

REPORT
OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

FOR THE YEAR 1978-79

(CIVIL)

GOVERNMENT OF WEST BENGAL

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Report of the Comptroller and Auditor General of India for the year 1978-79 (Civil)— Government of West Bengal

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27	Line 10	Accountant-General	Accountant General
31	Line 2 of sub-para 3.1.5.3.	Rs. 12·86 (dim impression)	Rs. 12·86
33	Line 8 from bottom	Rs. 1,80·19 (dim impression)	Rs. 1,80·19
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40	Line 4 from bottom	Commercial Industrial	commercial industrial
40	Last line	(a) (b)	(a), (b)—
43	Line 6 from bottom	at the end of (iii) and before beginning of (iv) add 'and'	
50	Line 2	purchase	purchase
61	Line 3	bock	block
75	1st line under Remarks below (iii) Physical verification of stock	In one Division	In one division
83	Line 1 of sub-para 6.4.1	Parshads,	Parishads,
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113	Heading Appendix VI	.. contd	concl'd.
127	Appendix XV—Heading	.. (Figures in columns 5 to 13 are in lakhs of rupees) (dim impression)	(Figures in columns 5 to 13 are in lakhs of rupees)

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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 1978-79 together with other points arising from audit of financial transactions of the Government of West Bengal. It also includes :

- (i) certain points of interest arising from the Finance Accounts for the year 1978-79; and
- (ii) comments on Kalyani Township Scheme, Provision of house sites to landless labourers and construction of huts under rural housing scheme, Sheep breeding farms, Kangsabati Reservoir Project, and Government Central Lock Factory, Bargachia, Howrah.

2. The Report containing the observations of Audit on statutory corporations including the West Bengal State Electricity Board and Government companies and the Report containing the observations of Audit on Revenue Receipts are presented separately.

3. The cases mentioned in the Report are among those which came to notice of Audit in the course of test audit of the accounts during the year 1978-79 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 1978-79 have also been included wherever considered necessary.

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

CHAPTER I

General

1.1. Summary of transactions

The receipts, expenditure and surplus|deficit of Government for 1978-79, with the corresponding figures of the previous year, are given below :

	1977-78	1978-79
	<i>(In crores of rupees)</i>	
(1) Revenue—		
Revenue receipts	6,99.27	8,28.18
Revenue expenditure	<u>7,01.09</u>	<u>9,07.08</u>
Revenue deficit (—)	(—)1.82	(—)78.90
(2) Public Debt—		
Internal Debt of the State Government—		
Receipts	4,89.05	3,68.84
Repayments	<u>3,89.36</u>	<u>4,45.36</u>
Increase (+)	(+)99.69	(—)76.52
Decrease (—)		
Loans and advances from the Central Government—		
Receipts	1,68.59	4,15.16
Repayments	<u>94.58</u>	<u>1,03.63</u>
Increase (+)	<u>(+)74.01</u>	<u>(+)3,11.53</u>
Total Public Debt (net)		
Increase (+)	<u>(+)1,73.70</u>	<u>(+)2,35.01</u>
(3) Loans and advances by the State Government—		
Recoveries	20.05	22.38
Disbursements	<u>1,30.36</u>	<u>1,67.79</u>
Increase (—)	(—)1,10.31	(—)1,45.41
(4) Capital Expenditure (net)		
Increase (—)	(—)77.51	(—)78.97

		1977-78	1978-79
		(In crores of rupees)	
(5) Contingency Fund (net)			
Increase (+)	.. .. .	(-)0.65	(+)0.70
Decrease (-)	.. .. .	
(6) Public Account (net)			
Increase (+)	.. .. .	(+ )66.05	(+)87.37
Net surplus (+)	.. .. .	(+ )49.46	(+)24.90
Opening Cash Balance	.. .. .	(-)56.12	(-)6.66
Net surplus (+)	.. .. .	(+ )49.46	(+)24.90
Closing Cash Balance	.. .. .	(-)6.66	(+)18.24*

1.2. Revenue surplus|deficit

1.2.1. The year ended with a revenue deficit of Rs.78.90 crores as against a deficit of Rs.1.78 crores anticipated in the budget.

1.2.2. Revenue receipts :

The actuals of revenue receipts for 1978-79 as compared with (i) the budget estimates and (ii) the budget estimates *plus* additional taxation levied during the year along with the corresponding figures for 1976-77 and 1977-78 are given below :

Year	Budget	Budget <i>plus</i> additional taxation	Actuals	Variations between columns (4) and (3)		
				Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
(In crores of rupees)						
1976-77	5,96.23	6,03.50	6,21.11	(+)17.61	2.9
1977-78	7,47.59	7,70.29	6,99.27	(-)71.02	9.2
1978-79	8,24.37	8,35.87	8,28.18	(-)7.69	0.9

Details of important variations from budget estimates will be found in the Report of the Comptroller and Auditor General of India for the year 1978-79 (Revenue Receipts)—Government of West Bengal.

*There was a difference (Rs. 0.75 crore) between the figure reflected in the accounts (Rs. 20.24 crores) and that intimated by the Reserve Bank of India (Rs. 19.49 crores) regarding "Deposits with Reserve Bank" (included in the cash balance). After reconciliation, the difference of Rs. 0.49 crore now remaining to be reconciled (February 1980).

1.2.3. Expenditure on revenue account :

The expenditure during 1978-79 as compared to (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision along with the corresponding figures for 1976-77 and 1977-78 are given below :

Year	Budget	Budget <i>plus</i> supplemen- tary	Actuals	Variations between columns (4) and (3)		
				Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
(In crores of rupees)						
1976-77	5,69.86	6,33.61	5,97.30	(-)36.31	5.7
1977-78	7,10.19	7,41.07	7,01.09	(-)39.98	5.4
1978-79	8,26.15	9,86.46	9,07.08	(-)59.38	6.1

Important variations from budget estimates have been indicated in Chapter II of this Report.

1.3. Revenue Receipts

The revenue receipts during 1978-79 (Rs.8,28.18 crores) increased by Rs.1,28.91 crores over those in 1977-78 (Rs.6,99.27 crores) as shown below :

(1)	Receipts		Increase (+) Decrease (-)
	1977-78	1978-79	
(1)	(2)	(3)	(4)
(In crores of rupees)			
(i) Revenue raised by the State Government—			
(a) Tax revenue	3,55.10	4,08.15	(+)53.05
(b) Non-tax revenue	77.87	90.14	(+)12.27
(ii) Receipts from the Government of India—			
(a) Share of net proceeds of—			
(i) Taxes on income other than Corporation Tax	60.05	62.82	(+)2.77
(ii) Union Excise Duties	88.27	98.10	(+)9.83
(iii) Estate Duty	0.76	0.81	(+)0.05
(b) Grants-in-aid from Central Government—			
(i) Non-Plan grants	67.52	74.09	(+)6.57
(ii) Grants for State Plan Schemes	31.27	69.42	(+)38.15
(iii) Grants for Central Plan Schemes	7.64	5.98	(-)1.66
(iv) Grants for Centrally Sponsored Plan Schemes	10.79	18.67	(+)7.88
Total	6,99.27	8,28.18	(+)1,28.91

More information on the subject will be found in the Report of the Comptroller and Auditor General of India for the year 1978-79—Revenue Receipts—Government of West Bengal,

1.4. Expenditure on revenue account

The following table compares the expenditure on revenue account during 1978-79 under broad headings with the provision of funds made thereunder and with the actuals for 1977-78 :—

Heads of expenditure	Plan				Non-Plan				
	Budget estimates	Budget plus supplementary	Actuals*	Variations Increase(+) Decrease(-)	Budget estimates	Budget plus supplementary	Actuals*	Variations Increase(+) Decrease(-)	
	<i>(In crores of rupees)</i>								
A. General Services	0.48	1.31	0.39 (0.41)	(-)0.92	2,24.55	2,36.74	2,21.34 (2,07.84)	(-)15.40	
B. Social and Community Services ..	1,08.97	1,42.57	1,28.91 (74.79)	(-)13.66	2,61.35	3,11.50	2,92.41 (2,32.39)	(-)29.09	
C. Economic Services—									
(a) General Economic Services ..	3.79	3.79	3.27 (1.48)	(-)0.52	0.64	4.73	4.90 (4.99)	(+) 0.17	
(b) Agriculture and Allied Services	64.66	71.59	63.25 (43.93)	(-)8.34	72.28	81.32	68.74 (58.97)	(-)12.58	
(c) Industry and Minerals ..	4.34	8.18	12.21 (2.47)	(+)4.03	10.02	10.28	8.90 (8.24)	(-)1.38	
(d) Water and Power Development	1.40	1.41	28.50 (0.41)	(+)27.09	19.67	32.87	19.69 (8.49)	(-)13.18	
(e) Transport and Communications	3.38	3.38	16.28 (1.77)	(+)12.90	24.80	33.05	28.26 (24.93)	(-)4.79	
D. Grants-in-aid and contributions .. ..	..	..	.. (..)	..	21.82	23.74	20.03 (19.98)	(-)3.71
Total ..	1,87.02	2,32.23	2,52.81 (1,25.26)	(+)20.58	6,39.13	7,34.23	6,54.27 (5,75.83)	(-)79.96	

*Figures in brackets represent actuals for 1977-78.

Significant variations in expenditure during 1978-79 over the previous year under broad sectors, are analysed in Appendix I.

1.5. Expenditure on capital account

(i) The capital expenditure during three years ending 1978-79 as compared with the budget estimates and the budget estimates *plus* supplementary provision is given below :—

Year	Budget	Budget <i>plus</i> supplemen- tary	Actuals	Variation between columns (4) and (3)			
				Amount	Percentage		
(1)	(2)	(3)	(4)	(5)	(6)		
<i>(In crores of rupees)</i>							
1976-77	82.15	1,11.74	81.05	(-) 30.69	27.5
1977-78	97.91	1,04.19	77.51	(-) 26.68	25.6
1978-79	1,12.00	1,24.93	73.87	(-) 51.06	40.9

(ii) The following table compares the expenditure on capital account during 1978-79 under broad headings with the provision of funds made thereunder and with the actuals for 1977-78 :—

Sectors	Plan				Non-Plan				
	Budget estimates	Budget plus supplementary	Actuals*	Variations Increase(+) Decrease(-)	Budget estimates	Budget plus supplementary	Actuals*	Variations Increase(+) Decrease(-)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<i>(In crores of rupees)</i>								
A. Capital Account of General Services ..	3.48	3.48	1.48 (1.50)	(-)2.00	2.29	2.29	1.57 (1.55)	(-)0.72	
B. Capital Account of Social and Community Services	8.63	9.65	10.60 (11.74)	(+)0.95	5.08	5.24	(-)3.27** (0.62)	(-)8.51	
C. Capital Account of Economic Services—									
(a) Capital Account of General Economic Services	6.64	10.33	9.16 (6.26)	(-)1.17	3.36	3.36	2.52 (2.98)	(-)0.84	
(b) Capital Account of Agriculture and Allied Services	23.87	25.11	12.66 (12.29)	(-)12.45	6.40	6.44	1.54 (0.64)	(-)4.90	
(c) Capital Account of Industry and Minerals	3.67	3.74	1.38 (3.42)	(-)2.36	0.57	1.17	0.01 (..)	(-)1.16	
(d) Capital Account of Water and Power Development	37.56	43.65	27.44 (26.34)	(-)16.21	..	..	0.73 (1.35)	(+)0.73
(e) Capital Account of Transport and Communications	10.21	10.21	*7.90 (8.69)	(-)2.31	0.24	0.26	0.15 (0.13)	(-)0.11	
Total	94.06	1,06.17	70.62 (70.24)	(-)35.55	17.94	18.76	3.25 (7.27)	(-)15.51	

*Figures in brackets represent actuals for 1977-78.

**Minus figure due to excess of credit transactions over debit transactions.

Significant variations in expenditure during 1978-79 over the previous year, under broad sectors, are analysed in Appendix II.

1.6. Loans and advances by Government

(i) The actuals of disbursement of loans and advances by Government in 1978-79 as compared with the budget estimates and the budget estimates *plus* supplementary provision along with the corresponding figures for 1976-77 and 1977-78 are given below :

Year (1)	Budget (2)	Budget <i>plus</i> supplemen- tary (3)	Actuals (4)	Variation between columns (4) and (3)	
				Amount (5)	Percentage (6)
<i>(In crores of rupees)</i>					
1976-77	70.76	93.23	87.28	(-)5.95	6.4
1977-78	1,22.75	1,28.32	1,30.86	(+)2.04	1.6
1978-79	1,44.58	1,77.31	1,67.79	(-)9.52	5.4

The saving (column 5) during the year was due mainly to less release of loans for Agriculture (Rs.7.71 crores), Roads and Bridges (Rs.6.62 crores) and Village and Small Industries (Rs.2.91 crores) partly counterbalanced by more loans given to Co-operative institutions (Rs 8.08 crores).

(ii) The budget estimates and the actuals of recoveries of loans and advances for the three years ending 1978-79 are given below :

Year (1)	Budget (2)	Actuals (3)	Variation between columns (3) and (2)	
			Amount (4)	Percentage (5)
<i>(In crores of rupees)</i>				
1976-77	13.27	13.13	(-)0.14	1.1
1977-78	32.25	20.05	(-)12.20	37.8
1978-79	26.07	22.38	(-)3.69	14.2

The shortfall in recoveries was mainly due to less repayments under loans for Co-operation (Rs.2.09 crores) and loans for Agriculture and Allied Services (Rs.8.75 crores) partly counterbalanced by more recoveries under loans for Industry and Minerals (Rs.2.05 crores), loans for Power Projects (Rs.4.00 crores) and loans to Government Servants (Rs.1.04 crores).

(iii) The loans and advances outstanding at the end of the last three years were as under :

	On 31st March 1977	On 31st March 1978	On 31st March 1979
	<i>(In crores of rupees)</i>		
(I) Loans for Social and Community Services ..	1,73.40	1,96.85	2,23.46
(II) Loans for Economic Services—			
(a) General Economic Services ..	20.98	24.50	39.51
(b) Agriculture and Allied Services ..	45.33	48.85	59.74
(c) Industry and Minerals ..	81.83	90.54	1,03.59
(d) Water and Power Development ..	1,30.52	1,83.91	2,42.29
(e) Transport and Communications ..	79.58	97.40	1,15.33
(III) Loans to Government Servants ..	8.24	8.15	11.69
(IV) Loans for miscellaneous purposes ..	0.05	0.05	0.05
Total ..	5,39.93	6,50.25	7,95.66

Further details are given in Statement Nos. 5 and 18 of Finance Accounts 1978-79.

(iv) *Recoveries in arrears*

(a) Detailed accounts of loans to Municipalities, Zilla Parishads and Anchal Panchayats, Calcutta Corporation, Statutory Bodies, etc., are maintained by Audit Office. Recoveries aggregating Rs.62,16.37 lakhs (principal : Rs.43,00.15 lakhs; interest : Rs.19,16.22 lakhs) were in arrears in 1,249 cases on 31st March 1979.

(b) In the case of loans, the detailed accounts of which are maintained by departmental officers, the recoveries in respect of loans given by the Education Department to educational institutions aggregating Rs.52.34 lakhs (principal : Rs.36.18 lakhs; interest : Rs.16.16 lakhs) were in arrears in 137 cases on 31st March 1979. Information about recoveries has not been received (October 1979) from the following departments :

- (i) Agriculture
- (ii) Animal Husbandry and Veterinary Services
- (iii) Co-operation
- (iv) Cottage and Small Scale Industries
- (v) Development and Planning
- (vi) Home (Political)
- (vii) Housing
- (viii) Information and Public Relations
- (ix) Relief and Welfare
- (x) Panchayat and Community Development

(v) *Delay in acceptance of balances*

The balances under loans are communicated every year to departmental officers for acceptance. In a large number of cases such acceptances had not been received *vide* a few illustrative cases indicated below :

	Number of acceptances awaited	Earliest year from which acceptances are awaited	Balances on 31st March 1979 for which acceptances are awaited
<i>(In crores of rupees)</i>			
I Loans for Social and Community Services ..	95	1973-74	1,46.53
II Loans for Economic Services—			
(a) Loans for Agriculture and Allied Services	8	1977-78	0.47
(b) Loans for Industry and Minerals ..	287	1971-72	68.19
(c) Loans for Water and Power Development	168	1977-78	2,24.00
(d) Loans for Transport and Communications	464	1976-77	94.03

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

The sources from which the net outgo under loans and advances (Rs.1,45.41 crores) and the capital expenditure (Rs.73.87 crores) mentioned in item nos. 3 and 4 respectively of paragraph 1.1. were met during 1978-79 are shown below :

Source	Amount
<i>(In crores of rupees)</i>	
(i) Internal debt of the State Government	(-)76.52
(ii) Loans and advances from the Central Government ..	3,11.53
(iii) Small Savings, Provident Funds, etc.	13.25
(iv) Reserve Funds	3.74
(v) Investments	3.36
(vi) Contingency Fund	0.70
(vii) Net balances under deposits, advances, etc. ..	61.01
(viii) Miscellaneous Government Account	6.01
(ix) Increase in cash balance	(-)24.90
(x) Revenue deficit	(-)78.90
Total	2,19.28

1.8. Debt position

(a) The details of public debt transactions are given below :

	Loans raised	Loans discharged	Increase(+) Decrease(-)
<i>(In crores of rupees)</i>			
Loans and advances from the Central Government ..	4,15.16	1,03.63	(+)3,11.53
Market loans	13.92	5.77	(+)8.15
Ways and means advances including overdrafts from the Reserve Bank of India.	3,43.99	4,36.90	(-)92.91
Other loans	10.93	2.69	(+)8.24
Total ..	7,84.00	5,48.99	(+)2,35.01

(b) The outstanding public debt at the end of March 1979 was Rs.15,98.34 crores. Analysis of the debt compared with the corresponding amounts at the end of the two preceding years is given below :

	At the end of		
	1976-77	1977-78	1978-79
<i>(In crores of rupees)</i>			
Loans and advances from the Central Government ..	10,09.05	10,83.06	13,94.59
Market loans	1,37.21	1,45.46	1,53.61
Other loans	43.37	1,34.81	50.14
Total ..	11,89.63	13,63.33	15,98.34

(c) Other debt and obligations

In addition to public debt, small savings, provident funds, etc. and the balances at the credit of Depreciation and other Reserve Funds and certain deposits to the extent to which they have not been invested but are merged with the cash balance also constitute liabilities of Government. Taking the public debt and these liabilities together, the debt position of Government was as follows :

	Total debt as on 31st March		
	1977	1978	1979
<i>(In crores of rupees)</i>			
Public debt	11,89.63	13,63.33	15,98.34
Small savings, provident funds, etc.	67.50	77.46	90.71
Reserve funds and deposits (interest bearing) ..	6.66	5.37	5.38
Depreciation reserves and other earmarked funds and deposits (non-interest bearing)	65.27	70.60	77.92
Civil deposits and deposits of local funds (non-interest bearing)	82.41	1,00.77	1,36.30
Total ..	14,11.47	16,17.53	19,08.65

(d) *Ways and means advances and overdrafts from the Reserve Bank of India*

Under an agreement with the Reserve Bank of India, the State Government have to maintain with the Bank at the end of each working day a minimum balance of Rs.1 crore. When the balance falls below the agreed minimum, the deficiency is made good by the Bank by giving ordinary ways and means advance up to the limit of Rs.20 crores. (This limit was Rs.10 crores prior to 30th September 1978). Special ways and means advances not exceeding Rs.10 crores can also be made available against Government of India securities held by the State Government. The limit for special ways and means advances was Rs.3.70 crores during 1978-79.

If, even after taking these advances, the balance falls below the agreed minimum balance, the Bank charges interest on the shortfall. The interest on ways and means advances, shortfalls and overdrafts ranges from 1 per cent below the Bank Rate (9 per cent) to 3 per cent above the Bank Rate.

The extent to which Government were able to maintain the minimum balance with the Bank in 1978-79 is shown below :

(i) Number of days on which the minimum balance was maintained without obtaining any advance	..	123
(ii) Number of days on which the minimum balance was maintained by taking ordinary and special ways and means advances	..	42
(iii) Number of days on which there was shortfall in the minimum balance after taking the above advances but no overdraft was taken	..	1
(iv) Number of days on which overdraft was taken.	..	199

Ways and means advances : At the end of the previous year, Rs.13.70 crores were outstanding as ways and means advances. During 1978-79, Rs.89.40 crores were taken from the Bank as ways and means advance and Rs.1,03.10 crores were repaid. A sum of Rs.1.15 crores was paid during the year as interest on these advances.

Overdrafts : During 1978-79, overdrafts aggregating Rs.2,54.59 crores were taken and Rs.3,33.80 crores were repaid including Rs.79.21 crores on account of the previous year. During the year,

Rs.4.53 crores were paid towards interest on overdrafts. At the close of the year there was an undischarged liability on account of interest on overdrafts for Rs.0.02 crore.

The amounts of interest paid to the Bank on ways and means advances and overdrafts during the three years ending 1978-79 are indicated below :

Year	Amount (In crores of rupees)
1976-77	0.39
1977-78	6.32
1978-79	5.68

(e) *Interest charges :*

Interest payments on account of the debt are analysed below :

	1976-77	1977-78	1978-79
	(In crores of rupees)		
(i) Interest paid by the State Government ..	64.42	72.93	80.63
(ii) Deduct—			
(a) Interest received on loans and advances by State Government	0.67	1.16	0.63
(b) Interest realised on investment of cash balance	0.07	..	0.36
(c) Interest on capital advanced to Damodar Valley Corporation	(A)	(A)	(A)
(iii) Net burden of interest on revenue	63.68	71.77	79.64
(iv) Percentage of net interest to total revenue receipts	10.25	10.26	9.62

In addition, there were certain other receipts and adjustments (Rs.9.33 crores), such as interest received from Commercial Departments, etc. If these are also taken into account, the net burden of interest on revenue is Rs.70.31 crores (8.49 per cent of the revenue).

(f) *Loans and advances from Government of India*

The balance of loans and advances received from Government of India outstanding at the end of 1978-79 was Rs.13,94.59 crores; this formed about 87.25 per cent of the total public debt (Rs.15,98.34 crores). The State Government obtained from Government of India

(A) Payment of interest (Rs. 53.14 crores up to the end of 1978-79) was withheld by the Damodar Valley Corporation pending adjustment against the amount due to it from the State Government on account of water rates and deficits on irrigation, power and flood control.

in 1978-79 Rs.4,15.16 crores as loans for State Plan|Central Plan| Centrally Sponsored Plan Schemes (Rs.1,66.75 crores), ways and means advances (Rs.45.10 crores) and non-Plan loans for various purposes (Rs.2,03.31 crores). Details of loans outstanding on 31st March 1979 are given in Statement No. 17 of Finance Accounts 1978-79. On 31st March 1979, Rs.18.39 lakhs were overdue for payment to Government of India towards interest.

1.9. Investments

During 1978-79, Government invested Rs.15,32.35 lakhs in shares and debentures of statutory corporations, Government Companies, gramin banks, joint stock companies and co-operative institutions and the total investment at the end of the year stood at Rs.88,08.41 lakhs as indicated below :

	No. of concerns	Investment made during 1978-79	Investment to the end of 1978-79	Dividend/ interest received during 1978-79 with percentage of return on cumulative investments in brackets
<i>(In lakhs of rupees)</i>				
(i) Statutory Corporations	2	39.00	2,31.47	2.29 (0.99)
(ii) Government Companies	34	4,31.17	44,36.13	1.45 (0.03)
(iii) Banks	5	..	20.71	0.20 (0.01)
(iv) Joint stock companies	8	..	77.32	..
(v) Co-operative banks and societies	33	10,62.18	40,42.41	7.30 (0.001)
(vi) Concerns under liquidation	4	..	0.37	..
Total	86	15,32.35	88,08.41@	11.24 (0.01)

1.10. Guarantees given by Government

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

@Includes Rs. 1.00 lakh invested from revenue during 1976-77.

The guarantees are in the nature of contingent liabilities on the State revenues. Brief particulars of these contingent liabilities based on the available information are given below (further details are given in Statement No. 6 of Finance Accounts 1978-79) :

Body on whose behalf guarantee was given	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1979
<i>(In crores of rupees)</i>		
Statutory Corporations and Board	3,88.21	3,32.16*
Government companies	27.87	23.01*
Co-operative institutions including co-operative banks	1,07.71	39.61*
Other institutions	3.22	3.22*
Total ..	5,27.01	3,98.00

(ii) No payment was made for invoking guarantees in respect of Housing, Forests, Power, Agriculture, Commerce and Industries and Closed and Sick Industries Departments during 1978-79. Similar information in respect of Panchayats, Home (Transport), Food and Supplies, Fisheries, Public Works (Metropolitan Development), Power, Co-operation, Public Undertakings and Cottage and Small Scale Industries Departments is awaited (February 1980).

Guarantee fees amounting to Rs.3.51 lakhs were due (December 1979) in respect of loans guaranteed by the Commerce and Industries Department (Rs.3.41 lakhs) and the Housing Department (Rs.0.10 lakh).

Guarantee fees (Rs.2.79 lakhs) in respect of guarantees amounting to Rs.1,86.00 lakhs given by the Closed and Sick Industries Department in respect of 3 industrial units were due since 1976-77.

Guarantee fees in respect of guarantees amounting to Rs.3,99.00 lakhs were waived by the Agriculture Department (Rs.3,69.00 lakhs) and the Closed and Sick Industries Department (Rs.30.00 lakhs).

1.11. Delay in submission of accounts by treasuries

Delay in submission of accounts by the treasuries results in delay in the compilation of monthly accounts and their submission to Government. The accounts have sometimes to be submitted without including the transactions of the defaulting treasuries in the monthly accounts with the result that the monthly accounts remain incomplete.

*Complete particulars are awaited from departmental officers.

Delays in receipt of accounts during 1978-79 ranged from 78 to 135 days. Alipore and Siliguri treasuries delayed submission of accounts of all the months by 44 to 113 days. Hooghly treasury and the Pay and Accounts Office, Calcutta delayed submission of accounts in ten different months by 39 to 135 days. The Treasury-wise position of the extent of delay in submission of accounts for 1978-79 is indicated in Appendix III.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

(a) The following table compares the total expenditure during the year with the totals of grants and charged appropriations:

		Grants/ charged appropriations	Expendi- ture	Saving— Excess+	Percentage	
<i>(In crores of rupees)</i>						
Voted—						
Original	..	10,69.13	12,47.27	11,53.23	-94.04	7.5
Supplementary	..	1,78.14				
Charged—						
Original	..	2,98.72	5,55.41	6,39.88	+84.47	15.2
Supplementary	..	2,56.69				
Total	..	18,02.68	17,93.11	-9.57	0.5	

The overall saving of Rs.9.57 crores was the result of saving of Rs.1,17.35 crores in 63 grants (Rs.1,15.62 crores) and 25 charged appropriations (Rs.1.73 crores) partly offset by excess of Rs.1,07.78 crores in 11 grants (Rs.21.59 crores) and 4 charged appropriations (Rs.86.19 crores).

(b) Further details are given below:

		Revenue	Capital	Loans and advances	Public debt	Total
<i>(In crores of rupees)</i>						
Authorized to be spent (grants and charged appropriations)—						
Original	..	8,61.55	1,47.76	1,44.58	2,13.96	13,67.85
Supplementary	..	1,40.31	12.93	32.73	2,48.86	4,34.83
Total	..	10,01.86	1,60.69	1,77.31	4,62.82	18,02.68
Actual expenditure (grants and charged appropria- tions)		9,64.32	1,12.01	1,67.79	5,48.99	17,93.11
Shortfall (-)						
Excess (+)	..	-37.54	-48.68	-9.52	+86.17	-9.57

2.2. Excess over grants|charged appropriations requiring regularisation

(a) *Grants*: Excesses aggregating Rs.21.59 crores in the following 11 grants require regularisation under Article 205 of the Constitution:

Sl. No.	Number and name of grant	Total grant	Expenditure	Excess
		Rs.	Rs.	Rs.
(1)	4—Administration of Justice	4,78,55,000	4,79,27,875	72,875

Excess occurred mainly under “Judicial Magistrate’s Courts”, reasons for which have not been intimated (January 1980).

(2)	16—Interest Payments	1,20,02,000	1,28,78,840	8,76,840
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Excess occurred under “Interest on Compensation money payable to land holders”, reasons for which have not been intimated (January 1980).

(3)	18—Secretariat— General Services	3,48,99,000	3,50,34,068	1,35,068
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Excess was mainly due to payment of interim dearness allowance and *ex-gratia* grant to the staff.

(4)	25—Public Works	38,73,16,000	46,14,20,932	7,41,04,932
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Excess was mainly due to larger expenditure on purchase of materials for which reasons have not been stated.

(5)	28—Pensions and Other Retirement Benefits ..	12,53,62,000	13,84,13,170	1,30,51,170
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Excess was mainly due to (i) revision of pension cases, (ii) increase in the number of beneficiaries of family pension and (iii) increase in the number of retirement cases and sanction of provisional gratuity in most cases.

(6)	31—Secretariat—Social and Community Services ..	1,22,00,000	1,24,00,208	2,00,208
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Excess occurred under “I—Secretariat”, reasons for which have not been intimated (January 1980),

(7)	59—Co-operation	28,74,30,000	27,09,77,140	8,35,47,140
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Excess was mainly due to (i) sanction of loans to West Bengal State Co-operative Marketing Federation Ltd. for purchase of seeds, fertilisers, pesticides, etc., to be distributed to farmers affected by floods and (ii) implementation of food production programme on a larger scale than anticipated.

Sl. No.	Number and name of grant	Total grant	Expenditure	Excess
		Rs.	Rs.	Rs.
(8)	61—Industries (Closed and Sick Industries)	4,67,40,000	5,26,98,834	59,58,834

Excess was mainly due to payment of loans for revival of a jute mill company taken over during the middle of the financial year.

(9)	63—Village and Small Industries (Excluding Public Undertakings)	14,52,07,000	15,40,68,748	88,61,748
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Excess was stated to be due mainly to sanction of more assistance to artisans affected by the floods of 1978.

(10)	70—Roads and Bridges	57,03,63,000	57,52,73,006	49,10,006
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Excess was due mainly to purchase of more stores and stock materials than anticipated and more expenditure on repair and restoration of roads damaged by the floods of 1978.

(11)	84—Loans and Advances	6,76,61,000	9,18,93,260	2,42,32,260
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Excess was due to requirement of funds for giving advances to Government servants affected by the floods of 1978 and larger requirement of funds for payment of house building advances and advances in connection with marriage, illness, etc.

(b) *Charged appropriations:* Excess of Rs.86.19 crores over the charged appropriation in the following four cases also requires regularisation:

Sl. No.	Number and name of charged appropriation	Total appropriation	Expenditure	Excess
		Rs.	Rs.	Rs.
(1)	1—State Legislature	1,10,000	1,26,644	16,644

Excess was due to more travelling expenses.

(2)	Public Service Commission	24,33,000	24,89,884	56,884
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Excess occurred under "Salaries" and "Office Expenses", reasons for which have not been intimated (January 1980).

(3)	25—Public Works	34,54,000	34,85,401	31,401
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Excess occurred under "Direction and Administration" and "Maintenance and Repairs", reasons for which have not been intimated (January 1980).

Sl. No.	Number and name of charged appropriation	Total appropriation	Expenditure	Excess
		Rs.	Rs.	Rs.
(4)	Public Debt	4,62,81,48,000	5,48,99,30,391	86,17,91,301

Excess was attributed mainly to repayment of (i) ways and means advances obtained from Government of India and (ii) overdraft from the Reserve Bank of India for which requisite supplementary provision could not be obtained.

2.3. Supplementary grants|charged appropriations

The supplementary provision of Rs.4,34.83 crores (32 per cent of original provision) was obtained under 43 grants (Rs.1,78.14 crores) and 24 appropriations (Rs.2,56.69 crores). Details of some significant cases of unnecessary, excessive and inadequate supplementary grants|charged appropriations are given below :

(i) *Unnecessary supplementary grants*—In the following cases, among others, the supplementary grants (exceeding Rs.5 lakhs each) remained wholly unutilised as the expenditure in each case did not come up even to the original provision :

Sl. No.	Number and name of grant	Original grant	Supplemen- tary grant	Expen- diture	Saving
(In lakhs of rupees)					
(1)	11—Sales Tax	1,99.99	6.47	1,94.47	11.99

Non-utilisation of supplementary provision obtained in March 1979 for meeting larger establishment charges was attributed to non-filling up of posts.

(2)	21—Police	60,68.65	2,09.09	57,94.34	4,83.40
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Part of the shortfall was stated to be due to non-purchase of machinery and equipment under the scheme for modernisation of Police Force (Rs.78.28 lakhs), hiring of less number of vehicles and consequential reduced consumption of petrol, oil, etc., (Rs.58.00 lakhs) and withdrawal of cordoning from certain areas (Rs.53.46 lakhs). Reasons for bulk of the remaining shortfall have not been intimated (January 1980).

(8)	24—Stationery and Printing	2,30.31	26.17	2,10.16	46.32
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Saving was stated to be due mainly to non-purchase of paper for want of an approved rate contract.

(4)	27—Other Administrative Services	9,26.83	36.69	8,67.84	95.69
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Shortfall was attributed mainly to suspension of training of recruits and periodical parade of District Battalion personnel under "National Volunteer Force", non-recruitment of staff, non-purchase of civil defence articles due to non-compliance of formalities by suppliers, non-arrangement of training programme for air raid precaution due to floods and non-commissioning of two fire-floats.

Sl. No.	Number and name of grant	Original grant	Supplomen- tary grant	Expen- diture	Saving
<i>(In lakhs of rupees)</i>					
(5)	34—Education, Art and Culture (Excluding Sports and Youth Welfare)	1,84,66.31	6,09.71	1,83,58.29	7,17.73

Reasons for saving have not been intimated (January 1980).

(6)	36—Medical	70,73.92	6,71.10	67,78.58	9,66.44
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Shortfall was attributed mainly to less purchase of medical stores, machinery and equipment, non-filling up of vacant posts and less adjustment of book-debit bills for Rs.9,15.45 lakhs.

(7)	46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes)	32,52.51	3,52.78	31,68.64	4,36.65
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The shortfall was attributed mainly to non-completion of spillover schemes of the previous year relating to minor irrigation, flood protection, drainage, afforestation, rural roads, etc., reasons for which have not been stated (January 1980), non-finalisation of purchase of road rollers and non-filling up of posts.

(8)	51—Other General Economic Services	1,05.76	9.34	1,02.39	12.71
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Reasons for the shortfall have not been intimated (January 1980).

(9)	52—Agriculture	43,59.14	14,70.19	39,79.50	18,49.83
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Shortfall of Rs.3,14.96 lakhs was attributed to less expenditure under the scheme "Distribution of Chemical Fertilisers" due to non-receipt of information about release of funds by Government of India (Rs.1,74.96 lakhs) and non-sanction, for reasons not intimated, of the scheme "Strengthening and Reorganisation of Agricultural Extension and Administration in State" (Rs.1,40.00 lakhs). Reasons for the balance saving of Rs.15,34.87 lakhs have not been intimated (January 1980).

(10)	53—Minor Irrigation, Soil Conser- vation and Area Development	43,53.31	5,53.98	38,03.64	11,03.65
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Reasons for the saving have not been intimated (January 1980).

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
<i>(In lakhs of rupees)</i>					
(11) 55—Animal Husbandry	..	11,58.75	1,63.60	11,52.50	1,69.85

Shortfall was attributed mainly to non-implementation of the scheme "Resettlement of city kept khatalas" due to difficulties in acquiring land, handing over of works in connection with certain schemes to the Himalayan Milk Co-operative Producers' Union Ltd. and the West Bengal Dairy and Poultry Development Corporation and non-construction of new veterinary hospitals due to non-finalisation of required formalities.

(12) 62—Industries (Excluding Closed and Sick Industries)		11,56.63	30.08	10,50.45	1,36.26
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Shortfall was attributed mainly to poor supply of gas from Durgapur Projects Ltd., less payment for purchase of gas due to submission of defective bills, non-filling up of Selection Grade posts due to technical and procedural difficulties, non-supply of gas meters by suppliers and less production in different brick fields.

(13) 67—Power Projects	..	56,98.00	1,30.00	56,88.06	1,39.94
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Shortfall was attributed to curtailment of loan assistance to West Bengal State Electricity Board due to less work done for transmission and distribution of power in Salt Lake Township and release of less funds by Government of India for construction of inter-State transmission lines.

(14) 74—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions		20,80.04	1,02.03	18,72.17	3,69.90
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Reasons for saving have not been intimated (January 1980).

(ii) *Supplementary grants which proved excessive*—In the following cases, among others, the supplementary provision (exceeding Rs.5 lakhs each) proved excessive; against the supplementary provision of Rs.81,67.98 lakhs, Rs.60,94.29 lakhs were actually utilised :

(1) 80—Miscellaneous General Services		1,76.00	95.44	2,41.44	80.00
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Reasons for saving which occurred mainly under "State Lotteries", have not been intimated (January 1980).

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(In lakhs of rupees)					
(2) 38	Public Health, Sanitation and Water Supply	26,83.20	14,24.15	38,32.66	2,74.69

Reasons for saving which occurred mainly under "Accelerated Rural Water Supply Programme" (Rs.2,66.00 lakhs) and "Water Supply Scheme for Haldia Industrial Complex" (Rs.50.00 lakhs) have not been intimated (January 1980).

(3) 39	Housing	10,31.12	33,59.65	34,72.99	9,17.78
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Reasons for saving mainly under restoration programme of the houses affected by the floods of 1978 have not been intimated (January 1980).

(4) 40	Urban Development	46,87.56	5,99.34	49,03.30	3,83.60
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Reasons for the shortfall have not been intimated (January 1980).

(5) 60	Community Development	10,80.78	1,74.61	12,18.37	37.02
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Saving to the extent of Rs.12.55 lakhs was attributed to non-finalisation of the programmes for purchase of vehicles for blocks and for strengthening of block organisation. Reasons for non-finalisation and for the balance saving of Rs.24.47 lakhs have not been intimated (January 1980).

(6) 66	Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects	72,96.20	19,29.80	89,14.98	3,11.02
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Reasons for the saving have not been intimated (January 1980).

(7) 76	Public Undertakings	8,68.50	5,84.99	13,33.91	1,19.58
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Saving was attributed mainly to non-sanction of loans and subsidy to three undertakings (Rs.58.60 lakhs) and less funds required by one undertaking (Rs.47.67 lakhs) for which reasons have not been intimated (January 1980).

(iii) *Inadequate supplementary grants|appropriation* —In the following cases, among others, the supplementary provision (exceeding Rs.5 lakhs in each case) of Rs.2,67,68.50 lakhs proved inadequate; the final uncovered excess (reasons to the extent received, indicated in paragraph 2.2.) was Rs.1,04,73.15 lakhs:

Sl. No.	Number and name of grant/ appropriation	Original grant/ appropriation	Supplementary grant/ appropriation	Expenditure	Excess
(In lakhs of rupees)					
(1)	25—Public Works (Voted) ..	38,28.21	44.95	46,14.21	7,41.05
(2)	28—Pensions and Other Retirement Benefits (Voted)	12,03.38	50.24	13,84.13	1,30.51
(3)	50—Co-operation (Voted) ..	18,51.04	10,23.26	37,09.77	8,35.47
(4)	61—Industries (Closed and Sick Industries) (Voted)	4,50.00	17.40	5,26.99	59.59
(5)	63—Village and Small Industries (Excluding Public Undertakings) (Voted)	7,04.98	7,47.09	15,40.69	88.62
(6)	Public Debt (Charged) ..	2,13,95.92	2,48,85.56	5,48,99.39	86,17.91

2.4. Unutilised provision

(i) Rupees 1,17.35 crores remained unutilised in 63 grants (Rs.1,15.62 crores) and 25 charged appropriations (Rs.1.73 crores).

(ii) In 23 grants and 2 charged appropriations, the savings (more than Rs.10 lakhs in each case) were more than 10 per cent of the total provision. The details of these grants and charged appropriations are given in Appendix IV.

(iii) Some of the major schemes where the provision remained substantially|wholly unutilised are shown below :

Sl. No.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
(In lakhs of rupees)				
(1)	Relief and Welfare Department—			
	39—Housing			
	283—Housing—			
	Assistance for reconstruction of houses/huts destroyed due to floods	33,59.65	10,21.46 (30)	Reasons for saving have not been intimated (January 1980).

Sl. No.	Department, Grant No. and head /scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(2) Development and Planning Department—				
46—Social Security and Welfare				
288—Social Security and Welfare—				
(a)	Rural Works Programme	14,99.36	7,43.52 (49)	The programme envisaged execution by the Gram Panchayats of certain schemes of minor irrigation, flood protection, drainage, afforestation, rural roads or any other scheme suited to local needs. Saving to the extent of Rs. 3,97.11 lakhs was attributed mainly to non-completion of spill-over schemes of the previous year. Reasons for non-completion and for the balance saving of Rs. 3,46.41 lakhs have not been intimated (January 1980).
53—Minor Irrigation, Soil Conservation and Area Development—				
308—Area Development—				
(b)	Accelerated Development in Hill areas	5,17.00	2,94.42 (57)	Saving of Rs. 1,50.65 lakhs was attributed to the quantum of Central assistance being made known by the Planning Commission long after finalisation of budget estimates. Reasons for the balance saving of Rs. 1,43.77 lakhs have not been intimated (January 1980).
(3) Department of Agriculture—				
52—Agriculture				
305—Agriculture and				
505—Capital Outlay on Agriculture—				
(a)	World Bank Project on Agricultural Development—			
	Improvement of Agricultural extension and research	7,19.00	6,82.38 (95)	Reasons for saving have not been intimated (January 1980).

Sl. No.	Department, Grant No and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
705—Loans for Agriculture—				
	(b) Loans under the scheme for distribution of seeds	8,00.00	5,14.16 (64)	Reasons for saving have not been intimated (January 1980)
	(c) Loans under the scheme for distribution of chemical fertilisers	9,15.19	4,53.64 (50)	Ditto.
53—Minor Irrigation, Soil conservation and Area Development				
506—Capital Outlay on Minor Irrigation, Soil Conservation and Area Development—				
	(d) River Lift Irrigation ..	7,97.00	3,73.85 (47)	Provision was meant for completion of ancillary works of River Lift Irrigation Units already installed. Reasons for saving have not been intimated (January 1980).
(4) Irrigation and Waterways Department—				
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects				
532—Capital Outlay on Multipurpose River Projects—				
	(a) Teesta Barrage Irrigation Scheme	12,86.15	6,64.14 (52)	Provision was for construction of Teesta Barrage and Dhumdangi Aqueduct under Phase I of the project taken up during the Fifth Plan. Reasons for saving have not been intimated (January 1980).
	(b) Land acquisition in Damodar Valley Corporation, Maithon and Panchet	2,50.00	2,50.00 (100)	Provision was for extension and improvement works and construction of water course. Reasons for saving have not been intimated (January 1980).
(5) Public Works (Metropolitan Development) Department—				
70—Roads and Bridges				
737—Loans for Roads and Bridges—				
	Loans for construction of Second Bridge over Hooghly River	8,40.65	6,61.62 (79)	Reasons for saving have not been intimated (January 1980).

Sl. No.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(6) Department of Health and Family Welfare (Public Health Branch)—				
	38—Public Health, Sanitation and Water Supply			
	282—Public Health, Sanitation and Water Supply—			
	Accelerated Rural Water Supply Programme	2,66.00	2,66.00 (100)	Reasons for saving have not been intimated (January 1980).
7) Education Department—				
	34—Education, Art and Culture (Excluding Sports and Youth Welfare)			
	277—Education—			
	(a) Repairs/reconstruction of primary school buildings and restoration of educational buildings/institutions	3,00.00	3,00.00 (100)	Reasons for saving have not been intimated (January 1980).
	(b) Expansion of teaching and educational facilities for children of age group 11—14	3,72.11	2,19.23 (59)	Provision was mainly for payment of Government dearness allowance, pay contribution, etc., to the staff of Junior High Schools and Madrasahs. Reasons for saving have not been intimated (January 1980).
	(c) Free education for boys reading in classes V and VI	3,36.00	2,54.51 (76)	The scheme was expected to be completed within the year. Reasons for the saving have not been intimated (January 1980).

2.5. Non-receipt of explanations for savings/excesses

The explanations for variations between grant appropriation and corresponding expenditure were not received at all or received incomplete (November 1979) in respect of 540 heads (414 heads in 1977-78) that is, for 71 per cent (63 per cent in 1977-78) of the total number of heads the variations in which were to be explained. Non-submission or delay in submission of information required for the Appropriation Accounts results in the Report being incomplete in certain essential respects.

2.6. Drawal of funds in advance of requirements

The financial rules of Government enjoin that withdrawal of money from Government accounts should be made only when it is required for immediate disbursement. Further, Government money should not

be kept outside Government accounts by depositing it in Post Office, in the shape of bank drafts and deposit-at-call, etc. Any amount remaining unspent is required to be refunded into treasury promptly. In 12 cases, Rs.84.12 lakhs were, however, drawn in contravention of the above provision as illustrated in Appendix V.

2.7. Reconciliation of departmental figures

To ensure effective control over expenditure, all the departmental officers are required to reconcile monthly their respective departmental figures of expenditure with those booked in the office of the Accountant-General before the close of the accounts for a year. This also enables the Controlling Officers to detect in early stages frauds and defalcations, if any. The reconciliation is heavily in arrears in some departments, although this was periodically brought to their notice.

During 1978-79, out of 197 Controlling Officers reconciliation was not done for all the twelve months by 61 Controlling Officers ; this was not done for a period of less than twelve months by 40 Controlling Officers.

The arrears of reconciliation were brought to the notice of the Finance Department for issuing necessary instructions to all the departments for immediate completion of the work. The total amount remaining unreconciled for the year 1978-79 was Rs.3,54.49 crores approximately out of the total expenditure of Rs.9,64.32 crores.

The number of wanting reconciliation certificates (30th November 1979) for various years was 1,203 as shown below :

1969-70	..	12
1970-71	..	12
1971-72	..	12
1972-73	..	21
1973-74	..	24
1974-75	..	24
1975-76	..	36
1976-77	..	60
1977-78	..	70
1978-79	..	932

Total	..	<u>1,203</u>
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CHAPTER III

CIVIL DEPARTMENTS

PANCHAYATS AND COMMUNITY DEVELOPMENT
DEPARTMENT**3.1. Provision of house sites to landless labourers and construction of huts under rural housing scheme**

3.1.1.1. A central sector scheme for providing house sites to landless labourers and others who did not own such a site was launched by Government in 1973-74. The scheme contemplated selection of house sites from land either vested in Government under West Bengal Estates Acquisition Act, 1953 or acquired particularly for the purpose where no suitable vested land was available, and allotment of land varying between 0.02 acre and 0.08 acre (according to availability of land) to each beneficiary free of cost to enable him to construct a hut with his own resources. The cost of development of house sites, not exceeding Rs.150 per house site on an average over a block, was to be borne by Government. Central assistance for the scheme was stopped from the commencement of the Fifth Five Year Plan (April 1974) whereafter the scheme was continued as a State Plan Scheme under minimum need programme.

3.1.1.2. As most of the beneficiaries were later found to be reluctant to construct houses with their own resources, Government took up in 1975-76 a follow up scheme for construction of huts on the house sites distributed according to the targets fixed from year to year. The scheme envisaged that the beneficiaries would be required to provide labour for construction of huts for which Government assistance would be given in the shape of building materials. The implementation of the schemes was entrusted to the district officers who would execute the work through the agencies of the block organisations. From 1977-78 onwards, construction of a number of huts in earmarked house sites was also taken up in collaboration with Lutheran World Service, a non-official organisation and for this purpose, necessary building materials were supplied to the organisation by the Block Development Officers.

Between 1973-74 and 1978-79, Government allotted for the scheme Rs.6,54.48 lakhs out of which the Deputy Commissioners| District Magistrates and the Block Development Officers drew in advance amounts aggregating Rs.6,20.56 lakhs. The expenditure actually incurred on the schemes up to March 1979 could not be indicated by the department. The department stated (October 1979) that reports from all districts showing the extent of utilisation

of funds and unspent balances at the end of each year could not be obtained in spite of best efforts and the amounts allotted were therefore treated by the department as fully utilised.

3.1.2. Test check in audit of the accounts and other records for the period 1973-74 to 1978-79 relating to the working of the schemes available in the Panchayat and Community Development Department, offices of the District Magistrates of Bankura, Burdwan and Malda, offices of the Deputy Commissioners of Cooch Behar, Darjeeling and Purulia as also the offices of the Block Development Officers of the above six districts disclosed the following significant points :

3.1.3. Expenditure

3.1.3.1. The amounts drawn for the schemes between 1973-74 and 1978-79 and expenditure incurred thereagainst up to June 1979 in respect of the six districts test checked are given below :

District	Total amount drawn between 1973-74 and 1978-79	Total amount spent up to June 1979	Unspent balance as on 30th June 1979
<i>(In lakhs of rupees)</i>			
Bankura	22.15	9.42(a)	12.73
Burdwan	34.17	15.52	18.65
Darjeeling	41.51	27.24	14.27
Cooch Behar	83.71	65.38	18.33
Malda	40.00	34.04	6.56
Purulia	19.71	8.21	11.50
Total	2,41.85	1,59.81(b)	82.04

3.1.3.2. A scrutiny of the year-wise drawals and expenditure incurred between 1973-74 and 1978-79 in respect of these six districts showed that funds in excess of actual requirements were drawn every

(a) Excludes Rs. 0.41 lakh paid as compensation for land acquired as the total drawal on this account was not available.

(b) Excludes Rs. 19.97 lakhs spent on the schemes between 1973-74 and 1978-79 out of the funds drawn for works under Relief Works Schemes (Rs. 19.65 lakhs in six districts) and Special Employment Programme (Rs. 0.32 lakh in Burdwan district).

year to prevent lapse of budget grants and the unspent balances were kept in banks and in different personal ledger accounts. Of the accumulated unspent balance of Rs.82.04 lakhs, Rs.4.37 lakhs were ultimately refunded to the treasuries, Rs.3.02 lakhs were reported by the Block Development Officers to have been lying unutilised with the Pradhans* of Gram Panchayats to whom the amounts were advanced for construction of huts and the remaining amount of Rs.74.65 lakhs was kept, contrary to the provisions of financial rules, in the personal ledger accounts of Panchayat Samities or other funds (Rs.50.56 lakhs), revenue deposits with treasuries (Rs.1.89 lakhs), deposit at call receipts with banks (Rs.5.79 lakhs) and cash/bank drafts (Rs.16.41 lakhs). The district authorities stated that delay in receipt of sanctions from Government for expenditure under the schemes in respect of each financial year and non-availability of roofing materials for the huts were the reasons for non-utilisation of the funds within the year.

3.1.4. *Distribution of house sites*

3.1.4.1. According to the district authorities, a total area of 8,235.483 acres of land (vested in Government : 7,791.298 acres, acquired from private parties : 442.435 acres, donation from public : 1.75 acres) was available for distribution in these districts. The total amount of compensation payable for 442.435 acres of land acquired was not furnished (June 1979) although Rs.12.19 lakhs were stated to have been paid up to June 1979 on account of compensation for land acquired. 98,745 house sites were reported to have been allotted to the landless families up to June 1979. The total area of land utilised for 98,745 house sites allotted, total number of house sites of which *pattahs* (legal rights) were given to the beneficiaries and the number of house sites of which possession was taken by the beneficiaries could not be stated (June 1979) by the district authorities. On scrutiny in audit of relevant records of the six districts and from the information furnished by different Block Development Officers, it was noticed that huts were constructed in 21,326 house sites either with Government assistance (20,876) or by the beneficiaries from their own resources (450) and the remaining 77,419 house sites were lying unutilised (June 1979) for more than three years. No specific reasons for non-utilisation of plots were given by the department. Some of the contributory factors noticed in test audit were lack of funds with beneficiaries for construction of huts, shortfall in the programme of departmental construction and unsuitable sites. These are dealt with in succeeding paragraphs.

*In Bankura district, the work of construction of some huts was entrusted to the Pradhans of Gram Panchayats by some Block Development Officers contrary to the guidelines.

3.1.5. Construction of huts

3.1.5.1. The number of huts constructed and the number of huts under construction during the period from 1973-74 to 1978-79 in the six districts against the target fixed by Government are given below :

District	Number of huts to be completed by March 1979	Number of huts constructed	Number of huts under construction as on 30th June 1979
Bankura	2,691	1,471	165
Burdwan	4,390	1,992	56
Cooch Behar	11,988	9,174	..
Darjeeling	4,340	2,501	41
Malda	5,425	3,922	121
Purulia	2,240	1,373	60
Total	31,074	20,433(a)	443(b)

Of 20,433 huts constructed, 17,525 were done at block levels (target : 25,257) and 2,908 huts were constructed by Lutheran World Service (target : 5,817) for which materials worth Rs.34.90 lakhs (for 4,485 huts) were supplied to the organisation up to June 1979.

The shortfall in construction of huts (7,732) through blocks was attributed to delay in receipt of sanctions for funds from Government and non-fulfilment of the target by the Lutheran World Service owing to delay in receipt of suitable plots from block authorities and recommendations of the panchayat samities on selection of eligible beneficiaries and dispute over distribution of sites to the beneficiaries.

3.1.5.2. Contrary to the guidelines issued by Government, 9,459 huts in six districts were got constructed at a cost of Rs.49.10 lakhs by engaging contractors instead of securing the services of the beneficiaries concerned. No sanction of Government was obtained for such deviation. The detailed measurements of work done were also not recorded before making payments. Of 9,459 huts constructed through contractors, 2,347 huts (cost of construction : Rs.11.35 lakhs) were later on completely damaged reportedly due to non-maintenance and natural calamities (vide sub-paragraph 6).

3.1.5.3. Instead of supplying building materials as envisaged in the scheme, Rs.12.86 lakhs were paid in cash between 1976-77 and 1978-79 to the beneficiaries for construction of 2,530 huts in three districts. No records showing details of works done were maintained by the blocks.

(a) excludes 277 huts (Bankura : 90, Burdwan : 50, Malda : 102 and Purulia : 35), construction of which was abandoned midway after incurring expenditure of Rs. 0.65 lakh.

(b) includes 122 huts undertaken by Lutheran World Service.

3.1.5.4. Rupees 1.61 lakhs were paid as labour charges to the beneficiaries for construction of 1,864 huts in Cooch Behar (497 huts—Rs.0.23 lakh), Darjeeling (886 huts—Rs.0.45 lakh) and Malda (481 huts—Rs.0.93 lakh) though the beneficiaries were required to render free labour. Reasons for payment of labour charges were awaited (September 1979).

3.1.5.5. In Purulia, construction of 799 huts (cost of construction : Rs.6.42 lakhs) was entrusted to the village level workers, gram sevaks and members of anchal panchayats. Lump sum advances were made to them from time to time. The adjustment vouchers submitted were not scrutinised and accepted by the Block Development Officers. No supervision by technical staff attached to the blocks was made and completion of construction was not recorded either by such staff or the Block Development Officer. Of 799 huts, 439 (cost of construction : Rs.3.46 lakhs) were completely damaged subsequently (vide sub-paragraph 6).

3.1.5.6. According to the guidelines of the scheme, the building materials to be supplied to the beneficiaries and Lutheran World Service were required to be purchased at the lowest price available having regard to their quality. In four districts, materials valued at Rs.20.11 lakhs (Bankura : Rs.2.80 lakhs, Cooch Behar : Rs.13.06 lakhs, Darjeeling : Rs.2.80 lakhs and Malda : Rs.1.45 lakhs) were purchased without inviting tenders. Materials valued at Rs.17.77 lakhs (out of Rs.20.11 lakhs) were purchased on spot quotations. Stock accounts of materials valued at Rs.7.08 lakhs were not maintained. In most of the cases, the measurement books showing the details of works done, materials consumed, expenditure incurred were not maintained.

3.1.6. *Occupation of huts*

Out of 17,525 huts constructed at the block level at a cost of Rs.1,05.42 lakhs up to June 1979 in the six districts, 1,581 huts (cost of construction : Rs.8.45 lakhs) were not at all occupied by the allottees and 3,839 huts (cost of construction : Rs.21.93 lakhs) were deserted by the beneficiaries. The non-occupation and desertion of huts by the beneficiaries were attributed by the Block Development Officers to remoteness of the sites from the existing places of dwelling and lack of employment potential in the area selected for house sites. The sites were selected by the Block Development Officers with the approval of the Deputy Commissioners|District Magistrates. The guidelines of the schemes did not mention the criteria for selection of sites. The reasons for selection of remotely located sites having no employment opportunities were not furnished (June 1979) by the District Magistrates|Deputy Commissioners. Of 5,420 huts remaining

vacant owing to non-occupation and desertion by the beneficiaries, 4,355 huts (cost of construction : Rs.24.91 lakhs) were reported by District Magistrates|Deputy Commissioners and the Block Development Officers to have been completely damaged due to various causes, such as natural calamities, non-maintenance by the beneficiaries, theft of materials of the huts by miscreants, sale of materials of the huts by the beneficiaries themselves. Action taken to utilise the remaining 1,065 vacant huts was not intimated (July 1979).

3.1.7. *Monitoring and evaluation*

In view of the complaints received from different quarters regarding execution of the programmes, viz., selection of beneficiaries, selection of sites, mode of construction of huts, etc., the department instructed (October 1976) the district authorities that review of the entire process of execution of the schemes at block level should be done and reports, compiled block-wise at district level, should be submitted to Government by 31st December 1978. No such review was made and no report was submitted to Government by any of the six district authorities whose records were test checked.

Government stated (October 1979) that no suitable arrangement was made for monitoring the construction programme at any level and a proposal for setting up of a monitoring cell at the secretariat level was under consideration.

No evaluation of the working of the scheme to assess the benefit actually extended to the landless labourers had been done by the department. Government stated (October 1979) that a review of the performance of the scheme in respect of three districts (Bankura, Nadia and West Dinajpur) was made by the State Level Committee on 25-point Economic Programme and their final report was awaited (October 1979).

3.1.8. *Summing up*

Although an expenditure aggregating Rs.1,80.19 lakhs was incurred for the execution of the schemes in six districts (test checked in audit) during the period from April 1973 to June 1979, the benefits to the extent as desired have not been achieved.

Out of Rs.2,41.85 lakhs drawn by district authorities, Rs.82.04 lakhs remained unspent (June 1979) reportedly due to delayed receipt of sanctions for expenditure from Government and non-availability of building materials.

77,419 houses sites out of the 98,745 sites allotted to the beneficiaries remained unutilised (June 1979) as no huts on those house sites were constructed, due to lack of funds with beneficiaries for putting up huts and lag in departmental construction.

Out of 17,525 huts constructed by the department at block level at a cost of Rs.1,05.42 lakhs up to June 1979 against the target of 25,257 huts, 5,420 huts (cost of construction : Rs.30.38 lakhs) were lying vacant due to non-occupation (1,581) and desertion (3,839) of huts by the beneficiaries due to remoteness of the sites from the existing dwelling places and lack of employment potential in the areas selected.

Of the vacant 5,420 huts, 4,355 huts (cost of construction : Rs.24.91 lakhs) were completely damaged due to natural calamities, non-maintenance and sale and theft of materials of the huts by the beneficiaries and miscreants.

In execution of the scheme there were deviations from the guidelines fixed by Government, like construction of 10,258 huts through contractors (9,459 huts in six districts—Rs.49.10 lakhs) and village level workers, gram sevaks, etc., (799 huts in Purulia—Rs.6.42 lakhs) instead of securing services of the beneficiaries, payment of cash (Rs.12.86 lakhs) to the beneficiaries for construction of 2,530 huts in three districts instead of supplying building materials, payment of labour charges (Rs.1.61 lakhs) for construction of 1,864 huts in three districts where labour was to be contributed free by the beneficiaries and purchase of building materials valued at Rs.20.11 lakhs in four districts without inviting tenders.

The points mentioned above were reported to Government in September and October 1979; their final reply is awaited (January 1980).

ANIMAL HUSBANDRY AND VETERINARY SERVICES DEPARTMENT

3.2. Sheep breeding farms and sheep extension centres

3.2.1. With a view to increasing the production of mutton and wool, two sheep breeding farms, one at Kalyani (Nadia district) and the other at Pedong (Darjeeling district) and seven sheep extension centres (two in Bankura and one each in Burdwan, Malda, Midnapore, Murshidabad and Purulia districts) were set up during 1964-65. The sheep breeding farms were to produce good quality breeding rams and supply them to the sheep extension centres. The sheep extension

centres were to distribute those temporarily to selected sheep rearers of the locality free of cost for upgrading their stock of sheep and returning the rams to the centres after the breeding season.

During a test check of the records of the two sheep breeding farms and four sheep extension centres, the following points were noticed.

3.2.2. *Sheep breeding farms at Kalyani and Pedong*

The expenditure and receipts of the Kalyani farm during 1964-65 to 1978-79 were Rs.21.84 lakhs (Rs.4.80 lakhs Capital, Rs.17.04 lakhs maintenance) and Rs.0.28 lakh respectively while the corresponding figures for the Pedong farm were Rs.8.68 lakhs (Rs.3.36 lakhs Capital, Rs.5.32 lakhs maintenance) and Rs.0.13 lakh respectively.

Each of the farms was to maintain 1,000 sheep. No target was fixed for the number of rams to be supplied by the two farms to the extension centres. The particulars of sheep population in the two farms during the period 1965-66 to 1978-79 are given in Appendix VI. During the period 1965-66 to 1978-79, 2,940 animals (Kalyani : 1,953; Pedong : 987) died as against 1,727 animals (Kalyani : 1,378; Pedong : 349) born. As a result of the high rate of mortality, the flock strength in each farm became considerably depleted; in the Kalyani farm, the strength came down to as low as 85 in 1973-74 and the position showed no improvement thereafter; in the Pedong farm, the strength ranged between 36 and 105 during 1966-67 to 1978-79.

The percentage of mortality in the farm at Kalyani varied between 3 (1976-77) and 63 (1969-70) and that in the farm at Pedong between 8 (1970-71) and 88 (1966-67). The incidence of death was particularly heavy in the Kalyani farm between 1965-66 and 1969-70 when 1,598 (77 per cent) animals died out of 2,076 animals (895 purchased, 897 born and 284 of previous years). In the Pedong farm also, 766 (92 per cent) animals died between 1965-66 and 1968-69 out of 830 animals (529 purchased, 110 born and 191 of previous years). The high rate of mortality, in spite of proper veterinary aid reportedly provided, was attributed by the farm authorities mainly to pulmonary and infectious diseases of the animals resulting from uncongenial environment.

The heavy mortality resulted in the flock strength becoming nominal (varying between 36 and 93 that is less than 10 per cent of the targeted 1,000 animals per farm) over the last six years ending 1978-79. There was no income from sale of sheep skins. It was indicated by both the farms that the skin had little sale value (the deceased sheep having been subjected to post-mortem examination) and no skinning was being done.

The number of rams supplied by the farms to the extension centres (139) over the period 1965-66 to 1978-79 was negligible.

With the reduction in the number of animals, the land, sheds and the staff of the farms have remained largely underutilised. Of the 9 sheds in the Kalyani farm, only one was under use since 1973-74. In the Pedong farm, out of 12 sheds, 5 were in use and 7 sheds remained vacant between 1967-68 and 1974-75 after which these were being utilised for accommodating cattle and pigs pertaining to other schemes.

In the Kalyani farm, during 1966-67, when the flock strength was 1,127, the staff in position was 33. When the flock strength of the farm got heavily reduced and came down to less than 100 animals during the period 1974-75 to 1978-79, 17 to 19 persons were kept in position. In the Pedong farm, no reduction in the staff strength was made despite the steep fall in number of animals which came down from 450 to less than 100 from the very second year (1966-67) of its setting up. An analysis in audit of the revenue expenditure (Rs.1.64 lakhs) of the Kalyani farm for 1978-79 showed that Rs.1.56 lakhs (95 per cent) were spent on pay and allowances and only Rs.0.08 lakh on other expenses, including feed and maintenance of the sheep. In the Pedong farm also, during 1977-78, out of the total revenue expenditure of Rs.0.76 lakh, Rs.0.70 lakh (92 per cent) were on pay and allowances and the balance (Rs.0.06 lakh) on other expenses.

As seen from the departmental records, the Kalyani farm is located in a lowlying area which is heavily infested with parasites and the animals suffered due to worm infections and damp environment. In the Pedong farm, the topography of the land is uneven and steep. Besides, the site is infested heavily with land and water leeches. The rainfall in the area is over 100 inches a year, which is not suitable for sheep farming. The reasons for selecting these sites despite these adverse conditions were not on record and have not been explained by the Department.

3.2.3. *Sheep Extension Centres*

A test check of the records of four Sheep Extension Centres situated at Lokepur (Bankura), Ranjitpur (Bankura), Katwa (Burdwan) and Adina (Malda) showed that during the period 1964-65|1965-66 to 1978-79, out of the total flock strength of 391 animals (purchase 244, transfer from other farms 139 and births 8) in those centres, 380 animals died and 2 were lost leaving only 9 animals at the end of 1978-79. In the Katwa Centre, there was no stock of ram since 1976-77. Total expenditure incurred by the four centres during the corresponding period was Rs.7.11 lakhs (Capital : Rs.2.26 lakhs and maintenance : Rs.4.85 akhs). About 55 per cent of the maintenance expenditure was on salaries of staff.

In Katwa Centre, 39 out of 55 sheep purchased in 1964-65 died during 1965-66 and 1966-67. In Ranjitpur Centre also, the rate of mortality was very high between 1969-70 and 1973-74 when 66 animals died out of the total strength of 68. The flock strength in each of the four centres thus became nominal (ranging between 10 and nil during the last five years ending 1978-79) and, as a result, the activities of the centres during that period by and large became limited to peripheral items (cultivation, leasing out of trees, tanks, etc.) not directly associated with the objectives of sheep rearing. The high rate of mortality was generally attributed to various diseases.

Records were not properly maintained in the centres to indicate the effectiveness of the rams supplied to the rearers for improving their stock. In many cases, rams of the centres were supplied to rearers who had their own rams in their herd; thus, exclusive service by the improved rams of the centres was not ensured.

3.2.4. *Summing up*

(i) Heavy mortality in the two sheep breeding farms (up to 63 per cent in Kalyani farm and 88 per cent in Pedong farm) resulted in the flock strength becoming nominal (varying between 36 and 93, *i.e.*, less than 10 per cent of the targeted 1,000 animals per farm) over the last six years ending 1978-79. The expenditure in the two farms with depleted flock strength was mainly on pay and allowances of the staff—Rs.1.64 lakhs (95 per cent of total expenditure) in Kalyani farm in 1978-79 and Rs.0.70 lakh (92 per cent) in Pedong farm.

(ii) The farms were intended to supply quality rams to the Sheep Extension Centres but only 139 rams were supplied over a period of 14 years since the scheme was started.

(iii) The high mortality and poor performance of the two farms were attributed to lowlying area of the farms infested with parasites, presence of land and water leeches and location in area with high rainfall which made the place damp and unsuitable for sheep farming.

(iv) Due to high mortality reportedly on account of various diseases, the flock strength in the 4 Sheep Extension Centres also became nominal up to 10 per cent of targeted strength during the five years ending 1978-79) and the activities of the centres were limited to peripheral items like cultivation, leasing out of trees, tanks etc.

Records were not maintained in the centres to ascertain the effectiveness of the rams supplied by the centres in upgrading the quality of sheep in the locality.

The points mentioned above were reported to Government in December 1979; their reply is awaited (January 1980).

DEVELOPMENT AND PLANNING DEPARTMENT

3.3. Kalyani Township Scheme

3.3.1. With a view to relieve the pressure of population in Calcutta and its neighbourhood, Government started, in 1949-50, a scheme to set up a satellite township with modern amenities and employment opportunities at Kalyani in Nadia district, about 50 kms away from Calcutta. The important points noticed in audit during the scrutiny of the records maintained in respect of the scheme in the offices of the Estate Manager, Calcutta and the Assistant Estate Manager, Kalyani are mentioned below :

3.3.2. Acquisition and development of land

Between 1949-50 and 1952-53, 10,480·16 acres of land were acquired at a cost of Rs.82·26 lakhs. Out of this, a total area of 2,431·04 acres of land was developed between 1950-51 and 1967-68 at a cost of Rs.4,72·16 lakhs. Out of this developed area, 1,475·41 acres were divided into 8,104 plots—7,410 residential plots, 542 commercial plots and 152 industrial plots—for allotment on lease for 999 years. An area of 611·63 acres was set apart for roads, parks, gardens, schools, hospitals, etc., and 308·62 acres were allotted to two Government departments. The remaining 35·38 acres of developed land (proportionate cost of development : Rs.6·87 lakhs) were left unutilised (April 1979) since 1967-68, the reasons for which were not stated by the department.

3.3.3. Utilisation of undeveloped land

Out of 8,049·12 acres of undeveloped land acquired by 1952-53, 1,413·62 acres (proportionate cost of acquisition : Rs.11·10 lakhs) were left unutilised. Some portions of this unutilised land and land given to a Government department aggregating 1,216·10 acres (proportionate cost of acquisition : Rs.9·54 lakhs) have been under unauthorised occupation. Government stated (October 1979) that a detailed survey to ascertain the actual position regarding non-utilisation and unauthorised occupation of land would be taken up by the department shortly.

3.3.4. Allotment of plots of developed land

Specific data on distribution of developed plots and plots not allotted with the reasons therefor could not be furnished by the Department. However, the distribution of 4,397 plots up to 30th April 1979 as compiled by Audit from the departmental records indicated the following position :

Type of plots developed	Number of plots	Number of plots allotted to individuals and private parties	Number of plots allotted to Government departments/undertakings, autonomous bodies	Number of plots used for construction of residential buildings by Government	Number of plots left unallotted up to 30th April 1979	<i>Salami</i> * of unallotted plots (In lakhs of rupees)
Residential ..	3,703	2,111	203	1,026	303	23.21
Commercial ..	542	474	..	..	59(a)	5.45
Industrial ..	152	74	19	..	58(b)	13.13
Total ..	4,397	2,659	222	1,026	480	41.79

Government stated (October 1979) that the exact position of unallotted plots could not be furnished by them due to non-completion of registers and that the registers were being made up to date. Government also stated (December 1979) that a detailed and extensive survey would be undertaken regarding overall utilisation of land and plots and the precise position would be intimated to Audit; further report is awaited.

3.3.5. Utilisation of leased plots and growth of the township

As per agreements with the lessees, the plots for residential and commercial purposes were to be used for construction of house or starting the business within five years and the industrial plots were to be used for setting up industries within 3 years from the date of acceptance of the plots. As indicated (June 1979) by the Assistant Estate Manager, Kalyani, out of 8,104 plots demarcated, 1,026 plots had been utilised by Government for construction of low/middle income group houses, etc., and 203 plots had been allotted to Government departments and autonomous bodies. Out of the remaining 6,875 plots, 2,694 had been taken possession of by lessees and 719 had actually been used for construction of houses or starting

**Salami* is the amount required to be paid by an individual/party in consideration of grant of lease of a plot.

(a) Information regarding allotment and *Salami* of 9 plots was not available.

(b) One unallotted plot was recorded as a sacred place.

businesses or industries. Thus, out of 8,104 plots developed even as early as by 1967-68, 6,156 (76 per cent) remained to be utilised (May 1979). Government stated (October 1979) that steps as per lease agreement were being taken for resumption of possession of the plots from the lessees who had not completed construction within the prescribed time limit and reallotment of the plots to the persons willing to start construction within a short period.

The township was expected by Government to hold a population of 2,00,000; its population was estimated at 25,000 by Government in 1976 (no assessment was made thereafter). The slow progress of development of the township was attributed (December 1979) by the department to the high cost and non-availability of building materials and inadequate communication facilities with the other parts of the district and Calcutta.

3.3.6. *Outstanding salamis and rents*

Salamis in respect of plots of land, buildings and houses leased for 999 years to individuals and private parties are recoverable outright or in instalments; rents of buildings, shops and markets are recoverable monthly. The department was maintaining registers for recording actual receipts on account of instalments of *salamis* and rents as and when collected. But, registers for watching the demand and the collection against each item together with the balance left to be collected were not maintained. The department did not undertake any periodical review to ascertain the overall position of outstanding *salamis* and rents. The amounts overdue for recovery on 31st March 1979 on account of instalments of *salamis* in respect of 1,173(a) out of the 7,410 residential plots, all the non-residential plots and 591 residential buildings (constructed by Government between 1953-54 and 1963-64 and leased out to private individuals) were worked out in audit from lease registers and other records and amounted to Rs.37.41 lakhs as shown below :

Particulars			Number of plots/ buildings leased out	Number of defaulters	Total amount outstanding on 31st March 1979 (In lakhs of rupees)
Residential plots	..	..	1,063(b)	617	9.44
Plots for Commercial and Industrial purposes	..	..	548	314	18.08
Residential buildings	..	..	591	432	9.94
		Total	2,202	1,363	37.41

(a) (b) Cases test checked in audit.

In the absence of Demand, Collection, Balance particulars, year-wise break-up of overdues could not be indicated by the department.

Apart from overdue *salami* on plots, rents for buildings were also pending recovery. Amounts of rent outstanding up to 31st March 1979 in respect of shoprooms in the District Centre and stalls etc. in one of the markets were Rs.0.90 lakh and Rs.0.59 lakh respectively. The Assistant Estate Manager, Kalyani stated (June 1979) that Rs.5.36 lakhs were due from the Kalyani University and that Rs.2.30 lakhs were due from other non-Government bodies and institutions. As mentioned earlier, total outstanding rent in respect of buildings, houses, etc., could not be ascertained due to want of requisite records.

Government stated (October 1979) that of 142 certificate cases instituted against the defaulting lessees and tenants in respect of buildings, shoprooms, etc., 30 cases involving Rs.2.07 lakhs were satisfied leaving 112 cases (involving Rs.6.58 lakhs) pending. For realisation of outstanding *salamis* and interest, steps were reportedly being taken to issue forfeiture notices to the defaulting lessees.

3.3.7. *Pro forma accounts*

The scheme is to run on "no-profit no-loss" basis. It was indicated at item 14 of Appendix X of the Report of the Comptroller and Auditor General of India for the year 1974-75. that *pro forma* accounts of the scheme for the years from 1961-62 to 1968-69 received in May 1969 had been found defective. *Pro forma* accounts of the scheme covering only 2,142.22 acres (out of 10,480.16 acres acquired) for the period from the inception of the scheme to 1974-75 were received in November 1976. The accounts had not been prepared year-wise and the up to date position of outstanding *salamis*, rents, etc., had not been shown. Details of expenditure taken into account were also not available to Audit. From 1975-76 onwards, discontinuance of preparation of *pro forma* accounts has been advised by the Finance Department. The scheme is to work on no profit no loss basis and it is necessary to prepare *pro forma* accounts to find out how the scheme is actually working. The need to prepare *pro forma* accounts has been taken up with Government. Final decision of Government is awaited (July 1979).

3.3.8. *Summing up*

A total area of 10,480 acres of land was acquired at a cost of Rs.82.26 lakhs, out of which about 2,431 acres were developed by 1967-68 at a cost of Rs.4,72.16 lakhs,

1,449 acres of land (including about 35 acres of developed land), the proportionate cost of which was Rs.18.15 lakhs, were lying unutilised; 1,216 acres (proportionate cost : Rs.9.54 lakhs) were under unauthorised occupation.

Out of the developed land, 8,104 plots had been demarcated. Specific data regarding the allotment of these plots could not be furnished by the department. Information compiled by Audit in respect of 4,397 plots from various records indicated that 480 plots carrying *salami* of Rs.41.79 lakhs remained unallotted.

Out of the 6,875 plots allotted to private parties, 719 had been used for construction of houses and starting of industries. Thus, about 76 per cent of the 8,104 developed plots remained unutilised at the end of May 1979 reportedly due to high cost and non-availability of building materials and lack of communication facilities with the other parts of the district and Calcutta.

Demand, collection and balance details of *salami* and rent were not available. A test check in audit of available records in respect of 1,173 residential plots and 591 residential buildings indicated overdues of *salami* aggregating Rs.37.41 lakhs at the end of March 1979; outstandings of rents of shoprooms, houses, etc., let out on monthly rent basis amounted to Rs.9.15 lakhs. The year-wise break-up of overdues was not available.

REFUGEE RELIEF AND REHABILITATION DEPARTMENT

3.4. Scheme for settlement of enclave migrants

According to the decision of the State Government (March 1969) taken with the approval of Government of India, rehabilitation assistance in the shape of loan at the rate of Rs.10,650 per agricultural family and Rs.5,100 per non-agricultural family for purchase of land, building of houses, etc. was to be extended to the families who were originally residents of the Indian enclaves transferred to erstwhile East Pakistan (now Bangladesh) and who migrated to the mainland in West Bengal on or after 1st January 1950. The loan carried a simple interest of 5½ per cent per annum with a rebate of ¼ per cent for timely repayment of instalments. An additional penal interest of 2½ per cent was to be recovered in case of default. The loan was repayable in 17 equal annual instalments starting from the fourth anniversary of the payment of the loan. Three hundred and fifty five families were rehabilitated in Jalpaiguri district between 1970-71 and 1976-77 for which Rs.34.47 lakhs were paid as loan against which no recoveries were made up to January 1980.

The Additional Deputy Commissioner, Jalpaiguri reported (December 1977) that in disbursement of the financial assistance, shortage of cash to the extent of Rs.87,979 was detected as detailed below :

The closing balance of cash as per cash book maintained by the Sub-divisional Refugee Relief and Rehabilitation Officer (SDRRRO), Sadar Sub-division, Jalpaiguri on 31st March 1977 was Rs.1,38,380. Between 1st April and 5th May 1977, Rs.18,473.65 were drawn by the SDRRRO and Rs.18,553.35 were disbursed (disbursing powers not delegated on the basis of any order issued in this behalf) during the period by the Additional Rehabilitation Officer (ARO), Jalpaiguri leaving a balance of Rs.1,38,300 on 5th May 1977. On receiving complaints from some persons about illegal payment of loans to migrants, the cashier and the ARO were arrested on 6th May 1977. The Sub-divisional Officer, Sadar, Jalpaiguri verified the cash on 7th May 1977 in presence of the SDRRRO and found Rs.50,320.94 in the cash chest. Against the shortage of Rs.87,979.06, the Cashier produced paid vouchers for Rs.55,200 for 48 cases, the genuineness of which could not be certified by the Additional Deputy Commissioner, Jalpaiguri. The matter was reported to police on the 6th May 1977 and the Cashier and the ARO were placed under suspension from the 7th May 1977. The departmental enquiry was stated to be in progress and the final report of the police was awaited (January 1980).

The following irregularities were noticed in audit :

- (i) Moneys were advanced to the ARO for disbursement among the migrants but Advance Register was not maintained by the SDRRRO for keeping watch over the receipt of loan bonds in support of payments made by the ARO;
- (ii) disbursement of rehabilitation assistance to the migrants was made outside the office premises of the SDRRRO without his knowledge;
- (iii) cash book was not closed daily nor was physical verification of cash balance done at the end of each month;
- (iv) heavy cash balances were retained in cash book but analysis of such balances was not done.

During 1976-77, Rs.18.53 lakhs were paid as rehabilitation assistance to 182 migrants of which records in respect of 149 cases involving payment of assistance of Rs.17.21 lakhs were made available

to Audit for check. On test check in audit during December 1977 and December 1978 of these records maintained in the office of the Deputy Commissioner, Jalpaiguri, the following points were noticed :

- (a) According to the orders of the Commissioner, Jalpaiguri Division (May 1970), the Deputy Commissioner was required to prepare a list of enclave refugee families after proper enquiries and verification of status of all the migrants and also after obtaining an affidavit from each of the families and such families who had already acquired land in the mainland were to be accorded priority for sanctioning assistance. Further, up to date rent receipts in respect of lands to be purchased by the migrants were also required to be verified to ascertain that those lands were in possession of the vendors prior to sale to the migrants. The status of the migrants was, however, accepted mainly on the basis of identity certificates issued by seven individuals stated to be the members of the Indian Enclave Migrants Association—an organisation not approved by any authority. The applications for rehabilitation assistance received mainly through the Association were checked, enquired and processed by the ARO who also disbursed (on identification by the Secretary|Members of the Association) the assistance although the SDRRRO was declared the disbursing officer in this respect.
- (b) According to Government orders (August 1976), rehabilitation assistance for purchase of land was to be sanctioned after obtaining the opinion of the Government Pleader as to the right and title of the vendors on lands proposed for sale to the migrants. The vendors of land were to submit up to date rent receipts and records of the offices of the Sub-Registrars were to be consulted to find out the average price of the land and the surveyors or amins were to ascertain whether there was any share cropper on the land proposed for purchase. But there were no records to show that 149 cases involving payment of rehabilitation assistance of Rs.17.71 lakhs were sent to the Government Pleader for his opinion.
- (c) As per the provisions of the Government Orders (September 1969), attempts were to be made to settle the migrants in suitable khasmahal (Government's own) or vested lands in the district before submitting any proposal for purchase of land and no payment should be made in respect of vested land. An examination of settlement maps in audit showed that migrants were settled in 24

plots of vested or khasmahal lands but were still paid by the ARO Rs.1.49 lakhs as compensation for acquiring land. The Deputy Commissioner, Jalpaiguri stated that the cases would be re-examined.

Government stated (January 1980) that a Committee had been formed in December 1977 with a view to (a) ascertaining the type of frauds that have been perpetrated, (b) preparing materials for starting criminal cases against those involved and (c) fixing responsibility. The work of the Committee is in progress.

COMMERCE AND INDUSTRIES DEPARTMENT

3.5. Purchase of printing machines

Government placed (December 1966) an order on a Calcutta firm for import, *inter alia*, of four printing machines along with standard accessories, tools, etc. and 8 sets (9,450 pieces) of matrices* (cost : Rs.3.76 lakhs) for installation in a new unit of West Bengal Government Press at Narkeldanga Main Road, Calcutta. In March 1968, the firm supplied three of these machines (cost : Rs.2.82 lakhs). For the fourth machine the firm offered on 18th March 1968 to supply a different type of machine (cost : Rs.2.48 lakhs) with 8 magazines. On 28th March 1968, Government asked the firm to supply one such machine which was also supplied in the same month. The basis on which the price of this machine was fixed was not on record.

As reported (August 1968) by the Deputy Superintendent (Technical) of the Press to the Superintendent, the firm did not supply the full set of standard accessories and tools. The first three machines could not be effectively utilised** as the matrices supplied were also reported to be 'obsolete and useless'. The fourth machine was found to be totally defective since its installation; only two magazines (one after another and not both at a time) of the machine could be put to use with difficulty and the remaining six magazines could not be put to use at all since installation. The Deputy Superintendent informed (April 1979) Audit that the representatives of the firm had failed to put the four machines in working order by July 1969 when the period of free service had expired.

*Matrices are brass pieces having individual letters engraved in their bodies.

**No record was maintained to indicate the actual utilisation of these machines.

Despite repeated requests between August 1969 and December 1974 the firm did not replace the obsolete matrices (excepting 1,717 pieces of matrices replaced in May 1970, which were found on practical tests to be defective and, of these, 1,600 pieces were returned to the firm in September 1972) and supply the wanting accessories. They also did not repair the manufacturing defects of the fourth machine. According to the instructions (1975) of the Superintendent, another Calcutta firm was asked to examine and report on the condition of the fourth machine and also to submit estimates for its repairs. As per their estimates, the fourth machine was overhauled in September 1976 at a cost of Rs.0.04 lakh, payment of which was reportedly (December 1978) held up due to the fact that the work had not been done satisfactorily. The Deputy Superintendent stated (August 1979) that the machine was beyond economic repair. He further stated (April 1979) that for the satisfactory working of the first three machines purchase of full set of accessories and tools would be necessary and this would require Rs.3 lakhs approximately. It was estimated that 40,500 pieces of matrices would be needed as against 9,450 ordered with the machines.

Thus, the total expenditure of Rs.5.34 lakhs on the 4 printing machines has been unproductive. The department has not explained how full payment had been made for defective machines and accessories and why the full complement of matrices needed was not estimated and obtained.

Government stated (December 1979) that they were contemplating setting up an enquiry committee to go into different aspects relating to the purchase of these printing machines.

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

3.6. Silk reelers' co-operative societies

The products of four silk reelers' co-operative societies are purchased by Government and their marketing is arranged by Special Officer, Silk under the Directorate of Sericulture and Silk Weaving.

On test check in audit of the records in the office of the Special Officer in January 1979 the points mentioned below were noticed:

- (i) The Special Officer had issued to different parties, for ultimate sale, the finished goods viz., saree, dhoti, shirtings, etc., purchased from the co-operative societies. Rupees 10.62* lakhs (Rs.4.16 lakhs pertaining to the

*Government offices : Rs. 2.47 lakhs ; co-operative societies and units of the West Bengal Khadi and Village Industries Board : Rs. 7.39 lakhs and private parties : Rs. 0.76 lakh.

period prior to 1968-69) being the value of finished goods issued remained unrealised (January 1979). No security deposit (10 per cent of the total value of stock issued) was obtained from the private parties. Of Rs.4.16 lakhs, Rs.3.12 lakhs shown as outstanding against a unit of the West Bengal Khadi and Village Industries Board were not acknowledged by the unit. Fifteen Government and semi-Government organisations had discontinued their business and Rs.0.79 lakh (included in Rs.10.62 lakhs) outstanding against them remained unrealised (January 1979). Two private parties had also wound up their trade leaving dues of Rs.0.11 lakh (January 1979). No effective steps were taken to realise the dues.

- (ii) Silk fabrics (sarees, shirtings, coatings, etc.) valuing Rs.0.32 lakh were lying in soiled condition due to their accumulation for a long time. The circumstances leading to deterioration of such stock and the reasons for their non-disposal were not stated (January 1979) by the Special Officer.
- (iii) For bringing out printed fabrics, the Special Officer had issued fabrics valuing Rs.1.59 lakhs to 20 private printing firms up to December 1978 without obtaining security deposit; the fabrics were not received back (January 1979). Three of these firms, to whom fabrics valuing Rs.0.10 lakh had been issued, were reported to have become defunct. The Special Officer stated (January 1979) that Government had been moved to write off the value.
- (iv) Contrary to the standing Government orders (September 1957) authorising sale of finished products after adding 25 per cent on the price at which those were purchased from the societies and deducting usual discount of 10 per cent, the Special Officer sold silk fabrics of unprinted and printed varieties after adding 1 and 2 per cent respectively from 1st August 1978. On finished products valuing Rs.5.85 lakhs (unprinted variety: Rs.0.96 lakh and printed variety: Rs.4.89 lakhs) sold between August 1978 and December 1978, a loss of Rs.0.62 lakh was sustained due to sale at prices less than those fixed by Government.
- (v) The closing stocks of silk fabrics and products as on 30th November 1977 and 31st December 1978 were Rs.10.24 lakhs and Rs.6.41 lakhs respectively. The prescribed

physical verification of stock (twice a year) was not conducted between June 1976 and June 1978. The Special Officer stated (January 1979) that such verification was taken up in July 1978 but the result of verification was not available on record.

- (vi) According to standing orders (January 1948), the Special Officer was required to prepare *pro forma* accounts to show the working results of the scheme. Such accounts had not been prepared from 1957-58 onwards. The Special Officer stated that Government had set up (October 1975) a Task Force for preparation of the *pro forma* accounts; the progress made by the Task Force was not intimated.

The matter was reported to Government in September 1978 and May 1979; their reply is awaited (January 1980).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.7. Purchase of medicines

Medicines, equipment, etc., are supplied to the Government hospitals by the Central Medical Stores of the department. The hospitals are, however, authorised to get their requirements which could not be supplied by the Central Medical Stores, directly from the approved suppliers at the rates accepted by the Central Medical Stores on the basis of annual tenders. The Superintendent, Bejoy Chand Hospital, Burdwan, however, purchased medicines and medical equipment worth Rs.9.83 lakhs during 1976-77 (Rs.3.97 lakhs) and 1977-78 (Rs.5.86 lakhs) from three local firms, on the basis of lowest quotations. It was noticed in test check in audit that five items (selected at random in audit) were purchased from the local firms in 1977-78 at rates higher than those accepted by the Central Medical Stores resulting in excess expenditure of Rs.1.01 lakhs. Neither any record indicating that the Central Medical Stores had expressed its inability to supply these medicines, nor any orders of the competent authority permitting the Superintendent to purchase the medicines locally at rates higher than those approved by the Central Medical Stores could be furnished by the department.

The matter was reported to Government in April 1979; their reply is awaited (January 1980).

LABOUR DEPARTMENT**3.8. Diagnostic Centre—Purchase of stores in advance of requirements**

For rendering better specialist services to the persons covered under the Employees' State Insurance (Medical Benefit) Scheme, Government accorded sanction (September 1972) for opening of five diagnostic centres in the districts of 24-Parganas (3 including one in Calcutta) and Hooghly (2) in replacement of the existing part time specialist units. Rs. 9.27 lakhs were also sanctioned (September 1972) by Government towards purchase of equipment, appliances, etc., for the five centres. Out of five, two diagnostic centres were opened in July 1973 at the Employees' State Insurance Hospitals at Gourhati and Serampore in Hooghly district. Before selection of sites for the other three centres in 24-Parganas and Calcutta, the Administrative Officer, Central Medical Stores, Employees' State Insurance (Medical Benefit) Scheme purchased stores and appliances for these centres and 668 items worth Rs.4.38 lakhs were purchased between March 1973 and January 1977. Out of these, 505 items worth Rs.3.28 lakhs were sent to the Employees' State Insurance Hospitals at Kamarhati and Budge Budge in 24-Parganas between March 1973 and January 1977 and a substantial portion of the remaining items (value not available) purchased for the proposed centre in Calcutta was sent to the Employees' State Insurance Hospital at Sealdah, Calcutta between August 1976 and November 1976 although no indents for the stores and appliances were received from the hospitals. A scrutiny in audit of stock ledgers of these three hospitals at Kamarhati, Budge Budge and Sealdah and the Central Medical Stores, Calcutta showed that 230 items of stores and appliances valued at Rs.1.25 lakhs remained unutilised (August 1979) for more than four years. These included one X-Ray machine valued at Rs.0.70 lakh which was lying (August 1979) in packing box in the Central Medical Stores since its receipt (July 1974) from the supplier.

Thus, purchase of costly equipment, appliances, etc., in advance of requirement for the three diagnostic centres even before selection of sites has resulted in blocking of funds and also non-utilisation of stores worth Rs.1.25 lakhs for over four years. The reasons for delay in setting up the centres and steps proposed to be taken to utilise the stores are awaited from the department.

The matter was reported to Government in August 1979; their reply is awaited (January 1980).

HOME (PRISONS) DEPARTMENT

3.9. Extra Expenditure

The Inspector General of Prisons invited tenders on 18th March and 20th March 1978 for purchase of 2,000 quintals of mustard seeds required for processing mustard oil in the Presidency Jail, Calcutta. According to the tender notice, the rate offered by a firm was to remain valid for two weeks from the last date for submission of tenders (28th March 1978). Although the tender committee met on 28th March 1978, the lower rate of Rs.364·90 per quintal (of the two rates received) offered by firm A was accepted only on 8th April 1978 and the letter of acceptance issued on the 10th April 1978 was reported to have been received by the firm on 17th April 1978. The firm had deposited Rs.0·38 lakh as earnest money but did not sign the agreement for executing the order on the ground that the stipulated period of validity of rate had expired on 12th April 1978.

Tenders were again invited on 16th May 1978. As there was only a single tender (received from the same firm A) this was not opened and it was cancelled by the tender committee. Tenders were invited for the third time on 15th July 1978 and, of the three tenders received, the lowest rate (Rs.414·71 per quintal) offered by the same firm A was accepted and the supply order was placed on 7th August 1978. The firm supplied 2,000 quintals of seeds by October 1978.

Had the department taken prompt action to have the acceptance of the lowest offer of firm A received in March 1978 conveyed to the firm within the stipulated time, the seeds could have been purchased at Rs.364·90 per quintal and an extra expenditure of Rs.1·00 lakh could have been avoided.

The Inspector General stated (September 1979) that earnest money of Rs.0·38 lakh deposited by firm A in March 1978 had been forfeited. Thus, the net extra expenditure to Government was Rs.0·62 lakh. As to the delay in acceptance of the rate and its communication of acceptance to the firm, the Inspector General stated (September 1979) that the matter was being looked into.

The matter was reported to Government in January 1979; their reply is awaited (January 1980).

HOME (POLICE) DEPARTMENT

3.10. Avoidable expenditure

Of 11 vehicles (9 run with petrol and 2 with diesel) under the control of the Superintendent of Police (SP), Government Railway Police (GRP), Sealdah, 9 (including 2 running with diesel) are

drawing petrol and diesel from the Central Motor Transport Pool at Barrackpore—a place 20 kilometres away from the garage at Dum Dum—and two vehicles are drawing their requirements from 24-Parganas Police Lines at Alipore—a place 14 kilometres away from the garage. For this purpose, each of the 9 vehicles has to cover 40 kilometres (to and from Barrackpore) and 2 vehicles have to cover 28 kilometres (to and from Alipore) each time only to fill in their tanks and an expenditure of Rs.1·54 lakhs was incurred on such trips between July 1975 and August 1979, being the cost of 39,600 litres of petrol (Rs.1·38 lakhs) and 14,000 litres of diesel (Rs.0·16 lakh) consumed for the purpose.

The department, however, has a filling station under the Commissioner of Police, Calcutta, within the compound of Deputy Commissioner of Police, State Armed Police, Second Battalion at a distance of about one kilometre from the garage of GRP, Sealdah. The SP, GRP stated (July 1979) that petrol and diesel could not be drawn from this station as it belonged to Calcutta Police—a separate organisation—nor could these be drawn from the nearest private pump within 2 kilometres as they were not willing to transact business on credit. The Superintendent, GRP, Sealdah stated (April 1980) that the Calcutta Police, being a separate organisation, had not been contacted in the matter.

Had arrangement been made by the Government Railway Police with the Commissioner of Police, Calcutta (being under the same department) to draw petrol and diesel from the nearest departmental filling station (about one kilometre away) an expenditure of Rs.1·46 lakhs being the cost of 37,500 litres of petrol (Rs.1·30 lakhs) and 13,300 litres of diesel (Rs.0·16 lakh) consumed in additional distances covered by these vehicles could have been avoided apart from the additional wear and tear of the vehicles involved.

The matter was reported to Government in June 1979; their reply is awaited (January 1980).

3.11. Non-realisation of maintenance cost

An Armed Police Battalion was set up in 1974 at Asansol in Burdwan district to meet the needs of a Government of India undertaking. The entire expenditure on maintenance of the Battalion was to be borne by the undertaking which agreed to make a reasonable 'on account' payment subject to final payment based on the certified statement of total expenditure incurred every year. The Inspector General of Police, West Bengal, raised, for the first time, in April 1978 a total 'on account' demand of Rs.89·32 lakhs being the

maintenance cost of the Battalion for 1974-75 (Rs.19.05 lakhs), 1975-76 (Rs.32.30 lakhs) and 1976-77 (Rs.37.97 lakhs). The demand for Rs.49.70 lakhs being the cost for 1977-78 was raised in February 1979. The cost for 1978-79 was assessed in February 1980 at Rs. 55.22 lakhs and that for 1979-80 is yet to be assessed (May 1980). The reasons for non-raising of demand for 'on account' payment, delay in raising and realisation of the demands for the four years up to 1977-78 and also non-raising of the demands for 1978-79 and non-assessment of cost for 1979-80 were not furnished (May 1980). In all these cases only provisional demand was raised. The department has yet to take action to work out the final figures of expenditure to be communicated to the beneficiary after certification in audit.

According to the orders of the Inspector General (August 1977), pension contribution was to be calculated at the rate of 9.5 per cent on the maximum of the scales of pay to which the incumbents belonged, but it was calculated on the actual pay drawn by the force (the amount involved in the under-charge not furnished). The Inspector General stated (January 1980) that the demand for extra cost on account of pension contribution would be sent to the undertaking as early as possible.

Thus, Rs.1,39.02 lakhs remained unrealised (May 1980) for about 1 to 5 years due to non-raising of demands for 'on account' payment and delay in assessment of the cost and raising of demands for different years.

The matter was reported to Government in July 1979; their final reply is awaited (May 1980).

3.12. Outstanding charges for police guards

Under the provisions of the Calcutta Police Acts and the Police Regulations, Calcutta, the Commissioner of Police, Calcutta, on receipt of formal applications from different Government departments and other organisations, supplies temporary police guards for safety and security of their offices and cash van duties. Police force is supplied to the Calcutta Port Trust also for policing the areas on either side of the river Hooghly falling within their jurisdiction and administrative control. Charges|fees for the force so deployed are realisable from the beneficiaries.

Of total charges|fees of Rs.3,45.36 lakhs for the period up to 31st March 1978 recoverable from local bodies|organisations|departments of the Government of India, only Rs.4.66 lakhs were realised up to

November 1979 and Rs.3,40.70 lakhs remained unrealised. The bulk of the dues related to the period from 1968-69 to 1973-74 as shown in the table below :

Amount due up to 31st March, 1978

Year/years	From Calcutta Port Trust	From Calcutta Corporation	From Government of India Departments	From others	Total
<i>(In lakhs of rupees)</i>					
1968-69 to 1973-74	.. 1,99.51	5.78	4.01	..	2,09.30
1974-75	.. 21.13	3.08	0.72	..	24.93
1975-76	.. 23.52	3.09	1.66	..	28.27
1976-77	.. 27.32	..	6.96	0.46	34.74
1977-78	.. 35.48	..	7.98	..	43.46
Total	.. 3,06.96	11.95	21.33	0.46	3,40.70

It was noticed during test check that in most cases the demands were not raised immediately after these fell due and, when raised, were not pursued closely. The Demand and Collection Registers were also not properly maintained.

Government stated (December 1979) that steps were being taken for realisation of outstanding dues from the offices/organisations concerned and, in the case of Port Trust Authorities, the matter was taken up with Financial Adviser and Chief Accounts Officer of the Trust in August 1979.

AGRICULTURE DEPARTMENT

3.13. Non-utilisation of a deep tubewell

For the purpose of exploration of underground water, one deep tubewell intended to irrigate 100 acres was drilled (November 1972) by the State Water Board at Bisra in the district of Midnapore on a site (with forest land around) selected by the District Site Selection Committee. The ancillary works were completed (December 1976) by the Executive Engineer, Agri-Irrigation Division, Midnapore at a total cost of Rs.1.40 lakhs (including the cost of pump-house and pipelines). The tubewell energised on 2nd June 1977 by the West Bengal State Electricity Board (WBSEB) was stated to have been lying unutilised due to theft of the transmission line on the same night and the matter was also stated to have been reported to the District Magistrate, Midnapore and the WBSEB. Further developments are awaited (December 1979). The tubewell remains unenergised.

Meanwhile, on a request from the Additional District Magistrate, Midnapore for relinquishing 100 acres of forest land around the tubewell for agricultural use, the Divisional Forest Officer, Midnapore stated (May 1979) that such land could not be made available for the purpose. Government in the Agriculture Department have intimated (December 1979) that efforts are being made to irrigate the land after getting clearance from the Forest Department.

Thus, the deep tubewell installed at a cost of Rs.1.40 lakhs more than three years ago has not been put to use. An expenditure of Rs.0.21 lakh (up to June 1979) was also incurred on account of pay and allowances of one Water Transmission Assistant from October 1974 and one Operator from October 1975 appointed for the operation of the tubewell. Their services, according to the Executive Engineer (July 1979), are being utilised for looking after Government properties.

3.14. Misappropriation, losses, etc.

The cases of misappropriation, defalcation, etc., of Government money, reported up to 31st March 1979 and on which final action was pending at the end of 1978-79 were as follows:

		Number of cases	Amount (In lakhs of rupees)
Cases outstanding at the end of 1977-78	..	563	66.09
Cases reported during 1978-79	.. ..	14	2.10
Cases disposed of during 1978-79	.. ..	4	0.22
Cases outstanding at the end of 1978-79	..	573	67.97

Department-wise analysis of the outstanding cases is given in Appendix VII. Of the 573 cases outstanding at the end of 1978-79, 406 cases (Amount: Rs.32.36 lakhs) were outstanding for more than five years. Sixty-six per cent of the cases related to the Board of Revenue.

3.15. Losses, etc., written off

In 18 cases, Rs.6.10 lakhs mainly representing losses due to theft, fire, irrecoverable revenue, duties and advances, remission of revenue, etc., were written off during 1978-79. The details are given in Appendix VIII.

CHAPTER IV
WORKS EXPENDITURE
PUBLIC WORKS DEPARTMENT

4.1. Unproductive expenditure on work taken up without sanction

The work of construction of a stadium up to international standards at Salt Lake was taken up during 1976-77 by a Public Works Division at an estimated cost of Rs.8.65 lakhs without administrative approval of Government and technical sanction by the Chief Engineer. Sanction had been accorded for Rs.12.30 lakhs in March 1976, only for preparation of detailed designs and other preliminary items of work for which the division was set up.

An expenditure of Rs.74.38 lakhs was incurred up to July 1977 when the work was suspended under orders of Government. One deposit work and a work of construction of a bridge were entrusted to the division after the stadium work was suspended. The total expenditure booked against the stadium work was Rs.83.33* lakhs as at the end of January 1979. This expenditure has remained unproductive.

Government stated (November 1979) that the work was suspended because of "changed circumstances"; no decision has been taken on resumption till date (January 1980). The circumstances in which such a large work had been started without the approval of Government and the technical sanction of the Chief Engineer have not been stated by Government.

IRRIGATION AND WATERWAYS DEPARTMENT

4.2. Damage to the cross drainage of the flyover of Kangsabati Project

The Tarafeni South Main Canal (North) crosses the Railway line between Jhargram and Gidni by means of a flyover. The flyover was constructed by the South Eastern Railway in accordance with the design requirements of the Kangsabati Project. The flyover supporting the canal over the Railway line was completed in March 1975 at a cost of about Rs.36 lakhs.

*includes expenditure of Rs. 77.85 lakhs on pile foundation work (Rs. 38.57 lakhs), materials and preliminary works (Rs. 35.31 lakhs), construction of approach road to site (Rs. 2.58 lakhs) and construction of site office and storage godown (Rs. 1.44 lakhs).

The design of the flyover included provision for two 4 feet diameter hume pipes, on either side of the flyover for cross drainage purposes. In August 1975 when the canal system was still dry (no water being released for irrigation), the project and the Railway authorities noticed that some of these pipes particularly on the downstream side of the culvert were deformed into elliptical shape and had developed some cracks on the crown. These pipes were strengthened by inserting smaller diameter pipes inside the affected ones. In respect of those pipes which had not revealed any sign of deformity, no strengthening was thought to be necessary.

The flyover and the canal were commissioned for carriage of water on 1st August 1976 with a discharge of 230 cusecs against the designed discharge capacity of 1,700 cusecs. On 11th August 1976, a portion of the downstream side of cross drainage hume pipe collapsed and the canal water along with bed material gushed out causing heavy damage to the canal bed and protection work. The Committee consisting of Railway and Irrigation engineers constituted to enquire into the case of the accident concluded that gradual escape of bed material through the opening caused by the development of further cracks and partial opening up of joints of the hume pipes created room for vertical piping. Unable to withstand the full hydrostatic pressure of 30 feet (the height of the water level in the canal over the bend of the pipes), the hume pipes collapsed completely.

The essential items of repairs and restoration works were carried out in August/September 1976 and a few items are still to be completed. Expenditure incurred up to May 1979 was Rs.10.37 lakhs including Rs.7.54 lakhs on restoration and repair and Rs.2.83 lakhs on alternative drainage channels put up.

The specific causes for the accident (whether the accident was due to defective design or execution) and the responsibility therefor are yet to be ascertained by the department. Meanwhile, the extra expenditure of Rs.10.37 lakhs on account of restoration and repair works consequent on the accident stands debited to the State Government.

The matter was reported to Government in September 1978; their reply is awaited (January 1980).

4.3. Infertuous expenditure due to inadequate investigation

Construction of a RCC Box sluice with five vents at Dehati under the Dehati Basin Drainage Scheme was taken up in December 1975 at an estimated cost of Rs.12.76 lakhs. The design for the sluice gate was finalised by the department, based on the soil investigation

report prepared by the River Research Institute in 1973. Work on foundation excavation and pipe capping of sheet piles was in progress when the foundation soil failed and slips occurred in June 1976. As a result, the work had to be discontinued and the contract terminated in November 1977. Thereafter, fresh soil studies were undertaken through a private firm, and based on the report received in May 1977 and December 1977, the structure of the sluice had to be redesigned. The modifications involved sheet pile driving up to an average depth of 19.85 feet against the original average depth of 13.3 feet, 50 per cent tensile reinforcement over the original design in reinforced concrete and providing the original area of sheet piling with encasement as uplifting of the piles driven earlier was not possible.

On the basis of the revised design and drawing, the construction of a RCC Box sluice with six vents at an estimated amount of Rs.26.90 lakhs had been taken up and payment of Rs.17.77 lakhs up to 4th running account bill had been made (up to June 1979).

The sheet piles previously driven could not be salvaged and were left intact while fresh piles had to be driven as per the revised design. Consequently, the expenditure of Rs.4.41 lakhs incurred on the execution of the pile foundation work in accordance with the agreement terminated in November 1977 together with an expenditure of Rs.1.66 lakhs on ancillary works adding up to Rs.6.07 lakhs proved infructuous.

The department has not stated the circumstances in which design of the sluice was finalised and the work was undertaken based on inadequate soil study conducted three years earlier resulting in infructuous expenditure of Rs.6.07 lakhs.

The matter was reported to Government in May 1979; their reply is awaited (January 1980).

4.4. Collapse of a cross bundh

As part of the West Mograhat Drainage Scheme, construction of a cross bundh to close the mouth of the outchannel in the riverside of Diamond Harbour sluices so as to stop the ingress of water was taken up in early 1974 after an estimate for Rs.5.19 lakhs had been sanctioned by the Superintending Engineer in January 1974. The work was awarded to a contractor on 21st January 1974 with the stipulation to complete it within one month. The bundh was partially completed and outfall channel was closed on 17th March 1974 with a skeleton section having 50 feet base width and up to 10 RL in height, within the deepest channel area. The cross bundh erected began sinking and a breach occurred on 23rd March 1974 ultimately washing away the cross bundh. When the department served notice

on the contractor to take penal action for non-completion of the work within the stipulated time and for defective work, the contractor successfully pleaded with the Arbitrator, to whom the matter was referred to by him, that the cross bundh was not designed taking into account the soil condition of the river bed where there was soft materials and slush. The contractor was awarded Rs.2.62 lakhs in April 1977 as the value of the work done by him and the amount was paid to him in April 1977.

Because of the collapse of the cross bundh, another cross bundh at an estimated cost of Rs.11.19 lakhs was taken up and completed; payment of Rs.9.41 lakhs up to 3rd running account bill had been made in November 1978.

The work of excavation of Diamond Harbour creek from chain 1,420 to chain 1,458 undertaken during 1973-74 simultaneously with the construction of the cross bundh was suspended due to collapse of the cross bundh and was resumed in 1976-77. The expenditure of Rs.1.60 lakhs incurred on excavation till the work was suspended proved infructuous as the original excavation got filled up and fresh excavation in the same chainage had to be taken up during 1976-77.

Thus, due to the collapse of the cross bundh due to its design not being suitable for the soil condition at site, the department had to incur infructuous expenditure of Rs.4.22 lakhs (Rs.2.62 lakhs on the cross bundh and Rs.1.60 lakhs on excavation). No departmental inquiry had been made to ascertain the specific departmental lapses and fix responsibility therefor.

The matter was reported to Government in June 1979; their reply is awaited (January 1980).

PUBLIC WORKS (CONSTRUCTION BOARD) DEPARTMENT

4.5. Construction of a stackyard

Construction of a stackyard at Bhatar (Burdwan district) with guardshed was approved by Government for Rs.4.22 lakhs to be met out of the contingencies of the estimate for construction of 117 rural roads in the district of Burdwan. The stackyard, proposal for which had been initiated by the Public Works (Roads) Department, was intended for stacking road and building materials for the various Engineering Directorates. Accordingly, a stackyard at a cost of about Rs.5.65 lakhs was constructed in December 1976.

The construction of the stackyard was entrusted to Construction Board Directorate. The expenditure, to be adjusted by Burdwan Highway Division I, Public Works (Roads), was not accepted by

the Division as the Superintending Engineer, State Highway Circle II stated (June 1978) that no such stackyard was required by the Public Works (Roads) Department. The Construction Board Directorate did not require the stackyard either.

Thus, the stackyard, constructed at a cost of about Rs.5.65 lakhs without prior assessment of the need for it, has remained unutilised for the last 3 years rendering the entire expenditure of Rs.5.65 lakhs unproductive.

Government in their reply (August 1979) have not offered any specific comments on how the stackyard came to be constructed at all or on the proposals for its utilisation.

4.6. Avoidable extra expenditure

Construction of Government Sponsored Taki House Girls' High School at 301|2, Acharya Prafulla Chandra Road, Calcutta was sanctioned by Government in February 1975 for Rs.7.02 lakhs. The lowest tender for execution of the work was accepted on 13th June 1975 at 8.18 per cent less than the estimated amount of Rs.5.72 lakhs. The school was to be constructed in the compound of the Taki House Boys' School.

The work was scheduled to be commenced on 24th June 1975 but could not be started as the site could not be handed over to the contractor owing to certain objections raised by the Managing Committee of the Boys' School, regarding space left for the Boys' School and the proximity of the two schools. The matter was finally settled in October 1975 through the intervention of the Education Directorate. Owing to the lapse of time (of about four months), the contractor did not agree to take up the work and the contract was terminated in December 1975.

Fresh tender for the construction of the Girls' High School was accepted in February 1976 at 1.95 per cent above the revised estimated cost of Rs.6.30 lakhs. The work was completed on 30th January 1978 at a cost of Rs.6.44 lakhs.

Because of the failure of the department to ensure availability of land in June 1975 the work had to be got executed at a cost of Rs.6.44 lakhs against the earlier quoted rate of Rs.5.25 lakhs resulting in an avoidable extra expenditure of Rs.1.19 lakhs.

Government stated (August 1979) that construction work was delayed due to a situation beyond the control of the Directorate. It may, however, be mentioned that the site being owned by Government, no land acquisition was involved and the department could have taken

necessary preliminary action and handed it over to the original contractor without delay thereby avoiding the extra expenditure of Rs.1.19 lakhs.

AGRICULTURE DEPARTMENT

4.7. Unproductive expenditure on construction of an agricultural market complex in Bankura

To facilitate gainful disposal of the agricultural commodities produced in the command area of the Kangsabati Project after its completion, Government approved in July 1971 the construction of a market complex at Vasudevapur in the district of Bankura at an estimated cost of Rs.5.11 lakhs, subsequently enhanced to Rs.6.00 lakhs in March 1976. The market complex was part of Area Development Project for the Kangsabati Command Area and comprised, *inter alia*, godowns, shops, thrashing floor, grading and grinding sheds, cattle sheds and also the Administrative building and staff quarters. The work was divided into three groups and awarded to different contractors. All the works were commenced on 18th March 1972 and were scheduled for completion by 18th November 1972. By 1975-76, the works completed were valued at Rs.4.61 lakhs and the works were suspended by the Executive Engineer, Bankura (Agri-Irrigation) Division on the ground that the funds required for completion were not provided. The works were thereafter left incomplete. The contracts were terminated in September 1978 and the works are now virtually in an abandoned condition.

Government stated in August 1979 that they contemplated completing the market complex but final decision could not be taken as the suitability of the site selected was itself in question and local popular representatives were being consulted in the matter.

Thus, owing to virtual abandonment of the work, an expenditure of Rs.4.61 lakhs incurred more than four years ago has remained unproductive.

PUBLIC WORKS DEPARTMENT

4.8. Avoidable additional expenditure

The work of extension of the Commercial Sales Tax Office building by two additional storeys (8th and 9th floors) as well as construction of one lift block in the compound of Vizianagram Palace, Beliaghata, Calcutta was awarded to a contractor (the lowest tenderer) on 29th November 1971 with the stipulation to complete the work by 28th February 1973. However, in respect of the construction of

the two storeys, the detailed drawings were handed over to the contractor in May 1972 and in respect of the construction of lift bock, the site was made available to him in November 1973. The works were, therefore, completed in June 1976. Thereafter, the contractor presented additional claims to compensate for the extra cost incurred by him owing to the delay on the part of the department in handing over the site and the drawing. The matter was referred by the department to an Arbitrator. The Arbitrator passed an award for Rs.1.21 lakhs in respect of the contractor's claim and payment was made by the department in May 1978.

Thus, the failure of the department to hand over the site and drawings in time resulted in their incurring an avoidable additional expenditure of Rs.1.21 lakhs; the reasons for not taking timely action in the matter have not been stated by the department.

The matter was reported to Government in June 1979; their reply is awaited (January 1980).

4.9. Extra expenditure due to delay in finalising drawing

The construction of a three-storeyed prisoners' hospital building at Burdwan was administratively approved in February 1976. The tender for the structural portion of the building was finalised in June 1977 for Rs.5 lakhs with the stipulation that the work should be completed by May 1978.

The contractor completed excavation of the foundation trenches in February 1978. Further work could not be undertaken as the department did not supply the structural drawings of the buildings to the contractor even in May 1978, the stipulated time for completion. The drawings were ready only in July 1978. In the circumstances, the contractor expressed his unwillingness to carry out the work at the quoted rates citing departmental delay as the reason. The division held that the contractor was not at fault as the design and structural drawings of the hospital building could not be completed due to heavy work load.

Fresh tenders were invited for the work and the lowest tender of another contractor was accepted in December 1978 for Rs.6.09 lakhs. The work order was also issued in the same month.

Owing to the department's failure to supply the requisite design and structural drawings to the contractor in time, Government had to incur an avoidable additional expenditure of 1.09 lakhs.

Government stated in November 1979 that owing to pre-occupation with other urgent works the department could not finalise the drawings in time.

HEALTH AND FAMILY WELFARE DEPARTMENT

4.10. Defective pipes

The Nalhathi piped water supply scheme was sanctioned in December 1974 with provision for using PVC pipes for the distribution system. The work of laying the pipe line for the distribution system was taken up in March 1976. By February 1978, 60 per cent of the pipes was laid and the work is in progress (January 1980).

When hydraulic test was conducted in February 1978 on the pipes laid, the pipes developed cracks at the pressure of 30 lbs/sq. inch and proved unsuitable for use in the distribution system. Hence, the department replaced the pipes by AC pipes. The infructuous expenditure incurred by the department on the restoration work including cost of pipes amounted to Rs.1.16 lakhs. The supplier did not accept the claim of the department for replacement of the pipes on the plea that the defects were not reported within the guarantee period of 12 months which expired before June 1978. The department had reported the defects in the pipes to the supplier in June 1978 though the defects had come to notice in February 1978.

Failure of the department to ensure proper testing of the materials before procurement and to lodge claims within the guarantee period resulted in the department incurring an infructuous expenditure of Rs.1.16 lakhs.

The matter was reported to Government in June 1979; their reply is awaited (January 1980).

IRRIGATION AND WATERWAYS DEPARTMENT

4.11. Kangsabati Reservoir Project

4.11.1. Introduction

Work on Kangsabati Project commenced in March 1956. The project was estimated to cost Rs.24.68 crores (increased to Rs.25.26 crores in December 1956) and was intended to irrigate 8.42 lakh acres (3.41 lakh hectares) of land in *kharif* and 1.50 lakh acres (0.61 lakh hectares) in *rabi*. The project was also intended to control the flooding of the land in the lower reaches of the river.

4.11.2. *Project components*

The project contemplated construction of the following :

- (i) A reservoir in the upper valley of the river Kangsabati and the tributary Kumari (about a mile upstream of the confluence) by constructing two contiguous earthen dams across Kangsabati river (length 4 km) and Kumari river (length 2.4 km). The storage capacity of the reservoir is 1,03,746 hectare metre of which 13,585 hectare metre is dead storage.
- (ii) Three pick up barrages across the rivers Silabati, Bhairab Banki and Tarafeni with one head regulator each so as to incorporate their supplies into the Kangsabati system.
- (iii) Two main canals on both banks taking off directly from the dam through supply sluices (length 217 kms).
- (iv) Branch canals to a total length of 405 kms.
- (v) Distributaries and other water courses to a length of 3,350 kms and
- (vi) Other supporting structures such as falls, bridges and cross-drainage works at different sites.

4.11.3. *Capital cost and construction programme*

The project was anticipated to be completed by 1961 according to the original estimates of 1955 but the progress of work was not consistent with the target dates fixed and, in August 1958, the project authorities assessed that the main work of the project would be substantially completed by 1966-67. In March 1970, when an expenditure of Rs.29.52 crores had already been incurred, the estimate was revised upward to Rs.45.93 crores and the targeted year of completion was postponed to 1974-75. However, by 1975 it was clear that the project could not be completed either within the revised estimated cost or the revised targeted period and the department undertook another revision. It was estimated that the project could be completed by 1978-79 at an estimated cost of Rs.65.89 crores.

Construction of the Kangsabati dam started in 1957 was completed in 1965 by which time part of the left bank canal system also was excavated. Irrigation was started in a small way in 1974.

Construction of the earthen dam across the river Kumari was started in 1964. The main work of the dam proper was undertaken departmentally commencing from 1964 and the river was closed in

1973. But the head regulator* of the Kumari dam could not be completed before 1976 when irrigation from this portion of the reservoir could be commenced. The Kumari dam (excepting the road over the dam and certain other minor works) was completed by 1979.

The table below gives the progress of canal excavation and structural works at the end of March 1979 when an expenditure of Rs.62.91 crores had been incurred on the whole Project.

	To be completed as per project report	Already completed	Yet to be completed	Cost of remaining work (approx.)
				Rs.
Main canals	217 KM	211 KM	6 KM	..
Branch canals	405 KM	405 KM	..	..
Distributaries, Minors, Sub minors and Water courses	3,350 KM	2,742 KM	608 KM	2,23.46 lakhs
Structural works	7,500 Nos.	5,612 Nos.	1,888 Nos.	1,24.50 lakhs
Creation of potential	8,42,000 acres	6,50,000 acres	1,92,000 acres	

The budget estimate for the residual work contemplates completion of these works by June 1980 at an approximate cost of Rs.3.50 crores.

Thus, the project started in March 1956 and programmed to be completed within five years of the commencement of work at an approximate cost of Rs.24.68 crores could not be fully completed even after a period of 23 years. The expenditure of Rs.62.91 crores already incurred was also substantially in excess of the original provision.

4.11.4. Increase in project cost

The original approved estimate of Rs.24.68 (increased to Rs.25.26 crores in December 1956) crores was revised by the project authorities in 1970 to Rs.45.93 crores and in 1975 to Rs.65.89 crores; these revised estimates are pending with Government and are yet to be approved.

*The delay in completion of the structural portion of the head regulator was due to non-finalisation of the design of the head regulator in time and change of site of the structure (vide paragraph 4.4. of the Report of the Comptroller and Auditor General of India for 1977-78—Civil).

The increase in cost has been attributed to the following factors :—

- (i) prolonged period of construction (over 20 years) and steep increase in cost of labour and materials during this period;
- (ii) construction of more structures, bridges, roads of higher specification, etc.;
- (iii) excavation of distributaries up to 2 cusecs capacity in addition to 5 cusecs originally provided for better water management;
- (iv) change in the site of the dam, certain modifications and additional items of work; and
- (v) betterment of service conditions of employees.

The revised estimates do not indicate the break-up of increased cost attributable to these factors except in the case of change in dam site, certain modifications and additional items of work which were stated to cost about one crore of rupees.

Certain points noticed in test check in audit in this context are mentioned below :

(a) *Delay in construction* —The most significant cause for pushing up the project cost is the abnormally long period of construction of more than 20 years.

The establishment charges including pay of officers and establishment, work-charged establishment and contingencies provided in the original project estimate amounted to Rs.1.05 crores against the total project cost of Rs.24.68 crores. But, as on 31st March 1979, the total expenditure under these heads was about Rs.11 crores against the total project cost of Rs.62.91 crores.

In nearly two decades during which the project was under construction, command area itself developed to a great extent, particularly in the field of rural communications and highway system. This necessitated construction of more number of structures like bridges, and these had to be of a higher standard to meet the demand of the heavier transport vehicles, etc.

Owing to extension of the period of construction of the project, the provision for maintenance expenditure during construction debitable to the capital cost estimate had to be increased significantly. The provision for this item which was only Rs.7 lakhs in original estimate had to be increased to Rs.1,31 lakhs in the revised cost estimate of 1975 and the actual expenditure booked under this head up to March 1979 was Rs.3,17 lakhs.

Besides, the long period of construction pushed up the project cost through escalation in prices of inputs of labour and materials which has not been quantified by the project authorities.

According to the project authorities, the delay of about eighteen years in the completion of the project is attributable to :

- (a) Non-availability of the requisite finance for construction at the appropriate time.
- (b) Delay in getting possession of the land required for construction.
- (c) Change in the original site of the dam to exploit certain advantages necessitating excavation of increased length of canals especially in the upper reaches. During actual excavation, soils of higher specification and even rock were encountered.
- (d) Reduction in the available working days particularly of the earth moving machinery owing to the extension of better service conditions with increased leave facilities to the employees.

The reasons given above by the department do not fully explain the long span of construction of more than two decades. A test check in audit of 70 agreements showed that in many cases extension of time had been granted to contractors due to the department not supplying in time drawings, designs, etc.

(b) *Construction equipment*.—The net* provision for construction equipment made in the original estimate was only Rs.5 lakhs. But, in the latest revised estimate the net provision was increased to Rs.2,57 lakhs without indicating any reasons for increasing the provision by more than 50 times.

Scrutiny in audit of available records indicated the following position:—

- (i) The cost of machines procured has increased from Rs.1,28 lakhs to Rs.2,16 lakhs, due to increase in prices of the machines.
- (ii) There was under-utilisation of machines. According to log books made available to Audit, performance record of 14 units (10 units of scrapers and 4 units of dozers) was studied which showed that the average monthly utilisation had been of the order of 30 per cent of the available hours *vide* details in Appendix IX. The reasons for under-utilisation have not been analysed by the

* (After adjustment of hire charges recovered).

department. It was also noticed that machinery worth Rs.2 lakhs transferred (in 1962) from other projects had not been put to use and have been lying in dismantled condition (June 1979).

(iii) The original project cost estimate provided for Rs.61 lakhs for maintenance and repair of the earth moving equipment, etc., grouped under special tools and plants during the entire construction period of five years. However, by March 1979 the total amount booked under this head came to Rs.4,07 lakhs inclusive of approximately Rs.90 lakhs on work charged establishment for repair and maintenance of the equipment undertaken by the mechanical division. The department has not attempted any detailed analysis of the substantial increase in the maintenance and repairs cost and has merely stated that the entire increase in cost is due to liberalisation of service conditions of staff and increase in the cost of spares and fuel.

(iv) Major earthwork requiring utilisation of heavy machinery was more or less completed by the end of 1976. The project authorities had since then transferred certain items of surplus equipment to other projects. The present position of transfer of equipment in respect of heavy earth moving machines is given in the table below:—

Number of machines obtained and source	Cost (In lakhs of rupees)	Number of machines transferred	Value (In lakhs of rupees)	Number of machines lying idle with the project	Value (In lakhs of rupees)
54 from Mayurakshi during 1967 to 1962	54.76	10 to Teesta Barrage during 1976-78	13.75	40	40 21
		4 to Hinglow Barrage in 1974	0.80		
15 purchased during 1965 to 1972	69.27	8 to Teesta Barrage in May 1977 and June 1977	35.70	7	33 57

When the machines were transferred, the crew operating the equipment were not transferred along with the equipment. About 128 operational staff such as operators, helpers and mates are attached to the idle machines still remaining with the project. A total expenditure of Rs.10.92 lakhs has been incurred on salary and wages of the staff during the period 1st January 1977 to 31st March 1979 when the machines were substantially unutilised.

4.11.5. *Utilisation of irrigation potential*

Regular irrigation was started in 1965-66, the area irrigated in that year being 71,900 acres. Full irrigation potential is yet to be created as the Project is incomplete as mentioned in sub-para 4.11.3. Even the potential created has not been fully utilised. The irrigation potential developed up to the end of March 1978 and utilised during 1977-78 in the Kangsabati command area as reported by the Command Area Development Authority in March 1979 were as follows :

	<i>Kharif</i> (hectares)	<i>Rabi</i> (hectares)
Irrigation potential developed up to March 1978	2,83,158	42,510
Irrigation potential utilised in 1977-78 ..	2,27,677	20,386

Details of crop-wise irrigation were not available in the project records. In the absence of data relating to areas under different crops, it has not been possible to compare the actual irrigation pattern with the crop-wise targets in the project report and identify the reasons for shortfall in area irrigated under specific crops.

A Command Area Development Authority (CADA) was set up in July 1974 to achieve full utilisation of the irrigation potential. The Administrator of CADA is of the rank of a Superintending Engineer, though, according to the pattern suggested by Government of India, the administrator should have the rank of at least a Commissioner of a division to effect co-ordination of different departments involved in command area development. The Administrator does not possess the financial and other powers of the Head of a Department. No separate budget provision was made for the activities of CADA and no specific targets were laid down for the work to be undertaken by it. Apart from conducting detailed soil survey in about 21,000 hectares and constructing about 120 KM of field channels, no work has been undertaken by CADA for development of the command area during the last five years.

4.11.6. *Revenue*

Water rates for supply of irrigation water from the Kangsabati Project were originally realisable under the Bengal Irrigation Act, 1876. Government issued notification in September 1971 fixing the rates at Rs.10 per acre for the *kharif* crops and Rs.12.50 per acre for *rabi* crops in the Kangsabati Project area. But no amount could be realised as preliminary lease applications required to be submitted under the Act by the beneficiaries for the purpose of assessment and realisation of water rates were not received and Government issued

orders from time to time declaring the supplies of irrigation water free of charges; the revenue forgone was Rs.1.6 crores for the period up to 1973-74.

To eliminate the difficulties in assessment, a simpler Act (applicable to all irrigation projects except DVC), namely, the West Bengal Irrigation (Imposition of Water Rates) Act, 1974, was passed with effect from 1st July 1974, under which water rate is payable within three months from the date of publication of the final assessment list without obtaining any lease application from the beneficiaries.

Two revenue divisions were set up in the Project in September 1975. In respect of irrigation from Kangsabati Project, realisation of revenue for *kharif* irrigation is still being made mostly on the basis of provisional assessment lists for the year 1974-75. Assessment in respect of most of the areas in 1974-75 and subsequent years has not yet been finalised. Collection of revenue is being made mostly in respect of areas irrigated in 1974-75. The reasons for delay in finalising the assessments have not been stated by the department.

As intimated by Revenue Officer, collection of rates for supplies in *rabi* season has not yet been started because the test notes of areas irrigated in respect of *Rabi* Irrigation have not been supplied by the Executive Engineers concerned and as such no assessment is done for demanding revenue.

In view of the foregoing position, the collection of revenue has been nominal. Against a total revenue of Rs.4.90 lakhs due from 1974-75 to 1978-79, only Rs.5 lakhs have been realised and this did not cover even the cost of collection of Rs.34 lakhs on the two revenue divisions set up in the project.

4.11.7. *Summing up*

(i) The construction of the project was commenced in March 1956 at an estimated cost of Rs.24.68 crores. The estimate was revised to Rs.45.93 crores in 1970 and Rs.65.89 crores in 1975; these revised estimates are pending Government's approval.

(ii) The increase in cost was mainly due to prolonged period of construction and steep increase in establishment charges, cost of labour and materials during this period. The project has been under execution for 23 years and is still incomplete (March 1979). The potential created up to March 1978 was 2.63 lakh hectares in *kharif* and 0.43 lakh hectares in *rabi* against the project targets of 3.41 lakh hectares and 0.61 lakh hectares respectively. The delay has been attributed by the project authorities to non-availability of funds, delay

in getting possession of land, change in the original site of the dam and the reduction in working days due to extension of better service conditions to the staff. Test check in audit also showed that in a few cases, department had not supplied drawings, designs, etc., in time; this aspect has not been investigated in detail by the department.

(iii) Even the potential created has not been fully utilised. The area irrigated in *kharif* in 1977-78 was reported to be 2.28 lakh hectares against the potential of 2.63 lakh hectares. The area irrigated in *rabi* was 0.20 lakh hectares against the potential of 0.43 lakh hectares. In the absence of data relating to areas under different crops, it has not been possible to compare the actual irrigation pattern with the crop-wise targets in the Project Report and identify the reasons for shortfall in area irrigated under specific crops.

The Command Area Development Authority (CADA) set up in the project in July 1974 is headed by an administrator of the rank of Superintending Engineer who does not have the financial and other powers of the Head of the Department. No separate budget provision has been made for the activities of CADA. No specific targets were laid down for the works to be undertaken; apart from conducting a soil survey and constructing about 120 kms field channels, no work has been undertaken by CADA for the development of the command area.

(iv) The assessment and collection of revenue has been in heavy arrears. For water supplied during *kharif*, assessment in respect of most of the areas irrigated in 1974-75 and subsequent years has not been finalised and collection of revenue is being made mostly in respect of areas irrigated in 1974-75. In respect of water supplied for *rabi* crops, collection of water rate has not yet started because the test notes of areas irrigated have not been supplied to the Revenue Officer by the Executive Engineers concerned. Against a total revenue of Rs.4.90 lakhs reported to be due from 1974-75 to 1978-79, only Rs.5 lakhs have been realised and this did not cover even the cost of collection of Rs.34 lakhs.

CHAPTER V

STORES AND STOCK

5.1. Stores and stock accounts

5.1.1. Synopsis of important stores and stock accounts

(a) A synopsis of important stores and stock accounts for 1978-79 (other than those of Government commercial and quasi-commercial departments/undertakings) received up to September 1979 is given below :

Department	Nature of stores	Opening balance on 1st April 1978	Receipts	Issues	Closing balance on 31st March 1979
<i>(In lakhs of rupees)</i>					
Irrigation and Waterways	Small stores and building materials	6,35.89	5,63.82	5,48.42	6,51.29
Public Works	.. Small stores and building materials	6,01.75	12,49.64	12,39.53	6,11.86
Public Works (Roads)	Small stores and building materials	2,85.47	4,91.79	4,76.02	3,01.24
Education (Bengal Engineering College, Shibpur)	Oil, coal, timber, small tools, chemicals, electrical articles, etc.	1.63	1.34	1.10	1.87

(b) The stores and stock accounts of the following non-Public Works departments required to be submitted to Audit by 5th September each year were in arrears :

Sl. No.	Department	Year of account	Reasons for non-preparation of stores accounts as intimated by the Department
1.	Agriculture—		
	Consolidated stores accounts of Intensive Food Production Scheme	1977-78 and 1978-79	Non-receipt of figures from the district offices.
2.	Commerce and Industries—		
	West Bengal Government Press and Raj Bhavan Press	1975-76 to 1978-79	The department did not furnish the reasons for non-preparation of accounts.
3.	Health and Family Welfare—		
	(i) Central Medical Stores	1976-77 to 1978-79	

Sl. No.	Department	Year of account	Reasons for non-preparation of stores accounts as intimated by the Department
(ii)	Consolidated stores accounts - of principal State Hospitals (excluding Infectious Diseases Hospital, Calcutta)	1975-76 to 1978-79	Reported to be under preparation (July 1979).
(iii)	Infectious Diseases Hospital, Calcutta	1977-78 and 1978-79	Shortage of staff.
(iv)	Netaji Subhas Sanatorium, Kalyani (formerly Kanchrapara T. B. Hospital)	1977-78 and 1978-79	No reasons were furnished.
4. Home (Jails)—			
(i)	Consolidated stores accounts of Presidency and Central jails	1976 to 1978	Non-receipt of accounts from constituent jails.
(ii)	Jail Depot	1976-77 to 1978-79	Non-receipt of invoices from various jails.
(iii)	Alipore Central Jail Press	1978-79	Reported to be under preparation.
5. Information and Cultural Affairs and Youth Services—			
(i)	Consolidated stores accounts (other than Distribution section)	1978-79	} Reasons were not intimated.
(ii)	Distribution section	1977-78 and 1978-79	

(c) Some of the important irregularities noticed in the course of audit of stock ledgers and the stores and stock accounts made available to Audit are indicated below :

ANIMAL HUSBANDRY AND VETERINARY SERVICES DEPARTMENT

Central Medical Stores under Director of Veterinary Services, West Bengal

(i) Medicines (Rs.32.07 lakhs) and surgical requisites (Rs.13.02 lakhs) purchased between April and December 1978 were not entered in stock ledgers; the Deputy Director attributed (February 1979) this to shortage of staff.

(ii) Of stores valuing Rs.26.57 lakhs issued to 246 units between April and December 1978, acknowledgements in support of receipt of stores valuing Rs.15.22 lakhs were not obtained from 64 recipient units (August 1979).

HEALTH AND FAMILY WELFARE DEPARTMENT

Principal State Hospitals

The following observations are based on the consolidated stores accounts of the principal State Hospitals for 1972-73 to 1974-75 made available to Audit in August 1979 :

- (i) Accounts of R. G. Kar Medical College and Hospital and National Medical College and Hospital, Calcutta from 1972-73 to 1974-75 were not included in the consolidated accounts of the respective year. The reasons for non-inclusion were, however, not furnished (August 1979).
- (ii) In the six principal State Hospitals in Calcutta, non-consumable articles, viz., instruments, appliances, etc., valuing Rs.94.02 lakhs were shown as issued to different wings/wards between 1972-73 and 1974-75 but no inventory showing the distribution of such instruments was available and no subsidiary stock accounts were maintained. Stocks were also not physically verified to keep a watch over the costly stores taken out of account.

5.1.2. Of the 247 public works divisions at the end of 1978-79, 117 had been holding stock during that year. Information relating to stores accounts and allied matters was, however, received from only 31 of them (November 1979). Some of the points noticed were as under :

(i) Excess over reserve limit of stock and non-finalisation of limits

(a) In 10 divisions, the stock held on the 31st March 1979 exceeded the reserve limit as indicated below :

Department	Number of divisions	Amounts in excess of the reserve limit on the 31st March 1979	Remarks
<i>(In lakhs of rupees)</i>			
Irrigation and Waterways ..	1	12.35	The excess of Rs. 12.35 lakhs (274 per cent) is in respect of the Canals Division which has been exceeding the limit since 1974-75.

Department		Number of divisions	Amounts in excess of the reserve limit on the 31st March 1979	Remarks
<i>(In lakhs of rupees)</i>				
Public Works (Roads)	..	3	69.37	In Mechanical Division II which has been exceeding the limit since 1974-75, the excess on 31st March 1979 was Rs. 4.65 lakhs (155 per cent). In 24-Parganas Highway Division which has been exceeding the limit since 1975-76, the excess stood at Rs. 46.69 lakhs (584 per cent) on 31st March 1979.
Housing	.. ..	1	3.10	In Housing Construction Division IV which has been exceeding the limit since 1977-78, excess stood at Rs. 3.10 lakhs (168 per cent) on 31st March 1979.
Public Works	.. ..	5	54.34	The excess was mainly in Alipore Division I (Rs. 37.50 lakhs—750 per cent) and Workshop Electrical Division (Rs. 14.99 lakhs—50 per cent).
Total	..	10	1,39.16	

Steps to investigate into the causes for excess and to revise the stock limits, where necessary, have to be taken by the department.

(b) No reserve limits of stock have been fixed for the following divisions although sizable stocks are being held as indicated in the table below :

Department		Name of division	Value of stock held on 31st March 1979
<i>(In lakhs of rupees)</i>			
Public Works	..	.. CMDA I	.. 24.50
		.. CMDA III	.. 5.00
		.. North Calcutta Electrical Division	.. 15.02
Irrigation and Waterways	..	.. Teesta Mechanical Division	.. 4.33

(ii) Closing of stock registers

The register of stock in a public works division is required to be closed at the end of each year and reviewed by the Divisional Officer to ensure that the stores consist only of necessary and serviceable articles and that the stores are priced within the prevailing market

rates. Of the 31 stock holding divisions from whom information was available, closing of stock registers was in arrears in 29 divisions as indicated below :

Department		Number of divisions in which closing of stock registers is in arrears	Remarks
Irrigation and Waterways	..	6	In one division, stock registers have not been closed for 16 years, in another for 10 years and in two divisions for over 5 years.
Public Works	.. ..	13	In four divisions, stock registers have not been closed over 5 years.
Public Works (Roads)	.. ..	3	In the 24-Parganas Highway Division, stock registers have not been closed since 1967-68.
Public Works (Construction Board)	..	3	In the Krishnanagar Division, the stock registers were not closed from 1968-69 and in the Resources and Mechanical Division from 1969-70.
Public Health Engineering	..	1	In the Resources Division, the stock registers were not closed from 1972-73.
Housing	.. ..	3	In the Housing Construction Division III, stock registers have not been closed since 1970-71 and in the Housing Construction Division IV since 1973-74.

(iii) Physical verification of stock

The Divisional Officers are required to ensure that physical verification of stock in the division is conducted at least once a year. In 15 of the 31 divisions from which information was available, physical verification of stock was not conducted during 1978-79; in some cases it was not conducted in the earlier years also. The department-wise position is indicated below :

Department		Number of divisions in which physical verification of stock was not done	Remarks
Irrigation and Waterways	..	5	In one Division, physical verification has not been done since 1975-76 ; the value of stock held by the division on 31st March 1979 was Rs. 4.33 lakhs.
Public Works	.. ..	4	In one division (value of stock on 31st March 1979—Rs. 42.50 lakhs), physical verification has not been done since 1973-74.

Department	Number of divisions in which physical verification of stock was not done	Remarks
Public Works (Roads)	2	In one division, physical verification has not been done since 1970-71; the value of stock held on 31st March 1979 was Rs. 7.65 lakhs.
Public Works (Construction Board) ..	2	In one division, physical verification has not been done since 1977-78; value of stock held on 31st March 1979 was Rs. 4.90 lakhs.
Housing	2	In one division, physical verification has not been done since 1972-73; value of stock held on 31st March was Rs. 4.94 lakhs.

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1. General

(a) (i) *Grants* : During 1978-79, Rs.138.16 crores were paid as grants to local bodies (Rs.41.77 crores), private institutions and individuals (Rs.95.99 crores) and co-operative institutions (Rs.0.40 crore); this formed 15.23 per cent of Government's total expenditure on revenue account. The grants were paid mainly for maintenance and construction of buildings of educational institutions, maintenance of hospitals and charitable institutions, maintenance and improvement of roads and communications under municipalities and development of co-operative societies. Amounts by broad purposes are shown below :

	Building grants	Maintenance grants	Other grants	Total grants
	(In lakhs of rupees)			
Local bodies—				
Recurring .. .. .	..	31,41.91	9.46	31,51.37
Non-recurring	50.07	6,10.69	3,64.56	10,25.32
Co-operative institutions—				
Recurring .. .. .	..	..	..	..
Non-recurring .. .. .	..	39.28	1.06	40.34
Others—				
Recurring .. .. .	..	61,45.07	3.83	61,48.90
Non-recurring	14,85.63	10,04.98	9,59.45	34,50.06
Total	15,35.70	1,09,41.93	13,38.36	1,38,15.99

(ii) *Utilisation certificates of grants* : Departmental Officers sanctioning grants are required to certify to Audit proper utilisation of the grants. Utilisation certificates for grants aggregating Rs.202.79 crores were received during 1978-79; those for Rs.140.49 crores (in 33,398 cases) paid as grants up to March 1978 were awaited (September 1979). The department-wise details are given in Appendix X. Of these, 22,054 certificates for Rs.77.13 crores were awaited for more than three years.

Utilisation certificates of over Rs.25 lakhs each were outstanding for more than three years against the departments mentioned below :

Department	Number of certificates	Amount (In lakhs of rupees)
Education	20,774	71,69.90
Agriculture and Community Development	121	2,37.77
Relief and Welfare	231	1,03.03
Health and Family Welfare (Public Health Branch)	534	78.93
Refugee Relief and Rehabilitation	296	69.74
Co-operation	107	48.02
Cottage and Small Scale Industries	7	31.54

The utilisation certificates have not been received although considerable time has elapsed after the payment of the grants. In the absence of utilisation certificates, it is difficult to be satisfied, even in a broad way, about the extent to which the recipients spent the grants for the purpose or purposes for which they were given.

(b) *Utilisation certificates of loans and advances* : Out of 760 utilisation certificates (Rs.25,07.86 lakhs) due to be received by Audit for loans given by Government up to 31st March 1978, 39 certificates (Rs.8,23.02 lakhs) were received leaving 721 certificates (Rs.16,84.84 lakhs) to be received (September 1979). Department-wise break-up of wanting utilisation certificates is given below :

Department	Number of outstanding utilisation certificates	Amount (In lakhs of rupees)	Year to which the earliest outstanding certificates relate
Co-operation	225	9,52.65	1960-61
Health and Family Welfare	45	2,68.89	1958-59
Cottage and Small Scale Industries	230	2,53.83	1957-58
Panchayats	130	90.68	1968-69
Animal Husbandry and Veterinary Services	18	68.12	1974-75
Fisheries	26	27.54	1975-76
Local Government and Urban Development	47	23.13	1970-71
Total	721	16,84.84	

In the absence of these certificates, it is not possible to state, even in a broad way, that the recipients have spent the loans for the purpose or purposes for which they were given.

(c) According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the accounts of bodies and authorities substantially financed by grants or loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. For this purpose, a body or an authority is deemed to have been substantially financed if the total amount of grants and loans received by it during a year, including the unutilised balance of the previous year(s), is not less than Rs.5 lakhs and the amount is also not less than 75 per cent of the total expenditure of the body or authority in that year. As in the previous years, for identification of such bodies and authorities, all administrative departments of the State Government were asked, in April 1979, to furnish information about grants and loans given to the bodies and authorities for the year 1978-79 and their total expenditure for the year or years in which the grants or loans were paid. This requirement of Audit was also brought to the notice of the Finance Department. However, no information was received from several departments, important ones among them being Departments of Education, Health and Family Welfare, Co-operation, Agriculture, Panchayats and Community Development, Local Government and Urban Development, Closed and Sick Industries, Relief and Social Welfare, Commerce and Industries and Cottage and Small-Scale Industries which normally release large grants. All these departments (excepting the departments of Education and Local Government and Urban Development) did not furnish similar information for 1977-78 also and in the case of the Department of Health and Family Welfare, such information is wanting from 1971-72 onwards.

Where any grant or loan is given to any body or authority for any specific purpose from the Consolidated Fund, Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, requires that the Comptroller and Auditor General of India shall scrutinise the procedure by which the sanctioning authorities had satisfied themselves as to the fulfilment of the conditions subject to which such grants or loans were given.

The results of audit conducted under Section 14 and 19(3)* and scrutiny made under Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are mentioned in the following paragraphs.

*The account of Calcutta Metropolitan Development Authority has been audited under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

LOCAL GOVERNMENT AND URBAN DEVELOPMENT DEPARTMENT

6.2. Municipalities

6.2.1. The accounts of 13 municipalities which attracted audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for one or more of the years from 1974-75 to 1977-78, as indicated in Appendix XI were audited during 1978-79. The extent of financial assistance received by them in those years *vis-a-vis* their total expenditure is also indicated in the Appendix.

6.2.2. Demand and Collection of revenue

The demand (Rs.2,13.58 lakhs) and collection (Rs.77.29 lakhs) of rates made by these 13 municipalities for the years 1974-75 to 1977-78 showed that the percentage of collection varied from 14.74 (Raiganj) to 54.65 (Ghatal) against the minimum standard of good collection of 85 per cent prescribed (June 1954) by Government.

Bankura, Bangaon, Garden Reach and Raiganj municipalities collected 27, 29, 24 and 15 per cent of their respective total demand of taxes on trades, professions and licence fees. Garden Reach, Ghatal, Kanchrapara and Taki municipalities collected 5, 8, 24 and 19 per cent respectively of their total demand on account of lease rent and other dues. The result has been heavy accumulation of outstanding demand of rates, taxes, etc., which aggregated Rs.1,46,93* lakhs in the 13 municipalities.

6.2.3. Financial position

The liabilities (including unspent grants and loans) exceeded the cash balance of the municipalities (except Jangipur) by Rs.1,37.16 lakhs as shown in Appendix XII. In this connection the following points were noticed in audit :

- (i) The unspent amounts of grants and loans aggregating Rs.35.53 lakhs received from Government for specific purposes, viz., improvement of roads and drains, sinking of tube-wells, etc., were diverted by 11 municipalities to general expenses of the municipalities.

* Year-wise break-up is not available with the department.

- (ii) Six municipalities had not repaid to Government instalments of loans with interest accrued thereon (Principal : Rs.17.80 lakhs and Interest : Rs.5.68 lakhs). Year-wise break-up of the overdue loans was not available with the municipalities.
- (iii) Six municipalities defaulted in payment of subscriptions deducted from the salaries of staff together with their contribution to the employees' provident funds to the extent of Rs.6.17 lakhs.

6.2.4. *Other points*

(a) The rules for the management of provident funds maintained by municipalities, as prescribed by Government, require every employee to subscribe at the rate of 6½ per cent of his salary to a provident fund and also provide for municipal contribution of equivalent amount to the employee's provident fund account. Government clarified (January 1974) that the term 'salary' did not include dearness allowance but Kanchrapara municipality allowed subscription on dearness allowance also and made excess municipal contribution of Rs.0.58 lakh on dearness allowance to employees' provident fund accounts during 1974-75 to 1976-77. Steps taken by the municipality to get this amount refunded or adjusted against contribution for subsequent years have not been intimated (January 1980).

(b) A slaughter house constructed by Kurseong municipality in 1967 at a cost of Rs.0.17 lakh, 2/3rd of which were met out of development grants received from Government during 1964-65, was not brought into use (July 1978). While non-use since 1975 was attributed to the fact that the road leading to the slaughter house, damaged in 1975, was not repaired, no reasons were available for the slaughter house remaining unused in the earlier period.

The points mentioned above were reported to Government in November 1979; their reply is awaited (January 1980).

EDUCATION DEPARTMENT

6.3. **North Bengal University**

6.3.1. Audit observations on the accounts of the North Bengal University for the years 1971-72 and 1972-73 were included in paragraph 61 of the Report of the Comptroller and Auditor General of India (Civil) for the year 1974-75. A resume on the formation and activities of the University had been mentioned therein. Certain points noticed during test check in audit of the accounts for the years 1974-75 and 1975-76 are given below.

6.3.2. Finance and Accounts

Receipts and expenditure of the University under revenue and capital accounts for the years from 1971-72 to 1975-76 were as under :

Year			Grants received from State Govern- ment	Grants received from U.G.C.	Receipt from own sources	Total receipts including opening balance	Total expendi- ture	Closng balance
(In lakhs of rupees)								
Capital Account								
1971-72	..	..	27.35	0.75	0.88	61.34	20.85	40.49
1972-73	..	..	34.95	7.58	0.17	83.19	26.42	56.77
1973-74	..	..	40.77	5.18	0.15	1,02.87	49.42	53.45
1974-75	..	..	45.39	15.59	0.18	1,14.61	56.48	58.13
1975-76	....	..	60.90	5.46	..	1,24.49	42.44	82.05
Revenue Account								
1971-72	..	..	38.66	0.70	14.48	60.63	53.90	6.73
1972-73	..	..	46.75	0.86	16.97	71.31	65.69	5.62
1973-74	..	..	54.19	1.58	13.06	74.45	71.18	3.27
1974-75	..	..	74.83	1.55	15.79	95.44	86.98	8.46
1975-76	..	..	83.18	4.85	20.41	1,16.90	99.11	17.79

The table above would indicate that Government have been releasing grants in excess of the requirements of the University, the unutilised amounts of which stood at about rupees one crore at the end of 1975-76. Out of the unspent balance of Rs.99.84 lakhs comprising balances under capital (Rs.82.05 lakhs) and revenue (Rs.17.79 lakhs) accounts, the University had cash balance of Rs.49.27 lakhs with the State Bank of India and Rs.25.17 lakhs in short term deposits. The remaining portion (Rs.25.40 lakhs) of the unutilised grant was included under "advances and suspense" accounts, the analysis of which has not been made by the University. The accumulation of huge amount in Capital Account was reported to be mainly due to delay in completion of different construction works undertaken by the University for which grants from State Government| U.G.C. were received. As regards accumulation in Revenue Account, the University is not maintaining separate account of expenditure against grants for maintenance of the University, teachers' salary, fellowship, etc., and such grants are being shown as merged with the general fund of the University. As such, item-wise break-up of the

closing balance of revenue account showing unspent grant from Government|U.G.C. and balance of University's own fund could not be ascertained. It was, however, noticed in audit that the closing balance of revenue account at the end of 1975-76 included unspent grant of Rs.2 lakhs received from the State Government during 1975-76 for maintenance of the department of Life Sciences which was opened in 1977-78 only.

6.3.3. *Internal audit*

No arrangement has been made so far (September 1979) for internal departmental check of the accounts of the University as required under the statutes framed under the North Bengal University Act. This was attributed to want of necessary staff (August 1979).

6.3.4. *Plants lying idle*

Carbon-Hydrogen and Nitrogen analyser plants purchased for the Chemistry department of the University in 1970 at a cost of Rs.0.32 lakh were lying idle; these could not be installed (March 1979) for want of suitable accommodation. The University also purchased one 88 KW diesel generator at a cost of Rs.1.10 lakhs in 1972. It was installed in November 1975 and commissioned in December 1976 but could not be run for want of operator and necessary electrical installation which was taken up in April 1978 but remained incomplete (March 1979) for which reasons have not been stated.

6.3.5. *Non-recovery of advances from suppliers*

For purchase of steel and cement, advances of Rs.15.74 lakhs were granted to 22 suppliers during 1971-72 to 1976-77. The quantity actually supplied in these cases fell short of that indented for and a sum of Rs.1.32 lakhs being value of materials short supplied remained unrecovered (August 1979). The steps taken by the University for recovering the sums have not been intimated.

The points mentioned above were reported to Government in November 1979; their reply is awaited (January 1980).

PANCHAYATS AND COMMUNITY DEVELOPMENT DEPARTMENT

6.4. **Zilla Parishads**

6.4.1. The Zilla Parshads, set up under the West Bengal Zilla Parishads Act, 1963, as the apex of Panchayati Raj, carry on their functions mainly with funds provided by Government in the shape of grants in lieu of collection of land revenue and cess,

augmentation grants, grants for specific purposes and loans. These bodies being substantially financed by Government, their accounts attracted the provisions of section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The accounts of 11 Zilla Parishads for 1975-76 and 3 Zilla Parishads for 1976-77 were audited during 1977-78 and 1978-79. The total amount of grants and loans received from Government and the expenditure incurred by the Parishads, the accounts of which were audited, are given in Appendix XIII. The points noticed in audit are mentioned below.

6.4.2. Unspent balances of Government grants and loans given for specific purposes like construction/re-construction of village roads, drains, culverts, improvement of tanks were not covered by cash balances (including investments) held by three Zilla Parishads, as detailed below, indicating that the amounts had been appropriated towards general expenses of the Zilla Parishads.

Name of the Zilla Parishad	Position as on	Unspent amount of grants and loans	Cash balance including investments	Amount diverted
<i>(In lakhs of rupees)</i>				
Purulia	31st March 1977 ..	3.89	3.48	0.41
24-Parganas	31st March 1976 ..	47.58	31.56	16.02
West Dinajpur	31st March 1976 ..	7.85	7.30	0.55

6.4.3. Subvention was payable by Government to meet 80 per cent of the dearness allowance paid to the staff appointed against posts created up to 1st October 1968. Burdwan Zilla Parishad had drawn irregularly, during 1975-76 and 1976-77, subvention of Rs.0.98 lakh in respect of 40 members of staff for whom there were no sanctioned posts as on 1st October 1968.

6.4.4. One Medical Officer under Murshidabad Zilla Parishad was suspended (December 1968) for not joining his new place of posting. The Enquiring Officer recommended (September 1969) removal of the Medical Officer from service and the Zilla Parishad decided in February 1976 to remove him from service which was given effect from 1st April 1976. The Medical Officer was paid Rs.0.21 lakh as subsistence allowance up to March 1976, a substantial part of which could have been avoided but for the long time taken (about 7 years) for arriving at a decision for which no reasons were indicated.

6.4.5. Test check in audit of the muster rolls of labourers engaged by Purulia Zilla Parishad in connection with execution of works under Special Employment Programme and Rural Production Programme during 1976-77 disclosed (August 1978) suspected defalcation of Rs.0.07 lakh by six employees of the Zilla Parishad. The cases are under investigation and report from the Zilla Parishad is awaited (January 1980).

The points mentioned above were reported to Government in November 1979; their reply is awaited (January 1980).

FISHERIES DEPARTMENT

6.5. Financial assistance to organisations|individuals

6.5.1. Three schemes for rendering financial assistance to organisations and individuals were test checked in audit with reference to records maintained by Fisheries Department and the Directorate of Fisheries. The points noticed are mentioned below.

6.5.1.1. *Promotion of intensive fish culture through Fish Farmers' Development Agencies*—Grants and loans amounting to Rs.28.72 lakhs were paid to three Fish Farmers' Development Agencies (FFDA) between 1974-75 and 1975-76 for promoting fish culture in tanks and increasing fish production in rural areas. Under the scheme, the capital required to excavate new ponds, renovate old ones, erect embankments, etc., is to be provided by Government and commercial banks. The primary role of the State Government is to lend necessary technical, financial (loan|grant), administrative and organisational support. Government provide loans to the Agencies for being channelled to the farmers towards cost of sites and cost of inputs. Particulars of financial assistance received from Government and expenditure incurred by the FFDA's up to 31st March 1979, as reported (May 1979) by the Department are shown below :

Name of the F F D A	Year of payment	Financial assistance given by Govern- ment			Expenditure incurred by the FFDA up to 31st March 1979
		Grant	Loan	Total	
<i>(In lakhs of rupees)</i>					
Burdwan	1974-75	12.10	7.90	20.00	12.11
West Dinajpur	1975-76	4.01	0.60	4.61	1.50
Malda	1975-76	3.51	0.60	4.11	1.49
Total		19.62	9.10	28.72	15.10

Utilisation certificates in respect of the amount of Rs.15.10 lakhs stated to have been spent by the three FFDA's were not received (June 1979) by the department.

The principal amount of the loan is repayable in three equal instalments due on the third anniversary of the payment of loan to the State Government and bears interest at the rate of 5½ per cent per annum, including the moratorium of two years. The department could not state the amount of loan repaid by the FFDA's up to June 1979 as the department has not maintained the Demand, Collection and Balance Register.

The targets and achievements up to 31st March 1979 as gathered from departmental records were as under :

Name of the FFDA	Years of operation	Water area brought under improved technique (In hectares)		Number of persons trained in improved technique		Number of trained persons taking up pisciculture as profession	Additional production of fish per annum (In tonnes)	
		Target	Actuals	Target	Actuals		Target	Actuals
Burdwan ..	1973-74 to 1978-79	100	71.37	600	334	60	90	42
West Dinajpur ..	1976-77 to 1978-79	100	4.16	300	14	10	90	Nil
Malda ..	1977-78 to 1978-79	100	7.30	200	12	4	90	Nil
Total ..		300	82.83	1,100	360	74	270	42

It may be seen from the particulars given above that in two cases there was no additional production and the increase in the other case was less than 50 per cent of the target. The shortfall in the achievements was attributed by the department (May 1979) to the following :

- (i) Non-deployment of the full complement of departmental staff to the FFDA's due to administrative difficulties, and
- (ii) Non-sanction of loans by the commercial banks.

6.5.1.2. *Loans to trained educated unemployed persons*—To enable the educated unemployed, who were trained in nursery management, to set up small fish farms in their areas and take up pisciculture as their livelihood, Government sanctioned (February 1975) a scheme for granting loans to them at the rate of Rs.7,500 per hectare of water area subject to maximum of Rs.7,500 per head.

Between 1974-75 and 1977-78, Government allotted a total amount of Rs.7.05 lakhs, out of which only Rs.2.40 lakhs were paid as loan to 40 unemployed persons. The department stated (May 1979) that allotments were made every year on the basis of provisions sought for by the Director of Fisheries but disbursement of funds (34 per cent) fell short of expectation for want of adequate number of trained educated unemployed persons to take advantage of the loan under the scheme.

Loan sanctioned under this scheme is repayable in five equal instalments beginning from the first anniversary date of payment of loan. Interest is payable on the loan at the rate of 8 per cent per annum. The directorate could not indicate the extent of utilisation of the loans sanctioned by them to the individuals up to 31st March 1979 and did not produce any utilisation certificate from the beneficiaries. The department could not state (July 1979) the amounts of loan and interest which fell due for recovery up to March 1979 and actually recovered from the loanees up to July 1979 as the Demand, Collection, Balance Register has not been maintained.

6.5.1.3. *Short-term loans to progressive fish farmers*—In February 1978 Government sanctioned a scheme for advancing short-term loans to progressive fish farmers for composite fish culture and culture of air breathing fishes at the rate of Rs.7,500 per hectare of water area. The loan was to be repaid after completion of one year from the date of payment with interest at 8 per cent per annum.

During 1977-78 and 1978-79, Government allotted Rs.12 lakhs each year for the scheme. Rupees 8.15 lakhs were paid as short-term loan to the fish farmers during 1977-78. Against the target of 400.00 acres, 272.84 acres of water area were reported to have been brought under composite fish culture during 1977-78. The amount of loan paid and the target and actual area brought under pisciculture during 1978-79 could not be furnished (July 1979) by the Department| Directorate. The scheme was discontinued from 1979-80 for which no reasons were forthcoming.

No data were available with the department regarding the fish catch, number of fish farmers benefited and the amount of loan repaid by the beneficiaries.

The points mentioned above were reported to Government in December 1979; their reply is awaited (January 1980).

**PUBLIC WORKS (METROPOLITAN DEVELOPMENT)
DEPARTMENT**

Calcutta Metropolitan Development Authority

6.6. Purchase of Pumpsets

For augmentation of the drainage facilities in the City, the Calcutta Corporation decided (February 1971) to instal five pumpsets, each of 100 cusecs capacity at 20 feet head, at the Palmers' Bridge Pumping Station with financial assistance from the Calcutta Metropolitan Development Authority (CMDA). The work of supply, erection and commissioning of the pumpsets was awarded to the two tenderers who had quoted—2 pumpsets to one tenderer, firm 'A' at Rs.16.70 lakhs and the remaining 3 pumpsets to the other tenderer, firm 'B' at Rs.18.32 lakhs. Agreements were executed with them in March 1972 and September 1973 respectively.

According to the terms of the agreement, the Corporation made advance payment of Rs.15.03 lakhs (June 1972) and Rs.16.82 lakhs @ (November 1973) to the firms, being 90 per cent of the total values of the contracts, along with issue of the respective work orders.

In terms of the agreements, supply of the equipment was to commence after 15 months from issue of the work orders along with the advance payments, and the works in all respects (i.e. including erection and commissioning) were to be completed within 24 months from the issue of the work orders, failing which the firms were liable to pay liquidated damages at Rs.150 per day subject to a maximum of 2.5 per cent of the values of the respective contracts.

Against the contract for 2 pumpsets, the firm 'A' supplied the pumpsets in July 1975, that is, long after expiry of the stipulated period of completion of the entire work, viz., June 1974; but no liquidated damages were recovered from the firm for this delay. Meanwhile, the CMDA who had taken over the work from the Calcutta Corporation in May 1975, made further "interim"* payments to the firm totalling Rs.6.57 lakhs during 1976-1978.

Due to the inability of the CMDA to finalise the exact location of the pumping station, erection of the pumpsets, supplied in July 1975, was not started as yet (December 1979) and the equipment was in a knock-down condition in storage. This delay would vitiate any claim against the company for rectification of defects noticed after commissioning of the pumpsets under the warranty clause under which

@ 90 per cent of Rs. 18.69 lakhs inclusive of estimated excise duty.

*As the payments were termed "interim", these could not be linked with the specific claims of the firm and presumably were intended for the escalation charges provided for in the contracts.

defects noticed after commissioning would be rectified free of cost by the firm only within a year of commissioning or 15 months of supply whichever was earlier.

As regards the remaining 3 pumpsets, the bank guarantee against which 90 per cent advance had been paid by the Calcutta Corporation to firm 'B' expired in February 1977 and till then no equipment was delivered by the firm. The contract was, thereafter, terminated by the Calcutta Corporation in March 1977 due to failure of the firm to complete the transaction within the stipulated time. No penalty was, however, imposed.

Upon termination of the contract, firm 'B' filed a suit under the Arbitration Act, 1940. In January 1979, however, the parties concerned agreed to resolve their disputes mutually and to request the Arbitrator to dispose of the Arbitration proceedings accordingly. It was also agreed, *inter alia*, that the firm would be allowed to complete the work against the original contract of September 1973 by December 1979 for which it would be paid a sum of Rs.7.00 lakhs over and above the original contract price due to escalation of prices. The pumps on receipt were to be installed in three new sumps to be constructed by the CMDA under Baranagar Kamarhati Storm Drainage Scheme instead of the Palmers' Bridge Pumping Station for which they were originally intended. The pumps were not actually supplied till December 1979.

Thus, (i) due to the failure of the CMDA to decide on the exact location of the pumping station for the 2 pumpsets delivered as early as in July 1975, equipment worth Rs.20.73 lakhs has remained idle for a period exceeding four years and the warranty clause for the pumpsets has also expired and (ii) three pumpsets due for delivery and commissioning in November 1975 have not been supplied till December 1979. The amount of Rs.16.82 lakhs advanced to firm 'B' is outstanding with the firm for more than six years (up to December 1979).

Government stated, *inter alia* (May 1980), that—

- (i) installation of the two pumpsets supplied in July 1975 was delayed due to the time taken in deciding in which of the two pumping stations, viz., Palmers' Bridge and Ballygunge, these would be installed, and
- (ii) the firm has started supplying the components of the remaining three pumpsets,

6.7. Unfruitful outlay on the procurement of a prototype trolley-bus

The Technical Adviser, Calcutta Metropolitan Development Authority (CMDA) placed an order with Messrs Bharat Heavy Electricals Limited (BHEL) on 31st May 1976 for the supply of a 60 HP prototype trolley-bus* at a price not exceeding Rs.4 lakhs with a view to examining the possibility of running trolley-buses in Calcutta. No preliminary survey had been made regarding the suitability of the trolley-bus for the city roads, nor any scheme report prepared before the order for the prototype trolley-bus was placed. Administrative approval and financial sanction from CMDA for the expenditure were also not obtained. The prototype trolley-bus was delivered in January 1977 and Messrs BHEL were paid Rs.4 lakhs.

The trolley-bus has been lying idle in the workshop of the Calcutta Tramways Co., except for a solitary run over a short stretch of a road at night when there was no traffic. The Administrator of the Tramways Co. informed the CMDA on 10th February 1977 that it would be difficult to put the trolley-bus in service in any road where tram cars were plying. He estimated that capital expenditure of about Rs.19 lakhs would be necessary for constructing overhead lines for using the trolley-bus over a 3.2 KM route. The Calcutta Tramways Co. also expressed their opinion that while the trolley-bus had all the disadvantages of tram cars, it had none of the advantages of an ordinary bus. They further felt that transport policy for the city should concentrate on motor buses and tram cars, instead of going in for trolley-buses. The matter was considered by the CMDA in consultation with Government and it was decided that the question of adopting the trolley-bus as a mode of transport should be taken up only after careful consideration of the various issues involved. A working group under the Chairmanship of the Secretary to the Government of India, Ministry of Works and Housing was reported (March 1979) to be going into the subject; the group has so far not finalised its report (December 1979).

Meanwhile, the trolley-bus acquired in January 1977 at a cost of Rs.4 lakhs has not been put into operation till now. The ordering of the trolley-bus without preliminary study regarding the suitability of trolley-buses for use in the city roads and without competent sanction has thus resulted in an unproductive outlay of Rs.4 lakhs.

Government stated (May 1980) that the question of introducing trolley-bus as a substitute for the existing tramways has been deferred and that the trolley-bus, already purchased, has been kept stored in the Calcutta Tramways Company Workshop for the present.

*Run on electrical power supplied through overhead lines without requiring rails needed for a tram car.

CHAPTER VII

COMMERCIAL ACTIVITIES

7.1. This chapter deals with the results of audit of departmentally managed Government commercial and *quasi-commercial* undertakings.

7.2. Delay in preparation of *pro forma* accounts

Out of the 27 undertakings as on 31st March 1979, 8 have not prepared their *pro forma* accounts since inception and the accounts of the remaining 19 undertakings are in arrears (November 1979) for different periods, *vide* Appendix XIV.

In respect of *pro forma* accounts of certain undertakings like Integrated Wood industries scheme at Durgapur and Kalyani, Training-cum-production centre for wood industries, Siliguri, Government Sales Emporia in Howrah and Calcutta, Industrial Estate, Howrah, Industrial Estate, Saktigarh and Silk Reeling Schemes under the Deputy Director of Industries (Cottage), task forces set up by Government are reported to be engaged on compiling the accounts. In respect of many of the other undertakings, the reasons for arrears in preparation of *pro forma* accounts are awaited from the departments.

In addition, the *pro forma* accounts for the period from April 1973 to October 1975 of the three undertakings, viz., Tourist Lodges at Darjeeling, Santiniketan and Durgapur, which were taken over by the West Bengal Tourism Development Corporation Limited with effect from 1st November 1975, are in arrears (November 1979).

A synoptic statement showing the summarised financial results of three undertakings based on their latest available accounts is given in Appendix XV.

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

7.3. Government Central Lock Factory, Bargachia, Howrah

7.3.1. The Government Central Lock Factory, Bargachia, was set up during 1956 at a capital cost of Rs.1.79 lakhs and production commenced in 1958-59. Capital expenditure up to the end of 1977-78 was Rs.3.01 lakhs. The working of the factory was reviewed in paragraph 41 of the Report of the Comptroller and Auditor General of India, 1966, Government of West Bengal.

The working of the unit during the last three years ending 1978-79 was checked in audit and the following points were noticed.

7.3.2. Production and sales

The factory worked far below its capacity during all the three years ending 1978-79. Among the different processes of production, viz., moulding, smithy, machining and assembly, moulding of copper and zinc in the moulding shop is the first stage in the production of locks and is the feeder for other processes. As against the total capacity, at moulding stage, of 29,000 Kg of copper and zinc per year, only 7,095 Kg, 3,457 Kg, and 2,350 Kg were moulded in the shop in 1976-77, 1977-78 and 1978-79 respectively working up to 25, 12 and 8 per cent of the capacity during the three years. Work in the moulding shop below capacity resulted in chain reaction in other shops with an overall production below capacity in the factory.

The reasons for low production as stated by the Superintendent, Lock Factory (October 1979) are :

- (i) accumulation of huge stock of finished locks,
- (ii) shortage of moulding boxes,
- (iii) shortage of ground space, and
- (iv) extensive load-shedding.

The table below indicates the position of stock, production and sales during the three years ending 1978-79 :

Year			Opening Balance		Production	
			Quantity (In pieces)	Value (In lakhs of rupees)	Quantity (In pieces)	Value (In lakhs of rupees)
1976-77	..	..	31,698	7.36	11,858	3.90
1977-78	..	..	37,287	9.78	10,850	1.52
1978-79	..	..	39,242	9.67	6,143	1.54

Year			Sales		Closing Stock		Percentage of sales to opening stock and pro- duction
			Quantity (In pieces)	Value (In lakhs of rupees)	Quantity (In pieces)	Value (In lakhs of rupees)	
1976-77	..	..	6,269	1.48	37,287	9.78	13.1
1977-78	..	..	8,895	1.69	39,242	9.67	14.4
1978-79	..	..	8,082	1.90	37,258	9.22	17.8

It may be seen that sales represent an insignificant percentage of production and opening stock in each of the years and large unsold stocks are carried from year to year. The department has not investigated the reasons for poor sale and has not intimated the steps proposed to be taken to improve the sales.

It may be mentioned in this connection that a team of experts appointed by Government in 1967-68 for studying the working of the Factory, had observed, *inter alia*, that "there is no sales promotional efforts on the part of the Management worthy of mention". Piecemeal orders were received from Government Departments from time to time. Sales to private parties (i.e., other than Government units) were negligible (Rs.396 in 1978-79).

7.3.3. *Cost of production*

Selling price of locks was last fixed in August 1975 with reference to a rough estimate of cost. Since the fixation of selling price in 1975, the cost of the various elements, viz., material, labour, overhead, etc., has increased but such increase has not been taken into consideration. The cost estimates were prepared in 1975 on the basis of overheads calculated on full capacity of production but the actual production in recent years has fallen far short of the capacity with the result that a considerable portion of overheads is not being recovered. The Factory has not worked out the actual cost of production as *pro forma* accounts have not been compiled. While the number of employees during the three years ending 1978-79 remained at 48, 47 and 46 respectively, the expenditure on salaries and wages (including fringe benefits) was Rs.1.96 lakhs in 1976-77, Rs.2.17 lakhs in 1977-78 and Rs.2.35 lakhs in 1978-79, being 50.26, 142.76 and 152.59 per cent of the value of production during those three years. The number of locks produced during the corresponding period was 11,858 (value : Rs.3.90 lakhs), 10,850 (value : Rs. 1.52 lakhs) and 6,143 (value : Rs.1.54 lakhs), indicating a downward trend.

According to the Superintendent, Lock Factory (October 1979), the high cost of staff *vis a vis* production was mainly due to :

- (i) low production,
- (ii) absorption of daily rated employees in time scale of pay, and
- (iii) increased payment of dearness allowance.

7.3.4. *Financial results*

No *pro forma* accounts have been prepared for any of the years up to 1978-79. In the absence of *pro forma* accounts, the actual quantum of loss could not be ascertained in audit. However, the

figures available in the statements showing "Financial results of Important Commercial Schemes of Government" prepared by the Finance Department as part of budget papers, indicate a total loss of Rs.5.01 lakhs for the three years ending 1978-79 (including depreciation and interest) and cash loss every year, the cash income not being adequate to cover even the cash expenditure.

The loss was attributed by the Superintendent, Lock Factory (November 1979) mainly to poor sales performance restricting production.

7.3.5. *Cash book*

A test check of the Cash Book and other connected records disclosed the following deficiencies :

- (i) Closing of the Cash Book had not been done for several months and no entries were made in the Cash Book from July 1978 to November 1978. Further, it was reported that the key of the Cash Safe was lost sometime prior to November 1978 and consequently the balance in the Cash Safe was not known to arrive at the physical balance. The new Cash Book opened from 1st of December 1978 has thus been maintained without any carry forward of physical and book balances. The Safe has not yet been got opened and the matter has not also been investigated departmentally and reported to the police (till January 1980).
- (ii) Cash sales and cash collections during 1976-77 to 1979-80 totalling Rs.10,713.16 have not been deposited into the treasury, out of which Rs.9,113.16 have not even been entered in the Cash Book.
- (iii) Employees' contribution to the Provident Fund for the period from July 1977 to October 1978 amounting to Rs.16,533.75 was not remitted to the Provident Fund Commissioner.

No steps have been taken to investigate into these irregularities.

7.3.6. *Summing up*

(i) *Pro forma* accounts have not been prepared though this unit is engaged in commercial activities which need *pro forma* accounts to ascertain the profit or loss in working. According to certain statements prepared by the department, there was a loss of Rs.5.01 lakhs for the three years ending 1978-79.

(ii) The loss was attributed to poor sales restricting production and resulting in under-utilisation of capacity (to the extent of 92 per cent in the moulding stage which is the main component). The department has not investigated the reasons for poor sale and has not indicated steps proposed to be taken to improve sales.

(iii) The unit has not worked out the actual cost of production; selling price fixed in 1975 with reference to rough estimate of cost has not been examined with reference to actual cost taking into account the under-utilisation of capacity.

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

8.1. Outstanding audit observations

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

The following table shows the number of audit observations issued up to the end of March 1979 and outstanding at the end of September 1979 as compared with the corresponding position indicated in the two preceding reports :

	As at the end of September 1977	As at the end of September 1978	As at the end of September 1979
Number of observations	6,784	7,541	5,993
Amount (<i>In crores of rupees</i>)	29.97	34.70	32.03

Year-wise break-up of the items is as follows :

Year	Number of observations	Amount
(1)	(2)	(3)
		<i>(In crores of rupees)</i>
1976-77 and earlier years	3,709	22.27
1977-78	1,295	5.69
1978-79	989	4.67
Total	5,993	32.63

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

Department	Number	Amount (In lakhs of rupees)
Relief and Welfare	602	12,58.91
Agriculture	1,545	4,24.39
Health and Family Welfare (Public Health Branch)	620	3,77.44
Animal Husbandry and Veterinary Services	222	3,25.17
Panchayats and Community Development	374	2,18.14
Cottage and Small Scale Industries	88	1,67.17
Home (Police)	247	93.47
Fisheries	101	80.15
Information and Cultural Affairs	184	65.16
Education	358	59.03
Irrigation and Waterways	69	40.98
Development and Planning	17	31.25

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

Nature of observation	Number	Amount (In lakhs of rupees)
Detailed contingent bills not received for lump sum drawings	2,459	23,33.02
Payees' receipts, vouchers, etc., not received	1,326	4,40.28
Sanctions for contingent and miscellaneous expenditure not received	1,014	2,20.59

(d) The facility of drawing money on abstract contingent bills by disbursing officers is intended to expedite payments in certain cases, but these are to be followed by detailed contingent bills (containing full particulars of expenditure with supporting documents) which should be sent to the Audit Officer by the 25th of the month succeeding that to which the abstract contingent bills relate.

In respect of such advances drawn up to 31st March 1979, detailed bills had not been received in audit (September 1979) for 2,459 cases of advance aggregating Rs.23,33.02 lakhs. In the absence of the detailed contingent bills, it is not possible for Audit to know whether

the whole amount has been spent on the purpose or purposes for which the advances were drawn. The departments with comparatively heavy outstandings on this account are mentioned below :

Department	Number	Amount (In lakhs of rupees)
Relief and Welfare	602	12,58.91
Health and Family Welfare (Public Health Branch)	540	3,71.12
Animal Husbandry and Veterinary Services	148	3,14.06
Panchayats and Community Development	20	1,20.02
Agriculture	248	54.21
Information and Cultural Affairs	63	49.56
Development and Planning	15	31.17
Cottage and Small Scale Industries	14	25.88
Education	178	22.39

(e) The departments with comparatively heavy outstandings in submission of payees' receipts, vouchers, etc., are:

Department	Number	Amount (In lakhs of rupees)
Agriculture	511	2,49.39
Home (Police)	133	85.39
Fisheries	23	36.74
Panchayats and Community Development	128	23.89
Information and Cultural Affairs	41	11.92

(f) The departments with comparatively heavy outstandings for want of sanctions to contingent and miscellaneous expenditure are :

Department	Number	Amount (In lakhs of rupees)
Agriculture	719	84.39
Panchayats and Community Development	102	50.11
Irrigation and Waterways	1	40.00

8.2. Outstanding inspection reports

(a) Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the Heads of Offices and to the next higher

departmental authorities through audit inspection reports. The more important irregularities are reported to the Heads of Departments and Government. Government have prescribed that first replies to inspection reports should be sent by the Heads of Offices to the respective Heads of Departments within three weeks from the date of receipt of the inspection reports. The Heads of Departments are required to transmit such explanations along with their comments to the Accountant General within two months from the date of receipt of the explanations from their subordinate offices.

At the end of September 1979, 12,485 inspection reports issued up to March 1979 contained 59,730 paragraphs not settled as shown below with corresponding figures for the earlier two years :

	As at the end of September 1977	As at the end of September 1978	As at the end of September 1979
Number of inspection reports with paragraphs not settled	11,231	11,846	12,485
Number of paragraphs	53,637	56,240	59,730

The year-wise break-up of the outstanding inspection reports is given below :

						Number of inspection reports	Number of paragraphs
Up to 1974-75 .. .. .	..	..	..	..	..	7,762	33,017
1975-76 .. .. .	..	..	..	..	..	1,223	4,948
1976-77 .. .. .	..	..	..	..	..	1,043	5,491
1977-78 .. .. .	..	..	..	..	..	1,328	7,358
1978-79 .. .. .	..	..	..	..	..	1,129	8,916
					Total ..	12,485	59,730

(b) The following departments had comparatively heavy outstanding inspection reports :

Department						Number of inspection reports	Number of paragraphs
Panchayats and Community Development .. .. .	..	..	..	..	..	1,615	10,105
Health and Family Welfare .. .. .	..	..	..	..	..	1,236	6,561
Public Works .. .. .	..	..	..	..	..	709	4,922
Agriculture .. .. .	..	..	..	..	..	973	4,831
Irrigation and Waterways .. .. .	..	..	..	..	..	541	4,490
Board of Revenue .. .. .	..	..	..	..	..	600	4,104

Department	Number of inspection reports	Number of paragraphs
Public Works (Roads)	428	2,738
Education	900	2,732
Refugee Relief and Rehabilitation	670	2,069
Judicial	699	2,022
Public Works (Construction Board)	277	1,512
Housing	393	1,420
Relief and Welfare	391	1,342
Animal Husbandry and Veterinary Services	324	1,284
Home (Police)	336	1,251
Labour	308	1,149

(c) An analysis of 574 inspection reports (20 per cent of 2,809 inspection reports) relating to the three departments, viz., Agriculture (283), Health and Family Welfare (261) and Board of Revenue (30) showed that the pending paragraphs related to the following broad categories :

Nature of irregularities	Number of cases in which the irregularities were noticed		
	Agriculture	Health and Family Welfare	Board of Revenue
(i) Shortages/losses not regularised/written off	125	214	7
(ii) Non recovery of Government dues (e g , rents, charges for electricity, etc)	46	63	10
(iii) Non-adjustment of advances granted to departmental officers, etc.	32	23	5
(iv) Non-recovery of loan/over-due loans/irregularities in payment of fertiliser loan	33	..	2
(v) Non realisation of security deposits from employees handling cash/stores	18	19	3
(vi) Delay in depositing Government money	2	5	1
(vii) Unserviceable articles not disposed of	21	19	7
(viii) Non adherence to the prescribed procedure for dealing with cash	13	53	7
(ix) Avoidable/irregular expenditure	..	12	44
(x) Extra cost to Government due to acceptance of higher tender rates	..	9	..
(xi) Non maintenance of initial records	16	33	8
(xii) Arrears/defects in the maintenance of initial accounts of works abstract, contractors' ledgers, stock registers, material-at site accounts, Registers of works/tools and plant, Measurement books, etc., and physical verification of tools and plant not conducted and annual inspection of offices not done	294	152	..

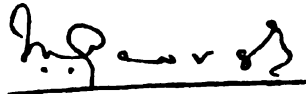
These irregularities have persisted for want of adequate action on the part of the departments even after having been pointed out in successive inspection reports. The possibility of loss of Government money, fraud, misappropriation, etc., cannot be ruled out unless appropriate action is taken promptly in settling the outstanding paragraphs.

Of the three departments, Agriculture Department and the Board of Revenue stated (January 1980) that their subordinate offices have been instructed to take early action in settling the outstanding paragraphs and to guard against the irregularities of the type pointed out by Audit; the replies from the other department are awaited.

(d) Of the 12,485 reports outstanding at the end of September 1979, first replies in respect of 2,151 reports had not been received.

The year-wise break-up of such reports is as follows :

Year				Number of reports
Up to 1974-75	109
1975-76	59
1976-77	181
1977-78	884
1978-79	918
			Total	.. 2,151



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Accountant General I, West Bengal

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The 1980
23 DEC 1980

Countersigned



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Comptroller and Auditor General of India

NEW DELHI,

The 1980.
31 DEC 1980

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APPENDIX I

(Reference : Paragraph 1.4., page 5)

Statement showing significant variations in revenue expenditure during 1978-79 over the previous year under broad sectors

Sector/Sub-sector of expenditure	Variation Increase(+)	Remarks
<i>(In crores of rupees)</i>		
A General Services	.. +)13.48	Increase was mainly under Treasury and Accounts Administration (Rs. 1.10 crores) and Police (Rs. 1.40 crores) owing to normal rise in establishment cost and under Pensions and other retirement benefits (Rs. 2.34 crores) owing to increased expenditure on superannuation and retirement benefits.
B Social and Community Services	(+)1,04.14	Increase was mainly under Education (Rs. 34.82 crores) owing to increased expenditure on primary, secondary and other higher education, Housing (Rs. 24.35 crores), Social Security and Welfare (Rs. 23.58 crores), Relief on account of Natural Calamities (Rs. 12.30 crores) and Public Health, Sanitation and Water Supply (Rs. 4.33 crores) owing to more expenditure on account of post-flood relief and restoration measures and under Medical (Rs. 4.89 crores) on account of general rise in prices.
C Economic Services—		
(b) Agriculture and Allied Services	(+)29.09	Increase was mainly under Agriculture (Rs. 5.93 crores), Minor Irrigation (Rs. 2.73 crores) and Animal Husbandry (Rs. 2.91 crores) owing to post-flood relief and restoration works, under Community Development (Rs. 11.88 crores) owing to Panchayat elections, more grants to the Panchayat bodies and post-flood development measures and under Area Development (Rs. 2.41 crores) on account of development schemes.
(c) Industry and Minerals	(+)10.40	Increase was mainly under Village and Small Industries (Rs. 9.39 crores) owing to more expenditure on schemes of small and handi-craft industries and post-flood development measures.
(d) Water and Power Development.	(+)29.29	Increase was mainly under Multipurpose River Projects (Rs. 5.11 crores) and Irrigation, Navigation, Drainage and Flood Control Projects (Rs. 24.19 crores) owing to increased expenditure on account of post-flood restoration measures.
(e) Transport and Communications	(+)17.84	Increase was mainly under Roads and Bridges (Rs. 11.75 crores) owing to increased expenditure on account of post-flood restoration measures and under Road and Water Transport Services (Rs. 6.22 crores) owing to incorporation of transactions of the undertaking of Calcutta Tramways Company by less expenditure under Tourism (Rs. 0.14 crore).

APPENDIX II

(Reference : Paragraph 1.5, page 7)

Statement showing significant variations in capital expenditure during 1978-79 over the previous year under broad sectors

Head of expenditure	Variation	Remarks
	Increase(+)	
	Decrease(-)	
	(In crores of rupees)	
B—Social and Community Services	(-) 5.03	The shortfall was mainly due to less expenditure under Medical (Rs. 1.65 crores) and due to adjustment of more recoveries in reduction of expenditure under Housing (Rs. 4.98 crores).
C—Economic Services—		
(a) General Economic Services	(+) 2.44	The increase was mainly due to more expenditure on Co-operation (Rs.3.49 crores) partly counterbalanced by less expenditure on Compensation to landlords on abolition of Zamindari system (Rs. 1.10 crores).
(b) Agriculture and Allied Services	(+) 1.27	The increase was mainly due to more expenditure on Agriculture (Rs. 1.00 crore) and Food (Rs. 0.72 crore) partly offset by less expenditure on Animal Husbandry (Rs. 0.51 crore).
(c) Industry and Minerals . .	(-) 2.03	The decrease was mainly due to less expenditure on Village and Small Industries (Rs. 0.93 crore), Telecommunication and Electronics Industries (Rs. 0.25 crore) and Investments in Industrial Financial Institutions (Rs. 0.55 crore).

APPENDIX III

(Reference : Paragraph 1.11, page 15)

Statement showing position of the extent of delay (in days) in submission of Treasury accounts for 1978-79

Sl. No.	Treasury	April	May	June	July	August	September	October	November	December	January	February	March
1.	Alipore	76	70	61	51	52	62	64	76	68	53	71	113
2.	Asansol	3	3	2	2	2	25	2	..	1	2	2	2
3.	Barasat	1	1	1	2	1	1	1	1	1	1	1	1
4.	Barrackpore	14	22	6	..	1	1	1	1	..	1	1	20
5.	Bankura	6	4	1	2	2	11	3	1	3	2	1	19
6.	Burdwan	1	3	..	2	1	11	2	..	1	2	1	6
7.	Birbhum	18	21	..	2	1	11	2	2	20	37	32	56
8.	Calcutta Collectorate	3	4	5	5	9	14	10	8	7	8	..	22
9.	Cooch Behar	3	8	6	3	3	12	4	3	3	8	3	6
10.	Darjeeling	21	1	..	..	1	12	4	2	5	15	4	13
11.	Hooghly	39	31	9	17	42	68	65	76	78	106	101	98
12.	Howrah	1	1	..	2	2	1	3	1	1	1	1	4
13.	Jalpaiguri	6	4	5	4	3	18	3	7	12	4	7	6
14.	Malda .. ..	..	..	..	..	1	8	1	1	..	2	..	17
15.	Midnapore	25	18	8	9	16	34	25	22	17	32	38	39

16. Murshidabad ..	..	..	1	1	1	2	1	15	1	1	1	2	1	1
17. Nadia ..	..	..	..	8	..	..	1	11	1	..	..	1	1	2
18. P.A.O. Calcutta ..	..	..	95	135	115	105	91	84	67	56	41	29	46	90
19. Purulia ..	..	..	27	25	12	3	3	21	2	3	4	9	2	53
20. Ranaghat ..	..	..	1	10	1	2	1	18	2	1	1	1	9	18
21. Siliguri ..	..	..	101	95	82	79	71	85	83	79	63	54	44	44
22. West Dinajpur ..	..	..	5	8	..	..	1	11	3	8	10	14	9	14
23. Durgapur ..	..	..	..	25	23	20	16	29	24	23	45	31	23	11
24. Raiganj ..	..	..	..	..	..	..	..	23	39	55	54	52	43	33
25. Alipurdwar ..	..	..	..	..	..	..	..	..	..	..	..	21	22	11

APPENDIX IV

(Reference : Paragraph 2.4, page 23)

Cases where savings (more than Rs. 10 lakhs in each case) exceeded 10 per cent of the total provision**A—Voted grants**

Sl. No.	Number and name of grant	Total provision	Expenditure	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>					
(1)	5—Elections	1,26.00	34.61	91.39	73
(2)	7—Land Revenue	16,62.80	14,76.83	1,85.97	11
(3)	13—Other Taxes and Duties on commodities and services	1,74.00	1,49.52	24.48	14
(4)	22—Jails	6,16.00	4,74.47	1,41.53	23
(5)	24—Stationery and Printing	2,56.48	2,10.16	46.32	18
(6)	26—Fire Protection and Control	2,23.00	1,79.09	43.91	20
(7)	30—Miscellaneous General Services	2,71.44	2,41.44	30.00	11
(8)	36—Medical	77,45.02	67,78.58	9,66.44	12
(9)	37—Family Welfare	6,19.25	4,82.93	1,36.32	22
(10)	39—Housing	43,90.77	34,72.99	9,17.78	21
(11)	44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons)	13,28.07	10,00.24	3,27.83	25
(12)	46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes)	36,05.29	31,68.64	4,36.65	12
(13)	51—Other General Economic Services	1,15.10	1,02.39	12.71	11
(14)	52—Agriculture	58,29.33	39,79.50	18,49.83	32
(15)	53—Minor Irrigation, Soil Conservation and Area Development	49,07.29	38,03.64	11,03.65	22
(16)	54—Food	19,47.22	15,29.34	4,17.88	21
(17)	56—Dairy Development (Excluding Public Undertakings)	27,18.44	20,48.93	6,69.51	25
(18)	57—Fisheries	6,33.82	2,57.12	3,76.70	59
(19)	62—Industries (Excluding Closed and Sick Industries)	11,86.71	10,50.45	1,36.26	11

Sl. No.	Number and name of grant	Total provision	Expenditure	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>					
(20)	72—Tourism	77·00	65·10	11·90	15
(21)	74—Compensation and Assignments to Local Bodies and Panchayat Raj Institutions (Excluding Panchayat)	22,42·07	18,72·17	3,69·90	16
(22)	80—Capital Outlay on Consumer Industries (Excluding Public Undertakings and Closed and Sick Industries)	96·00	57·02	38·98	41
(23)	82—Investment in Industrial Financial Institutions (Excluding Public Undertakings)	60·00	..	60·00	100

B—Charged appropriations

Sl. No.	Number and name of appropriation	Total provision	Expenditure	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>					
(1)	44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons)	25·60	14·76	10·84	42
(2)	62—Industries (Excluding Closed and Sick Industries)	18·28	5·68	12·60	69

APPENDIX V

(Reference : Paragraph 2.6, Page 27)

Drawal of funds in advance of requirements

Sl. No.	Name of department /drawing officer	Amount (in lakhs of rupees) and month of drawal from Treasury	Purpose	Month of disbursement/refund
(1)	(2)	(3)	(4)	(5)
Agriculture Department				
1.	District Agricultural Officer, Howrah	3.08 (March 1977)	Improvement and development of land vested to Government	Rs. 1.27 lakhs were spent up to September 1978 and the balance of Rs. 1.81 lakhs was kept in deposit-at-call receipt with bank (Rs. 1.73 lakhs) and in cash (Rs. 0.08 lakh) (September 1978).
2.	Ditto	4.94 (March 1978)	Payment of grants-in-aid to municipalities/ local bodies for preparation of town compost manures	The entire amount was kept in deposit-at-call receipts with bank (September 1978).
3.	Deputy Commissioner, Darjeeling ..	2.75 (March 1979)	Execution of Soil Conservation Schemes, Nalikhola Control Scheme, establishment of Disease Investigation-cum-Clinic Laboratory and construction of huts for landless labourers	Rs. 0.70 lakh were spent in May 1979 for construction of huts and the balance of Rs. 2.05 lakhs was kept in Personal Ledger Account in the name of Administrator of Darjeeling Improvement Fund (May 1979).
Animal Husbandry and Veterinary Services				
4.	Director of Veterinary Services, West Bengal	12.77 (March 1978)	Purchase of medicines, surgical instruments and vehicles	The entire amount was lying undisbursed (January 1979).
Board of Revenue				
5.	Deputy Commissioner, Darjeeling ..	3.78 (March 1979)	Purchase of petrol, oil, lubricants, spares for vehicles and meeting other contingent expenditure	Rs. 0.83 lakh were utilised up to April 1979 and the balance of Rs. 2.95 lakhs was lying undisbursed (April 1979).

6. Deputy Commissioner, Darjeeling .. 1.50
(March 1979) Maintenance and renovation of circuit house Rs. 0 66 lakh were spent up to April 1979 and the balance of Rs. 0 84 lakh was lying undischursed (April 1979).
7. Sub-divisional Officer, Katwa .. 1.35
(March 1979) Purchase of stationery articles and expenditure in connection with flood, etc. The entire amount was lying undischursed and kept in a sealed bag in Katwa Sub-Treasury (May 1979).

Co-operation

8. Registrar of Co-operative Societies, West Bengal 15.40
(March 1978) Payment of subscription to share capital, loans and subsidies to co-operative societies The entire amount was allotted (May 1978) to the Assistant Registrar of Co-operative Societies, Midnapore I and was lying undischursed with him in bank drafts (March 1979).
9. Assistant Registrar of Co-operative Societies, Katwa 2.12
(March 1979) Ditto The entire amount was lying undischursed in bank drafts (May 1979)

Development and Planning

10. Deputy Commissioner, Darjeeling .. 33.92
(March 1979) Purchase of books, furniture, tractors and medical equipment, execution of piped water supply scheme; extension of animal house and construction of parasitic control unit; establishment of dairy demonstration farm, improvement of equipment of Kalimpong Arts and Crafts Centre; improvement of roads and stabilisation of landslips; compensation for land The entire amount was kept in Personal Ledger Account of Darjeeling Improvement Fund
11. Block Development Officer, Monteswar 1.08
(March 1979) Execution of works under Rural Works Programme Up to May 1979 Rs. 0 30 lakh were advanced to the Sub-Assistant Engineers of the Blocks for making payment for work done and Rs. 0 78 lakh were lying unspent (June 1979).
12. Block Development Officer, Faridpur 1.43
(March 1978) Ditto Rs. 0 86 lakh were spent up to March 1979 and Rs. 0 57 lakh were lying in the form of bank draft (March 1979).

Total .. 84.12

APPENDIX VI

(Reference : Paragraph 3.2.2, Page 35)

Statement showing particulars of sheep population in Kalyani and Pedong Farms for the period 1965-66 to 1978-79

Year		Number of sheep purchased	Number of lambs born	Number of sheep sold for breeding purpose	Number of sheep sold for table and other purposes	Number of animals which died	Number of animals at the end of the year	
<i>Kalyani Sheep Breeding Farm</i>								
1965-66	570	91	..	7	99	839*
1966-67	325	188	6	21	198	1,127
1967-68	186	..	30	476	807
1968-69	291	30	31	217	820
1969-70	141	..	45	608	308
1970-71	168	..	41	57	378
1971-72	90	25	65	85	293
1972-73	83	..	127	85	164
1973-74	18	..	46	51	85
1974-75	26	15	..	14	82
1975-76	31	10	..	12	91
1976-77	26	15	..	9	93
1977-78	16	3	..	19	87
1978-79	13	23	18	1	23	81
Total	908	1,378	122	414	1,963	..

*Includes 284 animals of the previous year.

APPENDIX VI—*contd.*

(Reference : Paragraph 3.2.2, Page 35)

Statement showing particulars of sheep population in Kalyani and Pedong Farms for the period 1965-66 to 1978-79

Year		Number of sheep purchased	Number of lambs born	Number of sheep sold for breeding purpose	Number of sheep sold for table and other purposes	Number of animals which died	Number of animals at the end of the year
<i>Sheep Breeding Farm, Pedong</i>							
1965-66	.. ..	420	31	..	..	192	450*
1966-67	.. ..	..	25	..	1	417	57
1967-68	.. ..	..	42	..	4	15	80
1968-69	.. ..	109	12	7	2	142	50
1969-70	.. ..	18	25	..	3	28	62
1970-71	.. ..	5	40	..	10	9	88
1971-72	.. ..	5	23	..	18	29	69
1972-73	.. ..	22	33	..	5	14	105
1973-74	.. ..	6	27	4	9	33	92
1974-75	.. ..	5	13	4	3	48	55
1975-76	.. ..	..	25	2	10	23	45
1976-77	.. ..	..	3	..	1	11	36
1977-78	.. ..	..	33	..	2	16	51
1978-79	.. ..	..	17	..	14	10	44
Total	.. ..	590	349	17	82	987	

*Includes 191 animals of the previous year.

APPENDIX VII

(Reference : Paragraph 3.14, page 54)

Cases of misappropriation remaining to be finalised at the end of 1978-79

Sl. No.	Name of Department	Reported up to 31st March 1974		Reported in 1974-75		Reported in 1975-76		Reported in 1976-77		Reported in 1977-78		Reported in 1978-79		Total	
		No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.
1.	Agriculture and Community Development	38	3,84,617	3	29,227	4	4,760	7	13,963	6	7,10,225	2	34,200	60	11,76,992
2.	Animal Husbandry and Veterinary Services	4	54,471	..	..	1	60,783	2	24,476	..	..	..	..	7	1,39,730
3.	Board of Revenue	267	7,66,030	10	99,434	8	66,783	47	3,82,619	8	1,17,339	4	6,959	344	14,39,164
4.	Commerce and Industries	1	1,81,000	..	..	1	4,780	..	..	..	..	..	..	2	1,85,780
5.	Co-operation	..	557	..	..	..	..	..	..	..	..	..	..	1	557
6.	Cottage and Small Scale Industries	5	92,001	..	..	..	..	..	..	..	..	..	..	5	92,001
7.	Education	..	2,78,972	1	43,706	..	..	1	1,96,174	1	1,25,666	1	25,840	29	6,70,358
8.	Excise	..	39,120	..	..	2	34,350	..	..	1	2,978	..	..	4	76,448
9.	Finance	..	318	4	1,04,479	1	37,450	1	85,923	..	..	..	..	8	2,28,170
10.	Fisheries	..	..	..	..	3	11,733	4	11,642	6	1,13,092	..	..	13	1,36,467
11.	Food and Supplies	6	1,13,686	..	..	..	..	..	..	..	..	..	..	6	1,13,686
12.	Health and Family Welfare	14	7,39,349	..	..	..	..	5	53,317	4	1,84,344	3	66,838	26	10,43,848
13.	Home (General Administration)	..	..	..	..	..	..	..	..	..	..	..	..	..	..

14. Home (Police)	6	50,448	..	..	2	37,054	..	..	1	93,762	..	..	9	1,81,264
15. Information and Cultural Affairs and Youth Services	1	518	..	..	1	2,734	1	15,000	..	..	..	..	3	18,252
16. Irrigation and Waterways	3	4,169	..	..	1	203	4	95,833	2	2,638	3	41,728	13	1,44,571
17. Judicial	..	146	..	..	..	..	..	..	..	..	1	35,428	2	35,574
18. Labour	..	94,795	..	..	2	2,15,175	1	18,371	..	..	..	..	4	3,28,341
19. Land Utilisation and Reforms and Land and Land Revenue	..	..	..	..	..	..	..	..	..	..	..	..	..	..
20. Local Government and Urban Development	..	..	1	10,500	..	..	..	..	..	..	..	..	1	10,500
21. Public Works	..	..	..	..	1	10,292	..	..	1	49,206*	..	..	2	59,498
22. Public Works (Construction Board)	1	78,900	..	..	..	..	..	..	..	..	..	..	1	78,900
23. Public Works (Roads)	..	..	1	18,000	..	..	..	..	..	..	..	..	1	18,000
24. Public Works (Metropolitan Development)	2	1,49,920	..	..	..	..	..	..	..	..	..	..	2	1,49,920
25. Relief and Welfare	25	73,905	..	..	1	6,125	..	..	..	..	..	..	26	80,030
26. Refugee Relief and Rehabilitation.	1	18,268	..	..	..	..	..	..	1	2,32,084	..	..	2	2,50,352
27. Tourism	..	1,15,628	..	..	..	..	..	..	..	..	..	..	1	1,15,628
28. Panchayats	..	..	..	..	1	23,488	..	..	..	..	..	..	1	23,488
Total	..	406	32,36,818	20	3,05,346	29	5,15,710	73	8,97,318	31	16,31,334	14	2,10,993	573	67,97,519

*One item for Rs. 49,206.00 transferred from P.W. (Roads) Department.

APPENDIX VIII

(Reference : Paragraph 3.15, page 54)

Cases of losses, irrecoverable revenue, etc., written off in 1978-79

Department				Number of cases	Amount Rs.
Relief and Welfare (Relief Branch)	..	..	..	1	1,51,283
Home (Defence)	..	..	..	8	3,56,812
Animal Husbandry and Veterinary Services (Veterinary Branch)	..			1	1,00,000
Board of Revenue	..	..	..	2	1,368
Information and Cultural Affairs	..	..	..	6	967
			Total	18	6,10,430

APPENDIX IX

(Reference : Paragraph 4.11.4, page 66)

Statement showing performance of the machines from the date of acquisition to the end of 1976

Type of equip- ment	Fleet strength	Year	Average no. of hour utilised	Average hours of break down	Average idle hours	Percent- age of utilisa- tion	Remarks
Scraper ..	4	1965-66	265	..	935	22	Average available hours have been taken as 300 per machine.
Ditto ..	10	1966-67	191	..	1,009	16	
		1967-68	196	..	1,004	16	
		1968-69	452	..	2,548	15	
		1969-70	431	..	2,569	14	
		1970-71	784	..	2,216	26	
		1971-72	676	..	2,324	23	
		1972-73	1,215	48	1,747	40	
		1973-74	1,070	34	1,896	36	
		1974-75	446	7	2,547	15	
Ditto ..	6	1975-76	154	2	1,644	9	Since 1975-76 four scrapers did not work.
		1976-77	143	2	1,655	8	
Dozer ..	2	1968-69	115	..	485	19	
		1969-70	150	..	450	25	
		1970-71	225	..	375	35	
Ditto ..	3	1971-72	100	..	800	11	
Ditto ..	4	1972-73	215	6	979	18	
		1973-74	293	3	904	24	
		1974-75	113	1	1,086	9	
		1975-76	72	1	1,127	6	
Ditto ..	3	1976-77	18	1	881	2	In 1976-77 one Dozer did not work.

APPENDIX X

Reference : Paragraph 6.1, page 77)

Utilisation certificates awaited in September 1979 for grants paid by Government up to March 1978

Department	Up to 1973-74		1974-75		1975-76		1976-77		1977-78		Total	
	Number of Certificates	Amount	Number of Certificates	Amount	Number of Certificates	Amount	Number of Certificates	Amount	Number of Certificates	Amount	Number of Certificates	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13
<i>(Amounts in lakhs of rupees)</i>												
Education	11,290	36,35.84	4,433	16,56.33	5,021	18,77.82	4,306	23,69.10	6,053	20,63.50	31,103	1,16,02.59
Agriculture	50	67.32	33	71.44	38	99.01	35	86.71	102	7,68.97	258	10,93.45
Co-operation	11	0.71	15	1.00	81	36.91	111	79.50	71	4,28.53	289	5,46.65
Health and Family Welfare (Public Health Branch).	150	17.06	203	23.66	181	38.21	135	49.14	134	27.20	803	1,55.27
Refugee Relief and Rehabilitation.	185	52.50	7	2.65	104	14.59	16	61.97	12	12.36	324	1,44.07
Relief and Welfare ..	121	55.25	32	27.01	78	20.77	74	16.91	91	18.70	396	1,38.64
Health (Medical) .. ..	..	..	..	..	..	..	..	..	60	1,17.25	60	1,17.25
Cottage and Small Scale Industries.	..	..	..	..	1	1.95	6	29.59	28	80.52	35	1,12.06
Irrigation .. ..	..	..	..	..	..	..	..	..	3	80.12	3	80.12
Animal Husbandry and Veterinary Services.	..	..	2	0.60	7	4.95	5	15.69	1	3.47	15	24.71
Finance (Taxation) .. ..	..	..	..	..	..	..	5	3.64	6	8.27	11	11.91

	Scheduled Caste and Tribes Welfare.	..	..	-	-	-	-	..	..	68	7.67	68	7.67
21	Fisheries	..	..	2	3.00	1	3.00	1	0.12	..	..	4	6.12
	Home (Defence)	..	..	..	..	1	0.20	..	..	1	2.00	2	2.20
	Finance (Budget)	..	..	..	..	3	0.77	3	1.12	1	0.02	7	1.91
	Information and Cultural Affairs.	..	..	..	..	1	0.10	3	0.15	3	1.65	7	1.90
	Home (Political)	..	..	..	..	..	..	3	0.65	3	0.65	6	1.30
	Public Works	..	..	..	..	..	..	1	0.25	1	0.25	2	0.50
	Education (Public Instruction and Social Welfare).	..	..	3	0.43	..	..	..	..	..	..	3	0.43
	Municipal Services	..	..	..	..	..	..	..	..	2	0.43	2	0.43
	Total	..	11,807	38,28.68	4,730	17,86.12	5,517	20,98.28	4,704	27,14.54	6,640	36,21.56	33,698	1,40,49.18

APPENDIX XI

(Reference : Paragraph 6.2.1, page 80)

Statement showing financial assistance received by municipalities from Government and their total expenditure

Sl. No.	Municipality	Year	Total grants/loans from Government including unspent opening balances	Total expenditure	Percentage of grants and loans to total expenditure
<i>(In lakhs of rupees)</i>					
1.	Bankura	1975-76	23.72	27.82	85.27
		1976-77	26.86	29.86	89.94
2.	Bolepur	1976-77	10.54	11.35	92.86
		1977-78	10.62	9.44	112.50
3.	Bongaon	1976-77	9.53	6.15	155.00
4.	Contai	1975-76	6.75	6.79	99.44
		1976-77	6.80	5.81	117.00
5.	Garden Reach	1974-75	26.95	29.88	90.19
6.	Ghatal	1975-76	7.74	5.53	139.96
		1976-77	8.52	6.04	128.33
7.	Jangipur	1975-76	6.66	8.21	81.10
8.	Jiaganj-Azimganj	1975-76	5.51	5.11	107.82
		1976-77	6.94	5.94	116.93
9.	Kanchrapara	1976-77	13.25	12.10	109.57
10.	Kurseong	1976-77	6.59	6.46	102.00
		1977-78	7.44	8.88	83.78
11.	Purulia	1975-76	22.33	21.52	103.76
		1976-77	27.20	24.75	109.81
12.	Raiganj	1974-75	6.81	6.12	111.27
		1975-76	5.88	5.55	105.96
18.	Taki	1975-76	5.11	4.70	108.67
		1976-77	6.32	6.07	104.06

APPENDIX XII

(Reference: Paragraph 6.2.3, page 80)

Statement showing liabilities of municipalities as against cash balance

Municipality	Position as on the 31st March of the year	Cash Balance	Total unspent grants and loans from Government	Cash balance less unspent balance of Government grants and loans	Arrear in repayment of loan (Principal and interest)	Unpaid Provident Fund subscription and contribution	Other liabilities	Total liabilities (cols. 6+7+8)	Total deficit (cols. 5 and 9)
1	2	3	4	5	6	7	8	9	10
<i>(In lakhs of rupees)</i>									
Bankura ..	1977	3.67	9.59	(-)5.92	Nil	0.80	1.37	2.17	8.09
Bolepur ..	1978	1.27	4.45	(-)3.18	4.39	0.61	0.58	5.58	8.76
Bongaon ..	1977	2.52	5.52	(-)3.00	4.01	Nil	0.47	4.48	7.48
Contai ..	1977	1.28	4.28	(-)3.00	1.08	0.12	0.29	1.49	4.49
Garden Reach ..	1975	3.44	5.09	(-)1.65	2.90	Nil	64.12	67.02	68.67
Ghatal ..	1977	1.39	2.45	(-)1.06	Nil	Nil	Nil	Nil	1.06
Jiaganj-Azimganj ..	1977	1.00	3.45	(-)2.45	Nil	Nil	1.13	1.13	3.58
Kanchrapara ..	1977	2.49	5.41	(-)2.92	Nil	Nil	1.67	1.67	4.59
Kurseong ..	1978	3.81	3.50	(+)0.31	3.73	Nil	0.33	4.06	3.75
Purulia ..	1977	5.34	12.85	(-)7.51	7.37	4.02	1.85	13.24	20.75
Raiganj ..	1976	0.93	3.07	(-)2.14	Nil	0.46	0.07	0.53	2.67
Taki ..	1977	0.42	3.12	(-)2.70	Nil	0.16	0.41	0.57	3.27
Total ..		27.56	62.78	(-)35.53 (+)0.31	23.48	6.17	72.29	101.94	137.16

Note: Earliest years of default in repayment of loan as per municipal records were Bolepur (1957-58), Contai (1971-72), Bongaon (1963-64), Garden Reach (1965-66), Kurseong (1935-66) and Purulia (1954-55).

APPENDIX XIII

(Reference : Paragraph 6.4, page 84)

Statement showing financial assistance received by Zilla Parishads from Government and their total expenditure

Sl. No.	Name of Zilla Parishad	Year	Total grants and loans from Government including opening balance	Total expenditure	Percentage of grants and loans to total expenditure
<i>(In lakhs of rupees)</i>					
1.	Bankura	1975-76	8.26	7.93	104.16
		1976-77	10.28	7.51	136.88
2.	Burdwan	1975-76	70.12	49.92	140.46
		1976-77	65.18	56.41	115.54
3.	Cooch Behar	1975-76	13.17	6.15	214.14
4.	Jalpaiguri	1975-76	13.27	11.16	118.90
5.	Malda	1975-76	8.71	5.10	170.78
6.	Midnapore	1975-76	29.17	18.68	156.15
7.	Murshidabad	1975-76	19.16	10.05	190.61
8.	Nadia	1975-76	8.93	5.38	165.99
9.	Purulia	1975-76	15.89	12.02	132.19
		1976-77	11.33	9.51	119.13
10.	24-Parganas	1975-76	72.95	66.28	110.06
11.	West Dinajpur	1975-76	22.22	17.67	125.80

APPENDIX XIV

(Reference : Paragraph 7.2, page 91)

Statement showing arrears in preparation of *pro forma* accounts by departmental commercial and quasi-commercial undertakings

Sl. No.	Name of the Scheme/Undertaking	Name of the department	Year of inception/Year from which accounts are due	Remarks
(1)	(2)	(3)	(4)	(5)
A. Undertakings whose <i>pro forma</i> accounts have not been prepared since inception—				
1.	Oriental Gas Company's Undertaking ..	Commerce and Industries	1960-61	.. The Finance Department observed (September 1977) that it would not be proper to draw up <i>pro forma</i> accounts till the case of compensation was decided in the Supreme Court. The Management stated (August 1979) that the case of compensation with the <i>ex</i> -owners of the Undertaking has been decided. Further action from the Management/Government is awaited (January 1980).
2.	Industrial Estate, Kalyani ..	Cottage and Small Scale Industries.	1956-57	.. The matter is under correspondence with Government (February 1980).
3.	Industrial Estate, Baruipur ..	.. Ditto ..	1958-59	.. Ditto
4.	Durgapur Milk Scheme ..	.. Animal Husbandry and Veterinary Services.	1972-73	.. Government directed (June 1978) the Management to prepare and submit the <i>pro forma</i> accounts.
5.	The Undertaking of the Calcutta Tramways Company Limited.	Home (Transport) ..	1976-77	.. Reasons for non-submission of accounts are awaited (January 1980).
*6.	Central Lock Factory, Bargachia ..	Public Undertakings ..	1972-73	.. Ditto
*7.	Mechanical Toy Making Centre, Chinsurah	Ditto ..	1972-73	.. Ditto
8.	Industrial Estate, Howrah ..	.. Cottage and Small Scale Industries.	1962-63	.. Government formed a Task Force to probe into the matter; their report is awaited (January 1980).

*Administrative control of the units at Sl. No. 6 and 7 has been transferred to Cottage and Small Scale Industries Department from August 1979.

APPENDIX XIV—*contd.*

Statement showing arrears in preparation of *pro forma* accounts by departmental commercial and quasi commercial undertakings

Sl. No.	Name of the Scheme/Undertaking	Name of the department	Year of inception/Year from which accounts are due	Remarks
(1)	(2)	(3)	(4)	(5)
B. Other undertakings whose <i>pro forma</i> accounts are in arrears—				
1.	Central Engineering Organisation, Howrah	Cottage and Small Scale Industries.	1973-74	.. Reasons for non-submission of <i>pro forma</i> accounts not received (January 1980).
2.	Integrated Wood Industries Scheme at Durgapur and Kalyani	Cottage and Small Scale Industries.	1965-66	.. In September 1970, <i>pro forma</i> accounts for each unit for the period from 1960-61 to 1964-65 were received but the same could not be audited as the consolidated accounts for the scheme on which certificate is to be issued have not been received so far (July 1979). Government stated that the Task Force is engaged in consolidation of accounts.
3.	Training-cum-production Centre for Wood Industries, Siliguri	Public Undertakings	.. 1965-66	.. In September 1970, <i>pro forma</i> accounts for each unit for the period from 1960-61 to 1964-65 were received but the same could not be audited as the consolidated accounts for the scheme on which certificate is to be issued have not been received so far (July 1979). Government stated that a Task Force is engaged in consolidation of the accounts.
4.	Directorate of Brick Production	.. Housing, Public Works Branch.	1978-79	.. <i>Pro forma</i> accounts for 1976-77 and 1977-78 submitted in April and May 1979 respectively required revision. Revised <i>pro forma</i> accounts are awaited (January 1980).
5.	Mechanised Brick Factory at Palta	.. Ditto ..	.. 1978-79	.. Ditto
6.	Schemes for production of Shark Liver Oil, Fishmeal, etc.	Fisheries ..	.. 1977-78	.. Accounts for 1977-78 received in August 1979 required revision. Revised <i>pro forma</i> accounts are awaited (December 1979).

7.	Greater Calcutta Milk Supply Scheme ..	Animal Husbandry and Veterinary Services.	1977-78	Reasons awaited (January 1980).
8.	Government Cinchona Plantation, Government Quinine Factory, Mungpoo, Quinine Sales Depot, Calcutta	Commerce and Industries	1973-74	Ditto
*9.	Surgical Instruments Servicing Station, Baruipur	Public Undertakings ..	1969-70 ..	Ditto
10.	Government Sales Emporia in Howrah and Calcutta	Cottage and Small Scale Industries.	1951-52 to 1962-63 and 1969-70 to 1970-71.	Task Force is engaged in preparation of the <i>pro forma</i> accounts (January 1980).
11.	Government Saw Mills, Siliguri ..	Forests	1977-78 ..	Reasons awaited (January 1980).
12.	Kanchrapara Area Development Scheme (Kalyani Township).	Development and Planning.	1975-76 ..	Government stated (August 1978) that the Finance Department had communicated their views for discontinuance of preparation of <i>pro forma</i> accounts. But as the scheme was to run on "no profit no loss basis" the desirability of preparation of such accounts to ascertain the financial working of the scheme was suggested in October 1978; reply is awaited (January 1980).
13.	Sisal Plantation Scheme	Agriculture and Community Development.	1964-65 ..	Reasons not intimated (January 1980).
14.	Eggs and Poultry Production-cum-Marketing Scheme.	Animal Husbandry and Veterinary Services	1978-79 ..	Ditto
15.	Industrial Estate, Maniktola ..	Cottage and Small Scale Industries	1976-77 ..	Ditto
16.	Industrial Estate, Saktigarh ..	Ditto	1976-77 ..	Government formed a Task force to probe into the matter; their report is awaited (January 1980).
17.	Silk Reeling Scheme under the Deputy Director of Industries (Cottage) of the Directorate of Handloom and Textile.	Ditto	1957-58 ..	Ditto

*Administrative control has been transferred to the Cottage and Small Scale Industries Department from August 1979.

APPENDIX XIV—*concl.*

Statement showing arrears in preparation of *pro forma* accounts by departmental commercial and quasi-commercial undertakings

Sl. No.	Name of the Scheme/Undertaking	Name of the department	Year of inception/Year from which accounts are due	Remarks
(1)	(2)	(3)	(4)	(5)
18.	Flying Training Institute, Behala	Home (Transport)	1978-79	Reasons are awaited (January 1980).
19.	Consolidated <i>pro forma</i> accounts of 'hats' under the management of Government.	Board of Revenue	1973-74, 1974-75, 1975-76, 1976-77, 1977-78 and 1978-79.	(i) Discrepancies pointed out in the accounts for 1972-73 have not been settled by Government (January 1980). (ii) Consolidated <i>pro forma</i> accounts for 1973-74 to 1978-79 have not been received from Government (January 1980).

APPENDIX XV

(Reference : Paragraph 7-2, page 91)

Summarised financial results of departmentally managed commercial and quasi-commercial undertakings

Sl. No	Name of Undertaking/Scheme	Name of Department	Year of accounts	Capital at close	Mean capital	Free reserves	Net block	Depreciation	Turnover	Net Profit (+) Net Loss (-)	Interest charged added back	Total (11+12)	Percentage of total return on mean capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1.	Greater Calcutta Milk Supply Scheme	Animal Husbandry and Veterinary Services	1976-77	2,136.23	1,871.48	73.84	379.24	42.27	1,422.57	(-)430.05	122.20	(-)307.85	..
2.	Scheme for production of Shark Liver Oil, Fishmeal, etc.	Fisheries	1976-77	1.466	1.314	Nil	0.022	0.003	0.867	(-)0.164	0.076	(-)0.088	.
3.	Government Cinchona Plantation, Government Quinine Factory, Mungpoo and Quinine Sales Depot, Calcutta.	Commerce and Industries	1972-73	148.20	140.72	Nil	5.32	0.50	73.41	(+)11.42	5.29	(+)16.71	11.87

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