



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

**FOR THE YEAR
1980-81**

(CIVIL)

GOVERNMENT OF TAMIL NADU

REPUBLICAN PARTY OF THE STATE OF NEW YORK

STATE

OFFICE

OF THE COMMISSIONER

OF THE LAND OFFICE

STATE OF NEW YORK

OFFICE OF THE COMMISSIONER



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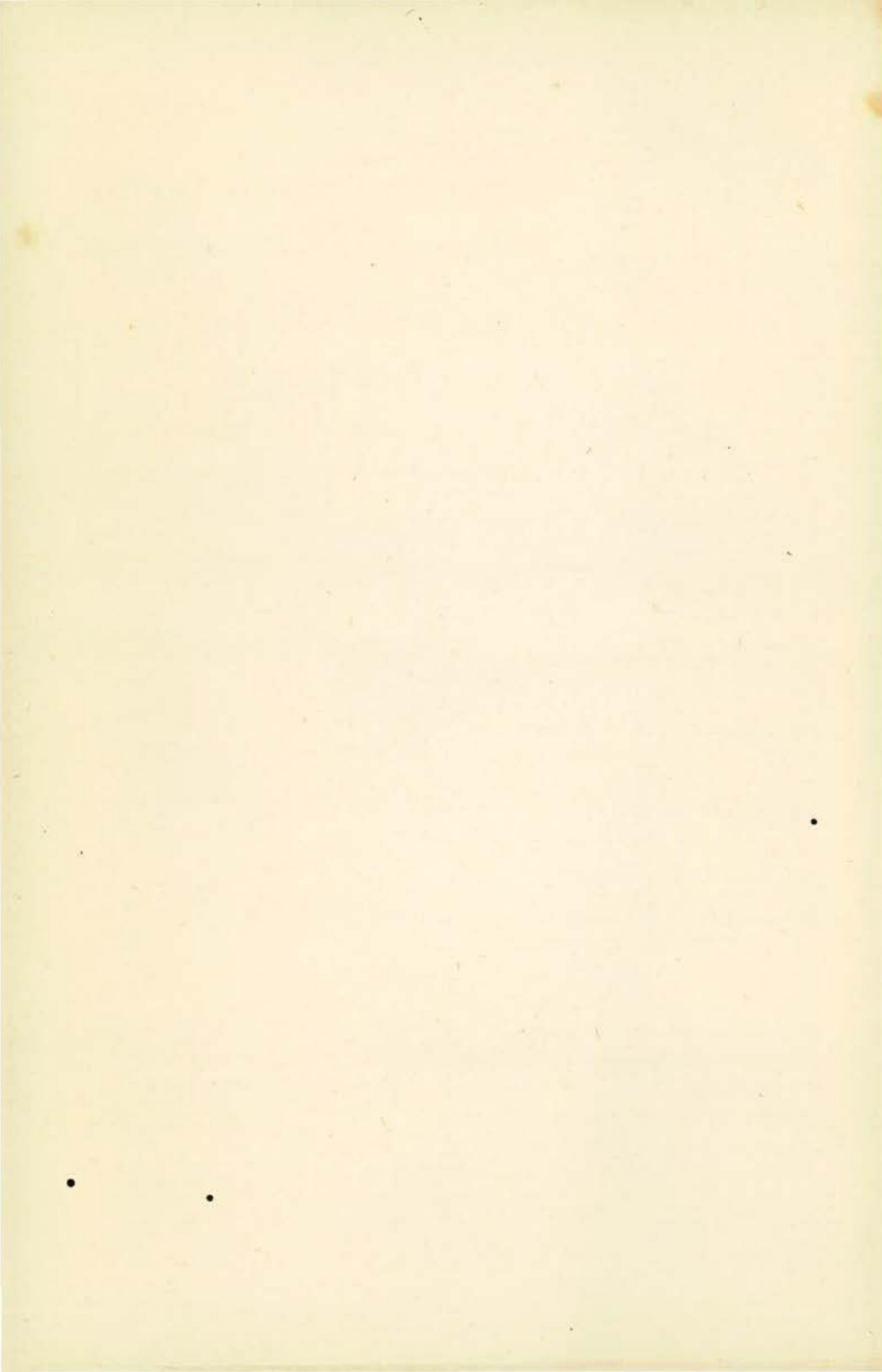
PREFATORY REMARKS

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 1980-81 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 1980-81.

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 1980-81 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 1980-81 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 1980-81 are given below with corresponding figures of the preceding year:—

(1)	1979-80 (2)	1980-81 (3)
	(in crores of rupees)	
1. Revenue—		
Revenue receipts	9,44.85	12,79.96
Revenue expenditure	8,49.55	11,52.25
Revenue surplus (+)	(+) <u>95.30</u>	(+) <u>1,27.71</u>
2. Public Debt—		
Internal Debt of the State Government (net) Increase (+)	(+) <u>21.17</u>	(+) <u>14.77</u>
Loans and Advances from the Central Government (net) Increase (+)	(+) <u>91.76</u>	(+) <u>1,14.41</u>
Total Public Debt (net) Increase (+)	(+) <u>1,12.93</u>	(+) <u>1,29.18</u>
3. Loans and Advances by the State Government (net) Increase (—)		
	(—) <u>1,72.17</u>	(—) <u>2,53.36</u>
4. Contingency Fund (net) Receipts (+)/Payments (—)		
	(+) <u>0.56</u>	(—) <u>1.38</u>
5. Public Account (net) Receipts (+)/Payments (—) ..		
	(+) <u>24.89</u>	(+) <u>81.13</u>
6. Capital expenditure (net) Increase (—)		
	(—) <u>67.59</u>	(—) <u>85.06</u>
Net surplus (+)/deficit (—)	(—) <u>6.08</u>	(—) <u>1.78</u>
Opening balance	(—) <u>1.75</u>	(—) <u>7.83</u>
Net surplus (+)/deficit (—) as above	(—) <u>6.08</u>	(—) <u>1.78</u>
Closing cash balance	(—) <u>7.83</u>	(—) <u>9.61(A)</u>

(A) There was a difference of Rs. — 1,78.42 lakhs between the figure reflected in the accounts (Rs.—8,28.90 lakhs) and that intimated by the Reserve Bank (Rs.—6,50.48 lakhs) regarding "Deposits with Reserve Bank" included in the cash balance. The difference to the extent of Rs. — 96.75 lakhs has since been reconciled. The remaining difference (Rs. — 81.67 lakhs) is under reconciliation (November 1981).

1.2. Revenue surplus/deficit

(a) *Revenue receipts*.—The actuals of the revenue receipts of the State Government for 1980-81 as compared with (a) the budget estimates and (b) the budget estimates plus additional taxation during the year along with the corresponding figures for 1978-79 and 1979-80 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)					
1978-79	6,80.08	6,80.08	8,01.48	(+) 1,21.40	18
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

(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 1978-79 and 1979-80 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)					
1978-79	7,26.76	8,02.85	7,53.51	(-) 49.34	6
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

(c) The year ended with a revenue surplus of Rs. 1,27.71 crores against the surplus of Rs. 15.39 crores anticipated in the budget.

1.3. Revenue receipts

The revenue receipts rose from Rs. 9,44.85 crores in 1979-80 to Rs. 12,79.96 crores in 1980-81. The major components of the revenue receipts are given in Appendix I. The revenue raised by the State Government in 1980-81, amounting to Rs. 8,71.68 crores (as against Rs. 6,08.15 crores in 1979-80) accounted for 68 per cent (64 per cent in 1979-80) 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, 1980-81—Revenue Receipts—Government of Tamil Nadu.

1.4. Expenditure on revenue account

The expenditure on revenue account during 1980-81 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 1980-81 had gone up by Rs. 73.17 crores (61 per cent) when compared to the preceding year. The increase was mainly under Community Development (Rs. 23.94 crores), Social Security and Welfare (Rs. 15.43 crores), Public Health and Sanitation Rs. (10.78 crores), Education (Rs. 9.99 crores) and Agriculture (Rs. 9.69 crores). However, the Plan provision for 1980-81 remained under-utilised to the extent of 21 per cent. The underutilisation is dealt with in paragraph 1.13 under Plan Performance.

The non-Plan expenditure rose from Rs. 7.30 crores in 1979-80 to Rs. 9.60 crores in 1980-81, an increase of Rs. 2.30 crores (31 per cent). The increase was under all sectors; General Services (Rs. 63.67 crores—27 per cent), Social and Community Services (Rs. 39.48 crores—13 per cent), Economic Services (Rs. 1,22.60 crores—72 per cent) and Grants-in-aid (Rs. 3.78 crores—15 per cent). Increase in expenditure under Interest Payments (Rs. 32.07 crores) and Police (Rs. 13.13 crores) mainly accounted for the huge rise under General Services. Major portion of the increase under Social and Community Services was under Education (Rs. 27.05 crores). Under Economic Services, the increase in expenditure was mainly under Water and Power Development Services (Rs. 90.61 crores) and Roads and Bridges (Rs. 17.54 crores).

The non-Plan expenditure during 1980-81 exceeded the provision by Rs. 8.85 crores made up of excess of Rs. 28.75 crores under General Services (Rs. 2.52 crores), Social and Community Services (Rs. 4.15 crores), Water and Power Development (Rs. 8.20 crores) and Transport and Communications (Rs. 13.88 crores), offset by saving of Rs. 19.90 crores, mainly under Agriculture and Allied Services (Rs. 18.03 crores) and Grants-in-aid (Rs. 1.08 crores). The excess of Rs. 13.88 crores under Transport and Communications was mainly under Roads and Bridges while the saving of Rs. 18.03 crores under Agriculture and Allied Services was mainly under Agriculture.

1.5. Expenditure on capital account

(i) The capital expenditure during the three years ending 1980-81 as compared with (i) the budget estimates and (ii) the budget estimates plus supplementary provision 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)					
1978-79	63.45	89.33	58.34	(—) 30.99	35
1979-80	72.25	96.16	67.59	(—) 28.57	30
1980-81	94.21	1,08.66	85.06	(—) 23.60	22

(ii) The expenditure on capital account during 1980-81 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.

While the Plan expenditure on revenue account during 1980-81 registered a steep rise (61 per cent) over that during the preceding year, the increase in Plan expenditure on capital account was only 3 per cent (Rs. 2.00 crores).

The marginal increase was the net result of increase of Rs. 11.00 crores, significantly under Medical (Rs. 4.00 crores), Social Security and Welfare (Rs. 4.00 crores) and Forests (Rs. 2.00 crores), offset by decrease of Rs. 9.00 crores, mainly under Co-operation (Rs. 8.00 crores).

The provision during 1980-81 remained underutilised to the extent of 19 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 34 per cent. The underutilisation (Rs. 6.91 crores) was mainly under General Services (Rs. 1.33 crores), Agriculture and Allied Services (Rs. 1.48 crores) and Water and Power Development (Rs. 3.79 crores).

Compared to the preceding year, the expenditure during 1980-81 was more by Rs. 15.34 crores. The increase occurred mainly under Co-operation (Rs. 5.21 crores) and Food (Rs. 6.94 crores).

1.6. Loans and Advances by the State Government

(i) The actuals of disbursements of loans and advances by the State Government for 1980-81 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision along with the corresponding figures for 1978-79 and 1979-80 are given below:—

Year	Budget	Budget plus supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1978-79	86.83	1,99.47	1,98.60	(—) 0.87	..
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

There was decrease mainly under Loans for Public Health, Sanitation and Water Supply (Rs. 4,57.69 lakhs), Power Projects (Rs. 10,26.46 lakhs), Road and Water Transport Services (Rs. 2,30.45 lakhs), counter-balanced by increase mainly under loans for Industrial Research and Development (Rs. 11,00.02 lakhs), Food (Rs. 1,50.00 lakhs), Machinery and Engineering Industries (Rs. 94.17 lakhs) and Roads and Bridges (Rs. 90.10 lakhs).

(ii) The budget and actuals of recoveries of loans and advances for three years ending 1980-81 are given below:—

Year	Budget	Actuals	Variation between columns (3) and (2)	
			Amount	Percentage
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
1978-79	54.36	76.87	(+) 22.51	41
1979-80	34.50	80.34	(+) 45.84	133
1980-81	45.41	1,31.28	(+) 85.87	189

The increase in recoveries was mainly under loans for Co-operation (Rs. 50.44 crores), Public Health, Sanitation and Water Supply (Rs. 6.59 crores), Food (Rs. 5.00 crores), Industrial Research and Development (Rs. 4.87 crores), Road and Water Transport Services (Rs. 6.83 crores) and Loans to Government Servants (Rs. 8.87 crores).

(iii) The details of disbursement of loans and advances and recoveries made during the three years ending 1980-81 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 1980-81.

(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 1981: Rs 1,01.34 crores).

- (i) In respect of this category of loans, recovery of Rs. 4,43.16 lakhs was pending at the end of March 1981. 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 1981 were as follows:—

	(1)	(2)	(3)	(4)
		<i>Number of certificates</i>	<i>Balance of loans as on 31st March 1981</i>	<i>Year to which the outstanding certificates pertain</i>
			(in lakhs of rupees)	
Corporations		31	35,99.27	1980-81
Municipalities		3,011	42,89.78	1980-81
Panchayats		3,080	11,13.93	1980-81

(b) Loans and advances, the detailed accounts of which are maintained by the departmental officers (amount outstanding on 31st March 1981: Rs. 11,59.62 crores).

(i) The break-up of the outstanding of Rs. 11,59.62 crores is as under:—

	(in crores of rupees)
1. Loans for Power Projects	5,79.51
2. Loans for Co-operation	1,71.59
3. Loans for Public Health, Sanitation and Water Supply	60.01
4. Loans for Housing	49.54
5. Loans for Road and Water Transport Services	47.86
6. Loans for Industrial Research and Development	44.26
7. Loans for Food	40.40
8. Loans for Social Security and Welfare	36.67
9. Loans to Government Servants	31.82
10. Loans for Industrial Purposes	26.46

(in crores
of rupees)

11. Loans for Agriculture	16.75
12. Loans for Urban Development	14.38
13. Loans for Minor Irrigation, Soil Conservation and Area Development	9.66
14. Loans for Animal Husbandry, Dairy Development and Fisheries ..	4.67
15. Loans for Education, Art and Culture	3.95
16. Loans for miscellaneous purposes	22.09
Total ..	<u>11,59.62</u>

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) *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, such as, non-utilisation of loans. Certain important irregularities, such as, non-utilisation of loans and utilisation of loans for unauthorised purposes noticed by the Examiner for 1979-80 are mentioned in Appendix VI.

(iii) 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 1980-81 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	2.36
2. Non-recovery of loans ordered for summary recovery	24.11
3. Irregular sanction of loans	0.28
4. Omission to verify utilisation of loans	75.17

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

The sources from which capital expenditure (Rs. 85.06 crores) and the net expenditure under Loans and Advances by the State Government (Rs. 2,53.36 crores) during 1980-81 were met, are shown below:—

	(in crores of rupees)
I. Revenue Surplus	(+) 1,27.71
II. Net additions to—	
(i) Internal Debt of the State Government	(+) 14.77
(ii) Loans from Government of India	(+) 1,14.41
(iii) Small Savings, Provident Funds, etc.	(—) 5.35
III. Sinking Funds and Reserve Funds	(+) 14.56
IV. Net Increase under Deposits and Advances	(+) 70.51
V. Net effect of transactions under—	
(i) Suspense and Miscellaneous	(+) 7.61
(ii) Remittances	(+) 2.76
VI. Investments and cash balances	(—) 7.18
VII. Amount transferred to Contingency Fund	(—) 1.38
Net amount available for expenditure	<u>3,38.42</u>

1.8. Debt position

Public Debt.—The total public debt of Government increased by Rs 1,29.18 crores in 1980-81 as shown below:—

(1)	<i>Receipts during the year</i>	<i>Repayments during the year</i>	<i>Net increase(+)</i>
(2)	(3)	(4)	
(in crores of rupees)			
1. Internal debt of the State Government	56.70	41.93	(+ 14.77
2. Loans and Advances from the Central Government	1,54.58	40.17	(+ 1,14.41
Total ..	2,11.28	82.10	(+ 1,29.18

The outstanding public debt at the end of 1980-81 was Rs. 13,41.43 crores. An analysis of the debt compared with the corresponding figures for the preceding two years is given below:—

(1)	<i>Total public debt on 31st March</i>		
	1979	1980	1981
(2)	(3)	(4)	
(in crores of rupees)			
1. Internal debt of the State Government	3,20.24	3,41.41	3,56.18
2. Loans and Advances from the Central Government	7,79.08	8,70.84	9,85.25
Total ..	10,99.32	12,12.25	13,41.43

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 reorganisation 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. 34.12 crores carrying 6½ per cent interest (redeemable at par in 1992) was raised. Land ceiling compensation bonds of Rs. 0.02 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. 0.60 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. 22,00.00 lakhs. In addition, special ways and means advances not exceeding Rs. 11,00.00 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 four days. The deficiency was made good by taking ways and means advances. The total amount of advances obtained during the year was Rs. 11.48 crores. These advances and also the advance of Rs. 6.36 crores outstanding as on 31st March 1980 were repaid in full during the year and there was no balance of such advance as on 31st March 1981.

The interest paid to the Bank on the ways and means advances and shortfalls during the year 1980-81 was Rs. 1.23 lakhs.

(c) *Loans from Government of India.*—The balance of Rs. 9,85.25 crores outstanding on 31st March 1981 formed 73 per cent of the total public debt (Rs. 13,41.43 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 1978-79, 1979-80 and 1980-81 are given below:—

(1)	<i>Liability on 31st March</i>		
	1979 (2)	1980 (3)	1981 (4)
	(in crores of rupees)		
Small Savings, Provident Funds, etc. . .	68.53	79.10	73.75
Interest bearing obligations (such as, depreciation reserve funds of commercial undertakings, other deposits, etc.)	63.52	61.69*	1,18.00
Non-interest bearing obligations (such as, deposits of local funds, civil deposits, earmarked funds, etc.)	1,40.66	1,62.78	1,90.90
Total . .	2,72.71	3,03.57	3,82.65

1.10. Service of debt

The net burden of interest charges on debt and other obligations

*Differs by Rs. 0.08 crore (decreased) from last year's Report due to *pro forma* transfer of balance to major head "734".

on revenue is given below:—

	1978-79	1979-80	1980-81
(1)	(2)	(3)	(4)
	(in crores of rupees)		
Public debt outstanding at the end of the year	10,99.32	12,12.25	13,41.43
Small Savings, Provident Funds, etc., and other obligations at the end of the year	2,72.71	3,03.57*	3,82.65
(i) Interest paid by Government—			
(a) On public debt and small savings, provident funds, etc.	58.39	54.45	86.02
(b) Other obligations	3.38	4.53	5.03
Total ..	61.77	58.98	91.05
(ii) Deduct—			
(a) Interest on loans and advances given by Government	20.45	20.80	1,14.06
(b) Interest realised on investment and cash balances	2.54	3.37	2.99
(iii) Net amount of interest charges ..	38.78	34.81	(—) 26.00
Percentage of gross interest (item (i) to total revenue receipts)	7.71	6.24	7.11
Percentage of net interest (item (iii) to total revenue receipts)	4.84	3.68	..

* Differs by Rs. 0.08 crore (decreased) from last year's Report due to *pro forma* transfer of balance to major head "734".

There were in addition, certain other receipts and adjustments totalling Rs. 15.61 crores, such as, interest received from commercial departments. If these are also taken into account there will be an excess receipt of interest of Rs. 41.61 crores over the total interest during the year.

The State Government also received during the year Rs. 1,17.70 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, 1980-81).

<i>Body on whose behalf guarantee was given</i>	<i>Maximum amount guaranteed</i>	<i>Sums guaranteed outstanding on 31st March 1981</i>
(1)	(2)	(3)
	(in crores of rupees)	
Statutory Corporations and Boards	3,93.47	2,97.44
Government Companies	1,36.22	90.95
Co-operative Institutions	6,32.51	1,23.88
Joint Stock Companies	1.11	0.56
Other Institutions	*	*
Total ..	11,63.31	5,12.83

* Information not received.

(ii) The maximum amounts guaranteed and the sums outstanding to end of March 1981 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)	<i>Maximum amount guaranteed</i>	<i>Sums guaranteed outstanding on 31st March 1981</i>
	(2)	(3)
	(in crores of rupees)	
Tamil Nadu Electricity Board	3,32.27	2,47.36
Tamil Nadu Housing Board.. .. .	52.94	42.00
Madras City Municipal Corporation	(A)	(A)
Tamil Nadu Slum Clearance Board	(A)	(A)
Madras Metropolitan Development Authority	2.23	2.05
Madras Metropolitan Water Supply and Sewerage Board	1.65	1.65
Tamil Nadu Water Supply and Drainage Board ..	4.38	4.38

(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 1981, a sum of Rs. 26.52 lakhs was due to Government towards guarantee commission, from Perambalur Sugar Mills Limited (Rs. 8.05 lakhs), Tamil Nadu Sugar Corporation Limited (Rs. 7.62 lakhs), Tamil Nadu Civil Supplies Corporation Limited (Rs. 3.57 lakhs), Southern Structurals Limited (Rs. 2.84 lakhs*), Poompuhar Shipping Corporation (Rs. 1.87 lakhs), Tamil Nadu Co-operative Milk Producers' Federation Limited (Rs. 0.66 lakh**), Tamil Nadu Small Industries Corporation Limited (Rs. 0.55 lakh), Tamil Nadu Mopeds Limited (Rs. 0.34 lakh), Pallavan Transport Corporation Limited Metro (Rs. 0.28 lakh), Tamil Nadu Cements Corporation

(A) Information not received.

* A sum of Rs. 0.50 lakh has been paid in May 1981.

**The entire amount has been paid in May 1981.

Limited (Rs. 0.25 lakh), Tamil Nadu Zari Limited (Rs. 0.24 lakh), Tamil Nadu Industrial Investments Corporation Limited (Rs. 0.09 lakh), Tamil Nadu Textile Corporation Limited (Rs. 0.08 lakh), Tamil Nadu Fisheries Development Corporation Limited (Rs. 0.05 lakh) and Tamil Nadu Sugarcane Farm Corporation Limited (Rs. 0.03 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)	
1976-77	0.71	7.00
1977-78	0.48	5.09
1978-79	0.96	1,12.00
1979-80	*	*
1980-81	*	*

1.12. Investments

In 1980-81, Government invested Rs. 22.65 crores in one Statutory Corporation (Rs. 0.30 crore), 24 Government Companies (Rs. 16.67 crores), one Joint Stock Company (Rs. 0.001 crore) and 825 Co-operative Institutions (Rs. 5.68 crores).

The total investment of Government in the share capital and debentures of different concerns at the end of 1980-81 was Rs. 2,09.27

* Information not received.

crores. Dividend/interest received therefrom during 1980-81 was Rs. 97.08 lakhs (0.46 per cent) as indicated below:—

Categories of bodies	Investments				Dividend/interest received during the year with percentage of return on cumulative investment in brackets
	During 1980-81		To end of 1980-81		
	Number of concerns	Amount	Number of concerns	Amount	
(1)	(2)	(3)	(4)	(5)	(6)
(amounts in lakhs of rupees)					
(i) Statutory Corporation	1	30.00	1	1,75.50	3.86(2.20)
(ii) Government Companies	24	16,66.99	55	1,18,39.97	31.24(0.26)
(iii) Joint Stock Companies	1	0.13	7	34.50	3.33(9.65)
(iv) Co-operative Institutions	825	5,67.76	6,446	88,76.66	58.65(0.66)
Total ..	851	22,64.88	6,509	2,09,26.63	97.08(0.46)

1.13. Plan Performance

Against the total provision of Rs. 2,45.00 crores under Revenue and Rs. 88.57 crores under Capital for Plan schemes during 1980-81, expenditure of Rs. 1,92.49 crores and Rs. 71.88 crores respectively was incurred. The shortfall was 21.4 per cent under Revenue and 18.8 per cent under Capital. The shortfall in the revenue expenditure was mainly under Roads and Bridges (Rs. 8.39 crores), Public Health, Sanitation and Water Supply (Rs. 8.28 crores), Agriculture (Rs. 7.00 crores), Community Development (Rs. 5.75 crores), Education (Rs. 3.66 crores), Village and Small Industries (Rs. 2.75 crores), Urban Development (Rs. 1.60 crores) and Family Welfare (Rs. 1.42 crores). Under capital expenditure, the shortfall occurred mainly under Irrigation, Navigation, Drainage and Flood Control (Rs. 12.34 crores), Medical (Rs. 1.63 crores), Co-operation (Rs. 1.59 crores) and Power Projects (Rs. 1.53 crores). Major areas of shortfall are dealt with in Appendix VII.

1.14. Growth of non-Plan expenditure

The non-Plan expenditure on revenue account during the three years 1978-79 to 1980-81 under principal service sectors, with percentage of increase over previous year are given in Appendix VIII.

The major components of non-Plan expenditure on revenue account were salaries, travel expenses and Grants-in-aid. The expenditure under these heads under the principal service sectors during the three years 1978-79 to 1980-81, their percentage to the total expenditure under the sector and the percentage of increase over the preceding year are given in Appendix VIII. The expenditure on salaries and travel expenses constituted 33.92 per cent to 38.99 per cent of the total expenditure under the sector 'General Services', 32.86 to 40.79 per cent under 'Social and Community Services' and 17.66 per cent to 32.06 per cent under 'Economic Services'. The expenditure on Grants-in-aid ranged from 44.31 to 47.55 per cent of the total expenditure under the sector 'Social and Community Services' and 28.90 to 49.93 per cent under the sector 'Economic Services' during these years.

The expenditure under Loans and Advances by State Government during the three years 1978-79 to 1980-81 and the percentage of increase over preceding year are given in Appendix VIII. The expenditure rose from Rs. 1,61.46 crores in 1978-79 to Rs. 1,99.79 crores in 1979-80 and to Rs. 3,13.63 crores in 1980-81. The increase during all these years were under Loans for Co-operation under General Economic Services, Loans for Power Projects under Water and Power Development, Loans for Road and Water Transport Services under Transport and Communications and under Loans to Government Servants.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

During the year 1980-81, out of Rs. 8,99.87 crores and Rs. 2,20.60 crores voted under 47 Revenue and 9 Capital grants in the Budget, further enhanced by Rs. 2,24.84 crores and Rs. 2,80.64 crores voted as supplementary grants during the year, there were savings of Rs. 55.02 crores (5.6 per cent) and excess of Rs. 4.75 crores (3.2 per cent) under 39 and 8 Revenue grants respectively and saving of Rs. 27.59 crores (5.5 per cent) under 9 Capital grants. The provision for expenditure to be charged on Consolidated Fund was Rs. 1,08.30 crores under Revenue appropriation enhanced by Rs. 3.81 crores by supplementary provisions and Rs. 1,67.82 crores under Capital appropriation ; there were savings of Rs. 0.80 crore (25.1 per cent) and excess of Rs. 13.68 crores (13.6 per cent) under 27 and 4 charged Revenue appropriations respectively and saving of Rs. 85.73 crores (51.1 per cent) under 6 charged Capital appropriations. The details are given in Appendix IX.

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) Supplementary (S) Total (T)	Expenditure	Excess (+) / Saving (—) (Percentage to total provision in brackets)
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
Revenue—Voted				
(i)	20-Agriculture	58.41 (O) 27.96 (S) 86.37 (T)	59.69	(—) 26.68 (30.89)

Out of the provision of Rs. 21.54 lakhs made in supplementary estimate in March 1981 to cover the waiver of the collection of dues from agriculturists in respect of Taccavi loans, ordered during 1980-81

Rs. 19.94 lakhs remained unutilised. This mainly accounted for the saving in the grant, reasons for which have not been communicated (January 1982).

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)	24-Industries	11.76 (O) 0.18 (S) 11.94 (T)	10.73	(-) 1.21 (10.13)
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- The saving was mainly due to non-filling up of sanctioned posts, construction of buildings not taken up owing to non-finalisation of locations and less purchase of Seed Cocoons on account of poor off-take of laying (silkworm seed) due to drought conditions (under "321.A. AH.II.JZ. Expansion of Grainage Activities and Seed Centre") and due to less payment of subsidy on account of delays in sanction of loans by the banks to the entrepreneurs (under "321. AH.II.JQ. Sericulture Intensive Development Activities").

(iii)	26-Handlooms and Textiles	4.99 (O) 3.61 (S) 8.60 (T)	7.67	(-) 0.93 (10.81)
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The entire provision of Rs. 75.79 lakhs made in Budget/Supplementary Estimates for payment of subsidy to the Central Co-operative Bank and Tamil Nadu State Co-operative Bank towards the portion of interest payable by Primary Weavers' Co-operative Society and Tamil Nadu Weavers' Co-operative Society on the working capital loans taken by them, remained unutilised as the expenditure was ordered (March 1981) to be transferred to the major head "298" under Grant No. 24. No provision was, however, obtained under Grant No. 24.

(iv)	33-Housing	10.18 (O) 0.03 (S) 10.21 (T)	8.60	(-) 1.61 (15.77)
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Provision of Rs. 50.00 lakhs made in Budget Estimates for payment of grants to Tamil Nadu Slum Clearance Board for environmental improvements was not utilised as the grant of Rs. 1,00.00 lakhs disbursed during 1979-80 could not be spent by the Board during that year and was set off against the expenditure for the year 1980-81.

Rupees 2,10.00 lakhs were provided in the Budget Estimates for payment to Tamil Nadu Slum Clearance Board for slum improvement schemes under the World Bank Project (Rs. 1,20.00 lakhs) and under Madras Urban Development Project II (Rs. 90.00 lakhs). Of these, Rs. 60 lakhs and Rs. 90 lakhs were respectively surrendered in March 1981, due to non-clearance of the project by the World Bank during the year.

Out of Rs. 2,50.00 lakhs provided in the Budget Estimates for payment of grants to Tamil Nadu Housing Board for sites and services, Rs. 70.00 lakhs were surrendered in March 1981; reasons for the surrender have not been communicated (January 1982).

Serial number	Number and name of grant/ appropriation	Amount of grant Original(O) Supplemen- tary(S) Total(T)	Expendi- ture	Excess (+)/ Saving(-) (Percentage to total provision in brackets)
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				
(v)	37-Public Works—Buildings	3.97 (O) 0.73 (S) 4.70 (T)	5.65	(+) 0.95 (20.21)

Expenditure under the heads (i) "259. AD.I.AC. Building—Other Office Buildings and Court Buildings (other than Technical Education Department)", (ii) "259. AJ. I.AC. Miscellaneous Works Advances (Public Works Department)" and (iii) "280. AB.II.JU. Building" exceeded the provisions made in the Budget Estimates by Rs. 77.60 lakhs, Rs. 1,02.23 lakhs and Rs. 36.95 lakhs respectively. Reasons for the excesses have not been communicated (January 1982).

(vi)	52-Capital Outlay on Roads and Bridges	11.54 (O) * (S) 11.54 (T)	10.19	(-) 1.35 (11.70)
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* Rupees 4,000 only.

Underutilisation of provision was mainly under (i) "506. AC.III.SD. Formation of Roads under Western Ghat Development Programme"—Rs. 55.45 lakhs, (ii) "537. AE.II.JN. Road Works under World Bank Project I and II"—Rs. 56.36 lakhs and (iii) "537. AE. II.JL.—Add Percentage charges for Establishment transferred from major head "337. Roads and Bridges"—Rs. 27.01 lakhs.

Saving under (ii) above was due to delay in acquisition of lands shifting of cables and failure of the contractor to complete the work in time. Reasons for the savings under (i) and (iii) have not been communicated (January 1982).

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)		
	Capital—Charged			
(vii)	Public Debt Repayment	1,67.61 (O)	82.10	(-) 85.51 (51.02)

The saving was mainly due to short-term borrowings from the Reserve Bank of India, being less than anticipated and non-availing of short-term loans from the Government of India during 1980-81, as anticipated, for purchase and distribution of manures and fertilisers, pesticides and seeds.

2.2. Excess over grants/charged appropriations requiring regularisation

The excess expenditure of Rs. 4.75 crores over voted grants and Rs. 13.68 crores over charged appropriations in 8 grants and 4 appropriations respectively under Revenue, referred to in paragraph 2.1 requires regularisation under Article 205 of the Constitution. They are listed in the summary portion of the Appropriation Accounts 1980-81, with grant-wise and appropriation-wise accounts. The more important cases are mentioned in paragraph 2.1. The remaining cases are included in Appendix X.

2.3. Supplementary grants/charged appropriations

Supplementary provisions for Rs. 5,09.29 crores (36.47 per cent of the original provision of Rs. 13,96.59 crores) were obtained during the year. Rupees 2,24.84 crores were to augment revenue expenditure under 47 grants and Rs. 2,80.64 crores were to augment capital expenditure under 9 grants. Similarly, Rs. 3.81 crores were to augment revenue expenditure under 17 charged appropriations.

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 Rs. 10.00 lakhs, are detailed in Appendix XI.

In seven cases, supplementary grants of Rs. 17.32 crores proved inadequate and the final uncovered excess was Rs. 4.72 crores. In four cases, supplementary charged appropriations of Rs. 2,24.12 lakhs proved inadequate and the final uncovered excess was Rs. 13.68 crores—*vide* details in Appendix XI.

2.4. Unutilised provision

(i) Rupees 1,69.14 crores remained unutilised in forty eight grants (Rs. 82.61 crores) and thirty three charged appropriations (Rs. 86.53 crores).

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

(iii) Details of Budget provision and utilisation thereof under the various sectors/sub-sectors during the years 1978-79, 1979-80 and 1980-81 are given in Appendix XII.

There was shortfall in utilisation of the provision (ranging from 3 per cent to 19 per cent) under all sectors/sub-sectors in all the three years except the sub-sector "Industries and Minerals" during 1978-79 and sector "A. General Services" and sub-sector "Transport and Communications" during 1980-81.

(iv) A case study of schemes, where there was marked underutilisation of funds provided in the Budget Estimates for 1980-81 disclosed the following :—

(a) Grant No. 31—Welfare of the Scheduled Tribes, Scheduled Castes, etc.

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
288. C. AB. Welfare of Scheduled Castes II. KY. Amount placed at the disposal of Tamil Nadu Harijan Housing and Development Corporation for Harijans and Fishermen Housing Schemes	3,20.00	2,19.05

Of the provision of Rs. 3,20.00 lakhs made under this head, Rs. 2,20.00 lakhs were for Harijan Housing and Development Schemes. In July 1980, Government decided, as a matter of policy, to construct more number of houses for Harijans through the agency of the Tamil Nadu Harijan Housing and Development Corporation. The list of villages where the houses were to be constructed was finalised and communicated by Government only on the 23rd March 1981. Government also ordered that the release of the provision of Rs. 2,20.00 lakhs made in the year 1980-81 for Harijan houses be withheld 'for the present'. Reasons for withholding the release of the amount have not been communicated (January 1982).

(b) Grant No. 36—Irrigation

333. A. Irrigation Project—AK. Cauvery Delta System— IAC. Accelerated Repair Programme	31.92	30.40
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In July 1969, Institute of Hydraulics and Hydrology, Poondi was entrusted with model studies of a silt ejector for Grand Anicut Canal. Up to February 1974, tunnel type silt ejector was studied and study of vortex tube type silt ejector was taken up thereafter. A final report sent by the Director of the Institute in March 1980 is still to be approved by the Chief Engineer (Irrigation). The budget provision made in

1980-81 was hence surrendered. In 1978-79 and 1979-80 also, Rs.15.15 lakhs and Rs. 17.42 lakhs respectively were surrendered under this head on this account.

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

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
(i) 533. A. Irrigation Projects (Commercial)—AM. Improvements to Thanjavur Channels—I. Non-Plan AA. Canals	3,70.21	2,24.81

Provision in excess of that proposed by the circle was made by the Chief Engineer for improvements to Thanjavur channels at the time of both the initial and revised estimation. Surrender was necessitated by the limitation in casting slabs with the available 25 casting yards and ban imposed by the department on fresh contracts resulting in non-lifting of cement.

(ii) 533. A. Irrigation Projects (Commercial)—AW.PAP. II. JF. Canals	2,00.00	1,54.39
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Against the requirement of Rs. 45.61 lakhs, Rs. 2,00.00 lakhs were provided, leading to a surrender of Rs. 1,54.39 lakhs.

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

459. A. Capital Outlay on Public Works—AA. Construction—I. Non-Plan AF. Jails	1,72.22	1,69.42
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Due to unrealistic provision at the time of estimation towards amenities like water supply, etc., to prisoners, the budget provision was surrendered.

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

513. A. Capital Outlay on Forests—AA. Forest Construction and Development—I. Non-Plan AA. Shifting of zoo to Vandalur	90.00	75.02
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Shifting of the zoo from Madras to Vandalur was sanctioned by the Government in February 1979 and the staff for implementing the scheme was employed from November 1979. A sum of Rs. 90.00 lakhs was provided for this scheme in the Budget Estimates for 1980-81. In September 1980, the requirement for 1980-81 was assessed as Rs. 27.00 lakhs as the construction of compound wall, office buildings, quarters and enclosures, the formation of the roads, and purchase of animals had not been taken up, due to poor response for tenders. This resulted in a surrender of Rs. 63.00 lakhs. Of these, only the construction of the compound wall was taken up, belatedly, after the tenders were decided in December 1980 and hence Rs. 12.00 lakhs more had also to be surrendered.

(f) *Grant No. 55—Miscellaneous Capital Outlay*

<i>Head of Account</i>	<i>Total grant</i>	<i>Surrender</i>
(1)	(2)	(3)
(in lakhs of rupees)		
485. Capital Outlay on Information and Publicity—AA. Information and Publicity—Schemes included in the five year Plan—II. State Plan—JE. Colour Processing Unit for Institute of Film Technology	12.65	12.65

The provision of Rs. 12.65 lakhs was made in the Budget Estimates 1980-81 towards purchase of a colour processing unit (indigenous make) and a printer (to be imported) for use in the Film and Television Institute of Technology, Madras. After considering the suitability of indigenous equipment, the department decided to go in for the indigenous make of both the equipment, resulting in reduction of cost and consequent surrender of Rs. 6.65 lakhs. The balance of Rs. 6.00 lakhs was also surrendered as the sanction of Government for the purchase was received only in February 1981 and the tenders floated therefor in March 1981 could not be finalised before the end of the year.

2.5. Advances from Contingency Fund

A Contingency Fund of Rs. 30.00 crores has been placed at the disposal of Government to meet unforeseen expenditure pending authorisation by the State Legislature.

Advances from the Fund can be made only to meet unforeseen expenditure not provided 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.

One hundred and eighty one sanctions were issued during 1980-81 advancing Rs. 50,51.95 lakhs from the Contingency Fund.

It was noticed that—

(i) 30 sanctions for Rs. 4,35.87 lakhs were neither operated nor cancelled;

(ii) 4 sanctions for Rs. 1,66.10 lakhs were not operated and were subsequently cancelled;

(iii) The actual expenditure (Rs. 3,33.46 lakhs) against 33 sanctions was less than 50 per cent of the amount (Rs. 14,04.33 lakhs) sanctioned;

(iv) In one case, the amount drawn from the Contingency Fund (Rs. 2.49 lakhs) exceeded the amount sanctioned (Rs. 2.00 lakhs) and

(v) Two advances amounting to Rs. 1,38.00 lakhs sanctioned and drawn during March 1981 remained unrecouped to the Fund at the end of the year—*vide* details given below:—

488. Capital Outlay on Social Security and Welfare	Rs. 98.00 lakhs
498. Capital Outlay on Co-operation	Rs. 40.00 lakhs

2.6. Expenditure on New Service

According to Rules, expenditure on a 'New Service' or a 'New Instrument of Service' not contemplated in the Budget Estimates for the year or additional expenditure on schemes already approved by the Legislature but exceeding the monetary limits prescribed in the Rules, can be incurred only after sanction by Government of an advance from the Contingency Fund, pending authorisation of funds by the Legislature. The rules provide that loans granted to Government companies, local bodies, private firms, etc., in excess of the original budget provision by Rs. 5.00 lakhs or 10 per cent whichever is higher, constitute 'New Instrument of Service'.

In the cases mentioned in Appendix XIII the entire/additional expenditure representing loans granted to local bodies, co-operative societies, etc., by the State Government was incurred during 1979-80 and 1980-81, providing funds by reappropriation, without getting advances from the Contingency Fund or obtaining authorisation of the Legislature by means of either a token or full provision through supplementary grant, though they constituted New Service/New Instrument of Service.

The matter was reported to Government in May 1981, October 1981 and November 1981; their final reply is awaited (March 1982).

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 485 heads, the explanation for variations were not received (January 1982) in 259 cases (53 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 1980-81, such

recoveries were anticipated at Rs. 45.76 crores; actual recoveries during the year were Rs. 51.13 crores. Some of the important cases of shortfall/excess as compared to estimates are detailed in Appendix XIV.

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 year-wise:—

Year	<i>Number of controlling officers who did not reconcile their figures</i>	<i>Amount not reconciled</i>
(1)	(2)	(3) (in lakhs of rupees)
1976-77 and earlier years	49	3,85.20
1977-78	13	2,50.79
1978-79	28	71,06.17
1979-80	28	86,74.51
1980-81	34	4,43,98.46
Total ..	<u>152</u>	<u>6,08,15.13</u>

In respect of the following departments, large amounts remain unreconciled during 1980-81.

<i>Department</i>	<i>Amount not reconciled</i>
	(in lakhs of rupees)
Public Works	1,00,96.83
Health and Family Welfare	48,41.33
Rural Development and Local Administration	48,99.12
Revenue	30,98.06
Home	30,02.78

2.10 Withdrawal of funds in advance of requirements

AGRICULTURE DEPARTMENT

2.10.1. In December 1980, Government sanctioned the implementation of the scheme of progeny testing of murrah buffalo bulls in the District Livestock Farm, Orathanad (Thanjavur district) at a cost of Rs. 37.15 lakhs (including Rs. 5.00 lakhs for the purchase of animals). In March 1981, Government permitted the Superintendent of the Farm to draw Rs. 5.00 lakhs as advance for the purchase of required number of animals. Accordingly, the Superintendent drew the advance on 23rd March 1981 in the form of a banker's cheque and credited it to a savings bank account opened (August 1981) with the State Bank of India (SBI), Orathanad. Rupees 0.15 lakh were withdrawn by him from this account in August 1981 and 3 buffalo bull calves purchased. He also withdrew Rs. 0.04 lakh to meet incidental expenses and obtained (September 1981) demand drafts on the SBI for the balance amount to proceed to Rohtak (Haryana) and Bannavasi (Andhra Pradesh) for purchase of the animals. Details of the purchases made are awaited (September 1981).

While seeking the permission of Government (March 1981) for the drawal of the advance, the Director of Animal Husbandry stated that unless the advance was sanctioned immediately, it would be difficult to incur the expenditure and implement the scheme in full before the end of the financial year (1980-81). However, the advance sanctioned and drawn was neither spent nor remitted back to Government before 31st March 1981 but was retained outside the Government account for nearly 6 months. The money was thus withdrawn in March 1981 solely with a view to avoiding lapse of grant in 1980-81.

The matter was reported to Government in October 1981; Government stated (December 1981 and March 1982) that there were hardly 9 days from the date of drawal of advance viz. 23rd March 1981 to the end of the financial year 1980-81 and within that short period the purchase could not be effected.

As the department was aware, even at the time of drawal of advance, that the amount could not be spent before 31st March 1981, the drawal of the advance was, apparently, for the purpose of avoiding lapse of grant.

2.10.2. In August 1980, Government sanctioned the establishment of a 'goat breeding unit' at the District Livestock Farm, Pudukottai and permitted the purchase of 200 Jamnapuri breed goats at a cost of Rs. 2.50 lakhs. The Director of Animal Husbandry informed (December 1980) Government that Jamnapuri goats were not readily available, due reportedly to ban on their export outside Uttar Pradesh and proposed to purchase Tellichery breed goats from Calicut and Cannanore districts of Kerala State. The amount required for purchase of 200 goats of Tellichery breed was not, however, assessed. Government sanctioned (January 1981) the purchase of 200 goats of Tellichery breed and permitted the drawal, as advance, of Rs. 2.50 lakhs originally sanctioned for the purchase of 200 Jamnapuri goats. The amount was drawn (February 1981) by the Regional Joint Director of Animal Husbandry, Coimbatore (Chairman, Purchase Committee) and deposited (February 1981) in current account with a nationalised bank. A sum of Rs. 0.80 lakh was spent during February—April 1981 on purchase of 240 goats (86 in February 1981; 79 in March 1981; 75 in April 1981) of Tellichery breed and further purchase was postponed to August 1981, due reportedly to drought conditions in Pudukkottai and heavy rains in Kerala State. Though Government ordered (September 1981) that the unutilised amount (Rs. 1.70 lakhs) as at the end of August 1981 should be remitted back to Government account and fresh advance drawn when required, the unspent amount (Rs. 1.70 lakhs) was continued to be retained in the current account. In September 1981, with the permission of Government of Uttar Pradesh, 30 animals (20 does and 10 bucks) of Jamnapuri breed were purchased for Rs. 0.26 lakh. The balance of Rs. 1.44 lakhs remained (October 1981) outside the Government account in the current account with the nationalised bank.

The matter was reported to Government in December 1981; their reply is awaited (March 1982).

SOCIAL WELFARE DEPARTMENT

2.10.3. Under a Centrally sponsored scheme for rehabilitation of freed bonded labourers, Government sanctioned (March 1980) Rs. 6.10 lakhs towards provision of houses (Rs. 4.50 lakhs), supply of milch animals (Rs. 1.50 lakhs) and poultry units (Rs. 0.10 lakh) to 50 freed pania bonded labourers in the Nilgiris district. Government also permitted (March 1980) the Director of Adi Dravidar and

Tribal Welfare and the Collector of the Nilgiris district to draw Rs. 4.50 lakhs and Rs. 1.60 lakhs as advances for construction of houses and purchase of milch animals and poultry units respectively. The advance of Rs. 4.50 lakhs could not be drawn by the Director before 31st March 1980 due to administrative reasons. After obtaining (December 1980) the concurrence of the Government of India for utilising the grant during 1980-81, the advance was drawn and disbursed in February 1981 to the Tamil Nadu Harijan Housing and Development Corporation (THHADCO) as deposit towards cost of construction of the houses. The Collector of the Nilgiris district, however, drew from the treasury Rs. 1.60 lakhs on 21st March 1980, obtained a demand draft on the State Bank of India and kept it in the cash chest. He reported to Government (December 1980) that the supply of milch animals and poultry units could be made to the freed bonded labourers only after they were rehabilitated in the houses to be constructed for them by THHADCO and there were no facilities to look after the cattle/poultry in their present abodes. According to the Collector (June 1981) the construction of houses was expected to be completed by September 1981.

Thus the amount of Rs. 1.60 lakhs drawn in March 1980 still remains unutilised (July 1981).

Government accepted (November 1981) the facts.

CHAPTER III

CIVIL DEPARTMENTS

AGRICULTURE DEPARTMENT

3.1. Intensive Oil Seeds Development Programme

3.1.1. *Introductory.*—With the object of increasing the production of oil seeds in potential areas, the Government of India sanctioned (September 1974 and December 1975) Intensive Oil Seeds Development Programme (IODP) for implementation in Tamil Nadu during the Fifth Five Year Plan period (1974-75 to 1978-79). The programme aimed at (i) raising productivity of oil seeds crops by adopting improved agronomic techniques and (ii) increasing the acreage under oil seeds by popularising multiple cropping patterns. The plan of operation was to bring under the new strategy at least 75 per cent of the existing area under oil seeds cultivation in the selected districts through measures consisting of—

- (i) ensuring adequate supply of improved seeds to cultivators,
- (ii) making available the inputs on time to every farmer,
- (iii) organising plant protection measures on a campaign basis,
- (iv) laying out problem oriented demonstration plots and
- (v) providing technical advice and service.

In addition, the area under oil seeds was to be increased by introduction of new or traditional oil seeds in new areas.

In Tamil Nadu, Government sanctioned (March 1975) the implementation of the programme in North Arcot and South Arcot districts as these districts were reported to have assured rain fall, adequate

irrigation facilities, developed production technology and good potentiality for rapid growth. The programme which was continued after 1978-79 also, was extended in January 1980 to four more districts—Madurai, Salem, Periyar and Coimbatore.

3.1.2. *Finance*.—This is a Centrally sponsored scheme, with assistance from the Government of India as grant at 100 per cent up to 1978-79, 50 per cent in 1979-80 and 100 per cent on plant protection measures and procurement of quality seeds and 50 per cent on other items in 1980-81, subject to the ceiling limits fixed from time to time.

3.1.3. *Organisation*.—The programme was implemented by the Directorate of Agriculture up to November 1980 and thereafter by the newly formed Directorate of Oil Seeds. The field offices are manned by Deputy Directors assisted by Subject Matter Specialists in the rank of Assistant Directors and other officers and staff.

3.1.4. *Outlay*.—Rupees 1,31.06 lakhs were spent on the programme during the years from 1974-75 to 1980-81.

3.1.5. The programme implemented in Tamil Nadu covers groundnut and gingelly and about 95 per cent of the total area under cultivation of oil seeds related to groundnut. A test check conducted (August 1981) at the Secretariat (Department of Agriculture), offices of the Director of Oil Seeds and the Deputy Directors of Oil Seeds in North Arcot, South Arcot and Salem districts, of the records relating to cultivation of groundnut under the programme indicated the following:—

3.1.6. *Distribution of inputs*.—The strategy outlined in the model programme for obtaining higher yield per hectare consisted in use of pure seeds of improved varieties, seed treatment and application of balanced dose of fertilisers, micronutrients and gypsum.

(i) *Supply of Seeds to farmers*.—According to the programme, the departmental supply of quality seeds to registered growers/farmers was to cover roughly 11 per cent of the total area under IODP. However, the department had been covering 2 per cent of the total area

by departmental distribution of quality seeds. But, during 1979-80 and 1980-81, even the reduced level of 2 per cent was not achieved as shown below:—

Year	Total area covered under IODP	Two percent of total area to be covered by departmental distribution	Requirement of quality seeds at 200 kilo-grams per hectare for the area in column (3)	Quantity of quality seeds actually distributed by the department
(1)	(2)	(3)	(4)	(5)
	(in lakhs of hectares)	(in hectares)		(in tonnes)
1979-80	3.61	7,220	1,440	580
1980-81	3.78	7,560	1,512	1,166

The shortfall was 60 and 23 per cent. Reasons for adopting the reduced level of 2 per cent and not achieving even that level in the years 1979-80 and 1980-81 were awaited (August 1981).

(ii) *Use of fertilisers and chemicals.*—The recommended dosages of inputs as approved by the Director of Agriculture and the expected increase in yield as per the research trials conducted by him were as follows :—

Name of inputs	Quantum of dosage	Expected increase in yield
(1)	(2)	(3)
(i) Seed treating chemicals (fungicides)	Thiram 5 grams per kilogram of seeds	
	<i>or</i>	
Capton ..	4 grams per kilogram of seeds	23 per cent
(ii) Gypsum ..	200 kilograms per hectare	12 to 15 per cent
(iii) Micronutrient mixture	12.5 kilograms per hectare	8 to 10 per cent
(iv) Fertilisers (Nitrogen, Phosphate and Potash) (NPK)		
For rainfed crops	4:4:18 kilograms per acre	Crop would respond significantly
For irrigated crops	7:14:21 kilograms per acre	Crop would respond significantly

In the three districts test checked, the recommended dosages of these inputs had not been used by the farmers in any of the years 1976-77 to 1980-81 as evidenced by the total quantity of inputs distributed through Government depots, co-operative societies and private dealers as per the departmental records *vide* details in Appendix XV. The short-utilisation ranged from 99 to 99.7 per cent in the case of seed treating chemicals, 84 to 95 per cent in respect of gypsum, 93 to 98 per cent in the case of micronutrients and 17 to 48 per cent in the case of fertilisers. Reasons for short-utilisation and the steps taken by the department to increase the inputs by the farmers were awaited (August 1981).

3.1.7. *Supply of minikits.*—In order to raise the production of oil seeds in the selected districts, to popularise new varieties of oil seeds and to apprise the farmers of the techniques of cultivation of new crops/varieties of seeds, the model scheme provided for supply to selected farmers, minikit bags containing good quality seeds sufficient for half hectare area, together with seed treating chemical and printed literature on practices of cultivation. The Government of India allowed (June 1976) subsidy of Rs. 60 for each minikit up to 1979-80 and Rs. 320 from 1980-81 (due to increased cost of groundnut). The cost of the materials supplied in minikits was recoverable from the recipient farmers after deducting the subsidy admissible. The deficiencies in the distribution of minikits noticed during the test check in the offices of the Assistant Directors at Cuddalore, Vellore and Salem were as follows ;—

<i>Year</i>	<i>Number of farmers to whom the minikits were supplied</i>	<i>Number of minikit plots established in less than 1/2 hectare each</i>	<i>Number of cases in which new varieties of seeds were not supplied through kits</i>	<i>Number of minikits which did not contain seeds at all</i>	<i>Number of minikits which contained seeds for less than 1/2 hectare</i>
(1)	(2)	(3)	(4)	(5)	(6)
1976-77	401	Nil	235	125	Nil
1977-78	623	139	539	71	Nil
1978-79	574	Nil	495	50	Nil
1979-80	194	34	120	41	50
1980-81	244	106	195	13	39
Total ..	<u>2,036</u>	<u>279</u>	<u>1,584</u>	<u>300</u>	<u>89</u>

(i) In 1,584 cases (78 per cent), conventional seeds were supplied to the farmers instead of new strains of high yield, due to non-availability of stocks of the latter varieties.

(ii) In 300 cases (15 per cent), the kits supplied to the farmers did not contain seeds ; in 89 cases (4 per cent), the kits contained less quantities of seeds than needed for the prescribed half hectare area. In these cases, supply of inputs was limited to the amount of the subsidy, leaving the farmers to meet the balance requirements of inputs themselves.

(iii) Against the target of 3,000 minikits to be supplied during the year 1979-80 (khariff : 2,400 and rabi : 600), only 1,494 kits were issued (50 per cent) in the six IODP districts and all of them in rabi season. No minikits were issued in the khariff season due to the belated issue (January 1980) of the sanction for subsidy by the State Government after expiry of the season by September 1979.

3.1.8. *Plant protection measures.*—Under the programme, the Government of India provided funds to State Government from 1976-77 for distribution of plant protection equipment to individual farmers at subsidised rates. There was shortfall in the number of equipment distributed in the years 1978-79 and 1979-80 as shown below :—

Year	Target (number)	Number distributed	Percentage of shortfall
(1)	(2)	(3)	(4)
1978-79	1,875	579	69
1979-80	1,975	241	87

Reasons for shortfall in supply are awaited (September 1981).

3.1.9. *Laying of demonstration plots.*—With a view to educating and convincing the farmers about the production technology to be adopted for realising higher yields, the model scheme provided for laying of demonstration plots in the fields of selected farmers. The results of cultivation in demonstration plots were to be compared with the yield obtained in neighbouring plots called 'control plots'. A subsidy of Rs. 125 per hectare for both rainfed and irrigated crops (increased to Rs. 200 per hectare for irrigated crops from 1980-81) is provided

by the Government of India to the farmers for raising crop in the demonstration plots according to the prescribed package of practices of cultivation and application of inputs. The deficiencies in the implementation noticed in three offices of the Assistant Directors at Vellore, Cuddalore and Salem are given in Appendix XVI.

(i) Out of the total of 1,813 cases, the results of the demonstrations have not been compared by establishing control plots in 967 cases (53 per cent).

(ii) The recommended dosages of inputs were not used by the farmers in 11 to 23 per cent of the demonstration plots laid.

3.1.10. *Evaluation of the programme.*—The model programme provided for conducting crop cutting experiments in the area covered and not covered by the programme for purposes of evaluation, working out the demand projections for inputs, conducting techno-economic surveys and drawing up plans for development. No crop cutting experiments in the areas covered and not covered by the IODP were carried out and compared for purposes of evaluation. According to the department, the entire area of selected districts was treated as covered by the programme and specific areas were not demarcated for implementation of the programme. However, evaluation of the working of the programme in the entire area was also not done (August 1981) by the department.

3.1.11. *Shortfall in production.*—The model programme provided for progressive coverage of area under cultivation under the new strategy and overall improvement in yield year after year. The targeted increase in the average annual yield of groundnut per hectare of both rainfed and irrigated areas combined was 375 kilograms, leading to generation of additional production of 18,375 tonnes, in the first year of the programme (1974-75) and ultimately reaching 91,875 tonnes at the end of the fifth year (1978-79). Although a substantial portion of the expenditure of Rs. 94.88 lakhs incurred up to 1979-80 on the IODP related to cultivation of groundnut, the area under cultivation of this seed in North Arcot and South Arcot districts had not only dwindled from 4.21 lakh hectares in 1973-74 to 3.61 lakh hectares in 1979-80, but the total production and yield per hectare had also come down from 5.06 lakh tonnes and 1,203 kilograms during 1973-74 to 4.06 lakh tonnes and 1,113 kilograms during 1979-80 *vide* details in Appendix

XVII. The shortfall in production was attributed (June 1981) by the department to continuous heavy rains and cyclone at the time of harvest of khariff crop in 1977-78 and drought in other years. The rainfall particulars for the years 1974-75 to 1979-80 given in Appendix XVIII, however, showed that there was no abnormal deficiency of rains during those years, except in 1974-75.

3.1.12. *Summing up.*—(i) In the districts test checked, the supply/application of the various inputs to/by the farmers for cultivation was less than the prescribed limit/required dosages. The departmental supply of quality seeds to registered growers/farmers during 1979-80 and 1980-81 did not cover even the reduced level of 2 per cent of the total area under IODP, adopted by the department as against 11 per cent prescribed in the programme. The shortfall ranged from 23 to 60 per cent. The application of chemicals and fertilisers by farmers fell short considerably ranging from 17 to 99 per cent during the years from 1976-77 to 1980-81.

(ii) 78 per cent of the minikits supplied to the farmers during the years 1976-1981 contained conventional seeds only, though new strains of high yielding varieties were required to be supplied. In 19 per cent of the cases, the kits supplied did not contain seeds at all or contained less quantities of seeds than needed for the prescribed half-hectare area. No minikits were supplied in the khariff (rainfed) season during 1979-80 in any of the IODP districts.

(iii) Results of demonstration plots had not been evaluated in 53 per cent of the cases and dosages of inputs were not used to the prescribed extent in 11 to 23 per cent of the plots in the years 1974-75 to 1980-81.

(iv) Although a substantial sum of Rs. 94.88 lakhs was spent on IODP (in which groundnut accounted for 95 per cent of the total area under cultivation) during the years 1974-75 to 1979-80, not only the targeted increase in production (91,875 tonnes) and yield per hectare (375 kilograms) was not achieved but there was diminution in acreage (0.60 lakh hectares) under cultivation as well as in yield per hectare (90 kilograms) as compared to those at the commencement of the programme.

(v) The performance under the programme was not evaluated by conducting crop-cutting experiments.

The points mentioned above were reported to Government in September 1981; their reply is awaited (March 1982).

3.2. Calf-rearing scheme

3.2.1. Under the Western Ghat Development Programme, Government sanctioned (October 1976) a scheme for calf-rearing in Kodaikanal area (Madurai district) at a total cost of Rs. 16.13 lakhs (subsidy : Rs. 9.33 lakhs; loans : Rs. 6.80 lakhs) during the years 1976-77 to 1978-79. The scheme provided for the supply of balanced cattle feed concentrates to 1,000 cross-bred heifer-calves from the age of 3 months to 28 months, owned by small/marginal farmers and agricultural labourers. The subsidy and loan (maximum : Rs. 1,600 being the cost of 16 quintals of feed to be supplied for each calf) were not to be paid in cash to the beneficiaries but to be adjusted towards the cost of cattle feed to be supplied to them by the Tamil Nadu Dairy Development Corporation (TNDDC), presently Tamil Nadu Co-operative Milk Producers' Federation. While the subsidy would be granted by Government, the loan was to be provided by the Tamil Nadu State Co-operative Bank (hereinafter referred to as 'Bank'). The object of the scheme was to bring the cross-bred heifer into maturity and production earlier than the indigenous cattle.

3.2.2. The points noticed during the audit (December 1980 and June 1981) of the accounts of the Regional Joint Director of Animal Husbandry, Madurai and the Assistant Directors of Animal Husbandry, Kodaikanal and Palani, who implemented the scheme, are given in the succeeding paragraphs.

3.2.3. The scheme envisaged enrolment of cross-bred calves three months old but all the 983 calves enrolled in the scheme were in higher age groups—306 between 4 to 6 months, 617 between 6 to 12 months and 60 over 12 months. The department attributed (June 1981) the deviation to non-availability of sufficient number of calves in the required age. Though the scheme was applicable to cross-bred heifer-calves, 689 calves were murrah buffalo-calves whose age of maturity and production is 3 to 3½ years as against 2 to 2½ years in the case of cross-bred cow-calves. The department attributed (July 1981) the paucity of sufficient number of cow-calves in the areas where the scheme was operated, to the execution of a similar subsidised scheme covering 5,000 calves by the TNDDC, Madurai during the same period in the Madurai district. Admission of over aged calves and buffalo

calves which have a longer period of maturity resulted in the calves not being fed to the prescribed/required duration, to bring them to maturity earlier, as the period of supply of feed concentrate was not extended beyond the age of 28 months of the calves.

3.2.4. The calves were not also fed up to the age of 28 months. As against 12.68 lakh kilograms of cattle feed required for distribution to 983 calves up to the age of 28 months, the quantity of feed supplied by the TNDDC was 7.91 lakh kilograms, resulting in short supply of feed concentrates to the calves admitted to the scheme. The reasons for the shortfall in supply are awaited (August 1981) from the department.

3.2.5. The subsidy and loan components of the feed supplied by the TNDDC were Rs. 4.79 lakhs and Rs. 3.12 lakhs respectively. The department got released from the Bank only Rs. 0.60 lakh as loan and met the balance portion out of Rs. 9.33 lakhs provided by Government towards subsidy for the full requirement of feed. This had resulted in an excess payment of subsidy of Rs. 2.52 lakhs.

3.2.6. As on 1st August 1981, information received in respect of 692 calves out of the 983 enrolled showed that 461 (67 per cent) in the age range of 44 to 66 months had not calved. Of the remaining 231, 116 (17 per cent) had calved at ages ranging between 31 and 51 months.

3.2.7. *Summing up.*—(i) All the 983 calves admitted to the scheme were in higher age groups, and 689 of them were murrah buffalo-calves, which have longer period of maturity but the period of supply of feed was not extended beyond the age of 28 months, resulting in the calves not being fed to the required duration.

(ii) As against 12.68 lakh kilograms of feed required for supply to 983 calves up to the age of 28 months, only 7.91 lakh kilograms were made available to the scheme resulting in short supply of feed to the extent of 38 per cent.

(iii) On the basis of information received, 67 per cent of the calves had not calved as on 1st August 1981 though past the normal age of reproduction and 17 per cent of them calved very late. The object of the scheme to bring the calves to maturity and production earlier was not largely achieved.

(iv) Loan assistance was released by the Bank only to the extent of 19 per cent of the amount due. There was excess payment of subsidy to the extent of Rs. 2.52 lakhs; this remained to be regularised (August 1981).

The points mentioned above were reported to Government in September 1981; their final reply is awaited (January 1982).

3.3. Uneconomical working of fodder farms

3.3.1. In order to step up fodder production needed for the milch cattle in the Nilgiris district, it was decided (May 1977) to transfer the project experimental farms at Colgrain and Kuruthukuli from the control of the Agriculture Department to the Animal Husbandry Department for exclusive production of fodder. The two farms comprising 151.63 acres (Kuruthukuli : 100.63 acres and Colgrain : 51 acres) were accordingly taken over (July 1977) by the District Livestock Farm (DLF), Uthagamandalam. These farms were originally regular State Seed Farms attached to Indo-German Nilgiris Project, Uthagamandalam during 1958-59 to 1969-70. As the two farms were continuously incurring losses, they were converted into project experimental farms thereafter with a view to increase the level of production and earn profits. The farms continued to incur losses subsequently also; the total loss incurred by these two farms from 1958-59 to the date of their transfer to the Animal Husbandry Department in July 1977 was Rs. 17.31 lakhs.

3.3.2. In August 1977, a scheme for taking up fodder cultivation in an area of 78 acres in the two farms, in a phased manner over a period of 3 years at a total cost of Rs. 11.39 lakhs was sent by the Director of Animal Husbandry to Government. Under this scheme, the farms were expected to yield 1,176 tonnes during the first year and 2,232 tonnes during each of the second and third years of the scheme and fetch a total revenue of Rs. 4.51 lakhs in a three year period. It was envisaged that supply of good nutritive fodder could be made to the poor farmers (1,000 farmers in the first year and 1,900 farmers per year in the second and third years) in the district through the Tamil Nadu Dairy Development Corporation (TNDDC) at 50 per cent cost (4 paise per kilogram).

3.3.3. In March 1979, Government approved the scheme and sanctioned an expenditure of Rs. 2.94 lakhs towards purchase of lorry, tractor and other implements and also sanctioned the employment of necessary staff for implementation of the scheme. The tractor, lorry and other agricultural implements (cost : Rs. 2.44 lakhs) were purchased during November 1979-May 1980 and the staff were appointed during June 1979-April 1980 and March 1981.

3.3.4. A test check (March 1979/March and September 1981) by Audit of the records of the two farms disclosed the following:—

(i) As against the recurring expenditure of Rs. 1.32 lakhs incurred during 1979-80 and 1980-81, the revenue realised by way of cash sales and cost of fodder utilised in the livestock farm was Rs. 0.62 lakh only.

(ii) While taking over the farms in July 1977, only 90 acres (Kuruthukuli:50 acres and Colgrain:40 acres) out of 151.63 acres of land were found fit for cultivation. In Kuruthukuli farm, only 13 acres and 30 acres were cultivated, yielding 56 tonnes and 209 tonnes of fodder during 1979-80 and 1980-81 respectively. Poor irrigation sources and road facilities and non-availability of labour were reported to be the reasons for not covering the entire cultivable area of 50 acres. No cultivation was done in Colgrain farm during these years as it was found uneconomical to produce fodder and to transport it to the DLF, Uthagamandalam located at a distance of 19 kilometres. Thus, as against 3,408 tonnes of fodder targeted to be produced in both the farms during the first and second years of the scheme, the actual production was 265 tonnes only, the shortfall being 92 per cent.

(iii) Of 265 tonnes of fodder produced, only 10 tonnes (cost: Rs. 1,500) were sold to the TNDDC during 1979-80 for distribution to farmers. The remaining quantity was consumed in the DLF, Uthagamandalam to feed the animals.

While generally accepting (February 1982) the facts mentioned above, Government stated that the shortfall in production during the years 1979-80 and 1980-81 was due to want of full complement of staff and agricultural implements to put the scheme into full operation right from the first year and that the target set out would be achieved in due course. They also stated that as there was no demand from TNDDC, the fodder produced in the farm was utilised for feeding the animals in the main livestock farm.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.4. National Malaria Eradication Programme

3.4.1. *Introductory.*—The National Malaria Eradication Programme (NMEP) was launched by the Government of India in 1958-59 with a view to eradicating malaria from the country. The programme was implemented in three phases* viz., (i) attack, (ii) consolidation and (iii) maintenance. Under the programme, assistance was provided by the Government of India to the States by supplying, free of cost, insecticides, anti-malarials, materials and equipment, besides meeting the operational expenses for the first two phases after deducting therefrom the expenditure incurred by the States in 1957-58 when the earlier National Malaria Control Programme was in operation. The entire expenditure on maintenance phase was met by the State Governments.

In Tamil Nadu, the entire area was brought under the programme and 31.45 units were established in stages from 1958-59 to cover a population of 33 millions. By the year 1966-67, 28.45 units moved into the maintenance phase and intensive domiciliary vigilance activities were undertaken thereafter in the areas covered by these units. The figures of incidence of malaria in the State for certain years are given below to indicate the malaria situation in the State after the introduction of NMEP.

1966	..	..	264
1967	..	..	183
1968	..	..	354
1969	..	.	761
1970	.	.	1,313
1971	.	.	1,557
1972	..	..	1,518
1973	..	..	4,581
1974	..	..	19,687
1975	..	..	74,579
1976	..	..	1,03,921

* A glossary of important technical terms used in this Report has been furnished in Appendix XIX.

- An epidemiological assessment made in 1975 revealed that 125 sections in 9 districts of the State (population : 12.5 lakhs) moved from zero API to API 2 and above level. Expenditure incurred by the State on the maintenance phase during the period 1967-68 to 1976-77 was Rs. 17,98.22 lakhs.

3.4.2. *Modified plan of operation.*—The Government of India introduced a ' Modified Plan of Operation (MPO) ' in January 1977. Under this Plan, the working pattern is based on the API of the areas assessed from surveillance operations. Areas recording API 2 and above are to be given regular cyclic spray of insecticides, while areas recording API less than 2 are to be subject to focal spray only around positive cases. Entomological studies are also to be strengthened to provide intelligence regarding susceptibility level of vectors to insecticides to decide the right type of insecticides to be used for spray.

The MPO was implemented in Tamil Nadu with effect from the 1st April 1977 by the Director of Public Health and Preventive Medicine, assisted by a Joint Director (Malaria) at Headquarters and five zonal offices, 16 each of the District Health Officers and District Malaria Officers and 382 Medical Officers of Primary Health Centres (PHCs).

3.4.3. The total expenditure incurred by the State on the programme from 1958-59 to 1980-81 was Rs. 37,87.41 lakhs (*vide* Appendix XX).

3.4.4. A test check of the records pertaining to the programme in the offices of the Director of Public Health, 4 Zonal Officers, 5 District Health Officers and 18 PHCs during March-May 1981 revealed the following points:—

3.4.5. Spray operations

(i) *Inadequate coverage.*—According to the guidelines issued under MPO, all sections with API 2 and above in the previous year should be subjected to spray in order to ensure the interruption of malaria transmission. The operations must be thorough, aiming at total coverage of population and area both in quantity and quality and also well timed

according to the local transmission season. However, spraying was not carried out to the full extent in the State for the years 1978 to 1980 as shown below:—

Year (1)	Sprayable population (API 2 and above) (2)	Population actually covered (3)	Percentage of deficiency (4)
	(population in lakhs)		
1978	23.00	9.89	57
1979	16.50	9.99	39
1980	17.71	6.85	61

A test check of the spray coverage in the five selected districts showed that there was shortfall in coverage in terms of number of structures also ranging from 30 per cent to 52 per cent. The shortfall was attributed by the department (in the spray completion reports) generally to houses remaining locked during spray operations and refusal by residents to have their dwellings sprayed. It was, however, seen during Audit that the spray squads were not adequately mobilised in the districts requiring spray. At the time of reorganisation of staff under the MPO, 1977, 562 mazdoors/laboratory boys were available for spray work and they were distributed to the districts as follows:—

For malaria work in the districts	98
For anti-larval work in Pennaiyar river basin (North Arcot, South Arcot and Dharmapuri districts) and coastal areas of Ramanathapuram district	82
For Primary Health Centres at one each	382
Total ..	562

According to Government instructions (April 1977), the mazdoors were to be pooled during spray seasons from the various places for work in the affected districts. In practice, the mazdoors could not be mobilised in the required districts during transmission season (4 to 6 months) as they were unwilling to be posted elsewhere every year and absented themselves frequently. There were also women mazdoors (35 numbers) who could not be put on spray work. The heavy shortfall in spray coverage and the failure of the pooling system were repeatedly brought to the notice of Government by the Director of Public Health every year from 1977 to 1979. The Director's proposal to regroup the personnel in the affected 5 or 6 districts was not accepted by Government. The dispersal of the mazdoors to the 382 PHCs had proved detrimental to spray work.

(ii) *Omission to spray*.—In the five districts test checked, certain areas qualifying for spray were not programmed and covered as indicated below:—

API range	1978		1979		1980	
	Number of sections	Population	Number of sections	Population	Number of sections	Population
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(population in lakhs)						
API 2 and above but below 10	19	2.39	46	6.74	71	5.53
API 10 and above but below 20	2	0.29	3	0.37	3	0.35
API 20 and above	..	..	2	0.13	5	0.22

(iii) *Omission in frequency of spraying*.—Under the MPO, the areas with API 2 and above should be sprayed during transmission season two rounds with DDT (75 per cent) or 3 rounds with BHC (50 per cent) or malathion (25 per cent) depending upon the susceptibility of the vector. In the following cases, the second and third rounds were missed.

Year	II round missed			III round missed		
	Number of PHCs	Number of sections	Population	Number of PHCs	Number of sections	Population
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(population in lakhs)						
1978	4	4	0.64	4	4	0.64
1979	10	63	4.49	8	57	4.24
1980 .. ..	..	..	..	6	23	2.01

The population not covered by spray in second and third rounds constituted 10 to 74 per cent of the population programmed for spraying. The omission was attributed by the department to inadequate field staff.

(iv) *Focal spray*.—Under the MPO, in areas with API less than 2, focal spray is to be given in 50 houses around every positive case, during transmission season. A test check in 65 PHCs (out of 133 PHCs in 4 districts), however, revealed that focal spray was not carried out around 85 per cent to 90 per cent of positive cases as detailed below:—

<i>Year</i>	<i>Number of positive cases reported</i>	<i>Number of positive cases not covered</i>	<i>Percentage of shortfall</i>
(1)	(2)	(3)	(4)
1978	2,054	1,839	90
1979	1,202	1,076	90
• 1980	889	759	85

In Tamil Nadu, malarial infections were caused by the parasite 'P-Vivax' mainly and infections through parasite 'P. falciparum' accounted for only to 2 to 3 per cent. Following the operational guidelines issued by the State Directorate, focal spray was conducted in the State around 'P.falciparum' outbreaks only leaving out 'P-Vivax' cases. Though revised instructions were issued by the Central Directorate in February 1978 recommending focal spray irrespective of the species of parasite and these were communicated to the field officers by the State Directorate in March 1978 and again reiterated in October 1979, they were not followed and there was no improvement in the extent of coverage.

The poor coverage was attributed by the department to inadequate manpower.

(v) *Use of wrong insecticides for spraying*.—(a) In 36 sections covering a population of 2.33 lakhs, susceptibility tests had established resistance of the vector to DDT/BHC. But these insecticides were continued to be sprayed without switching over to the appropriate insecticides.

(b) In Ramanathapuram district, susceptibility test was not conducted. DDT/BHC was continued to be used for spray during 1977-79 despite the fact that the spray had no effect as evidenced by the increase

in the incidence of malaria cases considerably up to 1979 (*vide* table below). Only in December 1980, malathion was rushed to Ramanathapuram district.

	PHC			Section number	API Data		
					1977	1978	1979
	(1)		(2)	(3)	(4)	(5)	
Uchipuli	100	18.70	24.19	70.90	
			105	173.00	189.32	288.20	
			109	158.50	149.12	546.00	
			110	233.60	207.95	759.00	
			111	141.10	207.79	904.00	
			112	41.60	68.23	353.00	
			113	41.60	61.75	640.00	
			114	95.00	172.08	737.00	
			115	204.80	133.80	988.00	
			99	66.40	39.40	43.97	
			101	64.00	44.25	31.04	
Devipatnam	97	23.40	57.30	36.50	
			96	58.40	88.56	77.20	

(vi) *Excess employment of spray staff.*—According to NMEP guidelines for MPO, 274 field workers are required for $5/7\frac{1}{2}$ months for two or three rounds of spray as the case may be, to cover one million population. A scrutiny of the spray programme in rural areas showed that there was excess employment of staff for regular spray work as brought out in the following table :—

Year	Population		Number of mazdoors required to cover as per norms		Number of regular mazdoors available	Excess staff	
	Proposed to be covered	Actually covered	Population in column (2)	Population in column (3)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	(in lakhs)						
1977	..	18.00	14.30	493	392	562	170
1978	..	23.00	9.89	630	271	562	291
1979	..	16.50	9.99	452	274	500	226
1980	..	17.71	6.85	485	188	500	312

For all these years, the staff available (column 6) in the PHCs for spray work (vide paragraph 3.4.5(i)) were in excess of the requirements (column 5) for the population actually covered by spray; the cost of the extra staff (column 7) retained by the PHCs during the spray period (7½ months each year) worked out to Rs. 21.60 lakhs.

In September 1979, Government sanctioned employment of 160 additional seasonal mazdoors for spray work without properly taking into account the number of regular staff already available for spray work. Additional spray personnel equivalent to 824 man months were engaged during the period from June to December 1980, resulting in an extra expenditure of Rs. 2.63 lakhs on their pay and allowances.

3.4.6. Surveillance procedure

(i) *Active surveillance.*—Blood smears were to be collected at 10 per cent of the total population per annum and submitted to the PHCs for laboratory analysis. The shortfall in blood smear collections for the years 1978 to 1980 is indicated below:—

Year	Population	Number of blood smears to be collected	Number collected	Percentage of shortfall
(1)	(2) (in lakhs)	(3)	(4) (in thousands)	(5)
1978	4,66.63	4,666	2,606	57
1979	4,74.11	4,741	2,115	55
1980	4,82.97	4,830	2,282	53

(ii) *Passive surveillance.*—Blood smears are also to be collected for test, in not less than 15 per cent of the new cases in the out-patient department of hospitals. In the five districts test checked, the blood smear collection has fallen short as shown below:—

Year	Total number of out-patient department new cases	Number of blood smears to be collected	Number collected	Shortfall	Percentage of shortfall
(1)	(2) (in lakhs)	(3)	(4) (in thousands)	(5)	(6)
1978	21.23	318	89	229	72
1979	21.73	326	80	246	75
1980	22.31	335	88	247	74

(iii) *Mass and contact blood survey not done.*—On detection of a positive case* (imported or indigenous) in areas with API less than 2 blood smears are to be obtained from all persons in the household and in the neighbourhood in order to assess immediately the extent to which the population in the area had been affected. In the districts test checked, it was seen that the shortfall in blood smear collection ranged from 23 to 93 per cent in 1978 and 41 to 94 per cent in 1979 as indicated in the following table :—

District	1978				1979			
	Number of blood smears				Number of blood smears			
	Number of cases (in API less than 2 sections)	To be collected at 250 per positive case	Collected	Percentage of shortfall	Number of cases (in API less than 2 sections)	To be collected at 250 per positive case	Collected	Percentage of shortfall
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		(in thousands)				(in thousands)		
South Arcot	465	116	20	83	401	100	57	43
Tiruchirappalli	869	217	44	80	292	73	43	41
Ramanathapuram	1,932	483	34	93	1,134	284	200	93
Madurai ..	334	84	65	23	557	139	81	92
Salem ..	1,510	378	28	93	937	234	15	94

Due to poor collection of blood smears under the surveillance programme, correct epidemiological assessment could not be made.

3.4.7. Radical treatment

(i) *Treatment and follow-up action.*—According to operational guidelines issued by the State (Public Health) Directorate, all positive cases of malaria should be given radical treatment within 10 days of detection by the Basic Health Worker (BHW). But there was shortfall ranging from 14 to 22 per cent in administering radical treatment as detailed below :—

Year	Number of positive cases in the State	Number in which radical treatment was given	Shortfall	Percentage of shortfall
(1)	(2)	(3)	(4)	(5)
1977	83,300	65,268	18,032	22
1978	76,227	65,823	10,404	14
1979	95,009	78,239	16,770	18

A test check conducted in 15 PHCs (population: 15 lakhs) in 5 districts showed that there were delays even beyond 90 days in giving radical treatment, as shown below :—

Year	Total number of positive cases to be treated	Number of cases treated within 10 days	Number of cases treated after 10 days					Cases not treated at all			
			11-30 days	31-60 days	61-90 days	More than 90 days	Total	Percentage to total number of cases	Number	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
1978	..	3,259	2,010	644	130	28	33	835	26	414	13
1979	..	1,881	1,492	197	29	9	4	239	13	150	8

(figures for 1977 are not available)

The test check also showed that follow-up action of collection and examination of blood smears at monthly intervals for a period of twelve months, required in respect of positive cases treated in areas with API less than 2, was not taken in 54 to 68 per cent of the cases during 1978 and 1979.

3.4.8. *Entomological studies.*—Under the MPO 1977, zonal level offices were set up to undertake systematic and continuous entomological studies consisting of both long-term studies in each taluk/tahsil/sub-unit and also short-term result-oriented studies in areas of persistent transmission to provide intelligence reports in respect of susceptibility level to insecticides in the vector species so that in areas of high incidence the right type of insecticides might be used.

A scrutiny of the work done by the zonal offices revealed that entomological activity had been confined only to a few PHCs both under priority and non-priority areas. Even at the end of the third year (1979) of the modified plan, out of the total of 332 areas in four zones, entomological data was collected in respect of 27 areas (8 per cent) and susceptibility test, meant to decide the type of insecticide suitable for spraying, conducted in 19 areas (6 per cent) only.

In Rameswaram island where the malaria problem was very acute, susceptibility test was not conducted on the vectors throughout 1977 and 1978 for the reason that a sufficient number of the transmitting vectors (20 mosquitoes) could not be caught in the island even at the peak period of the transmission season. In the island the local foci of malaria has not been identified by the department and the susceptibility status of vectors to insecticide not also determined till date (June 1981).

In order to update the entomological data (which was considered to be 20 years old), relating to the States, the Director, NMEP reiterated (July 1980) the necessity of undertaking short-term entomological studies in each zone in areas of persistent malaria transmission. Accordingly, the State Directorate selected 22 index villages in the State and directed (August 1980) the zonal officers to conduct necessary studies continuously from 1980 onwards during two alternate weeks in each month. Barring these chosen 22 villages, entomological studies were not conducted in any region in the State during the years 1980—1981 although discontinuance of the normal entomological studies as per the criteria laid down in the MPO 1977 was not envisaged in the Central Directorate's instructions of July 1980.

3.4.9. Urban Malaria Scheme

(i) *Introductory.*—When the incidence of malaria in towns/cities became uncontrollable and malaria started to disseminate from urban to rural areas, the Urban Malaria Scheme (UMS) was launched by the Government of India in November 1971 in selected municipalities with special accent on anti-larval operations. Larvicides, anti-malaria and equipment were to be supplied by the Government of India to the local bodies for use in their respective areas and the expenditure on the scheme was to be borne by the Central Government subject to deduction of the level of expenditure incurred by the local bodies during the year immediately preceding the year in which the cities/towns were brought under the scheme.

The scheme was introduced in Madras city and eight other municipalities between 1972 and 1980 after approval by the Government of India (details are given in Appendix XXI).

A test check of the records relating to the scheme conducted in Madras Corporation and Tiruchirappalli, Dindigul and Salem municipalities during April-May 1981 disclosed the following points:—

(ii) *Deficiency in spray.*—According to guidelines, breeding sources are to be sprayed with larvicides periodically to kill the mosquitoes at larva stage itself. There had, however, been considerable shortfall in spraying and certain sources were not sprayed at all *vide* table below:—

(1)	Madras		Dindigul	Salem
	1979	1980	1980	1980
	(2)	(3)	(4)	(5)
<i>Houses</i>				
Total number	2,73,141	3,68,254	17,310	70,000
Number sprayed	24,506	36,542	11,603	3,782
Percentage of deficiency in spraying ..	91	90	33	95
<i>Wells</i>				
Total number	57,912	73,267	1,412	12,229
Number sprayed	2,944	7,522	1,330	11,892
Percentage of deficiency	95	90	6	3
<i>Overhead tanks</i>				
Total number	30,616	55,339	513	2,105
Number sprayed	Nil	Nil	Nil	2,105
Percentage of deficiency	100	100	100	Nil
<i>Cisterns</i>				
Total number	31,366	42,205	Not available	61,245
Number sprayed	Nil	Nil	Nil	40,563
Percentage of deficiency	100	100	..	34

About 3,000 wells dug in Madras city during the severe drought in 1974 fell into disuse and were closed with a small trellis work with openings on the sides which enabled mosquitoes to proliferate, but spraying could not be done through the side openings. The Madras Metropolitan Water Supply and Sewerage Board to whose control the wells passed in 1978 also had not sealed the wells hermetically (June 1981).

In Tiruchirappalli municipality, fresh water breeding sources, like wells, overhead tanks or cisterns of the urban malaria vector *a stephensi* were not tackled from the beginning. Anti-larval measures for *culicine*

control only, (which does not pertain to malaria) had been carried out. The post of biologist is operated but without necessary laboratory staff. In Salem municipality the post of biologist has not been sanctioned (July 1981). As a result, in these two municipalities test checked, cross check of anti-larval operations and entomological studies are not undertaken.

(iii) *Surveillance performance.*—In 1976, Government sanctioned 91 posts of Basic Health Workers for surveillance work in Madras city. These posts have not been filled up so far (June 1981). The active case detection machinery has not, therefore, been effective in Madras city.

(iv) *Cross notification of imported cases.*—On detection of an imported positive case, a report is required to be sent to the public health authorities of the area where the infection is expected to have been contracted, so that action could be initiated for interruption of transmission of malaria in that area. Such reports in respect of imported cases have been sent to the Corporation of Madras from the districts test checked as detailed below :—

Name of reporting district	Year			
	1977	1978	1979	1980
(1)	(2)	(3)	(4)	(5)
Madurai .. .. .	..	..	61	80
Tiruchirappalli	982	847	337	395
Chengalpattu	Not available	62	48	97
Thanjavur	118	111	112	140
Total ..	1,100	1,020	558	712

No information is available with the Corporation of Madras regarding follow-up action in the cases referred to it during 1977 to 1979. Of the 712 cases shown in the districts as having been reported to the Corporation during 1980, the Corporation took follow-up action in 13 cases only.

(v) *Idle machinery*.—Certain imported fogging machines supplied by the Directorate, NMEP for out-door spraying work in urban areas are lying idle except for limited use *vide* table below:—

<i>Description</i>	<i>Number</i>	<i>Cost</i>	<i>Date of receipt</i>	<i>Number of days used/year</i>	<i>Date from which idle</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(in lakhs of rupees)				
1. TIFA Fogging machines	3	3.48	February 1979	2 machines for 41 days each in 1979	November 1979	Awaiting repairs; one machine repaired in 1981 and used in Madurai for spraying during Fifth World Tamil Conference in January 1981. Again under repairs thereafter (June 1981).
2. TIGA Fogging machines	2	..	December 1980	1 machine for 35 days in 1979	April 1979 January 1981	Damaged by fire and awaiting repairs. (1) Out of order. (2) Lying idle at Ramana-thapuram (May 1981).

<i>Description</i>	<i>Number</i>	<i>Cost</i>	<i>Date of receipt</i>	<i>Number of days used/year</i>	<i>Date from which idle</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
3. LICO	2	0.53	0.53 October 1980	Nil	..	Not yet (June 1981) commissioned due to delay in training departmental personnel by the firm.

Intensive and periodic thermofogging operations in Madras and Rameswaram island recommended (1980) by an expert and by the Zonal Office, Tirunelveli (November 1979) respectively could not be carried out because of the defective condition of these machinery.

3.4.10. *Co-ordination and control*.—The State Malaria Working Committee revived and reconstituted as High Level Committee in 1976 met only twice—in April 1978 and in March 1981.

3.4.11. *General*.—Even after the implementation of the MPO from April 1977, the incidence of Malaria in the State as a whole had not come down appreciably. There had actually been increase in the incidence of malaria in Ramanathapuram district (rural area) and Madras city (urban area) which accounted for 50 to 78 per cent of the total number of cases in the State. The number of cases detected and the API data in the State as a whole and in the above two areas were as follows :—

<i>Year</i>	<i>Number of cases detected in</i>			<i>Incidence per thousand population</i>		
	<i>State</i>	<i>Ramanathapuram</i>	<i>Madras city</i>	<i>State</i>	<i>Ramanathapuram</i>	<i>Madras city</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1977	.. 83,300	13,629	28,437	1.82	4.35	9.69
1978	.. 76,227	17,699	29,953	1.63	5.57	9.96
1979	.. 95,009	40,235	33,460	2.00	12.48	10.31
1980	.. 73,369	21,086	36,193	1.51	6.33	11.08

3.4.12. *Summing up*

(i) During the maintenance phase, the programme suffered a severe set back in the period 1968 to 1977. No deaths due to malaria had been reported.

(ii) There were also lapses and inadequacies in the implementation of the MPO 1977 as listed below :—

(a) There was deficiency ranging from 39 to 61 per cent in spray coverage of population; there were omissions to include in the spray programme even areas with API 20 and above; omissions to carry out second and third rounds of spray were noticed; areas around 85 to 90 per cent of positive cases were not covered by focal spray; spray staff was employed in excess of prescribed scales involving an excess expenditure of Rs. 21.60 lakhs.

(b) Under active surveillance, there was shortfall ranging from 53 to 57 per cent in collection of blood smears for examination from 10 per cent of total population. There was also shortfall ranging from 72 to 75 per cent in collection of blood smears for examination from 15 per cent of out-patient fever cases in hospitals under passive surveillance. Deficiency ranging from 23 to 94 per cent was noticed in mass and contact blood survey around positive cases in the years 1978 and 1979. Due to poor collection of blood smears under the surveillance programme, epidemiological assessment suffered.

(c) Delays ranging from 1—3 months in administering radical treatment, failure to give radical treatment and to take follow-up blood smears and abridgment of the course of treatment without proper preliminary investigation or evaluation studies were noticed.

(d) (i) Entomological study and research were confined to limited areas both in priority and non-priority zones and not correlated to epidemiological requirements.

(ii) In Rameswaram island, the most persistent transmission area, the local foci of malaria had not been identified and susceptibility status of vectors to insecticides had not been determined (June 1981).

(iii) The entomological activity is being confined only to 22 index villages in the State; entomological assessments for other areas are not being made.

(e) The implementation of the UMS suffered because the required surveillance personnel and necessary laboratory facilities were not provided. There were large scale omissions to treat the breeding sources like wells, overhead tanks, cisterns in the city of Madras. No follow-up action was taken by the Corporation of Madras in respect of imported cases referred to it by the districts. Imported thermofogging machinery supplied by the Director, NMEP, are lying idle after very limited use.

(f) Even after the implementation of the MPO from April 1977, the API for the State as a whole had come down only by 0.31 over a period of four years (1977 to 1980), while in Ramanathapuram and Madras city, which accounted for 50 to 78 per cent of the total number of cases in the State, it had increased by 1.98 and 1.39 respectively.

The points mentioned above were reported to Government in September 1981; their reply is awaited (March 1982).

3.5. Drugs control

3.5.1. *Introduction.*—With a view to ensuring manufacture, sale and distribution of drugs and cosmetics of prescribed standard and quality, the Government of India promulgated ‘The Drugs and Cosmetics Act, 1940’ (hereinafter referred to as the Act) and framed the ‘Drugs and Cosmetics Rules, 1945’. In exercise of the powers conferred under the “Essential Commodities Act, 1955”, the Government of India also issued the ‘Drugs (Price Control) Order, 1970’ (amended subsequently in March 1979) for fixing the maximum retail prices of drugs.

In Tamil Nadu, the administration and enforcement of the provisions of the Act and Drugs (Price Control) Order have been entrusted to the Director of Public Health and Preventive Medicine, who is also the State Drugs Controller. He is assisted by a Joint State Drugs Controller, two Assistant State Drugs Controllers, ten Senior Drugs Inspectors and fifty nine Drugs Inspectors working in the districts. Besides inspecting the units manufacturing and selling drugs, the Inspectors are required to draw samples of drugs from the stocks of such units and send them for testing in the King Institute, Guindy. The test reports are issued by two of the analysts in the King Institute, Guindy who are notified by Government, as Government Analysts, under the provisions of the Act.

3.5.2. The cumulative recurring expenditure on drugs control in the State from 1977-78 to 1980-81 (up to December 1980) was Rs. 69.03 lakhs.

3.5.3. Points noticed in test check (February to May 1981) of the records in the Offices of the State Drugs Controller, Government Analyst, King Institute, Guindy and Drugs Inspectors in seven districts (Madras, Chengalpattu, North Arcot, Thanjavur, Tiruchirappalli, Madurai and Ramanathapuram) for the years 1977-78 to 1980-81 (up to December 1980) are mentioned in the succeeding paragraphs.

3.5.4. *Sampling of drugs.*—As per the licensing records (1979-80), the number of manufacturing and selling units in the State were 720 and 12,217 respectively. No norms have been laid down by Government regarding the number of samples to be drawn by the Inspectors for testing. However, according to the instructions issued (February 1978) by the Joint State Drugs Controller, every Inspector was to draw at least one sample every month for analysis. Details of samples of Allopathic drugs drawn by the Inspectors and sent to the King Institute, Guindy for testing are given below :—

<i>Number of samples drawn</i>	1977-78		1978-79		1979-80		1980-81	
	<i>Number of Drugs Inspectors</i>	<i>Total number of samples</i>	<i>Number of Drugs Inspectors</i>	<i>Total number of samples</i>	<i>Number of Drugs Inspectors</i>	<i>Total number of samples</i>	<i>Number of Drugs Inspectors</i>	<i>Total number of samples</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Nil	4	..	3	..	3	..	9	..
1 to 4	25	63	8	16	11	35	10	20
5 to 8	11	65	17	113	18	113	24	154
9 to 11	8	77	12	115	12	121	14	136
12 and above	5	63	12	184	15	220	2	27
<i>Total</i>	53		52		59		59	

(excludes figures relating to Senior Drugs Inspectors and vacant posts of Drugs Inspectors)

While 4 Inspectors in 1977-78, 3 each in 1978-79 and 1979-80 and 9 in 1980-81 did not draw even a single sample, only 5 Inspectors in 1977-78, 12 in 1978-79, 15 in 1979-80 and 2 in 1980-81 drew 12 and more number of samples per year; of these, only 2 Inspectors in 1978-79, and one each in 1979-80 and 1980-81 drew samples every month as required. The department attributed the shortfall, to the large number of samples pending for test at the King Institute, Guindy (*vide* paragraph 3.5.5. below) and non-availability of permanent advance with some of the Inspectors to pay for the cost of samples.

3.5.5. *Testing of samples of drugs.*—No time limit has been prescribed for reporting the results of tests of drug samples. Particulars of the number of samples received at the King Institute, Guindy, the number tested, the number for which test reports were issued and the closing balance of samples pending for test at the end of each year are given below:—

Year	Opening balance	Number of samples received	Number of samples tested	Number of test reports issued	Closing balance (column (2)+ (3)—column (4))
(1)	(2)	(3)	(4)	(5)	(6)
1977—78	1,445	293	570	570	1,168
1978—79	1,168	492	527	222	1,133
1979—80	1,133	559	679	616	1,013
1980—81 (to end of December 1980)	1,013	396	775	1,032	634

Of the 634 samples of drugs pending for test at the end of December 1980, 108 samples had been received during 1976-77 and earlier years. Of the 2,440 test reports issued during the period 1977-78 to 1980-81 (up to December 1980), there were delays in reporting for (i) more than 3 years in 1,132 cases (46 per cent); (ii) 2 to 3 years in 174 cases (7 per cent); (iii) 1 to 2 years in 260 cases (11 per cent); and (iv) less than a year in 874 cases (36 per cent). The King Institute, Guindy, attributed the delay to inadequate number of Analysts which resulted in accumulation of samples for testing. There was also a time lag of 16 months in notifying (December 1979), under

the provisions of the Act, the new incumbent of the post of Government Analyst (Drugs) after retirement of the previous incumbent in August 1978. Government stated (September 1981) that the number of samples pending test at the end of August 1981 was 160 (1979-80: 6; 1980-81: 154).

3.5.6. *Action in respect of sub-standard/mis-branded drugs.*—Out of 1,099 samples tested in the seven districts covered by test check, 145 samples (13 per cent) were found to be sub-standard/misbranded; the test reports in 120 of these cases were received by the Inspectors from the King Institute, Guindy after delays ranging from one to seven years (delays of more than 3 years: 62 cases; 2 to 3 years: 29 cases and 1 to 2 years: 29 cases). As a result of such inordinate delays in reporting the test results, sub-standard medicines could be frozen only in two cases where there were unsold stocks. Punitive action under the Act was taken in 28 cases; no action was taken in 38 cases on account of expiry of the period of preservation of the records/drugs; in 19 cases, the Drugs Controllers of other States, where the manufacturers were located, were addressed but the action taken by them was not on record. Final action is still pending (April 1981) in the remaining 54 cases. Government stated (September 1981) that the number of cases in which action is pending has been brought down to 16.

3.5.7. *Hospital samples.*—The District Medical Officers and other heads of medical institutions also send samples of drugs purchased by them to the King Institute, Guindy for testing. In such cases, the test reports are sent direct to the institutions concerned; sub-standard drugs noticed in such samples are not reported either to the Director of Medical Education to stop their purchase/use in other institutions in the State or to the Drugs Controller to prevent their sale. Consequently, in twenty cases of samples found to be sub-standard (1977-78: 11 cases; 1978-79: 4 cases and 1979-80: 5 cases), none of the drugs manufactured in the particular batches was withdrawn. Government stated (September 1981) that instructions were being issued to Government Analysts to communicate the results of analysis of samples found sub-standard to the State Drugs Controller and to the Drugs Inspectors who have jurisdiction over the concerned medical institutions, so that they could draw statutory samples and pursue further action under the Act.

3.5.8. *Drug Testing Laboratory.*—Mention was made in paragraph 3.5.2IV of the Report of the Comptroller and Auditor General of India for the year 1979-80 of the non-commissioning of the combined food and drug testing laboratory constructed at Teynampet, Madras in 1976/1977. The expenditure on construction and equipment of the laboratory to end of December 1980 was Rs. 15.23 lakhs (building : Rs. 10.37 lakhs; equipment: Rs. 4.86 lakhs). The laboratory is, *inter alia*, designed to test 3,000 drug samples per year initially (to be increased to 5,000 later by augmenting the facilities). Seven posts of Analysts sanctioned (April 1976 and October 1977) for the laboratory have not been filled up (May 1981) for want of approval by Government of the *ad hoc* rules for recruitment of staff to man these posts. Consequently, the laboratory has not been put to use (May 1981) except for testing of some samples (457 numbers up to March 1981) in the new premises by diverting, as a temporary measure, four Analysts from King Institute, Guindy.

3.5.9. *Delay in enforcing the Drugs (Price Control) Order, 1979.*—Under the Drugs (Price Control) Order, 1979 which is effective from 1st April 1979 (hereinafter referred to as the 'Order'), the Government of India fixed the maximum sale prices of indigenously manufactured bulk drugs with a view to regulating their sale at reasonable prices. 'Leader' * prices are also fixed in respect of certain formulations specified in categories I and II of the third schedule to this Order and such "Leader" prices are to be operative as the prevailing sale prices for all other manufacturers also of such formulations. The officers notified under this Order are to secure compliance with these provisions. The notification empowering, among others, the Drugs Inspectors in Tamil Nadu to exercise the powers under this Order was issued only in March 1981. Copies of the Drugs (Price Control) Order, 1979 and the "Leader" prices fixed by the Government of India from time to time have not also been communicated to the Drugs Inspectors so far (April 1981), resulting in non-enforcement of the provisions of the Order for over two years. Government stated (September 1981) that cyclostyled copies of the 'Order' have recently been communicated to Drugs Inspectors and that "Leader" prices received from time to time were also being communicated to them.

*'Leader' price means the maximum retail selling price of a reputed and leading manufacturer of the drugs approved by the Ministry of Petroleum and Chemicals, Government of India.

3.5.10. *Summing up*

(i) The number of samples drawn by more than 65 per cent of the Inspectors for testing was far less than the prescribed minimum of 12 samples per Inspector.

(ii) There were delays up to seven years in testing the samples in the King Institute, Guindy and consequently sale/use of sub-standard/misbranded drugs could be prevented only in two out of 120 cases.

(iii) In respect of samples received from hospitals and tested, no reports were sent to the Drugs Controller in respect of sub-standard drugs, with the result that the drugs manufactured in those batches were not withdrawn.

(iv) The Drug Testing Laboratory, Teynampet constructed (1976/1977) at a cost of Rs. 15.23 lakhs had not been fully used owing to non-finalisation of rules for recruitment of staff.

(v) The provisions of Drugs (Price Control) Order, 1979 were not enforced for more than two years due to delay in issue of the required notification.

3.6. **Non-utilisation of air-conditioning plant in a hospital**

In July 1971, Government sanctioned the provision of centralised air-conditioning to three twin operation theatres and window model air-conditioners to the resuscitation room in the main operation theatre in the Government Rajaji Hospital, Madurai at a cost of Rs. 3.15 lakhs. The air-conditioning plant in the operation theatres was erected in September 1977 and the connected civil and electrical works were also completed by the Public Works Department (PWD) in February 1978 (total cost: Rs. 3.85 lakhs). During load tests of the air-conditioning plant conducted by the PWD in March 1978 and June 1978 and subsequent operation of the plant by that department from August 1978 to September 1979, the temperature inside the operation theatres was found to vary from 73° F to 77° F —within the limit of $75^{\circ} \pm 2^{\circ}$ F indicated in the specification attached to the supply order placed by the PWD. The Chief Anaesthetist of the hospital reported (March 1978 and June 1981) to the Dean that the cooling effect of the plant

was far from satisfactory and unless the temperature was brought down to 70° F, the operating conditions inside the theatres would not be comfortable. The optimum temperature range (70°F) required for carrying out operations satisfactorily was not, however, communicated by the hospital authorities to the PWD, before the orders for supply were placed. Reasons therefor are awaited (August 1981).

According to the PWD (September 1979), the plant was brought to working condition in August 1978 and was operated with the assistance of an operator provided by it and the plant was shut down from September 1979 due to non-filling up of the post of Refrigeration Mechanic sanctioned (March 1979) for the plant by the hospital authorities. On the other hand, the Dean of the hospital stated (July 1981) that the plant functioned only for a limited time on trial and its performance was not satisfactory even during the trial running. He also stated that the plant would not be taken over from the PWD until a Refrigeration Mechanic was posted and satisfactory working of the plant certified by him. No action had been taken so far (August 1981) by the hospital authorities to address the PWD with a view to improving the cooling effect of the plant to the desired level and to fill up the post of mechanic, for which the sanction was not got revived after February 1980. Consequently, the air-conditioning plant installed in February 1978 at a cost of Rs. 3.85 lakhs remained unutilised for over two years. It was, however, not available on record whether any warranty was obtained.

The matter was reported to Government in September 1981; their reply is awaited (March 1982).

HOME DEPARTMENT

3.7. Delay in commissioning of machinery in a prison

Under the Centrally assisted scheme for modernisation of Jail industries, Government sanctioned Rs. 18.75 lakhs (March 1978 : Rs. 12.00 lakhs; March 1979 : Rs. 6.75 lakhs) for replacement of worn-out and outmoded machinery and renovation of old and purchase of new power-looms in the weaving and dyeing sections in the Central Prison, Coimbatore. The machinery were procured by the Prison between March 1979 and March 1981 at a total cost of Rs. 19.74 lakhs.

In March 1979, the Superintendent, Central Prison, Coimbatore addressed the Public Works Department (PWD) for provision of electrical connections to the machinery. Based on the estimate prepared (June 1979) by the PWD, Government sanctioned (March 1980) Rs. 0.80 lakh for the work. The PWD revised the estimate twice—once in August 1980 to Rs. 1.05 lakhs and again in December 1980 to Rs. 1.58 lakhs, adopting the schedule of rates for 1979-80 and 1980-81 respectively and awaited revised administrative sanction for taking up the work. Revised sanction sought (December 1980) by the Inspector General of Prisons (IGP) from Government is still awaited (August 1981).

To provide pipelines for the supply of steam and water to two of the machines, the IGP sought sanction of Government (August-September 1979) to an expenditure of Rs. 1.74 lakhs based on the offer received (June 1979) from the only firm. The Government had not conveyed sanction till May 1981, when the firm revised their offer to Rs. 2 lakhs due to escalation in cost of materials and labour. As there was further delay in finalising the tender by the department, due to non-receipt of sanction of Government, the firm withdrew (July 1981) the offer.

The machinery procured at a total cost of Rs. 19.74 lakhs remained idle (August 1981) for the periods ranging from 5 to 35 months; all the machines except two are stated to have been installed but not commissioned, due mainly to non-provision of electrical connections and steam and water pipelines; consequently, dyeing of cloth manufactured in the weaving section of the prison is got done by contractor at rates higher than the prison factory rates—the extra expenditure on this account from April 1980 to August 1981 being Rs. 3.70 lakhs.

Government stated (December 1981) that the PWD had been approached for provision of power-main and distribution arrangements, pending revised administrative sanction by them; the work connected with the provision of steam pipeline connection was to be undertaken by the Tamil Nadu Public Works Engineering Corporation and the new machinery would be commissioned as soon as these works were completed. The suppliers have, however, provided a guarantee for a period of one year, from the date of commissioning against all manufacturing defects.

FOOD AND CO-OPERATION DEPARTMENT

3.8. Irregular/excess payment of subsidy

With a view to extending the benefits of the public distribution system to the rural areas in the entire State by opening a fair price shop in each revenue village, Government launched the 'One Village One Shop' Scheme in 1978. The scheme was implemented through the agency of the Tamil Nadu Civil Supplies Corporation (TNCSC) in 4 districts and through the Co-operation Department in the remaining districts (except Kanyakumari and Madras districts which had already been covered by the Co-operatives).

A test check (March 1981-July 1981) of the records relating to the subsidy granted for opening and running the village shops under the scheme, disclosed irregular/excess payments of subsidy of Rs. 1,34.11 lakhs (Rs. 35.59 lakhs to Co-operatives and Rs. 98.52 lakhs to TNCSC) as brought out below :—

(a) Payments to Co-operatives

(i) (a) Non-recurring subsidy of Rs. 1,250 was given for purchase of furniture and equipment for each fair price shop opened under the scheme. In four districts (Chengalpattu, North Arcot, Salem and Coimbatore), of the shops sanctioned for opening, 190 shops were not opened due to scarcity of population. The non-recurring subsidy irregularly paid (1978) for the 190 shops not opened amounted to Rs. 2.38 lakhs.

(b) In five districts (Madurai, Pudukkottai, Chengalpattu, North Arcot and Coimbatore), the actual cost of furniture and equipment purchased for the village shops was less than the subsidy received (March 1978-March 1979) therefor, resulting in the subsidy remaining unutilised to the extent of Rs. 4.92 lakhs.

(ii) (a) Managerial subsidy amounting to Rs. 2.78 lakhs was paid for the years 1978-79 and 1979-80, in respect of 58 shops not opened in one district (North Arcot).

(b) In five districts (Chengalpattu, Tiruchirappalli, Pudukkottai, Ramanathapuram and Madurai), managerial subsidy amounting to Rs. 14.33 lakhs paid for the years 1978-79 and 1979-80 became due for recovery owing to vacancies in posts of salesman, employment of daily paid labour as salesman at lesser rates and non-functioning of the shops.

(iii) 66 shops which received (1978) assistance under a different scheme were also granted assistance under this scheme in four districts (Periyar, Ramanathapuram, North Arcot and Salem), resulting in irregular payment of subsidy amounting to Rs. 4.38 lakhs for the period from July 1978 to July 1981.

(iv) As a result of the actual rent paid for the shop premises being less than the sanctioned rate in four districts (Tiruchirappalli, Pudukkottai, Ramanathapuram and Madurai), unutilised balance of the recurring managerial subsidy paid to end of July 1981 amounted to Rs. 6.80 lakhs.

(b) Payments to TNCSC

(i) (a) In the four districts entrusted to the TNCSC, main fair price shops were to function for six days in a week, in villages with more than 200 ration cards and part-time shops for three alternate days in a week, in villages with less than 200 ration cards. Each main shop was to be manned by a single salesman while two part-time shops were to be manned by a single salesman working for 3 days in a week in each shop. As against the rate of managerial subsidy of Rs. 100 per mensem to be allowed towards the salary of salesman employed for manning two part-time shops, subsidy was erroneously paid at the rate of Rs. 100 per mensem for each part-time shop, resulting in excess payment of subsidy amounting to Rs. 14.53 lakhs for the period from March 1978 to July 1981 in three districts (South Arcot, Tirunelveli and Dharmapuri).

(b) Subsidy of Rs. 9.56 lakhs was also paid in excess in respect of vacant posts of salesmen in four districts (Tirunelveli, Thanjavur, Dharmapuri and South Arcot) during the period from April 1978 to July 1981.

(ii) Of the non-recurring subsidy paid to the TNCSC for opening shops in the four districts of South Arcot, Dharmapuri, Thanjavur and Tirunelveli, Rs. 23.76 lakhs became due for recovery owing to (i) 198 of the shops sanctioned, not being opened in two districts (South Arcot and Thanjavur—Rs 2.47 lakhs), (ii) actual expenditure on the purchase of furniture and equipment being less than the subsidy by Rs. 14.82 lakhs, in all the four districts and (iii) subsidy utilised irregularly on the purchase of items not covered by the approved scale of furniture and equipment in two districts (South Arcot and Thanjavur—Rs. 6.47 lakhs).

(iii) The recurring managerial subsidy paid for running the village shops included rent for the premises of the shops at Rs. 65 per month. As a result of the actual rent paid for the shop premises being less than the prescribed rate, Rs. 50.67 lakhs remained to be refunded (August 1981).

The irregular/excess payments and unutilised balances of subsidy amounting to Rs. 1,34.11 lakhs had not been refunded by/recovered (August 1981) from the Co-operatives (Rs. 35.59 lakhs)/TNCSC (Rs 98.52 lakhs).

The points mentioned above were reported to Government in October 1981; their reply is awaited (March 1982).

3.9. Subsidy for diesel engine pumpsets

In view of the delays in energising pumpsets, Government sanctioned (1972—73) a scheme for supply of diesel engine pumpsets to the agriculturists for installation in filter points, open wells and shallow tube wells. These pumpsets, the cost of which were to be met out of loans granted by the Primary Land Development (PLD) banks were to be replaced by electric motor pumpsets as and when electricity became available. With a view to making the scheme attractive to the farmers, Government also ordered payment of subsidy of Rs. 1,000 per diesel pumpset in such cases to cover the increased cost of diesel engine pumpsets. This scheme was in operation till 30th June 1976.

Due to power shortage, Government banned (October 1973) grant of loans by the PLD banks for purchase and installation of electric motor pumpsets. Following the improvement in power supply, Government permitted (July 1976) the PLD banks to grant loans to the

agriculturists for installation of electric pumpsets. In December 1977, the Registrar of Co-operative Societies informed Government that the local officers of the PLD banks canvassed (1976-77) loan applications for installation of electric motor pumpsets at places beyond a radius of 200 metres from the installed transformers where service connections were generally not given by the Electricity Board as a matter of policy and recommended that, in such cases, subsidy be sanctioned for purchase and installation of diesel pumpsets. In June 1978, Government sanctioned the grant of subsidy in those cases.

It was noticed (January-March 1981) in Audit that of the 554 diesel engine pumpsets for which subsidy was paid accordingly, 453 sets related to cases wherein the PLD banks had advanced loans under their own normal lending programme for purchase of diesel engine pumpsets for baling out surface water from ponds and lakes and not for installation in filter points, shallow tube wells or open wells and in these cases the agriculturists had applied only for diesel pumpsets and not for electric pumpsets. They did not, therefore, fall within the scope of the sanction accorded by Government in June 1978. The payment of subsidy of Rs. 4.53 lakhs for purchase and installation of diesel engine pumpsets in these cases was hence irregular.

The department admitted (November 1981) that the grant of subsidy in these cases was not in conformity with the orders of Government issued in June 1978.

The matter was reported to Government in September 1981; their reply is awaited (March 1982).

FORESTS AND FISHERIES DEPARTMENT

3.10. Idle ferro cement boat

Mention was made in paragraph 3.8 of the Report of the Comptroller and Auditor General of India for the year 1977-78, of the closure of the Ferro Cement Craft Research Project, Madras in March 1976 and

of the poor/ nil utilisation of the eight boats constructed by it and allotted for departmental use. One of the boats built in February 1976 (cost of hull : Rs. 1.64 lakhs) using an imported engine (cost : Rs. 0.59 lakh) which had remained unused since 1967, was allotted (February 1976) to the Fisheries Training Centre, Mandapam. The engine developed trouble during the maiden voyage (February 1976) of the boat from Madras to Mandapam. As import of spares for repairs to the engine would take considerable time, a new indigenous 'cummins' diesel engine costing Rs. 0.92 lakh was purchased (January 1977) by the Director of Fisheries with the approval (December 1976) of Government and made over (February 1977) to the Boat Building Yard at Royapuram for installation in the boat. An estimate for replacing the engine and recommissioning the boat at a cost of Rs. 0.11 lakh, sent (November 1977 and January 1978) by the Tamil Nadu Fisheries Development Corporation (TNFDC), (to which the boat building yard is attached) was approved by Government in February 1978 and August 1978. In April 1979, the TNFDC revised the estimate to Rs. 0.28 lakh owing to escalation of prices of materials and wages and did not take up the work, pending fixation of an agency to transport the boat from the Madras Harbour (where it had been moored) to the Boat Building Yard at Royapuram. In February 1981, the TNFDC held that in view of the heavy expenditure involved on repairs and the doubtful sea-worthiness of the boat after repairs, it would be better to condemn the boat and go in for a new one. As the Director of Fisheries insisted (March 1981) on immediate repairs, the TNFDC revised (April 1981) the estimate for repairs to Rs. 0.96 lakh on account of extensive repairs to the deck and under-water portion of the boat, which became necessary due to the prolonged period of its mooring. This estimate was pending approval (August 1981) by the department. In July 1981, the TNFDC suggested (for the first time) to the Director of Fisheries that the Deputy Director of Fisheries (Headquarters) be asked to undertake the repairs at the harbour wharf itself, on the ground that "he was well conversant with the construction of ferro cement boats". No decision has been taken (August 1981) by the Director in the matter.

The damaged old engine (cost: Rs. 0.59 lakh) also remained to be repaired (August 1981).

Thus, though an indigenous engine was procured (cost : Rs. 0.92 lakh) in January 1977 so as to recommission the boat expeditiously, the object was not achieved owing to procedural delays in installing the new engine/carrying out repairs to the boat, with the result that the boat as well as the engines costing Rs. 3.15 lakhs in all have remained idle (August 1981) for over four to five years. In the meantime, extensive repairs (estimated cost: Rs. 0.96 lakh) became necessary for the boat on account of its prolonged anchorage for over five years.

While accepting the facts mentioned in the paragraph, Government stated (January 1982) that the TNFDC had suggested condemnation of the boat as it required extensive repairs and instructions were being issued to take the boat to the fishing harbour by towing to assess the extent of damage caused and take a firm decision about the possibility or otherwise of repairing and re-engining the boat.

3.11. Sea Trawler Building Yard, Mandapam

The workshop with dry dock facilities at Mandapam (Ramanathapuram district) run by Railways and closed in 1964, was acquired (November 1971) by Government on payment of Rs. 12 lakhs for establishing a sea trawler building and servicing yard.

As the request (October 1971) of the Government of Tamil Nadu to treat the proposed venture as a Centrally sponsored scheme was negated (August 1972) by the Government of India, the dry dock with connected assets (excluding staff quarters costing Rs. 2.52 lakhs) was leased out (February 1974) to a joint sector company formed (December 1973) under the auspices of the Tamil Nadu Industries Development Corporation Limited, pending finalisation of the terms of lease.

However, in December 1976, Government decided that the transfer of the assets may be treated as a sale on outright basis for Rs. 10.90 lakhs subject to settlement of the terms and conditions of sale later. In November 1978, Government ordered that the value of assets be treated as loan bearing interest at 12 per cent per annum and repayable in ten equated annual instalments. The repayment of the loan was ordered (November 1980) to commence from the beginning of the year 1981. But the date from which interest was to be collected from the company has not been decided yet (August 1981) by Government.

The company has not paid (August 1981) the first instalment of the loan, due during the beginning of 1981. A sum of Rs. 9.81 lakhs would also be recoverable from the company towards interest for the period up to August 1981, if the transfer was treated as sale from February 1974, when the assets were made over to the Company.

The matter was reported to Government in October 1981 ; their reply is awaited (March 1982).

3.12. Raising of shelter belts along the coast line

In July 1978, Government sanctioned a Centrally sponsored scheme for raising plantation as shelter belts along the coast line within a distance of 2 km. from the coast line, for checking the velocity of cyclonic winds. The total cost of the scheme was Rs. 3,02.08 lakhs and it envisaged planting appropriate species of trees in about 15,000 hectares (comprising 13,258 hectares of Revenue and 1,772 hectares of Forest lands) during a period of 6 years (1,500 hectares in 1978-79 and 2,700 hectares a year from 1979-80 onwards). The scheme covered five districts (Chengalpattu, South Arcot, Thanjavur, Pudukkottai and Ramanathapuram).

The following observations are made;—

(i) The scheme was started on the basis that 8,500 hectares were available in the two districts of Chengalpattu and South Arcot as reported by the Revenue Department. But the District Forest Officer intimated to Government, in February 1979, that only 1,028 hectares free from encroachment were available, the rest being swamps, raising grounds, lakes, burial grounds, roads, etc. Only 729 hectares out of 1,028 hectares available were tackled up to 1980-81 at a cost of Rs. 13.44 lakhs. The Special Division formed for this purpose was closed down in March 1981 for want of further areas to be developed.

(ii) In the remaining districts, as against 6,199 hectares (4,760 hectares of Revenue lands ; 1,439 hectares of Forest lands) proposed to be tackled, 1,024 hectares alone were tackled up to 1980-81 on the ground that no further areas were available.

(iii) No reasons were adduced by the department for not utilising the 1,772 hectares belonging to Forest Department.

As the target fixed were unrealistic and not based on proper data, the scheme started in 1978-79 and proposed to be completed during a period of six years was stopped at the end of the third year of its commencement for want of further lands to be tackled, leaving the objective of the scheme unfulfilled.

The points mentioned above were reported to Government in October 1981; Government stated (January 1982) that the scheme was formulated in February 1978 based on the particulars of areas reported by the Collectors and the feasibility study of the areas could not be made then due to urgency in taking up the scheme for implementation.

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

3.13. Applied Nutrition Programme

3.13.1. *Introduction.*—The Government of India sponsored the Applied Nutrition Programme (ANP) during the Third Five Year Plan and drew up a master plan in February 1963 for its implementation by the State Governments as a Centrally sponsored scheme.

3.13.2. *Objective.*—The primary objective of the programme was to raise the nutritional standards of the rural community, especially, the vulnerable groups, viz., children, pregnant women and nursing mothers by (i) creating an awareness among the rural people about the nutritional requirements and helping them in producing such foods locally; and (ii) educating and training them in improved methods of production and preservation of such food.

3.13.3. *Components of the programme.*—The main components of the programme were (i) Horticulture, (ii) Poultry, (iii) Fisheries, (iv) Feeding of vulnerable groups in Balwadis and (v) Training.

3.13.4. *Pattern of assistance.*—The programme was to be operated in selected blocks. The period of operation in a block was 5 years (6 years from 1974-75). The selected blocks were provided with (i) Central assistance at rates varying from Rs. 17,000 to Rs. 64,000 per block per annum from 1966-67 to 1978-79, (ii) State assistance at Rs. 51,000 per block per annum and (iii) Assistance from the United Nations International Children's Emergency Fund (UNICEF) to the extent of \$ 20,000 per block for the entire project period.

From 1979-80, the ANP was transferred from the Centrally sponsored sector to the State sector and no new ANP blocks were to be set up on the existing pattern. The UNICEF assistance in respect of new blocks was also discontinued after 1977-78.

3.13.5. *Implementation in Tamil Nadu.*—In Tamil Nadu, the programme was implemented in 75 blocks during the period from 1962-63 to 1978-79. As on 31st March 1981, there were 27 operational blocks and 48 post-operational blocks. The programme was implemented by the panchayat union commissioners at block level and co-ordinated by the Directorate of Rural Development at the State level. After completion of the project period, the panchayat unions/panchayats were responsible for continuing the activities.

3.13.6. *Expenditure.*—The amount of assistance provided by the Government of India was Rs. 73.14 lakhs and the total expenditure incurred from 1966-67 (the year from which Central assistance was made available for the programme) to 1979-80 was Rs. 2,44.02 lakhs.

Expenditure on the components of the programme eligible for Central assistance was Rs. 73.62 lakhs, as against the total assistance of Rs. 90.58 lakhs due at the committed rates. Consequently, Central assistance to the extent of Rs. 16.96 lakhs could not be availed.

3.13.7. In 19 out of 75 blocks, the records relating to the implementation of the programme were test checked in audit during March 1981 to June 1981 ; in respect of 18 other blocks, details were collected from the Block Development Officers. The important points noticed are mentioned below:—

3.13.8. *Horticulture.*—The programme aimed at increased production of fruits and vegetables of high nutritional value by establishing headquarters nurseries, community gardens, school gardens and kitchen gardens.

(a) *Headquarters nurseries.*—Each block was to establish a nursery at the headquarters to raise quality seedlings of fruits and vegetables for supply to kitchen gardens and school gardens. In three of the 37 blocks, headquarters nurseries were not set up. The headquarters nurseries in the remaining blocks were not continued after the expiry of the project period.

Community gardens.—Community gardens were to be set up for demonstration purposes and production of proteinous vegetables and fruits for feeding the vulnerable group. The gardens were to be on a self-supporting basis and handed over to the panchayats for maintenance after the expiry of the project period. In 14 out of 20 completed blocks, the accounts of which were test checked, 28 community gardens were established and the expenditure incurred on them during the project period was Rs. 4.19 lakhs. There was no production in 3 gardens in 2 blocks (expenditure: Rs. 0.34 lakh). The average production in the remaining blocks was only 120 kgs. per acre per year.

In 13 of 17 on-going blocks, Rs. 3.43 lakhs were spent during 1975-76 to 1980-81 on laying 17 gardens. There was no production in 6 gardens in 4 blocks (expenditure : Rs. 0.86 lakh). The average production in the remaining 11 gardens in 9 blocks worked out to 74 kgs. per acre per year (28 per cent) as against the target of 261 kgs. as per the project plans. The low yield was attributed (May 1981) by the block authorities to the poor fertility of the soil, lack of proper irrigation facilities and non-reclamation of the land due to high cost. The gardens were thus not viable and the quantum of supply of vegetables and fruits to the feeding programme in 30 balwadis, with 120 beneficiaries each in each of the blocks, was negligible.

(c) *School gardens.*—As part of the school activities and as work experience for the pupils, gardens were to be raised in schools where suitable land with irrigation facilities was available. The produce from these gardens was to be used to supplement midday meals programme in schools.

The expenditure and production in 27 out of 37 blocks covered by test check are given in the table below :—

Description of block	Number of gardens laid	Expenditure incurred during the project period (in lakhs of rupees)	Quantity of vegetables and fruits produced during the project period (in lakhs of kilograms).		Production per garden during the project period (in kilograms)
			Target	Achievement	
(1)	(2)	(3)	(4)	(5)	(6)
18 post-project blocks ..	448	9.04	Not available	2.34	522
9 on-going blocks (up to 31st March 1981)	195	3.50	2.09	0.91	465

Seventy nine gardens (expenditure ; Rs. 2.56 lakhs) in 5 completed blocks were not put to beneficial use, as 80 pumpsets (cost : Rs. 1.60 lakhs) received and installed during April 1973 to June 1975 were not energised till the end of the project period (March 1976).

The production in 9 on-going blocks was only 43 per cent of the target as per the annual plans.

(d) *Delay in supply/installation/energisation of pumpsets.*—Delays ranging from 1 to 6 years were noticed in providing irrigation facilities to headquarters nurseries, community gardens and school gardens due to (i) belated supply/installation of pumpsets (7 blocks—expenditure Rs. 1.57 lakhs) and hand pumps (2 blocks—expenditure: Rs. 0.56 lakh) and (ii) belated energisation of pumpsets (6 blocks—expenditure: Rs. 1.42 lakhs).

3.13.9. *Poultry.*—With a view to increasing production and consumption of food of animal origin in the villages and also training the rearers to go in for large scale poultry keeping, the programme envisaged assistance for setting up of grower farms, deep litter poultry units and backyard poultry units.

The number of units established in 33 blocks for which details were available and the expenditure thereon were as under:—

Details of blocks	Number of blocks	Grower farms		Deep litter poultry units		Backyard poultry units	
		Number	Expenditure	Number	Expenditure	Number	Expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				(expenditure in lakhs of rupees)			
Post-project blocks	18	280	3.42	3,115	11.87	11,106	5.82
On-going blocks (up to 31st March 1981)	15	109	1.55	1,977	11.55	3,384	2.40
Total	33	389	4.97	5,092	23.42	14,490	8.22

In 32 of these blocks, the grower farms (370 numbers) were discontinued after returning the pullets and the deep litter units (4,821 numbers) and backyard units (14,067 numbers) were closed after the egg laying period of about a year, with the result that the aim of the scheme to train the persons in intensive rearing of poultry so as to enable them to go in for large scale poultry keeping remained largely to be fulfilled. In 12 completed blocks, as against 9.09 lakhs of eggs due from 1,731 deep litter units, only 3.87 lakhs of eggs (43 per cent) were collected, resulting in reduction in supply of eggs to the feeding programme in the balwadis. In 16 blocks, a sum of Rs. 1.97 lakhs was pending recovery from the breeders to end of May 1981; of this, Rs. 1.40 lakhs related to 10 blocks which had completed the project period. Out of the collections made towards the cost of birds, a sum of Rs. 5.22 lakhs remained to be utilised for the feeding programme (July 1981) in 26 blocks, of which 13 had completed the project period (amount: Rs. 2.28 lakhs).

The deep litter units received free supply of waterer, feeder and wire-mesh for the cages valued about Rs. 115 per unit. In 33 blocks, these equipment (approximate cost: Rs. 5.86 lakhs) remained (July 1981) with 5,092 beneficiaries, who did not continue the poultry keeping beyond the first year.

3.13.10. *Fisheries*.—The scheme envisaged increased production of fish in selected blocks with financial assistance to the extent of Rs. 10,000 per block for improvement/renovation of tanks, free supply of fish seeds, fingerlings and equipment. In return, each block was to supply fish to 40 pre-school children at 80 grams per child per week. The details of expenditure incurred and the production of fish in 18 blocks were as under:—

<i>Nature of block</i>	<i>Expenditure (in lakhs of rupees)</i>	<i>Target as per annual plan (in kilograms)</i>	<i>Production</i>
(1)	(2)	(3)	(4)
9 completed blocks	0.95	Not available	1,462
9 on-going blocks (up to 31st March 1981).	1.26	55,368	6,566

In the 9 on-going blocks, the production was very low (12 per cent of target). In two blocks (expenditure: Rs. 0.03 lakh), there was no production at all. In one block (expenditure: Rs. 0.11 lakh) no fish-rearing was done in the tank. In another block, fish rearing was done for one year only, in the tanks in which inlets and outlets were constructed (expenditure: Rs. 0.27 lakh), different tanks being selected for the succeeding years. The low production was attributed (January 1977) by Government to (i) vesting of major reservoirs and tanks with Public Works Department, (ii) unwillingness of the panchayats to relinquish their rights of exploitation of the tanks and (iii) inadequacy of water in the tanks for fish rearing.

3.13.11. *Balwadis (Kuzhanthaigal Kappagams)*.—The scheme envisaged Government assistance of Rs. 4,000 per building from 1970-71 (enhanced to Rs. 5,000 from 1974-75) for construction of 30 balwadi buildings per block, to be taken up in a phased manner and completed by the end of the third year of the project period.

(a) In four blocks which had completed the project period in 1972, 1975 and 1976, 14 buildings were yet to be completed and 9 yet to be taken up (March 1981) though grant of Rs. 0.90 lakh was released to them during the project period.

(b) In 4 on-going blocks, 20 buildings taken up for construction during 1978-79 and 1979-80 remained incomplete (March 1981).

3.13.12. *Feeding Programme*.—The programme envisaged feeding of 120 beneficiaries of the vulnerable group comprising 40 pre-school children, 40 other children of weaning age and 40 expectant/nursing mothers for a period of 9 months (last 3 months of pregnancy and first 6 months after the baby is born). The beneficiaries were to be selected on the basis of enumeration followed by clinical check by the medical officers of primary health centres to assess the degree of malnutrition. Health cards were to be maintained for the beneficiaries and the results of their feeding were to be watched by the periodic clinical assessments and recorded in health cards.

Out of 17 blocks test checked, there was no supply of eggs for the feeding programme to end of March 1980 in 2 on-going blocks where Rs. 0.90 lakh was spent on poultry schemes. In the remaining 15 blocks, the supply of eggs in the periods in which it was made was far below the target, the shortfall ranging from 22 to 97 per cent. In 12 of these blocks, the supply was not made for periods ranging from 5 to 31 months. In four blocks, there was no supply of fruits and vegetables to the feeding programme. It was also noticed that (i) the enrolment of beneficiaries was not preceded by medical check up; (ii) health cards were not supplied/maintained in 5 blocks; and (iii) the targeted number of beneficiaries were not fed in two blocks, the shortfall being 29 and 67 per cent. The feeding programme was inadequate and partial in its coverage.

- 3.13.13. *Training.*—The programme envisaged imparting of training to key functionaries in the first operational year and to non-officials in a phased manner. In 11 blocks test checked, the percentage of officials and non-officials trained varied from 14 to 65 of the targeted number. Frequent changes of key functionaries reportedly affected the programme. In one block, there were seven changes in the incumbency of the Block Development Officer and in another block, 4 changes in the incumbency of the Extension Officer (Agriculture) during the project period (5/6 years).

3.13.14. *Summing up*

(i) The achievement under horticultural activities was far below the target during the operation period—28 per cent under community gardens (9 blocks) and 43 per cent under school gardens (9 blocks). In 34 blocks, the headquarters nurseries were not maintained after the expiry of the project period. There were delays ranging from 1 to 6 years in providing irrigation facilities to the gardens. In 5 blocks, the 79 school gardens were not put to beneficial use during the project period as 80 pumpsets installed in them were not energised.

(ii) In 32 blocks, 370 grower farms, 4,821 deep litter poultry units and 14,067 backyard poultry units were closed even during the project period. The collection of eggs from the deep litter units was only 43 per cent of the target. Rupees 5.22 lakhs collected from the breeders towards the cost of birds remained to be utilised for the feeding programme (July 1981) in 26 blocks.

(iii) In 9 blocks, the production of fish was only 12 per cent of the target.

(iv) Due to shortfall in production in horticultural and poultry activities, the supply of fruits, vegetables and eggs for the feeding programme was inadequate.

(v) The construction of balwadi buildings was not completed according to the time schedule and in four blocks, 14 buildings (grant: Rs. 0.54 lakh) were incomplete and 9 (grant: Rs. 0.36 lakh) yet to be taken up (March 1981) even five years after the project period.

(vi) Training of officials and non-officials lagged behind the target and in 11 blocks, the shortfall ranged from 14 to 65 per cent.

The points mentioned above were reported to Government in September 1981; their reply is awaited (March 1982).

FINANCE DEPARTMENT

3.14. The Tamil Nadu Social Security Scheme, 1974

The Tamil Nadu Social Security Scheme, 1974 launched by Government in November 1974 as a self-financing social security measure provides for regular monthly contributions by the subscribers over specified period at the end of which Government will pay monthly 'pension' to the subscriber or his/her nominee for a period of 30 years. The scheme also provides for payment of a lump-sum amount at the end of the 'pension' period.

The collections of subscriptions are made through such of the banks as had agreed to work as agents under the scheme. In order to make the scheme self-supporting the monthly collections together with interest accrued were to be invested every month by the participating banks in fixed deposits. From June 1975, Government sub-treasuries in the State had also been authorised to collect subscriptions under the scheme and the moneys collected were transferred monthly to the participating banks for investment in fixed deposit. From April 1979, the collections made at sub-treasuries are invested with the Tamil Nadu Transport Development Finance Corporation (TNTDFC). Total amount invested to end of July 1981 was Rs. 1,99 lakhs-Rs. 1,62 lakhs with participating banks and Rs. 37 lakhs with TNTDFC.

Neither the collections of the monthly subscriptions nor the investments of the collections are brought to Government account. As the subscriptions are collected by the bank/sub-treasuries on behalf of Government, they are of the nature of debt obligations to be discharged by Government at the end of the contract period in the manner prescribed under the scheme. Accordingly, Audit pointed out (September 1978) that the collections under the scheme be brought initially under Public Account of Government and investment of the collections in the banks/TNT/DFC reflected as such in Government accounts. Government, however, stated (December 1978) that the collections were of the nature of deposits repayable and that they were examining the legal position. Final decision in the matter is still awaited (August 1981). As a result of keeping the collections of these subscriptions and investment thereof outside the Government account, the scrutiny of the transactions by the Legislature has not been possible.

The matter was reported to Government in October 1981; their reply is awaited (March 1982).

TRANSPORT DEPARTMENT

3.15 Poor utilisation of motor tugs in minor ports

Under a scheme sanctioned (1974) by Government for development of minor ports, the State Port Department acquired (1975/1976) five reconditioned motor tugs at a cost of Rs. 5.03 lakhs, as indicated below from the Tamil Nadu Fisheries Development Corporation for quick and efficient handling of cargo and for towing dumb cargo/passenger barges between the shore and the ships.

<i>Serial number and Place of minor port</i>	<i>Number of tugs and names thereof</i>	<i>Cost (in lakhs of rupees)</i>	<i>Month of receipt at the port</i>
(1)	(2)	(3)	(4)
1. Cuddalore.. ..	2(Paravananar and Uppanar)	2.08	August 1976
2. Nagapattinam	2(Kauveri and Kaduvai-yaru)	1.95	August 1976
3. Rameswaram	1(Rameswaram)	1.00	October 1975
Total	5	5.03	

A review (1978-81) of the working of these tugs revealed the following points:—

Cuddalore and Nagapattinam ports

The four motor tugs provided at these two ports were intended for hiring to shipping firms, Government departments and others. The utilisation of these tugs was very poor and the results of their working during the period from August 1976 to April 1981 were as under:—

<i>Particulars</i>	<i>For the two tugs at Cuddalore Port</i>	<i>For the two tugs at Nagapatti- nam Port</i>
(1)	(2)	(3)
Number of hours for which the two tugs in each Port could have worked	16,800	16,800
Number of hours worked	1,681	172
Percentage of utilisation	10	1
	(in lakhs of rupees)	
Establishment charges	1.99	2.09
Operation, repairs and maintenance charges	0.70	0.13
Total expenditure	2.69	2.22
Hire charges recovered	0.82	0.09
Excess of expenditure over receipts	1.87	2.13

The loss excluding depreciation and interest charges worked out to Rs. 4.00 lakhs for all the four tugs during the period from August 1976 to April 1981.

The State Port Officer attributed (November 1978, June 1979 and October 1979) the poor utilisation at Cuddalore Port mainly to decline in trade, use by many shipping companies of their own tugs and competitive rates of hire charges offered by private tug owners; yet one more motor tug was transferred to this port from another port from June 1981—*vide* paragraph below. Government stated (November 1981) that the additional tug was transferred to this Port from Nagapattinam in June 1981 with the best intention of utilising it.

In the case of two tugs at Nagapattinam Port, the utilisation was extremely poor, viz., 1 per cent during nearly five years. The State Port Officer explained (December 1979/June 1981) that there was no demand for the departmental tugs from the shipping companies, as they had their own motor launches and that private launches were also plying; nevertheless the two tugs with necessary crew were continued to be maintained till March/June 1981 when one of the tugs was transferred (March 1981) to Rameswaram Port for towing the car-carrier *cum* water barge put into service newly at that port by Government and the other tug was transferred (June 1981) to Cuddalore Port where the trade was stated to have picked up. It was, however, seen that while one of the tugs already provided at Cuddalore Port was under major repairs from September 1980 to April 1981, the other tug worked only for 550 hours during May 1980 to April 1981, the utilisation being 31 per cent. The tug transferred from Nagapattinam Port was utilised for 302 hours during June 1981 to October 1981, the percentage of utilisation being 30.

In lieu of the two tugs transferred out from Nagapattinam Port, a lesser capacity motor tug called 'Pamban' purchased in 1965 (cost: Rs. 0.39 lakh) and adequate for the traffic needs was transferred from Rameswaram Port to Nagapattinam Port in June 1981.

Rameswaram port

From 1966 onwards, the motor tug 'Pamban' was being hired out at this Port to the Shipping Corporation of India (SCI), on a regular basis for landing passengers. From October 1975, the motor tug 'Rameswaram' was provided extra at this Port on the ground that 800 passengers arrived by each ship and had to be disembarked within a limited time necessitating an additional tug. However, the additional tug was kept idle till October 1977 incurring establishment charges on idle crew (Rs. 0.17 lakh); from November 1977 only the new tug 'Rameswaram' was hired out to the SCI and the old one 'Pamban' was kept as a stand by till May 1981, after which it was transferred to Nagapattinam Port. Thus, although an additional tug costing Rs. 1.00 lakh was acquired in October 1975 on the ground that two tugs would be required for use by passengers, only one tug was actually hired at a time resulting in idling of the other tug and expenditure of Rs. 0.80 lakh on idle crew.

GENERAL

3.16. Misappropriation, losses, etc.

Cases of misappropriation of Government money reported to Audit to end of March 1981 and on which final action was pending at the end of September 1981 were as follows:—

	<i>Number of cases</i>	<i>Amount (in lakhs of rupees)</i>
(1)	(2)	(3)
Cases reported to end of March 1980 and outstanding at the end of September 1980	475	52.04
Cases reported during the period April 1980 to March 1981	59	5.04
Total ..	534	57.08
Cases closed during the period October 1980 to September 1981	111	3.06
Cases outstanding at the end of September 1981	423	54.02

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

In addition, 517 cases (Rs. 62.40 lakhs) of shortages and theft/loss of stores, damages to vehicles, properties, etc., reported to Audit up to March 1981 were pending finalisation as on 30th September 1981. Of these, 419 cases (Rs. 35.64 lakhs) related to the Agriculture Department and 35 cases (Rs. 3.41 lakhs) to the Health and Family Welfare Department. Department-wise and year-wise analysis of these cases is given in Appendix XXIII.

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

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

CHAPTER IV
WORKS EXPENDITURE
PUBLIC WORKS DEPARTMENT

4.1. Kelavarapalli Reservoir Project

In October 1977, Government sanctioned the formation of Kelavarapalli Reservoir Project across the river Ponnai in Dharmapuri district, at a cost of Rs. 5,51.50 lakhs. The Chief Engineer (Irrigation), accorded technical sanction for Rs. 6,06.65 lakhs in December 1977.

The scheme envisaged impounding of 962 mcf. of water during two fillings of the reservoir to provide for (i) irrigation facilities for 8,000 acres under dry cultivation through two lined canals (left canal 32.5 kms. long to irrigate 5,917 acres, right canal 22.58 kms. to irrigate 2,082 acres), (ii) providing assured water supply to 1,083 acres of existing wet ayacuts and (iii) supply of 2 million gallons of water a day to industrial complex of State Industries Promotion Corporation of Tamil Nadu at Hosur, on a proportionate cost sharing basis.

The yield of water was assessed as 1,609 mcf. on the basis of a combined catchment area of 2,442 sq. kms., of which 2,414.29 sq. kms. of intercepted area lies in Karnataka and only the balance 27.81 sq. kms. in Tamil Nadu.

The following observations are made :—

(i) The work, commenced in August 1977, had to be stopped in November 1979 on account of a stay obtained by some of the aggrieved landlords whose land was entered into by the department without their written consent; the matter is *sub-judice* (March 1981). Rupees 3,16.79 lakhs have already been spent (March 1981).

(ii) The Central Water and Power Commission, while considering the inflow of water from the intercepted catchment area desired (July 1979)

(a) that gaugings should be done at site to assess the quantum of inflow and

(b) concurrence of Karnataka Government should be obtained to ensure an uninterrupted flow of water into the dam. This had not been done by the department stating that the project site is within the Tamil Nadu State. However Central Water Power Commission's apprehension of reduction in inflow, in case the Karnataka State undertakes any irrigation works in the catchment area, had not been fully met. The Central Water and Power Commission is yet to accord its clearance for the construction of the project on which Rs. 3,16.79 lakhs have already been spent.

(iii) Consequent on stoppage of work, 1,042 M.T. of cement valued at Rs. 6,06,654 were transferred to Quasi Government agencies from whom centage charges totalling Rs. 1.04 lakhs are yet to be recovered.

(iv) Shutter materials worth Rs. 44.86 lakhs procured for the project are stored in the open yard with attendant risk of deterioration. Rupees 0.14 lakh have been spent already on watch and ward (June 1981).

The points mentioned above were reported to Government in October 1981; their reply is awaited (March 1982).

4.2. Vattamalaikarai Odai Reservoir Scheme

Government sanctioned (February 1974) the construction of a reservoir across Vattamalaikarai Odai, a tributary of Amaravathi river, near Uthamapalayam village in Periyar district at a cost of Rs. 74 lakhs. The scheme originally envisaged provision of irrigation facilities for wet cultivation to 2,965 acres. The work targeted for completion in three years, had commenced in August 1974, even before the Chief Engineer accorded sanction to the technical estimate. In August 1976, the Superintending Engineer, Canals Circle (PAP) opined that adequate water would not be available for wet cultivation and suggested the change of cropping pattern from wet to dry. Government approved in February 1980 the revised estimate for Rs. 1.93 lakhs incorporating changes (a) relating to designs and (b) cropping pattern proposed by the Chief Engineer (Irrigation) in December 1977 and June 1979 contemplating supply of water for dry cultivation to 6,044 acres. Rupees 1,72.43 lakhs were spent till March 1981.

(i) When the Chief Engineer (Irrigation) addressed the Government (November 1975) about the rise in cost and consequential revision of the estimate, Government observed in January 1976 that the desirability or otherwise of proceeding with the scheme could have been considered had this wide variation in the cost been brought to their notice, in time.

(ii) The scheme was started without even checking the suitability of water available for irrigation purposes, which was done only 3½ years later (January 1978) by the Director of Agriculture who noticed the presence of high soluble salt contents and stated that the soils were likely to develop alkalinity or salinity, if the water was used copiously for irrigation. He suggested that raising of irrigated crops in the soils was to be discouraged. Only soil resistant or semi-tolerant crops like ragi or cotton or vegetables were suggested for cultivation in the area. This report was sent to Government, but the project was already in a very advanced stage of construction by then.

(iii) Though the revised estimate sanctioned (February 1980) by Government included works essential for the conversion of ayacuts from wet to dry, these works had not been taken up even by August 1981.

(iv) Full benefit is yet to be achieved (August 1981). The acreage under cultivation reported by the Revenue and Public Works Departments indicate a wide variation as shown below:—

		<i>Extent of irrigation</i>	
		<i>Public Works Department</i>	<i>Revenue Department</i>
		(in acres)	
1977-78	.. .. .	603	130
1978-79	.. .. .	1,200	268
1979-80	.. .. .	2,450	779
1980-81 (August 1981)	.. .. .	2,450	1,649

(v) Rules relating to water regulation have not been approved by Government and consequently betterment levy has not also been proposed yet.

The points mentioned above were reported to Government in November 1981; their reply is awaited (March 1982).

4.3. Formation of a Reservoir across Virudhupatti Odai near Kallur-sandhai village

In March 1979, Government sanctioned Rs. 1,27 lakhs towards the formation of a reservoir across Virudhupatti Odai near Kallur sandhai village in Ramanathapuram district. The Chief Engineer (Irrigation) accorded technical sanction for Rs. 1,39.70 lakhs. The scheme, intended to provide irrigation facilities to raise dry crops in 2,556 acres was targeted for completion within three years from May 1979, when the work was commenced.

At the time of sanctioning detailed estimate the department noticed certain technical defects in the estimate sanctioned by the Chief Engineer in respect of the following:—

- (i) Diversion of drain waters intercepting the bund;

(ii) submersion of a tank formed in 1976 which had an ayacut of 103 acres;

(iii) submersion of railway line abutting the bund.

The revised sanction taking into account the above defects, prepared by the department was sanctioned (November 1980) by Government for Rs. 2,12 lakhs. However, the construction of the reservoir is yet to commence (January 1981).

Meanwhile, Rs. 7.72 lakhs have been spent on pay and allowances of establishment up to January 1981 even before the construction work has commenced.

The points mentioned above were reported to Government in August 1981; their reply is awaited (March 1982).

4.4. Sathanur Right Bank Canal

In January 1974, Government sanctioned the excavation of a right bank canal above the existing Sathanur Pick-up Anicut at a cost of Rs. 2,02 lakhs in Tiruvannamalai taluk, North Arcot district. The Chief Engineer (Irrigation) accorded technical sanction to the estimate for Rs. 2,22.20 lakhs in February 1974. The estimate was revised twice subsequently, the first one for Rs. 3,58 lakhs in July 1976 on the basis of Planning Commission's recommendations and the second for Rs. 4,65 lakhs in July 1981, providing for a change in cropping pattern from wet (12,090 acres) to dry (20,000 acres). The work was commenced in January 1975; Rs. 3,42.32 lakhs were spent (July 1981).

In September 1975, the Superintending Engineer, North Arcot Circle, fixed the ceiling rate (on the basis of quotations received), applicable for excavation of canal, at the schedule of rate for 1975-76 relating to this district, plus 5 per cent extra. The same ceiling rate was adopted for excavating the canal extending in South Arcot district also, though the schedule of rate for this period relating to that district was less, involving an extra expenditure of Rs. 10.25 lakhs.

2,083 M³ of earth available from key trenches had not been used for forming the embankment, resulting in an avoidable expenditure of Rs. 0.18 lakh, on conveyance of earth from borrow areas.

The points mentioned above were reported to Government in October 1981; their reply is awaited (March 1982).

4.5. Construction of a workshop at Grand Anicut and office building at Kumbakonam

In February 1972, Government delegated powers to the Chief Engineer (Irrigation) dispensing with the procedure of obtaining administrative approval, for repairs and improvement works connected with the old Cauvery Delta Irrigation System at a total cost of Rs. 12,98.33 lakhs. The Chief Engineer (Irrigation) utilising the provision in the original proposal for setting up a temporary workshop costing Rs. 3 lakhs, approved the construction of a permanent workshop at Grand Anicut in March 1979 and also sought (August 1979) sanction for staff therefor, involving an annual recurring expenditure of Rs. 1.52 lakhs. The construction work commenced in February 1980, Rs. 2 lakhs were spent (July 1980)—Rs. 1.50 lakhs towards supply of steel trusses and Rs. 0.50 lakh towards civil works.

On a query from the Government (March 1980), requiring the Chief Engineer to point out the authority under which a permanent workshop (Capital expenditure) involving a recurring expenditure of Rs. 1.52 lakhs per annum was taken up for construction, the Chief Engineer stopped (May 1980) the work at basement level. The entire steel materials were transferred to Kumbakonam for the construction of a workshop there. The department is yet (October 1981) to take a decision on the mode of utilisation of the partially constructed building up to basement level at Grand Anicut.

The steel materials were, however, utilised for the construction of only an office building to accommodate the divisional and sub-divisional offices for which Rs. 0.33 lakh have been spent so far (September 1981), even though, the Government themselves had deferred the construction of the said office building (November 1979). This work was stayed by the Sub-Collector in October 1980, as the area being low lying is likely to be affected by flood and the required clearance, for a planned and better utilisation of Government lands stipulated by the Government, had not been obtained from the District Collector.

As a net result a total expenditure of Rs. 0.83 lakh had proved infructuous because it was taken up without obtaining approval of the competent authority.

The points mentioned above were reported to Government in September 1981; their reply is awaited (March 1982).

4.6. Minor Irrigation Projects

4.6.1. *Introductory.*—Irrigation works costing less than Rs. 25 lakhs (since 1970) are classified as Minor Irrigation Programmes. These schemes are executed by Public Works Department on the basis of prior concurrence given by the Collectors of the respective districts and administrative sanction accorded by Government.

4.6.2. *Objects.*—These schemes are taken up based on short gestation periods, quick yield and low investment cost.

4.6.3. *Cost factor.*—The economic viability of these schemes is decided on the basis of ceiling cost of additional food production ranging from Rs. 2,000 to Rs. 3,500 per tonne, derived from the execution.

4.6.4. Mention was made in paragraph 4.5 of the Report of the Comptroller and Auditor General of India 1979-80—Government of Tamil Nadu (Civil), about certain minor irrigation projects executed by Public Works Department between 1965 and 1979. Test checks conducted in Audit during October 1980—March 1981 of some of these projects in three districts in the State disclosed that the objects were not achieved mainly due to unrealistic initial estimation because of defective investigation, delay in land acquisition, increase in cost due to prolonged periods of execution, etc., as brought out in the succeeding paragraphs.

1. Restoration of Kandiratheertham Tank (Tiruchirappalli district)

The restoration of the tank sanctioned by Government at a cost of Rs. 19.75 lakhs in May 1975 as a desilting-*cum*-reclamation scheme, envisaged assured water supply to 5,083 acres of registered ayacut. The work commenced in April 1975 had to be stopped in September 1977, as the Nandiar channel from which the tank obtains supply carried heavy silt, though the department was aware of this aspect as early as 1969. As reported by the Collector in April 1978 the work executed so far did not bring in any significant benefit to the ryots. Thus the entire expenditure of Rs. 10.69 lakhs has become infructuous.

2. Formation of a Tank near Sandaiyur Village (Madurai district)

The formation of a tank across a jungle stream near Sandaiyur village, intended to benefit an additional 120 acres under wet cultivation, besides assuring supply to 274 acres of registered ayacuts, was sanctioned at a cost of Rs. 3.8 lakhs in April 1971. The work, started in July 1976 after finalising the results of soil tests but before receipt of sanction to revised estimates, was completed in June 1978. Though Rs. 9.54 lakhs were spent, the formation of the tank did not bring in any acreage under cultivation as per the report of the Collector (June 1981) and the entire amount spent has become infructuous.

Even in September 1976, Government had ordered the stoppage of work, when it was known that the cost of food production per tonne would go up from Rs. 2,164 to Rs. 4,878 (more than 100 per cent). However, as the work of construction was in an advanced stage and could not be stopped, Government, on reconsideration accorded sanction to the revised estimate in February 1978, just four months before the completion of the work in June 1978.

3. Formation of a new tank across Jamboodhi Odai (Salem district)

In December 1973, Government sanctioned the formation of a new tank across Jamboodhi Odai near Thekkalpatti at a cost of Rs. 6.96 lakhs. The scheme envisaged provision of irrigation facilities for 267 acres of wet cultivation. The work commenced in November 1974, and scheduled to be completed in March 1976, was completed only in November 1979.

According to the Revenue Department no land is benefited so far by the formation of the tank (August 1981). Rupees 8.69 lakhs spent on the scheme thus became infructuous.

4. Formation of a tank across Aranmanai Odai (Madurai district)

In January 1967, Government sanctioned the formation of a tank across Aranmanai Odai at a cost of Rs. 2.84 lakhs. The scheme envisaged new irrigation facilities to 150 acres besides assured water supply to the existing ayacut of 71 acres. A revised estimate for Rs. 4 lakhs providing for the conveyance of earth using machinery was also sanctioned

by Government in June 1972. The work, commenced in May 1973, was completed in April 1978. Due to water in the upper reaches draining off to another odai situated at a lower level, the tank did not receive its full supply and the irrigation benefits were not achieved. The defective investigation in not taking into account the draining of water into another odai above the point of location of the tank had resulted in non-availability of water to the tank rendering expenditure of Rs. 8.44 lakhs on the work infructuous.

5. Formation of a tank across jungle stream near Thadagoundanpatti (Madurai district)

In March 1973, Government sanctioned a scheme towards the formation of a tank across the jungle stream near Thadagoundanpatti village, costing Rs. 4.20 lakhs. The scheme envisaged impounding of 10 mft. of water from the hilly catchment area, to provide wet irrigation for 75 acres of patta dry lands. The Chief Engineer accorded technical sanction in March 1973 for Rs. 4.62 lakhs. The work, which was commenced in September 1973, was completed in December 1975 at a cost of Rs. 5.79 lakhs (February 1978). The Collector, Madurai, during inspection (April 1981) observed that the area developed was not even 3 to 4 acres due to poor availability of water. The expenditure of Rs. 5.79 lakhs thus became infructuous because of the wrong assumption as to availability of water.

The payment for 'earth work' for forming bund, provided in the agreement with contractor 'A' included those for excavation, conveyance and consolidation charges. Earth conveyed contained pebbles and boulders up to 0.15 lakh cum. which was rejected after the payment was made in full besides, the quantity of earth was more than what was required. Rupees 0.80 lakh representing the excess payment relating to pebbles and boulders rejected is yet to be recovered from him.

The points mentioned above were reported to Government in September — November 1981; their reply is awaited (March 1982).

4.7. Alleged defalcation

In a Public Works Division in Madras city, a Junior Engineer and an Assistant Engineer who held charge of Cooum river Section between April 1979 and February 1981 allegedly misappropriated Rs. 0.88 lakh

out of the collection of rents of plots leased to private parties along the Cooum river in the city. It was noticed that the amounts/name noted in the original acknowledgments for rents issued to the lessee differed from those noted in the counterfoils and brought to Government account and the difference was defalcated by the two officials. As the subdivision had not maintained the miscellaneous property register relating to Government property leased to private parties, the defalcation went unnoticed. The preliminary report of the first defalcation was sent to Audit in July 1980, while the second defalcation has not yet been reported. The amount had been provisionally computed from a verification of receipts issued towards collection of rent of plots leased to private parties. Complete verification of all the receipts issued by the Junior Engineer (from 23rd April 1979 to 20th June 1980) and 11 out of 161 receipts issued by the Assistant Engineer who succeeded him (20th June 1980 to 19th February 1981) is yet to be done. Both the officials had been suspended from August 1980 and February 1981 respectively.

Rupees twenty thousand (out of Rs. 0.80 lakh) were recovered from the Junior Engineer and remitted in October 1980; the entire amount of Rs. 0.08 lakh was recovered from the Assistant Engineer and remitted during March and August 1981.

The points mentioned above were reported to Government in October 1981; their reply is awaited (March 1982).

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD

4.8. Water Supply to Defence Establishment at Wellington

The Tamil Nadu Water Supply and Drainage Board undertook the execution of a scheme for water supply to the Defence Establishment at Wellington, the Nilgiris district, costing Rs. 35.38 lakhs. The Chief Engineer, Tamil Nadu Water Supply and Drainage Board, sanctioned an estimate for Rs. 7.19 lakhs for the construction of (i) an elevated service reservoir of 11.25 lakh litres capacity at Marlimund, Uthagamandalam and (ii) a ground level reservoir of 9 lakh litres capacity at Wellington. The two works were entrusted to contractor 'A' (as per his own design

which was approved by the Tamil Nadu Water Supply and Drainage Board). The agreements in both the cases specifically provided, that if water-tight structure is not produced, the contractor shall have no claim for any payment under the contract.

The following observations are made:

(i) Drippings in the elevated service reservoir at Marlimund were first noticed in September 1977 (within 2 months after its completion). The contractor was addressed in October 1977 for rectification of defects. But he did not rectify the defects. In March 1979, it was further noticed that not only leakages in the reservoir have considerably increased but there were also several cracks endangering the structural safety.

(ii) The consultant engaged by the department for suggesting remedial measures opined (April 1979) that there was a major flaw in the design submitted by the contractor for the elevated reservoir which had been approved by the Board also.

(iii) As repeated attempts to persuade the contractor to rectify the defects failed, the department filed an arbitration petition in March 1980. The Arbitrator held (April 1981) that there was no case for arbitration as the contractor had acknowledged the existence of defects and agreed to rectify the same.

(iv) In the case of the ground level reservoir also, the construction was found to be leaky and could not, therefore, be utilised since August 1977. The contractor who was addressed in December 1980, i.e. after the expiry of the period of guarantee, is yet to rectify the defects.

(v) As the reservoirs constructed are not water-tight, under the terms of agreement, the contractor had no claim on the payment of Rs. 3.93 lakhs made to him unless he rectified the defects. The defects have not been rectified so far (August 1981); nor has the Government taken any steps to enforce the contract beyond issuing reminders to the contractor from whom no replies are forthcoming.

The points mentioned above were reported to Government in July 1981; their reply is awaited (March 1982).

4.9. Sendamangalam Water Supply Scheme

In September 1978, Government sanctioned Rs. 24.13 lakhs towards the execution of Sendamangalam Water Supply Scheme in Salem district. The scheme was to be executed by the Tamil Nadu Water

Supply and Drainage Board by obtaining loans from the Life Insurance Corporation and Government. The Chief Engineer, Tamil Nadu Water Supply and Drainage Board accorded technical sanction for Rs. 24.27 lakhs in December 1978. Rupees 11.44 lakhs (1978-79 and 1979-80) and Rs. 5.73 lakhs (1979-80) were obtained as loans from the Life Insurance Corporation and Government respectively.

The scheme envisaged drawal of water from Karuvattar (River Periyar) by constructing an infiltration well of 4.5 M. diameter and a collection well of 5 M. diameter and pump house, the two being connected by an infiltration gallery of 30 M. Eventhough the ayacudars represented to the Board (December 1976) against the drawal of water from this source during investigation and suggested extension of Cauvery Water Supply already being made to a nearby municipality as an alternative arrangement, the Board held that the source selected could take care of both the interest of the ayacudars and the water supply scheme. The work commenced in October 1978 was stopped in March 1979. A case was filed (May 1979) and the matter is now pending in the High Court (July 1981).

Rupees 14.28 lakhs have been spent (December 1980) of which Rs. 12.27 lakhs represent the cost of pipes and specials (procured between March 1979 and September 1980) remaining unutilised. Rupees 2.28 lakhs have been paid as interest to Life Insurance Corporation and Government on loans amounting to Rs. 17.17 lakhs while the prospects of the scheme being commissioned in the near future, are still remote.

The points mentioned above were reported to Government in August 1981; their reply is awaited (March 1982).

4.10. Purchase of defective couplers

Based on a quotation received *suo motu* from a New Delhi firm, the Chief Engineer, Tamil Nadu Water Supply and Drainage Board, placed (November 1974) a trial order for the supply of 9,000 couplers of trade name "Acquatite" for Rs. 1.89 lakhs, for use in the laying of asbestos cement pressure pipes, in the water supply schemes in the State. The supply was received in January 1975 and distributed to four divisions. One of the divisions, which received only 20 couplers, reported (March 1975) that their performance was satisfactory. Before

the other divisions had been tested the couplers, which were to be used for the first time in place of cast iron detachable joints or asbestos cement couplers, a second supply order for 20,839 couplers at a cost of Rs. 3.66 lakhs (including sales tax) was placed in March 1975. Supply was made between May 1975 and September 1975. Ninety per cent payments were made for the supplies on proof of their despatch; ten per cent payments due on the receipt of goods in good condition were also made (Rs.0.11 lakh in November 1975) except to the extent of Rs. 0.22 lakh. Subsequently, it was found (November 1975—March 1976) that the couplers exhibited defects in the hydraulic performance and the epoxy coating was also not durable. The firm did not respond to the request for setting right the defects. The notices issued by Registered Post were received back undelivered. Couplers worth Rs.1.34 lakhs were found to be defective during actual use and as a result of test of the stock in hand in May 1978. In addition, Rs. 0.08 lakh towards incidental charges also became recoverable from the firm.

The matter was referred (June 1978) to the Arbitrator, who gave (October 1979) his award, *ex-parte*, in favour of the Board. A petition filed (November 1979) by the Board in the Court for a decree in terms of the award was decreed (July 1981) in favour of the Board. Execution proceedings are yet (November 1981) to be initiated by the Board.

Failure to adopt adequate precautions before effecting large purchases of a new product led to the purchase of defective couplers worth Rs. 1.34 lakhs, Rs. 1.20 lakhs of which is also tied up in litigation.

It was also observed that the Chief Engineer was not empowered to authorise ninety per cent payment on the basis of proof of despatch, without prior inspection.

The matter was reported to Government in September 1980; Government accepted (December 1981) the facts.

MADRAS METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD

4.11. Purchase of stores

In March 1979, the Madras Metropolitan Water Supply and Sewerage Board placed orders on firm 'A' for supply of ferrules valued at Rs. 8.81 lakhs for regulating water supply to house service connections. Prices were to be firm during the period of supply within 3 years;

25 per cent to be supplied during every 9 months. In January 1980, (before which one fourth of the supplies should have been effected according to the terms of the order) the Board sought the firm's willingness for supplying an additional quantity of 11,000 numbers of ferrules required for replacement of defective service connections, at the original rates and terms and conditions of the supply order, but the firm demanded increased rate for both the supplies, on the plea, that cost of raw materials (non-ferrous metal) imported and channelised by the Minerals and Metals Trading Corporation had increased since January 1980. The Board agreed to the increased rate in April 1980. The supply in respect of the original order commenced in May 1980 and was completed in February 1981. The Board's action in agreeing to the increase in rates contrary to the provisions of the agreement regarding firm rates without provision for a price escalation clause, resulted in an extra payment of Rs. 2.98 lakhs on the first supply order.

The supplies are held in stock and have not been utilised (February 1981).

The matter was reported to Government in October 1981; Government accepted the facts (December 1981).

In another item of purchase made in January 1979, the Board placed orders on firm 'B' for 9,020 metres of 750 mm. C.I.L.A. class pipes valued at Rs. 60.85 lakhs on the basis of limited tender system. The supply was required to be completed within 2 months. Valid extensions of time for completing the supply were granted to the firm up to 31st August 1979. On account of the premature failure of the 750 mm. moulds, the firm requested (October 1979) for acceptance of the balance quantity of pipes with conventional sockets for lead jointing, which was agreed to by the Board in November 1979. Extension of time for the balance of supply was allowed up to 15th December 1979, which was also not kept up. The Board, while granting the final extension of time up to 15th May 1980, which was on account of the failure of the firm to complete the balance of supply, did not specifically stipulate that this extension was being granted without any extra financial commitment. The firm while supplying the balance quantity of 1,325.5 metres during this period invoked the price escalation clause and claimed an extra cost of Rs. 2.70 lakhs which was paid by the Board, resulting in an unauthorised aid.

The points mentioned above were reported to Government in October 1981; Government stated (December 1981) that in regard to the purchase of C.I. pipes an amount of Rs. 26,196 due to the contractor has been retained and the matter is under correspondence with the contractor.

4.12. Short collection of water charges

Under an Act passed in June 1978, Government constituted the Madras Metropolitan Water Supply and Sewerage Board (August 1978), for attending to the planned development and appropriate regulation of water supply and sewerage services in the Madras Metropolitan area. The Board adopted the rules and procedure of the Madras Corporation in regard to these functions, which had been taken over from them.

In November 1978, the Board noticed that the water supply meter fixed in the engine shed at the Basin Bridge Railway Yard of the Southern Railway had stopped functioning. Earlier, the meter reading had recorded a steep fall from August 1978 onwards, which the Board did not also investigate. Instead of adopting the consumption of the corresponding month of the previous year for billing, as provided in the Rules for such circumstances, the Board adopted only 'a three months average' since November 1978 without assigning any reasons therefor. The non-adoption of the correct provisions resulted in a loss of revenue of Rs. 4.68 lakhs from July 1978 to October 1980.

The points mentioned above were reported to Government in October 1981; their reply is awaited (March 1982).

CHAPTER V

STORES AND STOCK

5. Synopsis of stores and stock accounts

(i) A synopsis of the important stores and stock accounts for 1980-81 (other than those relating to Government commercial and quasi-commercial departments/undertaking, etc.) to the extent received is given below:—

A. WORKS DEPARTMENT

<i>Department and stores</i>	<i>Balance on 1st April 1980</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance on 31st March 1981</i>
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
1. GENERAL—				
Building materials ..	11.19	39.43	36.14	14.48
Metal	0.12	..	..	0.12(a)
Fuel	0.14	..	..	0.14(a)
Miscellaneous stores ..	18.11	..	..	18.11(b)
2. IRRIGATION—				
Building materials	28.91	65.37	53.67	40.61
Metal	79.27	4.75	7.91	76.11
Fuel	(-) 1.96	6.52	6.14	(-) 1.58(c)
Miscellaneous stores ..	1,06.81	8.39	21.85	93.35
3. HIGHWAYS AND RURAL WORKS—				
Miscellaneous stores ..	1,20.54	1,14.90	1,41.97	93.47

(a) Represents value of stagnant stock purchased prior to 1979 with no further receipts or issues.

(b) Represents value of gradual accumulation of stores without corresponding issues.

(c) Minus balance is mainly due to delay in receipt and adjustment of debits towards cost of fuel from Works, Housing and Miscellaneous Ministry during 1980-81.

<i>Department and stores</i>	<i>Balance on 1st April 1980</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance on 31st March 1981</i>
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
4. PARAMBIKULAM-ALIYAR PROJECT—				
Building materials .. .. .	.. .. .	17.18	16.55	0.63
Metal	(—)7.56	0.05	0.06	(—) 7.57(d)
Fuel	(—)0.25	0.97	0.78	(—) 0.06(d)
Miscellaneous stores	4.13	3.75	3.78	4.10
5. PERIYAR IMPROVEMENT SCHEME—				
Building materials	28.26	1,23.54	1,26.50	25.30
Metal	16.27	13.10	13.39	15.98
Fuel	0.13	1.60	1.38	0.35
Miscellaneous stores	11.65	5.10	5.75	11.00
6. GROUND WATER DIVISION—				
Building materials	0.01	..	..	0.01(e)
Miscellaneous stores	6.50	11.00	9.70	7.80
7. INDUSTRIES—				
Building materials	2.48	0.75	1.12	2.11
Metal	(—)0.99	10.87	11.73	(—) 1.85(f)
Miscellaneous stores	5.27	3.11	2.94	5.44

(ii) (a) Under the rules, divisions are required to conduct a special review of balances of stock and other suspense accounts every year early in March and forward to Audit by the end of May an annual certificate of balance. These certificates have not been received (November 1981) from 36 out of 153 divisions for 1980-81.

(d) Minus balance is mainly due to the difference between the actual cost and the market rate at which stores were issued.

(e) Represents outstandings since 1978 without any issue.

(f) Minus balance is mainly due to the difference between procurement rate and issue price of steel.

(b) The stock held at the close of 1980-81 in two divisions exceeded the sanctioned reserve limits as indicated below:—

<i>Name of division</i>	<i>Reserve limit</i>	<i>Value of closing stock</i>	<i>Excess</i>
(1)	(2)	(3)	(4)
	(in lakhs of rupees)		
1. Periyar Improvement Division VII, Madurai	5.00	16.88	11.88
2. Kelaverappalli Reservoir Project Division I, Hosur	11.00	13.93	2.93

(c) In two other divisions mentioned below, the value of closing stock was heavy, but the reserve stock limit has not been fixed and sanctioned by Government so far (December 1981).

<i>Name of Division</i>	<i>Closing balance of stock as on 31st March 1981</i>	
	<i>Category of stock</i>	<i>Amount</i>
(1)	(2)	(3)
	(in lakhs of rupees)	
1. Stores and Purchase Division, Madras	Iron and steel	6.01
	Miscellaneous spares	42.84
2. Transport and Machinery Division, Pudukkottai	Iron and steel	1.43
	Miscellaneous spares	23.09

PUBLIC WORKS DEPARTMENT

(iii) *Purchase of stores.*—Mention was made in paragraph 5 (iii) of the Report of the Comptroller and Auditor General of India for the year 1979-80 on the accounts of the Government of Tamil Nadu regarding the purchase of pumpsets by the Executive Engineer, Buildings Division II, Madras.

The following irregularities were noticed during audit conducted in August-September 1980 of that Division.

(a) Purchases totalling Rs. 18.6 lakhs representing (60 per cent of the annual requirement of Rs. 31 lakhs) were made during January 1980 to March 1980, with a view to avoiding lapse of grant, which was against the codal provisions.

(b) In November 1979, chairs costing Rs. 2.92 lakhs, required for the auditorium attached to the Madras Veterinary College, were purchased on the basis of limited tenders and also advance payment, not covered by rules, totalling 75 per cent, was made in January 1980. The supplies received were defective; Rs. 0.90 lakh were spent towards rectifying the defects, which is to be recovered from the supplier.

(c) Six items of purchases made on the basis of quotations, resulted in an extra expenditure of Rs. 3.59 lakhs to Government as indicated below:—

<i>Serial number and particulars of purchase</i>	<i>Month</i>	<i>Market price</i>	<i>Purchase price paid by the department</i>	<i>Extra paid over market rate</i>	<i>Percentage of extra paid to market price</i>
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
1. Electrical materials	..	0.24	0.91	0.67	279
2. Drama stage seating materials and fire fighting equipment	February— March 1980	0.17	0.48	0.31	182
3. Sanitary ware and stoneware pipes	January to to March 1980	1.39	2.27	0.88	63
4. Iron bars ..	..	1.63	2.87	1.24	76
5. RCC Hume pipes	January to March 1980	0.21	0.59	0.38	181
6. Paints ..	September 1979 to March 1980	0.26	0.37	0.11	42
Total		3.90	7.49	3.59	92

Despite the magnitude of the purchases, open tenders were not called for as required under the codal provisions in these cases; even the limited tenders obtained were restricted only to selected dealers ranging from two to four. No offers were sought even from the manufacturers or the Government owned organisations, such as, Tamil Nadu Ceramics Limited, Tamil Nadu Public Works Engineering Corporation, Electrical Engineer, Public Works Department, etc., for securing maximum price advantage to Government. These lapses led to an avoidable extra expenditure of Rs. 3.59 lakhs.

The matter was reported to Government in September 1981; their reply is awaited (March 1982).

B. CIVIL DEPARTMENTS

<i>Department and stores</i>	<i>Balance on 1st April 1980</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance on 31st March 1981</i>
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
8. REVENUE—				
Madras Taluk Treasury and other depots—				
Stamps	77,64.49	1,06,90.92	69,84.70	1,14,70.71
9. AGRICULTURE—				
<i>(a) Agriculture—</i>				
Seeds and plants	2,83.26	10,43.83	9,96.25	3,30.84
Manures	9.43	33.72	35.12	8.03
Chemicals	1,88.10	4,78.49	4,95.87	1,70.72
Cattle feed	0.81	3.31	3.42	0.70
Miscellaneous	1,08.55	95.07	1,01.22	1,02.40
<i>(b) Animal Husbandry—</i>				
Cattle feed	6.52	90.66	87.75	9.43
Other consumable stores	2,48.85	1,42.45	1,04.53	2,86.77
10. HEALTH AND FAMILY WELFARE—				
<i>Medical Education—</i>				
Medicines, drugs and dressings	2,15.04	6,64.26	6,60.97	2,18.33
Miscellaneous stores (diet and non-diet articles and X-ray stores)	1,63.90	2,81.31	2,69.47	1,75.74

<i>Department and stores</i>	<i>Balance on 1st April 1980</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance on 31st March 1981</i>
(1)	(2)	(3)	(4)	(5)
<i>Medical Services and Family Welfare—</i>				
<i>Employees' State Insurance Dispensaries—</i>				
Medicines, drugs and dressings	1,30.47(g)	3,81.61	3,90.43	1,21.65
Miscellaneous stores (diet and non-diet articles and X-ray stores)	5.34(h)	19.75	20.17	4.92
<i>Other Medical Institutions—</i>				
Medicines	2,53.19	6,00.32	5,71.74	2,81.77
Diet	4.73	1,66.31	1,65.72	5.32
Non-diet	8.41	14.69	15.02	8.08
X-ray	6.50	23.63	22.57	7.56
11. HOME—				
<i>Police—</i>				
Clothing and equipment	74.86	1,50.92	1,19.36	1,06.42
Arms and ammunitions ..	1,18.35	7.00	14.24	1,11.11
Miscellaneous	2,07.29	1,37.26	1,03.18	2,41.37
12. PUBLIC (INFORMATION AND PUBLIC RELATIONS)—				
<i>Tamil Nadu Films Division (Production Wing)—</i>				
Raw materials	2.65	10.46	11.10	2.01
13. SOCIAL WELFARE—				
<i>Approved schools and Vigilance Service (i)—</i>				
Ration articles	1.08	29.99	29.52	1.55
Clothing and bedding ..	0.94	3.60	3.68	0.86
Medicines	0.42	0.55	0.70	0.27

(g) Differs from the closing balance shown in the Report for the year 1979—80 due to adoption of correct figures by the department after re-check.

(h) Differs from the closing balance shown in the Report for the year 1979—80 due to rectification of errors by the department.

(i) Formerly known as 'Correctional Administration'.

<i>Department and stores</i>	<i>Balance on 1st April 1980</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance on 31st March 1981</i>
(1)	(2)	(3)	(4)	(5)
<i>Manufactory—</i>		(in lakhs of rupees)		
Raw materials	2.06	3.62	4.13	1.55
Manufactured articles	1.24	4.42	4.19	1.47
14. TRANSPORT—				
<i>(a) Government Press—</i>				
Paper	24.59	2,36.71	2,29.07	32.23
Binding materials and consumable stores	20.12	30.70	32.16	18.66
<i>(b) Stationery Office—</i>				
Stationery stores, etc. ..	1,41.24	2,99.51	3,48.49	92.26
15. INDUSTRIES—				
(j)				
Raw materials	13.74	9.88	11.14	12.48
Consumable stores ..	3.43	1.99	1.88	3.54

(iv) The annual stores accounts for 1980-81 have not been received (November 1981) from the following departments:—

(1) Health and Family Welfare—

(a) Public Health and Preventive Medicines.

(b) Primary Health Centres.

(c) Indian Medicine.

(2) Forests and Fisheries (Forests).

(3) Revenue [Madras Stamp Office (stamps) and Madras Taluk Treasury and other depots (opium)].

(4) Public (Information and Public Relations)—Secretariat.

(j) Stores accounts received for the first time in audit.

(5) Home—

Jails.

The stores accounts of the Director of Indian Medicine have not yet been received (November 1981) for 1978-79 and 1979-80 also. There was a delay of over eleven months in the receipt of stores accounts for 1979-80 of Agriculture Department (Animal Husbandry).

AGRICULTURE DEPARTMENT*(v) Loss in procurement and supply of MCU 5 cotton seeds.—*

The Assistant Director of Agriculture (Cotton Development), Tiruppur procured (February - March 1978) 1,117 tonnes of MCU 5 cotton seeds (cost : Rs. 27.62 lakhs) and supplied to various agricultural depots in the State for sale at subsidised rate (Rs. 2.72 per kg.) to ryots during the sowing season (July to September) of 1978-79. In October 1978, the Director of Agriculture ordered (October 1978) that the stocks remaining unsold in various depots, due to poor off-take, be transported to Tiruppur and stored efficiently, after proper fumigation, for sale during the next season (1979-80). Accordingly, 451 tonnes of seeds were got back to Tiruppur during February to August 1979. Of these, 421 tonnes which required processing, were processed (cost : Rs. 0.65 lakh) and 403 tonnes of processed seeds obtained (process loss : 18 tonnes ; value : Rs. 0.53 lakh) in the period June to August 1979.

In March 1979, the Assistant Director of Agriculture (Cotton Development), Tiruppur procured 126 tonnes of fresh seeds (cost : Rs. 3.43 lakhs) and distributed (June—November 1979) to depots the entire quantity of fresh seeds and 206 tonnes of processed seeds for sale during sowing season in 1979-80. The left over stock of 197 tonnes of processed seeds (cost : Rs. 6.43 lakhs) which were reported (April 1980) to have lost their viability were disposed of (January 1981) as cattle feed for Rs. 3.44 lakhs, resulting in a loss of Rs. 2.99 lakhs. In this connection, the following points were noticed :—

(a) The procurement of 1,117 tonnes of seeds for sale during 1978-79 season was very much on the high side, as compared to 670.1 and 748.1 tonnes of seeds sold to ryots during 1976-77 and 1977-78 seasons. Of the 1,117 tonnes, the quantity sold to ryots during 1979-80 season was only 523.3 tonnes with the result that a huge quantity of seeds remained unsold and ultimately 197 tonnes of seeds lost their potency, causing a loss of Rs. 2.99 lakhs.

(b) In three of the agricultural divisions, viz., Coimbatore, Pollachi and Erode, quantities returned unsold were as high as 75 per cent of the receipts. According to the reports received from these divisions, the percentage of germination of seeds in several depots was found to be below the minimum requirement of 65 and ranged from 20 to 57. In Pongalur depot of Pollachi division, the entire quantity of 36 tonnes received for sale was reported (August 1978) to have been affected by weevil, even at the time of receipt (July 1978). The Deputy Director of Agriculture, Coimbatore also commented (August 1978) that huge quantities of seeds in excess of the requirements for the particular season had been stocked in the depots and that the seeds had also been affected by weevil.

Government stated (November 1981) that in view of the past experience, the department had taken a decision to reduce the norms for the departmental seed distribution and that the procurement had been restricted to the minimum to avoid much unsold stock at a later date.

(vi) *Excess procurement of chemical for preparation of micronutrient mixtures.*-Micronutrient mixtures are prepared by unit of the Agricultural Experiment Institute, Kudumiamalai (Pudukottai district) by compounding, in suitable proportions, certain chemicals of which sodium molybdate is one. The quantity of micronutrient mixture required for distribution to ryots during 1979-80 was assessed by the Director of Agriculture (January 1979) as 1,300 tonnes. The quantity of sodium molybdate required to prepare that quantity of mixture, as per the approved composition, was about 2.8 tonnes. The department invited (January 1979) tenders for supply of 2.5 tonnes of this chemical during 1979-80. Though the stock on hand was 4.45 tonnes at the end of April 1979, the department accepted (July 1979) the offer of firm "A" with a vague condition that supply order would be placed after the stocks on hand got exhausted. The condition was, however, not incorporated in the agreement for supply. The firm "A" demanded (December 1979) through legal notice, the fulfilment of the contract and the department purchased (February 1980) 50 per cent (1.25 tonnes—cost : Rs. 2.36 lakhs) of the contracted quantity. As against the assessed requirement of micronutrient mixture of 1,300 tonnes during 1979-80 and 663 tonnes during 1980-81, only 106 and 46 tonnes respectively were prepared and the total quantity of 'sodium molybdate' consumed in the prepa-

ration of the mixture and issued as direct manure during those years was 1.55 tonnes, leaving an unutilised stock of 4.15 tonnes as on 31st March 1981. Of this, the quantity remaining unutilised as on 31st December 1981 was 3.58 tonnes (cost : Rs. 5.06 lakhs). Finalisation of contract for purchase of sodium molybdate when there was sufficient stock on hand was unnecessary and led to overstocking of the chemical.

The matter was reported to Government in November 1981; Government replied (February 1982) that as the 'molybdenum content' of the chemical was not reduced on storage and as the price of the chemical had been escalating rapidly in the market, there had been no monetary loss to Government in having purchased excess quantity of sodium molybdate in February 1980.

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 1980-81, Rs. 3,51.05 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> (2)	<i>Grants to other institutions</i> (3)
	(in crores of rupees)	
Agriculture, Fisheries and Animal Husbandry ..	5.64	7.46
Co-operation .. .. .	..	6.05
Education	93.01	64.83
Health and Family Welfare	4.92	0.43
Housing and Urban Development	7.24	0.77
Industries	0.18	6.04
Medical .. .. .	..	0.66
Public Works	1,13.50	..
Rural Development and Local Administration ..	39.97	0.06
Others	0.04	0.25
Total ..	2,64.50	86.55

Some of the important irregularities in utilisation of grants noticed by the Examiner of Local Fund Accounts for the year 1979—80 are given below: —

<i>Nature of irregularities</i>	<i>Number of cases</i>	<i>Amount</i>
(1)	(2)	(3) (in lakhs of rupees)
(i) Inadmissible grants	276	22.38
(ii) Grants unutilised	190	91.86
(iii) Grants overdrawn	325	1,90.45
(iv) Amounts held under observation for want of details of expenditure and non-production of records	119	34.51

Out of Rs. 5,69.33 lakhs ordered (to end of March 1981) for summary recovery by the Examiner of Local Fund Accounts in respect of irregularities noticed by him for the period up to 1976—77 in the audit of accounts of municipal councils, town panchayats and panchayat union councils, Rs. 5,17.00 lakhs were recovered or settled, leaving a balance of Rs. 52.33 lakhs outstanding as on 31st March 1981.

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 1981, 989 certificates for Rs. 24,63.41 lakhs were awaited for grants paid up to 30th September 1979. Department-wise and year-wise details of certificates outstanding on 30th September 1981 are given in Appendix XXV.

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 of 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 1981) to determine the applicability of Section 14.

Year	<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)
1971—72	368*	1
1972—73	382*	1
1973—74	391*	2
1974—75	394*	2
1975—76	436**	2
1976—77	486**	12
1977—78	516**	12
1978—79	524**	62
1979—80	303	109

Non-receipt of annual accounts was reported to Government in the concerned departments (September 1981).

* Includes municipalities and corporations which were not taken into account in earlier Audit Reports.

** Differs from the figure shown in the Audit Report for 1979-80 due to belated receipt of details from the departments and inclusion of municipalities and Corporations.

Important points noticed during audit under Section 14 are given in the succeeding paragraphs.

RURAL DEVELOPMENT AND LOCAL ADMINISTRATION DEPARTMENT

6.5. 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 128 panchayat unions conducted during 1980-81 covered the accounts of the following years :—

<i>Year of account</i>	<i>Number of panchayat unions audited</i>
(1)	(2)
1974—75	4
1975—76	18
1976—77	106
1977—78	112
1978—79	115
1979—80	31

In the following Reports of the Comptroller and Auditor General of India (Civil), non-realisation of revenue, delay in completion of village works, non-commissioning of over-head tanks, non-occupation of quarters and agricultural implements lying idle were commented upon:—

<i>Year of Report</i>	<i>Paragraph number</i>
(1)	(2)
1974—75	52
1975—76	57
1976—77	6.2.2
1977—78	6.3.2
1978—79	6.5
1979—80	6.5

Most of the deficiencies commented upon are still persisting, as was seen during the test check of 128 panchayat unions during 1980-81.

A. REVENUE

Quarry receipts not realised from the Revenue Department.—The Tamil Nadu Minor Mineral Concession Rules, 1959 as amended in 1963, provides for credit being afforded to panchayat union funds, of proceeds from issue of permits and by sale of lease rights for quarrying of ordinary sand, ordinary clay, building stones and gravel from Government lands. The leasing is done by the Revenue Department and proceeds credited to panchayat unions. It was seen in audit (July 1980 to March 1981) that lease amounts totalling Rs. 2.71 lakhs relating to Fasli years 1379 to 1389 (July 1969 to June 1980) collected by the Revenue Department in respect of quarries lying within the jurisdiction of five panchayat unions were not credited (August 1981) to the panchayat union funds.

Twelve panchayat unions did not maintain the prescribed register to watch the realisation of quarry receipts.

B. MISCELLANEOUS

(i) *Idle equipment and machinery.*—In 14 panchayat unions, agricultural implements and plant protection equipments such as tractor, trailer, power drill, sprayer, thrasher purchased at a total cost of Rs. 2.86 lakhs were lying idle due to repairs/lack of demand, for periods ranging from five to fifteen years (between 1965-66 and 1975-76)—in 5 panchayat unions from the date of purchase (cost : Rs. 0.67 lakh), in 1 after 1 year (cost: Rs. 0.17 lakh), in 2 after 2 years (cost: Rs. 0.35 lakh), in 2 others after 3 years (cost: Rs. 0.26 lakh) and in the remaining 4 after 4 years (cost: Rs. 1.41 lakhs). Reports regarding the action taken for carrying out repairs/disposal of the surplus items are awaited (August 1981).

(ii) *Expenditure on staff.*—(a) In six panchayat unions, there were delays ranging from 13 to 61 months in carrying out repairs to the tractors and trailers which were out of service. However, the drivers and cleaners of those tractors and trailers were continued to be employed. The expenditure on the pay and allowances of those staff during the period between June 1975 and February 1981, when the vehicles were under repairs, amounted to Rs. 1.20 lakhs.

(b) The carpentry unit at Tiruvelangadu and the fruit preservation unit at Varichettipalayam under the Panchayat Unions, Thiruvelangadu and Uppiliapuram were closed in October 1976 and October 1978 respectively ; but the carpentry instructor and the fruit preservation instructor were continued in service involving expenditure of Rs. 0.44 lakh on their pay and allowances from October 1976/October 1978 to January 1981/February 1981 (months of test audit of the accounts of the unions).

(iii) *Village Industries*

Outstanding recoveries in respect of credit sales.— In twenty five panchayat unions, a total sum of Rs. 11.98 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 to sixteen years. Of these, in eight panchayat unions, the amount pending recovery was more than Rs. 50,000 each. Detailed break-up of the dues from Government departments and private parties is awaited from the department (August 1981).

(iv) *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 on pre-payment of cost only. In 21 panchayat unions, cement was issued to contractors on credit basis during 1974-75 to 1980-81 and an amount of Rs. 2.89 lakhs was still pending recovery (August 1981) from them.

(v) *Shortages in stores and stock.*—Shortages valued at Rs. 1.22 lakhs were noticed in 28 panchayat unions during physical verification of stores and stock conducted in the years 1971-72 to 1980-81. Details of regularisation of the shortages by recovery or otherwise are awaited (August 1981).

The points mentioned above were reported to Government in September 1981 ; their reply is awaited (May 1982).

SECTION II

6.6. 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.

FORESTS AND FISHERIES DEPARTMENT

6.7. Fish Farmers' Development Agencies

6.7.1. *Introductory.*—The Government of India approved (1973-74) a scheme for the setting up of Fish Farmers' Development Agencies in the country, with the object of popularising improved techniques of fish culture in selected areas so as to step up progressively inland fish production and augment fish supplies to the public. The scheme was to be implemented by the State Government as a Central sector scheme with full assistance from the Government of India up to 1978-79 and at fifty per cent of expenditure from 1979-80. Under the scheme, the Government of Tamil Nadu established one Agency in Thanjavur district from 1976-77, three—one each in Dharmapuri, Madurai and Tiruchirappalli districts from 1978-79 and three more—one each in South Arcot, Chengalpattu and Tirunelveli districts from 1980-81. Besides serving as nucleus for co-ordinating the activities connected with fish production, the Agencies are to progressively reclaim and bring fallow and cultivable fishery resources under optimum fish production.

6.7.2. *Organisation.*—The Agencies are registered under the Societies Registration Act, 1860. Each Agency has a Managing Committee with the District Collector as Chairman and an Executive wing headed by the Chief Executive Officer of the rank of Assistant Director of Fisheries. The area of operation of the Agency is the Revenue district.

6.7.3. *Outlay*.—Expenditure of Rs. 48.40 lakhs was incurred on grant of subsidy and loans under the scheme during the years from 1976-77 to 1980-81.

6.7.4. A test check (August—September 1981) of the records relating to the implementation of the scheme in the four Agencies in Thanjavur, Madurai, Tiruchirappalli and Dharmapuri disclosed the following points:—

6.7.5 *Low density of stocking of fingerlings and shortfall in production of fish*.—According to the norms prescribed under the scheme, 5,000 fingerlings were to be stocked in one hectare of water area so that the optimum production of fish at 1,500 kilograms per hectare, could be achieved. The fingerlings required for this purpose were to be produced by the Agencies in composite fish seed farms of 8 hectares each to be provided to them by the State Government. But due to non-availability of adequate fish seed farms with the State Fisheries Department, no composite fish seed farms were provided to Madurai and Tiruchirappalli Agencies and farms of 0.27 hectare and 0.20 hectare only were provided to Thanjavur and Dharmapuri Agencies. The Agencies did not also procure sufficient quantity of fingerlings from outside. Consequently the distribution of fingerlings to farmers by the Agencies was inadequate, resulting in shortfall ranging from 15 to 88 per cent in stocking of fingerlings in the four Agencies test checked, as shown below:—

<i>Agency</i>	<i>Period</i>	<i>Shortfall (per cent)</i>
(1)	(2)	(3)
Thanjavur	1976—77 to 1980—81	19 to 44
Madurai	1978—79 to 1980—81	15 to 49
Tiruchirappalli	1979—80 to 1980—81	42 to 82
Dharmapuri	1978—79 to 1980—81	83 to 88

The targeted and actual production of fish in each agency is given year-wise in Appendix XXVI. In none of the Agencies, the targeted production of 1,500 kilograms per hectare was achieved. While there had been improvement from 1976-77 (Shortfall—99 per cent) to

1980-81 (shortfall—54 per cent) in Thanjavur Agency, the shortfall continued to be heavy, ranging from 60 to 96 per cent, in the other three Agencies test checked.

The shortfall in production was attributed (August 1981) by the Agencies to

- (i) non-availability of fish farms (Madurai and Tiruchirappalli) or adequate area of fish farms (Thanjavur and Dharmapuri);
- (ii) seasonal water availability and drought conditions resulting in shortened culture period (Madurai and Dharmapuri); and
- (iii) delay in reclamation of tanks and less application of fertilisers (Thanjavur) due reportedly to local objection.

Government stated (December 1981) that the Chief Executive Officers of the Agencies had been instructed to follow the prescribed rate of stocking and achieve the target of production.

6.7.6. *Recovered amounts not remitted to Government.*— Under the scheme, the input loans given by Government were to be recovered by the Agencies from the beneficiaries and repaid to Government. Out of Rs. 1.90 lakhs recovered from the beneficiaries to end of March 1981, the Agencies had remitted to Government Rs. 0.88 lakh only; the balance of Rs. 1.02 lakhs still remained (August 1981) to be remitted to Government.

6.7.7. *Summing up*

(i) As against the requirement of 5,000 fingerlings per hectare, stocking in tanks under all the four Agencies during 1976—81 was considerably less (shortfall ranging from 15 to 88 per cent).

(ii) An expenditure of Rs. 42 lakhs had been incurred on the scheme during the years 1976—81 by way of grants and loans to the four Agencies test checked. However, the targeted fish production of 1,500 kilograms per hectare had not been achieved in any of these Agencies during the above period, shortfall ranging from 48 to 99 per cent.

AGRICULTURE DEPARTMENT

6.8. Grants and loans sanctioned/regulated by the Director of Agro-Engineering Services

6.8.1. *Setting up of Co-operative Agro-Service Centres.*—Under the scheme for establishment of service centres for tractors and other agricultural machinery and for providing custom service in agricultural machinery sponsored by the National Co-operative Development Corporation (NCDC), twelve district co-operative agro-service centres (societies) were set up in twelve districts (one in each district) in the State during 1971—72. The main objectives of the scheme were:—

(i) to provide on hire, tractor and other agricultural machinery to agriculturists;

(ii) to establish workshops for undertaking servicing/repairs of tractors and other agricultural machinery;

(iii) to distribute spare parts of tractors and other agricultural machinery to agriculturists;

(iv) to run fuel station/gasolene pump for distribution of diesel oil and other lubricants; and

(v) to provide employment opportunities to engineers and other personnel trained by Industrial Training Institutes.

6.8.2. Under the scheme, Rs. 34.68 lakhs were sanctioned (1972—76) by Government for disbursement to the societies through the Tamil Nadu Agro-Engineering and Service Co-operative Federation Limited (ENCOFED) at the rate of Rs. 2.89 lakhs for each society (Rs. 2.14 lakhs as loan and Rs. 0.75 lakh as subsidy). Out of the above amount, Rs. 33.13 lakhs were disbursed to the societies during 1972—81 (up to August 1981) towards,

(i) share capital assistance for purchase of tractors and other agricultural machinery (Rs. 16.93 lakhs);

(ii) loan (Rs. 4.80 lakhs) and subsidy (Rs. 2.40 lakhs) for construction of workshops and sheds for tractors;

(iii) managerial subsidy (Rs. 3.50 lakhs) and tractor operator subsidy (Rs. 1.90 lakhs); and

(iv) loan for margin money for securing bank accommodation (Rs. 3.60 lakhs).

6.8.3. The time limit for utilisation of the assistance which was initially fixed by the NCDC as one year from the date of sanction (April 1972 to March 1976) was subsequently extended up to 30th June 1979 on account of delay in establishment of the centres. Out of Rs. 33.13 lakhs released to the societies, Rs. 0.30 lakh (managerial subsidy : Rs. 0.10 lakh and tractor operator subsidy : Rs. 0.20 lakh) were refunded by three societies as unutilised. Of the balance of Rs. 32.83 lakhs, utilisation certificates had been received and verified by the Agro-Engineering Services Department (August 1981) in respect of seven societies for amounts aggregating Rs. 15.14 lakhs. During verification, the department noticed that the loan of Rs. 0.30 lakh given towards margin money for securing bank accommodation had been diverted by one society for construction of workshop building, though the prescribed assistance (Rs. 0.45 lakh) for the latter purpose had been given and utilised. Utilisation certificates were still due (August 1981) from the societies for Rs. 17.69 lakhs made up of share capital assistance for purchase of machinery and tractors (Rs. 9.84 lakhs—ten societies), loan (Rs. 2.45 lakhs) and subsidy (Rs. 1.23 lakhs) for construction of workshop and shed for tractor and other agricultural machinery (seven societies), loan for margin money for securing bank accommodation (Rs. 1.50 lakhs—five societies) and managerial subsidy for staff and subsidy for tractor operators (Rs. 2.67 lakhs—eight societies).

6.8.4. Besides, Rs. 0.30 lakh refunded by three societies as unutilised, Rs. 1.55 lakhs paid (1972—76) but not released to the societies, had been retained by ENCOFED without being refunded to Government (August 1981).

6.8.5. A test check of the records relating to utilisation (June 1981) of the assistance in eleven out of twelve societies revealed the following:—

(i) Construction of workshops and sheds for tractors and purchase of tractors and machinery had not been completed by some of the societies as indicated below :—

<i>Serial number and name of society</i>	<i>Nature of assistance</i>	<i>Purpose for which given</i>	<i>Amount</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)	(5)
			(in lakhs of rupees)	
1. North Arcot District Co-operative Agro-Service Society	Loan and subsidy	Construction of workshop and shed	Loan : 0.40 Subsidy : 0.20	Amount was paid in 1974. Land required for construction of workshop and tractor shed remained to be acquired (June 1981). Consequently, workshop machinery purchased for Rs.1.00 lakh with share capital assistance prior to March 1980 had not been installed and put to use (June 1981).
2. Chengalpattu District Co-operative Agro-Service Society	Loan and subsidy	Construction of workshop and shed	Loan : 0.40 Subsidy : 0.20	Amount was paid in March 1974/ April 1975. Lands were acquired but construction of the building was yet to be taken up (June 1981).
3. Ramanathapuram District Co-operative Agro-Service Society	Share capital loan	Purchase of tractors	0.44	Amount was paid in December 1974. Tractors had not been purchased due reportedly (June 1981) to paucity of funds. But no bank loans had been obtained even though margin money assistance (Rs. 30,000) had been paid to the society.

<i>Serial number and name of society</i>	<i>Nature of assistance</i>	<i>Purpose for which given</i>	<i>Amount</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
4. Salem District Co-operative Agro-Service Society	Share capital loan	Purchase of machinery, equipment and tools	1.00	Paid in two instalments of Rs. 0.50 lakh each in February 1974 and June 1975. Out of Rs. 1.00 lakh, machinery worth Rs. 0.70 lakh only had been purchased and supply of a lathe (cost: Rs. 0.40 lakh) was awaited (June 1981).
5. Coimbatore District Co-operative Agro-Service Society	Share capital loan	Purchase of machinery, equipment and tools	1.00	Paid in two instalments of Rs. 0.50 lakh each in March 1974 and March 1976; Rs. 0.41 lakh had not yet been utilised on purchase of machinery (August 1981). Machinery worth Rs. 0.47 lakh purchased had not been installed for want of power connection (June 1981).

(ii) Spare parts for tractors and other agricultural machinery had not been stocked by six societies, as required under the scheme.

(iii) According to the scheme, each centre was to maintain 10 tractors. However, out of 11 centres, one centre did not provide any tractor *vide* remarks against serial number 3 of the table under subpara (i) above, two centres had provided three tractors each and the remaining eight centres, two tractors each.

(iv) Fuel stations for distribution of diesel oil to agriculturists had not been installed by eleven societies.

(v) Against the number 13/14 technically trained personnel to be employed in each service centre (covering also custom service) as per the scheme, after taking into account the reduced number of 2/3 tractors actually provided, the number of persons employed ranged between one and nine in nine centres.

6.8.6. Position in respect of working of these societies, repayment of loans and retirement of share capital was as follows:—

(i) The working results of 10 (four for the year 1978—79, five for 1979—80 and one for 1980—81) out of 12 societies made available to Audit revealed that eight societies in which an investment of Rs. 11.17 lakhs had been made as share capital by Government, had sustained losses aggregating Rs. 14.37 lakhs between 1972—73 and 1979—80, while a sum of Rs. 0.41 lakh only was received from five societies as dividend for certain years (between 1972—73 and 1978—79) in which the societies earned profit. Reasons for the huge loss were not furnished (August 1981) by the department, but the Deputy Registrars of Co-operative Societies attributed (July and August 1981) the losses in three societies to inadequate business, heavy establishment and contingent charges, non-realisation of sundry debtors and stock deficits.

(ii) The loans were repayable in 15 annual instalments with interest at $8\frac{1}{2}/11\frac{1}{2}$ per cent and penal interest at $10/13\frac{1}{2}$ per cent was to be levied on over-due instalments of principal and interest. Loan instalments amounting to Rs. 1.62 lakhs and interest of Rs. 1.80 lakhs were due from seven out of ten societies from which information had been received (August 1981). The societies which defaulted in payment of loan instalments and interest were working at loss and they were reportedly to be not financially sound.

(iii) The retirement of Government share capital was to commence 5 years after the date of drawal and had to be made over a period of 11 years in equal annual instalments. Out of Rs. 2.73 lakhs of share

capital, which had become due for retirement by 9 societies at the close of March 1981 (details not received from 3 societies), Rs. 0.33 lakh only had been retired, leaving a balance of Rs. 2.40 lakhs as indicated below:—

<i>Year in which the amounts fell due for retirement</i>	<i>Number of societies from whom due</i>	<i>Amount pending retirement</i>
		(in lakhs of rupees)
1977—78	3	0.14
1978—79	8	0.36
1979—80	8	0.84
1980—81	9	1.06
	Total ..	2.40

Government generally accepted (November 1981) the facts mentioned above.

FOOD AND CO-OPERATION DEPARTMENT

6.9. Grants and loans sanctioned/regulated by the Registrar of Co-operative Societies

Formation of a Regional Distribution Centre, Coimbatore.—

In April 1977, Government sanctioned a financial assistance of Rs. 22.32 lakhs (loan : Rs. 16.75 lakhs; subsidy : Rs. 5.57 lakhs) to the Coimbatore District Central Co-operative Supply and Marketing Society Limited, under a Centrally sponsored scheme, for the formation of a Regional Distribution Centre at Coimbatore, with the object of centralised purchase and distribution of consumer goods to the consumer co-operatives in Coimbatore and the Nilgiris districts. The assistance was to be utilised on the items listed below:—

<i>Particulars</i>	<i>Loan</i>	<i>Subsidy</i>	<i>Total</i>
(1)	(2)	(3)	(4)
	(in lakhs of rupees)		
Construction of godowns ..	3.00	1.00	4.00
Furniture and equipment ..	9.45	3.15	12.60
Transport vehicles	4.30	1.42	5.72
Total ..	16.75	5.57	22.32

According to the terms and conditions governing the assistance, funds sanctioned under the programme were to be utilised only for the purposes for which they were sanctioned and any portion remaining unutilised at the end of the financial year in which they were disbursed was to be refunded to the Government of India.

The entire amount of loan and subsidy was disbursed to the Society in July 1977. The Society utilised during 1978—79 a sum of Rs. 13.71 lakhs on the approved objects, leaving an unspent balance of Rs. 8.61 lakhs (loan : Rs. 6.46 lakhs; subsidy : Rs. 2.15 lakhs). This unutilised balance has not been refunded to the Government of India so far (April 1981). A proposal for diverting Rs. 3.85 lakhs for construction of administrative block was forwarded to the Government of India by the State Government in March 1981; orders of the Government of India are awaited (April 1981). According to the Registrar of Co-operative Societies, the balance of Rs. 4.76 lakhs is proposed to be utilised for construction of residential quarters for the staff of the Regional Distribution Centre; however, proposals in this regard are yet to be sent to the Government of India (April 1981).

The matter was reported to Government in June 1981; their reply is awaited (March 1982).

REVENUE DEPARTMENT

6.10. Loans for construction of houses for Burma repatriates

In March 1968, Government approved a proposal for the grant of a loan of Rs. 14.35 lakhs to a co-operative house construction society formed by 312 Burma repatriates in February 1968. Out of the loan of Rs. 5.40 lakhs released (1968) by Government, the society acquired (1968) 24.57 acres of land at a cost of Rs. 4.89 lakhs in Palavakkam village of Saidapet taluk (Chengalpattu district) and incurred an expenditure of Rs. 0.51 lakh on its development.

Owing to unsatisfactory working of the society, the Committee, managing it, was dissolved in September 1970, by the Registrar (Housing), who appointed the Special Deputy Collector (Burma Repatriates), Saidapet as Special Officer of the society for one year from the 26th September 1970. The Special Officer found (February 1971)

that, out of 312 members, only 83 were eligible for housing loans (others had already taken housing loans in other places or were members of the same family or did not turn up) and took up, initially, construction of 60 houses, for which a loan of Rs. 2.38 lakhs was drawn during October 1971 to December 1972. The houses were completed in 1974; however, water supply (cost : Rs. 0.04 lakh) was provided to the colony only in January 1979 at Government cost. Fifty six houses were handed over (1975) to the members, 3 of whom did not execute (July 1981) necessary hire purchase agreements. During his inspection (November 1980), the Director of Rehabilitation noticed that only 3 houses were under occupation by the members, 18 had been sub-let to non-repatriates and the remaining 39 were desolate and unfit for occupation.

Out of 24.57 acres of land acquired and developed by the society, only 8.56 acres (value : Rs. 1.88 lakhs) were utilised for construction.

According to the conditions governing the grant of the loan, the society is to repay the loan to Government in 17 annual instalments with simple interest at $5\frac{3}{4}$ per cent per annum, after an initial moratorium period of 3 years, during which simple interest only is payable. Out of the total loan of Rs. 7.72 lakhs paid (1968—1972) to the society, Rs. 2.27 lakhs had fallen due for repayment, besides interest of Rs. 3.05 lakhs to the end of March 1981; the society had, however, paid to Government Rs. 792 only, though Rs. 0.12 lakh had been collected by the society from its members during 1977—1980. The Special Deputy Collector (Rehabilitation), Saidapet informed (December 1980) audit that as the post of Special Officer for the society was not continued beyond the 25th September 1971, demands were not raised and collected by the society promptly. The Director of Rehabilitation recommended (March 1975) to Government, the continuance of the post of Special Officer. In September 1976, he sent an alternate proposal to transfer the control of the society to the Co-operation Department for its proper functioning.

Government accepted (November 1981) the facts and stated that **the proposals of the Director of Rehabilitation were under consideration.**

CHAPTER VII

COMMERCIAL ACTIVITIES

7.1. There were seven departmentally managed commercial and *quasi* Commercial Undertakings in the State on 31st March 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 1980—81. In addition, three undertakings who 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 seven undertakings (whose *pro forma* accounts have been certified since last Audit Report) based on the latest available *pro forma* accounts is given in Appendix XXVII.

7.2. Details of undertakings whose *pro forma* accounts are in arrears (September 1981) are given in Appendix XXVIII.

The delay in finalising the accounts was brought to the notice of the departments periodically. The matter was reported to Government in October 1981 and their reply is awaited (March 1982).

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

8.1. Outstanding audit observations

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

The following table shows the number of audit observations issued up to the end of March 1981 and outstanding at the end of September 1981 as compared with the corresponding position indicated in two preceding reports.

	<i>As at the end of September 1979</i>	<i>As at the end of September 1980</i>	<i>As at the end of September 1981</i>
(1)	(2)	(3)	(4)
Number of observations ..	71,486	78,269	84,448
Amount involved (in crores of rupees)	90.62	1,72.78	2,11.65

The increase at the end of September 1981 compared to the previous year's balance is mainly due to more amounts held under observation in respect of Public Works, Health and Family Welfare, Transport and Home Departments.

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

<i>Serial number and department</i>	<i>Number</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1. Food and Co-operation	2,527	36,80.45
2. Health and Family Welfare	22,700	33,47.89
3. Public Works	6,159	33,22.73

<i>Serial number and Department</i> (1)	<i>Number</i> (2)	<i>Amount</i> (3) (in lakhs of rupees)
4. Transport	6,090	19,86.18
5. Revenue	3,600	17,64.57
6. Home	9,056	16,40.67
7. Industries	1,955	13,14.00
8. Rural Development and Local Administration	2,428	9,48.09
9. Education	6,694	7,90.49
10. Finance	670	7,54.49
11. Agriculture	5,258	4,78.17
12. Public	4,253	3,70.46

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

<i>Serial number and nature of observation</i> (1)	<i>Number</i> (2)	<i>Amount</i> (3) (in lakhs of rupees)
1. Payees' receipts not received	53,835	1,74,21.36
2. Detailed bills for lumpsum drawals not received	7,527	16,64.75
3. Recoverable advances not recovered ..	2,943	2,57.85
4. Excess over estimate	3,345	2,40.46

(d) (i) A major portion (82 per cent) of the total outstandings is due to non-submission of payees' receipts. The departments with comparatively heavy outstandings on this account were:—

Department (1)	Number (2)	Amount (3) (in lakhs of rupees)
1. Food and Co-operation	2,437	36,44.56
2. Public Works	5,616	30,92.20
3. Health and Family Welfare	11,120	27,52.36
4. Transport	2,617	17,14.23
5. Revenue	2,024	17,01.86
6. Industries	1,642	12,80.33
7. Home	6,048	10,39.59
8. Rural Development and Local Administration	1,139	5,35.39
9. Agriculture	2,037	3,29.44
10. Public	3,938	3,13.48
11. Social Welfare	2,922	2,99.62
12. Education	4,378	2,89.20

(ii) Year-wise details of wanting payees' receipts are given below :—

(1)	Number of items (2)	Amount (3) (in lakhs of rupees)
1977—78 and earlier years	13,290	32,13.85
1978—79.. .. .	10,634	23,32.43
1979—80	13,965	56,87.13
1980—81.. .. .	15,946	61,87.95
Total ..	53,835	1,74,21.36

In the absence of payees' receipts, it is not possible for Audit to satisfy itself whether all the amounts had been actually paid to the proper recipients.

(e) The facility of drawing lump sum advances by the disbursing officers is intended to expedite payment in certain cases but these are to be followed by detailed bills and vouchers (containing all particulars of expenditure with supporting documents) as soon as possible to Audit Officer. In the absence of detailed bills and vouchers, it is not possible for Audit to know whether the amount has been spent on the purpose or purposes for which the advances were drawn. Rupees 16,64.75 lakhs are held under observation as detailed bills have not been received in the Audit Office. Year-wise details of the outstanding advances are given below:—

(1)	Number of items (2)	Amount (3) (in lakhs of rupees)
1977—78 and earlier years	3,312	4,47.47
1978—79.. .. .	595	2,91.84
1979—80.. .. .	1,415	2,40.58
1980—81.. .. .	2,205	6,84.86
Total	7,527	16,64.75

The departments with comparatively heavy outstandings are mentioned below:—

Department (1)	Number (2)	Amount (3) (in lakhs of rupees)
1. Home	1,130	5,31.46
2. Rural Development and Local Administration	1,153	4,11.67
3. Health and Family Welfare	2,652	2,41.82
4. Education	785	1,77.62
5. Agriculture	603	1,21.41
6. Public	135	53.31

(f) Vouchers for Rs. 26.35 lakhs had not been received in Audit; year-wise details are given below:—

(1)	Number of items (2)	Amount (3) (in lakhs of rupees)
1977—78 and earlier years	48	16.10
1978—79.. .. .	40	1.38
1979—80.. .. .	11	0.34
1980—81.. .. .	97	8.53
Total	196	26.35

The delay in submission of the documents in proof of payment results in large expenditure escaping Audit scrutiny for long and there is likelihood of serious irregularities remaining undetected.

8.2. Outstanding inspection reports

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

As at the end of September 1981, 5,837 inspection reports issued up to March 1981 were not settled as shown below (the corresponding figures for the earlier two years have also been indicated for comparative analysis).

	<i>As at the end of September 1979</i>		<i>As at the end of September 1980</i>		<i>As at the end of September 1981</i>	
	<i>Number of ins- pection reports not settled</i> (2)	<i>Number of para- graphs</i> (3)	<i>Number of ins- pection reports not settled</i> (4)	<i>Number of para- graphs</i> (5)	<i>Number of ins- pection reports not settled</i> (6)	<i>Number of para- graphs</i> (7)
(1) 1977—78 and earlier years	6,835	32,486	3,620	15, 371	2,687	9,566
1978—79	1,937	14,566	1,001	7,125	828	4,196
1979—80 .. .. .	..	..	1,152	9,512	961	5,585
1980—81 .. .. .	..	..	..	..	1,361	10,877
Total	8,772	47,052	5,773	32,008	5,837	30,224

Department-wise analysis of the outstandings is given in Appendix XXIX.

The nature of more important irregularities contained in the outstanding inspection reports on Co-operation, Education, Home and Transport Departments are given in Appendix XXX.

Of the total number of reports outstanding as at the end of September 1981, 5,696 reports related to civil departments and 141 reports to commercial departments. These included 456 (civil) inspection reports for which even first replies had not been received till the end of September 1981. Year-wise and department-wise analysis of the reports for which first replies have not been received is given in Appendix XXXI.

Madras,

The 22 MAY 1982

(C. SANKARA MENON)

Accountant General-I, Tamil Nadu

Countersigned

New Delhi,

The 1st June 1982


(GIAN PRAKASH)

Comptroller and Auditor General of India

APPENDIX I

(Reference : Paragraph 1.3, Page 3)

ANALYSIS OF REVENUE RECEIPTS

	1979—80	1980—81	Amount of increase(+)/ decrease(—)
(1)	(2)	(3)	(4)
	(in crores of rupees)		
(i) Revenue raised by the Government—			
(a) Tax Revenue	4,86.37	6,39.11	(+)1,52.74
(b) Non-tax Revenue ..	1,21.78	2,32.57	(+)1,10.79
Total (i) ..	6,08.15	8,71.68	(+)2,63.53
(ii) Receipts from the Government of India—			
(a) Taxes on income other than Corporation Tax	69.62	80.64	(+)11.02
(b) Hotel Receipts Tax .. ..	..	0.03	(+) 0.03
(c) Estate Duty	1.21	0.34	(—)0.87
(d) State's share of Union Excise Duties	1,92.13	2,10.75	(+)18.62
(e) Grants—			
1. Non-Plan Grants ..	16.56	12.72	(—)3.84
2. For State Plan Schemes	36.70	43.89	(+)7.19
3. For Central Plan Schemes	7.24	29.30	(+)22.06
4. For Centrally Sponsored Plan Schemes	13.24	30.61	(+)17.37
Total (ii) ..	3,36.70	4,08.28	(+)71.58
Total—Revenue Receipts ..	9,44.85	12,79.96	(+)3,35.11

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)				
A—Plan				
A. General Services	0.19	0.19	0.22 (0.05)	(+) 0.03
B. Social and Community Services	81.64	1,19.94	91.07 (53.54)	(-) 28.87
C. Economic Services—				
(i) General Economic Services	4.32	5.37	6.00 (7.52)	(+) 0.63
(ii) Agriculture and Allied Services	65.28	84.05	71.10 (34.57)	(-) 12.95
(iii) Industry and Minerals	9.83	12.85	9.81 (9.50)	(-) 3.04
(iv) Water and Power Development	1.66	1.66	1.74 (1.62)	(+) 0.08
(v) Transport and Communications	10.55	20.94	12.55 (12.52)	(-) 8.39
Total— C	91.64	1,24.87	1,01.20 (65.73)	(-) 23.67
Total-Plan	1,73.47	2,45.00	1,92.49 (1,19.32)	(-) 52.51

* Figures in brackets represent the expenditure during 1979—80.

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—Non-Plan				
A. General Services	2,71.31	2,92.71	2,95.23 (2,31.56)	(+) 2.52
B. Social and Community Services	3,21.30	3,37.34	3,41.49 (3,02.01)	(+) 4.15
C. Economic Services—				
(i) General Economic Services	12.45	12.70	11.92 (10.94)	(-) 0.78
(ii) Agriculture and Allied services	70.93	96.55	78.52 (68.24)	(-) 18.03
(iii) Industry and Minerals	9.74	10.80	10.79 (7.82)	(-) 0.01
(iv) Water and Power Development	44.48	1,30.39	1,38.59 (47.33)	(+) 8.20
(v) Transport and Communications	35.80	40.27	54.15 (37.04)	(+) 13.88
Total—C.	1,73.40	2,90.71	2,93.97 (1,71.37)	(+) 3.26
D. Grants-in-aid and Contributions	27.79	30.15	29.07 (25.29)	(-) 1.08
Total—Non-Plan	7,93.80	9,50.91	9,59.76 (7,30.23)	(+) 8.85

* Figures in brackets represent the expenditure during 1979—80.

APPENDIX III

(Reference : Paragraph 1.5, Page 4)

PLAN AND NON-PLAN EXPENDITURE ON CAPITAL 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)				
A—Plan				
Capital account of—				
A. General Services ..	1.38	2.03	1.96 (0.85)	(—) 0.07
B. Social and Community Services	15.95	16.13	17.52 (9.75)	(+) 1.39
C. Economic Services—				
(i) General Economic Services	2.17	6.90	5.31 (13.69)	(—) 1.59
(ii) Agriculture and Allied Services	10.67	11.99	10.76 (9.53)	(—) 1.23
(iii) Industry and Minerals	5.70	6.86	6.38 (6.86)	(—) 0.48
(iv) Water and Power Development	29.79	30.78	16.90 (16.67)	(—) 13.88
(v) Transport and Communications	11.30	13.88	13.05 (12.40)	(—) 0.83
Total—C	59.63	70.41	52.40 (59.15)	(—) 18.01
Total—Plan	76.96	88.57	71.88 (69.75)	(—) 16.69

*Figures in brackets represent the expenditure during 1979—80.

APPENDIX III—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—Non-Plan				
Capital account of—				
A. General Services	2.48	2.55	1.22 (0.37)	(-) 1.33
B. Social and Community Services	2.17	2.17	2.21 (1.99)	(+) 0.04
C. Economic Services—				
(i) General Economic Services	(-) 0.77	(-) 0.77	(-) 0.89 (- 6.07)	(-) 0.12
(ii) Agriculture and Allied Services	7.91	9.08	7.60 (-0.72)	(-) 1.48
(iii) Industry and Minerals	0.02	1.62	1.47 (-0.40)	(-) 0.15
(iv) Water and power Development	5.33	5.33	1.54 (2.13)	(-) 3.79
(v) Transport and Communications	0.11	0.11	0.03 (0.54)	(-) 0.08
Total—C	12.60	15.37	9.75 (-4.52)	(-) 5.62
Total—Non-Plan	17.25	20.09	13.18 (-2.16)	(-) 6.91

*Figures in brackets represent the expenditure during 1979—80.

APPENDIX IV

(Reference :

DETAILS OF DISBURSEMENTS OF LOANS AND ADVANCES AND

Categories	1978—79			1979—80
	Outstanding balance on 1st April 1978	Loans disbursed	Loans recovered	Outstanding balance on 31st March/1st April 1979
(1)	(2)	(3)	(4)	(5)
	(in crores of rupees)			
(i) Loans for Social and Community Services	1,55.20	39.16	13.87	1,80.49
(ii) Loans for Economic Services—				
(a) General Economic Services	48.99*	39.43	13.82	74.60
(b) Agriculture and Allied Services	78.39*	23.80	10.96	91.23
(c) Industry and Minerals	44.86	12.86	10.27	47.45
(d) Water and Power Development	3,22.03	60.85	7.00	3,77.67*
(e) Transport and Communications	24.74	4.00	2.75	25.99
Total (ii)	5,19.01	1,40.94	44.80	6,16.94*
(iii) Loans to Government Servants	14.97	15.85	12.37	18.45
(iv) Loans for miscellaneous purposes	22.82	2.65	5.83	19.64
Total	7,12.00	1,98.60	76.87	8,35.52*

*Includes *pro forma*

DIX IV

Paragraph 1.6, Page 6)

RECOVERIES MADE DURING THE THREE YEARS ENDING 1980-81

1979-80		1980-81			Outstanding balance as on 31st March 1981
Loans disbursed	Loans recovered	Outstanding balance on 31st March/1st April 1980	Loans disbursed	Loans recovered	
(6)	(7)	(8)	(9)	(10)	(11)
(in crores of rupees)		(in crores of rupees)			
39.54	10.45	2,09.58	41.03	10.38	2,40.23
72.97	15.81	1,31.76	1,07.49	67.66	1,71.59
2.51	24.14	69.59*	20.29	14.02	75.86
14.03	7.04	54.44	22.85	6.57	70.72
78.11	..	4,55.70*	1,23.84	..	5,79.54
20.08	3.30	42.77	35.82	8.65	69.94
1,87.70	50.29	7,54.26*	3,10.29	96.90	9,67.65
23.81	16.97	25.29	29.93	23.40	31.82
1.46	2.63	18.47	3.39	0.60	21.26
2,52.51	80.34	10,07.60*	3,84.64	1,31.28	12,60.96

corrections.

APPENDIX_V

(Reference ; Paragraph 1.6, Page 7)

LOAN-WISE PARTICULARS OF AMOUNTS OVERDUE

Nature of loan	Loans outstanding to end of March 1981	Amounts overdue for recovery				Total as on 31st March 1981
		For 1977-78 and earlier years	1978-79	1979-80	1980-81	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(in lakhs of rupees)				
Loans for educational purposes	2.57	0.05	0.09	0.06	0.05	0.25
Loans for water supply and drainage schemes	57,96.31	1,24.36	65.64	77.75	1,13.29	3,81.04
Loans for construction of dhobikhanas and loans for Burma repatriates	3.09	..	..	0.08	0.06	0.14
Loans for housing for sanitary workers	10.00	..	0.21	..	..	0.21
Loans for control of flood and cyclone	1,36.16	..	0.19	0.15	0.08	0.42
Loans for construction of community wells	4.36	..	..	..	4.35	4.35
Loans for night soil compost	22.61	2.50	1.06	1.75	1.75	7.00
Loans for construction of municipal roads	10,58.22	1.61	2.68	1.44	20.00	25.73
Loans for construction of bus stands and markets	19,69.67	1.25	1.72	4.80	10.75	18.52
Loans for remunerative enterprises		0.75	1.25	1.72	1.78	5.50
Total ..	90,02.99	1,30.52	72.78	87.75	1,52.11	4,43.16

APPENDIX VI

(Reference : Paragraph 1.6, Page 8)

IRREGULARITIES IN THE UTILISATION OF LOANS REPORTED
BY THE EXAMINER OF LOCAL FUND ACCOUNTS

Municipal Councils and Municipal Township Committees.— Out of Rs. 79.72 lakhs paid as loans to municipal councils and municipal township committees (59 cases) during 1978-79 and earlier years for execution of flood and cyclone works, drought relief scheme works, dustless surfacing of roads, town planning schemes, etc., Rs. 28.75 lakhs remained unutilised at the end of 1979-80. In 16 cases, the entire amount of loan (Rs. 15.91 lakhs) remained unutilised and in 15 cases, the extent of utilisation was less than 50 per cent (unutilised loan : Rs. 10.67 lakhs).

Panchayat Union Councils.—Out of Rs. 1.20 lakhs paid as loan in 3 cases during 1978-79 towards construction of community well cum river water pumping scheme, a sum of Rs. 0.80 lakh in 2 cases remained entirely unutilised at the end of March 1980.

Corporation of Madurai.—Rupees 5.00 lakhs were paid as loan in November 1979 for acquisition of lands for formation of roads under urban development schemes. The entire loan amount was diverted for developing a recreational complex without obtaining orders of Government.

Corporation of Madras.—Out of Rs. 5,60.05 lakhs paid as loan during 1978-79 (Rs. 70.00 lakhs) and 1979-80 (Rs. 4,90.05 lakhs) for restoration of roads affected by floods, purchase of cables, improvement of foot-paths, construction of latrines, urban development schemes, etc., a sum of Rs. 41.36 lakhs remained unutilised.

APPENDIX VII

(Reference : Paragraph 1.13, Page 17)

MAJOR AREAS OF SHORTFALL UNDER PLAN SCHEMES

(1)	<i>Budget plus supplementary</i>	<i>Actuals</i>	<i>Shortfall</i>	<i>Reasons for shortfall(A)</i>
	(2)	(3)	(4)	(5)
	(in crores of rupees)			
Revenue—				
B. Social and Community Services—				
(i) Education	24.27	20.61	(—) 3.66	
(ii) Public Health, Sanitation and Water Supply	32.21	23.93	(—) 8.28	
C. Economic Services—				
Agriculture and Allied Services—				
(i) Agriculture	38.63	31.63	(—) 7.00	
(ii) Community Development	33.59	27.84	(—) 5.75	
Transport and Communications—				
Roads and Bridges	20.80	12.41	(—) 8.39	
Capital—				
C. Economic Services— Water and Power Development—				
(i) Irrigation, Navigation, Drainage and Flood Control Projects	30.00	17.66	(—) 12.34	

(A) Reasons for shortfall called for from Government are awaited.

APPENDIX VIII

(Reference : Paragraph 1.14, Page 18)

NON-PLAN EXPENDITURE

(1) Expenditure on Revenue Account

Sector	1978-79		1979-80		1980-81	
	Expenditure	Expenditure	Percentage increase over preceding year	Expenditure (in lakhs of rupees)	Percentage increase over preceding year	
(1)	(2)	(3)	(4)	(5)	(6)	
	(in lakhs of rupees)					
A. General Services	2,02,47.92	2,31,54.93	14.35	2,95,22.79	27.50	
B. Social and Community Services	2,59,15.89	3,02,01.03	16.53	3,41,48.71	13.07	
C. Economic Services	1,24,36.19	1,71,37.25	37.80	2,93,97.28	71.54	
D. Grants-in-aid and Contributions	19,95.84	25,29.31	26.73	29,06.90	14.92	
Total	6,05,95.84	7,30,22.52	20.50	5,59,75.68	31.43	

(2) Expenditure on Salaries, Travel Expenses and Grants-in-aid

Sector	1978-79		1979-80		1980 81	
	Expenditure (in lakhs of rupees)	Percentage to total expenditure	Expenditure (in lakhs of rupees)	Percentage to total expenditure	Expenditure (in lakhs of rupees)	Percentage to total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>(a) Salaries and Travel Expenses</i>						
A. General Services	78,95.69	38.99	84,34.53 (6.82)	36.42	1,00,13.89 (18.71)	33.92
B. Social and Community Services	1,05,71.50	40.79	1,00,02.34	33.11	1,12,20.55 (12.18)	32.86
C. Economic Services	39,87.64	32.06	46,57.38 (16.79)	27.17	51,93.05 (11.50)	17.66

(Figures in brackets indicate percentage of increase over preceding year)

APPENDIX VIII—concl'd.

Sector	1978-79		1979-80		1980-81	
	Expenditure (in lakhs of rupees)	Percentage to total expenditure	Expenditure (in lakhs of rupees)	Percentage to total expenditure	Expenditure (in lakhs of rupees)	Percentage to total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>(b) Grants-in-aid</i>						
B. Social and community Services	1,23,23.78	47.55	1,33,82.56 (8.59)	44.31	1,60,93.78 (20.25)	47.12
C. Economic Services	37,51.16	30.16	49,53.33 (32.04)	28.90	1,46,80.28 (196)	49.93

(3) Loans and Advances by the State Government

Sector	1978—79	1979—80	1980—81
(1)	(2)	(3)	(4)
	(in lakhs of rupees)		
Loans for Social and Community Services	20,35.14	17,56.76	13,78.98
Loans for General Economic Services	33,43.20	65,00.48 (94.43)	90,09.23 (38.57)
Loans for Agriculture and Allied Services	21,65.88	1,04.66	13,85.10 (1219)
Loans for Industry and Minerals ..	8,38.55	8,34.71	14,30.43 (71.26)
Loans for Water and Power Development	60,12.85	77,58.29 (29.02)	1,23,07.47 (58.64)
Loans for Transport and Communications	1,43.03	8,89.41 (521.83)	31,88.98 (258)
Loans for Government Servants and Miscellaneous loans	16,07.63	21,34.59 (32.77)	26,62.79 (24.73)
Total ..	1,61,46.28	1,99,78.90 (23.73)	3,13,62.98 (56.98)

(Figures in brackets indicate percentage of increase over preceding year)

APPENDIX IX

(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	8,99.87	98.86	1,21.74	..	11,20.47
Charged ..	1,08.30	0.21	..	1,67.61	2,76.12
Total ..	10,08.17	99.07	1,21.74	1,67.61	13,96.59
Supplementary					
Voted ..	2,24.84	14.44	2,66.20	..	5,05.48
Charged ..	3.81	..	..	..	3.81
Total ..	2,28.65	14.44	2,66.20	..	5,09.29
Total Voted ..	11,24.71	1,13.30	3,87.94	..	16,25.95
Charged ..	1,12.11	0.21	..	1,67.61	2,79.93
Total ..	12,36.82	1,13.51	3,87.94	1,67.61	19,05.88
Actual expenditure (grants and charged appropriations)					
Voted ..	10,74.44	89.01	3,84.64	..	15,48.09
Charged ..	1,24.99	..	..	82.09	2,07.08
Total ..	11,99.43	89.01	3,84.64	82.09	17,55.17
Shortfall (-)/Excess(+)					
Voted (-)	50.27	(-) 24.29	(-) 3.30	..	(-)77.86
Charged (+)	12.88	(-) 0.21	..	(-)85.52	(-)72.85
Total ..	(-)37.39	(-)24.50	(-)3.30	(-)85.52	(-)1,50.71

APPENDIX X

(Reference : Paragraph 2.2, Page 22)

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.	RS.	RS.
1. 5—Stamps	Administration ..	97,13,000	98,04,698	(+)91,638

Excess was mainly due to payment of more discount to the licensed stamp vendors on account of increase in the sale of non-judicial stamps.

2. 6—Registration	..	3,08,16,000	3,10,84,005	(+)2,68,005
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Excess was attributed to (i) employment of special staff to revise the guidelines supplied to the registering offices to arrive at the present market value of properties, (ii) opening of new District Registration offices and Sub-Registry offices and (iii) belated adjustment of bills (relating to March and October 1980 when there was strike by treasury staff) at the end of the year by the treasuries.

3. 18—Medical		61,19,34,000	62,12,09,503	(+)92,75,503
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Reasons for the excess have not been communicated (January 1982).

4. 31—Welfare of the Scheduled Tribes and Castes, etc.		31,50,26,000	31,61,42,350	(+)11,16,350
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Excess expenditure was partly due to (i) larger number of applications than anticipated for education concessions, (ii) employment of additional staff and (iii) inaccurate assessment of requirements.

5.36—Irrigation	28,39,84,000	30,25,28,016	(+) 1,85,44, 016
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APPENDIX X—*concl'd.*

Excess was mainly due to the actual *pro rata* adjustment towards 'Interest Charges', establishment/tools and plant charges under the respective project minor heads exceeding the provision made in the Budget Estimates.

<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.
6.	44—Stationery and Printing	11,28,95,000	12,00,27,929	(+) 71,32,929

Excess was attributed to the purchase of stationery articles in connection with the election to the State Assembly and increase in excise duty and ocean freight charges on imported paper and boards purchased through the Director General, Supplies and Disposals.

7.	45—Forest	7,28,82,000	7,44,50,389	(+) 15,68,389
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Reasons for this excess have not been communicated (January 1982).

(b) Charged appropriations

1.	3—Motor Vehicles Acts—Administration	15,000	16,364	(+) 1,364
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Reasons for the excess have not been communicated (January 1982).

2.	7—State Legislature ..	1,43,000	3,17,785	(+) 1,74,785
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Excess was partly attributed to misclassification and partly to the participation of the Speaker in the Conference of Commonwealth Parliamentary Association at Lusaka.

3.	9—Head of State, Ministers and Headquarters Staff	86,75,000	90,87,442	(+) 4,12,442
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Excess was mainly due to (i) large scale renewal of furnishing in Raj Bhavan and (ii) merger of special investigation cell with the Directorate of Vigilance and Anti-corruption.

APPENDIX XI

(Reference : Paragraph 2.3, page 23)

CASES OF SAVINGS IN THE GRANTS/APPROPRIATIONS
WHERE SUPPLEMENTARY PROVISIONS WERE OBTAINED
(OTHER THAN THOSE MENTIONED IN PARAGRAPH 2.1)

(a) Unnecessary supplementary grants

Serial number	Number and name of grant	Original grant	Supplementary	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
1.	9—Head of State, Ministers and Headquarters Staff	17,25.00	35.66	17,07.10	53.56
Saving was attributed mainly to (i) assumption of office by the new Ministry only in June 1980, (ii) non-filling/abolition of certain posts and (iii) non-completion of some works.					
2.	14—Jails	5,80.51	38.12	5,66.76	51.87

Shortfall was mainly due to (i) less expenditure on 'dietary charges' consequent on decrease in the population of prisoners in the jail due to change in the prohibition policy at the end of the year and (ii) non-functioning of weaving and dyeing industry in Central Prison, Coimbatore for want of electrification and steam pipeline connection.

3.	46—Compensation and Assignments	18,83.15	59.85	18,37.14	1,05.86
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Reasons for the saving have not been communicated (January 1982).

4.	51—Capital Outlay on Public Works—Buildings	16,55.07	1,06.33	16,46.36	1,15.04
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Shortfall was stated to be mainly due to civil works not completed, administrative sanctions not received, agency not settled and technical sanction not received.

APPENDIX XI—contd.

(b) Excessive supplementary grants

Serial number	Number and name of grant	Original grant	Supplementary	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
1.	11—District Administration	21,31.02	3,65.78	24,32.15	64.65

Saving was partly due to disbandment of staff employed for the acquisition of land for the Lignite Project in South Arcot district. Reasons for the bulk of the saving have not been communicated (January 1982).

2.	16—Fire Services	3,28.15	29.83	3,44.96	13.02
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Shortfall was mainly due to the opening of only 13 fire stations during the year as against 32 new fire stations sanctioned.

3.	17—Education	2,24,41.53	8,70.05	2,31,71.89	1,39.69
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Shortfall was mainly under (i) "277. D.AB. I. AA. Government Higher Secondary Schools" and (ii) "277. D.AC. II. JB. Assistance to Local Body Higher Secondary Schools." Saving made under (ii) above was due to non-receipt of anticipated applications from the managements for sanction of building and equipment grants. Reasons for saving under (i) have not been communicated (January 1982).

4.	19—Public Health ..	49,01.52	9,18.45	51,88.97	5,31.00
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Shortfall was mainly due to non-release of funds by the Government of India for Accelerated Rural Water Supply Programme (Rs. 2,78.63 lakhs), delay in obtaining import licence for importing equipment by Madras Metropolitan Water Supply and Sewerage Board (Rs. 1,22.02 lakhs) and non-filling up of certain posts (Rs. 91.46 lakhs).

.	23—Co-operation ..	8,86.98	1,10.77	9,36.95	60.80
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Saving was mainly under "298. AA. I. AC. District Staff" (Rs. 61.16 lakhs); reasons therefor have not been communicated (January 1982).

6.	28—Community Development Projects, etc.	67,74.30	44,02.29	1,10,06.50	1,70.09
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Saving was mainly under "314. C.AB. II. JE. Special Rural Employment Programme" (Rs. 5,13.61 lakhs). Reasons for the saving have not been communicated (January 1982).

APPENDIX XI—*contd.*

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

(in lakhs of rupees)

7.	30—Social Welfare ..	10,22.30	1,19.11	11,20.04	21.37
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Savings occurred under (i) Social Support Scheme under World Bank Project and (ii) Scheme of free ration to widows, physically handicapped and old age pensioners. Saving under (i) was due to non-receipt of claim for the supply of rice made by the Tamil Nadu Civil Supplies Corporation. Reasons for the saving under (ii) have not been communicated (January 1982).

8.	38—Public Works—Establishment and Tools and Plant	8,96.41	2,63.28	11,38.62	21.07
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Reasons for the saving have not been communicated (January 1982).

	39—Roads and Bridges	50,62.33	5,25.59	55,36.17	51.75
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Reasons for the saving have not been communicated (January 1982).

10.	43—Miscellaneous ..	39,91.95	86,02.12	1,21,95.02	99.05
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Shortfall was mainly due to surrender of the entire lump sum provision of Rs. 6,00.01 lakhs for unforeseen expenditure.

11.	47—Information, Tourism and Film Technology	1,88.20	37.07	2,05.83	11.44
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Saving was mainly due to non-filling up of posts and non-purchase of machinery and equipment by Tamil Nadu Films Division (Rs. 5.3 lakhs).

12.	49—Capital Outlay on Industrial Development	5,77.20	3,08.39	8,06.43	79.6
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Reasons for the saving have not been communicated (January 1982).

13.	55—Miscellaneous Capital Outlay	16,62.11	5,67.10	20,58.87	1,70.34
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Funds provided for assistance to Tamil Nadu State Co-operative Banks, Central Co-operative Banks and Village Credit Societies for strengthening share capital structure were surrendered due to non-receipt of sanction from the Reserve Bank of India. This mainly accounted for the saving.

APPENDIX XI—*Concl'd.*

<i>Serial number</i>	<i>Number and name of grant</i>	<i>Original grant</i>	<i>Supplementary</i>	<i>Expenditure</i>	<i>Saving</i>
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
14.	56—Loans and Advances by the State Government	1,21,73.72	2,66,19.53	3,84,64.12	3,29.13

Shortfall was mainly due to sanction of less loans to (i) municipalities for drainage schemes on account of delay in land acquisition, decision on tenders and receipt of materials and (ii) Madras Metropolitan Water Supply and Sewerage Board for new schemes and also for schemes for immediate works programme.

(c) Inadequate Supplementary Grant

<i>Serial number</i>	<i>Number and name of grant</i>	<i>Original grant</i>	<i>Supplementary grant</i>	<i>Expenditure</i>	<i>Excess</i>
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
<i>Voted Grants</i>					
1.	5—Stamps Administration	74.44	22.69	98.05	0.92
2.	18—Medical	59,69.70	1,49.64	62,12.10	92.76
3.	31—Welfare of Scheduled Tribes and Castes, etc.	20,07.37	11,42.89	31,61.42	11.16
4.	36—Irrigation	28,33.22	6.62	30,25.28	1,85.44
5.	37—Public Works—Buildings	3,97.15	73.10	5,65.27	95.02
6.	44—Stationery and Printing	8,83.54	2,45.41	12,00.28	71.33
7.	45—Forest	6,37.07	91.75	7,44.50	15.68
<i>Charged appropriations</i>					
1.	3—Motor Vehicles Acts—Administration	0.05	0.10	0.16	0.01
2.	Debt Charges	97,20.59	2,22.10	1,13,04.59	13,61.90
3.	7—State Legislature ..	1.06	0.37	3.18	1.75
4.	9—Head of State, Ministers and Headquarters Staff	85.20	1.55	90.87	4.12

APPEN

(Reference : Paragraph 2.4,

BUDGET PROVISION

1978-79

<i>Sector/Sub-sector</i>	<i>Budget provision</i>	<i>Expenditure</i>	<i>Excess (+) / short-fall (-)</i>	<i>Percentage</i>
(1)	(2)	(3)	(4)	(5)
	(in crores of rupees)			
A. General Services	2,41.90	2,04.37	(-) 37.53	16
B. Social and Community Services	3,38.68	3,28.55	(-) 10.13	3
C. Economic Services— ..				
General Economic Services	29.44	24.74	(-) 4.70	16
Agriculture and Allied Services	1,15.79	1,03.06	(-) 12.73	11
Industry and Minerals ..	24.70	25.44	(+) 0.74	3
Water and Power Development	66.47	61.03	(-) 5.44	8
Transport and Communications	53.65	44.70	(-) 8.95	17
Total—C	2,90.05	2,58.97	(-) 31.08	11
D. Grants-in-aid and Contributions	21.55	19.96	(-) 1.59	7
Total (A+B+C+D) ..	8,92.18	8,11.85	(-) 80.33	9

DIX XII

Page 23)

AND UTILISATION THEREOF

1979-80				1980-81			
<i>Budget provision</i>	<i>Expenditure</i>	<i>Excess (+)/short fall(-)</i>	<i>Percentage</i>	<i>Budget provision</i>	<i>Expenditure</i>	<i>Excess (+)/short fall(-)</i>	<i>Percentage</i>
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(in crores of rupees)				(in crores of rupees)			
2,70.89	2,32.83	(-) 38.06	14	2,97.48	2,98.63	(+) 1.15	—
3,92.42	3,67.29	(-)25.13	6	4,75.58	4,52.29	(-)23.29	5
30.08	26.08	(-) 4.00	13	24.20	22.34	(-) 1.86	8
1,38.06	1,11.62	(-)26.44	19	2,01.67	1,67.98	(-)33.69	17
28.59	23.78	(-) 4.81	17	32.13	28.45	(-) 3.68	11
77.27	67.75	(-) 9.52	12	1,68.16	1,58.77	(-) 9.39	6
67.35	62.50	(-) 4.85	7	75.20	79.78	(+) 4.58	6
3,41.35	2,91.73	(-)49.62	15	5,01.36	4,57.32	(-)44.04	9
27.69	25.29	(-) 2.40	9	30.15	29.07	(-) 1.08	4
10,32.35	9,17.14	(-)1,15.21	11	13,04.57	12,37.31	(-)67.26	5

APPENDIX XIII

(Reference : Paragraph 2.6, page 28)

EXPENDITURE ON NEW SERVICE

<i>Name of the department</i>	<i>Nature of the scheme</i>	<i>Original Budget provision</i>	<i>Provision by re-appropriation</i>	<i>Total provision for the year</i>	<i>Actual expenditure during the year</i>	
(1)	(2)	(3)	(4)	(5)	(6)	
(in lakhs of rupees)						
1. Rural Development and Local Administration Department	(a) Loans to municipalities for water supply schemes	1,19.47	45.62	1,65.09	1,65.09	
	(b) Loans to Coimbatore Municipality for Siruvani Water Supply Scheme	1,00.00	82.00	1,82.00	1,82.00	
	(c) Loans to Madurai Corporation for improvement to Corporation roads in connection with the Fifth World Tamil Conference—	1979-80 ..	0.01	77.99	78.00	78.00
		1980-81 ..	0.01	74.99	75.00	75.00
		(d) Loans to Municipalities for Municipal Roads	30.00	10.63	40.63	40.22
	(e) Loans to Madurai Corporation for construction of bus stands and markets	0.01	6.39	6.40	8.40	
2. Housing and Urban Development Department	(a) Loans for Rental Housing Scheme	2,50.00	50.00	3,00.00	3,00.00	

APPENDIX XIII—contd.

<i>Name of the department</i>	<i>Nature of the scheme</i>	<i>Original Budget provision</i>	<i>Provision by re. appropriation</i>	<i>Total provision for the year</i>	<i>Actual expenditure during the year</i>
(1)	(2)	(3)	(4)	(5)	(6)
		(in lakhs of rupees)			
	(b) Loans to Tamil Nadu Slum Clearance Board for construction of office complex at Ayodhyakuppam in Madras	..	35.00	35.00	35.00
3. Revenue Department	Loans to Sri Lanka Repatriates covered by Srimovosastri Agreement for housing facilities	1,17.00	40.05	2,10.05	2,30.65
4. Food and Co-operation Department	Consumer Co-operatives—Loans for setting up of Regional Distribution Centres	..	45.66	45.66	45.66
5. Agriculture Department	Loans to Tamil Nadu Agro-Engineering and Service Co-operative Federation towards storage facilities at farmers level	0.01	14.99	15.00	15.00
6. Industries Department	(a) Share Capital Assistance to Weavers' Co-operative Societies	17.00	19.38	36.38	36.38
	(b) Loans to Tamil Nadu Industrial Development Corporation Limited	75.00	2,00.00	2,75.00	2,75.00

APPENDIX XIII—concl'd.

<i>Name of the department</i>	<i>Nature of the scheme</i>	<i>Original Budget provision</i>	<i>Provision by re-appropriation</i>	<i>Total provision for the year</i>	<i>Actual expenditure during the year</i>
(1)	(2)	(3)	(4)	(5)	(6)
			<i>(in lakhs of rupees)</i>		
	(c) Advances under Special Laws (State Aid to Industries) Loans to Aid Small Scale Industries in the Private Sector	20.00	22.63	42.63	42.82
	(d) Loans to Tamil Nadu Small Industries Development Corporation Limited	0.01	49.99	50.00	50.00
	(e) Loans to Tamil Nadu Small Industries Development Corporation Limited for margin money assistance	..	25.00	25.00	25.00

APPENDIX XIV

(Reference : Paragraph 2.8, page 29)

SHORTFALL/EXCESS IN RECOVERIES

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)				
28. Community Development Project, etc.	..	(+ 17.48	Due to adjustment of recoveries on account of issue of foodgrain in lieu of wages under Food for Work Programme under "287. Labour and Employment" and adjustment under "Deduct-amount met from Famine Relief Fund" without any estimate in the Budget.	
19. Public Health	3.83	(+ 6.55	Mainly due to adjustment under "Deduct-amount met from the Famine Relief Fund" for which no estimate was made in the Budget.
33. Housing	6.00	(-) 6.00	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.
39. Roads and Bridges	..	12.35	(-) 4.52	Mainly due to non-adjustment under "Deduct-amount met from Famine Relief Fund".
38. Public Works—Establishment and Tools and Plant	8.96	(-) 3.22	Mainly due to adjustment of less amount under "Deduct—Establishment charges transferred on percentage basis to various capital major heads."	

APPENDIX XIV—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)			
12. Administration of Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959	1.43	(-) 1.43	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.
36. Irrigation	1.53	(-) 1.42	Mainly due to non-adjustment under "Deduct—amount met from Tamil Nadu Famine Relief Fund".
20. Agriculture	3.75	(-) 1.37	Against the Budget Estimate of Rs. 3.75 crores, actual recovery was only Rs. 2.38 crores. The shortfall of Rs. 1.37 crores was mainly due to non-adjustment under:
			(i) "305.AU. AV. VI.U.D. Soil Conservation Schemes" and
			(ii) "307. AE. JA. Execution of Soil Conservation Scheme".
50. Capital Outlay on Irrigation	2.08	(-) 1.04	Mainly due to less receipts under "PT. Rajan Channel Schemes" and "Desilting cum reclamation of tanks".

APPENDIX XV

APPEN

(Reference : Paragraph 3.1.6,

DISTRIBUTION OF

Input	1976-77			1977-78		
	Require- ment	Distri- buted	Percen- tage	Require- ment	Distri- buted	Percen- tage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(quantity in tonnes)					
(i) Seed treating chemi- cals	298	Not avai- lable	..	292	3	1
(ii) Gypsum ..	74,400	5,097	7	73,100	11,374	16
(iii) Micronutrient mixture	4,650	86	2	4,568	332	7
(iv) Fertilisers ..	26,940	22,363	83	27,005	15,024	56

(Prior to 1976-77, relevant figures were

Source: Crop and Season Prospects and Annual Progress Reports of the

DLX XV

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INPUTS

1978-79			1979-80			1980-81		
<i>Require- ment</i>	<i>Distri- buted</i>	<i>Per- centage</i>	<i>Require- ment</i>	<i>Distri- buted</i>	<i>Per- centage</i>	<i>Require- ment</i>	<i>Distri- buted</i>	<i>Per- centage</i>
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
(quantity in tonnes)								
290	1	0.3	292	3	1	292	2	0.7
72,700	7,428	10	73,000	3,965	5	73,000	4,297	6
4,545	152	3	4,562	153	3	4,562	72	2
26,815	13,962	52	27,565	16,058	58	27,565	14,964	54

not available with the department)

Director of Agriculture.

APPENDIX XVI

(Reference : Paragraph 3.1.9, page 38)

DETAILS OF DEMONSTRATION PLOTS TEST CHECKED IN
THREE DISTRICTS (NORTH ARCOT, SOUTH ARCOT AND
SALEM)

Year	Number of demo- nstra- tion plots laid	Control plots not establi- shed	Number of cases in which the recommended dosages of inputs were not used in demonstra- tion plots *		
			Fertiliser	M.N. Mixture	Gypsum
(1)	(2)	(3)	(4)	(5)	(6)
1974-75	83	Nil	13	25	34
1975-76	222	Nil	Nil	69	171
1976-77	302	228	8	43	40
1977-78	285	228	53	58	108
1978-79 .. .	466	194	51	Nil	22
1979-80	138	67	7	Nil	34
1980-81	317	250	163	8	4
Total ..	1,813	967	295	203	413
Percentage ..		53	16	11	23

* Source : Departmental records.

APPENDIX XVII

(Reference : Paragraph 3.1.11, Page 39)

DETAILS OF AREA UNDER CULTIVATION, PRODUCTION
AND YIELD PER HECTARE

Year	Area under culti- vation	(Area in lakh hectares Production in lakh tonnes Yield in kilograms per hectare)		Percentage of shortfall	Yield per hectare
		Production			
		Target (A)	Actual		
(1)	(2)	(3)	(4)	(5)	(6)
GROUNDNUT					
1973-74	4.21	..	5.06	..	1,203
1974-75	3.74	4.68	3.34	27	893
1975-76	3.72	4.84	4.32	11	1,160
1976-77	3.72	5.03	3.48	31	935
1977-78	3.65	5.13	4.94	3	1,355
1978-79	3.63	5.29	3.98	25	1,097
1979-80	3.61	5.38	4.06	24	1,113

(Figures for 1980-81 are not yet ready in the Statistics Department)

(A) The targeted production for each year from 1974-75 had been worked out by multiplying the area under cultivation with the yield per hectare obtained in the year 1973-74 and adding the projected increase as per the model scheme.

APPENDIX XVIII

(Reference : Paragraph 3.1.11, page 39)

RAINFALL DETAILS FOR NORTH ARCOT AND SOUTH
ARCOT DISTRICTS

Year	South West monsoon (June-September)		North East monsoon (October-December)	
	North Arcot	South Arcot	North Arcot	South Arcot
(1)	(2)	(3)	(4)	(5)
(in millimetres)				
1974-75	.. Not available	302.10	Not available	212.40
1975-76	.. 479.50	474.60	428.40	516.50
1976-77	.. 896.70	404.70	466.70	583.50
1977-78	.. 543.70	432.10	639.00	1,028.40
1978-79	.. 425.60	405.60	433.00	818.70
1979-80	.. 456.90	418.50	800.60	491.20
Normal rainfall :				
(Average of past 50 years ended with 1950)	440.10	391.80	385.50	627.80

(Source: Seasonal and crop prospects published by the Statistics Department)

APPENDIX XIX

(Reference ; Paragraph 3. 4.1., Page 44)

GLOSSARY OF TECHNICAL TERMS

I. Phases of the National Malaria Eradication Programme prior to introduction of Modified Plan of Operations, 1977.

Attack phase

During the initial period of this phase (about a year) the main activity was application of insecticides on walls and ceilings of every roofed structure. During the subsequent part of the phase, surveillance operations were carried out.

Consolidation phase

An area which recorded less than 100 cases per million population was brought under this phase when insecticidal spray was withdrawn except for focal spray of 50 houses around positive cases only.

Maintenance phase

Where the indigenous transmission of malaria was interrupted in any part of the consolidation phase, the area qualified to enter this phase.

II. Modified Plan of Operations, 1977

The scheme was introduced by the National Malaria Eradication Programme Directorate, New Delhi from January 1977 (from April 1977 in Tamil Nadu). This revised the earlier strategy to control the disease by dividing the areas into API 2 and above and API less than 2. While regular spraying is contemplated for API 2 and above areas, **only** focal spray is considered for API less than 2 areas.

APPENDIX XIX—*contd.*

Under pre or post-modified plan of operations—

III. Spray operations

Annual parasitic index (API)

In respect of each section with a population of 10,000 in the district, it indicates the number of positive malaria cases per thousand of the population.

Regular spray/supporting spray/residual spray

Spraying during transmission season with appropriate insecticide for two or three rounds according as the insecticide was DDT or BHC/malathion in areas with API 2 and above.

Focal spray

Spraying around 50 houses on the occurrence of a positive case in areas with API less than 2 during transmission season.

Transmission season

The period during which the malaria vector multiplies and transmits the infection. The period usually extends 4 to 6 months in a year in the State (roughly June to November).

IV. Surveillance operations

Active surveillance

Surveillance work consists of fortnightly visits by the Basic Health Worker (with 10,000 population under his charge) to every house, enquiries regarding fever cases and collection of blood smears in all fever cases.

APPENDIX XIX—*contd.***Passive surveillance**

Cases of malaria detected in all medical institutions like hospitals, dispensaries, fever treatment depots, drug distribution centres, etc., come under this category.

Contact survey

Collection of blood smears from the members of the household where a positive case was detected in areas with less than API 2.

Mass blood survey

On the outbreak of a malaria case in an API less than 2 area blood smears are collected 'en masse' from the public living in 50 houses around each positive case.

V. Treatment procedure**Radical treatment**

When a fever case has been found positive for malaria, regular treatment for 5 days with primaquine tablets is administered.

VI. General**Imported cases**

Cases where source of infection lies outside the Unit District/area caused by local people going out and returning after contracting infection outside or by outsiders entering an area with infection.

Indigenous cases

All cases of malaria infection are indigenous unless proved otherwise by process of elimination.

Biological control

Control of incidence of malaria through introduction of Gambusia and Guppy fish in wells, tanks, etc.

Entomological studies

Studies conducted to ascertain the bionomics of vector and their susceptibility to the insecticide. They include the studies on vector density, resting habits of the known vector species and on the role of secondary vectors.

Epidemiology

Study of the incidence of malaria disease in the population covered.

Vectors and parasites

Species of mosquitoes which transmit the malaria infection are called vectors. In urban areas the vector is *a stephansi* while in rural areas *a culicifacies* is the vector.

Malaria parasites are organism which live on other bodies. The main parasites for malaria transmission are *p-falsiparum* and *p-Vivax*

APPENDIX XX

(Reference : Paragraph 3.4.3, Page 45)

DETAILS OF EXPENDITURE

<i>Period</i>	<i>Establishment/ contingencies</i>	<i>Reimbursement of incidental charges</i>	<i>Value of material and equip- ment</i>	<i>Value of insec- ticides supplied by Government of India</i>	<i>Total</i>
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
I Five Year Plan .. ..	..	Not available	..	..	..
II Five Year Plan 1958-61 only available	..	Details not available	..	..	1,05.87
III Five Year Plan 1961-65	..	Do.	..	..	3,70.42
Annual Plan (1966—67)	..	Do.	..	..	77.92
Annual Plan (1967—68) ..	..	Do.	..	..	83.53
Annual Plan (1968—69) ..	..	Do.	..	..	1,17.29
IV Five Year Plan 1969—74	..	Do.	..	..	8,47.86
V Five Year Plan 1974—79	13,04.15	..	60.01	67.81	14,31.97
1979—80	2,08.66	2.58	62.73	74.14	3,48.11
1980—81 (Provisional)	3,72.71	0.86	14.46	16.41	4,04.44
Total ..					37,87.41

APPENDIX XXI

(Reference : Paragraph 3.4.9, Page 53)

LIST OF CITIES/ TOWNS IN WHICH URBAN MALARIA SCHEME IS IMPLEMENTED

<i>Name of city/town</i>	<i>Year from which implemented</i>
(1)	(2)
1. Salem	1972—73
2. Madras	1972—73
3. Rasipuram	1973—74
4. Tuticorin	1973—74
5. Ellampillai	1975—76
6. Erode	1977—78
7. Vellore	1977—78
8. Dindigul	1979—80
9. Tiruchirappalli	1979—80

APPENDIX XXII

(Reference : Paragraph 3.16, Page 85)

CASES OF MISAPPROPRIATION PENDING FINALISATION AS ON
30TH SEPTEMBER 1981

(i) Department-wise analysis—

<i>Department</i>	<i>Number of cases</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1. Agriculture	17	6.28
2. Commercial Taxes and Religious Endowments ..	14	0.85
3. Education	10	10.86
4. Finance	5	0.60
5. Food and Co-operation	1	1.21
6. Forests and Fisheries	4	0.68
7. Health and Family Welfare	32	5.80
8. Home	6	2.59
9. Industries	2	0.21
10. Labour and Employment	3	0.37
11. Public	4	1.21
12. Public Works	2	0.42
13. Revenue	311	20.61
14. Rural Development and Local Administration ..	8	1.85
15. Social Welfare	2	0.07
16. Transport	2	0.41
Total ..	423	54.02

APPENDIX XXII—concl'd.

(ii) Year-wise analysis—

Year	<i>Amount misappropriated has been re-covered, but departmental action, etc., pending</i>		<i>Pending for other reasons</i>	
	<i>Number of cases</i>	<i>Amount</i>	<i>Number of cases</i>	<i>Amount</i>
	(2)	(3)	(4)	(5)
(1)	(in lakhs of rupees)		(in lakhs of rupees)	
1976—77 and earlier years	10	0.31	244	38.31
1977—78 .. .. .	..	..	36	2.15
1978—79 .. .. .	..	..	48	6.04
1979—80 .. .. .	..	..	38	2.80
1980—81	9	0.54	38	3.87
Total ..	19	0.85	404	53.17

APPENDIX XXIII

(Reference: Paragraph 3.16, Page 85)

CASES OF SHORTAGES AND THEFT OF STORES, DAMAGES TO PROPERTIES, ETC., PENDING FINALISATION AS ON 30TH SEPTEMBER 1981

(i) Department-wise analysis—

<i>Department</i>	<i>Number of cases</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1. Agriculture	419	35.64
2. Education	11	0.98
3. Finance	4	0.28
4. Forests and Fisheries	11	6.62
5. Health and Family Welfare	35	3.41
6. Home	10	3.12
7. Industries	7	0.75
8. Labour and Employment	4	0.13
9. Public	1	9.84
10. Public Works	3	0.04
11. Revenue	4	0.12
12. Rural Development and Local Administration ..	4	0.08
13. Social Welfare	1	0.02
14. Transport	3	1.37
Total ..	517	62.40

APPENDIX XXIII—concl.

(ii) Year-wise analysis—

<i>Year</i>	<i>Number of cases</i>	<i>Amount</i>
(1)	(2)	(3)
		(in lakhs of rupees)
1976—77 and earlier years	268	37.33
1977—78	84	8.91
1978—79	29	3.79
1979—80	66	6.99
1980—81	70	5.38
	<hr/>	<hr/>
Total ..	517	62.40
	<hr/>	<hr/>

APPENDIX XXIV

(Reference: Paragraph 3.17, Page 85)

STATEMENT SHOWING LOSSES, WRITES-OFF, ETC.

In 964 cases, Rs. 3,24.27 lakhs representing mainly losses due to theft, fire, etc., irrecoverable advances, etc., were written-off/waived or ex-gratia payment made during 1980-81 by competent authorities. The details are as follows :—

Department	Writes-off of losses, irrecoverable advances, etc.		Waiver of recovery		Ex-gratia payment	
	Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3) RS.	(4)	(5) RS.	(6)	(7) RS.
1. Agriculture ..	307	4,84,845	3	9,767	..	..
2. Commercial Taxes and Re- ligious Endow- ments	1	16	1	955	..	..
3. Education ..	7	16,291	167	1,09,204	..	..
4. Finance ..	7	1,79,267	1	861	..	..
5. Food and Co- operation	35	17,41,787	3	1,17,99,950	..	..
6. Forests and Fisheries	94	50,08,371	1	3,795	..	..
7. Health and Family Wel- fare	2	3,178	..	..	29	1,45,000
8. Home ..	62	64,778	3	9,844	3	1,18,000
9. Industries ..	20	1,55,532	..	..	..	..
10. Labour and Employment	4	39,302	1	2,175	..	..
11. Legislative Assembly	1	47	..	..	..	..
12. Public ..	7	1,72,847	..	..	..	..
13. Public Works	194	59,13,264	..	..	..	..
14. Revenue ..	6	62,04,640	..	..	..	..
15. Rural Deve- lopment and Local Admi- nistration	..	..	1	277	..	..
16. Social Welfare	2	2,41,946	..	..	..	..
17. Transport ..	2	564	..	..	..	..
Total ..	751	2,02,26,675	181	1,19,36,828	32	2,63,000

APPENDIX XXV

(Reference : Paragraph 6.3, Page 111)

UTILISATION CERTIFICATES FOR GRANTS PAID UP TO 30TH SEPTEMBER
1979 AND OUTSTANDING AS ON 30TH SEPTEMBER 1981

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 (up to September 1979)	1	0.14	..	..	1	0.14
Co-operation	1975-76 and earlier years.	72*	16.97	..	7.39**	72	9.58
	1976-77	40*	13.70	..	0.43**	40	13.27
	1977-78	100*	17.48	..	3.23**	100	14.25
	1978-79	275	43.15	..	..	275	43.15
	1979-80 (up to September 1979)	300	2,88.54	..	..	300	2,88.54
Education ..	1975-76 and earlier years	114	1,83.72	114	1,83.72	..	..
	1976-77	3*	0.17	..	0.12**	3	0.05
	1977-78	19	10.26	16	9.88	3	0.38
	1978-79	17	16.15	1	8.95	16	7.20
	1979-80 (up to September 1979)	8	34.12	..	..	8	34.12

* Differs from the figure shown in the Report for 1979-80 due to adoption of correct figure after re-check.

** Represents receipt of utilisation certificate for part amount.

APPENDIX XXV—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	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 (up to September 1979)	2	0.40	..	..	2	0.40
Health and Family Welfare	1975—76 and earlier years	7*	0.99	..	..	7	0.99
	1976—77	7*	1.20	..	..	7	1.20
	1977—78	10*	1.50	..	0.40**	10	1.10
	1978—79	19	7.38	..	..	19	7.38
	1979—80 (upto September 1979)	7	2.49	..	..	7	2.49
Home ..	1976—77	1	0.05	1	0.05	..	..
	1977—78	4	1.14	4	1.14	..	..
	1978—79	2*	10.06	..	..	2	10.06
	1979—80 (up to September 1979)	1	1.78	..	..	1	1.78
Housing and Urban De- velopment	1977—78	1	10.00	1	10.00	..	..
	1978—79	3	82.80	..	..	3	82.80

* Differs from the figure shown in the Report for 1979—80 due to adoption of correct figure after re-check.

** Represents receipt of utilisation certificate for part amount.

APPENDIX XXV—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)							
Industries ..	1977—78	7	82.45	6	82.05	1	0.40
	1978—79	4	60.75	..	..	4	60.75
	1979—80 (up to September 1979)	2	1.02	..	..	2	1.02
Information and Public Relations	1978—79	1	0.10	1	0.10	..	..
Law ..	1979—80 (up to September 1979)	2	0.08	..	..	2	0.08
Personnel and Administra- tive Reforms	1977—78	1	0.05	..	0.03**	1	0.02
	1978—79	1*	0.01	..	..	1	0.01
	1979—80 (up to September 1979)	2	0.02	..	..	2	0.02
Public ..	1975—76 and earlier years	1	0.02	1	0.02	..	..
	1976—77	2	2.13	2	2.13	..	..
	1978—79	2	0.06	2	0.06	..	..

* Differs from the figure shown in the Report for 1979—80 due to adoption of correct figure after re-check.

** Represents receipt of utilisation certificate for part amount.

APPENDIX XXV—concl'd.

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)							
Public Works	1977—78	4*	7,05.00	..	..	4	7,05.00
	1978—79	5	5,12.50	..	..	5	5,12.50
	1979—80 (up to September 1979)	2	7.20	..	..	2	7.20
Revenue ..	1976—77	2	0.16	2	0.16	..	..
	1977—78	3	0.83	1	0.80	2	0.03
	1978—79	3	0.05	..	..	3	0.05
Rural Development and Local Administration	1975—76 and earlier years	7*	1,52.37	..	..	7	1,52.37
	1976—77	5*	13.03	..	..	5	13.03
	1977—78	9*	34.50	..	..	9	34.50
	1978—79	27	1,95.16	..	..	27	1,95.16
Social Welfare	1976—77	17	0.82	17	0.82	..	..
	1977—78	1*	0.17*	..	..	1	0.17
	1978—79	1*	60.00	..	..	1	60.00
	1979—80 (up to September 1979)	24	1.03	..	..	24	1.03
Transport ..	1979—80 (up to September 1979)	3	0.22	..	..	3	0.22
Total		1,159	27,76.39	170	3,12.98	989	24,63.41

* Differs from the figure shown in the Report for 1979-80 due to adoption of correct figure after re-check.

APPENDIX XXVI

(Reference: Paragraph 6.7-5, page 117)

STATEMENT SHOWING PARTICULARS OF FISH PRODUCTION

<i>Name of Agency</i>	<i>Year</i>	<i>Water area (in hectares)</i>	<i>Targeted fish production at 1,500 kilograms per hectare</i>	<i>Actual production</i>	<i>Shortfall in production (Columns 4-5)</i>	<i>Percentage of shortfall (columns 6 to 4)</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Thanjavur ..	1976-77	42.98	64,470	339	64,131	99
	1977-78	72.38	1,08,570	13,724	94,846	87
	1978-79	104.51	1,56,765	57,775	98,990	63
	1979-80	129.40	1,94,100	1,00,718	93,382	48
	1980-81	175.33	2,62,995	1,20,872	1,42,123	54
Madurai ..	1978-79	36.60	54,900	7,146	47,754	87
	1979-80	81.56	1,22,340	49,240	73,100	60
	1980-81	146.80	2,20,200	43,699	1,76,501	80
Tiruchirappalli ..	1978-79	97.80	1,46,700	Not available	..	..
	1979-80	107.67	1,61,505	26,270	1,35,235	84
	1980-81	204.04	3,06,060	50,730	2,55,330	83
Dharmapuri ..	1978-79	104.90	1,57,350	Not available	..	..
	1979-80	216.40	3,24,600	14,567	3,10,033	96
	1980-81	228.00	3,42,000	53,704	2,88,296	84

APPENDIX XXVII

APPENDIX

(Reference: Paragraph 7.1,

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT

<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>
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
AGRICULTURE DEPARTMENT					
1. Government Agricultural Engineering Workshop, Madras	1952	1979-80	35.98	10.60	8.85
2. Scheme for the purchase and distribution of chemical fertilisers, Madras	1954	1977-78	4,13.49	..	..
FORESTS AND FISHERIES DEPARTMENT					
3. Government Cinchona Department, Ootacamund	1861	1979-80	4,64.19	2,98.94	57.31
4. Chank Fisheries, Tuticorin	1909	1979-80	26.79	3.28	7.27
5. Chank Fisheries, Ramanathapuram	1978	1979-80	7.76	0.11	0.01
INDUSTRIES DEPARTMENT					
6. Government Granite Polishing Centre, Krishnagiri	1969	1978-79	1.03	0.22	0.44
TRANSPORT DEPARTMENT					
7. Motor Vehicles Maintenance Organisation, Madras.	1964	1975-76	3,87.89	32.34	4.36

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COMMERCIAL AND QUASI-COMMERCIAL UNDERTAKINGS

Turn over	Net profit (+) Net loss (-)		Mean Capital	Percentage of return on mean capital		Remarks
	After charging interest on capital	Before charging interest on capital		After charging interest on capital	Before charging interest on capital	
(7)	(8)	(9)	(10)	(11)	(12)	(13)
(in lakhs of rupees)						
17.81	-2.78	-0.36	32.22	..	..	..
4,78.97	-36.29	+13.21	6,18.71	..	2.13	..
74.79	+1.70	+34.11	4,32.15	0.39	7.89	..
56.51	+9.57	+12.88	30.07	31.83	42.83	..
0.04	-0.85	-0.22	5.68	..	..	..
Nil.	-0.21	-0.12	0.99	..	..	Consequent on the closure of the unit, preparation of <i>pro forma</i> accounts is stated (March 1981) to have been dispensed with from 1979-80 as per orders of State Government.
1,45.69	-21.16	+11.30	3,93.53	..	2.87	..

APPENDIX XXVIII

(Reference: Paragraph 7.2, Page 127)

LIST OF DEPARTMENTALLY MANAGED COMMERCIAL AND QUASI-COMMERCIAL UNDERTAKINGS WHOSE PRO FORMA ACCOUNTS ARE IN ARREARS

<i>Serial number and name of department/undertaking</i>	<i>Period for which accounts are in arrears</i>	<i>Remarks</i>
(1)	(2)	(3)
AGRICULTURE DEPARTMENT		
1. Scheme for the purchase and distribution of chemical fertilisers, Madras.	1978-79 1979-80 1980-81	
2. Government Agricultural Engineering Workshop, Madras	1980-81	
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.
FORESTS AND FISHERIES DEPARTMENT		
4. Government Cinchona Department, Ootacamund	1980-81	..
5. Chank Fisheries, Tuticorin ..	1980-81	The preparation of <i>pro forma</i> accounts in respect of pearl fisheries have been dispensed with from 1979-80.
6. Chank Fisheries, Ramanathapuram	1980-81	..
INDUSTRIES DEPARTMENT		
7. Government Glass Production Centre, Madurai,	1979-80 (up to 13th November 1979)	Unit closed with effect from 14th November 1979.

* Revised accounts are due.

APPENDIX XXVIII—concl'd.

<i>Serial number and name of department/undertaking</i>	<i>Period for which accounts are in arrears</i>	<i>Remarks</i>
(1)	(2)	(3)
8. Government Bristle Fibre Unit, Tenkasi	*1978-79 *1979-80 1980-81 (up to 30th September 1980)	Unit Closed with effect from 30th September 1980.
SMALL SCALE INDUSTRIES		
9. Carpentry and Black-smithy Unit, Arkonam	1978-79 1979-80 1980-81	..
TRANSPORT DEPARTMENT		
10. Motor Vehicles Maintenance Organisation, Madras	1976-77 1977-78 1978-79 1979-80 1980-81	..

* Revised accounts are due.

APPENDIX

(Reference: Paragraph 8.2,

DEPARTMENT-WISE ANALYSIS OF OUTSTANDING INSPECTION

<i>Serial number and Department</i>	1977-78 and earlier years		1978-79	
	<i>Inspection reports</i>	<i>Paragraphs</i>	<i>Inspection reports</i>	<i>Paragraphs</i>
(1)	(2)	(3)	(4)	(5)
1. Agriculture	316	762	101	332
2. Commercial Taxes and Religious Endowments	7	10	11	52
3. Education	284	1,091	105	452
4. Finance	15	46	5	5
5. Food and Co-operation ..	52	132	32	87
6. Forests and Fisheries ..	247	1,117	47	547
7. Home	72	189	36	95
8. Housing	1*	11*	3	25
9. Health and Family Welfare	460	1,591	56	342
10. Industries	89	288	28	109
11. Labour and Employment ..	9	14	20	47
12. Law	1	2	2	6
13. Legislative Assembly ..	..	..	..	..
14. Legislative Council ..	..	..	..	..
15. Public	13	22	13	79
16. Public Works	162	751	72	513
17. Revenue	214	710	73	253
18. Rural Development and Local Administration	420	1,671	116	674
19. Social Welfare	192	660	66	374
20. Transport	133	499	42	204
Total ..	2,687	9,566	828	4,196

* Differs from figures shown in the Report for 1979-80 due to adoption of correct

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REPORTS AS AT THE END OF SEPTEMBER 1981

1979-80		1980-81		Total	
<i>Inspection reports</i>	<i>Para-graphs</i>	<i>Inspection reports</i>	<i>Para-graphs</i>	<i>Inspection reports</i>	<i>Para-graphs</i>
(6)	(7)	(8)	(9)	(10)	(11)
10	477	110	775	633	2,346
0*	32	20	104	48	198
16	821	144	950	679	3,314
17	76	36	323	73	450
37	191	36	242	157	652
30	216	41	258	365	2,138
64	220	158	641	330	1,145
2*	10	2	32	8	78
108	601	184	1,469	808	4,003
29	240	36	239	182	876
20	55	35	179	84	295
..	..	..	..	3	8
..	..	1	6	1	6
..	..	1	1	1	1
7	24	12	53	45	178
89	759	113	1,984	436	4,007
39	126	126	586	452	1,679
149	1,106	166	1,684	851	5,135
63*	416	77	606	398	2,056
45	215	63	745	283	1,663
<u>961</u>	<u>5,585</u>	<u>1,361</u>	<u>10,877</u>	<u>5,837</u>	<u>30,224</u>

figures after re-check.

APPENDIX XXX

(Reference: Paragraph 8.2, Page 133)

LIST OF IMPORTANT IRREGULARITIES CONTAINED IN THE OUTSTANDING INSPECTION REPORTS

Serial number and nature of irregularity	Number of cases/items	Number of offices involved	Money value	Period
(1)	(2)	(3)	(4)	(5)
			(in lakhs of rupees)	
CO-OPERATION DEPARTMENT				
1. Non-recovery of dues to Government from liquidated / dormant societies	15	2	0.29	1972/1976
EDUCATION DEPARTMENT				
1. (a) Non-recovery of excess/irregular payment of teaching grants to aided schools	133	31	31.10	1969-70 to 1980-81
(b) Non-recovery of excess/irregular payment of maintenance grants to aided schools	25	15	1.71	1964-65 to 1979-80
2. Mid-day meals scheme—				
(a) Non-adjustment of advance grants with reference to actual expenditure	21	20	28.93	191-72 to 1972-80
(b) Non-recovery of contributions from local bodies	23	22	1,26.59	1973-74 to 1980-81
(c) Expenditure incurred out of permanent advance disallowed as inadmissible and awaiting regularisation	14	8	0.14	1975-7 to 1979-8
3. Irregularities in respect of CARE Aid Programme* for preparation of food for school children				
(a) Issue of CARE articles in excess of prescribed scales	21	14	0.29	1974-75 to 1979-80

* Under the CARE Aid Programme, the articles are supplied by CARE free of cost to the department.

APPENDIX XXX—contd.

Serial number and nature of irregularity	Number of cases/items	Number of offices involved	Money value	Period
(1)	(2)	(3)	(4)	(5)
			(in lakhs of rupees)	
(b) Shortage of stock of CARE articles	25	19	0.66	1967-68 to 1979-80
(c) Empty containers not disposed	33	23	1.02	1965-66 to 1970-71
4. Expenditure incurred on repairs to departmental motor vehicles in excess of prescribed limits	19	12	0.46	1972-73 to 1979-80
5. (a) Non-disposal of condemned/unserviceable articles of dead stock, laboratory equipments, library books, etc.	32	25	1.10	1972-73 to 1979-80
(b) Shortage/theft of dead stock items, laboratory equipments, sports articles, etc.	35	29	0.17	1970-71 to 1979-80
(c) Annual physical verification of stores and stock not conducted	19	16	..	1969-70 to 1979-80
6. (a) Non-maintenance/defective maintenance of cash book and connected records	26	20	..	..
(b) Defects/irregularities in the maintenance of Personal Deposit Accounts	37	35	..	..
7. (a) Non-recovery of advances from Government servants	10	10	1.21	1972-73 to 1980-81
(b) Non-collection of security deposits from Government servants handling cash/stores	13	13	..	..

APPENDIX XXX—contd.

<i>Serial number and nature of irregularity</i>	<i>Number of cases/items</i>	<i>Number of offices involved</i>	<i>Money value</i>	<i>Period</i>
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
8. Non-collection of endowments from private schools seeking recognition as Higher Secondary Schools	13	13	21.68	1978-79 and 1979-80
9. Utilisation certificates not obtained for non-recurring grants	14	12	2.00	1974-75 to 1979-80
10. (a) Non-collection of tuition fees and special fees	26	21	1.10	1965-66 to 1979-80
(b) Non-realisation of dues, such as, stipends paid to students who have discontinued studies, short collection of medical examination fees, etc	12	12	0.48	..
11. Non-recovery of loan scholarships	8	8	38.86	1963-64 to 1979-80
12. Non-remittance of undisbursed scholarships by educational institutions	4	4	0.15	..

HOME DEPARTMENT

(A) Police Department—

1. (a) Security deposits/bonds not obtained from Government servants handling cash/stores	7	4	..	1978-79 and 1979-80
(b) Irregular drawal of security compensatory allowance in respect of persons not actually handling cash/stores	4	1	Not available	1968/1974/1975

APPENDIX XXX—contd.

<i>Serial number and nature of irregularity</i>	<i>Number of cases/items</i>	<i>Number of offices involved</i>	<i>Money value</i>	<i>Period</i>
(1)	(2)	(3)	(4)	(5)
			(in lakhs of rupees)	
2. Lease agreements for rented buildings not executed	74	5	..	1965-66 to 1976-77
3. Payment of electricity charges under higher tariff resulting in extra expenditure to department	134	2	0.40	1974-75 to 1979-80
4. Tour advances paid to Government servants pending adjustment	44	3	1.12	1974-75 to 1980-81
5. Non-recovery of charges for consumption of electricity in excess of the ceiling prescribed from the occupants of police quarters	360	9	3.34	1972-73 to 1979-80
6. Cost of providing Policeguards pending recovery from: (in lakhs of rupees)	Not available	11	1,56.24	1965-66 to 1979-80
(a) Other Governments (Central and other State Governments)	85.14			
(b) Government commercial departments	62.32			
(c) Private bodies	7.41			
(d) State Bank of India and other nationalised banks	1.37			
7. Non-recovery/non-regularisation of the value of shortages in stores and stock	205	12	0.16	1975-76 to 1979-80

APPENDIX XXX—contd.

Serial number and nature of irregularity	Number of cases/items	Number of offices involved	Money value	Period
(1)	(2)	(3)	(4)	(5)
			(in lakhs of rupees)	
8. Annual physical verification of stores and stock not done	..	3	..	1979-80 and 1980-81
9. Fired empty cartridges remaining undisposed of	2,63,110 Nos.	3	..	1975-76 to 1979-80
10. Non-recovery of feeding charges from owners of private vehicles/police personnel engaged in General Elections 1980	Not available	2	0.56	1979-80
11. Non-recovery of house rent from Inspectors of Police occupying Government quarters	..	2	0.19	1974 to 1977
12. Accumulated waste paper and other obsolete articles remaining undisposed of	Not available	5	Not available	1972-73 to 1980-81

(B) *Judicial Department*—

1. Non-collection of fines imposed	Not available	6	8.24	1973-74 to 1979-80
2. Non-maintenance/defective maintenance of cash book and non-verification of cash balance at the end of each month	11	11	..	1978-79 and 1979-80
3. Annual physical verification of stock of furniture/office library books not conducted	14	14	..	1979-80
4. Non-reconciliation of deposit receipts/charges with treasury figures	Not available	9	..	1977-78 to 1979-80
5. Civil/criminal court deposits unclaimed for more than three years not lapsed and credited to Government	632	5	1.05	1961-62 onwards
6. Defective maintenance of treasury bill book (MTC 70)	9	9	..	1979-80

APPENDIX XXX—contd.

<i>Serial number and nature of irregularity</i>	<i>Number of cases/items</i>	<i>Number of offices involved</i>	<i>Money value</i>	<i>Period</i>
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
TRANSPORT DEPARTMENT				
<i>Stationery and Printing Department—</i>				
1. Non-collection of printing and publication charges (in lakhs of rupees)	4	2	35.27	1954-55 to 1980-81
(a) from non-commercial departments	20.37			
(b) from commercial departments	0.34			
(c) from other Governments	14.56			
2. Short recovery/short realisation of departmental revenue, such as, advertisement charges, printing charges, etc.	4	2	0.43	1973 to 1980
3. Non-achievement of prescribed out-turn by the printing machines	3	3	..	1977-78 to 1979-80
4. Security deposits not obtained (i) from Government servants handling cash	1	1	..	1979-80
(ii) from the tenderers for supply of materials	2	2	..	1977-78 and 1978-79
5. Printing machines/casting machines lying idle/sick for want of spare parts	32	4	..	1972-73 to 1980-81
6. Delay in disposal of waste/obsolete and unserviceable articles	5	4	..	1969-70 to 1979-80

APPENDIX XXX—concl.

<i>Serial number and nature of irregularity</i>	<i>Number of cases/items</i>	<i>Number of offices involved</i>	<i>Money value</i>	<i>Period</i>
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
7. Payment of demurrage/wharfage charges to Railways owing to non-clearance of goods within the time allowed	3	1	0.46	1974 and 1977-78 to 1979-80
8. Delay in finalising the purchase of spare parts for the printing machines, resulting in escalation of the cost of spares	2	2	0.36	1976-77 and 1978-79
9. Shortage of stores/stock	7	3	1.99	1976-77 to 1979-80
10. Defective maintenance/non-maintenance of stock accounts	5	3	..	1976-77 and 1979-80
11. Annual physical verification of machinery and furniture not conducted	3	2	..	1977-78 to 1980-81
12. Non-receipt of acknowledgments from the departments for supply of stationery articles	670	6	..	1977-78 to 1980-81

APPENDIX XXXI

(Reference: Paragraph 8.2, Page 133)

INSPECTION REPORTS FOR WHICH FIRST REPLIES WERE NOT RECEIVED AT THE END OF SEPTEMBER 1981

<i>Serial number and Department</i>	<i>Inspection reports for 1977-78 and earlier years</i>	<i>Inspection reports for 1978-79</i>	<i>Inspection reports for 1979-80</i>	<i>Inspection reports for 1980-81</i>	<i>Total</i>
(1)	(2)	(3)	(4)	(5)	(6)
1. Agriculture	1	2	6	33	42
2. Education	20	14	21	39	94
3. Finance .. .. .	..	..	1	..	1
4. Food and Co-operation	..	..	..	2	2
5. Forests and Fisheries ..	..	..	..	7	7
6. Health and Family Welfare	8	3	14	51	76
7. Home .. .. .	..	..	2	39	41
8. Industries .. ..	..	..	..	9	9
9. Labour and Employment	..	..	..	12	12
10. Public .. .. .	..	..	..	3	3
11. Public Works .. ..	..	..	..	24	24
12. Revenue .. .. .	..	..	4	32	36
13. Rural Development and Local Administration	..	..	1	80	81
14. Social Welfare .. ..	..	..	..	19	19
15. Transport .. ..	..	..	..	9	9
Total ..	29	19	49	359	456

