

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

**FOR THE YEAR
1986-87
(CIVIL)**

GOVERNMENT OF TAMIL NADU

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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1986-87 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 1986-87.

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 1986-87 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 1986-87 have also been included, wherever considered necessary.



CHAPTER I

OVERVIEW

This Report includes, besides a review of the financial position of the Government for the year 1986-87 and results of Appropriation Audit and Control over Expenditure, performance reviews on District Livestock Farms, DANIDA assisted Tamil Nadu Area Project, Mobile Health Services in Rural Areas, National Tuberculosis Control Programme, National Leprosy Eradication Programme, Accident and Emergency Medical Services, Modernisation of State Police Forces, Flood Relief, State Roads, Tuticorin Drainage Scheme, Slum Clearance/Improvement Scheme and Cinchona Department and paragraphs on individual financial irregularities. The important points highlighted are mentioned in the succeeding paragraphs.

Financial position of the Government

The transactions on Revenue Account ended with a surplus of Rs.103.61 crores. However, the net Public Debt of Rs.448.07 crores raised during the year, together with the Revenue Surplus of Rs.103.61 crores, was not adequate to meet the Capital expenditure of Rs.168.96 crores and the net outgo of Rs.387.83 crores under Loans and Advances by Government, resulting in reduction of the closing Cash Balance by Rs.5.11 crores (paragraph 2.2.5).

Ways and Means Advances taken from the Reserve Bank of India during the year amounted to Rs.58.81 crores and the interest paid thereon was Rs.0.07 crore. No overdraft was taken during the year (paragraph 2.2.4).

The Plan expenditure of Rs.886.61 crores under Revenue and Capital fell short of the provision of Rs.1004.80 crores by 12 per cent (paragraph 2.2.13).

The non-Plan expenditure of Rs.2058.05 crores under Revenue and Capital constituted 70 per cent of the total expenditure of Rs.2944.66 crores, the increase over that of the previous year being 13 per cent (paragraph 2.2.19).

The return on investment of Rs.377.21 crores in various Corporations, Government Companies, Co-operative Institutions, etc., was only Rs.0.64 crore, representing about 0.2 per cent (paragraph 2.2.15).

Guarantee commission of Rs.0.45 crore was pending recovery from 13 Government Companies (paragraph 2.2.17).

Appropriation Audit and Control over Expenditure

During the year 1986-87, only Rs.3772.26 crores were spent against a total of grants and appropriations of Rs.3976.28 crores, resulting in a net saving of Rs.204.02 crores. The saving was the net result of savings of Rs.227.17 crores and excess of Rs.23.15 crores (paragraphs 3.1 and 3.2.3). This represents over 6 per cent of the total grants and appropriations.

The excess of Rs.23.15 crores occurring in 14 grants and 2 appropriations requires regularisation by the Legislature under Article 205 of the

Constitution of India; of this, in 9 grants, supplementary grant of Rs.145.61 crores obtained during the year, proved insufficient by more than Rs.50 lakhs each. In addition, excess totalling Rs.104.95 crores relating to the years 1981-82 to 1985-86 also remained to be so regularised (paragraphs 3.2.2 and 3.2.3).

Supplementary grant of Rs.4.21 crores obtained in March 1987 proved unnecessary in 10 cases (paragraph 3.2.2).

In 9 grants and one appropriation, expenditure fell short by more than Rs.1 crore each and also by more than 10 per cent of the total provision, resulting in an aggregate saving of Rs.194.72 crores (paragraph 3.2.4).

Overprovisioning.— In 7 grants, wherein supplementary grant of Rs.13.43 crores was obtained, the expenditure did not come up even to the original grant of Rs.295.88 crores (paragraph 3.2.6.1).

Lumpsum provisions totalling Rs.16.12 crores in 5 grants made for Dearness Allowances proved excessive, as the amounts actually re-appropriated for the purpose aggregated to Rs.8.00 crores only (paragraph 3.2.6.2).

Substantial surrenders.— Non-implementation and slow implementation of 8 schemes resulted in surrender of provisions totalling Rs.61.85 crores in March 1987 (paragraph 3.2.5).

Persistent savings.- There were persistent savings of 5 per cent and more in 5 grants during the years 1984-85, 1985-86 and 1986-87, total savings each year ranging from Rs.28.07 crores to Rs.60.56 crores (paragraph 3.2.7).

Inadequate provision by reappropriation.- Provision (Rs.37.76 crores) made by reappropriation in March 1987 under 39 sub heads in 17 grants proved significantly inadequate, the final excess in each case exceeding Rs.10 lakhs; the final excess was Rs.31.60 crores (paragraph 3.2.9).

Budgetary procedure.- Provisions totalling Rs.10.97 crores could not be utilised and had to be surrendered in March 1987 in 20 cases on account of belated submission and non-submission of proposals, non-issue of administrative sanctions, etc. (paragraph 3.2.10).

Expenditure on New Service.- Expenditure totalling Rs.1.45 crores was incurred during the year on one New Service and 3 New Instruments of Service, without obtaining either advances from the Contingency Fund or Supplementary Grants and hence escaped the notice of the Legislature (paragraph 3.3).

Contingency Fund.- The Corpus of the Contingency Fund placed at the disposal of Government to meet unforeseen expenditure, pending authorisation by the Legislature was enhanced from Rs.50 crores to Rs.100 crores from 23rd September 1986 to 31st March 1987. Out of 289 advances totalling Rs.150.08 crores sanctioned from the Fund during

the year, 71 advances (Rs.28.84 crores) were not at all utilised and out of Rs.31.79 crores advanced (52 cases), only Rs.1.32 crores were utilised, the utilisation being less than 50 per cent each. In 21 cases, Rs.8.32 crores were spent from the Contingency Fund against the sanctioned advance of only Rs.3.81 crores (paragraph 3.4).

Reconciliation of departmental figures.-

Expenditure of Rs.1132.23 crores upto 1986-87 booked in the Accounts Office had not been reconciled by 397 Controlling Officers. Out of Rs.569.09 crores remaining unreconciled during 1986-87, the amounts exceeded Rs.10 crores each in 13 departments. (paragraph 3.7).

Irregular withdrawal of funds.- With a view to avoiding lapse of Budget grant and loss of Capital assistance, from Government of India for upgradation of Standards of Prison Administration in Tamil Nadu, recommended by the Seventh Finance Commission, Rs.4.38 crores were drawn and kept in the Personal Deposit accounts of Tamil Nadu Water Supply and Drainage Board (TWAD) (Rs.2.45 crores) and Tamil Nadu State Construction Corporation Limited (TNSCC) (Rs.1.93 crores) in March 1984 (Rs.3.18 crores) and March 1985 (Rs.1.20 crores), in contravention of financial rules. The drawal of funds and their deposit with TWAD was far in advance of and in excess of requirements. As TNSCC is not responsible for execution of works under the Scheme, the drawal and deposit of Rs.1.93 crores with TNSCC was injudicious and was with a view to exhibiting the amount as expenditure in Government accounts (paragraph 3.8).

District Livestock Farms (paragraph 4.1)

In Tamil Nadu, there are 7 District Livestock Farms, an Exotic Cattle Breeding Station, a Dairy Farm and two Frozen Semen Banks. The expenditure incurred on the Farms during 1981-82 to 1986-87 was Rs.13.74 crores while the receipts realised amounted to Rs.3.84 crores.

The livestock farms are to function as model farms for livestock production and maintenance. A review by Audit of the working of 5 farms disclosed that they were far from being model farms. There were delays of nearly 4 years in fixation of cattle strength and more than a year, thereafter, in the disposal of the surplus cattle, resulting in an avoidable excess expenditure of Rs.1.11 crores over receipts in the maintenance of the surplus cattle during 1982-83 to 1985-86. The milk yield of the cattle was below the target due to irregular culling of substandard animals and lack of green fodder. The Culling Committees, which were to identify the substandard animals, did not meet regularly, the shortfall being 59 per cent in the years 1981-82 to 1985-86. Delays in erection of borewells, provision of pumpsets and energisation of erected borewells resulted in loss of production of fodder, as the available lands in the farms could not be fully utilised for fodder cultivation.

The annual mortality rate of cattle was 4 to 47 per cent as against the prescribed norm of 2 to 6 per cent mainly due to inadequate protection to the cattle for developing immunity.

Cross breeding programme was undertaken in one farm in 1973-74 with the object of obtaining a cross breed which, in its third generation, would yield 2,500 kgs. of milk per lactation. Though the third generation was expected in 1979-80 itself, the Programme was yet to take off, as, even by the end of December 1986, there were only one cow, one heifer and no bull of third generation for further cross breeding.

Under the progeny testing programme, implemented in 2 farms from 1971-72 and 1980-81 respectively, with the object of selecting best bulls and deep-freezing their semen for planned breeding programme, evaluation of bulls was delayed by 7 to 10 years. Semen was not collected during the periods from September 1979 to May 1985 and from January 1986 onwards. Details of utilisation of semen collected in the other periods were not available with the Department.

The Liquid Nitrogen Plants in 2 Frozen Semen Banks were not utilised to the full capacity, the shortfall being 50 and 54 per cent respectively, the reasons for which were not on record. As a result, an expenditure of Rs.4.06 lakhs was incurred in purchasing liquid nitrogen. Five more Liquid Nitrogen Plants purchased for Rs.40.85 lakhs in 1984/1985 were yet to be installed, tested and commissioned as on December 1986, due to delays in sanction and construction of the necessary civil works; their guarantee periods had, however, expired even in August 1985/1986.

Fraudulent Leave Travel Concession (LTC) claims (paragraph 4.4)

LTC claims of 96 teachers amounting to Rs.1.13 lakhs were admitted by the Assistant Educational Officer, Kolianur, without adequate scrutiny. On a further investigation of the claims, at the instance of Audit, the Department found that the claims were not genuine and ordered recovery of the entire amount.

Fish Farm, Asur (paragraph 4.6)

A fish farm in the foreshore of Asur lake was taken up for construction in November 1981 at an estimated cost of Rs.3.40 lakhs. It remained to be completed and put to use even by February 1987, as the estimate did not provide for adequate water supply arrangements and certain items required for its functioning. Those items were yet to be taken up and completed. The result was that the expenditure of Rs.3.07 lakhs so far incurred on it remained unfruitful, besides the estimated cost overrun of Rs.2.20 lakhs.

Brackish water Fish Farm, Killai (paragraph 4.7)

To demonstrate the economic feasibility of brackish water fish culture, a brackish water fish farm over an area of 50 hectares of Killai back waters was taken up for construction in February 1979 at an estimated cost of Rs.13.08 lakhs. As the bund of the Farm was breached in May 1979, massive bunds were provided and consequently the area of the Farm was scaled down to 5 hectares.

The work in the reduced area of 5 hectares was completed in January 1986, incurring an expenditure of Rs.17.09 lakhs. As against the projected income of Rs.8.5 lakhs and revenue expenditure of Rs.1.73 lakhs per annum for a 50 hectare farm, the income and expenditure of the 5 hectare farm in 1986-87 were Rs.0.51 lakh and Rs.2.43 lakhs respectively. The object of demonstrating the commercial viability of brackish water fish farm had, thus, not been achieved.

DANIDA assisted Tamil Nadu Area Project (paragraph 4.10)

With assistance from Danish International Development Agency (DANIDA), the Project was launched in the Districts of Salem and South Arcot in Tamil Nadu from 1982-83. The objective was to improve the health and family welfare status of the rural population. The expenditure incurred on the Project by the State Government upto 1986-87 was Rs.19.06 crores, of which Rs.14.40 crores were received from Government of India towards DANIDA's share.

The baseline survey, essential for evaluation of the Project, was completed at a cost of Rs.4.23 lakhs long after the mid-term and final evaluations were conducted with the result that the evaluations were handicapped for want of baseline data. Out of 868 buildings for Health Sub Centres, quarters for Lady Health Visitors, etc., targeted for construction by 31st March 1985, only 349 were completed and 50 were still pending, as on December 1986, resulting in not only belated creation of facilities but also cost overrun of Rs.36.82 lakhs.

Provision of manpower for the Project was also inadequate, as there were large scale vacancies in the posts of multi-purpose health workers and health supervisors.

The training programme, intended to improve the professional skills of the health staff in the Project area, was commenced belatedly with the result that only 1,086 out of 3,468 health staff were trained even by the end of December 1986. There were shortages of commonly used medicines in the Health Sub-Centres for periods ranging from 1 to 9 months. There was an infructuous expenditure of Rs.2.53 lakhs on laying pipelines from the existing overhead tanks or ground level reservoirs to 50 Health Sub-Centres/Lady Health Visitors' quarters due mainly to inadequate water in the source. Training of traditional birth attendants fell short of the target by 879 even at the end of the Project period. In 4 out of 6 health districts in the Project area, 32 to 58 per cent of the domiciliary deliveries during 1985-87 was conducted by untrained birth attendants.

Despite the expanded health care facilities created in the 2 districts, their performance in regard to mother and child health care activities was below the State achievement in one or more components during the years 1983-84 to 1985-86.

Mobile Health Services in Rural Areas (paragraph 4.11)

The object of the Scheme, sanctioned by Government in 1977, is to deliver curative,

preventive and promotive health services to the rural population, free of cost, at their doors in villages by professional and para-professional workers through the Mobile Teams attached to the Primary Health Centres (PHCs). The Scheme was implemented in 274 PHCs by 1984-85. The expenditure incurred on the Scheme during 1981-82 to 1986-87 was Rs.9.66 crores.

The population benefited by the Mobile Teams declined from 5.2 per cent in 1981-82 to 3.7 per cent in 1986-87 of the total population covered by the Scheme in 3 health unit districts. Though the Mobile Teams were to visit each village weekly, i.e. 52 times a year, out of 1,789 villages covered by the Scheme in these 3 districts, only 6 villages were visited 52 times or more a year and 22 to 26 per cent of the villages was not at all visited during the years 1981-82 to 1986-87. Posts of medical officers, pharmacists and drivers were often vacant for periods upto five years. The mobility of the Mobile Teams was greatly affected due to non-availability of vehicles as they were diverted mostly for other items of work such as family planning and eye camp. Village Welfare Committees, which were to act as a link between the community and the health staff, were formed only in 990 out of 1,789 villages in 1981-82; it came down to 480 in 1986-87. The work of the Mobile Teams was not monitored by the Director of Primary Health Centres.

National Tuberculosis Control Programme (paragraph 4.12)

The National Tuberculosis Control Programme was launched in 1962 in order to bring TB in the community under control by vaccination of eligible infants and detection and treatment of TB patients among out-patients attending health institutions. During the period from 1974-75 to 1986-87, the expenditure incurred on the Programme by the State Government was Rs.18.15 crores and the assistance received from Government of India was Rs.3.39 crores.

The number of District Tuberculosis Centres functioning in the State fell short of the requirement according to norms prescribed by the Government of India.

In a large number of PHCs, sputum examination of new cases fell short by more than 50 per cent of the prescribed number due to vacancies in the posts of laboratory assistants over long spells. In respect of follow-up cases, the shortfall was as high as 82 to 98 per cent.

Six per cent of the patients detected in 1986 did not turn up for treatment and 35 to 97 per cent of the patients dropped out of treatment in the years 1983-86.

In a number of District Tuberculosis Centres, key posts had either not been filled up for long periods or were manned by untrained

hands. Vehicles were kept without use for long periods for want of repairs.

**National Leprosy Eradication Programme
(paragraph 4.13)**

The National Leprosy Control Programme launched in 1955 was renamed as National Leprosy Eradication Programme in 1983 with a view to giving emphasis on eradicating the disease by 2000 AD.

During the Sixth Plan period, there was only a marginal decline in the prevalence rate from 15 to 14.6 per thousand as against a reduction of 50 per cent envisaged. The Department had no information regarding the rates of infection and deformity for the State as a whole. In 5 districts test checked in Audit, the reduction in the rates of infection and deformity ranged from 6 to 26 per cent and 2 to 39 per cent only as against the target of 50 per cent.

Majority of para medical workers did not carry out survey of population to the prescribed extent for detecting new cases. Though the Programme provided for registration of atleast 75 per cent of the known cases for treatment, 37 to 50 per cent of the sub centres under 10 Leprosy Control Units did not register the required percentage of cases during 1980-86. The number of persons discharged as cured also fell short of the target by 41 to 77 per cent in the years 1981-82 to 1986-87.

As on July 1987, there was shortage

of staff ranging from 12 to 37 per cent in various categories. The sanctioned posts of Health Educators fell short of the requirement by 43 per cent. 12 out of 43 medical officers in 4 districts were not trained in leprosy work. Construction of buildings for 10 out of 11 Leprosy Control Units, sanctioned in 1981-82 and 1983-84, was yet to be commenced as sites for their location were still to be decided. Out of 10 Temporary Hospitalisation Wards, sanctioned in the years 1980-81 and 1982-83, 5 were yet to be completed and work on 2 was yet to be commenced. Two Temporary Hospitalisation Wards constructed in 1985 had not yet started functioning due to non-posting of the sanctioned staff.

Accident and Emergency Medical Services (paragraph 4.14)

The Scheme was launched in November 1979 with a view to providing efficient first aid, quick transport and good medical attention to victims of accidents at well equipped Accident and Emergency Centres. The Scheme is now in operation in 357 PHCs, 34 taluk/district hospitals and 3 teaching hospitals. Expenditure incurred during the period 1981-82 to 1985-86 amounted to Rs.5.81 crores.

Life saving equipments were not at all provided in 104 out of 120 ambulance vans. None of the assistants attached to the ambulance vans was trained to give first-aid to accident victims. In 8 taluk/district hospitals and 3 teaching hospitals, only 0.1 to 9.6 per cent of the total trips made by the ambulance vans was for transport of accident victims. The vans were utilised mostly for other

purposes. Wireless communication system contemplated in the Scheme had been provided in the vans in one district only though the Scheme is in operation in 11 other districts also.

No accident cases were reported in 68 Primary Health Centres during 1980-81 to 1985-86. In three hospitals, the Accident and Emergency Service Units could not be put to full use for want of facilities or due to defective construction.

Computer not put to use (paragraph 4.15)

For data storage and retrieval in respect of drugs, equipment, hospital stoppages, etc., a computer was purchased by the Government General Hospital, Madras, in December 1984 at a cost of Rs.11.50 lakhs. The computer installed in February 1985 had yet to be put to effective use, even after more than two years, due to delay in sanction of required staff and provision of air-conditioning and software requirements.

Under-utilisation of buildings (paragraph 4.16)

The building for the Nurses Training School and Hostel at Tirunelveli, constructed (December 1984) at a cost of Rs.43.20 lakhs, remained unoccupied for over a year till August 1987 for want of staff. Government did not sanction the staff on the ground that the total number of nurses trained every year was in excess of the demand in Government service. Even after August 1987 the School functioned with a strength of 60 students by diversion of students' strength and

staff from other nurses training schools in the State, resulting in under-utilisation of the building, as it was constructed for an annual intake of 100 students. Apparently, the requirement of trained nurses was not properly assessed before taking up the construction of building at Tirunelveli.

Equipment lying idle (paragraph 4.17)

Two gas chromatographs, one each in the Food Analysis Laboratory, Coimbatore, and the Institute of Mental Health, Madras, remained unutilised ever since their purchase in February 1979 and November 1984 for Rs.0.62 lakh and Rs.1.44 lakhs respectively, due to defects. These defects were yet to be rectified (January 1987).

A steam laundry established in the Arignar Anna Memorial Cancer Institute and Hospital at Kancheepuram at a cost of Rs.14.48 lakhs in April 1983 could not be brought to use even after 4 years due to non-compliance by the Hospital with the statutory requirement of appointment of a Class II boiler attendant to operate it and non-availability of soft water required for its functioning.

Modernisation of State Police Forces (paragraph 4.18)

This Centrally sponsored scheme implemented in this State upto 1978-79 was revived for another 10 years from 1980-81. The Scheme envisaged, inter alia, provision of wireless equipment to all Police Stations and officers for improving communication facilities and sophisticated scientific equipment to aid investigation of crime. During 1980-81 to

1986-87, Central assistance of Rs.4.83 crores was made available to the State Government, of which the State Government spent Rs.4.60 crores, besides Rs.3.44 crores from its own funds.

Not only had there been delay in provision of equipment but certain equipment provided could not also be put to use for want of spares, power connection, etc. Six UHF equipment and towers acquired in November/December 1984 at a cost of Rs.21.94 lakhs could not be utilised, even after 2 years, due to non-construction of repeater station buildings in 2 places, with the result that hot line communication was not secured to 2 district headquarters. Microwave radio equipments purchased in the period September 1985 to October 1986 at a cost of Rs.101.68 lakhs, were not commissioned (March 1987) due to non-sanction of expenditure for their installation and non-purchase of batteries; consequently additional channels were not available to Range Officers for direct inter-communication with District Officers and between Police Control Rooms and Police Stations.

Due to failure of the Department to take timely action for the purchase of batteries, coaxial cables and aerials, 72 VHF sets purchased in April 1985/July 1986 at a cost of Rs.6.99 lakhs could not be put to use, even after more than one to two years and the object of bringing new Police Stations and sub-divisional offices under VHF net work was yet to be achieved. Delay of over two years in the supply of VHF radio sets and FM radio telephones resulted in non-provision of VHF facilities to 148 Police Stations. 289 walkie talkie sets in

the Police Stations were lying idle for 3 to 17 months due to delay in procurement of spares.

A Radiography unit purchased at a cost of Rs.1.90 lakhs in May 1986 for the Forensic Sciences Department could not be commissioned for over a year for want of power supply connection.

Flood Relief (paragraph 4.19)

The relief operations in respect of floods in 1983, 1984 and 1985 were not timely in many cases. Out of Rs.44.48 crores drawn before the cut off dates prescribed by Government of India for incurring expenditure on relief operations, Rs.13.85 crores were spent beyond the cut off dates and Rs.4.16 crores remained unutilised as on 31st March 1987. This not only rendered Rs.18.01 crores, not spent before the cut off dates, ineligible for Central assistance but also resulted in delay in provision of relief and rehabilitation. Utensils to be provided as immediate relief to the families affected by floods in November 1985 were supplied only after 6 months. Supply of text books to children who had lost their books in the floods in November 1985 was made mostly at a time when the examinations were either in progress or over, thus reducing their usefulness. Special nutrition to rehabilitate children affected by floods in November 1985 was commenced only after 5 months.

Rupees 1.52 crores were disbursed as cash doles towards repairs and reconstruction of huts which were not originally assessed as damaged. Rupees 28.73 lakhs were paid to 18,816

persons whose monthly income was not on record, without which their eligibility for assistance could not be ascertained. Where monthly income of the beneficiary was on record, it was found that Rs.1.92 lakhs were paid to 991 ineligible persons.

20,628 families were evacuated from low lying areas affected by floods in November 1985. Rupees 1.5 crores were allotted by Government of India for relocation of their huts at high level areas. The entire amount was paid to the Tamil Nadu Slum Clearance Board for rehabilitation of only 3,408 families living on the banks of Adyar River in Madras City. As on December 1987, none of the 3,408 families had been relocated as the works were either pending completion or had not been taken up for want of land.

Expenditure on flood relief for which assistance was claimed from Government of India included Rs.3.95 crores not eligible for Central assistance.

Distribution of wheat under Drought Relief Programme (paragraph 4.20)

During 1983, 21,607 tonnes of wheat costing Rs.4.04 crores were issued as part wages to labourers engaged in drought relief works. The Drought Commissioner, as the monitoring authority, did not ensure recovery of the amount from the contractors' bills and remittance to Government account.

Out of Rs.20.72 lakhs realised

by the Tamil Nadu Civil Supplies Corporation by disposal of 1,363 tonnes of wheat, which remained with it undistributed, only Rs.15 lakhs were remitted to Government in July 1987 after a delay of 18 months; the balance of Rs.5.72 lakhs was still to be remitted.

Only 73,914 out of 2,16,070 empty gunny bags were received back by the Corporation; these had not been disposed of and their sale proceeds remitted to Government. No action had been taken to get back the remaining 1,42,156 gunny bags valued at Rs.9.95 lakhs.

Delay in implementation of the Scheme for Self-employment of Rural Women (paragraph 4.21)

Government placed Rs.20 lakhs with the Tamil Nadu Corporation for Development of Women Limited for implementing the Scheme for Self-employment of Rural Women. Government was aware that the Corporation had no direct line control staff at the district level. After a delay of one year, the amount was transferred to the Director of Social Welfare. This resulted in delay of over 20 months in providing self-employment opportunities to women in rural areas, besides an unintended benefit of Rs.2.47 lakhs to the Corporation by way of interest earned and retained by it.

Nagavathi Reservoir Project (paragraph 5.1)

Pre-cast cement concrete slabs valued Rs.1.18 lakhs were not accounted for. Cost of excess issue of slabs was not fully recovered from the

contractor, the short recovery amounting to Rs.1.21 lakhs. There was also a short recovery of Rs.1.24 lakhs towards hire charges for the departmental machinery lent.

Golwarpatti Reservoir Project (paragraph 5.2)

The failure to accept the original tender for construction of bed regulators within the validity period resulted in an avoidable extra commitment of Rs.10.64 lakhs.

Kudhiraiyar Reservoir Project (paragraph 5.3)

Adoption of a thickness of 25 cm. for the canal berm, as against 7.5 cm. required, resulted in an avoidable expenditure of Rs.2.35 lakhs.

Unfruitful expenditure (paragraph 5.4)

Failure to examine the soil and design the appropriate foundation in 2 cases resulted in an expenditure of Rs.2.64 lakhs incurred on them unfruitful, as cracks had developed in the main load-bearing walls during construction and further work was stopped.

Remodelling Vadamalayan Channel (paragraph 5.5)

The Department did not hand over the site of work to the contractor in time. Consequently the contractor refused to undertake the work. Determination of this contract and execution of the work through another contractor resulted in an extra financial commitment of Rs.2.92 lakhs.

Formation of new tank near Goonimaranapalli Village (paragraph 5.6)

A new tank was formed near Goonimaranapalli Village in Dharmapuri District in June 1978 at a cost of Rs.3.83 lakhs to provide irrigation facilities for 68 acres. This tank did not receive water. Failure to ensure that the tank had adequate source of water resulted in the expenditure of Rs.3.83 lakhs remaining unproductive.

State Roads (paragraph 5.7)

Uniform standards were not adopted by the Department in the execution of original as well as repair works. The widened portions of roads in 2 divisions were covered by seal coat at a cost of Rs.2.14 lakhs, though it was unnecessary. In five works, pavement thickness adopted was in excess of requirement, resulting in an extra expenditure of Rs.0.98 lakh. The Vellore Highways Division had adopted an unapproved rate during 1984-85 and 1985-86 for one item, resulting in extra cost of Rs.1.36 lakhs. Salvaged metal was not used in Erode Highways Division resulting in extra expenditure of Rs.3.02 lakhs.

The construction of a bridge across Uppanar River (South Arcot District) was stopped in September 1984 after incurring an expenditure of Rs.0.85 lakh. The work is yet to be resumed. There was an avoidable expenditure of Rs.0.72 lakh in cutting berms in Thudiyalur - Chinnathadagam road. A Test track executed at a cost of Rs.21.18 lakhs in August 1986 did not serve the intended

purpose for want of necessary instrumentation.

Maintenance of roads was not undertaken as per prescribed periodicity.

Demands towards contribution amounting to Rs.38.37 lakhs due from two Municipalities in respect of improvement works were not raised.

Slum Clearance/Improvement Scheme (paragraph 7.6)

The administrative expenditure incurred by the Tamil Nadu Slum Clearance Board exceeded the supervision charges derived from works outlay by Rs.296.92 lakhs during the period from 1980-81 to 1985-86.

There was an avoidable expenditure of Rs.1 lakh due to excess consumption of bitumen.

Delay in allotment of tenements resulted in loss of rent of Rs.1.73 lakhs.

A sum of Rs.1.99 crores was pending recovery towards rent and overdue hire purchase instalments at the end of March 1986; year-wise particulars of outstandings were not available with the Board.

Tuticorin Drainage Scheme (paragraph 7.9)

The Scheme taken up for execution in 1975-76 was completed in October 1984 at a cost of Rs.202.72 lakhs and handed over to the Municipality in February 1985. As against 5,279 house service

connections envisaged, only 4,665 were provided and of these, only 301 connections were given to individual houses.

This drainage was continued to be maintained by the Tamil Nadu Water Supply and Drainage Board and the maintenance expenditure to be recovered from the Municipality was Rs.2.70 lakhs upto January 1987.

Defective preparation of estimate for a sub work resulted in avoidable delay of more than seven years in the execution of the work and consequent escalation of cost by Rs.2.72 lakhs.

Payment made for 53,051 cubic metres of earth excavated at the composite rate covering excavation of earth, forming bund and consolidation resulted in an overpayment of Rs.0.83 lakh, as only 2,493 cubic metres of excavated earth were used for formation of bund.

In respect of 7 sub works, the agreements with the contractors were terminated at their risk and the remaining work got executed by other agencies. The extra cost of Rs.2.71 lakhs incurred in executing the remaining work was yet to be recovered.

**Extra expenditure in purchase of PVC pipes
(paragraph 7.10)**

The delay in finalising tenders received in March 1986 till August 1986 resulted in an extra expenditure of Rs.23.64 lakhs in the procurement of PVC pipes.

Reconditioning the Siruvani Ghat Road (paragraph 7.11)

Adoption of a richer and costlier specification resulted in an avoidable expenditure of Rs.0.65 lakh.

Construction of Office Building at Palayamkottai (paragraph 7.12)

Omission to indicate in the tender schedule and agreement the source for the full quantity of earth required for filling in the basement resulted in termination of the contract and getting the remaining work done at an extra cost of Rs.2.31 lakhs.

Cinchona Department (paragraph 8.2)

The Cinchona Department, set up in 1860, has been engaged in cultivation of Cinchona/ medicinal and aromatic plants and extraction and marketing of cinchona products/medicinal and essential oils. The working of the Department during the 3 years ended 31st March 1986 resulted in a net loss of Rs.1.15 crores due mainly to uneconomic operations in medicinal and essential oils. The Cinchona operations suffered an aggregate loss of Rs.36.85 lakhs due to low extraction efficiency during 1981-82, 1984-85 and 1985-86. The modernisation programme of the Quinine Factory, initiated in May 1979 and expected to be completed in March 1981, has not yet been completed, resulting not only in locking up of Rs.4 lakhs in the Project for about 6 years but also in foregoing of additional anticipated revenue of Rs.4.57 lakhs.

The medicinal and essential oil plantations fared none the better and suffered shortfall in leaves harvested (Rs.38.47 lakhs) and low oil extraction (Rs.5.64 lakhs).

The performance of the Rs.1.1 crore Centrally sponsored scheme of cultivation of Dioscorea and extraction of Diosgenin was dismal with poor yield of dry tubers (out of which Diosgenin is produced) resulting in shortfall valued at Rs.87.62 lakhs, though most of the factors were controllable ones. Further, the plant (Rs.24.04 lakhs) could achieve only a sixth of the designed capacity and the Department had no protective clause in the agreement with the suppliers.

The other major project viz., Geranium cultivation also proved to be a failure resulting in a probable loss of Rs.32.27 lakhs.

CHAPTER II

2.1. The summarised position of the Accounts Finance Accounts for the year 1986-87 is indicated

I. STATEMENT OF FINANCIAL POSITION OF THE

Amount as on 31.3.1986	Liabilities	Amount as on 31.3.1987
513.80	Internal Debt including Ways and Means Advances (Market loans, Loans from LIC and others)	612.35
1809.09	Loans and Advances from Central Government -	
	Pre 1984-85 Loans	1102.39
	Non-Plan Loans	377.74
	Loans for State Plan Schemes	507.53
	Loans for Central Plan Schemes	15.95
	Loans from Centrally Sponsored Plan Schemes	14.36
		2017.97
217.28	Small Savings, Provident Funds, etc.	264.41
432.03	Deposits	496.16
286.76	Reserve Funds	328.55
100.00	Contingency Fund	97.35
--	Advances	0.42
16.12	Remittance Balances	17.50
28.50	Suspense and Miscellaneous Balances	10.91
911.76	Surplus on Government Account	1035.95
<u>4315.34</u>		<u>4881.57</u>

TER II

RAL

of the Government of Tamil Nadu emerging from the in the statements following :-

GOVERNMENT OF TAMIL NADU AS ON 31.3.1987

(in crores of rupees)

Amount as on 31.3.1986	Assets	Amount as on 31.3.1987
1671.51	Gross Capital Outlay on fixed assets - Investment in shares of Companies, Corporation, etc. 377.21 Other Capital Outlay <u>1464.18</u>	1841.39
2570.49	Loans and Advances - Loans for Power Projects 1770.59 Other Development Loans 1052.77 Loans to Government Servants and Miscellaneous Loans <u>134.96</u>	2958.32
2.45	Other Advances	--
26.05	Reserve Funds Investment's	42.13
44.84	Cash - Cash in Treasuries and Local Remittances 12.90 Departmental cash balance 0.99 Permanent Advance 0.68 Cash Balance Investment <u>25.16</u>	39.73
<u>4315.34</u>		<u>4881.57</u>

ABSTRACT OF RECEIPTS AND

SECTION A - REVENUE

Receipts

I. Revenue Receipts -

Tax Revenue	1921.55
-------------	---------

Non-Tax Revenue	252.96
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State's share of Union Taxes	420.58
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Non-Plan Grants	38.93
-----------------	-------

Grants for State Plan Schemes	97.54
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Grants for Central and Centrally Sponsored Plan Schemes	<u>147.75</u>
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2879.31

II. Revenue Deficit carried over

--

2879.31

DISBURSEMENTS FOR THE YEAR 1986-87

(in crores of rupees)

Disbursements

I. Revenue Expenditure -

Sector	Non-Plan	Plan	Total
General Services	683.60	9.67	693.27
Social and Community Services	841.94	330.26	1172.20
General Economic Services	33.47	6.16	39.63
Agriculture and Allied Services	179.92	282.17	462.09
Industry and Minerals	24.35	55.11	79.46
Water and Power Development	141.84	13.61	155.45
Transport and Communications	75.66	23.58	99.24
Grants-in-aid and Contributions	74.36	--	74.36
	<u>2055.14</u>	<u>720.56</u>	<u>2775.70</u>
			2775.70

II. Revenue Surplus carried over to Section B

103.61

2879.31

ABSTRACT OF RECEIPTS AND DISBURSEMENTS

SECTION B - OTHERS

Receipts

III.	Opening Cash Balance including Permanent Advance and Cash Balance Investment		44.84
IV.	Miscellaneous Capital Receipts		--
V.	Recoveries of Loans and Advances -		
	From Government Servants	53.28	
	From others	56.54	
		—	109.82
VI.	Revenue Surplus brought down		103.61
VII.	Public Debt Receipts -		
	Internal Debt other than Ways and Means Advances	133.03	
	Ways and Means Advances	58.81	
	Loans and Advances from Central Government	343.85	
		—	535.69

FOR THE YEAR 1986-87 - contd.

(in crores of rupees)

Disbursements

III. Opening overdraft from Reserve Bank of India --

IV. Capital Outlay

Sector

General Services	11.78	
Social and Community Services	26.87	
General Economic Services	4.19	
Agriculture and Allied Services	29.74	
Industry and Minerals	19.45	
Water and Power Development	51.52	
Transport and Communications	<u>25.41</u>	168.96

V. Loans and Advances disbursed

For Power Projects	260.00	
To Government Servants	62.71	
To others	<u>174.94</u>	497.65

VI. Revenue Deficit brought down --

VII. Repayment of Public Debt -

Internal Debt other than Ways and Means Advances	34.48	
Ways and Means Advances	58.81	
Repayment of loans to Central Government	<u>134.97</u>	228.26

ABSTRACT OF RECEIPTS AND DISBURSEMENTS

Receipts

VIII.	Appropriation to Contingency Fund		--
IX.	Amount transferred to Contingency Fund		50.00
X.	Public Account Receipts -		
	Small Savings and Provident Fund	140.25	
	Reserve Funds	85.59	
	Suspense and Miscellaneous	5265.92	
	Remittances	783.67	
	Deposits and Advances	<u>1276.74</u>	7552.17
XI.	Closing Overdraft from Reserve Bank of India		--

8396.13

FOR THE YEAR 1986-87 - conclud.

(in crores of rupees)

Disbursements

VIII.	Appropriation to Contingency Fund		50.00
IX.	Expenditure from Contingency Fund		2.65
X.	Public Account Disbursements -		
	Small Savings and Provident Fund	93.12	
	Reserve Funds	59.89	
	Suspense and Miscellaneous	5263.85	
	Remittances	782.28	
	Deposits and Advances	<u>1209.74</u>	7408.88
XI.	Cash Balance at end		
	Cash in Treasuries, Local		
	Remittances and Deposits		
	with Reserve Bank of India	12.90	
	Departmental Cash Balance		
	including Permanent Advance	1.67	
	Cash Balance investment	<u>25.16</u>	39.73

8396.13

STATEMENT II

SOURCES AND APPLICATION OF FUNDS FOR 1986-87

(in crores of rupees)

I. Sources -

Revenue Receipts	2879.31
Increase in Public Debt, Small Savings, Deposits and Ways and Means Advances	421.56
Decrease in Closing Cash Balance	5.11

Adjustments -

Increase in Suspense Balances (+) 2.07	
Increase in Reserve Funds (+) 25.70	
Effect on Remittance Balances (+) 1.39	
	<hr/>
	29.16
	<hr/>
	<u>3335.14</u>

II. Application -

Revenue Expenditure	2775.70
Capital Outlay	168.96
Net lending for Development and other programmes	387.83
Reduction in year end Contingency Fund Balance	2.65
	<hr/>
	<u>3335.14</u>

2.2. Audit Comments

2.2.1. Government Accounts being on cash basis, the surplus on Government Account, as shown in Statement I, indicates the position on cash basis, as opposed to accrual basis of commercial accounting.

2.2.2. The abridged accounts in the foregoing statements have to be read with the comments and explanations in the Finance Accounts.

2.2.3. There was an unreconciled difference of Rs.36.84 lakhs between the figures (Rs.2173.64 lakhs) as shown in the Accounts and that (Rs.2210.48 lakhs) intimated by the Reserve Bank of India under "Deposits with Reserve Bank", of which Rs.2.33 lakhs had been reconciled (August 1987).

2.2.4. During the year, the balance of the State Government with the Reserve Bank of India fell short of the agreed minimum (Rs.110 lakhs) on 18 days. The deficiency was made good by taking Ways and Means Advances totalling Rs.58.81 crores, which were repaid during the year itself. Interest paid on the advances was Rs.0.07 crore. There was no overdraft during the year.

2.2.5. The net additional Public Debt (as adjusted by the net effect of transactions under Contingency Fund, Remittances, Suspense and Reserve Funds) raised during the year was Rs.448.07 crores. Of this, Rs.387.83 crores were utilised for meeting the net additional loans and advances disbursed for development and other programmes. The balance of Rs.60.24 crores, together with the revenue surplus

of Rs.103.61 crores, fell short of the capital expenditure of Rs.168.96 crores, resulting in decrease of cash balance by Rs.5.11 crores.

2.2.6. The Revenue raised by the State Government (Rs.2010.02 crores) accounted for 70 per cent of the total Revenue Receipts (Rs.2879.31 crores) during the year.

2.2.7. As against the net additional revenue of Rs.6.49 crores anticipated from taxation changes proposed during the year, the actual increase was Rs.6.02 crores. There was a net increase of Rs.209.54 crores in the Tax Revenue raised by the State Government from Rs.1547.52 crores in 1985-86 to Rs.1757.06 crores in 1986-87, increase being mainly under 'Sales Tax' (Rs.112.61 crores) due to increase in collection of taxes and upward revision of tax on arrack, 'State Excise' (Rs.44.73 crores) due to increase in receipts under country spirits and foreign liquors, 'Taxes on Vehicles' (Rs.34.77 crores) due to upward revision of tax on vehicles and 'Stamps and Registration Fees' (Rs.26.45 crores) due to increase in receipts on court fees and registration of documents, partly offset by decrease mainly under 'Taxes on Agricultural Income' (Rs.9.29 crores) due to reduced collection.

2.2.8. The Non-Tax Revenue raised by the State Government increased by Rs.13.66 crores from Rs.239.30 crores in 1985-86 to Rs.252.96 crores in 1986-87. The increase was mainly under 'Interest Receipts' (Rs.8 crores) due to more receipts from Departmental commercial, Public Sector and other Undertakings and investment of cash balance and

'Miscellaneous General Services' (Rs.3.78 crores) due to more receipts from lotteries.

2.2.9. The arrears of revenue at the end of the year, reported by 14 departments, were Rs.303.17 crores, of which Rs.37.31 crores were over five years old.

2.2.10. The total amount overdue for recovery as on 31st March 1987, against loans advanced, the detailed accounts of which are maintained in Accounts Office, was Rs.21.91 crores, including Rs.9.85 crores on account of interest. The arrears position in regard to the recovery of loans, the detailed accounts of which are maintained by the departmental officers, could not be indicated as necessary information had not been furnished by them.

2.2.11. The interest paid on Debt and other obligations was Rs.198.92 crores. The interest received was Rs.74.43 crores, including that from Departmental Undertakings and others. The net interest burden was, thus, Rs.124.49 crores.

2.2.12. The assistance received from Central Government as grant for State, Central and Centrally Sponsored Plan Schemes was Rs.245.29 crores. The expenditure on such Plan Schemes was Rs.886.61 crores including State's share.

2.2.13. Against Plan provision of Rs.808.61 crores under Revenue and Rs.196.19 crores under Capital, the actual expenditure on Plan Schemes was Rs.720.56 crores under Revenue and Rs.166.05 crores under Capital, resulting in a shortfall of

Rs.88.05 crores under Revenue and Rs.30.14 crores under Capital. The shortfall under Revenue was mainly under "Social and Community Services" (Rs.70.54 crores) and "Agriculture and Allied Services" (Rs.15.47 crores). The shortfall under Capital was mainly under "Social and Community Services" (Rs.14.33 crores) and "Water and Power Development Services" (Rs.13.09 crores).

2.2.14. Plan expenditure rose from Rs.775.80 crores in 1985-86 to Rs.886.61 crores during 1986-87. The increase of Rs.110.81 crores was mainly under the following heads of account:-

Major Heads		Amount (in crores of rupees)
Revenue -		
321.	Village and Small Industries	26.18
283.	Housing	23.62
338.	Road and Water Transport Services	9.21
277.	Education	9.07
288.	Social Security and Welfare	7.33
281.	Family Welfare	7.30
333.	Irrigation, Navigation, Drainage and Flood Control Projects	7.25

Major Heads

Amount
(in crores of
rupees)

Capital -

537.	Capital Outlay on Roads and Bridges	5.19
459.	Capital Outlay on Public Works	4.68
521.	Capital Outlay on Village and Small Industries	3.65
533.	Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects	3.21

2.2.15. With fresh investment of Rs.19.72 crores during the year in the various Corporations/Companies/Co-operative Institutions, the total investment of the Government in shares on 31st March 1987 was Rs.377.21 crores. Dividend received on such investments during the year was Rs.0.64 crore, representing roughly 0.2 per cent of the investment.

2.2.16. Government had given guarantees for discharge of liabilities like loans, etc. by statutory Corporations, Companies, Co-operatives, etc., upto a maximum of Rs.2447.53 crores. Against this sum, Rs.1495.62 crores were outstanding on 31st March 1987, constituting contingent liability of Government.

2.2.17. In 13 cases, guarantee commission of Rs.45.05 lakhs was due for recovery as on 31st March 1987, the main defaulters being the Tamil Nadu Civil Supplies Corporation Limited (Rs.38.99 lakhs), Tamil Nadu Magnesite Limited (Rs.2.25 lakhs) and Tamil Nadu Small Industries Corporation Limited (Rs.2.09 lakhs).

2.2.18. No Law under Article 293 of the Constitution has been passed by the State Legislature, laying down the limit within which the Government may give guarantees on the security of the Consolidated Fund of the State.

2.2.19. During the year, the non-Plan expenditure of Rs.2058.05 crores constituted 70 per cent of the total expenditure of Rs.2944.66 crores under Revenue and Capital. The increase of Rs.231.62 crores over that (Rs.1826.43 crores) in 1985-86 was the net effect of increase of Rs.233.08 crores under Revenue and decrease of Rs.1.46 crores under Capital, mainly under the following heads of account :-

Major Heads		Increase + Decrease - (in crores of rupees)	
	(1)		(2)
Revenue -			
334.	Power Projects	+	60.00
277.	Education	+	37.64
266.	Pension and other Retirement Benefits	+	35.49

(1)

(2)

309.	Food	+	20.53
288.	Social Security and Welfare	+	14.41
255.	Police	+	13.01
280.	Medical	+	12.89
298.	Co-operation	+	12.41
337.	Roads and Bridges	+	11.01
Capital -			
459.	Capital Outlay on Public Works	-	1.83

CHAPTER III

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

3.1. General

The summarised position of actual expenditure during 1986-87 against Grants/Appropriations is as follows :-

	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total Grant/ Appropriation	Expenditure	Variation Saving(-) Excess(+)
(in crores of rupees)					
I. Revenue -					
Voted	2341.02	356.39	2697.41	2583.95	(-) 113.46
Charged	<u>199.77</u>	<u>39.10</u>	<u>238.87</u>	<u>236.08</u>	(-) <u>2.79</u>
II. Capital -					
Voted	178.36	28.00	206.36	175.85	(-) 30.51
Charged	<u>0.04</u>	<u>0.50</u>	<u>0.54</u>	<u>0.46</u>	(-) <u>0.08</u>
III. Public Debt -					
Charged	<u>298.69</u>	..	<u>298.69</u>	<u>228.26</u>	(-) <u>70.43</u>
IV. Loans and Advances -					
Voted	401.23	83.17	484.40	497.66	(+) 13.26
Charged	..	<u>0.01</u>	<u>0.01</u>	..	(-) <u>0.01</u>
V. Contingency Fund -	50.00	50.00	..
Grand Total	3419.11	507.17	3976.28	3772.26	(-) 204.02

3.2. The following results emerge broadly from the Appropriation Audit.

3.2.1. Supplementary provision obtained during the year constituted 15 per cent of the original provision, as in the year preceding.

3.2.2. Supplementary provision of Rs.4.21 crores obtained in 4 grants (Rs.4.17 crores) and 6 appropriations (Rs.0.04 crore) (Appendix I) during March 1987 proved unnecessary in view of the final saving in each grant/appropriation being more than the supplementary provision; it could, therefore, have been restricted to token provision for New Service items wherever necessary. In 9 grants (Appendix II), supplementary provision obtained during the year proved insufficient by more than Rs.50 lakhs each (ranging from Rs.52.24 lakhs to Rs.1326.20 lakhs) leaving an aggregate uncovered excess expenditure of Rs.22.35 crores.

3.2.3. The overall saving was Rs.227.17 crores in 45 grants (Rs.153.85 crores) and 43 appropriations (Rs.73.32 crores). The overall excess (Appendix III) on the other hand, was Rs.23.15 crores in 14 grants (Rs.23.14 crores) and 2 appropriations (Rs.0.01 crore) requiring regularisation under Article 205 of the Constitution.

Excess, totalling Rs.104.95 crores, over grants/appropriations relating to the years 1981-82 to 1985-86 (Appendix IV) also remains to be regularised.

3.2.4. In the following grants/appropriations, the expenditure fell short by more than Rs.1 crore each and also by more than 10 per cent of the total provision:-

Description of the Grant/Appropriation	Amount of saving (in crores of rupees) (percentage of provision)	Main reasons for saving
(1)	(2)	(3)
16. Fire Services	1.31 (15)	Reduction in expenditure under (i) "Fire Stations" and "Regional and District Establishment" on account of newly sanctioned Fire Stations not having been opened (Rs.88.27 lakhs) and (ii) "Fire Appliances" (Rs.13.68 lakhs), the reasons for which had not been communicated (December 1987).
35. Civil Supplies	35.64 (24)	Reduction in expenditure towards payments to the Tamil Nadu Civil Supplies Corporation (TNCSC) for (i) supply of food articles under

(1)

(2)

(3)

New Midday Meals Programme (Rs.12.42 crores), (ii) difference in cost of rice supplied under Chief Minister's Noon Meal Programme (Rs.14.99 crores) and (iii) losses incurred on procurement and supply of food articles under Public Distribution System (Rs.15.00 crores).

41. Relief on account of Natural Calamities

1.78
(20)

No expenditure was incurred on repairs to Irrigation sources affected by floods in November 1985 (reasons for which had not been communicated) (Rs.1.53 crores) and reduction in expenditure towards grants to Panchayat Unions for Water Supply Schemes in Drought affected areas (Rs.0.61 crore).

44. Stationery and Printing

3.10
(16)

Reduction in expenditure on "Stationery office and Stores" on account of non-purchase of

(1)	(2)	(3)
		paper and boards due to non-allotment by the Director General of Supplies and Disposals and non-settlement of tenders and non-receipt of Tamil typewriters, desk model calculators and stationery stores from suppliers.
49. Water Supply	54.65 (43)	Non-payment of capital grant to Andhra Pradesh (Rs.45 crores) and reduction in grant-in-aid paid to Madras Metropolitan Water Supply and Sewerage Board (Rs.2.41 crores) under the Tamil Nadu Krishna Water Supply Project for Madras City and reduction in grants to Tamil Nadu Water Supply and Drainage Board for execution of World Bank assisted Water Supply Scheme for Small Towns due to delay in execution of the Scheme (Rs.8.71 crores).

(1)	(2)	(3)
52. Capital Outlay on Irrigation	11.63 (17)	Reduction in percentage charges for establishment transferred from Major Head "259. Public Works" (Rs.7.74 crores) and reduction in expenditure under "Dam and Appurtenant works" of Vaniar Reservoir Scheme (Rs.1.72 crores), specific reasons for which had not been communicated; reduction in expenditure on Reservoir works of Sothuparai Reservoir Scheme (Rs.0.68 crore) and "Agricultural Engineering" (Rs.0.96 crore) due to non-execution of works.
53. Capital Outlay on Public Works - Buildings	11.78 (25)	No expenditure (provision : Rs.8.18 crores) was incurred on construction of quarters/barracks for Armed Reserve and Police Personnel in Ramanathapuram, Pasumpon Muthuramalingam and Pudukottai Districts under Police Housing Scheme for want of

(1)

(2)

(3)

administrative approval/
sites.

Reduction in expenditure (Rs.1.13 crores) under "Technical Education" mainly due to non-execution of buildings/additional building for hostels for Girls/Women, Directorate of Technical Education, etc., for want of administrative approval.

Reduction in expenditure (Rs.0.97 crore) on building works under "Medical Education" due mainly to non-execution of certain works for want of administrative approval, sites and finalisation of tenders (Rs.0.41 crore); reasons for saving of Rs.0.56 crore had not been communicated.

Reduction (Rs.1.95 crores) in percentage charges for Establishment transferred from the Major Head "259. Public Works", specific reasons for which had not been communicated.

	(1)	(2)	(3)
55.	Capital Outlay on Road Transport Services and Shipping	1.80 (61)	Investment not having been made in share capital of Poompuhar Shipping Corporation Limited due to a post Budget decision to disburse only loan assistance to it (Rs.1.60 crores).
58.	Miscellaneous Capital Outlay	2.60 (15)	<p>No expenditure was incurred towards purchase of ready built houses at Vilangudi, Madurai (Cost : Rs.1.11 crores) from Tamil Nadu Housing Board for accommodating Sri Lanka Refugees/repatriates.</p> <p>Reduction in share capital investment in the Tamil Nadu Adi-Dravidar Housing Development Corporation due to non-receipt of share of the assistance from Government of India (Rs.0.98 crore) and expenditure on construction of Government Girls Hostels for Scheduled Castes (Rs.0.92 crore), the reasons for which had not been communicated.</p>

(1)	(2)	(3)
Public Debt - Repayment	<u>70.43</u> (24)	Short-term borrowings from Reserve Bank of India were less by Rs.87.19 crores than anticipated.

3.2.5. In addition to those mentioned in paragraph 3.2.4 above, substantial surrenders arose in the following cases on account of either non-implementation or slow implementation of schemes:-

Serial number	Grant	Name of the Scheme (Head of account)	Amount of surrender (in lakhs of rupees)	Percentage of surrender
(1)	(2)	(3)	(4)	(5)
1.	28. Community Development Projects and Municipal Administration	Construction of Public Conveniences in Revenue Villages (282.A.AL.II.JC)	85.00	100

Provision was for completing spill over work under the Scheme. Construction of Public Conveniences in certain remaining villages was not taken up after September 1985, pending an evaluation of the utilisation of the Public Conveniences already constructed. This resulted in the surrender.

(1)	(2)	(3)	(4)	(5)
2.	36. Irrigation	Strengthening of the Ground Water Organisation in Tamil Nadu (306.A.AA.VI.UA)	73.00	97

The provision was for purchase of equipment for strengthening the Ground Water Organisation with 50 per cent financial assistance from Government of India. Administrative approval for the procurement of equipment was accorded by Government in February 1987. All tenders except one received for a particular equipment were cancelled in March 1987 as not satisfying the departmental conditions. As there was no sufficient time to call for fresh tenders before 31st March 1987, Rs.73 lakhs were surrendered. Rupees 60 lakhs (98 per cent) were similarly surrendered during 1985-86 due to non-approval of the Scheme by Government of India.

3.	36. Irrigation	Improvements to Irrigation Systems in Drought affected areas (333. B.AD.II.JF)	100.00	67
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Provision was for executing Labour Oriented Scheme in Drought affected areas, the sanction for which was accorded by Government only on 10th March 1987. Provision could not be spent in March 1987 pending preliminaries like fixing agency for execution, etc.; this resulted in the surrender of provision on 31st March 1987.

(1)	(2)	(3)	(4)	(5)
4.	49. Water Supply	Tamil Nadu Krishna Water Supply Project (282.B.AB.II.JN)	4500.00	100

The provision was for payment of capital grant to Andhra Pradesh towards construction of the components of the Krishna Water Supply Project for Madras City within the boundaries of Andhra Pradesh. The entire amount was surrendered for want of clearance to the Project from Government of India. Similarly there were savings of Rs.55 crores and Rs.47.96 crores under the Scheme respectively during 1984-85 and 1985-86.

5.	49. Water Supply	Madras Water Supply Project (282.B.AB.II.JI)	240.50	96
	59. Loans and Advances by the State Government	Madras Water Supply Project (682.AC.II.JH)	240.50	96

Provision of Rs.250 lakhs each under Grants 49 and 59 was for payment of grant-in-aid and loan respectively to Madras Metropolitan Water Supply and Sewerage Board for execution of works under Madras Transmission and Distribution system for treatment, transmission, distribution and waste water management of water from Krishna River to be stored in Chembarambakkam Tank and Poondy Reservoir under the Krishna Water Supply Project for Madras City. Rupees 240.50 lakhs each under Grants 49 and 59 were surrendered for want of administrative sanction of Government.

(1) (2) (3) (4) (5)

Provisions made for the Project were also similarly surrendered during the preceding three years as indicated below :-

Year		Amount surrendered	
		Grant	Loan
(in lakhs of rupees)			
1983-84		500.00	..
1984-85		241.00	250.00
1985-86		245.70	245.70
6.	52. Capital Outlay on Irrigation	Parambikulam Aliyar Project Ayacut Extension Scheme (533.A.AW.II.JF)	60.59 73

Surrender was due to deletion of the work "Kondampatti Sub branches Channel", final orders for which were issued by Government in February 1987 on the proposal sent in February 1986.

7.	53. Capital Outlay on Public Works - Buildings	Construction of Police Stations and District Police Offices, Pudukottai (459.A.AA.II.JF)	69.58 97
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Works had not been taken up for want of administrative sanction and site not having been made available by the Police Department.

(1)	(2)	(3)	(4)	(5)
8.	53. Capital Outlay on Public Works - Buildings	Construction of quarters/barracks for Armed Reserve and Police Personnel at Ramanathapuram, Pasumpon Muthurama- lingam and Pudukottai Districts (483.A.AD.II.JA)	815.40	100

Non-execution of the Schemes was due to non-receipt of administrative sanction for the construction of quarters/barracks at Ramanathapuram and Pasumpon Muthuramalingam Districts (Rs.800 lakhs) and non-availability of sites for construction of barracks for Armed Reserve Personnel and quarters for Superintendent of Police at Pudukottai (Rs.15.40 lakhs).

3.2.6. Overprovisioning

3.2.6.1. In 7 grants, original provision of Rs.295.88 crores was augmented by supplementary provision of Rs.13.43 crores, but the expenditure did not come up to the original provision, resulting in a saving of Rs.63.55 crores (21 per cent) as detailed below. This could have been avoided, had the supplementary provision been restricted to only token provision for 'New Service' items.

Description of Grant	Supple- mentary provision (in crores of rupees)	Amount of saving (in crores of rupees) (percentage of provision)	Main reasons for saving
(1)	(2)	(3)	(4)
16. Fire Services	0.55	1.31 (15)	Vide- Reasons against the Grant in paragraph 3.2.4.
35. Civil Supplies	2.90	35.64 (24)	Vide- Remarks against the Grant in paragraph 3.2.4.
45. Forest Department	0.03	0.52 (3)	Reduction in expenditure (i) out of lumpsum provi- sion for Dearness allo- wances (Rs.30.65 lakhs), the specific reasons for which were not communicated; (ii) on removal of sandalwood by Government Agency due to extraction of less number of sandalwood trees, holding up of oil extraction and non-trans- portation of confiscated sandalwood (Rs.13.71 lakhs) and (iii) on salaries due to non- filling up of posts, etc., under the scheme for National Waste Land

(1)	(2)	(3)	(4)
			Development for raising fuel wood and fodder plantation (Rs.12.97 lakhs).
52. Capital Outlay on Irrigation	5.18	11.63 (17)	Vide- Remarks against this Grant in paragraph 3.2.4.
53. Capital Outlay on Public Works - Buildings	4.58	11.78 (25)	Vide- Remarks against this Grant in paragraph 3.2.4.
55. Capital Outlay on Road Transport Services and Shipping	0.07	1.80 (61)	Vide- Remarks against this Grant in paragraph 3.2.4.
56. Capital Outlay on Forests	0.12	0.87 (5)	Reduction in expenditure under SIDA aided Social Forestry Scheme due to planting works either not having been taken up or restricted on account of severe drought conditions, appointment of less number of Social Forestry workers and non-payment of incentive (Rs.1.03 crores).

3.2.6.2. Lumpsum provision for Dearness allowance was made under each grant to meet additional dearness allowances, ex-gratia payments, etc. to the employees during the year. The entire lumpsum provision was reappropriated in March 1987 under the relevant sub-heads of the grant under which expenditure on additional dearness allowance, etc., was to be incurred. The amounts so reappropriated, were, however, far less in the grants indicated below indicating that the lumpsum provision was far in excess of requirements :-

Serial number	Number and name of Grant	Lumpsum provision	Amount reappro- priated to rele- vant sub- heads	Excess provi- sion	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
1.	9. Head of State, Ministers and Headquarters Staff	270.00	187.23	82.77	The amount so over-provisioned constituted 93 per cent of the over-all saving of Rs.88.54 lakhs.
2.	15. Police	756.00	246.25	509.75	The amount surrendered in March 1987 was only Rs.102.39 lakhs. The over-all saving under

(1)	(2)	(3)	(4)	(5)	(6)
					the Grant was also Rs.54.68 lakhs. The over-provisioning under "lumpsum provision" enabled Government to meet excess (other than that on dearness allowances) under other sub-heads of the Grant without approaching the Legislature for additional funds.
3. 20. Agriculture		366.00	273.00	93.00	The amount so over-provisioned constituted 60 per cent of the overall saving of Rs.155.66 lakhs in the Grant.
4. 23. Co-operation		110.00	14.65	95.35	The amount surrendered during March 1987 was however Rs.72.23 lakhs only. The balance was apparently utilised for meeting excess under other sub-heads of the Grant.

(1)	(2)	(3)	(4)	(5)	(6)
5.	45. Forest Department	110.00	79.35	30.65	The amount surrendered during March 1987 was only Rs.27.49 lakhs. The amount so over-provisioned constituted 59 per cent of the overall saving of Rs.51.83 lakhs in the Grant.

3.2.7. Persistent savings of 5 per cent and above were noticed in the following grants :-

Serial number and Grant	1984-85		1985-86		1986-87	
	Amount (in crores of rupees)	Percen- tage	Amount (in crores of rupees)	Percen- tage	Amount (in crores of rupees)	Percen- tage
1.Civil Supplies	16.31	8	7.22	7	35.64	24
2.Fire Services	0.56	8	0.85	11	1.31	15
3.Capital Outlay on Agriculture	0.97	19	0.15	5	0.20	6
4.Capital Outlay on Irrigation	6.61	11	9.37	14	11.63	17
5.Capital Outlay on Public Works - Buildings	14.83	30	10.48	30	11.78	25

3.2.8. In the following grants, the expenditure exceeded the provision by more than Rs.1 crore each and also by more than 2 per cent of the total provision :-

Description of Grant	Amount of excess (in crores of rupees) (percentage of provision)	Main reasons for excess
(1)	(2)	(3)
19. Public Health	2.11 (3)	Increase in expenditure on "Immunisation Programmes" (Rs.1.18 crores) and "Conventional contraceptives" (Rs.1.53 crores), the reasons for which had not been communicated (December 1987).
31. Welfare of the Scheduled Tribes and Castes, etc.	1.50 (3)	Increase in expenditure on Post-Matric Scholarships to Scheduled Castes and Scheduled Tribes (Rs.84.34 lakhs), dearness allowance and ex-gratia payment to staff (Rs.71.65 lakhs) and other educational concessions (Rs.57.50 lakhs).

(1)	(2)	(3)
37. Public Works - Buildings	1.72 (31)	Expenditure incurred on "Miscellaneous Work Advances" in Public Works (Rs.89.35 lakhs) and Technical Education (Rs.38.56 lakhs) Departments without provision in either Budget or Supplementary Estimates and increase in expenditure (Rs.67.40 lakhs) on maintenance of buildings (other than office and court buildings) for which reasons were not communicated (December 1987).
59. Loans and Advances by the State Government	13.26 (3)	Increased expenditure towards ways and means advances to Tamil Nadu Electricity Board (Rs.20 crores), of which reasons were not communicated for Rs.11.66 crores and Tamil Nadu Industrial Explosives Limited (Rs.5 crores).

3.2.9. Provision by reappropriation in March 1987 proved significantly inadequate in the following cases :-

Serial number	Grant	Head of account	Reappro- priation	Final excess
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
1.	11. District Administra- tion	253.AB.I.AC. Taluk Establishments	18.52	43.69
		253.AB.I.AD. Ryotwari Village Services	128.82	117.35
2.	14. Jails	256.AB.I.AF. Upgradation of Standards of Administration recommended by Seventh Finance Commission	21.85	19.13
3.	18. Medical	280.A.AB.I.AA. Hospitals and Dispensaries	133.50	101.90
		280.A.AB.I.AJ. Government General Hospital, Madras	80.64	68.47
4.	19. Public Health	280.A.AB.I.BI. Primary Health Centres	44.34	30.77
		281.AB.III.SA. Rural Family Welfare Centres at Primary Health Centres	32.67	25.22
		281.AF.III.SD. Compensation for Vasectomy	30.77	40.60
		281.AG.III.SO. Additional Health Sub-centres under DANIDA Project	81.62	48.59

(1)	(2)	(3)	(4)	(5)
		281.AG.III.SQ. Inservice Training and Manpower Development under DANIDA Project	22.23	38.10
		281.AL.III.SA. Amount Transferred to Tamil Nadu Family Welfare Miscellaneous Purposes Fund	45.00	12.83
5.	24. Indus- tries	328.B.AB.II.JD. Expansion of State Geological Depart- ment - District Admini- stration	7.49	11.75
6.	28. Community Development Projects and Municipal Administra- tion	314.A.AA.I.AE. Block Headquarters	289.25	35.46
		314.B.AK.II.JB. Integrated Rural Development Programme	422.01	15.00
7.	31. Welfare of the Scheduled Tribes and Castes, etc.	288.C.AB.I.AA. School Education	32.92	40.62
		288.C.AB.I.AE. Administration of Post Matric Scholarships to Scheduled Castes and Scheduled Tribes	6.24	78.10
		288.C.AB.I.AF. Hostels	34.79	36.97
		288.C.AB.II.JP. House sites for Adi-Dravidars	9.46	49.35

(1)	(2)	(3)	(4)	(5)
8.	32. Welfare of the Backward Classes, etc.	288.C.AE.I.AD. Backward Classes Hostels	24.44	10.98
9.	35. Civil Supplies	288.A.AA.I.AB. District Establishment	169.35	15.17
10.	36. Irrigation	259.AG.I.AD. Workshop Establishment	8.70	23.40
		289.B.AM.I.AA. Repairs to Irrigation Sources (items eligible for assistance from the Union Government)	3.85	169.47
		333.B.AD.I.AB. Maintenance and Repairs by Irrigation Department	5.00	44.83
11.	37. Public Works - Buildings	259.AD.I.AC. Buildings - Other Office Buildings and Court Buildings (other than Technical Education Department)	19.35	67.40
		259.AJ.I.AC. Miscellaneous Works Advances (Public Works Department)	4.51	84.84
12.	39. Roads and Bridges	337.A.AJ.I.AB. Repairs and Carriages	5.00	26.64
13.	43. Miscellaneous	247.AA.I.AD. Publicity	28.88	16.67

(1)	(2)	(3)	(4)	(5)
		268.AA.I.AB. Payment of Commission to Raffle Agents	125.77	10.41
		268.AA.I.AC. Payment of Raffle Prize Money	270.18	36.28
		288.E.AE.I.BE. Tamil Nadu Government Employee's Special Provident Fund- cum-Gratuity Scheme	65.00	23.00
14.	52. Capital Outlay on Irrigation	533.A.CI.II.JE. Canals	0.43	164.86
		533.A.DB.II.JD. Machinery and Equipment/Tools and Plant	63.58	15.21
		533.A.DE.II.JA. Dams and Appurtenant Works	49.97	18.47
15.	53. Capital Outlay on Public Works - Buildings	459.A.AA.II.JC. Land Revenue	358.70	26.64
		481.A.AB.III.SA. Buildings - For Integrated Nutrition Project with assistance from DANIDA	39.76	61.34
		505.A.AB.II.JB. Buildings	156.10	80.82
16.	58. Miscella- neous Capital Outlay	488.E.AA.II.JB. Education - Construction of Adi-Dravidar Welfare School Buildings	1.09	158.88

(1)	(2)	(3)	(4)	(5)
17.	59.Loans and Advances by the State Government	734.AE.I.AA. Loans to Statutory Corporations, Boards and Government Companies - Controlled by the Secretary to Government, Public Works Department	834.22	1165.78
		766.AA.II.JA. Loans to Government Servants for construction of Houses		
		02. Advances to other Government Servants	100.00	124.71

3.2.10. Budgetary procedure and Control over Expenditure

According to rules, in respect of new schemes for which provision is included in the Budget, pending scrutiny and issue of sanction, every effort should be made to issue the sanctions with the least possible delay after the demands for grants have been voted, at any rate before the end of April, so that the expenditure could be phased and the provisions utilised during the year. Cases of belated submission/non-submission of proposals, non-issue of administrative approval/sanction etc., noticed by Audit in test check, which had resulted in substantial surrender of provisions in the Budget, are mentioned below :-

(a) Grant No.18 - Medical

Out of the total provision of Rs.59.20 lakhs made under the head "280.A.AB.II.JC",

Rs.5.75 lakhs were towards purchase and maintenance of 4 Ambulance vans 2 each for the Government Hospitals at Nagapattinam and Kumbakonam in Thanjavur District, under the Scheme of Accident and Emergency Medical Services. Sanction to the Scheme, the proposals for which were forwarded by the Director of Medical Services and Family Welfare in December 1985, was accorded by Government only in March 1987, resulting in surrender of the entire provision.

(b) Grant No.53 - Capital Outlay on Public Works - Buildings

(i) Mention was made in paragraph 2.2.11(a)(i) of the Report of the Comptroller and Auditor General of India for 1985-86 (Civil) about the surrender of Rs.11.81 lakhs under the head "459.A.AA.II.JJ. Public Works" due to non-selection of suitable alternative site for Administrative Buildings for Research Station at Taramani, Madras. A provision of Rs.35 lakhs was made for construction of the building also in the Budget 1986-87. The site was selected only in September 1986. Revised proposal for pile foundation was submitted to Government by the Chief Engineer (Buildings) only in June 1987. The entire provision of Rs.35 lakhs had therefore been surrendered in March 1987.

(ii) Of Rs.108.61 lakhs surrendered under the head "477.A.AE.II.JA" out of the provision for construction of buildings under Technical Education Schemes, Rs.96.90 lakhs were towards 7 major works. Proposal made in May 1985 by the Director of Technical Education to execute these works out of savings in 1985-86 was rejected by Government only in

March 1986 and was required to be included under 'New Schemes' in Budget 1986-87. Failure of the Department to obtain administrative sanction to these works resulted in the surrender of provision in March 1987.

(iii) Out of a provision of Rs.96.15 lakhs made under the head "480.A.AA.VI.UA" for construction of buildings under "Medical Relief", Rs.78.29 lakhs were surrendered due to want of administrative/ revised administrative sanctions and sites for locating the building, slow progress in work etc. as indicated below :-

Serial number	Name of work	Amount of		Remarks
		provi-	surren-	
		sion	der	
		(in lakhs of rupees)		
(1)	(2)	(3)	(4)	(5)
1.	Construction of staff quarters in 3 Primary Health Centres	18.00	18.00	Proposals for admini- strative sanction were sent to Govern- ment by the Director of Primary Health Centres in December 1985. Sanction of Government was not accorded (March 1987).

(1)	(2)	(3)	(4)	(5)
2.	Construction of Primary Health Centres at Ennayiram (South Arcot District) and Anamalai (Coimbatore District)	21.61	21.61	Proposals for revised administrative approval were forwarded by Chief Engineer (Buildings)/Director of Primary Health Centres in November 1985/August 1986. Orders of Government were not received (June 1987). Rs.21.78 lakhs were similarly surrendered during 1985-86 also (vide - serial numbers 1 and 3 of table below paragraph 2.2.11 (a) (ii) of the Report of the Comptroller and Auditor General of India for 1985-86 (Civil).
3.	Construction of 2 Community Health Centres in Rural areas	12.20	12.20	The site for the work for which administrative approval was accorded by Government in March 1986 was handed over only in November 1986, resulting in further delay in execution of work. Rs.12.20 lakhs were similarly

(1)	(2)	(3)	(4)	(5)
				surrendered in 1985-86 also due to belated submission for, and approval of, revised administrative sanction.
4.	Construction of Dispensary Staff quarters and compound wall at Sembonarkoil (Thanjavur District) and Thuvakudy (Trichy District)	14.00	14.00	The sites for the buildings for the works, sanctioned in January 1982, were finalised only in March 1987.
5.	Construction of Primary Health Centres at Munichirai (Kanyakumari District) and Chatrapatti (Ramanathapuram District)	12.48	12.48	Due to slow progress of the works at Munichirai, commenced in June 1985 and at Chatrapatti, for which revised administrative sanction was accorded in April 1986, the provision could not be spent.

(iv) Of Rs.73.02 lakhs surrendered out of a provision of Rs.84.72 lakhs under the head "482.A.AE.II.JU" for construction of buildings, Rs.63.25 lakhs were surrendered due to delay in sanction of administrative approval/submission

of proposals for administrative sanction for
4 works as indicated below :-

Serial number	Name of work	Budget provi- sion	Amount of surrender	Remarks
(in lakhs of rupees)				
(1)	(2)	(3)	(4)	(5)
1.	Construction of 50 Health Sub Centres in District	50.00	50.00	Proposals were forwarded by the Director of Public Health and Preven- tive Medicine to Government from February 1986 onwards. Admini- strative sanction was accorded by Government only in January 1987.
2.	Construction of Regional Workshops at Tirunelveli and Vellore	10.00	10.00	Proposals were forwarded by the Director, Tamil Nadu State Health Trans- port Department in October and December 1986 and sanction was accorded by Government only in January 1987.

(1)	(2)	(3)	(4)	(5)
3.	Construction of Buildings including Vehicle shed	3.00	3.00	Proposals were forwarded by the Director, State Health Transport Department in March, July and August 1986. Sanction was accorded by Government only in May 1987 (after the close of the financial year).
4.	Construction of Regional Workshop at Coimbatore	0.25	0.25	

(v) Provision of Rs.818.18 lakhs was made under the head "483.A.AD.II.JA." for construction of quarters for Armed Reserve and Police Personnel at Ramanathapuram and Pasumpon Muthuramalingam Districts (Rs.8 crores) and barracks for Armed Reserve Personnel and quarters for Superintendent of Police at Pudukottai (Rs.18.18 lakhs). No expenditure was incurred during the year on these works, as administrative sanction was not received for the first work and sites had not been made available for the other two works.

3.3. Expenditure on New Service

3.3.1. According to rules, expenditure on a scheme/service not contemplated in the Budget Estimate or in excess of the provision thereof in the Budget Estimate constitutes New Service or New Instrument of Service, when the expenditure exceeds the limits prescribed in the rules. In such cases

expenditure can be incurred only after obtaining either an advance from the Contingency Fund, pending authorisation of funds by the Legislature or provision of funds through the Supplementary Estimates. Expenditure on the Schemes mentioned in the succeeding paragraphs, which constituted New Service/New Instrument of Service, was incurred without the approval of the Legislature.

3.3.2. Expenditure of Rs.49.28 lakhs was incurred during the year towards payment of grant-in-aid to Tamil Nadu Pollution Control Board for which there was no provision in either the Budget or Supplementary Estimates. No advance from the Contingency Fund was also obtained for the purpose. As the grant-in-aid exceeded Rs.2 lakhs, the expenditure constituted a New Service. Non-observance of the rules regarding New Service had resulted in the expenditure escaping the notice of the Legislature. Provision of Rs.23.49 lakhs made by reappropriation in March 1987 for the purpose was irregular and also inadequate, resulting in a final excess of Rs.25.79 lakhs.

3.3.3. Rupees 43.11 lakhs were spent towards purchase of new and additional equipments for Government Stanley Hospital, Madras. There was no provision for the expenditure in the Budget. As the expenditure exceeded Rs.5 lakhs, it constituted a New Instrument of Service. Neither provision therefor was made in the Supplementary Estimates nor an advance from the Contingency Fund obtained to meet the expenditure. Failure to observe the prescribed procedure regarding New Instrument of Service had resulted in the expenditure escaping

the notice of the Legislature. Provision of Rs.42.00 lakhs made by reappropriation in March 1987 for the purpose was irregular and also inadequate, resulting in a final excess of Rs.1.11 lakhs.

3.3.4. Rupees 38.40 lakhs were spent on new forestry schemes under Western Ghat Development Programme. There was no provision for the purpose in either the Budget or Supplementary Estimates. No advance was also obtained for the purpose from the Contingency Fund. As the expenditure on the Scheme exceeded Rs.5 lakhs, it constituted a New Instrument of Service. Failure to observe the procedure prescribed in the rules regarding New Instrument of Service resulted in the expenditure escaping the notice of the Legislature. Provision of Rs.40.29 lakhs made by reappropriation in March 1987 for the purpose was irregular and also excessive, resulting in a final saving of Rs.1.89 lakhs.

3.3.5. Rupees 13.71 lakhs were spent on Siddha Wing in Taluk and Non-Taluk Headquarters Hospitals, for which there was no provision in either the Budget or Supplementary Estimates. No advance was also obtained from the Contingency Fund for the purpose. As the expenditure on the Scheme exceeds Rs.5 lakhs, it constituted a New Instrument of Service. Failure to observe the prescribed procedure regarding New Instrument of Service resulted in the expenditure escaping the notice of the Legislature.

3.4. Advances from Contingency Fund

The Corpus of the Contingency Fund placed at the disposal of Government to meet unforeseen

expenditure, pending authorisation by the State Legislature, was Rs.50.00 crores; it was temporarily enhanced to Rs.100.00 crores from 23rd September 1986 to 31st March 1987.

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

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

Two hundred and eighty nine sanctions were issued during 1986-87 advancing Rs.150.08 crores from the Contingency Fund. It was noticed that -

(i) 71 sanctions for Rs.28.84 crores were neither operated nor cancelled;

(ii) the actual expenditure (Rs.1.32 crores) against 52 sanctions was less than 50 per cent of the amount sanctioned (Rs.31.79 crores);

(iii) in 21 cases, the amount drawn from the Contingency Fund (Rs.8.32 crores) exceeded the amount sanctioned (Rs.3.81 crores); and

(iv) four advances amounting to Rs.2.65 crores sanctioned and drawn in March 1987 remained uncouped to the Fund at the end of the year

vide - details given below :-

	Rs.
279. Scientific Services and Research	69,00,000
311. Dairy Development	11,00,000
320. Industries	1,75,00,000
688. Loans for Social Security and Welfare	10,00,000
	<hr/>
	2,65,00,000
	<hr/>

3.5. Non-receipt of explanations for savings/excesses

After the close of each financial year, the detailed appropriation accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the Controlling Officers requiring them to explain significant variations under the heads. Out of 275 heads, the explanations for variations were not received (December 1987) in 185 cases (67 per cent).

3.6. 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 1986-87, such recoveries were anticipated at Rs.95.90 crores; actual recoveries during the year were however Rs.51.68 crores. Some of the important cases of shortfall/excess as compared to estimates are detailed in Appendix V.

3.7. Reconciliation of departmental figures

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

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

Year	Number of Controlling Officers who did not reconcile their figures	Amount not reconciled (in crores of rupees)
1982-83 and earlier years	57	54.59
1983-84	13	30.29
1984-85	26	106.55
1985-86	98	371.71
1986-87	203	569.09
Total	<u>397</u>	<u>1132.23</u>

In the following Departments, amounts remaining unreconciled during 1986-87 exceeded Rs.10 crores :-

Department	Amount not reconciled (in crores of rupees)
Chief Electrical Inspector to Government	20.00
Commercial Taxes	39.09
Co-operation	20.49
Education	23.59
Highways and Rural Works	24.96
Industries and Commerce	17.52
Jails	25.27
Judicial	19.83
Medical and Family Welfare	15.30
Municipal Administration and Water Supply	34.43
Police	97.90
Revenue	94.18
Rural Development	51.99

3.8. Irregular withdrawal of funds

3.8.1. According to financial rules, (i) any portion of a grant remaining unexpended during the year should not, on any account, be reserved or appropriated by transfer to a deposit or any other head in order to prevent it from lapsing and use it for expenditure after the end of the year, (ii) no attempt should be made to prevent lapse of a grant by any undue rush of expenditure during March and (iii) moneys should not be drawn from treasury far in advance and/or excess of requirement. A case infringing all the above principles noticed in Audit is detailed in the succeeding paragraphs.

3.8.2. The Seventh Finance Commission recommended allocation of Rs.8.62 crores under Capital Assistance and Rs.6.31 crores under Revenue Assistance for upgradation of Standards of Prison Administration in Tamil Nadu. The operational period for upgradation of the standards of administration was from 1979 to 1984 and the assistance recommended by the Commission was to be released by Government of India on the basis of expenditure actually incurred on the Schemes of upgradation of standards implemented by the State Government.

3.8.3. The expenditure incurred by Government under the Capital Assistance was very much less than Rs.8.62 crores on account of belated sanction and implementation of schemes. As the operational period of assistance recommended by the Seventh Finance Commission ended on 31st March 1984, it was decided, in the meeting held on 15th February 1984 by the Special Commissioner and Secretary to Government,

Home Department, to credit the unutilised portion of the sanctioned expenditure, to the Personal Deposit accounts of the State-owned Undertakings in the Public Account of the State, so as to get reimbursement of the entire allocation of grant from Government of India. Accordingly, out of Rs.9 crores of Capital expenditure sanctioned for the purpose by Government during 1979-80 to 1983-84, Rs.4.38 crores (representing grants unexpended) were drawn and credited to the Personal Deposit accounts in the Public Account of the State, of Tamil Nadu Government Undertakings by 2 Heads of Departments as indicated below under orders of Government :-

Name of Undertaking	Drawn and deposited by	Date of drawal/ deposit	Amount (in lakhs of rupees)
1. Tamil Nadu Water Supply and Drainage Board (TWAD)	Director General of Prisons (DGP)	27/31.3.1984	244.82
2. Tamil Nadu State Construction Corporation Limited (TNSCC)	Chief Engineer (Buildings), Public Works Department (CEB)	31.3.1984 29.3.1985	72.85* 120.00*
			<u>437.67</u>

- * The Personal Deposit Account in the interest bearing section of the State Public Account was opened for this specific purpose under orders of Government dated the 16th March 1984 and the amounts were to be released by TNSCC to CEB in April - May 1984/ April - May 1985. The drawal and deposit of Rs.1.20 crores in March 1985 was with reference to the extension of time upto 31st March 1985 allowed by Government of India to utilise the grant under Capital Assistance.

3.8.4. The following points deserve mention:

(a) The amount deposited with TWAD for executing water supply schemes in the prisons was in advance of and in excess of requirements.

(b) (i) The total amount of Rs.1.93 crores deposited with TNSCC was released by it to the State Public Works Department only in November 1984 (Rs.28 lakhs), April 1985 (Rs.44.85 lakhs) and October 1985 (Rs.120 lakhs). The fact that the funds were lying in deposit with TNSCC, not required by the Public Works Department till November 1984 (Rs.28 lakhs), April 1985 (Rs.44.85 lakhs) and October 1985 (Rs.120 lakhs) proved that they were not required but were drawn far in advance of and in excess of requirements.

(ii) TNSCC was in no way concerned with the execution of prison works, as the State Public Works Department was responsible for execution of such Government works.

(iii) The retention of the moneys in the Personal Deposit Account (interest bearing section) of the State Public Account had also resulted in an indirect benefit of Rs.6.46 lakhs by way of interest payable and paid by Government to TNSCC, calculated at the rate of 5 per cent per annum prescribed in March 1984, from the dates of deposit to the dates of release of moneys to the Public Works Department. Government agreed in October 1987 with the suggestion of the Director General of Prisons (made in February 1987) that the amount of interest might be got back from TNSCC and utilised

for construction of quarters for the staff of the Prison Department.

(c) The amounts totalling Rs.1.93 crores originally drawn from the Treasury were merely debited to the sub-head "459.A.AA.I.AX. Upgradation of Standards of Administration - Recommended by Seventh Finance Commission" under Grant No.52 - Capital Outlay on Public Works - Buildings and were not included in the accounts of any works in the Public Works Divisional Accounts and the amounts, when released later by TNSCC, were similarly taken as reduction of expenditure under the sub-head, without allocating the reduction to any works in the Public Works Divisional Accounts.

CHAPTER IV

CIVIL DEPARTMENTS

AGRICULTURE DEPARTMENT

4.1. District Livestock Farms

4.1.1. Introduction

The Livestock Farms in Tamil Nadu are maintained to serve as model farms on livestock production and maintenance and to make available quality animals to the farmers as well as to various schemes and programmes of the Animal Husbandry Department. The main objective is to multiply pedigree stock and provide seed material for genetic improvement of livestock by following the breeding policy approved by Government and adopting the artificial insemination technology. The other aims are development of fodder crops and increase in milk production.

There are seven District Livestock Farms, one each at Pudukottai, Hosur, Ootacamund, Chettinad, Orathanad, Abishekapatti and Korukkai besides an Exotic Cattle Breeding Station at Eachenkottai and a Dairy Farm at Madhavaram. Two Frozen Semen Banks are located at the Exotic Cattle Breeding Station, Eachenkottai and the District Livestock Farm at Abishekapatti.

The expenditure incurred on the seven Livestock Farms, the Exotic Cattle Breeding Farm, Eachenkottai and Government Dairy Farm,

Madhavaram, during the years 1981-82 to 1986-87 was Rs.1373.90 lakhs while the receipts realised amounted to Rs.384.36 lakhs.

4.1.2. Organisation

The livestock farms are under the overall control of the Director of Animal Husbandry (DAH), who co-ordinates and directs their activities. The Farms at Eachenkottai and Pudukottai are each headed by an Additional Director, the Farm at Madhavaram is under the control of a Joint Director and the other farms are headed by Deputy Directors.

4.1.3. Audit coverage

The working of five Livestock Farms at Hosur, Chettinad, Orathanad, Pudukottai and Abishekapatti, the Exotic Cattle Breeding Station at Eachenkottai and the Frozen Semen Banks, Eachenkottai and Abishekapatti was reviewed in Audit between December 1986 and February 1987.

4.1.4. Highlights

- There was an avoidable expenditure of Rs.1.11 crores in the maintenance of surplus cattle in 5 farms in the years 1982-83 to 1985-86 due to delays of nearly 4 years in fixation of the cattle strength and more than a year in the disposal of surplus cattle, after the strength was fixed (paragraph 4.1.5).

- The average daily milk yield in 5 farms fell below the target due to irregular culling of low yielding animals, lack of green fodder and poor quality of feed (paragraph 4.1.6).

- The annual mortality rates (4 to 47 per cent) of cattle was far in excess of the prescribed rates (2 to 6 per cent) (paragraph 4.1.7).

- The Culling Committees of 5 farms met only 41 times as against the minimum of 100 times in the years 1981-82 to 1985-86, resulting in delay in elimination of unwanted animals and consequent avoidable expenditure on their maintenance (paragraph 4.1.8).

- Due to delays in erection of borewells, provision of pumpsets and energisation of erected borewells, there was loss of production of fodder in the farms (paragraph 4.1.10).

- In the Farm at Abishekapatti, fodder provided to the cattle (excluding grazing the pasture lands) was short by 52 to 63 per cent of the requirement in the years 1983-84 to 1985-86, resulting in culling of a large number of animals on account of stunted growth, poor quality, etc. and also low production of milk (paragraph 4.1.11).

- The object of the programme for cross breeding of Gir and Jersey breeds in Abishekapatti Farm was yet to be achieved

(January 1987), even 13 years after its commencement in 1973-74 (paragraph 4.1.12).

- Under the progeny testing programme in Hosur Farm, evaluation of bulls was conducted after delays ranging from 7 to 10 years; there was also no collection of semen from the bulls in the periods September 1979 to May 1985 and January 1986 onwards and details of utilisation of semen collected in the other periods were not available with the Department (paragraph 4.1.13).

- The Liquid Nitrogen (LN) Plants in frozen semen banks at Eachenkottai and Abishekapatti were not utilised to full capacity, the shortfall being 50 and 54 per cent respectively (paragraph 4.1.14).

- Under the scheme for strengthening of frozen semen facilities in 4 centres, the Liquid Nitrogen Plants, purchased at a cost of Rs.40.85 lakhs in June 1984/June 1985, were yet to be installed, tested and commissioned (December 1986) due to delays in sanction and construction of the necessary civil works (paragraph 4.1.15).

- Out of 50,000 frozen semen doses received as gift from DANIDA in December 1982, 19,282 doses still remained in stock (December 1986); nevertheless, the Department imported, in November 1987, 1,500 doses of the same variety of semen at a cost of Rs.2.40 lakhs (paragraph 4.1.16).

These deficiencies are discussed in detail in the following paragraphs.

4.1.5. Cattle strength of livestock farms

The Livestock Farm Committee - 1979 recommended that the cattle strength of each farm be refixed taking into consideration, not only the extent of land available in the farm, as hitherto done, but also the fertility of the land and that the stock found surplus on refixation of strength be disposed of by sale. Though this recommendation was accepted by Government in October 1980, the cattle strength of the farms was fixed only in September 1984, after a lapse of nearly 4 years. The surplus cattle had not also been disposed of completely (January 1987). In the five Farms at Pudukottai, Hosur, Chettinad, Orathanad and Abishekapatti, test checked in Audit, the cattle strength at the end of the years 1982-83 to 1985-86 was 3,542, 3,543, 3,309 and 3,032 cow units* as against 1,914 fixed for them. The delays in fixation of cattle strength and in disposal of surplus cattle resulted in avoidable net expenditure of Rs.88.50 lakhs in the years 1982-83 to 1984-85 and Rs.22.31 lakhs in 1985-86 respectively in the maintenance of surplus cattle in these five Farms.

*The cattle strength of livestock farms is fixed in terms of 'cow unit', equivalent to one cow or 1.05 bulls or 1.4 bullocks or 1.75 heifers or young bulls or 2.65 calves.

4.1.6. Milk production

(a) In the 5 Farms at Pudukottai, Hosur, Orathanad, Chettinad and Eachenkottai, the average milk yield per day in herd during 1981-86, fell below the target fixed by the DAH in July 1985, as indicated below :-

Breed of cattle	Target fixed by DAH in herd	Range of yield	
		in herd	
		from	to
(in kilograms)			
Jersey	4.50	3.00	5.00
Sindhi	3.30	0.80	3.20
Cross Breed	4.00	1.10	3.70
Murrah	2.70	1.00	2.50
Tharparkar	3.30	1.05	2.32

The Farms attributed the low yield of milk generally to irregular culling of low yielding cows, non-replacement of breeding bulls periodically with fresh stock, lack of green fodder and poor quality of feed. Regular culling of cattle, provision of adequate green fodder, etc., are animal husbandry management practices to be followed by the Farms themselves. The deficiencies in this regard are commented in paragraphs 4.1.8 and 4.1.10.

(b) The targeted milk yield of Jersey cows was 7 kgs. per day. In Eachenkottai Farm, an analysis of the milk yield of 132 Jersey cows (for which details were available)

out of 208 Jersey cows born in the Farm during 1978-79 to 1982-83, disclosed that only 8 cows (6 per cent) yielded 7 kgs. and above per day, that the daily milk yield of 60 cows was 5 kgs. and less and that the average yield in herd came down progressively from 5 kgs. per day in 1981-82 to 3 kgs. per day in 1985-86. Only in November 1986, the Farm requested the Research Institute in Thanjavur to investigate the reasons for low milk yield and offer advice. The Research Institute, after analysing the food samples, referred it to the Madras Veterinary College in November 1986, for further analysis. Further development had not been intimated (December 1987).

4.1.7. Mortality

The annual mortality rates in the Farms during the years 1981-82 to 1985-86 were far in excess of the rates prescribed by Government in August 1980, as shown below :-

Description of cattle	Maximum rate prescribed	Range of actual rates
(in per cent)		
White - Adult	2	4 to 7
White - Young	4	14 to 21
Black - Adult	3	4 to 13
Black - Young	6	28 to 47

An analysis of the mortality of white cattle in the Farm at Eachenkottai during 1982-83 to 1985-86 disclosed the following:-

Year	Percentage of mortality	
	Adult	Young
1982-83	4	6
1983-84	4	9
1984-85	5	49
1985-86	5	11

The excess mortality during 1982-83 and 1983-84 was attributed by the Department to the outbreak of Theileriasis disease caused by ticks from the local animals straying into the Farm. Proposal for fencing the Farm (estimated cost : Rs.4.60 lakhs) to prevent the infection, sent by the DAH to Government in May 1982 and returned by them in September 1984, was still (October 1987) to be resubmitted, pending preparation of a fresh estimate.

While the mortality of 11 per cent in young cattle in 1985-86 was on account of pneumonia and hepatitis among animals, the mortality of 49 per cent in 1984-85 was due to outbreak of foot and mouth disease in March 1984. It was noticed in Audit that out of 37 Jersey calves which died in April 1984 consequent on the outbreak of foot and mouth disease, 2 were not immunised, 6 were vaccinated after the outbreak of disease, one was not given the booster dose after the initial dose and 25 were given the booster dose belatedly

(beyond the prescribed time limit of 21 days after the initial dose) after the outbreak of disease, resulting in breakdown of immunity or the calves not developing immunity and consequent loss to Government on account of their death.

The foot and mouth disease, noticed on the 25th March 1984, also affected 352 out of 429 other animals in the Farm. A check of the animal vaccination register with the stock register of vaccines for the period from April 1982 to March 1984 disclosed that as against 1,349 doses required for vaccinating 1,349 animals (1,077 adults and 272 young ones), doses available in stock and issued were only 1,165, indicating that adequate protection was not given to the animals to ensure that they developed immunity.

4.1.8. Culling of animals

In June 1977, Government constituted separate committees for each farm for culling out animals and approving lists of surplus stock for transfer or sale. The Culling Committees were to meet quarterly or earlier for ensuring quick disposal of unwanted animals by culling. In five farms test checked in Audit, the Culling Committees met only 41 times, as against a minimum of 100 times during the five years 1981-82 to 1985-86, resulting in delay in elimination of substandard animals and consequent low rate of milk yield and avoidable expenditure on their maintenance, vide paragraph 4.1.6(a).

4.1.9. Calving Index

Average Calving Index (interval between periods of calving consisting of lactation and dry periods) under Indian conditions is 395 days. At this rate, one calf would be born in every 13 months. Out of 209 cows maintained in the Eachenkottai Farm during the period 1978-79 to 1986-87, 151 cows had calving indices ranging between 400 and 929 days with the result that only 472 calves were born during 1982-83 to 1985-86 as against 636 under normal conditions. The average dry periods of the cows in the Farm were 172 days and 153 days for original stock and progeny respectively as against the normal period of 60 days. The extended dry period resulted in avoidable expenditure on the maintenance of the cows. The Department had not analysed the reasons for the high calving index and taken remedial action to rectify the position.

4.1.10. Development of fodder

With a view to augmenting fodder production in the Farms, Government sanctioned various schemes for sinking borewells, but there were delays in putting up the borewells and energising them, resulting in loss of production of fodder as indicated below :-

(a) In Chettinad Farm, 9 borewells sanctioned (6 in 1981-82 and 3 in 1983-84) to irrigate a total area of 170 acres at a cost of Rs.8.34 lakhs were completed by January

1984. Orders of Government for provision of electric supply at concessional rates, sought for in September 1984, were received only in December 1985. The Tamil Nadu Electricity Board, which was approached by the Department in February 1986 for energisation of pumpsets, energised three borewells in November 1986, one in April 1987 and one more in November 1987 according to the priority fixed by it. Two others were pending energisation. The remaining two could not be energised as the connected load exceeded 130 HP, the maximum permitted for LT supply. Purchase of diesel generator for these borewells was under consideration of the Department (October 1987). The loss of production of dry fodder in 170 acres to be irrigated by the 9 borewells was 680 tonnes in the years 1984-85 and 1985-86.

(b) (i) In Orathanad Farm, 4 borewells with pumpsets were sanctioned by Government in August 1982 (2 numbers : cost Rs.2.14 lakhs) and May 1983 (2 numbers : cost Rs.2 lakhs). Deepening and providing pumpsets to two existing borewells were also sanctioned by Government for Rs.1.50 lakhs in May 1983. The 4 new borewells were erected between March 1985 and September 1985, the delay in completion being mainly due to switch-over (June 1984) from GI pipes provided in the estimates (sanctioned in August 1982 and January 1984) to PVC pipes, as the latter were considered non-corrosive and as Orathanad is in corrosive zone. Since the fact that Orathanad is in corrosive zone

should have been known to the Department, failure to provide for PVC pipes in the original estimate itself resulted in a delay of over a year in taking up erection of the borewells.

(ii) Out of the four borewells, one failed. Purchase of five pumpsets (for three new and two existing borewells) was yet to be finalised (December 1986). The value of 300 tonnes of dry fodder which could be produced annually, in 50 acres to be irrigated by these borewells had they been energised, was Rs.1.13 lakhs, at the rate at which the Farm procured dry fodder from the market.

(c) In Eachenkottai Farm, for three (cost : Rs.0.47 lakh) out of 21 borewells, pumpsets were purchased in April 1975 and July/September 1982 at a cost of Rs.0.49 lakh, but the proposal for construction of pump-rooms was sent to Government only in August 1983 and sanctioned by them in July 1984. The pumpsets were yet to be commissioned (December 1986) even after 4 to 11 years as construction of pump-rooms was still in progress and, as such, they had not been energised. Pumpsets were not provided even after 20 years for two borewells sunk at a cost of Rs.0.20 lakh in 1965-66. A borewell commissioned in July 1982 had been in disuse from August 1984 due to repairs which were yet to be rectified. As a result, about 55 acres (22 per cent) out of the cultivable land of 247 acres remained unutilised.

4.1.11. Non-feeding of cattle according to scales

The shortfall in issue of fodder to the cattle in Abishekapatti Farm was 597, 687 and 591 tonnes (56, 63 and 52 per cent of the indented quantity) in the years 1983-84 to 1985-86 respectively. It was stated by the Farm that the shortfall was made good by grazing in 266 acres of pasture lands. But the fodder available by grazing had not been quantified nor was it taken into account for arriving at the fodder requirement. Even according to the Department, the fodder available by grazing in 900 acres of pasture lands in Hosur Farm was only 900 tonnes, working out to 1 tonne per acre only. The cattle in the Farm was, thus, underfed, resulting in culling of large number of animals on account of stunted growth, poor quality, etc. (85,90 and 249 out of 500, 528 and 529) and low milk production (Gir : 3.8 kgs. against 5 kgs. ; Cross breed : 4 kgs. against 6 kgs. and Murrah : 3.2 kgs. against 4 kgs.) during 1983-84 to 1985-86.

4.1.12. Programme for cross breeding of Gir and Jersey breeds in Abishekapatti Farm

Cross breeding programme between Jersey male and Gir female animals was started in the Farm in 1973-74 with the object of obtaining a cross breed with exotic blood level of 62.5 per cent in the third generation in the year 1979-80. This blood level was to be maintained by breeding among the third generation animals.

The expected milk yield of the third generation cross breed cows was 2,500 kgs. per lactation (8 kgs. per day).

Out of 78 third generation heifers born during May 1978 to December 1985, 6 died and 62 were auctioned between 1981-82 and 1986-87 before calving as their growth was unsatisfactory. Of the 9 heifers which calved, 1 died and 7 were auctioned (one in August 1984 and 6 in February 1986), as their milk yield was poor (3 to 6 kgs. per day as against the expected yield of 8 kgs.). At the end of December 1986, there were only one cow and one heifer of the third generation in the Farm and no third generation bull, with the result that the objective of the programme, namely, cross breeding among the third generation animals with 62.5 per cent exotic blood level was yet to be achieved even after 13 years of commencement of programme.

4.1.13. Progeny Testing Scheme

The objective of the scheme was to select bulls which proved to be the best by their performance and deep freeze the semen of such proven bulls by the frozen semen technique for planned breeding programme so as to ensure maximum genetic gain in every generation. The scheme is being implemented in the farms at Hosur (for Red Sindhi cows) and Orathanad (for Murrah buffaloes) from 1971-72 and 1980-81 respectively.

(a) In Hosur Farm, the programme was to select 5 to 6 young bulls (18 months old) born to high yielding cows, mate them with 25 to 30 cows selected at random, compare the lactating performance of the daughters, and rank the bulls on the basis of their performance for further breeding programme. As the daughters of the cows would begin to yield milk after 28 to 30 months, the bulls could be evaluated and ranked after $3\frac{1}{2}$ years. This programme was to be repeated every 12 to 13 months with another set of 5 to 6 best bulls for the second and third batches and with 5 to 6 best bulls obtained in the process in each of the successive batches, so that 5 to 6 tested bulls were available every year after $3\frac{1}{2}$ years. The expenditure incurred on this scheme upto December 1986 was Rs.86.03 lakhs.

Between March 1972 and April 1986 only 7 batches were selected and the programme carried out as against 12 possible batches. The age of 15 out of 18 bulls selected in the first 3 batches ranged between 27 and 44 months as against 18 months envisaged. As against 34 bulls (selected for the first 5 batches in the period March 1972 to May 1982) to be evaluated between September 1975 and November 1985, only 18 bulls (selected in the first 3 batches) were evaluated in October 1985, after delays ranging from 7 to 10 years, the reasons for which were not on record. There was no collection of semen between September 1979 and May 1985 and from January 1986 onwards.

Details of utilisation of 7,700 out of 8,100 straws of semen collected from the selected bulls by the Central Frozen Semen Bank, Hesaraghatta (Karnataka State) between April 1975 and August 1979 were not available with the Department. 430 straws of semen collected in June 1985 by the Central Frozen Semen Bank and 400 straws collected in December 1985 by the Madras Veterinary College could not be distributed as the bulls had not been evaluated and ranked. Thus, the object of the scheme, namely, supply of semen from proven bulls to artificial insemination centres for breeding of genetically superior cows in the villages had largely not been achieved.

(b) In Orathanad Farm, the progeny testing scheme for Murrah buffaloes was started in 1980-81. During the period 1982-83 to 1986-87, 12 bulls and 261 buffaloes were brought under the scheme in 5 batches, incurring an expenditure of Rs.65.51 lakhs upto January 1987. Rupees 5 lakhs were sanctioned in December 1980 for the purchase of she-buffaloes to be selected from known pedigree, whose dam's milk yield was above 2,000 kgs. per lactation (8 kgs. per day). In 1981-82, 109 she-buffaloes/heifers (cost : Rs.3.46 lakhs) were purchased from outside the State without ascertaining their pedigree particulars, based on their daily milk yield and not on their dams' milk yield. It was noticed in Audit that the average daily milk yield, which was 6.06 kgs. at the time of purchase, came down to 3.25 kgs. in 1984-85.

The Department attributed the drop in milk yield to change in the climatic conditions. But no information was available in the records to show whether this aspect was considered while formulating the scheme and, if so, why a suitable location, with favourable climatic conditions, was not selected.

4.1.14. Frozen Semen Banks

Two Frozen Semen Banks (FSBs) were established in August 1982 and July 1983 at Eachenkottai and Abishekapatti respectively at a total cost of Rs.79.42 lakhs to serve 50 artificial insemination centres each. The following points were noticed in Audit :-

(a) The LN plants at Eachenkottai and Abishekapatti were under repairs for 258 and 735 days, in the periods between September 1982 and December 1986 and July 1983 and December 1986 respectively. Out of 27,120 and 10,752 hours available (excluding breakdown period and allowance for defrosting), the plants were run for only 13,629 and 4,945 hours. The reasons for the shortfall of 50 and 54 per cent in running the plants were not on record. The non-utilisation of full capacity of the LN plants resulted in shortfall of 96,490 litres in production of LN and the Department had to purchase from other sources 50,873 litres of LN (cost : Rs.4.06 lakhs) during January 1984 and December 1986.

(b) Orders were placed in March/April 1983 for the import of 4 LN storage containers with transfer devices and 2 semen storage containers with 80 cannisters each from a foreign firm through their Indian agents at a cost of Rs.2.60 lakhs. The firm supplied in August 1985, 4 LN storage containers without transfer devices and 2 semen storage containers with only 80 cannisters as against 160. Though the non/short supply was noticed in August 1985 itself, the matter was reported to the supplying firm only in November 1986; the wanting accessories were yet to be supplied (January 1987) by the firm. Due to non-receipt of transfer devices, the LN storage containers could not be put to use.

(c) One storage-cum-freezing refrigerator imported in March 1981 and 24 LN and semen containers purchased locally in October 1983/January 1984 (total cost : Rs.1.91 lakhs) were tested in May 1984 and July 1985 - March 1986 respectively, after the expiry of guarantee period of one year from the date of supply, due to non-availability of the required quantity of LN for testing them in time, and found defective. The matter was taken up with the suppliers in November 1984/August 1986 but no reply had been received (January 1987). The equipments had also not been repaired and put to use (January 1987).

4.1.15. Scheme for strengthening of Frozen Semen facilities

(i) The scheme for improvement of

cattle through Frozen Semen Technology, to be implemented with assistance of Rs.118.70 lakhs provided by Government of India (GOI) as grant, was sanctioned in October 1982. The scheme contemplated strengthening the existing facilities at FSBs, Eachenkottai and Abishekapatti and establishment of new FSBs at Pudukottai and Monday Market by installing one LN plant in each of those four places and setting up 372 centres to cover a breedable cattle population of 6.75 lakhs in five districts. As the amount of Rs.1.74 lakhs provided in the scheme towards construction/alteration of buildings to instal the LN plants and other equipment was found inadequate, the DAH addressed Government for additional sanction of Rs.10.33 lakhs in December 1983. On the advice of Government (March 1984) to design the buildings in consultation with the suppliers and Public Works Department, the DAH sent revised proposals for sanction of Rs.11.58 lakhs in May 1985 and sanction was accorded by Government in May 1986. The construction work, commenced in December 1986/February 1987, was yet to be completed (March 1987). In the meantime, 5 LN plants (as against 4 sanctioned) were imported in June 1984/June 1985 at a cost of Rs.40.85 lakhs; these were yet (December 1986) to be installed, tested and commissioned, as the civil works were yet to be completed. The guarantee period of 18 months from the date of shipping had expired in August 1985/August 1986.

(ii) Certain equipment like Microscope, Automatic printing machines, Automatic filling

and sealing machines and Refrigerators, purchased at a cost of Rs.3.26 lakhs in 1983, were also lying idle as the LN plants had not been commissioned.

(iii) The Central assistance of Rs.118.70 lakhs, sanctioned by GOI in March 1982/January 1984, included Rs.4.50 lakhs towards purchase of high quality bulls for the frozen semen stations. The Department, however transferred in March 1985, 36 bulls from the various farms to the FSBs at Eachenkottai and availed an assistance of Rs.1.78 lakhs. The total sale value of 7 out of 15 bulls transferred from the farm at Eachenkottai worked out to Rs.27,300 at the rates prescribed by Government as against the adopted price of Rs.42,000.

(iv) Of the 70 and 61 breeding bulls available in FSBs at Eachenkottai and Abishekapatti, 15 and 10 bulls respectively became non-serving in the period September 1984 to October 1986 due to decline in libido, prolonged illness and attaining spermatogenic maturity. Continuance of these non-serving bulls in the Farms resulted in an avoidable expenditure of Rs.1.56 lakhs on their maintenance upto December 1986.

4.1.16. Non-utilisation of Frozen Semen straws

Out of 50,000 frozen semen doses of Jersey and Holstein Friesien bulls, received as gift from DANIDA in December 1982, 19,282 doses remained in stock in December 1986

at the Exotic Cattle Breeding Station, Eachenkottai. The Additional Director of the Station requested the DAH in September 1985 for orders for distribution of 16,000 doses to other livestock farms. Orders were yet to be issued by the DAH (March 1987). Nevertheless, the DAH imported, in November 1987, 1,500 doses of frozen semen of Jersey and Friesien bulls at a cost of Rs.2.40 lakhs. The reasons for importing 1,500 doses of frozen semen, while 19,282 doses of the same variety were held in stock, were not on record.

The matter was reported to Government in August 1987; their reply has not been received (December 1987).

4.2. Avoidable loss

The State Seed Farm at Mulluvadi in Salem District was functioning on 73.55 acres of land, of which only 39.75 acres were cultivable.

If the loss in the working of State Seed Farm functioning at Government Poramboke land exceeded Rs.2,500 or 10 per cent of the turnover, whichever was higher, from the fourth year onwards it was to be considered uneconomical and the need for continuance or otherwise was to be reported to Government. The Farm was incurring losses continuously from 1959-60 to 1970-71, the total accumulated loss being Rs.1.35 lakhs. Thereafter, during the period 1971-72 to 1975-76 it earned a total profit of Rs.0.58 lakh. However, it started incurring losses

from 1976-77 as indicated below :-

Year	Amount of loss (in lakhs of rupees)	Percentage of loss to turnover	Year of working
1976-77	0.16	17	18th
1977-78	0.71	Not available	19th
1978-79	0.95	198	20th
1979-80	0.80	201	21st
1980-81	0.91	152	22nd
1981-82	0.95	447	23rd
1982-83	0.91	125	24th
1983-84	0.03	3	25th
1984-85	0.67	411	26th
1985-86	1.15	776	27th

Despite the uneconomic functioning of the Farm successively for 10 years, it was continued year after year.

In July 1980, the Director of Agriculture (DOA) instructed the Deputy Director of Agriculture, Salem to transfer the farm to the Tapioca Research Station under the Horticulture Department. The transfer did not materialise, as, by then, Government was considering, in principle, the transfer of all research stations to the Tamil Nadu Agricultural University. The Assistant Director of Agriculture, Salem, in charge of the Farm, while sending proposals for recording the loss of Rs.0.91 lakh sustained by it in 1980-81, reported in September 1981 that the Farm had absolutely no scope to earn profit

or atleast break even, because of the inherent poor soil fertility and hopeless water position and, hence, it was better to hand it over to the Horticulture Department at the earliest to avoid further loss. In June 1984, the DOA reiterated his earlier proposal to transfer the Farm to the Tapioca Research Station under Horticulture Department. Orders for transfer of the Farm were issued by Government only in September 1985 and effected in April 1986. The continuance of the uneconomic farm contrary to the norms prescribed by Government resulted in a total loss of Rs.7.24 lakhs during 1976 - 1986, which was avoidable.

While generally accepting the facts, Government stated, in October 1987, that the Farm was run with a view to improving the economic condition till the receipt of final orders from Government. They did not, however, indicate the reasons for the delay in taking a decision.

4.3. **Jasmine Oil Distillation Plants kept idle**

In July 1980, Government sanctioned two propagation house pilot distillation plants (estimated cost : Rs.0.98 lakh) for installation in Kodaikanal (Madurai District) and Yercaud (Salem District) for demonstrating to the flower growers the feasibility of commercial exploitation of Jasmine. In March 1981, Director of Horticulture (DOH) changed the venue for installation of the plants to Panaimarathupatti in Salem District

and Courtallam in Tirunelveli District, on the basis of potentiality. The plants, purchased in March 1981 at a cost of Rs.0.71 lakh, were found (July 1981) to be defective. In the case of the plant to be installed at Panaimarathupatti, the suppliers required the Department even in August 1981 to get it repaired locally and pass on the cost to them, but it was only in June 1984 that the Deputy Director, Salem, addressed DOH for sanction to rectify the defects. Reasons for the delay were not on record. In the case of the plant to be installed at Courtallam, though the defects were rectified by the suppliers in November 1982 itself, it could not be installed and commissioned for want of trained personnel. The Deputy Director, Tirunelveli addressed the suppliers only in September 1986 for installation of the plant. As the whereabouts of the suppliers could not be traced, the Deputy Director requested the DOH in November 1986 for deputing a trained person to instal the plant. There was no further development. Both the plants were yet to be installed and commissioned (May 1987) and consequently the object of demonstrating extraction of oil from flowers for export had not materialised even seven years after the scheme was sanctioned.

Government stated in May 1987 that disciplinary action would be taken against the official responsible for purchasing substandard extractors and not putting them to use, as envisaged. They did not, however, indicate the action taken to instal and commission the plants.

EDUCATION DEPARTMENT**4.4. Fraudulent Leave Travel Concession claims**

Under the scheme of Leave Travel Concession (LTC), employees of Government are eligible for reimbursement of the cost of travel one way by rail between the employee's place of duty and place of visit, limited to the fare by the shortest route.

In January 1986, the Assistant Educational Officer, Kolianur, South Arcot District, drew Rs.1.13 lakhs towards LTC claims of 96 teachers of Kolianur Panchayat Union. A scrutiny of the claims by Audit disclosed that the claims included 504 first class fares, for self and family members for journey by rail from Villupuram to Kanyakumari by two trains leaving Villupuram at 7 A.M. on 20th May 1985 (76 teachers - 389 first class fares) and 22nd May 1985 (20 teachers - 115 first class fares). The teachers had certified that the journey was actually performed in first class by rail. The ticket numbers, required to be quoted in the claim under the rules governing the scheme, had not, however, been mentioned.

Since there was no train leaving Villupuram at 7 A.M. towards Kanyakumari and as first class accommodation available in any train was limited, the Director of School Education was requested by Audit, in July 1986, to investigate into the genuineness of the claims. In January 1987, he reported to Audit that the claims

made by the teachers were incorrect, that the Assistant Educational Officer, Kolianur, had ordered recovery of the amount paid in 30 monthly instalments from the salary of the teachers and that the District Educational Officer, Cuddalore, was watching the progress of recovery. However, the reply did not mention whether departmental action had been taken against the teachers for making fraudulent claims and the officials concerned for not checking the claims properly before admitting them for payment.

The matter was reported to Government in August 1987; their final reply has not been received (December 1987).

4.5. Hostel building lying unutilised

The hostel of the Government Arts College, Gudiyatham, was functioning from July 1971 in a building constructed at a cost of Rs.5.20 lakhs to accommodate about 120 students. The strength of the hostel declined from 114 in 1973-74 to nil in 1979-80. The decline in strength was attributed to the starting of a separate hostel by the Backward Classes Welfare Department, rise in mess rates and abolition of pre-university classes from 1979-80. The hostel building remained vacant since then. In September 1980, the Principal of the College suggested to the Director of Collegiate Education (DCE) that the building might be utilised for accommodating any of the 26 Government offices in Gudiyatham town, which were functioning in rented buildings. However, based on the

instructions of the DCE, the Principal addressed the Public Works Department (PWD) in August 1982 to take up conversion of the hostel rooms into class rooms for conducting M.Sc. classes. Despite repeated reminders of the Principal, an estimate for Rs.1.70 lakhs for conversion of the rooms was forwarded by the PWD only in November 1986 and submitted to Government by the DCE in December 1986. The estimate had been sanctioned by Government in July 1987.

Between March 1980 and March 1985, on account of inadequate security arrangements, there were thefts of door and window shutters, fans and manhole covers (value Rs.0.33 lakh) and other articles, such as locks, electrical items, brass and stainless steel vessels, sports goods, etc., whose value was yet (April 1987) to be assessed.

Thus, the delay of about 2 years in taking a decision on the alternative use of the building by the DCE and a further delay of 4 years in the preparation of estimate for conversion of the hostel rooms by PWD had resulted in the hostel building, constructed at a cost of Rs.5.20 lakhs, remaining unutilised for over 8 years.

The matter was reported to Government in August 1977; their reply has not been received (November 1987).

FOREST AND FISHERIES DEPARTMENT**4.6. Fish Farm, Asur**

Government sanctioned in June 1981 a scheme for construction of a fish farm in the foreshore of Asur lake in Asur Village in Trichy District at an estimated cost of Rs.3.40 lakhs. The Farm was to have a breeder pond, a circular pond, 10 fish nurseries, laboratory building, water tank with well and pipelines and fencing. In August 1981, Government sanctioned revised estimate for Rs.4.03 lakhs, based on the schedule of rates for 1981-82. The revised estimate, however, omitted the construction of circular pond, originally proposed, as it was not immediately required and could be added later if found absolutely necessary. The civil works, commenced by the Public Works Department (PWD) in November 1981 and scheduled to be completed by September 1982, still remained to be completed (February 1987). The expenditure incurred till July 1986 on the works was Rs.3.07 lakhs.

According to the instructions of the Superintending Engineer (SE), PWD, Thanjavur Circle, who inspected in July 1983 the main works comprising nursery pond, breeder pond and laboratory building, certain additional items of work, namely, providing mastic pads in the expansion joints to have water tightness in the ponds, water proofing material for concrete, shelves and additional ventilator were proposed at a cost of Rs.0.27 lakh. When the construction

of the Farm was nearing completion, it was reported in September 1983 that it might not be possible to draw sufficient water to the fish farm from Asur lake as water was likely to be available only for 6 months in a year and that too, only when water was let for irrigation in the New Kattalai High Level Canal; it also depended on the storage position in Mettur Dam. Water supply arrangements, which were essential, had to be provided to the Farm and laboratory building for commencement of fish seed production. Based on the investigations conducted by the Ground Water Organisation, an open well with a borewell sunk in it, at an estimated cost of Rs.0.91 lakh (against the original provision of Rs.0.10 lakh) was considered essential to meet the regular water needs of the Farm. In March 1984, the SE, PWD, Thanjavur Circle, forwarded a revised estimate for Rs.7.53 lakhs, necessitated by certain additional items of work, besides the lumpsum provisions made for certain other items being inadequate. At the instance of the Director of Fisheries (DF), the work of providing fencing to the Farm included in these proposals was deleted and the amount of revised estimate reduced to Rs.7.05 lakhs in June 1984. In August 1984, the DF requested the SE, Fishing Harbour Circle, to inspect the site and critically examine how best the pending works including the water supply arrangements could be completed without much variation from the originally accepted cost. Based on subsequent recommendations of the SE, Fishing Harbour Circle, the DF forwarded to Government in March 1985, revised estimate for Rs.5.60 lakhs for sanction.

The increase in the cost of the scheme was mainly on account of (i) additional items of work, (Rs.0.29 lakh) not contemplated originally and (ii) increase in cost (Rs.1.28 lakhs) of certain items of work such as provision of open well with a bore well (Rs.0.84 lakh), overhead tank with pipe connections (Rs.0.13 lakh), internal and external electrification (Rs.0.23 lakh) and additional items in nursery pond (Rs.0.08 lakh). The revised estimate was approved by Government only in February 1987. The additional items of work were yet to be taken up (March 1987) and completed.

Inadequate provision for water supply arrangements and non-provision of essential items initially, had resulted not only in escalation of cost from Rs.3.40 lakhs in 1981-82 to Rs.5.60 lakhs in 1986-87 but also in the expenditure of Rs.3.07 lakhs remaining unfruitful. The Farm, sanctioned in June 1981, had not yet been established.

The matter was reported to Government in May 1987; their reply has not been received (December 1987).

4.7. Brackish water Fish Farm, Killai

4.7.1. In May 1978, Government sanctioned the establishment of the brackish water fish farm over an area of 50 hectares of Killai backwaters in South Arcot District at a total cost of Rs.13.08 lakhs, based on the administrative approval accorded by Government of India in February 1978. The scheme was to be financed by Government of India fully as grant-in-aid during 1977-78 and 1978-79

beyond which the State Government was to meet the expenditure under State Plan Schemes. The Project was to run on commercial basis in order to demonstrate the economic feasibility of brackish water fish culture to entrepreneurs/co-operatives so that the available brackish water areas could be brought under scientific fish culture.

4.7.2. The work, commenced by the Public Works Department (PWD) in February 1979, was stopped when the bund, constructed at a cost of Rs.0.95 lakh, had breached on 12th May 1979 due to cyclone. The work, recommenced by PWD in August 1982 in a reduced area of 5 hectares, was completed in January 1986 by the Engineering wing of the Fisheries Department. The total expenditure on the works was Rs.17.09 lakhs. The belated completion of the works was mainly due to delay of 20 months from May 1979 to June 1981 in deciding the location of the Farm (when certain experts suggested the shifting of the Farm from Killai) and 12 months from June 1981 to July 1982 in finalising tender/contractor and stoppage of work for 3 months from August 1982 to October 1982 on account of objections raised by the Forest Department and 7 months from September 1984 to March 1985 on termination of contract by the Engineering wing of the Fisheries Department.

4.7.3. The important points noticed during Audit in the implementation of the Scheme are mentioned in the succeeding paragraphs.

4.7.4. The area of the Farm had been reduced from 50 hectares to 5 hectares substantially deviating

from the conditions under which the scheme was approved by Government of India in February 1978. Despite the substantial reduction in the area of the Farm, the capital cost of the farm, which was initially Rs.10.75 lakhs, had increased to Rs.17.09 lakhs. Government stated in March 1987 that the increase was due to the fact that aquaculture engineering was not known to PWD engineers and they took conventional construction like putting up of an irrigation tank or reservoir.

4.7.5. According to Project Report, prepared in May 1977, the site selected for construction of the Farm at Killai was found suitable and 'tidal erosion would not be a problem as it was a little away from the main tidal river and fresh water floods during monsoon months were naturally diverted by a land projection in the main tidal river'. However this projection proved incorrect, as the bund was breached in May 1979 and experts later felt that the site was not suitable. Government stated in March 1987 that in view of the breach of the earthen bund in May 1979, the original size of the Farm had to be scaled down to 5 hectares with massive bunds taking abundant precautions, to keep the expenditure within the sanction of Government of India. The economic viability of the Project was not reappraised when for the sanctioned outlay only 5 hectare farm could be constructed instead of 50 hectare farm as originally planned.

4.7.6. Pen culture for producing prawn fish was conducted in about 2 hectares for a period of 9 months in 1980-81. Scientific culture of shrimps was taken up from July 1986 in 5 hectares after

the works were completed. Against an annual income of Rs.8.5 lakhs anticipated in the Project Report, the actual income derived from the operations of the Farm during 1980-81 to 1986-87 ranged from Rs.0.03 lakh to Rs.0.51 lakh only per year; however, as against the projected revenue expenditure of Rs.1.73 lakhs per annum for a 50 hectare farm, the actual expenditure ranged from Rs.1.05 lakhs to Rs.2.43 lakhs per year during the same period. The revenue realised during 1980-81 to 1985-86 was only from the wild culture operations conducted over an area of 3.5 hectares outside the proposed pond of 5 hectares. The disproportionately heavy recurring expenditure was due to employment of 12/18 members of the staff on operations in 2 hectares from 1980/5 hectares from 1986, as against 22, originally sanctioned for a 50 hectare farm. Thus, the intended object of demonstrating the commercial viability of the scheme had not been achieved.

4.7.7. Government stated in October 1987 that (i) the services of the staff intended for 50 hectare farm were utilised for the pen culture work in the area adjoining the farm and extension service, (ii) the revenue could not be compared as in the case of commercial schemes, as it was a research and development oriented project and (iii) effective steps were being taken to achieve good results. This view of the Government, was not, however, in accordance with the requirement that the Farm should be run on commercial basis in order to establish the economic feasibility of brackish water fish culture, indicated by Government of India, while conveying the administrative approval to the Project in February 1978.

4.8. Sinking borewells inside Guindy National Park

4.8.1. Due to acute drought conditions in and around Madras District in 1982, resulting in water scarcity, Government instructed (July 1982) the Forest Department to take immediate action in consultation with the Public Works Department to dig borewells inside the Guindy National Park to meet the water requirement for wild animals including elephants. Four locations for drilling borewells were identified and specifications furnished by the Public Works Department (September 1982). The Forest Department entrusted (June 1983) the work of drilling 4 borewells, including supply, delivery and erection of 3 H.P. submersible pumpsets with necessary kiosks to Tamil Nadu Water Supply and Drainage Board (TWAD). An advance payment of Rs.1.51 lakhs was made to TWAD Board in June 1983. Final expenditure is yet to be communicated by the Board (May 1987), even though, the work was completed and handed over to the Forest Department in August 1986. Expenditure of Rs.1.70 lakhs was also incurred towards electric connections (Rs.0.24 lakh in September 1983) and for supplying and laying of pipes from borewells to water troughs (Rs.1.46 lakhs in February and December 1986).

4.8.2. The following points deserve mention:

(i) Out of 4 borewells drilled, only one borewell was in working condition (August 1986). Of the remaining 3, one was filled up with boulders, reportedly by miscreants, another was completely dry and the yield from the third borewell was

not sufficient for erection of power pump. Even the one, which was in working condition in August 1986, was not working (March 1987) due to insufficient water yield.

(ii) No action was taken by the Department to set right the blocked-up and unsuccessful wells.

(iii) Though payment was made to the TWAD Board for installing 3 H.P. pumps in each of the bores, only 2 H.P. pumps were installed by the Board.

(iv) Thus, even after incurring an expenditure of Rs.3.21 lakhs on the borewells, the water problem in the Guindy National Park had not been solved; the Department continues to incur an expenditure of Rs.0.10 lakh per year for procuring water.

The matter was reported to Government in June 1987; their reply has not been received (December 1987).

4.9. Unproductive expenditure on a Cold Storage Plant

With a view to improving the viability of forest plantation seeds collected and supplied to indentors, Government sanctioned, between March 1977 and October 1979, the purchase of machinery and setting up of Cold Storage Plant in the Forest Genetics Division, Coimbatore. The work, entrusted to a firm, was completed and the plant commissioned

in July 1980 with power supply available at the Divisional office. The agreement provided for a performance guarantee for one year. Ninety per cent payment of Rs.1.58 lakhs had so far been made to the firm. The Plant broke down within a few days of its commissioning and the defects were yet to be rectified (June 1987). The following observations are made :-

During the past seven years, while the firm had been pointing out lack of proper wiring, three-phase power supply and trained operator, the Department was insisting that the firm should recommission the Plant and run it continuously for atleast a month. The required power supply was acquired only in August 1981. The Deputy Conservator of Forests in charge of the Division reported in April 1987 that he was taking action to recommission the Plant and for posting a qualified operator.

Thus, the Cold Storage Plant (expenditure : Rs.1.58 lakhs), installed in July 1980, was yet to serve the intended purpose (June 1987).

The matter was reported to Government in July 1987; their reply has not been received (December 1987).

HEALTH AND FAMILY WELFARE DEPARTMENT

4.10. DANIDA assisted Tamil Nadu Area Project

4.10.1. Introduction

In November 1981, Government of India (GOI), with assistance from Danish International

Development Agency (DANIDA), launched an Area Project for Health Care and Family Welfare in the districts of Salem and South Arcot in Tamil Nadu. The Project aimed at improving the health and family welfare status of the rural population, by expansion of physical infrastructure through construction of additional Health Sub-centres, provision of additional man-power at different levels and increasing the availability of drugs and equipments. The Project also contemplated the gearing up of the information, education and communication systems and imparting training both to providers and consumers.

The Project was implemented in 69 blocks in three phases, covering 9 blocks in 1982-83, 36 in 1983-84 and 24 in 1984-85. The Project, which was to be in force upto 31st October 1986, was extended upto 31st March 1987.

4.10.2. Organisation

At the State level, a governing body called State Project Co-ordination Committee (SPCC), constituted by Government in October 1981 under the chairmanship of the Chief Secretary to Government, was responsible for approving the Project plans and budgets and securing inter-sectoral co-ordination of the various implementing departments. To facilitate quick decision and speedy implementation, Government constituted, in January 1982, an Empowered Committee (EC), with the Chief Secretary to Government as the Chairman, to accord financial sanctions upto the prescribed limits, dispensing with the normal procedure followed by Government.

A Project Directorate set up at the State headquarters, under the overall control of Health and Family Welfare Department of Government, was to co-ordinate the activities of the implementing departments, maintain accounts and liaise with GOI and DANIDA. At the district level, the District Project Officer (DPO) was to guide and help the implementing departments.

4.10.3. Audit coverage

A test check of the records relating to the Project was conducted during October 1986 - March 1987 in the Project Directorate, Madras, offices of the District Project Officers and District Collectors, South Arcot and Salem and 2 out of 6 Health Units in those two districts. The Audit review was directed towards creation and utilisation of the facilities contemplated in the Project, as it would take time for the health care delivery systems, envisaged in the Project, to have a measurable impact on the health status of the population.

4.10.4. Highlights

- The baseline survey, essential for evaluation of the Project, was completed long after the mid-term and final evaluations were conducted, with the result that the expenditure of Rs.4.23 lakhs incurred on its preparation did not achieve the intended objective and the evaluations were also handicapped for want of baseline data (paragraph 4.10.6).

- Only 349 out of 868 buildings for Health Sub-Centres (HSCs), quarters for Lady Health Visitors (LHVs) etc., were completed by the target date of 31st March 1985 and 50 were pending completion even by December 1986, the slow progress being due to delays in sanction of additional staff to attend to construction work, selection of sites, selection of agency for execution and also delays in execution. This not only resulted in delay in creation of facilities but also involved additional financial commitment to the extent of Rs.36.82 lakhs (paragraphs 4.10.7.1 to 4.10.7.5).

- Out of 94 buildings constructed in the third phase in Salem District, 24 remained unoccupied as in June 1986 (paragraph 4.10.7.6).

- Provision of man power was inadequate, as the additional posts of 645 male Multi-Purpose Health Workers (MPHWs) and 72 male Health Supervisors (HSs), sanctioned in 1982 and 1983, could not be filled up due to a stay granted by the High Court of Madras for implementation of the scheme of Multi-Purpose Health Workers and in the case of female MPHWs and HSs, there were large number of vacancies in both the districts due to shortage of trained personnel (paragraph 4.10.8).

- The training programme, a crucial component of the Project, intended to improve the professional skills of the health staff in the Project area was commenced belatedly, in the second half of the Project period with the result that only 1,086 out of 3,468 health staff were trained even by the end of December 1986 (paragraph 4.10.9).

- There were shortages of commonly used medicines in the HSCs for periods ranging from 1 to 9 months (paragraph 4.10.10).

- The provision in the Project document for improvement of drinking water facilities was utilised for providing drinking water supply to the existing as well as newly constructed HSCs, PHCs.

Rupees 2.53 lakhs spent on laying pipelines from the existing overhead tanks/ground level reservoirs to 50 HSCs/LHV quarters became infructuous due to non-functioning of the overhead tanks, inadequate water in the source, etc. and Rs.16.13 lakhs had to be spent additionally for putting up handpumps or deep borewells in those buildings (paragraph 4.10.11).

- Training of Traditional Birth Attendants (TBAs) fell short of the target of 4,956 (assessed on the basis of atleast one trained dai per village and/or for 1,000 population) by 879 even at the end of the Project period. In 78 villages in 6 PHCs, there was not even a single trained dai, though, by the end of October 1986, 3,325 TBAs had been trained against the target of 2,194 fixed on the basis of one dai per village, indicating that attention was not given to proper village-wise distribution while selecting dais for training. In 4 out of 6 health district units in the Project area, 32 to 58 per cent of the domiciliary deliveries, conducted by dais during 1985-87, were attended to by untrained hands (paragraph 4.10.12).

- Rupees 2.47 lakhs were released for 7 schemes from Community Welfare Funds though they did not satisfy the prescribed criteria (paragraph 4.10.13).

- Despite the expanded health care facilities created in the two districts covered by the Project, their performance in regard to Mother and Child Health Care activities was below the State achievement in one or more components in the years 1983-84 to 1985-86 (paragraphs 4.10.14).

These deficiencies are discussed below in detail.

4.10.5. Project outlay, funding, budget provision and expenditure

As per the Project document (October 1980), the total Project outlay for the period 1981-86 was estimated at Rs.1440 lakhs, the DANIDA and Indian contributions being Rs.1271 lakhs (88 per cent) and Rs.169 lakhs (12 per cent) respectively. In the Plan of Operation (POP) for 1984-86, the Project outlay was revised to Rs.1875.8 lakhs, the increase being mainly due to revision of the construction cost from Rs.364.5 lakhs to Rs.840.3 lakhs. Beyond the Project period, the cost of the expanded services created by the Project was to be borne by the State Government.

The expenditure on the Project was initially met out of the State funds and 90 per cent thereof reimbursed by GOI. The year-wise details of provision made in the State Budget and the expenditure incurred on the Project were as under :-

Year	Budget provision	Expenditure
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(in lakhs of rupees)

1981-82	2.05	14.28
1982-83	583.75	234.78
1983-84	603.36	403.50
1984-85	411.10	386.68
1985-86	243.88	236.78
1986-87	264.27	<u>630.13</u>
Total		<u>1906.15</u>

In addition, an expenditure of Rs.4.56 lakhs was incurred on the pre-project activities. The amount received from GOI upto March 1987 was Rs.1439.68 lakhs.

4.10.6. Baseline Survey

The Project document envisaged baseline survey, intended to provide qualitative and quantitative data, against which the impact of the Project could be evaluated; the survey was to be completed within the first few months of the Project period. In December 1981, GOI advised the State Government to entrust the baseline survey to National Tuberculosis Institute, Bangalore. Orders of Government for entrustment of the survey to the Institute at a cost of Rs.4.23 lakhs to be paid in instalments were issued in October 1982 and the first instalment of Rs.1.06 lakhs paid to the Institute in January 1983. A time limit of one year from the commencement of survey was specified by the Department and agreed to by the Institute for completion of the work.

The Institute commenced the work in June 1983 and gave its report in December 1986 after over 3 years. Nevertheless, the balance amount of Rs.3.17 lakhs was paid to the Institute in full, in instalments, between September 1983 and January 1987. Due to the belated receipt of the survey report, it could not be used either for the mid-term evaluation of the Project conducted in 1984 by a Monitoring and Evaluation Group established jointly by DANIDA and GOI or for the final evaluation of the Project conducted in January 1986 by a team appointed by DANIDA and GOI.

While admitting the delay, Government stated (October 1987) that the data would be used for planning and implementation of the Project activities in the consolidation phase. The fact remains that due to the delay in completion of the baseline survey, the expenditure of Rs.4.23 lakhs incurred on the baseline survey did not achieve the intended objective, as a precise evaluation of the impact of the Project was handicapped for want of baseline data, during both the mid-term and final evaluations.

4.10.7. Construction

4.10.7.1. With a view to making available adequate physical infrastructure for proper coverage of health and family welfare services in rural areas, the Project envisaged, construction of additional HSCs with residential accommodation for Multi-Purpose Health Workers (Female), quarters for LHV's and Medical Officers, buildings in Primary Health Centres (PHCs), etc. A provision of Rs.840.30 lakhs (45 per cent) was included in the revised Project outlay

of Rs.1875.80 lakhs for the construction activities. According to the allocation of the provision in the Project document, the construction component was to be completed within the first three years of the Project period. It was, however, noticed that by March 1985 (end of third year) only 349 out of the final target of 868 buildings were completed. Even at the end of December 1986, 50 buildings remained incomplete. The slow progress in the construction activity was mainly due to delay in sanction of additional staff, selection of sites, selection of agency for execution and also delay in execution of works as discussed below.

4.10.7.2. Since construction of HSCs and LHV quarters in the first phase blocks was delayed by PWD, reportedly due to difficulties in getting contractors for those small works, Government ordered in October 1982, that these buildings in the second phase blocks be entrusted to the Panchayat Unions (PUs) concerned. The Collector of South Arcot reported to Government in December 1982 that the PUs would be in a position to ensure quality construction and timely completion, only if adequate technical staff at the Block and Divisional levels were sanctioned. Due to the administrative delays in getting the proposal for additional staff cleared by the SPCC and EC, Government sanctioned the additional staff only in May 1984. Further, there was also delay in selection of sites. Out of 267 second phase buildings (180 HSCs and 87 LHV quarters) in South Arcot District, for which administrative approval was accorded in October 1982, sites were selected for 235 buildings in

July - December 1983 only and for the remaining 32 in April 1984. As a result, the works were started during 1983-84/1984-85 by which time the schedule of rates had undergone an upward revision. This necessitated revision of the estimates for 99 HSCs and 76 LHV quarters, involving an additional financial commitment of Rs.14.08 lakhs.

4.10.7.3. In September 1983, Government sanctioned the construction of buildings in the third phase blocks and entrusted it to the PUs. However, in May 1984, Government ordered that the construction of buildings in South Arcot District be entrusted to Highways and Rural Works (H & RW) Department for the reason that construction of second phase buildings in that District was delayed by the PUs. Thus, the agency for execution of the third phase works in South Arcot District was finally decided nearly 8 months after the issue of administrative sanction. While sanctioning the works in September 1983, the unit cost of HSC and LHV quarters was estimated at Rs.0.81 lakh and Rs.0.42 lakh, on the basis of schedule of rates for 1982-83. As the works were taken up for execution only in 1984-85 due to belated settlement of the agency, the estimates had to be revised to Rs.1.08 lakhs and Rs.0.60 lakh on the basis of the schedule of rates for 1984-85, involving an increase of Rs.0.18 lakh and Rs.0.14 lakh respectively over the estimated cost of Rs.0.90 lakh and Rs.0.46 lakh, based on the schedule of rates for 1983-84. This resulted in an additional commitment of Rs.22.74 lakhs in respect of 75 HSCs and 66 LHV quarters in South Arcot District.

4.10.7.4. Three HSC buildings and 2 LHV quarters, constructed by the H & RW Department at a cost of Rs.4.06 lakhs in three villages in South Arcot District and taken over by the Health Department in September 1985 (2 buildings) and December 1985 (3 buildings), became inaccessible during the rainy season on account of the flooding of the areas surrounding the buildings. In one place, the buildings were close to the water-spread area of a big tank. In order to ensure the safety of the buildings and to make them usable even during the rainy season, an additional expenditure of Rs.0.81 lakh had to be incurred during October to December 1986 on the construction of a retaining wall and raising of the ground level, indicating that the selection of sites was defective. The team which conducted the final evaluation had observed that the HSCs and Health Supervisors (HS) quarters constructed under the Project were located in low lying, marshy and unhealthy areas in many places. Government stated (October 1987) that out of 808 sites selected for construction of buildings for HSCs/LHV quarters under the Project, a few were defective and this was due to non-availability of good sites in Government lands.

4.10.7.5. In both the districts, there was considerable delay in execution, the time taken for completion of works ranging from 12 to 24 months as against the 3 to 6 months allowed. The executing agencies attributed the delays mainly to scarcity of cement, remoteness of locality and slackness of contractors. There were also delays ranging from four to eight months in handing over

the completed buildings to the user department, due to delays in getting water supply and securing electrical connections.

4.10.7.6. Occupancy of buildings.- No return or record was prescribed or obtained/maintained to indicate the occupancy position of buildings constructed under the Project. The Monitoring and Evaluation Wing of DPO, Salem, which conducted a survey in July 1986, noticed that in respect of 63 HSCs and 31 LHV quarters constructed in the third phase, 10 HSCs and 14 LHV quarters were not occupied (June 1986). In 8 of those cases, the posts were vacant; in the remaining 16 cases, the reasons for non-occupancy were not on record or elaborated.

In South Arcot District, no such survey was undertaken by the DPO to ascertain the occupancy of the buildings constructed under the Project. The team which conducted the final evaluation of the Project in 1986 had observed that the HSC buildings and LHV quarters were constructed on unsuitable sites outside the villages near toddy shops and burial grounds in some places.

4.10.7.7. Advances pending adjustment.- In order to enable the PUs to execute the building works entrusted to them, the District Collectors drew the required funds in advance and placed them at the disposal of the PUs concerned. In Salem District, 20 PUs, which had completed the construction work, had not yet refunded (January 1987)

the unspent balance of Rs.13.98 lakhs out of the advance of Rs.149.60 lakhs released to them during 1982-83 to 1984-85. The Collector also had not taken action to get the unspent amount refunded by the PUs. In South Arcot District, the details of expenditure incurred by the PUs were not available with the Collector/the Project Directorate, even though a substantial sum of Rs.197.06 lakhs was paid to 17 PUs during 1982-83 to 1985-86 and the Collector was to send to the Project Director monthly statement of expenditure incurred by the PUs. The Project Director did not take up the matter with the Collector till April 1987, when the details were called for in Audit; the details were not received by him (October 1987).

4.10.8. Additional man-power.- With a view to improving the health services, the Project document contemplated establishment of additional HSCs to achieve the ultimate aim of providing one HSC for every 5,000 population. Each HSC was to be staffed with two MPHWS - one male (M) and one female (F). Two HSs - one male and one female - were to supervise the work of four MPHWS (M) and MPHWS (F) respectively.

Details of man-power available at the commencement of the Project and the additional requirement of staff based on the above criteria were as under :-

Category of staff	Staff required		Staff available		Additional requirement of staff	
	Salem	South Arcot	Salem	South Arcot	Salem	South Arcot
MPHW (F)	601	779	435	358	166	421
MPHW (M)	601	779	361	374	240	405
HS (F)	156	198	104	103	52	95
HS (M)	156	198	146	136	10	62

All the additional posts mentioned above were sanctioned by Government during February 1982, October 1982 and September 1983 and the Director of Public Health and Preventive Medicine (DPH & PM) was required to fill them up. However, the additional posts of MPHW (M) and HS (M) could not be filled up as the High Court of Madras had stayed (October 1982) the implementation of the MPHW Scheme on the basis of writ petitions filed by some service associations.

In the case of MPHW (F) and HS (F) also, there were vacancies as indicated below, due mainly to non-availability of sufficient number of trained hands.

As at the quarter ending	Number of posts vacant			
	Salem District		South Arcot District	
	MPHW (F)	HS (F)	MPHW (F)	HS (F)
31st March 1984	3	..	37	41
31st March 1985	73	7	42	27
31st March 1986	36	13	64	46
31st March 1987	7	6	34	71

Action taken by the DPH & PM to fill up the vacancies has not been communicated (January 1987).

Inadequate provision of additional manpower for improving the health and family welfare service affected the delivery of health care services.

4.10.9. Training

One of the aims of the Project was to improve the professional and managerial skills at different levels of the staff, directly engaged in the health delivery systems through a system of in-service training and to provide orientation training to the officials of other departments which were relevant to the health sectors. In addition, a training programme in "Information, Education and Communication" activities to all categories of staff was also contemplated. It was expected that the actual training would be initiated in the first year itself of the Project.

As the training activities involved a wide and complex range of contents, methods and participants, the task of developing a suitable training model was entrusted, in February 1982, to 7 reputed training institutions at a total cost of Rs.9.92 lakhs. Each institution was assigned a first phase block and required to conduct an experimental training programme for a period of six months, before evolving the training model. After organising a State level workshop at the end of experimental training programme, the Project Directorate developed a detailed training model

in October 1982 and recommended in September 1983, the setting up of District Training Teams (DTT) after getting the Project's proposals approved by the Project Training Advisory Committee in March 1983 and by the EC in August 1983. Government orders for constituting six training teams, at each of the Health unit districts (3 in Salem and 3 in South Arcot Districts), were issued in November 1983. The DTTs were, however, set up only in 1984 and 1985 (two in November 1984 and four in May 1985), due to delay in securing the services of the Medical Officers to head the Teams and also other teaching staff like Public Health Nurses and Health Educators from their parent departments. Thus, the training programme which was considered as a crucial component for the effective functioning of the Project, was implemented only during the second half of the Project period. As a result, only 1,086 (31 per cent) out of 3,468 health staff in the Project area were trained till December 1986.

4.10.10. Shortage of drugs

The drugs required for treating minor ailments are supplied to the HSCs on a central indent basis by the Director of Public Health and Preventive Medicine for a value of Rs.2,000 per annum per HSC in loose form for pre-1981 centres and in the form of kits, supplied quarterly, for post-1981 centres. The Project document envisaged improvement in the drug supply system based on the needs and demand patterns. A study on the utilisation of the drugs in the HSCs in Salem District conducted by the DPO, Salem, in

October 1984 pointed out, inter alia, cases of shortages of common drugs, such as multi-vitamin, cough syrup, vitamin 'C', paracetamol and sulphadimidine and the lacuna in the supply system, which was not need based. Another field study was conducted by the donor agency in May 1985 in South Arcot District. Based on these studies, the Project implemented from January 1986, a scheme of quarterly supply of additional drugs to the value of Rs.2,721 per annum in the form of kits to all the HSCs in the Project area. Thus, all the centres in the Project area became entitled to fixed quantities of specific drugs for a value of Rs.4,721 per annum from January 1986.

From the details collected by Audit from 79 HSCs, it was seen that there was shortage of common drugs, such as paracetamol, cough syrup, vitamin 'C' and mebendazole in 49 HSCs, for periods ranging from one to nine months, even during the period April 1986 to December 1986.

Thus, even after implementation of the scheme for supply of additional drugs, the HSCs experienced shortage of drugs due to continuance of the existing system of supplying fixed quantities of drugs on uniform basis, without taking into account the actual needs of the centres.

Government stated (October 1987) that the drug supply system would be streamlined during the consolidation phase so as to ensure supply of essential and adequate drugs in time on need basis.

4.10.11. Water supply

Apart from providing health inputs like man-power, drugs, etc., the Project contemplated development of health related activities, such as improvement of drinking water facilities and sanitation for achieving better health status to the rural community. The Project outlay included a provision of Rs.155 lakhs for "drinking water and sanitation" component. In July 1982, the SPCC decided to utilise the funds under this component for providing drinking water supply to the existing as well as newly constructed HSCs, PHCs, etc. Government ordered (August 1983) entrustment of water supply works, such as extension of pipelines from the existing overhead tanks/ground level reservoirs to the HSCs and LHV quarters to the PUs and the works like sinking of deep borewells to the Tamil Nadu Water Supply and Drainage (TWAD) Board, by releasing funds to those agencies in advance. For provision of water supply through extension of pipe lines from overhead tanks to 220 HSCs and LHV quarters in South Arcot District, Rs.11.23 lakhs were disbursed to the PUs between December 1983 and August 1985. In June 1986, an inspection of the completed works by the DPO, South Arcot District disclosed that many places did not get water supply due to various reasons like non-functioning of the overhead tanks, repairs to motors, inadequate water in the source, etc. As a result, alternative perennial water supply arrangements like provision of hand pumps or deep borewells had to be provided in 50 HSCs/LHV quarters for which Rs.16.13 lakhs were paid to TWAD Board in June 1986. The

expenditure of Rs.2.53 lakhs on laying pipe lines to these 50 buildings had, thus, become infructuous.

4.10.12. Dais training

In order to improve the mid-wifery services in rural areas and to educate the traditional birth attendants (TBAs) in conducting deliveries in aseptic conditions, the Project document provided a training course to them. The TBAs, otherwise known as dais, were to be trained for a period of 30 days in PHCs on a stipend of Rs.300. They were to be supplied with a kit (cost about Rs.150) containing instruments, gauze, antiseptics, etc., at the end of the training. Till March 1987, an expenditure of Rs.15.72 lakhs was incurred on this programme.

The Project document envisaged training of 2,194 dais so that they, along with the existing trained dais in 1,036 villages, could serve all the 3,230 villages in the Project area at the rate of one dai per village. In the POP for 1984-86, this criterion was changed as at least one trained dai per village and/or one for 1,000 population; on that basis, the Project's requirement of trained dais was 8,674. Since 3,718 dais, trained before the DANIDA period, were available in the Project districts, the Project needed another 4,956 dais to be trained. However, till the end of March 1987, only 4,077 TBAs were trained leaving a shortage of 879 trained dais even at the end of the Project period, reportedly due to non-availability of adequate number of TBAs for training.

Information obtained by Audit from 13 PHCs disclosed that there was not even a single trained dai in 78 villages in six PHCs as at the end of October 1986 even though 3,325 TBAs had been trained upto October 1986, as against the target of 2,194 fixed on the basis of one per village, indicating that sufficient attention was not given to village-wise distribution when dais were selected for training.

Details collected by Audit from 4 out of 6 Health unit districts in the Project area disclosed that 32 to 58 per cent of the domiciliary deliveries conducted by dais during 1985-86 and 1986-87 (upto October 1986) were attended to by untrained hands.

The Project organisation did not take any follow up action to identify the non-practising trained dais and motivate them to conduct deliveries, so as to ensure that the expenditure incurred on the training programme was fruitful.

Government stated (October 1987) that during consolidation phase, untrained dais would be identified and trained and that follow up action would also be taken to motivate the non-practising trained dais to conduct deliveries.

4.10.13. Community Welfare Fund

With the aim of ensuring the actual involvement of the rural community in the health and family welfare activities, the Project provided for Community Welfare Fund (CWF) of Rs.100

lakhs. As per the guidelines laid down in the Project document and POP for 1983-84, the funds were to be used for solving the urgent health and family welfare problems identified by the villagers themselves. The use of funds for renovation or repair of school buildings, community halls, women's clubs, etc., and on income generating initiatives, was also permitted provided those activities were considered urgent and health-oriented by the community themselves. The District Collector, as the Chairman of the District Project Co-ordination Committee (DPCC), was empowered to sanction funds upto Rs.50,000 for schemes approved by DPCCs. The Project incurred an expenditure of Rs.11.88 lakhs upto 1985-86. A test check of the records disclosed the following: -

(i) Rupees 2.47 lakhs were released for 7 schemes which did not satisfy the criteria, such as request from community, promotion of health related activities, non-availability of alternative source of funds, etc. (details in Appendix VI).

(ii) Out of Rs.33,600 sanctioned in October 1984 to the District Sports Council, Cuddalore, for the purchase of colour TV, video cassette recorder, video camera, etc., a sum of Rs.24,132 only was spent by the Council. The balance of Rs.9,468 was not got refunded to Government (December 1986).

Government stated (October 1987) that as the CWF guidelines were vague and misunderstood by the field level staff, workshops were conducted, guidelines revised and consultants appointed to

assist the Project organisation in planning and implementation of schemes under CWF and that the schemes sanctioned during 1986-87 satisfied the prescribed criteria.

4.10.14. Mother and Child Health Care (MCH) activities

The Project also aimed at promotion of health care of mother and children by providing proper ante-natal and post-natal services to mothers and preventive care to children at regular intervals from birth to school age.

A comparison of the performance of the Project Districts with the State as a whole indicated that except in respect of administration of Diptheria, Pertussis and Tetanus (DPT) vaccines during 1983-84 and 1984-85 in both the Districts and Polio vaccines during 1984-85 in South Arcot District, the percentage of achievements to targets in other activities was less than that for the State as a whole, as detailed in Appendix VII, despite the additional infrastructure facilities created under the Project.

The final evaluation team which conducted a field survey in January - March 1986 observed that only 28 per cent of the children had been fully immunised with three doses of DPT and Polio vaccines by their first birthday.

4.10.15. Evaluation

A mid-term evaluation was conducted in 1984 by the Monitoring and Evaluation Group (MEG)

but it could not assess the impact of the Project on the health status of the people, since the baseline survey indicating the position at the beginning of the Project was not made available to it. The MEG had to conduct the evaluation with reference to the data furnished by the various departments. The MEG had observed in their report that the reliability of the data could be questioned and that the data base needed improvement.

The final evaluation conducted in January - March 1986 by the final evaluation team pointed out several shortcomings in the various fields of implementation of the Project, such as poor coverage of MCH activities, defects in the drug supply system, incorrect selection of dais for training and irregular utilisation of CWF.

At the instance of Government, the Anna Institute of Management conducted (October 1985 to October 1986) an independent study of the utilisation of additional HSCs created under DANIDA in the first phase blocks. The Institute had, inter-alia, pointed out temporary closing down of HSCs for family planning programmes and non-supply of drugs to patients.

The Department stated (April 1987) that the evaluation reports were under study and that the findings therein would be taken into consideration for planning future activities.

4.11. Mobile Health Services in Rural Areas

4.11.1. Introduction

In September 1977, Government sanctioned a scheme for delivery of intensive medical care services in rural areas through Mobile Teams (MTs) attached to the Primary Health Centres (PHCs). The objective was to deliver curative, preventive and promotive health services to the rural population, free of cost, at their doors in villages by professional and para-professional workers through the MTs in order to improve their health status. Each PHC was divided into three sectors assigned to three MTs headed by the three medical officers sanctioned for each PHC. While one of the medical officers would attend to patients in the Centre by rotation, the other two, along with one pharmacist each, would visit villages to deliver the health care services. All the villages in the area within a radius of 5 kms. around the PHC (except those where Panchayat Union dispensaries were functioning) were to be covered by the MTs in a week's time. Each team was to be provided with a vehicle, a driver and the required medicines.

Village Welfare Committees (VWCs) were to be organised with select members of the village. These Committees would help to motivate the masses for utilising the Mobile Health Services (MHS) and act as link between the community and the health staff. Members of the Committees were to be properly trained

to chlorinate the drinking water sources, render first-aid during emergencies and treat acute gastro-enteritis cases initially by oral rehydration. Health Visitors, Basic Health Visitors and Auxiliary Nurse Midwives were also to be associated under the scheme.

The Scheme, initially introduced in 24 PHCs in 1977-78, was implemented in 274 PHCs by 1984-85.

A total expenditure of Rs.966.10 lakhs was incurred on the Scheme during 1981-82 to 1986-87.

4.11.2. Audit coverage

The implementation of the Scheme during the period 1981-82 to 1986-87 was reviewed by Audit in 36 PHCs of the Health Unit Districts of Coimbatore, Madurai and Tiruvarur.

4.11.3. Highlights

- The population benefited by the Mobile Teams of the Mobile Health Services declined from 5.2 per cent in 1981-82 to 3.7 per cent in 1986-87, of the total population covered by the scheme in Coimbatore, Madurai and Tiruvarur Health Unit Districts (paragraph 4.11.4).

- During the period 1981-82 to 1986-87, out of 1,789 villages covered by the scheme in these districts, 22 to 26 per cent were

not at all visited by the Mobile Teams resulting in the benefits of the scheme not reaching them. During the same period, in respect of more than 45 per cent of the villages visited, the number of visits was far less than the annual minimum of 52; the villages visited upto 10 times a year ranged from 31 to 51 per cent and those visited 11-30 times a year, from 15 to 26 per cent (paragraph 4.11.5).

- In a number of cases, the posts of Medical Officers remained vacant for periods ranging from one to 12 months during the six years 1981-82 to 1986-87. The posts of pharmacists and drivers also remained vacant, in a number of cases, for periods ranging from one to 5 years (paragraph 4.11.6).

- Against 2 vehicles required for each Primary Health Centre, there was no vehicle in one Primary Health Centre and only one in 10 PHCs during 1981-87. In other cases, the number of days on which the vehicles were made available to the Mobile Teams was only 24, 29 and 9 per cent of the available days in these districts. The mobility of Mobile Teams was, therefore, greatly affected. This indicated that only a low priority was given to Mobile Teams (paragraph 4.11.7).

- Against 1,789 Village Welfare Committees to be formed, only 990 were formed in 1981-82. The number came down to 480 in 1986-87 (paragraph 4.11.8).

- The work of the Mobile Teams was not monitored by the Director of Primary Health

Centres (paragraph 4.11.9).

Thus, due to lack of infrastructure facilities and non-formation of Village Welfare Committees in a number of villages, only 3.7 to 5.2 per cent of the population was benefited by the Scheme in those districts and the number of visits made was also grossly inadequate.

These deficiencies are discussed in the succeeding paragraphs.

4.11.4. Population coverage

The statement below indicates the percentage of population which was treated by the MTs in the areas covered by the Scheme in the 3 Health Unit Districts during the years 1981-82 to 1986-87.

Name of the District	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
	(Percentage of population treated)					
Coimbatore	6.5	7.0	5.5	5.3	5.3	5.1
Madurai	10.7	8.8	9.1	6.3	4.9	5.9
Tiruvarur	0.5	0.4	0.4	0.8	1.7	1.1
Total	5.2	4.9	4.3	3.8	3.8	3.7

The total population benefited under the Scheme had declined from 5.2 per cent in 1981-82 to 3.7 per cent in 1986-87. The poor response to the Scheme from the population was due to inadequate coverage of villages by the MTs due to lack of infrastructure facilities and

motivation by the VWCs, as brought out in the succeeding paragraphs.

4.11.5. Visits to villages

As per the guidelines issued by the Directorate of Health Services and Family Welfare, a MT should visit each village atleast once a week i.e. 52 visits in a year. Out of 1,789 villages covered by the scheme in the 3 test checked districts, during the period 1981-82 to 1986-87, only 6 villages were visited by MTs 52 times or more in a year and 104 villages were not at all visited during the entire period of 6 years. MTs did not visit 388 villages (22 per cent) in 1981-82, 407 (23 per cent) in 1982-83, 461 (26 per cent) in 1983-84, 472 (26 per cent) in 1984-85, 467 (26 per cent) in 1985-86 and 429 (24 per cent) in 1986-87. In the remaining cases, the number of visits made during the years 1981-82 to 1986-87 was also far less than the minimum of 52 visits per annum as indicated below.

Number of visits per year	Percentage of villages covered
Upto 10	31 to 51
Between 11 and 30	15 to 26

Thus, the benefits of the scheme did not reach 22 to 26 per cent of the villages and the coverage of the remaining villages was also inadequate.

4.11.6. Man power

A fixed time movement schedule had been prescribed for each medical officer of the PHC for successful implementation of the scheme. Absence of even a single medical officer would dislocate the mobile health services. The district authorities were, therefore, required to divert medical officers available in non-MT PHCs to fill the vacancies caused by long spells of leave. There were, however, vacancies of medical officers caused by spells of leave ranging from 1 to 12 months on 22 occasions in Coimbatore, 24 occasions in Madurai and 94 occasions in Tiruvarur Districts during the period 1981-82 to 1986-87. During the same period, of the 108 posts of pharmacists sanctioned at the rate of 3 each (2 for the MTs and 1 for the Centre) for the 36 test checked PHCs, 15 posts were vacant for over 5 years, 10 for over 4 years, 36 for over 1-3 years and 9 for periods less than a year. The vacancies were reported, by Director of Primary Health Centres (DPHC), to be due to dearth of qualified pharmacists. Of the 72 drivers required for operating the vehicles in 36 PHCs, only 39 were available for all the 6 years and of the remaining 33 posts, 17 were vacant for over 5 years, 12 for over 1-4 years and 4 for periods less than a year.

Government stated in October 1987 that the position had improved much by posting of qualified personnel.

4.11.7. Vehicles

In the 36 PHCs test checked, against the minimum requirement of 2 vehicles each, there was (i) no vehicle in one PHC for all the 6 years and (ii) only one vehicle in 10 PHCs during the period 1981-82 to 1986-87. In cases where there were 2 vehicles, they were available for PHC work only for 59 per cent in Coimbatore, 72 per cent in Madurai and 43 per cent in Tiruvarur Districts of the total working days; they were either diverted for laparoscopy/eye camps or under repair during the remaining periods. The number of days on which the vehicles were made available for mobile health services was only 24, 29 and 9 per cent of the days available for PHC work in the 3 Districts respectively. Under the scheme, in the 36 PHCs a total distance of about 11.38 lakh kms. was to be covered annually requiring 1.70 lakh litres of fuel; allotment of fuel was, however, 0.43 lakh litres, of which only 0.19 lakh litres were used for the mobile health services, with the result that a distance of 1.36 lakh kms. only (12 per cent) was covered, on an average, annually. Thus, only a low priority had been given to the scheme.

4.11.8. Village Welfare Committees

Village Welfare Committees formed with members selected from various communities and strata of society were to be trained and supplied with bandage cloth, bleaching powder

and mixture for purposes of rendering first-aid etc. under the scheme. A village based register was also to be maintained by each VWC to record its activities and report periodically to the District Health Officer. Out of the total 1,789 villages in 36 PHCs, VWCs were formed in 1981-82 in 990 villages; the number of VWCs came down to 480 in 1986-87 as indicated below :-

Name of the District	Total number of villages	Number of VWCs in	
		1981-82	1986-87
Coimbatore	750	438	171
Madurai	518	321	136
Tiruvarur	521	231	173
Total	1,789	990	480

Out of 480 VWCs, which were in existence in 1986-87, village based registers were maintained only by 223 VWCs and training was given in 417 VWCs. No reasons were indicated for not providing training in the remaining VWCs. No returns had been received by the District Health Officers from any of the VWCs. The Evaluation and Applied Research Department of Government, which conducted a quick evaluation of the scheme in October 1984 in 15 PHCs in 5 selected districts, reported that the VWCs, supposed to liaise between the ailing persons and the MTs, were non-existent.

Government stated in October 1987 that eventhough the VWCs were not functioning

effectively for one reason or other, after the introduction of Chief Minister's Noon Meal Scheme, the periodical visits of Medical Officers of PHCs to noon meal centres in their block area had been regulated and it was reviewed by District Health Officers to improve the health coverage of the rural population and instructions had also been issued for the effective functioning of VVCs.

4.11.9. Monitoring

Monitoring of the work of the MTs was not done by the Directorate of Primary Health Centres reportedly due to non-availability of sufficient ministerial staff; this position was also confirmed by Government in October 1987.

4.11.10. Evaluation

A quick evaluation was undertaken by the Evaluation and Applied Research Department of Government in October 1984 to assess the performance of the MTs in 15 PHCs in 5 selected districts and a sample of 300 households was also surveyed. The study identified the problem areas as availability of vehicles, vehicles maintenance system, adequacy of personnel and underlying assumption of Mobile Health Services that the morbidity pattern was uniform in all regions. According to the evaluation report, the functioning of the MTs was affected mainly by non-positioning of medical officers and pharmacists in full strength and non-availability of vehicles.

DPHC stated in July 1987 that posts

of third medical officers and pharmacists had since been filled up.

4.12. National Tuberculosis Control Programme

4.12.1. Introduction

The National Tuberculosis Control Programme (NTCP) was launched by Government of India (GOI) in 1962 in order to bring TB in the community under control with the following operational objectives :-

(i) to vaccinate with BCG a majority of the eligible infants in the community,

(ii) to detect TB patients amongst out-patients attending health institutions and in community by health workers and treat them effectively by giving priority to sputum positive cases and

(iii) to undertake these activities in all the health institutions as an integral part of the general health services.

The National sample survey conducted by the Indian Council of Medical Research during 1955-58 disclosed that in Tamil Nadu about 10 lakh people (1.8 per cent of population) suffered from TB and one fourth of these cases (2.50 lakhs) were "infectious" or sputum positive.

4.12.2. Organisation

The Director of Medical Services and Family Welfare (DMS & FW), Madras, is in overall

charge of the implementation of the Programme in the State. At the district level, the District Tuberculosis Centre (DTC) is the basic organisational unit with the 'key staff' comprising District TB Officer (DTO), Treatment Organiser, Laboratory Technician, X-ray Technician and Statistical Assistant. Other health institutions in the district, such as Taluk Hospitals, Public Health Centres (PHCs), known as Peripheral Health Institutions (PHIs) also undertake case finding and treatment for TB, as participating units of the DTC.

4.12.3. A review of the Programme was conducted by Audit between December 1986 and April 1987 at the Health and Family Welfare Department of the Secretariat, the Directorate of Medical Services and Family Welfare, the Directorate of Primary Health Centres, 5 out of 16 DTCs and 49 PHCs.

4.12.4. Highlights

- In each of the 5 districts in Tamil Nadu where the population ranges from 29 to 38 lakhs, there is only one DTC, though the scheme provided for one DTC for an average population of 15 lakhs. The DTCs were yet to be established in 4 newly formed districts by bifurcation/trifurcation of 3 districts between March 1985 and September 1986 (paragraph 4.12.6).

- The sputum examination of new cases fell short of the target by more than 50 per cent in a majority of the PHCs, due mainly to long spells of vacancy in the posts of laboratory assistants (paragraph 4.12.7).

The initial defaulters in treatment constituted 6 per cent of the patients detected in the State in 1986. There was heavy drop-out of patients ranging from 35 to 97 per cent in the years 1983-86; follow-up of sputum examinations was between 2 and 18 per cent only in the years 1983-86 (paragraph 4.12.8).

- In a number of DTCs, key posts had either not been filled up for long periods or were filled up with untrained hands (paragraph 4.12.10).

- Vehicles were kept without use for long periods on account of repairs (paragraph 4.12.11).

- An evaluation of the Programme to assess its impact on the incidence and control of tuberculosis (TB) had not been conducted so far, though it had been in operation for nearly 23 years and an amount of Rs.18.15 crores had been spent on it from 1974-75 to 1986-87 (paragraph 4.12.12).

These deficiencies are discussed in the succeeding paragraphs.

4.12.5. Funding and Outlay

Under the Programme, GOI extended, from 1963, assistance to the State Government in kind for domiciliary treatment by supplying X-ray units, laboratory equipments, miniature X-ray films, received from Swedish International Development Agency and United Nations International Children's Emergency Fund (UNICEF) and anti-TB drugs.

From 1979-80, 50 per cent of the cost of drugs supplied by GOI was to be met by the State Government.

During the period from 1974-75 to 1986-87, Central assistance received in kind by the State Government amounted to Rs.338.61 lakhs and the expenditure incurred by the State Government in the control of TB was Rs.1814.96 lakhs as shown below :-

Year	Central assistance received in kind	Expenditure incurred by the State Government#
	(in lakhs of rupees)	
1974-75 to		
1979-80	46.83	521.91
1980-81	9.52	119.02
1981-82	9.61	143.50
1982-83	18.70	167.70
1983-84	29.50	174.20
1984-85	65.86	190.02
1985-86	68.59	236.35
1986-87	90.00*	262.26
Total	<u>338.61</u>	<u>1814.96</u>

Expenditure incurred by the State Government on TB control programmes including NTCP. Details regarding NTCP are not separately identifiable.

Amount allocated by GOI for 1986-87.

4.12.6. Targets and achievements

The NTCP provided for establishment of one DTC for each district having an average population of 15 lakhs. However, in each of the 5 districts in Tamil Nadu, where the population ranges from 29 lakhs to 38 lakhs, only 1 DTC is functioning. In 3 other districts, where the population ranged from 29 lakhs to 39 lakhs, and which were bifurcated/trifurcated into 7 districts between March 1985 and September 1986, DTCs were yet to be established in the 4 new districts. The proposal (May 1985) of the Department to form new DTCs in 3 new districts was pending with Government (July 1987); the Department was yet to send proposal in respect of the 4th district.

The targets fixed by GOI and achievements for new case detection, BCG vaccination and sputum examination at the PHCs were as follows :-

Year	<u>New case detection</u>		<u>BCG vaccination</u>		<u>Sputum examination</u>	
	Target	Achievement	Target	Achievement	Target	Achievement
			(in lakhs)			
1982-83	0.70	0.89 (127)	13	12.06 (93)	not fixed	NA
1983-84	0.88	0.93 (106)	13	11.87 (91)	2.42	0.70 (29)
1984-85	0.99	0.93 (94)	12	10.97 (91)	2.42	0.83 (34)
1985-86	1.00	0.95 (95)	11	8.28 (75)	2.42	0.91 (38)
1986-87	1.00	1.06 (106)	13	7.35 (57)	2.42	0.88 (36)

NA : Not available

(Figures in brackets represent percentage of achievement)

The shortfall in BCG Vaccination in the year 1986-87 was due to the fact that while the age of the susceptible population to be vaccinated under the Programme, which was 0-4 years from September 1985, was reduced to 0-1 year from July 1986, the target was not reduced correspondingly. Shortfalls in sputum examination in all the years was due to long spells of vacancy in the posts of laboratory assistants in the PHCs vide - paragraph .12.7 below.

.12.7. Case finding

In March 1983, GOI fixed a target of new sputum examinations per day or 600 examinations per year for each PHC. Details gathered from 105 PHCs indicated that the shortfall was more than 50 per cent in 83 PHCs during 1983-84, 70 PHCs during 1984-85, 65 PHCs in 1985-86 and 58 PHCs in 1986-87 as shown below :-

Number of sputum examinations done during the year	1983-84	1984-85	1985-86	1986-87
	(Number of PHCs)			
Nil	11	14	9	16
1 to 60	18	10	17	5
61 to 150	22	15	14	16
151 to 300	32	31	25	21
301 to 600	17	28	28	41
More than 601	5	7	12	6

The poor performance was attributed (July 1987) by the Department to non-availability of trained staff in PHCs exclusively for NTCP, particularly laboratory assistants, as those available were only

microscopists recruited for Malaria Eradication Programme. It was noticed in Audit that even those posts of laboratory Assistants were vacant for long spells; in 32 PHCs, for which details were gathered, the posts were vacant for periods ranging from 3 to 12 months in a year.

4.12.8. Treatment

A TB patient who fails to take treatment after diagnosis is called initial defaulter. During the year 1986, the initial defaulters in the State constituted 6 per cent of the patients detected.

The TB patients are to be given uninterrupted treatment for atleast one year, the optimum period of treatment being 18 months. In 5 districts test checked in Audit, the TB patients who discontinued treatment before completion of one year constituted 35 per cent to 97 per cent of the total number of patients under treatment during the years 1983 to 1986 as indicated below :-

Name of District	1983	1984	1985	1986
	(Drop-outs in percentage)			
Chengalpattu	39	35	73	51
North Arcot	80	81	79	88
Ramanathapuram	87	95	87	75
South Arcot	97	95	88	75
Thanjavur	NA	NA	75	84

NA : Not available

In respect of a TB patient undergoing treatment, the first and second follow up sputum examinations were to be conducted at the end of 6 and 12 months after commencing treatment. The achievement in this regard in 3 out of 5 districts test checked was between 2 and 18 per cent as shown below :-

Name of District	Percentage of follow up sputum examination							
	1983		1984		1985		1986	
	1st	2nd	1st	2nd	1st	2nd	1st	2nd
Ramanathapuram	8	5	9	5	NA	NA	NA	NA
South Arcot	2	5	4	8	5	9	4	7
Thanjavur	16	5	18	7	10	8	13	7

NA : Not available

The Department stated in July 1987 that in peripheral centres, the follow up could not be done effectively for want of TB para medical worker to monitor the treatment schedule of individual TB patients, that with the limited infrastructure available, limited action was being taken to retrieve the defaulting patients by posting letters and making house visits wherever possible and that despite the motivation, if the defaulters did not turn up, no further action would be taken, since new cases were also to be attended to. It was further stated that the main reason for the drop-outs was the long duration of the treatment and with a view to solving this problem of drop-outs, a short term chemotherapy had been introduced as a pilot study in North Arcot District from March 1983. The result of the study was, however, yet to be

evaluated (July 1987).

4.12.9. Shortfalls in visits by DTO

The guidelines provided that DTO should visit each PHI 4 times a year. Out of 75 PHIs in South Arcot District, 20 in 1983, 21 in 1984, 12 in 1985 and 3 in 1986 were not visited at all by the DTO. The quarterly review reports brought out by the National Tuberculosis Institute during 1985 also disclosed that the PHIs in Tamil Nadu were supervised by the DTOs only to the extent of 45 to 53 per cent. The Department attributed (July 1987) the shortfall in the visits of PHIs by the DTOs to repair of vehicles and entrustment of additional work to them under Leprosy Eradication Programme, whenever the post of District Leprosy Officer was vacant.

4.12.10. Posts kept vacant in DTCs

Key posts in the DTCs had not been filled up for long periods as indicated below :-

Name of post	Number of districts	Periods for which vacant
1. District TB Officer	4	5 months to 1 year and 3 months
2. Statistical Assistant	5	10 months to 4 years and 6 months
3. X-ray Technician	2	1 year to 3 years and 8 months
4. Treatment Organiser	3	3 months to 3 years and 11 months

In the following cases, key posts were held for long periods by persons not trained in the National Tuberculosis Institute:-

Name of post	Number of districts	Periods
1. District TB Officer	6	4 months to 3 years and 4 months
2. Statistical Assistant	3	1 year and 3 months to 5 years and 10 months
3. X-ray Technician	3	1 year and 1 month to 3 years and 1 month
4. Laboratory Technician	2	1 year and 6 months and 2 years and 1 month
5. Treatment Organiser	1	1 year and 8 months

The Department stated (July 1987) that personnel holding key posts could not be sent for training for administrative reasons.

4.12.11. Vehicles under repair for long periods

The vehicles supplied to the DTCs were not utilised for the Programme as indicated below for the reasons mentioned against each.

DTC	Periods during which vehicles were not used for the Programme	Reasons
Cuddalore	October 1984 to December 1986 (Team I) and October 1986 to April 1987 (Team II)	Vehicle under repair
Kancheepuram	November 1981 to September 1982 January 1980 to October 1981 and September 1982 to December 1983	Post of driver not sanctioned Used for other purposes for 217 days and remained idle/under repairs for 1,020 days
Ramnad	January 1984 to May 1984 and October 1985 to December 1985	Vehicle under repair
Thanjavur	March 1984 to April 1987	Vehicle under repair due to non- availability of spare parts
Tirunelveli	December 1976 to March 1984	-do-
Tuticorin	April 1986 to March 1987	Vehicle under repair
Vellore	April 1985 to August 1986 August 1986 to February 1987 (Team I)	-do- Post of driver not sanctioned

The Department stated (July 1987) that the vehicles were sent for repairs to the Regional Government Workshops, which attended to the vehicles of all Government departments and that the DTOs kept on reminding the workshops for getting the vehicles on road early. The Department did not, however, consider alternative arrangement for getting the vehicles repaired quickly.

4.12.12. Evaluation

Though the Programme had been in operation in the State for nearly 23 years and an expenditure of Rs.1814.96 lakhs had been spent during the period from 1974-75 to 1986-87, no evaluation had been conducted by Government to assess the impact of the Scheme on the incidence and control of TB in Tamil Nadu.

4.13. National Leprosy Eradication Programme

4.13.1. Introduction

Government of India (GOI) launched the National Leprosy Control Programme in 1955. To intensify the coverage of population in rural areas, Government Leprosy Control Units (GLCUs) and Survey Education and Treatment (SET) centres were established during the Third and Fourth Plan periods for treatment of identified cases. From the Fifth Plan onwards, the coverage was extended to urban population by establishing Urban Leprosy Centres (ULCs). Temporary

Hospitalisation Wards (THWs) and Re-constructive Surgery Units (RSUs) were also established for treating patients suffering from ulcers and deformities. The Programme was renamed as National Leprosy Eradication Programme (NLEP) in 1983 with a view to giving emphasis on eradicating the disease by 2000 AD.

4.13.2. Organisation

At State level, the Deputy Director of Medical Services and Family Welfare (Leprosy) is in charge of the implementation of the Programme. At district level, the District Leprosy Officers are supervising the anti-leprosy work. At the periphery, GLCU is manned by a Medical Officer, assisted by non-medical supervisors and paramedical workers. ULC/SET Centre is looked after by a non-medical supervisor/para-medical worker, under the Medical Officer-in-charge of the Hospital/Dispensary/Primary Health Centre to which it is attached.

4.13.3. Audit coverage

A test check of records relating to the implementation of the Programme was conducted by Audit at the Secretariat, Directorate of Medical Services and Family Welfare and Offices of the 5 District Leprosy Officers during December 1986 to April 1987.

4.13.4. Highlights

- As on July 1987, there was heavy shortage of staff ranging from 12 to 37 per cent

in the various categories; even the sanctioned posts fell short of the requirement by 43 per cent in the case of Health Educators. 12 out of 43 Medical Officers in 4 districts were untrained in leprosy work (paragraph 4.13.6).

- There were delays in creation/provision and utilisation of facilities sanctioned by GOI. Construction of building for 10 out of 11 GLCUs sanctioned in 1981-82 and 1983-84 was yet to be commenced, as the sites for their location were still to be decided. Of the 10 THWs sanctioned in the years 1980-81 and 1982-83, 5 were yet to be completed and work on 2 was yet to be commenced (May 1987) (paragraph 4.13.7).

- Two THWs constructed in 1985 had not yet started functioning due to non-posting of the sanctioned staff (paragraph 4.13.7).

- The number of cases discharged as cured fell short of the target by 41 to 77 per cent in the years 1981-82 to 1986-87 (paragraph 4.13.8).

- During the Sixth Plan Period, there was only a marginal decrease in the prevalence rate from 15 to 14.6 per thousand for the State as a whole and in 5 districts test checked in Audit, the reduction in the rates of infection and deformity ranged from 6 to 26 per cent and 2 to 39 per cent only as against the target of 50 per cent (paragraph 4.13.9).

- In 8 out of 11 GLCUs test checked, survey of population by 49 to 65 per cent of para medical workers fell short of even 75 per cent of the target (paragraph 4.13.10).

- 37 to 50 per cent of the sub centres had not covered the required percentage of registration of cases during 1980 to 1986 (paragraph 4.13.11).

- There was shortfall in smear test by more than 50 per cent in 2 to 8 out of 11 GLCUs in the years 1980 to 1986 (paragraph 4.13.12).

These deficiencies are discussed in detail in the following paragraphs.

4.13.5. Funding and outlay

From 1969-70 the Programme is being implemented as a Centrally sponsored scheme with 100 per cent Central assistance, except during 1979-80 and 1980-81 when the expenditure was shared by GOI and the State Government in the ratio 50 : 50. The assistance covered operational cost, cost of capital components/equipments including vehicles, cost of drugs and expenditure on stipends to the trainees. The expenditure in running the units/centres established upto the end of the previous Plan period was the committed liability of the State Government during the subsequent Plan period but additional expenditure needed for upgradation of these units/centres were provided by GOI.

The assistance received from GOI in cash and kind and the expenditure incurred by the State Government since 1974-75 were as under :-

Year	Assistance allocated by GOI		Assistance received from GOI		Expenditure incurred by the State Government			
	Cash	Kind	Cash	Kind	Revenue		Capital	
					Budget provision	Expenditure	Budget provision	Expenditure

(in lakhs of rupees)

1974-75 to								
1979-80	233.10	48.29	NA	NA	NA	230.43	NA	NA
1980-81	12.00	18.00	14.50	NA	NA	8.19	Nil	NA
1981-82	40.00	20.30	50.90	NA	41.69	8.25	48.50	4.25
1982-83	41.89	25.96	51.94	NA	36.31	2.70	61.26	39.14
1983-84	75.00	50.00	75.00	NA	49.51	10.69	147.50	43.04
1984-85	77.00	70.00	35.00	NA	72.05	36.77	164.26	49.37
1985-86	77.00	70.00	21.88	NA	60.63	75.33	133.56	30.55
1986-87	81.00	70.00	86.00	NA	104.19	124.41	96.15	NA

NA : Not available

4.13.6. Man power

(i) **Vacant posts.-** The sanctioned strength of staff for the Programme and the number of vacancies as in July 1987 were as follows :-

	Sanctioned strength	Men in position	Vacant posts	
			Number	Percentage
1. Medical Officers	165	146	19	12
2. Health Educators	77	51	26	34
3. Statistical Assistants	23	17	6	26
4. Physiotherapists	102	64	38	37
5. Laboratory Technicians	113	72	41	36
6. Non-Medical Supervisors	266	178	88	33
7. Leprosy Inspectors (otherwise known as para-medical workers)	1,433	1,076	357	25

The DMS & FW attributed (July 1987) the vacancies to want of trained personnel. Government stated (November 1987) that vacancies would be largely reduced as 347 Inspectors, 95 Non-Medical Supervisors and 35 Health Educators had been deputed for training in 1987 and would be posted in the vacancies after completion of training.

In addition to the sanctioned posts being vacant, the sanctioned posts (77) of Health Educators themselves were short of the requirement (135) by 58 posts (43 per cent) with reference to the pattern of staff approved by GOI. The State Government took up the matter with GOI only in August 1986 for concurrence and assistance. There was no further development.

(ii) **Non-sanction of posts of Physiotherapists.-** Physiotherapist is essential to each THW to render medical aid by way of wax bath, oil massage, exercise and electric

stimulation to the patients admitted in the ward and is provided in the pattern of staff approved by GOI. Though 20 out of 27 THWs sanctioned by GOI during 1979-80 to 1982-83 had been established and were functioning, they were not provided with physiotherapists, as the posts were not created by the State Government reportedly through oversight, while approving the construction of these wards. In March 1987, the State Government addressed GOI for concurrence and assistance for the creation of 27 posts of physiotherapists for those 27 THWs during the current Plan period. There was no further development.

(iii) **Untrained staff.-** (a) In 4 out of 5 districts test checked, it was noticed that 12 out of 43 Medical Officers were untrained in leprosy work. Government stated (November 1987) that many medical officers posted to work under leprosy programme were not willing to undergo leprosy training and sought transfer to the general side or other specialist branches and that, however, untrained doctors working under the leprosy programme were being deputed for training.

(b) As the surgery of leprosy required a high degree of skill and experience, the surgeon performing the surgery had to be trained in reconstructive surgery for at least one year. The DMS & FW proposed in March 1979 that atleast 9 Assistant Surgeons might be trained in reconstructive surgery for the 9 RSUs sanctioned in October 1975 and November 1976

but only 5 were trained, as ordered by Government in March 1980. Of the 5 trained, one had retired. No further batch of surgeons was trained. Thus, trained Assistant Surgeons were still to be provided for 5 RSUs, even 11 to 12 years after they were sanctioned.

4.13.7. Creation/provision and utilisation of facilities

The targets for creation/provision of facilities such as construction of buildings for GLCUs, Leprosy Rehabilitation Promotion Units, THWs, etc., were fixed by GOI every year and financial assistance allocated accordingly. Certain cases of delays in creation/provision and utilisation of those facilities by the State Government, noticed in Audit, are detailed below :-

(i) Though the targets for 1984-85 were fixed by GOI in April 1984 they were taken up for implementation only in 1985-86, as orders of the State Government were issued in April 1985 reportedly due to administrative reasons. Consequently, the cash assistance of Rs.77 lakhs provided by GOI in 1984-85 could not be availed by the State Government, as GOI permitted implementation of the targets for 1984-85 and 1985-86 from out of the assistance provided for 1985-86.

(ii) GOI approved construction of buildings for one GLCU (cost : Rs.1.5 lakhs) in 1981-82 and 10 GLCUs (cost : Rs.25 lakhs) in 1983-84 and the State Government issued orders in March 1982 and July 1983 respectively. Of the 11 buildings, only

one (sanctioned in July 1983) was completed by the Public Works Department (PWD) and handed over to the Medical Department in March 1987.

In July 1984, the DMS & FW suggested change in location of one building sanctioned by Government in March 1982 and this was still under correspondence between them. Alternative sites had been proposed (May 1985 to March 1986) by PWD for the remaining 9 (sanctioned in July 1983), due to non-suitability of the original sites selected by the Medical Department and the matter was under consideration of DMS & FW (April 1987). Thus, all the 10 buildings were yet (September 1987) to be taken up for construction.

(iii) Out of 5 THWs targeted by GOI for 1980-81 and sanctioned by the State Government in August 1980, two were still to be completed (May 1987). Five more THWs targeted for 1982-83 were sanctioned by the State Government in June 1982 at a cost of Rs.2.8 lakhs each, which was revised to Rs.5.2 lakhs each in April 1986. Of these, work was in progress in three cases and construction was yet to commence in the remaining two (May 1987), as the agency for execution was still to be settled in respect of one and further revision of the estimate to Rs.7.2 lakhs was under consideration of the Department in respect of the other.

(iv) The THWs at Kallakurichi and Arantangi

(cost : Rs.7.03 lakhs), though completed in 1985, were not functioning (May 1987) as the requisite staff were not posted for want of revalidation orders to fill up the posts originally sanctioned in August 1980. The matter was pending (May 1987) with Government since August/September 1985. The THW at Thirumangalam, constructed in August 1983 at a cost of Rs.2.82 lakhs, was not functioning as the premises were occupied by the Homoeopathy Medical College. The vacation of the THW building was still under correspondence (May 1987) between the Department and Government.

4.13.8. Detection, treatment and discharge - Targets and achievements

With a view to eradicating leprosy possibly by 2000 AD, the Programme was made target oriented from 1976. Targets were fixed by GOI for detection and treatment of new cases as well as discharge of cured cases by both Government units and Voluntary Centres/hospitals. Targets and achievements for the years 1981-82 to 1986-87 were as follows :-

Year	Cases to be detected		Cases to be brought under treatment		Cases to be discharged/ cured	
	Target	Achievement	Target	Achievement	Target	Achievement
1981-82	70,000	79,027 (113)	70,000	67,748 (97)	60,000	13,669 (23)
1982-83	20,000	67,152 (336)	20,000	57,380 (287)	74,500	27,413 (37)
1983-84	60,000	54,951 (92)	60,000	44,334 (74)	55,000	20,134 (37)
1984-85	60,000	61,240 (102)	60,000	51,595 (86)	55,000	32,416 (59)
1985-86	1,10,000	66,971 (61)	1,10,000	56,812 (52)	70,000	41,076 (59)
1986-87 (upto 11/86)	64,000	62,103 (97)	64,000	52,353 (82)	88,000	36,195 (41)

(Figures in brackets indicate percentage of achievement)

There was heavy shortfall ranging from 41 to 77 per cent in the discharge of cured cases in the years 1981-82 to 1986-87. The District Leprosy Officer, South Arcot reported (June 1986) to the DMS & FW that due to vacancies in the post of Laboratory Technicians in GLCUs, smear test, which was a clinical test for declaring cases as cured, could not be carried out and as such, many cured cases could not be declared as cured. It was seen that in 7 out of 11 GLCUs test checked in Audit in 5 districts, the post of Laboratory Technician was vacant for periods ranging from 5 to 192 months, as mentioned in paragraph 4.13.12 below. The DMS & FW, however, attributed (February

1987) the shortfall to cured cases not turning up for smear test and getting certificate of release from control as cured. Government stated (November 1987) that efforts were being taken to improve the discharge of cured cases.

4.13.9. Performance during the Sixth Plan

During the Sixth Plan period, the Programme aimed at reducing the rates of prevalence, infection and deformity by 50 per cent.

The prevalence rate which was 15 per 1,000 for the State as a whole at the beginning of the Sixth Plan period came down to 14.6 only at the end of that period. In three Districts, the prevalence rate had actually increased as shown below :-

District	<u>Prevalence rate per 1,000</u>	
	At the beginning of the Sixth Plan	At the end of the Sixth Plan
Coimbatore	5.6	7.4
Kanyakumari	5.1	5.8
Madurai	17.1	18.1

Information regarding the rates of infection and deformity for the State as a whole was not available with DMS & FW. In the five districts test checked in Audit, the reduction in the rates of infection and deformity during the Sixth Plan period ranged from 6 to 26 per cent and 2 to 39 per cent respectively as against the target of 50 per cent as indicated below :-

District	<u>Infection rate per 100</u>		<u>Deformity rate per 100</u>	
	At the beginning of the Sixth Plan	At the end of the Sixth Plan	At the beginning of the Sixth Plan	At the end of the Sixth Plan
Chengalpattu	2.90	2.14 (26)	10.38	10.14 (2)
Chidambaranar	10.31	7.91 (23)	9.87	8.54 (13)
Pudukottai	8.90	6.90 (22)	17.70	14.40 (19)
Salem	15.80	12.20 (23)	19.04	11.70 (39)
South Arcot	17.00	16.00 (6)	20.00	18.00 (10)

(Figures in brackets indicate percentage of reduction)

The District Leprosy Officers concerned attributed (July/August 1987) the shortfall in achievement to the long duration of treatment, resistance to Dapsone treatment, shortage of staff, etc. Government stated (November 1987) that the reduction in the rates of prevalence, infection and deformity would be significant when the Multi Drug Regimen Therapy (which was in operation in 3 districts since 1983-84) was introduced in all the districts in a phased manner.

4.13.10. Non-coverage of population by survey

The operational guidelines issued by GOI contemplated house to house survey as one of the methods of case finding. According to those guidelines, a Para Medical Worker (PMW) was to conduct house to house survey and examine a minimum population of about 5,000 per year. In 8 out of 11 GLCUs test checked, 49 to 65 per cent of PMWs

had examined only less than 75 per cent (3,750) of the targeted minimum population of 5,000 per year during the years 1980 to 1986 and 31 out of 112 PMWs had carried out less than 25 per cent of survey work during 1985 as indicated below :-

Percentage of examination	1980	1981	1982	1983	1984	1985	1986
	(Number of Para Medical Workers)						
0 - 25	8	9	6	14	14	31	17
26 - 50	18 (52)	23 (57)	15 (49)	21 (60)	21 (53)	18 (65)	14 (50)
51 - 75	27	26	29	35	23	24	21
76 and above	49 (48)	43 (43)	53 (51)	46 (40)	52 (47)	39 (35)	46 (50)

(The figures in brackets indicate the percentage to the total number of PMWs).

Government attributed (November 1987) the shortfall to non-availability of daily wage earners/labourers in their house-holds at the time of survey as they generally leave for their workspots early in the morning.

As at the end of July 1987, the population not covered by survey was 25.49 lakhs which was 5.9 per cent of the total population of the State (484 lakhs as per 1981 census). In three districts which are endemic/hyper-endemic area, the population left uncovered ranged from 11 to 37 per cent as indicated below :-

District	Population	Population not covered	Percentage
	(in lakhs)		
Coimbatore	30.60	8.12	27
Madras	32.77	11.97	37
South Arcot	42.01	4.57	11

The DMS & FW attributed the non-coverage to inadequacy of infrastructure. It was, however, noticed in Audit that as in July 1987, out of 1,163 posts of PMW sanctioned up to 1985-86, 87 posts were vacant, of which 15 were in South Arcot District - vide also paragraph 4.13.6.

4.13.11. Registration of cases

According to the operational guidelines of GOI, atleast 75 per cent of the known cases should be registered for treatment.

In 10 out of 11 GLCUs test checked, 37 to 50 per cent of the sub-centres had not covered the required percentage of registration in the years 1980 to 1986.

Government attributed (November 1987) the shortfall to patients' shyness due to social stigma and patients' non-co-operation in spite of motivation and stated that the DLOs had been instructed to register all known cases and bring them under treatment by extensive health education and motivation.

4.13.12. Smear Test

According to the instructions of DMS & FW each laboratory technician had to examine smears from 250 to 300 patients per month.

A review of the performance of the laboratory technicians in 11 GLCUs disclosed that there was shortfall in smear test by more than 50 per cent in 2 to 8 GLCUs in the years 1980 to 1986 as shown below :-

Percentage of smear examinations	1980	1981	1982	1983	1984	1985	1986
	(Number of GLCUs)						
Below 50	2	3	4	3	6	5	8
51 - 75	5	5	4	6	4	5	2
76 and above	2	3	3	2	1	1	1
Total	9*	11	11	11	11	11	11

*Figures for 2 GLCUs not available

The reasons attributed for the shortfall were (i) poor attendance of patients at the clinic and (ii) vacancies of laboratory technicians, ranging from 5 to 192 months. In the GLCU, Panruti, the post of laboratory technician was vacant from its inception in 1971. Government stated (November 1987) that the vacancies in the posts of laboratory technicians was due to acute shortage of trained persons during 1980-86 and that the District Medical Officers who were the appointing authorities had now been instructed to fill up the vacant posts.

4.14. Accident and Emergency Medical Services

4.14.1. Introduction

In November 1979, Government sanctioned the scheme of Accident and Emergency Medical Services with a view to providing efficient first aid, quick transport and good medical attention to victims of accidents at well equipped accident and emergency centres to be located in the selected taluk and district hospitals. The system was to operate, based on the co-ordinated functioning of the curative facilities under the Directorates of Public Health, Medical Services and Medical Education. Under the scheme, the Primary Health Centres (PHCs) were to act as first aid posts dealing only with minor injuries, the major injury cases being directed to the nearest designated taluk/district hospitals where they would be treated and subsequently transferred, if necessary, to the nearest teaching hospitals for specialised treatment. A referral system from the PHCs to teaching hospitals in respect of emergency cases, was, thus, to be achieved.

The facilities sanctioned under the Scheme to the three centres are indicated in the table below :-

Nature of Institution	Facilities
First aid post (PHCs)	An improvised first aid kit at Rs.1,300.
Accident and Emergency Centre (designated taluk/district hospitals)	10 bedded ward with operation theatre, examination room, resuscitation room, sterilisation room, and X-ray block,

portable X-ray unit, 3 ambulance vans with life saving equipments, camera for taking photo at accident spot and radio control for expeditious communication,

Blood Bank,

Equipment and furniture besides provision for recurring expenditure.

Referral institution
(Teaching Hospitals)

30 bedded ward, Accident and Emergency Unit, Portable X-ray Unit,

7 to 10 ambulance vans,

Equipment and furniture besides provision for recurring expenditure.

The Scheme introduced initially during 1979-80 in 107 PHCs, 11 taluk/district hospitals and 2 teaching hospitals was implemented by 1985-86 in 357 PHCs, 34 taluk/district hospitals and 3 teaching hospitals.

4.14.2. Expenditure

During the period 1981-82 to 1985-86, Rs.580.70 lakhs were spent on the scheme as indicated below :-

Component	Expenditure (in lakhs of rupees)
Salaries	301.02
Ambulance vans and equipments	144.33
Medicines, diet, linen, etc.	135.35
	<u>580.70</u>

4.14.3. Audit coverage

Implementation of the Scheme in 3 teaching hospitals, 8 Accident and Emergency (A & E) Centres, 75 PHCs and a few District Health Offices was reviewed in Audit between October 1986 and March 1987.

4.14.4. Highlights

- Life saving equipments were not at all provided in 104 out of 120 ambulance vans; in the remaining cases, provision of these equipments was only partial. None of the ambulance assistants attached to the vans was trained to give treatment to accident victims (paragraphs 4.14.6.1 and 4.14.6.2).

- In 8 taluk/district hospitals and 3 teaching hospitals, only 0.1 to 9.6 per cent of the total trips made by the ambulance vans were for transport of accident victims; in most of the other cases, the vans were utilised

for unauthorised purposes (paragraph 4.14.6.3).

- Eighty two stretcher bearers attached to 41 ambulance vans (which were transferred to other medical institutions) were inadvertantly retained without justification by the former medical institutions for periods ranging from 15 to 27 months; the expenditure on their salary for the periods was about Rs.6.18 lakhs (paragraph 4.14.6.4).

- Wireless communication system, contemplated in the Scheme, had been provided in the ambulance vans in Madurai District only, though the Scheme was in operation in 11 other districts also (paragraph 4.14.6.5).

- No accident cases were reported in 68 Primary Health Centres, during the period 1980-81 to 1985-86 and hence the first aid kits and splints (value : Rs.0.90 lakh) supplied under the Scheme had not been utilised for the intended purpose (paragraph 4.14.5).

- Integrated facilities were not available in the A & E service unit (constructed at a cost of Rs.10.72 lakhs) in Coimbatore Medical College Hospital due to non-equipment of the operation theatres, resuscitation rooms and intensive care rooms for want of manifold room and anaesthesia facilities (paragraph 4.14.7).

- The Intensive Care Unit, Resuscitation room and operation theatre of the A & E service unit in Government Hospital, Mettupalayam, had not been equipped and brought to use,

due to defective construction of the building (paragraph 4.14.8).

- The operation theatre of the A & E service unit in Government Hospital, Gopichettipalayam remained unutilised from December 1985 (paragraph 4.14.10).

These points are discussed in the succeeding paragraphs.

4.14.5. According to information furnished by 75 PHCs, no accident cases were reported in 68 PHCs during 1980-81 to 1985-86. In the remaining 7 PHCs the number of accident cases reported totalled 1,953 during the same period. First aid kits valued at Rs.0.34 lakh and Thomas splints (a strip of rigid material used for holding broken bone when set) valued at Rs.0.56 lakh supplied to the 68 PHCs, where no accident cases were reported, could not, therefore, be utilised for the intended purpose.

4.14.6.1. Between 1980-81 and 1984-85, 120 ambulance vans were purchased at a total cost of Rs.90 lakhs for use by the A & E centres and teaching hospitals (referral institutions). According to the orders of Government, each ambulance van was to be provided with radio control, life saving equipments and staff trained in giving artificial respiration and oxygenisation, splinting of limbs, etc. In 104 out of a total of 120 ambulance vans under the Scheme, life saving equipments were not at all provided; in 9 vans only oxygen cylinders were provided while in the remaining 7, provision of the equipments was partial.

4.14.6.2. Under the Scheme, ambulance assistant was required to be imparted para-medical training in giving first aid to the injured. However, none of the ambulance assistants attached to the vans was trained for giving treatment to the accident victims. Only in February 1987, a training centre for the purpose had been inaugurated in Madurai.

4.14.6.3. The ambulance vans attached to A & E centres were to be used for (i) transporting accident and emergency cases, free of cost, from the accident spots to the nearest A & E Service Centre or from one medical institution to another for specialist treatment and (ii) transporting ordinary patients on payment of hire charges from their residence to hospital or vice-versa, one van always being stationed at the hospital for transporting accident/emergency cases. Ambulance vans attached to A & E wards of teaching hospitals were to be utilised for transporting accident and emergency cases. When there were no accident cases, they might be used, by rotation, for transporting general patients on payment of hire charges subject to the condition that 50 per cent of the vehicles should be kept ready for emergency purposes. They were not to be used for any other purpose. Test check in 8 taluk/district hospitals (Accident and Emergency Centres) and 3 teaching hospitals (Referral Institutions) indicated that during the period from June 1982 to December 1986, of the total trips made by the ambulance vans (i) only 0.1 to 4.6 per cent in taluk/district hospitals and 0.3 to 9.6 per cent in teaching hospitals were for transport of accident victims under the Scheme, (ii) 5.5 to 82.3 per cent in taluk/district hospitals and 21.9 to 34.9

per cent in teaching hospitals were for transport of patients from hospitals, residence, etc. and (iii) the balance trips were for unauthorised purposes as indicated below :-

Purpose	Percentage of trips to total trips ranged from	
	in taluk/district hospitals	in teaching hospitals
Calling doctors	0.1 to 82.1	17.8 to 30.8
Purchase of stores and other miscellaneous items like functions, camps	10.0 to 73.6	41.9 to 53.5

The poor utilisation of the ambulance vans for the authorised purposes was attributed by the Director of Medical Services and Family Welfare (DMSFW) to non-provision of Wireless Communication System in the vans (vide-paragraph 4.14.6.4). As provision of Wireless Communication System in the ambulance van is only an additional facility to accelerate relief to the injured persons and ambulance will be provided only on receipt of report of accident by the hospitals, the utilisation of the ambulance van will not be affected for want of Wireless Communication System in the van.

4.14.6.4. In April 1983, the DMSFW reported to Government that because of the delay in implementation of the scheme of Wireless Communication System in the ambulance vans, the ambulance vans could not be fully utilised under the scheme. Therefore,

he proposed the transfer of some of the ambulance vans with full complement of staff of each ambulatory service from the A & E Service Units to nearby Government Medical Institutions, where ambulatory services/adequate ambulatory services were not available, for better utilisation and for transporting victims of accidents from accident spots to these institutions. Government approved in February 1984 the redistribution of the vans with drivers, cleaners and attendants to other medical institutions, where the Scheme was not being implemented. Accordingly, 41 ambulance vans (cost : Rs.30.78 lakhs) with drivers, cleaners and attendants were transferred between May and August 1984 to 38 Medical Institutions (1 teaching hospital, 2 district hospitals and 35 taluk hospitals). Though the stretcher bearers also formed part of each ambulatory service, 82 stretcher bearers attached to these ambulance vans were not transferred along with the ambulance vans. Only in June 1985, the DMS & FW requested orders of Government to transfer the stretcher bearers of those ambulance vans to these Institutions, stating that the concerned Medical Officers had reported that the services of the stretcher bearers were essential for carrying patients from the accident spots to the ambulance vans. This proposal was approved by Government in August 1985. The stretcher bearers were subsequently transferred between September 1985 and December 1986. The DMS & FW stated in November 1986 that the stretcher bearers were not transferred along with the ambulance vans through oversight. The omission to include the posts of stretcher bearers in the original proposals was not, however, mentioned in the proposal sent to Government in June 1985. The expenditure

on the salary of stretcher bearers during the periods of their retention in the institutions without justification after the ambulance vans (to which they were sanctioned) were transferred to other medical institutions totalled about Rs.6.18 lakhs.

4.14.6.5. Though Government ordered in November 1979 that the ambulance vans should have radio control for their improvement, necessary proposal was sent by the Director of Health Transport Organisation only after two and a half years later in May 1982. Government issued orders in March 1984 that Wireless Communication System be introduced in Madurai District in the first instance. It was, however, introduced only in February 1987 after the preliminaries like obtaining separate frequency from the Government of India were gone through. As introduction of Wireless Communication System was not planned initially to synchronise with the commencement of the Scheme in November 1979, the intention of improving the accident and emergency services to render medical assistance to the injured persons in the quickest time possible had not been achieved. Even by 1987, the system had been introduced only in Madurai District, though the scheme was in operation in 11 more districts.

4.14.6.6. Government sanctioned in November 1979 the purchase of 50 ambulance vans at a cost of Rs.30 lakhs to be met by contributions from the State Transport Corporations and the Chief Minister's Accident Relief Fund. Government decided in August 1980 that out of Rs.30 lakhs, Rs.18 lakhs would be released from the Chief Minister's Accident Relief Fund and Rs.6 lakhs each by Pandyan Roadways

Corporation Limited and Kattabomman Transport Corporation Limited. Information whether any contributions were accordingly received from the State Transport Corporations and the Chief Minister's Accident Relief Fund and credited to Government account was not available in the Directorate of Medical Services and Family Welfare; it was awaited from the Transport Department (December 1987).

4.14.7. The construction of A & E Service Unit with a 30 bedded ward in Coimbatore Medical College Hospital, Coimbatore, commenced in September 1982, was scheduled to be completed by April 1983. But due to slow progress of work, the contract was terminated in July 1985 at the risk and cost of the contractor. The remaining work was got executed through another contractor by July 1986. Rupees 0.15 lakh representing security and earnest money deposits of the original contractor had been forfeited to Government. The Collector of Coimbatore had also been addressed in October 1986 by the Executive Engineer, Buildings Division, Coimbatore to recover, under the provisions of Revenue Recovery Act, from the contractor Rs.1.26 lakhs, being the extra cost of the work done by the second agency due to his default. The expenditure on the work to end of October 1986 was Rs.10.72 lakhs. The ward was brought to use in September 1986.

Even after September 1986, integrated facilities were not available in the Unit, since the operation theatres, resuscitation rooms and intensive care rooms were not equipped for want of a manifold room for anaesthesia facilities and action to provide them was initiated only after the ward was opened

in September 1986. The Dean of the Hospital stated in March 1987 that steps were already in progress to (i) equip them fully, (ii) construct a manifold room and (iii) provide anaesthesia facilities to start the theatre. He also stated that the supply of one operation Microscope (cost : Rs.1.08 lakhs) and 2 Solid State Diathermy Units (cost : Rs.0.55 lakh), for which orders had been issued, was expected.

Due to failure of the Department to initiate action well in advance so that the equipments could be commissioned to synchronise with the inauguration of the ward, the Unit remained without the equipments even 5 years after the introduction of the Scheme in the Hospital.

4.14.8. The building for the A & E Service Unit consisting of a 10 bedded ward, intensive care room, resuscitation room, operation theatre, etc. in Government Hospital, Mettupalayam, constructed in May 1984 by the Public Works Department (PWD) at a cost of Rs.6.48 lakhs, though unfit for utilisation due to defective ceiling, was taken over by the Department in May 1984 as the date for inauguration of the Unit had already been fixed, on the pre-condition that defects would be rectified by PWD subsequently. The Unit was inaugurated in April 1985 and admissions to the ward were made from November 1985 to April 1986 and again from December 1986 for the convenience of patients, pending repair and rectification of defects, on instructions from the Coimbatore District Medical Officer. The operation theatre, intensive care room and resuscitation room had, however, not yet been used as they were not fully

equipped (February 1987) due to non-rectification of leaky roof, seepage and faulty door fittings by PWD.

4.14.9. The operation theatre, resuscitation room and intensive care unit of the A & E Service Unit (cost of construction : Rs.3.96 lakhs - January 1982) in Government Hospital, Rajapalayam, had not been fully equipped (February 1987). The Medical Officer of the Hospital stated in February 1987 that in the operation theatre only minor cases were attended to for want of exhaust fan. He had not, however, reported to the DMSFW about the non-provision of exhaust fan and consequent restricted use of the operation theatre. The DMSFW stated in June 1987 that proposals for the equipments had not been received by her from the Medical Officer.

4.14.10. The equipments in the operation theatre of the A & E Unit of Government Hospital, Gopichettipalayam, purchased in 1984-85 at a cost of Rs.0.93 lakh, had been transferred to the regular twin operation theatre of the Hospital, as it was difficult to manage the operation theatres with the existing staff. Hence the operation theatre of the A & E Unit remained (March 1987) unutilised from December 1985. The DMSFW stated in June 1987 that proposals for additional staff for the twin operation theatre had been sent to Government in August 1985 and orders thereon were awaited.

The matter was reported to Government in July 1987; their reply has not been received (December 1987).

4.15. Computer not put to use

For data storage and retrieval in respect of drugs, equipments, hospital stoppages, etc., the Director of Medical Education (DME) sanctioned in August 1984, the purchase of an in-house computer for the Madras Medical College and Government General Hospital, Madras. The Hospital purchased the computer in December 1984 at a cost of Rs.11.50 lakhs and installed it in February 1985. While proposing the purchase in July 1984, the Dean of the Hospital reported to the DME that staff required to operate the computer and air-conditioning equipment to be installed in the computer room were available in the Hospital. However, in November 1984, he sought sanction for creation of 15 posts of technical staff and 2 posts of basic servants for operating the computer. The proposal was recommended to Government by the DME in July 1985 and further details required by Government in August 1985 were furnished by the DME in March 1986. Sanction of Government was still awaited (March 1987).

The estimate for provision of air-conditioners to the computer room, called for by the Dean in September 1984, was received from the Public Works Department (PWD) in July 1985. The proposal (August 1985) of the Dean for air-conditioning the computer room at a cost of Rs.1.65 lakhs, recommended by the DME in December 1985, was approved by Government only in December 1986. The PWD, which was to execute the work, was yet to provide the air-conditioners (March 1987).

Permission for printing 80 lakh codification sheets at a cost of Rs.4.73 lakhs to facilitate computerisation, sought for by the Dean in April 1985 and recommended by the DME in July 1985 had yet to be accorded by Government (March 1987). The proposal (June 1985) of the Dean for purchase of one year's requirement of software consumables at a cost of Rs.0.85 lakh from the firm which supplied the computer was based on the rates obtained by him from the firm in September 1984. The Purchase Committee advised the Dean in May 1986 to obtain a revised estimate as the rates had since come down. Though the Dean addressed the firm in June 1986 for revised rates, the matter was not further pursued and the consumable items were yet to be purchased (March 1987).

Thus, due to delay in sanction of required staff and provision of air-conditioning and software requirements, the object of acquiring a computer at a cost of Rs.11.50 lakhs in December 1984 was yet to be achieved even after more than 2 years.

The matter was reported to Government in October 1987; their reply has not been received (December 1987).

4.16. Under-utilisation of buildings

4.16.1. With a view to meeting the increased demand for trained nurses for the new hospitals and new departments in the existing hospitals that were coming up, Government, in September 1979, approved the proposal (January 1979) of the Director

of Medical Education (DME) for starting two schools of nursing with an annual intake of 100 students each at Salem and Tiruchirapalli and ordered that, pending construction of buildings, the schools be initially housed in rented buildings. Accordingly, the schools of nursing were started at Salem and Tiruchirapalli from January 1980. In March 1981, Government, however, sanctioned construction of buildings for starting two nursing schools, including hostels, at Tirunelveli and Tiruchirapalli at a cost of Rs.47.70 lakhs and Rs.47.80 lakhs respectively. The building at Tirunelveli, completed by the Public Works Department (PWD) in December 1984 at a cost of Rs.43.20 lakhs, was taken over by the Dean of the Tirunelveli Medical College in June 1986. The proposal for sanction of requisite staff, sent by the DME in November 1985, was turned down by Government in November 1986, stating that the total number of nurses trained every year was in excess of the demand in Government service and, if the DME was very particular about making use of the building constructed for the purpose at Tirunelveli, the strength of the trainees in the other nurses training schools in the State might be cut short and the staff, so rendered surplus, diverted to Tirunelveli for starting the nursing school. Based on the revised proposal sent by the DME in November 1986, Government ordered in June 1987 that the training school at Tirunelveli be started with the annual intake of 60 students, by reducing the strength of the nurses training schools at the Government General Hospital, Madras, and Government Headquarters Hospital, Tiruchirapalli by 20 and 40 students respectively. Accordingly, the training school at Tirunelveli started functioning from August 1987.

4.16.2. In this connection, the following points deserve mention :-

(i) The main reason for shifting the venue for construction of the building for the nursing school from Salem to Tirunelveli was that the nursing school should be attached to a medical institution with clinical facilities and no teaching hospital was then functioning at Salem. It may be relevant to mention in this connection that there was no teaching medical institution even in Tiruchirapalli, where a nursing school was started in January 1980 and construction of a building to house the nursing school was also sanctioned in March 1981.

(ii) As the building for the nursing school was constructed at Tirunelveli in lieu of the one at Salem, it was not clear as to why the nursing school functioning at Salem was not shifted to Tirunelveli along with the staff as soon as the building was completed at Tirunelveli. The nursing school continued to function at Salem, with a reduced strength of 50 trainees per annum from January 1982 onwards for want of adequate accommodation and the building constructed at a cost of Rs.43.20 lakhs in Tirunelveli was vacant for over one year.

(iii) The buildings for the nurses training school and hostel constructed at Tirunelveli and Tiruchirapalli were to accommodate an annual intake of 100 trainees each. Reduction of the strength by 40 in the school at Tiruchirapalli and starting the school at Tirunelveli with a strength of 60 had resulted in under-utilisation of the buildings constructed in those places. Apparently, the requirement of trained nurses was not properly assessed

before taking up construction of buildings at Tirunelveli and Tiruchirapalli, each to accommodate 100 nurses per annum.

The matter was reported to Government in August 1987; their reply has not yet been received (December 1987).

4.17. Equipment lying unutilised

4.17.1. Gas Chromotographs

A Gas Chromotograph was purchased in February 1979 at a total cost of Rs.0.62 lakh for conducting microbiological tests in the Food Analysis Laboratory, Coimbatore, and installed in December 1979. According to the report, made in May 1985, of the Public Analyst, Coimbatore, the equipment was not in working condition ever since its purchase except for an initial period of about three months, a few estimations done had not come correctly and graphing was not done properly. The Department addressed the supplier in March 1986 for rectifying the defects. The supplier was yet to rectify the defects (January 1987). As no agreement was entered into, legal action could not be initiated against the supplier. Thus, the equipment purchased in February 1979 was lying unutilised for over 7 years.

Another Gas Chromotograph was purchased in November 1984 at a cost of Rs.1.44 lakhs from a foreign firm through its Indian Agent, by the Institute of Mental Health, Madras, for conducting bio-chemical tests. It was found on receipt of

the equipment that the columns therein were not according to the specifications given by the Department. The Indian Agent was approached by the Institute in December 1984 and again in December 1985 for erection of the columns as specified by the Department and rectification of non-display in the equipment. The agent reported in December 1985 that, effective from 1st November 1985, it no longer represented the foreign supplier for sales/services and indicated that the successor agents in India might be contacted. Further efforts made by the Institute to have the equipment repaired had not been fruitful. Thus, the equipment purchased at a cost of Rs.1.44 lakhs, remained to be brought to use (January 1987) even after 2 years of its acquisition.

The matter was reported to Government in July 1987; their reply has not been received (December 1987).

4.17.2. Steam laundry

By way of improving the Government Arignar Anna Memorial Cancer Institute and Hospital at Kancheepuram, Government sanctioned, among other things, the construction of a steam laundry block in July 1979 and the creation of posts of 1 chargeman, 1 laundry supervisor and a pump driver for the Unit in October 1982. The laundry unit (estimated cost excluding cost of civil and electrical works: Rs.13.70 lakhs) was installed in April 1983 and handed over by the Public Works Department to the Director of the Hospital in December 1983.

During the inspection of the boiler of the laundry unit by the Inspector of Steam Boiler, Cuddalore, for steam test and certification, the Director of the Hospital informed him that the boiler had not been commissioned since its erection and could not be presented for test and certification for want of staff (class II boiler attendant). The post of pump driver already sanctioned in October 1982 was not equivalent to class II boiler attendant and therefore did not satisfy the statutory requirements. The matter was under correspondence between the Director of the Hospital and the Director of Medical Education (DME). The DME forwarded in May 1986 and reiterated in December 1986, the proposal for conversion of the already sanctioned post of pump driver into class II boiler attendant. The matter was still (June 1987) under consideration of Government. Thus, steam test of the boiler had not yet been conducted (June 1987) by the Inspectorate of Steam Boilers, as the statutory requirement of appointing a class II boiler attendant had not been complied with by the Hospital.

In February 1985, water in the two wells in the Hospital, which was proposed to be used in the steam boiler, was found, on mineral analysis by the King Institute, Guindy, moderately hard and had, therefore, to be softened before use. Proposal for providing a water softener, a pump and an overhead soft water service tank at an estimated cost of Rs.0.60 lakh, forwarded by the DME in November 1986, was pending approval (June 1987). Government stated, in June 1987, that the matter was under consideration.

The layout of the tank for the furnace oil to be stored for commissioning the boiler had not yet been approved (June 1987) by the Explosives Department of Government of India for want of blue print thereof from the Executive Engineer, Public Works Division, Kancheepuram. Government stated, in June 1987, that the blue print of the layout had since been forwarded to the Deputy Chief Controller of Explosives and his reply was awaited.

Thus, the steam laundry unit, established at a total cost of about Rs.14.48 lakhs had not been brought to use (June 1987) even after 7 years of its sanction and 4 years of its installation, mainly due to lack of proper advance planning.

Though the unit had not been commissioned the chargeman (mechanic) and laundry supervisor had been employed from July 1984 and September 1985 respectively. The expenditure on their pay and allowances upto March 1987 was Rs.0.56 lakh.

The matter was reported to Government in May 1987; their reply has not been received (December 1987).

HOME DEPARTMENT

4.18. Modernisation of State Police Forces

4.18.1. Introduction

The Scheme was introduced by the Government of India in 1969 for an initial period of 10 years (upto 1978-79). Government of India provided financial assistance in the shape of loans and grants in equal proportion for acquiring modern equipments for application of Science and Technology to police operations. The Scheme was revived in 1980 and further extended (October 1980) upto 1989-90 with the following guidelines for priorities for utilisation of the assistance :-

- (i) **Wireless equipment** : Capital expenditure on line communication including teleprinter service, wireless items for use in cities and elsewhere - objective being that each police station be fitted with a wireless set,
- (ii) **Mobility** : Provision of vehicles - objective being that each police station be provided with a jeep,
- (iii) Equipment for training institutions,
- (iv) Equipment for Forensic Science Laboratories and equipment for other scientific aids to investigation,
- (v) Equipment for Finger Print Bureau,

- (vi) Equipment for examination of questioned documents,
- (vii) Construction of buildings for Forensic Science Laboratories and
- (viii) Data processing machines for crime records, statistics and accounts.

Government of India also indicated (February 1979) an area/project approach in the matter and broadly categorised as follows, the fields in which such areas should be identified :-

- (i) Communally sensitive districts/places/ areas,
- (ii) Districts/places prone to atrocities on Harijans,
- (iii) Towns with a population of 5 lakhs and above,
- (iv) Areas of intense labour problems and industrial complexes,
- (v) Areas with specific problems like diaster prone areas,
- (vi) Areas with large educational complexes and prone to frequent student trouble,
- (vii) Very backward rural areas and
- (viii) Areas on international borders.

Problem areas were to be identified and projects formulated to provide necessary infrastructure to improve policing in such areas.

The pattern of Central assistance is 50 per cent loan and 50 per cent grant-in-aid. The State Government was to meet the expenditure on the Scheme from its own resources as a pre-requisite for receipt of Central assistance, as the assistance was designed to supplement the efforts of the States for improving the functional efficiency of the State Police Machinery. The loan portion of the assistance is repayable in 25 annual instalments commencing from the year following the receipt of the loan and interest, at prevailing rates, payable annually.

4.18.2. Evaluation of progress in the first ten years (upto 1978-79)

Tamil Nadu Government received Rs.425.47 lakhs as assistance and spent Rs.409.82 lakhs during these ten years on purchase of vehicles (Rs.67.12 lakhs), wireless equipments (Rs.216.45 lakhs) and other scientific equipments (Rs.126.25 lakhs). The balance assistance of Rs.15.65 lakhs was utilised subsequently during the period 1980-81 to 1982-83. A report of evaluation of the objectives set and achievement made under the Scheme was sent by the State Government in July 1981 to Government of India as indicated below :-

(i) **Transport :** In order to have speedy mobility of police force in rural areas, the scales of vehicles proposed for local police units were one pick up van for each sub-division, one jeep

for each circle and one motor cycle for each police station. The number of vehicles to be provided on the above scales and that actually provided at the end of 1980 were as follows :-

	Number of			
	Pick up vans/ jeeps		Motor cycles	
	Target	Actual	Target	Actual
Sub-divisions	92	52	Nil	Nil
Circles	312	212	Nil	Nil
Police Stations	Nil	Nil	876	571

(ii) **Communications :** All district headquarters had been linked with Madras by control rooms at Range Offices (Offices of the Deputy Inspectors General of Police). Madras City Police Radio Network and Tamil Nadu Special Police Radio Network were established. Flood emergency stations were located at 11 places and weather warning stations at 4 places. 644 police stations were linked with their respective district headquarters. Fascimile transmission facilities were available at the four Range Offices for transmission of finger prints, photographs, suspected documents, etc. A multi-channel microwave trunk line (covering a length of 540 kilometres in 6 hops and through 5 repeater stations) was commissioned in October 1978 for tackling the heavy intra-state traffic of messages and fast flow of information simultaneously from, and to all district headquarters on teleprinters, fascimile circuits, etc.

(iii) **Scientific instruments :** A computer was established for verification of complicity in property offences, tracing antecedents of arrested

persons through finger print system and monthly evaluation of man-power management at district and lower levels to ensure optimum utilisation of available resources. Fully equipped mobile Forensic Sciences Laboratories were opened in all district headquarters and regional laboratories were set up in four stations. The miraocode system was established in 1977 for identification of finger print records.

4.18.3. Implementation of the second 10 year programme

The plan of action for the period 1980-81 to 1989-90 proposed by the State Government in June 1981 provided for an expenditure of Rs.890 lakhs (Central assistance : Rs.750 lakhs and State share : Rs.140 lakhs). Government of India desired (July 1981) that the plan might be revised keeping in view the possible Central financial assistance and providing adequate funds from the State Government's own resources. The revised plan was prepared only in January 1987. The projected outlay, taking into account the actual expenditure upto 1985-86 and projection for the period 1986-87 to 1989-90, provided for an expenditure of Rs.1210 lakhs (Central assistance : Rs.735 lakhs and State's share : Rs.475 lakhs).

Out of Rs.482.52 lakhs (including the unspent balance of Rs.15.65 lakhs) received as Central assistance, Rs.459.68 lakhs were spent during the period 1980-81 to 1986-87 and Rs.22.84 lakhs remained unutilised (March 1987). During the same period Rs.343.91 lakhs were spent by the Government from its own resources.

The main components of the Programme, viz., communication (wireless equipment) and mobility (transport) were taken up and implemented for the State as a whole, covering all the districts. Though Government of India had advocated in February 1977 the area project approach by identifying problem areas and formulating suitable projects for improving policing in such areas, identification of problem areas/formulation of projects for those areas was not done and the Programme aimed at overall modernisation,

A review of the implementation of the Programme (for the period 1980-81 to 1986-87) was conducted during December 1986 to March 1987 in the offices of the Home Department of the Secretariat, Director General of Police (DGP), Deputy Inspector General of Police (Technical Services), Police Radio Officer (PRO), Commissioner of Madras City Police and the Director of Forensic Sciences Department.

4.18.4. Highlights

- Six Ultra High Frequency (UHF) equipments and towers acquired at a cost of Rs.21.94 lakhs remained unutilised even after 2 years due to non-construction of repeater station buildings (paragraph 4.18.5).

- Microwave radio equipments and accessories purchased at a cost of Rs.101.68 lakhs were not commissioned due to non-sanction of expenditure for installation of equipments and non-purchase of battery banks and battery chargers. Consequently

additional channels were not available to Range Officers for direct inter-communication with district officers and to the Police Control Rooms for direct contact with Police Stations (paragraph 4.18.6).

- Very High Frequency (VHF) equipments and batteries purchased at a cost of Rs.6.99 lakhs could not be used for want of accessories which had not been purchased so far (paragraph 4.18.8.(ii)).

- A Government company had not completed supply of equipments even after a lapse of more than 2 years after payment of advance of Rs.11.16 lakhs (paragraphs 4.18.8.(iii) and 4.18.9).

- Central assistance of Rs.10.59 lakhs released in October 1986 was not utilised as the equipment for Finger Print Bureau ordered in February - March 1987 was yet to be supplied (paragraph 4.18.13).

- One Radiography unit costing Rs.1.90 lakhs could not be commissioned due to delay of about one year in sanctioning the power connection estimated to cost Rs.0.08 lakh (paragraph 4.18.14.(i)).

4.18.5. UHF Project

Government accepted (December 1980) the proposal of the Director General of Police (DGP) to replace the existing single channel VHF spur links by multi-channel UHF spur links, computer data communication, etc., for ensuring security and hotline communication for the Special Branch of the Criminal

Investigation Department at a cost of Rs.120 lakhs and called for detailed proposals. Based on detailed proposals of the DGP (July 1981) recommending the purchase of 50 numbers of 1 + 4 multi-channel UHF Radio-cum-Multiplex equipment from M/s. Electronic Corporation of India Limited (ECIL), Hyderabad (a Government of India Undertaking), Government sanctioned (November 1981) an expenditure of Rs.120 lakhs for the purchase of

(in lakhs of rupees)

(i)	50 UHF equipments	105.00
(ii)	200 six volt Heavy Duty batteries	2.00
(iii)	50 float chargers for 24/36 volts at 5 amps.	1.50
(iv)	25 Diesel Generators and	5.00
(v)	Lumpsum provision for buildings, electricity, PBX boards and telephones, etc.	6.50

An expenditure of Rs.151.65 lakhs (Central assistance : Rs.89.62 lakhs; State funds : Rs.62.03 lakhs) was incurred upto March 1985. Only 34 out of the 50 UHF equipments purchased had been installed (March 1987) providing UHF link to 12 out of 14 district headquarters.

The following points were noticed in the implementation of the Project :-

(a) Six UHF equipments (cost : Rs.14.60 lakhs) received in December 1984/March 1985 were commissioned only in December 1986 after a lapse

of 24/21 months due to delay in the construction of repeater station at Tuticorin. The site selected in April 1982 belonged to the Tuticorin Municipality and was originally to be allotted for staff quarters. After protracted correspondence, the sale was finalised and the site was finally handed over to Public Works Department (PWD) only in September 1985. Civil Works and erection of towers were then completed and UHF equipments were commissioned in December 1986. The selection of site in April 1982 without ascertaining the feasibility of its acquisition from the Municipality led to commissioning of the equipments 24/21 months after they were received.

(b) Six UHF equipments (cost : Rs.14.60 lakhs) received during November/December 1984 were yet (March 1987) to be installed in the towers erected at a cost of Rs.7.34 lakhs since the repeater station buildings at Gudiyatham and Therukukallikulam were not ready.

Due to non-completion of the buildings, North Arcot and Kanyakumari district headquarters were yet to get UHF link and the expenditure of Rs.21.94 lakhs on equipments and towers remained unfruitful.

.18.6. Expansion of Microwave project to three Range Headquarters

Based on the proposal of the Department (September 1982), Government approved in March 1984 a scheme for the expansion of the existing microwave trunk line (Madras to Madurai) to Range Headquarters at Tiruchirapalli, Vellore and Coimbatore at a total cost of Rs.162.05 lakhs. Certain

modifications of the original proposal were approved by Government in March 1985 and December 1985, reducing the total cost to Rs.112.10 lakhs. Central assistance of Rs.100.36 lakhs was released during the years 1983-84 and 1984-85. An expenditure of Rs.101.68 lakhs (inclusive of duties, taxes and other charges) was incurred to end of March 1987.

The following points were noticed in

Audit :-

(a) Though the firm, which was selected for supply of radio equipments within 24 months from the date of purchase order (April 1984), asked for advance payment of only 20 per cent of the cost (which worked out to Rs.13.79 lakhs), the entire Central assistance received for 1983-84 (Rs.56.3 lakhs) was released to the firm as advance in March 1984 under specific instructions of Government, apparently with a view to avoiding lapse of grant by exhibiting the entire assistance as utilised during the year of release. The supply was completed only in October 1986 and the final bill of the firm was submitted in November 1986. Rupees 42.5 lakhs of Central assistance advanced in excess of the amount asked for by the firm were locked up with the firm for 30 months without interest.

(b) The firm had asked in September 1984 for 90 per cent of the installation charges (Rs.3.7 lakhs) as advance. The installation work had not yet been taken up (March 1987) by the firm for want of advance payment, approval for which had not been accorded.

(c) Battery banks for which orders were placed in December 1986 were yet (November 1987) to be supplied, as the agreement had not been executed by the suppliers pending clarification of certain points by the Department. For the supply of battery chargers, orders were placed only in October 1987 and the supplies were yet to be made (November 1987). Reasons for the delay were not on record.

(d) While approaching Government of India for release of assistance for the year 1985-86, the State Government intimated in August 1985 that a sum of Rs.27.82 lakhs would be spent from State funds during 1985-86 for meeting the balance cost of the scheme. However, no provision of funds was made or sanction of expenditure accorded during 1985-86 or 1986-87. As a result, Rs.18.42 lakhs towards the balance cost of equipments supplied were pending payment (March 1987).

Thus, due to delay in sanctioning expenditure for the installation charges and for the purchase of battery banks and battery chargers, the equipments purchased and three towers erected at a total cost of Rs.101.68 lakhs during September 1985 to October 1986 still remained to be commissioned (March 1987) and the objectives of the Scheme (proposed in September 1982) to provide additional channels of communication to the Range Officers for direct inter-communication with district officers and to the Police Control Rooms for direct contact with police stations and provision of cent per cent 'hot standby' arrangements for changeover in the event of breakdown in the UHF/Microwave spur links in the State, were yet to be achieved (March 1987).

4.18.7. Purchase of Multi-access Radio Telephone System

Early in 1983, it was considered necessary that senior officers in Madras City should be provided with a communication system that would help them contact each other while in office/residence or on the move without others being able to listen. It was, therefore, decided that the Multi-access Radio Telephone (MART) System must be provided for the Tamil Nadu Police. Government sanctioned (October 1983) an expenditure of Rs.73.08 lakhs (exclusive of taxes, duties and other charges) for implementing MART in Madras City. The entire expenditure was proposed to be met from the State's own resources under the modernisation scheme. Review in Audit disclosed the following :-

(a) **Main MART Equipment.**- A decision was yet (August 1987) to be taken regarding the source of procurement of the main MART equipments.

(b) Two sets of FDR multiplex equipments, 200 telephone instruments, 9 telephone exchanges of 50 lines each and 67 battery chargers (total cost : Rs.12.66 lakhs) purchased during June 1984 and July 1986 for use in MART system, for Madras City were distributed to the city and district offices. The Police Radio Officer reported in October 1987 that pending purchase of main MART equipment, the accessories were distributed to city and district offices and being used to provide direct dialing facility through the existing Microwave system.

(c) One firm, on which order was placed for supply of 120 telephone equipments, supplied only 10. The supply order was cancelled and the remaining 110 telephone instruments were purchased from another firm resulting in extra cost of Rs.0.55 lakh which was yet (March 1987) to be recovered from the defaulting firm. The Department stated (March 1987) that legal action would be taken against the defaulting firm to recover the extra cost.

(d) The Department reported to Government in April 1985 that the 20 microwave telephone connections provided to the offices/residences of senior police officers and senior secretariat officers in Madras, using Posts & Telegraphs network involved payment of annual rent of Rs.0.92 lakh, which could be avoided if the MART system was commissioned. Due to delay in the commissioning of MART system, the Department continued to incur the expenditure of Rs.0.92 lakh per annum, which was avoidable.

Though the Scheme was considered and sanctioned in 1983 and an expenditure of Rs.12.66 lakhs had been incurred so far in procuring accessories, the completion of the Scheme is nowhere in sight and the desired objective of providing sure and private telephone contacts between senior officers in the City was still to be achieved.

4.18.8. VHF equipments

(i) As part of the modernisation programme, it was proposed to provide one VHF set each to all the police stations by the end of 1985-86, as per the 10 year projections. As at the end of

December 1986, only 1,046 VHF sets were issued as against the total requirement of 1,174 VHF sets for 1,174 police stations (including 185 outposts) in the State.

(ii) Against the requirement of 95 VHF sets for the newly formed police stations and sub-divisional/district offices, Government sanctioned, the purchase of 40 and 32 VHF sets with accessories in June 1984 and March 1985 respectively. The equipments were purchased in April 1985 and July 1986 (cost : Rs.6.78 lakhs).

Against indents for 72 batteries placed in July 1985 for these VHF sets, only 27 batteries (cost : Rs.0.21 lakh) were supplied in April 1986. Fresh indent for 45 batteries was placed in May 1986 and supply received in October 1986. Coaxial cables required for the installation of the sets, for which order was placed in November 1986, were received in February 1987. No action had been taken (March 1987) towards purchase of aerials and posts. Due to non-procurement of accessories, the 72 VHF sets purchased in April 1985/July 1986, were yet (March 1987) to be installed. The Department stated (April 1987) that Government would be approached for additional sanction after assessing the actual cost of accessories.

Thus, due to failure of the Department to take timely action, the object of bringing the newly formed police stations, sub-divisional offices etc., under the VHF network was yet (March 1987) to be achieved even after a lapse of more than 2½ years and after incurring an expenditure of Rs.6.99 lakhs.

(iii) Based on the proposal (September 1982) of the Department for sanction of 30 numbers of VHF Radio sets (Rc 630 - 12 W Duplex type) to replace sets purchased in 1968, Government sanctioned, in June 1984, the purchase of the equipments from the Electronic Corporation of Tamil Nadu Limited (ELCOT), at a total cost of Rs.11.52 lakhs and ordered that the purchase be made in two years - 15 sets each in 1984-85 and 1985-86. Two orders for the supply of 15 sets each were placed on the firm in July 1984 and April 1985. Advance payment of Rs.2.88 lakhs for the first order was made in March 1985 and the sets were to be supplied by September 1985 (subsequently extended upto May 1986). The firm had so far (March 1987) supplied only one set against the first order. The Police Radio Officer stated (March 1987) that full supply against the first order was expected in "the near future", and necessary action would be taken to enforce the penalty of Rs.5 per day for delay in supply after receipt of full supply from the firm.

4.18.9. Purchase of FM Radio Telephone sets

Based on the proposals (January 1983) of the Department to purchase 442 FM Radio Telephone sets to provide two each to the police stations and police outposts not already provided with walkie talkie sets, Government approved (March 1984) purchase of 324 sets from ELCOT. Orders were placed with the firm in July 1984 for the supply of 324 sets with carrying cases and battery chargers at a total cost of Rs.39.88 lakhs (exclusive of duties and taxes). Advance payment of Rs.19.94 lakhs was made to the firm in January 1985. The supplies

were to be completed within 6 months from the date of advance i.e. by July 1985. Only 205 sets, 210 carrying cases and 44 battery chargers had been supplied between November 1985 and December 1986. Out of the advance of Rs.19.94 lakhs in January 1985, Rs.8.28 lakhs were outstanding (January 1987) with the firm towards supplies yet to be made. The following points were noticed : -

(i) No supplies were made by the firm within the due date (July 1985). Subsequently supplies had been made sporadically between November 1985 and December 1986.

(ii) There were delays in distribution of sets received. 170 sets received between November 1985 and June 1986 were distributed only during September - November 1986.

(iii) Even after the lapse of more than two years after the payment of advance of Rs.19.94 lakhs (advance still outstanding : Rs.8.28 lakhs), 37 per cent (119 sets) of sets ordered had not been supplied. The Police Radio Officer stated in March 1987 that details of delay in supply had not been reported to the Director General of Police/ Government and that action would be taken for levying penalty after completion of supply by the firm.

4.18.10. Walkie Talkie sets

The Scheme envisaged purchase of 1,170 walkie talkie sets at a cost of Rs.84.88 lakhs

during 1980-82 for issue of two sets to each of the police stations/outposts. During 1980-83, 1,800 sets (including 670 purchased out of funds provided under the Seventh Finance Commission Recommendations) were purchased at a cost of Rs.131.18 lakhs and distributed to police stations during March 1981 to November 1983. The following points were noticed :-

(i) The battery packs supplied along with the sets had, according to the Department a life span of 1-2 years. The proposal of the Department to purchase 600 battery packs (cost : Rs.3 lakhs) for replacement during 1985, made in March 1985, was sanctioned by Government only in October 1986. Provisional purchase orders were placed in January 1987 with 2 firms for supply of 530 packs. The firms were yet to execute agreements and commence supply (March 1987). It was noticed in Audit that out of 488 sets distributed in 6 districts, 230 sets were out of use for periods ranging from 3 to 17 months for want of battery packs.

(ii) The microphones fitted to the sets were, according to the Department, expected to serve only for one year. By the end of 1985, 59 microphones had become defective. The proposal of the Department, sent in July 1985, for purchase of 100 microphones (for replacement) from the original suppliers M/s. ECIL at a cost of Rs.0.37 lakh was approved by Government only in March 1986. In response to the supply order placed in May 1986, the firm stated in August 1986, that it could supply only 50 microphones and asked for full advance

payment. The payment was yet to be made and supplies received (March 1987). The 59 sets were out of use for want of microphones.

4.18.11. Purchase of VIP security equipments

Based on the proposal (February 1985) of the Department, Government sanctioned (February 1986) the purchase of three equipments at a total cost of Rs.3.75 lakhs, by utilising Central assistance of Rs.3.75 lakhs during 1985-86, for conducting checks to detect explosive materials both at the time of visit of VIPs to the State and during bomb blast scares. The entire amount was drawn on the 25th March 1986 and kept in the form of a demand draft. The Department reported to Government in April 1986 that the cost of three equipments had escalated from Rs.3.75 lakhs (based on rates obtained in September 1984) to Rs.11.34 lakhs and requested approval of Government for purchase of only two of the three equipments within the sanctioned amount. Government approved the proposal in July 1986. Orders for the two equipments costing Rs.3.39 lakhs (exclusive of taxes) for supply within three months were placed in August 1986 and the entire sum of Rs.3.75 lakhs was paid to the firm in August 1986. The supplies were yet (March 1987) to be made.

The time lag of one year in according sanction for the proposal resulted in avoidable expenditure of Rs.2.53 lakhs (exclusive of taxes) due to escalation in the cost of two equipments (metal detectors) from Rs.0.86 lakh to Rs.3.39 lakhs and dropping the purchase of an important equipment (explosives detector) whose cost had risen from

Rs.2.56 lakhs to Rs.7.95 lakhs. The reasons for increase in the cost of equipments by more than 2 to 3 times of the original cost were not on record.

The amount had been drawn in March 1986 and expenditure intimated to Government of India as utilisation of assistance for 1985-86 though the advance was actually paid to the firm only in August 1986.

4.18.12. Training Institutions

The Central Team, which reviewed the progress of the Programme in July 1982, observed that a scheme should be formulated to provide training facilities to technicians and that Central assistance could be utilised for procurement of instruments and training aids. Though the 10 year projections (June 1981) included a provision of Rs.10 lakhs (1985-86 : Rs.6 lakhs; 1989-90 : Rs.4 lakhs) for this item for utilisation of Central assistance, no expenditure was sanctioned during 1985-86 or 1986-87. The Department submitted to Government in September 1982 detailed proposal for sanction for setting up a Technical Training Wing (at a cost of Rs.4.41 lakhs) for imparting comprehensive training to technical and operating staff of the Police Radio Branch. Orders of Government were yet (March 1987) to be issued.

4.18.13. Finger Print Bureau

Out of the first instalment of Central assistance of Rs.30 lakhs for 1986-87, released in October 1986, Government sanctioned in January 1987 an expenditure of Rs.10.59 lakhs towards the purchase of Laser Print Finder (to be imported) (Rs.5.92 lakhs) and other equipments (Rs.4.67 lakhs) for the Finger Print Bureau. Orders for the purchase of the equipments were issued in February/March 1987.

The equipments were yet (May 1987) to be supplied and the Central assistance of Rs.10.59 lakhs remained unutilised.

4.18.14. Equipments for the Forensic Sciences Department

A test check of the records connected with the equipments purchased for the Forensic Sciences Department during 1980-81 to 1985-86 at a total cost of Rs.47.41 lakhs (Central assistance : Rs.20 lakhs; State funds : Rs.27.41 lakhs) revealed the following :-

(i) **Radiography unit.**- Based on open tenders, orders were placed in January 1986 for the supply of one Radiography unit costing Rs.1.90 lakhs and 1.71 lakhs towards 90 per cent of the cost were paid in March 1986. The unit received and installed in May 1986 could not be commissioned for want of provision of separate power supply connection. An estimate for Rs.8,250 for the power supply, received in July 1986 and submitted to Government in August 1986 was approved in 1987. The work is yet to be taken up (June 1987).

(ii) The Central Team, while reviewing the progress of the Modernisation Programme in July 1982, had observed that the Regional Laboratories did not appear to have adequate equipments. Out of Rs.47.41 lakhs spent on the purchase of equipments for the Forensic Sciences Department during 1980-86, equipments for the 5 Regional Laboratories accounted for only Rs.0.66 lakh (1.4 per cent). Government stated, in June 1987, that the Regional Laboratories, except

the one at Madurai, were functioning in rented buildings/space provided by local medical units and lacked basic infrastructure facilities and sophisticated equipments would be purchased for those laboratories when they move over to their own buildings. But no proposal for construction of buildings for the 4 Regional Laboratories had so far been (June 1987) initiated by the Department. Even for the Regional Laboratory at Madurai, which started functioning in its own building from September 1985, action to purchase equipments for the Laboratory had not been initiated (March 1987).

(iii) Buildings for the Forensic Sciences Department.- Under the Programme approved by Government of India for 1985-86, Government sanctioned in February 1986 construction of a building for the main Laboratory at Madras at a cost of Rs.10 lakhs (Central assistance : Rs.6.67 lakhs; State funds: Rs.3.33 lakhs). The assistance remained unutilised during 1985-86 since the work could not be taken up at the end of the financial year. After finalising the tender formalities and getting approval of the Metropolitan authorities for the construction, the work was commenced in January 1987 and an expenditure of Rs.5.89 lakhs incurred during 1986-87. A sum of Rs.0.78 lakh, out of the Central assistance of Rs.6.67 lakhs, still remained unspent (March 1987).

The building proposed in the ten year projection for completion during 1985-86 was not ready even at the end of 1986-87 due to belated sanction in 1985-86 and delay in completing the formalities during 1986-87.

The matter was reported to Government in August 1987; their reply has not been received (December 1987).

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REVENUE DEPARTMENT

4.19. Flood Relief

4.19.1. Introduction

4.19.1.1. During 1983-84 to 1985-86, floods occurred in Tamil Nadu on 4 occasions. The months in which floods occurred and the areas affected are given below :-

Month and year of flood	Areas affected
December 1983	16 districts, the worst affected being Pudukottai, South Arcot, Thanjavur and Thiruchirappalli Districts.
February/ March 1984	Many parts of Tamil Nadu, in particular, Madurai, Ramanathapuram and Tirunelveli Districts.
November/ December 1984	Madras City, portions of Chengalpattu, Maduranthagam, Ponneri and Saidapet Taluks and Thanjavur and South Arcot Districts.
November 1985	Madras City, Chengalpattu, South Arcot, Thanjavur and part of North Arcot Districts.

The heavy rains during those periods, accompanied by cyclone during November/December 1984, resulted in loss of lives and cattle and damages to dwelling houses, standing crops and public properties such as roads, public buildings, irrigation tanks, etc. On all those occasions, Government provided relief to the affected under the broad

categories of Relief, Rehabilitation, Repairs and restoration of damaged works and Assistance for rescheduling of co-operative loans. The relief measures were coordinated by the District Collectors and the Commissioner for Revenue Administration (CRA) with the Revenue Department of Government in overall charge.

4.19.2. Funding

4.19.2.1. Responsibility for relief of distress caused by natural calamities is primarily that of the State Governments. However, Government of India (GOI) renders financial assistance to the States whenever natural calamities necessitate relief expenditure on a scale more than what the State Governments can reasonably bear. Based on (i) the Memorandum giving details of damages and money required for relief, prepared by the State Government in accordance with the guidelines framed by the Ministry of Agriculture, GOI, (ii) the Report of Central Study Team visiting the State for an on the spot study of the situation and (iii) the Recommendations of the High Level Committee on Relief on the Report of the Study Team, ceilings of expenditure for various non-plan/plan items are laid down by GOI and eligibility for Central assistance is determined on the basis of those ceilings of expenditure.

4.19.2.2. Principles governing the quantum of Central assistance available have been laid down by GOI based on the recommendations of successive Finance Commissions. The State Governments were to bear expenditure annually up to a margin fixed by the Finance Commission. The annual margin money fixed for

Tamil Nadu on the recommendations of the Seventh Finance Commission for the Five Year period 1979-80 to 1983-84 was Rs.859 lakhs to be provided entirely by the State Government. This was increased to Rs.875 lakhs for the Five Year period 1984-85 to 1988-89 on the recommendations of the Eighth Finance Commission, 50 per cent to be met by the State Government and the remaining 50 per cent contributed by GOI. 75 per cent of the total expenditure incurred by the State Government on flood relief in excess of the margin money was to be provided by GOI as non-plan grant to the State.

4.19.2.3. Details of estimated assistance sought for by the State Government and ceilings fixed, expenditure found eligible for assistance and assistance released by GOI for relief of distress caused by these floods/cyclones are indicated below :-

Month and year of flood / cyclone	Year of expendi-	Assis- tance sought	Ceiling fixed	Expenditure eligible for assistance	Central assistance released
(in crores of rupees)					
December 1983	1983-84	129.12	NP 40.16	40.16	26.29
			P 1.03	1.03	1.03
February/	1984-85	47.00	NP 8.01	7.98	6.00
March 1984			P 0.40	0.40	0.40
November 1984		53.23	NP 18.78	18.78	7.64
December 1984		6.55	NP 0.79	0.79	0.59
November 1985	1985-86	186.59	NP 66.81	64.81	44.88
					4.38*

P : Plan NP : Non-Plan * Centre's share of margin money

4.19.3. **Audit coverage**

A review of the expenditure on flood relief operations incurred during 1983-84 to 1985-86 was conducted by Audit during July - September 1986 and March - April 1987 in the Secretariat, offices of the Commissioner for Revenue Administration and other implementing agencies and Collectorates of Chengalpattu, Madras, Madurai and Thanjavur Districts with particular reference to the relief operations undertaken in the wake of floods in November 1985.

4.19.4. **Highlights**

- Out of Rs.44.48 crores drawn before the cut off dates and advanced to public sector bodies/corporations or placed at the disposal of departmental officers, Rs.13.85 crores were spent on relief operations beyond the cut off dates and Rs.4.16 crores remained unutilised with them as on 31st March 1987; this not only rendered Rs.18.01 crores, not spent before the cut off dates, ineligible for Central assistance but also resulted in delay in provision of relief, which was to be immediate (paragraph 4.19.5).

- Against 5.78 lakh families originally assessed as affected by floods in November 1985, 6.77 lakh families were later identified by the Collectors as affected but only 6.10 lakh and 6.09 lakh families were provided with free clothes and utensils (paragraph 4.19.6.1).

- Utensils to be provided as immediate

relief to the families affected by November 1985 floods (expenditure : Rs.1.16 crores) were supplied not immediately but after 6 months, from June 1986 to February 1987 (paragraph 4.19.6.1).

- Bulk of the books (valued Rs.39.07 lakhs out of Rs.49.88 lakhs), supplied by Tamil Nadu Text Book Society between April and December 1986, was distributed thereafter to the children affected by floods in November 1985 at a time when the examinations were either in progress or over, thus making their distribution infructuous. Books valued Rs.7.93 lakhs remained to be distributed (paragraph 4.19.7.1).

- Special nutrition (cost : Rs.1.13 crores) to rehabilitate children affected by floods in November 1985 was commenced only after 5 months from the date of occurrence of floods (paragraph 4.19.7.8).

- Rupees 1.52 crores were disbursed towards repairs and reconstruction of huts which were not originally assessed as damaged (paragraph 4.19.8.1.3).

- Though cash doles for repairs and reconstruction of damaged huts were payable only if the monthly income of the beneficiary did not exceed Rs.200, Rs.28.73 lakhs were disbursed as cash doles to 18,816 persons whose monthly income was not on record and Rs.1.92 lakhs were paid to 991 persons whose income exceeded Rs.200 per mensem (paragraph 4.19.8.1.5).

- Rupees 1.5 crores approved by GOI for construction of huts at high level areas for 20,628 families evacuated from low lying areas affected by November 1985 floods had been allotted for rehabilitation of only 3,408 families living on the banks of Adyar river in Madras City; as on December 1987, none of the affected families had been relocated, as the works were either pending completion or had not been taken up for want of land (paragraph 4.19.8.2).

- Out of Rs.10 lakhs meant for reclaiming lands near Marakanam which had become saline and alkaline during November 1985 floods, Rs.0.50 lakh only were spent in that area and the remaining amount was diverted to other areas (paragraph 4.19.7.3).

- Rupees 3.95 crores were irregularly charged on flood relief expenditure (paragraphs 4.19.7.1 to 4.19.8.7).

4.19.5. Central assistance - Inadmissible expenditure

4.19.5.1. Expenditure up to the ceilings, approved by GOI, would qualify for Central assistance only if it was incurred by the State Government within the cut off dates prescribed by GOI; expenditure incurred beyond those dates was to be met by the State Government. GOI released assistance on the basis of expenditure, consisting of departmental figures of expenditure incurred and anticipated expenditure up to the prescribed cut off dates, reported by the State Government. Test check

indicated that the expenditure on flood relief operations, reported by the State Government to GOI from time to time, included amounts drawn from Treasuries within the prescribed cut off dates and hence treated as final expenditure in Government account but not fully spent before those dates. Of Rs.44.48 crores so drawn, Rs.13.85 crores were spent on relief operations after the prescribed dates and Rs.4.16 crores were remaining unutilised as on 31st March 1987 with the departments/organisations to which the assistance was disbursed for execution of relief operations. The details are given in Appendix VIII. The result was that not only the total amount of Rs.18.01 crores, not utilised before the prescribed dates, was not eligible for Central assistance but also provision of relief, which was to be immediate, was delayed to that extent, as discussed in the succeeding paragraphs.

4.19.5.2. The expenditure on flood/cyclone relief as per the Departmental report had not been reconciled (April 1987) with that booked by the Accounts Office and final reconciled expenditure had not been compiled by the Department for the years 1983-84 to 1985-86.

4.19.6. Relief

Free supply of clothes and utensils (Revenue Department)

(a) November 1985 floods

(i) Though the number of families affected by floods in November 1985 was indicated as

5,78,060 in the Memorandum submitted to GOI, 6,77,034 families were identified by the Collectors on re-enumeration. However, clothes and utensils were supplied, free of cost, only to 6,09,658 and 6,08,653 families respectively, reportedly due to paucity of funds. However, against the ceiling of Rs.419.10 lakhs approved by GOI for free supply of clothes and utensils to families affected by floods in November 1985 and reported by the State Government as expenditure, the amount spent was Rs.414.84 lakhs only (clothes : Rs.299.02 lakhs; utensils : Rs.115.82 lakhs) resulting in excess release of Central assistance on Rs.4.26 lakhs, not spent.

(ii) Rupees 115.82 lakhs, sanctioned by Government, were drawn and advanced in March 1986 by the CRA to Tamil Nadu Small Industries Corporation (TANSI) for supply of utensils to 6,08,653 families in Madras, Chengalpattu, South Arcot, Thanjavur and North Arcot Districts on the basis of indents to be placed by the Collectors of those Districts. Though the Collectors were required by CRA on 26th March 1986 to place indents on TANSI and ensure supply of utensils to flood affected victims before 31st March 1986, indents were placed by the Collectors in March and April 1986 and TANSI commenced supply only in June 1986 and completed it in October 1986. In the three Districts of Madras, Chengalpattu and Thanjavur, test checked in Audit, reports of completion of their distribution were due (April 1987) to the Collectors from the Tahsildars in respect of 3,09,833 out of 4,59,917 sets supplied for distribution. In Chengalpattu District, the distribution extended up to February 1987 and 1,343 sets could not be distributed (April 1987)

as 1,331 sets were procured in excess of requirement and the whereabouts of 12 families were not known.

Distribution of utensils from June 1986, which extended up to February 1987, to the families affected in November 1985 floods could not be considered immediate relief of the distress.

(b) December 1983 and February/March 1984 floods

Payments totalling Rs.256.73 lakhs were made by CRA to Co-optex in March 1984 (Rs.197.78 lakhs) and July 1984 (Rs.58.95 lakhs), as per orders of Government issued on the basis of bills of Co-optex submitted directly to Government, without verifying the claims with reference to the actual receipt of sarees and dhoties by the Collectors, resulting in overpayments of Rs.0.12 lakh (December 1983 floods) and Rs.4.44 lakhs (February/March 1984 floods) respectively. The amounts were yet (April 1987) to be recovered from Co-optex.

4.19.7. Rehabilitation

4.19.7.1. Assistance for purchase of books to school children (Revenue Department)

4.19.7.1.1. Rupees 50 lakhs, sanctioned by Government in January 1986 for purchase of text books to be distributed free to the children affected by floods in November 1985 were drawn and advanced in March 1986 by the CRA to the Tamil Nadu Text Book Society (TNTBS) for books to be supplied before 25th March 1986 to the 5 Districts of Madras, Chengalpattu,

South Arcot, North Arcot and Thanjavur on the basis of indents to be placed by the Collectors. Books valued Rs.10.81 lakhs only had been supplied by TNTBS up to 31st March 1986 and further supplies for a value of Rs.39.07 lakhs were made between April 1986 and December 1986. Final reports on actual distribution of these books to the children had not been received till April 1987 from the Tahsildars in the 3 Districts of Chengalpattu, Thanjavur and Madras, test checked in Audit.

4.19.7.1.2. The district-wise allotment of the provision for supply of books was made by the CRA at Rs.10 per family, without reference to the number of students who were to be supplied with books and the cost thereof. In Madras city, books were distributed for a value of Rs.7.10 lakhs to 78,345 students in Standards I to VIII, assessed by the Collector of Madras as requiring replacement. With a view to utilising the remaining allotment of Rs.8.50 lakhs, the Collector placed (August 1986) indents, on instructions from the CRA, for further supply of books. Books valued Rs.5.73 lakhs, supplied in November 1986 by TNTBS, were yet to be distributed (April 1987). In Chengalpattu District, against the total requirement of 1,58,652 sets of books for the affected students in Standards I to XII, as reported by the Tahsildars, the Collector placed indents on TNTBS for supply of 34,450 sets for students in Standards VII to IX only, for Rs.14.80 lakhs allotted to his District (the cost of one set ranging from Rs.37.40 to Rs.47). The number of families to which the affected students belonged was not available on record. Out of the books

supplied by TNTBS, 64,300 books (cost : Rs.2.20 lakhs) were kept undistributed (April 1987) in Chennalpattu taluk office, the reasons for which were not on record. Books were not distributed to 1,24,202 affected students in Standards I to VI and X to XII for want of funds.

4.19.7.1.3. Supply of books (valued Rs.39.07 lakhs) by TNTBS between April and December 1986 and their distribution later to the affected students was infructuous as by that time the annual examinations were either in progress or over.

4.19.7.2. Supply of agricultural inputs to small and marginal farmers (Agriculture Department)

4.19.7.2.1. GOI provided assistance for supply of agricultural inputs to small and marginal farmers affected by floods. The schemes were implemented by the Director of Agriculture (DOA). As against the ceilings of Rs.75 lakhs, Rs.13.71 lakhs and Rs.24.40 lakhs fixed by GOI in respect of floods in December 1983, February/March 1984 and November 1984, the expenditure incurred was only Rs.74.94 lakhs, Rs.13.03 lakhs and Rs.17.00 lakhs respectively. However, the ceilings were reported by the State Government as expenditure and Central assistance got released on basis of the reported expenditure, resulting in release of excess assistance in respect of Rs.8.14 lakhs, not spent.

4.19.7.2.2. According to the orders of the Department, paddy seeds were to be issued at 50 per cent cost. In three divisions, in respect of 142.29 tonnes

of paddy seeds (value : Rs.4.01 lakhs), issued to cover 6,746 hectares during January - March 1986, for November 1985 floods, Rs.3.92 lakhs were treated as subsidy against Rs.2.01 lakhs admissible at 50 per cent cost. In Tiruvallur Division, the subsidy allowed for inputs (fertilisers, pesticides and seeds) issued for covering 173.5 hectares (November 1984 floods) was Rs.0.92 lakh, at Rs.530 per hectare as against the prescribed maximum of Rs.180 per hectare. The excess subsidy on these counts amounted to Rs.2.52 lakhs.

4.19.7.3. Reclamation of saline and alkaline lands (Agriculture Department)

The State Government sought an assistance of Rs.22.50 lakhs towards subsidy at Rs.1,125 per hectare for supply of gypsum as input for reclaiming 2,000 hectares of land which had become alkaline and saline due to intrusion of sea water in November 1985, in the cultivable area in and around Kaluveli swamp near Marakanam in South Arcot District. GOI approved a ceiling of Rs.10 lakhs for this purpose. Consequent on the inability expressed (February 1986) by Joint Director of Agriculture, Cuddalore, South Arcot District, to handle huge quantities of gypsum within a short period, the sanctioned amount of Rs.10 lakhs was redistributed (February - March 1986) to four districts (Chengalpattu, South Arcot, North Arcot and Thanjavur) and spent. As the Central assistance released was based on the expenditure of Rs.10 lakhs to be incurred in and around Marakanam and as only Rs.0.50 lakh were spent in that area, the remaining expenditure of Rs.9.50 lakhs, spent in other areas, would not qualify for assistance.

4.19.7.4. Assistance for reclamation of sand cast lands (Agriculture Department)

4.19.7.4.1. Details of ceilings approved by GOI and expenditure incurred for reclamation of sand cast lands affected by the floods in December 1983, March 1984, November 1984 and November 1985 are indicated below :-

Month and year of flood	Ceiling approved by GOI	Expenditure
	(in lakhs of rupees)	
December 1983	9.82	12.48
March 1984	2.20	12.34
November 1984	11.25	..
November 1985	20.25	23.18

4.19.7.4.2. According to Government orders (May 1984 and January 1986), the sand cast lands should be reclaimed by using departmental bulldozers, free of cost for small and marginal farmers and at 50 per cent subsidy for other farmers and the cost of reclamation exceeding Rs.1,500 per acre should be treated as loan and recovered from the farmers in both the cases. Test check indicated that Rs.5.69 lakhs (December 1983 floods : Rs.2.86 lakhs; November 1985 floods : Rs.2.83 lakhs) spent in 3 districts in excess of the maximum cost of reclamation of Rs.1,500 per acre had been treated as flood relief expenditure instead of loan recoverable from the farmers and Rs.4.58 lakhs (December 1983 floods : Rs.1.66 lakhs; March 1984 floods : Rs.1.25 lakhs; November 1985 floods : Rs.1.67 lakhs) representing 50 per cent of the expenditure on reclamation

incurred within the ceiling of Rs.1,500 per acre in 7 districts in respect of farmers other than small and marginal farmers had not been recovered from them. The entire amount of Rs.11.25 lakhs being the ceiling fixed by GOI for November 1984 floods for reclamation of sand cast land was not spent though the assistance released by GOI was based on expenditure to be incurred up to that ceiling.

4.19.7.5. Assistance to small and marginal farmers for replacement of lost animals (Animal Husbandry Department)

The Schemes were implemented by the Director of Animal Husbandry. Expenditure of Rs.71.35 lakhs was reported against approved ceilings totalling Rs.74.24 lakhs for relief measures due to floods in December 1983, February/March 1984, November 1984 and November 1985. This expenditure included Rs.67.08 lakhs advanced to District Rural Development Agencies (DRDAs) between July 1984 and March 1986; Rs.42.42 lakhs of the advance, remained unspent (April 1987) with the DRDAs/Block Development Officers and Rs.0.39 lakh were remitted (Rs.0.22 lakh in October 1985; Rs.0.17 lakh in April 1986) to Government account as unutilised. Test check indicated that out of Rs.20.19 lakhs paid to affected farmers, Rs.16.83 lakhs were disbursed only after the dates stipulated by GOI.

4.19.7.6. Supply of concentrated feed to milch animals in flood affected areas (Animal Husbandry Department)

4.19.7.6.1. December 1983 floods.- Fifty per cent

of the cost (Rs.5 lakhs) of 333 tonnes of concentrates purchased and distributed under the Scheme to farmers in Thanjavur District in February and March 1984 was recovered from the farmers and credited to Government account. The net actual expenditure to Government was, therefore, only Rs.2.50 lakhs, though Central assistance was asked for and released on the basis of the total expenditure of Rs.5 lakhs.

4.19.7.6.2. February/March 1984 floods.- Out of Rs.1.43 lakhs ceiling approved by GOI towards assistance under the Scheme to IRDP beneficiaries in flood affected areas, Rs.1 lakh were utilised for supply of foot and mouth vaccine and Rs.0.43 lakh were remitted to Government account. The diversion was not got approved by GOI. The entire expenditure including the amount remitted to Government was not, therefore, eligible for Central assistance.

4.19.7.7. Scheme of subsidy towards cost of replacement of fishing boats, nets and other accessories (Fisheries Department)

4.19.7.7.1. The Schemes were implemented by the Director of Fisheries (DOF). Expenditure totalling Rs.51.29 lakhs incurred by Government (December 1983 floods - Rs.46.32 lakhs; December 1984 floods - Rs.4.97 lakhs) represented interest free loan at 75 per cent and subsidy at 25 per cent. As the ceiling approved by GOI was only for the subsidy paid at 25 per cent of the cost of replacement of boats, etc., the expenditure eligible for Central assistance against the ceiling of Rs.42.02 lakhs (December 1983 floods - Rs.37.05 lakhs; December 1984 floods - Rs.4.97 lakhs) was only the subsidy

of Rs.12.83 lakhs (December 1983 floods - Rs.11.59 lakhs; December 1984 floods - Rs.1.24 lakhs) paid by the State Government. Inclusion of the ineligible expenditure of Rs.29.19 lakhs (December 1983 floods - Rs.25.46 lakhs; December 1984 floods - Rs.3.73 lakhs) had resulted in excess release of Rs.21.89 lakhs as Central assistance (75 per cent).

4.19.7.7.2. With a view to becoming eligible for Central assistance, the amounts sanctioned by Government were drawn by the DOF before the end of the financial years and kept in the personal deposit accounts of Assistant Directors of Fisheries (ADFs)/ advanced to Tamil Nadu Fisheries Development Corporation (TNFDC). Test check indicated the following points :-

(a) Disbursements of assistance to beneficiaries from the personal deposit accounts were made by ADF, Thanjavur between August 1984 and February 1987 as December 1983 flood relief (Rs.8.96 lakhs) and between August 1985 and July 1986 as December 1984 flood relief (Rs.4.97 lakhs) and by ADF, Chengalpattu between October 1985 and July 1986 as November 1984 flood relief (Rs.6.24 lakhs) and between March 1986 and July 1986 as November 1985 flood relief (Rs.7.88 lakhs).

(b) Out of Rs.10.29 lakhs (Rs.5 lakhs - November 1984 flood relief and Rs.5.29 lakhs - November 1985 flood relief) advanced to TNFDC, Rs.10.20 lakhs were paid by it in April 1985 (Rs.5 lakhs) and August 1986 (Rs.5.20 lakhs) to Fishing Harbour Project Division, Bhavanisagar for carrying out civil works in 13 fish farms. Of these, civil

works in 2 fish farms remained to be completed (April 1987). Rupees 1.72 lakhs remained unspent (April 1987) with the Division (Rs.1.10 lakhs from April 1985 and Rs.0.53 lakh from August 1986) and TNFDC (Rs.0.09 lakh from March 1986). As GOI had not approved any expenditure towards repairs to fish farms under November 1985 flood relief, diversion of Rs.5.20 lakhs for the purpose was not in order and the expenditure was not eligible for Central assistance.

4.19.7.7.3. 727 kgs. of nylon yarn valued Rs.0.73 lakh purchased during July - August 1984 for distribution at subsidised rates to fishermen affected by December 1983 floods, remained (April 1987) to be distributed due reportedly to non-execution of agreements.

**4.19.7.8. Special nutrition for children
(Social Welfare Department)**

Under the Programme, 200 ml. of milk with 10 grams of sugar per day were to be supplied to infants, in the age group of 6 months to 2 years, affected by November 1985 floods. The entire amount of Rs.117.47 lakhs being the ceiling fixed by GOI for this Programme was drawn in March 1986 by the Director of Social Welfare (DSW) and placed at the disposal of the Collectors of Chengalpattu, North Arcot, South Arcot and Thanjavur Districts in personal deposit accounts for implementing the Programme through 6,555 centres for 90 days at 30 children per centre. The Collector of North Arcot implemented the Programme only in 460 centres (against the original number of 772 centres) at an

expenditure of Rs.8.17 lakhs. Out of Rs.5.67 lakhs surrendered by him, Rs.1.25 lakhs were allotted to South Arcot (Rs.0.91 lakh) and Thanjavur (Rs.0.34 lakh) Districts, to cover areas declared anew (March 1986) as affected by floods. The remaining Rs.4.42 lakhs, kept in a savings bank account in a Nationalised Bank by the DSW from May 1986, remained (April 1987) to be remitted to Government. In addition, Rs.0.12 lakh also remained unspent (April 1987) with the Collectors of 4 Districts. Reports of utilisation of Rs.113.05 lakhs, showing physical and financial achievements with periods of implementation, were yet to be received (April 1987) by the DSW from the Collectors concerned. Special nutrition to rehabilitate children affected by floods in November 1985 commenced only after 5 months from the date of occurrence of floods.

4.19.7.9. Assistance to weavers (November 1985 floods) (Department of Handlooms and Textiles)

4.19.7.9.1. Government sought assistance of Rs.56.83 lakhs to weavers who suffered damages to their looms (Rs.13.19 lakhs for 6,839 looms), house-cum-worksheds (Rs.17.32 lakhs for 2,085 house-cum-worksheds) and raw materials (Rs.4.61 lakhs); the remaining Rs.21.71 lakhs was proposed by the Collector of South Arcot, without indicating the number of looms and house-cum-worksheds and value of raw materials damaged. GOI approved a ceiling of expenditure of only Rs.27.51 lakhs, without indicating the pattern of assistance for the ceiling of expenditure. Of the amounts totalling Rs.27.50 lakhs, drawn from the Treasuries by the Collectors

and Assistant Directors of Handlooms and Textiles before 31st March 1986 for disbursement as cash doles to the affected weavers, Rs.4.66 lakhs were disbursed to end of March 1986 and Rs.22.17 lakhs between April and June 1986. The balance of Rs.0.67 lakh due to 386 beneficiaries could not be disbursed as their whereabouts were not known. Of this, Rs.0.31 lakh were remitted back to Government in June 1986 and Rs.0.36 lakh remained (April 1987) with the Assistant Director of Handlooms, Kancheepuram, in a current account with the State Bank of India, Kancheepuram.

4.19.7.9.2. Though different scales of assistance were proposed by Government for repairs to looms (Rs.300 per loom), house-cum-worksheds (Rs.1,000 per workshed) and raw materials (Rs.150 per loom), assistance at the uniform rate of about Rs.173 per weaver was finally disbursed to 15,952 weavers, without reference to the damages suffered by each individual weaver.

4.19.8. Repair and Restoration of public properties damaged due to floods

4.19.8.1. Repair and reconstruction of damaged huts (Revenue Department)

4.19.8.1.1. In the Memorandum submitted by the Government in December 1985 after the flood water receded completely from the affected areas, Rs.1846.03 lakhs were sought for repairs/reconstruction of 5,78,060 huts damaged (fully : 2,29,980; partly : 3,48,080) by floods in November 1985. GOI approved a ceiling of Rs.1025 lakhs for the

purpose. According to the reports of the Collectors, Rs.1008.56 lakhs were disbursed as cash doles for repairs/reconstruction of damaged huts up to 31st March 1986 and Rs.18.27 lakhs thereafter.

4.19.8.1.2. The number of fully damaged huts, for which a higher rate of assistance at Rs.500 per hut was claimed in the Memorandum (December 1985), was over three times the number of huts reported by the Collectors as fully damaged. Test check in Chengalpattu and Thanjavur Districts indicated that the number of fully damaged huts (33,551) finally reported by the Collectors concerned was only 22 per cent of the number (1,49,681) of huts mentioned in the Memorandum.

4.19.8.1.3. In the review meeting conducted in February 1986, presided over by the Chief Secretary, the CRA observed that only Rs.875.13 lakhs (out of Rs.884 lakhs allotted to the five Districts of Madras, Chengalpattu, North Arcot, South Arcot and Thanjavur) had been spent and instructed the Collectors to utilise the allotment fully before 31st March 1986. He also allotted the remaining Rs.141 lakhs (out of the ceiling of Rs.1025 lakhs fixed by GOI) to 4 out of the 5 Districts. Though the Collectors reported (February 1986) that assistance had already been provided to all the damaged huts, they were required to identify cases afresh. Accordingly, cash doles totalling Rs.151.70 lakhs were disbursed to additional huts, which were not originally assessed as damaged. In 9 taluks, test checked in Chengalpattu and Thanjavur Districts, the additional huts (62,917) so identified, were about 46 per cent of the total number of huts (1,38,069) for which

assistance was disbursed.

4.19.8.1.4. In Tirukoilur Taluk of South Arcot District and Needamangalam and Peravurani Taluks of Thanjavur District, which were not declared as flood affected, Rs.2.08 lakhs were spent as gratuitous relief for payment of cash doles, supply of rice and clothing (South Arcot : Rs.1.31 lakhs) and cash doles to repair damaged huts in Thanjavur (Rs.0.77 lakh); this expenditure was ineligible for Central assistance.

4.19.8.1.5. Cash doles were to be paid only to beneficiaries whose income did not exceed Rs.200 per mensem. However, in Chengalpattu, Madras and Thanjavur Districts, monthly income was not on record in respect of 18,816 beneficiaries to whom cash doles totalling Rs.28.73 lakhs were disbursed. It was not, therefore, clear how it was ensured that payments were made only to eligible persons in those cases. Test check in 3 taluks in 2 of these Districts also disclosed that Rs.1.62 lakhs were paid to 991 beneficiaries whose monthly income exceeded Rs.200.

**4.19.8.2. Assistance for re-location of houses
(Tamil Nadu Slum Clearance Board)**

Against Rs.309.42 lakhs at Rs.1,500 per hut sought by Government for construction of huts at high level areas for 29,628 families evacuated from low lying areas affected by November 1985 floods, a ceiling of Rs.150 lakhs was approved by GOI. The entire amount of Rs.150 lakhs was drawn and disbursed in February 1986 to the

Tamil Nadu Slum Clearance Board (TNSCB) directing it to formulate a suitable scheme for re-location of the houses in consultation with the CRA. Though, according to the TNSCB, about 4,120 families living on the banks of Adyar river in Madras City were severely affected by the floods, TNSCB drew up schemes for rehabilitation of 3,408 families (open developed plots : 2,272 families; tenements : 1,136 families) at a total cost of Rs.403.44 lakhs (of which Rs.150 lakhs were to be met by the assistance under flood relief) and sent (June 1986) to Government for approval, which had not yet been received (December 1987). In anticipation of approval, TNSCB went ahead with the execution of the Schemes and spent between April 1986 and March 1987 Rs.56.46 lakhs out of the assistance of Rs.150 lakhs under flood relief. As on 31st December 1987, up to which an amount of Rs.61.06 lakhs was spent, works in respect of 698 plots and 432 tenements were nearing completion and it was in progress in respect of 156 plots. The work was yet to be taken up in respect of 1,418 plots and 704 tenements as either land was not available (966 plots) or land was still to be handed over by the department concerned (452 plots and 704 tenements). Thus, as in December 1987, Rs.88.94 lakhs remained unspent with TNSCB and none of the affected families was re-located. Information on measures taken to rehabilitate the remaining 17,220 evacuated families was not available (December 1987).

4.19.8.3. Flood relief works executed by Public Works, Highways and Rural Works Departments and Madras Metropolitan Water Supply and Sewerage Board

4.19.8.3.1. Details of ceilings of expenditure fixed by GOI for the purpose of assistance and expenditure incurred during 1983-84 to 1985-86 for works executed by Public Works, Highways and Rural Works Departments and Madras Metropolitan Water Supply and Sewerage Board are furnished below :-

Period of floods	Ceilings of expenditure fixed by GOI	Actual expenditure
	(in lakhs of rupees)	
December 1983	2047.00	1817.86 (1983-84)
February/March 1984	484.68	
November 1984	486.00	
December 1984		
November 1985	2300.09	1295.47

4.19.8.3.2. Out of Rs.296.63 lakhs sanctioned by Government in January 1986 to be spent for repairs/restoration of buildings and roads of Panchayat Unions, Town Panchayats and Panchayats damaged by floods in November 1985, only Rs.2.10 lakhs were spent up to 31st March 1986 by the Chief Engineer (Highways and Rural Works). Under orders of Government, the remaining Rs.294.53 lakhs were drawn and deposited (March 1986) with the District Rural Development Agencies (DRDAs) of Chengalpattu (Rs.144.53 lakhs) and South Arcot (Rs.150 lakhs) Districts. The entire amount was paid back by the DRDAs to the Divisional Engineers (Highways

and Rural Works), Cuddalore, Villupuram, Saidapet and Chengalpattu between April and December 1986 for meeting the expenditure on those works. Of this, Rs.207.57 lakhs were spent to end of March 1987 on road works and the balance Rs.86.96 lakhs remained unspent (April 1987) as deposits with the Divisional Engineers. As the execution of building and road works relating to Panchayats, Panchayat Unions and Town Panchayats was the responsibility of the Highways and Rural Works Department, it was not apparent why the amount was deposited with the DRDAs who were not responsible for executing these works. The entire amount (Rs.294.53 lakhs) was not eligible to Central assistance, as it was spent on the works only subsequent to 31st March 1986.

4.19.8.3.3. Rupees 25.15 lakhs were drawn and disbursed (February 1986) by the CRA to the Madras Metropolitan Water Supply and Sewerage Board (MMWSSB) for execution of six relief works in respect of November 1985 floods. The Board reported to Government in August 1986 that a sum of Rs.25 lakhs had been spent up to 15th August 1986. However, on being pointed out (November 1986) by Audit that the expenditure was only Rs.15.50 lakhs up to September 1986, the Board stated in January 1987 that Rs.21.92 lakhs had been spent on 5 works and that one work was taken up in January 1987 at an estimated cost of Rs.1.30 lakhs. A sum of Rs.3.23 lakhs (Rs.25.15 lakhs - Rs.21.92 lakhs) still remained unutilised (January 1987) and hence not eligible for Central assistance. A test check revealed that only Rs.2.86 lakhs had been spent up to March 1986. The expenditure

of Rs.19.06 lakhs (Rs.21.92 lakhs - Rs.2.86 lakhs) incurred beyond 31st March 1986 was also not eligible for Central assistance.

4.19.8.3.4. The expenditure incurred by the Public Works and Highways and Rural Works Departments included (i) Rs.10.23 lakhs spent on 5 original works executed in 2 divisions, out of the assistance for November 1985 floods, (ii) Rs.0.81 lakh spent on repairing irrigation tanks between August and October 1983, prior to occurrence of floods in November 1983 and (iii) Rs.7.43 lakhs utilised by 3 divisions between December 1985 and March 1986 for purchase of bitumen, steel and cement, which were either not required or in excess of requirements. The expenditure totalling Rs.18.47 lakhs would not qualify for Central assistance as, according to the guidelines of GOI, the assistance was not to be utilised for carrying out original work or stock piling of stores.

4.19.8.4. Assistance to Municipal Corporation of Madras (Municipal Administration Department)

4.19.8.4.1. The amounts paid to the Corporation of Madras for repairs to public properties damaged by floods, expenditure incurred up to and beyond the cut off dates and balance remaining unspent as at the end of March 1987 are given below:-

Period of floods	Amount disbursed to the Corporation	Amount spent within the cut off date	Amount spent beyond the cut off date	Amount remaining unspent as on 31st March 1987
	(in lakhs of rupees)			
November /				
December 1984	419.48	282.46	112.42	24.60
November 1985	<u>1515.44</u>	<u>800.61</u>	<u>539.14</u>	<u>175.69</u>
Total	<u>1934.92</u>	<u>1083.07</u>	<u>651.56</u>	<u>200.29</u>

The sum of Rs.851.85 lakhs (expended : Rs.651.56 lakhs and unspent : Rs.200.29 lakhs), not spent within the cut off dates but included by Government in the claim (Rs.1934.92 lakhs) for Central assistance was not eligible for Central assistance.

4.19.8.4.2. According to the guidelines of the GOI, the margin money meant for providing relief of distress caused by natural calamities is not intended, inter alia, for payment of salaries of establishment. However, the total expenditure of Rs.1734.63 lakhs reported as incurred on flood relief works up to March 1987 included Rs.146.27 lakhs towards superior supervision charges (representing cost of superior establishment) resulting in excess drawal of Central assistance on the ineligible expenditure of Rs.146.27 lakhs.

4.19.8.4.3. **December 1983/February/March 1984 floods.-** Against ceilings totalling Rs.75 lakhs (December 1983 floods - Rs.50 lakhs and February 1984 floods - Rs.25 lakhs) approved by GOI as non-plan grant, to Madras Corporation for carrying

out repairs to roads maintained by it, Rs.50 lakhs were disbursed (March 1984) as loan and Rs.25 lakhs as grant (September 1984) by Government, altering the nature of assistance approved by GOI.

4.19.8.4.4. November 1984 floods.- Rupees 1.91 lakhs, approved by GOI for planting trees and included in the expenditure reported by Government to GOI, had not been spent by the Corporation so far (March 1987). It was not, therefore, eligible for Central assistance.

4.19.8.4.5. November 1985 floods.- (a) **Roads.-** Out of Rs.1035.32 lakhs approved by GOI towards repairs/restoration of roads affected by floods, Rs.76 lakhs had been diverted and spent (March 1987) for repairs to electrical installations (Rs.75 lakhs) and parks and playgrounds (Rs.1 lakh). The diversion has not been got approved by GOI.

(b) **Repairs to Storm Water Drains.-** (i) Out of the ceiling of Rs.435.26 lakhs approved by GOI and disbursed by Government to the Corporation between November 1985 and March 1986 to carry out repairs to storm water drains damaged in November 1985 floods, Rs.298.96 lakhs had been spent (till March 1987) on 139 out of 156 works (estimated cost : Rs.514.24 lakhs). Of this, expenditure totalling Rs.161.17 lakhs was incurred on 52 new works and as such, was not eligible for Central assistance.

(ii) As in March 1987, of the 156 works, 26 new works and 40 other works had been completed at a total expenditure of Rs.212.68 lakhs; 73 works (new : 26; others : 47; expenditure : Rs.86.28 lakhs)

remained to be completed and 17 works (estimated cost : Rs.45.15 lakhs) were yet to be taken up.

19.8.5. Assistance to Municipalities (Municipal Administration Department)

19.8.5.1. The table below indicates the assistance disbursed by Government to municipalities for repair/restoration of public properties damaged due to floods during 1983-84 to 1985-86 :-

Period of floods	Assistance disbursed for			
	Roads and buildings	Water supply systems	Noon Meal Centres	Total
(in lakhs of rupees)				
December 1983, } January/ February/ } March 1984	208.20	208.20
November 1984	69.70	..	10.00	79.70
November 1985	225.42	9.50	..	234.92
Total	503.32	9.50	10.00	522.82

Out of Rs.234.92 lakhs provided for November 1985 floods and disbursed to 28 municipalities between November 1985 and January 1986, Rs.189.13 lakhs only were spent by them upto 31st March 1986 (prescribed date).

Review of the expenditure incurred by the municipalities in 3 districts disclosed that

(i) Rs.4.95 lakhs remained unutilised with 6 municipalities to end of March 1987 out of the assistance of Rs.20.37 lakhs disbursed to them, (ii) 2 municipalities spent Rs.1.49 lakhs on 7 road works not found in the list of works affected by November 1985 floods utilising the savings in other works, (iii) 2 municipalities spent Rs.1.59 lakhs on 6 new works, (iv) out of Rs.1 lakh provided to 1 municipality for relief under water supply, Rs.0.80 lakh were spent for purchase of transformer oil, GI pipes, etc. for general stock against the guidelines of GOI and (v) 42 works (estimated cost : Rs.17.56 lakhs) taken up to repair roads, buildings and water supply systems affected by November 1985 floods in 8 municipalities remained incomplete (expenditure incurred to end of March 1987 : Rs.8.46 lakhs) and 4 such works (estimated cost : Rs.0.91 lakh) were yet to be taken up (March 1987) in 3 municipalities.

4.19.8.6. Assistance for repairs and restoration of drinking water wells and handpumps (Rural Development Department)

Rupees 20 lakhs, sanctioned by Government in January 1986 for repairs and restoration of drinking water wells, handpumps, etc., affected by November 1985 floods in 3 districts, were drawn, on instructions from the Director of Rural Development (DRD), by the Panchayat Unions (PUs) in March 1986 and credited to their accounts. Though the DRD reported in March 1986 that the entire amount was fully utilised, test check of the records of 8 PUs in Thanjavur District disclosed that out of Rs.4.35 lakhs drawn by them, Rs.1.02 lakhs remained unutilised by the end of March 1986 and Rs.2.45 lakhs had been spent on works executed prior to

the floods (Rs.0.79 lakh) and original works on fresh extension of pipelines, new installation of handpumps and purchase of stores for general stock (Rs.1.66 lakhs), which were not eligible for Central assistance.

4.19.8.7. Repairs and replacement of infrastructure, machinery and equipments of Government Companies

4.19.8.7.1. Towards repairs and replacement of infrastructure, machinery and equipment damaged in November 1985 floods, Rs.99 lakhs were paid by Government in January and February 1986 to Tamil Nadu Small Industries Development Corporation (SIDCO) (Rs.70 lakhs), Tamil Nadu Small Industries Corporation (Rs.15 lakhs), Tamil Nadu Poultry Development Corporation (TAPCO) (Rs.9 lakhs), Tamil Nadu Salt Corporation (Rs.4 lakhs) and Tamil Nadu Meat Corporation (Rs.1 lakh). Out of this assistance, the expenditure incurred by these Companies was Rs.12.40 lakhs up to 31st March 1986 (cut off date for flood relief expenditure) and Rs.86.45 lakhs between April 1986 and March 1987, leaving Rs.0.15 lakh unspent with Tamil Nadu Meat Corporation at the end of March 1987. The amount of Rs.86.60 lakhs not expended within the cut off date was not eligible for Central assistance.

4.19.8.7.2. In November 1985, SIDCO estimated the cost of special repairs to the damaged roads in 7 Industrial Estates at Rs.33.45 lakhs. However, a Committee appointed by Government estimated the cost at Rs.225 lakhs in 2 of these 7 estates; this estimate included cost of re-laying the entire roads

in a pucca manner to withstand for several years. Based on this, SIDCO claimed assistance of Rs.100 lakhs. Government, however, released (January 1986) Rs.70 lakhs. SIDCO has spent Rs.74.49 lakhs up to March 1987. As the assistance under flood relief measures was to be limited to cost of repairs and restoration works to bring the properties to the pre-flood condition, inclusion of Rs.36.55 lakhs over and above the estimated cost of special repairs (Rs.33.45 lakhs) as expenditure for claiming Central assistance was not in order.

4.19.8.7.3. (a) The expenditure of Rs.86.45 lakhs incurred after 31st March 1986 included Rs.7.74 lakhs paid by TAPCO as advance to units/suppliers for carrying out civil works and supplies. The works/supplies were yet (June 1987) to be completed.

(b) The grinders in the Feed Mixing Unit, Nandanam, one of the units of TAPCO, were not giving satisfactory performance. Proposal for their replacement, originally made in March 1984, was not followed up for want of funds. The Company decided (February 1986) to replace the grinders at a cost of Rs.1.47 lakhs under flood relief grant and advanced Rs.0.38 lakh to the supplier in June 1986. The extent of damage to this machinery caused by November 1985 floods was not estimated and the machinery continued working even after the floods till date (June 1987). Utilisation of flood relief grant for replacement of this machinery was not in order.

The matter was reported to Government in December 1986 and again in July 1987; their reply

has not been received (December 1987).

4.20. **Distribution of wheat under Drought Relief Programme**

During April - June 1983, Government of India ordered the release of 23,000 tonnes of wheat costing Rs.395.60 lakhs (at Rs.1,720 per tonne), by the Food Corporation of India (FCI) to the State Government for distribution up to 30th September 1983 as part of wages to labourers engaged in drought relief works in Tamil Nadu. The Tamil Nadu Civil Supplies Corporation Limited (TNCSC) lifted 22,997 tonnes from FCI to its regional godowns, during June - July 1983 for issue to Public Works, Highways and Rural Works, Agricultural Engineering and Forest Departments, which were executing drought relief works. The cost of wheat was paid by the State Government to the FCI. In addition, Government also paid to TNCSC Rs.18.40 lakhs towards handling, transport and storage. According to the orders issued by Government in June 1983, (i) the value of food grains issued to the contractors was to be deducted from the contractors' bills and credited to Government account, (ii) the Drought Commissioner (DC) was to exercise overall control and supervision of the Scheme and ensure prompt credit of the amounts to Government account and (iii) the executing departments were to return the empty gunny bags to TNCSC, who should dispose them and credit the sale proceeds to Government account.

The DC reported to Government in December 1983 that 1,746 tonnes of wheat remained unlifted from TNCSC godowns and were to be disposed

of. Government directed (March 1984) the distribution of the unlifted wheat through the Public Distribution System (PDS) subject to cleaning and quality being satisfactory and agreed to bear the cleaning charges and loss of weight. Simultaneously Government of India was addressed and its approval for the disposal of the wheat through PDS was obtained (April 1984).

The TNCSC reported in October 1985 that (i) only 1,390 tonnes of wheat (as against 1,746 tonnes reported earlier) remained unlifted, (ii) 921 tonnes were issued through PDS, for which it would pay to Government Rs.15.84 lakhs, (iii) 27 tonnes were lost due to cleaning and (iv) 442 tonnes, which were damaged and found unfit for consumption, were to be disposed of in auction. The loss to Government in respect of items (ii) and (iii) was Rs.1.27 lakhs, besides the loss in respect of item (iv) mentioned in item (i) of the succeeding paragraph. The periods during which the cleaning operations were done, the damaged wheat was auctioned and the good quality wheat was issued through PDS were not furnished by TNCSC.

A review of the transactions disclosed the following points :-

(i) Due to deterioration on account of storage in TNCSC godowns from June/July 1983, a loss of Rs.3.08 lakhs was incurred, since only Rs.4.88 lakhs were realised through auction of 442 tonnes (damaged), as against the value of Rs.7.96 lakhs at cost.

(ii) Out of Rs.20.72 lakhs, due by TNCSC, towards cost of wheat distributed through PDS (Rs.15.84 lakhs) and sale proceeds of damaged wheat (Rs.4.88 lakhs), only Rs.15 lakhs were remitted to Government in July 1987, after a delay of 18 months; the balance of Rs.5.72 lakhs was yet to be remitted (October 1987) to Government account. Government stated in October 1987 that every effort was being made to realise the balance amount.

(iii) The value of 21,607 tonnes of wheat issued to contractors upto September 1983, under the Scheme was Rs.404.05 lakhs. Even though, the DC was to ensure prompt crediting to the Government account of the value of wheat issued for drought relief works, no action was initiated by him till Government reminded in November 1984. As at the end of July 1987 out of 14 Collectors from whom the details were due, 6 had not furnished the details and the details received from 4 Collectors were incomplete. There was, thus, lack of effective monitoring of the Scheme by the DC with the result that complete credit particulars were not available with the DC even after a lapse of nearly 4 years after the closure of the Scheme. The DC reported to Government in April 1987 that the particulars were gathered by his office from the Collectors only for the purpose of information and they did not reflect the correct figures as they were not reconciled with the originals.

(iv) The details furnished by the District Collector, Salem indicated that -

(a) The cost of 156 tonnes of wheat lifted by the Executive Engineer (PWD), Mettur (Rs.2.92 lakhs) was paid to the Regional Manager, TNCSC, Salem in May 1985 instead of remitting to Government account. Information regarding the refund of the amount by TNCSC to Government was awaited (October 1987).

(b) Out of Rs.0.82 lakh representing the value of 44 tonnes of wheat lifted by the Executive Engineer (PWD), Salem, and recovered from the contractors prior to October 1983, Rs.0.35 lakh were remitted to Government in August 1986 (Rs.0.33 lakh) and March 1987 (Rs.0.02 lakh). The balance of Rs.0.47 lakh was yet (October 1987) to be remitted.

(v) The TNCSC reported (November 1986) that only 73,914 empty gunny bags, out of 2,16,070 due, were returned by the executing departments. The TNCSC had not so far (August 1987) taken any action to dispose them of and credit the sale proceeds to Government account.

As regards empty gunny bags not returned by the executing departments, even though the TNCSC had instructed the Regional Managers in December 1983 that they should get back the empty gunny bags from the Collectors and to collect Rs.7 per gunny not returned, the matter was apparently not further pursued either by the TNCSC or by the DC (monitoring authority for the Scheme). The cost of 1,42,156 empty gunnies not returned to TNCSC was Rs.9.95 lakhs.

Government stated in October 1987 that TNCSC had been asked to remit into Government account the cost of gunny bags. Government also stated that the DC and the TNCSC were being reminded to ensure that the accounts in respect of the transactions under distribution of wheat under Drought Relief Programme, 1983 were settled without further delay.

SOCIAL WELFARE DEPARTMENT

4.21. Delay in implementation of the Scheme for Self-employment of Rural Women

Based on the proposal (February 1984) of the Director of Social Welfare, Government sanctioned in October 1984 the release of Rs.20 lakhs towards 25 per cent subsidy to be paid to the beneficiaries under self-employment oriented schemes for women in rural areas, to the Tamil Nadu Corporation for the Development of Women Limited (DeW), which was entrusted with the implementation of the Scheme. The amount was credited by the Director of Social Welfare to the personal deposit account of DeW in December 1984. DeW withdrew the amount and deposited in a Nationalised Bank in fixed deposit account in March 1985. DeW reported to Government in March 1985 that due to lack of field staff at the district level, it could not implement the Scheme and requested transfer of the Scheme to the Director of Social Welfare. In March 1986, Government entrusted the implementation of the Scheme to the District Collectors and required the Director of Social Welfare to release the subsidy amount to the Collectors. DeW refunded the amount of

Rs.20 lakhs in May 1986 and the Scheme was implemented from July 1986.

Government was aware of the non-availability of field staff with DeW, even earlier to October 1984 when the Scheme was sanctioned and the subsidy amount was ordered to be released to DeW for implementation of the Scheme.

The injudicious decision of Government in releasing the subsidy amount of Rs.20 lakhs to DeW when it had no infrastructure to implement the Scheme and the time lag of one year in transferring the Scheme to the District Collectors for implementation resulted in delay of over 20 months in providing self-employment opportunities to women in rural areas, besides an unintended benefit of Rs.2.47 lakhs to DeW by way of interest earned and retained by it.

The matter was reported to Government in August 1987; their reply has not been received (December 1987).

GENERAL

4.22. Misappropriation, losses, etc.

Cases of misappropriation of Government money reported to Audit to end of March 1987 and on which final action was pending at the end of June 1987 were as follows :-

	Number of cases	Amount (in lakhs of rupees)
Cases reported to end of March 1986 and outstanding at the end of September 1986	444	74.54
Cases reported during April 1986 to March 1987	<u>31</u> 475	<u>7.94</u> 82.48
Cases cleared during October 1986 to June 1987	<u>14</u>	<u>1.13</u>
Cases outstanding at the end of June 1987	<u>461</u>	<u>81.35</u>

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

In addition, 735 cases (Rs.125.26 lakhs) of shortages and theft, loss of stores, damages to vehicles, properties, etc., reported to Audit up to March 1987 were pending finalisation as on 30th June 1987. Of these, 480 cases (Rs.54.19 lakhs) related to Agriculture Department. Department-wise and year-wise analysis of these cases is given in Appendix X.

4.23. Other miscellaneous irregularities, writes off of losses, etc.

In 60 cases, Rs.5.25 lakhs representing mainly losses due to theft, fire, etc., irrecoverable advances etc., were written off/waived during 1986-87

by competent authorities. The details are given in Appendix XI.

CHAPTER V

WORKS EXPENDITURE

PUBLIC WORKS DEPARTMENT

5.1. Nagavathi Reservoir Project

5.1.1. Nagavathi Reservoir Project, sanctioned by Government in March 1980, was thrown open for irrigation in May 1985. A scrutiny of the accounts of the Project by Audit during December 1986 - January 1987 disclosed the following points.

5.1.2. For lining the sides of the canal in the Project with pre-cast cement concrete (P.C.C.) slabs, separate agreements were concluded for different reaches for the manufacture, conveyance to site and laying of P.C.C. slabs. Out of 3,47,850 slabs supplied between 1981-82 and 1985-86, 3,24,646 only were conveyed and used. The remaining 23,204 slabs, valued at Rs.1.18 lakhs, were not accounted for.

5.1.3. The P.C.C. slabs (size 50 x 30 cm.) used for lining were to be joined with flush pointing in cement mortar 1 : 2 for the full depth of the slab. The agreement for lining provided for recovery at double the cost of slabs not returned to Department. The theoretical requirement of slabs (after taking into account the flush pointing) for an area of 10 sq. metres was 9.32 sq. metres. However, the Department had erroneously adopted an area of 9.50 sq. metres while regulating the issues. As against the requirement of 3,12,826 slabs, the Department issued 3,24,646 slabs. Out of an excess issue of 11,820 slabs, recovery for 170 slabs only

had been effected (March 1987). The recovery of Rs.1.21 lakhs for the remaining 11,650 slabs, at double the cost together with conveyance charges was yet to be effected (March 1987).

5.1.4. The agreements for the work of formation of earth dam and excavation of canal provided for recovery of hire charges of departmental machinery on daily rate basis; proportionate recovery was to be effected only if the machinery was idle due to sickness/rain and not on account of contractor's fault, if so certified by Department. However, recovery was effected at hourly rate in respect of machinery (roller, concrete mixer and compressor), lent between March 1983 and November 1985, resulting in short recovery of hire charges of Rs.1.24 lakhs.

The matter was reported to Government in May 1987; their reply has not been received (December 1987).

5.2. Golwarpatti Reservoir Project

Tenders for the works "Construction of Bed Regulators in Golwarpatti Reservoir Project" in Sattur Taluk, Kamarajar District, in Block IV (L.S.2661.25 to 2690.25 metres) and Block V (L.S. 2690.25 to 2720.75 metres) were invited (April 1985) by the Superintending Engineer, Project Circle, Madurai, fixing the last date for receipt of tenders as 12th June 1985. Six tenders for Block IV and five tenders for Block V were received. The tenders of 'A' were found to be the lowest for both the works, the tendered amounts being Rs.15.30 lakhs

and Rs.16.65 lakhs (15.91 and 15.95 per cent less than the estimated cost of Rs.18.23 lakhs and Rs.19.85 lakhs) for Blocks IV and V respectively. The tenders, valid upto 11th September 1985, were recommended in July 1985 by the Superintending Engineer for acceptance of the Chief Engineer (Irrigation). As the tenders could not be decided within the validity period, the Department sought extension of the validity time upto 11th October 1985 initially and again upto 11th December 1985. Further extension of the validity time beyond 11th December 1985, sought by the Department, was refused by the contractor on the ground of escalation in cost of materials and labour and also due to site condition; hence, the tenders were rejected by the Chief Engineer (Irrigation) in December 1985. The work was retendered fixing 21st February 1986 as the last date. The single tenders of 'B' for Rs.20.37 lakhs (11.76 per cent excess over the estimate of Rs.18.23 lakhs) for Block IV and for Rs.22.22 lakhs (11.92 per cent excess over the estimate of Rs.19.85 lakhs) for Block V received in response to the second call were duly recommended (February 1986) by the Chief Engineer (Irrigation) and accepted by Government in June 1986.

The failure of the Department to finalise the tenders within the time limit (15 days for the Superintending Engineer and 7 days for the Chief Engineer), prescribed by Government in May 1982, had deprived the Department of the benefit of the lowest offer. The resultant avoidable extra financial commitment to Government was to the extent of Rs.10.64 lakhs.

The matter was reported to Government in April 1987; their final reply has not been received (December 1987).

5.3. Kudhiraiyar Reservoir Project

A test check of the accounts of Kudhiraiyar Reservoir Project disclosed an avoidable expenditure of Rs.2.35 lakhs as detailed below :-

In the technical sanction issued by the Chief Engineer (Irrigation) for the formation of a reservoir across Kudhiraiyar near Pappampatty Village in Palani Taluk, sanctioned by Government in August 1982, the thickness of the berm for the canal lining was not specified. The working estimate sanctioned (July 1983) by the Superintending Engineer, Special Project Circle, Tiruchirapalli, provided for a thickness of 25 cm.

It was noticed in Audit that in similar irrigation projects executed in Dharmapuri District earlier (Nagavathi Reservoir Project, Ichambadi Reservoir Project), berm concreting was done for a thickness of 7.5 cm. only. Subsequently, in October 1986, after the lining work in this Project was over, the Superintending Engineer, Special Project Circle, Tiruchirapalli, issued instructions to the Executive Engineers to adopt a thickness of 7.5 cm. for such works stating that this thickness was adequate and would serve the purpose. Adoption of a thickness of 25 cm. resulted in an avoidable expenditure of Rs.2.35 lakhs.

The matter was reported to Government in July 1987; their reply has not been received (December 1987).

5.4. Unfruitful expenditure

5.4.1. In October 1979, the Chief Engineer, Public Works Department (Buildings) issued instructions that soils should be examined by taking trial pits and classified properly to aid designing appropriate foundation for buildings. It was noticed in Audit that these instructions were not followed in 2 cases detailed below and as a result, there had been an unfruitful expenditure of Rs.2.64 lakhs.

5.4.2. The work "Construction of one class room and laboratory for Government Higher Secondary School, Koothanallur" in Thanjavur District was commenced in January 1981, even before technical sanction was accorded by the Superintending Engineer, Buildings Circle, Madurai. While according technical sanction for Rs.2.53 lakhs in February 1981, the Superintending Engineer stated that the foundation details furnished in the estimate were only tentative and that they should be worked out depending upon the nature of soil available at site of work and adopted. However, the foundation was provided as per the technical sanction. The work was stopped in December 1981, when diagonal cracks above plinth beam level and longitudinal and vertical cracks in the masonry wall were noticed. The Professor of Soil Technology, Anna University, Madras, who was consulted (November 1982), pointed out that the soil was fat brownish to black clay and suggested some remedial measures (January 1985), which were

yet (January 1987) to be approved by the Chief Engineer (Buildings). The expenditure of Rs.2.19 lakhs incurred on the building remains unfruitful.

5.4.3. The work of construction of Police Station at Kacharapalayam in South Arcot District, technically sanctioned by the Superintending Engineer, Special Buildings Circle, Salem, was taken up in February 1982 but was stopped in August 1982, as cracks were noticed in the external main load-bearing walls. Further development of the cracks was noticed by the Chief Engineer during his inspection (February 1984). The Superintending Engineer, Planning and Designs Circle, finally concluded (May 1986), based on the various test reports and a detailed analysis, that the vertical cracks in the partially constructed building was due to highly swelling nature of the foundation soil. The Department abandoned the construction of the building as the cost of the remedial measures would be very high and approached Government for writing off the expenditure (August 1986) on the building (Rs.0.45 lakh) so far incurred. Orders of Government were yet to be received (December 1986).

The matter was reported to Government in September 1987; their reply has not been received (December 1987).

5.5. Remodelling Vadamalayan Channel

The work, "Remodelling of Vadamalayan Channel-Lining of bed and sides of channel reach III - L.S.2.0 Km. to 3.0 Km." was awarded to a contractor for Rs.3.40 lakhs and agreement executed

in August 1981. Though, according to the agreement, the site of the work was to be handed over to the contractor within two months of the acceptance of the tender, it was only in December 1981 that the contractor was asked to commence the work. In January 1982, the contractor expressed his inability to undertake the work, since the site had not been handed over to him as per contract. The contract was, therefore, determined in April 1983 without forfeiture of earnest money deposit and the work awarded to another agency for Rs.6.32 lakhs, as against the contract value of Rs.3.40 lakhs offered by the first contractor. The Department stated (March 1982) that the site could not be handed over in time because the officers posted for the work proceeded on medical leave. The delay in the handing over of the site by the Department to the first contractor resulted in an extra financial commitment of Rs.2.92 lakhs, which was avoidable.

The matter was reported to Government in July 1987; their reply has not been received (December 1987).

5.6. Formation of a new tank near Goonimaranapalli Village

The work, "Forming a new tank near Goonimaranapalli Village" in Dharmapuri District, was taken up in June 1973 (without technical sanction which was still awaited), under Drought Prone Areas Programme to provide irrigation facilities for 68 acres of dry lands and completed in June 1978 at a cost of Rs.3.83 lakhs. Eventhough other tanks in the nearby area were reported to have received

copious water and even surplussed, this tank did not receive any water. On representation by the local people, the Revenue officials inspected the tank on various occasions between December 1977 and August 1983 and on finding that the tank did not receive any water even during rainy seasons, requested the Public Works Department to undertake the diversion of the stream from the adjacent valley to provide adequate water supply to the tank. No remedial action had been taken so far by the Public Works Department (March 1987).

Failure to ensure that the tank had adequate source of water and the delay in taking action to divert the water in the stream had resulted in the expenditure of Rs.3.83 lakhs remaining unproductive.

The matter was reported to Government in May 1987; their reply has not been received (December 1987).

TRANSPORT DEPARTMENT

5.7. State Roads

5.7.1. Introduction

Out of the total length of 1,42,466 kms. of roads in the State at the end of March 1986, Government roads constituted 39,679 kms. (28 per cent), maintained by the Highways and Rural Works Department, the rest (1,02,787 kms.) being Panchayat and Panchayat Union roads. During the period 1981-82 to 1986-87 (upto January 1987), Government spent

Rs.4368.31 lakhs towards capital expenditure on formation of roads and Rs.28267.22 lakhs on maintenance of roads. Details of various categories of roads are indicated in Appendix XII.

A review of the expenditure was conducted by Audit during November 1986 to January 1987.

5.7.2. Highlights

- Uniform standards were not adopted by the Department in the execution of original as well as repair works (paragraph 5.7.3).

- The widened portions of road in 2 divisions were covered by seal coat at a cost of Rs.2.14 lakhs, which was unnecessary (paragraph 5.7.4).

- In five works, pavement thickness adopted was in excess of requirement, resulting in an extra expenditure of Rs.0.98 lakh (paragraph 5.7.5).

- The Vellore Highways Division had adopted an unapproved schedule of rate during 1984-85 and 1985-86 for the item 'labour charges for patch work with bituminous pre-mix material', resulting in extra cost of Rs.1.36 lakhs (paragraph 5.7.6).

- Salvaged metal was not used in 37 works in Erode Division resulting in an avoidable expenditure of Rs.3.02 lakhs on the collection of

fresh metal (paragraph 5.7.7).

- The construction of a bridge across Uppanar River (Cuddalore District) was stopped in September 1984 after incurring an expenditure of Rs.0.85 lakh. The work is yet to commence (paragraph 5.7.8).

- There was an avoidable expenditure of Rs.0.72 lakh in cutting berms in Thudiyalur - Chinnathadagam road (paragraph 5.7.9).

- The study and field performance test on a test track, sanctioned by Government of India for Rs.22 lakhs in July 1976 and executed at a cost of Rs.21.18 lakhs, was yet to be conducted (paragraph 5.7.10).

- Periodical maintenance was not undertaken as per cyclic system in practice (paragraph 5.7.11).

- Municipal contribution amounting to Rs.60.54 lakhs for improvement works was not recovered from 2 Municipalities; of this, demand itself was still to be raised for Rs.38.37 lakhs (paragraph 5.7.12).

These points are discussed in detail in the succeeding paragraphs.

5.7.3. Norms and Standards

The original as well as maintenance works were executed upto 1973 in accordance with

the specifications contained in the Detailed Standard Specifications for Roads and Bridges (SSRB) formulated by the State Government. The Ministry of Shipping and Transport (MOT), Government of India, formulated new specifications in 1973. The cost of works carried out as per MOT specifications was more, in view of the adoption of higher standards and stricter quality control. The Department has not so far evolved any norms regarding the specifications to be adopted for the various categories of roads (such as State Highways, Major District Roads (MDR), Other District Roads (ODR) etc.) with reference to traffic intensity, strategic importance, etc. Test check in Audit disclosed that in two cases of roads classified under ODR/MDR, the MOT standards were adopted during execution of widening work, while in one State Highway road the lower specifications viz. SSRB was adopted. Further, even in cases where MOT specifications were adopted, the prescribed quality control tests were not conducted due to want of adequate test facilities. The Chief Engineer stated (June 1987) that clear instructions regarding adoption of MOT standards would be issued shortly and that facilities for testing would also be augmented.

5.7.4. Provision of seal coat over water bound macadam

According to SSRB specifications, over the layer of water bound macadam (WBM), a wearing coat using 12 mm. chips with bituminous binder may be provided and no seal coat is required to be provided over the wearing coat. It was, however, noticed in Audit, that, out of 10 divisions test checked, in 2 divisions alone (Erode and

Coimbatore), where certain roads were widened during 1983-84 to 1985-86, seal coat was given directly over WBM in the widened portions and no wearing coat was provided. This is not in accordance with either MOT specifications or with SSRB specifications. It was stated (December 1986) by the Divisional Engineer (Highways), Coimbatore, that, even if seal coat with 6 mm. chips was done directly over WBM, wearing coat had to be done without any further delay before allowing traffic. The expenditure of Rs.2.14 lakhs incurred on seal coat over WBM surface contrary to specifications was unnecessary. The Chief Engineer stated in January 1987 that seal coat was provided depending upon site conditions, density of traffic and availability of funds. He, however, did not explain why the specifications did not provide for this method if site conditions, density of traffic, etc. warrant such a course of action and why there was no similar practice in other divisions.

5.7.5. Adoption of higher pavement thickness

As per MOT specifications, the pavement thickness for formation of roads is to be determined based on traffic intensity and the tested California Bearing Ratio value of the sub-grade soil, over which the pavement is to be formed. In respect of five road works carried out in Sivaganga, Thanjavur and Tiruchirapalli Divisions, the pavement thickness adopted was found to be higher than the thickness required as per the above norms, calculated by the departmental laboratory, resulting in an extra expenditure of Rs.0.98 lakh. The Chief Engineer stated (May

1987) that it was not possible to reduce the thickness, as only the minimum possible thickness had been provided for each layer of the road (sand, sand gravel mix and WBM).

This reply is not acceptable as the minimum prescribed in the specification for sub base is 10 cm. only and Department had adopted this minimum thickness in the execution of several works.

5.7.6. Adoption of unapproved rate

In May 1983, the Superintending Engineer (Highways and Rural Works), Madras Circle, proposed enhancement of schedule of rate for the item 'labour charges for patchwork with bituminous pre-mix material' from Rs.18.75 to Rs.48.42 per cubic metre. As the rate of Rs.48.42 per cubic metre was considered very high by the Superintending Engineer (Public Works Department), North Arcot Circle, a reduced rate of Rs.45.34 per cubic metre was suggested in August 1983 by the Superintending Engineer (Highways and Rural Works), Madras Circle. This was, however, not approved and included in the schedule of rates. During 1984-85 and 1985-86, Vellore Division executed 54 works adopting the unapproved rate of Rs.48.42 per cubic metre with 5 per cent tender excess, resulting in extra cost of Rs.1.36 lakhs. It may be pertinent to point out that the existing rate of Rs.18.75 per cubic metre was adopted in the schedule of rates in the District from 1985-86 onwards and works also were got executed at this rate.

5.7.7. Non-accountal of salvaged metal

The MOT specifications provide that, whenever renewal of existing road is taken up the existing black top surface should be scarified, the aggregate base loosened and salvaged metal re-used. In Erode Division, it was noticed that the existing metallised surface was picked upto 50 mm. to 100 mm. depth, but the salvaged metal was not stacked and examined for re-use. The entire quantity of fresh metal for the required thickness was collected and paid for. As adopted by the Division in execution of a similar work, 50 per cent of the requirement could have been met from salvaged metal. The extra expenditure in 37 such cases in the Division amounted to Rs.3.02 lakhs.

5.7.8. Construction of a bridge across Uppanar River

The construction of a bridge across Uppanar River near Sonankuppam within Cuddalore Municipal limits was awarded to a contractor at a cost of Rs.42.53 lakhs in August 1983. The period of contract was twenty months upto April 1985. The work was stopped by the Department in two spells for a total period of over 10 months (October 1983 to May 1984 and July 1984 to September 1984) due to public representations (December 1983) to shift the site of the bridge to Singarathope. The contractor had, however, formed an approach road to a length of 400 metres at Cuddalore side at a cost of Rs.0.85 lakh (October 1983). No further work was executed as the contractor demanded (October 1984) enhanced rates for resuming the work.

As the agreement did not provide for price escalation during the currency of contract, the agreement was closed in August 1985. The work had not yet been resumed (March 1987).

The contractor had claimed compensation of Rs.5.48 lakhs towards the loss sustained by him by way of procurement of materials, mobilising labour, etc., and the claims were pending with the Arbitrator. The expenditure of Rs.0.85 lakh incurred on the approach road might also prove to be infructuous due to efflux of time.

5.7.9. Infructuous expenditure on cutting high berms

During inspection, the Superintending Engineer (Highways and Rural Works), Coimbatore, instructed (August 1984) that the high berms in the Thudiyalur-Chinnathadagam road might be cut and side drains provided, as the road was found to be at a level lower than the adjacent fields. Accordingly, two estimates were sanctioned for Rs.61,000 each for cutting the high berms to an average depth of 0.4 m. and providing side drains in the reaches KM 5/0 to 6/0 and KM 6/0 to 7/0. The works were executed in March 1985 and the removed earth was disposed of by conveying to a distance of 2 to 3 kms. The total expenditure incurred was Rs.1.25 lakhs.

The Chief Engineer (Highways and Rural Works), who inspected this road in October 1985, ordered raising of the road level by 0.23 m. with

gravel before metalling and black topping the road, since it was at a lower level than the adjacent fields and the riding surface was completely damaged. Accordingly, four estimates were sanctioned during 1985-86 to raise the road level and to provide side drains afresh. These works were executed by the same contractor during the period from January 1986 to March 1986. Had the raising of the level of the road by 0.23 m. been done in August 1984 itself, the expenditure of Rs.0.72 lakh incurred on cutting the berms (over and above 0.23 m. in March 1985) could have been avoided.

5.7.10. Test track in Highways Research Station

(i) In order to strengthen and improve the existing roads with new specifications of pavement constructions evolved after thorough study in the laboratory and field performance test in a 'test track', Government of India sanctioned (July 1976) Rs.22 lakhs from the Central Road Fund for laying and equipping test track at the Highways Research Station, Madras.

The work was technically sanctioned in 1977-78 for Rs.22 lakhs and laying of test track and other connected works were completed in July/August 1986 at a cost of Rs.21.18 lakhs, but the performance study of the various kinds of pavements constructed had not been conducted so far (July 1987) due to non-installation of the test track instrumentation (costing about Rs.5 lakhs).

Thus, the test track sanctioned by Government of India in July 1976, on which Rs.21 18 lakhs had been spent, was yet to serve the intended

purpose (July 1987).

(ii) The sanctioned estimate for the above work contained a provision for forming and improving the non-testing portion of the track also. However, tenders for forming the test track alone were invited in January 1983. The agreement for the non-testing portion was concluded after two years (January 1985).

Earth with plasticity index value of 6, brought from the same source and lead (Madambakkam - 18 km.), had been used for forming both the test and non-test track portions. While the rate concluded for earth work for the testing portion of test track was Rs.47 per cubic metre, the rate allowed for non-testing portion was Rs.80.10 per cubic metre. Had the tender for non-test portion also been called for and decided along with the test portion, there would have been a saving of Rs.0.25 lakh (at Rs.33.10 per cubic metre for 743 cubic metres).

5.7.11. Maintenance

Expenditure incurred on maintenance works during the period from April 1981 to January 1987 was as follows :-

Year	Expenditure (in lakhs of rupees)
1981-82	4123.89
1982-83	4804.03
1983-84	4357.77
1984-85	4510.32
1985-86	4928.85
1986-87 (upto January 1987)	<u>5542.36</u>
Total	<u>28267.22</u>

For the purpose of renewals of riding surfaces, a periodicity of 12, 5 and 3 years respectively for cement concrete, bituminous and water bound macadam surfaces was reported to be in vogue. The budget allotment for maintenance was made on ad hoc basis (lumpsum) without identifying the works due for maintenance as per the above practice. The cyclic system was not strictly adhered to but maintenance works were taken up according to importance of the roads and necessity. It was seen, as a result of test check, in 10 divisions that the average annual coverage of maintenance of bituminous roads during the years 1982-83 to 1985-86 was 59 out of 741 kms. of 'State Highways Roads', 371 out of 5,286 kms. of 'Major District Roads' and 472 out of 19,665 kms. of 'Other District Roads'. At this rate of maintenance a period of 13 to 42 years would be necessary to cover the cycle.

Instances were also noticed where original works like widening, construction of culverts, etc., had been executed out of the provisions made for maintenance and repairs.

Such diversion of funds had contributed to the delays in taking up renewal works in time.

5.7.12. Recovery of Municipal contribution for improvement works

According to the departmental rules and orders of Government (September 1976), contribution and centage charges at 25 per cent and 7.5 per cent respectively are to be recovered from the Municipal Councils concerned for the improvement of roads (within municipal limits) carried out by the Highways Department. Up to date records showing the improvement works taken up by the Department, demands raised, amount realised and the balance due were not maintained.

During test check of four divisions, it was seen that 8 such works had been executed in Vellore and Erode Divisions. In respect of three major improvement works carried out in Vellore Division between 1975-76 and 1986-87, demands (Rs.9.57 lakhs) were not raised for two works and for the third work a demand of Rs.4.29 lakhs alone was raised in March 1984 against Rs.5.14 lakhs due. In Erode Division, out of five works under execution from 1982-83 onwards, demands for Rs.17.88 lakhs in respect of four works were raised only in August 1985. The demand for Rs.27.95 lakhs was yet (January 1987) to be raised for the remaining work. The amount for which demands were raised was yet (June 1987) to be realised. The Divisional Engineer, Vellore, had stated (January 1987) that the matter would be taken up with higher authorities. In

respect of Erode Division, it was stated (December 1986) that the Municipality had expressed its inability to pay the amount and had approached Government for waiver.

The matter was reported to Government in August 1987; their reply has not been received (December 1987).

HEALTH AND FAMILY WELFARE AND PUBLIC WORKS DEPARTMENTS

5.8. Construction of surgical block in Government Stanley Hospital, Madras

5.8.1. Introduction

In March 1973, Government sanctioned the construction of a 3 storeyed surgical block with air-conditioners in the Government Stanley Hospital, Madras, at a cost of Rs.15 lakhs. During execution, pile foundation was provided to take up 9 storeys and consequently, only ground floor was constructed within the sanctioned amount. This was approved by Government in February 1979. Government sanctioned further construction of floors I to IV at a cost of Rs.68.80 lakhs in October 1978 and floors V to VIII at a cost of Rs.134.07 lakhs in June 1980. Additional amenities and alterations were also sanctioned by them from time to time between July 1981 and January 1985 at a total cost of Rs.102.34 lakhs. Against the total administrative approval for Rs.320.21 lakhs for the work, the expenditure incurred upto March 1987 was Rs.259.02 lakhs.

5.8.2. Delay in execution

In June 1980, Government ordered that the entire work should be completed by 1981-82. In January 1982, while approving the conversion of the ground floor into central sterilisation unit, Government stipulated that the work should be completed in all respects by March 1985. However, items of work such as supply and fixing of doors, windows and aluminium glazing, internal and external water supply and sanitary arrangements, provision of cupboards and work benches etc., for a total value of Rs.88.21 lakhs were done only after March 1985 and the following items of work remained to be completed as in May 1987:-

Serial number	Item of work	Estimated cost (in lakhs of rupees)
1.	Approach road, car park, canteen, rest shed, etc.	30.69
2.	Electrical works (including provision of air-conditioning facilities, lights, fans, etc.)	30.00
3.	Provision of glazed tiles (balance portion)	5.33
4.	Provision of fire-fighting equipment	15.80

The delay in execution of the civil work was mainly due to alterations and additional requirements suggested piecemeal by the Medical Department resulting in extra expenditure of Rs.9.50 lakhs as detailed in paragraph 5.8.3 below. Besides, equipments purchased at a cost of

Rs.319 lakhs between March 1984 and March 1987 remained to be installed and put to use, thus causing delay of over 2 years in making available the facilities to the public.

5.8.3. Extra cost on account of piecemeal proposals

(a) Though pile foundation was provided for construction of 9 floors and the ground floor was completed in March 1977, proposals for construction of floors I to IV and V to VIII were sent by the Director of Medical Education (DME) only in October 1977 and September 1979, sanctioned by Government in October 1978 and June 1980 and the agencies for execution fixed in March 1979 and February 1981 respectively. Due to escalation in cost of material and labour between March 1979 and February 1981, the accepted rates for floors V to VIII were higher than those for floors I to IV and consequently there was an extra commitment of Rs.5.65 lakhs in the construction of floors V to VIII, which could have been avoided had all the eight floors been got sanctioned at the same time and the agency fixed in March 1979 itself.

(b) The original estimates for floors I to IV and V to VIII contemplated mosaic dadoing with chips for internal walls. In March 1981, the Chief Engineer, Buildings (CE) sought sanction of Government for provision of certain amenities to the building at an estimated cost of Rs.59 lakhs, which included Rs.8.87 lakhs for providing white glazed tiles for internal wall finishes in the place of mosaic dadoing with chips. The provision of

white glazed tiles was, however, deleted by Government while sanctioning the estimate in July 1981. In January 1983, the DME renewed the proposal for provision of white glazed tiles at a cost of Rs.26.70 lakhs, as mosaic dadoing was not considered suitable for hospitals in general and in surgical wards and operation theatres in particular. This was accepted by Government in July 1983. Due to increase in the cost of white glazed tiles between March 1979/February 1981, when the contracts for construction of floors I to IV and V to VIII were concluded, and January 1983 (estimate rate for provision of white glazed tiles had increased from Rs.135.50 per sq. metre in March 1981 to Rs.178.85 per sq. metre in January 1983), the department had to incur extra expenditure (Rs.3.85 lakhs for 8,892 sq. metres of glazed tile work done upto May 1987, computed with reference to the rate as in March 1981). The extra expenditure on provision of glazed tiles could have been avoided, had it been provided for in the original estimates themselves.

5.8.4. Excess expenditure on provision of glazed tiles

(a) For provision of glazed tiles for internal walls, as the rate (Rs.36.53 lakhs) obtained in open tender in September 1983 was 43 per cent above the estimate (Rs.25.56 lakhs), the Superintending Engineer addressed (December 1983) the Tamil Nadu State Construction Corporation Limited (TNSCC), a Government Company, to offer their rate. The rate of Rs.36.45 lakhs offered by TNSCC in May 1984 was 20 per cent above the revised estimate of Rs.30.46 lakhs. As there was then considerable

fall in the market rate for glazed tiles, tenders were floated in August 1984 and the lowest offer of Rs.30.85 lakhs of firm 'A' was recommended to Government by CE in November 1984. However, in March 1985, Government ordered entrustment of the work to TNSCC for Rs.36.45 lakhs quoted by them in May 1984, the reasons for which were not on record. Entrustment of the work to TNSCC at the same rate quoted by them in May 1984, without negotiating for a lower rate in view of the fall in market price of glazed tiles, as evidenced by the lower offers received in August 1984, resulted in an extra expenditure (Rs.5.60 lakhs, computed with reference to the lowest offer received in August 1984 and recommended to Government in November 1984).

(b) (i) According to the instructions issued by CE in July 1984, fixing glazed tiles in the case of new construction had to be done over 10 mm. thick base mortar directly over the brick masonry surface of walls. However, in an area of 10,558 sq. metres, plastering was done to a thickness of 12 mm. for mosaic dadooing and glazed tiles were later fixed over the plastered surface with a base mortar of 10 mm. thickness. Plastering the walls in the first instance had resulted in an avoidable expenditure of Rs.0.97 lakh.

(ii) While the standard data for provision of white glazed tiles, approved by CE in July 1984, provided for use of cement mortar in the ratio 1 : 2, a rich mix of 1 : 1 was allowed for 5,418.70 sq. metres out of 10,558 sq. metres resulting in an extra avoidable expenditure of Rs.0.74 lakh.

The CE stated in October 1986 that as the walls had already been plastered with cement mortar of 12 mm. thick, it was technically not feasible to use a lean mix of 1 : 2 cement mortar for fixing glazed tiles over plastered surface. The reply did not, however, clarify as to why the walls were plastered with cement mortar when the walls were to be fixed with white glazed tiles and how it was feasible to fix glazed tiles with the lean mix of 1 : 2 over the remaining area of 5,139.30 sq. metres, which were also initially plastered with cement mortar to a thickness of 12 mm.

The matter was reported to Government in October 1987; their reply has not been received (December 1987).

CHAPTER VI

STORES AND STOCK

6.1. Stores and Stock Accounts

6.1.1. Non-receipt of consolidated Stores and Stock accounts

Government issued instructions in October 1963/August 1967 that the consolidated Stores and Stock accounts for all consumable articles and such of the non-consumable articles as are purchased centrally for distribution to subordinate offices should be prepared annually by the Heads of Departments and rendered to Audit before 30th June (revised as 31st May from the year 1981-82) of the following year. However, as on 31st May 1987, none of the offices handling stores over Rs.5 lakhs a year had sent the accounts for 1986-87. Of these, 14 departments had not submitted the accounts consecutively for six years (1981-82 to 1986-87), five for five years (from 1982-83), three for four years (from 1983-84), seven for three years (from 1984-85) and seven for two years (from 1985-86).

6.1.2. Results of test check

A test check by Audit of Stores and Stock accounts in the field offices of Industries, Horticulture, Agricultural Engineering, Public Health, Oil-seeds and Geology Departments disclosed the following:-

(a) **Physical verification of Stores.-**
Under the financial rules, physical verification of all stores has to be carried out periodically, atleast

once a year, by the head of the office or by an officer nominated by him for the purpose and the discrepancies noticed during such verification have to be regularised by adjustment/recovery of cost from the persons held responsible. It was noticed that the physical verification of Stores had not been conducted in 16 offices (Industries : 4; Agricultural Engineering : 2; Public Health : 9; Geology : 1) during the years 1973 to 1985.

(b) Shortages pending regularisation.-

Shortages of Stores valued at Rs.1.07 lakhs covering 39 items in 8 offices (Industries - 17 items in 3 offices : Rs.0.02 lakh; Horticulture - 22 items in 5 offices: Rs.1.05 lakhs) noticed during physical verifications conducted between 1981 and 1986 were pending regularisation (May 1987).

(c) Free transfers of Stores pending

acknowledgement.- In respect of transfers of Stores, free of cost, between departmental offices, acknowledgements from the consignee offices/depots are to be obtained in support of goods despatched to them and recorded in the Stock accounts. It was noticed that in 42 offices (Horticulture : 16; Agricultural Engineering : 18; Oil-seeds : 8) acknowledgements in respect of 1,529 cases of Stores transfer valued at Rs.63.75 lakhs during the period from 1974-75 to 1986-87, were not obtained from the consignees and recorded in the Stock accounts. In the absence of acknowledgements, it could not be ensured that the quantities, shown as having been despatched to those offices, were actually received and accounted for by them. In 2 offices of the Horticulture Department, acknowledgements had not been sent in respect

of 15 cases of stores (value : Rs.0.34 lakh) received during 1985-86 and 1986-87.

(d) **Equipment/Stores kept idle.-** The certificate course on Rubber Technology, conducted by the Technical Training Centre, Guindy under the Industries Department was discontinued in the year 1982-83. Proposal (February 1983) of the Director of Industries and Commerce for conversion of the certificate course into Diploma Course was not agreed to (December 1983) by the Director of Technical Education, Madras. Subsequent proposal for utilisation of the machinery and equipment available in the Centre for the P.G. course in Rubber Science in the Madras University did not also materialise (August 1984). Government advised (February 1986) that the machinery and equipment might be proposed for transfer to the Technical Education Department when the Technical Training Centre, Guindy would be taken over by that Department from the Industries Department in pursuance of Government orders issued in October 1985. However, orders of Government for the transfer of assets and liabilities of the Centre had not yet been issued (April 1987). Consequently the machinery and equipment purchased at a cost of Rs.4.66 lakhs during 1972-73 to 1983-84 were kept idle for over 4 years (May 1987).

HEALTH AND FAMILY WELFARE DEPARTMENT

6.2. Purchase of electrical stores in Government General Hospital, Madras

During the years 1983-84 to 1986-87 (upto November 1986), consumable electrical

goods were purchased by the Government General Hospital, Madras by obtaining limited quotations from selected firms. The total value of stores purchased and the number of occasions on which purchases were made during 1983-84 to 1986-87 were as follows :-

Year	Total value of purchase (in lakhs of rupees)	Number of occasions
1983-84	5.53	205
1984-85	11.40	278
1985-86	12.12	266
1986-87 (upto November 1986)	8.35	202

According to the financial rules, the stores required for a year were to be estimated as far as could be foreseen and purchases made following open tender system, if the total value exceeded Rs.25,000. By resorting to piecemeal purchases on the basis of quotations obtained from selected firms, the Hospital lost the advantage of competitive rates under the open tender system.

The financial rules also require that the rates obtained for purchase of stores should be checked for their reasonableness with reference to the prevailing market rates. The reasonableness of the rates obtained from the selected firms was neither ensured by the Hospital nor got certified by the Electrical Sub-division of the Public Works Department (PWD),

attached to the Hospital. A test check in Audit disclosed that the rates paid for 14 items of stores during 1986-87 exceeded the PWD schedule of rates for that year by 60 to 550 per cent; the total excess amount was Rs.0.63 lakh.

During 1984-85 to 1986-87 (upto November 1986), 11,670 numbers of '950 Eveready' battery cells were purchased by the Hospital at rates ranging from Rs.6.46 to Rs.7.95, while another hospital in the City had purchased such cells from a co-operative super market at rates ranging from Rs.3.50 to Rs.4.90 only. The extra expenditure worked out to Rs.0.33 lakh on the basis of even the minimum difference in rates.

The matter was reported to Government in October 1987; their reply has not been received (December 1987).

HANDLOOMS, TEXTILES AND KHADI DEPARTMENT

6.3. Irregular purchase of stores by the Sericulture Department

With the object of helping the primary silk co-operative societies to get adequate and regular supply of quality material, the Director of Sericulture (DOS), in his capacity as Registrar of Sericulture Industrial Co-operative Societies, organised and registered 4 Regional Sericulture Societies in December 1985 at Dharmapuri, Coimbatore, Tiruchirapalli and Madurai. The Regional Societies were to procure raw material,

equipment and tools and supply them to the primary societies. In accordance with the telegraphic instructions issued by DOS in January 1986, requiring the subordinate offices to purchase, from the Regional Societies, the tools, equipment, etc., required for implementation of various schemes, 19 Assistant Directors of Sericulture purchased from the 4 Regional Societies, during February and March 1986, special tools, equipment and other material for Rs.18.98 lakhs which included Rs.0.96 lakh towards profit margin of the Societies. In October 1986, DOS withdrew his earlier instructions of January 1986. To an Audit enquiry as to the reasons for withdrawal of the instructions issued in January 1986, the DOS stated (July 1987) that it was considered that it would be prudent to make purchases direct from the Regional Societies only after obtaining specific orders of Government.

According to the orders issued by Government in December 1984, the departments could purchase their requirement of stores, direct from the co-operative societies without calling for tenders, only if the co-operative societies had received share capital assistance from Government and the items of stores were manufactured by them. As the Regional Societies were not given share capital assistance by Government and as the items of stores, equipment and tools supplied by them to the Department were not manufactured by them, but procured in the open market, purchase of the stores, equipment and tools for a value of Rs.18.98 lakhs by the Department direct from the Regional

Societies without calling for tenders was irregular and resulted in foregoing the benefit of competitive rates.

The matter was reported to Government in September 1987; their final reply has not been received (December 1987).

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1. 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.

7.2. Financial assistance

In 1986-87 Rs.687.37 crores were paid as assistance (grant : Rs.603.26 crores; loan : Rs.84.11 crores) by Government to the various Bodies and Institutions (other than Government Companies and Tamil Nadu Electricity Board), the broad category-wise details of which are given below :-

Serial number	Category of Bodies/ Institutions	Amount of assistance paid		
		Grant	Loan	Total
(in crores of rupees)				
1.	Statutory Boards/Authorities	62.32	32.88	95.20
2.	Municipal Corporations/ Municipalities	29.63	24.77	54.40
3.	Other Local Bodies	39.80	0.16	39.96
4.	Co-operative Institutions	59.04	24.59	83.63
5.	Private Educational Institutions	323.27	..	323.27
6.	Other Institutions	89.20	1.71	90.91
Total		603.26	84.11	687.37

7.3. 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 1987, 741 certificates for Rs.2561.44 lakhs were awaited for grants paid up to 30th September 1985. Department-wise and year-wise details of certificates outstanding as on 30th September 1987 are given in Appendix XIII.

7.4. Bodies and Authorities substantially financed by Government grants and loans

According to the provision of Section 14 (1) 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 and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General. For this purpose, a body/authority is deemed to have been substantially financed if the aggregate of grants and loans to it in a financial year was not less than Rs.5 lakhs to end of 1982-83, Rs.25 lakhs from 1983-84 and also 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 and loans of not less than Rs.5 lakhs/Rs.25 lakhs and from which accounts were

not received (September 1987) to determine the applicability of Section 14 (1).

Year	Number of bodies/ authorities which received grants/loans of not less than Rs.5 lakhs/Rs.25 lakhs in a year	Number of bodies/ authorities from which accounts are due
1980-81	776*	35
1981-82	795*	107
1982-83	668*	312
1983-84	220*	346#
1984-85	115*	451#
1985-86	19	547#

Non-receipt of annual accounts was reported to Government in the concerned departments (September to December 1987).

Important points noticed during Audit are given in the succeeding paragraphs.

RURAL DEVELOPMENT DEPARTMENT

7.5. Assistance to Panchayat Unions

There were 384 Panchayat Unions as on 31st March 1987 in the State. Of the 109

* Latest figures adopted.

Includes Bodies/Authorities, the amount of grant paid to which could not be ascertained.

Panchayat Unions which attracted Audit under Section 14 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, local audit of 73 Panchayat Unions, conducted during 1986-87, covered the accounts of the following years:-

Year of account	Number of Panchayat Unions audited
1976-77	3
1977-78	2
1978-79	1
1979-80	3
1980-81	11
1981-82	20
1982-83	40
1983-84	52
1984-85	47
1985-86	18

Important points noticed by Audit during test check are mentioned below : -

A. Revenue

Non-recovery of contribution from temples towards provision of sanitary arrangements

Under the Tamil Nadu Panchayat Act, 1958, during festivals in temples notified by Government, the Panchayat Union concerned has to provide facilities for prevention of epidemic and food adulteration, protected water supply, lighting, accommodation and public convenience, conservancy, etc.

The temple authorities are to pay contribution at rates to be fixed by the District Collector, which could be up to a maximum of 50 per cent of the net expenditure after deducting the income derived by the Panchayat Unions as attributable to the festival. In two Panchayat Unions, contributions amounting to Rs.38,792 were pending realisation from temple authorities for the periods indicated below against each.

Serial number	Name of the Panchayat Union	Temple from which due	Period	Amount Rs.
1.	Ilayangudi	Tharamangalam Arulmigu Muthu Mariyamman Temple	1985-86	9,950
2.	Nagapattinam	Sikkil Temple Ettukudi Temple	1978-86 1980-86	14,952 13,890

B. Schemes

(a) Self-sufficiency Scheme, Phase III (1982-83) - Surplus steel pending disposal

In Alwarthirunagari Panchayat Union, out of 64.576 tonnes of steel purchased in April 1982 for this Scheme from the surplus stock of Panchayat Union, Tiruchendur, 25.006 tonnes valued Rs.1.37 lakhs remained to be utilised at the end of March 1987, as the steel was suitable only for bridge works undertaken by the Highways and Rural Works Department. The unutilised steel was being kept in open in the office premises since April 1982. No action had yet been initiated (October 1987) for its transfer to that Department or disposal.

(b) Rural Landless Employment Guarantee Programme

In the Social Forestry Scheme taken up under Rural Landless Employment Guarantee Programme, 5 lakh seedlings of karuvelam, tamarind and margosa were raised in the Panchayat Union, Tuticorin between October 1985 and March 1986. Of these, 1.34 lakh seedlings withered out even during the process due to inadequate watering. Of the 1.91 lakh seedlings reported as issued for planting, details of planting were available only for 0.61 lakh seedlings, of which only 697 seedlings survived. Details of planting in respect of the balance 1.30 lakh seedlings were not available with the Panchayat Union. The Panchayat Union reported to Audit in May 1987 that the details had not yet been received from the Union Engineer who was being reminded periodically. As against the balance of 1.75 lakh seedlings, the number of seedlings available in stock in September 1986 was only 5,000 and even these were found rooted and hence declared unfit for plantation. The balance 1.70 lakh seedlings also were reported to have been worn out due to shortage of water. A total expenditure of Rs.2.14 lakhs had been incurred on raising and planting the seedlings.

While a major portion of the seedlings withered due to inadequate watering, the survival of the seedlings planted was also very poor, the reasons for which were not on record. The expenditure of Rs.2.14 lakhs incurred for raising and planting the seedlings had, thus, become largely infructuous.

The Panchayat Union did not also maintain proper records to show the number of seedlings raised, seedlings issued for planting, seedlings planted and the survival of the seedlings planted.

C. Loans and Advances

Works Advance

A total amount of Rs.0.59 lakh was advanced to 8 departmental officers in the Panchayat Union, Lathur during March 1983 - May 1985 for 13 road/construction works. Though these works were not taken up, neither was the amount refunded by the officers nor was action taken to recover it from them (April 1987).

D. Miscellaneous

(a) Village Industries

- (i) Finished/Manufactured articles remaining unsold

Finished articles valued Rs.3.30 lakhs manufactured/produced between 1977-78 and 1985-86 in Village Industries Units of 7 Panchayat Unions remained unsold for periods ranging from 1 to 9 years.

- (ii) Outstanding recoveries of credit sales

In 14 Panchayat Unions, Rs.17.20 lakhs, being the value of articles manufactured in Village Industries Units and sold on credit to Government

offices (Rs.0.18 lakh), Local Bodies (Rs.13.34 lakhs) and individuals (Rs.3.68 lakhs), were pending recovery for periods ranging from 1 to 8 years. Of these, the amount pending recovery in one Panchayat Union alone was Rs.6.94 lakhs (March 1987).

(b) Dispensaries/Maternity Centres

(i) Dispensaries without medical officers/medicines

Two medical dispensaries attached to Alwarthirunagari Panchayat Union and one to Thiruthuraipoondi Panchayat Union were functioning without medical officers for periods ranging from 2 to 3 years and without supply of medicines from 1984-85 onwards.

(ii) Completed buildings not put to use

Eight maternity and child welfare centres constructed by Alwarthirunagari and Tuticorin Panchayat Unions between April 1982 and March 1983 under Self-sufficiency Scheme (Phases II and III) at a cost of Rs.6.60 lakhs (Government grant : Rs.3.03 lakhs) were not handed over to Public Health Department and hence were still to be put to use (March 1987).

(c) Delay in completion of works

In 6 Panchayat Unions, construction of one each of school building, maternity and child welfare centre, Veterinary Assistant Surgeon's quarters, ground level reservoir, noon meal centre

and culvert taken up between 1974-75 and 1983-84 remained incomplete (February 1987) although these works were to be completed within 3 to 6 months from the date of commencement. The delays were generally due to default by the contractors but the Panchayat Unions did not enforce the penal provisions of the contracts. The expenditure incurred on these works amounting to Rs.1.14 lakhs had, thus, not been of any benefit to the community.

(d) Idle equipments

In Thiruthuraipoondi Panchayat Union, tractor and trailer purchased during 1967-68 at a cost of Rs.0.30 lakh were lying idle from 1984-85. Though a decision to sell them was taken in April 1984, they were yet to be auctioned (March 1987). In Valparai Panchayat Union, a road roller purchased in December 1981 for Rs.1.83 lakhs remained unutilised from November 1982 for want of a driver.

Agricultural implements (rock blasting unit and power drillers), purchased between 1968-69 and 1969-70 at a total cost of Rs.0.50 lakh in 3 Panchayat Unions, were lying idle for periods ranging from 3 to 17 years. In 2 cases, proposals initiated by the Panchayat Unions in 1982 and 1984 for disposing the equipment were still under consideration (March 1987) at different levels.

e) Outstanding recoveries of tractor/road roller hire charges

In 3 Panchayat Unions, Rs.0.58 lakh were pending recovery, for periods ranging from

1 to 5 years, towards hire charges of tractor/road roller from Local Bodies/Highways Division/ Panchayats/State Seed Farm/individuals.

(f) Excess issue of materials to contractors

In 8 Panchayat Unions, 1,023 bags of cement were issued to contractors for works in excess of requirement and recovery of cost thereof was made at the normal issue rate instead of double the issue rate as provided for in the rules, resulting in short realisation of Rs.0.19 lakh. Government stated (November 1987) that the Panchayat Unions concerned had been instructed to collect the dues early.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

TAMIL NADU SLUM CLEARANCE BOARD

7.6. Slum Clearance/Improvement Scheme

7.6.1. Objectives and aims

The Tamil Nadu Slum Areas (Improvement and Clearance) Act, 1971 (TNSA Act) was enacted, with the object of clearing all slums found unfit for human habitation, removal of unhygienic and insanitary conditions prevailing in slums, provision of better accommodation and improved living conditions for slum dwellers and certain basic needs, such as drinking water supply, street lighting, storm water drains, sewer lines, etc., as well as promotion of public health generally.

As per a socio-economic survey conducted in 1971, there were 1,202 slums consisting of 87,210 huts in which 1,63,804 families lived in unhealthy surroundings in Madras City. 776 slums consisting of 1,82,807 families were identified in 45 other towns of the State. Under the TNSA Act, areas, where clearance or improvement works are to be taken up, are to be identified first and declared as 'slum areas' by a notification to be issued by Government for this purpose.

7.6.2. Organisational set up

Tamil Nadu Slum Clearance Board (TNSCB) is the executive authority formed under the Act to perform the various functions contemplated therein. The Engineering Branch of the Board, headed by a Chief Engineer assisted by two Superintending Engineers, is responsible for planning, designing and execution of works. A Financial Adviser and Chief Accounts Officer is also functioning to aid and advise the Board on matters of Finance and Accounts and is responsible for the Accounts and Budget of the Organisation and also Internal audit. In addition, Chief Revenue Officer and Estate Officers are responsible for the collection of revenue and the Vigilance Officer for eviction proceedings. The Chairman is in overall charge of the Board.

7.6.3. Funding Pattern

The accounts of the Board comprise receipts and payments out of

- (i) grants from the Government of Tamil Nadu

(including grants from the World Bank for the implementation of MUDP*I and II routed through Tamil Nadu Government),

(ii) grants from the Government of India,

(iii) loans from HUDCO** and

(iv) receipts by way of rent collections and hire purchase instalments.

The grants received from the State Government and Government of India and loans received from HUDCO for the implementation of the Scheme during the period from 1980-81 to 1985-86 are given in Appendix XIV.

7.6.4. Highlights

Important points noticed in the course of Audit conducted during March 1987 to May 1987 are as follows :-

- The administrative expenditure incurred by the Board exceeded the supervision charges derived from works outlay by Rs.296.92 lakhs during the period from 1980-81 to 1985-86 (paragraph 7.6.5).

* MUDP - Madras Urban Development Project

** HUDCO - Housing and Urban Development Corporation

- There was an avoidable expenditure of Rs.1 lakh on excess consumption of bitumen (paragraph 7.6.6).

- Delay in allotment/non-allotment of tenements resulted in loss of rent of Rs.1.73 lakhs (paragraph 7.6.7).

- A sum of Rs.199.09 lakhs was pending recovery towards rent and hire purchase instalments overdue at the end of March 1986; year-wise particulars of outstandings were not available with the Board (paragraph 7.6.8).

These points are discussed in detail in the following paragraphs.

7.6.5. Excessive Administrative Expenditure

As per orders of Government (February 1970) the administrative expenditure of the Board was required to be met from the supervision charges levied at 12½ per cent on all works outlays except HUDCO Schemes and 10 per cent in respect of HUDCO Schemes. It was noticed in Audit that the administrative expenditure exceeded the supervision charges by Rs.296.92 lakhs during the period from 1980-81 to 1985-86 as detailed below :-

Year	Supervision charges earned	Administrative expenditure (in lakhs of rupees)	Excess
1980-81	65.38	71.84	6.46
1981-82	44.22	93.30	49.08
1982-83	48.09	104.18	56.09
1983-84	45.67	105.96	60.29
1984-85	66.24	125.89	59.65
1985-86	<u>75.96</u>	<u>141.31</u>	<u>65.35</u>
Total	<u>345.56</u>	<u>642.48</u>	<u>296.92</u>

The excessive expenditure on establishment eroded the funds allotted for the implementation of the Schemes.

7.6.6. Avoidable expenditure on excess consumption of bitumen

(i) The work 'Special repairs to the existing road at Vyasarpadi' sanctioned by the Chief Engineer, TNSCB, in 1984-85 for Rs.10.47 lakhs contemplated patch works over the existing asphaltic concrete surface, providing two layers of bituminous coated macadam of 7.5 and 5 cm. each. The work was awarded on tender and the agreement provided for tack coat at 9.76 kg. per 10 sq. metre. As the requirement of bitumen for providing tack coat over the existing bituminous surface was only 5 kg. per 10 sq. metres, the adoption of 9.76 kg. per 10 sq. metres was incorrect. As per Ministry of Transport (MOT) specification, tack coat was not necessary at all when bituminous macadam was laid over coated macadam surface. Due to excessive provision of bitumen in the sanctioned estimate and

agreement, there was avoidable expenditure of Rs.0.46 lakh on 15.280 tonnes, being the excess consumption of bitumen.

(ii) Tack coat need not be applied before laying bituminous pre-mixed materials, as per MOT and SSRB specifications, over a newly formed bituminous base. However, in 23 works, tack coat was applied over newly laid 'bituminous coated macadam' before spreading another bituminous layer (surface dressing) entailing wasteful expenditure of Rs.0.54 lakh.

7.6.7. Loss of revenue due to delay in allotment/non-allotment of tenements

(i) The construction of 96 tenements in K.K. Nagar Phase III was completed in July 1984. The tenements were, however, allotted in June 1985; no reasons for the delay were available on record. The delay in allotment for the period of 10 months (from August 1984 to May 1985) had resulted in a loss of revenue of Rs.0.19 lakh at Rs.20 per tenement per month.

(ii) The Board, in May 1984, decided to construct the first floor over its Divisional Office building at T.P. Chatram at an estimated cost of Rs.2.45 lakhs, anticipating a recurring rental income of Rs.6,400 per mensem. The building, completed in March 1985, had not been rented out till March 1987. The first floor was occupied by a newly sanctioned divisional office since April 1987. There was a loss of revenue of Rs.1.54 lakhs by way of anticipated rent during the period from April

1985 to March 1987 and the objective of remunerative enterprise was not achieved.

7.6.8. Arrears in collection - Rental and Hire Purchase Schemes

As per the Demand, Collection and Balance statement to end of March 1986, the position of arrears in collection in respect of rental and hire purchase schemes was as follows:-

Estate Office	Total demand	Collection during 1985-86	Balance as on 31st March 1986	Percentage of collection
	(in lakhs of rupees)			
I	47.28	20.72	26.56	44
II	93.76	26.41	67.35	28
III	46.14	24.25	21.89	53
IV	56.48	36.08	20.40	64
V	54.94	38.26	16.68	70
VI	62.97	16.76	46.21	27
	<u>361.57</u>	<u>162.48</u>	<u>199.09</u>	

The following points were noticed in Audit:-

(i) Year-wise details of arrears were not available with the Estate Officers or with the Board.

(ii) Out of the arrears of Rs.199.09 lakhs, Rs.69.73 lakhs related to arrears due from Fishermen colonies under the control of Estate Officers I and II.

(iii) There was unauthorised occupation in 138 cases in Estate Office VI and 160 cases in Estate Office III and they were yet to be regularised (June 1987).

(iv) In respect of 564 fire proof sheds in Vyasarpadi Scheme, the arrears of rent outstanding to end of March 1986 were Rs.3.16 lakhs. The tenants refused (February 1986) to pay the rent and demanded storeyed tenements in lieu of the sheds. The Board had not taken any further action towards collection of arrears of rent.

7.6.9. Evaluation

No evaluation study of the implementation of Slum Clearance Programme has been undertaken so far to assess the actual achievements vis-a-vis the targets, reasons for shortfall, if any, and the remedial measures to be undertaken to overcome any shortcomings noticed.

The matter was reported to Government in August 1987; their reply has not been received (December 1987).

7.7. Statutory Boards

The Audit of the accounts of Tamil Nadu Water Supply and Drainage Board has been entrusted to the Comptroller and Auditor General of India under Section 19 (3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Audit of the accounts of Madras Metropolitan Water Supply and Sewerage Board is conducted under Section 14 (1) of the said Act. Important points noticed in Audit of these Boards are given in the succeeding paragraphs.

**MUNICIPAL ADMINISTRATION AND WATER SUPPLY
DEPARTMENT**

TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD

**7.8. Bodinaickanur Water Supply Improvement
Scheme - Short recovery of cost of
steel**

The Scheme for improvement of water supply in Bodinaickanur Municipality in Madurai District, sanctioned by Government in March 1981, provided for the construction of two service reservoirs of 12 lakh litres capacity each, one at the high level zone and the other at the low level zone (estimated cost : Rs.20 lakhs). Tenders were invited in November 1981 for both the reservoirs. In the tender schedule, issue rate for mild steel rods was given as Rs.5,600 per tonne and the tenderers were given the option to quote for their own design. The lowest tender for the design offered by contractor was accepted (February 1982) for both the reservoirs at a cost of Rs.8.07 lakhs each. While concluding the agreements, the issue rate was, however, indicated as Rs.5,400 for mild steel rods and Rs.5,600 for R.T. steel rods per tonne.

(i) The agreement for the accepted design was based on a consumption of 47.3 tonnes of mild steel. In respect of the reservoir at the high level zone, the contractor was issued 36.304 tonnes (mild steel : 16.218 tonnes; R.T. steel: 20.086 tonnes) of steel. While finalising the bill, the Board computed that 20.086 tonnes of R.T. steel would be equivalent to 26.438 tonnes of mild steel

and assessed the total consumption of steel as 42.656 tonnes (16.218 + 26.438) and recovered the cost of balance 4.644 tonnes (47.3 - 42.656 tonnes) of steel towards short utilisation. As the contract value was based on the consumption of 47.3 tonnes of mild steel, computation that 20.086 tonnes of R.T. steel was equivalent to 26.438 tonnes of mild steel for the purpose of recovering the cost of steel was not correct. The short recovery of cost for 6.352 tonnes (26.438 - 20.086 tonnes), owing to adoption of formula for consumption of steel and for working out the unutilised quantity of steel, worked out to Rs.0.36 lakh at the agreement rate of Rs.5,400 per tonne plus storage charges at 5 per cent.

In addition, there was a short recovery of Rs.200 (plus storage charges at 5 per cent) per tonne due to erroneous recording of the issue rate of steel in the agreement as Rs.5,400 instead of Rs.5,600 per tonne. The amount of short recovery for 27.214 tonnes would work out to Rs.0.06 lakh. The total recovery to be effected for the reservoir at high level zone was Rs.0.42 lakh.

(ii) The agreement for the construction of reservoir at the low level zone provided for issue of R.T. steel and recovery therefor was to be regulated as per formula prescribed (April 1980) by the Chief Engineer of the Board. The value, as per this formula, of 21.878 tonnes of R.T. steel issued for this reservoir worked out to Rs.1.77 lakhs. However, a recovery of Rs.1.49 lakhs only had been made and the balance amount of Rs.0.28 lakh was still to be recovered.

Thus, in the construction of the 2 service reservoirs, there was a short recovery of Rs.0.70 lakh.

The matter was reported to Government in May 1987; their reply has not been received (December 1987).

7.9. Tuticorin Drainage Scheme

In order to provide drainage facilities immediately to the thickly populated area (Zone IV) of Tuticorin Municipality, Government sanctioned in June 1972 the Tuticorin Drainage Scheme - Phase I at a cost of Rs.150 lakhs. The different components of the Scheme were technically sanctioned by the Chief Engineer of the Board, between 1975-76 and 1982-83 for Rs.143.84 lakhs. During execution, the scope of the Scheme was enlarged to cover certain areas of Zone I also, in addition to Zone IV.

A revised estimate for Rs.208 lakhs, sent to the Chief Engineer in August 1984, was pending approval (March 1987). An expenditure of Rs.202.72 lakhs was incurred on the Scheme to end of May 1987. The increase in cost of the work was mainly due to the coverage of part of the areas in Zone I, increase in length of pumping mains and provision of additional pump sets and pumping stations. The Scheme was completed in October 1984 and handed over to the Municipality in February 1985.

The following points were noticed during a review of the Scheme in February-March 1987:-

(i) The Scheme contemplated 5,279 house service connections. However, the Scheme, as completed, provided for only 4,665 house service connections. Of them, only 301 connections had so far (June 1987) been given by the Municipality to individual houses. Thus, even though the Scheme was completed in October 1984, the benefits thereof were yet to accrue to a large section of the public.

(ii) The estimate for the work of laying and jointing of stoneware pipes/GI pipes and specials and providing other appurtenances in main and branch sewers was sanctioned for Rs.44.17 lakhs in 1975-76. There was no response to four tender calls between January 1976 and May 1976. Tenders were not invited till May 1977 as sufficient quantity of GI pipes was not available. In response to the fifth call in May 1977, two tenders were received for Rs.6 lakhs and Rs.4.95 lakhs, against the estimated value of Rs.3.97 lakhs. Both the tenders were rejected in June 1977, as the percentages of tender excess over the estimated value were high - 51 and 24 respectively. Thereafter, the work was split into 2 reaches (a) from flush tank near MH 31 to MH 18 and (b) from MH 18 to screen well and its branches including rider sewers. Tenders were again invited in July 1977 for both the reaches and the work for the first reach was entrusted to a contractor for Rs.1.09 lakhs in September 1977. The single tender received for the second reach for Rs.5.19 lakhs was rejected in August 1977 as the percentage (81) of tender excess was very high. The estimate of the work for this reach was revised by the Division in December 1979 from Rs.3.97 lakhs to

Rs.6.18 lakhs on the ground that the subsoil in Tuticorin area was of fine sand leading to abnormal sand flow and laying of sewers had to be done under water. Tenders were invited after splitting up the work and the works were entrusted to various contractors between 1980 and 1984 and the works completed in March 1984. It was observed that the Board was fully aware of the existence of high ground water level in Tuticorin as early as 1968 itself when it undertook an investigation for providing a comprehensive drainage scheme. However, this was not taken into account while preparing the estimate originally in 1975-76. The defective preparation of estimate resulted in escalation in cost of work by about Rs.2.72 lakhs (compared to tender value received in July 1977), besides an avoidable delay of more than 7 years in the execution of work.

(iii) The agreement rate for the work of construction of sewage lagoon provided for excavation of earth, forming bund and consolidation with power roller. A quantity of 53,051 cubic metres of earth was excavated. Only a quantity of 2,493 cubic metres of earth was used for bund formation for which a separate payment was made. As consolidation by power roller was not done for the entire quantity of earth excavated, the payment of composite rate for excavation was not correct. Failure to deduct the element of consolidation charges from this rate had resulted in an overpayment of Rs.0.83 lakh.

(iv) (a) The contracts for the work of laying and jointing stoneware pipes and specials

in 6 reaches were awarded to a contractor between April 1980 and August 1981. Due to slow progress of work, the contracts were terminated between February and June 1982, with the stipulation that the extra cost involved in getting the work done through other agencies would be recovered from him. The extra cost of Rs.1.87 lakhs involved in getting the work completed had not yet been recovered (March 1987) from the original contractor.

(b) The work of laying and jointing of stoneware and cast iron pipes and specials and providing other appurtenances was awarded to a contractor in June 1977. As the contractor did not complete the work within the stipulated time of six months, the contract was terminated (August 1979) with the stipulation that the extra cost involved would be recovered from him. The remaining work was entrusted to other agencies and got completed in March 1984. Out of the extra cost of Rs.0.87 lakh, which was recoverable, a sum of Rs.0.03 lakh only was recovered. The balance amount of Rs.0.84 lakh was yet to be recovered (March 1987) from the original contractor.

(v) The Scheme was completed in February 1984 and was handed over to the Tuticorin Municipality only in February 1985 due to the delay in obtaining high tension electric supply to the pumping station. The Board, however, continued to maintain the Scheme for want of sanction of maintenance staff in the Municipality. Expenditure of Rs.2.70 lakhs incurred on maintenance up to January 1987 was yet to be paid by the Municipality.

The matter was reported to Government in July 1987; their reply has not been received (December 1987).

7.10. Extra expenditure in purchase of PVC pipes

In order to conclude an annual rate contract for the supply of various sizes of PVC pipes during the year 1986-87, the Tamil Nadu Water Supply and Drainage Board invited tenders in February 1986. While considering the tenders, the Board resolved in May 1986 to hold negotiations with the firms offering pipes with ISI markings, so as to get maximum price advantage. Accordingly, all the tenders were legally and literally closed and the Board approved in July 1986 the negotiated (on 2nd June 1986) rates in favour of ten firms. Eight out of the ten firms intimated on 9/11th August 1986 their inability to supply the pipes at the negotiated rates, as the price of resin (raw material) had increased and demanded enhancement of rate by 6 per cent. However, orders for the supply of the pipes were issued by the Board on 14th August 1986 as the firms had agreed to the rates during negotiations. The firms did not commence supplies but demanded an increase of 6 per cent in the rates. This was not accepted by the Board.

Based on fresh tenders invited in December 1986, the Board ordered in January 1987 the supplies and procured 16.08 lakh metres of PVC pipes of different sizes for Rs.232.44 lakhs against the cost of Rs.208.80 lakhs as per the earlier negotiated rate.

The delay in finalising the tenders, received in March 1986, till August 1986 resulted in an extra expenditure of Rs.23.64 lakhs in the procurement of pipes.

The matter was reported to Government in September 1987; their reply has not been received (December 1987).

7.11. Reconditioning the Siruvani Ghat Road

The work of 'Reconditioning the Siruvani Ghat Road from the foot of the hills to inter-state border', technically sanctioned in December 1982 by the Board, contemplated inter alia carrying out patch work and laying one coat of B.T. surface for the entire length of the road which was reported to be badly damaged due to heavy rains.

For renewal of surface dressing and patch work, the Board adopted the specification meant for initial formation of new road, instead of the specification meant for renewal of existing road and executed the work accordingly. The specification for initial formation involved use of more quantity of metal and bitumen (for surface dressing 2.7 cubic metres of metal instead of 2.5 cubic metres of metal per 100 sq. metres and 1 kg. of bitumen instead of 0.5 kg. per sq. metre and for patch work 2.19 kg. of bitumen instead of 1.1 kg. per sq. metre).

Due to non-adoption of specification relevant to the nature of work and adoption of a richer and costlier specification, excess quantities

of metal and bitumen were used resulting in an avoidable extra expenditure of Rs.0.65 lakh.

The matter was reported to Government in July 1987; their reply has not been received (December 1987).

7.12. Construction of Office Building at Palayamkottai

The work order for the construction of the Board office at Palayamkottai, hitherto functioning in private accommodation at an annual rent of Rs.0.33 lakh, was issued to a contractor in November 1979 for Rs.3.44 lakhs. The work was to be completed within six months (by August 1980) from the date of handing over of site in February 1980.

The estimate as well as the agreement provided for filling in the basement with excavated earth. The quantities of earth to be excavated and required for filling in the basement were estimated at 130 and 293 cubic metres respectively, but the agreement did not specify the source from which the balance quantity of earth for filling was to be conveyed. As the excavated earth was not sufficient for filling, the Department instructed the contractor in April 1980 to convey to the work site the surplus earth available elsewhere, at the current schedule of rates. Though this item of work was contingent to the main work, the contractor refused (April 1980) to execute it and also stopped the main work (June 1980) after executing work for a value of Rs.0.71 lakh.

Meanwhile, the Board executed the work of filling in basement and requested (July 1980) the contractor to complete the construction. The contractor did not turn up in spite of repeated reminders and the Board terminated (August 1980) the contract at the risk and cost of the contractor and also forfeited the Earnest Money Deposit (EMD) and security deposit on account of non-resumption of work.

The remaining work was executed through another agency at a cost of Rs.5.04 lakhs. When the demand for Rs.2.31 lakhs, representing the increased cost of balance work over his quoted value, was made on the contractor, he went in for arbitration (January 1982).

The arbitrator concluded in March 1983 that there was no neglect on the part of the contractor and that the order of termination of the contract was not valid, on the ground that the Board had completed filling in basement work only in July 1980 and there was hardly one month left for completing the balance work in all respects as per the terms of agreement. He also ordered the refund of forfeited EMD and security deposit.

Omission to indicate in the agreement the source for the balance quantity of earth required for filling in the basement had resulted in the extra avoidable cost of Rs.2.31 lakhs.

The matter was reported to Government in August 1987; their reply has not been received (December 1987).

MADRAS METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD**7.13. Extra expenditure on the purchase of truck chassis**

The Madras Metropolitan Water Supply and Sewerage Board placed orders in May 1983 on a firm for supply of 2 TATA truck chassis at a cost of Rs.3.25 lakhs for water supply to noon meal centres in Madras City for which funds sanctioned by Government had already been paid to the Board. The purchase order provided for an advance payment of 98 per cent cost against pro forma invoice. It also stipulated a deduction of Rs.1.20 lakhs being excess sales tax refundable by the firm (in respect of an earlier transaction) consequent on registration of the Board as a dealer under the Sales Tax Act with retrospective effect entitling it to concessional rate of Central Sales Tax/Tamil Nadu General Sales Tax from that date.

The firm did not effect the supply but stated in December 1983 that the entire amount of sales tax collected by it in the earlier transaction was paid to Bihar Government and excess tax would be refunded as soon as the tax assessment for the relevant year was finalised by the tax authorities. The Board decided (April 1984) to cancel the purchase order and to procure the chassis from other sources. The firm refunded in October 1984 the excess sales tax, pending finalisation of assessment. Based on the rate quoted by the firm in November 1984, the Board placed orders again with the firm in February 1985 for the supply of 2 truck chassis at a cost of Rs.3.49 lakhs. Advance payment

was made in October 1985. The supply was completed in March 1986 at the then ruling cost of Rs.3.83 lakhs, including escalation in cost between February 1985 and date of supply.

The refund of sales tax emanated on account of retrospective registration of the Board under the Sales Tax Acts and, by linking the refund with the supply order placed in May 1983, the supply of the two chassis was delayed by about 3 years resulting in an avoidable extra expenditure of Rs.0.58 lakh.

The matter was reported to Government in August 1987; their reply has not been received (December 1987).

CHAPTER VIII

COMMERCIAL ACTIVITIES

8.1. General

There are 6 departmentally managed Commercial and quasi-Commercial Undertakings in the State. The results of the working of these Undertakings are compiled annually by preparing pro forma accounts outside the general accounts of Government. The pro forma accounts of these Undertakings for 1986-87 are yet to be compiled (October 1987). A summary of the financial results of the 6 Undertakings is given in Appendix XV. The results are based on the latest pro forma accounts of these Undertakings received in Audit since last report and certified/pending certification (October 1987).

Details of the Undertakings, whose pro forma accounts are in arrears (October 1987), are also given in Appendix XVI. The delay in finalising the accounts was brought to the notice of the concerned Department/Government in July 1987 and their reply has not been received (October 1987).

8.2. Cinchona Department, Udagamandalam

8.2.1. Introduction

The Cinchona Department was set up in 1860 when cultivation of cinchona trees was taken up in the Nilgiris District. In 1926, cultivation was extended to the Anamallais. The Department also established two Factories, one at Neduvattam

for extraction, refining and packing of medicinal and other essential oils, and another at Anamallais for manufacture of quinine products from the bark of cinchona trees.

8.2.2. Organisational set up

The Department is managed by a Governing Body with the Secretary to Government (Forest and Fisheries Department) as its Chairman and four other members along with the Director of the Department as its Member-Secretary.

The accounts of the Department are subject to Audit by the Comptroller and Auditor General of India under the provisions of Section 13 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The Department has the following activities as on date (September 1987) :-

- (i) Cultivation of cinchona and other medicinal and aromatic plants;
- (ii) Extraction and marketing of cinchona products, diosgenin and caffeine; and
- (iii) Extraction and sale of medicinal and other essential oils.

With effect from 1st April 1983, the Department undertook manufacture and sale of tooth powder under the Chief Minister's Scheme for supply of tooth powder to rural children.

8.2.3. Audit Coverage

The review covers the following activities carried out by the Department, during the period 1983-84 to 1985-86 :-

State Plan Schemes

- (i) Cultivation of cinchona and manufacture of quinine products;
- (ii) Cultivation of medicinal and aromatic plants and extraction of oil therefrom; and
- (iii) Scheme for manufacture of caffeine from tea waste.

Centrally Sponsored Schemes

- (i) Cultivation of dioscorea and manufacture of diosgenin under Western Ghat Development Programme;
- (ii) Cultivation of geranium under Western Ghat Development Programme; and
- (iii) Cultivation of java citronella grass under Hill Area Development Programme.

The Central Schemes were later transferred (1985-86)

to State Plan Schemes.

8.2.4. Highlights

- Even after spending a sum of Rs.38.52 lakhs on consolidation (gap filling) during the Fifth Plan period, the Department could not improve the stockings (plant population) of cinchona trees. This, coupled with the low yield in cinchona bark harvesting and low extraction efficiency, resulted in a loss of Rs.36.85 lakhs. The Government has approved replantation in 232.44 hectares having a stocking rate of less than 5 per cent with a capital value of Rs.88.06 lakhs (paragraphs 8.2.6.1.1 to 8.2.6.1.5).

- On account of the abnormal delay in completion of modernisation work of Quinine Factory, started in June 1979, the Department had to forego an additional envisaged yield valued at Rs.4.57 lakhs during the years 1981-82, 1985-86 and 1986-87 (paragraph 8.2.6.1.7).

- There was significant shortfall in the harvest of green leaves from medicinal and essential oil plants and distillation of oils therefrom involving loss of revenue to the tune of Rs.44.11 lakhs during the three years ended 1985-86 (paragraphs 8.2.6.2.2 and 8.2.6.2.3).

- The capacity utilisation of the caffeine plant during 1982-83 and 1983-84 was only 36 and 40 per cent. The Department suffered a loss of Rs.2.94 lakhs on production and sale of caffeine during those years. On account of improper

assessment of steam requirement and delay in installation of boiler, the plant remained idle from April 1984 to August 1987 (paragraph 8.2.6.3.2).

- Cultivation of dioscorea for manufacture of diosgenin with an investment of Rs.112.04 lakhs under Western Ghat Development Programme has not been successful (paragraph 8.2.7.1).

- In respect of the planting programme the yield obtained fell short of the standards both in terms of green tubers harvested and the dry tubers obtained on hydrolisation. There was abnormal delay in construction of factory building for production of diosgenin and in the absence of any provision in the agreement with the suppliers, the performance of the plant supplied and erected in 1983 has not been proved. The plant has not been commissioned so far; the total investment of Rs.24.04 lakhs remained unproductive (paragraph 8.2.7.1.5).

- Geranium cultivation undertaken by the Department at a cost of Rs.149.74 lakhs under Western Ghat Development Programme was not successful with a likely loss of Rs.32.27 lakhs as against a surplus of Rs.15.36 lakhs envisaged in the Project report (paragraph 8.2.7.2).

- The cultivation of Java citronella during the seven years ending 1986-87 resulted in a net loss of Rs.4.95 lakhs (paragraph 8.2.7.3.2).

The working results of the Department and the implementation of the various schemes are discussed below.

8.2.5. Financial Outlay and Working results

8.2.5.1. Budget grants and Expenditure

The Budget grants and actual expenditure for the three years 1983-84 to 1985-86 under the broad heads of account are indicated below :-

Heads of Account (320.C.AF)	1983-84		1984-85		1985-86	
	Final grant	Actual expen- diture	Final grant	Actual expen- diture	Final grant	Actual expen- diture

(in lakhs of rupees)

I Non-Plan	216.41	217.47	289.98	290.54	347.93	347.88
II State Plan	37.43	37.46	31.36	31.38	42.09	42.16
Central Sector	22.94	22.93	26.17	25.94	-	-

Note : All the schemes under Central Sector have been transferred to State Plan Schemes from 1985-86.

8.2.5.2. Working results

The working results of the Department for the three years ended 31st March 1986 are summarised below :-

		1983-84	1984-85	1985-86
		(in lakhs of rupees)		
Sales		74.74	107.97	161.68
Internal consumption/Transfer		<u>33.81</u>	<u>44.80</u>	<u>51.51</u>
	A	<u>108.55</u>	<u>152.77</u>	<u>213.19</u>
Manufacturing cost		87.71	128.41	156.67
Trading expenses		<u>7.25</u>	<u>10.94</u>	<u>14.58</u>
		94.96	139.35	171.25
Add : Decretion in stock		<u>9.74</u>	<u>11.33</u>	<u>36.95</u>
	B	<u>104.70</u>	<u>150.68</u>	<u>208.20</u>
Operating profit	(A-B=) C	3.85	2.09	4.99
Miscellaneous receipts	D	<u>10.47</u>	<u>2.77</u>	<u>6.33</u>
	(C+D=) E	14.32	4.86	11.32
Less : Administration expenses	F	<u>13.84</u>	<u>1.38</u>	<u>1.94</u>
Profit before charging interest on				
Capital	(E-F=) G	0.48	3.48	9.38
Interest on Capital	H	<u>35.26</u>	<u>42.46</u>	<u>51.46</u>
Net loss for the year	H-G	<u>34.78</u>	<u>38.98</u>	<u>42.08</u>

The activity-wise operating profits (+) earned/loss (-) suffered by the Department (other than Central Schemes) during these three years are indicated below :-

		1983-84	1984-85	1985-86
		(in lakhs of rupees)		
Medicinal and essential oils	(+)	0.05	(-) 4.55	(-) 4.56
Quinine products	(-)	2.03	(-) 0.22	(+) 0.11
Caffeine	(-)	1.64	(-) 0.07	-
Tooth powder	(+)	7.47	(+) 6.32	(+) 9.42
Other products		<u>-</u>	<u>(+) 0.61</u>	<u>(+) 0.02</u>
Total	(+)	<u>3.85</u>	<u>(+) 2.09</u>	<u>(+) 4.99</u>

For want of demand, manufacture of quinine products was suspended from April 1982 to January 1986. The Department has been incurring heavy losses on extraction and sale of medicinal oils on account of the increase in cost of production with no corresponding increase in the selling prices. The Department is making profit in the sale of tooth powder which is exclusively meant for free distribution by Government to rural children and purchased by Government at pre-determined price.

4.2.6. State Plan Schemes

As on 31st March 1986, the Department was having 5,966 hectares of land for cultivation of cinchona and other medicinal plants both in Namallais and Nilgiris, out of which planting was done only in an area of 4,264 hectares. The balance unutilised land represented swamps, roads, buildings and uprooted area. The uprooted areas that remained unutilised, as on 31st March of 1984, 1985 and 1986 were 354.40 hectares, 245.96 hectares and 236.32 hectares respectively.

4.2.6.1. Cinchona Plantations

4.2.6.1.1. **Planting Programme.-** The bark of cinchona tree is considered ripe for harvesting by coppicing' (periodical cutting) in the 11th year and 21st year of planting. Trees are pruned in the 31st year. During the Fifth Five Year Plan (1974-75 to 1978-79), the Department did not undertake new planting. However, it consolidated an area of 624 hectares by gap filling

at a cost of Rs.38.52 lakhs. Even after spending this amount on consolidation, there was no improvement in the average 'stocking' (plant population) of trees. A test check in Audit revealed that the average stocking, as on 31st March 1986, in respect of 522.64 hectares of consolidated area was 26.6 per cent only.

As the technique of gap filling did not yield the desired results, the Department decided to plant an area of 789 hectares at a cost of Rs.137.80 lakhs during the Sixth Five Year Plan period after uprooting trees in sparsely dispersed areas. As against this, it undertook new planting only in 563 hectares at a cost of Rs.105.38 lakhs. The shortfall (29 per cent) was due to suspension of planting with effect from 1984-85 in view of accumulation of stock of quinine products. Government stated (November 1987) that in view of the improvement in the world market for quinine products in 1986-87, it had ordered the Department to take up fresh plantations.

8.2.6.1.2. Overaged trees.— As on 31st March 1986, out of the holding of 2,141.83 hectares under cinchona plantation, 1,131.44 hectares consisted of overaged trees (i.e. trees over 30 years old) with a capital value of Rs.37.25 lakhs. As against the normal estimated yield of 4,500 kgs. of bark per hectare (3,000 kgs. on two coppicings and 1,500 kgs. on uprootment), the Department estimated (March 1986) the average yield of overaged trees at Anamallais region at 692 kgs. per hectare. No such assessment was made in respect of Nilgiris region. The Department,

however, stated (August 1987) that the trees were not uprooted after 30 years anticipating better yield and timely expansion of the area when demand for quinine products picked up. The Department further stated (August 1987) that no consolidation of trees was taken up as the younger plants could not have free growth on account of "root-competition". Thus, the effective area of plantation in the two Regions worked out to 352 hectares only, which would in course of time lead to very low annual yield.

8.2.6.1.3. Stocking (Plant population).- The table below indicates the area under cultivation, average percentage of stocking and effective cultivated area in the two Regions viz., the Anamallais and Nilgiris, as on 31st March 1986.

	Anamallais	Nilgiris
(i) Area under cultivation (hectares)	1,649.71	492.12
(ii) Average stocking (percentage)	36.58	44.73
(iii) Effective area including overaged trees (i) x (ii) (hectares)	603.46	220.15

The stocking was less than 30 per cent in 1,063.42 hectares with a capital value of Rs.201.22 lakhs as on 31st March 1986 (Anamallais - 904.33 hectares and Nilgiris - 159.09 hectares). There was no stocking in one block measuring 5 hectares at Anamallais and in four blocks measuring 23 hectares in Nilgiris having a capital value of Rs.6.98 lakhs and Rs.11.26 lakhs respectively. The Department attributed the poor stocking to re-planting in uprooted areas, poor soil fertility,

erratic rainfall, heavy casualties due to root competition, etc. (June 1985). The Department informed (November 1987) that Government had since approved replanting of an area of 232.44 hectares with poor stocking (average expected yield only 81 kgs/hectare and with a capital value of Rs.88.06 lakhs).

8.2.6.1.4. **Harvesting.**- As indicated in paragraph 8.2.6.1.1, harvesting is done in three stages i.e., on first and second coppicing and on uprootment. In addition, barks are also collected from branches, fallen trees, etc., estimated at 250 kgs. per hectare (salvage collection). The table below indicates the area harvested and the bark obtained during the three years ended 1985-86.

	1983-84	1984-85	1985-86
Area harvested (hectares)			
I Coppicing	7.50	-	-
II Coppicing	21.00	41.43	99.00
Uprootment	-	-	-
	<u>28.50</u>	<u>41.43</u>	<u>99.00</u>
Bark obtained (lakh kgs.)			
Coppicing	0.56	0.54	0.40
Salvage collection	<u>0.97</u>	<u>0.45</u>	<u>0.48</u>
	<u>1.53</u>	<u>0.99</u>	<u>0.88</u>
Average yield per hectare (kgs.)	5,368	2,390	889
Standard yield (including salvage collection) (kg./hectare) but excluding uprootment	3,250	3,250	3,250

The average yield of bark per hectare has been gradually declining year after year. Government stated (November 1987) that the decline in yield was due to poor stocking and poor growth of trees on account of poor soil fertility and that remedial action was being initiated.

The average yield for the two years 1984-85 and 1985-86 was only 74 per cent and 27 per cent respectively of the standard yield. The total shortfall in yield during these two years worked out to 2,69,369 kgs. valuing Rs.30.00 lakhs in terms of quinine content.

8.2.6.1.5. Quinine extraction.- The Plant at Anamallais is equipped to handle 7 lakh kgs. of cinchona bark to produce 16,000 kgs. of quinine sulphate and 12,000 kgs. of cinchona febrifuge as by-product per annum. The table below indicates the plant performance for the years 1981-82 and 1985-86, there being no extraction during the period April 1982 to January 1986 in view of the decline in demand and prices in international market.

Year	Bark processed (kgs.)	Production			
		<u>Quinine Sulphate</u>		<u>Cinchona febrifuge</u>	
		Estimated	Actual	Estimated	Actual
		quantity (Percent- tage) (kgs.)	quantity (Percent- tage) (kgs.)	quantity (Percent- tage) (kgs.)	quantity (Percent- tage) (kgs.)
1981-82	2,79,172	5,803 (2.08)	5,222 (1.87)	6,367 (2.28)	5,352 (1.92)
1985-86	88,236	1,112 (1.26)	1,001 (1.13)	1,336 (1.51)	1,127 (1.28)

Based on laboratory test, estimated quinine extraction rate for the years 1981-82 and 1985-86 was fixed very low compared to that in the earlier years 1979-80 (2.17 per cent) and 1980-81 (2.34 per cent). The Department could not achieve even this reduced rate of extraction during the two years 1981-82 and 1985-86, indicating a shortfall in production of 692 kgs. of quinine sulphate and 1,224 kgs. of cinchona febrifuge. The loss of revenue on account of this worked out to Rs.6.85 lakhs. The reasons for the shortfall in production has not been analysed by the Department.

8.2.6.1.6. Sale of quinine.- A major portion of the quinine products are sold in international market on global tender basis. For internal consumption, the prices are regulated under the Drugs Price Control Order, 1970. The table below indicates the sales effected during the four years ended 1985-86 :-

Year	Export		Internal Market	
	Quantity (in kgs.)	Value (in lakhs of rupees)	Quantity (in kgs.)	Value (in lakhs of rupees)
1982-83	Nil	Nil	508	4.98
1983-84	1,900	14.48	667	5.06
1984-85	Nil	Nil	771	5.87
1985-86	3,000	26.44	808	6.54

The Department has been incurring considerable loss on sale of quinine products on account of all round increase in cost of production without corresponding increase in

selling price and erratic demand in international market. The total loss incurred during the four year period worked out to Rs.6.96 lakhs. Incidentally, the cost of production of quinine sulphate for the year 1985-86 came to Rs.1,100 per kg. as against the sale price of Rs.788 per kg. (for internal market) fixed by the Government of India in 1977-78, which is still operative. At the request of the Government of Tamil Nadu (December 1982), the Bureau of Industrial Costs and Prices has taken up the work of revision of price which is pending (November 1987).

8.2.6.1.7. Modernisation of Quinine Factory for closed circuit extraction.- The Quinine Factory at Anamallais was commissioned during the year 1955 with the type of machinery and equipments then available for open system of extraction of cinchona bark by utilising mineral oil (Solar oil) as solvent. In June 1978, the Director of Cinchona Department proposed a modernisation and replacement programme for introduction of closed circuit system of extraction of cinchona bark with organic solvent with a view to improving the quality of products and extraction efficiency with increase in yield of quinine sulphate by 500 kgs. (from 16,000 kgs. to 16,500 kgs.) and considerable savings in solvent loss. The Scheme, involving a capital expenditure of Rs.9 lakhs with a payback period of about two years at the expected cost benefit of Rs.5.05 lakhs per annum for the installed capacity, was approved by Government in June 1979.

In May 1979, the Department called for tenders on turnkey basis for supply and erection of plant and machinery for closed circuit extraction of cinchona alkaloids from cinchona bark. The work was awarded (February 1980) to contractor 'A' at a total cost of Rs.7.03 lakhs. As per the agreement entered into in June 1980, the work was to be completed within 7 months from the date of acceptance of the layout plan. After acceptance of layout plan, the site was handed over in September 1980. As per the work schedule accepted by the contractor, the commissioning of the plant was to be done in March 1981. But the contractor did not adhere to the schedule of completion of work which was extended to September 1981. However, the contractor did not keep up even this schedule. The Department paid a sum of Rs.4 lakhs to the contractor towards 90 per cent of the value of machinery received up to September 1981. The balance equipment valued at Rs.1.28 lakhs, not supplied by the contractor, was procured by the Department directly from the machinery suppliers during August to October 1986 with the concurrence of the contractor. The erection work could be completed only in November 1986. Meanwhile, the Department initiated action (December 1983) for electrification of the Factory through Public Works Department who in turn entrusted the work to a private firm in December 1986 and the work is yet to be completed and the plant commissioned (August 1987). The Department stated (May 1987) that the contractor had been delaying the work on one pretext or other, but since the work was of a special nature awarded on turnkey basis, it could not be entrusted to anybody else. The Government stated (November 1987) that action would be initiated

against the contractor after commissioning of the plant.

On account of the abnormal delay in completion of the modernisation of the Factory, initiated in June 1978, the Department had to forego additional yield to the extent of Rs.4.57 lakhs during the years 1981-82, 1985-86 and 1986-87 against which the penalty leviable from the contractor was only Rs.0.06 lakh. Thus, the penal provision made in the agreement by the Department was not adequate to safeguard the interest of the Department.

8.2.6.2. Medicinal and essential oil plantations

8.2.6.2.1. Plantation.- The cultivation of medicinal and essential oil yielding plants was started in the Department plantations on a small scale during 1950's, when, due to introduction of several synthetic products in the market, there was fall in the demand for quinine sulphate. Since then, cultivation of medicinal and aromatic plants was taken up on commercial scale to augment the Department's revenue. The Department has been cultivating Geranium, Eucalyptus globulus, Eucalyptus citriodora, Java citronella (Cymbopogon winterianus) and other oil plants.

The total area under cultivation of these crops during the three years ending 1985-86 was 831.61 hectares, 880.88 hectares and 958.61 hectares respectively. The oils extracted in divisions are refined at the Medicinal and Essential Oils Factory at Naduvattam.

8.2.6.2.2. **Harvest of green leaves.-** The table below indicates the green leaves to be harvested to obtain the standard yield of oil and the actual leaves harvested during the three years 1983-84 to 1985-86 :-

Crop	Standard harvest	Leaves harvested	Shortfall	
			Quantity	Percentage
		(kgs.)		
Java citronella	40,57,250	22,23,697	18,33,553	45.2
Eucalyptus citriodora	29,37,065	14,79,961	14,57,104	49.6
Eucalyptus globulus	12,20,046	4,70,956	7,49,090	61.4
Geranium	29,37,800	23,40,131	5,97,669	20.3

The Department has not analysed the reasons for the poor yield compared to the standard fixed. The corresponding shortfall in oil production works out to 0.35 lakh kgs. valuing Rs.38.47 lakhs. Government stated (November 1987) that standards could never be achieved in any agricultural operations and that, however, attempts were being made to attain the targets.

8.2.6.2.3. **Oil extraction.-** The annual targets fixed for major products and the actual production thereagainst during the three years ended 1985-86 are indicated in Appendix XVII. The shortfall in distillation is due to shortfall in harvest of green leaves discussed in paragraph 8.2.6.2.2 supra and also shortfall in distillation efficiency in respect of

Java citronella and Eucalyptus citriodora noticed in eight out of nine divisions during the three years involving a loss of revenue of Rs.5.64 lakhs as indicated below :-

Particulars	Java citronella (oil at 0.7 per cent)	Eucalyptus citriodora (oil at 1.0 per cent)
Green leaves obtained (kgs.)	22,06,297	11,31,426
Oil to be distilled as per norms (kgs.)	15,444.079	11,314.260
Oil obtained (kgs.)	11,356.230	10,321.215
Shortfall (kgs.)	4,087.849	993.045
Average selling price (Rs. per kg.)	115.00	95.00
Loss of revenue (in lakhs of rupees)	4.70	0.94

Government attributed (November 1987) the low yield to environmental factors and stated that new strains were being introduced to improve the position.

8.2.6.2.4. **Sales performance.**- The sale of medicinal and essential oils is under the direct control of the Department and the selling prices are fixed by the Department from time to time based on prevailing market prices as approved by the Government. Apart from the bulk sales to direct indentors, the Department also operates three retail sales counters in Udagamandalam. The sales performance of the Department in respect of oils during the years 1983-84, 1984-85 and 1985-86 is indicated below :-

Year	Quantity sold (kgs.)	Value (in lakhs of rupees)
1983-84	8,632.978	31.63
1984-85	29,465.167	48.94
1985-86	23,648.920	46.84

The Department also effected sale of other products (viz. cinfresh, cinmass, camphor tablets, etc.), to the extent of Rs.14.86 lakhs during the period.

The table below indicates the cost of production and selling prices fixed by the Department in respect of the major products during the three years ended 1985-86 :-

Product	Manufacturing cost (Rs./kg.)			Selling price (Rs./kg.)		
	1983-84	1984-85	1985-86	1983-84	1984-85	1985-86
Eucalyptus						
Oil I.P.	49.42	48.40	54.89	70.00	70.00	70.00
Eucalyptus						
Oil B.P.	57.66	56.47	64.03	80.00	80.00	80.00
Geranium Oil	883.13	913.35	958.13	925.00	925.00	925.00
Java Citronella						
Oil	124.21	129.80	142.65	115.00	115.00	115.00
Eucalyptus						
citriodora oil	95.51	104.47	115.23	95.00	95.00	96.50
Camphor Oil	94.59	99.96	87.61	95.00	95.00	105.00

Though there was margin of profit on Eucalyptus oil during all the three years and on Geranium oil in 1983-84 and 1984-85, the realisation was not sufficient to absorb the trading overheads and the

sale of all the major products ended in heavy losses as indicated below :-

	1983-84	1984-85	1985-86
	(in lakhs of rupees)		
Eucalyptus Oil	(+) 0.34	(+) 1.66	(+) 0.36
Geranium Oil	(+) 0.03	(-) 0.96	(-) 2.07
Eucalyptus citriodora	(+) 0.06	(-) 1.89	(-) 1.04
Java citronella	(-) 0.44	(-) 3.45	(-) 1.87
Camphor Oil	(-) 0.02	(-) 0.03	(-) 0.07
Camphor tablets	(+) 0.08	(+) 0.12	(+) 0.13
Total Profit (+)/Loss (-)	(+) 0.05	(-) 4.55	(-) 4.56

The loss incurred during the year 1984-85 was mainly due to disposal of 14,900 kgs. of accumulated stock of Java citronella and Eucalyptus citriodora oil at reduced prices on account of its reactive nature to long storage resulting in a loss of Rs.3.22 lakhs, besides increase in cost of production. The loss during the year 1985-86 was mainly on account of increase in overall cost of production.

8.2.6.3. Caffeine Project

8.2.6.3.1. Caffeine is widely used in many pharmaceutical preparations. The Department contemplated manufacture of caffeine right from 1972 when the country was importing 50 to 70 tonnes annually. A pilot scheme for manufacture of caffeine from Tea Waste was sanctioned by the Director, Cinchona Department, in June 1974. The trial production conducted in March 1976 revealed that the cost of production was higher than the selling price. However, the Department felt that the large scale production would result in cost reduction apart from

reducing the dependence on import. In pursuance of the report of Nayudamma Committee on rural projects, the Department prepared a Project report with a capital outlay of Rs.4.09 lakhs for manufacture of caffeine from Tea Waste available in plenty (1000 tonnes) from Government owned tea factories and other tea factories in and around Nilgiris District and sent it to the Government in April 1979. The Project contemplated setting up of a factory with a production capacity of 2.5 tonnes per annum of caffeine for an input of 165 tonnes of Tea Waste. The Project, cleared by the Government in October 1979, also contemplated an annual return of Rs.0.70 lakh before charging depreciation and interest on capital (Rs.0.03 lakh after depreciation and interest) and to provide employment opportunity to 15 daily paid workers. The Scheme was implemented under State Sixth Five Year Plan.

The Department incurred a capital expenditure of Rs.3.89 lakhs during 1979-80 to 1984-85 and regular commercial production of caffeine commenced in 1982-83.

8.2.6.3.2. Production performance.- The table below indicates the production performance of the Plant for the period 1981-82 to 1983-84:-

Year	Installed capacity (kgs.)	Production of caffeine (kgs.)	Capacity utilisation (percentage)
1981-82	2,500	200	8
1982-83	2,500	900	36
1983-84	2,500	1,004	40

The production was discontinued with effect from 1st April 1984 when the boiler was scrapped. The Plant could not break even at any point of time on account of high cost of production as a result of poor utilisation of the Plant. The loss of revenue on account of caffeine yield during the period 1982-83 and 1983-84 worked out to Rs.0.94 lakh and the net loss incurred by the Department on production and sales during the period was Rs.2.94 lakhs. The Department attributed low thermal efficiency of the old boiler, excess consumption of fuel and solvents in the prolonged process cycle and unstabilised production as the main reasons for higher cost of production and the consequent loss.

8.2.6.3.3. Stoppage of production for want of boiler.- The boiler available in the Naduvattam Factory which was purchased fifty years ago was supplying steam to the Caffeine Factory. The capacity of the boiler was 60 p.s.i. (pounds/square inch) whereas the capacity of boiler required for Caffeine Project and Factory was 240 p.s.i. The boiler was very old and the Chief Inspector of Boilers reported that the same was not worth repairing and had to be condemned. The boiler was condemned and production of caffeine was discontinued in April 1984. Tenders for purchase of new boiler were invited in January 1985 and the offer of a Bombay firm for Rs.4.43 lakhs including cost of chimney and erection charges was considered lowest acceptable. The Government was addressed in June 1985 for according approval for the purchase of boiler from the firm and the same was received in December 1985. As the validity period of six months from the date of offer expired, the firm

asked for enhancement in price of boiler. As the increased price quoted by the firm was prohibitively high (Rs.7.50 lakhs for the equipment as against the original offer of Rs.3.85 lakhs), the Department approached another tenderer 'T' who agreed to supply the boiler at the rate quoted by them in January 1985 and orders for supply of boiler was placed on them in March 1986. The boiler and other accessories were supplied by the firm in October/December 1986 at a total cost of Rs.4.93 lakhs, but the same could not be erected as the erection equipment and certain other materials were not procured by the Department in time. Government stated (November 1987) that the boiler was erected in September 1987 and production was resumed. Thus, on account of incorrect assessment of steam requirements, the Plant remained idle for 41 months.

The Project report did not contemplate purchase of new boiler. With the installation of the new boiler at a cost of Rs.4.93 lakhs, the overheads towards interest and depreciation would go up by Rs.0.78 lakh per annum. Taking this into account, the Project is not likely to be financially viable.

8.2.7. Centrally Sponsored Schemes

8.2.7.1. Cultivation of Dioscorea plants and Manufacture of Diosgenin under Western Ghat Development Programme

8.2.7.1.1. The Department started cultivation of

dioscorea on a small scale from 1973, from the tubers of which is manufactured diosgenin, a basic material used in drug industry. Up to March 1978, the Department collected 1,633 kgs. of dry tubers from an area of 34.50 hectares and manufactured 16,350 kgs. of diosgenin, out of which only 1 kg. could be sold during the period. In February 1978, the Department prepared a Project report for cultivation of dioscorea on commercial scale and to set up a full-fledged factory for manufacture of diosgenin at a capital outlay of Rs.34.23 lakhs. The Project report contemplated a net profit of Rs.3.74 lakhs from the fourth year of planting over an area of 80 hectares. The Project report was approved by the Government in August 1978. During the period 1978-79 to 1985-86, the Department spent a sum of Rs.112.04 lakhs including the capital expenditure of Rs.29.57 lakhs. The performance of the Scheme is discussed in the following paragraphs.

8.2.7.1.2. Planting Programme.- The Project report envisaged planting of dioscorea in 157 hectares during 1978-79 to 1983-84 and 40 hectares every year thereafter. It was also envisaged that harvesting would stabilise at 40 hectares in the subsequent years. The year-wise details of Planting Programme envisaged in the Project report and actual planting done are as follows :-

Year	Area to be planted as per Project report	Actual planting	<u>Shortfall (-)</u> <u>Excess (+)</u>
(in hectares)			
1978-79	16.00	15.75	(-) 0.25
1979-80	20.00	20.00	-
1980-81	20.00	20.00	-
1981-82	21.00	25.00	(+) 4.00
1982-83	40.00	20.00	(-) 20.00
1983-84	40.00	20.00	(-) 20.00
1984-85	40.00	20.00	(-) 20.00
1985-86	<u>40.00</u>	<u>25.00</u>	(-) <u>15.00</u>
	<u>237.00</u>	<u>165.75</u>	(-) <u>71.25</u>

The net shortfall in planting is attributed to non-availability of land suitable for the crop.

For planting and maintenance up to harvesting, the Department incurred an expenditure of Rs.58.74 lakhs as against Rs.45.71 lakhs contemplated in the Project report for the planted area. The excess expenditure was due to engagement of more labourers than that contemplated (Rs.8.01 lakhs) and for maintenance of matured areas (Rs.5.02 lakhs) consequent on the delay in harvesting which ranged from 1 to 3 years. The Department stated that the harvesting was delayed as the growth of tubers was not as anticipated in the Project report. However, inspite of the delayed harvest, the yield obtained was far less than that contemplated in the Project report as discussed below.

8.2.7.1.3. **Yield.-** As per the norms, there would be an yield of 11,200 kgs. dry tubers per hectare

harvested, the moisture content in green tubers being 80 per cent. The diosgenin content is 1.33 per cent of dry tuber. During the period 1980-81 to 1986-87, the Department harvested an area of 101.50 hectares and collected 4.62 lakh kgs. of green tubers as against the envisaged harvest of 56.84 lakh kgs. The dry tubers obtained was only 75,892 kgs., which worked out to 16.43 per cent of the green tubers and the overall shortfall in yield of dry tubers worked out to 10.61 lakh kgs. valuing Rs.87.62 lakhs.

The Department stated in November 1987 that a Committee constituted by it to find out the reasons for the low yield had concluded that the yield contemplated would not be available on account of the low fertility of the soil, climatic conditions and inadequate irrigation facilities. The fact remains that these factors were known to the Department even before embarking on the Scheme.

8.2.7.1.4. Construction of factory building.- Though Government sanctioned a sum of Rs.4.15 lakhs in August 1978 for construction of factory buildings, the Department asked the Public Works Department to prepare the estimates only in July 1979. The Public Works Department in June 1980 prepared the estimates for Rs.8.47 lakhs, which was approved by Government in October 1980. Tenders were invited in February 1981 and finalised in August 1981. The work, scheduled to be completed within six months therefrom, was completed and the buildings handed over to the Department in October 1983, at a total cost of Rs.10.62 lakhs. The following delays on the part of the Department were noticed :-

(i) Foundation drawings from the machinery manufacturers were obtained only in April 1982;

(ii) Application for approval of the site plan for Solvent Plant was made to the Controller of Explosives only in April 1983;

(iii) Equipment layout, electrical installation drawings etc., were obtained only in June 1983.

The following are observed :-

(i) The administrative delay resulted in an escalation of Rs.2.15 lakhs on the cost of civil works.

(ii) The machinery valuing Rs.11.04 lakhs received in July 1982 could not be erected till October 1983, involving a delay of 15 months.

(iii) On account of defective foundations, the acid lined hydroliser tank (Rs.0.56 lakh) developed cracks, rendering it unfit for the process and the Department is contemplating plans to construct a new tank at a cost of Rs.1.25 lakhs. Meanwhile, the hydrolising process is being carried out by acid lining another existing tank at a cost of Rs.0.18 lakh as a temporary measure.

8.2.7.1.5. Supply and erection of machinery.-

The work of fabrication, supply and erection of

machinery and equipment for processing 750 kgs. of dry tubers per day was entrusted to the Regional Research Laboratory, Jammu, a unit of the Council of Scientific and Industrial Research (CSIR), in March 1979 at a cost of Rs.10.65 lakhs on turnkey basis with a provision for escalation up to 10 per cent of the contract value. As per the terms of the agreement, the work was to be completed within 12 months from the date of agreement and the payments were to be released as per the following schedule :—

- (i) Rs.7.36 lakhs as advance on placing of order;
- (ii) Rs.2.79 lakhs during fabrication; and
- (iii) Rs.0.50 lakh on commissioning the Plant.

The Department paid Rs.7.36 lakhs as advance at the time of placing the order and the amount due on fabrication demanded by the manufacturers in March 1980 was paid only in September 1980. The machinery was, however, supplied only in July 1982 after a delay of 28 months out of which a delay of 6 months was attributable to the Department for the delay in payment. Further, the Department also took 5 months in settling the claim of the supplier for escalation payment (Rs.0.89 lakh) for which provision existed in the agreement.

During the trial run conducted in December 1983 - January 1984, it was noticed that the chilling plant was not working satisfactorily. At the request of the manufacturers, the repair work was entrusted to a private firm in June 1984 at a cost of Rs.3,750. The firm was to rectify the defects within a month from the date of order.

However, the firm rectified the defect only in September 1985. The Department did not initiate any action to speed up the repair work.

During the trial runs conducted in December 1983 and January 1984, it was also noticed that the equipment supplied was not capable of processing 750 kgs. of dry tubers per day as per specification, on account of faulty design. The achievable processing capacity was only 125 kgs. per day i.e., one sixth of the designed capacity. The suppliers have not yet proved the capacity of the Plant so far (August 1987). Pending commencement of commercial production the dioscorea tubers in excess of the requirements for trial runs are being stock-piled after hydrolisation (value of stock as on 31st March 1987 - Rs.15.60 lakhs). There is no provision in the agreement with the manufacturers for performance guarantee of the Plant. Thus, the entire Plant involving a capital expenditure of Rs.24.04 lakhs remains underutilised. Government stated (November 1987) that as the supplier was a unit of the Council of Scientific and Industrial Research, no specific penal clause was incorporated in the agreement. There was thus, failure on the part of the Department to safeguard its interest properly.

Government further stated in November 1987 that by improving the original method of extraction by installing additional equipment by the Department, the capacity had been increased to 300 kgs. per day and that it was proposed to modify the process by further improvement to equip the Plant for full-scale production. The extra cost on account

of the proposed modification has not been assessed.

8.2.7.1.6. Marketing.- The Department produced 544.525 kgs. of diosgenin in trial runs during December 1983 to March 1987, out of which it could sell only 201 kgs. at Rs.621 per kg. The balance quantity of 343.525 kgs. valuing Rs.2.13 lakhs remained in stock as on 31st March 1987. The Department while preparing the Project report had informed the Government in July 1977 that it could market the diosgenin with the help of two State Government Undertakings who could find out suitable market for the product. The Department had not, however, approached these Undertakings so far (November 1987) nor had conducted any independent market study. The present production is being disposed of by inviting tenders.

8.2.7.2. Cultivation of geranium under Western Ghat Development Programme

8.2.7.2.1. Planting.- A scheme for cultivation of geranium in an area of 200 hectares, including 54 hectares already planted by the Tamil Nadu Forest Plantation Corporation Limited in Perumalmalai under Plan Scheme, was sanctioned by the Government in August 1980 at a cost of Rs.149.74 lakhs (operating cost: Rs.127.37 lakhs and capital cost: Rs.22.37 lakhs) over a period of 13 years with an anticipated revenue of Rs.165.10 lakhs. The Scheme was expected to give an overall surplus of Rs.15.36 lakhs and generate employment opportunities for 150 persons in the Region. The planting in the entire area of 200 hectares was completed as per Project schedule during the period 1978-79 to 1982-83 and the

total expenditure incurred on the Scheme up to 1986-87 worked out to Rs.76.43 lakhs.

8.2.7.2.2. **Yield.**— The harvesting of the plantation was started in 1980-81. The yield actually obtained during 1980-81 to 1986-87 is given in Appendix XVIII. A review of the yield obtained during the 7 years 1980-81 to 1986-87 revealed that there was a shortfall of 82.99 lakh kgs. of green leaves equivalent to 9,517 kgs. of geranium oil compared to the projections as per the Project Report. Further, there was shortfall of 189 kgs. of oil in distillation during the period. The total shortfall in yield in terms of oil extraction worked out to 9,706 kgs. valuing Rs.89.54 lakhs. The sales realisation amounting to Rs.35.76 lakhs on the production of 3,831 kgs. was not even sufficient to meet the direct expenses amounting to Rs.52.37 lakhs. The Department stated (May 1987) that the Geranium plant is sensitive and the yield of oil varies according to the climatic conditions, locations of plants and season of collection, so that the yield of 104 kgs. per hectare as per the Project report during the life period of plant is not obtainable and felt that the achievable yield would be only 74 kgs. per hectare as envisaged in the working plan of 1977. Thus, the target in the Project report was not fixed on a realistic basis. Further, the Department could not obtain even the yield projected in the working plan (74 kgs.) and the shortfall compared to this target worked out to 6,285 kgs. valuing Rs.58.13 lakhs.

The Project report (1980) contemplated an overall surplus of Rs.15.36 lakhs on the Scheme

based on an average yield of 104 kgs. of oil per hectare. Even adopting the data as per working plan (1977), the anticipated revenue would be only Rs.117.47 lakhs, indicating that the Project would end up in a deficit of Rs.32.27 lakhs.

Similar scheme undertaken by the Department in Upper Palanis over an area of 40.25 hectares is also not yielding as per the projection in the Project report. The shortfall in yield up to 1986-87 worked out to 989 kgs. of oil valuing Rs.9.12 lakhs. The Department could not also achieve the yield as per the norms fixed in working plan; the shortfall in terms of oil production being 171 kgs. valuing Rs.1.58 lakhs.

8.2.7.3. **Cultivation of Java Citronella at Padan-thorai under Hill Area Development Programme**

8.2.7.3.1. The Department has been cultivating Java citronella for extraction of oil therefrom at the rate of 3,000 kgs. per annum in the lands found unsuitable for growth of cinchona in the Anamallais and Nilgiris. As the estimated production of the oil in the country was only about 100 tonnes against the demand of 600 tonnes per annum, the Department proposed (November 1979) a Scheme for cultivation of Java citronella grass (*Cymbopogon winterianus*) on a mass scale over an area of 160 hectares. The Scheme, involving a total outlay of Rs.121.04 lakhs by Government in December 1979 was sanctioned under Hill Area Development Programme (HADP). The crop, the life of which is reckoned as 10 years, would be ripe for first harvest after 9 months from

planting and thereafter 3 to 4 times in a year. The Scheme, started in 1980-81 under HADP and contemplated to run for 14 years, was brought under State Plan Scheme with effect from 1985-86.

As per the Programme, the cultivation in 160 hectares had to be completed in 5 years i.e by March 1985. However, the plantation was raised only in 80 hectares incurring an expenditure of Rs.21.68 lakhs (Revenue expenditure : Rs.18.35 lakhs and Capital expenditure : Rs.3.33 lakhs). The Department attributed non-availability of suitable land and workers in the vicinity of the Project area for non-achievement in the planting programme.

8.2.7.3.2. Shortfall in the yield of oil.- As per the yield at 1 per cent of grass distilled contemplated in the Project report, the Department should have obtained 44,750 kgs. of oil during the period 1981-82 to 1986-87 from the actual area of 80 hectares planted, against which the actual yield obtained was 11,654 kgs. (26 per cent), valued at Rs.13.40 lakhs. The shortfall in yield worked out to 33,096 kgs. valuing Rs.39.05 lakhs. The Department attributed the following reasons for the shortfall :-

- (i) The yield varies according to the soil and climatic conditions, location of plantation, time and seasons of collection,
- (ii) the lands transferred to the Department were not quite fertile to obtain even average yield and
- (iii) difficulty in securing labour in the Scheme area.

However, the above factors were all

within the knowledge of the Department even before it took over the land for cultivation. Further, as against the yield of 1 per cent envisaged in the Project report, the Department adopted a norm of 0.7 per cent of yield of oil as per working plan, which also could not be achieved. The cultivation of Java citronella during the seven years ending 1986-87 resulted in a net loss of Rs.4.95 lakhs.

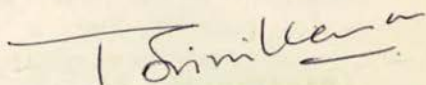
8.2.8. Other topic of interest - Delay in construction of Labour Lines

The Department employs about 2,300 labourers. Until 1977, the Department had provided only 1,280 houses. As the provision of houses to plantation workers is a statutory liability of the Department, the Government sanctioned from time to time construction of 540 houses during the period 1977-78 to 1986-87, at a cost of Rs.82.17 lakhs, under State Plan expenditure. Out of 540 houses sanctioned, the Department could complete only 370 houses upto June 1987, leaving a balance of 170 houses to be completed. The delay in execution ranged from 2 to 10 years and even the works sanctioned about 10 years ago remain incomplete. The delay in completion of construction was attributed by the Department to non-availability of regular building contractors and skilled labourers in remote locations.

Out of 170 houses pending completion, work on 60 houses is yet to be taken up for execution (November 1987) including 50 houses, the construction of which was deferred by Government (May 1987), pending completion of the work already in progress. Of the remaining 110 houses at different stages of construction (value : Rs.2.92 lakhs), work

in respect of 90 houses was abandoned by the contractors. Such contracts were not terminated and no action was taken either to entrust the balance work to other agencies or to complete the same departmentally. On account of non-completion of the works, the Department had to surrender budget grants to the tune of Rs.28.52 lakhs during the years 1977-78 to 1986-87.

Government stated in November 1987 that construction of houses, abandoned by the contractors, would be taken up departmentally during the current year.



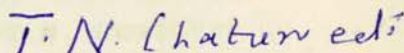
Madras,
The

6 JUN 1988

(T. SRINIVASAN)

Accountant General (Audit) I,
Tamil Nadu and Pondicherry

Countersigned



New Delhi,
The

28 JUN 1988

(T.N. CHATURVEDI)

Comptroller and Auditor General
of India

APPENDIX I

(Reference : paragraph 3.2.2; page 45)

GRANTS/APPROPRIATIONS WHERE SUPPLEMENTARY
PROVISION OBTAINED IN MARCH 1987
PROVED UNNECESSARY

Serial number	Number of name of Grant/ Appropriation	Supplementary Grant/Appro- priation (March 1987)	Final saving
		(in lakhs of rupees)	

(1)	(2)	(3)	(4)
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Voted Grants -

1.	16. Fire Services	55.45	130.64
2.	21. Fisheries	2.43	3.19
3.	52. Capital Outlay on Irrigation	350.87	1163.09
4.	56. Capital Outlay on Forests	8.72	87.03

Charged Appropriations -

1.	4. General Sales Tax and other Taxes and Duties - Administration	0.16	0.26
2.	19. Public Health	0.12	0.27
3.	20. Agriculture	0.82	0.88
4.	36. Irrigation	0.51	0.63
5.	39. Roads and Bridges	0.88	0.88
6.	43. Miscellaneous	1.18	1.21

APPENDIX II

(Reference : paragraph 3.2.2 ; page 45)

GRANTS WHERE SUPPLEMENTARY PROVISION OBTAINED
DURING 1986-87 PROVED INSUFFICIENT BY
MORE THAN RS.50 LAKHS EACH

Serial number	Number and name of Grant	Total supple- mentary grant	Final excess
(1)	(2)	(3)	(4)
		(in lakhs of rupees)	
1.	11. District Administration	820.34	89.72
2.	18. Medical	444.59	76.43
3.	19. Public Health	166.90	210.86
4.	31. Welfare of the Scheduled Tribes and Castes, etc.	1119.87	150.07
5.	37. Public Works - Buildings	144.60	171.98
6.	39. Roads and Bridges	864.48	52.24
7.	43. Miscellaneous	1722.99	58.65
8.	46. Compensation and Assignments	961.20	99.05
9.	59. Loans and Advances by the State Government	8316.41	1326.20

APPENDIX III

(Reference : paragraph 3.2.3 ; page 45)

GRANTS/APPROPRIATIONS WHERE EXCESS
REQUIRES REGULARISATION

Serial number	Number and name of Grant/Appropriation	Total grant/ appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1986 - 87				
Voted Grants -				
1.	6. Registration	7,51,62,000	7,57,05,185	5,43,185
2.	11. District Administration	51,68,69,000	52,58,41,218	89,72,218
3.	14. Jails	13,50,85,000	13,81,70,400	30,85,400
4.	18. Medical	134,43,31,000	135,19,74,043	76,43,043
5.	19. Public Health	70,17,26,000	72,28,12,338	2,10,86,338
6.	25. Cinchona	4,08,69,000	4,10,30,615	1,61,615
7.	31. Welfare of the Scheduled Tribes and Castes, etc.	59,09,31,000	60,59,37,815	1,50,06,815
8.	32. Welfare of the Backward Classes, etc.	12,91,04,000	13,28,94,509	37,90,509
9.	33. Housing	37,09,07,000	37,12,33,643	3,26,643
10.	37. Public Works - Buildings	5,49,13,000	7,21,11,422	1,71,98,422

APPENDIX III - conold.

(1)	(2)	(3)	(4)	(5)
11.	39. Roads and Bridges	97,01,37,000	97,53,61,475	52,24,475
12.	43. Miscellaneous	121,64,91,000	122,23,55,785	58,64,785
13.	46. Compensation and Assignments	37,04,77,000	38,03,81,522	99,04,522
14.	59. Loans and Advances by the State Government	484,39,33,000	497,65,53,415	13,26,20,415

Charged Appropriations -

1.	44. Stationery and Printing	<u>2,56,000</u>	<u>2,56,408</u>	<u>408</u>
2.	51. Capital Outlay on Industrial Development	<u>27,55,000</u>	<u>28,34,006</u>	<u>79,006</u>

APPENDIX IV

(Reference : paragraph 3.2.3 ; page 45)

GRANTS/APPROPRIATIONS WHERE EXCESS RELATING
TO PREVIOUS YEARS REQUIRES REGULARISATION

Serial number	Number and name of Grant/Appropriation	Total grant/ appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1981 - 82				
Voted Grants -				
1.	1. Land Revenue Department	6,58,43,000	6,74,30,769	15,87,769
2.	2. State Excise Department	1,86,79,000	1,95,36,354	8,57,354
3.	5. Stamps - Administration	92,55,000	92,96,038	41,038
4.	6. Registration	3,45,62,000	3,66,80,879	21,18,879
5.	8. Elections	65,48,000	67,42,776	1,94,776

APPENDIX IV - contd.

(1)	(2)	(3)	(4)	(5)
6.	12. Administration of the Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959	2,10,74,000	2,16,98,156	6,24,156
7.	14. Jails	6,26,25,000	6,34,29,777	8,04,777
8.	35. Civil Supplies	6,62,67,000	7,15,67,212	53,00,212
9.	36. Irrigation	47,01,84,000	50,04,83,294	3,02,99,294
10.	37. Public Works - Buildings	3,48,54,000	4,99,45,114	1,50,91,114
11.	39. Roads and Bridges	65,52,84,000	65,65,93,081	13,09,081
12.	41. Relief on account of Natural Calamities	2,49,55,000	2,56,75,560	7,20,560
13.	42. Pensions and other Retirement Benefits	30,55,06,000	32,49,16,437	1,94,10,437
14.	45. Forest Department	8,98,52,000	9,05,72,904	7,20,904
15.	47. Information, Tourism and Film Technology	2,46,49,000	2,53,81,516	7,32,516

APPENDIX IV - contd.

(1)	(2)	(3)	(4)	(5)
Charged Appropriations -				
1. 3. Motor Vehicles Act - Administration	<u>2,81,000</u>	<u>3,02,101</u>	<u>21,101</u>	
2. Debt Charges	<u>113,95,07,000</u>	<u>114,56,86,593</u>	<u>61,79,593</u>	
3. 11. District Administration	<u>1,84,000</u>	<u>1,96,439</u>	<u>12,439</u>	
4. 35. Civil Supplies	<u>1,41,000</u>	<u>1,44,939</u>	<u>3,939</u>	
5. 41. Relief on account of Natural Calamities	<u>8,59,00,000</u>	<u>8,59,00,400</u>	<u>400</u>	
6. 42. Pensions and other Retirement Benefits	<u>1,02,13,000</u>	<u>1,72,01,055</u>	<u>69,88,055</u>	
7. 49. Capital Outlay on Industrial Development	<u>11,19,000</u>	<u>11,29,155</u>	<u>10,155</u>	

1982 - 83

Voted Grants -

1. 2. State Excise Department	2,92,14,000	2,94,95,197	2,81,197
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APPENDIX IV - contd.

(1)	(2)	(3)	(4)	(5)
2.	8. Elections	49,16,000	49,78,292	62,292
3.	9. Head of State, Ministers and Head- quarters Staff	21,53,55,000	21,92,69,179	39,14,179
4.	11. District Administration	23,62,78,000	24,51,67,412	88,89,412
5.	24. Industries	15,74,22,000	16,01,02,780	26,80,780
6.	28. Community Development and Municipal Administration	186,13,49,000	186,18,53,811	5,04,811
7.	41. Relief on account of Natural Calamities	41,94,000	53,07,859	11,13,859
8.	42. Pensions and other Retirement Benefits	39,15,38,000	43,03,60,306	3,88,22,306
9.	45. Forest Department	11,28,02,000	12,10,40,361	82,38,361
10.	49. Capital Outlay on Industrial Development	25,87,11,000	26,15,67,298	28,56,298

APPENDIX IV - contd.

(1)	(2)	(3)	(4)	(5)
11.	56. Loans and Advances by State Government	381,03,02,000	383,78,85,724	2,75,83,724

Charged Appropriations -

1.	7. State Legislature	<u>4,36,000</u>	<u>4,50,493</u>	<u>14,493</u>
2.	11. District Administration	<u>82,000</u>	<u>99,098</u>	<u>17,098</u>
3.	39. Roads and Bridges	<u>33,05,000</u>	<u>36,51,130</u>	<u>3,46,130</u>
4.	49. Capital Outlay on Industrial Development	<u>7,93,000</u>	<u>7,93,523</u>	<u>523</u>

1983 - 84

Voted Grants -

1.	4. General Sales Tax and other Taxes and Duties - Administration	11,65,63,000	11,75,44,348	9,81,348
2.	36. Irrigation	57,69,36,000	60,60,89,461	2,91,53,461
3.	37. Public Works - Buildings	5,21,19,000	7,19,90,669	1,98,71,869

APPENDIX IV - contd.

(1)	(2)	(3)	(4)	(5)
4.	39. Roads and Bridges	84,22,04,000	84,79,66,942	57,62,942
5.	41. Relief on account of Natural Calamities	22,36,70,000	23,23,68,547	86,98,547
6.	42. Pensions and other Retirement Benefits	51,71,84,000	54,49,74,563	2,77,90,563
7.	46. Compensation and Assignments	24,69,96,000	25,55,88,971	85,92,971
Charged Appropriations -				
1.	11. District Administration	<u>5,94,000</u>	<u>6,06,345</u>	<u>12,34</u>
2.	28. Community Development Projects and Municipal Administration	<u>1,000</u>	<u>17,215</u>	<u>16,21</u>
3.	43. Miscellaneous	<u>15,58,000</u>	<u>16,26,116</u>	<u>68,11</u>
4.	50. Capital Outlay on Industrial Development	<u>1,000</u>	<u>11,501</u>	<u>10,50</u>
5.	Public Debt - Repayment	<u>1058,18,36,000</u>	<u>1104,36,92,543</u>	<u>46,18,56,54</u>

APPENDIX IV - contd.

(1)	(2)	(3)	(4)	(5)
1984 - 85				
Voted Grants -				
1. 5. Stamps -				
Administration	1,12,51,000	1,15,29,565	2,78,565	
2. 11. District				
Administration	39,55,90,000	40,44,78,935	88,88,935	
3. 13. Administration				
of Justice	12,99,95,000	13,09,09,762	9,14,762	
4. 32. Welfare of the				
Backward Classes, etc.	11,22,36,000	11,47,97,026	25,61,026	
5. 37. Public Works -				
Buildings	4,78,12,000	6,29,23,910	1,51,11,910	
6. 40. Road Transport				
Services and				
Shipping	4,57,75,000	4,78,88,763	21,13,763	
7. 42. Pensions and				
other Retirement				
Benefits	61,81,30,000	66,96,69,789	5,15,39,789	
8. 46. Compensation and				
Assignments	27,40,00,000	28,55,93,240	1,15,93,240	

APPENDIX IV - contd.

(1)	(2)	(3)	(4)	(5)
9.	47. Information, Tourism and Film Technology	3,04,96,000	3,22,13,078	17,17,078
10.	50. Capital Outlay on Industrial Development	17,98,58,000	18,08,34,475	9,76,475
11.	55. Capital Outlay on Forests	17,66,15,000	17,76,82,124	10,67,124
Charged Appropriations -				
1.	13. Administration of Justice	<u>1,69,18,000</u>	<u>1,72,47,096</u>	<u>3,29,096</u>
1985 - 86				
Voted Grants -				
1.	2. State Excise Department	5,33,61,000	5,40,94,191	7,33,191
2.	11. District Administration	46,93,30,000	47,60,03,831	66,73,831
3.	13. Administration of Justice	14,97,44,000	15,68,05,109	70,61,109
4.	20. Agriculture	123,64,43,000	124,28,52,146	64,09,146

APPENDIX IV - conclud.

(1)	(2)	(3)	(4)	(5)
5.	22. Animal Husbandry	27,56,15,000	27,74,27,130	18,12,130
6.	31. Welfare of the Scheduled Tribes and Castes, etc.	50,95,48,000	52,53,21,806	1,57,73,806
7.	33. Housing	15,56,81,000	16,15,75,021	58,94,021
8.	34. Urban Development	58,62,86,000	58,67,43,968	4,57,968
9.	39. Roads and Bridges	77,87,12,000	78,35,04,517	47,92,517
10.	40. Road Transport Services and Shipping	5,55,38,000	5,63,08,665	7,70,665
11.	42. Pensions and other Retirement Benefits	79,34,72,000	86,95,44,185	7,60,72,185
12.	46. Compensation and Assignments	27,90,96,000	34,58,52,609	6,67,56,609
13.	54. Capital Outlay on Roads and Bridges	21,77,90,000	21,79,31,876	1,41,876
14.	55. Capital Outlay on Road Transport Services and Shipping	5,53,02,000	6,32,93,273	79,91,273

APPENDIX V

(Reference : paragraph 3.6 ; page 79)

SHORTFALL/EXCESS IN RECOVERIES

Number and name of Grant	Estimated recovery	Amount in excess (+)/ short fall (-) as compared to estimate	Main reasons for the excess/short- fall
(1)	(2)	(3)	(4)

(in crores of rupees)

34. Urban Development	36.80	(-) 36.80	Due to non-adjust- ment under "363.AE. I.AB. <u>Deduct</u> - Amount transferred from Urban Develop- ment Fund" on account of non- receipt of orders of Government.
38. Public Works - Establishment and Tools and Plant	18.98	(-) 9.28	Due to less adjust- ment under "Estab- lishment Charges" and. "Machinery and Equipment Charges" trans- ferred on percen- tage basis to various Capital Major Heads.

APPENDIX V - concl'd.

(1)	(2)	(3)	(4)
49. Water Supply	1.00	(-) 1.00	Reasons have not been communicated.
59. Roads and Bridges	13.19	(+) 2.56	Reasons have not been communicated.
52. Capital Outlay on Irrigation	2.44	(+) 1.94	Due to more receipts and recoveries on capital account.

(Reference : paragraph

LIST OF PAYMENTS FROM COMMUNITY WELFARE FUND

Serial number	District	Institution to which sanctioned	Purpose
(1)	(2)	(3)	(4)
1.	South Arcot	Districts Sports Council, Cuddalore	Purchase of Colour TV, Video Cassette Recorder, Video Camera, etc.
2.	-do-	Neyveli Health Promotion and Social Welfare Society	Purchase of certain machinery and equipment for setting up a splint workshop for the manufacture of aids for handicapped people
3.	-do-	High School Improvement Committee, Kozhipakkam	For repairs and improvement to the high school buildings damaged during floods.
4.	-do-	Kuyilapalayam Carpentry Worker's Cottage Industries Limited	For imparting training in wood carving, stone carving, etc. to selected students (15 persons)

DIX VI

4.10.13 (i): page 140)

TO SCHEMES NOT SATISFYING THE PRESCRIBED CRITERIA

Year	Amount sanctioned	Reasons for the scheme not coming within the scope of the Fund
(5)	(6) Rs.	(7)
1984-85	33,600	Not community based and health related.
1984-85	50,000	Not initiated by the community and not health oriented.
1984-85	50,000	The proposal was not approved by the DPCC.
1983-84	50,000	Not health related and not initiated by the community.

(1)	(2)	(3)	(4)
5.	South Arcot	Parent Teachers Association, Government High School, Perperiankuppam	Repairing and rebuilding the school building
6.	-do-	Superintendent of Police, Cuddalore	Purchase of search lights and sirens as a measure of flood relief
7.	-do-	Government Headquarters Hospital, Cuddalore	Supply of refrigerator with stabilizer

(5)	(6)
1984-85	25,000
1985-86	25,000

(7)

The proposals were not received from the community.

NA	7,013
----	-------

The proposals were not received from the community.

NA	6,660
----	-------

Hospital equipment, the purchase of which out of CMF is specifically prohibited.

Total	<u>2,47,275</u>
-------	-----------------

NA : Not available

(Reference : paragraph

TARGETS AND ACHIEVEMENTS UNDER

Serial number	Activity	Year	Salem District		
			Target	Achievement	Percentage of achievement
1.	Polio	1983-84	61,695	53,150	86
	Vaccines	1984-85	89,057	72,650	82
		1985-86	1,04,467	87,898	84
2.	DPT	1983-84	64,844	64,894	100
	Vaccines	1984-85	89,087	71,750	81
		1985-86	96,470	93,196	97
3.	Tetanus	1983-84	76,594	42,468	55
	Toxoid to	1984-85	78,956	40,549	51
	Pregnant women	1985-86	1,09,290	39,849	36
4.	Supply	1983-84	76,594	60,258	79
	of Iron	1984-85	86,852	71,667	83
	Tablets (large)	1985-86	1,05,829	76,228	72
5.	Vita	1983-84	2,55,821	70,318	27
	Tablets	1984-85	2,89,356	2,39,892	83
		1985-86	3,51,202	2,14,531	61

DIX VII

4.10.14: page 141)

MOTHER AND CHILD HEALTH CARE ACTIVITIES

South Arcot District			State as a whole		
Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement
1,17,547	75,175	64	7,00,000	6,43,460	92
1,30,580	91,926	70	12,00,000	9,15,864	76
1,47,995	83,077	56	11,00,000	11,28,592	103
1,17,547	96,727	82	11,00,000	7,99,242	73
1,30,580	1,07,334	82	12,00,000	9,57,533	80
1,47,995	1,03,396	70	11,00,000	11,12,580	101
1,00,149	47,438	47	8,00,000	4,70,800	59
1,19,863	66,048	55	8,00,000	5,20,401	65
1,48,000	69,128	47	8,50,000	5,23,777	62
1,00,149	71,928	72	8,00,000	6,75,186	84
1,31,846	96,200	73	10,00,000	8,49,005	85
1,48,000	96,598	65	10,00,000	9,59,899	96
3,42,287	84,944	25	22,00,000	14,39,635	65
3,77,666	2,13,612	57	27,00,000	23,15,383	86
4,72,318	3,27,667	69	22,00,000	31,87,106	145

(Reference : paragraph

DETAILS OF AMOUNTS NOT UTILISED FOR FLOOD RELIEF

Serial number	Department/Agency which implemented the relief work Nature of relief	Ceiling of expenditure approved by Government of India	Amount drawn before the cut off date
---------------	---	--	--------------------------------------

(1)	(2)	(3)	(4)
-----	-----	-----	-----

(in lakhs)

November 1984 floods (cut off date-31st March 1985)

Corporation of Madras

1.	Buildings, Storm Water Drains, etc.	419.48	419.48
----	-------------------------------------	--------	--------

November 1985 floods (cut off date-31st March 1986)

Revenue Department

2.	Supply of clothes and utensils	419.10	414.84
3.	Supply of text books	50.00	50.00
4.	Repairs to damaged huts	1025.00	1025.00

Tamil Nadu Slum

Clearance Board

5.	Relocation of houses	150.00	150.00
----	----------------------	--------	--------

DIX VIII

4.19.5.1 : page 226)

OPERATIONS WITHIN THE PRESCRIBED DATES

Amount ineligible for
Central assistance

Expenditure incurred after the cut off date	Unspent balance as on 31st March 1987	Reference to paragraph in the Report
---	---	---

(5)

(6)

(7)

of rupees)

112.42

24.60

4.19.8.4.1

115.82

--

4.19.6

39.07

0.12

4.19.7.1.1

15.44

--

4.19.8.1.1

56.46

93.54

4.19.8.2

APPENDIX

(1)	(2)	(3)	(4)
	Animal Husbandry Department		
6.	Subsidy for replacement of animals, etc.	35.89	35.89
	Fisheries Department		
7.	Assistance to Fishermen	16.57	16.57
	Social Welfare Department		
8.	Supply of milk to children	117.47	117.47
	Handlooms and Textiles Department		
9.	Assistance to Weavers	27.51	27.50
	Rural Development Department		
10.	Drinking water wells	20.00	20.00
	Corporation of Madras		
11.	Repairs to Roads, Buildings, Storm Water Drains, etc.	1515.44	1515.44
	Municipalities		
12.	Repairs to Roads, Buildings, Noon meal centres	234.92	234.92
	Highways and Rural Works Department		
13.	Repairs and restoration of buildings, roads, etc. of Panchayat Unions	296.63	296.63

VIII - contd.

(5)	(6)	(7)
7.27	20.62	4.19.7.5
8.91	0.53	4.19.7.7
112.93	4.54	4.19.7.8
22.18	0.67	4.19.7.9
1.02	--	4.19.8.6
539.14	175.69	4.19.8.4.1
40.84	4.95	4.19.8.5
207.57	86.96	4.19.8.4.3

APPENDIX

(1)	(2)	(3)	(4)
	Tamil Nadu Small Industries Corporation		
14.	Small Industries for damages caused to units under the control of TANSI	15.00	15.00
	Tamil Nadu Poultry Development Corporation		
15.	Repairs and replacement of poultry sheds and plants	9.00	9.00
	Tamil Nadu Meat Corporation		
16.	Repairs to Electrical fittings, equipments to slaughter houses	1.00	1.00
	Tamil Nadu Small Industries Development Corporation		
17.	For damages caused to the movable and immovable properties in the Industrial Estates under SIDCO	70.00	70.00
	Tamil Nadu Salt Corporation		
18.	For repairs and restoration of damaged bunds, condensers, crystallizers	4.00	4.00

VIII - contd.

(5)

(6)

(7)

6.68

--

4.19.8.7

8.49

--

4.19.8.7

0.73

0.15

4.19.8.7

67.65

--

4.19.8.7.1

2.90

--

4.19.8.7.1

APPENDIX

(1)	(2)	(3)	(4)
	Madras Metropolitan Water Supply and Sewerage Board		
19.	For execution of six relief works	25.15	25.15
		<hr/>	<hr/>
	TOTAL	4452.16	4447.89
		<hr/>	<hr/>

VIII - conold.

(5)

(6)

(7)

19.06

3.23

4.19.8.3.3

1385.58415.60

(Reference : paragraph 4.22; page 257)

CASES OF MISAPPROPRIATION PENDING FINALISATION
AS ON 30TH JUNE 1987

(i) Department-wise analysis

Department	Number of cases	Amount
(1)	(2)	(3)
		(in lakhs of rupees)
1. Agriculture	23	7.31
2. Commercial Taxes and Religious Endowments	13	0.74
3. Education	21	14.53
4. Employment Services	2	0.11
5. Finance	6	4.20
6. Food and Consumer Protection	1	1.21
7. Forest and Fisheries	5	1.41
8. Health and Family Welfare	23	6.85
9. Home	9	3.04
10. Industries	5	2.25
11. Information and Tourism	2	0.08
12. Labour	3	0.22
13. Public	1	0.35
14. Public Works	3	0.42
15. Revenue	327	33.22
16. Rural Development	8	2.57
17. Social Welfare	7	2.44
18. Tamil Development, Culture	1	0.01
19. Transport	1	0.39
Total	<u>461</u>	<u>81.35</u>

APPENDIX IX - concld.

(ii) Year-wise analysis

Year	Number of cases	Amount
(1)	(2)	(3) (in lakhs of rupees)
1982-83 and earlier years	367	58.28
1983-84	11	3.92
1984-85	27	5.11
1985-86	26	6.48
1986-87	30	7.56
Total	<u>461</u>	<u>81.35</u>

APPENDIX X

(Reference : paragraph 4.22; page 257)

CASES OF SHORTAGES AND THEFT OF STORES,
DAMAGES TO PROPERTIES, ETC., PENDING FINALISATION
AS ON 30TH JUNE 1987

(i) Department-wise analysis

Department	Number of cases	Amount
(1)	(2)	(3)
		(in lakhs of rupees)
1. Agriculture	480	54.19
2. Commercial Taxes and Religious Endowments	1	0.05
3. Co-operation	1	0.20
4. Education	8	0.30
5. Employment Services	4	0.32
6. Finance	1	0.03
7. Forest and Fisheries	32	13.16
8. Health and Family Welfare	27	6.42
9. Home	7	2.64
10. Industries	19	7.01
11. Labour	8	0.67
12. Public	2	9.87
13. Public Works	119	21.84
14. Revenue	7	0.17
15. Rural Development	7	2.33
16. Social Welfare	3	0.14
17. Transport	9	5.92
Total	<u>735</u>	<u>125.26</u>

APPENDIX X - conold.

(ii) Year-wise analysis

Year	Number of cases	Amount
(1)	(2)	(3)
		(in lakhs of rupees)
1982-83 and earlier years	377	52.82
1983-84	39	6.07
1984-85	25	2.41
1985-86	61	15.80
1986-87	233	48.16
Total	<u>735</u>	<u>125.26</u>

APPENDIX XI

(Reference : paragraph 4.23; page 258)

STATEMENT SHOWING LOSSES, WRITES-OFF, ETC.

Serial number and name of department	Writes-off of losses, irrecoverable advances, etc.		Waiver of recovery	
	Number of items	Amount	Number of items	Amount
(1)	(2)	(3)	(4)	(5)
		Rs.		Rs.
1. Agriculture	16	53,756	--	--
2. Education	8	11,502	--	--
3. Finance	--	--	2	6,409
4. Food and Consumer Protection	7	17,970	--	--
5. Health and Family Welfare	3	2,054	--	--
6. Home	15	3,95,393	--	--
7. Industries	3	3,892	--	--
8. Legislative Council	1	235	--	--
9. Public	2	27,163	2	2,497
10. Rural Development	1	4,416	--	--
	—	—	—	—
Total	56	5,16,381	4	8,906
	—	—	—	—

APPENDIX XII

(Reference : paragraph 5.7.1.; page 267)

CATEGORIES OF GOVERNMENT ROADS

	1981-82	1982-83	1983-84	1984-85	1985-86
--	---------	---------	---------	---------	---------

(a) Length of Government roads (in kilometres)

National Highways	1,865	1,865	1,884	1,884	1,884
State Highways	1,814	1,821	1,830	1,852	1,864
Major District Roads	14,028	14,028	14,047	14,031	14,004
Other District Roads	19,765	20,415	21,161	21,238	21,927
Total	<u>37,472</u>	<u>38,129</u>	<u>38,922</u>	<u>39,005</u>	<u>39,679</u>

(b) Surfaced and unsurfaced roads (in kilometres)

Surfaced	37,109	37,875	38,781	38,875	39,542
Unsurfaced	363	254	141	130	137
Total	<u>37,472</u>	<u>38,129</u>	<u>38,922</u>	<u>39,005</u>	<u>39,679</u>

(c) Roads - single lane and double lane traffic (in kilometres)

Single lane	31,501	31,730	30,541	31,632	32,101
Double lane	5,971	6,399	8,381	7,373	7,578
Total	<u>37,472</u>	<u>38,129</u>	<u>38,922</u>	<u>39,005</u>	<u>39,679</u>

Note : Year-wise break-up in respect of Panchayat and Panchayat Union roads are not available.

APPENDIX XIII

(Reference : paragraph 7.3 ; page 292)

STATEMENT OF UTILISATION CERTIFICATES DUE IN RESPECT OF
GRANT-IN-AID PAID UPTO 30TH SEPTEMBER 1985 AND
OUTSTANDING AS ON 30TH SEPTEMBER 1987

Department	Year of grant	Due		Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			(amount	in lakhs of rupees)			
Agriculture	1981-82	1	0.58	--	--	1	0.58
	1982-83	4	27.99	--	--	4	27.99
	1983-84	2	0.83	1	0.50	1	0.33
Commercial	1980-81	1	5.00	1	5.00	--	--
Taxes	1981-82	2	10.00	2	10.00	--	--
and	1983-84	1	0.28	1	0.28	--	--
Religious Endowments							
Co-operation	1980-81 and earlier years	156	37.66	--	--	156	37.66
	1981-82	198	209.39	63	78.24	135	131.15
Education	1980-81 and earlier years	36	5.43	26	3.36	10	2.07

APPENDIX XIII - contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Education (concl.)	1981-82	10	12.43	7	12.18	3	0.25
	1982-83	27	74.56	23	31.59	4	42.97
	1983-84	22	37.00	12	24.14	10	12.86
	1984-85	65	394.72	33	339.57	32	55.15
	1985-86	10	27.50	--	--	10	27.50
Finance	1979-80	3	0.90	--	--	3	0.90
	1983-84	1	0.25	--	--	1	0.25
Handlooms, Textiles and Khadi	1982-83	4	9.40	--	--	4	9.40
Health and Family Welfare	1981-82	2	0.57	2	0.57	--	--
	1982-83	3	0.99	--	--	3	0.99
	1983-84	39*	67.71	--	--	39	67.71
	1984-85	5*	3.92	--	--	5	3.92
Home	1979-80	1	10.00	1	10.00	--	--
Law	1979-80	1	0.04	--	--	1	0.04
Municipal Administra- tion	1981-82	5*	27.64	--	--	5	27.64
	1982-83	10	550.24	--	--	10	550.24
	1983-84	1	0.06	--	--	1	0.06
Personnel and Administra- tive Reforms	1979-80	3	0.05	3	0.05	--	--
	1981-82	5	5.07	5	5.07	--	--
	1983-84	2	0.04	2	0.04	--	--
	1984-85	4	5.03	4	5.03	--	--

APPENDIX XIII - contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Public	1979-80 and earlier years	1	0.25	--	--	1	0.25
	1981-82	2	0.51	2	0.51	--	--
Public Works	1979-80 and earlier years	4	332.50	4	332.50	--	--
Revenue	1983-84	2	0.02	--	--	2	0.02
	1984-85	6	1.06	--	--	6	1.06
Rural Development	1980-81 and earlier years	68	242.68	20	41.00	48	201.68
	1981-82	187*	610.59	--	--	187	610.59
	1982-83	20	1466.83	5	880.44	15	586.39
	1983-84	14	1040.25	3	881.12	11	159.13
	1984-85	1	62.00	1	62.00	--	--
Social Welfare	1979-80 and earlier years	24	0.94	--	0.07	24	0.87

APPENDIX XIII - concl'd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Tamil	1982-83	1	0.30	1	0.30	--	--
Development , 1983-84		9*	1.79	--	--	9	1.79
Culture							
Transport	1982-83	1	0.19	1	0.19	--	--
Total		<u>964</u>	<u>5285.19</u>	<u>223</u>	<u>2723.75</u>	<u>741</u>	<u>2561.44</u>

*Opening balance corrected after a review of outstandings

APPENDIX XIV

(Reference : paragraph 7.6.3; page 302)

GRANTS/LOANS RECEIVED FROM CENTRAL/STATE GOVERNMENTS/HUDCO

Year	<u>Grants received from</u>		Loan received from HUDCO
	State Government	Government of India	
(in lakhs of rupees)			
1980-81	270.00	--	31.13
1981-82	389.00	--	4.15
1982-83	590.00	--	19.64
1983-84	745.00	18.94	55.56
1984-85	870.00	19.00	94.88
1985-86	590.00	35.00	90.68

APPENDIX XV

(Reference : paragraph

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT

Serial number	Name of the Department/ Unit	Year of commen- cement	Period of accounts	Capital at close	Net Block of assets
------------------	------------------------------------	------------------------------	--------------------------	------------------------	------------------------------

(1) (2) (3) (4) (5) (6)

(in lakhs)

I. AGRICULTURE DEPARTMENT

1. Government Agricultural Engineering Workshop, Madras	1952	1984-85	82.50	1.00
2. Scheme for the purchase and distribution of chemical fertilisers, etc.	1954	1979-80	435.96	--

II. FOREST AND FISHERIES
DEPARTMENT

3. Government Cinchona Department, Udagamandalam	1861	1985-86*	1600.07	922.23
4. Chank Fisheries, Tuticorin	1909	1985-86*	111.21	5.04
5. Chank Fisheries, Ramnad	1978	1984-85*	50.82	5.04

* Figures are provisional

DIX XV

8.1; page 320)

COMMERCIAL/ QUASI-COMMERCIAL UNDERTAKINGS

Cumulative depreciation	Turn-over	Net profit/Net loss			Percentage of return on mean capital		Remarks
		Before charging interest on capital	After charging interest on capital	Mean capital	Before charging interest on capital	After charging interest on capital	
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

of rupees)

9.73	25.95	(+) 0.79	(-) 7.52	81.48	0.97	--	
--	18.14	(+) 2.85	(-) 18.83	375.39	0.76	--	
74.30	161.55	(+) 9.37	(-) 42.08	1502.87	0.62	--	
9.25	59.73	(+) 29.61	(+) 13.10	117.60	25.18	11.14	
0.28	NIL	(-) 0.83	(-) 4.83	46.04	--	--	

APPENDIX

(1)	(2)	(3)	(4)	(5)	(6)
III.	INDUSTRIES DEPARTMENT				
	6. Government Blacksmithy and Carpentry Unit, Arakonam	1967	1985-86	13.07	0.85

XV - conclud.

(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-----	-----	-----	------	------	------	------	------

1.35	2.21	(-) 0.97	(-) 2.35	13.27	--	--	
------	------	----------	----------	-------	----	----	--

APPENDIX XVI

(Reference : paragraph 8.1; page 320)

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

Serial number	Name of the Department/ Undertaking	Period for which accounts were in arrears
Agriculture Department		
1.	Scheme for purchase and distribution of chemical fertilizers, Madras	1980-81 to 1986-87
2.	Government Agricultural Engineering Workshop, Madras	1985-86 1986-87
Forest and Fisheries Department		
3.	Government Cinchona Department, Udagamandalam	1986-87
4.	Chank Fisheries, Tuticorin	1986-87
5.	Chank Fisheries, Ramnad	1985-86 1986-87
Industries Department		
6.	Government Carpentry and Blacksmithy Unit, Arakonam	1986-87

APPENDIX XVII

(Reference : paragraph

TARGET AND ACHIEVEMENT FOR

Product	Target	1983 - 84	
		Quantity produced	(+)Excess (-)Short fall
		(kgs.)	
1. Eucalyptus oil I.P.	2500	1550.600	(-)949.400
2. Eucalyptus oil B.P.	1700	1050.000	(-)650.000
3. Geranium oil	2800	2692.820	(-)107.180
4. Eucalyptus Citriodora oil	2650	3387.920	(+)737.920
5. Java Citronella oil	5050	4350.415	(-)699.585
6. Camphor oil	100	195.175	(+) 95.175
7. Camphor tablet	--	201585	(+)201585
8. Cinfresh	--	45100	(+) 45100

DIX XVII

8.2.6.2.3 ; page 336)

MEDICINAL AND ESSENTIAL OIL PRODUCTION

1984 - 85			1985 - 86		
Target	Quantity produced	(+)Excess (-)Short fall	Target	Quantity produced	(+)Excess (-)Short fall
	(kgs.)			(kgs.)	
2500	5527.430	(+) 3027.430	6000	3340.300	(-) 2659.700
1700	3779.420	(+) 2079.420	4100	2258.600	(-) 1841.400
3000	2470.903	(-) 529.097	3400	2697.545	(-) 702.455
6000	6339.825	(+) 339.825	6000	5176.935	(-) 823.065
7400	6250.835	(-) 2149.165	10000	5958.830	(-) 4041.170
220	265.604	(+) 45.604	250	180.510	(-) 69.490
315000	284550	(-) 30450	400000	298560	(-) 101440
45000	55000	(+) 10000	100000	81000	(-) 19000

(Reference : paragraph

STATEMENT SHOWING THE YIELD OF GERANIUM OIL OBTAINED DURING

Year	Projected harvest of leaves	Equivalent oil at 0.11 per cent	Leaves harvested	Short fall in leaves (2) - (4)
(1)	(2)	(3)	(4)	(5)
(Figures in				
1980-81	410000	451	138553	271447
1981-82	970909	1068	357043	613866
1982-83	1646464	1811	672164	974300
1983-84	2262727	2489	620350	1642377
1984-85	2554545	2810	486190	2068355
1985-86	2323626	2556	551497	1772129
1986-87	2138182	2352	828661	1309521
		<hr/>		<hr/>
		13537		8651995
		<hr/>		<hr/>

DIX XVIII

8.2.7.2.2 ; page 350)

1980-81 TO 1986-87 IN PERUMALMALAI REGION OF KODAIKANAL HILLS

Short fall in oil at 0.11 per cent (6) Kilograms)	Oil obtainable at 0.11 per cent on (4) (7)	Oil obtained (8)	Excess(+)- Short fall(-) in oil (9)	Total short fall (6) + (9) (10)
298.592	152.408	131.800	(-) 20.608	319.200
675.253	392.747	324.280	(-) 68.467	743.720
1071.730	739.380	617.340	(-) 122.040	1193.770
1806.615	682.385	754.685	(+) 72.300	1734.315
2275.191	534.809	533.390	(-) 1.419	2276.610
1949.342	606.647	533.700	(-) 72.947	2022.289
1440.473	911.527	936.000	(+) 24.473	1416.000
<hr/> 9517.196 <hr/>		<hr/> 3831.195 <hr/>	<hr/> (-) 188,708 <hr/>	<hr/> 9705.904 <hr/>

