

Charge Two

REPORT
OF THE
COMPTROLLER AND AUDITOR GENERAL OF
INDIA FOR THE YEAR 1984-85
(CIVIL)

GOVERNMENT OF MAHARASHTRA

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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 the year 1984-85 together with other points arising from audit of financial transactions of the Government of Maharashtra. It also includes certain points of interest arising from the Finance Accounts for the year 1984-85.

The Report containing the observations of Audit on Statutory Corporations, Boards and Government Companies and the Report containing the observations of Audit on Revenue Receipts are being presented separately.

The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1984-85 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 1984-85 have also been included, wherever considered necessary.

PRELIMINARY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It deals mainly to matters arising from the Appropriation Account for the year 1984-85 together with other points arising from audit of financial transactions of the Government of Madhya Pradesh. It also includes certain points of interest arising from the Finance Accounts for the year 1984-85.

The Report contains the observations of Audit on Statutory Corporations, Boards and Government Companies and the Report containing the observations on Audit on Revenue Receipts are being presented separately.

The cases mentioned in this Report are among those which came to notice in the course of the audit of the year 1984-85 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 1984-85 have also been included, wherever considered necessary.

Particulars	Rs.	Paise
Government	1,200.00	00
Local Bodies	1,000.00	00
Other	100.00	00
Total	2,300.00	00

CHAPTER I

GENERAL

1.1 Summary of accounts

The summarised position of the accounts of the Government of Maharashtra emerging from the Appropriation Accounts and Finance Accounts for the year 1984-85 is indicated in the statements following:

Government	1,200.00
Local Bodies	1,000.00
Other	100.00
Total	2,300.00

* The figures are not comparable with those in Statement I under Chapter I of the Annual Report 1984-85.

I. Statement of Financial position of the Government of

As on 31-3-1984	Liabilities (amounts in crores of rupees)	As on 31-3-1985
464.15	<i>Internal debt including ways and means Advance</i>	506.40
	(Market loans, Loans from LIC and others)	
2,606.58	<i>Loans and Advances from Central Government</i>	3,172.05
1,092.26	Non-Plan loans	1,520.86
635.00	Loans for State Plan Schemes	798.67
5.12	Loans for Central Plan Schemes	5.06
863.92	Pre-1979-80 loans	834.93
10.28	Loans for Centrally Sponsored Plan Schemes	12.53
<u>2,606.58</u>		<u>3,172.05</u>
466.33	<i>Small Savings</i>	531.65
257.53	<i>Deposits (D)</i>	310.69
22.93	<i>Overdrafts from Reserve Bank of India</i>	79.28
529.02	<i>Reserve funds</i>	584.60
54.67	<i>Contingency Fund</i>	70.80
2,393.73	<i>Surplus on Government Account</i>	2,336.08
2,189.81	(i) Accumulated surplus B/F from previous year	2,393.73
203.92	(ii) Less deficit for the current year	(-)57.65
<u>2,393.73</u>		<u>2,336.08</u>
<u>6,794.94</u>	Total	<u>7,591.55</u>
	(D) Deposits bearing interest 108.18	
	Deposits not bearing interest 202.41	
	“ 848 ” Other Deposits 0.10	
	<u>310.69</u>	

* The figure does not tally with figure in Statement I under Chapter I of Audit Accounts for 1984-85.

Maharashtra as on 31st March 1985

As on 31-3-1984	Assets (amounts in crores of rupees)	As on 31-3-1985
4,015.76*	<i>Gross Capital outlay on fixed Assets</i>	4,623.45
407.97	Investment in shares of companies, corporations, etc.	470.56
3,607.79*	Other Capital outlay ..	4,152.89
<u>4,015.76*</u>		<u>4,623.45</u>
2,535.05	<i>Loans and Advances</i> ..	2,765.75
1,705.58	Loans for power projects ..	1,827.52
796.82	Other Development loans ..	898.69
32.65	Loans to Government servants and Miscellaneous loans	39.54
<u>2,535.05</u>		<u>2,765.75</u>
7.66	<i>Other Advances</i> ..	7.67
167.19	<i>Remittance balances</i> ..	135.78
11.11	<i>Suspense and Miscellaneous Balance (S)</i> ..	(-)-27.42
58.20	<i>Cash</i> ..	86.32
(-)-0.10	Cash in Treasuries	0.38
	Local remittance ..	0.22
17.64	Departmental cash balance including permanent advance and cash balance investment ..	44.94
40.66	Investment of earmarked balances ..	40.78
<u>58.20</u>		<u>86.32</u>
<u>6,794.97</u>	Total ..	<u>7,591.55</u>

(S) 17.52 - 44.94** = -27.42

Suspense and Mis-
cellaneous 17.52

“ 871 ” 0.37
“ 872 ” 0.39 } 44.94**
“ 873 ” 44.18 }

II. Abstract of Receipts and Disbursements

SECTION A

Receipts (amounts in crores of rupees)	Total
I. Revenue Receipts	3,668.09
(i) Tax Revenue*	1966.22
(ii) Non-Tax Revenue	983.01
(iii) State's share of Union Excise duties	392.60
(iv) Non-Plan Grants	20.18
(v) Grants for State Plan Schemes	110.28
(vi) Grants for Central and Centrally Spon- sored Schemes	195.80
	3,668.09
II. Revenue deficit carried over to Section B	236.61
	3,904.70

SECTION B

III. Opening cash balance including permanent advance and Cash Balance Investment	58.20
Miscellaneous Capital Receipts	..

Carried over 58.20

*Tax Revenue does not include figures of Taxes on income other than

for the Year 1984-85

—REVENUE

		Disbursements (amounts in crores of rupees)		Total
I. Revenue Expenditure Sector				3,904.70
		<i>Non-Plan</i>	<i>Plan</i>	
(i)	General Services	1,344.70	3.17	
(ii)	Social and Community Services..	926.12	370.60	
(iii)	General Economic Services ..	125.27	24.60	
(iv)	Agriculture and Allied Services ..	453.53	330.20	
(v)	Industry and Minerals ..	4.36	8.06	
(vi)	Water and Power Development..	278.34	7.39	
(vii)	Transport and Communications..	12.71	4.75	
(viii)	Railways ..	0.15	0.11	
(ix)	Grants-in-aid and contributions..	10.64		
		<hr/>	<hr/>	<hr/>
		3,155.82	748.88	3,904.70
—OTHERS				
II. Revenue deficit brought down ..				236.61
III. Opening overdraft from Reserve Bank of India				22.93
IV. Capital Outlay Sector				607.69
		<i>Non-Plan</i>	<i>Plan</i>	
(i)	General Services ..	..	16.90	
(ii)	Social and Community Services..	1.33	35.21	
(iii)	General Economic Services ..	(—)0.44	39.47	
(iv)	Agriculture and Allied Services ..	22.81	68.19	
(v)	Industry and Minerals ..	..	12.55	
(vi)	Water and Power Development..	0.04	335.25	
(vii)	Transport and Communications..	0.05	76.33	
		<hr/>	<hr/>	<hr/>
		23.79	583.90	
V. Loans and Advances disbursed				329.22
(i)	For Power Projects ..	133.55		
(ii)	To Government Servants ..	10.82		
(iii)	To others ..	184.85		
		<hr/>	<hr/>	<hr/>
		329.22		
Carried over				1,196.45

Corporation Tax and Estate duty which are included in Non-Tax Revenue.

Receipts (amounts in crores of rupees)	Total
Brought forward	58.20
<i>IV. Recoveries of Loans and Advances</i>	98.52
(i) From Government Servants ..	9.08
(ii) From others ..	89.44
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>
	98.52
<i>V. Inter State Settlement</i>	1.65
<i>VI. Public Debt Receipts</i>	1,999.43
(i) Internal Debt other than Ways and Means Advance	112.89
(ii) Ways and Means Advances from the Reserve Bank of India	1,144.80
(iii) Loans and Advances from the Central Government	741.74
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>
	1,999.43
<i>VII. Contingency Fund</i>	25.33
<i>VIII. Public Accounts Receipts</i>	5,727.16
(i) Small Savings and P.F ..	138.39
(ii) Reserve Funds (R) ..	550.61
(iii) Suspense and Miscellaneous (S) ..	3,175.44
(iv) Remittances ..	1,353.91
(v) Deposits and Advances ..	508.81
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>
	5,727.16
(a) Total Gross overdraft from RBI during the year	79.28
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>
	Total 7,989.57
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>

(S)	34,00,16.67	}	" 871 "	418.94	(lakhs of rupees)
	-2,24,72.98		" 872 "	0.08	"
	31,75,43.69		" 873 "	22053.96	"
				<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>	
				22472.98	"

Disbursements (amounts in crores of rupees)		Total
Brought forward ..		1,196.45
VI.	<i>Repayment of Public Debt</i> ..	1,391.71
	(i) Internal Debt other than Ways and Means Advance .. 70.64	
	(ii) Ways and Means Advances from the Reserve Bank of India .. 1,144.80	
	(iii) Repayment of Loans and Advances to Central Government .. 176.27	
	<u>1,391.71</u>	
VII.	<i>Contingency Fund</i> ..	9.20
VIII.	<i>Public Account Disbursements</i> ..	5,305.89
	(i) Small Savings and P.F. .. 73.07	
	(ii) Reserve Funds (R) .. 325.24	
	(iii) Suspense and Miscellaneous (S) funds .. 3,129.42	
	(iv) Remittances .. 1,322.50	
	(v) Deposits and Advances .. 455.66	
	<u>5,305.89</u>	
IX.	<i>Cash Balance at end</i> ..	86.32
	(i) Cash in Treasuries .. 0.38	
	(ii) Local remittance .. 0.22	
	(iii) Departmental cash balance .. 0.37	
	(iv) Permanent advance .. 0.39	
	(v) Cash balance investment .. 44.18	
	(vi) Earmarked balances .. 40.78	
	<u>86.32</u>	
		<u>7,989.57</u>

(R) Does not include purchase and sale of securities aggregating Rs. 4.88 crores and Rs. 4.75 crores from Sinking Fund Investment Account and Development Fund Investment Account as they are taken to closing balance.

(S)	3,381.44	{ " 871 "	4.35	(crores of rupees)
	252.02	{ " 872 "	0.01	"
	<u>3,129.42</u>	{ " 873 "	247.66	"

III. Sources and Application of Funds for 1984-85

		(amounts in crores of rupees)
<i>I. Sources:</i>		Total
1	Revenue Receipts	3,668.09
2	Capital Receipts on Government Account .. ..	..
3	Increase in Public Debt, Small Savings	673.04
4	Reserve Bank of India overdraft	56.35
5	Adjustments	373.73
	Increase in Contingency Fund balance	16.13
	Increase in Reserve Funds	55.58
	Increase in Net Balance under Deposits Advances, etc.	91.51
	Increase in Remittance	31.41
	Adjustments closed to Government Account	178.93
	Adjustment Item V(A) of Note to Statement No.15 of Finance Accounts	0.17
		<u>373.73</u>
	Net Funds available	<u>4,771.21</u>
<i>II Application:</i>		
1	Revenue expenditure	3,904.70
2	Capital outlay	607.69
3	Lending for Development and other programmes	230.70
4	Increase in closing cash balance	28.12
		<u>4,771.21</u>

1.2 Audit Comments on the Accounts of the Government of Maharashtra for 1984-85

1.2.1 The comments emerging from the statement of accounts of the Government of Maharashtra for the year 1984-85 are given in the succeeding paragraphs.

1.2.2 Government accounts being on cash basis, the deficit in Government Account as shown in the statement of accounts indicates the position on cash basis as opposed to accrual basis of commercial accounting.

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

1.2.4 There is an unreconciled difference of Rs. 11,31.00 lakhs between the figures of overdraft shown in accounts (Rs.79,28.52 lakhs) and that intimated by the Reserve Bank of India (Rs. 67,97.52 lakhs). The difference represents Treasury/Bank differences of Rs.1,16.28 lakhs (debit) and adjusted advice of Rs. 12,47.28 lakhs (credit). The difference is under reconciliation (October 1986).

1.2.5 The net funds available, on account of net addition to Public Debt, accretion to Reserve Funds and net effect of adjustments under Contingency Fund, Deposits, Remittance, etc., were Rs.1103.12 crores. This was applied for meeting Revenue deficit of Rs. 236.61 crores and capital expenditure, loans for development and other programmes of Rs.838.39 crores. The closing cash balance increased by Rs. 28.12 crores.

1.2.6 The revenue receipt during the year was Rs. 3668.09 crores as compared to Rs. 3,251.98 crores in 1983-84. The increase of Rs. 416.11 crores comprised increase in (i) Tax Revenue Rs. 148.86 crores mainly on account of increase in turnover of goods liable to sales tax (Rs. 57.07 crores), (ii) non-tax revenue Rs.136.85 crores mainly due to increase in the rate of sale price of milk and availability of more milk for distribution (Rs.70.53 crores) and (iii) grants-in-aid and contributions Rs.130.40 crores mainly on account of increased allocation of State's share of Union Excise Duties from Government of India based on the recommendations of the 7th Finance Commission (Rs.74.72 crores) and special Central assistance on account of Special Component Plan for Scheduled Castes and Scheduled Tribes, etc. (Rs.55.68 crores).

1.2.7 The interest paid on debt and other obligations was Rs.249.26 crores. The interest received was Rs. 76.48 crores including that from departmental commercial undertakings and others. The net interest burden was thus Rs.172.78 crores.

The interest paid on Small Savings, Provident Funds, etc., was Rs. 45.87 crores, while the net accretion to the balance during the year was Rs. 65.32 crores.

1.2.8 The contingent liability on 31st March 1985 for guarantees given by the State Government for repayment of loan, etc., by State Corporations, Statutory Boards, Local Bodies and Co-operative institutions was Rs. 25,40.20 crores. During 1984-85 Rs. 0.57 crore was paid on account of invocation of guarantee in favour of a manure manufacturing company. Of Rs. 15.08 crores paid up to end of 1984-85 by Government on account of invocation of guarantees Rs.6.15 crores are yet to be liquidated by recovery from the institutions.

1.2.9 With investment of Rs.62.59 crores during the current year in the various Corporations/Companies/Co-operative institutions, etc., the total investment of Government on shares/debentures on 31st March 1985 was Rs.470.56 crores. Interest/dividend received during the year on such investment was Rs.1.31 crores (0.28 per cent).

1.2.10 Against Plan provision of Rs. 28.90 crores under Public Works the expenditure was only Rs.6.18 crores thus resulting in a substantial saving of 79 per cent. Reasons for the shortfall are awaited (December 1986).

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

The summarised position of actual expenditure during 1984-85 against grants/appropriations is as follows :—

			Original grant/ appro- priation	Supple- mentary	Total	Actual expendi- ture	Variation : Saving(—)/ Excess(+)
(in crores of rupees)							
I Revenue—							
Voted ..	..	3,311.50	481.37	3,792.87	3,658.81	—134.06
Charged ..	..	709.51	114.68	824.19	797.57	—26.62
II Capital—							
Voted ..	..	1,376.76	44.18	1,420.94	1,361.60	—59.34
Charged ..	..	(A)	0.49	0.49	0.02	—0.47
III Public Debt—							
Charged ..	..	930.53	503.58	1,434.11	1,391.71	—42.40
IV Loans and Advances—							
Voted ..	..	697.42	120.23	817.65	780.76	—36.89
Charged ..	..	0.03	0.57	0.60	0.57	—0.03
V Others—							
Inter-State Settlement							
Charged ..	..	0.67	0.02	0.69	0.36	—0.33
Grand Total ..	..	7,026.42	1,265.12	8,291.54	7,991.40	—300.14

(A) Rs. 30,000 only

2.2 Results of Appropriation Audit

The following results emerge broadly from the Appropriation Audit :—

2.2.1 Supplementary provision obtained during the year constituted 18 per cent of the original budget provision as against 20 per cent in the year preceding.

2.2.2 Supplementary provision of Rs. 35.70 crores obtained in 32 cases during March 1985 proved unnecessary. In 39 more cases additional fund required was only Rs. 300.09 crores against the supplementary grant/appropriation of Rs. 366.04 crores, savings in each case exceeding Rs. 10 lakhs. Details are given in Appendix 2.1.

In 26 cases, supplementary provision of Rs. 647.88 crores proved insufficient by more than Rs. 10 lakhs each, leaving an aggregate uncovered excess expenditure of Rs. 139.60 crores. Details are given in Appendix 2.1.

2.2.3 The overall saving was Rs. 471.43 crores in 294 grants/appropriations (for details please refer to Summary of Appropriation Accounts 1984-85). The overall excess (Appendix 2.2) on the other hand, was Rs. 171.25 crores in 81 grants/appropriations requiring regularisation under Article 205 of the Constitution.

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

Description of the grant/ appropriation	Amount of savings (rupees in crores) (percentage of provision within bracket)	Reasons for savings
(1)	(2)	(3)

GENERAL ADMINISTRATION DEPARTMENT

13-Social Security and Welfare (Revenue—Voted)	2.22 (33)	Savings and resultant surrender of Rs. 1 crore was attributed to less expenditure on Pension to Freedom Fighters and their dependents than anticipated. Reasons for balance savings of Rs. 1.22 crores are awaited (October 1986).
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Description of the grant/ appropriation	Amount of savings (rupees in crores) (percentage of provision within bracket)	Reasons for savings
(1)	(2)	(3)
HOME DEPARTMENT		
19-Taxes on Vehicles (Revenue—Charged)	6.01 (11)	Reasons awaited (October 1986).
REVENUE AND FORESTS DEPARTMENT		
41-Public Works (Revenue—Voted)	19.50 (66)	Reasons awaited (October 1986).
41-Public Works (Revenue—Charged)	2.63 (100)	Reasons awaited (October 1986).
46-Social Security and Welfare (Revenue—Voted)	1.81 (14)	Reasons awaited (October 1986).
47-Relief on account of Natural Calamities (Revenue—Voted)	1.36 (13)	Reasons awaited (October 1986).
AGRICULTURE AND CO-OPERATION DEPARTMENT		
213-Capital Outlay on Co- operation (Capital—Voted)	7.30 (14)	Mainly due to (i) post budget decision to provide loan to co-operative sugar factories from the total allotment of the Departments (ii) share capital contribution to co-operative spinning mills was sanctioned by National Co-operative Development Corporation in 1983-84 itself and (iii) less debentures floated by the Land Development Bank.
217-Capital Outlay on Dairy Development (Capital—Voted)	1.14 (13)	Reasons awaited (October 1986).

Description of the grant/ appropriation	Amount of savings (rupees in crores) (percentage of provision within bracket)	Reasons for savings
(1)	(2)	(3)
259-Loans for Co-operation (Loans—Voted)	2.75 (12)	Mainly due to (i) non-clearance of proposals by the National Co-operative Development Corporation for grant of loans to Apex Marketing Federation and (ii) Government request to NABARD to exempt Government from 15 per cent contribution (Rs. 1.41 crores). Reasons awaited for Rs. 1.34 crores (October 1986).

EDUCATION AND EMPLOYMENT DEPARTMENT

64—Interest Payments (Revenue—Charged)	2.15 (22)	Mainly due to non-receipt of information from the departmental officers for adjustment of interest under "C—Interest on Small Savings, Provident Funds, etc".
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URBAN DEVELOPMENT DEPARTMENT

83-Compensation and Assi- gnments to Local bodies and Panchayati Raj Institutions (Revenue—Voted)	3.94 (45)	Reasons awaited (October 1986).
267-Loans for Public Health, Sanitation and Water Supply (Loans—Voted)	10.94 (15)	Reasons awaited (October 1986).

FINANCE DEPARTMENT

91—Other Administrative Services (Revenue—Voted)	120.84 (96)	Provision for increase in dearness allowance was surrendered as the expenditure was debitable to the respective heads of account.
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Description of the grant/ appropriation	Amount of savings (rupees in crores) (percentage of provision within bracket)	Reasons for savings
(1)	(2)	(3)
IRRIGATION DEPARTMENT		
113-Area Development (Revenue—Voted)	5.01 (21)	Reasons awaited (October 1986).
INDUSTRIES, ENERGY AND LABOUR DEPARTMENT		
133-Power Projects (Revenue—Voted)	16.78 (15)	Reasons awaited (October 1986).
RURAL DEVELOPMENT DEPARTMENT		
135-Interest Payments (Revenue—Charged)	2.79 (29)	Reasons awaited (October 1986).
139-Education (Revenue—Voted)	10.97 (70)	Mainly due to non-implementation of Paustic Ahar programme.
141-Social Security and Welfare (Revenue—Voted)	2.81 (36)	Reasons awaited (October 1986).
FOOD AND CIVIL SUPPLIES DEPARTMENT		
149-Interest Payments (Revenue—Charged)	4.14 (55)	Due to less cash credit resorted to for procurement of food grains than anticipated.
238-Capital Outlay on Food (Capital—Voted)	84.73 (17)	Mainly due to less purchase of food grains than anticipated.
292-Internal Debt of the State Government (Debt head— Charged)	45.06 (75)	Mainly due to less repayment of cash credits due to adverse ways and means position of the Govern- ment.
HOUSING AND SPECIAL ASSISTANCE DEPARTMENT		
178-Social Security and Welfare (Revenue—Voted)	3.29 (15)	(i) Saving of Rs. 1.90 crores was due to over-estimation of require- ment for grant of pensions to destitute and old people. (ii) Reasons for balance of Rs. 1.39 crores awaited (October 1986).

Description of the grant/ appropriation	Amount of savings (rupees in crores) (percentage of provision within bracket)	Reasons for savings
(1)	(2)	(3)
300-Loans for Housing (Loans—Voted)	4.01 (29)	Saving of Rs. 2.64 crores was due to post budget decision to provide more funds for slum improvement works and less requirement of funds for land acquisition and development by District Planning and Development Council. Reasons for balance of Rs. 1.37 crores are awaited (October 1986).
301-Loans for Other Social and Community Services (Loans—Voted)	1.44 (29)	Mainly due to dissolution of taluka and city level committees set up for grant of loans.

HORTICULTURE AND SOCIAL FORESTRY DEPARTMENT

183-Forest (Revenue—Voted)	1.45 (24)	Due to transfer of the Centrally Sponsored Schemes to the Planning Department under "Rural Landless Employment Guarantee programmes" under the Major Head '314-Community Development'.
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TRIBAL DEVELOPMENT DEPARTMENT

246-Capital Outlay on Tribal Area Development Sub-Plan (Capital—Voted)	3.30 (10)	Reasons awaited (October 1986).
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2.2.5 Persistent savings in excess of Rs. 10 lakhs and over 20 per cent of the provisions were noticed in the following grants/appropriations :

Number and name of the grant/ appropriation	Percentage of savings		
	1982-83	1983-84	1984-85
REVENUE AND FORESTS DEPARTMENT			
211 Capital Outlay on Other General Economic Services	43	57	57
FINANCE DEPARTMENT			
91 Other Administrative Services	..	99	96

Number and name of the grant/appropriation	Percentage of savings		
	1982-83	1983-84	1984-85
INDUSTRIES, ENERGY AND LABOUR DEPARTMENT			
235 Capital Outlay on Mining and Metallurgical Industries	87	69	52
283 Loans for Village and Small Industries ..	77	58	72
SOCIAL WELFARE, CULTURAL AFFAIRS, SPORTS AND TOURISM DEPARTMENT			
161 Community Development	38	36	34
PLANNING DEPARTMENT			
163 Aid Materials and Equipments	41	100	25
FOOD AND CIVIL SUPPLIES DEPARTMENT			
292 Internal Debt of the State Government ..	54	56	75

2.2.6 In the following grants/appropriations, the expenditure exceeded the approved provision by more than Rs. 25 lakhs each and also by more than 10 per cent of the total provision :—

Number and name of the grant/appropriation	Amount of excess (percentage of excess)	Reasons for excess
(in lakhs of rupees)		
GENERAL ADMINISTRATION DEPARTMENT		
8 Public Works ..	46.79 (858)	Reasons for excess awaited (October 1986).
HOME DEPARTMENT		
206 Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects	53.65 (117)	Reasons for excess awaited (October 1986).
REVENUE AND FORESTS DEPARTMENT		
253 Loans for Other Social and Community Services	52.55 (21)	Reasons for excess awaited (October 1986).
EDUCATION AND EMPLOYMENT DEPARTMENT		
65 Pensions and Other Retirement Benefits	88.17 (21)	Reasons for excess awaited (October 1986).

Number and name of the grant/appropriation	Amount of excess (percentage of excess)	Reasons for excess
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(in lakhs of rupees)

URBAN DEVELOPMENT DEPARTMENT

83 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Charged)	288.33 (6643)	Reasons for excess awaited (October 1986).
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IRRIGATION DEPARTMENT

229 Capital Outlay on Power Projects	1478.16 (18)	Reasons for excess awaited (October 1986).
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INDUSTRIES, ENERGY AND LABOUR DEPARTMENT

232 Capital Outlay on Industrial Research and Development	106.46 (13)	Reasons for excess awaited (October 1986).
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FINANCE DEPARTMENT

88 Interest Payments	99.13 (149)	Reasons for excess awaited (October 1986).
92 Pension and Other Retirement Benefits	129.50 (80)	Mainly due to receipt of more debits on account of pensionary liability from Andhra Pradesh under the States' Reorganisation Act, 1956.

PUBLIC WORKS DEPARTMENT

107 Public Works Administrative and Functional Buildings	2951.19 (21)	Reasons for excess awaited (October 1986).
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RURAL DEVELOPMENT DEPARTMENT

148 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	27.48 (177)	Reasons for excess awaited (October 1986).
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PLANNING DEPARTMENT

168 Community Development	6812.25 (27)	Reasons for excess awaited (October 1986).
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Number and name of the grant/appropriation	Amount of excess (percentage of excess)	Reasons for excess
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(in lakhs of rupees)

PUBLIC HEALTH DEPARTMENT

Nil Aid Materials and Equipments	384.68	According to the accounting procedure, value of materials and equipment received in kind from the United Nations and Swedish International Development Agency through the Ministry of Health and Family Welfare was required to be debited to the Major Head "267 Aid Materials and Equipments" by contra credit to the Head "160—Grants-in-aid from Central Government". Provision under the former head was not made for the adjustment and hence the excess.
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2.2.7 Persistent excess was significantly noticed in the following cases :—

Number and name of the grant/appropriation	Percentage of excess		
	1982-83	1983-84	1984-85

PUBLIC WORKS DEPARTMENT

107 Public Works and Administrative and Functional Buildings	30	25	21
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IRRIGATION DEPARTMENT

111 Minor Irrigation	21	21	7
228 Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects	17	18	3

PLANNING DEPARTMENT

168 Community Development	4	13	27
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2.2.8 *Rush of expenditure in March.*—Some of the significant heads under which rush of expenditure in the month of March was noticed are given below :

Major head	Total provision	Total expenditure	Expenditure incurred in March 1985	Percentage of expenditure during March to	
				Total provision	Total expenditure
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
Family Welfare ..	47.78	43.78	8.96	19	20
Public Health, Sanitation and Water Supply	212.75	212.57	46.96	22	22
Urban Development ..	38.56	36.47	12.48	32	34
Labour and Employment ..	26.91	26.01	6.22	23	24
Social Security and Welfare	118.75	110.45	21.62	18	20
Relief on account of Natural Calamities	19.63	16.59	3.74	19	23
Agriculture	120.17	116.04	22.69	19	20
Forest	52.05	52.28	15.70	30	30

2.2.9 Instances of injudicious reappropriation of funds and inadequate supplementary grants resulting in the sub-heads closing with significant excesses are given in the table below :

Grant No.	Major head of account and sub-head	Provision		Actual expenditure	Excess	
		(O) : Original	(S) : Supplementary			
(1)	(2)	(R) : Reappropriation		(3)	(4)	(5)
(amounts in lakhs of rupees)						

REVENUE AND FORESTS DEPARTMENT

43	268-Miscellaneous General Services—				
	(f)-Other Expenditure ..	(O)	22.00		
	(f) (iv)-Irrecoverable loans written off	(R)	—20.00		
			2.00	31.41	+29.41

Grant No.	Major head of account and sub-head	Provision			Actual expenditure	Excess
		(O) : Original	(S) : Supplementary	(R) : Reappropriation		
(1)	(2)	(3)	(4)	(5)		
(amounts in lakhs of rupees)						
51	313-Forest—					
	(d) Forest Conservation and Development	(O)	2.30			
	(ii)-Afforestation for Soil Conservation	(R)	—0.90			
			<u>1.40</u>	19.08	+17.68	
253	695-Loans for Other Social and Community Services	(O)	50.00			
	(c)-Relief for Natural Calamities	(R)	—12.76			
			<u>241.24</u>	306.55	+65.31	

AGRICULTURE AND CO-OPERATION DEPARTMENT

57	298-Co-operation—					
	(k) Warehousing and Marketing Co-operative	(O)	40.00			
	(k) (ii) (i) Development of Co-operative Marketing -Subsidy for construction of godowns (State Plan)	(S)	31.00			
		(R)	—0.01			
			<u>70.99</u>	412.47	+341.48	
62	311-Dairy Development—	(O)	19,395.50			
	(g) Government Milk Scheme	(S)	(Token)			
	(g) (i) (1) Greater Bombay Milk Scheme	(R)	—1,240.63			
			<u>18,154.87</u>	18,228.03	+73.16	
62	(g) (i) (10) Government Milk Scheme, Kolhapur	(O)	1264.77			
		(R)	—455.57			
			<u>809.20</u>	874.11	+64.91	
62	(g) (i) (13) Government Milk Scheme, Ahmadnagar	(O)	1774.19			
		(R)	—89.21			
			<u>1684.98</u>	1850.51	+165.53	

Grant No.	Major head of account and sub-head	Provision		Actual expenditure	Excess	
		(O) : Original	(S) : Supplementary			
(1)	(2)	(R) : Reappropriation		(3)	(4)	(5)
(amounts in lakhs of rupees)						
217	511-Capital Outlay on Dairy Development	(O)	127.26			
	(c)-Government Milk Scheme ..	(R)	—45.26			
	(c) (ii) (27)-Kurla Dairy ..		<u>82.00</u>	178.94	+96.94	
217	(c) (ii) (2)-Aarey Milk Colony ..	(O)	15.60			
		(R)	—0.05			
			<u>15.55</u>	45.69	+30.14	

EDUCATION AND EMPLOYMENT DEPARTMENT

70	288-Social Security and Welfare—					
	(e) Other Social Security and Welfare Programme	(O)	2.04			
	Deposit Linked Insurance Scheme—	(R)	—0.12			
	Government Provident Fund—		<u>1.92</u>	15.41	+13.49	
	Payment against Deposit Linked Insurance Schemes					

URBAN DEVELOPMENT DEPARTMENT

83	363-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions					
	(a) Land Revenue	(O)	35.90			
	15 per cent land Revenue	(S)	0.88			
	Assignments to	(R)	—0.73			
	(i) Municipalities ..		<u>36.05</u>	107.42	+71.37	
269	766-Loans to Government Servants	(O)	2.18			
	(d) Festival advances ..	(R)	—0.45			
			<u>1.73</u>	14.15	+12.42	

Grant No.	Major head of account and sub-head	Provision (O) : Original (S) : Supplementary (R) : Reappropriation	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)
(amounts in lakhs of rupees)				
FINANCE DEPARTMENT				
88	249-Interest Payments (c)-Interest on Small Savings, Provident Funds, etc.—			
	(3) State Government Employees' Group Insurance Scheme—Insurance Fund	(O) 33.96 (R) —12.48		
		21.48	67.13	+45.65
PUBLIC WORKS DEPARTMENT				
100	283-Housing			
	(c)—Maintenance and Repairs—	(O) 790.00		
	(i) Repairs to Buildings—Special Repairs/Ordinary Repairs	(S) 16.00 (R) —0.53		
		805.47	835.44	+29.97
106	337-Roads and Bridges			
	(d) Roads of Inter State or Economic Importance—Major Works Centrally Sponsored Scheme	(O) 119.00 (R) —54.86		
		64.14	74.71	+10.57
107	259-Public Works (Composite grant)			
	(h) Machinery and equipment ..	(O) 1,857.00		
	(i) State Sector ..	(R) —81.68		
	New Supplies—			
	Repairs and Carriage	1,775.32	1,851.23	+75.91
223	537-Capital Outlay on Roads and Bridges			
	(f) District and Other Roads— ..	(O) 82.00		
	(i) Bombay Road Development Plan-Major Works	(S) 114.13 (R) —63.06		
		133.07	163.44	+30.37

Grant No.	Major head of account and sub-head	Provision		Actual expenditure	Excess
		(O) : Original	(S) : Supplementary		
(1)	(2)	(3)		(4)	(5)
				(amounts in lakhs of rupees)	
223	537-Capital Outlay on Roads and Bridges				
	(f) District and Other Roads ..	(O)	304.35		
	(vi) Special Programme for Development in Hilly Areas-Major works	(S)	(Token)		
		(R)	—43.10		
			261.25	281.84	+20.59
223	537-Capital Outlay on Roads and Bridges				
	(a) Direction and Administration Special Establishment for Bombay Road Development Plan	(O)	37.40		
		(S)	2.62		
		(R)	—1.37		
			38.65	54.26	+15.61
224	477-Capital Outlay on Education, Art and Culture				
	(b) Secondary Education-Schemes in the Five Year Plan-Buildings—Major Works (composite grant)	(O)	20.96		
		(R)	—6.91		
			14.05	38.91	+24.86
224	480-Capital Outlay on Medical A-Allopathy—	(O)	415.52		
	(b) Medical Education-Schemes in the Five Year Plan-Buildings-Major Works (composite grant)	(S)	(Token)		
		(R)	—6.07		
			409.45	431.84	+22.39
IRRIGATION DEPARTMENT					
113	308-Area Development				
	(b) Ayacut Development ..	(O)	849.02		
	(b)(xv)-Land Development Works in Command Area Development	(S)	1.00		
		(R)	—94.00		
			756.02	799.84	+43.82
113	(b)(xiii)-Agricultural Extension ..	(O)	8.75		
		(S)	(Token)		
		(R)	—1.03		
			7.72	174.84	+167.12

Grant No.	Major head of account and sub-head	Provision (O) : Original (S) : Supplementary (R) : Reappropriation	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)
(amounts in lakhs of rupees)				
113	308-Area Development			
	(a)-Direction and Administration-	(O) 100.50		
	(a)(ii)-Administrator, Command Area Development Authority	(S) (Token) (R) —10.83		
		89.67	244.16	+154.46
226	506-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development			
	(b) Soil Conservation-Khar Land Schemes—	(O) 47.24 (R) —45.77		
	(2) Other Expenditure	1.47	41.30	+39.83
228	533-Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects			
	(b) Machinery and Equipment—	(O) 89.98		
	(ii) Charges transferred from other heads	(R) —12.00		
		77.98	104.48	+26.50
228	(e) Irrigation Projects	(O) 4,740.56		
	(i) Medium Projects	(R) —420.46		
		4,320.10	4,509.83	+189.73
228	(d) Other expenditure—			
	(iii) Other charges—	(O) 3,027.15		
	Works-Mechanical Organisation	(R) —242.51		
		2,784.64	2,830.38	+45.74
228	(a) Direction and Administration—			
	(ii) Charges transferred from Other heads of Accounts			
	1-Establishment share—	(O) 522.44		
	2-Pensionary charges—	(R) —64.69		
	3-Secretariat charges—			
	4-Supervision charges—	457.75	501.05	+43.30

Grant No.	Major head of account and sub-head	Provision (O) : Original (S) : Supplementary (R) : Reappropriation	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)
(amounts in lakhs of rupees)				
229	534-Capital Outlay on Power Projects (a) Direction and Administration	(O) 496.27 (S) 34.22 (R) —4.25		
		526.24	785.41	+259.17
229	(b) Machinery and Equipment	(O) 71.72 (R) —18.35		
		53.37	133.85	+80.48
229	(d) Major Works Sardar Sarovar Project	(O) 1,457.59 (R) —200.86		
		1,256.73	1,473.08	+216.35

LAW AND JUDICIARY DEPARTMENT

117	214-Administration of Justice (d) Civil and Sessions Courts (d)(iii) Civil Judges	(O) 685.61 (S) 0.68 (R) —18.54		
		667.75	715.46	+47.71

RURAL DEVELOPMENT DEPARTMENT

140	282-Public Health, Sanitation and Water Supply (B) Sewerage and Water Supply— (h) Sewerage Schemes-(a) Grants to Village Panchayats and Zilla Parishads for construction of surface drainage scheme viz., road-side gutters, drains and under-ground drainage	(O) 10.00 (S) 27.73 (R) —0.85		
		36.88	54.20	+17.32

Grant No.	Major head of account and sub-head	Provision		Actual expenditure	Excess
		(O) : Original	(S) : Supplementary		
(1)	(2)	(3)	(4)	(5)	
(amounts in lakhs of rupees)					
145	306-Minor Irrigation				
	Other Minor Irrigation Works-Schemes in the Five Year Plan-Local Sector-Plan grants to Zilla Parishads under Section 187 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961	(O) 1,178.50 (S) (Token) (R) —105.87			
		1,072.63	1,163.47	+90.84	
145	Special Component Plan for Scheduled Castes-Pilot Scheme for digging of wells on Private lands of small farmers	(O) 71.50 (R) —27.90			
		43.60	112.17	+68.57	
145	Investigation and Development of Ground Water Resources-Schemes in the Five Year Plan (iii) Wells Schemes Subsidy	(O) 30.45 (R) —10.78			
		19.67	42.90	+23.23	
147	314-Community Development (c)-Rural Works Programme-Special Component Plan for Scheduled Castes	(O) 190.00 (R) —43.20			
		146.80	389.74	+242.94	
147	Multipurpose Programmes				
	Integrated Rural Development Programmes-Grant-in-aid:	(O) 46.38 (R) —46.38			
	(ii) Development of Women and Children in Rural Areas	—	34.16	+34.16	
237	506-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development	(O) 586.40 (S) 196.77 (R) —1.73			
	(a) I-Minor Irrigation-Schemes under Ground Water Survey and Development Agency	781.44	842.57	+61.13	

Grant No.	Major head of account and sub-head	Provision		Actual expenditure	Excess
		(O) : Original	(S) : Supplementary		
(1)	(2)	(3)	(4)	(5)	

(amounts in lakhs of rupees)

FOOD AND CIVIL SUPPLIES DEPARTMENT

154	309-Food	(O)	684.97		
	(A)-Procurement and Supply—	(S)	97.06		
	(A) (iii) Procurement, Distribution and Price Control	(R)	—26.50		
			755.53	836.96	+81.43

SOCIAL WELFARE, CULTURAL AFFAIRS, SPORTS AND TOURISM DEPARTMENT

159	288-Social Security and Welfare	(O)	43.00		
	U-Family and Child Welfare	(S)	5.52		
	u-iv-(b) Schemes in the Five Year Plan—	(R)	—11.58		
	State Plan Scheme—		36.94	62.74	+25.80
	(i) Nutrition Programme				

PLANNING DEPARTMENT

166	304-Other General Economic Services				
	(d)-Economic Advice and Statistics—	(O)	17.93		
	(d)(iii)(5) Electronic Data Processing Centre	(R)	—1.01		
			16.92	33.85	+16.93

PUBLIC HEALTH DEPARTMENT

185	280-Medical				
	(b)-Medical Relief—	(O)	189.11		
	(b)(7) Schemes in the Five Year Plan—	(S)	62.50		
	(b)(7)(3)-Non-teaching Government Hospitals and Dispensaries in Mofussil Areas	(R)	—38.76		
			212.85	242.19	+29.34
187	282-Public Health, Sanitation and Water Supply	(O)	175.00		
	(b)-Prevention and Control of Diseases	(R)	—40.00		
			135.00	176.01	+41.01
	(b)(xxxii)-National Leprosy Control Programme (Fully Centrally Sponsored)				

Grant No.	Major head of account and sub-head	Provision (O) : Original (S) : Supplementary (R) : Reappropriation	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)

(amounts in lakhs of rupees)

MEDICAL EDUCATION AND DRUGS DEPARTMENT

192	280-Medical c (4)(2)(A) to c (4)(2)(L) Medical Colleges	(O) 145.24 (S) (Token) (R) —36.39		
		108.85	124.08	+15.23

TRIBAL DEVELOPMENT DEPARTMENT

199	288-Social Security and Welfare M-II-3(a)(ii) and (b)(ii) Grant-in-aid to voluntary agencies for running Ashramshalas and Post-Basic Ashramshalas	(O) 125.72 (S) 56.01 (R) —1.66		
		180.07	217.09	+37.02
201	Revenue Expenditure on Tribal Area Development Sub-Plan 288-Social Security and Welfare	(O) 1,483.17 (S) 10.82 (R) —114.09		
		13,79.90	15,76.10	+196.20

2.2.10 *New Service/New Instrument of Service*.—According to the Constitution, expenditure on a “New Service” not contemplated in the Annual Financial Statement (Budget) can be incurred only after its authorisation by the Legislature. Additional expenditure over a specified limit (Recurrent : Rs. 50,000; Non-Recurrent : Rs. 5,00,000) during the financial year, over and above the provision made for an item in the budget, which is called a “New Instrument of Service” is also to be treated as a “New Service”.

In the following cases provision was made for “New Service” or “New Instrument of Services” by reappropriation and expenditure was incurred without obtaining sanction of Legislature :

(1) AGRICULTURE AND CO-OPERATION DEPARTMENT

(i) *Grant No. 213-Capital Outlay on Co-operation.*—Saving in the grant to the extent of Rs. 125 lakhs was reappropriated in March 1985 for contribution of additional share capital to Co-operative Spinning Mills for rehabilitation and erection of machinery.

(ii) *Grant No. 259-Loan for Co-operation.*—Saving in the grant amounting to Rs. 95.78 lakhs was diverted for expenditure under the heads “n(i)(a)-Loans to Co-operative Sugar Mills (Rs. 66 lakhs) for giving loans to three more co-operative sugar factories and under (f)(ii)(i) Rehabilitation of Co-operative Spinning Mills-Loans to Co-operative Spinning Mills (Rs. 28.10 lakhs) for meeting additional requirement for rehabilitation of sick co-operative spinning mills and under m(ii)(ii) Loans to Consumers Co-operatives (Rs. 11.18 lakhs).

(iii) *Grant No. 260-Loans for Agriculture.*—Savings in the grant to the extent of Rs. 3.30 crores were diverted for expenditure under the heads “705-Loans for Agriculture, etc., C(i)(c)(i)-Loans to Maharashtra State Co-operative Marketing Federation Ltd.” (Rs. 250 lakhs), “(c)(i)(c)(iii)-Loans to Vidarbha Co-operative Marketing Federation” (Rs. 50 lakhs) and “(c)(i)(a)(i)-Loans to Maharashtra Agro-Industries Development Corporation” (Rs. 30 lakhs).

(2) URBAN DEVELOPMENT DEPARTMENT

Grant No. 267-Loans for Public Health, Sanitation and Water Supply.—Additional funds of Rs. 50 lakhs were provided by reappropriation (under the head 682-Loans for Public Health, Sanitation and Water Supply-C-Urban Water Supply Schemes-(c)(ii)-Loans for Water Supply Schemes (c)(ii)(i) Loans to other Corporation for Water Supply Schemes”) in March 1985 due to sanction of special assistance to the Solapur Municipal Corporation.

(3) PUBLIC HEALTH DEPARTMENT

Grant No. 187-Public Health, Sanitation and Water Supply.—Under the head “282-Public Health, Sanitation and Water Supply (n) Minimum Needs Programme (n)(i)(b)-Medical Officers at Primary Health Centres” provision of Rs. 102.62 lakhs for pay and allowances of medical officers of Public Health Centres was made by reappropriation only.

2.2.11 *Anticipated saving not surrendered.*—According to rules framed by Government, the spending Departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 1984-85, there were 23 grants in which large savings (exceeding Rs. 1 crore in each case) had not been surrendered by the Departments. In 8 of these cases no portion of the total savings of Rs. 50.08 crores was surrendered. In the remaining 15 cases, the amount of available savings not surrendered aggregated to Rs. 62.94 crores. (Details are given in Appendix 2.3).

2.2.12 *Advances from Contingency Fund.*—(a) The corpus of the Contingency Fund is Rs. 80 crores. The fund is placed at the disposal of the Governor to enable advances to be made from it for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. Advances from the fund can be made only to meet expenditure which is of such an emergent character that postponement of it, till vote of the Legislature is taken, would be undesirable.

Two hundred and forty-five sanctions were issued during 1984-85 advancing Rs. 8,413.96 lakhs from the Contingency Fund. It was noticed that—

(i) 100 sanctions for Rs. 14,03.66 lakhs were neither operated upon nor cancelled;

(ii) 4 sanctions for Rs. 34.19 lakhs were not operated upon and were subsequently cancelled;

(iii) 30 sanctions for Rs. 5,28.81 lakhs were subsequently reduced to Rs. 1,95.38 lakhs;

(iv) 7 sanctions for Rs. 2,56.16 lakhs were subsequently increased to Rs. 4,97.16 lakhs;

(v) The actual expenditure against 35 sanctions for Rs. 7,15.61 lakhs was less than 50 per cent of the amount sanctioned.

(b) Two typical cases of unnecessary drawal from Contingency Fund during 1984-85 are mentioned below :

(i) A supplementary grant of Rs. 23.32 lakhs was obtained in November 1984 to recoup an advance of Rs. 23.32 lakhs obtained

from the Contingency Fund in October 1984 for providing assistance to cultivators whose standing crops were damaged due to heavy rains in June-July 1983 and July 1984 and who were pressing for financial assistance. The entire provision which was made to provide immediate relief based on pressing demands from cultivators was surrendered in March 1985 on the plea that there was no demand. In this case the drawal of Contingency Fund advance was not necessary at all.

(ii) Advances of Rs. 70 lakhs and Rs. 139 lakhs were obtained from Contingency Fund in May 1984 and September 1984 and the advances were recouped in July 1984 and November 1984. The amounts were drawn for providing gratuitous relief to riot affected persons in Bhiwandi and adjoining areas in Thane District. In May 1984 further amount of Rs. 74.48 lakhs was provided for construction of houses for riot affected persons through a supplementary demand. However, it was noticed that against the total provision of Rs. 283.48 lakhs the expenditure was only Rs. 137.53 lakhs resulting in saving of Rs. 145.95 lakhs which was also not surrendered. The amount drawn from Contingency Fund was, thus, far in excess of requirements.

2.2.13 *Trend of recoveries and credits.*—In 27 grants/appropriations the actual recoveries of expenditure (Rs. 878.54 crores) exceeded estimated receipts (Rs. 682.41 crores) by Rs. 196.13 crores and in 32 grants/appropriations the actual recoveries (Rs. 869.02 crores) was less than the estimated recoveries (Rs. 1104.96 crores) by Rs. 235.94 crores. More details are given in Appendix II of the Appropriation Accounts.

2.2.14 *Non-receipt of explanations for savings/excesses.*—For the year 1984-85, explanations for savings/excesses were either not received or where received were incomplete in respect of 698 heads of accounts. These formed 72 per cent of the number of heads, the variations under which needed to be explained.

2.2.15 *Unreconciled expenditure.*—The rules require that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those of the Accountant General.

In the following 5 departments expenditure of Rs. 3970.82 lakhs pertaining to 1984-85 remained unreconciled till April 1986 :

Name of the Department	Expenditure for 1984-85 not reconciled (in lakhs of rupees)	Months for which expenditure is not reconciled
(1)	(2)	(3)
1 Public Works	1.99	April 1984 to July 1985 (Central Designs Organisation, Nashik)
2 Law and Judiciary	1081.04	October 1984 to March 1985 (214-Administration of Justice)
3 Home	16.80	April 1984 to March 1985 (214-Administration of Justice)
4 Rural Development	2851.70	April 1984 to March 1985 (305-Agriculture)
5 Agriculture and Co-operation (Commissioners, Pune, Thane and Nashik)	19.29	October 1984 to March 1985 (289-Relief on account of Natural Calamities)
Total ..	3970.82	

2.2.16 *Withdrawal of funds in advance of requirements.*—Rule 282(2) of the Maharashtra Treasury Rules, 1968 requires that no money shall be drawn from the treasury, unless it is required for immediate disbursement. It is, therefore, not permissible to draw money from the treasury in anticipation of demand or to prevent lapse of budget grants. In some cases, however, funds were drawn from the treasury towards the end of financial year and were retained without disbursement beyond the financial year. Certain illustrative and important cases are given in Appendix 2.4.

CHAPTER III

CIVIL DEPARTMENTS

EDUCATION AND EMPLOYMENT DEPARTMENT

3.1 Universal Elementary Education in age group 6-14

3.1.1.1 *Introductory* : Article 45 of the Constitution of India lays down that the State shall endeavour to provide within a period of 10 years from the commencement of the Constitution free and compulsory education for all children until they complete the age of 14 years. As the coverage was not adequate despite continuous expansion in the provisions for elementary education over 3 decades the programme of Universal Elementary Education was intensified in the State with the object of achieving complete coverage of all children of age group 6-14 by 1990. Under the Sixth Five Year Plan the programme stands included in the Minimum Needs Programme.

Universalisation of Elementary Education is attempted through (i) intensified use of existing facility including adjustment of schooling hours according to local conditions, (ii) provision of new facilities which would be economically viable and socially relevant and (iii) promotion of non-formal system of learning to cater to the socially disadvantaged children in the age group 9-14 years.

Under Non-formal Education (NFE) programme, apart from providing schooling facilities, children are provided with mid-day meals, supplied books, uniforms, stationery and given attendance scholarships as incentives. Provision has been made for construction of primary and middle school buildings, supply of physical facility and kits and enhancing teacher's competence for higher efficiency. The programme of NFE was also strengthened by supply of paper obtained from Government of Sweden for production of educational teaching and learning materials

and was extended with UNICEF aided project of Comprehensive Access to Primary Education (CAPE).

Central assistance is given to educationally backward States. However, as the literacy rates in this State according to 1971 and 1981 census were 39.2 and 47.02 per cent respectively compared to national literacy rates of 29.45 and 36.08 per cent, Maharashtra was not considered as educationally backward and no Central assistance is extended. The entire expenditure is met out of State Plan and non-Plan funds and the responsibility for elementary education primarily rests with the Zilla Parishads and local bodies. Where some primary schools are run by private managements, grants are paid to them by the concerned local bodies.

The provision and expenditure incurred on Elementary Education in the State during 1979-80 to 1984-85 are given below :

Year				Budget provision	Expenditure
				(in crores of rupees)	
1979—80	..	..	..	137.62	144.04
1980—81	..	..	..	160.07	179.45
1981—82	..	..	..	175.50	187.17
1982—83	..	..	..	196.27	222.36
1983—84	..	..	..	226.49	255.21
1984—85	..	..	..	256.11	Awaited

3.1.1.2 The results of a review conducted in January-May 1985 of the implementation of the programme by the Education Officers of Zilla Parishads in five districts of Aurangabad, Kolhapur, Nagpur, Pune and Thane, Directorate of Education, State Institute of Education and Indian Institute of Education, Pune are given in the succeeding paragraphs.

3.1.2 Formal Education

3.1.2(1) Three main elements like provision of facilities, enrolment and retention are the components of the programme of universalisation of elementary education. At the commencement of Sixth Five Year Plan 1300 villages and 8,200 habitations in the State situated in

thinly populated and hilly areas had no schools. In the Seventh Five Year Plan document all the school-less revenue villages have been shown as covered with primary schools during the Sixth Plan.

3.1.2 (2) *Provision of facilities : (a) Opening of new schools and enrolment* : The targets set by the State Government to open new schools and enrolment of children each year and the achievement there against, as per Directorate of Education are given below :

Year	Number of schools targeted	Total number of schools	Enrolment targeted in standards I to VIII	Achievement in standards I to VIII	Enrolment of S.C., ST and OBC children with percentage to total in bracket
(in lakh numbers)					
(1)	(2)	(3)	(4)	(5)	(6)
1980—81	Not available	51,045	108.37	106.01	43.24 (41)
1981—82	do.	51,534	108.97	110.25	45.71 (41)
1982—83	51,802	52,209	113.56	113.31	48.57 (43)
1983—84	52,380	52,760	117.16	116.98	51.15 (44)
1984—85	54,060	54,168	120.34	120.55	53.81 (45)

According to the Directorate, against the projected population of 147.30 lakhs in the age group of children 6-14 (i.e. completed 13 years) by 1990, 140.95 lakhs (96 per cent) were targeted to be covered by the end of Seventh Plan.

(b) *Shortage of teachers* : According to Government orders of August 1980 the norms for sanctioning posts of *primary teachers are as under :

Number of students in standards I to IV	Average attendance	Number of teachers
Upto 40	Not prescribed ..	1
41 to 80	Not prescribed ..	2
81 to 120	60 or more ..	3
121 to 160	90 or more ..	4
161 to 200	120 or more ..	5

The norm for standards V to VII was 3.3 teachers for every class subject to minimum prescribed attendance.

According to the information furnished by the Directorate, as at the end of 1984-85 the number of teachers required according to the norms laid down in August 1980 was 1,92,446. Against the sanctioned posts of 1,78,494 those actually in position were 1,67,366 with 11,128 vacancies as on 31st March 1985. Number of posts required to be additionally created was 14,754 in 23 districts against which there was a surplus of 802 teachers in 6 districts.

(c) *Buildings* : (i) According to Government, lack of accommodation was the main problem due to which a number of schools were being held in temples, *Chawadis* and *Dharamshalas* or in hired premises. The Annual Plan for 1981-82 had estimated requirement of 45,500 class rooms if all primary schools were to be provided with separate buildings. However, no targets were fixed for construction of buildings from 1981-82 onwards as Government decided to give priority for completion of incomplete buildings. According to the Directorate (November 1985) 800 works were incomplete as at the end of 1984-85. The Zilla Parishads have generally attributed the non-completion to inadequacy of funds sanctioned by Government and paucity of its own resources.

*Primary Section: In Maharashtra standard I to VII come under Primary Section and standard VIII is included in Secondary Section.

(ii) In the four districts of Kolhapur, Nagpur, Pune and Thane 90 buildings started between 1970-71 and 1980-81 were incomplete (March 1985) reportedly due to shortage of cement, inadequacy of grants and for want of popular contribution.

(iii) Due to shortage of class rooms, nine Zilla Parishads had to pay rent of Rs. 94.70 lakhs for hiring on an average 3466 class rooms in a year during 1980-81 to 1983-84.

(d) *Establishment of Book Bank* : Government issued orders in May 1976 for establishment of a Book Bank to provide text books on loan basis to the students belonging to SC, ST and other deprived sections (OBC) of the community studying in standards I to IV of primary schools (extended to standards V to VII in 1977-78) of the local bodies in the State. One set of text books was given to eligible students who had to return it at the end of the year. The books were to be replaced every 3 years.

The supply of text books was to be restricted to 25 per cent of the total enrolment in standards I to VII of primary schools.

(i) According to the master plan register maintained by the Directorate, the expenditure incurred and the number of beneficiaries under the scheme were as under :

Year	Total students enrolled (upto standard VII)	No. of ST, SC, OBC students (£)	Eligible students at 25 per cent	No. of students benefited (*)	Expenditure incurred (in lakhs of rupees) (*)	Percentage of students benefited to eligible students
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(number in lakhs)				
1979-80	97.36	38.96	24.34	9.66	47.78	40
1980-81	99.75	41.21	24.94	1.95	26.08	8
1981-82	103.58	43.43	25.90	No entries for 1981-82 in the register produced.		
1982-83	106.22	46.03	26.55	7.97	38.13	30
1983-84	109.30	48.32	27.33	4.89	44.98	18

* *Source*.—Master Plan Register; Planning Department of Directorate of Education.

£ *Source*.—Education at a glance—Statement No. 13.

The number of beneficiaries ranged from 8 to 40 per cent of the eligible beneficiaries. The Zilla Parishads stated that the inadequate coverage was due to shortage of grants. Though the books were to be supplied in the month of June-July of each year they were invariably supplied to the schools after delays ranging from 2 to 18 months as shown below resulting in some students not getting the books during the year of study. The Directorate attributed (November 1985) the delay to late submission of indents, shortage of books and non-availability of transport in time.

Year	District	Indent sent to Text Book Bureau	Month of receipt of books by ZP	Month of distribution to Block Development Officer	Distribution to schools
(1)	(2)	(3)	(4)	(5)	(6)
1979-80	Pune	June 1979	December 1979 March 1980	March 1980	March 1980
	Kolhapur	April 1979	December 1979	February 1980	February 1980
	Nagpur	June 1979	October 1979	February 1980	February 1980
1980-81	Pune	May 1980	September 1980 October 1980	September 1980 November 1980	September 1980 November 1980
	Kolhapur	June 1980	October 1980	February 1981	February 1981
	Thane	October 1980	January 1981	January 1981	January 1981
	Nagpur	May 1980	November 1980	December 1980	January 1981
	Aurangabad	September 1980	November 1980	November 1980	December 1980 July 1981
1981-82	Aurangabad	August 1981	December 1981 March 1982	January 1982 April 1982	January 1982 April 1982
	(No scheme in the districts of Kolhapur, Thane, Nagpur).				
1982-83	Pune	March 1982	July 1982	August 1982	August 1982
	Kolhapur	February 1982	September 1982	September 1982	September 1982
	Thane	July 1982	September 1982	September 1982	September 1982
	Nagpur	June 1982	July 1982	October 1982	January 1983
	Aurangabad	April 1982	August 1982 March 1983	August 1982 March 1983	December 1982 December 1983
1983-84	Pune	June 1983	August 1983	August 1983 September 1983	August 1983 September 1983
	Kolhapur	June 1983	September 1983	November 1983	November 1983
	Thane	June 1983	July 1983	July 1983	July 1983
	Nagpur	June 1983	August 1983	October 1983	November 1983 June-July 1984
	Aurangabad	June 1983	August 1983	October 1983	December 1983

The Education Officers, Kolhapur and Aurangabad Zilla Parishads, explained that due to transportation difficulty the books could not be supplied to schools in time.

(ii) In Panchayat Samiti, Nagpur, no proper record of receipt and distribution of books was maintained; for instance, 407 copies of Mathematics Books were stated to have been distributed as against 400 received for standard II, 1513 books as against 1,240 received for standard III, and 1,254 as against 1,150 received for standard IV. In Panchayat Samiti, Hingna, there was a shortage of 172 NCERT Science books during 1979-80 which had remained to be reconciled (June 1985).

In Kolhapur district during 1984-85 an amount of Rs 0.55 lakh was diverted for purchase of books for secondary schools due to non-availability of funds for that scheme.

(iii) According to orders issued by Government in July 1976 cash grants equal to 13 per cent of the total bills relating to purchase of books from the Text Book Bureau (raised to 15 per cent from 1979-80) were payable to the Zilla Parishads to defray their expenses on transport and other incidental charges for distribution of text books to schools and the residual balance, if any, was to be utilised for purchase of additional sets of text books. Test-check of Aurangabad and Nagpur Zilla Parishads indicated that Rs. 1.46 lakhs and Rs. 2.77 lakhs respectively were available as on 31st March 1985 with those Zilla Parishads, out of the grant received during 1979-80 to 1984-85 after defraying expenses on transportation and other incidental expenses; these were not utilised for purchase of additional books. Similar information in respect of other Zilla Parishads was not available. The Zilla Parishads stated that the amount could not be utilised as they were received at the fag end of the financial year. However, the grant was not utilised even during the subsequent years.

(e) *Supply of Science Kit Boxes*—Under United Nations International Children's Emergency Fund (UNICEF) aided programme for improvement of teaching of science through experiments, science kit boxes were purchased and supplied during the first week of June every year by the Director, State Institute of Science Education (SISE), Nagpur to Zilla Parishads for distribution to the schools having standards upto VII. During the years 1979 to 1984-85, 9970 kit boxes costing

Rs 24.99 lakhs were supplied. In the districts of Aurangabad, Kolhapur, Pune and Thane there were delays ranging from 7 to 27 months reckoned from first week of June in the receipt of kit boxes by Zilla Parishads and supplied to schools. The Education Officers, Kolhapur and Thane explained that due to transportation difficulties and for want of budget provision kit boxes could not be distributed to schools immediately on receipt.

3.1.2(3) *Dropout of pupils.*—(i) One of the main problems faced in achieving universalisation of primary education is the dropout of pupils particularly belonging to Scheduled Caste and Scheduled Tribes. To reduce the incidence of dropouts the Government introduced from 1978-79 a scheme to supply 2 sets of uniforms (Rs. 50 per pupil) and writing material (Rs. 10 per pupil) per year free of charge to pupils belonging to these communities. In spite of these measures, the percentage of dropouts in the State during the period 1979-80 to 1983-84 was 27, 36, 48 and 51 in the second, third, fourth and fifth years respectively so that of 26.24 lakh pupils enrolled in standard I in 1979-80, 12.73 lakhs completed upto standard VII by 1983-84. According to details furnished by the Directorate of Education in March 1985 as shown below, the percentage of dropouts in respect of 25.82 lakh pupils enrolled in standard I in 1977-78 was 65 by the time they reached standard VII. The percentage was 60 in the case of boys whereas it was 70 in respect of girls.

Years						
Standard						
(Dropouts in lakhs in successive years with percentage in bracket)						
(progressive figures)						
1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
I	II	III	IV	V	VI	VII
25.82	8.08	10.87	13.47	14.18	15.76	16.69
(Enrolment)	(31)	(42)	(52)	(55)	(61)	(65)

A study conducted by the State Institute of Education, Pune in June 1979 revealed that the dropouts were mainly due to (i) pupils rendering help to the parents in their economic activities (14.6 per cent), (ii) educational backwardness (13.2 per cent) and (iii) involvement in domestic

work (13.2 per cent). In case of girls alone about 55 per cent had to leave schools due to indifferent attitude of parents towards education of the girls or they were either engaged in domestic work or got married. To overcome these difficulties, the Government in January 1980 gave immediate appointment to hard working teachers from tribal areas with a view to motivate the tribal children, to enrol the help of local and tribal leaders, to provide clothing and free food to the students. Action taken by the Government showed that there was marginal reduction in the dropouts, as shown below:

Standard	Period	Rate of dropouts	Period	Rate of dropouts
I to V	.. 1974-75 to 1978-79	56.3	1979-80 to 1983-84	51.5
I to IV	.. 1975-76 to 1978-79	50.3	1980-81 to 1983-84	42.6
I to III	.. 1976-77 to 1978-79	44	1981-82 to 1983-84	30.2
I to II	.. 1977-78 to 1978-79	31.3	1982-83 to 1983-84	21.1

(ii) *Supply of uniforms and other materials.*—Uniform and writing materials worth Rs. 60 per pupil were to be supplied free of charge to eligible SC/ST/OBC pupils of the primary schools of Zilla Parishads located in areas where literacy percentage was less than 10 and enrolment less than 70 in the age group 6-11. During 1979-80 to 1984-85, Rs. 171.19 lakhs were spent against budget provision of Rs. 163.85 lakhs on 3.61 lakh beneficiaries (upto 1983-84) against target of 2.44 lakhs. Information received in Audit from 13 districts is given in the following table:—

Year	No. of districts from which information received	No. of eligible students studying in standards I & II	No. of students supplied with writing material and uniforms	Percentage of beneficiaries	Expenditure incurred (in lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)
(figures in lakhs)					
1980-81	.. 12	6.52	0.35	5	12.32
1981-82	.. 13	6.40	0.38	6	11.70
1982-83	.. 13	7.25	0.40	6	13.64
1983-84	.. 13	6.86	0.68	10	14.49
1984-85	.. 13	6.60	0.41	6	14.79

The details furnished by Zilla Parishads Aurangabad, Beed, Jalna, Kolhapur, Osmanabad, Pune, Ratnagiri, Satara, Sindhudurg, Solapur, Thane and Wardha indicate that both the conditions prescribed by Government regarding eligibility had not been fulfilled. The Zilla Parishad Aurangabad stated that it had approached Government (November 1983) for relaxation of the conditions which were awaited (October 1985). The number of beneficiaries worked out to 5 to 10 per cent of the eligible pupils in these districts. The inadequate coverage was attributed by the Zilla Parishads to the limited grants received from the Government.

Normally the uniforms and writing materials were to be supplied to the students in June each year i.e. at the commencement of the academic year but there was invariably delay of 4 to 10 months each year in Aurangabad, Kolhapur and Thane Zilla Parishads.

The Education Officer, Zilla Parishad, Thane stated (May 1985) that grants though received in June-July all the Block Development Officers did not furnish the requisite information for finalisation of tender in time.

3.1.2(4) *Awards*.—The State received Rs. 98.75 lakhs from Government of India in December 1984 for best performance in enrolment of girls in primary schools during 1983-84. The amount was distributed among the 29 Zilla Parishads, for construction of buildings preferably in the backward areas and for providing physical facilities in schools. Of this Rs. 74.76 lakhs had been utilised by the end of March 1985.

3.1.3 *Non-formal Education*

3.1.3(1) The Scheme of Non-Formal Education (NFE) was introduced from 1979-80 for providing scholarship facilities to children in the age-group of 9-14 years, who had never been to school or had dropped out of formal school education. The centres were to be located in the villages having less than 10 per cent literacy or in tribal and difficult area and in villages where enrolment and retention was less than 50 per cent. The classes are run by the Zilla Parishads, Municipal Councils and Corporations for 30 pupils to whom syllabi of I to IV standards are taught within a period of two years. According to information furnished by the Directorate of Education 7,108 centres covering 2.28 lakh children were proposed to be opened during 1979-80 to 1984-85 against which 6,218 centres covering 1.93 lakh children were actually opened as per the details given in Appendix 3.1. The Directorate had no information

regarding number of centres opened in areas inhabited by Scheduled Castes/Scheduled Tribes, number of children belonging to these categories enrolled in these classes and number of dropouts. Expenditure incurred under the programme during 1979-80 to 1983-84 was Rs. 59.26 lakhs.

Important aspects noticed during test-check in Audit are given below :

3.1.3(2) *Enrolment*.—In Pune district 190 centres were opened during 1981-82 to 1984-85. The enrolment was less than the prescribed minimum of 30 in 147 centres, and enrolment in 76 of these centres was 20 or less. In Aurangabad district, in 9 out of 84 centres opened during 1982-83 and 1983-84, the enrolment was less than 30, the lowest being 6; in 2 centres, persons of age group 15 to 49 were also enrolled during 1982-83 and 1983-84.

3.1.3(3) *Educational Qualification*.—Government orders of June 1979 stipulated that educated unemployed youths or suitable retired persons should be selected for appointment as part time teachers. The teachers are required to be trained in the non-formal system of education by Zilla Parishads, Panchayat Samitis and teachers training colleges for a period of 1 to 7 days. Information received from 6 districts (Akola, Jalgaon, Kolhapur, Nanded, Osmanbad and Sindhudurg) revealed that out of 1241 teachers appointed during 1979-80 to 1984-85, 220 teachers were untrained who comprised of 85 studied upto Standard VIII, 124 S.S.C. and 11 graduates. Similar information is awaited from the other districts.

3.1.3(4) *Attendance*.—According to a study conducted by the State Institute of Education, Pune in 1981-82, the percentage of attendance in the centres was between 21 and 40 in respect of 50 per cent of the centres from whom it has received information.

3.1.3(5) *Dropouts*.—(a) Information regarding dropouts for the State as a whole was not available with the Directorate, percentage of dropouts received from some of the Zilla Parishads is given below :

Zilla Parishad	Years					
	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
Satara ..	42	11	10	14	45	36
Sindhudurg ..	A	A	A	A	A	15
Nashik ..	A	A	21	79	A	A
Osmanabad ..	A	32	24	22	25	18
Jalgaon ..	15	11	8	11	9	10

(A : Information not furnished)

(b) Test-check of the reports in Pune Zilla Parishad revealed that rate of dropout during 1981-82 and 1982-83 was 60 per cent in 6 centres of Ambegaon and Bhor talukas, 46 per cent in 9 centres of the Khed taluka and 20-30 per cent in 2 centres in Junnar taluka. The dropout was generally attributed by the Zilla Parishads to educational backwardness of parents, unwillingness to learn, migration, students going in search of employment and marriage of girls.

3.1.3(6) *Closure of centres* : Information regarding the number of centres closed before completion of prescribed period of two years was not available with the Directorate of Education. During test-check it was noticed that in Kolhapur 11 centres were closed in 1980-81, 20 in 1981-82, 12 each in 1982-83 and 1983-84 and 18 in 1984-85 before completion of the prescribed period for which no reasons were given. In Satara 3 out of 32 centres were closed in 1980-81 and 13 out of 19 were closed in 1981-82 after running the classes for one year as the students were not attending the classes. In Ratnagiri all the 5 centres opened in 1979-80 were closed after running for 5 to 10 months. Similarly 3 centres started in 1980-81 with enrolment of 175 students were not continued in 1981-82 as the students did not attend the classes. In Pune, 9 centres were closed between May and September 1981 as students were not available or had crossed the age limit and due to transfer of teachers.

3.1.3(7) *Performance* : The Directorate was not in a position to furnish information for the whole State regarding the performance under the scheme. Neither any return for doing periodical evaluation has been prescribed nor any monitoring was being done by the Directorate. In its absence the impact of the NFE could not be evaluated either by Audit or by the Department. However, the information received from some of the Zilla Parishads showed the following position in respect of enrolment and passing the examination :

Year	District	Enrolled	Attended class	Passed at the end of II year
(1)	(2)	(3)	(4)	(5)
1980-81	Satara ..	1079	803	443
	Amravati ..	1525	Nil	34
	Wardha ..	1510	1490	122
	Aurangabad ..	1254	1254	13
	(7 talukas)			
	Thane ..	2437	1978	Not furnished

Year	District	Enrolled	Attended class	Passed at the end of II year	
(1)	(2)	(3)	(4)	(5)	
1981-82	Satara	609	549	131	
	Amravati	1773	Not furnished	20	
	Wardha	1780	1636	123	
	Aurangabad	1283	Not furnished	41	
	Pune { (Baramati)	..	37	Do	6
		(Velhe)	72	Do	34
	Thane	2747	2252	7	
1982-83	Satara	1068	906	471	
	Amravati	1795	Not furnished	45	
	Wardha	1330	1209	97	
	Aurangabad	1283	Not furnished	65	
	Thane	2327	2024	10	
	Pune (Maval)	22	Not furnished	2	
1983-84	Satara	1046	842	489	
	Amravati	1709	Not furnished	55	
	Wardha	1160	1098	140	
	Aurangabad	1168	Not furnished	67	
	Sindhudurg	180	Do	1	
	Ratnagiri	382	374	175	
	Thane	1889	1688	15	
1979-80 to 1984-85	Kolhapur	1027	Not furnished	17	

The data revealed that the number of students who passed the course at the end of the second year is very insignificant thus broadly indicating an utter failure of the programme. The data regarding enrolment are either improbable or the records maintained by the Zilla Parishads are defective as a result of which a realistic assessment of the programme is not possible.

3.1.4 *Central Commodity assistance to States* : Paper obtained with Swedish cash assistance was made available by the Government of India to the States from 1981-82 as a Central commodity assistance to be used exclusively for the production of teaching and learning materials for non-formal education programme. Utilisation of paper was entrusted to the State Institute of Education, Pune (since renamed as State Council of Educational Research and Training)(SCERT) and the material

produced was supplied to ZPs for use in NFE centres as and when demanded. The details of receipt and utilisation of paper as worked out from separate files are indicated in Appendix 3.2

A test-check of records revealed the following :

(a) No stock register for receipt and issue of paper was maintained by the SCERT.

(b) The SCERT was expected to prepare syllabi hand book for all subjects and work book for pupils in Marathi. Though non-formal educational programme was started from 1979-80, syllabi hand books for teachers were ready during June-August 1980, guide books for extension officers in December 1981 and text-cum-work books in March 1982.

The Directorate stated in November 1985 that the delay was due to lack of budget provision for purchase of paper, as the gift of paper was received in 1982.

(c) Some Zilla Parishads had not purchased certain categories of books or purchased them late. Instances are detailed below :

Kind of learning material	No. of Z. Ps. which did not purchase	No. of Z. Ps. which purchased late	Extent of delay
(1)	(2)	(3)	(4)
Syllabus	4	4	19 to 29 months
Handbook (I)	6	4	7 to 31 months
Handbook (II)			
(i) Language	5	18	10 to 29 months
(ii) Other than language	6	6	21 to 30 months
Teachers guide	2	3	12 to 13 months
Reading Materials	5	15	9 to 15 months
Work book in mathematics (I)	5	11	3 to 24 months
Work book in mathematics (II)	18	..	
Picture-story writing and story cards	26	3	3 to 12 months
Work book in Creative expression (I) & (II) .. ..	..	5	3 to 6 months

Since the important reading/learning materials, work books in mathematics and creative expression were made available only in March 1983 to October 1984, the classes conducted during the period 1979-80 to 1982-83 were deprived of the benefits provided under the scheme. The programme was also affected due to non-purchase as well as delay in purchase of materials by individual Zilla Parishads.

3.1.5 *Comprehensive Access to Primary Education (CAPE)*

3.1.5 (1) The State Decentralised Resources Centre was established in July 1981 for implementing UNICEF aided project CAPE. The project aimed mainly in extending the scope of primary education to NFE, trying out innovative ideas, producing training modes for teachers and learning material for children and motivating children for education. The basic activities were to be carried out in 3 phases covering (i) activities leading to development and production of learning episodes, (ii) establishment of learning centres and their evaluation and (iii) accreditation services. In 1979 the staff at the centre consisted of one professor and one lecturer and in 1981 two more lecturers were appointed.

3.1.5 (2) *Financial* : The expenditure on salaries and office contingencies was met from State funds while expenditure on training programme and production of learning material was met from funds allotted by National Council of Educational Research and Training (NCERT) and expenditure on printing of material was initially met out of State funds and subsequently reimbursed by NCERT.

Against receipt of Rs. 20.55 lakhs from NCERT during 1979-80 to 1984-85, the expenditure incurred on salaries and printing of material was Rs. 9.45 lakhs and for training programme Rs. 6.47 lakhs leaving a balance of Rs. 4.63 lakhs unutilised. Against Rs. 13.68 lakhs received for production of training and learning materials the expenditure incurred was Rs. 1.98 lakhs during 1979-84, the unutilised balance being Rs. 11.70 lakhs.

Less utilisation of funds was attributed by the Directorate to :

(a) less number of training courses organised each year *viz.*, 11 against 28 planned in 1981, 15 against 31 planned in 1982, 8 against 10 planned in 1983 and Nil in 1984. Reasons for the shortfall are awaited (November 1985).

(b) According to SCERT (June 1982) as the action plan consisting of programme proposed for 1981 and 1982 being too ambitious which could not be completed even during 1983 and 1984, the emphasis was more on printing and therefore more programme could not be undertaken.

3.1.5 (3) The physical progress in production of training and learning materials started from 1982 is given below :

Year	Workshops		No. of self learning modules/capsules	
	Planned	Held	Production expected (modules)	Actually produced (modules)
1982	7	5	20	11 containing 50 capsules
1983	19	8	25	7 containing 43 capsules
1984	14	10	25	6 containing 24 capsules for literates 7 containing 35 capsules for non-literates
1985 (upto March)	17	4	30	4 containing 12 capsules upto end of 1984

Out of 164 capsules produced and processed upto and of 1984, only 13 capsules were got printed in March 1983 and 19 in 1984.

The NCERT decided in December 1983 to concentrate on the production and publication of required learning episodes to cover learner-engaged time of about 500 hours yearly. The Directorate was unable to specify (June 1985) the quantity of learning episodes produced in terms of 500 hours envisaged by NCERT.

3.1.5 (4) Though 429 learning centres were to be established, none had been established so far (November 1985). Similarly de-centralised centres at district and block level had not been established (November 1985). No time frame has been prescribed for the establishment of these centres. The Directorate stated in November 1985 that provision for opening 70 centres have been made in the Seventh Plan.

Thus, despite spending Rs. 17.90 lakhs on CAPE unit (March 1985) there was no significant achievement in regard to opening of learning centres and enrolment of students for part-time classes.

3.1.6 *Grants to the Indian Institute of Education, Pune*

3.1.6 (1) For participating in the UNICEF aided research project of part-time classes undertaken by the Indian Institute of Education, Government sanctioned between 1981-82 and 1984-85 grant in aid of Rs. 8.54 lakhs for payment of honorarium to teachers and contingencies for conducting classes against which expenditure incurred was Rs. 3.88 lakhs.

The unutilised amount at the end of each year was not adjusted against the grants sanctioned from year to year; an amount of Rs. 2.59 lakhs upto end of 1983-84 was refunded only in November 1984 and the balance of Rs. 1.29 lakhs in January 1986.

3.1.6 (2) The Institute's plan to open 400 centres with enrolment of 20 in each centre, was scaled down to 274 centres on the ground that 53 villages with a population of 17,500 were not accessible throughout the year and 9 villages with a population of 7,300 were in close proximity to Pune city and the total population of the area envisaged to be covered was only 1,21,000 as against the earlier estimate of 1,56,000. The enrolment was 3,066 in 89 centres in 1981, 4,332 in 189 centres in 1982, 2,888 in 100 centres in 1983 and 1,266 in 185 centres in 1984.

Out of the total enrolment of 4,332 pupils in 1982-83, 3,311 had not attended the school earlier and 1,021 were from dropouts from the schools. Out of 271 teachers appointed 4 were SSC and trained and remaining untrained comprising 3 graduates, 52 SSC, 174 standard VII, 38 standard IV and above.

The average attendance of students was below 10 in 34 per cent of centres in 1981-82, 41 per cent of centres in 1982-83, 52 per cent of centres in 1983-84 and 79 per cent of centres in 1984-85.

3.1.6 (3) *Dropouts* : In all 1,035 pupils dropped out from the total enrolment. Reasons for dropouts were marriage, migration of parents, overgrown and shy to attend the classes, resistance from parents, work at home, lack of interest, residence far from village, etc.

Eleven centres were, prematurely closed during 1980-81, 10 during 1981-82, 23 during 1982-83, 21 during 1983-84 and 10 during 1984-85. Reasons for closures were resignation of teachers for better prospects,

migration of women teachers due to marriage, indifference of teachers and consequent non-attendance of pupils, etc.

3.1.6 (4) The students enrolled in these centres were not subjected to any examination. According to the Institute 53 of the total students enrolled appeared for standard IV examination voluntarily and 45 passed.

3.1.7 *Summing Up* : Under the programme of universal elementary education all children of the age group 6-14 are expected to be covered by 1990. Based on the norm of teacher pupil ratio fixed by Government in August 1980 the additional posts required to be sanctioned at the end of 1984-85 was 14,754 besides 11,128 vacant posts. No targets have been fixed since 1981-82 for construction of new classrooms. The students benefited from Book Banks formed only 8 to 40 per cent of the eligible persons. There was considerable delay in the supply of books. Some of the centres received them as late as February/March. The dropout of pupils at the elementary stage was 65 per cent as a result of which the programme may need reshaping to achieve the goals by 1990. Only 5 to 10 per cent of the eligible children received uniforms and other materials.

Under the Non-formal Education Programme the enrolment was less than 30 in many of the centres. Many of the teachers were not trained in the non-formal system of imparting education. The attendance in 50 per cent of the centres ranged from 21 to 40 per cent only. The percentage of dropouts in the middle of the course was heavy in many districts. There was no monitoring of the performance for the whole State by the Directorate of Education. The information furnished by some of the Zilla Parishads regarding enrolment, attendance and passing was improbable and unrealistic.

Under the programme of comprehensive access to primary education, of 164 capsules prepared only 32 were got printed. None of the 429 learning centres under the programme had been established.

3.1.8 The matter was referred to Government in September 1985; reply is awaited (August 1986).

3.2 Adult Education Age Group 15-35 (Removal of Adult Illiteracy)

3.2.1 The Adult Education Programme (AEP) was launched in October 1978 to cover the entire illiterate adult population in the age group of 15-35 years by 1990. Under the Sixth Five Year Plan, the programme has been included in the Minimum Needs Programme of Government of India. The education imparted under AEP is a package comprising acquisition of basic literacy skills, upgradation of vocational skills, and raising the level of social awareness of the learners. The programme essentially meant for rural areas, with a priority for coverage of women and the Scheduled Castes (SC)/Scheduled Tribes (ST), was implemented by the State Governments through the under mentioned suitable projects/agencies at the field level :

- Projects.*—(i) Rural Functional Literacy Projects (RFLP),
 (ii) State Adult Education Programme (SAEP),
 (iii) Post literacy follow-up programme,
 (iv) Non-formal education for women and girls (NFE).

- Agencies.*—(v) Adult Education through Voluntary agencies (VAS),
 (vi) Shramik Vidyapeeths,
 (vii) Nehru Yuvak Kendras (NYK),
 (viii) University Grants Commission (UGC).

The RFLP, a Centrally sponsored scheme, envisages setting up of 300 Adult Education Centres (AECs) in each selected district with an average enrolment of 30 adult illiterates in each centre. The course was to run for a period of 10 months. The State adopted a similar pattern for its own SAEP by opening centres in all the districts. From 1976-77 a functional literacy programme was also implemented with a course for 6 months, subsequently increased to 10 months from 1984-85. Nehru Yuvak Kendras participated in the programme only during 1979-80.

Central assistance was given for the RFLP at the rate of Rs. 1,344 per centre revised to Rs. 2,460 from February 1984. The Directorate of Education (Adult Education) was in charge of the overall implementation of the programme in the State.

The expenditure incurred under the programme from 1978-79 and Central assistance received as furnished by the Directorate are given below:

Year	Budget provision			Expenditure	
	State scheme	Centrally sponsored scheme	Central assistance received	State scheme	Centrally sponsored scheme
(1)	(2)	(3)	(4)	(5)	(6)
(in lakhs of rupees)					
1978-79 } 1979-80 }	.. 154.51	109.41	Awaited	97.41	91.04
1980-81	.. 98.67	95.58	70.39	77.75	101.99
1981-82	.. 105.96	126.44	80.64	98.81	104.64
1982-83	.. 108.17	144.00	113.16	98.81	137.18
1983-84	.. 117.69	162.89	149.43	103.97	147.16
1984-85	.. 121.21	223.15	273.31	123.92	214.65
		Total ..	686.93		796.66

The unutilised Central assistance during 1984-85 was Rs. 70.50 lakhs after excluding expenditure of Rs. 11.84 lakhs incurred under Tribal sub-plan.

Though the rate of Central assistance was revised by Government of India from Rs. 1,344 to Rs. 2,460 per centre from February 1984, it was implemented in the State only from 1985-86 on the ground that it would have involved additional outlay of Rs. 75.25 lakhs on the State scheme to which also the same rate would have had to be extended. Additional assistance of Rs. 9.49 lakhs released in March 1984, therefore, remained unutilised.

The programme in the State was reviewed by test-check of records of the Directorate of Education (Adult Education), Pune, District Adult Education Officers at Aurangabad, Bombay, Kolhapur, Nagpur, Pune and Thane, Shramik Vidyapeeths at Bombay (Worli) and Nagpur, the Maharashtra State Adult Education Institute, Aurangabad, the State Research Centre, Pune and the Nagpur and Pune Universities; important findings are given in the following paragraphs.

3.2.2 Targets and achievements

3.2.2.1 The Fourth Educational Survey conducted in the State, identified 82.72 lakhs illiterate adult population in the age group of 15-35 as on 30th September 1978. Of this, 8.28 lakhs were covered under AEP upto 31st March 1982, leaving 74.44 lakhs uncovered as on that date. Assuming an increase due to growth of population over the operational plan period from 1982-83 to 1989-90, at 10 per cent the Directorate anticipated (July 1982) that the population required to be covered by the programme by 1990 would be 81.88 lakhs and accordingly an operational plan for the period 1982-83 to 1989-90 was prepared to cover this population. The targets based on operational plan drafted in 1982-83 and achievements based on annual progress reports for the period 1979-80 to 1984-85 under RFLP, SAEP, VAS, NYK, NFE And UGC are as under:

Year	Targets				Achievements				
	No. of centres	Enrolment			No. of centres sanctioned	No. of centres opened	Enrolment		
		Male	Female	Total			Male	Female	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1979-80	.. Not available				9,860	14,682	2.36	1.47	3.83
1980-81	.. Not available				10,070	9,811	1.78	1.34	3.12
1981-82	.. Not available				10,070	9,480	1.55	1.23	2.78
1982-83	.. 10,070	1.38	1.64	3.02	10,470	9,494	1.50	1.26	2.76
1983-84	.. 37,725	3.22	8.10	11.32	12,320	12,403	1.59	2.06	3.65
1984-85	.. 37,726	3.22	8.10	11.32	17,180	16,053	1.83	2.95	4.78
Total coverage ..									
					10.61	10.31			20.92

3.2.2.2 The Directorate attributed (May 1985) the shortfall in achievement to non-sanctioning of expansion of centres due to financial constraints.

According to the Directorate (May 1985), based on the 1981 census figures, the illiterate adult population in the State could be taken as 116.49 lakhs. Assuming 10 per cent increase upto 1990 as was adopted by the Directorate earlier for operational plan in 1982-83 the population to be covered under AEP to end of 1990 would be 128.14 lakhs. Of this 13.97 lakhs were covered during 1981-82 to 1984-85 leaving

114.17 lakhs to be covered between 1985-86 and 1990. Thus, the operational plan which was designed to cover only 81.88 lakhs upto 1990 will need a revision to cover the additional 32.29 lakhs.

The actual performance against the targets fixed was only 32 per cent in 1983-84 and 42 per cent in 1984-85. The actual coverage each year was about 3.5 lakhs against the estimated coverage of 11.32 lakhs. If this trend continued the number of persons enrolled between 1985-86 and 1989-90 would be about 17.50 lakhs only leaving a gap being as wide as 97 lakhs due to the backlog of about 8 lakhs each year and the increase in population as disclosed by 1981 census report.

365
1132
= 32

3.2.2.3 *Dropouts.*—According to the Directorate the rate of dropouts from the Adult Education Centres was 6 per cent as disclosed by an evaluation study conducted by the Tata Institute of Social Sciences in 1981. The main reasons for dropouts were reported to be economic and domestic circumstances. An analysis of actual attendance in the centres which had completed 10 months course in each year indicated the following position :

Year	Number of centres that completed the course	Average attendance		
		Less than 10	Between 10 and 20	More than 20
(1)	(2)	(3)	(4)	(5)
(percentage with reference to column 2 in bracket)				
1981-82	.. 9,522	426 (4)	4,848 (51)	4,248 (45)
1982-83	.. 9,925	300 (3)	4,540 (46)	5,085 (51)
1983-84	.. 11,814	364 (3)	5,455 (46)	5,995 (51)
1984-85	.. 14,982	289 (2)	5,852 (39)	8,841 (59)

Thus, in 41 to 55 per cent of the centres completing the course, more than 10 persons (33 per cent) out of 30 were absent during the entire session. The dropout rate of 6 per cent is, therefore, under-estimated.

3.2.2.4 *Closure of Centres.*—Two hundred and fifty-seven centres were closed in Bhandara (35), Bombay (53), Kolhapur (9), Pune (3), Sangli (19), Satara (11) and Thane (127) during 1980-81 to 1984-85 without completing the course. The premature closure was attributed to poor attendance in Bombay and Sangli, unhealthy habits (like drinking) and migration of labour force in Thane, shift system of units in Bombay, absence/resignation of instructors in Bombay, Pune, Sangli and Thane and personal reasons such as marriage, illness, etc.

3.2.2.5 *Training.*—The State Resources Centre (SRC), Pune a private body, has been entrusted with the responsibility of training the District Adult Education Officers (DAEOs), Project Officers (POs), Assistant Project Officers (APOs) and Supervisors, while training to instructors is imparted by the DAEOs. The SRC receives grants from the Government of India (80 per cent of approved expenditure), State Government (15 per cent) and Indian Institute of Education, Pune (5 per cent). During 1978-79 to 1984-85 it received grants of Rs. 16.72 lakhs from Government of India and Rs. 3.46 lakhs from the State Government. The Centre had an intake capacity to train 40 persons, in each course. Whereas the SRC conducted about one course each month during 1978-80, it conducted only 2 courses in each year in 1981-82 and 1982-83 and 4 in 1983-84. There was no definite programme for training after 1980-81. Thus, for long intervals, the capacity for training was not fully utilised. The Honorary Director of SRC stated in June 1985 that this was because the candidates were not deputed by the Department for training.

According to the Director, SRC, 58 DAEOs, 58 POs, 37 APOs and 452 Supervisors were trained in phase I for 7 to 14 days during 1978 to 1985. Phase II training of 6 days was completed by 234 out of 384 functionaries invited during October 1982 to May 1985. The Directorate had no information regarding the number of functionaries to be trained, actually trained and working in the field and balance to be trained.

3.2.2.6 *Production and supply of teaching and learning materials.*—

3.2.2.6.1 The SRC was entrusted with the preparation of teaching and learning materials such as boards, charts, etc. It was seen in Audit that most of the districts did not place orders with the SRC; only 6 districts in 1982-83, 10 in 1983-84 and 8 in 1984-85 purchased from SRC. The delay in supply of materials by SRC ranged from 3 to 16 months;

the delay was attributed by the SRC to non-receipt of demand drafts with supply orders and non-availability of certain materials at the time of receipt of order.

3.2.2.6.2 The State Government established in February 1978 the State Institute of Adult Education (SIAE), at Aurangabad which was entrusted with the preparation of teaching and learning materials such as production of boards, charts, etc. The details regarding orders placed, orders executed, etc., with/by the SIAE were not available with the Directorate. The records in the Directorate indicated delays ranging from 6 to 16 months in the receipt of materials by DAEOs from SIAE. In Chandrapur the books could not be distributed by the DAEO during 1982-83 due to nearly one year's delay in supply of materials ordered in February 1982. An order for Rs. 15,700 placed by DAEO, Kolhapur in September 1982 had not been fully executed even by 1985. Similarly orders placed by DAEOs, Sangli and Solapur in 1983-84 had not been executed. None of the orders placed by the DAEOs in 1984-85 had been executed (August 1985).

3.2.2.6.3 (i) Whereas the materials were not at all supplied to one centre, the quantity supplied was less than 30 in 64 centres. There were delays ranging from one to seven months, reckoned from the beginning of the course, in the supply of materials to the participants.

(ii) Comparison of the position of stock shown as issued in the central stock register maintained by the Directorate with that of the Supervisor's material issue register to the centres indicated that balance of 637 slates, 8,196 books, 1,040 note books and 1,542 pencils in stock. However, the District Adult Education Officer stated that there were no such balances, the differences being due to non-entering of the issues in the material issue register. The differences had not been reconciled (July 1985). Flannel panel boards numbering 150 purchased for Rs. 4,500 were not at all issued and 270 out of 300 primers had also not been issued (July 1985).

3.2.2.6.4 Despite the establishment of SIAE and SRC for production of teaching and learning materials, books, charts, etc., were purchased from private publishers at the instructions of Government/Directorate on the grounds that they are more useful to the functionaries. According to information received by Audit from 13 districts purchases of charts

and books from private publishers amounted to Rs. 18.85 lakhs during 1979-85. Before making these purchases, enquiries were not made either with SRC or SIAE whether similar materials could be prepared and supplied by them at cheaper rates.

3.2.2.7 *Supervision.*—A supervisor who is in charge of 30 centres is required to visit each centre at least once during a month to ensure satisfactory running of the centres. In none of the centres test-checked the visit had been made according to these requirements.

(a) *Bombay.*—For supervision of 300 centres started in March 1984, two supervisors were appointed in March 1984, three in June 1984, three in July 1984 and two in October 1984. As a result many of the centres remained unsupervised during most of the period and bulk of the supervisions had to be done in 3 months of October to December 1984. The visit reports indicated that during most of the months the supervisors had not conducted the required 30 supervisions, the actual numbers ranging from 1 to 18. Though the DAEO stated in May 1985 that the number of visits as per diaries received from the Supervisors were more than what the visit reports indicated, the diaries were not made available for scrutiny by Audit.

(b) The position in Ahmadnagar, Nanded, Pune and Thane was as under :

District	Year	No. of centres	No. inspected	Shortfall	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
Ahmadnagar	.. 1981-82	2400	2008	392	Reportedly due to vacancies, disinterestedness and inaccessibility.
	1982-83	2700	1931	769	
	1983-84	3400	2325	1075	
	1984-85	3000	2434	566	
Pune ..	.. 1983-84	900	782	118	Do.
	1984-85	900	741	159	

Nanded }
Thane } .. Information not furnished.

3.2.3 *Adult Education through Voluntary Agencies*

3.2.3.1 The Government of India formulated a scheme in July 1979 for payment of grants to Voluntary Agencies for running adult education centres and to take up post-literacy activities. The scheme was suspended by the Government of India during April 1980 to March 1982. The assistance admissible is 100 per cent of project cost according to scale laid down and 75 per cent of administrative cost payable in 2 instalments. The first instalment was released on sanction and the second after receiving satisfactory report from State Government about utilisation of 75 per cent grant released in first instalment.

Of 507 agencies (343 upto March 1980 and 164 during 1982-85) recommended by the State Government 273 agencies were sanctioned by Government of India during 1978-79 to 1984-85 and 7,594 centres with enrolment of 2.26 lakhs persons (male : 1.41 lakhs; female : 0.85 lakh) were opened by these agencies. Government of India had released Rs. 74.46 lakhs direct to the voluntary agencies till October 1984, under the scheme.

3.2.3.2 From information received from 6 districts it was seen that 137 out of 300 centres run by 9 VAs in 6 districts during 1979-80 to 1984-85 were closed prematurely after functioning for periods ranging from 1 to 8 months for reasons such as irregular attendance, poor response, absence of instructors, etc. Information from other districts is awaited (December 1985).

3.2.3.3 An agency in Andheri, Bombay was paid Rs. 37,000 as first instalment in December 1983 for starting 30 centres. According to the reports of the DAEO, who inspected 12 centres during March 1984 and November 1984, the working of the centres was not satisfactory in as much as the enrolment in one centre was only 15 against the minimum of 30, average attendance in 2 centres was only 7 to 8, 3 centres were closed, 3 centres were not started, 3 centres stated to have been opened were not functioning, the supervisors were untrained and the supply

of materials was inadequate. Nevertheless, the Directorate recommended to the Government of India in August 1984, payment of the second instalment of Rs. 13,655 to the agency. Besides, the agency was also sanctioned in December 1984, Rs. 20,950 for the starting of post-literacy follow up programmes. The DAEO stated in April 1985 that no explanation could be given as the matter regarding grant to the agency was directly taken up by the Directorate with Government of India. The Directorate stated in May 1986 that the release of second instalment was made on the recommendations of the DAEOs. However, in respect of 9 centres visited by the DAEO, Bombay in October 1984 the working was reported to be unsatisfactory. Information regarding the working of the remaining 18 centres called for from the Directorate in October 1985 is awaited (December 1985).

3.2.3.4 The Directorate reported to Government of India in January 1984 that the agency at Parbhani to which Rs. 25,000 were paid in March 1983 for running 30 centres, was not conducting the project properly. According to the report of the DAEO (i) only one roll-up board was supplied to centres but no chalk sticks were provided, (ii) instead of slates a maximum of ten tin plates painted with black paint were supplied to each centre on which one could hardly write, (iii) though receipts showed that honorarium as also kerosene charges were disbursed, actually only one month's honorarium was disbursed and that also to some instructors, and (iv) neither text books or exercise books were distributed nor records were maintained properly. The report of the Directorate on investigations of the irregularities ordered by Government in December 1984 is awaited (December 1985). In Nanded and Chandrapur the VAS did not pay honorarium to 21 out of 30 instructors. Recovery of Rs. 18,000 out of Rs. 25,000 paid as grant to one agency in Chandrapur in March 1979, ordered by Government of India in July 1982 is awaited (December 1985).

3.2.4 *Shramik Vidyapeeth (Vidyapeeth)*

3.2.4.1 The main objective of the Vidyapeeth was to provide educational training for enabling workers and their families to improve their

functional capabilities and at the same time enriching their personal lives. This being a Central scheme, funds are provided by the Government of India. The funds provided and utilised by the 3 Shramik Vidyapeeths in the State were as under:

Serial No.	Name of Vidyapeeth	(2)	Year	Central assistance			Remarks ⁽¹⁾
				Received	Expenditure	Balance unutilised	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
				(in lakhs of rupees)			
1	Bombay (Dharavi)	..	1984-85	3.18	3.18	.....	.....
2	Bombay (Worli)	..	1978-85	29.63	41.81	.....	Excess expenditure was met from grants received from Bombay Municipal Corporation, reimbursement from organisations and course fees from participants.
3	Nagpur	..	1978-85	12.79	11.97	0.82	Unutilised assistance was due to non-conducting of technical courses and receipt of grants at the end of March 1985.

3.2.4.2 *Adult Literacy Classes.*—According to instructions issued by Government of India each Vidyapeeth is to take up a project of 30 AECs

to be run for a period of 4 months. The details of centres opened, enrolment, etc., are as under :

Year	No. of centres opened	Intake capacity at 20 per centre	Enrolment		Average attendance per month	Expenditure incurred
			Male	Female		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
						Rs.
1978-79	.. 27	540	240	300	65	4,808
1979-80	.. 6	120	56	74	64	1,702
1980-81	.. 3	60	60	..	14	1,100
1981-82	.. 3	60	60	..	13	1,100
1982-83	.. 3	60	60	..	15	1,100
1983-84	.. 3	60	60	..	15	720
1984-85	.. 2	40	..	39	51	1,800

The Vidyapeeth at Worli-Bombay did not start adult education centres as according to the Vidyapeeth (May 1985) it was not in a position to take additional burden of 30, thereby hampering their present work of conducting skill oriented courses in adult education with the available staff. The Vidyapeeth had planned to conduct 2902 skill oriented courses with enrolment of 47,680 participants during 1979-85. Against this, 1961 courses with enrolment of 30,117 were conducted and of these 27,309 participants were actually trained. The Vidyapeeth attributed (May 1985) the shortfall to (i) fixing of high goals (targets) with the intention of improving the working of the Vidyapeeth; and (ii) limited grants with the ceiling of Rs. 5 lakhs a year given by Government of India.

3.2.4.3 Follow-up action was required to be taken in respect of the participants who had completed the course successfully to ascertain the placement of workers in their respective fields. The Vidyapeeth at Nagpur stated in May 1985 that it was not having additional trained staff and vehicle to take a survey of successful trained participants. A random survey was taken but no specific data on the results of the survey

were available with the Vidyapeeth. The Vidyapeeth at Worli-Bombay issued follow up sheets (about 100) every month to the participants who completed the course but according to the Vidyapeeth (May 1985) the response was poor.

3.2.5 *Post-Literacy and Follow-up programme*

3.2.5.1 Under the Post-Literacy Programme initiated by the Government of India in 1982 to prevent the adult literates from lapsing into illiteracy the State Government decided to open one project library and 65 village libraries for each of the 100 centres under the Central projects. The Central assistance admissible was one time non-recurring expenditure of Rs. 24,500 and recurring expenditure of Rs 51,200 per annum for the 66 libraries. To end of March 1985 Central assistance received was Rs. 33.75 lakhs against which assistance utilised was Rs. 28.42 lakhs.

One thousand and forty libraries were opened during December 1982 and January 1983 to cover 16 districts in which RFLP was operated in 1979-80. Additional 1,105 and 390 libraries sanctioned by Government of India in September 1983 and January 1985 respectively to cover those who had completed the programme upto 1983-84 in 23 RFLP districts were opened only in March 1985 though Government of India had released Rs. 12.87 lakhs for 1,105 libraries in September 1983. Against 16,562 libraries required to cover 25,480 centres at the norm of 65 libraries for 100 centres, the actual number opened was only 2,535 reportedly due to limitation placed on expenditure.

3.2.5.2 The State Government also opened in all 2,465 libraries under SAEP upto end of March 1985 at the rate of 85 libraries in each district.

Some of the points noticed during test-check are mentioned below :

(i) For a project library, 2,000 books at Rs. 2 each were to be purchased in the first year and Rs. 2,000 were to be provided for their replacement, purchase of periodicals, etc., in the subsequent years. In Kolhapur project library, of 761 books purchased to end of March 1985 cost of 16 books ranged from Rs. 16 to Rs. 75 each whereas in Thane district, of 810 books purchased, 76 books cost from Rs. 10

to Rs. 60. For a new project library set up in March 1985 in Thane 97 books costing from Rs. 10 to Rs. 100 were purchased. Moreover, these included such books which cannot be used by adult literates (neo-literates).

(ii) In Kolhapur 111 books issued from project library to members of staff and supervisors during January to November 1983 were not taken back (April 1985). In Thane 144 books were issued to the staff and supervisors of which 15 books issued between January 1983 and May 1984 were not taken back. No books had been issued to neo-literates. Thus, the libraries were actually being used as reference libraries for staff and supervisors though separate facilities are available for this purpose with the DAEO.

(iii) Periodical physical verification of the books with the project level libraries at Pune, Kolhapur and Thane were not conducted at all (April 1985).

(iv) Though the APO was to ensure the proper functioning and evaluation of the project level and village libraries according to the DAEO, Thane (June 1985) no norms had been fixed for visits. The APO Thane had not made any visits to the libraries.

3.2.6 *Women's Adult Education Programme*

3.2.6.1 Special emphasis under AEP is laid on women's education. According to the 1981 census reports the literacy among women in the State was 34.79 per cent as compared to 47.18 per cent among men. In the operational plan drawn out for the period 1982-83 to 1989-90 the annual targets for enrolment of women were fixed at 1.64 lakhs during 1982-83, 8.10 lakhs each year during 1983-84 to 1986-87 and 7.98 lakhs during 1987-88 to 1989-90 so as to cover the estimated adult illiterate women population of 57.98 lakhs by 1990. Against the targeted coverage of 17.84 lakhs adult women during 1982-83 to 1984-85 the actual coverage was 6.27 lakhs leaving a backlog of 11.57 lakhs at the end of 1984-85 (see table below paragraph 3.2.2.1). If an average of 2 lakhs adult women are enrolled each year (based on past experience) over the remaining period upto 1990 additional 10 lakhs would be covered leaving a large gap of about 42 lakhs out of 57.98 lakhs women

uncovered even without taking into account the increase in population as disclosed by 1981 census as stated in paragraph 3.2.2.2.

The number of centres opened in the State exclusively for women was 4,220 in 1980-81, 4,238 in 1981-82, 4,575 in 1982-83 and 7,346 in 1983-84. According to the Directorate (May 1985) there is a saturation point as far as adult women's education is concerned, beyond which many difficulties surface. From the replies received from some of the DAEOs, the main problems faced in the coverage of women were (i) non-availability of women instructors especially Scheduled Castes/Scheduled Tribes in rural areas, (ii) social and cultural hurdles in the way of women's education and (iii) pivotal role of women in rural areas as an earning member as well as in running the household.

3.2.6.2 *Awards*.—Under the scheme of incentive grant for promotion of adult female literacy, Government of India released in March 1984 awards of Rs. 35 lakhs to Maharashtra for the year 1983-84 which comprised award of Rs. 7 lakhs at Rs. 5,000 per centre for 140 centres, award of Rs. 3 lakhs for 1 district and State award of Rs. 25 lakhs. The centres are to utilise the awards for purchasing sewing machines, knitting machines, looms, etc. The award for the district has to be utilised for providing a mobile van for multipurpose use, one projector and educational and recreational films. The State award is to be used for constructing a hostel-cum-training institute for imparting training to the women adult education functionaries, etc. As the award could not be utilised in 1983-84 due to late receipt, Government of India permitted in October 1984 to carry forward the unutilised balance of the award to be utilised in 1984-85. Though the winning centres (5 in each district) and district have been selected, the awards have not been disbursed and the manner in which the utilisation would be watched formulated.

3.2.7 *University Grants Commission*

3.2.7.1 The AEP was taken up by the 6 Universities in the State (5 from 1978-79 and 1 from 1984-85) through affiliated colleges. One hundred per cent grant was paid by the University Grants Commission (UGC) through the Department of Continuing and Adult Education and Extension (CAEE) of the University (upto September 1983 grant was directly released to the colleges). The details of grants released from

1978-79 to 1984-85 and expenditure incurred by 5 Universities from which information is received were as under :

Name of University	Grants received (June-October 1985)	Expenditure incurred	Expenditure incurred in excess
(1)	(2)	(3)	(4)
		(in lakhs of rupees)	
Bombay	9.55	13.13	3.58
Pune	17.69	42.44	24.75
Nagpur	9.15	10.23	1.08
Shivaji	0.65	1.75	1.10
Smt. Nathibai Damodar Thakarsey (SNDT)	1.36	4.72	3.36
Total ..	38.40	72.27	33.87

As the programme is 100 per cent aided the full amount of grants claimed to end of 1984-85 has not been reimbursed by the UGC to the extent of Rs. 33.87 lakhs (January 1986). The Nagpur and Pune Universities stated that the late receipt/non-receipt of grants resulted in non-payment of honorarium to instructors in time and affected the involvement of colleges under the programme.

3.2.7.2 The targets and achievements under the programme were as under :

Year	Number of Universities	Colleges	Number of Centres		Enrolment	
			Targets	Achievements	Targets	Achievements
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1979-80	.. 4	102	1,180	957	34,260	27,135
1980-81	.. 4	107	1,180	788	33,720	22,652
1981-82	.. 4	99	1,150	593	32,490	17,266
1982-83	.. 4	117	1,067	475	31,650	11,322
1983-84	.. 5	104	1,400	760	41,580	16,209
1984-85	.. 5	146	2,249	1,683	69,040	45,236

Information from Marathwada University is awaited (October 1985).

In the case of Bombay, Pune and SNDT Universities from which information is received in Audit the number of centres opened against target approved by the UGC were as under :

Year	Bombay		Pune		SNDT	
	Targeted	Opened	Targeted	Opened	Targeted	Opened
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1979-80 ..	60	68	460	430	90	44
1980-81 ..	120	91	460	313	100	73
1981-82 ..	120	95	460	380	90	28
1982-83 ..	100	68	460	380	27	27
1983-84 ..	200	196	785	499	45	35
1984-85 ..	300	324	932	773	190	195

The shortfall was generally attributed to lack of response from learners. The CAEE, Pune stated in December 1985 that the main reasons for shortfalls are delay in release of grants and lack of incentives for students and teachers who participated in the programme. Results of test-check of records of Nagpur and Pune Universities are given in the following paragraphs.

(a) In Nagpur out of 60 centres sanctioned for 1984-85 only 21 were opened reportedly due to poor response of learners. In Pune only 5 out of 10 centres were started by one college during 1984-85 due to non-receipt of grants.

(b) Against the average strength of 30 in each class the attendance was less than 20 in 58 out of 245 centres in Nagpur during 1979-80 to 1984-85, the corresponding position was 260 out of 660 centres in Pune.

(c) The training programme in Adult Education for Professors, Instructors and Supervisors conducted by the Pune and Nagpur Universities was as under :

Year	Drafted for training		Training completed	
	Pune	Nagpur	Pune	Nagpur
1979-80 ..	518	581	503	376
1980-81 ..	434	293	422	201
1981-82 ..	434	58	422	27
1982-83 ..	434	Nil	413	Nil
1983-84 ..	834	Nil	688	Nil
1984-85 ..	1,036	256	890	174

The Nagpur University stated in July 1985 that as the grants were not received in time the training programme could not be organised during 1982-84.

(d) The post-literacy and follow-up programme was not implemented by any of the Universities on the ground that guidelines had not been issued by UGC.

3.2.8 *Monitoring and evaluation*

3.2.8.1 The Directorate had 2 inspection units each consisting of 1 Assistant Director, 2 Social Education Officers and 2 Assistant Educational Inspectors for undertaking inspection of the centres. Each officer in the unit was to undertake tour within his region for at least 10 days in a month. Though according to the Directorate (July 1981) the units were to function from July 1981, the inspection programmes were framed from February 1982. During the period of 36 months from February 1982 to January 1985 tour programmes were prepared for 12 months during which period against 161 visits programmed, only 15 visits were actually conducted. Thus, the inspections were meagre and hence largely ineffective. The Directorate stated (November 1985) that the programme could not be covered due to shortage of staff.

3.2.8.2 According to the instructions issued in October 1983 by the Directorate, the DAEO has to evaluate 5 per cent of the AECs under him and send his reports to the Directorate. Information received from 22 districts indicated that evaluation had not been undertaken in Jalna, Pune and Thane during 1983-84 and 1984-85 and Beed and Kolhapur during 1984-85. In Kolhapur, during 1983-84, only 16 out of 540 centres were evaluated, whereas, in Satara the DAEO stated in May 1983 that information regarding evaluation was not available. Information from 8 Districts is awaited (December 1985). The DAEO, Aurangabad stated in October 1985 that the shortcomings noticed were irregular and poor attendance of the neo-literates at the time of harvest, marriage ceremonies and migration during scarcity. He added that the neo-literates were able to read but speed in writing was poor.

3.2.8.3 Evaluation studies conducted by Tata Institute of Social Sciences in 1981 and 1982 broadly brought out on the basis of a sample survey (i) inadequate representation of women (46 per cent against 63

per cent women adult illiterates), (ii) location of majority (52 per cent) of the centres in non-SC/ST localities, (iii) inconvenient and unsuitable accommodation (36 per cent), (iv) difficulty in getting 30 learners to start the centre (37 per cent), (v) manipulation of attendance registers (15 out of 296 AECs), (vi) premature closure (8 per cent), (vii) delay in supply of learning and teaching materials and (viii) ignorance of instructors about aim of Adult Education Programme, lack of awareness about the contents to be taught and non-availability of proper teaching materials.

3.2.9 *Summing up* : Under the Adult Education Programme the aim was to cover all the adult population in the 15-35 year age group by 1990. Based on the actual coverage of about 3.5 lakhs each year and the growth of population as per 1981 census report there would be a wide gap of about 97 lakhs in the achievements by 1990. Enrolment against targets was only 32 per cent in 1983-84 to 42 per cent in 1984-85. Though dropouts are reported to be only about 6 per cent, in many centres more than one third of the persons on an average did not attend the classes. The Directorate had no information regarding the number of functionaries who had received training under the programme. There were delays in supply of teaching and learning materials by SIAE to centres. Though SRC and SIAE were entrusted with production of books and charts, these materials were purchased from private publishers at the instance of Directorate/Government. Monthly supervision of centres was not conducted due to late appointment of supervisors and not undertaking supervision. There were instances of non-payment of honorarium to instructors, non-distribution of learning materials, etc. One agency was given the second instalment and also financial assistance for follow up programme though its working was not satisfactory. Inspection of centres conducted by the inspection units of the Directorate was inadequate. There was also shortfall in the evaluation of the centres by the DAEO. The amount of awards received under the scheme of incentive grant for promotion of adult women's literacy has not so far been distributed. The implementation of the programme by the Universities was adversely affected due to delayed receipt of grants from UGC.

The matter was referred to Government in August 1985; reply is awaited (August 1986).

EDUCATION AND EMPLOYMENT DEPARTMENT

3.3 Employment Exchanges

The Employment Exchanges came into existence in July 1945 with a view to rehabilitating the Army Personnel demobilised during the Second World War. Consequent on partition of the country in 1947, the Exchanges were entrusted with the resettlement of a large number of displaced persons. In early 1948, the Exchanges were thrown open to all categories of job seekers.

Employment services through Employment Exchanges is a joint concern of the Central and State Governments. The Central Government was to establish employment services in consultation with the State, co-ordinate the work in the State, plan and formulate programmes for expansion, development, etc. The State Governments were to exercise full control over Employment Exchanges, carry out inspection, collect/compile/analyse/interpret statistical and employment market data, organise vacancy and labour clearing at the State level and co-ordinate with the Central machinery. The Government of India enacted the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 (Act) under which all vacancies barring those which are filled by Public Service Commissions are to be notified to the Employment Exchanges.

The main services rendered are employment assistance through registration and placement, collection of employment market information, coaching-cum-guidance centres, implementation of State's employment promotion programme, financial assistance to educated unemployed and self-employment programme.

3.3.1 *Organisational set-up.*—The organisation is headed by the Director of Employment (Directorate) who is assisted by 4 Deputy Directors at Divisional Headquarters at Aurangabad, Nagpur, New Bombay and Pune. As at the end of December 1984, the employment services were rendered in the State through 33 regular Employment Exchanges (EE), 2 Exchanges exclusively for technically qualified personnel, 1 each for physically handicapped persons and collieries and 5 University Employment Information and Guidance Bureaus (UEIGB).

3.3.2 *Finance*: The provision and expenditure under the scheme for the five years ending 1984-85 are as under:

Year	Direction and Administration		Employment Exchanges		Employment Survey and Statistics		Total	
	Provi- sion (2)	Expend- iture (3)	Provi- sion (4)	Expend- iture (5)	Provi- sion (6)	Expend- iture (7)	Provi- sion (8)	Expend- iture (9)
	(in lakhs of rupees)							
1980-81	14.04	14.18	75.73	72.22	161.41	198.38	251.18	284.78
1981-82	17.54	16.55	82.46	82.64	259.19	234.41	359.19	333.60
1982-83	17.32	17.78	93.92	94.88	265.50	275.22	376.74	387.88
1983-84	18.52	18.57	105.91	106.60	289.79	258.64	414.22	383.81
1984-85	22.18	19.72	114.08	90.32	315.73	46.68	451.99	156.72

The above expenditure includes Rs. 12.23 lakhs paid during September 1979 to January 1982 as contribution towards share capital.

3.3.3 *Scope of review*.— A review of the working of Employment Exchanges in the State was conducted during April to June 1985 by test-check of the records of the Administrative Department, Directorate of Employment, 3 Deputy Directorates, 10 Employment Exchanges and 2 University Employment Information and Guidance Bureaus. The points noticed are indicated in the succeeding paragraphs.

3.3.4 *Performance by Employment Exchanges*.—According to the procedure laid down, registration of job seekers with Employment Exchanges and renewals of registration each year were the prerequisites for obtaining placement through E.Es. Failure to renew within the prescribed limit entailed lapsing of registration. The process of registration and renewals of job seekers included recording of their detailed particulars of qualification, etc., in the prescribed registers and cards simultaneously. The particulars of vacancies notified by each employer as per provisions of the Act, were to be recorded by the Exchange in a vacancy order register and a vacancy order card. Submission of registrants against a notified vacancy was required to be effected strictly in order of seniority in the ratio of 1:10 (revised to 1:20 from January 1984). The Employment Exchange offices were to pursue the sponsored cases regularly till feed back regarding

placement/cancellation of vacancy is received and the same is noted in the register and card.

The table below indicates the year-wise position of registration, renewal, vacancy notification, submission, placement and live register strength of the State during 1980 to 1984 :

Year	Registration	Vacancies notified	Submission	Placement	Live registration strength at the end of the year	Percentage of placement with reference to vacancies	Percentage of placement with reference to Live Register
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(number in lakhs)							
1980	5.76	1.45	5.17	0.39	12.32	27	3
1981	6.65	1.63	6.26	0.44	13.94	27	4
1982	6.09	1.78	6.08	0.40	15.53	22	3
1983	6.19	1.87	5.83	0.43	17.28	23	3
1984	7.03	1.90	5.20	0.42	21.00	22	2

3.3.5 *Registration.*—The number of persons in the live register at the end of 1984 was 21 lakhs registering an increase of 8 per cent over a period of five years. This included 12 lakhs educated unemployed which registered an increase of 82 per cent over the position in 1980. Of the total, 7.53 lakhs (educated : 3.49 lakhs; uneducated : 4.04 lakhs) belonged to SC/ST and other backward classes (OBC). The educated unemployed in the live register among SC and ST and OBC registered an increase of 77 per cent in the 5 years since 1980.

Test-check of records revealed that the Exchanges generally did not follow the prescribed procedure for maintenance of records with the result the statistical information showed an incorrect position. In the 2 Exchanges in Bombay simultaneous noting in the registration register and index card was not done, except for noting the number in the register, reportedly due to inadequate staff. The noting regarding lapsing, transfer, etc., was also not taken in the register promptly and regularly, as a result the figures reported cannot be vouchsafed.

As a candidate can get himself registered under different categories of employment depending upon his qualification and experience, dummy cards are required to be opened with a view not to inflate the number in the live register. In Bombay during 1984, such dummy cards were also added to the live register thus inflating the figure in the live register to the extent of 1.38 lakhs.

3.3.6 *Renewal.*—(a) Though renewal of registration is noted in the identity cards produced by the candidate a note of the same is simultaneously not taken in the index cards as well as renewal registers. Thus, records of the Exchanges do not depict a true position of the number of renewals and number in the live register.

(b) In none of the 12 Exchanges test-checked, the register of non-traceable cards was maintained. In six Units the renewal work was heavily in arrears and the number of renewals not noted in the index cards shot up from 0.73 lakh (43 per cent) at the end of 1980 to 1.95 lakhs (62 per cent) at the end of 1984.

(c) Cards which are not renewed within the prescribed time and cards of those who are placed in employment are to be transferred to a dead register. In none of the Exchanges test-checked the register of dead cards was maintained. Information furnished by ten Exchanges revealed that the actual number of cards purged out was much less than the number of cards due for purging while in some Exchanges the actual number purged exceeded the number due indicating that the information furnished was not reliable. The Exchanges stated in June 1985 that the prescribed procedure could not be followed due to inadequate staff.

3.3.7 *Mobile Units.*—With a view to render employment services such as registration, renewals, etc., at the doorsteps of the applicants in remote areas ten mobile units were set up by 1982-83. In respect of 3 out of 5 units test-checked, the work was confined to registration only and other employment services such as renewals, employment information, etc., were not rendered thus defeating the very purpose of setting up the mobile units. Expenditure incurred during 1980-81 to 1984-85 was Rs.13.41 lakhs.

3.3.8 *Placement.*—Test-check of the registers of Sub-Regional Employment Exchange (SREE), Aurangabad and Regional Employment

Exchange (REE), Bombay revealed that in several cases the number of submissions made, number of vacancies filled and action taken regarding unfilled vacancies were not indicated. The number of vacancies specified by the employers was also not noted in the column. There were instances where the cards were closed and not pursued though there were vacancies notified by the employers. All this indicated that there was no adequate follow up action, resulting in number of vacancies being unfilled.

To ensure fairness in selection of candidates for notified vacancies, a note indicating the basis adopted for selection such as "matriculates and above with a typing speed of at least 40 words per minute considered", "all graduates mathematics/statistics with minimum experience considered" is required to be entered in the relevant document. Such details are not generally recorded.

The position of vacancies notified, submissions made, placements received, vacancies cancelled and number of vacancies outstanding for a period of five years ending 1984 in respect of 10 Exchanges test-checked are as under :

Year	Vacancies notified including outstandings from previous year	Submissions made	Placements received with percentage to vacancy in bracket	Vacancies cancelled with percentage to vacancies in bracket	Vacancies outstanding with percentage to vacancies in bracket
(1)	(2)	(3)	(4)	(5)	(6)
(number in lakhs)					
1980	.. 0.66	1.90	0.16 (25)	0.11 (16)	0.39 (59)
1981	.. 0.82	2.59	0.19 (24)	0.08 (10)	0.54 (66)
1982	.. 0.90	2.61	0.16 (17)	0.14 (15)	0.61 (68)
1983	.. 1.00	2.31	0.17 (17)	0.17 (17)	0.67 (67)
1984	.. 1.03	1.77	0.15 (15)	0.24 (27)	0.60 (58)

The Directorate attributed (August 1985) low placement to (i) existence of parallel agencies of recruitment like Social Welfare Department for backward class candidates, Zilla Sainik Board for *ex*-servicemen, wait listed candidates with Collectors, Staff Selection Board in the State/Central Government, etc., and (ii) non-filling of vacancies notified by private employers through Employment Exchanges. In these Exchanges 59 to 67 per cent of the vacancies notified were outstanding. Failure to pursue these vacancies was attributed by the Exchanges to inadequate staff.

Spot submissions from among suitable candidates present at a particular time in the Exchange premises can be made when for valid reasons there is no time to call candidates from the live register. Written order of the senior most officer in post is required to be obtained and full justification for submission has to be recorded for resorting to this procedure. The Sub-Regional Employment Officer, Thane stated in April 1985 that records of spot submissions made prior to 1984-85 had not been maintained. In 4 cases (No. of vacancies: 37) submitted during January-March 1985 neither details nor justification were recorded nor were orders of the head of the office obtained.

3.3.9 *Cancellation of vacancies.*—The cancellation of notified vacancies was on the increase and it rose from 10 per cent in 1981 to 27 per cent in 1984. In most of the cases, the reasons for cancellation of vacancies had not been recorded.

In Aurangabad Exchange, 400 vacancies in 1984 and 107 vacancies in 1985 had to be cancelled due to non-submission.

In the 2 UEIG Bureaus test-checked, over 100 graduates/post-graduates in Medicine and Engineering could not secure placement inspite of sponsoring them repeatedly. Two doctors who could not secure placement for over 3 years were recommended (1984-85) for financial assistance (Rs. 100 per month) under the scheme, without inquiring into the reasons for rejection of these candidates.

3.3.10 *Employment Market Information (EMI).*—Employment Market Information (EMI) units attached to 30 Employment Exchanges are required to assess the manpower requirements, collect information about employment in private and public sectors and administer the provisions

of the Act. Under the Act, all establishments under public and private sectors employing 25 persons or more were to furnish to the concerned Employment Exchanges quarterly and biennial returns showing quarterly position about the total number of persons on the pay roll and number of vacancies occurred and notified and biennial position about occupational classification of all employees of respective establishments. The Director of Employment has access to records and documents of employers to ensure that they fulfill their obligations under the Act and also has the power to sanction prosecution in the case of defaulters. Instructions issued by Government of India also provide for regular inspection of establishments by enforcement officers. In all 9 EMI units were set up during 1977-78 to 1981-82 to enforce implementation of the Act. The growth of establishments and employment in both Public and Private Sector Organisations employing 25 persons or more during 1980 to 1984 was as under:

	Position as at the end of 31st March				
	1980	1981	1982	1983	1984
(1) Public Sector—					
(a) Number of establishments	6,129	6,684	7,377	7,865	8,108
(b) Employment (Number in lakhs)	25.01	19.21	19.50	19.86	20.40
(2) Private Sector—					
(a) Number of establishments	6,531	6,446	6,683	6,978	7,063
(b) Employment (Number in lakhs)	12.39	12.91	13.40	12.99	12.95

Though the number of establishments under Public Sector increased from 6,129 as at end of March 1980 to 8,108 at the end of March 1984 the total employment decreased from 25.01 lakhs to 20.40 lakhs. The Employment Review reports for the years 1979-80 to 1981-82 attributed the fall to exclusion of daily rated workers covered under Employment Guarantee Schemes from the total employment figures. Employment in the private sector also decreased from 13.40 lakhs at the end of March 1982 to 12.95 lakhs at the end of March 1984.

According to information furnished by the Directorate, the default in submission of quarterly returns of vacancies/employment ranged from 12 to 22 per cent in the case of Public Sector establishments and 17 to 25 per cent in the case of private sector establishments during 1980 to 1984. The number of defaulting establishments was on an average 2,557 in 1980, 2,848 in 1981, 3,281 in 1982, 4,217 in 1983 and 4,641 in 1984. Out of 6 Exchanges (Aurangabad, Bombay, Nagpur, Nashik, Thane and Pune) test-checked, in four Exchanges no prosecution proceedings were instituted against any of the defaulting establishments except for issue of show cause notices. In Aurangabad, prosecution proceedings were instituted, against 40 out of 205 defaulting establishments upto January 1986. The department stated that more emphasis was being given on education and persuasive measures.

Though all establishments are required to be covered by inspection in a period of 2 years the number of establishments inspected was negligible as could be seen from the following position in respect of 5 out of 6 Exchanges (except Nagpur) test-checked:—

Year	Number of establishments		Percentage of shortfall in inspection
	To be covered as per the norm	Inspected	
1980-81	6,807	18	99.74
1981-82	6,807	23	99.66
1982-83	7,010	136	98.06
1983-84	7,178	150	97.91
1984-85	7,179	151	97.90

In June 1982 the Director of Employment had observed, on a review of the functioning of the Exchanges, that the enforcement function was unsatisfactory as the officers and staff sanctioned for enforcement were being utilised for other Exchange activities not connected with the enforcement of the Act.

Continuous programme of street surveys as required under the provisions of National Employment Service Manual to make the employers registers comprehensive and to cover small establishments under Employment Market Information was never conducted by any of the Exchanges.

3.3.11 *Coaching-cum-guidance centres.*—In order to meet the needs of SC/ST applicants in matters of career planning and to enhance their employability through group and individual guidance programmes coaching-cum-guidance centres were established at selected places in Amravati (Dharni), Pune (Shinoli) and Thane (Jawahar) districts in September 1978. The centres were to organise training courses each of 3 months duration for imparting training to 140 persons in a year in each centre. Monthly stipend at Rs. 100 to those who had passed SSC and Rs. 150 to Graduates was admissible. Expenditure incurred on the 3 centres was Rs. 2.74 lakhs during 1978-79 to 1981-82. No training was imparted during 1978-79. Against the capacity to train 420 persons each year 91 candidates were trained in 7 training courses (Jawahar: 3, Dharni: 4) during 1979-80 and 158 candidates were trained during 1980-81 in 4 courses (Jawahar: 1, Dharni: 1, Shinoli: 2). Shinoli centre did not conduct any course during 1978-79 and 1979-80, though expenditure of Rs. 0.11 lakh and Rs. 0.21 lakh respectively during these years was incurred on staff salaries and other contingencies. According to information furnished by the Directorate of Employment in April 1985, of the 249 persons trained only 28 persons could be placed in employment. The centres were closed from April 1981 because (i) they were started without clear idea as to the kind of training and coaching needed by adivasis, (ii) non-availability of faculty due to remoteness of the areas and (iii) low percentage of SSC passed candidates.

Under a modified scheme introduced in January 1985, 3 centres started functioning (January 1985) at Kalwan (Nashik), Raver (Jalgaon) and Achlapur (Amravati).

3.3.12 *Special Services*

3.3.12.1 *Special Employment Exchange for physically handicapped.*—(i) Apart from normal facilities available to physically handicapped persons at all the Exchanges, the State had set up at Bombay a Special Exchange to render services exclusively to handicapped. Besides, 13 Special units were attached to regular Exchanges to cater to their needs.

During 1980 to 1984, in all 4,499 job seekers were registered at the Special Exchange, while the number of job seekers waiting as per the live register ranged from 701 at the end of 1980 to 1,274 at the end of 1984. The number of placements during the said period was 1,789.

The placement of handicapped job seekers for all the Exchanges ranged from 8 to 11 per cent of the live register during 1980-84 except when it was 22 per cent during 1981 which was declared as the International Year of the Disabled.

(ii) Government of India orders of 1960 stipulated that the physically handicapped persons handled by Special Exchanges should be examined by a Medical Board for ascertaining the degree of disability and functional capacity and only such persons who in the opinion of the Board would be able to perform the duties of a particular post should be recommended for appointment to that post. Test-check of 50 index cards in the Special Exchange indicated that the opinion of the Board had not been obtained and recorded in 11 cards (22 per cent). The Employment Officers are required to ensure that all job seekers on live register who had not secured placement are referred to Vocational Rehabilitation Centre (VRC), Bombay for evaluation and giving them adjustment training. On a test-check of the Special Exchange it was noticed that none of the 50 physically handicapped persons registered between 1978 and 1983, could secure placement as on May 1985 inspite of 5 to 32 submissions referred to the VRC for re-evaluation and training.

3.3.12.2 *Special facilities for Backward classes.*—(i) During the period 1980 to 1984 as many as 11.63 lakh Backward class candidates were registered in all the Exchanges of which only 0.97 lakh were placed in jobs. There were 7.53 lakhs in the waiting list as per the live register at the end of 1984 and percentage of placement to live register ranged between 3 and 4.

(ii) Apart from normal facilities available to Backward class candidates, in various Employment Exchanges, special cells were attached to the Exchanges between September 1977 and September 1980 by sanctioning additional posts, with a view to ensure filling up vacancies reserved for them expeditiously.

(iii) In the 14 special cells the percentages of placement to live register were 6.75 at the end of 1982 and 7.29 at the end of 1984. Prior to the establishment of the cells, the percentages recorded by these Exchanges were 7.68 at the end of 1975 and 9.7 at the end of 1976. Creation of the cells did not, however, make any marked improvements in their performance. Thus, expenditure of Rs. 15.37 lakhs incurred on special cells during the period from 1977 to 1984 did not prove to be fruitful.

3.3.13 *Vocational guidance.*—Vocational Guidance (VG) Units of Employment Exchanges were intended to render vocational guidance to existing job seekers, fresh entrants to labour market and prospective job seekers like students by providing assistance in solving problems related to vocational planning and occupational choice. The guidance programme was to be implemented at two levels—

(i) activities inside the premises of E.Es, such as pre-registration guidance, group discussion, individual information and review of old cases and

(ii) activities outside the E.Es such as career conference, exhibition, supply of career literature to schools and colleges, arrangements for aptitude tests and taking students for industrial visits.

The VG Unit was also to sponsor applicants to employers or institutions for employment or institutional/in-plant training.

In Maharashtra, 21 VG Units were in operation (March 1986); in 21 E.Es, test-check of the records of 6 VG Units revealed the following:—

No individual guidance was given to the candidates in any of the VG Units test-checked. The Employment Officer, Nashik stated in May 1985 that Vocational Guidance Officer was also given the charge of collecting information for District Man Power Planning and Employment Generation Council and also finalising cases for submission work in view of shortage of staff. Hence, only a general talk could be given to the candidates coming for registration.

In the 2 Bureaus (Bombay and Aurangabad) test-checked, it was noticed that their activities were mainly confined to registration and placement as a result of which the vocational guidance activities suffered. The Employment Officer, Bombay Bureau stated in June 1985 that the Bureau was under pressure of Exchange work. A joint evaluation conducted by the Director General of Employment and Training, New Delhi and the Director of Employment, Bombay in November 1983 had concluded that the Bureaus had lost their character as a guidance agency because quite a lot of Exchange work had been allotted to them over the years.

A periodical bulletin giving useful information pertaining to current employment situation and employment opportunities was published by the UEIGB. The publication of the bulletin started by the Bombay

Bureau in 1964 was stopped from 1983, as the required stationery was not made available by the University. Duplicating machine was also not available till January 1985. Besides, the post of technical assistant was vacant from April 1984 to June 1985.

Educated freshers who had not been submitted even once for more than 3 years and those who were unsuccessful even after 3 submissions were to be offered individual guidance after reviewing all such cases. Information received from 6 Exchanges indicated that the number of cases reviewed for giving individual guidance was negligible and ranged between 2.78 per cent in 1981 to 0.19 per cent in 1984. The reasons for poor performance in reviewing such cases are awaited (August 1986).

3.3.14 *State Employment Promotion Programme (EPP)*.—Under the programme introduced in 1975-76, candidates are sponsored by the Employment Exchanges for on-the-job training for a maximum period of 6 months against training slots notified by the employers. The object was to help them acquire skill in specified trades so as to make them readily acceptable by employers on regular employment in the same or similar establishments or to enable them to start ventures on their own or to build confidence in them to start in the profession for which they were trained. Monthly stipend was payable to the trainees at Rs. 100 to Rs. 400 per month depending on qualification. The stipend was to be initially paid by the employer and later reimbursed by Government. A review of the performance of the programme made by the department during 1981-82 revealed that some employers were utilising the programme to their advantage by getting free service at Government cost and thus the objectives of the programme could not be achieved. The Directorate in April 1983 laid down broad criteria for selecting establishments for training. Against the target of 10,000 persons to be trained each year upto 1982-83 and 8,000 in 1983-84, the number actually trained was 16,080 at a cost of Rs. 137.97 lakhs during 1980-81 to 1983-84. Out of 16,080 trained persons, only 8,575 could be absorbed in regular vacancies.

(i) Though 57 to 72 per cent of the targeted number was placed for training only 30 to 49 per cent of the targeted number actually completed the 6 months training course. Out of those who completed 6 months training, the number of persons absorbed in regular employment ranged from 48 to 63 per cent.

(ii) In the 9 Exchanges test-checked the cancellation of vacancies was high and ranged between 27 per cent in 1983-84 and 39 per cent in 1981-82 mainly due to the fact that the follow up action in obtaining results from the employer after submission of candidates list and re-submission of additional list of candidates, wherever necessary, was not adequate.

(iii) The main objective of EPP was to give job training or such other practical training to motivate young people to take up operative's jobs, shop floor jobs or to go for self employment instead of salaried jobs. The establishments for on-the-job training were to be chosen with this objective in mind. However, one transport company selected their own candidates and the 151 candidates so selected were sponsored by the Regional Employment Exchange (REE), Bombay during 1982-83 and 1983-84 for clerical training in an institute of transport management.

(iv) The Directorate during inspection of the Exchange at Parbhani in December 1983 noticed that the employment promotion programme was being misused. The employers claimed reimbursement without engaging any trained hands or by producing forged receipts. A detailed investigation by the department revealed that about Rs. 2.69 lakhs were reimbursed irregularly right from the inception of the programme in 1976-77 to 1983-84. The following irregularities were also noticed :

(a) Attendance registers of trainees were not maintained by the employers and in some cases they were prepared subsequently.

(b) Stamped receipts were collected from the trainees in advance before completion of training and without any payment to them.

(c) The employers obtained reimbursement of stipend by preferring false stamped receipts.

(d) Some trainees were shown as undergoing training with more than one employer and persons in regular service were shown as trainees.

The case was under investigation of the Police (July 1984) as stated by the Deputy Director of Employment, Aurangabad and further developments are awaited (March 1986).

3.3.15 *Financial assistance to educated unemployed.*—A scheme introduced in January 1979, envisaged financial assistance to educated unemployed who were on the live register of Employment Exchange continuously for a period of not less than 3 years (2 years for SC/ST/NT**VJ).

* NT: Nomadic Tribes; **VJ: Vimukta Jatis

Accordingly, graduates/post-SSC diploma holders are eligible for assistance of Rs. 100 per month under part A of the scheme provided they had taken part time employment for about 4 hours a day for about 15 days in a month, for a period of 3 years or till they secured full time employment whichever is earlier. The scheme also provided for payment of financial assistance at Rs. 100 per annum in 2 instalments to SSC passed persons for a period of not exceeding 3 years so as to cover part of the expenses likely to be incurred in securing a job. During 1980 to 1984, out of 7.89 lakh candidates eligible for assistance both under parts A and B of the scheme, 5.20 lakhs were given financial assistance of Rs. 675.72 lakhs. Only 34 to 46 per cent of the persons under part A and 62 to 82 per cent under part B received the benefits under the scheme. The Regional Employment Officer (REO), Bombay stated in May 1985 that many of the candidates did not report to Tahsildars as they were reluctant to give declaration about unemployment. The Sub Regional Employment Officer (SREO), Thane stated that graduate candidates were not attracted by the honorarium of Rs. 100. In 2 Exchanges in Bombay (including one UEIGB), of 3,123 candidates recommended upto end of April 1985, in 309 cases the list was sent to Tahsildars after delays of 10 to 65 months thus depriving the candidates of the benefits from the date it became due. The REO, Bombay stated that the delay was due to constant changes of officers.

3.3.16 *Self Employment Programme.*—(i) Under a scheme for motivation and guidance to persons for self employment introduced in February 1983, 42 Exchanges recommended 10,216 persons to the District Industries Centres and banks during April 1983 to March 1984 for financial assistance. In all 4,004 persons were actually benefited, representing 39 per cent of the total sponsored candidates thus indicating that the applicants were not properly motivated and eligibility of candidates was not properly checked.

(ii) Under a Centrally sponsored scheme introduced from September 1983 to intensify the self employment scheme, Central assistance of Rs. 60,000 per district per annum was admissible for additional staff engaged in 2 districts in the State. However, the two districts (Beed and Yavatmal) were selected only in May 1984. The scheme had not been implemented so far (December 1985) merely on the ground that budget provision could not be made despite Central assistance being admissible.

(iii) UEIGBs were expected to guide and motivate graduates in professional and technical subjects, postgraduates and highly qualified persons who are registered with them for self employment. In the UEIGBs (Aurangabad and Bombay) test-checked, only 19 candidates were sponsored for self employment upto end of 1984-85 and none of them was accepted by the banks, the reasons for which are awaited. As regards the poor performance, the Bombay Bureau stated in June 1985 that the candidates were generally not willing for self employment.

3.3.17 *District Manpower Planning and Employment Generation Councils (DMPEGC).*—To accelerate progressive reduction of unemployment, Government constituted in August 1981 the DMPEGC in each district under the Chairmanship of the Minister-in-charge of the district. They were to frame policies and programmes in different economic sectors towards realisation of this objective. One of the main functions of the Council was to prepare an employment plan for the district covering all programmes of State Government and Public undertakings and to watch the employment generated or likely to be generated through various economic activities in the district. Based on the district plans, the Directorate was to prepare an annual State Employment Plan. The councils were also to assist in generating self employment ventures. The councils were required to meet for reviewing the employment generation in the district at least once in 2 months.

According to information received from sixteen districts the number of occasions on which the District Councils met upto end of March 1984, was negligible and ranged from 1 to 4 as against 9 to 20 as required. The information in respect of the remaining districts was not made available. The Council members have also not met as frequently as required, as a result, district plans as well as annual State Employment Plan could not be prepared. The objective with which the Councils were constituted, thus remained unfulfilled.

3.3.18 *Opening of a Town Employment Exchange at Kurla, Bombay.*—In July 1982, Government sanctioned a new unit for the Employment Exchange at Kurla, for undertaking the work of new registrations and renewals, etc. Three posts created in September 1982 were filled (peon in October 1982, Clerk in June 1983 and Assistant Employment Officer in March 1984) and Rs. 0.40 lakh were spent on their salaries till the

end of March 1985. The unit, however, had not started functioning (August 1985) for want of proper accommodation at Kurla. The Deputy Director of Employment, Bombay stated that the services of AEO were utilised partly (three to four hours daily) for searching a suitable accommodation and partly at the office of Employment Exchange at Grant Road, Bombay and that of other staff were utilised at Exchange/Directorate for making them familiar with the day to day working.

3.3.19 *Opening of Employment Exchange at Washi.*—Government sanctioned in August 1974 an Employment Exchange at Washi. The expenditure towards building, furniture and staff was to be incurred by Government initially and thereafter recovered from the City and Industrial Development Corporation Limited (CIDCO).

Expenditure of Rs. 5.59 lakhs incurred on the Exchange till March 1985 had not so far been recovered from CIDCO (August 1985). The Directorate stated in June 1985 that the matter was under correspondence with the Government.

3.3.20 *Other topics.*—(i) A grant of Rs. 1.80 lakhs was paid in October 1972 to a private polytechnic institute in Bombay for conducting a training course in television servicing with a view to improve the employment opportunities. Of this Rs. 1.47 lakhs were meant for purchase of instruments, tools and equipments. The course was conducted in 1972-73 and 1973-74 and thereafter discontinued due to certain changes in the course suggested by the Government. Details of the number of persons trained and placed in employment called for from the Directorate are awaited (December 1985). Though the course stands discontinued, the assets purchased from Government funds have neither been taken over by Government nor any decision had been taken for their disposal (August 1985).

(ii) Government paid (February 1972) a grant of Rs. 1 lakh (recurring: Rs. 20,000 and non-recurring: Rs. 80,000) to CIDCO to establish a personnel-cum-training centre at Panvel for training the project affected persons to acquire skills for employment. Of this, Rs. 0.80 lakh were for construction of a shed (Rs. 0.26 lakh) and purchase of machinery and equipments (Rs. 0.54 lakh). The CIDCO trained 81 persons during 1973-74 and 1974-75, whereafter no course had been

conducted due to discontinuance of grant by the Government. No decision has been taken by Government so far (August 1985) regarding the ownership or disposal of the assets.

3.3.21 *Summing up* : The number of job seekers at the end of December 1984 was 21 lakhs registering an increase of 88 per cent over a period of five years.

Test-check in Exchanges in Bombay revealed that notings in the registration register and index cards were not done, as a result figures reported cannot be vouchsafed as correct.

Inclusion of dummy cards in live register during 1984 in respect of candidates registering under different categories of employment has resulted in inflating the figures in live register in Bombay Exchange.

Noting of renewal of registration in the relevant records is heavily in arrears.

Periodical abstracts of unfilled vacancies were not drawn out and pursued resulting in cancellation of many notified vacancies.

The placement secured against notified vacancies was only 15 to 25 per cent whereas vacancies cancelled ranged from 10 to 27 per cent.

The default in submission of returns by employers under the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 ranged from 12 to 25 per cent and in most of the cases no proceedings were instituted against defaulting establishments.

Inspection of establishments was heavily in arrears.

Coaching-cum-guidance centres opened for the benefit of backward class candidates had to be closed as they were opened in unsuitable localities without any proper planning.

Though vocational guidance units are attached to many exchanges, no individual guidance was given; the UEIGBs established mainly as vocational guidance units were merely functioning as regular Exchanges.

The matter was referred to Government in October 1985; reply is awaited (August 1986).

MEDICAL EDUCATION AND DRUGS DEPARTMENT

3.4 Food and Drugs Administration (Drugs Control)

3.4.1 The Drugs and Cosmetics Act, 1940 (Act) passed by the Government of India and the Drugs and Cosmetics Rules, 1945 (Rules) made thereunder to ensure the prescribed standard and quality of drugs and cosmetics through a system of licensing, inspection and testing are administered in the State by the Food and Drugs Commissioner assisted by 7 Joint Commissioners, 43 Assistant Commissioners and 89 Inspectors.

As on 31st March 1984 there were in all 24,312 (selling: 19,024; manufacturing: 5,288) licensed establishments in the State, manufacturing or selling drugs. During 1980-81 to 1983-84 expenditure incurred by FDA was Rs. 448.16 lakhs against the budget provision of Rs. 444.83 lakhs and receipts during the period were Rs. 89.91 lakhs.

It was noticed that there was no foolproof mechanism to monitor prompt renewal of expired licences rendering it possible to manufacture drugs without valid licences. Shortfall in inspections of manufacturing/selling units ranged from 55 to 60 per cent during the period 1980-84 and some units had not been inspected for periods ranging from 1 to 5 years. Capacity of the Drug Testing Laboratory to analyse samples was inadequate. The system of testing samples and initiating follow-up action did not serve the intended purpose of preventing manufacture, sale and consumption of sub-standard drugs as by the time the process was completed the drugs were in the hands of retailers from whom they were not withdrawn.

The test-check during January to March 1985 covered the offices of the Commissioner, Food and Drugs Administration, Assistant Director, Drug Testing Laboratory, Bombay, 6 Joint Commissioners and 3 Assistant Commissioners covering 8 districts and the points noticed are given below.

3.4.2 *Licensing* : Manufacturers and sellers of drugs and cosmetics have to obtain a licence which initially is valid upto 31st December of the following year of issue and is required to be renewed every 2 years.

(a)(i) Licences to manufacturing units are issued by the Joint Commissioner (H.Q.) Bombay. However, no master licence issue register chronologically recording the name, licence number, date of issue, etc.,

was maintained. Individual index cards without any serial numbers were opened showing date of issue of licence and renewal. The card did not provide for the recording of the details of the licence such as nature of drugs manufactured, inspections done, samples drawn, defects noticed, penalties imposed, etc., to serve as a dossier. The index cards were not linked with an alphabetical index register maintained by the department and therefore it could not be checked whether index cards had been opened for all manufacturers. Government stated in October 1985 that while instructions were being issued to give serial numbers of index cards, opening of a master licence register in addition to the alphabetical register, register of inspections and register of samples drawn would involve lot of clerical labour.

(ii) There is no set drill/review for drawing out periodically a pending list of non-renewal cases and to pursue them for prosecution, cancellation, etc. A scrutiny of 1000 index cards showed that renewal was pending in 422 cases of which 205 were pending for more than one year. Information furnished to Audit by the Commissionerate in March 1985 showed that renewal applications had not been received from 125 licencees whose licences had expired between 1975 and 1985. Government stated in October 1985 that necessary instructions were being given to the Commissioner to draw the list of non-renewal cases every year and that action would be taken to issue notices to licencees. The delay in renewal could render it possible for manufacturers to continue manufacturing without obtaining valid licence.

(b) Licences to selling units are issued/renewed by regional offices. In Solapur district, 248 applications for fresh/renewal of licences received during 1982-83 to 1984-85 were pending in January 1985 for reasons such as incomplete applications, inadequacy of renewal licence fee, incorrect information, etc.

3.4.3 *Inspections*

3.4.3.1 All establishments licensed for the sale or manufacture of drugs are required to be inspected under the rules at least twice annually to ensure observance of the conditions of the licence, to test samples, to investigate complaints, to inspect the plant, process of manufacture, means employed for standardising and testing the drug, to institute prosecution, etc. However, the number of inspectors sanctioned is

not adequate to cover all the units even once during the year on the basis of the norms* fixed for inspection by the Commissioner. The shortfall in inspection ranged from 55 to 65 per cent during 1980-81 to 1983-84 as shown below :

Year	Number of establishments			No. of inspections due as per rules	No. of inspections that could have been done according to norms and men in position	No. of inspections actually done	Short-fall with percentage in bracket with reference to col. 5
	Manufac-turing	Selling	Total				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1980-81 ..	3,757	16,074	19,831	39,662	17,878	17,729	21933 (55)
1981-82 ..	4,199	17,634	21,833	43,666	17,872	17,590	26,076 (60)
1982-83 ..	4,723	18,836	23,559	47,118	17,902	20,313	26,805 (57)
1983-84 ..	5,288	19,024	24,312	48,624	18,797	17,149	31,475 (65)

3.4.3.2 According to information received in Audit from 23 offices, the number of units not inspected even once during the year ranged from 48 to 55 per cent in Greater Bombay and 24 to 48 in the other 22 offices during 1980-81 to 1984-85. Similar information from other 8 offices was not received (August 1986).

3.4.3.3 No uniform procedure has been prescribed for selecting units for inspection so as to cover all the units within the prescribed time frame. A test-check of 1483 drug selling units in 5 districts and 741 manufacturing units in three districts revealed that 714 selling and 295 manufacturing

*Norms fixed for each month : Joint Commissioner : 1 manufacturing unit; Assistant Commissioner : 9 manufacturing units; Inspectors : 29 units. Source : Performance Budget.

units had not been inspected even once for periods ranging from 1 to over 5 years as shown below :—

Period not inspected	Number of units	
	Selling	Manufacturing
1 Year	268	88
2 Years	107	38
3 Years	73	37
4 Years	45	18
Over 5 years	221	114

The shortfalls in inspection were attributed by the Commissionerate (January 1985) to inadequate number of drug inspectors, vacancies, etc. According to the Commissionerate the vacancies in the posts of drug inspectors against sanctioned posts ranged from 8 in 1982-83 to 19 in 1984-85. Reasons for non-filling of vacancies are awaited (August 1986).

3.4.3.4 The task force, appointed by Government of India in June 1982 under the chairmanship of the Additional Secretary (Health), Ministry of Health and Family Welfare to examine and report within 2 months, *inter alia*, on the adequacy of drug control set up in the States and the Centre, had recommended that in order to exercise effective control over manufacture and sale of drugs there should be one inspector for every 25 manufacturing premises and one for every 100 selling premises. Based on the number of manufacturing units (5288) and sales units (19024) existing in the State as on 31st March 1984 the number of drug inspectors needed would be about 402, against which the actual strength was 89 only. In its reply to the recommendations of the task force, the State Government stated in July 1983 that for want of inspection staff it was not possible to inspect all premises twice a year. Government stated in October 1985 that the proposal for additional staff made by the Commissioner could not be accepted due to shortage of funds.

3.4.3.5 *Inspection of records of Registered Medical Practitioners*

Drugs supplied by registered medical practitioners (RMPs) to their patients are exempt from licensing rules. However, they have to purchase the drugs only from licensed dealers, manufacturers and to maintain detailed records of such purchases, which are open for inspection by an inspector appointed under the Act. But a system of inspection of RMP's

records has not been introduced in the State so far (August 1985) and inspections are done only where specific complaints are received. Government stated in October 1985 that considering the strength of inspecting staff the inspections expected under the law were not possible.

3.4.4.1 *Sampling* : (a) Sampling process for test is not regulated depending upon the number of manufacturing and selling units nor on the number of formulations manufactured and/or sold in the State. The Department expects an inspector to draw out 9 random samples per month at Headquarters and 7 samples at other places which works out to about 8000 samples per year for the entire State with reference to staff in position (27 at Headquarters and 62 at other places). However, the capacity of the only one existing drug testing laboratory is for analysing about 5000 samples a year and hence the programme for drawing out the samples has to be restricted to the capacity of the laboratory.

(b) During test-check it was seen that all the samples drawn out could not be tested during the year reportedly due to shortage of analysts and vacancies. The comparative position of samples received for testing, samples tested and average number of samples tested by each analyst against the norm of 144 to 168 samples per analyst per year fixed by the department is given below :—

Year		Number of analysts in position	Number of samples received inclusive of opening balance *	Number of samples analysed <u>average analysis per analyst per year</u>	Shortfall
(1)	..	(2)	(3)	(4)	(5)
1980-81	..	42	7399	<u>5650</u> 134	1749
1981-82	..	41	6401	<u>4770</u> 116	1631
1982-83	..	42	7032	<u>5588</u> 133	1444
1983-84	..	40	6792	<u>5074</u> 127	1718

* Excluding rejected samples.

3.4.4.2 (a) According to the annual report submitted by the laboratory to the Commissioner, the percentage of substandard injections out of samples checked, ranged from 42 to 67 during 1982-83 and 39 to 89 during 1983-84 as shown below :—

Type of drug covered	1982-83			1983-84		
	Samples reported	Samples declared as non-standard quality	Percentage	Samples reported	Samples declared as non-standard quality	Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 Water for injections ..	26	11	42	23	9	39
2 Calcium Gluconate ..	6	4	67	6	5	83
3 Parenteral Injections						
(a) Dextrose	82	43	52	82	46	56
(b) Sodium Chloride	14	6	43	19	13	68
(c) Sodium Chloride and Dextrose	47	23	49	32	21	66
(d) Lactated Ringar's Solution	No samples drawn			19	17	89
(e) Sodium lactate ..	Do.			10	6	60
(f) Sodium bicarbonate	Do.			7	5	71

(b) One hundred samples each of bandage and gauze absorbant of various manufacturers received in the laboratory were also tested. These tests indicated that these bandages did not conform to any particular standard and were of poor quality.

(c) According to Assistant Director, D.T.L. (March 1985) the percentage of substandard drugs marketed in the State ranged between 11.5 in 1980-81 and 17 in 1981-82. The Commissionerate stated in January 1985 that the high percentage of substandard quality of injections was due to presence of suspended particulate matter for which no maximum permissible limit has been fixed under the Indian Pharmacopoeia. Considering the large quantity of substandard drugs for sale in the market and that over 1.5 lakh formulations are manufactured in the State in addition to formulations from other States brought for sale in the State, the coverage of samples drawn out for testing is negligible being not more than 3.5 per cent of formulations manufactured in the State. Government stated in October 1985 that it was considering the expansion of drug testing facility in the existing laboratory during the Seventh Plan.

(d) *Action taken against production of non-standard drugs.*—On noticing defects as a result of analysis of samples the department is required (i) to recall the stocks from the market, (ii) to ask the manufacturer to stop further manufacture of the product, (iii) to ascertain the stock position of the drugs in hand and also the names and addresses of parties to whom the batch of drugs had been sold and (iv) to investigate the matter for taking final action. By the time the procedure of analysis is completed, normally 45 to 90 days after receipt of the samples, and all the above information is collected from the manufacturers, the substandard drugs are either sold out or their shelf life would have expired. Thus, the very purpose of prevention of sale of substandard drugs is defeated. A test-check of Joint Commissioner's office at Nagpur revealed that of the 32 substandard drugs detected the stock of 29 drugs had already been sold out by the time test reports were received and the shelf life of one drug had expired. In another case of manufacture of one lakh tablets in one batch, only 8150 were withdrawn.

(e) Government while confirming the facts (October 1985) of sizable substandard drugs in the market stated that mostly the substandard drugs were noticed at retailers level in which case there was no question of withdrawing the total batch of the manufacture from the market. Regarding delay in testing, Government stated that the period of 30 days for testing of samples could not be reduced as in some cases testing required more than 15 to 20 days besides the time taken for transport of samples. The system thus does not help to prevent the consumption of substandard drugs.

3.4.4.3 *Delays in testing and reporting.*—According to departmental instructions issued in 1979 the analytical reports of drug samples are required to be despatched within 45 days of receipt of samples at the laboratory. However, delay in despatch upto 120 days was noticed. Of 394 samples received in the laboratory during September 1983, delay of over 4 months had occurred in 194 samples (49 per cent). Similar delay upto 8 months was noticed in respect of 72 out of 232 samples received in June 1984. Test-check of reports of 99 samples which were of non-standard quality showed that reports regarding 41 samples (41 per cent) were despatched after more than 90 days; the time taken for typing and despatching analytical reports alone exceeded one month in 50 cases. A scrutiny of quarterly reports for March and December 1984 in respect

of drugs, declared to be of non-standard quality indicated that the analytical reports were not despatched within 45 days in 51 and 75 per cent of the cases as shown below:—

Quarter ending	Number of samples tested	Number of samples not of standard quality	Number of samples reported after 45 days	Percentage of reports not despatched within 45 days
(1)	(2)	(3)	(4)	(5)
March 1984 ..	1,861	371	191	51
December 1984 ..	1,047	135	101	75

In 4 cases out of the above, the delays ranged from 1 to 2 years.

The Assistant Director in charge of the laboratory stated in March 1985 that minimum 90 days (as against prescribed 45 days) was required for testing the samples at all stages and the delay of over 90 days was due to (a) non-mentioning of method of analysis and (b) delay in obtaining a particular reagent for testing. The task force set up by Government of India had recommended that only drug formulations for which detailed methods of analysis are given should be licensed and the recommendation was accepted by the Government in July 1983. There should, therefore, have been no problem regarding method of analysis at least after July 1983.

The delays in testing samples and reporting the test results inherent in the system defeats the very purpose of the Act in preventing the selling of substandard drugs.

3.4.4.4 *Special sampling drive in Government and Municipal hospitals.*— A massive sampling of drugs used in Government and Municipal hospitals and dispensaries was conducted in July 1981 as directed by the Commissioner, Food and Drugs Administration, in which 821 samples were received in the laboratory for analysis. During April to July 1981, 15 samples of ampicillin dry syrup were subjected to stability tests. No centralised record of results of analysis was maintained either in the laboratory or with the Commissionerate. The Assistant Director, Drug Testing Laboratory stated in March 1985 that he was not aware of the results. The Commissionerate also could not say anything about the receipt of the report. Government stated in October 1985 that in future

centralised records would be maintained whenever such drives were undertaken and the results would be communicated to Government hospitals.

3.4.4.5' *Quality control over vaccines.*—To ensure quality control over vaccines manufactured in the country, particularly in the private sector, it was decided in the 21st meeting of the Drugs Consultative Committee held in November 1979 that the State Drugs Control Administration may furnish to the Drugs Controller, India a six-monthly statement indicating the number of premises of vaccine manufacturers inspected, number of samples drawn for tests, results of the tests and deficiencies observed, etc. Though it was stated by the Commissioner in March 1985 that inspections were regularly conducted since December 1979 it did not forward the six-monthly returns to the Drugs Controller, India.

The two private manufacturers in the State were inspected during the period 1979-85 as under:—

Year	Number of inspections conducted	
	Firm 'A'	Firm 'B'
1979-80	1	Nil
1980-81	Nil	Nil
1981-82	Nil	1
1982-83	3	1
1983-84	Nil	1
1984-85	Nil	2

Government stated in October 1985 that the six-monthly returns which so far remained to be sent to Drugs Controller, India, would be sent hereafter.

3.4.5.1 *Complaints.*—The complaints received are noted in a complaints register. As the registers were incomplete, Audit could not verify whether prompt action was taken for disposal of complaints. According to information furnished by the Commissioner in March 1985, the position

of receipt and disposal of complaints for 5 years ending 1984-85 was as below:

Year	Number of complaints			Results of investigation			
	Opening balance	Received during the year	Investigated	No substance	Prosecution	Warning	Show cause notice
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1980-81 ..	191	547	512	339	24	94	55
1981-82 ..	226	440	438	258	16	77	87
1982-83 ..	228	382	387	245	24	51	67
1983-84 ..	223	315	362	234	22	44	62
1984-85 ..	176	288	240	163	11	33	33

Complaints involving deaths were 10 in 1980-81, 11 in 1981-82, 10 in 1982-83, 1 in 1983-84 and 3 in 1984-85.

3.4.5.2 *Prosecution*.—The number of prosecutions launched each year, cases decided, cases pending, etc., as disclosed by the prosecution register was as shown below:

Year	No. of prosecution cases pending at the beginning of the year	No. of cases launched	Total No. of cases	No. of cases decided			No. of cases withdrawn	No. of cases pending at the end of the year
				In favour of the Department	Against the Department	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1980-81 ..	183	47	230	20	14	34	Nil	196
1981-82 ..	196	56	252	18	16	34	Nil	218
1982-83 ..	218	58	276	22	14	36	1	239
1983-84 ..	239	42	281	28	11	49	Nil	232

Scrutiny of the register for the period from 1st January 1981 to 31st December 1984 indicated that delay in commencing prosecution proceedings from date of search/detection of offence ranged from 1 to more than 3 years in 60 out of 204 cases.

The register did not serve the purpose of a control register as entries in the register were made only after 2-3 years of launching proceedings; in 95 out of 204 cases checked in Audit the dates of search, detection and registering complaints had not been noted.

3.4.6 *Other topics.*—The services of an Organisation and Methods Officer (O & M) appointed in June 1971 to undertake inspection of sub-offices, clear arrears, compile manuals, to instruct on the method of work and study cases for finding out the delay in disposals and suggest remedy for the same were utilised for other purposes as he could not undertake the assigned work in the absence of a separate O&M unit.

3.5 Idle Equipments

Imported equipments for conducting pathological investigations (autopacers and autoanalysers) were purchased by Government between February 1982 and July 1982 at a cost of Rs. 19.88 lakhs for use in 4 hospitals under Employees State Insurance Scheme (Kandivli, Mulund, Thane and Worli). However, proposals for carrying out civil and electrical works for installing the equipments were initiated only between March 1982 and February 1983. The works were completed in December 1983, June 1984 and September 1984 in respect of Kandivli, Mulund and Worli Hospitals and March 1985 in Thane Hospital. Even after completion of the works the equipments had not been installed and/or commissioned (December 1985) as certain missing parts are yet to be procured.

According to the terms of purchase (i) the buyer should examine the goods within thirty days of receipt of goods and notify to the supplier about the missing parts, if any, and (ii) the warranty period is one year from the date of purchase. As the goods were not examined and the missing parts were not notified to the supplier by the hospitals within the stipulated period, the supplier refused (April 1985) to replace them free of cost. In the case of Mulund Hospital, the supplier has quoted Rs. 0.11 lakh as cost of missing parts. Information in respect of Kandivli and Worli Hospitals is awaited (August 1986).

Failure on the part of the hospitals to initiate timely action has resulted in imported equipments costing Rs. 19.88 lakhs remaining idle for over three years and avoidable liability of Rs. 0.11 lakh for purchase of missing parts in respect of one hospital alone (in respect of other hospitals

the replacement cost is not known) besides loss of benefits, if any, under warranty clause and deprival of the improved facilities for pathological investigations.

3.6 Unfruitful expenditure of Rs. 12.45 lakhs on Operation Theatre at ESIS Hospital, Washi

Under Employees State Insurance Scheme (ESIS) a 600 bed general hospital (estimated cost of building : Rs. 1.40 crores) with an air-conditioned operation theatre was constructed at Washi (New Bombay) in February 1977 at a cost of Rs. 282.46 lakhs. Expenditure incurred on air-conditioning works completed in April 1977 was Rs. 8.20 lakhs and expenditure incurred on maintenance of these works till end of 1984-85 was Rs. 2.26 lakhs.

As a general hospital, it was found to be non-viable owing to the smallness of the number of persons covered by ESIS at Washi and nearby areas. The hospital started functioning as a T.B. hospital from August 1977. Against 2.19 lakh bed days available in a year, the average occupancy during 1978-79 to 1984-85 was 1.48 lakh bed days. Though it was decided in July 1977 to convert the hospital into a T.B. hospital a further expenditure of Rs. 1.99 lakhs was incurred between September 1978 and May 1979 for providing a central system of medical gas and vacuum for suction units for the operation theatre. The operation theatre and the above system are idle (August 1985) since installation in 1977 and 1979 as those were of no use to the T. B. hospital. The Medical Superintendent stated in August 1985 that it was not the intention to keep the hospital permanently as a Chest Hospital and depending on future needs, it would be converted into a general hospital.

According to the Executive Engineer, North Bombay Electrical Division (July 1985) it was not feasible to dismantle the air-conditioning equipments and instal them elsewhere due to their non-suitability for other locations.

Failure of the Department to assess the requirements of the hospital before constructing and equipping it has rendered unfruitful expenditure of Rs. 12.45 lakhs on the facilities provided to the operation theatre, besides creating excess capacity.

The matter was referred to Government in September 1985; reply is awaited (August 1986).

3.7 X-ray machine lying idle and avoidable expenditure of Rs. 0.63 lakh thereon

An X-ray machine costing Rs. 1.80 lakhs purchased in September 1980 for a new casualty ward set up in St. George's Hospital, Bombay and installed in March 1981 at a cost of Rs. 0.18 lakh remained idle for over 3 years upto the period ending December 1984. The following aspects were noticed by Audit (October 1984).

The machine was installed in an old room adjoining the new casualty ward, by incurring expenditure of Rs. 0.07 lakh on additions and alterations to the room. The machine went out of order in July 1981 due to leakage of water from the ceiling. The machine re-commissioned in March 1982 after carrying out repairs at a cost of Rs. 0.09 lakh went out of order again in June 1982 due to leakage of water. As the repairs to stop leakage of water from the ceiling could not be guaranteed by the P.W.D. due to the building being 100 year old, the machine was installed in another location in December 1984 by incurring an expenditure of Rs. 0.63 lakh on dismantling, repairs, re-installation, additions and alterations. Non-ascertaining of fitness of the room before installation of the machinery, resulted in its lying idle for a period of over 3 years, besides an avoidable expenditure of Rs. 0.55 lakh on initial installation, dismantling, alterations, etc.

The matter was referred to Government in September 1985; reply is awaited (August 1986).

PUBLIC HEALTH DEPARTMENT

3.8 Non-installation of X-ray machine

The Civil Surgeon, Yavatmal approached the Director of Health Services, Bombay in August 1980 for purchase of additional X-ray machine in the General Hospital, Yavatmal as the existing X-ray machine in the hospital could not cope up with the workload. On receipt of sanction from Government for purchase of 300 MA X-ray machine for Rs. 2.40 lakhs in March 1982, the Director of Health Services, Bombay placed orders on a Calcutta firm for supply of machine at a cost of Rs. 2.38 lakhs in the same month. The X-ray machine was received in August 1982 and 90 per cent payment amounting to Rs. 2.14 lakhs was made by the Civil Surgeon, Yavatmal in October 1982. The remaining 10 per cent has not been paid so far (June 1985).

The X-ray machine received in August 1982 was not opened and was lying in packed condition (June 1985) as it was decided to instal it in the block of the new out-patient department building then under construction, which, though completed in June 1985 had not been provided with electric fittings (July 1985). Thus, for a period of over 3 years the purpose for which the additional X-ray machine was procured could not be served resulting in unnecessary blocking of capital of Rs. 2.14 lakhs and also absolving the suppliers of their liability against any manufacturing defects due to expiry of guarantee period.

The matter was reported to Government in August 1985; reply is awaited (October 1986).

RURAL DEVELOPMENT DEPARTMENT

3.9 National Project on Biogas Development

3.9.1 *Introductory* : A National Project on Biogas Development was taken up for implementation by the Government of India as a Centrally sponsored scheme during the Sixth Five Year Plan (1980-85) in order to provide energy in a clean unpolluting form, make available enriched fertilizers as a by-product for supplementing and optimising the use of chemical fertilizers, reduce pressure on the dwindling fuelwood supplies entailing check on indiscriminate felling of trees and consequent deforestation and bring improvement in rural sanitation. The programme was implemented in the State exclusively through Khadi and Village Industries Commission (KVIC) upto March 1982 and both through Khadi and Village Industries Commission and Rural Development Department of the State Government thereafter. In 1982-83, eight districts—Jalgaon, Kolhapur, Nashik, Pune, Sangli, Satara, Solapur and Thane—were selected as intensive biogas development districts. The project contemplated setting up of biogas plants both by individuals and by institutions like dairy farms, cattle breeding farms for their energy needs of cooking, lighting, etc. The project of setting up of plants by individuals was implemented by Rural Development Department through Zilla Parishads while the institutional biogas plants were set up through the Dairy Development Commissioner.

3.9.2 *Pattern of assistance* : The National Project provided for subsidy of part of the cost of biogas plants. The subsidy for individual

biogas plants ranged from Rs. 1,000 to Rs. 12,280 for plants depending upon their sizes, from 2 to 25 cubic metre capacity, as well as the category of the beneficiary *i.e.* scheduled caste/scheduled tribes, marginal, small farmers and others. The total cost of the plant was initially sanctioned as loan to the beneficiaries by the banks. On completion of the plant, the subsidy was released to the banks for adjustment in the accounts of the individual beneficiaries. In respect of institutional plants, the subsidy component was 75 per cent of the cost of the plants.

3.9.3 *Budget provision, Central assistance and expenditure* : The yearwise details of the budget provision, Central assistance received and expenditure incurred on individual biogas plants were as under :—

Year	Budget provision	Central assistance	Expenditure			
			Subsidy, turn key fee and promotional incentives	Training	Repairs	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(in lakhs of rupees)						
1982-83 ..	62.68	73.20	118.50	2.25	..	120.75
1983-84 ..	220.64	171.76	470.46	3.77	..	474.23
1984-85 ..	1,812.30	1,760.74	1,651.94	*67.39	*0.39	1,719.72

*Does not include expenditure of 516 training courses and of some Zilla Parishads on repairs.

The programme of setting up of institutional biogas plants was taken up only in 1984-85. Against the budget provision of Rs. 35 lakhs made for this programme in that year, expenditure incurred was Rs. 23.20 lakhs (upto June 1985).

(i) Central assistance of Rs. 2,005.70 lakhs was received by the State Government during 1982-83 to 1984-85. The position of claims forwarded to the Government of India for reimbursement in respect of

expenditure incurred on subsidy and other payments, accepted and pending with them as on October 1985, is indicated below :

Year	Central assistance received	Claims submitted to Government of India	Claims accepted by Government of India	Claims pending with Government of India
(1)	(2)	(3)	(4)	(5)
(in lakhs of rupees)				
1982-83 ..	73.20	126.49	99.77	26.72
1983-84 ..	171.76	473.19	442.76	30.43
1984-85 ..	1,760.74	1,273.81	136.50	1,137.31
Total ..	2,005.70	1,873.49	679.03	1,194.46

Of the claims of Rs. 473.19 lakhs for 1983-84 submitted to Government of India by the State between February 1984 and July 1985, claims for Rs. 367.07 lakhs were submitted during February 1984 to November 1984. However, claims for Rs. 30.43 lakhs were not settled (October 1985). The State Government stated (September 1985) that the reasons for non-settlement of the claims by the Government of India were not known to them. The Government further stated (October 1985) that the claims and utilisation certificates for the balance amount of Rs. 132.21 lakhs could not be submitted to Government of India as the same were in turn awaited from the Zilla Parishads.

(ii) The accounts of the grants released to the State were to be forwarded to Government of India at the close of the year. The statements of expenditure for the period 1982-83 to 1984-85 indicating the funds released by Government of India for various components of the project and expenditure incurred on each component were not forwarded to Government of India (October 1985) as the information was not available with the State Government.

(iii) During 1983-84 the original budget provision of Rs. 115.92 lakhs was augmented by supplementary provision of Rs. 104.72 lakhs and another Rs. 50 lakhs were advanced from the Contingency Fund. However, the total provision still fell short of the requirement and an amount of Rs. 260.29 lakhs was released to the Zilla Parishads during 1984-85 for payment of subsidy for the plants set up during 1983-84. As more plants than that could have been financed were approved, subsidy could

not be paid to the beneficiaries in time entailing undue burden by way of interest on them to the extent of Rs. 11.84 lakhs. The Government stated (July 1985) that since targets were far exceeded, the expenditure for the difference could only be incurred in 1984-85.

3.9.4 *Targets and Achievements.*—Yearly targets for setting up of plants were allotted by the Government of India. The State Government, on its own, enhanced these targets and distributed them to Zilla Parishads as working targets. The position of targets allotted by the Government of India and the State Government *vis-a-vis* the achievements is as indicated below:

Year	Target allotted by the Government of India	Target fixed by State Government			*Achievement		
		For intensive development districts	For other districts	Total	Intensive development districts	Other districts	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		(number of plants)					
1982-83 ..	4,000	2,800	4,200	7,000	2,554	3,206	5,760
1983-84 ..	6,000	6,400	12,600	19,000	6,835	14,465	21,300
1984-85 ..	25,000	15,200	24,800	40,000	17,139	32,787	49,926
Total ..	35,000	24,400	41,600	66,000	26,528	50,458	76,986

*Does not include achievements of KVIC.

Out of 76,986 plants set up, 497 were not in working condition as on 31st August 1985.

(a) The eight districts selected as intensive biogas development districts in 1982-83 did not include any district from Konkan, Vidarbha and Marathwada regions of the State. The selection of intensive development districts was done by the Government of India and the basis for selection of these districts was not known to the State Government.

(b) Though the target fixed by the Government of India in 1982-83 was enhanced, compared with this target, the achievement fell short by 18 per cent. In the same year, 14 districts which included 4 intensive development

districts failed to achieve the targets, as, against 3,600 plants, only 1,191 plants were set up in these districts. Non-achievement of targets for these districts was 67 per cent on the whole and ranged from 25 to 94 per cent in individual districts. In 1983-84 also, though the achievement exceeded the enhanced target, in 16 out of 29 districts targets were not achieved. Only 6,143 plants were set up in these districts as against a target of 10,550 plants, the shortfall ranging from 18 to 78 per cent in individual districts. Of these 16 districts, 4 were intensive development districts in which 2,373 plants were set up as against a target of 3,850 plants. The Government stated (July 1985) that though the target of 19,000 was distributed amongst the Zilla Parishads in November 1983, it was not taken into account for rating their performance. Further, in 1984-85, though the achievement exceeded the enhanced target, it was not achieved in two intensive development districts (Nashik and Sangli) in which against the target of 4,000 plants, 3,036 plants were set up, the shortfall being 24 per cent.

In Dhule and Raigad districts, only 395 plants were set up during 1982-83 and 1983-84 against a total target of 1,400 plants for these years and in none of the years targets were fulfilled. The Government attributed (October 1985) the poor performance to lack of administration and proper monitoring at district as well as block level.

The Government stated (September 1985) that the reasons for shortfall in achievement in some districts were not known to them.

3.9.5 A test-check of the records maintained in the Zilla Parishad offices of Aurangabad, Dhule, Kolhapur, Nagpur, Pune and Sangli as also at Mantralaya conducted during January to May 1985 revealed the following:

(i) *Villages not covered under the programme.*—According to the Circular issued by the Government in March 1984, at least one plant was to be set up in each village. In Ambegaon, Baramati, Mawal, Mulshi and Velhe blocks of Pune district, out of 579 villages, 263 villages were not covered under the project. This was stated to be due to non-availability of nearby banking facilities, the areas being hilly entailing difficulty in digging a pit, water scarcity during summer and non-availability of space for construction of plants. Particularly in Velhe block where plants were set up only in 13 villages out of 121 villages, the non-coverage was on

a high side. This was attributed in addition to the above reasons, to paucity of staff. Similarly in Paithan and Sillod blocks of Aurangabad district, out of 343 villages, 215 were not covered due to scarcity conditions, non-availability of banking facilities, non-response from the villagers and paucity of staff. In Soegaon block of the same district, out of 81 villages, 72 were not covered. Of these, 14 were not covered due to non-availability of banking facilities and remaining 58 due to allied reasons as in the cases of Paithan and Sillod blocks. In Akkalkuwa and Sirpur blocks of Dhule district, out of 275 villages 163 were not covered due to the area being tribal and hilly as well as availability of firewood at cheaper rates, though one of the aims of the project was to reduce pressure on dwindling fuelwood supplies.

As no action was taken by the field officers to remove these difficulties non-coverage of 713 villages out of 1,278 villages in ten blocks of three districts resulted in non-introduction of project in these villages.

(ii) *Shortfall in achievements.*—In six districts test-checked by Audit it was noticed that as against the target of 1,800 plants fixed by the State Government for 1982-83, achievement of 1,109 plants fell short by 38 per cent. Of these six districts, targets were not achieved in four districts which included two districts of Aurangabad and Dhule where performance was poor, achievement being 18 and 35 plants respectively as against the target of 200 plants each. In 1983-84, though achievement was 4,094 plants against the target of 3,750 plants, in three districts targets were not achieved which also included Aurangabad and Dhule districts whose performance was not satisfactory, achievement being 206 and 205 plants against the target of 500 and 600 plants respectively. The Zilla Parishad, Aurangabad attributed the shortfall to late implementation of the scheme, poor response from the banks and paucity of staff whereas Zilla Parishad, Dhule stated that targets were not achieved due to less response from the banks and beneficiaries belonging to tribal areas with poor financial position.

A scrutiny of records at block level revealed that in 47 out of 64 blocks in six districts, achievement during 1982-83 was only 39 per cent (target : 1,430 and achievement : 553) and in 31 blocks during 1983-84 it was 46 per cent (target : 2,013 and achievement : 935). In Gaganbawda (Kolhapur district), Taloda, Akkalkuwa, Dhadgaon (Dhule district), Kannad,

Khuldabad, Paithan, Sillod and Soegaon (Aurangabad district) blocks to whom target of 160 plants was allotted, no plant was set up in 1982-83. Similarly, in 1983-84, as against the target of 100 plants not a single plant was set up in Nawapur, Akkalkuwa and Dhadgaon blocks in Dhule district. In Dhadgaon block no plant was set up even upto February 1985, whereas in Gaganbawda and Akkalkuwa blocks only 3 and 5 plants were set up by February 1985. The Block Development Officer, Dhadgaon stated (March 1985) that, inspite of his efforts, there was no response from the beneficiaries. Poor performance of Gaganbawda and Akkalkuwa blocks was attributed by the Block Development Officers to its being hilly and tribal areas.

(iii) *Phasing of targets.*—In order to achieve the targets, the Government of India prescribed in March 1982 monthly and quarterly phasing of targets. The State Government prescribed in March 1983 cumulative achievement by each month as follows:

April to September ..	.. 15 to 40 per cent
October to December ..	.. 50 to 80 per cent
January to March ..	.. 90 to 100 per cent

In five districts it was noticed that during 1982-83, the percentage of biogas plants constructed in the last quarter ranged from 57 to 100 per cent. The Zilla Parishads stated that in 1982-83 they took some time to create the tempo and work was speeded up only from November 1982. Out of 21,300 plants constructed in the State during 1983-84, 12,625 *i.e.* 50 per cent of the achievement of the year were set up in March 1984. Thus, the implementation of the project was not properly phased as directed by Government and there was a tendency to fulfil the major portion of the target in the last quarter. The Government stated (July 1985) that phasing of targets was not possible for various reasons such as non-availability of funds, inadequacy of manpower, non-availability of material, inadequate response from the people and climatic conditions.

(iv) *Coverage of scheduled caste and scheduled tribe beneficiaries.*—Under the project, though 10 to 15 per cent funds/targets were to be earmarked for scheduled caste/scheduled tribe beneficiaries, the information regarding the same was not available with the Government (February 1985). In the districts test-checked the percentage of scheduled caste/scheduled tribe beneficiaries ranged between 0 and 6 during 1982-83 to 1984-85.

In Aurangabad, Dhule, Kolhapur, Pune and Sangli districts not a single plant was constructed for scheduled caste/scheduled tribe beneficiaries in 31 blocks in 1982-83 and 23 blocks in 1983-84. In Dhule, which is a tribal district, where out of a total population of 16.62 lakhs, 0.29 lakh belonged to scheduled caste and 6.48 lakhs belonged to scheduled tribes as per census of 1971, out of 250 plants set up during 1982-83 and 1983-84, only one plant belonged to a scheduled caste beneficiary and 16 plants to scheduled tribe beneficiaries. The Government stated (July 1985) that due to poor financial conditions of persons belonging to this category and due to lack of cattle and land, it was difficult to motivate them to take up this loan *cum*-subsidy programme and that according to survey conducted by the Director of Economics and Statistics in four districts (three not covered in test-audit), percentage of these beneficiaries was about thirteen.

(v) *Payment of subsidy.*—Completion certificate of a plant of 35 cubic metres capacity (in respect of a self-financing case) was issued by the Block Development Officer, Aurangabad in November 1983 and subsidy of Rs. 0.10 lakh was paid in December 1983. In January 1984 some villagers lodged a complaint with the Government that the subsidy was already paid to the said beneficiary by the Khadi and Village Industries Commission for the same plant. In June 1985 the Block Development Officer directed the beneficiary to refund the amount. However, the amount was not refunded (June 1985). No action was taken for irregular payment of subsidy.

(vi) *Institutional finance.*—(a) Under the project, loan component was to be financed by the banks who in turn were eligible for refinance from the National Bank of Agriculture and Rural Development (NABARD). The implementing authorities were required to prepare credit plans for intensive development districts. However, during 1982-83 no such credit plans were prepared in any of the eight intensive development districts, reasons for which were neither available with the Government nor with the Zilla Parishads.

(b) The State Government directed (March 1983) the Chief Executive Officers of the Zilla Parishads to prepare a credit plan before April in consultation with all the banks in the District Consultative Committee. According to the information furnished by the NABARD to the State Level Co-ordination Committee in July 1984, in 22 out of 29 districts

credit plans were not prepared and forwarded to NABARD for approval in 1983-84. The credit plans for 1984-85 were also not prepared in 27 districts to end of July 1984.

(c) Loan sanctioned under the project was to be repaid in seven years in case of 2 cubic metre to 4 cubic metre plants and five years in respect of plants of 6 cubic metres and above. Noticing that certain banks had fixed a stiffer repayment schedule of three years, the State Government directed them (June 1983) to maintain a repayment schedule of five to seven years. Despite these instructions, in Kannad and Khuldabad blocks of Aurangabad district, loan amounting to Rs. 1.88 lakhs repayable in 3 years was paid to 57 beneficiaries in 1984-85 for plants of 2 cubic metres and 3 cubic metres, resulting in a burden of higher instalment of repayment on the beneficiaries. The Block Development Officer stated that matter would be taken up with the banks.

(d) As regards sanction of loan, no uniform procedure was laid down either by the Government or NABARD. As a result, the banks insisted on their own procedure resulting in non-sanctioning and delay in sanctioning of loans. In Haveli block of Pune district, 15 cases involving bank credit of Rs. 0.96 lakh were forwarded to the banks in December 1982 and 1984-85 for sanction of loan. Two loan cases involving credit of Rs. 0.18 lakh forwarded to a bank in December 1982 were returned in January 1983 stating that they had no such scheme. The Block Development Officer stated (February 1985) that the matter would be taken up in the district co-ordination committee meeting. Due to absence of Agriculture Officer and insistence of the beneficiaries' photographs on the application for identification, 13 cases involving amount of Rs. 0.78 lakh were not sanctioned by one bank. The Block Development Officer reported in November 1985 that these were sanctioned by another bank. Thus, non-coordination between the bank and Block Development Officer denied credit to the extent of Rs. 0.18 lakh and entailed delay in sanctioning loan of Rs. 0.78 lakh to the prospective beneficiaries.

(e) In Kamptee Block of Nagpur district 20 applications involving a credit of Rs. 1.20 lakhs, were submitted to the bank in August 1984. All cases were returned by the bank in September 1984 as they were incomplete. Out of these, only 4 were resubmitted to the bank in November 1984 and even these were not sanctioned (February 1985). The

remaining 16 cases could not be reprocessed as the beneficiaries could not provide the security required by the banks. Thus, scrutiny of applications by the Block Development Officer while submitting the loan proposals initially to the bank was inadequate involving unnecessary labour and time.

(f) As per instructions of the State Government, number of applications to be collected should be four times the target fixed. In Ramtek block, against the target of 100 plants fixed for 1983-84, only 98 applications were collected and sent to banks. Out of this, only 51 were sanctioned and 43 plants were set up. Thus, lack of efforts by the block in motivating the beneficiaries to the required extent resulted in non-achievement of the target. The Block Development Officer attributed the reasons for shortfall in achievement to want of staff. The Government stated (July 1985) that this being the target oriented programme, it is advisable to collect more number of applications to enable the implementing agencies to achieve the given target easily, but in some of the blocks it was not possible to collect sufficient number of applications.

(g) Loan was to be sanctioned as per cost norms approved by NABARD. In Pune district loan amounting to Rs. 2.82 lakhs was sanctioned in 40 cases during 1982-83 and 1983-84 as against the admissible amount of Rs. 2.19 lakhs resulting in grant of excess loan of Rs. 0.63 lakh. The Zilla Parishad stated that excess loan was sanctioned due to increase in the cost of material, and the position would be ascertained from the banks. The excess payment of loan had reduced the number of potential beneficiaries (approximately ten), since more number of beneficiaries out of 103 pending cases could have been covered had the loan been sanctioned at the approved cost of the plants.

(vii) *Defective Plants.*—In order to check the discouraging impact of the defective biogas plants among the potential beneficiaries, the Government of India released Rs. 3 lakhs (August 1984) for undertaking repairs of such plants during 1984-85. The expenditure for repairing was to be limited to a maximum of Rs. 500 per plant and was to be incurred on such defective plants which failed due to poor workmanship of masons or after the expiry of guarantee period. The State Government released Rs. 2.47 lakhs during 1984-85 to Zilla Parishads. The details of actual drawal and expenditure were not available with Government (April 1985).

In Aurangabad, Nagpur and Pune districts it was observed that although Rs. 0.24 lakh were available (September 1984) for repairing 47 biogas plants which were not working for a period of six to twenty-four months, no plant was repaired till March 1985. All the three Zilla Parishads stated (February and March 1985) that the plants were being repaired. The delay in repairing the plants resulted in rendering institutional finance of Rs. 2.23 lakhs and subsidy of Rs. 0.59 lakh unfruitful.

(viii) *Wanting Detailed Contingent bills (D. C. bills).*—The Chief Executive Officers of the Zilla Parishads were declared as drawing and disbursing officers and funds were placed at their disposal who in turn placed it at the disposal of the Block Development Officers for payment of subsidy to the banks or to the self financing beneficiaries. In four out of six districts test-checked and in the districts of Solapur, Satara and Thane from where information was received, it was observed that Rs. 215.60 lakhs were drawn on Abstract Contingent bills during 1982-83 to 1984-85 but the D. C. bills for Rs. 173.64 lakhs were not submitted (September 1985) by the Zilla Parishads due to non-receipt of accounts from the blocks, non-completion of scrutiny, etc.

(ix) *Training courses.*—Job refresher training course for masons and artisans who had undergone training in the construction of biogas plants, but had not assimilated the skill perfectly, was allotted to Aurangabad district in July 1984. Refresher course envisaged rectification of the defective plants. The Zilla Parishad had not conducted (February 1985) the refresher course on the plea that it was not possible to conduct it during 1984-85. To end of February 1985, 6 plants constructed during 1983-84 but not working for the last one year were not repaired. Had the refresher course been conducted, these plants could have been repaired and brought into use.

(x) *Cement supply.*—The requirement of cement was to be met from the special quota allotted by Government of India. In addition, the State Government was to supplement it from its own quota. During 1982-83 and 1983-84, against the requirement of 19,168 tonnes and 22,500 tonnes communicated to Government of India from time to time, 7,448 and 18,500 tonnes of cement respectively were allotted by Government of India. According to the State Level Co-ordination Review and Monitoring Committee, even the allotted quota was not received as the factories

did not supply it in full. The details of quantity of cement actually received, utilised and balance in hand were not available with State Government (October 1985).

It was observed that in Ambegaon and Baramati blocks of Pune district, against the admissible quantity of 410 bags of cement, 557 bags were supplied in 16 cases during April 1983 to March 1984. Excess supply of 147 bags was attributed to different soil conditions. As the cement to be supplied for construction of plants of different capacities was fixed taking into consideration all the relevant factors, the reasons put forth were not justified. On the other hand, in the Ambegaon block, construction of 13 plants was stopped during 1983-84 for want of cement.

(xi) *Fortnightly brief reporting schedule.*—A fortnightly report incorporating the details of number of cases sent to the banks, sanctioned, rejected and pending with them alongwith the reasons therefor was to be furnished by the Block/Zilla Parishad to the State Government for onward transmission to Government of India. It was noticed that out of 29 districts, such reports were received by the State Government only from 6 districts upto June 1984. In the absence of these reports, neither the Government of India nor the State Level Bankers Committee could be apprised of the position of receipt, sanction, rejection or pendency of loan applications from time to time for enabling them to keep effective liaison with the financial institutions to expedite the sanction of loans for setting up the plants.

(xii) *Non-maintenance of records : (a) Register of applications.*—Applications for setting up biogas plants were submitted by the prospective beneficiaries to the Block Development Officer for processing and forwarding to the banks. In three districts of Aurangabad, Nagpur and Pune, record of all the applications received and action taken thereon was not maintained by the Block Development Officers. It could not, therefore, be ascertained whether timely and adequate action was taken on all the applications received from the beneficiaries in these districts.

(b) *Register of grants.*—In Aurangabad, Dhule, Nagpur and Pune Zilla Parishads register of grants was not maintained with the result that timely release of funds, utilisation of the grants and surrender of balances could not be scrutinised in audit.

(c) *Master Register*.—The information regarding size of the plant and number of animals was not recorded in the master register by the Zilla Parishads test-checked. The Zilla Parishads stated that the information would be compiled and incorporated in the register.

The survey conducted by the Director of Economics and Statistics, Bombay in July and August 1984 revealed that in 20 per cent cases, animal holding was below four and that in such cases adequate dung could not be ensured. The Government stated that insufficiency of cow dung was due to cattle being away for grazing during the day time and the beneficiaries had been instructed suitably for maximum collection and utilisation of cow dung.

(xiii) *Evaluation of the programme*.—The Director of Economics and Statistics conducted evaluation in four districts of Satara, Sangli, Kolhapur and Chandrapur during 1984-85. The Government stated (October 1985) that the Director was asked to carry out evaluation in a more systematic manner. Similarly, the Operations Research Group of Baroda evaluated the programme. The result of the evaluation was awaited (October 1985).

3.9.6 *Summing up*.—The National Project on Biogas Development was implemented in the State in the Sixth Plan period with a Central assistance of Rs. 2,005.70 lakhs received during 1982-83 to 1984-85. In all 76,986 biogas plants were installed to the end of March 1985 of which it was reported that only 497 were not in working condition. In support of the Central assistance, claims for the amount of Rs. 132.21 lakhs were not submitted to Government of India for want of utilisation certificates from the Zilla Parishads. For the plants completed in 1983-84 subsidy of Rs. 260.29 lakhs was released during 1984-85 resulting in undue burden of interest of Rs. 11.84 lakhs on the beneficiaries.

While the achievement exceeded the target fixed by the Government of India in 1982-83 by 44 per cent, the same fell short of enhanced target fixed by the State Government by 18 per cent. During 1982-83, 14 districts (including 4 intensive development districts) and during 1983-84 sixteen districts (including 4 intensive development districts) failed to achieve the enhanced target. The project was not at all introduced in 713 villages in ten blocks resulting in non-exploitation of biogas potential in that

area. Implementation was not done in a phased manner and plants were set up mostly in the last quarter. Percentage of plants set up for scheduled castes/scheduled tribes beneficiaries was 0 to 6 as against 10 to 15 prescribed by Government.

A case involving fraudulent payment of subsidy of Rs. 0.10 lakh was noticed. Non-repairing of 47 defective plants though the allotment was available rendered institutional finance of Rs. 2.23 lakhs and subsidy of Rs. 0.59 lakh unfruitful. Detailed Contingent bills for Rs. 173.64 lakhs were not submitted by seven Zilla Parishads.

A report of the agency entrusted with the job of evaluation to assess the benefits derived from the project was awaited (October 1985).

3.10 Unfruitful outlay on power pumps

Pursuant to the Government decision of May 1980, for relieving scarcity of drinking water in villages, hand pumps fitted to ten high yielding bore wells (nine in Bhandara and one in Nagpur districts) were replaced by power pumps costing Rs. 0.87 lakh between February 1980 and January 1981. Owing to non-payment of deposit to Maharashtra State Electricity Board towards electric connection by grampanchayats, these ten pumps were not energised (May 1985). Seven power pumps were removed and hand pumps were refitted on them between February 1982 and June 1985. However, power pumps on three borewells were not removed so far (October 1985). The expenditure of Rs. 0.61 lakh on construction of these three borewells and installation of power pumps was unfruitful as the borewells could not be utilised due to non-energisation of pumps. Of the seven power pumps removed due to non-energisation, three pumps costing Rs. 0.26 lakh were not put to use elsewhere (October 1985). Thus, the expenditure of Rs. 0.87 lakh on six pumps and 3 borewells did not serve the intended purpose.

The Government accepted (August 1986) the audit comment and stated that orders to include the expenditure on deposits for electrical poles and lines in the estimate of the scheme as also to the Government bearing fifty per cent of the electricity charges for running the water supply schemes were issued (October 1985) which would minimise in future the instances reported in the paragraph.

REVENUE AND FORESTS AND HORTICULTURE AND SOCIAL FORESTRY
DEPARTMENTS

3.11 Afforestation, Social and Farm Forestry including Rural Fuelwood Plantations

3.11.1 *Introductory.*—Forests are one of the valuable and renewable natural resources and play a key role in the socio-economic progress of the country. The National Forest Policy formulated in 1952 has recommended that at least one-third of the land should be under forests. According to the Forest Department, nearly half of the forest area in the State is either barren or denuded of tree cover. The Sixth Five Year Plan (1980-85) envisaged re-orientation of the forestry programme and classification and management of forests under three categories *viz.*, (i) productive forests for production of essential domestic and industrial requirements of fuelwood, timber and paper pulp, (ii) protective forests for providing vegetational cover to vulnerable areas and (iii) social forestry for meeting the environmental needs. Pursuant to the declaration of the new 20-Point Programme in January 1982, the Sixth Five Year Plan of the forestry sector was modified, emphasis being laid on programmes of plantations of woods and services required for the energy demands of the community, particularly in the rural areas. As intimated (September 1985) by the Principal Chief Conservator of Forests, the forest area in the State came to 64,177 square kilometres (20.9%) to end of March 1985 as against 61,154 square kilometres (19.9%) in March 1980.

3.11.2.1 *Afforestation.*—Afforestation was one of the normal functions of the Forest Department. In the context of the importance attached to the programmes of alternate sources of energy, afforestation was included in the 20-Point Programme. A separate department of Horticulture and Social Forestry was created in June 1981 and the orders for monitoring the programme were issued by the State Government in June 1982 prescribing monthly and quarterly progress reports. The programme was implemented through the Forest Department, Horticulture and Social Forestry Department and Forest Development Corporation of Maharashtra (FDCM) and the plantation work was done under various non-Plan and Plan schemes, such as Employment Guarantee Scheme, Western Ghat Development Programme, Drought Prone Areas Programme etc. The unit for assessing the performance and monitoring the progress was the number of trees planted.

3.11.2.2 *Targets and Achievements.*—Targets and achievements during Sixth Five Year Plan 1980-85 were as under:

Year	Financial		Physical	
	Targets	Achievements	Targets	Achievements
(1)	(2)	(3)	(4)	(5)
	(in lakhs of rupees)		(seedlings in lakhs)	
1980-81	.. Not fixed	712.00	Not fixed	625.77
1981-82	.. Not fixed	934.00	Not fixed	874.00
1982-83	.. 1,681.01	1,485.71	1,423.55	1,978.79
1983-84	.. 2,305.60	1,936.99	1,400.00	1,936.13
1984-85	.. 2,451.06	2,272.30	1,931.80	1,939.01

3.11.2.2.1 Achievements of afforestation as reported to Government of India exceeded the physical targets fixed during 1982-83 to 1984-85. But this did not reflect the correct picture. According to the instructions as well as subsequent clarification issued by the Government of India in August 1982, achievements of afforestation were to be reported in monthly progress reports in terms of seedlings planted, and seedlings distributed shown separately. Notwithstanding these instructions, the State Government included the figures of seedlings distributed *i.e.* 699 lakhs in 1982-83, 800 lakhs in 1983-84 and 781.12 lakhs in 1984-85 in its progress reports of afforestation. This resulted in reporting the achievements of seedlings planted more by 2,280.12 lakhs (39 per cent) under afforestation programme without verifying how many seedlings were actually planted out of those distributed to the people.

3.11.2.2.2 For 1983-84, an expenditure of Rs. 1,308 lakhs was anticipated to be incurred for planting trees under various schemes drawn by the Forest Department. Against this, expenditure incurred by that department during 1983-84 was only Rs. 895.62 lakhs which fell short of the target by Rs. 412.38 lakhs. Physical achievement of the same department during 1983-84 was reported as 709.83 lakh seedlings which exceeded the target of 425 lakh seedlings by 284.83 lakhs. Since plantation works in Forest Department are carried out as per sanctioned estimates, normally there should not be large variations between financial and physical targets. Government stated in October 1985 that the reasons for exceeding

the physical targets without incurring the expenditure will be ascertained and reported separately. Final reply was awaited (October 1986).

3.11.2.3 Points noticed during test-check of records conducted in the offices of the Principal Chief Conservator of Forests, Director of Social Forestry and District Offices of the Forest Department and Social Forestry Department in the seven districts of Kolhapur, Nagpur, Parbhani, Pune, Sindhudurg, Solapur and Wardha during January to May 1985 are mentioned in the succeeding paragraphs.

3.11.2.3.1 The percentage of forest area to geographical area in the different regions of the State and targets fixed by the Forest Department during 1984-85 for planting of seedlings were as under:

Region	Percentage of forest area to regional geographical area	Target for planting seedlings (in lakhs)
Western Maharashtra	17.01	372.65
Vidarbha	37.51	184.36
Marathwada	4.35	81.64

While fixing the targets emphasis was not given on planting more number of seedlings in the region having least forest cover. The Marathwada region with least percentage of forest area was allotted the lowest target of 81.64 lakh seedlings. The department stated (January 1985) that the targets were fixed depending upon achievements of pre-plantation operations during the previous year and the area under forest in that region and that as the forest area in Marathwada as also physical achievements on forest land were less than other regions in the State, less targets were fixed for this region. Thus, the region with least forest cover was not likely to come up to the level of other regions in the State. While accepting the audit comment as correct, the Government stated that the matter needs to be taken up for issue of suitable instructions to the Social Forestry Department.

3.11.2.3.2 According to the department, targets are fixed on the basis of pre-plantation operations of the previous year. Large variations in the targets and achievements were, therefore, not contemplated. It was noticed that in Gondia Forest Division target of 3.43 lakh seedlings for

1983-84 was fixed. However, achievement in the same year was reported as 14.90 lakh seedlings. While explaining reasons for variations, the Divisional Forest Officer, Gondia stated (May 1985) that targets were wrongly fixed through oversight. While the average expenditure incurred per seedling compared well with the estimated cost, it was noticed that the expenditure under each estimate varied widely from 7 paise to Rs. 8.30 per seedling. It was enquired from the Conservator of Forests whether the achievement of 14.90 lakh seedlings planted reported by the Divisional Forest Officer, Gondia was corroborated by the pre-plantation operations of the previous year as also estimates and actual expenditure, to which reply was awaited (October 1986).

3.11.2.3.3 The Divisional Forest Officer, Parbhani reported achievement of 5.21 lakh seedlings planted during 1982-83 and 1983-84 in the report sent under EGS, whereas 9.47 lakh seedlings planted were reported under EGS for the same period in the report of afforestation under 20-Point Programme. Reasons for variations were being examined by Government (October 1985).

In Wardha district, the Deputy Director of Social Forestry reported a progress of 5.30 lakh seedlings planted during June and September 1982 on a theoretical basis of 3.50 lakh seedlings from 50 kg. Subabul seeds distributed and 1.80 lakh seedlings from 15 kg. seeds distributed during the same period. The progress report of seedlings planted was, thus, not factual.

3.11.2.3.4 To increase the productivity of the forests, use of good quality seeds from plus trees of the common plantation species like teak, khair, sal, pine, sisam, etc., was necessary. For 1982-83 the Forest department fixed the target of collection of good quality seed of 47.04 tonnes from plus trees. However, good quality seed from plus trees was collected by the Forest department in respect of teak species only and that too for very limited specific research purposes. The Social Forestry Department stated (January 1985) that the planting programme of that department being very large it was not possible to collect all the seed from pre-selected plus trees. The object of collecting good quality seed from plus trees was, thus, not achieved. Government stated that since the requirement of seed was very large, it was not possible to collect all the seed from pre-selected plus trees.

3.11.2.3.5 Seedlings are planted in monsoon. The casualties noticed are replaced during weeding operation upto September and survival count is taken in October. The Government of India had instructed in October 1983 that a qualitative report on the survival of seedlings planted should be incorporated in the quarterly progress report for October to December. Despite such instructions, in the quarterly progress reports sent by the State Government to the Government of India for the quarter ending December 1983 and 1984, the report on the survival of plants was not incorporated due to non-availability of data. Government stated that the report of the survival of plants will be furnished to the Government of India in the quarterly progress report of December 1985.

According to the instructions of the department, survival count is required to be taken in October and May. As per the progress reports of the Directorate of Social Forestry 1,825.67 lakh seedlings were planted during 1982-83 and 1983-84. Government stated that drawing of survival rate every month is not possible and that the mid-term evaluation conducted by the USAID authorities revealed that in respect of only 258 villages out of 1,350 villages the survival rate was less than eighty per cent.

3.11.2.3.6 According to the Evaluation Code of the State Government, a plantation is treated as a failure if the survival percentage is less than 33. A test-check of records of 7 villages in Parbhani district revealed that out of 1.08 lakh seedlings planted under Employment Guarantee Scheme by the Divisional Forest Officer, Parbhani during 1980-81 and 1981-82 at a cost of Rs. 1.70 lakhs, 0.28 lakh plants survived. The percentage of survival being 26 per cent, the plantations proved to be a failure.

In Wardha district 5,772 seedlings were planted on Yesamba plot (grampanchayat land) in the monsoon of 1981 at a cost of Rs. 0.67 lakh. Casualty replacements were 2,803 and 849 in 1981 and 1982 respectively. As per October 1984 count, 1,635 trees survived. Thus, plantation on this plot failed, the survival being less than 33 per cent. The department attributed the failure to interference of local villagers and fire hazards.

In the same district, 4,002 seedlings were planted at Jamtha during monsoon of 1981. As per departmental instructions 20 per cent casualties were to be replaced during second year and 10 per cent in the third year. The department, however, replaced 5,463 casualties which were more by 4,263 over and above the permissible limit and incurred an expenditure

of Rs. 0.76 lakh thereon upto March 1985. Survival of plants was found to be 2,236. The department attributed the low survival to less rainfall during monsoon of 1982 and 1983.

3.11.3 *Social and Farm Forestry including Rural Fuelwood Plantation*

3.11.3.1 *Introductory.*—The Centrally sponsored scheme of 'Social and Farm Forestry including Rural Fuelwood Plantation' was launched during the Sixth Five Year Plan with a view to narrowing the gap between the need and level of supply in respect of fuelwood, fodder and small timber requirements of the rural people in and around their villages. The scheme was implemented by the Horticulture and Social Forestry Department and was initially operated in seven districts and in 1983-84 it was extended to ten districts.

3.11.3.2 *Pattern of Central assistance.*—Central assistance was admissible at the rate of 50 per cent of actual expenditure subject to maximum of Rs. 1,000 per hectare for plantation and Rs. 250 per thousand seedlings. For setting up of a monitoring and evaluation cell where no such cell exists and for strengthening of existing ones 50 per cent of the actual expenditure subject to a limit of Rs. 50,000 per annum was admissible as Central assistance. Besides the above, Central grant of Rs. 750 per year per district was admissible for publicity purpose.

3.11.3.3 *Overall performance.*—The financial and physical progress during 1980-81 to 1984-85 was as follows:

(a) *Financial :*

Year	Budget provision	Expenditure	Central assistance
(1)	(2)	(3)	(4)
(in lakhs of rupees)			
1980-81	Nil	Nil	33.18
1981-82	15.58	17.68	Nil
1982-83	54.26	58.94	17.03
1983-84	86.00	88.73	9.00
1984-85	84.55	82.44	35.00
	Total	247.79	94.21

(b) Physical :

Year	Targets		Achievements	
	Plantations	Seedlings to be raised for distribution and planting	Plantations	Seedlings raised
(1)	(2)	(3)	(4)	(5)
	(hectares)	(in lakhs)	(hectares)	(in lakhs)
1980-81 ..	....	....	....	....
1981-82 ..	....	....	....	....
1982-83 ..	1,400	21.00	1,019.00	18.00
1983-84 ..	2,000	21.00	1,726.00	26.00
1984-85 ..	1,000	120.00	937.00	140.00

3.11.3.3.1 According to the work programme, Central assistance of Rs. 18.14 lakhs was earmarked for 1980-81 and 1981-82 as against the total contemplated outlay of Rs. 53.42 lakhs. However, even though total outlay was Rs. 17.68 lakhs, the Government of India released, Rs. 33.18 lakhs *i.e.* Rs. 15.04 lakhs in excess during 1980-81. Although the scheme was launched during Sixth Five Year Plan, it was not implemented in the State during 1980-81 as the administrative approval to the scheme was received from Government of India at the fag end of the financial year. Central assistance of Rs. 33.18 lakhs, therefore, remained unutilised during 1980-81.

3.11.3.3.2 Out of the Central assistance of Rs. 94.21 lakhs received during 1980-81 to 1984-85, Rs. 38.47 lakhs upto March 1984 were claimed and utilisation certificates for the same were sent to the State Government by the Director of Social Forestry in March 1985. The tentative claim and utilisation certificate for Central assistance of Rs. 52.10 lakhs for 1984-85 were also sent (March 1985) to the State Government. The balance Central assistance of Rs. 3.64 lakhs remained unutilised at the end of Sixth Plan Period which has not been refunded (December 1985).

3.11.3.3.3 Central assistance of Rs. 750 per year per district admissible for publicity could not be availed of as no publicity was undertaken. Similarly monitoring and evaluation for which Central assistance was admissible was not done till December 1984. The Directorate stated (February 1985) that recently a unit was created in November 1984 for periodical monitoring and evaluation of the Social Forestry Programme and reports of the unit were awaited (October 1986).

Seedlings were raised in the nurseries by the Social Forestry Divisions. Test-check of five selected districts of Kolhapur, Parbhani, Pune, Sindhudurg and Solapur for intensive implementation of the scheme revealed that 114.27 lakh seedlings were reported as raised during 1982-83 to 1984-85 by the Directorate, but the stock account of the seedlings raised, planted and distributed to the people and balance in hand at the end of the year was not maintained in these districts. The targets of block plantation of 200 hectares per year per district were fixed during 1982-83 and 1983-84. Due to non-availability of community land, the target was reduced to 100 hectares per year per district in 1984-85. To counterbalance the reduction in the programme of block plantation, distribution of seedlings was stepped up. However, the department had not evolved any system to verify the number of seedlings planted and survived, out of those distributed and planted reportedly due to paucity of staff.

3.11.4 *Maharashtra Social Forestry Project*

3.11.4.1 Maharashtra Social Forestry Project was launched in October 1982 to develop the institutional capability of the Horticulture and Social Forestry Department, to assist villagers to manage their community and private lands for increase and sustained production of forestry products. Achievements of the project were to contribute for increasing supply of firewood, fodder, fruit and small timber in rural areas, reduction in rate of deforestation and increase in rural employment. The project was to be implemented for seven years. The project estimated to cost Rs. 56.4 crores was financed through the loan and grants received from the United States of America, Agency for International Development (USAID) and funds provided by the State Government on 50:50 basis. The aid received by the State Government from USAID was in the form of additional Central assistance restricted to 70 per cent of actual

disbursements made by USAID. The aid from USAID was to be received in three instalments during the establishment and development of plantation according to the fixed amount reimbursement procedure prescribed in the project.

3.11.4.2 The budget provision, expenditure, Central assistance received, targets and achievements during 1983-84 to 1984-85 were as under :

(i) *Financial* :

Year	Budget provision	Expenditure (in lakhs of rupees)	Central assistance
1983-84 ..	646.35	621.09	305.58
1984-85 ..	711.30	670.69	238.06

(ii) *Physical* :

Year	Targets (plantation in hectares)	Achievements
1983 rainy season	5,000	5,658.61
1984 rainy season	12,400	12,428.70

3.11.4.2.1 To provide short term incentive for greater participation by individuals, the project envisaged distribution of a maximum of 50 seedlings free of cost to beneficiary households over a period of three years. The department, however, distributed the seedlings of eucalyptus, subabul and bamboo in unlimited numbers free of cost while the seedlings of other fuelwood fodder species were supplied at concessional rates as observed by USAID authorities in December 1983 and brought to the notice of the Director of Social Forestry in January 1984. According to the USAID authorities this approach of the department may lead to wealthier farmers, institutions and industries willing to undertake large scale plantation programme getting unlimited number of seedlings of above mentioned species free of cost whereas poor farmers and villagers desirous of planting a few fuel, fodder or fruit trees will have to pay for their seedlings and might discourage the participation of small

and marginal farmers. In January 1984 Government issued instructions to restrict the distribution of seedlings free of cost to 250 potted seedlings or 500 naked seedlings from 1984-85. During test-check it was noticed that in disregard of the Government directives seedlings in excess of 250 (251 to 5,460) to each beneficiary to the extent of 2.26 lakhs were distributed during monsoon of 1984 by the Plantation Officers of Hingoli and Jintur in Parbhani district, Mangalwedha in Solapur district and Social Forestry Divisions in Nagpur and Sawantwadi. The cost of seedlings at the rate of Re. one per plant prescribed in the project worked out to Rs. 2.26 lakhs which had not been recovered. The Deputy Director, Social Forestry, Parbhani stated (February 1985) that this approach was adopted to fulfil the target which was binding on the staff. The Deputy Director of Social Forestry, Nagpur attributed the distribution in excess of the limits prescribed by Government to the instructions issued by higher authorities. No reasons were furnished by other officers.

3.11.4.2.2 The Project Report envisages purchase of research equipments, establishment of field laboratories/ research stations, field/nursery trials, etc., for research and seed processing. An amount of Rs.18 lakhs was required to be spent on this activity by the end of second year of the project. No expenditure was incurred so far (June 1985). The Directorate of Social Forestry stated that the Government has decided to entrust major portion of research to Agricultural Universities situated in the Agro-climatic Zones and the expenditure would be incurred when such projects were accepted.

3.11.4.2.3 The USAID authorities instructed (January 1984) that nursery records should be maintained at district and plantation officers level indicating seedlings raised and distributed under various schemes. It was noticed in the districts test-checked that no such records in respect of each nursery under various schemes showing production, disposal and balance at hand were maintained.

3.11.4.2.4 The Maharashtra Social Forestry Project contemplates that right of property and revenue from community plantations, roadside plantations and canal bank plantations will be available to the village community, subject to payment of royalty charges to Government to the

extent of 2 per cent of the sale proceeds. It was noticed that in Konkan region, panchayat lands were not available and community plantations were raised on revenue waste lands, Public Works Department lands and Irrigation Department lands. These departments had not agreed either to hand over the plantations or to give the rights of revenue realised from plantations to panchayats. In Sindhudurg district alone the plantation on 1,031.63 hectares of land and on roadside, canal banks, etc., to a length of 64 km was not likely to fulfil the essential criteria of the project. Government decision in the matter was awaited (June 1985).

3.11.5 *Summing up* : Achievements of afforestation programme implemented during 1982-83 to 1984-85 indicating seedlings planted included 2,280.12 lakh seedlings distributed during the above period, thus, inflating the performance by 39 per cent. Even though financial targets of Forest Department fell short by Rs. 412.38 lakhs, in 1983-84 physical targets were exceeded by 284.83 lakh seedlings, reasons for which are to be analysed by the Conservator. Allocation of targets was not commensurate with the forest area of the various regions in the State. Incorrect reporting was noticed to the extent of 21.03 lakh seedlings planted due to fixation of incorrect targets through oversight, theoretical calculations based on subabul seed distributed, etc. The target of 47.04 tonnes of good quality seed from plus trees set for 1982-83 was not achieved and the collection of seeds from plus trees was restricted for research purposes only and object of collecting good quality seed was not achieved. Reports on the survival of plants were not sent to Government of India due to non-availability of data. As regards 1.14 lakh seedlings planted at a cost of Rs. 2.37 lakhs, survival being less than 33 per cent, plantation proved to be failure. Central assistance of Rs. 33.18 lakhs was not utilised during 1980-81 for Social and Farm Forestry including Rural Fuelwood Plantation Programme and the Central assistance of Rs. 3.64 lakhs remained unutilised at the end of the Sixth Plan period. In respect of 114.27 lakh seedlings, the stock account indicating seedlings raised, distributed and balance was not maintained.

Under USAID project distribution of 2.26 lakh seedlings in excess of 250 each per individual entailed a loss of Rs. 2.26 lakhs to Government. No expenditure was incurred on purchase of research equipments, establishment of field laboratories, research stations and nursery trials, etc.

Records of production, distribution and balance of seedlings in respect of each nursery were not maintained. In Konkan region, panchayat lands were not available and plantations were raised on Government lands, but the Government departments had not agreed to give right of revenue from plantations to panchayats.

HORTICULTURE AND SOCIAL FORESTRY DEPARTMENT

3.12 Horticulture Development Programme

3.12.1 *Introductory*.—Mention was made in paragraph 3.3 of Audit Report 1977-78 (Civil) about the working of the fruit nurseries and fruit farms when Horticulture schemes were implemented by the Agriculture Department. Public Accounts Committee (1981-82) in its Sixth Report Part II (April 1982) observed that unless the newly constituted department of Horticulture and Social Forestry took immediate meaningful steps in formulating and implementing the programme to run the nurseries on economic basis and was able to produce the seedlings required in adequate quantity, no useful purpose would be served by most of the existing nurseries. A separate department of Horticulture and Social Forestry for implementing Horticulture Development Programme was formed in July 1981. A review of the programme implemented during 1982-83 to 1984-85 by the newly formed department was conducted by Audit during April to July 1985. The Horticulture wing of this Department consists of a Directorate of Horticulture at Pune, four Divisional Offices at Nagpur, Nashik, Aurangabad and Mangaon each headed by a Superintending Horticulture Officer, and 29 Deputy Directors at district level. An area of 1,094.57 hectares is covered by a State level nursery, two fruit farms and 118 district and taluka nurseries administered by the department. With the object of providing complementary avenue to small and marginal farmers, and weaker section of the society to augment their income, Government launched (1982-83) a comprehensive Horticulture Development Programme in all the districts of the State. The programme envisaged departmental supply of planting material at prescribed rates on cash basis to small and marginal farmers for cultivating fruit crops, securing bank loans to these farmers and grant of capital subsidy at rates ranging from 33½ to 100 per cent.

3.12.2 The Financial and physical performance during 1982-83 to 1984-85 were as under :

(a) *Financial :*

Year				Budget provision	Expenditure
				(in lakhs of rupees)	
1982-83	..	..	..	681.75	508.22
1983-84	..	..	..	594.73	649.70
1984-85	..	..	..	833.79	729.50
Total	..			2,110.27	1,887.42

Funds to the extent of Rs. 222.85 lakhs remained unutilised during 1982-83 to 1984-85. Non-utilisation of funds was attributed (February 1986) by Government to delay in transferring the lands by Agriculture Department, shortage of staff and poor response from the banks to the capital subsidy scheme for small farmers.

(b) *Physical :*

Year	Preparation of grafts			Preparation of seedlings		
	Target	Achievement	Shortfall (percentage in bracket)	Target	Achievement	Shortfall (percentage in bracket)
(1)	(2)	(3)	(4)	(1)	(2)	(3)
	(number in lakhs)			(number in lakhs)		
1982-83	.. 7.21	4.86	2.35 (33)	18.67	14.27	4.40 (24)
1983-84	.. 16.50	6.24	10.26 (62)	28.03	17.36	10.67 (38)
1984-85	.. 16.71	9.92	6.79 (41)	23.86	40.31	....

The department attributed the shortfall in achievement to inflated targets, late transfer of areas from taluka seed farms of Agriculture Department, inadequate irrigation facilities, non-availability of root stock required for the production of grafts, unsuitable soil of the nursery, mother plants being below age and non-availability of staff.

3.12.3 Points arising out of the test-check of records at Mantralaya, Directorate, four divisional offices, five District offices, one Major fruit farm, one District Central Nursery and three taluka nurseries are given in the succeeding paragraphs.

3.12.3.1 *Defective staffing pattern.*—Under the orders issued by the Government in November 1981, ten posts of Horticulture Assistants and 20 posts of Malis were created uniformly in each district in the ratio of 1 Assistant to 2 Malis irrespective of the number of blocks in each district. Consequently in districts like Nagpur and Yavatmal, each consisting of 14 blocks no staff would be available for some blocks, whereas in districts like Wardha, with 8 blocks, staff provided would be surplus. The Director of Horticulture stated (October 1985) that the proposals for revising the staffing pattern were submitted in March 1985. These were not found acceptable to the Government (February 1986). Further developments are awaited.

3.12.3.2 *Payment of capital subsidy.*—To encourage horticulture development, Government introduced in July 1982 a scheme of payment of capital subsidy as per a prescribed scale to small and marginal farmers to reduce the burden of loans advanced by the banks.

Budget provision and expenditure under the scheme were as under :

Year	Budget provision	Expenditure
	(in lakhs of rupees)	
1982-83	246.37	42.75
1983-84	225.00	138.88
1984-85	166.18	88.04
Total	637.55	269.67

As the payment of capital subsidy was linked with the loans to be sanctioned and disbursed by the Nationalised and Co-operative Land Development Banks, non-sanctioning as also non-disbursement of sanctioned loan had an adverse effect on payment of capital subsidy by the department. Against Rs. 637.55 lakhs provided for payment of capital subsidy during 1982-83 to 1984-85, more than 50 per cent amount *i.e.* Rs. 367.88 lakhs remained unutilised due to less response from banks and non-availability of clear beneficiaries having no encumbrances. Out of 29,097 loan cases for the amount of Rs. 2,376.77 lakhs sent to banks during 1982-83 to 1984-85, 7,359 cases for the amount of Rs. 697.30 lakhs were rejected and 7,244 cases were reported as pending with the banks.

3.12.3.3 *Performance of various schemes*

3.12.3.3.1 The Government launched a scheme for supply of fruit seedlings, free of cost, to beneficiaries living in Gharkul and weaker sections residing on outskirts of villages in September 1982 with a view to promote isolated plantation upto 5 seedlings. The number of plants distributed during 1982-83 to 1984-85 and cost thereof were as under :

Year			Plants distributed (number in lakhs)	Cost of plants distributed (in lakhs of rupees)
1982-83	..	..	4.32	19.57
1983-84	..	..	5.67	31.31
1984-85	..	..	2.58	9.71

Reports of the regional authorities disclosed that during 1984-85 the mortality in four regions of the State was 53 to 64 per cent and on an average 57.5 per cent. As the information about survival of plants and mortality was not available with the Divisions (except 7 districts of Western Maharashtra Division, Nashik for 1983-84) for 1982-83 and 1983-84 (June 1985), and as no permissible limit of mortality has been prescribed, total wasteful expenditure could not be assessed. The Directorate attributed the high percentage of mortality to plants being left without proper care when the beneficiaries were out, destruction of plants by cattle due to non-availability of fencing and heavy rains/wind. According to the evaluation study conducted by the Directorate between March and August 1985, out of 1.10 lakh plants selected for random survey only 0.12 lakh plants survived and rate of mortality was 89 per cent. The reasons for mortality as mentioned in the report were inadequacy of water, non-availability of fencing, destruction by stray cattle, etc. No remedial action to overcome such situation was suggested (September 1985).

3.12.3.3.2 *Centrally sponsored scheme for Control and Eradication of Pests and Diseases of Agriculture Importance in Endemic Areas.*—The Superintending Horticulture Officer, Konkan Region, Mangaon, paid in advance 50 per cent subsidy amounting to Rs. 2.94 lakhs to the Maharashtra Agro Industries Development Corporation, Bombay in December 1984 towards cost of pesticides for spray on mango trees. On receipt of

the bills, it was noticed by him that the Corporation was paid Rs. 0.57 lakh in excess, which was not recovered till May 1985. Recovery of the excess payment is awaited (February 1986).

3.12.3.3 *Loans to cultivators for providing water facility for protection of orange gardens in Vidarbha during 1983-84.*—Due to scarcity of water during 1983-84, orange orchards in Nagpur, Amravati and Wardha districts of Vidarbha region were in danger. For deepening the wells either by boring or manual digging so as to improve water yield, the above scheme was sanctioned in 1983-84 with an allotment of Rs. 50 lakhs.

An amount of Rs. 18.50 lakhs was drawn in May and August 1983 by the Superintending Horticulture Officer, Nagpur for inwell boring.

It was noticed that out of 261 bores undertaken in these three districts at a cost of Rs. 15.23 lakhs, 130 bores were unsuccessful. No norms regarding permissible percentage of unsuccessful borewells have been laid down. Expenditure incurred on 55 unsuccessful bores in two districts was Rs. 3.22 lakhs. Expenditure on unsuccessful bores in Nagpur district was not intimated (September 1985). Expenditure incurred on 130 bores did not serve the intended purpose. The Ground Water Survey and Development Agency, Nagpur stated (April 1985) that in Nagpur district some bores were unsuccessful due to lack of water bearing soil below the bottom of the wells and bores not being taken to a sufficient depth. Further, the expenditure of Rs. 15.23 lakhs incurred on 261 bores was recoverable from the beneficiaries. To end of July 1985, 174 loan cases were sent to the banks for recovery. Total amount involved in these loan cases was not available with the Superintending Horticulture Officer, Nagpur (September 1985). As regards 15 wells on which bores were taken in Wardha district at a cost of Rs. 1.30 lakhs, no loan case was prepared due to inadequate staff (August 1985). Non-preparation of 87 loan cases resulted in delay in effecting recovery from beneficiaries.

3.12.3.4 *Outstanding dues of credit sales of planting material.*—In Nagpur division and Nilleli fruit farm, plants worth Rs. 0.55 lakh were sold on credit to private parties during 1982-83 to 1984-85 by the Deputy Directors, Bhandara, Akola, Amravati and Wardha and Assistant Horticulture Development Officer, Nilleli though credit sales were not envisaged in the scheme. Out of this, credit sales of Rs. 0.48 lakh were

made on the assumption that loan would be sanctioned to beneficiaries and cost could be adjusted against it. However, as loan was not sanctioned, an amount of Rs. 0.17 lakh was recovered upto January 1985 and the balance of Rs. 0.38 lakh was outstanding for recovery to end of March 1985. The department stated (March 1985) that the outstanding dues would be recovered either as Taccavi or arrears of land revenue.

3.12.3.5 *Mortality of grafts/seedlings.*—The position of mortality in the case of grafts and seedlings of all varieties of fruit plants grown at the nurseries in Vidarbha and Marathwada regions during 1983-84 to 1984-85 was as follows :

Year	Grafts			Seedlings		
	Prepared	Survived	Mortality (percent- age in bracket)	Prepared	Survived	Mortality (percent- age in bracket)
	(number in lakhs)			(number in lakhs)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1983-84 Vidarbha	.. 3.85	2.23	1.62 (42)	4.00	2.22	1.78 (45)
1984-85 Vidarbha	.. 4.16	2.42	1.74 (42)	5.55	2.53	3.02 (54)
1984-85 Marathwada	.. 1.09	0.39	0.70 (64)	8.18	4.63	3.55 (43)

The information for the entire State was not available with the Directorate. The department had not fixed the permissible limit of mortality.

The Superintending Horticulture Officer, Nagpur stated (April 1985) that high mortality at different stages of grafting occurred despite all precautions and that the lands received from Agriculture Department are low lying and water logged in some of the nurseries.

During 1984-85 the Superintending Horticulture Officer, Konkan region had noticed 80 per cent mortality in respect of Alphonso Mango stone grafts, 53 per cent in Kokum seedlings, 40 per cent in black pepper and 40 per cent in Mango seedlings at Nilleli fruit farm. When reasons for high percentage of mortality were enquired by Audit, the Assistant Horticulture Development Officer, Nilleli stated (May 1985) that the matter was under correspondence for fixing responsibility.

3.12.3.6 *Purchase of planting material from other States.*—The Director of Horticulture issued instructions in September 1983 that the planting material procured from other States should be utilised for planting mother trees only in Government nurseries and for supplying to beneficiaries to whom loan was sanctioned and capital subsidy was admissible. It was noticed that out of 12,688 mango and chiku grafts costing Rs. 1.23 lakhs purchased during 1983–84 from the States of Gujarat and Karnataka for Nashik region, 1,192 grafts (cost : Rs. 0.13 lakh) died before distribution/utilisation, 3,377 grafts (cost : Rs. 0.29 lakh) were utilised for Gharkul programme, massive scheme, etc., which was prohibited and 3,022 grafts (cost : Rs. 0.24 lakh) remained undistributed as the purchases were made in excess of requirement. Thus, 7,591 grafts (60 per cent) purchased at a cost of Re. 0.66 lakh did not serve the intended purpose.

3.12.3.7 *Nugatory expenditure.*—In case of two nurseries at Amravati and Kismukot in Amravati district and three nurseries at Wada, Shirala and Sirsu in Akola district under Agriculture Department, even though portion of land meant for Horticulture was not transferred to Horticulture Department till March 1983, the staff for these nurseries was appointed in 1982–83 and expenditure of Rs. 2.69 lakhs was incurred on their pay and allowances. The services of the staff were utilised in Divisional and District offices in addition to their regular staff without any orders from the Government.

3.12.3.8 *Loss due to non-germination.*—Production of mango grafts on mango seedlings raised from *Gavathi* mango stones (Raiwal) was entrusted to all the nurseries in the State during 1983–84 and 1984–85. Each district was given the target of 5 lakhs of *Gavathi* mango stones to be purchased locally from villagers at the rate of Re. 0.05 per stone. The information about mango stones purchased was not available with the Directorate as also Divisional Offices. It was noticed that out of 82.20 lakh mango stones shown in Nashik division during 1983–84 and 1984–85 and in Konkan division in 1984–85, 65.27 lakh mango stones did not germinate resulting in a loss of Rs. 3.26 lakhs. In Konkan division, low percentage of germination was attributed to heavy rainfall and destruction of plants by wild pigs, etc. Reasons for low germination in Nashik division were not intimated (September 1985). The information from other divisions was awaited (September 1985).

In the same divisions, out of 3.57 lakh mango grafts prepared from the mango stone seedlings during 1983-84 to 1984-85, 2.17 lakh grafts were reported dead resulting in loss of Rs. 21.70 lakhs at the selling rate of Rs. 10 per graft. The department had not fixed any permissible rate of mortality. Reasons for high rate of mortality of mango grafts resulting in heavy loss to Government were not intimated (September 1985).

3.12.3.9 *Coconut plantation.*—A test-check of coconut plantation programme implemented at District Central Nursery, Khopoli, Western Maharashtra Division, Nashik and Marathwada Division, Aurangabad disclosed that 4.10 lakh coconut seeds were purchased in the above nursery divisions during 1981-82 and 1982-83 at a cost of Rs. 13.79 lakhs. Of this, 0.16 lakh seeds (cost : Rs. 0.56 lakh) were not sown as they had no sprouting or were unsuitable for sowing and 1.66 lakh seeds (cost : Rs. 5.82 lakhs) did not germinate due to rocky soil and non-availability of sufficient labour at Khopoli, dryness of seed nuts and inadequate water supply in Western Maharashtra Division, Nashik. Reasons for non-germination were not intimated by Marathwada Division, Aurangabad (September 1985).

At District Nursery, Khopoli and Marathwada Division, Aurangabad 0.30 lakh seedlings raised (cost : Rs. 2.71 lakhs) during 1984-85 were reported dead.

Thus, Government suffered a loss of Rs. 9.09 lakhs in the coconut plantation programme during 1981-82 and 1982-83. Information for the period 1983-84 and 1984-85 was not furnished (September 1985).

3.12.3.10 *Other topics.*—(i) The Director of Horticulture purchased furniture from a private firm for Rs. 6.24 lakhs in 1982-83 and 1983-84 for the newly created offices in Western Maharashtra and Konkan division without obtaining Government sanction and without inviting open tenders/quotations. The Government instructions to purchase furniture through the small scale industries under the Maharashtra Small Scale Industries Development Corporation were also not followed. The purchase of 41 wooden writing tables for Rs. 0.65 lakh at the rate of Rs. 1,525 per table resulted in extra expenditure of Rs. 0.30 lakh as steel writing table of the same size was available on rate contract for Rs. 800 each at Nashik itself. No action was taken by Government for irregular purchase involving extra expenditure though *post facto* sanction was accorded in April 1983, July 1983 and May 1984.

(ii) *Non-maintenance of cultivation sheets.*—A test-check of the records of the nurseries at Kadimbagh and Rajgurunagar disclosed that the cultivation sheets, *proforma* accounts, etc., as instructed in January 1983 by Director of Horticulture were not maintained. In the absence of it, crop and its variety, area, yield and correctness of the selling rate could not be verified in audit.

The department stated that necessary instructions to maintain the prescribed records have been issued in April 1985.

(iii) *Low yield-Nilleli Nursery.*—In Nilleli nursery there were 10,237 fruit bearing trees of mango, coconut, cashew nut, kokum, etc., of which 2,873 were in the age group of 8 to 10 years and 7,364 of 11 years and above. According to Assistant Horticulture Development Officer, Nilleli, fruits can be collected from 3,455 trees only, with the result that there was approximately a loss of two third of yield of various fruit crops at Nilleli nursery. Information about actual quantity of yield collected each year, sold, revenue realised was not available. The Department stated (May 1985) that in mango crop, there is a tendency to bear fruits in alternate years. The Government orders of September 1982, however, provide for regular annual cash inflow in respect of all the trees and as such the plea of the Nursery Officer was not tenable.

(iv) *Excess of expenditure over receipts.*—The nurseries/fruit farms were expected to be self-supporting after they had reached full bearing stage *i.e.* 15 to 20 years after plantation. The data collected for the period 1982–83 to 1984–85 from three such nurseries which had reached full bearing stage indicated that these nurseries were running uneconomically as mentioned below :

Name of unit	Total establishment expenditure	Total receipts	Excess of establishment expenditure over receipts
	(amounts in lakhs of rupees)		
Major Fruit Farm, Nilleli ..	12.68	3.76	8.92
District Central Nursery, Rajgurunagar	12.07	4.28	7.79
Taluka Fruit Nursery, Kadimbagh	10.63	1.11	9.52
Total ..	35.38	9.15	26.23

Excessive establishment cost of Nilleli farm was attributed to large area of 88.88 hectares which is unmanageable for supervision. As regards Kadimbagh nursery, uneconomic results were reportedly due to area being constantly under cultivation since last 40 years with decreasing fertility. Reasons for excessive establishment expenditure at Rajgurunagar were not intimated (June 1985).

3.12.4 *Summing up.*—Against the targets of preparation of 40.42 lakh grafts fixed for 1982–83 to 1984–85 and 46.70 lakh seedlings for 1982–83 to 1983–84, achievements fell short by 19.40 lakh grafts and 15.07 lakh seedlings respectively due to inflated targets and non-availability of root stock, etc. Funds provided for payment of capital subsidy were not utilised to the extent of Rs. 367.88 lakhs during 1982-83 to 1984-85 mainly due to less response from banks. The percentage of mortality in respect of seedlings distributed during 1984-85 under Gharkul programme was 57.5. Out of 261 bores constructed during 1983-84 at a cost of Rs. 15.23 lakhs to be recovered as loan from beneficiaries, in respect of 87 bores loan cases were not prepared.

In Vidarbha and Marathwada regions percentage of mortality of grafts and seedlings grown in nurseries during 1983-84 to 1984-85 ranged from 42 to 64 per cent and no permissible rate of mortality was fixed by the department. Planting material of Rs. 0.66 lakh purchased from other States was either not useful or remained unutilised. The department sustained a loss of Rs. 24.96 lakhs due to non-germination of 65.27 lakh mango stones and 2.17 lakh mango grafts reported as dead in Nashik, Konkan divisions during 1983-84 to 1984-85. Coconut plantation resulted in a loss of Rs. 9.09 lakhs in 1981-82, 1982-83 and 1984-85 due to non-germination of seeds and non-sowing of seeds as they had no sprouting. Cases of excess payment of subsidy to Maharashtra Agro Industries Development Corporation (Rs. 0.57 lakh), non-recovery of dues of credit sales (Rs. 0.38 lakh), nugatory expenditure on staff (Rs. 2.69 lakhs), extra expenditure in irregular purchase of furniture (Rs. 0.30 lakh) and excess of establishment expenditure over receipts (Rs. 26.23 lakhs) in respect of three nurseries, totalling to Rs. 30.17 lakhs were also noticed.

The matter was reported to Government in August 1985 ; reply is awaited (October 1986).

HOME DEPARTMENT

3.13 Idle Machinery

To overcome difficulties of towing heavy vehicles and as a part of annual replacement programme, Government sanctioned Rs. 33.94 lakhs (including Rs. 5.85 lakhs for body building) during 1983-84 for the purchase of one heavy recovery vehicle and 16 chassis for Police Motor Transport in Bombay. Against this one Hippo Tractor costing Rs. 6.07 lakhs (instead of heavy recovery vehicle) and 12 chassis costing Rs. 14.72 lakhs were purchased by the Commissioner of Police, Bombay during the period September 1983 to April 1984. According to the Commissioner of Police (November 1985) the equipments, viz., 15 tonne capacity crane and other ancillaries to be fitted on the Hippo Tractor to convert it into a heavy recovery vehicle were not purchased as the amount sanctioned for heavy recovery vehicle (Rs. 7.48 lakhs) was not sufficient to meet the increase in price of Hippo Tractor. The Commissioner also stated that additional funds of Rs. 1 lakh asked for from Government in February 1984 and Rs. 2 lakhs asked for in April 1984 were not sanctioned by Government on grounds of financial stringency. The Hippo Tractor could not, therefore, be put to use (November 1985).

Twelve chassis had also not been put to use (November 1985) as body building work had not been taken up in 1983-84 as the chassis were reported to have been received at the fag end of the year; provision made in the year could not, therefore, be utilised. As one chassis was received in November 1983 and 4 chassis in January 1984, the body building work could have been taken up on these chassis during 1983-84 itself. Funds for body building had not been sanctioned during 1984-85 by Government on the proposal made by the Commissioner in July 1984. Though 12 chassis were lying unused, 7 more chassis were purchased in February 1985 at a cost of Rs. 8.60 lakhs.

Thus, due to improper phasing in the purchase of chassis and body building programme, vehicles costing Rs. 29.39 lakhs were lying idle for one to two years. According to the Assistant Commissioner (May 1985) as the chassis were lying idle their condition also was deteriorating day by day.

Government stated in January 1986 that whereas funds could not be sanctioned during 1983-84 due to financial stringency, additional grants asked for during 1984-85 were not considered due to want of details. Government further stated that the work would be started soon so as to complete it by March 1986. According to the information received (May 1986) from the Commissioner of Police the work had not been completed till May 1986.

3.14 Extra expenditure due to delay in installation of engines and locking up of funds

The Committee appointed by Government in December 1977 to review the working of the police water crafts pursuant to the report of the Public Accounts Committee in 1977-78 had recommended in January 1979 that all the 13 police launches deserved to be condemned but 5 of them could be put to restricted use for off-shore patrolling, crime control, etc., with discretion. One of these 5 launches "URMILA" was awaiting replacement of engines and gear boxes since 1976. Three engines meant for the launch were ordered in May 1981 and full payment of Rs. 2.75 lakhs was made in December 1981; the engines were received in April 1982.

Tenders for the installation of the engines were invited thrice in January 1982, July 1982 and August 1983, when lowest quotations received were for Rs. 1.42 lakhs, Rs. 1.32 lakhs and Rs. 2.34 lakhs respectively. The engines could not be installed in 1981-82 during which year funds were available as they were received only in April 1982. The Commissioner of Police had been asking Government to provide funds for the installation of the engines since June 1982. The request made for Rs. 1.50 lakhs in June 1982 was not sanctioned by Government. Government informed the Commissioner in March 1983 that as the revised estimates had already been finalised and in view of economy orders the proposal of the Commissioner could not be accepted and he was asked to defer the expenditure. Though provision of Rs. 2 lakhs was made in 1983-84 the installation was not made as the tendered rate of Rs. 2.34 lakhs was more than the provision. Finally the installation was made in April 1985 at a cost of Rs. 3.25 lakhs on the basis of tenders invited in March 1985.

Thus, the effort of Government to save expenditure of Rs. 1.50 lakhs during 1982-83 and Rs. 0.34 lakh in 1983-84, resulted not only in incurring additional expenditure of Rs. 1.93 lakhs on the installation of the engines

but also in the locking up Rs. 2.75 lakhs, being the cost of engines not put to use from December 1981. The expenditure incurred on watch and ward of the launch during the 3 years since purchase of the engines in December 1982 was Rs. 1.11 lakhs.

3.15 Border check posts at Warud and Dharni

With a view to preventing clandestine operation of motor vehicles and evasion of payment of taxes on inter-State routes, Government accorded sanction in May 1982 for setting up of two border check posts at Warud and Dharni under Regional Transport Officer (R.T.O.), Amravati and for creation of one post of Inspector, two posts of Assistant Inspectors of motor vehicles, two posts of Assistant Cashiers, three posts of peons and one post of sweeper (part time) for each of the border check posts. While the appointments of Inspector and Assistant Inspectors of motor vehicles were yet to be made (August 1985), four posts of Assistant Cashiers and six posts of peons were filled up from October 1983 and April 1984 respectively and were continued thereafter. Government further accorded sanction in June 1984 for creation of four additional posts of Assistant Cashiers for these two border check posts and these posts were also filled up by the R.T.O., Amravati from August 1985. These two border check posts were not established due to non-acquisition of land and non-appointment of vehicle Inspector/Assistant Inspector till August 1985 because of administrative difficulties. These two check posts were established in September and October 1985. The expenditure incurred on pay and allowances of assistant cashiers and peons from October 1983 to August 1985 amounted to Rs. 1.27 lakhs. Besides the above expenditure, two gipsy huts costing Rs. 0.47 lakh and two motor cycles costing Rs. 0.25 lakh were purchased in March 1984 and June 1982 respectively. Of this, one gipsy hut was transferred (September 1985) to border check post at Pimpalkhuti in Yavatmal district and two motor cycles meant for border check posts were being used as additional vehicles in R.T.O.'s office at Amravati.

Non-establishment of border check posts at Warud and Dharni not only defeated the purpose for which the posts were created, but also resulted in avoidable expenditure of Rs. 1.27 lakhs on pay and allowances of staff and locking up of funds of Rs. 0.72 lakh on gipsy huts and motor cycles.

Government accepted (May 1986) that the staff was not used for the purpose for which it was created but opined that their services were utilised in public interest. Government further accepted (May 1986) that the filling up of posts and purchases were not synchronised with the setting up of the check posts and the department had been instructed to avoid recurrence of such cases in future.

GENERAL ADMINISTRATION DEPARTMENT

3.16 Services Preparatory Institute, Aurangabad

Services Preparatory Institute, Aurangabad was established in April 1977 to enable Maharashtrian boys to become officers in the Defence Services by imparting training, enabling them to appear in competitive examinations for recruitment to the Defence Services. Out of 189 students admitted to the Institute during 1977-78 to 1984-85, 122 left without completing the course, 24 entered Defence Services, (6 as officers and 18 in other ranks) and 43 are currently undergoing training (June 1985). The expenditure incurred on running and maintenance of the Institute from 1977-78 to 1984-85 was Rs. 26.24 lakhs. The Director of the Institute observed (June 1985) that the aims of the Institute have not been achieved fully and attributed this to the reasons that there was no governing council during August 1981 to January 1983 to supervise the performance, the officiating directors could not impart the requisite training to achieve better results, the standards of Defence Services are at variance with that of Higher Secondary School Certificate Examination requiring intensive training of Maharashtrian boys to bring them upto the standard of competitive examination and the selection of cadets in the past was not done with due regard to aptitude.

The Scheme provided for payment of stipend of Rs. 100 per month to cadets. In the case of cadets who left the course and/or failed to join the Defence Services either as officers or in other ranks, the stipend was recoverable. Out of the stipend of Rs. 1.49 lakhs recoverable from 129 cadets, Rs. 0.80 lakh was recovered and proposals to write off Rs. 0.69 lakh were submitted to Government as parents/guardians were reluctant to repay the amount.

The expenditure of Rs. 26.24 lakhs, including an irrecoverable amount of Rs. 0.69 lakh, incurred on the Institute has, thus, not fully achieved the desired objective.

Government stated in November 1985 that non-existence of Governing Council during August 1981 to January 1983 was only a minor reason for not achieving satisfactory results. Government also stated that the Institute of this kind has a gestation stage for a long time and, therefore, spectacular results cannot be expected in the matter of achieving fully the objective of the Institute.

3.17 Outstanding Inspection Reports

3.17.1 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 inspection reports. The more important irregularities are also reported to the Heads of the Departments and Government.

Government had prescribed that the first reply to an inspection report should be received in the Audit Office within one month from the date of issue of the report.

At the end of September 1985, 7766 reports issued upto March 1985, contained 22932 unsettled paragraphs.

3.17.2 (i) A review of position of outstanding inspection reports relating to the Agriculture and Co-operation, Social Welfare, Cultural Affairs, Sports and Tourism and Industries, Energy and Labour Departments, indicated that 4279 paragraphs included in 1571 reports were pending at the end of 30th September 1985. Even the first compliance had not been received (September 1985) for 255 reports issued upto March 1985 (Agriculture and Co-operation Department—165; Social Welfare, Cultural Affairs, Sports and Tourism Department—69; Industries, Energy and Labour Department—21). The progress of clearance of inspection reports and paragraphs during the last four years was as given in Appendix 3.3.

3.17.2 (ii) A review of the outstanding inspection reports (November 1985) relating to the three departments mentioned above disclosed the following broad categories of irregularities :

Serial No.	Nature of irregularity	Agriculture and Co-operation Department		Social Welfare, Cultural Affairs, Sports and Tourism Department		Industries, Energy and Labour Department	
		Number of cases/ items	Money value where applicable (in lakhs of rupees)	Number of cases/ items	Money value where applicable (in lakhs of rupees)	Number of cases/ items	Money value where applicable (in lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Non—maintenance / improper maintenance of initial records viz., cash book, imprest account, personal ledger account, stock account, etc.	159	49·64	91	121·27	38	26·09
2	Irregular expenditure on purchases	97	999·36	39	5·48	8	3·21
3	Irregularities in acceptance of tenders/ quotations	1	....	14	1·26	6	0·31
4	Excess/Overpayment of grants/loans/subsidies	34	330·04	12	5·71	2	41·62
5	Mis-utilisation of grants/ loans/subsidies	29	118·01	8	6·84	7	6·21
6	Non-receipt of completion certificates of buildings	3	3·00	18	6·98	12	2·49
7	Unspent balances or amounts recovered not credited to Government	47	238·95	23	39·72	8	21·29

Serial No.	Nature of irregularity	Agriculture and Co-operation Department		Social Welfare, Cultural Affairs, Sports and Tourism Department		Industries, Energy and Labour Department	
		Number of cases/ items	Money value where applicable (in lakhs of rupees)	Number of cases/ items	Money value where applicable (in lakhs of rupees)	Number of cases/ items	Money value where applicable (in lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
8	Losses due to deterioration of seeds, shortages, etc., awaiting regularisation, losses due to curdling, transit losses, process losses, breakages, etc.	213	874.79	26	14.41	74	7.24
9	Extra/excess/infructuous/wasteful/nugatory expenditure and expenditure incurred without sanctioned estimates	343	901.02	77	48.72	13	15.42
10	Outstanding dues/loans / advances / share capital contribution against cultivators / officials / Zilla Parishads/Societies / private parties	135	2,166.11	38	569.32	18	31.49
11	Wasteful / infructuous expenditure due to defective plans and designs	143	111.56	56	11.32	12	5.73
12	Other miscellaneous irregularities	1,927	4,940.08	400	397.45	148	297.79
	Total	3,131	10,705.56	802	1,228.48	346	458.89

A test-check of system followed in attending to audit objections conducted during July 1985, in the Offices of the District Deputy Registrar, Co-operative Societies, Bombay and Thane, Superintending Agriculture Officer, Konkan Division, Thane and the Manager, Government Holiday Camps at Vajreshwari and Akloli, District Thane, disclosed that due to ineffective follow-up action, no final compliance was furnished to Audit till July 1985 in respect of inspection reports issued during 1981-82 and 1982-1983.

General scrutiny (August 1985) revealed that specific procedure was not followed by the Heads of Departments of the above offices in watching the clearance of inspection reports issued to sub-ordinate offices by Audit except reminding them during their internal audit.

3.17.3 Some typical instances of irregularities/lapses in initial records, pointed out in special reports the rectification of which in quickest possible time would have resulted in avoiding persistence of irregularities are mentioned below.

3.17.3(1) *Agriculture and Co-operation Department*

(a) *Non-receipt of share certificates* :—The share certificates for the amount contributed by the Government are required to be furnished by the Societies within six months of the receipt of the amount.

It was pointed out during audit conducted in the Office of the District Deputy Registrar, Co-operative Societies, Bombay in October 1979 that share certificates valuing Rs. 44.09 lakhs towards share capital released to 12 societies during 1976-77 to 1978-79 were not received. Review by Audit in December 1980 disclosed that share certificates valuing Rs. 34.08 lakhs were not still received from 10 societies and share certificates for Rs. 5.41 lakhs released to 15 societies in 1979-80 had also not been received.

(b) *Outstanding loans against 189 societies under the jurisdiction of District Deputy Registrar, Co-operative Societies, Beed to end of March 1983 were Rs. 255 lakhs. To end of September 1985, 69 societies went into liquidation, 89 were running in loss and 31 were dormant. However, no action for recovery of dues or write-off of irrecoverable dues was taken by the department.*

(c) *Out of Rs 206.60 lakhs paid to the District Co-operative Bank, Beed for meeting the write-off of Co-operative dues in respect of defaulters from small farmers category, the unutilised amount of*

Rs.30.77 lakhs to be credited to the Government account before December 1981 had not been credited so far (August 1986).

3.17.3(2) *Social Welfare, Cultural Affairs, Sports and Tourism Department*

(a) To undertake educative, informative, promotive and corrective measures towards removal of untouchability in the State, one 16 mm projector costing Rs. 0.12 lakh purchased in March 1979 by the Directorate was not operated till June 1983 though a post of projector operator was sanctioned and operated since 1979-80. The department purchased four films (cost : Rs. 0.56 lakh) only in June 1983. The projector was utilised only thereafter rendering Rs. 0.37 lakh towards the pay and allowances of the operator infructuous.

(b) Wanting payees receipts/utilisation certificates for grants/loan scholarships/subsidies :

The utilisation certificates in respect of grants, subsidies and scholarships disbursed during 1976-77 to 1982-83 amounting to Rs. 241.12 lakhs released by the Divisional Social Welfare Officers, Nagpur and Aurangabad were awaited (November 1985).

The undisbursed amount of scholarship of Rs. 0.61 lakh in respect of two colleges at Aurangabad for years 1979-80 and 1980-81 was not credited by the Divisional Social Welfare Officer into Government Treasury (August 1985).

3.17.3(3) *Industries, Energy and Labour Department—Non-maintenance of initial records*

Under the Scheme of Employment Promotion Programme, the District Industries Officer, Amravati had released seed money loan of Rs. 15 lakhs during June 1982 to December 1982 which was paid to the individual loanees through the Development Corporation of Vidarbha Limited, and Khadi and Village Industries Board. The relevant initial records concerning payment and watching the recoveries of loan were not maintained by District Industries Officer, Amravati till August 1985.

3.18 Misappropriations

In paragraph 3.13 of the Report for the year 1983-84 (Civil), it was stated that at the end of September 1984, 593 cases of misappropriation

remained to be finalised. The position regarding fresh cases reported during 1984-85 and disposal of pending cases upto September 1985 is shown below :

(1)	Number (2)	Amount (in lakhs of rupees) (3)
Cases pending on 30th September 1984 out of cases reported upto March 1984	593	104.17
Add fresh cases reported during 1984-85	32	8.29
Less cases cleared during the period October 1984 to September 1985	23	1.82
Cases pending on 30th September 1985	602	110.64

Department-wise analysis of outstanding cases is given in Appendix 3.4.

Out of 602 pending cases, 428 cases (Rs. 75.05 lakhs) were pending for more than 4 years.

The reasons for outstandings are analysed below :

(1)	Number (2)	Amount (in lakhs of rupees) (3)
Awaiting orders for recovery or write-off	203	54.88
Awaiting departmental and criminal investigation	147	25.09
Departmental action started but not finalised	88	9.42
Pending in Courts of Law ..	163	21.19
Others	1	0.06
Total ..	602	110.64

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

Certain cases relating to miscellaneous irregularities (Rs. 13.65 lakhs) and writes-off of losses, etc., (Rs. 125.89 lakhs) are mentioned in Appendix 3.5.

CHAPTER IV
WORKS EXPENDITURE
IRRIGATION DEPARTMENT

4.1 Major and Medium Irrigation Projects

4.1.1 *Introductory.*—In Maharashtra, substantial development of irrigation is sought to be achieved through major and medium irrigation projects. Irrigation projects having a culturable command area (CCA) of more than 10,000 hectares and those with 2,001 to 10,000 hectares are categorised (April 1978) as major and medium projects respectively. Out of the total ultimate potential of 52.61 lakh hectares by surface water sources, the potential for major and medium irrigation was identified (1962) as 40.27 lakh hectares (76.54 per cent) by the Maharashtra State Irrigation Commission. The ultimate potential recommended by the Commission for exploitation by the year 1980, is now planned (1983) for creation by the year 2010 only. To end of June 1985, 65 major and 228 medium projects with an irrigation potential of 38.86 lakh hectares were either completed or under execution.

In pre-Plan period (*i.e.* prior to 1951), a potential of 2.52 lakh hectares was created through 5 major and 15 medium irrigation projects. During Plan periods (1951-80), 54 major and 203 medium irrigation projects were taken up and of these 9 major and 90 medium irrigation projects were completed upto June 1980. From the spill over projects (45 major and 113 medium), 8 major and 35 medium irrigation projects were completed upto June 1985. During 1980-85 (Sixth Plan), 6 major and 10

medium irrigation projects were taken up but none was completed during the Plan period. At the end of June 1985, 43 major and 88 medium irrigation projects having irrigation potential of 21.95 lakh hectares on which Rs. 1,648.06 crores were spent upto March 1985 remained incomplete.

4.1.2 Important points noticed during test-check (February-July 1985) of the accounts and records at Mantralaya and of the 14 Superintending Engineers and 37 Executive Engineers out of 40 Superintending Engineers and 276 Executive Engineers are given below :

(i) *Targets and performance.*—Details of expenditure on major and medium irrigation projects and irrigation potential created to the end of 1983-84 were as under:

Period	Expenditure during the period				Irrigation potential created	
	State funds	Employment Guarantee Scheme Fund	Total	Cumulative	During the period	Cumulative
	(in crores of rupees)				(in lakh hectares)	
Upto 1979-80	989.41	35.57	1,024.98	1,024.98	12.31	12.31
1980-81	138.94	8.60	147.54	1,172.52	0.85	13.16
1981-82	174.13	6.77	180.90	1,353.42	0.94	14.10
1982-83	231.56	5.63	237.19	1,590.61	1.06	15.16
1983-84	254.41	8.38	262.79	1,853.40	1.10	16.26
Total ..	1,788.45	64.95	1,853.40	1,853.40	16.26	16.26

A cumulative potential of 16.26 lakh hectares was created with a progressive investment of Rs. 1,788.45 crores from State funds and Rs. 64.95 crores from the Employment Guarantee Scheme (EGS) Fund.

Though, the Sixth Plan envisaged completion of on-going projects on a priority basis, only 43 out of 158 on-going projects constituting 27.22 per cent were completed. Delays in completion of the on-going projects, commenced mostly in the Fourth and Fifth Plans resulted in cost escalation and non-accrual of the benefits of irrigation to 21.17 lakh hectares to end of June 1984.

(ii) *Abnormal delays in completion of projects.*—According to Project Reports, major and medium irrigation projects are normally planned for completion in 8 to 10 years and 3 to 6 years respectively, but there were considerable delays as brought out in Appendix 4.1.

The delays in execution which ranged from 5 to 20 years were attributed by the department to changes in the scope of the projects and paucity of funds. Failure to complete the projects even after thrice the normal period, resulted in non-creation of potential of 6.69 lakh hectares against the ultimate potential of 11.93 lakh hectares on 13 major and 13 medium irrigation projects with an outlay of Rs. 959.98 crores. Further, the on-going major projects of Dudhganga and Karwa have not yet been cleared by the Central Water Commission (May 1985).

(iii) *Revision of estimates.*—Due to non-adherence to the approved construction programme and changes made in the scope of projects during execution, the cost escalation in 18 projects was Rs. 830.94 crores and ranged from 75 to 1,196 per cent as brought out in Appendix 4.2.

4.1.3 *Potential.*—(i) *Creation.*—According to Government orders (1972/1979), after physical completion of works, the management division should look after management aspects. For rectification of any defects or completion of balance works, the construction division should transfer one sub-division to the management division. In December 1982, Government directed that from 1st July following the testing of the canal system, irrigation management should be taken over by the management division. These requirements were not followed in respect of Bhima, Jayakwadi, Krishna (Dhom), Mula and Pench projects. Out of the cumulative potential of 4.30 lakh hectares created on projects completed to end of June 1984, potential in as much as 2.36 lakh hectares has not been transferred to management divisions. The management divisions stated that the shortfall in taking over was due to certain deficiencies in distribution system and inadequate staff with them. As a result, the potential not transferred remained with construction divisions with less than adequate utilisation and also without trained personnel, as mentioned in paragraph 4.1.5.

(ii) *Reduction in command.*—The irrigable area of Upper Tapi Project Stage I was 37,838 hectares (cropped area: 55,350 hectares). On a resurvey done in 1981, for finalising the distribution system, the same was found

to be 23,284 hectares (cropped area: 33,995 hectares). The reduction was attributed (March 1985) by the department to the existence of large cut up areas in the command and passing of canal in deep cutting in the initial reach of 20 kilometres and in tail reach. Though the reduction in command was to be compensated by bringing additional area under lift irrigation, as proposed in October 1982, this was not done so far (July 1985). Due to reduction in command of 14,554 hectares (38.46 per cent), the projected benefits would not accrue.

(iii) *Development works in excess of command.*—Works on Girna Project were completed in 1970 for utilisation of irrigation potential of 0.57 lakh hectares with designed live storage of 523.55 million cubic metres (M.cum). Distribution system and land development works were, however, completed for 0.79 lakh hectares at a cost of Rs. 448.98 lakhs. The average live storage during 1979-80 to 1983-84 was 376.87 M.cum., which was less than the designed live storage by 28.02 per cent. The average utilisation during 1979-80 to 1983-84 was 0.23 lakh hectares. Due to provision of distribution system for the excess area which could not be irrigated, the proportionate outlay of Rs. 173.31 lakhs would be unfruitful.

(iv) *Delay in notification of command.*—Lands in the command of a project irrigated by canal are to be notified under the Maharashtra Irrigation Act, 1976, which came into force from 1st January 1977. Under the Act, minimum water charges of 50 per cent of the seasonal water rates are to be levied even if the facility of canal water is not availed of in the notified command of the project. The guidelines issued (June 1978/June 1980) by Government, provided that irrigable command should be notified after irrigation potential was fully developed and the land was in a position to receive water by flow. The areas were to be notified under each outlet and minor as and when they were brought under irrigation without waiting for the completion of the whole project. In the major projects of Jayakwadi, Bhima, Pench, Mula and Krishna where total irrigation potential of 2.48 lakh hectares was created during 1979-80 and 4.30 lakh hectares during 1983-84, only 0.05 lakh hectares area was notified upto March 1984. In respect of 11 medium projects in which ultimate potential of 0.95 lakh hectares was created upto 1979-80 irrigable command notified upto March 1984 was 0.30 lakh hectares. The Government stated in August 1985 that before any area is notified

the distribution system should be capable of conveying water to all the areas in the command and hence the issue of notification was delayed.

(v) *Improper execution of works.*—Improper and defective execution of works, delayed creation of potential in the following projects.

I Major Irrigation Projects.—(a) *Jayakwadi Project.*—Canal works-Irrigation in the project commenced in 1974-75 on the Paithan Left Bank Canal and in 1977-78 on the Paithan Right Bank Canal under the management of Command Area Development Authority (CADA). Although the canal lining of the project was expected to last for 20 years, it was found disturbed within four to five years of its construction. Of the length of 0 to 144 kilometres on Paithan Left Bank Canal and 0 to 24 on Paithan Right Bank Canal transferred to CADA, lining in 0 to 142 kilometres on Left Bank and 0 to 19 and 22 to 24 kilometres on Right Bank was found to have been damaged in patches. Against the estimates for special repairs to the damaged lining, prepared by the CADA division for Rs. 208.57 lakhs, expenditure during 1982-83 to 1984-85 was Rs.191.91 lakhs. Substandard execution of the lining was stated to be under investigation of the department since December 1982. In the reaches transferred to CADA division, earthwork on canal was found to be short of the designed height. The balance work and other ancillary works were completed by the CADA division during 1982-83 to 1984-85 at a cost of Rs. 179.94 lakhs. Of the total expenditure of Rs. 371.85 lakhs passed on to the construction divisions towards rectification of substandard work, Rs. 39.10 lakhs were only accepted by them, and Rs. 332.75 lakhs have not yet been accepted by construction divisions, reasons for which were awaited (January 1986). The development of irrigation was affected *inter alia* due to earthwork on canal being short of the designed height and substandard canal works resulting in average under-utilisation of 81.03 per cent of the average potential of 1.40 lakh hectares during 1979-80 to 1983-84.

(b) *Bhima Project.*—(i) *Construction of aqueduct.*—The work of constructing an aqueduct (947 metre long and 40 to 45 metre high from the river bed) based on segmental technique, first of its kind in India, in kilometre 2 of Ujjani Right Bank Canal was awarded (July 1977) to a contractor on his own design for Rs. 195.27 lakhs for completion by July 1980. At the request of the contractor, for better quality control during execution, the method

of construction was changed from *cast in situ* to precast. However, completion of the work was delayed mainly due to non-availability of specialised equipment required to be acquired by the contractor for launching of the precast segments on the top of the piers. Despite this, four extensions were granted upto 28th February 1985 without levying compensation for the delay. The structure was mostly completed (July 1985) and water was released in October 1985. Adoption of the contractor's design for the aqueduct and change in the method halfway through the construction without proper assessment of the technical complications delayed the utilisation of irrigation potential of 61,073 hectares down stream by 5 years.

(ii) *Work in deep cut.*—The work of excavation and lining in kilometres 89 and 90 of Ujjani Left Bank Canal was awarded (February 1977) to a contractor for completion by February 1979. Under the agreement, the quantity of berms to be provided was not to be reckoned for arriving at the excess over 125 per cent of tendered quantity payable at higher rates. Due to delay in construction of berms on account of non-availability of good rock, a proposal was made to Government in January 1981 for inclusion of the berms but it was not accepted (September 1983). In anticipation of Government sanction, a quantity of 57,380 cubic metres of berms was already paid at the higher rate of Rs. 40.12 per cubic metre against the tendered rate of Rs. 24.25 per cubic metre resulting in excess payment of Rs. 9.11 lakhs. The excess has not been recovered so far (September 1985).

Under the agreement, overbreaks in excavation upto 0.3 metre beyond formation level for lining were to be paid for and the extra excavation beyond the above limit was to be got filled by masonry at the cost of the contractor. Contrary to these provisions, Rs.5.65 lakhs were paid for overbreaks of 23,036 cubic metres beyond the stipulated limit and Rs. 12.82 lakhs for backfilling, although no payment was admissible. This resulted in inadmissible payment of Rs. 27.33 lakhs.

The work stipulated for completion in February 1979, was completed in June 1984. The delay of over 5 years, was mainly due to non-provision of berms at the appropriate time, which caused denial of irrigation benefits to 21,520 hectares downstream from year to year.

(c) *Krishna Project.*—(i) *Arch drain.*—An arch drain at kilometre 97.334 of Dhom Left Bank Canal constructed in October 1981 at a

cost of Rs. 2.37 lakhs collapsed on 14th June 1982, which on investigations conducted (August 1982) by the department was found to be due to the use of substandard construction materials and improper workmanship. Departmental enquiry for fixing responsibility was in progress (March 1985). Construction of a box aqueduct (estimated cost: Rs.7.02 lakhs) in place of failed arch drain was taken up in April 1985 for completion by April 1986. The failure of the arch drain and the delay of about 4 years in its reconstruction resulted in non-utilisation of irrigation potential ranging from 4,146 hectares (June 1982) to 5,618 hectares (June 1984) created beyond the structure.

(ii) *Slab drains*.—A slab drain in kilometre 7 of Kanher Left Bank Canal constructed in June 1979 at a cost of Rs. 1.40 lakhs developed cracks (July 1982) in piers and abutment. Remedial measures for restoration were carried out (January 1985) at a cost of Rs.1.42 lakhs. Another slab drain in kilometre 9 of the same canal constructed in June 1979 at a cost of Rs. 1.59 lakhs showed distress (August 1982) and collapsed in October 1982. A new structure was reconstructed (September 1984) at a cost of Rs. 4.60 lakhs. Failure of the structure, attributed by the Superintending Engineer (Central Designs Organisation) to use of mortar of poor quality, bad workmanship and inadequate curing, delayed the utilisation of the potential of 900 hectares during 1982-83 and 1,605 hectares in 1983-84. No action was taken against the officials responsible for the failure.

(iii) *Venna Aqueduct*.—The aqueduct was constructed (December 1983) in kilometre 3 of Kanher Right Bank Canal at a cost of Rs. 35 lakhs. In November 1984, when 35.31 cusecs of water was released in the aqueduct against the designed discharge of 266 cusecs, heavy leakages were observed and soil around the transition walls was washed away. The leakages were attributed by the department to resting of transition walls on made up earthwork instead of hard strata, lack of proper bond between the earthwork and the concrete structure and unsatisfactory compaction of earthwork particularly near junctions with concrete. Remedial measures (estimated cost: Rs. 0.65 lakh) for restoration of the aqueduct taken up in January 1985 were yet to be completed (October 1985). Due to defective construction of the aqueduct, irrigation potential of 850 hectares in 1982-83 and 3,339 hectares in 1983-84 could not be utilised.

(d) *Upper Tapi Stage I.*—(i) *Earthwork.*—Canal in kilometres 14, 15 and 16 was constructed during 1972 and 1979 in high embankment ranging from 8.14 to 12.44 metres. Berms were constructed without rock toe, although provided in the estimates. Tests conducted (1983) at the instance of Central Designs Organisation, Nashik, to ascertain stability of the embankment revealed that side slopes of the embankment in these kilometres were not stable. To strengthen the embankments, estimates for Rs. 65.74 lakhs prepared in April 1984 were yet to be sanctioned (July 1985).

(ii) *Lining works.*—Canal in kilometres 1 to 38 was lined during 1975-79 and was tested (August 1980) with a discharge of 300 cusecs against the designed discharge of 3,000 cusecs. In November 1981, when water of 300 cusecs was released in the canal for the first time, the lining crumbled at many places. The damaged lining of 58,855 square metres was attributed by the department to settlement of embankment, heavy rain cuts and use of improper gravel instead of crushed aggregates, as also of old cement. The department stated in March 1985 that the matter was yet to be investigated. Repairs estimated (April 1984) to cost Rs. 20.89 lakhs have not commenced so far (August 1985).

(iii) *Aqueducts.*—Based on contractor's design, two aqueducts, Mor and Sur were constructed in 1976 at chainage 15.225 and 30.795 of the canal to carry a discharge of 3,000 cusecs. After partial storage in 1980, water was released through the aqueducts for the first time in November 1981. On 23rd December 1982, when the canal was run with a discharge of 100 cusecs, Sur aqueduct leaked heavily and the downstream approach was washed away. According to the department (March 1985), the damages occurred due to laying of earthwork on sandy bed of the bank and inadequate construction of rock toe. No action was taken by the department to fix responsibility. Special repairs involving provision of earthwork and masonry transition walls were carried out in June 1983 at a cost of Rs. 6.63 lakhs.

In Mor aqueduct after the first monsoon after its construction, it was observed (1977) that the transition walls had moved and deflated, due to which water stops provided between the trough and transition wall were damaged and joints opened. Remedial measures were taken up (April 1980) to prevent leakages. The behaviour of transition walls was kept under observation. As cracks in the transition walls increased, special

repairs were estimated (June 1984) to cost Rs. 15.09 lakhs. However, work had not commenced till March 1985.

Defective construction of the canal and aqueducts resulted in less discharge in the canal, which affected development of irrigation in the command. After commencement of irrigation in 1981, the maximum area irrigated during 1983-84 was 159 hectares against the potential of 23,000 hectares.

(e) *Upper Godavari Project.*—As a part of the project, Palkhed Dam with the Left Bank Canal of 110.90 kilometres was constructed (1976) to provide irrigation to 33,296 hectares. At tail end of the canal, a distributary for a discharge of 91.45 cusecs was constructed (1982) at a cost of Rs. 40.54 lakhs to irrigate 4,574 hectares. However, as the discharge available at the offtake point was 39 cusecs only, the canal from kilometre 66.40 to 110.90 was remodelled (1984) for adequate discharge with an outlay of Rs. 45.50 lakhs. Further, the canal was extended (1984) to 130 kilometres to provide Kharif irrigation to 3,080 hectares, at a cost of Rs. 41.44 lakhs. Due to heavy leakages from the embankment, the transit losses were 52 per cent against 16 per cent in the Project Report. To reduce the excessive transit losses, canal from kilometre 0 to 66 was proposed to be lined, for which Government's approval was awaited (April 1985). According to the division (April 1985), with the present unlined canal only 23,000 hectares out of the irrigable command of 41,580 hectares could be irrigated. The average area irrigated during 1980-81 to 1983-84 was 17,452 hectares, as against 19,180 hectares in 1979-80 *i.e.* prior to changing the scope of the project. The outlay of Rs. 127.48 lakhs on the construction of distributary, extension and remodelling of canal was, thus, largely unfruitful.

(f) *Unfruitful outlay.*—(i) Upper Pravara Project with a dam on river Pravara, near village Mhaladevi, with irrigation potential of 19,537 hectares was administratively approved by the Government in July 1970 for Rs. 793.31 lakhs. Owing to representations from persons affected by the project, the dam site was shifted (1977) near village Nilwande on the upstream side. The scope of the project at the new site was modified to serve an irrigable area of 66,900 hectares at a revised cost of Rs. 10,275.34 lakhs (1984). Revised administrative approval of Government was awaited (May 1985). At the new site

also, dam works, commenced during 1977-78, were stopped in November 1978 due to obstruction from the persons affected by the project, and were not resumed till May 1985. Expenditure on the project mainly on canal works amounting to Rs. 569.69 lakhs (March 1985) did not prove fruitful in the absence of headworks.

(ii) Nandur-Madhmeshwar Project administratively approved (July 1979) by Government for Rs. 48.70 lakhs consisted of four storages, a weir and a canal of 128 kilometres taking off from the weir to irrigate 37,853 hectares. Work on the storages had not started (March 1985) mainly due to paucity of funds and non-availability of lands. Even the site for the weir was not finalised till March 1985. However, canal excavation work was taken up in patches in kilometres 7 to 28. The work in kilometres 61 to 128 was mostly completed under Employment Guarantee Scheme at a cost of Rs. 466.24 lakhs. Expenditure on the project to end of March 1985 amounted to Rs. 604.61 lakhs. As the storage works, structures and lining were proposed to be completed by 1993, the expenditure of Rs. 466.24 lakhs incurred on later reaches of the canal was unfruitful.

II Medium Irrigation Projects.—(a) Manar Project.—The project was completed in 1968 to provide irrigation to 24,475 hectares in Nanded district. The waste weir of the project was designed to pass flood discharge of 3,10,000 cusecs. However, during floods in 1969, 1976 and 1983, though actual discharges were 32, 23 and 77 per cent respectively of the designed discharge, masonry guide wall and earthen bund were damaged and 165 hectares of private land were submerged. Remedial measures to prevent damages to the lands were under consideration of the department since 1970 in consultation with the Maharashtra Engineering Research Institute and Central Designs Organisation at Nashik. Pending decision, a proposal for acquisition of the affected lands at a cost of Rs. 54.09 lakhs was under consideration of the department (March 1985). The occurrence of the damages during floods indicated that the original works were not properly executed.

(b) *Pethwadaj Project.*—In June 1980, the project was constructed with an irrigation potential of 2,070 hectares in Nanded district. During floods in August 1983, which were only 41 per cent of the designed flood discharge, guide bund on left side of tail channel in 200 metres and

approaches to low level causeway across the tail channel were washed away and the flood water entered the fields and nearby houses. In the floods of October 1983, further reaches of guide bund were washed away and crops in 20 hectares were damaged. According to the Superintending Engineer (February 1984), the bursting of guide bund was due to the absence of hearting and casing zone and improper rolling of the earthwork. At the instance of Government, an enquiry was conducted by the Superintending Engineer in 1984, results of which are still awaited (December 1985). Restoration works of flood damages estimated to cost Rs. 47.17 lakhs were taken up and partially executed (August 1985).

(c) *Haranbari Project*.—The project administratively approved (1969) for Rs. 1.80 crores was to benefit tribal area in Nashik district by stabilising irrigation in 648 hectares of sugarcane in the downstream of 18 old bandharas as well as in 2,753 hectares served by the downstream Mosam Rice Canal. Dam work was commenced in 1973 to provide storage of 18.35 M.cum of water. To meet the demand of the cultivators served by the bandharas for providing irrigation from this project, the capacity of the dam was revised (1974) to 34.78 M.cum to irrigate 8,462 hectares. The work was completed in 1979 and an expenditure of Rs. 2.31 crores was incurred upto December 1985. Due to non-completion of canal works, the potential created to end of June 1984 was 3,191 hectares against the revised potential of 8,227 hectares.

(d) *Hingani Project*.—Work on the project, (Solapur district) commenced in 1966, was scheduled for completion in 1970. Against the revised estimated cost of Rs. 2,79.10 lakhs (1978), expenditure to end of March 1985 amounted to Rs. 2,69.60 lakhs. Due to obstruction from land owners during 1980-84, a part length of Right Bank Canal remained to be completed. Against the ultimate potential of 5,625 hectares, potential created to end of June 1984 was 5,050 hectares and full potential was expected to be created in 1986. During inspection of the Left Bank Canal, the Chief Engineer observed (September 1983) humps in the canal bed and inadequacy of bank work due to which the carrying capacity was reduced from 120 cusecs to 60 cusecs. The deficiencies were not removed and defective execution of bank work was under investigation since January 1984 by the department (April 1985). Due to defective construction of canal and abnormal delay in completion of the works, the average

utilisation during 1979-80 to 1983-84 was 1,598 hectares (31.65 per cent) only.

(e) *Nirguna Project*.—The project was completed in 1975 at a cost of Rs. 2,39.87 lakhs for irrigating 5,836 hectares in Akola district, with a canal length of 78 kilometres. Due to heavy leakages in the canal, the storage of 28.84 M.cum was found inadequate to serve the command. After releasing 120 cusecs from the head regulator, the department observed (1983) that the discharge at the end of kilometre 28 was only 30 cusecs (25 per cent). According to the Superintending Engineer, the heavy leakages in the canal were due to use of pervious and clayey material in the embankment of the canal, used due to paucity of impervious material. To stop the leakages, the department provided cement grouting (April 1983) in some portions of kilometres 2, 9 and 12 at a cost of Rs. 0.82 lakh on an experimental basis. Seepage losses were not observed after grouting. Due to defective construction of the canal, adequate water was not available in the distribution system as a result of which average utilisation during 1979-80 to 1983-84 was 1,056 hectares (18.09 per cent) only.

4.1.4 *Non-release of forest land*.—During 1966-1976, large forest areas were disforested for cultivation, etc., under orders of the Government resulting in the forest area in the State coming down to 21 per cent of the total area, as against 33.33 per cent recommended by the National Commission of Agriculture. Considering the adverse effects of excessive disforestation, Government in the Revenue and Forests Department issued orders in May 1976 that proposals for disforestation should be sent to them for obtaining orders of the Cabinet. In December 1980, Government of India enacted Forest (Conservation) Act, 1980 under which approval of the Government of India is necessary for clearance of the forest area for non-forest purposes. Contrary to the above orders, works on major and minor irrigation projects were commenced without the approval of the Government of India for the release of forest lands.

A test-check of records in twelve divisions revealed that in 17 projects approval of the State Cabinet (13 projects) and of the Government of India (4 projects) for disforestation of 7,980 hectares was not obtained before commencement of works. In respect of works commenced without approval of the State Cabinet, the same required approval of Government

of India consequent on the enactment of the Act. Works on two projects of Krishna (Kanhher Dam) and Paldhag were completed in 1985 and 1981 respectively. In the remaining 15 projects, due to non-receipt of approval from the Government of India, works were either stopped or slowed down after spending Rs. 20.63 crores during 1975-85. In the case of Dongargaon and Karwappa Medium Projects, on which works were commenced prior to the Act, proposals for acquisition of forest land of 978.04 hectares were rejected (February 1984/July 1985) by the Government of India. The expenditure of Rs. 223.76 lakhs incurred on the projects during 1979-85 was rendered infructuous. Non-observance of the procedure for acquisition of forest lands and commencement of works in violation of the Act, not only delayed completion of fifteen projects but also rendered the outlay of Rs. 20.63 crores largely unfruitful. Government stated (August 1985) that the matter will be pursued for obtaining clearance from the Government of India.

4.1.5 *Utilisation of irrigation potential.*—Utilisation of potential created was planned either by construction or by management divisions. The irrigated area in the State which was 11.9 per cent of the cropped area in 1977-78 as against 30 per cent in the country, increased to 13.15 per cent in 1983-84. Utilisation of potential created which was 50.35 and 50.92 per cent during Fourth and Fifth Plans respectively, decreased to 40.39 per cent during the first four years of the Sixth Plan. The extent of utilisation of potential during 1979-80 to 1983-84 was as under :

Year	Cumulative potential created by June	Potential utilised		Percentage of utilisation	Storage	
		Target	Actual		Available	Utilised
		(in lakh hectares)		(in million cubic metres)		
1979-80	.. 12.31	5.45	5.15	41.84	9,063	7,505
1980-81	.. 13.16	6.00	5.68	43.16	9,148	9,148
1981-82	.. 14.10	6.40	5.75	40.78	9,855	7,477
1982-83	.. 15.16	7.00	5.69	37.53	7,986	7,986
1983-84	.. 16.26	7.20	6.52	40.10	N.A.	N.A.

The utilisation of potential of 43.16 and 37.53 per cent during 1980-81 and 1982-83 was after full use of the available storage. According to Government less utilisation of the potential was due to non-completion

of field channels and land levelling works, excessive loss of water in transit and non-observance of the projected cropping pattern. Due to non-utilisation of potential of 42.20 lakh hectares (59.44 per cent) out of the total potential of 70.99 lakh hectares created upto end of 1983-84 with an investment of Rs. 1,853.40 crores, an outlay of Rs. 1,101.66 crores remained unfruitful as the projected irrigation benefits did not accrue during 1979-80 to 1983-84.

Utilisation of potential in some of the projects during 1979-80 to 1983-84 was as under :

Year of commencement of irrigation	Ultimate potential	Potential created/utilised					Average percentage of utilisation
		1979-80	1980-81	1981-82	1982-83	1983-84	
(in thousand hectares)							
Major Projects—							
Mula, 1972	85.66	<u>66.36</u> 28.73	<u>73.32</u> 32.05	<u>75.82</u> 32.10	<u>81.86</u> 41.13	<u>83.86</u> 40.88	45.88
Jayakwadi (PLBC/PRBC), 1974	183.32	<u>100.68</u> 19.21	<u>120.80</u> 25.41	<u>138.90</u> 31.85	<u>163.40</u> 29.10	<u>178.29</u> 27.62	18.97
Pench, 1976	104.76	<u>20.27</u> 0.93	<u>24.27</u> 1.53	<u>35.37</u> 1.60	<u>45.37</u> 1.73	<u>66.52</u> 2.13	4.13
Bhima, 1977	156.42	<u>18.68</u> 4.99	<u>24.30</u> 8.46	<u>29.06</u> 10.03	<u>39.12</u> 12.66	<u>50.52</u> 13.27	30.56
Krishna (Dhom), 1979	51.03	<u>41.58</u> 2.70	<u>47.58</u> 4.16	<u>48.60</u> 4.80	<u>48.76</u> 9.24	<u>50.33</u> 1225	14.00
Upper Tapi, Stage I, 1981	55.14	<u>0.70</u> Nil	<u>1.70</u> Nil	<u>11.68</u> 0.05	<u>15.67</u> 0.07	<u>23.00</u> 0.16	0.53
Medium Projects—							
Dheku, 1962	2.71	<u>2.71</u> 0.29	<u>2.71</u> 0.45	<u>2.71</u> 0.20	<u>2.71</u> 0.68	<u>2.71</u> 0.88	18.45
Nalganga, 1963	8.74	<u>8.74</u> 1.93	<u>8.74</u> 1.98	<u>8.74</u> 1.43	<u>8.74</u> Nil	<u>8.74</u> 2.45	17.83
Manar, 1964	24.48	<u>24.48</u> 6.27	<u>24.48</u> 5.83	<u>24.48</u> 8.50	<u>24.48</u> 8.51	<u>24.48</u> 8.47	30.70
Bor, 1966	16.19	<u>15.40</u> 4.47	<u>15.40</u> 5.24	<u>15.40</u> 4.40	<u>15.40</u> 3.44	<u>15.40</u> 4.02	28.01

Year of commencement of irrigation	Ultimate potential	Potential created/ utilised					Average percentage of utilisation
		1979-80	1980-81	1981-82	1982-83	1983-84	
		(in thousand hectares)					
Budhial, 1966	.. 4.25	4.25	4.25	4.25	4.25	4.25	22.31
		1.10	0.51	0.96	1.36	0.81	
Katepurna, 1970	.. 8.33	8.33	8.33	8.33	8.33	8.33	18.46
		1.01	1.65	1.65	2.04	1.34	
Pus, 1971 9.37	9.36	9.36	9.36	9.36	9.36	44.55
		4.34	4.57	4.31	4.28	3.35	
Manyad, 1973	.. 5.23	5.23	5.23	5.23	5.23	5.23	26.46
		2.07	1.13	1.13	0.79	1.80	
Kanoli, 1974 2.04	2.04	2.04	2.04	2.04	2.04	20.10
		0.35	0.69	0.14	0.56	0.31	
Dina Nadi, 1975	.. 11.36	11.36	11.36	11.36	11.36	11.36	41.58
		4.25	4.60	3.71	5.30	5.76	
Karpara, 1975	.. 3.12	3.12	3.12	3.12	3.12	3.12	28.33
		0.58	0.79	0.87	1.07	1.11	

In Jayakwadi Project, out of the total potential of 1.78 lakh hectares created upto 1983-84, an area of 0.74 lakh hectares was under the management of CADA and irrigation in the remaining 1.04 lakh hectares was looked after by the construction divisions. In this area of 1.04 lakh hectares, irrigation ranged from 878 hectares (1980-81) to 5,009 hectares (1982-83) due to inadequate attention paid by the construction divisions. According to CADA (1985), shortfall of 0.46 lakh hectares in 1983-84 in utilisation of the irrigation potential was due to non-completion of land development works (0.09 lakh hectares), existence of big land holdings due to which lands were not brought under irrigation (0.28 lakh hectares) and damaged field channels (0.09 lakh hectares). A Pilot Project was implemented in 4,000 hectares at a cost of Rs. 379.17 lakhs during 1979 to 1985 in order to execute land development and drainage works, improve water use and efficiency and ensure stable and fixed water supply to the farmers. Further, to improve distribution system, Farmers Project was taken up (1980-1984) in 7,500 hectares with an outlay of Rs. 222.67 lakhs. Even after incurring an expenditure of Rs. 601.84 lakhs, the average utilisation under the above two schemes was 46.64 per cent.

According to CADA, low utilisation of potential in Pench Project was due to less storage on account of non-completion of the upstream Totladoh Dam, a feeder dam for the project. In Bhima Project, all the potential created was not made available for irrigation. To facilitate canal lining works during Kharif and Hot weather seasons, water in unlined portion of canal was released for irrigation in Rabi season only. Under-utilisation was, thus, largely due to non-availability of the potential in all the seasons. In Krishna Project, less utilisation of the potential was attributed by the department to lack of interest on the part of the irrigators. According to the department low utilisation in Upper Tapi Project was due to lack of demand for water from irrigators.

4.1.6 *Irrigation efficiency*—(a) *Excess use of water*.—Requirement of water for crops is assessed on the basis of duties * prescribed for different crops to be irrigated in each season. To this, addition is made on account of water lost in transit. Transit losses were not monitored due to non-provision of measuring devices in canals. However, while releasing water, these were considered as 40 to 50 per cent as against 10 to 20 per cent assessed for different seasons in the Project Reports. The water utilised for irrigation was in excess of the requirements considered in the Project Reports. The details of water released, irrigable area and area actually irrigated with the designed live storage without considering river gains, evaporation losses, reservations for non-irrigation purposes and carry overs in some projects were as under :

	Ultimate potential (in thousand hectares)	Designed live storage as per Project Report	Water utilised during 1979-80 to 1983-84	Area irrigable	Area irrigated	Short-fall	Percentage of short-fall
	(in million cubic metres)		(in thousand hectares)				
<i>Major Projects :</i>							
Jayakwadi	183.32	2,169.00	3,788.00	320.15	133.19	186.96	58.40
Bhima	156.42	1,440.00	766.50	83.26	49.41	33.85	40.66
Mula	85.66	608.81	2,471.85	347.79	174.89	172.90	49.71
Krishna (Dhom) ..	51.03	331.05	612.23	94.37	33.15	61.22	64.87
Upper Godavari (Palkhed)	41.58	259.69	867.49	138.90	88.99	49.91	35.93

* Duty is the relation between the area irrigated and the quantity of water required to irrigate it. It is the area irrigated divided by the water supplied in the base period expressed in "cusecs" (cubic feet per second).

	Ultimate potential (in thousand hectares)	Designed live storage as per Project Report	Water utilised during 1979-80 to 1983-84	Area irrigable	Area irrigated	Short-fall	Percentage of short-fall
	(in million cubic metres)		(in thousand hectares)				
<i>Medium Projects :</i>							
Manar	24.48	128.68	608.81	115.82	37.58	78.24	67.55
Bor	16.19	127.35	386.04	49.08	21.57	27.51	56.05
Dina Nadi	11.36	55.94	243.76	49.50	23.62	25.88	52.28
Pus	9.37	91.27	532.41	54.66	20.85	33.81	61.86
Nalganga	8.74	70.55	130.90	16.22	7.79	8.43	51.97
Panzara	8.47	35.63	178.15	42.35	18.72	23.63	55.80
Katepurna	8.33	92.82	191.31	17.17	7.69	9.48	55.21
Aner	7.18	59.21	286.88	34.79	13.40	21.39	61.48
Karwand	6.58	31.15	130.95	27.66	8.62	19.04	68.84
Morna	5.17	41.43	163.12	20.36	4.10	16.26	79.86

The area less irrigated in 15 projects was 7.69 lakh hectares. The excess utilisation of water indicated excessive transit losses and raising of crops different from the approved crop pattern. At this rate of utilisation, the storage would not be adequate to irrigate the ultimate potential.

(b) *Unutilised water.*—As compared to Kharif season, the demand for water is greater in Rabi and Hot weather seasons. All the live storage excluding carry over was to be utilised before the onset of monsoon. However, in the following projects water remained unutilised at the end of June during 1979-80 to 1983-84:

	Designed live storage	Water remained unutilised during 1979-80 to 1983-84	Area irrigable with the water in column 2
	(1)	(2)	(3)
	(in million cubic metres)	(in thousand hectares)	
<i>Major Projects :</i>			
Jayakwadi	2,169.00	3,040.21	256.92
Bhima	1,440.00	1,830.60	198.85
Mula	608.81	442.82	62.31
Krishna (Dhom)	331.05	292.98	45.37
Upper Godavari (Palkhed)	259.69	38.38	6.14
<i>Medium Projects :</i>			
Bor	127.35	53.91	6.85
Katepurna	92.82	145.81	13.09
Dina Nadi	55.94	68.51	13.91
Morna	41.43	44.18	5.51
Karwand	31.15	17.68	3.73

Delay in the completion of distribution system and lack of demand for water in the command of 10 projects, as attributed by the department, resulted in non-utilisation of water for 6.13 lakh hectares.

4.1.7 *Land development works.*—The works consist of community items like field channels, field drains, masonry structures and graded bunds and individual items of land levelling, grading and shaping. From October 1980, community items were executed at Government cost. These works which were to be completed along with the distribution system for optimum utilisation of the potential created lagged behind as under :

Year	Completed area of			Shortfall with reference to	
	Distribution system	Land development works in standard development units	Field channels	Column 2(b)	Column 2(c)
1	2(a)	2(b)	2(c)	3(a)	3(b)
		(in lakh hectares)			
1979-80 ..	12.02	4.67	9.31	7.35	2.71
1980-81 ..	12.86	5.52	10.28	7.34	2.58
1981-82 ..	13.81	6.41	10.67	7.40	3.14
1982-83 ..	14.88	7.00	11.13	7.88	3.75
1983-84 ..	15.98	7.62	11.77	8.36	4.21

According to the department, the shortfall in land development works was due to paucity of funds and short time (100 to 150 days) available for the works in each year.

4.1.8 *Irrigation revenue.*—(A) *Water rates*—Water rates for irrigation were last revised in 1973 on the basis of 6 per cent of gross income for food crops and 12 per cent for cash crops, as recommended by the Maharashtra State Irrigation Commission (1962). The rates were, however, not revised at the interval of six years though recommended by the Commission. Consequent on increase in the value of gross produce, the

percentage of prevalent water rates to gross income from principal crops in the State during 1983-84 worked out as under:—

Crop	Value of gross produce per hectare (in rupees)	Water rates per hectare	Percentage of column (3) to column (2)
(1)	(2)	(3)	(4)
Paddy ..	2,993	50	1.67
Wheat ..	4,740	75	1.58
Hybrid Jowar ..	4,665	50	1.07
L. S. Cotton ..	18,060	400	2.21
Sugarcane ..	26,000	750	2.88

In spite of the low water rates, concessional rates at one-third of the normal water rates were allowed for food crops, pulses and oilseeds grown during Kharif and Rabi seasons from 1980-81 to 1983-84 for increasing production.

(B) *Demand and recovery of water rates.*—Prior to July 1976, irrigation revenue was recovered through the Revenue Department on the basis of demand communicated by the Irrigation Department. To have effective control on timely recovery of the dues, the work of recovery of irrigation revenue was taken over (July 1976) by the Irrigation Department. The following figures of demand and recovery indicated that the object of entrusting recovery work to Irrigation Department was not achieved and arrears of revenue increased from year to year. Further, the demand during 1982-83 and 1983-84 showed downward trend.

Year	Past arrears	Demand during the year	Total dues to be recovered	Recovery during the year	Arrears at end of the year	Percentage of recovery
(in crores of rupees)						
1979-80 ..	11.41	9.11	20.52	5.46	15.06	26.61
1980-81 ..	15.06	11.52	26.38	5.84	20.54	22.14
1981-82 ..	20.54	12.18	32.72	7.80	24.92	23.84
1982-83 ..	24.92	10.33	35.25	5.47	29.78	15.52
1983-84 ..	29.78	10.00	39.78	7.24	32.54	18.20

The dues prior to July 1976 amounted to Rs. 5.10 crores and related to the period from 1964-65. According to Government (August 1985), the arrears were due to concessions granted to defaulters from year to year and Government orders prohibiting coercive measures for recovery.

(i) Effective measures were not taken for realisation of the dues. During 1979-80 to 1983-84, recoveries ranged from 4.44 to 42.21 per cent, the percentage of recovery in Pench and Jayakwadi projects being only 4.44 and 8.12 respectively.

(ii) *Non-levy of water rates*—(a) Under the Maharashtra Irrigation Act, 1976, water rate equal to 50 per cent of the seasonal water rates was to be levied even if a land holder in the command did not avail of the facility of water supply. In respect of 0.30 lakh hectares of notified command in 5 medium projects, a cumulative area of 0.83 lakh hectare was not brought under irrigation during 1979-80 to 1983-84. Demand for this area, calculated at minimum rate of Rs. 25 per hectare amounting to Rs. 20.75 lakhs was not raised. Reasons for the omission were not furnished.

Government clarified (August 1985) that the penal provision introduced as a measure of compulsion in 1976 may have to be reviewed.

(b) In Haranbari Project, water was stored for the first time in 1980. The storage was used for stabilising irrigation in 648 hectares of sugarcane area downstream of old 18 bandharas and in 2,753 hectares served by the downstream Mosam Rice Canal. Annual demand amounting to Rs. 4.86 lakhs was not raised in respect of the area covered by the old bandharas, as the area was not notified. Further, in respect of irrigation of 200 hectares in 1982-83 and 600 hectares in 1983-84, demand amounting to Rs. 0.50 lakh was not raised. The total less demand during 1979-80 to 1983-84 was Rs. 24.80 lakhs. Reasons for the omission were awaited (July 1985).

(c) *Non-irrigation revenue*.—To end of March 1984, non-irrigation dues amounted to Rs. 3.60 crores inclusive of Rs. 0.41 crore recoverable by the Revenue Department. Lack of effective and timely action resulted in accumulation of arrears which related to the period from 1964-65. Points noticed during scrutiny of divisional records were as under:

(i) *Upper Tapi Project*.—Tapi river was notified in September 1984 under the provisions of Maharashtra Irrigation Act, 1976 for regulation,

supply or storage of water. Prior to the notification of the river, the right of levy and collection of water rates for water drawn from the river vested with the Revenue Department. In respect of 356.50 M.cum of water supplied for drinking (33.50 M.cum) and industrial (323 M.cum) purposes during 1979-80 to 1984-85, recovery of water rates was not made. Even the details of water drawn by each party from time to time were not available with the department. The revenue due for the water supplied amounted to Rs. 120.56 lakhs. According to the Jalgaon Irrigation Project Circle (July 1985), the parties were asked to pay water charges from September 1984 but no payment was made.

(ii) *Bhima Project*.—For supply to Solapur City, water was released daily from the storage into the Bhima river which was picked up at Takli water works of the Solapur Corporation situated at a distance of 218 kilometres downstream. Besides loss in transit, as reported by the Chief Engineer, Pune, water was lifted unauthorisedly by farmers. On the basis of quantity of water lifted by the Corporation as measured by it, demand was raised by the Solapur Irrigation Division. The demand for water supplied to the Corporation prior to June 1980 was raised on the basis of bulk quantity released in the river. On a representation from the Corporation, Government issued (June 1980) orders for charging water rates on the quantity of water actually lifted, on the understanding that a pick-up weir would be constructed by the Corporation to prevent wastage of water. The weir was, however, not constructed (July 1985) due to which substantial quantity of water was lost in transit. During 1979-80 to 1982-83, the average loss of water in transit was to the tune of 84.52 per cent. Further, water drawn by the Corporation was partly utilised for industrial and commercial purposes which was not permissible. Hence reassessment was made (January 1985) by the department. The demand for water rates to end of March 1984 was Rs. 174.96 lakhs, against which recovery made was Rs. 10.30 lakhs (June 1985).

4.1.9 *Crop yields and production*.—Maharashtra ranked second in net area sown and third in gross cropped area in 1978-79 (the latest year for which area figures for all States and India are available), accounting for 13 per cent and 11 per cent of the respective areas in India. However, due to low productivity of land, though the State accounted for 11 per cent of the area under foodgrains and 33 per cent under cotton in 1982-83, its production of foodgrains and cotton was 7 per cent and

21 per cent respectively of the All India production in that year. The following were the details of average yield of some of the principal crops in the State *vis-a-vis* All India during 1979-80 to 1983-84:

Crop	Average percentage of irrigated area to total area under the crop during 1979-80 to 1982-83	Yield in kilograms per hectare during 1978-79	Average yield per hectare in kilograms during 1979-80 to 1983-84		
			State	State	All India
Wheat	52.60	811	871	1,689	
Rice	26.72	1,479	1,467	1,282	
Jowar	10.70	767	730	698	
Cotton (lint) ..	5.17	91	88	157	

While in the State, the average yields per hectare of rice and jowar were more than the All India yields by 14.43 per cent and 4.58 per cent, the same in respect of wheat and cotton were lower than the All India yields by 48.43 per cent and 43.95 per cent respectively. The average yields per hectare of rice, jowar and cotton during 1979-80 to 1983-84 were less than those during 1978-79.

The details of production of foodgrains and oilseeds during 1979-80 to 1982-83 were as under:—

Year	Potential		Production of	
	Created (in lakh hectares)	Utilised	Foodgrains (in lakh tonnes)	Oilseeds
1979-80 ..	12.31	5.15	103.62	8.93
1980-81 ..	13.16	5.68	97.32	10.05
1981-82 ..	14.10	5.75	105.73	12.28
1982-83 ..	15.16	5.69	92.16	10.68
1983-84 ..	16.26	6.52	109.51	14.30

The average production of foodgrains during the first 4 years of Sixth Plan (1980-84) was 101.18 lakh tonnes, as against the production of 103.62 lakh tonnes during 1979-80. The additional potential of 3.95 lakh hectares created during 1980-84 at an outlay of Rs. 828.42 crores and cumulative increase of 3.04 lakh hectares in the irrigated area during

the period did not increase the average production of foodgrains during the above period. In regard to oilseeds, the average production during 1980-84 increased by 2.90 lakh tonnes, as compared to the production in 1979-80.

4.1.10 *Financial returns.*—(a) *Return on Capital*—Project Reports envisage net return after meeting the cost of maintenance and interest charges. The Seventh Finance Commission recommended (1978) that receipts from projects should not only cover working expenses but also provide a return by way of interest at 1 per cent on the capital invested by the States. The Seventh Conference of Irrigation Ministers also recommended (1982) that the States should raise their water rates so that irrigation receipts not only met the full cost of maintenance but also gave a return of 1 per cent on the capital. The following table gives the position of working expenses, irrigation revenue required to be assessed and actually assessed for the years 1979-80 to 1983-84:

Year	Cumulative potential created	Area irrigated	Cumulative capital investment (exclusive of EGS expenditure)	Working expenditure	One per cent interest on capital investment		Revenue to be assessed		Deficit
					(in crores of rupees)	(in crores of rupees)	with interest on capital	Revenue actually assessed	
1979-80	.. 12.31	5.15	989.41	3.38	9.89	13.27	9.11	4.16	
1980-81	.. 13.16	5.68	1,128.35	4.21	11.28	15.49	11.32	4.17	
1981-82	.. 14.10	5.75	1,302.48	7.99	13.02	21.01	12.18	8.83	
1982-83	.. 15.16	5.69	1,534.04	5.68	15.34	21.02	10.33	10.69	
1983-84	.. 16.26	6.52	1,788.45	8.13	17.88	26.01	10.00	16.01	

The annual revenue assessed was less than the working expenses plus interest charged at one per cent and the gap increased year after year.

(b) *Benefit cost ratio*—Feasibility of a project is judged by benefit cost ratio (B.C.ratio) and for the major and medium irrigation projects it was fixed by Central Water Commission and Government as more than 1.5. However, the on-going major projects of Nandur-Madhmeshwar (1979), Karwa (1979) and medium projects of Kelzer (1972), Sina (1972),

Sonwad (1979), Naga Sakya (1982), having B.C.ratio of less than 1.5 were taken up in the year indicated in the bracket of each project. Due to delay in completion of the projects, the B.C.ratio would be further less. Owing to time overrun and cost overrun, the B.C.ratio of Bhima, Khadakwasla, Surya and Upper Tapi Stage I, came down from 2.05, 2.48, 2.27 and 2.32 to 1.4, 1.16, 1.5 and 1.45 respectively.

According to Government (August 1985), projects with B.C.ratio of less than 1.5 were taken up in backward and drought prone areas and in such cases even though the B. C. ratio was less, social benefits accrue.

4.1.11 *Summing up.*—Of the available potential of 40.27 lakh hectares for major and medium irrigation, a potential of 16.26 lakh hectares was created upto June 1984 with an outlay of Rs. 1,853.40 crores and full exploitation envisaged by 1980 is now planned by 2010. Delay in completion of projects ranged from 5 to 20 years. To end of June 1984, irrigation benefits to 21.17 lakh hectares were denied due to non-completion of the projects taken up mostly during Fourth and Fifth Plans. The delay and changes in the scope of the projects resulted in cost escalation and in 18 projects it amounted to Rs. 830.94 crores. Potential created was not transferred fully to management divisions due to some deficiencies in the works executed as also paucity of management staff; the shortfall in 5 major projects to end of June 1984 was 2.36 lakh hectares. There was a reduction in command (14,554 hectares) in Upper Tapi. Extra cost due to excess command (0.22 lakh hectares) in Girna project amounted to Rs. 1.73 crores.

Defective and delayed execution of works in 10 projects resulted in extra cost and unfruitful expenditure of Rs. 16.27 crores (Jayakwadi: Rs. 1.92 crores, Bhima: Rs. 0.50 crore, Krishna: Rs. 0.13 crore, Upper Pravara: Rs. 5.70 crores, Upper Tapi: Rs. 1.08 crores, Upper Godavari: Rs. 1.27 crores, Nandur-Madhmeshwar: Rs. 4.66 crores, Manar: Rs. 0.54 crore and Pethwadaj: Rs. 0.47 crore). In 15 projects, works, on which expenditure of Rs. 20.63 crores was incurred, were either stopped or slowed down due to non-release of forest lands. Of this amount, Rs. 2.24 crores incurred on 2 projects were rendered infructuous due to non-availability of forest lands.

Utilisation of potential during Sixth Plan (upto June 1984) was 40.39 per cent as against 50.92 per cent in the Fifth Plan. Under-utilisation of

59.44 per cent of potential during 1979-80 to 1983-84 rendered the proportionate outlay of Rs. 1,101.66 crores unproductive. In 15 projects water utilised was excessive, however, the area irrigated was less by 7.69 lakh hectares. In 10 projects, water available for irrigating 6.13 lakh hectares remained unutilised.

The position of recovery of irrigation dues did not improve even after taking over recovery work by the department. The percentage of recovery ranged from 15.52 (1982-83) to 26.61 (1979-80). In 7 projects, demand for water rates amounting to Rs. 166.11 lakhs was not raised. Due to non-revision of water rates, the revenue assessed did not cover working expenses and interest charges at one per cent.

The average yield (1979-80 to 1983-84) of rice, jowar and cotton (lint) compared to 1978-79 was less. The average production of foodgrains (1980-84) was also less than that in 1979-80. The creation of additional potential of 3.95 lakh hectares during 1980-84 had no impact on production of foodgrains.

Thus, delay in completion of works with substantial investments, considerable under-utilisation of potential, heavy arrears of irrigation dues and low crop yields, affected development of irrigation in the State.

The matter was referred to Government in September 1985; reply is awaited (October 1986).

4.2 Extra expenditure due to non-enforcement of contractual condition of de-escalation for labour

The work of Adit II and tail race tunnel from face numbers 3, 4 and 5 (estimated cost : Rs. 436 lakhs) of Pench Hydro Electric Project was awarded to a contractor in August 1975 for Rs. 720 lakhs for completion in April 1979. Under the agreement price escalation or de-escalation was admissible based on the cost of living indices of labour as per formula prescribed in the price variation clause.

No work was executed from August 1975 to December 1975. Work costing Rs. 270.81 lakhs was executed between January 1976 and June 1979. For this work, escalation or de-escalation for labour was to be calculated on the basis of quarterly average cost of living index compared with that ruling in August 1975, which stood at 342. During March 1976

to June 1979 the quarterly average of living index ranged between 287.67 and 334.67 and, therefore, de-escalation for labour in the form of rebate (Rs. 0.16 lakh to Rs. 0.84 lakh per quarter) aggregating to Rs. 6.40 lakhs was recoverable from the contractor. The Executive Engineer, Tail Race Tunnel Division, Totladoh did not recover this negative escalation for each quarter from the payment made to the contractor till February 1982, when it was adjusted. In the meanwhile, the contractor had requested (September 1980) the department for relaxation of condition of de-escalation for labour on the plea that it was not possible to reduce the labour rates once they are fixed. The Government acceded to the request of the contractor and ordered in June 1982 relaxation of the condition regarding de-escalation applicable to labour component. Out of the de-escalation amount of Rs. 6.40 lakhs adjusted in February 1982, Rs. 4.80 lakhs were refunded as a temporary relief in May/June 1982 and Rs. 1.60 lakhs in July 1982 on receipt of Government orders. However, while relaxing the condition of de-escalation, no firm date was fixed by Government for completion of work. The work due for completion in April 1979 has not been completed so far (September 1985) and the positive escalation paid during the extended period upto March 1985 amounted to Rs. 114.82 lakhs. Government stated (September 1985) that they have taken a conscious decision for relaxation of the de-escalation clause and hence amount relaxed cannot be viewed as a loss.

The contractor's plea for relaxation on the grounds that labour rates once fixed cannot be reduced, as accepted by Government while taking a conscious decision, was not tenable as escalation/de-escalation was regulated on the basis of increase/decrease in living indices and not with reference to prices ruling in the market or wages actually paid to the labourers, a condition of which the contractor was fully aware at the time of quoting his rates. Thus, relaxation of contractual condition regarding de-escalation for labour component resulted in an extra expenditure of Rs. 6.40 lakhs to Government.

4.3 Avoidable expenditure due to non-execution of work as per modified design approved by Central Designs Organisation

Negotiated tender for the part work of excavation of approach and tail channel of Lower Pus Project estimated to cost Rs. 43.89 lakhs at 23 per cent above the estimated cost was accepted by the Superintending

Engineer in June 1982 and work order was issued by the Executive Engineer, Lower Pus Project Division, Pusad in the same month for completion of the work by September 1983. Owing to slow progress of work, the Executive Engineer directed the contractor in November 1982, December 1982 and January 1983 to speed up the work so as to synchronise it with gorge filling programme. Further, in order to reduce the quantum of work and cost substantially, the Executive Engineer discussed the proposal of reduction in quantity of excavation in approach and tail channel with the Chief Engineer in November 1982 and framed two proposals of modifying the design by providing (i) stepped approach and (ii) curved approach with 147m radius with a saving of Rs. 14 lakhs and Rs. 14.20 lakhs respectively, which were forwarded to the Superintending Engineer as also to the Central Designs Organisation (C.D.O.) in January 1983. The C.D.O. approved the second proposal of providing curved approach in February 1983 after detailed discussion with the Executive Engineer which had the effect of saving of Rs. 7.12 lakhs compared with the sanctioned estimate. As it was permissible under the contract to stop or suspend any part of work without any payment or compensation if Executive Engineer desired that whole or part of the work should not be carried out, the Executive Engineer directed the contractor on 21st February and 17th March 1983 and simultaneously issued instructions to the Assistant Engineer not to execute the work of approach channel beyond the modified alignment.

However, the contractor was allowed to proceed with the work of excavation as per original design. The work was completed in May 1984. Specific orders of the Executive Engineer permitting the contractor to excavate the area earlier prohibited by him were not available as reported by the division. Total quantity of soft and hard strata excavated by the contractor beyond the modified alignment which was earlier prohibited by the Executive Engineer worked out to 16,676 cubic metres resulting in an avoidable expenditure of Rs. 5.01 lakhs.

The Superintending Engineer in his report to the Chief Engineer, observed (July 1984) that in the absence of utilisation statement for the project as a whole called for by him but not furnished by the Executive Engineer despite reminders, he was not satisfied with the plea taken by the Executive Engineer that the work was continued as per tender in order to utilise the material on the balance work which remained to be carried

out. To an audit enquiry as to whether proper account of the excavated material was maintained, the division stated (August 1985) that no account in the prescribed form was maintained, nor stacks of the excavated hard rock were made and that the material was utilised directly in the work of main dam. In the absence of proper account, utilisation of excavated material was not susceptible of verification by Audit.

The matter was reported to Government in August 1985; reply is awaited (October 1986).

4.4 Avoidable extra cost due to preparation of defective estimates

An estimate for construction of an aqueduct across Khakad Nalla at chainage 66,220 of Hatnur Right Bank Canal prepared by the Hatnur Canal Division, Chopda was technically sanctioned by the Superintending Engineer, Irrigation Project Circle, Jalgaon in September 1981 for Rs. 22.80 lakhs adopting District Schedule of Rates (D.S.R.) of 1980-81. The rates for items of work involving use of stone/metal as mentioned in the estimate were arrived at taking into account a lead of 60 kilometres for the above material to be brought from Bhusaval quarry, with lead charges of Rs. 76.93 per cubic metre. The lowest tender of contractor 'A' at 4.9 per cent above the estimated cost of Rs. 21.86 lakhs was accepted and work order was issued in December 1981. Except pitching, which could not be executed due to non-completion of earthwork by the department, the work was completed in July 1983. The value of work as per final bill paid in December 1983 was Rs. 20.81 lakhs (exclusive of contractor's percentage).

Scrutiny of records revealed that a stone quarry at Chahardi at a distance of 18 kilometres from the above work was got transferred from Revenue Department to Irrigation Department by the Executive Engineer, Hatnur Canal Division, Chopda in July 1979 on the plea that no other quarry was available in the area within reasonable lead, the division had prepared plans and estimates of some canal structures considering the only quarry available at Chahardi and that for smooth and speedy execution of work as per programme, this quarry should be with the department. Consequent on transfer of Chahardi quarry, an estimate based on availability of stone in the above quarry was prepared and sanctioned in May 1980 for another aqueduct at chainage 62,096 as per D.S.R. of 1979-80 for Rs. 16.28 lakhs. In the course of acceptance of his tender for this work,

the same contractor 'A' stated (February 1981) that he would operate the quarry shown by the department and obtain material from the said quarry and accordingly work was awarded to him in April 1981. In October 1981, the Executive Engineer informed the contractor that sufficient quantity of quality rubble would be available at Chahardi quarry, if overburden was removed. The contractor completed that work in June 1983. Further, the account of material quarried from Chahardi quarry maintained by the department disclosed that murrum, metal and rubble were obtained from the quarry between January 1981 and August 1983.

In view of availability of rubble/metal at Chahardi quarry at a shorter distance of 18 kilometres, provision of lead of 60 kilometres at Bhusaval quarry in the estimate of Khakad Nalla aqueduct was not justified. Stone/metal of 6044 cubic metres was used in the work of Khakad Nalla aqueduct. Lead charges from Chahardi quarry worked out to Rs. 22.83 per cubic metre (excluding initial lead of 2 kilometres included in basic rate) as against Rs. 76.93 per cubic metre paid to the contractor, which resulted in avoidable extra expenditure of Rs. 3.27 lakhs.

To an audit enquiry as to why Bhusaval quarry was adopted when Chahardi quarry was available, the division stated (May 1985) that due to overburden it was difficult to operate the Chahardi quarry. This was not tenable since removal of overburden was the responsibility of the contractor and that while executing work of aqueduct at chainage 62096 Chahardi quarry was operated by removing the overburden.

The matter was reported to Government in August 1985; reply is awaited (October 1986).

4.5 Extra cost due to change in mode of lining

The work of cement concrete lining of Ujjani Left bank canal in kilometres 48 to 76 entrusted to a contractor in January 1981 for Rs. 282.99 lakhs for completion by July 1982, included an item of constructing masonry lining of 19,609 cubic metres. The contractor's rate for masonry lining was Rs. 180 as against the estimated rate of Rs. 130.75 per cubic metre, whereas for cement concrete lining it was nearer to the estimated rate i.e. Rs. 40 as against estimated rate of Rs. 37.06 per square metre. Within six months from the award of work

the Superintending Engineer proposed in July 1981 that the length of masonry lining should be extended by 4,100 metres as it could be executed faster so as to release water for perennial irrigation. The additional quantity on this account was assessed as 18,800 cubic metres involving extra financial liability of Rs. 9.08 lakhs. The proposal was referred to Government by the Chief Engineer in September 1981. While rejecting the proposal, Government intimated the Chief Engineer in November 1981 that it was totally incorrect to increase the quantity of higher rated item of inferior specification viz., masonry lining and that the advantage of early irrigation benefit was not likely to be available. However, the work in masonry lining had already been taken up prior to receipt of Government orders and on a further reference by the Chief Engineer, Government approved in May 1982 the proposal to switch over to masonry lining in certain reaches of canal in relaxation of tender conditions in the interest of speedy completion of work.

As against 18,800 cubic metres of additional quantity proposed by the Superintending Engineer, 23,500 cubic metres additional masonry lining was executed till May 1985, involving pro-rata extra cost of Rs. 11.35 lakhs. However, the work of lining due for completion in July 1982 was not completed till June 1985 despite four extensions already sanctioned. It was now expected to be completed by June 1986, due to which the objective of speedy execution of work as also releasing of water for perennial irrigation was not achieved.

Thus, change in mode of lining resulted in extra cost of Rs. 11.35 lakhs without achieving intended benefit.

The matter was reported to Government in September 1985; reply is awaited (October 1986).

4.6 Avoidable extra cost due to non-acceptance of tender

Tenders for the construction of an aqueduct (estimated cost : Rs. 14.02 lakhs) at RD 22198 M on the Left Bank Canal of Lower Pus Project were invited in August 1983 on percentage basis by the Executive Engineer Lower Pus Project Division, Pusad. The offer was valid for 90 days from the date of opening of the tenders and thereafter until withdrawn by the tenderer.

Of the 4 tenders received and opened on 11th October 1983, the offers of contractors A and B amounting to Rs. 14,57,834 and Rs. 14,58,535 i.e., 3.95 and 4 per cent above the estimated cost put to tender were found valid. As contractor B was considered well experienced having fleet of machinery and sufficient technical personnel and as the difference between two offers was Rs. 701 only, the Superintending Engineer, Akola Irrigation Circle, Akola sought approval of the tender committee to the acceptance of second lowest tender of B by referring the tender papers to the Commissioner, Amravati, on 31st October 1983. The Commissioner Amravati, had fixed the dates for discussion thrice between November 1983 and January 1984, but the discussion did not materialise as, on two occasions (the Superintending Engineer was reportedly busy with the periodical meetings with the Secretary of the department and once the Commissioner was out of headquarters. Meanwhile, in response to department's request the contractor B extended the validity of his offer upto 23rd February 1984, whereas contractor A did not extend the validity. In view of the above position, the Superintending Engineer called back the tender papers from the tender committee at Commissioner's level on 1st February 1984 as only one tenderer was left in the field and reference to the tender committee was not necessary. The tender papers were received by the Superintending Engineer on 24th February 1984 i.e. after the expiry of validity period. As the contractor B refused to extend the validity beyond 23rd February 1984, the Superintending Engineer rejected his tender on 17th April 1984 with instructions to the Executive Engineer to reinvite the tenders. The tenders were reinvited and only one tender, that of contractor B amounting to Rs. 17.67 lakhs was received and accepted in June 1984.

Thus, failure to finalise the acceptable tender before expiry of validity period resulted in extra avoidable expenditure of Rs. 3.09 lakhs.

The matter was reported to Government in August 1985; reply is awaited (October 1986).

4.7 Avoidable extra cost

Five tenders including that of Maharashtra Small Scale Industries Development Corporation (MSSIDC) for supply of 5 centimetre thick precast cement concrete slabs for lining work of Direct Minors of B-59 (estimated cost : Rs. 4.96 lakhs) and of Kumbhari

Distributory (estimated cost : Rs. 7.35 lakhs) were received and opened by the Executive Engineer, Jayakwadi Project Canal Division No. IX, Pathri on 15th July 1983. The tenders were valid upto 12th October 1983. The offer of contractor 'A' was lowest even after considering the permissible price preference of MSSIDC. Instead of accepting the lowest offer of contractor 'A' straightway, the Executive Engineer referred the case to the Superintending Engineer, Jayakwadi Canal Circle, Aurangabad in July 1983 *inter alia* informing him of his intention of accepting the lowest tender. Contractor 'A' who was approached on 11th October 1983 to extend the validity period, did not extend it. As a result, offers of contractor 'B' which were higher by Rs. 1.31 lakhs compared to that of contractor 'A' were accepted in December 1983.

To an audit enquiry as to why the lowest offer of contractor 'A' was not accepted, the Executive Engineer stated that, the rates of the contractor 'A' were not considered workable. This plea was not acceptable as the Executive Engineer himself informed the Superintending Engineer in July 1983 of his intention to accept the offers of contractor 'A' and had also approached the contractor 'A' for extending the validity of his offer.

Failure on the part of the Executive Engineer in accepting the tender within time resulted in an avoidable extra cost of Rs. 1.31 lakhs to Government.

The matter was reported to Government in September 1985; final reply is awaited (October 1986).

4.8 Minor Irrigation tank at Rahud

A Minor Irrigation tank at Rahud (Nashik district) with a canal length of 5.5 kilometres (estimated cost : Rs. 5.53 lakhs) was completed by the Minor Irrigation Division, Malegaon in June 1980 at a cost of Rs. 10 lakhs for irrigating 120 hectares of land.

It was noticed (March 1983 and July 1985) that though the reservoir was filled to its full capacity of 22 M. cft. every year since 1977, the irrigation potential available for utilisation was only 37.91 hectares on an average during the five years ending March 1985 as against 120 hectares envisaged in the project report, because water could not pass beyond 2 kilometres due to heavy slips in kilometre 3 of the canal. During 1980-81

to 1984-85 as against the total irrigation potential of 600 hectares and usable potential of 189.55 hectares upto 2 kilometres, the actual utilisation was 15.51 hectares only. The under-utilisation was attributed to absence of land development in the command area.

The balance potential of 82 hectares could not be utilised all along during 1980-81 to 1984-85 as the canal in kilometre 3 was passing through black fissured clay and water course was blocked by heavy silt accumulated due to falling of debris from the canal banks and slips from the canal sides. A series of rectificatory measures such as widening of side slopes from 1.5:1 to 2:1, providing bed concrete for construction of retaining walls, pitching of 0.30 M in cement mortar, dry rubble pitching of 0.45 M and removal of excavated spoils from the banks and dismantling of pitching carried out between 1979-80 and 1984-85 at a cost of Rs. 1.95 lakhs did not prove useful resulting in an infructuous expenditure. The delay of over 5 years in providing proper conveyance system for the water to pass beyond kilometre 2 resulted in the irrigation potential of 410 hectares remaining unutilised as also rendering major portion of expenditure of Rs. 5.59 lakhs incurred against estimated cost of Rs. 1.05 lakhs on the the canal and distributaries unfruitful.

The Executive Engineer stated (July 1985) that a detailed report is being made to the Superintending Engineer and that the problem is being referred to Maharashtra Engineering Research Institute, Nashik. Further developments are awaited (August 1985).

The matter was referred to Government in August 1985; reply is awaited (October 1986).

4.9 Unauthorised rejection of tender

Tenders for construction of Kirkee tank work estimated to cost Rs. 8.61 lakhs were invited in February 1982 by the Executive Engineer, Minor Irrigation Division, Nagpur. Only one offer at fifty-five per cent above estimated cost was received, which after negotiation, was reduced to forty-eight per cent above the estimated cost (Rs. 12.73 lakhs). According to rules, tenders exceeding Rs. 10 lakhs are required to be forwarded to the Superintending Engineer for his consideration. Though these provisions were brought to the notice of the Executive Engineer by the divisional

staff, the tender was not forwarded to the Superintending Engineer but was rejected by the Executive Engineer in April 1982 at his level on the grounds that it was a first call and that the tender was above 50 per cent, whereas it stood at 48 per cent after negotiation. Tenders were invited for a second time on 23rd April 1982 and as there was no response, they were re-invited for a third time in July 1982. In response to this call, four tenders were received in September 1982 and the lowest offer of Rs. 13.68 lakhs forwarded by the division in September 1982 to the Superintending Engineer, was accepted by him in October 1982. The earlier rejection was adversely commented upon by the Superintending Engineer in his communication to the Division. The work order was issued in December 1982. No action was taken by the department for the unauthorised rejection of tender.

Unauthorised rejection of tender entailed an extra cost of Rs. 0.95 lakh to Government.

While accepting the irregular rejection of tender by the Executive Engineer, Government stated in February 1986 that in view of the lapse of six months between the first and third call for tenders comparison of calls would not be correct and held that the rejection of tender has not entailed extra expenditure. This plea was not tenable as the acceptance of the original tender which was rejected unauthorisedly would have saved Rs. 0.95 lakh to Government.

4.10 Non-execution of work as per requirements—extra cost

The alignment of branch canals 1 and 2 of Bawanthadi Project, proposed by the Superintending Engineer, Nagpur Irrigation Project Circle, Nagpur in August 1977 to the Chief Engineer, Irrigation Department, Nagpur, *inter alia*, contemplated construction of canal embankment of branch canal No. 1 and 2 of Right Bank Canal with a top width of 5.5 metres including a Dawla (raised portion at the canals side edge of embankment to avoid excess silting in canal) of 1.5 metres width, for service road. While approving the proposals, the Chief Engineer observed in September 1979 that the top width of service road and inspection path side was more than that specified in Government Circular and, therefore, it should be corrected and then work should be executed. Thereupon, the Executive Engineer Bagh and Bawanthadi Division, Gondia sanctioned the estimate for km. 2 to 7.2 in February 1980 and July 1980 by adopting top

width of service road as 4.25 metres including Dawla of 1.5 metres width and accordingly the work of branch canal 1 and 2 was completed between June 1981 and April 1983.

Due to provision of Dawla with a top width of 1.5 metres, the net top width of the service road was reduced to 2.75 metres as against 4.25 metres provided in the sanctioned estimate which was necessary for plying inspection vehicles. This necessitated resectioning of embankment to achieve the required top width. Resectioning of embankment involving 16,221 cubic metres of embankment work was executed at the rate of Rs. 9.36 to Rs. 11.33 per cubic metre at a cost of Rs. 1.68 lakhs through piece workers during 1982-83 and 1983-84, as against the rate of Rs. 3.10 to Rs. 5.70 per cubic metre paid for the said work during original execution. As the provision of Dawla was made in the estimate and the department was aware that 4.25 metres top width of service road was necessary for plying inspection vehicles, the canal embankment should have been executed at the initial stage itself by providing the top width of 4.25 metres to avoid the extra avoidable expenditure at later stage. Non-execution of work initially without keeping in view the requirement of top width of service road for plying the inspection vehicles on it resulted in avoidable extra cost of Rs. 0.88 lakh to Government.

The matter was reported to Government in August 1985; reply is awaited (October 1986).

4.11 Excess payment

The Executive Engineer, Minor Irrigation Division, Dhule accepted the rate of 4.9 per cent above the District Schedule Rate of Re. 0.45 per kilometre per tonne for 1981-82 for transportation of cement from Basantnagar cement factory in Andhra Pradesh to Dhule cement godown by the shortest route. The Dhule Irrigation Division also adopted the same rate for transportation of cement on specific approval of the Superintending Engineer. The above two divisions transported 520 and 820 tonnes of cement respectively during October 1981 to March 1982 and paid transportation charges of Rs. 5.13 lakhs for a distance of 812 kilometres.

On Audit pointing out in May 1982 that the distance between cement factory to Dhule by the shortest route via Kannad-Chalisgaon State

Highway was 678 kilometres, subsequent payments were regulated by these Divisions for a distance of 711 kilometres and 705 kilometres respectively by the shortest route. To an audit enquiry as to how the division had earlier satisfied itself that a claim for the distance of 812 kilometres was permissible, the Dhule Irrigation division stated (July 1985) that the same was confirmed from the drivers that cement was brought by longer route via Jalgaon. The division further stated that the Kannad-Chalisingaon road involved crossing of ghat and contractors were reluctant to follow this route. The Executive Engineer, Public Works Division, Jalgaon, however, intimated (September 1985) that both these roads are of State Highway standard and have the same permissible standard loading. Moreover, the same contractor confirmed in August 1983 while offering to accept the transportation that the distance between the two points was 704 kilometres.

Failure to regulate the payment by shortest route as per contract condition resulted in excess payment of Rs. 0.66 lakh.

The matter was reported to Government in September 1985; reply is awaited (October 1986).

4.12 Extra expenditure due to use of unsuitable material in canal work

Earthwork of Ujjani Left Bank Canal in Kilometres 112, 113, 115 and 124 was completed departmentally prior to 1977, even though estimates of canal work were not technically sanctioned. Expenditure of Rs. 49.22 lakhs was incurred on the work in kilometres 112, 113, and 124 while that on kilometre 115 was not intimated by the division (August 1985). After completion of the work, the estimates for the above kilometres were sanctioned by the Superintending Engineer for Rs. 50.76 lakhs between March 1979 and December 1980. The lining work in these kilometres was started in August 1982. While lining work was in progress, the Ujjani Canal Division No. 8 Solapur noticed in July/October 1983 that, embankment in certain chainages in kilometres 112, 113 and 115 consisted of geru soil and in kilometre 124 it was constructed with considerable quantity of lime. The matter was reported to the Superintending Engineer in July 1983 and October 1983 stating that, side and bed lining in the reaches where embankment was constructed with geru soil or lime will not stand on such subgrade.

To overcome the problem, the Division proposed that 45 centimetres thick uncoursed rubble (UCR) masonry in cement mortar 1:8 with 600 gauge polythene film should be provided over the affected portion after removing the material to some reasonable depth in order to lay the cement concrete lining over this masonry. The work of providing UCR masonry was completed by August 1985 at an extra cost of Rs. 19.82 lakhs. The expenditure incurred for bringing suitable material by truck for compaction could not be assessed to arrive at the net extra cost. The Division stated (December 1984) that the matter regarding use of geru in canal embankment will be investigated and reported to Audit separately as geru/lime are considered objectionable materials for use in embankment.

Government stated in February 1986 that the work was mainly done under Employment Guarantee Scheme (EGS) and the locally available material must have been used because of the difficulty in bringing material from longer leads. The department's plea is not tenable as execution of substandard work was not permissible under EGS.

4.13 Defective execution of guide bund

A provision for construction of a guide bund to a tail channel (estimated cost : Rs. 2.44 lakhs) and rubble pitching to guide bund (estimated cost : Rs. 0.58 lakh) was made in the estimates of construction of approach and tail channel of Lower Pus Project. The work of guide bund was completed during April to July 1983 at a cost of Rs. 3.08 lakhs, but pitching to guide bund was not provided, reasons for which were not intimated (July 1985).

During floods in August 1983, a part of guide bund on right and left flank was washed away causing damages estimated to cost Rs. 2.21 lakhs, though actual maximum flood discharge was 3,720 cusecs as against the designed capacity of 5,437 cusecs. The proposal for restoration work estimated to cost Rs. 5.61 lakhs was approved by the Superintending Engineer in March 1984. The work of restoration was done partly through departmental machinery and partly through piece workers, at a cost of Rs. 0.65 lakh (July 1985). Charges for machinery used on the work had not been adjusted.

Thus, defective work of guide bund resulted in loss of Rs. 2.21 lakhs to Government for which no action to fix the responsibility was taken by the department though matter was brought to their notice by Audit in September 1984.

The matter was reported to Government in August 1985 ; reply is awaited (October 1986).

4.14 Avoidable expenditure

Four aqueducts (estimated cost : Rs. 53.19 lakhs) of Ujjani left Bank Canal in kilometres 67, 68, 74 and 75 were constructed at a cost of Rs. 56.72 lakhs during August 1978 to June 1979. The earthwork of approaches to these aqueducts was not included in the agreements for construction of aqueducts proper entrusted to the contractors and was got executed through pieceworkers, reportedly to complete the work as per time schedule. The piecework agreements provided for carrying out density tests of compaction of earthwork. But no such tests were conducted to ensure compaction as per required specification. The division stated (August 1985) that, at this stage it could not be verified why the density tests were not taken by the supervisory staff.

Water was let out in the canal for irrigation in October 1981. In August 1982, the Deputy Engineer noticed leakages from the aqueducts. Repairs to the aqueducts consisting of removal and redoing of 1,119 cubic metres earthwork and 295 cubic metres masonry were carried out at a cost of Rs. 1.58 lakhs during April 1983 to February 1985.

Non-ensuring of compaction of earthwork as per specifications resulted in an avoidable expenditure of Rs. 1.58 lakhs to Government.

Government stated in February 1986 that the watering and consolidation was done departmentally, but no density tests were conducted as required under the agreements.

4.15 Avoidable extra expenditure

The sanctioned estimate for the work of construction of Hatnur dam (estimated cost : Rs. 292.75 lakhs) *inter alia* included a lumpsum provision of Rs. 1.25 lakhs for river training work *i. e.* excavation for tail channel beyond bucket of waste weir for about 100 metres downstream outlet of approach channel and obstruction removal on downstream side gates.

The work of construction of Hatnur dam was awarded to a contractor for Rs. 295.30 lakhs in June 1971 for completion by June 1975. The work was completed in May 1982. Final measurements of work were recorded in January 1983. When the work was in progress, the Executive Engineer instructed the contractor on 7th January 1982 to complete the work of excavation of hard rock (contract rate : Rs. 16 per cubic metre) requiring ordinary blasting to the extent of 2,000 cubic metres in front of bucket immediately by 15th January 1982. The contractor intimated on 11th January 1982 that part of the work was already executed and balance work would be completed shortly. Though it was possible to execute the balance work by ordinary blasting, if got done through contractor well in time *i.e.* before completion of the dam work in May 1982 and the work was within the permissible limit of 125 per cent of quantities put to tender, it was not got done through the contractor. By the time, department decided (September 1982) to take up the work departmentally, the dam work was completed and to avoid any possible damage to the structure, the department sanctioned an estimate for Rs. 2.07 lakhs in September 1982 for excavation of hard rock in front of span numbers 40 and 41 by controlled blasting at the rate of Rs. 45.20 per cubic metre, and got the work of 2,350 cubic metres of hard rock excavation done departmentally between December 1982 and October 1983 at a cost of Rs. 1.11 lakhs, involving extra expenditure of Rs. 0.74 lakh.

Failure to get the work of hard rock excavation done before construction of dam, resulted in an avoidable extra expenditure of Rs. 0.74 lakh.

The matter was reported to Government in September 1985; reply is awaited (October 1986).

4.16 Non-use of diesel engines purchased for replacement of petrol engines of jeeps

With a view to effect economy in running expenses of jeeps, the Chief Engineer, Specified Projects, Pune and Irrigation Department, Pune decided to dieselise petrol driven jeeps and accordingly placed orders for supply of 90 Kirloskar diesel engines with accessories during August 1978 to December 1980. The Mechanical Division No. I, Dapodi received these engines between December 1978 and January 1981 at a cost of Rs. 23.41 lakhs.

Out of 90 diesel engines, 65 engines were fitted to jeeps, 53 between February 1979 and March 1983 and 12, transferred to various divisions between June 1980 and May 1984. Twenty-five engines costing Rs. 6.78 lakhs were lying with the Mechanical Division No. I, Dapodi for more than four years, due to non-receipt of jeeps for dieselisation from field offices despite repeated reminders sent to them by the Mechanical Division No. I, Dapodi. On dieselisation, a saving of Rs. 0.13 lakh in running expenses of each vehicle per year was anticipated by the department. At this rate, non-dieselisation of 25 jeeps did not achieve the economy in expenditure of the order of Rs. 13 lakhs over a period of four years.

The matter was reported to Government in September 1985; reply is awaited (October 1986).

4.17 Avoidable expenditure

Construction of Paithan Left Bank Canal in Kilometres 166 to 174, including cement concrete lining of 7.5 centimetres thickness, estimated to cost Rs. 70.72 lakhs, was entrusted to a contractor in May 1979 for Rs. 99.26 lakhs, for completion by November 1981. During execution, quantities of excavation increased and therefore, extensions were granted from time to time upto December 1983. According to the assessment made by the department in January 1982, 45,000 cubic metres of hard rock excavation remained to be tackled in the canal reach in kilometres 166 to 169 passing through deep ridge cut. This was required to be completed in all respects by June 1982 to meet the commitment firmly made by the department to the State Government, Government of India and World Bank Authorities. To overcome this bottleneck and also to execute the work speedily, the Superintending Engineer proposed to the Chief Engineer on 9th February 1982 that the cement concrete lining to be executed at the tendered rate of Rs. 53.66 per square metre should be changed to masonry (UCRS) lining at the rate of Rs. 60 per square metre, as it could be executed expeditiously and was more suitable for deep cuts and as the contractor had also accepted it in view of the short period left with the department. The above proposal along with the programme for execution as framed by the contractor and agreed to by the Executive Engineer, was approved by the Chief Engineer on 17th February 1982 in view of the urgency of the work.

Though the contractor had agreed to complete the work by June 1982 as per the changed mode of lining, he actually started the work only in July 1982 due to shortage of labour. As such, the justification for the change in mode of lining involving extra cost on the grounds of urgency and expeditious completion of work ceased to exist by June 1982. Further, due to non-fulfilment of its commitment, the department had to release water in unlined canal. Despite this, the department allowed the contractor to execute 9,800 square metres of masonry lining involving 1,960 cubic metres of additional excavation in hard rock between July 1982 and December 1983, which did not serve the intended purpose and also resulted in avoidable expenditure of Rs. 1.74 lakhs.

The matter was reported to Government in August 1985; final reply is awaited (October 1986).

4.18 Excess payment

Construction of 4 percolation tanks (estimated cost : Rs. 14.67 lakhs) at Rasulpura, Ghodegaon, Akhatwada and Khirdi in Aurangabad district was commenced between June 1980 and June 1981 under Employment Guarantee Scheme on nominal muster rolls and through pieceworkers. Expenditure of Rs. 17.92 lakhs was incurred on the works upto March 1985. While works of Rasulpura, Ghodegaon and Khirdi tanks were completed in June 1982, the work on Akhatwada tank on which expenditure of Rs. 4.96 lakhs was incurred, was stopped since December 1982 and was not restarted till June 1985. A Deputy Engineer who took over charge in August 1982 noticed in August-September 1982 that the quantities of work paid for on these tanks were in excess of the work actually executed. However, the matter was not pursued since the Executive Engineer informed him that the enquiry against the Sub-Divisional Officer who had executed the works would be instituted at Government level. When joint measurements were taken in July 1984 it was noticed that as against the quantity of 1,46,962 cubic metres earthwork shown as executed and paid for on the works, actual quantity worked out to 95,306 cubic metres, resulting in excess quantity of 51,656 cubic metres paid to the pieceworkers and on nominal muster rolls, value of which as reported by the Executive Engineer amounted to Rs. 5.63 lakhs.

Though the Deputy Engineer in charge of the works prior to June 1982 had shown check of measurements, the excess quantities were not noticed by him. The matter was reportedly under investigation (January 1986).

The matter was reported to Government in September 1985; reply is awaited (October 1986).

4.19 Unfruitful expenditure on suspended work

Construction of a Minor Irrigation Tank at Deotala (Bhandara District) with an irrigation potential of 100 hectares administratively approved in December 1975 for Rs. 2.86 lakhs (revised to Rs. 4.47 lakhs in September 1979) was commenced in February 1975 due to pressing demand from labourers under Employment Guarantee Scheme. The work was required to be completed within two years i.e. March 1977. The Sub-Divisional Officer, Gondia came to know in March 1979 when headworks were completed, that the tank work would be submerged in Owara Medium Irrigation Project, the preliminary survey of which had started in October 1977. An expenditure of Rs. 4.28 lakhs was incurred on the work upto 1982-83 with only the canal system (cost : Rs. 0.51 lakh) being incomplete. Since then, the work was at standstill.

Though the headworks were completed as early as in 1978-79, no action to complete the canal length of 2 kilometres was taken so far (March 1986) reportedly on the ground that the first kilometre of canal was passing through forest land requiring deforestation proposals. These are reportedly under preparation by the field officers, though such a course of action was required to be taken immediately after the commencement of the work in February 1975.

Government stated in March 1986 that there is no likelihood of Owara Medium Project being executed in the near future and that the tank work would be completed after obtaining the small forest land required for canal in the initial reaches.

The delay in completing the work, as also in acquiring the forest land required for constructing first kilometre of canal for a period of over seven years, resulted in non-utilisation of irrigation potential of 100 hectares per year since 1977-78 and also rendered the expenditure of Rs. 4.28 lakhs unfruitful so far.

4.20 Extra expenditure

Work of construction of Ujjani left bank canal in kilometre 87 and 88 in Solapur District, commenced in 1974-75 under Employment Guarantee Scheme (EGS), was in progress till May 1978 when the department decided that excavation of soft and hard strata then not tackled and lining work should be entrusted to an agency for completion. The quantities of soft and hard strata not tackled were estimated as 15,998 and 46,756 cubic metres respectively and tenders for excavation of the same as also lining work (estimated cost : Rs 24.70 lakhs) were invited in May 1978. The work was entrusted to a contractor in February 1979 for Rs 22.76 lakhs for completion by February 1980.

Though a quantity of 46,756 cubic metres of hard rock excavation was included in the tender, 24,809 cubic metres hard rock excavation was done departmentally at a cost of Rs. 5.21 lakhs between the period of invitation of tender (May 1978) and issue of work order (February 1979). Due to reported overestimation in the tender the balance quantity of 21,947 cubic metres got reduced to 14,574 cubic metres. The contractor had, however, done hard rock excavation of 1,884 cubic metres (cost : Rs. 0.17 lakh) only at the tendered rate of Rs. 9 per cubic metre and had asked for higher rates for the remaining quantity on the ground that it required chiselling. The detailed specifications accompanying the tender stipulated that the hard strata also included rock which for any reason was to be cut by means of chisel, and that no extra rate beyond the tendered rates would be entertained. Instead of enforcing the contractual conditions, quantity of 2,490 cubic metres not executed by the contractor was excavated departmentally at a cost of Rs 2.90 lakhs as against Rs. 1.12 lakhs at contractor's rate involving extra cost of Rs. 1.78 lakhs.

To an audit enquiry as to why contractual conditions were not enforced, the Superintending Engineer stated that this work included in the tender was withdrawn for providing work under EGS as Solapur district is scarcity area. This plea was not tenable because the work which was already in progress under EGS prior to letting it out on contract, was withdrawn from EGS and entrusted to the contractor, and that if it was required for providing work to labourers under EGS there was no need to include it in the tender.

Thus, non-enforcement of contractual conditions resulted in an extra expenditure of Rs. 1.78 lakhs to Government.

The matter was reported to Government in September 1985; reply is awaited (October 1986).

4.21 Excess payment

The work of construction of percolation tank at Bhaigaon (Aurangabad District) administratively approved by the Collector, Aurangabad in August 1981 for Rs. 3.77 lakhs was commenced under Employment Guarantee Scheme in October 1981. Except gorge filling and skilled items, other items of work were completed by August 1983. A Deputy Engineer who took over charge in August 1983, noticed in March 1984 that quantities of the work paid for were in excess of the work actually executed. He, therefore, sought (May 1984) clarification from his predecessor as to how this had occurred, to which no reply was received (June 1985). The Executive Engineer, however, confirmed (May 1985) a tentative excess payment of Rs. 0.92 lakh. Expenditure incurred on the work to end of April 1984 was Rs. 5.01 lakhs. The work has been at standstill since then.

A scrutiny of divisional records conducted in June 1984 and May 1985 revealed that the percentage check of measurements of the work was not conducted by the Deputy Engineer during October 1981 to August 1983; neither the attendance of the labourers was checked nor payment to labourers was witnessed by the Deputy Engineer despite ten visits to the work site during the above period. Even though gorge filling and skilled items were yet to be tackled, the estimated cost of the work has been exceeded by Rs. 1.24 lakhs.

Government stated in February 1986 that the excess seems to have resulted due to difference in the mode of measurements and this point, as also the point regarding non-exercising percentage check of measurements are under investigation.

4.22 Fictitious adjustment

Two dozers costing Rs. 56.40 lakhs were purchased as per Government orders of August 1981, by the Executive Engineer, Mechanical Stores and Development Division, Bombay and its cost was debited to Cash Settlement Suspense Account (CSSA). On receipt of the CSSA from

the Bombay Division, expenditure on dozers was debited to the Pench Project by the Executive Engineer, Pench Project Division, Nagpur in March 1983, even though the dozers were not received in Pench Project nor required there. They were transferred to Kalisara Project in November 1982 and since then were used on that Project (May 1985). The division stated that the cost of these dozers was debited to Pench Project in March 1983 reportedly as per decision taken at Mantralaya and Chief Engineer's level. Grants voted by the Legislature to the extent of Rs. 56.40 lakhs were thus shown as utilised on Pench Project during 1982-83 by resorting to a fictitious adjustment, though the equipment was actually used in a different project.

Government stated in March 1986 that the Chief Engineer (Mechanical) would be instructed to make separate provision of funds under the Central Machinery pool to avoid such irregular adjustments as pointed out by Audit.

PLANNING DEPARTMENT

4.23 Waghdhond percolation tank—excess payment

The work of percolation tank of Waghdhond (Nashik district) administratively approved for Rs. 6.18 lakhs in August 1981 and started under Employment Guarantee Scheme (EGS) by the Minor Irrigation Sub-division, Kalwan in October 1981, was transferred for execution to Minor Irrigation (EGS) Sub-division, Surgana in April 1983. While the work was in progress, a case of false mustering was reported by the muster assistant to the Tahsildar, Surgana in February 1984. As a sequel to this case, the Executive Engineer, Minor Irrigation (EGS) Division, Nashik directed (May 1984) the Deputy Engineer to take cross sectional measurements for assessing the value of work executed. Total expenditure of Rs. 3.27 lakhs i.e. Rs. 2.75 lakhs on work portion and Rs. 0.52 lakh on contingencies, work charged establishment and amenities was incurred upto March 1985. The report submitted by the Deputy Engineer in April 1985 indicated that the value of work done was Rs. 1.90 lakhs, involving an excess payment of Rs. 0.85 lakh.

The measurements were recorded on pit basis and chainages of dam in which the excavation or embankment was carried out were not mentioned. The Deputy Engineer neither checked the labour attendance

nor correlated the measurements with total work done. As the measurements were recorded without mentioning the chainages, they were not susceptible of check by the competent authority. The division stated (July 1985) that due to heavy workload cross sectional measurements were not recorded and for the various omissions necessary instructions were issued. The excess payment was under investigation (July 1985). Non-observance of departmental regulations with regard to check of labour attendance, measurements and recording of measurements on cross sectional basis, resulted in excess payment of Rs. 0.85 lakh.

The matter was reported to Government in September 1985; reply is awaited (October 1986).

PUBLIC WORKS DEPARTMENT

4.24 Rural Roads Programme

4.24.1 *Introductory.*—In order to accelerate the pace of road construction in rural areas, Government had launched in 1977-78 a crash programme for metalling existing roads and for construction of metalled rural roads including cross drainage (C.D.) works and culverts, but excluding bridges, in all the districts, except Grater Bombay, for connecting not only two or more villages but also villages to National Highways/State Highways/Major District Roads and other District Roads. The programme envisaged construction of village roads or non-Plan roads (not included in 1961-81 Roads Development Plan) or cart tracks or Panand roads as also roads joining villages to a wadi or a wadi to another wadi. The programme originally contemplated to be completed by the end of March 1978 was continued during 1978-79. Consequent on the issue of revised guidelines by the Planning Commission for the Minimum Needs Programme to be implemented during 1978-83, Government issued instructions in June 1979 that all villages with a population of over 1,500 people and 50 per cent of villages having a population between 1,000 and 1,500 people should be connected by all-weather roads to the main system by the end of March 1983. The Rural Roads Programme is accordingly continued from 1979-80 onwards.

As per the guidelines issued, by the Government roads taken up for execution during the scarcity years 1970-71 to 1972-73 or those taken up under crash scheme for rural employment and remained incomplete or

roads under any other scheme which fulfilled the criteria of rural roads, were to be considered on priority while formulating the programme. Maximum use of metal collected during scarcity years mentioned above was also envisaged while executing rural road works even though extra expenditure was involved in bringing such metal from longer leads. The technical standards prescribed by Government under Minimum Needs Programme, in respect of village roads, were to be adopted.

4.24.2 *Budget provision and expenditure*—The budget provision and expenditure incurred during 1977-78 to 1984-85 were as under :

Year	Budget provision	Expenditure
	(in lakhs of rupees)	
1977-78	1,367.48	1,296.12
1978-79	1,498.19	1,201.16
1979-80	829.15	935.29
1980-81	686.50	721.80
1981-82	972.82	1,000.31
1982-83	725.44	918.52
1983-84	602.30	719.57
1984-85	724.10	634.59
.. .. Total ..	7,405.98	7,427.36

In 1977-78 and 1978-79 budget provision was not utilised fully, reportedly due to delay in finalisation of programme, shortage of material and dearth of agencies.

As intimated by the Government in December 1985, out of 4,849 roads taken up under this programme upto March 1985, 4,261 roads were completed leaving 563 roads incomplete and 25 roads abandoned. Out of 563 incomplete roads, 121 roads were incomplete for more than 5 years, 170 roads for more than 3 years and 272 roads for 1 to 3 years. Out of 25 abandoned works, 5 works were not commenced due to non-availability of land, and 20 works though commenced were abandoned due to land disputes, land acquisition problems and contractors having left the work without other agencies being fixed. Expenditure of Rs. 3.15 lakhs incurred on abandoned roads was rendered unfruitful. The Government stated (December 1985) that as the land acquisition for these roads is generally to be done by obtaining *rajinamas*, abandoned

works may not be considered as excessive. The plea taken by the Government was not tenable since only such roads which did not involve acquisition of land were to be included in the programme.

4.24.3 Information received from 33 Public Works Divisions (out of 55 implementing divisions) and a test-check of records of 22 divisions conducted by Audit, between April and July 1985 revealed the following.

The physical and financial progress of works taken up, completed and expenditure incurred on them, to end of March 1985, as intimated by the 33 Divisions are as under :

	Number of roads	Length (in kilo- metres)	Estimated cost (in lakhs of rupees)	Expen- diture
Roads taken up ..	3,350	8,198	5,239.27	4,175.03
Roads completed ..	2,827	6,432	3,729.64	3,392.55
Roads remaining incomplete to end of March 1985 (including abandoned works)	523	1,766	1,509.63	782.48

4.24.3.1 *Incomplete works*—Of the 523 roads, 92 roads were incomplete for more than five years, 141 for more than three years, 275 for a period of one to three years and 15 were abandoned (expenditure: Rs. 2.16 lakhs) due to non-availability of land, defective alignment and works in interior being left out by the piece workers. As regards incomplete works, the divisions stated that the works remained incomplete due to paucity of funds, land acquisition problems and works abandoned by piece workers. It was noticed that in Public Works Divisions, (South) Pune, Bhandara, Akola and Beed, 205 new works estimated to cost Rs. 538 lakhs were taken up for execution during 1980-81 to 1984-85 and expenditure of Rs. 276.25 lakhs was incurred on them though allotment of Rs. 228 lakhs only was available. This resulted in non-completion of 151 works.

4.24.3.2 *Diversion of funds*—Funds to the extent of Rs. 11.49 lakhs were diverted, for purposes not covered by the programme, as indicated below.

(i) *Black topping of Dapoli-Sarang Kalambat Road*—The portion of the above road, running through Dapoli town, was taken up for black topping, by Public Works Division, Chiplun, by preparing three estimates aggregating Rs. 2.10 lakhs, during the year 1981-82 though it was not covered by rural roads programme and also not approved by the District Planning and Development Council. The expenditure of Rs. 0.57 lakh incurred on this work was therefore, irregular. Government accepted the facts and stated that the irregularity will be regularised after due investigation.

(ii) *Improvements to Major District Roads, Other District Roads and State Highway and Special repairs to existing roads*—(a) Though other District Roads (ODR) and Major District Roads (MDR) were not to be taken up for construction under this programme without prior approval of Government during 1977-78 and 1978-79, and MDRs and State Highways were not to be financed from the funds at all since 1979-80, in 9 divisions, 32 works relating to improvements to existing ODRs and MDRs, were taken up in 1977-78 and 1978-79, without the prior approval of Government and from 1979-80, 12 works of improvements to MDRs and State Highways, were also taken up and an expenditure of Rs. 75.70 lakhs was incurred on these 44 works between 1977-78 and 1984-85 by diversion of funds which was not permissible. Government stated that the detailed reports regarding such works are called for from the concerned divisions for regularisation.

(b) The maintenance of MDRs, ODRs and Village Roads, vests with the Zilla Parishads. Notwithstanding these provisions, expenditure of Rs. 35.22 lakhs was incurred, during 1977-78 to 1984-85, for carrying out works of special repairs to existing roads, even though the scheme did not contemplate execution of such works. While Government stated that metalling of the existing surface on all planned and non-planned roads was permissible under the programme; orders for carrying out special repairs in the nature of maintenance works of MDR, ODR or village roads vesting with the Zilla Parishads were not intimated. Expenditure of Rs. 35.22 lakhs was, thus irregular.

4.24.3.3 *Sanctioning of the Road Works beyond the prescribed monetary limits*—In August 1977, Government delegated enhanced

powers to the Executive Engineers, for according administrative approval and technical sanction upto Rs. 5 lakhs for works under the rural roads programme. In 18 divisions, 87 works involving a total length of 671.14 kilometres and estimated to cost Rs. 642.70 lakhs were administratively approved by the Executive Engineers, even though, the estimated cost of each work being over Rs. 5 lakhs, they were outside their competence. Government stated in December 1985 that information was being obtained from all Chief Engineers for regularising such cases or taking action otherwise.

4.24.3.4 *Preparation of defective estimates*—The technical standards to be followed for constructing roads were those prescribed by Government for village roads under the Minimum Needs Programme. A scrutiny of 12 estimates, in Public Works Divisions, Nashik and Kolhapur, revealed that the width of the carriageway adopted was 3.5 to 4.0 metres as against 3 metres prescribed for Village Roads under Minimum Needs Programme and this involved extra expenditure of Rs. 1.64 lakhs in the collection and spreading of metal (exclusive of the cost of murum and compaction). The execution of works, by adopting norms in excess of those prescribed, was irregular. Government stated that the mistakes are likely to occur at lower level, that due to rush of work it might not have been possible for the Executive Engineers while according technical sanctions to locate such errors and that the expenditure could not be deemed wasteful because the increase in the width of the carriageway would facilitate the movement of traffic.

4.24.3.5 *Maintenance of the completed roads*—In accordance with the provisions contained in the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1962, maintenance of MDRs, ODRs and Village Roads, vests with Zilla Parishads. Since the road works taken up under Rural Roads Programme belong to above categories, Government ordered in September 1979 that all the completed roads should be handed over to the Zilla Parishads for maintenance immediately. Government also made provision in 1979-80, under State Sector Divisions, for the maintenance of the roads constructed during 1977-78 and 1978-79, under the programme and grants for their further maintenance from 1980-81 onwards, were to be demanded by the Zilla Parishads. Information furnished by 33 Divisions indicated that 1,063

roads completed at a cost of Rs. 1,314.96 lakhs were not handed over to the concerned Zilla Parishads, so far (August 1985). The delay ranged from 1 to 5 years in handing over of the roads ; 453 roads more than five years, 187 from 3 to 4 years and 255 more than 2 years.

In the absence of any provision with the State Sector Divisions, from 1980-81, such completed roads were not being maintained by them though a large sum of Rs. 1,314.96 lakhs has been spent on them. The Government stated that maintenance grants of the circles are utilised for all roads including rural roads, but maintenance expenditure incurred on rural roads constructed under this programme was not intimated (December 1985).

Government further stated that the information regarding handing over of the roads to Zilla Parishads is being collected from all the regions.

4.24.3.6 *Taking up of road works under the Minimum Needs Programme*—Under the Minimum Needs Programme launched during the Fifth Five Year Plan (1974-79), as regards Road Development, the Government circulated (July 1983) to all the Chief Engineers, two separate statements showing the number of villages in each district, that may have to be connected as on 1st April 1990, and also 1st April 1985, with the data regarding number of villages already connected as on 1st April 1983. Government further ordered that, in the districts where the national targets fixed as on 1st April 1985 were already achieved, no new works should be taken up during 1983-84 and 1984-85 and only the incomplete works should be completed. Despite such instructions, in six divisions, 100 new works estimated to cost Rs. 187.27 lakhs, were taken up, although the targets as on 1st April 1985 were already exceeded, on 1st April 1983 itself, which was irregular. Government stated that as selection of works was to be done by the District Planning and Development Councils (DPDC), some works not fitting in the criteria laid down by Government but selected by the DPDC appears to have been executed by the Executive Engineers.

4.24.3.7 *Other topics*—(i) *Damage to missing link on Anjarle-Ade-Padle Road (Dapoli Taluka)*—A missing link of 900 metres in the portion of the Anjarle-Ade-Padle road was taken up for execution, by the Public

Works Division Chiplun, in 1977-78. Even though, as reported by the Executive Engineer, Public Works Division, Chiplun, it was desirable to have the alignment of the missing link along the foothills, instead of along the sea-shore, it was proposed to construct the same along the sea-shore, as the former alignment was having a detour of 2 kilometres and as such was uneconomical. Due to heavy rains and tidal waves, the missing link, constructed at a cost of Rs. 1.03 lakhs, was badly damaged during the monsoon of 1978, as the retaining walls and drainage arrangements were not sound. The cost of the damages was assessed at Rs. 0.35 lakh, out of which Rs. 0.11 lakh was recovered from the pieceworker. No repairs were carried out so far (August 1985). Due to inadequate survey, the expenditure of Rs. 1.03 lakhs, incurred on the missing link was rendered unfruitful and an investigation of safe alignment was under consideration of Road Project Wing. Government attributed the damages to improper survey and investigation, inadequate time at the disposal of the field officers and also their inexperience in the design of roads in coastal stretches.

(ii) *Irregular withdrawal of works without any liability to contractors*— In Public Works Division, Jalna, 4 road works, with aggregate estimated cost of Rs. 13.04 lakhs, were entrusted to 4 contractors at rates ranging from 4.5 per cent to 16.5 per cent below the estimated cost during 1980-81, 1981-82 and 1983-84, for completion in 4 to 15 months. Extensions were granted from time to time upto April 1984 in three cases and July 1984 in one case, reportedly on valid grounds. The payment of Rs. 7.36 lakhs was made to the contractors upto April 1984, when works were withdrawn without any liability to them, on the plea of paucity of funds during 1984-85. The plea taken by the department was not tenable, as, against the amount of Rs. 4.95 lakhs asked for by the division for 1984-85, funds of Rs. 5.75 lakhs were made available, against which expenditure was Rs. 3.21 lakhs only, resulting in saving of Rs. 2.54 lakhs. According to the department, the cost of the balance work of Rs. 4.27 lakhs at current schedule of rates of 1984-85, was Rs. 7.53 lakhs. Irregular withdrawal of works without any liability to the contractors, involved avoidable extra expenditure of Rs. 3.26 lakhs. Government stated in December 1985 that due to meagre allotment compared to the

cost of balance works in respect of all road works which were incomplete as on April 1984, it was necessary to terminate the agreement. This plea was not tenable since additional funds of about Rs. 2 lakhs were not asked for specifically for completing these works which were at advanced stage and agreements were terminated involving avoidable extra cost to Government.

4.24.4 *Summing up*—An expenditure of Rs. 74.27 crores was incurred on Rural Roads Programme, implemented during 1977-78 to 1984-85 i.e., for a period of 8 years. In all 588 roads were incomplete for a period ranging from 1 year to more than 5 years resulting in denial of facilities to the rural people. In 33 divisions, 523 roads with a length of 1,766 kilometres on which an expenditure of Rs. 782.48 lakhs was incurred, were incomplete to end of March 1985. An amount of Rs. 111.49 lakhs was diverted for the purposes not covered by programme. Eighty-seven works with a length of 671.14 kilometres were administratively approved even though the estimated cost in each case exceeded Rs. 5 lakhs and as such they were outside the competence of the Executive Engineers. Technical standards prescribed for construction of rural roads were not followed. Though the roads on completion were to be handed over to Zilla Parishads for maintenance, 1,063 roads completed at a cost of Rs. 1,314.96 lakhs were not handed over to the Zilla Parishads for maintenance. Expenditure incurred on these roads by the construction divisions was not intimated by Government. Instances of abandoned works, preparation of defective estimates, irregular termination of contracts, inadequate investigations which resulted in avoidable and infructuous expenditure of Rs. 9.08 lakhs as also taking up of works under Minimum Needs Programme in excess of the required norms, were noticed during test-check.

4.25 Non-occupation of a building due to defective construction

Final administrative approval for Rs. 6.44 lakhs for the construction of Civil Court Building at Daryapur (Amravati District) was accorded by the Government in May 1980. The work of the main building estimated to cost Rs. 3.33 lakhs was entrusted to a contractor in October 1980 for Rs. 3.83 lakhs for completion by October 1981. It was stated by the Executive Engineer, Amravati that during execution, some cracks developed in the masonry work. These were noticed in August 1981 and

were kept under watch and investigation, but no action was taken to ask the contractor to rectify the defects at that stage itself. On completion of the work in December 1982 cracks were found all over the structure of the building. Expenditure incurred on the construction of the main building was Rs. 4.65 lakhs, while Rs. 3.11 lakhs (inclusive of Rs. 0.60 lakh on repairs and water proofing) were spent on ancillary works upto March 1985. Final bill was not paid till May 1985.

On a reference from the Executive Engineer, the Maharashtra Engineering Research Institute (MERI), Nashik intimated in December 1983 that cracks might have developed due to any one or the combined effect of (i) inadequate design to suit the foundation, (ii) improper method of construction and/or lack of proper supervision during construction and (iii) inferior quality of construction materials. A consultant appointed to investigate the matter and report, had recommended in May 1984 that certain walls had to be dismantled and reerected, that flooring had to be redone and that foundation will have to be strengthened. He was paid a fee of Rs. 0.11 lakh. However, the advice given by him was not considered helpful. No departmental enquiry has been instituted as yet (May 1985). The building has since been handed over to the user department only in August 1985.

A scrutiny of divisional records conducted in April 1984 and May 1985 revealed the following :—

(i) Even though cracks were noticed in August 1981, full rates were paid for masonry work instead of part rates.

(ii) Suitable load tests were not conducted as stipulated in the agreement on the plea that piles were designed for a particular load. This was not tenable since such tests were necessary to remove the reasonable doubt about workmanship and quality of material used in the work as per provisions of the agreement.

(iii) Though cracks developed during execution of work, the department notified the contractor only in March 1984 that any major/minor repairs will be carried out at his risk and cost. The contractor had replied in March 1984 that cracks developed most likely due to unequal

sinking of soil and that unless it was established that cracks had developed exclusively due to fault in construction, he would not be responsible. There was no further progress in the matter (May 1985).

(iv) The Chief Engineer directed the field officers in March 1984 to investigate the reasons for cracks and take remedial measures thereafter, but no such action was taken by the department (May 1985).

Due to defective construction, building completed in December 1982 and on which expenditure of Rs. 7.76 lakhs was incurred upto March 1985, could be put to use only by August 1985.

The matter was reported to Government in July 1985; final reply is awaited (October 1986).

CHAPTER V
STORES AND STOCK

HOME DEPARTMENT

5.1 Idle machinery

To establish a dye house at Thane Central Prison following machinery sanctioned in May 1974 was purchased by the Superintendent, Thane Central Prison :

Name of machinery	Month of purchase	Cost (Rs.)
Hydro Extractor	March 1979	39,364
Valiber Boiler	April 1980	31,722
Kier for boiling yarn	April 1980	34,471
	Total	1,05,557

The machinery was installed in September 1981, in a work-shed constructed at a cost of Rs. 1.42 lakhs (completed in March 1976) and trial was completed in January 1982. However, the machinery had not been put to use (April 1985) as the technical staff sanctioned in May 1974 had not been appointed (May 1986). The Inspector General of Prisons stated in May 1986 that the candidates selected in February 1982 on the basis of draft recruitment rules submitted to Government in 1981, could not be appointed as these candidates did not fulfil the qualifications finally prescribed by Government in October 1984. The process of selection of candidates was stated to be in progress by the Government (July 1986).

EDUCATION AND EMPLOYMENT DEPARTMENT

5.2 Idle equipment

To facilitate technical visits by the students of the College of Engineering, Karad, Government Polytechnic, Karad and College of Pharmacy, Government sanctioned in August 1980 the purchase of a 50 seater bus by the College of Engineering, Karad. The chassis for the bus was received in March 1981 (cost : Rs. 1.44 lakhs) and the body building was completed in April 1982 at a cost of Rs. 1.10 lakhs. Proposal was made by the Principal to the Directorate of Technical Education in November 1980, August 1982 and September 1983 for the appointment of a driver for the bus; but sanction for post was granted by Government only in September 1985 and actual appointment made in January 1986. In the absence of a driver the bus was operated with the help of a driver sanctioned for the mini bus with the College whenever he was free or by keeping the mini bus idle. Against the average use for about 180 days in a year anticipated by the Principal the bus was used for technical tours on 17 occasions covering 72 days between April 1982 and June 1983. The bus purchased at a cost of Rs. 2.54 lakhs was lying idle from July 1983 to December 1985 in the absence of the driver and was under-utilised thereafter.

The technical tours under-taken by the students during 1983-84 (after July 1983) and 1984-85 were only for 16 days even for which the expenditure on hire charges paid for State Transport Buses was Rs. 6,620. Principal stated in May 1986 that the programme of educational tours was very much affected due to delay in appointment of the driver.

The matter was referred to Government in November 1985; reply is awaited (August 1986).

5.3 Directorate of Technical Education—Purchase of machinery

For Purchase of items like machinery and equipments exceeding Rs. 10,000 each required by various technical institutions, orders are placed by the Directorate of Technical Education on the basis of indents received from the institutions by the end of June every year. Scrutiny (July 1984—August 1985) of 167 cases of purchases finalised by the Directorate during 1981-82 to 1985-86 indicated that majority

(79 per cent) of purchase orders was placed during January to March of the tenders. It was also noticed that in respect of several orders placed, March, though the suppliers had quoted longer periods of delivery, which are given below :—

Serial No.	Date of placing order	Name of machinery/equipment	Cost (Rs.)
(1)	(2)	(3)	(4)
1	14th February 1985 ..	Double ended pedestal grinder	2,56,320 (7120×36)
2	13th February 1985 ..	Valve Refacer	2,80,140 (8004×35)
3	16th February 1985 ..	Hydraulic hacksaw ..	4,09,472 (12796×32)
4	15th March 1985 ..	Directline Deepwel hand pumps	32,600 (1630×20)
5	15th March 1985 ..	Centrifugal pumps ..	98,400 (4920×20)
6	15th March 1985 ..	Drilling machine ..	3,37,280 (4960×68)
7	13th March 1985 ..	Drilling machine ..	1,33,920 (4185×32)
8	12th March 1985 ..	Welding transformer ..	4,09,260 (7180×57)
9	18th March 1985 ..	Electric steam boiler ..	91,627
10	19th March 1985 ..	Textile machinery ..	5,00,000
Total ..			25,49,019

year due to 4 to 5 months time taken by the purchase committee to invite including orders placed in March, the date of delivery is shown as 31st with a view to utilising budget provision for the year. Some instances are given below :

Period of delivery quoted by the tenderers	Stipulated period of delivery	Extension granted upto	Date of delivery
(5)	(6)	(7)	(8)
4 to 8 months ..	Before 15th March 1985	31st July 1985	Not delivered (December 1985).
8 weeks ..	15th March 1985	March 1985	March 1985.
4 months ..	31st March 1985	....	Not delivered (December 1985).
6 months ..	31st March 1985	31st July 1985	Not delivered (December 1985).
6 months ..	31st March 1985	31st July 1985	Not delivered (December 1985).
6 months ..	31st March 1985	31st July 1985	Not delivered (December 1985).
4 months ..	31st March 1985	31st July 1985	April 1985.
6 weeks ..	31st March 1985	31st July 1985	Supplied partly (July 1985).
6 months ...	31st March 1985	31st August 1985	Not delivered (December 1985).
6 months ..	31st March 1985	....	Not delivered (December 1985).

The above procedure also resulted in the drawal of funds by the indenting officers much in advance of the requirements by 31st March, and its disbursal in the subsequent financial year. It was also noticed that extension of time for delivery was being granted liberally. Drawing of funds in advance of requirements to prevent lapse of budget provision is contrary to financial principles. In 43 cases Rs. 24.12 lakhs were drawn during the year and disbursed in the subsequent financial years after delays ranging from 3 to 18 months as shown below :—

	Amount paid after		Number of cases	Amount (in lakhs of rupees)
3 to 6 months	18	16.29
6 to 9 months	1	0.01
9 to 12 months	6	5.28
12 to 18 months	18	2.54

The matter was referred to Government in November 1985 ; reply is awaited (August 1986).

IRRIGATION DEPARTMENT

5.4 Injudicious purchases

The Superintending Engineer, Warna Project Circle, Kolhapur and the Executive Engineers Warna Canal Division No. 1, Islampur and Warna Canal Division No. II, Sangli purchased 15,018 metres rubberised expansion joints at a cost of Rs. 13.37 lakhs during September 1978 to January 1979 for use in canal works. Out of these, 1,870 metres rubberised joints were used upto July 1985. As the remaining 13,148 metres rubberised joints could not be utilised by the Warna Project Circle Kolhapur, 7,559 metres rubberised joints were transferred to other project circles between February 1981 and October, 1982. Of this, 1,483 metres rubberised joints were used in the works, 4,532 metres were declared surplus under two circles and information about utilisation of 1,544 metres rubberised joints by one circle was awaited (September 1985).

A scrutiny of records conducted in August 1984 and August 1985 revealed that the rubberised joints were purchased even though the estimates contemplating use of them were not sanctioned. The manner in which the requirement was assessed by the Superintending Engineer, Warna Project Circle, Kolhapur before going in for purchases was not available on record. The reasons for purchase of material not required for immediate use were also not intimated by the Superintending Engineer (August 1985). Though the Chief Engineer directed the Superintending Engineer in October 1978 not to purchase additional stock material or even cancel orders placed due to financial constraints, the Superintending Engineer purchased rubberised joints, out of which 11,665 metres were not utilised on canal works to end of September 1985. Despite availability of sufficient stock of rubberised joints procured at the rate of Rs. 89 per metre, the estimates for lining work in km 28 of left bank canal sanctioned by the Superintending Engineer, Warna Project Circle for Rs. 14.07 lakhs in June 1981 and in km 1 of right bank canal by the Executive Engineer, Warna Canal Division No. II, Sangli for Rs. 8.10 lakhs in August 1984 did not include an item for utilisation of these rubberised joints, but instead included a provision for an item of expansion joints at cheaper rates ranging from Rs. 13.75 to Rs. 23.15 per metre.

Purchase of 11,665 metres rubberised joints costing Rs. 10.38 lakhs without assessing actual requirement as also in contravention of the orders of the Chief Engineer was injudicious.

The matter was reported to Government in August 1985; reply is awaited (October 1986).

5.5 Injudicious purchases/idle machinery

A thirty-five point programme of works chalked out by Government in January 1981 included an item of removal of slackness in execution of Nandur-Madhmeshwar Project. According to the review committee (March 1981) the expenditure incurred on Nandur-Madhmeshwar Project was very less considering the need for completing the Project early. To implement the time bound programme of canal excavation from 0 to 50 kilometres, the Chief Engineer, Aurangabad placed orders for purchase of 4 air compressors at a cost of Rs. 4.82 lakhs in July 1981, which were received by the Nandur-Madhmeshwar Canal Division, Vijapur in July

and September 1981. On 29th August 1981, the Superintending Engineer, Aurangabad Irrigation Circle, Aurangabad, intimated the Chief Engineer that, he had made temporary arrangements for procuring 6 air compressors from other circles besides the 4 new air compressors ordered in July 1981. Notwithstanding this, the Chief Engineer, Aurangabad placed orders on 28th September 1981 for purchase of additional 4 compressors (cost : Rs. 5.74 lakhs) to be delivered by 31st October 1981. These were not received till March 1982. The 4 compressors earlier received in July and September 1981 were not put to use till March 1982 due to less scope for executing work, as the canal was passing through *bagayat* lands available only in patches. Even then, order for supply of additional 4 air compressors placed in September 1981 was not cancelled.

Of the two air compressors received in July 1981, one was utilised during April 1982 to October 1982 for 129 hours in Nandur-Madhmeshwar Canal Division and for 46 hours in Palkhed Canal Division in February and March 1984. The other one was kept idle till July 1985. As regards 2 compressors received in September, 1981 they were not at all deployed on the works of Nandur-Madhmeshwar Project and were finally transferred to Medium Project Division, Osmanabad in May 1982. The additional four compressors ordered in September 1981 were received in August 1982. Of this, two were not utilised at all (July 1985), and the remaining two were utilised on the project only for 26 hours during September 1984 to July 1985. Thus, the eight air compressors purchased at a cost of Rs. 10.56 lakhs in July 1981, September 1981 and August 1982 for accelerating the pace of canal excavation of Nandur-Madhmeshwar Project, were deployed cumulatively for 155 hours only during the period of 3 years.

The injudicious purchase of 4 additional compressors in August 1982 resulted in expenditure of Rs. 5.74 lakhs.

The matter was reported to Government in September 1985; reply is awaited October (1986).

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1 Grants

During 1984-85 Rs. 1281.44 crores (about 33 per cent of revenue expenditure during the year) were paid as grants to local bodies, private institutions, etc., as shown below :—

	Amount (in crores of rupees)
Panchayati Raj Institutions	662.30
Educational Institutions (including Universities) ..	304.58
Municipal Councils/Municipal Corporations ..	45.64
Co-operative Societies	5.28
Other Institutions (including Statutory Bodies) ..	263.64
Total ..	1281.44

SECTION I

6.2 Bodies and authorities substantially financed by Government grants and loans

Bodies and authorities which are substantially financed out of grants and/or loans received from Government are required to be audited by the Comptroller and Auditor General of India. For this purpose all departments of Government are required to furnish to Audit each year by May, information in respect of such authorities/bodies which had been paid grants and/or loans of Rs. 25 lakhs or more during the previous year (the limit was Rs. 5 lakhs upto 1982-83). Despite the default by departments being consistently mentioned in the Audit Report for

each year, the information is not being regularly received. Such information is awaited (January 1986) from Agriculture and Co-operation, Education and Employment, Social Welfare, Cultural Affairs, Sports and Tourism and Urban Development Departments for the years 1971-72 to 1984-85, Rural Development Department for the years 1981-82 to 1984-85, Finance Department for the years 1983-84 and 1984-85, Housing and Special Assistance, Industries, Energy and Labour, Irrigation, Revenue and Forests Departments for the year 1984-85.

Important points noticed during audit of some of the substantially financed bodies/authorities are given in the succeeding paragraphs.

AGRICULTURE AND CO-OPERATION DEPARTMENT

6.3 Marathwada Krishi Vidyapeeth, Parbhani

6.3.1 *Introductory.*—The Marathwada Krishi Vidyapeeth (M.K.V.) was established in May 1972 with headquarters at Parbhani under the Marathwada Agricultural University (Krishi Vidyapeeth) Act, 1972 replaced in November 1983 by the Maharashtra Agricultural Universities (Krishi Vidyapeeth) Act, 1983, to cater to the needs of agricultural education, research and extension education activities. By the end of 1984-85, the Vidyapeeth had 33 constituents i.e. Colleges, Research Stations, Agricultural Schools, Training Centres and Taluka Seed Farms in Marathwada region of the State.

6.3.2 *Receipts and Expenditure.*—Receipts and expenditure during 1979-80 to 1983-84 of the Vidyapeeth are as follows :—

Receipts	(in lakhs of rupees)		Expenditure
1. Grants from the State Government	2,167.35	1. State Government Grants	2,515.99
2. Vidyapeeth ..	427.00	2. Others i.e. ICAR, etc.	375.84
3. Others i.e. Indian Council of Agricultural Research (ICAR)	420.05		
Total ..	3,014.40		2,891.83

Government grants are released on the basis of annual estimated receipts, expenditure and deficit. Unspent balances of the recurring and non-recurring grants are to be refunded to Government immediately after the end of financial year. Though grants amounting to Rs. 2,167.35 lakhs were released during 1979-80 to 1983-84 on the basis of estimated deficit, the admissibility of grant as per actual deficit was not assessed (August 1985). The Vidyapeeth stated (August 1985) that, position of grants would be worked out when accounts are certified by the Chief Auditor, Local Fund Accounts. Out of the grants of Rs. 21.53 lakhs received during 1981-82 to 1983-84 under Training and Visit Scheme, Rs. 14.92 lakhs were spent and the unspent balance of Rs. 6.61 lakhs was not refunded to Government so far (August 1985). Of this, according to Vidyapeeth Rs. 4 lakhs remained unutilised during 1982-83, since the purpose for release of funds was not indicated by the Government. The undisbursed amount of scholarships of Rs. 1.01 lakhs received during 1976-77 to 1980-81 was also not refunded (August 1985).

6.3.3 Points noticed during test-check conducted in July-August 1985 are mentioned in the succeeding paragraphs :

6.3.3.1 *Financial Control of grants.*—(1) The Accounts of the Vidyapeeth are audited by the Chief Auditor, Local Fund Accounts. The Vidyapeeth was required to submit its annual accounts together with the Audit Report thereon and a statement of action taken on the Audit Report to the Government by 30th September of the following year upto 1982-83 and within 9 months after the end of the financial year from 1983-84.

The accounts for the period 1972-73 to 1980-81 were finalised within 3 to 9 months after the closure of the financial year, but there were delays of 2 to 7 years in forwarding these accounts finally to the Local Fund Accounts (LFA) for audit. The delay in submitting the accounts for 1972-73 to 1975-76 was attributed to settlement of objection initially raised by L.F.A. but no reasons were furnished for the delayed submission of the remaining accounts. The accounts for 1972-73 to 1979-80 were received duly certified by the LFA in 1982-83. As these had not yet been printed, they had not been submitted to the Government so far (August 1985). The Vidyapeeth stated (August 1985) that action to print them was being taken. The Vidyapeeth stated that provisional balance

sheets for the years 1980-81 to 1983-84 were forwarded to the LFA between September 1981 and December 1984, for certification.

(ii) Utilisation certificates for grants totalling to Rs. 3,551.32 lakhs received during 1972-73 to 1983-84 were not furnished till August 1985.

6.3.3.2 *Temporary Advances*.—Accounts of temporary advances granted to the various units were to be rendered by the units within three months. The yearwise position of outstanding advances to end of March 1985 was not available with the Vidyapeeth. During the period 1979-80 to 1983-84, as against temporary advances of Rs. 285.72 lakhs paid, adjustments made were for Rs. 369.00 lakhs, thus indicating that advances paid earlier were adjusted during this period. The yearwise details of the adjustments were not available. It was noticed that advances amounting to Rs. 39.40 lakhs paid during March 1976 to April 1982 were adjusted in 1982-83 involving a delay ranging from 1 year to 7 years. Advances amounting to Rs. 29.07 lakhs were refunded during 1981-82 to 1983-84, but details thereof, such as, period, purpose for which they were given and reasons for non-utilisation were not available.

The Vidyapeeth stated (August 1985) that the adjustment of advances could not be effected earlier despite vigorous pursuance.

6.3.3.3 *Overdrafts*.—The Vidyapeeth was allowed to obtain overdrafts from banks in case of delay in sanctioning grants and where payment could not wait till the actual realisation of money from the treasury.

During April 1977 to March 1983 the Vidyapeeth frequently resorted to overdrafts from the Bank at 12.95 per cent upto September 1981 and 13 per cent interest thereafter and on a number of occasions the overdraft exceeded the prescribed limit of Rs. 20 lakhs. On the other hand Vidyapeeth had invested Rs. 12 lakhs in April 1980 in fixed deposits, for a period of 63 months at 10 per cent interest, paid temporary advances of Rs. 25.41 lakhs to its various units which were refunded in cash by them during 1981-82 to 1982-83 and incurred an expenditure of Rs. 14.82 lakhs on construction works not approved by Government.

Had Vidyapeeth not invested Rs. 12 lakhs in fixed deposits and thereby reduced their overdrafts during June 1980 to March 1983, they could have avoided extra liability of interest of Rs. 1 lakh. As the Government grants are payable on the basis of deficit, the interest payment on such

overdrafts by the Vidyapeeth would result in correspondingly increased payment of grant by the Government. The overdrafts exceeding the limit of Rs. 20 lakhs and the above payment of interest were also not regularised by the Government so far (August 1985).

The Vidyapeeth stated in August 1985 that the matter would be referred to Government to get it regularised.

6.3.3.4 *Bunding experiments in deep black cotton soil.*—A scheme of bunding experiments operated by the Punjabrao Krishi Vidyapeeth, Akola from 1970-71 to develop suitable scientific technique for construction of bunds in deep black soil was taken over by the Vidyapeeth from May 1972 on its formation.

Efforts made to select a suitable site for conducting experiments under the scheme did not yield any results. Expenditure of Rs. 2.82 lakhs was incurred during May 1972 to March 1984 on the establishment. The staff consisting of one agricultural supervisor and one assistant under the scheme either remained idle or was utilised on other works. No action was taken on the suggestion of the officer in-charge, for closure of the scheme in January 1981 itself to avoid further expenditure on the establishment.

6.3.3.5 *Infructuous, avoidable and unfruitful expenditure.*—(i) Two second-hand bulldozers costing Rs. 1.20 lakhs were purchased in March 1977 by the Vidyapeeth from the Superintending Agricultural Officer, Aurangabad for land development with a view to save hire charges to private agencies. The bulldozers were lying idle continuously from January 1979 for want of spare parts and efforts to obtain them were not successful. The Vidyapeeth incurred an expenditure of Rs. 4.59 lakhs towards hire charges of bulldozers during 1978-79 to 1979-80. Not only the purpose of saving hire charges was defeated, but the expenditure of Rs. 1.20 lakhs towards cost of bulldozers also was rendered unfruitful. The Vidyapeeth stated that the proposal for writing off the bulldozers was being formulated (August 1985).

(ii) The Vidyapeeth, by way of a deed of agreement of exchange, acquired land admeasuring 142.31 acres of Himayat Bagh from the Municipal Council, Aurangabad in October 1974 for conducting research experiments, in exchange of its land belonging to the Fruit Research

Centre, without verifying its title and ascertaining from the revenue authorities that the land was free from encumbrances. The Vidyapeeth entirely relied on the information supplied by the Municipal Council. A part of this land (64.28 acres) was under litigation and was ultimately required to be handed over to the tenants in view of a court decision of March 1973. As the land was utilised for various activities, Vidyapeeth decided in February 1984 to retain it by paying a compensation of Rs. 8.00 lakhs to the tenants, thus incurring extra liability. The Vidyapeeth, however, requested Government in December 1984 to provide grants for payment of compensation.

6.3.3.6 *Incomplete works.*—Eight construction works viz., office building, residential quarters, cattle shed-cum-store and water supply scheme, etc., (estimated cost : Rs. 54.55 lakhs) were taken up by the Vidyapeeth during May 1979 to June 1981 without obtaining approval of the Government. Expenditure of Rs. 33.62 lakhs was incurred on these works upto June 1981 and further work was stopped due to paucity of funds. Rs. 42.50 lakhs were required for completing these works. The commencement of works without approval of the Government was irregular and resulted in locking up of funds of Rs. 33.62 lakhs for more than four years. The Vidyapeeth stated (August 1985) that, the works were taken up with the approval of the works committee and the Executive Council and that the works would be completed as early as possible on availability of funds.

6.3.3.7 *Non-finalisation of Account Code.*—The Account Code regulating the various accounting procedures and maintenance of registers, forms, etc., was not finalised even after a lapse of thirteen years from the year of inception (May 1972) of the Vidyapeeth. It was noticed that important registers like registers of lands, buildings, miscellaneous works advances, etc., were not maintained properly. The Vidyapeeth stated (August 1985) that the Account Code was under finalisation.

6.3.4 *Summing up:* Grants amounting to Rs. 2,167.35 lakhs were released during 1979-80 to 1983-84 to the Vidyapeeth, but the admissibility of grants as per actual deficit was not assessed (August 1985). Utilisation certificates for the grants of Rs. 3,551.32 lakhs for the period 1972-73 to 1983-84 were not furnished to Government. While the prescribed limit of Rs. 20 lakhs for overdraft was exceeded on a number of occasions,

Rs. 12 lakhs were invested in fixed deposit thereby incurring an extra liability of interest of Rs. One lakh. Expenditure of Rs. 33.62 lakhs was incurred on construction works not approved by Government. Cases of unfruitful expenditure (Rs. 4.02 lakhs) and extra liability, (Rs. 8.00 lakhs) were noticed during test-check.

The matter was reported to Government in September 1985; reply is awaited (October 1986).

RURAL DEVELOPMENT DEPARTMENT

6.4 Minor Irrigation Tank at Pathargaon

Construction of a minor irrigation tank at Pathargaon in Amravati district (storage capacity: 12.22 M.C.ft.), administratively approved in December 1977 and technically sanctioned in 1977-78 for Rs. 4.90 lakhs for irrigating 54 hectares of command through canal system of 2 kilometres, was taken up under the Plan scheme departmentally and completed in July 1978 at a cost of Rs. 5.44 lakhs. Except for 1979-80, water available in the tank was much less than the full supply level of 12.22 M.C.ft. till 1983-84 and no irrigation was done at all through the canal system of this tank till July 1985. Less storage in the tank was attributed by the division to less than average rainfall and pervious nature of soil in the catchment, but as intimated by the division in September 1985, actual rainfall during 1980-81 to 1983-84 was more than the average rainfall assumed for construction of the tank.

The Superintending Engineer who inspected the tank in April 1984 opined that the soil below the tank bed was murrumi soil of pervious nature resulting in heavy seepages, due to which water could not be held beyond January. To an audit enquiry, the division stated (August 1985) that the site was selected by the Sub-Divisional Officer, Minor Irrigation Sub-Division (Local Sector), Amravati and approved by the Executive Engineer, Minor Irrigation Division (Local Sector), Akola. The division stated that except for a few trial pits on the dam line upto soft rock, no percolation tests were carried out. Remedial measures to stop percolation suggested by the Executive Engineer (April 1984) were rejected by the Superintending Engineer as almost 40 per cent of the work of earthen dam would have to be dismantled and rebuilt, which was not considered a feasible proposition.

Construction of a minor irrigation tank without proper study of the soil conditions in the basin, rendered the expenditure of Rs. 4.79 lakhs on the tank unfruitful and Rs. 0.65 lakh on construction of canals infructuous as flow irrigation was not possible.

The Government stated in January 1986 that they have no remarks to offer at that stage.

6.5 Unfruitful expenditure on construction of minor irrigation tank on forest land

Work of minor irrigation tank at Kachepar in Chandrapur district, administratively approved in April 1980 for Rs. 5.09 lakhs was commenced under Employment Guarantee Scheme in May 1983 by Executive Engineer, Chandrapur Zilla Parishad, and continued upto February 1984 when it was stopped on an objection by the Divisional Forest Officer, Chandrapur as the tank was on Forest land. An expenditure of Rs. 3.51 lakhs was incurred till February 1984 on earthwork portion in the left flank. The work has not been restarted so far (August 1985).

Government of India had enacted Forest (Conservation) Act, 1980 in October 1980 under which prior approval of the Government of India was necessary for starting any work other than soil conservation and afforestation on forest lands. Though the division was aware of this requirement, work was started to meet the demand of local labourers resulting in unfruitful expenditure of Rs. 3.51 lakhs. The Executive Engineer's observation that the expenditure would not be a wastage, but would be utilised in future, is not tenable as the expenditure has been incurred only on earthwork.

The matter was reported to Government in September 1985; reply is awaited (October 1986).

6.6 Wasteful expenditure on construction of percolation tank at Chinchari

The work of percolation tank at Chinchari (II) in Buldana district estimated to cost Rs. 1.15 lakhs (revised cost: Rs. 1.28 lakhs) was commenced departmentally in March 1978 and completed at a cost of Rs. 1.06 lakhs in March 1980. In August 1983, the gorge portion of dam was washed away reportedly due to piping action. The cost of repairs was estimated to be Rs. 0.68 lakh. The repairs have not been carried out so far (August 1985).

The Superintending Engineer, Akola Irrigation Circle, Akola during his inspection in December 1983 noticed that boulder layers existed in the hearing zone and waste weir was not executed to the extent of required length and width. Though the piece worker had not completed the work of waste weir excavation, his last bill was paid and the fact of incomplete work was not reported by the Sub-Divisional Officer to the Division for initiating action against the piece worker. The Superintending Engineer, Akola Irrigation Circle, Akola opined (December 1983) that the tank might not be of much utility after reconstruction since there was no adequate cultivable land and also there were no wells down stream which would facilitate indirect irrigation.

Defective execution of work resulted in unfruitful expenditure of Rs. 1.06 lakhs.

The matter was reported to Government in September 1985; reply is awaited (October 1986).

6.7 Delay in completion of K. T. Weir and infructuous expenditure

The work of construction of Kolhapur Type (K.T.) Weir at Venegaon in Satara District at an estimated cost of Rs. 11.80 lakhs was accorded administrative approval by the Government in September 1975 and on completion this was to bring an area of 787.20 hectares under irrigation. The work was also technically sanctioned in March 1976 for Rs. 10.83 lakhs. The work was actually commenced only in April 1979 for completion within 6 months, by the Satara Zilla Parishad on the following conditions:—

- (a) Initially the Zilla Parishad would finance the construction,
- (b) the cost admissible as per approved financial yardstick would be reimbursed by Government after 5 years; and
- (c) the K. T. Weir would be the property of Government.

The work has not been completed so far (November 1985). Looking into the aspect of non-completion of the work it was noticed by Audit as under:—

- (i) Even though the Zilla Parishad had agreed to the conditions mentioned above in November 1978 it expressed in March 1980 its inability to provide funds required to complete the project and to wait

for reimbursement for the period of 5 years and requested the Government to take up the work at State level if it was not possible to provide funds yearly in advance. It had spent Rs. 1.23 lakhs on the work till it stopped the work in March 1980.

(ii) Government decided in November 1983 to execute the work in the State Sector and sanctioned the revised estimate of Rs. 30.78 lakhs without any change in design, etc. The work which was commenced in June 1984 is expected to be completed by December 1986.

(iii) On an inspection in July 1981 by the Deputy Engineer, Minor Irrigation Sub-Division, Satara, the work executed by the Zilla Parishad was found to be technically deficient as the masonry foundation was constructed with inferior round pebbles, the filling in foundation had been done with broken stones and stone powder and the inferior masonry work executed was likely to cause leakage. The Chief Engineer, therefore, ordered in November 1983 that one or two layers of masonry may be dismantled before starting fresh masonry. The expenditure of Rs. 0.53 lakh incurred by Government on the dismantled portion along with cost of reconstruction thus became infructuous.

Thus, the work sanctioned in 1975 virtually did not commence for all purposes even in 1984 with the cost component going up by three fold and the additional acreage to be covered remained a distant goal.

The matter was referred to Government in August 1985; reply is awaited (August 1986).

SECTION II

NIL

SECTION III

HOUSING AND SPECIAL ASSISTANCE DEPARTMENT

6.8 Pune Housing and Area Development Board—Loss of Rs. 2.33 lakhs in construction of 32 tenements at Gokhalenagar, Pune

The Pune Housing and Area Development Board (Board) invited in March 1979, tenders from registered contractors for construction of 32 tenements at Gokhalenagar, Pune at an estimated cost of Rs. 9.58 lakhs based on the Bombay Schedule of Rates for 1977-78. The only

tender received in response thereto, was rejected as it was 22 per cent above the estimated cost and was conditional. Tenders were reinvited in May 1979 both from registered and unregistered contractors. On the recommendation of the tender committee, the work was awarded to an unregistered contractor in July 1979 with April 1980 as the stipulated date of completion, as his tender was found to be the lowest (15.8 per cent above the estimated cost). According to the findings of the tender committee the rate tendered by the contractor was below the workable cost (based on the Pune Divisional Schedule of Rates for 1978-79 prepared by the Public Works Department) of 19 to 20 per cent above the estimated cost and the contractor had not carried out any construction work previously. However, it decided to recommend acceptance of his tender as tenders were invited both from registered and unregistered contractors. The contractor did not complete the work in time though he was granted by the Board 13 extensions upto 31st March 1983. Extension upto 8th March 1981 without penalty and thereafter with penalty ranging from Rs. 5 to Rs. 150 per day was granted. Ultimately the contract was rescinded in March 1983, when 85 per cent of the work was completed by the contractor at a cost of Rs. 9.46 lakhs, and the balance work was departmentally completed (May 1984) at the risk and cost of the contractor as per the terms of the contract. Against the estimated balance cost of Rs. 1.54 lakhs, the Board had spent Rs. 2.74 lakhs thus involving extra expenditure of Rs. 1.20 lakhs recoverable from the contractor.

In addition to the extra expenditure, Rs. 1.44 lakhs were recoverable from the contractor towards cost of material supplied (0.66 lakh), penalty for delay in execution of work (Rs. 0.18 lakh), second advance (Rs. 0.17 lakh), supervision charges (Rs. 0.27 lakh) and escalation (Rs. 0.16 lakh) paid, which was not admissible. The Executive Engineer stated in December 1984 that the recoveries on account of cost of cement and steel consumed on work were not made from Running Account Bills but were postponed in the interest of getting the work executed. As against total amount of Rs. 2.64 lakhs recoverable from the contractor, amount payable to him according to final reckoning was Rs. 0.31 lakh inclusive of security deposit of Rs. 0.19 lakh thus leaving a recoverable balance of Rs. 2.33 lakhs.

Award of work by the Board to an inexperienced contractor without properly verifying his capacity and workability of his tender has resulted

in the above mentioned losses. The Executive Engineer stated in December 1984 that all efforts would be made to effect the recoveries.

The matter was referred to Government in September 1985; reply is awaited (August 1986).

6.9 Appointment of contractor for transport of cement

The failure of the Pune Housing and Area Development Board to follow the prescribed procedure for appointment of contractor for transport of cement and its persistence in continuously appointing the same agency inspite of its unsatisfactory performance, without calling for tenders and without obtaining any security deposits or entering into a written agreement resulted in avoidable payment of wharfage charges of Rs. 1.66 lakhs. Following aspects were noticed by Audit in March 1985 :

(i) The Board has been appointing an agency from 1980 for arranging railway wagons and managing transport of cement from the factories from which cement was allotted by the Cement Controller of India. While railway freight and octroi were to be paid by the Board, wharfage charges, if any, due to delay in clearance were to be paid by the agency. In dealing with the agency the Board has not been executing any formal written agreement or obtaining security deposits.

Though 1,400 tonnes of cement were received on the 13th November 1982 the agency commenced lifting the cement from the railway premises only on the 21st November 1982 and completed lifting on the 26th November 1982. As 24th November was the last day fixed by the Railways for lifting, they levied wharfage charges of Rs. 0.49 lakh for the delay. It was paid by the Board though it was to be borne by the agency.

(ii) Again the same agency was appointed by the Board to manage the transport of 1,400 tonnes of cement from Andhra Pradesh for the quarter ended December 1982. As the agency made no arrangement for lifting the cement which arrived on 31st December 1982, the Board lifted the cement through the sub-agent of the agency after paying wharfage charges of Rs. 0.77 lakh.

(iii) The same agency was appointed for the third time in March 1983 for managing transport of cement of 500 tonnes from a factory in Tamilnadu. As the agency failed to lift the cement received on 27th July 1983

the Board lifted the cement through the carting agent of the agency after paying the wharfage charges of Rs. 0.40 lakh to the Railways.

Even the amount of Rs. 0.64 lakh adjusted in January 1983 towards part recovery from the agency was refunded to him in February and April 1983.

The Maharashtra Housing and Area Development Authority stated in July 1986 that the agency was awarded the contract without inviting tenders as it was carrying out similar jobs in the Environmental Engineering Division at Ahmadnagar and that necessary steps were being taken for recovery of wharfage charges.

The matter was referred to Government in October 1985; reply is awaited (August 1986).

URBAN DEVELOPMENT DEPARTMENT

6.10 Maharashtra Water Supply and Sewerage Board—Purchase of water meters for Municipal Water Supply Schemes

Under orders issued by the Superintending Engineer, Nagpur Circle in November 1981, 3,070 water meters were purchased in March 1982 and August 1982 by the Executive Engineers, Environmental Engineering Division, Nagpur (2,000 meters: cost: Rs. 3.90 lakhs) and Wardha (1,070 meters: cost: Rs. 1.80 lakhs) for use in Pulgaon, Hinganghat and Wardha Water Supply Schemes and in the augmentation of Nagpur Water Supply. As a decision regarding taking over these schemes from the Municipalities/Corporation had not been taken by the Maharashtra Water Supply and Sewerage Board, 1,090 meters were diverted to other projects of the Board. The balance 1,910 meters costing Rs. 3.49 lakhs were lying idle as at the end of July 1985. Remaining meters were reported by the Divisions to have been transferred and utilised in other projects of the Board.

According to the provisions of the Maharashtra Water Supply and Sewerage Board Act 1976, prior approval of the State Government has to be obtained by the Board before taking over any water supply scheme from local bodies. Further, Government had prescribed in April 1983 the conditions under which water supply schemes could be taken over by the Board from Municipal Councils/Corporations. The Board

has not so far taken any decision regarding the taking over of the above schemes nor has approval of Government been obtained.

Thus, purchase of water meters costing Rs. 5.70 lakhs for specific schemes even before the drill for taking over was finalised by Government and before the Board took a decision to take over the schemes, was injudicious resulting in locking up of funds. Government stated in November 1985 that the water meters had been transferred to other divisions where they were required immediately.

SECTION IV

AGRICULTURE AND CO-OPERATION DEPARTMENT

6.11 Investments in and financial assistance to co-operative societies

(1) *Financial assistance.*—The State Government has been rendering financial assistance to co-operative societies in the form of investment in share capital, loans, grants and subsidies. Government investment in share capital at the close of each of the 3 years ending 1983-85 and the return thereon, as intimated (October 1985) by the Department were as under :—

Year ending 31st March	Number of societies	Total investments (in lakhs of rupees)	Dividend received		
			No. of societies (in lakhs of rupees)	Investments (in lakhs of rupees)	Dividend received
(1)	(2)	(3)	(4)	(5)	(6)
1983	8,054	1,34,38.85*	278	3,71.94	46.46@
1984	9,639	1,72,07.29*	188	4,43.59	49.84@
1985	10,744	2,10,16.25*	229	17,63.53	44.26

* Differs from the figures appearing in Statement No. 14 of Finance Accounts. Differences have not been reconciled by the Department.

@ Departmental figures adopted and hence differs from figures appearing in Audit Report for 1983-84.

Twenty-six other societies in which Government had invested Rs. 78.05 lakhs towards share capital had declared dividend amounting to Rs. 3.95 lakhs but had not credited the dividend to Government till 31st March 1985.

The position regarding overdue amounts of loans (including interest) recoverable from various co-operative societies at the close of each of the three financial years ending 1984-85, as intimated by the Department was as follows :

(a) *Loans.*—

Year ending 31st March	No. of societies	Overdue amounts	
		Principal	Interest
		(in crores of rupees)	
(1)	(2)	(3)	(4)
1983	5,549	41.80	20.36
1984	6,009	29.52	28.63
1985	5,794	8.22*	6.74**

(b) *Unutilised grants and subsidies.*—During 1984-85 Government paid grants and subsidies of Rs. 7.79 crores to 6,502 societies. Information regarding wanting utilisation certificates was not furnished.

(c) Government has also guaranteed loans raised by several co-operative societies. The loans covered by the guarantees which were outstanding at the end of March 1985 amounted to Rs. 261.99 crores. The maximum amount guaranteed as on 31 st March 1985 stood at Rs. 610.45 crores.

(2) *Financial results.*—(a) According to the Department, the position regarding the working during the co-operative year ending June 1984

(*) Does not include loans to Co-operative Sugar factories.

(**) Includes penal interest of Rs. 0.40 crore.

of the societies which had received Government assistance was as under:—

Position of the societies	No. of societies	Financial assistance by Government		
		Share capital	Loans	Subsidy
(in lakhs of rupees)				
(1)	(2)	(3)	(4)	(5)
(a) Earning profit	5,841	5,368.27	719.10	412.14
(b) Running in loss	6,444	5,778.48	2,609.34	298.64
(c) In liquidation	1,875	167.57	141.65	1.72
(d) Not functioning	546	95.98	40.32	1.37
(e) In initial stage of working	217	1,764.52	93.45	7.31
(f) Accounts awaiting finalisation	17	3.43	0.29	....
(g) Working results not received	2	1.09	0.05	....

(b) *Non-accounting of cash, shortage of stores etc.*—At the end of March 1984, non-accountal of funds amounting to Rs. 240.86 lakhs in 1664 societies had been reported by the Department: of these 322 cases involving Rs. 28.44 lakhs (misappropriation: Rs. 28.29 lakhs; shortage: Rs. 0.15 lakh) had been treated as closed during 1984-85. The position as at the end of March 1985 including *inter-alia* fresh cases reported during 1984-85 is as under:

	No. of societies	Amount not accounted for		
		Misappropriation/ embezzlement	Shortages	Total
(in lakhs of rupees)				
	(2)	(3)	(4)	(5)
Cases pending on 31st March 1984, from 1961-62 to 1983-84	1,664	235.53	5.33	240.86
Less: Cases finalised during 1984-85	322	28.29	0.15	28.44
Add: Fresh cases reported during 1984-85	491	59.75	0.96	60.71
Total cases pending as on 31st March 1985	1,833	266.99	6.14	273.13

(3) *Delay in completion of audit.*—In accordance with the provisions of the Co-operative Societies Act, 1960 the accounts of co-operative societies are required to be audited once a year by the Registrar, Co-operative Societies or by auditors appointed by him. The accounts of 517 Government aided societies (out of 7731 such societies) remained unaudited as on 31st March 1985 as indicated below :—

No. of societies	Period for which accounts not audited
112	5 years and above
37	4 years
51	3 years
110	2 years
207	up to one year

Delay in completion of audit was attributed by the Department (October 1985) to non-availability of records, incomplete accounts, want of time, records in courts and records with police, non-availability of whereabouts of societies, societies in liquidation and inadequate staff.

(4) *Delay in recovery of audit fees.*—Arrears in the recovery of Audit fees which were Rs. 355.73 lakhs as at 31st March 1984 increased to Rs. 399.67 lakhs at end of 31st March 1985. Fees charged during 1984-85 were Rs. 573.03 lakhs while the fees recovered upto 31st March 1985 amounted to Rs. 529.09 lakhs.

Break-up of arrears is as follows:—

Amounts (in lakhs of rupees)	Period for which the amounts are in arrears
48.52	5 years and above
24.93	More than 4 years but less than 5 years
34.48	More than 3 years but less than 4 years
34.63	More than 2 years but less than 3 years
78.84	More than 1 year but less than 2 years
178.27	Upto 1 year

CHAPTER VII

COMMERCIAL ACTIVITIES

7.1 This chapter deals with the results of audit of departmentally managed Government commercial/*quasi*-commercial undertakings. As on 31st March 1985, there were 48 departmentally managed Government commercial/*quasi*-commercial undertakings.

7.1.1 Accounts of 34 undertakings for the year 1984-85 were received up to March 1986. Two procurement distribution and price control schemes of Bombay city and mofussil made a profit of Rs. 574 .54 lakhs and loss of Rs. 714.27 lakhs respectively for the year 1984-85. The working of remaining 32 undertakings for the year 1984-85 resulted in losses aggregating Rs. 2412.34 lakhs. *Pro-forma* accounts for the year 1984-85 from 14 undertakings indicated in Appendix 7.1 were awaited (March 1986).

7.1.2 A synoptic statement showing the summarised financial results of the working of 34 undertakings for the year 1984-85, 12 for the year 1983-84 and 1 for the year 1980-81 accounts of which were received after finalisation of last Audit Report is given in Appendix 7.2.

The audit of 4 out of 47 undertakings incorporated in Appendix 7.2 revealed the following:

- (i) Non-inclusion of the value of land in the fixed assets (Government Milk Scheme, Amravati).
- (ii) The cost of construction of dairy building completed and occupied was shown in work-in-progress instead of in fixed assets (Government Milk Scheme, Amravati).
- (iii) Improper maintenance of asset register (Government Milk Scheme, Amravati).

(iv) Non-provision of depreciation to the extent of Rs. 1.22 lakhs (Government Milk Scheme, Miraj).

(v) Non-obtaining of confirmations for sundry debtors (Government Milk Scheme, Amravati, Saralgaon and Mahad).

(vi) Short-provision of interest on mean capital to the extent of Rs. 8 lakhs (Government Milk Scheme, Amravati), Rs. 0.30 lakh (Government Milk Chilling Centre, Saralgaon) and Rs. 0.28 lakh (Government Milk Scheme, Miraj).

(vii) Less provision of pension contribution to the extent of Rs. 0.24 lakh (Government Milk Scheme, Amravati).

(viii) Non-provision of outstanding transportation charges to the extent of Rs. 1.03 lakhs (Government Milk Scheme, Amravati).

(ix) Overvaluation of closing stock by Rs. 25 lakhs (Government Milk Scheme, Miraj).

(x) Expenditure on maintenance and repairs to buildings less debited by Rs. 1.58 lakhs (Government Milk Scheme, Miraj).

AGRICULTURE AND CO-OPERATION DEPARTMENT

Dairy Development Department

7.2.1 Idle outlay on farm cooling unit

The State Government accorded (February 1980) approval for setting up of a farm cooling unit with a capacity of 4,000 litres of milk per day at Samudrapur in Wardha district at an estimated cost of Rs. 5.50 lakhs and the installation was completed in March 1982 at a total cost of Rs. 6.16 lakhs (land: Rs. 0.06 lakh; civil construction: Rs. 3.15 lakhs; plant and equipment : Rs. 2.95 lakhs). Scarcity of water (till September 1982) and delay in appointment of required staff (till April 1983) affected the completion and commissioning of the unit according to schedule. Though the unit was ready for operation from September 1982, it could not be operated so far (July 1986) due to decline in procurement of milk from 975 litres per day in December 1979 when proposals for the unit were submitted to 307 litres per day during 1983-84.

The performance guarantee of six months from the date of delivery against quality and workmanship could not be availed due to delay in commissioning and operating the plant. Though it was envisaged while

seeking Government's approval for setting up of the unit that in the event of milk production/procurement trend being negative the unit would be shifted to some other suitable place, no action has so far (July 1986) been initiated in this direction. Expenditure of Rs. 0.30 lakh on staff attached to the unit during the period April 1983 to March 1984 (when they were transferred to Wardha Milk Scheme) proved to be infructuous. The services of two watchmen have been retained to safeguard the installation.

The Government stated (September 1985) that the anticipated rise in milk collection could not be achieved due to scarcity or drought prone condition and due to shortage of adequate resources of water supply in 181 of the 184 villages in Samudrapur Taluka which were declared as scarcity villages during 1984-85. This had a direct bearing on milk producing capacity of available milch animals and also on working of dairy societies. A number of societies had to be either superseded or had to be let off for the low level of milk production. They also held that the procurement prices fixed by Government being comparatively low, the flow of milk from producers was diverted to consumers like hotels and others on the highway. Government propose to divert a milk route in Nagpur District to this unit to operate it more fruitfully and also to revitalise the dormant co-operative units or supersede the miscreant units. Schemes under the Drought Prone Areas Programme and District Rural Development Agencies are also proposed to be taken up in the area to watch and improve the situation for some time before considering the shifting of the unit to other suitable place.

The availability of milk for processing by this unit declined from 975 litres per day during December 1979 to 307 litres per day during 1983-84 and 176 litres per day in October 1985. The availability of milk of the order of 4,000 litres per day to ensure full utilisation of the unit was apparently overestimated, resulting in unproductive investment of Rs. 6.16 lakhs since March 1982 and the avoidable expenditure of Rs. 0.26 lakh approximately on watchmen engaged to guard the assets.

7.2.2 Installation of weighbridges at Government Milk Schemes

To facilitate quick and accurate weighment of bulk quantity of milk handled, Government accorded (February 1980) administrative approval for installation of two weighbridges of 20 tonne capacity each, one at Government Milk Scheme, Nashik and the other at Ahmadnagar at

a total estimated cost of Rs. 3.14 lakhs (including civil works). After invitation of tenders, an order for supply and installation of weighbridges was placed (November 1980) on Firm 'G' the second lowest tenderer, at Rs. 0.66 lakh including installation and commissioning charges as it had offered five year's guarantee and three months period for delivery. The civil works for the weighbridges were to be executed departmentally. The weighbridges were to be supplied, erected and ready for commercial operation within three months from the date of placing of the work order *i.e.* by March 1981.

The weighbridge meant for Nashik was installed in March 1981 at a cost of Rs. 0.91 lakh (value: Rs. 0.66 lakh; civil works: Rs. 0.25 lakh).

In regard to Ahmadnagar the weighbridge was received in September 1981, while civil works were completed in the same month and installation completed in January 1982. However, the weighbridge has not been commissioned so far (May 1985). An amount of Rs. 1.22 lakhs has been incurred for this weighbridge (amount paid to the supplier Rs. 0.47 lakh; cost of civil works : Rs. 0.75 lakh). The firm has not been paid the balance amount of Rs. 0.19 lakh.

The following points were noticed in audit:

(i) The primary object of installation of weighbridge at Nashik, *viz.* quick and accurate weighment of bulk quantity of milk, was not achieved as the weighbridge was never used for weighment of milk. The Department stated (April 1985) that the milk was continued to be weighed on weighing scale as it was received in cans and further the milk tankers despatched to sister schemes were calibrated and did not require weighment. The weighbridge is, however, used for weighment of furance oil tankers only which does not require weighment as the quantity is generally measured by dips. Government stated (September 1985) that the weighbridge was used up to 1984 for weighing the milk received by the scheme in tankers. The scheme could not, however, produce (October 1985) any records to indicate such use.

(ii) The firm 'G' pointed out (December 1982) that the Department did not grout or cement the pillar base immediately after erection of the weighbridge at Ahmadnagar and consequently the pillar base had shifted to a side. As a result, the main transfer lever went out of alignment leading to variation in weight.

It also cautioned that if some means of securing the pillar base position was not provided, it would keep on drifting to the side wall of foundation pit and the weighbridge would fail to indicate the weight correctly. However, the Department directed the firm from time to time to correct the weighbridge without any positive results. In November 1983 the Department directed Government Milk Scheme, Ahmadnagar to get the work done locally and to deduct the charges from the pending bills (Rs. 0.19 lakh) of the firm. However, no action has so far been taken (May 1985) to set right the weighbridge. In the meantime, the validity of the bank guarantee (Rs. 0.06 lakh) tendered as security by the firm expired in November 1981 and no action was taken to get it revalidated. Further developments were awaited (March 1986).

(iii) The agreement executed by the firm (but not signed by the representative of the Department) provided for a guarantee period of one year and free service for six months even though the firm in its offer stipulated the guarantee of 5 years and free service of one year.

Thus, an outlay of Rs. 2.13 lakhs on the two weighbridges remains virtually idle.

7.2.3 Loss of Rs. 4.54 lakhs due to deterioration of skimmed milk powder.—The Greater Bombay Milk Scheme (GBMS) received 385.850 tonnes (value: Rs. 65.60 lakhs) of skimmed milk powder (SMP) during the period December 1981 to August 1982 from milk schemes at Udgir (204.350 tonnes; value: Rs. 34.74 lakhs) and Nagpur (181.500 tonnes; value: Rs. 30.86 lakhs) for reconstitution as milk. Of this 23.675 tonnes of SMP was rejected by GBMS in December 1981/January 1982 (Udgir) and June-August 1982 (Nagpur). 5.225 tonnes of the rejected SMP were sold (September 1984) as cattle feed (sale value: Rs. 0.06 lakh) and 18.250 tonnes were destroyed (April 1985). Details about the disposal of the balance 200 kg were awaited (March 1986).

Special inspection conducted at Nagpur by the quality control office of GBMS revealed (August 1982) that the moisture content was less than the requirement as per specifications and there was colour change, lump formation, etc. It was also reported that the packing was defective and did not bear batch number and date of manufacture. The stacking was also reported to be not systematic. As regards supply from Udgir, it was rejected as unfit for human consumption.

During 1983-84 and 1984-85, 3.705 tonnes (value: Rs. 0.63 lakh) of SMP received from Udgir Milk Scheme (3.080 tonnes) and Nagpur Milk Scheme (0.625 tonne) were also rejected on similar grounds and sold (April 1985) as cattlefeed at Rs. 0.05 lakh.

Government stated (November 1985/March 1986) that Nagpur Milk Powder plant had teething trouble and operational difficulties and it took some time for the operating staff to get acquainted with the operation of the plant which had complicated parameters. As regards Udgir plant, Government stated that the quality of the product was affected by the sudden failure of controls, consequent upon frequent interruptions in power supply. It was, however, observed that there were delays of 5 to 8 months in despatch of SMP after manufacture at Nagpur resulting in delayed use of the powder for reconstitution as milk. Though the Udgir plant was commissioned in December 1978, uninterrupted supply of power was not ensured. The GBMS thus, suffered a loss of Rs. 4.54 lakhs (calculated at Rs. 17 per kg of SMP payable to the milk schemes).

FOOD AND CIVIL SUPPLIES DEPARTMENT

7.3 Public Distribution System

7.3.1.1 *Introduction.*—The Public Distribution System (PDS) has been in existence in the State from 1957, under the name 'Fair Price Scheme'. With the formation of separate Food and Civil Supplies Department from 1st March 1965, the PDS is being implemented as "Procurement, Distribution and Price Control Schemes" on a "no profit no loss" basis. With a view to ensuring supply of essential commodities to the weaker sections of the community at reasonable prices, PDS was brought (1975) under the purview of the 20 Point Programme. The Sixth Five Year Plan (1980-85) envisaged expansion of PDS by opening more fair price shops and mobile shops to promote a strong consumer protection movement.

Even though 66 commodities have been brought under the purview of Essential Commodities Act, 1955 in Maharashtra, PDS covers rice, wheat, *jowar*, kerosene, edible oil and sugar supplied through the net work of 32,279 Authorised Ration Shops (ARS)/Fair Price Shops (FPS) as at the end of March 1985.

The working of the PDS was reviewed (February to June 1985) by Audit in eight districts including 9 tahsils and offices under Controller of Rationing and Godowns under Director of Civil Supplies (DCS) in Bombay Rationing Area (BRA)/Thane Rationing Area (TRA).

7.3.1.2 *Summary of findings*

The analysis revealed—

(1) that wheat stocks got built up (November 1983) to 1.62 lakh tonnes (value: Rs. 32.03 crores) due to not restricting the lifting of wheat in proportion to the off-take. Reduction in issue rate from Rs. 197.70 to Rs. 178.40 per quintal from October 1984 to improve the off-take resulted in short realisation of Rs. 2.08 crores and no improvement in off-take was also achieved,

(2) Hybrid *jowar* was procured at prices higher than the prices fixed by the Government of India involving extra expenditure of Rs. 72.81 lakhs, on the ground that cultivation of hybrid *jowar* involving higher cost of inputs was systematically encouraged by Government to increase agricultural production. The hybrid variety tended to deteriorate early but no steps were taken to ensure quick disposal resulting in declaration of stock worth Rs. 4.04 crores as unfit for human consumption and

(3) to meet shortfall in allotment of rice by Government of India, open market purchases of fine rice through the agencies of co-operative federations/societies was resorted to involving extra payment of Rs. 30.99 lakhs compared to the prevailing market rates in 1982-83 marketing season. Advance payments of Rs. 7.95 crores made to the agencies are still awaiting adjustments due to non-production of purchase and other records by the agencies.

Purchases of fine rice were effected in 1983-84 and 1984-85 also though the off-take of fine rice was low due to issue price of Rs. 3.85 per kg being higher than the market price. Purchase of 0.23 lakh tonnes of fine rice from a grocer's co-operative was effected in 1984-85 at a cost of Rs. 7.24 crores though stocks already held were adequate to meet the requirement. The supplies under this order received between January and April 1985 have not so far been issued resulting in carrying cost of Rs. 142.81 lakhs in the form of storage and interest charges alone. To recover these costs the sale price would have to be not less than

Rs. 422.21 per quintal if the declared objective of "no profit no loss" basis for sale of this commodity is to be ensured.

(4) The scheme incurred avoidable expenditure of Rs. 4.45 lakhs on transport of wheat due to non-assessment in advance of godown space available and transport of *jowar* stocks declared on receipt as unfit for human consumption.

(5) Non-utilisation of capacity in Government godowns and avoidable payment of Rs. 1.85 lakhs on rent were also noticed.

(6) Wheat worth Rs. 37.16 lakhs was declared unfit for human consumption during 1982-83 and 1983-84 in six districts due to prolonged storage.

(7) The mofussil schemes incurred heavy losses. The accumulated loss to end of March 1985 on the scheme as a whole amounted to Rs. 75.82 crores.

7.3.2 *Organisation.*—At the district level, the District Supply Officer (DSO) looks after procurement, transport, storage and distribution of commodities and inspection of godowns and FPS. The control and co-ordination of work in the different districts is done by the Supply Commissioner, Bombay who looks after the allotment of foodgrains, inspection of foodgrains, inspection of godowns, and settlement of railway claims. So far as Bombay and Thane areas are concerned the Controller of Rationing, Bombay and Thane assisted by the Director of Civil Supplies, Bombay are generally responsible for all functions under the PDS.

Financial Adviser and Deputy Secretary (FADS) is entrusted with maintenance of accounts of the scheme, preparation of budget including budgetary and financial control.

7.3.3 *Financial arrangements.*—Funds for operation of the schemes are provided in the State budget. Personal Ledger Accounts (PLA) have been provided to the FADS, Bombay (Rs. 79.30 crores during 1984-85) and the District Collectors (Rs. 84.92 crores during 1984-85) to meet expenditure on capital outlay and all sale proceeds are credited into the Personal Ledger Account. The Department has also a "cash credit account" with the State Bank of India with a limit of Rs. 40 crores operated for procurement of foodgrains within the State at prices fixed by the Government of India and of purchases of foodgrains from

Central Pool under Price Support Scheme. Besides, cash credit up to a limit of Rs. 25 crores meant for procurement of foodgrains under Price Support Scheme at incentive prices was also availed up to September 1984 from the State Bank of India.

Table below indicates provision of funds and actual expenditure during the Fifth Five Year Plan period and annually during the Sixth Five Year Plan period :

Period	Budget provision		Sale proceeds		Actual expenditure	
	Capital	Revenue	Estimated	Actuals	Capital	Revenue
(rupees in crores)						
<i>Fifth Five Year Plan—</i>						
(Inclusive of annual plan 1979-80)						
1974-75 to 1979-80	22,03.16	56.12	16,79.61	14,77.24	17,41.73	51.80
<i>Sixth Five Year Plan—</i>						
1980-81	4,47.37	9.73	3,83.18	4,12.41	4,71.81	9.76
1981-82	5,75.62	13.69	5,08.79	5,62.44	5,64.19	12.91
1982-83	4,92.74	18.47	4,49.19	3,98.42	4,03.93	17.97
1983-84	4,85.08	17.96	4,59.34	4,84.15	4,83.76	17.54
1984-85	4,57.66	16.96	4,15.52	3,89.91	*	*

7.3.4 *Procurement of foodgrains.*—The State obtains its requirement of foodgrains from the Government of India through the Food Corporation of India (FCI) after the receipt of allotment against requirements advised every month in respect of wheat and rice. *Jowar*, however, is procured by the State Government from within the State under Price Support Scheme introduced (1977-78) by the Government of India. Under this scheme, *jowar* offered voluntarily by the farmers is to be purchased at the prices fixed by the Central Government. The Maharashtra State Co-operative Marketing Federation (MSCMF) was appointed by the State Government as their agent for procurement of *jowar* and records regarding grading, quality, price-cuts, etc., imposed by them were to be maintained and made available to the Government Inspectors. Open market purchases of superior quality rice is also undertaken through the agency of MSCMF, Maharashtra State Co-operative

* Information awaited.

Consumers' Federation (MSCCF) and West Suburban Grocers Co-operative Society Limited (WSGCS) to meet the short-fall in allotment of rice by the Government of India from the Central Pool. Appendices 7.3, 7.4 and 7.5 indicate details of procurement of foodgrains from the three sources. The procurement position in respect of wheat, *jowar* and rice is discussed below:

7.3.4.1 *Wheat*.—During the year 1982-83 the monthly off take of wheat was between 0.36 lakh tonnes and 0.51 lakh tonnes as against lifting of wheat ranging from 0.43 lakh tonne to 0.53 lakh tonnes. Consequently, the stock of wheat increased from 0.46 lakh tonnes (April 1982) to 1.02 lakh tonnes (March 1983). During 1983-84 against the off take ranging from 0.37 lakh tonne to 0.67 lakh tonnes, lifting ranged from 0.39 lakh tonnes to 0.59 lakh tonnes. Due to less off take during April 1983 to August 1983 the stocks got built upto 1.62 lakh tonnes (November 1983). Normally about three months' requirements of foodgrains is stocked for the public distribution system. The off take showed steep decline in 1984-85, highest figure of 0.27 lakh tonnes being recorded in April 1984. Action was taken by the Government to reduce the lifting which ranged between 0.38 lakh tonnes (April 1984) and 0.05 lakh tonnes (February 1985). Stock came down to 0.82 lakh tonnes in March 1985. Due to lifting of wheat in disproportion to the off take between April and November 1983 wheat stocks got built up.

Government stated (March 1986) that the main reason for fall in off take was bumper rabi crop of wheat in North India in 1984 and substantial availability of good quality wheat in the open market at reasonable prices and that the supply position of foodgrains in the State had undergone varying situations of surplus, deficit, *etc.* Food production in the State during 1983-84 and 1984-85 stood at about 109.5 thousand tonnes as against 92.2 thousand tonnes in 1982-83, a scarcity year.

In 16 districts wheat was lifted by the Collectors during 1983-84, eventhough the stocks held by them were in excess of 3 months' off-take. The excess so lifted ranged from 252 tonnes (Parbhani district) to 10,749 tonnes (Raigad district).

In order to improve the off take the *ex-godown* issue price of wheat was reduced (October 1984) from Rs. 197.70 to Rs. 178.40 per quintal. The Government of India was also approached (December 1984) to permit disposal of wheat of C and D categories, otherwise than through

PDS. Government of India did not initially (January 1985) agree, but on reconsideration they permitted (May 1985) disposal of C and D categories of wheat by open tenders. The tenders received by the Collectors were much below the off set price of Rs. 178.40 per quintal. Government, therefore, decided (January 1986) to accept offers above Rs. 130 per quintal at Government level and direct the Collectors to re-invite tenders where the offers received were below Rs. 130 per quintal. Further developments are awaited (March 1986). The reduction of the *ex-godown* price from Rs. 197.70 to Rs. 178.40 would result in less realisation to the extent of Rs. 2.08 crores on 1.08 lakh tonnes held in stock before reduction in price. The short-fall in realisation will increase further on final disposal of 0.43 lakh tonnes of C and D categories of wheat included in the stock (February 1986). The Department stated (March 1986) that *ex-godown* price (Rs. 197.70) included Rs. 10 per quintal added for recoument of previous losses. Even excluding this element, short-fall in realisation would be Rs. 1.55 crores.

The average monthly off take of wheat was 0.35 lakh tonnes between October 1983 and September 1984 as against average monthly off take of 0.22 lakh tonnes between November 1984 and October 1985. Thus, no improvement in off take was also achieved.

7.3.4.2 *Jowar*.—(i) *Jowar* was purchased up to 1979-80 at prices fixed by the Government of India every year. However, during 1980-81 purchases were made at prices higher than the Government of India prices by Rs. 17 per quintal. Government of India observed (October 1981) that the State should not pay prices higher than those fixed by them as it would inevitably cause rise in open market prices affecting procurement in general and resulting in higher drawals from the Central Pool, besides jeopardising the national food policy. The State Government did not revise the procurement price during 1981-82 season while the Government of India had increased their price by Rs. 11 per quintal over that of 1980-81 season. The difference between the two prices was thus reduced to Rs. 6 per quintal during 1981-82 season. The extra expenditure incurred on procurement of 1.21 lakh tonnes during 1981-82 amounted to Rs. 72.81 lakhs.

The Government stated (July 1986) that with a view to help the farmers to meet their increased cost of production to some extent, prices higher than the support prices fixed by Government of India were paid. It was

also the policy of the State Government to keep a higher price for medium and superior varieties of *jowar* than the support price for common variety declared by the Government of India for the particular season. The superior variety includes hybrid *jowar* the cultivation of which has been systematically encouraged by the State Government to increase agricultural production. It was, however, observed that bulk of the quantity procured was hybrid *jowar* which tends to deteriorate early. No steps were taken to ensure quick disposal of such stocks of hybrid *jowar* procured at higher prices resulting in deterioration of *jowar* valued at Rs. 4.04 crores which became unfit for human consumption. This has been mentioned also in paragraph 7.3.6.3.2 below.

(ii) The MSCMF procured 1.54 lakh tonnes of *jowar* during the procurement season 1982-83 on behalf of the Government. Government prescribed (November 1981) checks and quality cuts to be applied before acceptances of the *jowar* by the Federation. On receipt of complaints that the Federation did not apply quality cuts in Osmanabad district of Marathwada region while purchasing *jowar*, the department deputed an inspecting party who checked procurement in progress and applied additional cuts (value: Rs. 4.72 lakhs) for damaged and discoloured grains which had not been applied by the Federation. The Collector, on the basis of the findings of the inspection party, reported (September 1985) levy of additional cuts (value: Rs. 16.39 lakhs) due to damaged and discoloured grains on the entire quantity of 0.50 lakh tonnes procured in the district during the season. This amount was recovered by deduction from the bills of the Federation who represented (February 1985) to Government against applying further cuts after acceptance of *jowar* in godowns. Further, such additional cuts had not been applied in other districts. Information regarding extra payment due to non-application of cuts in other districts called for (November 1984) was not obtained by the Government on the ground that the Collectors would not be able to furnish the information and the Federation would not accept the recovery after the acceptance of the stocks. The Collector, Osmanabad reported (August 1983) that the procurement could not be supervised properly due to non-availability of grading equipments and trained graders at purchase centres.

On the consideration that the Federation could not apply cut of Rs. 4.72 lakhs due to public pressure, Government decided (December 1985) to

recover only Rs. 2.36 lakhs (50 per cent of Rs. 4.72 lakhs) and refund Rs. 14.03 lakhs out of Rs. 16.39 lakhs recovered, as the *jowar* had been accepted in godowns before application of cuts.

Government stated (July 1986) that cuts on account of moisture are applied as per rates fixed for the purpose and cuts on account of other impurities like foreign matters, *etc.*, are decided by visual inspection of samples rather than by scientific grading which would not be practicable. As visual inspections have their own limitations, cuts on the basis of scientific grading, after the purchases are made and money paid to cultivators, would be doing injustice to the Federations. The fact, however, remains that the quality of *jowar* procured did not conform to the quality paid for.

7.3.4.3 *Rice*.—Following reduction (May 1982) in monthly allotment of rice by the Government of India from 75,000 to 25,000 tonnes, the State Government decided (January 1983) to procure fine and superfine varieties of rice from open market through the agency of MSCMF, MSCCF and WSGCS for distribution to card holders in Bombay on "no profit no loss basis". Total quantities ordered on the agents during the three marketing seasons (October to September) of 1982-83 to 1984-85 and quantities received against such orders were as under :

Marketing season (October to September)	Quantity ordered	Quantity received	Off take (April to March)	Remarks
(in tonnes)				
1982-83 ..	39,500	24,735	Nil	Last supply was received in September 1984 from MSCMF and in July 1984 from MSCCF. Supplies from WSGCS were received in October 1983.
1983-84 ..	40,000	19,477	17,434	Last supply from MSCMF was in September 1984 and from MSCCF in October 1984.
1984-85 ..	55,000	26,911	7,751	Last supply from WSGCS was in April 1985 and from FCI in March 1985.

In January 1983 the MSCMF and MSCCF were asked to supply fine varieties of rice like Parimal, Safari, Lunchai, Masoori, *etc.*, of FAQ standard conforming to FCI specification to the extent of 14,500 tonnes and 15,000 tonnes respectively. Government also indicated ceiling rate of Rs. 360 per quintal (Rs. 353 per quintal for SLO to be supplied by MSCMF) inclusive of purchase price, all handling and transport charges, commission, actual interest on their investment and godown charges till the stocks were taken over by the Government. These ceiling rates were based on the expectation that the rice could be sold at about Rs. 385 per quintal under PDS, thus giving adequate margin to cover overheads and incidentals, though market prices of Parimal rice ruling during January to May 1983 were ranging between Rs. 280 and Rs. 335 per quintal. The Federations were asked to deliver the rice before the end of April 1983.

The MSCMF and MSCCF indicated (April 1983) that they had purchased and stored in their godowns at Bombay about 5,000 tonnes (Parimal) and 2,700 tonnes (Masoori) of rice respectively which they agreed to offer to Government at the rate of Rs. 347 per quintal net *ex-godown*. Though the two Federations were to act as agents of the Government for procuring the rice no ceiling on purchase price to be paid by the Federation exclusive of other charges was fixed. MSCMF purchased rice during January to May 1983 at rates varying from Rs. 320 to Rs. 344 per quintal. Review of daily Bombay wholesale market rates of Parimal and Masoori rice conforming to similar specification collected by the Controller of Rationing, Bombay during the period from January 1983 to April 1983 revealed that price per quintal for Parimal ranged between Rs. 280 (20th January 1983) and Rs. 335 (22nd April 1983) and Masoori from Rs. 300 (13th January 1983) and Rs. 335 (22nd April 1983). The rate of Rs. 347 at which rice was offered by the Federations was higher than the average of weekly rates (for 4 months January to April 1983) of Rs. 305 (Parimal) and Rs. 310 (Masoori) per quintal and involved extra payment of Rs. 30.99 lakhs in respect of 7,700 tonnes stocked by the Federation in their godowns at Bombay prior to April 1983, when the first order was placed. The Department accepted rice supplied by MSCMF and MSCCF from May 1983 and from July 1983 onwards and made "on account" payment of Rs. 5.23 crores and Rs. 2.72 crores respectively against their total supplies of 1982-83 season.

The two agencies have demanded (September 1983 and October 1983) rates ranging from Rs. 361.90 to Rs. 376.65 per quintal (MSCMF) and Rs. 360 to Rs. 386.10 per quintal (MSCCF) on account of storage charges, interest on blocked up capital, *etc.*, as stocks were not accepted in Government godowns immediately for want of storage space. The accounts of the two Federations are yet to be finalised. The Department had intimated (March 1986) that the final rates to be paid to the Federations were still (April 1986) under consideration of the Government as the relevant purchase and other records were not made available by the Federations.

(i) The off take of the fine varieties of rice during 1983-84 was 0.17 lakh tonnes which declined to 0.08 lakh tonnes during 1984-85. Despite the availability of sizable stock (0.20 lakh tonnes) and declining trend in off take, the Government decided (December 1984) to procure further quantity of 25,000 tonnes of fine varieties of rice from WSGCS. This was in addition to a quantity of 30,000 tonnes for which orders were placed on FCI in November 1984. WSGCS supplied 22,558 tonnes (January to April 1985) of rice. This rice was procured at a cost of Rs. 7.24 crores and has been in stock for over 15 months (July 1986). The carrying cost comprising storage charges (Rs. 16.20 lakhs) and interest charges (Rs. 1.27 crores) has pushed the cost of this rice from Rs. 358.90 to Rs. 422.21 per quintal. However, issue price fixed (March 1986) at Rs. 358.90 per quintal has not so far been revised. As the price is over a year old it will tend to deteriorate and it may not be possible to sell at this high price. Despite stock of about 14 months off-take being available and falling market prices, procurement of 22,558 tonnes made in this case was illconceived. Final loss could be ascertained only on disposal of rice which is still in stock (July 1986).

(ii) Out of 0.46 lakh tonnes of fine varieties of rice purchased against seasons of 1983-84 and 1984-85, rice weighing 0.42 lakh tonnes was in stock (March 1986) due to poor off take.

The poor offtake of rice was attributed (April, October and November 1985) to the following :

(a) Availability of FCI supplied rice under PDS at Rs. 2.75 per kg and open market rates of Rs. 3.45 to Rs. 3.80 per kg for similar rice as against Rs. 3.80 per kg fixed as issue rates.

(b) Reluctance on the part of the fair price shopkeepers to lift the rice as they were also permitted to sell rice privately procured by them; steps taken to liquidate excess stock called for (May 1985) are awaited (March 1986).

(iii) The Department inspected (April 1985) 0.94 lakh bags of rice procured from MSCMF and MSCCF of 1983-84 season and found infestation and 20 to 40 per cent of broken rice against 18 per cent prescribed. The inspection also revealed that the rice did not conform to FAQ standard. Government stated (July 1986) that a joint inspection conducted (July 1985) by Director of Civil Supplies (WM) and Office of the Supply Commissioner indicated that the rice was of FAQ standard and increased percentage of broken, discoloured grains and foreign matter was due to long storage period and climatic conditions of Bombay. As the percentage now exceeds 18, the rice is not of FAQ standard.

7.3.5 Transportation

(a) Road.—(i) Inter-district and intra-district transport of foodgrains are arranged by the District Collectors. In Pune district contracts were entered into with firm 'P' at 55 paise per tonne per km for the period June 1981 to November 1981 and at 57 paise per tonne per km for the period December 1981 to May 1982. Fresh tenders were invited (April 1982) for the transportation work for the period August 1982 to July 1983 which were opened on 21st May 1982. Lowest rate of 48 paise per tonne per km quoted by firm 'P' was accepted (June 1982). However, for the month of June 1982 and July 1982 the contract at 57 paise per tonne per km was extended on the same terms and conditions although the Department was aware of the lower rate of 48 paise quoted by the firm for the year from August 1982. Due to failure to negotiate rates for the extended period on the basis of lower rates quoted by the firm for the year from August 1982 extra expenditure of Rs. 0.72 lakh was incurred.

(ii) Hybrid *jowar* purchased in Osmanabad, Latur, Beed, Dhule and Jalgaon districts during October 1981 to March 1982 was transported (April/May 1982) to Satara district at a cost of Rs. 1.71 lakhs. On arrival, 1,000 tonnes out of 1,750 tonnes so transported were declared unfit for human consumption. Failure to arrange inspection before despatch resulted in infructuous expenditure of Rs. 0.98 lakh.

(iii) On receipt (April 1981) of advance allotment of 40,000 tonnes of wheat, FCI was requested (April 1981) to deliver 23,000 tonnes at Bombay and 17,000 tonnes to 20 districts. FCI was to bear the transport cost. In May 1981 FCI was requested to divert 23,000 tonnes meant for Bombay to 24 other districts. The wheat was released by the FCI from its godown at Kapa (Madhya Pradesh) resulting in transport charges from Kapa (to the districts concerned) being borne by the Department. FCI refused (June 1981) to reimburse the charges as the diversion was made at the request of the Department. In respect of Beed district alone, avoidable expenditure incurred on transport amounted to Rs. 3.47 lakhs. Information in respect of other districts is awaited (February 1986). Department stated (March 1986) that extra cost was unavoidable as large stocks of rice and wheat against open market purchases were received in Bombay and godowns were full. It is thus evident that non-availability of godown space in Bombay due to anticipated arrivals of open market purchases was not kept in view before seeking advance allotment for Bombay.

(b) *Railways*.—As on 31st March 1985 claims lodged against the railways for non-delivery, shortages, etc., amounted to Rs. 1,62.77 lakhs. Government stated (November 1984) that detailed instructions had been issued in July 1975 to weed out dormant, invalid and untenable claims besides initiating disciplinary action against staff for gross negligence or dereliction of duty. No substantive action has so far (February 1986) been taken in pursuance of these instructions.

Information obtained from 20 districts revealed (July 1984) that claims amounting to Rs. 62.41 lakhs pertaining to the year 1957-58 to 1974-75 were still pending settlement. Information in respect of remaining ten districts is awaited.

Cause-wise break-up of the claims pending and time-barred claims called for (April 1986) are awaited (July 1986).

7.3.6 Warehousing

7.3.6.1 (i) During the years 1980-81 to 1984-85 the capacity in Government godowns at Bombay remained unchanged at 0.27 lakh tonnes while in respect of the mofussil areas during the same period the capacity

increased marginally from 5.24 lakh tonnes to 5.55 lakh tonnes. In addition, godowns were taken on hire to the extent of 0.58 lakh tonnes to 0.88 lakh tonnes in Bombay and 0.42 lakh tonnes to 1.38 lakh tonnes in mofussil area. Though PDS had expanded in Bombay from 168.73 lakh units (March 1981) to 207.30 lakh units (January 1986) no augmentation had been done in respect of Government godowns.

(ii) Six mofussil godowns in Chandrapur, Osmanabad, Pune and Nashik districts remained unutilised for periods ranging from 1 year to 14 years for want of repairs. Two private godowns at Brahmपुरi (Chandrapur district) were hired on rental of Rs. 0.53 lakh during April 1973 to September 1984 as proposal for repairs to Government godowns at that place remained under prolonged correspondence between the Department and Public Works Department.

Government godown at Dhoki (Osmanabad district) was damaged (1981-82) due to heavy storm. Two private godowns have been hired in April 1981 and November 1981 and rent paid till June 1986 amounted to Rs. 1.21 lakhs. Collector, Osmanabad stated (July 1986) that Executive Engineer who was requested (1983) to carry out repairs furnished (May 1986) plans and estimates for Rs. 0.17 lakh. The godown has not so far been repaired (June 1986).

Government godown at Bhigwan (Pune district) was in dilapidated condition and private godown was hired (October 1982) at this place and rent paid amounted to Rs. 0.63 lakh till June 1986. Collector, Pune reported (July 1986) that the work of preparation of plans and estimates for construction of new godown is in progress (July 1986). Collector, Pune also intimated (July 1986) that godowns at Kamshet and Urlikanchan are under repairs and no private godowns have been hired at these places. The repairs work started prior to June 1983, is still not completed.

Government godown at Satana (Nashik district) was not storage-worthy since 1978-79 and required new construction. Collector, Nashik reported (June 1985) that construction work has not been started. An amount of Rs. 0.22 lakh was spent on rent during June 1982 to March 1985 on hiring godowns. Present position of construction called for (July 1986) is awaited.

(iii) Against the capacity of 3,000 tonnes in Government godown at Amravati, actual utilisation ranged from 61 tonnes (July 1983) to

2,251 tonnes (November 1983). The Department reserved (April 1983) capacity of 4,250 tonnes in the adjacent Central Warehousing Corporation godown which can be increased or decreased at one month's notice. The (CWC) reservation was reduced to 4,000 tonnes (July 1983), 2,500 tonnes (September 1983), 1,500 tonnes (January 1984) and 500 tonnes (March 1984), and was increased to 1,200 tonnes in December 1984. Against these reservations, actual utilisation varied from 441 tonnes (March 1984) to 3,650 tonnes (April 1983). As the Government godown was not utilised to the fullest extent, capacity reserved in CWC godown was much in excess of requirements and the excess ranged from 2,939 tonnes (July 1983) to 749 tonnes (November 1983). Rent paid for such excess reservation amounted to Rs. 1.85 lakhs during the years 1983-84 and 1984-85. When capacity available in Government godown in December 1984 was 2,408 tonnes, reservation of 1,200 tonnes in CWC godown and utilisation thereof in December 1984 was unnecessary.

7.3.6.2 Inspection of godowns and fair price shops.—With the object of ensuring proper functioning of units, to guide and encourage staff towards better performance, to control malfunctioning and to chastise the wrong doers, the Department, on the recommendation of Administrative Reorganisation Committee, prescribed (December 1970) guidelines for periodical inspection of units.

Out of ten district supply offices for which information was available, short fall in inspection of godowns was noticed in Solapur, Satara and Amravati districts during 1982-83 to 1984-85 ranging from 31 to 45 per cent, 20 to 35 per cent and 18 to 29 per cent respectively. Short fall noticed in inspection of fair price shops was between 7 and 15 per cent (Satara district) and 9 and 17 per cent (Amravati district). While the Collector, Solapur stated that action would be taken against defaulters, Collectors of Amravati and Satara attributed the shortfall to paucity of staff due to pre-occupation with other work such as general election, scarcity, family planning, etc.

7.3.6.3 Storage losses :

7.3.6.3.1. The Department prescribed storage losses up to 1 per cent of sales as normal for storage up to three months. In respect of locally procured wheat percentage of storage loss to sales amounted

to 1.93 (1981-82), 6.59 (1982-83) and 22.76 (1983-84) in mofussil area. Similar high percentage of storage loss was noticed in respect of locally procured rice in mofussil area viz., 17.38 (1980-81), 2.35 (1981-82), 7.42 (1982-83), 14.76 (1983-84) and 3.43 (1984-85). The percentage of loss in respect of *jowar* ranged between 2.82 (1981-82) and 20.26 (1982-83).

The Department had requested (March 1985) the Collectors to investigate into the reasons for heavy shortages. Reports received from 12 districts out of 29 indicated long storage period, non-availability of godowns and poor storage conditions in available godowns which were responsible for heavy shortages. Remedial steps taken called for are awaited (July 1986).

7.3.6.3.2 The Department had (March 1986) in stock in various districts 0.14 lakh tonnes (value : Rs. 2.85 crores) of wheat and 0.30 lakh tonnes (value : Rs. 4.04 crores) of *jowar* declared as unfit for human consumption awaiting disposal. Loss can be determined only on final disposal. The Department incurred a loss of Rs. 37.16 lakhs due to wheat stocks becoming unfit for human consumption which were disposed off as cattlefeed as indicated in the table below :—

Serial number	Name of the district	Total quantity received from FCI (tonnes)	Period of receipt	Quantity declared as unfit for human consumption (period of declaration) (tonnes)	Quantity disposed as cattle-feed	Loss (rupees in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Solapur	1,459	July 1983 to October 1983	1,413 (December 1983)	1,413	13.97
2	Nagpur city	673	Information awaited	673 (May 1984)	629 (excluding shortage of 44 tonnes)	5.06

Serial number	Name of the district	Total quantity received from FCI (tonnes)	Period of receipt	Quantity declared as unfit for human consumption (period of declaration) (tonnes)	Quantity disposed as cattlefeed	Loss (rupees in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
3	Sangli ..	174	May 1983 to June 1983	174 (December 1983)	146 (excluding shortage of 28 tonnes)	2.65
4	Satara ..	1,916	May 1983 to August 1983	407 (March 1984)	407	4.37
5	Beed ..	227 (Including 43 tonnes received in 1981-82)	Information awaited	227 (Information awaited)	227	3.44
6	Kolhapur ..	1,200	1982-83	566	566	7.67
Total ..						37.16

Note.—The details of loss incurred in disposal of 4,062 tonnes of damaged wheat in 5 other districts (Pune, Akola, Amravati, Nashik and Raigad) noticed in audit are awaited (July 1986).

Collectors of Kolhapur and Solapur stated (March 1984/December 1984) that wheat received during 1982-83 was lustre lost quality which resulted in accumulation of stock due to lack of demand and got damaged due to long storage. Losses have not been written off so far (March 1986).

7.3.7 Distribution

7.3.7.1 Economic price of *jowar* and its *ex-godown* issue price were same up to 18th December 1982. With a view to improve off take, the

ex-godown price of *jowar* (Rs. 125 per quintal) was fixed (April 1983) at a rate lower than the economic price (Rs. 159.10 per quintal) in view of low market rates of *jowar*. The off take did not improve due to availability of *jowar* in open market at lower rates and hence Government reduced (January 1984) the issue price of Rs. 125 to Rs. 90 per quintal. As a result there was loss of Rs. 14.07 crores on the distribution of *jowar* procured during 1982-83 to 1984-85 seasons.

7.3.7.2 Number of ARS/FPS in existence during the period 1980-81 to 1984-85 was as under:—

ARS/FPS	At the end of			
	1981	1982	1983	1984
	(numbers)			
(1) Co-operative societies including societies of Scheduled Castes, Scheduled Tribes and Other Backward Classes	8,724	8,208	8,414	8,881
(2) Other institutions	1,675	1,551	1,682	1,465
(3) Freedom fighters, <i>ex-servicemen</i> , persons affected by Indo-Pak war, educated unemployed, handicapped persons, <i>etc.</i> ..	1,116	1,307	1,457	1,543
(4) Individuals, traders including persons from Scheduled Castes, Scheduled Tribes, Other Backward Classes and Other Communities	17,886	19,118	19,856	20,453
Total ..	29,401	30,184	31,409	32,342

It is the policy of the Government to accord priority in allotment of FPS to co-operative societies. However, as on 31st December 1984 individual traders held 63 per cent of the total number of shops.

The percentage of shops run by co-operative societies to the total number of shops declined from 30 (1981) to 27 (1984).

7.3.7.3 *Targets and achievements*

With the objective of providing one shop for every 2,000 persons within a distance of 5 km of residence, targets for opening new FPS were prescribed by the Government every year. The targets and achievements during the three years ending March 1985 are given below:

	1982-83		1983-84		1984-85	
	Targets	Achievements	Targets	Achievements	Targets	Achievements
(i) Number of shops ..	1,600	1,616	809	838	400	676
(ii) Average population per FPS						
(a) Mofussil ..		2,007		2,036		2,017
(b) BRA/TRA ..		3,820		3,865		3,581

Test-check by Audit revealed following points :

Tribal areas of Dharani and Chikhaldara talukas of Amravati district have 145 and 161 villages respectively. The number of FPS functioning (April 1985) was 51 (Dharani) and 30 (Chikhaldara) as against requirement of 70 and 87 shops respectively as assessed by the collector in terms of Government directives. Most of the villages in these talukas were situated at distances of more than 10 km and card-holders had to cover distance of more than 5 km to draw their rations. In Peth taluka of Nashik district which is a tribal area, card-holders in 14 villages had to cover a distance of more than 5 km to draw their ration. The Department stated (March 1986) that card-holders of Dharani, Chikhaldara and Peth tahsils have to travel more than five km due to transport difficulties and unwillingness of the shopkeepers to run the shops while in the case of Peth, the population of these villages was less than 2,000 besides unwillingness on the part of private traders or co-operatives to come forward to run the shop. The Department, however, did not indicate steps proposed to be taken to overcome the difficulties and to achieve adequate coverage under PDS.

7.3.7.4 Off take under PDS distribution of foodgrains and other commodities from FPS during the period from 1980-81 to 1984-85 was as under :

Commodity	1980-81	1981-82	1982-83	1983-84	1984-85
	(in lakh tonnes)				
Wheat	4.93	5.20	5.13	6.30	2.38
Rice	5.07	7.42	5.90	3.60	2.91
Jowar	1.93	1.23	1.32	2.49	0.38
Oil	1.25	1.26	1.12	1.50	2.11
Other foodgrains—					
<i>Bajra, Maize, Nagli, etc.</i>	0.02	0.16	Nil	Nil	0.01
Total ..	13.20	15.27	13.47	13.89	7.79

The following points were noticed in Audit :

(i) Till March 1981 the Department was maintaining information centrally for off takes of foodgrains through ARS/FPS in urban and rural areas; such monitoring is not done for the State as a whole;

(ii) Despite increase in the number of shops and ration cards off take of foodgrains decreased;

(iii) On the basis of units registered in BRA/TRA and 3 corporation cities of Solapur, Pune and Nagpur it was found that in the months of June 1983, December 1983, June 1984 and December 1984 for which information was available, issue of foodgrains from FPS ranged from 1.90 kg to 3.87 kg per head against the entire monthly quantum of 12 kg. It ranged between 0.256 kg and 1.19 kg in all other areas of the State during the same period.

Department stated (March 1986) that maintaining of separate information for rural and urban distribution was found difficult and had to be discontinued. Government further attributed the fall in off take during 1984-85 to availability of open market wheat at reasonable prices. Wheat received from FCI was not so good in quality, wheat stocks in Government godowns were not acceptable to consumers due

to its long storage. As regards less demand in rural and tribal areas, Government stated that while rural population does not depend much on PDS as they have their own produce, the tribal people prefer cheaper and coarse foodgrains like *Nachani, Nagli, Wari, etc.*

7.3.7.5 Cancellation of bogus ration cards.—Verification of household ration cards was done from 1st August 1982 to 30th September 1982 since it was done last in 1975. The issue of new ration cards in respect of cards surrendered as a result of verification was to be completed by the end of March 1983 but was completed by August 1984 for want of adequate staff. In districts of Parbhani, Beed, Wardha, Gadchiroli and food distribution area of Nagpur, verification and re-issue was completed between April 1985 and August 1985.

As a result of verification, 108.58 lakh units were cancelled and the Department estimated (February 1984) a saving of 54,290 tonnes of foodgrains costing Rs. 9.05 crores in the cancelled units. The saving was worked out with reference to quantity prescribed for issue per unit though the off takes from PDS was far below the prescribed quantum.

7.3.8 Financial results

7.3.8.1 The Department prepares separate *pro forma* accounts for Bombay City (BRA/TRA) and a consolidated account for remaining districts known as "mofussil". The accounts are prepared on cash basis.

The Table A gives the financial results of the working of both the Schemes for the four years ending 1984-85 :

TABLE A

Net profit (+) / loss (-)	(-) 2.72	
Stock adjustment	(+) 26.42	
Total	280.23	
Interest ..		charges

BRA : Bombay

		1981-82	
(1)		Mofussil (2)	BRA (3)
Receipt—			
Sale		217.05	160.60
Miscellaneous receipts ..		0.98	1.70
	Total ..	218.03	162.30
Expenditure—			
Purchases		261.57	157.37
Trading expenses		4.92	1.39
Storage expenses		1.40	2.50
Transit and storage shortages ..		2.31	0.35
Transport and miscellaneous charges		3.51	1.01
Establishment and supervision charges		3.90	0.73
Interest		2.62	1.41
	Total ..	280.23	164.76
Stock adjustment		(+)56.45	+2.12
Net profit (+)/loss (—) ..		(—)5.75	(—)0.34

BRA : Bombay

—A

1982-83		1983-84		1984-85	
Mofussil (4)	BRA (5)	Mofussil (6)	BRA (7)	Mofussil (8)	BRA (9)
(Rupees in crores)					
197.92	147.97	201.61	180.73	149.06	201.97
2.70	1.49	3.62	0.83	3.17	1.32
200.62	149.46	205.23	181.56	152.23	203.29
166.68	137.59	161.23	170.43	155.85	198.16
4.08	1.57	3.39	1.35	2.10	1.33
1.93	2.74	2.34	9.86	1.71	4.89
6.79	0.47	8.97	0.36	5.35	0.25
2.91	0.18	2.90	0.33	2.35	0.76
3.14	2.13	3.55	2.28	4.02	2.77
4.51	2.32	3.89	2.49	1.85	1.93
190.04	147.00	186.27	187.10	173.23	210.09
(—)20.94	(—)3.08	(—)28.43	(+)1.36	(+)13.86	(+)12.55
(—)10.36	(—)0.62	(—)9.47	(—)4.18	(—)7.14	(+)5.75

Rationing Area

While the accumulated losses to end of 1984-85 for mofussil schemes were Rs. 78.45 crores the cumulative profit for the Bombay city scheme was Rs. 2.63 crores. In Bombay loss during 1983-84 was heavy (Rs. 4.18 crores) compared to earlier years mainly due to payment of Rs. 5.34 crores on account of arrears of handling charges pertaining to the period from October 1979 to Maharashtra State Warehousing Corporation and Central Warehousing Corporation. Government decided (May 1983) to load *ex-godown* issue rates by Rs. 10 per quintal to recoup the losses of previous years.

Losses are mainly due to following reasons :

(i) Against the prescribed margin of 8 *per cent* intended to cover overhead charges, the actuals were 9.91 *per cent* in 1982-83 and 12.06 *per cent* in 1983-84. The increase was mainly under storage expenditure, transit and storage shortages (mofussil), establishment expenditure and interest charges. Expenditure on transit and storages in mofussil had gone up from Rs. 2.31 crores (1981-82) to Rs. 8.97 crores (1983-84).

(ii) Heavy accumulation of stocks at the end of 1981-82 resulted in payment of large amount of interest in 1982-83 and 1983-84 on cash credit availed from the State Bank of India by hypothecation of these stocks. The interest burden of Rs. 4.03 crores in 1981-82, went up to Rs. 6.83 crores in 1982-83 and to Rs. 6.38 crores in 1983-84.

INDUSTRIES, ENERGY AND LABOUR DEPARTMENT

7.4 Government Printing Presses

7.4.1 *Introduction.*—The Government Printing Presses have been established at Bombay, Aurangabad, Nagpur, Kolhapur, Pune and Wai besides two Jail Presses at Yeravda (Pune) and Nagpur to undertake the work of printing and binding required by various Government Departments. These presses function under the overall control of Director, Government Printing and Stationery, Bombay and have been declared (September 1968) as 'Commercial' departments with a view to ensure cost consciousness and greater sense of responsibility on the part of Departments availing of their services.

7.4.2 *Financial outlay.*—The table below indicates the budget provision, actual expenditure incurred and savings/excesses in the Printing Department during the four years ending 31st March 1985 :

Year	Budget provision	Actual expenditure	Savings (—)/ Excesses (+)
	(Rupees in lakhs)		
1981-82 ..	9,03.53	9,03.38	(++) 0.15
1982-83 ..	10,57.64	10,57.31	(—) 0.33
1983-84 ..	8,61.09	8,61.33	(+) 0.24
1984-85 ..	9,02.08	8,85.85*	(—) 16.23*

7.4.3 *Test-check.*—The working of the presses at Bombay, Aurangabad, Nagpur, Kolhapur and Jail Press at Yeravda was reviewed by Audit during June and July 1985 and the results are set out in succeeding paragraphs.

7.4.4 *Working of the press branch.*—The presses comprise mainly of composing, printing and binding sections and work normally in two shifts of eight hours each.

7.4.4.1 *Capacity and utilisation*

7.4.4.1.1 The particulars of available capacity of machines in each press and their utilisation in terms of standard impressions during the four years ended 31st March 1985 are given below :

Year	Bombay	Yeravda	Nagpur	Kolhapur	Aurangabad
1981-82					
** Available capacity (Standard impressions in lakhs)	.. 1,14,47	37,00	35,00	10,00	3,38
Expected out-turn (Percentage to available capacity)	.. 50,00 (43.68)	24,45 (66.08)	11,00 (31.43)	10,00 (100)	56 (16.57)
Actual out-turn (Percentage to expected out-turn)	.. 47,71 (95.42)	24,09 (98.52)	11,22 (102)	10,01 (100.01)	51 (91.07)

*Provisional.

**As assessed by the Department

Year	Bombay	Yeravda	Nagpur	Kolhapur	Auranga- bad
<i>1982-83</i>					
**Available capacity .. (Standard impressions in lakhs)	1,25,69	37,50	33,00	12,00	3,26
Expected out-turn .. (Percentage to available capacity)	58,00 (46.15)	25,20 (67.20)	11,10 (33.64)	12,00 (100)	61 (18.71)
Actual out-turn .. (Percentage to expected out-turn)	50,45 (86.98)	29,68 (117.78)	11,95 (107.66)	11,70 (97.50)	53 (86.88)
<i>1983-84</i>					
**Available capacity .. (Standard impressions in lakhs)	1,30,34	38,00	32,86	11,80	3,42
Expected out-turn .. (Percentage to available capacity)	60,00 (46.03)	27,00 (71.03)	11,50 (35)	11,80 (100)	61 (17.84)
Actual out-turn .. (Percentage to expected out-turn)	54,73 (91.22)	27,82 (103.04)	12,16 (105.74)	11,76 (99.66)	59 (96.77)
<i>1984-85</i>					
**Available capacity .. (Standard impressions in lakhs)	1,28,70	38,00	32,78	12,30	3,35
Expected out-turn .. (Percentage to available capacity)	60,00 (46.62)	47,00 (71.05)	11,50 (35.08)	12,30 (100)	70 (21)
Actual out-turn .. (Percentage to expected out-turn)	60,10 (100.17)	28,37 (105.07)	10,70 (93.07)	12,32 (100.16)	59 (84.29)

While correlating expected out-turn (target) with the machine capacities and utilisation, the following facts emerge :

(i) Targets fixed were much lower than the capacities of machines in all the presses (excepting Kolhapur) as indicated in the above table. Government stated (November 1985) that the printing department is a service department and providing urgent and maximum service to

** As assessed by the Department

Government was the main criteria to judge the efficiency of the Government presses and, therefore, capacity utilisation assumed only secondary importance. No steps have, however, been taken to improve the capacity utilisation in order to obtain the optimum service possible out of the investment made.

(ii) Despite the targets being fixed below the capacity, as mentioned *supra*, in the following cases even these targets were not achieved, thus defeating the main objective of providing urgent and maximum service to departments as stated by the Government :

(a) Printing of appeals and judgments in Bombay Press indicated shortfall of 33, 51 and 34 *per cent* during 1981-82, 1983-84 and 1984-85 respectively as compared to the targets fixed. At the end of each of the year, the number of appeals/judgments pending with the press were 494, 443 and 411 respectively. Similar position existed at Yeravda and Nagpur presses also.

(b) Printing of Gazettes indicated a shortfall of 10, 14 and 10 *per cent* during 3 years 1982-83 to 1984-85 respectively in the Bombay Press.

7.4.4.1.2 Production of special and ordinary forms fell short of targets to the extent indicated below :

Name of Press	Year	Percentage of shortfall	
Bombay	1981-82	45	} Special
	1984-85	24	
Yeravda	1981-82	67	} Ordinary
	1981-82	84	
	1982-83	73	} Special
	1983-84	62	
	1984-85	100	
Kolhapur	1984-85	39	} Ordinary
	1981-82	76	
	1983-84	62	} Special
Aurangabad	1981-82	36	} Ordinary
	1984-85	21	

Short fall in production was attributed (November 1985) by Government to execution of other items of work and non-availability of manpower (convict labour in the case of Yeravda Press). Information regarding efforts made to meet the shortfalls/requirements called for (September 1985) was awaited (January 1986).

7.4.4.1.3 *Production hours and utilisation.*—Against 89 lakh production hours available for the five presses during 1981-82 to 1984-85, 36.41 lakh hours (40.9 per cent) were only utilised. The factors which contributed to non-production hours were absenteeism, machine breakdown, excess time taken for make ready and running, shortage of paper link, non-availability of power, defects in forms, etc.

The percentage of non-production hours on account of absenteeism ranged from 22.59 to 55.71 of the total non-production hours among the presses. High percentage of absenteeism was attributed (November 1985) by Government to press employees getting both the advantages of being a Government servant and also a factory employee.

Except for 'make-ready' and 'running time', no norms had been fixed for the various causes so as to have effective control. Government stated (November 1985) that fixing of norms for such causes may not be practicable as the conditions vary from press to press and from time to time. However, different norms could be fixed for different presses and revised as and when found necessary.

7.4.4.2 *Composing section.*—The targets for composing are fixed on the basis of needs of work likely to come up and not with reference to the capacity of machines or availability of manpower. During the years 1981-82 to 1984-85 the percentage of utilisation to targeted capacity varied between 98.9 and 107.3 in Bombay Press, 81.7 and 128.0 in Yeravda Press, 103.0 and 118.6 in Nagpur Press, 89.6 and 100.7 in Kolhapur Press and 56.7 and 120.0 in Aurangabad Press.

In this connection the following points were noticed:

(i) A photo composing machine costing Rs. 9.25 lakhs was received in Bombay Press in June 1982. The machine remained idle till September 1983 due to non-receipt of off-line video display key board (refer paragraph 7.4.9), inadequate training facility, etc.

No target had been fixed for this machine and figures of actual production could not also be determined as operator's dockets were not maintained. It was also seen that the machine had been used for only 132 days during the period October 1983 to March 1985. Government stated (November 1985) that the photo composing machine is a sophisticated new equipment and that it would require careful handling in all matters including decision on capacity utilisation and that some more time would be required as this technology was yet to stabilise. The fact, however, remains that despite the lapse of three years after procurement the machine remains under-utilised.

(ii) There was marked shortfall with reference to the targets fixed for composing in presses at Aurangabad (43 per cent in 1981-82) and at Yeravda (28 per cent in 1984-85). The shortfall in production was attributed (November 1985) by the Department to age of machinery, election work and shortage of labour.

7.4.4.3 *Hand composing.*—The out-turn in hand composing fell short of targets in the presses during the period 1981-82 to 1984-85. The percentage of shortfall in out-turn to targets varied between 6.2 (1982-83) and 11.0 (1984-85) in Bombay Press, 6.3 (1982-83) and 27.5 (1984-85) in Yeravda Press, 10.5 (1984-85) and 33.3 (1983-84) in Nagpur Press, 1.2 (1982-83) and 22.9 (1984-85) in Kolhapur Press and 6.0 (1982-83) and 12.1 in Aurangabad Press. The utilisation of manpower in hand composing section could not be ascertained. Government, however, stated (July 1986) that the staff is employed on the basis of the needs of the work and its volume and their deployment from section to section is being done.

The shortfall in output in hand composing at Nagpur (1983-84), Yeravda (1984-85) and Kolhapur (1984-85) was attributed (July 1985) by the Department to more usage of mechanical composing resulting in less pressure on hand composing.

7.4.4.4 *Production hours and utilisation.*—Against 10.35 lakh production hours available in the machine composing sections of four presses (except Kolhapur *) during 1981-82 to 1984-85, 5.01 lakh hours

* Information awaited.

(48.4 per cent) were only utilised. The table below shows the distribution of non-production hours during these four years:

Particulars	Bombay	Yeravda	Nagpur		Aurangabad
			(in lakh hours)		
Operator's low performance	1.62 (46.69)	0.20 (27.78)	0.47 (48.96)		0.08 (42.10)
Absenteeism	1.42 (40.92)	0.16 (22.22)	0.06 (6.25)		0.05 (26.32)
Want of metal/gas/power	0.13 (3.74)	0.04 (5.56)	0.12 (12.5)		Nil
Machine defects	0.30 (8.65)	0.06 (8.33)	0.12 (12.5)		0.06 (31.58)
Other causes	Nil	0.26 (36.11)	0.19 (19.79)		Nil
Total non-production hours	3.47	0.72	0.96		0.19

(Figures in brackets indicate percentage of non-production hours to total non-production hours)

As is evident from the table the high percentage of non-production hours was largely due to operator's low performance and absenteeism. The Department stated (July 1985) that steps to reduce absenteeism and to improve operator's performance had been taken by issue of warning memos and withholding of increments.

7.4.4.5 Binding section.—The table below indicates the extent of shortfall in actual out-turn to targets fixed in binding section:

Nature of operation	Variations in percentage of shortfall against targets				
	Bombay	Yeravda	Nagpur	Kolhapur	Aurangabad
(i) Gathering	9.6 (1984-85)	10.0 (1984-85)	Nil	Nil	53.0 (1981-82)
	11.6 (1981-82)	26.3 (1983-84)			
(ii) Folding	19.0 (1981-82)	Nil	Nil	Nil	Nil
(iii) Wire stitching	20.5 (1983-84)	9.0 (1983-84)	6.6 (1983-84)	Nil	6.6 (1981-82)
	25.0 (1984-85)	28.6 (1981-82)	30.0 (1984-85)		
(iv) Sewing	Nil	3.3 (1982-83)	Nil	7.0 (1982-83)	72.5 (1982-83)
		34.0 (1984-85)		8.0 (1984-85)	

In fixing the targets for binding section operations like reeling, stitching, perforating, collating, unsetting, paging, eyeletting, *etc.*, had not been considered and as such meaningful evaluation of idle capacity was not possible. Government stated (November 1985) that the main binding operation involved too many sub-operations which varied from press to press depending on the nature of work and equipment available and it was, therefore, not possible to include all the items of operations in the different units in the binding section.

The marked shortfall in binding operations like gathering (53 *per cent*) and sewing (72 *per cent*) at Aurangabad during 1981-82 and 1982-83 respectively, was attributed (July 1985) by the Department to varied nature of work.

7.4.5 *Costing system.*—The printing work done is evaluated on the basis of average unit cost determined for each operation based on standard time required by the operation. However, rates for chargeable works (which include all publicity work, question papers of Maharashtra Public Service Commission and educational institutions, departmental manuals, printing work of other Government/ *semi*-Government bodies, *etc.*) are ascertained from the schedule of weighted average unit rates prepared by each press every year.

As the actual time taken for each operation is not reckoned, the system followed represents estimated costs. The cost per unit of production also showed wide variation in the different presses. The Department has not carried out any job evaluation for the various operations to fix realistic norms. There is, thus, no scope in the existing system to—

(i) check concurrently whether the cost of production, as worked out, was accurate and the rates fixed for chargeable items of work were adequate,

(ii) ascertain cost of actual spoilages in printing and excess over norms fixed for such spoilages and

(iii) determine cost of house-printing (requirement of presses for internal consumption).

With a view to ensuring better utilisation of plant and machinery and to study cost control and cost reduction in Government presses, Government appointed (February 1977) a committee which submitted their report in August 1979. The committee recommended *inter alia* valuation of certain types of chargeable work on marginal cost basis and pointed out the necessity for control and reduction of printing costs. Government stated (November 1985) that the recommendations of the committee were under consideration.

7.4.6 *Outstanding dues.*—For chargeable items of work done, an amount of Rs. 2,83.65 lakhs* was pending adjustment/recovery from Government departments and *semi*-Government bodies as on 31st March 1985.

It was observed that the percentage of debtors to total chargeable work done rose sharply in Bombay and Yeravda from 17.9 and 1.4 in 1981-82 to 93.1 and 45.7 respectively in 1983-84. The outstanding dues as on 31st March 1985 included Rs. 73.12 lakhs which was over 3 years old and of this Rs. 13.57 lakhs pertained to the period 1961-62 to 1973-74. Delays of one to four years (6 years in one case) in preferring bills, lack of budget provision by the concerned departments due to delayed execution of printing works and need for countersignature of indenting officers before adjustment of bills by the Accountant General were found to be some of the reasons for the outstanding dues. A system of adjustment of bills on the basis of true copies of invoices preferred by the presses (thereby avoiding delays for want of countersignature of indenting officers) was ordered (November 1972) to be introduced but could not be adopted so far (January 1986); the revised procedure also contemplates obtaining of acknowledgements from the recipient units which again results in delays.

7.4.7 *Overtime.*—The table below summarises the position of payment of overtime allowances *vis-a-vis* pay/wages and allowances to clerical

*Excluding figures for 1984-85 in respect of Bombay Press and for 1983-84 in respect of Nagpur Press which were awaited.

staff and workmen in respect of the five presses during the four years ended 31st March 1985 :

Serial No.	Name of Press	Year	Staff			Workmen		
			Pay and allowances	Overtime	Percentage of overtime to pay and allowances	Wages and allowances	Overtime	Percentage of overtime to wages and allowances
(rupees in lakhs)								
1	Bombay ..	1981-82	15.45	4.64	30.0	1,43.64	40.33	28.1
		1982-83	17.21	5.11	29.7	1,68.85	45.34	26.9
		1983-84	18.37	5.89	32.1	1,97.23	45.67	23.2
		1984-85	21.94	6.09	27.8	2,21.04	60.45	27.3
2	Yeravda ..	1981-82	9.08	1.69	18.6	25.99	4.87	18.7
		1982-83	10.58	1.61	15.2	32.52	4.71	14.5
		1983-84	11.48	1.37	11.9	36.03	4.09	11.4
		1984-85	(Awaited)	(Awaited)	(Awaited)	(Awaited)	(Awaited)	(Awaited)
3	Nagpur ..	1981-82	6.55	1.42	21.7	63.44	11.04	17.4
		1982-83	7.39	1.35	18.3	79.0	10.47	13.3
		1983-84	7.95	1.18	14.8	83.63	8.20	9.8
		1984-85	8.69	2.07	23.8	93.02	16.16	17.4
4	Aurangabad ..	1981-82	4.24	0.57	13.4	13.18	2.22	16.8
		1982-83	5.09	0.75	14.7	16.65	1.65	9.9
		1983-84	5.60	0.56	10.0	18.14	2.11	11.6
		1984-85	6.15	1.25	20.3	20.27	4.67	23.0
5	Kolhapur ..	1981-82	4.39	0.38	8.7	17.19	2.59	15.0
		1982-83	4.01	0.32	8.0	22.27	3.18	14.3
		1983-84	4.08	0.22	5.4	25.24	2.38	9.4
		1984-85	(Awaited)	(Awaited)	(Awaited)	(Awaited)	(Awaited)	(Awaited)

Percentage of overtime to total pay and allowances paid to clerical staff at Bombay Press was higher than the percentage of overtime to wages of workmen. Government attributed (November 1985) the following reasons for higher incidence of overtime in respect of staff :

- (i) Lottery Section working continuously on important time limit jobs,
- (ii) engagement of staff on overtime to promptly deal with arrears claims of dearness allowance increases so as to avoid labour unrest and
- (iii) engagement of staff to settle anomalies of pay fixation cases, etc.

As regards overtime in Lottery Section, Government stated (November 1985) that the economics of operation of a second shift in lieu of overtime working had been examined and that it was found not financially viable. However, data in support of this contention called for (February 1986) has not been made available.

Nagpur and Aurangabad presses recorded marked increases on over-time payment during 1984-85, which was attributed (November 1985) by the Government to printing of ballot papers for Lok Sabha and Vidhan Sabha elections.

7.4.8 Material management

7.4.8.1 The limits prescribed (August 1981/January 1984) by the Government for holding stocks in the presses were 80 *per cent* and 60 *per cent* of the annual consumption in respect of paper and other stores respectively. The actual percentages exceeded the limit fixed in the case of paper viz., 99 in Aurangabad (1982-83), 115 in Kolhapur (1982-83) and 379 (1981-82) and 110 (1982-83) in Yeravda. 'Other stores' also exceeded the limit fixed viz., 178 and 165 *per cent* in Kolhapur (1981-82 and 1982-83 respectively), 207 *per cent* in Yeravda (1981-82) and 130, 119 and 248 *per cent* in Nagpur (1981-82, 1982-83 and 1983-84 respectively). Excess stocking (value : Rs. 1,59.87 lakhs) were attributed (November 1985) by Government to—

- (i) inclusion of election work paper in the stock,
- (ii) late receipt of indented material at the year end and
- (iii) transfer of material from one press to another alongwith transfer of printing work, etc.

As regards election, it is not a common phenomenon for all the years. Late receipt of material at year end and inter-press transfers are compensating factors in any year.

7.4.8.2 The following items of stores in stock in Bombay Press costing Rs. 7.28 lakhs did not record any consumption during the 4 years ending 31st March 1985 :

Description of stores	Value (in lakhs of rupees)
(i) Spares of mono casting machine ..	2.08
(ii) Spares of lino operating machine ..	0.18
(iii) Spares of mono key board operating machine	0.77
(iv) Miscellaneous spares	0.12
(v) Mono matrices (certain sizes) ..	4.13

Government stated (November 1985) that the items of stores are in the nature of spare parts and matrices have to be kept in stock to meet the requirements of all the presses. However, mono matrices have not recorded any movement though they could be used in any printing machine.

7.4.8.3 The ledger account of mono matrices in Bombay Press indicated large differences in carry forward of balance at the end of each year to the next year. For instance, the closing balance on 31st March 1982 was Rs. 7.57 lakhs but the opening balance on 1st April 1982 was taken as Rs. 9.53 lakhs. Similarly, the balance on 31st March 1985 (Rs. 11.42 lakhs) was shown on 1st April 1985 as Rs. 13.46 lakhs. The consumption of this item of stores during 1984-85 was Rs. 2.32 lakhs, as against the balance of Rs. 11.42 lakhs, thus representing 492 per cent of the annual consumption. Differences were also noticed in carry forward of quantity. Against 12,885 items as at the end of March 1983, the opening balance recorded on 1st April 1983 was only 9,277. Similarly, against 9,561 items as at 31st March 1984, the opening balance as on 1st April 1984 was 9,324. Government stated (November 1985) that the difference in the ledger account was being examined and that corrective action would be taken. Further developments were awaited (March 1986).

7.4.8.4 Physical verification of the stores required to be conducted by the Internal Audit Wing of the Directorate has not been done in respect of Bombay Press since 1969-70.

7.4.8.5 The main raw material used by the presses *viz.*, paper is purchased on rate contracts entered into by Director General of Supplies and Disposals or through local purchases when paper is not available on rate contracts. Cuttings of paper coming out as waste is stored and disposed of periodically.

Daily account of wastage of paper was not maintained by any of the presses test-checked. No norms have also been fixed for such wastage. However, based on the quantity of waste paper sold during a year, the percentage of wastage varied from 2.1 (Kolhapur in 1982-83) to 16.3 (Bombay in 1982-83). The Director of Government Printing and Stationery stated (July 1985) that norms could not be fixed as wastage of paper was dependent on several factors like quality of paper, variety of jobs, change of material for printing, etc.

The wastage in Bombay Press appeared to be rather high and was being investigated.

7.4.8.6 In Yeravda Prison Press, Pune 65.492 tonnes (9.52 per cent) of reel paper (value : Rs. 5.77 lakhs) were spoiled/torn during 1983-84 in the course of printing forms. The percentage of waste was abnormal in 1983-84 compared to 1982-83 (2.69 per cent) and 1984-85 (3.11 per cent). Spoiled paper of 26.196 tonnes was disposed of as waste at Rs. 1,983 per tonne and the balance was utilised for manufacture of envelopes and as stationery. The net loss involved amounted to Rs. 1.79 lakhs. The abnormal wastage during 1983-84 lacks justification.

7.4.8.7 *Supply of paper to outside presses.*—The management of a private press 'S' was taken over by Development Corporation of Vidarbha Limited (a State Government Undertaking). Government issued orders (March 1982) directing all Government Departments and Public Sector Undertakings to place their orders for printing and binding works with press 'S', wherever Government presses express inability to undertake the work. These orders of the Government also stipulated supply of necessary paper for printing by the Government presses to press 'S' and recovery of cost thereof from the indenting departments after obtaining statement showing paper consumed by the press. During 1982 to 1985 paper costing Rs. 39.68 lakhs was supplied to press 'S' by the Bombay, Nagpur and Yeravda presses of which Rs. 6.64 lakhs were pending recovery from indenting departments as on 31st March 1986, due to non-furnishing of statement of paper consumed by the press. Out of Rs. 6.64 lakhs, Rs. 2.40 lakhs are recoverable from press 'S' as it had used the paper for jobs other than those for which paper was issued and collected the cost of paper from the other agencies concerned. The press offered (September 1983) part payment of Rs. 1.13 lakhs in instalments but the offer was not considered by the Director of Government Printing and Stationery despite the report (September 1983) of the Manager, Government Press, Nagpur that the press was not financially sound.

7.4.9 *Excess payment of customs duty.*—In order to modernise the Government Central Press, Bombay by installation of new machinery and equipment, the Director of Government Printing and Stationery, after

inviting tenders placed (October 1981) an order on firm 'P' (Indian agent) for supply of one photo composing machine (value : US \$ 22,950) with its auxiliary equipment, viz., one off-line video display key board (value : US \$ 9,098) and an automatic film processor (value : Danish Kr. 25,000). Against the letter of credit opened (October 1981) in favour of the principal supplier, supplies were received by June 1982/October 1985. The Department paid (December 1981/June 1982) an amount of Rs. 5.34 lakhs as customs duty even though the amount payable as duty was only Rs. 0.04 lakh. The excess payment of Rs. 5.30 lakhs comprised Rs. 4.78 lakhs on photo composing machine and key board and Rs. 0.52 lakh on automatic film processor. Claim for refund of Rs. 4.78 lakhs preferred (February 1984) was rejected (February 1984) by the Collector of Customs, Bombay as time-barred. An appeal (March 1985) to the Appellate Tribunal, New Delhi was pending decision (March 1986). Claim for refund of excess duty (Rs. 0.52 lakh) in respect of automatic film processor was made by the Department only after the lapse was pointed out in audit (July 1985). Decision of the Customs department was awaited (March 1986).

7.4.10 *Defective machine.*—The Department purchased (February 1983) an automatic offset single colour sheet-fed printing machine (cost : Rs. 1.13 lakhs) from firm 'S' under the rate contract of Director General of Supplies and Disposals and installed the machine in the same month at Government Press, Nagpur. The machine was purchased with a view to augment the printing of small quantity loose forms and to utilise staff sanctioned for old unworkable rota machines. The machine remained idle till July 1984 due to manufacturing defects. The defects were notified (March 1983) to the supplier within the guarantee period of one year. During the period August to December 1984, the machine was able to print a maximum of only 500 impressions per hour by manual operation against the capacity of 3,000 to 5,000 impressions, indicated by the supplier and was idle from January 1985 onwards. Government stated (November 1985) that the machine has since been put into use and that it was expected to give the required output.

7.4.11 *Internal audit.*—With a view to exercising effective internal control on the working of the presses, an Internal Audit Wing was

established in 1969 under the control of the Director of Government Printing and Stationery, Bombay. This wing was required to conduct audit of cash and stores transactions of the presses annually. It was, however, noticed that internal audit was heavily in arrears as on 31st March 1986 in respect of presses at Aurangabad (since 1981-82), Yeravda (since 1982-83), Nagpur (since 1982-83), Kolhapur (since 1983-84) and Bombay (since 1969-70).

Government stated (November 1985) that the arrears could not be cleared due to budgetary constraints and non-availability of staff.

7.4.12 *Summing up.*—Production targets fixed for printing were much lower than the capacities of machines in all the presses (except Kolhapur). Production also fell short of these low targets.

A photo composing machine received in June 1982 remained idle till September 1983.

The percentage of non-production hours to available hours to the extent of 59.1 in printing section and 51.6 in composing section for the period 1981-82 to 1984-85 was due to reasons such as absenteeism, machine break-down, operator's low performance, *etc.*

The costing system was based on estimated costs and does not serve as a management tool to exercise effective control over the costs.

There was heavy accumulation of outstanding dues (Rs. 2,83.65 lakhs) and also delays upto 4 years in preferring the bills.

Incidence of overtime was heavy in respect of office staff.

Stores held were much in excess of the prescribed limits.

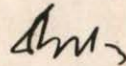
Retention of non-moving items, defective maintenance of stock ledger for mono matrices, non-verification of stores by Internal Audit Wing, non-fixation of norms for wastage of papers and excessive wastage of paper in Yeravda Prison Press were also noticed.

Recovery of cost of paper (Rs. 2.40 lakhs) supplied to a firm during 1982 to 1985 had not been made.

There was excess payment of customs duty (Rs. 5.30 lakhs) on purchase of machinery.

An automatic off-set printing machine remained idle due to delay in attendance to break-down.

There were heavy arrears in internal audit.



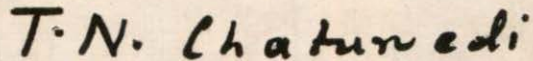
(D. S. IYER)

Bombay,

The **27 AUG 1987**

Accountant General (Audit) I, Maharashtra

Countersigned



(T. N. CHATURVEDI)

New Delhi,

The **16 SEP 1987**

Comptroller and Auditor General of India

At a meeting of the Board of Directors held on the 15th day of August 1987 at the office of the Secretary, the following resolution was adopted:

Resolved, that the Board of Directors do hereby authorize the Secretary to execute the following certificate:

T.M.

(SIGNED)

Secretary of the Board of Directors

2 AUG 1987

Witness my hand and seal this 15th day of August 1987.

T.M. Secretary

(SIGNED)

Secretary of the Board of Directors

Noted

16 SEP 1987

APPENDICES

Year	1973	1974	1975
...
...
...
...

APPENDIX 2.1

Year	1973	1974	1975
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Year	1973	1974	1975
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APPENDIX 2-1

(Reference : Paragraph 2.2.2, page 12)

**Statement of various grants/appropriations where (i) Supplementary provision proved unnecessary,
(ii) Savings exceeded Rs. 10 lakhs and (iii) Supplementary provision proved insufficient**

Serial No.	Number and name of grant	Total grant	Supplementary provision obtained in March 1985	Actual expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		Rs.	Rs.	Rs.	Rs.
(i) Cases where Supplementary provision proved unnecessary					
(a) Grants—					
HOME DEPARTMENT					
1	27-Social Security and Welfare—				
	Original	1,02,41,000			
	Supplementary	8,96,010	1,11,37,010	7,80,010	13,26,864
2	32-Indian Railways—				
	Original	26,34,000			
	Supplementary	16,000	26,50,000	16,000	16,589
REVENUE AND FORESTS DEPARTMENT					
3	36-Other Taxes and Duties on Commodities and Services—				
	Original	1,37,96,000			
	Supplementary	5,48,000	1,43,44,000	5,48,000	6,94,569

4 41-Public Works—

Original	20,90,01,000					
Supplementary	8,79,41,000	29,69,42,000	8,79,41,000	10,19,57,146	19,49,84,854	

AGRICULTURE AND CO-OPERATION DEPARTMENT

5 62-Dairy Development—

Original	3,95,32,55,000					
Supplementary	16,87,96,030	4,12,20,51,030	16,80,11,000	3,89,19,41,362	23,01,09,668	

EDUCATION AND EMPLOYMENT DEPARTMENT

6 68-Art and Culture—

Original	6,11,41,000					
Supplementary	31,42,010	6,42,83,010	31,42,000	6,07,55,774	35,27,236	

URBAN DEVELOPMENT DEPARTMENT

7 75-Fire Protection and Control—

Original	13,51,000					
Supplementary	4,000	13,55,000	4,000	9,01,083	4,53,917	

8 80-Urban Development—

Original	36,59,95,000					
Supplementary	1,87,35,010	38,47,30,010	1,85,85,000	36,42,88,701	2,04,41,309	

9 83-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions—

Original	8,48,30,000					
Supplementary	25,57,000	8,73,87,000	25,57,000	4,79,78,15	3,94,08,845	

APPENDIX 2-1—contd.

Serial No.	Number and name of grant	Total grant	Supplementary provision obtained in March 1985	Actual expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		Rs.	Rs.	Rs.	Rs.
10	267-Loans for Public Health, Sanitation and Water Supply—				
	Original	71,45,00,000			
	Supplementary	88,37,000	72,33,37,000	18,37,000	61,39,66,107
					10,93,70,893
FINANCE DEPARTMENT					
11	85-Sales Tax—				
	Original	13,62,49,000			
	Supplementary	46,73,020	14,09,22,020	46,73,000	13,51,91,965
					57,30,055
12	89-Secretariat-General Services—				
	Original	99,13,000			
	Supplementary	4,16,010	1,03,29,010	4,16,000	93,91,757
					9,37,253
PUBLIC WORKS DEPARTMENT					
13	104-Ports, Light Houses and Shipping—				
	Original	73,000			
	Supplementary	10,000	83,000	10,000	67,134
					15,866
IRRIGATION DEPARTMENT					
14	116-Power Projects—				
	Original	2,84,37,000			
	Supplementary	10,29,000	2,94,66,000	10,29,000	2,78,29,194
					16,36,806

LAW AND JUDICIARY DEPARTMENT

15	119-Other Administrative Services—							
	Original	94,51,000						
	Supplementary	2,68,000	97,19,000	2,68,000	92,32,146	4,86,854		

INDUSTRIES, ENERGY AND LABOUR DEPARTMENT

16	130-Industries—							
	Original	5,77,93,000						
	Supplementary	14,13,000	5,92,06,000	8,16,000	5,73,18,831	18,87,169		
17	132-Mines and Minerals—							
	Original	1,74,25,000						
	Supplementary	2,17,010	1,76,42,010	2,17,000	1,70,84,085	5,57,925		

RURAL DEVELOPMENT DEPARTMENT

18	134-Land Revenue—							
	Original	16,59,87,000						
	Supplementary	38,07,000	16,97,94,000	38,07,000	16,44,98,479	52,95,521		

SOCIAL WELFARE, CULTURAL AFFAIRS, SPORTS AND TOURISM DEPARTMENT

19	157-Education—							
	Original	4,22,13,000						
	Supplementary	13,03,010	4,35,16,010	3,39,000	4,14,65,445	20,50,565		

PUBLIC HEALTH DEPARTMENT

20	186-Family Welfare—							
	Original	47,30,45,000						
	Supplementary	47,68,090	47,78,13,090	50	43,78,59,420	3,99,53,670		

APPENDIX 2-1—*contd.*

Serial No.	Number and name of grant/ appropriation		Total grant/ appropriation	Supplementary provision obtained in March 1985	Actual expenditure	Saving
(1)	(2)		(3)	(4)	(5)	(6)
			Rs.	Rs.	Rs.	Rs.
MEDICAL EDUCATION AND DRUGS DEPARTMENT						
21	306-Loans to Government Servants—					
	Original	.. ..	46,42,000			
	Supplementary	.. ..	23,19,000	69,61,000	23,19,000	41,98,679
						27,62,321
TRIBAL DEVELOPMENT DEPARTMENT						
22	201-Revenue Expenditure on Tribal Area Development					
	Sub-Plan—					
	Original	.. ..	52,06,66,000			
	Supplementary	.. ..	3,08,26,040	55,14,92,040	1,05,13,010	50,65,08,154
						4,49,83,886
	Total	.. ..	7,22,51,59,240	7,66,95,81,260	30,78,28,070	6,51,85,26,605
						70,66,32,635
(b) Appropriations—						
HOME DEPARTMENT						
1	19-Taxes on Vehicles					
	Original	.. ..	53,74,78,000			
	Supplementary	.. ..	95,78,000	54,70,56,000	95,78,000	48,69,74,450
						6,00,81,550

REVENUE AND FORESTS DEPARTMENT

2	41-Public Works—							
	Original	..	..	11,70,000				
	Supplementary	..	..	2,51,61,300	2,63,31,300	2,51,36,000	....	2,63,31,300
3	46-Social Security and Welfare							
	Original	..	..	10,000				
	Supplementary	..	..	34,000	44,000	34,000	....	44,000

AGRICULTURE AND CO-OPERATION DEPARTMENT

4	54-Interest Payments—							
	Original	..	..	4,61,92,000				
	Supplementary	..	..	1,42,000	4,63,34,000	1,42,000	4,59,91,142	3,42,858

EDUCATION AND EMPLOYMENT DEPARTMENT

5	67-Education—							
	Original	..	..	15,000				
	Supplementary	..	..	84,000	99,000	73,000	....	99,000

URBAN DEVELOPMENT DEPARTMENT

6	220-Capital Outlay on Urban Development—							
	Original	..	..	....	
	Supplementary	..	..	25,44,000	25,44,000	25,44,000	....	25,44,000

FINANCE DEPARTMENT

7	273-Inter State Settlement—							
	Original	..	..	67,38,000				
	Supplementary	..	..	1,93,000	69,31,000	1,93,000	35,61,919	33,69,081

APPENDIX 2-1—*contd.*

Serial No.	Number and name of appropriation			Total appropriation	Supplementary provision obtained in March 1985	Actual expenditure	Saving
(1)	(2)			(3)	(4)	(5)	(6)
				Rs.	Rs.	Rs.	Rs.
RURAL DEVELOPMENT DEPARTMENT							
8	135-Interest Payments—						
	<i>Original</i>	..	..	8,63,00,000			
	<i>Supplementary</i>	..	..	1,13,29,000	9,76,29,000	1,13,29,000	6,96,87,605
							2,79,41,395
9	237-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development—						
	<i>Original</i>	..	..	....
	<i>Supplementary</i>	..	..	54,000	54,000	24,000	....
							54,000
FOOD AND CIVIL SUPPLIES DEPARTMENT							
10	238-Capital Outlay on Food—						
	<i>Original</i>	..	..	5,000			
	<i>Supplementary</i>	..	..	1,40,869	1,45,869	1,40,869	....
							1,45,869
				Total	72,71,68,169	4,91,93,869	60,62,15,116
							12,09,53,053

(ii) Cases where Supplementary provision resulted in savings exceeding Rs. 10 lakhs in each case

Serial No.	Number and name of grant	Total grant	Actual expenditure	Saving
(1)	(2)	(3) Rs.	(4) Rs.	(5) Rs.
<i>(a) Grants.—</i>				
HOME DEPARTMENT				
1	22-Police—			
	Original	174,59,08,000		
	Supplementary	21,18,90,060	1,95,77,98,060	2,74,12,489
2	23-Jails—			
	Original	7,08,59,000		
	Supplementary	42,23,000	7,50,82,000	13,45,608
REVENUE AND FORESTS DEPARTMENT				
3	46-Social Security and Welfare—			
	Original	9,44,58,000		
	Supplementary	3,22,37,010	12,66,95,010	1,81,15,104
4	47-Relief on Account of Natural Calamities—			
	Original	4,28,00,000		
	Supplementary	6,27,16,000	10,55,16,000	1,35,75,218
5	252-Loans for Social Security and Welfare—			
	Original	2,23,45,000		
	Supplementary	69,86,000	2,93,31,000	52,30,233
6	254-Loans for Agriculture—			
	Original	45,75,000		
	Supplementary	46,94,000	92,69,000	33,24,447

APPENDIX 2.1—*contd.*

Serial No.	Number and name of grant	Total grant	Actual expenditure	Saving
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
AGRICULTURE AND CO-OPERATION DEPARTMENT				
7	55-A Relief on account of Natural Calamities—			
	Original .. .. .	.....	
	Supplementary	1,35,00,000	50,99,547	84,00,453
8	57-Co-operation—			
	Original	34,53,88,000		
	Supplementary	8,98,22,370	40,01,83,302	3,50,27,068
9	58-Agriculture—			
	Original	74,98,50,000		
	Supplementary	7,27,38,100	79,17,48,198	3,08,39,902
10	61-Animal Husbandry—			
	Original	23,79,26,000		
	Supplementary	3,14,19,020	26,14,41,453	79,03,567
11	213-Capital Outlay on Co-operation—			
	Original	41,92,19,000		
	Supplementary	8,83,14,010	43,44,99,587	7,30,33,423

12	214-Capital Outlay on Agriculture—						
	Original	5,70,23,000					
	Supplementary	1,22,86,000	6,93,09,000	6,56,44,444	36,64,556		
13	218-Capital Outlay on Fisheries—						
	Original	2,83,15,000					
	Supplementary	69,08,010	3,52,23,010	3,22,27,401	29,95,609		
14	259-Loans for Co-operation—						
	Original	11,66,63,000					
	Supplementary	12,05,28,030	23,71,91,030	20,97,07,687	2,74,83,343		
15	261-Loans for Minor Irrigation, Soil Conservation and Area Development—						
	Original	1,00,00,000					
	Supplementary	45,00,000	1,45,00,000	1,28,21,554	16,78,446		
EDUCATION AND EMPLOYMENT DEPARTMENT							
16	67-Education—						
	Original	5,78,18,19,000					
	Supplementary	1,02,36,04,660	6,80,54,23,660	6,79,83,65,250	70,58,410		
17	69-Labour and Employment—						
	Original	16,15,97,000					
	Supplementary	5,58,82,010	21,74,79,010	20,86,68,804	88,10,206		
18	264-Loans for Education, Art and Culture—						
	Original	1,13,58,000					
	Supplementary	1,00,00,000	2,13,58,000	1,60,44,890	53,13,110		

APPENDIX 2.1—*contd.*

Serial No.	Number and name of grant			Total grant	Supplementary provision March 1985	Actual expenditure	Saving
(1)	(2)			(3) Rs.	(4) Rs.	(5) Rs.	(6) Rs.
URBAN DEVELOPMENT DEPARTMENT							
19	78-Public Health, Sanitation and Water Supply—						
	Original	..	..	29,19,35,000			
	Supplementary	..	..	2,43,03,010	31,62,38,010	30,67,68,609	94,69,401
20	268-Loans for Urban Development—						
	Original	..	..	3,35,00,000			
	Supplementary	..	..	2,39,37,000	5,74,37,000	4,98,61,158	75,75,842
FINANCE DEPARTMENT							
21	93-Miscellaneous General Services—						
	Original	..	..	23,00,89,000			
	Supplementary	..	..	1,85,53,000	24,86,42,000	24,62,60,389	23,81,611
PUBLIC WORKS DEPARTMENT							
22	100-Housing—						
	Original	..	..	14,45,52,000			
	Supplementary	..	..	1,86,79,000	16,32,31,000	14,85,29,681	1,47,01,319

23	101-A-Relief on Account of Natural Calamities—						
	Original	..	..	..	.....
	Supplementary	..	..	..	7,01,77,000	7,01,77,000	6,46,14,923
24	223-Capital Outlay on Roads and Buildings—						55,62,077
	Original	..	..	..	39,32,50,000		
	Supplementary	..	..	..	12,64,14,070	51,96,64,070	51,78,35,338
							18,28,732
IRRIGATION DEPARTMENT							
25	115-Irrigation, Navigation, Drainage and Flood Control Projects—						
	Original	..	..	..	1,75,63,96,000		
	Supplementary	..	..	..	5,74,23,030	1,81,38,19,030	1,80,60,00,755
							78,18,275
LAW AND JUDICIARY DEPARTMENT							
26	117-Administration of Justice—						
	Original	..	..	..	17,78,08,000		
	Supplementary	..	..	..	62,79,010	18,40,87,010	18,22,02,357
							18,84,653
RURAL DEVELOPMENT DEPARTMENT							
27	136-District Administration—						
	Original	..	..	..	33,27,77,000		
	Supplementary	..	..	..	6,59,59,010	39,87,36,010	39,43,40,113
							43,95,897
28	140-Public Health, Sanitation and Water Supply—						
	Original	..	..	..	71,26,44,000		
	Supplementary	..	..	..	20,74,13,000	92,00,57,000	90,26,61,515
							1,73,95,485
29	291-Miscellaneous Loans—						
	Original	..	..	..	3,94,89,00,000		
	Supplementary	..	..	..	74,41,60,000	4,69,30,60,000	4,57,81,14,557
							11,49,45,443

APPENDIX 2.1—contd.

Serial No.	Number and name of grant/ appropriation	Total grant/ appropriation	Supplementary provision obtained in March 1985	Actual expenditure	Saving
(1)	(2)	(3) Rs.	(4) Rs.	(5) Rs.	(6) Rs.
FOOD AND CIVIL SUPPLIES DEPARTMENT					
30	154-Food—				
	Original	11,23,63,000			
	Supplementary	1,55,24,000	12,78,87,000	12,64,94,527	13,92,473
PLANNING DEPARTMENT					
31	166-Other General Economic Services—				
	Original	2,36,69,000			
	Supplementary	20,94,000	2,57,63,000	2,37,76,799	19,86,201
32	167-Area Development—				
	Original	7,32,96,000			
	Supplementary	1,11,00,000	8,43,96,000	7,87,04,462	56,91,538
HOUSING AND SPECIAL ASSISTANCE DEPARTMENT					
33	176-Housing—				
	Original	23,34,97,000			
	Supplementary	6,81,28,000	30,16,25,000	29,98,67,600	17,57,400

34	301-Loans for Other Social and Community Services—						
	Original	..	..	..	30,00,000		
	Supplementary	..	..	..	4,70,00,000	5,00,00,000	3,56,02,853
							1,43,97,147

HORTICULTURE AND SOCIAL FORESTRY DEPARTMENT

35	183-Forest—						
	Original	..	..	..	3,84,78,000		
	Supplementary	..	..	..	2,08,28,350	5,93,06,350	4,48,03,331
							1,45,03,019

TRIBAL DEVELOPMENT DEPARTMENT

36	199-Social Security and Welfare—						
	Original	..	..	..	14,11,53,000		
	Supplementary	..	..	..	1,56,13,010	15,67,66,010	15,50,75,213
							16,90,797

37	246-Capital Outlay on Tribal Area Development						
	Sub-plan—						
	Original	..	..	..	27,56,13,000		
	Supplementary	4,58,18,020	32,14,31,020	28,84,07,539
							3,30,23,481

	Total	22,26,46,73,790	21,72,10,61,807	54,36,11,983
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(b) Appropriations

FINANCE DEPARTMENT

1	85-Sales Tax—						
	Original	1,02,67,68,000		
	Supplementary	..	..	..	13,08,17,000	1,15,75,85,000	1,10,20,15,202
							5,55,69,798

2	88-Interest Payments—						
	Original	..	..	..	2,22,73,17,000		
	Supplementary	8,79,80,000	2,31,52,97,000	2,25,49,87,933
							6,03,09,067

	Total	3,47,28,82,000	3,35,70,03,135	11,58,78,865
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APPENDIX 2.1—*contd.*

Serial No.	Number and name of grant				Total grant	Actual expenditure	Excess
(1)	(2)				(3) Rs.	(4) Rs.	(5) Rs.
(ii) Cases where Supplementary provision proved insufficient by more than Rs. 10 lakhs each in various grants/appropriations							
(a) Grants—							
GENERAL ADMINISTRATION DEPARTMENT							
1	3-Elections—						
	Original	..	..	..	5,71,72,000		
	Supplementary	..	..	..	6,80,45,000	12,52,17,000	12,89,47,515
2	9-Other Administrative Services—						
	Original	..	..	..	2,52,07,000		
	Supplementary	..	..	..	29,01,000	2,81,08,000	2,97,78,366
REVENUE AND FORESTS DEPARTMENT							
3	253-Loans for Other Social and Community Services—						
	Original	..	..	..	50,00,000		
	Supplementary	..	..	..	2,04,00,000	2,54,00,000	3,06,54,603
HOME DEPARTMENT							
4	18-State Excise—						
	Original	..	..	..	3,34,30,000		
	Supplementary	..	..	..	18,92,000	3,53,22,000	3,65,34,727

5	24-Other Administrative Services—							
	Original	..	....	..	..	3,29,43,000		
	Supplementary	..	..	..	..	1,42,17,000	4,71,60,000	4,86,24,728
								14,64,728

REVENUE AND FORESTS DEPARTMENT

6	40-District Administration—							
	Original	..	..	..	..	39,51,33,000		
	Supplementary	..	..	..	..	2,96,66,220	42,47,99,220	44,20,75,892
								1,72,76,672

7	51-Forest—							
	Original	..	..	..	..	41,04,51,000		
	Supplementary	..	..	..	..	3,08,28,540	44,12,79,540	45,80,79,119
								1,67,99,579

AGRICULTURE AND CO-OPERATION DEPARTMENT

8	59-Soil and Water Conservation—							
	Original	..	..	..	..	13,86,98,000		
	Supplementary	..	..	..	..	2,62,49,000	16,49,47,000	17,59,46,410
								1,09,99,410

9	215-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development—							
	Original	..	..	..	..	10,67,80,000		
	Supplementary	..	..	..	..	1,12,62,000	11,80,42,000	12,88,62,875
								1,08,20,875

EDUCATION AND EMPLOYMENT DEPARTMENT

10	65-Pensions and Other Retirement Benefits—							
	Original	..	..	..	..	3,68,69,000		
	Supplementary	..	..	..	..	40,85,010	4,09,54,010	4,97,71,135
								88,17,125

URBAN DEVELOPMENT DEPARTMENT

11	220-Capital Outlay on Urban Development—							
	Original	..	..	..	..	2,30,00,000		
	Supplementary	..	..	..	..	1,19,56,000	3,49,56,000	3,60,94,646
								11,38,646

APPENDIX 2.1—contd.

Serial No.	Number and name of grant				Total grant	Actual expenditure	Excess
(1)	(2)				(3) Rs.	(4) Rs.	(5) Rs.
PUBLIC WORKS DEPARTMENT							
12	106-Roads and Bridges—						
	Original	..	..	74,83,47,000			
	Supplementary	..	..	4,18,17,040	79,01,64,040	82,00,31,867	2,98,67,827
13	107-Public Works and Administrative and Functional Buildings—						
	Original	..	..	1,31,63,06,000			
	Supplementary	..	..	7,90,21,060	1,39,53,27,060	1,69,04,46,564	29,51,19,504
14	224-Capital Outlay on Public Works and Administrative and Functional Buildings—						
	Original	..	..	25,05,11,000			
	Supplementary	..	..	1,17,76,050	26,22,87,050	28,17,61,985	1,94,74,935
IRRIGATION DEPARTMENT							
15	111-Minor Irrigation—						
	Original	..	..	4,20,30,000			
	Supplementary	..	..	77,00,010	4,97,30,010	5,33,42,745	36,12,735
16	114-Water and Power Development Services—						
	Original	..	..	59,85,71,000			
	Supplementary	..	..	5,60,75,060	65,46,46,060	66,70,80,924	1,24,34,864

17	226-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development—						
	Original	22,39,45,000					
	Supplementary	5,25,76,060	27,65,21,060	29,19,36,153	1,54,15,093		
18	229-Capital Outlay on Power Projects —						
	Original	78,48,29,000					
	Supplementary	2,02,75,020	80,51,04,020	95,29,20,378	14,78,16,358		
INDUSTRIES, ENERGY AND LABOUR DEPARTMENT							
19	126-Stationery and Printing—						
	Original	18,85,65,000					
	Supplementary	2,24,25,000	21,09,90,000	21,24,00,726	14,10,726		
RURAL DEVELOPMENT DEPARTMENT							
20	147-Community Development—						
	Original	51,00,50,000					
	Supplementary	10,000	51,00,60,000	54,67,40,427	3,66,80,427		
21	237-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development—						
	Original	6,54,90,000					
	Supplementary	1,96,77,000	8,51,67,000	9,05,98,395	54,31,395		
SOCIAL WELFARE, CULTURAL AFFAIRS, SPORTS AND TOURISM DEPARTMENT							
22	159-Social Security and Welfare—						
	Original	42,70,13,000					
	Supplementary	7,26,47,090	49,96,60,090	50,06,68,169	10,08,079		
PLANNING DEPARTMENT							
23	168-Community Development—						
	Original	1,24,56,00,000					
	Supplementary	1,27,50,00,030	2,52,06,00,030	3,20,18,25,186	68,12,25,156		

APPENDIX 2.2

(Reference: Paragraph 2.2.3, page 12)

Statement showing details of excesses in various grants/appropriations requiring regularisation

Serial No.	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
<i>(a) Grants :</i>				
<i>(i) Revenue Section</i>				
GENERAL ADMINISTRATION DEPARTMENT				
1	2-Council of Ministers ..	1,51,79,000	1,59,94,885	8,15,885
2	3-Elections ..	12,52,17,000	12,89,47,515	37,30,515
3	7-Secretariat General Services	4,17,83,010	4,23,30,989	5,47,979
4	8-Public Works ..	5,45,000	52,24,416	46,79,416
5	9-Other Administrative Services	2,81,08,000	2,97,78,366	16,70,366
6	10-Miscellaneous General Services	79,36,000	79,84,465	48,465
7	12-Information and Publicity	6,11,52,020	6,19,28,711	7,76,691
HOME DEPARTMENT				
8	18-State Excise ..	3,53,22,000	3,65,34,727	12,12,727
9	24-Other Administrative Services	4,71,60,000	4,86,24,728	14,64,728
10	29-Ports, Light Houses and Shipping	3,64,90,000	3,66,28,335	1,38,335
REVENUE AND FORESTS DEPARTMENT				
11	40-District Administration ..	42,47,99,220	44,20,75,892	1,72,76,672
12	43-Miscellaneous General Services	30,95,000	39,40,535	8,45,535
13	48-Other Social and Community Services	65,000	84,805	19,805

APPENDIX 2.2—*contd.*

Serial No.	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
14	51-Forest ..	44,12,79,540	45,80,79,119	1,67,99,579
15	52-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	53,000	54,998	1,998
AGRICULTURE AND CO-OPERATION DEPARTMENT				
16	56-Secretariat— Economic Services	1,04,57,000	1,07,68,763	3,11,763
17	59-Soil and Water Conservation	16,49,47,000	17,59,46,410	1,09,99,410
18	60-Area Development ..	4,03,26,000	4,06,73,744	3,47,744
EDUCATION AND EMPLOYMENT DEPARTMENT				
19	65-Pensions and Other Retirement Benefits	4,09,54,010	4,97,71,135	88,17,125
URBAN DEVELOPMENT DEPARTMENT				
20	79-Housing	1,45,000	8,78,000	7,33,000
21	82-Roads and Bridges ..	7,28,51,000	7,29,47,697	96,697
FINANCE DEPARTMENT				
22	86-Other Fiscal Services ..	12,90,75,000	12,93,23,518	2,48,518
23	88-Interest Payments ..	66,41,000	1,65,54,503	99,13,503
PUBLIC WORKS DEPARTMENT				
24	102-Other Social and Community Services	62,36,000	71,85,373	9,49,373
25	103-Secretariat—Economic Services	1,02,18,040	1,06,81,525	4,63,485
26	105-Civil Aviation ..	24,62,000	31,01,810	6,39,810
27	106-Roads and Bridges ..	79,01,64,040	82,00,31,867	2,98,67,827
28	107-Public Works and Other Administrative and Functional Buildings	1,39,53,27,060	1,69,04,46,564	29,51,19,504

APPENDIX 2.2—contd.

Serial No.	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
IRRIGATION DEPARTMENT				
29	111-Minor Irrigation ..	4,97,30,010	5,33,42,745	36,12,735
30	114-Water and Power Development Services	65,46,46,060	66,70,80,924	1,24,34,864
LAW AND JUDICIARY DEPARTMENT				
31	118-Secretariat— General Services	62,95,000	65,22,885	2,27,885
32	122-Other General Economic Services	5,76,000	5,90,127	14,127
INDUSTRIES, ENERGY AND LABOUR DEPARTMENT				
33	124-Other Taxes and Duties on Commodities and Services	2,21,59,000	2,21,64,179	5,179
34	125-Supplies and Disposals ..	15,95,000	16,68,224	73,224
35	126-Stationery and Printing ..	21,09,90,000	21,24,00,726	14,10,726
36	129-Secretariat— Economic Services	49,80,000	50,32,238	52,238
RURAL DEVELOPMENT DEPARTMENT				
37	147-Community Development	51,00,60,000	54,67,40,427	3,66,80,427
38	148-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	15,56,000	43,03,703	27,47,703
SOCIAL WELFARE, CULTURAL AFFAIRS, SPORTS AND TOURISM DEPARTMENT				
39	155-Other Taxes and Duties on Commodities and Services	2,92,000	3,16,459	24,459
40	159-Social Security and Welfare	49,96,60,090	50,06,68,169	10,08,079

APPENDIX 2.2—contd.

Serial No.	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
PLANNING DEPARTMENT				
41	168-Community Development	2,52,06,00,030	3,20,18,25,186	68,12,25,156
HOUSING AND SPECIAL ASSISTANCE DEPARTMENT				
42	175-Other Administrative Services	17,000	19,157	2,157
HORTICULTURE AND SOCIAL FORESTRY DEPARTMENT				
43	181-Secretariat— Economic Services	12,07,000	12,23,572	16,572
PUBLIC HEALTH DEPARTMENT				
44	184-Secretariat— Social and Community Services	32,80,000	35,64,628	2,84,628
45	.. Aid Materials and Equipments	....	3,84,68,066	3,84,68,066
46	185-Medical ..	32,54,88,020	33,78,53,779	1,23,65,759
47	187-Public Health, Sanitation and Water Supply	86,94,78,030	89,48,65,428	2,53,87,398
48	188-Social Security and Welfare	69,000	91,095	22,095
MEDICAL EDUCATION AND DRUGS DEPARTMENT				
49	191-Secretariat— Social and Community Services	27,13,000	27,40,743	27,743
(ii) Capital Section				
HOME DEPARTMENT				
50	206-Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects	46,00,000	99,64,928	53,64,928
51	207-Capital Outlay on Ports, Light Houses and Shipping	94,10,010	95,95,458	1,85,448
52	208-Capital Outlay on Road and Water Transport Services	10,09,90,000	10,19,00,846	9,10,846

APPENDIX 2.2—*contd.*

Serial No.	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
AGRICULTURE AND CO-OPERATION DEPARTMENT				
53	215-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development	11,80,42,000	12,88,62,875	1,08,20,875
URBAN DEVELOPMENT DEPARTMENT				
54	220-Capital Outlay on Urban Development	3,49,56,000	3,60,94,646	11,38,646
PUBLIC WORKS DEPARTMENT				
55	224-Capital Outlay on Public Works and Administrative and Functional Buildings	26,22,87,050	28,17,61,986	1,94,74,936
IRRIGATION DEPARTMENT				
56	225-Capital Outlay on Public Health, Sanitation and Water Supply	1,09,46,000	1,09,46,394	394
57	226-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development	27,65,21,060	29,19,36,153	1,54,15,093
58	228-Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects	5,51,97,59,090	5,70,64,00,369	18,66,41,279
59	229-Capital Outlay on Power Projects	80,51,04,020	95,29,20,378	14,78,16,358
INDUSTRIES, ENERGY AND LABOUR DEPARTMENT				
60	231-Capital Outlay on Co-operation	30,00,000	34,71,138	4,71,138
61	232-Capital Outlay on Industrial Research and Development	8,14,75,030	9,21,21,425	1,06,46,395
RURAL DEVELOPMENT DEPARTMENT				
62	237-Capital Outlay on Minor Irrigation, Soil Conservation and Area Development	8,51,67,000	9,05,98,395	54,31,395

APPENDIX 2.2—contd.

Serial No.	Number and name of grant/ appropriation	Total grant/ appropriation Rs.	Expenditure Rs.	Excess Rs.
(iii) Loans and Advances Section				
HOME DEPARTMENT				
63	249-Loans for Housing ..	6,66,13,000	6,81,47,128	15,34,128
REVENUE AND FORESTS DEPARTMENT				
64	253-Loans for Other Social and Community Services	2,54,00,000	3,06,54,603	52,54,603
AGRICULTURE AND CO-OPERATION DEPARTMENT				
65	263-Loans to Government Servants	1,24,70,000	1,33,56,032	8,86,032
URBAN DEVELOPMENT DEPARTMENT				
66	269-Loans to Government Servants	6,61,000	16,63,076	10,02,076
INDUSTRIES, ENERGY AND LABOUR DEPARTMENT				
67	286-Loans to Government Servants	29,00,000	31,59,943	2,59,943
RURAL DEVELOPMENT DEPARTMENT				
68	287-Loans for Public Health, Sanitation and Water Supply	16,00,000	16,05,640	5,640
SOCIAL WELFARE, CULTURAL AFFAIRS, SPORTS AND TOURISM DEPARTMENT				
69	296-Loans to Government Servants	11,16,000	13,35,087	2,19,087
PLANNING DEPARTMENT				
70	297-Loans to Government Servants	10,70,000	12,22,689	1,52,689
(b) Appropriations:				
(i) Revenue Section				
GENERAL ADMINISTRATION DEPARTMENT				
71	1-President, Vice-President/ Governor/Administrator of Union Territories	56,89,000	57,07,912	18,912
72	6-Public Service Commission ..	65,33,000	65,96,249	63,249

APPENDIX 2.2—concl'd.

Serial No.	Number and name of appropriation	Total appropriation Rs.	Expenditure Rs.	Excess Rs.
REVENUE AND FORESTS DEPARTMENT				
73	52-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	2,50,000	18,27,286	15,77,286
URBAN DEVELOPMENT DEPARTMENT				
74	73-Interest Payments ..	71,05,000	80,75,936	9,70,936
75	83-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	4,34,000	2,92,66,664	2,88,32,664
FINANCE DEPARTMENT				
76	92-Pensions and Other Retirement Benefits	1,61,62,000	2,91,12,502	1,29,50,502
PUBLIC WORKS DEPARTMENT				
77	107-Public Works and Administrative and Functional Buildings	45,66,000	46,52,553	86,553
LAW AND JUDICIARY DEPARTMENT				
78	117-Administration of Justice..	3,14,03,030	3,19,01,725	4,98,695
HOUSING AND SPECIAL ASSISTANCE DEPARTMENT				
79	172-Appropriation for Reduction or Avoidance of Debt	96,09,000	96,09,372	372
(ii) Public Debt Section				
FINANCE DEPARTMENT				
80	270-Internal Debt of the State Government.	11,90,97,16,000	11,93,93,24,702	2,96,08,702
HOUSING AND SPECIAL ASSISTANCE DEPARTMENT				
81	299-Internal Debt of the State Government	96,09,000	96,09,372	372
Total		.. 29,00,82,15,470	30,72,07,35,573	1,71,25,20,103

APPENDIX 2.3

(Reference: Paragraph 2.2.11, page 31)

Details of Savings of over Rs. 1 crore not surrendered

Serial No.	Name of grant/appropriation	Savings	Surrender	Savings which remained to be surrendered
(in crores of rupees)				
1	13-Social Security and Welfare ..	2.22	1.03	1.19
2	19-Taxes on Vehicles	6.01	.....	6.01
3	22-Police	2.74	.....	2.74
4	41-Public Works	19.50	.....	19.50
5	41-Public Works	2.63	.....	2.63
6	46-Social Security and Welfare ..	1.81	0.03	1.78
7	57-Co-operation	3.50	0.33	3.17
8	58-Agriculture	3.08	0.10	2.98
9	62-Dairy Development	23.01	0.04	22.97
10	259-Loans for Co-operation ..	2.75	1.41	1.34
11	64-Interest Payments	2.15	0.04	2.11
12	83-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	3.94	0.07	3.87
13	267-Loans for Public Health, Sanitation and Water Supply	10.94	.....	10.94
14	100-Housing	1.47	.....	1.47
15	113-Area Development	5.01	1.14	3.87
16	135-Interest Payments	2.79	.....	2.79
17	140-Public Health, Sanitation and Water Supply	1.74	0.01	1.73
18	238-Capital Outlay on Food ..	84.07	75.60	8.47
19	178-Social Security and Welfare ..	3.29	1.91	1.38
20	300-Loans for Housing	4.01	2.64	1.37
21	186-Family Planning	4.00	.....	4.00
22	201-Revenue Expenditure Tribal Area Development Sub-Plan	4.50	1.06	3.44
23	246-Capital Outlay on Tribal Area Development Sub-Plan	3.30	0.03	3.27
Total ..		198.46	85.44	113.02

APPENDIX 2.4

(Reference: Paragraph 2.2.16, page 33)

Statement showing the details of withdrawal of funds in advance of requirements

Serial No.	Name of drawing officer	Date of drawal	Amount drawn (in lakhs of rupees)	Particulars of stores/ equipments	Particulars of actual supply	Value (in lakhs of rupees)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Principal, Industrial Training Institute, Amravati	20-3-1984 26-3-1984	1.66 0.89 2.55	Machinery and equipment	Between March 1984 and March 1985	1.90	Out of the amount of Rs. 2.55 lakhs drawn in March 1984, Rs. 1.82 lakhs remained unpaid as on 31st March 1984. The amount of Rs. 1.17 lakhs was paid between April 1984 and March 1985, Rs. 0.09 lakh was refunded to Government in 1984-85 and the balance of Rs. 0.56 lakh has been retained (April 1985) by the department, pending receipt of machinery.
2	Principal, Government Polytechnic Washim (Akola)	31-3-1984	2.96	Machinery and equipment	Between April 1984 and December 1984	2.51	Out of Rs. 2.96 lakhs drawn in March 1984, the amount of Rs. 2.51 lakhs was paid between April 1984 and December 1984 and the unspent balance of Rs. 0.45 lakh retained (April 1985) by the department.

APPENDIX 2.4—concl.

Serial No.	Name of drawing officer	Date of drawal	Amount drawn (in lakhs of rupees)	Particulars of stores/equipments	Particulars of actual supply	Value (in lakhs of rupees)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3	Principal, Industrial Training Institute, Parbhani	31-3-1984	7.00	Purchase of machinery and equipments	April 1984 to November 1984	6.43	The amount of Rs. 6.43 lakhs was paid during 1984-85; unpaid balance of Rs. 0.40 lakh was retained (December 1984) by department and Rs. 0.17 lakh was credited to the Personal Ledger Account.
4	Deputy Director, Groundwater Survey and Development Agency, Amravati	31-3-1984	92.91	Purchase of machinery and equipments	April 1984 to June 1984	90.55	Unspent balance of Rs. 2.36 lakhs retained (October 1984) by the department, pending receipt of machinery.
5	Principal, Industrial Training Institute, Aurangabad	29-3-1984 31-3-1984	0.50 0.05 — 0.55	Purchase of machinery and equipments	February 1985	0.01	Out of the amount of Rs. 0.55 lakh drawn in March 1984, the amount of Rs.0.01 lakh only was paid in February 1985, Rs. 0.04 lakh were credited into Treasury in February 1985 and the balance of Rs. 0.50 lakh retained (March 1985) by the department.

APPENDIX 3.1

(Reference: Paragraph 3.1.3 (1), page 43)

Statement showing number of NFE Centres opened, coverage of children proposed and actual achievement

Year	Category of centre	Proposed				Actual achievement			
		No. of centres	coverage		Total of columns 4 and 5	No. of centres opened	Coverage		Total of column 8 and 9
			Boys	Girls			Boys	Girls	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1979-80	.. <u>Primary</u>	.. 619	N.A.	N.A.	25,350	521	12,510	3,120	15,630
	.. <u>Middle</u>								
1980-81	.. <u>Primary</u>	.. 1,325	N.A.	N.A.	38,730	985	22,170	7,380	29,550
	.. <u>Middle</u>								
1981-82	.. <u>Primary</u>	.. 1,291	N.A.	N.A.	38,730	1,106	29,050	9,680	38,730
	.. <u>Middle</u>								
1982-83	.. <u>Primary</u>	.. 1,291	N.A.	N.A.	40,230	1,176	29,990	11,860	41,850
	.. <u>Middle</u>								
1983-84	.. <u>Primary</u>	.. 1,291	N.A.	N.A.	41,730	1,291	22,310	9,398	31,708
	.. <u>Middle</u>								
1984-85	.. <u>Primary</u>	.. 1,291	N.A.	N.A.	43,230	1,139	24,376	10,999	35,375
	.. <u>Middle</u>								
	Total ..	7,108	N.A.	N.A.	2,28,000	6,218	1,40,406	52,437	1,92,843

N.A.—Break-up not available

APPENDIX 3.2

(Reference: Paragraph 3.1.4, page 47)

Statement showing receipt and issue of paper received under SIDA from Government of India

Year	Quantity of paper received including opening balance ^A	Quantity of paper issued for printing	Closing stock	Teaching material produced	Closing stock of teaching material
(1)	(2)	(3) (in tonnes)	(4)	(5)	(6) (in numbers)
1981-82	39.390	5.924	33.466	.....	.....
1982-83	90.128	12.799	77.329	Work picture cards .. 9,948	10
				Sentence cards .. 9,831	10
				Reading cards .. 9,919	2
				Work Book in Mathematics (Part I) 19,423	2
1983-84	88.875	9.492	79.383	Work Book in Mathematics (Part II) 15,000	3
				Picture story writing books 15,000	2
				Set of story cards .. 15,000	1,137
1984-85	79.383	28.214	51.169	Work Book on creative expression (Part I) 15,000	2,545
				Work Book on creative expression (Part II) 15,000	12,893
				Work Book in Mathematics (Part I) 10,000	10,000
				17 Text-cum-work Book in language 10,000	10,000

APPENDIX 3.3

(Reference: Paragraph 3.17.2(i), page 139)

Progress in settlement of inspection reports and paragraphs

Outstanding position at the end of September

Year	1981-82		1982-83		1983-84		1984-85		
	Reports (1)	Paragraphs (2)	Reports (4)	Paragraphs (5)	Reports (6)	Paragraphs (7)	Reports (8)	Paragraphs (9)	
<i>Agriculture and Co-operation Department</i>									
Upto 1980-81	..	700	1,997	491	1,098	376	872	328	731
1981-82	..	262	973	185	547	151	406	131	291
1982-83	231	755	138	390	130	315
1983-84	313	1,050	230	729
1984-85	305	1,065
<i>Social Welfare, Cultural Affairs, Sports and Tourism Department</i>									
Upto 1980-81	..	228	578	196	472	153	379	128	296
1981-82	..	54	166	51	136	38	94	34	75
1982-83	50	172	43	127	41	108
1983-84	52	144	49	131
1984-85	76	192
<i>Industries, Energy and Labour Department</i>									
Upto 1980-81	..	58	214	49	154	47	143	41	110
1981-82	..	17	63	13	41	13	40	9	30
1982-83	17	48	16	42	14	33
1983-84	20	58	13	36
1984-85	42	137

APPENDIX

(Reference: Paragraph

Cases of misappropriation reported upto March 1985

Serial No.	Name of Department	Reported upto March 1981		Reported in 1981-82		
		No.	Amount	No.	Amount	
1	Revenue and Forests	..	250	25.80	12	1.37
2	Agriculture and Co-operation	..	55	9.30	7	1.56
3	Medical Education and Drugs	..	9	8.10	..	..
4	Rural Development	..	23	8.36	4	0.55
5	Food and Civil Supplies	..	17	3.67	1	0.47
6	Home .. ..	..	29	5.89	1	0.03
7	Education and Employment	..	7	6.42	1	0.19
8	Public Health .. ..	..	13	1.18	1	0.38
9	Irrigation .. ..	..	1	0.70	1	0.11
10	Finance .. ..	..	3	0.96	3	0.31
11	Social Welfare, Cultural Affairs, Sports and Tourism	..	4	2.18	..	..
12	Law and Judiciary .. ..	..	4	0.33	2	1.87
13	Housing and Special Assistance	..	7	1.67	..	..
14	Public Works .. ..	..	2	0.05	..	..
15	Planning .. ..	..	1	0.34	..	..
16	Horticulture and Social Forestry	..	..	..	..	..
17	Tribal Development .. ..	..	..	..	2	0.06
18	General Administration .. ..	..	1	0.05	..	..
19	Industries, Energy and Labour	..	2	0.05	..	..
	Total	..	428	75.05	35	6.90

3.4

3.18, page 144)

and awaiting finalisation on 30th September 1985

Reported in 1982-83		Reported in 1983-84		Reported in 1984-85		Total	
No.	Amount	No.	Amount	No.	Amount	No.	Amount
(amounts in lakhs of rupees)							
30	3.54	21	1.49	18	1.73	331	33.93
10	0.61	11	1.60	7	2.84	90	15.91
2	2.32	1	0.15	1	1.97	13	12.54
1	0.50	1	0.64	2	0.28	31	10.33
3	1.50	4	2.57	..	..	25	8.21
2	0.17	5	0.59	1	0.10	38	6.78
1	0.06	..	..	..	..	9	6.67
6	1.32	3	0.11	..	..	23	2.99
2	1.40	2	0.50	..	..	6	2.71
..	..	1	1.18	..	..	7	2.45
..	..	..	..	2	0.27	6	2.45
..	..	..	..	..	..	6	2.20
..	..	..	..	..	..	7	1.67
..	..	..	..	1	1.10	3	1.15
..	..	..	..	..	..	1	0.34
..	..	1	0.15	..	..	1	0.15
..	..	..	..	..	..	2	0.06
..	..	..	..	..	..	1	0.05
..	..	..	..	..	..	2	0.05
57	11.42	50	8.98	32	8.29	602	110.64

APPENDIX 3.5

(Reference: Paragraph 3.19, page 144)

Miscellaneous irregularities, writes-off of losses, etc.*Part I—Miscellaneous Irregularities*

Department	Amount (in lakhs of rupees)	Brief particulars
(1)	(2)	(3)
Rural Development	12.64	Represents the value of 1 of the 3 rigs purchased in 1973 for Rs. 19.87 lakhs and the value of the residual parts of the remaining 2 dismantled rigs along with spares purchased between 1973-74 and 1976-77 lying idle with the Ground Water Survey and Development Agency, Aurangabad since June 1976. Government stated in February 1986 that the disposal of the unserviceable equipment and spare parts was under its consideration.
Home	1.01	Represents the cost of two Bradma machines received by the Superintendent of Police, Amravati in July-August 1975 for preparing pay rolls and lying idle since September-October 1978 as the Treasury Officers refused to accept the pay bills prepared on them. Though non-use of the machines was reported to the Director General of Police in May 1983, no instructions had been issued for their disposal till August 1985.

APPENDIX 3.5—concl'd.

Part II—Other Cases

During 1984-85, in 4,138 cases, losses due to theft, fire, etc., irrecoverable revenue, duties and advance, etc., were written off or *ex-gratia* payment made. The details are given below:

Department	Writes-off of losses, irrecoverable revenue, advances, etc.		Waiver of recovery		<i>Ex-gratia</i> payments	
	Cases	Amount	Cases	Amount	Cases	Amount
(amounts in thousands of rupees)						
Agriculture and Co- operation	29	50,53.15	4	26,37.10	....	....
Food and Civil Supplies	4,039	44,05.66	....	....	....	....
Revenue and Forests	26	2,17.18	12	1,53.33	....	....
Home	....	....	....	....	5	60.80
Industries, Energy and Labour	7	30.17	....	....	....	....
Irrigation	2	8.74	2	8.69	....	....
General Administration	....	....	2	12.05	....	....
Education and Employ- ment	4	1.46	....	....	....	....
Urban Development	5	0.90	....	....	....	....
Social Welfare, Cultural Affairs, Sports and Tourism	1	0.15	....	....	....	....
Total	4,113	97,17.41	20	28,11.17	5	60.80

APPENDIX 4.1

(Reference: Paragraph 4.1.2(ii), page 147)

Statement showing delay in completion of projects

	Year of com- mence- ment	Stipul- ated year of comple- tion	Prob- able year of comple- tion	Irrig- ation poten- tial	Potential created upto June 1984	Expend- iture upto March 1985 (in crores of rupees)
					(in lakh hectares)	
(i) Major Projects						
Khadakwasla ..	1956	1967	1987	0.62	0.31	66.88
Jayakwadi Stage I (PLBC) ..	1965	1971	1987	1.42	1.41	110.28
Stage II (PRBC) ..	1971	1978	1986	0.41	0.37	70.08
Bhima ..	1967	1974	1990	1.56	0.51	178.49
Krishna ..	1968	1976	1991	1.13	0.50	90.21
Upper Godavari (4 dams) ..	1968	1982	1990	0.60	0.55	42.32
Pench ..	1968	1975	1987	1.05	0.67	78.71
Kukadi ..	1968	1977	1996	1.56	0.25	115.32
Upper Tapi Stage I ..	1971	1978	1987	0.55	0.23	52.51
Surya ..	1974	1980	1988	0.27	0.04	39.16
Dudhganga ..	1977	1985	1991	0.77	Nil	37.82
Upper Pravara ..	1977	1984	Work stopped	0.67	Nil	5.70
Nandur Madhmeshwar ..	1979	1985	1993	0.38	Nil	6.05
Karwa ..	1979	1984	1990	0.11	Nil	1.80
			Total ..	11.10	4.84	895.33

APPENDIX 4.1—*concl.*

	Year of com- mence- ment	Stipul- ated year of comple- tion	Prob- able year of comple- tion	Irrig- ation poten- tial	Poten- tial created upto June 1984	Expend- iture upto March 1985 (in lakhs of rupees)	
				(in thousand hectares)			
(ii) Medium Projects							
Jawalgaon	..	1972	1977	1989	4.45	Nil	210.55
Kelzer	..	1972	1976	1986	3.56	2.76	334.94
Aner	..	1973	1977	1986	7.18	6.32	736.81
Haranbari	..	1973	1977	1987	8.23	3.20	415.19
Kolar	..	1973	1976	1989	7.54	4.50	590.75
Adan	..	1974	1978	1988	8.31	3.81	801.76
Dham	..	1973	1979	1990	10.21	Nil	1,069.63
Waghadi	..	1974	1979	1986	7.76	7.00	563.61
Goki	..	1975	1980	1987	7.79	4.50	776.07
Mas	..	1976	1981	1986	5.87	3.75	320.65
Bahula	..	1977	1981	1992	4.65	Nil	127.07
Hivara	..	1977	1980	1991	2.52	Nil	116.29
Koradi	..	1977	1979	1987	4.83	3.83	401.26
			Total	..	82.90	39.67	6,464.58

APPENDIX 4.2

(Reference: Paragraph 4.1.2(iii), page 147)

Statement showing cost escalation in 18 projects

				Estimated cost with year	Revised estimated cost with year	Percentage of increase in cost	Expend- iture upto March 1985 (in crores of rupees)
(in crores of rupees)							
<i>A-Major Projects—</i>							
Jayakwadi Stage I	..	..	18.06 (1965)	125.35 (1985)	594	110.28
Bhima	..	..	42.58 (1967)	321.01 (1985)	654	178.49
Krishna	..	..	27.66 (1967)	133.81 (1983)	384	90.21
Upper Tapi Stage I	..	..	12.09 (1967)	60.84 (1983)	403	52.51
Pench	..	..	26.22 (1971)	176.97 (1984)	575	78.71
Upper Pravara	..	..	7.93 (1970)	102.75 (1984)	1,196	5.70
Total 'A'	..	..	134.54	920.73		515.90
<i>B-Medium Projects—</i>							
Koradi	..	..	2.50 (1975)	5.61 (1983)	124	4.01
Mas	..	..	2.02 (1977)	4.65 (1984)	130	3.21
Adan	..	..	3.78 (1974)	11.98 (1982)	217	8.02

APPENDIX 4.2—concl'd.

			Estimated cost with year	Revised estimated cost with year	Percentage of increase in cost	Expenditure upto March 1985 (in crores of rupees)
			(in crores of rupees)			
Dehali	..	..	3.95 (1979)	9.82 (1984)	149	0.47
Sonwad	..	..	2.68 (1979)	6.20 (1982)	131	0.24
Haranbari	..	..	1.80 (1969)	7.19 (1982)	299	4.15
Loni	..	..	1.11 (1976)	3.43 (N.A.)	209	1.67
Jawalgaon	..	..	2.07 (1972)	4.05 (1977)	96	2.11
Girja	..	..	2.38 (1976)	5.40 (1981)	127	1.76
Bor	..	..	2.12 (1959)	3.72 (1967)	75	4.05
Goki	..	..	4.26 (1974)	8.15 (1982)	91	7.76
Waghadi	..	..	2.56 (1974)	5.78 (1982)	126	5.64
Total 'B'			31.23	75.98		43.09
Grand total			165.77	996.71		558.99

APPENDIX 7.1

(Reference : Paragraph 7.1.1, page 224)

Commercial and Quasi-Commercial undertakings for which pro-forma accounts were awaited

			Year for which accounts were awaited
<i>A. Agriculture and Co-operation Department</i>			
1	Greater Bombay Milk Scheme	.. ..	1984-85
2	Paragrass Production Scheme, Bombay	.. ..	1984-85
3	Unit Scheme, Bombay	.. ..	1984-85
4	Cattle Feed Scheme, Bombay	.. ..	1984-85
5	Cattle Breeding and Rearing Farm, Palghar	.. ..	1984-85
6	Government Milk Scheme, Khalapur	.. ..	1984-85
7	Government Milk Chilling Centre, Saralgaon	.. ..	1984-85
8	Government Milk Scheme, Gondia	.. ..	1984-85
9	Land Development by Bulldozers Scheme, Pune	.. ..	1984-85
<i>B. Revenue and Forests Department</i>			
10	Integrated Unit, Dahanu	.. ..	1984-85
11	Rehabilitation Production Centre, Ulhasnagar/Pimpri	.. ..	1984-85
12	Allapalli and Pedigundam Forest Ranges of Forest Division including Saw Mills and Timber Depot	1981-82 to 1984-85	
13	Integrated Unit, Ballarshah	.. ..	1984-85
14	Integrated Unit, Paratwada	.. ..	1984-85

APPENDIX 7.2

APPENDIX

(Reference: Paragraph

Summarised financial statement of departmentally

Serial number	Name	Year of commencement	Period of account	Government capital (mean capital)
(1)	(2)	(3)	(4)	(5)
AGRICULTURE AND				
<i>A. Milk Schemes—Bombay Region</i>				
1	Greater Bombay Milk Scheme ..	1947 ..	1983-84	25,20.21
2	Paragrass Production Scheme, Bombay ..	1950	1983-84	44.12
3	Unit Scheme, Bombay ..	1950	1983-84	1,91.79
4	Electricity Scheme, Bombay ..	1950	1984-85	97.32
5	Cattle Feed Scheme, Bombay ..	1950	1983-84	51.80
6	Water Works Scheme, Bombay ..	1950	1984-85	83.78
7	Government Milk Scheme, Chiplun ..	1966	1984-85	80.42
8	Government Milk Scheme, Kankavali ..	1967 ..	1984-85	42.05
9	Government Milk Scheme, Mahad ..	1966	1984-85	52.80
10	Government Milk Scheme, Ratnagiri ..	1966	1984-85	33.11
11	Government Milk Scheme, Khalapur ..	1966	1983-84	35.30
12	Government Milk Chilling Centre, Saralgaon	1979	1983-84	23.84
13	Cattle Breeding and Rearing Farm, Palghar	1979	1983-84	1,50.14
14	Dairy Project, Dapchari ..	1960	1984-85	8,43.84
15	Government Milk Chilling Centre, Wada ..	1980	1984-85	21.62
<i>Pune Region</i>				
16	Government Milk Scheme, Pune ..	1950	1984-85	7,63.49
17	Government Milk Scheme, Kolhapur ..	1968	1984-85	2,85.27
18	Government Milk Scheme, Solapur ..	1960	1984-85	2,87.65
19	Government Milk Scheme, Miraj ..	1961	1984-85	17,91.04
20	Government Milk Scheme, Mahabaleshwar	1966	1984-85	43.16
21	Government Milk Scheme, Satara ..	1979	1984-85	2,51.92

7.2

7.1.2, page 224)

managed commercial/quasi-commercial undertakings

Block assets at depreciated cost	Cumulative depreciation	Turn over	Net profit(+)/net loss (-)	Interest on mean capital	Total return (9+10)	Percentage of return on mean capital (12)
(6)	(7)	(8)	(9)	(10)	(11)	(12)

(amounts in lakhs of rupees)

CO-OPERATION DEPARTMENT

14,04.56	83.76	1,69,25.17	(-)14,84.84	2,45.72	(-)12,39.12	....
31.18	0.07(B)	37.50	(-)22.53	4.30	(-)18.23	....
1,66.77	2.26(B)	77.94	(+)2.40	18.70	(+)21.10	11.0
67.88	3.35(B)	69.95	(-)14.23	9.73	(-)4.50	....
1.32	0.03(B)	57.05	(-)6.27	5.05	(-)1.22	....
34.51	0.72(B)	42.66	(-)10.28	8.38	(-)1.90	....
29.96	2.48(B)	1,83.86	(-)24.95	8.13	(-)16.82	....
27.97	2.24(B)	75.51	(-)31.78	4.21	(-)27.57	....
29.82	1.95(B)	75.65	(-)25.64	5.28	(-)20.36	....
26.18	2.35(B)	69.71	(-)27.10	3.08	(-)24.02	....
27.93	2.13(B)	50.61	(-)16.82	3.44	(-)13.38	....
8.41	0.42(B)	37.41	(-)6.64	2.03	(-)4.61	....
1,16.15	29.96(A)	42.23	(-)43.73	12.76	(-)30.97	....
8,53.83	1,59.38(A)	27.00	(-)1,91.60	84.38	(-)1,07.22	....
12.63	0.24(B)	6.93	(-)11.21	2.27	(-)8.94	....
3,30.84	18.54(B)	24,87.65	(-)1,85.97	76.35	(-)1,09.62	....
37.87	3.97(B)	7,81.94	(-)41.03	28.53	(-)12.50	....
1,18.40	10.67(B)	9,90.86	(-)68.61	28.69	(-)39.92	....
4,28.84	27.47(B)	14,16.56	(-)1,58.64	1,71.90	(+)13.26	0.7
20.10	1.52(B)	2,15.25	(-)4.30	4.32	(+)0.02	0.04
1,42.08	9.67(B)	10,32.40	(-)32.63	14.24	(-)18.39

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APPENDIX

Serial number	Name	Year of commencement	Period of account	Government capital (mean capital)	Block assets at depreciated cost
(1)	(2)	(3)	(4)	(5)	(6)
<i>Nagpur Region</i>					
22	Government Milk Scheme, Nagpur	1958	1984-85	7,12.35	2,73.92
23	Government Milk Scheme, Chandrapur	1979	1984-85	81.98	70.43
24	Government Milk Scheme, Gondia (Bhandara)	1979	1983-84	1,39.56	89.98
25	Government Milk Scheme, Wardha	1976	1984-85	2,19.59	52.06
<i>Aurangabad Region</i>					
26	Government Milk Scheme, Aurangabad	1962	1984-85	2,87.16	1,12.64
27	Government Milk Scheme, Parbhani	1979	1984-85	1,67.51	82.33
28	Government Milk Scheme, Beed	1977	1984-85	2,66.48	1,52.21
29	Government Milk Scheme, Bhoom	1978	1984-85	2,21.20	94.48
30	Government Milk Scheme, Nanded	1977	1984-85	1,97.10	1,03.34
31	Government Milk Scheme, Udgir	1971	1984-85	7,90.97	78.24
<i>Nashik Region</i>					
32	Government Milk Scheme, Dhule	1962	1984-85	6,33.66	1,85.90
33	Government Milk Scheme, Nashik	1960	1984-85	2,30.25	87.38
34	Government Milk Scheme, Ahmadnagar	1969	1984-85	6,21.46	2,13.23
35	Government Milk Scheme, Chalisgaon	1969	1984-85	37.51	9.69
36	Government Milk Scheme, Wani	1978	1984-85	48.65	30.96

7.2—contd.

Cumulative depreciation	Turn over	Net profit(+)/ net loss (—)	Interest on mean capital	Total return (9+10)	Percentage of return on mean capital
(7)	(8)	(9)	(10)	(11)	(12)
(amounts in lakhs of rupees)					
12.37(B)	17,99.35	(—)1,39.89	39.11	(—)1,00.78	....
2.43(B)	1,08.05	(—) 34.25	5.22	(—) 29.03	....
5.65(B)	3,99.31	(—) 64.99	12.89	(—) 52.10	....
6.18(B)	4,40.19	(—) 68.74	20.27	(—) 48.47	....
10.18(B)	5,85.90	(—)1,04.02	30.15	(—) 73.87	....
5.40(B)	1,46.32	(—) 59.86	16.75	(—) 43.11	....
7.13(B)	4,90.33	(—) 82.60	26.65	(—) 55.95	....
3.53(B)	4,27.32	(—) 49.45	10.14	(—) 39.31	....
8.91(B)	2,01.14	(—) 80.30	19.71	(—) 60.59	....
2.17(B)	8,41.34	(—)2,78.76	96.76	(—)1,82.00	....
12.40(B)	23,97.59	(—)1,31.57	63.37	(—) 68.20	....
6.96(B)	5,35.63	(—)1,03.63	23.26	(—) 80.37	....
15.86(B)	16,14.91	(—)1,88.16	62.15	(—)1,26.01	....
0.68(B)	2,03.59	(—) 12.05	3.75	(—) 8.30	....
1.72(B)	66.62	(—) 15.42	4.87	(—) 10.55	....

APPENDIX

Serial number	Name	Year of commencement	Period of account	Government capital (mean capital)	Block assets at depreciated cost
(1)	(2)	(3)	(4)	(5)	(6)
<i>Amravati Region</i>					
37	Government Milk Scheme, Amravati	1962	1984-85	1,71.90	28.80
38	Government Milk Scheme, Akola	1962	1984-85	2,73.05	89.53
39	Government Milk Scheme, Nandura (Buldhana)	1978	1984-85	3,10.35	78.76
<i>B. Others</i>					
40	Land Development by Bulldozers Scheme, Aurangabad	1960	1984-85	28.24	4.69
FOOD AND CIVIL SUPPLIES DEPARTMENT					
41	Procurement, Distribution and Price Control Scheme (Bombay City)	1959	1984-85	80,48.71	9.10
42	Procurement, Distribution and Price Control Scheme, (Mofussil)	1957	1984-85	15,27.04	53.84
REVENUE AND FORESTS DEPARTMENT					
43	Rehabilitation Production Centre Ulhasnagar/Pimpri	1949	1983-84	42.57	5.67
44	Allapalli and Pedigundam Forest Ranges of Forest Division including Saw Mills and Timber Depot	1926	1980-81	5,12.98	24.83
45	Integrated Unit, Ballarshah ..	1962	1983-84	13.53	6.56
46	Integrated Unit, Dahanu ..	1962	1983-84	19.64	14.76
47	Integrated Unit, Paratwada ..	1962	1983-84	3.28	6.75

(A) Represents the balance at the credit of the Depreciation Reserve Fund

7.2—concl'd.

Cumulative depreciation	Turn over	Net profit (+)/Net loss(—)	Interest on mean capital	Total return (9+10) on mean capital	Percentage of return
(7)	(8)	(9)	(10)	(11)	(12)
(amounts in lakhs of rupees)					
3.76(B)	3,13.38	(—) 42.01	17.19	(—) 24.82	....
6.51(B)	5,03.52	(—)1,01.79	27.15	(—) 74.64	....
7.08(B)	3,87.36	(—) 85.67	31.04	(—) 54.63	....
0.32(B)	13.26	(—) 6.20	2.98	(—) 3.22	....
9.48(B)	1,12,88.23	(+)5,74.54	.....	(+)5,74.54	7.1
38.83	1,46,25.60	(—)7,14.27	.....	(—)7,14.27	....
0.40(B)	64.76	(+) 4.97	2.77	(+) 7.74	18.2
8.47(A)	1,41.68	(+)1,47.16	36.04	(+)1,83.20	35.2
0.23(B)	23.73	(+) 5.18	0.77	(+) 5.95	44.0
7.29(A)	16.14	(—) 5.40	1.79	(—) 3.61	....
0.37(B)	20.21	(+) 1.52	0.30	(+) 1.82	55.5

(B) Represents the depreciation provided for the year only

APPENDIX 7.3

(Reference: Paragraph 7.3.4, page 233)

Procurement of foodgrains from the Government of India

Period	Requirement as intimated by			Require- ment advised to Govern- ment of India	Allotment from Govern- ment of India	Quantities allotted to			Quantities actually lifted by		
	Districts	Bombay	Total			Districts	Bombay	Total	Districts	Bombay	Total
(in lakh tonnes)											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>Rice—</i>											
1981-82 ..	4.13	2.20	6.33	9.00	9.00	6.75	2.25	9.00	5.11	2.19	7.30
1982-83 ..	5.04	2.84	7.88	7.65	3.85	1.32	2.38	3.70	1.37	2.33	3.70
1983-84 ..	6.70	2.48	9.18	9.75	3.00	1.15	1.85	3.00	1.12	1.87	2.99
1984-85 ..	4.67	2.40	7.07	9.10	3.00	1.09	1.91	3.00	1.05	1.74	2.79
<i>Wheat—</i>											
1981-82 ..	7.26	2.09	9.35	7.20	5.25	3.30	1.95	5.25	3.44	2.04	5.48*
1982-83 ..	8.62	2.40	11.02	7.60	5.70	3.44	2.16	5.60	3.84	2.01	5.85*
1983-84 ..	4.53	1.92	6.45	7.90	7.15	4.90	2.24	7.14	4.16	2.21	6.37
1984-85 ..	1.90	1.68	3.58	8.85	7.20	1.67	1.72	3.39	1.26	0.92	2.18

*Quantities are slightly in excess of allotments and figures are under reconciliation.

APPENDIX 7.4

APPENDIX

(Reference: Paragraph

Procurement of foodgrains

Procurement season	Quantity procured (in lakh tonnes)	Variety	Rate per quintal fixed by	
			Government of India	Department
			Rs.	Rs.
<i>Paddy—</i>				
1981-82	0.39	{ Superior Fine Common	.. 123 .. 119 .. 115	130 126 122
1982-83	Negligible	{ Superior Fine Common	.. 130 .. 126 .. 122	130 126 122
1983-84	Negligible	{ Superior Fine Common	.. 140 .. 136 .. 132	140 136 132
1984-85	Negligible	{ Superior Fine Common	.. 145 .. 141 .. 137	145 141 137
<i>Jowar—</i>				
1981-82	1.21	{ Superior Medium Common	.. 116 .. 114 .. 112	122 120 118
	0.17	{ Blackened/ Discoloured	}	120
1982-83	1.45	{ Superior Fine Common	} 118 FAQ	122 120 118
	0.18	{ Blackened/ Discoloured	}	115 100

7.4

7.3.4, page 233)

under price support scheme

Economic price for Mofussil (rupees per quintal)		Ex-godown rate Retail price for Mofussil for Mofussil (rupees per quintal)	
240.90	.. ..	240.90	250
236.10	.. ..	236.10	245
226.50	.. ..	226.50	235
Rates not fixed			
Rates not fixed			
Rates not fixed			
Rates not fixed			
Rates not fixed			
Rates not fixed			
Rates not fixed			
Rates not fixed			
151.10	.. ..	151.10	156
148.20	.. ..	148.20	153
146.30	.. ..	146.30	151
148.40	.. ..	148.40	153
159.10 (ex-godown)	.. ..	} 125.00 130 90.00* 95* (*from 16th January 1984)	
154.20 (ex-godown)	.. ..	
154.20 (ex-godown)	.. ..	
(Retail price—			
Superior: Rs. 165.00			
Medium/Common: Rs. 160.00)			

(from 24th December 1982 to 12th January 1983)

(from 13th January 1983 to 28th February 1983)

APPENDIX

Procurement season	Quantity procured (in lakh tonnes)	Variety	Rate per quintal fixed by		
			Government of India	Department	
			Rs.	Rs.	
<i>Jowar—contd.—</i>					
1983-84 ..	0.08	{ Superior Medium Common	.. } .. } .. } FAQ	124	128
				124	126
	0.02	{ Blackened/ Discoloured	.. } .. }	....	95
1984-85 ..	1.59	{ Superior Medium Common	.. } .. } .. }	130	134
				FAQ	132
	0.10	{ Blackened/ Discoloured	.. } .. }	....	110
				....	100

7.4—concl.

Economic price for Mofussil				Ex-godown rate for Mofussil	Retail price for Mofussil
(rupees per quintal)				(rupees per quintal)	
As above	..	..	..	125	130
178.40	..	..	..	135	140
173.50					
180 (retail)					
Grains up to 5 per cent to 15 per cent					
Above 15 per cent					

APPENDIX 7.5

(Reference: Paragraph 7.3.4, page 233)

Procurement of rice in open market

Marketing season	Source	Variety	Quantity ordered (tonnes)	Quantity purchased	Rate per quintal Rs.	Ex-godown rate per quintal Rs.	Retail rate per kg Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1982-83	(1) Maharashtra State Co-operative Marketing Federation Ltd.	Superfine, Fine varieties of Parimal Safari SLO	14,500	14,729	353 to 360	} 368.30	3.85
	(2) Maharashtra State Co-operative Consumers Federation Ltd.	....	15,000	7,419*	358 to 360		
	(3) West Suburban Grocer's Co-operative Society Ltd.	SLO 614 Masoori ..	10,000	2,587	352		
1983-84	(1) Maharashtra State Co-operative Marketing Federation Ltd.	Parimal SLO ..	20,000	12,610	328.25	363.70	3.80
	(2) Maharashtra State Co-operative Consumers Federation Ltd.	Parimal SLO ..	20,000	6,867	320.75	363.70	3.80

1984-85	(1) Food Corporation of India	Export quality	..	30,000	4,353 (up to March 1985)	340.00 FOR Bombay	378.00	3.95
	(2) West Suburban Grocer's Co- operative Society Ltd.	Parimal Masoori	SLO	25,000	22,558 (up to April 1985)	315.00	Rate to be fixed.	
				Total ..	71,123			

*This includes 1,086 tonnes received at Gondia in Bhandara district, *ex-godown* rate of Rs. 371.10 per quintal was fixed for Mofussil

