in the same month in fixed deposits carrying interest at 6 per cent, for a period of one year. The reasons for investing this money drawn for ways and means purposes in fixed deposits for a year were not known. Further, it was seen that at the close of March 1979, a total balance of Rs. 5.85 crores was pending repayment to Government from out of the ways and means advances drawn during May 1971 to March 1974 and March 1977. These advances carried interest at 7.75 and 9 per cent per annum.

The entire amount of the outstanding advances (Rs. 5.85 crores) was, however, adjusted by Government out of Rs. 6,00.00 lakhs paid to the Board in August 1979 for the Rural Water Supply Scheme towards 1979-80 budgetary allocation. The Board could have repaid the amount of Rs. 5.85 crores outstanding in March 1979 itself from out of Rs. 11.00 crores drawn. If only the outstanding advances (Rs. 5.85 crores) had been paid from out of Rs. 11.00 crores drawn during March 1979, there would have been a saving of Rs. 4.73 lakhs by way of interest payable on these outstanding advances for the period from 26th March 1979 (date of drawal of Rs. 11.00 crores) to 3rd August 1979 (date of adjustment).

2. *Veeranam Project*.—In March 1973, Government transferred the Veeranam Project to the Board with retrospective effect from April 1971. Work on the project was stopped in April 1975 and in December 1980, Government decided to drop the project altogether, as it could not be reactivated with Pre-Stressed Concrete Technology.

(a) There was surplus cash amounting to Rs. 4.78 crores in the Project at the close of March 1980. Government ordered in December 1980 to remit the surplus cash to Government. This was not done and the amounts were being utilised by the Board for other Water Supply Schemes executed by them. The non-repayment of surplus funds had resulted in an interest liability of Rs. 26.89 lakhs so far (March 1982).

(b) Two debenture loans one for Rs. 5.00 crores obtained in 1971-72 from Life Insurance Corporation redeemable in 1981 and another for Rs. 5.5 crores obtained in December 1973 from Banks redeemable in 1983 were yet to be redeemed though the project had been closed. The debentures carry interest at 6 per cent per annum.

(c) Though work on the Project was stopped in April 1975, expenditure of about Rs. 6.00 lakhs per annum was being incurred on staff that were continued to be employed.

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

## MADRAS METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD

### 4.10. Sewage Treatment Plant at Kodungaiyur

In June 1976, the Madras Municipal Corporation invited tenders for the supply and installation of all equipments including execution of related civil works for sewage treatment plant for Zone II of Madras city at Kodungaiyur with last date as 30th September 1976. The tender of firm 'A' for Rs. 2,17.17 lakhs for the work plus Rs. 20.02 lakhs for strengthening of soil for foundation proposed by the firm was accepted by Government in September 1977. The stipulated period of completion of work was twenty four months. Government instructed in October 1977 that the need for strengthening the soil for the foundation should be examined in consultation with the contractors and experts in the field of Soil Mechanics and Foundation Technology and their views placed before the Committee of three Chief Engineers for decision. In the meanwhile, formalities for finalising the contract were proceeded with and the agreement entered into on 30th December 1977.

The Committee of Chief Engineers going through the proposals of the experts appointed by Government in July 1978 and those of the contractors given along with the tender, submitted their recommendations in December 1979. These were more or less in line with the proposals of the contractors.

The Madras Metropolitan Water Supply and Sewerage Board which had taken over the works from Madras Municipal Corporation thereafter addressed the contractor in December 1979 to take up the work. The contractor declined stating that prices of materials, labour, equipment, etc., had gone up in the two years after signing the contract. After prolonged negotiations the contractor offered (October 1980) to execute the work at a cost of Rs. 3,42.18 lakhs plus compensation for future cost escalation, against Board's offer of Rs. 2,78.54 lakhs (that is about 20 per cent over the original contract price). This was not acceptable to the Board and the contract of firm 'A' was terminated in May 1981 with no claim on either side. Based on a fresh tender call (September 1981) the work was entrusted to firm 'B' in April 1982 at a contract price of Rs. 3,98.41 lakhs plus escalation, if any, up to Rs. 10.00 lakhs.



The following points were noticed :—

(1) Investigation on soil conditions to determine the strengthening technology to be adopted, a vital factor to be decided before floating tenders, was taken up only in April 1978 after the contract with 'A' was concluded and agreement entered into in December 1977. The final recommendations on soil tests for foundations were made by the Committee of Chief Engineers in December 1979 after two years from the date of acceptance of agreement. Another one and a half years were taken for negotiations with the firm before the contract could be terminated (May 1981).

The Committee of Engineers had observed that the design of the structures should have been finalised after determining the soil strength and then the tenders floated. Failure to do so and to carry out negotiations expeditiously with the firm 'A' had deprived the Board of substantial savings of the order of more than Rs. 50.00 lakhs in the execution of the work.

(2) The tender schedules for the first tender call did not contemplate payment of mobilisation advance. However, four (including the successful tenderer 'A') of the five firms who had tendered for the work, had asked for interest-free mobilisation advance and indicated that the rates quoted by them took this aspect into account. An interest-free mobilisation advance of Rs. 13.46 lakhs (recoverable from their bills for work done) was paid to firm 'A' by the Madras Corporation in March 1978 after getting a bank guarantee. During the period from March 1979 to November 1979 an amount of Rs. 48,000 was recovered from the Firm's bills for supply of equipment. The balance was remitted by the contractor in February 1981 and the contract was terminated in May 1981. Thus, an amount of Rs. 12.98 lakhs was with the firm for nearly thirty five months. Besides the loss of interest to the Board of approximately Rs. 6.17 lakhs (at the commercial rates fixed by Government for 1977-78) which it could, otherwise, have earned on this locked up amount, the Board had a liability to pay interest for this amount to Government to the tune of about Rs. 4.20 lakhs for this period, as sewerage schemes were being implemented by the previous agency (Corporation of Madras) after obtaining loans from Government. The interest-free advance of Rs. 13.46 lakhs paid to firm 'A' did not serve any purpose as the contract was finally rescinded.

The matter was reported to Government in September 1982; their final reply is awaited (February 1983).

#### 4.11. Unintended assistance to suppliers

With a view to rehabilitating the existing water supply and sewerage system and to prepare a Master Plan to meet the long range needs of Madras Metropolitan Area in the year 2002, engineering feasibility

studies were conducted with the assistance of the World Health Organisation (WHO) and United Nations Development Programme. Based on such studies, an 'Immediate Works Programme' was drawn up by World Health Organisation at an estimated cost of Rs. 9,54.00 lakhs. The works taken up under this programme were to be financed by the World Bank as a sub project of the Madras Urban Development Project to the extent of 45 per cent and the balance was to be met by the State Government on the existing pattern of financing to Madras Corporation (as half loan and half grant). Goods procured through international competitive bidding were, however, eligible for 100 per cent finance from the credit.

In October 1978, the Government of Tamil Nadu sanctioned eight items of work contemplated under the programme costing Rs. 3,64.00 lakhs stipulating *inter alia* that the terms of the agreement entered into with World Bank/International Development Authority (IDA) should be adhered to.

The Madras Metropolitan Water Supply and Sewerage Board invited global tenders in October 1978 for the supply of water meters, plug cocks and other accessories required for the works taken up under the Immediate Works Programme. The only tender received was rejected as the supplies promised were not in conformity with the specifications. Fresh tenders (national) invited in May 1979 were also rejected as the rates quoted were very high and the Board felt that the ISI specifications would be too high for their systems. Thereafter the Board modified the specifications and invited tenders (national) in October 1979, for the supply of gunmetal plug cocks of different sizes (15 mm, 25mm, 40 mm and 55 mm), sluice valves and other items. Three tenders were received and the percentage of excess over departmental rates ranged from 97 to 104. Supply orders were placed in January 1980 on three India<sup>n</sup> firms on the basis of lowest rates quoted by them for each item for a total value of Rs. 92.09 lakhs. Supplies against these orders were effected between September 1980 and May 1981.

The following points were noticed:—

According to the orders issued by Government of India in January 1970, the following kinds of assistance and incentives are available to all suppliers effecting supplies under the IDA aided projects on the basis of international competitive bidding.

- (i) Import replenishment;
- (ii) Cash assistance at the rates prescribed by Government;
- (iii) Supplementary cash assistance in lieu of customs draw back;

(iv) Rebate of Central Excise duties on finished products; and

(v) Concessional supply of steel.

(a) Though the first tender (October 1978) was global, the other two tenders (May 1979 and October 1979) were only national tenders published within the country.

(b) The conditions in the tender schedule furnished to the suppliers were the same as adopted for global tender, as they were finalised by the consultants of the project conforming to the guidelines of the World Bank. In the supply order issued in January 1980, mention was made mistakenly about global tenders as could be seen from the extract given below :—

“Further to this office letter fourth cited communicating the acceptance of your offer under Schedule A and C of our global tenders by the competent authorities, a detailed order is hereby issued”.

Copies of tender notice for the second and third calls were not, however, sent to the Embassies in other countries, as in the case of global tenders.

(c) In January 1981, two of the suppliers approached the Board for issue of certificate of payment in the prescribed form to enable them to claim export incentives from Government of India. Even though the tenders on the basis of which the supply orders were placed were only “National” and not “Global”, the Board issued the necessary certificates of payment for claiming the incentives from Government of India, because of the mistake committed by it in issuing the tender schedules as for “Global” tenders and in having mentioned the word “Global”, erroneously in the supply order issued. The Board felt that the firms would get a favourable verdict if they go to the Court, in case the certificates were not issued as desired by them. The firms claimed Rs. 3.47 lakhs as cash incentives and obtained import replenishment licence for Rs. 3.79 lakhs from Government of India to which they were not entitled as a result of the *post facto* decision of the Board to treat the tender as a global one.

(d) The rates quoted by the firms were more (97 per cent to 104 per cent) than the estimated rates which were based on market sampling. Tenderers had also not indicated that incentives available were taken into account while quoting the rates.

The matter was reported to Government in August 1982; Government generally accepted the facts (November 1982).

#### 4.12. Palakkarai sub-way at Tiruchirappalli

*Avoidable expenditure.*—The original estimate and accepted agreement for the above work contemplated transport of excavated earth and dumping it at a place 3 kms. away from the site of work, after retaining a small quantity (4225 M<sup>3</sup>) required for backfilling the foundation. A total quantity of 27,720 M<sup>3</sup> of earth was excavated for foundation and of this 27,627 M<sup>3</sup> was removed and dumped at a place 3 km away without retaining any quantity for backfilling the foundation. For failure to backfill the foundation, recovery at Rs. 0.94 per M<sup>3</sup> was made for a quantity of 4416 M<sup>3</sup> (actual quantity found necessary during execution) from the original contractor. The recovery made was towards charges for backfilling only. In addition, a recovery of Rs. 0.33 lakh should have been effected from him towards payment already made at Rs. 7.83 per M<sup>3</sup> for the conveyance of this earth. Again for want of earth at the site for backfilling work, earth had to be reconveyed from the place where it was dumped initially partly by the department and partly through another contractor. The expenditure on lead charges incurred by the department paid to the second contractor amounted to Rs. 0.43 lakh. Thus there had been a total avoidable expenditure of Rs. 0.76 lakh (Rs. 0.33 plus Rs. 0.43) in respect of the backfilling work.

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

## CHAPTER V

### STORES AND STOCK

#### LABOUR AND EMPLOYMENT DEPARTMENT

#### 5.1. Purchase and distribution of medicines in the Employees' State Insurance hospitals and dispensaries

5.1.1. *Extra expenditure in purchase of medicines in small packages.*—The Employees' State Insurance (ESI) Corporation, Delhi enters into annual Rate Contracts with the manufacturers of various drugs/medicines in three batches each commencing from 1st April, 1st July and 1st October every year and communicates them to the Directorate of Medical Services of all the States.

On the basis of the requirements intimated by the Superintendents, Central Medical Stores at Madras, Madurai and Coimbatore (in respect of ESI Dispensaries in the respective areas), the ESI hospital and other ESI dispensaries, the Director of Medical Services and Family Welfare, Madras, prepares consolidated indents and places supply orders on the firms against the rate contracts, for direct supply of the medicines to the Central Medical Stores, ESI Hospitals and dispensaries concerned.

A review of the supply orders placed by the Director of Medical Services in March 1981 and September 1981 for supply during 1981-82 disclosed that in respect of bulk requirements of seven medicines, orders were placed for supply in small packages, though the same medicines were available for supply in bulk at cheaper rates under the same/similar Rate Contracts. This resulted in an extra expenditure of Rs. 4.45 lakhs. Though the department stated (September 1982) that small packings were preferred as these medicines could not be preserved for long if purchased in bulk, bulk purchase of these medicines was actually resorted to during 1982.

5.1.2. *Extra expenditure on account of local purchases.*—The Central Medical Stores, ESI, Madras caters to 31 ESI dispensaries located in and around Madras.

A review of the annual indents submitted by the Central Medical Stores and purchases made during 1981-82 disclosed that the total quantities of the medicines arrived at on the basis of the requirements

intimated by the dispensaries were reduced and lesser quantities were included in the consolidated indents submitted to the Director by the Central Medical Stores for placing supply orders against the Rate Contracts. Subsequently, based on the monthly indents submitted by the dispensaries, piecemeal local purchases were made by the Central Medical Stores, by call of limited quotations for the balance quantities at rates higher than those approved under the Rate Contracts, resulting in extra expenditure of Rs. 1.82 lakhs in respect of eight items as shown below :—

<i>Name of Medicine</i>	<i>Extra cost</i> (in lakhs of rupees)
1. Diphen Hydramine .. .. .	0.01
2. Sulphaphenazole .. .. .	0.24
3. Iburrofen .. .. .	0.46
4. Dipyridamol .. .. .	0.08
5. Benzyexol .. .. .	0.04
6. Haloperidol .. .. .	0.04
7. Diphen Hydramine (syrup) .. .. .	0.91
8. Talbutamide .. .. .	0.04
Total ..	1.82

The Director of Medical Services, who approved the local purchases, however, advised the Central Medical Stores that local purchases should be restricted to the minimum requirements and that supplies under Rate Contracts could be arranged in fortyfive days, the period stipulated in the Rate Contracts for effecting supplies. In three out of the eight items, the local purchases also included considerable additional quantities in excess of the estimated requirements arrived at earlier, while preparing the annual consolidated indents. The extra expenditure of Rs. 1.82 lakhs comprised Rs. 1.10 lakhs due to reduction of quantities in the consolidated indents and Rs. 0.72 lakh due to increase in the requirements during the course of the year. It was further noticed that though the local purchase orders were issued stipulating supply within a week from the date of the order, bulk of the supplies were actually received late after 13 to 88 days in respect of six items, thus defeating the very purpose of the local purchases.

5.1.3. *Extra expenditure due to postponement of purchases under Rate Contract.*—In respect of 51 items of medicines, the periodical indents received from the Central Medical Stores and the E S I institutions in July 1981 were consolidated by the Directorate of Medical Services only in September 1981 and as by then the currency of E S I Rate Contract in respect of these items was due to expire by the end of September 1981 and a fresh Rate Contract was expected in a few days, the Directorate decided (September 1981) (reasons for which are not available on record) to purchase these items from the new Rate Contract which would be operative from October 1981. Accordingly, supply orders were placed for these items in October 1981 against the new contract and the cost of 19 medicines out of the total of 51 items was higher than that payable under the previous contract, resulting in a total extra expenditure of Rs. 0.77 lakh\*. In respect of the remaining items, the rates under both the old and new Rate Contracts were the same or involved only minor variations.

The points mentioned above were reported to Government in November 1982; their reply is awaited (February 1983).

## PUBLIC WORKS DEPARTMENT

### 5.2. Purchase of non-tilting type concrete mixers

With a view to manufacturing quickly precast cement concrete slabs for the sides and for providing cast-in-situ concrete for bed portion of Periyar Main Canal, the Superintending Engineer, Periyar Improvement Circle 1, Madurai, invited sealed quotations (October 1977) and placed an order (December 1977) on a firm in Madras for the supply of eight numbers of non-tilting type concrete mixers at a cost of Rs. 26,302 each (including Sales Tax). The mixers were received between February 1978 and May 1978. According to the terms of the supply order, 90 per cent payment amounting to Rs. 1.90 lakhs was made on receipt. The balance of 10 per cent was also paid for four numbers in October/December 1979. For the remaining four numbers final payment is yet to be made (June 1982).

Out of the eight mixers purchased, one was never put to use, three were utilised only for a duration of five hours, eighty nine hours and sixteen hours during the year 1978-79. The remaining four were utilised for not more than  $7\frac{1}{2}$  hours (2 numbers) and  $3\frac{1}{2}$  hours (2 numbers) on an average per month during 1978-79 to 1980-81.

\* Out of this amount, supplies involving extra cost of Rs. 0.24 lakh had been received according to the information available in the Directorate and in respect of the remaining items, similar information was awaited from the field offices (September 1982).

One of the reasons for the underutilisation of this particular machinery was that they were not easy to handle as they required experienced operators and whenever they are shifted in the river bed, the entire working system such as levelling, tightening screw jacks on either side and checking alignment should be carried out before restarting. These aspects were not examined before purchase. Further, the contractors generally preferred only the tilting type of mixers.

The DGS & D rate for tilting type mixer was Rs. 15,000 (approximately). However, reasons for not purchasing the conventional and cheaper tilting type mixers were not on record.

The mixers purchased at a cost of Rs. 2.10 lakhs for speedy execution of works were not put to effective use.

The matter was reported to Government in August 1982; their reply is awaited (February 1983).



## CHAPTER VI

### FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

#### 6.1. General

This chapter deals with—

- (i) results of audit of bodies and authorities substantially financed by grants and/or loans;
- (ii) scrutiny of procedure for watching fulfilment of conditions governing grants or loans paid for specific purposes;
- (iii) results of audit of accounts of statutory boards;
- (iv) financial assistance to Co-operative Societies; and
- (v) other important points noticed in connection with the sanction of grants/loans.

#### 6.2. Grants

In 1981-82, Rs. 2,99.90 crores were paid as grants to statutory bodies (like Universities, Khadi and Village Industries Board, Municipalities and Panchayat Unions), and other institutions including Co-operative Societies. An analysis of the grants paid is given below :—

(1)	<i>Grants to Statutory bodies</i>	<i>Grants to other institutions</i>
	(2)	(3)
	(in crores of rupees)	
Agriculture, Fisheries and Animal Husbandry	5.90	2.33
Co-operation .. .. .	..	82.76
Education .. .. .	31.33	90.79
Health and Family Welfare .. ..	18.39	0.22
Housing and Urban Development .. ..	9.29	0.04

(1)	Grants to Statutory bodies		Grants to other institutions	
	(2)	(3)	(2)	(3)
Industries .. .. .	..	14.48	..	..
Medical .. .. .	..	0.70	..	..
Public Works .. .. .	2.28	..	..	..
Rural Development and Local Administration	38.75	0.01	..	..
Others .. .. .	0.01	2.62	..	..
Total	1,05.95	1,93.95	..	..

Some of the important irregularities in utilisation of grants noticed by the Examiner of Local Fund Accounts in the audit of the accounts of Town Panchayats, Panchayat Union Councils, Municipal Councils and Madurai Corporation for the year 1980-81 are given below:—

Nature of irregularities	Number of cases	Amount
(1)	(2)	(3) (in lakhs of rupees)
(i) Inadmissible grants .. .. .	122	6.65
(ii) Grants unutilised .. .. .	218	1,19.49
(iii) Grants overdrawn .. .. .	1,445	3,41.67
(iv) Amounts held under observation for want of details of expenditure and non-production of records	791	1,76.76

Out of Rs. 87.58 lakhs ordered for summary recovery by the Examiner of Local Fund Accounts in respect of irregularities noticed by him for the period up to 1978-79 in the audit of the accounts of Town Panchayats and Municipal Councils, Rs. 61.16 lakhs were recovered or settled, leaving a balance of Rs. 26.42 lakhs outstanding as on 30th September 1982.

### 6.3. Utilisation Certificates

Under the financial rules, in all cases in which conditions are attached to grants, utilisation certificates that the grants have been utilised for the purpose for which they were paid are required to be furnished by the departmental officers to the Accountant General within a reasonable time.

At the end of September 1982, 1288 certificates for Rs. 37,89.59 lakhs were awaited for grants paid up to 30th September 1980. Department-wise and year-wise details of certificates outstanding on 30th September 1982 are in Appendix XX.

Utilisation certificates have not been received although considerable time has passed after the grants were paid. In the absence of certificates, it is not possible to state even in a broad way that the recipients spent the grants for the purpose or purposes for which these were given.

## SECTION I

### 6.4. Bodies and authorities substantially financed by Government grants and loans

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, receipts and expenditure of bodies and authorities substantially financed by grants or loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General.

For this purpose, a body/authority is deemed to be substantially financed if the aggregate grant or loan to it in a financial year is not less than Rs. 5 lakhs and the amount of such grant or loan is not less than 75 per cent of the total expenditure of that body/authority. The table below indicates the number of bodies/authorities which received grants/loans of not less than Rs. 5 lakhs and from whom the accounts were not received (November 1982) to determine the applicability of Section 14.

<i>Year</i>	<i>Number of bodies/authorities which received grants/loans of not less than Rs. 5 lakhs in a year</i>	<i>Number of bodies/authorities from which accounts are due</i>
(1)	(2)	(3)
1976-77 .. .. .	506*	2
1977-78 .. .. .	543*	2
1978-79 .. .. .	524	13
1979-80 .. .. .	497*	61
1980-81 .. .. .	256	295

\* Differs from the figures shown in the Audit Report for 1980-81 due to belated receipt of details from the departments.

Non-receipt of annual accounts was reported to Government in the concerned departments (June 1982-August 1982).

Important points noticed during audit under Section 14 are given in the succeeding paragraphs.

## AGRICULTURE DEPARTMENT

### 6.5. Defective Gas Plant

In July 1967, Government sanctioned the erection of a gas plant in the Agricultural College and Research Institute, Madurai to provide continuous gas supply to the laboratories attached to the Institute. The Public Works Department completed the civil works in June 1969 at a cost of Rs. 1.29 lakhs and entrusted in July 1969 the supply and erection of the gas plant (two gas holders of 10,000 and 5,000 cubic feet capacity and 8 gas producers to produce 1,300 Kgs. of kerosene gas per day) to a Unit of Tamil Nadu Small Industries Corporation Limited (TANSI), to be completed in 7 months.

Mention was made of the delay in supply and erection of the gas plant in the Agricultural College and Research Institute, Madurai sanctioned by Government in July 1967 even as late as December 1973, in para 17 (iv) of the Report of the Comptroller and Auditor General of India for the year 1972-73. The department reported (September 1977) to the Public Accounts Committee that the gas plant (cost:Rs. 2.99 lakhs) was erected and handed over by TANSI in May 1976. The Public Accounts Committee expressed unhappiness over the extraordinary delay in the installation of the gas plant so essential for the running of the laboratories of the Institute and recommended (September 1978) that such delays should be avoided in future.

The gas plant erected in May 1976 at a cost of Rs. 4.28 lakhs could not, however, be put to use so far (May 1982). When commissioned for trial in November 1976 and while carrying out further tests between December 1976 and July 1977, the Institute found that there was difficulty in producing gas and storing it in the gasholders. The Institute did not pursue the defects in the plant with the suppliers (TANSI) or with the Public Works Department after February 1977. The final payment was also made to TANSI by the Public Works Department without ensuring efficient functioning of the plant for a period of 3 months from the date of commissioning, as stipulated in the agreement for supply and erection of the gas plant.

A Committee of three Professors of the Tamil Nadu Agricultural University, of which the Institute is a unit, was constituted (May 1979) by the Vice-Chancellor of the University to go into the defects in the plant. The Committee observed (February 1980) that the alignment of the gasholders was not proper, there were some design and other defects also in the gasholders and gas producers and that the plant could, however, be commissioned after carrying out certain modifications and repairs. At the request (September 1980) of the Dean of the Institute, the Tamil Nadu Public Works Engineering Corporation inspected the plant and reported (May 1981) that there was no scope for alteration works to the existing plant and held that the plant was to be totally scrapped. While reporting (September 1981) this position, the Dean pointed out to the Vice-Chancellor that the requirement of gas for the Institute Laboratories could be met by using L.P gas in cylinders, as it would be uneconomical to maintain and operate a gas plant for production of gas for use in the laboratories alone. As directed (October 1981) by the Registrar of the University the Dean addressed (October 1981) the firm 'X' for the estimated cost of repairs to the gas plant for its recommissioning. Further development in the matter is awaited (September 1982).

Thus, the gas plant erected in May 1976 at a cost of Rs. 4.28 lakhs was lying idle (May 1982) for over six years.

Government stated (September 1982) that, at the instance of the Registrar, Tamil Nadu Agricultural University, the Dean, Agricultural College and Research Institute, Madurai is pursuing action to have the gas plant repaired and commissioned.

## EDUCATION, SCIENCE AND TECHNOLOGY DEPARTMENT

### 6.6. Anna University of Technology, Madras

1. Government sanctions to the Anna University every year non-lapsable lump sum grants towards the expenditure on salary of staff, contingencies and other activities related to the proper functioning and development of the University. The grants paid by the Government

during the two years, the total expenditure incurred out of them and the unutilised balances as at the end of the years were as under:—

Year	Grants		Expenditure out of the grants		Closing balances out of the grants		Total closing balance
	Recurring	Non-recurring	Recurring	Non-recurring	Recurring	Non-recurring	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(in lakhs of rupees)							
1978-79 ..	15.00	3.00	4.78	0.88	10.22	2.12	12.34
1979-80 ..	1,70.00	42.08	1,67.84	0.19	2.16	41.89	44.05
<b>Total ..</b>	<b>1,85.00</b>	<b>45.08</b>	<b>1,72.62</b>	<b>1.07</b>	<b>12.38</b>	<b>44.01</b>	<b>56.39</b>

There were considerable unspent balances with the University at the end of each year indicating that the grants paid were in excess of the requirements for the years concerned, though according to the financial rules of Government, only so much of the grant was to be paid during any financial year as was likely to be expended during that year. Out of Rs. 56.39 lakhs being the unspent balance, Rs. 14.16 lakhs (Rs. 2.02 lakhs in 1978-79 and Rs. 12.14 lakhs in 1979-80) had been invested by the University in Fixed Deposits in Nationalised banks, maturing after two to eight years.

2. Rupees 4.44 lakhs were diverted in 1978-79 for meeting non-recurring (Rs. 2.79 lakhs) and recurring expenses (Rs. 1.65 lakhs) from ear-marked funds like Pension and Gratuity Fund and Provident Fund accounts of the staff of the University.

3. Though nearly four years had lapsed by 1982 after the formation of the University, the assets and liabilities of the constituent institutions had not been transferred to the accounts of the University so far (July 1982).

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

## RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

### 6.7. Assistance to Panchayat Unions

There are 376 panchayat unions in the State. Of the panchayat unions which attracted audit under Section 14, local audit of 88 panchayat unions conducted during 1981-82 covered the accounts of the following years:—

<i>Years of account</i>	<i>Number of panchayat unions audited</i>
1974—75 .. .. .	1
1975—76 .. .. .	2
1976—77 .. .. .	19
1977—78 .. .. .	60
1978—79 .. .. .	69
1979—80 .. .. .	71
1980—81 .. .. .	12

The points noticed by Audit during test check of those 88 panchayat unions during 1981-82 are mentioned below.

### A. REVENUE

#### (i) Market rent not collected

Under the Tamil Nadu Panchayats Act, 1958 panchayat unions are empowered to collect rent from stalls located in public markets. The rental dues are required to be collected in time, at any rate before the expiry of the lease periods. In three panchayat unions, Rs. 1.38 lakhs pertaining to the years 1967-68 to 1979-80 were pending collection (July

1982) even after the expiry of the period of lease as detailed below:—

<i>Serial number and name of panchayat union</i>	<i>Years</i>	<i>Amount (in lakhs of rupees)</i>
(1)	(2)	(3)
1. Thanthoni .. .. .	1967-68	0.79
2. Thottiam .. .. .	1968-69	0.35
	1973-74	
	1974-75	
	1977-78 and	
	1979-80	
3. Vendasandur .. .. .	1971-72	0.24
	1972-73	
	1976-77 to	
	1978-79	
Total ..		1.38

**(ii) Lease amount of ferry not realised**

Under the Tamil Nadu Panchayats Act, 1958 the panchayat unions are authorised to raise revenue by leasing out ferry rights. The lease amount is to be collected before the expiry of the lease period. In the Panchayat Union, Thottiam lease amounts of ferry pertaining to periods prior to 1981-82 and totalling Rs. 0.56 lakh were pending realisation (October 1982).

**B. VILLAGE WORKS GRANTS**

**(i) Delay in completion of works**

In twelve panchayat unions, construction of twenty one school buildings, eleven ground level reservoirs, four link roads, two each of balwadi buildings, community wells, culverts and women teachers'



quarters and one each of maternity centre, and overhead tank taken up under 'Village Works Programme' between 1973-74 and 1980-81 remained incomplete (October 1982). These works were to have been completed within three to six months from the date of their commencement. The delays were generally attributed to default by the contractors but the panchayat unions did not enforce the penal provisions of the contracts, for which reasons are not known. The expenditure incurred on these works amounting to Rs. 6.45 lakhs (Government grant : Rs. 3.47 lakhs) has thus remained to benefit the community.

## (ii) Community wells

The panchayat unions are permitted to sink community wells (with pump sets/oil engines installed in them) to help small farmers in their agricultural operations. Financial assistance is provided by Government to the unions by way of grant/loan. On completion, the wells are handed over to the panchayats which recover appropriate water charges from the beneficiary farmers to cover working expenses.

(a) Government sanctioned (April 1978) a loan of Rs. 0.40 lakh to the Panchayat Union, Thiruvadanai for the construction of a community well. The Director of Rural Development directed (July 1978) that the well should be completed before October 1978. However, neither the work had been commenced nor the loan refunded to State funds even after the expiry of four years (July 1982).

(b) The Panchayat Union, Aruppukkottai commenced the sinking of a community well in 1969-70 and incurred an expenditure of Rs. 0.18 lakh on full grant basis. The work remained incomplete and it was abandoned after ten years in 1980-81, as the earth-work excavation done to a depth of 30 feet was silted up completely during subsequent rains. The abandonment resulted in an infructuous expenditure of Rs. 0.18 lakh to Government.

Thus, an expenditure of Rs. 0.58 lakh was not of any benefit to the community (October 1982).

## C. ELEMENTARY EDUCATION

*Women Teachers' quarters lying vacant.*—In five panchayat unions, sixteen women teachers' quarters constructed at a cost of Rs. 1.14 lakhs (Government grant: Rs. 0.65 lakh) remained unoccupied for periods ranging from three to ten years.

The reason given for these lying vacant was that major repairs were to be carried out to the quarters.

## D. MISCELLANEOUS

(i) *Village Industries-Outstanding recoveries in respect of credit sales.*—In 20 panchayat unions, a total sum of Rs. 6.19 lakhs being the value of articles manufactured in Village Industries Units and sold on credit to institutions/individuals was pending recovery for periods ranging from one year to 14 years. In four of these panchayat unions, the amount pending recovery was more than Rs. 0.50 lakh each. Detailed break-up of the dues from Government departments and private parties is awaited from the unions (October 1982).

(ii) *Idle equipment.*—In 9 panchayat unions, nine tractors and trailers purchased (between 1967-68 to 1970-71) at a total cost of Rs. 1.98 lakhs were lying idle due to repairs/lack of demand, for periods ranging from five to nine years. Of these, 2 tractors (with trailers) costing Rs. 0.80 lakh in two panchayat unions went out of service within 5 to 6 years from the year of their purchase. Reports regarding the action taken for carrying out repairs/disposal of the surplus equipment are awaited (October 1982).

(iii) *Expenditure on idle crew.*—In 4 panchayat unions, there were delays ranging from 15 to 34 months in carrying out repairs to the tractors which were out of service. However, the drivers and cleaners of those tractors were continued to be employed. The expenditure on the pay and allowance of those staff during the period between November 1978 and November 1981 when the vehicles were under repairs amounted to Rs. 0.72 lakh.

According to an assessment made (May 1982) by the Director of Rural Development, out of the total 328 tractors available with the panchayat unions in the State, 169 tractors were lying idle due to repairs/lack of demand. The salary paid to the crew attached to such idle tractors was unproductive. Information regarding the exact number of such crew and the total amount of salary paid to them was awaited (July 1982).

(iv) *Irregular issue of cement on credit.*—According to the Manual of Instructions for the maintenance of accounts of the panchayat unions and also according to orders of Government (January 1963), cement is to be supplied to contractors for use on works only on prepayment of cost. However, in 24 panchayat unions, cement was issued to contractors on credit basis during 1974-75 to 1981-82 and an amount of Rs. 7.08 lakhs was pending recovery from them (October 1982).

(v) *Siddha Dispensaries without medicines.*—Two Siddha Dispensaries attached to the Panchayat Union, Marungapuri were functioning without supply of medicines during the five years 1976 to 1980.

Medicines were not purchased due reportedly to lack of funds with the panchayat union. Rupees 0.34 lakh (Government grant: Rs. 0.23 lakh) were spent by the panchayat union on the pay and allowances of the staff employed in the dispensaries during the period from January 1976 to August 1981.

## E. IRREGULARITIES IN RELEASE/UTILISATION OF GRANTS

Under Village Works Programme, in several cases, Government grants were released to panchayat unions in excess of the permissible limits and grants were not utilised or utilised irregularly for purposes other than those for which they were sanctioned. Brief particulars of such cases are given below:—

<i>Serial number</i>	<i>Nature of irregularity</i>	<i>Number of panchayat unions</i>	<i>Amount (in lakhs of rupees)</i>
1.	Government grant sanctioned by the Divisional Development Officers in excess of the prescribed limits	19	2.87
2.	Irregular utilisation of grants by panchayat unions	1	0.04
3.	Non-utilisation of grants	6	1.79

Government accepted (October 1982) the facts.

## SECTION II

### 6.8. Grants or loans for specific purposes

Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, prescribes that where a grant or loan is given from the Consolidated Fund for any specific purpose, the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authority satisfies itself as to the fulfilment of the conditions subject to which such grants or loans were given. Important points noticed as a result of the scrutiny conducted under Section 15(1) of the Act are given in the succeeding paragraphs.

## AGRICULTURE DEPARTMENT

**6.9. Loans and grants regulated by the Commissioner for Milk Production and Dairy Development**

Mention was made in Paragraph 6.11.7. of the Report of the Comptroller and Auditor General of India for the year 1977-78 about the shortfall in utilisation of pasteurisation and chilling plants in the Tiruchirappalli-Srirangam Co-operative Milk Supply Union and Thanjavur District Co-operative Milk Production and Marketing Federation. Delays in utilisation of financial assistance released during 1978-79 and 1979-80 to these two and two other co-operative institutions are mentioned below.

The sanctions to the financial assistance in these cases did not specify the dates by which the assistance was to be utilised as required in the financial rules. The co-operative institutions were also not required to submit progress reports periodically.

<i>Serial number</i>	<i>Name of the institutions</i>	<i>Amount and date of payment</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)
1 (a)	The Tiruchirappalli-Srirangam Co-operative Milk Supply Union	Loan: Rs. 4.90 lakhs Share Capital Assistance: Rs. 1.60 lakhs (March 1979) Total: Rs. 6.50 lakhs	The object of the scheme was to strengthen the Tiruchirappalli-Srirangam Co-operative Milk Supply Union by providing assistance to be utilised on purchase of equipment. The expenditure was to be incurred on eight items. By March 1980, the Union had spent Rs. 5.99 lakhs on four items; The expenditure on two of these items had exceeded the assistance released by Government for the respective items. The balance of Rs. 0.51 lakh was sought (June 1981) to be diverted for the purchase of a generator (for the ancillary unit at Karur), not covered by the sanction; sanction for the diversion by department/Government was awaited (July 1982).

Serial number	Name of the institutions	Amount and date of payment	Remarks
(1)	(2)	(3)	(4)
1(b)	The Tiruchirapalli-Srirangam Co-operative Milk Supply Union	Loan: Rs. 2.50 lakhs (November 1979) Share Capital assistance: Rs. 2.50 lakhs (February 1980) Total: Rs. 5.00 lakhs	Till the end of April 1980, the Union had utilised Rs. 3.70 lakhs which included Rs. 2.22 lakhs being the part payment towards the cost (Rs. 2.42 lakhs) of the chilling plant acquired (June 1981) for the ancillary unit at Karur but awaiting commissioning for want of generator. The Union also received (1981-82) a subsidy of Rs. 1.21 lakhs under the Integrated Rural Development Programme (IRDP) towards 50 per cent cost of the same chilling plant installed at Karur. The Union had thus an un-utilised amount of Rs. 2.51 lakhs (July 1982) including the subsidy of Rs. 1.21 lakhs received from the IRDP.
As against the daily optimum rated capacity of 16,000 litres, the daily average quantity of milk handled was 8,028 litres and 13,513 litres in the years 1980-81 and 1981-82 respectively. The accumulated loss of the Union stood at Rs. 23.36 lakhs as on 31st March 1981.			
2.	Salem City Co-operative Milk Supply Union, Salem	Loan: Rs. 10 lakhs (March 1979)	The assistance was given for strengthening the existing plant and machinery at Salem Co-operative Milk Supply Union. It was mentioned in the sanction (April 1978) order that the milk handling capacity of the society would be increased to 25,000 litres a day during the next flush season. Of the 13 items of equipments/accessories, etc., for which assistance was granted, seven items only were procured and commissioned (September 1979—December 1980) at a cost of Rs. 6.50 lakhs. This included two items on which the union had spent Rs. 0.75 lakh over and above the assistance provided therefor. Advance of

Serial number	Name of the institutions	Amount and date of payment	Remarks
(1)	(2)	(3)	(4)
			<p>Rs. 1.02 lakhs was paid (March 1979 and November 1979) for three items out of which one milk storage tank received in November 1979 was found defective and the remaining items had not been supplied. Civil suits filed (September 1980 and April 1981) against the firms concerned for recovery of the advances paid were pending (July 1982). The Union had an unutilised balance of Rs.1.95 lakhs towards the balance cost of the above three items and Rs. 0.45 lakh relating to two other items not required but the amount had not been refunded to Government (July 1982).</p>
			<p>Against the targeted increase of the handling capacity from 12,000 litres (October 1977) to 25,000 litres of milk during the flush season of 1978-79 (October 1978 to April 1979) the Union could achieve daily out-turn ranging from 13,935 litres to 16,493 litres only between April 1981 and October 1981.*</p>
3.	Thanjavur District Milk Production and Marketing Federation	Share Capital assistance: Rs. 3.50 lakhs (November 1979) Loan: Rs.3.50 lakhs (January 1980) Total: Rs. 7.00 lakhs	Till July 1982, Rs. 5.39 lakhs were spent on equipment, leaving an unspent balance of Rs. 1.61 lakhs. As against the targeted out-turn of 10,000 litres of milk per day by the end of 1981, the daily average handling of milk reached 8,202 litres in March 1982.

\*Figures for the subsequent period are awaited.

Serial number (1)	Name of the institutions (2)	Amount and date of payment (3)	Remarks (4)
4.	The Kanyakumari District Co-operative Milk Supply Union	Loan: Rs.3.50 lakhs and Share Capital assistance: Rs. 3.50 lakhs (February 1980) Total: Rs. 7.00 lakhs	<p>The institution had incurred a total loss of Rs. 21.86 lakhs to end of March 1980. According to the departmental Audit Report for 1979-80 the procurement and sale of milk were very much less.</p> <p>The scheme was intended to strengthen the existing plant and machinery of the union. No time limit has been fixed for utilisation of the assistance. The Union admitted (October 1981) that some of the items of equipments originally proposed to be acquired were not required but sought (October 1981) to divert the savings for purchase of other machinery. Till May 1982, the Union had spent Rs. 3.36 lakhs on eight items acquired between April 1980 and May 1982. Of these, six items consisting of milk pumps, refrigeration and other equipments acquired at a cost of Rs. 1.78 lakhs (1980-81: Rs. 1.14 lakhs; 1981-82: Rs. 0.64 lakh) remained to be installed/commissioned, causes for which are awaited. The Union had an unspent balance of Rs. 3.64 lakhs (July 1982).</p> <p>The saving arose as a result of the Union deciding to make certain alterations to the existing machinery to increase chilling capacity instead of going in for a new plant. As against the targeted handling of 20,000 litres by end of 1979 and 25,000 to 30,000 litres by end of 1980, the daily average quantity of milk handled reached the maximum of 10,628 litres only in July 1981 and was ranging between 9,000 and 10,000 litres in the other months till March 1982. The unspent amount represents the balance of assistance after incurring expenditure on all the items. It is not known whether any more expenditure is required to be met on these items.</p>

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

## EDUCATION, SCIENCE AND TECHNOLOGY DEPARTMENT

### 6.10. Excess payment of grants to aided colleges

In order to ensure full and prompt payment of salaries to the teaching and non-teaching staff working in aided colleges in the State, Government introduced (May 1977) a revised pattern of grant to the extent of 100 per cent of the net deficit (excess of expenditure over receipts by way of tuition fees, etc.) in respect of salary of the approved staff. Government also prescribed a time schedule for release of grants in instalments, the last instalment to be paid after assessment by the department of the net deficit due for the year up to end of March after adjusting the *ad hoc* advance grant already paid. The release of grants envisaged the completion of audit and assessment before February of each year of the grant payable to a college for that year.

During 1977-78 to 1979-80 final instalment of grants to the colleges had been paid without completion of audit and assessment of grant payable for the institutions before the end of the year, as required. The audit by the department of the accounts for 1977-78 of six colleges in the Madras Region completed subsequently in 1980-81 disclosed payment during 1977-78 of excess grants amounting to Rs. 3.96 lakhs, which have not so far been recovered (July 1982). The audit of accounts for 1978-79 in respect of 21 colleges and for 1979-80 in respect of 35 colleges in the Madras Region has not been completed and the correct amount of grant due to these institutions assessed (July 1982).

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

## INDUSTRIES DEPARTMENT

### 6.11. Auto Servicing Industrial Co-operative Societies under Employment Promotion Programme

With a view to providing employment to unemployed educated persons under the Centrally sponsored "Employment Promotion Programme", Government of Tamil Nadu sanctioned (March 1975)



the training in auto servicing of 110 technically qualified persons in the regional workshops of the State Transport Department and the State owned Corporations for a period of three months at a cost of Rs. 0.61 lakh. The trained persons were to be subsequently employed as working members in five Auto Servicing Co-operative Societies to be set up with Government assistance of Rs. 9.49 lakhs (Rs. 1.898 lakhs each) in the form of loan repayable with interest in four equal instalments after a moratorium of six years from the date of sanction.

Ninety four persons were trained between March and June 1975 at a cost of Rs. 0.43 lakh. The societies were set up at Kancheepuram and Tiruvottiyur in Chengalpattu district, at Palani and Dindigul in Madurai district and at Tuticorin in Tirunelveli district and the loan of Rs. 9.49 lakhs paid in March 1975. Four societies started working in 1975-76 and the fifth (Palani) in 1976-77. All the societies were working on loss from inception and became dormant within one to three years from the date of commencement. Four societies (except the one at Tuticorin) were liquidated during 1979-80 and 1980-81 on the basis of the findings of enquiry into the affairs of the societies, which indicated, *inter alia* the following:—

(i) Large scale irregularities, misappropriation and fraud by the Secretary-in-charge of the society at Kancheepuram (amount involved : Rs. 0.89 lakh) and Tiruvottiyur (amount involved not available).

(ii) Departmental staff were not provided to look after the affairs of the societies and foreman not employed by the societies to guide the members in technical matters (Dindigul, Palani and Tuticorin) and

(iii) Non-availability of workshop facilities to take up major works (Dindigul).

Out of 94 persons trained, only 40 persons were working when the societies became dormant. There was no provision in the scheme to obtain an agreement from the trainees binding them to work with the societies for a stipulated period.

According to the report (September 1980) of the Joint Director (Engineering) of the Industries Department the societies set up under the programme failed as they were not need-based and were started in haste without proper planning, training given to members was inadequate and no proper guidelines were issued in regard to production programme, selection of building, machinery, fixation of fees for work, etc.

The Director of Industries and Commerce approached (April 1981) Government for sanction for providing the services of an Industrial Co-operative Officer for the revival of the society at Tuticorin; orders of Government were awaited (June 1982).

The four societies at Kancheepuram, Dindigul, Palani and Tuticorin had accumulated loss of Rs. 3.17 lakhs at the end of March 1979 (liability: Rs. 13.50 lakhs; assets: Rs. 10.33 lakhs). (Records relating to Tiruvottiyur society were not made available as they had been handed over to the Police). As at the end of 31st March 1982, out of loan of Rs. 7.59 lakhs paid to these four societies, only Rs. 4.98 lakhs had been realised. The entire loan (Rs. 1.90 lakhs) had not been repaid by the society at Thiruvottiyur. Interest payable by the five societies as on 31st March 1982 was Rs. 3.85 lakhs.

Although substantial financial assistance had been provided by Government, the societies had failed to serve the purpose of providing employment to the trained persons, as envisaged under the Employment Promotion Programme, due to lack of planning and mal-administration by the executive members of the society.

The matter was reported to Government in August 1982; their reply is awaited (February 1983).

#### 6.12. Financial assistance for setting up splints and veneers factories

Government sanctioned financial assistance to the Tamil Nadu State Match Industrial Co-operative Societies Federation, Sattur for establishing 5 splints and veneers factories in four districts as under :

<i>Place</i>	<i>Share Capital assistance</i>	<i>Month in which sanctioned / disbursed</i>	<i>Particulars of managerial assistance given by Government</i>
(1)	(2)	(3)	(4)
	(in lakhs of rupees)		
Tirunelveli district (2 factories)	1.50 (0.75 for each factory)	September 1979 October 1979	No assistance.
Madurai, Kanyakumari and Coimbatore districts (one factory in each district)	3.00 (1.00 to each factory)	September 1980 March 1981	Free services of three industrial co-operative officers.
<b>Total</b>	<b>4.50</b>		

The factories were to manufacture veneers and splints and supply them to match service industrial co-operative societies in the region. The two factories at Vaipar and Vembar (Tirunelveli district) were expected to commence production in six months after disbursement of assistance and according to the feasibility reports, each factory was to earn an annual profit of Rs.0.52 lakh. No time limit for commencement of production was fixed for the three factories in Madurai, Kanyakumari and Coimbatore districts.

The two factories in Tirunelveli district should have commenced production by April 1980 and the factories in Madurai, Kanyakumari and Coimbatore districts should have started working by July 1981.

None of the five factories had, however, commenced production (May 1982). The following points were noticed:—

(i) The construction of factory building at Vaipar (Tirunelveli district) was entrusted to the Executive Engineer (Construction) belatedly in September 1980 and the civil works only were completed in November 1981. Water supply and sanitary arrangements were yet to be provided (May 1982).

(ii) The site for the factory at Vembar (Tirunelveli district) has not been selected (May 1982) and the site selected for the factory in Madurai district has not been taken possession (May 1982) pending alienation of the minor's property.

(iii) In Coimbatore and Kanyakumari districts, the factories were permitted by the Director of Industries and Commerce (January 1982) to be located in rented buildings; but no building had been fixed for locating the factory in Coimbatore district and the building taken (February 1982) in Kanyakumari district is unsuitable for housing the factory and modification to make it suitable was yet to be made (May 1982).

The matter was reported to Government in September 1982; their reply is awaited (February 1983).

## RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

### 6.13. Grants/loans regulated by the Director of Municipal Administration

6.13. 1. The Director of Municipal Administration regulates grants/loans to the municipalities in the State and is required to review the progress of execution of the schemes/works financed from Government funds, by obtaining necessary reports periodically and watch proper utilisation

of the assistance and repayment of loans/advances by the municipalities within the stipulated periods. During a test check (April—May 1982) of the sanctions issued by the Government/Director of Municipal Administration, the following points were noticed:—

6.13.2. *General*.—The Directorate had no machinery to monitor the execution of schemes for which financial assistance had been granted and had not also maintained the prescribed records to watch the utilisation of the grants/loans and receipt of completion reports of works/schemes for which assistance had been given.

6.13.3. Cases of delays in utilisation, misutilisation of grants, non-refund of unutilised amounts and non-repayment of ways and means advances as seen from the reports received in the Directorate from the municipalities are brought out below:—

1. *Delays in utilisation*.—Grants/loans amounting to Rs. 2.55 lakhs were sanctioned by Government to 211 municipalities stipulating time limit of six months for utilisation on the following schemes.

<i>Serial number and name of the scheme</i>	<i>Number of municipalities</i>	<i>Amount sanctioned</i>	<i>Nature of assistance / date of disbursement</i>
(1)	(2)	(3)	(4)
		(in lakhs of rupees)	
1. Construction of bus stand, business complex, etc., under Remunerative Enterprises Scheme	10	40.00	Loan/March 1979
2. Construction of 'pay and use' latrines	13	10.00	Loan/November 1979 to November 1980
3. Dustless surfacing of roads ..	168	90.00	Loan/November 1979 to March 1981
4. Accelerated Slum Improvement Scheme	18	1,00.00	Grant/March 1980 to February 1981
5. Improvement to Nagore area ..	1	12.00	Half grant, half loan/May 1981
6. Improvement to Ammamandapam-thurai	1	3.00	Grant/March 1980
<b>Total ..</b>	<b>211</b>	<b>2,55.00</b>	

Of these, Rs. 20.88 lakhs in respect of 38 municipalities remained unspent for periods ranging from one to three years at the end of May 1982, as the works had not been completed.

2. *Mis-utilisation.*—In one municipality (Kuzhithurai) out of grant of Rs. 0.69 lakh paid in March 1980 for construction of dry latrines, drains, water supply to streets and sweepers' quarters, Rs. 0.65 lakh were utilised on concrete flooring of streets, construction of compound walls, retaining walls to quarters and recoating of streets without specific orders from Government for diversion of the grant.

3. *Non-refund of unutilised grants/loans.*—In two municipalities (Avadi township: Rs. 0.39 lakh; Nagapattinam municipality: Rs. 0.28 lakh) unspent balances of assistance (half grant/half loan) of Rs. 0.67 lakh had not been refunded to Government for 3 months / 2 years after completion of the works.

4. *Non-repayment of ways and means advances.*—Two municipalities had not repaid ways and means advances provided to them due reportedly to their slender financial position as shown below:—

<i>Name of municipality</i>	<i>Amount (in lakhs of rupees)</i>	<i>Date of payment</i>	<i>Mode of repayment</i>
(1)	(2)	(3)	(4)
1. Thiruvothipuram .. .. .	2.00	August 1978	In one or more instalments before the end of March 1979
	1.00	December 1979	Four monthly instalments from December 1979
2. Srirangam .. .. .	1.50	February 1980	Three monthly instalments.*

\*Month from which recovery is to be made is not specified in the Government order.

5. *Diversion of loans.*—According to the procedure laid down (December 1971) by Government, the loan amounts sanctioned for specific purposes should be kept in the Personal Deposit account of the Commissioners of the municipalities concerned. However, loans aggregating Rs. 5.53 lakhs granted in 1979-80 to the Tiruchirapalli Municipality for execution of various schemes (flood relief: Rs. 3.75 lakhs; 'pay and use' latrines: Rs. 0.98 lakh and road works: Rs. 0.80 lakh) were irregularly merged with its general funds. The unutilised balance that stood so merged at the end of 1979-80 was Rs. 5.21 lakhs.\*\*

6.13.4. *Revolving Fund for municipalities for improvement of private streets.*—Government sanctioned (September 1980) a grant of Rs. 25 lakhs for creating a fund called "Revolving Fund for municipalities for improvement of private streets". Fifty per cent of the cost of works was to be collected from the owners of the houses or plots in the private streets and credited to this Fund, before the works were undertaken. However, as a special case for the year 1980-81, the advance payment by the house/plot owners was reduced from 50 per cent to 25 per cent and the balance was to be provided as loan by the municipalities. The loan was to be recovered from the house or plot owners with interest in a period of five years and credited to the Fund. The Director of Municipal Administration was authorised to draw the grant and to review the utilisation of funds and recovery from the public.

The following points were noticed in audit:—

(i) Rupees 25.00 lakhs were released from the Fund (Rs. 17.05 lakhs to 21 municipalities in January 1981 and Rs. 7.95 lakhs to 6 municipalities in March 1981) and the works were to be completed by the end of March 1981/May 1981 respectively. Eight municipalities had not commenced the works and the amount of Rs. 11.62 lakhs advanced to them from Revolving Fund remained (December 1981) unutilised. Further progress could not be ascertained since no progress reports were received after December 1981.

(ii) No separate accounts were maintained by the Directorate in respect of the transactions relating to this Fund.

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\*\* Latest position in respect of such unutilised balance is awaited.

6.13.5. *Evaluation of schemes implemented out of Government grants/loans.*—During the years 1977-78 to 1980-81, financial assistance of Rs. 2,66 lakhs (grant: Rs. 2,16 lakhs; loan: Rs. 50 lakhs) was given to various municipalities for implementation of major schemes such as accelerated slum improvement scheme, integrated development of backward areas and remunerative enterprises scheme. No evaluation of the achievement of the objectives of the schemes has been made so far (May 1982) by the department.

The points mentioned above were reported to Government in September 1982; their reply is awaited (February 1983).

## CHAPTER VII

### COMMERCIAL ACTIVITIES

7.1. There were six departmentally managed Commercial and *quasi* Commercial Undertakings in the State as on 31st March 1982. The Motor Vehicles Maintenance Organisation, Madras, had become a service department with effect from 1st April 1981. The results of the working of these undertakings are ascertained annually by preparing *pro forma* accounts outside the general accounts of Government. All the undertakings are in arrears in finalising their accounts for 1981-82. In addition, three undertakings which have ceased to function have yet to finalise their accounts up to the date of their cessation. A synoptic statement showing the summarised financial results of five undertakings (whose *pro forma* accounts have been certified since last Audit Report) based on the latest available *pro forma* accounts is given in Appendix XXI.

7.2. Details of undertakings whose *pro forma* accounts are in arrears (October 1982) are given in Appendix XXII.

The delay in finalising the accounts was brought to the notice of the departments periodically.

Madras,  
The

16 MAY 1983

(C. SANKARA MENON)  
Accountant General-I, Tamil Nadu

Countersigned

New Delhi,  
The

23rd may 1983

(GIAN PRAKASH)

Comptroller and Auditor General of India



## APPENDIX I

(Reference : Paragraph 1.3, Page 3)

## ANALYSIS OF REVENUE RECEIPTS

	1980—81	1981—82	Amount of increase (+) decrease (—)
(1)	(2)	(3)	(4)
(in crores of rupees)			
<b>(i) Revenue raised by the Government</b>			
(a) Tax Revenue .. .. .	6,39.07*	8,42.39	(+)2,03.32
(b) Non-Tax Revenue .. .. .	2,32.61*	1,44.01	(—)88.60
Total (i) ..	8,71.68	9,86.40	(+)1,14.72
<b>(ii) Receipts from the Government of India—</b>			
(a) Taxes on income other than Corporation Tax	80.64	81.92	(+)1.28
(b) Hotel Receipts Tax .. .. .	0.03	0.07	(+)0.04
(c) Estate Duty .. .. .	0.34	2.14	(+)1.80
(d) State's share of Union Excise Duties	2,10.75	2,45.36	(+)34.61
<b>(e) Grants—</b>			
1. Non-Plan Grants .. .. .	12.72	14.65	(+)1.93
2. For State Plan Schemes ..	43.89	54.21	(+)10.32
3. For Central Plan Schemes ..	29.30	26.27	(—)3.03
4. For Centrally Sponsored Plan Schemes	30.61	30.53	(—)0.08
Total (ii) ..	4,08.28	4,55.15	(+)46.87
Total—Revenue Receipts ..	12,79.96	14,41.55	(+)1,61.59

\* Differs from the figure shown in the Report for the Year 1980-81 due to the classification of the Major head "047. Other Fiscal Services" under the sector "B. Non-Tax Revenue".

## APPENDIX II

(Reference : Paragraph 1.4, Page 3)

PLAN AND NON-PAN EXPENDITURE ON REVENUE  
ACCOUNT

<i>Head of expenditure</i>	<i>Budget estimate</i>	<i>Budget plus supplementary</i>	<i>Actuals*</i>	<i>Variation between columns (4) and (3)</i>
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
<b>A—Plan</b>				
A. General Services ..	0.15	0.39	0.35 (0.22)	(—)0.04
B. Social and Community Services	1,16.19	1,42.79	1,34.05 (91.07)	(—)8.74
<b>C. Economic Services—</b>				
(i) General Economic Services	4.63	8.36	8.16 (6.00)	(—)0.20
(ii) Agriculture and Allied Services	77.68	1,26.77	1,38.20 (71.10)	(+)11.43
(iii) Industry and Minerals	8.44	11.63	11.57 (9.81)	(—)0.06
(iv) Water and Power Development	1.78	20.85	21.03 (1.74)	(+)0.18
(v) Transport and Communications	19.07	26.82	13.21 (12.55)	(—)13.61
<b>Total—C ..</b>	<b>1,11.60</b>	<b>1,94.43</b>	<b>1,92.17</b> <b>(1,01.20)</b>	<b>(—)2.26</b>
<b>Total—Plan ..</b>	<b>2,27.94</b>	<b>3,37.61</b>	<b>3,26.57</b> <b>(1,92.49)</b>	<b>(—)11.04</b>

\* Figures in brackets represent the expenditure during 1980—81.

## APPENDIX II—concl'd.

<i>Head of expenditure</i>	<i>Budget estimate</i>	<i>Budget plus supplementary</i>	<i>Actuals*</i>	<i>Variation between columns (4) and (3)</i>
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
<b>B—Non-Plan</b>				
A. General Services ..	3,30.52	3,53.39	3,25.82 (2,95.23)	(-)27.57
B. Social and Community Services ..	3,48.77	3,96.63	3,97.66 (3,41.49)	(+)1.03
C. Economic Services—				
(i) General Economic Services	12.74	91.73	91.52 (11.92)	(-)0.21
(ii) Agriculture and Allied Services	73.28	94.85	82.52 (78.52)	(-)12.33
(iii) Industry and Minerals	10.80	15.59	15.07 (10.79)	(-)0.52
(iv) Water and Power Development	53.64	53.67	46.54 (1,38.59)	(-)7.13
(v) Transport and Communications	48.59	49.50	53.86 (54.15)	(+)4.36
<b>Total—C ..</b>	<b>1,99.05</b>	<b>3,05.34</b>	<b>2,89.51</b> <b>(2,93.97)</b>	<b>(-)15.83</b>
D. Grants-in-aid and Contributions	31.56	42.96	20.33 (29.07)	(-)22.63
<b>Total-Non-Plan ..</b>	<b>9,09.90</b>	<b>10,98.32</b>	<b>10,33.32</b> <b>(9,59.76)</b>	<b>(-) 65.00</b>

\*Figures in brackets represent the expenditure during 1980—81.

## APPENDIX III

(Reference : Paragraph 1.5, Page 4)

## PLAN AND NON-PAN EXPENDITURE ON CAPITAL ACCOUNT

<i>Head of expenditure</i>	<i>Budget</i>	<i>Budget plus supplementary</i>	<i>Actuals*</i>	<i>Variation between columns (4) and (3)</i>
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
<b>A—Plan</b>				
Capital account of—				
A. General Services ..	6.42	6.52	3.69 (1.96)	(—)2.82
B. Social and Community Services	27.57	32.92	25.88 (17.52)	(—)7.04
C. Economic Services—				
(i) General Economic Services	5.87	13.83	10.31 (5.31)	(—)3.52
(ii) Agriculture and Allied Services	13.34	16.25	14.53 (10.76)	(—)1.72
(iii) Industry and Minerals	36.87	41.42	42.43 (6.38)	(+)1.01
(iv) Water and Power Development	27.19	27.19	21.27 (16.90)	(—)5.92
(v) Transport and Communications	9.86	21.75	20.62 (13.05)	(—)1.13
<b>Total—C ..</b>	<b>93.13</b>	<b>1,20.44</b>	<b>1,09.16</b> <b>(52.40)</b>	<b>(—)11.28</b>
<b>Total—Plan ..</b>	<b>1,27.72</b>	<b>1,59.88</b>	<b>1,38.73</b> <b>(71.88)</b>	<b>(—)21.15</b>

\*Figures in brackets represent the expenditure during 1980-81.

## APPENDIX III—concl.d.

<i>Head of expenditure</i>	<i>Budget</i>	<i>Budget plus supplementary</i>	<i>Actuals*</i>	<i>Variation between columns (4) and (3)</i>
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
<b>B. Non-Plan—</b>				
<b>Capital Account of—</b>				
A. General Services	3.18	3.90	4.11 (1.22)	(+)0.21
B. Social and Community Services	2.11	2.28	1.79 (2.21)	(-)0.49
<b>C. Economic Services—</b>				
(i) General Economic Services	(-)1.00	(-)1.00	(-)0.75 (-0.89)	(+)0.25
(ii) Agriculture and Allied Services	0.43	0.44	(-)0.24 (7.60)	(-)0.68
(iii) Industry and Minerals	0.01	0.01	(-)0.12 (1.47)	(-)0.13
(iv) Water and Power Development	4.14	4.14	0.01 (1.54)	(-)4.13
(v) Transport and Communications	..	..	.. (0.03)	..
<b>Total—C ..</b>	<b>3.58</b>	<b>3.59</b>	<b>(-)1.10</b> <b>(9.75)</b>	<b>(-)4.69</b>
<b>Total—Non-Plan ..</b>	<b>8.87</b>	<b>9.77</b>	<b>4.80</b> <b>(13.18)</b>	<b>(-)4.97</b>

\*Figures in brackets represent the expenditure during 1980-81.

(Reference :

## DETAILS OF DISBURSEMENTS OF LOANS AND ADVANCES AND

<i>Categories</i>	1979-80		
	<i>Outstanding balance on 31st March/1st April 1979</i>	<i>Loans disbursed</i>	<i>Loans recovered</i>
(1)	(2)	(3)	(4)
	(in crores of rupees)		
(i) Loans for Social and Community Services	1,80.49	39.54	10.4-
(ii) Loans for Economic Services —			
(a) General Economic Services ..	74.60	72.97	15.8
(b) Agriculture and Allied Services ..	91.23	2.51	24.1
(c) Industry and Minerals .. ..	47.45	14.03	7.0-
(d) Water and Power Development ..	3,77.67	78.11	..
(e) Transport and Communications ..	25.99	20.08	3.3-
Total (ii) ..	6,16.94	1,87.70	50.2-
(iii) Loans to Government Servants ..	18.45	23.81	16.9-
(iv) Loans for miscellaneous purposes ..	19.64	1.46	2.63
Total ..	8,35.52	2,52.51	80.34

## DIX IV

Paragraph 1.6, Page 6)

## RECOVERIES MADE DURING THE THREE YEARS ENDING 1981-82

1980-81			1981-82			Outstanding balance on 31st March 1982
Outstanding balance on 31st March/1st April 1980	Loans disbursed	Loans recovered	Outstanding balance on 31st March/1st April 1981	Loans disbursed	Loans recovered	
(5)	(6)	(7)	(8)	(9)	(10)	(11)
(in crores of rupees)			(in crores of rupees)			
2,09.58	41.03	10.38	2,40.23	39.31	21.76	2,57.78
1,31.76	1,07.49	67.66	1,71.59	30.37	1,00.72	1,01.24
69.59	20.29	14.02	75.86	44.63	10.90	1,09.59
54.44	22.85	6.57	70.72	15.31	12.71	73.32
4,55.70	1,23.84	..	5,79.54	1,35.35	0.01	7,14.88
42.77	35.82	8.65	69.94	40.03	20.38	89.59
7,54.26	3,10.29	96.90	9,67.65	2,65.69	1,44.72	10,88.62
25.29	29.93	23.40	31.82	37.11	28.46	40.47
18.47	3.39	0.60	21.26	4.94	1.48	24.72
10,07.60	3,84.64	1,31.28	12,60.96	3,47.05	1,96.42	14,11.59

## APPENDIX V

(Reference : Paragraph 1.6, Page 6)

## LOAN-WISE PARTICULARS OF AMOUNTS OVERDUE

Nature of loan	Loans outstanding to end of March 1982	Amounts overdue for recovery				Total as on 31st March 1982	
		For 1978-79 and earlier years	1979-80	1980-81	1981-82		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
			(in lakhs of rupees)				
Loans for Educational purposes	2.10	0.06	0.06	0.06	0.09	0.27	
Loans for Water Supply and Public Health purposes	71,69.78	2,13.92	73.24	98.38	1,90.17	5,75.71	
Loans for Slum Clearance and Low Income Group housing	9.60	0.20	..	0.04	0.35	0.59	
Loans for Town Planning Scheme	5,88.90	0.23	0.09	3.42	10.79	14.53	
Loans for Provision for Shopping facilities for Burma Repatriates and Dhobikhanas	10.90	0.06	0.20	0.30	0.40	0.96	
Drought Schemes	84.64	..	..	..	..	..	
Loans for Night Soil Compost Scheme	42.54	2.80	1.40	2.03	2.70	8.93	
Loans for Construction of Community Wells, etc.	14,07.53	..	..	2.93	43.23	46.16	
Loans for Erection of new Sub-Stations, etc.	7.65	..	..	..	..	..	
Loans for Construction of roads and bridges	17,97.54	2.67	1.09	3.02	11.81	18.59	
Loans for Construction of Markets, etc.	15,38.03	5.61	6.10	10.93	21.45	44.09	
<b>Total</b> ..	<b>1,26,59.15</b>	<b>2,25.55</b>	<b>82.18</b>	<b>1,21.11</b>	<b>2,80.99</b>	<b>7,09.83</b>	



## APPENDIX VI

(Reference : Paragraph 1.6, Page 9)

IRREGULARITIES IN THE UTILISATION OF LOANS  
REPORTED BY THE EXAMINER OF LOCAL FUND ACCOUNTS

*Municipal Councils and Municipal Township Committees.*—Out of Rs. 1,51.36 lakhs paid as loans to municipal councils and municipal township committees (132 cases) during 1971-72 to 1980-81 for execution of flood and cyclone works, drought relief scheme works, dustless surfacing of roads, town planning schemes, etc., a sum of Rs.86.24 lakhs remained unutilised at the end of 1980-81. In 45 cases the entire amount of loan (Rs. 34.10 lakhs) remained unutilised and in 25 cases the extent of utilisation was less than 50 per cent (unutilised loan : Rs. 32.73 lakhs).

*Town Panchayats and Panchayat Township Committees.*— Out of Rs. 35.13 lakhs paid as loans to Town Panchayats during 1963-64 to 1980-81 for construction of 'pay and use' latrine, Bus stand, Market, Bath rooms, Toilets, Dhobikanas, etc., a sum of Rs. 2.07 lakhs in six cases remained entirely unutilised at the end of 1980-81.

## APPENDIX VII

(Reference : Paragraph 1. 14, Page 18)

## NON-PLAN EXPENDITURE

Sector (1)	1979-80 (2)	1980-81 (3)	1981-82 (4)
(in lakhs of rupees)			
<b>(1) Expenditure on Revenue Account</b>			
A. General Services .. ..	2,31,54.93	2,95,22.79 (27.50)	3,25,81.68 (10.19)
B. Social and Community Services	3,02,01.03	3,41,48.71 (13.07)	3,97,66.02 (16.45)
C. Economic Services .. ..	1,71,37.25	2,93,97.28 (71.54)	2,89,51.31
D. Grants-in-aid and Contributions	25,29.31	29,06.90 (14.92)	20,32.53
Total .. ..	7,30,22.52	9,59,75.68 (31.43)	10,33,31.54 (84.60)
<b>(2) Loans and Advances by the State Government</b>			
Loans for Social and Community Services	17,56.76	13,78.98	39,31.48 (185.10)
Loans for General Economic Services	65,00.48	90,09.23 (38.57)	30,37.02
Loans for Agricultural and Allied Services	1,04.66	13,85.10 (12.19)	44,62.82 (222.20)
Loans for Industry and Minerals ..	8,34.71	14,30.43 (71.26)	15,31.29 (7.05)
Loans for Water and Power Development	77,58.29	1,23,07.47 (58.64)	1,35,34.72 (9.97)
Loans for Transport and Communications	8,89.41	31,88.98 (2.58)	40,02.71 (25.51)
Loans for Government Servants and Miscellaneous loans	21,34.59	26,62.79 (24.73)	42,04.89 (57.91)
Total .. ..	1,99,78.90	3,13,62.98 (56.98)	3,47,04.93 (10.65)

(Figures in brackets indicate percentage of increase over preceding year).

## APPENDIX VIII

(Reference : Paragraph 2.1, Page 19)

## SUMMARY OF GRANTS/APPROPRIATIONS AND EXPENDITURE

	<i>Revenue</i>	<i>Capital</i>	<i>Loans and Advances</i>	<i>Public Debt</i>	<i>Total</i>
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
Authorised to be spent (Grants and Appropriations)					
Original					
Voted ..	10,63.18	1,39.53	1,55.75	..	13,58.46
Charged ..	<u>1,26.03</u>	<u>0.21</u>	..	<u>1,77.34</u>	<u>3,03.58</u>
Total ..	<u>11,89.21</u>	<u>1,39.74</u>	<u>1,55.75</u>	<u>1,77.34</u>	<u>16,62.04</u>
Supplementary					
Voted ..	3,77.03	33.50	1,96.31	..	6,06.84
Charged ..	<u>1.06</u>	<u>0.15</u>	..	<u>50.00</u>	<u>51.21</u>
Total ..	<u>3,78.09</u>	<u>33.65</u>	<u>1,96.31</u>	<u>50.00</u>	<u>6,58.05</u>
Total					
Voted ..	14,40.21	1,73.03	3,52.06	..	19,65.30
Charged ..	<u>1,27.09</u>	<u>0.36</u>	..	<u>2,27.34</u>	<u>3,54.79</u>
Total ..	<u>15,67.30</u>	<u>1,73.39</u>	<u>3,52.06</u>	<u>2,27.34</u>	<u>23,20.09</u>
Actual expenditure (Grants and Charged Appropriations)					
Voted ..	13,42.44	1,49.28	3,47.05	..	18,38.77
Charged ..	<u>1,27.75</u>	<u>0.17</u>	..	<u>2,01.69</u>	<u>3,29.61</u>
Total ..	<u>14,70.19</u>	<u>1,49.45</u>	<u>3,47.05</u>	<u>2,01.69</u>	<u>21,68.38</u>
Shortfall (—)/Excess (+)					
Voted ..	(—)97.77	(—)23.75	(—)5.01	..	(—)1,26.53
Charged ..	<u>(+)0.66</u>	<u>(—)0.19</u>	..	<u>(—)25.65</u>	<u>(—)25.18</u>
Total ..	<u>(—)97.11</u>	<u>(—)23.94</u>	<u>(—)5.01</u>	<u>(—)25.65</u>	<u>(—)1,51.71</u>

## APPENDIX IX

(Reference : Paragraph 2.2, Page 24)

GRANTS/APPROPRIATIONS WHERE EXCESS REQUIRES  
REGULARISATION (OTHER THAN THOSE MENTIONED  
IN PARAGRAPH 2.1)

## (a) Voted Grants

<i>Serial number</i>	<i>Number and name of grant</i>	<i>Total grant</i>	<i>Expenditure</i>	<i>Excess</i>
(1)	(2)	(3)	(4)	(5)
		RS.	BS.	RS.
1.	1—Land Revenue Department ..	6,58,43,000	6,74,30,769	(+)15,87,769
	Reasons for the excess have not been communicated (January 1983).			
2.	2—State Excise Department ..	1,86,79,000	1,95,36,354	(+)8,57,354
	Reasons for the excess have not been communicated (January 1983).			
3.	5—Stamps - Administration ..	92,55,000	92,96,038	(+)41,038
	Excess was due to payment of more discount to the licensed stamp vendors on account of increase in the sale of non-judicial stamps.			
4.	6—Registration .. .. .	3,45,62,000	3,66,80,879	(+)21,18,879
	Reasons for the excess have not been communicated (January 1983).			
5.	8—Elections .. .. .	65,48,000	67,42,776	(+)1,94,776
	Part of the excess was attributed to settlement of pending bills (Rs. 0.69 lakh); reasons for the remaining excess have not been specified (January 1983).			
6.	12—Administration of the Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959	2,10,74,000	2,16,98,156	(+)6,24,156
	Excess was due to (i) sanction of additional posts and enhancement of rates of dearness allowance and (ii) cut imposed by Government on the provisions required by the department at the Final Modified Appropriation stage.			
7.	14—Jails .. .. .	6,26,25,000	6,34,29,777	(+)8,04,777
	Excess was mainly due to (i) increase in cost of raw materials purchased for the various industries and (ii) increase in dietary charges and dearness allowance.			

APPENDIX IX—*contd.*

<i>Serial number</i>	<i>Number and name of grant</i>	<i>Total grant</i>	<i>Expenditure</i>	<i>Excess</i>
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	RS.
8.	35—Civil Supplies	6,62,67,000	7,15,67,212	(+)53,00,212
	Reasons for the excess have not been communicated (January 1983).			
9.	36—Irrigation ..	47,01,84,000	50,04,83,294	(+)3,02,99,294
	Excess was mainly due to adjustment of interest charges and 'Establishment, pension and tools and plant charges'.			
10.	39—Roads and Bridges	65,52,84,000	65,65,93,081	(+) 13,09,081
	Excess was mainly due to enhancement of dearness allowance, payment of advertisement charges, and purchase of four new jeeps for Kalrayan Hills Division.			
11.	41—Relief on account of Natural calamities	2,49,55,000	2,56,75,560	(+) 7,20,560
	Reasons for the excess have not been communicated (January 1983).			
12.	42—Pensions and other Retirement Benefits	30,55,06,000	32,49,16,437	(+)1,94,10,437
	Excess was due to settlement of more number of cases than anticipated.			
13.	45—Forest Department	8,98,52,000	9,05,72,904	(+) 7,20,904
	Reasons for the excess have not been communicated (January 1983).			
14.	47—Information, Tourism and Film Technology	2,46,49,000	2,53,81,516	(+) 7,32,516
	Reasons for the excess have not been communicated (January 1983).			

## APPENDIX IX—concl'd.

Serial number	Number and name of grant	Total grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
(b) Charged appropriations		Rs.	Rs.	Rs.
1.	3—Motor Vehicles Act— Administration ..	2,81,000	3,02,101	(+) 21,101
Reasons for the excess have not been communicated (January 1983).				
2.	Debt charges ..	1,13,95,07,000	1,14,56,86,593	(+) 61,79,593
Reasons for the excess have not been specified (January 1983).				
3.	11—District Administration	1,84,000	1,96,439	(+) 12,439
Reasons for the excess have not been communicated (January 1983).				
4.	35—Civil Supplies	1,41,000	1,44,939	(+) 3,939
Reasons for the excess have not been communicated (January 1983).				
5.	41—Relief on account of Natural calamities	8,59,00,000	8,59,00,400	(+) 400
Reasons for the excess have not been communicated (January 1983).				
6.	49—Capital Outlay on Industrial Development	11,19,000	11,29,155	(+) 10,155
Reasons for the excess have not been communicated (January 1983).				

## APPENDIX X

(Reference : Paragraph 2.3, Page 24)

CASES OF SAVINGS IN THE GRANTS/APPROPRIATIONS  
WHERE SUPPLEMENTARY PROVISIONS WERE OBTAINED  
(OTHER THAN THOSE MENTIONED IN PARAGRAPH 2.1)

## (a) Unnecessary supplementary grants

<i>Serial number</i>	<i>Number and name of of grant</i>	<i>Original grant</i>	<i>Supple- mentary</i>	<i>Expendi- ture</i>	<i>Saving</i>
(1)	(2)	(3)	(4)	(5)	(6)

(in lakhs of rupees)

1. 11—District Administration .. .. 28,35.88 31.35 26,37.66 2,29.57

Saving was attributed mainly to non-disbursement of compensatio<sup>n</sup> to Village Officers.

## (b) Excessive supplementary grants/appropriations

1. 3—Motor Vehicles Acts-Adminis- 1,81.64 46.80 2,06.17 22.27  
tration

Saving was mainly under “241. A.A.D.I.AA. Purchase of Machinery Apparatus, Instruments and the like” (Rs. 14.32 lakhs); reasons therefor have not been communicated (January 1983).

2. 9—Head of State, Ministers and 18,45.19 1,84.54 19,74.62 55.11  
Headquarters staff

Part of the saving was due to (i) erroneous provision made by certain Authorised Officers (Rs. 2.31 lakhs) and (ii) abolition of a Special Deputy Collector's Office in October 1981 and reduction of staff in certain Authorised Officer's Office (Rs. 3.61 lakhs); reasons for the balance saving of Rs. 49.19 lakhs have not been communicated (January 1983).

3. 13—Administration of Justice .. 7,68.69 1,14.71 8,30.60 52.80

Reasons for the saving have not been communicated (January 1983).

4. 15—Police .. .. 55,85.23 6,76.76 60,78.75 1,83.24

Saving was mainly due to reduction in supply of rice and palmolein oil to certain police personnel at subsidised rates.

## APPENDIX X-contd.

Serial number	Number and name of grant	Original grant	Supplementary	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(in lakhs of rupees)			
5.	17—Education .. .. .	2,49,02.82	22,29.56	2,61,13.25	10,19.13
	Reasons for the saving have not been communicated (January 1983).				
6.	19—Public Health .. .. .	62,85.55	18,49.59	78,80.64	2,54.50
	Shortfall which was mainly under "282.B.A.C.JP. Water Supply Schemes under Self-Sufficiency Blocks" (Rs. 2,31.60 lakhs) was due to non-receipt of claims for grants.				
7.	21—Fisheries .. .. .	3,41.14	32.39	3,50.94	22.59
	Reasons for the saving have not been communicated (January 1983).				
8.	22—Animal Husbandry .. .. .	15,72.49	3,23.16	18,21.18	74.47
	Part of the saving was due to (i) deduction from the original provision of previous years' unspent balance of grant lying with the Agricultural University for Veterinary Education, Research and Training (Rs. 30.33 lakhs) and (ii) reduction (Rs. 14.85 lakhs) in the amount of fourth quarter grant. Reasons for the balance saving of Rs. 29.29 lakhs have not been communicated (January 1983).				
9.	24—Industries .. .. .	11,15.55	2,89.74	13,64.02	41.27
	Specific reasons for the saving have not been communicated (January 1983).				
10.	27—Khadi .. .. .	1,65.32	29.02	1,78.83	15.51
	Saving was mainly due to the claim for audit fees not preferred in time by the Chief Auditor, State Trading Schemes, Tamil Nadu.				
11.	28—Community Development projects and Municipal Administration .. .. .	95,93.67	38,71.64	1,31,56.19	3,09.11
	Saving was mainly due to modification by Government of India of the Food for Work Programme as National Rural Employment Programme and consequent change in the pattern of Central assistance, partly counterbalanced by excess on account of release of more grant for Self Sufficiency Scheme.				
12.	44—Stationery and Printing .. .. .	9,44.49	4,82.06	13,43.00	83.55
	Reasons for the saving have not been communicated (January 1983).				



APPENDIX X—*Concl'd.*

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

13.	52—Capital Outlay on Roads and Bridges	7,95.08	8,02.44	15,62.78	34.74
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Shortfall was mainly under "480.A.AC. II.JE. Buildings—Tamil Nadu Integrated Nutrition Project (H&RW); reasons therefor have not been communicated (January 1983).

14.	55—Miscellaneous Capital Outlay ..	11,91.50	13,24.42	23,26.29	1,89.63
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Reasons for the saving have not been communicated (January 1983).

15.	Public Debt—Repayment ..	1,77,34.60	50,00.00	2,01,69.09	25,65.51
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Saving was due mainly to less need for resorting to short-term borrowings from Reserve Bank of India.

## (c) Inadequate Supplementary Grants

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

*Voted grants*

1.	1—Land Revenue Department ..	6,16.57	41.86	6,74.31	15.88
2.	2—State Excise Department .. ..	25.19	1,61.60	1,95.36	8.57
3.	5—Stamps-Administration .. ..	81.40	11.15	92.96	0.41
4.	6—Registration .. ..	3,25.50	20.12	3,66.81	21.19
5.	8—Elections .. ..	26.22	39.26	67.43	1.95
6.	12—Administration of Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959	1,94.90	15.84	2,16.98	6.24
7.	14—Jails .. ..	6,12.78	13.47	6,34.30	8.05
8.	35—Civil Supplies .. ..	4,96.25	1,66.42	7,15.67	53.00
9.	36—Irrigation .. ..	27,91.54	19,10.30	50,04.83	3,02.99
10.	37—Public Works-Buildings .. ..	2,83.15	65.39	4,99.45	1,50.91
11.	39—Roads and Bridges .. ..	58,01.22	7,51.62	65,65.93	13.09
12.	41—Relief on account of Natural calamities	3.13	2,46.42	2,56.76	7.21
13.	42—Pensions and Other Retirement Benefits	30,43.34	11.72	32,49.16	1,94.10
14.	45—Forest Department .. ..	7,09.30	1,89.22	9,05.73	7.21
15.	47—Information, Tourism and Film Technology	2,06.46	40.03	2,53.82	7.33

*Charged appropriations*

1.	3—Motor Vehicles Acts-Administration ..	..	2.81	3.02	0.2 <sup>1</sup>
2.	11—District Administration .. ..	1.28	0.56	1.96	0.12
3.	35—Civil Supplies .. ..	0.51	0.90	1.45	0.04
4.	49—Capital Outlay on Industrial Development	0.04	11.15	11.29	0.10

(Reference: Paragraph 2.4,

## BUDGET PROVISION

Sector/Sub-sector	1979-80			
	Budget provision	Expenditure	Excess (+)/ Short-fall (-)	Percentage
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
A. General Services .. ..	2,70.89	2,32.83	(-)38.06	14
B. Social and Community Services	3,92.42	3,67.29	(-)25.13	6
C. Economic Services—				
General Economic Services	30.08	26.08	(-)4.00	13
Agriculture and Allied Services	1,38.06	1,11.62	(-)26.44	19
Industry and Minerals	28.59	23.78	(-)4.81	17
Water and Power Development	77.27	67.75	(-)9.52	12
Transport and Communications	67.35	62.50	(-)4.85	7
Total—C ..	3,41.35	2,91.73	(-)49.62	15
D. Grants -in-aid and Contribution	27.69	25.29	(-)2.40	9
Total (A+B+C+D)	10,32.35	9,17.14	(-)1,15.21	11

## DIX XI

Page 24]

## AND UTILISATION THEREOF

1980-81				1981-82			
Budget provision	Expenditure	Excess (+)/ Shortfall (-)	Percentage	Budget provision	Expenditure	Excess (+)/ Shortfall (-)	Percentage
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(in crores of rupees)				(in crores of rupees)			
2,97.48	2,98.63	(+) 1.15	..	3,64.20	3,33.96	(-) 30.24	8
4,57.58	4,52.29	(-) 23.29	5	5,74.62	5,59.38	(-) 15.24	3
24.20	22.34	(-) 1.86	8	1,12.92	1,09.24	(-) 3.68	3
2,01.67	1,67.98	(-) 33.69	17	2,38.31	2,35.01	(-) 3.30	1
32.13	28.45	(-) 3.68	11	68.65	68.96	(+) 0.31	..
1,68.16	1,58.77	(-) 9.39	6	1,05.85	88.85	(-) 17.00	16
75.20	79.78	(+) 4.58	6	98.07	87.69	(-) 10.38	11
5,01.36	4,57.32	(-) 44.04	9	6,23.80	5,89.75	(-) 34.05	5
30.15	29.07	(-) 1.08	4	42.96	20.33	(-) 22.63	53
13,04.57	12,37.31	(-) 67.26	5	16,05.58	15,03.42	(-) 1,02.16	6

## APPENDIX XII

(Reference : Paragraph 2.8, Page 32)

## SHORTFALL/EXCESS IN RECOVERIES

<i>Number and name of grant</i>	<i>Estimated recovery</i>	<i>Amount of excess(+)/shortfall(-) as compared to estimates</i>	<i>Reasons for the excess/shortfall</i>
(1)	(2)	(3)	(4)
(in crores of rupees)			
28. Community Development and Municipal Administration	15.50	(-) 12.65	Mainly due to less adjustment under "Deduct—Recoveries due to issue of foodgrains in lieu of wages under Food for Work Programme".
33. Housing .. .. .	8.09	(-) 8.09	Due to non-adjustment under "Deduct—Amount met from the Urban Development Fund" as the transfer ordered by Government was not in accordance with the rules of the Fund.
38. Public Works—Establishment and Tools and Plant	11.59	(-) 5.20	Mainly due to adjustment of less amount under "Deduct—Establishment Charges transferred on percentage basis to various Capital major heads".
12. Administration of Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959	1.72	(-) 1.72	Due to non-adjustment under "Deduct—Amount met from Tamil Nadu Religious and Charitable Endowments Administration Fund" for want of sufficient balance in the Fund.

## APPENDIX XII-concl'd.

Number and name of grant	Estimated recovery	Amount of excess(+)/shortfall(-) as compared to estimates	Reasons for the excess/shortfall
(1)	(2)	(3)	(4)
(in crores of rupees)			
39. Roads and Bridges	6.63	(+ )2.08	Mainly due to adjustment of more amount under "Deduct — Establishment charges transferred on percentage basis to Capital Major Heads" than estimated and under "Deduct — Amount met from Famine Relief Fund" for which no estimate was made in the Budget.
19. Public Health	3.31	(+ )1.46	Mainly due to adjustment under "Deduct— Amount met from the Famine Relief Fund" for which no estimate was made in the Budget.

## APPENDIX XIII

(Reference : Paragraph 2.10, page 34)

## CASES OF WITHDRAWAL OF FUNDS IN ADVANCE OF REQUIREMENTS

<i>Serial number</i>	<i>Department</i>	<i>Purpose</i>	<i>Amount drawn in advance of requirements/ month of drawal</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)	(5)
1.	Industries	Supply of air cooled diesel generating set to the Assistant Director, Sericulture, Hosur.	Rs. 0.72 lakh March 1981	The payment was to be effected after receipt of the equipment in good condition. The equipment was received in July 1981. However, the amount was drawn on 31st March 1981 and payment made in April 1981 on the basis of the <i>pro forma</i> invoice.
2.	Agriculture (Animal Husbandry)	Subsidy for the purchase of milch animals by Scheduled Caste members of Milk Co-operative Societies	Rs. 2.50 lakhs January 1982 to March 1982	Subsidy was to be paid to the nationalised banks after disbursement of loans by them to the members for purchase of milch animals, for adjustment against the members' loan accounts. Amount of Rs. 2.50 lakhs was drawn in January to March 1982 and kept in cash chest (May 1982) as the banks had not disbursed the loans to the individual members.

## APPENDIX XIII-contd.

Serial number	Department	Purpose	Amount drawn in advance of requirements / month of drawal	Remarks
(1)	(2)	(3)	(4)	(5)
3.	Agriculture (Animal Husbandry)	Subsidy for setting up of an additional 1,500 sheep units in North Arcot, Tirunelveli and Salem districts, by small / marginal farmers and agricultural labourers	Rs. 11.69 lakhs March 1982	The subsidy was to be paid to the banks, after disbursement of loans by it to the beneficiaries for being credited to their loan accounts. However, Government permitted (March 1982) drawal of the amount in advance for being deposited with the banks. Out of Rs. 11.69 lakhs drawn by two Project Officers in March 1982 and paid to the nationalised banks, Rs.8.10 lakhs were adjusted to the accounts of the beneficiaries from April 1982 to September 1982 and the balance of Rs. 3.59 lakhs remained (October 1982) to be adjusted.
4.	Agriculture (Milk Production and Dairy Development)	Subsidy for purchase of milch animals by small / marginal farmers and agricultural labourers	Rs. 1.67 lakhs March 1981	Subsidy was payable to the nationalised banks after they disbursed loans to the beneficiaries for purchase of milch animals, for adjustment against their loan accounts. In one circle, Rs. 9.00 lakhs were drawn in March 1981 and paid to the banks after April 1981. Even after 14 months from the drawal of the amount, Rs. 1.29 lakhs remained (May 1982) to be adjusted due to non-sanction of loans

## APPENDIX XIII-contd.

Serial number	Department	Purpose	Amount drawn in advance of requirements/ month of drawal	Remarks
(1)	(2)	(3)	(4)	(5)
				and Rs. 0.38 lakh were returned (February 1982) by one bank stating that loans were not sanctioned by it.
5. Food and Co-operation		Assistance by way of loan and subsidy to the Co-operative Societies for the construction of 205 godowns	Rs. 15.40 lakhs <hr/> March 1982	The assistance was to be released in two instalments, the second instalment to be paid on the receipt of a certificate that the first instalment had been properly utilised to the extent of one third. The first instalment of Rs. 65.10 lakhs was released in March 1981 and the second instalment of Rs. 89.51 lakhs in March 1982 on the basis of a certificate furnished by the Superintending Engineer (Construction) on 29th March 1982 that the first instalment had been utilised. It was, however, noticed (June 1982) in Audit that out of 44 cases for which a sum of Rs. 15.40 lakhs was released as second instalment, in 21 cases (Rs. 7.35 lakhs) no expenditure was incurred and in 23 cases (Rs. 8.05 lakhs) the expenditure incurred was less than one third of the amount of first instalment.



## APPENDIX XIII-concl'd.

Serial number	Département	Purpose	Amount drawn in advance of requirements/ month of drawal (4)	Remarks
(1)	(2)	(3)	(4)	(5)
6.	Social Welfare	Awards for inter-caste marriages (Rs. 4,000 per couple) in the shape of five year fixed deposits invested in nationalised banks	Rs. 2.52 lakhs <hr/> March 1982	Government issued instructions on 4th March 1982 to stop the payment of award in the form of fixed deposits as a change in the pattern of award to National Savings Certificates was under their consideration. However, the Director of Adi Dravidar and Tribal Welfare ordered on 6th March 1982, that the amounts may be drawn and kept in cash chest, pending issue of further orders of Government. Rs. 2.52 lakhs were drawn in March 1982 by nine district officers and kept in cash chest. Only in September 1982, Government intimated the Director to follow the existing procedure.

## APPENDIX XIV

(Reference : Paragraph 3.1.4, Page 35)

## STATEMENT SHOWING UNSPENT BALANCES WITH THE IMPLEMENTING AGENCIES UNDER DROUGHT PRONE AREAS PROGRAMME (DPAP) AS ON 31ST MARCH 1982

Serial number and name of Agency	Year in which paid						Total
	1976— 77	1977— 78	1978— 79	1979— 80	1980— 81	1981— 82	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(in lakhs of rupees)						
1. Dharmapuri District Development Corporation	3.07	13.30	3.79	31.80	59.55	49.68	1,61.19
2. Ramanathapuram District Development Agency	..	..	..	..	..	1,60.77	1,60.77
3. Tamil Nadu Khadi and Village Industries Board	..	4.24	0.52	49.17	4.91	7.95	66.79
4. Tamil Nadu Co-operative Milk Producers' Federation	0.16	0.24	0.30	18.93	5.56	18.61	43.80
5. Panchayat Unions, Co-operative Silk Reeling Societies and E.E. construction (Sericulture buildings)	..	..	..	..	..	13.35	13.35
6. Financing Banks (Advance subsidy pending adjustments)	0.06	0.27	2.08	2.17	3.37	..	7.95
7. Co-operative Milk Producers' Societies (Advance Subsidy)	..	..	..	..	..	0.47	0.47
<b>Total ..</b>	<b>3.29</b>	<b>18.05</b>	<b>6.69</b>	<b>1,02.07</b>	<b>73.39</b>	<b>2,50.83</b>	<b>4,54.32</b>

## APPENDIX XV

(Reference : Paragraph 3.1.6, Page 36)

## SUBSTITUTION OF STATE PLAN SCHEMES

<i>Name of the scheme and particulars</i>	<i>Expenditure to end of 1981-82</i>
(1)	<i>(in lakhs of rupees)</i> (2)
<i>Soil Conservation</i>	
(The sub-divisions already functioning prior to 1970-71 brought under DPAP from 1970-71)	3,90.54
<i>Construction of Godowns</i>	
(Subsidised under State scheme up to 1976-77 brought under DPAP from 1977-78)	18.17
<i>Minor Irrigation Schemes</i>	
(Implemented under ARDC Programme taken up under DPAP from 1976-77)	3.98
<i>Technical Staff to Farmer's Service Society</i>	
(Debitable to State Funds charged to DPAP in 1979-80)	0.22
<i>Dairy Development</i>	
(Surplus machineries available with the TNDDC transferred to chilling centres in Dharmapuri and Ramanathapuram and charged to DPAP)	9.95
Total .. ..	4,22.86

## APPENDIX XVI

(Reference : Paragraph 3.2.5, Page 53)

**DETAILS OF TOTAL NUMBER OF TANKERS, THEIR CAPACITY AND THE RANGE OF DAILY AVERAGE PROCUREMENT OF MILK**

Period	Total number of tankers	Total capacity	Anticipated daily Procurement of milk	Range of daily average procurement of milk		
				From	To	
(in litres)						
(1)	(2)	(3)	(4)	(5)	(6)	
March 1976	..	2	14,400	..	5,595	26,453
to December 1977	.. .. }					
January 1978	.. .. }	4	33,400	..	9,886	26,413
to April 1980	.. .. }					
May 1980	.. .. }	6	54,400	40,000	13,897	21,285
to July 1980	.. .. }					
August 1980	.. .. }	7	62,400	40,000	20,655	26,457
to December 1980	.. .. }					
January 1981	.. .. }	8	70,400	40,000	10,694	20,747
to April 1981	.. .. }					
May 1981	.. ..	9	78,400	47,000	14,412	..
June 1981	.. .. }	10	86,400	47,000	10,191	27,939
to March 1982	.. .. }					

## APPENDIX XVII

(Reference : Paragraph 3.12, Page 135)

CASES OF MISAPPROPRIATION PENDING FINALISATION AS ON  
30TH SEPTEMBER 1982

## (i) Department-wise analysis--

<i>Department</i>	<i>Number of cases</i>	<i>Amount (in lakhs of rupees)</i>
(1)	(2)	(3)
1. Agriculture .. .. .	16	5.88
2. Commercial Taxes and Religious Endowments ..	15	0.88
3. Education .. .. .	11	11.14
4. Finance .. .. .	5	0.66
5. Food and Co-operation .. .. .	1	1.21
6. Forests and Fisheries .. .. .	5	0.51
7. Health and Family Welfare .. .. .	19	3.96
8. Home .. .. .	5	2.60
9. Industries .. .. .	3	0.21
10. Labour, Employment and Training .. .. .	9	0.90
11. Public .. .. .	3	0.44
12. Public Works .. .. .	2	0.42
13. Revenue .. .. .	318	27.65
14. Rural Development and Local Administration	8	1.76
15. Social Welfare .. .. .	5	0.29
16. Transport .. .. .	2	0.41
<b>Total</b> ..	<b>427</b>	<b>58.92</b>

## (ii) Year-wise analysis--

<i>Year</i>	<i>Amount misappropriated since recovered but departmental action, etc., pending</i>		<i>Pending for other reasons</i>	
	<i>Number of cases</i>	<i>Amount (in lakhs rupees)</i>	<i>Number of cases</i>	<i>Amount (in lakhs rupees)</i>
(1)	(2)	(3)	(4)	(5)
1977-78 and earlier years ..	10	0.31	267	39.22
1978-79 .. .. .	..	..	41	4.90
1979-80 .. .. .	..	..	34	2.59
1980-81 .. .. .	8	0.44	29	3.04
1981-82 .. .. .	10	0.49	28	7.93
<b>Total</b> ..	<b>28</b>	<b>1.24</b>	<b>399</b>	<b>57.68</b>

## APPENDIX XVIII

(Reference : Paragraph 3.12, Page 135)

## CASES OF SHORTAGES AND THEFT OF STORES, DAMAGES TO PROPERTIES, ETC., PENDING FINALISATION AS ON 30TH SEPTEMBER 1982

## (i) Department-wise analysis—

<i>Department</i>	<i>Number of cases</i>	<i>Amount (in lakhs of rupees)</i>
(1)	(2)	(3)
1. Agriculture .. .. .	365	32.35
2. Education .. .. .	7	0.28
3. Finance .. .. .	2	0.05
4. Forests and Fisheries .. .. .	10	1.30
5. Health and Family Welfare .. .. .	23	2.89
6. Home .. .. .	10	3.23½
7. Industries .. .. .	8	0.75
8. Labour, Employment and Training .. .. .	11	0.62
9. Public .. .. .	2	9.84
10. Public Works .. .. .	386	60.97
11. Revenue .. .. .	5	0.16
12. Rural Development and Local Administration	4	1.92
13. Social Welfare .. .. .	1	0.02
14. Transport .. .. .	14	4.14
Total ..	848	1,18.52

## APPENDIX XVIII—concl'd.

## (ii) Year-wise analysis—

<i>Year</i>						<i>Number of cases</i>	<i>Amount (in lakhs of rupees)</i>
(1)						(2)	(3)
1977—78	and earlier years	..	..	..		264	36.75
1978—79	.. .. .	..	..	..		25	3.07
1979—80	.. .. .	..	..	..		55	6.12
1980—81	.. .. .	..	..	..		61	4.64
1981—82	.. .. .	..	..	..		443	67.94
						<hr/>	<hr/>
	Total	..				848	1,18.52
						<hr/>	<hr/>

## APPENDIX XIX

(Reference : Paragraph 3.13, Page 135)

## STATEMENT SHOWING LOSSES, WRITES-OFF, ETC.

In 1139 cases, Rs. 48.18 lakhs representing mainly losses due to theft, fire, etc., irrecoverable advances, etc., were written-off/waived or ex-gratia payments made during 1981-82 by competent authorities. The details are as follows:—

Serial number and Department	Writes-off of losses, irrecoverable advances, etc.		Waiver of recovery		Ex-gratia payment	
	Number of items	Amount	Number of items	Amount	Number of items	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
		RS.		RS.		RS.
1. Agriculture ..	641	18,45,768	6	18,376	..	..
2. Commercial Taxes and Religious Endowments	2	4,36,576	1	2,083	..	..
3. Education .. ..	20	90,955	161	1,27,545	1	10,000
4. Finance .. ..	5	90,060	..	..	..	..
5. Food and Co-operation	30	2,68,130	2	91,864	..	..
6. Forests and Fisheries	55	7,19,298	..	..	..	..
7. Health and Family Welfare	1	6,052	..	..	20	1,68,000
8. Home .. ..	15	64,263	2	31,471	..	..
9. Industries .. ..	100	73,952	1	926	..	..
10. Labour, Employment and Training	4	19,744	2	3,125	..	..
11. Legislative Assembly	1	44	..	..	..	..
12. Prohibition and Excise	2	31,475	..	..	..	..
13. Public .. ..	7	2,06,230	..	..	..	..
14. Public Works ..	15	4,65,907	..	..	..	..
15. Revenue .. ..	39	11,160	..	..	..	..
16. Social Welfare ..	4	19,368	..	..	..	..
17. Transport .. ..	2	15,675	..	..	..	..
<b>Total ..</b>	<b>943</b>	<b>43,64,657</b>	<b>175</b>	<b>2,75,390</b>	<b>21</b>	<b>1,78,000</b>



## APPENDIX XX

(Reference : Paragraph 6.3, Page 157)

UTILISATION CERTIFICATES FOR GRANTS PAID UPTO 30TH  
SEPTEMBER 1980 AND OUTSTANDING AS ON 30TH  
SEPTEMBER 1982

Department	Year of grant	Due		Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(amounts in lakhs of rupees)							
Commercial Taxes and Religious Endowments	1978—79	3	0.07	3	0.07	..	..
	1979—80	1	0.14	..	..	1	0.14
	1980—81 (upto September 1980)	1	0.16	..	..	1	0.16
Co-operation	1976—77 and earlier years	112	30.67	33	11.47	79	19.20
	1977—78	100	21.75*	..	..	100	21.75
	1978—79	275	43.15	40	4.85	235	38.30
	1979—80	383	8,25.94	..	..	383	8,25.94
	1980—81 (upto September 1980)	201	55.94	..	..	201	55.94
Education	.. 1976—77 and earlier years	117	1,83.89	117	1,83.89	..	..
	1977—78	19	10.26	19	10.26	..	..
	1978—79	17	16.15	17	16.15	..	..
	1979—80	24	38.38	7	33.31	17	5.07
	1980—81 (upto September 1980)	14	53.78	..	..	14	53.78

\* Differs from the figures shown in the Report for 1980—81 due to adoption of correct figure after recheck.

## APPENDIX XX—contd.

Department	Year of grant	Due		Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(amounts in lakhs of rupees)							
Finance ..	1976—77 and earlier years	1	0.50	..	..	1	0.50
	1977—78	2	1.75	1	1.50	1	0.25
	1978—79	2	2,00.15	2	2,00.15	..	..
	1979—80	2	0.40	..	..	2	0.40
Health and Family Welfare	1976—77 and earlier years	14	2.19	10	2.15	4	0.04
	1977—78	10	1.50	10	1.50	..	..
	1978—79	19	7.38	10	6.80	9	0.58
	1979—80	67	4.98	..	..	67	4.98
	1980—81 (upto September 1980)	30	8.18	..	..	30	8.18
Home ..	1978—79	2	10.06	1	0.06	1	10.00
	1979—80	1	1.78	1	1.78	..	..
Housing and Urban Development	1978—79	3	82.80	1	37.80	2	45.00
	1980—81 (upto September 1980)	3	31.69	..	..	3	31.69
Industries ..	1977—78	7	82.45	7	82.45	..	..
	1978—79	4	60.75	4	60.75	..	..
	1979—80	2	1.02	2	1.02	..	..
Law .. ..	1979—80	2	0.08	..	..	2	0.08
	1980—81 (upto September 1980)	1	0.04	..	..	1	0.04

## APPENDIX XX—concl.

Department	Year of grant	Due		Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(amounts in lakhs of rupees)							
Personnel and Administrative Reforms	1977—78	1	0.05	..**	0.03	1	0.02
	1978—79	1	0.01	1	0.01	..	..
	1979—80	6	0.11	..	..	6	0.11
	1980—81 (upto September 1980)	2	0.02	..	..	2	0.02
Public Works	1977—78	4	7,05.00	..	..	4	7,05.00
	1978—79	5	5,12.50	..**	2,69.85	5	2,42.65
	1979—80	7	15,00.10	..	..	7	15,00.10
Revenue ..	1977—78	3	0.83	1	0.80	2	0.03
	1978—79	4	15.06	..	..	4	15.06
Rural Development and Local Administration	1976—77 and earlier years	12	1,65.40	6	1,51.53	6	13.87
	1977—78	9	34.50 13.75*	}..	..	9	48.25
	1978—79	27	1,95.16	16	1,13.05	11	82.11
	1979—80	49	56.65	..	..	49	56.65
	1980—81 (upto September 1980)	1	0.47	..	..	1	0.47
Social Welfare	1977—78	1	0.17	..	..	1	0.17
	1978—79	1	60.00	1	60.00	..	..
	1979—80	25	3.03	1	0.10	24	2.93
Transport ..	1979—80	3	0.22	1	0.09	2	0.13
Total ..		1,600	50,41.01	312	12,51.42	1,288	37,89.59

\* Differs from the figures shown in the Report for 1980—81 due to adoption of correct figure after recheck.

\*\* Represents receipt of utilisation certificate for part amount.

(Reference : Para

## SUMMARISED FINANCIAL POSITION

UNDER

<i>Serial number and name of the department/unit</i>	<i>Year of commencement</i>	<i>Period of accounts</i>	<i>Capital at close</i>	<i>Net block assets</i>	<i>Cumulative depreciation</i>	<i>Turn over</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(rupees in lakhs)						
<b>AGRICULTURE DEPARTMENT</b>						
1. Government Bristle Fibre Unit, Tenkasi	N.A.	1980—81* (upto 30th September 1980),	1.01	1.05	2.45	0.23
<b>FORESTS AND FISHERIES DEPARTMENT</b>						
2. Government Cinchona Department, Ootacamund	1861	1980—81*	603.75	442.10	61.93	52.40
3. Chank Fisheries, Tuticorin	1909	1980—81	54.77	2.84	7.70	2.26
4. Chank Fisheries, Ramanathapuram	1978	1980—81*	16.19	0.69	0.05	0.70
<b>INDUSTRIES DEPARTMENT</b>						
5. Carpentry and Blacksmithy Unit, Arkonam	1967	1979—80	10.47	0.93	1.01	2.75

N.A. Not available.

## DIX XXI

graph 7.1, Page 178)

OF THE GOVERNMENT COMMERCIAL AND QUASI-COMMERCIAL  
TAKINGS

Net Profit (+)		Mean capital	Percentage of return on Mean Capital		Remarks
Net loss (-)			After charging interest on capital	Before charging interest on capital	
After charging interest on capital	Before charging interest on capital		After charging interest on capital	Before charging interest on capital	
(8)	(9)	(10)	(11)	(12)	(13)
(rupees in lakhs)					
(-)-0.38	(-)-0.38	1.21	..	..	Unit closed with effect from 30th September 1980.
(-)-5.02	(+)-9.60	524.77	..	1.83	The net profit before charging interest on capital is Rs. 5.66 lakhs on a turn- over of Rs. 2.26 lakhs only which is due to the heavy closing stock of Rs. 58.71 lakhs in which interest and other expen- ses are loaded.
1.48	5.66	37.99	3.89	14.89	
(-)-0.62	(+)-0.70	12.04	..	5.8	...
0.06	0.77	9.41	0.64	8.18	....

\* Figures are provisional

## APPENDIX XXII

(Reference : Paragraph 7.2, Page 178)

LIST OF DEPARTMENTALLY MANAGED COMMERCIAL AND QUASI-COMMERCIAL UNDERTAKINGS WHOSE *PRO FORMA* ACCOUNTS ARE IN ARREARS

<i>Serial number and name of the department/undertaking</i>	<i>Period for which accounts are in arrears</i>	<i>Remarks</i>
(1)	(2)	(3)
<b>AGRICULTURE DEPARTMENT</b>		
1. Scheme for the purchase and distribution of Chemical Fertilisers, Madras	1978—79 1979—80 1980—81 1981—82	..
2. Government Agricultural Engineering Workshop, Madras	1980—81 1981—82	..
3. Madurai Milk Project, Madurai ..	1973—74 1974—75 (up to 30th June 1974)	Transferred to Tamil Nadu Dairy Development Corporation Limited with effect from 1st July 1974.
<b>FORESTS AND FISHERIES DEPARTMENT</b>		
4. Government Cinchona Department, Ootacamund	1981—82	..
5. Chank Fisheries, Tuticorin .. ..	1981—82	..
6. Chank Fisheries, Ramanathapuram	1981—82	..
<b>INDUSTRIES DEPARTMENT</b>		
7. Government Glass Production Centre, Madurai	1979—80 (up to 13th November 1979)	Unit closed with effect from 14th November 1979.
<b>SMALL SCALE INDUSTRIES</b>		
8. Carpentry and Blacksmithy Unit, Arkonam	1980—81 1981—82	..
<b>TRANSPORT DEPARTMENT</b>		
9. Motor Vehicles Maintenance Organisation, Madras	1976—77 1977—78 1978—79 1979—80 1980—81	Unit became a service department with effect from 1st April 1981.



